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For Immediate Release

EMTA SURVEY: EMERGING MARKETS DEBT TRADING AT US$915 BILLION IN FIRST QUARTER OF 2009

Local Instruments at 72% of Turnover

NEW YORK, June 11, 2009—Emerging Markets debt trading stood at US$915 billion dollars in the first quarter of 2009. This represents a 23% decrease compared to first quarter 2008 volume of US$1.186 trillion while up 11% compared to fourth quarter 2008 volume of $823 billion (when EM fixed income levels reached their lowest quarterly levels in six years).

The Survey includes data from 46 firms active in the Emerging Markets debt trading and investment industry, including leading investment and commercial banks, asset management firms and hedge funds.

Local Market Instrument Trades at 72% of Volume

Turnover in local markets instruments stood at US$656 billion in the first quarter of 2009 according to Survey participants. This represents a 19% decline compared to trading of US$808 billion in the first quarter of 2008, while an 18% increase on fourth quarter 2008 trading of US$558 billion.

Local markets turnover accounted for 72% of total Survey turnover, above the 68% share they had represented for five previous quarters. Brazilian instruments were the most frequently traded local markets debt, at US$135 billion. Other frequently traded local instruments were those from Turkey (US$127 billion), the People’s Republic of China (US$91 billion), South Africa (US$43 billion) and India (US$41 billion).

Eurobond Volumes at US$253 Billion

Eurobond trading stood at US$253 billion in the first quarter. This compares to US$360 billion in the first quarter of 2008 (down 30%) while roughly even with volume reported in the fourth quarter.

Two-thirds of Eurobond activity involved sovereign debt issues (US$168 billion in turnover in the first quarter, compared with US$236 billion in the first quarter of 2008). Sovereign Eurobond activity accounted for 18% of overall trading.

Corporate bond trading stood at US$76 billion in the first quarter, vs. US$114 billion in the first quarter of 2008 (down 33%) and US$56 billion in the fourth quarter (up 35%). Turnover in corporate debt accounted for 8% of Survey volume.

The most frequently traded EM Eurobonds in the first quarter of 2009 included issues from Brazil (US$39 billion), Mexico (US$32 billion), Russia (US$30 billion), Venezuela (US$22 billion) and Argentina (US$15 billion).

In addition to local markets bonds, sovereign and corporate Eurobonds, the Survey also includes turnover in options, loans and Brady bonds. Survey participants reported US$5 billion in option trades (1% of volume), US$2 billion in loan assignments (less than 1% of volume) and less than US$250 million in Brady bond transactions (also less than 1% of Survey turnover).

Brazil, Turkey and China Most Frequently Traded Countries

Brazilian instruments were the most frequently traded instruments according to the EMTA Survey, with US$175 billion in turnover. This compares with US$238 billion in the first quarter of 2008 (a 27% decline) and US$164 billion in the fourth quarter of 2008 (a 7% increase). Brazil’s 2040 bond remained the most frequently traded industry instrument, accounting for US$12 billion of Survey turnover, although volume was down 58% and 8%, respectively, from the same quarter in 2008 and the previous quarter. Brazilian volumes accounted for 19% of total Survey trading, slightly below its share for the five previous quarters.

Turkish assets remained as the second most frequently traded instruments, at US$140 billion. This compares to US$96 billion in Turkish volumes in the first quarter of 2008 (up 46%) and US$67 billion in the previous quarter (up 108%). Turkish volume accounted for over 15% of Survey volume, a large jump from the 8% share it represented in both the previous quarter and the first quarter of 2008.

Chinese volumes were the Survey’s third highest, at US$92 billion (more than double both the US$41 billon in the first quarter of 2008 and US$44 billion reported by Survey participants in the fourth quarter). Chinese trading represented 10% of overall trading.

Other frequently traded instruments were securities from South Africa (US$46 billion), India (US$45 billion), Mexico (US$45 billion), Poland (US$37 billion) and Russia (US$34 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries. For a copy of EMTA's First Quarter or 2009 Annual Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (212) 313-1005.

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NOTE TO EDITORS:
Founded in 1990, EMTA (formerly the Emerging Markets Traders Association) is a not-for-profit corporation dedicated to promoting the orderly development of fair, efficient and transparent trading markets for Emerging Markets instruments, and the integration of the Emerging Markets into the global financial marketplace. EMTA, with over 150 member firms worldwide, has published its Annual Volume Surveys since 1992 and Quarterly Surveys since the first quarter of 1997.

Participants in the EMTA Survey are asked to report trades based on aggregate principal amount (face value) rather than the consideration paid.