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For Immediate Release

EMTA SURVEY: FULL YEAR 2011 EMERGING MARKETS DEBT TRADING REMAINED STRONG AT US$6.506 TRILLION

Fourth Quarter Trading Contracts to US$1.302 Trillion

NEW YORK, March 2, 2012—Emerging Markets debt trading volumes remained at high levels in 2011, according to a report released today by EMTA, the association for the Emerging Markets debt trading industry. Participants reported US$6.506 trillion in overall EM debt trading for 2011, a 4% decrease from the US$6.765 trillion reported for 2010, (which remains the highest annual volume recorded since EMTA began publishing the report in 1992).

Eric Fine, Portfolio Manager at Van Eck Global, noted that "the attractiveness of Emerging Market bond markets, whether hard-currency or local-currency, rests on many pillars, but key among them are the simple facts that emerging economies have lower debt stocks and deficits, while their central banks are more responsive to inflationary pressures than those in the developed markets."

However, trading volumes slowed in the final months of 2011. Participants in the Survey also reported volumes of US$1.302 trillion in the fourth quarter of 2011. This represents a 30% contraction vs. fourth quarter 2010 volume of US$1.861 trillion and a 26% decrease from the US$1.760 trillion reported to EMTA in the third quarter of 2011.

"The fourth quarter of 2011 was characterized by ongoing concerns over Europe, potential contagion, and high volatility in foreign exchange and other global markets; the increased investment in EM bond markets over prior quarters as a result of their strong performance during the 2008/2009 crisis perhaps planted some technical seeds of a retrenchment," Fine speculated, adding that that new heights in the EM debt asset class were easier to question during a time of increased concern over the global economy.

Local Market Instruments at 71% of 2011 Volume

Turnover in local market instruments stood at US$4.641 trillion in 2011, and represented 71% of total reported volume. This represents a 2% decrease compared to trading of US$4.743 trillion in 2010.

Hong Kong instruments were the most frequently traded local markets debt, at US$846 billion in 2011. Other frequently-traded local instruments were those from Mexico (US$704 billion), Brazil (US$528 billion), South Africa (US$380 billion) and Turkey (US$267 billion).

On a quarterly basis, local markets volumes stood at US$965 billion in the fourth quarter (or 74% of overall fourth quarter trading volumes). This compares with US$1.302 trillion reported to EMTA in the fourth quarter of 2010 (a 26% decrease) and US$1.337 trillion in the third quarter of 2011 (down 28%).

Eurobond Volumes at US$1.788 Trillion in 2011

Eurobond trading stood at US$1.788 trillion in 2011. This compares to US$1.967 trillion in 2010 (down 9%) and US$1.513 in 2009. On a quarterly basis, participants reported US$304 billion in Eurobond volume in the fourth quarter, a 44% decline from U$545 billion in the fourth quarter of 2010 and down 27% from US$414 billion in the third quarter of 2011.

53% of Eurobond activity involved sovereign debt issues in 2011, with Survey participants reporting US$941 billion in sovereign Eurobond turnover. This compares to a 55% share of Eurobond activity in 2010, when such volumes stood at US$1.089 trillion.

Corporate Eurobond trading stood at US$763 billion in 2011, compared to US$805 billion in 2010, or a 5% decrease. Sovereign Eurobond activity accounted for 15% of overall Survey volumes, with corporate trading at 12% of total turnover.

The most frequently traded individual EM Eurobonds in 2011 included Russia’s 2030 bond (US$50 billion in turnover), Venezuela’s 2022 bonds (US$17 billion), Venezuela’s 2027 bond (US$17 billion), Mexico’s 2020 bond (US$15 billion) and Mexico’s 2040 bond (US$14 billion).

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options, loans and Brady bonds. Survey participants reported US$74 billion in 2011 warrant and option trades, US$3 billion in loan assignments and less than half a billion in Brady bond trades. These categories combined represented less than two percent of total volume.

Hong Kong, Mexico, Brazil Instruments Most Frequently Traded

Hong Kong instruments were the most frequently traded instruments overall according to Survey participants, with US$896 billion in turnover. This compares with

US$665 billion in 2010 (a 35% increase). Hong Kong volumes accounted for 14% of total Survey trading.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US$868 billion, according to Survey participants. This represents a 26% increase on the US$687 billion reported in 2010. Mexican volumes accounted for 13% of total reported volume.

Third were Brazilian assets, at US$722 billion in turnover. This compares to US$959 billion in 2010, a 25% decrease. Brazilian instrument trading accounted for 11% of Survey volume.

Other frequently traded instruments were securities from Russia (US$426 billion) and South Africa (US$419 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by more than 50 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey (although limited in scope to 12 EMTA Board firms) had reported US$1.053 trillion in EM CDS volumes in 2011. This represented a 28% decrease on 2010 EM CDS trades of US$1.452 trillion.

For a copy of EMTA's Fourth Quarter or 2011 Annual Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 289-5413.

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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, and no effort is made to adjust for duplicate volumes that may be reported by each side of a trade. In these respects, the Survey's methodology has been the same since its inception.