E M T A

405 Lexington Avenue
Suite 5304
New York, NY 10174

646 676-4293

Contact: Jonathan Murno
EMTA
jmurno@emta.org

For Immediate Release

EMTA SURVEY: 2017 ANNUAL EMERGING MARKETS DEBT TRADING AT US$4.901 TRILLION

Fourth Quarter Volume at US$1.147 Trillion

NEW YORK, March 26, 2018—Emerging Markets debt trading volumes stood at US$4.901 trillion in 2017, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This represents a 5% decrease from the US$5.167 trillion reported in 2016.

EMTA also announced that Emerging Markets debt trading volumes stood at US$1.147 trillion in the fourth quarter of 2017. This compares with US$1.1132 trillion reported for the fourth quarter of 2016, a 1% increase, while down 12% from US$1.299 trillion reported in the third quarter of 2017.

"We think that lower uncertainty and lower volatility in global markets contributed to slightly lower asset turnover in 2017. The strong performance in 2017 contributed to market confidence and greater inflows but less portfolio adjustment," commented Jane Brauer, Director and EM Sovereign Strategist at Bank of America Merrill Lynch.

Local Markets Instruments at 56% of Volume

Turnover in local markets instruments stood at US$2.747 trillion in 2017, accounting for 56% of total reported volume. This compares to US$3.209 trillion in 2016, a 14% decrease.

Mexican instruments were the most frequently traded local markets debt in 2017, at US$500 billion. Other frequently-traded local instruments were those from Brazil (US$433 billion), India (US$350 billion), South Africa (US$333 billion) and China (US$182 billion).

Eurobond Volumes at US$2.120 Trillion

Eurobond trading stood at US$2.120 trillion in 2017, up 10% compared with 2016's US$1.932 trillion.

54% of Eurobond activity involved sovereign debt issues in 2017, with Survey participants reporting US$1.163 trillion in sovereign Eurobond turnover. This compared to a 53% share of Eurobond activity in the previous year, when such volumes stood at US$1.023 trillion.

Corporate Eurobond trading stood at US$801 billion in 2017, accounting for 38% of total Eurobond activity (vs. a 44% share in 2016). Sovereign Eurobond activity accounted for 24% of overall Survey volumes, with corporate trading at 16% of total turnover.

The most frequently traded Eurobond in 2017, according to Survey participants, was Argentina's 2026 at US$16.1 billion in turnover. Other frequently traded bonds include Turkey's 2027 bond (US$14.5 billion), Brazil's 2026 bond (US$13.9 billion in turnover), Argentina's 2027 bond and Brazil's 2025 bond (both at US$12.9 billion). Petrobras' 2021 bond (US$11.3 billion) was the most frequently traded corporate bond in the Survey.

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options and loans. Survey participants reported US$32 billion in warrant and option trades during the year and US$1 billion in loan assignments.

Mexican, Brazilian and Chinese Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$699 billion in turnover. This compared to US$876 billion reported in 2016 (down 20%). Mexican volumes represented 14% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$651 billion, according to Survey participants. This represents a 13% increase on the US$574 reported in 2016. Brazilian volumes accounted for 13% of total reported volumes.

Third were Chinese assets, whose volume stood at US$400 billion. This compares to US$385 billion in 2016. Chinese instrument trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from India and South Africa (both at US$382 billion).

Despite the drop in 2017 volumes, Brauer was optimistic that trading volumes would recover. "Given the volatility and performance we have seen already in 2018, we expect an uptick in trading volume in the coming year," she stated.

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 45 leading investment and commercial banks, asset management firms and hedge funds.

For a copy of EMTA's Fourth Quarter 2017 or 2017 Annual Debt Trading Volume Surveys, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 676-4293.

******

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 180 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.