For Immediate Release

EMTA SURVEY:
FIRST QUARTER EMERGING MARKETS DEBT TRADING
AT US$1.492 TRILLION

VOLUMES UP 8% ON YEAR-ON-YEAR BASIS

NEW YORK, June 29, 2020 — Emerging Markets debt trading volumes stood at US$1.492 trillion in the first quarter of 2020, according to a report released today by EMTA, the trade association for the Emerging Markets trading and investment industry. This compares with US$1.381 trillion reported for the first quarter of 2019, an 8% increase, and up 12% from US$1.333 trillion reported in the fourth quarter of 2019.

EMTA noted that the quarter was marked by a rapid downgrading of previous global growth expectations, as the full effects of the Covid-19 pandemic became apparent, and prior concerns over factors such as populist movements and trade wars were replaced by the focus on the coronavirus.

Local Markets Instruments at 60% of Volume

Turnover in local markets instruments stood at US$897 billion in the first quarter of 2020, accounting for 60% of total reported volume. This compares to US$808 billion in the first quarter of 2019, an 11% increase, and to US$784 billion in the fourth quarter of 2019, a 14% increase.

Mexican instruments were the most frequently traded local markets debt in the first quarter of 2020, at US$207 billion. Other frequently-traded local instruments were those from Brazil (US$112 billion), India (US$87 billion), South Africa (US$72 billion) and China (US$57 billion).
Eurobond Volumes at US$592 Billion

Eurobond trading stood at US$592 billion in the first quarter of 2020, up 3% from the US$572 billion reported in the first quarter of 2019, while an 8% increase on the US$547 billion reported in the fourth quarter of 2019.

64% of Eurobond activity involved sovereign debt issues in the first quarter, with Survey participants reporting US$381 billion in sovereign Eurobond turnover. This compares to a 54% share of Eurobond activity in the previous quarter, when such volumes stood at US$295 billion.

Corporate Eurobond trading stood at US$204 billion in the first quarter of 2020, accounting for 34% of total Eurobond activity (vs. a 42% share in the prior quarter). Sovereign Eurobond activity accounted for 26% of overall Survey volumes, with corporate trading at 14% of total turnover.

The most frequently traded Eurobonds in the first quarter, according to Survey participants, were Mexico’s 2030 bond, at US$7.3 billion in turnover. Other frequently traded bonds include Turkey’s 2030 and 2025 bonds (at US$5.7 billion and $5 billion respectively), Pemex’s 2060 bond (at US$4.7 billion in turnover and the most frequently-traded corporate debt instrument), and Mexico’s 2029 bond ($4.2 billion).

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$2.8 billion in loan assignments and US$113 million in warrant and option trades.

Mexican, Brazilian and Chinese Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$290 billion in turnover. This compared to US$227 billion reported in the first quarter of 2019 (up 28%), while up 22% vs. US$239 billion reported in the fourth quarter. Mexican volumes represented 19% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$161 billion, according to Survey participants. This represents a 6% decline on first quarter 2019 volume of US$172 billion and a 26% decrease compared to the US$217 billion reported in the fourth quarter. Brazilian volumes accounted for 11% of total reported volumes.

Third were Chinese assets, whose volume stood at US$104 billion. This compares to US$93 billion in the first quarter of 2019 (up 11%) and US$82 billion in the fourth quarter (up 26%). Chinese instrument trading accounted for 7% of Survey volume.

Other frequently traded instruments were securities from India (US$97 billion) and South Africa (US$84 billion).
EMTA’s Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 41 leading investment and commercial banks, asset management firms and hedge funds.

For a copy of EMTA’s First Quarter 2020 Emerging Markets Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org.

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NOTE TO EDITORS:
Founded in 1990, EMTA (aka 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 175 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.