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For Immediate Release

**EMTA SURVEY:
FIRST QUARTER EMERGING MARKETS DEBT TRADING
AT US\$1.381 TRILLION**

Volumes Up 8% on Year-on-Year Basis

NEW YORK, June 26, 2019 — Emerging Markets debt trading volumes stood at US\$1.381 trillion in the first quarter of 2019, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US\$1.280 trillion reported for the first quarter of 2018, an 8% increase, and up 29% from US\$1.067 trillion reported in the fourth quarter of 2018.

“The first quarter of 2019 brought a market recovery after a 9-month decline. A more dovish tone from the Fed and the ECB, a weaker USD and wide spreads prompted a recovery of underperforming assets, and encouraged greater issuance and more active portfolio management,” stated Jane Brauer, Director and EM Sovereign Strategist at Bank of America Merrill Lynch.

Local Markets Instruments at 58% of Volume

Turnover in local markets instruments stood at US\$808 billion in the first quarter of 2019, accounting for 58% of total reported volume. This compares to US\$684 billion in the first quarter of 2018, an 18% increase, and to US\$690 billion in the fourth quarter of 2018, a 17% increase.

Mexican instruments were the most frequently traded local markets debt in the first quarter of 2019, at US\$164 billion. Other frequently-traded local instruments were those from India (US\$127 billion), Brazil (US\$123 billion), South Africa (US\$52 billion) and China

(US\$46 billion). Brauer explained that, in many EM countries, “local markets activity was high as investors traded on rate cuts and easing rate expectations.”

Eurobond Volumes at US\$573 Billion

Eurobond trading stood at US\$573 billion in the first quarter of 2019, down 3% from the US\$590 billion reported in the first quarter of 2018, while a 53% increase on the US\$375 billion reported in the fourth quarter of 2018.

59% of Eurobond activity involved sovereign debt issues in the first quarter, with Survey participants reporting US\$339 billion in sovereign Eurobond turnover. This compares to a 57% share of Eurobond activity in the previous quarter, when such volumes stood at US\$216 billion.

Corporate Eurobond trading stood at US\$224 billion in the first quarter of 2019, accounting for 39% of total Eurobond activity (vs. a 41% share in the prior quarter). Sovereign Eurobond activity accounted for 25% of overall Survey volumes, with corporate trading at 16% of total turnover.

The most frequently traded Eurobonds in the first quarter, according to Survey participants, were Mexico’s 2029 bond, at US\$5.7 billion in turnover. Other frequently traded bonds include Argentina’s 2028 bond (at US\$4.4 billion), Brazil’s 2028 bond (US\$4.2 billion in turnover), Saudi Arabia’s 2050 bond (US\$4 billion) and Turkey’s 2029 bond (also US\$4 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\$689 million in warrant and option trades and US\$410 million in loan assignments.

Mexican, Brazilian and Indian Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US\$227 billion in turnover. This compared to US\$143 billion reported in the first quarter of 2018 (up 58%), while up 11% vs. US\$205 billion reported in the fourth quarter. Mexican volumes represented 16% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US\$172 billion, according to Survey participants. This represents a 9% increase on first quarter 2018 volume of US\$158 billion and up 25% compared to the US\$138 billion reported in the fourth quarter. Brazilian volumes accounted for 12% of total reported volumes.

Third were Indian assets, whose volume stood at US\$141 billion. This compares to US\$74 billion in the first quarter of 2018 (up 91%) and US\$100 billion in the fourth quarter (up 40%). Indian instrument trading accounted for 10% of Survey volume.

Other frequently traded instruments were securities from China (US\$93 billion) and South Africa (US\$68 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 44 leading investment and commercial banks, asset management firms and hedge funds.

For a copy of EMTA's First Quarter 2019 Emerging Markets Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org.

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.