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For Immediate Release

EMTA SURVEY: FIRST QUARTER EMERGING MARKETS DEBT TRADING AT US$1.226 TRILLION

Volumes Down 23% Compared to First Quarter 2014

NEW YORK, June 11, 2015—Emerging Markets debt trading volumes stood at US$1.226 trillion in the first quarter of 2015, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading industry. This compares with US$1.589 trillion reported for the first quarter of 2014, a 23% decrease, while up one percent compared to US$1.210 trillion reported in the fourth quarter.[1]

"Emerging Markets had a rather bumpy start to 2015. Many large countries have seen a sharp increase in financial market volatility, as a result of a stronger dollar, uncertainties surrounding the monetary policies--both in EM and DM--and a deteriorating growth outlook," stated Dr. Murat Ulgen, Managing Director and Global Head of Emerging Markets Research at HSBC. Ulgen cited the fallout of weak global trade on EM, falling prices for commodity producers and post-"taper tantrum" erratic capital flows as sources of additional headwinds to the asset class.

Local Markets Instruments at 53% of Volume

Turnover in local markets instruments stood at US$652 billion in the first quarter, accounting for 53% of total reported volume. This compares to US$984 billion in the first quarter of 2014, a 34% decrease and US$688 billion in the fourth quarter, representing a 5% decrease. EMTA noted that the share of local markets volume has declined steadily for the past eight quarters.

[1] EMTA noted that the comparison was somewhat skewed by a decreased number of Survey participants in the first quarter 2015 report. The first quarter 2015 report includes, net, 4 less participants than the fourth quarter 2014 report and, net, 7 less participants than in the first quarter of 2014, with some firms joining the Survey as other did not participate.

Mexican instruments were the most frequently traded local markets debt in the first quarter, at US$201 billion. Other frequently-traded local instruments were those from Brazil (US$109 billion), South Africa (US$74 billion), India (US$38 billion) and South Korea (US$32 billion).

Eurobond Volumes at US$571 Billion

Eurobond trading stood at US$571 billion in the first quarter, down 4% compared with first quarter 2014's US$596 billion, while up 10% vs. US$519 billion in the fourth quarter.

56% of Eurobond activity involved sovereign debt issues in the first quarter of 2015, with Survey participants reporting US$319 billion in sovereign Eurobond turnover. This compares to a 51% share of Eurobond activity in the previous quarter, when such volumes stood at US$264 billion.

Corporate Eurobond trading stood at US$241 billion in the first quarter, accounting for 42% of total Eurobond activity (compared to 45% in the previous quarter). Sovereign Eurobond activity accounted for 26% of overall Survey volumes, with corporate trading at 20% of total turnover.

The most frequently traded individual EM Eurobonds in the first quarter included Russia's 2030 bond (US$28 billion in turnover), Brazil's 2025 bond (US$10 billion), Brazil's 2045 bond (US$4 billion), Mexico's 2046 bond (US$4 billion) and Colombia's 2045 bond (also US$4 billion).

EMTA's report includes expanded listings of individual corporate bonds. With these additions, two PDVSA issuances and Petrobras' 2024 bond were included in the ten most frequently traded EM Eurobonds in the first quarter.

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 over US$3 billion in warrant and option trades during the year, US$250 million in loan assignments and no trading of the industry's few remaining Brady bonds.

Mexico, Brazil and South Africa Instruments Most Frequently Traded

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$264 billion in turnover. This compares with US$273 billion in the first quarter of 2014 (a 4% decrease) and up 17% vs. fourth quarter volumes of US$226 billion. Mexican volumes accounted for 21% of total Survey trading, compared to 19% in the previous quarter.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$188 billion, according to Survey participants. This represents a 27% increase on the US$148 billion reported in the first quarter last year and a 43% increase on fourth quarter volumes of US$131 billion. Brazilian volumes accounted for 15% of total reported volume (up from 11% in the prior quarter).

Third were South African assets, at US$90 billion in turnover. This compares to US$71 billion in the first quarter of 2014, a 27% increase, and a 21% increase on fourth quarter volume of $75 billion. South African instrument trading accounted for 7% of Survey volume.

Other frequently traded instruments were securities from Russia (US$83 billion) and Turkey (US$48 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 43 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey for the CDS markets (although limited in scope to 13 EMTA Board firms) had reported a contraction in trading. The CDS Survey's participants reported US$383 billion in EM CDS volumes in the first quarter of 2015. This compared to US$409 billion in EM CDS contract volume in the same quarter in 2014 (representing a 6% decrease), and was down one per cent compared to reported fourth quarter CDS volume of US$385 billion.

For a copy of EMTA's First Quarter 2015 Debt Trading Volume Surveys, 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 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.