360 Madison Ave., 17th fl.
New York, NY 10017

+1 (646) 289 5410

Contact: Jonathan Murno
EMTA
+1 (646) 289-5413
jmurno@emta.org

For Immediate Release

EMTA SURVEY:
EMERGING MARKETS CDS TRADES
AT US$213 BILLION IN THIRD QUARTER

Volume Down 22% on Year-on-Year Basis

NEW YORK, November 26, 2012--Trading in Emerging Markets Credit Default Swaps (CDS) stood at US$213 billion in the third quarter of 2012, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry.

This compares to US$274 billion in Emerging Markets CDS contract volume in the third quarter of 2011 (representing a 22% decrease), and US$218 billion in second quarter 2012 volumes (a 2% decrease).

"CDS traded volumes continue to drop," noted Regis Chatellier, Senior EM sovereign strategist at Morgan Stanley. He added that, "beyond the constraints of new regulations, such as the ban of uncovered short selling using sovereign CDS contracts, the high level of liquidity in the market has been favoring bond investments at the expense of credit default swaps."

The largest CDS volumes in the Survey during the quarter were those on Brazil, at US$31 billion. EMTA Survey participants also reported US$25 billion in Turkish CDS and US$23 billion in Mexican CDS.

The highest reported volumes of nine corporate CDS contracts included in the Survey were those on Gazprom (US$2 billion). Participants also reported over US$1 billion in PDVSA and Petrobras CDS trades during the quarter.

For a copy of EMTA's Third Quarter 2012 CDS Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 289-5413.

****

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 of Debt Trading since 1992. EMTA begin publishing CDS volumes in 2009.

For its survey, EMTA collected data from 12 major international banks and broker-dealers on Emerging Market CDS contracts. Participants were asked to report their CDS volumes on 19 Emerging Markets countries and 9 EM corporate issuers. The survey is based on notional value of CDS trades and includes rollovers, but not netting trades or internal transfers.