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For Immediate Release

EMTA SURVEY:
EMERGING MARKETS CDS TRADES AT US$212 BILLION IN FIRST QUARTER

EM CDS Volumes Down 10% vs. 1Q 2012 Levels, While Up 49% on QoQ Basis

NEW YORK, April 29, 2013--Trading in Emerging Markets Credit Default Swaps (CDS) stood at US$212 billion in the first quarter of 2013, according to a Survey polling 12 major dealers released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry.

This compares to US$235 billion in reported Emerging Markets CDS contract volume in the first quarter of 2012 (representing a 10% decrease), and US$142 billion in fourth quarter 2012 volumes (a 49% increase).

Hongtao Jiang, Head of EM Sovereign Credit at Deutsche Bank, noted that "the sharp increase in quarter-on-quarter volumes reflects abnormally low 4Q 2012 levels, when the reduction in risk limits--and the exit from the market by some dealers—led to a low level of activity." He added that increased 1Q 2013 CDS volumes were best viewed as "a correction, and do not necessarily indicate an upward trend in activity."

The largest CDS volumes in the Survey during the quarter were those on Brazil, at US$48 billion. Jiang cited proxy demand for Brazil CDS due to weakness in the corporate sector as supporting Brazilian volumes.

EMTA Survey participants also reported US$28 billion in Mexican CDS and US$17 billion in Russian CDS.

Jiang also pointed out a continued decline in activity in EU sovereigns, which he attributed to the effect of a regional ban on naked long protection positions that went into effect late last year. Polish CDS volumes were down 52% on a quarter-on-quarter basis, while Hungarian CDS activity decreased 39%, despite the overall uptick in CDS volumes.

The EMTA Survey also included volumes on nine corporate CDS contracts. Those with the highest reported volume in the Survey were on Petrobras (US$2.6 billion). Participants also reported over US$1 billion in Gazprom, PDVSA and Pemex CDS trades during the quarter.

For a copy of EMTA's First Quarter 2013 CDS Trading Volume Survey, 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 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.