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For Immediate Release

EMTA SURVEY: QUARTERLY EMERGING MARKETS DEBT TRADING AT US$1.152 TRILLION

Lowest Annual Volumes Since 2009

NEW YORK, March 29, 2016—Emerging Markets debt trading volumes stood at US$1.152 trillion in the fourth quarter of 2015, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US$1.210 trillion reported for the fourth quarter of 2014, a 5% decrease, while up one percent from US$1.137 trillion reported in the third quarter.

EMTA also announced that 2015 annual EM debt trading stood at US$4.726 trillion. This compares with US$5.922 trillion in 2014, representing a 20% decline, and the lowest reported annual trading volume since 2009.

Drausio Giacomelli, Head of Emerging Markets Economics and Strategy at Deutsche Bank, attributed the drop in annual volume to a combination of factors. "Generally, this drop reflects the reduction in allocations to EM assets due to increased volatility, reduced growth prospects, and altogether disappointing performance," he stated. Giacomelli added that, "*'risk-off'* in EM tends to weigh more heavily on local markets and less liquid corporate bonds, and this was the norm last year; while the implementation of tighter regulation across banks (with the Volcker Rule in full force) appears to have also played an important role in trimming inventory and thus liquidity."

Local Markets Instruments at 64% of Volume

Turnover in local markets instruments stood at US$740 billion in the fourth quarter, accounting for 64% of total reported volume. This compares to US$688 billion in the fourth quarter of 2014, a 7% increase, and US$706 billion in the third quarter, representing a 5% percent increase.

Mexican instruments were the most frequently traded local markets debt in the fourth quarter, at US$187 billion. Other frequently-traded local instruments were those from India (US$131 billion), China (US$68 billion), Brazil (US$66 billion) and South Korea (US$47 billion).

Eurobond Volumes at US$406 Billion

Eurobond trading stood at US$406 billion in the fourth quarter, down 22% compared with fourth quarter 2014's US$519 billion, and down 5% vs. US$430 billion in the third quarter.

54% of Eurobond activity involved sovereign debt issues in the fourth quarter of 2015, with Survey participants reporting US$219 billion in sovereign Eurobond turnover. This compared to a 51% share of Eurobond activity in the previous quarter, when such volumes stood at US$222 billion.

Corporate Eurobond trading stood at US$172 billion in the fourth quarter, accounting for 42% of total Eurobond activity (vs. a 46% share in the previous quarter). Sovereign Eurobond activity accounted for 19% of overall Survey volumes, with corporate trading at 15% of total turnover.

The most frequently traded individual EM Eurobonds in the quarter included Brazil's January 2025 bond (US$5.7 billion in turnover), Brazil's 2045 bond (US$4 billion), PDVSA's 2017 bond (US$3.1 billion), Brazil's January 2021 bond (US$3 billion) and Mexico's 2025 bond (US$2.6 billion).

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$4 billion in warrant and option trades during the quarter, US$843 million in loan assignments and no trading of the industry's few remaining Brady bonds.

Mexican, Indian and Brazilian 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 equaled the volume reported in the fourth quarter of 2014, while down 9% vs. third quarter volumes of US$248 billion. Mexican volumes represented 20% of overall volumes.

Indian instruments were the second most frequently traded instruments in the EMTA report, at US$135 billion, according to Survey participants. This represents a 53% increase on the US$88 billion reported in the fourth quarter last year and a 114% increase on third quarter volumes of US$63 billion. Indian volumes accounted for 12% of total reported volumes.

Third were Brazilian assets, whose volume stood at US$128 billion. This compares to US$131 billion in the fourth quarter of 2014, a 3% decrease, and a 16% decrease on third quarter volume of US$153 billion. Brazilian instrument trading accounted for 11% of Survey volume.

Other frequently traded instruments were securities from China (US$84 billion) and South Africa (US$53 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 49 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 US$254 billion in EM CDS volumes in the fourth quarter of 2015, down 34% compared to US$385 billion in CDS volume reported in the fourth quarter of 2014, and a 33% decrease compared to third quarter's US$376 billion.

For a copy of EMTA's Fourth Quarter 2015 or 2015 Annual 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.