E M T A

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

646 289- 5413
646 289- 5429 Fax

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

For Immediate Release

EMTA SURVEY:
EMERGING MARKETS DEBT TRADING AT US$1.402 TRILLION IN FIRST QUARTER 2010

Volume Up 53% Compared to First Quarter 2009

NEW YORK, May 20, 2010—Emerging Markets debt trading volumes stood at US$1.402 trillion in the first quarter of 2010, according to a report released today by EMTA, the Emerging Markets debt industry trade association. This represents an increase of 53% compared to first quarter 2009 volumes of US$915 billion, during the trough of the global recession, and US$1.422 trillion in the fourth quarter of 2009.

Jane Brauer, Director and Senior Quantitative Strategist at Bank of America Merrill Lynch commented "Risk appetites were high in both the fourth quarter of 2009 and first quarter of 2010, and bonds rallied. However, recent concerns about Greece, the Eurozone and possible contagion have resulted in a more difficult trading environment now, adversely affecting issuance and liquidity of corporate bonds."

Local Market Instruments at 69% of Volume

Turnover in local market instruments stood at US$960 billion in the first quarter of 2010, according to Survey participants. This represents a 46% increase compared to trading of US$656 billion in the first quarter of 2009, and a small decrease from fourth quarter volume of US$965 billion.

Local markets turnover accounted for 69% of total Survey turnover, compared to 72% in the same quarter last year. Brazil instruments were the most frequently traded local markets debt, at US$196 billion. Other frequently traded local instruments were those from

Mexico (US$153 billion), South Africa (US$97 billion), Poland (US$63 billion) and Turkey (US$61 billion).

"The large inflows into local markets should continue to generate increased trading of local market debt," noted Brauer.

Eurobond Volumes at US$426 Billion

Eurobond trading stood at US$426 billion in the first quarter of 2010. This compares to US$252 billion in the first quarter of 2009 (up 69%) and US$428 billion in the fourth quarter (a less than one percent decrease).

60% of Eurobond activity involved sovereign debt issues (US$255 billion in turnover, compared with US$168 billion in the same quarter last year, representing a 52% increase). Sovereign Eurobond activity accounted for 18% of overall Survey volumes.

Corporate bond trading stood at US$159 billion, compared to US$76 billion in the first quarter of 2009 (a 109% increase). Turnover in corporate debt accounted for 11% of overall Survey volume.

The most frequently traded individual EM Eurobonds in the first quarter included Russia's 2030 bond (US$13 billion in turnover), South Africa's new 2020 bond (US$8 billion), Brazil's 2040 bond (US$6 billion), Venezuela's 2027 bond (US$5 billion) and Turkey's 2040 issue (US$5 billion).

In contrast to expectations of strong local markets volume going forward, Brauer believes "sovereign trading volume could continue to decline slowly because investors are hesitant to sell bonds, even in a weak market, given the scarcity and thus difficulty of replacing them.

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in options, loans and Brady bonds. Survey participants reported US$14 billion in option trades (1% of volume), US$2 billion in Brady trades (mostly from the Cote d'Ivoire restructuring; and less than one percent of volume) and less than US$1 billion in loan assignments (also less than 1% of Survey turnover).

Brazil, Mexico and South Africa Most Frequently Traded Countries

Brazilian instruments were the most frequently traded instruments according to the Survey, with US$254 billion in turnover. This compares with US$175 billion in the first quarter of 2009 (a 45% increase). Brazilian volumes accounted for 18% of total Survey trading.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US$181 billion, according to Survey participants. This represents a 308% increase on the US$45 billion reported in the first quarter of 2009. Mexican volumes accounted for 13% of total reported volume.

Third were South African assets, at US$115 billion in turnover. This compares to US$46 billion in the first quarter of 2009, a 148% increase. South African trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from Turkey (US$82 billion), Poland (US$76 billion), Hong Kong (US$73 billion) and Russia (US$69 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 50 leading investment and commercial banks, asset management firms and hedge funds. For a copy of EMTA's First Quarter 2010 Debt 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 150 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.