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For Immediate Release

EMTA SURVEY:
SECOND QUARTER EMERGING MARKETS DEBT TRADING AT US$1.211 TRILLION

Volumes Down 9% on Year-on-Year Basis

NEW YORK, September 20, 2019 — Emerging Markets debt trading volumes stood at US$1.211 trillion in the second quarter of 2019, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US$1.327 trillion reported for second quarter of 2018, a 9% decrease, and down 12% from the US$1.381 trillion reported in the first quarter of 2019.

"The decline in trading volume in 2Q was concentrated in local currency trading, whereas hard-currency trading increased, and is likely due to outflows from local currency funds, stated Eric Fine, Managing Director and Portfolio Manager at Van Eck. Fine highlighted that Venezuela trading collapsed during the 2Q due to trading restrictions enacted in the US.

Local Markets Instruments at 55% of Volume

Turnover in local markets instruments stood at US$663 billion in the second quarter, accounting for 55% of total reported volume. This compares to US$821 billion in the second quarter of 2018, a 19% decrease, and to US$808 billion in the first quarter of 2019, an 18% decrease.

Mexican instruments remained the most frequently traded local markets debt in the second quarter of 2019, at US$147 billion. Other frequently-traded local instruments were those from Brazil (US$127 billion), India (US$69 billion), China (US$53 billion) and South Africa (US$34 billion).

Eurobond Volumes at US$547 Billion

Eurobond trading stood at US$547 billion in the second quarter of 2019, up 10% from the US$497 billion reported in the second quarter of 2018, while a 4% decrease on the US$572 billion reported in the first quarter of 2019.

60% of Eurobond activity involved sovereign debt issues in the second quarter, with Survey participants reporting US$330 billion in sovereign Eurobond turnover. This compares to a 59% share of Eurobond activity in the previous quarter, when such volumes stood at US$337 billion.

Corporate Eurobond trading stood at US$204 billion in the second quarter of 2019, accounting for 37% of total Eurobond activity (vs. a 39% share in the prior quarter). Sovereign Eurobond activity accounted for 27% of overall Survey volumes, with corporate trading at 17% of total turnover.

The most frequently traded Eurobonds in the quarter, according to Survey participants, were Argentina's 2028 bond, at US$5.2 billion in turnover. Other frequently traded bonds include Petrobras' 2049 bond (at US$4.8 billion), Argentina's Par and 2021 bonds (US$4.6 billion and US$4.3 billion, respectively), and Saudi Arabia's 2050 bond (US$4.1 billion.)

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options and loans. Survey participants reported US$1.5 billion in warrant and option trades and just over US$100 million in loan assignments.

Mexican, Brazilian and Chinese Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$206 billion in turnover. This compared to US$254 billion reported in the second quarter of 2018 (down 18%), and down 9% vs. US$227 billion reported in the first quarter. Mexican volumes represented 17% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$176 billion, according to Survey participants. This represents an 8% increase on second quarter 2018 volume of US$162 billion and up 2% compared to the US$172 billion reported in the first quarter. Brazilian volumes accounted for 15% of total reported volumes.

Third were Chinese assets, whose volume stood at US$91 billion. This compares to US$80 billion in the second quarter of 2018 (up 14%), while down 3% on the US$94 billion reported in the first quarter. Chinese instrument trading accounted for 7% of Survey volume.

Other frequently traded instruments were securities from India (US$80 billion) and Argentina (US$61 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.

For a copy of EMTA's Second Quarter 2019 Emerging Markets Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org.

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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.