

Possible Steps for Maduro, Opposition Analyzed on EMTA Webinar

The options and possible paths for the Maduro administration, the opposition and the international community were debated on EMTA's Webinar on the Venezuela Election Results on August 1, 2024. Ramiro Blazquez (BancTrust) moderated the call, with insight provided by Anne Milne (BofA Securities), Hans Humes (Greylock Capital Management), David Rolley (Loomis, Sayles) and Graham Stock (RBC BlueBay Asset Management). The Webinar was sponsored by BancTrust, with additional support provided by BofA Securities.

(continued on [page 5](#))



Contents Include:

Possible Steps Forward in Venezuela.....	1
Ukraine Completes Exchange Offer.....	1
Champerty Bill Does Not Pass in NY	2
Ghana and Zambia Reach Restructuring Accords...	3
Natogaz Bond Recommendations Issued.....	4
Venezuela Credit Committee Readies Itself.....	7
EMTA Collaborates with ISDA on Revising the 1998 FX and Currency Option Definitions.....	8
EMTA Ruble Working Group Addresses New Sanctions	9
EM Corporates Maintain Generally Strong Fundamentals	10
Global Macro and US Elections the Focus of Summer Forum	12
Panelists Warn of “Headline Bingo” in Mexico	16
Updates on EMTA FX/NDF Market Practices	18
Upcoming Events Boston, NYC, London, Hong Kong, Singapore, Cape Town and Johannesburg	21
EMTA to Hold Inaugural Paris Forum.....	22
EMTA Annual Meeting Set for December 9.....	25

Ukraine Completes Exchange Offer

On July 22, 2024, Ukraine, advised by Rothschild & Co and White & Case LLP, acting respectively as financial and legal advisors, announced that, following private discussions with members of the *ad hoc* creditor committee, advised by PJT Partners Limited and Weil, Gotshal & Manges (London) LLP, it has reached an Agreement in Principle with the committee on the key financial and non-financial terms of a proposed restructuring transaction for over \$20 billion of debt. The agreement, which includes major investors like Amundi and BlackRock, needed approval from at least two-thirds of bondholders.

(continued on [page 4](#))

Proposed NY Champerty Bill Does Not Pass

There were several pending bills in the New York State legislature (including the Sovereign Debt Stability Act) relating to the restructuring and enforceability of sovereign debt that, if enacted, would likely have had a negative effect on the market for EM sovereign debt. The bills were similar to ones that have been proposed for the past several years (but lapsed without enactment), and the current bills are opposed by major financial trade associations, including SIFMA, ICMA and IIF.

One of these bills relating to champerty (an arcane law that prohibited purchasing claims with the intention of selling them) passed the New York Senate on June 7, 2024, and awaited a vote in the Assembly. However, the legislative session ended without the Assembly taking up the proposed champerty bill. Therefore, unless there is a special session in 2024, this topic will not be addressed until the 2025 session begins early next year, if at all.

[Click Here](#) for the Press Release relating to passage of the champerty bill in the Senate.

[Click Here](#) for the champerty bill; and [Click Here](#) for the Sovereign Debt Stability Act.

For further information, please contact Aviva Werner at awerner@emta.org.

Ghana Reaches Restructuring Agreement in Principle with Bondholders

On June 24, 2024, the Republic of Ghana, advised by Lazard Frères and Hogan Lovells, acting respectively as financial and legal advisors, announced that it has reached an Agreement in Principle with the members of the Steering Committee of the *Ad Hoc* Creditor Committee of International Bondholders, advised by Rothschild & Cie and Orrick, Herrington & Sutcliffe LLP, and with members of the Steering Committee of the Creditor Committee of Regional Bondholders, advised by Renaissance Capital Africa, on restructuring of certain of its Eurobonds. [Click Here](#) for the Press Release, which includes financial terms.

On July 8, 2024, Ghana announced that this Agreement in Principle is also consistent with the Comparability of Treatment principle. According to the OCC Common Framework for Debt Restructuring, there must be comparable treatment of Ghana's debt due to all its other external creditors in the scope of the restructuring. [Click Here](#) for the Press Release.

For further information, please contact Aviva Werner at awerner@emta.org.

Zambia Clarifies Restructuring Settlement Arrangements

On June 4, 2024, after more than three years following Zambia's default on November 13, 2020, Zambia announced the final results of its Consent Solicitation, thus completing a successful restructuring with a high acceptance rate for all the bonds.

On June 25, 2024, Zambia clarified the settlement arrangements, whereby all payments of principal and interest paid or to be paid on the New Notes held by the Custodian on behalf of Uninstructed Holders prior to the Interim Distribution Date or the Final Distribution Date have been, or will be, paid to the Custodian. [Click Here](#) for the Press Release.

For further information, please contact Aviva Werner at awerner@emta.org.

Ukraine (continued)

The agreement replaced a two-year moratorium on bond payments that was granted after Russia's full-scale invasion of Ukraine in 2022, but was due to expire in August. [Click Here](#) for the Press Release, which includes financial terms.

On August 9, 2024, Ukraine announced an exchange offer and consent solicitation for its existing Sovereign Eurobonds and Ukravtodor Guaranteed Eurobonds, which incorporated the terms of the Agreement in Principle reached with the *ad hoc* creditor committee. [Click Here](#) for the Press Release.

On August 28, 2024, Ukraine announced the results of its Exchange Offer, with participation of over 97.38% of the aggregate principal amount of the outstanding Existing Notes, and with the participation levels per Series of Existing Notes ranging from 95-98.87%. Settlement was expected on August 30, 2024. [Click Here](#) for the Press Release.

On September 3, 2024, Ukraine announced the successful settlement of its exchange offer. [Click Here](#) for the Press Release.

For further information, please contact Aviva Werner at awerner@emta.org.

EMTA Recommends Market Practices for Ukraine's Naftogaz USD 2025 and EUR 2026 Bonds

On August 7, 2024, following consultations with major market participants, EMTA recommended Market Practices for Ukraine's Naftogaz USD 2025 and EUR 2026 Bonds, updating the October 2, 2023 Market Practice recommendations for such bonds. The USD 2028 Bonds will continue to trade flat until more information is available on payments on such bonds as they are currently in the interest deferral period.

EMTA worked cooperatively with Bloomberg to change its screens as it became apparent that payments were made in cash, even though the consent solicitation indicated that deferred interest can be capitalized at the discretion of the company. [Click Here](#) for the recent Naftogaz Market Practices.

EMTA has worked well with Bloomberg over the years to poll market participants and update Bloomberg screens, as needed. Another recent example of this related to the Zoren 2026 bonds, where Bloomberg was not applying a sink factor on its YAS page since the clearing houses were treating recent redemptions as "lottery sinks." While EMTA brought this to Bloomberg's attention, the bond issuer reached out to Bloomberg, clarifying that these were indeed pro-rata (via factor reduction), and Bloomberg reinstated the factor schedule accordingly, with YAS now applying the current factor.

For further information, please contact Aviva Werner at awerner@emta.org.

Venezuela (continued)

After expressing sympathy for the Venezuelan people, Blazquez referred to the post-election street protests. Did panelists believe that demonstrations would lose momentum; or, if not, how would the government react if popular protests continued, or gained in intensity.

“As of today, the protests have not yet developed to the point that would threaten the regime. The administration has a monopoly on the use of force, and the key question is whether the opposition can shift that balance of power and convince lower ranking officers in the military to switch sides,” reasoned Stock. He admitted that he found it “hard to be optimistic,” given the failure of the 2017 and 2019 street protests, and it was likely that Maduro would remain entrenched.

Humes argued that, rather than seeing the election as a crisis, it should be interpreted as the starting point for an opportunity. “Both sides are looking for paths forward,” he affirmed. Neither side desired “chaos on the streets,” and both preferred “peace and process.” Humes suggested that, after a cooling-down period, a workable path forward could be found.

Rolley placed his hopes in the Venezuelan people, “absorbing that the government has lost its legitimacy, and that the current administration should not be in charge over time.” How such a recognition by Venezuelans would be expressed was not clear to him, and he was equally unsure how the situation would evolve. “I’m pessimistic...but I haven’t given up hope,” he concluded.

Milne called attention to the “extremely broad base of support internationally—countries from the extreme left to extreme right—calling for fair and legitimate elections.” In addition, the domestic desire for change was equally diverse, from all social classes. Milne observed that the opposition appeared to have won even in areas with high military populations.

Asked to discuss the country’s key oil industry, she estimated that Venezuela was currently producing 850-900,000 bpd, and would be unlikely to reach her previous year-end estimate of one million bpd. Existing production could continue if producers had access to imported equipment and are also able to transfer oil externally. However, any new production would be discouraged by the overhang of new sanctions risk, or the possibility of existing licenses being cancelled. Milne estimated that, for every 100,000 bpd of oil produced, \$1 billion in additional tax and royalties accrued to the government on an annual basis, assuming \$60 oil and a 50% pay-out ratio; “this will most certainly have an effect on the economy.” Small operators could attempt to do business that circumvented current restrictions, including possible barter arrangements and the use of currencies other than the dollar.

Blazquez discussed the opposition’s apparent strategy of pressuring the government with constant protests combined with an appeal to international pressure. “This hasn’t worked in the past; why would it work this time?” In response, Stock cited the opposition’s participation in the vote this time instead of a boycott, and its unity, at least for now. While there was no guarantee of results, protests could lead to eventual concessions. Stock downplayed the importance of international pressure; it would prove no more effective than in the past, especially as oil revenues give the Maduro regime the lifeline it needs to survive.

Venezuela (continued)

“There is no question that groups in Venezuela have prepared for a hunkered-down, ‘wait it out’ post-election approach,” in Humes’ view. He stressed however, that the international community should consider it a positive step that the elections had been agreed to in the first place. More can be achieved behind the scenes, and Humes expressed optimism that lines of communications could remain open, and paths to negotiations on a national unity government be found. (Rolley responded with scepticism, declaring that the Barbados accords had lasted “as long as it took the plane to land in Caracas.”)

Returning to a potential shift in the military’s allegiance, Rolley highlighted that Maduro has had ample opportunity to purge his forces of any potential deserters. While immunity could be offered to soldiers who remained loyal to the constitution, taking such a deal was dangerous and would entail a huge leap of faith. Any change in allegiance by lower or middle ranking officers would be a dynamic issue “...and one we would all prefer to be spectators to,” commented Humes. Milne pointed out that Caracas has carefully carved up military capabilities, and has brought in support from Cuba and Nicaragua, all of which would make defecting not for the faint of heart.

“I’m pretty sure the US will reimpose some sanctions on Venezuela, though I’m not sure exactly what form they will take,” stated Milne. The cancellation of Chevron’s license couldn’t be ruled out, she cautioned, nor any step-up from the firm’s current production of 130,000 bpd. Rolley agreed that sanctions were likely, although the US would try to avoid further “emyserizing” the Venezuelan population in such a way to prompt further emigration (a key US election issue). Stock stressed that even a newly-sanctioned Maduro administration would have no trouble selling oil on the black market, and thus maintain its financing.

Blazquez sketched out three possible endgames: (1) the government is able to keep protests under control while trade restrictions are imposed by foreign nations; (2) Venezuela is increasingly isolated and becomes a pariah state á la Cuba and Nicaragua; or (3) the protests continue and eventually result in political change. Recognizing that the situation was in constant flux, and could change on a daily basis, which was most likely?

Rolley adopted the panel’s most pessimistic stance, assigning the highest probability to the pariah scenario, with political change a “tail hope.” Milne seconded that increasing isolation was the most likely outcome, “but not as extreme as with Cuba.” In contrast, Stock expected the *status quo* scenario to continue, with protests not forcing near-term political change. Humes hoped that a transition to a negotiated, stable leadership could be accomplished.

Turning to market implications, there was consensus among speakers that a debt restructuring was unlikely short-term. “There aren’t enough dollars to persuade bondholders to participate,” commented Stock. In concurrence, Milne cited the domestic politics of Caracas completing a bond deal while Venezuelans’ standard of living was declining. Panelists did not foresee a resumption of the ban on secondary trading of Venezuelan debt, with Stock specifying the debt’s continued likely inclusion in the JPMorgan index.

[Editor’s Note: Opposition candidate Gonzalez fled Venezuela and received political asylum in Spain in early September 2024.]

Venezuela Creditor Committee Positions Itself for Envisioned Restructuring

On June 25, 2024, the Venezuela Creditor Committee (VCC), comprised of a diverse group of international investors in debt obligations of the Venezuela public sector (including bonds issued by the Republic of Venezuela, Petróleos de Venezuela, S.A. and Corporación Eléctrica Nacional S.A.), announced that it envisioned a comprehensive and negotiated resolution of Venezuela's public debt default.

Core members of the VCC, advised by Orrick, Herrington & Sutcliffe LLP, include Grantham, Mayo, Van Otterloo & Co. LLC, Greylock Capital, Mangart Capital, T Rowe Price Associates, Inc, and Fidelity Investments.

Venezuela has been the subject of sanctions since the latter part of 2017, and EMTA has hosted various Seminars and Webinars on Venezuela, the most recent of which was held on August 1, 2024 on the Venezuela election results, where a potential restructuring was also discussed ([see page 1](#) for a summary of the panel discussion). [Click Here](#) for the Press Release.

For further information, please contact Aviva Werner at awerner@emta.org.

EMTA Collaborates with ISDA on Revising the 1998 FX and Currency Option Definitions

ISDA and EMTA, as co-sponsors of the 1998 FX and Currency Option Definitions (the “FX Definitions”), continue to collaborate on the process of updating the FX Definitions. A significant driver for ISDA is its long-term goal of digitization of its derivatives documentation.

EMTA’s remit in this exercise is to ensure that EM-specific issues are clearly identified and considered in the process and incorporated into the update as is appropriate. To this end, EMTA invites EMTA Members to reach out with suggestions as to EM-relevant issues that need to be adequately incorporated into the FX Definitions to facilitate the future trading of EM FX and currency derivatives.

ISDA and its counsel have prepared a proposal for the restructuring of the FX Definitions to reconcile the conflicting treatments of the various Supplements to the FX Definitions by turning the Supplements into new “chapters” of the main booklet, introducing a few additional new chapters and rewiring others for clarity. Annex A will likely undergo some updating so that its integration into the FX Definitions will more readily support digitization.

Since the early part of the year, ISDA and its counsel have been working through a substantive review of the various provisions for non-deliverable disruption events and fallbacks, which began with an assessment of what might need to be changed or updated. They have communicated directly and broadly with the ISDA membership through various of the ISDA working groups to collect member input. **It cannot be overstated how important it is that input reflecting the views of the EMTA community are collected and fed into that process.**

So far, few updates to the non-deliverable provisions have been felt necessary and most of these “non-deliverable” provisions will likely remain largely the same. Importantly, however, it is envisioned that the EMTA Template Terms will be more closely integrated into the ISDA architectural framework in order to create more efficiencies in updating and accessing the NDF documentation. In addition, an ISDA-led survey of its members had resulted in an effort to update the term “Price Source Disruption” by modifying the concept of “impossibility” therein, and replacing it with a more objective standard. Also, new language has been introduced for rate cut-off provisions, which EMTA Members should look at carefully from the perspective of EM market dynamics.

It is anticipated that the EMTA Template Terms will remain substantively as they are now: as a set of terms that, in many instances, override certain presumptions for non-deliverable FX transactions. Thus, it is contemplated that the EMTA Template Terms will still be available to use with transactions as they reflect specific industry recommendations for Emerging Markets currencies, and it will also still be possible to document an NDF based on the provisions of the FX Definitions directly, disregarding the EMTA Template Terms. In this case, the resulting product may be more suitable than the EMTA Template Terms would be for some types of bespoke non-deliverable FX transactions, but will need to be carefully constructed.

ISDA and its counsel next plan to address deliverable currency disruption events and fallbacks and the goal is that most of the drafting work be completed over the next six or nine months, after which an implementation stage will begin.

EMTA Members may reach out directly to ISDA in the normal course of the communications on the update process and to contact Leslie Payton Jacobs (lpjacobs@emta.org).

EMTA Ruble Working Group Convenes to Address June 2024 Sanctions

On June 12, 2024, economic sanctions imposed on MOEX (the Moscow Exchange) by the *Office of Foreign Assets Control* (OFAC) and the *Office of Financial Sanctions Implementation of HM Treasury* led to an immediate activation of the EMTA Ruble Working Group to discuss these events and the implications for trading of Ruble FX and Ruble FX derivatives. The EMTA meeting was later complemented by several meetings held by ISDA regarding the sanctions themselves. In June, OFAC also issued two General Licenses (scheduled to expire on August 13). These General Licenses permitted continued dealings with the sanctioned entities pending a wind-down and were recently extended until October 13. Over the weeks following the imposition of the sanctions, Working Group members debated whether, and to what extent, the sanctions required – or made advisable – changes to the EMTA documentation for Ruble non-deliverable FX and currency option transactions.

In 2016, EMTA had updated its recommended Template Terms for Ruble non-deliverable FX and currency option transactions to remove the CME-EMTA Russian Ruble Industry Survey Rate as the primary settlement option and to replace it with the USD/RUB rate published by MOEX. In 2018, the EMTA RUB Template Terms were again amended, this time to remove the EMTA RUB Indicative Survey Rate as a fallback reference price. (Both of these updates were due to regulatory, and thus, industry, concerns over the use and management of survey mechanisms generally.)

In 2022, following the invasion by Russia of Ukraine and the ensuing economic sanctions imposed by the US, the UK and the EU on Russian entities and certain business activities in or relating to Russia, the EMTA Ruble Working Group convened frequently for many months to determine how to move forward and to understand and help address the impact of the sanctions on EMTA Member portfolios and business lines. EMTA engaged closely with ISDA during the course of the ensuing months, collaborating on documentation to help the industry address the complexity of portfolios and trading businesses which included deliverable AND non-deliverable FX and interest rate products for the Ruble.

Ultimately, the Working Group determined to again reconstruct the EMTA Ruble Template Terms, this time to change the primary settlement rate option to an offshore rate (administered by WMR) and to provide for the utilization of the MOEX rate as a fallback reference price only. These new terms became effective on June 6, 2022. As there was no consensus within the Working Group to reconcile new and legacy trades, only bilateral forms of amendment agreements were made available to the industry.

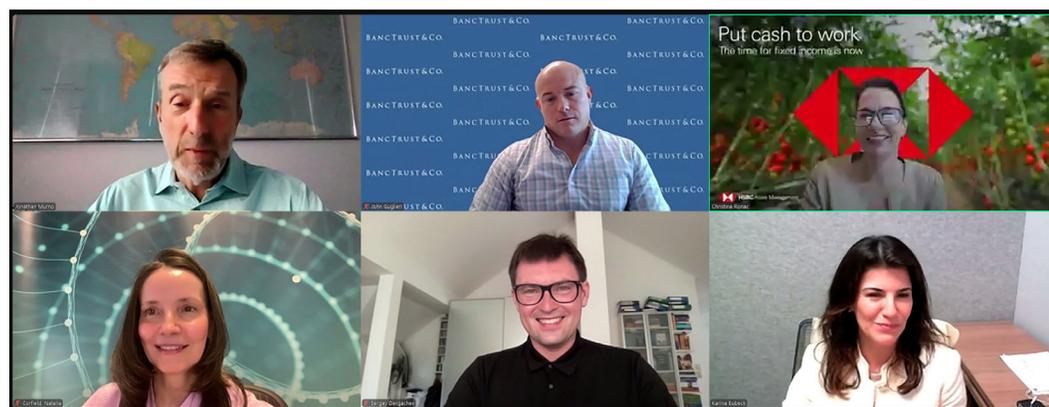
At present, the Working Group is engaged in consideration of how best to respond to the recent sanctions directed at MOEX and several other infrastructure providers in Russia. This work involves a close look at current (and possibly future) sanctions, as well as an assessment of basis risk and other concerns. Any determinations by the Working Group will be conveyed to the EMTA Membership as soon as possible.

See “FX Resources” on [page 19](#) for links to the EMTA Recommended Template Terms (and Superseded Template Terms) and FX and Currency Derivatives New Developments Area (on Russian-related Sanctions).

EM Corporate Analysts Stress Generally Positive Fundamentals

Speakers at EMTA's Webinar on the 2H 2024 EM Corporate Bond Outlook revealed generally positive stances for the asset class during an EMTA Webinar broadcast on Tuesday, July 23, 2024. The effects of elections were discussed in detail, while the panel also provided commentary on specific regions and credits. JPMorgan sponsored the Webinar, with the additional support of BancTrust.

Moderator JPMorgan's Natalia Corfield reminded viewers of CEMBI returns of 4.7% ytd (at the time of the broadcast), with African issues leading the pack with 7.7% returns, and Middle East lagging at 2.6%. With JPMorgan forecasting two US rate cuts in 2024, she had been encouraged about the prospects for the EM



corporate bond asset class, while recognizing the potential of volatility in the US elections, and some EM-country specific issues, upsetting the apple cart. Corfield solicited views on how her panelists were positioning themselves for the rest of the year.

Karina Bubeck (Nuveen) responded by offering two key themes for the 1H. The market had questioned whether frontier credits would be able to access the capital markets several months ago, but the successful issuances by several SSA nations, including Kenya's refinancing, had brought welcome relief. Consequently, the door had cracked open for several corporate issues, including Argentine corporates. Bubeck described a second theme of short-term volatility resulting from elections in countries such as Mexico, India and South Africa--and with the upcoming US elections a clear market focus. "As long-term investors, we always look for opportunities to pick up credits we like on a long-term fundamental basis," she stated.

Union Investment's Sergey Dergachev agreed with the constructive 2H outlook on EM corporates. He cited a "relatively robust technical picture," including negative net-refinancing needs for the asset class. In addition, a long-term structural bid from Taiwanese and MENA investors supported EM corporates. Possible derailments over the next six months included an appreciation of the dollar, and the US elections--especially if the results were tight, which could increase volatility in riskier asset classes.

Corfield called attention to the Mexican election results, and investor fears of the passage of reforms such as the election of Supreme Court justices. Her team nonetheless "remained comfortable" on Mexican corporates. Did other speakers agree?

John Guglieri (BancTrust) offered that, from a trading standpoint, he had witnessed sales of Mexican corporate paper by US real money accounts, while local investors were standing firm. "Mexico is a well-supported credit, including from crossover accounts, even if we have seen some post-election selling from crossovers." When "very sound" financial credits such as BBVA or Banorte widen, there is still some demand, he added.

Corporate (continued)

Christina Ronac (HSBC Asset Management) confirmed a constructive stance on Mexican corporates; technicals were still supportive, and “we have seen strong stability in Mexican corporates despite the depreciation of the peso.” Then, turning to Pemex, she questioned whether the government “really understood the issues – I’m not sure they get it.” While she raised concerns that production has dropped, there were two major turnarounds possible – (1) an end to refining operations that could turn free cash flow to positive, and (2) the government officially assuming Pemex’s debt. That led to a tricky situation for investors, and she cautioned that underweight fund managers could miss any big upside swings.

Bubeck revealed that her firm’s overweight on Mexican corporates generally has been unchanged since the election. “While Pemex’s numbers haven’t been great for a long time, the support is there, as is the willingness and ability,” she stated. On the other hand, Bubeck was wary of the Mexican mining sector, with a potential ban on open pit mining.

Corfield asked speakers for the possible challenges in the EM corporate sector should Trump return to the White House. Dergachev’s base case was that, “irrespective of the winner of the US elections, the pressure on China will be the same.” A key risk was potential secondary sanctions. However, Dergachev cited the Evergrande case as proof that contagion from China to other EM corporates has been limited, with the market for Chinese debt now more domestically-focused, and thus more insulated. He saw potential positive momentum for Polish, Hungarian and Israeli corporates in a Trump election. Bubeck seconded that the rhetoric on China will accelerate regardless of the US presidential race victor, with a greater push towards self-reliance.

Dergachev addressed prospects for Middle Eastern and CEE issuers. “The key concern for us for the Middle East is not geopolitics--especially with the election of a moderate in Iran which lessens the possibility of a conflict with Israel—instead, it is oversupply.” Saudi issues would benefit from strong local demand, the 2030 Vision project and its need for capital, as well as the opening of the local capital markets. Despite his general warning of MENA oversupply, Dergachev maintained a constructive fundamental view of the CEE and MENA regions.

The panel focused on several specific credits. Both Ronac and Guglieri believed that the time for an acquisition of Braskem had come and gone. Ronac noted that the contraction in Chinese demand has “discombobulated the market,” although she saw evidence of slow improvement.

Guglieri expressed optimism on Petroperu’s new board. “It’s an improving story with possible divestments.” Ronac believed the company’s refineries’ operational issues could be fixed. She was skeptical the company would be privatized, and expected continued government support despite “it making more sense to just take out all the bonds.”

Finally, Corfield highlighted the decreasing share of ESG-related bonds in new EM corporate issuances. Dergachev attributed this to the lack of a greenium, as the spread between ESG and conventional bonds had previously been a “key marketing hook,” evolving perceptions of ESG (notably in the US), and divergence in priorities in several EM countries. He anticipated a continuation of less emphasis on ESG-labeled bond issuance in 2025.

Global Macro, US Elections and EM Asset Class Flows Covered at EMTA's 27th Annual Summer Forum in London

The global macroeconomic outlook, EM asset class flows, and the potential ramifications of a change in the US administration were among the topics covered as EMTA held its 27th Annual Summer Forum in London. The event took place on June 13, 2024, and was hosted by BofA Securities. Additional sponsorship was provided by BBVA, BCP Securities and Fitch Ratings.

David Hauner of BofA moderated the panel's first session and invited thoughts on the global macroeconomy. Guillaume Fonkenell (Pharo Management) compared the current economic cycle to that of the late 1990s. "The AI craze is reminiscent of the dot-com buzz," which had led to a rush of new capital, a higher dollar and an eventual bubble. However, there were notable differences between the two, including the current increase in wealth as a result of the stock market and property rallies, and the large fiscal deficit.



Ex-China, EM fundamentals were generally good, according to Fonkenell, with high real rates and cheap currencies. He was optimistic that, "we are at the end of huge outflows from the asset class, with cross-over accounts who wanted to exit EM debt having already done so, and foreign ownership of local debt reduced." Despite the EM picture being generally positive, the effects of Trump being elected in the US could have unforeseen effects on EM, he concluded.

Michel Aubenas (BlackRock) revealed a similar generally positive asset class stance. He suggested buying EM debt on US election-related dips as a possible strategy, with a number of current sovereign and corporate Eurobond opportunities. He argued that the prerequisites for renewed EMD inflows were (1) US rate cuts and (2) the completion of long-delayed restructurings of countries such as Ghana. Finally, Aubenas contrasted the outflows from actively-managed EM portfolios to passively managed accounts continuing to benefit from inflows.

"The US election is the elephant in the room," declared L. Bryan Carter (HSBC Asset Management), with winners and losers if Trump were elected. Argentina and El Salvador were among those countries that could expect support from a Trump administration. A normalization of relations with Russia could also reduce the risk premium in countries such as Kazakhstan, Uzbekistan, and Georgia, as well as several Eastern European credits, including Hungary.

Summer Forum (continued)

T. Rowe Price's Razan Nasser cautioned that EM investors should continue to monitor geopolitical issues. Tail risks included the possibilities that both the Ukraine and Gaza wars could escalate and spillover to other countries, as well as affect oil pricing. She raised concerns that these possibilities didn't appear to be priced into the market.

The panel turned to specific stories, with Nasser covering MENA credits. She highlighted that, following years of massive issuance, Saudi Arabia is now the second largest component of the industry benchmark, surpassed only by Mexico. Oman and Morocco were on an upgrade ratings trajectory, and Jordan's strong international support could make a buy-on-dips strategy worthwhile. Finally, she observed renewed interest in the returns offered by Egyptian local debt.

The ANC-DA coalition agreement in South Africa was a welcome development for speakers, although Fonkenell anticipated a further decline in the ANC's popularity. "I'm worried about South Africa in the medium-term," confirmed Fonkenell, with Carter acknowledging he leaned to the short side due to future political uncertainty.

On China, Fonkenell hypothesized that Beijing might be maintaining current renminbi levels as a tool to use in any future tariff wars; "it gives them another option to respond." He emphasized that China's 20-year-old growth model has been broken, with "no infrastructure left to build;" the collapse of the property market, "which will take years to stabilize and is a much bigger issue than the US sub-prime crisis;" and the demise of its export-led growth campaign.

On the prospects for a restructuring of Ukrainian debt, Nasser confirmed she was "a contrarian, and happy to sit on the sidelines—a restructuring doesn't make sense with all this uncertainty." She reasoned that an extension of the current standstill was a better option with the war still ongoing, rather than a bond with a complicated structure.

Finally, Aubenas was encouraged by the outlook for Argentina, with Milei gaining his first political victory. He ventured that a sustainable virtuous cycle could be forming.

Summer Forum (continued)

Edwin Gutierrez (abrdrn) led the Forum's second panel. He reminded attendees that, last year at this event, Tufan Comert's bullish outlook on Turkey had been met by skepticism and asked the BBVA speaker if he remained optimistic. "Turkey had nothing left to do, so it had to return to orthodoxy," Comert explained. Continued bullishness on local debt was justified because "the fight with inflation is not over, and tight monetary policy and fiscal discipline were still needed. Possible factors which could derail the current positive trajectory were



declining EU demand for Turkish exports, or overt political support for Hamas. "But if Turkish officials do the right thing, there will be a continuation of the story."

Eurasia Group's Emre Peker described Turkish foreign policy as "pragmatic," with officials carefully maintaining a balancing act. "While they will always play a smaller role in the Middle East compared to Qatar and Egypt, Turkey has had significant roles in prisoner exchanges and the grain deal in Ukraine; and the détente with Greece and normalization of Armenian relations are all constructive." Domestically, Finance Minister Simsek "really does need to deliver a soft landing, with lower inflation, while keeping economic growth humming." Politics remained a risk; with Erdogan's and the AKP's approval rating at historic lows, Erdogan could reverse course in the medium-to-long term if Turks' pain tolerance is severely tested.

Paul Gamble reminded attendees that Fitch Ratings maintains a positive outlook on Turkey, following an upgrade earlier this year. He also recognized that the patience of Turkish residents as inflation is brought down is an important factor, "and something unforeseen can always happen."

Gutierrez introduced the US elections as a discussion point. While the market assumed no major policy changes under a second Democratic term, what were the implications of a Trump victory?

In Peker's analysis, a Trump victory would "turbo-charge" EU defense actions and could also lead to trade tensions with the EU, with diverging policies on how to address China's overcapacity. Gamble expected an even greater jump in defense spending by Russia's neighbors; the effects of less military assistance to Ukraine were "very clear." Comert expected a Trump White House to focus more on China and less on Middle Eastern issues, reducing Turkey's importance as an American geopolitical ally.

Summer Forum (continued)

BCP Securities' Walter Molano stressed Trump's transactional nature. In some areas, including trade policy, Molano "didn't see much daylight" between the candidates, with Democrats possibly more hawkish on China in order to regain the blue-collar workers that Trump has usurped. He added that, "no one is talking about higher taxes or spending cuts," with likely continued deterioration in the fiscal accounts regardless of which party gained power.

LatAm will likely benefit as both candidates try to reverse China's advances into a number of South American countries via its Belts and Roads Initiative, according to Molano. In addition, Molano argued that any USMCA-bashing by Trump would be "more bark than bite," as it would entail a fight with the critical US auto industry and pose less of a concern for President-elect Sheinbaum.

Gamble added that the Balkan region "may be up in play," with a renewed push to divide countries that "are either with or against" the US. Also, any Trump tax cuts may result in a stampede into the US stock markets, according to Gamble, to the detriment of EM.

Molano reviewed the history of the IFIs, underscoring their use to the US and EU in carrying out desired economic policies. It wasn't in the US' interest to reduce support, and Molano stressed the actions taken to pre-empt the development of a Chinese counterpart. Molano argued that the era of moral hazard first witnessed during the Tequilla Crisis has returned, after the brief interruption of the Argentine default, with the IFIs returning to "what do you need" mode. As a result of their willingness to write "blank checks," the case was strong for frontier investments, he asserted.

Gutierrez polled speakers for potential turnaround stories. Comert offered Serbia, Montenegro and Sri Lanka as potential candidates. "So far the fiscal program in Argentina is working," affirmed Molano, who listed as additional positive factors the approval of the omnibus bill, the Vaca Muerta oil field going online, and potentially strong grain and soybean exports. Peker saw potential turnarounds in Ecuador and Poland. Finally, Gamble referred to the positive ratings outlooks that his firm maintains on Turkey, Nigeria and Egypt, while Central American and Caribbean countries had the largest number of positive ratings outlooks on a regional basis.

Panelists Offer Wide Range of Views on Mexico Under Sheinbaum, Warn of “Headline Bingo”

“There will be volatility and headline bingo to come,” cautioned panelist Jens Nystedt (EMSO Asset Management) during EMTA’s Forum on the Mexican Elections. Speakers debated whether President-elect Sheinbaum would remain in lockstep with outgoing president AMLO, or would diverge and forge her own policies; and “the wide range of opinions on Mexico and the huge possibility of outcomes may offer buying opportunities.” The event was held on June 6, 2024, in New York City, and was sponsored by Barclays, MarketAxess, Morgan Stanley and StoneX.



Moderator Gabriel Casillas (Barclays) reviewed Morena’s landslide victory, reasoning that, while the party had fallen just short of obtaining a super-majority, negotiations would likely result in picking up the additional votes needed to amend the constitution. With that in mind, he asked speakers what they believed scared the market most about the incoming administration.

Natalia Gurushina (VanEck) responded that the market worried most about the fiscal front. However, she espoused a relatively benign fiscal view, citing the meeting set up by President-elect Sheinbaum in an effort to reassure investors that she understood the importance of fiscal issues. Instead, Gurushina’s greatest fear was the continued deterioration of Mexican institutions. The swearing in of the new Congress during the last month of President AMLO’s term will open up a key month during which the outgoing president may be able to pass his proposed reforms, despite not having a super-majority level previously. She saw the demise of the opposition, and the possibility of Morena not having an effective challenger in the future, as additional issues to be considered.

Nystedt maintained that Mexico has been on a deteriorating path for some time, a situation somewhat obscured by near-shoring. “Checks and balances are gone for all intents and purposes, except maybe by the rating agencies,” he stated. Addressing speculation whether Sheinbaum would merely serve as a stand-in for her predecessor, Nystedt expected that the new president could, in fact, “be her own person.” However, deteriorating institutions could eventually reduce near-shoring’s appeal.

Mexico (continued)

Kathryn Rooney Vera (StoneX) adopted the panel's most bearish tone, expressing fears of Sheinbaum having almost "limitless power." The new president has proven thus far to be a loyal follower to AMLO, and "we don't know who she really is." For Rooney Vera, the potential election of Supreme Court justices and INE officials could be serious problems. While Sheinbaum has expressed a commitment to Central Bank autonomy, Rooney Vera noted that the incoming president will be appointing future Banxico Board members. "I am more apprehensive than most; I suspect that the new administration will do more than we are bargaining for." For her, the best case was that Sheinbaum merely continued AMLO's existing policies; and Rooney Vera emphasized that the market was not adequately pricing in the risk of potential super-majority actions. (The peso could test 19 per dollar if reforms are passed, in her view.)

"Should we be scared? Yes, Mexico is in a much weaker spot than before," asserted Morgan Stanley's Simon Waever, citing weaker fiscal accounts due to pre-election spending and continued troubles at Pemex. In addition, "the electric sector is at risk of looking like South Africa's if they don't take action," although he believed that Sheinbaum recognized the need for private sector involvement. A potential sell-off of crossover holdings also remained a technical risk. Waever suggested that Mexican paper may not adequately be pricing in potential credit downgrades, though he specified that the country's IG rating was not currently at risk.

In moderator Casillas' assessment, Sheinbaum would not be an AMLO puppet. "She has a vision—as a scientist, at least she listens." He cited her tackling of corruption in the construction industry during her tenure as mayor of Mexico City, and the lessons she had learned from the mistakes made in implementing policies. In addition to rating agencies, he listed the reaction of financial markets, US-Mexican relations and the USMCA as potential backstops to extremist policies. Finally, Casillas expected Sheinbaum to make progress on security and renewable energy.

Gurushina reminded the audience that surprises were always possible, citing the fiscal conservatism demonstrated by AMLO for most of his tenure, despite the market's initial "horror" at his election. The market should monitor the use of the private sector to solve the electricity issue as an early litmus test.

While several speakers focused less on the deteriorating fiscal account, attributing it to classic pre-election largesse, Rooney Vera stressed that "giveaways are sticky," and, failing AMLO's charisma, Sheinbaum may need to buy votes. Several panelists offered forecasts of the 2025 fiscal deficit, including Waever's range of 4.3-4.5% and Casillas' more optimistic 3.7%. Panelists noted that the need to subsidize Pemex served as a fiscal overhang for the country.

In response to audience questions, neither Waever nor Casillas expected a formal Eskom-style guarantee for Pemex. While Waever was "not optimistic" that a long-term solution on fundamental issues would be found, he argued that spreads should reflect a de facto commitment to the company. Casillas ventured that Sheinbaum might thread the needle by shutting down some refineries while keeping others operating.

Ending the panel on a positive note, Nystedt observed that Mexico is "a vibrant democracy; this is not the PRI of the 1980s." Elections have consequences, and Mexicans have given politicians a clear mandate for reforms. "Mexico will make it through...but I would rent, not own."

Updates to EMTA ISDA Swaps and Credit Derivatives Market Practice No. 1 Under Consideration

Responding to the year-end need to address the effect of a change in the Brazilian holiday calendar on the calculation for BRL CDI transactions (executed in line with *EMTA-ISDA Swaps and Credit Derivatives Market Practice No. 1* dated March 12, 2009), EMTA, ISDA, various of their respective members, along with some of the noted infrastructure providers, worked to devise implementation plans and communications with the industry to effect an industry-wide shift on the same day (to the extent possible), with calculation methodologies that would be compatible with the expressed B3 intentions.

As a follow-on to the year-end effort to address the above, consideration of possible updates to refresh the above Market Practice is underway in conjunction with ISDA, and will involve CME and Markit to ensure broad industry coordination. EMTA Members wishing to participate in the review of the proposed update process are invited to contact Leslie Payton Jacobs (lpjacobs@emta.org).

See “FX Resources” on [page 19](#) for links to the EMTA Recommended Market Practices area to view EMTA-ISDA Swaps and Credit Derivatives Market Practice No. 1.

Updates to EMTA’s Barrier Option-Linked Recommended Market Practices Required

The change in the scheduled hours in two Emerging Markets recently -- Brazil and Korea -- have prompted a review of EMTA Market Practices Nos. 45 and 76, dealing with barrier option issues, and the realization that these Market Practices need updating to accommodate transactions documented under the *2005 Barrier Option Supplement*. Other updates may be required and Member input is invited.

See “FX Resources” on [page 19](#) for links to the EMTA Recommended FX and Currency Derivatives Market Practices area to view EMTA Market Practices Nos. 45 and 76 therein.

Assessing the Need for Additional Currency Pairs for NDF Template Terms Standardizations

In order to ensure that EMTA's Template Terms are keeping pace with market need, periodically EMTA solicits input from its Membership on whether there are additional currency pairs where standardization of terms would be generally supported by, and respond to a need of, the Membership. Currently, EMTA is compiling a "long" list of possible currency pairs for standardization with a view to refining that list with Member input. Currency pairs for which sufficient Member interest is received and for which terms can be agreed will then move to a documentation process. This will involve the development of EMTA Template Terms and additions to Annex A of the 1998 FX and Currency Option Definitions. Currency pairs currently being considered are from several African countries, several Asian countries and two Caribbean countries. EMTA Members interested in reviewing the currencies under consideration and their proposed terms may contact EMTA.

EMTA Members wishing to contact EMTA with respect to any of the foregoing initiatives should reach out to Leslie Payton Jacobs (lpjacobs@emta.org).

Resources

As a reminder, EMTA's website offers its Members many FX-relevant resources:

Draft Documentation for current EMTA FX projects can be found [HERE](#).

EMTA FX Market Practices can be found [HERE](#).

EMTA Swaps and Derivatives Market Practices can be found [HERE](#).

Current Recommended Template Terms can be found [HERE](#).

User's Guides and Guidance Notes can be found [HERE](#).

New Developments in the FX and Currency Derivatives area can be found [HERE](#).

Multilateral Amendments and Documentation Protocols can be found [HERE](#).

Comments?

Please direct comments and questions on all FX and Currency Derivatives matters to Leslie Payton Jacobs at lpjacobs@emta.org.

Ethiopia's *Ad Hoc* Bondholder Committee Expresses Disappointment

On August 14, 2024, the Ethiopia *Ad Hoc* Bondholder Committee expressed its disappointment following the recent unfounded public comments made by the Ethiopian authorities regarding possible principal haircuts to the 6.625% Notes due 2024 in relation to the intended external debt restructuring.

The Committee is working with Newstate Partners LLP and Weil, Gotshal & Manges (London) LLP as its financial and legal advisors, respectively, and consists of international financial institutions based in the US and Europe and holding more than 40% in aggregate of the Notes. [Click Here](#) for the Press Release.

For further information, please contact Aviva Werner at awerner@emta.org.

EMTA Tracking OFAC Sanctions for EM Countries

OFAC-related materials are available in the country-specific Markets areas of EMTA's website referenced below. EMTA Members are encouraged to visit these frequently as EMTA tracks events in those countries.

Balkans	https://www.emta.org/markets/markets-a-g/balkans-region/
Belarus	https://www.emta.org/markets/markets-a-g/belarus/
Congo	https://www.emta.org/markets/markets-a-g/congo/
Cuba	https://www.emta.org/markets/markets-a-g/cuba/
Iran	https://www.emta.org/markets/markets-h-o/iran/
Israel	https://www.emta.org/markets/markets-h-o/israel/
Russia	https://www.emta.org/markets/markets-p-z/russia/
Ukraine	https://www.emta.org/markets/markets-p-z/ukraine/
Venezuela	https://www.emta.org/markets/markets-p-z/venezuela/

For further information, please contact Aviva Werner at awerner@emta.org.

Resources

As a reminder, EMTA's website offers its Members many Fixed Income relevant resources:

- New Developments can be found [HERE](#).
- Market Practices can be found [HERE](#).
- Documentation can be found [HERE](#).
- Caselaw can be found [HERE](#).

Comments?

Please direct comments and questions on all Fixed Income matters to Aviva Werner at awerner@emta.org.

Sub-Saharan Africa Outlook to Feature on EMTA Forum in NYC

EMTA will host its next Forum on Sub-Saharan Africa in New York on Tuesday, September 17, 2024. The event will be sponsored by Rand Merchant Bank.

Samantha Singh-Jami (Rand Merchant Bank) will moderate the event's panel. Confirmed speakers include Unoma Okolo (Artisan Partners), Kathryn Exum (Gramercy Funds Management), John Espinosa (Nuveen), and Todd Petersen (PGIM).



The Forum will cover the effects of the US elections on Sub-Saharan Africa, the implications of global risk appetite, the economic outlook for those countries that have completed, or are nearing the end, of Eurobond restructurings, the risks facing African economies, which countries appear most vulnerable, and which Sub-Saharan African countries are performing well in terms of ongoing structural reforms.

EMTA Members can register for the event for \$95 at www.emta.org. Non-members may also attend with a \$695 registration fee.

For more information, please contact Jonathan Murno at jmurno@emta.org.

Boston Seminar to Focus on Frontier Credits

EMTA's popular Forum on Frontier Markets will return to Boston on Thursday, September 19, 2024. Artisan Partners will serve as host of the event, which will start at 3:30 pm at their office at 53 State Street. The Forum will cover credits in Latin America, Africa and Asia.



Unoma Okolo (Artisan Partners) will chair the panel. Additional speakers include Shantall Tegho (Fidelity Management and Research), Fernando Losada (Oppenheimer & Co.), Samantha Singh-Jami (Rand Merchant Bank) and Joydeep Mukherji (S&P Global Ratings).

Invitations will be sent to all EMTA Members, who may register for the event at www.emta.org. Non-members may also attend, with a US\$495 registration fee.

Additional support for the program is provided by Oppenheimer & Co., Rand Merchant Bank and S&P Global Ratings.

For more information, please contact Jonathan Murno at jmurno@emta.org.

EMTA to Hold Its First Forum in Paris on September 24, 2024

In accordance with its increased role as a center of EM debt activity, EMTA will hold its first Forum in Paris on Tuesday, September 24, 2024.

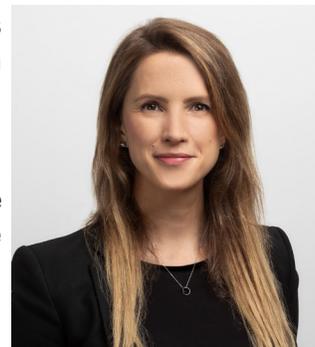
IVO Capital Partners will host the event at their office at 61-63 Rue des Belles Feuilles in Paris' 16th arrondissement. The event will include a panel discussion on challenges and opportunities in the global EM debt markets, ratings trends, and the economic outlook for key EM countries.

The discussion will be led by Agnese Melbarde (IVO Capital Partners) and feature confirmed speakers Alessandra Alecci (Carmignac), Danelee Masia (Deutsche Bank), Guillaume Tresca (Generali AM) and Lucie Villa (Moody's Ratings).

The event is being sponsored by Deutsche Bank and Moody's Ratings.

Invitations have been sent to all EMTA Members, who may register for the event at www.emta.org. Non-members may also attend, with a US\$495 registration fee.

For more information, please contact Jonathan Murno at jmurno@emta.org.



EMTA's Sub-Saharan African Forum Returns to London on September 26, 2024

EMTA's Forum on the Sub-Saharan African Economic Outlook will take place in London on Thursday, September 26, 2024. ICBC Standard will serve as host and lead sponsor of the event, which will start at 3:30 pm at their office at 20 Gresham Street.



Jibrán Qureishi (Standard Bank) will lead a discussion on challenges and opportunities in the region. Confirmed panelists include Kevin Daly (abrdn), Tatonga Rusike (BofA Securities), Samantha Singh-Jami (Rand Merchant Bank) and Yvette Babb (William Blair).

The panel is expected to discuss the effects of Fed rate cuts on SSA Eurobond issuance, the outlook for post-election South Africa, what can be done to improve the outlook for Nigeria, whether Kenya's social unrest proves to be a harbinger for other economies facing IMF and tax reform fatigue, and whether volatile regional political issues present risks for Egypt.

Invitations will be sent to all EMTA Members, who may register for the event at www.emta.org. Non-members may also attend, with a US\$695 registration fee.

Additional support for the program is provided by BofA Securities and Rand Merchant Bank.

For more information, please contact Jonathan Murno at jmurno@emta.org.

EMTA Returns to Hong Kong on October 8, 2024

EMTA's next Fourm in Hong Kong will take place on Tuesday, October 8, 2024. The event is expected to include discussions of the economic outlook for China, including Chinese corporates. LSEG will host the event at its office at 18/F, ICBC Tower, Three Garden Road in Central Hong Kong.

Joyce Bing (abrnd) will serve as the event's moderator. Confirmed speakers also include Joyce Liang (BofA Securities), Louis Kuijs (S&P Global Ratings), Jing Liu (HSBC) and Stephen Chang (PIMCO).

The panel will cover topics such as the effects of the US election on EM debt, how will different Asian countries react to the Fed easing cycle, concerns that China is heading towards Japanification, what stimulus can China provide to help the economy, how can Chinese corporates navigate the current macro backdrop, the relative value of Asian vs other EM credits, and what risks should investors monitor for the Asian market for the next few months.



ISI Emerging Markets, BofA Securities, HSBC and S&P Global Ratings are sponsoring the event. Invitations will be sent to EMTA Members shortly; Non-members may attend at a fee of US\$495.

For more information, please contact Jonathan Murno at jmurno@emta.org.

EMTA's 19th Annual Singapore Forum to Review Prospects for APAC Credits

EMTA's 19th Annual Forum in Singapore will be held on Thursday, October 10, 2024. The event will focus on the economic outlook for APAC credits.



Robert Carnell (ING Bank) and Kaushik Rudra (Standard Chartered Bank) will moderate panels at the lunchtime event. Confirmed speakers include Adam McCabe (abrnd), Celeste Tay (BlackRock), Sameer Goel (Deutsche Bank), Peter Mumford (Eurasia Group), Pin Ru Tan (HSBC Bank), Zhi Wei Feng (Loomis, Sayles) and Prashant Singh (Neuberger Berman).

The event will be hosted by ING Bank at the Raffles Hotel at One Beach Road in Singapore.



Additional sponsorship has been provided by Deutsche Bank, Eurasia Group, HSBC Bank and Standard Chartered Bank.

For more information, please contact Jonathan Murno at jmurno@emta.org.

Fitch Ratings to Host EMTA EM Corporate Bond Forum

Fitch Ratings will host EMTA's EM Corporate Bond Forum in New York on Wednesday, October 30, 2024. This event will address the outlook for EM corporate debt in light of expected rates cuts, the US elections, China's economic slowdown and other macro factors.

Anne Milne (BofA Securities) will moderate the panel discussion, and will be joined by Celina Apostolo Merrill (BlackRock), Martha Rocha (Fitch Ratings) and Natalia Corfield (JPMorgan). Additional speakers will be announced shortly.

Additional support for the program is being provided by BofA Securities and JPMorgan.

For more information, please contact Jonathan Murno at jmurno@emta.org.



South African Economic Outlook to be Reviewed in Joburg, Cape Town

Standard Bank will again host EMTA's annual events in Johannesburg and Cape Town, where the post-election outlook for South Africa will be discussed.



The Johannesburg event will take place on Tuesday, November 12, 2024 at Standard Bank's headquarters at 30 Baker Street in Rosebank. Elna Moolman (Standard Bank) will lead the discussion which will also feature Isaah Mhlanga (Rand Merchant Bank), James Turp (Sanlam Investments) and Victor Mphaphuli (Stanlib). Rand Merchant Bank is providing additional support for the program.

Next up is the Cape Town Forum on Thursday, November 14, 2024. This will be held at the Vineyard Hotel on Colinton Road, Newlands in Cape Town. Elna Moolman (Standard Bank) and Isaah Mhlanga (Rand Merchant Bank) will split moderating duties. Additional speakers for this event include Gina Schoeman (Citi), Nishan Maharaj (Coronation Fund Managers), Mokgatla Madisha (Sanlam Investments) and Carmen Nel (Terebinth Capital). Additional support is being provided by Citi and Rand Merchant Bank.



Invitations will soon be sent to all EMTA Members, who may register for the events at www.emta.org. Non-members may also attend, with a US\$495 registration fee.

For more information, please contact Jonathan Murno at jmurno@emta.org.

BofA Securities Hosts EMTA Annual Meeting on December 9, 2024

EMTA's Annual Meeting will take place on Monday, December 9, 2024. The event will be hosted in-person by BofA Securities at One Bryant Park in midtown New York City. 300 EM professionals are expected to attend.

As in prior years, the agenda includes 2 panels of EM experts, one moderated by BofA's Claudio Irigoyen and composed of investor speakers, followed by JPMorgan's Joyce Chang leading a sell-side analyst discussion. (This will mark Chang's 29th consecutive appearance at the



EMTA Annual Meeting.) The panels will focus on the outlook for EM debt in 2025 after the challenges of the current year.

Confirmed speakers include Christian Keller (Barclays), Amer Bisat (BlackRock), Dirk Willer (Citi), Drausio Giacomelli (Deutsche Bank), Alberto Ramos (Goldman Sachs), Hari Hariharan (NWI Investment), Cathy Hepworth (PGIM) and Samy Muaddi (T. Rowe Price).



ISI Markets will provide additional support for the event.

Invitations will be sent to all EMTA Members, who may attend at no cost. There is an attendance fee of \$1000 for employees of Non-member firms. For more information, please contact Jonathan Murno at jmurno@emta.org.

EMTA Survey: First Quarter Emerging Markets Debt Trading at US\$1.703 Trillion

Volume Up 5% vs First Quarter 2023

Emerging Markets debt trading volumes stood at US\$1.703 trillion in the first quarter of 2024, according to a report released on June 26, 2024 by EMTA. This was a 5% increase on the US\$1.619 trillion reported in the first quarter of 2023.

Local Markets Instruments at 67% of Volume

Turnover in local markets instruments stood at US\$1.138 trillion in the first quarter of 2024, accounting for 67% of total reported volume. This compares to US\$1.064 trillion in the first quarter of 2023, a 7% increase.

Mexican instruments were the most frequently traded local markets debt in the first quarter of 2024, at US\$382 billion. Other frequently-traded local instruments were those from Brazil (US\$191 billion), China (US\$132 billion), India (US\$117 billion) and South Africa (US\$40 billion).

Eurobond Volumes at US\$564 Billion

Eurobond trading stood at US\$564 billion in the first quarter of 2024, up 5% compared with first quarter 2023's US\$536 billion.

72% of Eurobond activity involved sovereign debt issues in the first quarter of 2024, with Survey participants reporting US\$408 billion in sovereign Eurobond turnover. This compared to a 70% share of Eurobond activity in the previous quarter, when such volumes stood at US\$259 billion.

Corporate Eurobond trading stood at US\$155 billion in first quarter of 2024, accounting for 27% of total Eurobond activity (vs. a 29% share in the previous quarter). Sovereign Eurobond activity accounted for 24% of overall Survey volumes, with corporate trading at 9% of total turnover.

The most frequently traded Eurobonds in the first quarter of 2024 were Saudi Arabia's 2034 and 2054 bonds (US\$7.4 billion and US\$7 billion, respectively), Mexico's 2036 bond (US\$6.5 billion), Argentina's 2035 USD-denominated bond (US\$6.2 billion) and Saudi Arabia's 2030 bond (US\$5.3 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\$757 million in warrant and option trades during the quarter and US\$384 million in loan assignments.

Debt Survey (continued)

Mexican, Brazilian and Chinese Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US\$432 billion in turnover, and compared to US\$353 billion reported in the first quarter of 2023 (up 22%). Mexican volumes represented 25% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US\$214 billion, according to Survey participants. This represents an 11% decrease from the US\$240 billion reported in the first quarter of 2023. Brazilian volumes accounted for 13% of total reported volumes.

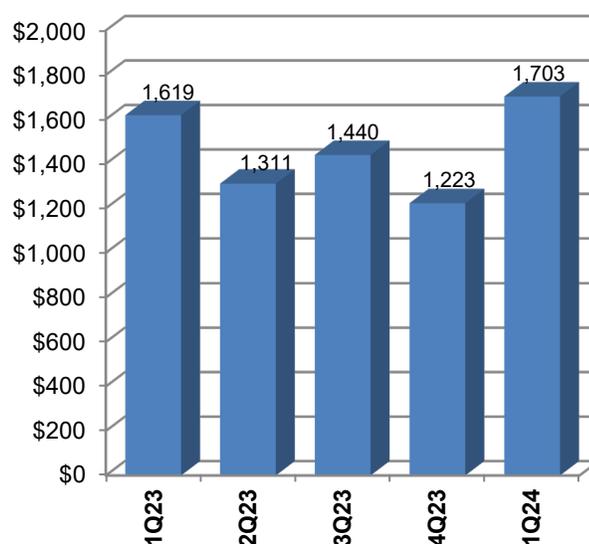
Third were Chinese assets, whose volume stood at US\$148 billion. This compares to US\$136 billion in the first quarter of 2023 (up 19%). Chinese instrument trading accounted for 9% of Survey volume.

Other frequently traded instruments were debt instruments from India (US\$128 billion) and Poland (US\$57 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 31 leading investment and commercial banks, asset management firms and hedge funds.

For a copy of EMTA's First Quarter 2024 Volume Survey, please contact Jonathan Murno at jmurno@emta.org.

Figures in Billions of US Dollars



EMTA Survey: Emerging Markets CDS Trades at US\$312 Billion in First Quarter

Volumes Down 18% vs. 1Q 2023

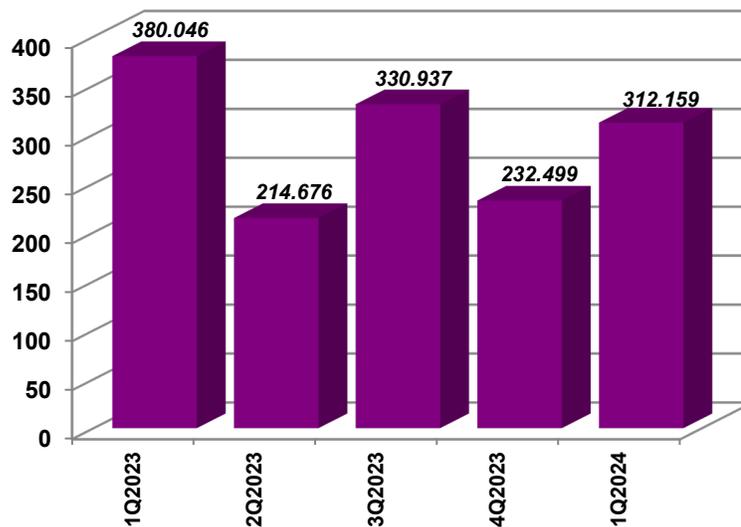
Emerging Markets CDS trading stood at US\$312 billion in the first quarter of 2024, according to a Survey of 10 major dealers released on June 21, 2024 by EMTA. This represented an 18% decrease compared to the US\$380 billion reported in the first quarter of 2023.

The largest CDS volumes in the Survey during the first quarter were those on China, at US\$25 billion. EMTA Survey participants also reported US\$24 billion in both South African and Turkish CDS contracts.

The EMTA Survey also included volumes on nine corporate CDS contracts, with the highest reported quarterly volume on Pemex (at US\$2 billion).

For a copy of EMTA's First Quarter 2024 CDS Trading Volume Survey, please contact jmurno@emta.org.

Figures in Billions of US Dollars



Membership Update

EMTA warmly welcomed the following three new Members during the Third Quarter of 2024.

Linklaters Business Services
Orrick
Rokos Capital Management

Members include over 170 banks, broker-dealers, money management firms, hedge firms, law firms, other service providers and others.

EMTA Membership benefits include access to the EMTA website and to EMTA's staff, invitations to EMTA's many events around the globe at reduced or no cost, eligibility to participate in working groups or other EMTA initiatives, and much more.

If you are interested in EMTA Membership, or if you know of prospective members, please contact Jonathan Murno at jmurno@emta.org or (646) 676-4293 or Suzette Vaccaro at svaccaro@emta.org or (646) 676-4294.

Information on the different categories of Membership and annual dues may also be found on the EMTA website at www.emta.org.

EMTA is your Forum

Questions arise from time to time about EMTA's policies regarding views expressed in items posted on its website or by speakers or panelists at EMTA events.

For the record, EMTA, by long-standing custom, does not necessarily endorse such views. Items posted on EMTA's website and speakers and panelists at EMTA events are selected because EMTA believes that they will be of topical interest to its Members and to the broader market, and will contribute to the free exchange of views and information in the marketplace.

EMTA is always interested in market feedback on the effectiveness of its website, events and activities generally. Please take the time to let us know whether or not you agree with what you see on our website or hear at one of our events and, most importantly, whether there is something that EMTA should be doing, or doing differently, to better serve the EM marketplace.

US and UK Holidays

EMTA circulated the list of 2024 US and UK Annual Holidays in December 2023 in conjunction with the SIFMA distribution of such Annual Holidays ([see https://www.emta.org/activities-and-services/holiday-and-settlement-schedules/](https://www.emta.org/activities-and-services/holiday-and-settlement-schedules/)).

In light of the T+1 settlement for bonds with US ISINs/CUSIPs and, therefore, remaining T+2 settlement for other bonds, in order to avoid confusion, EMTA will continue to send emails, reminding market participants of early and full closes prior to each US and UK Holiday, but will no longer provide any trade or settlement date schedules.

For more information, please contact Aviva Werner at awerner@emta.org.

Stay in Touch to Stay Current!

If you have recently changed emails or moved offices, please update your information by visiting <https://netforumpro.com/eWeb/DynamicPage.aspx?Site=EMTA>.

EMTA Jobs Page

EMTA is providing information on current industry positions of possible interest to members of the EM trading and investment community. Both “Jobs Offered” and “Positions Wanted” information are available to EMTA Members and other market participants.

This information can be found on EMTA’s website at www.emta.org (see “Employment” on EMTA’s home page).

We encourage you to pass along this information to former colleagues seeking employment in the EM debt industry, and, if your institution is looking for an EM professional, please consider posting available job positions with us.

To post a summary resume, please contact Suzette Vaccaro at svaccaro@emta.org.

*EMTA Members:
To obtain a password for the
Members Only area, please
[Click Here](#)*

Website Updates

EMTA publishes a wide range of materials relevant to participants in the Emerging Markets industry.

Please take time to visit these areas on our website:

[New Developments](#) (information about EMTA projects and other industry developments).

[Upcoming Events](#) (the registration site for EMTA Seminars and Webinars).

[Membership](#) (information on Membership and EMTA Member Institutions).

[Documentation](#) (standard documentation and Market Practices for fixed income and FX products).

[Key Industry Views](#) (key industry perspectives and market commentary).

[From the Market](#) (items submitted to EMTA that may be of interest to the Emerging Markets industry participants).

[Emerging Markets Caselaw](#) (court decisions and related litigation materials (including amicus briefs)).

[Employment](#) (industry positions currently available for Members of the Emerging Markets industry).

EMTA is on LinkedIn!

EMTA is happy to announce that we are now on LinkedIn.

Follow us on LinkedIn as an additional way to keep up-to-date on EMTA projects and upcoming events. We invite all EMTA Members to connect with us at: <https://www.linkedin.com/company/emta-inc>.

As always, we thank you for your support.

EMTA Hotlines

<u>Topic</u>	<u>Contact</u>	<u>Telephone</u>
Bond/Loan Trading	Aviva Werner	(646) 676-4292
Corporate Bonds	Jonathan Murno/Leslie Payton Jacobs/ Aviva Werner	(646) 676-4293/(646) 676-4290 ext. 6/ (646) 676-4292
Credit Derivatives	Leslie Payton Jacobs/Aviva Werner	(646) 676-4290 ext. 6/(646) 676-4292
EM Litigation/Arbitration	Aviva Werner	(646) 676-4292
EMTA Events	Jonathan Murno/Nadine Simonelli	(646) 676-4293/ (646) 676-4295
EMTA Governance/Board/Policy	Michael Chamberlin	(646) 676-4290
EMTA Membership	Jonathan Murno/Suzette Vaccaro	(646) 676-4293/4294
FX Derivatives	Leslie Payton Jacobs	(646) 676-4290 ext. 6
International Financial Architecture	Aviva Werner	(646) 676-4292
Investor Rights	Aviva Werner	(646) 676-4292
Legal/Compliance	Aviva Werner	(646) 676-4292
Library and Archive Requests	Evelyn Ramirez	(646) 676-4290
Local Markets	Leslie Payton Jacobs/Aviva Werner	(646) 676-4290 ext. 6/(646) 676-4292
OFAC Sanctions	Aviva Werner	(646) 676-4292
Volume Surveys	Jonathan Murno	(646) 676-4293
Warrants/VRR's	Aviva Werner	(646) 676-4292
Website	Suzette Vaccaro	(646) 676-4294

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EMTA Calendar

Wed., July 3	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., July 4	Recommended Market Close (NYC/London) Independence Day
Mon., August 26	Recommended Market Close (London) Summer Bank Holiday
Mon., Sept. 2	Recommended Market Close (NYC/London) Labor Day
Tues., Sept. 17	EMTA Forum on Sub-Saharan Africa Sponsored by Rand Merchant Bank ISDA Conference Center 10 East 53rd Street, 8th Floor New York City
Thurs., Sept. 19	EMTA Forum on the Frontier Credits Hosted by Artisan Partners 53 State Street Boston
Tues., Sept. 24	EMTA Forum in Paris Hosted by IVO Capital Partners 61-63 Rue des Belles Feuilles
Thurs., Sept. 26	EMTA Forum on Sub-Saharan Africa Sponsored by ICBC Standard Bank 20 Gresham Street London
Tues., Oct. 8	EMTA Forum in Hong Kong Hosted by LSEG LSEG Office 18/F, ICBC Tower Three Garden Road, Central
Thurs., Oct. 10	EMTA Forum in Singapore Sponsored by ING Bank Raffles Hotel 1 Beach Road
Mon., Oct. 14	Recommended Market Close (NYC/London) Columbus Day
Wed., Oct. 16	EMTA Forum on Argentina Sponsored by PPI ISDA Conference Center 10 East 53rd Street, 8th Floor New York City
Wed., Oct. 30	EMTA Corporate Bond Forum Hosted by Fitch Ratings Hearst Tower 300 West 57th Street New York City

Tues., Nov. 12	EMTA Forum in Johannesburg 30 Baker Street Rosebank
Thurs., Nov. 14	EMTA Forum in Cape Town Vineyard Hotel Colinton Road Newlands
Wed., Nov. 27	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Nov. 28	Recommended Market Close (NYC/London) Thanksgiving Day
Fri., Nov. 29	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Dec. 9	EMTA Annual Meeting Hosted by Bank of America One Bryant Park New York City
Tues., Dec. 24	Recommended 2:00 p.m. (NYC) Early Market Close
Wed., Dec. 25	Recommended Market Close (NYC/London) Christmas Day
Thurs., Dec. 26	Recommended Market Close (London) Boxing Day
Tues., Dec. 31	Recommended 2:00 p.m. (NYC) Early Market Close
Wed., Jan. 1, 2025	Recommended Market Close (NYC/London) New Year's Day (2025)