ISMA

INTERNATIONAL SECURITIES MARKET ASSOCIATION

P R E S S   R E L E A S E

ISMA/2000/05
Wednesday April 5, 2000
release: embargoed until 00.01 hrs Wednesday April 5, 2000

ISMA annual report heralds another record for international debt issuance

(ZURICH, SWITZERLAND) The volume of international securities issued during 1999 set a new, all time record, according to the annual report[1] released today (Wednesday) by the International Securities Market Association (ISMA). Described by the report as "breathtaking", new issuance volume in 1999 amounted to USD 1,523 billion equivalent, an increase of more than 50% on the 1998 equivalent of just over USD 1,000 billion, itself a record. This figure comprises all international bonds in all currencies.

The report describes how the pattern of borrowing underwent radical change in 1999, notably due to the introduction of the European single currency. Whilst the US dollar remained top of the league as the global borrowing currency, the euro came a close second.

According to ISMA, the explosion of euro-issuance foreshadows further, strong growth in borrowing in the new currency, particularly in the corporate bond sector, where commercial banks' traditional loan business is being usurped by disintermediation. This trend, in combination with growing investor demand for higher-yielding credits and lower-than-forecast future borrowing requirements by EU governments, creates a "highly encouraging" outlook for a deep, liquid European corporate debt sector.

Currency by currency, borrowing patterns in 1999 - in comparison with 1998 - were as follows:

Currency	1999	1998	Change ▲/▼
USD	**USD 702 billion**	USD 489 billion	▲ USD 213 billion
EUR/ECU	**USD 646 billion**	USD 88 billion	▲ USD 558 billion
GBP	**USD 95 billion**	USD 75 billion	▲ USD 20 billion
JPY	**USD 29 billion**	USD 16 billion	▲ USD 13 billion

Figures shown are in US dollars or US dollar equivalent

---

[1] ISMA's *Annual Report 1999* covers the period January 1, 1999 to December 31, 1999 inclusive.

ISMA

INTERNATIONAL SECURITIES MARKET ASSOCIATION

Secondary market volume dips below 1998 figure

In contrast to the previous year's figure, secondary market volume in 1999 took a modest downturn. The 1999 Cedelbank[2]/Euroclear combined turnover amounted to USD 60.481 trillion equivalent, compared with USD 60.873 trillion in 1998. The report pinpoints two reasons for the decline. First, because approximately 70% of this figure represents turnover in euro-denominated securities, the euro's decline against the dollar throughout the year results in a lower US dollar-equivalent total. Second, because intra-country settlement in euro-denominated government debt takes place at national level, this volume is not accounted for by the international central securities depositories.

ISMA Chief Executive and Secretary General, John Langton, remains upbeat about the market's prospects: "These statistics are impressive. The explosive growth we have witnessed during the nineties in cross-border trading - an increase of more than 1000% between 1990 and 1999 - is, I believe, set to continue, albeit at a more gentle pace," he commented in the report.

ENDS

Note for editors

ISMA

The International Securities Market Association (ISMA) is the self-regulatory organisation and trade association for the international securities market. For some 650 member firms in fifty countries world wide, ISMA oversees the efficient functioning of the market through the implementation and enforcement of a self-regulatory code covering trading, settlement and good market practice. The Association also provides its member firms - and other users - with a range of services, products and support. ISMA is the majority shareholder in and operator of COREDEAL, the electronic exchange for international securities which, subject to regulatory approvals, goes live in May 2000.

For further information please contact

Tim Dickenson
Head of Corporate Communications, ISMA Limited
(44-20) 7538 5656 phone
(44-20) 7538 4902 fax
(44-1426) 274 138 night and weekend pager

tim.dickenson@isma.co.uk

---

[2] Now Clearstream Banking.