

International Figures of the Week

COUNTRY FOCUS / ITALY

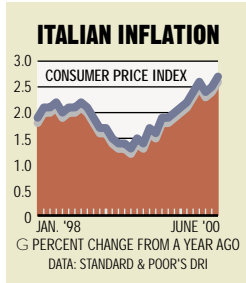
Recent inflation news coming out of the euro zone has not been comforting to the European Central Bank. The ECB is worried that the prolonged weakness in the euro could eventually put upward pressure on inflation.

June consumer prices in Italy, which rose 0.3% from May, speeding up to a yearly rate of 2.7%, added to those concerns. Italian inflation has exceeded 2% since last November, higher than both the euro zone average and the ECB's desired level.

Still, much of the speedup reflects

higher energy costs. Excluding energy, inflation is only 1.7%, but that's still up a bit from last year. Bank of Italy Governor Antonio Fazio, who sits on the ECB's policy council, is concerned that higher inflation could erode Italy's competitiveness.

The good news is that the energy-price impact is likely to fade by yearend, assuming that oil prices are now topping out. Moreover, the latest news on wage growth is favorable. Wages in May rose only 0.3% from April, and they are up a tame 2.3% from a year ago.



STOCK INDEXES

	JUNE 28	JUNE 21	% CHG. YEAR AGO
AUSTRALIA/All Ordinaires	3165.6	3125.6	6.6%
BRAZIL/Bovespa	16842.3	17254.3	44.9
BRITAIN/FTSE100	6313.5	6477.8	0.1
CANADA/TSE 300	10231.3	10197.3	46.0
FRANCE/CAC 40	6608.0	6490.8	46.7
GERMANY/DAX	7056.1	7100.1	31.2
HONG KONG/Hang Seng	16438.4	16238.1	21.5
ITALY/MIB 30	46915.0	46432.0	34.0
JAPAN/Nikkei 225	17370.2	17210.1	-0.9
MEXICO/IPC 35	6676.6	6687.0	18.3
SOUTH KOREA/Composite	818.7	781.9	-7.3
SPAIN/IBEX 35	10583.2	10351.4	3.6
UNITED STATES/Dow Jones	10527.8	10490.3	-2.7

DATA: BRIDGE Information Systems, Inc.

CURRENCY CROSS RATES

	USDOLLAR	SKWON	SFRANC	MPESO	YEN	EURO	CDOL	POUND	REAL	ADOL
AUSTRALIAN DOLLAR	1.6547	0.00148	1.0057	0.1662	15.6980	1.5603	1.1194	2.5034	0.3311	-
BRAZILIAN REAL	1.8250	0.00164	1.1101	0.1833	17.3068	1.7206	1.2350	2.7612	-	0.3311
BRITISH POUND	0.6610	0.00059	0.4017	0.0664	6.2705	0.6233	0.4471	-	0.3622	0.3995
CANADIAN DOLLAR	1.4778	0.00132	0.8984	0.1484	14.0231	1.3936	-	2.2359	0.8098	0.8931
EUROPEAN EURO	1.0605	0.00095	0.6450	0.1066	10.0569	-	0.7176	1.6044	0.5811	0.6409
JAPANESE YEN	105.46	0.09400	64.15	10.5937	-	99.43	71.35	159.55	57.7863	63.7200
MEXICAN PESO	9.9550	0.00892	6.0550	-	0.0944	9.388	6.736	15.0619	5.4548	6.0162
SWISS FRANC	1.6441	0.00147	-	0.1652	1.5590	1.5503	1.1125	2.4874	0.9009	0.9936
SOUTH KOREAN WON	1116.10	-	678.852	112.115	10.583	1052.500	755.244	1688.66	611.562	674.503
U.S. DOLLAR	-	0.00090	0.6083	0.1005	9.4832	0.9430	0.6767	1.5130	0.5479	0.6043

DATA: BRIDGE Information Systems, Inc., Quotes as of 4 p.m., date

CENTRAL BANK POLICY RATES

	JUNE 28	JUNE 21	YEAR AGO
AUSTRALIA/Overnight cash	6.03	5.98	4.75
BRAZIL/Selic Overnight	17.41	18.32	20.74
BRITAIN/Base Lending	6.00	6.00	5.00
CANADA/Overnite Financing	6.00	6.00	4.61
EURO ZONE/Refinance	4.25	4.25	2.50
HONG KONG/Interbank Overnight	5.50	6.25	5.88
JAPAN/Overnight Call	0.02	0.02	0.01
MEXICO/One-day Loan	17.90*	16.00	18.08
SOUTH KOREA/Discount	5.10	5.11	3.00
UNITED STATES/Federal Funds Rate	6.56*	6.49	4.91

DATA: BRIDGE Information Systems, Inc., Standard & Poor's DRI, *Date

GOVERNMENT BOND YIELDS (BENCHMARK 10-YEAR BOND)

	JUNE 28	JUNE 21	YEAR AGO
AUSTRALIA	6.27	6.27	6.30
BRITAIN	5.23	5.12	5.09
CANADA	5.94	5.87	5.49
FRANCE	5.41	5.31	4.60
GERMANY	5.23	5.10	4.90
HONG KONG	7.50	7.46	4.81
ITALY	5.57	5.50	1.59
JAPAN	1.72	1.66	7.32
SOUTH KOREA (3-Year)	9.61	9.75	7.24
SPAIN	5.52	5.43	4.67
UNITED STATES	6.09	6.02	5.78

DATA: BRIDGE Information Systems, Inc., Standard & Poor's DRI, *Date