

# International Figures of the Week

## Stocks

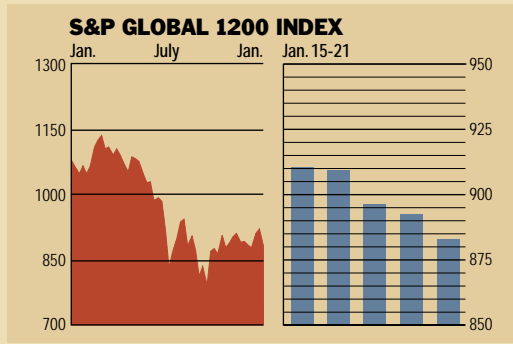
The Standard & Poor's Global 1200 finished the week ended Jan. 21 down 4.1%.

Tough talk by the U.S. government on Iraq, along with poor consumer confidence and industrial output data hurt U.S. equities. AMD fell 16% on bad earnings news, while downbeat outlooks from IBM and Microsoft also hurt tech. Charles Schwab fell 10.7% over the final session, on word that it lost money last quarter.

Weak expectations for semiconductors hurt European chip-makers. Infineon Technologies led the way, falling 14.1% in response to another quarterly loss. Settlement of U.S. asbestos claims helped ABB finish the week up 2%. Financials, especially insurers, were generally lower.

Japan's Topix 150 closed the week 2% higher. Mizuho Holdings soared 25%. The bank said it will try to raise \$8.47 billion by the end of March to help in disposing bad loans.

Data: Standard & Poor's



|                        | Jan. 21 | Week | 4 Weeks | Year  | % change |
|------------------------|---------|------|---------|-------|----------|
| Consumer Discretionary | 922.0   | -4.3 | 0.0     | -19.6 |          |
| Consumer Staples       | 984.2   | -1.8 | 0.2     | -4.4  |          |
| Energy                 | 988.8   | -3.2 | -5.1    | -7.6  |          |
| Financials             | 925.9   | -4.4 | 0.3     | -16.0 |          |
| Health Care            | 1115.5  | -2.5 | -0.4    | -17.7 |          |
| Industrials            | 837.4   | -3.4 | -0.7    | -22.2 |          |
| Information Technology | 883.8   | -8.5 | -0.6    | -33.2 |          |
| Materials              | 928.1   | -2.7 | 1.0     | -3.0  |          |
| Telecommunications     | 718.0   | -5.1 | 2.4     | -20.5 |          |
| Utilities              | 742.0   | -2.2 | 2.5     | -17.7 |          |

| Company                    | 4-week % | Company                 | 52-week % |
|----------------------------|----------|-------------------------|-----------|
| Alcatel (France)           | 41.9     | AT&T (U.S.)             | 41.1      |
| Nortel Networks (Canada)   | 31.9     | 3M (U.S.)               | 18.1      |
| France Telecom (France)    | 28.8     | Dow Chemical (U.S.)     | 15.8      |
| Lucent Technologies (U.S.) | 18.3     | Bridgestone (Japan)     | 9.8       |
| EMC (U.S.)                 | 14.3     | Procter & Gamble (U.S.) | 8.3       |
| Mitsub. Tokyo Fin. (Japan) | 10.6     | Canon (Japan)           | 7.4       |

| (U.S. Dollars)        | Jan. 21 | % change |         |       |
|-----------------------|---------|----------|---------|-------|
|                       |         | Week     | 4 Weeks | Year  |
| S&P Global 1200       | 883.0   | -4.1     | -0.2    | -18.2 |
| S&P 500 (US)          | 887.6   | -4.7     | -0.5    | -20.7 |
| S&P Europe 350        | 798.5   | -5.0     | -1.4    | -17.9 |
| S&P/TOPIX 150 (Japan) | 821.3   | 2.0      | 4.1     | -2.8  |
| S&P Asia Pacific 100  | 1035.4  | -2.2     | 1.6     | -7.5  |
| S&P/TSX 60 (Canada)   | 954.1   | -1.8     | 2.3     | -6.2  |
| S&P Latin America 40  | 735.3   | -8.4     | -3.0    | -25.7 |

| Best performing countries |                   | Worst performing countries |                  |
|---------------------------|-------------------|----------------------------|------------------|
| Last 4 weeks %            | Last 52 weeks %   | Last 4 weeks %             | Last 52 weeks %  |
| Argentina.....17.2        | Zimbabwe...50.7   | Indonesia.....-7.3         | Turkey.....-30.3 |
| Czech Rep...11.1          | Czech Rep...43.1  | Korea.....-4.8             | Brazil.....-29.2 |
| Taiwan.....9.4            | South Africa 40.0 | Mexico.....-3.9            | Israel.....-24.9 |
| Thailand.....8.8          | Peru.....30.6     | Russia.....-3.5            | Philippines-24.4 |
| Malaysia.....6.6          | Slovakia.....28.4 | Israel.....-2.9            | Taiwan.....-21.0 |

|                         | Jan. 21 | Jan. 14 | Index | Currency | % chg. year ago |
|-------------------------|---------|---------|-------|----------|-----------------|
| Australia / S&P ASX 200 | 3051.5  | 3075.8  | -10.8 | 13.3     |                 |
| Brazil / Bovespa        | 11434.7 | 12174.7 | -12.1 | -31.8    |                 |
| Britain / FTSE100       | 3736.7  | 3945.6  | -27.4 | 13.2     |                 |
| Canada / S&P TSX 60     | 378.3   | 387.0   | -12.6 | 5.0      |                 |
| Europe / S&P Europe 350 | 831.8   | 886.3   | -32.0 | 21.1     |                 |
| France / CAC 40         | 2992.4  | 3174.0  | -32.7 | -0.4     |                 |
| Germany / Xetra DAX     | 2870.6  | 3098.7  | -43.1 | -0.4     |                 |
| Hong Kong / Hang Seng   | 9568.5  | 9796.3  | -11.4 | 0.0      |                 |
| Italy / MIB 30          | 23305.0 | 24990.0 | -26.3 | -0.4     |                 |
| Japan / Nikkei 225      | 8708.6  | 8553.1  | -13.4 | 13.3     |                 |
| Mexico / IPC 35         | 6092.1  | 6407.0  | -7.6  | -15.6    |                 |
| South Korea / Composite | 632.9   | 650.1   | -12.6 | 11.6     |                 |
| Spain / IBEX 35         | 6346.3  | 6589.2  | -21.0 | -0.4     |                 |

Data: Standard and Poor's

## Economic Indicators

| Country | Month | % chg. from year ago |       | % change 2002 |
|---------|-------|----------------------|-------|---------------|
|         |       | Latest               | Prior |               |
| Britain | Dec.  | 2.9                  | 2.6   | 1.6           |
| Canada  | Dec.  | 3.9                  | 4.3   | 2.2           |
| France  | Dec.  | 2.2                  | 2.1   | 1.9           |
| Germany | Dec.  | 1.1                  | 1.0   | 1.3           |
| Italy   | Dec.  | 3.0                  | 2.9   | 2.6           |
| Japan   | Nov.  | -0.3                 | -0.8  | -0.7*         |
| U.S.    | Dec.  | 2.4                  | 2.3   | 1.6           |

\*2001 Data: Global Insight Inc.

| Country | Jan. 21 | Weekly % | Yearly % |
|---------|---------|----------|----------|
| Britain | 102.9   | -0.3     | -2.9     |
| Canada  | 76.7    | 0.4      | 1.2      |
| France  | 104.0   | 0.3      | 3.3      |
| Germany | 101.7   | 0.4      | 3.5      |
| Italy   | 74.3    | 0.3      | 2.8      |
| Japan   | 133.8   | -0.9     | 3.8      |
| U.S.    | 110.3   | 0.3      | -11.6    |

Indexes, 1990=100 Data: J.P. Morgan Chase

## Country Focus / Italy

Italians are feeling quite glum. A large source of consumer frustration lies with the government, which now faces pressure to both fix the economy and cap its profligate spending habits.

January consumer confidence dropped to a seasonally adjusted 106.2. The two biggest factors were higher inflation, which hit 3% at yearend, and layoffs by manufacturers, including Fiat, Italy's largest manufacturer, which cut jobs in December and plans to eliminate thousands more. On the plus side, Italy's industrial production rose 0.8% and new orders jumped 2.3% in November.

However, labor tensions and pressure on

the government to implement structural reforms will likely make 2003 another tough economic year. Prime Minister Silvio Berlusconi can't lower taxes and

must cut spending in order to hold the budget deficit below 3% of gross domestic product. Plus, waning popularity has led him to avoid pension and labor reforms.

Economists expect growth near 1.5% in 2003, far short of the government's 2.3% forecast. And labor unrest could weaken the economy even more. The moves by Fiat and perceived inaction by the government have prompted the country's largest union to call for a one-day national strike on February 21.



Data: Bloomberg Financial Markets

## Interest Rates

### BENCHMARK BOND YIELDS (10-YEAR GOVERNMENT\*)

|           | Jan. 21 | Jan. 14 | Year ago | Jan. 21              | Jan. 14 | Year ago |      |
|-----------|---------|---------|----------|----------------------|---------|----------|------|
| Australia | 5.25    | 5.40    | 5.78     | Italy                | 4.32    | 4.43     | 5.11 |
| Britain   | 4.33    | 4.46    | 4.85     | Japan                | 0.82    | 0.87     | 1.44 |
| Canada    | 4.90    | 5.01    | 5.32     | South Korea (3-Year) | 4.96    | 5.01     | 6.05 |
| France    | 4.16    | 4.29    | 4.93     | Spain                | 4.16    | 4.30     | 5.02 |
| Germany   | 4.13    | 4.26    | 4.85     | United States        | 3.97    | 4.08     | 4.92 |
| Hong Kong | 4.47    | 4.60    | 5.88     |                      |         |          |      |

\*Average of Bid/Ask Data: Standard & Poor's, Global Insight Inc.

### CENTRAL BANK POLICY

|                       | Policy rate* |          | Last action |       |
|-----------------------|--------------|----------|-------------|-------|
|                       | Jan. 21      | Year ago | Date        | Type  |
| U.S. Federal Reserve  | 1.25         | 1.75     | 11/6/02     | -0.50 |
| European Central Bank | 2.75         | 3.25     | 12/5/02     | -0.50 |
| Bank of Japan         | 0.00         | 0.00     | 3/19/01     | -0.15 |
| Bank of England       | 4.00         | 4.00     | 11/8/01     | -0.50 |
| Bank of Canada        | 2.75         | 2.00     | 7/16/02     | 0.25  |

\*Target overnight rate