

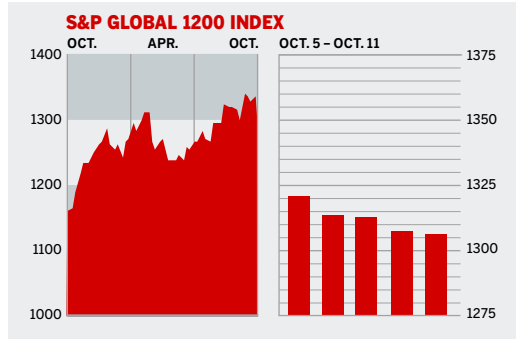
STOCKS

The Standard & Poor's Global 1200 fell 2.3% for the week ended Oct 11. More evidence that the Fed will keep raising rates kept downward pressure on U.S. equities. More bad news at auto parts maker Delphi contributed to a 12.2% plunge in shares of General Motors.

Energy prices and concerns over interest rates led to a drop in European stocks. Cable & Wireless tumbled 19% as first-half revenues fell. News that Alstom received a power plant order from Italy helped lift shares 8.7% on the week.

Japanese stocks made up some ground on Oct. 11 on strong machinery orders data. Australian mining stocks had a rough week, led by an 8.4% drop in shares of BHP Billiton.

Data: BusinessWeek



	Oct. 11	Week	4 Weeks	Year
Consumer Discretionary	1339.4	-2.7	-3.9	5.1
Consumer Staples	1228.5	-2.0	-1.6	12.5
Energy	2034.5	-3.5	-2.7	32.5
Financials	1390.4	-1.5	-1.0	9.8
Health Care	1381.3	-2.3	-2.4	11.5
Industrials	1325.4	-0.8	-0.9	10.8
Information Technology	1259.9	-3.2	-4.3	8.1
Materials	1606.4	-2.3	0.8	16.9
Telecommunications	922.3	-2.4	-2.7	5.2
Utilities	1229.1	-3.2	-2.9	21.6

Company	4-week %	Company	52-week %
Allianz (Ger.)	11.7	Altria (U.S.)	53.4
Toyota Motor (Japan)	11.0	Hewlett-Packard (U.S.)	47.0
Volkswagen (Ger.)	10.4	Volkswagen (Ger.)	46.1
Toshiba (Japan)	9.9	Repsol YPF (Spain)	43.2
Honda Motor (Japan)	8.3	Aegon (Neth.)	40.1
Novartis (Switz.)	7.4	Texas Instruments (U.S.)	37.9

GLOBAL INDEXES

(U.S. Dollars)	Oct. 11	% change		
		Week	4 Weeks	Year
S&P Global 1200	1306.9	-2.3	-2.1	12.1
S&P 500 (US)	1184.9	-2.4	-3.8	5.6
S&P Europe 350	1316.6	-1.6	-1.1	18.1
S&P/TOPIX 150 (Japan)	1322.2	-1.0	4.2	20.2
S&P/ASX 50 (Australia)	5707.4	-5.5	-3.1	22.4
S&P/TSX 60 (Canada)	1964.3	-3.4	-1.1	30.4
S&P Asia 50	2195.1	-1.7	-0.8	25.7
S&P Latin America 40	2222.3	-2.8	6.2	66.1

S&P EMERGING MARKETS INDEXES

Best-performing countries		Worst-performing countries	
Last 4 weeks %	Last 52 weeks %	Last 4 weeks %	Last 52 weeks %
Zimbabwe...64.7	Egypt.....175.1	Venezuela...-11.1	Venezuela...-37.2
Slovakia.....18.1	Jordan.....172.7	Hungary.....-6.4	China.....-0.2
Russia.....15.6	Saudi Arabia125.6	Jordan.....-3.9	Taiwan.....4.6
Sri Lanka.....15.0	Zimbabwe...113.1	Taiwan.....-3.2	Malaysia.....6.8
Pakistan.....11.1	Colombia...88.8	Oman.....-2.4	Thailand.....9.2

U.S. Dollars

STOCK INDEXES LOCAL CURRENCIES

	Oct. 11	Oct. 4	% chg. year ago	
			Index	Currency
Australia / S&P ASX 200	4428.8	4643.6	19.1	3.0
Brazil / Bovespa	30614.2	31283.8	27.8	26.4
Britain / FTSE100	5380.7	5494.4	15.8	-2.6
Canada / S&P TSX 60	597.4	616.6	22.1	6.7
Europe / S&P Europe 350	1219.5	1249.7	21.0	-2.7
France / CAC 40	4549.7	4650.2	23.3	-2.7
Germany / Xetra DAX	5032.5	5138.0	26.9	-2.7
Hong Kong / Hang Seng	14898.8	15382.2	12.4	0.4
Italy / S&P MIB	33602.0	34654.0	18.4	-2.7
Japan / Nikkei 225	13556.7	13738.8	21.0	-4.2
Mexico / IPC 35	15445.4	15933.4	40.1	4.2
South Korea / Composite	1244.3	1242.8	45.0	9.8
Spain / IBEX 35	10810.2	10919.2	30.2	-2.7

Data: Standard and Poor's

ECONOMIC INDICATORS

CONSUMER PRICE INDEX

Country	Month	% chg. from year ago		% change 2004
		Latest	Prior	
Britain	Aug.	2.4	2.3	1.3
Canada	Aug.	2.6	2.1	1.8
France	Aug.	2.0	1.8	2.3
Germany	Sept.	2.6	1.9	1.8
Italy	Aug.	2.2	2.2	2.3
Japan	Aug.	-0.3	-0.3	0.0
U.S.	Aug.	3.6	3.1	2.7

Data: Global Insight Inc.

TRADE-WEIGHTED EXCHANGE RATES

Country	Oct. 11	Weekly %	Yearly %
Britain	97.9	-1.0	-0.9
Canada	123.8	-0.3	6.9
China	97.5	-0.1	2.8
Euro Zone	121.1	0.7	-1.8
Japan	87.4	-0.1	-4.8
Mexico	84.5	-1.2	4.3
U.S.	91.3	0.0	-1.4

Indexes, 2000=100

Data: J.P. Morgan Chase

COUNTRY FOCUS / SOUTH KOREA

The Bank of Korea hiked its overnight interest rate to 3.5%, from 3.25%, on Oct. 11. The BOK raised rates as a preemptive move against energy-induced inflation.

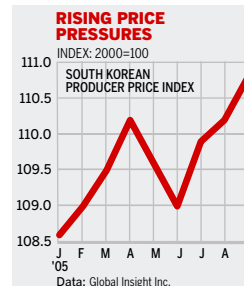
The September producer price index climbed 0.5% for the month. Diesel and gasoline prices rose 3.1% and 3.9%, respectively. Consumer prices advanced 0.7% during September.

The BOK doesn't want U.S. short-term interest rates to get too far ahead of domestic rates, fearing investors will move their money out of Korea. BOK Governor Park Seung said that a gap of more than one percentage point would be cause for

concern. Right now, the U.S. Fed funds rate is 3.75%, but the U.S. Federal Reserve is expected to push it up to at least 4.5%.

At the same time, the Bank of Korea must be careful. The economy appears to be in better health, but it has not made a full recovery. Korean consumer confidence turned higher in September for the first time in six months. But the central bank's postmeeting statement said business investment is not improving at a satisfactory pace.

Therefore, even if high energy prices persist, the central bank will find it difficult to get more aggressive.



Data: Global Insight Inc.

INTEREST RATES

BENCHMARK BOND YIELDS

(10-YEAR GOVERNMENT*)

	Oct. 11	Oct. 4	Year ago		Oct. 11	Oct. 4	Year ago
Australia	5.33	5.43	5.44	Italy	3.35	3.37	4.07
Britain	4.25	4.29	4.73	Japan	1.55	1.52	1.47
Canada	3.99	3.95	4.58	South Korea (3-Year)	4.64	4.77	3.63
France	3.19	3.22	3.96	Spain	3.14	3.16	3.92
Germany	3.16	3.18	3.91	United States	4.39	4.37	4.10
Hong Kong	4.24	4.28	3.78				

*Average of Bid/Ask

Data: Standard & Poor's, Global Insight Inc.

CENTRAL BANK POLICY

	Policy rate*		Last action	
	Oct. 11	Year ago	Date	Type
U.S. Federal Reserve	3.75	1.75	9/20/2005	0.25
European Central Bank	2.00	2.00	6/5/2003	-0.50
Bank of Japan	0.00	0.00	3/19/2001	-0.15
Bank of England	4.50	4.75	8/4/2005	-0.25
Bank of Canada	2.75	2.25	9/7/2005	0.25

*Target overnight rate