Weekly Investment Update

12th August 2002

Aberdeen Asset Management's review
of last week's activity in economies,
stock and bond markets worldwide

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Aberdeen

Overview

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- The UK Bank of England quarterly inflation report painted a mixed outlook for the economy and did not contain any new signals for future monetary policy.

- US second quarter non-farm productivity rose by 1.1% from the 8.6% pace recorded in the first quarter.

- The German June trade surplus widened to €10.9bn from €9.7bn previously.

- Global government bonds were stable over the past week as equity markets staged a minor recovery. The key event for this week will be Tuesday’s decision on interest rates by the US Federal Reserve’s Open Market Committee, which holds the key for short maturities in most major yield curves.

US

- **Procter & Gamble**, the largest US maker of household products, reported earnings for the fiscal fourth quarter ahead of expectations. Earnings came in at 77c versus the consensus 75c estimate and the company said that it expects 2003 core earnings growth in the double-digits, with sales growing by 4%-6%.

- The California Supreme Court ruled that smokers suing tobacco companies cannot rely on evidence of deception by the cigarette makers between the years 1988 and 1998. This ruling, in one of the toughest litigation markets for the likes of **Philip Morris** and **R.J. Reynolds**, will reduce the litigation burden on the industry significantly. Philip Morris shares rose by 9.6% during the week.

- **Cisco Systems**, the leading global provider of networking products, reported fourth quarter earnings of 14c per share ex-items, versus the consensus expectations for 12c per share. While the revenues were less than expected, the company showed its ability to execute and manage its businesses in a difficult environment, delivering bottom line growth. The shares closed the week up by 10.3%.

UK and Europe

- Recent weakness in the banking sector was halted after results from **HSBC** and **Standard Chartered,** notably as a result of provisions for bad and doubtful debts not delivering any nasty surprises and the latter exceeding expectations with stronger than anticipated income growth.

- **Ryanair**, the low budget airline, reported excellent first quarter results with earnings well ahead of analysts’ forecasts. Average fares declined by 7% while traffic climbed by 38% and the average load factor jumped by 6.2 points to 83.7%.

- **ABN Amro** announced a 20% dip in profits for the second quarter and a further 400-500 job cuts in its wholesale division. The bank reaffirmed its forecast that full year earnings will not fall below 2001 levels.

Far East including Japan

- **Japan**: Quarterly results from **Toyota Motor** and **Mitsubishi Corporation** were slightly better than expected but did little for their respective share prices. The market's main concern remains the possibility of a double dip in the US economy.

- **Hong Kong**: **Dah Sing Financial** reported results that were better-than-consensus thanks to its treasury operations. Specific provisions rose by 140.2% year-on-year in the period, mainly due to credit card defaults, which was expected.

- **Singapore**: As banks reported, **United Overseas Bank** stood out from its domestic peers in terms of net interest margins, cost to income ratio and stable NPLs. By contrast **Overseas-Chinese Banking Corporation** (OCBC) disappointed with sharply higher provisioning and investment write-offs.

Economic Data

Economic data – due out this week

	Previous	Expected
Monday		
UK Jul PPI Input	-0.9% month-on-month (m-o-m)	0.3%
	-7.2% year-on-year (y-o-y)	-4.4%
Output	0.0%	0.1%
	0.0%	0.5%
Tuesday		
UK Jul RPI Headline	0.0% m-o-m	-0.3%
	1.0% y-o-y	1.3%
RPI-X	-0.1%	-0.4%
	1.5%	1.8%
US Jul Advance Retail Sales	1.1%	1.2%
- ex-autos	0.4%	0.3%
GE Aug ZEW Economic Sentiment Survey	69.1	65.0
US FOMC Rate Decision		
Wednesday		
UK MPC minutes of 31 Jul-1 Aug meeting		
FR Jun Manufacturing Production	-0.7% m-o-m	0.3%
	-0.6% y-o-y	-1.2%
UK Jul Unemployment Change	1,300	2,500
-Rate	3.2%	3.2%
Average Earnings	3.8% 3m/y-o-y	4.0%
Thursday		
US Jul Industrial Production	0.8%	0.0%
Capacity Utilisation	76.1%	76.0%
US Aug Philadelphia Fed Index	6.6	7.8
Friday		
US Jul CPI Headline	0.1%	0.2%
- ex food & energy	0.1%	0.2%
US Jul Housing Starts	1,672,000	1,678.000
US Aug University of Michigan Consumer Confidence	88.1	89.0

Economic News

Economic News

- Eurozone July services business activity index fell to 52.6 from 53.0.
- UK July services PMI fell to 54.7 from 54.9.
- UK June manufacturing output fell by 5.3%, taking the y-o-y rate to -8.3%; the additional Jubilee bank holiday was the main explanation for the surprise slump.
- US July ISM non-manufacturing activity fell to 53.1 from 57.2.
- The UK Bank of England quarterly inflation report painted a mixed outlook for the economy and did not contain any new signals for future monetary policy.
- US Jul PPI fell by 0.2% to –1.1% y-o-y.
- US second quarter non-farm productivity rose by 1.1% from the 8.6% pace recorded in the first quarter.
- The German June trade surplus widened to €10.9bn from €9.7bn previously.

- Since last week:

	5yr		10yr		30yr	
	Yield %	Change bps	Yield %	Change bps	Yield %	Change bps
US	3.27	+16	4.28	+6	5.13	-4
UK	4.53	+2	4.64	-3	4.51	-7
Germany	4.01	+5	4.56	-1	5.01	-1
Japan	0.36	-1	1.27	-2	2.16	-3

Global government bonds were stable over the past week as equity markets staged a minor recovery. The key event for this week will be Tuesday's decision on interest rates by the US Federal Reserve's Open Market Committee, which holds the key for short maturities in most major yield curves.

UK

The UK market made strong progress over the week on the back of bargain-hunting and evidence of asset allocators switching bonds into equities given the sell off and the attractive yields on equities versus bonds. The rally was confined to the majors as mid caps and small caps were left behind. The market gained comfort as the IMF announced a £19bn package to assist the Brazilian economy through its current difficulties. Given the weakness in stockmarkets and some recent negative newsflow an increasing number of economists revised interest rate expectations to reflect a cut in rates that was taken positively by the market.

Biggest Gainers

- Risers last week included **Centrica** (+18.8%), **Standard Chartered** (+17.9%) and **International Power** (+14.8%) in the FTSE 100 and **ARM Holdings** (+16.0%), **Wimpey** (+13.1%) and **Somerfield** (+12.4%) in the FTSE 250.

Biggest Losers

- Fallers last week included **Royal & Sun Alliance** (-24.5%), **Cable & Wireless** (-4.2%) and **P&O Princess Cruises** (-3.3%) in the FTSE 100 and **Enodis** (–22.7%), **Torex** (-22.6%) and **Cookson Group** (-21.1%) in the FTSE 250.

- The reporting season continued to reassure investors on balance. Recent weakness in the banking sector was halted after results from **HSBC** and **Standard Chartered,** notably as a result of provisions for bad and doubtful debts not delivering any nasty surprises and the latter exceeding expectations with stronger than anticipated income growth. Results from **Royal Bank of Scotland** that were in line with expectations were not sufficient to prevent share price weakness. Some pointed to a slowing of revenue growth although rumours that **Banco Santander** was disposing of its stake in the company was the predominant cause of the weakness. Results from **Royal & Sun Alliance** were disappointing as higher than anticipated losses due to the 11 September terrorist attacks, a dividend cut and worries over a potentially large rights issue required to fund growth going forward knocked sentiment severely. Positive results from **BOC** and **BHP Billiton** helped cyclical sectors as did bargain-hunting following the recent sell-off in the mining sector after the recent negative implications of recent mining ownership legislation in South Africa.

- Elsewhere, given the increased potential for interest rate cuts a number of rate sensitive companies saw shares marked up. Notable among these were the housebuilders with some support for the general retail sector. However, **Dixons** did not participate in the rally following a profit warning from the lookalike **Best Buy** in the United States which blamed falling stockmarkets for undermining confidence over spending on larger ticket items. The tobacco sector suffered from profit taking and rotational pressures with slippage in the price of **BAT Industries.** This was compounded by newswire comment from Chinese authorities that no Western tobacco companies would be allowed to set up manufacturing plants in the country, also offsetting positive litigation news in the US.

- The week ahead will be a quieter one on the reporting front. Interim results are expected from **Old Mutual**, **Cordiant Communications**, **Waste Recycling Group**, **Mersey Docks & Harbour**, **Balfour Beatty**, **Bradford & Bingley** and **Computacenter**.

US

Economic data released during the week continued to disappoint investors expecting a strong and consistent economic rebound. The week started with a sharper fall in the ISM Non-Manufacturing Index, although this was not surprising after last week's decline in the ISM Manufacturing Index. Wholesale Inventories rose by 0.3% in June, more than the expected 0.2% increase. Producer Prices fell by 0.2% in July when this index was expected to rise by 0.1%. US retail sales rose by 2.6% in July, the second smallest gain this year. The weakness in July was fairly consistent across all retail sectors and called into question the ability of the consumer to continue spending during the economic recovery.

- **Procter & Gamble**, the largest US maker of household products, reported earnings for the fiscal fourth quarter ahead of expectations. Earnings came in at 77c versus the consensus 75c estimate and the company said that it expects 2003 core earnings growth in the double-digits, with sales growing by 4%-6%. However, the share closed the week up by 1.5%, lagging the market as some investors were disappointed by the top-line growth.

- The California Supreme Court ruled that smokers suing tobacco companies cannot rely on evidence of deception by the cigarette makers between the years 1988 and 1998. This ruling, in one of the toughest litigation markets for the likes of **Philip Morris** and **R.J. Reynolds**, will reduce the litigation burden on the industry significantly. Philip Morris shares rose by 9.6% during the week.

- **The Interpublic Group of Companies**, one of the top three advertising companies in the world, delayed its earnings release saying that its audit committee needed to complete its review prior to management certification of the financial statements. This news renewed fears of accounting irregularities in media stocks and the company's shares consequently fell by 13% over the week.

- **Mirant Corp.**, a US independent power producer with energy trading operations, said that the SEC had started looking into the company's accounting and energy trading practices after its disclosure of a $253 million misrepresentation in assets and liabilities in 2001. The company's stock closed the week down by 7.2%, having fallen by 17% on the day after the release of the news.

- **Cisco Systems**, the leading global provider of networking products, reported fourth quarter earnings of 14c per share ex-items, versus the consensus expectations for 12c per share. While the revenues were less than expected, the company showed its ability to execute and manage its businesses in a difficult environment, delivering bottom line growth. The shares closed the week up by 10.3%.

- The former CEO of **ImClone Systems**, Sam Waksal, was indicted by a federal grand jury on insider trading charges this week. Mr Waksal is accused of tipping off relatives over news that federal regulators had rejected a drug application, days before the news was released to the public. Mr Waksal will potentially face 30 years in prison.

- Investors' fears over the strength of the consumer were further exacerbated this week after **Best Buy Inc**., the largest US retailer of consumer electronics, cut this quarter's profit forecast for the second time. Sales had slowed significantly over the last few weeks, with weakness in all retail divisions. The company's shares declined by 26% during the week, after falling by 37% in one day.

- Investors remained focused on the 14 August deadline for the signing off of financial accounts by CEOs and CFOs. To date only a few companies have announced compliance.

Europe

Last week markets bounced sharply as investors bought back into equities after the falls of recent months. Overall, economic data in recent weeks has been poor. Industrial confidence has stagnated and consumer confidence has eased. GDP forecasts in Europe and the US have come back recently and talk of the MPC and ECB raising interest rates this year has all but disappeared.

The best performing sectors over the course of the week were technology and insurance – these have been two of the worst performing sectors this year to date. The worst performers over the last week were basic resources, media and industrials.

- **TPG**, the Dutch postal operator, announced a solid set of second quarter results. The core mail business held up well against a testing trading environment and the express parcels division beat expectations. Logistics had a disappointing quarter suffering from a renewed slowdown and dollar weakness. Guidance for growth of 5%-10% in net income was reaffirmed for the full year.

- **Randstad**, the Dutch temporary staffing company, reported excellent figures in contrast with its peers for the second quarter. The company appears to be winning back market share in the US and cost control was much improved. Strategically, however, Randstad still faces a challenge with its massive exposure to its mature home market.

- **Ryanair**, the low budget airline, reported excellent first quarter results with earnings well ahead of analysts' forecasts. Average fares declined by 7% while traffic climbed by 38% and the average load factor jumped by 6.2 points to 83.7%. Costs remain under control and German growth is principally being driven from operations at Frankfurt Hahn.

- **Orange** requested more time to roll out its third generation network in Sweden. This news came just weeks after **Telefonica** and **Sonera** revealed they are shelving plans for the development of a 3G network in Germany. Overall, there is a greater degree of realism in the sector over the growth likely to be generated from 3G services. Further delays to the timetable are expected.

- **Commerzbank**, one of Europe's least profitable banks, issued a thinly veiled profit warning on Thursday after reporting a 90% fall in second quarter earnings. The bank said it would only meet its 2002 guidance if markets improved.

- **ABN Amro** announced a 20% dip in profits for the second quarter and a further 400-500 job cuts in its wholesale division. The bank reaffirmed its forecast that full year earnings will not fall below 2001 levels.

- New models such as the popular Mini helped to boost second quarter figures at **BMW**. The group's car and motorcycle sales increased above the market trend in nearly all regions. Full year guidance was positive and the company expects to beat last year's unit sales, revenues and pre-tax profits.

Australia

The events of the past week revealed a mixed view of the domestic economy. Housing finance for owner-occupiers rose by 3.2% in June, above expectations for a fall of 1.8%. This is the third consecutive rise in lending, taking housing finance data back to its highest level since January this year. While the data is consistent with the housing sector maintaining reasonable momentum, we still expect activity in the housing sector to slow further in the second half of the year. Labour force data for July came in weaker than expected, with total employment falling by 28,300. However, a fall in the participation rate saw the unemployment rate drop to a 21 month low of 6.2%. Although the data was disappointing, we anticipate a bounce in employment over the next couple of months, consistent with the pattern of leading indicators of the labour market. However, these same leading indicators are now signalling some slowdown in employment growth by the year end.

The focus for markets next week will be the release of the Reserve Bank of Australia's (RBA) latest quarterly monetary policy statement. In May the RBA noted a "clear shift in sentiment" to the upside for the global economy and that Australia continued to perform strongly, without the "imbalances" evident elsewhere. Since that time, there has been a clear shift downward in global growth expectations, led by significant weakness in equity markets. The domestic economy has, however, continued to perform well and it is the fine balance between a weaker global economy and a solid domestic economy that the RBA is expected to highlight in the August statement, due early this week.

This week saw the start of the Australian reporting season. The Australian Benchmark Index (ASX/S&P200) registered positive returns (+1.75%) for the week amid reasonable gains by the US markets (around 5%). The Australian equity market was buoyed by the Australian Reserve Bank's decision to refrain from raising rates. This decision was received favourably by the interest sensitive stocks especially the banks. Looking forward, results should dominate the market's mindset and the prices of reporting stocks.

- China announced Australia's Northwest Shelf Venture is the preferred supplier of three million tonnes of liquified natural gas per year for 25 years to the Guangdong LNG receiving terminal in southern China. Both **Woodside Petroleum** and **BHP Billiton** are 1/6th participants in the Northwest Shelf consortium. The total deal is estimated to be worth between A$20 billion and A$25 billion and is Australia's largest ever export deal.
- **BHP Billiton** announced a US$1,934 million full-year profit, which was at the higher end of expectations and reflected the benefits of geographic and commodity diversity. However, the result was marred by a series of negative exceptional items, which saw the figure marked down to US$1,690 million.
- **QBE Insurance Group** performed strongly for the week, up 4.8%, outperforming its insurance peer group. **Macquarie Bank** continued to move lower, on news that the annual performance fee from Macquarie Infrastructure Group to the Bank would be taken in shares rather than cash going forward.
- **Telecom NZ** reported its financial year 2002 results. Operational results were better than expected, as New Zealand's telecom market seems to have stabilised in pricing. The Australian market remains a competitive arena with ongoing margin pressures. As expected, Telecom NZ announced some asset write-downs in its Australian operations, thus clearing the decks for better a 2003.

Fixed Income

Another volatile week in the bond market, with the RBA keeping rates on hold and data giving mixed signals over the state of the economy. Employment numbers were weak, falling 28,300 in July. Going against the grain was housing finance, which even after the passage of the first home owners grant, rose by an impressive 3.2% against expectations of -1.8%. This figure is one in a long line of data that continues to stress the resilience of the housing market despite the rise in interest rates. Over the week the Australian yield curve steepened slightly, as three year issues were buoyed by weaker labour force numbers.

Emerging Markets (excluding Asia)

EMEA – Results for June: South African manufacturing production volume was marginally down, 0.1% y-o-y but on a seasonally adjusted basis manufacturing for the second quarter reflected an increase of 1.7% quarter-on-quarter (q-o-q). Hungary's current account deficit was in line with expectations at EUR403m, against EUR433mn in May. Czech industrial output slowed sharply down to 1.3% from 5.1% in May.
Results for July: Turkish CPI was 1.4% putting the government in reach of its 35% year-end target. Czech CPI data showed that the annual rate of inflation fell to a record 0.6% in July from 1.25% in June and the country's unemployment rate rose to 9.2% from 8.7% in the same period.
Expected this week – Results for June: Hungarian industrial output (final) and Czech retail sales.
Results for July: Israeli trade balance and CPI, Hungarian CPI, and Czech PPI.
Russian government to discuss final draft for 2003 budget.

LATAM –Results for June: Brazilian industrial production rose by 0.7% y-o-y, or 0.8% m-o-m, largely due to strong mining output. Mexico's trade deficit decreased m-o-m from US$321m to US$317m.
Results for July: Mexican CPI rose by 0.29% m-o-m and Brazilian CPI fell by 0.2% y-o-y to 7.5% from 7.7%.
Also: The Chilean Central Bank surprised the market by cutting the target interest lending rate by 25 basis points to 3.0%. *Expected this week:* Results for June: Mexico's Industrial Production.
Results for the second quarter: Mexico's GDP.

- The New Turkey party and DTP announced their plans to form post and pre-election alliances. This will strengthen both parties' chances of securing the national threshold (10%) in the autumn elections. The resignation of Kermal Dervis from government last Saturday was largely anticipated but his political future remains crucial. The former economy minister and architect of the country's $16bn IMF plan is expected to join one of the centre left parties and the New Turkey/ DTP alliance could receive his support. Dervis's presence in Turkish politics will continue to have a profound effect on markets - the XU100 index dropped by 1.69% on Friday in reaction to expectations of his resignation.

- The South African rand plummeted mid-week. The currency traded at a low of R$10.74 and ended at R$10.48. Sharps sell-offs in equity markets, concerns over the recently leaked mining charter and generalised weakness in commodity currencies are believed to be to blame.

- After several months of debate and consideration the Polish parliament finally passed five key amendments to the country's Labour Act. The revisions are intended to make Poland's labour market more flexible in a bid to remove one of the country's longest perceived growth barriers. Key articles include the removal of obligations for employers to sign open-ended employment contracts with employees. These revisions were made as a further step to EU harmonisation. However, the government's revision of its year-end growth predictions muted market reaction.

- On the corporate front **Anglo American** announced that it will provide its workers with anti-retroviral therapy for the treatment of HIV. The move comes before the firm's meeting with ministers from the Ministry of Mining and Energy this week. Although Anglo has not disclosed the timetable and availability of the scheme they are planning to use generic anti-retroviral treatments.

- LATAM markets received a major boost when the IMF announced a bigger than expected US$30bn 15-month standby loan arrangement for Brazil, easing fears of another meltdown in Latin America. US$6bn will be earmarked for disbursement this year, with the remaining US$24bn expected in 2003. The package was agreed on the condition that the new government-elect maintains the target of a primary fiscal surplus of 3.75% of GDP through 2005. The leading presidential candidate, opposition leader Lula, had indicated initial support of the package.
- Another surprise was the announced planned provision of approximately US$15bn for the Brazilian central bank to inject liquidity in the foreign exchange markets. This should provide some stability to the Brazilian real.

- However, Brazilian political woes returned to cap the good news. In the latest opinion poll after the IMF bailout and the debate between the top four candidates, the government candidate, Serra, continued to slide behind the other two opposition candidates. The market is growing sceptical of his chances of an election victory, putting fears back over the continuation of current fiscal policy.

Far East & Japan

The IMF's bigger than expected US$30bn bailout for Brazil warmed global markets, easing fears of (another) meltdown in Latin America. Wall Street also gained some footing from a surprise fall in the producer price index and weekly jobless claims, though trading was seasonally thin. Alan Greenspan appeared to dampen any lingering hopes that interest rates would be cut this week. Corporate news continues to be grim ahead of the SEC deadline for chief executives to certify recent results. Overall, US stocks ended impressively. Japan followed, with the dollar rebound taking pressure off exporters. By contrast some Asian stockmarkets saw bargain-hunters swoop in mid-week but most markets drifted lower.

Regional macro news was mixed. Indonesia is likely to see economic growth undershoot due to weaker-than-expected investment and exports, with private capital flows still tepid. Malaysia's foreign reserves fell last month because of foreign debt repayment and rising imports, consistent with a gradual recovery, industrial production being up for a third straight month.

- **Japan**: Quarterly results from **Toyota Motor** and **Mitsubishi Corporation** were slightly better than expected but did little for their respective share prices. The market's main concern remains the possibility of a double dip in the US economy.

- **Hong Kong**: **Dah Sing Financial** reported results that were better-than-consensus thanks to its treasury operations. Specific provisions rose by 140.2% year-on-year in the period, mainly due to credit card defaults, which was expected. However, management remains admirably conservative, the balance sheet strong and valuations undemanding.

- **Indonesia**: Results/announcements for both **Sari Husada** and **Sepatu Bata** demonstrated lower margins although they continue to remain cheap with high dividend yields. *Both are held in our Indonesian fund.*

- **Korea**: The foreign ownership limit on **KT Corporation**, one of our holdings, has in effect been increased from 37% to 49%. The company will hold an extraordinary meeting on 20 August to exclude the 11.8% exchangeable bond from being counted in the current 49% limit.

- **Malaysia**: **Public Bank** announced good results in-line with expectations with improved NPL levels at 3.3% (versus the sector average of 8.1%). **Star Publishing** also saw stronger second quarter revenues, 13.7% higher year-on-year due to a rebound in advertising, while **Jaya Jusco** with a highly seasonal first quarter also performed better.

- **Philippines**: **Ayala Land** successfully reduced operating expenses although results were still very much reflective of general economic conditions with property development revenue declining year-on-year. **Globe Telecom's** results were relatively impressive at EBITDA level and subscriber growth continued, up 7% quarter-on-quarter. However, planned infrastructure capital expenditure remains high in the short-term. *Both are held in our Philippine fund.*

- **Taiwan**: In an agreed deal, **Fubon Financial**, held across regional portfolios, moved to acquire **Taipei Bank**, a well-run, conservative bank as part of its strategy to grow its banking business and distribution. Fubon will pay 1.7 times book value, which is a 23% premium to Taipei Bank's closing price. Benefits include an enhanced customer base, opportunities for cross-selling of products and a reduced cost base. The deal should provide value to both sets of shareholders.

- **Singapore**: As banks reported, **United Overseas Bank** stood out from its domestic peers in terms of net interest margins, cost to income ratio and stable NPLs. By contrast **Overseas-Chinese Banking Corporation** (OCBC) disappointed with sharply higher provisioning and investment write-offs. These are the first set of results under the new CEO, David Connor, and may well reflect a certain cleaning up of the balance sheet. *Both stocks are common to our country and regional portfolios.*

- **Thailand**: The country's largest mobile phone operator, **Advance Info** Services, raised its year-end subscriber target by 10% to 11 million, despite strong competition from new operator TA/Orange. Shares in bellwether **Siam Cement** plunged by 9% on concerns over its revaluation of assets and depreciation policies. **BEC World** reported second quarter numbers in line with market estimates, down by 1.2% year-on-year, but up by 35% quarter-on-quarter. So far, corporate results have generally been positive, reflecting a strong consumer-driven macro story but external factors are hurting market sentiment.

Asian Fixed Income

The week started off with a negative tone, as investors sold down their positions in a holiday-thinned market, with bonds issued by **Hutchison Whampoa** and **PCCW-HKT** hit hard. Korean sovereign issues sold-off on the prospect of a US $650m new issue from **KEPCO**, which will potentially increase supply. Malaysian sovereign and **Petronas** bonds found support, however, after Fitch upgraded the country's sovereign rating. Philippine sovereign bonds enjoyed a sharp rally, as dealers rushed to cover short positions sparked by the IMF's generous rescue package for Brazil. Asian currencies weakened on the back of a resurgent US dollar, as well as jitters following Taiwanese President Chen Shui-bien's assertive declarations of sovereignty, which were later played down.

World Stockmarket Movements

UK	Index	1 week %	1 month %	3 months %	12 months %	Int Rate %
FTSE 100	4322.36	6.06	-4.86	-16.84	-20.00	3.94
FTSE All Share	2077.19	5.21	-5.82	-17.84	-20.48	
FTA Govt All Stocks	156.50	0.92	3.62	3.20	0.26	
FTSE 250	4722.86	0.93	-11.35	-23.49	-22.28	
FTSE Small Cap	2000.89	-1.50	-10.59	-22.70	-26.53	

North America	Index	1 week %	1 month %	3 months %	12 months %	Int Rate %
Dow Jones Ind	8745.45	5.20	-3.85	-12.87	-15.08	1.69
S&P Comp	908.64	5.14	-4.64	-15.32	-23.22	
NASDAQ	1306.12	4.66	-5.43	-20.86	-33.47	
Toronto SE	6645.92	1.67	-5.53	-12.92	-13.64	

Latin America	Index	1 week %	1 month %	3 months %	12 months %
Argentina Merval	375.52	5.06	-6.61	-3.87	15.04
Mexico IPC	5913.21	4.76	-8.48	-19.56	-10.40
Chile - IPSA General	88.93	3.02	4.96	-8.18	-20.96
Brazil Bovespa	9985.77	1.36	-6.56	-17.48	-27.82

Europe	Index	1 week %	1 month %	3 months %	12 months %
FTA Europe ex UK	220.42	7.20	-11.95	-19.77	-25.74
Germany DAX	3760.86	6.46	-13.93	-24.28	-31.77
France CAC	3447.94	6.24	-9.72	-21.40	-29.47
Spain General	662.55	3.19	-9.32	-19.21	-18.41
Italy BCI	1166.19	2.71	-8.20	-18.75	-27.08
Swiss Market	5324.00	5.70	-10.78	-19.27	-20.81

Emerging Europe/Middle East/Africa	Index	1 week %	1 month %	3 months %	12 months %
South Africa JSE All Share	9272.59	2.80	-11.80	-19.13	10.52
Turkey ISE 100	10415.63	-3.39	19.06	-12.80	11.02
Russia RTS	324.78	-0.97	-15.40	-14.84	69.54
Hungary BUX	7008.14	-0.71	-6.97	-21.13	7.45
Poland WSE WIG	12744.16	-2.12	-10.08	-14.68	1.52

Japan	Index	1 week %	1 month %	3 months %	12 months %	Int Rate %
Topix	980.79	2.61	-6.60	-10.09	-17.23	0.08
Nikkei	9999.79	2.99	-8.76	-14.04	-14.93	
2nd Section	1761.56	-1.58	-5.35	-3.30	-11.35	

Far East	Index	1 week %	1 month %	3 months %	12 months %	Int Rate %
Hong Kong Hang Seng	10014.06	0.22	-7.65	-14.42	-14.53	1.63
Australia All Ord	3052.80	1.70	-4.80	-7.10	-9.10	
Thailand Bangkok SET	367.07	-0.92	-8.97	-3.58	15.88	
Malaysia KISE Comp	723.18	0.51	-2.74	-9.00	10.90	
China Clsa China B	2225.60	-0.93	-5.90	2.28	-14.43	
India BSE National	1508.93	0.49	-10.74	-12.73	-3.29	

	Current	12 months %
US$ to Yen	120.13	-2.38
US$ to DM	2.01	-8.61
DM to UK£	3.07	-1.97
Yen to UK£	183.15	4.71
Oil (Brent - per Barrel)	25.58	0.00
Gold (per Oz)	314.40	16.14

	Yield % as at 09/08/02	Yield % as at 02/08/02
UK 10 Year Bond	4.64	4.76
US 10 Year Bond	4.23	4.26
US Long Bond	5.12	5.20
French - OAT	4.67	4.74
German 10 Year Bond	4.57	4.67

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