

ECONOMIC INDICATORS

OUTPUT, DEMAND AND JOBS America's GDP growth in the second quarter was revised up again, to an annual rate of 1.8%. Retail sales rose 5.6% in the year to July, compared with 7.6% in the year to June. Japan's industrial output fell by 0.6% in August, a drop of 8.5% from a year earlier. Strike-hit Canadian industry produced 1.3% less in July than a year earlier.

	% change at annual rate		The Economist poll		Industrial production		Retail sales (volume)		Unemployment % rate	
	GDP		GDP forecasts							
	3 mths [†]	1 year	1998	1999	3 mths [†]	1 year	1 year	1 year	latest	year ago
Australia	+ 3.1	+ 3.9 Q2	+ 3.0	+ 2.7	+ 1.0	+ 1.9 Q2	+ 2.8 Q2	8.1 Aug	8.7	
Austria	na	+ 4.2 Q1	+ 2.8	+ 2.9	-14.0	+ 5.2 May	+ 3.4 May	4.5 Jul [‡]	4.4	
Belgium	+ 4.9	+ 3.5 Q1	+ 2.8	+ 2.7	na	+ 6.1 Jul*	+ 4.6 May	13.6 Aug	14.1	
Britain	+ 2.2	+ 3.0 Q2 [†]	+ 2.2	+ 1.1	+ 2.1	nil Jul	+ 2.9 Aug	6.2 Jul [§]	7.3	
Canada	+ 1.8	+ 3.1 Q2	+ 3.2	+ 2.5	- 4.0	- 1.3 Jul	+ 3.6 Jun	8.3 Aug	9.0	
Denmark	+ 0.8	+ 1.6 Q2	+ 2.8	+ 2.4	-18.6	+ 4.1 Jun	- 0.7 Jun	6.5 Jul	8.2	
France	+ 2.8	+ 3.0 Q2	+ 2.9	+ 2.8	+ 4.2	+ 5.3 Jun	+ 2.9 Jul	11.8 Aug	12.5	
Germany	+ 0.4	+ 1.7 Q2	+ 2.5	+ 2.7	+ 4.0	+ 2.5 Jul	+ 1.2 Jul	10.9 Aug	11.7	
Italy	+ 2.1	+ 1.1 Q2	+ 2.1	+ 2.8	+ 3.6	+ 1.3 Jul	+ 1.7 Jun	12.4 Apr	12.2	
Japan	- 3.3	- 1.8 Q2	- 1.7	+ 0.4	- 3.5	- 8.5 Aug	- 3.7 Jul	4.1 Jul	3.4	
Netherlands	+ 2.8	+ 3.4 Q2	+ 3.6	+ 3.3	+ 0.3	+ 3.5 Jun	+ 1.6 Apr	4.1 Aug**	5.6	
Spain	+ 3.5	+ 3.9 Q2	+ 3.8	+ 3.7	+ 4.3	+ 8.4 Jun	na	18.6 Jul [‡]	21.0	
Sweden	+ 7.8	+ 4.1 Q2	+ 2.9	+ 3.0	+ 8.0	+ 7.1 Jun	+ 3.1 Jul	7.3 Aug*	8.5	
Switzerland	+ 1.3	+ 2.2 Q2	+ 2.0	+ 2.0	na	+ 4.7 Q2*	+ 2.9 Jun	3.4 Aug*	5.0	
United States	+ 1.8	+ 3.6 Q2	+ 3.3	+ 2.2	- 1.8	+ 3.1 Aug	+ 5.6 Jul	4.5 Aug	4.9	

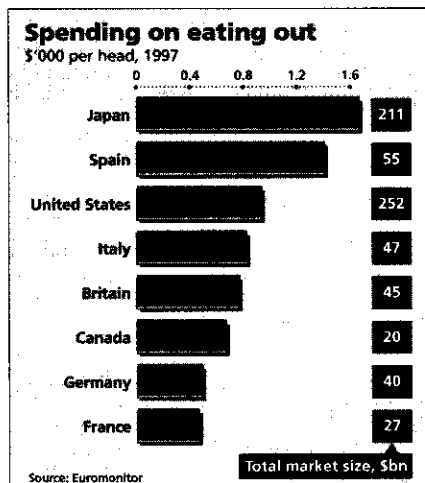
*Not seasonally adjusted. †Average of latest 3 months compared with average of previous 3 months, at annual rate. ‡New series. §May-Jul; claimant count rate 4.6% in August. **Jun-Aug.

PRICES AND WAGES Japan is experiencing deflation: consumer prices were 0.3% lower in August than a year earlier. In the year to September, consumer-price inflation edged up to 0.8% in Belgium; it was unchanged at 0.1% in Switzerland. In Denmark, it slowed to 1.6% in the year to August. Wage inflation has accelerated in Belgium, Canada and Italy.

	% change at annual rate		The Economist poll		Consumer prices*		Producer prices*		Wages/earnings	
			consumer prices forecast							
	3 mths [†]	1 year	1998	1999	3 mths [†]	1 year	3 mths [†]	1 year	3 mths [†]	1 year
Australia	+ 2.4	+ 0.7 Q2	+ 1.1	+ 2.2	+ 1.3	+ 1.1 Q2	+ 0.5	+ 2.8 Q2		
Austria	- 0.4	+ 0.9 Aug	+ 1.1	+ 1.5	- 3.0	- 0.9 Aug	na	na		
Belgium	+ 0.3	+ 0.8 Sep	+ 1.3	+ 1.6	+ 0.9	- 0.1 Jun	+ 6.6	+ 2.8 Q2		
Britain	+ 2.7	+ 3.3 Aug	+ 3.1	+ 2.7	- 0.4	+ 0.5 Aug	+ 3.4	+ 4.7 Jun		
Canada	+ 0.4	+ 0.8 Aug	+ 1.2	+ 1.8	+ 3.0	+ 0.1 Aug	+ 5.3	+ 5.2 Jul		
Denmark	+ 1.2	+ 1.6 Aug	+ 2.0	+ 2.6	- 2.0	- 1.3 Aug	+ 5.0	+ 4.2 Feb**		
France	nil	+ 0.7 Aug	+ 0.9	+ 1.4	- 2.0	- 0.7 Jun	+ 1.8	+ 2.4 Apr*		
Germany	+ 2.1	+ 0.8 Aug	+ 1.1	+ 1.4	- 5.8	- 3.5 Aug	na	+ 1.5 Jul*		
Italy	+ 1.2	+ 1.9 Aug	+ 1.8	+ 2.0	- 1.3	+ 0.3 Jul	+ 2.3	+ 2.2 Aug*		
Japan	- 2.2	- 0.3 Aug	+ 0.3	- 0.3	+ 2.8	- 0.2 Aug	na	- 2.4 Jul		
Netherlands	- 0.8	+ 1.7 Aug	+ 2.2	+ 2.3	- 2.8	- 2.5 Aug	+ 3.0	+ 3.1 Jul		
Spain	+ 2.3	+ 2.1 Aug	+ 2.0	+ 2.4	- 1.2	- 0.2 Jun	+ 3.2	+ 2.0 Q2		
Sweden	na	nil Aug	+ 0.6	+ 1.1	- 1.1	- 1.4 Aug	+ 8.8	+ 3.1 Jun*		
Switzerland	nil	+ 0.1 Sep	+ 0.2	+ 0.9	- 1.8	- 1.9 Aug	na	+ 0.5 1997		
United States	+ 2.2	+ 1.6 Aug	+ 1.7	+ 2.4	+ 0.1	- 0.8 Aug	+ 3.7	+ 4.2 Aug		

*Not seasonally adjusted. †Average of latest 3 months compared with average of previous 3 months, at annual rate. **New series.

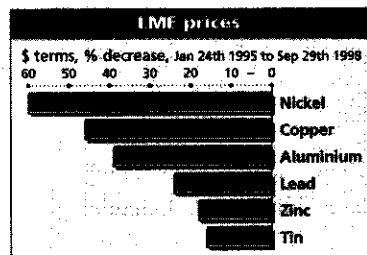
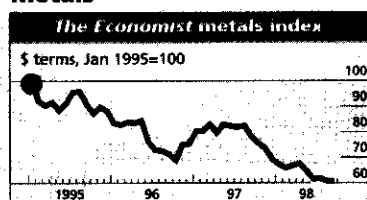
■ **EATING OUT** The Japanese spend the most on eating out, or they did last year, anyway. According to Euromonitor, a market-research firm, they forked out an average of \$1,670 each on restaurants and fast food last year. The average American spent only \$936 on eating out in 1997, although that partly reflects the fact that restaurant meals are cheaper in America than in Japan. America's restaurant market, worth \$252 billion, is the largest in the world, ahead of Japan's \$211 billion. Spain's market ranks third, at \$55 billion, partly because of its café culture, but also because so many tourists visit its restaurants. Spending per head is low in France, in part because the French are increasingly eating in fast-food joints rather than pricier restaurants.



The Economist COMMODITY PRICE INDEX

The Economist dollar-based metals index has fallen 40% from its peak in January 1995 and is hovering near its lowest point in four years. Analysts at Merrill Lynch reckon that mining companies are losing money on 95% of the nickel, 60% of the aluminium and 45% of the copper they sell. Average metal prices this year have fallen steadily: by 19% for copper, 18% for nickel and 16% for aluminium. Prices may now have bottomed out. Since world metal stocks are also low, that may encourage investment funds to start buying again in the next six months, especially if Asian demand begins to recover. Once they do, consumers who expect prices to rise will no doubt pile in too.

Metals



	1990=100	Sep 22nd	Sep 29th*	% change on one month	% change on one year
Dollar index					
All items	86.1	86.8	- 1.3	- 19.6	
Food	98.0	98.7	- 0.4	- 18.9	
Industrials					
All	75.8	76.4	- 2.5	- 20.6	
Nfa [†]	88.6	88.7	- 2.9	- 17.0	
Metals	68.1	68.9	- 2.1	- 23.2	
Sterling index					
All items	91.3	90.7	- 3.0	- 24.0	
Food	103.9	103.2	- 2.1	- 23.3	
Industrials					
All	80.4	79.9	- 4.1	- 24.8	
Nfa [†]	94.0	92.8	- 4.5	- 21.4	
Metals	72.2	72.1	- 3.8	- 27.3	
SDR index					
All items	85.6	85.5	- 3.3	- 20.4	
Food	97.3	97.3	- 2.3	- 19.6	
Industrials					
All	75.3	75.3	- 4.4	- 21.2	
Nfa [†]	88.0	87.5	- 4.8	- 17.6	
Metals	67.6	67.9	- 4.1	- 23.8	
Gold					
\$ per oz	289.45	294.55	+ 5.6	- 11.6	
Crude oil North Sea Brent					
\$ per barrel	14.33	14.32	+ 14.0	- 28.3	

* Provisional. † Non-food agriculturals.

FINANCIAL INDICATORS

STOCKMARKETS The Fed's interest-rate cut failed to boost Wall Street, which fell 2.7% in the week to September 30th, to below its level at the start of the year. Zurich plunged 8.9% on fears that Swiss banks are chalking up heavy losses in the global financial-market turmoil.

Share price indices

	1998			% change on				
	Sep 30th	high	low	one week	one year	record high	Dec 31st 1997 in local currency	in \$ terms
Australia	2,587.0	2,881.4	2,458.2	+ 0.5	- 6.9	- 10.2	- 1.1	- 10.2
Austria	1,047.2	1,628.6	1,047.2	- 6.3	- 27.2	- 39.7	- 19.1	- 13.0
Belgium	2,959.2	3,632.1	2,405.0	- 3.1	+ 19.8	- 18.5	+ 22.4	+ 31.5
Britain	5,064.4	6,179.0	4,990.3	- 2.9	- 4.8	- 18.0	- 1.4	+ 1.9
Canada	5,614.1	7,822.3	5,530.7	- 6.7	- 20.3	- 28.2	- 16.2	- 21.4
Denmark	600.2	778.8	576.5	+ 1.7	- 8.2	- 22.9	- 11.2	- 4.3
France	2,074.1	2,799.7	1,873.1	- 5.2	+ 4.8	- 25.9	+ 6.6	+ 14.5
Germany	4,474.5	6,171.4	4,087.3	- 4.8	+ 6.6	- 27.5	+ 5.3	+ 13.3
Italy	1,185.7	1,654.4	1,053.2	- 0.9	+ 22.6	- 28.3	+ 12.6	+ 20.5
Japan	13,406.4	17,264.3	13,406.4	- 2.8	- 24.9	- 65.6	- 12.1	- 16.1
Netherlands	934.2	1,315.6	892.0	- 3.8	- 1.0	- 29.0	+ 2.2	+ 10.0
Spain	687.7	947.6	632.6	- 3.3	+ 7.4	- 27.4	+ 8.7	+ 16.7
Sweden	2,867.9	3,955.6	2,803.6	- 2.1	- 12.4	- 27.5	- 4.4	- 3.3
Switzerland	5,760.4	8,412.0	5,760.4	- 8.9	+ 0.1	- 31.5	- 8.1	- 3.1
United States	7,842.6	9,338.0	7,539.1	- 3.8	- 2.2	- 16.0	- 0.8	- 0.8
World*	952.4	1,143.0	896.5	- 3.5	- 1.7	- 16.7	+ 1.7	+ 1.7

*Morgan Stanley Capital International Index includes above markets and eight others, in dollar terms.

MONEY AND INTEREST RATES The Fed sought to calm global financial jitters by cutting its short-term interest rates for the first time in nearly three years, by a quarter of a point to 5.25%. Bond markets soared: 30-year US Treasury yields dipped below 5% for the first time.

	Money supply*		Interest rates % p.a. (Sep 30th 1998)							
	% rise on year ago narrow	% rise on year ago broad	over-night	3-mth money market latest	year ago	banks prime	bond yields gov't	corporate	Eurocurrency 3 mths	bonds
Australia	+ 8.1	+ 6.8 Aug	5.05	4.93	4.65	8.75	5.08	5.70	4.88	4.83
Austria	+ 7.4	+ 2.0 Jul	3.37	3.54	3.55	6.50	4.20	na	na	7.27
Belgium	- 1.6	+ 5.5 Jun	3.23	3.48	3.58	7.25	4.16	5.85	3.56	3.77
Britain	+ 6.2	+ 8.8 Aug	7.00	7.31	7.31	8.50	4.89	5.59	7.31	5.11
Canada	+ 11.1	+ 4.1 Aug	5.62	5.00	3.13	7.25	4.94	6.30	5.31	4.92
Denmark	na	+ 6.2 Aug	4.40	4.75	3.69	7.25	4.56	7.19	4.81	4.53
France	+ 8.5	+ 4.5 Jul	3.37	3.48	3.37	6.55	3.99	4.42	3.50	3.72
Germany	+ 5.9	+ 4.0 Aug	4.15	3.56	3.41	4.90	3.84	4.06	3.56	3.71
Italy	+ 12.4	+ 9.5 Jul	5.06	4.75	6.35	7.88	4.36	4.77	4.73	4.02
Japan	+ 8.0	+ 3.9 Aug	0.61	0.38	0.45	1.50	0.79	1.03	0.09	0.67
Netherlands	+ 7.1	+ 8.7 Aug	3.32	3.26	3.36	5.25	3.98	4.61	3.31	3.77
Spain	+ 10.8	+ 0.1 Aug	5.25	4.18	5.09	7.00	4.22	4.56	4.11	3.79
Sweden	+ 6.4	+ 3.9 Aug	4.10	4.24	4.20	4.68	4.68	5.18	4.29	4.57
Switzerland	+ 5.2	+ 1.2 Jul	1.25	1.56	1.59	3.63	2.71	3.12	1.48	2.09
United States	- 0.1	+ 9.4 Aug	5.47	5.08	5.48	8.50	4.41	6.51	5.27	4.38

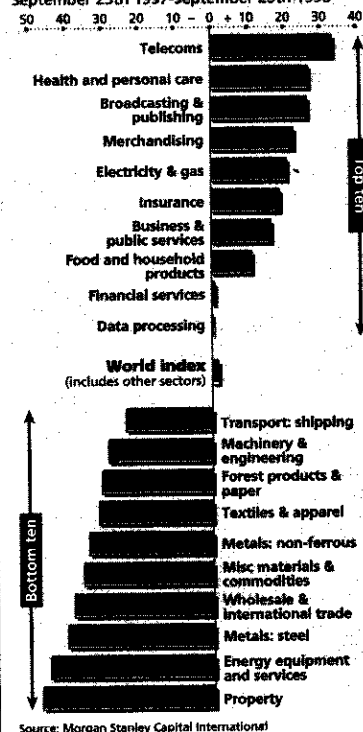
*Ten-year bond rates (United States 30-year 4.98%, Japan No 203 0.76% new benchmark).

*Narrow: M1 except Britain M0, broad: M2 or M3 except Britain M4. Sources: Banco Ambroveneto, Banco Bilbao Vizcaya, Belgian Bankers' Assn, Chase Manhattan, CA IB Investment Bank, Commerzbank, Credit Lyonnais, Credit Suisse First Boston, Den Danske, Deutsche, Generale, J.P. Morgan, Paribas, Royal Bank of Canada, SE-Banken, Svenska Handelsbanken, WEFA Group, Westpac, Datastream/ICV. Rates cannot be construed as banks' offers.

STOCKMARKET SECTORS Shares in telecoms companies were the best buy of the past year. In the 12 months to September 25th, their average price on rich-country bourses rose by 34%. Mega-mergers in America, global liberalisation, the rapid growth in data traffic and the expansion of the Internet have boosted the values of both telecoms-equipment vendors and service providers. Overall, share prices are up 2%. Shares in property companies have lost 47% of their value.

Share prices by sector

Developed countries, % change September 25th 1997-September 25th 1998



Source: Morgan Stanley Capital International

TRADE, EXCHANGE RATES AND RESERVES Britain's visible-trade deficit widened to \$27.3 billion in the year to July, up from \$18 billion a year earlier. Australia's 12-month visible-trade deficit widened sharply to \$3.3 billion in August. The dollar's trade-weighted value fell by 0.5% in the week to September 30th; the yen's fell by 0.4%.

	Trade balance*, \$bn		Current account, \$bn		Exchange rate		Currency units per \$		Currency units				Foreign reserves† \$bn	
	latest month	latest 12 months	latest 12 mths		trade-weighted† Sep 30th	year ago	Sep 30th	year ago	per £	per DM	per ecu	per euro\$	latest	year ago
Australia	- 0.28 Aug	- 3.3	- 16.2 Q2		78.1	92.0	1.69	1.37	2.87	1.01	1.99	1.99	14.0 Jul	15.4
Austria	- 0.33 Jun ⁹⁸	- 5.5	- 3.3 Jul		104.1	102.4	11.8	12.5	20.0	7.04	13.9	13.8	20.8 Jul	21.6
Belgium	+ 1.01 Feb	+ 13.4	+ 13.5 Mar		103.9	102.1	34.5	36.6	58.6	20.6	40.6	40.6	19.9 Jul	16.1
Britain	- 2.32 Jul	- 27.3	+ 6.8 Q2**		103.0	100.6	0.59	0.62	-	0.35	0.69	0.70	31.1 May	35.5
Canada	+ 1.04 Jul	+ 11.5	- 13.1 Q2		77.0	85.1	1.53	1.38	2.59	0.91	1.80	1.80	22.3 Jul	19.4
Denmark	+ 0.28 Jun	+ 2.8	+ 0.5 Q2		107.6	104.1	6.36	6.76	10.80	3.80	7.49	7.50	17.1 Jul	16.4
France	+ 2.34 Jul	+ 28.6	+ 38.3 Jun		107.6	105.2	5.60	5.97	9.52	3.35	6.60	6.59	36.5 Apr	30.2
Germany	+ 7.12 Jul	+ 75.1	+ 0.5 Jul		106.0	103.1	1.67	1.78	2.84	-	1.97	1.97	79.1 Jul	78.0
Italy	+ 2.30 Jun	+ 27.3	+ 30.9 Jun		76.9	76.0	1,652	1,740	2,808	988	1,946	1,948	42.5 Jul	47.9
Japan	+ 9.78 Jul	+ 117.5	+ 112.4 Jul		111.3	127.1	136	121	231	81.5	160	159	206.4 Jul	221.1
Netherlands	+ 1.13 May ⁹⁸	+ 16.2	+ 20.6 Q1		103.5	101.5	1.88	2.00	3.20	1.13	2.22	2.22	22.4 Jul	25.9
Spain	- 1.30 Jul	- 19.6	+ 7.0 Jul		77.9	77.0	142	150	241	85.0	167	167	68.0 Jul	64.6
Sweden	+ 1.23 Aug	+ 17.0	+ 5.4 Jul		81.8	87.2	7.85	7.60	13.3	4.69	9.24	9.24	12.7 Jun	14.3
Switzerland	+ 0.25 Jul	+ 0.2	+ 22.1 Q2		108.2	106.3	1.38	1.46	2.35	0.83	1.63	1.62	34.3 Jul	34.2
United States	- 20.94 Jul	- 224.4	- 186.4 Q2		109.7	105.3	-	-	1.70	0.60	1.18	1.18	60.7 Jul	55.1

*Australia, Britain, France, Canada, Japan and United States imports fob, exports fob. All others cif/fob. †1990=100, Bank of England. ‡Excluding gold, IMF definition.

\$Forward rates for delivery January 1st 1999, calculated by J.P. Morgan. \$Not seasonally adjusted. **New series.

EMERGING-MARKET INDICATORS

■ **CORRUPTION** Since 1995, Transparency International, an anti-corruption organisation based in Berlin, has compiled an annual "corruption perceptions index". This index shows how corrupt a country is perceived to be by businessmen, risk analysts and the general public, by averaging the results of several different polls. Scores range from ten (squeaky clean) to nil (highly corrupt). Of the 85 countries ranked this year, Denmark is the cleanest, scoring a perfect ten, while Cameroon ranks last with a score of 1.4. The chart shows the scores of a selection of rich and poor countries. Not surprisingly, Indonesia and Nigeria both score two or less. In general, emerging-market countries are considered more corrupt than developed ones, although Chile does better than France, Spain and Japan.

ECONOMY Singapore's industrial production fell 6.6% in the year to August, as electronics output slumped by 9%. Its 12-month inflation rate was negative for the third consecutive month in August. Hong Kong's 12-month trade deficit narrowed again in August, to \$14.2 billion. Hungary's GDP growth quickened to 5.1% in the year to the second quarter.

	% change on year earlier			Latest 12 months, \$bn		Foreign reserves, \$bn	
	GDP	Industrial production	Consumer prices	Trade balance	Current account	Latest	Year ago
China	+ 6.8 Q2	+ 7.9 Aug ⁵	- 1.4 Jul	+46.0 Aug	+29.7 1997	140.6 Jul	126.0
Hong Kong	- 5.0 Q2	- 4.0 Q1	+ 2.7 Aug	-14.2 Aug	- 6.1 1997 [†]	92.1 Aug	85.3
India	+ 5.0 1997 [#]	+ 1.7 Jul	+ 12.4 Jun	- 7.6 Jul	- 6.2 1997 [*]	24.0 Jul	26.3
Indonesia	- 6.2 Q1 ⁵	- 3.0 Q1	+ 81.2 Aug	+20.4 Jul	- 2.1 Q1	18.0 Jun	20.3
Malaysia	- 6.8 Q2	- 8.0 Jul	+ 5.6 Aug	+ 7.8 Jul	- 4.8 1997	19.7 May	26.3
Philippines	- 1.2 Q2	-10.5 Jun	+ 10.5 Aug	- 5.4 Jul	- 3.8 Q1	9.0 Jun	9.8
Singapore	+ 1.6 Q2	- 6.6 Aug	- 0.8 Aug	+ 3.0 Aug	+14.4 Q2	71.9 ^T May	80.4 ^T
South Korea	- 6.6 Q2	-12.9 Jul	+ 6.9 Sep	+27.8 Aug	+30.9 Aug	45.1 Aug	31.9
Taiwan	+ 5.2 Q2	+ 4.6 Aug	+ 0.4 Aug	+ 6.9 Aug	+ 5.5 Q2	83.6 Jul	88.8
Thailand	- 0.4 1997	-11.9 Jun	+ 7.6 Aug	+10.0 Jul	+ 2.9 Q1	26.0 Jul	29.4
Argentina	+ 6.9 Q2	+ 0.7 Aug	+ 1.1 Aug	- 5.7 Jul	-11.2 Q1	22.5 Jul	19.6
Brazil	+ 1.1 Q1	- 0.4 Jul	+ 3.6 Aug	- 6.8 Aug	-32.5 Q2	70.2 Jul	58.8
Chile	+ 5.4 Q2	+ 0.9 Jul	+ 5.2 Aug	- 3.6 Aug	- 5.8 Q2	15.1 Jun	17.0
Colombia	+ 5.7 Q1	+ 1.7 Jun	+ 18.9 Aug	- 3.2 Feb	- 5.6 1997	8.7 Jul	9.9
Mexico	+ 4.3 Q2	+ 5.4 Jul	+ 15.5 Aug	- 5.7 Aug	-13.1 Q2	31.7 Jul	24.6
Venezuela	+ 5.1 1997	na	+ 36.4 Aug	+ 9.5 Mar	+ 6.0 1997	11.4 Jul	13.0
Greece	+ 3.5 1997	+ 6.8 May	+ 5.0 Aug	-17.9 Mar	- 4.8 Mar	18.7 Jun	15.4
Israel	+ 2.0 Q2	+ 2.6 Jul	+ 3.2 Aug	- 6.7 Aug	- 2.2 Q2	21.4 Jul	18.0
Portugal	+ 3.7 1997	+ 0.9 Jun	+ 3.1 Aug	-10.4 May	- 7.2 Jul	15.6 Jun	15.0
South Africa	+ 0.4 Q2	- 4.0 Jul	+ 7.6 Aug	+ 1.5 Jul	- 1.9 Q1	4.3 Jul	4.2
Turkey	+ 2.6 Q2	+ 1.0 Jul	+ 81.4 Aug	-22.4 Jun	- 1.8 Jun	25.6 Jul	16.4
Czech Republic	- 2.4 Q2	+ 6.1 Jul	+ 9.4 Aug	- 2.6 Aug	- 1.6 Q2	11.4 Aug	11.2
Hungary	+ 5.1 Q2	+16.0 Jul	+ 13.5 Aug	- 1.5 Jul	- 1.1 Jul	10.2 May	8.4
Poland	+ 5.3 Q2	+ 6.1 Aug	+ 11.3 Aug	-11.6 Jul	- 3.9 Jul	24.3 Jun	19.4
Russia	- 8.2 Aug	-11.5 Aug	+ 21.5 Aug	+11.9 Jun	+ 3.3 Q4	13.8 Jul	20.2

*Estimate. [†]Includes gold. ⁵Visible and invisible trade balance. [#]New series. ^TYear beginning April 1st.

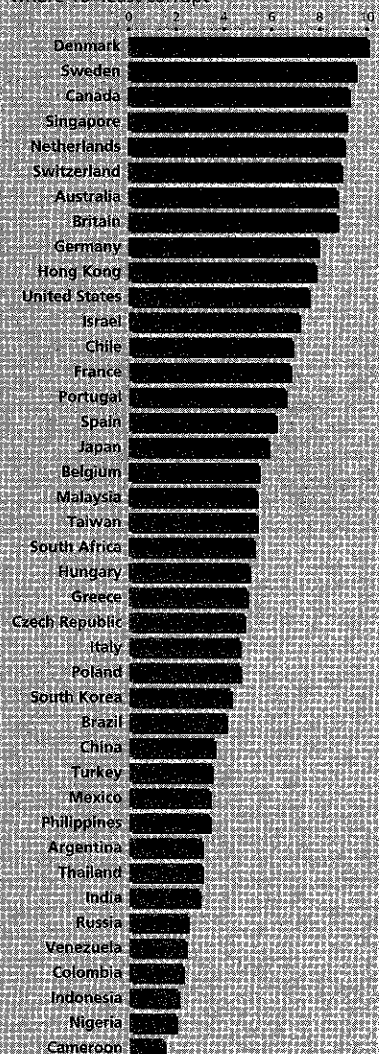
FINANCIAL MARKETS Most Asian stockmarkets rallied. Bangkok rose 9.7% in the week to September 30th, on hopes that Thai interest rates will continue to fall. Manila was up 8.6%. Most Latin American markets fell on disappointment that the Fed's interest-rate cut was so small. Sao Paulo was down 9.4%; Mexico city ended 8.5% lower. Budapest soared by 13.7%.

	Currency units		Interest rates	Stockmarkets	% change on		
	per \$	per £			one week	in local currency	in \$ terms
	Sep 30th	year ago	Sep 30th	Sep 30th			
China	8.28	8.28	14.1	8.10	1,321.0	+ 1.0	+ 5.0
Hong Kong	7.75	7.74	13.2	8.16	7,883.5	+ 5.1	- 26.5
India	42.4	36.2	72.1	9.00	3,102.3	- 1.1	- 15.2
Indonesia	10,700	3,405	18,187	56.65	276.2	+ 5.3	- 31.3
Malaysia	3.81	3.37	6.47	7.52	373.5	- 0.7	- 37.2
Philippines	43.8	34.7	74.4	11.37	1,259.6	+ 8.6	- 32.6
Singapore	1.68	1.53	2.86	4.25	939.7	+ 4.3	- 38.6
South Korea	1,391	913	2,364	10.30	310.3	+ 6.3	- 17.5
Taiwan	34.5	28.6	58.6	6.65	6,834.0	- 1.8	- 16.5
Thailand	39.5	35.9	67.2	10.00	253.8	+ 9.7	- 31.9
Argentina	1.00	1.00	1.70	19.50	380.3	- 4.7	- 44.7
Brazil	1.19	1.10	2.01	40.06	6,593.0	- 9.4	- 35.3
Chile	467	414	794	17.74	3,268.6	- 0.5	- 31.8
Colombia	1,563	1,249	2,657	36.93	860.6	+ 4.9	- 39.9
Mexico	10.19	7.75	17.3	37.60	3,569.9	- 8.5	- 31.7
Venezuela	573	498	975	60.71	3,893.9	+15.7	- 55.0
Greece	288	281	489	13.26	2,120.9	- 0.9	+ 43.3
Israel	3.85	3.50	6.54	7.93	280.8*	- 2.9	- 3.5
Portugal	172	181	292	4.24	3,941.3	- 8.4	+ 4.2
South Africa	5.88	4.67	9.99	20.37	5,098.6	+ 0.7	- 17.8
Turkey	277,615	174,885	471,862	80.00	2,265.9	- 5.6	- 34.3
Czech Republic	30.2	32.9	51.4	13.48	359.8	- 2.4	- 27.4
Hungary	219	196	371	18.65	4,571.1	+13.7	- 42.9
Poland	3.58	3.42	6.08	18.32	12,238.3	- 0.9	- 16.6
Russia	16.03	5.87	27.24	60.00	43.8	- 8.0	- 89.0

*September 28th.

Sources: National statistics offices, central banks and stock exchanges; Datastream/ICV; EIU; Reuters; Warburg Dillon Read; J.P. Morgan; Hong Kong Monetary Authority; Centre for Monitoring Indian Economy; Bank Negara Indonesia; Malaysian Banking; Philippines National Economic and Development Authority; Hoare Govett Asia; FIEL; Baring Securities; Merrill Lynch; Bank Leumi Le-Israel; Standard Bank Group; Akbank; Bank Ekspres; Deutsche Bank; Russian Economic Trends.

Corruption index
where 10=least corrupt



Source: Transparency International