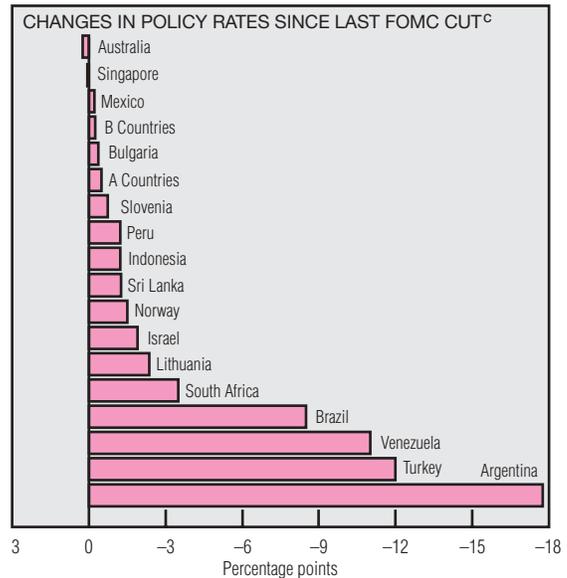
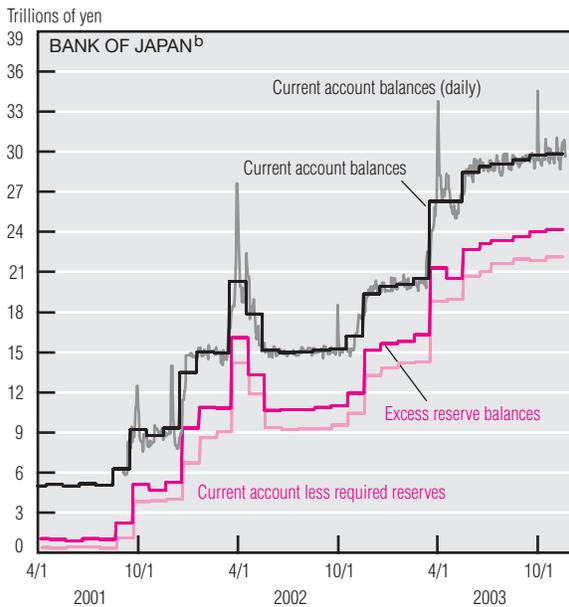
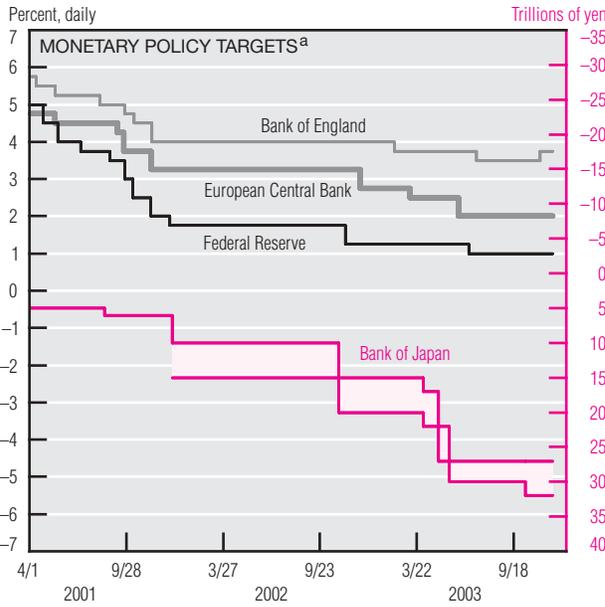


Foreign Central Banks



a. Federal Reserve: overnight interbank rate. Bank of Japan: a quantity of current account balances (since December 19, 2001, a range of quantity of current account balances). Bank of England and European Central Bank: two-week repo rate.
 b. Current account balances at the Bank of Japan are required and excess reserve balances of depository institutions subject to reserve requirements plus the balances of certain other financial institutions not subject to reserve requirements. Reserve requirements are satisfied on the basis of the average of a bank's daily balances at the Bank of Japan starting the sixteenth of one month and ending the fifteenth of the next.
 c. The A countries are Canada, Thailand, and Malta; the B countries are Czech Republic, Sweden, New Zealand, Philippines, South Korea, and Taiwan.
 SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; Board of Governors of the Federal Reserve System; Bank of Japan; European Central Bank; Bank of England; People's Bank of China; Wholesale Markets Brokers Association; and Bloomberg Financial Information Services.

None of the four major central banks has changed its policy setting since the Bank of England raised its rate on November 6. Market commentaries suggest a gathering consensus in each of the four nations that economic recovery is in progress or will be soon. Third-quarter GDP growth rates were especially relevant in reinforcing this view, especially for the euro area: For the year ending in September, the GDP growth rate increased slightly, reversing the downward movement of growth rates over the previous two

quarters. In Japan, growth over that same period remained above the 2% level. Currently, additional easing of monetary policy in any of the four countries is considered unlikely. Even the Bank of Japan has not yet used the extra ¥2 trillion that its Monetary Policy Committee added to the target range for current account balances in early October. Among other central banks monitored by Bloomberg, only three have raised their policy rates recently: Australia (twice), Bulgaria,

and Hungary. However, only Australia and Singapore now have policy rates that are higher than they were when the FOMC announced its most recent rate reduction on June 26, 2003. Rates at the remaining 23 banks are lower than they were at that time, by amounts ranging from as little as two-tenths of a percentage point in Mexico to as much as 17.8 percentage points in Argentina. Twelve of these remaining banks have rates that are more than half a percentage point lower than in late June.