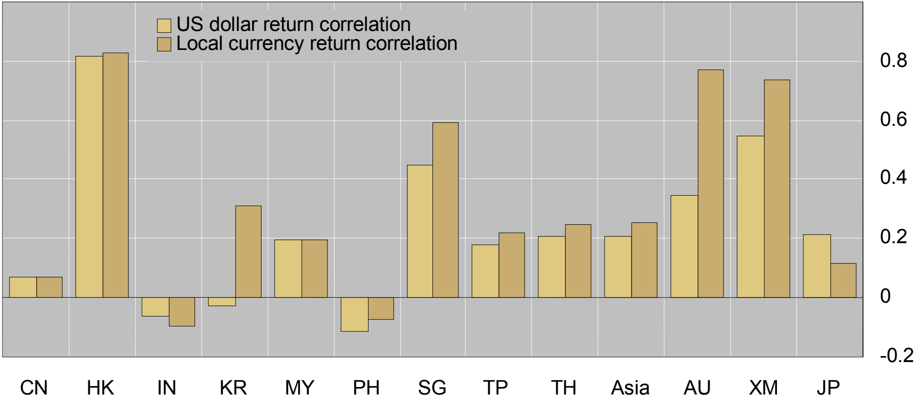
Figure 3: Returns of Local Currency Bonds and US Treasury Bonds

Correlation between January 2001 and March 2004[a]



Note: IN denotes India, AU Australia, XM, the euro area, JP, Japan; see Figures 1 and 2 for other isocodes.

[a] Based on weekly changes in US dollar and local currency returns at Thursday closing for Asia and Wednesday closing for US Treasuries. The period is from January 2001 to March 2004.

Sources: Bloomberg; McCauley and Jiang (2004).