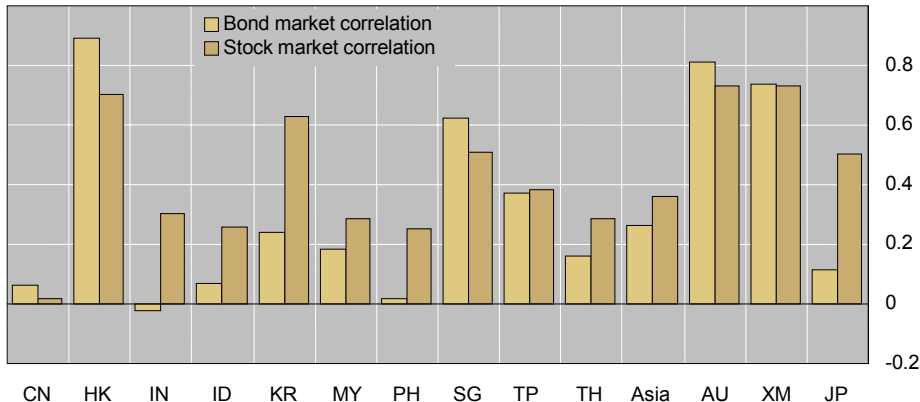


Figure 6: Bond and Stock Market Correlations with the US Markets^a



Note: For an explanation of the country codes, please refer to Figures 1, 2 and 3.

^a Bond market correlation is based on weekly changes in benchmark yields at Thursday closing for Asia and Wednesday closing for US Treasuries. Stock market correlation is based on weekly changes in stock market price indices at Thursday closing for Asia and Wednesday closing for the S&P 500. The period is from January 2001 to March 2004. Sources: Bloomberg; McCauley and Jiang (2004).