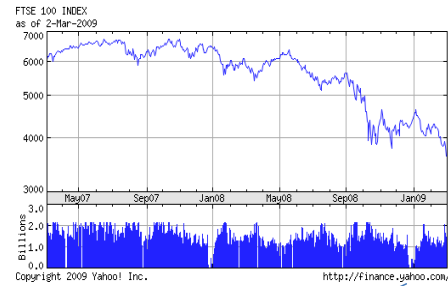
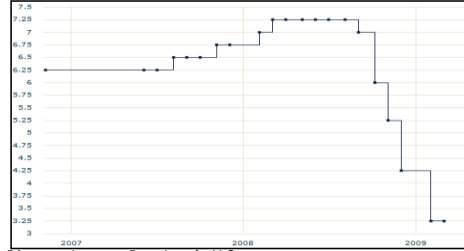
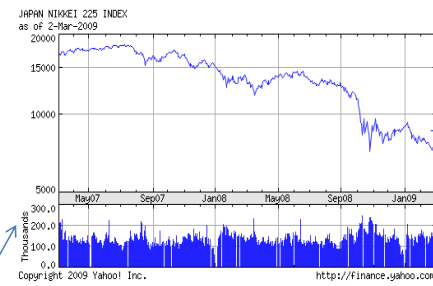
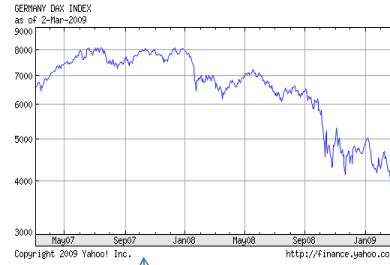
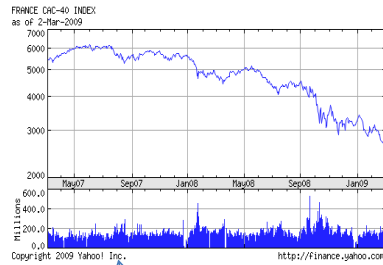
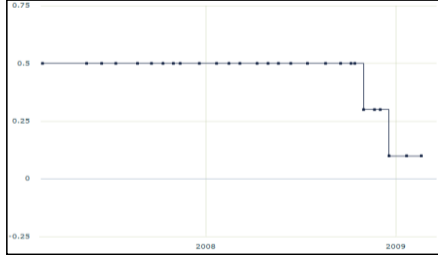


# Global Market Turmoil

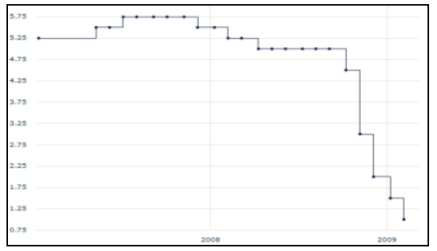
Discount Interest Rate Level - U.K.



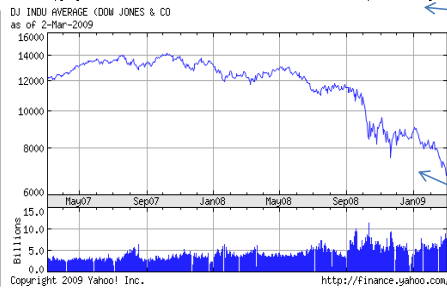
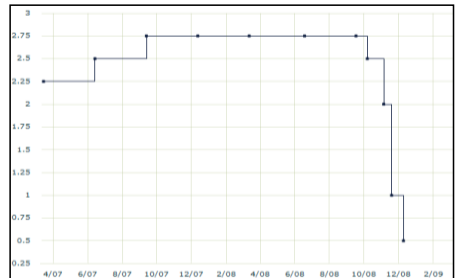
Discount Interest Rate Level (ECB)



Discount Interest Rate Level - Japan



Discount Interest Rate Level - U.S.



**US:**

- The Federal Reserve cuts its key interest rate from 1.5% to 1%, to boost the economy.
- Injected \$250bn into many of the nation's banks, including JP Morgan Chase, Goldman Sachs and the Bank of New York Mellon Corp.
- US President Barack Obama signs massive economic stimulus plan worth about \$787bn (£548bn) into law, aimed at boosting the US economy.

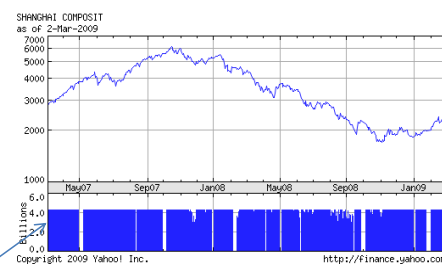
**UK:** Injects £37bn (\$64bn) of taxpayers' money into three major banks: Royal Bank of Scotland, HBOS and Lloyds TSB.

**FRANCE:** The chairman of French savings bank Caisse d'Epargne quit over the loss of 600m euros (£466m) in a "trading incident" amid global market chaos.

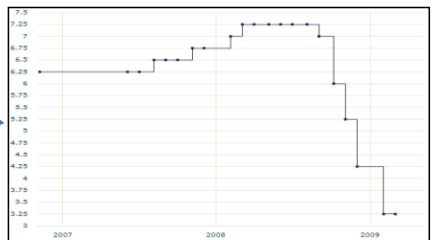
**GERMANY:** The German parliament overwhelmingly approved a 500 billion euro (\$675bn) financial rescue package, including a fund to provide up to 400bn euros in interbank loan guarantees and 80bn euros (\$109bn) to acquire stakes in troubled banks.

**JAPAN:**

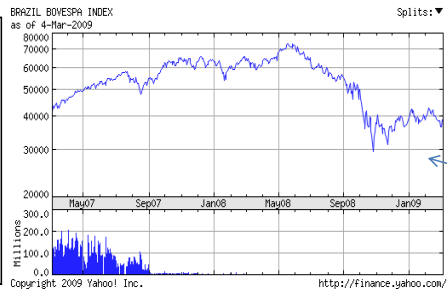
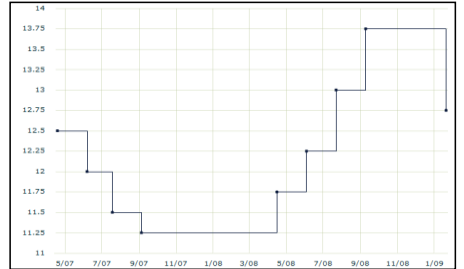
- The Bank of Japan reduced interest rates for the first time in seven years from 0.5% to 0.3%.
- The lower house of parliament approved a 1.8 trillion yen (\$18bn) stimulus plan and the Bank of Japan put 4.5 trillion yen (\$45.5bn) into the banking system.



Discount Interest Rate Level - China



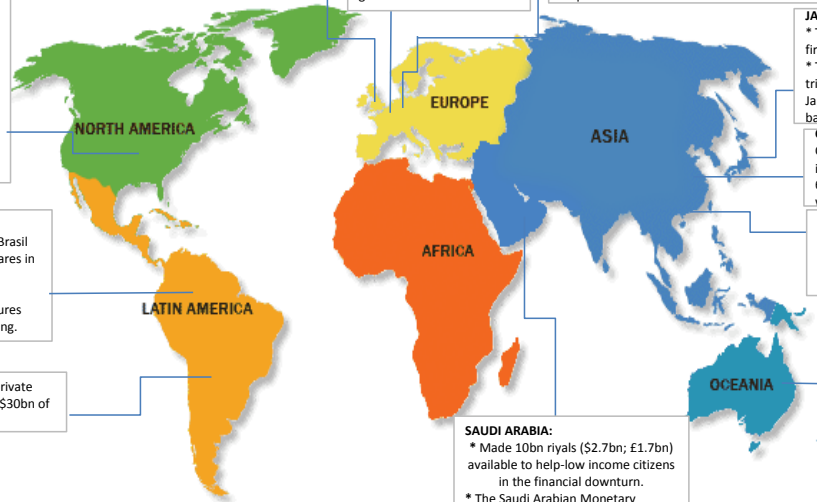
Discount Interest Rate Level - Brazil



**BRAZIL:**

- Allowed government-controlled Banco do Brasil and Caixa Economica Federal to purchase shares in private financial institutions.
- Abandoned tax on foreign investments
- Plans to sell up to \$50bn in dollar swap futures contracts to try to stop its currency from falling.

**ARGENTINA:** Nationalised the country's 10 private pension funds, putting it in control of almost \$30bn of investments.

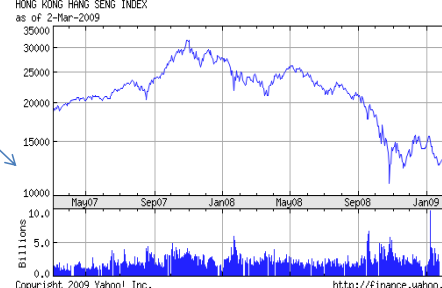


**CHINA:**

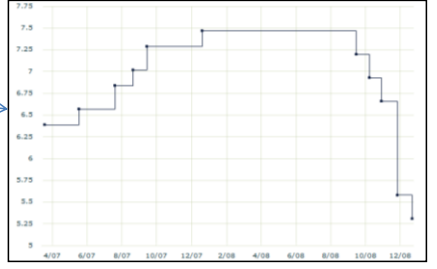
- China's central bank cut the country's interest rate by 0.27%, from 6.93% to 6.66%, for the 3rd time in the past six weeks.

**HONG KONG:**

- The central bank cuts interest rates.
- Promised to guarantee all bank deposits until 2010.



Discount Interest Rate Level - Hong Kong

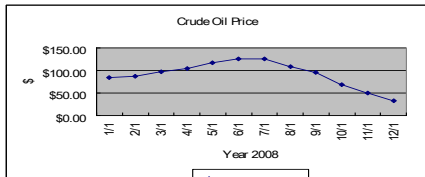


Global Fiscal Stimulus (as of 2/2009)

Country	\$(USB)
Argentina	\$ 3.8
Brazil	\$ 283.3
Britain	\$ 30.0
Canada	\$ 30.0
Chile	\$ 4.0
China	\$ 586.0
Egypt	\$ 5.4
EU-wide	\$ 254.6
Finland	\$ 2.0
France	\$ 33.0
Germany (1st)	\$ 29.0
Germany (2nd)	\$ 67.0
Hungary	\$ 15.7
India	\$ 8.0
Indonesia	\$ 6.3
Israel	\$ 5.1
Italy	\$ 2.0
Japan	\$ 516.3
Mexico	\$ 5.8
Norway	\$ 2.2
Poland	\$ 31.4
Portugal	\$ 2.0
Russia	\$ 5.0
Singapore	\$ 13.6
South Africa	\$ 3.6
Sweden	\$ 1.0
Thailand	\$ 3.3
United States	\$ 787.0
Vietnam	\$ 6.0
<b>TOTAL</b>	<b>\$2,742.4</b>

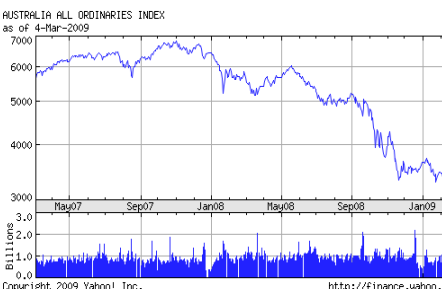
Source: Gallagher, Kevin P., et al, Survey of Stimulus and IMF Rescue Plans During the Global Financial Crisis: I, February, 2009. Survey conducted by graduate students at Boston University.

ARGENTINA Merval Index as of 2-Mar-2009

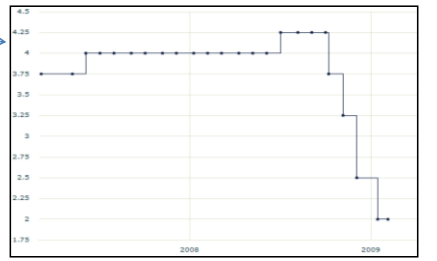


**AUSTRALIA:**

- Australia's central bank intervened to support its currency
- Australia's central bank cut its key interest rate from 7% to 6%
- Government announced it would guarantee all bank deposits with financial institutions over the next three years.



Discount Interest Rate Level - Australia



**Other Actions: (October, November, 2008)**

**Arab States:** On 31 October, Middle Eastern investors put up to £7.3bn (\$11.8bn) into the UK bank Barclays. Kuwait, on 26 October, introduced legislation to guarantee bank deposits - after losses were reported at Gulf Bank. Saudi Arabia also said it would make 10bn riyals (\$2.7bn; £1.7bn) available to help-low income citizens in the financial downturn.

**Belarus:** Belarus has been in talks with the International Monetary Fund to obtain funding in the wake of the recent financial turmoil.

**Belgium:** The country's largest banking group, Fortis, needed the intervention of the Belgian and Dutch governments and the sale of some of its assets to French giant BNP Paribas, to stay alive after getting into difficulty over the purchase of Dutch bank ABN Amro.

**Canada:** Cut key interest rate by a quarter point, to 2.25%, on 21 October. Rate cut by half a percentage point on 8 October in a co-ordinated effort with other central banks. On 10 October announced a CANS25bn (\$21bn) of asset-swaps between the country's major banks and the government-owned Canada Mortgage and Housing Corporation (CMHC).

**Denmark:** The Danish parliament approved a government-backed crisis plan, which includes an unlimited guarantee on savings deposits. The central bank has raised its key interest rate by 0.5 percentage points to 5.5%.

**Estonia:** The government more than doubled its bank deposit guarantee to 50,000 euros (\$68,000), in line with other European Union member states.

**Greece:** The Greek government said on 3 October it would fully guarantee all bank deposits of citizens, but an official added that this was a "political commitment" and the banking system was not at risk.

**Portugal:** On 28 October, granted a rescue package by the IMF, the EU and the World Bank worth \$25bn (£15.6bn).

**Iceland:** On 24 October, became the first Western nation to go to the IMF for support since 1976. Iceland got in financial difficulties after it took over its three biggest banks: Landsbanki, Kaupthing and Glitnir.

**India:** On 1 November, India's central bank cut its main short-term lending rate, the repo rate, by half a percentage-point to 7.5%. It is the latest in a series of cuts by the Reserve Bank of India, which has brought the rate down from 9%.

**Ireland:** Ireland was the first government to come to the rescue of its citizens' savings, promising on 30 September to guarantee all deposits, bonds and debts in its six main banks for two years.

**Italy:** Finance Minister announces on 13 October that the government would spend "as much as necessary" to support his country's financial institutions. The governor of the Bank of Italy announced it would temporarily swap up to 40bn euros (\$54bn) of bonds for Italian bank debt.

**Malaysia:** The government has offered to guarantee all local and foreign currency deposits up until the end of 2010.

**Mexico:** On 21 October, Mexican government offered \$3.92bn in loan guarantees to help local firms refinance debt maturing in 2008. This is in addition to the President's proposal to spend \$4.4bn on infrastructure and energy projects to boost the economy.

**Netherlands:** Government provided a 3bn euro (\$3.8bn; £2.4bn) cash injection to the insurer Aegon on 28 October. The government is also offering a 200bn euro package of loan guarantees to Dutch banks.

**New Zealand:** The government is planning to guarantee retail deposits, initially for two years.

**Norway:** On 29 October, Norway's central bank cut interest rates by 0.5%, to 4.75%. It also revised down its forecast for economic growth for 2008, from 3.25% to 2.5%.

**Portugal:** The government said it would guarantee bank deposits and offer a financing line worth 20bn euros (\$27.5bn) to guarantee the liquidity of its banks.

**Singapore:** The government has offered to guarantee all local and foreign currency deposits up until the end of 2010.

**South Korea:** On 3 November, South Korea announced an economic package worth about 14 trillion won (\$10.9bn; £6.6bn) to boost the economy and help avert a recession.

**Spain:** On 10 October, the government announced the creation of a 30bn euro (\$40bn) fund to buy assets from Spanish financial institutions to help stabilise them and unfreeze credit. Three days earlier, it had increased bank deposit guarantees to 100,000 euros (\$136,000) from the current 20,000 euros.

**Sweden:** Central bank cut interest rates by 50bps to 3.75% on 23 October, second reduction in two weeks, and said it planned further cuts within six months. Guaranteed new medium-term liabilities of banks up to a level of 1.5 trillion crowns (£117.2bn; \$205bn). Also putting 15bn crowns into a fund that will be used in case a bank needs emergency capital.

**Switzerland:** Switzerland strengthened its largest bank, UBS, by giving it 6bn Swiss francs (\$5.3bn; £3.1bn) in exchange for a 9.3% stake. UBS will also be able to transfer up to \$60bn of toxic assets to a fund supported by the Swiss central bank.

**Ukraine:** Loan from the IMF announced on 26 October. But the \$16.5bn (£10.6bn) loan is dependent on the bitterly divided parliament giving the green light to several anti-crisis laws, including the establishment of a fund to bail out the country's banks.

Source: British Broadcasting Company (BBC) News