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SECURITIES INDUSTRY UPDATE: NYSE MEMBER FIRMS REPORT $3.0 BILLION IN 3Q 2003 PROFITS

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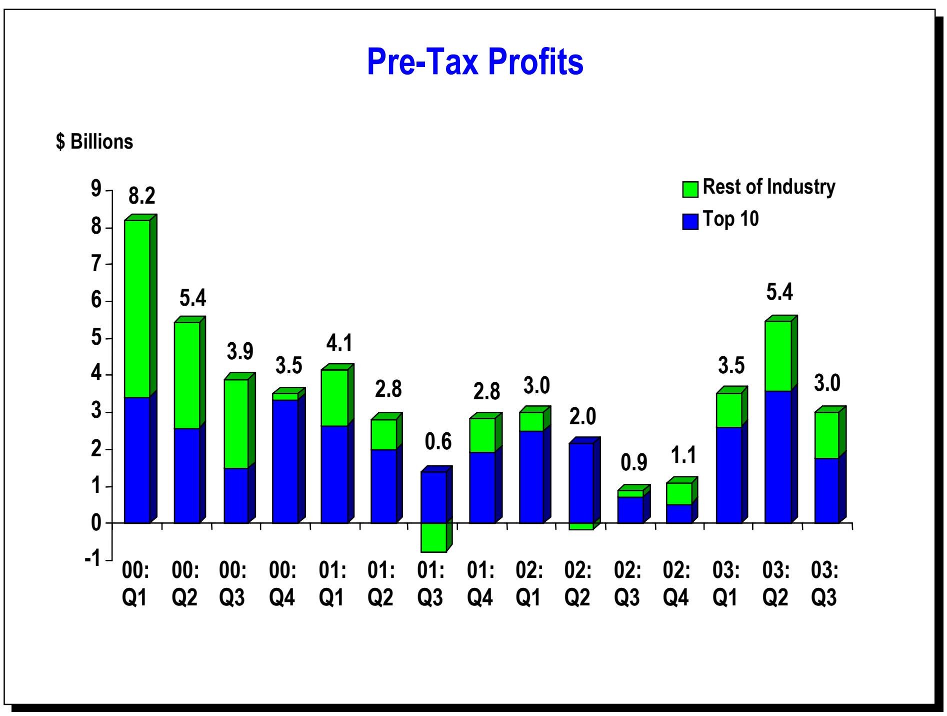
SECURITIES INDUSTRY UPDATE:
NYSE MEMBER FIRMS REPORT $3.0 BILLION IN 3Q 2003 PROFITS

On Wednesday, December 3, NYSE member firms reported a combined $3.0 billion in 3Q 2003 pre-tax profits, results that were down 45% from the exceptional $5.4 billion in profits recorded in 2Q 2003, as well as below the $3.5 billion outcome in 1Q 2003. Although this result was well below earlier expectations it was still "above average", and exceeded profits registered in seven of the past nine quarters. This lifted total industry profits (pre-tax net income) for the first nine months of 2003 to $11.96 billion, more than double the $5.85 billion registered during the comparable period last year, as the industry's recovery continues from the depressed results seen in 2001 and 2002.

Securities industry third quarter profits declined from the second quarter's lofty level, due to smaller, but still substantial, trading gains (largely lower debt trading gains). In 3Q 2003, NYSE member firms recorded net gains of $3.7 billion, compared to the extraordinary $8.1 billion trading gain enjoyed in the prior quarter. These line items, which include revenue from a number of widely disparate operations (including market making, fixed income and derivative trading, securities inventory revaluation, etc.), vary greatly from quarter to quarter and are among the most difficult items on a securities firms income statement to forecast. Excluding trading gains, total industry net revenues grew 2.2% in 3Q 2003 compared to 2Q 2003.



Other revenue line items showed mixed results. Commissions and fee income, which jumped 16.6% in 2Q 2003, slipped back slightly, declining 1.7% in the quarter just ended. Similarly, underwriting revenue which had surged 34.7% in 2Q 2003, dropped 17.7% to more normal levels in 3Q 2003. On a more positive note, mutual fund sales revenue was up 8.3% in 3Q 2003, boosted by net inflows into equity funds and out of money market funds as investors regained their risk appetite in the face of record low interest rates, and asset management fees were up 4.4% reflecting higher equity prices and new inflows.

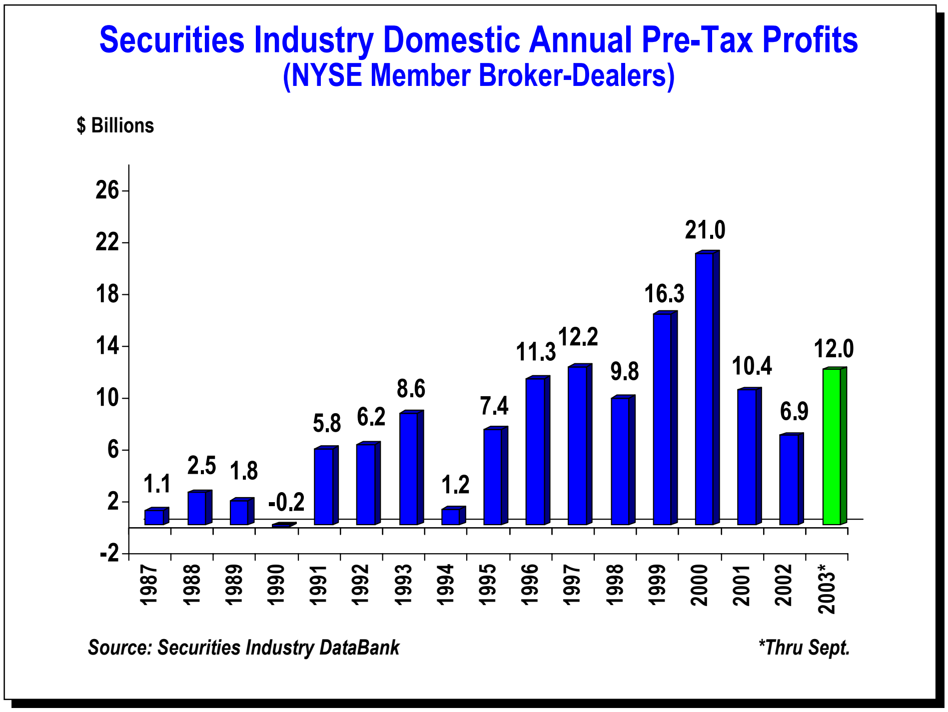
More good news for the third quarter came from the expense side of the ledger. Total costs were cut by $3.4 billion, or 10%, to $30.7 billion, the lowest level in 6 ½ years, when, in the first quarter of 1997 costs were $30.3 billion. Most of the cost reduction, came, as it has for some time, from lower interest expense, and reflects the extended decline in base interest rates to 45-year lows. Interest expense fell $1.85 billion or 17.4% in the quarter just ended and is down 21.3% in the first nine months of 2003 when compared to the same period last year. Operating expenses (total expenses excluding interest expense) were down 6.5% in 3Q 2003 versus the immediately preceding period almost solely due to lower compensation expenses. This was despite the beginning of net new hires which began this summer after an extended period of job cuts.

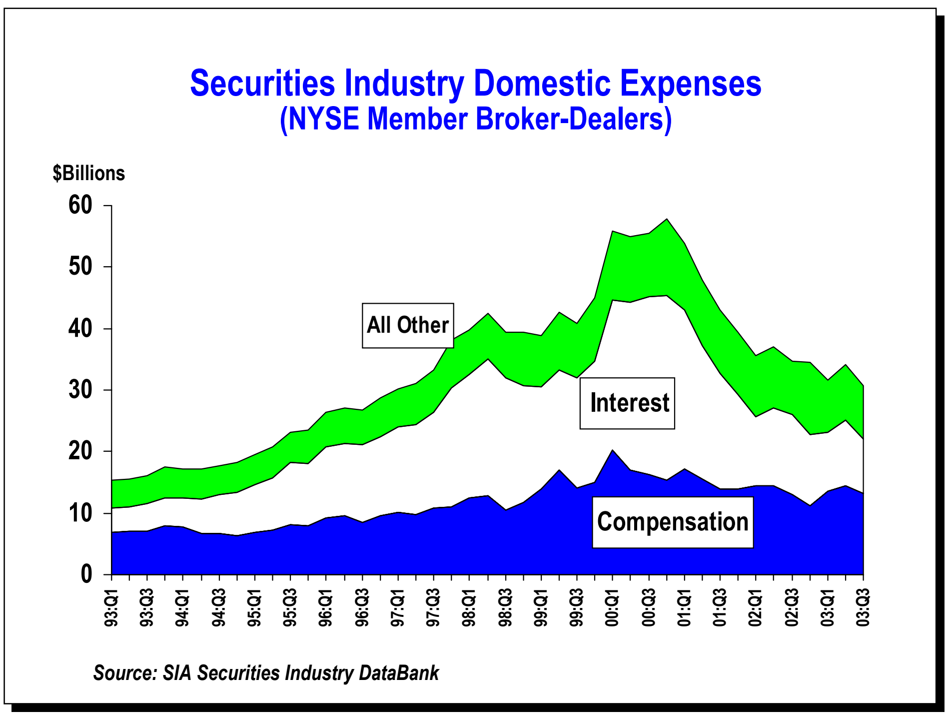
Profitability Still Strong

The ten largest firms (in terms of capital) usually drive the industry totals. This is not surprising since this group accounts for, on average, around 60% of industry revenue, capital, profits, trading gains, etc. What was surprising was that the results within this group, which normally are fairly homogenous, were more disparate during the third quarter. Half of the top-10 capitalized firms are independent U.S. brokerages, which showed improved third-quarter results at their holding company level. However, the other five are brokerage subsidiaries of financial holding companies (three European banks and two U.S. banks) which showed lower results. The increased third-quarter profits of the five largest independent U.S. brokerages were more than offset by decreased profits at some of the top-10 bank-owned brokerages. Taken together, these 10 firms' combined pre-tax profits fell $1.8 billion in the third quarter, three-quarters of the total $2.4 billion decline in profits for all 241 NYSE member broker-dealers. Further, the 25 largest capitalized NYSE member broker-dealers accounted for 96% of the decline in industry profits from the second to the third quarter, or $2.3 billion of the total $2.4 billion drop.

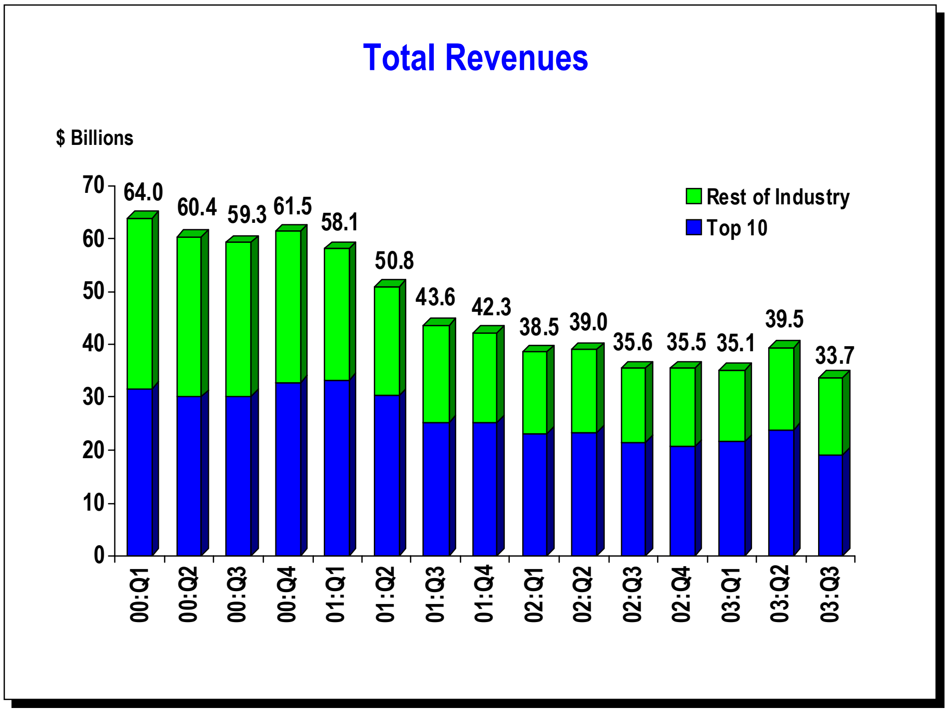
Profits continued to improve for the regional and independent firms as a whole, New York City-Area regionals specifically, and clearing firms during the third quarter of 2003. Regional firms showed a 5% improvement in their third quarter pre-tax profits and their second best quarter in two years. Clearing firm profits climbed 11% in the most recent quarter to their highest level in 2 ½ years. New York City-Area Regionals' third-quarter profits bounced back after a second-quarter loss; that was their fourth quarterly loss in two years.

Although third-quarter industry profits in aggregate were below our earlier forecast, 2003 nine-month pre-tax profits reached $12.0 billion, exceeding all but three prior years' 12-month profits, and were more than double the result for the comparable period of 2002. With just one quarter to go, 2003 profits are already 74% ahead of last year's full-year total of $6.9 billion and 15% above 2001's full-year total of $10.4 billion. Further, with improvements in many business lines during the current quarter, 2003 is poised to exceed 1999's $16.3 billion profit to become the second highest profit year ever behind 2000's record $21.0 billion.

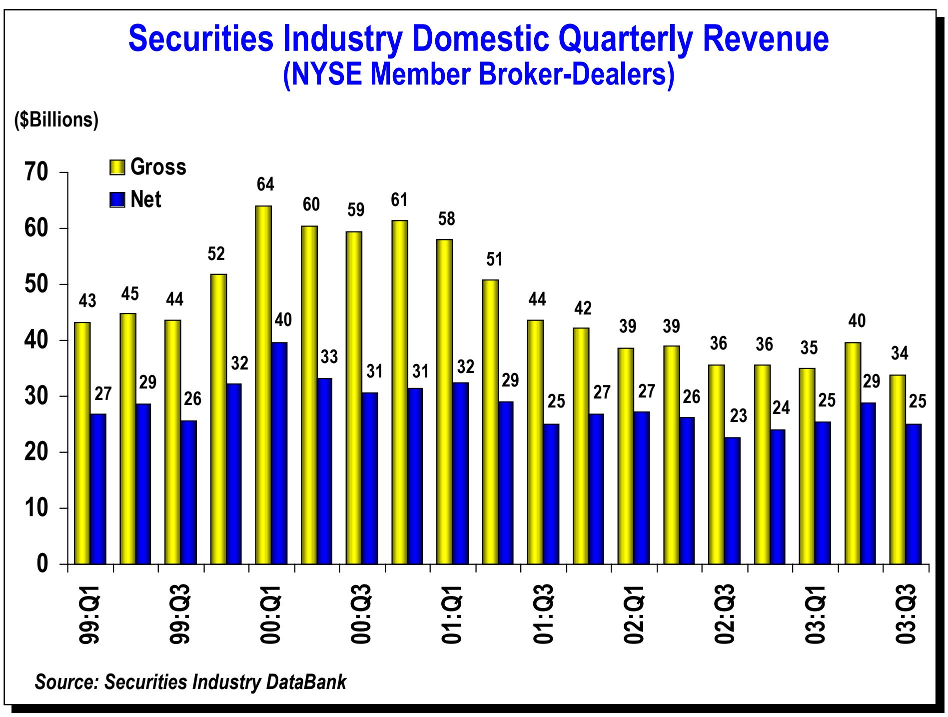




As was noted above, the vast bulk of the decline in the industry's revenue from 2Q 2003 to 3Q 2003 occurred at the ten largest firms, mainly from reduced trading gains and lower interest revenue. The top 10 firms accounted for $4.8 billion or 83% of the quarter's $5.8 billion drop in total revenue while the top-25 capitalized firms accounted for $5.5 billion, or 95%, of the total decline. The top-10 firms saw their combined gross revenue decline 20% in 3Q 2003 vs. a 6% decline for combined revenue of all 231 other NYSE members.



This year's record low interest rate environment has deflated both gross revenues and expenses for the securities industry. Thus, while third quarter gross revenue and expenses are at 6 ½-year lows, third quarter net revenue (net of interest) of $24.9 billion is still higher than last year's third and fourth quarters and third quarter operating expenses (which exclude interest expense) are about the same as 1Q 2003 and higher than 3Q 2002.



George Monahan
Vice President and Director, Industry Studies

NYSE Reporting Firms Income Statement

($ millions)

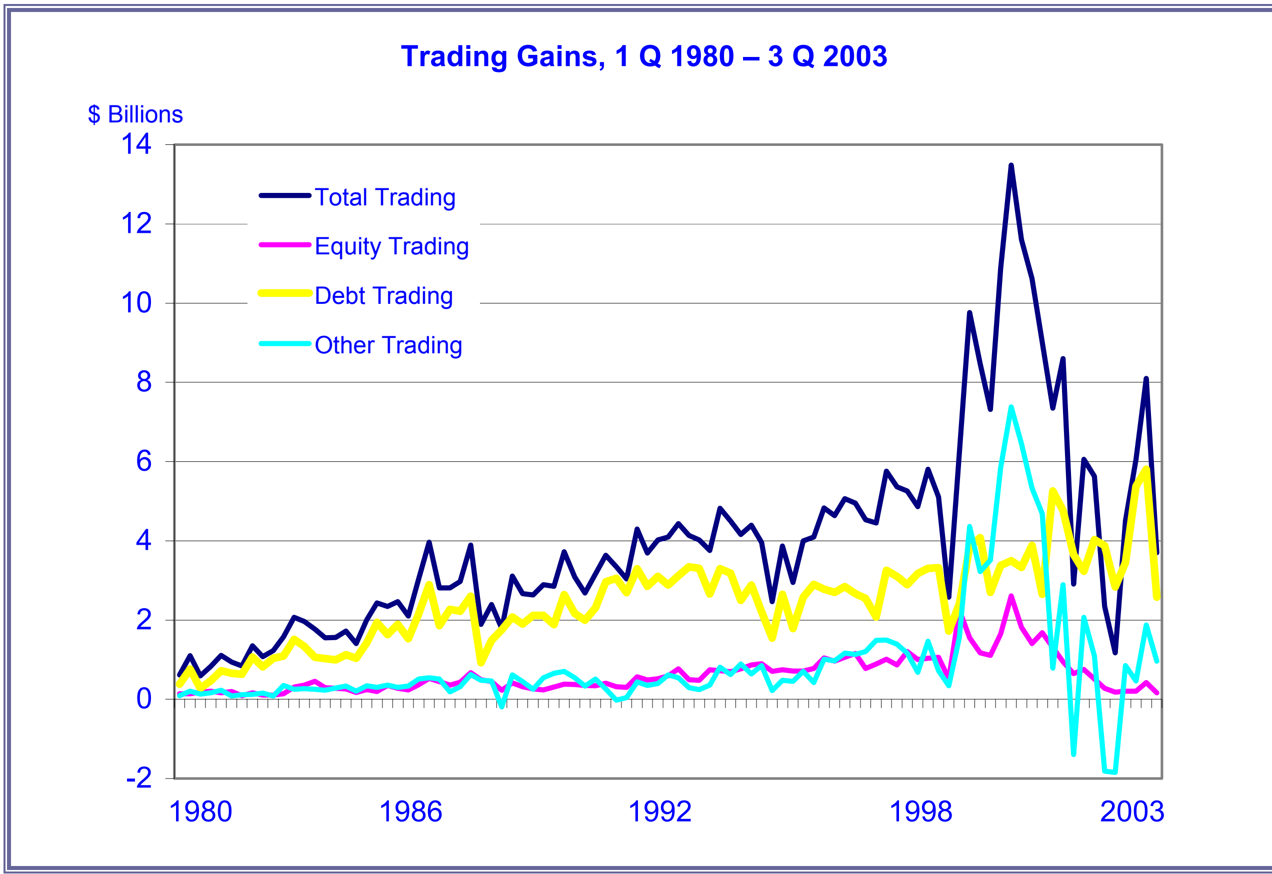
								Percent Change				% Change
								3Q 03 vs.	3Q 03 vs.	January -	September	(9 month)
REVENUE	**Q1 02**	**Q2 02**	**Q3 02**	**Q4 02**	**Q1 03**	**Q2 03**	**Q3 03**	2Q 03	3Q 02	**2002**	**2003**	03 vs. 02
Commissions	**7,040.0**	**7,108.6**	**6,730.8**	**6,690.0**	**5,702.7**	**6648.4**	**6535.5**	**-1.7%**	**-2.9%**	**20,879**	**18,887**	**-9.5%**
Listed Equity on an Exchange	4,327.7	4,196.9	4,142.6	4,038.6	3,387.5	3843.1	3598.2	-6.4%	-13.1%	12,667	10,829	-14.5%
Listed Equity OTC	359.1	427.6	402.7	373.1	312.7	408.5	436.0	6.7%	8.3%	1,189	1,157	-2.7%
Listed Options	361.8	338.3	318.6	313.6	278.1	336.3	324.9	-3.4%	2.0%	1,019	939	-7.8%
All Other	1,991.4	2,145.8	1,866.9	1,964.7	1,724.4	2060.5	2176.4	5.6%	16.6%	6,004	5,961	-0.7%
Trading Gain	**5,630.9**	**2,341.2**	**1,172.4**	**4,505.9**	**6,053.4**	**8100.8**	**3702.3**	**-54.3%**	**215.8%**	**9,145**	**17,857**	**95.3%**
OTC Market Making	514.0	277.3	180.5	207.2	205.1	423.0	160.0	-62.2%	-11.4%	972	788	-18.9%
Debt	4,026.6	3,879.0	2,838.8	3,448.9	5,382.4	5804.0	2579.6	-55.6%	-9.1%	10,744	13,766	28.1%
Listed Options	-25.7	100.0	-70.4	-229.6	-211.8	64.0	-134.4	N.M.	N.M.	4	-282	N.M.
All Other	1,116.0	-1,915.1	-1,776.5	1,079.4	677.7	1809.8	1097.1	-39.4%	N.M.	-2,576	3,585	N.M.
Investment Account	210.5	-339.0	-160.8	463.5	135.0	1106.4	375.2	-66.1%	N.M.	-289	1,617	N.M.
Realized	80.2	60.0	125.9	151.0	139.3	191.1	54.2	-71.6%	-56.9%	266	385	44.5%
Unrealized	126.4	-389.7	-256.0	300.7	1.9	882.6	319.4	-63.8%	N.M.	-519	1,204	N.M.
Underwriting	**3,696.3**	**3,904.2**	**2,545.4**	**3,032.6**	**3,199.8**	**4311.2**	**3548.7**	**-17.7%**	**39.4%**	**10,146**	**11,060**	**9.0%**
Equity	1,002.1	890.1	619.5	714.8	657.6	1087.2	959.8	-11.7%	54.9%	2,512	2,705	7.7%
Margin Interest	**1,664.6**	**1,604.3**	**1,445.9**	**1,277.4**	**1,169.4**	**1207.1**	**1167.7**	**-3.3%**	**-19.2%**	**4,715**	**3,544**	**-24.8%**
Mutual Fund Sale	**1,604.0**	**1,600.1**	**1,348.7**	**1,329.7**	**1,351.1**	**1452.9**	**1573.1**	**8.3%**	**16.6%**	**4,553**	**4,377**	**-3.9%**
Fees, Asset Management	**3,316.8**	**3,276.1**	**3,046.0**	**2,846.1**	**2,868.1**	**2775.7**	**2898.7**	**4.4%**	**-4.8%**	**9,639**	**8,543**	**-11.4%**
Research	**35.3**	**63.5**	**26.4**	**31.2**	**32.8**	**39.8**	**40.9**	**2.8%**	**54.9%**	**125**	**114**	**-9.3%**
Commodities	**425.1**	**2,605.8**	**2,663.5**	**-737.0**	**643.8**	**-1659.1**	**282.1**	N.M.	**-89.4%**	**5,694**	**-733**	N.M.
Other (Related to Securities)	**12,715.8**	**14,560.2**	**14,530.6**	**13,531.4**	**11,507.0**	**13065.6**	**11264.0**	**-13.8%**	**-22.5%**	**41,807**	**35,837**	**-14.3%**
Other	**2,203.9**	**2,280.6**	**2,268.6**	**2,537.1**	**2,406.9**	**2466.4**	**2326.2**	**-5.7%**	**2.5%**	**6,753**	**7,200**	**6.6%**
TOTAL REVENUE	**38,543.2**	**39,005.6**	**35,617.5**	**35,507.9**	**35,070.0**	**39515.2**	**33714.4**	**-14.7%**	**-5.3%**	**113,166**	**108,300**	**-4.3%**
NET REVENUE	**27,240.7**	**26,292.7**	**22,645.9**	**24,055.1**	**25,426.1**	**28851.0**	**24903.0**	**-13.7%**	**10.0%**	**76,179**	**79,180**	**3.9%**

EXPENSES	**Q1 02**	**Q2 02**	**Q3 02**	**Q4 02**	**Q1 03**	**Q2 03**	**Q3 03**	**%chg**	**%chg**	**2002**	**2003**	**%chg**
Compensation	**14,382.5**	**14,457.4**	**12,999.0**	**11,256.4**	**13,566.8**	**14496.0**	**13257.2**	**-8.5%**	**2.0%**	**41,839**	**41,320**	**-1.2%**
Registered Representative	5,574.3	5,643.6	5,122.9	4,869.8	5,047.6	5616.1	5570.3	-0.8%	8.7%	16,341	16,234	-0.7%
Clerical Employee	7,689.4	7,871.2	6,955.0	5,968.6	7,731.1	8059.8	6866.5	-14.8%	-1.3%	22,516	22,657	0.6%
Voting Officer	718.0	533.4	527.5	41.1	444.9	428.3	431.1	0.7%	-18.3%	1,779	1,304	-26.7%
Other Employee	400.8	409.2	393.6	376.9	343.2	391.8	389.3	-0.6%	-1.1%	1,204	1,124	-6.6%
Floor Costs	**1,042.1**	**1,144.9**	**1,131.8**	**1,186.5**	**1,111.6**	**1243.3**	**1285.2**	**3.4%**	**13.6%**	**3,319**	**3,640**	**9.7%**
Floor Brokerage Paid to Brokers	300.7	295.4	321.9	334.2	269.6	279.3	282.5	1.1%	-12.2%	918	831	-9.4%
Commissions & Clearance	416.7	527.8	481.9	528.7	559.9	639.3	647.9	1.3%	34.4%	1,426	1,847	29.5%
Clearance Paid to Non-Brokers	221.3	225.9	233.4	231.1	195.9	218.1	218.5	0.2%	-6.4%	681	633	-7.1%
Commissions Paid to Broker-Dealers	103.4	95.8	94.6	92.5	86.2	106.6	136.3	27.9%	44.1%	294	329	12.0%
Communications Expense	**1,155.6**	**1,144.9**	**1,081.0**	**1,117.5**	**1,016.4**	**988.7**	**964.3**	**-2.5%**	**-10.8%**	**3,382**	**2,969**	**-12.2%**
Occupancy & Equipment	**1,626.2**	**1,581.1**	**1,569.7**	**1,667.6**	**1,514.7**	**1468.0**	**1502.5**	**2.4%**	**-4.3%**	**4,777**	**4,485**	**-6.1%**
Promotional	**467.2**	**501.3**	**440.6**	**440.0**	**387.9**	**382.7**	**325.4**	**-15.0%**	**-26.1%**	**1,409**	**1,096**	**-22.2%**
Interest	**11,302.5**	**12,712.9**	**12,971.6**	**11,452.8**	**9,643.9**	**10664.2**	**8811.4**	**-17.4%**	**-32.1%**	**36,987**	**29,120**	**-21.3%**
Errors & Bad Debts	**111.7**	**101.1**	**120.1**	**135.1**	**2.9**	**106.2**	**93.3**	**-12.1%**	**-22.3%**	**333**	**202**	**-39.2%**
Data Processing	**585.6**	**664.0**	**615.5**	**594.0**	**550.9**	**589.7**	**539.2**	**-8.6%**	**-12.4%**	**1,865**	**1,680**	**-9.9%**
Regulatory Fees	**202.1**	**247.8**	**222.1**	**233.7**	**221.3**	**247.3**	**258.3**	**4.4%**	**16.3%**	**672**	**727**	**8.2%**
Non-Recurring Charges	**37.6**	**634.4**	**-71.9**	**115.8**	**76.0**	**17.6**	**59.1**	**235.8%**	**-182.2%**	**600**	**153**	**-74.6%**
Other	**4,627.7**	**3,836.1**	**3,670.3**	**6,239.4**	**3,473.0**	**3865.7**	**3610.3**	**-6.6%**	**-1.6%**	**12,134**	**10,949**	**-9.8%**
TOTAL EXPENSES	**35,540.8**	**37,025.9**	**34,749.8**	**34,438.8**	**31,565.4**	**34069.4**	**30706.2**	**-9.9%**	**-11.6%**	**107,317**	**96,341**	**-10.2%**
PRE-TAX NET INCOME	**3,002.4**	**1,979.7**	**867.7**	**1,069.1**	**3,504.6**	**5445.8**	**3008.2**	**-44.8%**	**246.7%**	**5,850**	**11,959**	**104.4%**

Source: SIA Securities Industry DataBank

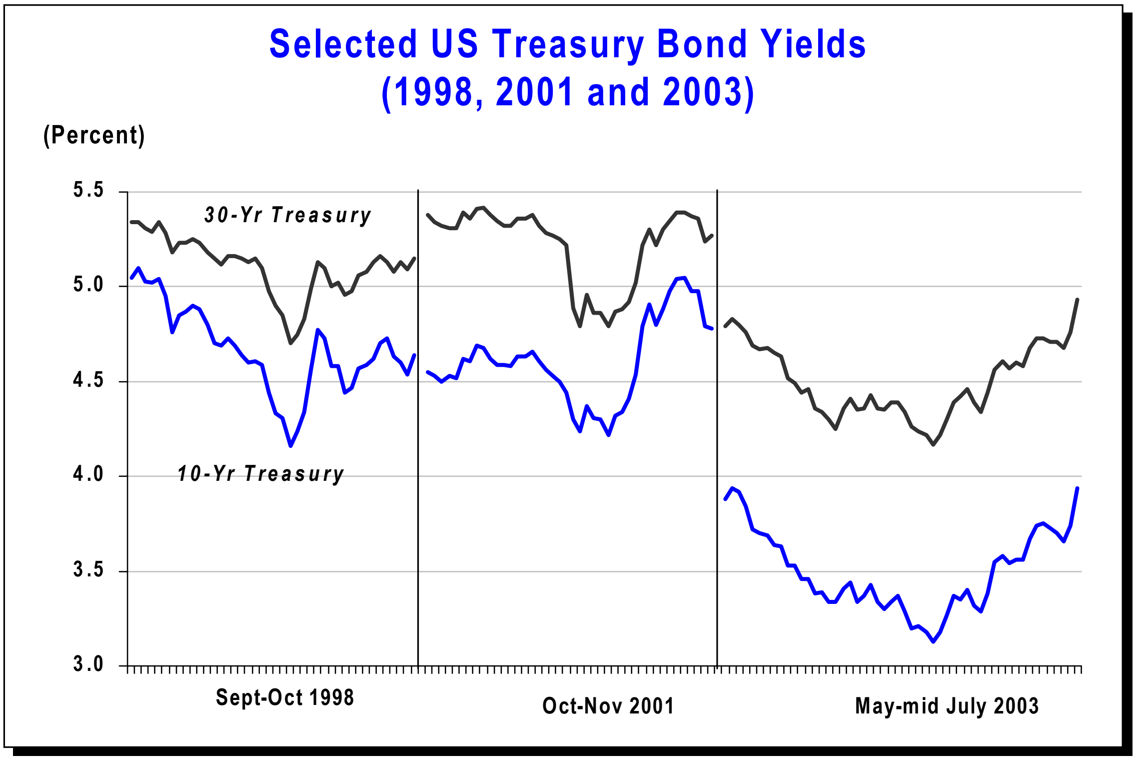
TRADING GAINS

"Trading gains," which are among the principal revenue line items on securities firms' income statements, while difficult to predict, are anything but random. Most of the difficulty in estimating this important source of income arises because trading gains, or more properly trading gains or losses, include revenue from a number of disparate activities, without distinguishing what portion is from the firm's own proprietary trading activities and what is from customer activities. These include gains from OTC equity market making, debt trading, market making in listed options, and trading in all other products (principally other derivatives and foreign exchange). Profits from all of these activities, along with the effects of securities inventory revaluation and some profits generated from securities origination are included when firms report trading gains.

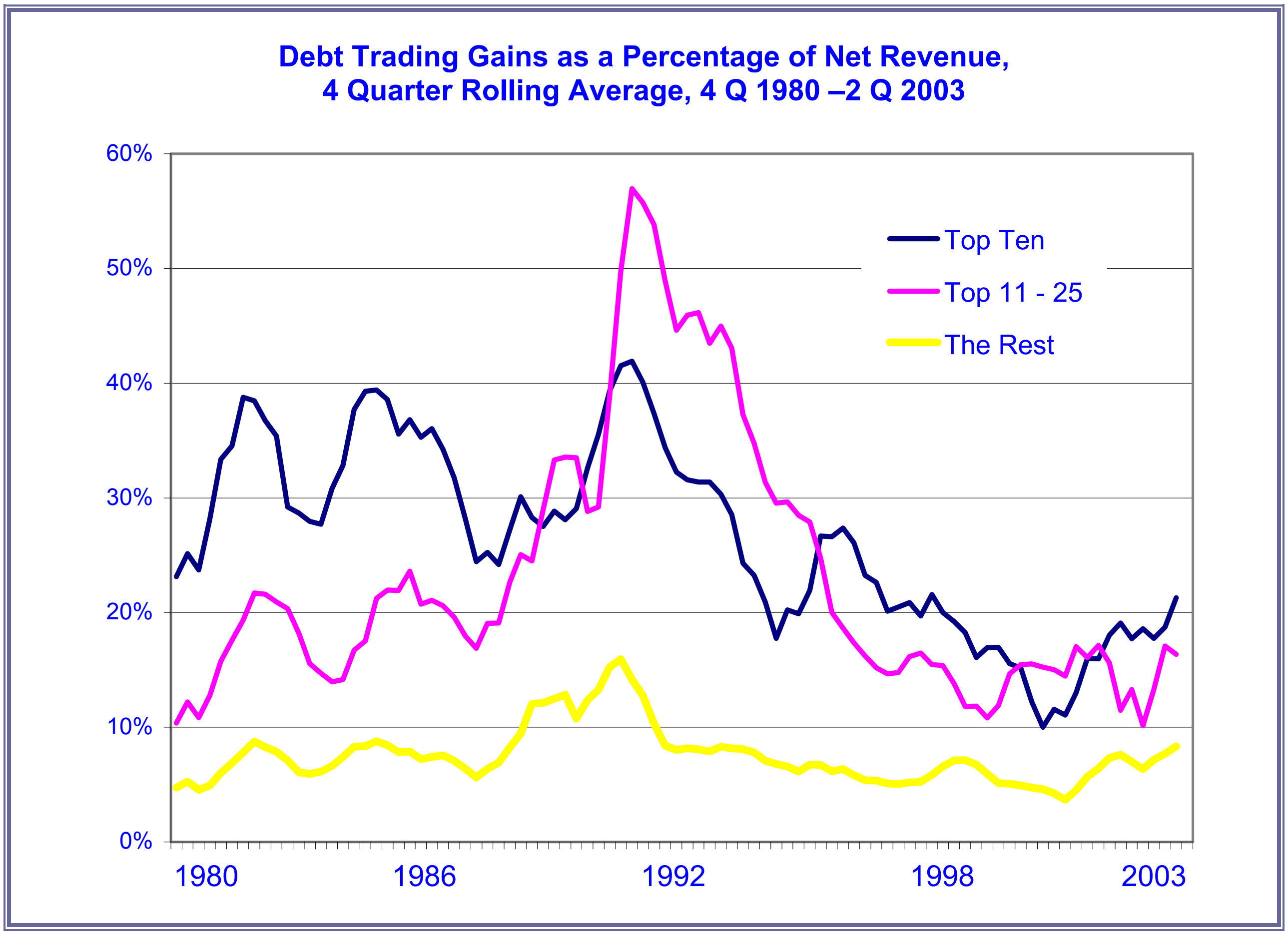


This year, most of the increase in securities industry profits has come from a jump in trading gains, principally gains from debt trading, which surged in 2Q 2003, before subsiding to still strong, but more normal, levels in 3Q 2003. Most of this variability merely reflects securities firms accommodating the trading demands of their customers. At times when the markets have a strong, sustained move in one direction, as was the case in debt markets in the first half of this year, accommodating this flow can provide a reliable source of revenue and an important contributor to overall profitability. In addition, when stock and bond prices are both rising as they were in 2Q 2003, marking to market the larger trading inventories of securities required to meet growing customer volumes, produces further gains from revaluation. However, when markets are more turbulent, as was the case in fixed income markets this summer, trading profitability can be eroded as securities firms accept smaller gains in order to maintain their franchise with customers as a liquidity provider and a market maker.

Turbulent Times:



While market forces might well drive the size of trading gains, trading losses for individual firms are rare and for the industry as a whole, rarer still and, it appears, becoming increasingly less likely. Substantial improvements in risk management systems and techniques have helped make trading activities at securities firms a consistent, albeit still highly variable, source of profitability. Most of the variability in trading gains reflects broad market trends and the need to accommodate customer needs for immediacy in trade execution. Securities firms have engaged in less explicit proprietary trading activity and more "sales-trading" in recent years and have largely sought, where possible, to avoid taking a position or view, and to limit the amount of capital at risk, when they do. Still, proprietary trading activities continue, and this pursuit, which may be the least predictable contributor to overall trading gains, appears to be experiencing a limited revival, as risk appetites in general seem to be returning this year.



The Role of Proprietary Trading

While there is a relative paucity of studies about proprietary trading, those that do exist purport that proprietary trading is a high-risk activity whose profitability is unsustainable over the long-term. This appears a bit puzzling to market veterans; particularly those engaged in building and managing sophisticated risk management systems or who manage trading units. Despite recent increased volatility, proprietary trading, on a risk-adjusted basis, appears to be a good use of risk capital for our firms.

One study maintained that proprietary trading is only consistently profitable in rare instances such as (i) when a strong, one-way market move of sustained duration prevails, (ii) when proprietary market information can be gained, (iii) when a firm's trading activity is dominant enough in a market to influence prices, or (iv) when utilizing a superior, technical innovation that allows a trading operation to price instruments more accurately than competitors. That 1990 journal article concluded that unless one is a market leader or trading mainly with a large customer base, securities firms are better off minimizing speculative activity.[1]

[1] Alberic Braas and Charles N. Bralver, "An Analysis of Trading Profits: How Most Trading Rooms Really Make Money," Journal of Applied Corporate Finance, vol. 2, num 4, winter 1990, p.86.

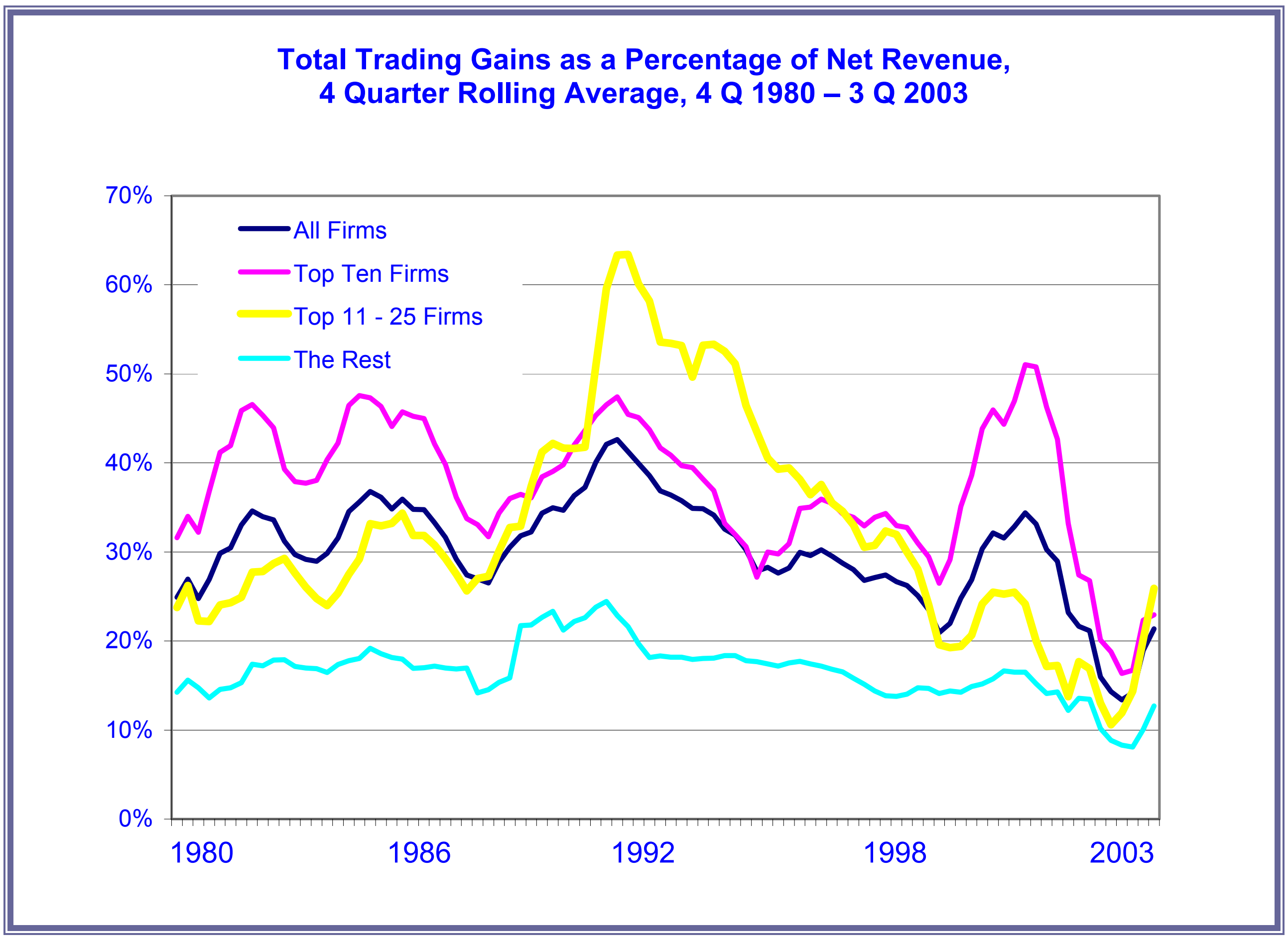
But there are ample reasons to take a contrary view. In regard to the first point, it appears that strong, one-way markets are not all that rare, particularly since 1990. This is especially relevant when examining the performance of securities firms in 2003. Stock prices rose sharply and steadily from March through September, while the long, bull market for bonds produced outsized trading gains in the second quarter. The recently ended, extended period of monetary easing, aided by the Federal Reserve's successful efforts to increase the transparency of its policies and actions, spurred both the volume of bond trading and the ability of firms to realize gains from debt trading.

Second, while information asymmetries have been reduced by market structure changes, the value gained from efficient processing of the richer "mosaic" of information flows persists. Supervisory and regulatory changes, shifts in the composition of market participants and more importantly, extensive investment in communications and information technology have enhanced order disclosure, and made fuller market information available faster and cheaper to all market participants. In fact, some investors complain of "information overload." The prevailing market view is that proprietary information gained by seeing a sizable portion of overall trading activity is currently less important than the ability to rapidly assess the flood of market information, translate it into an actionable idea and profitably execute that idea. Extensive efforts to develop and employ sophisticated risk management systems and techniques have bestowed to some firms the ability to micromanage trading portfolios, allowing management to quickly reallocate risk capital to different operations within the overall "trading book."

Third, size does matter, but it carries both advantages and disadvantages. Information asymmetries and price impact can by gained from the having a dominant position in a market. Presiding over a large portion of the order flow in any single market or markets bestows some advantages to firms engaged in market making activities. Firms large enough to have gained "critical mass" in their trading activities create a revenue stream that is akin to an annuity by processing large trade volumes efficiently thereby generating a large number of small profits.

However, it appears from examining the performance of firms of different sizes, that proprietary trading is profitable not only for firms that have dominant size, but for firms with proprietary operations that apply superior analytical skills, techniques or models to manage these activities and have the ability to synthesize the observations gained from their application into profitable trading positions. The key to profitable trading is not simply that the trader sees more market data, but that the trader processes that data better and faster, and then efficiently evaluates and acts on the commercial implications of what has been gleaned from that information flow. Sometimes being small and agile is better than being dominant. This is particularly true when market liquidity is constrained, or when order size declines or the order flow becomes more fragmented, as appears to have occurred in equity markets following the introduction of decimal pricing. In addition, with improved risk management and order processing systems it is harder to find markets that are significantly mis-priced or misunderstood and still large enough to accommodate a significant position, although it does happen from time to time.

Finally, improved valuation techniques and risk management systems do seem to confer an advantage to trading operations. Securities firms examine, on a risk-adjusted basis[2], the profitability of proprietary trading, along with all other activities. Using sophisticated risk management techniques to evaluate proprietary trading continuously, allows firms to maintain fairly stable overall proprietary trading limits, while adjusting the specific allocation to individual traders or desks of traders depending on whether these units are meeting or failing to meet explicit profit targets and loss limits. Traders are kept on a very short leash in terms of capital available and are evaluated daily on positive risk weighted return targets and loss minimization standards. Most firms now report that they take on virtually no unhedged positions, and that when they do, the bulk of their outright exposure is related to merchant banking or the provision of some other service to customers, rather than taking a position or expressing a view with respect to the market. Clearly, levels of risk tolerance vary over time and from firm to firm.



[2] Risk adjusted return on capital or RAROC and similar calculations have for sometime time been employed to allow the comparison of trading with other lines of business activity at financial service firms. RAROC is calculated by summing up Revenues – Expenses – Expected Losses +/-Adjustments (such as differential tax rates or remittability restrictions that affect value realization) and dividing the sum by the economically required capital, or the amount of capital necessary to cushion against unexpected credit losses, operation risks and market risks. However, individual open positions cannot sensibly be evaluated individually, but rather as a portfolio because while some positions may be additive in risk, others may be offsetting. (Charles Bralver and Andrew Kuritzkes, "Risk Adjusted Performance Measurement in the Trading Room," Journal of Applied Corporate Finance, vol. 6, num 3, fall 1993, p. 105.) In recent years, firms have made significant advances in understanding aggregate risks, the impact of second and third order effects and the importance of covariance of risk or cross market "contagion."

Examining FOCUS Data

NYSE FOCUS Data[3] provides aggregate numbers for the 241 NYSE member broker-dealers and for analytical groups within this aggregate. Despite the availability of decades worth of this data, there is little published analysis of FOCUS or other relevant data that would allow a more detailed understanding of the forces that drive variability in trading gains or the sustainability or reliability of trading gains as a source of firm profitability. A cursory examination of quarterly FOCUS data since 1980 appears to support the view that trading has had a positive impact on earnings, with very few negative quarters, and that it generates a relatively steady percentage of overall net profits for the firms in aggregate. That is not to say that at different times there aren't trading areas that are not profitable, nor that individual firms may or may not have a particular expertise in specific types of trading.

Breaking the data down into broad product types, however, and comparing results for firms by size in terms of capital, shows that size does matter, although not in a straightforward manner. At times the largest 10 firms were able to make the best results, sometimes the next 15 largest firms were ahead, but in all cases the largest 25 firms consistently generate a larger percentage of their net revenue from trading than do smaller firms. For the industry as a whole, the mean value for trading revenues as a percentage of total net revenues is just slightly less than 20% currently and though that percentage rises and falls over time in response to the market conditions that create opportunities for trading gains, the distribution of this percentage, indicating the relative importance of trading to individual firms, appears to be normal and reasonably stable.

Kyle L Brandon
Vice President and Director, Securities Research

Frank A. Fernandez
Senior Vice President, Chief Economist and Director, Research

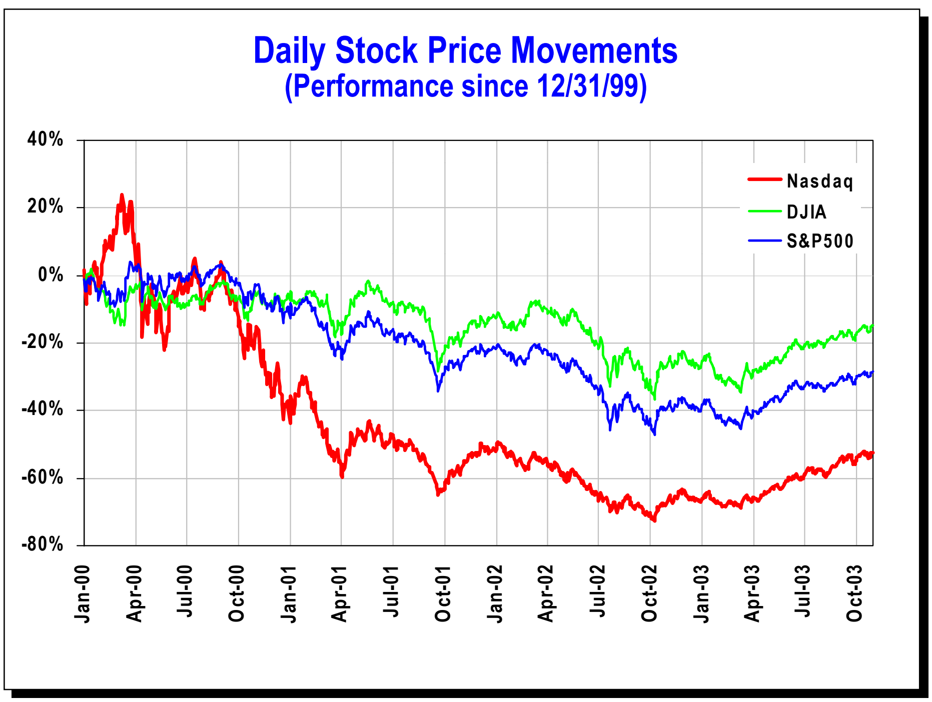
[3] FOCUS (Financial and Operational Combined Uniform Single) Report – provides a reasonably complete, detailed picture of member firms' financial and operational conditions. Quarterly summaries were prepared from monthly reports that member Firms must file with the NYSE summarizing their financial and operational data. (www.nyse.com) FOCUS data only captures the US broker dealers' activity; it does not capture global or non-broker dealer activity, which is significant in the case of the largest firms.

MONTHLY STATISTICAL REVIEW

U.S. Equity Market Activity

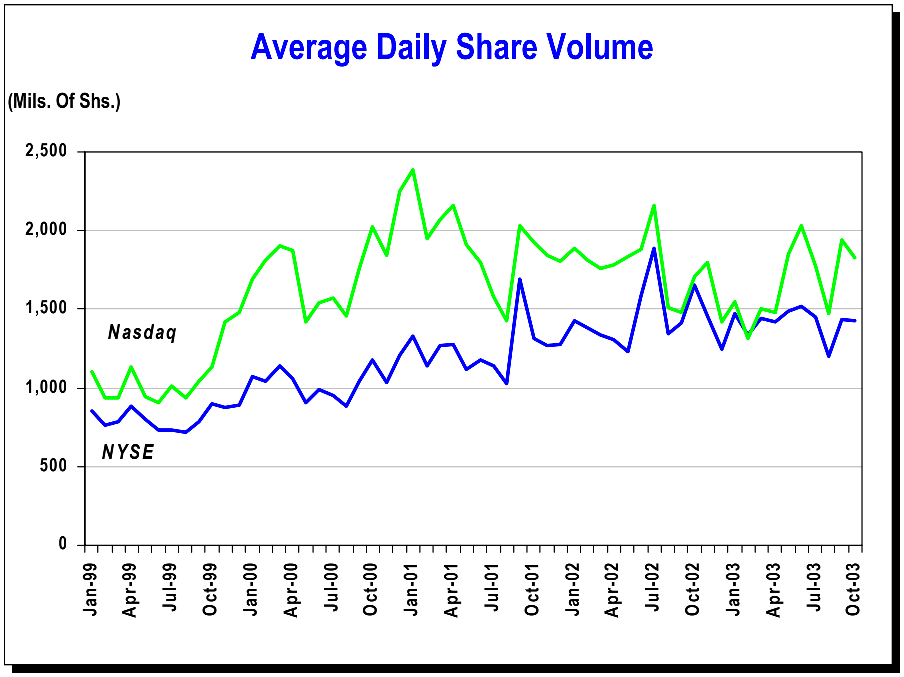
Stock Prices – U.S. stocks surged in October as stronger than expected third quarter earnings growth of 21% for S&P 500 companies, rapid economic expansion, and signs of improvement in the labor market helped push the key market indexes higher. For the month, the DJIA jumped 5.7% to close at 9801.12 and the S&P 500 climbed 5.5% to 1050.71 – the largest monthly advances for these indexes since April, and their highest levels in 17 months. Technology shares continued to outperform, with the Nasdaq Composite gaining 8.1% in October to 1932.21, its highest finish in 21 months and biggest monthly gain since May.

Since hitting five-year lows one-year earlier on October 9, 2002, the DJIA and S&P 500 have rebounded 35%, but are still down 16% and 31%, respectively, from their all-time highs set in 2000. Although the tech-laced Nasdaq Composite has soared 73% since sinking to a near six-year low of 1114.11 last October 9, it is still down 61% from its 2000 peak of 5048.61. Year-to-date through October, the DJIA has risen 17.5%, the S&P 500 advanced 19.4%, and the Nasdaq Composite surged 44.7%.



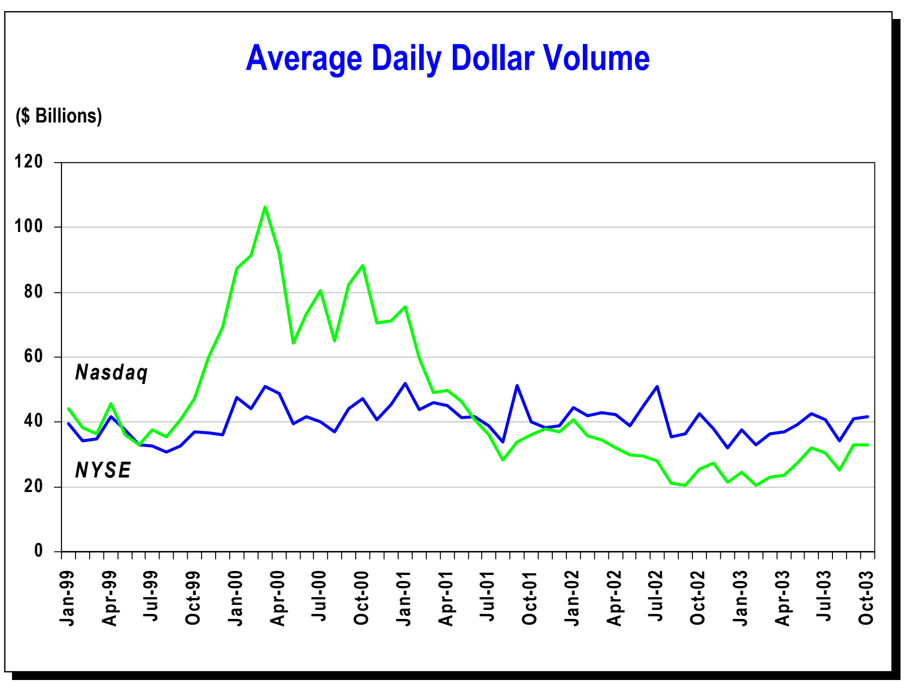
Share Volume – Trading activity on the major exchanges moderated slightly in October yet remained relatively strong. On the NYSE, average daily share volume eased 0.5% to 1.43 billion shares in October from the prior month. Through the first 10 months of 2003, NYSE volume averaged 1.42 billion shares daily, 2.6% shy of the 1.44 billion daily record pace set in 2002.

Nasdaq volume declined 6.0% in October to 1.83 billion shares daily from a hefty 1.94 billion in September. Year-to-date Nasdaq volume of 1.68 billion shares per day trails 2002's 1.75 billion daily share average by 4.3% and remains 11.7% below 2001's record 1.90 billion daily average.

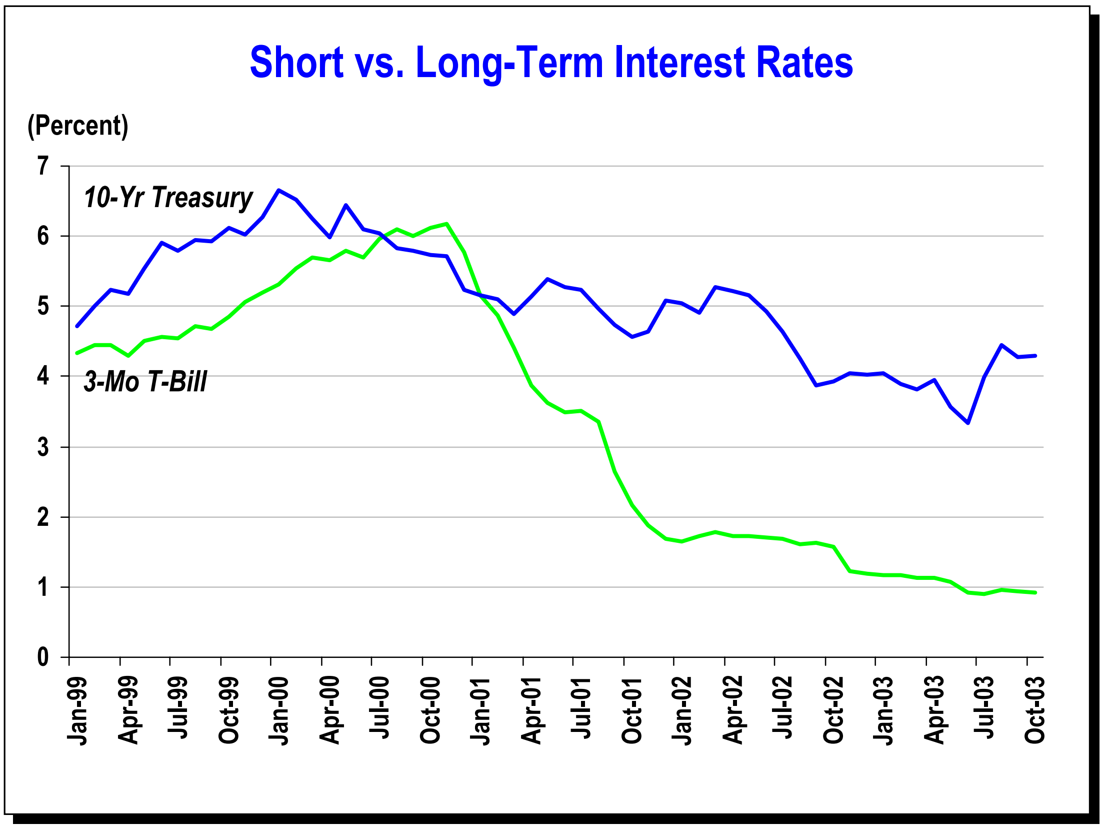


Dollar Volume – An increase in the average price per share traded led to slightly higher dollar volumes on both major exchanges in October. Average daily NYSE dollar volume rose 1.5% to $41.7 billion daily from $41.1 billion per day in September. Year-to-date through October, NYSE dollar volume averaged $38.4 billion daily, 6.1% below 2002's $40.9 billion daily pace.

The value of trading in Nasdaq stocks reached a 19-month high of $33.1 billion daily in October, up slightly from $33.0 billion per day in September. That brought the year-to-date average to $27.4 billion daily, 4.9% short of 2002's $28.8 billion daily pace.

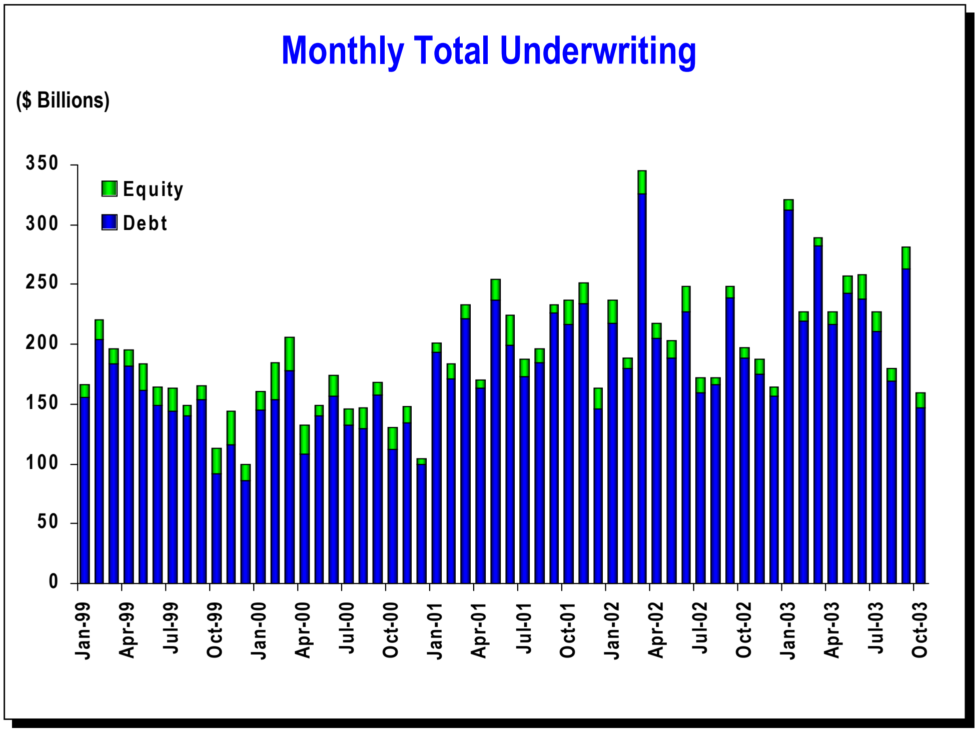


Interest Rates – Interest rates trended higher during October amid signs of a quickening recovery and an improving employment picture. Early in the month, the Labor Department's September jobs report showed a gain in payroll jobs for the first time in eight months. On October 28, policy-makers of the FOMC held the federal-funds rate steady and restated its intention to keep interest rates low for a considerable period. On October 30, the government reported that GDP increased at an annual rate of 7.2% in the third quarter, the strongest pace of growth since the first quarter of 1984. This surprisingly strong showing led to increased concerns that the Fed will raise rates earlier than the second half of 2004, as previously thought. By October's close, the benchmark 10-year Treasury bond yield rose to 4.33%, up 37 basis points from 3.96% at the end of September and up 40 basis points from a year earlier.

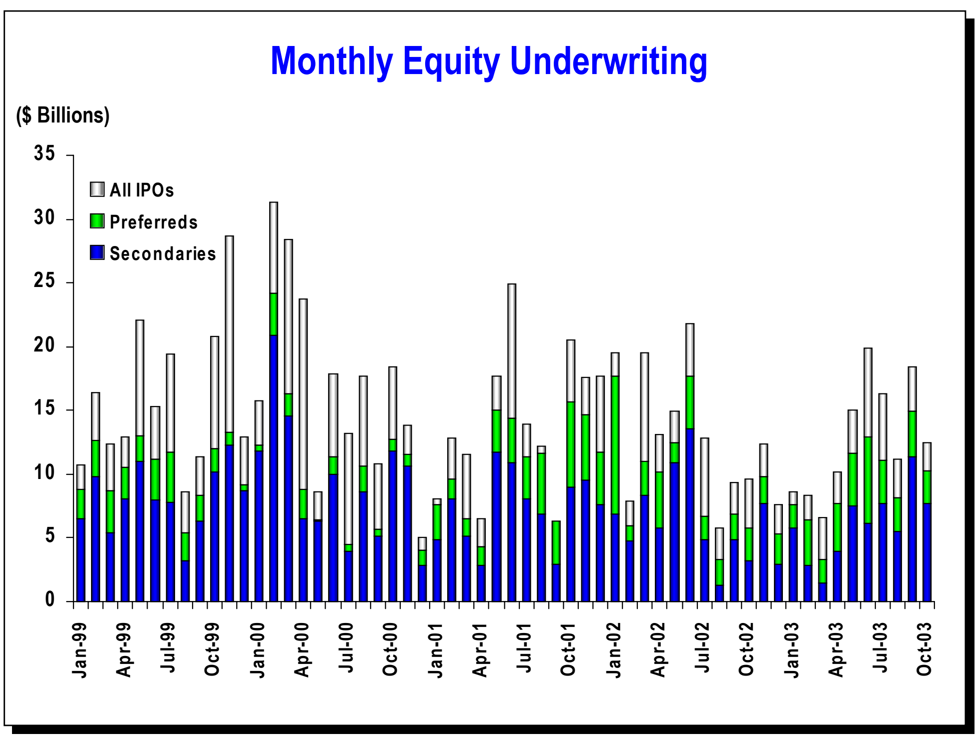


U.S. Underwriting Activity

Overall underwriting activity sank to its lowest level of the year in October as both debt and equity issuance cooled down. New issuance plummeted 43.3% in October to $159.5 billion from a brisk $281.5 billion in September. Despite this monthly decline, the year-to-date total of $2.43 trillion is 9.0% above the $2.23 trillion raised in the same period a year ago.

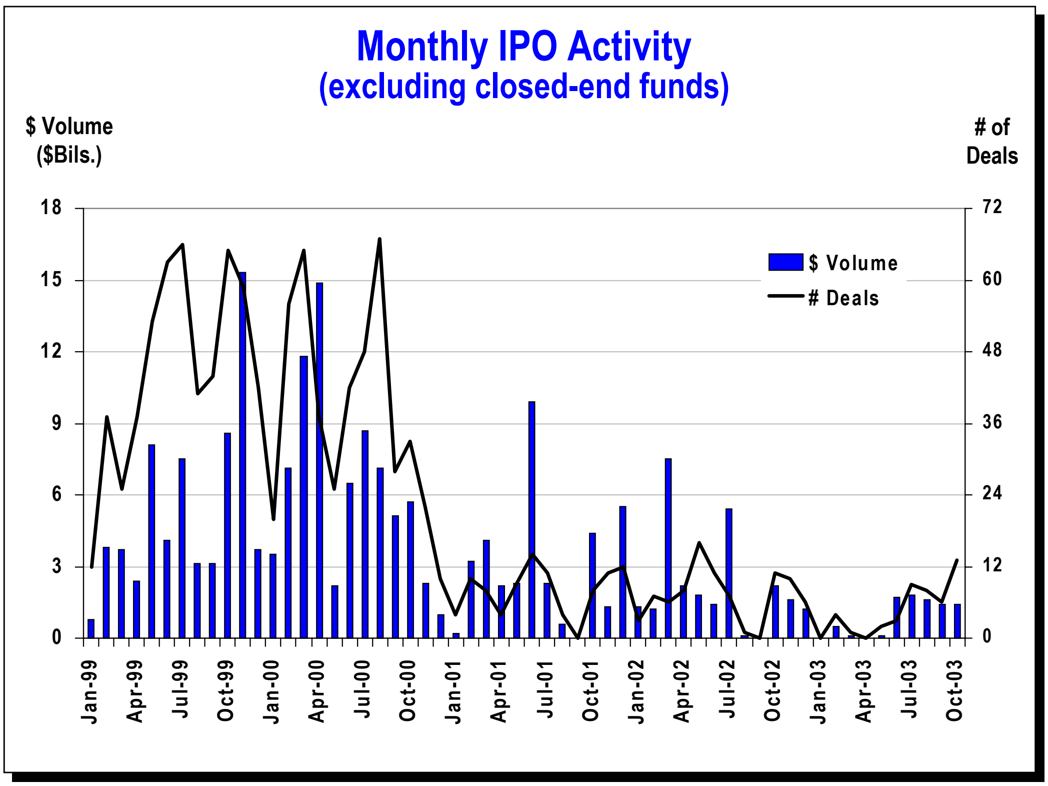


Equity Underwriting – Common and preferred stock issuance sank 32.1% from September's elevated level of $18.4 billion to $12.5 billion in October, about the monthly average for the year. Total equity underwriting activity is still running below last year's pace, as issuance now stands at $126.8 billion year-to-date compared with $134.1 billion in the same period last year.



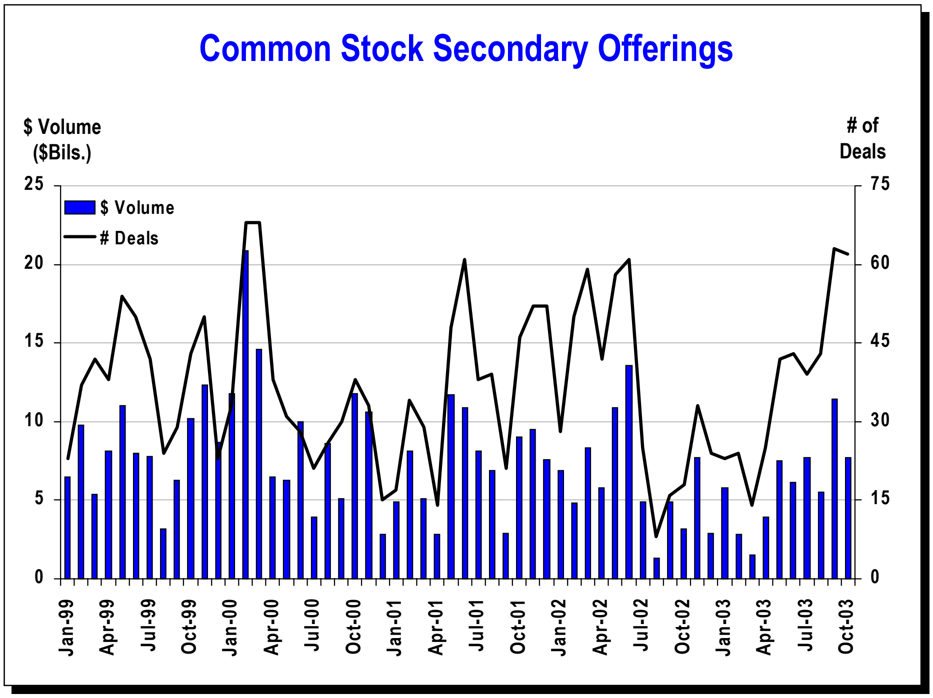
Initial Public Offerings – October was the busiest month in over a year for IPOs, but still nothing to write home about. A total of 13 deals were completed in October, more than double the 6 deals done in September and the most since May 2002. However, dollar volume of $1.4 billion was flat with September as the average deal was valued at $107.3 million in October versus $239.9 million in the prior month.

Year-to-date, deal volume is down 34.3% to 46 deals from 70 deals in last year's comparable period. Meanwhile, the dollar amount raised in the IPO market is down 62.2% to $8.7 billion through October from the $23.0 billion raised during the same period last year. IPO activity is expected to pick up, as the backlog currently consists of 55 deals worth $7.6 billion.

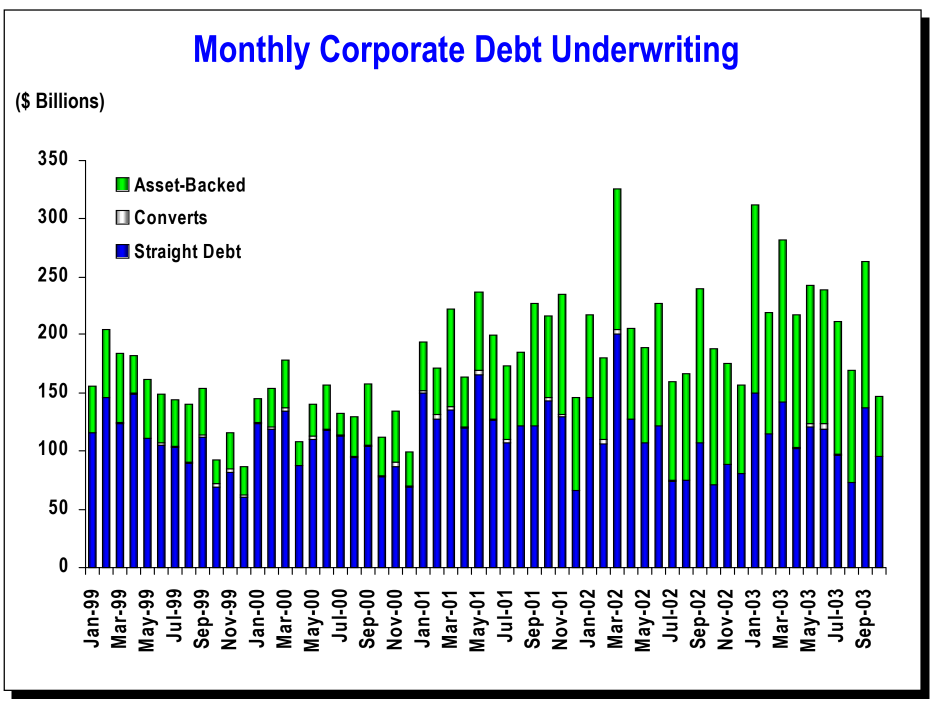


Secondary offerings of common stock declined 32.1% to $7.7 billion in October following a 65.8% surge in September to $11.4 billion. Deal volume remained brisk, however, as 62 deals were completed in October, just one less than September's 2-½ year high of 63 deals.

Through the first ten months of 2003, secondary offerings have raised $59.9 billion via 378 deals, compared with $64.6 billion on 365 deals during the corresponding period last year.



Corporate Bond Underwriting – New issuance of corporate bonds slowed to $147.1 billion in October, down 44.1% from September's level and the weakest monthly showing in two years. Nonetheless, despite this setback, total corporate debt issuance of $2.3 trillion year-to-date is up around 10% from the nearly $2.1 trillion issued in the same period a year ago.



New issuance of straight corporate debt tumbled 30.6% from September's elevated level to $95.2 billion in September. That brought the year-to-date total to $1.15 trillion, just slightly above the $1.13 trillion issued during the same period a year earlier.

Asset-backed bond issuance in October sank to its lowest level since April 2001. Proceeds plunged 58.9% to $51.8 billion from $126.0 billion in September. Despite the monthly decrease, asset-backed issuance year-to-date, at $1.14 trillion, is up 19.6% from the $953 billion issued during last year's comparable period and has already exceeded full-year 2002's record issuance of nearly $1.12 trillion.

Grace Toto
Vice President and Director, Statistics

U.S. CORPORATE UNDERWRITING ACTIVITY

(In $ Billions)

	Straight Corporate Debt	Con-vertible Debt	Asset-Backed Debt	TOTAL **DEBT**	Common Stock	Preferred Stock	TOTAL **EQUITY**	All IPOs	"True" IPOs	Secondaries	**TOTAL** UNDER-**WRITINGS**
1985	76.4	7.5	20.8	104.7	24.7	8.6	33.3	8.5	8.4	16.2	138.0
1986	149.8	10.1	67.8	227.7	43.2	13.9	57.1	22.3	18.1	20.9	284.8
1987	117.8	9.9	91.7	219.4	41.5	11.4	52.9	24.0	14.3	17.5	272.3
1988	120.3	3.1	113.8	237.2	29.7	7.6	37.3	23.6	5.7	6.1	274.5
1989	134.1	5.5	135.3	274.9	22.9	7.7	30.6	13.7	6.1	9.2	305.5
1990	107.7	4.7	176.1	288.4	19.2	4.7	23.9	10.1	4.5	9.0	312.3
1991	203.6	7.8	300.0	511.5	56.0	19.9	75.9	25.1	16.4	30.9	587.4
1992	319.8	7.1	427.0	753.8	72.5	29.3	101.8	39.6	24.1	32.9	855.7
1993	448.4	9.3	474.8	932.5	102.4	28.4	130.8	57.4	41.3	45.0	1,063.4
1994	381.2	4.8	253.5	639.5	61.4	15.5	76.9	33.7	28.3	27.7	716.4
1995	466.0	6.9	152.4	625.3	82.0	15.1	97.1	30.2	30.0	51.8	722.4
1996	564.8	9.3	252.9	827.0	115.5	36.5	151.9	50.0	49.9	65.5	979.0
1997	769.8	8.5	385.6	1,163.9	120.2	33.3	153.4	44.2	43.2	75.9	1,317.3
1998	1,142.5	6.3	566.8	1,715.6	115.0	37.8	152.7	43.7	36.6	71.2	1,868.3
1999	1,264.8	16.1	487.1	1,768.0	164.3	27.5	191.7	66.8	64.3	97.5	1,959.8
2000	1,236.2	17.0	393.4	1,646.6	189.1	15.4	204.5	76.1	75.8	112.9	1,851.0
2001	1,511.2	21.6	832.5	2,365.4	128.4	41.3	169.7	40.8	36.0	87.6	2,535.1
2002	1,303.2	8.6	1,115.4	2,427.2	116.4	37.6	154.0	41.2	25.8	75.2	2,581.1
2002											
Jan	145.7	0.2	71.2	217.1	8.6	10.8	19.4	1.8	1.3	6.9	236.5
Feb	106.2	3.8	70.2	180.1	6.7	1.2	8.0	1.9	1.2	4.8	188.0
Mar	200.5	3.2	121.7	325.4	16.9	2.7	19.6	8.5	7.5	8.3	344.9
Apr	127.3	0.0	77.5	204.9	8.7	4.4	13.1	2.9	2.2	5.8	218.0
May	106.7	0.1	81.4	188.2	13.3	1.6	14.9	2.4	1.8	10.9	203.1
June	121.3	0.4	105.2	226.9	17.7	4.1	21.8	4.1	1.4	13.6	248.7
July	74.1	0.4	84.9	159.4	11.0	1.8	12.8	6.1	5.4	4.9	172.2
Aug	74.7	0.0	91.7	166.4	3.8	2.0	5.7	2.5	0.1	1.3	172.2
Sept	106.8	0.0	132.3	239.1	7.3	2.0	9.3	2.4	0.0	4.9	248.4
Oct	70.5	0.1	117.4	188.1	7.0	2.6	9.5	3.8	2.2	3.2	197.6
Nov	88.5	0.4	86.4	175.3	10.2	2.1	12.3	2.6	1.6	7.7	187.6
Dec	80.8	0.0	75.6	156.4	5.2	2.4	7.6	2.3	1.2	2.9	164.0
2003											
Jan	150.0	0.0	162.5	312.4	6.8	1.8	8.6	1.0	0.0	5.8	321.0
Feb	114.7	0.0	104.5	219.2	4.7	3.6	8.3	1.9	0.5	2.8	227.5
Mar	141.9	0.1	140.2	282.3	4.8	1.8	6.5	3.3	0.1	1.5	288.8
Apr	102.0	1.3	113.6	217.0	6.4	3.8	10.2	2.5	0.0	3.9	227.2
May	120.6	3.0	118.7	242.3	10.9	4.1	15.0	3.4	0.1	7.5	257.3
June	118.5	5.1	114.6	238.3	13.1	6.8	19.9	7.0	1.7	6.1	258.2
July	96.4	0.4	113.7	210.5	12.9	3.4	16.3	5.2	1.8	7.7	226.8
Aug	72.7	0.0	96.2	168.9	8.4	2.7	11.1	3.0	1.6	5.5	180.0
Sept	137.1	0.0	126.0	263.1	14.9	3.5	18.4	3.5	1.4	11.4	281.5
Oct	95.2	0.1	51.8	147.1	9.9	2.6	12.5	2.2	1.4	7.7	159.5
Nov											
Dec											
YTD '02	1,133.9	8.2	953.4	2,095.5	101.0	33.1	134.1	36.4	23.0	64.6	2,229.5
YTD '03	1,149.3	10.0	1,141.7	2,301.0	92.8	34.0	126.8	32.9	8.7	59.9	2,427.8
% Change	1.4%	22.9%	19.7%	9.8%	-8.1%	2.9%	-5.4%	-9.7%	-62.2%	-7.2%	8.9%

Note: IPOs and follow-ons are subsets of common stock. "True" IPOs exclude closed-end funds.
Source: Thomson Financial

MUNICIPAL BOND UNDERWRITINGS
(In $ Billions)

INTEREST RATES
(Averages)

	Compet. Rev. Bonds	Nego. Rev. Bonds	**TOTAL REVENUE BONDS**	Compet. G.O.s	Nego. G.O.s	**TOTAL G.O.s**	**TOTAL MUNICIPAL BONDS**	3-Mo. T Bills	10-Year Treasuries	SPREAD
1985	10.2	150.8	161.0	17.6	22.8	40.4	201.4	7.47	10.62	3.15
1986	10.0	92.6	102.6	23.1	22.6	45.7	148.3	5.97	7.68	1.71
1987	7.1	64.4	71.5	16.3	14.2	30.5	102.0	5.78	8.39	2.61
1988	7.6	78.1	85.7	19.2	12.7	31.9	117.6	6.67	8.85	2.18
1989	9.2	75.8	85.0	20.7	17.2	37.9	122.9	8.11	8.49	0.38
1990	7.6	78.4	86.0	22.7	17.5	40.2	126.2	7.50	8.55	1.05
1991	11.0	102.1	113.1	29.8	28.1	57.9	171.0	5.38	7.86	2.48
1992	12.5	139.0	151.6	32.5	49.0	81.5	233.1	3.43	7.01	3.58
1993	20.0	175.6	195.6	35.6	56.7	92.4	287.9	3.00	5.87	2.87
1994	15.0	89.2	104.2	34.5	23.2	57.7	161.9	4.25	7.09	2.84
1995	13.5	81.7	95.2	27.6	32.2	59.8	155.0	5.49	6.57	1.08
1996	15.6	100.1	115.7	31.3	33.2	64.5	180.2	5.01	6.44	1.43
1997	12.3	130.2	142.6	35.5	36.5	72.0	214.6	5.06	6.35	1.29
1998	21.4	165.6	187.0	43.7	49.0	92.8	279.8	4.78	5.26	0.48
1999	14.3	134.9	149.2	38.5	31.3	69.8	219.0	4.64	5.65	1.01
2000	13.6	116.2	129.7	35.0	29.3	64.3	194.0	5.82	6.03	0.21
2001	17.6	164.2	181.8	45.5	56.3	101.8	283.5	3.39	5.02	1.63
2002	19.5	210.5	230.0	52.3	73.1	125.4	355.4	1.60	4.61	3.01
2002										
Jan	1.1	12.3	13.4	4.3	3.8	8.1	21.5	1.65	5.04	3.39
Feb	1.5	10.6	12.1	4.9	4.0	8.9	20.9	1.73	4.91	3.18
Mar	1.7	13.0	14.7	4.9	5.6	10.5	25.2	1.79	5.28	3.49
Apr	2.3	14.7	17.0	4.4	4.1	8.5	25.5	1.72	5.21	3.49
May	2.4	20.7	23.1	4.0	6.9	10.9	34.0	1.73	5.16	3.43
June	1.5	20.3	21.8	5.2	11.6	16.8	38.6	1.70	4.93	3.23
July	1.1	15.7	16.8	4.8	6.2	11.0	27.8	1.68	4.65	2.97
Aug	0.6	20.4	21.0	3.8	6.6	10.4	31.5	1.62	4.26	2.64
Sept	1.1	16.8	17.8	4.1	5.6	9.7	27.5	1.63	3.87	2.24
Oct	2.9	24.0	26.9	5.9	8.9	14.8	41.7	1.58	3.94	2.36
Nov	1.4	25.3	26.7	3.0	5.6	8.5	35.2	1.23	4.05	2.82
Dec	2.0	16.6	18.6	2.9	4.4	7.3	26.0	1.19	4.03	2.84
2003										
Jan	1.4	16.8	18.2	4.4	4.3	8.7	27.0	1.17	4.05	2.88
Feb	1.8	15.6	17.4	5.1	7.6	12.7	30.1	1.17	3.90	2.73
Mar	2.0	16.4	18.4	4.2	5.5	9.7	28.1	1.13	3.81	2.68
Apr	1.7	18.3	20.0	4.6	10.2	14.8	34.8	1.13	3.96	2.83
May	2.9	20.1	23.0	5.5	7.0	12.5	35.6	1.07	3.57	2.50
June	2.0	22.6	24.6	6.6	17.1	23.7	48.3	0.92	3.33	2.41
July	2.2	18.3	20.5	6.5	6.0	12.6	33.0	0.90	3.98	3.08
Aug	1.1	17.5	18.6	3.7	3.4	7.1	25.8	0.95	4.45	3.50
Sept	1.4	17.0	18.3	3.6	3.0	6.6	24.9	0.94	4.27	3.33
Oct	1.6	11.5	13.2	3.7	9.0	12.7	25.9	0.92	4.29	3.37
Nov										
Dec										
YTD '02	16.1	168.5	184.6	46.4	63.1	109.5	294.1	1.68	4.73	3.04
YTD '03	18.2	174.1	192.3	48.1	73.1	121.2	313.5	1.03	3.96	2.93
% Change	12.9%	3.3%	4.1%	3.7%	15.9%	10.7%	6.6%	-38.8%	-16.2%	-3.6%

Sources: Thomson Financial; Federal Reserve

	STOCK MARKET PERFORMANCE INDICES (End of Period)				STOCK MARKET VOLUME (Daily Avg., Mils. of Shs.)			VALUE TRADED (Daily Avg., $ Bils.)	
	Dow Jones Industrial Average	S&P 500	NYSE Composite	Nasdaq Composite	NYSE	AMEX	Nasdaq	NYSE	Nasdaq
1985	1,546.67	211.28	1,285.66	324.93	109.2	8.3	82.1	3.9	0.9
1986	1,895.95	242.17	1,465.31	348.83	141.0	11.8	113.6	5.4	1.5
1987	1,938.83	247.08	1,461.61	330.47	188.9	13.9	149.8	7.4	2.0
1988	2,168.57	277.72	1,652.25	381.38	161.5	9.9	122.8	5.4	1.4
1989	2,753.20	353.40	2,062.30	454.82	165.5	12.4	133.1	6.1	1.7
1990	2,633.66	330.22	1,908.45	373.84	156.8	13.2	131.9	5.2	1.8
1991	3,168.83	417.09	2,426.04	586.34	178.9	13.3	163.3	6.0	2.7
1992	3,301.11	435.71	2,539.92	676.95	202.3	14.2	190.8	6.9	3.5
1993	3,754.09	466.45	2,739.44	776.80	264.5	18.1	263.0	9.0	5.3
1994	3,834.44	459.27	2,653.37	751.96	291.4	17.9	295.1	9.7	5.8
1995	5,117.12	615.93	3,484.15	1,052.13	346.1	20.1	401.4	12.2	9.5
1996	6,448.27	740.74	4,148.07	1,291.03	412.0	22.1	543.7	16.0	13.0
1997	7,908.25	970.43	5,405.19	1,570.35	526.9	24.4	647.8	22.8	17.7
1998	9,181.43	1,229.23	6,299.93	2,192.69	673.6	28.9	801.7	29.0	22.9
1999	11,497.12	1,469.25	6,876.10	4,069.31	808.9	32.7	1,081.8	35.5	43.7
2000	10,786.85	1,320.28	6,945.57	2,470.52	1,041.6	52.9	1,757.0	43.9	80.9
2001	10,021.50	1,148.08	6,236.39	1,950.40	1,240.0	65.8	1,900.1	42.3	44.1
2002	8,341.63	879.82	5,000.00	1,335.51	1,441.0	63.7	1,752.8	40.9	28.8
2002									
Jan	9,920.00	1,130.20	6,116.90	1,934.03	1,425.9	56.1	1,888.7	44.5	40.8
Feb	10,106.13	1,106.73	6,117.96	1,731.49	1,381.8	56.3	1,812.8	42.1	35.9
Mar	10,403.94	1,147.39	6,348.79	1,845.35	1,337.1	57.1	1,756.8	42.9	34.5
Apr	9,946.22	1,076.92	6,071.22	1,688.23	1,307.3	55.4	1,779.0	42.4	32.1
May	9,925.25	1,067.14	6,035.27	1,615.73	1,234.2	61.5	1,834.2	38.9	29.8
June	9,243.26	989.82	5636.54	1,463.21	1,587.0	66.9	1,877.1	44.8	29.4
July	8,736.59	911.62	5,195.61	1,328.26	1,886.3	79.0	2,158.2	50.9	28.1
Aug	8,663.50	916.07	5,239.81	1,314.85	1,341.4	58.4	1,509.0	35.5	21.2
Sept	7,591.93	815.28	4,709.96	1,172.06	1,409.0	90.3	1,477.3	36.3	20.5
Oct	8,397.03	885.77	5,000.32	1,329.75	1,654.8	68.3	1,709.3	42.5	25.4
Nov	8,896.09	936.31	5,236.85	1,478.78	1,454.4	57.7	1,799.5	37.9	27.3
Dec	8,341.63	879.82	5,000.00	1,335.51	1,247.9	57.6	1,423.6	32.1	21.6
2003									
Jan	8,053.81	855.70	4,868.68	1,320.91	1,474.7	62.9	1,547.6	37.5	24.7
Feb	7,891.08	841.15	4,716.07	1,337.52	1,336.4	53.6	1,311.4	32.8	20.4
Mar	7,992.13	848.18	4,730.21	1,341.17	1,439.3	64.7	1,499.9	36.3	23.0
Apr	8,480.09	916.92	5,131.56	1,464.31	1,422.7	54.7	1,478.2	37.1	23.5
May	8,850.26	963.59	5,435.37	1,595.91	1,488.6	69.6	1,847.9	39.2	27.4
June	8,985.44	974.50	5,505.17	1,622.80	1,516.3	79.5	2,032.2	42.7	32.0
July	9,233.80	990.31	5,558.99	1,735.02	1,451.1	67.4	1,771.7	40.7	30.5
Aug	9,415.82	1,008.01	5,660.16	1,810.45	1,200.3	57.7	1,470.8	34.1	25.3
Sept	9,275.06	995.97	5,644.03	1,786.94	1,436.7	83.9	1,943.2	41.1	33.0
Oct	9,801.12	1,050.71	5,959.01	1,932.21	1,430.0	68.6	1,827.1	41.7	33.1
Nov									
Dec									
YTD '02	8,397.03	885.77	5,000.32	1,329.75	1,459.0	64.9	1,781.1	42.1	29.6
YTD '03	9,801.12	1,050.71	5,959.01	1,932.21	1,420.7	66.4	1,678.3	38.4	27.4
% Change	16.7%	18.6%	19.2%	45.3%	-2.6%	2.3%	-5.8%	-8.7%	-7.4%

MUTUAL FUND ASSETS

($ Billions)

	Equity	Hybrid	Bond	Money Market	**TOTAL ASSETS**
1985	116.9	12.0	122.6	243.8	495.4
1986	161.4	18.8	243.3	292.2	715.7
1987	180.5	24.2	248.4	316.1	769.2
1988	194.7	21.1	255.7	338.0	809.4
1989	248.8	31.8	271.9	428.1	980.7
1990	239.5	36.1	291.3	498.3	1,065.2
1991	404.7	52.2	393.8	542.5	1,393.2
1992	514.1	78.0	504.2	546.2	1,642.5
1993	740.7	144.5	619.5	565.3	2,070.0
1994	852.8	164.5	527.1	611.0	2,155.4
1995	1,249.1	210.5	598.9	753.0	2,811.5
1996	1,726.1	252.9	645.4	901.8	3,526.3
1997	2,368.0	317.1	724.2	1,058.9	4,468.2
1998	2,978.2	364.7	830.6	1,351.7	5,525.2
1999	4,041.9	383.2	808.1	1,613.1	6,846.3
2000	3,962.0	346.3	811.1	1,845.2	6,964.7
2001	3,418.2	346.3	925.1	2,285.3	6,975.0
2002	2,667.0	327.4	1,124.9	2,272.0	6,391.3
2002					
Jan	3,372.1	347.2	946.9	2,303.4	6,969.6
Feb	3,310.5	348.3	962.5	2,301.0	6,922.3
Mar	3,495.7	359.2	958.3	2,247.9	7,061.1
Apr	3,367.8	354.5	980.6	2,231.4	6,934.4
May	3,341.5	356.4	994.1	2,230.7	6,922.7
June	3,088.7	341.4	1,003.7	2,197.4	6,631.2
July	2,770.1	320.7	1,032.9	2,254.6	6,378.4
Aug	2,781.1	324.9	1,063.7	2,217.5	6,387.3
Sept	2,505.3	305.4	1,089.0	2,164.6	6,064.2
Oct	2,659.5	316.7	1,083.6	2,177.5	6,237.2
Nov	2,818.4	332.3	1,098.7	2,309.3	6,558.6
Dec	2,667.0	327.4	1,124.9	2,272.0	6,391.3
2003					
Jan	2,597.7	324.7	1,138.2	2,273.6	6,334.2
Feb	2,537.8	322.9	1,171.1	2,236.2	6,268.0
Mar	2,551.3	325.3	1,183.3	2,204.7	6,264.6
Apr	2,770.3	346.8	1,210.5	2,157.7	6,485.3
May	2,958.5	365.8	1,238.7	2,140.6	6,703.6
June	3,031.1	373.6	1,248.4	2,164.4	6,817.5
July	3,126.0	376.4	1,212.1	2,152.5	6,867.0
Aug	3,238.5	382.3	1,209.4	2,141.0	6,971.2
Sept	3,229.7	388.2	1,231.0	2,100.2	6,949.1
Oct					
Nov					
Dec					
YTD '02	2,505.3	305.4	1,089.0	2,164.6	6,064.2
YTD '03	3,229.7	388.2	1,231.0	2,100.2	6,949.1
% Change	28.9%	27.1%	13.0%	-3.0%	14.6%

MUTUAL FUND NET NEW CASH FLOW*

($ Billions)

	Equity	Hybrid	Bond	Money Market	**TOTAL**	Total Long-Term Funds
1985	8.5	1.9	63.2	-5.4	68.2	73.6
1986	21.7	5.6	102.6	33.9	163.8	129.9
1987	19.0	4.0	6.8	10.2	40.0	29.8
1988	-16.1	-2.5	-4.5	0.1	-23.0	-23.1
1989	5.8	4.2	-1.2	64.1	72.8	8.8
1990	12.8	2.2	6.2	23.2	44.4	21.2
1991	39.4	8.0	58.9	5.5	111.8	106.3
1992	78.9	21.8	71.0	-16.3	155.4	171.7
1993	129.4	39.4	73.3	-14.1	228.0	242.1
1994	118.9	20.9	-64.6	8.8	84.1	75.2
1995	127.6	5.3	-10.5	89.4	211.8	122.4
1996	216.9	12.3	2.8	89.4	321.3	232.0
1997	227.1	16.5	28.4	102.1	374.1	272.0
1998	157.0	10.2	74.6	235.3	477.1	241.8
1999	187.7	-12.4	-5.5	193.6	363.4	169.8
2000	309.4	-30.7	-49.8	159.6	388.6	228.9
2001	31.9	9.5	87.7	375.6	504.8	129.2
2002	-27.7	8.3	140.7	-46.6	74.7	121.3
2002						
Jan	19.4	2.2	10.4	14.0	46.0	32.0
Feb	4.7	2.3	10.9	-5.5	12.4	17.9
Mar	29.7	3.3	6.6	-53.0	-13.4	39.5
Apr	12.9	3.3	7.7	-19.6	4.3	23.9
May	4.9	1.5	10.5	-3.2	13.6	16.8
June	-18.2	0.4	12.2	-43.6	-49.3	-5.6
July	-52.6	-4.7	28.1	54.6	25.4	-29.2
Aug	-3.1	0.6	17.4	-38.7	-23.9	14.9
Sept	-16.1	-0.7	15.3	-54.9	-56.4	-1.5
Oct	-7.5	-1.0	6.4	12.5	10.4	-2.1
Nov	7.0	1.2	7.6	129.9	145.6	15.8
Dec	-8.3	-0.2	7.3	-38.8	-40.0	-1.2
2003						
Jan	-0.4	1.1	13.0	-1.2	12.5	13.7
Feb	-11.1	0.1	19.7	-39.6	-30.9	8.7
Mar	-0.3	0.9	10.6	-32.3	-21.0	11.3
Apr	16.1	2.7	10.5	-53.8	-24.4	29.4
May	11.9	3.1	8.9	-17.8	6.1	23.9
June	18.6	4.0	5.1	22.1	49.9	27.7
July	21.4	3.5	-10.8	-12.9	1.2	14.1
Aug	23.4	3.3	-12.6	-20.3	-6.1	14.2
Sept	17.3	3.8	-5.8	-49.7	-34.4	15.2
Oct						
Nov						
Dec						
YTD '02	-18.6	8.3	119.1	-150.1	-41.4	108.7
YTD '03	97.1	22.5	38.6	-205.5	-47.3	158.2
% Change	NM	172.6%	-67.6%	NM	NM	45.5%

* New sales (excluding reinvested dividends) minus redemptions, combined with net exchanges
Source: Investment Company Institute

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