

# News

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## **MERRILL LYNCH IDENTIFIES OVERSEAS EQUITY MARKETS PERFORMANCE**

..... July 31 -- With many major stock markets treading water at the moment, investors may want to take a look at some overseas bourses which are posting stronger rises.

But just which overseas markets are performing better? A survey from Merrill Lynch's International Private Client Group (IPCG) has just identified the top performing markets in local currency over the first half of 2000.

The top performers were China, which rose 47% over the first six months of 2000; Canada jumped 20%, Israel's bourse was up 13% and the Polish stock market increased 10%.

"This listing demonstrates the importance of building an internationally diversified investment portfolio," said Winthrop H. Smith, Jr., President of Merrill Lynch's International Private Client Group (IPCG).

"A properly diversified global portfolio can increase returns while also balancing risk. However, many international markets have unique characteristics and therefore seeking professional advice and guidance is important for investors.

"Markets perform differently due to their own individual economic and political factors. It is a matter of determining what those factors offer and balancing the opportunities with the practicalities. For instance, some of these markets are very volatile, while others do not allow direct foreign investment and others do not have enough liquidity."

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### **MERRILL LYNCH IPCG WORLD STOCK MARKET PERFORMANCE**

<b>½ Yr 2000 Rank</b>	<b>Rank Full year 1999</b>	<b>Country</b>	<b>% Increase Jan 1 – June 29, 2000</b>	<b>% Increase 1999 full year</b>
1	(22)	China	47	32
2	(24)	Canada	20	30
3	(10)	Israel	13	66
4	(17)	Poland	10	41
5	(28)	Italy	9	22
6	(14)	France	7	51
7	(27)	Czech Republic	7	24
8	(10)	Sweden	4	66
9	(32)	Australia	3	12
10	(18)	Malaysia	2	39
11	(36)	Switzerland	2	6
12	(26)	The Netherlands	- 1	25
13	(15)	Norway	- 1	49
14	(18)	Germany	- 1	39
15	(29)	United States	- 2	20
16	(2)	Finland	- 2	162
17	(1)	Turkey	- 2	485
18	(16)	Chile	- 3	43
19	(37)	Ireland	- 3	0
20	(22)	Taiwan	- 4	32
21	(9)	Hong Kong	- 4	69
22	(4)	Brazil	- 4	152
23	(6)	Mexico	- 4	80
24	(12)	India	- 4	64
25	(31)	Spain	- 5	16
26	(34)	Austria	- 6	7
27	(34)	New Zealand	- 7	7
28	(3)	Russia	- 7	155
29	(20)	Japan	- 8	37
30	(30)	United Kingdom	-10	17
31	(13)	South Africa	-10	57
32	(25)	Argentina	-12	28
33	(38)	Belgium	-13	- 5
34	(7)	Singapore	-17	78
35	(5)	Korea	-20	83
36	(8)	Indonesia	-24	70
37	(33)	The Philippines	-28	9
38	(21)	Thailand	-33	35

**Source: Merrill Lynch IPCG**

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Mr. Smith also noted: “Last year, if you were not making an 18% a year return on your investments, or more than 23% in Asia, you were not catching up with the wealth club. While the figures might be lower this year, building an international portfolio can help you catch-up or stay ahead. For instance, strong stock market performances last year accounted for more than half of 1999’s 18% rise in the number of high net worth individuals,” he said, referring to Merrill Lynch’s recently released *World Wealth Report*.

“This year, investors have had to look offshore to find stronger performing markets if they wanted to capture growth from equities.”

He also noted that high net worth individuals had increasingly sophisticated demands, requiring private banks to provide a greater diversity of product and highly specialized advice. “They now want to choose from a diverse array of products and spread their assets across a wider band of risks and across broader geographic area, such as some of the markets that we have identified as being strong performers,” said Mr. Smith.

Merrill Lynch IPCG has a network of private bankers, financial consultants and other specialists in more than 43 countries around the globe. It provides individual clients with a range of wealth creation services including financial planning, private banking, trust, and investment services. Merrill Lynch research has been ranked #1 by many independent organizations, for instance, Merrill Lynch has the “Most Widely Read Research”, according to Thomson Financial's First Call Corp.

Note: The Merrill Lynch IPCG World Stock Market Performance ranking is based on the major index for each country surveyed in local currency (i.e. Dow Jones Industrial Average for the U.S., FTSE for England, Dax for Germany and the All Ordinaries for Australia, etc.). Inclusion in the table does not mean Merrill Lynch recommends investing in a market.

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