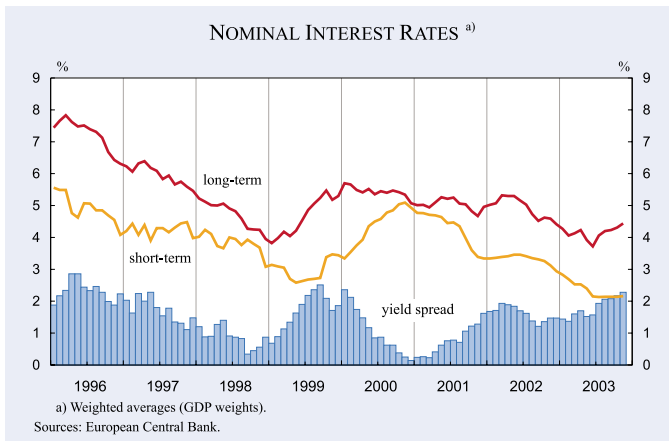
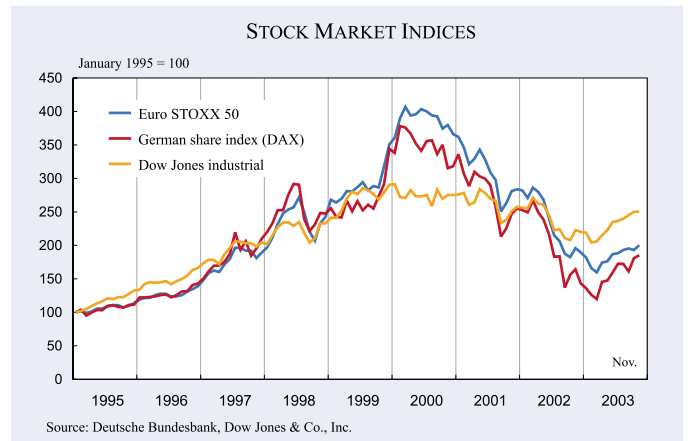


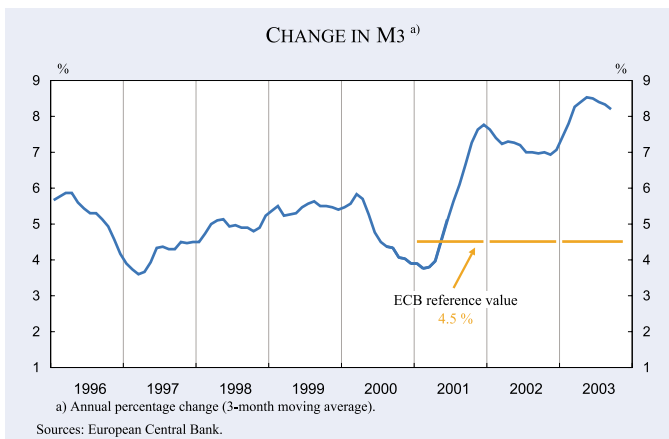
FINANCIAL CONDITIONS IN THE EURO AREA



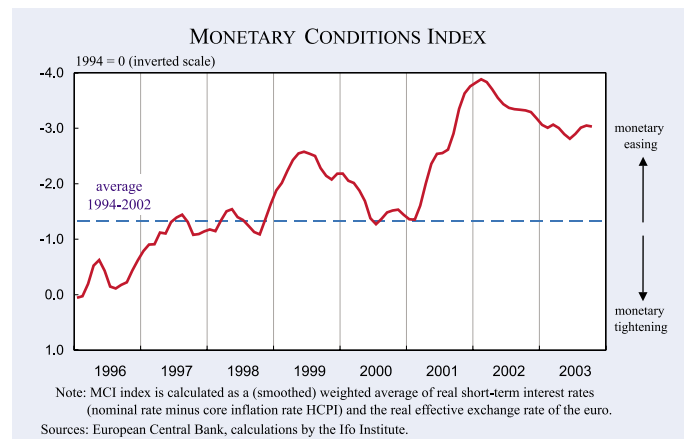
Short-term interest rates have remained unchanged since June of this year, at 2.15%. Long-term rates, in contrast have been rising from their low of 3.72% in June to 4.45% in November. Accordingly, the yield spread has increased from 1.57% to 2.29% over the same period.



Stock prices have continued their upward trend that had started in March/April 2003. In November, all three indices had regained their average levels of June to August 2002.

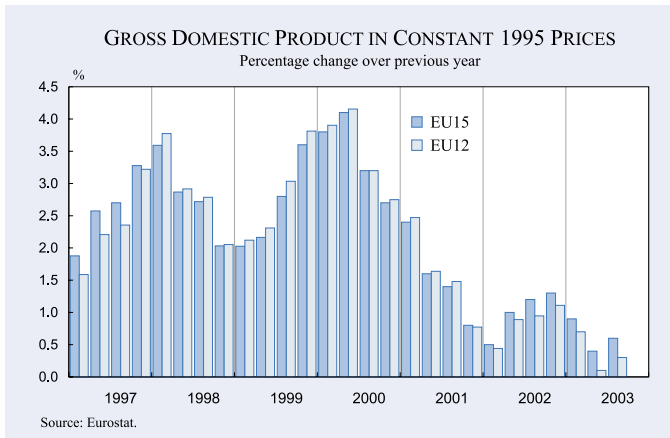


The annual rate of growth of M3 increased to 8% in October, from 7.6% in September. The three-month average of the annual growth rates of M3 over the period August to October 2003 was 7.9%, compared with 8.1% in the period July to September 2003. Of the main counterparts of M3, the annual growth rate of loans to the private sector was 5.1% in October, compared with 5.0% in September.

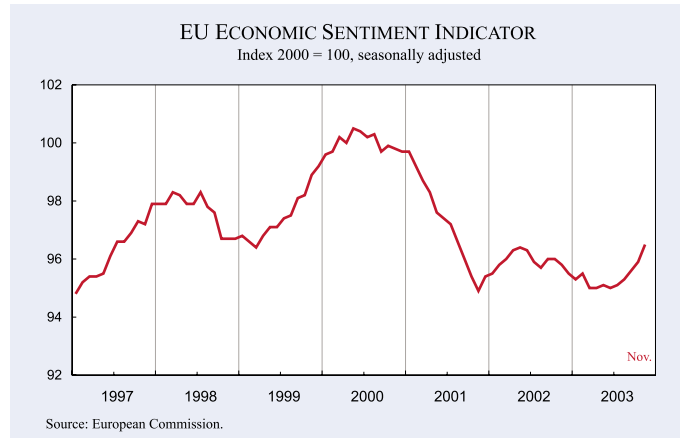


This indicator of monetary conditions in the euro area has stabilised in November, but still reflects relatively easy monetary policy. Both underlying statistics, the real short-term interest rate and the real effective exchange rate of the euro remained unchanged.

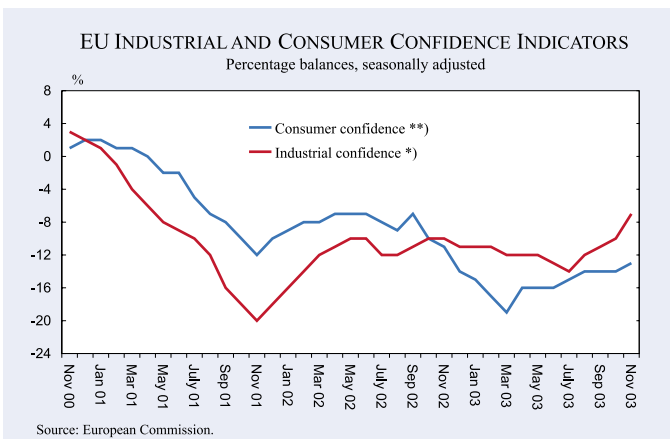
EU SURVEY RESULTS



According to first estimates for the third quarter of 2003, Euro-zone and EU15 GDP both grew by 0.4% compared to the previous quarter. In the second quarter the growth rates were -0.1% for the euro-zone and 0.0% for the EU15. Compared to the third quarter of 2002, GDP grew by 0.3% in the euro-zone and by 0.6% in the EU15, after 0.1% and 0.4% respectively in the previous quarter.



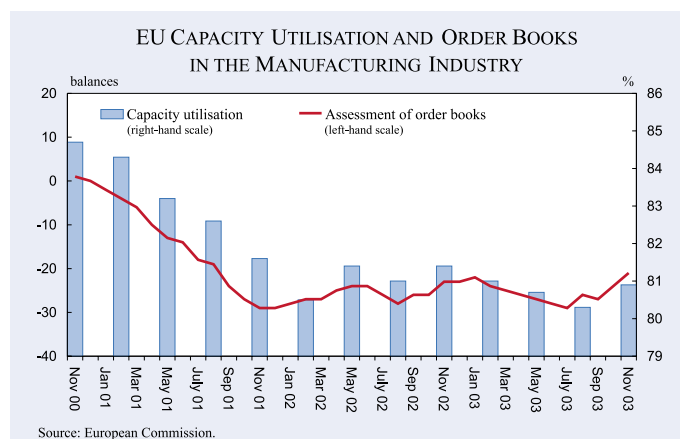
The Economic Sentiment Indicator in the EU increased by 0.6 percentage points in November, the biggest rise since its turnaround last summer. It has now reached a level of 96.5, the highest level since mid-2002. The main factor behind the improvement was the development in the industry sector, with construction and consumer confidence supporting the general upward trend. The biggest improvements were registered by Belgium, Denmark, France and the UK.



* The industrial confidence indicator is an average of responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

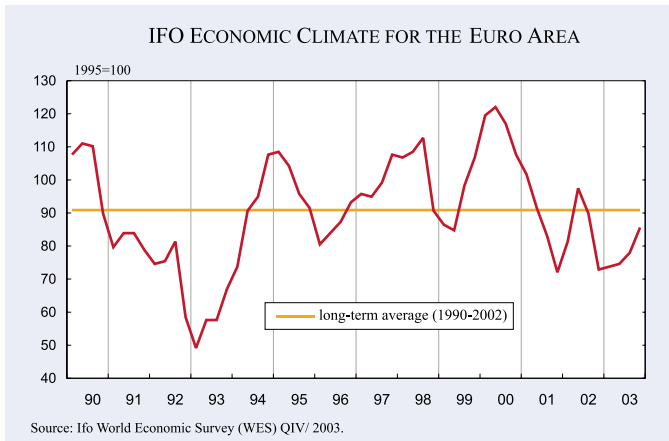
** New consumer confidence indicators, calculated as an arithmetic average of the following questions: financial and general economic situation (over the next 12 months), unemployment expectations (over the next 12 months) and savings (over the next 12 months). Seasonally adjusted data.

Industrial confidence in the EU continued to improve and now exceeds, for the first time since early 2001, its long-term average. It is followed by *consumer confidence* which, after having stayed unchanged for three months, increased by one point. It thus resumed its trend increase observed since March.

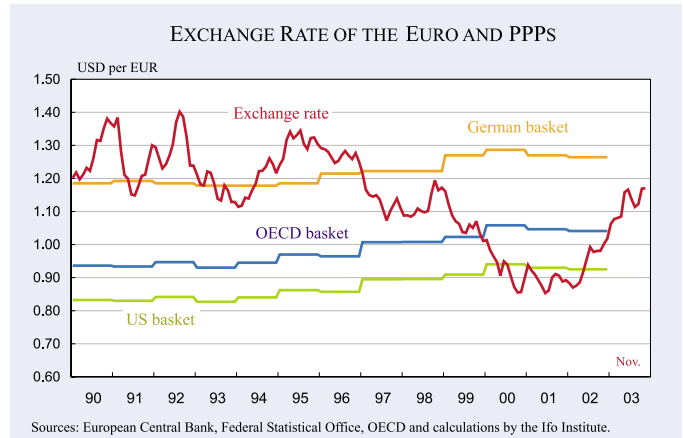


The improvement in the industrial confidence index was supported by similar improvements in its components: Production expectations, order books and stock of finished products all improved by 3 points. Capacity utilisation increased significantly from 80.3 in August to 80.9 in November 2003.

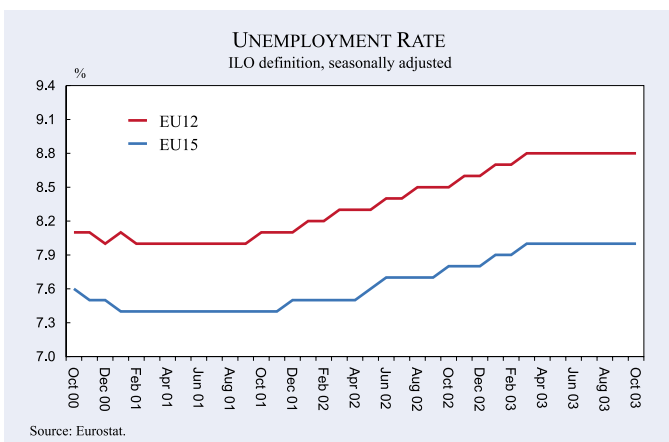
EURO AREA INDICATORS



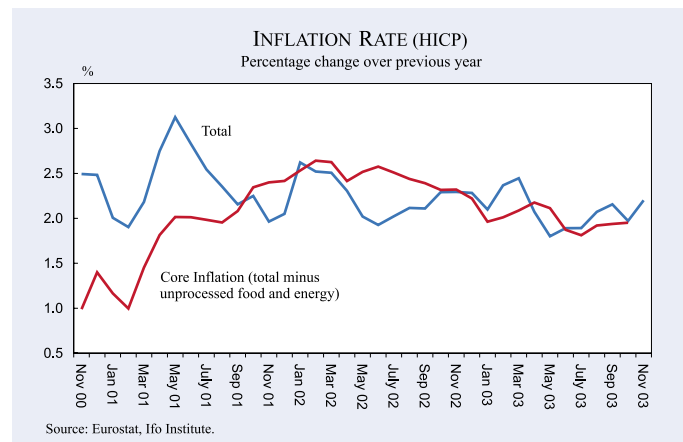
The economic climate in the euro area improved in October 2003 for the fourth time in succession, standing at 85.6. The improvement was again based on more optimistic expectations for the next six months. Assessments of the current situation stopped did not deteriorate further, remaining at the third quarter's level. The economic climate was above the euro-area average in Belgium, Austria, Finland, Greece and Spain, but below average in France, Italy and the Netherlands.



The euro continued to appreciate against the dollar in November, averaging \$1.17 (and more so in early December when it breached the \$1.20 mark). In terms of purchasing power parities, it is closely approaching the German basket.



In October, the euro-area (seasonally adjusted) unemployment rate stood at 8.8%, unchanged compared to September. It had been 8.5% in October 2002. The lowest rates were registered in Luxembourg (3.9%), the Netherlands (4.0% in September), Austria (4.5%) and Ireland (4.6%). Spain's rate, at 11.2%, remained the highest, topping Finland's (8.9%), Germany's (9.3%), and France's (9.6%).



Euro-area inflation is estimated at 2.2% in November, following 2.0% in October, when it had dipped from the September value. It thus continued the modest upward trend, following the low of 1.8% in May. Core inflation increased only marginally in October.