Economic activity stabilized in the second half of 2002, supported by a turnaround in net exports, as consumption and investment bottomed out. Bond spreads have narrowed, but remain high, and equity prices appear to have reached a trough.

Sources: Bloomberg Financial Markets, LP; and Haver Analytics.

1 Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela.

2 MSCI Index.

3 EMBI+. 