2 1.5 1 Standard Deviations 0.5 0 -0.5 -1 -1.5 Blue Chip **EMBI** -2 Jan-01 Jul-01 Jan-02 Jul-02 Oct-02 Jan-03 Jul-03 Oct-03 Jan-04 Oct-01 Apr-03 Apr-02

Figure 1: Blue Chip Index vs. EMBI

Source: J.P. Morgan and U.S. Treasury Department

Note: The EMBI represents a synthetic re-profiling of the J.P. Morgan EMBI to match countries in the Treasury Blue Chip Index.