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INVESTOR CONFIDENCE INDEX DECLINES TO 80.8 IN SEPTEMBER

Boston, September 19, 2006 – State Street Global Markets, the investment research and trading arm of State Street Corporation (NYSE:STT), released today the results of the State Street Investor Confidence Index® for September 2006.

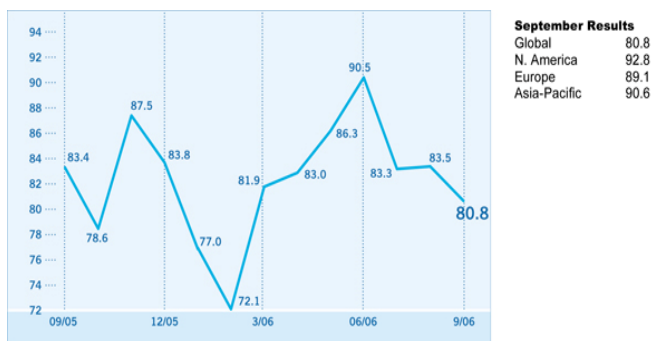
According to the September index, investor confidence decreased by 2.7, to 80.8 from August's revised reading of 83.5. Looking regionally, the confidence of North American institutional investors fell from 96.0 to 92.8. The confidence of Asian investors increased to 90.6 from 86.6, and the confidence of European investors rose from 88.4 to 89.1.

Developed through State Street Global Markets' research partnership, State Street Associates, by Harvard University professor Ken Froot and State Street Associates Director Paul O'Connell, the State Street Investor Confidence Index® measures investor confidence on a quantitative basis, analyzing actual buying and selling patterns of institutional investors. The index is based on financial theory that assigns precise meaning to changes in investor risk sentiment, or the willingness of investors to hold proportionally more or less of their portfolio in equities. The more of their portfolio that institutional investors are willing to devote to equities, the greater their risk appetite or confidence.

"Investors are trying to balance news of a slowing property market and weaker inventories against the fall in commodity prices and its likely consequences for consumer spending," said Froot. "The net result is a continuation in the global downward trend in risk appetite that began in June, but with some regional differences. European investors remain cautiously optimistic, and Asian investor confidence reached a 19-month high."



“Consistent with a diminished appetite for risk-taking, coupled with a more favorable environment for consumers, global investors have recently favored defensive sectors – consumer staples, telecoms and utilities,” added O’Connell. “This has been especially the case amongst U.S. investors.”



Since its launch in September of 2003, the State Street Investor Confidence Index® has become a key economic indicator for asset owners, investment managers and central banks. As the only index providing a quantitative measure tracking the common buying patterns of institutional investors around the world, the State Street Investor Confidence Index® offers a unique look into the investment behavior and decisions of thousands of professional investors and their investment decisions.

About State Street Global Markets:

State Street Global Markets provides specialized investment research and trading in foreign exchange, equities, fixed income and derivatives. Its goal is to enhance and preserve portfolio values for asset managers and asset owners. From its unique position at the crossroads of the global markets, it creates and unlocks value for its clients with original flow-based research, innovative portfolio strategies, trade process optimization, and global connectivity across multiple asset classes and markets.

State Street Global Markets’ research team of leading academic and industry experts is committed to continually advancing the science, including theory and application of its proprietary investor behavior research and innovative portfolio & risk management technologies to help its clients challenge conventional thinking, shape ideas, make more informed investment decisions and deliver measurable results.

About the State Street Investor Confidence Index®:

The index is released globally at 10 a.m. Eastern time in Boston on the second to last Tuesday of each month. More information on the State Street Investor Confidence Index, including frequently asked questions and a calendar of release dates, is available at <http://www.statestreet.com/investorconfidenceindex>. The previous month's calculations for the index are revised to account for trading activity through the end of the reporting period.

About State Street:

State Street Corporation (NYSE: STT) is the world's leading specialist in providing institutional investors with investment servicing, investment management and investment research and trading services. With \$10.9 trillion in assets under custody and \$1.5 trillion in assets under management at June 30, 2006, State Street operates in 26 countries and more than 100 geographic markets worldwide. For more information, visit State Street's web site at www.statestreet.com.

This news announcement contains forward-looking statements as defined by United States securities laws, including statements about the financial outlook and business environment. Those statements are based on current expectations and involve a number of risks and uncertainties, including those related to the pace at which State Street adds new clients or at which existing clients use additional services, the value of global and regional financial markets, the pace of cross-border investment activity, changes in interest rates, the pace of worldwide economic growth and rates of inflation, the extent of volatility in currency markets, consolidations among clients and competitors, State Street's business mix, the dynamics of markets State Street serves, and State Street's success at integrating and converting acquisitions into its business. Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in State Street's 2005 annual report and subsequent SEC filings. State Street encourages investors to read the corporation's annual report, particularly the section on factors that may affect financial results, and its subsequent SEC filings for additional information with respect to any forward-looking statements and prior to making any investment decision. The forward-looking statements contained in this press release speak only as of the date hereof, September 19, 2006, and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.

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