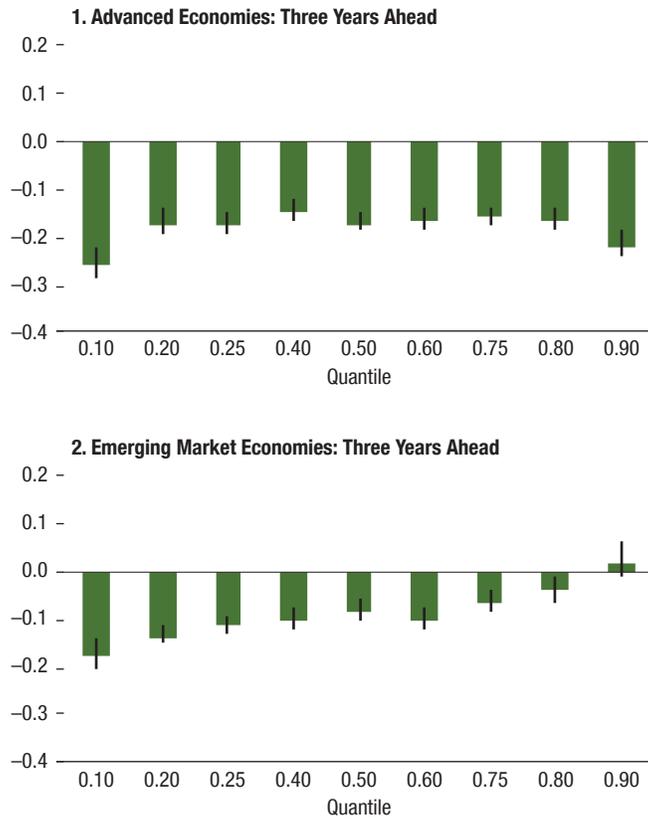


**Figure 3.5. Rising Leverage Signals Higher Downside Growth Risks at Longer Time Horizons**  
*(Quantile regression coefficients)*



Sources: Bloomberg Finance L.P.; Haver Analytics; IMF, Global Data Source and World Economic Outlook databases; Thomson Reuters Datastream; and IMF staff estimates.

Note: The panels depict coefficient estimates on the credit aggregates index in pooled quantile regressions of three-years-ahead GDP growth for advanced and emerging market economies. The coefficients are standardized by centering and reducing (zero mean, unit variance) both the dependent variable and the regressors to enable comparison across quantiles, across time horizons, and between advanced and emerging market economies. The coefficient estimate for a given quantile should be read as the impact of a one standard deviation change in leverage on the future quantile of GDP growth also expressed in terms of standard deviations. The vertical lines in the green bars denote confidence intervals at 10 percent and, where they cross the *x*-axis, correspond to absence of statistical significance of the regressor.