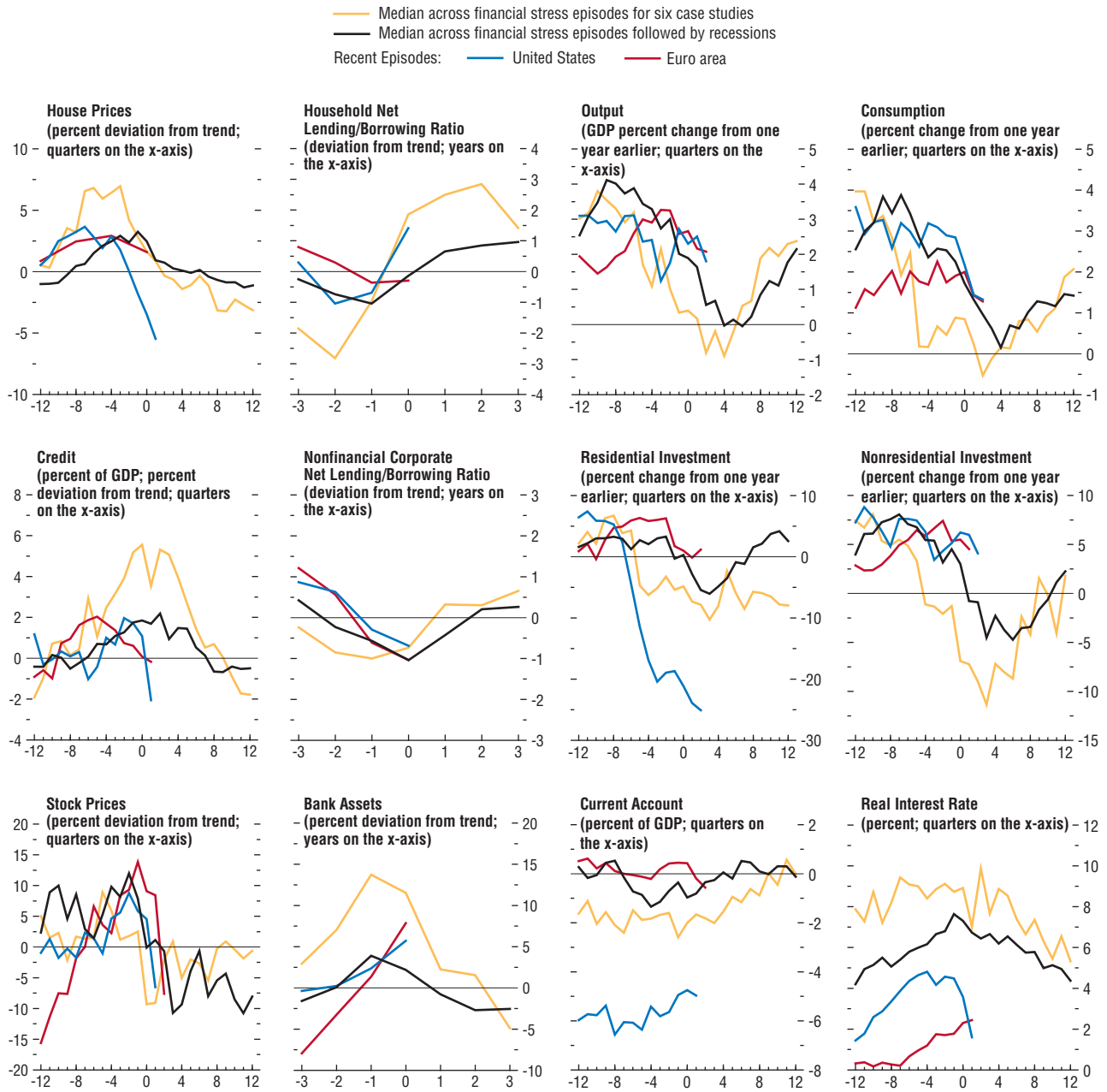


Figure 4.15. The Current Financial Stress Episode in the United States and Euro Area in Historical Context¹

(Start of financial stress episode at t = 0; x-axis as stated)

Credit ratios and asset prices are mirroring previous episodes, but bank asset growth remains resilient in both the United States and the euro area. Initial corporate financial positions have been stronger than in past episodes, but are deteriorating. A correction in household financial positions is under way in the United States. The slowdown of consumption and investment growth mirrors earlier episodes in the United States, although it has only recently started in the euro area.



Sources: European Central Bank; Haver Analytics; IMF, International Financial Statistics database; OECD, Analytic Database; OECD, *Economic Outlook* (2008); and IMF staff calculations.
¹All in real terms, except for household and nonfinancial corporate net lending ratios and bank assets.