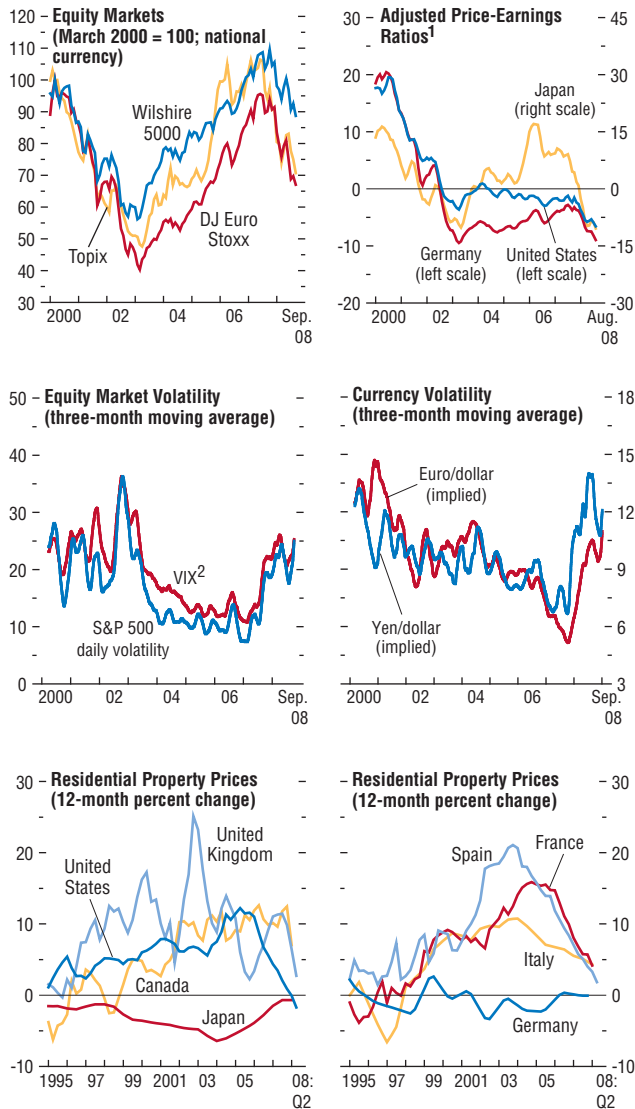


Figure 1.7. Mature Financial and Housing Market Indicators

Financial strains are being reflected in a sharp correction in equity prices and sustained high volatility in equity and currency markets. Property price dynamics have continued to weaken, most notably in the United States, but also in France, Italy, Spain, and the United Kingdom.



Sources: Bloomberg Financial Markets; Datastream; CEIC Data Company Limited; Haver Analytics; IMF, *International Financial Statistics*; OECD, *Economic Outlook*; and IMF staff calculations.

¹Adjusted price-earnings ratio is the ratio of stock prices to the moving average of the previous 10 years' earnings, adjusted for nominal trend growth. Adjusted price-earnings ratios are measured as the three-month moving average of deviations from the 1990–2008 (August) average.

²VIX is the Chicago Board Options Exchange volatility index. This index is calculated by taking a weighted average of implied volatility for the eight S&P 500 calls and puts.