Figure 2.2. Term Premiums in Economies with Normal versus Low Natural Rates


| 2. Low-for-Long Economy (Percent) |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2.0 - |  |  |  |  |  |
| 1.5 - |  |  |  |  |  |
| 1.0 - |  |  |  |  |  |
| 0.5 - |  |  |  |  |  |
| $0.0-$ |  |  |  |  |  |
| -0.5- |  |  |  |  |  |
| -1.0- |  |  |  |  |  |
| -1.5- |  |  |  |  |  |
| -2.0 |  |  |  |  |  |
| 0 | 2 | 4 | 6 | 8 | 10 |
|  |  |  |  |  |  |

Source: IMF staff calculations, based on the model described in Annex 2.1.

