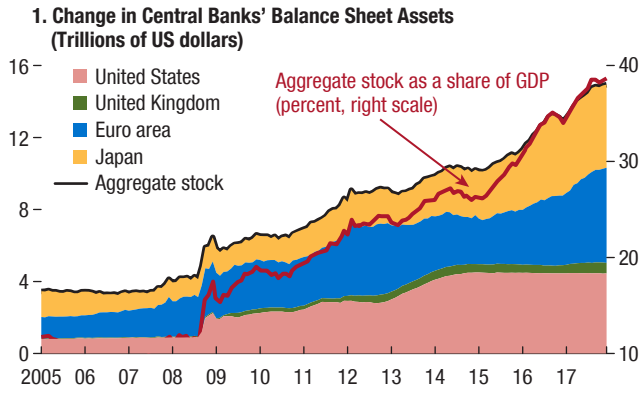
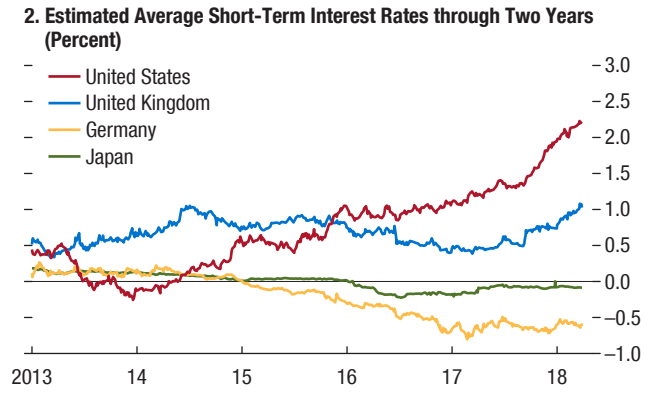


Figure 1.4. Market Interest Rates, Central Bank Balance Sheets, and US Financial Indicators

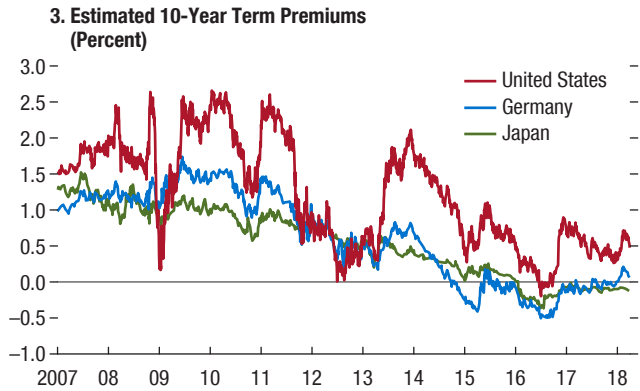
Easy global financial conditions are underpinned by advanced economy central banks' large asset holdings.



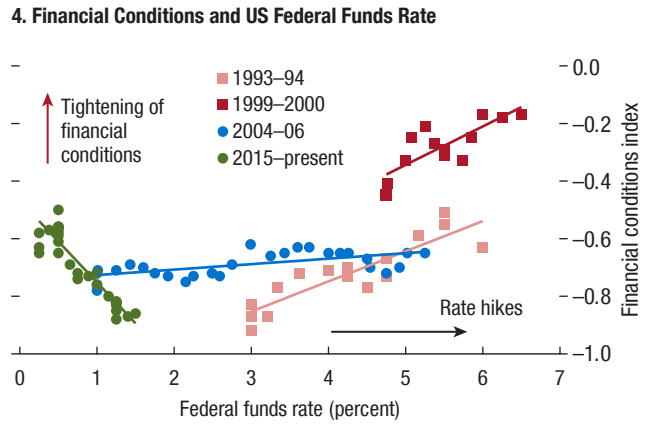
Policy rate expectations still point to gradual rate hikes.



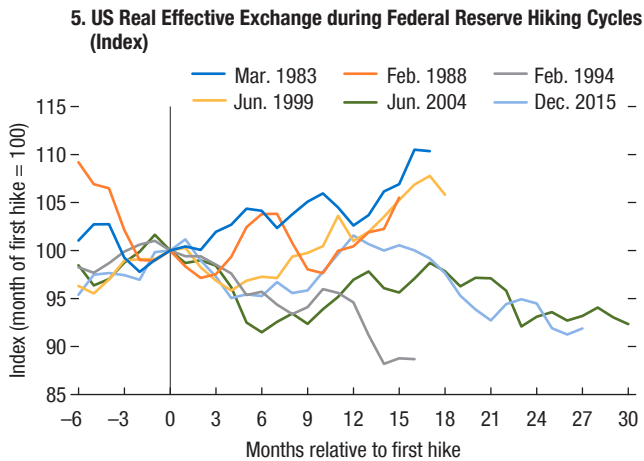
Term premiums have remained compressed in major economies and are near historic lows.



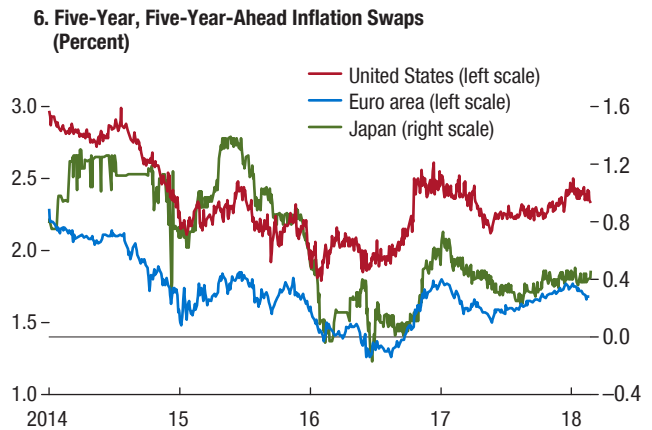
US financial conditions have continued to ease despite policy rate hikes ...



... while the US dollar has weakened ...



... and measures of inflation compensation have remained relatively muted.



Sources: Bloomberg Finance L.P.; and IMF staff calculations.

Note: Panel 3 is based on IMF staff estimates of four-factor term structure models based on the Adrian, Crump and Moench (2013) model, using underlying Bloomberg fitted yield curve series from the early 1990s.