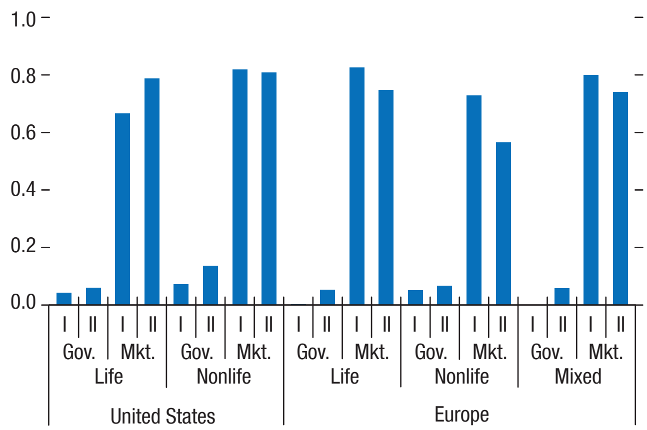
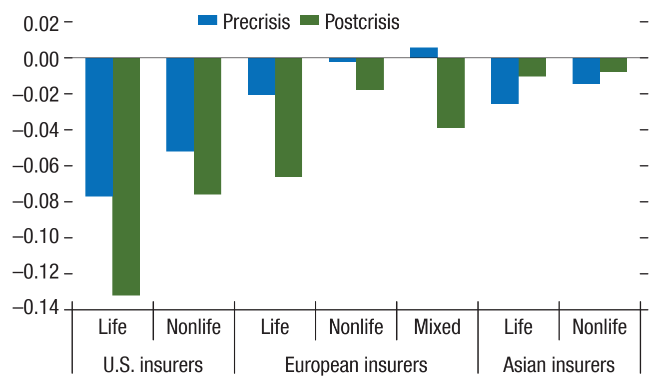
Figure 3.15. Insurers' Interest Rate and Market Return Sensitivity

1. Sensitivity of First Principal Component to Interest Rates and Broad Stock Market Returns



2. Insurers' Equity Returns' Interest Rate Sensitivity



Sources: Bloomberg, L.P.; Datastream; and IMF staff calculations.
Note: Panel 1 shows the sensitivity (coefficient) of insurers' equity returns' first principal component to government bond yields and the broad stock market return (see also Figure 3.6). Panel 2 shows bond return coefficients, from a regression of insurers' equity returns on broad stock market and 10-year government bond returns. Gov. = government; Mkt. = market.