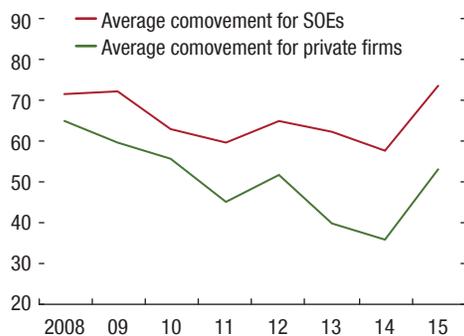
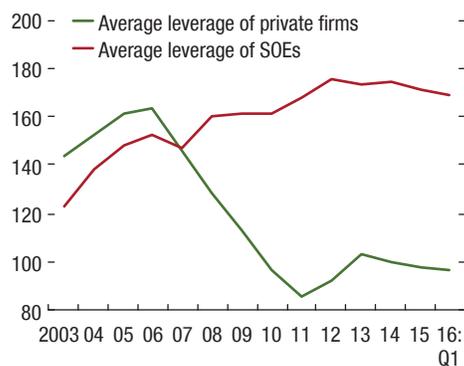


Figure 3.2.2. Leverage and Equity Price Comovement of State-Owned Enterprises in China
(Percent)

1. Stock Price Comovement¹



2. Leverage Ratios of SOEs and Private Firms in China



Sources: Bloomberg L.P.; Thomson Reuters Datastream; WIND database; and IMF staff calculations.

Note: SOEs = state-owned enterprises.

¹Stock price comovement is R^2 of the regression of weekly equity returns on market and industry factors.