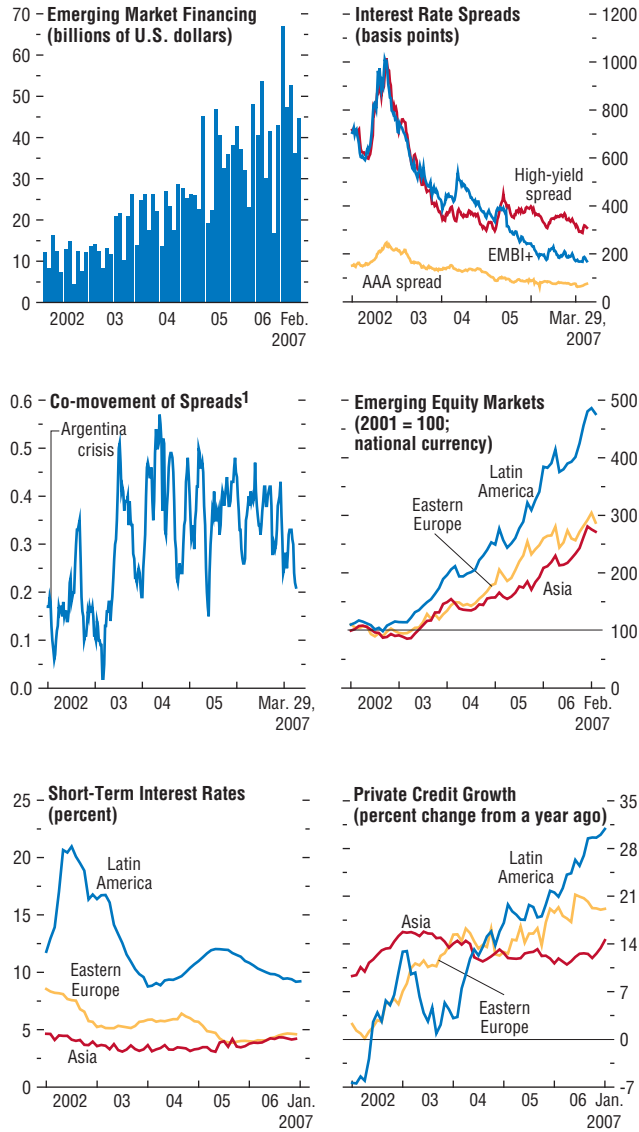


**Figure 1.6. Emerging Market Financial Conditions**

Emerging markets have generally remained buoyant, despite recurrent bouts of market volatility. Equity prices in many emerging markets have recorded new highs, while sovereign risk spreads are close to all-time lows. Credit growth remains rapid.



Sources: Bloomberg Financial Markets, LP; Capital Data; IMF, *International Financial Statistics*; and IMF staff calculations.

<sup>1</sup>Average of 30-day rolling cross-correlation of emerging market debt spreads.