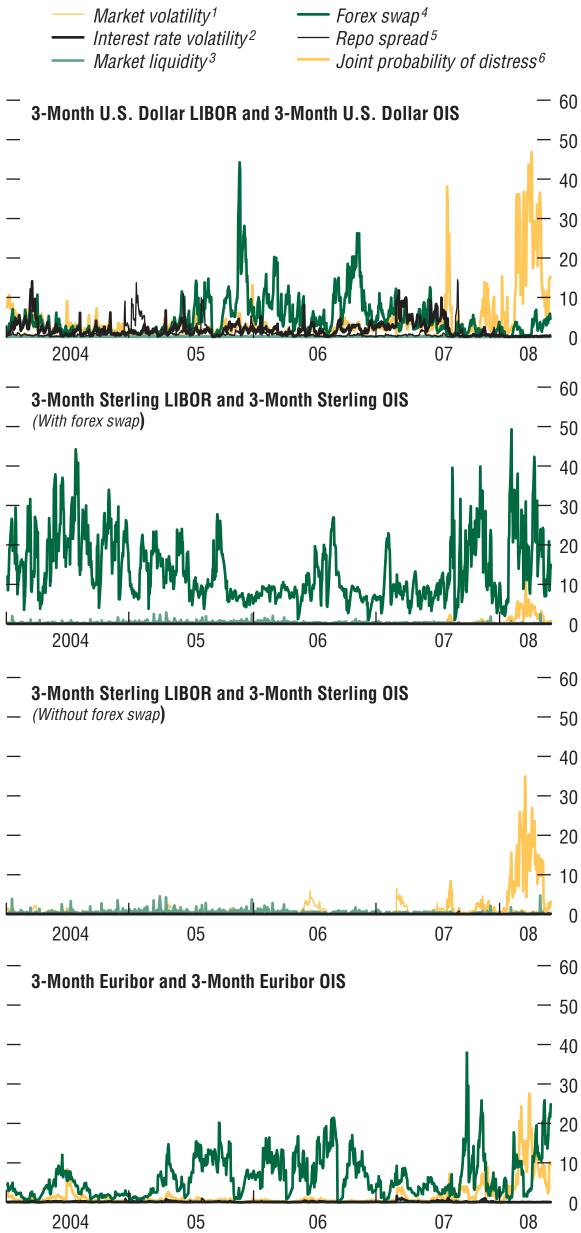
Figure 2.5. Structured VAR Model: Variance Decomposition of LIBOR/Euribor Minus Overnight Index Swap (OIS) Spread

(In percent)



Source: IMF staff estimates.

[1]Implied volatility from S&P 500 equity index.

[2]Lehman Brothers swaption volatility index. Implied volatility of interest rate swaption with maturities ranging from 1 month to 6 months.

[3]Five-year on-the-run/off-the-run U.S. treasury note spread.

[4]Spread between 3-month euro/U.S. dollar and sterling/U.S. dollar forex and 3-month OIS.

[5]Spread between the yields on 3-month U.S. agency repo and 3-month U.S. treasury repo.

[6]Joint probability of distress of selected banks participating in U.S. dollar LIBOR, sterling LIBOR, or Euribor fixing.