Macroeconomic risks remain unchanged, but global activity has become more uneven and is projected to expand only modestly in 2014.

Emerging market risks have increased as the result of weaker growth prospects and rising domestic and external vulnerabilities.

Market and liquidity risks have increased as markets adjust to prospects of reduced monetary accommodation with implications for asset prices.

Risk appetite has contracted, resulting in reversals of capital flows to emerging markets.

Monetary and financial conditions remain broadly accommodative, as lending conditions have improved, but emerging market risk premiums have risen.

Credit risks are broadly unchanged, reflecting the uneven progress in balance sheet repair and pressures on euro area banks.

Source: IMF staff estimates.

Note: Changes in risks and conditions are based on a range of indicators, complemented with IMF staff estimates (see Annex 1.1 in the April 2010 GFSR and Dattels and others, 2010, for a description of the methodology underlying the Global Financial Stability Map). Overall notch changes are the simple average of notch changes in individual indicators. The number next to each legend indicates the number of individual indicators within each subcategory of risks and conditions. For lending standards, positive values represent a slower pace of tightening or faster easing. CB = central bank; QE = quantitative easing.