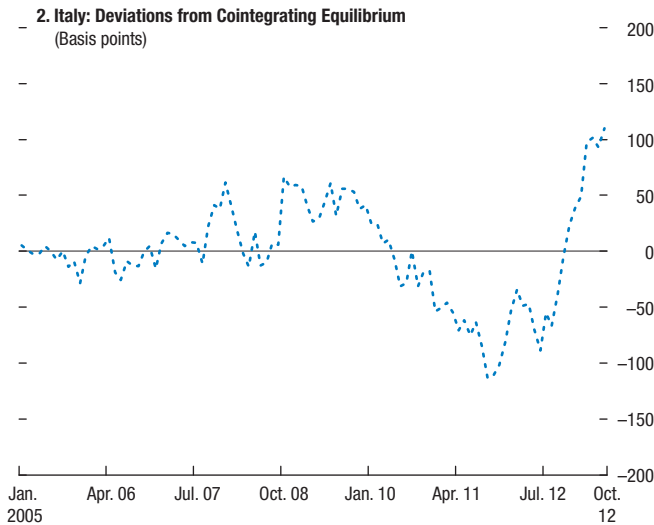
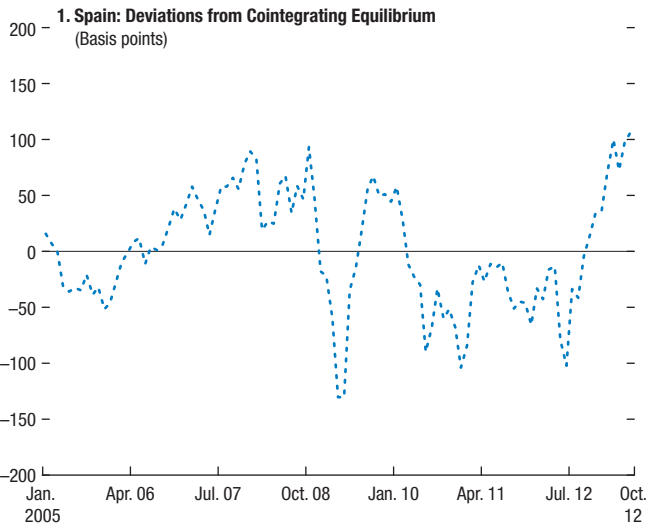


# Figure 1.62. Spain and Italy: Deviations from the Cointegrating Equilibrium

Corporate lending rates for both Italy and Spain are above their cointegrating equilibrium levels...

... signaling that lending rates are too high relative to their fundamental determinants.



Source: IMF staff estimates.