Adjustment Scenarios\(^1\)

Baseline
U.S. targets core and oil price inflation
Flexible exchange rates everywhere

**United States**
- Nominal Interest Rate
- Real GDP
- Headline Inflation
- Core Inflation
- U.S. Dollar Oil Price

**Emerging Asia**
- Nominal Interest Rate
- Real GDP
- Headline Inflation
- Core Inflation
- U.S. Dollar Commodity Price

Source: IMF staff calculations.

\(^1\)Plots show deviations from control. Nominal interest rate and inflation are in percentage points. Real GDP and prices are in percent. Quarters on the x-axis.