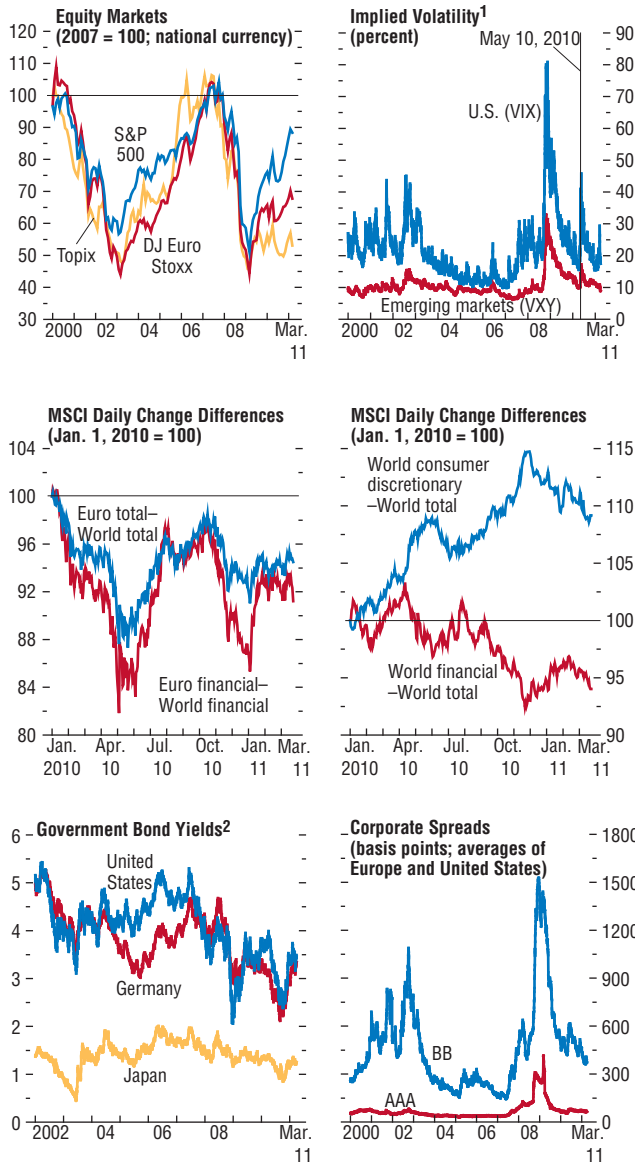


## Figure 1.2. Recent Financial Market Developments

Equity prices have moved close to precrisis peaks in the United States but are lagging in Europe and Japan, reflecting, respectively, concerns about the financial sector and exports. Volatility has receded. Corporate spreads have returned to a low level. Long-term government bond yields have moved up in response to stronger activity but remain below levels reached in early 2010.



Sources: Bloomberg Financial Markets; and IMF staff calculations.

<sup>1</sup>VIX = Chicago Board Options Exchange Market Volatility Index; VXY = JPMorgan Emerging Market Volatility Index.

<sup>2</sup>Ten-year government bonds.