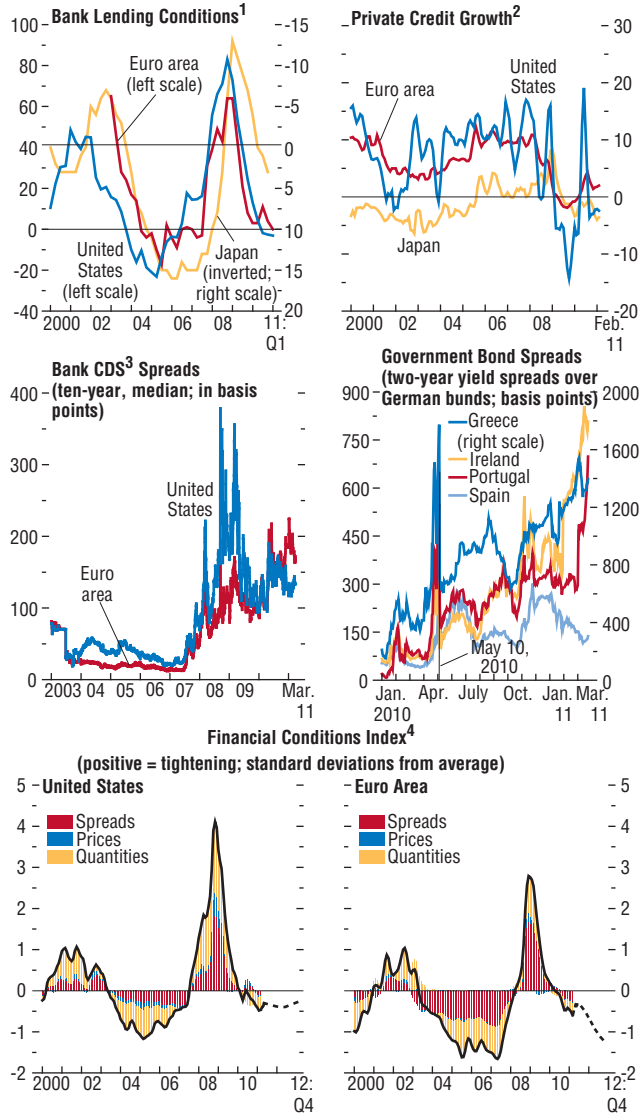


Figure 1.4. Developments in Mature Credit Markets

Bank lending conditions either are no longer tightening significantly or are easing again, but credit growth rates remain very low. The main concerns with respect to global financial stability stem from very high funding requirements of banks and sovereigns, especially in peripheral countries of the euro area. Further gradual easing of credit conditions can be expected.



Sources: Bank of America/Merrill Lynch; Bank of Japan; Bloomberg Financial Markets; European Central Bank; Federal Reserve; Haver Analytics; Thomson Datastream; and IMF staff calculations.

¹Percent of respondents describing lending standards as tightening "considerably" or "somewhat" minus those indicating standards as easing "considerably" or "somewhat" over the previous three months. Survey of changes to credit standards for loans or lines of credit to firms for the euro area; average of surveys on changes in credit standards for commercial/industrial and commercial real estate lending for the United States; diffusion index of "accommodative" minus "severe." Tankan survey of lending attitudes of financial institutions, for Japan.

²Annualized percent change of three-month moving average over previous three-month moving average.

³CDS = credit default swap.

⁴Historical data are monthly, and forecasts (dashed lines) are quarterly.