1. **Macroeconomic risks** have declined, driven by improving economic activity and lower inflation risks.

2. **Emerging market risks** remain elevated, as higher inflation volatility offsets improvements in the corporate sector and external financing.

3. **Credit risks** have declined amid improvement in banks and the corporate sector.

4. **Monetary and financial conditions** are unchanged, as tighter monetary policies are offset by easier financial conditions.

5. **Risk appetite** has strengthened as a result of improved confidence and gains in risk assets.

6. **Market and liquidity risks** have moderated from an elevated level against the backdrop of better liquidity conditions.

Source: IMF staff estimates.

Note: Changes in risks and conditions are based on a range of indicators, complemented by IMF staff judgment. See Annex 1.1 in the April 2010 Global Financial Stability Report 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 in parentheses next to each category on the x-axis indicates the number of individual indicators within each subcategory of risks and conditions. For lending conditions, positive values represent a slower pace of tightening or faster easing. CB = central bank; QE = quantitative easing.