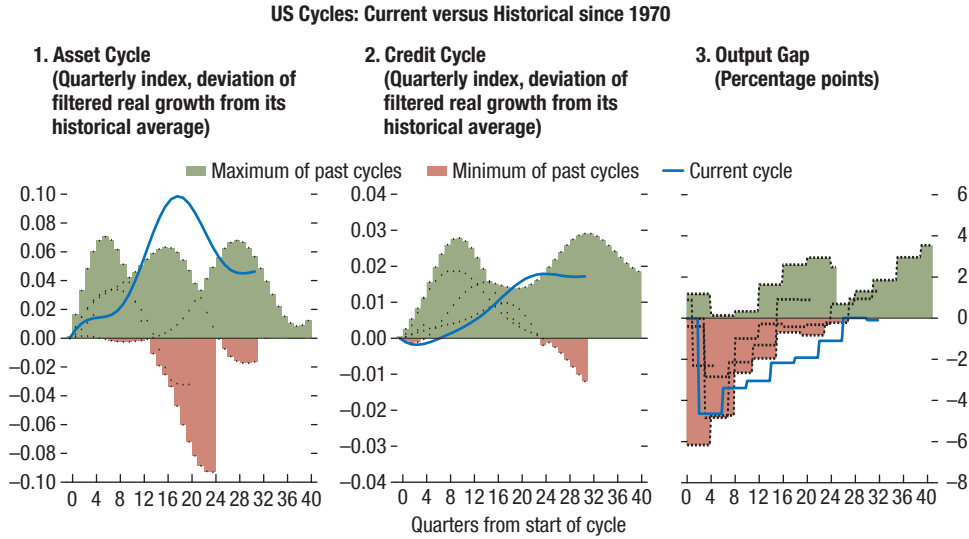
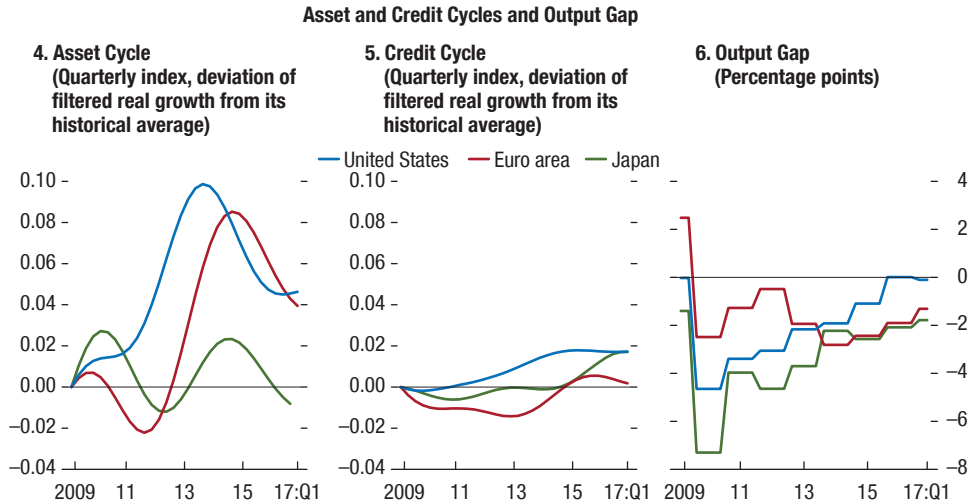


Figure 1.1.1. Financial and Economic Cycles

The US financial expansion and output gap are noteworthy by historical standards ...



... as a cumulative gap grows between financial and economic cycles across major advanced economies.



Sources: Bank for International Settlements; IMF, World Economic Outlook database; national sources; and IMF staff estimates.

Note: Cycles are dated using National Bureau of Economic Research recession dates. Cycles capture low-frequency movements around long-term rates. Real asset price cycles combine momentum common to equity, corporate bond, and house price indices—deflated using national consumer price indices. The credit cycle is real total nonfinancial sector credit. For more information on the underlying methodology, see Schüler, Hiebert, and Peltonen 2017.