Figure 1.1. Recent Market Developments

Risk appetite has remained strong, as reflected in low volatility and higher U.S. equity valuations. However, higher U.S. interest rates and a stronger U.S. dollar have led to lower emerging market equity prices and wider debt spreads.

Market Performance Dashboard
(Each marker is a 30-day moving average of daily percentile rank in relation to the asset’s five-year history. Closer to red represents higher equity prices and lower corporate bond spreads and volatility, and closer to blue is vice versa)

Sources: Bloomberg Finance L.P.; and IMF staff estimates.