**Figure 1.7. Credit Market Developments in the United States and Europe**

In late 2018, credit spreads widened ... ... new issuance declined ... ... while fund flows decreased, before recovering in early 2019.

1. US and European Credit Spreads (Basis points; 100 = October 2018)

2. US and European Corporate Bond and Leveraged Loan Issuance (Billions of US dollars)

3. Global Credit Fund Flows (Share of assets under management)

Sources: Bloomberg Finance L.P.; Barclay’s; Dealogic; EPFR Global; Haver Analytics; S&P Leveraged Commentary and Data; and IMF staff estimates.

Note: In panel 1, IG and HY are investment-grade and high-yield option-adjusted spreads to government bonds. For leveraged loans, spread is over Libor. AUM = assets under management; EUR = European firms; HY = high yield; IG = investment grade; Libor = London interbank offered rate.