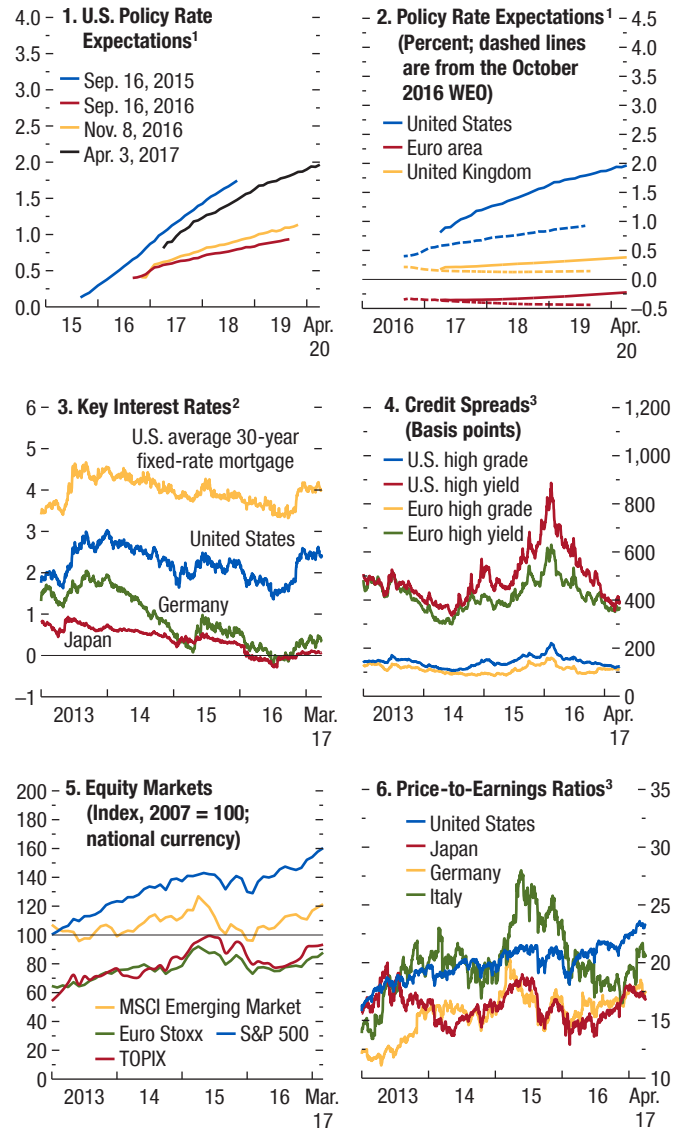


Figure 1.6. Advanced Economies: Monetary and Financial Market Conditions

(Percent, unless noted otherwise)

With markets expecting a less gradual normalization of U.S. monetary policy, long-term nominal real rates have risen in the United States, pushing up longer-term rates elsewhere as well. Equity markets in advanced economies have registered strong gains in recent months.



Sources: Bank of Spain; Bloomberg, L.P.; Haver Analytics; Thomson Reuters Datastream; and IMF staff calculations.

Note: MSCI = Morgan Stanley Capital International; S&P = Standard & Poor's; TOPIX = Tokyo Stock Price Index.

¹Expectations are based on the federal funds rate futures for the United States, the sterling overnight interbank average rate for the United Kingdom, and the euro interbank offered forward rate for the euro area; updated April 3, 2017.

²Interest rates are 10-year government bond yields, unless noted otherwise. Data are through March 31, 2017.

³Data are through April 3, 2017.