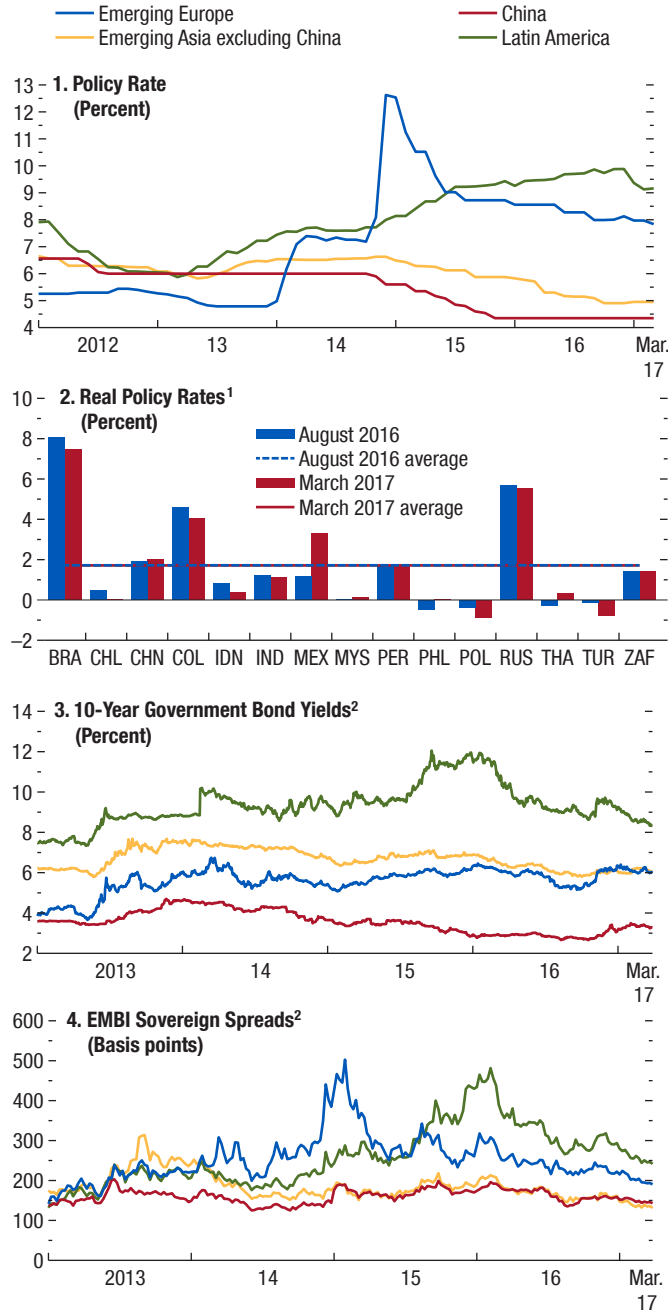


Figure 1.8. Emerging Market Economies: Interest Rates

The evolution of financial market conditions has been diverse across emerging market economies. Long-term government bond yields in local currency rose together with bond yields in advanced economies after the U.S. election in November, but have since retreated in most countries.



Sources: Bloomberg L.P.; Haver Analytics; IMF, Balance of Payments and International Investment Position Statistics database; and IMF staff calculations. Note: Emerging Asia excluding China comprises India, Indonesia, Malaysia, the Philippines, and Thailand; emerging Europe comprises Poland, Romania, Russia, and Turkey; Latin America comprises Brazil, Chile, Colombia, Mexico, and Peru. EMBI = J.P. Morgan Emerging Markets Bond Index. Data labels in the figure use International Organization for Standardization (ISO) country codes.

¹Deflated by two-year-ahead *World Economic Outlook* inflation projections.

²Data are through March 31, 2017.