CHALLENGES TO THE GLOBAL ECONOMY

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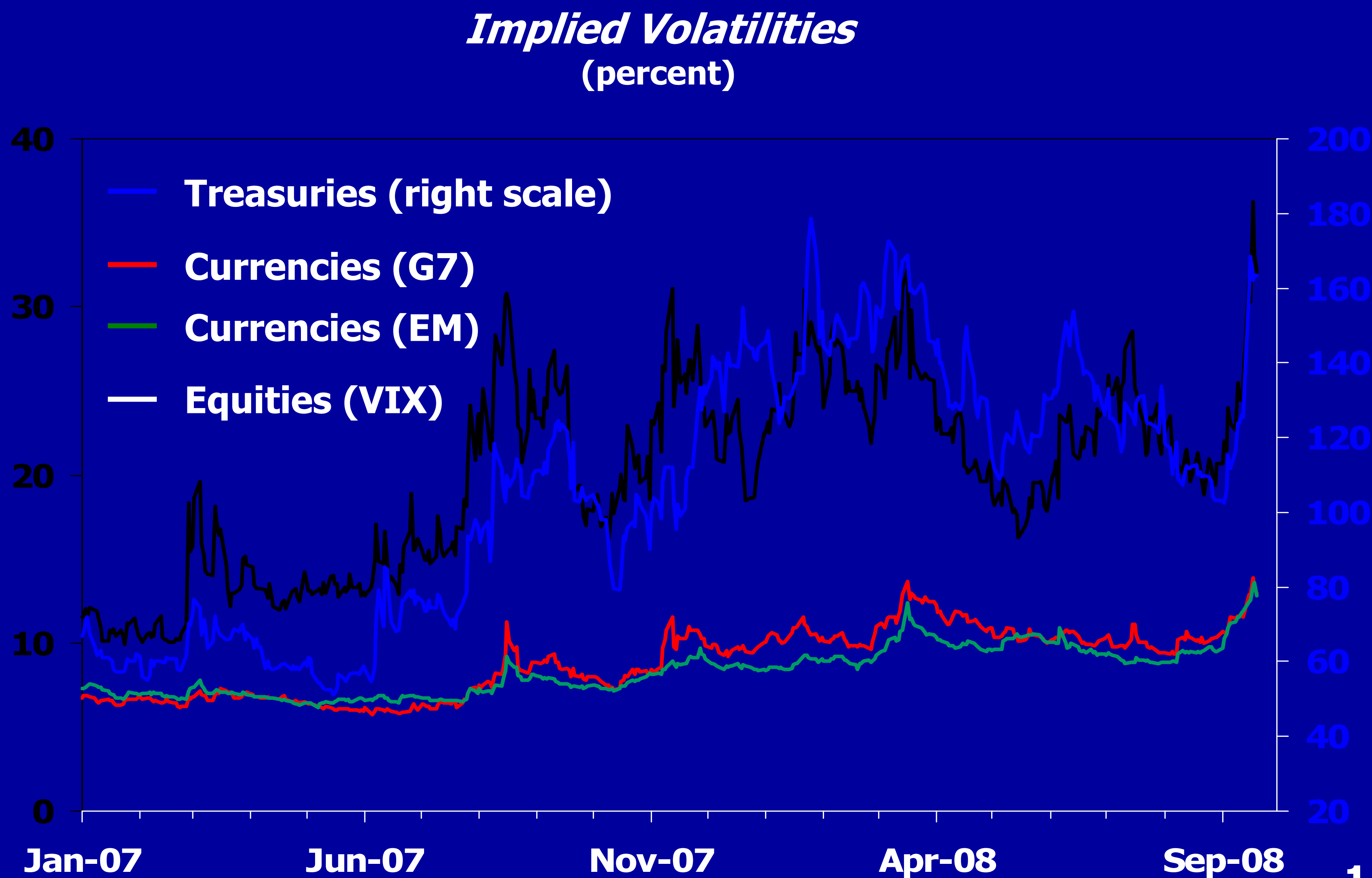
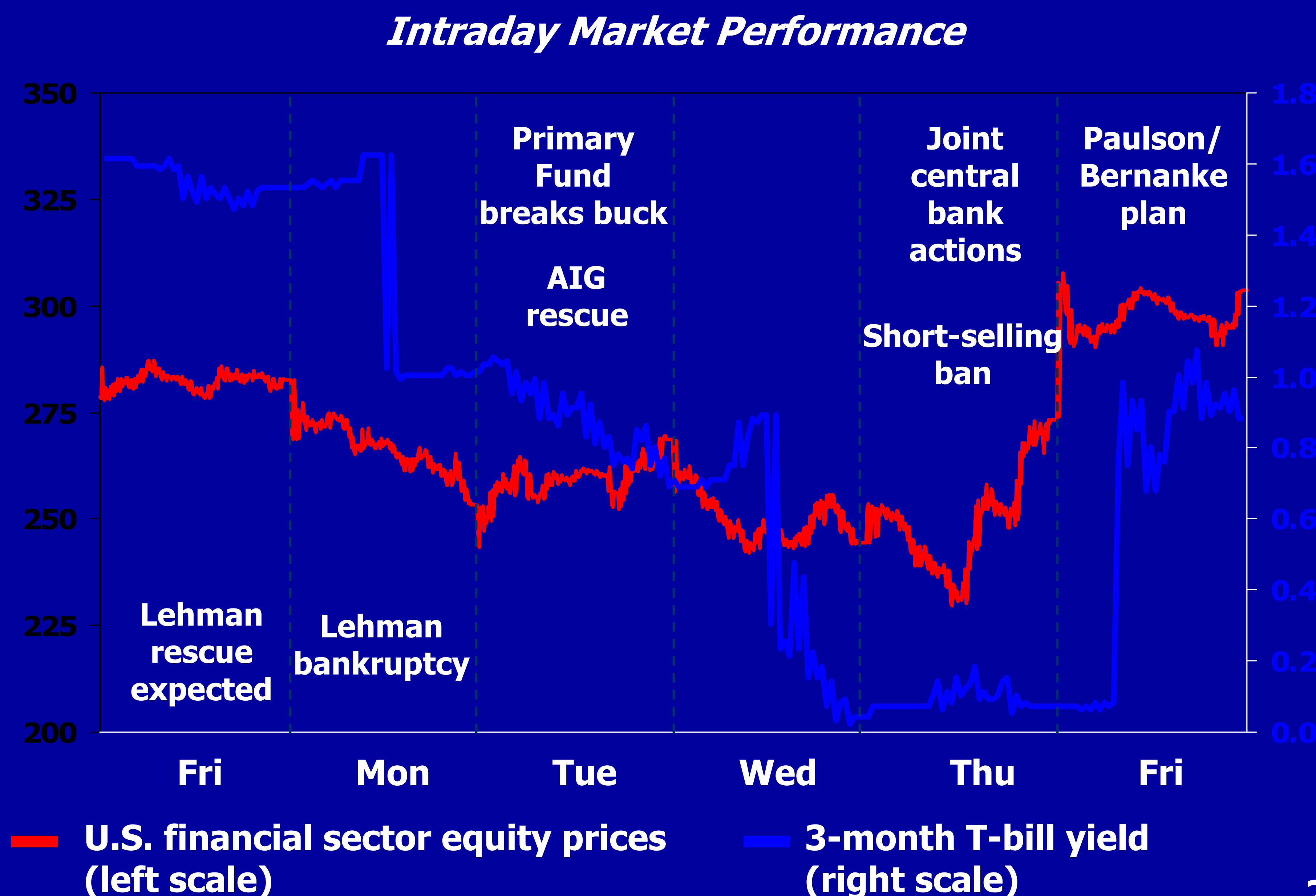
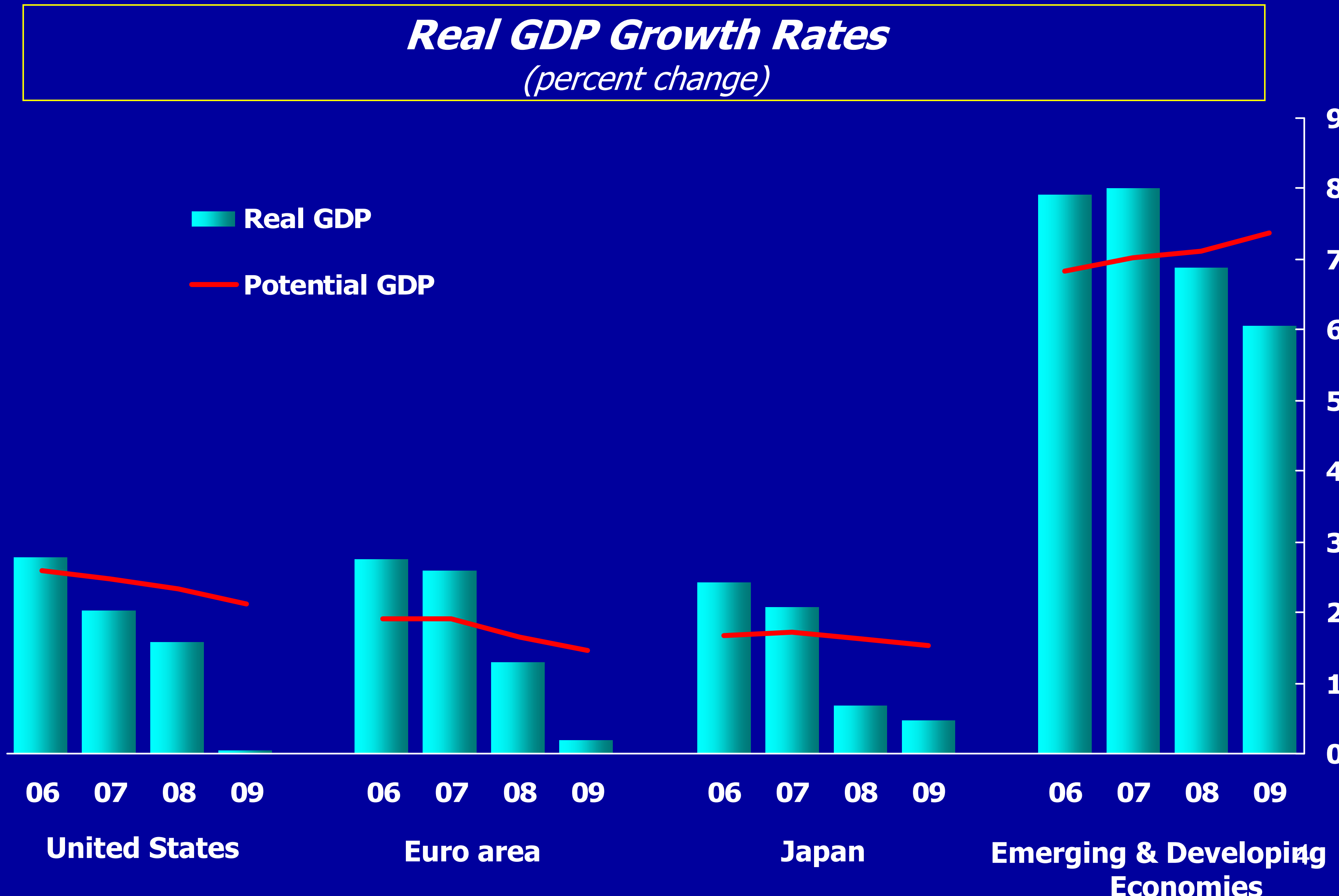
Risk Aversion Still Rising



Historic Week in Financial Markets

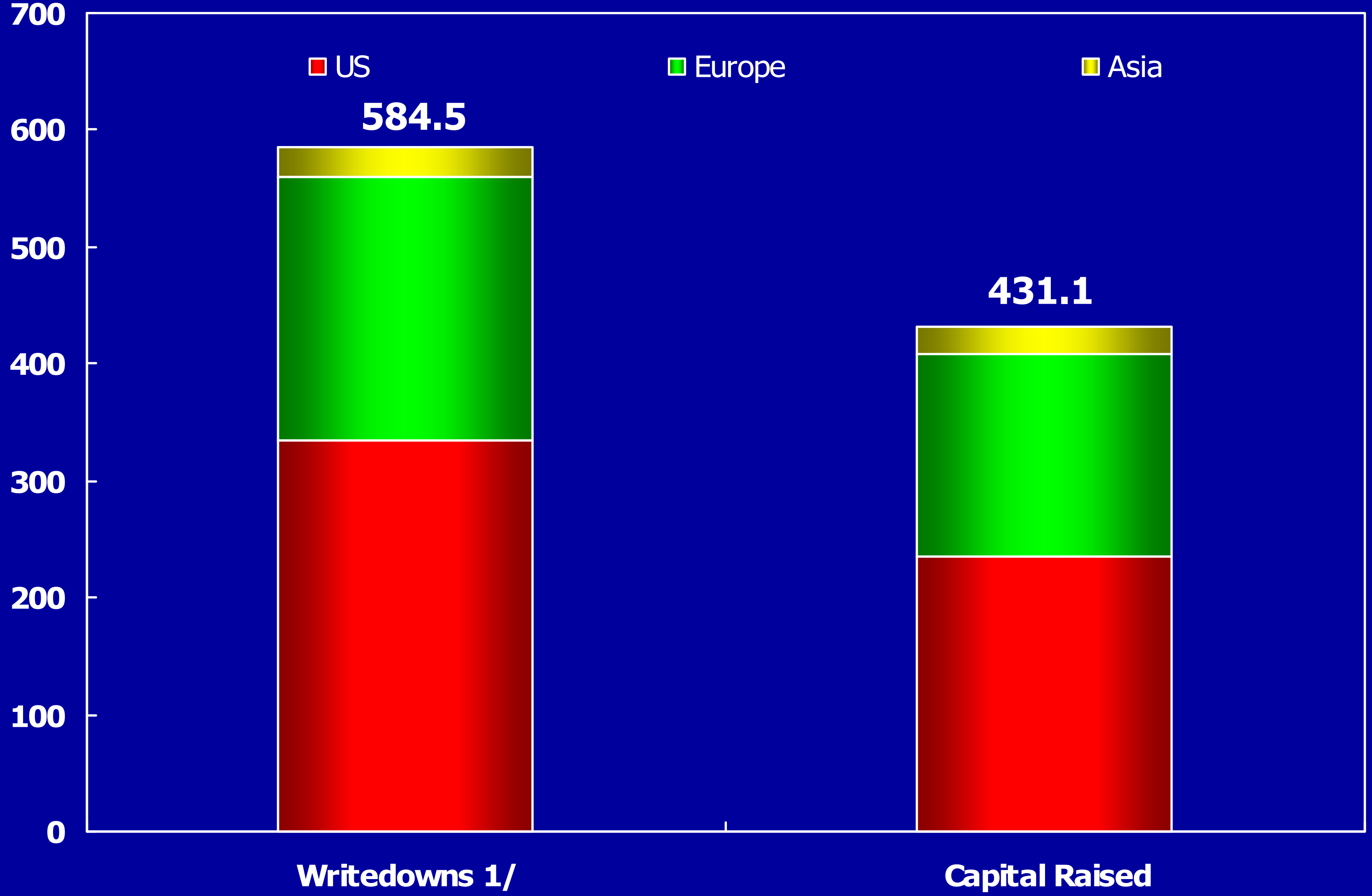


Growth Below Potential in Advanced Economies and Slowing in Emerging Markets



Global Bank Writedowns and Capital Infusion

(in billions of U.S. dollars)

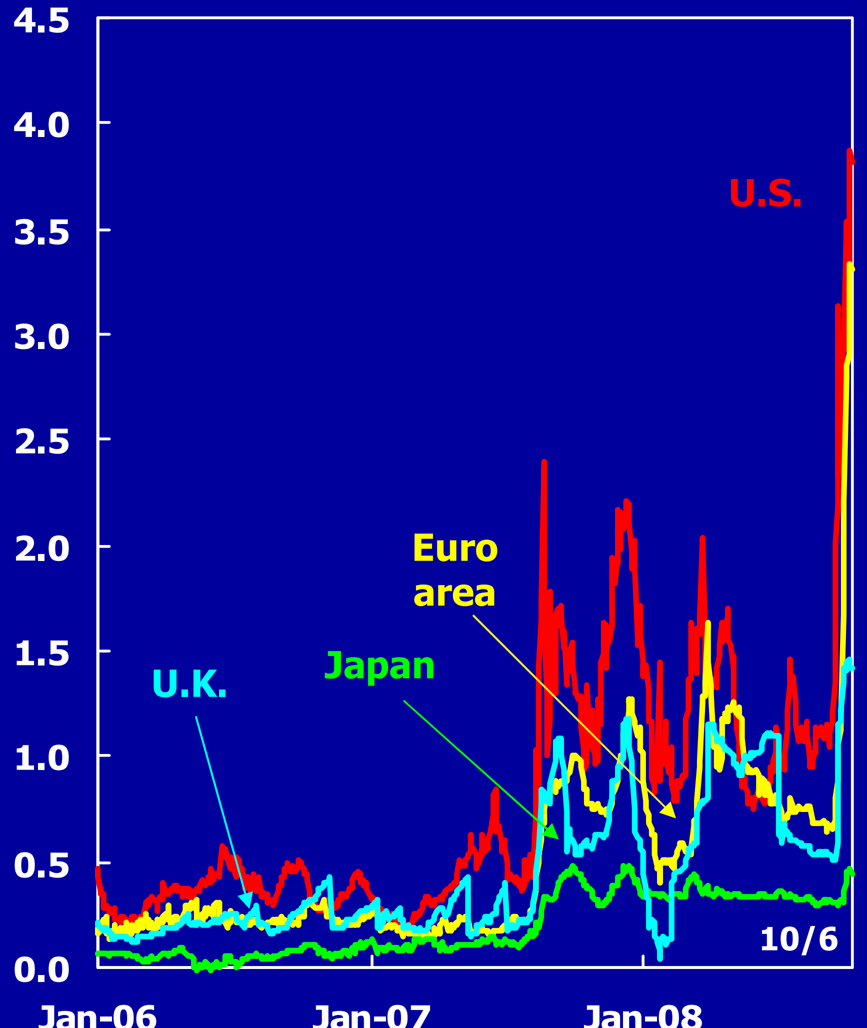


1/ Includes writedowns due to asset valuation, yet to be passed through income statement.

Liquidity Strains Remain Elevated Amid Solvency Concerns in the Banking Sector

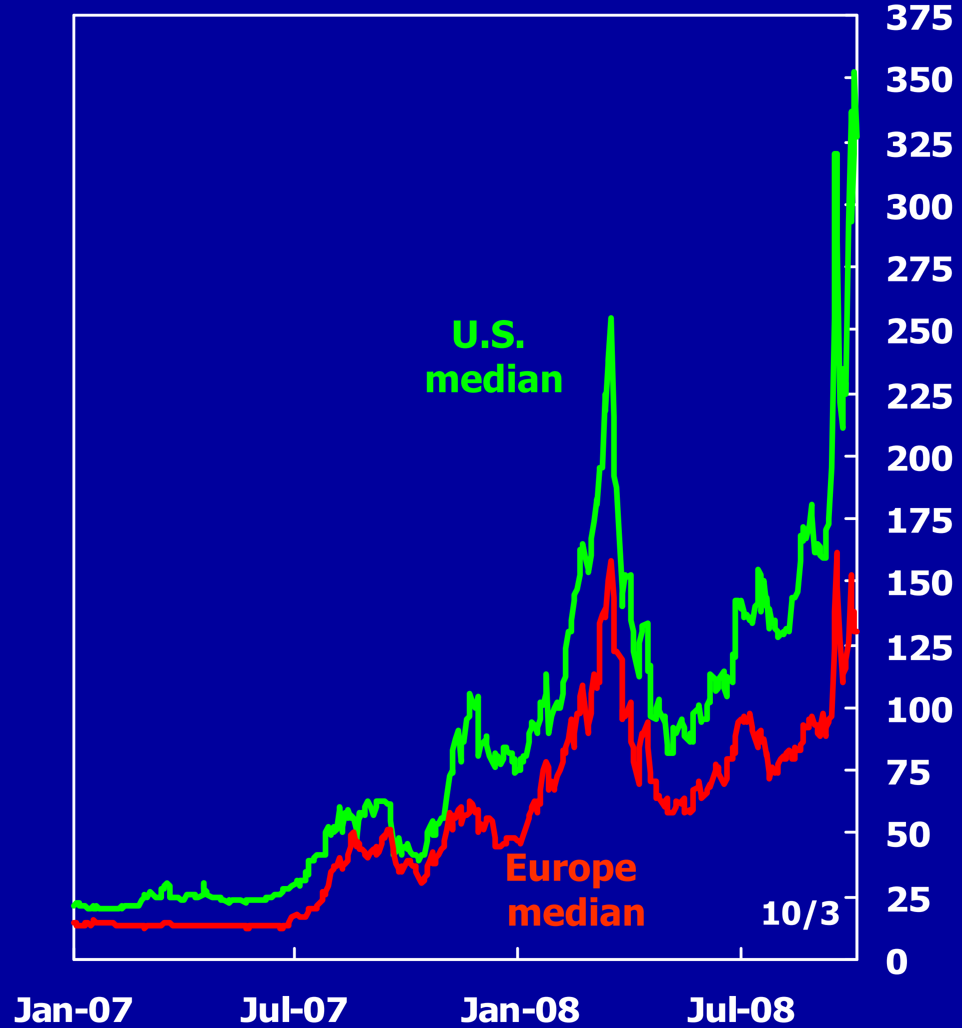
Interbank Markets

(3-month LIBOR minus T-bill rate; in percent)



Bank CDS Spreads

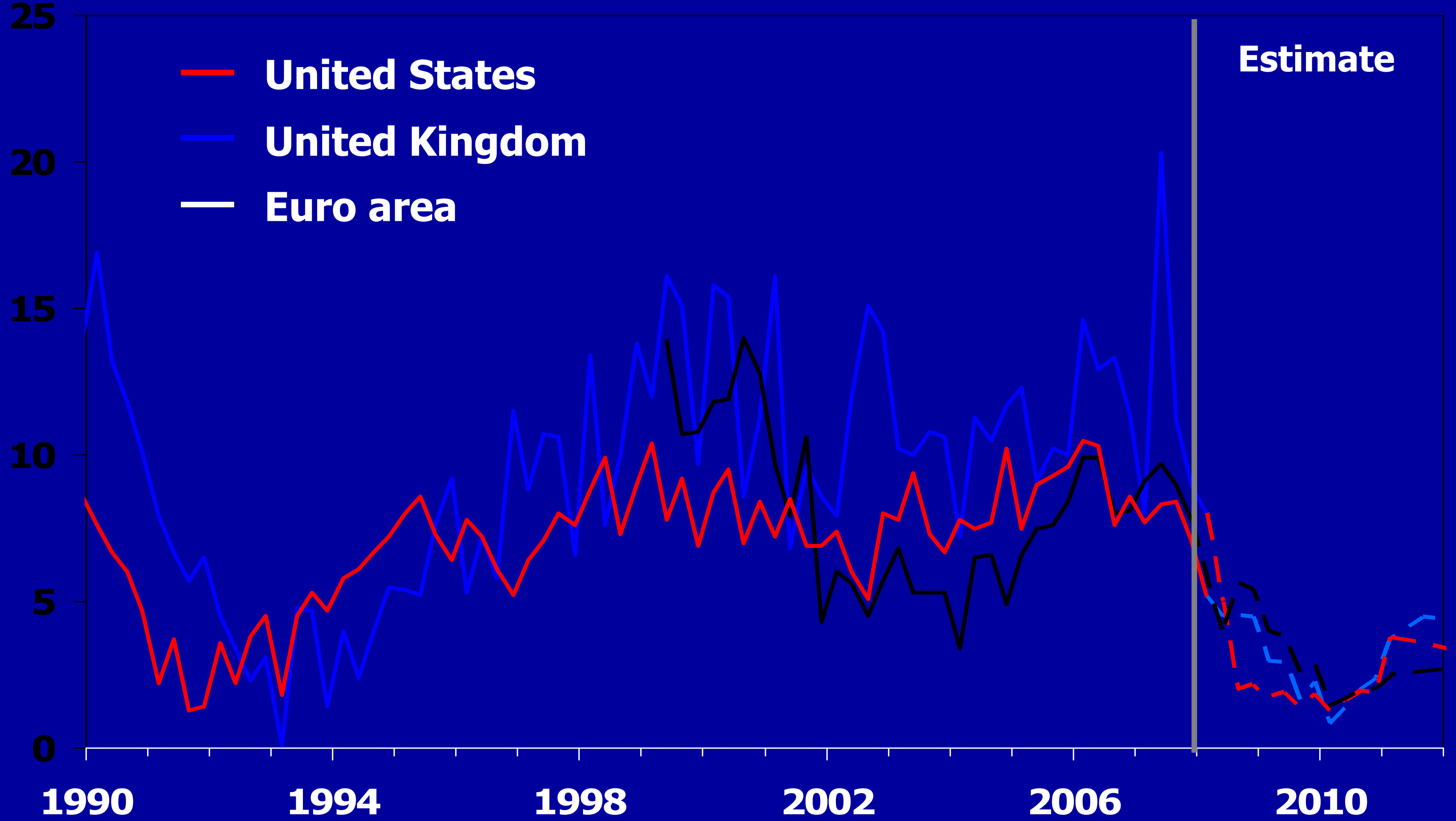
(10-years; basis points)



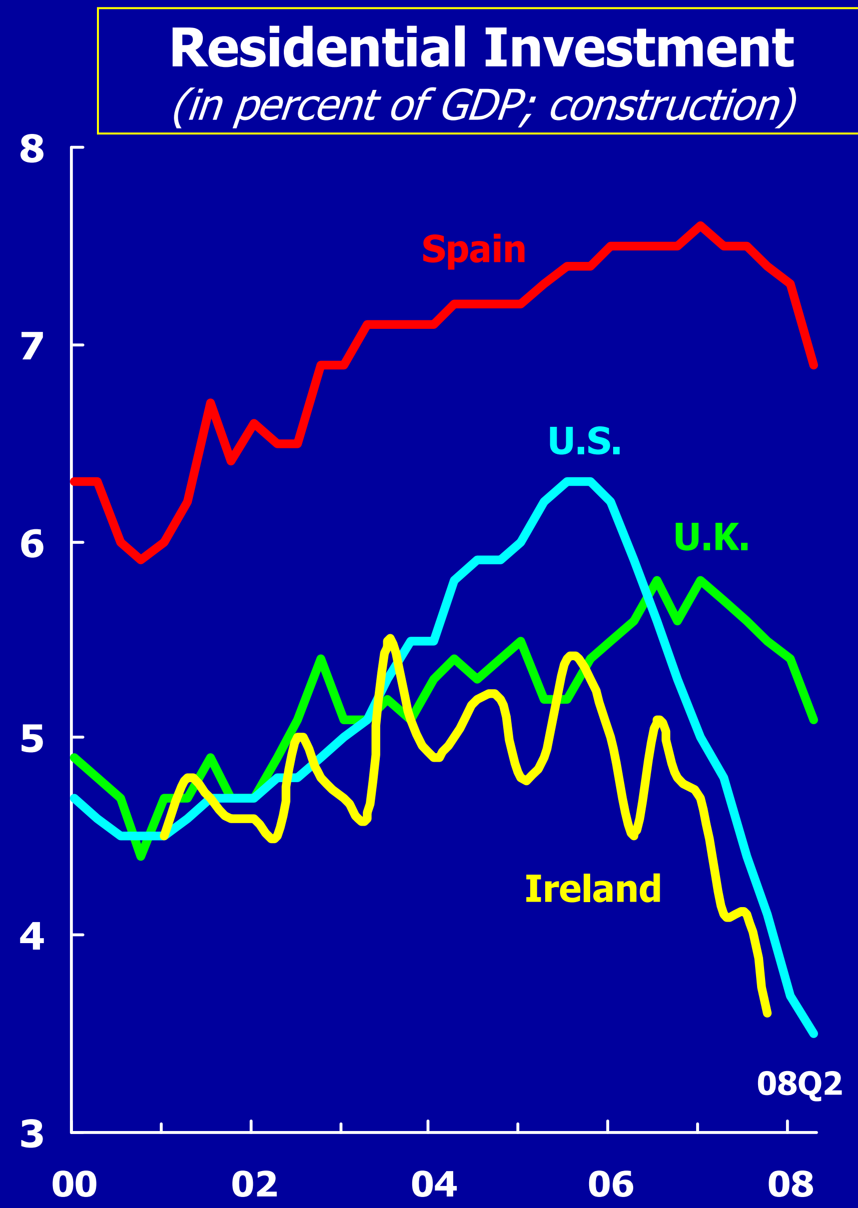
The Deleveraging Process Will Be Protracted, Hampering Credit Growth and Dampening the Recovery

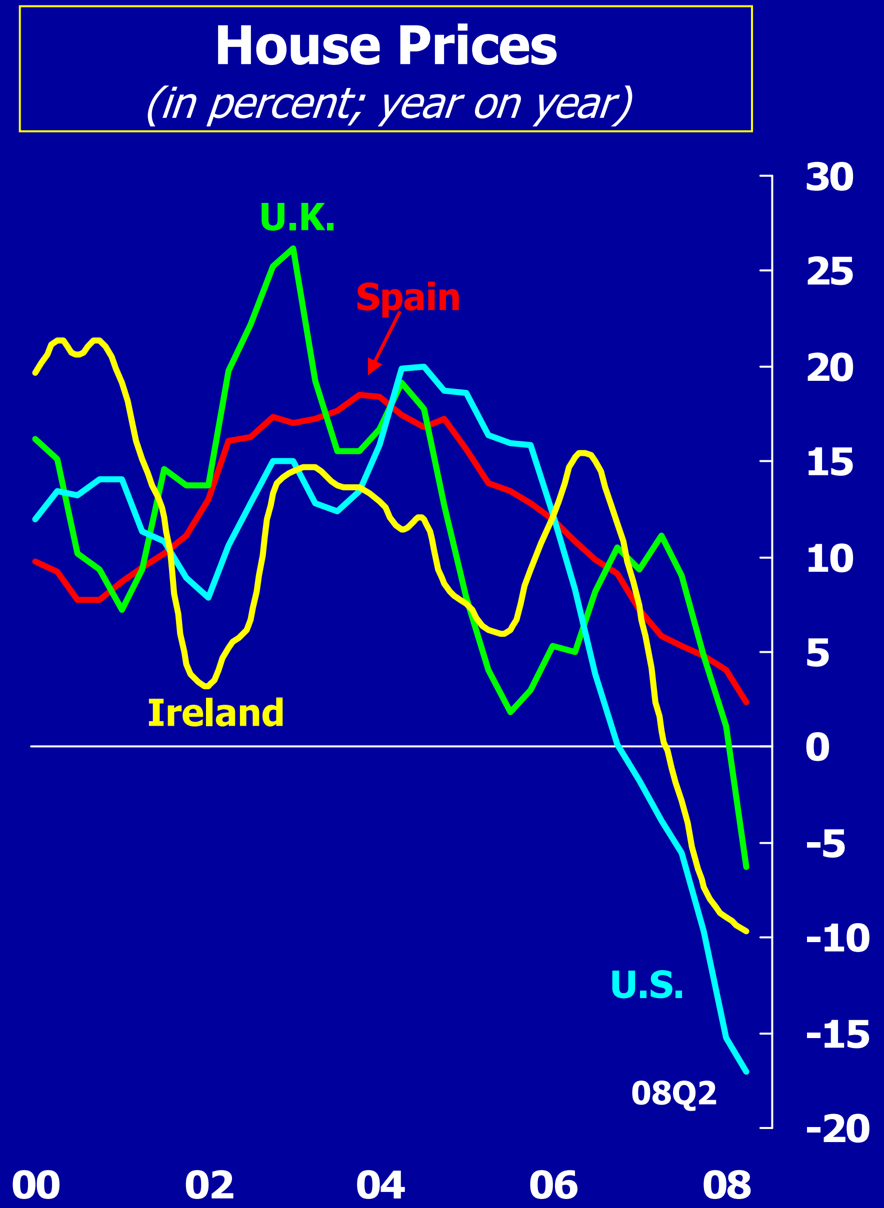
Private Sector Credit Growth

(borrowing as a percent of debt outstanding, qoq, annualized, seasonally adjusted)



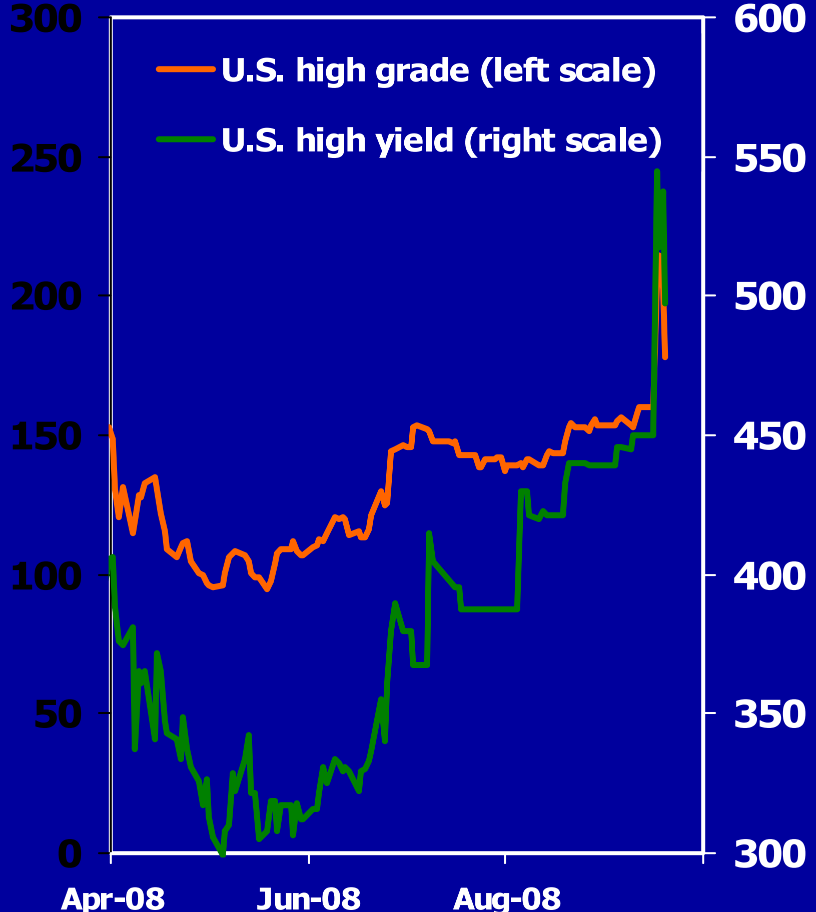
Housing Slump More Than a US Problem



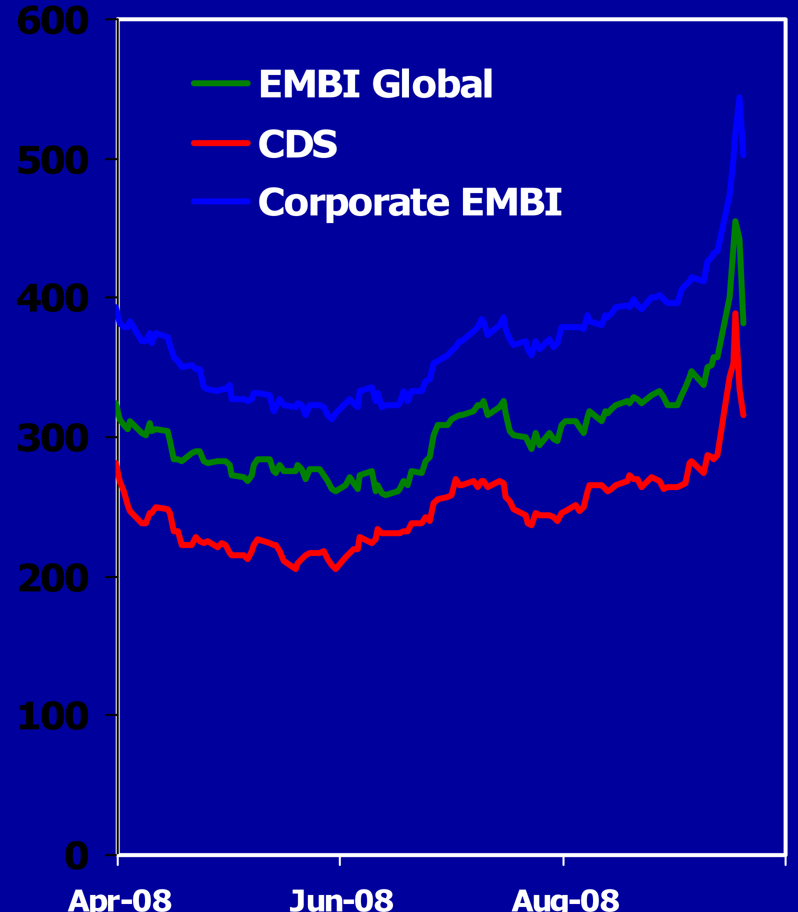


Global Credit Markets Severely Strained

Mature Market CDS Spreads
(basis points)



Emerging Market Spreads
(basis points)



Concerns About Fiscal Costs Impact Sovereign Credit Quality

Sovereign CDS Spreads
(basis points)