Financial and Corporate Indicators and Default Rates

- S&P 500 EPS\(^1\)
- Corporate profits\(^1\)
- VIX\(^2\)
- Default rate\(^3\) (right scale)

Lower earnings; higher volatility

Recessions

Sources: Bloomberg L.P.; Bureau of Economic Analysis; JPMorgan Chase & Co.; Merrill Lynch; Moody’s; National Bureau of Economic Research; and IMF staff estimates.

\(^1\)Year-on-year changes; standardized over the sample periods; inverted scale.

\(^2\)Standardized over 1986–present.

\(^3\)Issuer-weighted.