Figure 1.35. Global Financial Stability Map: Risk Appetite Conditions

Merrill Lynch Fund Manager Survey
(Net percent of investors reporting higher risk-taking than benchmark)

State Street Investor Confidence Index

Total Inflows into Emerging Market Bond and Equity Funds
(In percent of assets under management, 13-week moving average)

Goldman Sachs Risk Aversion Index

Sources: Emerging Portfolio Fund Research, Inc.; Goldman Sachs; Merrill Lynch; State Street Global Markets; and IMF staff estimates.

Note: Dashed lines are period averages. Vertical lines represent data as of the October 2007 GFSR.

1The estimated changes in relative risk tolerance of institutional investors from Froot and O’Connell (2003) are integrated to a level, scaled, and rebased so that 100 corresponds to the average level of the index in the year 2000.