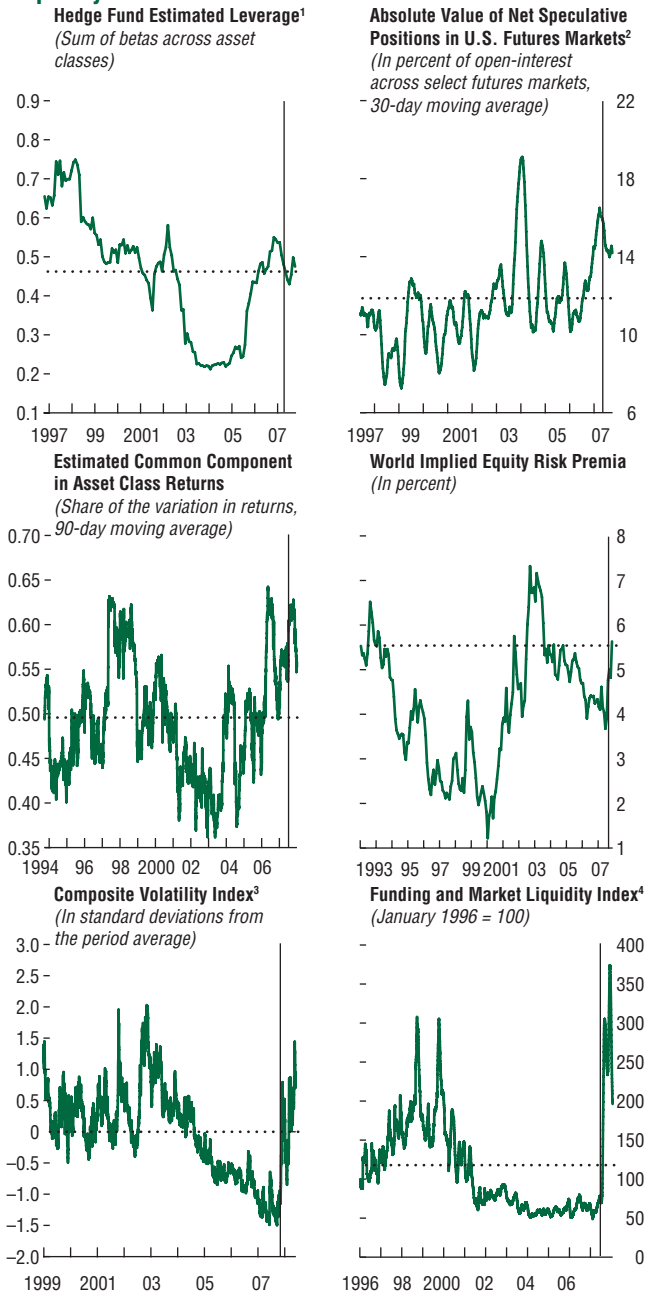


Figure 1.39. Global Financial Stability Map: Market and Liquidity Risks



Sources: Credit Suisse Tremont Index LLC; Bloomberg L.P.; JPMorgan Chase & Co; IBES; Morgan Stanley Capital International; and IMF staff estimates.

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

¹36-month rolling regressions of hedge fund performance versus real asset returns. ²Data represent the absolute value of the net position taken by noncommercial traders in 17 select U.S. futures markets. High values are indicative of heavy speculative positioning across markets, either net-long or net-short. ³Represents an average z-score of the implied volatility derived from options from stock market indices, interest, and exchange rates. A value of 0 indicates the average implied volatility across asset classes is in line with the period average (from 12/31/98 where data are available). Values of +/-1 indicate average implied volatility is one standard deviation above or below the period average. ⁴Based on the spread between yields on government securities and interbank rates, term and overnight interbank rates, currency bid-ask spreads, and daily return-to-volume ratios of equity markets. A higher value indicates tighter market liquidity conditions.