Macroeconomic risks are unchanged, as improved economic activity offsets weaker inflation and greater uncertainty.

Emerging market risks have increased, driven by elevated volatility and worsening corporate sector and liquidity risks.

Credit risks are unchanged, as worsening in corporate sector is offset by improvements in banking and household indicators.

Monetary and financial conditions have been accommodative, with lending conditions easing.

Risk appetite has declined, reflecting lower relative asset returns and rapid outflows from emerging markets.

Market and liquidity risks have increased, reflecting heightened volatility and more stretched positioning indicators.

Source: IMF staff estimates.

Note: Changes in risks and conditions are based on a range of indicators, complemented with IMF staff judgment (see Annex 1.1 in the April 2010 Global Financial Stability Report and Dattels and others (2010) for a description of the methodology underlying the Global Financial Stability Map). Overall notch changes are the simple average of notch changes in individual indicators. The number below each legend indicates the number of individual indicators within each subcategory of risks and conditions. For lending conditions, positive values represent slower pace of tightening or faster easing. CB = central bank; QE = quantitative easing.