Annex Figure 3.2.1. Drivers of Changes in Credit Spreads during Stress Episodes
(Changes in credit spreads in percentage points, by the levels of the spread changes)

During the global financial crisis, bonds that were held in a more concentrated manner were adversely affected, especially those with high initial spread levels. The same was true for emerging market and developing economy bonds during the "taper shock" episode.

1. Global Financial Crisis: U.S. Dollar Bonds Issued in the United States
(Changes between 2008:Q2 and 2008:Q4)

During the global financial crisis, bonds that were held in a more concentrated manner were adversely affected, especially those with high initial spread levels.

2. Taper Shock: Emerging Market and Developing Economies
(Changes between 2013:Q1 and 2013:Q2)

The same was true for emerging market and developing economy bonds during the "taper shock" episode.

Sources: eMaxx; and IMF staff estimates.