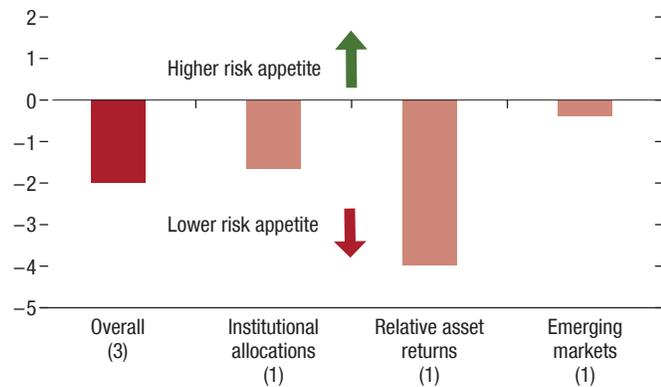
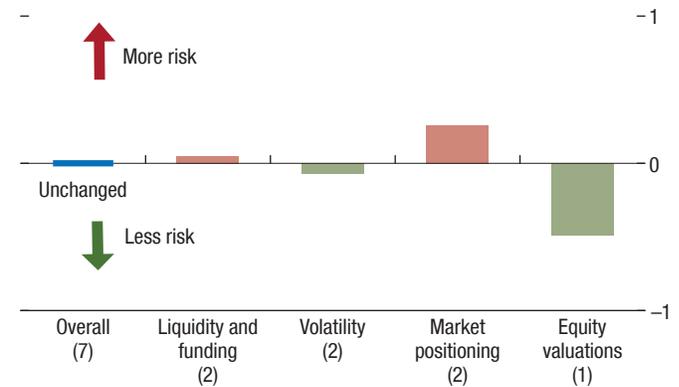


**Figure 1.2. Global Financial Stability Map: Components of Risks and Conditions**  
 (Notch changes since the October 2015 Global Financial Stability Report)

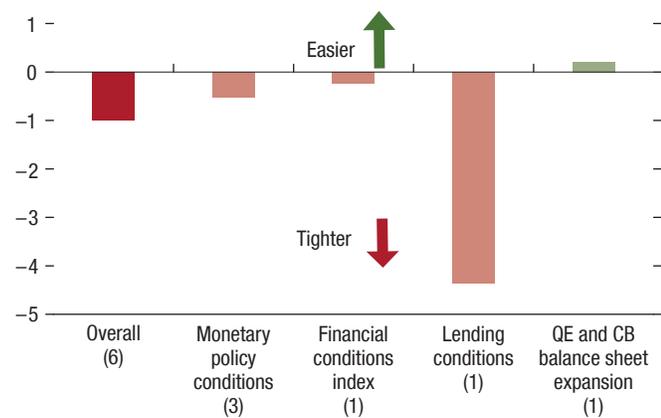
**1. Risk appetite** has decreased with continued outflows from emerging markets.



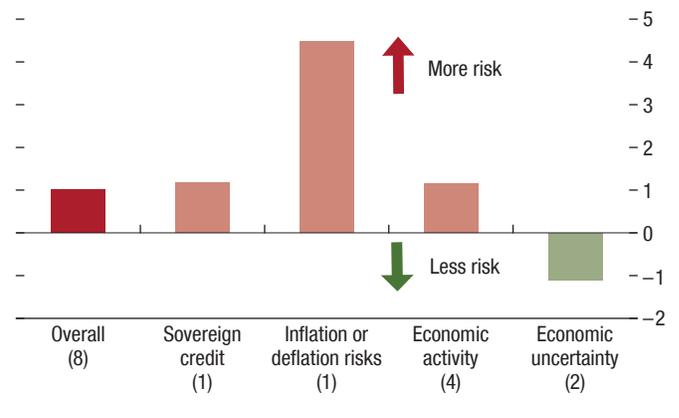
**2. Market and liquidity risks** remain high as volatility persists.



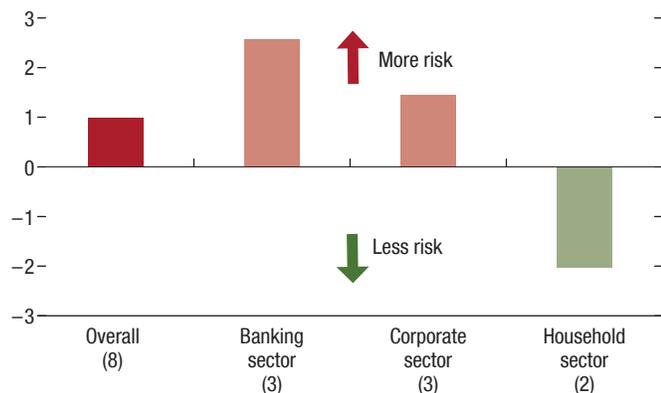
**3. Monetary and financial conditions** have tightened due to stricter lending standards.



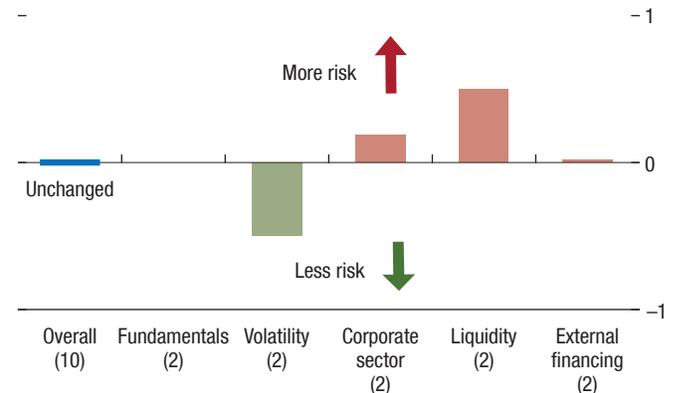
**4. Mixed incoming data and much-worse inflation** have led to higher macroeconomic risks.



**5. Credit risks** have increased as both firms and banks experience deterioration.



**6. Emerging market risks** remain elevated, with continued macro uncertainty and few signs of improving credit cycles.



Source: IMF staff estimates.

Note: Changes in risks and conditions are based on a range of indicators, complemented by 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 label 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.