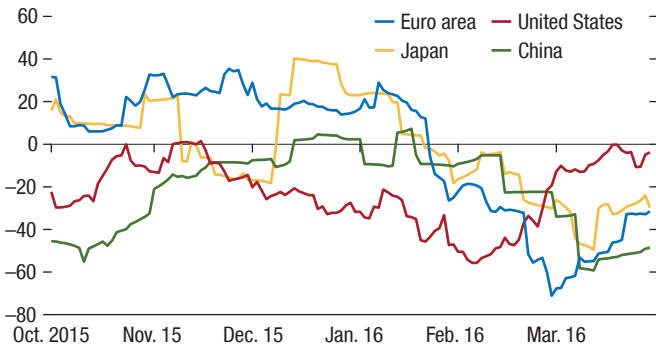


Figure 1.3. Recent Market Developments

Worries of a global economic slowdown ...

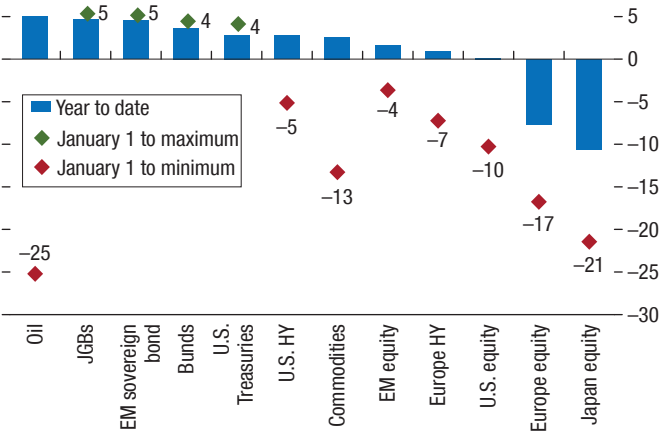
1. Economic Surprise Indices



Sources: Bloomberg, L.P.; and Citigroup.

... led to market turmoil and volatile equity and commodity prices ...

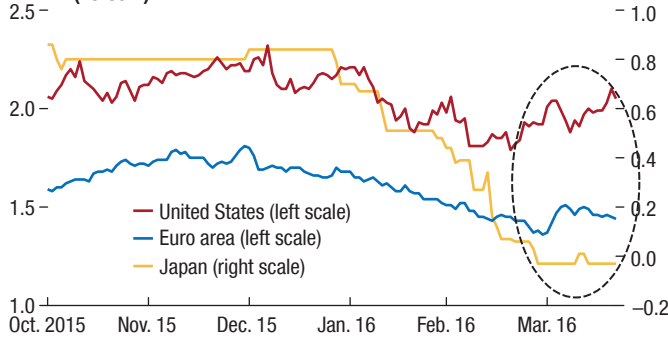
2. Asset Class Returns, 2016 (Percent change)



Sources: Bloomberg, L.P.; and IMF staff calculations.
Note: EM = emerging market economy; HY = high yield; JGB = Japan government bond.

... while disinflation worries have mounted ...

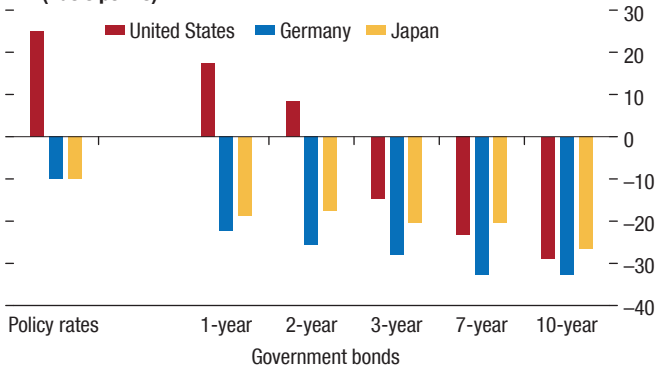
3. Five-Year, Five-Year Swap Forward Rates (Percent)



Source: Bloomberg, L.P.

... as have fears of a "low-for-long" downside.

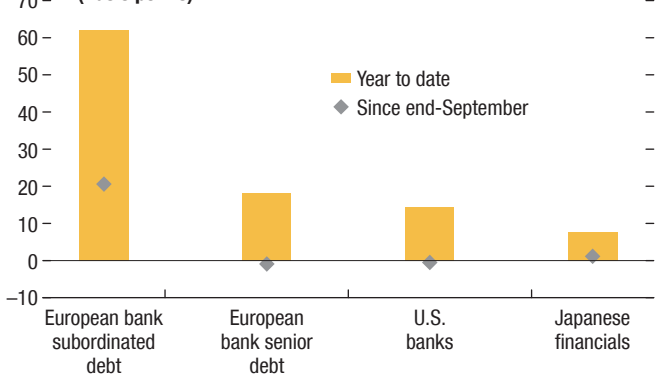
4. Rate Changes, since End-September 2015 (Basis points)



Sources: Bloomberg, L.P.; and IMF staff calculations.

Credit concerns have intensified ...

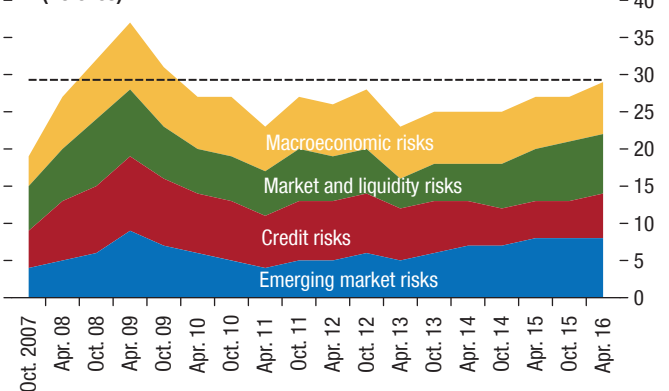
5. Change in Bank Credit Default Swap Spreads (Basis points)



Sources: Bloomberg, L.P.; Thomson Reuters Datastream; and IMF staff calculations.

... raising aggregate stability risks.

6. Global Financial Stability Map Risk Indicators (Notches)



Source: IMF staff estimates.