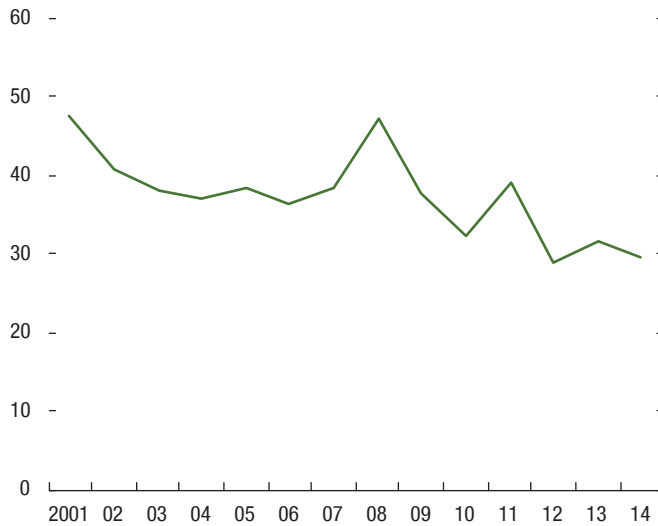


**Figure 3.11. Stock Return Comovement ( $R^2$ ) over Time**  
(Percent)

The synchronicity of equity prices in emerging market economies has declined.



Sources: Bloomberg L.P.; Thomson Reuters Datastream; and IMF staff calculations.  
Note: Stock return comovement is measured by  $R^2$  of the regression of weekly stock returns on market factors.