China introduces new exchange rate mechanism ahead of potential Federal Reserve rate hike.

Sources: Bloomberg L.P.; and IMF staff estimates.

Note: VIX = Chicago Board Options Exchange Volatility Index.

1. The shaded bars represent global risk aversion episodes as defined by De Bock and de Carvalho Filho (2015) based on the daily high of the VIX.

2. Average sensitivity for Asian countries defined in Annex 2.4. Post-GFC sample is shown. GFC = global financial crisis.