Emerging market financing conditions have improved in recent months, although spreads for some countries remain high, and primary market issuance is still modest.

**Figure 1.4. Emerging Market Financial Conditions**

Emerging Market Spreads (basis points)
- EMBI+ adjusted Argentina (left scale)
- Brazil (right scale)
- Argentina crisis
- Brazil devaluation
- Russian default

Emerging Market Financing (billions of U.S. dollars)
- Latin America
- Asia
- Eastern Europe and Middle East

Nominal Effective Exchange Rate (December 29, 1997–January 2, 1998 = 100)
- Argentina
- Brazil

Sources: Bloomberg Financial Markets, LP; J.P. Morgan Chase; and IMF staff estimates.

Average of 30-day rolling cross-correlation of 20 emerging market debt spreads.