Figure 4.6. Selected Financial Variables During Credit Booms
(Percend deviation from trend)

During credit booms, banks increase their non-deposit debt while consumer price movements are muted.

Sources: IMF, International Financial Statistics; and IMF staff calculations.

*1* A credit expansion in a given country is identified as a boom if it exceeds the standard deviation of that country’s credit fluctuations around its Hodrick-Prescott trend by a factor of 1.75.