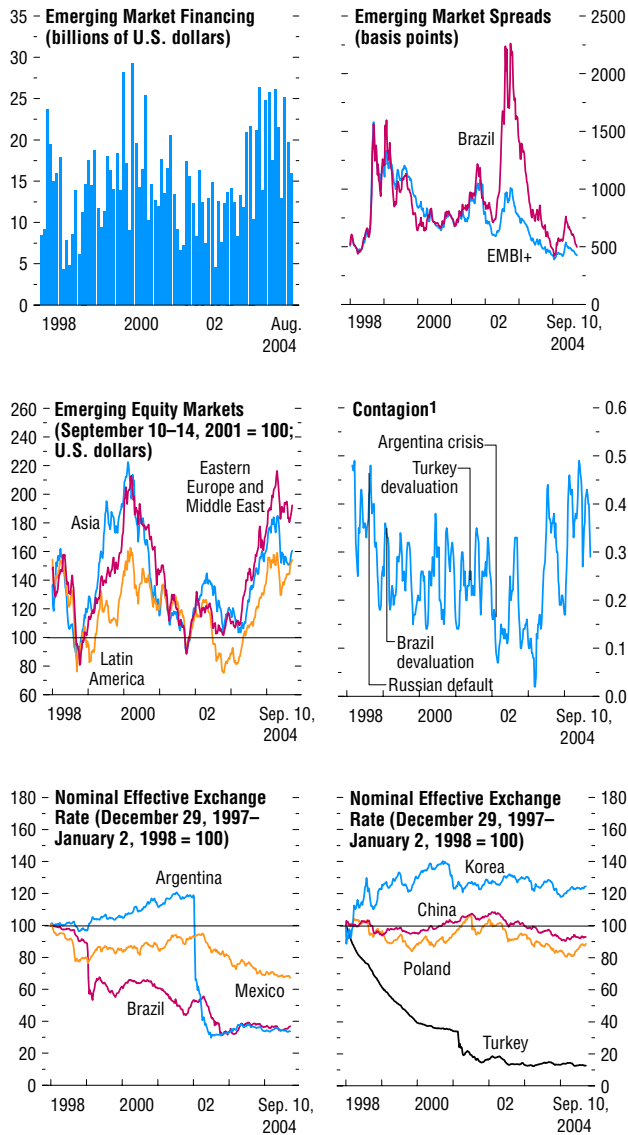


Figure 1.5. Emerging Market Financial Conditions

After deteriorating in April and May 2004, emerging market financing conditions have improved, partly reflecting the decline in global long-term interest rates.



Sources: Bloomberg Financial Markets, LP; Capital Data; and IMF staff calculations.
¹Average of 30-day rolling cross-correlation of emerging debt market spreads.