Global Liquidity and Financial Flows to Emerging Markets

The Economist index (advanced one year; right scale)
Industrial country index (advanced one year; right scale)
Flows to emerging markets

Determinants of G-5 Liquidity
Short-term interest rate
Real U.S. dollar exchange rate

Sources: The Economist; IMF, International Financial Statistics; World Bank, Global Development Finance; and IMF staff calculations.

1Financial flows to the private sector, excluding foreign direct investment.
2Average real short-term interest rate in G-5 countries.
3Real U.S. dollar exchange rate against other G-5 country currencies.