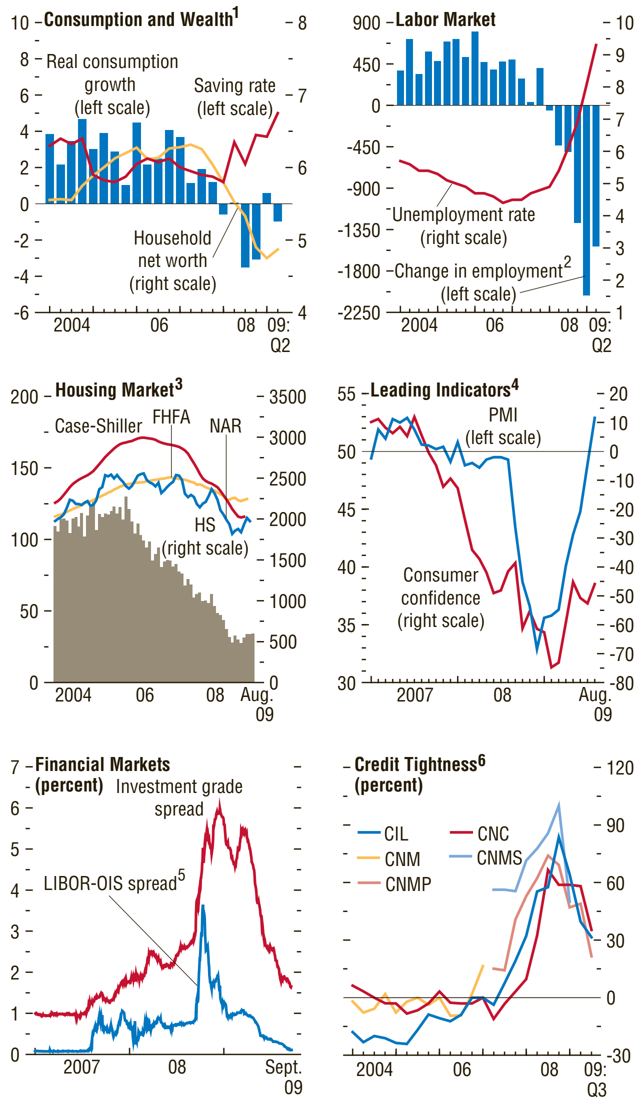
Figure 2.1. United States: Signs of Stabilization

Although significant wealth has been destroyed and unemployment has surged, there are signs that the housing market is stabilizing and credit conditions are normalizing.



Sources: Bloomberg Financial Markets; Haver Analytics; and IMF staff calculations.

[1] Real consumption annualized quarterly growth and saving rate are in percent; household net worth is ratio to disposable income.

[2] Quarterly change in total nonfarm payrolls, thousands.

[3] Index: January 2002 = 100; Case-Shiller Composite 20; FHFA: Federal Housing Finance Agency; HS: housing starts in thousands; NAR: National Association of Realtors.

[4] PMI: manufacturing purchasing managers composite index. Positive values represent consumer confidence index optimism.

[5] LIBOR-OIS spread is the difference between the three-month London interbank offered rate (LIBOR) and the three-month overnight index swap (OIS) rate.

[6] All series come from the Senior Loan Officer Survey. CIL: banks tightening commercial and industrial loans to large firms; CNC: banks tightening standards for consumer credit cards; CNM: banks tightening standards for mortgages to individuals; CNMS: banks tightening standards for subprime mortgages to individuals; CNMP: banks tightening standards for prime mortgages to individuals.