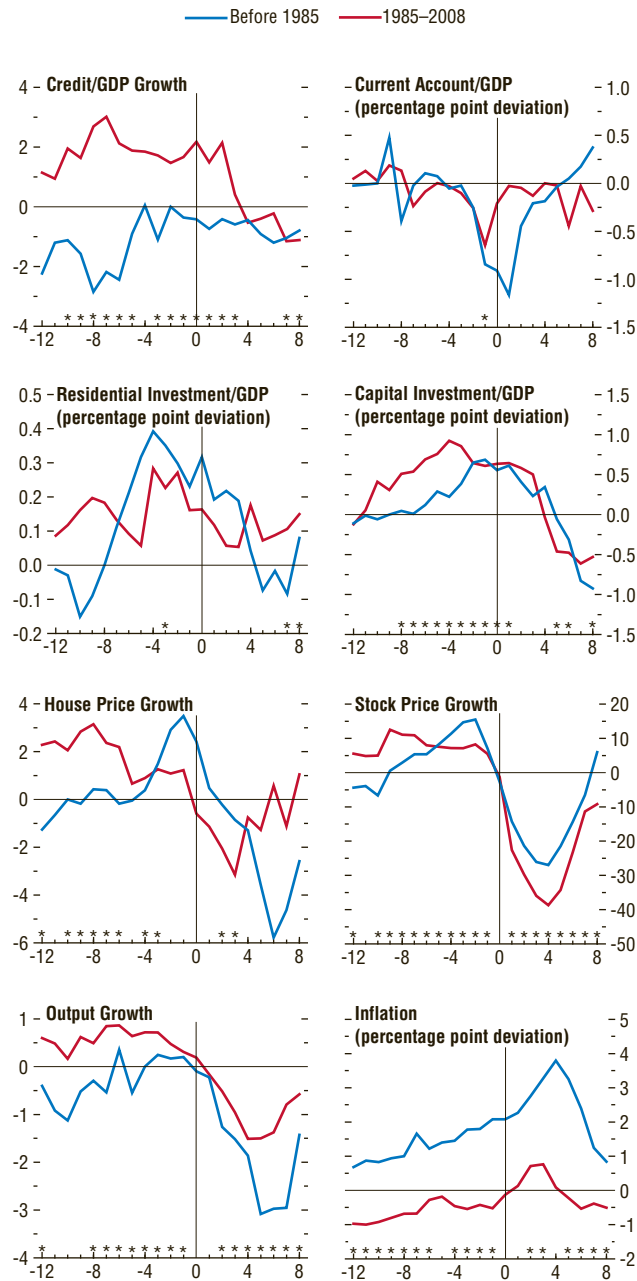


Figure 3.3. Selected Macroeconomic Variables before and during Stock Price Busts

(Median percent deviation from trailing eight-year moving average, unless otherwise noted; asterisk indicates statistically significant difference of post-1985 deviation from zero; † = 1 denotes first quarter of bust)

The run-up to a stock price bust in the post-1985 period features large increases in credit and capital investment. Unlike house price busts, however, there is no significant deviation in current account balances relative to trend.



Source: IMF staff calculations.