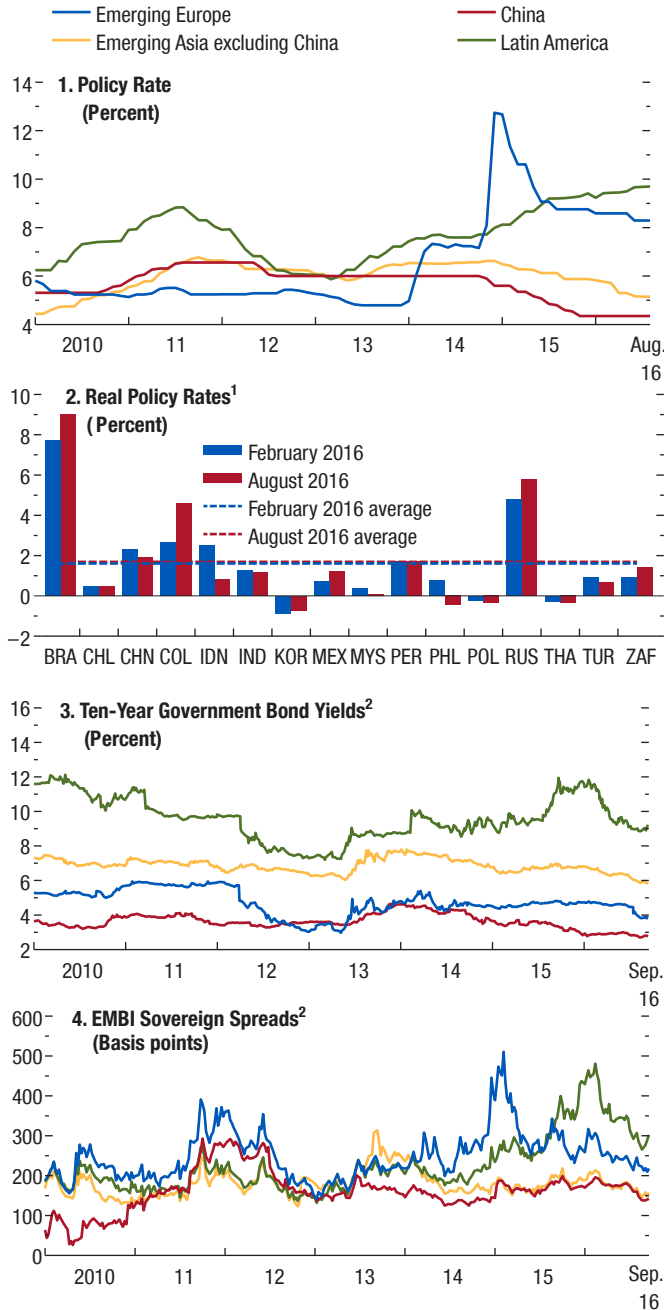


Figure 1.8. Emerging Market Economies: Interest Rates

Financial conditions in emerging market economies have eased since February with expectations of a more persistent dovish monetary policy stance in advanced economies, an uptick in commodity prices, and signs of stabilization in emerging market economies currently in recession. Sovereign yields have declined and spreads have narrowed.



Sources: Bloomberg L.P.; Haver Analytics; IMF, *International Financial Statistics*; and IMF staff calculations.

Note: Emerging Asia excluding China comprises India, Indonesia, Malaysia, the Philippines, and Thailand; emerging Europe comprises Poland, Romania, Russia, and Turkey; Latin America comprises Brazil, Chile, Colombia, Mexico, and Peru. EMBI = J.P. Morgan Emerging Markets Bond Index. Data labels in the figure use International Organization for Standardization (ISO) country codes.

¹Deflated by two-year-ahead *World Economic Outlook* inflation projections.

²Data are through September 16, 2016.