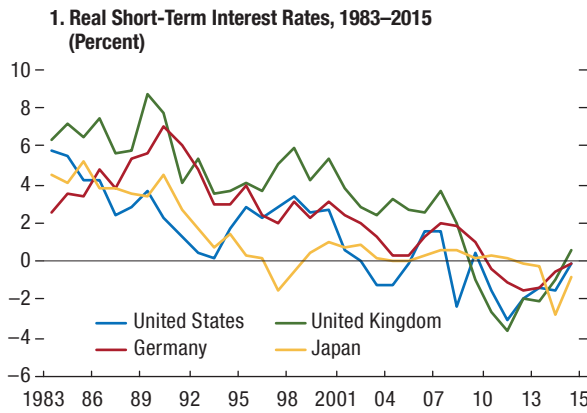
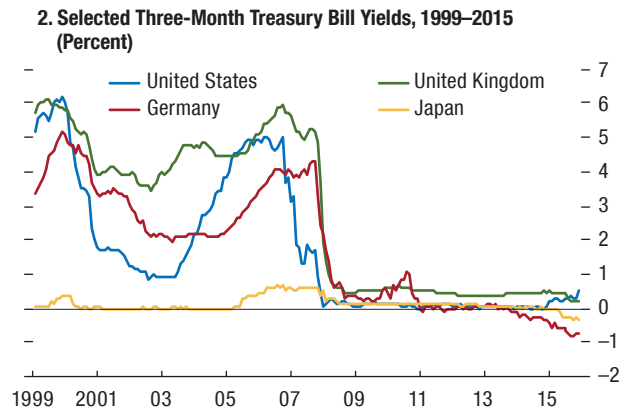


Figure 2.1. Interest Rates, Term Spreads, and Volatility in Advanced Economies

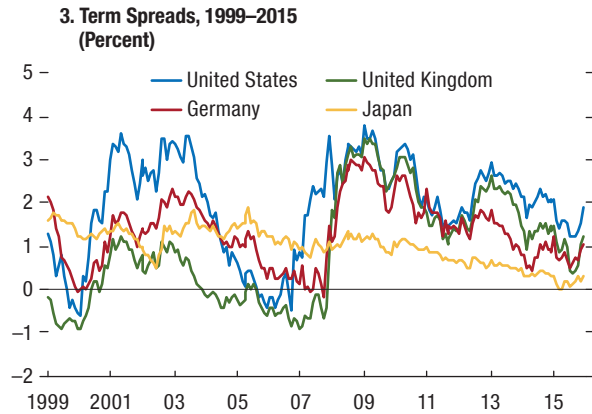
Real interest rates have been decreasing over the past three decades.



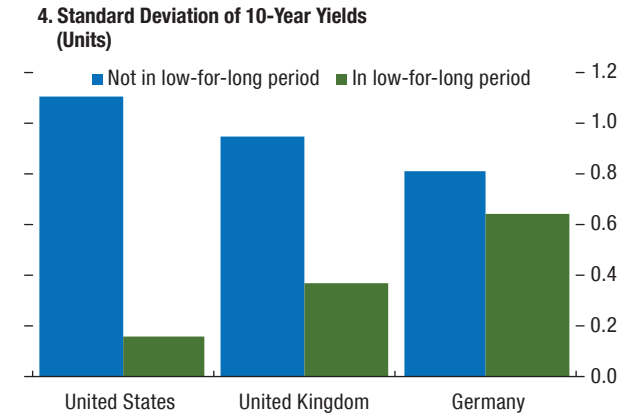
Nominal interest rates have fallen.



Yield curves have flattened.



Interest rate volatility has declined.



Sources: Thomson Reuters Datastream; IMF, World Economic Outlook database; and IMF staff calculations.

Note: Term spreads in panel 3 are defined as the difference in yield between a 10-year government bond and a three-month Treasury bill. Low-for-long periods in panel 4 are defined as those when the 10-year yield was less than 2 percent.