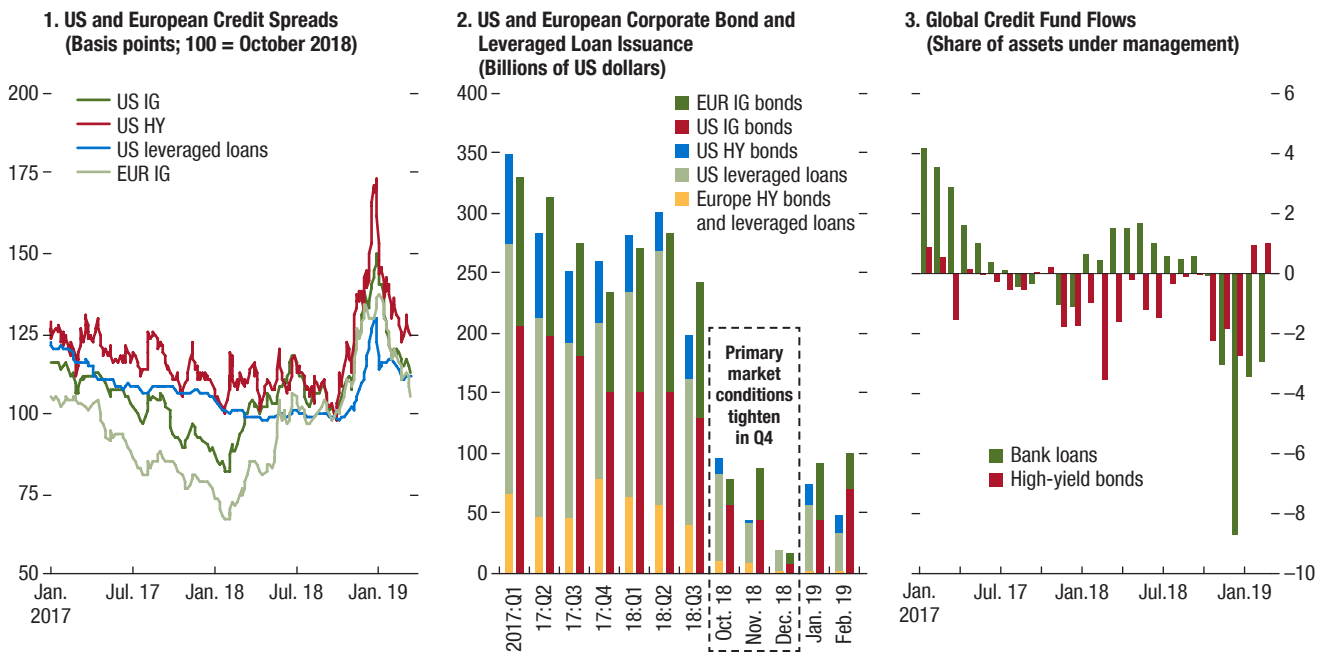


Figure 1.7. Credit Market Developments in the United States and Europe

In late 2018, credit spreads widened ...

... new issuance declined ...

... while fund flows decreased, before recovering in early 2019.



Sources: Bloomberg Finance L.P.; Barclay's; Dealogic; EPFR Global; Haver Analytics; S&P Leveraged Commentary and Data; and IMF staff estimates.
 Note: In panel 1, IG and HY are investment-grade and high-yield option-adjusted spreads to government bonds. For leveraged loans, spread is over Libor.
 AUM = assets under management; EUR = European firms; HY = high yield; IG = investment grade; Libor = London interbank offered rate.