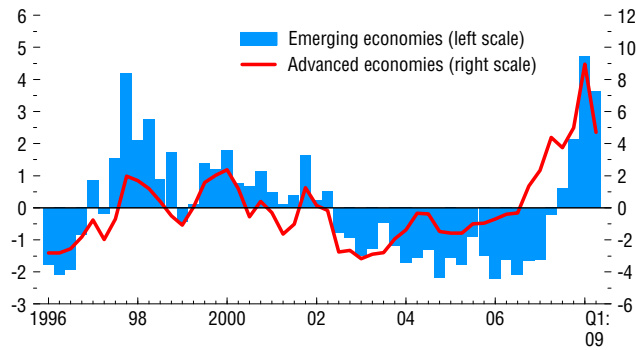


## Figure 4.6. Financial Stress in Emerging and Advanced Economies

(Level of index, GDP weighted)

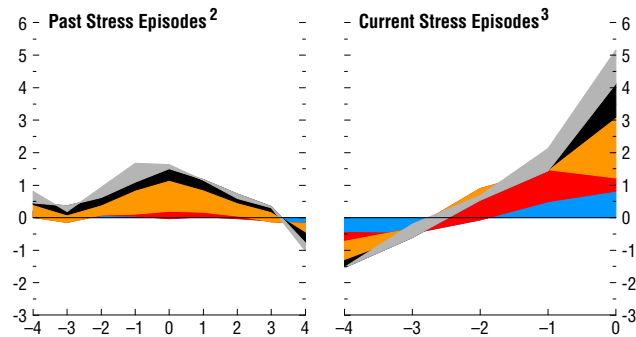
There is a strong visual link between stress in advanced and emerging economies, with peaks and troughs roughly coinciding. The increase in emerging economy stress is larger this time when compared with past episodes and involves all segments of the financial sector.

### Comparison of Financial Stress Levels



### Stress in Emerging Economies during Episodes of Widespread Stress in Advanced Economies<sup>1</sup> (stacked and centered around peak of financial stress in advanced economies; quarters)

■ Exchange market pressure      ■ Bank beta  
■ Sovereign spreads (JPMorgan EMBI)      ■ Equity market volatility  
■ Equity market profitability



Source: IMF staff calculations.

<sup>1</sup> See Figure 4.5. Refer to Appendix 4.1 for definitions of stress components.

<sup>2</sup> Peak in 1998:Q4, 2000:Q4, and 2002:Q3. See Table 4.1.

<sup>3</sup> Peak assumed in 2008:Q4.