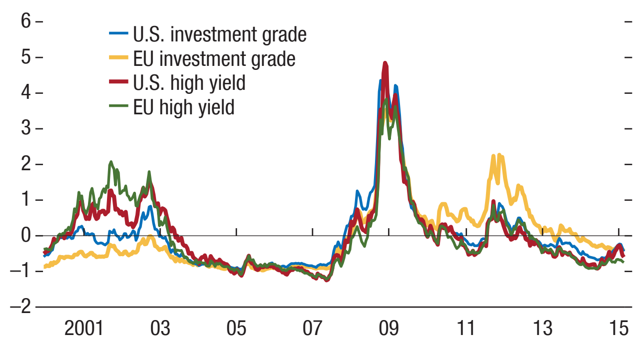
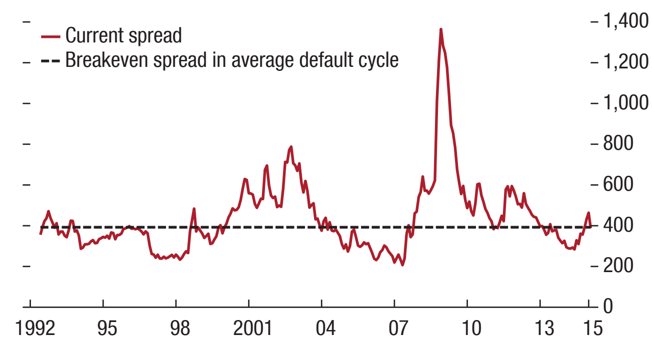
## Figure 1.15. U.S. Credit Spreads, Firm Leverage, and Interest Coverage

**1. Investment-Grade and High-Yield Credit Spreads**
**(*Z*-score vis-à-vis the respective historical distribution)**



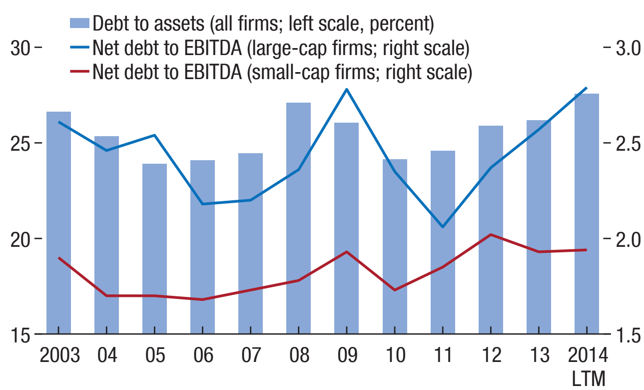

Sources: Bank of America Merrill Lynch; and Bloomberg, L.P.
Note: *Z*-scores relative to the respective historical distribution of option-adjusted spreads.

**2. U.S. B Rated Corporate Bonds: Breakeven Spreads**
**(Basis points)**



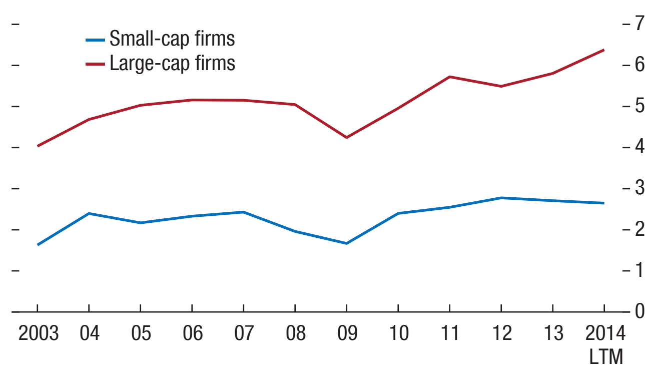

Sources: Bank of America Merrill Lynch; Moody's; and IMF staff estimates.

**3. Nonfinancial Corporate Leverage**
**(Median)**




Source: Standard & Poor's Capital IQ.
Note: Small-cap and large-cap firms are defined as having market capitalizations of $100 million to $1 billion, and greater than $5 billion, respectively. The sample is a balanced panel of 1,695 firms. Standard & Poor's Capital IQ classifies duty taxes related to exploration and production in the energy sector as operating expenses. EBITDA = earnings before interest, taxes, depreciation, and amortization; LTM = last 12 months.

**4. Nonfinancial Interest Coverage Ratio**
**(Times; weak tail)**




Source: Standard & Poor's Capital IQ.
Note: The weak tail is defined as the 25th percentile of the distribution of the interest coverage ratio within the sample. Small-cap and large-cap firms are defined as having market capitalizations of $100 million to $1 billion, and greater than $5 billion, respectively. The sample is a balanced panel of 1,695 firms. S&P Capital IQ classifies duty taxes related to exploration and production in the energy sector as operating expenses. LTM = last 12 months.