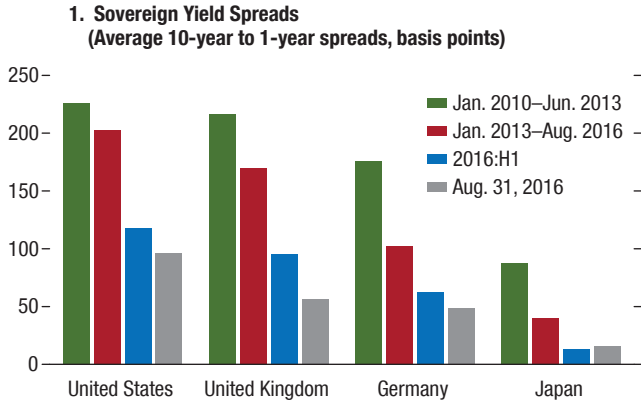


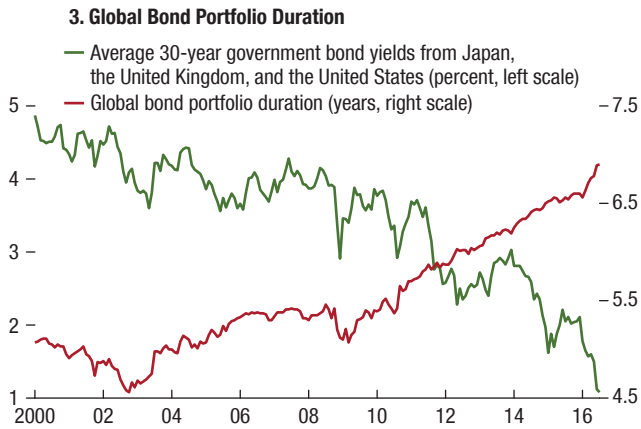
Figure 1.8. Drivers of Government Bond Yields

Flatter yield curves reflect the compression of term premiums ...



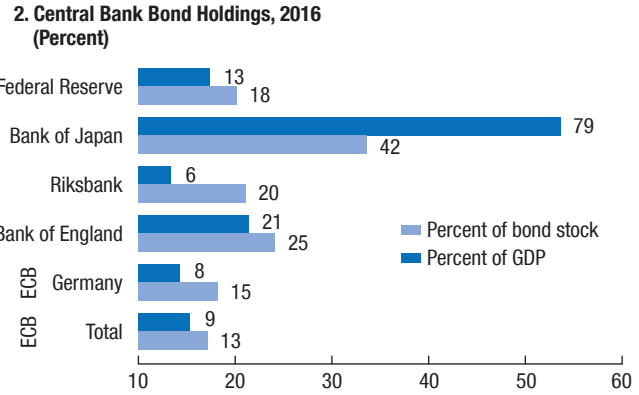
Sources: Bloomberg L.P.; and IMF staff calculations.

... and private sector investors ...



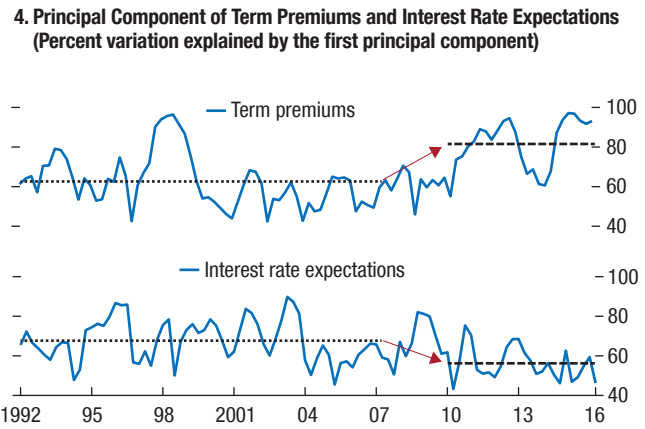
Sources: Barclays Capital; and Bloomberg L.P.

... increased demand for duration from central banks ...



Source: Citibank.
Note: ECB = European Central Bank.

... driving down term premiums across global bond markets, even as policy rates diverge.



Sources: Bloomberg L.P.; and IMF staff calculations.