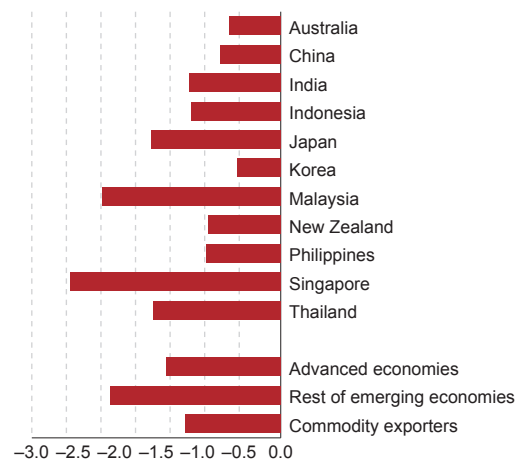


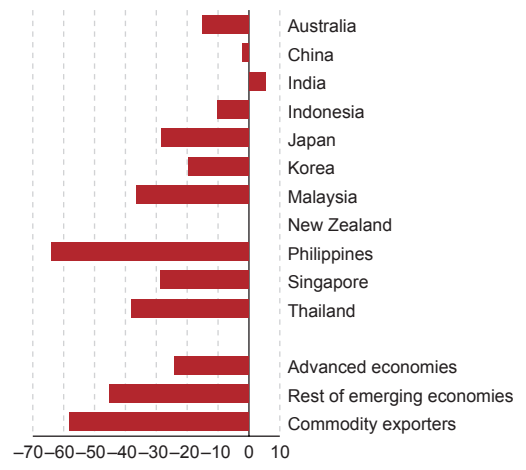
Figure 1.5.1

Responses of Key Variables to Global Financial Market Volatility Shocks

1. Growth (percentage points)



2. Inflation (basis points)



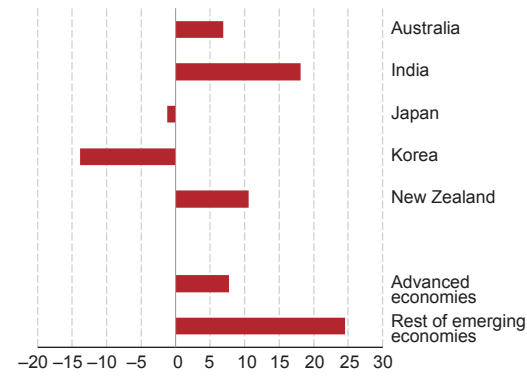
3. Real exchange rate (percent), + = depreciation



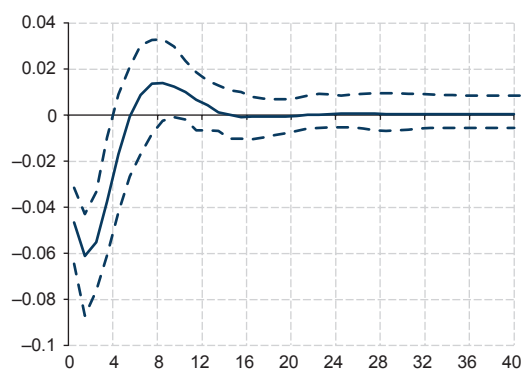
4. Equity prices (percent)



5. Term premium (basis points)



6. Oil price



Source: Authors' estimates.

Note: Depicts change in macroeconomic/financial variables of a given country/region after one year associated with one positive shock to the financial stress index, implying an increase in global financial market volatility. Impulse responses for oil price (with 90 percent bootstrapped confidence intervals) are reported over a period of 40 quarters (vertical numbers should be multiplied by 100). The U.S. dollar is the numeraire.