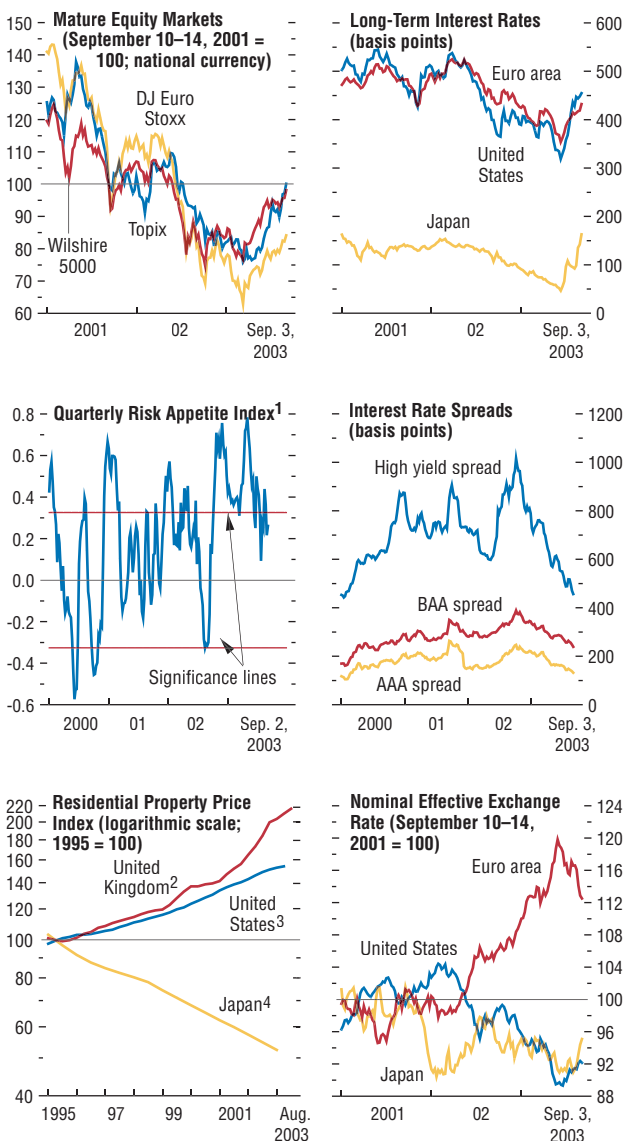


Figure 1.4. Developments in Mature Financial Markets

Long-run interest rates have rebounded since mid-June, but remain relatively low by historical standards. Equity markets have continued to rise, accompanied by falling credit spreads.



Sources: Bloomberg Financial Markets, LP; State Street Bank; HBOS plc.; Office of Federal Housing Enterprise Oversight; Japan Real Estate Institute; and IMF staff estimates.

¹IMF/State Street risk appetite indicators.

²Halifax housing index as measured by the value of all houses.

³House price index as measured by the value of single-family homes.

⁴Urban land price index: average of all categories in six large city areas.