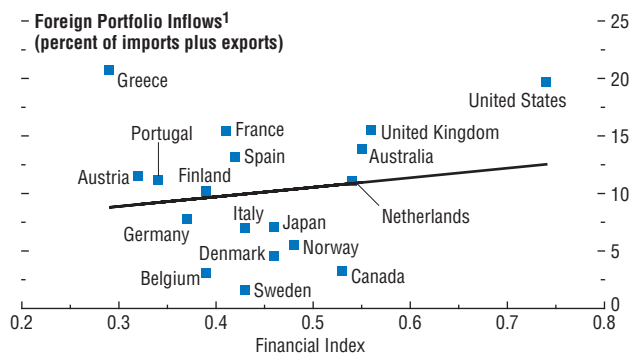
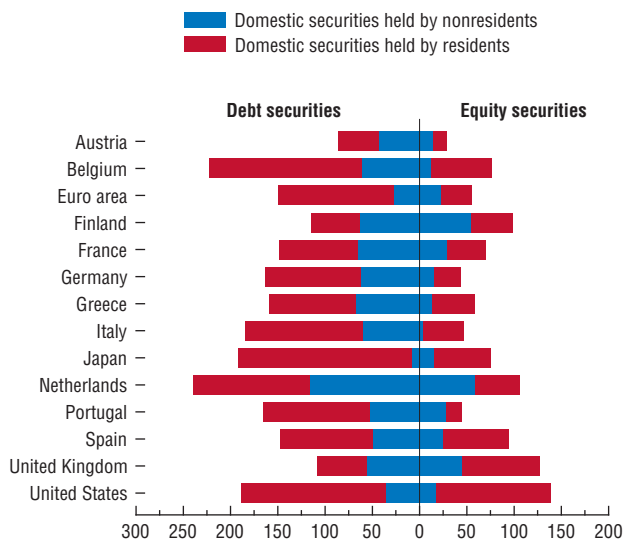


**Figure 4.13. The Financial Index and Foreign Portfolio Investment**

There is evidence of a positive correlation between foreign portfolio inflows and the Financial Index.



**Foreign and Domestic Holdings of Debt and Equity Securities<sup>2</sup> (percent of GDP)**



Sources: Bank for International Settlements; Lane and Milesi-Ferretti (2006); OECD; and IMF staff calculations.

<sup>1</sup>Data are for 2000–2004 averages.

<sup>2</sup>Data are for 2004.