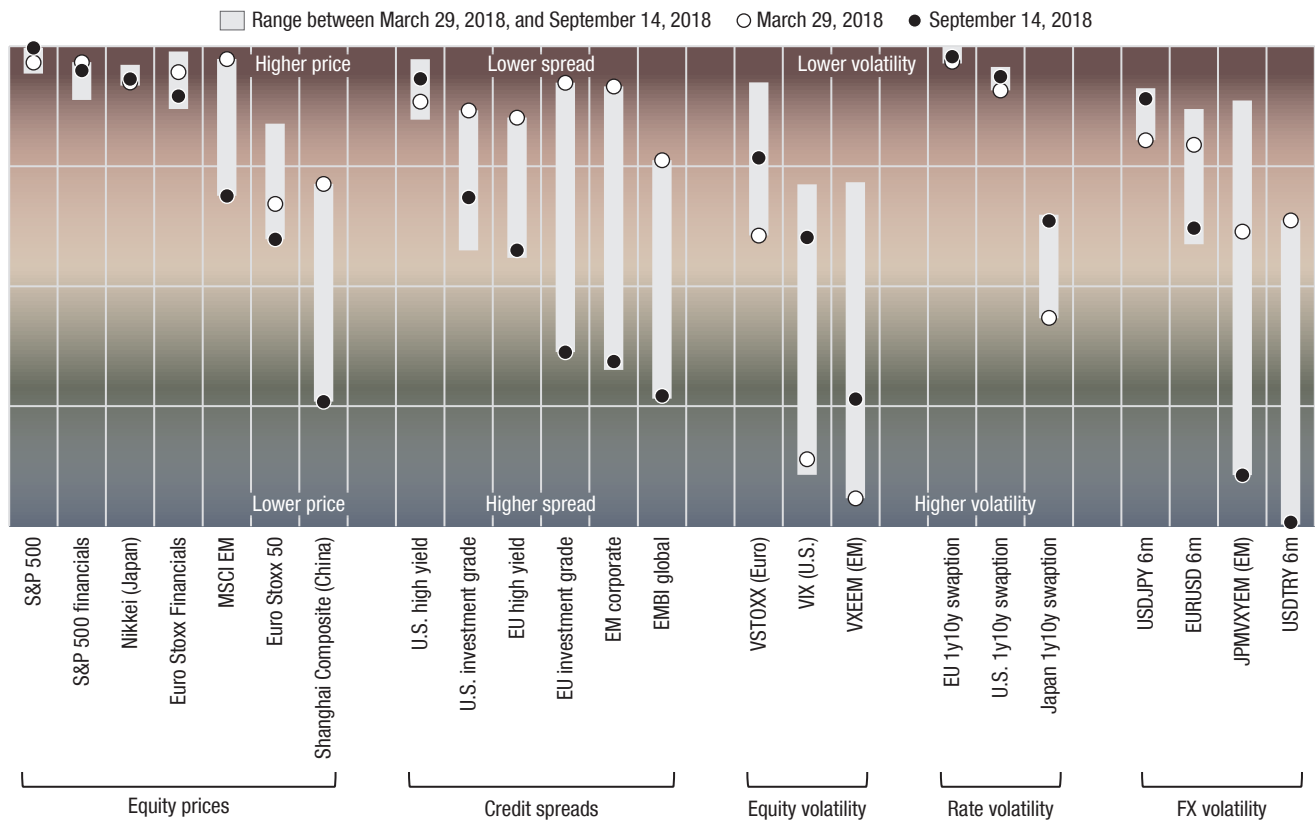


**Figure 1.1. Recent Market Developments**

Risk appetite has remained strong, as reflected in low volatility and higher U.S. equity valuations. However, higher U.S. interest rates and a stronger U.S. dollar have led to lower emerging market equity prices and wider debt spreads.

**Market Performance Dashboard**

(Each marker is a 30-day moving average of daily percentile rank in relation to the asset's five-year history. Closer to red represents higher equity prices and lower corporate bond spreads and volatility, and closer to blue is vice versa)



Sources: Bloomberg Finance L.P.; and IMF staff estimates.

Note: EM = emerging market; EURUSD = euro-U.S. dollar; FX = foreign exchange; JPMVXYEM = JPMorgan's Emerging Market Volatility Index for foreign exchange; MSCI = Morgan Stanley Capital International; USDJPY = U.S. dollar-Japanese yen; USDTRY= U.S. dollar-Turkish lira; VIX = Chicago Board Options Exchange Market Volatility Index; VSTOXX = Dow Jones Euro STOXX 50 Volatility Index; VXEEM = Chicago Board Options Exchange Market Emerging Markets Exchange-traded Fund Volatility Index.