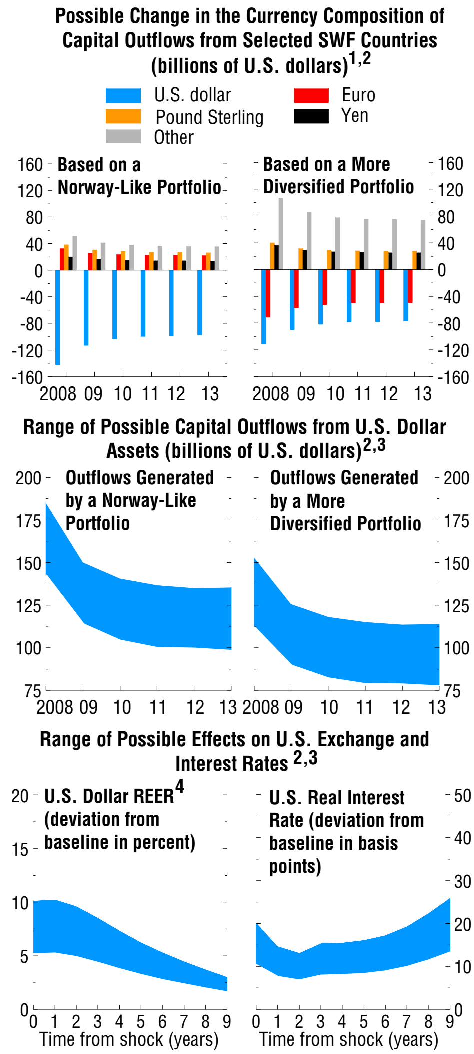
Simulation Results



Source: IMF staff estimates.

[1]Based on the assumption that 50 percent of available foreign currency flows to countries listed in footnote 2 are placed with the sovereign wealth fund (SWF) and invested in foreign assets.

[2]Includes Brazil, China, Korea, Russia (National Wealth Fund only), and Saudi Arabia.

[3]The lower bound of the range is based on the assumption described in footnote 1. The upper bound assumes that countries with prospective SWFs (based on media reports) also place 50 percent of available foreign exchange in SWFs to be invested abroad. The upper bound also assumes that 10 percent of the stock of existing reserves of the top 10 emerging economy reserves holders is shifted from reserves to SWF holdings over the period 2008–13.

[4]REER = real effective exchange rate.