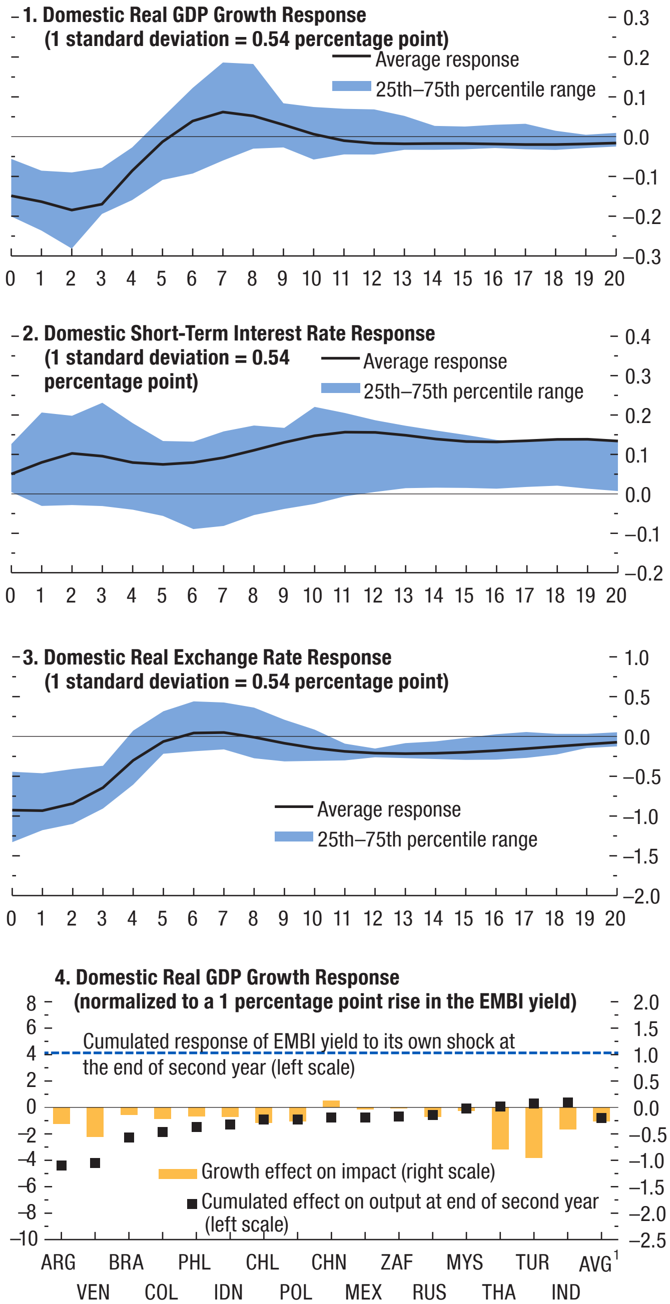
## Figure 4.4. Impulse Responses to External Financing Shock

*(Percentage points)*

A higher risk premium on emerging market economies' sovereign debt reduces their growth.




Sources: Federal Reserve Economic Data; Haver Analytics; IMF, International Financial Statistics database; Thomson Reuters Datastream; and IMF staff calculations.

Note: $X$-axis units in panels 1–3 are quarters; $t = 0$ denotes the quarter of the shock. $X$-axis in panel 4 uses International Organization for Standardization (ISO) country codes. EMBI = J.P. Morgan Emerging Markets Bond Index.

[1]Average for all sample economies except Argentina, Russia, and Venezuela.