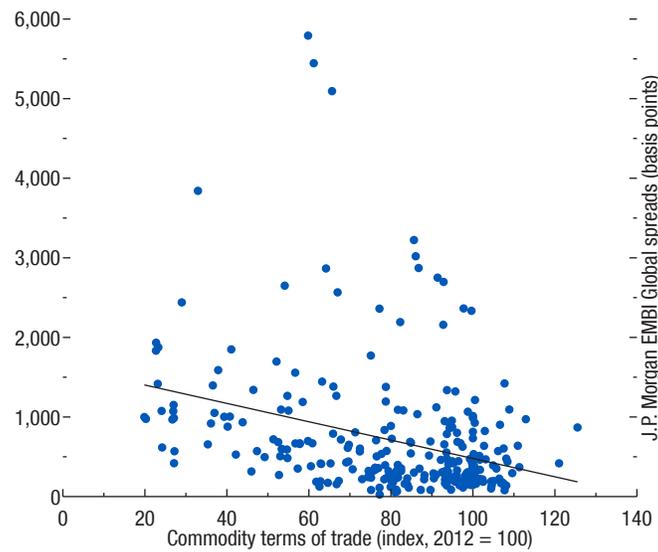


### Figure 2.6. Sovereign Bond Yield Spreads and the Commodity Terms of Trade

During 1997–2014, commodity-exporting economies had lower spreads on sovereign bond yields when their commodity terms of trade were higher, which meant lower financing costs during the boom phase of the commodity cycle.



Sources: Thomson Reuters Datastream; and IMF staff calculations.  
Note: Data are for commodity-exporting emerging market and developing economies for which J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) spreads are available. See Annex 2.1 for the definition of the commodity terms-of-trade index.