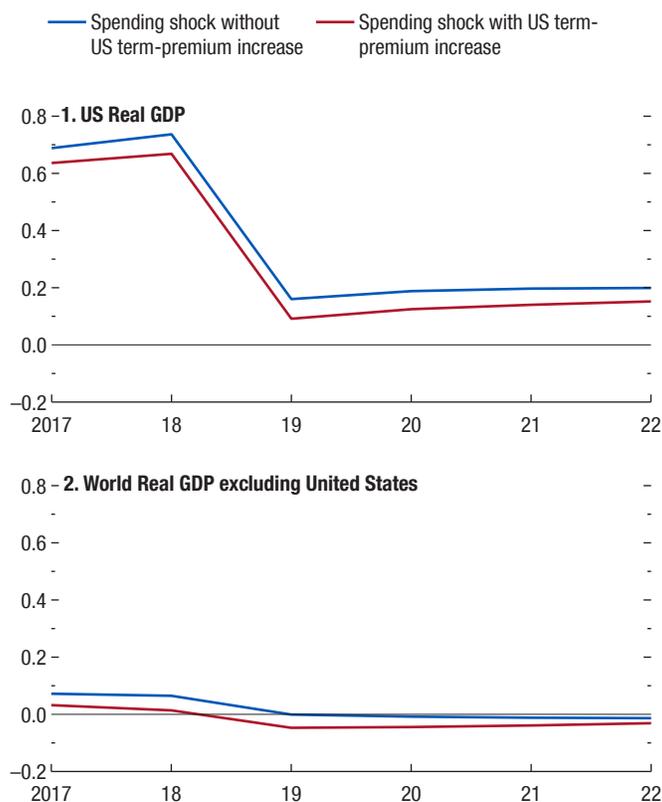


**Figure 4.14. Spillovers from US Spending Shock with and without a US Term-Premium Increase**  
*(Percent deviation from baseline)*



Source: IMF, G20 Model (G20MOD) simulations.

Note: Red lines denote the response to a 1 percent of GDP US government spending shock lasting two years, with a 25 basis point increase in the US term premium and subsequent spillovers to term premiums in other countries. Blue lines represent the response to the same spending shock with no term-premium increase. No monetary accommodation is assumed for any country.