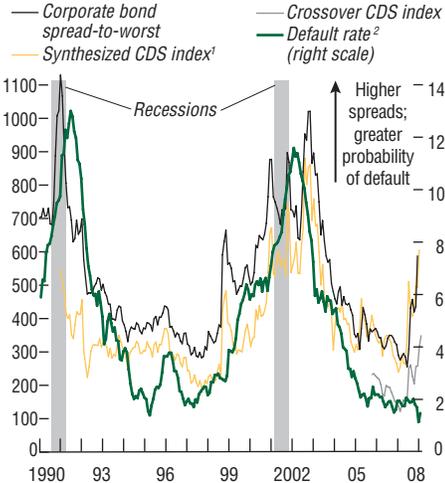


Valuation of Financial Instruments Based on Implied Probability of Default



Sources: Bloomberg L.P.; Dow Jones; JPMorgan Chase & Co.; Merrill Lynch; Moody's; National Bureau of Economic Research; and IMF staff estimates.

¹Index based on a blend of realized collateralized debt swaps (CDS) and high-yield bond indices.

²Issuer-weighted.

boxfigure 1.1c