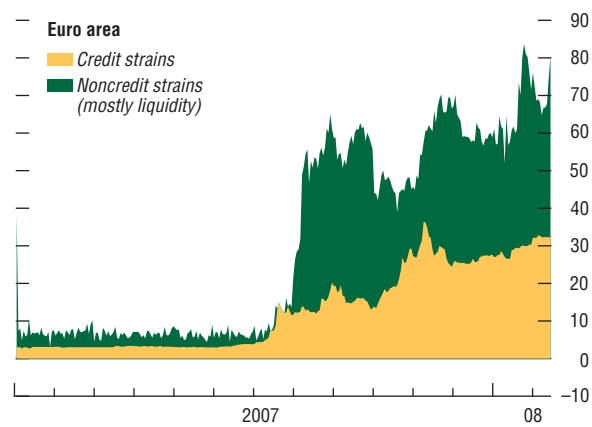
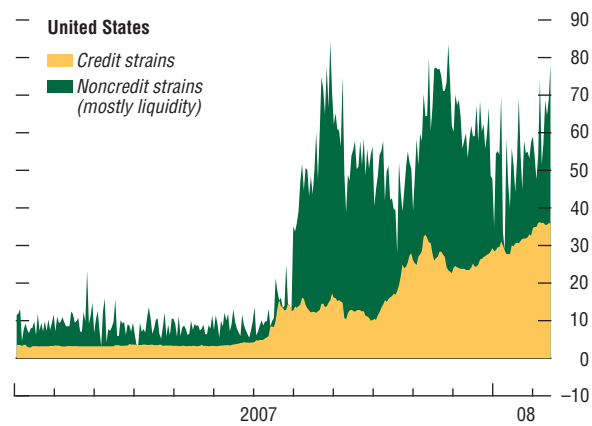


Figure 1.20. Decomposing Interbank Spreads

(In basis points)



Sources: Bloomberg L.P.; and IMF staff estimates.

Note: Credit strains are derived by averaging the one-year credit default swap spreads of the banks that determine dollar LIBOR and euro LIBOR rates. These results are then subtracted from the spread between LIBOR and overnight index swaps (OIS) to determine noncredit strains, which are likely to be liquidity related.