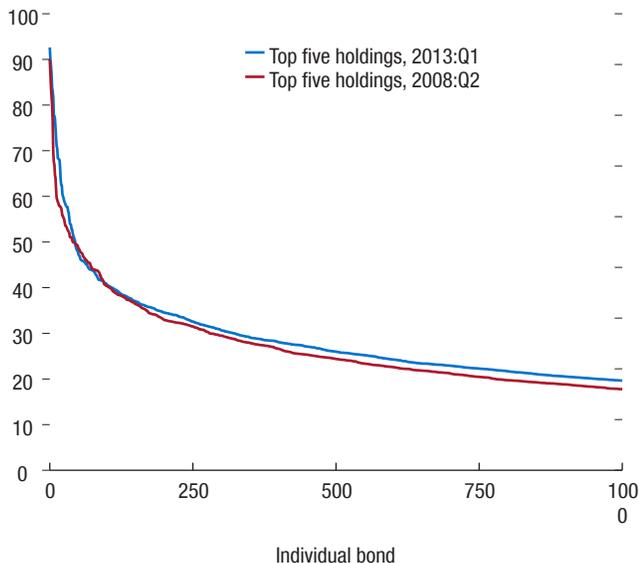


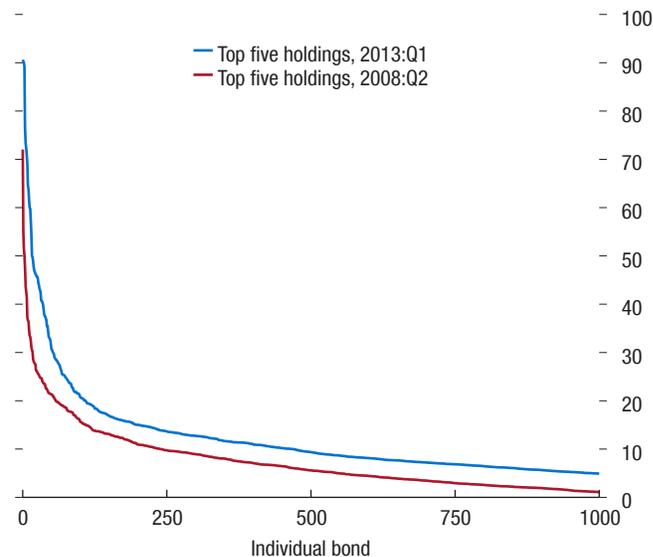
**Figure 3.7. Bond Ownership Concentration and Its Effects on Credit Spreads**  
*(Share of individual bonds held by the five largest mutual funds in 2008 and 2013, in percentage points)*

Mutual fund concentration in bond markets has increased since the global financial crisis.

**1. Concentration of Mutual Fund Bond Ownership: U.S. Bonds**

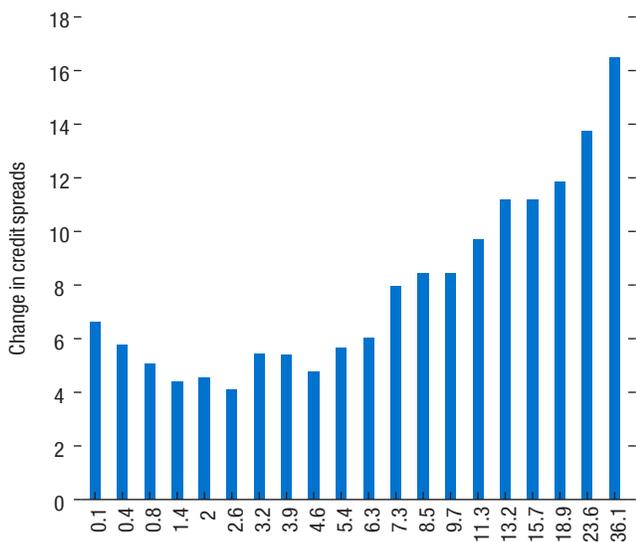


**2. Concentration of Mutual Fund Bond Ownership: Emerging Market and Developing Economies Bonds**

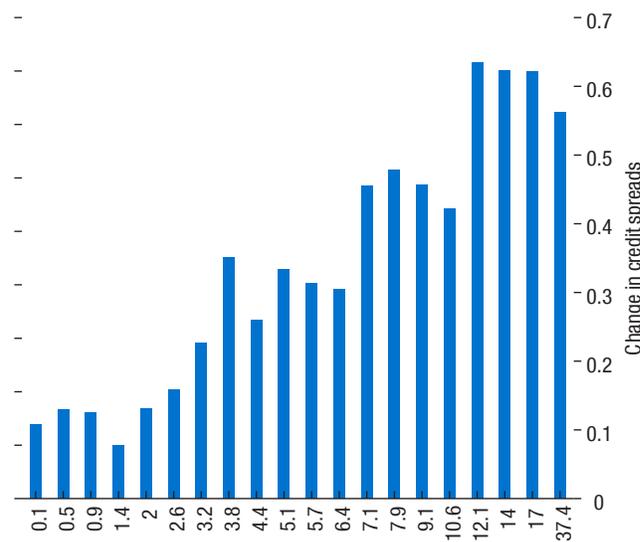


*(Increase in credit spreads by share of bonds held by the five largest mutual funds, in percentage points)*  
 Bonds with higher mutual fund holding concentration were more adversely affected during stress periods in 2008 and 2013.

**3. Corporate Bonds Issued by U.S. Issuers, 2008:Q2 and 2008:Q4**



**4. Bonds Issued by Emerging Market and Developing Economies, 2013:Q1 and 2013:Q2**



Sources: eMaxx; and IMF staff calculations.

Note: In all panels, holdings by the five largest mutual funds are identified for each individual bond. Bonds are sorted in different buckets on the horizontal axis according to the share of the bond held by top 5 mutual funds. The vertical axes in panels 3 and 4 show the average change in credit spreads (bond yields over benchmark government bond yields of the same currency and similar maturity), for bonds in each bucket, between 2008:Q2 and 2008:Q4, and 2013:Q1 and 2013:Q2, respectively.