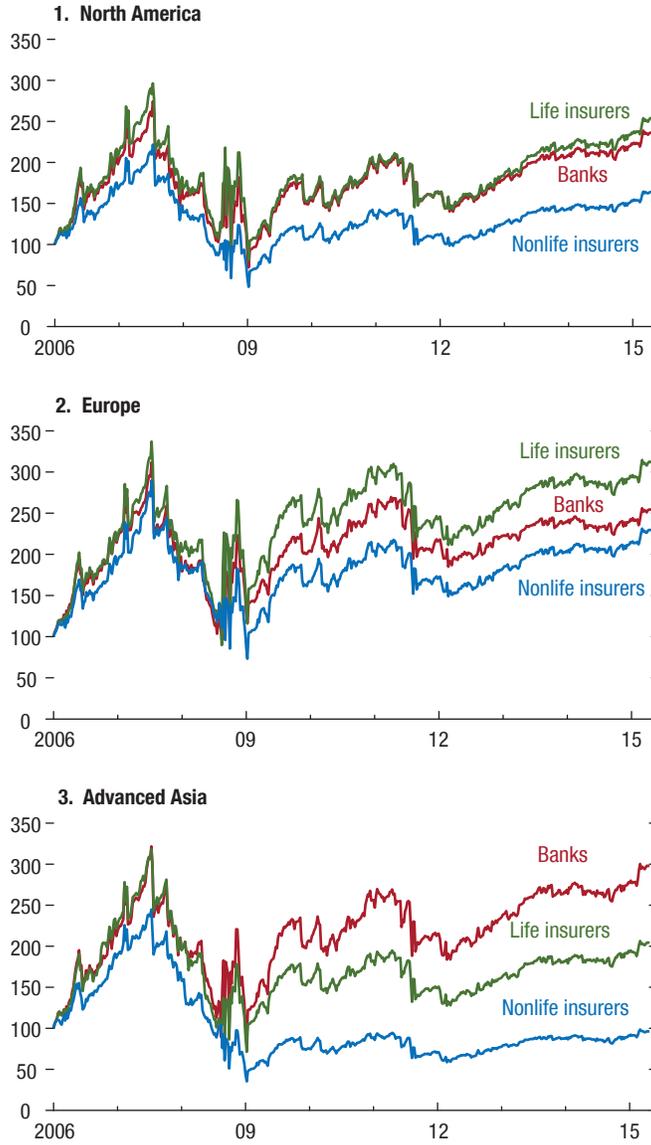


**Figure 3.7. CoVaR Indices**  
*(Normalized, 2006 = 100)*



Sources: Bloomberg, L.P.; and IMF staff calculations.

Note: Figure shows CoVaR indices constructed by aggregating the average  $\Delta\text{CoVaR}$  of individual firms for all firms in a given sector and region, normalized by their value in the first period. The average  $\Delta\text{CoVaR}$  of an individual firm includes its spillovers to financial firms in advanced economies (238 firms) as well as in emerging market economies (98 firms).  $\Delta\text{CoVaR}$  is estimated from weekly equity returns, for the period from January 1, 2001, to October 23, 2015; the quantile regression was estimated with a window expanding from an initial five-year period. The estimation corrects for the effects of market risk (MSCI World Index) and volatility risk (an average of volatility indices in North America, Europe, and advanced Asia).