Figure 1.5.1

Responses of Key Variables to Global Financial Market Volatility Shocks

1. Growth (percentage points)

Australia China India India Indonesia Japan Korea Malaysia New Zealand Philippines Singapore Thailand Advanced economies Rest of emerging economies Commodity exporters

-3.0 -2.5 -2.0 -1.5 -1.0 -0.5 0.0

3. Real exchange rate (percent), + = depreciation



5. Term premium (basis points)



Australia China India Indonesia Japan Korea Malaysia New Zealand Philippines Singapore Thailand

Advanced economies Rest of emerging economies Commodity exporters

4. Equity prices (percent)

6. Oil price



0.04 0.02 0 -0.02 -0.04 -0.06 -0.08 -0.1C Δ 8 12 16 20 24 28 32 36 40

Source: Authors' estimates.

Note: Depicts change in macroeconomic/financial variables of a given country/region after one year associated with one positive shock to the financial stress index, implying an increase in global financial market volatility. Impulse responses for oil price (with 90 percent bootstrapped confidence intervals) are reported over a period of 40 quarters (vertical numbers should be multiplied by 100). The U.S. dollar is the numeraire.

Australia China India India Indonesia Japan Korea Malaysia New Zealand Philippines Singapore Thailand Advanced economies Rest of emerging economies Commodity exporters 70–60–50–40–30–20–10 0 10

-70-60-50-40-30-20-10 0

2. Inflation (basis points)