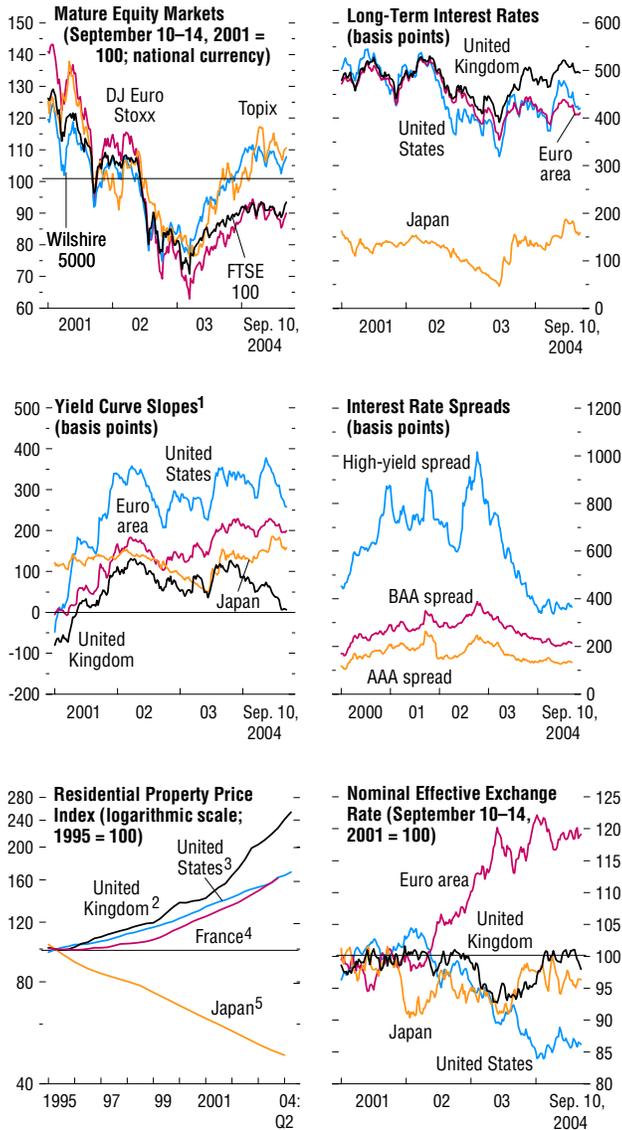


Figure 1.4. Developments in Mature Financial Markets

Long-term interest rates have risen significantly since the first quarter of 2004, but have since fallen back, accompanied by some weakening of equity markets.



Sources: Bloomberg Financial Markets, LP; State Street Bank; HBOS Plc.; Office of Federal Housing Enterprise Oversight; National Sources; Japan Real Estate Institute; and IMF staff calculations.

¹10-year government bond minus 3-month treasury bill rate.
²Halifax housing index as measured by the value of all houses.
³House price index as measured by the value of single-family homes in the United States as a whole, in various regions of the country, and in the individual states and the District of Columbia.
⁴Residential property prices: existing dwellings.
⁵Urban land price index: average of all categories in six large city areas.