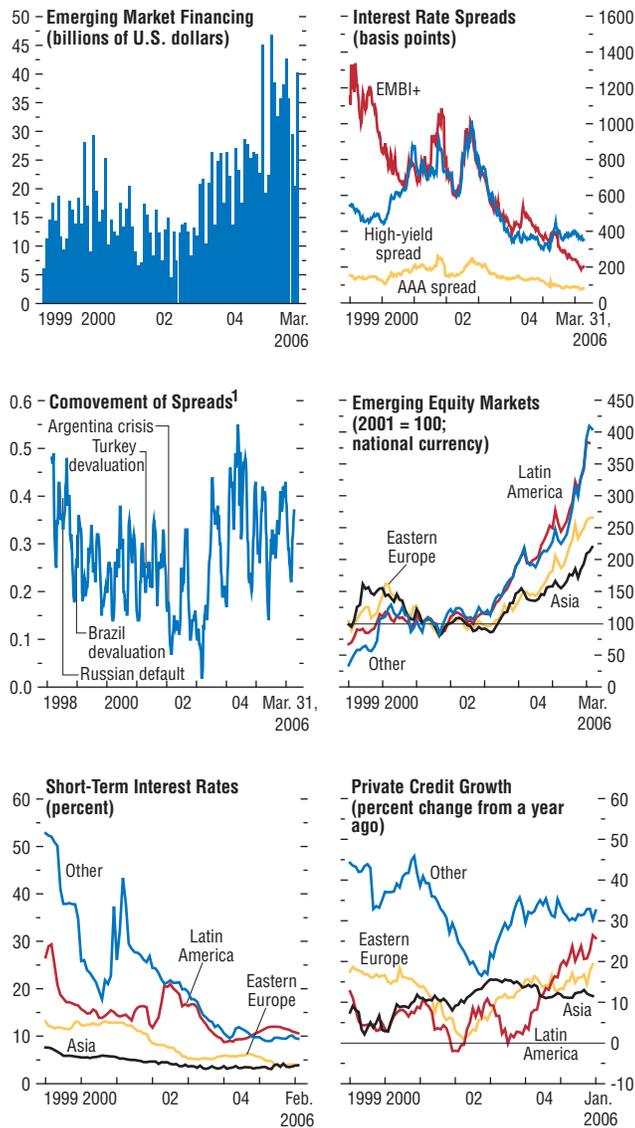


Figure 1.5. Emerging Market Financial Conditions

Emerging market spreads—and borrowing costs—remain unusually low, accompanied by buoyant capital inflows. In some regions, rapid credit growth and soaring equity markets pose potential risks.



Sources: Bloomberg Financial Markets, LP; Capital Data; and IMF staff calculations.
¹Average of 30-day rolling cross-correlation of emerging market debt spreads.