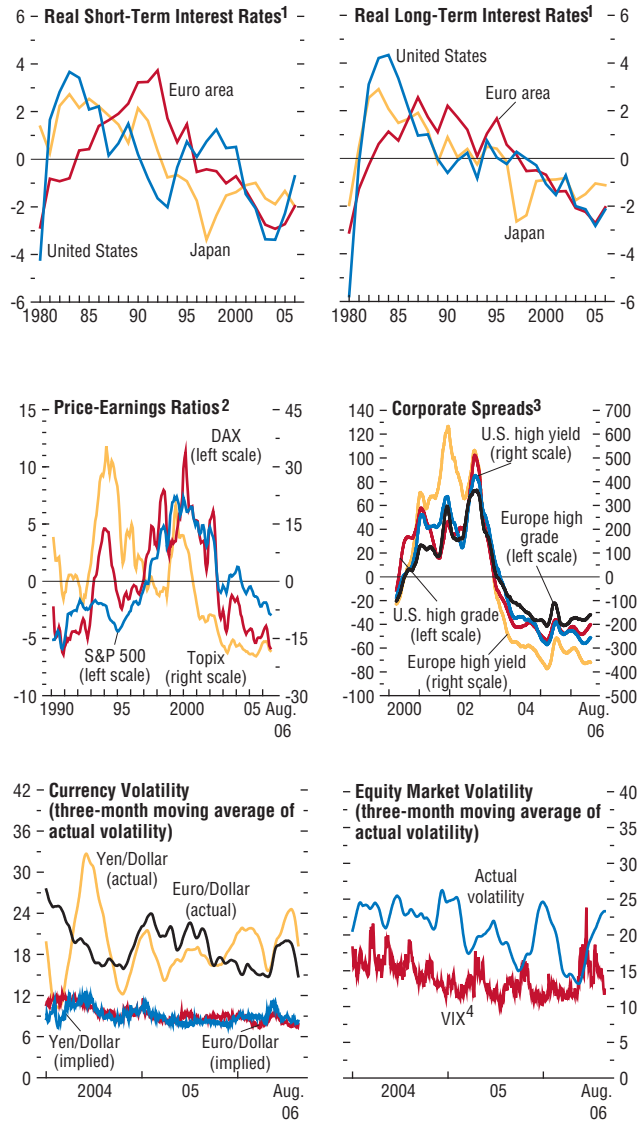


Figure 1.6. Mature Financial Market Indicators

Interest rates in real terms have risen closer to long-run averages and equity price-earnings ratios are generally below trend, while market volatility has recently increased.



Sources: Bloomberg Financial Markets, LP; and IMF staff calculations.

¹Measured as deviations from 1980–2006 average.

²Twelve-month forward looking price-earnings ratios measured as three-month moving average of deviations from 1990–2006 average.

³Measured as three-month moving average of deviations from 2000–06 average.

⁴VIX is the Chicago Board Options Exchange volatility index. This index is calculated by taking a weighted average of implied volatility for the eight S&P 500 calls and puts.