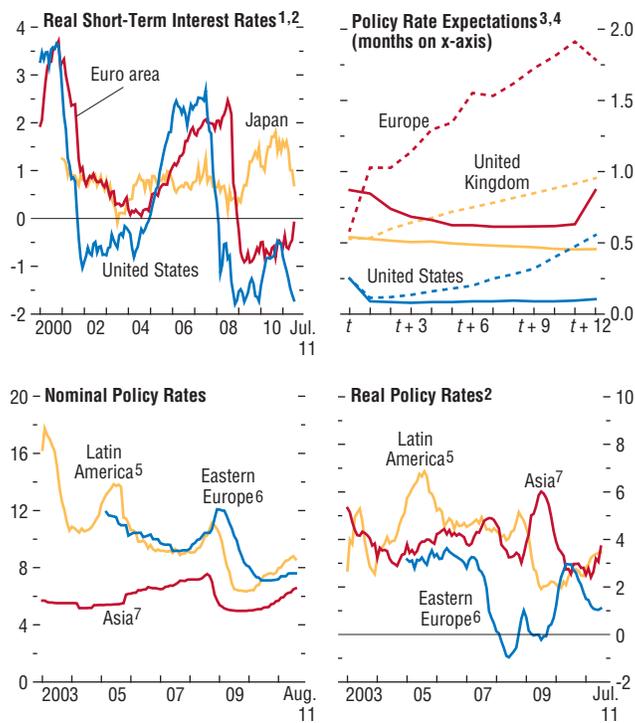


Figure 1.10. Measures of Monetary Policy and Liquidity in Selected Advanced and Emerging Market Economies

(Percent unless noted otherwise)

Policy rate hikes since the crisis have been limited thus far, except in Latin America, where in a number of countries capacity constraints appear tighter than elsewhere in the world. Nonetheless, short-term interest rates generally remain low in real terms, appreciably below precrisis levels, with the exception of Japan because of deflation. Expectations are for broadly stable policy rates in the advanced economies over the coming year.



Sources: Bloomberg Financial Markets; Consensus Economics; Eurostat; Haver Analytics; and IMF staff calculations.

¹Three-month treasury bill.

²Relative to core inflation (except for Argentina and Colombia, where headline inflation is used because of unavailable data on core inflation).

³Expectations are based on the federal funds rate for the United States, the sterling overnight interbank average rate for the United Kingdom, and the euro interbank offered forward rates for Europe; updated September 7, 2011.

⁴Dashed lines are from the April 2011 *World Economic Outlook*.

⁵Argentina, Brazil, Chile, Colombia, Mexico, and Peru.

⁶Bulgaria, Hungary, Poland, Romania, and Russia.

⁷China, India, Indonesia, Malaysia, Philippines, and Thailand.