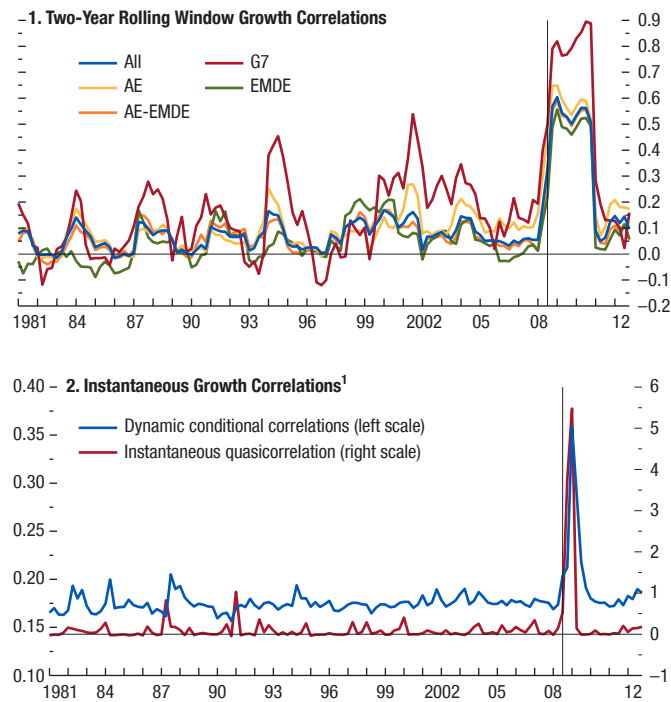## Figure 3.3. Output Comovements: Back to Precrisis Levels?

The use of shorter-period or instantaneous correlations indicates that output comovements have already returned to precrisis levels.

1. Two-Year Rolling Window Growth Correlations

2. Instantaneous Growth Correlations[1]

Sources: Haver Analytics; IMF, *World Economic Outlook*; Organization for Economic Cooperation and Development; and IMF staff calculations.

Note: The vertical line indicates the third quarter of 2008. All = all country pairs; AE = advanced economy pairs; EMDE = emerging market and developing economy pairs; AE-EMDE = reporter is from advanced economy, partner is from emerging market and developing economy; G7 = G7 country pairs. See Appendix 3.1 for country groupings.

[1]Based on mGARCH dynamic conditional correlations (plotted on the left y-axis) and on average quasicorrelations (plotted on the right y-axis). The blue line shows dynamic conditional correlations from the mGARCH model of G20 quarterly GDP growth rates. The red line shows the simple average of $(g_{it} - \bar{g}_i)(g_{jt} - \bar{g}_j)/\sigma_i \sigma_j$.