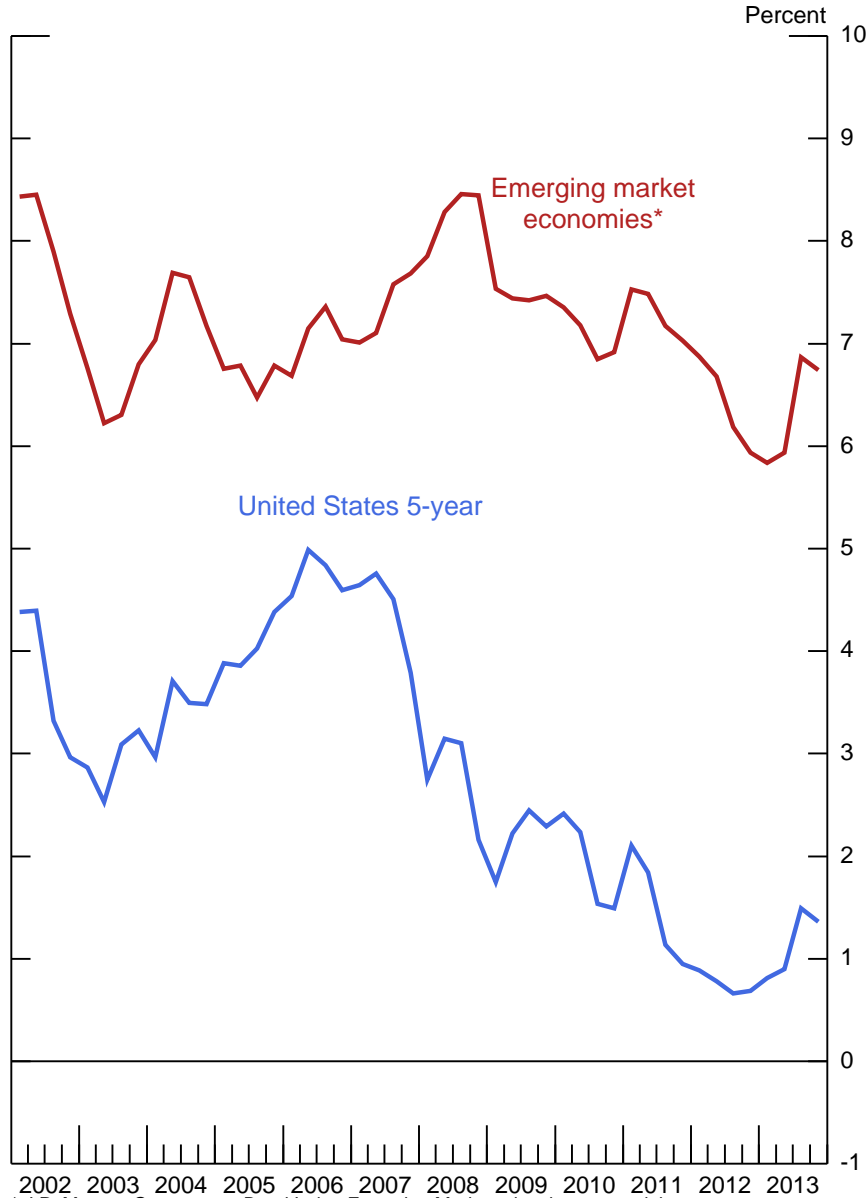


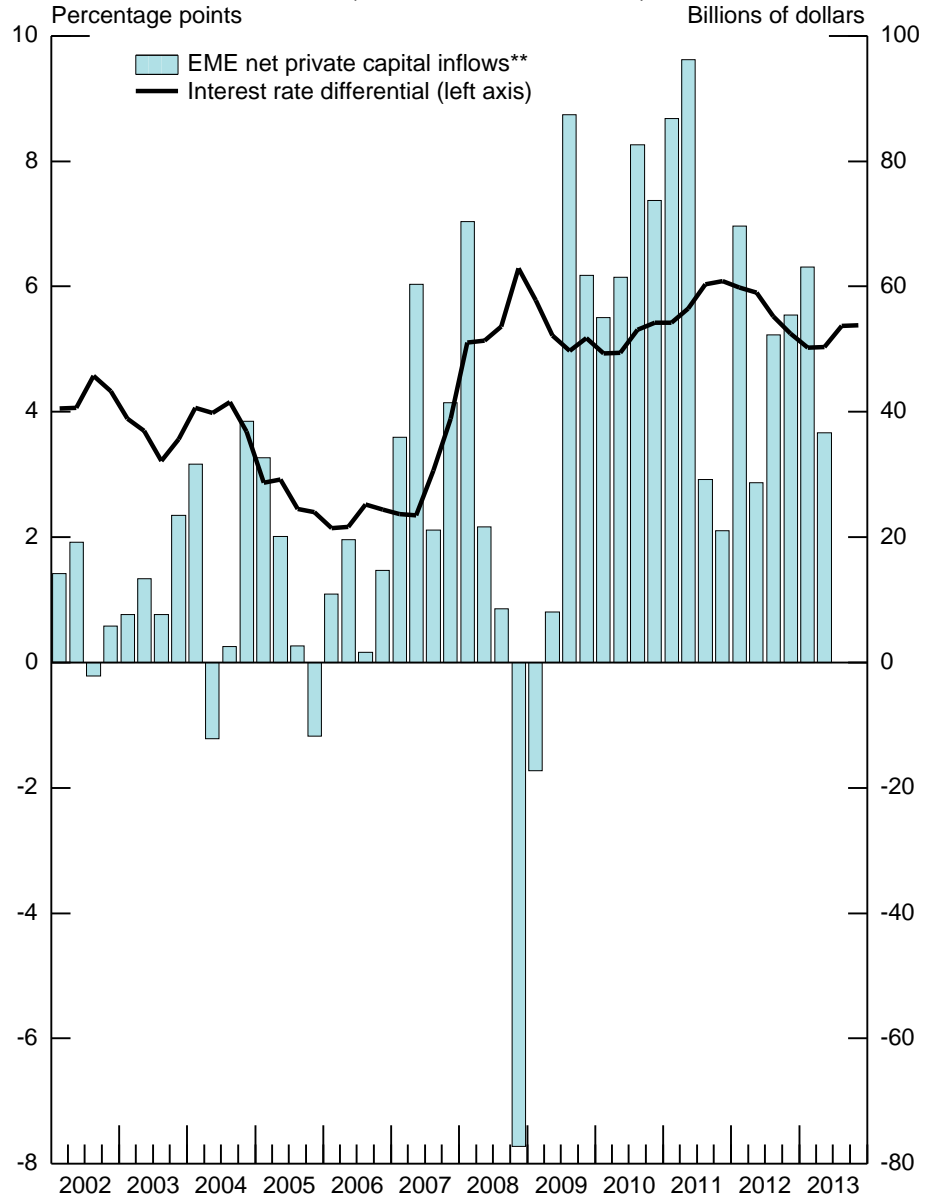
Chart 1

Interest Rates and EME Capital Inflows

Government Bond Yields



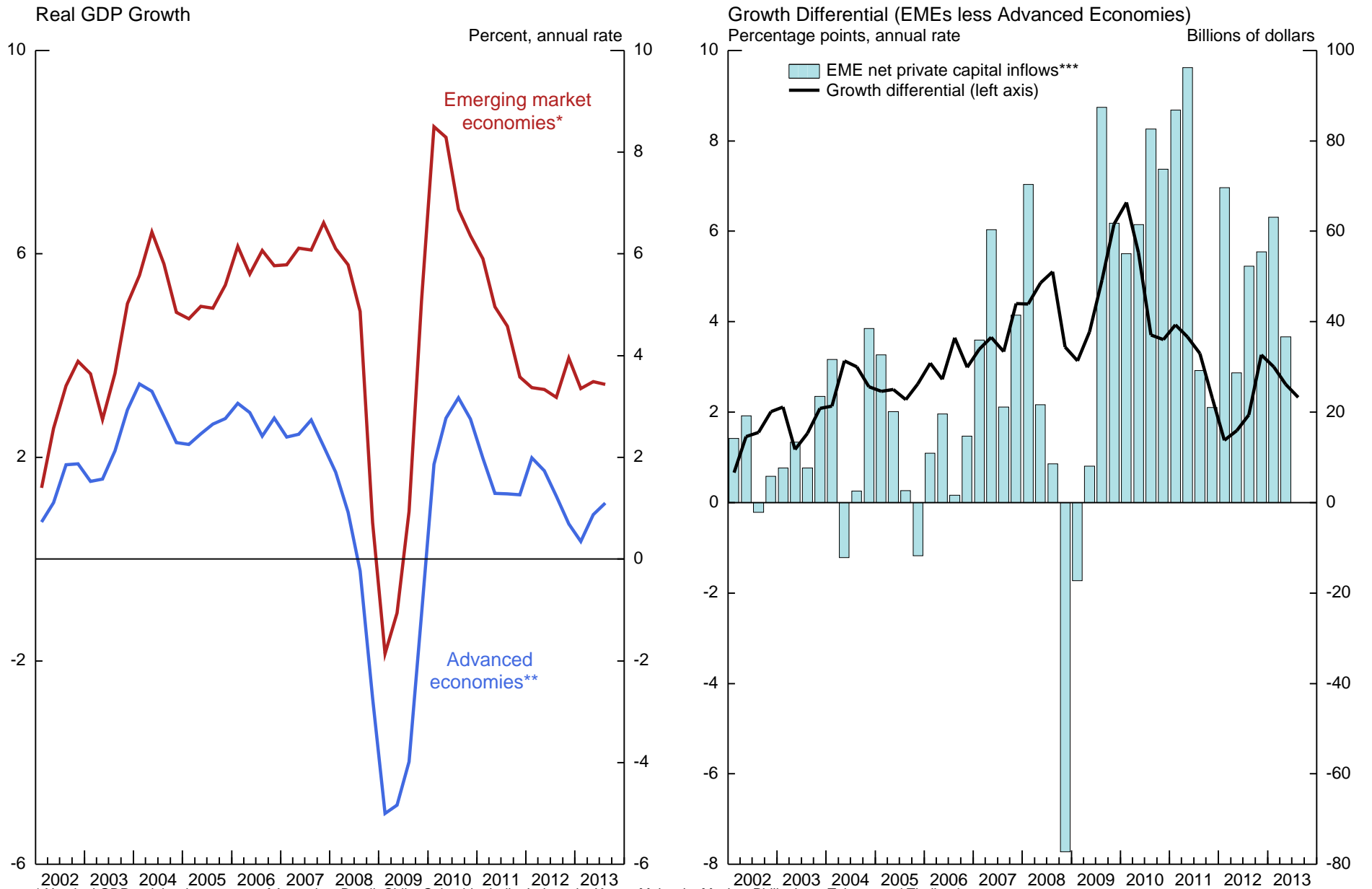
Interest Rate Differential (EME less United States)



* J.P. Morgan Government Bond Index-Emerging Markets, local currency debt.
** Balance of payments data. Includes Argentina, Brazil, Chile, Colombia, India, Indonesia, Korea, Malaysia, Mexico, Philippines, Taiwan, and Thailand.
Source: Bloomberg, Haver, IMF International Financial Statistics, and J.P. Morgan.

Chart 2

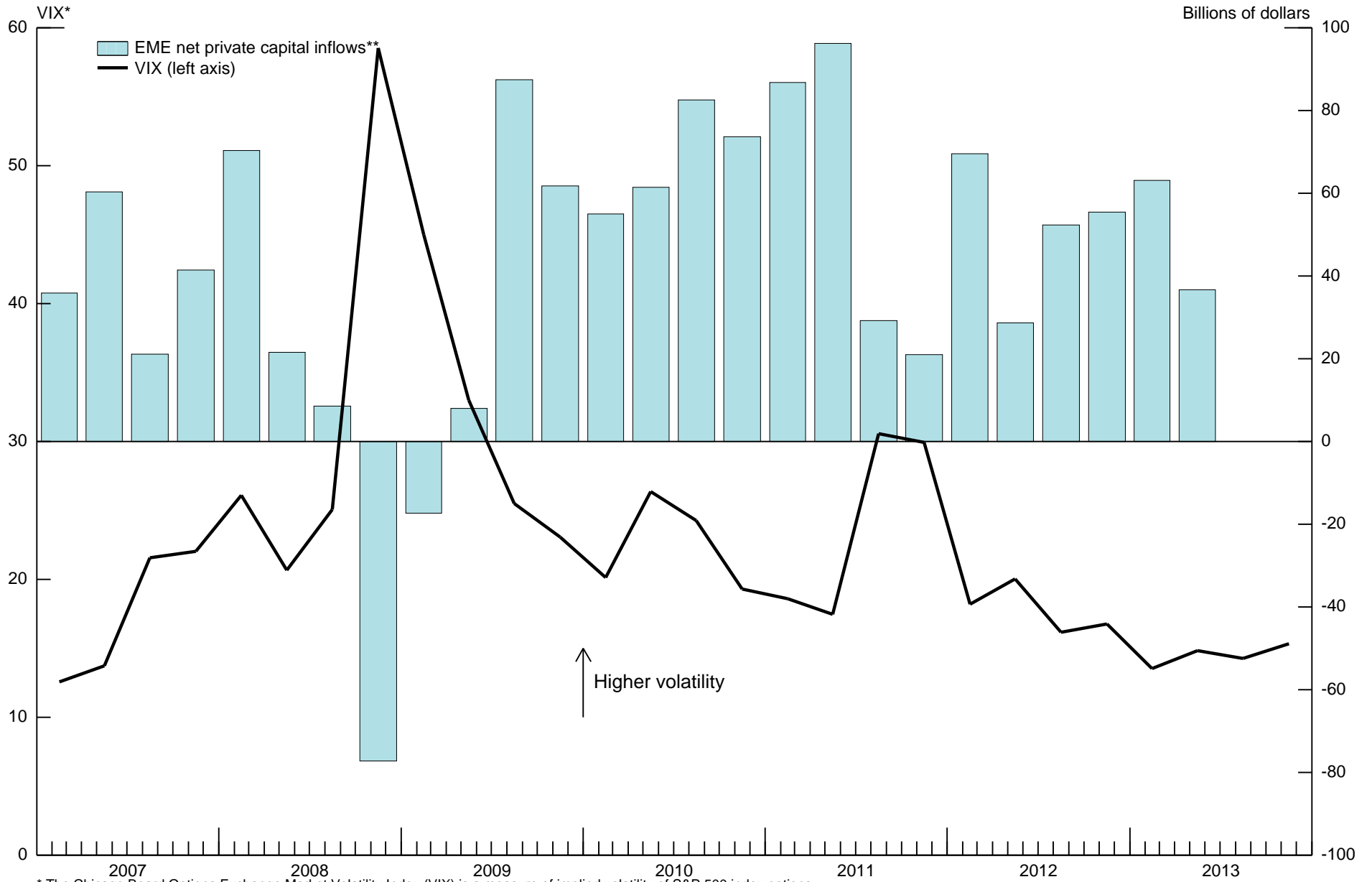
Real GDP Growth and EME Capital Inflows



* Nominal GDP weighted aggregate of Argentina, Brazil, Chile, Colombia, India, Indonesia, Korea, Malaysia, Mexico, Philippines, Taiwan, and Thailand.
 ** Nominal GDP weighted aggregate of Australia, Canada, euro area, Japan, Sweden, United Kingdom, and United States.
 *** Balance of payments data. Includes Argentina, Brazil, Chile, Colombia, India, Indonesia, Korea, Malaysia, Mexico, Philippines, Taiwan, and Thailand.
 Source: Staff calculations based on data from Haver and IMF World Economic Outlook.

Chart 3

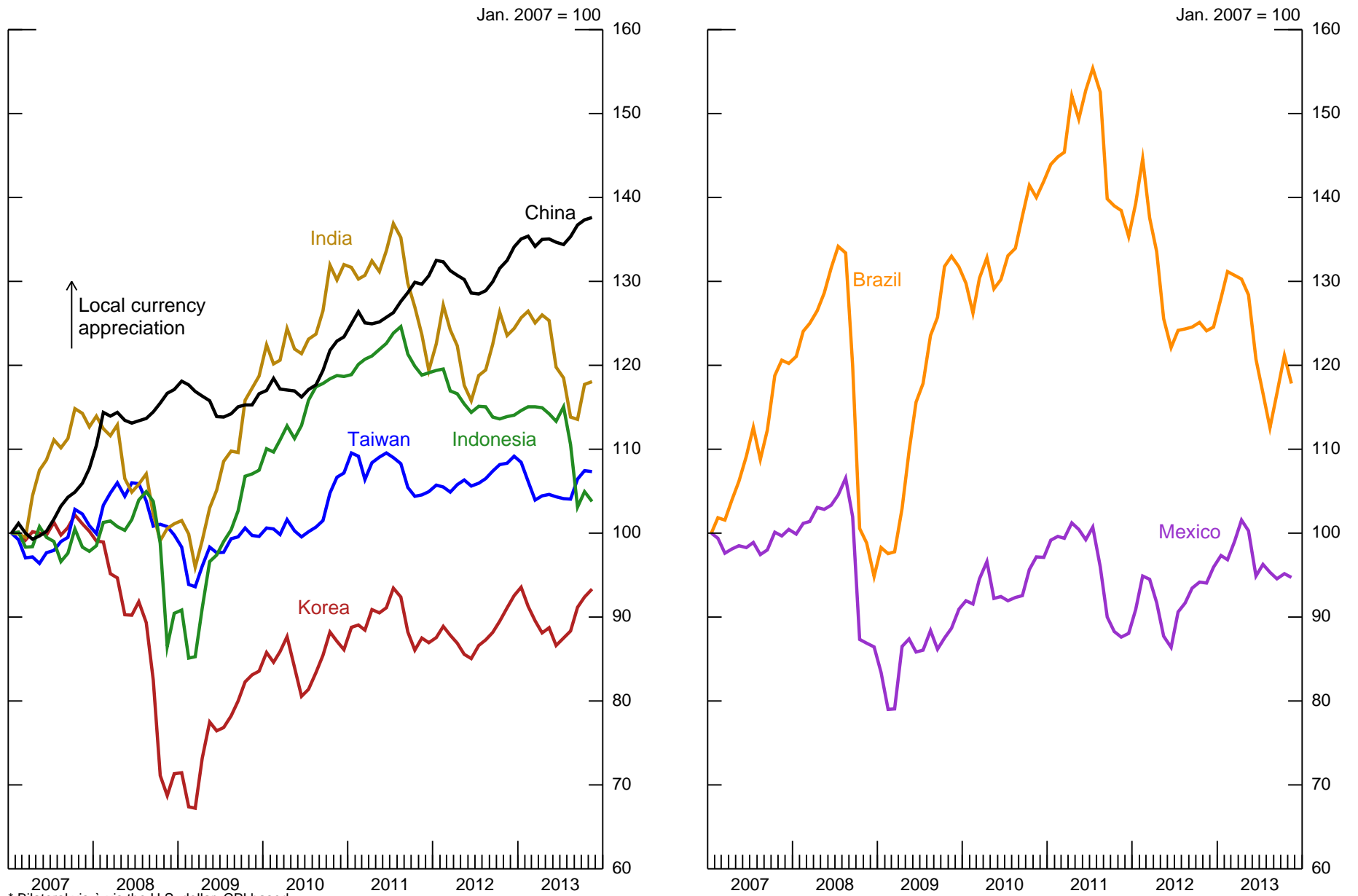
Risk and EME Capital Inflows



* The Chicago Board Options Exchange Market Volatility Index (VIX) is a measure of implied volatility of S&P 500 index options.
** Balance of payments data. Includes Argentina, Brazil, Chile, Colombia, India, Indonesia, Korea, Malaysia, Mexico, Philippines, Taiwan, and Thailand.
Source: Bloomberg, Haver, and IMF International Financial Statistics.

Chart 4

Real Exchange Rates*



* Bilateral vis-à-vis the U.S. dollar, CPI based.
Source: Staff calculations based on data from Bloomberg, Federal Reserve Board, and Haver.

Chart 5

EME Equity Prices

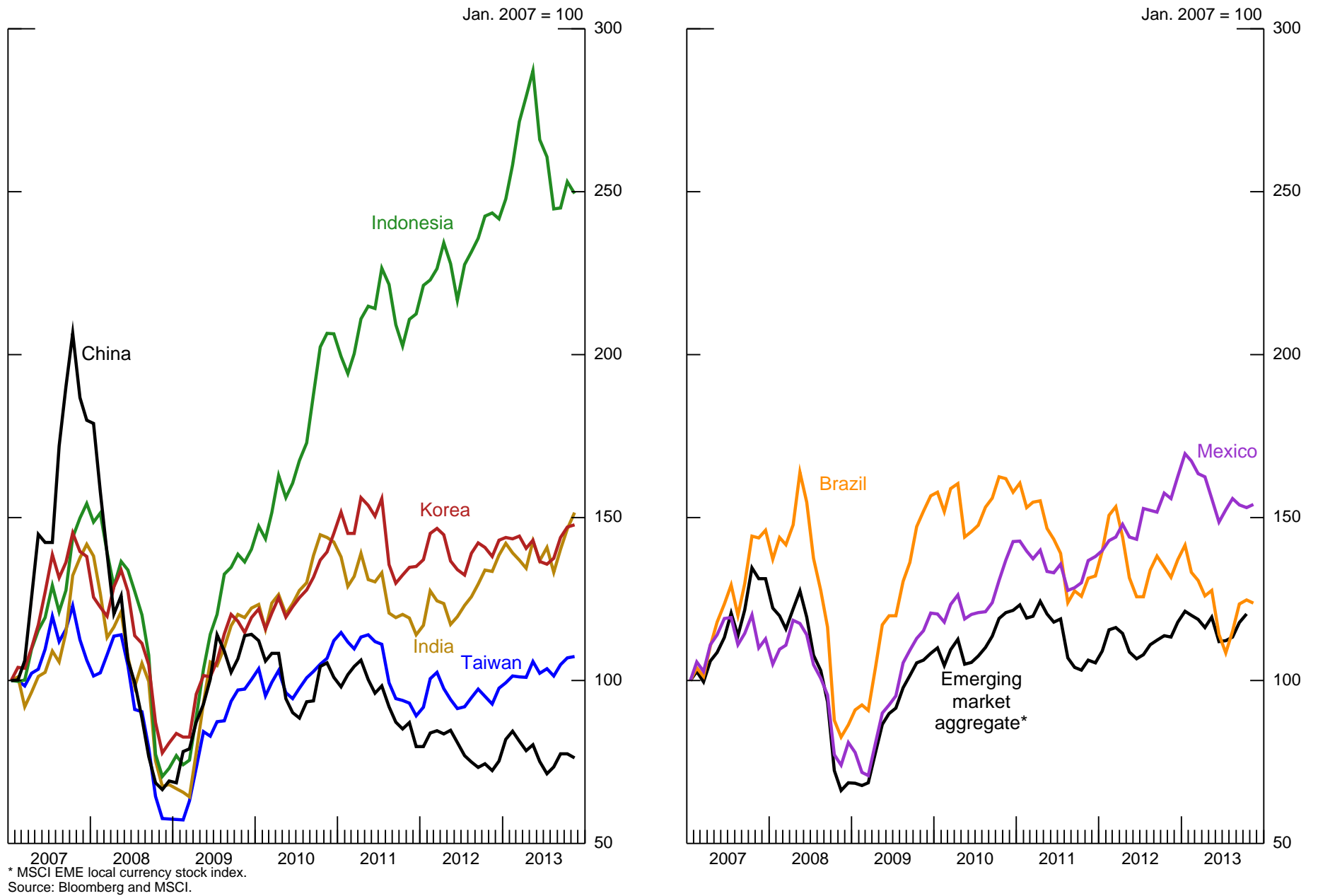
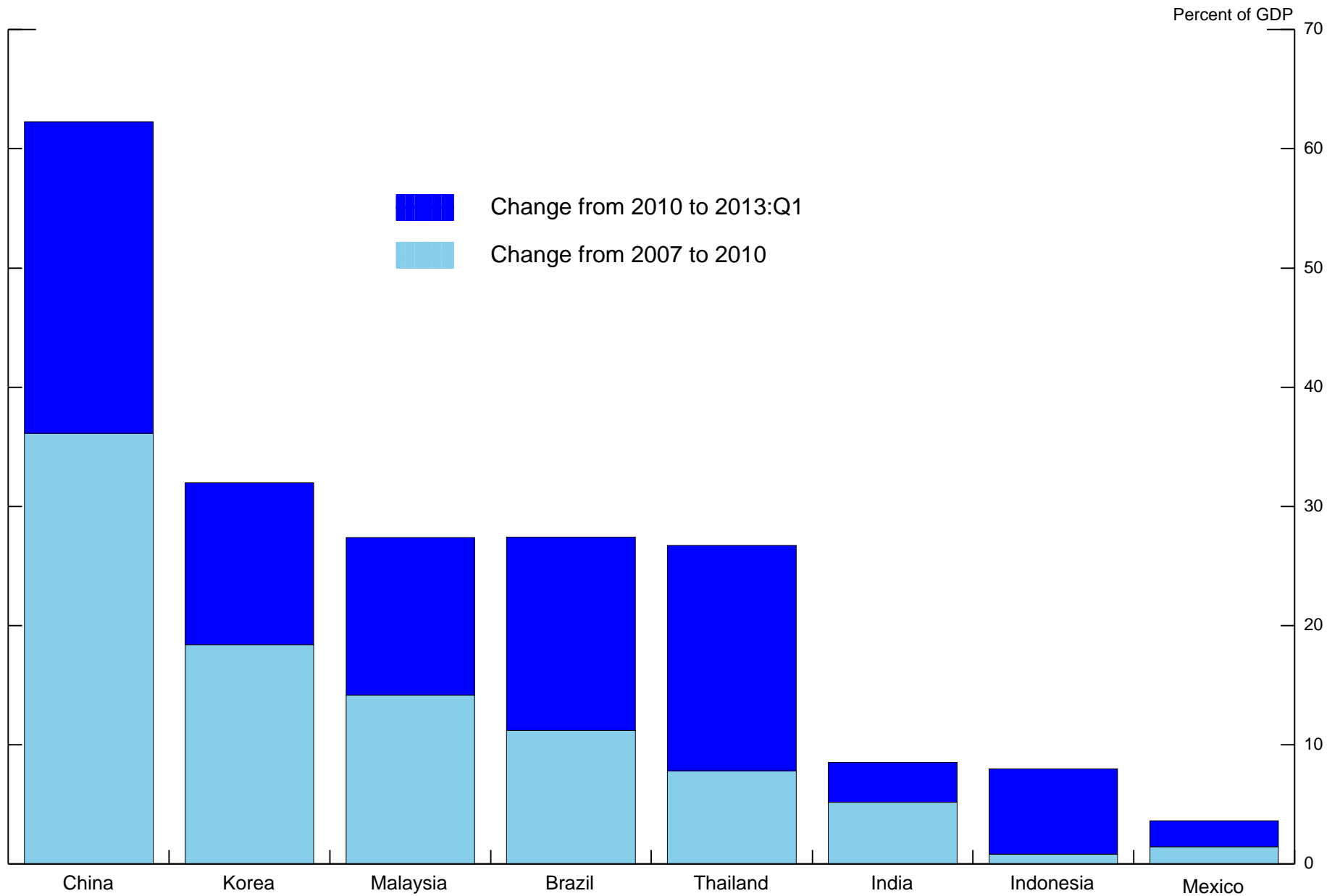


Chart 6

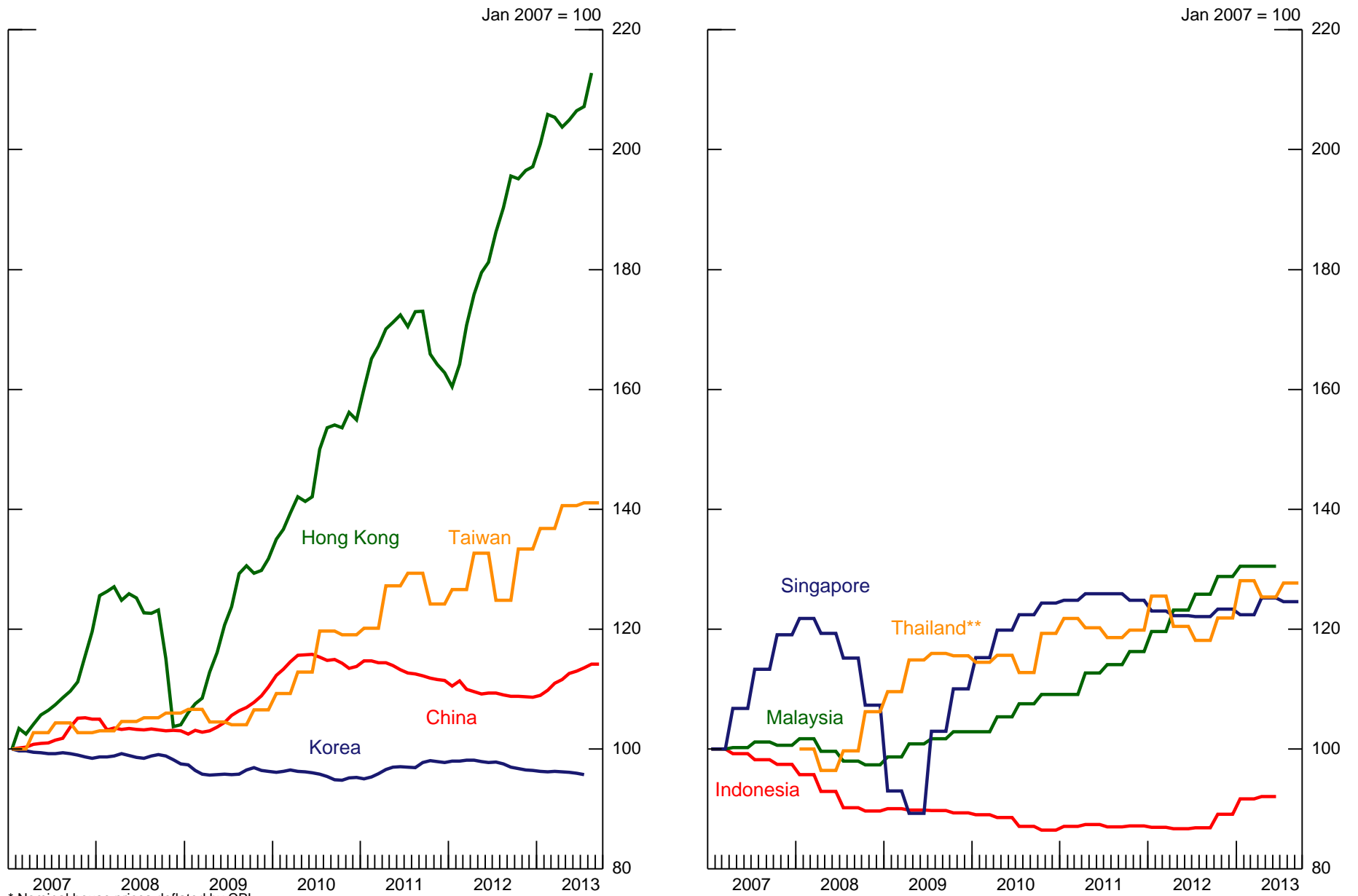
Credit to Private Sector*



* Total credit to the nonfinancial private sector as a percent of nominal GDP.
Source: Staff calculations based on data from Bank for International Settlements and Haver.

Chart 7

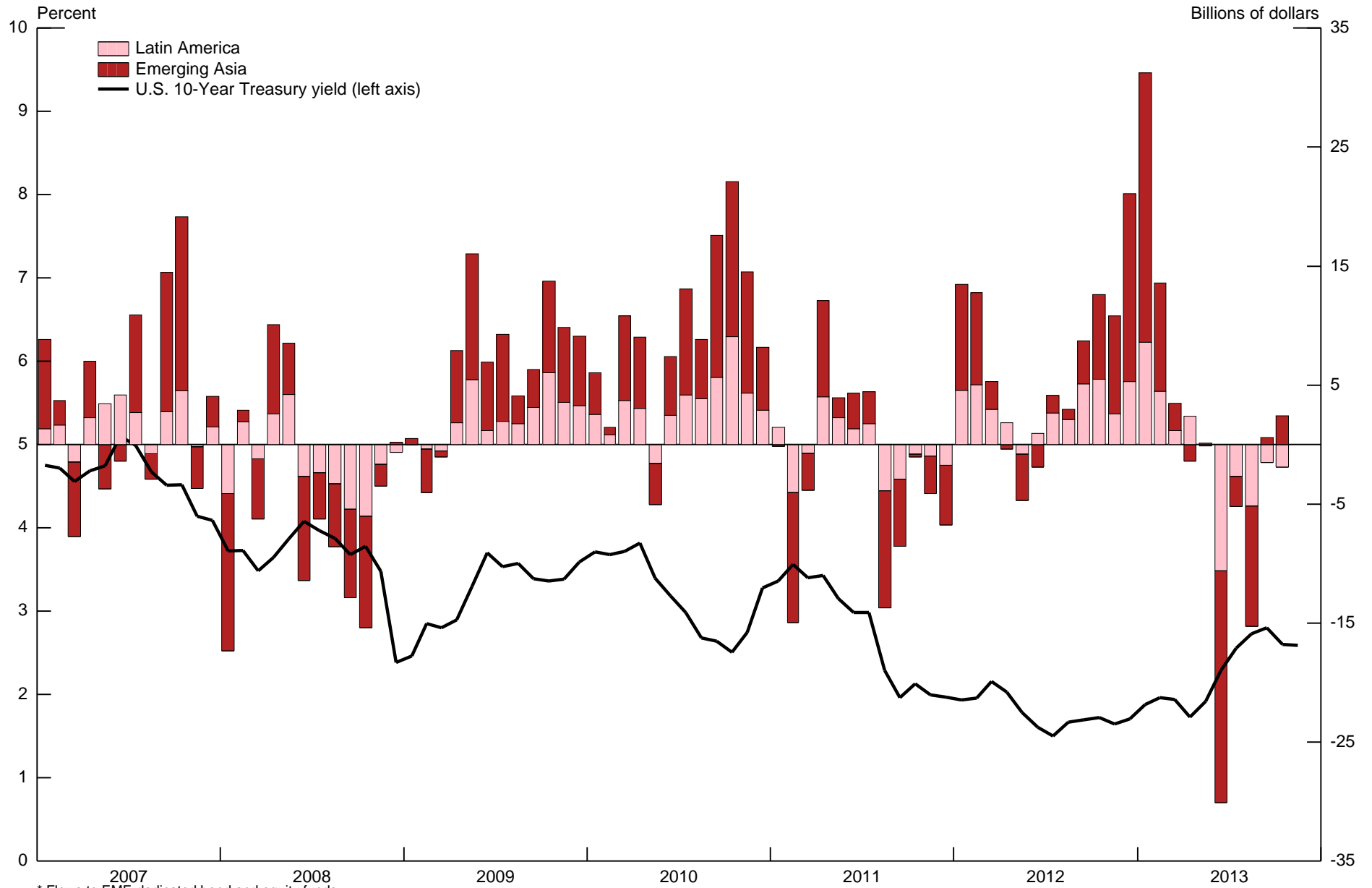
Asian Real House Prices*



* Nominal house prices deflated by CPI.
** Series indexed to start date, March 2008.
Source: CEIC and Haver.

Chart 8

EME Bond and Equity Fund Flows*



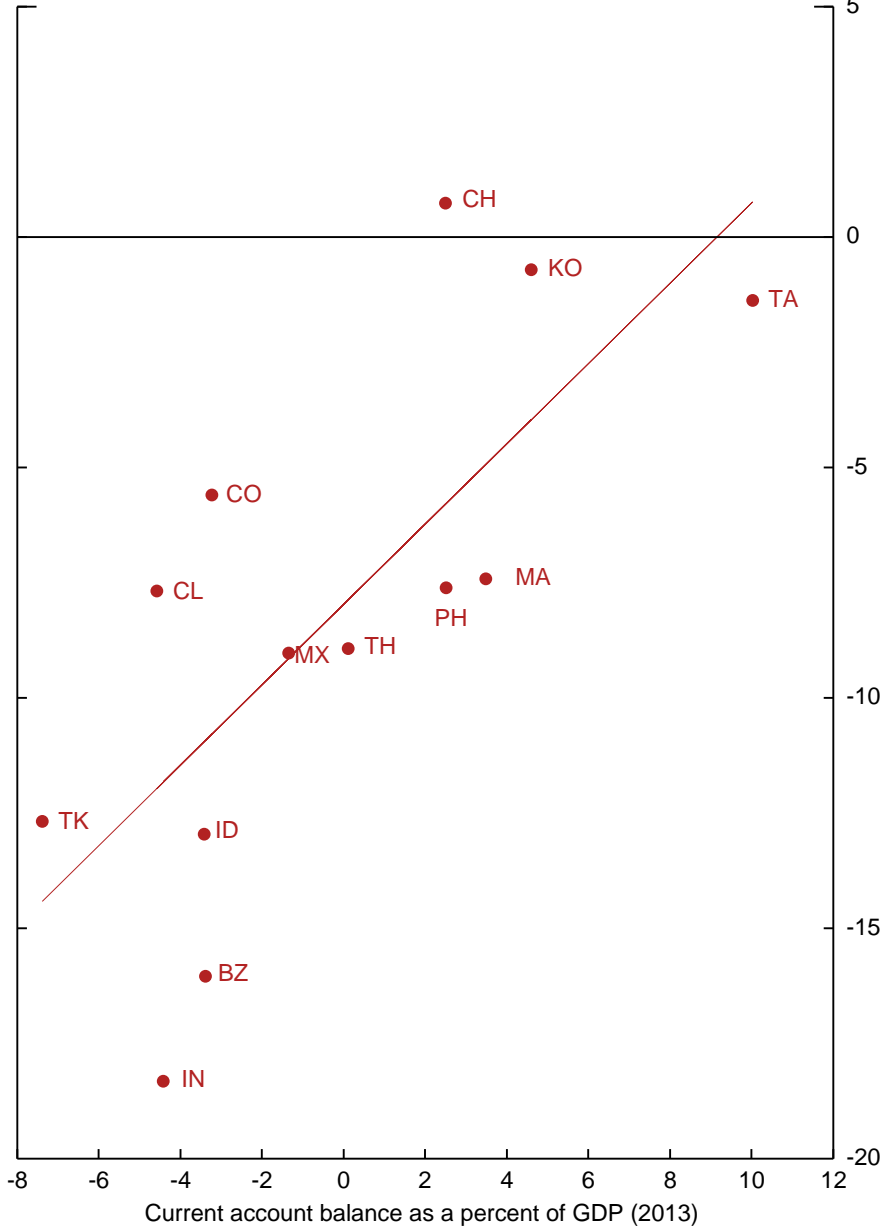
* Flows to EME-dedicated bond and equity funds.
Source: Bloomberg and Emerging Portfolio Fund Research.

Chart 9

Differentiation Across EMEs

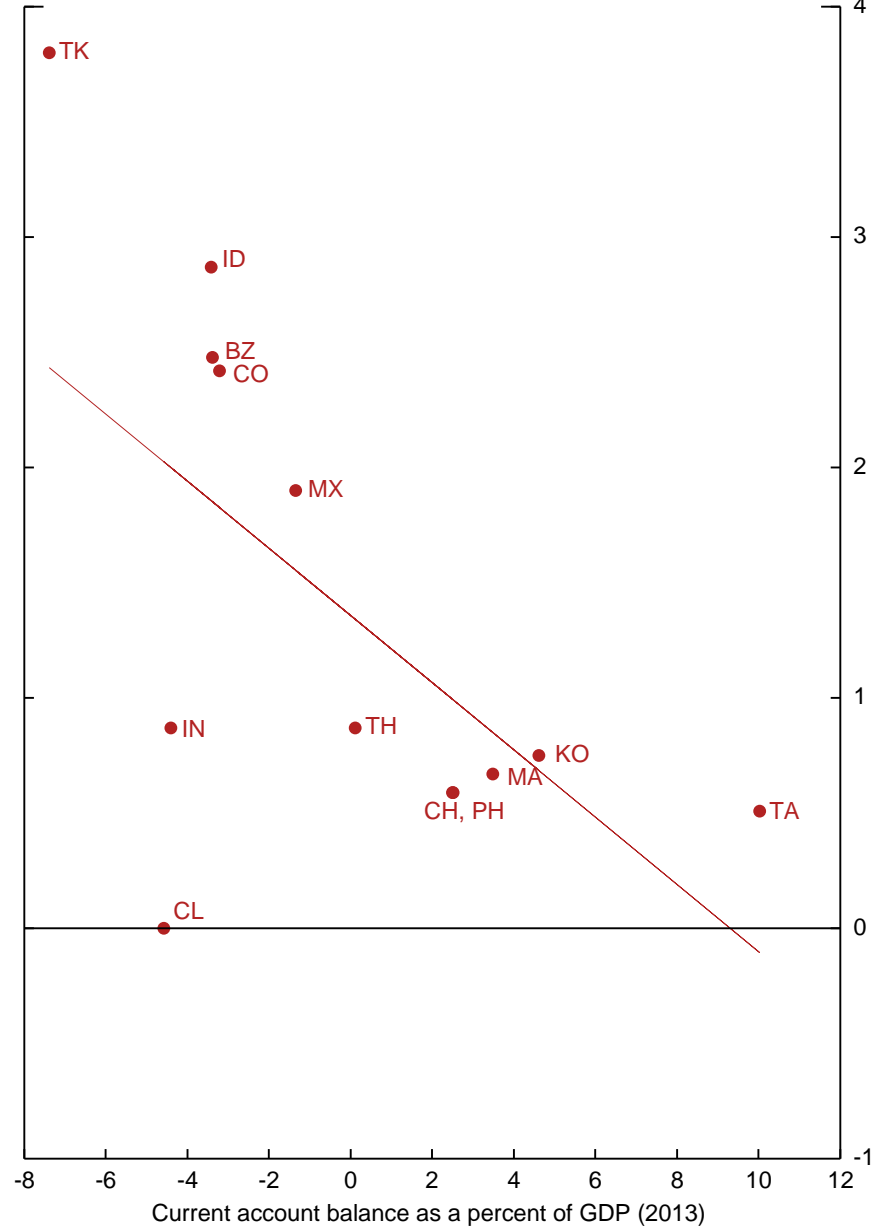
Exchange Rate Appreciation versus Current Account Balance*

Percent appreciation (end-April to end-August)



Bond Yield Increases versus Current Account Balance*

Percentage point increase (end-April to end-August)



* Exchange rate appreciation against U.S. dollar; bond yields are 9- or 10-year local currency bond yields; 2013 current account balance is IMF World Economic Outlook projection.
Source: Bloomberg, Haver, and IMF World Economic Outlook.