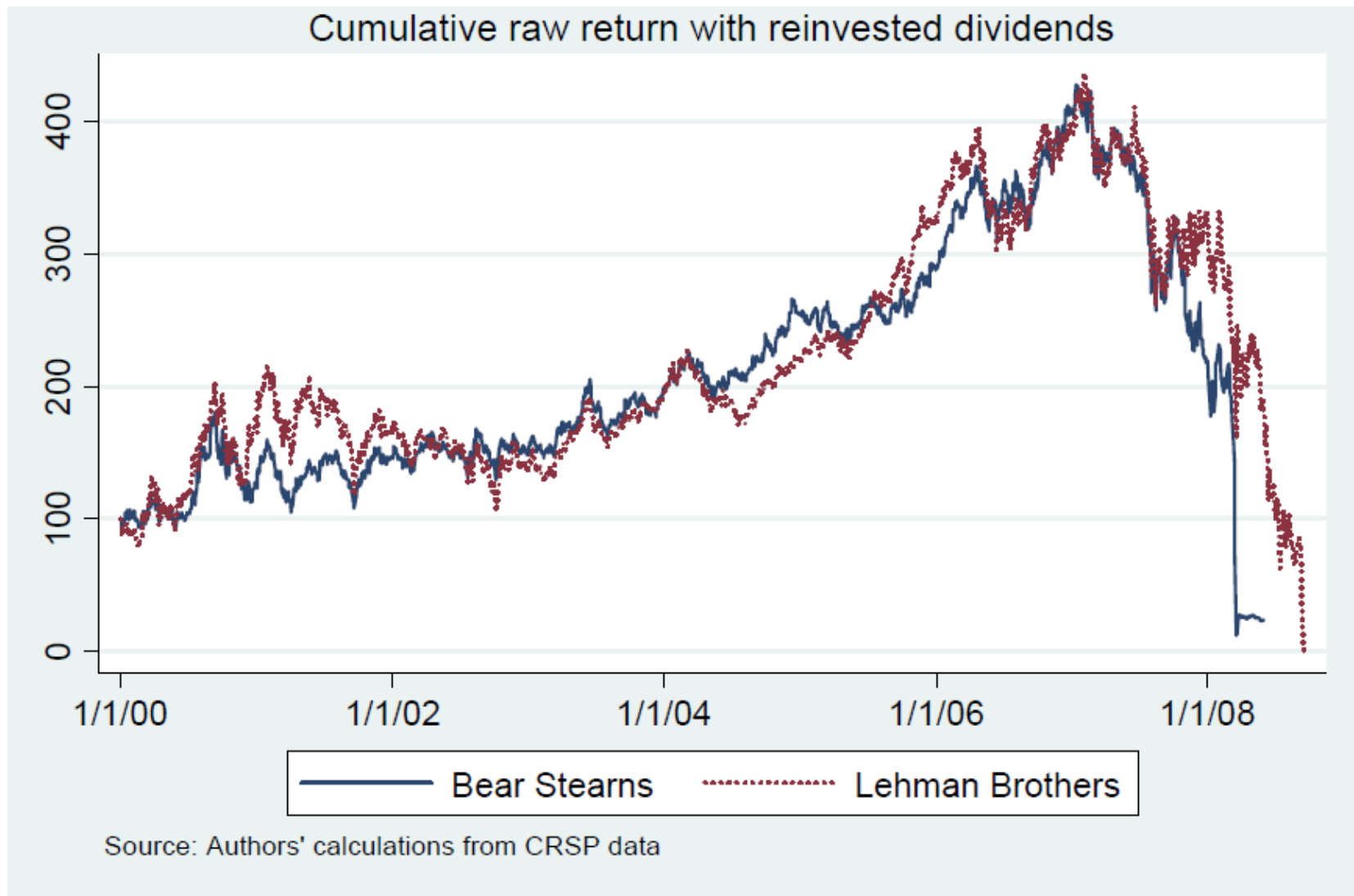


Bear and Lehman's Performance, 2000-2008

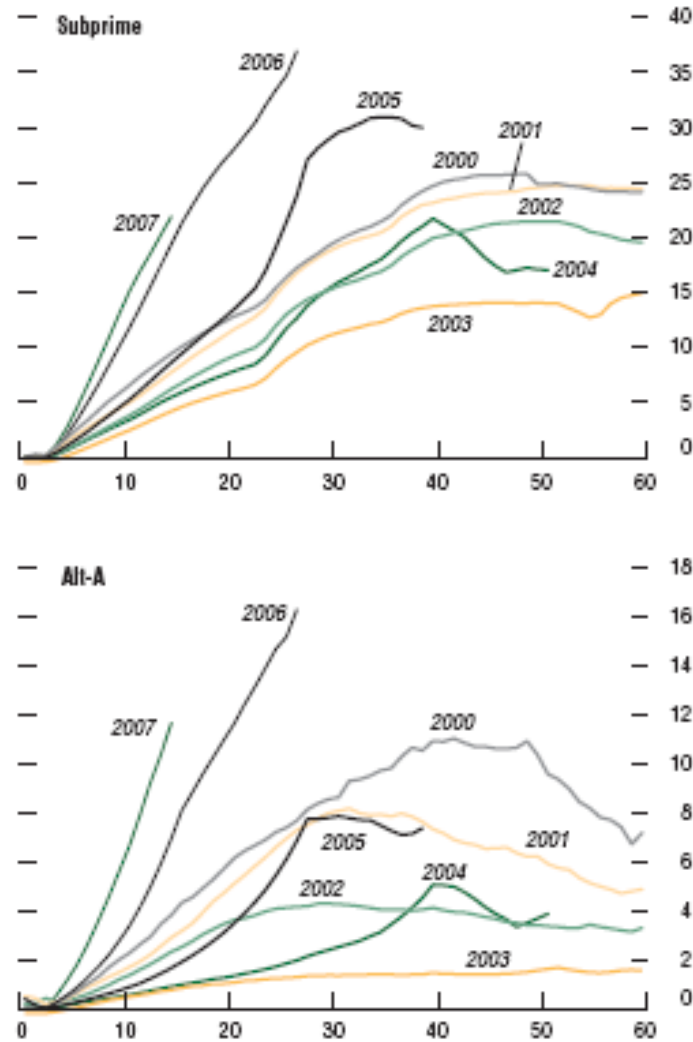
Jan 2000=100



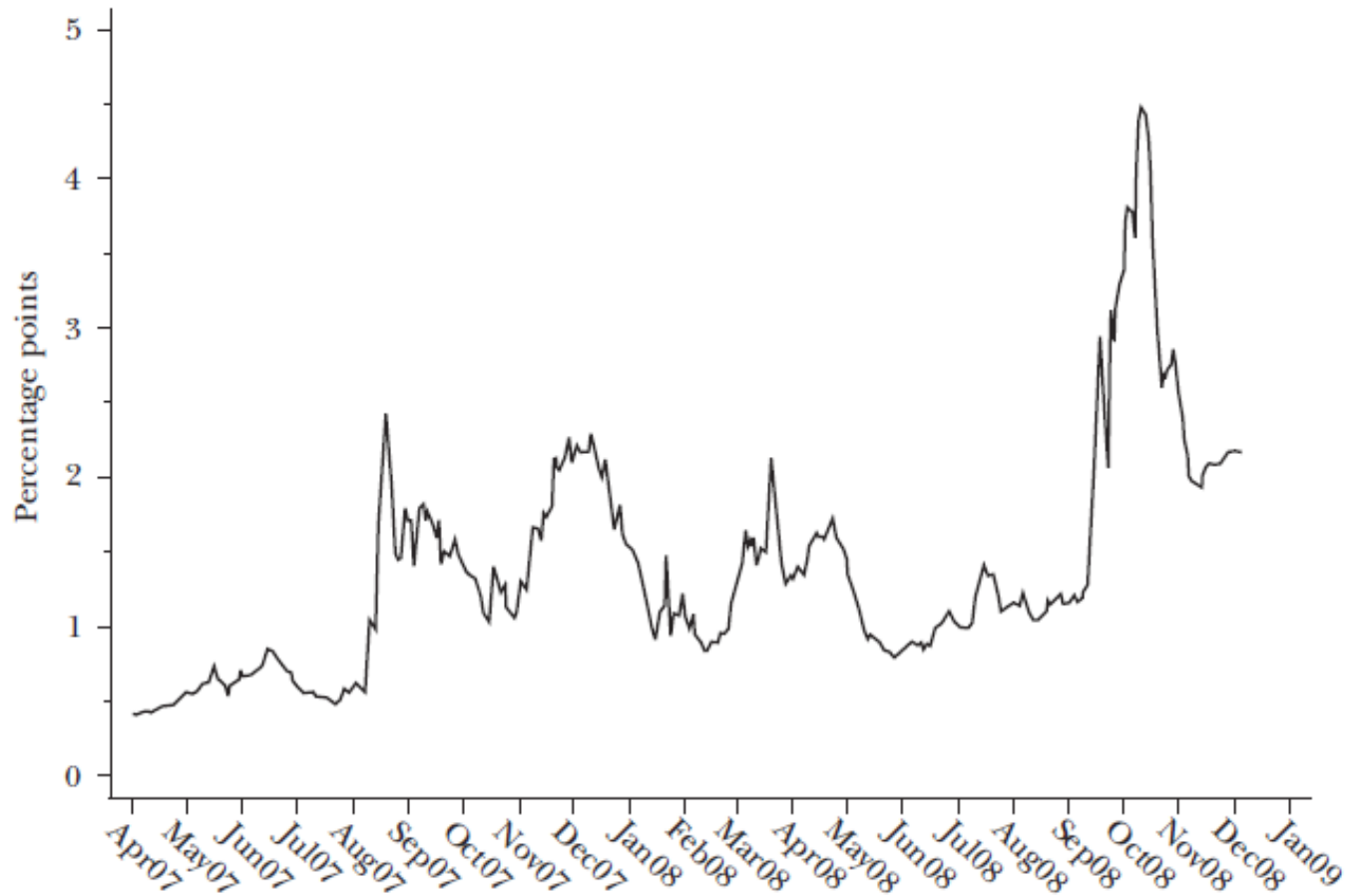
<http://www.boston.com/business/specials/lehman/>

Mortgage Delinquencies by Vintage year

Figure 1.8. U.S. Mortgage Delinquencies by Vintage Year
(60+ day delinquencies, in percent of original balance)



TED Spread

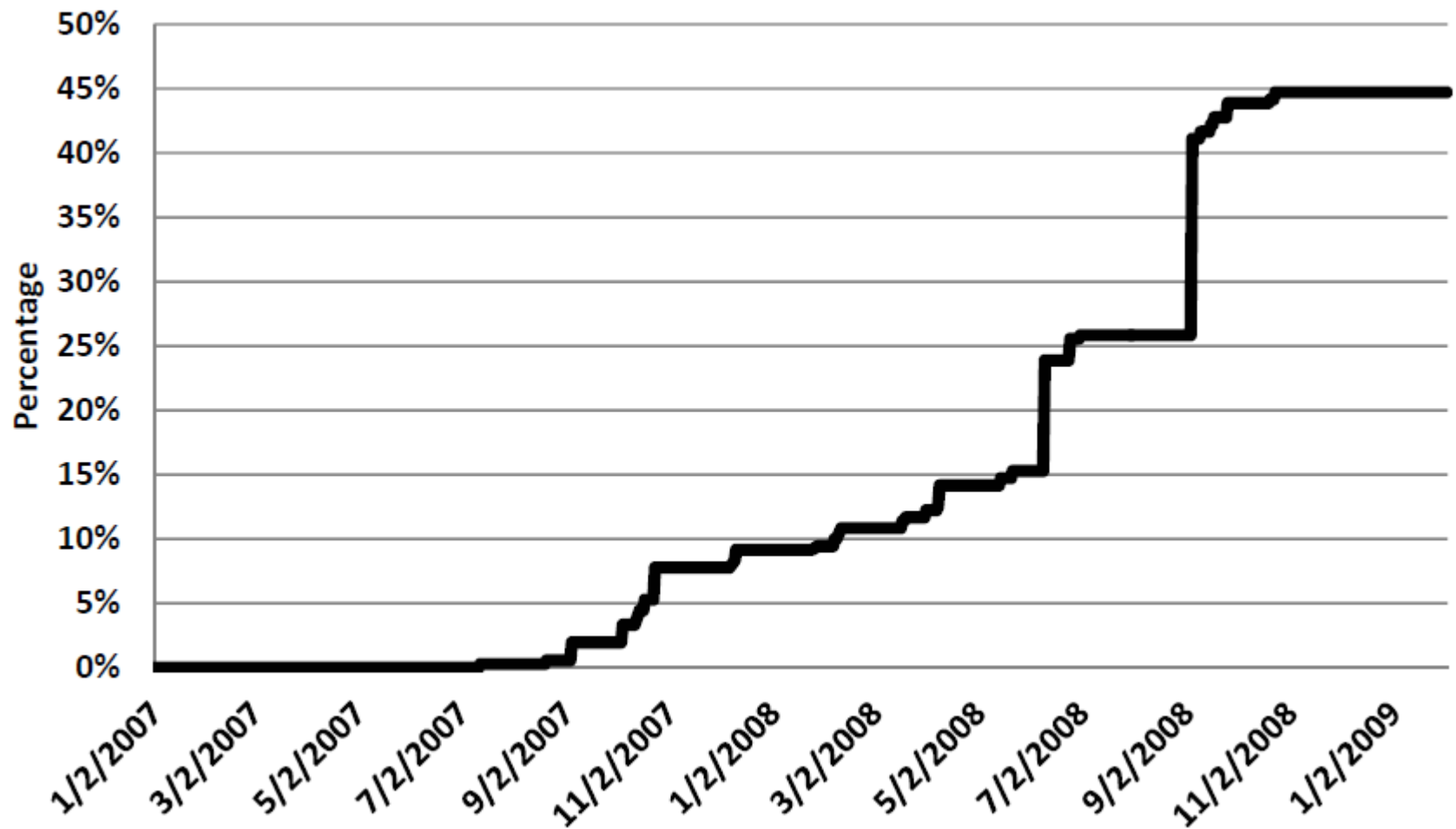


Source: Bloomberg.

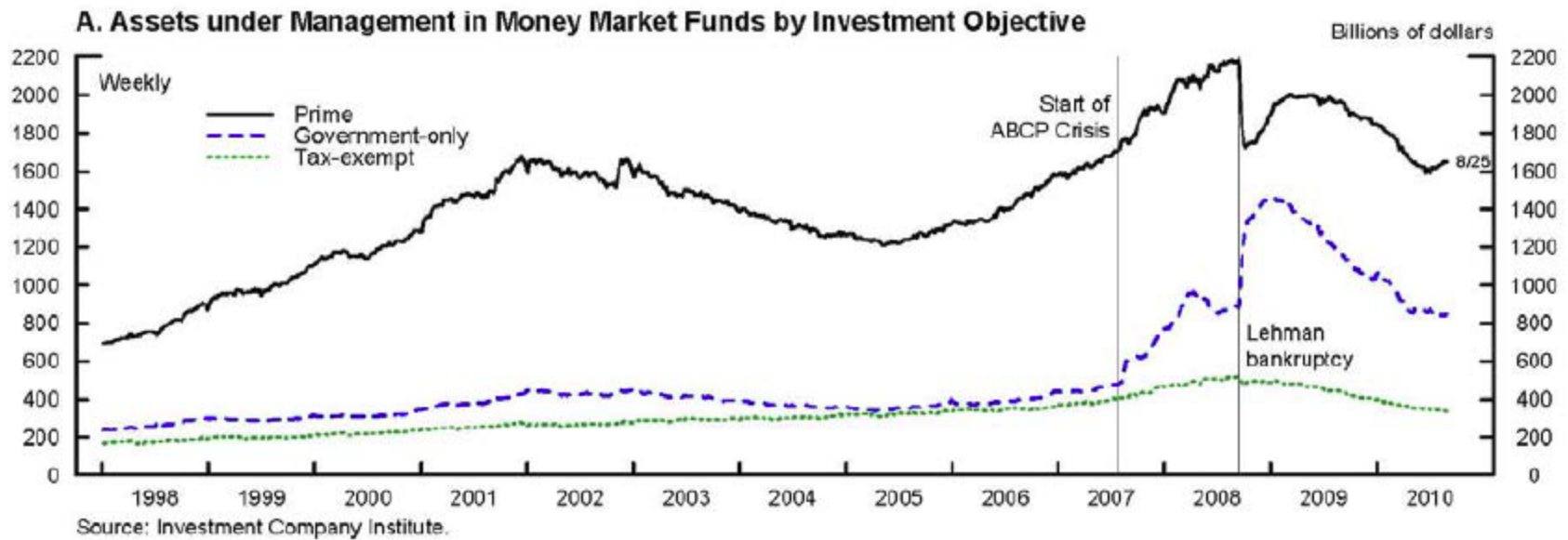
Note: The line reflects the TED spread, the interest rate difference between the LIBOR and the Treasury bill rate.

Average Haircuts

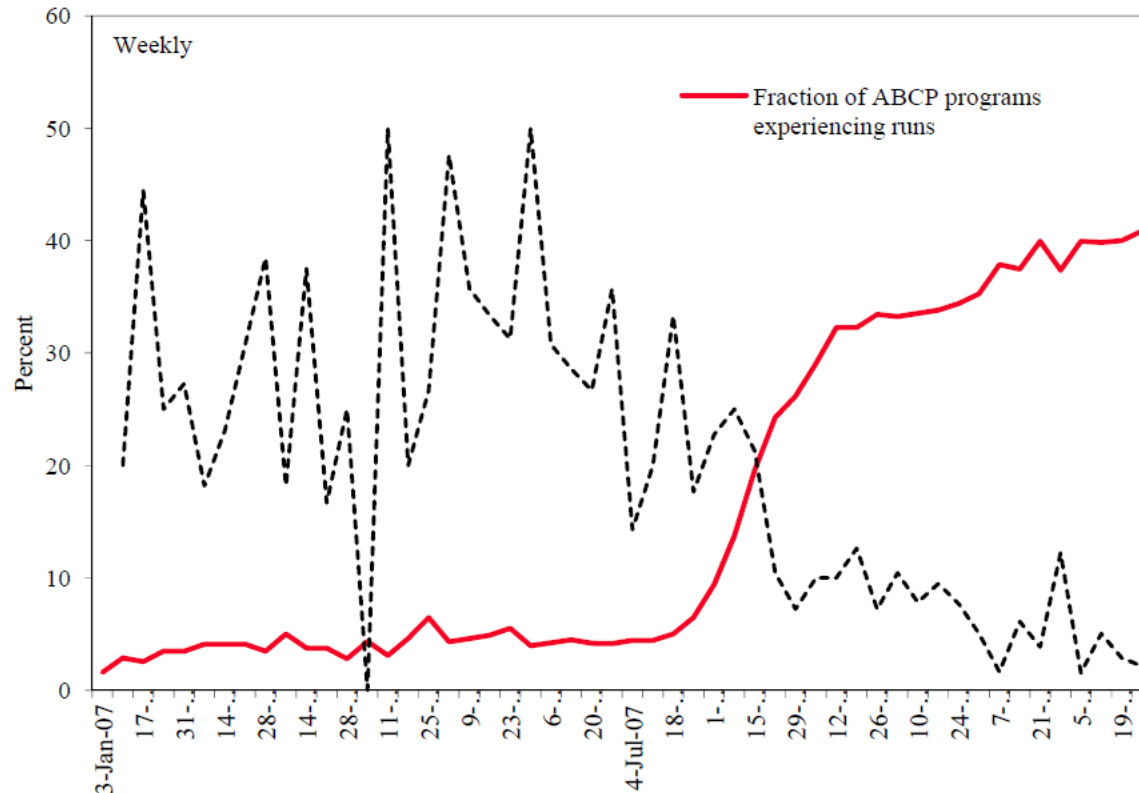
(on nine asset classes; equally weighted)



Money Market Funds

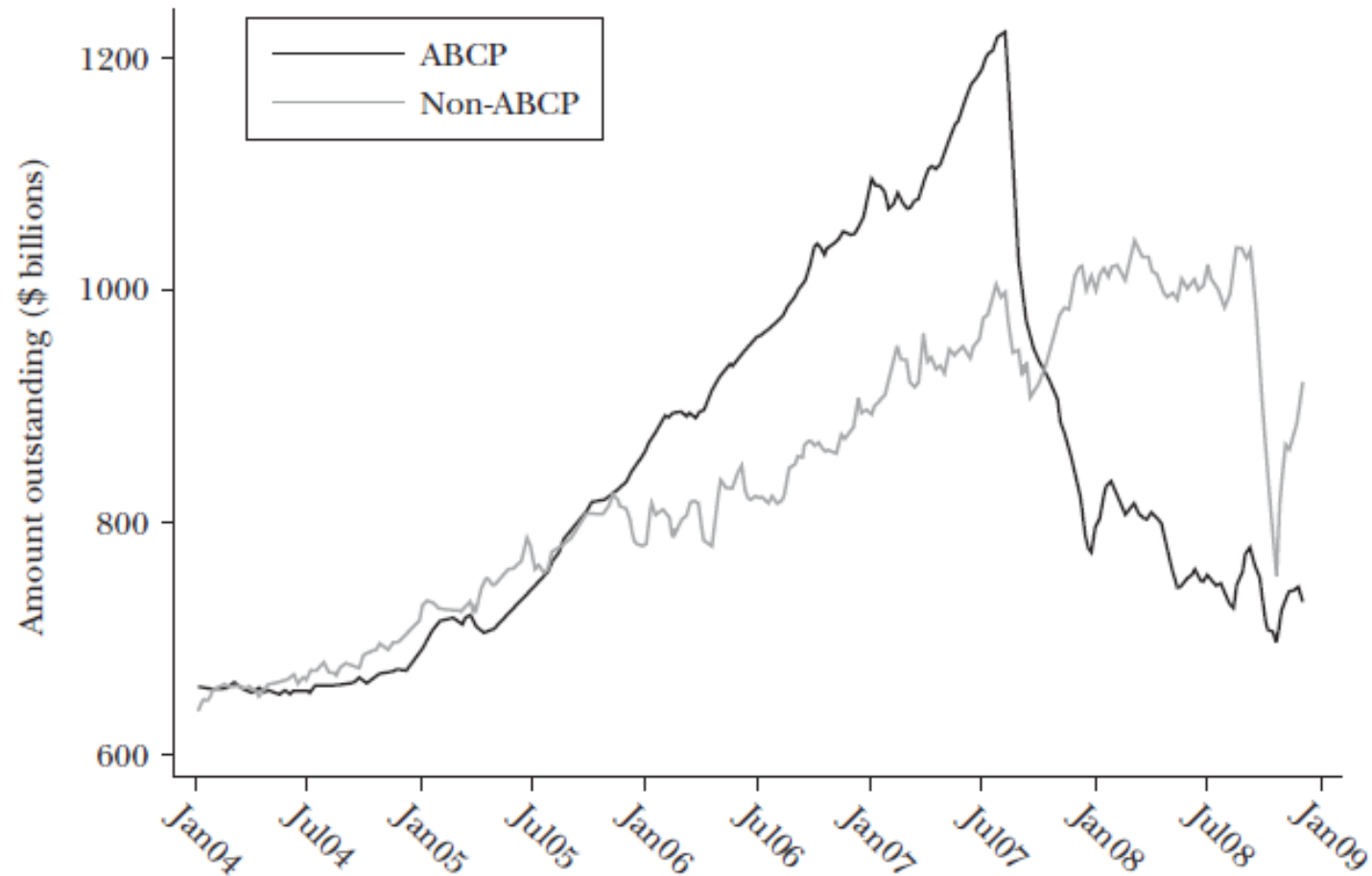


Runs on Asset-Backed Commercial Paper Programs



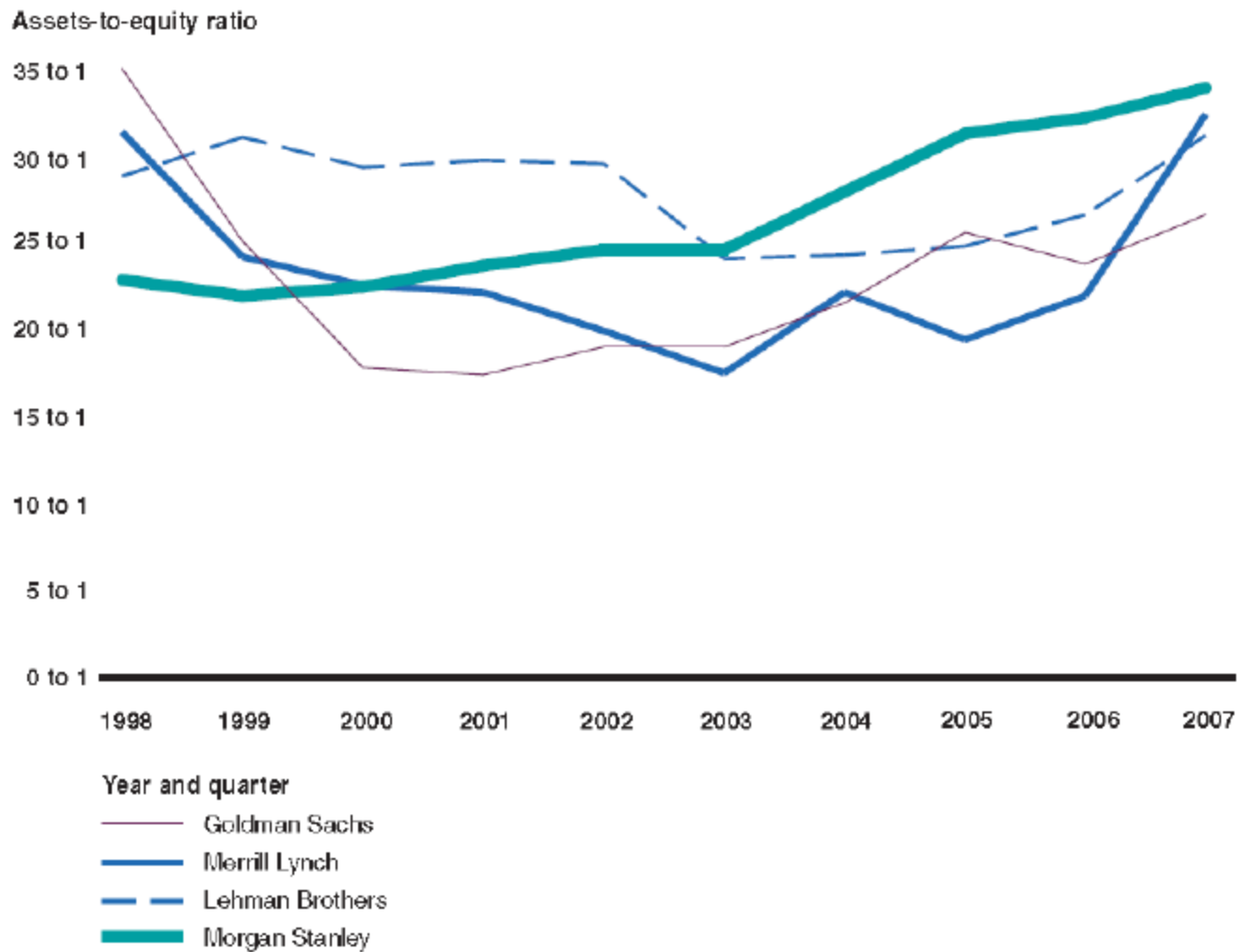
The solid line plots the percent of programs experiencing a run. We define that a program experiences a run in weeks when it does not issue paper but has at least 10% of paper maturing or when the program continues to not issue after experiencing a run in the previous week (see equation (1) in the text). The dotted line plots the unconditional probability of not experiencing a run in a given week after having experienced a run in the previous week (i.e., the hazard rate of leaving the run state). The figure is based on weekly data from DTCC on paper outstanding, maturities, and issuance for 339 ABCP programs in 2007.

Asset Backed vs Non-Asset Backed [Commercial Paper](#)



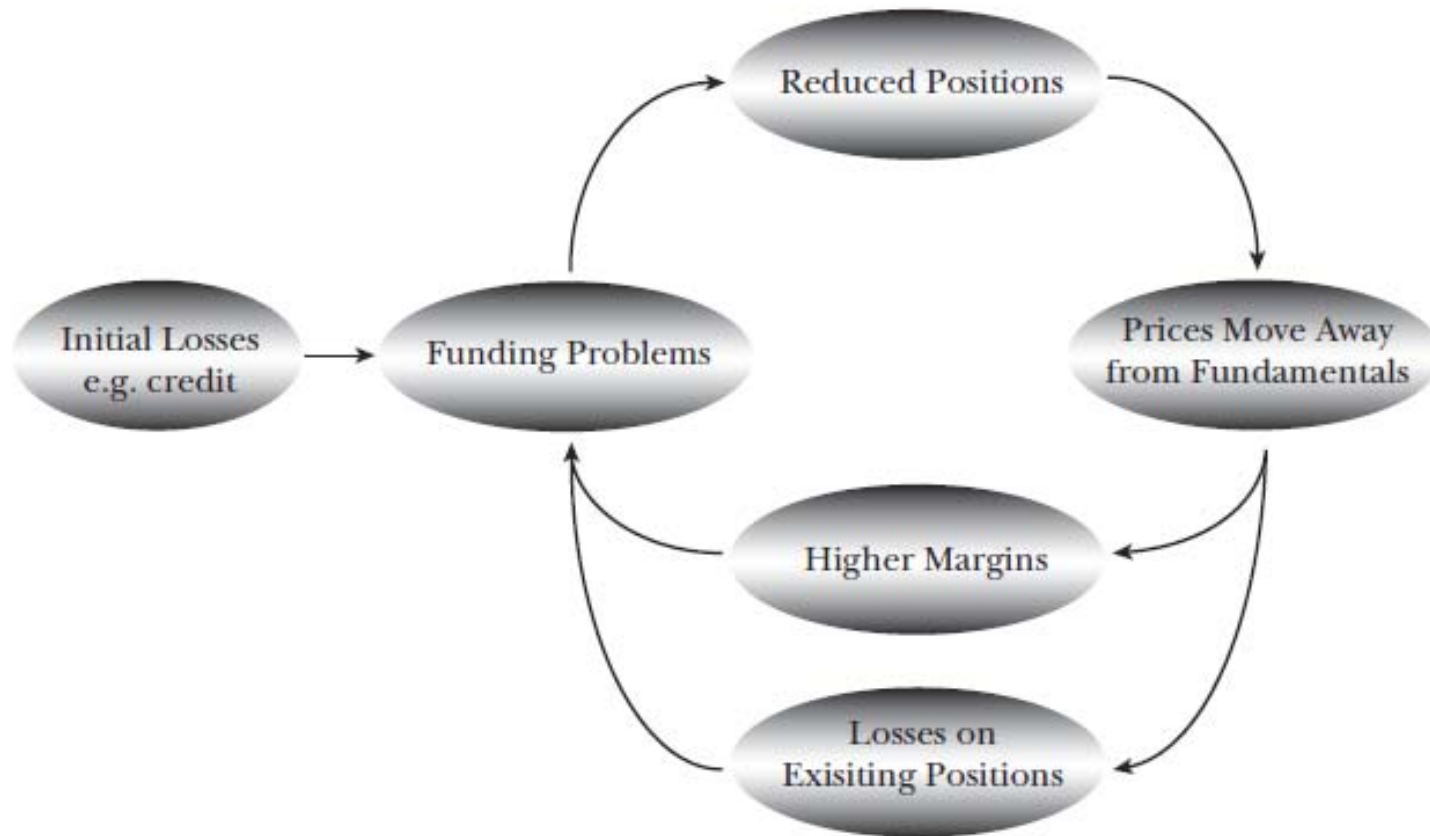
Source: Federal Reserve Board.

Leverage Ratios at Four Investment Banks



Source: GAO analysis of the firms' annual report data.

Two Liquidity Spirals



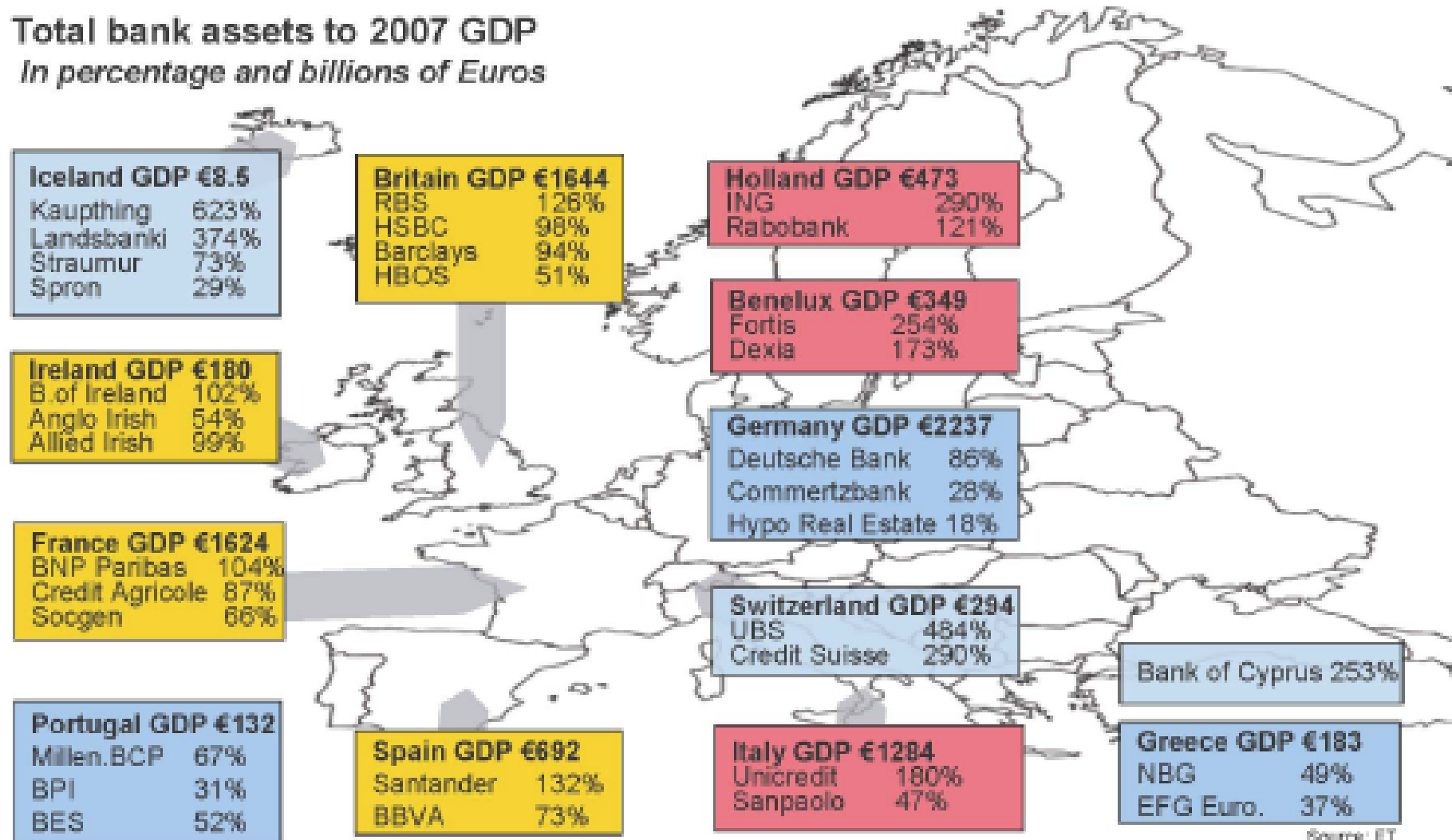
Source: Brunnermeier and Pedersen (forthcoming).

Note: Funding problems force leveraged investors to unwind their positions causing 1) more losses and 2) higher margins and haircuts, which in turn exacerbate the funding problems and so on.

Banking

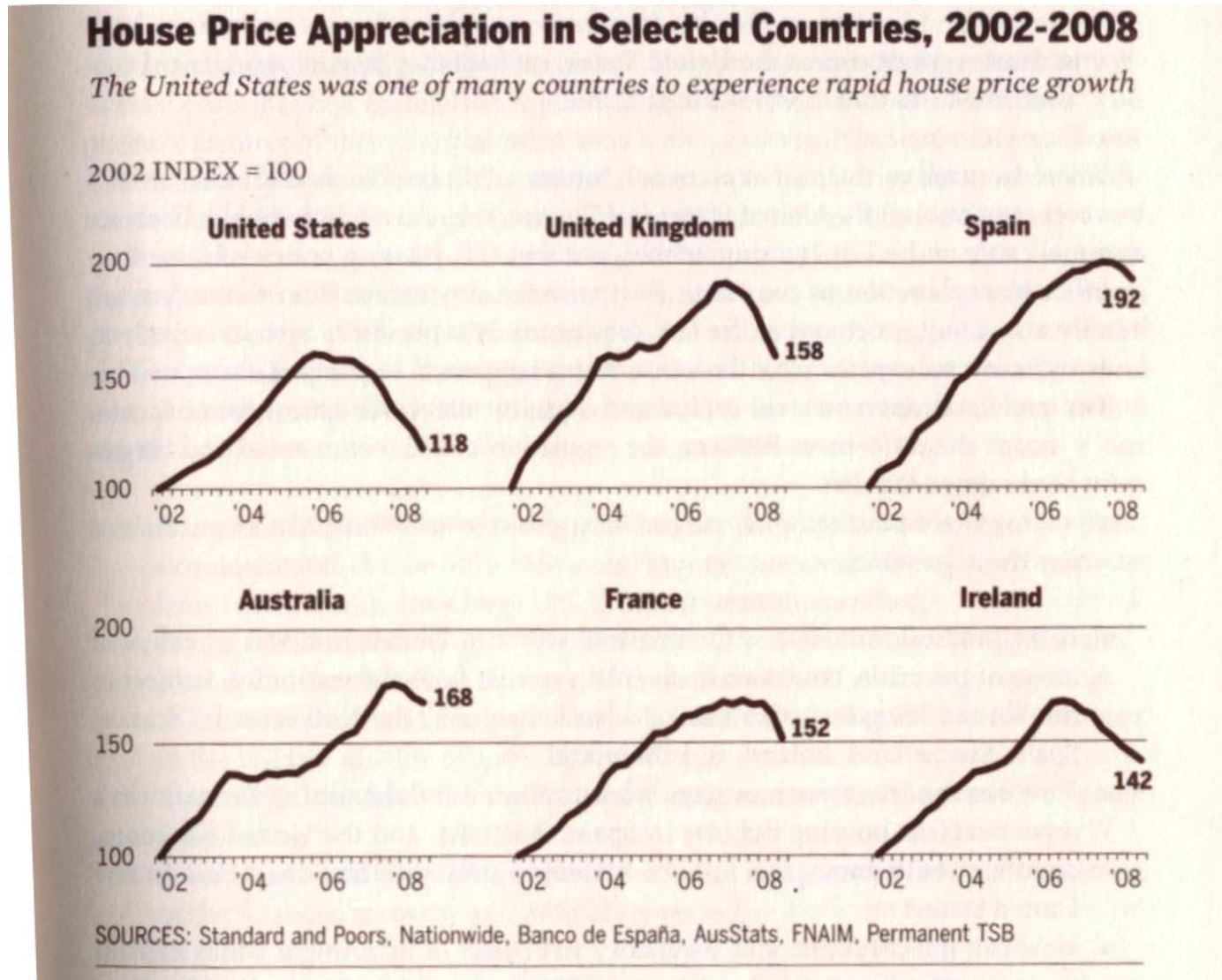
For US, total bank assets = 80% of GDP

Total bank assets to 2007 GDP
In percentage and billions of Euros

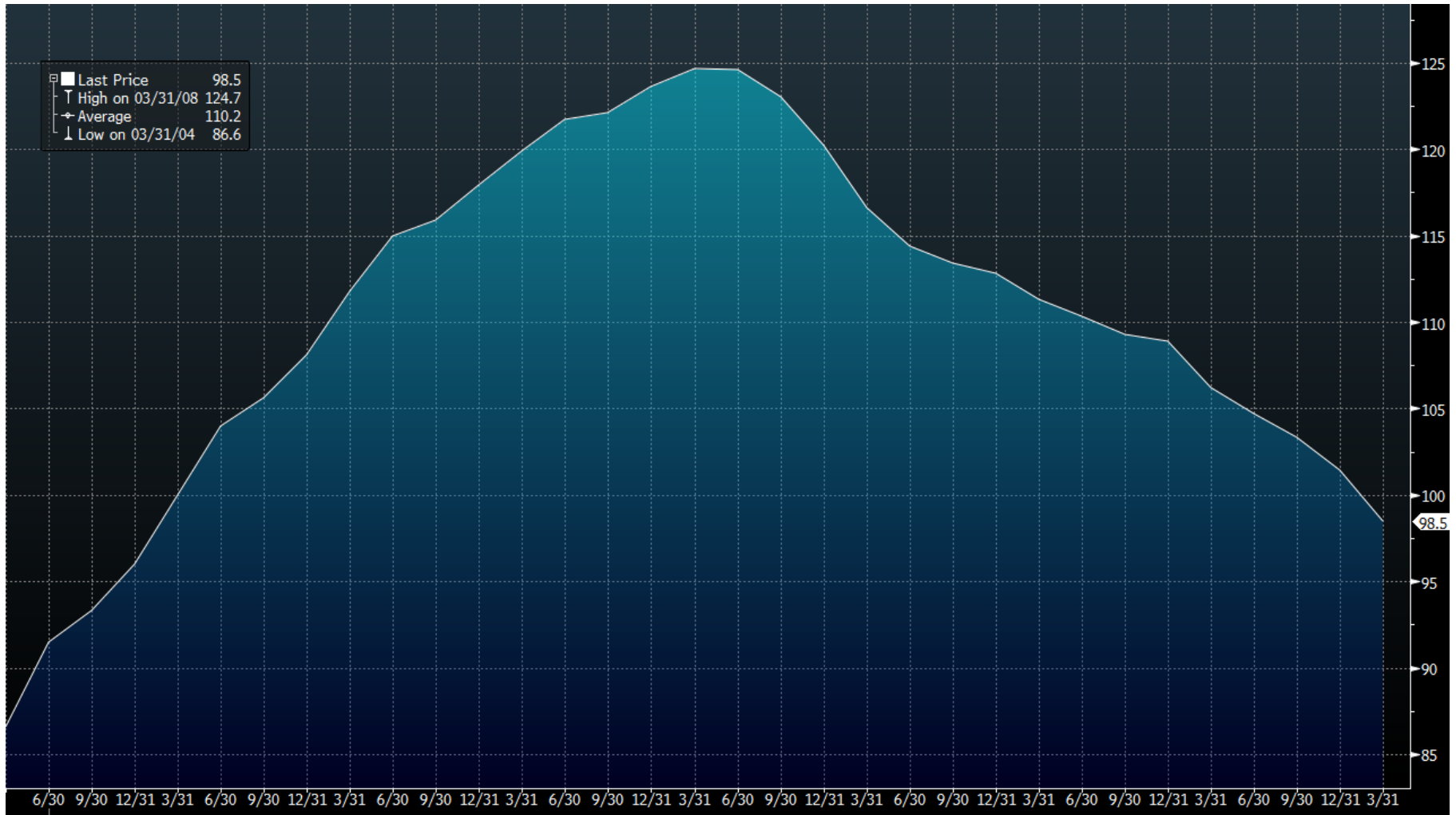


Source: FT

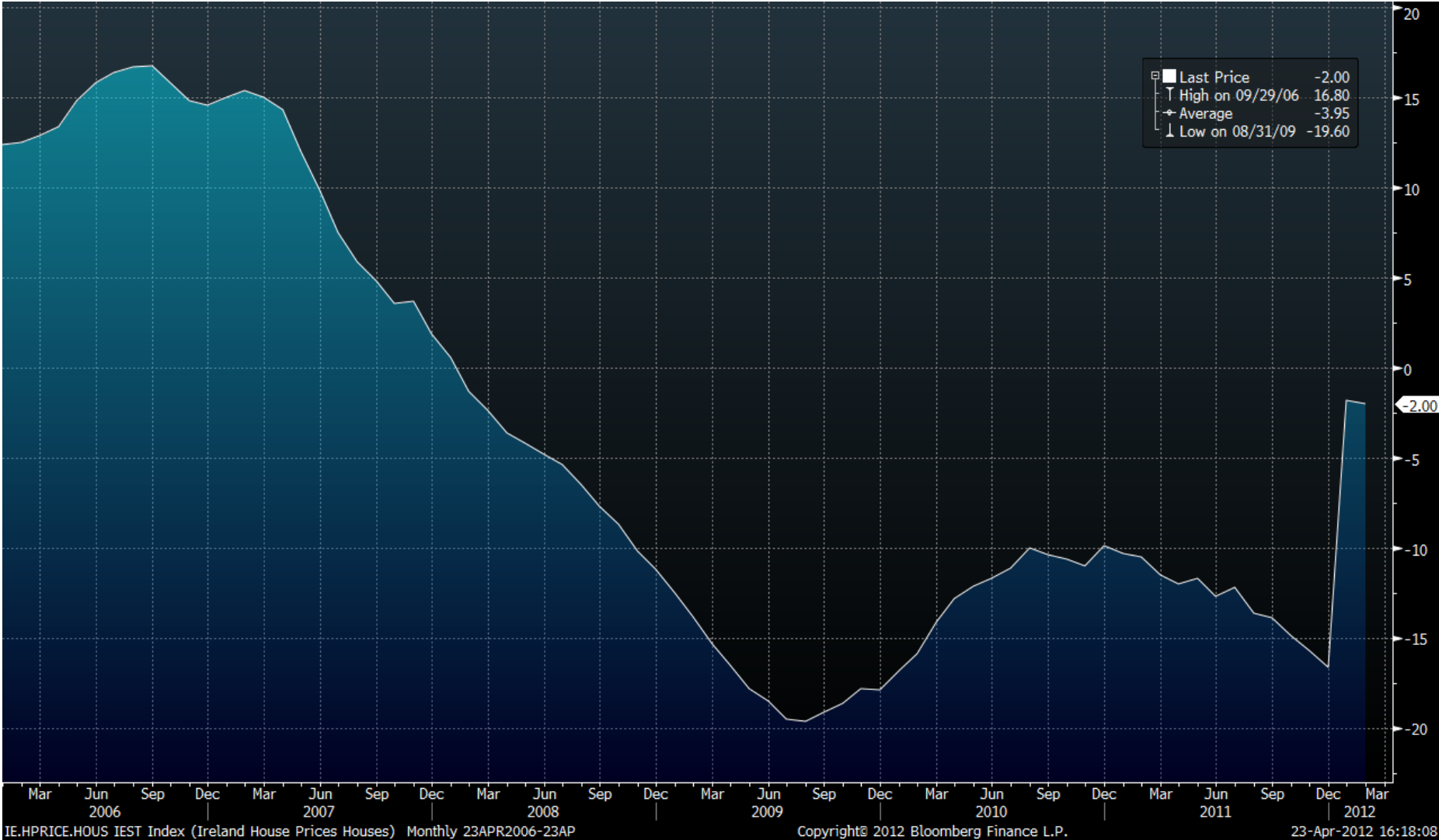
House Price Appreciation, selected countries



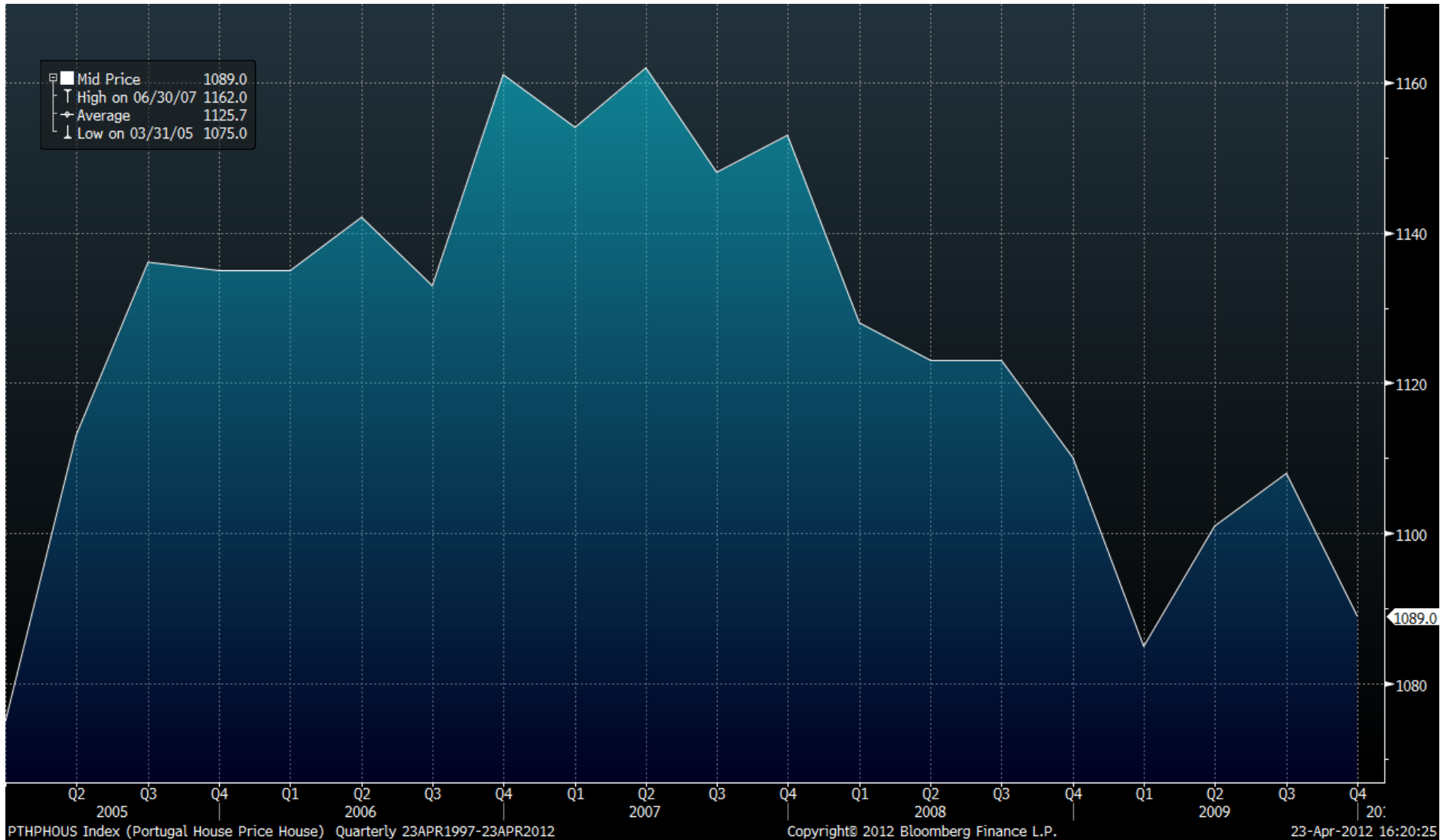
Spain Housing Price Index



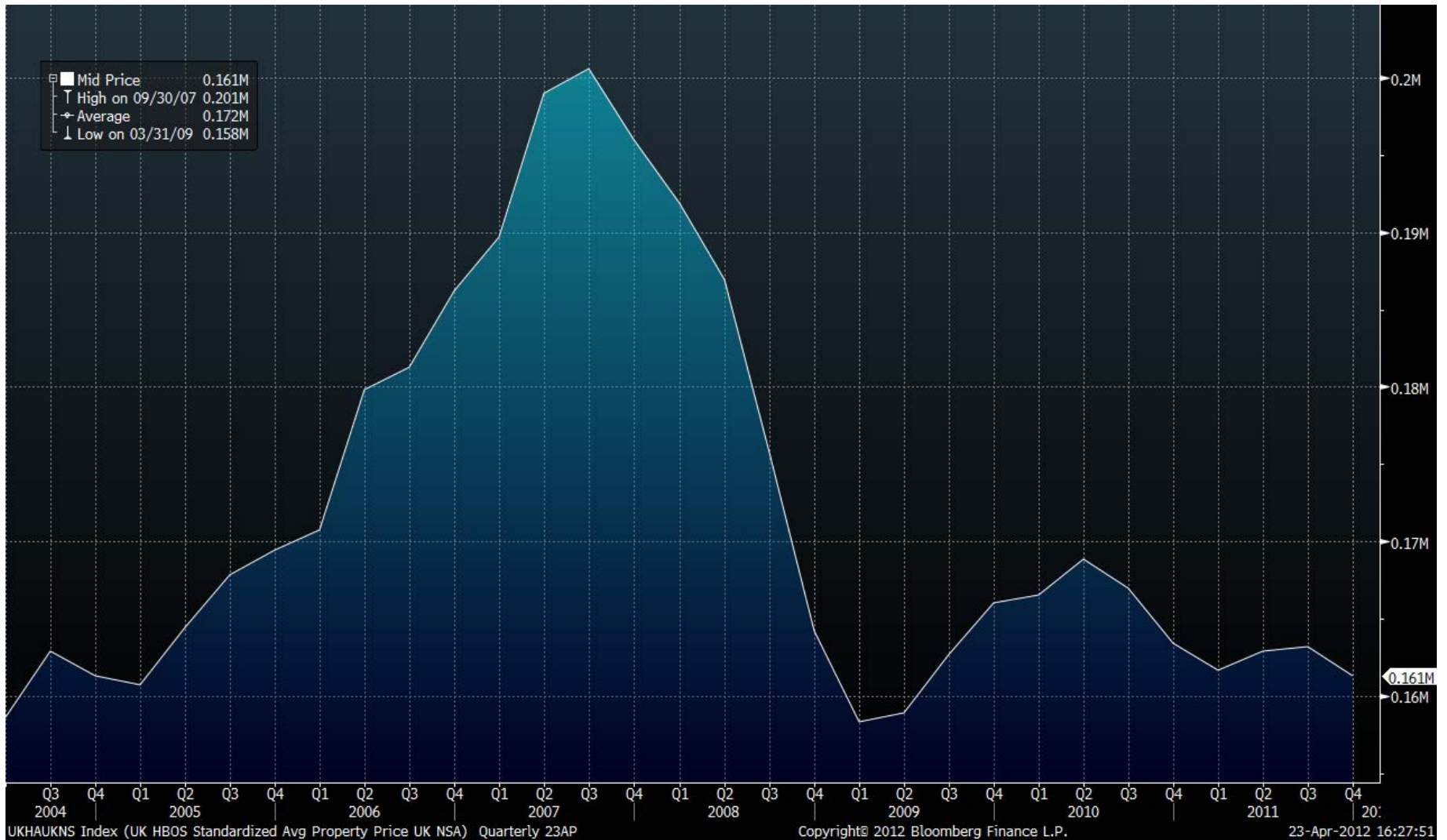
Ireland



Portugal



UK

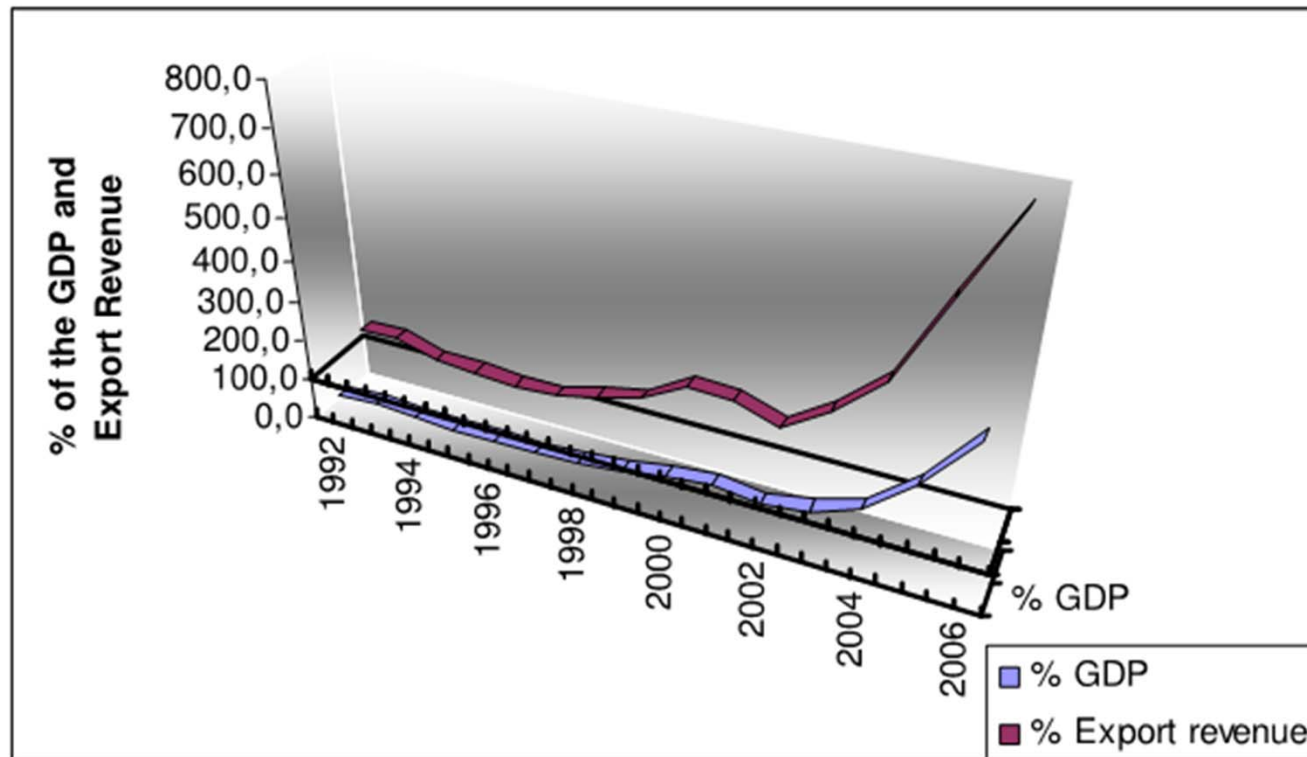


Iceland Stock Market



Icelandic Foreign Debt

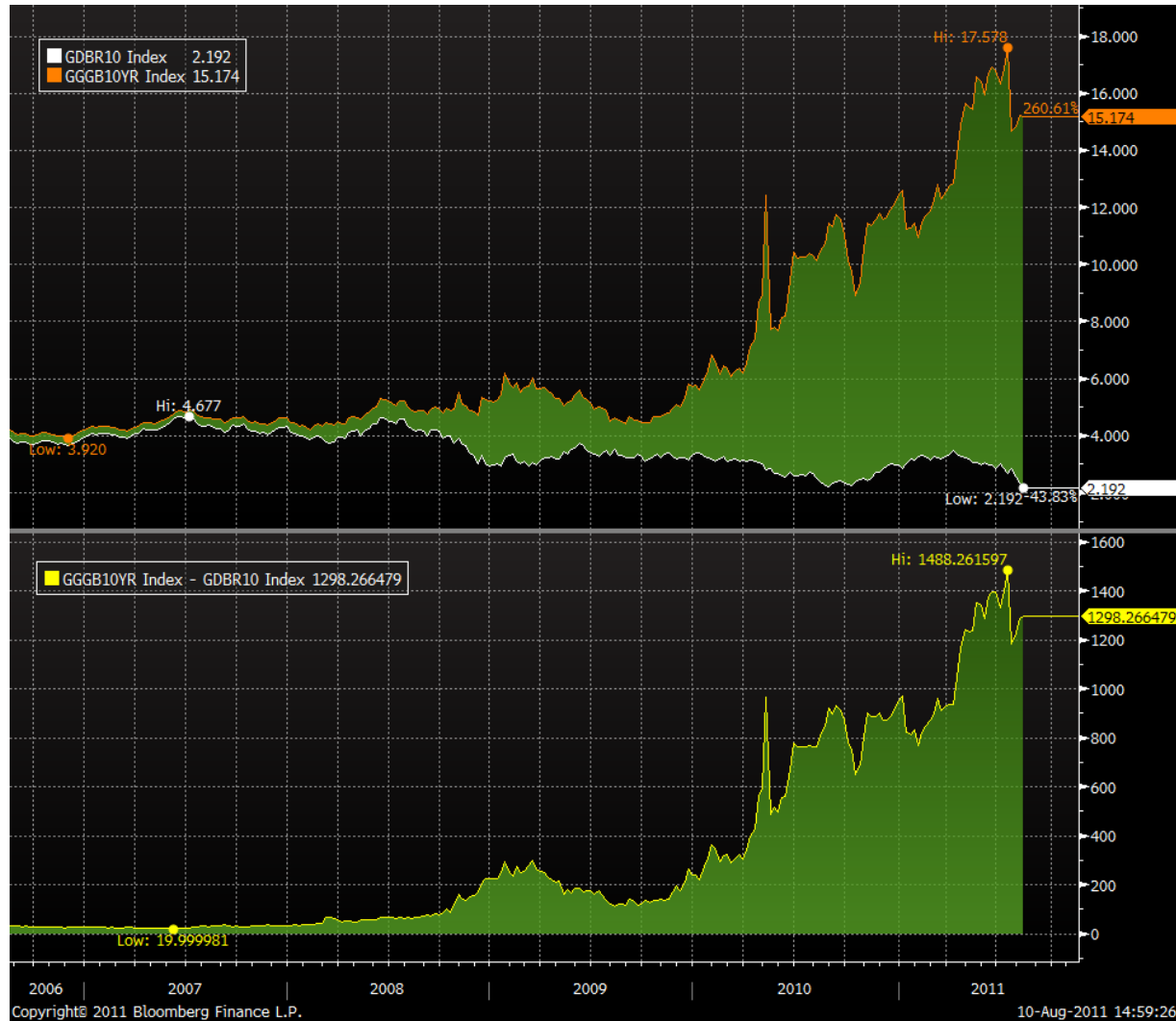
Share of GDP and of Export Revenue



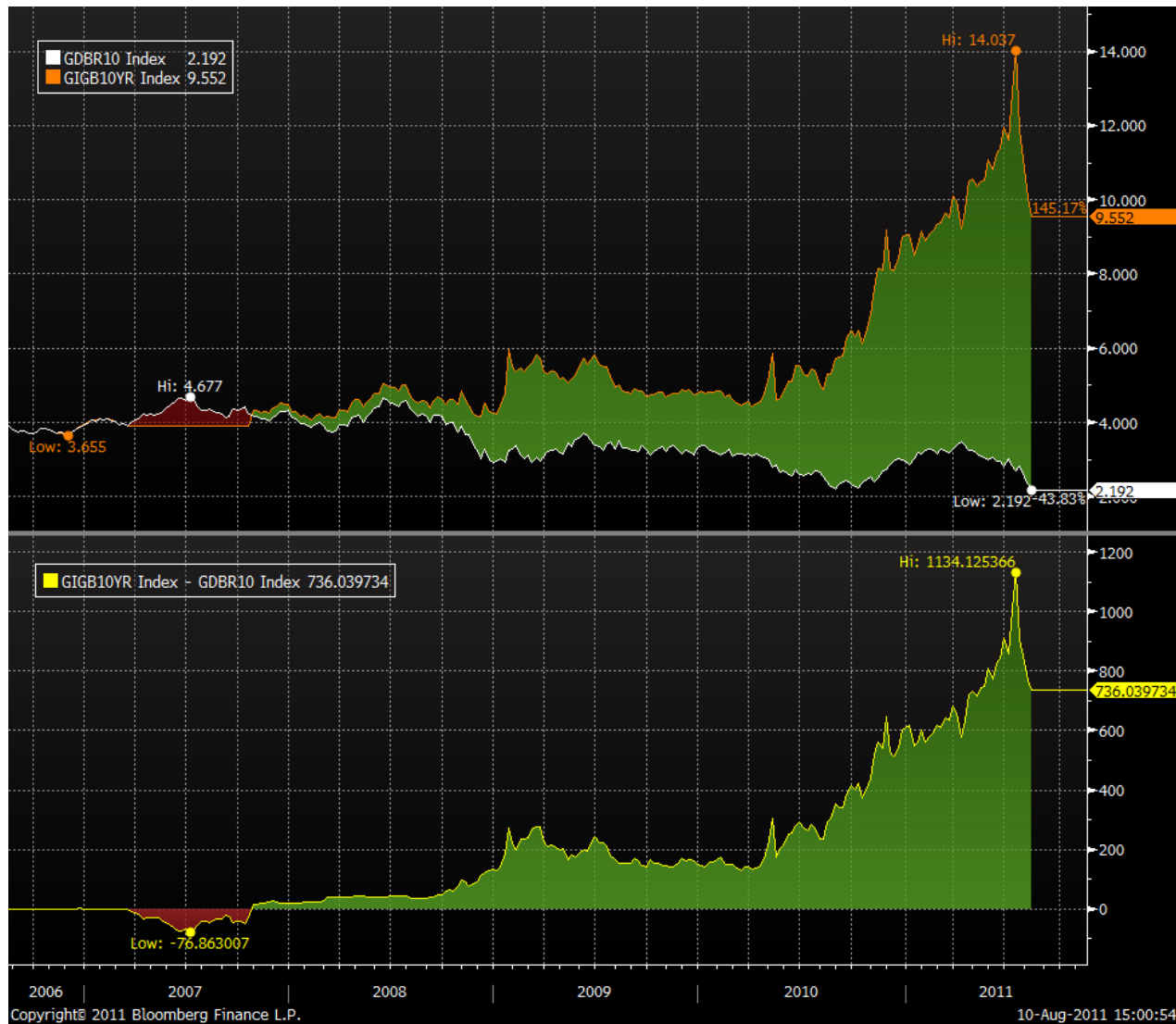
France German Spread



Germany Greece



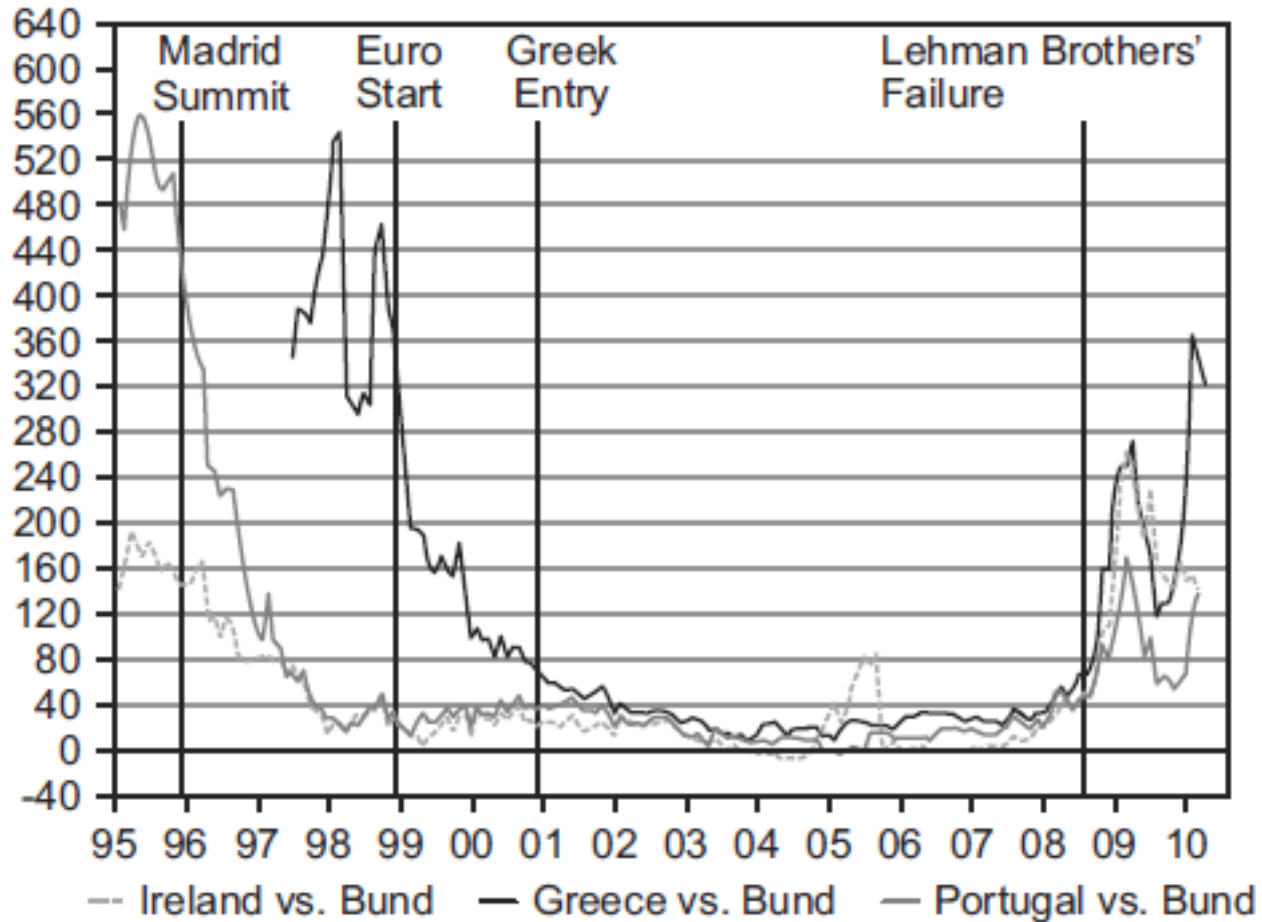
Germany Ireland



Italy German Spread



Interest Rate Spreads versus Germany



SOURCE: Plagnol (2010), Reuters, Ecwin.

Government Structural Balance

Share of GDP

	Eurozone	Spain	Ireland	Portugal	Greece
1998	-2.03	-1.736	1.219	-3.4	-2.86
1999	-1.6	-1.02	0.269	-3.38	-1.89
2000	-1.969	-1.22	1.673	-4.7	-2.68
2001	-2.676	-1.757	-1.8	-5.5	-3.647
2002	-2.86	-1.1	-2.757	-4.9	-4.1
2003	-3.1	-0.976	-3.167	-4.89	-6.03
2004	-2.98	-0.978	-2.75	-5.2	-8.638
2005	-2.67	-1.598	-3.756	-5.7	-6.01
2006	-2.07	-1.275	-4.0	-3.9	-4.9
2007	-1.83	-1.132	-7.3	-3.4	-6.795
2008	-2.58	-4.9	-11.26	-4.02	-11.47
1998–2007,	-2.38	-1.28	-2.24	-4.5	-4.76
Mean (s.d.)	(0.54)	(0.31)	(2.71)	(0.09)	(2.11)

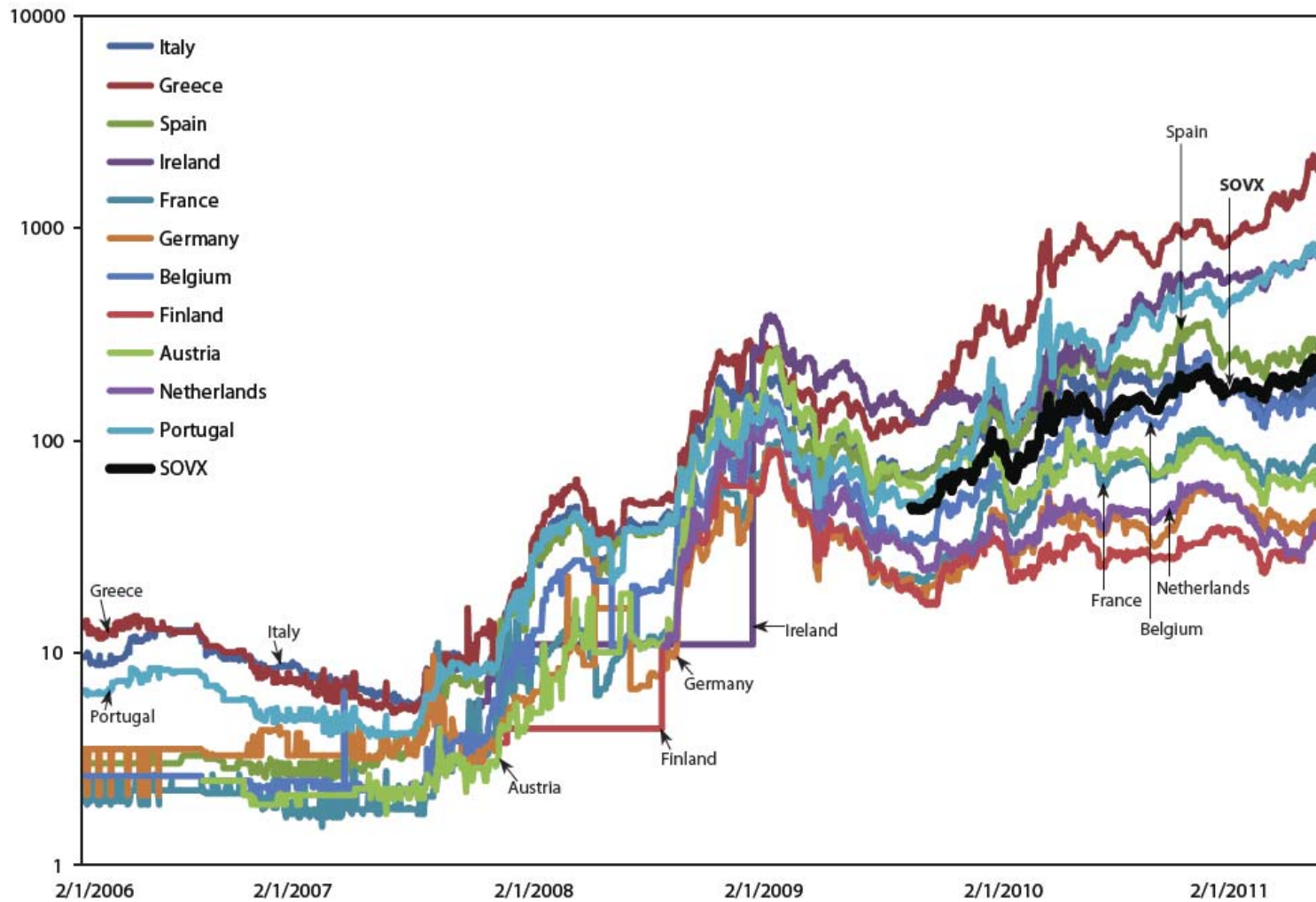
SOURCES: EconStats and IMF *World Economic Outlook*.

Government Net Debt as Share of GDP

	Spain	Ireland	Portugal	Greece
1998	57.37	53.22	42.96	71.73
1999	54.48	47.8	42.01	75.85
2000	50.27	36.67	41.97	77.41
2001	47.54	27.3	46.39	81.15
2002	44	25.13	48.12	84.47
2003	41.3	22.7	51.22	81.93
2004	38.58	19.94	53.28	82.88
2005	34.71	15.92	57.95	84.07
2006	30.53	12.16	58.77	81.66
2007	26.52	12.18	58.1	80.35
2008	30.36	23.04	61.13	83.4
2009	43.73	36.41	72.08	96.83
1998–2007, Mean (s.d.)	42.53 (10.16)	27.3 (14.53)	50.08 (6.77)	80.25 (4.14)
2009/2007	1.65	2.99	1.24	1.21
2007/1998	0.53	0.43	1.42	1.16

SOURCES: EconStats and IMF *World Economic Outlook*.

Five Year CDS of main Euro members



Austerity Game

