

Regression Heatmap

Regressions of Country Performance on Each Leading Indicator and GDP per Capita*

Darker color shading equivalent to higher statistical significance for leading indicator

Statistically significant and consistent sign in at least two regressions?[^] Statistically significant and consistent sign in at least three regressions?[^]

Leading Indicator		Exchange Market Pressure	Currency Market	Equity Market	Recourse to IMF SBA	Industrial Production	GDP	Statistically significant and consistent sign in at least <u>two</u> regressions? [^]	Statistically significant and consistent sign in at least <u>three</u> regressions? [^]
RESERVES	Reserves (% GDP)	High	High	High	High	High	High	Yes	Yes
	Reserves (% external debt)	High	High	High	High	High	High	Yes	Yes
	Reserves (in months of imports)	High	High	High	High	High	High	Yes	Yes
	M2 to Reserves	High	High	High	High	High	High	Yes	Yes
	Short-term Debt (% of reserves)	High	High	High	High	High	High	Yes	Yes
REER	REER (5-yr % appreciation of local currency)	High	High	High	High	High	High	Yes	Yes
	REER (Deviation from 10-yr av)	High	High	High	High	High	High	Yes	Yes
GDP	GDP growth (2007, %)	High	High	High	High	High	High	Yes	Yes
	GDP Growth (last 5 yrs)	High	High	High	High	High	High	Yes	Yes
	GDP Growth (last 10 yrs)	High	High	High	High	High	High	Yes	Yes
CREDIT	Change in Credit (5-yr rise, % GDP)	High	High	High	High	High	High	Yes	Yes
	Change in Credit (10-yr rise, % GDP)	High	High	High	High	High	High	Yes	Yes
	Credit Depth of Information Index (higher=more)	High	High	High	High	High	High	Yes	Yes
	Bank liquid reserves to bank assets ratio (%)	High	High	High	High	High	High	Yes	Yes
CURRENT ACCOUNT	Current Account (% GDP)	High	High	High	High	High	High	Yes	Yes
	Current Account, 5-yr Average (% GDP)	High	High	High	High	High	High	Yes	Yes
	Current Account, 10-yr Average (% GDP)	High	High	High	High	High	High	Yes	Yes
	Net National Savings (% GNI)	High	High	High	High	High	High	Yes	Yes
	Gross National Savings (% GDP)	High	High	High	High	High	High	Yes	Yes
MONEY	Change in M3 (5-yr rise, % GDP)	High	High	High	High	High	High	Yes	Yes
	Change in M2 (5-yr rise, % GDP)	High	High	High	High	High	High	Yes	Yes
TRADE	Trade Balance (% GDP)	High	High	High	High	High	High	Yes	Yes
	Exports (% GDP)	High	High	High	High	High	High	Yes	Yes
	Imports (% GDP)	High	High	High	High	High	High	Yes	Yes
INFLATION	Inflation (average, last 5 yrs)	High	High	High	High	High	High	Yes	Yes
	Inflation (average, last 10 yrs)	High	High	High	High	High	High	Yes	Yes
STOCK	Stock Market (5 yr % change)	High	High	High	High	High	High	Yes	Yes
	Stock Market (5 yr return/st.dev.)	High	High	High	High	High	High	Yes	Yes
INTEREST	Real Interest Rate	High	High	High	High	High	High	Yes	Yes
	Deposit Interest Rate	High	High	High	High	High	High	Yes	Yes
DOMESTIC	Short-term Debt (% of exports)	High	High	High	High	High	High	Yes	Yes
	Short-term Debt (% of external debt)	High	High	High	High	High	High	Yes	Yes
	Public Debt Service (% of exports)	High	High	High	High	High	High	Yes	Yes
	Public Debt Service (% GNI)	High	High	High	High	High	High	Yes	Yes
	Multilateral Debt Service (% Public Debt Service)	High	High	High	High	High	High	Yes	Yes
	Aid (% of GNI)	High	High	High	High	High	High	Yes	Yes
	Financing via Int. Cap. Markets (gross, % GDP)	High	High	High	High	High	High	Yes	Yes
LEGAL RIGHTS	Legal Rights Index (higher=more rights)	High	High	High	High	High	High	Yes	Yes
	Business Extent of Disclosure Index (higher=more disclosure)	High	High	High	High	High	High	Yes	Yes
	Portfolio Flows (% GDP)	High	High	High	High	High	High	Yes	Yes
FDI	FDI net inflows (% GDP)	High	High	High	High	High	High	Yes	Yes
	FDI net outflows (% GDP)	High	High	High	High	High	High	Yes	Yes
	Net FDI (% GDP)	High	High	High	High	High	High	Yes	Yes
	External Debt Service (% GNI)	High	High	High	High	High	High	Yes	Yes
EXTERNAL DEBT	Present Value of External Debt (% exports)	High	High	High	High	High	High	Yes	Yes
	Present Value of External Debt (% GNI)	High	High	High	High	High	High	Yes	Yes

*OLS with heteroscedasticity robust standard errors performed for four continuous variables; probit for IMF recourse variable

[^]At least two (or three) statistically significant coefficients at 10% level, of which all must have consistent sign