

Table 1.23
Comparison of main macroeconomic variables in a uniform stress test^a, Israel and selected economies
(percent)

Main macroeconomic variables	Israel (2015)		US (2016)			Europe (2016)		UK (2015)	
	Starting point	Stress scenario	Starting point	Stress scenario	Severe stress scenario	Starting point	Stress scenario	Starting point	Stress scenario
GDP - Maximum contraction in the stress scenario		6.2%		1.8%	6.1%		2.3%		1.5%
Unemployment rate - Maximum level in the stress scenario	5.4	9.8	5.0	7.5	10.0		12.4	5.7	9.2
Monetary interest rate^b - Maximum/minimum level in the stress scenario	0.1	5.6	0.1	0.1	-0.5	-	-	0.5	0.0
Inflation - Maximum/minimum annual change in the stress scenario	-0.4%	6.8%	0.1%	-0.5%	0.6%		-0.9%	-0.1%	-0.9%
Change in the currency	Depreciation of the ₪ against the basket of currencies ^c	23%	Appreciation of the \$ against the €	-11%	-14%		-	on of the £ against the \$	12%
Long-term yields - Maximum/minimum level in the stress scenario	2.1	8.9	2.2	1.3	0.2	1.2	2.4	2.1	1.0
Stock index - Maximum change of the leading index in each country		-40%		-26%	-51%		-54%		-36%
Home prices - Maximum change during the stress scenario		-25%		-12%	-25%		-9%		-20%

^a Duration of the scenario: Israel—13 quarters; US and Europe—3 years; UK—5 years.

^b Data regarding the ECB's monetary interest rate were not published in the stress scenario carried out in Europe. In the US—3 month treasury bill.

^c In Israel - the nominal effective exchange rate, including the yen, pound sterling, US dollar and euro (the currencies of Israel's main trading partners).

SOURCE: Israel—Bank of Israel; US—Federal Reserve; UK—Bank of England; Europe—European Banking Authority.