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## Global imbalances and their risks in a more fragmented global economy

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If we were to judge the state of the world economy solely on the basis of the results recorded in 2025, there would appear to be few problems on the surface. Geopolitical upheavals and trade tensions between countries seem to have only had a marginal impact.

According to the latest estimates by the International Monetary Fund (IMF), global growth remained above 3 per cent last year and is expected to stay at similar levels in 2026. World trade has shown remarkable resilience despite the introduction of US tariffs. Inflation has continued to fall, moving closer to central banks' targets. Financial markets, while experiencing bouts of volatility, have recorded double digit equity gains in the major trading centres.

There are undeniably positive aspects, some of which are likely to persist. The artificial intelligence revolution is spurring investment and international trade: roughly half of last year's increase in global trade involved AI-related products, a technology that also promises to significantly boost productivity. Firms have been shown to be highly adaptable in rapidly re-routing trade flows and mitigating the impact of tariffs. Monetary easing, made possible by the decline in inflation, is helping to finance the economy.

Yet beneath the surface of these favourable results, imbalances are building up that could prove destabilizing if not addressed in time. These are not new phenomena, but rather long standing issues that have afflicted many economies in the past. In this speech, I will focus on several aspects that are particularly important for monetary policy and for financial stability: the rise in global public debt, trade imbalances between countries, and vulnerabilities in specific segments of financial markets that may amplify risks.

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\* I would like to thank Claudia Biancotti, Alessandro Borin, Alessio De Vincenzo, Marco Taboga and Pietro Tommasino for their contributions to this speech.

## 1. The rise in public debt in the major economies

Public debt in the major economies has reached historically high levels. It stands at roughly 230 per cent of GDP in Japan, over 120 per cent in the United States, around 100 per cent in China and the United Kingdom, and just under 90 per cent in the euro area. The increase over the last two decades has been striking: around 60 percentage points in Japan, the United States and the United Kingdom, slightly less in China and more than 20 points in the euro area (Figure 1).

These trends reflect the major shocks of recent years – from the global financial crisis to the pandemic and the energy crisis – and are the result of both automatic stabilizers and wide-ranging discretionary measures, which have only partly been unwound.

There are no signs that public debt will decline in the medium term. On the contrary, according to the IMF, global public debt will exceed 100 per cent of GDP by 2030, the highest level since 1948.<sup>1</sup> It is projected to rise by nearly 20 points in the United States and in China.<sup>2</sup> In the euro area, the increase is expected to be smaller (less than 5 percentage points), but uncertainty remains high, not least because defence-related spending commitments are not yet fully incorporated into the projections.

The fiscal outlook has been made worse by population ageing, which will put pressure on pension and healthcare systems, as well as by an interest rate growth differential on government debt that is less favourable than in the recent past. Moreover, in more polarized societies, both economically and politically, it is more complex to reach a consensus for consolidation measures.

### *Implications for markets and for monetary and financial stability*

Expansionary fiscal policy may be necessary, especially in the presence of major shocks. Measures taken during the pandemic and the energy crisis prevented prolonged recessions and waves of bankruptcies, shifting risks to the public sector. However, when a protracted expansion raises doubts about the sustainability of public debt, tensions inevitably emerge for markets, for monetary policy and, in extreme cases, for financial stability.

So far, the market impact has been relatively contained, appearing mainly in a steepening of the yield curve, partly reflecting a higher risk premium<sup>3</sup> (Figure 2). This has encouraged a shortening of debt maturities at issuance – a choice that reduces near-term costs but increases the volatility of debt servicing over time, thereby complicating its management.

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<sup>1</sup> See International Monetary Fund, *Fiscal Monitor*, October 2025.

<sup>2</sup> For the United States, see A.J. Auerbach and W. Gale (2025), 'Then and Now: A Look Back and Ahead at the Federal Budget Threads', NBER Working Paper, no. 34455; J. Frankel, 'How will unsustainable US debt end?' (<https://www.jeffrey-frankel.com/2025/11/30/how-will-unsustainable-us-debt-end/>).

<sup>3</sup> In Japan, rising yields continue a trend under way since 2022, reflecting stronger growth and higher inflation after three decades of deflationary pressures; most recently, the announcement of a large fiscal expansion programme by the new government has also contributed.

A sovereign debt crisis remains a low-probability event in advanced economies, which have ample resources to avoid it. Nevertheless, in the absence of corrective measures, the risks could intensify: reduced fiscal space to respond to future crises, greater uncertainty for households and firms, and financial tensions with possible spillovers to countries with sound fundamentals.

There are also implications for monetary policy. Historical experience and the economic literature point to two central issues. When public debt is high, the interdependence between fiscal and monetary policy becomes stronger; a monetary tightening necessary to contain inflation may worsen fiscal imbalances, and in the most severe cases it can lead to institutional tensions that put central banks' decision-making autonomy at risk.

Furthermore, inflation control is only fully effective if fiscal policy is sustainable; otherwise, the ultimate outcomes inevitably end up being high inflation, financial repression, or a combination of the two.<sup>4</sup>

Europe benefits from substantial protection against these risks: it has adopted rules limiting governments' discretion to expand debt and an institutional framework that safeguards central bank independence. Nevertheless, it is facing an apparent 'paradox': its public debt is both too high and too low. On the one hand, it must unquestionably be reduced in some Member States: in this respect, it is essential that Italy continues on its adjustment path, and the progress made in lowering the spread on its sovereign bonds relative to those of other major European countries is encouraging.

On the other hand, greater recourse to common European debt would be valuable for financing strategic projects and for improving the overall efficiency of spending in key areas such as research, energy and defence. It would also ensure that a European safe asset is issued in adequate quantities, facilitating the single monetary policy, promoting the capital markets union and strengthening the international role of the euro.<sup>5</sup>

## 2. Trade imbalances

The persistence of excessive current account surpluses and deficits is a second major risk factor for the global economy.

After a long phase of gradual decline, imbalances have widened again: in 2024, the aggregate value of balances in absolute terms rose to 3.6 per cent of world GDP, from 3.0 per cent in 2023, further extending the already marked divergence in net international investment positions between creditor and debtor countries.

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<sup>4</sup> That is, 'coercive' measures designed to stabilize debt or reduce its cost, including mandatory holdings of government securities, capital controls, interest rate ceilings and non-negotiated debt restructuring.

<sup>5</sup> A steady and adequate flow of new securities would also improve financing conditions and the performance of common EU bonds that are already outstanding; see. K. Pallara, M. Pericoli and P. Tommasino, 'Issuing European safe assets: how to get the most out of Eurobonds?', Banca d'Italia, *Questioni di Economia e Finanza (Occasional Papers)*, 937, 2025.

The imbalances are concentrated in a few large economies. The United States accounts for around three quarters of the global deficit, while China and the euro area together contribute roughly half of the global surplus. The persistence of these flows is reflected in the stocks: the United States alone accounts for about 75 per cent of the world's net debtor position.

Surplus and deficit balances may reflect cyclical or structural factors – such as demographic trends and growth prospects relative to other economies – without necessarily signalling weaknesses. However, according to the IMF, more than 40 per cent of global current account balances were 'excessive' in 2024, i.e. not justified by macroeconomic fundamentals.<sup>6</sup>

The roots of imbalances are primarily domestic.

In the United States, the persistent current account deficit reflects overspending – hence a shortage of savings – mostly driven by the public sector (Figure 3). This is compounded by the dollar's role as the global reserve currency: strong demand for dollar-denominated assets helps to keep interest rates low, supporting investment and reducing the incentive to save.<sup>7</sup>

In China, the widening surplus is linked to weak domestic demand and to policies that favour production and exports over consumption (Figures 4.1 and 4.2). Further contributions come from capital controls, high household savings<sup>8</sup> – partly because of limited public welfare – and extensive recourse to industrial policies and State aid, the scale of which is difficult to gauge due to limited transparency.<sup>9</sup>

In the euro area, the surplus reflects sizeable private savings and weak private investment. As in the United States, the public sector is the only net borrower. Unlike the United States, however, public debt is more than offset by positive net private savings (Figure 5). Among the structural factors, the fragmentation of the European capital market hinders the efficient allocation of savings towards long-term productive investment.<sup>10</sup>

### *The medium-term outlook*

A global rebalancing cannot be taken for granted. The IMF projects a moderate narrowing of imbalances in 2026-30, but the outlook is uncertain and depends critically on countries' policy choices.

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<sup>6</sup> IMF, *External Sector Report*, 2025.

<sup>7</sup> T. Bayoumi and J.E. Gagnon (2025), 'The US trade deficit and foreign borrowing: how long can it continue?', Peterson Institute for International Economics, Working Paper, 14, 2025.

<sup>8</sup> China's gross saving rate stands at around 45 per cent of GDP, more than twice that of the euro area.

<sup>9</sup> The recent increase in the current account surplus also reflects the reallocation of resources from the real estate sector – hit by the bursting of the property bubble – towards manufacturing. Microdata from the OECD MAGIC database suggest that the most heavily subsidized sectors (solar panels, aluminium, steel and automotive) are also those with the largest gains in global market share.

<sup>10</sup> F. Panetta, 'The Governor's Concluding Remarks for 2024', Banca d'Italia, 2025.

In the United States, the reduction in the external deficit is expected to materialize through higher private savings, but the country's fiscal dynamics and large negative net international investment position pose material risks. The 2025 increase in tariffs may have a more limited impact on the current account than expected, although the simultaneous dollar depreciation may have boosted competitiveness.<sup>11</sup> Moreover, imports of AI-related goods could continue to rise sharply for at least the next three years, according to some analyses.<sup>12</sup>

In China, rebalancing remains hampered by weak domestic demand and by policies that are not yet sufficiently geared towards consumption. In the euro area, the adjustment requires above all stronger private investment, which could be supported by common fiscal instruments.

### *Implications for financial stability*

Persistent current account imbalances have significant implications for financial stability and for global growth through at least four channels.

First, vulnerabilities in deficit countries become more severe when global financial conditions tighten: sudden stops in capital flows, liquidity shortages and rapid disinvestment may occur, raising the risk of currency crises.<sup>13</sup>

Second, persistent deficits lead to an accumulation of net liabilities and greater income outflows, fuelling adverse debt dynamics, especially when there is low growth or high interest rates.<sup>14</sup>

Third, excessive current account deficits are the counterpart of persistent surpluses elsewhere, and of the associated capital flows. When excess saving is concentrated in large economies, global real interest rates tend to be compressed, encouraging risk taking and the formation of asset price bubbles.<sup>15</sup> Subsequent corrections may be abrupt, triggering deleveraging and financial instability.

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<sup>11</sup> Higher prices for imported intermediate goods can reduce competitiveness. Lower imports may be offset by a drop in exports, especially when productive capacity is constrained and the labour market is tight. Moreover, the reorganization of international trade flows may favour the redirection of exports to the United States from countries facing lower tariffs. See M. Obstfeld, 'The U.S. trade deficit: myths and realities', *Brookings Papers on Economic Activity*, BPEA Conference Draft, 27-28 March 2025.

<sup>12</sup> Morgan Stanley, 'AI Imports in Overdrive, Macro and Micro Perspectives', *Global Economic Briefing*, 4 February 2026.

<sup>13</sup> A typical example is the Asian financial crisis of 1997-98, which hit economies with large current account deficits and a heavy reliance on short-term external financing. See B. Eichengreen and P. Gupta, 'Managing sudden stops', *World Bank Policy Research Working Papers*, 7639, 2016. Bank for International Settlements, *Annual Economic Report*, 2022.

<sup>14</sup> M. Obstfeld, 'Twenty-five years of global imbalances', in J. Cohen Setton (ed.) *Sustaining Economic Growth in Asia*, 2018.

<sup>15</sup> B. Bernanke, 'The global saving glut and the US current account deficit', remarks at the Sandridge Lecture, Virginia Association of Economists, Richmond, Virginia, 10 March 2005.

Finally, history shows that sudden corrections of imbalances rarely remain localized: tensions tend to spread rapidly through financial and trade channels.

Compared with the past, emerging economies are now less exposed to balance-of-payments crises, having reduced their foreign currency debt and adopted more coherent economic policies.<sup>16</sup> In the current setup, with the United States as the main debtor, risks have so far been mitigated by strong demand for dollar-denominated assets and by the central role of US financial markets.

However, fragilities are growing. Uncertainty about fiscal policy and about the impact of geopolitical fragmentation on the financial system has increased. The depreciation of the dollar following the announcement of tariff measures in April highlighted the sensitivity of US asset prices to confidence shocks, reigniting the debate on the sustainability of the dollar's role in the international monetary system.<sup>17</sup>

Overall, a smooth reduction in trade imbalances requires coordinated action among the major economies. Unilateral initiatives increase costs and uncertainty without ensuring effective and lasting solutions.

### **3. Vulnerabilities in the financial system**

At a time of large macroeconomic imbalances – high public debt, persistent current account imbalances, geopolitical tensions and the ensuing shift in the composition of capital flows – weaknesses in some segments of the financial system can amplify their risks.

#### *The growing role of hedge funds in sovereign bond markets*

Hedge fund debt has increased significantly in the last three years, as has the weight of hedge funds in sovereign bond markets.

The debt of key market players more than doubled, reaching close to \$7 trillion (Figure 6), nearly one quarter of US GDP. This expansion mainly reflects a marked increase in leverage (Figure 7). Indebtedness is concentrated among a few large funds, with leverage ratios that are often above ten (Figure 8).

A significant share of funding comes from the repo market, through very short-term operations that are continuously rolled over; the remainder is provided by a few large global banks. The result is a system that is concentrated, interconnected and dependent on ample liquidity conditions.

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<sup>16</sup> IMF, 'Emerging markets resilience: good luck or good policies?', Chapter 2 in *World Economic Outlook*, October 2025; C. Allen and L. Juvenal, 'The role of currencies in external balance sheets', *Journal of International Economics*, 157, September 2025.

<sup>17</sup> O. Itskhoki and D. Mukhin, 'Tariffs, global imbalances, and the dollar', VoxEU.com, 7 November 2025; Z. Jiang, R.J. Richmond and T. Zhang, 'Convenience Lost', NBER Working Papers 33940, 2025. T. Bayoumi and J.E. Gagnon, 'The US trade deficit and foreign borrowing: how long can it continue?', Peterson Institute for International Economics Working Paper 14, 2025.

There has been a particular focus placed on sovereign bond arbitrage strategies – such as basis trades and swap spread trades – that exploit small discrepancies between spot and derivatives prices.<sup>18</sup> These strategies require a liquidity and maturity transformation similar to that carried out by banks: the purchasing of medium-to-long-term government securities using short-term liabilities and hedging interest-rate risk through derivatives.

Hedging reduces exposure to price movements but does not eliminate risks. At times of stress, higher margins can generate liquidity strains and forced sales. A deterioration in repo-market conditions – lower liquidity or less favourable rates – can undermine these strategies and trigger simultaneous divestments. With high leverage, these dynamics can amplify volatility in sovereign bond markets and transmit pressures to lending banks, intensifying contagion across jurisdictions, banks and non-bank intermediaries.

The United States has introduced measures to make the repo market more resilient and the funds more transparent.<sup>19, 20</sup> However, without granular and timely data, the assessment of systemic risks remains incomplete.<sup>21</sup> In Europe, despite stricter regulations,<sup>22</sup> there are still pockets of opacity exacerbated by the presence of non-resident intermediaries carrying out cross-border activities.

Hedge funds have played a key role in absorbing the large supply of US Treasury bonds at a time when global demand weakened, partly owing to the rebalancing of foreign reserves towards gold and other currencies. If this demand is driven by highly leveraged short-term positions, it may be a source of vulnerability for one of the world's most important markets.

#### *Leverage and opacity in private capital markets*

Over the past decade, private capital markets – venture capital, private equity and private credit – have expanded strongly, reaching almost \$16 trillion in assets (Figure 9).<sup>23, 24</sup> While they are still significantly smaller than public markets, private capital markets are

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<sup>18</sup> D. Barth, D. Beltran, M. Hoops, J. Kahn, E. Liu and M. Perozek, 'The Cross-Border Trail of the Treasury Basis Trade', FEDS Notes, 15 October 2025, Board of Governors of the Federal Reserve System.

<sup>19</sup> Financial Stability Oversight Council, *2025 Annual Report*, US Department of the Treasury.

<sup>20</sup> The role of hedge funds expanded as banks' intermediation capacity, constrained by stringent leverage requirements, failed to keep pace with the growth of the sovereign bond market, thus leading to the decision to partially ease banks' leverage requirements. See US Office of the Comptroller of the Currency, 'Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions: Final Rule', *OCC Bulletin 2025-41*, 25 November 2025.

<sup>21</sup> The lack of granular information has prevented a full assessment of the role of hedge fund deleveraging during the market tensions of April 2025 and the subsequent introduction of new US tariffs.

<sup>22</sup> The AIFM Directive does not set explicit leverage limits, but requires Alternative Investment Fund Managers (AIFMs) to set a maximum level of leverage for each AIF. Funds with leverage above 300 per cent of the net asset value (NAV) are subject to enhanced reporting; in exceptional circumstances, the national competent authorities may impose additional limits on the leverage of AIFs.

<sup>23</sup> See T. Slok, R. Shah, and S. Galwankar, 'Outlook for private markets', Apollo Global Management, 2025.

<sup>24</sup> Private capital markets have grown in Italy too: over the past ten years, assets have more than quadrupled, exceeding €40 billion in mid-2024; however, their share of GDP remains small (about 2 per cent against 10 per cent in the euro area).

a crucial source of financing, especially for innovative firms; their growth, especially in Europe, should be fostered, provided that appropriate safeguards are in place.

The main vulnerabilities stem from a combination of leverage, information opacity and data scarcity. The financial ecosystem consists of a complex network of banks, non-bank intermediaries and firms; recent cases of insolvency in the United States have shown that localized shocks in these markets can generate widespread losses.<sup>25</sup>

Leverage exists throughout the intermediation chain: loans are granted to firms that are often highly indebted and have low credit ratings; private equity transactions typically involve leveraged buyouts, funded mainly by banks or private credit funds, through credit lines to the investment funds and, sometimes, directly to the investors, increasing overall exposure.<sup>26</sup>

While the evidence suggests that leverage is still low on average,<sup>27</sup> estimating its level accurately is challenging because of limited data, especially on non-supervised intermediaries.<sup>28</sup> The objective difficulty in valuing assets and their high illiquidity levels can delay the emergence of losses, leading to abrupt adjustments in a short space of time.

#### *The volatility of unbacked crypto-assets<sup>29</sup>*

The capitalization of unbacked crypto-assets stands at around \$2 trillion (Figure 10). The sector remains highly volatile; over the past year, bitcoin – which accounts for around 60 per cent of the market – has swung between \$120,000 and \$63,000 (Figure 11).

Its ties with the traditional financial system have deepened and could tighten further as a result of a more accommodating US policy stance.<sup>30</sup>

Volatility is caused by two main factors: the difficulty in determining the value of these assets when there are no income flows or shared metrics, and the presence of regulatory gaps, partly due to limited international coordination.

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<sup>25</sup> This refers to the failure of the US companies First Brands and Tricolore Holdings.

<sup>26</sup> M.C. Galbarz, M. Lobbens, P. Marquardt and M.M. Villarreal Fraile, 'Complex exposures to private equity and credit funds require sophisticated risk management', *Supervision Newsletter*, 2024.

<sup>27</sup> 'The rise and risk of private credit', *Global Financial Stability Report*, IMF, 2024.

<sup>28</sup> In Italy, private capital markets have a large number of foreign intermediaries not supervised by Banca d'Italia, with the ensuing information constraints.

<sup>29</sup> For a focus on the critical issues associated with stablecoins – which are not covered in this speech – see F. Panetta, 'The struggle to reshape the international monetary system: slow- and fast-moving processes', Banca d'Italia, 2025; Bank for International Settlements, *Annual Economic Report*, 2025.

<sup>30</sup> S. Aerts et al., 'Just another crypto boom? Mind the blind spots', *Financial Stability Review*, ECB, 2025.

In recent months, following negative market reports, crypto-assets have seen sharper and more persistent corrections than equity markets;<sup>31</sup> their total value has halved over the past four months, partly owing to regulatory uncertainty.<sup>32</sup>

The crypto-derivatives market – whose volumes far exceed those of the spot market<sup>33</sup> and which operates largely on platforms located in lenient jurisdictions, where extreme leverage positions and low-quality collateral<sup>34</sup> are allowed – has played a major role.

The initial corrections were followed by cascading liquidations and forced sales. As some market makers<sup>35</sup> scaled back intermediation and technical disruptions emerged,<sup>36</sup> market liquidity came under further strain.

Overall, rising leverage and limited transparency in several segments of the financial system increase the risks associated with major macroeconomic imbalances. Greater international regulatory cooperation and more sharing of information among authorities are essential to preserving global financial stability.

#### 4. Conclusions

Achieving more balanced global growth that is less prone to the risk of crises would benefit greatly from coordinated action across major economies.

Moreover, the necessary macroeconomic policies would fully align with the interests of individual economies. These include fiscal policies that ensure the sustainability of public debt; strong support for domestic demand in economies with persistent trade surpluses; the promotion of free trade in goods, services and capital, while avoiding distortive competition; and agreements to advance regulatory harmonization for financial entities and instruments operating on a global scale.

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<sup>31</sup> This refers in particular to the announcement of new US tariffs last October and to another ‘crash’ that occurred in early February.

<sup>32</sup> In the United States, the focus was on the CLARITY Act, which should define the regulatory framework for unbacked crypto-assets and the allocation of supervisory responsibilities among supervisors. One critical issue is the possibility for KYC (Know Your Customer), AML (Anti-Money Laundering), and CFT (Combating the Financing of Terrorism) requirements to be extended to decentralized platforms.

<sup>33</sup> Over the past year, monthly trading volumes in futures on major crypto-assets (bitcoin, ether, solana, XRP) have ranged between \$4 trillion and \$7 trillion. The most heavily traded instruments are perpetual futures (perps), i.e. futures contracts with no maturity date. Most perps are traded on Binance, OkX, Gate.io and Bybit.

<sup>34</sup> Some trading platforms only accept stablecoins backed by regulated instruments as a margin; others accept digital assets such as bitcoin, ether and low-capitalization tokens, whose prices are extremely volatile.

<sup>35</sup> This practice is not generally permitted in regulated markets. In the United States, the requirement for realistic bilateral quotation is established by the post-2010 SEC rules. In the EU, similar requirements are laid out in MiFID II.

<sup>36</sup> Some widely used price data sources (oracles) have published incorrect data; Binance’s pricing engine has generated anomalies too, including a temporary misalignment of the USDe algorithmic stablecoin.

A coordinated approach is undoubtedly more challenging today, at a time of strained international relations and weaker multilateral institutions.

While the commitment to renewed international cooperation must not be abandoned, the European Union must acknowledge that the profound shift in the global landscape calls for a quantum leap in its domestic policies.

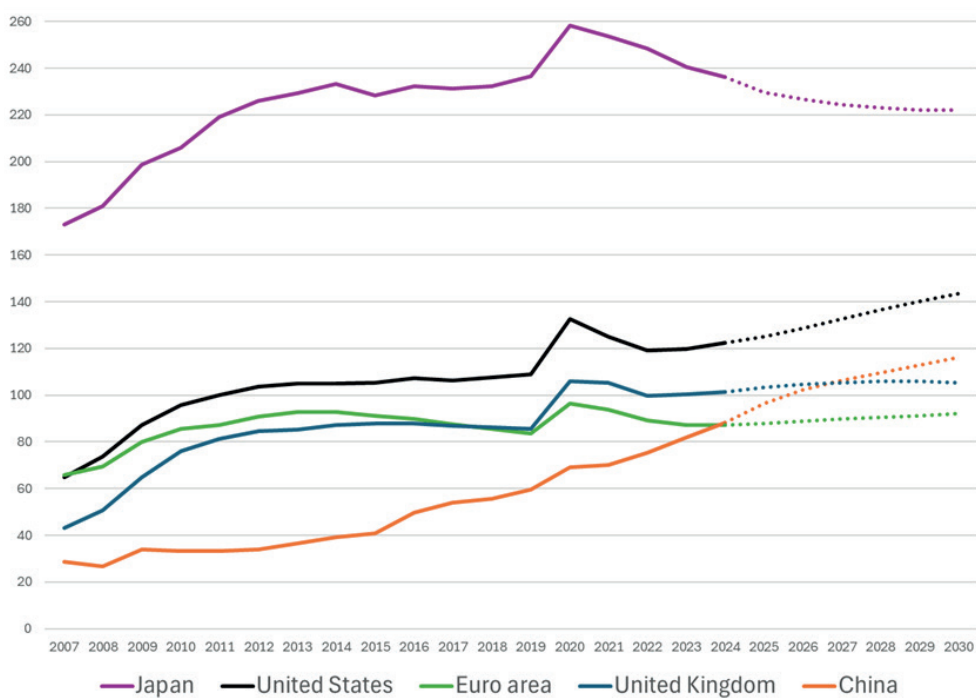
The orientation in many areas is the right one – from the recent new trade agreements with Latin American countries and with India, to the renewed intention to expand and strengthen the Single Market, build a truly integrated capital market, and simplify the rules that burden economic activity. Yet progress remains slow, initiatives are fragmented and decisions often reflect the lowest common denominator between the interests of individual Member States rather than a strategic European vision.

A major rethink is needed on how Europe operates, decides and acts – regaining the unity of purpose that it has demonstrated at other crucial moments in its history, when it successfully turned challenges into opportunities for progress and integration.

## *FIGURES*

Figure 1

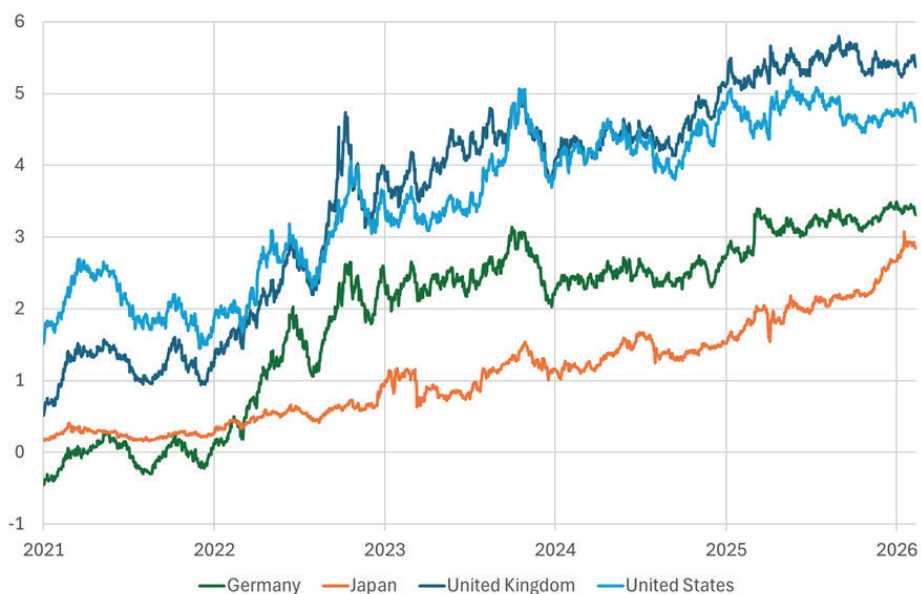
**Public debt-to-GDP ratios in the main economies**  
(percentage changes on Q4 2019 and percentage contributions)



Source: IMF, World Economic Outlook Database.

Figure 2

**5-year, 5-year forward rates**

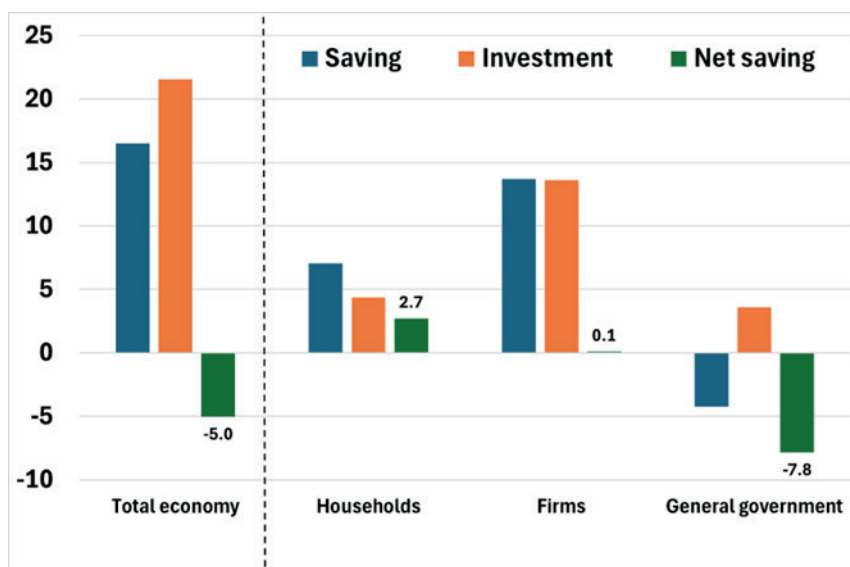


Sources: LSEG and based on calculations by Banca d'Italia.

Notes: 5-year, 5-year forward rates based on the maturity structures of zero-coupon rates on German, Japanese, UK and US government bonds.

Figure 3

Saving and investment in the US by institutional sector in 2024  
(as a share of GDP)

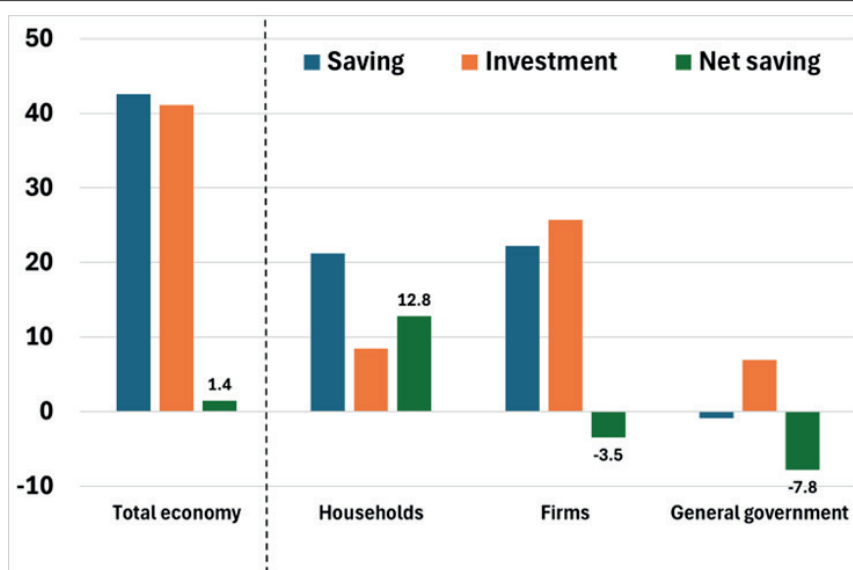


Source: US Bureau of Economic Analysis.

Notes: The numbers refer to net saving by sector and for the economy as a whole as a share of GDP (total economy net saving coincides with the current account balance net of a statistical discrepancy at around 1 per cent of GDP for the US in 2024).

Figure 4.1

Saving and investment in China by institutional sector in 2023  
(as a share of GDP)

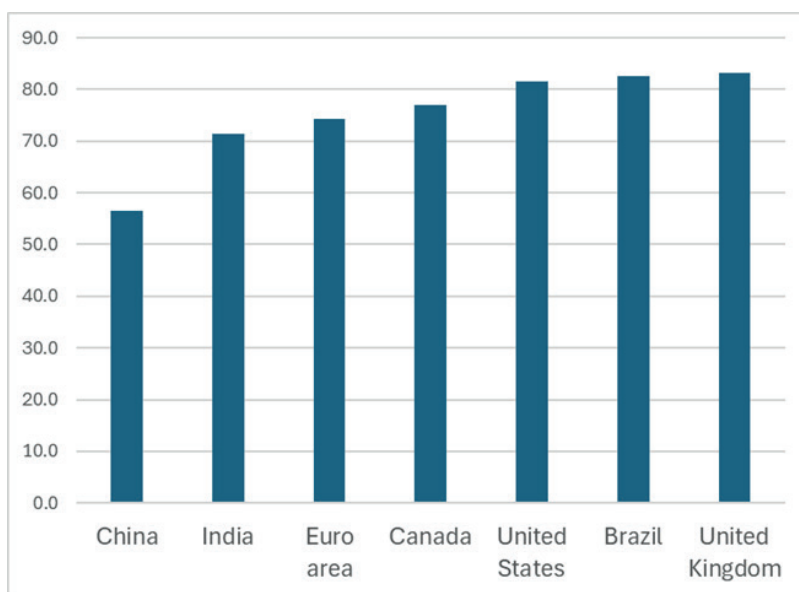


Source: Based on data from the National Bureau of Statistics of China (NBS).

Notes: The numbers refer to net saving by sector and for the economy as a whole as a share of GDP (total economy net saving coincides with the current account balance).

Figure 4.2

**Final consumption in the world's largest economies in 2024**  
(as a share of GDP)

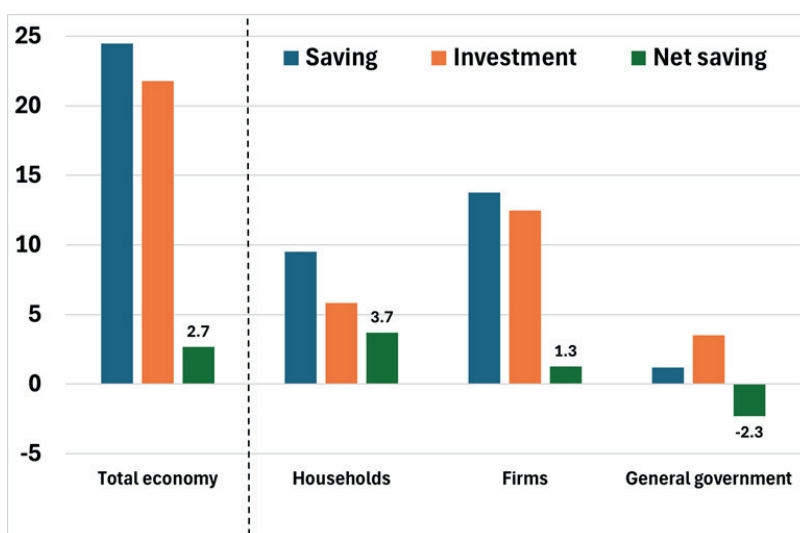


Source: IMF, *World Economic Outlook*, October 2024.

Notes: The numbers refer to private and public consumption as a share of GDP.

Figure 5

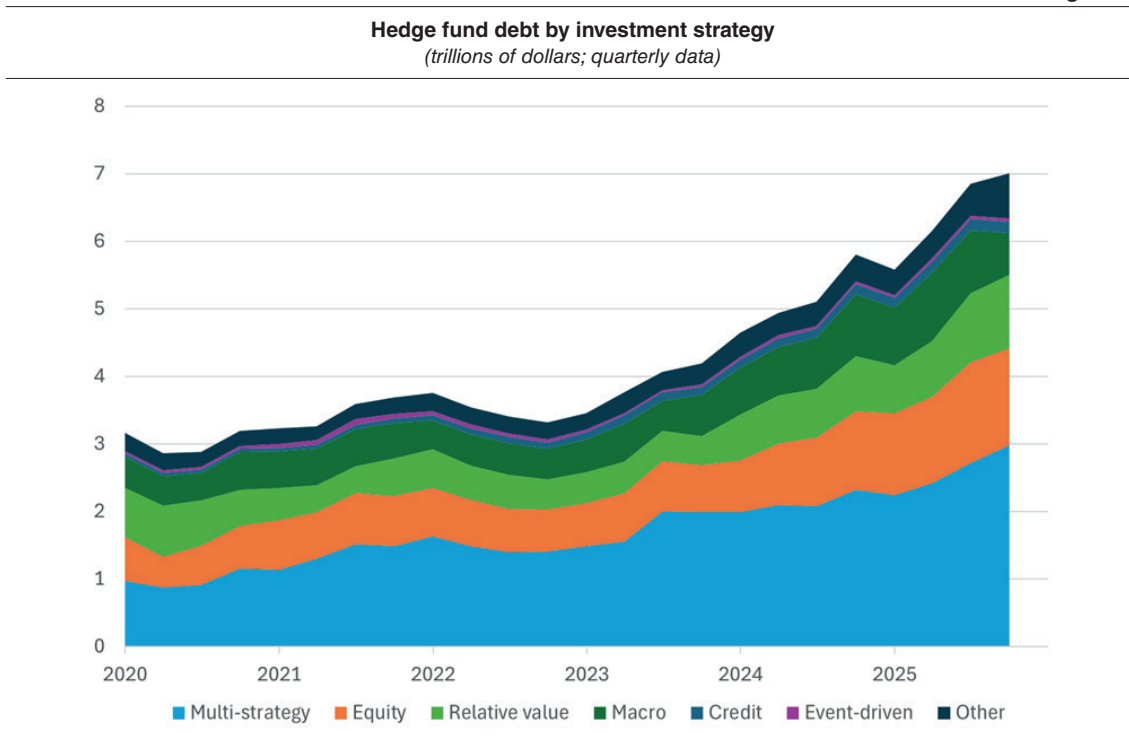
**Saving and investment in the euro area**  
**by institutional sector in 2024**  
(as a share of GDP)



Source: Based on Eurostat national accounts data.

Notes: The numbers refer to net saving by sector and for the economy as a whole as a share of GDP (total economy net saving coincides with the current account balance).

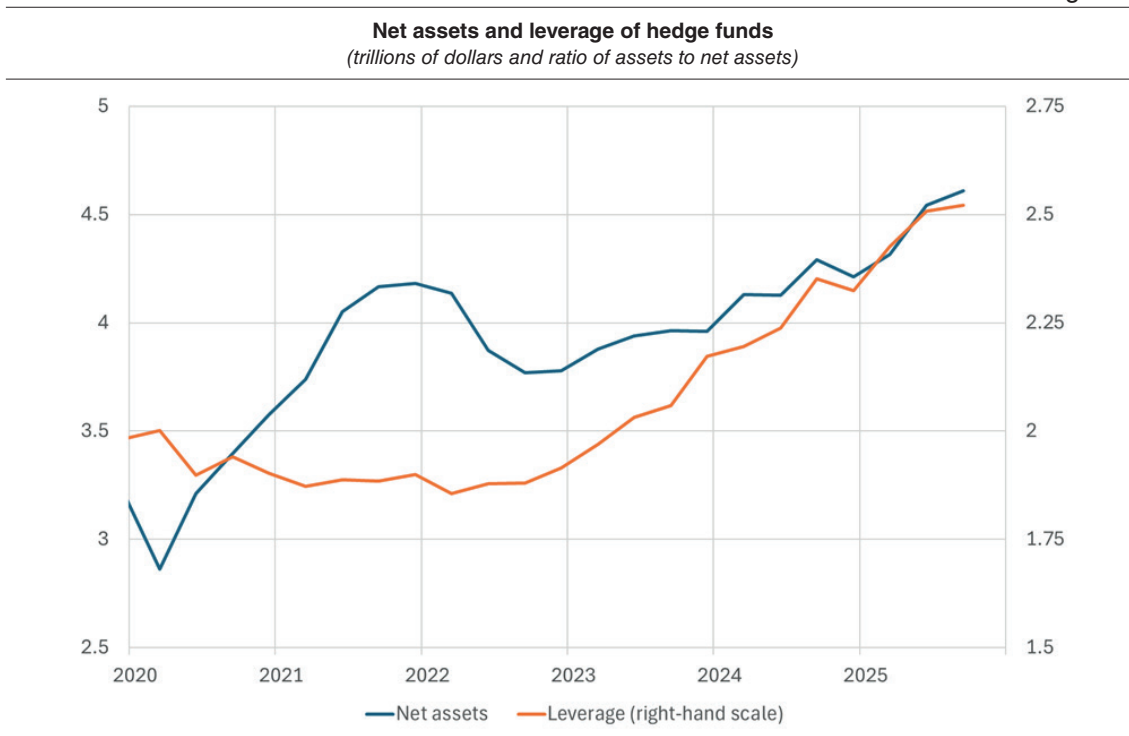
Figure 6



Source: US Office of Financial Research (OFR).

Notes: Includes loans from prime brokers, funds raised through repos and other secured debt.

Figure 7

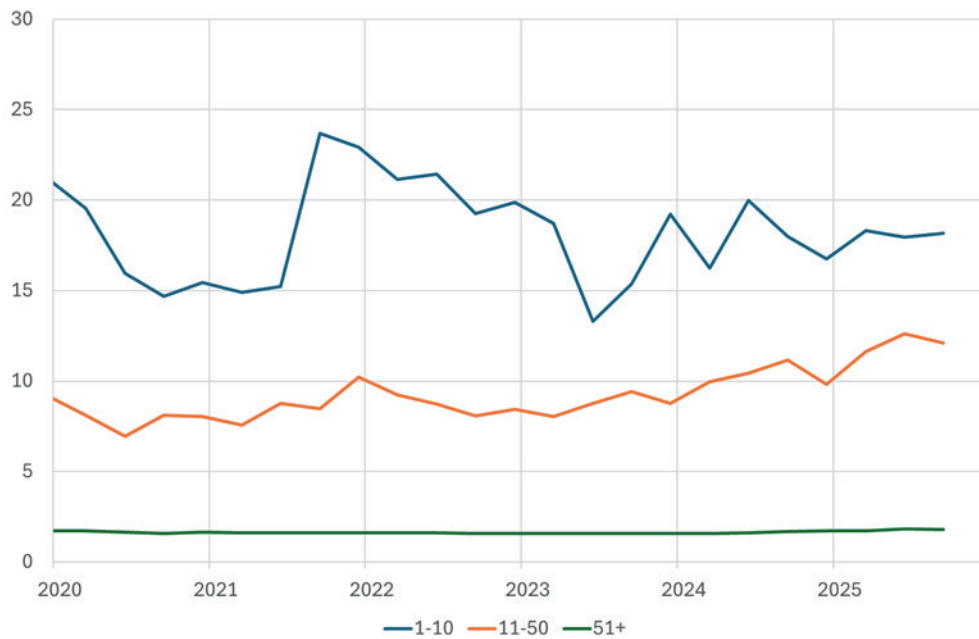


Sources: US Office of Financial Research (OFR) and our calculations.

Notes: Leverage is calculated by dividing the sum of the debts and net assets of all funds in the sample by the sum of their net assets. The statistics shown in the figure are based on our calculations and on Securities and Exchange Commission data for a sample of funds operating in the US market. The latest figure refers to September 2025.

Figure 8

**Leverage of hedge funds by size class**  
(ratio of gross assets to net assets; quarterly data)

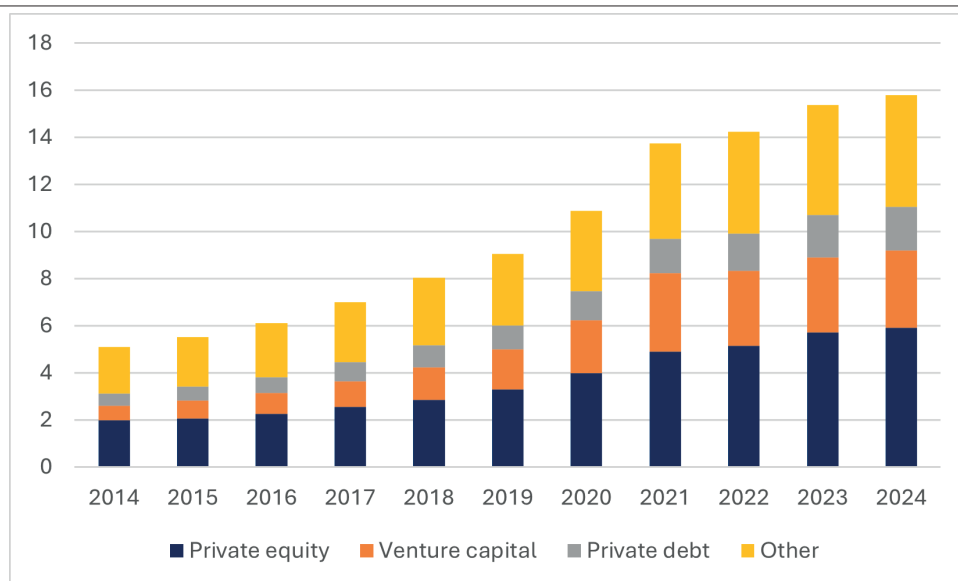


Source: US Office of Financial Research (OFR).

Notes: Simple average of the leverage ratios of the funds in each category. The categories shown in the legend are: the top ten hedge funds by gross asset size (1-10); the following forty (11-50); all the remaining funds surveyed (51+).

Figure 9

**Assets under management of global private capital market funds by asset class**  
(trillions of dollars)

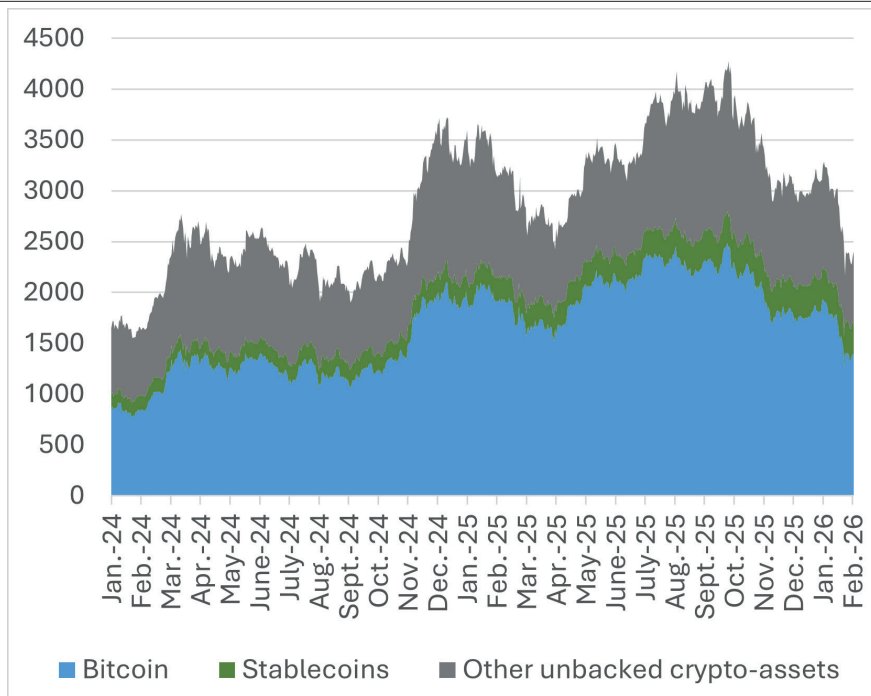


Source: PitchBook Data Inc.

Notes: 'Other' includes funds of funds (FoFs) and funds that invest in real estate and tangible assets (infrastructure and commodities).

Figure 10

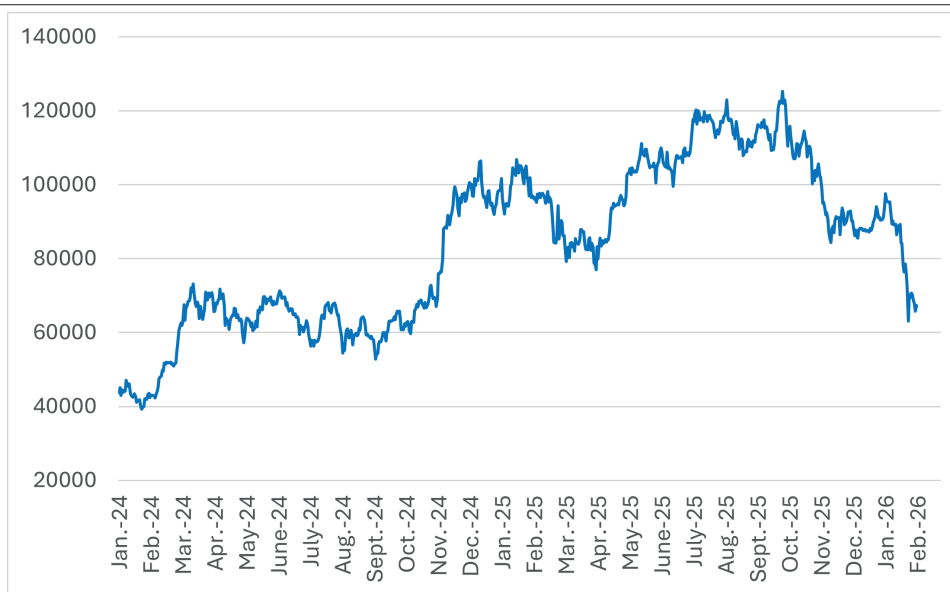
**Market capitalization of crypto-assets**  
(billions of dollars; daily data)



Source: Coinmarketcap.

Figure 11

**Bitcoin price**  
(dollars; daily data)



Sources: Bloomberg and investing.com.

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The life-cycle environmental footprint of the paper used  
was offset by purchasing carbon credits and planting trees in Italy.

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