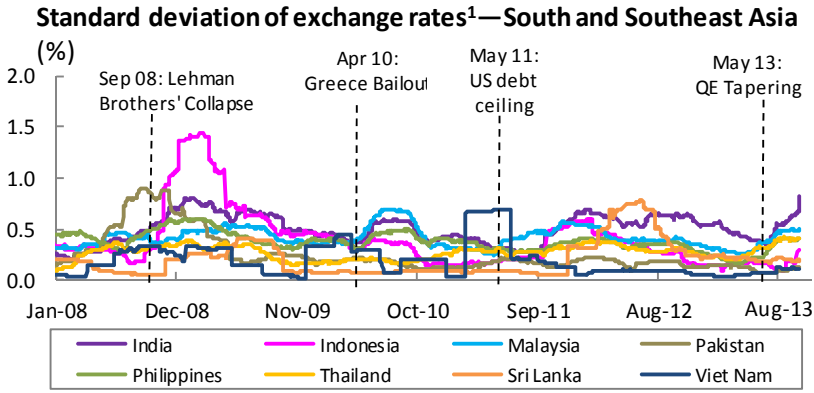
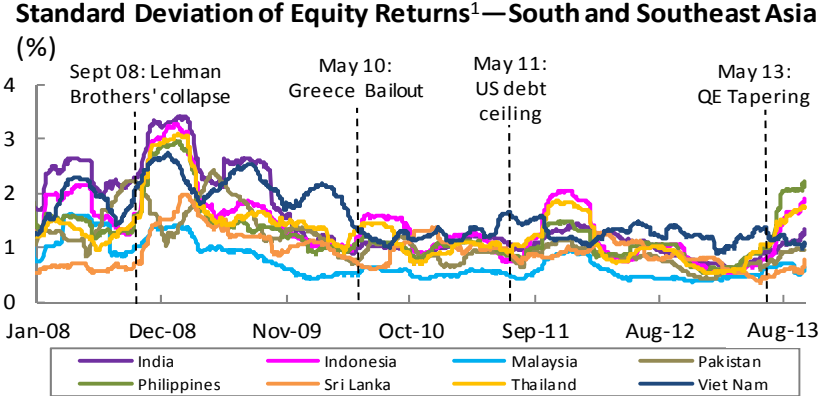


SPECIAL FEATURE: Asian Currency and Equity Market Volatility

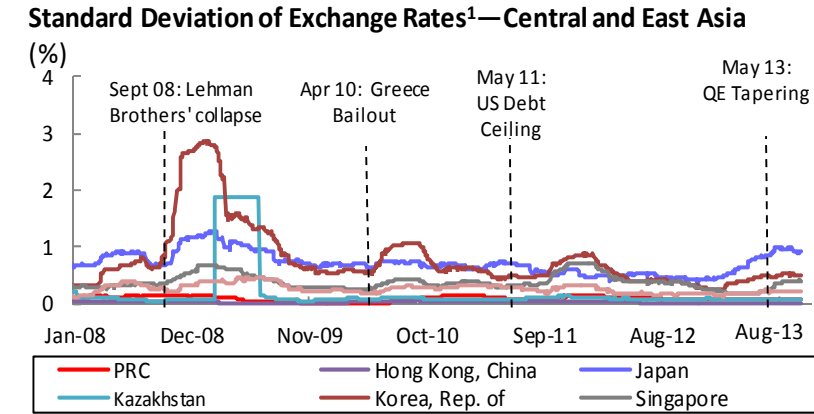
Asian equity and currency markets exhibited high volatility since the release of the May 2013 US Fed meeting minutes offered a signal of QE tapering. Although volatility has not reached 2008 levels—after the collapse of the Lehman Brothers’—most Asian economies are approaching levels recorded during the April 2010 Greece bailout and May 2011 US debt ceiling crisis. After the Fed’s QE announcement, South and Southeast Asia saw a steep rise in standard deviation of exchange rates and equity returns while Central and East Asia saw more modest increases.



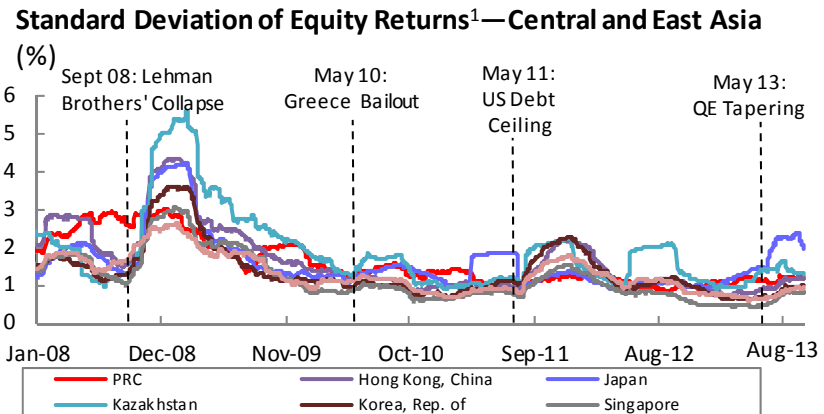
¹ 3-month rolling standard deviation of daily change in US dollar exchange rates. Data up to 30 Aug 2013
Source: ADB calculations using data from Bloomberg.



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Source: ADB calculations using data from Bloomberg.



PRC= People's Republic of China, ¹3-month rolling standard deviation. Source: ADB calculations using data from Bloomberg.