



\$118 Trillion and Counting: Taking Stock of the Global Capital Market

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MCKINSEY GLOBAL INSTITUTE GLOBAL FINANCIAL STOCK DATABASE



GLOBAL FINANCIAL STOCK GROWTH

U.S. \$ Trillions (nominal), percent

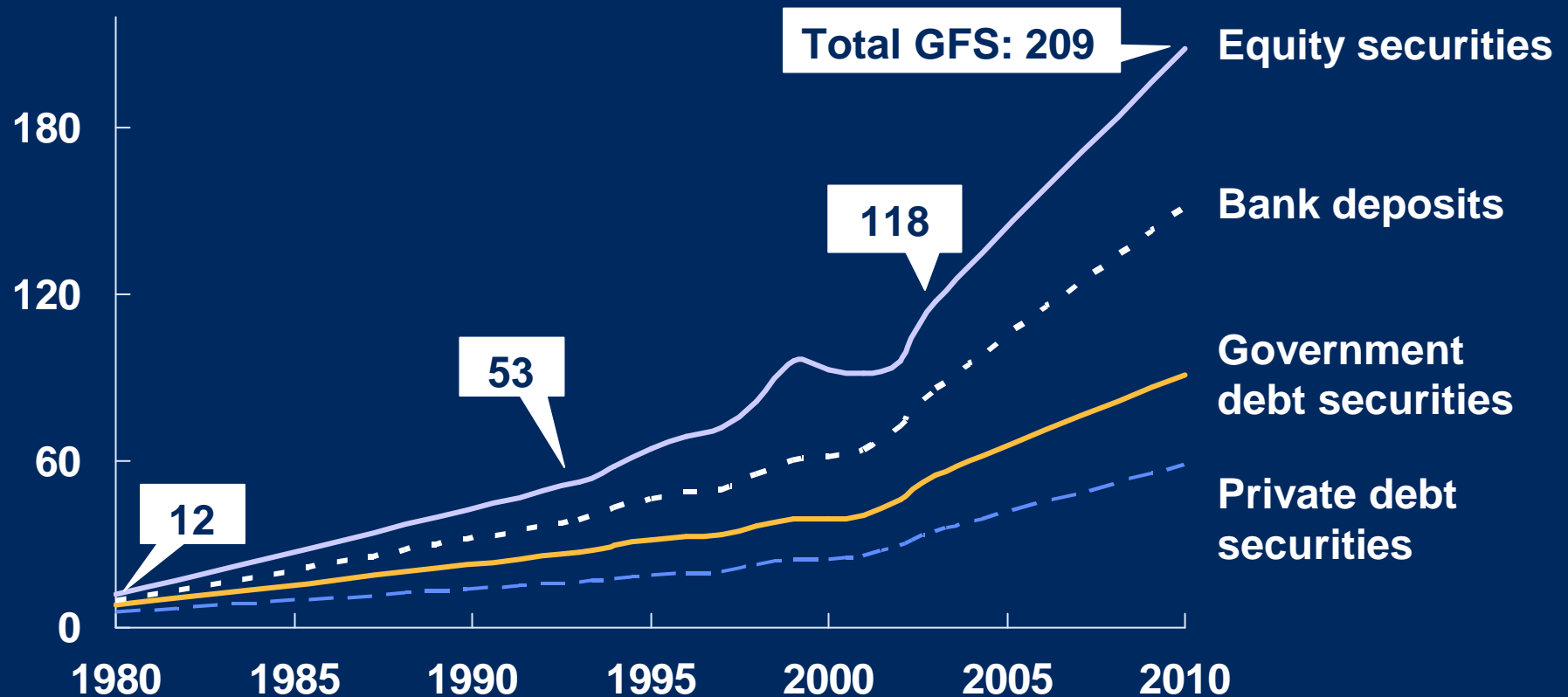
World
GDP

1x

2x

3x

1993-2003
CAGR = 8.4%



FRAMEWORK FOR COMPONENTS OF FINANCIAL STOCK GROWTH



Impacted by actions of

Government Business Households

Asset class

Growth component

Equity securities

- Privatizations
- New stock issues
- Earnings growth
- P/E growth

O

O

O

O/X

Debt securities

- Increased government debt
- Increased private debt
- Securitization

X

O

O

Bank deposits

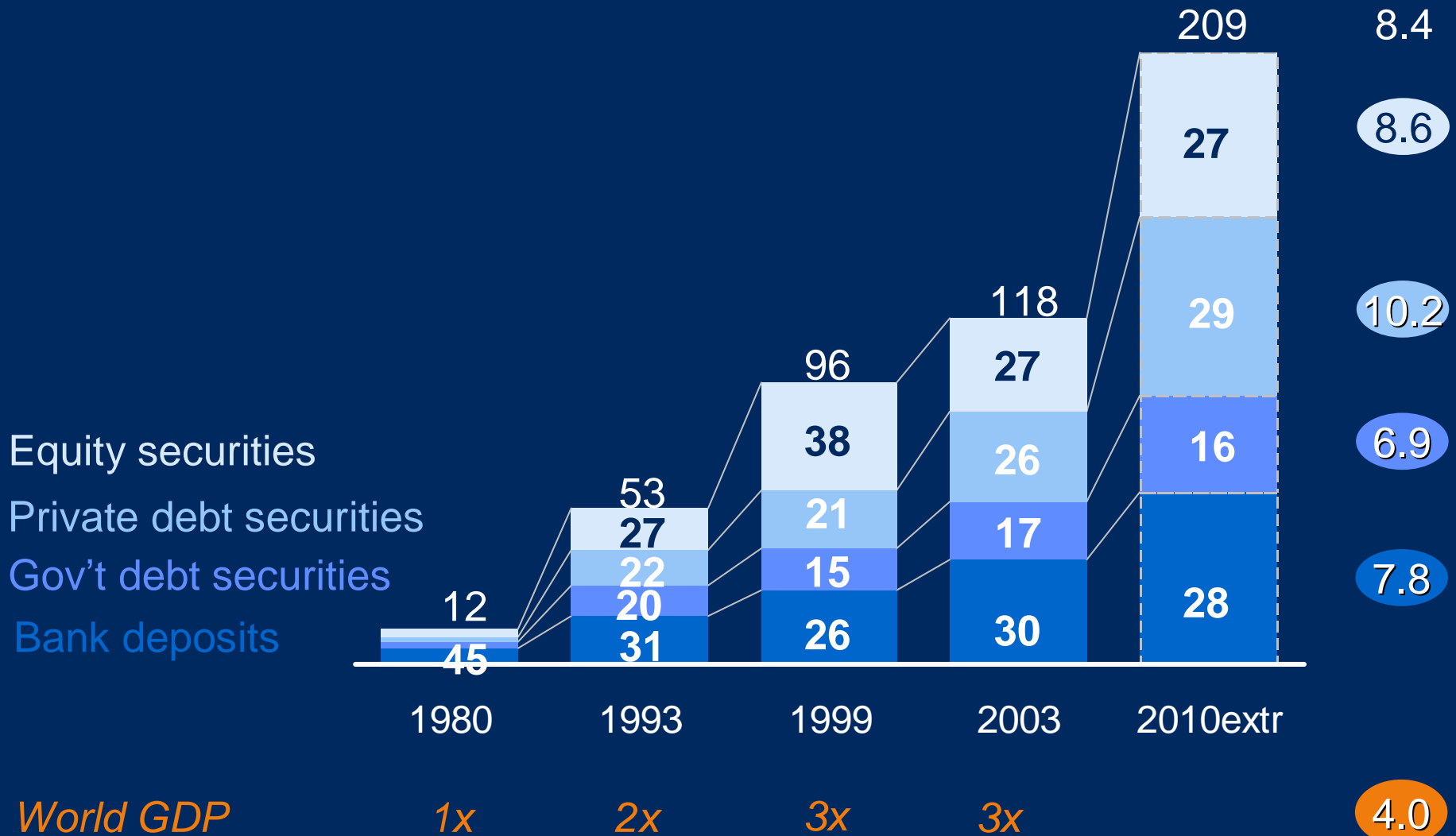
- Increase in bank deposits (savings)

O

GLOBAL FINANCIAL STOCK GROWTH AND ASSET MIX

US\$ Trillions, percent

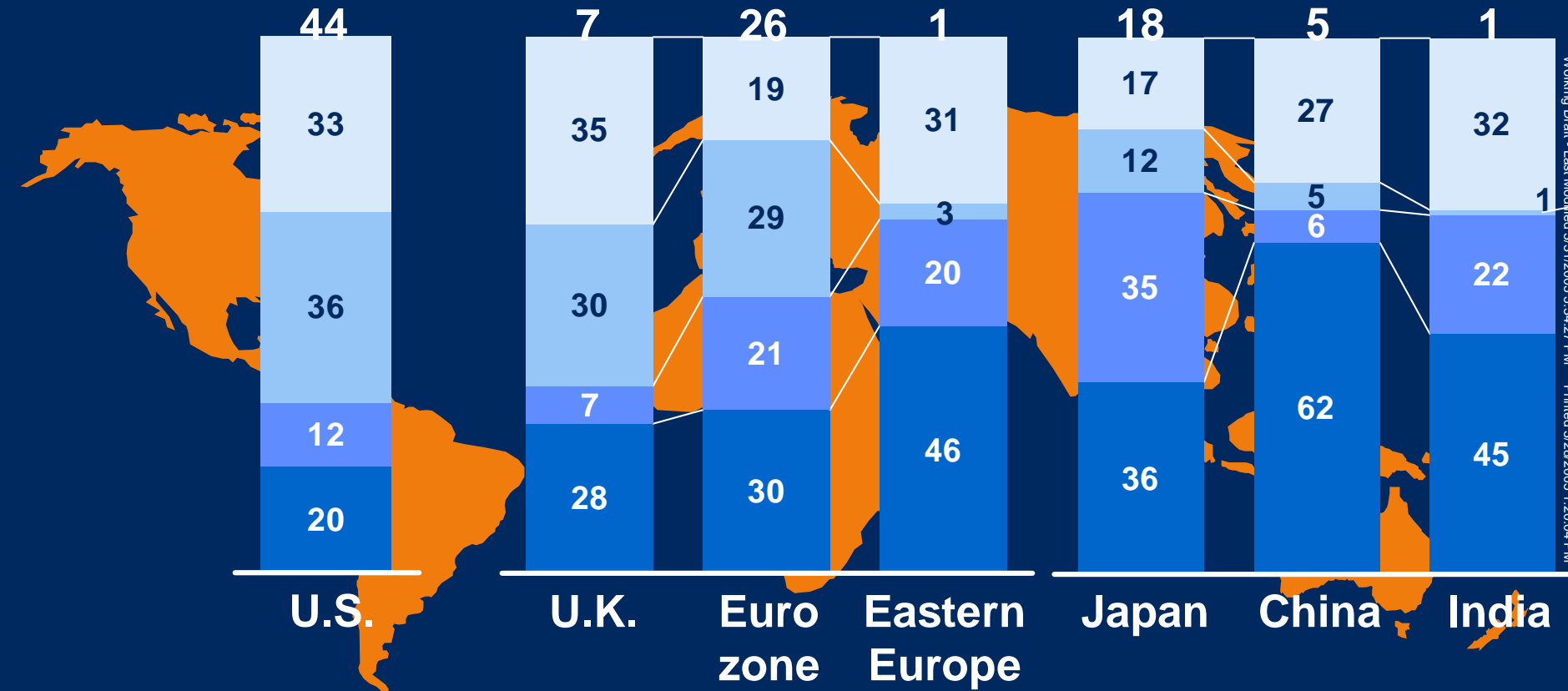
1993-2003
CAGR, %



REGIONAL COMPOSITION OF FINANCIAL STOCK

\$ Trillions; percent

- Equity securities
- Private debt securities
- Public debt securities
- Bank deposits



Working Draft - Last Modified 3/31/2005 5:34:27 PM - Printed 3/28/2005 1:20:04 PM

Depth, % (FS/GDP)	397	385	314	99	411	323	137
CAGR, %	8.6	11.3	9.8	19.3	4.0	14.5	11.9

GLOBAL GROWTH HEAT

MAP: ASSET MIX

1993-2003 CAGR, percent

- CAGR <8% (i.e., <1x GFS growth)
- CAGR 8-16% (i.e., 1-2x GFS growth)
- CAGR >16% (i.e., >2x GFS growth)

	U.S.	U.K.	Euro-zone	Eastern Europe	Japan	China	India
Equity securities	11	8	12	56	0	13	11
Private debt securities	11	21	11	26	0	18	0
Government debt securities	2	5	8	17	12	28	14
Bank deposits	7	13	9	14	3	14	12

END

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