

Kindleberger's Scenario for Financial Crisis

- Displacement
- Boom
- Bubble
- Financial Distress
- Crash
- Revulsion/Discredit
- Depression

Stages of Financial Crisis

- A stage cannot be skipped.

For example, there cannot be a bubble, unless it is preceded by a boom. And there cannot be a crash, unless it is preceded by a bubble and financial distress.

- All stages need not occur.

For example, there can be a boom but no bubble. And there can be a crash, but no depression.