

THE FINANCIAL MARKET STRESS INDICATOR STANDS ON THE LIMIT BETWEEN LOW AND MEDIUM LEVELS FOR THE FIRST TIME IN A YEAR

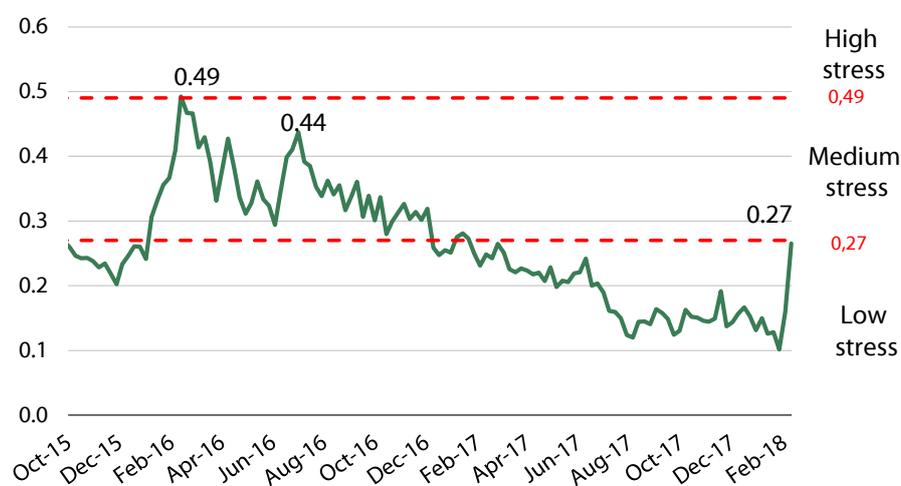
19 February 2018

- At the beginning of February, the stress indicator stood at 0.27 points
- CNMV's Note on Financial Stability analyses the risks that affect Spanish markets quarterly

The Spanish National Securities Market Commission (CNMV) has published the [January 2018 Financial Stability Note](#), which assesses the stress level in the Spanish financial markets, analyses the developments in the different financial risks and identifies the main sources of risk.

The Note, the fifth of the series published by CNMV, shows that the stress level of the Spanish financial markets, which had remained at low levels for several months, recovered at the beginning of February, to stand at 0.27 points, the limit that separates the low and medium stress levels (see graph). This upturn is related to the turbulence that originated in the US equity markets, in which strong employment and wage increases brought about a change in the inflation expectations of this economy and, consequently, in the interest rate increase process.

The Spanish financial market stress indicator





The Spanish financial market stress indicator thus showed signs of recovery in the equity, derivatives and exchange rates segments. Any changes in inflation expectations or variations due to possible revaluations of financial risk could affect markets in the coming months.

The Note highlights the fact that the most significant risks still observed in financial markets are market and liquidity risk, especially in some segments such as corporate fixed income, equity, derivatives and exchange rates.

The note includes two new graphs related to bitcoin. One of them shows the changes it has experienced in terms of volatility and the other reflects the high correlation between its value and the number of searches for the term bitcoin on the Internet.

*The **Financial Stability Note** presents a broad set of indicators, including most notably the Spanish financial market stress indicator and what are known as colour maps (also known as heat maps). The former provides a real-time measurement of systemic risk in the Spanish financial system, ranging from 0 to 1, which is obtained by means of a weighted aggregation of the estimated stress levels in the following six segments: equity, fixed income, financial intermediaries, money markets, derivatives and the foreign exchange market. Colour maps allow you to clearly visualise the changes witnessed in the different risk categories.*

Access the full document:
[Financial Stability Note No. 5 January 2018](#)

For further information:
CNMV Communications Office
Tel.: 91 5851530
www.cnmv.es
comunicacion@cnmv.es

