

THE SPANISH FINANCIAL MARKET STRESS INDICATOR REMAINS AT A LOW LEVEL

23 October 2017

- At the beginning of October, the stress indicator stood at 0.15 points, remaining at a low level
- The CNMV Financial Stability Note analyzes the risks that affect the Spanish markets on a quarterly basis

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

The Note, the fourth in the series published by CNMV, which corresponds to the third quarter of the year, shows that Spanish markets have remained at a low stress level in recent months. In spite of the fact that in October the indicator has registered a slight upturn, probably related to the political crisis in Catalonia, but of a magnitude not comparable to previous crisis events in the markets.

Thus, at the start of October, the stress indicator stood at 0.15 (0.19 at the end of the previous quarter).

Indicador de estrés de los mercados financieros españoles





During the summer months, the stress level of the Spanish financial markets was at minimum levels since the markets showed great stability.

The Note stresses that the highest stress level, always within low levels, is being maintained in the fixed income segment, due to the interest rate environment, which pushes up the price of many of the assets belonging to the segment, resulting in an increase in volatility and a deterioration in liquidity. A slight increase in stress can also be observed in the equity segment.

*The **Financial Stability Note** presents a broad set of indicators, including the Spanish financial market stress indicator and the termed colour maps (also known as heat maps). The first one provides a real-time measurement of systemic risk in the Spanish financial system, ranging from 0 to 1, which is obtained by weighted aggregation of the stress levels estimated in the following six segments: variable income, fixed income, financial intermediaries, currency markets, derivatives and the foreign exchange market. The colour maps make it possible to easily visualize the developments in the various risk categories.*

Access the full document:
[Financial Stability Note No. 4, October 2017](#)

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

