

World Economic and Financial Surveys

Global Financial Stability Report

Responding to the Financial Crisis and Measuring Systemic Risk

APR 09



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and Measuring Systemic Risks

April 2009



International Monetary Fund
Washington DC

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Production: IMF Multimedia Services Division

Cover: Jorge Salazar

Figures: Andrew Sylvester,

Theodore F. Peters, Jr.

Typesetting: Andrew Sylvester,

Julio Prego

Cataloging-in-Publication Data

Global financial stability report — Washington, DC :
International Monetary Fund, 2002—

v. ; cm. — (World economic and financial surveys)

Semiannual

Some issues also have thematic titles.

ISSN 1729-701X

1. Capital market — Developing countries — Periodicals.
2. International finance — Periodicals. 3. Economic
stabilization — Periodicals. I. International Monetary Fund.
II. Title. III. World economic and financial surveys.
HG4523.G563

ISBN: 978-1-58906-809-4

Please send orders to:

International Monetary Fund, Publication Services
700 19th Street, N.W., Washington, D.C. 20431, U.S.A.

Tel.: (202) 623-7430

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The following symbols have been used throughout this volume:

- . . . to indicate that data are not available;
 - to indicate that the figure is zero or less than half the final digit shown, or that the item does not exist;
 - between years or months (for example, 1997–99 or January–June) to indicate the years or months covered, including the beginning and ending years or months;
 - / between years (for example, 1998/99) to indicate a fiscal or financial year.
- “Billion” means a thousand million; “trillion” means a thousand billion.
- “Basis points” refer to hundredths of 1 percentage point (for example, 25 basis points are equivalent to $\frac{1}{4}$ of 1 percentage point).
- “n.a.” means not applicable.

Minor discrepancies between constituent figures and totals are due to rounding.

As used in this volume the term “country” does not in all cases refer to a territorial entity that is a state as understood by international law and practice. As used here, the term also covers some territorial entities that are not states but for which statistical data are maintained on a separate and independent basis.

PREFACE

The *Global Financial Stability Report* (GFSR) assesses key risks facing the global financial system with a view to identifying those that represent systemic vulnerabilities. In normal times, the report seeks to play a role in preventing crises by highlighting policies that may mitigate systemic risks, thereby contributing to global financial stability and the sustained economic growth of the IMF's member countries. In the current crisis, the report traces the sources and channels of financial distress, and provides policy advice on mitigating its effects on economic activity, stemming contagion, and mending the global financial system.

The analysis in this report has been coordinated in the Monetary and Capital Markets (MCM) Department under the general direction of Jaime Caruana, the former Financial Counsellor and Director, and finalized by the present Financial Counsellor and Director, José Viñals. The project has been directed by MCM staff Jan Brockmeijer, Deputy Director; Peter Dattels and Laura Kodres, Division Chiefs; and Elie Canetti and Brenda González-Hermosillo, Deputy Division Chiefs. It has benefited from comments and suggestions from the senior staff in the MCM Department and especially, Mahmood Pradhan, Assistant Director.

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This particular issue draws, in part, on a series of discussions with banks, clearing organizations, securities firms, asset management companies, hedge funds, standard setters, financial consultants, and academic researchers. The report reflects information available up to February 28, 2009.

The report benefited from comments and suggestions from staff in other IMF departments, as well as from Executive Directors following their discussion of the *Global Financial Stability Report* on March 30, 2009. However, the analysis and policy considerations are those of the contributing staff and should not be attributed to the Executive Directors, their national authorities, or the IMF.