



Market Risk - Special Financial Stability Reports - Second Half of 2019

Download (only in Spanish) Keep in mind

The main purpose of these reports is to monitor the vulnerabilities and risks of the financial system. Opinions and potential errors are the sole responsibility of the authors, and their contents do not compromise the Board of Directors of *Banco de la República* (the Central Bank of Colombia).

AUTHORS AND/OR EDITORS Rodríguez-Novoa, Daniela Yanquen-Briñez, Eduardo

The Special Financial Stability Reports accompany the publication of the Financial Stability Report and provide a more detailed analysis of some aspects and risks relevant to the stability of the Colombian financial system: market liquidity risk, market risk, credit risk, financial burden, loan portfolio, and housing market in Colombia, international indicators, concentration, and competition in the deposit and credit markets, corporate sector surveys, and financial inclusion.

Publication Date: Tuesday, 24 of December 2019

The purpose of this report is to measure the transmission of volatility present among public debt, private debt, and stock markets to identify whether a market was either a generator or a receiver of volatility at a given point in time. Subsequently, the overnight value at risk (VaR) of the portfolio in proprietary position of the three markets is estimated, as well as the effects of a possible market risk event materialization on the balance sheet of the institutions.