Market Risk - Special Financial Stability Reports - Second Half of 2020

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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.

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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.

Fuente: https://www.banrep.gov.co/en/publications-research/special-financial-stability-report/market-risk-second-half-2020