Market Risk - Financial Stability Special Reports - First Half 2021

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The Financial Stability Special Reports accompany the publication of the Financial Stability Report, providing a more detailed analysis of certain aspects and risks relevant to the stability of the Colombian financial system.

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The purpose of this report is to analyze market risk considering a materialization of the conditions described in the 2021-I Financial Stability Report. For this purpose, the volatility transmission among the stock and the public and private debt markets is measured to identify whether a market was a generator or receiver of volatility at a given point in time. Subsequently, the three markets' overnight value-at-risk (VaR) is estimated for the portfolio in proprietary position, as well as the potential effects of a market risk event materialization on the institution's balance sheet.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications-research/financial-stability-special-reports/market-risk-first-half-2021