

Near-term financial stability risks have receded since the last GFSR, although salient risks remain.

Financial conditions have eased as investors and central banks expect global disinflation to be entering its last mile...

Average policy rate declines

Advanced Economies

75 basis points



Emerging Market Economies

120 basis points



The global stock market increased **21%**

...but risks remain, and medium-term vulnerabilities are building-up

Commercial real estate prices have declined globally in real terms

12.5%



Corporate bankruptcies have increased in the United States

20.3%



POLICIES



Central banks should avoid easing monetary policy prematurely and push back against overly optimistic market expectations for rate cuts. In jurisdictions displaying ample evidence that inflation is moving sustainably toward target, policy should gradually move to a more neutral stance.



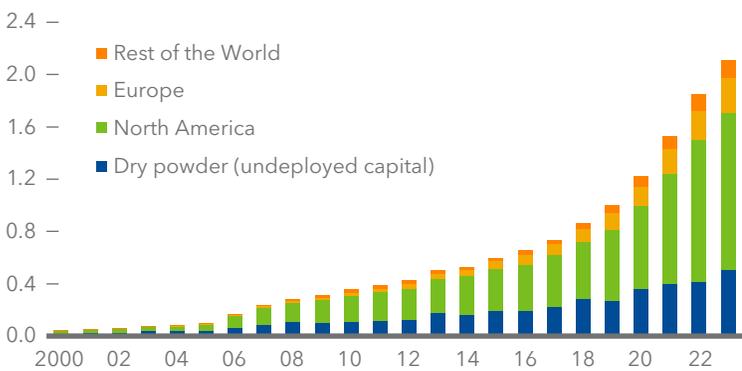
Emerging and frontier economies should strengthen efforts to contain debt vulnerabilities.



Regulatory authorities should use supervisory tools to ensure that banks and nonbank financial institutions are resilient to the credit cycle downturn.

Continued rapid growth in the private credit industry under limited prudential oversight could give rise to system risks.

The growth of private credit markets
(Trillions of US dollars)



POLICIES



Consider a more proactive supervisory and regulatory approach.



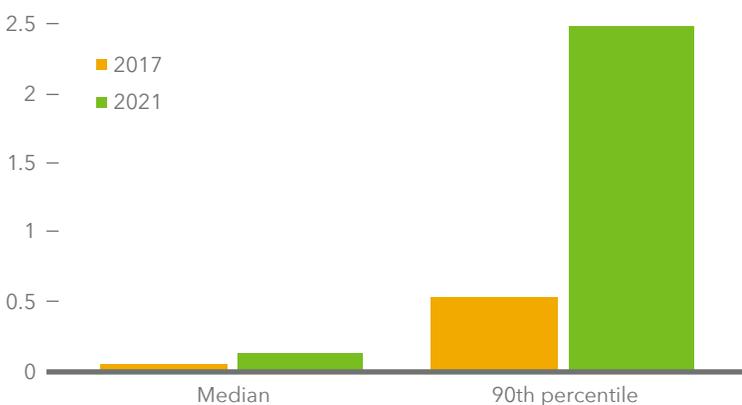
Close data gaps and enhance reporting requirements to comprehensively assess risks.



Strengthen cross-sectoral and cross-border regulatory cooperation.

Cyber incidents pose an increasing threat to macrofinancial stability.

Estimated Maximum Annual Firm Loss
(Billions of US dollars)



POLICIES



Develop national cybersecurity strategies and effective regulation and supervisory frameworks.



Enhance data reporting and information sharing.



Strengthen response and recovery procedures to boost resilience against cyber incidents.