



PREFACE

The *Global Financial Stability Report* (GFSR) assesses global financial market developments with a view to identifying potential systemic weaknesses. By calling attention to potential fault lines in the global financial system, the report seeks to play a role in preventing crises, thereby contributing to global financial stability and to sustained economic growth of the IMF's member countries.

The report was prepared by the International Capital Markets (ICM) Department, under the direction of the Counsellor and Director, Gerd Häusler. It is managed by an Editorial Committee comprising Hung Q. Tran (Chairman), Elie Canetti, Todd Groome, and Ceyla Pazarbasioglu, and it benefits from comments and suggestions by Axel Bertuch-Samuels and Charles R. Blitzer. Other ICM staff contributing to this issue include Geoffrey Bannister, Nicolas Blancher, Marcelo Carvalho, Peter Dattels, Michael Gapen, François Haas, Anna Ilyina, Andreas Jobst, Herman Kamil, John Kiff, William Lee, Pipat Luengnaruemitchai, Carlos Medeiros, Christopher Morris, Shinobu Nakagawa, Hiroko Oura, Michael Papaioannou, Lars Pedersen, Jorge Roldos, Paul Ross, G. Edwin Smith III, Laura Valderrama, Christopher Walker, Mark Walsh, and Luisa Zanforlin. Jonathan Fiechter, Kalin Tintchev, and Kal Wajid from the Monetary and Financial Systems Department (MFD) contributed banking sector developments in emerging market countries. Martin Edmonds, Ivan Guerra, Silvia Iorgova, Oksana Khadarina, Yoon Sook Kim, Ned Rumpelstin, and Peter Tran provided analytical support. Caroline Bagworth, Rosemarie Edwards, Vera Jasenovc, and Elsa Portaro-Cracel provided expert word processing assistance. Archana Kumar of the External Relations Department edited the manuscript and coordinated production of the publication.

This particular issue draws, in part, on a series of informal discussions with commercial and investment banks, securities firms, asset management companies, hedge funds, insurance companies, pension funds, stock and futures exchanges, and credit rating agencies, as well as regulatory authorities and academic researchers in many major financial centers and countries. The report reflects information available up to July 22, 2005.

The report has benefited from comments and suggestions from staff in other IMF departments, as well as from Executive Directors following their discussions of the *Global Financial Stability Report* on August 29, 2005. 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.