



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), Peter Dattels, Todd Groome, and Ceyla Pazarbasioglu, and it benefits from comments and suggestions from Axel Bertuch-Samuels and Charles R. Blitzer. Other ICM staff contributing to this issue include Geoffrey Bannister, Brian Bell, Nicolas Blancher, Elie Canetti, Marcelo Carvalho, Dale Gray, François Haas, Kristian Hartelius, Anna Ilyina, Andreas Jobst, Herman Kamil, John Kiff, William Lee, Cheng Hoon Lim, Pipat Luengnaruemitchai, Carlos Medeiros, Chris Morris, Shinobu Nakagawa, Michael Papaioannou, Lars Pedersen, Magdalena Polan, Bozena Radzewicz-Bak, Parmeshwar Ramlogan, Paul Ross, Mustafa Saiyid, Hemant Shah, G. Edwin Smith III, Laura Valderrama, Christopher Walker, Mark Walsh, and Luisa Zanforlin. A staff team led by David Marston and Kal Wajid from the Monetary and Financial Systems Department (MFD) contributed on banking sector developments in emerging markets, and Udaibir S. Das and Allison Holland (also MFD) contributed on debt management issues in Chapter III. Martin Edmonds, Patricia Gillett, Ivan Guerra, Silvia Iorgova, Oksana Khadarina, Yoon Sook Kim, Ned Rumpeltn, and Peter Tran (all ICM), as well as Kalin Tintchev (MFD), provided analytical support. Caroline Bagworth, Norma Cayo, Rosemarie Edwards, Vera Jasenovec, Elsa Portaro-Cracel, and Ramanjeet Singh 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 February 10, 2006.

The report has benefited from comments and suggestions from staff in other IMF departments, as well as from Executive Directors, following their discussion of the *Global Financial Stability Report* on March 27, 2006. 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.