

## PREFACE

The *Global Financial Stability Report* (GFSR) assesses key risks facing the global financial system. In normal times, the report seeks to play a role in preventing crises by highlighting policies that may mitigate systemic risks, thereby contributing to global financial stability and the sustained economic growth of the IMF's member countries. Against a background of continuing challenges to global financial stability, the current report highlights how risks have changed over the past six months, traces the sources and channels of financial distress with an emphasis on sovereign vulnerabilities and contagion risks stemming from bank deleveraging, investigates the resilience of emerging markets, examines the implications of recent reforms and sovereign stress for safe assets, and assesses the growing financial costs that longevity risk poses for financial and fiscal institutions.

The analysis in this report has been coordinated by the Monetary and Capital Markets (MCM) Department under the general guidance of José Viñals, Financial Counsellor and Director. The project has been directed by Jan Brockmeijer and Robert Sheehy, both Deputy Directors; Peter Dattels and Laura Kodres, Assistant Directors; and Matthew Jones, Advisor. It has benefited from comments and suggestions from the senior staff in the MCM department.

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This particular issue draws, in part, on a series of discussions with banks, clearing organizations, securities firms, asset management companies, hedge funds, standards setters, financial consultants, pension funds, central banks, national treasuries, and academic researchers. The report reflects information available up to March 30, 2012.

The report benefited from comments and suggestions from staff in other IMF departments, as well as from Executive Directors following their discussion of the GFSR on March 30, 2012. 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.