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.

The current report finds that global financial stability risks have risen since October 2015. The report finds that the outlook has deteriorated in advanced economies because of heightened uncertainty and setbacks to growth and confidence, while declines in oil and commodity prices and slower growth have kept risks elevated in emerging markets. These developments have tightened financial conditions, reduced risk appetite, raised credit risks, and stymied balance sheet repair. A broad-based policy response is needed to secure financial stability. Advanced economies must deal with crisis legacy issues, emerging markets need to bolster their resilience to global headwinds, and the resilience of market liquidity should be enhanced. The report also examines financial spillovers from emerging market economies and finds that they have risen substantially. This implies that when assessing macrofinancial conditions, policymakers may need to increasingly take into account economic developments in emerging market economies. Finally, the report assesses changes in the systemic importance of insurers, finding that across advanced economies the contribution of life insurers to systemic risk has increased in recent years. The results suggest that supervisors and regulators should take a more macroprudential approach to the sector.

The analysis in this report has been coordinated by the Monetary and Capital Markets (MCM) Department under the general direction of José Viñals, Financial Counsellor and Director. The project has been directed by Peter Dattels and Dong He, both Deputy Directors, as well as by Gaston Gelos and Matthew Jones, both Division Chiefs. It has benefited from comments and suggestions from the senior staff in the MCM Department.


Joe Procopio from the Communications Department led the editorial team and managed the report’s production with support from Katy Whipple and Linda Kean and editorial assistance from Michelle Chen, Lucy Scott Morales, Sherrie Brown, Gregg Forte, EII Communications, and AGS (an RR Donnelley Company).

This particular edition of the GFSR draws in part on a series of discussions with banks, securities firms, asset management companies, hedge funds, standards setters, financial consultants, pension funds, central banks, national treasuries, and academic researchers.

This GFSR reflects information available as of March 25, 2016. 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 28, 2016. However, the analysis and policy considerations are those of the contributing staff and should not be attributed to the IMF, its Executive Directors, or their national authorities.