



# PRESS RELEASE

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CONTACT: Press Office, tel. +46-(0)8-7870200

SVERIGES RIKSBANK  
SE-103 37 Stockholm  
(Brunkebergstorg 11)

Tel +46 8 787 00 00  
Fax +46 8 21 05 31  
registratorn@riksbank.se  
www.riksbank.se

## ■ **Global uncertainty has increased, according to autumn risk survey**

*The Swedish financial markets are functioning well, according to a majority of the market participants who responded to the Riksbank's risk survey in autumn 2014. However, a larger percentage of respondents than before state that the financial markets are functioning slightly less well and that market functioning will deteriorate further in the short term. At the same time, geopolitical conflicts in particular have subdued the respondents' willingness to take risk. In addition, the respondents still take a serious view of the possible consequences of an increase in the risks linked to indebtedness in the Swedish household sector.*

### **Respondents feel that lower liquidity have a negative impact on market functioning**

One in three respondents to the Riksbank's risk survey in autumn 2014 considers that the Swedish financial markets are functioning slightly less well than they did six months ago. Moreover, one in four respondents believes that market functioning will deteriorate further in the coming six months. One reason stated is that liquidity on the financial markets has declined. According to the respondents, this is due to market makers being less willing to take risks than previously and to new regulations having made trading in the fixed-income market more expensive.

### **Respondents are increasingly uneasy over geopolitical conflicts**

The respondents perceive that uncertainty abroad, particularly resulting from geopolitical conflicts, has increased and more respondents than before are thus less willing to take risk. Examples mentioned are the conflict between Russia and Ukraine, as well as conflicts in the Middle East. If these geopolitical risks were realised, the potential consequences for the Swedish financial system could be relatively large, according to the respondents. At the same time, the respondents still take a serious view of the possible consequences of an increase in the risks linked to the high level of indebtedness in the Swedish household sector.

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Since spring 2008 the Riksbank has carried out its own twice-yearly survey of participants in the Swedish fixed-income and foreign exchange markets. The



■ questions in the survey refer to the participants' views on risk and also to their opinions regarding the functioning of the Swedish financial markets. The Riksbank's Risk Survey autumn 2014 was carried out in September and October. It can be download as a PDF from the Riksbank's website, [www.riksbank.se](http://www.riksbank.se).