



PRESS RELEASE

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■ Riksbank's Risk Survey Spring 2011

The assessment of participants in the Swedish fixed-income and foreign exchange markets in April and early May was that global imbalances constitute the greatest risk to the Swedish financial system. The majority of the respondents believe that the functioning of the financial markets is the same or better than six months ago.

Some 40 per cent of the participants questioned in the survey state that the financial markets are functioning better now than six months ago. The main reason for this is slightly better liquidity and less volatility in Swedish financial markets, according to the respondents.

The participants believe that the implementation of new regulations such as Basel III and Solvency II, increased risk awareness and increased cost of capital will be the lasting effects of the financial crisis. They also believe that large budget deficits in some advanced economies are a result of the crisis, as debt has been moved from the private sector to the public sector. Most respondents do not see a spill over effect from the sovereign debt crisis in the euro area to the Swedish financial markets. Demand for Swedish securities has rather increased due to the strong economic standing of the country.

The participants also believe that new regulations, the Swedish housing market development, as well as the Riksbank's monetary policy will be in focus on the Swedish financial markets in the coming six months.

Since the spring of 2008, the Riksbank has carried out a twice-yearly survey of participants who are active on 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 markets. The Riksbank's Risk Survey for the spring of 2011 was conducted in April and early May. It can be downloaded as a PDF file from the Riksbank's website, www.riksbank.com.