

Il termometro dei mercati finanziari (19Febbraio)

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L'iniziativa di Finriskalert.it "Il termometro dei mercati finanziari" vuole presentare un indicatore settimanale sul grado di turbolenza/tensione dei mercati finanziari, con particolare attenzione all'Italia.

Il termometro dei mercati finanziari						
19-Feb-21		Legenda				
Valutazione complessiva		Calma		↑	miglioramento	
				↔	stabile	
		Tensione		↓	peggioramento	
Mercati italiani		19-Feb	12-Feb	5-Feb	29-Jan	22-Jan
Rendimento borsa italiana	-1.17	↓	1.42	7.00	-2.34	-1.31
Volatilità implicita borsa italiana	21.90	↑	23.01	23.52	26.06	22.54
CDS principali banche 10Ysub	318.38	↓	312.99	319.62	334.45	332.84
Tasso di interesse ITA 2Y	-0.38	↓	-0.43	-0.42	-0.36	-0.27
Spread ITA 10Y/2Y	1.00	↓	0.92	0.96	1.01	0.98
Mercati europei		19-Feb	12-Feb	5-Feb	29-Jan	22-Jan
Rendimento borsa europea	0.48	↓	1.09	5.01	-3.36	0.08
Volatilità implicita borsa europea	18.79	↓	18.07	18.15	23.32	18.64
Rendimento borsa ITA/Europa	-1.65	↔	0.33	2.00	1.02	-1.39
Spread ITA/GER	0.93	↔	0.92	0.99	1.17	1.22
Spread EU/GER	0.45	↓	0.42	0.40	0.46	0.47
Politica monetaria, cambi e altro		19-Feb	12-Feb	5-Feb	29-Jan	22-Jan
Euro/Dollaro	1.213	↔	1.212	1.203	1.215	1.217
Spread US/GER 10Y	1.66	↓	1.63	1.61	1.61	1.60
Euribor 6M	0.318	↓	-0.521	-0.525	-0.534	-0.527
Prezzo Oro	1785	↑	1827	1808	1858	1854
Spread 10Y/2Y Euro Swap Curve	0.52	↓	0.43	0.41	0.35	0.31

Significato degli indicatori

- Rendimento borsa italiana: rendimento settimanale dell'indice della borsa italiana FTSEMIB;
- Volatilità implicita borsa italiana: volatilità implicita calcolata considerando le opzioni at-the-money sul FTSEMIB a 3 mesi;
- Future borsa italiana: valore del future sul FTSEMIB;
- CDS principali banche 10Ysub: CDS medio delle obbligazioni subordinate a 10 anni delle principali banche italiane (Unicredit, Intesa San Paolo, MPS, Banco BPM);
- Tasso di interesse ITA 2Y: tasso di interesse costruito sulla curva dei BTP con scadenza a due anni;
- Spread ITA 10Y/2Y : differenza del tasso di interesse dei BTP a 10 anni e a 2 anni;
- Rendimento borsa europea: rendimento settimanale dell'indice delle borse europee Eurostoxx;
- Volatilità implicita borsa europea: volatilità implicita calcolata sulle opzioni at-the-money sull'indice Eurostoxx a scadenza 3 mesi;
- Rendimento borsa ITA/Europa: differenza tra il rendimento settimanale della borsa italiana e quello delle borse europee, calcolato sugli indici FTSEMIB e Eurostoxx;

- Spread ITA/GER: differenza tra i tassi di interesse italiani e tedeschi a 10 anni;
- Spread EU/GER: differenza media tra i tassi di interesse dei principali paesi europei (Francia, Belgio, Spagna, Italia, Olanda) e quelli tedeschi a 10 anni;
- Euro/dollaro: tasso di cambio euro/dollaro;
- Spread US/GER 10Y: spread tra i tassi di interesse degli Stati Uniti e quelli tedeschi con scadenza 10 anni;
- Prezzo Oro: quotazione dell'oro (in USD)
- Spread 10Y/2Y Euro Swap Curve: differenza del tasso della curva EURO ZONE IRS 3M a 10Y e 2Y;
- Euribor 6M: tasso euribor a 6 mesi.

I colori sono assegnati in un'ottica VaR: se il valore riportato è superiore (inferiore) al quantile al 15%, il colore utilizzato è l'arancione. Se il valore riportato è superiore (inferiore) al quantile al 5% il colore utilizzato è il rosso. La banda (verso l'alto o verso il basso) viene selezionata, a seconda dell'indicatore, nella direzione dell'instabilità del mercato. I quantili vengono ricostruiti prendendo la serie storica di un anno di osservazioni: ad esempio, un valore in una casella rossa significa che appartiene al 5% dei valori meno positivi riscontrati nell'ultimo anno. Per le prime tre voci della sezione "Politica Monetaria", le bande per definire il colore sono simmetriche (valori in positivo e in negativo). I dati riportati provengono dal database Thomson Reuters. Infine, la tendenza mostra la dinamica in atto e viene rappresentata dalle frecce: ↑, ↓, ↔ indicano rispettivamente miglioramento, peggioramento, stabilità rispetto alla rilevazione precedente.

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Liquidity stress testing for insurances

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Last 26th January EIOPA published a methodological paper on the liquidity stress testing for insurances, describing the principles to follow for a good appraisal of the resilience of insurances to

liquidity shocks and providing a conceptual approach to measure the liquidity position under adverse scenarios. Indeed, despite the increased interest the NSAs (National Supervisor Authorities) have given to the liquidity risk, a common approach is still missing.

With this paper, EIOPA perseveres with its effort of improving the stress-testing framework, started back in July 2019 and materialized in June 2020, with a consultation paper covering three topics:

- stress test framework on climate change, to assess the vulnerabilities to climate-related risks
- potential approaches to multi-period stress testing (i.e. the scenario is not set at one point in time but rather as a path of macroeconomic and insurance-specific variables changing over time).
- approach to liquidity stress testing

Let us discuss the main contents of the 26th January paper, named "Methodological principles of Insurance Stress-testing - liquidity component".

Objective and scope

The stress testing should have both a micro and macro view, by assessing individual undertakings and by keeping under control the resilience of the entire industry, to avoid a potential spill over to the rest of the economy. The stress test shall be run where the liquidity risk is actually managed, being this the parent company or the local entity.

Definition of Liquidity risk

The liquidity risk describe a situation where an insurance company does not have enough money to pay out the claims. Currently, under the SII framework, the liquidity position is not subject to any quantitative requirement, although even solvent companies can face this risk, being it dependent on the characteristics of assets and liabilities rather than on their size. The liquidity risk for insurance companies has been so far consider of secondary importance, because of the inverted production cycle of the business: the inflow of premiums precedes the outflows of claims, providing a stable source of funding. Nevertheless, specific events can cause unexpected cash outflows that need to be covered.

The banking system considers the liquidity of assets through a haircut on their value: the higher the haircut, the lower the possibility to sell it during a crisis with no or little loss; the time horizon is a key element in determining the haircuts. Cash is considered to be the most liquid asset, with 0% haircut, while, at the opposite side, stand the investment on real estate, even when they cover a short time period.

The liquidity of liabilities is described by the uncertainty around the timing of the payments: the more predictable the cash outflows, the more illiquid the liabilities. In the banking system, this is driven by the volatility of the withdrawals from the deposits; while in the insurance sector, it depends on many factors, including products features, surrender penalties and dynamic policyholder behaviours.

Sources of liquidity risk

On the Asset side we can list

- stressed market conditions, where monetizing the investments can become impossible or, when feasible,

can cause losses

- the usage of derivatives to hedge financial risks, with unexpected big pay outs due to the margin calls

On the Liability side we can list

- pandemics and natural catastrophes, with sudden and simultaneous claims, larger than expected
- the evolution of legislation, that may change the characteristics of products (e.g. no more tunnels allowed for lapsing the contract)
- the policyholder behaviour, with a mass lapse event or no more premiums paid
- a large increase in interest rate, followed by a mass lapse event.

Measure of liquidity risk

Two perspectives are considered, complementing each other with their pros and cons: the stock-based approach is simpler (for both companies to calculate and regulators to validate), building on existing SII reporting, while the CFs approach provides a more granular view.

Stock-based approach

The Liquidity Stock indicator is defined as a ratio between sources (liquids assets) and needs (liquid liabilities), where original assets and liabilities are changed to consider their liquidity

$$Liquidity_{Stock} = \frac{Liqud\ Assets}{Liqud\ Liabilities}$$

The Liquid Assets are obtained through the application of the haircuts mentioned above, while Liquid Liabilities can be obtained following two alternative methods:

- Similarly to the Assets, Liabilities can be split into buckets with specifics haircuts, depending on the type of product (biometric risk policies are less liquid than saving policies), the surrender penalties structure (policies with no penalties are the most liquid) and, as an Author opinion, on the effect the policyholder behaviour may have (stability of yields provided by the segregated fund, goal of the investment - e.g. pension and class V products do not suffer this risk)
- The liquidity of the liabilities (a percentage spanning the range 0-100%) can be described by the change experienced in the BEL and CFs when moving from the baseline to a relevant SCR stress (e.g. mortality, lapse up/mass).

Cashflow-based approach

Projected liquidity sources (premiums, sales of assets, investment coupons and dividends, reinsurance inflows) and needs (claims, purchase of assets, margin calls, operational expenses, reinsurance outflows) are compared on a given time horizon to determine to what extent outflows are covered by inflows. The CFs should come from real world projections. A CFs indicator can be defined either as a net flow value

$$(Flow_t^{Net} = Inflows_t - Outflows_t)$$

or as a ratio between the two.

Stock and flow perspectives can be combined into an integrated indicator of "Sustainability of the flow position":

$$Sustainability_t = Flow_t^{Net} + Liquid\ assets_t$$

In case of negative net flows, the indicator assesses whether Liquid assets are sufficient to cover the outflows.

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ESMA WEBINAR - WP ON MIFID II RESEARCH UNBUNDLING

19/02/2021 14:35:49

ESMA has published a [working paper](#) on MiFID II research unbundling. During the webinar you will see a presentation of the working paper and its findings, followed by a Q&A session...

<https://www.esma.europa.eu/press-news/hearings/esma-webinar-wp-mifid-ii-research-unbundling>

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<https://www.bis.org/review/r210219a.htm>

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19/02/2021 14:27:50

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<https://www.coindesk.com/switzerlands-crypto-valley-has-started-accepting-bitcoin-ether-for-tax-payments>

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