NEMZETKÖZI SZEMELVÉNYEK

Válogatás a nemzetközi intézmények és külföldi jegybankok publikációiból

2020. augusztus 6 – augusztus 12.

TARTALOMJEGYZÉK

1. MONETÁRIS POLITIKA, INFLÁCIÓ

Release of the Monetary Policy Report https://www.bis.org/review/r200807i.htm Opening statement by Mr **Tiff Macklem**, Governor of the Bank of Canada, at the press conference following the release of the Monetary Policy Report, Ottawa, Ontario, 15 July 2020.	BIS Central Bankers' Speech
Consolidated financial statement of the Eurosystem as at 7 August 2020, 11/08/2020 https://www.ecb.europa.eu/press/pr/wfs/2020/html/ecb.fst200811.en.html *Commentary*: https://www.ecb.europa.eu/press/pr/wfs/2020/html/ecb.fs200811.en.html	ECB Press Release
The simpler the better: measuring financial conditions for monetary policy and financial stability, 11/08/2020 https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2451~cbf3f02232.en.pdf?208d2c0921b8c7e54d2d07db54e79d3c In this paper the authors assess the merits of financial condition indices constructed using simple averages versus a more sophisticated alternative that uses factor models with time varying parameters. Their analysis is based on data for 18 advanced and emerging economies at a monthly frequency covering about 70% of the world's GDP. They use four criteria to assess the performance of these indicators, namely quantile regressions, Structural Vector Autoregressions, the ability of the indices to predict banking crises and their response to US monetary policy shocks. It is found that averaging across the indicators of interest, using judgemental but intuitive weights, produces financial condition indices that are not inferior to, and actually perform better than, those constructed with more sophisticated statistical methods. ***Keywords****: financial conditions; quantile regressions; banking crises; SVARs; spillovers.*	ECB Publication

2. PÉNZÜGYI STABILITÁS, PÉNZÜGYI PIACOK

Consolidation can secure safe and sound banks https://www.bankingsupervision.europa.eu/press/interviews/date/2020/html/ssm.in200812~e9cea6c14c.en.html Interview with **Edouard Fernandez-Bollo**, ECB representative to the Supervisory Board, Supervison Newsletter, 12 August 2020	ECB Interview
Macroprudential policy and the role of institutional investors in housing markets, 12/08/2020 https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2454~b5de30d7b1.en.pdf?765d3e379656c96b87379276152acae5 Since the onset of the Global Financial Crisis, the presence of institutional investors in housing markets has steadily increased over time. Real estate funds (REIFs) and other housing investment firms leverage large-scale buy-to-rent investments in real estate assets that enable them to set prices in rental housing markets. A significant fraction of this funding is being provided in the form of non-bank lending (i.e., lending that is not subject to regulatory LTV limits). The author develops a quantitative two-sector DSGE model that incorporates the main features of the real estate fund industry in the current context to study the effectiveness of dynamic LTV ratios as a macroprudential tool. Despite the comparatively low fraction of total property and debt held by REIFs, optimized LTV rules limiting the borrowing capacity of such funds are more effective in smoothing property prices, credit and business cycles than those affecting (indebted) households' borrowing limit. This finding is remarkably robust across alternative calibrations (of key parameters) and specifications of the model. The underlying reason behind such an	ECB Publication

important and unexpectedly robust finding relates to the strong interconnectedness of REIFs with various sectors of the economy. ***Keywords***: *rental housing; real estate funds; loan-to-value ratios; leverage.*	
Risk and return in international corporate bond markets, 11/08/2020 https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2452~55c61ece72.en.pdf?fa868ba6b056e5f0ca39f16dcf65e63e Corporate bond returns in the major developed economies increase with risk, as measured by maturity and ratings. From a pricing perspective, we find little to no evidence against the World CAPM model, where the market consists out of equity, sovereign and corporate bonds. However, from a factor model perspective, local factors contribute substantially more to the variation of corporate bond returns than global factors. The factor exposures show intuitive patterns: as ratings worsen, equity betas show a hockey stick pattern, sovereign betas decline monotonically and corporate bond betas increase steeply. ***Keywords:*** *Corporate bond markets; CAPM; international market integration; asset class integration; bond ratings; risk; return.*	ECB Publication
Norway: Financial System Stability Assessment-Press Release; and Statement by the Executive Director for Norway, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Norway-Financial-System-Stability-Assessment-Press-Release-and-Statement-by-the-Executive-49670 Much of the work of the Financial Sector Assessment Program (FSAP) was conducted prior to the COVID-19 pandemic, with the missions ending on February 13, 2020. Given the FSAP's focus on medium-term challenges and vulnerabilities, however, its findings and recommendations for strengthening policy and institutional frameworks remain pertinent. The report was updated to reflect key developments and policy changes since the mission work was completed. It also includes a risk analysis that quantifies the possible impact of the COVID-19 crisis on bank solvency. Since the previous FSAP in 2015, the Norwegian authorities have taken welcome steps to strengthen the financial system. Regulatory capital requirements for banks were raised and actions were taken to bolster the weak capital position of insurers. Alongside other macroprudential measures, temporary borrower-based measures for residential mortgages were introduced, which seem to have had some moderating impact on segments of the housing market. The resolution framework was also strengthened, with the implementation of the Bank Recovery and Resolution Directive (BRRD) and the designation of Finanstilsynet (FSA) as the resolution authority. *Related press release:* https://www.imf.org/en/News/Articles/2020/08/11/pr20281-norway-imf-executive-board-concludes-2020-financial-system-stability-assessment	IMF Country Report + Press Release
Norway: Financial Sector Assessment Program-Technical Note-Financial Safety Nets, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Norway-Financial-Sector-Assessment-Program-Technical-Note-Financial-Safety-Nets-49672 Norway has made substantial progress in strengthening its framework for financial crisis management and bank safety nets since the 2015 FSAP. The Norwegian authorities have implemented the EU framework. The Bank Recovery and Resolution Directive (BRRD) has been transposed into the Norwegian legal framework mainly by amendments to the Financial Institutions and Financial Groups Act and accompanying regulations. Finanstilsynet (the Financial Supervisory Authority of Norway, FSA) has been designated as Norway's resolution authority. Resolution financing options were broadened by establishing a resolution fund. While the Deposit Guarantee Scheme Directive (DGSD) has yet to be brought into the European Economic Area (EEA) agreement, Norway has, in fact, already transposed it into the Norwegian law. This provides the Norwegian authorities with a broadened and detailed regulatory framework for dealing with weak banks.	IMF Country Report

Norway: Financial Sector Assessment Program-Technical Note-Systemic Risk Oversight and Macroprudential Policy Framework, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Norway-Financial-Sector-Assessment-Program-Technical-Note-Systemic-Risk-Oversight-and-49676 While Norway's institutional arrangement for macroprudential policy is uncommon, the authorities have shown strong willingness to act. The Ministry of Finance (MoF) is the sole macroprudential decision-maker in Norway, which is rare in international comparison. However, Norges Bank and the Finanstilsynet (FSA) play important advisory roles. In recent years, the authorities have taken substantive and wide-ranging macroprudential policy actions in response to growing systemic vulnerabilities—and these seem to have been effective in slowing down some of the riskier trends. The macroprudential policy toolkit is well stocked and actively used.	IMF Country Report
Norway: Financial Sector Assessment Program-Technical Note-Systemic Liquidity, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Norway-Financial-Sector-Assessment-Program-Technical-Note-Systemic-Liquidity-49675 Norwegian banks and other financial institutions rely heavily on capital markets for liquidity and risk management. Liquidity conditions in the Norwegian financial sector are affected by central bank operations and the lending and funding activities of financial institutions, both domestically and abroad. Nearly 40 percent of the funding of Norwegian banks is obtained from market sources, using commercial paper, covered bonds, and senior unsecured bonds issued both domestically and abroad. Correspondingly, money markets, foreign exchange (FX) swap markets and bond markets are crucial to the credit intermediation process and a dislocation in these markets—the inability of financial institutions to roll over, or obtain new, funding—could have significant consequences for financial stability. Against this background, this note analyzes core funding markets for Norwegian banks and assesses Norges Bank's capacity to manage systemic liquidity conditions and counteract liquidity shocks in normal times and in times of stress.	IMF Country Report
Norway: Financial Sector Assessment Program-Technical Note-Cybersecurity Risk Supervision and Oversight, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Norway-Financial-Sector-Assessment-Program-Technical-Note-Cybersecurity-Risk-Supervision-and-49673 The Norwegian financial system has a long history of incorporating new technology. Norway is at the forefront of digitization and has tight interdependencies within its financial system, making it particularly vulnerable to evolving cyber threats. Norway is increasingly a cashless society, with surveys and data collection suggesting that only 10 percent of point-of-sale and person-to-person transactions in 2019 were made using cash.1 Most payments made in Norway are digital (e.g., 475 card transactions per capita per annum)2 and there is an increase in new market entrants providing a broad range of services. Thus, good cybersecurity is a prerequisite for financial stability in Norway.	IMF Country Report
Denmark: Financial System Stability Assessment-Press Release; and Statement by the Executive Director for Denmark, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-System-Stability-Assessment-Press-Release-and-Statement-by-the-Executive-49659 Much of the work of the Financial Sector Assessment Program (FSAP) was conducted prior to the COVID-19 pandemic. Given the FSAP's focus on medium-term challenges and vulnerabilities, however, many of its findings and recommendations for strengthening policy and institutional frameworks remain pertinent. This report reflects key developments and policy changes since the FSAP mission work was completed, and includes illustrative scenarios to quantify the possible implications of the COVID-19 shock on the solvency of systemically important financial institutions (SIFIs). Prior to the COVID-19 pandemic, the Danish authorities had taken important steps to improve financial system resilience. The authorities had actively used macroprudential tools to bolster the robustness of the financial system. The supervision of the banking and insurance sectors had improved. Likewise, recent legislation has strengthened anti-money laundering and combating the financing of terrorism (AML/CFT) supervision.	IMF Country Report + Press Release

Major reforms such as a new bank resolution framework had also considerably improved Denmark's financial safety net and crisis management frameworks. *Related press release:* https://www.imf.org/en/News/Articles/2020/08/11/pr20280-denmark-imf-executive-board-concludes-2020-financial-system-stability-assessment	
Denmark: Financial Sector Assessment Program-Technical Note-Systemic Liquidity, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Systemic-Liquidity-49664 The functioning of money markets, FX swaps markets and in particular covered bond markets are crucial for the Danish financial system. Liquidity conditions in the Danish financial sector are affected by central bank operations and the lending and funding activities of financial institutions. Nearly 100 percent of the mortgage funding is obtained from market sources, using mainly domestically issued covered bonds. Correspondingly, money markets and foreign exchange (FX) swap markets are crucial to the credit intermediation process and a dislocation in these markets—the inability of financial institutions to roll over or obtain new funding or hedging positions—may have significant consequences for financial stability. Against this background, this note analyzes core funding markets for Danish banks and assesses Danmarks Nationalbank's (DN's) capacity to manage systemic liquidity conditions in normal times and in times of stress.	IMF Country Report
Denmark: Financial Sector Assessment Program-Technical Note-Systemic Risk Oversight and Macroprudential Policy Framework, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Systemic-Risk-Oversight-and-49663 COVID-19 pandemic: The Financial Sector Assessment Program (FSAP) work was conducted prior to the COVID-19 pandemic, so this Technical Note (TN) does not assess the impact of the crisis or the recent crisis-related policy measures. Nonetheless, given the FSAP's focus on vulnerabilities and policy frameworks, the findings and recommendations of the TN remain pertinent. While Denmark's institutional arrangements are uncommon, the authorities have undertaken several macroprudential measures since the last FSAP. The Minister for Industry, Business and Financial Affairs (MIBFA) has decision-making power over most macroprudential tools in Denmark, which is rare in international practice. However, the Systemic Risk Council (SRC), which includes members from the Danmarks Nationalbank (DN) and Danish Financial Supervisory Authority (DFSA) plays an advisory role and has powers to give recommendations with a comply or explain mechanism. In recent years, the authorities have taken wide-ranging macroprudential policy actions in response to growing systemic vulnerabilities, which have seemed to slow down some of the riskier trends. More recently, in response to the Covid-19 crisis, countercyclical capital buffer (CCyB) has been fully released.	IMF Country Report
Denmark: Financial Sector Assessment Program-Technical Note-Financial Sector Interconnectedness and Contagion Risk Analysis, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Financial-Sector-49666 The FSAP developed a novel multi-layer contagion model to analyze financial system interconnectedness using a new and comprehensive database. This new infrastructure, based on securities data and newly-released confidential credit register data, plays a pivotal role in the development of an advanced contagion model that distinguishes the transmission of shocks between eight different exposure types or layers (loans, deposits, reverse repos, covered bonds, other debt securities, equities, unlisted shares, and other claims). The exercise focuses on the banking system (banks and MCIs), and on interconnections through the covered bond market, as the cornerstones of the overall financial system. However, it also includes exposures vis-a-vis non-bank financial institutions (insurer, pension and investment funds) and non-financial sectors (households, corporates), both domestically and abroad. The simulation exercise consists of a series of idiosyncratic shocks, where the default of each node is triggered iteratively. The model introduces a repricing channel on traded securities to capture cascade effects arising from market reactions to changes in an entity's solvency condition.	IMF Country Report

Denmark: Financial Sector Assessment Program-Technical Note-Financial Safety Net and Crisis Management Arrangements, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Financial-Safety-Net-and-Crisis-49667 Since the 2014 FSAP, Denmark's financial safety net and crisis management frameworks, including bank resolution, have improved significantly. In response to the FSAP and the transposition of the pertinent European Union (EU) rules, Denmark has enacted major reforms including new legislation for resolution and deposit insurance, introduced a resolution framework for banks and mortgage credit institutions (MCIs), designated two national resolution authorities, established resolution colleges, changed the governance of the deposit insurance system (DIS) and revived cross-border cooperation through the Nordic-Baltic Stability Group (NBSG), including through revising an earlier memorandum of understanding (MOU) and conducting a joint crisis simulation in 2019.	IMF Country Report
Denmark: Financial Sector Assessment Program-Technical Note-Financial Stability and Stress Testing of the Banking, Insurance, and Non-financial Corporate Sectors, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Financial-Stability-and-Stress-49668 The Financial Sector Assessment Program (FSAP) work was conducted prior to the COVID-19 pandemic. This report, however, includes stability analysis and stress tests under updated illustrative scenarios to quantify the possible implications of the COVID-19 shock on bank solvency. An unusually high degree of caution must be exercised in interpreting the stress tests results and their implications or validity at the current juncture, due to heightened uncertainty around post COVID central projections and downside risks. Financial vulnerabilities were elevated on the eve of the COVID-19 pandemic. Key financial vulnerabilities included high household leverage amid high real estate valuations following a long period of loose financial conditions. There were also signs of risk taking in some sectors, such as commercial real estate (CRE), and in addition, there were downside risks to bank profitability amid the low-interest-rate environment.	IMF Country Report
United States: Financial System Stability Assessment, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-System-Stability-Assessment-49651 Much of the Financial Sector Assessment Program (FSAP) work was conducted prior to the COVID-19 pandemic. The lockdown of the economy has led to a massive growth shock. Following the precipitous fall, risk asset prices have rebounded, and financial conditions eased. The vulnerability analysis has been updated and largely captures this shock. Recommendations on strengthening policy and institutional frameworks remain pertinent. The approach to financial regulation and supervision was risk-focused given the high degree of compliance against international standards assessed during the 2015 FSAP.	IMF Country Report
United States: Financial Sector Assessment Program-Technical Note-Securities—Fund Management; Equity and Derivatives Trading; and Virtual Assets and Virtual Asset Service Providers, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-Sector-Assessment-Program-Technical-Note-Securities-Fund-Management-49652 This technical note considers the regulation and supervision of fund management and equity and derivatives trading in the United States (U.S.). As one of the main destinations for household savings and a key provider of funding to U.S. corporates, investment funds play a major role in the U.S. financial system. Distortions to equity trading could cause significant loss of confidence in markets, while international post-crisis reforms for OTC derivatives have underlined the importance of greater transparency and the value of central clearing. U.S. companies have also traditionally raised more finance through equity and other capital markets than through bank lending, and so capital markets are of greater structural significance in the U.S. than in some other jurisdictions.	IMF Country Report

United States: Financial Sector Assessment Program-Technical Note-Financial Crisis Preparedness and Deposit Insurance, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-Sector-Assessment-Program-Technical-Note-Financial-Crisis-49654 The U.S. authorities should preserve the considerable progress in the resiliency, recoverability, and resolvability of financial companies and insured depository institutions (IDIs), and intensify financial crisis preparedness efforts. After a decade of resolution planning, the development of the U.S. resolution regime is more advanced than in other major economies. This regime, together with the strong track record of the deposit insurance system (DIS) for banks and the federal banking agencies' (FBAs) preparation for resolution, provide a strong foundation for crisis preparedness. Bank holding companies (BHCs) have integrated recovery and resolution planning (RRP) into business-as-usual (BAU) activities, increasing their resiliency; this process has deepened the FBAs' understanding of the BHCs' business models and RRP capabilities. The FBAs should continue their own annual resolution planning and mitigate the recent changes that reduced the BHCs' RRP. These efforts should be complemented by further interagency crisis preparedness, including particularly with the U.S. Department of the Treasury (UST), given its essential role in critical aspects of crisis responses. Finally, further refinements relating to cross-border resolution also deserve attention.	IMF Country Report
United States: Financial Sector Assessment Program-Technical Note-Systemic Risk Oversight and Systemic Liquidity, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-Sector-Assessment-Program-Technical-Note-Systemic-Risk-Oversight-and-49655 The heterogeneity of the United States (U.S.) financial markets and complex regulatory and supervisory institutional setup in the United States underscore the importance of enhancing systemic risk oversight and building effective macroprudential tools. An effective framework would encompass identification and prioritization of system-wide risks and vulnerabilities to spur timely policy action. Structures that ensure interagency sharing of information, identify possible emerging regulatory gaps, obtain a good overview of systemic risks, and develop a cooperative framework to address identified threats to financial stability would be necessary components of such a framework. This Technical Note reviews those processes in the United States, as well as examining the issues of systemic liquidity.	IMF Country Report
United States: Financial Sector Assessment Program-Technical Note-Risk Analysis and Stress Testing the Financial Sector, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-Sector-Assessment-Program-Technical-Note-Risk-Analysis-and-Stress-49656 The U.S. financial system is very large, well-diversified, and home to numerous financial institutions which are significant at a global scale. Eight Global Systemically Important Banks (G-SIBs) are incorporated in the U.S., as well as several other large financial institutions, such as asset managers, insurers, and money market funds. Assets of the financial system amounted to about US$100 trillion at end-2019 and accounted for 500 percent of GDP. While the eight G-SIBs dominate the U.S. banking landscape, banking system assets represent only about 22 percent of total financial system assets. The systemic risk assessment (including stress testing) of this FSAP reflect the highly diversified nature of the U.S. financial system and focuses on banks, mutual and money market funds, insurance companies as well as cross-institutional and cross-sectoral linkages and exposures.	IMF Country Report
United States: Financial Sector Assessment Program-Technical Note-Supervision of Financial Market Infrastructures, Resilience of Central Counterparties and Innovative Technologies, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-Sector-Assessment-Program-Technical-Note-Supervision-of-Financial-49658 The Unites States financial system includes several systemically important financial market infrastructures (FMIs); they are regulated, supervised, and overseen by multiple authorities. The U.S. FMIs are crucial to U.S. dollar clearing, i.e. the payment systems Fedwire Funds Service and The Clearing House Interbank Payments System (CHIPS), and for the clearing and settlement of U.S. Treasuries, i.e.,	IMF Country Report

the Fedwire Securities Service and the Fixed Income Clearing Corporation (FICC). Central counterparties (CCPs) that clear exchange-traded or over-the-counter (OTC) corporate securities or derivatives are of key importance to the safe and efficient functioning of these (global) markets. Disruption of critical operations at one of the large U.S. FMIs may spread to its participants, other FMIs, markets, and throughout the U.S. and global financial systems. The Financial Stability Oversight Council (FSOC) designated eight financial market utilities (FMUs) to be systemically important.1 These designated FMUs are regulated, supervised and overseen by the Federal Reserve Board (FRB), the Securities and Exchange Commission (SEC), or the Commodity Futures Trading Commission (CFTC), depending on their activities. In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) authorized the FRB to promote uniform standards for the management of risks by systemically important FMUs.	
Which credit gap is better at predicting financial crises? A comparison of univariate filters, 12/08/2020 https://www.bis.org/publ/work878.htm The credit gap, defined as the deviation of the credit-to-GDP ratio from a one-sided HP-filtered trend, is a useful indicator for predicting financial crises. Basel III therefore suggests that policymakers use it as part of their countercyclical capital buffer frameworks. Hamilton (2018), however, argues that you should never use an HP filter as it results in spurious dynamics, has end-point problems and its typical implementation is at odds with its statistical foundations. Instead he proposes the use of linear projections. Some have also criticised the normalisation by GDP, since gaps will be negatively correlated with output. The authors agree with these criticisms. ***Keywords****: early warning indicators; credit gaps; HP filter; linear projection.*	BIS Working Paper
Export survival and foreign financing, 11/08/2020 https://www.bis.org/publ/work877.htm Exporting is a finance-intensive activity. But credit markets are frequently underdeveloped and domestic financing tends to be scarce in developing countries, for which a strong export sector is crucial for economic development. Thus, this paper investigates whether foreign financing provides better financing conditions than domestic financing and/or otherwise unavailable external finance, thus increasing export survival rates in a developing country. To that end, it assembles a unique dataset, rarely available for other countries, containing information on foreign credit obtained by Argentine exporters. Based on the empirical models conventionally used in the export survival literature - specifically the probit random effects and the clog-log setups - we provide evidence of a positive link between foreign financing and export survival. This finding is confirmed using an instrumental variable approach. ***Keywords****: international trade; credit; foreign financing; export survival.*	BIS Working Paper
The impact of credit risk mispricing on mortgage lending during the subprime boom, 11/08/2020 https://www.bis.org/publ/work875.htm The authors provide new evidence that credit supply shifts contributed to the U.S. subprime mortgage boom and bust. They collect original data on both government and private mortgage insurance premiums from 1999-2016, and document that prior to 2008, premiums did not vary across loans with widely different observable characteristics that the authors show were predictors of default risk. Then, using a set of post-crisis insurance premiums to fit a model of default behavior, and allowing for time-varying expectations about house price appreciation, they quantify the mispricing of default risk in premiums prior to 2008. ***Keywords****: financial crisis; mortgage insurance; housing finance; default risk.*	BIS Working Paper

UK DMO chief on crisis borrowing, 12/08/2020 https://www.omfif.org/2020/08/uk-dmo-chief-on-crisis-borrowing/?utm_source=omfifupdate The UK's Debt Management Office has more than doubled its intended borrowing schedule since the Covid crisis began. Where once they might not have done, markets have so far shrugged their shoulders, with yields negative to 2027. DMO Chief Executive Officer Sir Robert Stheeman joins OMFIF to explore the mechanics of the new issuance, the role of the Bank of England, and how to maintain an orderly market in disorderly times.	OMFIF Commentary

3. MIKROPRUDENCIÁLIS FELÜGYELET ÉS SZABÁLYOZÁS

List of supervised entities (as of 1 July 2020), 10/08/2020 https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.listofsupervisedentities202008.en.pdf?3ff3aa8bb3a214ab6817dcc25f13bfed	ECB/SSM Press Release
Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Schirdewan, MEP, on banking supervision, 06/08/2020 https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter200730_Schirdewan~ce95c8fd2f.en.pdf?74d6f322a4a2c907f7158ba3fc51a113	ECB/SSM Letter
Coronavirus: Eight macro-financial assistance programmes agreed to support enlargement and neighbourhood partners, 11/08/2020 https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1457	EU Press Release
EBA consults on the use of RegTech solutions and ways to support the uptake of RegTech across the EU, 12/08/2020 https://eba.europa.eu/eba-consults-use-regtech-solutions-and-ways-support-uptake-regtech-across-eu	EBA Press Release
EBA publishes guidance on impact of CRR adjustments in response to the COVID-19 pandemic on supervisory reporting and disclosure, 11/08/2020 https://eba.europa.eu/eba-publishes-guidance-impact-crr-adjustments-response-covid%E2%80%9019-pandemic-supervisory-reporting-and	EBA Press Release
EBA provides clarity on the implementation of the reporting and disclosure framework in the context of COVID-19 measures, 07/08/2020 https://eba.europa.eu/eba-provides-clarity-implementation-reporting-and-disclosure-framework-context-covid-19-measures	EBA Press Release
ESMA issues latest double volume cap data, 07/08/2020 https://www.esma.europa.eu/press-news/esma-news/esma-issues-latest-double-volume-cap-data	ESMA Press Release
ESMA agrees position limits under MiFID II, 06/08/2020 https://www.esma.europa.eu/press-news/esma-news/esma-agrees-position-limits-under-mifid-ii-5	ESMA Press Release
IOSCO examines the evolution of liquidity provision in equity securities markets, 11/08/2020 https://www.iosco.org/news/pdf/IOSCONEWS574.pdf	IOSCO Press Release

ECB report on banks' ICAAP practices, 11/08/2020 https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.reportbanksicaappractices202007~fc93bf05d9.en.pdf?fa6bf450f613249b6c629fc102b0a4e7 The internal capital adequacy assessment process (ICAAP) has been and remains one of ECB Banking Supervision's top supervisory priorities1 since they were first published in 2016. In this context, and to clarify our expectations of the significant institutions (SIs) with regard to the ICAAP, the ECB published in November 2018 the ECB Guide to the internal capital adequacy assessment process (ICAAP Guide)2 . Following the publication of these ICAAP expectations, ECB Banking Supervision's horizontal function conducted a structured analysis of ICAAP practices based on the ICAAP packages which a representative sample of SIs submitted in 2019. This report summarises the results of this analysis, describing the range of ICAAP practices observed in a sample of 37 banks. Furthermore, the analysis underlines areas where banks' practices appear to be further developed, as well as those where the ECB is of the opinion that additional work is warranted across banks.	ECB Publication
ESRB Secretariat staff's response to ESMA's consultation paper on technical standards on reporting, data quality, data access and registration of trade repositories under EMIR Refit, 12/08/2020 https://www.esrb.europa.eu/pub/pdf/other/esrb.letter200812_response_to_ESMAs_consultation_paper~bef2263d90.en.pdf The staff of the European Systemic Risk Board (ESRB) Secretariat welcome the consultation launched by the European Securities and Markets Authority (ESMA) on technical standards on reporting, data quality, data access and registration of trade repositories under EMIR Refit.	ESRB Publication
Norway: Financial Sector Assessment Program-Technical Note-Banking Regulation and Supervision, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Norway-Financial-Sector-Assessment-Program-Technical-Note-Banking-Regulation-and-Supervision-49671 This note presents a targeted review of selected aspects in the regulation and supervision of banks in Norway. The review is carried out as part of the 2020 Norway Financial Sector Assessment Program (FSAP) and the findings and recommendations are based on the regulatory framework in place and the supervisory practices employed at end-October 2019. The note focuses on the powers and responsibilities, independence, and resourcing of Finanstilsynet (FSA); its supervisory approach and enforcement powers and practices; key aspects of the prudential framework; and mechanisms to prevent abuse of financial services.	IMF Country Report
Norway: Financial Sector Assessment Program-Technical Note-Insurance Sector Oversight, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Norway-Financial-Sector-Assessment-Program-Technical-Note-Insurance-Sector-Oversight-49674 The Norwegian insurance sector is well-capitalized. In recent years, the authorities have taken steps to recapitalize weak insurers and to boost capital for the overall industry. Risk-resilience has been strengthened by stronger retention of profits leading to accumulation of reserves, better risk management, and higher capital in the run-up to the implementation of the Solvency II regulatory regime.	IMF Country Report
Denmark: Financial Sector Assessment Program-Technical Note-Insurance Regulation and Supervision, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Insurance-Regulation-and-49662 Denmark's insurance sector is highly developed with a particularly high penetration and density in the life sector. Traditionally, work-related life insurance and pension savings are offered as a combined package, and life insurance companies dominate the market for mandatory pension schemes for employees. The high penetration explains the overall size of the insurance sector, which exceeds those	IMF Country Report

of peers from other Nordic countries and various other EU member states. Assets managed by the insurance industry amounted to 146 percent of the GDP at end-2018, compared to 72 percent for the EU average.	
Denmark: Financial Sector Assessment Program-Technical Note-Banking Regulation and Supervision, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Banking-Regulation-and-Supervision-49661 COVID-19 pandemic: The Financial Sector Assessment Program (FSAP) work was conducted prior to the COVID-19 pandemic, so this Technical Note (TN) does not assess the impact of the crisis or the recent crisis-related policy measures. Nonetheless, given the FSAP's focus on vulnerabilities and policy frameworks, the findings and recommendations of the TN remain pertinent. The Danish Financial Supervisory Authority (DFSA) has improved standards in its oversight of banking and insurance sectors since the last FSAP. Nevertheless, risks persist, both in traditional forms, and new areas, such as cyber risk, AML, and innovative market entrants. This note, selects topics to meet evolving supervisory challenges and the expectation that the international supervisory standards themselves will likewise continue to rise.	IMF Country Report
Denmark: Financial Sector Assessment Program-Technical Note-Next Steps for Cross-border AML/CFT Supervision, 12/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/Denmark-Financial-Sector-Assessment-Program-Technical-Note-Next-Steps-for-Cross-border-AML-49665 The Danish authorities' efforts to strengthen cross-border anti-money laundering and combating the financing of terrorism (AML/CFT) supervision continue to gather momentum. Since the Fund's publication of a Selected Issues Paper on this subject in June 20192, the Danish authorities have made significant progress, including by conducting or participating in three multinational on-site inspections of banks; developing a new institutional risk assessment model; issuing an AML/CFT on-site inspection manual; and, via Act No. 1563 (2019), amending several pieces of legislation so as to bolster the monitoring and enforcement powers of the Danish Financial Supervisory Authority (DFSA), establish additional reporting requirements for the private sector, and stiffen the penalties for violations of AML/CFT obligations.	IMF Country Report
United States: Financial Sector Assessment Program-Technical Note-Banking Supervision and Regulation, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-Sector-Assessment-Program-Technical-Note-Banking-Supervision-and-49657 This technical note leverages on the 2015 FSAP which concluded that the United States (U.S.) had a high degree of compliance with the Basel Core Principles (BCPs). The FSAP reviewed the progress achieved in addressing the main weaknesses previously identified and the main supervisory and regulatory developments since then. The key focus are the steps taken by the U.S. authorities in recent years to recalibrate and further tailor the banking regulatory and supervisory framework and the role of stress tests in the supervision process. The FSAP team has not covered the impact of COVID-19 outbreak on banks supervision and has not discussed with authorities the related policy response. The FSAP recommendations are meant to be considered once the impact of the pandemic on the economy and the banking sector becomes clearer.	IMF Country Report
United States: Financial Sector Assessment Program-Technical Note-Insurance Supervision and Regulation, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-Sector-Assessment-Program-Technical-Note-Insurance-Supervision-and-49653 This Technical Note (TN) is a targeted review of cross-cutting themes building on the detailed assessment of the Insurance Core Principles (ICPs) conducted in 2015. The targeted review was chosen, in part, due to the performance of the U.S. insurance regulatory system in the 2015 detailed assessment	IMF Country Report

where it was assessed that the U.S. observed 8 ICPs, largely observed 13 ICPs and partly observed 5 ICPs. The analysis relied on a targeted self-assessment against a subset of ICPs covering valuation and solvency, risk management, conduct, winding-up, corporate governance and enforcement, and the objectives, powers and responsibility of supervisors. The choice of subjects covered in this review is based on those aspects most significant to financial stability and a follow-up on key recommendations from the 2015 detailed assessment. The focus of the analysis has been on the state-based system of regulation and supervision, reflecting the existing institutional setup.	
Principles for operational resilience, 06/08/2020 https://www.bis.org/bcbs/publ/d509.htm Through the publication of this consultative document, the Committee seeks to promote a principles-based approach to improving operational resilience. The principles aim to strengthen the ability of banks to withstand operational risk-related events which could cause significant operational failures or wide-scale disruptions in financial markets, such as pandemics, cyber incidents, technology failures or natural disasters. The approach builds on updates to the Committee's Principles for the sound management of operational risk, and draws from previously issued principles on corporate governance for banks, as well as outsourcing-, business continuity- and relevant risk management-related guidance.	BIS Publication
Revisions to the principles for the sound management of operational risk, 06/08/2020 https://www.bis.org/bcbs/publ/d508.htm The Committee introduced its Principles for the sound management of operational risk in 2003, and subsequently revised them in 2011 to incorporate the lessons from the financial crisis. In 2014, the Committee conducted a review of the implementation of the principles which indicated that several principles had not been adequately implemented, and that the principles did not sufficiently capture certain important sources of operational risk. The Committee is proposing a limited number of updates to: (i) align the principles with the recently finalised Basel III operational risk framework; (ii) update the guidance where needed in the areas of change management and information and communication technologies; and (iii) enhance the overall clarity of the principles.	BIS Publication
Corporate debt stress testing: A global analysis of nonfinancial corporations, 06/08/2020 https://www.oecd-ilibrary.org/docserver/788a0c77-en.pdf?expires=1597057694&id=id&accname=guest&checksum=C1E6586C8B0420E77332300DFAF99613 High-yield corporate and leveraged loans have grown substantially over the past decade. However, the COVID-19 pandemic means downside risks are rising alongside expectations of severe negative impacts on corporate earnings and economic growth. The proportion of leveraged corporate debt exposed to such downside risks has become a key concern. This paper assesses the magnitude of indebtedness of leveraged non-financial companies and identifies the share of debt related to the riskiest firms. A stress test analysis examines the sensitivity of corporate debt to potential macroeconomic and financial shocks. The results show a sharp deterioration in the credit quality of firms, particularly in the United States and Emerging Market Economies (EMEs). Under stressed conditions, all these countries, China included, would experience a sharp rise in the number of firms considered at risk or distressed due to deteriorating cash flows and the inability to make interest payments, thereby becoming more likely to default.	OECD Publication

4. PÉNZFORGALOM, FIZETÉSI RENDSZEREK

The future of retail payments in the United States https://www.bis.org/review/r200807a.htm Speech (via webcast) by Ms **Lael Brainard**, Member of the Board of Governors of the Federal Reserve System, at the FedNow Service Webinar, Washington DC, 6 August 2020.	BIS Central Bankers' Speech

5. MAKROGAZDASÁG

Living with limits - household behaviour in Canada in the time of COVID-19 https://www.bis.org/review/r200807g.htm Remarks (by videoconference) by Mr **Lawrence Schembri**, Deputy Governor of the Bank of Canada, to the Greater Saskatoon Chamber of Commerce, Saskatoon, Saskatchewan, 18 June 2020.	BIS Central Bankers' Speech
Nowcasting with large Bayesian vector autoregressions, 12/08/2020 https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2453~465cb8b18a.en.pdf?4c8dd9976ec9aef8cfaa81eea5184cc0 Monitoring economic conditions in real time, or nowcasting, is among the key tasks routinely performed by economists. Nowcasting entails some key challenges, which also characterise modern Big Data analytics, often referred to as the three "Vs": the large number of time series continuously released (Volume), the complexity of the data covering various sectors of the economy, published in an asynchronous way and with different frequencies and precision (Variety), and the need to incorporate new information within minutes of their release (Velocity). In this paper, we explore alternative routes to bring Bayesian Vector Autoregressive (BVAR) models up to these challenges. We find that BVARs are able to effectively handle the three Vs and produce, in real time, accurate probabilistic predictions of US economic activity and, in addition, a meaningful narrative by means of scenario analysis. ***Keywords:*** *Big Data; Scenario Analysis; Mixed Frequencies; Real Time; Business Cycles; Forecasting.*	ECB Publication
Demographic Origins of the Decline in Labor's Share, 11/08/2020 https://www.bis.org/publ/work874.htm Since 1980, the earnings share of older workers has risen in the United States, simultaneous with a historic decline in labor's share of income. The authors hypothesize that an aging workforce has contributed to the decline in labor's share. They formalize this hypothesis in an on-the-job search model, in which employers of older workers may have substantial monopsony power due to the decline in labor market dynamism that accompanies age. ***Keywords***: *demographics; labor share; earnings distribution; income distribution.*	BIS Working Paper
A Structural Investigation of Quantitative Easing, 06/08/2020 https://www.dnb.nl/en/binaries/Working%20paper%20No.%20691pdf_tcm47-389752.pdf Did the Federal Reserves' Quantitative Easing (QE) in the aftermath of the financial crisis have macroeconomic effects? To answer this question, the authors estimate a large-scale DSGE model over the sample from 1998 until 2020, including data of the Fed's balance sheet. They allow for QE to affect the economy via multiple channels that arise from several financial frictions. Our nonlinear Bayesian likelihood approach fully accounts for the zero lower bound on nominal interest rates. ***Keywords***: *quantitative easing; liquidity facilities; zero lower bound; nonlinear Bayesian estimation.*	BIS Research Hub Working Paper

GMV: Is the Dollar Entering a Secular Decline? 06/08/2020 https://www.iif.com/Publications/ID/4030/GMV-Is-the-Dollar-Entering-a-Secular-Decline Markets are debating whether the Dollar is entering a secular decline. We provide an overview of the main drivers of the Dollar in recent years. The Dollar has been stable against the G10 since its large rise in 2014/5, something likely to continue given that all major central banks are easing. In contrast, the Dollar has risen 10 percent versus EM in the past year, with lower commodity prices an adverse terms-of-trade shock for many. China's large 2009 stimulus lifted commodity prices, helping EM recover. That stimulus is now missing, limiting potential Dollar declines versus EM. The Dollar may one day face a secular decline, but not in the near term.	IIF Publication*

6. ÁLTALÁNOS GAZDASÁGPOLITIKA

Same crisis, different responses to Covid-19, 12/08/2020 https://www.esm.europa.eu/blog/same-crisis-different-responses-covid-19	EU Blog Post
Challenges for the Spanish economy in the face of the impact of the pandemic https://www.bis.org/review/r200807k.htm Speech by Mr **Pablo Hernández de Cos**, Governor of the Bank of Spain and Chair of the Basel Committee on Banking Supervision, at the Webinar "Economy, work and society in Spain. The impact of COVID-19", organized by the Spanish Economic and Social Council (CES), Madrid, 23 July 2020.	BIS Central Bankers' Speech
Statement by IMF Managing Director Kristalina Georgieva on the International Conference on Support to Beirut and the Lebanese People, 09/08/2020 https://www.imf.org/en/News/Articles/2020/08/09/pr20278-statement-by-imf-md-kristalina-georgieva-int-conference-support-beirut-lebanese-people	IMF Press Release
Statement by IMF Managing Director Kristalina Georgieva on Lebanon, 06/08/2020 https://www.imf.org/en/News/Articles/2020/08/06/pr20277-lebanon-statement-by-imf-managing-director-kristalina-georgieva	IMF Press Release
COVID-19 Response in Emerging Market Economies: Conventional Policies and Beyond, 06/08/2020 https://blogs.imf.org/2020/08/06/covid-19-response-in-emerging-market-economies-conventional-policies-and-beyond/ Blog post by **Martin Mühleisen** (Director of the Strategy, Policy, and Review Department of the IMF), **Tryggvi Gudmundsson** (Economist in the Strategy, Policy, and Review Department of the IMF) and **Hélène Poirson Ward** (Deputy Division Chief in the Strategy, Policy and Review Department of the IMF)	IMF Blog Post
United States: 2020 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for United States, 10/08/2020 https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-2020-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-49650 The U.S. is in the midst of an unprecedented social and economic shock. The longest expansion in U.S. history has been derailed by the unanticipated advent of COVID-19. To preserve lives and support public health, it was necessary to put in place a broad-based shutdown of the U.S. economy in March. Despite the gradual easing of state lockdown restrictions and lifting of stay-at-home orders starting in late April, the collateral economic damage has been enormous. First, and foremost, as of July 16, more than 136,000 Americans have tragically lost their lives and many more have become seriously ill. Almost fifteen million Americans have lost their jobs, many small and large businesses are under financial stress, and future prospects are highly uncertain. Reopening decisions will have to be handled carefully to mitigate the economic costs while containing the ongoing rise in COVID-19 infection rates. It will likely take a prolonged period to repair the economy and to return activity to pre-pandemic levels. All in all,	IMF Country Report + Press Release

globally there will be difficult months and years ahead and it is of particular concern that the number of COVID-19 cases in the U.S. is still rising. *Related press release:* https://www.imf.org/en/News/Articles/2020/08/10/pr20279-united-states-imf-executive-board-concludes-2020-article-iv-consultation	
Annual Report on Exchange Arrangements and Exchange Restrictions 2019, 10/08/2020 https://www.imf.org/en/Publications/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions/Issues/2020/08/10/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions-2019-47102 The Annual Report on Exchange Arrangements and Exchange Restrictions has been published by the IMF since 1950. It draws on information available to the IMF from a number of sources, including that provided in the course of official staff visits to member countries, and has been prepared in close consultation with national authorities.	IMF Publication
OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 06/08/2020 http://www.oecd.org/corporate/mining.htm	OECD Press Release
The Slovak labour market during the pandemic – who is at risk and how to protect all workers? 06/08/2020 https://oecdecoscope.blog/2020/08/06/the-slovak-labour-market-during-the-pandemic-who-is-at-risk-and-how-to-protect-all-workers/	OECD Blog Post
Governance responses to disinformation - How open government principles can inform policy options, 11/08/2020 https://www.oecd-ilibrary.org/docserver/d6237c85-en.pdf?expires=1597243408&id=id&accname=guest&checksum=8FE8CAFBAEFC6DD4BDE55821175BB217 This paper provides a holistic policy approach to the challenge of disinformation by exploring a range of governance responses that rest on the open government principles of transparency, integrity, accountability and stakeholder participation. It offers an analysis of the significant changes that are affecting media and information ecosystems, chief among them the growth of digital platforms. Drawing on the implications of this changing landscape, the paper focuses on four policy areas of intervention: public communication for a better dialogue between government and citizens; direct responses to identify and combat disinformation; legal and regulatory policy; and media and civic responses that support better information ecosystems. The paper concludes with proposed steps the OECD can take to build evidence and support policy in this space.	OECD Publication
Identifying and addressing employment barriers in Belgium, Korea and Norway - Implementing the OECD Jobs Strategy, 11/08/2020 https://www.oecd-ilibrary.org/docserver/925b3c14-en.pdf?expires=1597243019&id=id&accname=guest&checksum=0724B67CC6C5D3B8D583BACE07CFD51C This paper documents joblessness in OECD countries, provides a detailed diagnosis of structural employment barriers in Belgium, Korea and Norway by applying the OECD Faces of Joblessness methodology to the situation just before the COVID-19 crisis and discusses the policy implications. It shows that individuals experiencing major employment difficulties often face a combination of barriers related to work availability, readiness and incentives. It suggests a number of avenues for enhancing the effectiveness of public support: i) make greater use of statistical profiling tools to adapt programmes to the needs of the jobless and target resources to those at the highest risk of long-term joblessness; ii) better coordinate support provided by employment, health and education services; iii) place a greater emphasis on preventive policies (equal opportunities, life-long learning).	OECD Publication

OECD Economic Surveys: Korea 2020, 11/08/2020 https://read.oecd-ilibrary.org/economics/oecd-economic-surveys-korea-2020_2dde9480-en#page1 Economic activity has contracted less in Korea than in other OECD countries, thanks to the prompt and effective reaction of the authorities to contain the spread of the COVID-19 virus and to the wide-ranging government support to households and businesses. Nevertheless, the pandemic generates strong headwinds. **Overview:** http://www.oecd.org/economy/surveys/korea-2020-OECD-economic-survey-overview.pdf *Related press release:* **Korea: Keep supporting people and the economy until recovery fully under way** http://www.oecd.org/newsroom/korea-keep-supporting-people-and-the-economy-until-recovery-fully-under-way.htm *Related blog post:* **Korea: Roadmap to narrow digital gaps** https://oecdecoscope.blog/2020/08/11/korea-roadmap-to-narrow-digital-gaps/	OECD Publication + Press Release + Blog Post
The 2018-2021 working time reform in Korea: A preliminary assessment, 11/08/2020 https://www.oecd-ilibrary.org/docserver/0e828066-en.pdf?expires=1597242936&id=id&accname=guest&checksum=A080099100770D151182765CE7EDD724 To reduce the incidence of very long working hours, Korea is gradually implementing a major working-time reform, which lowers the statutory limit on total weekly working hours from 68 to 52 between 2018-2021. This paper provides a preliminary assessment of the reform with three key insights. First, the ongoing reform will bring Korea's working time regulation in line with the dominant OECD practice. Second, the implementation of the 52-hour limit among large firms reduced the incidence of working more than 52 hours by 5 percentage points or about a fifth of its pre-reform level among employees working overtime. While these results are encouraging, they also suggest that working very long hours remains common, even among large firms that are subject to the new 52-hour limit. Third, two in five workers will remain exempt from the 52-hour limit once it is fully implemented in 2021. The main conclusion is that the reform represents an important step in the right direction, but that further efforts are needed to effectively change Korea's long working-hour culture.	OECD Publication
Fealty versus ability, 11/08/2020 https://www.omfif.org/2020/08/bidens-dilemma/?utm_source=omfifupdate Joe Biden has a dilemma. He wants a running mate who is loyal but able to step in as president if Biden is incapacitated. Thus, that person must be ambitious. There is speculation that, given his age, he would be a one-term president. The vice-president would have a head start in launching a campaign to succeed him. How can a vice-president do for Biden what he did for Barack Obama, when she is campaigning for president?	OMFIF Commentary
Reasons to worry about US election, 11/08/2020 https://www.omfif.org/2020/08/reasons-to-worry-about-presidential-election/?utm_source=omfifupdate The outcome of the US election is still wide open, with plenty of room for mistakes by President Donald Trump and challenger Joe Biden. The contest will not be decided by traditional election dynamics or the economy. The winner will be the candidate who best comes to terms with the deep anger and bitterness which has resulted from dramatic social and economic change in America. But a bigger danger looms: Trump's potential to undermine the elections and throw the entire American system into chaos.	OMFIF Commentary

Protecting the economy beyond Covid-19, 10/08/2020 https://www.omfif.org/2020/08/protecting-the-economy-beyond-covid-19/?utm_source=omfifupdate A key role for central banks is to ensure that policies support a sustainable contribution from the financial system so that it can absorb, and not amplify, the shock of Covid-19. We have only seen the initial economic effects of the pandemic materialise and there is significant uncertainty over the path of the virus, the duration of the shock and the economic implications.	OMFIF Commentary
Arbitrage and reflation in gold market, 06/08/2020 https://www.omfif.org/2020/08/arbitrage-and-reflation-in-the-gold-market/?utm_source=omfifupdate The global gold market is recording record levels of activity. Gold's surge is not an inflation worry indicator as some think; bond markets suggest inflationary anxiety is misplaced. Rather, market disruption, US fiscal policy, and the low-rate environment have been driving its performance.	OMFIF Commentary
What's on the sovereign investor's mind? - Five key themes from the launch of Global Public Investor 2020, 06/08/2020 https://www.omfif.org/2020/08/whats-on-the-sovereign-investors-mind/?utm_source=omfifupdate The global economy is enduring a particularly forceful downturn while governments borrow extravagantly to step into the gap, as central banks wade into markets to buy a wide range of assets. Against this backdrop, OMFIF last week hosted two virtual meetings to present the findings of Global Public Investor 2020. The discussions highlighted changes in risk appetite, and recognition of good initial policy responses to the crisis.	OMFIF Commentary
China Spotlight: What Is Driving The Recovery? 12/08/2020 https://www.iif.com/publications/id/4038 China's economic recovery in 2Q2020 was mainly driven by manufacturing and construction. Investments in industrial sectors remained weak, likely due to thin profits. Increases in household income and consumption are needed to make the recovery more sustainable. The monetary and fiscal stimulus of 2Q should continue to help the recovery in 2H2020. We expect China's economy to grow by about 5.5% in 2H2020 and 2.2% for the whole year.	IIF Publication*
Economic Views: Argentina's Funding Post-Restructuring, 11/08/2020 https://www.iif.com/Publications/ID/4036/Economic-Views-Argentinas-Funding-Post-Restructuring Argentina faced periodic funding gaps under the IMF program. The external funding outlook improves with debt restructuring, as long as the IMF rolls over its exposure into a new program. Now the challenge shifts to fiscal deficits and their financing. Ending monetization upfront would require tough fiscal cuts.	IIF Publication*
Spanish regions in Global Value Chains: How important? How different? 05/08/2020 https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSeriadas/DocumentosTrabajo/20/Files/dt2026e.pdf The recent release of EUREGIO, a novel global input-output database with regional detail for EU countries, allows to analyze the participation of EU regions in Global Value Chains and their implications for the propagation of sector-specifi c shocks. The authors focus on Spanish regions to exploit the granular information embedded in this database. They first characterize foreign and domestic trade	BIS Research Hub Working Paper

* Az IIF weboldalán található elemzések csak az IIF-tagok számára elérhető előzetes regisztrációt követően. Igény esetén az elemzést továbbítjuk az érdeklődők részére.

inter-linkages of Spanish regions and sectors. Using an extended version of the Leontief scheme, they compute upstream output and value added multipliers. ***Keywords***: *global value chains; input-output structure; networks; EUREGIO.*	

7. KÖLTSÉGVETÉSI POLITIKA, ADÓZÁS

Aging Economies May Benefit Less from Fiscal Stimulus, 07/08/2020 https://blogs.imf.org/2020/08/07/aging-economies-may-benefit-less-from-fiscal-stimulus/ Blog post by **Jiro Honda** (Deputy Division Chief in the Fiscal Affairs Department of the IMF) and **Hiroaki Miyamoto** (Professor of Economics and Business Administration at Tokyo Metropolitan University)	IMF Blog Post
Reassessing the regressivity of the VAT, 10/08/2020 https://www.oecd-ilibrary.org/docserver/b76ced82-en.pdf?expires=1597058166&id=id&accname=guest&checksum=3751F9D7E5DE69807E8D4DDC86BE4E76 This paper reassesses the often-made conclusion that the VAT is regressive, drawing on tax microsimulation models constructed for an unprecedented 27 OECD countries. The paper first assesses the competing methodological approaches used in previous distributional studies, highlighting the distorting impact of savings patterns on cross-sectional analysis when VAT burdens are measured relative to income. As argued by IFS (2011), measuring VAT burdens relative to expenditure – thereby removing the influence of savings – is likely to provide a more meaningful picture of the distributional impact of the VAT. On this basis, the VAT is found to be either roughly proportional or slightly progressive in most of the 27 OECD countries examined. Nevertheless, results for a small number of countries highlight that broad-based VAT systems that have few reduced VAT rates or exemptions can produce a small degree of regressivity. Results also show that even a roughly proportional VAT can still have significant equity implications for the poor – potentially pushing some households into poverty. This emphasises the importance of ensuring the progressivity of the tax-benefit system as a whole in orderto compensate poor households for the loss in purchasing power from paying VAT. In the broader context of the COVID-19 crisis, the findings of the paper suggest there may be scope in many countries for VAT reform to help address revenue needs, as this revenue may be generated with less significant distributional effects than previously thought. While standard VAT rates are high in many countries, OECD evidence shows that scope exists to broaden VAT bases. Nevertheless, any VAT increases, including VAT base broadening measures that impact the poor, should be accompanied by compensation measures for poorer households, such as targeted tax credits or benefit payments.	OECD Working Paper

8. SZANÁLÁS

Public responses to consultation on Guidance on financial resources to support CCP resolution and on the treatment of CCP equity in resolution, 10/08/2020 https://www.fsb.org/2020/08/public-responses-to-consultation-on-guidance-on-financial-resources-to-support-ccp-resolution-and-on-the-treatment-of-ccp-equity-in-resolution/ On 4 May 2020, the FSB published a consultation document on Guidance on financial resources to support CCP resolution and on the treatment of CCP equity in resolution. Interested parties were invited to provide written comments by 31 July 2020. The public comments received are available.	FSB Publication

9. STATISZTIKA

Euro area securities issues statistics: June 2020, 12/08/2020 https://www.ecb.europa.eu/press/pr/stats/sis/html/ecb.si2006~fb602c537f.en.html	ECB Press Release
Euro money market statistics: fourth maintenance period 2020, 11/08/2020 https://www.ecb.europa.eu/press/pr/stats/euro_money_market/html/ecb.emms200711~329d76c117.en.html	ECB Press Release
Industrial production up by 9.1% in both euro area and EU, 12/08/2020 https://ec.europa.eu/eurostat/documents/2995521/10545423/4-12082020-AP-EN.pdf/7c638d68-3e54-d560-73f4-a6aeb6ced59c	EU Press Release
Effective exchange rate indices, 12/08/2020 https://www.bis.org/statistics/eer.htm	BIS Press Release
Central bank policy rates, 12/08/2020 https://www.bis.org/statistics/cbpol.htm	BIS Press Release
US dollar exchange rates, 12/08/2020 https://www.bis.org/statistics/xrusd.htm	BIS Press Release
OECD CLIs continue to strengthen from crisis-low in all major economies - Composite Leading Indicators (CLI), OECD, August 2020, 10/08/2020 https://www.oecd.org/sdd/leading-indicators/composite-leading-indicators-cli-oecd-august-2020.htm	OECD Press Release
Government support measures for households buffer the economic impacts of COVID-19 - Growth and economic well-being: first quarter 2020, OECD, 06/08/2020 https://www.oecd.org/sdd/na/growth-and-economic-well-being-first-quarter-2020-oecd.htm	OECD Press Release

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