

¿What this IEF tells us? Second Half 2025



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Local financial markets have shown movements in line with global trends.



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The main risk to local financial stability comes from an abrupt tightening of financing conditions.

- International financial conditions deteriorated during March but have returned to levels that are consistent with a benign view of the economy, contrasting with the risks associated with conflict and other sources of uncertainty.
- Global vulnerabilities, associated with high fiscal indebtedness, high valuations of risky assets, and greater interconnectedness between banks and other financial agents remain high, which can exacerbate and spread the consequences of various risk events.
- Risks to global financial stability are high, in a highly uncertain macroeconomic and international environment.



Local financial markets have shown movements in line with global trends.

- Both since the beginning of the conflict in the Middle East and in the subsequent oscillations between escalation and truce, the prices of local financial assets have been coupled to the ups and downs of external markets.
- Thus, financing spreads have returned to their historical averages, companies have continued to issue bonds and stock valuation indicators do not show major changes compared to the previous IEF.



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- Since the previous Report, households' financial vulnerabilities have remained limited, with debt and the financial burden stabilizing as a percentage of labor income.
- Meanwhile, the vulnerabilities of companies remain without significant changes, at normal levels. Aggregate indebtedness was slightly reduced and there was no significant change in the financial burden on sales.
- The situation of households and companies would allow them to face external risks without generating major disruptions in the financial market.



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- The local institutional framework includes tools to deal with exceptional scenarios and coordination mechanisms between authorities and regulators.
- The Countercyclical Capital Buffer (CCyB) increases the resilience of the banking system, since in the face of severe financial stress scenarios it can be reduced, totally or partially, generating greater regulatory slack, and providing greater flexibility in the management of the banks' balance sheet.
- Thus, the CCyB reduces the probability that the level of capital will operate as a constraint on the supply of credit, which amplifies the macroeconomic deterioration and slows down the recovery process of the economy.

