

Market risks of financial sector and their impact on the regional institutions

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Abstract

The article considers the impact of components of market risk on its dynamics and structure of the Russian finance industry. It estimates change in the structure and in the number of financial institutions calculating market risk. It also identifies cause and effect link between the changes studied. The reasons of decline in the share of market risk in the general risks of the banking sector and a small growth of the market risk for the 2013-2014. Identifies the source and reasons for changes in the basic structure of the market risk and the built causal relationships change of market risk in the dynamics during the analyzed period. The article analyzes the market risk framework to determine the significance of market risk components in the domestic banking sector. Also referred to the importance of market risk for the medium and large banks that have built risk management policy and who are interested in the prediction of bank risks. In this article are revealed the causes of currency and stock market risk for the 2013-2014 and identified the relative growth of the two risks in the structure of the market risk for 2014. In addition, the article pointed out that throughout the analyzed period, interest rate risk and market risk in the structure of dominance has been defined.

Keywords

Currency risk, Equity risk, Finance industry, Financial institutions, Interest rate risk, Macroeconomic analysis, Market risk