

Financial Research Advisory Committee Meeting

February 25, 2016

Discussion Topic: Monitors Program

We are developing a suite of tools to assess, measure, and monitor risks across the financial system to complement our Financial Stability Monitor and Financial Markets Monitor.

The Financial Stability Monitor is a high-level snapshot of vulnerabilities in the financial system based on five risks: credit, contagion, funding, macroeconomic, market, and funding and liquidity.

The Financial Markets Monitor is an overview of major developments and emerging trends in global markets related to financial stability.

We are planning additional monitors to focus on areas such as money market funds, credit default swaps, hedge funds, and cross-asset correlations. The program's ultimate goal is to have a monitoring toolkit that indicates emerging risks across the financial system and within its components. The program will involve systematic testing of the toolkit and its elements, refining the tools to be more forward-looking, and periodically incorporating new data and information.

Questions for discussion

1. What criteria should we use to decide and prioritize areas to pursue for monitor research and development?
2. How should we present results to the end users?
3. Is there a recommended model for such a portal? Potential models include the St. Louis Fed's FRED, the World Bank's DataBank, the IMF's eLibrary, and Data.gov.