

PREFACE

The *Global Financial Stability Report (GFSR)* assesses global financial market developments with a view to identifying potential systemic weaknesses. By calling attention to potential fault lines in the global financial system, the report seeks to play a role in preventing crises, thereby contributing to global financial stability and to sustained economic growth of the IMF's member countries.

The analysis in this report has been coordinated in the Monetary and Capital Markets Department (MCM) under the general direction of Jaime Caruana, Counsellor and Director. The project has been directed by Hung Q. Tran, Deputy Director of the MCM Department, and MCM Division Chiefs Peter Dattels, Daniel Hardy, Ceyla Pazarbasioglu, and Mark Swinburne. The report benefited from comments and suggestions from Laura Kodres, MCM Division Chief, and Christopher Towe, MCM Deputy Director.

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This particular issue draws, in part, on a series of discussions with commercial and investment banks, securities firms, asset management companies, hedge funds, insurance companies, pension funds, stock and futures exchanges, credit rating agencies, and academic researchers, as well as regulatory and other public authorities in major financial centers and countries. Contributions from Craig Martin and Kevin Roth (Association for Financial Professionals) in the conducting of a survey are gratefully acknowledged. The report reflects information available up to February 6, 2007.

The report benefited from comments and suggestions from staff in other IMF departments, as well as from Executive Directors following their discussion of the *Global Financial Stability Report* on March 19, 2007. However, the analysis and policy considerations are those of the contributing staff and should not be attributed to the Executive Directors, their national authorities, or the IMF.