

Enumerate the key highlights of GFSR released recently.

The Global Financial Stability Report was launched by the International Monetary Federation has highlighted risks such as high inflation, increase in cyber attacks and geopolitical risks.

Highlights of the report

① Global

* The investors have shot up the prices of financial assets such as bonds, stocks of getting a interest rate cut by the central banks in the future.

* The geopolitical risks in West Asia and Ukraine can push the inflation higher thus ~~is~~ potential to cause losses to the investors.

② For India

* India received the ^{second} largest foreign inflows after USA in the year 2023.

* However, an increase in interest rates of western central banks can cause capital flight out of the country.

This can cause rupee to depreciate which is already trading at ₹83.57 / dollar.

③ Private companies

* Unregulated private credit is increasing through non banking financial institutions such as pension and insurance companies.

* The alternate investment fund is created as used to get access to funds which passes risk.

The global financial space is increasing with complexity. Prudent fiscal and monetary approach by nations is the need of the hour.