ESMA SEES CONTINUED HIGH MARKET RISK AMID DETERIORATING ECONOMIC FUNDAMENTALS

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RISK ANALYSIS & ECONOMICS - MARKETS INFRASTRUCTURE INVESTORS

The European Securities and Markets Authority (ESMA), the EU’s securities regulator, today publishes its latest [risk dashboard](https://www.esma.europa.eu/sites/default/files/library/esma50-165-1009_risk_dashboard_no.4_2019.pdf) for the European Union’s securities markets, covering the third quarter of 2019.

The market risks remain very high, against the background of a deteriorating growth outlook, continued uncertainty around Brexit, US-China trade tensions and geopolitical risk. Large intra-day movements confirm that markets remain sensitive to the news flow.

Risks in markets under ESMA’s remit remained high, particularly in securities markets, where high asset valuations and search-for-yield prevail.

Credit risk continues to be elevated, with deteriorating corporate debt quality and the growing share of BBB-rated debt as main concerns.

Looking ahead, a weakening economic outlook, further uncertainty over global trade negotiations, as well as uncertainty around the Brexit timeline remain key risk drivers.