

Banka Slovenije
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the Research Centre of the School of Economics and Business
invites you to a lecture

Financial markets stress indicator for Slovenia (FIMSIS)

Speaker:
Marija Drenovska
**Researcher at the Financial Stability and Macprudential Policy
at Banka Slovenije**

The seminar will be held at the
Cankarjeva 1, Ljubljana – 4th floor
(passage between Cankarjeva and Tomšičeva)
on Tuesday, 17 June 2025 at 11:00 CET

Abstract:

The Global Financial Crisis (GFC) highlighted the importance of early identification of systemic financial stress and timely macroprudential policy responses. In this context, financial stress indices have become essential tools for monitoring systemic risk in real time. While composite indicators exist for the euro area and several member states, Slovenia has lacked such a measure, primarily due to limited financial market depth and data constraints. This paper introduces the Financial Markets Stress Indicator for Slovenia (FIMSIS), the first composite financial stress indicator developed specifically for the Slovenian financial system. FIMSIS aggregates volatility-based indicators across market segments using three alternative approaches – exponentially weighted moving average (EWMA), multivariate GARCH (BEKK) and principal component analysis (PCA) –, allowing for a comparative evaluation of aggregation techniques. The indicator captures both the intensity and systemic dimension of financial stress and is evaluated through robustness checks and regime classification using a Markov switching model. To assess predictive performance, we apply a Growth-at-Risk framework with Adaptive LASSO and non-crossing constraints. Results confirm FIMSIS's relevance for signalling downside macroeconomic risk. The indicator also has potential policy applications, particularly in informing the release of the countercyclical capital buffer (CCyB).

KEYWORDS: financial systemic stress, financial stress indicator, financial stability, financial system, macroprudential policy.

Speaker (author)

Marija Drenkovska is a Researcher at Banka Slovenije, working in the area of financial stability and macroprudential policy. Her current focus is on the design, calibration, and evaluation of macroprudential measures. She also contributes to the development of analytical tools that support policy decision-making. Marija holds a PhD in Economics from the University of Ljubljana.

Co-author of the paper titled “Financial markets stress indicator for Slovenia (FIMSIS)”

Črt Lenarčič is a Researcher at Banka Slovenije. His research focuses on economic policies, quantitative macroeconomics and theoretical modelling. Črt received a PhD in Economics from School of Economics and Business, University of Ljubljana, in 2020. His articles have appeared in journals such as Journal of Macroeconomics.

How to sign up:

To sign up for the seminar, please send an email to seminar@bsi.si. You can sign up by Monday, 16 June 2025. The seminar will be held in English.