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| 1. Record Nr. | UNINA9910462259703321 |
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| Titolo | A new heuristic measure of fragility and tail risks [[electronic resource]] : application to stress testing // Nassim N. Taleb ... [et al.] |
| Pubbl/distr/stampa | Washington, D.C., : International Monetary Fund, c2012 |
| ISBN | 1-4755-7073-2 1-4755-1497-2 |
| Descrizione fisica | 1 online resource (25 p.) |
| Collana | IMF working paper ; ; WP/12/216 |
| Soggetti | Heuristic Financial crises Electronic books. |
| Lingua di pubblicazione | Inglese |
| Formato | Materiale a stampa |
| Livello bibliografico | Monografia |
| Note generali | Description based upon print version of record. |
| Nota di bibliografia | Includes bibliographical references. |
| Nota di contenuto | Cover; Contents; I. Introduction; II. Review of Concepts to Assess Fragility; A. The Current State of Stress Testing; B. A Simple Heuristic to Detect Fragility; Figures; 1. Why the Concave is Hurt by Tail Events; C. How Can the Simple Heuristic Enhance Stress Tests?; III. The Heuristic Applied to the Outcome of Stress Tests; A. Purpose for the Use of the Heuristic; 2. Illustration of the Use of the Heuristic; 3. Fragile and Antifragile Outcomes of Stress Tests; B. Case Study I: The Simple Heuristic Applied to Bank Stress Tests; Tables 1. The Heuristic Applied to the Outcome of Macroeconomic Stress Tests for the Largest U.S. BanksC. Case Study II: The Simple Heuristic Applied to Public Debt; 2. Overall Fragility of Banks; 3. Change in Net Debt Under Various Scenarios; IV. How to Apply the Simple Heuristic in IMF Stress Tests; 4. Illustration of Debt Dynamics Under Various Scenarios; 5. The Simple Heuristic as an Integral Part of Stress Test Frameworks; V. Conclusion; Appendices; I. Details on Macroeconomic Bank Stress Test; II. Details on Public Debt Stress Test; References |
| Sommario/riassunto | This paper presents a simple heuristic measure of tail risk, which is applied to individual bank stress tests and to public debt. Stress testing can be seen as a first order test of the level of potential negative outcomes in response to tail shocks. However, the results of stress |

testing can be misleading in the presence of model error and the uncertainty attending parameters and their estimation. The heuristic can be seen as a second order stress test to detect nonlinearities in the tails that can lead to fragility, i.e., provide additional information on the robustness of stress tests. It
