



# Taiwan Academy of Banking and Finance (TABF) Taiwan Financial Risk Index (TAIFRI) Monthly Report

Financial Research Institute  
Pei-Shan Tung  
[tnabiki@tabf.org.tw](mailto:tnabiki@tabf.org.tw)



## September TAIFRI Highlights

- The September TAIFRI index scored 99.2 points; overall risk is slightly increased**

TAIFRI			
99.2 <span style="color: red;">↑</span> (+0.3)			
Asset Valuation Pressure	Non-financial Sector Stability	Financial Sector Stability	Spillover and Contagion
101.5 <span style="color: red;">↑</span> (+0.7)	94.1 <span style="color: red;">↑</span> (+0.4)	93.2 <span style="color: red;">↑</span> (+0.3)	103.9 <span style="color: orange;">→</span> (.)

- Price-to-rent ratio and real estate market risk have risen**

New mortgage issuance and housing price-to-rent ratios have risen for two months, increasing real estate risks in September. In the stock market, P/E ratios fell to the lowest point since 2019/3, and risk premiums rose to a new high since then, indicating lower stock market risks, but TAIWAN VIX hit a three-month high, showing higher asset valuation uncertainty.

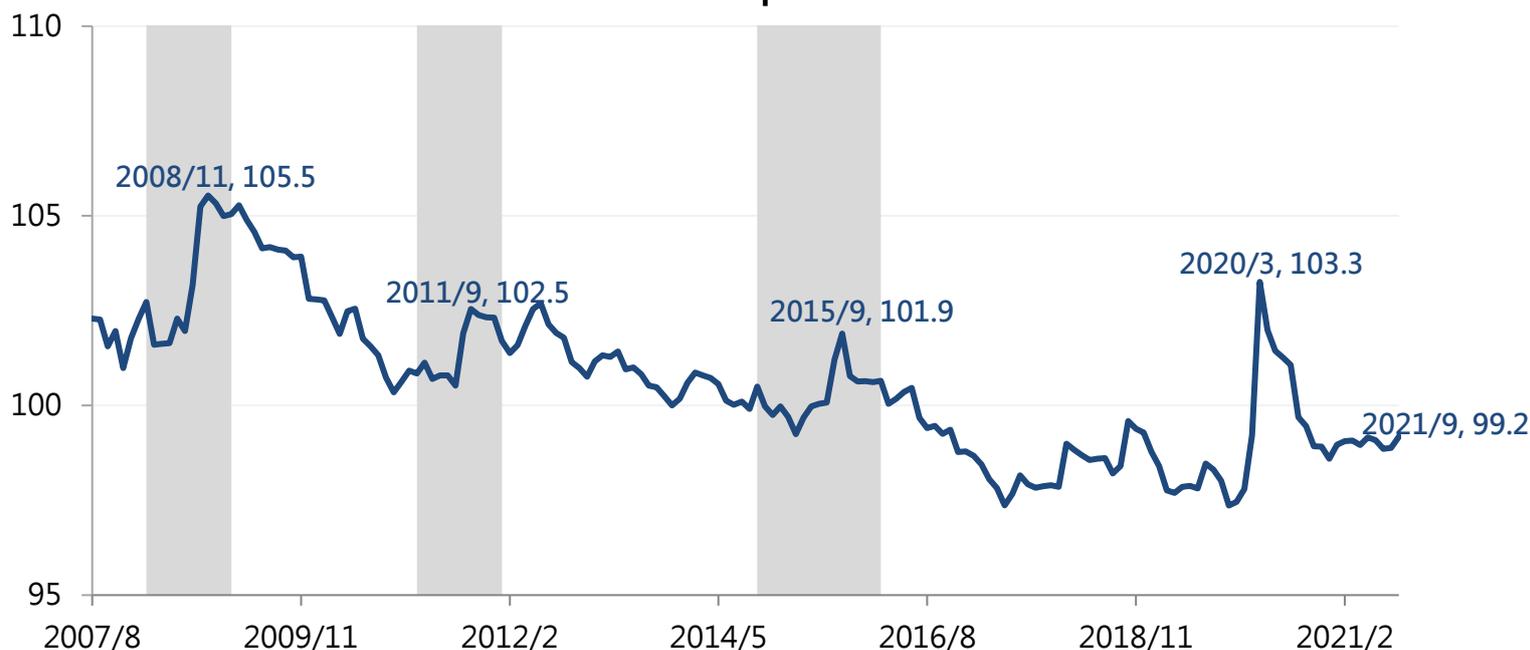
- Asset price volatility risk in overseas markets has risen; credit risks in the US, Japan and Europe have eased**

VIX in the US, China, Japan, and Europe have all climbed significantly, especially in China, which hit a new high since 2020/6. The real estate developer Evergrande defaulted and trading was suspended, affecting China's high-yield bond market. Regarding other international credit default indices, however, liquidity remains abundant, and credit risk has been unaffected.

- Stable non-financial and financial sector risks**

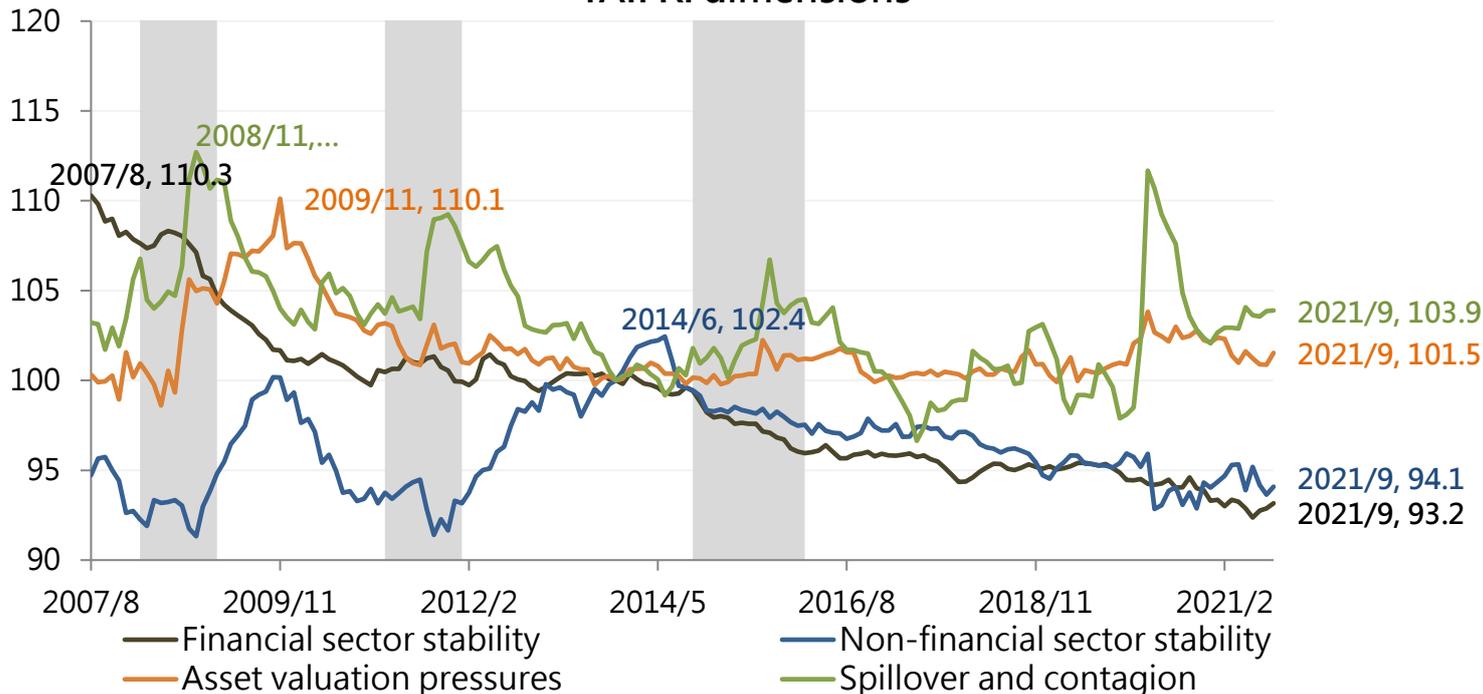
In the non-financial sector, investment in overseas high-yield debt funds has exceeded 10x that in general debt funds since 2021/3. Corporate relief loan applications have been extended until Y/E 2021, but lending is expected to subside with the lower pandemic alert. In the financial sector, fund maturity structure, asset quality and capital structure all had record performances.

## TAIFRI composite index



Source: TABF

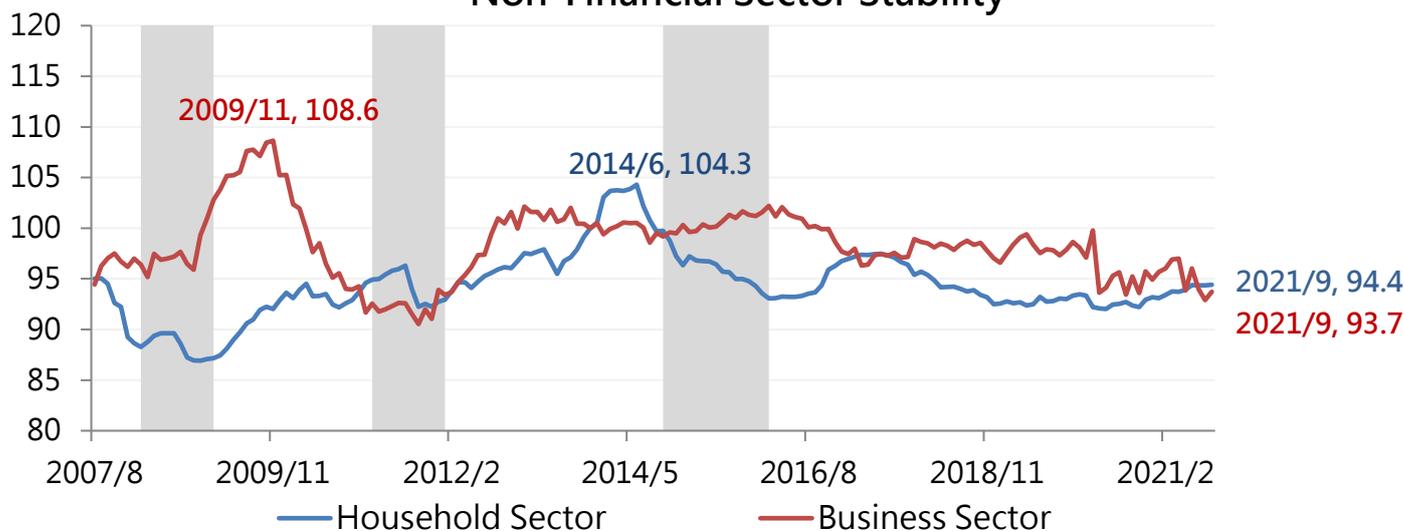
### TAIFRI dimensions



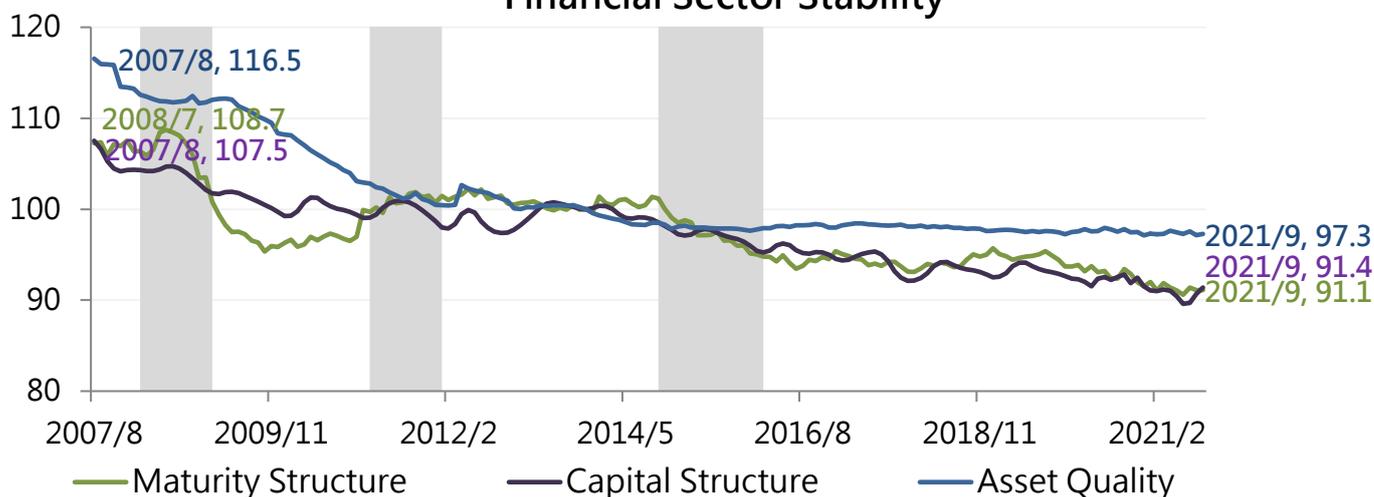
### Asset Valuation Pressures



### Non-Financial Sector Stability



### Financial Sector Stability



### Spillover and Contagion

