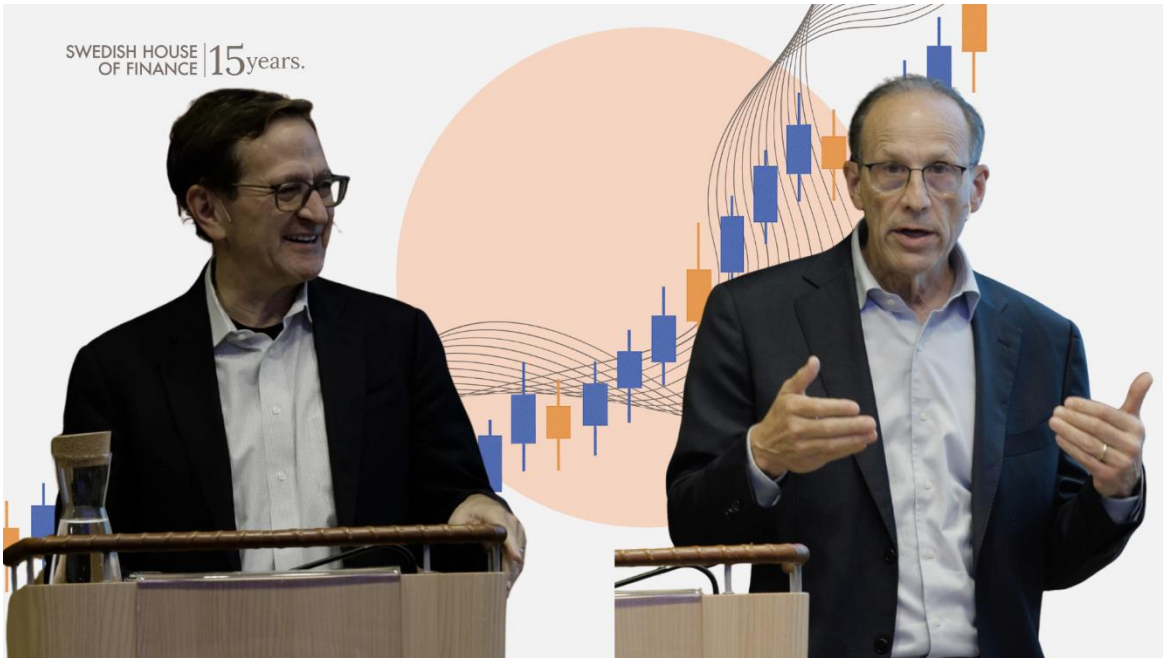
SWEDISH HOUSE OF FINANCE | STOCKHOLM SCHOOL OF ECONOMICS

Newsletter October 2026

In this issue:

- Steven Kaplan on where private capital goes from here—watch the keynote and conference recordings
- Why ample reserves may not prevent money-market stress
- How severe illness and the loss of a loved one affect household finances
- Articles from recent events on financial participation, portfolio construction, and financial inaction
- Finance Unpacked: Intraday liquidity

Private Capital: Where Has It Been? Where Does It Go From Here?



Higher interest rates, elevated purchase prices, and slower exits are changing the conditions for private equity. In his keynote at the Swedish House of Finance Annual Conference, **Steven Kaplan** (Chicago Booth) examines private capital's performance and prospects. With less scope to generate returns through debt, operational improvements are becoming increasingly important.

Kaplan's keynote and both panel discussions are now available. Together with **David Scharfstein's** (Harvard) keynote on private credit, they examine how private markets are

responding to longer holding periods, growing demands for liquidity, and wider access for individual investors.

Watch the keynotes and panel discussions

RESEARCH IN THE SPOTLIGHT

Why "Ample Reserves" May Not Be Enough to Keep Markets Calm

Banks can hold substantial reserves and still struggle to supply liquidity when markets need it. Research by **Adrien d'Avernas** (SHoF/SSE), **Baiyang Han** (Stanford University), and **Quentin Vandeweyer** (Chicago Booth) shows how constraints during the trading day can disrupt short-term funding markets. Their analysis helps explain why U.S. repo rates surged in September 2019 despite apparently ample reserves.

Key Findings:

- Large reserve balances do not guarantee that banks can supply liquidity throughout the day
- Once intraday liquidity limits are reached, banks can abruptly stop short term lending
- Measures that account for payment flows during the day can reveal strains missed by overnight reserve figures

Explore the research



The Financial Cost of Loss: Health Shocks and Household Vulnerability

Severe illness or the loss of a loved one can trigger financial distress that persists over time. Using Swedish administrative data, **Elin Molin** (IFN), **Kaveh Majlesi** (Lund University), and **Paula Roth** (SHoF/Swedish Central Bank) find that wealth buffers play a central role in households' ability to cope. Renters are particularly vulnerable after a spouse's death, and the financial effects can extend to adult children.

Explore the research

PAST EVENT ARTICLES

Catch up on the ideas and research discussed at recent SHoF events. Three articles explore what shapes financial participation, how investors approach portfolio construction and private equity, and why financial inaction can be costly.

Who Gets to Invest? Understanding the Reality of Financial Participation

From a breakfast event hosted by the Stockholm School of Economics Alumni Office, featuring SHoF researchers and industry practitioners.

Read more

Rethinking Portfolio Construction and Private Equity at AQR's Nordic Research Forum

From AQR's Nordic Research Forum in Stockholm, co-hosted by SHoF, featuring **Magnus Dahlquist** (SHoF/SSE) and **Per Strömberg** (SHoF/SSE).

Read more

What Is the Hidden Cost of Financial Inaction?

From the seminar with **Tarun Ramadorai** (LSE), recipient of the 2026 Skandia Research Award on Long-Term Savings.

Read more

FINANCE UNPACKED

Intraday Liquidity

The money a bank needs during the day to keep payments moving. Even if it has enough money overall, incoming funds may arrive after a payment is due. Having money available at the right moment matters.

Explore Finance Unpacked

#FinanceUnpacked

SWEDISH HOUSE OF FINANCE | 15 years.

"Intraday Liquidity"



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IN THE PRESS

Inheritance Divides Younger Generations

2026-10-18 • Sweden • EFN Ekonomikanalen

Roine Vestman (SHoF/Stockholm University) explains how housing-market timing and unequal access to inherited wealth can widen financial gaps among younger generations.

How Are Central Banks Adapting to the Changing Financial System?

2026-10-16 • United States • Atlantic Council

Stefan Ingves (SHoF) discusses payment innovation, tokenization, stablecoins, and their implications for central banks during IMF–World Bank Week.

Some Much-Needed American Optimism on Europe

2026-10-09 • United Kingdom • Financial Times

A column draws on research co-authored by **Bo Becker** (SHoF/SSE) to examine why European companies struggle to scale.

Behind the Numbers Podcast

2026-10-01 • Sweden • EFN Ekonomikanalen

Bo Becker (SHoF/SSE) discusses index funds, corporate ownership, market pricing, and the risk of stock-market bubbles on “Bakom siffrorna.”

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