

Concomitance of Instability Delving the Silicon Valley Bank Catastrophe 2023

Anli Suresh, Aarthi Monalisa M

Madras Christian College, University of Madras, Chennai- India

anli.sgain@gmail.com, monalisaaarthi@gmail.com

Abstract

Central banks round the world have been rising rates over the past year to tame high price rises, with the US moving from near zero to more than 4.5% at a quick pace. Most predictors guess rates to go higher in the US, UK and Australia, before stabilising. The hunger to retain rising rates will now be verified if central banks turn out to be worried that SVB's Catastrophe are symptomatic of a wider weakness in corporate balance sheets triggered by increasing rates. This study focus on the Concomitance of Instability Delving the Silicon Valley Bank Catastrophe 2023 by calculating the instability ratio of Price to Earnings, Price to Sales, Price to Book for the Silicon Valley Bank (SVB) from the period 2009-2023 using Coppock's Instability Index method. The findings from the study reveals that Highest Instability Index is registered for these ratios and its highly volatile in nature.

Keywords: Catastrophe 2023, Concomitance, Instability, Rising interest, Silicon Valley Bank (SVB), Volatile

Introduction

Silicon Valley Bank (SVB) Financial Group is an expanded financial services establishment, as well as a bank holding business and a financial holding concern. SVB Financial deals with a varied set of banking and financial products and services to customers across the United States. SVB Financial have been devoted to serving funding entrepreneurs and patrons of all dimensions and phases during their life cycles, mainly in the know-how, life science/healthcare, private equity/venture capital and best wine industries. SVB Financial deal commercial and private banking products and services through their prime subsidiary, Silicon Valley Bank (the Bank). The Bank and its subsidiaries also deal with asset management, private capital management, brokerage and added venture services. It also deals with non-banking products and services, such as assets management and business evaluation services. SVB Financial has 4 operating segments: Global Commercial Bank, SVB Private Bank, SVB Capital and SVB Securities Limited Liability Company.

When Silicon Valley Bank collapsed on Friday, 10th March, 2023 it created the second-largest bank catastrophe in US history. As the bank raised to be the 16th biggest in America, SVB capitalized their capitals in long-term bonds when rates are close to zero. This might have appeared like a decent impression at the time, but once interest rates hiked, those long-term bond prices clear-fell, cratering their funds. The market responded abruptly and SVB lost over \$160 billion dollars in worth in 24 hours. As the stock clear-fell, investors enthused swiftly to take away money from the bank. Banks merely carry a slice of depositors' money in cash - so-called a fractional standby. This destined that SVB couldn't provide investors their cash because it was held in their long-standing bond reserves that were no longer valued as considerable. In short, SVB did not have the money they desired to accomplish their commitments to their clientele. As be frightened withdrawal persistent, a bank run was well-underway. But it ended up being the administration, not stakeholders, who arose to depositors' salvage. The main focus of this study is to analyse the instability of SVB from the period 2009-2023 and draw inferences towards Concomitance of Instability Delving the Silicon Valley Bank Catastrophe 2023.

Review of Literature

Aryan Prakash (2023), reported in Hindustan Times that the financial world awakened up to the dreadful newscast of Silicon Valley Bank being closed down on Friday. The downfall of the 16th leading bank in the United States is well-thought-out as the major bank catastrophe ever since the Washington Mutual clear-fell more than a decade in the past.

George Mathew, Hitesh Vyas (2023), reported in The Indian Express that When Silicon Valley Bank and Signature Bank collapsed in the previous week, Indian banks continued unpretentious in spite of the international interconnectedness in the financial segment.

Hugh Son, Rohan Goswami, Jonathan Vanian and Jesse Pound (2023), in their CNBC reported that The Silicon Valley Bank consequence devours wave has special effects on Chinese start-ups, predominantly those financed by U.S. dollar-denominated assets.

Jonathan Barrett (2023), reported in The Guardian that, SVB didn't have sufficient money on hand, and consequently it is on the go vending about of its bonds at sudden losses, startling depositors and consumers. It took just 48 hours amid the time it revealed that it had vended the assets and its downfall. Consumers of Silicon Valley Bank have had their deposits safeguarded by a late-night agreement among the US Treasury and Federal Reserve.

Manojit Saha (2023), in Business standard, reported that, subsequently after the downfall of Silicon Valley Bank (SVB), the Reserve Bank of India (RBI) has swung into act to take stock of its effect on Indian companies and banks. The controller has in progress of gathering statistics on banks and non-banks disclosure to the unsuccessful Santa Clara-headquartered lender.

NDTV (2023), in the report on Silicon Valley Bank Collapse: Silicon Valley Bank was one of the rare banks that made it stress-free for start-ups to open bank accounts. While the worldwide special effects of Silicon Valley Bank's downfall are just evolving, one thing is vibrant: tech start-ups, no matter in what manner far-flung at a distance, are entangled.

Raghav Aggarwal (2023), in Business standard reported that, Remarkably, it is the second-largest bank catastrophe in the antiquity of the US and the primary such event subsequently the 2008 depression. It had assets worth \$307 billion and deposits of \$188 billion. SVB, just beforehand its failure, held assets worth \$209 billion and deposits of \$175 billion.

Research Gap

The California-headquartered organisation raised to turn out to be the 16th biggest bank in the US, supplementing for the monetary requirements of know-how businesses round the world, beforehand a sequence of ill-starred venture choices headed to its downfall. Review of literature suggests that there is no research done on the instability ratio of the Silicon Valley Bank (SVB) from the time, it is born in the core of an area well-known for its high-tech expertise and knowledgeable decision making. This study fills the research gap by addressing it by calculating the instability ratio of Price to Earnings, Price to Sales, Price to Book from the period 2009-2023 towards Concomitance of Instability Delving the Silicon Valley Bank Catastrophe 2023.

Objectives of the Study

1. To track the instability of PE (Price to Earnings) Ratio of Silicon Valley Bank (SVB) between the period 2015 – 2023.
2. To track the instability of PE (Price to Earnings) Ratio of Silicon Valley Bank (SVB) between the period 2009 – 2015.
3. To track the instability of P/S (Price to Sales) Ratio of Silicon Valley Bank (SVB) between the period 2015 – 2023.
4. To track the instability of P/S (Price to Sales) Ratio of Silicon Valley Bank (SVB) between the period 2009 – 2015.

5. To track the instability of Price to Book Ratio of Silicon Valley Bank (SVB) between the period 2015 – 2023.
6. To track the instability of Price to Book Ratio of Silicon Valley Bank (SVB) between the period 2009 – 2015.

Research Methodology

The methodology adopted for this study is based on Secondary data which are collected from various Financial research reviews, news reviews and reports and www.macrotrends.net websites. The period of study is from 2009- 2015 and from 2015-2023 and the outcomes got thus have been analysed through Coppock's Instability Index and inferred towards Concomitance of Instability Delving the Silicon Valley Bank Catastrophe 2023.

Data Analysis and Interpretation

Table 1: Instability of PE (Price to Earnings) Ratio between the period 2015 – 2023

SVB Financial Group PE Ratio Historical Data (2015-2023)				
Date	Stock Price	TTM Net EPS	PE Ratio	Instability Index Calculation
10-03-2023	106.04		4.18	1.430311247
31-12-2022	230.14	\$25.35	9.08	2.206074193
30-09-2022	335.78	\$26.95	12.46	2.522523513
30-06-2022	394.99	\$25.98	15.2	2.721295428
31-03-2022	559.45	\$29.47	18.98	2.943385793
31-12-2021	678.24	\$31.58	21.48	3.06712227
30-09-2021	646.88	\$32.76	19.75	2.983153491
30-06-2021	556.43	\$34.99	15.9	2.766319109
31-03-2021	493.66	\$30.32	16.28	2.789937361
31-12-2020	387.83	\$22.84	16.98	2.832036181
30-09-2020	240.62	\$20.50	11.74	2.463001814
30-06-2020	215.53	\$17.18	12.55	2.529720666
31-03-2020	151.08	\$18.84	8.02	2.081938422
31-12-2019	251.04	\$21.73	11.55	2.446685437
30-09-2019	208.95	\$21.63	9.66	2.267993648
30-06-2019	224.59	\$21.58	10.41	2.342766883
31-03-2019	222.36	\$19.92	11.16	2.412335957
31-12-2018	189.92	\$18.11	10.49	2.350422422
30-09-2018	310.83	\$15.34	20.26	3.008648499
30-06-2018	288.76	\$13.03	22.16	3.098288862
31-03-2018	240.01	\$10.93	21.96	3.089222617
31-12-2017	233.77	\$9.21	25.38	3.233961462
30-09-2017	187.09	\$8.91	21	3.044522438

30-06-2017	175.79	\$8.24	21.33	3.060114532
31-03-2017	186.09	\$7.70	24.17	3.185112195
31-12-2016	171.66	\$7.31	23.48	3.156148995
30-09-2016	110.54	\$7.10	15.57	2.745345986
30-06-2016	95.16	\$6.55	14.53	2.676215478
31-03-2016	102.05	\$6.43	15.87	2.764430535
31-12-2015	118.9	\$6.62	17.96	2.888147063
30-09-2015	115.54	\$6.08	19	2.944438979
Variance (Log)				0.157429757
Variance (Log) ^{0.5}				0.396774189
Variance (Log) ^{0.5-1}				-0.603225811
Coppock's Instability Index				54.70783416
Source: Compiled and Calculated by the Authors from www.macrotrends.net				

Table 1 Interpretation: The results of the analysis indicated that Coppock's Instability Index provides best estimates and instability is found on the major stock prices between 30 - 09- 2016 to 31 – 12 -2016. There is a further instability identified in the period between 30-09-2018 and 31-12-2018 with instability between 31-12-2022 to 10-03-2023. The Highest Instability Index is registered at 3.185 on 31-03-2017. The CII (Coppock's Instability Index) is rated at 54.707% which indicates higher instability. This PE ratio in this period is termed to be volatile in nature.

Table 2: Instability of PE (Price to Earnings) Ratio between the period 2009 – 2015

SVB Financial Group PE Ratio Historical Data (2009-2015)				
Date	Stock Price	TTM Net EPS	PE Ratio	Instability Index Calculation
30-06-2015	143.98	\$5.73	25.13	3.224062352
31-03-2015	127.04	\$5.11	24.86	3.213260086
31-12-2014	116.07	\$5.35	21.7	3.077312261
30-09-2014	112.09	\$5.48	20.45	3.017982882
30-06-2014	116.62	\$5.72	20.39	3.015044585
31-03-2014	128.78	\$5.74	22.44	3.110845081
31-12-2013	104.86	\$4.69	22.36	3.107273648
30-09-2013	86.37	\$4.54	19.02	2.945491057
30-06-2013	83.32	\$4.02	20.73	3.031581926
31-03-2013	70.94	\$4.02	17.65	2.870735783
31-12-2012	55.97	\$3.90	14.35	2.663749942
30-09-2012	60.46	\$3.59	16.84	2.823757009
30-06-2012	58.72	\$3.51	16.73	2.817203515
31-03-2012	64.34	\$3.95	16.29	2.790551423
31-12-2011	47.69	\$3.93	12.13	2.495681723

30-09-2011	37	\$3.53	10.48	2.349468679
30-06-2011	59.71	\$3.56	16.77	2.819591576
31-03-2011	56.93	\$2.56	22.24	3.101892469
31-12-2010	53.05	\$2.24	23.68	3.16463081
30-09-2010	42.32	\$1.99	21.27	3.057297629
30-06-2010	41.23	\$1.71	24.11	3.182626692
31-03-2010	46.66	\$1.45	32.18	3.471345142
31-12-2009	41.66	\$0.69	60.38	4.100657924
Variance (Log)				0.117137156
Variance (Log) ^{0.5}				0.342253058
Variance (Log) ^{0.5-1}				-0.657746942
Coppock's Instability Index				51.80524725
Source: Compiled and Calculated by the Authors from www.macrotrends.net				

Table 2 Interpretation: The results of the analysis indicated that Coppock's Instability Index provides best estimates and instability is found on the major stock prices between 30 - 09- 2013 to 31 – 12 -2013. There is a further instability identified in the period between 31-12-2010 and 31-03-2011 with instability between 31-12-2009 to 31-03-2010. The Highest Instability Index is registered at 4.1006 on 31-12-2009. The CII (Coppock's Instability Index) is rated at 51.805% which indicates higher instability. This PE ratio in this period is termed to be volatile in nature.

Table 3: Instability of P/S (Price to Sales) Ratio between the period 2015 – 2023

SVB Financial Group P/S Ratio Historical Data (2015-2023)				
Date	Stock Price	TTM Sales per Share	Price to Sales Ratio	Instability Index Calculation
10-03-2023	106.04		0.85	-0.16251893
31-12-2022	230.14	\$124.33	1.85	0.615185639
30-09-2022	335.78	\$113.71	2.95	1.08180517
30-06-2022	394.99	\$108.73	3.63	1.289232648
31-03-2022	559.45	\$108.62	5.15	1.638996715
31-12-2021	678.24	\$107.93	6.28	1.83736998
30-09-2021	646.88	\$104.42	6.19	1.822935087
30-06-2021	556.43	\$98.74	5.64	1.729884066
31-03-2021	493.66	\$88.56	5.57	1.717395054
31-12-2020	387.83	\$78.49	4.94	1.597365331
30-09-2020	240.62	\$72.13	3.34	1.205970807
30-06-2020	215.53	\$68.15	3.16	1.150572028

31-03-2020	151.08	\$68.48	2.21	0.792992516
31-12-2019	251.04	\$67.40	3.72	1.313723668
30-09-2019	208.95	\$63.72	3.28	1.187843422
30-06-2019	224.59	\$60.21	3.73	1.316408234
31-03-2019	222.36	\$55.17	4.03	1.393766376
31-12-2018	189.92	\$50.47	3.76	1.324418957
30-09-2018	310.83	\$47.36	6.56	1.880990603
30-06-2018	288.76	\$44.15	6.54	1.877937165
31-03-2018	240.01	\$40.68	5.9	1.774952351
31-12-2017	233.77	\$37.98	6.16	1.818076778
30-09-2017	187.09	\$35.56	5.26	1.660131027
30-06-2017	175.79	\$33.84	5.2	1.648658626
31-03-2017	186.09	\$32.56	5.71	1.742219024
31-12-2016	171.66	\$31.57	5.44	1.693779061
30-09-2016	110.54	\$31.11	3.55	1.266947603
30-06-2016	95.16	\$29.80	3.19	1.160020917
31-03-2016	102.05	\$29.34	3.48	1.247032294
31-12-2015	118.9	\$29.28	4.06	1.401182974
30-09-2015	115.54	\$29.98	3.85	1.348073148
Variance (Log)				0.186322358
Variance (Log) ^{0.5}				0.431650736
Variance (Log) ^{0.5-1}				-0.56834926
Coppock's Instability Index				56.64931249
Source: Compiled and Calculated by the Authors from www.macrotrends.net				

Table 3 Interpretation: The results of the analysis indicated that Coppock's Instability Index provides best estimates and instability is found on the major stock prices between 31 - 03- 2020 to 30 – 06-2020. There is a further instability identified in the period between 31-12-2022 and 10-03-2023. The Highest Instability Index is registered at 1.88 on 30-09-2018. The CII (Coppock's Instability Index) is rated at 56.649% which indicates higher instability. This Price to Sales ratio in this period is termed to be volatile in nature.

Table 4: SVB Financial Group P/S Ratio Historical Data (2009-15)

SVB Financial Group P/S Ratio Historical Data (2009-15)				
Date	Stock Price	TTM Sales per Share	Price to Sales Ratio	Instability Index Calculation
30-06-2015	143.98	\$28.81	5	1.609437912
31-03-2015	127.04	\$26.13	4.86	1.581038438
31-12-2014	116.07	\$29.96	3.87	1.353254507
30-09-2014	112.09	\$31.13	3.6	1.280933845
30-06-2014	116.62	\$34.71	3.36	1.211940974
31-03-2014	128.78	\$36.11	3.57	1.272565596
31-12-2013	104.86	\$30.58	3.43	1.232560261
30-09-2013	86.37	\$27.72	3.12	1.137833002
30-06-2013	83.32	\$23.28	3.58	1.2753628
31-03-2013	70.94	\$22.60	3.14	1.1442228
31-12-2012	55.97	\$22.01	2.54	0.932164081
30-09-2012	60.46	\$20.48	2.95	1.08180517
30-06-2012	58.72	\$20.80	2.82	1.036736885
31-03-2012	64.34	\$21.46	3	1.098612289
31-12-2011	47.69	\$21.71	2.2	0.78845736
30-09-2011	37	\$21.13	1.75	0.559615788
30-06-2011	59.71	\$20.45	2.92	1.071583616
31-03-2011	56.93	\$18.10	3.14	1.1442228
31-12-2010	53.05	\$16.71	3.17	1.153731588
30-09-2010	42.32	\$16.70	2.53	0.928219303
30-06-2010	41.23	\$16.15	2.55	0.936093359
31-03-2010	46.66	\$16.48	2.83	1.040276712
31-12-2009	41.66	\$15.78	2.64	0.970778917
Variance (Log)				0.053315532
Variance (Log) ^{0.5}				0.230901564
Variance (Log) ^{0.5-1}				-0.769098436
Coppock's Instability Index				46.34676494
Source: Compiled and Calculated by the Authors from www.macrotrends.net				

Table 4 Interpretation: The results of the analysis indicated that Coppock's Instability Index provides best estimates and instability is found on the major price to sales ratio between 31 - 12- 2012 to 31 - 03 -2013. There is a further instability identified in the period between 31-06-2011 and 31-09-2011. The Highest Instability Index is registered at 1.609 on 30-06-2015. The

CII (Coppock's Instability Index) is rated at 46.346% which indicates lower instability. This Price to Sales ratio in this period is termed to be less volatile in nature.

Table 5: Instability of P/B (Price to Book) Ratio between the period 2015 – 2023

SVB Financial Group Price/Book Ratio Historical Data (2015-2023)				
Date	Stock Price	Book Value per Share	Price to Book Ratio	Instability Index Calculation
10-03-2023	106.04		0.39	-0.94160854
31-12-2022	230.14	\$275.38	0.84	-0.174353387
30-09-2022	335.78	\$267.49	1.26	0.231111721
30-06-2022	394.99	\$275.49	1.43	0.357674444
31-03-2022	559.45	\$278.04	2.01	0.698134722
31-12-2021	678.24	\$282.72	2.4	0.875468737
30-09-2021	646.88	\$250.00	2.59	0.951657876
30-06-2021	556.43	\$219.46	2.54	0.932164081
31-03-2021	493.66	\$187.41	2.63	0.966983846
31-12-2020	387.83	\$162.52	2.39	0.871293366
30-09-2020	240.62	\$153.85	1.56	0.444685821
30-06-2020	215.53	\$144.34	1.49	0.39877612
31-03-2020	151.08	\$139.51	1.08	0.076961041
31-12-2019	251.04	\$128.18	1.96	0.672944473
30-09-2019	208.95	\$117.32	1.78	0.576613364
30-06-2019	224.59	\$110.67	2.03	0.708035793
31-03-2019	222.36	\$104.81	2.12	0.751416089
31-12-2018	189.92	\$100.12	1.9	0.641853886
30-09-2018	310.83	\$95.21	3.26	1.181727195
30-06-2018	288.76	\$90.30	3.2	1.16315081
31-03-2018	240.01	\$86.16	2.79	1.026041596
31-12-2017	233.77	\$81.75	2.86	1.050821625
30-09-2017	187.09	\$79.61	2.35	0.854415328
30-06-2017	175.79	\$76.68	2.29	0.828551818
31-03-2017	186.09	\$74.45	2.5	0.916290732
31-12-2016	171.66	\$72.28	2.37	0.862889955
30-09-2016	110.54	\$71.52	1.55	0.438254931
30-06-2016	95.16	\$69.85	1.36	0.3074847
31-03-2016	102.05	\$67.91	1.5	0.405465108
31-12-2015	118.9	\$64.59	1.84	0.609765572
30-09-2015	115.54	\$64.37	1.79	0.58221562
Variance (Log)				0.184707178
Variance (Log) ^{0.5}				0.42977573
Variance (Log) ^{0.5-1}				-0.57022427

Coppock's Instability Index	56.54320515
Source: Compiled and Calculated by the Authors from www.macrotrends.net	

Table 5 Interpretation: The results of the analysis indicated that Coppock's Instability Index provides best estimates and instability is found on the major Price to book ratio between 31 - 12- 2017 to 30 – 09-2017. There is a further instability identified in the period between 31-12-2018 and 30-09-2018 and a closer instability between 30-09-2022 and 31-12-2022. The Highest Instability Index is registered at 1.181 on 30-09-2018. The CII (Coppock's Instability Index) is rated at 56.543% which indicates higher instability. This Price to Book ratio in this period is termed to be volatile in nature.

Table 6 Instability of P/B (Price to Book) Ratio between the period 2009 – 2015

SVB Financial Group Price/Book Ratio Historical Data (2009-2015)				
Date	Stock Price	Book Value per Share	Price to Book Ratio	Instability Index Calculation
30-06-2015	143.98	\$61.98	2.32	0.84156719
31-03-2015	127.04	\$83.71	1.52	0.41871033
31-12-2014	116.07	\$79.56	1.46	0.37843644
30-09-2014	112.09	\$77.53	1.45	0.37156356
30-06-2014	116.62	\$77.68	1.5	0.40546511
31-03-2014	128.78	\$73.30	1.76	0.56531381
31-12-2013	104.86	\$67.23	1.56	0.44468582
30-09-2013	86.37	\$64.10	1.35	0.30010459
30-06-2013	83.32	\$58.78	1.42	0.35065687
31-03-2013	70.94	\$59.20	1.2	0.18232156
31-12-2012	55.97	\$58.38	0.96	-0.040822
30-09-2012	60.46	\$57.41	1.05	0.04879016
30-06-2012	58.72	\$55.05	1.07	0.06765865
31-03-2012	64.34	\$53.14	1.21	0.19062036
31-12-2011	47.69	\$51.72	0.92	-0.0833816
30-09-2011	37	\$50.67	0.73	-0.3147107
30-06-2011	59.71	\$46.74	1.28	0.24686008
31-03-2011	56.93	\$43.26	1.32	0.27763174
31-12-2010	53.05	\$41.36	1.28	0.24686008
30-09-2010	42.32	\$40.42	1.05	0.04879016
30-06-2010	41.23	\$38.84	1.06	0.05826891
31-03-2010	46.66	\$37.31	1.25	0.22314355
31-12-2009	41.66	\$35.66	1.17	0.15700375
30-09-2009	43.27	\$41.95	1.03	0.0295588

30-06-2009	27.22	\$39.98	0.68	-0.3856625
31-03-2009	20.01	\$39.24	0.51	-0.6733446
Variance (Log)				0.09584509
Variance (Log) ^{0.5}				0.30958858
Variance (Log) ^{0.5-1}				-0.6904114
Coppock's Instability Index				50.1405645
Source: Compiled and Calculated by the Authors from www.macrotrends.net				

Table 6 Interpretation: The results of the analysis indicated that Coppock's Instability Index provides best estimates and instability is found on the major Price to book ratio between 30 - 06- 2009 to 30 – 09-2009. There is a further instability identified in the period between 31-12-2018 and 30-09-2018 and a closer instability between 31-12-2011 and 31-12-2012. The Highest Instability Index is registered at 0.841 on 30-06-2015. The CII (Coppock's Instability Index) is rated at 50.140% which indicates moderate instability. This Price to Book ratio in this period is termed to be volatile in nature.

Findings from the Study

- i. Regarding Price to Earnings Ratio the Highest Instability Index is registered at 3.185 on 31-03-2017. The CII (Coppock's Instability Index) is rated at 54.707% which indicates higher instability. This PE ratio in this period 2015 – 2023 is termed to be volatile in nature.
- ii. Regarding Price to Earnings Ratio the Highest Instability Index is registered at 4.1006 on 31-12-2009. The CII (Coppock's Instability Index) is rated at 51.805% which indicates higher instability. This PE ratio in this period 2009 – 2015 is termed to be volatile in nature.
- iii. Regarding Price to Sales Ratio the Highest Instability Index is registered at 1.88 on 30-09-2018. The CII (Coppock's Instability Index) is rated at 56.649% which indicates higher instability. This Price to Sales ratio in this period 2015 – 2023 is termed to be volatile in nature.
- iv. Regarding Price to Sales Ratio the Highest Instability Index is registered at 1.609 on 30-06-2015. The CII (Coppock's Instability Index) is rated at 46.346% which indicates lower instability. This Price to Sales ratio in this period 2009 – 2015 is termed to be less volatile in nature.

- v. Regarding Price to Book Ratio the Highest Instability Index is registered at 1.181 on 30-09-2018. The CII (Coppock's Instability Index) is rated at 56.543% which indicates higher instability. This Price to Book ratio in this period 2015 – 2023 is termed to be volatile in nature.
- vi. Regarding Price to Book Ratio the Highest Instability Index is registered at 0.841 on 30-06-2015. The CII (Coppock's Instability Index) is rated at 50.140% which indicates moderate instability. This Price to Book ratio in this period 2009 – 2015 is termed to be volatile in nature.

Concluding Observation and Suggestions

As the favourite bank for the tech sector, SVB's services were in great demand all through the pandemic period. The early market shockwave of Covid-19 in the initial 2020 swiftly provided means to an excellent time for start-ups and recognized tech businesses, as consumers expended immense on devices and digital services. Numerous tech businesses used SVB to grip the money they utilised for workforce and other business expenditures, leading to an incursion of sums. The bank capitalized a huge portion of the sums, as banks do. The seeds of its passing were propagated when it capitalized severely in long-dated US administration bonds, together with individuals sponsored by loans. These were, for all intentions and determinations, as harmless as communities. But bonds have an opposite association with interest rates; when rates increase, bond prices decrease. Consequently, when the Federal Reserve in the development to hike rates fast to battle inflation, SVB's bond portfolio started to lose substantial worth. If SVB were able to grip individuals bonds for a number of years till they matured, then it would obtain its wealth back. Yet, as financial circumstances soured over the last year, with tech companies predominantly affected, several of the bank's clientele started drawing on their deposits. SVB didn't have adequate money on hand, and so it started vending some of its bonds at steep losses, startling depositors and clientele. It took just 48 hours between the time it revealed that it had vended the assets and its downfall. Since, SVB failed in these aspects officials shut the bank after quite a lot of days of chaos subsequent to an announcement that it required to raise US\$2 billion to cover sum unpaid owing to increasing interest rates. This led to a run on the bank as numerous big venture-capital firms directed their customers to withdraw funds.

It is suggested that banks cannot nose-dive if it is extra careful about the important factors including undercapitalization, liquidity, security and reliability, and deception. To prevent the cartographic effects on banks well-functioning it should concentrate on its capital requirements, liquidity requirements, stress tests, bank activity restrictions, supervisory monitoring, deposit insurance, and government ownership of banks. Banks must be influential in leading the system. They can start by being more sustainable themselves and extend this attitude to their clientele. They can capitalize in

environmentally friendly businesses that source sustainable products. Most significantly, they can put pressure on businesses to be more sustainable when approving advances.

Scope for future Research

This research study on Concomitance of Instability Delving the Silicon Valley Bank Catastrophe 2023 concentrated on the calculation of the instability ratio of Price to Earnings, Price to Sales, Price to Book from the period 2009-2023 using CII (Coppock's Instability Index) method. Further study can be attempted by using other methods to assess the Silicon Valley Bank Catastrophe 2023.

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