The Euro Zone Crisis:
End of the Beginning

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December 2014

Euro Zone Crisis:
Is the worst of the crisis over?

- **Sovereign Crisis**

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Euro Zone Crisis:
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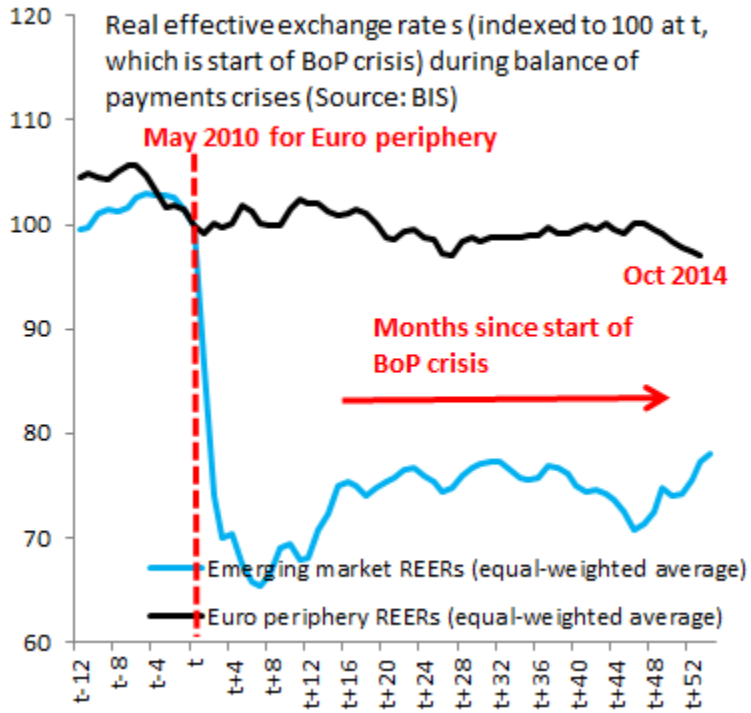
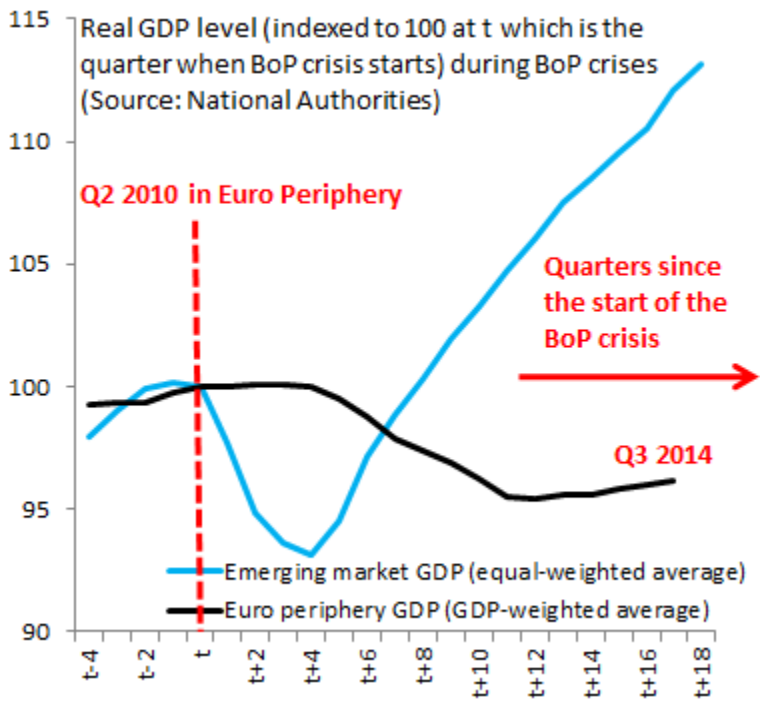
- **Sovereign Crisis**

- **Banking Crisis**

- **Growth Crisis**

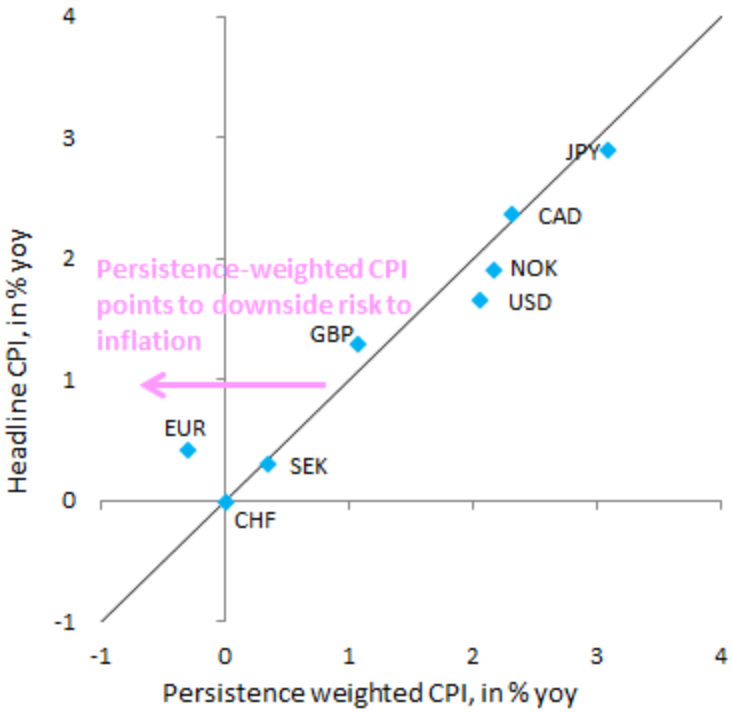
The Growth Crisis:
A reflection of the strong Euro, ...

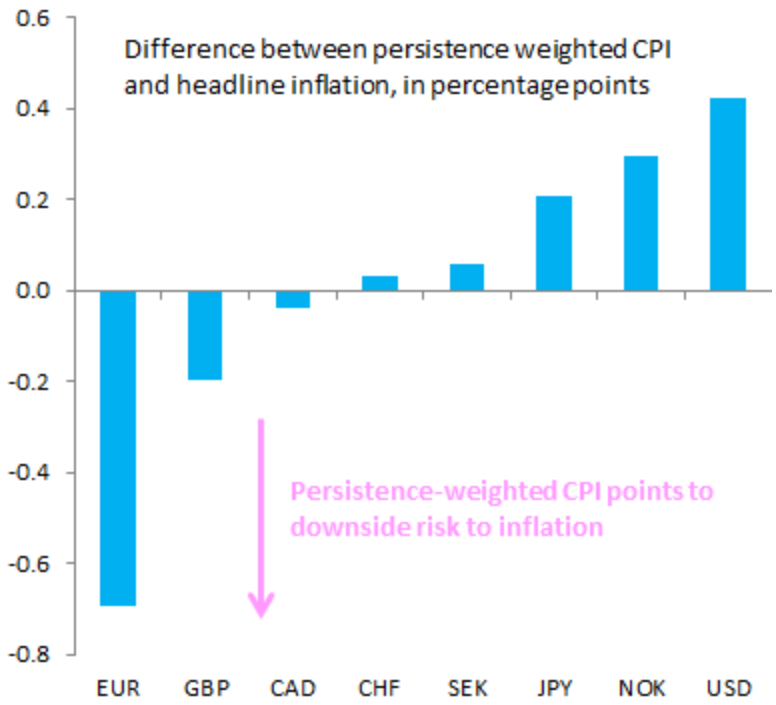




Source: GS Global ECS Research

The Growth Crisis:
… which is showing up in deflation risk.





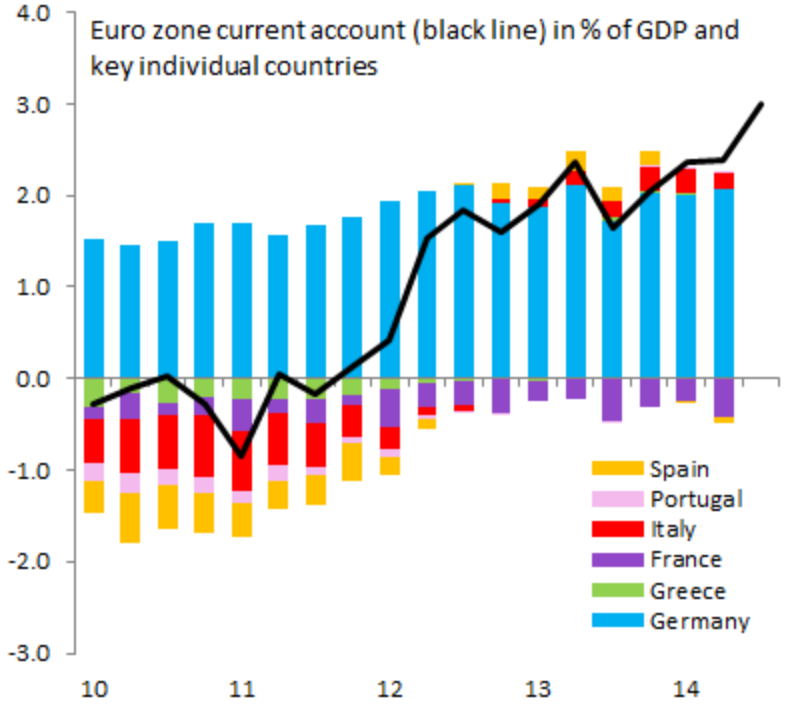
Source: GS Global ECS Research

The Growth Crisis:
The OMT made a strong Euro even stronger.

Source: GS Global ECS Research

The Growth Crisis:
Germany needs to embrace sovereign QE.

- **The growth crisis is a strong Euro crisis.**
- **The most effective way to get the Euro weaker is sovereign QE, as Japan shows.**
- **Germany needs to embrace sovereign QE: no seniority, no NCB buying.**
- **Implications for the rest of the world are positive, not negative.**



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