



# ITAGC Foreign Currency Pricing

Karl Schamotta, Senior Market Strategist

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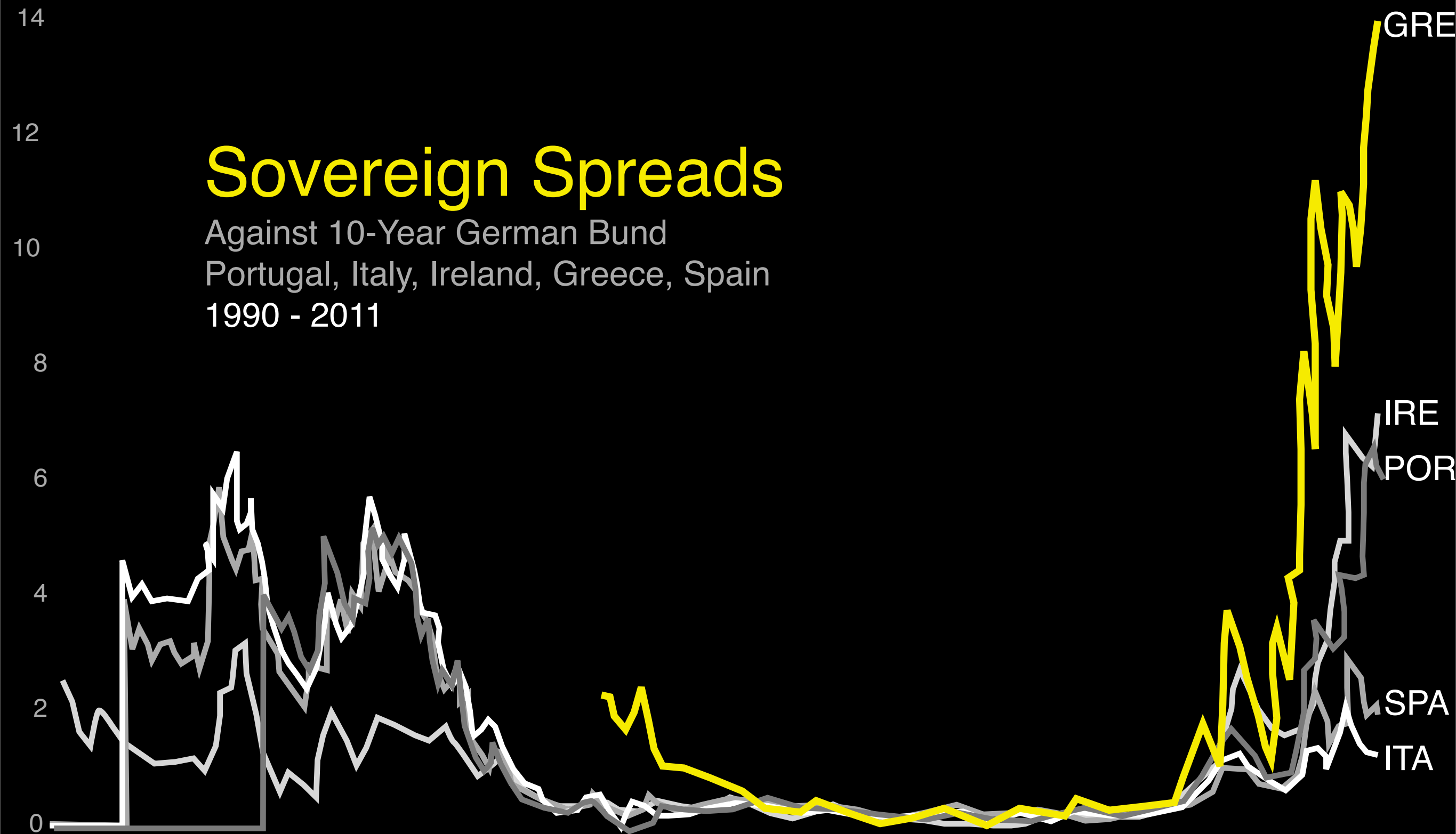
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# Sovereign Spreads

Against 10-Year German Bund  
Portugal, Italy, Ireland, Greece, Spain  
1990 - 2011



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Source: European Central Bank, 2011

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# Intra-Euro Financial Flows

## 1999 - 2011, Billions of Euro

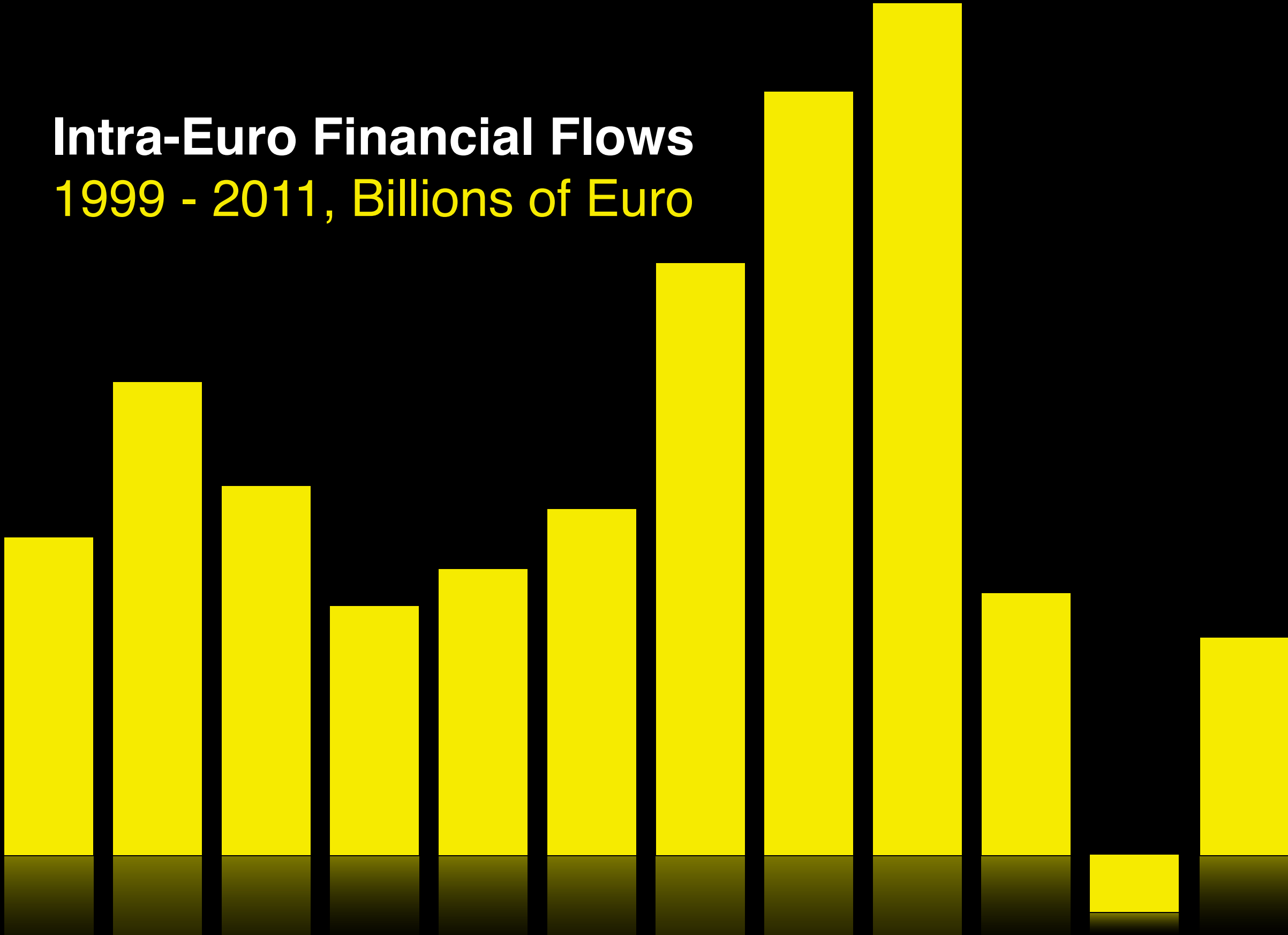
2,000

1,500

1,000

500

0



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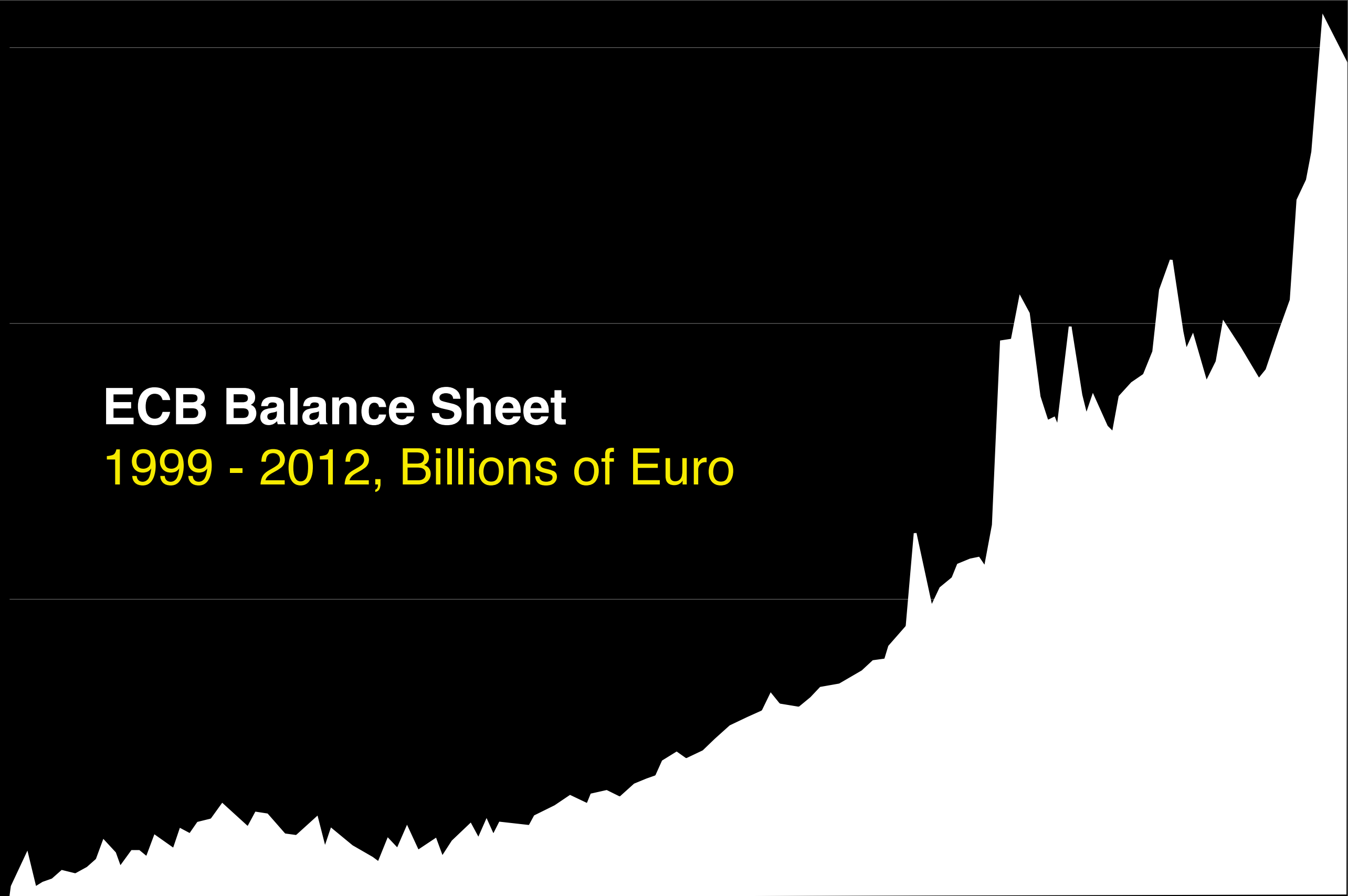
Source: European Central Bank, 2011

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# ECB Balance Sheet

## 1999 - 2012, Billions of Euro



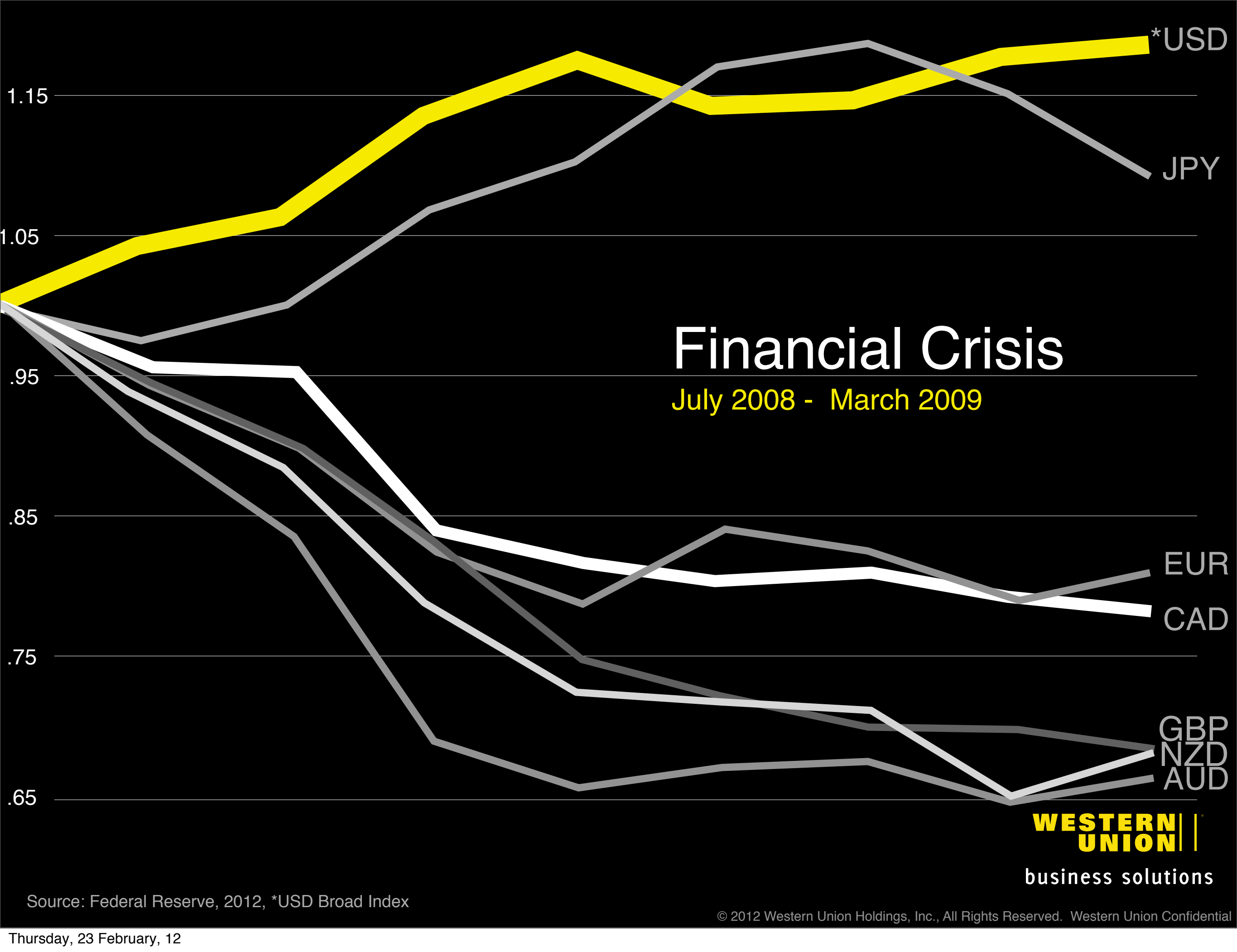
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Source: European Central Bank, 2012

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# Financial Crisis

July 2008 - March 2009

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Source: Federal Reserve, 2012, \*USD Broad Index

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2000

1500

1000

500

# St. Louis Adjusted Monetary Base

1910 - 2010

Billions, US Dollars



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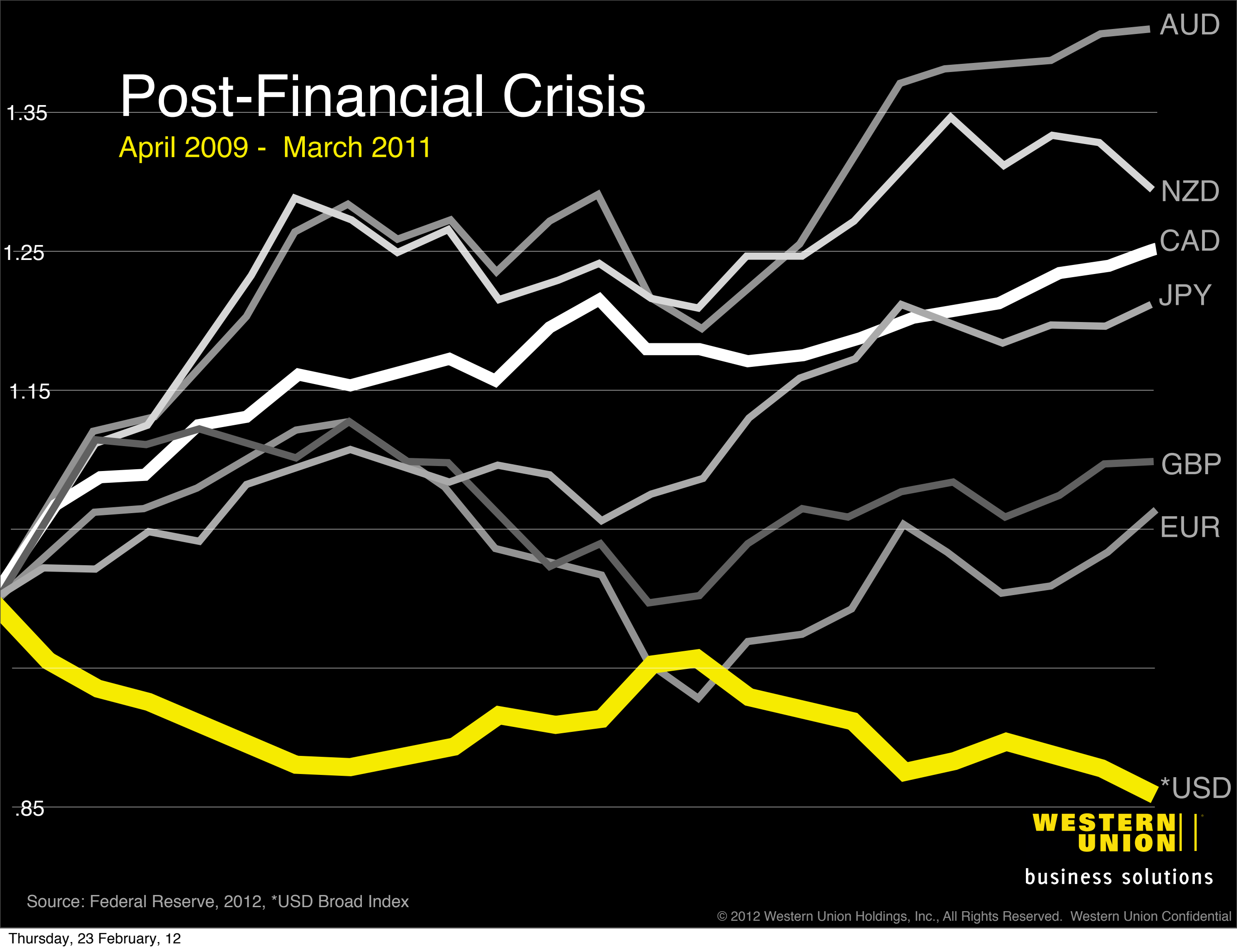
Source: Federal Reserve, 2012, \*USD Broad Index

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# Post-Financial Crisis

April 2009 - March 2011



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Source: Federal Reserve, 2012, \*USD Broad Index

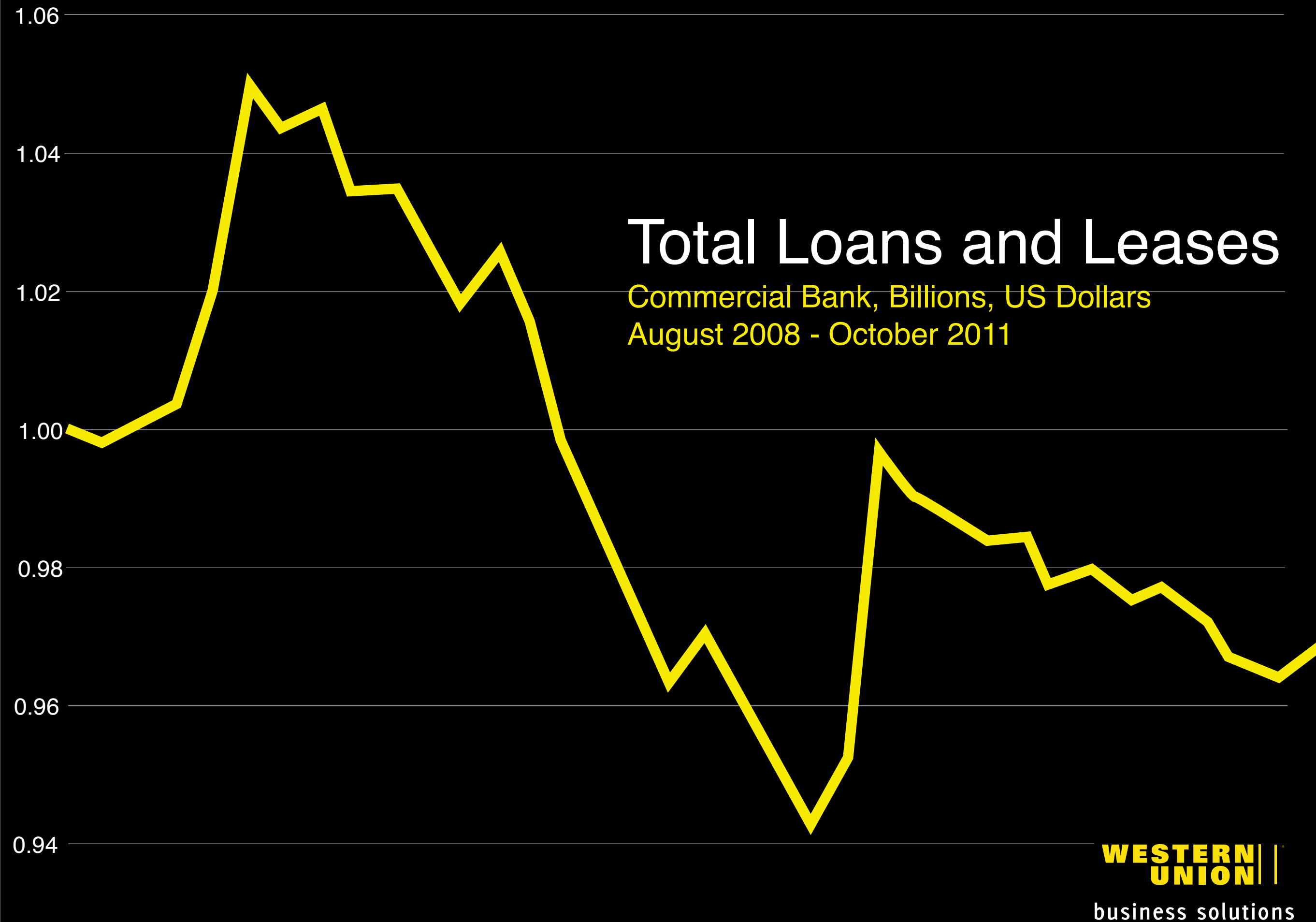
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# Total Loans and Leases

Commercial Bank, Billions, US Dollars  
August 2008 - October 2011



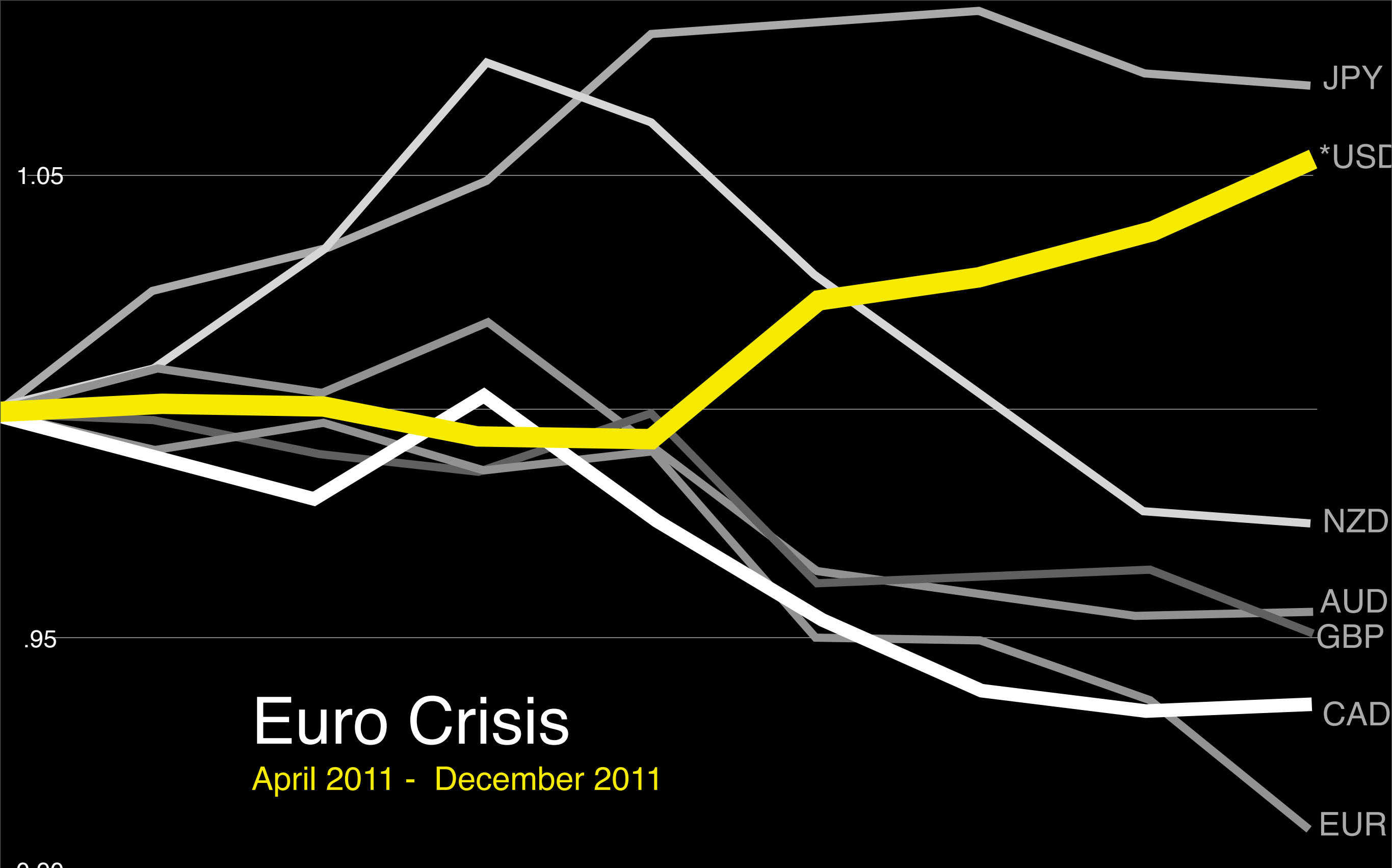
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Source: Federal Reserve Bank of St. Louis, 2011

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# Euro Crisis

April 2011 - December 2011



# Chinese Growth

## GDP, Billions USD

### 1980 - 2011



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Source: World Bank, 2011

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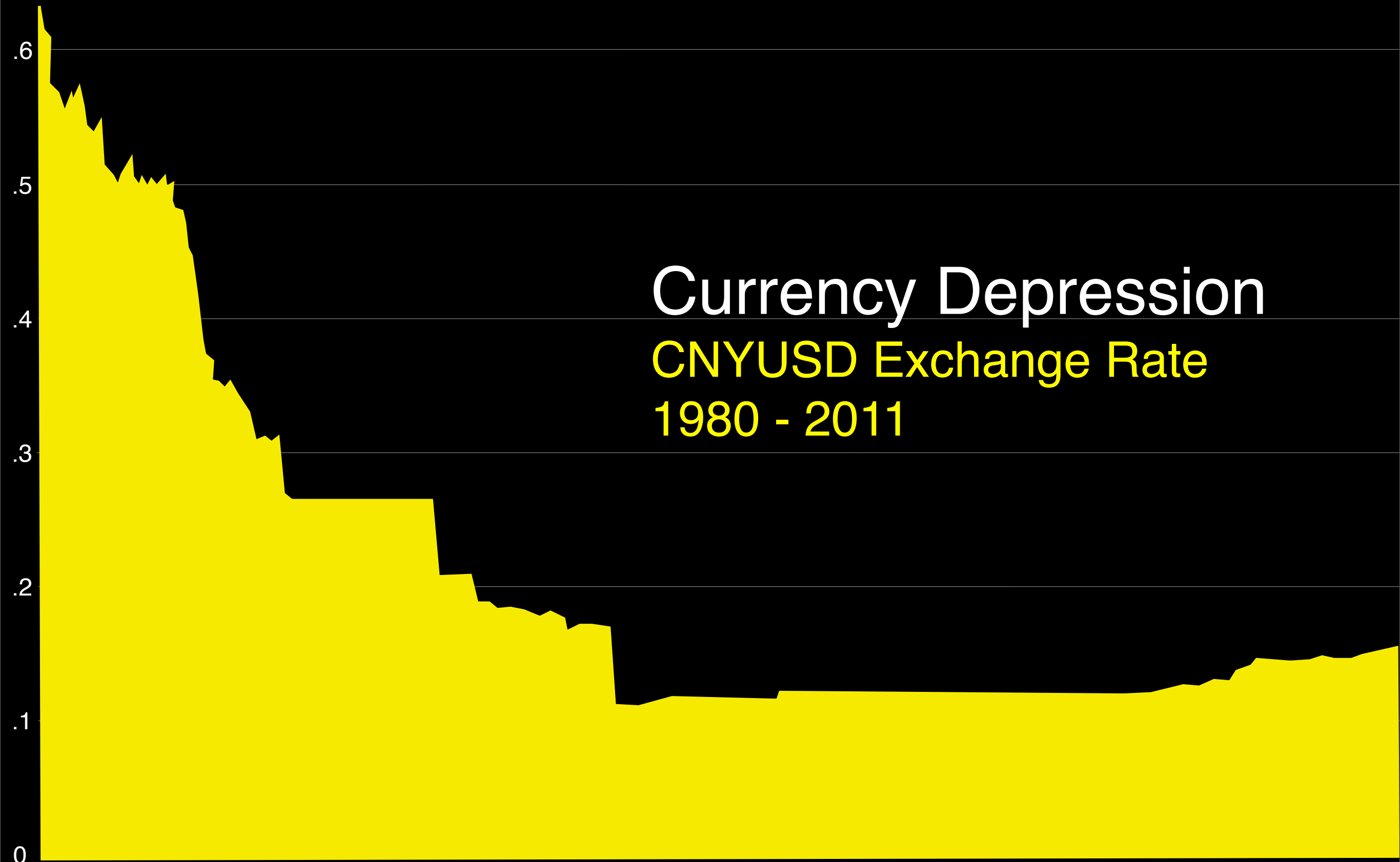
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# Currency Depression

## CNYUSD Exchange Rate

### 1980 - 2011



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# Interest Rate Suppression

## Commercial Bank Prime Lending Rate

# 4  
Brazil

# 47  
Russia

# 81  
India

# 164  
China

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Source: CIA World Factbook, 2011

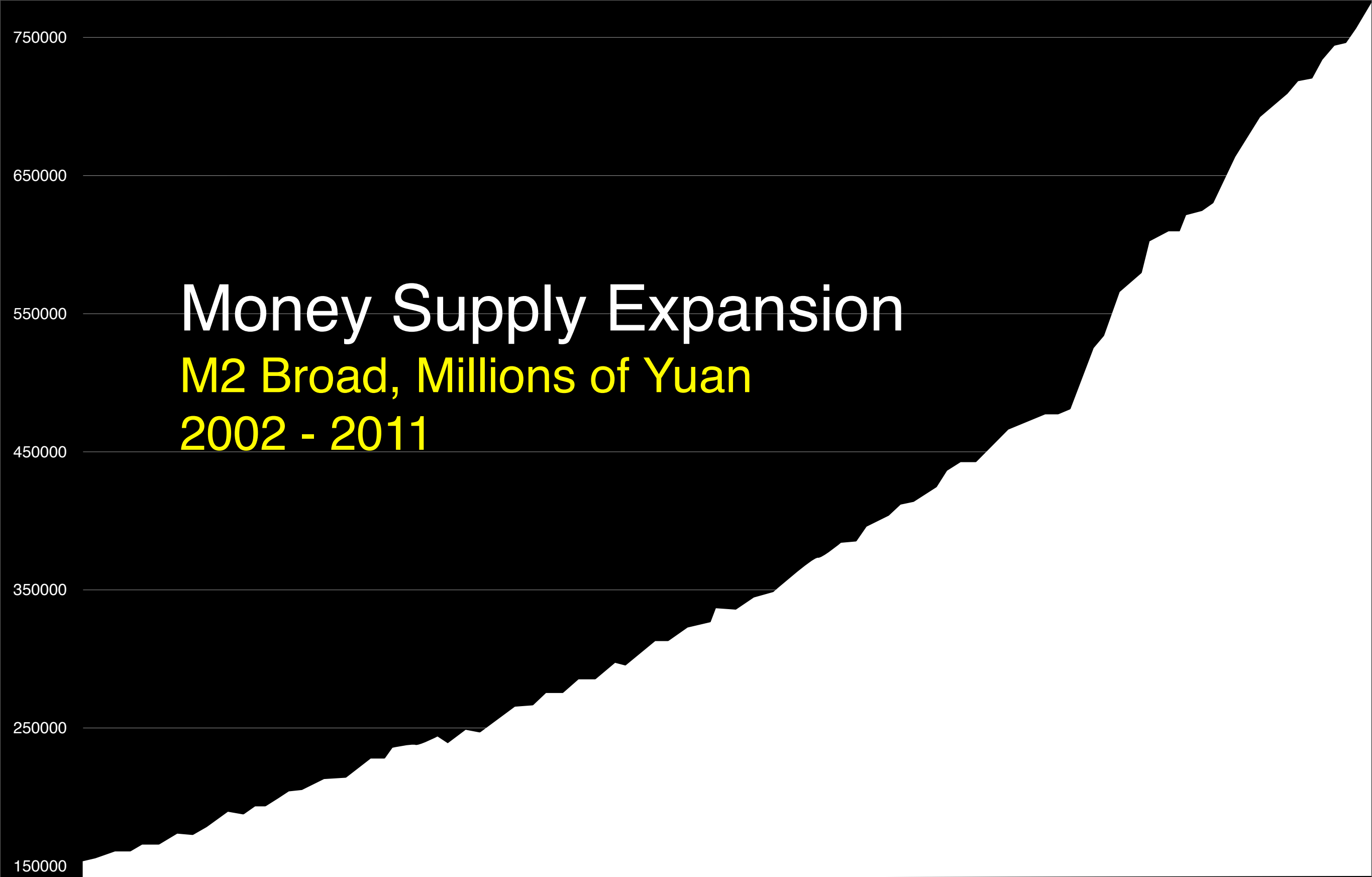
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# Money Supply Expansion

## M2 Broad, Millions of Yuan

### 2002 - 2011



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Source: People's Bank of China, 2011

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# Thank You!

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