
Can they avoid the next financial crisis?



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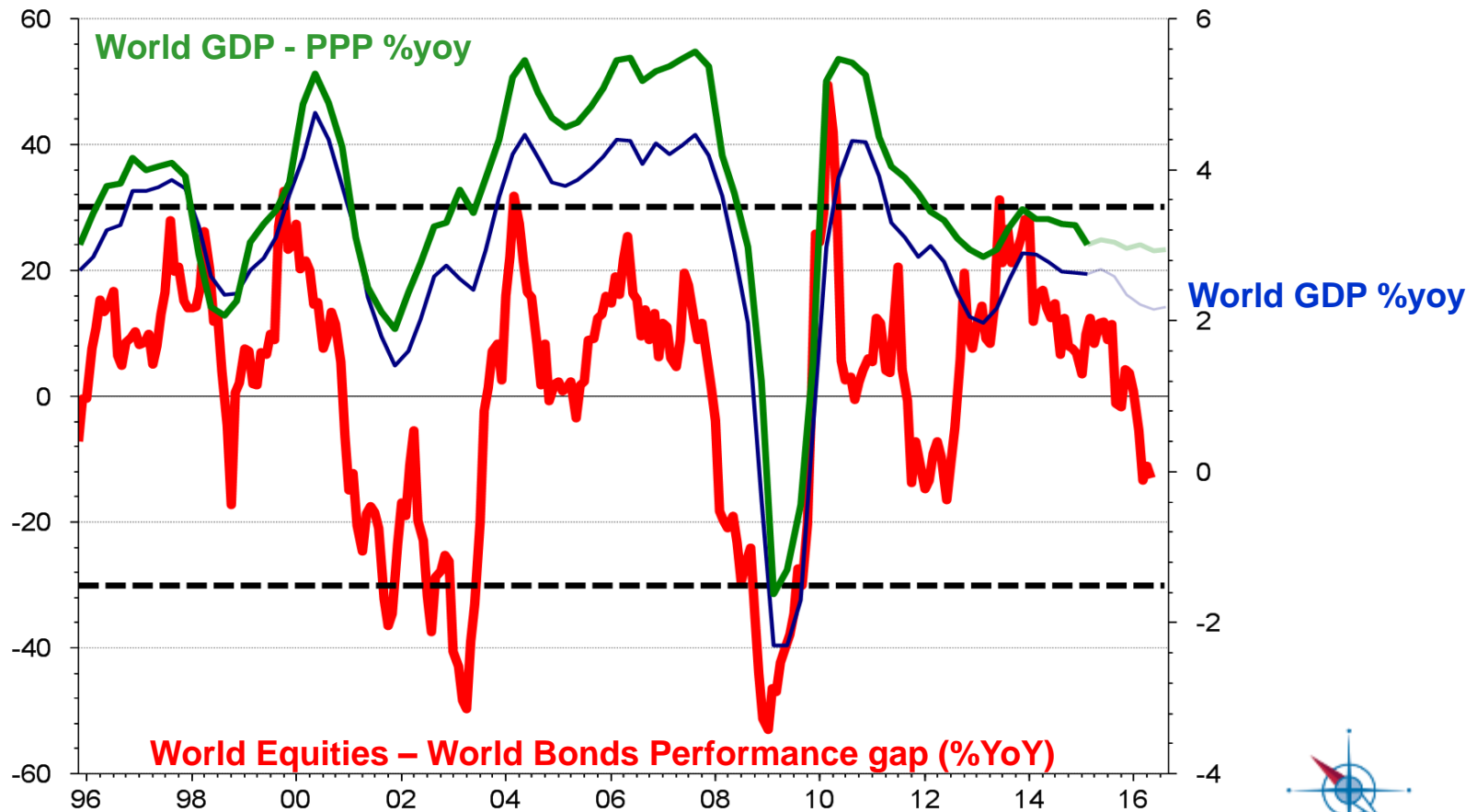


Financial excesses in a recurring mode

- ❑ World economy on soft patch
- ❑ It is a hard job for Central Banks to fight deflation
- ❑ Solving the Debt overhang is like peeling an onion: slow and painful
- ❑ How do we get out of the synchronicity of financial excesses ?



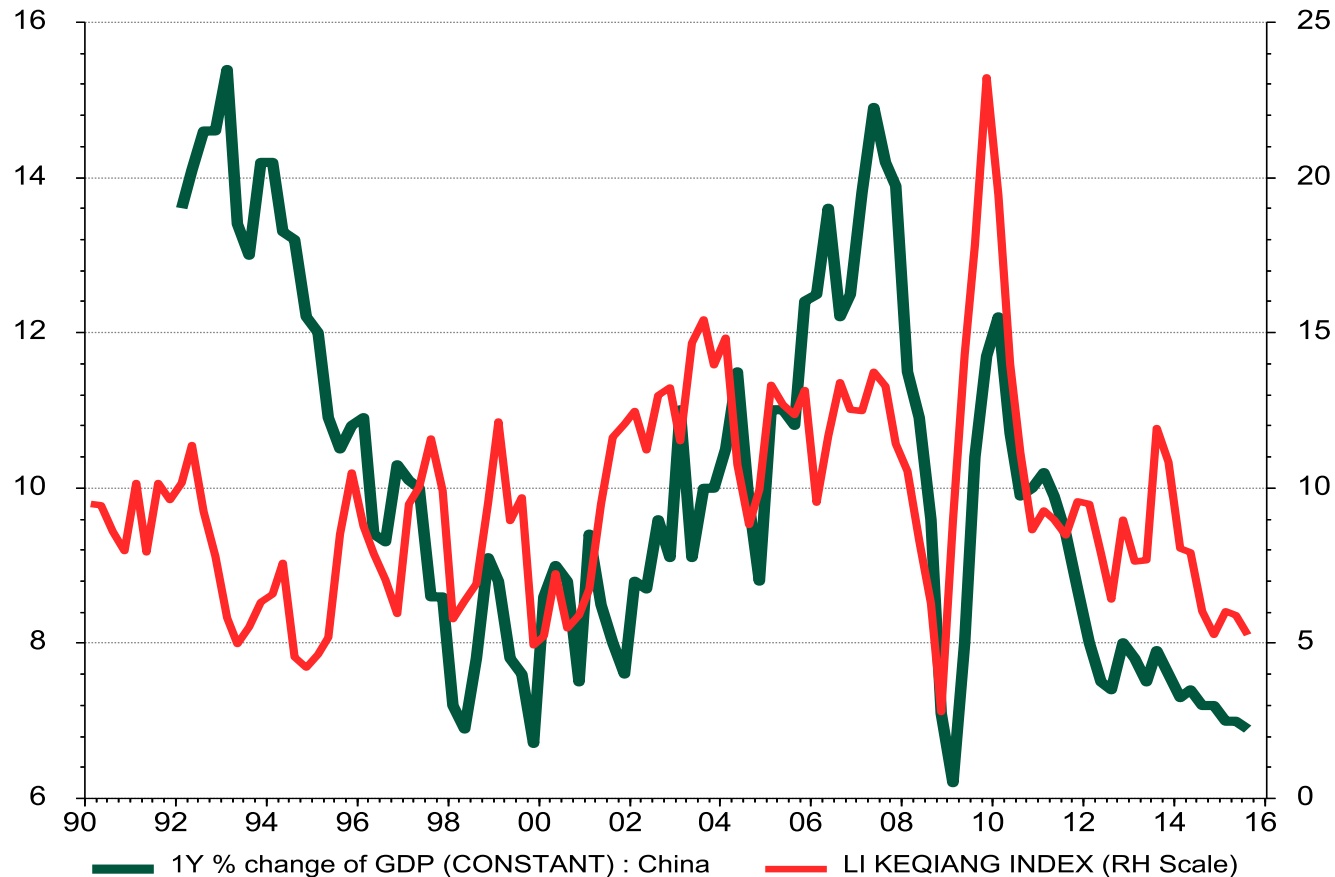
World growth slowdown impacts Equities to Bonds relative returns



Source: Thomson Reuters Datastream / MacroGuide



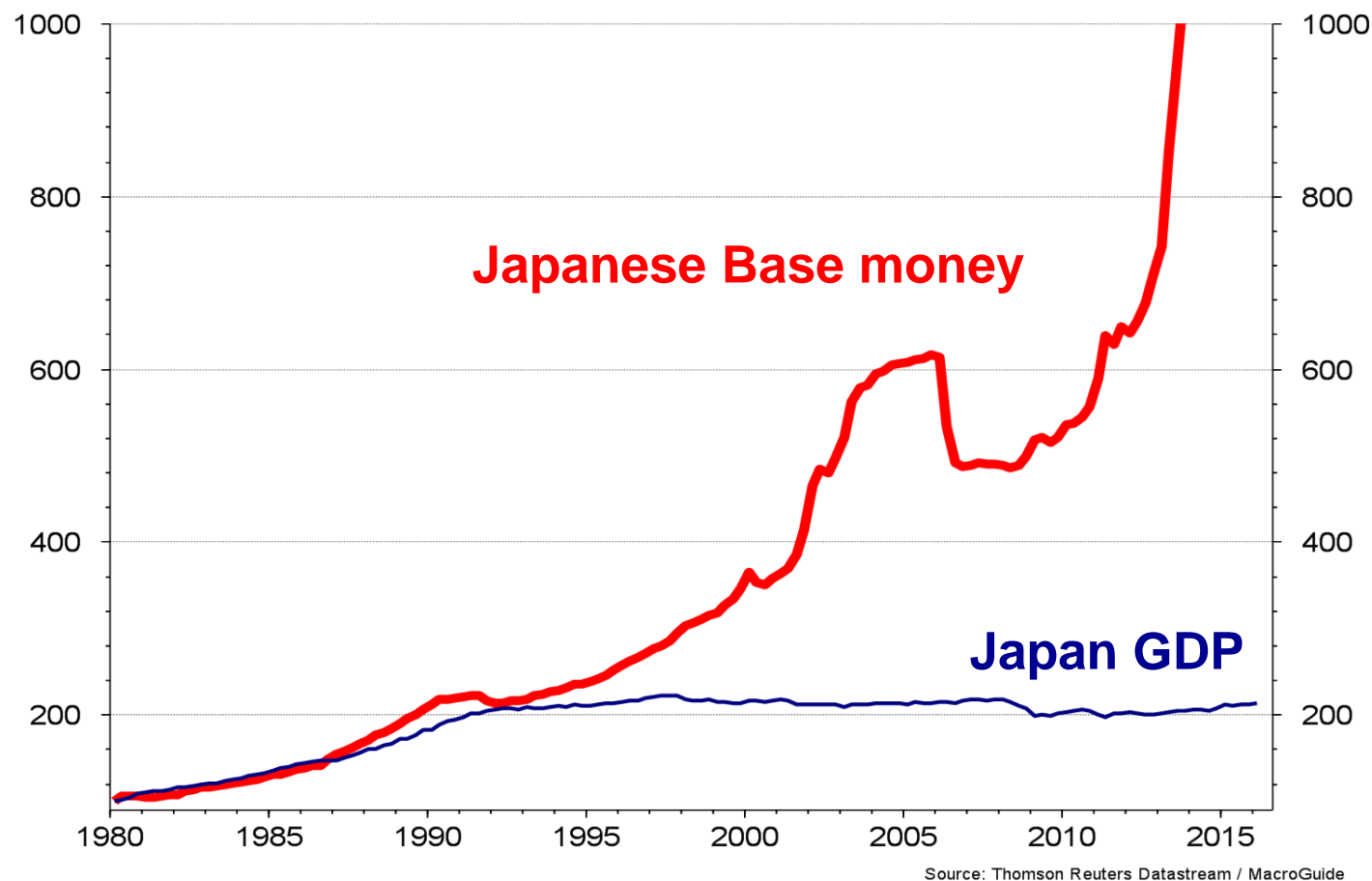
China slowdown: by how much, really ?



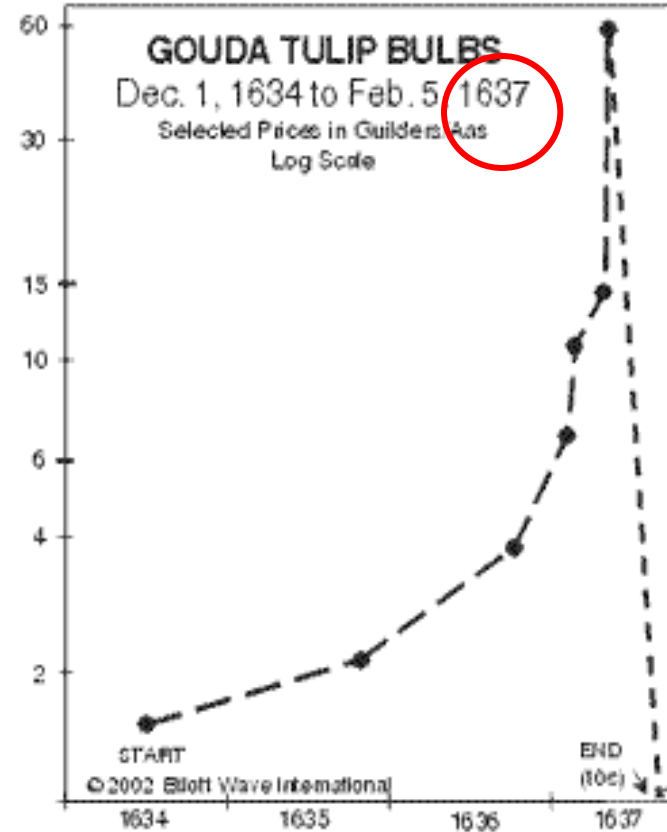
Source: Thomson Reuters Datastream



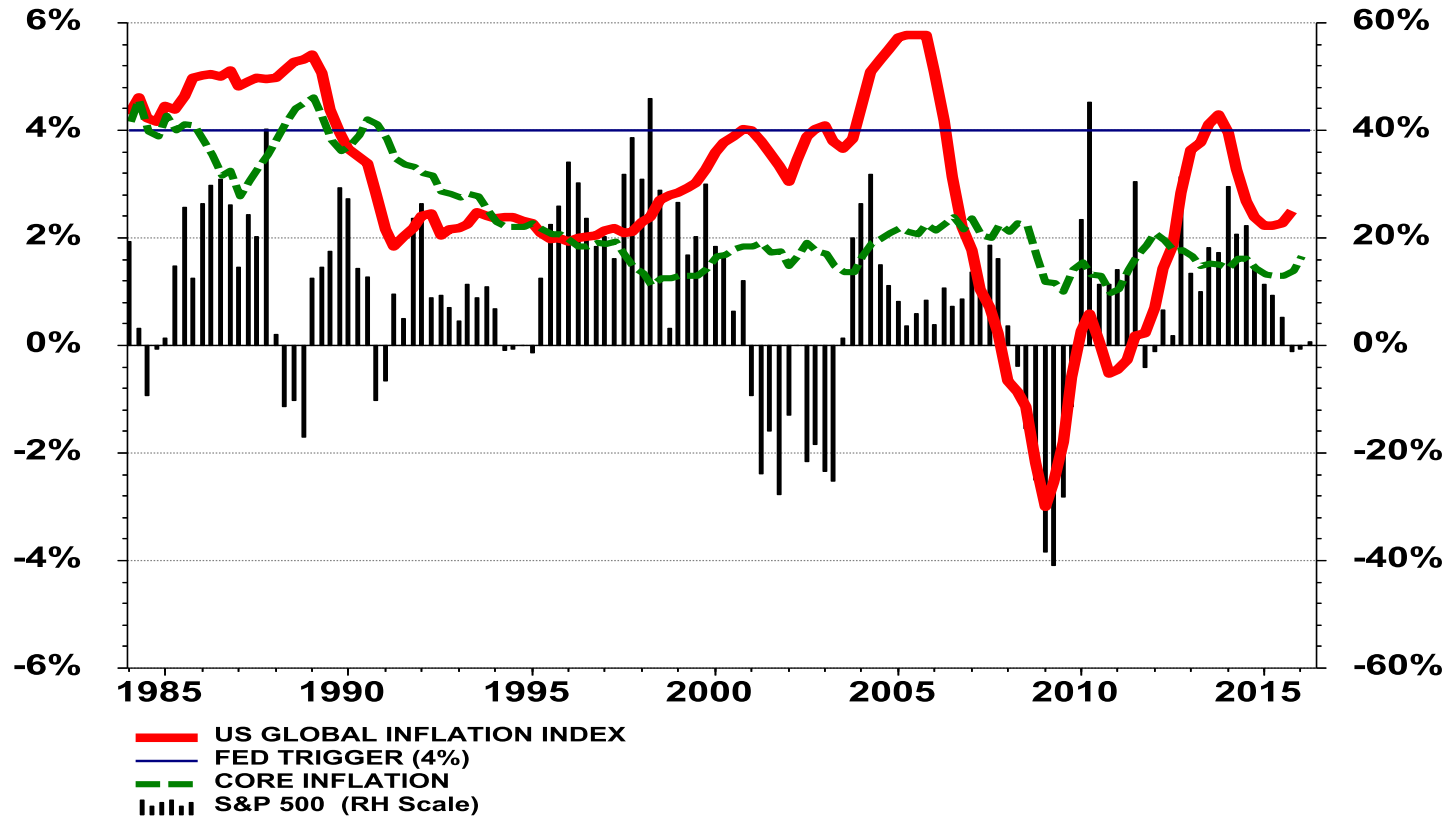
Japan tried ZIRP, than NIRP but the real economy remains in “RIP” mode !



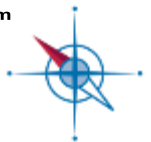
Speculative bubbles will always be around ...



Including housing prices in inflation allows the Fed to dampen 1987, 2000 and ... 2007 crashes !



Source: Thomson Reuters Datastream



Inflation in the Household shopping basket ? You bet !



Conclusions

- ❑ World growth is weakening
- ❑ Austerity is the painful way to deleverage. Fresh growth impetus would prove far better
- ❑ Helicopter money to the rescue ? Sovereign Funds far better
- ❑ Targeting asset prices is the best way to avoid the next financial crisis

