

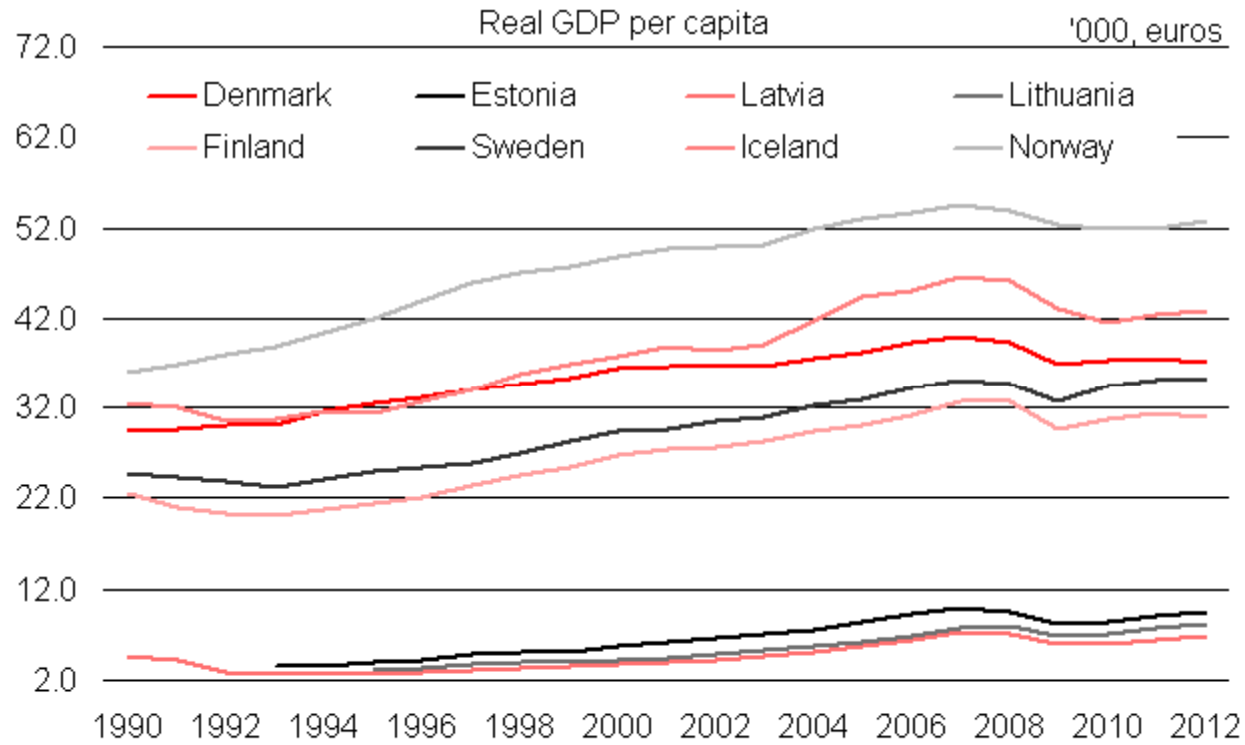


The sovereign-bank nexus and macroeconomic policy

Erik F. Nielsen, Global Chief Economist, UniCredit Group

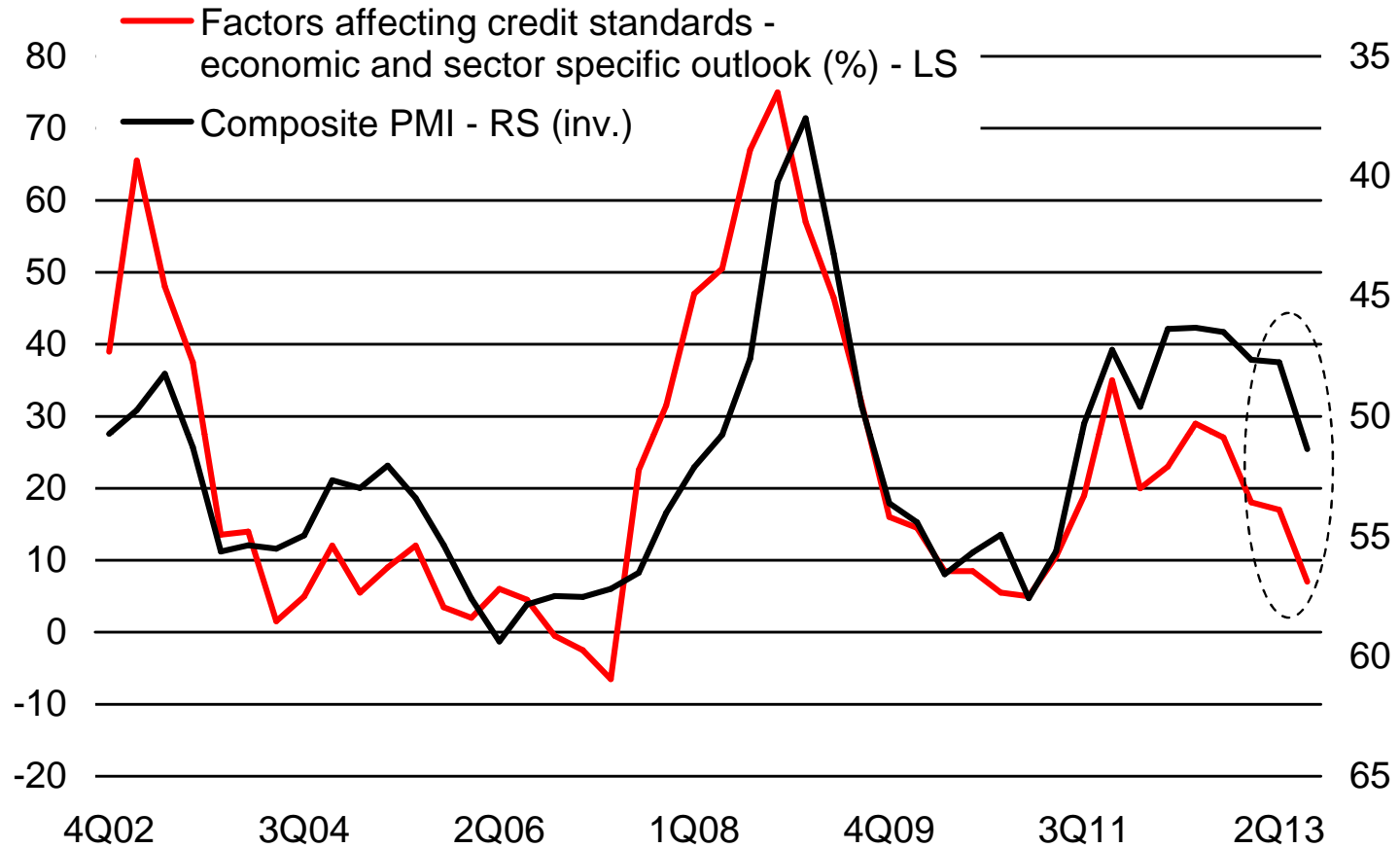
December 2013

Different FX regimes; similar outcome...



Source: Eurostat, UniCredit Research

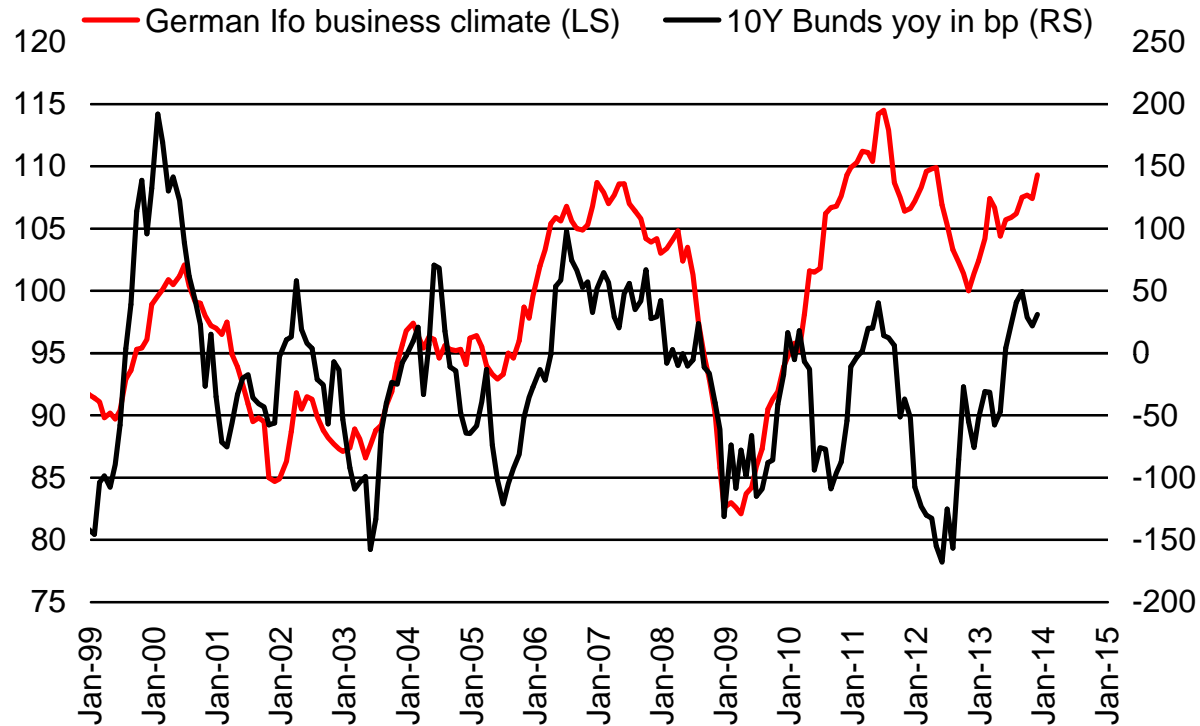
The eurozone: Credit standards remain tight - but even at these levels, output should improve



Source: ECB, Markit, UniCredit Research

Little risk to German growth when yields move higher

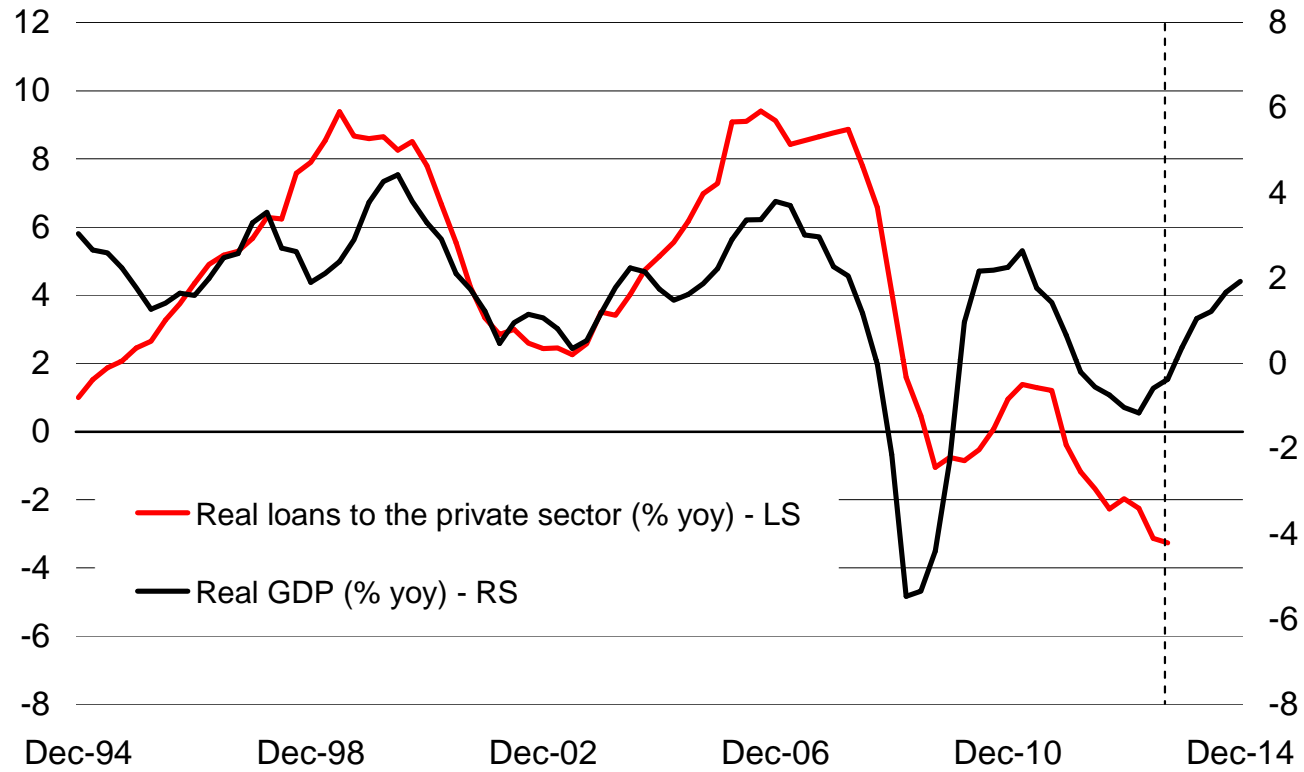
German Ifo business climate and change 10Y Bund yield yoy in bp



Source: Bloomberg, UniCredit Research

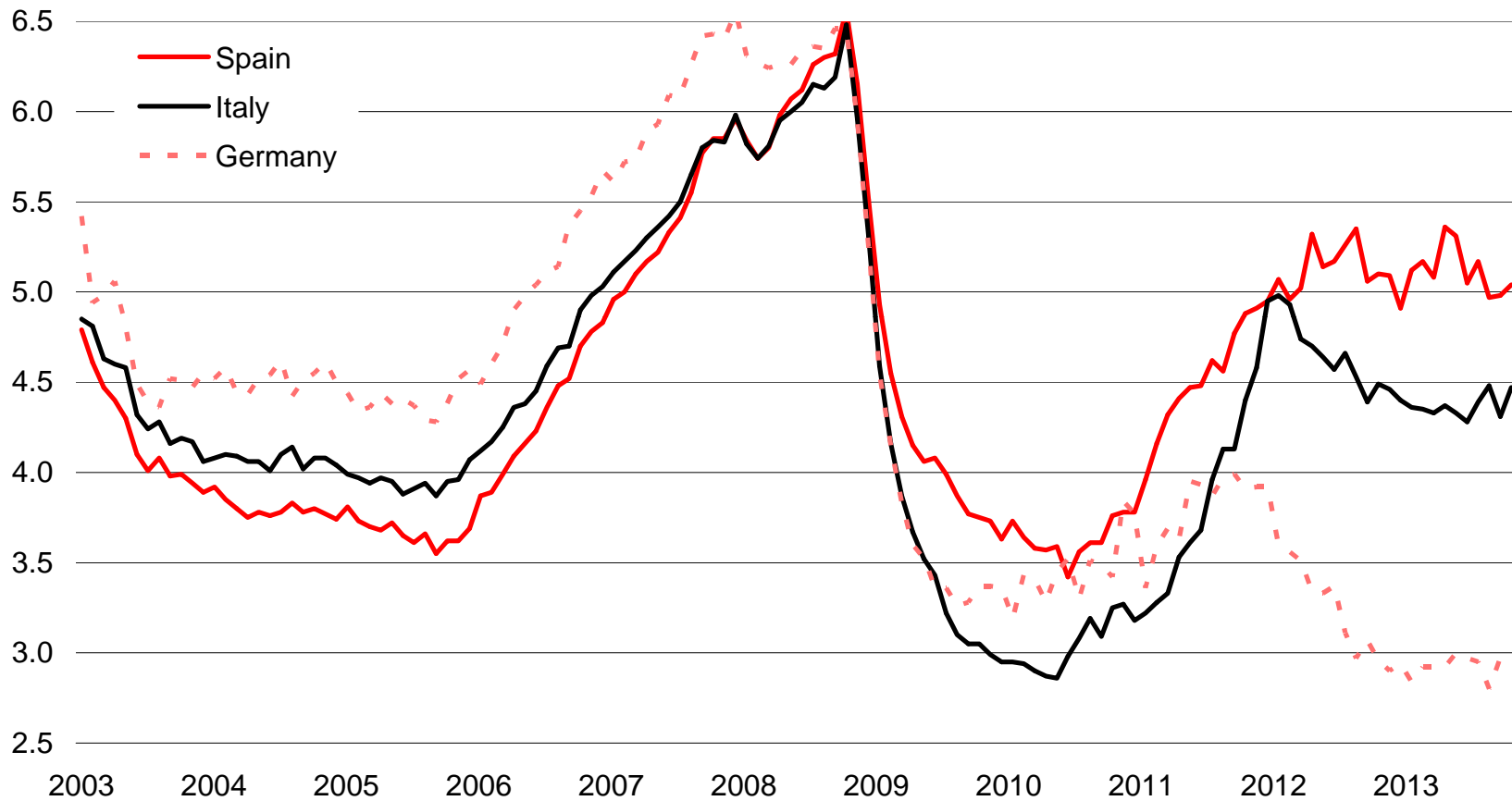
Eurozone lending lags the business cycle

Lending vs. GDP



A dis-functional transmission mechanism

Bank lending rates (non-financial corporates, up to 1Y and volume up to EUR 1mn), in %



Source: ECB, UniCredit Research

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