

# ECN LC NEWS LETTER



Greek Parliament

## **ECONOMIC CONSULTANTS**

News letter 3 / 2012

*Greek Rescue Package in Place!*

MEC signing Funding Agreement

Editor

Lars Johan Myrtroen,

01.03.2012

## **Greek Rescue Plan in Place!**

After long debates and much worry we now can see an end. Huge packages in place but will it work?



The Dutch parliament, which has been heavily critical of euro zone bailouts, gave grudging backing to Greece's second rescue package on Tuesday saying it was needed to stabilise the currency bloc.

The ruling Christian Democrats and Liberals and opposition Labour and Liberal Democrat parties supported the 130 billion euro (111 billion pound) programme agreed by European leaders last week.

The Netherlands has been among the most reluctant countries to pledge support, with Dutch Finance Minister and Christian Democrat Jan Kees de Jager demanding close supervision of Greek budget cuts and reforms.

"Greece is a problem child and will remain a problem child for the time being. (But) the price of leaving it to fend for itself is unprecedentedly high for Greece and the rest of Europe," said Elly Blanksma-van den Heuvel, a member of parliament (MP) for the Christian Democrats.

The debt crisis that emerged in Greece more than two years ago has since

forced Ireland and Portugal to take international bailouts and is threatening to suck in the much bigger economies of Spain and Italy.

"If we can't keep unity, you wonder what will happen to countries such as Portugal, Spain and Italy. The contagion danger is not yet over," Blanksma-van den Heuvel said in parliament.

De Jager has repeatedly complained of Greece's poor track record in implementing reforms and, with some other countries, delayed a decision on the Greek package two weeks ago.

De Jager said he stuck to demands that Greece implements certain budget cuts and reforms on the short term and the euro group would get a report on Thursday from the troika group of ECB, IMF and European Commission on how much progress Greece had made on this subject.

Liberals MP Mark Harbers said the Greek package would help bring stability to the euro zone but also warned of risks.

"Unfortunately, the programme can still go wrong in Greece because Greek people live in Greece. After two years no one can blame the euro zone for unjustifiably not trusting Greece and strict monitoring is needed," Harbers said.

**"Greece now has to deliver."**

Greeks, enduring their fifth year of economic recession, say the austerity measures they have been forced to

accept in return for the bailout funds are impoverishing them.

Tax hikes and wage and pension cuts have sent unemployment soaring and killed off many small businesses.

An arrangement that the European Central Bank would not take any losses on Greek government bonds but transfer profits on these bonds to euro zone countries' central banks, was made to meet German demands, De Jager said.

He reiterated there was a chance Greece would need a third bailout in 2015 if the country could not return to market financing by then. *Source; Reuters*

## Currency

The Norwegian Krone keeps on getting stronger against all significant currencies: The British Pound who had regained a bit has now dropped even further trading at 8.83. Whether the Euro will keep on falling is a bit uncertain, but after having broken the 7.50 level on February 17<sup>th</sup> the road is open and might give nice profits.

The Euro has managed to hold ground recently against the US\$, now trading around 1.34. It was reason to believe that yesterdays agreement would have given some strength to the Euro, and a small raise seems to continue.



EUR/SEK

The Swedish Krone fellow below last years bottom level as predicted. Trading around 8.80 level. We see nothing that can change the pattern and the SEK will continue strengthening in the next 30 days as well. Against the USD we saw a picture pretty much as predicted and the last couple of days we have seen the SEK improving strongly.

Sweden has a good grip on things and seems to continue doing the right things so over time we will see an improved economy and a solid currency.

The Danish currency mirrors the Euro. It is getting closer and closer to parity against the NOK. May be we will see a break through here in the next couple of days.

## Interest Rates

As we have said earlier The Norwegian Central Bank has always had a tendency of late (often too late) reactions. Last time we had a cut the argument was a too strong currency, hurting exporters. The cut had an effect but it did not last for too long and now the NOK is stronger than before the last cut, so what can he do? Only one thing; make a new cut.

So Watch Out, money to be made over a range of currencies. We may have to wait until March though before we will have a change.

For Europe and the UK we will still see a stable level of interest rates and as we have said earlier it is not much more to go on.

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### **Latest New Tech**

BARCELONA, Spain (AP) — Struggling cell phone maker Nokia kicked off the world's largest mobile phone trade show Monday by unveiling a new low-cost Windows smartphone that operators could give away free to customers, and another aimed at snap-happy consumers demanding better photo quality.

Chief executive Stephen Elop told reporters at the Mobile World Congress in Barcelona that the new phones — a low-price (euro) 189 (\$254) smartphone that runs on Windows software and a handset with a high-resolution 41 megapixel camera — demonstrate “the actions necessary to improve the fortunes of Nokia.”

“With great products for consumers, I think the rest will fall into place,” Elop said.

In many countries, cell phone companies subsidize the sale of smartphones to customers who sign contracts.

The low price of the new phone means their out-of-pocket costs would be low, even if they give the handset away.

But shares of Nokia Corp. closed down more than 6 percent at (euro) 4.06 (\$5.44) on the Helsinki Stock Exchange after the announcements, wiping out gains made Friday when investors had hoped the Finnish company would map out bolder plans to claw back market share.

Nokia has lost its once-dominant position in the global cell phone market, with handsets running on Google's Android software and iPhones from Apple enjoying booming popularity.

The Finnish company is attempting a comeback with smartphones using Microsoft's Windows software in what Elop has called a “war of ecosystems.”

“We will accelerate our global reach with new mobile devices and services,” Elop said.

Nokia launched its first Windows Phone in October, eight months after Elop announced a partnership with Microsoft Corp., in a major strategy shift for the firm. Nokia said it would gradually replace its old Symbian software in its smartphones with the Windows operating system.

Malik Saadi, an analyst at the London-based Informa Telecoms & Media, said the introduction of the budget Lumia 610 budget smartphone meant Nokia was closer to having entry-level smartphones equipped with Windows Phone 7 mobile software and that the company would “finally open innovation and differentiation in a market that was otherwise dominated by Android.”

Neil Mawston, a London-based analyst for Strategy Analytics, said Nokia's new PureView 808 high-resolution camera

phone was impressive — but that markets were expecting more.

“Technologically it is ‘wow’ but they have integrated it into a Symbian phone which is viewed as, rightly or wrongly, yesterday’s technology, whereas I think there was some expectation that it might be in a Windows phone which is tomorrow’s technology,” Mawston said.

The new phones were introduced less than three weeks after Nokia announced plans to stop assembling cell phones in Europe by the year-end as it shifts production to Asia and to cut another 4,000 jobs — its latest attempts to cushion itself from stiff competition in the smartphone sector. The job cuts follow nearly 10,000 layoffs announced last year.

Once the bellwether of the industry, Nokia has lost its dominant position in the global mobile phone market, with Android phones and Apple’s iPhones overtaking it in the growing smartphone segment. It’s also been squeezed in the low-end by Asian manufacturers making cheaper phones, such as ZTE.

Nokia became the leading handset maker in 1998 and reached 40 per cent market share in 2008, but the company has gradually lost share since then — falling to below 30 per cent last year.

### **Nokia 808 PureView**

Taking imaging to a new high is the Nokia 808 PureView, the first smartphone

featuring a high-resolution 41 MP sensor with Carl Zeiss optics, combined with a new pixel oversampling technology.



Not to be confused with a 41 MP camera, this smartphone has a large sensor and using Pixel oversampling, it combines many pixels to create a single pixel. This process virtually captures all details while filtering away the visual noise from the image.

Other benefits include lossless zoom and superior low light performance. The default shooting resolution of the PureView mode is 5 MP in 16:9 aspect ratio, but users will also have an option to capture images in 2 MP and 8 MP resolutions. Also, the images clicked from the 808 PureView will let user access 3x lossless zoom for stills and 4x zoom in full HD 1080p videos.

However, this innovative technology has been loaded on a Symbian Belle device for now and not the Windows Phone. The 808 PureView will also feature a 4.0 inch touch display, 16GB onboard storage along with 1.3GHz processor and 512 MB RAM.

### **Magnetic Emission Control AS (MEC)**

MEC signed a favourable funding agreement provided by Economic CConsultants last week. The amount was 10 million US\$. The funds will enable the company to complete their naval testing programs, and strengthen their international presence. Press release and comprehensive interviews with the company’s top management will follow

shortly. For more information also see the article we had in the EC Newsletter no. 1, 2012.



## SULPICE COACH INVESTISSEMENT

SCI received an offer for 20 million Euros last week from Economic Consultants. They are building a big fleet of rapid interception vessels making them highly effective in their fight against piracy.

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**LJ Myrtroen**

Senior Partner