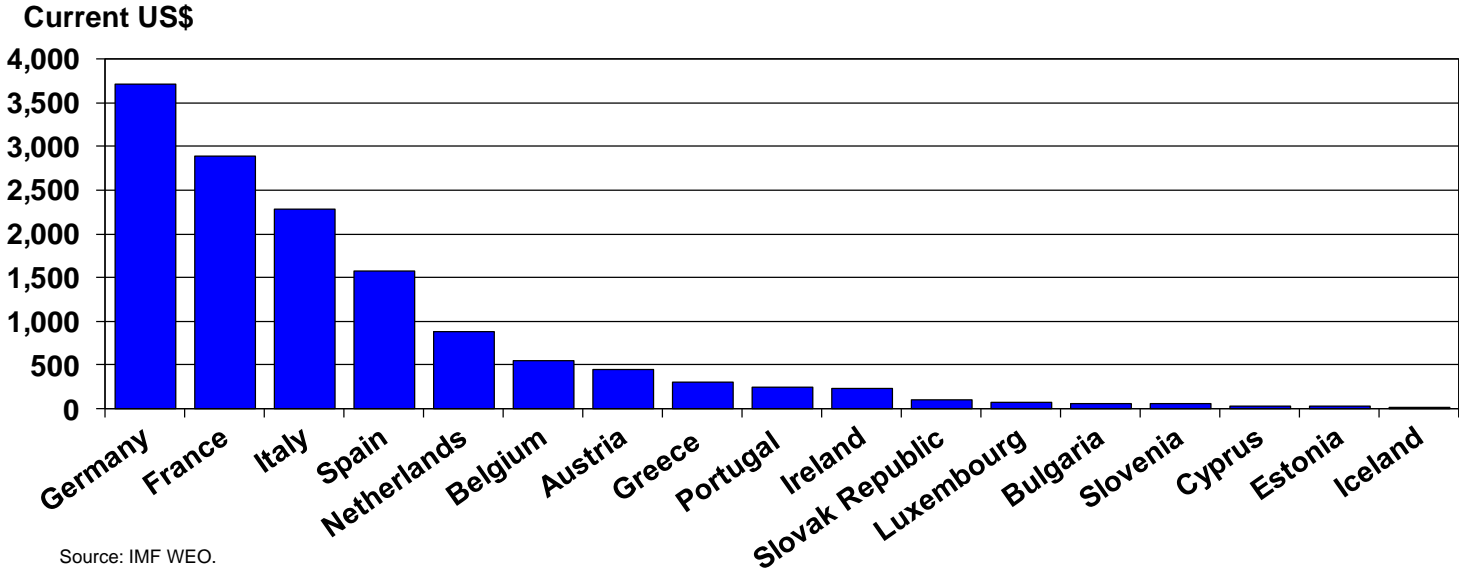




Is it time to invest in Europe?

# Euro zone GDP, 2011



Source: IMF WEO.

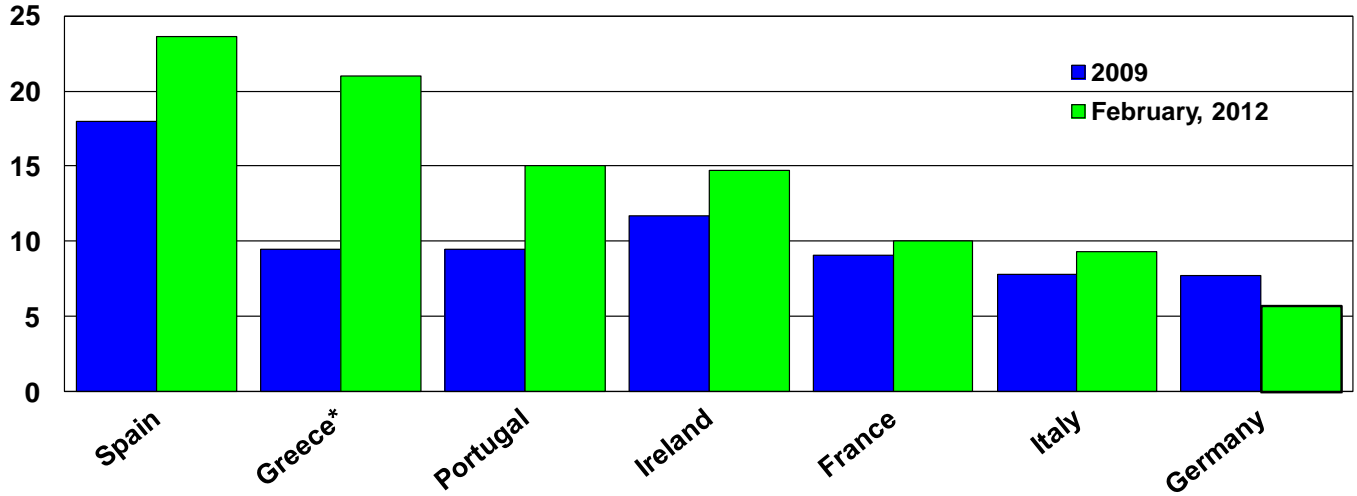
# Euro zone unemployment rates

2009 vs. February 2012



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Percent of total labor force



Source: World Bank and Eurostat (\* data from Dec 2011).

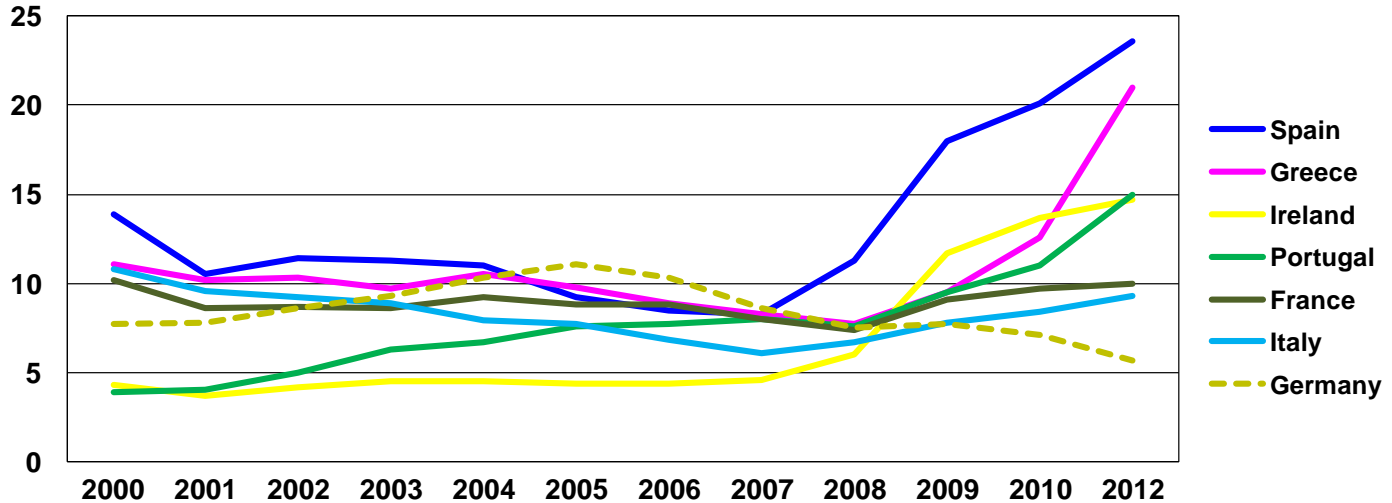
# Euro zone unemployment rates

*GIIPS, France, and Germany*



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Percent of total labor force

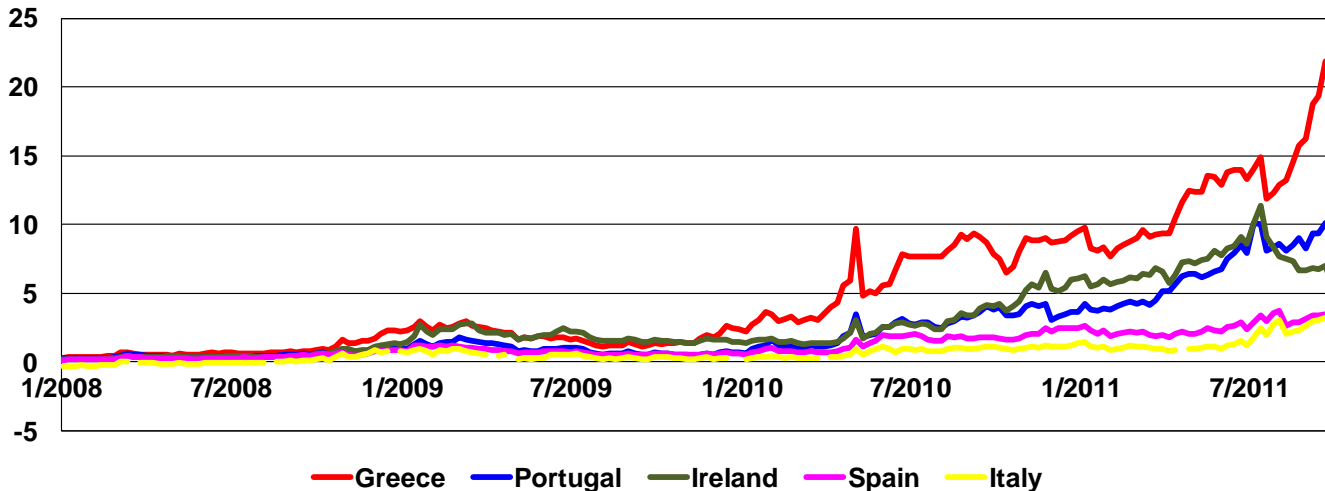


Source: World Bank and Eurostat.

# GIIPS yield spreads

Over 10-year German bonds

Percentage points



Source: Bloomberg.

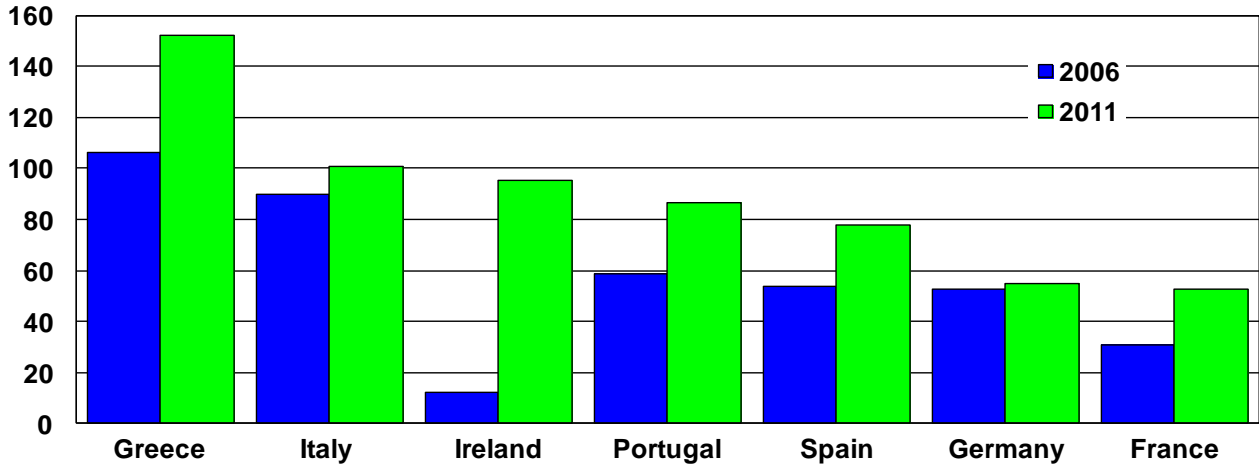
# General government net debt 2006 and 2011



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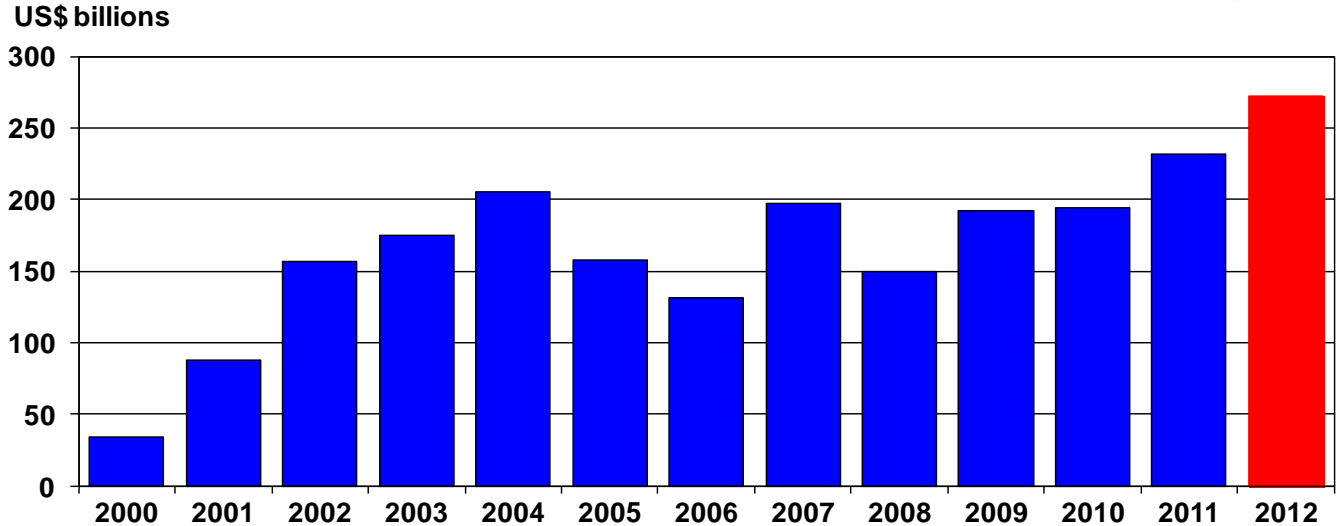
*GIIPS, France, and Germany*

Percent of GDP



Note: 2011 data are IMF projections. Source: IMF.

# Euro zone balance of trade

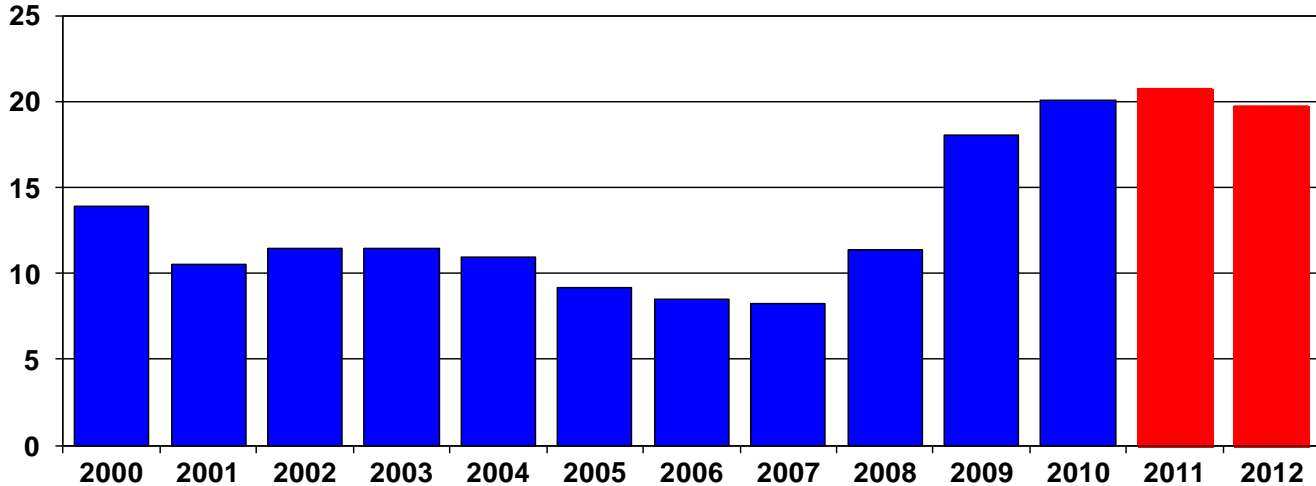


Note: Projections in red. Source: IMF World Economic Outlook database, September 2011.



# Spain's unemployment rate

Percent of total labor force



Note: Projections in red. Source: IMF WEO.



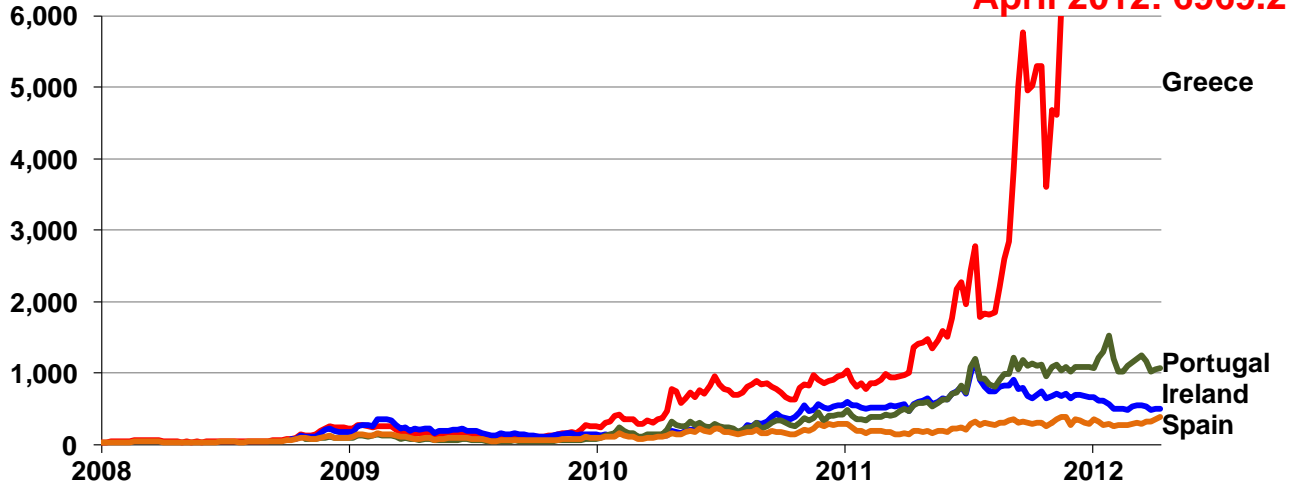
# GIIPS debt risk

## 5-year senior sovereign CDS spreads



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Basis points



Source: Bloomberg.

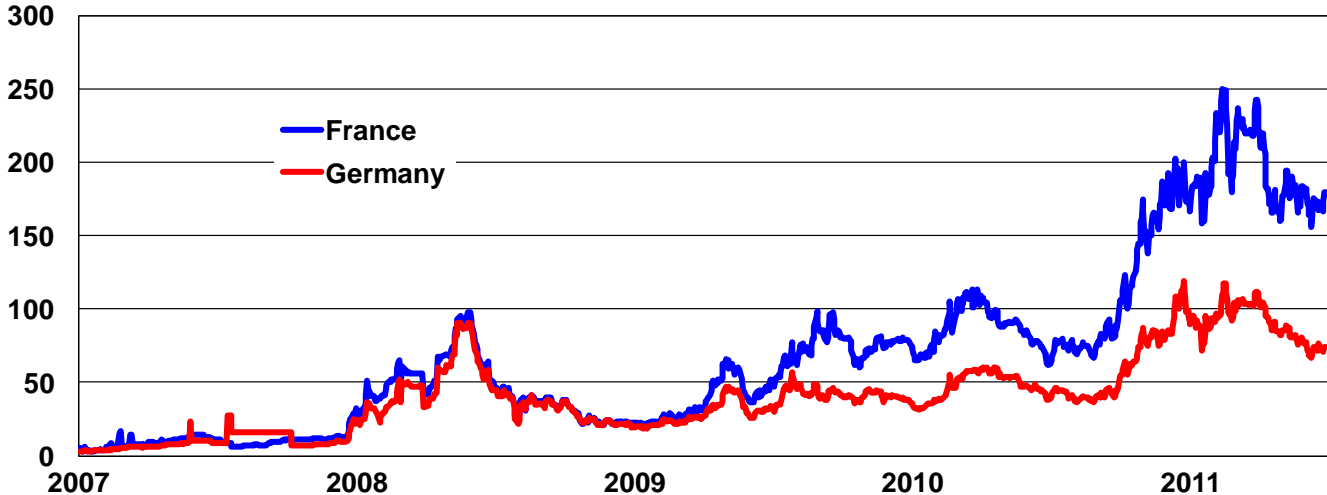
# France and Germany debt risk

*5-year senior sovereign CDS spreads*



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**Basis points**

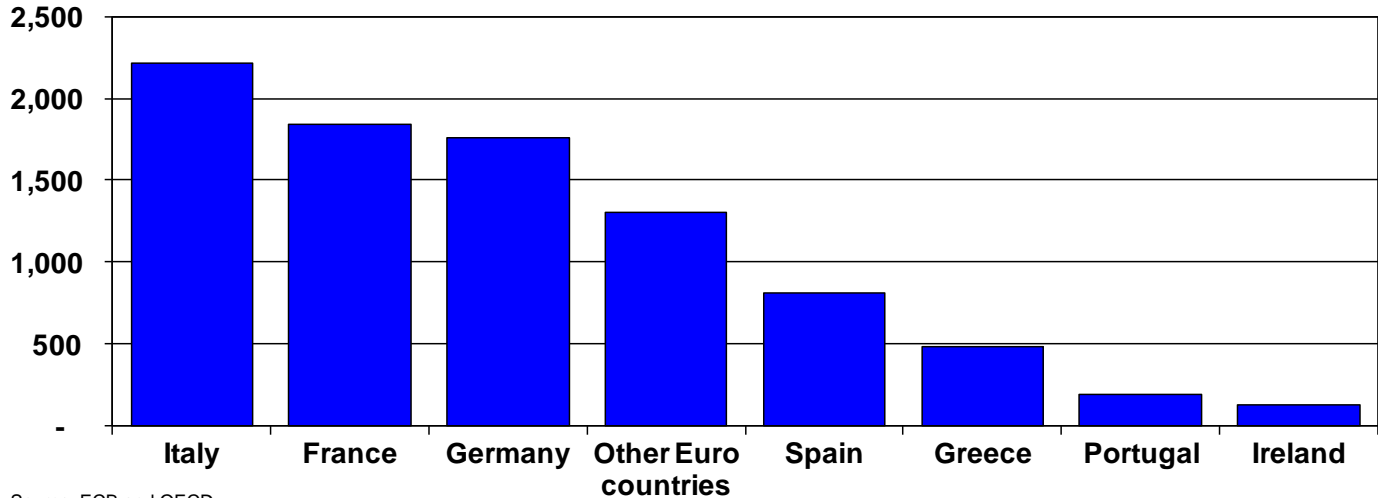


Source: Bloomberg.

# Euro zone debt 2011



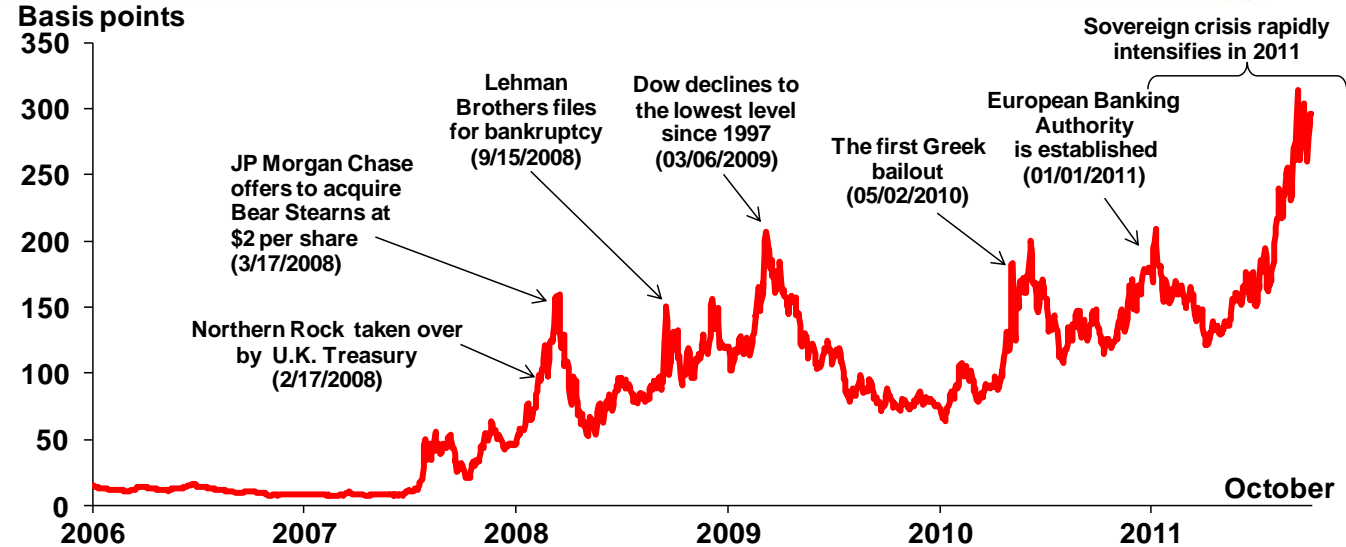
US\$ billions



Source: ECB and OECD.



# Europe's senior financial credit spreads

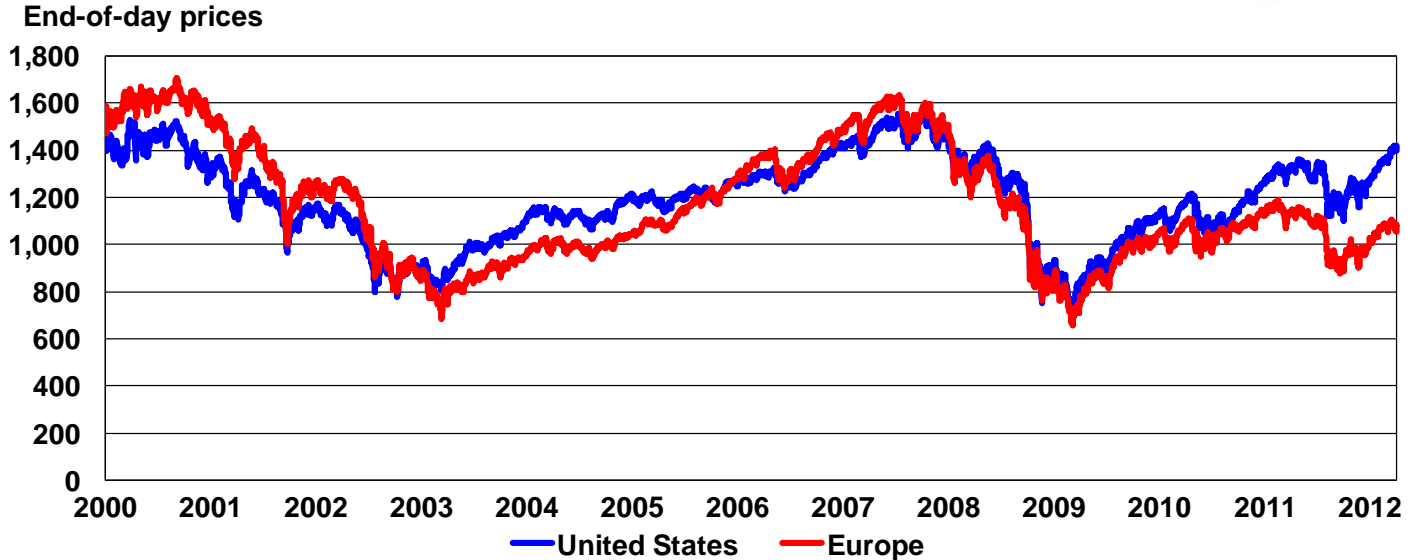


Source: iTraxx from Bloomberg, ECB and OECD.

# Stock indices U.S. and Europe



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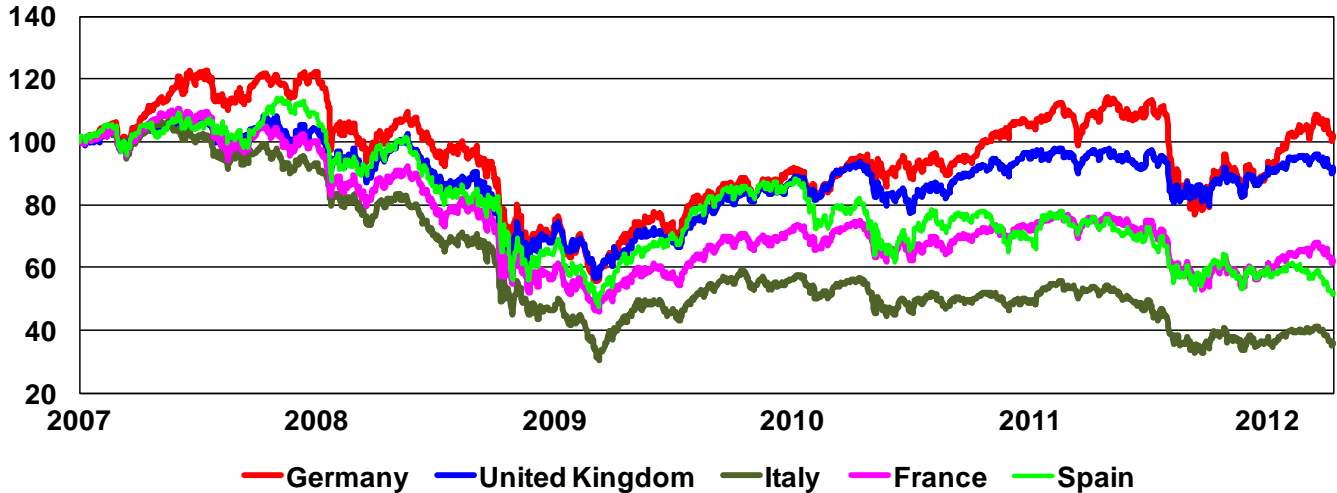
Source: Bloomberg (FTSEUROFIRST 300 Index for Europe and S&P 500 Index for U.S.).

# Select countries' stock indices in Europe



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Index, 01/01/2007=100



Source: Bloomberg.

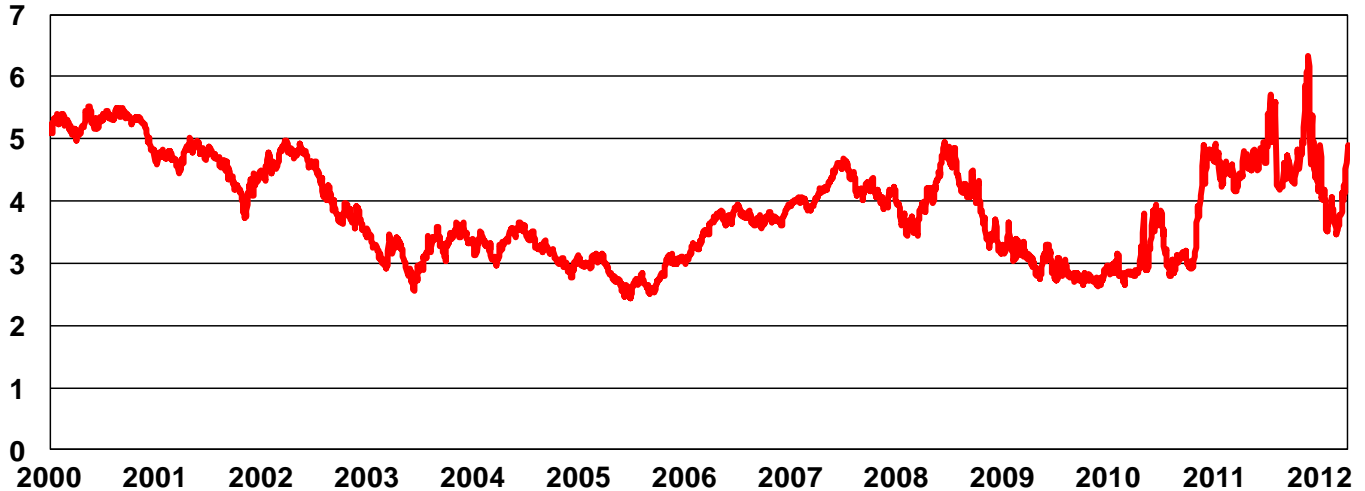
# Spain's lending costs

*5 year government bond yield*



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Yield in percent



Source: Bloomberg