

What could go right?



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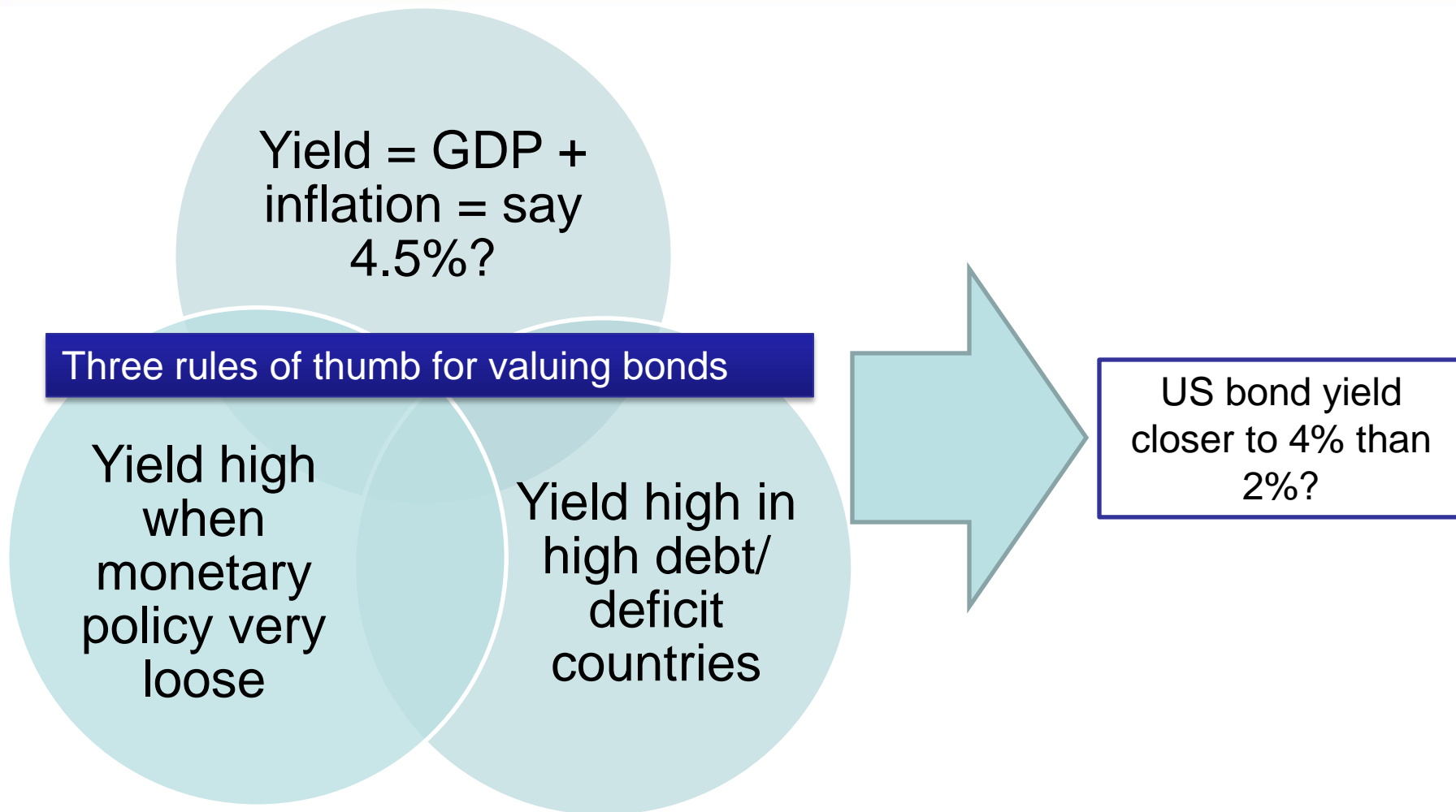


2012: What didn't happen...





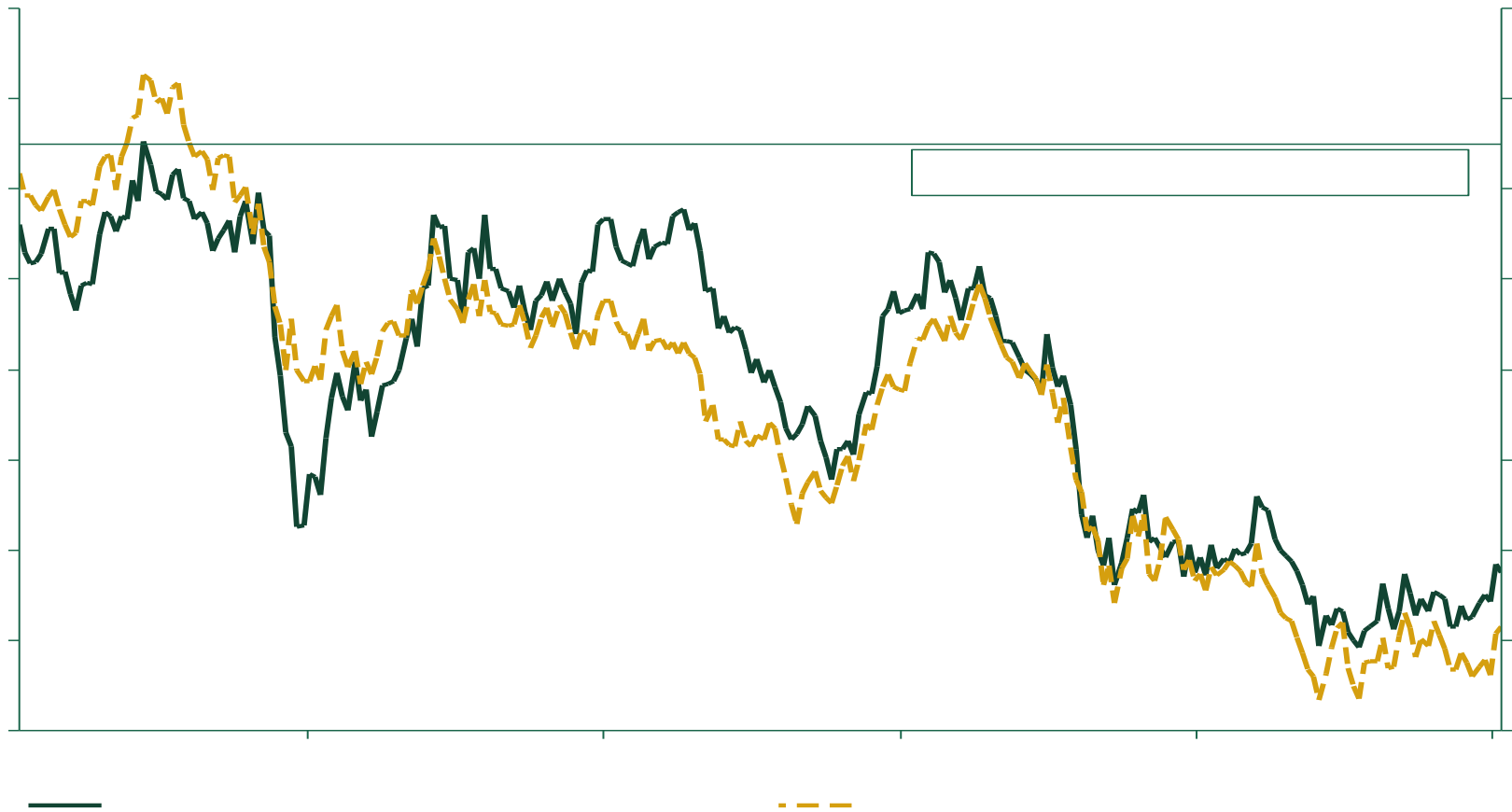
iapf 1: Bond yields soar?





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Bonds: Actual vs “Theoretical”?



iapf 2: Euro troubles fade?

“The ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough.”



Mario Draghi
ECB President



2: € troubles fade: why/how?

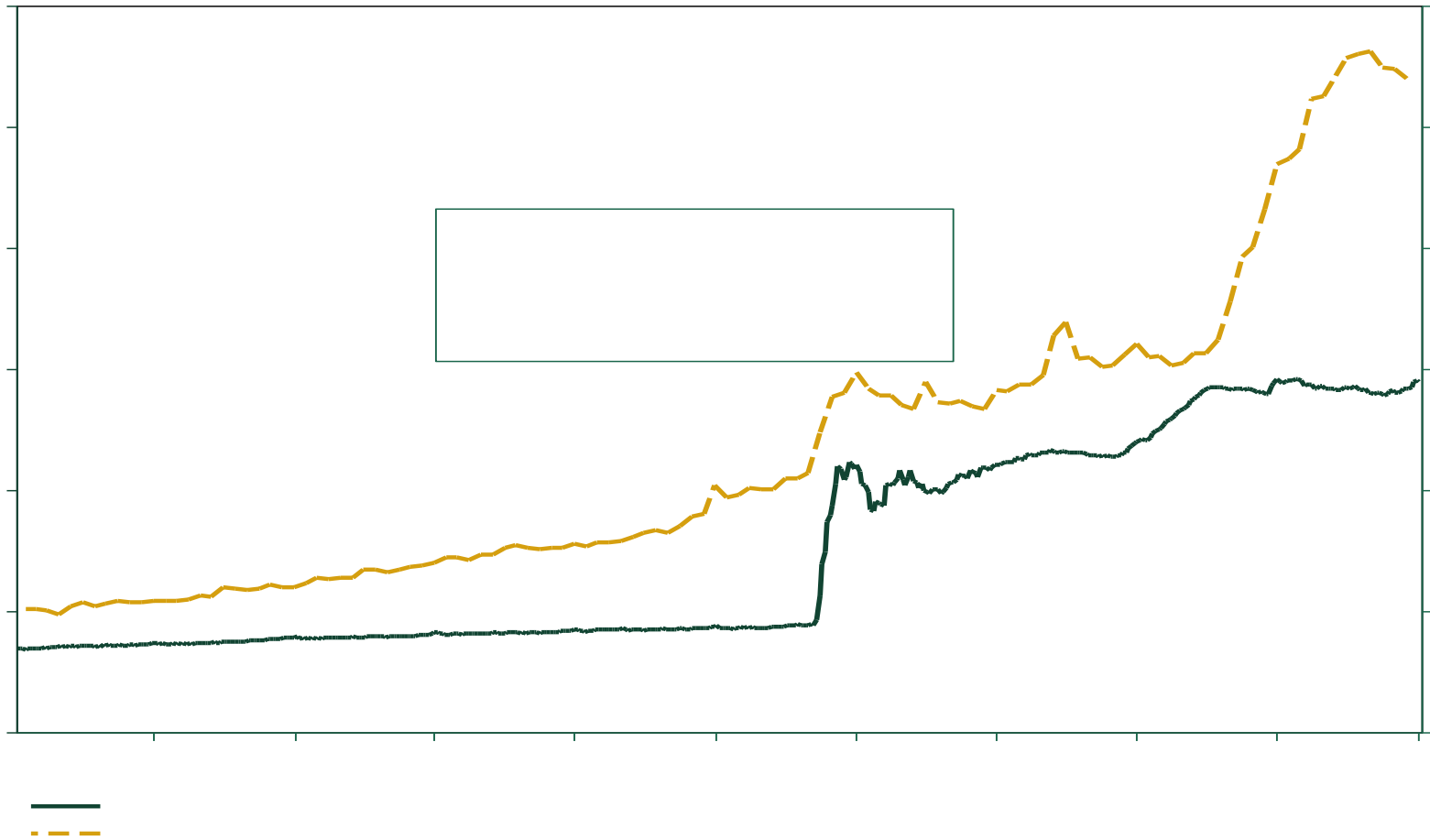
CDS down about 75%, yields also well down

ECB can give “unlimited” funding - new

Crisis headlines very rare now

Ireland's return to bond market

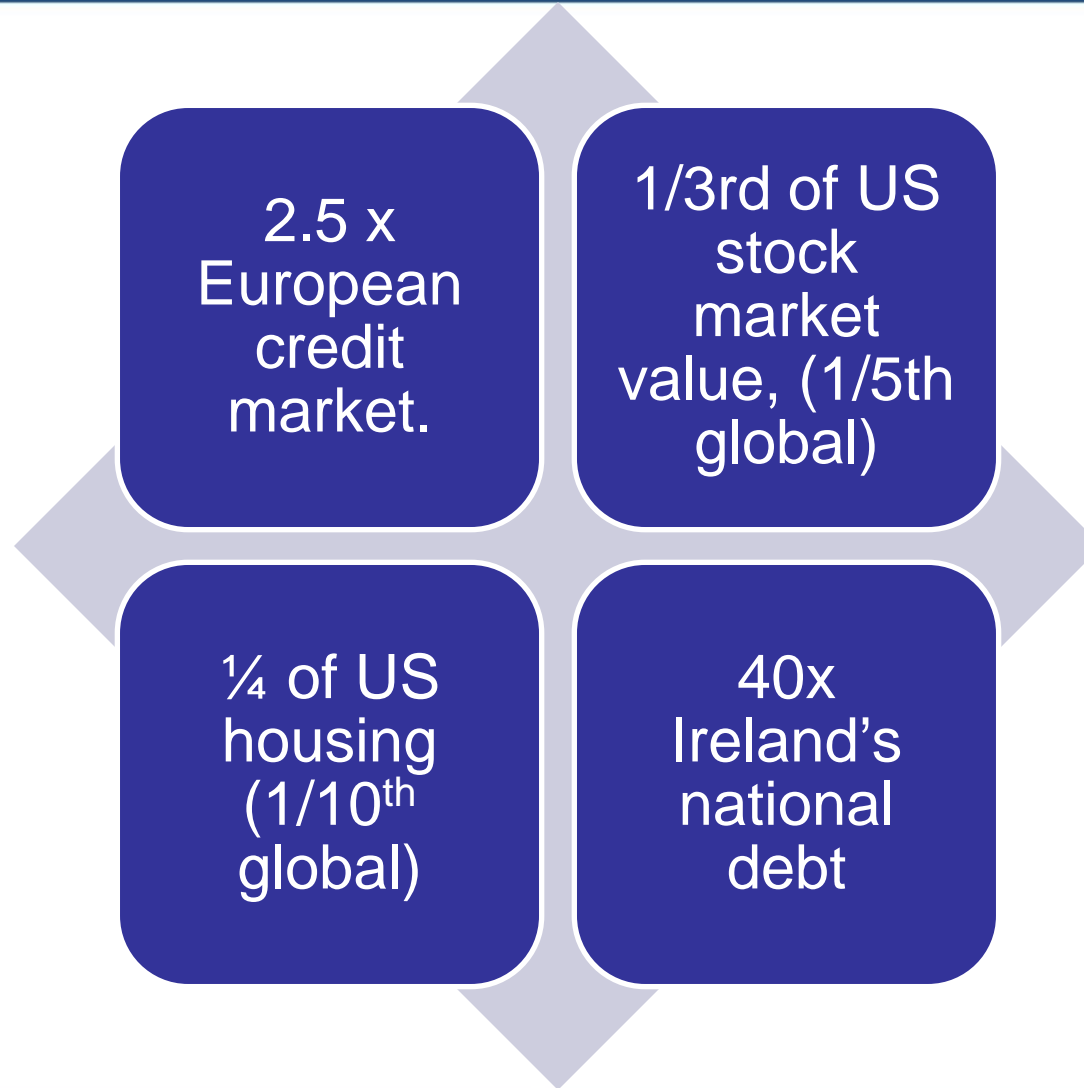
3: Liquidity boosts markets





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How big is \$7,000,000,000,000?



All values approx, rounded



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5: Corporate open purse strings

US corporates alone have record > \$1.5trn cash



Source: Morgan Stanley Research, Factset



4: If the pursestrings open...





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