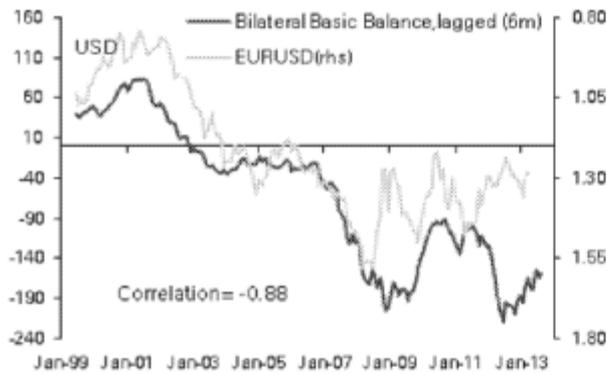




Figure 37: EUR/USD strongly correlated (0.88) with bilateral basic balance with the US



Source: DB FX Research and Eurostat

Figure 38: Bilateral basic balance explains 84% of EUR/USD movements since inception of the euro



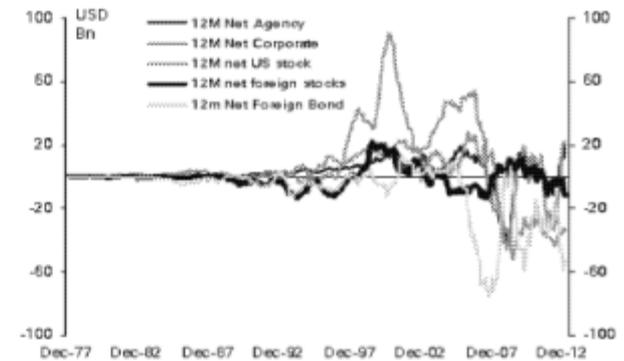
Source: DB FX Research and Eurostat

Figure 39: The bilateral basic balance with the US has moved in favor of the US recently...



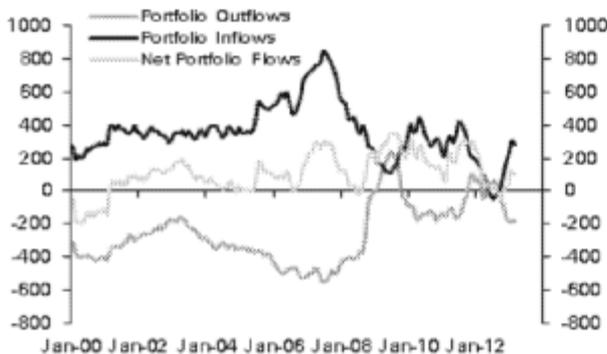
Source: DB FX Research and Eurostat

Figure 40: ...as US purchases of euro area bonds have continued to be replaced by sales



Source: Deutsche Bank and US Treasury

Figure 41: Net portfolio flows have turned inwards...



Source: Deutsche Bank and European Central Bank

Figure 42: ...as equity inflows surpass the bond outflows



Source: Deutsche Bank and European Central Bank