ΠΑΝΕΠΙΣΤΗΜΙΟ
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Alexandros Lazaridis (Reg. No: MXAN 1024)

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Thesis Supervisor:

Prof. Hardouvelis Gikas

Thesis Committee members:

Prof. Hardouvelis Gikas

Prof. Diacogiannis George

Prof. Pittis Nikitas

THESIS SUBJECT:

"The information of news & announcements on Greek and European policy and/or the Greek and European economy, about Greek Debt sustainability, Greek exit from the Euro Area and the possible contagion to the rest of the EMU countries, as revealed by market responses in the CDS markets and the country government bond markets"

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2. ABSTRACT – SUMMARY

This paper intents to provide insight and statistical evidence on how and at what extent facts and developments unfavorable to the Greek debt sustainability and solvency may have influenced in the export of the Greek debt crisis to the country's EMU peers. The paper describes how relevant information has been tracked, chronologically organized and classified as adverse or not. A multiple, short term horizon event study, based on the estimation of LS regression models, specified for each country and controlled for market driven volatility and risk, is used to assess various EMU members CDS premia and BYS sensitivity to such events, throughout different sub-periods of a 3 year period, starting on September 2009. These adverse events are modeled via a time series Dummy variable, whose statistical significance and contribution (regression coefficient) is analyzed. The results suggest that 5 Year CDS premia and 10 Year Bond BYS variability is attributed to Greek debt related shocks, in a consistent, material way throughout major and diverse time periods. The CDS market incorporates shocks in advance of the Bond market and core EMU members are more sensitive to Greek shocks than the EMU periphery after the middle of the period under review.

3. BACKGROUND AND SCOPE

Greece and its public debt and finances has been in the center of economists, European policy makers, governmental decision makers and influencers, short after the global financial crisis turmoil has been alleviated.

During the last 4 years a lot of discussion has been made and opinions (expert or less expert) have been expressed, with respect to a Greek exit from the European Monetary Union.

Starting from early October 2009, we have witnessed Greek Government Bond Yields and Greek CDS insurance premium gradually increasing and finally skyrocketing, as more and more, news revealing the status of the Greek public finances were released, followed always by strict European high officials declarations about an era's end and the needs for drastic public spending cuts and market structural reforms.

The Greek public finances fundamentals (deficit, debt, revenues and expenses) have been repeatedly revised. Its European partners and the debt markets soon lost confidence in Greece's capability, willingness and practices deployed to accurately measure and publish its key public deficit and debt figures while they also started pressure for heavy budgetary cuts and restrictions.

Greece kept borrowing at increasing costs and it was April 2010 when it became clear that it was unable to refinance its debt repayment imminent needs that Prime Minister George A. Papandreou requested a rescue by the European Union and the IMF.

Soon a new EMU rising sovereign debt yields landscape was formed with PIIS (PORTUGAL, ITALY, SPAIN) being the protagonists. Speculation and predictions about them succumbing to a burdensome EU and IMF rescue package went rising as their economic and public finances indicators announced or predicted were rapidly deteriorating on the on hand and the European Union and the IMF remedial actions anticipated, through publicly expressed opinions, were in the same spirit and direction to the ones deployed in the case of Greece.

It was clear that more and more EU countries were in trouble as the philosophy for counteraction included (at last in the mid-term) contractive policies. The Euro started devaluing and the Euro zone break up or dissolution was not a taboo any more.

Meanwhile, discussions and declarations about the possibility of Greece leaving the EMU became legitimate and part of everyday reality. Greece was attributed responsibility for the underlying crisis while it's oust from the EMU had started being regarded as the remedy for crisis salvation and the common currency salvation. Due to the Greek economy size (a small fraction EMU GDP), An exit of the country from the Euro zone was seen as manageable by a number of important economists and EU and country officials considering also that this would have an overall positive effect on the Euro currency strength and that it would stop the crisis spillover.

Nevertheless, a Grexit could break the taboos and open road for EU dissolution given that it was not a unique case anymore as the same policy started being deemed appropriate for other troubled EMU economies as well and the markets were convinced about the similar weaknesses in other EMU economies whose size could make their treatment impossible.

Greece committed itself to the implementation of a memorandum of understanding, a roadmap of budgetary cuts and reforms in the labor market, the public sector and its insurance system and was put under EU and IMF constant supervision, in exchange of an initial 3 year rescue package by its EU peers, the ECB and the IMF, disbursed in numerous installments and conditioned on the country's compliance to the aforementioned MoU implementation plan.

IMF, ECB and EU lenders representatives (the so called Troika) have been repeatedly engaged in inspecting the MoU implementation progress before an installment was disbursed. Nevertheless the Greek case was constantly in the headlines of international press, as the program stalled for a number of reasons.

Many experts/academics, market participants and EU member government officials kept on expressing themselves in favor of a Greek exit from the EMU and Greek debt insurance premia kept on experiencing new highs while each installment disbursement was delayed or partially performed, putting at risk Greece's ability to meet its public sector and pension system financing.

This study focuses and intends to provide insight on whether and how policies, financial measures, practices adopted, mechanisms established and their implementation and acceptance at Greek or EMU/Global level - as a response to the Greek economy meltdown - may have influenced in the transition from a Greek crisis to a EMU crisis.

The main objective therefore is to observe, analyze and provide statistical evidence - to the extent that this is feasible – on the **relationship** between the **Greek debt and economy related facts and announcements** on the one hand and their potential manifestation in the EU (mostly EMU) member countries' **creditworthiness** and **borrowing costs** on the other, trying to trace possible contagion/spillover effects, during the Greek turmoil period.

The analysis covers a 3 year period approximately, starting on the beginning of October 2009 with the first revisions of the 2009 estimated budgetary deficit or 2009 and Greek statistical data reliability discredit. The analysis timeline spans until the end of summer 2012 short after the June 2012 Parliament elections and government formation.

Facts and events during this period have been recorded in order to serve as input factors in a **daily** time series least square regression model along with other global risk aversion and daily revalued macroeconomic data (daily EUR USD exchange rate, market volatility indexes, interbank lending rates, composite CDS indexes etc.).

Numerous data sources have been used in order to identify and analyze the aforementioned events (international press, information and news platforms, web sites).

Events were classified in Facts and non Facts as well as in Good and Bad on the basis of their nature (factual or opinion/prediction) and assessing whether they are reinforcing or not a Greek disordered default or exit from the EMU.

Daily, end of day closing levels of **10 year Sovereign bond yields spreads** and the **5 Year Sovereign CDS premia** have been used as indicators for measuring Greek debt related facts impact i.e., they served as the dependant variables of the regression estimation equations (per country).

Dates for which an event occurred were identified through a Boolean dummy variable in order to be used as a structured input in the regression equations. The statistical significance of the coefficient of the such variable when estimating the regression equation for a given time period is considered as evidence of co-movement and relationship between the Events and the CDS premia or the Bond Yield Spreads of the a country for the period examined as a whole (the estimation will provide an indication for a general assessment of all the events considered for this period, not for a specific event).

This study focuses on the impact of **Bad Facts** on the sovereign debt pricing and quality measures aforementioned measures therefore a Boolean time series variable was set for the dates that a Bad Fact occurred.

As a “side effect” outcome of the methodological framework and the data/information gathering process outlined above, a daily, detailed, structured, consolidated and solid chronology of the Greek crisis events has been established. This information workbench (events taxonomy, classification rationale, eviews parametric data structures) can serve as a useful reference and basis for future extended academic analysis and study across a number of dimensions.

4. LITERATURE HIGH LEVEL REVIEW

4.1 Determinants of Sovereign CDS Premia & Bond Yield Spreads (BYS)

Credit risk (Credit spread risk, Default risk and Migration/Downgrade risk), Liquidity risk and Risk Aversion/Appetite are the 3 main determinants of the Euro zone Sovereign BYS (*Salvador Barrios, Per Iversen, Magdalena Lewandowska and Ralph Setzer: Economic and Financial Affairs – European Economy – Economic Papers, Vol. 338, November 2009: Determinants of intra-euro area government bonds*).

Credit spread risk reflects the probability that the bond's yield will rise above other same quality/characteristics bonds. Downgrade/Migration risk denotes the probability of a country credit rating downgrade by a credit rating agency (*Fabozzi 2007*) fact that may lead to sell offs due to credit quality related position limits that many institutional investors, funds or portfolio managers normally have. During the crisis period several economies have received significant credit rating downgrades.

Default risk relates to the probability that the borrower does not meet coupon or principal repayment, fully or partially. During the financial crisis (*Barrios et al. 2009*) public finances indicators have gathered increased attention from part of the investors as countries with weak finances (public debt and deficit) have also been scrutinized with respect to their Current Account Balance, being perceived as likely to default being vulnerable to reversals of international funding flows.

Liquidity risk is reflected in the market bid – ask spread and is incorporated in the bond's spread. Normally intensifies and acquires more importance in time of distress. Liquidity risk and credit risk are interrelated. An increase in the supply of government bonds, as observed during 2009, is likely to put pressure on liquidity premia while it can also be associated with budgetary deficiencies and debt which imply a higher a higher credit risk premium (*Barrios et al. 2009).*

Risk aversion is equivalent to investor's risk appetite or else perception of risk and willingness to tolerate more risk in exchange of high expected returns. Even if the underlying risks of an investment remain unchanged, increased risk aversion (observed normally in financial distress conditions) drives credit risk premia up.

Increased risk aversion is expected to lead to a “safe heaven” or “flight to safety” effect to less risky and low yield investments, (as traditionally government bonds have been considered to be), during the financial crisis period it was mainly Germany that benefited from such trends.

A unique reference found in the literature regarding determinants of the Sovereign Bond Spreads and CDS premia is the one that relates these 2 markets with the domestic private sector saving rates *(Santos 2011).* By means of a probit regression model, discovering that the coefficient of the respective regression term in the probity model, increases for countries that have a higher credit default probability.

4.2 Impact of Sovereign Credit Rating announcements on Sovereign Bond Yields Spreads / CDS

Arezki, Candelon and Sy (IMF Working paper, 11/68, 2011) study credit rating or credit review announcements of an EU country on other EU Sovereign CDS premia, through an event study and by means of impulse dummy variables associated with the issuance of credit rating or a country outlook.

One of their key conclusions is that sovereign rating downgrades impact other Euro zone countries implying that rating agencies announcements could spur financial instability.

Their study supports that the spillover direction and intensity depend on the type of announcements, the country rated as well as the rating agency.

However, specific rating announcements such as rating downgrades near speculative grade (for example the Greek credit downgrade from A- to BBB+ (Fitch, 08.12.2009) have a systematic spillover effects across Euro zone countries.

They estimated the effect of this specific downgrade of Greece to have an upward impact on other Euro zone countries CDS spread. For example the Irish CDS spread would increase by 5 basis points after this Greece downgrade. Referencing Greece’s bond issuance in March 2010 (€5 bn), the increase in the cost of protecting against a sovereign default resulting from this Greece downgrade would have amounted to €8.5 million for Greece but also by €2.5million for Ireland, despite the fact that the latter’s credits rating remained stable.

4.3 Spillovers – Contagion – Event Studies

Peter Claeys and Bořek Vašíček (*Measuring Sovereign Bond Spillover in Europe* *and the Impact of Rating News*, *May 2012*) recognize the importance of a common global exogenous factor that possible is linked to financial crisis spillovers.

They examine the contribution of country Credit Rating downgrades in risk spillovers in the EU using daily data on 10 year bond yield spreads over the German Bund since May 2000 up to February 2012, for 16 EU countries. They track magnitude and direction of spillover effect between country pairs before and after the European crisis onset.

Pre-crisis commonly accepted finding was that rating downgrades reduce the sovereign bond spreads of other countries (Gande and Parsley, 2005), although most of this effect could have been anticipated in the bond market already (González-Rozada and Levi Yeyati, 2005).

Nevertheless EU economies are interconnected at a very large extent and sovereign debt of one country cannot be simply understood as a substitute for another.

Alfonso et al. (2011) extend this evidence on sovereign bond and CDS spreads of EU countries and find a significant response of bond and CDS spreads after a negative rating announcement and that spillover effects exist especially among EMU countries and from the low rate countries to the high rate ones.

Arezki et al. (2011) confirm the previous findings (stronger spillovers for downgrades and for EMU countries) with VAR of sovereign CDS spreads. Spillover magnitude is also found dependant on the country downgraded and the rating agency.

According to the authors above, a negative chain reaction could only be enabled by systematic spillover effects between the EMU countries.

A study with a rather similar underlying philosophy has been performed by the Bank of Finland (Juha Kilponen – Helinä Laakkonen – Jouko Vilmunen, BoF Research paper 22 - 2012). Their main focus is in ECB monetary policy decisions (including interest rate announcements) since 2007 until February 2012(50 events in total) and their impact on EU Sovereign Bind Yield Spreads i.e. it is not centered neither in the EU crisis exclusively. A similar model (more complex) model than the ones used in this paper is being used. Diverse impact movements in the EU 10 Year Bond Yield Spreads are observed in correlation with the policy announcements, at least on a short term basis.

Other cross country EU Bond Yield Spread (BYS) returns, directional spillover study with a long term horizon comes from Antonakakis and Vergos (2012). They utilized spillover indices and a Generalized Impulse Response Study based on BYS return shocks. The results suggest again the existence of crisis transfer mechanisms between the EU countries both in pre and post crisis periods.

The most relevant and similar analysis to the one we have conducted, found in the literature *(Banca d' Italia Working papers, Alessandro Carboni, 2011*) is utilizing Autoregressive model estimation as well an Event Study similar to the one described by Panetta et al. in 2009 i.e. an Event Study on isolated events, based on abnormal return methodologies in order to measure the response of EU country CDS and Bonds Yield Spreads, to bad events related to the Greek debt. Nevertheless the study has a very short time horizon and sample (in total 8 events since December 2009 to June 2010) and the extraction of conclusions based on a sample of such extent is not reliable or comparable to the ones intended through this study.

To our understanding, the present study contributes (among other) the elaboration and classification of a very large event data set, focused on the Greek turmoil which allows for performing sounder generalized statistical event study analyses.

5. METHODOLOGY DESCRIPTION

5.1 OUTLINE - SUMMARY

The statistical method used is Least Square Regression due to its simplicity and sufficient power to provide results in an efficient way, given the complexity of the problem and desired level of analysis.

The regression equations will h estimating the of Greek debt related Bad Facts on the Sovereign Debt Pricing market indicators of selected EU (mostly EMU) countries for a specific sample period as a whole.

The full time period for which events have been traced and r extends from 02/10/2009 to 01/09/2012 with the majority

Market input and output variables

For each country we will be using 2 initial, **baseline** Time series LS regression models according to the **2 different independent variables** used; Daily, end of day closing market prices of:

- **5 Year CDS insurance premia** and
- **10 Year Bond Yield Spreads over the German Bund**.

This baseline model will then be empirically customized for each country and of course output variable so as to fit its CDS and Bond Yield Spreads daily end of day price distribution.

The initial model independent variables will be including commonly accepted **market determinants of the Sovereign CDS premia and Bond Yields** of developed countries and the a **Dummy variable** representing the existence or not, of a **Bad Fact** for the Greek debt sustainability for teach point in time.

The market index / price explanatory variables selected for specifying the initial baseline regression estimation are the following:

- VIX Index (risk aversion related)
- iTraxx Corporate Index (5 Year Cross Over index is used, CDS market related)
- 3 month Euribor spot rate (risk free interest rate which is negatively correlated with credit risk (Merton 1974).
- EUR/USD spot rate (to capture possible currency effect as CDSs are denominated in US dollars).

Input of Greek debt related adverse facts

Bad Facts (policy making, proposals, social events, Greek public finances estimates and statistics announced, Troika or top EU/IMF/ECB officials' assessments or strong convictions regarding the Greek stability program implementation, Program implementation decisions etc.), specifically related to or triggered by the Greek debt problem and considered as negative factors for the Greek economy, inhibiting debt sustainability or leading to a disordered default and/or EMU exit, have been identified throughout the aforementioned full sample period and associated with a specific date.

Such facts have been modeled through a time series of a **Boolean Dummy** variable which is set to its non Zero value for the dates that a Bad Fact has taken place.

The initial baseline model of each country and for each one of the 2 output variables, has been reduced through subsequent estimations and elimination of non statistically significant regression terms thus has been tailored to the output variable time series of each country.

The existence of dependence (causality is not and cannot be assessed) between Bad Facts and the independent variable will be assessed through the statistical significance of the Bad Facts Dummy variable coefficient, using a 10% confidence interval after estimating the model specified for a specific sample period.

The magnitude of the Dummy variable co-movement/tracking with the output variable will be determined by the value of the coefficient of the Dummy variable regression term obtained for a specific sample period.

As deduced from the methodology set up outlined above, the assessment of the existence and magnitude of the independent variable dependence on the Bad Facts recorded, is a also a function of the time period that the regression equation is estimated for. The statistical results and evidence inferred concern the specific period and the specific set of Bad Facts falling in the regression sample period, as a whole, and not separately for individual events.

We summarize hereunder the key methodological steps and approach adopted:

1. Determine regression equation output original market measures, based also on time series data availability for the entire period and market liquidity: **5 Year CDS Premia** (basis points) and **10 Year Government Bond Yield spreads over the German Bund** (%).
2. Determine regression model output variables: Logarithmic returns of the variables in point 1.
3. Determine full sample time interval (Superset of periods that will undergo a regression estimation): 30/9/2009 – 1/9/2012.
4. Determine Sample periods to be used in regression estimations so as to understand model behavior throughout diverse phases of the crisis.
5. Define the baseline regression model: All possible variables that according to bibliography might constitute determinants of Sovereign CDS and Bond Yields and which to a very large extent are not significantly differentiated at least in terms of variety.
6. Retrieve news from global and local press, web based media and information platforms and set up the initial pool of events (news, announcements, policy making decisions, market player opinions and predictions, political facts, social facts etc.).
    a. Classify such events as facts or non facts.

   b. Classify such events as market or non market wide events (concerning directly only the Greek economy or not).

   c. Classify the events as Bad or Good.

   d. Resolve conflicts of Bad and Good or Market and non Market events taking place within the same date.

e. Construct the **Dummy input variable** time series for the **Factual Bad events** by setting it to **-1** for the date that a Bad event for the Greek debt sustainability takes place, 0 otherwise

7. Customize the baseline regression model for each country and output instrument by estimating the regression equation for various sample periods and by eliminating on a step wise mode the least significant factor every time.

8. Execute the resulting models for different ample periods and record statistical Bad Fact Dummy variable coefficient and its statistical significance levels.

5.2 MODEL DETERMINATION

Our aim is to produce a regression estimation specification for the CDS premiums and Sovereign Bond Yield Spreads of each one of the countries for which we are examining the impact of Bad , Greek Debt related events. For doing so we opt for a time series model specification that will include market driven determinants of the independent variable (so as to control for variability attributed to non Greek debt directly related information) and a Dummy variable signaling the existence of Bad Fact for a given time point.

It has to be noted that the kind of interrelationship between Greek debt events and CDS premia / bond yield spreads of the EU countries we are focusing on, is unlikely to be based on a direct channel (such as impact in the Current Account of the countries) as export to and imports from Greece do not constitute a vital and significant part of the examined EMU countries GDP.

Therefore we have not included country specific (intrinsic) variables that potentially affect CDS premia and Bind Yield Spreads in our initial specification.

We initially elaborate the set of candidate variables according to the existing academic research and past related studies.

5.2.1 BASELINE REGRESSION MODEL

Based on the approach and rationale described above, the initial equation to be estimated for any country, is the following**:**

LogReturn(Sov. Debt Measure Country$_i$ (t)) =

*A1*LogReturn(Sov. Debt Measure Country$_i$ (t-1)) + A2*LogReturn(Sov. Debt Measure Country$_i$ (t-2)) + A3*LogReturn(Sov. Debt Measure Country$_i$ (t-3)) + B1*Dummy Bad Fact(t) + B2*Dummy Bad Fact(t-1) + V1*LogReturn(VIX Index(t)) + V2*LogReturn(VIX Index(t-1)) + C1*LogReturn(EURUSD(t)) + C2*LogReturn(EURUSD(t-1)) + E1*LogReturn(Euribor3Month(t)) + E2*LogReturn(Euribor3Month(t-1)) + T1*LogReturn(iTraxx 5Y Crossover(t)) + T2*LogReturn(iTraxx 5Y Crossover(t-1)) +*

+ r(t)

We have used the continuously compounded returns (See DATA DEFINITIONS section) in our estimation in order to eliminate non stationary unit root from the absolute measure time series (5 Year CDS premium in basis points, 10 Year Bond yield spread percentage over the German Bund) present unit root.

The Newey-West estimator has been used to adjust for correlation and heteroskedasticity in the error terms.

We have used the **5 Year CDS** Premiums due to data availability throughout major part of the period under review and market liquidity conditions. The 10 Year CDS Premium time series of several countries present significant number of missing values for the most recent part of the period under review and when logarithmic returns are applied in the time series, the missing value number is tripled.

Finally, Autoregressive terms have been introduced.

The focus of our regression equation estimation is going to be on the <u>Bad events</u> and mainly on the <u>Bad Facts</u> as these are the ones that prevail during the crisis period and have a dominant role. These are mainly the types of events that will show whether there is a contagion of some type from the Greek economy to the rest of the EMU economies.

Facts, as opposed to Events, have the advantage that are more easily identifiable and at a certain extent, of a reasonable cardinality and density, allowing for more reliable and less time consuming recording, classification and statistical estimation.

It is very difficult to be sure that we have made a balanced and complete recording of the Non Factual Events due to their number and the multitude of sources that need to be examined in a meticulous and extremely time consuming way as there are periods that market participant opinions, press articles etc. are overwhelming and the identification, registration and classification of them in a fair, complete and relatively safe manner cannot be accommodated within the scope and time frame of this analysis.

The density of the Non Factual events is also a problem as it would oblige to have the majority of the dates with a multitude of events that would need to be filtered and sorted out, increasing manual and judgmental intervention to a very high degree.

5.2.2 INPUT FACTORS DETERMINATION

5.2.2.1 Market based Input Model Parameters

Additional Sovereign Bond Yields and CDS Premiums explanatory variables (reflecting exogenous market / macroeconomic component of the output variability) will be used in the regressions to complement our analysis and the statistical results interpretation so as to have an as less as possible distortion in our understanding of the Greek economy events and EMU creditworthiness/solvency relationship or co-movement in terms of statistical importance as well as of strength.

The set of market variables has been determined taking into consideration existing academic literature and research regarding CDS and Sovereign Bond Yield Spread determinants (*see section 4.1 for references*) on the **key** and **common** determinants of Sovereign Bond Yields and CDS premiums.

According to the discussion presented in the Literature section we have the selected the following variables and their 1 Lag terms:

- VIX Index
- iTraxx Corporate Index (5 Year Cross Over index is used)
- 3 month Euribor spot rate
- EUR/USD spot rate

For reasons of efficiency (we are not seeking extreme levels of R-squared) and in order to avoid co-linearity we have decided to avoid overloading of the model with additional market variables. On that basis, variables like the Bid-Ask CDS spread have been omitted from the initial regression specification.

Sovereign CDS premia and as Sovereign bond yields are also determined by the expected levels of certain macro-economic measures such as the expected Current Account Deficit, Expected Structural Budget Deficit etc. (Barrios et al 2009).

Nevertheless, such data are published on a trimester basis therefore its inclusion in the estimation equations results problematic and is not adding value for the purpose of our analysis.

Possible effects (on the statistical significance and power of the Dummy variable) from changes in such macroeconomic factor expected or predicted values are expected to be absorbed as the sample sizes selected in our regression analysis are quite large, extending at least at least across 2 semesters.

The use of CDS/Yield Spreads Continuously Compounded Returns in our regression estimation, instead of market prices (we are examining the impact on the pace of differentiation and not on), will limit possible effects only in the days that an event coincides or is very close to the announcement of the macro variable analyst estimates.

Statistical estimation (LS regression) per country, per independent variable for various sub-periods of the entire time range has been used, in order to determine a set of input factors that satisfactorily explain CDS and Sovereign Debt prices for this country.

This has been done through and iterative process, by running subsequent regressions across different sub-samples. The less statistically significant factor (largest p-value > 0.10 at each step) will be excluded from the regression variables in each step. Note that this is not a rigid process, in the sense that there has been no strict rule for the number of sub-samples or the width of sub-samples to be used for regressing with, before proceeding to reduction of the variables.

The resulting estimation model was required to have a Durbin Watson test value between 1,68 and 2,1 for autocorrelation in the residuals, a Prob value smaller than 0,1 and an Adjusted R-Squared larger than 12-13%.

This analysis will be performed per country, per independent variable (CDS Premium Lognormal return, Bund Spread Lognormal return, Swap Spread Lognormal Returns etc.).

For example the CDS price for Germany (dependent variable) will be regressed with an initial (baseline) set of explanatory variables which (through an iterative empirical process) will be reduced to the ones that result statistically significant for numerous sample ranges within the entire crisis period.

In the end of the process each county's dependant variable will have its own "model" i.e. we will not use the same Least Squares estimation equation for all countries or for all measures of the same type. In such a way we consider that we will end up with a model more tailored to country's characteristics and responses to the Greek news.

As a next step, the explanatory variables selected for a specific dependent variable through the above process (including the event Dummy variable) will be regressed for various time ranges in order to determine the statistical importance of the Dummy, its coefficient as well as for observing the differentiation of the model in different time periods, allowing for observing, getting insight and if possible extracting conclusions about the way the EU Sovereign Debt market has incorporated the Greek problem related news.

5.2.2.2 Greek debt related Bad Facts model input

This section describes in detail the process/criteria for identification and date attribution of the Bad Facts (under the perspective described in previous sections) that will serve us to create the respective input dummy variable time series.

Bad Fact perimeter definition

The "Bad" component is determined based on our assessment on whether the event is negatively impacting Greek public debt sustainability, market and lenders confidence in Greek government and EU/ECB policies, Greek inclusion and position in the Euro zone, social acceptance and/or success in policy implementation, decision making efficiency and flexibility etc..

The process for identifying Bad Facts has been performed through the following steps:

1. Creation of an initial pool of events related to the Greek debt sustainability.

2. Assessment of the nature of the event (Factual or not, Market wide event or Greece specific).
3. Assessment of the event's impact sign (Bad / Good).

It has to be noted that events that are de facto or de jure affecting public finances and creditworthiness of the all or of a major sub-set of the EMU member countries, are going to be excluded from our analysis (Market wide events as noted above) as they are expected to positively bias the relationship and correlation between Greek economy events and the EMU debt and debt insurance prices.

We have included not only major milestones but also events that provide information for the monitoring/evolution of the Greek debt and its sustainability so as to enable an event study analysis based on time series data (obtain a large input sample) as well as for getting a better insight of the Greek debt related news / event impact, maximizing inclusion of such information and enhancing the statistical soundness of the model (similar studies have been performed with a small event number or utilizing an event study on an event per event basis).

Weekends have been excluded from the time series whereas country specific non working dates or dates with missing data (other than weekends) remained as part of the time series. Such days in the vast majority of the cases are very few and do not coincide or are not , close to the events selected thus no further analysis or treatment has been decided.

As a result, events tah took place during the weekend had to be attributed to a working date. A judgmental approach, examining the nature of the event in order to understand possible market anticipation effects, has been adopted, having as core rule that the events that took place on a Sunday were attributed to the next trading date.

Event classification (Good vs. Bad and Factual vs. Non Factual) has been performed and the statistical estimation will be performed for the different kinds of events allowing for respective analysis.

The event occurrence at a specific date, in general terms, has been marked and modeled through a specific Dummy variable taking a Non Zero value for the dates that the events happened a Zero value otherwise (days without an event).

The Event classification has been performed under the restriction that within a specific date only events of one event class (for a specific class type e.g. Good vs.

Bad) can be registered i.e. we can only have either a Bad or a Good event in a specific date. This restriction is necessary in order to allow for safeguarding the integrity of the statistical tests interpretation.

Lagged Dummy variable values will also be used in the regression in order to capture possible expansion of the event impact after the date of its occurrence.

The lag size depends on the selected events dominant, average or maximum frequency (distance between events in time).

In order to avoid possible biases and noise we have used Dummy Variable lags that are smaller than the smallest distance between 2 events throughout our sample (provided that this distance is frequently manifested in our sample events. The density of the events selected (*see page 22, List and Fact events*) has driven the decision for utilizing a 1 day lag for the Dummy variable.

In the majority of the cases this regression term has not resulted statistically significant and has been removed from the country specific regression equation determination, during the baseline model reduction phase..

Lagged independent variable terms have also been introduced in the rest of the regression variables.

5.2.2.2.3 EVENT SELECTION AND CLASSIFICATION

Initial Event Pool creation

The events (information drivers and carriers) considered in our analysis encompass virtually all types of actions or declarations and opinions.

The taxonomy of events considered is briefly and indicatively summarized hereunder:

- FACTS

- Euro group/Ecofin/ECB/Government decisions or firm intentions to legislate
- Political decisions, Parliament decisions and votes, Fiscal measures
- Sovereign or banking Credit Rating or outlook announcements
- Politicians/EU Officials statements that affirm/confirm/deny an intention, fact that is not publicly known or is under debate. Such cases can be considered as Facts, if judged that the person directly and de facto has access to reliable information or has the power/authorization to influence, force, veto or effectively form part of decision

mechanisms that shape the market and/or the broader macroeconomic environment and its components.

- NON FACTS - Opinions/Estimates from:
- EU Institutions (ECB, EU Commission, Euro group/ECOFIN
- EU Officials
- Market players/experts, Investment/Portfolio managers
- Economists
- Press/Journalists

It is becoming clear and it is reasonable to expect that elaborating the list of events and furthermore classifying them into facts or non facts, involves judgmental decision making, based on occasions, on non strict rules and terms.

The initial step in the process is to establish an extensive as possible pool of events, news, opinions, announcements making sure that it contains all major events, decisions, policy adoptions, milestone events, votes, estimates, predictions by fund managers, policy makers, officials etc. The main objective in this step was to be as inclusive as possible to secure the completeness of the information input.

We have performed this information gathering based on already existing crisis timelines and chronologies available on the Internet such as the ones of BBC, Kathimerini, and Reuters.

The timelines identified, were not covering the entire period under examination (they normally stop in 2011 or before or start well after the October 2009) and a consolidation process tool place in order to create the event data set.

Bloomberg NEWS (BN) service and web site were also used for specific date or date range searches in order to detect developments/news or facts explain abrupt CDS or Bond Yield changes.

The Bloomberg platform collects news from numerous data sources, including WSJ, The Financial Times, New York Times as well as local/regional data sources and media.

In addition, academic reviews on the chronology and the interpretation of the Greek and subsequently European crisis have also been used as a basis for identifying events (Hardouvelis, *Το χρονικό της διεθνούς και συνακόλουθης ελληνικής και ευρωπαϊκής κρίσης: αίτια, επιπτώσεις, αντιδράσεις, προοπτική, 2011).*

Last but not least, the respective Blog of "The Guardian" digital edition was among the key sources deployed for the event pool creation and description, providing for a daily and intra-day analytical but also summarized view.

The result of this process was an extensive list of 402 events throughout the period from 02.10.2009 until 01.09.2012 (see Appendices for the entire initial pool of events).

The existence of more than 1 event per day is observed several times and this characteristic needs to be filtered out in the subsequent steps of selecting the relevant events hence event input.

Event Classification and Filtering

Classification

In order to separately examine the impact of positive and negative news (with respect to the Greek debt actual and expected evolution), we have categorized the events as **Good** and Bad.

As **Bad** has been classified an event that - specifically for Greece or in the worst case for 1 or 2 more countries - makes public decisions, facts, data, estimates, predictions, market behaviors that indicate that Greece becomes closer to disorderly defaulting on its debt or are constitute such scenario as more possible than before the event. The rest of events have been classified as **Good**.

Each event has also been attributed the quality of being a **Fact** or not. As **Facts** we have considered also policy makers' decisions, parliament votes and in some cases, declarations of intention of the top EU, EMU, ECB or Sovereign Government Officials (Prime Ministers or Ministers of Finances).

Event Filtering

It was necessary to review the event list and re-arrange or filter its content in order to:

a. Select one event per date to be included in the regression (1 Dummy variable is going to be used in each regression equation). In order to eliminate multiple events in one day we were also guided by the differentiation of the Greek 10 year CDS and Bond Yields in that date with respect to the previous one. In that way were able to exclude events that would have an inverse effect to the one observed on the debt markets. So in case Greek 10 year CDS premium and Bond Yield had risen in the end of the day, all the events favorable to the Greek economy and debt would be discarded as candidates.

b. Furthermore the process demanded a filtering between competing favorable or between unfavorable events. This was guided by prioritizing the events that had a strong factual component. In addition the empowerment of the body, institution or person triggering the event, to influence, promote or impose policies has also been taken into account.

After identifying all dates for which more than 1 event there has been registered, we analyzed each one on an individual basis.

Actually 4 cases have been identified and treated.

1. All events in the date are Bad or all events are Good
- The dominant event selection does not have an effect on the regression results
2. There are Good and Bad events in the same date

The dominant event selection is determined as follows:

- All Facts prevail over the Non Facts.
- It is determined that the date will contain a Good or Bad event based on the 10 year CDS or Bond Yield evolution for the date.
- At this point we only have either Bad or Good events in that date, further selection is only meant for completeness purposes (as in point 1 above).

3. There is an event with a market impact in the same date (e.g. ECB decision on interest rates, ECB o EU stability mechanisms etc.).
- In such a case, the date is considered as having neither a Good nor a Bad event i.e. the respective Dummy variable in the regression analysis performed has received Zero value.
4. An event occurs within a weekend.
- In such cases an individual review of the event specificities took place (hour of occurrence and market hours, whether there were already expectations for its occurrence and nature/outcome etc).
- In the vast majority of the cases the Saturday events have been transferred to last Friday and the Sunday events have been transferred to next Monday dates.

The resulting list, description and classification of the Bad Facts, after eliminating multiple events per day and re-arranging weekend events, can be found hereunder, along with the rationale of classification, wherever the event nature and expected impact on sovereign debt prices cannot be addressed in a straightforward manner.

In the Appendices section we have also provided the full list of the initial pool of events as well as the finally selected list of Bad and Good Facts and Bad and Good events (Facts and non Facts).

S/N	DESCRIPTION	DATE
1	EDP alert for revision of estimate for 2009 deficit to 6% and debt to 107.2% of GDP.	**02/10/2009**
2	PROVOPOULOS WARNS AFTER AN URGENT MEETING WITH FINANCES MINISTER, G. PAPACONSTANTINOU, THAT THE 2009 FISCAL BUDGET DEFICIT WILL REACH OR PROBABLY SURPASS 12% OF GDP.	**09/10/2009**
3	Greece admits its deficit will be almost double than estimated (up to 12.5%)	**20/10/2009**
4	FITCH Downgrades Greece to A- from A	**22/10/2009**
5	MOODYS commences review of Greece for possible downgrade	**29/10/2009**
6	Ανακοινώθηκαν από το Γενικό Λογιστήριο του Κράτους τα στοιχεία για το ύψος του ελλείμματος, το οποίο στο εννεάμηνο Ιανουαρίου-Σεπτεμβρίου είχε διαμορφωθεί σε 23 δις. ευρώ, ποσό που αντιστοιχούσε στο 9,55% του ΑΕΠ(240,8 δις ευρώ το σύνολο του ΑΕΠ)! Στο εννεάμηνο το έλλειμμα του κρατικού προϋπολογισμού διαμορφώθηκε σε 23,019 δισ. ευρώ έναντι αρχικού στόχου για συγκράτηση στα 8,8 δισ. ευρώ και αναθεωρημένη εκτίμηση με το πρόγραμμα σταθερότητας για έλλειμμα 12,7 δισ. ευρώ».	**30/10/2009**
7	Επιστρέφοντας από τις Βρυξέλλες ο υπουργός Οικονομικών Γ. Παπακωνσταντίνου ανακοίνωσε ότι το κείμενο του προϋπολογισμού που θα κατατίθετο στη Βουλή στις 20 Νοεμβρίου 2009, θα ήταν διαφορετικό από το αντίστοιχο του προσχεδίου!	**11/11/2009**
8	Standard & Poor's put Greece's debt under "negative" watch and warned of a downgrading if the country's government did not tackle overspending quickly.	**07/12/2009**
9	Financial markets tumble after Fitch downgrades Greece's credit rating. Greek debt marked down from A- to BBB+. Fear for Eurozone push down single currency	**08/12/2009**
10	S&P downgrades Greek Credit rating from A- to BBB+.	**16/12/2009**

11	MOODYS Downgrades Greece to A2 from A1	**22/12/2009**
12	Η Ευρωπαϊκή Επιτροπή εκδίδει έκθεση σχετικά με τα Στατιστικά Στοιχεία του Χρέους και του Ελλείμματος της Ελληνικής Κυβέρνησης, επισημαίνοντας προβλήματα «σκόπιμης εσφαλμένης αναφοράς δεδομένων» και διατυπώνει επιπλέον αμφιβολίες για την ακρίβεια των στοιχείων πέραν της τελευταίας αναθεώρησης της 20 Οκτωβρίου 2009.	**08/01/2010**
13	TRICHET: We will not change our collateral framework for the sake of any particular country. Our collateral framework applies to all countries concerned. And that has been said already by the Vice-President, by me and by colleagues. That is crystal clear.	**14/01/2010**
14	***NOTE: This has been considered as a bad event as it indicates that Greece and the EU are not working together for a solution to the Greek deficit and debt problem which both the EU (see below) but the markets have recognized.*** GAP denied seeking to borrow from European partners There is absolutely nothing to these rumors," German Finance Ministry spokeswoman Jeanette Schwamberger said in an e-mailed statement from Berlin, responding to the report of a loan to Greece. "They are without any foundation," a French Finance Ministry official in Paris said. The European Commission has said Greece hasn't done enough to rein in its deficit, which reached 12.7 percent of gross domestic product in 2009. Papandreou's denial of the EU loan came a day after the government quashed a Financial Times report that Greece was seeking to sell as much as 25 billion euros of debt to China. Greece has not spoken with Chinese investors, Papandreou said today.	**28/01/2010**
15	Greece used swap deals with Goldman Sacks to deer interest repayments by several years, allowing for masking growing debts: REPORT BY GREEK MINISTRY OF FINANCE.	**01/02/2010**
16	Greece revised its GDP data for 2009Q3. The recession was deeper than thought. This may lead to 12.8 deficit (0.1 higher than expected) and a 114.6% GDP debt. CITIBANK	**12/02/2010**
17	*MERKEL SAYS GREECE 'FALSIFIED STATISTICS FOR YEARS'	**17/02/2010**
18	S&P affirms Greece BBB+ rating. Takes it off Credit watch negative. The outlook is negative from stable (which reflects their view of the govt's ability to sustain reform momentum in the mid-term). "We view the Greek govt's total package of deficit reduction measures as appropriate to achieve its 2010 fiscal target, given the deterioration in Greece's growth prospects. Real GDP contracting by 4% this year." "Despite the new measures, we think it will be difficult for Greece to comply fully with its planned consolidation path unless it implements additional measures in the coming years."	**16/03/2010**
19	Greek PM gives European leaders a week to produce rescue plan George Papandreou has threatened to turn to the IMF in exasperation with the EU's lack of clarity on a plan to resolve the Greek crisis ***NOTE: Indicates the bad state of the Greek debt and its ability to raise funds in the market as well as the***	**18/03/2010**

	stage that the aid discussions are a	
20	MOODY'S downgrades 5 Greek Banks.	**01/04/2010**
21	Νέα αναθεώρηση προς τα πάνω για το έλλειμμα του 2009. Ανω του 13,5% το βλέπει η Eurostat. Αιτίες, η ύφεση και η μικρότερη «άσπρη τρύπα» νοσοκομείων, ταμείων Σε νέα -επί τα χείρω- αναθεώρηση του ελλείμματος του 2009 προχωρούν το οικονομικό επιτελείο και η Ευρωπαϊκή Στατιστική Υπηρεσία (Eurostat) «παίζοντας» ουσιαστικά με τα «νεύρα» των ήδη αρνητικά διακείμενων απέναντι στην Ελλάδα αγορών. Από τα τελικά στοιχεία που απέστειλε η Ελληνική Στατιστική Αρχή στην Eurostat, για τα δημοσιονομικά ελλείμματα της περιόδου 2006 - 2009 και τις εκτιμήσεις για το 2010 προκύπτει αύξηση στα ελλείμματα του 2007, του 2008 και του 2009 τουλάχιστον. Ο υπουργός Οικονομικών Γ. Παπακωνσταντίνου παραδέχτηκε χθες ότι το έλλειμμα του 2009 θα είναι αυξημένο σε σχέση με το 12,7% του ΑΕΠ το οποίο αναγράφεται στο Πρόγραμμα Σταθερότητας και Ανάπτυξης (ΠΣΑ). Σύμφωνα με πληροφορίες από το υπουργείο, το περυσινό έλλειμμα αναμένεται να κινηθεί στην περιοχή του 13% με 13,5% του ΑΕΠ. Μάλιστα, ο κ. Παπακωνσταντίνου ανέφερε ότι «δεν μιλάμε για πολύ μεγάλες αλλαγές. Δεν μιλάμε για αύξηση ούτε της τάξης του 1% του ΑΕΠ».	**06/04/2010**
22	Greece asks for IMF-EU rescue talks. Country's economics ministry bows to market pressure and issues formal plea for help to IMF, which will send in a team next week ***NOTE: Indicates that a solution is not viable only through the EMU***	**15/04/2010**
23	Η Ελλάδα αρχίζει να συζητά τις λεπτομέρειες του πακέτου βοηθείας, όμως οι επενδυτές ξεφορτώνονται τα ελληνικά ομόλογα επικαλούμενοι αβεβαιότητα για το πότε θα εισπραχθούν τα χρήματα της βοήθειας. Οι Γερμανοί Σοσιαλδημοκράτες (αντιπολίτευση) αντιτίθενται σε μια γοργή έγκριση του πακέτου βοήθειας. Τα spread των ελληνικών ομολόγων αυξάνονται με γοργούς ρυθμούς.	**21/04/2010**
24	Moody's downgrades Greek Govnt bonds to A3 and placed the rating for review for possible downgrade.	**22/04/2010**
25	Standard & Poor's downgrade Greek credit rating to junk status. Fears that financial crisis may spread to other euro-zone countries.	**27/04/2010**
26	Η ελληνική Επιτροπή Κεφαλαιαγορά ανακοινώνει απαγόρευση του λεγόμενου short-selling έως την 28/6/10. Οι τραπεζικές μετοχές πραγματοποιούν άλμα κατά 6.2%. ***NOTE: Indicates serious lack of confidence in the Banking sector perspectives***	**28/04/2010**
27	Greek protesters storm the Acropolis World markets plunge over fears that Greece's economic crisis will spread to other countries despite austerity measures. Until now Papandreou has had the unions on his side. But with fury over the intervention of the IMF adding to the explosive mix, analysts are unsure whether he will be able to win public support for the reforms. The euro tumbled to its lowest level in 13 months on the concerns.	**04/05/2010**

28	Protests. 3 people burned at Marfin bank premises.	**05/05/2010**
29	Greek parliament approves sweeping austerity measures Bitter scenes in parliament and outrage on the streets as government wins vote aimed at unlocking €120bn in aid ***NOTE: Despite the voting which was the only option for rescuing the country and was expected, the violence scenes indicate very strong resistance and possibility of continuous instability by Greek citizens or left wing political parties***	**06/05/2010**
30	MOODYS downgrades Greek Gvt bond to B1 and outlook stable	**14/06/2010**
31	- The European Union said its estimates for Greece's budget deficit and government debt will be revised higher for the years 2006-2009. - Greece pledged to reduce its budget shortfall, the second largest in the EU last year, and increase tax revenue in return for emergency loans from the bloc and the International Monetary Fund. - The EU statistics office Eurostat, which reviewed Greek government statistics, will publish the revisions by Oct. 22: "After Eurostat's latest visit, it was evident that some areas of uncertainty remain," Amadeu Altafaj, spokesman for EU Economic and Monetary Affairs Commissioner Olli Rehn, told reporters in Brussels today. As a result, Rehn "instructed Eurostat to reinforce its resources on the ground for the urgent task of clarifying the Greek national accounts." Greece's widening deficit and questions about the accuracy of its economic data have undermined the credibility and enforcement of the EU's budget rules. In January, the European Commission, the 27-nation EU's executive arm, cited "severe irregularities" in the country's data. - Eurostat is exercising for the first time its new audit powers, which entered into force on Aug. 19 and were granted after the EU learned Greece had used secret financial transactions to conceal debt. - Greece's budget deficit in 2009 will be revised to 15.1 percent of gross domestic product by EU statisticians, Greek newspaper Kathimerini reported, without saying where it got the information. That would push Greece's budget gap past that of Ireland, which had the biggest shortfall in the EU last year. The deficit will be increased from 13.8 percent to include losses and debt of public companies as well as liabilities related to currency swaps, Kathimerini said. National debt will also rise to 127 percent of GDP from 115.4 percent of GDP previously, according to the newspaper	**06/10/2010**
32	German Chancellor Angela Merkel and French President Nicolas Sarkozy meet in Deauville, France and agree that private investors must contribute to future EU bailouts and Sarkozy backs Merkel's call for a permanent rescue mechanism from 2013. ***NOTE: It triggers private sector resistance to a possible future Greek bailout.***	**18/10/2010**
33	Financial Mirror: Papaconstantinou: Greek 2009 deficit to be revised above 15%. He admits tax collection deficiencies and lags.	**27/10/2010**
34	Greek deficit for 2009 revised to 15.4% of GDP	**15/11/2010**

35	Ψηφίστηκε το πολυνομοσχέδιο για τα εργασιακά και τις ΔΕΚΟ. Διαφοροποιήθηκε ο βουλευτής Βαγγέλης Παπαχρήστος, ο οποίος διεγράφη από την κοινοβουλευτική ομάδα του ΠΑΣΟΚ, η οποία απέμεινε πλέον με 156 βουλευτές. ***NOTE: The event is judged as bad in the sense that there is a further reduction of the ruling party parliamentary power, leaving it with a fragile majority.***	**15/12/2010**
36	Moody's places Greece's Ba1 rating on review for possible downgrade, due to revised debt figures, revenues shortfall for 2009, implementation risk and uncertainty of surrounding environment. Multi notch downgrade is possible, as per the review outcome.	**27/12/2010**
37	Fitch follows S&P and Moody’s in cutting Greece to junk.	**14/01/2011**
38	Ο οίκος αξιολόγησης Moody’s υποβάθμισε την Ελλάδα κατά τρεις βαθμίδες από το επίπεδο Ba1 στο B1.	**07/03/2011**
39	The Greek 2010 budget Deficit overshot forecasts at more than 10 % of GDP	**07/04/2011**
40	Papandreou announces 76 billion euros of austerity measures, later increased to 78 billion euros, running through the end of 2015. The program pledged to raise 50 billion euros from state asset sales and aims to cut the budget deficit to 1 percent of GDP in 2015. ***NOTE: The basis on which the targets are set on is extremely optimistic (50billion from state asset sales) undermining successful implementation and program credibility.***	**15/04/2011**
41	- S&P cuts Greece two levels to B from BB-, threatens further cuts. - It is known that Finance ministers from Spain, France, Germany and Italy hold unannounced meeting in Luxembourg that prompt press reports that Greece will leave the euro. Trichet walked out, refusing to attend any meeting that discusses Greek haircuts. Jean-Claude Juncker, who chairs finance ministers’ meetings, says possible further aid for Greece was discussed.	**09/05/2011**
42	ECB’s governing council member and Bundesbank President Jens Weidmann says central bank won’t take Greek bonds as collateral if maturities extended.	**20/05/2011**
43	Greece announces details on additional 6 billion euros of 2011 budget cuts, plan to speed asset sales. ECB governing council member Christian Noyer says Greek restructuring would be ‘horror story.’	**24/05/2011**
44	Moody’s downgrades Greece from B1 to Caa1[160][161]	**01/06/2011**
45	In an open letter to European and international authorities, German finance minister Wolfgang Schäuble say: “Any additional financial support for Greece has to involve a fair burden sharing between taxpayers and private investors.” GDP tumbles 5.5 percent year on year in the first quarter of 2011, official data shows.	**09/06/2011**
46	June 13: S&P Cuts Greece to CCC, the lowest rating for any country it reviews in the world. Negative outlook, debt will proabaly be restructured and this will be a default. Possible further downgrade in the next 12-18 months.	**13/06/2011**
47	Papandreou announces cabinet reform and subsequent Confidence Vote.	**15/06/2011**

	NOTE: Increases risk of unfavorable vote and indicates internal PASOK crisis.	
48	Παραιτήθηκαν δύο βουλευτές του ΠΑΣΟΚ, οι Γιώργος Φλωρίδης και Έκτορας Νασιώκας. Την ίδια μέρα 21 βουλευτές του ΠΑΣΟΚ ζήτησαν σύγκληση της κοινοβουλευτικής ομάδας του κόμματος, η οποία κατέληξε σε απόφαση για ανασχηματισμό.	**16/06/2011**
49	Greece needs another €110bn bailout to avoid debt default, says Papandreou. The ECOFIN requires finalization of the MoU update and new fiscal measures so as toproceed to a new financing plan in early July.	**20/06/2011**
50	Πραγματοποιούνται ογκώδεις διαδηλώσεις έξω από τη βουλή που αντιμετωπίζονται βίαια από την αστυνομία που εφαρμόζει άγρια καταστολή.	**28/06/2011**
51	Greece’s central-government deficit widened 28 percent in the first half of the year as both revenue and spending missed targets set out in the 2011 budget plan. The shortfall, which excludes outlays by state-owned institutions and companies, increased to 12.8 billion euros ($18 billion) from 10 billion euros a year earlier, preliminary data released today by the Athens-based Finance Ministry showed. Ordinary spending increased 8.8 percent between January and June to 33.2 billion euros, compared with a budget target of 31.9 billion euros, the ministry said. Net revenue decreased 8.3 percent to 21.8 billion euros, missing the budget plan’s goal by 3.3 billion euros. The ministry blamed the drop on a deeper-than-forecast recession that hit revenue and an increase in rebates to people who paid too much tax in 2010.	**11/07/2011**
52	Ο οίκος αξιολόγησης Fitch υποβάθμισε την Ελλάδα κατά τρεις βαθμίδες στη βαθμίδα CCC.	**13/07/2011**
53	Moody’s downgrades Greece by 3 notches to C, for uncertainty about the magnitude of security holder losses as well as due to probability for distressed exchange of securities i.e. a Greek default.	**25/07/2011**
54	Ο οίκος αξιολόγησης Standard & Poor's υποβάθμισε την Ελλάδα από το επίπεδο CCC στο CC θέτοντας την Ελλάδα στο τελευταίο σκαλί της διεθνούς λίστας αξιολογήσεων.	**27/07/2011**
55	Finland and Greece strike agreement on collateral to guarantee bailout contributions. The agreement was opposed by other euro members such (Austria, Netherlands) and had to be re-negotiated.	**16/08/2011**
56	Συναγερμός έχει σημάνει στην κυβέρνηση, καθώς η εκτέλεση του προϋπολογισμού συνεχίζει να παρουσιάζει σημάδια εκτροχιασμού, ενώ την ίδια ώρα οι επιτελείς της τρόικας δε φαίνεται να πείθονται από το οικονομικό επιτελείο που επιμένει ότι η οικονομική δραστηριότητα κατά το τελευταίο τετράμηνο είναι πιο έντονη και ότι το χαμένο έδαφος θα καλυφθεί. Έτσι, τα έσοδα συνεχίζουν να είναι χαμηλότερα φέτος κατά 1,9 δισ. καθώς στα κρατικά ταμεία μπήκαν στο επτάμηνο του 2011 μόνο 29,9 δισ. αντί των 31,4 πέρυσι, ενώ την ίδια στιγμή οι επιστροφές ήταν υψηλότερες στα 3,1 δισ. από 2,7 πέρυσι. Άσχημη εικόνα παρουσιάζουν και οι δαπάνες που αυξάνονται κατά 2,7 δισ. αντί να μειώνονται, όπως ορίζει το πρόγραμμα εξυγίανσης της οικονομίας. Αυτό έχει ως αποτέλεσμα την αύξηση του ελλείμματος κατά 25%, που έφτασε ήδη τα 15,6 δισ. έναντι 12,4 την ίδια περίοδο πέρυσι, γεγονός που θέτει επιτακτικά το ερώτημα	**22/08/2011**

	αν θα υπάρξουν και νέα μέτρα. Σε συνέντευξή του στο ραδιόφωνο του ΣΚΑΪ ο υπουργός Οικονομικών Ευάγγελος Βενιζέλος παραδέχθηκε ότι το ΑΕΠ φέτος θα μειωθεί με ρυθμούς που θα ξεπεράσουν το 4,5%, τη στιγμή που η πρόβλεψη ήταν για 3,8% ή 3,9%, ενώ δεν διέψευσε την πληροφορία για ύφεση 5% ή ακόμα και 5,2%, στοιχεία που βγάζουν δραματικά εκτός στόχου το έλλειμμα που μπορεί να κλείσει στο 8,5% αντί του 7,6% Η κυβέρνηση προσπαθεί τώρα να πείσει την τρόικα να χαλαρώσει αυτόν τον στόχο, θεωρώντας ότι η άστοχη πρόβλεψη που ήταν η βάση του προγράμματος είναι και ευθύνη και των δανειστών μας. Ταυτόχρονα, η κυβέρνηση εξαπολύει τις επόμενες ημέρες φορο-κυνηγητό αποστέλλοντας 900.000 σημειώματα που θεωρητικά θα μπορούσαν να φέρουν στα ταμεία 41 δισ. €. Στην ουσία πρόκειται για ειδοποιήσεις που θα αποτυπώνουν τις κρατικές απαιτήσεις για τέσσερα μέτρα της έκτακτης εισφοράς σε εισοδήματα μεγαλύτερα των 12.000 €, το Τέλος Επιτηδεύματος και τις εισφορές στα Ι.Χ, τα σκάφη και τις πισίνες.	
57	Αποχώρησε αιφνιδιαστικά το κλιμάκιο της τρόικας μετά τη διαφωνία του με τον υπουργό οικονομικών για την κάλυψη της απόκλισης στα δημοσιονομικά.	**02/09/2011**
58	Ο υπουργός οικονομικών Ευάγγελος Βενιζέλος ανακοινώνει νέα έκτακτα συμπληρωματικά μέτρα.	**06/09/2011**
59	Greece imposes property tax in bid to avoid default• Emergency tax to be collected through electricity bills • Papandreou rejects suggestions Greece could leave euro zone.	**12/09/2011**
60	Government draft budget figures say Greece will miss a deficit target set just months earlier s a deficit target set just months earlier.	**03/10/2011**
61	Euro-zone finance ministers delay a decision on giving Greece its next installment of bailout cash, sending European shares down sharply.	**04/10/2011**
62	On 10 October, an EU summit on the debt crisis is delayed by a week so that ministers can finalize plans that would allow Greece its next bailout money and bolster debt-laden banks.	**10/10/2011**
63	Proton Bank is resued by the Government.	**11/10/2011**
64	Το έλλειμμα του 2009 τελικά διαμορφώνεται στα 15,8% του ΑΕΠ και όχι στο 15,4% του ΑΕΠ (ΕΛΣΤΑΤ - EUROSTAT). ΕΛΣΤΑΤ: αναθεώρηση προς τα πάνω για έλλειμμα και δημόσιο χρέος Ελαφρά αύξηση του δημοσίου χρέους προέκυψε μετά την αναθεώρηση –επί τα χείρω– του Ακαθάριστου Εγχώριου Προϊόντος. Σύμφωνα με τα στοιχεία που κατέγραψε η Ελληνική Στατιστική Αρχή (ΕΛΣΤΑΤ), στο πλαίσιο της Διαδικασίας Υπερβολικού Ελλείμματος (ΔΥΑ ή γνωστό ως EDP), το χρέος διαμορφώθηκε πέρυσι στο 144,9% του ΑΕΠ έναντι προηγούμενης πρόβλεψης για 142,8% του ΑΕΠ. Η αύξηση αυτή προήλθε τόσο από τη νέα και χειρότερη εκτίμηση για το μέγεθος του ΑΕΠ, αλλά και από μία μικρή καθαρή αύξηση του δημοσίου χρέους. Σύμφωνα με τα στοιχεία που ανακοίνωσε η ΕΛΣΤΑΤ και απέστειλε στην Ευρωπαϊκή Στατιστική Υπηρεσία (Eurostat), το ΑΕΠ του 2010 έκλεισε στα 227,3 δισ. ευρώ (αντί 230,1 δισ. ευρώ) και το δημόσιο χρέος ανήλθε στα 329,3 δισ. ευρώ (αντί 328,5 δισ. ευρώ). Ετσι, ως ποσοστό του ΑΕΠ το χρέος διαμορφώθηκε τελικά σε επίπεδα υψηλότερα κατά 2,1% σε σύγκριση	**18/10/2011**

	με την προηγούμενη πρόβλεψη. Την ίδια ώρα, από την αλλαγή του μεγέθους του ΑΕΠ, ελαφρώς αυξημένο είναι και το έλλειμμα του 2010, που τελικά διαμορφώνεται στο 10,6% του ΑΕΠ, αντί για 10,5% του ΑΕΠ. Ωστόσο, σε απόλυτους αριθμούς, δεν υπάρχει ουσιώδης διαφορά, αφού από τα νέα στοιχεία προκύπτει ότι ανήλθε στα 24,125 δισ. ευρώ έναντι 24,193 δισ. ευρώ. Δηλαδή, σε σχέση με τις προηγούμενες εκτιμήσεις, είναι ελαφρώς μειωμένο. Η μεγάλη διαφορά που υπάρχει από την αναθεώρηση των στοιχείων αφορά στο μέγεθος του ΑΕΠ. Η ύφεση τελικά ήταν μεγαλύτερη και το ΑΕΠ εμφανίζεται συρρικνωμένο από το 2007, σε σύγκριση με το τι προβλεπόταν. Σύμφωνα με την ΕΛΣΤΑΤ: - Το 2007 το ΑΕΠ ανήλθε στα 222,7 δισ. ευρώ (αντί 227 δισ. ευρώ). - Το 2008 στα 232,9 δισ. ευρώ (αντί 236,9 δισ. ευρώ). - Το 2009 στα 231,6 δισ. ευρώ (αντί 235 δισ. ευρώ). Στο πλαίσιο αυτής της αναθεώρησης, το έλλειμμα του 2009 τελικά διαμορφώνεται στα 15,8% του ΑΕΠ και όχι στο 15,4% του ΑΕΠ. Στην ανακοίνωση της ΕΛΣΤΑΤ επισημαίνεται ότι όλες αυτές οι αλλαγές έγιναν σε πλήρη συνεργασία με την Eurostat, κλιμάκιο της οποίας μάλιστα είχε πραγματοποιήσει επίσκεψη στην Αθήνα στα τέλη Σεπτεμβρίου γι’ αυτόν τον λόγο. Επίσης, σε συνεργασία με την Eurostat, ορισμένα Νομικά Πρόσωπα Δημοσίου Δικαίου έχουν συμπεριληφθεί στην καταγραφή των δημοσιονομικών στοιχείων, αν και υπήρχαν στην αντίστοιχη καταγραφή του Απριλίου, ενώ έχουν εξαιρεθεί από αυτήν κάποια ασφαλιστικά ταμεία. Αυτό σημαίνει ότι στις ανακοινώσεις της Eurostat για τα στατιστικά στοιχεία των χωρών της Ευρωζώνης για το επόμενο διάστημα, δεν αναμένεται να υπάρχουν οι γνωστοί «αστερίσκοι».	
65	Ο πρωθυπουργός αποφασίζει τη διεξαγωγή δημοψηφίσματος με θέμα την νέα δανειακή σύμβαση.	**31/10/2011**
66	European leaders cut off aid payments to Greece and say Greece must decide soon whether it wants to stay in the euro, at odds with the Maastricht Treaty’s assertion that monetary union is “irrevocable.”	**02/11/2011**
67	G20 leaders meet in Cannes and for the first time, EU leaders admit thatit might be necessary for Greece to leave the eurozone if the single currency is to survive	**03/11/2011**
68	Greek deficit for 2009 revised to 15.4% of GDP	**15/11/2011**
69	Greece has got just nine days to persuade international lenders to hand over its next aid payment, worth €8bn, otherwise it will run out of cash. Prime minister Lucas Papademos revealed that Greece has even less time than we thought, at a press conference in Brussels following his meeting with Jean Claude Juncker. We had thought that Greece could last until mid-December before needing the €8bn tranche (which has been frozen for several months now, while the IMF and the EU sought proof that Greece is meeting its obligations). Instead, Papademos explained, the process of paying the aid needs to start no later than the beginning of December. Juncker stated firmly that no money will be paid until the three most powerful political leaders in Greece have signed a letter promising to enforce tough austerity measures. However one leader -- Antonis Samaras of New Democracy -- continues to argue that his word is enough. In	**22/11/2011**

	this letter, sent last week, Samaras said that his party was "committed" to supporting Papademos and "strongly committed" to fiscal consolidation and structural reforms - but also argued that the austerity plan needs to be revised. Yesterday, Barroso ordered Samaras to stop playing 'political games' but the clock is still ticking today	
70	Also on 13 January, talks between Greece and its private creditors over a debt write-off deal stall. The deal is necessary if Greece is to receive the bailout funds it needs to repay billions of Euro of debt in March. The talks resume on 18 January.	**13/01/2012**
71	Euro-zone finance ministers rejected a debt restructuring deal for Greece. Ministers insisted that banks must accept a lower interest rate on the new Greek bonds than the 4% average rate demanded by bondholders. However, Institute of International Finance boss Charles Dallara, who represents private creditors, insisted that the deal on offer was in line with the Greek rescue plan hammered out last October.	**24/01/2012**
72	By late last night, little progress had been reported in the negotiations with private creditors or with troika officials thought Charles Dallara, who represents private bondholders as head of the Institute of International Finance, is returning to Athens for talks over the weekend.	**02/02/2012**
73	After 12 hours of talks with EU, IMF and European Central Bank officials, Greek finance minister Evangelos Venizelos said crucial issues remained unresolved.	**06/02/2012**
74	INCREASING CONCERNS IN THE MARKETS ABOUT THE GREEK BAILOUT AFTER BRUSSELS REJECTED GREEK PLAN ON 9/2/2012.	**10/02/2012**
75	HUGE PROTESTS AND CLASHES IN ATHENS BEFORE THE PARLIAMENT VOTE FOR ACCEPTING NEW AUSTERITY PAKAGE IN EXCHANGE FOR A LARGER 130BN EURO BAILOUT PACKAGE. Μετά την ολοκλήρωση της ψηφοφορίας για τα νέα μέτρα (ΔΕΥΤΕΡΟ ΜΝΗΜΟΝΙΟ) που ολοκληρώθηκε τα μεσάνυχτα της Κυριακής 12 Φεβρουαρίου, διεγράφησαν 22 βουλευτές του ΠΑΣΟΚ ,21 της Νέας Δημοκρατίας και 2 του ΛΑΟΣ που διαφοροποιήθηκαν από την απόφαση του κόμματός τους. Ακολούθησαν οι παραιτήσεις των βουλευτών του ΠΑΣΟΚ Μ. Τσόκλη και Α. Λαφαζάνη (13-02) από τις βουλευτικές τους έδρες, Την προηγούμενη μέρα είχε προηγηθεί η παραίτηση του βουλευτή της ΝΔ, Ν. Λέγκα.	**13/02/2012**
76	Euro zone debt crisis live: Juncker cancels eurozone Greece meeting •Euro group 'still missing information from Athens' •Greek and Portuguese GDP falls Anger as Athens riots leave 500 jobs at risk Eurozone industrial production slumps 6.30pm: Jean-Claude Junker has cancelled tomorrow's meeting of eurozone finance minister. From the Associated Press report: • Juncker: Euro group is still missing information from Athens on how it plans to save promised €325 million He says he also did not receive assurances from the leaders of the two main Greek parties that they will	**14/02/2012**

	implement the program even after elections expected for April. He said Tuesday the ministers will instead have a teleconference Wednesday and meet next Monday • There was grim economic news for the eurozone. Greece's economy shrank by 7% in the last quarter, on a year-on-year basis, while Portugal contracted by 1.3% over the quarter. Industrial output across the eurozone fell at the end of last year, making a recession appear more likely. • The Greek cabinet continued to search for spending cuts to meet its obligations in return for a second bailout. However a Euro group meeting scheduled for Wednesday has been cancelled, in favour of a telephone conference call, as Greece has not yet met its obligations..... • Greek government opposition partners were warned that they too must sign up, binding future Greek governments to detailed plans laid down by Brussels and Berlin.	
77	Greek elections, no winner, negotiations begin for forming a government	**07/05/2012**
78	Greek coalition hopes dashed as leftist leader stands firm. Alexis Tsipras says he will not be 'partner in crime' with mainstream leaders, who criticise his stance as irresponsible	**14/05/2012**
79	Failure to form a government officially announced.	**15/05/2012**
80	Greek elections. Not clear how a government will be formed.	**18/06/2012**
81	Ticking off by Troika heightens fears of Greek exit from euro International debt inspectors claim Greece is failing to keep to deficit reduction plan, while shares in Spain tumble. Financial market fears over a possible Greek exit from the single currency were fanned on Tuesday by a gloomy assessment of the country's economic plight from international debt inspectors and evidence of a growing rift between Athens and Berlin. Officials from the so-called troika – the IMF, the European Union and the European Central Bank – warned that Greece had failed to keep to the deficit reduction plan agreed earlier this year. Arriving in Athens for talks with the coalition government, one official was quoted as saying: "Greece is hugely off track. The debt-sustainability analysis will be pretty terrible." Another official pointed to the latest growth estimates from Athens, which show the economy contracting by 7% this year rather than the 5% previously forecast, meaning that the debt burden is only increasing in relation to GDP. "Nothing has been done in Greece for the past three or four months," said the official, referring to the delays caused by the two elections held since May.	**25/07/2012**
82	Angela Merkel rejects Greek pleas for extra two years to repay loans German chancellor's hardline stance towards Antonio Samaras over latest debt package backed by France's François Hollande	**24/08/2012**
83	Greek economy to shrink 25% by 2014. • EU under pressure to relax terms on Greece's €130bn bailout as critics warn of 1930s-style Great Depression. The ailing Greek economy is on the verge of a 1930s-style Great Depression, as the Athens government predicted a 25% fall in GDP by 2014, putting intense pressure on the EU to relax the terms on	**18/09/2012**

	the country's €130bn (£105bn) bailout package • The finance minister, Yannis Stournaras, said a decline in tax revenues and spiralling unemployment will deepen the country's four-year recession, which critics of the EU's stance said could lead to a recession as long and deep as America's pre-war decline.He made the plea after revealing that while Greece would meet its nominal 2012 deficit reduction targets, its primary deficit would reach 1.5% of GDP compared to the projected 1% following a sharp decline in the economy's output.	

6. REGRESSION SELECTED RESULTS ANALYSIS

After reducing the number of regression terms through the iterative process already described, we proceed with the following estimations for various sub-periods of the full sample.

In order to better understand the allocation of the Greek Public Debt related Bad Facts i.e. to identify imbalances and variations through time, we have executed the regressions estimation in different, frequently overlappin time periods.

The selection of the time periods has been performed by considering the following factors:

a. Isolation of Bad Facts impact, in the beginning, middle or end of the entire time span of the period under review. Under such perspective, different moving time windows have been defined, containing the beginning, end or middle of such time range.
b. Isolate Non Greek related or important events (for example the ECB Spanish and Italian Government buying program, Portugal's request for inclusion in the EMU/IMF rescue mechanism, PSI process closure etc.) so as to identify differentiation in Greece related Bad Facts impact, before and after the aforementioned, Non Greek debt related events.
c. Keeping the number of time periods at a level that would allow for a thorough, direct, clear analysis and conclusion extraction i.e. obtain a granular enough but also manageable and affordable fragmentation (given time constraints of this work).

We have used the following estimation sample periods, which have been codified by attributing a number to the different beginning and end points deployed. All different Start-End point combinations with a time span larger than 6 months have been used:

Starting points:

1	2	3	4
30/09/2009	31/12/2009	18/04/2010	30/09/2010

Ending points:

1	2	3	4	5	6	7
30/10/2010	30/05/2011	26/06/2011	15/08/2011	03/09/2011	04.1.2011	15/01/2012
8	**9**	**10**	**11**	**12**	**13**	
14/02/2012	10/03/2012	04/05/2012	30/05/2012	18/06/2012	01/09/2012	

6.1 DATA DEFINITIONS

1. **FACTEVENTS_ONLYB**

   Dummy variable for the Bad Facts. Gets the value -1 for the dates where a Bad Fact is observed (or it is selected as the dominant event, as described above).

2. **EVENTS_ONLYB**

   Dummy variable for the Bad Events of any kind (includes the Bad Facts but also declarations, opinions, predictions and in general all facts and non Factual Bad events)

3. **RET_BUNDSPR_10YR_XX (T)** = Log Return of the 10 year Bond of country XX, over the German Bund Yield at date T.

   Equals:***LN***[RET_BUNDSPR_10YR_XX(**T**)]-***LN***[RET_BUNDSPR_10YR_XX(**T-1**)]

4. **RET_CDS_10YR_XX (T)** = Log Return of the 10 year CDS insurance premium of country XX, at date T.

Equals ***LN***[RET_CDS_10YR_XX (T)] **-** ***LN***[RET_CDS_10YR_XX (T-1)]

5. **RET_ITRXTX5I:** Logarithmic (Continuously compounded) return rate of the iTraxx Cross over, 5 year Corporate CDS index, which is a composite index composed by highly liquid Non Investment Corporate CDS. It is negatively correlated to the Western Europe Sovex CDS composite index thus it is expected to be decreasing when credit risk is increasing.

Equals LN[ITRXTX5I(T)] - LN[ITRXTX5I(T-1)]

6.2 10 YEAR BOND YIELD SPREAD OVER THE BUND

To obtain the Bond Yield Spread we have calculated the difference (in basis points) of each country's 10 year Bond yield over the respective one of the 10 year German Bund that in this case is considered as a risk free instrument.

After reducing the baseline regression model for each country as previously described, we have estimated the resulting regression equation of each country for the full set of subsamples defined by the different combinations of the start / end dates, as described above.

The respective results can be found in the Appendices section.

For demonstration purposes, we are going to present in detail the results for 2 periods covering the largest part of our time series span, from 30/09/2009 – 30/05/2012, a time point in-between the 2 consecutive and determining Parliament elections in Greece.

The 2 respective summary tables can be seen in the next section, along with the analysis of the regression equation estimation parameters.

6.2.1 RESULTS SUMMARY AND ANALYSIS PER PERIOD

Bund Spread OF [Country]	Sample Start Date	Sample End Date	Bad Fact Dummy Variable Coefficient	BAD FACT STATISTICAL SIGNIFICANCE	Sample Start Code	Sample End Code
FINLAND	30/9/2009	30/10/2010	0	NSS	1	1
ITALY	30/9/2009	30/10/2010	0	NSS	1	1
SPAIN	30/9/2009	30/10/2010	0	NSS	1	1
NETHERLANDS	30/9/2009	30/10/2010	0	NSS	1	1
FRANCE	30/9/2009	30/10/2010	0	NSS	1	1
AUSTRIA	30/9/2009	30/10/2010	0	NSS	1	1
PORTUGAL	30/9/2009	30/10/2010	0	NSS	1	1
BELGIUM	30/9/2009	30/10/2010	0	NSS	1	1

BundSpread of [Country]	Sample Start Date	Sample Start Date	Bad Fact Dummy Var Coefficient	Sample Start	Sample Extent
FINLAND	30/9/2010	30/5/2012	-0,023323	4	11
ITALY	30/9/2010	30/5/2012	-0,010885	4	11
SPAIN	30/9/2010	30/5/2012	-0,015741	4	11
NETHERLANDS	30/9/2010	30/5/2012	-0,017465	4	11
FRANCE	30/9/2010	30/5/2012	-0,017117	4	11
AUSTRIA	30/9/2010	30/5/2012	-0,020767	4	11
PORTUGAL	30/9/2010	30/5/2012	-0,010141	4	11
BELGIUM	30/9/2010	30/5/2012	-0,018319	4	11

The initial baseline regression equation has been reduced through consecutive executions for different time lines and gradual elimination of the most insignificant term each time (statistically).

The equation and the respective results can be seen in the eviews output, hereunder.

As it can be seen a separate model is in place for each country.

The regression terms can be seen under the **Variable** column and the value of the respective coefficient, under the **Coefficient** column in each regression output section.

The coefficient for a Dummy, Boolean variable denotes the impact received on the independent variable for the Dummy being set to -1 (acquiring its non Zero or Set value).

The impact on the Logarithmic return of the output variable therefore the Bond Spread differential (actually the impact on the ratio on today's over the 1 Lag Bond Yield Spread Term) from a Bad Event is 100*[exp(Dummy Coefficient)-1] (*Kennedy 1981, Giles 1982*).

The **Prob** column is the one indicating the statistical significance of the Dummy Variable coefficient (FACTEVENTS_ONLYB).

The Newey West has been used in all equations to adjust for error term correlation and heteroskedasticity.

Bond Yield Spreads are percentages.

The main observations for these 2 periods are:

- No country is impacted by Bad Greek debt related events during the period 1-1 (30/09/2009 – 30/10/2010). The Sovereign Bond market has not incorporated early enough such information.
- During the 2nd period (30/09/2010 – 30/05/2012) we can observe that all countries except from the UK, present string statistical significance in the coefficient of the Dummy variable (< 0,05).
- R-Squared (though not a critical factor for the purpose of our exercise) is satisfactory except from the case of the Netherlands.
- The UK equation Dummy variable results non statistically significant for both estimation periods.
- The Durbin Watson residuals correlation test value ranges from 1,68 – 2,07 which is a satisfactory value.
- During the 2nd period (4-11), Portugal, Spain and Italy present lower coefficients of the Dummy variable than the core EMU countries. This may be due to the Bond buying program initiated by the ECB in August 2011, which immunizes (partially

though) those countries' bonds from Greek debt related adverse shocks. An alternative explanation may reside in that the core EMU countries have been assuming large part of the rescue mechanism burden and this might be generating a market concern regarding their already tight finances.

- All models but France and Finland include at least on autoregressive term in their specification (Italy: -1 and -2 lags)

6.2.2 Observations from estimation in the full set of sub-periods

We provide hereunder a more detailed analysis of the equation estimations results for the sub-periods defined in Chapter 6. Results per period appear in the Appendices section.

From period 1-1, 2-1 and 3-1 results, we can observe the gradual propagation of the Greek Bad Facts impact (this is deduced by jointly examining the summary tables or periods 1-1 and 2-1). Following an initial 3 month period where no impact is witnessed, Belgium and Italy first (period 2-1), followed by Portugal and Spain (period 3-1), demonstrate abrupt and high coefficients of their respective Dummy variables.

The overall lagged response of the Sovereign Bond market (also supported by review of the analysis of the full set of estimation periods, Appendix 1) indicates that the Sovereign Bond markets have not identified the underlying risks of the Greek case during the first semester its evolution, as at least they have been reflected on the Greek debt adverse developments during this period.

By extending the estimation period to span from point 1 to 8, we observe that:

- Italy, Spain, Portugal and Belgium are still the countries shown as affected from Greek Bad Facts, being Belgium the most sensitive one (20 bps on its 10 year Bond logarithmic differential, upon a Greek Bad Fact on average).
- There is a significant alleviation (depicted in Bad Fact Dummy variable coefficient reduction with respect to period 3-1) for the Spanish, Portuguese, Italian but also Belgian 10 Year Bond Spreads.
- Italian, Spanish and Portuguese spreads are depicting to a certain extent, the effect by the CEB's bond buying program, announced on August 2011, as they appear to be less impacted than the Belgium 10 year spreads of the Bund.

Their received impact (as expressed through their Dummy variable coefficient, is decreased with respect to the one observed for periods 2-1 and 3-1 (second semester after September 2009).

Portugal enters into crisis early enough therefore the evolution of its own public finance problems is prevailing and is directly assessed by the market vis à vis Greece related, respective developments.

This same argumentation could also be valid in partially explaining the low impact observed (through the regression Dummy variable coefficient value) on Spanish 10 Year Bond Yield Spreads over the Bund.

When the sample period is extended to include the PSI successful completion, no change is observed in terms of extent and magnitude of the Greek Bad Facts impact.

Belgium is the non PIS (PORTUGAL, ITALY, SPAIN) country with the weakest public finances and this might be explaining the reason for appearing within the countries affected. Nevertheless, it is surprising to see it leading the list in terms of impact magnitude (Dummy variable coefficient). This is also visible in the estimation periods 1-11, 2-11, 3-11, 2-9 etc.

By removing the initial 3 months (period 2-8) of the period under review, all countries expect from France start showing significantly increased sensitivity with respect to the respective 1-8 period results.

This reinforces the observation about a late (well after thr first quarter of crisis) reaction of the Sovereign Bond market to the Greek realetd debt news and announcements.

In addition, the core EMU countries appear (in that case) as more sensitive than PIS (PORTUGAL, ITALY, SPAIN).

Again this can be attributed to the smoothening effect of impact to PIS as we increase as they are getting more focus by the markets on their own problems and related developments (markets might consider such news directly related to PIS as more relevant in terms of information carriage and signaling).

In period 2-9, spreads over the bund for almost all countries under review (France being the exception) seem interrelated with the Greek story developments. Inferred impact on Belgium spreads is increasing and remains by far ahead of the rest of countries while the core EMU country spreads remain higher than the ones of PIS (PORTUGAL, ITALY, SPAIN).

By setting the review period to 2-11 we observe very slight decrease in the respective coefficients as compared to the ones of 2-9 which might be implying that the Greek elections uncertainty has not been yet addressed by Sovereign debt market or that it is not considered an issue any more given the PSI and the EMU back stop mechanisms in place.

As also shown by the full regression results tables (all the legitimate period start – end combinations), French spreads over the Bund in periods 3-7 and on but especially 4-6 and on presenting a significant increase in terms of sensitivity to Greek adverse facts.

It is one of the countries which carry and are expected to carry the largest part of the rescue mechanisms. As more countries (Portugal, Ireland, Spain) have been incorporated in the EMU-IMF rescue umbrella, any new indication of deterioration for Greece appears to have a rather leveraged effect (direct or through spillover mechanisms to the rest of the financially weak countries).

In periods 4-8 and 4-9 the impact of Greek debt related Bad Facts is maximized for the Core EMU countries only (as per the periods presented above). PIS (PORTUGAL, ITALY, SPAIN) and Belgium spreads have experienced their maxima in terms of impact absorbed, in periods 2-1 and 3-1 showing a very high initial impulse which is decreasing as we shift the regression estimation sample period to the right.

FINLAND

Dependent Variable: RET_BUNDSPR_10YR_FI
Method: Least Squares
Date: 09/06/13 Time: 10:00
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	0.013152	0.012528	1.049773	0.2948
RET_ITRXTX5I	-5.020079	0.769635	-6.522675	0.0000

R-squared	0.172090	Mean dependent var	-0.000904
Adjusted R-squared	0.168989	S.D. dependent var	0.074955
S.E. of regression	0.068329	Akaike info criterion	-2.521571
Sum squared resid	1.246566	Schwarz criterion	-2.494845
Log likelihood	341.1514	Hannan-Quinn criter.	-2.510838
Durbin-Watson stat	1.838732		

Dependent Variable: RET_BUNDSPR_10YR_FI
Method: Least Squares
Date: 09/06/13 Time: 10:01
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.023323	0.006128	-3.805758	0.0002
RET_ITRXTX5I	-2.969686	0.440641	-6.739474	0.0000

R-squared	0.133557	Mean dependent var	-0.000517
Adjusted R-squared	0.131434	S.D. dependent var	0.056386
S.E. of regression	0.052550	Akaike info criterion	-3.049250
Sum squared resid	1.126678	Schwarz criterion	-3.029659
Log likelihood	627.0963	Hannan-Quinn criter.	-3.041500
Durbin-Watson stat	1.961694		

FRANCE

Dependent Variable: RET_BUNDSPR_10YR_FR
Method: Least Squares
Date: 09/06/13 Time: 10:02
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	0.015671	0.011646	1.345664	0.1796
RET_EURUSD	-0.587119	0.579682	-1.012830	0.3121
RET_ITRXTX5I	-4.615551	0.697533	-6.616964	0.0000

R-squared	0.243568	Mean dependent var	0.000362
Adjusted R-squared	0.237881	S.D. dependent var	0.061319
S.E. of regression	0.053531	Akaike info criterion	-3.006032
Sum squared resid	0.762233	Schwarz criterion	-2.965942
Log likelihood	407.3113	Hannan-Quinn criter.	-2.989932
Durbin-Watson stat	1.682560		

Dependent Variable: RET_BUNDSPR_10YR_FR
Method: Least Squares
Date: 09/06/13 Time: 10:02
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.017117	0.007842	-2.182659	0.0296
RET_EURUSD	-1.588823	0.569009	-2.792265	0.0055
RET_ITRXTX5I	-3.684377	0.666989	-5.523894	0.0000

R-squared	0.250759	Mean dependent var	0.001940
Adjusted R-squared	0.247077	S.D. dependent var	0.062434
S.E. of regression	0.054175	Akaike info criterion	-2.985920
Sum squared resid	1.194498	Schwarz criterion	-2.956533
Log likelihood	615.1135	Hannan-Quinn criter.	-2.974293
Durbin-Watson stat	2.060572		

ITALY

Dependent Variable: RET_BUNDSPR_10YR_IT
Method: Least Squares
Date: 09/06/13 Time: 10:03
Sample: 9/30/2009 10/29/2010
Included observations: 265
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_IT(-1)	0.141056	0.062948	2.240847	0.0259
RET_BUNDSPR_10YR_IT(-2)	-0.197818	0.075929	-2.605310	0.0097
FACTEVENTS_ONLYB	-0.007711	0.008265	-0.933010	0.3517
RET_EURUSD	-0.839876	0.420296	-1.998297	0.0467
RET_VIX	0.314179	0.086239	3.643100	0.0003

R-squared	0.337451	Mean dependent var	0.001996
Adjusted R-squared	0.327258	S.D. dependent var	0.049063
S.E. of regression	0.040242	Akaike info criterion	-3.569144
Sum squared resid	0.421040	Schwarz criterion	-3.501602
Log likelihood	477.9115	Hannan-Quinn criter.	-3.542006
Durbin-Watson stat	1.922866		

Dependent Variable: RET_BUNDSPR_10YR_IT
Method: Least Squares
Date: 09/06/13 Time: 10:04
Sample: 9/30/2010 5/30/2012
Included observations: 403
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_IT(-1)	0.132834	0.043230	3.072706	0.0023
RET_BUNDSPR_10YR_IT(-2)	-0.118144	0.046656	-2.532263	0.0117
FACTEVENTS_ONLYB	-0.012460	0.005518	-2.258342	0.0245
RET_EURUSD	-2.841552	0.375636	-7.564641	0.0000
RET_VIX	0.058306	0.053692	1.085940	0.2782

R-squared	0.289277	Mean dependent var	0.001898
Adjusted R-squared	0.282134	S.D. dependent var	0.045025
S.E. of regression	0.038148	Akaike info criterion	-3.682335
Sum squared resid	0.579210	Schwarz criterion	-3.632721
Log likelihood	746.9906	Hannan-Quinn criter.	-3.662693
Durbin-Watson stat	1.932929		

NETHERLANDS

Dependent Variable: RET_BUNDSPR_10YR_NL
Method: Least Squares
Date: 09/06/13 Time: 10:06
Sample: 9/30/2009 10/29/2010
Included observations: 265
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_NL(-2)	-0.120198	0.047802	-2.514514	0.0125
FACTEVENTS_ONLYB	0.011012	0.013867	0.794142	0.4278
RET_EURUSD	-1.541214	0.675440	-2.281792	0.0233
RET_VIX	0.233037	0.078949	2.951738	0.0034

R-squared	0.097485	Mean dependent var	-0.002302
Adjusted R-squared	0.087111	S.D. dependent var	0.075260
S.E. of regression	0.071907	Akaike info criterion	-2.411895
Sum squared resid	1.349548	Schwarz criterion	-2.357861
Log likelihood	323.5760	Hannan-Quinn criter.	-2.390185
Durbin-Watson stat	1.836734		

Dependent Variable: RET_BUNDSPR_10YR_NL
Method: Least Squares
Date: 09/06/13 Time: 10:07
Sample: 9/30/2010 5/30/2012
Included observations: 403
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_NL(-2)	-0.049627	0.044602	-1.112656	0.2665
FACTEVENTS_ONLYB	-0.017465	0.006661	-2.621881	0.0091
RET_EURUSD	-1.575748	0.464903	-3.389416	0.0008
RET_VIX	0.142401	0.042531	3.348205	0.0009

R-squared	0.091657	Mean dependent var	0.001693
Adjusted R-squared	0.084828	S.D. dependent var	0.064882
S.E. of regression	0.062069	Akaike info criterion	-2.711270
Sum squared resid	1.537163	Schwarz criterion	-2.671578
Log likelihood	550.3209	Hannan-Quinn criter.	-2.695556
Durbin-Watson stat	1.872785		

SPAIN

Dependent Variable: RET_BUNDSPR_10YR_SP
Method: Least Squares
Date: 09/06/13 Time: 10:09
Sample: 9/30/2009 10/29/2010
Included observations: 257
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_SP(-1)	0.216492	0.044875	4.824336	0.0000
FACTEVENTS_ONLYB	-0.008111	0.009660	-0.839613	0.4019
RET_VIX(-1)	-0.296610	0.096567	-3.071549	0.0024
RET_ITRXTX5I	-5.975470	1.135499	-5.262417	0.0000

R-squared	0.451258	Mean dependent var	0.003052
Adjusted R-squared	0.444752	S.D. dependent var	0.058700
S.E. of regression	0.043740	Akaike info criterion	-3.405649
Sum squared resid	0.484045	Schwarz criterion	-3.350410
Log likelihood	441.6259	Hannan-Quinn criter.	-3.383435
Durbin-Watson stat	1.988312		

Dependent Variable: RET_BUNDSPR_10YR_SP
Method: Least Squares
Date: 09/06/13 Time: 10:09
Sample (adjusted): 9/30/2010 5/28/2012
Included observations: 390 after adjustments
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_SP(-1)	0.172661	0.043077	4.008194	0.0001
FACTEVENTS_ONLYB	-0.015741	0.004278	-3.679810	0.0003
RET_VIX(-1)	-0.139309	0.026031	-5.351671	0.0000
RET_ITRXTX5I	-3.666950	0.445556	-8.230055	0.0000

R-squared	0.321254	Mean dependent var	0.002294
Adjusted R-squared	0.315979	S.D. dependent var	0.043909
S.E. of regression	0.036315	Akaike info criterion	-3.782960
Sum squared resid	0.509053	Schwarz criterion	-3.742281
Log likelihood	741.6772	Hannan-Quinn criter.	-3.766835
Durbin-Watson stat	1.960624		

UK

Dependent Variable: RET_BUNDSPR_10YR_UK
Method: Least Squares
Date: 09/06/13 Time: 10:11
Sample: 9/30/2009 10/29/2010
Included observations: 283
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_UK(-1)	-0.034298	0.059901	-0.572576	0.5674
FACTEVENTS_ONLYB	-0.011029	0.009925	-1.111290	0.2674
RET_EURUSD	-1.676709	0.400484	-4.186709	0.0000

R-squared	0.043115	Mean dependent var	0.001311
Adjusted R-squared	0.036280	S.D. dependent var	0.056128
S.E. of regression	0.055101	Akaike info criterion	-2.948767
Sum squared resid	0.850102	Schwarz criterion	-2.910123
Log likelihood	420.2506	Hannan-Quinn criter.	-2.933272
Durbin-Watson stat	1.998761		

Dependent Variable: RET_BUNDSPR_10YR_UK
Method: Least Squares
Date: 09/06/13 Time: 10:12
Sample: 9/30/2010 5/30/2012
Included observations: 428
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_UK(-1)	-0.266015	0.117497	-2.264018	0.0241
FACTEVENTS_ONLYB	0.004754	0.013355	0.355978	0.7220
RET_EURUSD	-5.623713	2.101572	-2.675955	0.0077

R-squared	0.106327	Mean dependent var	0.001212
Adjusted R-squared	0.102121	S.D. dependent var	0.196292
S.E. of regression	0.185999	Akaike info criterion	-0.519165
Sum squared resid	14.70317	Schwarz criterion	-0.490713
Log likelihood	114.1012	Hannan-Quinn criter.	-0.507928
Durbin-Watson stat	2.181967		

AUSTRIA

Dependent Variable: RET_BUNDSPR_10YR_AU
Method: Least Squares
Date: 09/06/13 Time: 10:13
Sample: 9/30/2009 10/29/2010
Included observations: 252
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_AU(-1)	0.244865	0.106035	2.309280	0.0218
FACTEVENTS_ONLYB	0.005251	0.010750	0.488452	0.6257
RET_VIX	0.154609	0.074084	2.086943	0.0379
RET_VIX(-1)	-0.045155	0.059676	-0.756660	0.4500
RET_ITRXTX5I	-2.730979	0.549058	-4.973933	0.0000
RET_EURUSD	-0.704298	0.634677	-1.109695	0.2682

R-squared	0.251932	Mean dependent var	-0.000625
Adjusted R-squared	0.236728	S.D. dependent var	0.065078
S.E. of regression	0.056856	Akaike info criterion	-2.873084
Sum squared resid	0.795208	Schwarz criterion	-2.789050
Log likelihood	368.0086	Hannan-Quinn criter.	-2.839271
Durbin-Watson stat	1.830354		

Dependent Variable: RET_BUNDSPR_10YR_AU
Method: Least Squares
Date: 09/06/13 Time: 10:14
Sample (adjusted): 9/30/2010 5/25/2012
Included observations: 380 after adjustments
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_AU(-1)	0.096095	0.043915	2.188223	0.0293
FACTEVENTS_ONLYB	-0.020767	0.006744	-3.079318	0.0022
RET_VIX	0.069848	0.044340	1.575299	0.1160
RET_VIX(-1)	-0.079190	0.035521	-2.229370	0.0264
RET_ITRXTX5I	-2.849940	0.624991	-4.559969	0.0000
RET_EURUSD	-1.111200	0.527759	-2.105507	0.0359

R-squared	0.248344	Mean dependent var	-0.000255
Adjusted R-squared	0.238295	S.D. dependent var	0.056285
S.E. of regression	0.049123	Akaike info criterion	-3.173298
Sum squared resid	0.902504	Schwarz criterion	-3.111085
Log likelihood	608.9266	Hannan-Quinn criter.	-3.148611
Durbin-Watson stat	1.911282		

BELGIUM

Dependent Variable: RET_BUNDSPR_10YR_BE
Method: Least Squares
Date: 09/06/13 Time: 10:18
Sample: 9/30/2009 10/29/2010
Included observations: 257
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_BE(-1)	0.173884	0.067194	2.587785	0.0102
RET_VIX(-1)	-0.208515	0.092838	-2.245998	0.0256
RET_ITRXTX5I	-5.964104	1.077634	-5.534443	0.0000
RET_EURUSD	0.087600	0.552974	0.158416	0.8743
FACTEVENTS_ONLYB	-0.023541	0.020771	-1.133341	0.2581

R-squared	0.295278	Mean dependent var	0.001453
Adjusted R-squared	0.284092	S.D. dependent var	0.071908
S.E. of regression	0.060843	Akaike info criterion	-2.741788
Sum squared resid	0.932861	Schwarz criterion	-2.672739
Log likelihood	357.3197	Hannan-Quinn criter.	-2.714020
Durbin-Watson stat	2.076545		

Dependent Variable: RET_BUNDSPR_10YR_BE
Method: Least Squares
Date: 09/06/13 Time: 10:18
Sample (adjusted): 9/30/2010 5/28/2012
Included observations: 390 after adjustments
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_BE(-1)	0.195441	0.038590	5.064512	0.0000
RET_VIX(-1)	-0.128622	0.027708	-4.642143	0.0000
RET_ITRXTX5I	-3.996211	0.459635	-8.694324	0.0000
RET_EURUSD	-1.508341	0.390086	-3.866692	0.0001
FACTEVENTS_ONLYB	-0.018319	0.007091	-2.583589	0.0101

R-squared	0.417695	Mean dependent var	0.000514
Adjusted R-squared	0.411645	S.D. dependent var	0.052660
S.E. of regression	0.040393	Akaike info criterion	-3.567598
Sum squared resid	0.628154	Schwarz criterion	-3.516750
Log likelihood	700.6817	Hannan-Quinn criter.	-3.547442
Durbin-Watson stat	2.005127		

PORTUGAL

Dependent Variable: RET_BUNDSPR_10YR_PT
Method: Least Squares
Date: 09/06/13 Time: 10:19
Sample: 9/30/2009 10/29/2010
Included observations: 257
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_PT(-1)	0.318696	0.054903	5.804693	0.0000
RET_BUNDSPR_10YR_PT(-2)	-0.157319	0.057735	-2.724863	0.0069
FACTEVENTS_ONLYB	-0.013384	0.012214	-1.095726	0.2742
RET_VIX(-1)	-0.309913	0.137830	-2.248512	0.0254
RET_ITRXTX5I	-6.627682	1.956195	-3.388048	0.0008

R-squared	0.404161	Mean dependent var	0.005340
Adjusted R-squared	0.394703	S.D. dependent var	0.071989
S.E. of regression	0.056008	Akaike info criterion	-2.907387
Sum squared resid	0.790493	Schwarz criterion	-2.838339
Log likelihood	378.5992	Hannan-Quinn criter.	-2.879619
Durbin-Watson stat	2.067660		

Dependent Variable: RET_BUNDSPR_10YR_PT
Method: Least Squares
Date: 09/06/13 Time: 10:21
Sample (adjusted): 9/30/2010 5/28/2012
Included observations: 389 after adjustments
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_BUNDSPR_10YR_PT(-1)	0.262542	0.080759	3.250934	0.0013
RET_BUNDSPR_10YR_PT(-2)	0.011691	0.050199	0.232899	0.8160
FACTEVENTS_ONLYB	-0.010141	0.003851	-2.633580	0.0088
RET_ITRXTX5I	-1.389385	0.330262	-4.206915	0.0000
RET_VIX(-1)	-0.029020	0.019183	-1.512778	0.1312

R-squared	0.144959	Mean dependent var	0.001148
Adjusted R-squared	0.136052	S.D. dependent var	0.032399
S.E. of regression	0.030115	Akaike info criterion	-4.154837
Sum squared resid	0.348247	Schwarz criterion	-4.103892
Log likelihood	813.1159	Hannan-Quinn criter.	-4.134640
Durbin-Watson stat	1.843202		

6.3 5 YEAR CDS PREMIUM

The same process and approach has been followed as the one described in the section 6.2, for the regression equations of the 10 Year Bond Spread Yields.

We indicatively present hereunder the detailed results for the sub-periods 1-1 and 4-11.

The countries selected include now Germany, as opposed to the case of the Bond Yield Spreads, as the German 10 year Bund had been considered as a risk free reference bond (Spread = 0).

6.3.1 RESULTS SUMMARY AND ANALYSIS PER PERIOD

CDS Premium of [Country]	Sample Start Date	Sample Start Date	Bad Fact Dummy Var Coefficient	Sample Start	Sample Extent
FINLAND	30/9/2009	30/10/2010	-0.014841	1	1
ITALY	30/9/2009	30/10/2010	-0,019102	1	1
SPAIN	30/9/2009	30/10/2010	-0,018496	1	1
NETHERLANDS	30/9/2009	30/10/2010	-0,015502	1	1
FRANCE	30/9/2009	30/10/2010	-0,013861	1	1
AUSTRIA	30/9/2009	30/10/2010	-0,013816	1	1
PORTUGAL	30/9/2009	30/10/2010	-0,019274	1	1
BELGIUM	30/9/2009	30/10/2010	-0,020500	1	1
GERMANY	30/9/2009	30/10/2010	-0.015411	1	1
UK	30/9/2009	30/10/2010	-0.010820	1	1

CDS Premium of [Country]	Sample Start Date	Sample Start Date	Bad Fact Dummy Var Coefficient	Sample Start	Sample Extent
FINLAND	30/9/2010	30/5/2012	-0.011077	4	11
ITALY	30/9/2010	30/5/2012	-0,008639	4	11
SPAIN	30/9/2010	30/5/2012	0	4	11
NETHERLANDS	30/9/2010	30/5/2012	-0,011557	4	11
FRANCE	30/9/2010	30/5/2012	-0,008885	4	11
AUSTRIA	30/9/2010	30/5/2012	-0,009852	4	11
PORTUGAL	30/9/2010	30/5/2012	0	4	11
BELGIUM	30/9/2010	30/5/2012	-0,011152	4	11
GERMANY	30/9/2010	30/5/2012	0	4	11
UK	30/9/2010	30/5/2012	0	4	11

The main observations for these 2 periods are:

- The 5 Year CDS coefficient of the Greek debt related Bad Fact is statistically significant for all countries when the model is estimated for the period 1-1. The CDS market reacts immediately to the adverse developments of the Greek economy.
- Belgium, Italy, Spain and Portugal are the countries appearing as more sensitive to the adverse Greek information shocks.
- The UK 5 Year CDS premia seem also tracking impulses provoked by facts that deteriorate the Greek debt outlook, while this was not the case in either of the estimations performed for its Bond Yield Spreads.
- Spain, Portugal, Germany and the UK are the countries for which the Dummy variable results not statistically significant statistical significance in their equation estimation for the 2^{nd} period (4-1). Spain and Portugal are troubled economies and they already had received market focus for a large period therefore their domestic

developments may override Greek shocks. Such behavioe might also be due to the effect of the ESM (calm default fears temporarily) and the ECB Sovereign Bond buying program for Spain, Portugal and Italy (Italy has a rather low coefficient of its regression Dummy term). Spanish banking sector support received may also have influenced towards this.

- Almost all countries present a lower Bad Fact Dummy variable coefficient in the 2nd period while there.
- The estimated model in several cases resulted in a Lag 1 Dummy variable term instead of the concurrent one which has been eliminated during the model reduction process described in previous sections (Italy, Belgium, Portugal) while 5 models have resulted with Autoregressive terms (Italy, Belgium, Portugal, Spain, Austria).

6.3.2 Observations from estimation in the full set of sub-periods

We provide hereunder a more detailed analysis of the equation estimations results for the sub-periods defined in Chapter 6. Results per period appear in the Appendices section.

We observe how PIS (Portugal, Italy, Spain) along with Belgium 5 Year CDS Premiums are in the forefront in terms of statistically significant impact caused by the Greek Debt related Bad Facts for period 1-1 i.e. a period almost equivalent to the very beginning of the EMU debt crisis (including the first Greek resue package and its aftermath).

Unlike the Sovereign Bond market, we can see how the CDS market looks incorporating immediately released information on Greek debt developments (this is one of the plausible explanations) or, given the fact that the CDS market regulation did not prohibit naked CDS trading, the market participants/players heavily speculated in this OTC market (*see also Dammette and Jouté's, 2010*).

We can see how Portugal, France and the UK, appear as insensitive to adverse information shocks stemming from the Greek reality, during the 2-1 period while only the Netherlands, Belgium and Germany Bond Yields are presenting sensitivity to Greek debt bad events in period 3-1.

The early incorporation of information about Portugal (credit rating downgrades and discussion about its public finances and contractive fiscal policy), Spain (cut its deficit target, trimmed its growth outlook and got downgraded twice) and possibly Italy (high deficit and debt discussions led to public spending cuts announced by Berlusconi on May 27 2010) by the CDS market, might be the reason for zero impact on Portuguese, Spanish and Italian bonds spreads (this would entail that Greel shocks might not produce additional focus and reaction by the markets to Italian, Spanish or Portuguese public finances .

It has to be noted that such information had a significantly lower effect in 10 Year Bond spreads for 3-1 period where Portugal presented a relatively very high Greek Bad Fact Dummy coefficient along with Spain, Portugal and Belgium.

Portugal and the UK revert to zero sensitivity in period 3-9 and on. Portugal practically (see full list of periods estimated in Appendix) seems immune to Greek origin bad shocks for any period starting at points 3 or 4 (this is also the case for the UK) while this is totally inverted when looking at its respective Bond Spreads behavior.

Impact of Greece debt related adverse facts is neutralized for any period after 4-5 and 4-2 for Germany and Spain respectively.

UK remains indifferent to Greek Bad for any period starting at 3 or 4.

BELGIUM

Dependent Variable: RET_CDS_5YR_BE
Method: Least Squares
Date: 09/06/13 Time: 07:21
Sample: 9/30/2009 10/28/2011
Included observations: 514
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_BE(-1)	0.140304	0.042021	3.338889	0.0009
FACTEVENTS_ONLYB(-1)	-0.016941	0.004484	-3.778026	0.0002
RET_ITRXTX5I(-1)	-3.752432	0.332309	-11.29200	0.0000
RET_EURUSD	-0.573149	0.189439	-3.025506	0.0026

R-squared	0.351915	Mean dependent var	0.003492
Adjusted R-squared	0.348103	S.D. dependent var	0.042451
S.E. of regression	0.034275	Akaike info criterion	-3.901058
Sum squared resid	0.599130	Schwarz criterion	-3.868045
Log likelihood	1006.572	Hannan-Quinn criter.	-3.888119
Durbin-Watson stat	1.993244		

Dependent Variable: RET_CDS_5YR_BE
Method: Least Squares
Date: 09/06/13 Time: 07:22
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_BE(-1)	0.141107	0.047148	2.992859	0.0029
FACTEVENTS_ONLYB(-1)	-0.008767	0.004328	-2.025746	0.0434
RET_ITRXTX5I(-1)	-4.315429	0.306686	-14.07114	0.0000
RET_EURUSD	-0.453090	0.199566	-2.270378	0.0237

R-squared	0.460433	Mean dependent var	0.001483
Adjusted R-squared	0.456446	S.D. dependent var	0.041654
S.E. of regression	0.030710	Akaike info criterion	-4.118755
Sum squared resid	0.382898	Schwarz criterion	-4.079573
Log likelihood	848.3448	Hannan-Quinn criter.	-4.103254
Durbin-Watson stat	1.941942		

FINLAND

Dependent Variable: RET_CDS_5YR_FI
Method: Least Squares
Date: 09/06/13 Time: 07:24
Sample: 9/30/2009 10/28/2011
Included observations: 511
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.011594	0.004663	-2.486604	0.0132
RET_ITRXTX5I	-2.816917	0.307829	-9.150917	0.0000
RET_EURUSD	-0.422097	0.245958	-1.716133	0.0867

R-squared	0.252299	Mean dependent var	0.001501
Adjusted R-squared	0.249355	S.D. dependent var	0.038107
S.E. of regression	0.033016	Akaike info criterion	-3.977803
Sum squared resid	0.553744	Schwarz criterion	-3.952932
Log likelihood	1019.329	Hannan-Quinn criter.	-3.968053
Durbin-Watson stat	2.013444		

Dependent Variable: RET_CDS_5YR_FI
Method: Least Squares
Date: 09/06/13 Time: 07:25
Sample: 9/30/2010 5/30/2012
Included observations: 407
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.011077	0.004794	-2.310665	0.0214
RET_ITRXTX5I	-3.413487	0.328379	-10.39494	0.0000
RET_EURUSD	-0.543709	0.250589	-2.169728	0.0306

R-squared	0.434291	Mean dependent var	0.002700
Adjusted R-squared	0.431490	S.D. dependent var	0.036106
S.E. of regression	0.027224	Akaike info criterion	-4.362089
Sum squared resid	0.299424	Schwarz criterion	-4.332540
Log likelihood	890.6851	Hannan-Quinn criter.	-4.350395
Durbin-Watson stat	1.903104		

FRANCE
Dependent Variable: RET_CDS_5YR_FR
Method: Least Squares
Date: 09/06/13 Time: 07:40
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.013861	0.006777	-2.045442	0.0418
RET_ITRXTX5I	-3.139441	0.459476	-6.832657	0.0000

R-squared	0.161366	Mean dependent var	0.003733
Adjusted R-squared	0.158225	S.D. dependent var	0.049514
S.E. of regression	0.045428	Akaike info criterion	-3.337958
Sum squared resid	0.551015	Schwarz criterion	-3.311232
Log likelihood	450.9554	Hannan-Quinn criter.	-3.327225
Durbin-Watson stat	2.204482		

Dependent Variable: RET_CDS_5YR_FR
Method: Least Squares
Date: 09/06/13 Time: 15:42
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.008885	0.004533	-1.960178	0.0507
RET_ITRXTX5I	-4.348266	0.321541	-13.52321	0.0000

R-squared	0.408267	Mean dependent var	0.002110
Adjusted R-squared	0.406817	S.D. dependent var	0.042037
S.E. of regression	0.032376	Akaike info criterion	-4.017905
Sum squared resid	0.427680	Schwarz criterion	-3.998314
Log likelihood	825.6704	Hannan-Quinn criter.	-4.010154
Durbin-Watson stat	2.134772		

Dependent Variable: RET_CDS_5YR_FR
Method: Least Squares
Date: 09/06/13 Time: 07:42
Sample: 9/30/2010 5/30/2012
Included observations: 391
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.009780	0.004334	-2.256866	0.0246
RET_ITRXTX5I	-3.983514	0.401610	-9.918859	0.0000
RET_VIX	0.059701	0.026399	2.261463	0.0243

R-squared	0.416646	Mean dependent var	0.001977
Adjusted R-squared	0.413639	S.D. dependent var	0.042326
S.E. of regression	0.032411	Akaike info criterion	-4.013015
Sum squared resid	0.407575	Schwarz criterion	-3.982564
Log likelihood	787.5444	Hannan-Quinn criter.	-4.000945
Durbin-Watson stat	2.069067		

ITALY

Dependent Variable: RET_CDS_5YR_IT
Method: Least Squares
Date: 09/06/13 Time: 07:43
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_IT(-1)	0.140873	0.054445	2.587442	0.0102
FACTEVENTS_ONLYB(-1)	-0.019102	0.005781	-3.304369	0.0011
RET_ITRXTX5I(-1)	-5.040557	0.725983	-6.943080	0.0000

R-squared	0.436029	Mean dependent var	0.002131
Adjusted R-squared	0.431788	S.D. dependent var	0.052439
S.E. of regression	0.039528	Akaike info criterion	-3.612514
Sum squared resid	0.415620	Schwarz criterion	-3.572424
Log likelihood	488.8832	Hannan-Quinn criter.	-3.596414
Durbin-Watson stat	1.765800		

Dependent Variable: RET_CDS_5YR_IT
Method: Least Squares
Date: 09/06/13 Time: 07:44
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_IT(-1)	0.144687	0.037862	3.821448	0.0002
FACTEVENTS_ONLYB(-1)	-0.008639	0.004406	-1.960769	0.0506
RET_ITRXTX5I(-1)	-4.223949	0.355791	-11.87198	0.0000

R-squared	0.439864	Mean dependent var	0.002244
Adjusted R-squared	0.437112	S.D. dependent var	0.041432
S.E. of regression	0.031085	Akaike info criterion	-4.096891
Sum squared resid	0.393275	Schwarz criterion	-4.067505
Log likelihood	842.8627	Hannan-Quinn criter.	-4.085265
Durbin-Watson stat	1.886626		

NETHERLANDS

Dependent Variable: RET_CDS_5YR_NL
Method: Least Squares
Date: 09/06/13 Time: 07:46
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.016132	0.005323	-3.030626	0.0027
RET_ITRXTX5I	-2.892191	0.366891	-7.882976	0.0000

R-squared	0.249192	Mean dependent var	0.000898
Adjusted R-squared	0.246380	S.D. dependent var	0.038046
S.E. of regression	0.033028	Akaike info criterion	-3.975515
Sum squared resid	0.291257	Schwarz criterion	-3.948789
Log likelihood	536.7068	Hannan-Quinn criter.	-3.964782
Durbin-Watson stat	2.088053		

Dependent Variable: RET_CDS_5YR_NL
Method: Least Squares
Date: 09/06/13 Time: 07:47
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.012486	0.004751	-2.628251	0.0089
RET_ITRXTX5I	-3.998531	0.259221	-15.42519	0.0000

R-squared	0.438363	Mean dependent var	0.002609
Adjusted R-squared	0.436986	S.D. dependent var	0.037811
S.E. of regression	0.028371	Akaike info criterion	-4.282036
Sum squared resid	0.328404	Schwarz criterion	-4.262445
Log likelihood	879.8174	Hannan-Quinn criter.	-4.274285
Durbin-Watson stat	1.814359		

PORTUGAL

Dependent Variable: RET_CDS_5YR_PT
Method: Least Squares
Date: 09/06/13 Time: 09:33
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_PT(-1)	0.214518	0.041867	5.123738	0.0000
FACTEVENTS_ONLYB	-0.021211	0.010158	-2.088168	0.0377
RET_ITRXTX5I	-4.860659	0.891942	-5.449523	0.0000

R-squared	0.381155	Mean dependent var	0.006002
Adjusted R-squared	0.376502	S.D. dependent var	0.060073
S.E. of regression	0.047435	Akaike info criterion	-3.247842
Sum squared resid	0.598510	Schwarz criterion	-3.207753
Log likelihood	439.8348	Hannan-Quinn criter.	-3.231742
Durbin-Watson stat	1.696969		

Dependent Variable: RET_CDS_5YR_PT
Method: Least Squares
Date: 09/06/13 Time: 09:36
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_PT(-1)	0.212208	0.048864	4.342824	0.0000
FACTEVENTS_ONLYB	-0.002679	0.004381	-0.611530	0.5412
RET_ITRXTX5I	-2.546777	0.340105	-7.488217	0.0000

R-squared	0.265091	Mean dependent var	0.002319
Adjusted R-squared	0.261479	S.D. dependent var	0.033692
S.E. of regression	0.028954	Akaike info criterion	-4.238956
Sum squared resid	0.341192	Schwarz criterion	-4.209570
Log likelihood	871.9861	Hannan-Quinn criter.	-4.227330
Durbin-Watson stat	1.961874		

SPAIN

Dependent Variable: RET_CDS_5YR_SP
Method: Least Squares
Date: 09/06/13 Time: 09:38
Sample: 9/30/2009 10/29/2010
Included observations: 257
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_SP(-3)	-0.211953	0.070466	-3.007865	0.0029
FACTEVENTS_ONLYB	-0.018496	0.006666	-2.774803	0.0059
RET_ITRXTX5I	-5.158957	0.722870	-7.136773	0.0000
RET_VIX(-1)	-0.212446	0.056801	-3.740156	0.0002
RET_EURUSD(-1)	-0.853459	0.417859	-2.042456	0.0421

R-squared	0.382956	Mean dependent var	0.003147
Adjusted R-squared	0.373162	S.D. dependent var	0.057682
S.E. of regression	0.045669	Akaike info criterion	-3.315551
Sum squared resid	0.525575	Schwarz criterion	-3.246502
Log likelihood	431.0482	Hannan-Quinn criter.	-3.287783
Durbin-Watson stat	1.982406		

Dependent Variable: RET_CDS_5YR_SP
Method: Least Squares
Date: 09/06/13 Time: 09:42
Sample (adjusted): 9/30/2010 5/28/2012
Included observations: 390 after adjustments
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_SP(-3)	-0.050758	0.047884	-1.060022	0.2898
FACTEVENTS_ONLYB	-0.006813	0.004152	-1.641040	0.1016
RET_ITRXTX5I	-4.098625	0.357667	-11.45932	0.0000
RET_VIX(-1)	-0.114717	0.036077	-3.179831	0.0016
RET_EURUSD(-1)	-0.775142	0.347629	-2.229796	0.0263

R-squared	0.352794	Mean dependent var	0.001685
Adjusted R-squared	0.346070	S.D. dependent var	0.043221
S.E. of regression	0.034951	Akaike info criterion	-3.857003
Sum squared resid	0.470305	Schwarz criterion	-3.806155
Log likelihood	757.1156	Hannan-Quinn criter.	-3.836846
Durbin-Watson stat	2.026605		

UK

Dependent Variable: RET_CDS_5YR_UK
Method: Least Squares
Date: 09/06/13 Time: 09:46
Sample: 9/30/2009 10/29/2010
Included observations: 266
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.010820	0.004387	-2.466438	0.0143
RET_ITRXTX5I	-2.134312	0.401263	-5.318980	0.0000
RET_EURUSD	-0.370860	0.382171	-0.970405	0.3327

R-squared	0.212600	Mean dependent var	0.000347
Adjusted R-squared	0.206612	S.D. dependent var	0.032548
S.E. of regression	0.028992	Akaike info criterion	-4.232404
Sum squared resid	0.221056	Schwarz criterion	-4.191988
Log likelihood	565.9097	Hannan-Quinn criter.	-4.216167
Durbin-Watson stat	1.927624		

Dependent Variable: RET_CDS_5YR_UK
Method: Least Squares
Date: 09/06/13 Time: 09:48
Sample: 9/30/2010 10/30/2012
Included observations: 505
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.004328	0.003388	-1.277653	0.2020
RET_ITRXTX5I	-3.079909	0.245761	-12.53213	0.0000
RET_EURUSD	-0.847438	0.222879	-3.802228	0.0002

R-squared	0.460050	Mean dependent var	-0.002356
Adjusted R-squared	0.457898	S.D. dependent var	0.032878
S.E. of regression	0.024208	Akaike info criterion	-4.598380
Sum squared resid	0.294175	Schwarz criterion	-4.573284
Log likelihood	1164.091	Hannan-Quinn criter.	-4.588537
Durbin-Watson stat	1.857200		

GERMANY

Dependent Variable: RET_CDS_5YR_GE
Method: Least Squares
Date: 09/06/13 Time: 09:49
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.015411	0.007275	-2.118306	0.0351
RET_ITRXTX5I	-2.390095	0.395879	-6.037433	0.0000
RET_EURUSD	-0.711411	0.393119	-1.809659	0.0715

R-squared	0.194287	Mean dependent var	0.001422
Adjusted R-squared	0.188229	S.D. dependent var	0.041213
S.E. of regression	0.037133	Akaike info criterion	-3.737550
Sum squared resid	0.366770	Schwarz criterion	-3.697460
Log likelihood	505.7005	Hannan-Quinn criter.	-3.721450
Durbin-Watson stat	1.973974		

Dependent Variable: RET_CDS_5YR_GE
Method: Least Squares
Date: 09/06/13 Time: 09:51
Sample: 9/30/2010 5/30/2012
Included observations: 410
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FACTEVENTS_ONLYB	-0.006735	0.004449	-1.513575	0.1309
RET_ITRXTX5I	-3.609955	0.241736	-14.93345	0.0000
RET_EURUSD	-0.828434	0.261799	-3.164391	0.0017

R-squared	0.480709	Mean dependent var	0.002516
Adjusted R-squared	0.478157	S.D. dependent var	0.037332
S.E. of regression	0.026968	Akaike info criterion	-4.381020
Sum squared resid	0.296007	Schwarz criterion	-4.351633
Log likelihood	901.1090	Hannan-Quinn criter.	-4.369393
Durbin-Watson stat	1.807069		

AUSTRIA

Dependent Variable: RET_CDS_5YR_AU
Method: Least Squares
Date: 09/06/13 Time: 09:57
Sample: 9/30/2009 10/29/2010
Included observations: 269
Newey-West HAC Standard Errors & Covariance (lag truncation=4)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_AU(-1)	0.141425	0.052486	2.694524	0.0075
FACTEVENTS_ONLYB	-0.013816	0.004952	-2.790128	0.0056
RET_ITRXTX5I	-3.375917	0.486210	-6.943332	0.0000

R-squared	0.277309	Mean dependent var	5.00E-05
Adjusted R-squared	0.271875	S.D. dependent var	0.044433
S.E. of regression	0.037915	Akaike info criterion	-3.695861
Sum squared resid	0.382383	Schwarz criterion	-3.655772
Log likelihood	500.0934	Hannan-Quinn criter.	-3.679761
Durbin-Watson stat	1.975858		

Dependent Variable: RET_CDS_5YR_AU
Method: Least Squares
Date: 09/06/13 Time: 09:58
Sample: 9/30/2010 5/30/2012
Included observations: 406
Newey-West HAC Standard Errors & Covariance (lag truncation=5)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RET_CDS_5YR_AU(-1)	0.081798	0.047635	1.717190	0.0867
FACTEVENTS_ONLYB	-0.009852	0.003985	-2.472151	0.0138
RET_ITRXTX5I	-4.519891	0.241070	-18.74931	0.0000

R-squared	0.535899	Mean dependent var	0.001913
Adjusted R-squared	0.533595	S.D. dependent var	0.039065
S.E. of regression	0.026679	Akaike info criterion	-4.402501
Sum squared resid	0.286848	Schwarz criterion	-4.372897
Log likelihood	896.7077	Hannan-Quinn criter.	-4.390785
Durbin-Watson stat	1.917513		

7. OVERALL KEY OBSERVATIONS & REMARKS

Hereunder we present key observations and remarks that in their majority require further and deeper investigation in order to understand the underlying mechanisms and promoting the observed market movements.

- It is reasonable to conclude (despite possible limitations in terms of model selection, some possible biases from adjacent events or biases due to event selection/omission or misclassification), that the Greek related Bad Facts are statistical determinants of the Sovereign CDS premia and Bond Yield Spreads, as the the respective Dummy variable used in the regression models has proven statistically important through a large number of significant, diverse and intensive periods.

  Extrapolating such behavior in a hypothetical imminent Geek disordered default or EMU exit, it is also reasonable to consider that such trend intensifies by boosting debt and debt insurance levels, especially the ones of he CDS, as Bonds of the EMU Core may become a "safe haven" and attract investors.

- The CDS 5 YR premia, are incorporating the Greek Bad Facts impact in advance as compared to the Bond market Yield spreads during the first semester of the period under review, starting from 30/9/2009.

  While the statistically measured impact on Bond Yield spreads is non significant for the period in reference, the CDS market captures the information consistently for all countries for the majority also of the sub-periods starting within the 1st year since 30/9/2009.

- The Greek bad shocks impact on CDS premia, decreases in general as we shift the sample period towards the right end of the period under review, presenting some fluctuations also. The Core EMU countries appear to be more sensitive than Portugal, Spain and Italy, in a consistent way as we move the estimation window to the right (especially after periods starting at points 3 and 4).

  This is valid for the Bond market as well and it might have its root in the crisis wide spread to the EMU periphery after 2010 and a consequent "immunization' of the peripheral countries to Grek shocks as the markets are then focused more on domestic public finances and macroeconomic aspects. The establishment of the EMU/ECB backstop mechanisms that are starting to incorporate more countries, making use of the available fundin, charging their Balance Sheet and budget in a period of increased gloabal risk, may constitute another relevant driver of this pattern (*Alter an Beyer 2013*).

- The pattern of manifestation of impact in the Bond Yield Spreads presents the characteristics of an explosive and concurrent peak, recorded for the period 18/4/2010 – 30/10/2010 for Spain, Italy Portugal and Belgium, smoothening out in continuation.
- The Core EMU countries Bond Yield Spreads, are not affected for this same period above and present their maxima in shifted periods and in concurrent way (30/9/2010 – 15/1/2012).
- UK Bond Yield Spreads are not affected at all from Greek Bad shocks while this is not the case for the UK CDS premia.
- Belgium CDSs and Bond Yields Spreads are normally at the top of the country list in terms of Greek shocks incorporation.
- Although the effect on PIS Bond yield spreads is smoothened for the periods containing the commencement of Government Bonds buying program by the ECB (4th and 8th of August 2011) it is notable that Greek Bad Facts continue to be a determinant of those instruments' yield spreads after this date or in concurrency with rescue programs being active by EMU and IMF (Spain and Portugal).

8. LIMITATIONS AND FUTURE ENHANCEMENTS

Limitations

- One of the limitations that any event study that targets to segment the event basis may face, is the judgmental decision making at the moment of classifying an event.
- Batch and automated management of Information Platform has not been possible to technical limitations. This would have enabled incorporation and administration of much more events.

Future enhancements

- Perform the same exercise including non factual events as well as good events to identify the effect of media.

- Perform the same exercise by examining different classification combinations for selected events of ambiguous impact and expected perception by the markets i.e. change Good events to Bad as there are areas some cases where it is not fully clear (e.g. compliance to MoU I, excessive budgetary cuts etc.) that the event is an outright Good or Bad event.
- Model and estimate additional output variables such as the CDS-Bond Yield basis or the Term Structure slope and proceed to inferences regarding Greek shocks, in a similar way.

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10. APPENDICES

10.1 EVENT DESCRIPTION AND CLASSIFICATION

(includes Facts and non Facts. Filtered and cleansed to contain one event per date)

S/N	EVENT CLASS	GOOD / BAD	DESCRIPTION	DATE	DAYS SINCE LAST EVENT
1	FACT	B	EDP alert for revision of estimate for 2009 deficit to 6% and debt to 107.2% of GDP	**02/10/2009**	1000
2	FACT	B	PROVOPOULOS WARNS AFTER AN URGENT MEETING WITH FINANCES MINISTER, G. PAPACONSTANTINOU, THAT THE 2009 FISCAL BUDGET DEFICIT WILL REACH OR PROBABLY SURPASS 12% OF GDP. Στις 9-10-2009, δηλαδή 5 ημέρες μετά τις εκλογές της 4ης Οκτωβρίου 2009 πραγματοποιήθηκε συνάντηση του τότε υπουργού Οικονομικών Γ. Παπακωνσταντίνου με τον Διοικητή της Τραπέζης της Ελλάδος Γ. Προβόπουλο, προκειμένου ο τελευταίος να ενημερώσει τον νέο υπουργό Οικονομικών για τα βασικά οικονομικά μεγέθη. Σχετικά με το ύψος του ελλείμματος είχαν δηλωθεί τα ακόλουθα: «Γ. ΠΑΠΑΚΩΝΣΤΑΝΤΙΝΟΥ: «Σε συνέχεια της χθεσινής συνάντησης και ενημέρωσης του Πρωθυπουργού από τον Διοικητή της Τράπεζας της Ελλάδος, είχαμε σήμερα μια εκτενή συζήτηση για μια σειρά ζητημάτων, στα οικονομικά της χώρας μας,	**09/10/2009**	7

			μεταξύ των οποίων και το θέμα του ελλείμματος, όπως θα σας πει και ο κ. Προβόπουλος. Αυτού του είδους οι συναντήσεις θα γίνονται τακτικά». Γ. ΠΡΟΒΟΠΟΥΛΟΣ: «Είχαμε μια συνάντηση, όπως είπε και ο Υπουργός που κάλυψε την ενημέρωση σ' όλα αυτά τα θέματα. Θα σταθώ μόνο στο θέμα των δημοσιονομικών εξελίξεων και όπου και χθες σχολίασα ως αρνητικές. Αυτό που επιτρέπεται να πω στη βάση των στοιχείων των ταμειακών για την πορεία του ελλείμματος με τα πιο πρόσφατα στοιχεία του Α΄ εννεαμήνου και δυστυχώς το πρώτο εννεάμηνο προκύπτει ότι το έλλειμμα είναι της τάξης του 10%. Εάν συνυπολογίσει κανείς τη δυναμική όπως έχει διαμορφωθεί για το τι μέλλει γενέσθαι τους επόμενους μήνες θα μπορούσε κανείς να πιθανολογήσει με σχετική βεβαιότητα ότι το έλλειμμα – δυστυχώς, το ξαναλέω – θα αγγίξει αν δεν ξεπεράσει τα επίπεδα του 12%. ΔΗΜΟΣΙΟΓΡΑΦΟΣ: Άρα θα χρειασθούν μέτρα …. Γ. ΠΑΠΑΚΩΝΣΤΑΝΤΙΝΟΥ: Οπότε καταλαβαίνετε ότι έχουμε δουλειά να κάνουμε.»		
3	**FACT**	**B**	Greece admits its deficit will be almost double than estimated (up to 12.5%)	**20/10/2009**	**11**
4	**FACT**	**B**	FITCH Downgrades Greece to A- from A	**22/10/2009**	**2**
5	**FACT**	**B**	MOODYS commences review of Greece for possible downgrade	**29/10/2009**	**7**

6	**FACT**	**B**	Στις 30 Οκτωβρίου 2009- με υπουργό Οικονομικών τον Γ. Παπακωνσταντίνου- ανακοινώθηκαν από το Γενικό Λογιστήριο του Κράτους τα στοιχεία για το ύψος του ελλείμματος, το οποίο στο εννεάμηνο Ιανουαρίου-Σεπτεμβρίου είχε διαμορφωθεί σε 23 δις. ευρώ, ποσό που αντιστοιχούσε στο 9,55% του ΑΕΠ(240,8 δις ευρώ το σύνολο του ΑΕΠ)! Σύμφωνα με τα στοιχεία εκείνα: .Τα έσοδα στο εννεάμηνο εμφάνιζαν μείωση κατά 3,3% σε σχέση με το αντίστοιχο περυσινό διάστημα και σε απόλυτα νούμερα εισπράχθηκαν 1,174 δισ. ευρώ λιγότερα. Στόχος του οικονομικού επιτελείου της Ν.Δ. ήταν η αύξηση των εσόδων κατά 14,7% στο σύνολο του έτους και αυτό σημαίνει πως στο τέλος Νοεμβρίου θα έπρεπε να έχουν εισπραχθεί 6,5 δισ. ευρώ περισσότερα από τα 35,2 δισ. ευρώ που θα είχαν μπει τελικά στα ταμεία του κράτους. Σημειώθηκαν υπερβάσεις 1,8 δισ. ευρώ στο σκέλος των δαπανών, όπου συνολικά στο 9μηνο έχουν ξοδευτεί 51,822 δισ. ευρώ από τα 66,878 που έχουν εγγραφεί για το σύνολο του έτους. Οι δαπάνες θα έπρεπε να αυξηθούν κατά 9,7% αλλά “έτρεξαν” με ρυθμό αύξησης 13,6%. . Στο εννεάμηνο το έλλειμμα του κρατικού προϋπολογισμού διαμορφώθηκε σε 23,019 δισ. ευρώ έναντι αρχικού στόχου για συγκράτηση στα 8,8 δισ. ευρώ και αναθεωρημένη εκτίμηση με το πρόγραμμα σταθερότητας για έλλειμμα 12,7 δισ. ευρώ». Όπως γίνεται αντιληπτό από τα παραπάνω το μεγάλο ερώτημα που κυριαρχούσε εκείνη την περίοδο ήταν το ύψος του ελλείμματος του προϋπολογισμού που είχε διαμορφωθεί στις 30 Σεπτεμβρίου του 2009 και το οποίο και σύμφωνα με τα προαναφερθέντα στοιχεία του Γ.Λ.Κ της 30-10-2009 ανερχόταν στα 23 δις ευρώ ήτοι στο 9,55% του ΑΕΠ	**30/10/2009**	**1**

7	**FACT**	**G**	Papandreou announces first budget. The plan aims to trim the deficit to 9.4 percent GDP in 2010.	**05/11/2009**	**6**
8	**FACT**	**B**	Στις 11 Νοεμβρίου 2009 επιστρέφοντας από τις Βρυξέλλες ο τότε υπουργός Οικονομικών Γ. Παπακωνσταντίνου ανακοίνωσε ότι το κείμενο του προϋπολογισμού που θα κατετίθετο στη Βουλή στις 20 Νοεμβρίου 2009, θα ήταν διαφορετικό από το αντίστοιχο του προσχεδίου!	**11/11/2009**	**6**
9	**FACT**	**B**	Standard & Poor's put Greece's debt under "negative" watch and warned of a downgrading if the country's government did not tackle overspending quickly.	**07/12/2009**	**26**
10	**FACT**	**B**	Financial markets tumble after Fitch downgrades Greece's credit rating • Greek debt marked down from A- to BBB+ • Fear for Eurozone push down single currency	**08/12/2009**	**1**
11	**INTENSIONS**	**G**	Papandreou unveils radical reforms to salvage Greece's public finances Prime minister outlines sweeping changes to increase competitiveness and combat corruption and tax evasion.	**14/12/2009**	**6**
12	**FACT**	**B**	S&P downgrades Greek Credit rating from A- to BBB+.	**16/12/2009**	**2**
13	**FACT**	**B**	MOODYS Downgrades Greece to A2 from A1	**22/12/2009**	**6**
14	**FACT**	**G**	The 2010 Fiscal budget is approved from the Greek parliament.	**24/12/2009**	**2**
15	**FACT**	**B**	Η Ευρωπαϊκή Επιτροπή εκδίδει έκθεση σχετικά με τα Στατιστικά Στοιχεία του Χρέους και του Ελλείμματος της Ελληνικής Κυβέρνησης, στην οποία επισημαίνονται προβλήματα «σκόπιμης εσφαλμένης αναφοράς δεδομένων» και διατυπώνει επιπλέον αμφιβολίες για την	**08/01/2010**	**15**

			ακρίβεια των στοιχείων πέραν της τελευταίας αναθεώρησης της 20 Οκτωβρίου 2009.[135]		
16	**FACT**	**B**	TRICHET: We will not change our collateral framework for the sake of any particular country. Our collateral framework applies to all countries concerned. And that has been said already by the Vice-President, by me and by colleagues. That is crystal clear.	**14/01/2010**	**6**
17	**OPINION**	**G**	Papaconstantinou says Greece won't need a rescue package. The yield on Greece's 10-year bond reaches 6.248 percent, a euro-era high.	**21/01/2010**	**7**
18	**OPINION**	**B**	Διεξάγεται το Παγκόσμιο Οικονομικό Φόρουμ στο Νταβός. Ο Έλληνας πρωθυπουργός δέχεται πιέσεις για λήψη μέτρων[23][24] NOTE: We have classified this as a bad event as it indicates that the measures and initiative s undertaken or planned so far by the Greek government or the EU, are not deemed sufficient.	**26/01/2010**	**5**
19	**RUMOR**	**B**	GREECE SEEKING LOAN FROM CHINA NOTE: It has been considered a bad event as it indicates that Greece recognizes that it has a severe problem and cannot go to the market for new credit	**27/01/2010**	**1**
20	**FACT**	**B**	NOTE: This has been considered as a bad event as it indicates that Greece and the EU are not working together for a solution to the Greek deficit and debt problem which both the EU (see below) but the markets have recognized. GAP denied seeking to borrow from European partners There is absolutely nothing to these rumors," German	**28/01/2010**	**1**

			Finance Ministry spokeswoman Jeanette Schwamberger said in an e-mailed statement from Berlin, responding to the report of a loan to Greece. “They are without any foundation,” a French Finance Ministry official in Paris said. The European Commission has said Greece hasn’t done enough to rein in its deficit, which reached 12.7 percent of gross domestic product in 2009. Standard & Poor’s, Moody’s Investors Service and Fitch Ratings cut Greece’s credit ratings last month. Papandreou’s denial of the EU loan came a day after the government quashed a Financial Times report that Greece was seeking to sell as much as 25 billion Euros of debt to China. Greece has not spoken with Chinese investors, Papandreou said today.		
21	**OPINION**	**G**	EU Commissioner Joaquin Almunia says in Davos there is no ‘Plan B’ for Greece. “Greece will not default. In the euro area, default does not exist.”	**29/01/2010**	**1**
22	**FACT**	**B**	Greece used swap deals with Goldman Sacks to deer interest repayments by several years, allowing for masking growing debts: REPORT BY GREEK MINISTRY OF FINANCE.	**01/02/2010**	**3**
23	**OPINION**	**B**	FT: Greece should seek IMF Help (Pisani - Ferry, Sapir). NOTE: Indicates insufficiency of policies so far	**02/02/2010**	**1**
24	**OPINION**	**B**	ROUBINI says that Greece needs a government expense plan rather than tax hikes and loophole closures that depend on historically weak compliance. Need for an IMF backed program. NOTE: Indicates insufficiency of policies so far	**03/02/2010**	**1**

25	**OPINION**	**G**	MOODYS: Risk of disorderly Greek exit from Eurozone is negligible	**04/02/2010**	**1**
26	**OPINION**	**G**	Geithner says EU to manage Greece Debt with Great Care NOTE: Indicates interest and support from the US	**05/02/2010**	**1**
27	**OPINION**	**B**	Goldman Sachs helped the Greek government to mask the true extent of its deficit with the help of a derivatives deal that legally circumvented the EU Maastricht deficit rules. At some point the so-called cross currency swaps will mature, and swell the country's already bloated	**08/02/2010**	**3**
28	**ESTIMATION**	**G**	Germany preparing aid package for Greece FT Deutschland says	**09/02/2010**	**1**
29	**COMMENT**	**G**	SCEUBLE says Greece aid is just speculation	**10/02/2010**	**1**
30	**FACT**	**G**	EU Leaders pledged to help Greece with debt problems but they stopped short of promising the immediate financial bailout sought by investors to calm fears of a spreading crisis in Europe. Merkel and Sarkozy said that Greece had the support of the Eurozone nations but both declined to give details of just how far that support could go. They noted that Greece did not ask for aid. They said the assistance will be contingent on Greece holding firm to its promise to cut down dramatically public spending.	**11/02/2010**	**1**
31	**FACT**	**B**	Greece revised its GDP data for the first 3 quarters of 2009, the recession was deeper than thought. This may lead to 12.8 deficit (0.1 higher than expected) and a 114.6% GDP debt. CITIBANK	**12/02/2010**	**1**
32	**DECLARATION**	**B**	EUROSTAT was not aware of the GS swap until recently: EUROSTAT spokesman	**15/02/2010**	**3**

33	**OPINION**	**B**	Das (ROUBINI GE) Says Greece Must Focus on Spending Cuts, Not Taxes: Video NOTE: Indicates insufficiency of policies so far	**16/02/2010**	**1**
34	**FACT**	**B**	*MERKEL SAYS GREECE 'FALSIFIED STATISTICS FOR YEARS'	**17/02/2010**	**1**
35	**ESTIMATION**	**G**	Germany Seeks $34 Billion Aid Plan for Greece, Der Spiegel Says	**19/02/2010**	**2**
36	**ESTIMATION**	**G**	Europeans Discussing Bilateral Aid for Greece, Handelsblatt Says	**22/02/2010**	**3**
37	**INTENSIONS**	**G**	Greece Solution Is 'Core' to Euro Confidence, Merkel Says. Europe will do all it can to support Greece.	**23/02/2010**	**1**
38	**OPINION**	**B**	*MOODY'S SAYS GREECE RISKS DOWNGRADE IF FISCAL PLAN MISSED. May stabilize A2 rating if fiscal plan followed. NOTE: States that they are preparing for Greece missing the targets thus implies that this is a material risk	**24/02/2010**	**1**
39	**OPINION**	**B**	EU and IMF mission in Greece says that the state of the Greek economy is bad.	**25/02/2010**	**1**
40	**VIEW**	**G**	Ο πρόεδρος των ΗΠΑ, Μπαράκ Ομπάμα, συζήτησε την κρίση του χρέους της Ελλάδας στη διάρκεια επικοινωνίας με το Βρετανό πρωθυπουργό Γκόρντον Μπράουν και τη Γερμανίδα καγκελάριο Άγκελα Μέρκελ, δήλωσε ο εκπρόσωπος του Λευκού Οίκου. Ο εκπρόσωπος του Λευκού Οίκου, Ρόμπερτ Γκιμπς, δήλωσε πως οι Ηνωμένες Πολιτείες πιστεύουν πως η Ευρωπαϊκή Ένωση μπορεί και θα δράσει κατάλληλα προκειμένου να διασφαλίσει μία αποτελεσματική απόκριση στην κρίση στην Ελλάδα.	**26/02/2010**	**1**

41	**FACT**	**G**	Greece puts bond sale on hold • Athens delays plans to raise €5bn to service debt • Greek prime minister to meet Germany's Angela Merkel on Friday NOTE: Meeting A. Merkel indicates that EU and Greece are working towards a back stop or aid.	**01/03/2010**	**3**
42	**FACT**	**G**	Greece unveils radical austerity package • Budget cuts to appease eurozone agreed after cabinet meeting • About €4.8bn to be raised to help cash-strapped country NOTE: It is considered as good as it indicates that Greece is trying to reduce its deficit and debt.	**03/03/2010**	**2**
43	**INTENSIONS**	**B**	Germany snubs aid for Greece in "historic moment" for EU as protesters seize Finance Ministry in Athens. That is definitely not the case. We've got a treaty that does not include any provision for bailing out states. We can best help Greece by making clear that Greece has to do its own homework, just like it is doing at the moment," MERKEL told ARD Television	**04/03/2010**	**1**
44	**FACT**	**G**	Greece: Euro-zone ministers agree to adopt a rescue package/mechanism for Greece. Sixteen nations approve financial aid but release few details of standby plan	**15/03/2010**	**11**
45	**FACT**	**B**	S&P affirms Greece BBB+ rating and takes it off Credit watch negative. The outlook is negative from stable (which reflects their view of the govt's ability to sustain reform momentum in the medium term). S&P said "we view the Greek govt's total package of deficit reduction measures as appropriate to achieve its 2010 fiscal target, given the deterioration in Greece's growth prospects."	**16/03/2010**	**1**

			They see "real GDP contracting by 4% this year." "Despite the new measures, we think it will be difficult for Greece to comply fully with its planned consolidation path…if it does not implement additional measures in the coming years."		
46	**INTENSIONS**	**B**	Merkel demanded that the rule book for the euro be rewritten to enable the ejection of persistent fiscal delinquents. NOTE: Possibility of an official and agreed exit process.	**17/03/2010**	**1**
47	**FACT**	**B**	Greek PM gives European leaders a week to produce rescue plan George Papandreou has threatened to turn to the IMF in exasperation with the EU's lack of clarity on a plan to resolve the Greek crisis NOTE: Indicates the bad state of the Greek debt and its ability to raise funds in the market as well as the stage that the aid discussions are at	**18/03/2010**	**1**
48	**FACT**	**G**	Ο πρόεδρος της Ευρωπαϊκής Κεντρικής Τράπεζας (ΕΚΤ) Jean-Claude Trichet δηλώνει πως η ΕΚΤ θα χαλαρώσει τη πολιτική εγγυήσεων, μειώνοντας το ρίσκο της έλλειψης χρηματοδότησης των ελληνικών τραπεζών. Trichet says that the ECB will continue to accept bonds rated as low as BBB- as collateral. As Greek problems intensified in March 2010, Trichet, in contrast to his January statement, announced that emergency collateral rules would be extended through 2011. Greek bonds regained the potential to serve as collateral.	**25/03/2010**	**7**
49	**FACT**	**G**	Eurozone leaders and IMF agree rescue package for debt-stricken Greece. Billateral loans by the Euro countries provided that they all agree and that Greece has	**26/03/2010**	**1**

			exhausted other financing sources.		
50	**FACT**	**B**	MOODYS downgrades 5 Greek Banks	**01/04/2010**	**6**
51	**OPINION**	**B**	Greece will default (**FT.com**)	**05/04/2010**	**4**
52	**FACT**	**B**	Νέα αναθεώρηση προς τα πάνω για το έλλειμμα του 2009 Ανω του 13,5% το βλέπει η Eurostat Αιτίες, η ύφεση και η μικρότερη «άσπρη τρύπα» νοσοκομείων, ταμείων Σωτηρης Νικας Σε νέα -επί τα χείρω- αναθεώρηση του ελλείμματος του 2009 προχωρούν το οικονομικό επιτελείο και η Ευρωπαϊκή Στατιστική Υπηρεσία (Eurostat) «παίζοντας» ουσιαστικά με τα «νεύρα» των ήδη αρνητικά διακείμενων απέναντι στην Ελλάδα αγορών. Από τα τελικά στοιχεία που απέστειλε η Ελληνική Στατιστική Αρχή στην Eurostat, για τα δημοσιονομικά ελλείμματα της περιόδου 2006 - 2009 και τις εκτιμήσεις για το 2010 προκύπτει αύξηση στα ελλείμματα του 2007, του 2008 και του 2009 τουλάχιστον. Ο υπουργός Οικονομικών Γ. Παπακωνσταντίνου παραδέχτηκε χθες ότι το έλλειμμα του 2009 θα είναι αυξημένο σε σχέση με το 12,7% του ΑΕΠ το οποίο αναγράφεται στο Πρόγραμμα Σταθερότητας και Ανάπτυξης (ΠΣΑ). Σύμφωνα με πληροφορίες από το υπουργείο, το περυσινό έλλειμμα αναμένεται να κινηθεί στην περιοχή του 13% με 13,5% του ΑΕΠ. Μάλιστα, ο	**06/04/2010**	**1**

			κ. Παπακωνσταντίνου ανέφερε ότι «δεν μιλάμε για πολύ μεγάλες αλλαγές. Δεν μιλάμε για αύξηση ούτε της τάξης του 1% του ΑΕΠ».		
53	**FACT**	**G**	EU ministers agree Greek bailout terms (30bn package). Officials reach agreement on interest rate and mechanism for potential loan if debt-ridden Greece asks for EU help. Greece does not ask for it yet.	**12/04/2010**	**6**
54	**FACT**	**B**	Greece asks for IMF-EU rescue talks Country's economics ministry bows to market pressure and issues formal plea for help to IMF, which will send in a team next week NOTE: Indicates that a solution is not viable only through the EMU	**15/04/2010**	**3**
55	**FACT**	**B**	Η Ελλάδα αρχίζει να συζητά τις λεπτομέρειες του πακέτου βοηθείας, όμως οι επενδυτές ξεφορτώνονται τα ελληνικά ομόλογα επικαλούμενοι αβεβαιότητα για το πότε θα εισπραχθούν τα χρήματα της βοήθειας. Οι Γερμανοί Σοσιαλδημοκράτες (αντιπολίτευση) αντιτίθενται σε μια γοργή έγκριση του πακέτου βοήθειας. Τα spread των ελληνικών ομολόγων αυξάνονται με γοργούς ρυθμούς.	**21/04/2010**	**6**
56	**FACT**	**B**	Moody's downgrades Greek Govnt bonds to A3 and placed the rating for review for possible downgrade.	**22/04/2010**	**1**
57	**FACT**	**B**	Standard & Poor's downgrade Greek credit rating to junk status Fears that financial crisis may spread to other euro-zone countries	**27/04/2010**	**5**
58	**FACT**	**B**	Η ελληνική Επιτροπή Κεφαλαιαγορά ανακοινώνει απαγόρευση του λεγόμενου short-selling έως την 28/6/10. Οι τραπεζικές μετοχές πραγματοποιούν άλμα κατά 6.2%.	**28/04/2010**	**1**

			NOTE: Indicates serious lack of confidence in the Banking sector perspectives		
59	**FACT**	**G**	Ανακοινώθηκαν τα μέτρα σκληρής λιτότητας που επέβαλε στην Ελλάδα η τρόικα ΔΝΤ, ΕΕ και ΕΚΤ[29]. Euro-region agrees on a 110 billion-euro rescue package for Greece. Greece agrees to 30 billion euros in austerity cuts over the next three years in exchange for the aid.	**03/05/2010**	**5**
60	**FACT**	**B**	Greek protesters storm the Acropolis World markets plunge over fears that Greece's economic crisis will spread to other countries despite austerity measures. Until now Papandreou has had the unions on his side. But with fury over the intervention of the IMF adding to the explosive mix, analysts are unsure whether he will be able to win public support for the reforms. The euro tumbled to its lowest level in 13 months on the concerns.	**04/05/2010**	**1**
61	**FACT**	**B**	Protests. 3 people burned at Marfin premises.	**05/05/2010**	**1**
62	**FACT**	**B**	Greek parliament approves sweeping austerity measures Bitter scenes in parliament and outrage on the streets as government wins vote aimed at unlocking €120bn in aid NOTE: Despite the voting which was the only option for rescuing the country and was expected, the violence scenes indicate very strong resistance and possibility of continuous instability by Greek citizens or left wing political parties	**06/05/2010**	**1**
63	**INTENSIONS**	**G**	European leaders discuss to set up an emergency fund to stem the sovereign crisis.	**07/05/2010**	**1**
64	**FACT**	**G**	Debt crisis: EU leaders announce €70bn plan to protect euro Angela Merkel and Nicolas Sarkozy say strategy to	**10/05/2010**	**3**

			preserve euro-zone stability to be in place when markets open on Monday		
65	**FACT**	**G**	Greece receives its first bailout loan for 14.5 billion euros, one day before 8.5 billion euro in bonds come due.	**18/05/2010**	**8**
66	**FACT**	**B**	MOODYS downgrades Greek Gvt bond to B1 and outlook stable	**14/06/2010**	**27**
67	**FACT**	**G**	Greek parliament passes pension reform, key requirement of the EMU/IMF deal. Women retirement age is lifted to 65 years old, from 60.	**07/07/2010**	**23**
68	**FACT**	**G**	Europe publishes the results of bank stress tests. Only 7 of 91 lenders flunk the test.	**23/07/2010**	**16**
69	**FACT**	**G**	EU and IMF inspectors give Greece green light for fresh 9bn bailout tranche.	**05/08/2010**	**13**
70	**OPINION**	**B**	Exit from eurozone is Greece's worst option, says Jean-Claude Trichet	**06/09/2010**	**32**
71	**FACT**	**G**	IMF approves 2.57bn tranche to Greece and comments that June fiscal targets were met and that structural reforms are ahead of schedule	**10/09/2010**	**4**
72	**ESTIMATION**	**B**	Greece will not require further cuts, says George Papandreou Greek prime minister admits budget revenues lagging but rules out new reforms in key economic speech NOTE: Admits lagging (even less credibility) but promises no further aid requests	**13/09/2010**	**3**
73	**FACT**	**G**	Greece announce draft budget plan to cut the deficit to 7 percent of GDP in 2011.	**04/10/2010**	**21**
74	**FACT**	**B**	The European Union said its estimates for Greece’s budget deficit and government debt will be revised	**06/10/2010**	**2**

			higher for the years 2006-2009. Greece pledged to reduce its budget shortfall, the second largest in the EU last year, and increase tax revenue in return for emergency loans from the bloc and the International Monetary Fund. The EU statistics office Eurostat, which reviewed Greek government statistics, will publish the revisions by Oct. 22. “After Eurostat’s latest visit, it was evident that some areas of uncertainty remain,” Amadeu Altafaj, spokesman for EU Economic and Monetary Affairs Commissioner Olli Rehn, told reporters in Brussels today. As a result, Rehn “instructed Eurostat to reinforce its resources on the ground for the urgent task of clarifying the Greek national accounts.” Greece’s widening deficit and questions about the accuracy of its economic data have undermined the credibility and enforcement of the EU’s budget rules. In January, the European Commission, the 27-nation EU’s executive arm, cited “severe irregularities” in the country’s data. Eurostat is exercising for the first time its new audit powers, which entered into force on Aug. 19 and were granted after the EU learned Greece had used secret financial transactions to conceal debt. Overtaking Ireland? Greece’s budget deficit in 2009 will be revised to 15.1		

			percent of gross domestic product by EU statisticians, Greek newspaper Kathimerini reported, without saying where it got the information. That would push Greece's budget gap past that of Ireland, which had the biggest shortfall in the EU last year. The deficit will be increased from 13.8 percent to include losses and debt of public companies as well as liabilities related to currency swaps, Kathimerini said. National debt will also rise to 127 percent of GDP from 115.4 percent of GDP previously, according to the newspaper		
75	**FACT**	**B**	German Chancellor Angela Merkel and French President Nicolas Sarkozy meet in Deauville, France and agree that private investors must contribute to future EU bailouts and Sarkozy backs Merkel's call for a permanent rescue mechanism from 2013. NOTE: It triggers private sector resistance to a possible future Greek bailout.	**18/10/2010**	**12**
76	**OPINION**	**B**	Former head of Greek National Statistics Service says his body "holds no responsibility" for the revision of deficit figures since 2008.	**26/10/2010**	**8**
77	**FACT**	**B**	Financial Mirror: Papaconstantinou: Greek 2009 deficit to be revised above 15%. He admits tax collection deficienceis and lags.	**27/10/2010**	**1**
78	**OPINION**	**B**	Trichet signals concern that forcing bondholders to take losses will drive up borrowing costs. NOTE: Increased borrowing costs put at risk the rescue capacity of the other EMU countries with respect to a Greek future bailout.	**04/11/2010**	**8**
79	**FACT**	**G**	Seeking to calm markets, finance ministers of France, Germany, Italy, Spain and the U.K. issued a statement at	**12/11/2010**	**8**

			a G-20 in Seoul saying any private sector involvement would not apply to outstanding debt and would only come into effect from 2013.		
80	**FACT**	**B**	Greek deficit for 2009 revised to 15.4% of GDP	**15/11/2010**	**3**
81	**FACT**	**B**	Ψηφίστηκε το πολυνομοσχέδιο για τα εργασιακά και τις ΔΕΚΟ. Διαφοροποιήθηκε ο βουλευτής Βαγγέλης Παπαχρήστος, ο οποίος διεγράφη από την κοινοβουλευτική ομάδα του ΠΑΣΟΚ, η οποία απέμεινε πλέον με 156 βουλευτές.[150] NOTE: The event is judged as bad in the sense that there is a further reduction of the ruling party parliamentary power, leaving it with a fragile majority.	**15/12/2010**	**30**
82	**FACT**	**B**	Moody's places Greece's Ba1 rating on review for possible downgrade, due to revised debt figures, revenues shortfall for 2009, implementation risk and uncertainty of surrounding environment. Multi notch downgrade is possible, as per the review outcome.	**27/12/2010**	**12**
83	**FACT**	**B**	Fitch follows S&P and Moody's in cutting Greece to junk.	**14/01/2011**	**18**
84	**FACT**	**G**	EU and the IMF inspectors approve fresh tranche of 15bn of bailout funds BUT they	**11/02/2011**	**28**
85	**INTENSIONS**	**B**	Greek PM denies plans to sell off national treasures Greeks had been horrified by suggestions from international creditors that public land and assets might be sold off to reduce the country's national debt	**17/02/2011**	**6**
86	**INTENSIONS**	**B**	Merkel told parliamentary allies in the Bundestag that a deal to cut borrowing costs for Ireland and Greece was unlikely, despite appearing to relax her opposition last year.	**03/03/2011**	**14**

87	**FACT**	**B**	Ο οίκος αξιολόγησης Moody's υποβάθμισε την Ελλάδα κατά τρεις βαθμίδες από το επίπεδο Ba1 στο B1[153]	**07/03/2011**	**4**
88	**FACT**	**G**	Reduction of interest rate by 1% and increase of maturity to 7.5 years. EU summit agrees to expand powers of EFSF to allow it to buy debt in primary markets and tap its full 440 billion euros in firepower.	**14/03/2011**	**7**
89	**FACT**	**G**	EU finance ministers decide on mechanisms for allowing the region's permanent bailout mechanism, the ESM, lend 500 billion euros from 2013. The ESM will draw on 80 billion euros of paid-in capital, enabling it to lend a full500 billion Euro. NOTE: Makes Greek bailout more viable even in case there are other nations asking for similar aid.	**21/03/2011**	**7**
90	**FACT**	**B**	The Greek 2010 budget Deficit overshot forecasts at more than 10 % of GDP	**07/04/2011**	**17**
91	**OPINION**	**B**	Trichet warns that Greece will have to control its spending	**08/04/2011**	**1**
92	**FACT**	**B**	Papandreou announces 76 billion euros of austerity measures, later increased to 78 billion euros, running through the end of 2015. The program pledged to raise 50 billion euros from state asset sales and aims to cut the budget deficit to 1 percent of GDP in 2015. NOTE: The basis on which the targets are set on is extremely optimistic (50billion from state asset sales)	**15/04/2011**	**7**
93	**FACT**	**B**	S&P cuts Greece two levels to B from BB-, threatens further cuts. It is known that Finance ministers from Spain, France, Germany and Italy hold unannounced meeting in Luxembourg that prompt press reports that Greece will	**09/05/2011**	**24**

			leave the euro. Trichet walks out, refusing to attend any meeting that discusses Greek haircuts. Luxembourg Prime Minister Jean-Claude Juncker, who chairs finance ministers' meetings, says possible further aid for Greece was discussed.		
94	**DISCUSSION**	**G**	European finance ministers for the first time float the idea of talks with bondholders to extend Greece's debt-repayment schedule.	**17/05/2011**	**8**
95	**FACT**	**B**	ECB's governing council member and Bundesbank President Jens Weidmann says central bank won't take Greek bonds as collateral if maturities extended.	**20/05/2011**	**3**
96	**FACT**	**G**	Greece unveils planned privatizations as part of its goal to raise 50 billion euros by 2015 to reduce debts.	**23/05/2011**	**3**
97	**FACT**	**B**	Greece announces details on additional 6 billion euros of 2011 budget cuts, plan to speed asset sales. ECB governing council member Christian Noyer says Greek restructuring would be 'horror story.'	**24/05/2011**	**1**
98	**FACT**	**B**	Moody's downgrades Greece from B1 to Caa1[160][161]	**01/06/2011**	**8**
99	**FACT**	**G**	Greece is likely to get a vital slice of aid in July to avoid default, international lenders say, as they end a month-long review of their 110 billion euro bailout program.	**03/06/2011**	**2**
100	**FACT**	**B**	In an open letter to European and international authorities, German finance minister Wolfgang Schäuble say: "Any additional financial support for Greece has to involve a fair burden sharing between taxpayers and private investors." GDP tumbles 5.5 percent year on year in the first quarter	**09/06/2011**	**6**

			of 2011, official data shows.		
101	**OPINION**	**G**	Jean-Claude Juncker, head of the eurozone finance ministers, backs Germany's proposal for a "soft restructuring" of Greece's debt, but said any contribution from private sector creditors should be "voluntary". NOTE: It is towards the direction of avoiding a disorderly Greek default.	**10/06/2011**	**1**
102	**FACT**	**B**	June 13: S&P Cuts Greece to CCC, the lowest rating for any country it reviews in the world. Negative outlook, debt will probably be restructured and this will be a default. Possible further downgrade in the next 12-18 months.	**13/06/2011**	**3**
103	**FACT**	**B**	Papandreou announces cabinet reform and subsequent Confidence Vote. NOTE: Increases risk of unfavorable vote and indicates internal PASOK crisis.	**15/06/2011**	**2**
104	**FACT**	**B**	Παραιτήθηκαν δύο βουλευτές του ΠΑΣΟΚ, οι Γιώργος Φλωρίδης και Έκτορας Νασιώκας. Την ίδια μέρα 21 βουλευτές του ΠΑΣΟΚ ζήτησαν σύγκληση της κοινοβουλευτικής ομάδας του κόμματος, η οποία κατέληξε σε απόφαση για ανασχηματισμό.	**16/06/2011**	**1**
105	**FACT**	**B**	Greece needs another €110bn bailout to avoid debt default, says Papandreou while the ECOFIN requires finalization of the MoU update and new fiscal measures in order to proceed to a new financing plan in early July.	**20/06/2011**	**4**
106	**OPINION**	**G**	The IMF warns European leaders that they risk creating a second financial crisis unless they resolve the Greek situation rapidly, ahead of a crucial vote of confidence in	**21/06/2011**	**1**

			Papandreou's administration. NOTE: IMF is pushing the EU to support Greece, will not let its part of Greek aid to result a lost investment.		
107	**FACT**	**G**	Papandreou survives confidence vote on handling of Greece debt crisis Greek PM wins parliamentary vote by 155-143 and must now attempt to force through hugely unpopular austerity measures	**22/06/2011**	**1**
108	**FACT**	**G**	Greece granted €120bn EU bailout, subject to new austerity measures and their approval from the Greek parliament. EU leaders accepted David Cameron's argument that the cost should be borne by those using the single currency	**24/06/2011**	**2**
109	**OPINION**	**G**	Greek debt crisis prompts EU 'resolution' talks EU officials and bankers to discuss ways of resolving Greece's financial crisis including proposal for debt write off.	**27/06/2011**	**3**
110	**FACT**	**B**	Πραγματοποιούνται ογκώδεις διαδηλώσεις έξω από τη βουλή που αντιμετωπίζονται βίαια από την αστυνομία που εφαρμόζει άγρια καταστολή.	**28/06/2011**	**1**
111	**FACT**	**G**	ψηφίστηκε από τη Βουλή των Ελλήνων το "Μεσοπρόθεσμο Πλαίσιο Δημοσιονομικής Στρατηγικής 2012-2015".	**29/06/2011**	**1**
112	**FACT**	**G**	Greek parliament passes bill enabling new package of austerity measures Narrow vote grants government authority to make cuts and tax rises approved in principle on Wednesday	**30/06/2011**	**1**
113	**FACT**	**G**	the EU approves the latest tranche of the Greek loan, worth 12bn euros. Ecofin says that the details of a 2nd aid package would be finalised by mid September. The last tranch of the 110bn bailout agreed in May 2010	**04/07/2011**	**4**

			would be paid in July 15, as long as IMF board signs of on July 8 2013.		
114	**FACT**	**G**	IMF approves its part of the last tranche of Greek aid package	**08/07/2011**	**4**
115	**FACT**	**B**	Greece’s central-government deficit widened 28 percent in the first half of the year as both revenue and spending missed targets set out in the 2011 budget plan. The shortfall, which excludes outlays by state-owned institutions and companies, increased to 12.8 billion euros ($18 billion) from 10 billion euros a year earlier, preliminary data released today by the Athens-based Finance Ministry showed. Ordinary spending increased 8.8 percent between January and June to 33.2 billion euros, compared with a budget target of 31.9 billion euros, the ministry said. Net revenue decreased 8.3 percent to 21.8 billion euros, missing the budget plan’s goal by 3.3 billion euros. The ministry blamed the drop on a deeper-than-forecast recession that hit revenue and an increase in rebates to people who paid too much tax in 2010. Final central-government data are due on July 20.	**11/07/2011**	**3**
116	**FACT**	**B**	Ο οίκος αξιολόγησης Fitch υποβάθμισε την Ελλάδα κατά τρεις βαθμίδες από το επίπεδο B+ στο CCC[169]	**13/07/2011**	**2**
117	**FACT**	**G**	Η σύνοδος κορυφής κατέληξε την 21η Ιουλίου σε συμφωνία νέας δανειοδότησης της Ελλάδας. Η συμφωνία περιλάμβανε νέο δάνειο για την χώρα ύψους 158 δις Ευρώ. Από αυτά τα 109 δις θα προέλθουν από την ΕΕ και το ΔΝΤ (49 δις από αυτά είναι το υπόλοιπο από το πρώτο πακέτο διάσωσης), 37 δις από τη συμμετοχή του ιδιωτικού τομέα, ενώ άλλα 12 δις θα προέλθουν από την επαναγορά ομολόγων. Ακόμη	**21/07/2011**	**8**

			προβλέπεται η επιμήκυνση από 15 έως και 30 χρόνια των ομολόγων που λήγουν από το άμεσο διάστημα έως το 2020. Moreover, the summit agreed on the EFSF to be allowed to buy bonds of EMU countries in secondary markets if the ECB deems appropriate. Also agreed on additional credit lines and lend governments to recapitalize banks. Bankers agree to take losses of 21 percent on the net present value of their Greek bond holdings.		
118	**INTENSIONS**	**G**	FITCH declared Greece would be in temporary default as the result of a second bailout as the result of the second bailout. But the agency pledged to give Greece Low Speculative grade after its bonds had been exchanged.	**22/07/2011**	**1**
119	**FACT**	**B**	Moody's downgrades Greece by 3 notches from Caa1 to C for uncertainty about the magnitude of security holder losses as well as due to probability for distressed exchange of securities i.e. a Greek default.	**25/07/2011**	**3**
120	**FACT**	**B**	Ο οίκος αξιολόγησης Standard & Poor's υποβάθμισε την Ελλάδα από το επίπεδο CCC στο CC θέτοντας την Ελλάδα στο τελευταίο σκαλί της διεθνούς λίστας αξιολογήσεων[172]	**27/07/2011**	**2**
121	**FACT**	**B**	Finland and Greece strike agreement on collateral to guarantee bailout contributions. The agreement was opposed by other euro members such as Austria and the Netherlands and had to be re-negotiated.	**16/08/2011**	**20**
122	**FACT**	**B**	Συναγερμός έχει σημάνει στην κυβέρνηση, καθώς η εκτέλεση του προϋπολογισμού συνεχίζει να παρουσιάζει σημάδια εκτροχιασμού, ενώ την ίδια ώρα οι επιτελείς της τρόικας δε φαίνεται να πείθονται από το οικονομικό	**22/08/2011**	**6**

			επιτελείο που επιμένει ότι η οικονομική δραστηριότητα κατά το τελευταίο τετράμηνο είναι πιο έντονη και ότι το χαμένο έδαφος θα καλυφθεί. Έτσι, τα έσοδα συνεχίζουν να είναι χαμηλότερα φέτος κατά 1,9 δισ. καθώς στα κρατικά ταμεία μπήκαν στο επτάμηνο του 2011 μόνο 29,9 δισ. αντί των 31,4 πέρυσι, ενώ την ίδια στιγμή οι επιστροφές ήταν υψηλότερες στα 3,1 δισ. από 2,7 πέρυσι. Άσχημη εικόνα παρουσιάζουν και οι δαπάνες που αυξάνονται κατά 2,7 δισ. αντί να μειώνονται, όπως ορίζει το πρόγραμμα εξυγίανσης της οικονομίας. Αυτό έχει ως αποτέλεσμα την αύξηση του ελλείμματος κατά 25%, που έφτασε ήδη τα 15,6 δισ. έναντι 12,4 την ίδια περίοδο πέρυσι, γεγονός που θέτει επιτακτικά το ερώτημα αν θα υπάρξουν και νέα μέτρα. Σε συνέντευξή του στο ραδιόφωνο του ΣΚΑΪ ο υπουργός Οικονομικών Ευάγγελος Βενιζέλος παραδέχθηκε ότι το ΑΕΠ φέτος θα μειωθεί με ρυθμούς που θα ξεπεράσουν το 4,5%, τη στιγμή που η πρόβλεψη ήταν για 3,8% ή 3,9%, ενώ δεν διέψευσε την πληροφορία για ύφεση 5% ή ακόμα και 5,2%, στοιχεία που βγάζουν δραματικά εκτός στόχου το έλλειμμα που μπορεί να κλείσει στο 8,5% αντί του 7,6% Η κυβέρνηση προσπαθεί τώρα να πείσει την τρόικα να χαλαρώσει αυτόν τον στόχο, θεωρώντας ότι η άστοχη πρόβλεψη που ήταν η βάση του προγράμματος είναι και ευθύνη και των δανειστών μας. Ταυτόχρονα, η κυβέρνηση εξαπολύει τις επόμενες		

			ημέρες φορο-κυνηγητό αποστέλλοντας 900.000 σημειώματα που θεωρητικά θα μπορούσαν να φέρουν στα ταμεία 41 δισ. €. Στην ουσία πρόκειται για ειδοποιήσεις που θα αποτυπώνουν τις κρατικές απαιτήσεις για τέσσερα μέτρα της έκτακτης εισφοράς σε εισοδήματα μεγαλύτερα των 12.000 €, το Τέλος Επιτηδεύματος και τις εισφορές στα Ι.Χ, τα σκάφη και τις πισίνες. *Source:* *http://www.skai.gr/news/finance/article/177826/ektos-stohou-proupologismos-esoda-dapanes-analutikoi-pinakes-/#ixzz2Nbo4JyEP* *Follow us: @skaigr on Twitter | skaigr on Facebook*		
123	**FACT**	**B**	Αποχώρησε αιφνιδιαστικά το κλιμάκιο της τρόικας μετά τη διαφωνία του με τον υπουργό οικονομικών για την κάλυψη της απόκλισης στα δημοσιονομικά [175]	**02/09/2011**	**11**
124	**FACT**	**B**	Ο υπουργός οικονομικών Ευάγγελος Βενιζέλος ανακοινώνει νέα έκτακτα συμπληρωματικά μέτρα [176]	**06/09/2011**	**4**
125	**FACT**	**B**	Greece imposes property tax in bid to avoid default• Emergency tax to be collected through electricity bills • Papandreou rejects suggestions Greece could leave eurozone	**12/09/2011**	**6**

126	**OPINION**	**B**	George Osborne says there are just 'six weeks' left to save the euro	**22/09/2011**	**10**
127	**INTENSIONS**	**G**	Merkel says that Greece is ready to meet the new bailout demands and that Germany is to provide all help necessary to stabilize Greece	**27/09/2011**	**5**
128	**FACT**	**B**	Government draft budget figures say Greece will miss a deficit target set just months earlier s a deficit target set just months earlier	**03/10/2011**	**6**
129	**FACT**	**B**	Euro-zone finance ministers delay a decision on giving Greece its next installment of bailout cash, sending European shares down sharply. Moody's cuts Italy for the first time in almost two decades, lowering the rating to A2 from Aa2. Olli Rehn, European commissioner for economic affairs, in full. He spoke to the Financial Times. There is an increasingly shared view that we need a concerted, co-ordinated approach in Europe while many of the elements are done in the member states. There is a sense of urgency among ministers and we need to move on. Capital positions of European banks must be reinforced to provide additional safety margins and thus reduce uncertainty. This should be regarded as an integral part of the EU's comprehensive strategy to restore confidence and overcome the crisis.	**04/10/2011**	**1**
130	**FACT**	**B**	On 10 October, an EU summit on the debt crisis is delayed by a week so that ministers can finalize plans that would allow Greece its next bailout money and	**10/10/2011**	**6**

			bolster debt-laden banks.		
131	**FACT**	**B**	Proton Bank is rescued by the Government	**11/10/2011**	**1**
132	**FACT**	**B**	Το έλλειμμα του 2009 τελικά διαμορφώνεται στα 15,8% του ΑΕΠ και όχι στο 15,4% του ΑΕΠ (ΕΛΣΤΑΤ - EUROSTAT). ΕΛΣΤΑΤ: αναθεώρηση προς τα πάνω για έλλειμμα και δημόσιο χρέος Ελαφρά αύξηση του δημοσίου χρέους προέκυψε μετά την αναθεώρηση –επί τα χείρω– του Ακαθάριστου Εγχώριου Προϊόντος. Σύμφωνα με τα στοιχεία που κατέγραψε η Ελληνική Στατιστική Αρχή (ΕΛΣΤΑΤ), στο πλαίσιο της Διαδικασίας Υπερβολικού Ελλείμματος (ΔΥΑ ή γνωστό ως EDP), το χρέος διαμορφώθηκε πέρυσι στο 144,9% του ΑΕΠ έναντι προηγούμενης πρόβλεψης για 142,8% του ΑΕΠ. Η αύξηση αυτή προήλθε τόσο από τη νέα και χειρότερη εκτίμηση για το μέγεθος του ΑΕΠ, αλλά και από μία μικρή καθαρή αύξηση του δημοσίου χρέους. Σύμφωνα με τα στοιχεία που ανακοίνωσε η ΕΛΣΤΑΤ και απέστειλε στην Ευρωπαϊκή Στατιστική Υπηρεσία (Eurostat), το ΑΕΠ του 2010 έκλεισε στα 227,3 δισ. ευρώ (αντί 230,1 δισ. ευρώ) και το δημόσιο χρέος ανήλθε στα 329,3 δισ. ευρώ (αντί 328,5 δισ. ευρώ). Έτσι, ως ποσοστό του ΑΕΠ το χρέος διαμορφώθηκε τελικά σε επίπεδα υψηλότερα κατά 2,1% σε σύγκριση με την προηγούμενη πρόβλεψη. Την ίδια ώρα, από την αλλαγή του μεγέθους του ΑΕΠ, ελαφρώς αυξημένο είναι και το έλλειμμα του 2010, που τελικά διαμορφώνεται	**18/10/2011**	**7**

			στο 10,6% του ΑΕΠ, αντί για 10,5% του ΑΕΠ. Ωστόσο, σε απόλυτους αριθμούς, δεν υπάρχει ουσιώδης διαφορά, αφού από τα νέα στοιχεία προκύπτει ότι ανήλθε στα 24,125 δισ. ευρώ έναντι 24,193 δισ. ευρώ. Δηλαδή, σε σχέση με τις προηγούμενες εκτιμήσεις, είναι ελαφρώς μειωμένο. Η μεγάλη διαφορά που υπάρχει από την αναθεώρηση των στοιχείων αφορά στο μέγεθος του ΑΕΠ. Η ύφεση τελικά ήταν μεγαλύτερη και το ΑΕΠ εμφανίζεται συρρικνωμένο από το 2007, σε σύγκριση με το τι προβλεπόταν. Σύμφωνα με την ΕΛΣΤΑΤ: – Το 2007 το ΑΕΠ ανήλθε στα 222,7 δισ. ευρώ (αντί 227 δισ. ευρώ). – Το 2008 στα 232,9 δισ. ευρώ (αντί 236,9 δισ. ευρώ). – Το 2009 στα 231,6 δισ. ευρώ (αντί 235 δισ. ευρώ). Στο πλαίσιο αυτής της αναθεώρησης, το έλλειμμα του 2009 τελικά διαμορφώνεται στα 15,8% του ΑΕΠ και όχι στο 15,4% του ΑΕΠ. Πάντως, στην ανακοίνωση της ΕΛΣΤΑΤ επισημαίνεται ότι όλες αυτές οι αλλαγές έγιναν σε πλήρη συνεργασία με την Eurostat, κλιμάκιο της οποίας μάλιστα είχε πραγματοποιήσει επίσκεψη στην Αθήνα στα τέλη Σεπτεμβρίου γι' αυτόν τον λόγο. Επίσης, σε συνεργασία με την Eurostat, ορισμένα Νομικά Πρόσωπα Δημοσίου Δικαίου έχουν συμπεριληφθεί στην καταγραφή των δημοσιονομικών στοιχείων, αν και υπήρχαν στην αντίστοιχη καταγραφή του Απριλίου, ενώ έχουν εξαιρεθεί από αυτήν κάποια ασφαλιστικά ταμεία.		

			Επί της ουσίας, αυτό σημαίνει ότι στις ανακοινώσεις της Eurostat για τα στατιστικά στοιχεία των χωρών της Ευρωζώνης τις επόμενες ημέρες δεν αναμένεται να υπάρχουν οι γνωστοί «αστερίσκοι». Δηλαδή, δεν θα διατυπώνονται αμφιβολίες για την εγκυρότητα των στοιχείων.		
133	**FACT**	**G**	On 21 October eurozone finance ministers approve the next, 8bn euro ($11bn; £7bn), tranche of Greek bailout loans, potentially saving the country from default.	**21/10/2011**	**3**
134	**FACT**	**G**	Απόφαση συνόδου κορυφής της ΕΕ για κούρεμα του ελληνικού χρέους κατά 50%[195] Modified PSI	**26/10/2011**	**5**
135	**FACT**	**B**	Ο πρωθυπουργός ανακοινώνει την απόφασή του για διεξαγωγή δημοψηφίσματος με θέμα την νέα δανειακή σύμβαση[91]	**31/10/2011**	**5**
136	**FACT**	**B**	European leaders cut off aid payments to Greece and say Greece must decide soon whether it wants to stay in the euro. The ultimatum is at odds with the Maastricht Treaty's assertion that monetary union is "irrevocable."	**02/11/2011**	**2**
137	**FACT**	**B**	G20 leaders meet in Cannes and for the first time, EU leaders admit that it might be necessary for Greece to leave the eurozone if the single currency is to survive	**03/11/2011**	**1**
138	**FACT**	**G**	Η κυβέρνηση του ΠΑΣΟΚ έλαβε ψήφο εμπιστοσύνης στη βουλή με 153 ψήφους υπέρ[98]	**04/11/2011**	**1**
139	**FACT**	**G**	Στη συνάντησή στο προεδρικό μέγαρο μεταξύ των Γεώργιου Παπανδρέου, Αντώνη Σαμαρά και Κάρολου Παπούλια υπήρξε καταρχήν συμφωνία για κυβέρνηση συνεργασίας.[99]	**07/11/2011**	**3**
140	**FACT**	**G**	Ολοκληρώθηκαν οι διεργασίες μεταξύ των κομματικών επιτελείων του ΠΑΣΟΚ, της ΝΔ και του ΛΑΟΣ. Νέος	**10/11/2011**	**3**

			πρωθυπουργός επιλέχτηκε ο Λουκάς Παπαδήμος[101]		
141	**FACT**	**B**	Greek deficit for 2009 revised to 15.4% of GDP	**15/11/2011**	**5**
142	**FACT**	**B**	Greece has got just nine days to persuade international lenders to hand over its next aid payment, worth €8bn, otherwise it will run out of cash. Prime minister Lucas Papademos revealed that Greece has even less time than we thought, at a press conference in Brussels following his meeting with Jean Claude Juncker. We had thought that Greece could last until mid-December before needing the €8bn tranche (which has been frozen for several months now, while the IMF and the EU sought proof that Greece is meeting its obligations). Instead, Papademos explained, the process of paying the aid needs to start no later than the beginning of December. So what's the delay? Well, as Juncker stated firmly, no money will be paid until the three most powerful political leaders in Greece have signed a letter promising to enforce tough austerity measures. Papademos told journalists in Brussels that: I expect that the party leaders will do their duty However one leader -- Antonis Samaras of New Democracy -- continues to argue that his word is enough.	**22/11/2011**	**7**

			In this letter, sent last week, Samaras said that his party was "committed" to supporting Papademos and "strongly committed" to fiscal consolidation and structural reforms - but also argued that the austerity plan needs to be revised. Yesterday, EC president Barroso ordered Samaras to stop playing 'political games' -- but the clock is still ticking today....		
143	**ESTIMATE**	**B**	Greece may have to leave the eurozone if it fails to secure its latest bailout from the EU, IMF and banks, a government spokesperson has warned. "The bailout agreement needs to be signed otherwise we will be out of the markets, out of the euro," spokesman Pantelis Kapsis told Skai TV.	**03/01/2012**	**42**
144	**OPINION**	**G**	Eurozone crisis: Swiss bank chief quits over dollar trades • Leaders: we hope to agree fiscal compact before March • Sarkozy vows to bring in Financial Transaction Tax soon • Today's agenda • German trade surplus expands SARRKOZY MEETS MERKEL: Greece was warned that time is running out to reach a deal with its creditors. Merkel said that Greece will not receive its next aid tranche unless the terms of the Private Sector Involvement (the haircut agreed by its lenders) are hammered very soon. • The EU fiscal compact is on track to be ready by March. Sarkozy said that negotiations will be wrapped	**09/01/2012**	**6**

			up "in the coming days", so that it can be signed on 1 March. Merkel reckoned the details could be agreed by the end of January. • France and Germany remain committed to implementing a financial transaction tax. They want a plan drawn up ready for EU finance ministers' meeting in March.		
145	**FACT**	**B**	Also on 13 January, talks between Greece and its private creditors over a debt write-off deal stall. The deal is necessary if Greece is to receive the bailout funds it needs to repay billions of Euro of debt in March. The talks resume on 18 January.	**13/01/2012**	**4**
146	**FACT**	**B**	Euro-zone finance ministers rejected a debt restructuring deal for Greece. Ministers insisted that banks must accept a lower interest rate on the new Greek bonds than the 4% average rate demanded by bondholders. However, Institute of International Finance boss Charles Dallara, who represents private creditors, insisted that the deal on offer was in line with the Greek rescue plan hammered out last October.	**24/01/2012**	**11**
147	**FACT**	**B**	By late last night, little progress had been reported in the negotiations with private creditors or with troika officials – despite an announcement that Charles Dallara, who represents private bondholders as head of the Institute of International Finance, would be returning to Athens for talks over the weekend.	**02/02/2012**	**9**
148	**FACT**	**B**	After 12 hours of talks with EU, IMF and European Central Bank officials, Greek finance minister Evangelos Venizelos said crucial issues remained unresolved.	**06/02/2012**	**4**

149	**FACT**	**G**	Eurozone crisis live: Greek bailout deal reached, but euro finance ministers cautious - as it happened • READ THE OFFICIAL STATEMENT • Finance ministers demand proof Athens will deliver • Euro finance ministers skeptical • Angry unions call two-day strike • Greek finance minister heads to Brussels with 'hope' • Mr. Monti goes to Washington Today's agenda Greek prime minister Lucas Papademos's office has announced that coalition leaders have reached agreement over the country's second bailout. 8.20pm: It's time to wrap this live blog up after another lively day. Here's a closing summary: • Greece's coalition leaders say they have accepted the terms of the country's second rescue package, ending days of deadlock. Having failed to agree €300m of pension cuts last night, last-ditch talks with international lenders have delivered 'success' – according to prime minister Lucas Papademos.... • But doubts remain over whether it will be enough to satisfy the rest of Europe. Eurozone finance ministers are meeting now in Brussels, but are not expected to reach a decision tonight. Germany and Ireland have both suggested that the deal agreed in Greece may not go far enough..... • The agreement has sparked anger in Greece. Unions have called a two-day strike, beginning on Friday. A	**09/02/2012**	**3**

			government minister has resigned, along with a senior member of the New Democracy party. • The European Central Bank hinted that it could share any profits on its Greek bonds with the rest of the euro-zone. However Mario Draghi ruled out taking part in the debt restructuring programme.		
150	**FACT**	**B**	INCREASING CONCERNS IN THE MARKETS ABOUT THE GREEK BAILOUT AFTER BRUSSELS REJECTED GREEK PLAN ON 9/2/2012	**10/02/2012**	**1**
151	**FACT**	**B**	HUGE PROTESTS AND CLASHES IN ATHENS BEFORE THE PARLIAMENT VOTE FOR ACCEPTING NEW AUSTERITY PAKAGE IN EXCHANGE FOR A LARGER 130BN EURO BAILOUT PACKAGE. Μετά την ολοκλήρωση της ψηφοφορίας για τα νέα μέτρα (ΔΕΥΤΕΡΟ ΜΝΗΜΟΝΙΟ) που ολοκληρώθηκε τα μεσάνυχτα της Κυριακής 12 Φεβρουαρίου, διεγράφησαν 22 βουλευτές του ΠΑΣΟΚ ,21 της Νέας Δημοκρατίας και 2 του ΛΑΟΣ που διαφοροποιήθηκαν από την απόφαση του κόμματός τους.[111] Ακολούθησαν οι παραιτήσεις των βουλευτών του ΠΑΣΟΚ Μ. Τσόκλη και Α. Λαφαζάνη (13-02) από τις βουλευτικές τους έδρες, Την προηγούμενη μέρα είχε προηγηθεί η παραίτηση του βουλευτή της ΝΔ, Ν. Λέγκα (12-02)[205][206]	**13/02/2012**	**3**
152	**FACT**	**B**	Euro zone debt crisis live: Juncker cancels eurozone Greece meeting • Euro group 'still missing information from Athens' • George Osborne: Moody's is a wake-up call • Greek and Portuguese GDP falls • Italy cuts F-35 fighter spending, and Rome's Olympic hopes	**14/02/2012**	**1**

			• Anger as Athens riots leave 500 jobs at risk • Eurozone industrial production slumps 6.30pm: Jean-Claude Juncker has cancelled tomorrow's meeting of eurozone finance minister. From the Associated Press report: Jean-Claude Juncker, who is also prime minister of Luxembourg, says the Euro group was still missing information from Athens on how it plans to save promised €325 million. He says he also did not receive assurances from the leaders of the two main Greek parties that they will implement the program even after elections expected for April. He said Tuesday the ministers will instead have a teleconference Wednesday and meet next Monday 5.30pm: As its Valentine's Day, I'm sure you all have better things to do than read this blog any more. So here's a summary: • George Osborne has defended his fiscal plans after Moody's cut the outlook on Britain's AAA rating to negative. The chancellor claimed that the move bolstered his fiscal plans, despite shadow chancellor Ed Balls warning that world leaders are risking a second Great Depression. • Financial markets shrugged off Moody's decision to downgrade six countries and put the UK, France and		

Austria on negative outlook. European stock markets were little changed today. Some analysts warned, though, that the UK's credit rating could deteriorate if the economic outlook worsens.

• There was grim economic news for the eurozone. Greece's economy shrank by 7% in the last quarter, on a year-on-year basis, while Portugal contracted by 1.3% over the quarter. Industrial output across the eurozone fell at the end of last year, making a recession appear more likely.

• Greece continued to recover from the weekend's riots. Around 500 people could lose their jobs, while New Democracy leader Antonis Samaras vowed to catch the "scumbags" responsible.

• The Greek cabinet continued to search for spending cuts to meet its obligations in return for a second bailout. However a Euro group meeting scheduled for Wednesday has been cancelled, in favour of a telephone conference call, as Greece has not yet met its obligations.....

After Lucas Papademos finally delivered a deal on the latest package of savage austerity measures last week, following tortuous negotiations with his coalition partners, he might have hoped for a quick rubber stamp from the "troika" of the EU, IMF and European Central Bank.

Instead, he was sent back to the drawing board to come

			up with another €300m-worth of cuts, against the backdrop of violent street protests. Not only that, but his opposition partners were warned that they too must sign up, binding future Greek governments of whatever color to detailed plans laid down by Brussels and Berlin.		
153	**RUMOR**	**B**	Just in – Reuters is reporting that European officials are considering delaying Greece's second bailout until April, after the general election. Here's the story, by Luke Baker and Jan Strupczewski Euro zone finance officials are examining ways of delaying parts or even all of the second bailout programme for Greece while still avoiding a disorderly default, several EU sources said on Wednesday. Delays could possibly last until after the country holds elections expected in April, they said. While most of the elements of the package, which will total 130 billion euros, are in place, euro zone finance ministers are not satisfied that Greece's political leaders are sufficiently committed to the deal, which requires Athens to make further spending cuts and introduce deeply unpopular labor reforms. Data: Reuters The euro has plunged by around a cent against the dollar on this report -- hitting $1.306.	**15/02/2012**	**1**

			1.35pm: According to Reuters, Germany, Finland and the Netherlands are leading the push to delay Greece's bailout until April [see 1.18pm], even though the country must repay €14.5bn of maturing debt in March. Their plan is for Greece to finalize its debt negotiation deal with its creditors (the Private Sector Involvement), which will trim €100bn off its debt pile. That would provide the resources to deal with March's debt repayment. Of course, private creditors might be less willing to take a haircut on their bonds if Europe hasn't stumped up its portion of the deal. In that instance, the whole package would have to be rolled over to April – and the rest of the eurozone might pick up the bill in March. Reuters explained: This would mean we have to pay the €14.5bn on March 20, which would be a total waste," said the euro zone source, who took part in discussions among deputy heads of euro zone finance ministries on Tuesday.		
154	**EXPECTATIONS**	**G**	Eurozone crisis live: Barroso salutes Greece's courage as optimism returns - as it happened • European Commission president calls for bailout to be agreed • Portugal's unemployment rate hits 14% • Optimism tonight that deal is back on track • Why stock markets could soon wobble • Moody's may downgrade 114 European banks • Broken traffic lights unmended in Athens Share 31	**16/02/2012**	**1**

			European Commission president José Manuel Barroso praised Greece, on a nervous day that ended on an optimistic note. 8.16pm: I think we're done – after a day that started nervously, but ended on an upbeat note. Here's a closing summary: • Greece has inched closer to finding the spending cuts needed to win a second bailout. It appears that €100m will be cut from the defense budget, another €90m public sector wages, with further cuts to ministry spending planned. A Greek government spokesman insisted tonight that the country is on track for a deal on Monday. • Fears over the Greek bailout sent European markets falling today, before a late rally in America. With Spain's stock market losing more than 2%, analysts warned that traders are losing faith in Europe's ability to fix the crisis. But on Wall Street, shares rallied after encouraging reports of progress. • The European Central Bank may have reached a deal over what happens to its Greek bond assets. The Financial Times says the ECB will not take a haircut, but will private creditors agree? • European Commission president Jose Manuel Barroso praised Greece's efforts. Barroso told the European Parliament that Greece should be applauded for its efforts, and that Europe should now agree the bailout.		

• Evangelos Venizelos spent the day urging Greece's politicians to back the bailout. He hopes to persuade the smaller parties to offer their support, having criticized those who believe Greece should quit the euro.

• Greece continues to suffer the after-effects of the weekend’s riots. Traffic lights which were smashed have not been repaired, with reports that the money isn't available.

Thanks all. Great comments as ever. My colleagues are back tomorrow. Goodnight!

8.10pm: The battle for the French presidency is heating up. Nicolas Sarkozy has just seen a bounce in the polls since launching his re-election campaign this week.

New polling data out tonight found that Francois Hollande would win 29.5% of the vote, followed by Sarkozy with 26.5%.

In a second-round run-off, Hollande would win with 56% to Sarkozy's 44%. That means the gap has narrowed this week.

The French presidential election will have major ramifications for the eurozone crisis. Hollande, a socialist, wants to change Europe's approach to the crisis, but has been playing down his image as a man who wants to hit the banking sector hard.

7.14pm: The other encouraging report tonight is that the

European Central Bank has reached a deal over what happens to its Greek bond assets.

The Financial Times has the best story on this tonight. It reports that the ECB will avoid taking any haircut on its Greek securities, even though private creditors are expected to lose 70% of the face value of the bonds through the Private Sector Involvement scheme.

The European Central Bank headquarters in Frankfurt. As the ECB bought its bonds at discount in the secondary market (from nervous investors looking to cut their losses), it paid an estimated €40bn for around €55bn of bonds. On top of which it should receive regular interest payments.

That 'profit' would, under the agreement secured by the ECB, be recycled back into the European system through national central banks and ultimately used to help struggling countries.

It's not clear, though, tonight that the creditors will swallow this. As the FT says:

the deal secured by the ECB for its Greek holdings could undermine its intervention in other eurozone government bond markets, by raising fears among private sector bondholders that it would also receive preferential treatment in any future bail-out. It could also trigger legal action by other Greek bondholders arguing the ECB has received unfair treatment.

One to watch tomorrow.....

6.28pm: Wall Street likes the sound of these reports of progress on the Greek talks -- the S&P 500 just hit a nine-month high.

Optimism really is breaking out. Mega TV, Greece's most popular new channel, is reporting that for the first time ever the climate in the euro group is in favour of Greece spurred in part by the backlash to German statements in recent days, says Helena:

The solidarity group "We are all Greeks" has taken off like wild-fire through Facebook, according to the news channel!

How long can it last? Worth remembering that we still don't have a deal – just upbeat words from Athens..... and rumors from informed sources.

As Christopher Vecchio, currency Analyst at DailyFX.com, pointed out on Twitter:

6.05pm: Greece's bailout will need to be increased by around €6bn, it appears.

Greek television station Mega TV is reporting that the country's debt/GDP ratio is now expected to fall to 129% by 2010, not the 120% that was previously targeted.

If true, that means that Monday's Euro group meeting must find another €6bn.

			5.56pm: Despite all the angst between Athens and Berlin, travel agents are reporting an increase in inquiries from Germans wanting to visit the tourist-dependent country.		
155	**FACT**	**G**	Eurozone crisis live: World markets rise on Greek bailout hopes - 17 February 2012 • European stock markets end higher • Japan's Nikkei up 2%; Dow Jones at 4-year high • David Cameron and Nicolas Sarkozy pledge support for the eurozone • Today's agenda Greece is close to agreeing budget cuts demanded by the troika. 5.35pm: The European markets have now closed so time for a quick summary to wrap up the blog for another week. The FTSE 100 has finished up 19.69 points at 5905.07, within a whisker of a new six month high. German and French markets are up 1.42% and 1.37% respectively, as investors bet that the Greek's would finally get approval for their €130bn bailout package on Monday. Hope springs eternal, and all that. German chancellor Angela Merkel, Italy's Mario Monti and Greek prime minister Lucas Papademos all expressed optimism an agreement would be forthcoming at Monday's meeting of eurozone finance ministers. But officials warned there was still much work to do over the weekend to make sure Greece's debt burden came in at	**17/02/2012**	**1**

the targeted 120% of GDP which would allow the bailout to go ahead.

(Merkel also has other things to worry about, with the resignation of German President, Christian Wulff.)

And Iceland has had its credit rating raised just over three years after its IMF-backed bailout.

So until Monday, when we should get a decision on Greece unless yet another deadline goes whooshing buy, have a good weekend and thanks for all the comments.

4.23pm: Here comes another mini-grenade lobbed into the Greek situation.

The head of the Euro group - which is set to meet on Monday to finalize the €130bn bailout deal for Greece - has said there is still a long way to go to meet the target for its debt burden.

The plan is to cut the country's debt to 120% of GDP from its current level of 160%. But the Euro group's Jean-Claude Juncker has told reporters:

We are far away from that objective. All the discussions I will have...until Sunday night will try to move that figure nearer to the target.

Meanwhile the European Financial Stability Facility has given more details of a proposed protection facility for newly issued sovereign bonds. The move, designed to

			give some comfort to investors, involves fixed credit protection of 20%-30% of the principal amount of the bond. Is that enough? 2.51pm: There are reports coming out of Dow Jones that the exchange of the European Central Bank's ¢40bn of Greek bonds - bought under its securities markets programme - for new bonds has taken place. The move is supposed to protect the ECB from losses and allow it to contribute any profits to the general Greek bailout but has caused some concerns. Meanwhile Reuters is saying that the ECB is weighing up whether the $20bn of Greek bonds held by national central banks should be subject to the same writedowns that private investors are set to agree next week, after Monday's much anticipated endorsement of the overall bailout plan by the Euro group.		
156	**FACT**	**G**	The troika (EC, IMF and ECB) eventually agreed provide a second bailout package worth €130 billion,[54] conditional on the implementation of another harsh austerity package, reducing the Greek spendings with €3.3bn in 2012 and another €10bn in 2013 and 2014.[35] For the first time, the bailout deal also included a debt restructure agreement with the private holders of Greek government bonds (banks, insurers and investment funds), to "voluntarily" accept a bond swap with a 53.5% nominal write-off, partly in short-term EFSF notes, partly in new Greek bonds with lower interest rates and the maturity prolonged to 11–30 years (independently of the previous maturity).[55	**21/02/2012**	**4**

Eurozone crisis live: Deal reached on Greece after all-night talks - as it happened

- €130bn bailout deal hammered out
- Troika: Greek programme is off-track
- Summary of the key events
- Troika says Greece debt/GDP ratio is overshooting target
- De Jager pushes for 'permanent Troika' in Athens
- All smiles as meeting began
- Students protest in Athens
- Blogging: Graeme Wearden

Share 66

After more than 12 hours of talks, the Euro group have finally reached agreement over Greece's second financial package. Photograph: Yves Herman/Reuters

6.15am: OK, it's time to stop this live blog now, after 22 hours of action.

Many thanks for reading and commenting. It's been fun. We'll be starting a new live blog for Tuesday shortly on www.guardian.co.uk/business.

UPDATE: Our new live blog is up and running, here.

Here's a summary of the deal announced in the last two hours.

- Eurozone finance ministers have agreed the details of a €130bn financial package for Greece, after 14 hours of negotiations in Brussels.

• The deal, it says, will cut Greece's debt-to-GDP ratio to 120.5% of GDP by 2020, in line with previous targets. This will be achieved by private creditors taking a deeper cut on their existing Greek bonds, of 53.5% of their face value. The European Central Bank will also contribute, by passing the profits from its Greek bondholdings onto the national central banks, who will then pass it onto Greece.

• Greece will now begin negotiations with its private creditors over the terms of the package. It also appears that the Athens parliament plans to pass laws tomorrow to force losses onto bondholders who decline to take part in the 'voluntary' scheme.

• The deal was welcomed by all sides in Brussels, with Greek PM Lucas Papademos calling it a 'historic moment'.

Our summary of the key events before the deal was announced can also be seen here. Those events included:

• a leaked report from the troika showing how Greece is missing its targets
• Dutch demands for the troika to have a permanent presence in Athens
• Student protests in Athens
• Data showing the European Central Bank bought no government bonds last week

Photograph: Sky News

			5.40am: Just realized that I missed a joke by Olli Rehn earlier. Asked about the grueling overnight talks, commissioner Rehn replied: Marathon is a Greek word...I learned that the past two years. 5.25am: More details of the Greek government's press conference. It is planning to hold elections once the details of the new agreement have been voted through the Greek parliament. Finance minister Venizelos also declared that the package should end fears that Greece will exit the euro, arguing the Greeks should "bring back your money to Greek banks". 5.01am: The Greek government is now holding a press conference in Brussels. Prime minister Lucas Papademos says the deal is a "historic" moment for Greece. He confirms that an agreement has been reached on the 'basic conditions' of the Private Sector Involvement in the deal. The Institute for International Finance is expected to hold its own press conference later this morning, which should shed light on the details. Finance minister Venizelos is also speaking. He says that this is the first time that Greece is "reducing debt rather		

than adding to it".

4.53am: Olli Rehn also told reporters in Brussels that it "should be possible' to combine the resources of the European Stability Mechanism (the new European bailout fund), and the remaining funds within the European Financial Stability Facility (the current one), to form a "stronger firewall".

Will that firewall have total resources above €500bn, the previous maximum? Not currently clear.

And with that, the press conference is over. Jean-Claude Juncker invited the media to 'enjoy their breakfast'. After the overnight drama, I'd be surprised if many of them could get much food down.

4.46am: It's Q&A time, and journalists ask Christine Lagarde how much of a contribution the IMF will make to the new Greek package.

In response, Lagarde reply that the official communique refers to the IMF making a "significant contribution....Significant can mean lots of things".

In this case, we will not know until the second week of March, when the IMF board decides how much to provide.

The leaders are also asked whether they feel they made any mistakes with Greece's first rescue package.

Lagarde says that this second deal has a much stronger

			focus on competitiveness, including labor market reforms, to support economic growth in Greece wherever possible. Olli Rehn also acknowledges that mistakes were made in the past, saying the Euro group underestimated the economic challenges facing Greece, and its "weak political unity". 4.39am: Now Olli Rehn, EC commissioner, confirms that the Euro group have agreed to create a "segregated account" for Greece's second rescue fund. In other words, an escrow account, which will allow lenders to claw back the bailout if Greece misses its targets. Rehn also spoke about plans for "strengthened monitoring" of Greece. It's not clear whether this is the 'permanent troika presence in Athens' which the Dutch finance minister demanded. Christine Lagarde, head of the IMF, told the press conference that she "personally welcomed the agreement", which would give Greece the freedom to restore its economic competitiveness. 4.34am: The full statement from the Euro group on Greece's second financial programme can be seen here (pdf). 4.28am: Jean-Claude Juncker also confirms that Greece's creditors will take a nominal haircut of 53.5%. That's up from their previous final offer of 50%.		

Greece will now formally launch this offer to its lenders in the "coming days", he added. Previously, the PSI window was meant to open on Wednesday.

In addition (as rumored) the interest payment charged on Greece's existing loans will be cut.

And, national central banks will pass on any profits they make on their holdings of Greek bonds.

Juncker said the programme provides:

a comprehensive blueprint for putting the public finances and the economy of Greece back on a sustainable footing and hence for safeguarding financial stability in Greece and in the euro area as a whole.

4.21am: The press conference in Brussels has just begun.

Jean-Claude Juncker, head of the Euro group, confirms that a deal has been reached on a new financial programme for Greece, and the details of the Private Sector Involvement (the reduction in Greece's debt pile).

Juncker tells the assembled media that the package will bring Greece's debt-to-GDP ratio down to 120.5% by 2020, with a new €130bn of government financing running until 2014.

4.11am: Once the press conference begins in Brussels, you'll be able to watch it here....

4.10am: Mario Draghi, head of the European Central

			Bank, has declared that the deal secured in Brussels is "a very good agreement". He declined to comment, though, on the ECB's involvement in the plan. 4.02am: The new report into Greece's debt sustainability, which leaked last night (and which the Financial Times runs on its front page today) has now been uploaded to the internet. As blogged last night, the analysis - produced by Greece's troika of lenders - warns that Greece's macroeconomic outlook has "deteriorated significantly", meaning it cannot hit its former targets. 3.53am: In Brussels, journalists warn that the details of the Greek deal may not emerge for a little while:		
157	**OPINION**	**B**	Scale of cuts required to implement rescue package prompts analysts to raise spectre of another debt crisis later this year. FT PETER SPIEGEL ANALYSIS OF 10 PAGE DEBT SUSTAINABILITY REPORT.	**22/02/2012**	**1**
158	**FACT**	**G**	Greece unveils the details of the agreed Bond Swap	**24/02/2012**	**2**
159	**FACT**	**G**	Feb. 26 (Bloomberg) -- Greece reported a surplus of 579 million euros in January compared with a deficit of 1.55 billion euros a year earlier, according to a statement from the Athens- based General Accounting Office today.	**28/02/2012**	**4**

			Revenue for the state budget increased 16.6 percent, buoyed by receipts from a one-time tax on companies, beating a target of 10.8 percent, the statement said. Spending fell 10.7 percent, according to the statement. For Related News and Information: Top Stories:{TOP<GO>} To contact the editor responsible for this story: Maria Petrakis at +30-210-741-9080 or mpetrakis@bloomberg.net		
160	**FACT**	**G**	Ολοκληρώθηκε το PSI με τη συμμετοχή του ιδιωτικού τομέα να φτάνει το 95,7%. Greece has won sufficient support from its private-sector creditors to clinch a new bailout package, as it announced on Friday morning that 85.8% of bondholders had agreed to take heavy losses on their investments. At the end of several months of wrangling with creditors, the government reassured markets that it saw take-up for its bond swap deal rising to more than 95% once special clauses were triggered to enforce the agreement. Market players are hopeful the move that will at least briefly quell fears that the Greek crisis will send more shockwaves across Europe and beyond and further harm the global economy. For the bondholders the deal means taking losses of as much as 74% on their holdings but European policymakers have insisted that is a relatively small price	**09/03/2012**	**10**

to pay for containing the eurozone sovereign debt crisis. Greece is now expected to enforce so-called "collective action clauses" on any holders who have not accepted the bond swap deal.

The deal will mean embattled Greece slashes its debt burden and qualifies for fresh bailout money as part of the €130bn (£109bn) package from the IMF, European Union and European Central Bank.

The Greek finance minister, Evangelos Venizelos, thanked creditors for help returning "Greece to a path of sustainable growth".

"On behalf of the republic, I wish to express my appreciation to all of our creditors who have supported our ambitious programme of reform and adjustment and who have shared the sacrifices of the Greek people in this historic Endeavour," he said in a statement.

Analysts gave the deal a cautious welcome but said deep problems remained.

"The conclusion of the new Greek programme is far from the end of the euro debt crisis," said Michala Marcussen, global head of economics at Société Générale. She sees many challenges to come, including decisions over the firepower of Europe's bailout fund – the European financial stability facility (EFSF) and the future European stability mechanism (ESM).

"The hurdles of ratifying the fiscal compact, raising the lending capacity for EFSF/ESM thus paving the way for

			a stronger IMF and preparing for the eventuality of a new Portuguese programme (and very possibly a new Greek one too) are still ahead," Marcussen explained. Michael Hewson, senior analyst at CMC Markets, noted that a small part of the bonds in question governed by foreign law, not Greek rules, still had to be dealt with. "Questions still remain about the status of some foreign-law bonds the deadline of which has been extended to 23 March, but it would appear that a disorderly default has been avoided for the time being and that Greece is now less broke than it was a few days ago," he said. As the bailout deadline approached on Thursday, early indications that there had been enough private sector take-up sparked a rally on global markets. Stock markets in Asia rallied overnight as traders reported relief that Greece had won enough support to trigger a second bailout.		
161	**FACT**	**G**	Wall Street hits post-crisis high on eurozone and US optimism Dow Jones industrial average soars through 13,000 points as Fitch upgrades Greece's credit rating from junk to B. As Greece finally had the terms of its second bailout agreed by its European partners and the country was upgraded by ratings agency Fitch, the Dow Jones industrial average soared through the 13,000 point barrier to hit its highest point since June 2008. In London the FTSE 100 index closed at 5956. Stocks in New York were buoyed by strong corporate results and the monthly statement from the Federal	**13/03/2012**	**4**

			Reserve which kept interest rates at historic lows and noted that the US economy was expanding. In Athens, Greek officials reacted with barely concealed delight to the news that for the first time since the eruption of the crisis the country's credit rating had been upgraded by Fitch. As the 27 European Union countries gave their approval to the Greek bailout in Brussels, it was clear that the size of the upgrade – from junk status to B – with a stable outlook and Fitch's view that Greece's debt service profile had "significantly improved" – caught officials off guard. Aides close to the country's technocrat prime minister, Lucas Papademos, said they were happily "very surprised". "We didn't expect it and it's clearly very good news," government spokesman Pandelis Kapsis said. "It reflects the new confidence that Greece will be able to address its problems, make its debt sustainable and it increases our determination to move forward with reforms and fiscal consolidation."		
162	**FACT**	**G**	The International Monetary Fund has agreed to extend Greece a €28bn loan over the next four years. The IMF will give Athens €1.65bn straight away. • The EU taskforce said Greece was making progress to reform its economy. Horst Reichenbach. head of the taskforce, admitted there was a huge amount still to do but listed several areas of progress. • Evangelos Venizelos, the outgoing Greek finance	**15/03/2012**	**2**

			minister, indicated Greece will return to growth in 2013. The next leader of the Pasok party insisted that structural reforms will bring the country to a better future. • Standard & Poor's said it would raise Greece out of selective default in April. The new rating, of CCC, is lower than that of Fitch. • Fitch's decision to cut the UK's credit rating outlook to negative hung over the City today. Economists believe the move means there is no chance of George Osborne announcing any unfunded giveaways in next week's Budget. e late news in from Athens where our correspondent Helena Smith says technocrat prime minister Lucas Papademos has been holding talks with Greece's central bank chairman Giorgos Provopoulos over the recapitalization of the country's banking sector. The discussions are further proof that Greek authorities are determined to move ahead with pumping cash into the market place through small firms - a vital next step according to EU task force chief Horst Reichenbach (see our report from 3.55pm)		
163	**VIEW**	**B**	The Greek prime minister Lucas Papademos has conceded that the crisis-plagued country could require a third bailout only weeks after it secured a second package of rescue funds following months of hand-wringing in Brussels. Athens may have received the biggest bailout in history but another lifeline could not be ruled out, the technocratic leader said in an interview. So far, the EU and International Monetary Fund have committed a total	**30/03/2012**	**15**

			€240bn (£200bn) to the near-bankrupt nation. "Some form of financial assistance might be necessary but we have to work intensely to avoid such an event," Papademos told the Italian business daily Il Sole 24 Ore. Addressing the Greek parliament on Friday he warned of further spending cuts, saying whatever government emerged after forthcoming general elections it was vital that it prepared for the measures. "In 2013-2014, a reduction in state spending of about €12bn is required under the new economic programme," Papademos told MPs in what is expected to be one of his last appearances before the 300-seat house. "Every effort must be made to limit wasteful spending and not to further burden salaries of civil servants." Well-placed sources said the prospect of further aid would be "a given" if Greece was unable to service its debt by borrowing on international markets. Papademos, a former vice president of the European Central Bank, said even if Athens enforced all the reforms being demanded by its "troika" of creditors at the EU, ECB and IMF, it remained far from certain that it would be able to access capital markets by 2015, when the country's latest financial support program ends. Greece has been locked out of markets since first seeking international aid in May 2010. "It is difficult to foresee market conditions and expectations in 2015," said the		

			leader. But addressing MPs, Papademos insisted that after this month's write-down of Greek debt, the cash-strapped economy would begin to rebound in 2013. The bond swap has sliced around €95bn from the country's €360bn debt with an additional €12bn expected to be erased when, completing the restructuring, coupons governed by foreign law are exchanged next week. Insiders say the new government will have "about 60 days" to enact long-overdue structural reforms and agree on ways of reining in public debt before troika officials make a crucial inspection tour of Greece in June. "It is very important that there is no let up in the pace of reforms after elections," said a senior Papademos aide. This week, the chiefs of both the EU and IMF missions to Greece said while progress had been made meeting deficit-reducing targets, much remained to be done. "There are still many measures to be taken, painful ones too. I believe we'll be able to see in the second half of the year in which direction we're going, whether we're on the right path or not," said Matthias Mors, head EU monitor. IMF supervisor Poul Thomsen was tougher still, predicting that economic recovery for the debt stricken country would take "at least a decade."		
164	**FACT**	**G**	Greek debt raised out of default by Standard and Poor's Greece has had its government debt rating raised out of	**03/05/2012**	**34**

			default by credit rating agency Standard & Poor's. S&P upgraded the crisis-hit nation to "CCC" from "selective default" after the country completed the biggest debt restructuring in history earlier this year. "While the exchange has, in our view, alleviated near-term funding pressures, Greece's sovereign debt burden remains high," it said. Greece has been bailed out twice. The nation received loans totaling 110bn euros in 2010 and, following the debt restructuring, secured another 130bn euros in March 2012 from the eurozone and International Monetary Fund. The rating of CCC means, according to S&P, that Greece is "currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments". In March, rival agency Fitch also raised its rating of Greece out of default — Copyright © Famagusta Gazette 2012 All comments are now moderated		
165	**FACT**	**B**	Greek elections, no winner, negotiations begin for forming a government	**07/05/2012**	**4**
166	**VIEW**	**B**	Eurozone crisis: Greek left leader renounces bailout deal Frontrunner to form a new government shocks financial markets with remarks over EU and IMF loan agreement	**08/05/2012**	**1**

167	**FACT**	**B**	Greek coalition hopes dashed as leftist leader stands firm Alexis Tsipras says he will not be 'partner in crime' with mainstream leaders, who criticize his stance as irresponsible	**14/05/2012**	**6**
168	**FACT**	**B**	Failure to form a government officially announced.	**15/05/2012**	**1**
169	**ESTIMATION**	**B**	CITIGROUP: Grexit will happen on 1/1/2013	**25/05/2012**	**10**
170	**FACT**	**B**	Greek elections. Not clear how a government will be formed.	**18/06/2012**	**24**
171	**FACT**	**G**	SAMARAS forms a government with PASOK & DHMAR	**20/06/2012**	**2**
172	**INTENSIONS**	**B**	With a crucial summit between European leaders set for Thursday and Friday in Brussels, the Greek government said it would press for an extra two years' grace to meet the tough deficit targets laid down in the bailout deal, and was hoping to reverse cuts in the minimum wage and cancel planned civil service layoffs.	**25/06/2012**	**5**
173	**RUMOR**	**B**	SPIEGEL: IMF to stop further Aid Tranches to Greece as missing the 120% of GDP public debt target seems as nonviable.	**23/07/2012**	**28**
174	**FACT**	**B**	Ticking off by Troika heightens fears of Greek exit from euro International debt inspectors claim Greece is failing to keep to deficit reduction plan, while shares in Spain tumble. Financial market fears over a possible Greek exit from the single currency were fanned on Tuesday by a gloomy assessment of the country's economic plight from international debt inspectors and evidence of a growing rift between Athens and Berlin.	**25/07/2012**	**2**

Officials from the so-called troika – the IMF, the European Union and the European Central Bank – warned that Greece had failed to keep to the deficit reduction plan agreed earlier this year.

Arriving in Athens for talks with the coalition government, one official was quoted as saying: "Greece is hugely off track. The debt-sustainability analysis will be pretty terrible."

Another official pointed to the latest growth estimates from Athens, which show the economy contracting by 7% this year rather than the 5% previously forecast, meaning that the debt burden is only increasing in relation to GDP.

"Nothing has been done in Greece for the past three or four months," said the official, referring to the delays caused by the two elections held since May.

German politicians have been ratcheting up the pressure on the new government of Antonis Samaras in recent days, stressing that Greece can expect its financial lifeline to be cut off unless it agrees to a fresh round of deeply unpopular austerity measures.

Samaras reacted angrily to suggestions from Germany that Greece is incapable of meeting its bailout pledges and should start planning for the return of the drachma, branding the comments irresponsible.

"I say it openly and publicly, they undermine our

			national effort," the prime minister said in a speech to party members. "We do all we can to bring the country back on its feet and they do all they can so we can fail," he said.		
175	**OPINION**	**G**	The next few weeks will be crucial if Greece is to avoid defaulting on its mountain of debt and being ejected from the eurozone, the finance minister Yiannis Stournaras warned on Sunday as visiting EU-IMF officials took the rare step of concluding an inspection tour of the country with words of praise. Six weeks after taking power, the conservative-led government of prime minister Antonis Samaras won plaudits from auditors who announced they would issue a final verdict on the near-bankrupt nation in September. "Talks went well, we made good progress," the IMF's mission chief for Greece, Poul Thomsen, said after discussions with Stournaras. "We will take a break and come back in early September." A technocrat who has long advocated stringent reforms to the euro zone's weakest economy, Stournaras insisted the three-party coalition in Athens was determined to reduce the deficit – whatever the cost. "The country is committed to implementing a series of measures and reforms to revive the economy and permanently remove the threat of bankruptcy," he told the Ethnos newspaper in his first big interview since assuming the post. "The coming weeks are crucial for the country's survival	**06/08/2012**	**12**

			because if we go down a different path than logic tells us, it could drive us outside the eurozone and into bankruptcy." A senior finance ministry official, requesting anonymity because of the sensitivity of the matter, said "a fair amount" of a new package of spending cuts had been decided. "We have done a lot of work to be able to agree today on a fair amount of the €11.5bn (£9.1bn) of measures," he told reporters. "We will continue to work so that we can send them some measures by the end of the week. We must conclude by early September." The troika of creditors – the EU, ECB and IMF – has made the cuts a condition of further rescue loans. Under pressure from the triumvirate, the government has also pledged to enact long-delayed reforms to make the economy more competitive. Presenting a 10-point plan on Thursday, the development minister Costis Hadzidakis said he did not care about the political cost of the changes – from overhauling the Byzantine bureaucracy to liberalizing closed shop professions. "What is important is the salvation of the country," he said. "Through these reforms we want to send a message to all, that Greece is determined to reverse the climate, change course and win the bet." With Athens facing the challenge of repaying a €3.2bn bond which matures later this month and state coffers on course to dry up "within weeks", according to the deputy finance minister Christos Staikouras, the troika's forthcoming review will determine whether Greece		

			receives a fresh installment of aid, worth €31.5bn, in September. Officials say they are "pulling out all the stops" to restore the country's lost credibility, after a failure to enforce reforms, before attempting to renegotiate the onerous terms of the rescue package, its second bailout since 2009.		
176	**FACT**	**B**	Angela Merkel rejects Greek pleas for extra two years to repay loans German chancellor's hardline stance towards Antonio Samaras over latest debt package backed by France's François Hollande	**24/08/2012**	**18**
177	**DISCUSSIONS**	**G**	Greece's international lenders will consider giving the country more time to implement austerity measures agreed under its multi-billion euro bail-out, according to IMF managing director Christine Lagarde.	**14/09/2012**	**21**
178	**FACT**	**B**	Greek economy to shrink 25% by 2014 EU under pressure to relax terms on Greece's €130bn bailout as critics warn of 1930s-style Great Depression. The ailing Greek economy is on the verge of a 1930s-style Great Depression, as the Athens government predicted a 25% fall in GDP by 2014, putting intense pressure on the EU to relax the terms on the country's €130bn (£105bn) bailout package The finance minister, Yannis Stournaras, said a decline in tax revenues and spiralling unemployment will deepen the country's four-year recession, which critics of the EU's stance said could lead to a recession as long and deep as America's pre-war decline.	**18/09/2012**	**4**

			Stournaras, who is locked in negotiations over the terms of a second bailout, fears that efforts to revive the Greek economy will be undermined by a draconian austerity programme, early debt repayments and high interest rates on its loans. "The cumulative reduction (of gross domestic product) since 2008 is just under 20% and is expected to reach 25% by 2014," he told a Greek–Chinese business forum in Athens. "The time frame for the adjustment, the conditions of the real economy should be taken into consideration," he said. "Otherwise there is a great risk of prolonging the negative consequences for the economy and society." The finance minister made the plea after revealing that while Greece would meet its nominal 2012 deficit reduction targets, its primary deficit would reach 1.5% of GDP compared to the projected 1% following a sharp decline in the economy's output. Concerns that the economic situation is deteriorating faster than expected in Greece, Spain and Portugal dragged down stock markets, which have rallied in recent weeks on better news from the eurozone and expectations, confirmed on Friday, that the Federal Reserve would inject more new money into the US economy.		
179	**ESTIMATION**	**G**	CITIGROUP lowers the Grexit probability to 60%	**12/10/2012**	**24**

180	**ESTIMAT ON**	**G**	CITIGROUP claims that still they believe that Greece will leave the EMU in the next 2-3 years	**26/10/2012**	**14**
181	**ESTIMATI ON**	**G**	CITIGROUP maintains its estimation for the Grexit probability to 60%	**26/11/2012**	**31**
182	**FACT**	**G**	Greece hails rebirth of a nation as EU and IMF agree to release loans Antonis Samaras says it is a 'new day for Greeks' after creditors agree to redraft package, free up funds and cut debt mountain by €40bn. thread, Greece reacted with euphoria on Tuesday at the news that international creditors had decided to not only revitalize its rescue programme, releasing long-overdue aid, but cut €40bn (£32bn) from its debt mountain. Addressing the Greek nation, the prime minister, Antonis Samaras, said the landmark agreement opened the way to the country's "rebirth" after one of the darkest periods in its modern history. The deal had not only averted bankruptcy and secured Athens' position in the eurozone but placed it on a path of economic recovery. "A very grey and very dark period for Greece closed definitively," said the prime minister, whose fragile coalition had put its future on the line by endorsing a fresh round of unpopular austerity measures and structural reforms in return for further assistance from the EU and IMF. "Greece has managed to win its credibility again. It has managed to transform a programme of endless austerity into a programme that dares [to enact] reforms and will lead to growth," added a tired looking but visibly	**27/11/2012**	**1**

			relieved Samaras. Three years after Europe's economic crisis erupted in Athens, the foundations had finally been laid to ensure that Greece's "most tortuous and destabilizing problem" – its massive pile of debt – would become sustainable, he said. From being the euro zone’s most indebted nation, Greeks can now expect to see their debt load cut to 124% of GDP in 2020 from the projected 190% of national outlay in 2014, under a package of measure that include a bond buy-back and various interest rate cuts on official loans.		
183	**FACT**	**G**	The Council today: agreed measures granting Greece an additional two years to correct its excessive budget deficit, following an agreement reached between the Greek government and the "troika" of international creditors2 . It adopted a decision: adjusting the fiscal consolidation measures required of Greece under the EU's excessive deficit procedure (decision 2011/734/EU). The decision requires Greece to bring its government deficit below the 3% of GDP reference value in 2016, instead of 2014, relaxing the annual adjustment path previously set. The agreement between Greece and the troika, approved by the Euro group on 26 November, will enable the disbursement of the next tranches of financial assistance to	**04/12/2012**	**7**

			Greece under its second economic adjustment programme. It specifies the conditions for that assistance, which will be laid down in a revised memorandum of understanding, to be signed by the Commission on behalf of the eurozone member states.		
184	**FACT**	**G**	Finance Minister George Papaconstantinou again rules out a debt restructuring, adding that he has just "expressed the hope" that the EU and IMF will agree to extend bailout loan repayments.	**02/05/2013**	**149**

10.2 INITIAL POOL OF EVENTS

(includes more than 1 event per day)

FULL ORIGINAL
EVENT LIST - MULTIPI

10.3 REGRESSION ESTIMATION RESULTS PER PERIOD

(Dummy variable coefficient)

Regression result
tables CDS and Bond