

Draghi provokes Germany

The outspoken reluctance of the ECB president to revise the perpetual crisis mode of monetary policy increasingly destabilises the Eurosystem

Once again Mr. Draghi and Monsieur Coeuré have won the debate over QE in the Governing Council. Contrary to what has been requested by the representatives of traditional hard currency countries, the Asset Purchase Programme (APP) will remain open-ended. Far more important is Draghi's confirmation that only the net asset purchase will decrease from January 2018 onwards. However the revenue from redeeming bonds will be used to continue purchases. As the stock of bonds is as Draghi put it „ important“(2,55 Trillion Euros) ECB will maintain all parameters to manipulate the markets and to protect the Eurozone countries' sovereign debt from the pinch of competitive pricing.

The open-ended distortion of competition on capital markets is an unprecedented challenge to Germany's civil courage. Draghi's refusal to sell – little by little - the purchased public debt transforms ECB and the Eurosystem into a rubbish dump of bad debt. This practise is contrary to the ECJ's OMT ruling and poses a real challenge for the QE-case pending in the Luxembourg Court.

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