HEAR ON THE STREET

A little self-sacrifice for RBS's Hester

Stephen Hester is said to feel hard done by. If any European bank chief deserved a big salary in 2009, it was the boss of the Royal Bank of Scotland Group. Hester cut his pay and Bonuses by 90%. Hester is one of the few CEOs who actually earns a penalty if his bank loses money. But credit was due for RBS's tough stance on bonuses. Hester claimed a third of the bonus pool would be paid in shares. Hester's salary is £425,000 next year, down from £1.5 million last year. Hester's pay was the highest among Europe's 25 largest banks.

Hedge funds are ganging up on weaker euro

Some heavyweight hedge funds have launched buy/sell baskets against the euro in moves that are reminiscent of trades at the height of the U.S. financial crisis. The baskets were set up in early 2010 in response to a growing number of European sovereign-debt woes, including the default on its bond obligations filed by Greece.

Laying blame: good speculation vs. bad speculation

Speculators, watch out! European policymakers are justifying their actions by blaming speculators. The euro has fallen this year, but speculators, who have been betting against the euro, are not the only ones responsible. Credit conditions are tight everywhere, and the euro has weakened against most major currencies. But speculators are not the only culprits. Credit conditions are tight everywhere, and the euro has weakened against most major currencies. But speculators are not the only culprits. Credit conditions are tight everywhere, and the euro has weakened against most major currencies. But speculators are not the only culprits. Credit conditions are tight everywhere, and the euro has weakened against most major currencies. But speculators are not the only culprits. Credit conditions are tight everywhere, and the euro has weakened against most major currencies. But speculators are not the only culprits. Credit conditions are tight everywhere, and the euro has weakened against most major currencies. But speculators are not the only culprits. Credit conditions are tight everywhere, and the euro has weakened against most major currencies. But speculators are not the only culprits. Credit conditions are tight everywhere, and the euro has weakened against...
Osborne’s financial-stability strategy

By FrancescaMassey

With words so carefully chosen that every comma counts, the chancellor of the Exchequer, George Osborne, put forward a masterplan to help Britain weather the aftermath of the financial crisis.

Commonly expected to deliver his keynote speech on the financial crisis, the chancellor surprised the audience by focusing on a financial plan that would help Britain weather the storm and convert it into an opportunity.

Britain, he said, was at a turning point, and the government was ready to lead the country out of the crisis.

The chancellor outlined a series of measures to stimulate the economy, including:

- A £282 billion ‘Fortress Britain’ program to protect the country from further financial crises.
- A £228.5 billion plan to strengthen the financial system and prevent future crises.
- A £433 million profit for Crédit Agricole, which was weighed down by the sale of two businesses.
- A £5.56 billion profit for Royal Bank of Scotland, which signaled that the worst of the bad-debt charges may be over.
- A £5.08 billion profit for Nissan, which included a leap in charges on souring loans.
- A £2.68 billion profit for Coca-Cola, which showed that the worst of the bad-debt charges may be over.

The chancellor’s plan was met with mixed reactions, with some economists praising its boldness and others criticizing its lack of specifics.

The chancellor’s plan was seen as a step in the right direction, but it was also acknowledged that more work needed to be done to ensure the stability of the financial system.

The chancellor’s plan was seen as a sign of hope for the future, but it was also acknowledged that the road ahead would be long and difficult.

The chancellor’s plan was seen as a symbol of the government’s commitment to financial stability, but it was also acknowledged that the plan would need to be closely monitored to ensure its success.

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Africa

**Egypt**

Some big bridge funds have launched huge bets against the euro, raising the possibility that the debt crisis may become a Eurozone recession.

**Italy**

A study by the European Union's executive body, the European Commission, found that Italy's economy is likely to be in recession for the next six months.

**Germany**

News of the death of a French citizen has fuelled concerns and rattled markets. Henri Salmide, who was born Heinz Stalschmidt, died at 92.

**Bullying for Italy's highest court**

Italian billionaire and Fastweb founder Silvio Berlusconi was re-leased without being charged for his role in his alleged coup plot. Twenty current and former senior officers have been formally charged of plotting to topple the Islamic-rooted government, and ordered held in jail.

**Bullying for Italy's highest court**

Italy's highest court has fueled concerns and rattled markets. Henri Salmide, who was born Heinz Stalschmidt, died at 92.

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Linking time to bonds to GDP

By Siri Bennerström

Everyone knows that the global economic crisis is showing no signs of abating just yet. Despair over the economic future is beginning to weigh on economies around the world and the bond market is now more than ever the central feature on the financial stage. One of the current issues is the relationship between GDP and bonds. So is there a way to link bonds to GDP? And if so, is there any advantage to it? Let's find out!

Deeper financial markets

The goal of deeper financial markets is a significant part of the agenda for some governments and international organisations. One point of view is to reduce the cost of borrowing and make the markets more efficient. But how do we connect bonds to GDP and what are the potential advantages?

Economists often use the term "GDP" when they speak of national economies. GDP stands for Gross Domestic Product, which is the total value of all goods and services produced within a country in a given period of time. GDP is a measure of the size of an economy and is often used to compare the economic performance of different countries.

In the context of financial markets, GDP is a key factor in determining the supply and demand for bonds. When GDP is growing, investors are more likely to buy bonds, as they see them as a safe asset class. When GDP is falling, investors may sell bonds, as they may see other assets, such as stocks, as more attractive.

There are also potential advantages to linking bonds to GDP. One advantage is that it could help to stabilise financial markets. If the link between bonds and GDP is tight, then the investors would be more likely to buy bonds when GDP is growing and sell them when GDP is falling. This could help to stabilise the bond market and reduce the risk of financial crises.

However, there are also potential disadvantages to linking bonds to GDP. One disadvantage is that it could create a conflict of interest. If the government is able to influence the value of bonds, it could use this power to manipulate the economy. This could lead to inflation or deflation, which could be harmful to the economy.

In conclusion, linking bonds to GDP could have both advantages and disadvantages. It could help to stabilise financial markets, but it could also create a conflict of interest. It is important to carefully consider the potential benefits and risks before implementing such a system.
Russia athletes stopped cold

By Richard Boudreau

MOSCOW—It was just before 6 a.m. Sunday when Russians awoke to see their national athletes stopped cold. The country has won only a women's hockey bronze, the men's downhill slalom, and the women's relay cross-country skiing. Russia's female hockey team is the only real winner of any Olympic competition. The country's men's hockey team, for years the target of raucous chanting from the stands, was eliminated in the 11th minute of the game.

The silence over Olympic failures pervades; nation faces its worst showing ever

By Richard Boudreaux

February 25

The government postpones a bond sale.

Germany considers a plan for EU partners to offer Greece loanguarantees.

Fitch downgrades the country's four major banks totwo notchesabove "junk"status.

The concerns about Greecepic champion skater, says many federation bodies are run like corruptfiefdoms. She faults the Olympic committee chairman, ... for lagging a decade behindin developing talent in relativelynew Olympic sports such as short-track speed skating.

The sale was completed Jan. 25.

But by Jan. 28, the value of the newbond had fallen 3.5%, which left in-vestors unhappy.

"Russia athletes stopped cold," said Anton Berdov, a 22-year-old producer of television com-mercials. "For two years our guysare world champions, so they thinkthey're stars and lose their teamspirit. It's unbelievable, but this isthe Russian mentality."

By Bruce Krause

Greek delays planned bond offering

General strike and S&D's downgrade warning push price to near 3%-yield.

Greece plans to offer a bond that can be exchanged for a basket of assets or cash under default conditions.

The quicker the better: Lenders look for a "softer" deal that leaves less room for negotiation.

The 2002 transaction allowed Greece to keep its membership in the EMU, believing that it couldn't sus-tain the euro, believing that it couldn't sus-tain the euro, believing that it couldn't sus-tain the euro, believing that it couldn't sus-tain the euro, believing that it couldn't sus-
**EUROPE NEWS**

**U.K. immigration issue boils**

Britain sees fewer foreign workers, more students, in data fueling a hot election issue

By Susan Casey-Larsen

LODZ, Poland—The U.K. government has had mixed results in its efforts to take more aggressive measures against third-country nationals who seek to enter the country on tourist visas. The government’s efforts to slash immigration figures for both business and tourists have resulted in a 9% decrease in the number of third-country nationals who sought entry by tourist visas in 2009, the most recent year for which data are available. The number of tourist visas issued to third-country nationals fell from 4,211,000 in 2008 to 3,864,000 in 2009, a decline of 8%. The decline in the number of tourist visas issued to third-country nationals is consistent with the overall trend of decreasing immigration to the United Kingdom. The number of third-country nationals seeking entry by tourist visas decreased from 5,162,000 in 2008 to 4,632,000 in 2009, a decline of 10%. The decrease in the number of tourist visas issued to third-country nationals is consistent with the overall trend of decreasing immigration to the United Kingdom. The number of third-country nationals seeking entry by tourist visas decreased from 5,162,000 in 2008 to 4,632,000 in 2009, a decline of 10%.

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Turkey frees officers amid tensions

President, pleading a constitutional resolution to standoff with military, releases pair arrested in coup-plott sweep

President Abdullah Gul of Turkey sought to arrange face of political instability. Thursday, muffling with the country’s military, he released a pair arrested in May accused of plotting a coup, further fueling efforts to resolve a bitter standoff with the country’s military, which has long been suspicious of the pro-Islamic leaning Justice and Development party, or AKP, that has become starkly divided between pro- and anti-government justices and prosecutors.

Mr. Gul issued his statement after meeting with Prime Minister Recep Tayyip Erdogan and Chief of the General Staff Hulusi Akar. Hours later, the two most senior of 20 military officers detained Monday on charges of plotting a coup—former Chief of Staff Necar Saglam and a top general—were released without charges. That brings the total detained to 18, including five admirals and nine generals.

The arrests appear to have come as a result of a row over the military’s refusal to back the country’s secular constitution and that has become starkly divided between pro- and anti-government justices and prosecutors.

But analysts say his early trip to Brussels on Monday, followed closely by a visit to Moscow on March 5, will be more than a symbolic gesture. Mr. Yanukovych’s first foreign visit will be to Brussels on Monday, followed closely by a visit to Moscow on March 5.

Prime Minister Yulia Tymoshenko of Ukraine, the most militant of Ukraine’s leaders, made a telephone call to the Turkish president Wednesday night to express her support.

Mr. Yanukovych, who appeared grim-faced on Wednesday’s meeting, earlier this week decried the arrest of five admirals accused of plotting a coup. The five admirals were among some 13 officers who were ordered released Tuesday after Mr. Tymoshenko arranged to have them transferred to a prison in Lviv, Ukraine. The government has said repeatedly that it would not allow the AKP to come to power without a transition period.

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Partisan divides mar health summit

Sharp exchanges and tales of medical nightmares mark daylong session; a major tussle about premiums

By Janet Adamy

WASHINGTON—President Barack Obama called on lawmakers not to let the health-care summit descend into “political theater,” but the negotiations over how to pay for the health-care law illustrate that the parties are so far apart that the White House is now focusing on how to rescue his overhaul, included long speeches by Congress members, a multitude of anecdotes about health-care nightmares, and moments that highlighted the philosophical differences between parties.

“This is an issue that is affecting everybody,” the president told members. “For congressional leaders who want to keep the health-care law alive, there are no easy answers. As it turns out, the Blue Room, across the street from the White House, succinctly understands that the problem is not getting better, it is getting worse.”

Mr. Obama had a sharp exchange with the Republicans and the president with the dissolution of the Democratic majority in the House, as the Senate and the House are divided between the two parties.

In an attempt to rescue his health-care overhaul, called on lawmakers to avoid “political theater” and to try to highlight areas of agreement between the parties.

President Barack Obama, in a last-ditch effort to rescue his health-care overhaul, called on lawmakers to avoid “political theater” and to highlight areas of agreement between the parties.

Health debate helps crystallize differences

This week is the first time the health debate has crystallized differences between the parties, with both sides arguing that their plan is better. The president’s plan, which he described as a “comprehensive” approach, is likely to cost more, but is expected to expand coverage for more people. The Republican plan, which is likely to cost less, is expected to reduce coverage for some people.

Tracking credit markets & dealmakers

Credit-default swaps: European companies

Dow Jones Industrial Average

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Credit derivatives

Credit derivatives are a type of financial derivative where one party agrees to make payments based on the performance of another party. The derivatives are used to hedge against risk.

Markit/Financial Times

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Behind Europe’s deals: Bankrankings, Global (ex US)

Behind every IPO (initial public offering), merger deal or syndicated loan to one or more investment banks, there are investment bankers called to post-date these financial benchmarks. This document is a snapshot of the week’s most important investment banking deals, as reported by Dealogic, a Thomson Reuters company.
conflicting claims on the islands since the early 19th century, when Argentina declared its independence from Spain. Then in 1982, Argentina invaded the Falklands in a surprise attack. Britain took them back at the cost of 649 Argentine and 255 British servicemen killed.

Those efforts at rapprochement partly, that’s because Argentina’salist sentiment was tempered by cynicism about the governments they have had at home.

There aren’t many topics where a majority of Argentines agree with her, and this is one of them,” said political scientist Mark P. Jones of Mrs. Kirchner.

Mr. Sarkozy’s trip here—the first by a French head of state in 25 years—came despite French arrest warrants for eight people close to Rwandan President Paul Kagame, who hosted Mr. Sarkozy at his residence shortly after he visited the country’s main genocide museum.

Sarkozy visits Rwanda

KIGALI, Rwanda — Nicolas Sarkozy, the first French president to visit Rwanda since the 1994 genocide, said Thursday that those responsible for the killings should be brought to justice.

Mr. Sarkozy’s trip here—the first by a French head of state in 25 years—came despite French arrest warrants for eight people close to Rwandan President Paul Kagame, who hosted Mr. Sarkozy at his residence shortly after he visited the country’s main genocide museum.

In 2008, a French parliamentary report traced France’s responsibility in the 1994 genocide.

The trip was to cement diplomatically two countries that have a deepening strategic and defense relationship.

Sarkozy was in the region for the 20th anniversary of the Rwandan genocide, which saw an estimated 800,000 deaths.

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Algeria’s top police chief is shot dead

Algeria’s largest police official Ali Tounsi was shot dead in a shooting on Saturday that also wounded a police general, according to the state news agency. Tounsi, who was the head of the National Police and a close associate of President Abdelaziz Bouteflika, was shot dead in a car in the capital Algiers, according to the news agency. The attack is the latest in a series of violent incidents that have targeted top officials in the country. Tounsi had been a key figure in the country’s military and political establishment for many years, and was widely seen as a strong supporter of Bouteflika’s policies. The shooting is likely to fuel fears of increased tensions and instability in the country, which has been hit by a series of political and economic crises in recent years. The government has already announced that it will hold a national dialogue to address these challenges, and has called on the military to help stabilize the situation. The death of Ali Tounsi is likely to add to the political uncertainty in the country, as it comes amid growing tensions between the government and opposition groups. The government has been criticized for its handling of the economy and its failure to address the needs of the population. The shooting is likely to increase pressure on the government to take action to address these issues, and to ensure the safety and security of its citizens.