Giulia Fracas Francesca Polini **Font: Brevier** by Riccardo Olocco / CAST Foundry

#visualizingthecrisis

OH! G.O.D.

Governors Of Demand

09.04.2016

IUAV Infodesign course **held by** M. Ferrari and I. Williams A.A. 2015 / 2016

Born to be an investor

A bond is a debt investment in which an investor **loans** money to an entity which **borrows** the funds for a **defined period of time** at a **variable** or **fixed** interest rate. Bonds are used by companies, municipalities, States and sovereign governments to raise money and finance a variety of projects and activities. Owners of bonds are debtholders, or creditors, of the issuer.

> 1 year AAA AA BBB

1 to 10 year BB C

< 10 year D

investment grade AA; BBB medium credit-quality BB; C medium credit-quality D in default for non-payment of principal and/or interest

high credit-quality

AAA; AA

The bond kinds

1

BONDS EMERGING MARKET are issued by governments or societies from emerging countries

2

CORPORATE BONDS are issued by private societies

GOVERNMENT BONDS
issued by western co

issued by western countries for financing their public debt

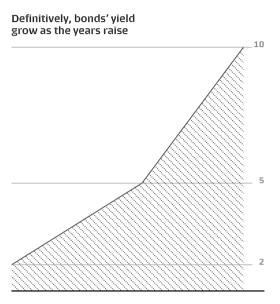
SUPERNATURAL BONDS
issued by agencies like central banks or IMB

99.999% Percetage of safety to take your yield back

Government bonds are the best because a State is improbable that go bankrupt.

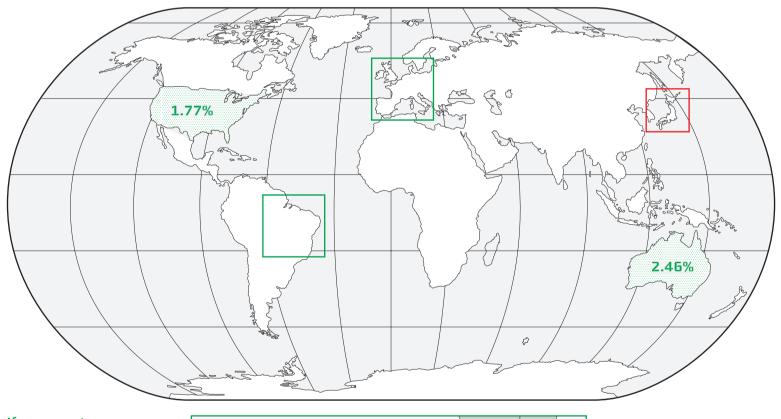
People should invest in bonds because their money are in a safe heaven, also because they'll have a slowly predictable return and this is more safe than they put money in the bank.

In the most cases, 10 years bond and over is the best investment because yields is higher.



Source: statista.com

Where should I invest?





The new European way

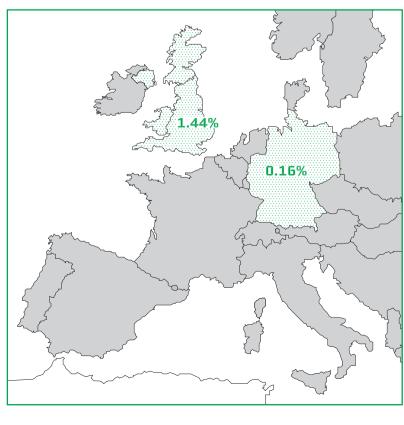
From the introduction of QE, BCE decided to buy corporate bonds, that are debts security issued by a corporation and sold to investors. But somethings doesn't work in the last few weeks because the economy and the Draghi choices.

If you are strong invest in...

Junk bonds are risky investments, but have speculative appeal because they offer much higher vields than safer bonds.



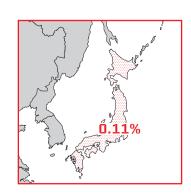
Brazil is one of the new emerging countries and right now, the investitors are starting to acquire bonds (junk-bonds) in this country. In fact, the **inflation is 7%**, nevertheless the economy is growing about **3,5%**.

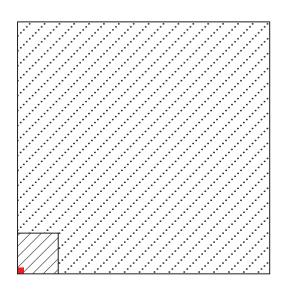


The worst bond is...

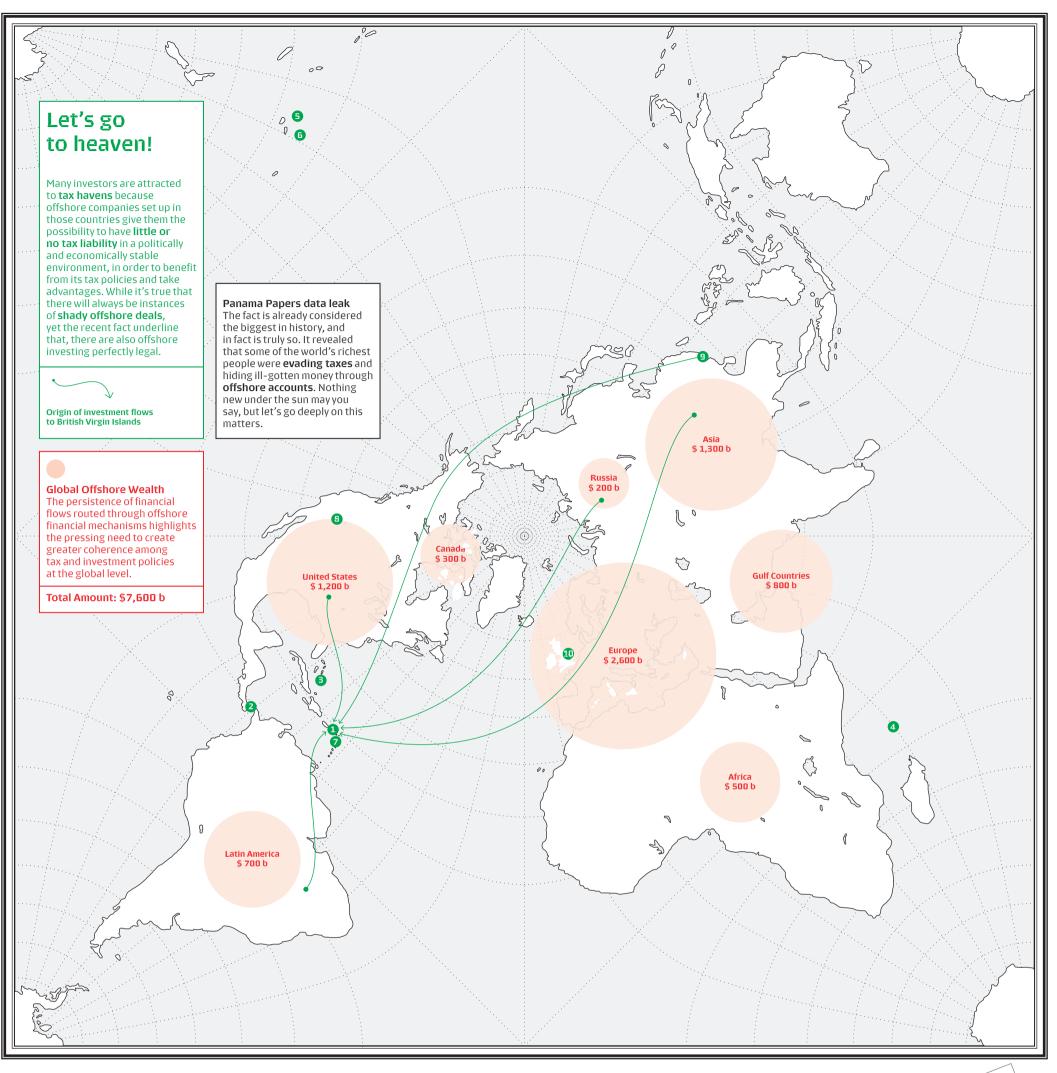
In Japan, yields on the benchmark 10-year JGB have **turned negative**, which essentially means that bondholders are paying fo the privilege of lending money to the Japanese government.

BOJ's purchases of JGBs will continually push the prices higher: the central bank sometimes buys fewer bonds than expected.





BEUH/IND: 5.02% BERCH/IND: 0.81% BGER/IND: -0.12% German Bund is the most important bond Germany as in Europe. During the last period, thanks to negative interest rate, yield also became negative. It means that people who invest in those Bunds and also in others, lose money instead of earn.





The biggest leak ever

A matter of fact

Over a year ago, an anonymous source contacted the

Mossack Fonseca, a Panamanian

law firm that helps people to set

up companies in tax havens, no

Süddeutsche Zeitung (SZ)

and submitted encrypted

internal documents from

matter how shady.

Acting against tax heavens: what is to be done?

Tax havens are one of the prime reasons why inequality is rising and may continue to rise. If we want to deal it and rising wealth concentration seriously, then we need to make these forms of tax dodging much, much more limited.

= 13 march 2016 **=**

Panama Papers is the biggestever international journalists' cooperation of its kind. It covers a period spanning from the 1970s to the spring of 2016. In just a few minutes, the powerful search algorithm compared the lists with the 11.5 million documents.

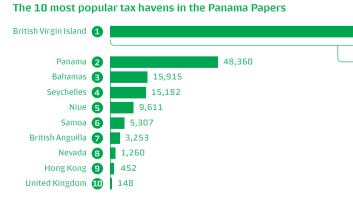
The network

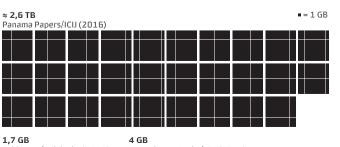
76 countries

109 media organizations

376 journalists

Source: sueddeutsche.de





1.7 GB Cablegate/Wikileaks (2010)

1,7 GB Cablegate/Wikileaks (2010)

Luxembourg Leaks/ICIJ (2014) 3,3 GB Swiss Leaks/ICIJ (2015)

The most important origins of flows: sum of 2010-2014 values 25 _ 20 _ 15 _ 10

Of the companies that appear in Mossack Fonseca's files, one out of every two were incorporated in the British Virgin Islands. The second favorite jurisdiction was Panama, where the firm is headquartered.

Source: unctad.org

Protests in Iceland call for PM to quit Iceland's embattled **prime** minister, Sigmundur Davíð Gunnlaugsson, has become the first major casualty of the Panama Papers, stepping aside from his office amid mounting public outrage that his family had sheltered money offshore. The prime minister of Iceland secretly owned the debt of failed Icelandic banks while he was involved in political negotiations over their fate.

Source: theguardian.com

Cash stash

At the end of 2014, the 50 largest US companies held a combined total of nearly \$1.4 trillion dollars **offshore**, which is more than the entire gross-domestic product of Mexico, shows a report released by Oxfam. Those offshore holdings helped lower the combined effective global-tax rate for those companies from 35% — the rate US corporations are required to pay on their profits – to 27%, according to the report.

Source: qz.com