

Is Europe losing the devaluation contest? Keep an eye on VIX

The Euro is now starting to test levels above 1.2 against the USD, which the ECB previously said is a critical point for them. There is now a great deal of debate about whether the ECB should intervene in any way against the strengthening of the Euro, which in the longer run will weaken Europe's competitiveness against the rest of the world.

The currencies will show the way. The correlation is high between the USD and the stock markets: A rising USD gives a falling stock market, and vice versa.

Interest rates are soaring in the US. This could be a sign that the economy is getting healthier, but the stock market disapproves of rapid interest rate shifts.

Raw materials continue to be hot with copper in the lead, but the gold price is pressured by the positive sentiment in the stock market.

Find out more in our weekly letter on certificates.vontobel.com: [Read the weekly newsletter here.](#)

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Carlsquare is a Pan-European research firm and financial advisor, focusing on M&A, Equity Research and Growth Equity. Carlsquare has 70+ employees with deep sector knowledge in all 11 GICS sectors. The senior equity research team have an extensive experience about the stock environment and several business sectors. The team produces company research reports, independent valuations and trading notes. The group have offices in Berlin, Copenhagen, Hamburg, London, Munich and Stockholm. [Read more](#)

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