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banks tested in the EBA stress tests. Bank stock valuation is significantly and economically affected by the bank's exposure to Greek debt. Greek banks are affected. Holdings of debt of the other four peripheral countries appear to be a strong determinant of stock price movements of 21 out of no haircut on an sovereign but are perceived as credible. We cannot explain the general and large decline in euro area. Instead, a general confidence crisis of the euro area

(christian.wolff@bruegel.org) is Deputy Director of Bruegel. Assistant by Chiara Angeloni is gratefully acknowledged.

Executive



Telephone

+32 2 234 40 00

www.bruegel.org





