

30th June 2015

The Greek saga continues with Greece's new Prime Minister and lead government resisting any austerity measures. Markets have been weighing in heavily on the Greek saga:

Key points:

In the late evening of Friday the 26th of June, Greek Prime Minister Tsipras announced a referendum to be held on Sunday July 5th. Although details remain murky, the referendum will be on whether to accept the latest proposal of reform demands made by Greece's creditors during the Euro group meeting on Thursday June 25th, which would unlock €7.2 billion in bailout funds.

This morning the Greek Prime minister offered another proposal to the EU, to extend a third bailout offer to their nation. EU leadership have managed to gain the upper hand on the surprise Greek referendum by positioning the entire referendum as a vote for or against Greece remaining in the European Union. With the third bail out offer attempt by Greek leadership, it is even unclear if a referendum will take place on Sunday.

As I write this article, I am watching Greek citizens converge in Athens supporting EU austerity measures. Current statistics point to 57% being in favour of paying the debt and remaining in the EU; whereas only 43% favour defaulting on their debt obligations and leaving the EU.

This is brinkmanship at new all time levels. Greece has everything to lose and nothing to gain. The ECB has insulated itself since the last go around in 2012. Most of the debt is with private investors and the IMF, which would result in little collateral damage to the Eurozone and the risk of contagion spreading throughout the financial systems on a global level.

As much as Greek citizens may be unhappy with their current financial lot in life, they do however see themselves as European and desperately need the Eurozone to conduct much valued commerce and trade.

It is clear that if no resolution is reached today, Greece will default not just its payment to the IMF but will default on its pension and other payments as the ECB has restricted the emergency liquidity funds to only 89 billion which is why both banking and equity market activity in the nation have been shut down leaving the average citizen to access only 60 Euros daily. To avoid domestic and political unrest Greece's leadership will make all efforts to pay pensions and public workers salaries.

Our North American focused strategies have allowed us to reduce the fallouts of global instability and weak economic growth.

This Greek Odyssey is not over just yet. It will however force the ECB and the IMF to find a remedy once and for all as quickly as possible. Prime minister Tsipras is running out of time and option. Desperation runs so deep that the leadership has started a crowd funding campaign *Indiegogo* to raise 1.6 billion.