

Pressemitteilung

ROBECO: Greek referendum result should not worry investors

The surprising 'No' vote in the Greek referendum is likely to be a disaster for Greece, but should not worry investors, says Robeco's chief economist.

- **Greeks vote strongly against accepting creditors' bailout terms**
- **Financial markets weaken slightly on referendum result**
- **'No' vote raises chance of Greece leaving the Eurozone to 70%**
- **All roads now lead to Eurozone leaders meeting on Tuesday**

Rotterdam, July 6th 2015 – Greeks voted 61.3% against accepting bailout terms by creditors in Sunday's vote called by Prime Minister Alexis Tsipras, who said his people had made a "brave choice". The country had defaulted on a EUR 1.5 billion that was due to be repaid on June 30 to the International Monetary Fund.

The country faces a bigger hurdle on July 20 when a EUR 3.4 billion payment is due to the European Central Bank (ECB), which may now cut off emergency funding. Greece's finance minister Yanis Varoufakis resigned, saying his continued presence would not be welcomed by creditors.

Robeco's Asset Allocation team now rates the chance of Greece leaving the Eurozone in the so-called 'Grexit' at 70%.

Grexit risk has risen

"There is a saying that when hubris arrives, nemesis is never far behind," says Léon Cornelissen. "The convincing 'No' was a bit of a surprise, and it will strengthen the hand of Tsipras immensely, but it now raises the likelihood of a de facto Grexit."

"Of course, European leaders won't cut off Greece because of its broader geopolitical implications: a resentful Greece can still stir up a lot of trouble and a loose cannon on the European deck makes decision-making very difficult."

"But the vote won't change the position of the creditors, so it is Greece which must turn. And that's unlikely given the strength of the 'No' vote. Still, a last-minute deal still cannot be completely ruled out because we are very close to the introduction of a parallel currency."

Greek banks, which have relied on ECB funding via its Emergency Liquidity Assistance (ELA) program, are remaining shut until further notice. "The reopening of banks would necessitate a severe haircut on deposits, or the introduction of the parallel currency. There are no Russian oligarchs around to finance their recapitalization," says Cornelissen. "So the situation is pretty desperate for Greeks."

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Market reaction is modest

Following the referendum result, European equities fell about 1% in early trading on Monday, while the euro fell slightly against major currencies and bond spreads of peripheral Eurozone countries widened against the benchmark German government Bund.

“Markets weakened a bit as expected; but basically the reaction was modest,” says Cornelissen. “Don’t forget that the Greek economy accounts for less than 2% of Eurozone GDP, and its debt is only about 3% of total EU government debt, so in economic terms it’s small. And the exposure of European banks to Greek debt has diminished. Greek debt is now mostly held by Eurozone governments directly or indirectly, so it’s the taxpayer who has to cough up, not the banks.”

“A default and de facto Grexit is not a systemic risk for the Eurozone anymore. What you need is reform in Greece, but the likelihood of that has diminished because of the ‘No’ vote. A drift towards a parallel currency will be a disaster for the Greek economy, but the Eurozone can take it easily. The bigger problem is that decision making within the EU will become much more difficult. It’s power to the people, but a nightmare for Brussels.”

‘A default and de facto Grexit is not a systemic risk for the Eurozone anymore’

Leaders’ meeting now crucial

Cornelissen said all roads now lead to a meeting of European leaders on Tuesday July 7. “What will happen next is the ECB will probably leave the amount of emergency funding unchanged until Tuesday evening, when European leaders convene to discuss the implications of the ‘No’ vote. They could decide to give the ECB the political backing to cut off ELA completely because there is little sense in waiting for July 20 when the Greek government will default against the ECB.

“It’s a matter of days now. If they cannot pay EUR 1.5 billion to the IMF, they cannot pay EUR 3.4 billion to the ECB.”

Cornelissen said that in terms of portfolio management, Robeco Asset Allocation remains underweight European equities and also underweight the euro versus the US dollar. “We’re comfortable with that right now. If European equity markets do weaken substantially, then we would consider that a buying opportunity. But the market has been relatively calm and we are at far from attractive levels at the moment.”

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Über Robeco

Der Investmentmanager Robeco bietet Anlageprodukte und -dienstleistungen für institutionelle und private Kunden weltweit. Die Gesellschaft verwaltet ein Anlagevermögen von ca. EUR 246 Mrd. (Stand: 31. Dezember 2014). Rund die Hälfte davon wird für institutionelle Anleger verwaltet. Im Jahr 2014 erzielte Robeco ein Nettoergebnis von rund 228 Millionen Euro (Stand: 31. Dezember 2014). Der Hauptsitz von Robeco ist Rotterdam, Niederlande. Die Gesellschaft verfügt über eine starke Präsenz in den USA, in Europa und in Asien. Darüber hinaus baut Robeco die Präsenz in den wichtigen Schwellenländern Indien und Lateinamerika gezielt aus. Robeco wurde 1929 als „Rotterdamsch Beleggings Consortium“ in den Niederlanden gegründet. Heute ist Robeco das Zentrum der Asset-Management-Expertise der ORIX Corporation. Der Mehrheitsgesellschafter von Robeco hat seinen Sitz in Tokio, Japan. Zu der Robeco-Gruppe zählen Robeco Investment Management (USA), Corestone Investment Management (CH), Harbor Capital Advisors (USA), Transtrend (NL), RobecoSAM (CH) and Canara Robeco Asset Management Company (IN).

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