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Ostrava is not Detroit



NWR's shares jumped 13.6% yesterday, to Kč 19.60, on news that JSW of Poland might be interested in the OKK coking division. If only NWR's shares now rose by the same 13.6% each day for another 24 days in a row, the price would return to the IPO level of Kč 426. That puts yesterday's news in the proper perspective. More likely is that NWR's bondholders will eventually call for the early repayment of what they are owed, sending NWR into bankruptcy. NWR wouldn't have the money, not just because of the world energy situation, but more so because Zdeněk Bakala and his partners [stripped €1.5bn out of OKD](#) before the IPO in 2008 and loaded the company up with debt. Detroit went bankrupt because it issued bonds to pay wages, pensions and services for thousands of people. The Ostrava region is going down in large part because a few rapacious investors issued bonds to pay themselves dividends.

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