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Trump and the Czech devaluation



Shh, don't anyone tell Donald Trump that the Czech crown has been pegged to the euro for the past 39 months. Don't tell him that over that period, the Czech National Bank has spent more than Kč 1 trillion – \$40bn, in Trump's language - on a creeping devaluation to maintain the peg. And certainly don't tell him that Czech exports to the U.S. are growing twice as fast as overall Czech exports. Why would Trump care? Because his administration is convinced that the euro is grossly undervalued and that Germany is using it to exploit the U.S. and its EU partners. If Germany is manipulating the euro, as Trump's [top trade adviser](#) sees it, the CNB is involved in even greater currency manipulation. Miloš Zeman said two weeks ago that he is fully convinced that the intervention regime will be halted at mid-year. He had better hope that analysts are right when they predict an April Fool's Day exit, otherwise he could get an earful when he meets Trump in late April.

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