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Year Four of the Great Devaluation



Just as most Russians won't be celebrating the 100th anniversary today of the Great October Socialist Revolution (known in Czech as VŘSR), most Czechs won't be commemorating the fourth anniversary of the Great Devaluation of the Czech Crown (VDČK). Like the Russian Revolution, the Czech devaluation of Nov. 7, 2013, is nominally over. The Czech National Bank ended the "[long-standing exchange-rate regime](#)" on April 6 of this year and set the crown free. By no means, though, did this end the transfer of wealth. Speculators are still sitting on hundreds of billions of crowns, waiting for the right moment to sell. The more Czech interest rates rise and the crown appreciates, the more the speculators have to gain. The CNB remains the wild card. It's still holding the Kč 2 trillion in foreign assets that it bought as a way to devalue the crown. How and when it unloads these assets will determine how much the speculators finally earn from the Great Devaluation.

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Joseph Kanon's film *The Good German*
followed by a conversation with the author

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