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Armed and ready to devalue



Gov. Jiří Rusnok told the [Senate on April 28](#) that the CNB has contracts with two insurance companies and three large mutual-fund managers to provide liquidity if customers take fright and start pulling their money out. A mutual fund "could come under pressure, sell under pressure, below price, and generate significant losses," he said, so the CNB would provide quick cash to prevent this. A bill signed yesterday by Pres. Miloš Zeman gives the CNB the permanent authority to print any amount of money to buy any number of securities from financial institutions. The CNB finally has full-fledged quantitative-easing authority. So far, it has relied on its [Great Devaluation](#) of Nov. 7, 2013, and its [revaluation through interest rates since mid-2018](#), with a one-year hiatus for covid. Those who think the crown can now only appreciate should heed Rusnok's words about the possibility of another crisis and realize that he stands ready to devalue the currency whenever the market demands it.

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