Bloomberg BRIEF

Economics Europe

NEWS ANALYSIS & COMMENTARY

THURSDAY
04.04.13
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ECONOMIC CALENDAR
(LONDON TIME)

COUNTRY	TIME	EVENT	SURVEY	PRIOR
SW	7:30	Services PMI	54.2	54.6
CZ	8:00	Retail Sales YoY	-2.00%	-0.50%
DE	8:00	GDP QoQ	-0.90%	-0.90%
DE	8:00	GDP YoY	-1.00%	-1.00%
HU	8:00	Retail Trade YoY	-2.00%	-2.60%
SP	8:15	Services PMI	44.3	44.7
IT	8:45	Services PMI	43.3	43.6
FR	8:50	Services PMI	41.9	41.9
GE	8:55	Services PMI	51.6	51.6
EC	9:00	Services PMI	46.5	46.5
EC	9:00	Composite PMI	46.5	46.5
NO	9:00	Retail Sales MoM	0.20%	1.20%
UK	9:30	Services PMI	51.5	51.8
UK	9:30	Changes in Reserves (USD)	--	-1.33B
EC	10:00	Producer Price Index MoM	0.20%	0.60%
EC	10:00	Producer Price Index YoY	1.40%	1.90%
CC	10:00	Consumer Price Index YoY	--	1.64%
IR	11:00	Unemployment Rate	--	14.10%
IR	11:00	Industrial Production YoY	--	-3.30%
UK	12:00	BOE Announces Rates	0.50%	0.50%
UK	12:00	Asset Purchase Target (GBP)	375B	375B
RU	12:00	Gold & FX Reserves (USD)	--	522.4B
EC	12:45	ECB Announces Rates	0.75%	0.75%
EC	12:45	ECB Deposit Facility Rate	0.00%	0.00%

Jim Paulsen, chief investment strategist, Wells Capital Management, talks to Tom Keene about why normalized Fed policy may lead to increased investor confidence.

BOE, ECB Decisions, BOJ Bond Purchases

EUROPE TODAY:
Nipa Piboontanasawat

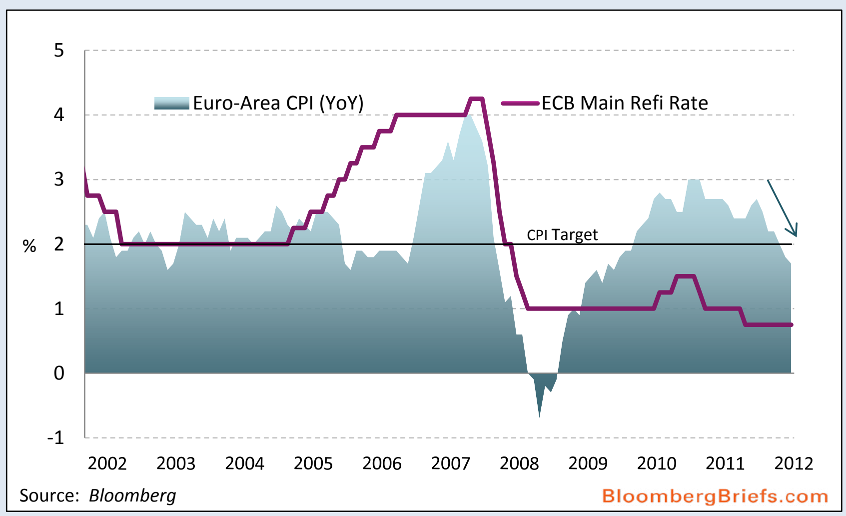
■ **WHAT TO WATCH:** The **Bank of England** will probably keep its target for asset purchases at 375 billion pounds and its key interest rate at a record low of 0.5 percent, 12 p.m. The **European Central Bank** may leave its benchmark rate at a record low of 0.75 percent, 12:45 p.m. **Hungarian central bank President Gyorgy Matolcsy** is likely to present a plan to boost lending, 10 a.m. **Russia's inflation** slowed in March from the fastest pace in 18 months, a report will probably show this week.

■ **ECONOMICS: Euro-area composite PMI**, 9 a.m. **U.K. services PMI**, 9:30 a.m. **Euro-area PPI**, 10 a.m. **ECB's Mario Draghi**, 1:30 p.m. **Norges Bank's Oeystein Olsen**, 2 p.m. **ECB's Benoit Coeure**, 4:30 p.m. **Bank of Japan Governor Haruhiko Kuroda** began his campaign to end 15 years of deflation by doubling monthly bond purchases in a bid to reach 2 percent inflation in two years.

■ **GOVERNMENT:** A censure motion presented by **Portugal's Socialist Party** against the government of **Prime Minister Pedro Passos Coelho** was rejected in a parliament vote. The **Bundesbank** is looking into allegations by former **Deutsche Bank** employees that the lender hid losses during the financial crisis, according to a person familiar with the matter.

■ **MARKETS: Spain** sells 2016, 2018 and 2021 bonds, 9:30 a.m. **France** sells 2020, 2021, 2022 bonds, 9:50 a.m. **Gold** extended losses for a third day, nearing a bear market after 12 years of gains. *(All times are local for London.)*

ECB Likely to Maintain Interest Rate Today as Inflation Slows



The ECB will probably keep its main policy rate at 0.75 percent for a ninth month today, a Bloomberg survey shows, even after inflation slowed to 1.7 percent in March. Today's composite PMI is also likely to point to the euro area remaining in recession. The bank on average makes a rate move at 20 percent of its meetings, changing monetary policy four times in the month of April since the formation of the central bank in 1998. — *Niraj Shah*

CRISIS WATCH DAVID POWELL, BLOOMBERG ECONOMIST

Banking Crisis, Bailout of Cyprus Unlikely to Be Repeated for Malta

Comparisons between the dangers posed by the banking systems of Cyprus and Malta appear to be misplaced, though the rapid expansion of the Maltese financial sector has the potential to someday become a problem.

The Cypriot banking system became too large for the state to honor its deposit guarantee without external assistance. The ratio of deposits to GDP stands at 259 percent. That calculation divides the size of the deposit base, excluding the holdings of monetary financial institutions and central government, in February, the latest reporting period, by nominal gross domestic product of 2012. This measure of the deposit base is used because, according to the EU webpage, guarantee schemes in Europe exclude the holdings of financial institutions and public authorities.

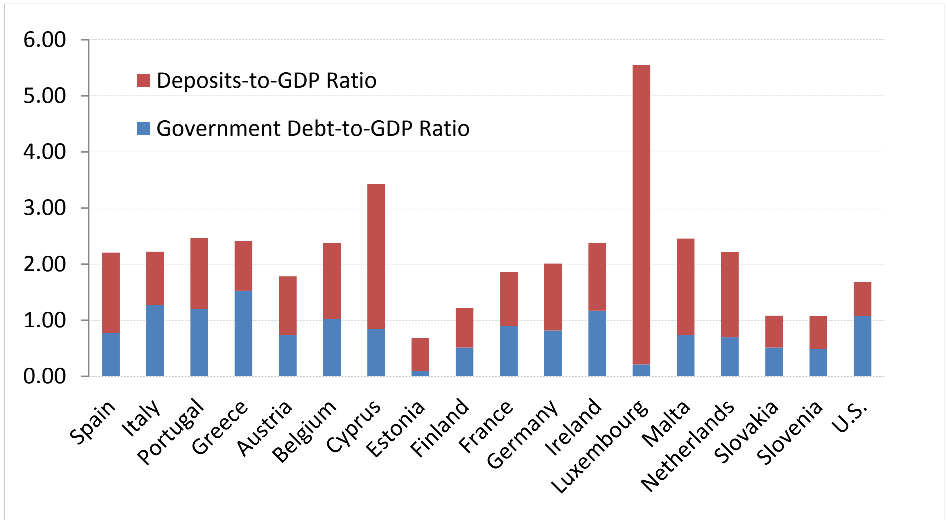
The only country of the euro area with a higher reading is Luxembourg, though the banking systems of the two countries are hard to compare. That ratio stands at 534 percent. One major difference between the two nations is the home countries of the banks.

The three largest banks by deposits in Cyprus are Cypriot. They are the Bank of Cyprus, the Cyprus Popular Bank and the Hellenic Bank, according to data from the Central Bank of Cyprus. That left the government of Cyprus responsible for the deposit guarantees of all three banks. The deposits of the largest bank alone are about 95.6 percent of GDP.

Only one of the three largest banks in Luxembourg is Luxembourgish. The biggest financial institutions by deposits are the Banque et Caisse d'Epargne de l'Etat, Societe Generale Bank & Trust and BGL BNP Paribas, according to a report published by KPMG. The latter two are French. The deposits of the only bank on that list that is Luxembourgish measure 56.3 percent of GDP. In the event of a crisis, the French government seems highly unlikely to force its Luxembourgish counterpart to honor the deposit guarantees of French banks operating in Luxembourg.

Malta is the next country on the list of nations with the highest deposit-to-GDP ratios. It measures 173 percent. That

Banking System of Cyprus Larger Than That of Malta



Source: *Bloomberg*

is 86 percentage points lower than the figure for Cyprus.

The figure for Malta is distorted by the presence of foreign banks like the number for Luxembourg. The two largest banks in Malta are Bank of Valletta and HSBC Malta. The deposits of the former are about 86 percent of GDP and those of the latter are about 69 percent of GDP.

The state of Cyprus was also more indebted before the bailout than that of Malta. The gross government debt-to-GDP ratio of the former stood at 84 percent and that of the latter measured 73.1 percent at the end of 2012.

The addition of the current government debt-to-GDP ratio to the deposit-to-GDP ratio provides a better measure of the government's ability to honor its deposit guarantees than just the latter. The sum of those two figures for Cyprus is 343 percent. It is 246 percent for Malta.

A thorough analysis of the asset composition of the banks in Cyprus and those in Malta would provide additional insight in the vulnerabilities of the systems, though that is beyond the scope of this article. Press reports have indicated Cypriot banks faced large losses on their holdings of Greek government bonds. Maltese Central Bank Governor Josef Bonnici wrote in the Times of Malta that "Maltese domestic banks have limited exposure to securities issued by the program countries."

The most worrying aspect of the Maltese banking system is the recent speed of growth. The ratio of deposits to GDP rose to 172 percent at the end of 2012 from 141 percent at the end of 2005.

The growth of the banking sector has far outpaced that of the real economy. The deposit base has grown by 66.8 percent and the real economy has expanded by 37 percent during that period. Another 20 years of growth at that speed would leave Malta with the same deposit-to-GDP ratio as that of Cyprus today, though Malta would still benefit from the presence of international banks.

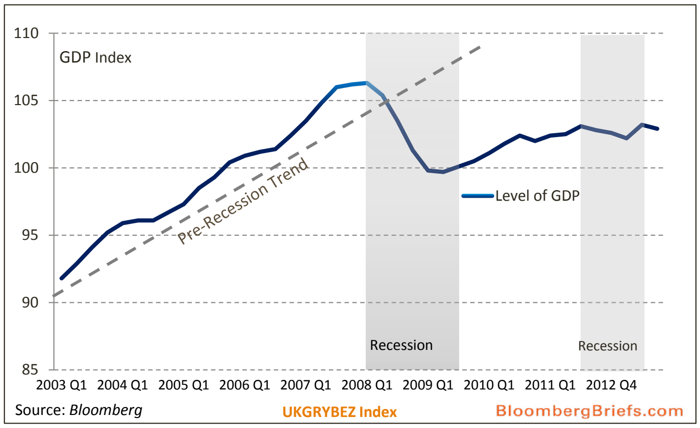
The growth of the Maltese banking system could pose systematic risks as large as those in Cyprus decades down the road, if the current pace is maintained, though that appears like a long horizon for a monetary union plagued by many clear and present dangers.

BOE MONITOR

NIRAJ SHAH, BLOOMBERG ECONOMIST

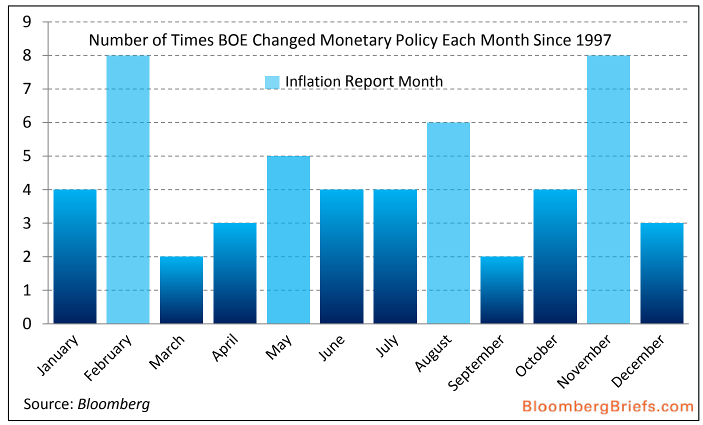
The majority of Bank of England policy makers may delay extending the 375 billion-pound asset-purchase program today as the central bank's forecasts are updated in May and Mark Carney's takes over as governor in July. The MPC was split 6-3 against expanding QE in February and March, with Governor Mervyn King in the minority for the fifth time since 2003. Still, the weakest U.K. economic recovery in 100 years suggests monetary policy may be eased again.

U.K. Experiencing Weakest Recovery in 100 Years



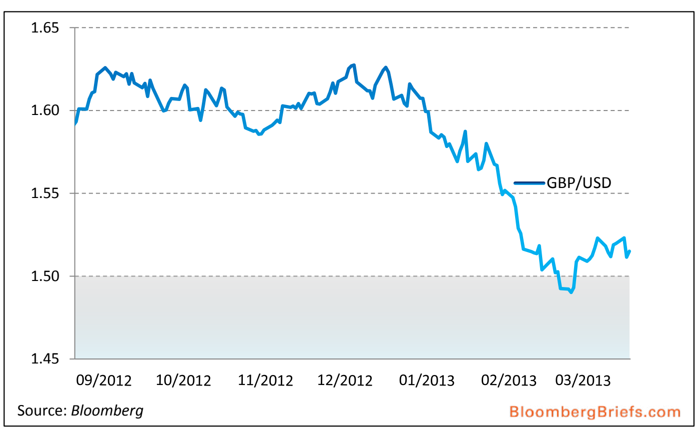
The BOE assumes the U.K. economy will gain traction over the next few quarters. If that fails, QE is likely to return. The inflation report projects annual GDP growth to accelerate to about 2 percent by the second half of 2014, though it is likely to remain below its 2008 level until 2015. That period of recovery is longer than that from the Great Depression of the 1930s. The U.K. economy has contracted in 10 quarters since 2008.

Monetary Policy Rarely Changes in April



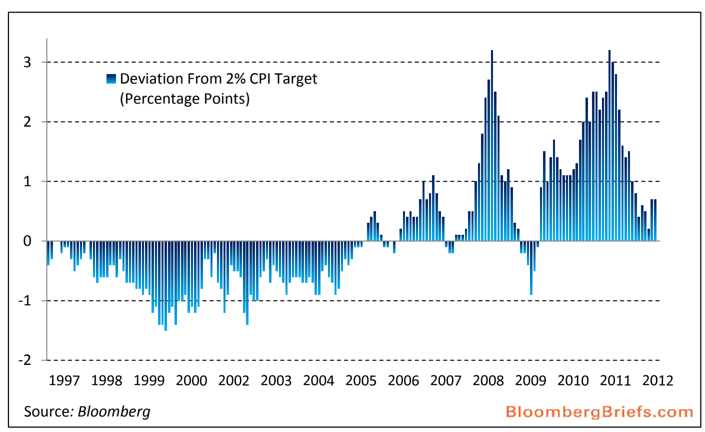
Monetary policy has changed just three times in the month of April since independence in June 1997, with three 25 basis point cuts. That compares with an average of seven times in months when the inflation report is released. The BOE has extended the asset-purchase program six times in three years and the policy rate has remained at a record-low 0.5 percent for the longest period since the 1950s.

Sterling Drop Equates to Interest Rate Cut



The pound has dropped about 7 percent against the dollar this year. That may prompt the MPC to raise its inflation forecast further above the 2 percent target. While the inflation report revealed the central bank is willing to live with above-target CPI in the next two years, policy maker Charles Bean has said a 1 percentage-point fall in the pound is equivalent to a 25 basis-point cut in interest rates.

BOE Misses Target 90% of the Time in Five Years



The BOE gained additional powers this month for supervising commercial banks and new responsibilities for preserving financial stability, on top of its monetary-policy remit. While Chancellor George Osborne kept the bank's 2 percent inflation target, he will allow the bank to prioritize growth by using intermediate thresholds, which pledge to keep rates low for a specified period. The central bank has missed the inflation target 90 percent of the time in five years.

SPAIN WATCH

DAVID GOODMAN AND ANGELINE BENOIT, BLOOMBERG NEWS

Spain Defies Bailout Calls to Beat Germany in 2013

Spanish bonds delivered superior returns to their German and Italian peers in the first quarter as Prime Minister Mariano Rajoy defied investors who predicted the nation would be forced to seek international aid.

Spain sold about 41 billion euros ($52.5 billion) of medium- and long-term debt last quarter, completing a third of its annual funding as the bond market weathered political turmoil in Italy and financial fallout from Cyprus. The Iberian nation has so far avoided signing up to the European Central Bank's bond-buying program, contrary to the expectations of money managers at Sanlam Group and BlueBay Asset Management.

"I'm surprised they've lasted this long," said Craig Veysey, the head of fixed income at Sanlam Private Investments Ltd. in London, part of the Sanlam Group which oversees $72 billion of assets. "I would have thought they would have pushed for aid as soon as possible. With Spanish government bond yields moving to much lower levels, they are able to refinance themselves at a much more attractive rate and that's turned down the level of danger."

Spain's 10-year yield dropped 21 basis points in the first three months of the year, and is currently 4.87 percent. That's down from a euro-era record of 7.75 percent on July 25, the day before ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro.

Rajoy, whose People's Party has been in power for a little more than a year, hasn't applied for aid from the European Union's rescue fund, a condition set by the ECB to qualify for so-called Outright Monetary Transactions. His government has defended the decision, saying that while the existence of the OMT is necessary, it'll try to avoid using the program.

The spread between Spanish 10-year bonds and similar-maturity German debt narrowed 18 basis points in the three months through March, and is currently about 360 basis points.

"We turned constructive on Spain in December last year and remained relatively upbeat during this year," said Mark Dowding, a fund manager at BlueBay in London, which oversees about $50 billion. "Spain had held up relatively well in the last quarter and we are hoping we are in an environment where volatility continues to decline and investors continue to hunt for yield. At the moment, it looks like there is no likelihood of a bailout on the imminent horizon."

> *"Spain will ultimately have to ask for support. What has happened in Cyprus has lowered the value of the Draghi put."*

Spanish securities returned 3 percent in the first quarter, the second best performer after Ireland among 26 markets tracked by indexes compiled by Bloomberg and the European Federation of Financial Analysts Societies. Italian bonds declined 0.1 percent and German debt gained 0.4 percent.

When Spain sold 7 billion euros of 10-year debt via banks in January, Economy Minister Luis de Guindos said investors sought a record 24 billion euros of the securities. The nation sold 10-year debt at the lowest yield since November 2010 at a March 21 auction, as well as $2 billion of five-year securities via banks on Feb. 20 as it faces a 24 percent increase in net funding needs this year.

The nation is selling 4 billion euros of bonds maturing in 2016, 2018 and 2021 today.

Rajoy has pledged to revive growth after six consecutive quarters of contraction. The economy is set to stabilize at the end of 2013 and start growing in 2014 as exports accelerate and a slump in domestic demand softens, according to the Madrid-based Bank of Spain.

The budget shortfall, excluding aid to the banking sector, was 7 percent of gross domestic product last year, Deputy Budget Minister Marta Fernandez Curras told reporters in Madrid last week. That compares with 9 percent in 2011.

"There has been a shift in the perceived wisdom on Spain around the same time Draghi came out with his bazooka," said Gilles Moec, co-chief European economist at Deutsche Bank AG in London. "It's far from ideal, but there has been a clear change, a new start."

The Spanish 10-year yield has risen from a near 2 1/2-year low of 4.70 percent reached March 12, as a political deadlock in Italy and concern about spreading financial woes from Cyprus reduced demand for bonds from Europe's so-called peripheral nations.

The latest turmoil in Europe may undo Rajoy's determination to avoid seeking aid, according to Stuart Thomson, who helps oversee about $109 billion as a fund manager at Ignis Asset Management in Glasgow, Scotland.

"Spain will ultimately have to ask for support," he said. "What has happened in Cyprus has lowered the value of the Draghi put. As the year progresses, the domestic banks' capacity to absorb extra supply will fall and there will be more reliance on foreign investors."

JAPAN FOCUS

TORU FUJIOKA AND MASAHIRO HIDAKA, BLOOMBERG NEWS

Bank of Japan Boosts Bond Purchases as Kuroda Takes Helm

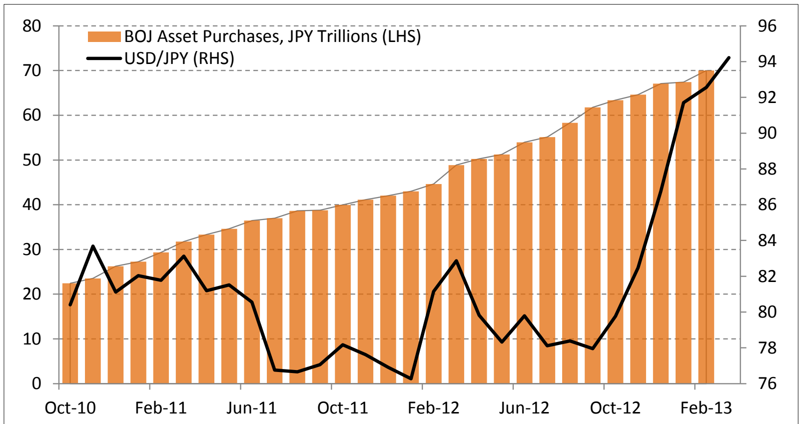
Bank of Japan Governor Haruhiko Kuroda began his campaign to end 15 years of deflation by doubling monthly bond purchases in a bid to reach 2 percent inflation in two years.

With Kuroda presiding over his first meeting since taking the helm last month, the board today streamlined its asset purchase programs, temporarily suspended a cap on some bond holdings and dropped a limit on debt maturities. The BOJ will buy 7 trillion yen of bonds a month, the central bank said in a statement.

Stocks pared losses and the yen weakened immediately after the announcement, signaling Kuroda may be winning investors' confidence as he targets 2 percent inflation and a revival in the world's third-biggest economy. The central bank said that the time horizon for the price goal is two years.

"The biggest task for Kuroda is to manage expectations," Hideo Kumano, chief economist at Dai-Ichi Life Research Institute, said before today's announcement. "The first meeting is crucial but he has a very long and probably bumpy road to achieve his 2 percent inflation target."

Bank of Japan's Asset Purchases



Source: *Bloomberg; By MIchael McDonough*
JPY Curncy BloombergBriefs.com

FX TECHNICALS

DAVID POWELL, BLOOMBERG ECONOMIST

Short-Term Technicals Favor Selling USD Against AUD & NZD

TICKER	LAST PRICE	RANK OVERALL	TECHNICAL SIGNAL								
			ADX	BOLLINGER BAND	DMI 14	MACD	RSI 9	STOCHASTICS	50-DAY SMA	200-DAY SMA	50D VS 200D SMA
EURCZK	25.8490	2	range		buy	buy			25.5830	25.2682	1.2%
AUDUSD	1.0456	2	range		buy	buy			1.0349	1.0389	-0.4%
NZDUSD	0.8402	2	range		buy	buy			0.8345	0.8225	1.5%
EURPLN	4.1959	2	range		buy	buy			4.1668	4.1336	0.8%
EURCHF	1.2147	0			sell	sell	buy	buy	1.2281	1.2130	1.2%
EURUSD	1.2832	0	trending		sell	buy			1.3156	1.2892	2.0%
EURSEK	8.3637	0	trending		sell	buy			8.4404	8.5175	-0.9%
EURGBP	0.8492	-1			sell				0.8592	0.8172	5.1%
USDCAD	1.0149	-1			sell	sell		buy	1.0152	0.9986	1.7%
GBPUSD	1.5111	-1			sell				1.5311	1.5783	-3.0%
USDJPY	94.22	-1	range		sell				93.68	84.15	11.3%
EURJPY	120.90	-1			sell				123.22	108.63	13.4%
EURNOK	7.4721	-2	range		sell	sell			7.4554	7.3994	0.8%

Source: *Bloomberg* *Updated: Apr. 4, 2013 6:02 AM GMT Updated: Apr. 4, 2013 6:02 AM GMT*

*Short-term technicals favor selling **USD** against **AUD** & **NZD**.

*They provide a buy signal for **EUR** versus **CZK** & **PLN**.

*They furnish a sell signal for **EUR** versus **NOK**.

Click here for **TECHNICAL NOTES**, including the triggers for "buy" and "sell" signals.

To re-create or customize this table, enter ***XLTP Historical Technical Analysis Screener <GO>*** on your Terminal. Click "Open" to download into Excel.

TOP STORIES

BLOOMBERG NEWS {TOPE <GO>}

Euro-Pegged Debt Best Bet as Financial Tax Looms

As Germany, France and nine other European Union nations move ahead with plans to impose a tax on financial transactions, one of Europe's biggest institutional investors is targeting bonds unaffected by the levy.

ATP, Denmark's largest pension fund with $136 billion in assets, is betting bonds sold in its home market will become more attractive than German bunds as investors avoid the planned tax without quitting Europe. Denmark, which pegs its krone to the euro, has rejected the proposed levy.

For investors in the U.S. and Asia "looking to buy European exposure, Danish assets will become relatively more attractive," said **Anders Svennesen**, deputy chief investment officer at ATP. The fund, which holds half its $74 billion government bond portfolio in Danish debt, warns a financial transactions tax will limit liquidity where it's enforced.

After emerging as a haven from Europe's debt crisis last year, Danish bonds are now poised to see their appeal grow further thanks to the government's decision to avoid the tax on traded securities. Central bank Governor Lars Rohde, who was chief executive officer at ATP before switching jobs in February, said in an interview last month Denmark already enjoys a "Swiss-like status" in the eyes of foreign investors.

— By Peter Levring

RBS Rides Euro's Decline as Most Accurate Forecaster

Royal Bank of Scotland Plc was the most-accurate foreign-exchange forecaster in the first quarter after predicting Europe's bond-buying plan would fail to boost the euro as the region's economy wilted. The firm sees the 17-nation currency declining 7.4 percent over the rest of 2013.

RBS scored 62.08 out of 100 based on the accuracy, timing and directional precision of its forecasts for 13 major exchange rates in each of the last four quarters, according to data compiled by Bloomberg. Bank of Montreal's BMO Capital Markets Ltd. unit was second with a score of 60.10 at the end of March, followed by Wells Fargo & Co.'s 59.96, Commonwealth Bank of Australia's 59.25 and Rabobank International's 58.89.

The Edinburgh-based firm rose to the top by correctly predicting that concern a bailout of Cyprus and political turmoil in Italy may plunge Europe deeper into recession would outweigh the optimism instilled through the Outright Monetary Transactions program European Central Bank President **Mario Draghi** announced in September.

— By Joseph Ciolli and Candice Zachariahs

Looser Policy Lips Sink Yields on Basci Rate Turn

Turkish central bank Governor **Erdem Basci**'s signal that he may cut interest rates, almost a week after saying liquidity was being tightened, sparked the biggest bond rally since November amid speculation growth will revive.

The yield on two-year notes plunged 16 basis points, the most since Nov. 12. One-year interest-rate swaps, a measure of investor expectations for rates, fell 12 basis points to 6.56 percent. Turkish borrowing costs had risen 74 basis points since February, the most among 16 major emerging markets with two-year debt tracked by Bloomberg.

While the central bank said March 29 that a narrowing in its interest-rate corridor last month was aimed at a "slight tightening," Basci said yesterday a stronger currency may lead to lowering the policy rate or corridor. He may have reversed course after data released on April 1 showed the slowest growth in gross domestic product since a 2009 recession, spurring criticism from ministers who say policy makers waited too long to cut rates, according to Bank of America Corp.

— By Selcuk Gokoluk and Benjamin Harvey

GLOBAL FOCUS

U.S.

- Federal Reserve Bank of San Francisco President **John Williams** said it's too early to begin slowing the pace of the central bank's bond purchases, with the benefits outweighing the costs and risks of the record expansion of the Fed's balance sheet. "It will take more solid evidence to convince me that it's time to trim our asset purchases," he said. "Continued progress depends critically on support from the Federal Reserve."

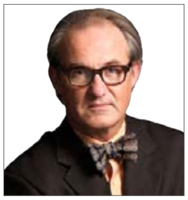
- St. Louis Fed President **James Bullard** said the central bank is in no hurry to reduce its record bond buying with inflation running below its 2 percent target. "It is full steam ahead right now," he said. "That is exactly what the committee is doing."

Asia

- South Korea's government is signaling that the Bank of Korea needs to overcome its reluctance to cut interest rates. **Cho Won Dong**, chief economic adviser to President **Park Geun Hye**, said that "it will be better" if the BOK lowers rates given that the government may need to issue bonds.

- Australian retail sales rose in February, led by gains in household goods and department stores. Sales climbed 1.3 percent to A$21.95 billion from a month earlier, when they rose 1.2 percent. That was the biggest back-to-back gain in almost four years.

- A gauge of Australia's services industry rose in March to the highest level in 14 months. The performance of services index advanced to 49.6 from 48.5 in February, Commonwealth Bank of Australia and the Australian Industry Group said. The last time the reading was above 50 was in January last year.



KEENE'S CORNER

Jim Paulsen, chief investment strategist, Wells Capital Management, talks to Tom Keene about why normalized Fed policy may lead to increased investor confidence.

Q: There's a David Stockman sense of gloom out there.
A: Yes, it's fascinating. Since 1950, when you are below a 6 percent 10-year yield – typically both yields and price earnings multiples rise together and they fall together – when you are above a 6 percent yield, rising yields tend to really hurt PE multiples. We are clearly at around 2 percent, way below a 6 percent yield.

That change has to do with the culture that exists, the mindset. If you look at the `70s and the `80s and the `90s, we were almost always above the 6 percent bond yield. The concern of the day most of the time was inflation. So when bond yields went up, they denoted rising inflation expectations, which hurt PE multiples.

Today we're worried about depression most of the time. And so when yields now go up, that denotes that the economy is getting better.

Q: Okay, this is a core issue, the idea that higher yields are good. When are we going to get there?
A: Well, sneakily we have a little already. We had a 1.40 percent 10-year last fall, and now we have come up around to around 2 percent. And PE multiples have advanced as well. At this point, I think you're seeing evidence of confidence among investors reemerging. That lends itself to the view that the Fed is indeed sitting on that long-term bond yield. And until they want to get off, it's hard to get to that point.

Q: I think most mainstream economists would make the point that the rise in equity shares this time has been directly linked to the quantitative easing policies of global central banks. If the Fed prematurely withdraws support from financial markets wouldn't we see a correction in equities?
A: That is indeed the consensus view. There is concern that when the Fed backs out, the stock market is going to fall apart. No one knows what the truth is and no one is going to prove it either. Heck, we're still debating what caused the Great Depression. But I believe it's the opposite.

I think that what the Fed did to get us out of the '08 recession was very important and they were very instrumental in producing a recovery here. What they've been doing in the last couple of years has become increasingly irrelevant for the economy and the markets.

I believe they are holding back confidence by continuing with crisis-like policies in an economy which is no longer in crisis. If the Fed was to come out and announce that they are going to stay accommodative, but they are going to start to normalize policy to more closely align it with an economy that is getting better, I think private investor confidence would also increase.

So rates may go up, but I think people would look at that as returning to normal and getting more sustainable. It would actually lead to higher PE multiples rather than lower.

Q: Is the housing market structurally sound enough to be able to accommodate a normalization of the rate structure?
A: I think our mindsets are in the past on the housing industry. We've got the unemployment rate falling at the fastest rate of this recovery. We created 200,000 jobs a month last year in household numbers and we're expecting another 200,000 this month. In other words, we've got an under-supply of houses now available in the market. I think the housing market is stronger than we anticipate.

Q: The bears are still out there three, four years into this market. They talk about a pullback. What is a pullback?
A: We're going to get a pullback at some point, whether it's 5 percent or 10 percent, I don't know. I guess pullback is something less than 10 percent – 10 percent or more is a correction. But that is so hard to call. I've been in the business 30 years and trying to call all those, you've got to make two right decisions – when it starts and when it's over. What I think investors should do is focus on the fact that we are in a sustainable recovery that is likely to last multiple years. Whether you pick up a 5 percent correction is not that important because I still think there is pretty good upside over the next few years.

(This interview was condensed and edited.)

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