



Dear friends and contacts of GCU,

After the Fed's monetary experiment of QE1, QE2 and QE3 mixed with near-zero interest rates failed to achieve the desired effect so far on inflation and unemployment in the US, one can reasonably ask:
So now what?

The latest report on the matter from the San Francisco Federal Reserve Bank argues that the current level of stimulus is not even enough to get the economy going, thus opening the door to considering negative interest rates (yes, you read it right) and/or a QE4. Source: [CNBC news - VIDEO](#)

Fill in the missing fields:

QE1, QE2, QE3, ?

2%, 1.5%, 1%, 0.5%, 0%, ?



Whether the Fed decides to go in one direction or another is obviously their own sovereign decision to make, in the best interest of the American economy. However, due to the magnitude with which the monetary lever underneath the US dollar from this experiment has been expanded the past years, any decision will have a proportional amplified influence on economic matters around the world. The result is devastating swings and flows in places that have no interest in domestic American economic affairs. Around 87% of all international transactions include use of the USD (source: BIS), even though the American economy only makes up 16% of global GDP. The difference of ~70% results from transactions made between business partners without any direct interest in the US economy.

Nothing hurts like the truth! One of the inevitable consequences of this unprecedented monetary experiment is the need for a new and more stable way to price currencies - a new system of exchange rates. Not only in the best interest of those around the world who have neither share nor interest in the American economy, but also for the Fed so that some weight can be taken off their shoulders insofar as they feel they have to factor global aspects into their decisions.

The year is 2015, not 1944 or 1971 – everything else in modern life has changed since then except the system by which currencies are priced. That is why no one should feel compromised by any efforts to address this self-evident need for a contemporary solution enabling better exchange rate stability.

Take a look at this practical live solution which enables optimal operation of market-driven, more stable [Nominal Effective Exchange Rates \(link\)](#).

See the potential for improved trade, investments and therefore growth around the world through this holistic solution, which is ready to be implemented now; and

Be inspired to address this matter from your perspective.

With time comes development - it's inevitable. Let's embrace and advance it when it improves the way things are.

Best regards,
[Jesper Toft](#)

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