

Staying Connected

For the Alumni of the ECCB's Savings and Investments Course

Loan Tips

1. Create a checklist of terms and conditions you want before going to negotiate a loan. These should include no penalties for additional payments, the option to pay bi-monthly (split payments in two), as well as limited fees.

2. Read thoroughly the terms and conditions before signing on the dotted line. Ask to take the documents home and study them for at least a week before you commit. Ask questions.

3. Bargain hard to change lopsided clauses such as amendments clauses that state that the bank can alter all terms and conditions at their discretion.

"Nobody knows what you want except you and no one will be as sorry as you if you do not get it"
Lillian Hellman



723 Graduates—The Family is Growing

The alumni family of the ECCB's Savings and Investments course is now 723 members strong, with the addition of 23 new graduates from St. Kitts and Nevis.

The graduation ceremony which took place at the Ocean Terrace Inn on January 26 2008, was attended by graduates and their families, the Deputy Prime Minister and Minister of Education, the Honorable Sam Condor as well as

representatives from the ECCB, ECSE, UWI and other collaborating institutions.

Mr Trevor Blake, General Manager of the ECSE congratulated the graduates on having sought to increase their financial knowledge. He reminded them they should not link the notion of thrift to miserliness as there was merit in foregoing instant gratification for more lasting and long term goals. In noting that the foundation



Graduates and Guests at the Graduation Ceremony, 26 January 2008.

of wealth creation is savings and that the building blocks of wealth creation are investments, he told the graduates that the ECSE was well positioned to enable such investments.

Fed Cuts Rates 0.75 Percentage Points - Cheers and Jeers...

On January 22, 2008, the US central bank lowered its benchmark overnight lending rate to 3.5 percent from 4.25 percent after tumbling global stock markets and a jump in U.S. unemployment threatened to push the economy into recession.

The new aggressive Fed strategy was triggered by a spate of negative economic and

financial data since the US central bank's last policy meeting on December 11 which showed that the labour market and consumer spending were weakening and tighter credit conditions were spreading through the economy.

Financial pundits both cheered and jeered the Fed's move.

The critics advanced the view that it was access to easy financing by persons who could ill afford the credit that started the sub prime market debacle in the first place and hence providing cheaper credit would only exacerbate the problem in the long term by driving up inflation. Additionally given that blame is to be equally shared by over

zealous financial salespersons coupled with poor market supervision and regulation of the derivatives market, some saw the Fed's move as a bail out of bad practices. They felt that the market needed to learn the hard way from its mistakes rather than be rewarded or pardoned.

Other critics saw the Fed's move as "too little too late"

YOUR FINANCESYOUR FUTURE



*Graduation Ceremony
22 Nov. 2007
St. Vincent and the Grenadines*

Upcoming Event:

Discussion on Wills

Date: 21 Feb. 2008

Time: 5:30 p.m.

Venue: *Maltin
Moving Conference
Room, ECCB,
St. Kitts*

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eccbinfo@eccb-centralbank.org

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Save & Invest

and as such unable to prevent the contagion effect from the sub prime market.

However those that cheered saw a glimmer of hope in relation to stemming the deterioration of financial market conditions. In response to the critics they point to the current reality — people with shares in financial companies are losing plenty of money and some employees of those companies are losing their jobs. They further argue that it is not worth putting the entire economy through the wringer just to teach over zealous financial salespersons a lesson their successors will not remember. They argued strongly that the Fed needed to act and continue to be active.

In the face of a fragile economic environment with possibly still falling house prices and sharp political focus around the presidential election, market expectation is for another 25 to 50 basis point cut when the Fed meets on Wednesday 30 January, 2008.

The cost of the Fed's aggressive stance must however be considered. Among these are i. **inflationary pressures**. ii. A weakening US dollar which could make it **unattractive as a reserve currency**. iii. Additionally investors seeking to roll over their maturing debt securities would face **reinvestment risks** as new investments on the market would be offered at less attractive rates.

723 Graduates Cont'd



*Feature Speaker
Mr Khrystus Wallace
CEO, KVK Enterprises.*



*Mr Trevor Blake
General Manager, ECSE*

Mr Khrystus Wallace, CEO, KVK Enterprises gave the feature address.

Mr Wallace, who began his foray into the world of entrepreneurship in 1999 at the age of 13, traced his journey from his first venture, KV Bicanics, a business that serviced bicycles which he operated while in school, to his current establishment, KVK Enterprises Ltd. This company provides t-shirt printing and embroidered services as well as custom

gift ideas, banners and signs to clients nationally, regionally and internationally.

He spoke about the challenges he faced including overcoming discouragements, devising low cost marketing strategies for his business and securing funding. He acknowledged the support of his mother Mrs Yvette Wallace and a quote "Don't just dream, make things happen" among his sources of motivation.

Mr Wallace challenged the graduates to go for their dreams, concluding with the following quote from Stephen King "*Talent is cheaper than table salt. What separates the talented individual from the successful one is lots of hard work.*"

Your risk tolerance is one of the fundamental issues to consider when planning your investment strategy.