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A HOME FOR YOUR CASH IN UNCERTAIN TIMES

Words | Patrick Crookall

Markets rally every time EU leaders announce a plan to solve their debt crisis. But within a few days it becomes apparent that each package has not solved the underlying problems, and investors are pulled back into the mayhem.

In times of economic uncertainty and market volatility investors take measures to reduce their riskier positions and move into safer, better quality assets.

With interest rates currently at historically low levels, returns on most savings accounts do not present an attractive return especially when the UK's Consumer Prices index inflation stood at 5.0% in October.

Are there alternative investments for your cash?

UK Government bonds which are also known as gilts are viewed as a "safe haven" by international investors who are pulling money out of the Eurozone and switching into sterling based assets. With a AAA rating the huge demand for UK gilts has pushed their prices up to such an extent that 2 year gilts yield just 0.5%, 5 year 1.1% and 10 year 2.2%.

Investors seeking higher returns may wish to consider investment grade bonds which are issued by good quality established companies with strong balance sheets.

These bonds can be bought and sold at any time in the market and prices are determined by movements in interest rates and demand which lately have pushed the prices of AAA corporate bonds up to unprecedented levels. For example, an existing issue with a 3.75% coupon due on the 7th September 2016, is trading at 109.75 which is a yield to maturity of 1.63%.

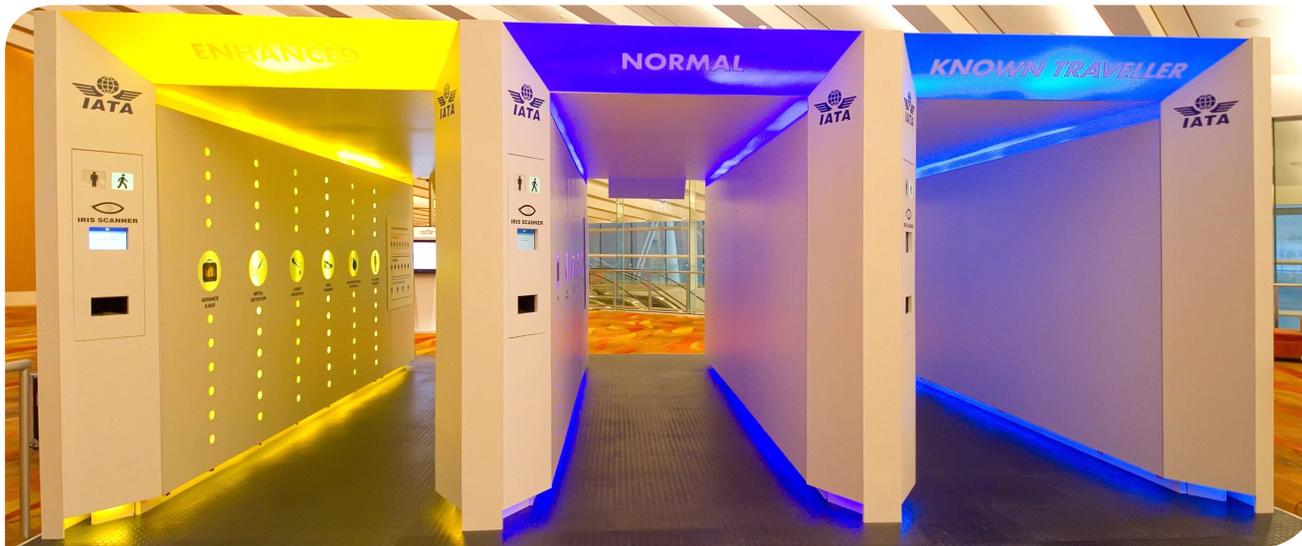
Every so often a new bond is released and we recently saw a new 10 year AAA rated bond issued by Co-operative Bank guaranteed by Moorland Covered Bonds LLP carrying a 4.75% coupon with a minimum investment of £100,000.

Investors who are prepared to pursue a higher risk strategy may wish to invest a part of their portfolio in equities which appear cheap compared to bonds with dividend yields offering attractive returns. Prices can be extremely volatile, however, for investors who can stomach a rollercoaster ride will find Aviva shares yielding 9.0% and Vodafone 5.4%.

[Statements made herein represent the views of the writer and are given in good faith but without legal responsibility and are subject to change without notice.]

TechnologyNews

Security Checkpoints of the future!



While airports continue to argue the pros and cons of the body scanner (the ones with all the privacy issues) what are the alternatives? Recently the IATA showcased what it believes to be the 'Security Checkpoint of the Future'; consisting of a series of tunnels and far too much coloured strip lighting. It is set to replace the 'One scan fits all' ideology, and instead we'll each be assigned a Travel Profile, thus presenting us to one of the three coloured tunnels. 'Known Travellers', who have completed Governmental Background Checks, will cruise through the Sky Blue Tunnel with little more than an ID check, while those sent through the Yellow Tunnel will be subjected to an array of complex scanners including iris scanners and contraband detectors. There seems to be no indication of what the IATA will call these Yellow People, other than to say the tunnel is 'enhanced'. I assume it will be something along the lines of 'Shifty-looking Gits'. Seems to me like we're replacing Privacy issues with Elitist ones... These tunnels might be seen in 5-7 years.

BECAUSE QUALITY MATTERS

Or how about a thermal lie detector? For use during customs interviews primarily, a team of UK-based researchers believe they've developed a thermal lie-detection camera that can tell if you're importing pork...or telling porkies. One or the other.

And then you've got the Finnish people, who have designed a system of using existing Mobile Phone Bluetooth signals to track passenger movements throughout the airport. One question though, couldn't the nefarious type just...turn his Bluetooth off?

And I think this is my favourite: Behavioural Detection Officers! Human sniffer dogs, trained by Burger King (or someone) to stimulate 'involuntary physical and physiological reactions' displayed by someone who is trying to hide something, by engaging in idle chit-chat. Have you read 'The Men Who Stare at Goats'? I think you should...