

# Merry Christmas to Me!

by Mykeljon Winckel



I remember staying awake as long as I could to grab a sneak look at Father Christmas, then running over to the Christmas tree at dawn to see if anything had been realised off my extensive one page letter to Santa. “Dear Santa, I’ve been good most of the year and I promise to be better if you get me a new bike with ape-hangers, extended forks, a banana seat and in sparkly gold”. Well you can take the Santa out of the dream but not the dream out of the boy! It’s only memories now but the desire in the boy is still there and it’s throbbing for a new bike for Christmas!

Now of course this demands a whole lot of research. While shopping you casually have a cursory glance at the magazine section, National Geographic, Sport, Time, FHM, Ralph... Ooops... Like I said LOTS of research and then Kiwi Bike Rider, Motorcycle Trader, Street Custom and all of a sudden the shopping basket becomes half full with ‘research material’. Now at this point your partner comes along and says “What’s all this? You’re not thinking about getting a new bike?”... uuughhh... that feeling of when you’ve got caught by your mother (that never goes away either). You think to yourself, “Man, women really do have a sixth sense, how did she figure that out?”, “Ahh”, thinking on your feet as us blokes are really good at (not)... “No, just thought I’d get these for the guys at work, you know, my shout.” Tooooo late, New Bike Alert has been activated! >

## Welcome to the eLocal monthly Financial Update

My name is Tina Webb and over the next number of eLocal editions I will be offering some balanced insight into the current financial situation plus property and interest rate snippets.

There are lots of scary headlines in the newspapers at the moment, and there are lots of people finding their finances rather tight. However, with the interest rates & petrol prices coming down, personal expenditure should ease. Everything goes in cycles whether it is the property market or the financial markets. I receive good balanced information from various sources and one of those used the share market as an indicator to the current situation. They state that it is presently down 35% and it appears that the current recession is similar to the 1991 experience. They noted that even though unwinding the excesses of the debt bubble will take time and while some pain is inevitable a repeat of the tough times of the early 1990’s is not expected.

A good deal of the growth from the past 5 years was driven by debt and appreciating property values rather than rising productivity and incomes which is a mix that is unsustainable. The next five years will need to refocus on growing productivity and income. The credit and banking crisis is serious, but it will be fixed. It is being dealt to by concerted and coordinated action of governments around the world.

Even though the economy is heading into a slowdown, we should remember that slowdowns are entirely normal and part of the cycle. The current slowdown is an inevitable and a natural event and while clearly serious, especially so for those facing lost income, redundancy or losses, the world is not ending. Headlines

that suggest as much are irresponsible especially given that confidence is so shattered at present and such overly-negative media reporting like this may actually be self-perpetuating to a degree. Let’s not talk ourselves into a deeper hole than we need to.

For investors, a sea-change is pending. The past five years were about capital growth, the next five are likely to be all about cash flow.

However, Investment property still works very well for those who are not over exposed and have a balanced portfolio. Anyone interested in finding out more could check out [www.mypropertymindset.com/gettingstarted](http://www.mypropertymindset.com/gettingstarted).

### On a lighter note - Banking in Japan.

In the last 7 days the Origami Bank has folded, Sumo Bank has gone belly up and Bonsai Bank announced plans to cut some of its branches. Yesterday, it was announced that Karaoke Bank is up for sale and will likely go for a song, while today shares in Kamikaze Bank were suspended after they nose-dived. While Samurai Bank is soldiering on following sharp cutbacks, Ninja Bank is reported to have taken a hit, but they remain in the black. Furthermore, 500 staff at Karate Bank got the chop and analysts report that there is something fishy going on at Sushi Bank where it is feared that staff may get a raw deal. Until next time have a great Christmas.



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