

# Alchemy

## Kismet Financial Services

SUMMER 09/10



### Outlook for markets

While shares have been in correction mode since mid-October, we remain of the view that they will break out to the upside into year end, with the bull market continuing through 2010 as the economic recovery remains on track and feeds into higher profits. As interest rates remain low, investors will be encouraged to further switch from cash into shares. We continue to expect the Australian All Ordinaries and ASX 200 indices to rise to 5,000 by the end of this year, with 5,600 expected for the end of 2010.

The A\$ has been in correction mode since mid-October, but is expected to hit parity against the US dollar (US\$) in the next six months as the global economic recovery underpins commodity demand and carry trades continue to pick up, benefiting high yielding currencies such as the A\$.

Government bond yields are likely to remain low in the short term as inflation and short-term interest rates stay low. However, due to their low yields, the medium-term return potential from bonds is very poor. Corporate bonds are a better bet.

Commentary taken from AMP Capital Investors Market update of 4/12/09

### Planner Profile

GENINE COWELL

FINANCIAL PLANNER

Genine has extensive experience in the financial services industry having worked in the banking sector for many years, before obtaining a Bachelor of Financial Services and taking on the demanding and exciting role of Financial Planner. She is the mother of a primary school aged boy Foster Mum to a little girl. Genine relishes the challenge of running a business whilst balancing a well rounded home life. Her interests include alternative therapies, singing, irritating her staff and playing on her WiiFit. Genine is actively involved in charity work with Have Cane Am Able and is always keen to donate her time and expertise to a worthy cause.



## “The Audacity of Hope” Some reasons for optimism this year and next

**History doesn't repeat itself exactly.** Key differences to 1930s Great Depression or Japan's "lost decade" in the 1990s

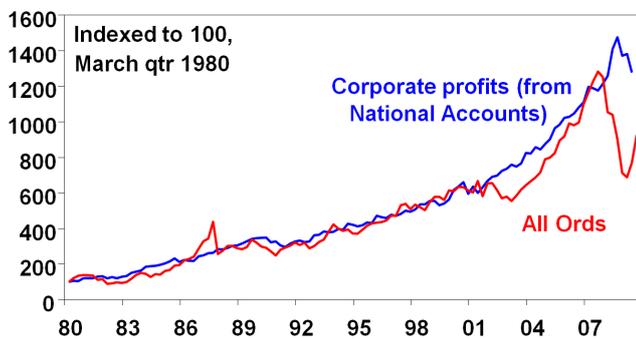
**Policy responses in 2008 have been more assertive + earlier:**

- **Aggressive interest rate cuts Globally**
- **Governments guaranteeing bank's borrowing (deposits & debt)**
- **Governments are injecting capital directly into Banks**
- **Fiscal stimulus implemented (Aust, China, US , Europe)**

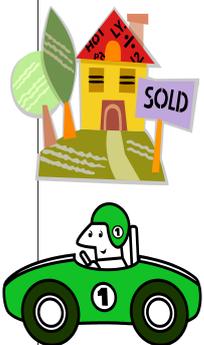
Contrast this with :

- **Japan in the 1990s** (Shares fell 80% over 13 yrs). The Bank of Japan delayed interest rates cuts until 18 months after the share market had peaked. **Insolvent banks & corporations were allowed to linger on**, meaning that the bad debts just continued to accumulate
- **America in the 1930s** (Shares fell 85% over 30 months). The US Federal Reserve & the Hoover Administration failed to recognise the collapse of the US financial system (over 5000 banks failed) this corroded collateral & confidence. Also, in Oct 1931, the US Federal Reserve increased interest rates (+2%), which reduced ordinary spending, further depressing manufacturing and agricultural production.

**Australian shares are still well below the level suggested by profits**



Adapted from source materials from AMP Capital Investors and Yahoo Finance



### Need a home loan, commercial or personal loan?

Natalie has recently attained the accreditation to broker loan solutions to our clients. If you are looking for a personal loan, commercial loan or a home loan or are wish to see if your current loan is the best available for your needs, call the office for an appointment.



“A perfect summer day is when the sun is shining, the breeze is blowing, the birds are singing, and the lawn mower is broken.”

## Spring Sensation

### Crispy Skinned Salmon With Mango and Avocado Salsa

Serves 4

#### Ingredients

1 fresh salmon fillet (skin on approx 750g), 2 tbsp chilli

oil, 2 tbsp lime juice, 1 tbsp finely chopped fresh coriander,

1 tbsp grated fresh ginger, 2 garlic cloves minced

#### Fresh Avocado & Mango Salsa

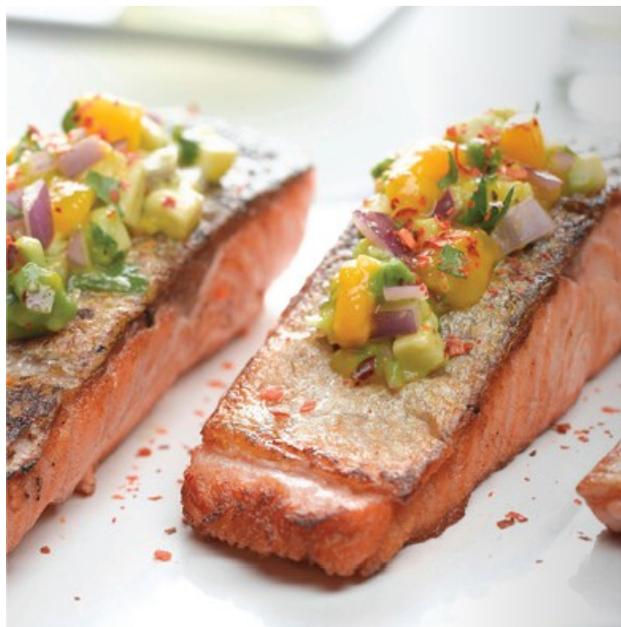
1 tomato diced, 1 mango peeled and diced, 1 avocado peeled and diced,

1/4 cup of red onion diced, 2 tbsp fresh coriander chopped, salt and freshly ground pepper to taste

#### Method

1. Preheat barbecue to medium—high, oil the grill. Mix together all ingredients, except the salmon in a small bowl. Reserve 1 tbsp of this mixture to season the salmon.
2. Smear the remaining mixture over the flesh side of the salmon.
3. Sear salmon, flesh side down for 3 minutes, turn over, cover grill and cook for another 7-10 minutes until salmon just flakes when pressed with a fork.
4. Alternatively, place salmon on grill side down and cook, covered, for 10-12 minutes.

(For salsa; Combine all ingredients together, prior to serving, spooning salsa over top of salmon)



#### To accompany, our wine (and beer) guru Natalie suggests ...

Less than \$20 - Hardy's Siegersdorf Riesling. One of the best value Australian rieslings available, it is a dry style with a delicate flavour. Retails for around \$10-\$14

\$20 to \$50 - Catalina Sounds Sauvignon Blanc. From Marlborough, this was awarded the New Zealand wine growers top award for 2009. It has peach and pink grapefruit flavours, the sweetness of which would nicely accentuate the mango chutney. Retails for around \$22

\$50 and over - Leeuwin Estate Art Series chardonnay. This Western Australian wine is arguably Australia's best chardonnay. With rich flavours of nectarine it is lightly oaked with slight butter tones but not overly woody.

Beer - Zlatopramen is a light Czech beer with a slightly fruity, clean taste. Retails for around \$3-\$4 per 500ml bottle.

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Check out our new website at  
[www.kismetfs.com.au](http://www.kismetfs.com.au)

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★ In 2010 we welcome Maryanne ★  
★ and Laurie who are joining us ★  
★ from our new office in Woori ★  
★ Yallock. They bring with them ★  
★ a wealth of knowledge and ex- ★  
★ perience and we are thrilled to ★  
★ have them as part of the Kismet ★  
★ team. ★  
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### Water Saving Tips For Your Garden.

- install low-water use irrigation systems like a drip or subsurface system. Attach a moisture sensor;
- When washing your car with grey or tank water, do it on the lawn and consider using high pressure cleaning device - they use 80 per cent less water than your regular hose. Or, go to a car wash that re- uses its water;
- use trigger nozzles on all hoses;
- reduce rainfall run-off by limiting paving and hard surfaces. Leave gaps between pavers to allow infiltration;
- create seepage pits beside paths and driveways to catch run-off;
- cover your pool to reduce evaporation. Ensure backwash goes into sewerage system, not the stormwater system. Or re-use it to flush the toilet; and
- dispose of toxic materials such as paint and engine oil appropriately. Motor oil and large amounts of paint can be disposed of at the Dynon Road Waste Transfer Station. For small amounts of paint, either save it for reuse or allow it to dry fully and put in your wheelie bin. For disposal of other toxic product look up the Household Chemicals Collection Timetable provided at [www.ecorecycle.vic.gov.au](http://www.ecorecycle.vic.gov.au)

Adapted from "Saving Water at Home" City of Melbourne publication

When you can't see the  
bright side of life, polish  
the dull side!



### Kismet supports Carer's and Senior's Card Holders

As you may be aware, holders of the Victorian Government Seniors Card are eligible to a 10% discount on plan preparation and ongoing services from the team at Kismet. In July 2010, the Victorian Government will be launching a Carer's Card which they are hoping will attract similar discounts and benefits to its holders. Kismet is proud to announce that it is one of the first businesses be accepted for this program and will extend the same 10% discount offer that is provided for Seniors. We would also like to announce our Pensioner Service Package which is proving particularly attractive to those who find dealing with Centrelink challenging and would like to have one of our experienced representatives take care of the bulk of interactions.