



PATTINSON F.S

Your dreams, our passion, the future together.



July 19 Newsletter

With the help of this newsletter we hope to keep you updated on what is happening in the financial world today. Welcome to our News Bulletin.

How to set financial goals



Whenever the term financial advice is mentioned it is commonly associated with an individual's financial goals. Whether you have a type of 'Christmas list' as long as your arm of things that you'd like to buy, or perhaps you've never really thought about it and just buy what you want when you want – financial goals are almost always at the forefront of your mind, you just might not know it yet.

Having a financial goal is a fantastic step in the right direction when attempting to take control of your finances. Goal setting will not only help to motivate you to make the necessary sacrifices in life, it will also act as a self-reward system, set your goal, achieve your goal then treat yourself and start again! In order to achieve your desired results it's sensible to map out how your goals can be achieved whilst you maintain your day to day life. MoneyTalk Magazine suggests creating a hierarchy of goals to cover your life span in order to understand how to prioritise and remain realistic. These should consist of three clear cut categories, explained below.

Short Term Goals – Achievable in one to two years

These will be your fun goals! Have you been craving a getaway to Fiji, do you want to take a month off work in two years and travel Europe? Do you really want a new laptop? Maybe your living-room needs re-decorating? These types of goals have relatively instant pay-offs, you can save up, buy and then be happy with your purchases. Short term goals are usually things that you really want, and could probably buy on credit if you were being impulsive. But hold off! Add a little patience to your life and it will be enjoy the satisfaction when it comes.

As you know, we will continue to be more than happy to discuss how to help you revisit your goals, simply call our office to arrange a chat.

Source: MoneyTalk Magazine

Medium Term Goals – Achievable in three to five years

The items designed for medium term goals are usually worth a considerable amount more than those short term goals. You might need a new car in five years, or your kitchen and bathroom will need updating. By recognizing what you know you're going to want in three to five years now, you can do yourself a favour and start saving early. Save a slice of your income every month into an account that's not easily accessible to you.

Long Term Goals – Achievable in five years plus

The ultimate goal for most people should be to retire from work with no personal or non-investment debt. Perhaps you're planning on travelling the world in your retirement? Do you want to own multiple properties that will generate an income replacement in your later years. Whatever it is that you desire, you need to imagine what you'll want and what you'll need, then plan how you're going to achieve this. The sooner the better...

The secrets of a successful saver



Everyone saves money differently. Some set aside a percentage of their pay regularly, others use lump sums from bonuses or tax refunds. The secret to reaching your savings goal is to choose the right account, understand how to use it and form a habit of saving regularly. Here are our tips to help you on your way.

HAVE A SAVINGS GOAL AND BUDGET

It's much easier to be a good saver if you have some sort of goal in mind. Whether it's a holiday, a house deposit or just saving for a rainy day, have an amount in mind.

To help you work out what that savings goal amount is, you should be realistic about what you can afford to save each week, fortnight or month. A well-planned budget will get you started on your savings path.

EARN YOUR BONUS INTEREST

Good savings habits can reward you with bonus interest on some accounts. Be disciplined and it will pay off in the long run by helping you save a little faster.

SET UP A REGULAR PAYMENT

Do you get your phone or power bill direct debited from your account? Well you can apply the same concept to your savings account. With a direct debit arrangement, each pay day you can make a regular automatic payment into your savings account.

It's best to make your payment early in the month, because transfers could take a few days to reach your account. You don't want to risk losing any bonus interest.

COMPARE SAVINGS ACCOUNTS

You compare insurance and mobile phone plans for the best deals and options for your needs, the same should be done with your savings accounts.

How do you decide on a savings account? You need to think about your needs and whether you want access to your savings anytime, or if you'd prefer to have a longer-term savings plan.

Think about whether you want an 'at call' account to put your savings into or let it grow for a set term. An 'at call' account means you can access the money anytime without fees or economic cost, but you might lose bonus interest for any withdrawals you make.

A term deposit means you put your money away for a longer term (months or years) and receive a fixed interest rate. The interest rate is usually based on the amount and length of time you put the money away for. This is fine if you don't need access to the money during the fixed term. If you need to withdraw the money before the fixed term is up, you may be charged additional costs.

TRACK YOUR SAVINGS GOAL

The final secret to successful

saving is to keep track of your savings goal. This can help you keep focused by tracking how your savings are growing.

Contact the team for more information.

As you know this email is in no way a substitute for a face to face meeting or phone call so if you have any issues you would like to discuss with us please do not hesitate to contact us on 1300 466 637.



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Economic Update - July 2019



Within this month's update, we share with you a snapshot of economic occurrences both nationally and from around the globe.

Central banks go soft on monetary policy:

1. Australia cuts its benchmark rate
2. US Fed holds off on a cut but flags a couple are on the way
3. The US consumer still displaying confidence!

We hope you find this month's Economic Update as informative as always. If you have any feedback or would like to discuss any aspect of this report, please contact your Financial Adviser.

The Big Picture

After nearly three years of keeping interest rates on hold, the Reserve Bank of Australia (RBA) cut its benchmark Cash rate from 1.5% to 1.25% on June 4th, and again on July 2nd. These cuts were widely anticipated as the easing cycle had been flagged in various speeches by senior RBA personnel. The big question is, of course, what next?

For long term investors, there is no need to be overly concerned by every cash rate adjustment by the RBA. We just need to know that monetary policy is managed responsibly – and that the government is acting on the promised tax breaks.

Our unemployment rate again came in at 5.2% p.a. and the first NAB business surveys of business confidence taken after the election were mildly positive.

The US Federal Reserve (Fed) did not cut rates, as was widely expected, but it did remove the word 'patient' with respect to its policy stance from its press release. US Official rates look set to be on the move back down after last being increased in December 2018.

In the previous meeting of the US Federal Open Markets Committee (FOMC) held in March 2019, 11 committee members predicted rates to be on hold for 2019 with four members predicting one hike and another four predicting two hikes in the remainder of 2019.

This time around one member even voted for a cut on the day and eight predicted cuts during 2019. The market is predicting a good chance of more than two cuts this year. We feel that outcome is unlikely because there are no clear signs of problems. The proposed cuts are seen as being more pre-emptive than reactive.

The European Central Bank (ECB) and the Bank of England have also kept official rates on hold but the Reserve Bank of India (RBI) made its third cut in rates in 2019. However, the RBI interest rate stands at 5.75%!

Central banks around the world are moving to an accommodative stance which is one half of the equation. The G-20 meeting held at the end of June in Osaka canvassed the

need for some coordinated fiscal response – the other half required – to complete the economic management picture.

To continue reading please visit <https://www.infocus.com.au/news/economic-update-july-2019/>

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