Issue No. 2

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# Between the Islands

Global money. Caribbean sense.



Cover story

## Celebrate, but Read the Bill

Why your restaurant bill keeps going up, and how decisions made in Washington reach our plates.

Also inside

**The Fed and the US vote:** what both mean for your money

**Barbados at 60:** a toast, and a lesson in staying power

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**Word of the Month:** inflation

**Simona Watkis-Marshall** Your Caribbean financial adviser · 29 years across the islands

A note from me to you

# Thank you, and welcome back

Dear friends,

Thank you. When I launched Between the Islands last month, I hoped a few friends would read it. Instead, nearly 3,000 people saw the launch post on LinkedIn, and almost 30 of you left a comment. Many more wrote to me privately with questions, about retiring, about our currencies, and about where the Caribbean is headed. I've answered some of them on the last page. Keep them coming.

November is a month for celebrating. On 30 November, Barbados turns 60. I spent some of my best working years there, and I'll be raising a glass. Across the region, restaurants are full, food festivals are on, and hurricane season is finally over.

But if you've eaten out lately, you've probably noticed something: the bill is bigger than it used to be, for the same meal. That's this month's story. Why prices keep rising, how decisions made in Washington reach us here, and what you can do so your savings don't quietly shrink.

I'll also take you to Italy, where a long lunch gave me a lesson in prices, and to New Zealand, the country that changed how the world fights rising prices.

Enjoy the season. Just read the bill.

Simona

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Cover story

# Celebrate, but Read the Bill

Why your restaurant bill keeps going up, and how decisions made in Washington reach our plates.

Think of your favourite Sunday lunch spot. A few years ago, lunch for two came to one amount. Today the same plates cost noticeably more. The food hasn't changed. The money has. That's inflation: the same dollar buys a little less each year.

## Why the Caribbean feels it more

Most of what's on our plates arrives by ship: flour, rice, cooking oil, much of the meat. When food, fuel and shipping cost more in the wider world, we pay for it at the checkout.

Many of our currencies are also fixed to the US dollar: the Barbados dollar at 2 to 1, the Cayman dollar at CI$1 to US$1.20, and the Bermuda and Bahamian dollars at 1 to 1. The BVI simply uses the US dollar. So decisions made in Washington reach our wallets faster than most people realise.

> **"The food hasn't changed. The money has."**

## What the Fed decided

The US Federal Reserve is America's central bank. Its job is to keep prices steady, aiming for about 2% inflation a year. Its main tool is the interest rate. Raising rates makes borrowing more expensive, which cools spending and slows price rises. Cutting rates does the opposite.

On 28 October, the Fed decided to **keep its interest rate where it is, at 3.75% to 4%**. That came just one month after it raised rates in September, its first increase since 2023. Not everyone agreed: two of the twelve voters wanted another rise straight away, because prices in the US are still climbing faster than the Fed would like. US inflation was 3.7% in September, almost double the 2% target. Rates haven't moved since, but expectations have grown. After stronger-than-expected jobs and price figures in early November, markets now see another rise at the Fed's next meeting on 9 December as close to certain.

So basically, what this means is that borrowing stays expensive for now, and could get a little more expensive before the year is out. Don't expect rates on US dollar loans, or on our local loans that follow them, to come down soon. The good news is for savers: money in the bank and in short-term bonds is still earning decent interest. If your savings are earning less than prices are rising, now is a good time to ask why.

*Sources: CNBC, Fox Business, Yahoo Finance (CME FedWatch), The Motley Fool and US Bureau of Labor Statistics, 28 October to 16 November 2026.*

### Why Washington reaches our wallets

| 2.00 | 0.83 | 1.00 | 1.00 | US$ |
|---|---|---|---|---|
| Barbados dollars per US$1 | Cayman dollars per US$1 | Bahamian dollars per US$1 | Bermuda dollars per US$1 | The BVI uses the US dollar |

When US interest rates move, loans and savings in these currencies tend to follow.

# America has voted. Here's what it means for us.

On 3 November, Americans voted in the midterm elections. As of 16 November, the Associated Press count shows **Democrats with 256 of the 435 seats in the House and 55 of the 100 seats in the Senate** (including two independents who sit with them). The White House doesn't change until the next presidential election in 2028. Analysts say the cost of living was a big part of what voters had on their minds: petrol prices, grocery bills and the price of imports.

I'll leave the politics to the politicians. What matters for us is the money. Here's what to watch from the Caribbean:

### Big changes get harder

When the White House and Congress are led by different parties, sweeping new laws are harder to pass. That usually means fewer surprises, which markets tend to like.

### Trade and tariffs

Taxes on imports were a big talking point. Most of what we eat and use comes from or through the US, so any change in US trade rules shows up on our shelves. Watch this space in the new year.

### Interest rates are still the Fed's call

Elections don't set interest rates; the Federal Reserve does. Its next meeting is 8 to 9 December, and because so many of our currencies are fixed to the US dollar, that decision matters more to your loans and savings than the vote does.

### Tourism and remittances

When Americans feel confident about their money, they travel and send money home. Keep an eye on how US families are feeling over the holiday season.

Here is the part that won't change, whatever the result: elections make a lot of noise, and noise is rarely a good reason to change a long-term plan. Markets often wobble in the weeks around a vote, then go back to focusing on what really drives them: company profits, interest rates and the cost of living.

*Sources: CNN, Election 2026 coverage, 3–4 November 2026; The Associated Press (AP), election results as of 16 November 2026; Northeastern University, midterm election results analysis, 3 November 2026.*

## What this means for you

- **Cash under the mattress loses.** If prices rise 3% a year and your savings earn 1%, you are quietly getting poorer by about 2% a year.
- **Your money needs a job.** The goal isn't to chase high returns. It's to make sure your savings at least keep pace with prices.
- **Don't let headlines drive decisions.** Have a plan, check it once or twice a year, and stick to it.

Kitchen Table / Boardroom

# Is your money keeping up?

The same question, from two seats.

## At the kitchen table: the menu test

Here's a simple way to see inflation at work. Find an old receipt or menu from your favourite restaurant, from five years ago if you can. Compare it with today's prices. The difference is roughly what has happened to the value of your savings over the same five years, if they've just been sitting still.

Three simple habits help:

1. **Keep only what you need in cash.** Three to six months of expenses for emergencies is plenty. The rest should be working.
2. **Check what your savings actually earn.** If it's less than prices are rising, you're falling behind.
3. **Review once a year, not every week.** A steady plan beats reacting to every headline.

## In the boardroom: the quiet cost of large reserves

Insurers, pension schemes and credit unions often hold large cash reserves for good reasons: claims, payouts and regulation. But money that sits idle loses value every year that prices rise. On a reserve of $10 million, 3% inflation takes away around $300,000 of buying power in a single year, without anyone noticing.

Questions worth asking at your next investment committee:

- How much of our reserves truly need to sit in cash, and how much could be invested safely for the longer term?
- Are our investments earning more than inflation, after fees?
- When did we last review our investment policy?

Markets at a Glance

| | | |
|---|---|---|
| **US interest rate (Fed)** | **3.75–4.00%** | Held on 28 Oct. Markets expect a rise on 9 Dec |
| **US inflation** | **3.7%** | September versus a year earlier. October prices rose another 0.4% in the month |
| **S&P 500 (US shares)** | **~7,560** | A choppy week, with technology shares under pressure |
| **US 10-year government bond** | **~5.15%** | Up sharply this month as bets on a December rate rise grew |
| **Brent crude oil** | **~$96** | Per barrel, still feeding fuel, shipping and food prices |
| **Gold** | **~$3,890** | Per ounce, down as higher rates make gold less attractive |
| **Our pegged dollars** | **Fixed** | BBD 2.00 · XCD 2.70 · BSD & BMD 1.00 · KYD 0.83 per US$1 |

*Figures as at close on 13 November 2026, rounded. Sources: US Federal Reserve; US Bureau of Labor Statistics, CPI release, 10 November 2026; CME Group; market data.*

Simona's Passport · Italy

# Same dish, twice the price



*Our wedding day among the vineyards in Tuscany.*

Italy will always be special to me. My husband and I got married in Tuscany, surrounded by vineyards, good food and even better wine. But the place that stole my heart on that trip was Positano: the colourful houses stacked up the cliffs, the warmth of the people, and long lunches by the sea. Lunch at Caffè Positano was spaghetti and meatballs on a bright blue plate, a cold drink, and the sea just below us.

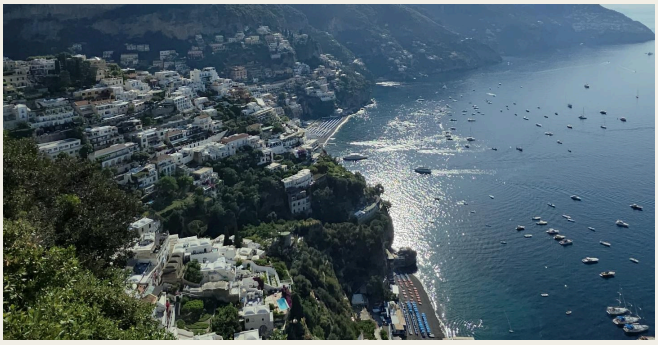
But being me, I also remember the bill. In a Florence trattoria, a plate of pasta with ragù costs about **10 to 12 euros**, roughly **11 to 13 US dollars**. Back home in Cayman, spaghetti bolognese at a popular Italian restaurant is **CI$22.95, about 27.50 US dollars**, and that's before the service charge. Same dish, twice the price.

Part of the difference is what we import and how far it travels. Part of it is the exchange rate: when the euro is strong against the US dollar, Italy gets more expensive for us, and when it's weak, our money stretches further.

**The money lesson:** the price on the menu is only half the story. What your money is worth depends on where you spend it and on the currency you hold. That's why it pays to think about currency when you save for travel, school fees abroad or retirement overseas.




*Lunch at Caffè Positano.*



*Positano from the hillside.*

*Sources: Eating Europe, February 2026; Ragazzi dinner menu, May 2026. More photos from the trip on Instagram: @simonawatkis1*

What the World Taught Me · New Zealand

## One clear target, and someone accountable

In 1989, New Zealand did something no country had done before. It passed a law giving its central bank one clear job: keep prices stable, with a published target for inflation. If the target was missed, the head of the bank had to explain why.

It worked. Prices settled, and over the following years country after country copied the idea, including the US Federal Reserve, the Bank of England and the European Central Bank. Today, when you hear that the Fed is "aiming for 2%," that idea started in Wellington.

**The lesson:** a clear target and someone accountable for it. That works for central banks, and it works for your own money too. Write down your goal, put a number on it, and check it every year.




*Te Anau, New Zealand*

From Simona's Kitchen · Barbados at 60



*The Independence Monument at the Garrison Savannah, where Barbados raised its flag for the first time on 30 November 1966. The monument was unveiled for the 50th anniversary in 2016. This month, it marks 60.*

## Cou-cou and flying fish

Barbados turns 60 this month, so there's only one dish for the table: cou-cou and flying fish, the national dish.

Cou-cou is cornmeal and okra, cooked slowly and stirred the whole time with a flat wooden cou-cou stick until it's smooth and firm. The flying fish is seasoned with Bajan seasoning and steamed in a gravy of onions, tomatoes, thyme and peppers. Simple ingredients, made special by time and care.

**The money moral:** you can't rush cou-cou, and you can't walk away from it either. Good money habits are the same: steady attention over time, not one big stir.

Happy 60th, Barbados.

The last word

# Ask Simona

Your questions, my straight answers. Names are never shared.

### "What will it really cost me to retire in Cayman?"

More than most people expect, but less than you might fear if you plan early. There's no income tax, which helps. But housing, health insurance and everyday groceries cost more here than almost anywhere in the region, and health insurance only gets more expensive as we age. Start by writing down what you spend today, then add a healthy cushion for medical costs. The "Will I Have Enough" tool on my website gives you a quick first picture.

### "How does the Barbados dollar's link to the US dollar affect people at home?"

The Barbados dollar is fixed at 2 to 1 against the US dollar, so when US interest rates move, our loans and savings feel it too. I moved to Barbados in 2018, right as the debt restructuring was happening, and watched the country rebuild its reserves from there. A peg is only as strong as the reserves behind it, and that rebuilding is what keeps ours steady today.

### "Can the Caribbean become a real gateway for investment?"

I'm a Caribbean girl at heart, so I may be biased, but I believe so. We sit between the Americas, Europe and Africa, with strong faith and family values, and generations who know how to build wealth a little at a time. What we need more of is home-grown investment and everyday financial education. That's a big part of why I started this newsletter.

*Send yours to simona.watkis1@gmail.com.*

Your next step

## Let's talk about your money

If this issue raised a question about your own money, let's talk. No pressure, just a straight conversation.

**Book a free 30-minute check-in**

calendly.com/simona-watkis1/30min · simona.watkis1@gmail.com · simonawatkis.com

Know someone who'd enjoy this? Forward it on. They can sign up at simonawatkis.com.

Word of the Month

### Inflation

When prices go up over time, so the same money buys less. If groceries cost 100 dollars this year and 103 next year, inflation is 3%.

"Every mickle mek a muckle." Small rises add up over the years. So do small, steady savings.




Simona Watkis-Marshall

Investment adviser and former CEO · 29 years in Caribbean financial services



*This newsletter is for general information only and isn't personal financial advice. Speak to a licensed adviser before making investment decisions. Past performance is not a guide to future returns.*