

Between the Islands

Global money. Caribbean sense.



COVER STORY

29 Years, 5 Islands, 1 World Market

Five money lessons from the islands where I've worked, and what the wider world means for your savings here at home.

ALSO INSIDE

What the World Taught Me: Thailand, and the lesson of the peg

Kitchen Table / Boardroom: higher US interest rates, what now?

Markets at a Glance: the numbers that matter this month

Word of the Month: diversification, the higgler's way

Why I'm writing to you

Simona Watkis-Marshall · Investment adviser and former CEO · 29 years in Caribbean financial services

The Caribbean doesn't live on an island by itself. A decision in Washington changes what your savings earn in Bridgetown. A storm season in the Atlantic changes what your insurance costs in George Town. Oil prices in the Gulf show up at the pump in Kingston and on the books of every company in the region.

I've spent 29 years in this industry, running wealth businesses and advising clients across Barbados, Jamaica, Cayman, Bermuda and the BVI. Over that time, one thing has stayed true: people here are smart with money, but they're rarely given straight answers about how the wider world affects it.

So once a month, I'll take one big story and explain, simply, what it means for us, the same conversation I'd have with you across the table. Each issue will also bring in my travels and what the world has taught me about money.

To start, five lessons from the five islands I've had the privilege of working in.

Simona

WORD OF THE MONTH

Diversification

Diversification simply means not keeping all your eggs in one basket. In the Caribbean, that means more than owning different stocks. It means spreading your money across currencies, countries and types of assets, so one bad storm, one bad year or one bad market doesn't knock everything down at once.

“One one cocoa full basket.”

Jamaican proverb

As a Jamaican, I grew up hearing that saying. Wealth is built a little at a time. But think about the higgler at the market. She never brings only yam. She brings yam, breadfruit, ackee and a few bundles of scallion. If rain spoils the scallion, the yam still sells. If nobody wants breadfruit this week, the ackee carries her home.

She has never opened a finance textbook, yet she understands diversification better than many investors. So yes, fill your basket one cocoa at a time. Just make sure it isn't only cocoa.

29 Years, 5 Islands, 1 World Market

Our dollars, our insurance and our savings all answer to forces far beyond our shores. Here is what five islands taught me about handling them.

1 BARBADOS

Your dollar listens to Washington

The Barbados dollar is fixed at two to one against the US dollar. Cayman, Bermuda and the Eastern Caribbean have similar arrangements, and the BVI simply uses the US dollar. That stability is a gift, but it comes with a catch: when the US Federal Reserve raises or cuts interest rates, it ripples into what our banks pay on deposits and charge on loans.

Not every peg is built the same, though. The Eastern Caribbean dollar has a deep shared pool of reserves behind it, while Barbados had to rebuild its own after 2018 (more on pegs on page 4).

So watch the Fed the way you'd watch the weather. It tells you what's coming for your savings and your mortgage.

2 JAMAICA

Protect what you earn from what the currency does

The Jamaican dollar floats, which means its value moves with the market. Over the years, many Jamaican families learned that savings held only in local currency can quietly lose buying power, especially when school fees, travel or medical bills are paid in US dollars.

Where you pay matters too. At today's rates, a C\$40,000 university fee in Canada costs under US\$29,000. Same number on the bill, very different cost. (My own story is on page 4.)

If your future bills are in US dollars, part of your savings should be too.

3 CAYMAN

The world's money follows a plan

Cayman is home to a large share of the world's investment funds. What you learn quickly here is that serious money, whether it belongs to a pension fund or a family, is never left to chance. It has a written plan, a clear purpose and regular check-ins.

You don't need to be an institution to think like one. Write down what your money is for, and look at it again once a year.

4 BERMUDA

Plan for the storm before the clouds

Bermuda is one of the world's great centres for reinsurance, the business of insuring the insurers. Being close to that industry teaches you how seriously global capital takes risk. As storms grow more costly worldwide, insurance across the Caribbean is getting more expensive and, in some places, harder to get.

Protection comes before growth. Check your property, health and life cover before you chase returns.

5 BRITISH VIRGIN ISLANDS

Cash on hand is peace of mind

After Hurricanes Irma and Maria in 2017, the BVI showed the world how resilient a small community can be. It also showed how fast normal life can stop, and how much it matters to have money you can reach quickly when it does.

Keep an emergency fund you can reach in days, not months. For a household, three to six months of expenses is a common starting point; for an institution, a liquidity plan that has actually been tested.

“People here are smart with money, but they’re rarely given straight answers.”

Simona Watkis-Marshall

What the World Taught Me



THAILAND



Bangkok, at the temples by night

A peg is only as strong as what stands behind it

Bangkok today is buzzing, with new towers and cranes all along the skyline. Yet in 1997, this is where one of the biggest financial crises of the 1990s began. Thailand could no longer hold the baht's fixed link to the US dollar, the currency fell sharply, and the crisis spread across Asia.

Our own pegs have served the Caribbean well for decades, and what keeps them strong is healthy reserves and public confidence. That's why I watch our central banks' reserves, and why I encourage clients to hold some savings beyond their home currency.

Close to Home



SPAIN



My son in Pamplona, in his Jamaica colours

Choosing a university is also a currency decision

When my son was choosing a university, the costs in the US and Canada added up quickly, so we looked further. Today he's studying at the Universidad de Navarra in Pamplona, Spain.

Living in Cayman made the numbers work. Our dollar sits close to the euro, so his fees and living costs don't stretch our budget the way US bills would. And he gains something money can't buy: a new language, a new culture and a wider view of the world.

Before you choose where your child studies, look at the currency, not just the fees.

Higher US interest rates: what now?

On 16 September the US Federal Reserve raised interest rates for the first time in three years, to 3.75–4.00%, to bring inflation down faster. Because so many of our currencies are tied to the US dollar, that decision travels straight to the Caribbean. Here is what it means from two seats.

At the kitchen table

Higher US rates cut both ways. If you're a saver, deposit rates tied to the US dollar may start to tick up, so it's worth asking your bank what they're offering on fixed deposits. If you're a borrower, loans and mortgages with rates that move can get more expensive.

Pay down variable-rate debt where you can, and think twice before taking on new borrowing until the picture is clearer.

In the boardroom

For pension schemes, insurers and corporate treasuries, new cash and maturing bonds can now be reinvested at better yields. The other side: when rates rise, existing bonds lose value on paper, and the Fed is signalling at least one more increase this year.

Review how long your bond holdings run, what losses sit on paper, and whether the portfolio still matches what you owe and when.

MARKETS AT A GLANCE

US interest rate	3.75–4.00%	Raised on 16 Sept, the first increase in three years
US inflation outlook	3.7%	The Fed's 2026 forecast, well above its 2% goal
US 10-year Treasury	~5%	Higher yields on new bonds; older bonds worth less
Brent crude oil	~\$100	Per barrel through September, feeding fuel and food prices
Our pegged dollars	Fixed	BBD 2.00 · XCD 2.70 · BSD & BMD 1.00 · KYD 0.83 per US\$1

Figures as at end of September 2026, rounded. Sources: US Federal Reserve; market data.

THE LAST WORD

Ask Simona

Got a money question you've always wanted a straight answer to? Send it to me. Each month I'll answer one or two here, without names, so everyone benefits.

Send me your question

or email simona.watkis1@gmail.com

YOUR NEXT STEP

Let's talk about your money

Every situation is different. If anything in this issue made you wonder about your own savings, investments or your institution's portfolio, I'd be glad to talk it through. No obligation, just a conversation.

Book a 30-minute check-in

or visit calendly.com/simona-watkis1/30min. Or simply reply to my email.

Until next month

The world will keep moving, and so will our markets. My promise is that each month you'll understand a little more about why, and what to do about it. If this letter was useful, pass it on to someone who'd appreciate a plain-spoken view on money.



Simona Watkis-Marshall

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

This newsletter is for general information and education only. It is not personal financial, investment, tax or legal advice, and it does not consider your individual circumstances. Past performance is not a guide to future results. Market figures are rounded and for illustration. Please speak with a licensed adviser before making financial decisions.