

## Garrett Van Wagoner

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### **The Federal Reserve recently lowered rates by 0.25%. Do you think they are done?**

No, I don't. I think the housing situation, as well as the situation in the financial industry affecting banks, brokerage houses and the insurance companies, continues to be poor. I believe we will continue to hear more of the same 'bad news' through the end of the year, if not well into the first quarter of 2008. I think the Federal Reserve is going to have to continue to reduce the price of money, which, of course, is the interest rate, well into the end of the year and possibly through the first half of 2008.

### **What impact does the uncertainty in the credit markets have on the overall international market?**

Well, the other day Merrill Lynch commented on some problems they had and we've heard rumors about Citibank and some other financial firms. As these rumors swirl, we see the markets slow and have bad days. Overall, the system should be revived over time. I think part of that eventual correction will be due to the Fed continuing to drop the price of money to make it readily available and think that should eventually cause the stock market to go higher. Any of these buffeted waves that hit, given the bad news in the headlines, are really buying opportunities. Personally, I think the equity markets are going to move even higher over the next 6-12 months.

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