

# *Sather Financial Group, Inc.*

## *Registered Investment Advisor*

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September 12, 2001

The events of yesterday, September 11, 2001, are nothing short of horrific. You don't need me to inform you of the obvious. However, I will encourage you to spend a bit longer with your families and to pray for our country.

Make no mistake, we are a very resourceful and resilient nation. We are now and will continue to be the most powerful and wealthy nation on the face of the earth. Our financial markets are no different.

Given recent events of terrorism I am pleased to see the reaction of the world in support of the USA as well as our financial markets. Much concern has been voiced over liquidity in the financial markets. The European Central Bank, Bank of Japan, Bank of England, Swiss National Bank, and the central bank's of Turkey, Australia, South Korea, Singapore and Thailand have already pledged to provide funds to guarantee necessary liquidity in the worlds financial markets. This is a very powerful sign of the world rallying together for strength and stability.

Furthermore, the US Federal Reserve will most likely lower lending rates in the USA by another 1/2 of a percentage point. In the wake of the 1987 market crash the Federal Reserve and Alan Greenspan acted to immediately lower interest rates and to help ease that financial crisis. In international trading yesterday the US dollar sold off a small amount, but stabilized and then rallied on Wednesday. At a time such as this, our nation is extremely fortunate to have the Greenspan led Federal Reserve providing the necessary business and financial strategies our country requires.

Shortly after the world understood what had happened yesterday it was expected that the worlds financial markets would drop. Before closing early most major world stock markets dropped between 5% and 9% in reaction to the news. Fortunately, these same markets had stabilized on Wednesday September 12, 2001.

Another major concern has been oil and gasoline prices. While Brent Crude prices did jump about 10% to \$31.05 in international trading on Tuesday prices softened to \$28.61 by mid-day on Wednesday. Furthermore, the American Petroleum Institute issued a statement this morning stating that there is ample supply of oil and gas to meet our nations requirements.

All of the US financial markets were closed on Tuesday and will also be closed today. At this point it is not known when the markets will re-open, however, I would anticipate that markets will open by the end of the week.

While Charles Schwab & Co. is a San Francisco based company it did have offices in the World Trade Center. Fortunately, their offices were evacuated and it is reported that all Schwab personnel escaped safely. At this time it is our understanding that none of Schwab's trading, processing or other operations were damaged and we anticipate that Schwab will continue to function unimpaired once the markets resume trading.

Finally, it is important that we as a nation focus on what matters most. Take the time to pray for your family and our nation. Volunteer in any needed capacity and please donate blood. Red blood cells have a useful life of forty two days and blood plasma can be stored for up to one year.

Remember that it is the resourcefulness and internal fortitude of our nation that has made it strong and great in the past. It is this same spirit that will allow our nation to survive, recover and flourish in the future.

Please call with questions.

Sincerely yours,

Dave Sather, President  
Certified Financial Planner

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