

NEWSLETTER JULY 2007

This month, our spotlight is on...

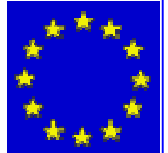
The Euro rate is fixed at 0.585 CYP

The populous of Cyprus major concern prior to today's Euro Cyprus Pound "Lock" has been what to do with cash in the bank. This question has now been answered.

In preparation, the Cyprus pound has entered the second phase of the EU Exchange Rate Mechanism (ERM-II) trading within 2.25 around a central parity of 0.5853. There has therefore been no cause for any alarm as the Cyprus pound has historically been strong and stable throughout the last two years and there has been no major shift away from this average parity rate.

Interest rates and the effect of entering a single market economy has always generated debate and talk has been of lower interest rates after entry. This has been a bit of a "Red Herring" as the interest rates in Cyprus have been low historically prior to entry, and now upon today's "Lock" the rates are at the same levels as European Counterparts.

The average Cypriot national has not been prepared and is fearful of the effects of a single unit currency according to the European Commission this despite a government information campaign of over 1million CYP. One in two Cypriots opposed the integration probably thinking that their own pockets would be "out of pocket"! The reality is that the Banks in Cyprus will suffer the most due to loss of exchange rate commissions and cost of changeover (Recalibrating Changing ATM's etc). In effect twice. The as dual currency will run until Jan 1st 2008 then the Cyprus Pound will be no more.



Next Month: Spotlight on... Investing in Cyprus

Did you know...? The inspiration for the Euro symbol € came from the Greek letter Epsilon

MONTHLY MONEY MATTERS: THE FIGURES

Exchange Rate:

Cyprus Pound to Sterling Pound: Average for June: 0.8671
Cyprus Pound to the Euro: Average for June: 0.5837

Interest Rates:

Central Bank on Marginal Lending for June: 5.00%

THIS MONTHS RELEVANT LINKS:

www.euro.cy
<http://www.hellenicbank.com>
<http://www.laiki.com>
<http://www.bankofcyprus.co.uk>
<http://www.centralbank.gov.cy>
(Government Central Bank of Cyprus)

PROPERTY HOTTIES!

FEATURED PROPERTY—KALO CHORIO

This is a great quirky property with grand views over the village plenty of character. There is a new gas central heating system and air-conditioning throughout. The family bathroom also boasts a hydrotherapy system.

This property is excellent value for your money and is a 'must see' property for those wanting a the beauty of a quiet village property with the convenience of being close to town.

