

# the **fleet sheet's** final word

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## Back to cash



After the collapse of Lehman Bros., many Czechs got scared and started hoarding cash. Safety-deposit boxes became a scarce commodity, as people scrambled for a place to keep their mounds of bills and their shiny new gold coins. In March 2009, ČSOB Asset Management said that more than half of the Kč 7bn in net redemptions from Czech mutual funds so far that year had been kept in physical cash. And where did all this caution get people? No Czech bank failed, and all anyone had to show for such vigilance was lost opportunity and higher transaction costs. So now, as the U.S. edges toward default and Larry Summers warns of a calamity that makes Lehman Bros. look like a cakewalk, many of these same vigilant Czechs are wondering what all the fuss is about. Instead of jumping back into cash, they're looking forward to higher returns on their investments, thanks to the steady rise in interest rates. And they might do very well for themselves this time. Or they might lose everything.



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