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RBA leave rates on hold

As anticipated, the Reserve Bank of Australia today left the official cash rate unchanged at 1.50 per cent.

“Comments issued by the Reserve Bank Governor today provide little indication of any material change to the RBA’s assessment of economic conditions – as such, the official interest rate appears set to remain unchanged for some time yet,” said HIA Economist, Geordan Murray.

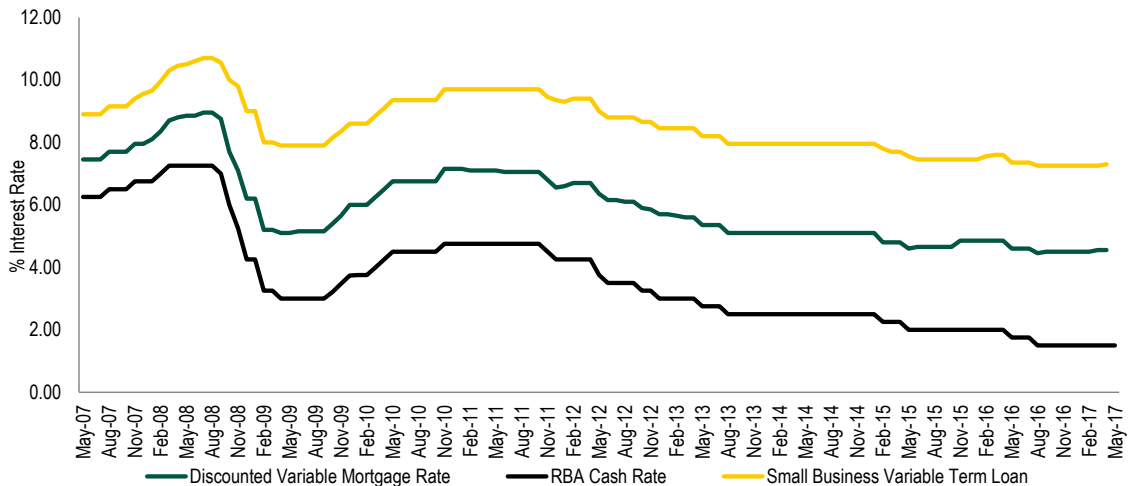
“The pressures on the RBA to respond to developments in the housing market have eased as the major mortgage lenders moved to increase interest rates on a number of riskier mortgage lending products. Furthermore, the latest dwelling price figures showing that the market for established properties in the east coast capital cities may be cooling is likely to provide additional comfort.

“Following on from recent actions by APRA, the RBA will be keeping a watching eye on developments within the housing market as the banks respond to the regulator’s guidance.

“The housing cycle is passed its peak. Whether it be APRA’s guidance on lending standards, reform of planning policies, state or commonwealth taxation and expenditure measures, or monetary policy, our policy makers must proceed with care,” concluded Geordan Murray.

Interest Rates, Australia

Source: HIA Economics, RBA



For further information please contact:

Geordan Murray, Economist
Warwick Temby, Acting Chief Economist

0438 103 651
0407 692 241



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