

Tuesday, 7 February 2012

## **RBA leaves rates unchanged amid steady rise in confidence**

*The following comment can be attributed to ING DIRECT Treasurer, Michael Witts.*

Following two cuts to the official cash rate in November and December, the RBA cited improved conditions and sentiment in global financial markets and some progress around the European debt crisis, as reasons to hold the cash rate today.

Confidence in the domestic economy is largely a function of offshore developments. If Europe continues not to deteriorate, and the US continues on its likely growth path, confidence in the domestic economy will continue to improve.

In the period ahead it appears global growth will be driven by US and Asian growth as opposed to the European-Asian mix that has been apparent over the past several years.

Regardless of source, the bottom line for Australia is that global growth will continue, albeit, marginally weaker than previously expected. This will continue to underpin the high level of investment in resources and related sectors.

In addition, borrowers continue to enjoy historically low mortgage rates - especially fixed rates. The majority of borrowers don't adjust their monthly payments when interest rates are cut, which will continue to leave the household balance sheet in good shape.

**-ENDS-**

**For access to a full summary of today's RBA decision, visit the [ING DIRECT Online Newsroom](#)**

### **About Michael Witts:**

Michael Witts is the Treasurer of ING DIRECT responsible for the funding and liquidity management of the Bank. In addition, he is responsible for its capital markets activities including public debt issues and securitisation activities.

Michael holds a Master of Commerce in Economics/Finance from the University of New South Wales and is a Senior Associate of the Financial Services Institute of Australasia (FINSIA) and is a Certified Finance and Treasury Professional of the Finance and Treasury Association (FTA).

### **For interviews with Michael Witts, please contact:**

Caroline Thomas  
PR Manager  
ING DIRECT  
Ph: 02 9018 5160 / 0413 317 225  
Email: [caroline.thomas@ingdirect.com.au](mailto:caroline.thomas@ingdirect.com.au)