

Media release

Response to RBA Monetary Policy Update (June 2015)

Tuesday 2 June 2015

Michael Witts, Treasurer at ING DIRECT, responds to today's decision by the Reserve Bank of Australia to leave the official cash rate unchanged at two per cent:

"At its meeting today the RBA left the cash rate unchanged at two per cent. This decision was widely expected as the RBA has previously indicated a willingness to allow prior stimulus to work through the system, and on this occasion it appears they are adopting a similar approach.

"We believe this is a prudent decision, especially at this stage in the economic cycle and given the current price momentum in the housing sector. The RBA again highlighted strong house price rises in Sydney and also underlined that together with other regulators they are working to assess and contain risks that may arise in the housing market.

"We believe the Australian economy will continue to benefit from a low interest rate environment and accommodative monetary policy. It appears likely that there will be an extended period of steady rates which should contribute to further strengthen business and consumer confidence.

"An increase in interest rates appears some way in the future and it is likely to be a gradual drawn-out process, with the likely peak in rates well below peaks of previous rate cycles."

-ENDS-

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About ING DIRECT

ING DIRECT changed the way Australians bank 15 years ago by launching the country's first high interest, fee free online savings account. Since then, we've brought this low fee value to home loans, transactional banking and superannuation.

With over 1.5 million customers – and \$32 billion in savings and \$38 billion in mortgages – ING DIRECT has the highest Net Promoter Score of any bank.

Australia's most recommended bank according to Nielsen Consumer Media View, Sep '14 –Feb '15 (n=10,220).