

Adviser Update



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Interest Rate Update

Personal & Business

- The highest variable interest rate for the **Savings Maximiser** for eligible customers is **2.80% p.a.**
- The 6 month variable welcome rate on the **Business Optimiser** for new customers is **2.40% p.a.** (on balances up to \$1 million). The standard variable rate is 1.50% p.a.
- The top tier **Savings Accelerator** variable rate (for balances > \$150,000) is **2.20% p.a.**
- ING has some of the most competitive Personal and Business Term Deposit interest rates available:

Term	Rate (p.a.)
180 Days	2.50%
1 Year	2.60%
2 Years	2.80%

For information on our current interest rates, please see our [Adviser website](#).



Economic Update September 2017 by Michael Witts, Treasurer ING

The global economy has continued to improve during the September quarter. Solid economic growth in the US economy, and increasingly stronger numbers out of northern Europe and Japan have convinced monetary authorities that the time is right to further reduce monetary stimulus.

In this regard, the US Federal Reserve has indicated that further reduction in the stimulus provided to the US economy is forthcoming. This will likely be accompanied by another increase in official US interest rates prior to year-end.

The prospect of higher US interest rates together with ongoing geopolitical tensions on the Korean peninsula has underpinned the USD over recent weeks. The stronger USD has brought welcome relief to the AUD which is now at around .7850 compared with almost 82 cents a few weeks earlier.

Domestically, the key feature of the September quarter has been the ongoing strength of the labour market. Over the year to August more than 250,000 people gained full-time employment and a further 50,000 in part-time employment.

Continued expansion in commercial building activity and a pick-up in consumer spending should result in stronger growth compared with the first half of the year.

The housing sector appears to be stabilising, with auction clearance rates at around 70%. Outside of the main Eastern seaboard cities, activity in the housing sector has slowed appreciably; and within the major cities the strong market conditions tend to be highly concentrated.

The combination of a stronger global outlook and improved domestic conditions has raised the spectre of the RBA moving to increase rates early in 2018.

While inflation remains at the lower end of the RBA target range, there is scope for the RBA to allow the economy to quicken its pace prior to it becoming concerned about potential inflationary issues. In addition, the RBA will need to consider the impact of higher interest rates on the broader economy given the higher level of debt in the household sector.

On this basis we would suggest the RBA will look to adjust the cash rate in the second quarter of 2018. Even then the adjustment process will be gradual and the peak in rates in the upturn cycle will be less than previous years.

Wholesale Deposit Clients

Do you have wholesale clients looking for a competitive rate on fixed or floating Term Deposits with a value of \$500,000 - \$25 million to invest? Or maybe you have wholesale clients that are not eligible to open a Personal or Business Term Deposit with ING (e.g. university, school, not for profit or public company).

If you do, please contact your ING representative to find out more about ING's range of Middle Market Term Deposits.

Did you know?

Australian employees are spending a whopping \$39 billion per year on going to work. Workers spend an average of \$7,094 each per annum after tax to be work-ready. ING's *Galaxy research* (December 2016) and official ABS statistics found that out of work related expenses, employees spend the most travelling to and from the workplace, forking out an average of \$179 per month on transport costs. This is followed by the amount workers spend on lunch at \$129 per month.



Millennials are the biggest spenders. They should look to Baby Boomers to save money on work-related costs.

Gen Y workers spend twice as much as Baby Boomers on expenses, racking up an average of \$794 per month, or \$9,528 per annum - equivalent to 11.6% of the average Australian wage. In comparison, Baby Boomers spend just \$320 per month.

If you would like to discuss more findings relating to generational advice, contact your ING representative today.

Need more information?

- Contact your ING representative
- Contact Adviser Services on **1300 656 226** Monday-Friday: 8:30am-6:00pm AEST/AEDT or email direct.adviser@ing.com.au
- New applications can be emailed to adviser.applications@ing.com.au
- Account maintenance requests (including Adviser Authorisation Forms) can be emailed to adviser.admin@ing.com.au
- Living Super enquiries can be emailed to livingsuper.adviser@ing.com.au

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