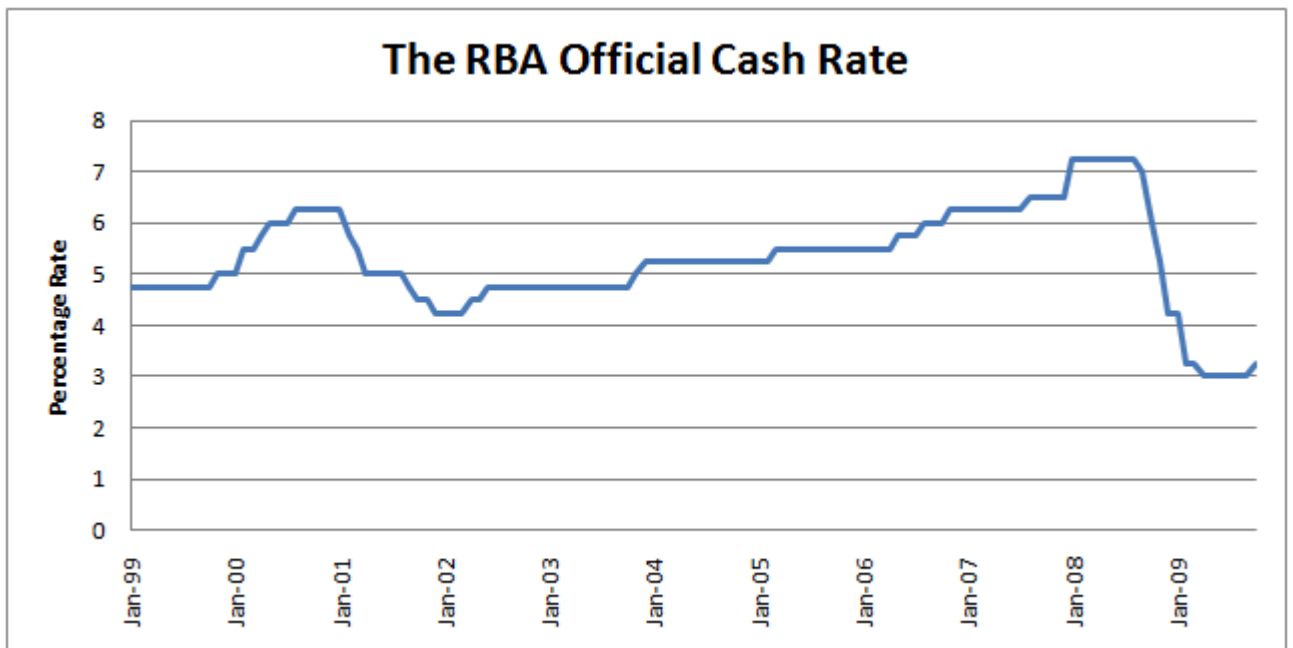
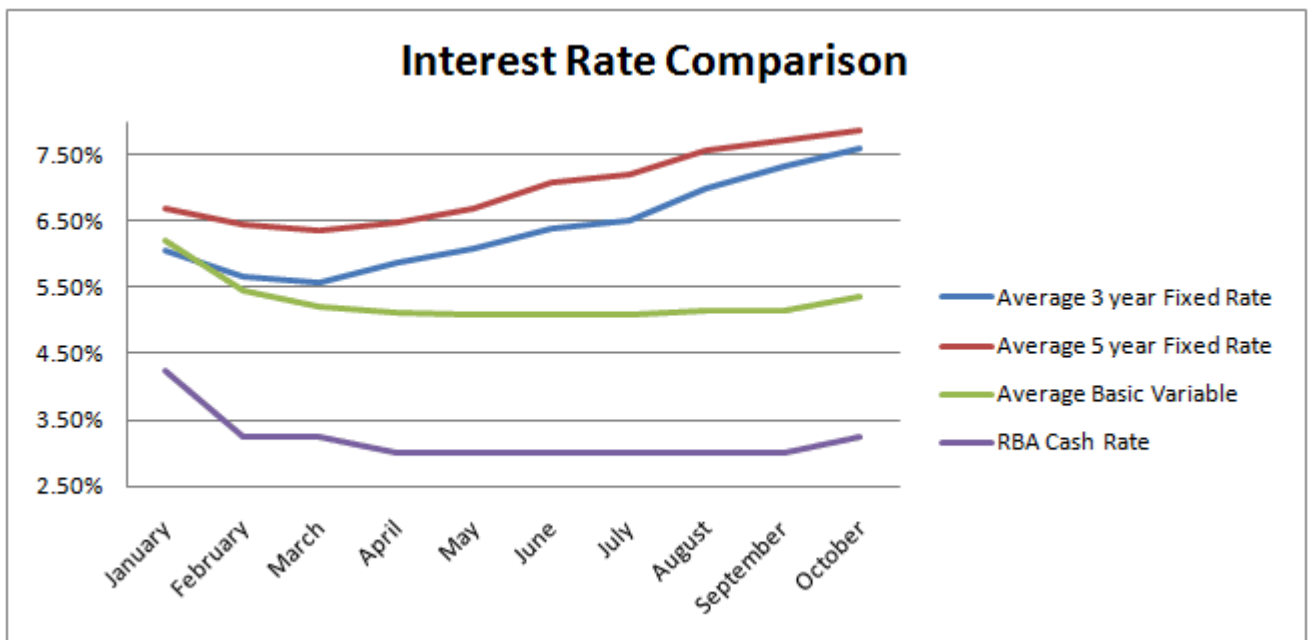


Today's decision will see the cash rate lift from 3.25% to 3.50%. It is important to remember that the 3.00% cash rate was an "EMERGENCY" position for the RBA to take. We have prepared a chart to demonstrate just how low this rate was in comparison to our recent history (10 years).

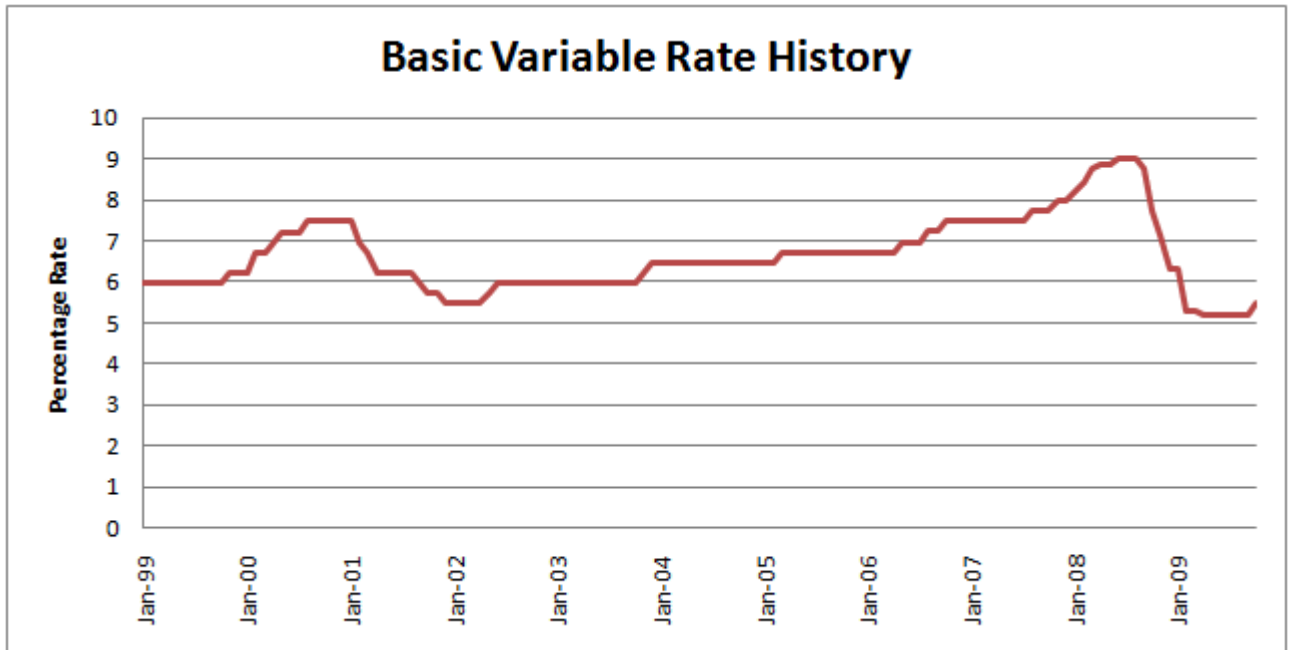


Many people are now looking to fixed rate loans as a solution. Fixed rates can provide repayment certainty when clients suspect that variable rates will continue to climb. However, as you can see from another ongoing Smartline chart, fixed rates have been doing some climbing of their own in recent months.



Another important consideration when contemplating a fixed rate loan is where the fixed rate sits in comparison to the average variable rate. To this end, we have compiled another chart based on the

"basic variable loan" interest rate from one of our major lenders. As you can see, this bank's average basic variable rate sits at around 6.8% (over the last 10 years).



We only have one more RBA Board Meeting (December) until February next year. The market expectation is for rates to continue to climb further yet.