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GLOBAL UNCERTAINTY TO INFLUENCE INTEREST RATE DECISION

ATTENTION NEWS EDITORS: Suncorp Bank General Manager Terry Wasmund is Brisbane based and available to interview on request.

Suncorp Bank says it's likely homeowners will be given at least another month's reprieve from an interest rate hike when the Reserve Bank of Australia meets tomorrow.

Suncorp Bank General Manager Terry Wasmund said the Reserve Bank of Australia (RBA) hinted at its June meeting that it planned to keep interest rates steady.

"The continued uncertainty in European financial markets, a looming double dip recession in the UK and more uncertainty in the US is expected to influence the RBA's decision," Mr Wasmund said.

"Having lifted interest rates six times since October last year, the RBA has the opportunity to wait and see how the global financial markets play out, for at least another month.

Mr Wasmund said the RBA was expected to look closely at the Consumer Price Index, due out later this month, as it would provide a clearer picture of domestic inflation and the likelihood of future rate rises.

"If this report shows higher than expected inflation the RBA will be looking at further rate rises before Christmas. It's a good idea for homeowners to start reviewing their budgets now and to consider the changes they may need to make," he said.

"A smart option would be to start putting extra money towards your mortgage now to create a buffer against future rate rises and help pay off your home loan sooner.

"Though it can hurt the hip pocket it's good to remember slow and steady rate rises are a positive sign that Australia's economy remains healthy when many overseas countries are floundering."

Mr Wasmund said at 4.5% Australia's official interest rate was still relatively low.

"This is a rate that's more sustainable than the very low rates that Australia experienced during the global financial crisis and is better for stimulating economic growth," he said.

For more advice on managing your mortgage and savings visit www.suncorp.com.au where helpful tools such as the Suncorp Budget Planning Calculator can be found.

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