



Adviser Update



In this Update

- Interest rate update
- ING economic review and forecast
- News about Siri and the ING app
- Did you know?

Interest Rate Update

Personal & Business

- Please note the following change to ING's range of Personal and Business Term Deposits effective **Friday 19th January 2018**:

Term	Old Rate (p.a.)	New Rate (p.a.)
2 Year	2.75%	2.85%

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

Economic Review 2017 and outlook for 2018 by ING Treasurer Michael Witts

Global markets

The global economy performed solidly during 2017. Stronger employment markets and improved business and consumer confidence were the main drivers.

In the US, the post- Trump election rally saw equities set new record levels. Similarly across Europe and Asia, the fundamentals of these economies improved. Against this background, central banks, led by the US Federal Reserve, began the very gradual

process of unwinding 10 years of substantial liquidity support.

Notwithstanding the geo-political hot spots scattered across the world, the global economy enters 2018, with a solid footing, providing for accelerated growth in the year ahead.

China and India will continue to be important engines for global growth and will underpin demand for key commodities.

Global GDP	2016	2017	2018
China	6.70	6.80	6.40
India	8.00	7.50	6.80
Japan	1.00	1.50	1.10
United States	1.50	2.20	2.40
Euro Area	1.80	2.20	1.90
Asia incl China	6.00	5.90	5.80
World	3.20	3.50	3.60

Source: Bloomberg

Australian outlook

The feature of Australia's economic performance during 2017 has been the ongoing strong employment gains across the majority of sectors of the economy. Equally, although the RBA kept the cash rate unchanged during the year, the macro prudential policy measures introduced by APRA did start to have the desired impact on the housing market. During the December quarter 2017 the national auction clearance rate was around 65% well below levels from earlier in the year, and pricing pressures in key markets have dissipated somewhat. Despite the strong employment growth, wage inflation remains modest as underemployment and increased participation in the workforce augment labour supply. Despite this, shortages are beginning to emerge in new sectors of the economy requiring specialist skills.

Australia	2016	2017	2018
GDP	2.50	2.50	3.25
Consumer spending	2.70	2.60	2.50
CPI	2.00	2.25	2.25
Unemployment	5.70	5.50	5.50

Source: Bloomberg, RBA

Consumer spending remains modest as consumers respond to minimal wages growth by running down savings. All of this is against the background of record household

indebtedness; suggesting higher susceptibility to rising interest rates.

Inflation is expected to continue to remain subdued and will likely struggle to breach the lower bound of the RBA target range (2-3%) during 2018.

Against this background, the RBA is on hold for an extended period, well into 2018.

The Australian dollar has progressively weakened since mid-year; with the prospect of further weakness in light of the prospects for a stronger US dollar, given rising US interest rates and strong equity markets.

Growth forecasts

Growth in the Australian economy is forecast to accelerate appreciably during 2018.

Growth is forecast at 3.25% in 2018, compared with 2.5% the previous year. This reflects the combination of increased investment spending, (both public infrastructure and private spending) together with the export phase of the resources boom driving sharply higher export volumes, especially in iron ore and LNG.

Summary

- Stronger global economy
- Higher global interest rates
- Improved growth in Australia led by investment spending and exports
- Employment markets remain positive
- Wages growth has scope to increase
- RBA likely leaving rates on hold until at least well into 2018.

News about Siri and the ING app

On 19 December 2017, ING became the first Australian consumer bank to make it possible for your customers to check their bank balances using Apple's digital assistant Siri. Your ING customers using the ING Australia app on the latest version of iOS can check their account balances by saying "Siri, what's my balance?" They can also ask more specific balance related questions like "Siri, how much do I have in my holiday savings account?" Siri then displays the balance on screen, for discretion.

Did you know?

The approximate net wealth of Gen X and Gen Y is \$1.4 trillion. *'The truth about Gen X and Gen Y' January 2016.*

Need more information?

- Contact your ING representative
- Contact Adviser Services on 1300 656 226 Monday - Friday: 9:00am - 5:30pm 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

To learn more



Visit adviser.ing.com.au



Call 1300 656 226



Important Information:

Information is current as at the date of this email and is subject to change. You received this email as you provided ING with your email address. However, if you do not wish to receive further email communications from ING please send an email to reply@eccoms.ing.com.au with "Unsubscribe" in the subject line or call 1300 656 226.

Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153, RSE L0000635 is the Trustee of the ING Superannuation Fund ABN 13 355 603 448 (Fund) and the issuer of interests in the Fund. ING Living Super is a product issued out of the Fund. ING is a business name of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL and Australian Credit Licence 229823. ING is the Promoter of the Fund and issuer of this document. The insurance cover offered by the Fund is provided by MetLife Insurance Limited ABN 75 004 274 882 AFSL 238096. Other products are issued by ING Bank (Australia) Limited. Any advice in this Adviser Update does not take into account your or your clients objectives, financial situation or needs and you should consider whether it is appropriate for you and your clients. You should consider the relevant Product Disclosure Statement or Terms and Conditions and the Financial Services Guide available at ing.com.au and the product's appropriateness when deciding whether to acquire, or to continue to hold, a product. If you, or your clients, have a complaint, please call 1300 656 226 (Monday to Friday between 8.30am - 6pm EST), as we have procedures in place to help resolve any issues you, or your client may have. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to www.superratings.com.au for details of its ratings criteria.

ING

60 Margaret Street, Sydney, NSW, 2000, AU