

RBA predicted to raise interest rates twice in early 2023

Australia is set for two more interest rate rises in 2023, according to leading economists speaking at the prestigious FINSIA/Australian Property Institute Economic Indicators event today.

Brisbane – 3 February, 2023.

HSBC Chief Economist Paul Bloxham predicted the rises, with Domain's Chief of Research and Economics Dr Nicola Powell saying that interest rates needed to start falling before house prices would rise again.

Paul said the Reserve Bank was trying to manage the tricky balancing act of cooling the booming post-COVID economy that had fuelled rising inflation

But both he and Dr Powell said cost of living pressures would continue into 2024.

HSBC Chief Economist Paul Bloxham said: "In the next few months, I have the RBA lifting the cash rate two more times and sitting still at 3.6% for a period as they watch the effects of what they've done flow through to the economy.

"So in my view, the RBA is lifting a bit further and then they're going to stop for a while, but I'm not completely convinced that the next move will be down anytime soon."

Domain's Chief of Research and Economics Dr Nicola Powell said: "The Australian housing market and property prices will stabilise as interest rates peak and inflation eases. But for prices to rise broadly again, we do need some other stimulus.

"We need either falling interest rates, an easing in credit policies or favourable government policies to spark another price cycle to commence."

Their remarks were made to an audience of nearly 700 at the event which is in its 14th year.

FINSIA CEO and Managing Director Yasser El-Ansary F FIN said: "Allowing access to networking events with the opportunity to hear from real experts like Paul and Nicola is a top priority for FINSIA. Their predictions for 2023 have certainly left us all with much to think about."

API CEO Amelia Hodge said: "It has been another fantastic Economic Indicators. Hearing Paul and Nicola's predictions for the economy and the property market is a great way to kick off the year."

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