

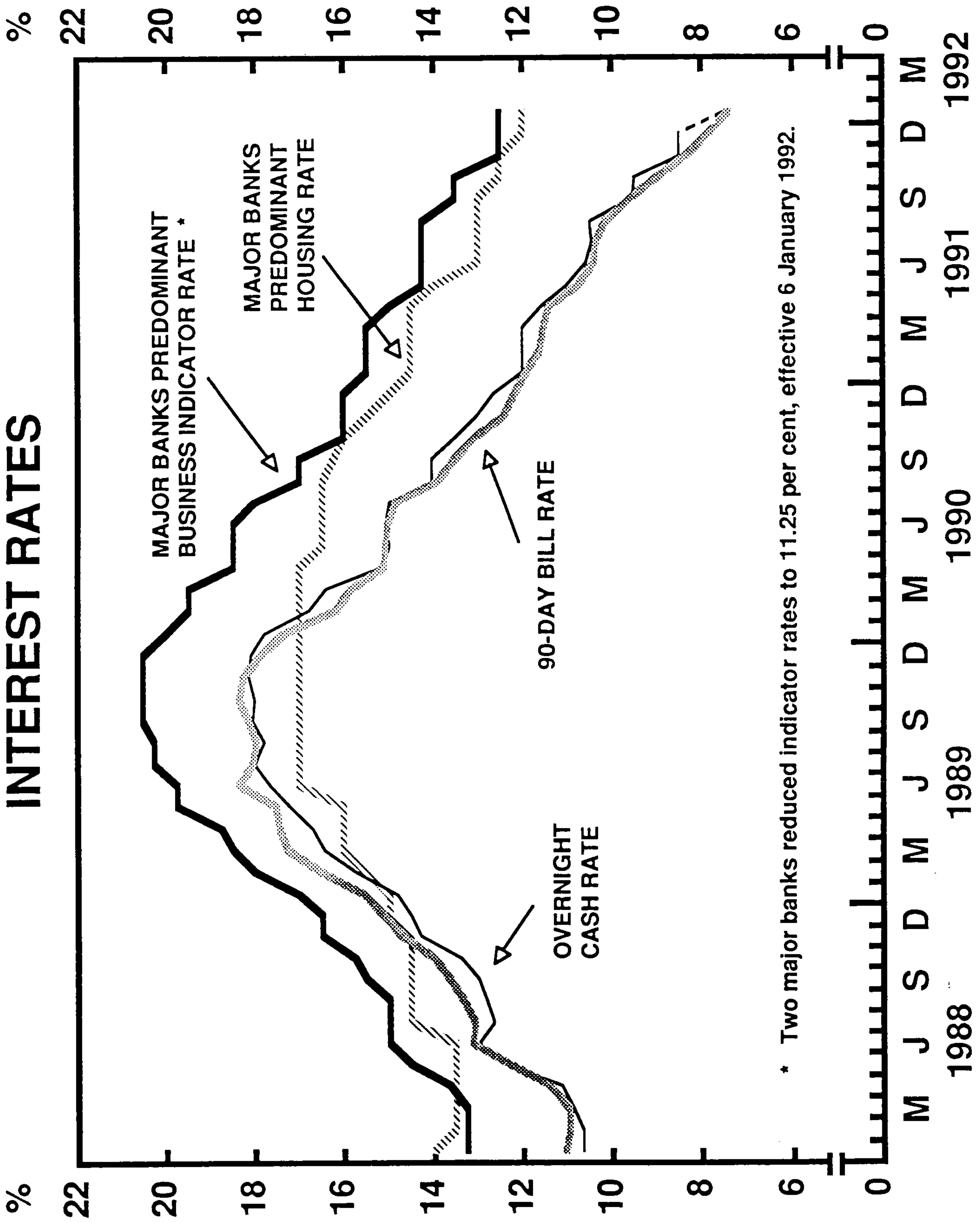
ATTACHMENT

The Reserve Bank operates in the domestic market by adding to or withdrawing funds from the market through the purchase or sale of Commonwealth Government securities. These operations affect the balance of supply and demand for overnight funds and hence the overnight cash rate i.e. the rate established in the short-term money market on loans for one day. Over time, there are consequential effects on interest rates more generally, including short-term security yields and rates for housing, corporate and personal loans.

Since 23 January 1990, overnight cash rates have been reduced on eleven occasions as follows:

			Reduction (percentage points)
23	January	1990	1
15	February	1990	½
4	April	1990	1½
2	August	1990	1
15	October	1990	1
18	December	1990	1
4	April	1991	½
16	May	1991	1
3	September	1991	1
6	November	1991	1
8	January	1992	1

INTEREST RATES



* Two major banks reduced indicator rates to 11.25 per cent, effective 6 January 1992.