

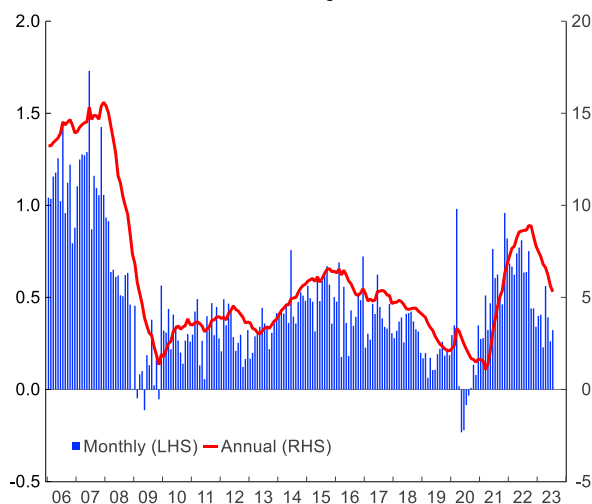
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# Private Sector Credit

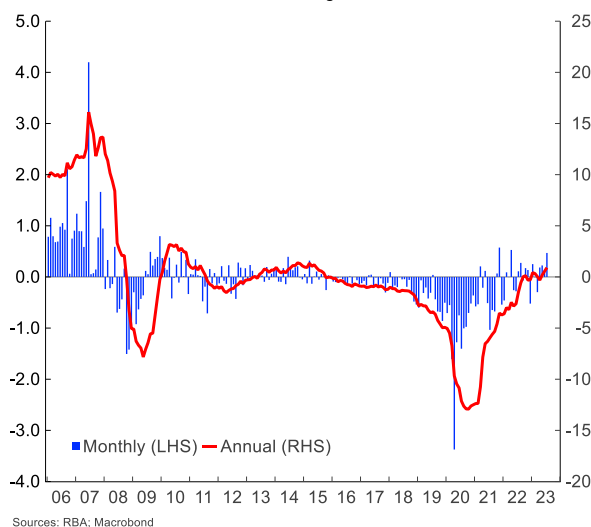
## Slow and Steady, But Uninspiring

- Private sector credit growth remains modest as higher rates impact demand. In monthly terms, credit grew 0.3% in July, unchanged from June. Monthly growth ranged between 0.2% and 0.6% over the past 10 months, after a noticeable step down late last year. In annual terms, credit grew 5.3%, down from 5.6% in June and well below the 8.9% September 2022 cycle peak.
- Business credit grew 0.3% in July, up from 0.2% in June. While generous tax incentives expired in June, elevated capacity utilisation and other government policies continue to support credit.
- Housing credit maintained its steady march – up 0.3% for the eighth consecutive month. Housing market activity has been accelerating, as sales increase and prices continue to rise. Despite the consistent monthly pace, annual growth slowed to 4.5% (from 4.7% in June) as recent growth rates are weaker than those falling out of the annual calculation.
- Investor housing credit grew 0.2% for the fourth consecutive month. The June result was revised from an initially reported 0.1% fall. Following this revision, the trends from the credit series (stock) align more closely with the rebound in new investor lending (flow) from the ABS lending indicators data, which has been rising since hitting a recent trough in February.
- Personal credit rose 0.5% and annual growth stepped up to 0.9%. After being subdued for some time, it appears to have turned a corner. This suggests that households may be drawing on lines of credit to support spending during a period of elevated cost-of-living pressures.

Total Private Sector Credit  
% Change



Other Personal Credit  
% Change



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