

CASE IH FINANCE

The Reserve Bank has left the Overnight Cash Rate (OCR) unchanged over the last 12 months. This rate impacts on those in the rural sector by flowing through to mortgage rates, the interest rate on machinery purchases and even the exchange rate. New Zealand interest rates remain among the highest in the developed world, which has strengthened the NZ\$, but there is no sign of rates reducing in the near future. The graph below shows how interest rates have flattened out over the last year after increases through 2005.

The question that every

economist wants the answer to is: what will the Reserve Bank do going forward? With only one review left this calendar year (7/12/06) the general consensus is that the Bank will leave the rate at its current level.

Projections for the early part of 2007 are far less certain. Recent economic data reinforces the message that lower rates are a long way off and some economic commentators are predicting rates to increase early in the new year. This is as a result of the Reserve Bank struggling to control inflation.

The benefit that Case IH

Finance offers customers is the Red Rate. The current Red Rate is extremely competitive and makes purchasing new equipment even more affordable. This Red Rate is also fixed for the term.

Loans are also tailored to your individual requirements which can result in large interest savings through seasonal payments and the ability to make lump sum reductions, not to mention the cash flow benefits that these options provide.

With commodity prices, such as steel and oil, still at high levels, and the NZD likely to fall in the medium

term, now could be the ideal time to upgrade your machinery, as both of these factors are likely to increase the price you will have to pay in the future.

Case IH Finance provides you with a seamless financing option that can be put together by your friendly Case IH dealer. The entire Case IH philosophy is based around building relationships, and Case IH Finance is another way we can add value to your business.

Next time you are talking to your Case IH representative be sure to ask about Case IH Finance.

