

PRO-POL SHADOW RBA BOARD – COMMENTS

APRIL 2013

From March 2012, each Shadow Board member was invited (but not obliged) to provide a personal comment on monetary conditions. Neither the comments nor the probabilities constitute financial advice. The views of the Shadow Board members are not those of CAMA. Any individuals utilizing these comments, or the probabilities, do so at their own risk.

PAUL BLOXHAM

There have been further signs this month that low interest rates are supporting the economy, including improvements in consumer sentiment and the housing market. Despite some wobbles in Europe, associated with Cyprus, the global economy has generally shown further signs of improvement, led particularly by conditions in the US and China. Given this, there would little reason to consider shifting the Australian cash rate this month.

MARK CROSBY

Still considerable uncertainty about appropriate settings at the 6 to 12 month horizon with Europe finding new ways to antagonise markets and avoid solutions to ongoing problems. In other parts of the world the outlook is more stable, but weaker commodity prices will likely weaken output and employment growth over the next 12 months.

MARDI DUNGEY

No comment.

SAUL ESLAKE

No comment.

BOB GREGORY

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

A Gradual Return to Neutral: Domestic economic conditions remain quite stable with inflation at 2.2% and the unemployment rate at 5.4%. Despite ongoing political woes in the US and Europe, recent economic developments, especially in the US, suggest less risk for the Australian economy. Given this background, the policy rate should gradually be adjusted back to a more neutral level after the recent period of a more accommodative stance.

JEFFREY SHEEN

No comment.

MARK THIRLWELL

No comment.