

CAMA RBA SHADOW BOARD – COMMENTS

AUGUST 2015

Each CAMA RBA Shadow Board member is 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

No comment.

MARK CROSBY

With the inevitable Greek breakdown now postponed again, and other international events relatively benign, the best course would seem to be holding again in August. Chinese equity market volatility is quite divorced from their real economy and should not cause concern, though other indicators from China do suggest ongoing challenges in that economy. At longer horizons unreasonably low rates ought to start to rise unless international events conspire against the RBA raising rates in late 2015 or early 2016.

MARDI DUNGEY

No comment.

BOB GREGORY

No comment.

GUAY LIM

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

The RBA should hold its policy rate steady, with a bias towards raising it soon in order to address the continued overheating in the housing market. However, they will want to see some indication of inflationary pressures before starting the raising cycle.

The current low level of the Australian dollar gives scope for holding steady or starting the raising cycle. Contributing to this is a clear strengthening of the US economy and imminent “lift-off” for the Federal Funds Rate in September. Developments in the United States are likely to be the bigger external force for the Australian economy over the next year than the ongoing weakness in China or any further developments with Greece.

JOHN ROMALIS

No comment.

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JEFFREY SHEEN

No comment.