

CAMA RBA SHADOW BOARD – COMMENTS

DECEMBER 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

There seems little case for moving rates in either direction, with the RBA now likely to wait on the Fed's December interest rate decision. The global economic environment is stable for the moment and the timing seems right for a Fed rate increase. The implications of such a rise on global markets remains uncertain, with a muted reaction to such a rise strengthening the case for an RBA increase rather than a further decrease in the cash rate at some point during 2016.

BOB GREGORY

No comment.

GUAY LIM

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

Inflation expectations remain well anchored and the unemployment rate has fallen to 5.9%. The RBA should hold its policy rate steady this round, but with an eye to returning it back to its neutral level over the medium term.

JOHN ROMALIS

No comment.

JEFFREY SHEEN

Monetary policy needs to remain accommodating for some time to come. Non-commodity sectors have to expand to counteract the declining contribution to growth of the commodity sector. The next global crisis is likely to come from overblown emerging economies to which Australia is heavily exposed. Low(er) interest rates and in turn a low(er) real effective Australian dollar are needed for both future growth recovery and an essential diversification of the economy.