

# CAMA RBA SHADOW BOARD – COMMENTS

APRIL 2016

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

Little has changed in recent weeks to warrant any change in policy in the short run. The Fed is indicating that it will likely wait longer to continue raising, and other international developments are stable. Over the course of the next 12 months the most likely changes will be continued gradual raising of rates in the US and increases later in the year in Australia. During this period the failed experiments with negative rates in Europe and Japan are also likely to end.

MARDI DUNGEY

No comment.

BOB GREGORY

No comment.

GUAY LIM

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

The Australian economy grew at 3.0% in 2015 and the latest unemployment rate is 5.8%. Headline inflation at 1.7% is below the target range of 2-3%, but it can be expected to return to this range in 2016 as the effects of past declines in oil prices dissipate.

Given these conditions, the RBA can continue to hold the policy rate at the low level of 2.00% in the immediate future. But it should plan to raise the policy rate back to its neutral level over the medium term.

JOHN ROMALIS

No comment.

JEFFREY SHEEN

No comment.