

CAMA RBA SHADOW BOARD – COMMENTS

JUNE 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

Recent commentary and criticism of the latest RBA rate cut is I think correct. The RBA should be resisting further cuts as long as demand in the economy remains at current levels. In the medium term likely rate rises in the US will make it easier for the RBA to slowly move rates back to a more neutral stance.

MARDI DUNGEY

No comment.

BOB GREGORY

No comment.

GUAY LIM

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

The RBA should respond to the data. That is why it made sense for the cut in the policy rate by 25 basis points in the last round following the unexpected weakness in inflation.

Likewise, the RBA should hold the policy rate steady in the face of the robust real GDP growth that was just announced.

JOHN ROMALIS

No comment.

JEFFREY SHEEN

The latest output growth report was strong mainly thanks to net exports, but income growth was weaker due to a declining terms of trade and real investment. This should keep inflation low, and so the likely next opportunity for a possible cash rate change will be in August after we know quarter two inflation.