

CAMA RBA SHADOW BOARD – COMMENTS

SEPTEMBER 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

With the FED now more likely to raise in coming months there should be no motivation for any further cuts in the cash rate. While Japan and Europe may persist with their futile policies for a while yet, these policies should not influence policymakers in other advanced economies. Recent rate cuts should be given a chance to feed through to inflation, though the impacts on aggregate demand and inflation are likely to be very limited. This raises questions for the future of monetary policy in this country as further cuts are likely to be even less effective than the most recent two cash rate cuts.

MARDI DUNGEY

No comment.

BOB GREGORY

I want to stick with the same distributions as last time even though I think they will be cutting again soon.
I would rather delay the cut until things become a bit clearer.
I really do think they have fuelled the housing price boom well beyond what they should have done, but we will see.

GUAY LIM

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

No comment.

JOHN ROMALIS

No comment.

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JEFFREY SHEEN

The cash rate was reduced last month, consistent with the balance of my recommendation. Low interest rates will be necessary for some time to help stimulate capital expenditure, which continues to fall largely due to mining investment. With real wages hardly changing, there remains insignificant upside risk to inflation. I expect my central recommendation of no cash rate change to persist for the next 12 months. The burden of rebalancing and growing the economy needs to shift now towards fiscal policy.