

CAMA RBA SHADOW BOARD – COMMENTS

MARCH 2017

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

Despite announcements in the US about some policies the economic outlook there and in other parts of the globe remains uncertain. While financial markets remain optimistic, it would seem sensible for policy to remain cautious in coming months.

MARDI DUNGEY

No comment.

BOB GREGORY

We are going through a fairly steady period where interest rate cuts are likely not to help even though the labour market is very weak.

GUAY LIM

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

No comment.

JOHN ROMALIS

No comment.

JEFFREY SHEEN

The latest GDP print (1 March 2017) suggests an improvement in confidence amongst households and firms. Much of this comes from a slowly improving terms of trade that has helped to raise profits, but there remains a risk into the future from continuing low real wage growth. Further cuts in the cash rate will not make much difference at the margin to improving confidence, but care is needed to avoid counterproductive pre-emptive rises in the rate. Confidence improvements should instead come from fiscal innovations in Canberra.