

# CAMA RBA SHADOW BOARD – COMMENTS

**MAY 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**

Rising geopolitical tension may lead central banks to sit on their hands, but assuming that this tension eases rates should rise later in 2017. With rates normalising in the US the latitude for RBA rises is greater without risking exchange rate appreciation and associated problems.

**MARDI DUNGEY**

No comment.

**BOB GREGORY**

No comment.

**GUAY LIM**

No comment.

**WARWICK MCKIBBIN**

No comment.

**JAMES MORLEY**

Headline inflation is back in the RBA's target range at 2.1%, but the latest readings of the unemployment rate at 5.9% and year-on-year real GDP growth at 2.4% suggest sufficient weakness in the economy to hold off raising the policy rate at this meeting. However, the next direction is almost surely up and the RBA should respond to any indications of improving economic conditions now that inflation is back in its target range.

**JOHN ROMALIS**

No comment.

**JEFFREY SHEEN**

With inflation having crept into the RBA target range, and unemployment and GDP growth appearing stabilised, the time for a minor normalizing of the nominal cash rate is closer, most likely in 2018.