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
The recent inflation outcome suggests that holding rates for the next few months might be desirable, particularly given the strong exchange rate. However, in the next 6 to 12 months some progress in moving the cash rate back towards normal must be made.

### MARDI DUNGEY
No comment.

### BOB GREGORY
The world is still uncertain. I am for the same judgements that I made last time despite the governors’ comments that a change must be getting closer.

### GUAY LIM
No comment.

### WARWICK MCKIBBIN
No comment.

### JAMES MORLEY
Economic conditions are improving, both domestically and generally abroad. But with headline inflation still just below the target range of 2-3%, the RBA should hold its policy rate steady at this meeting. As conditions continue to improve, the RBA should begin increasing the policy rate back towards neutral. The “new normal” level of the neutral interest is yet to be determined. But it is likely lower than in the past. The RBA can adjust gradually to determine the appropriate level by seeing when a higher policy rate starts to put serious constraints on interest-sensitive expenditures.

### JOHN ROMALIS
No comment.
The Australian economy appears to be settling on a consistent trend of modest growth, low wage and price inflation, and high underemployment. Anticipations of returning towards a much higher neutral rate of interest more likely reflects misplaced nostalgia for old normals. Better to allow other countries to pursue this path and let Australia’s competitiveness improve.