

CAMA RBA SHADOW BOARD – COMMENTS

APRIL 2018

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 the unpredictability in Donald policy, the case for leaving rates at historically low levels is now weak, and there seems little reason for the RBA not to raise rates in April. With global rates on the rise, the RBA should be looking to raise twice in the next three to six months unless the Donald takes further steps to trash the global economy.

MARDI DUNGEY

No comment.

GUAY LIM

No comment.

WARWICK MCKIBBIN

While US interest rates are rising and the fiscal stimulus from the Trump Administration will add further to global interest rates this was factored into my assessment of the appropriate interest rate in Australia 6 and 12 months ahead. The extent of global interest rate changes as a results of US policy is as I previously expected but the uncertainty has narrowed because the policies are now in place. It is almost inevitable that Australia will follow the US rate increases. The uncertainty is around at what speed.

JAMES MORLEY

No comment.

JOHN ROMALIS

No comment.

JEFFREY SHEEN

Real GDP showed persistent moderate growth in the final quarter of 2017, with exports and private investment still going backwards. The potential threat to global trade and prices from the tariff war started by the Trump administration is likely to impact negatively on the Australian economy, and may require postponing any plans for cash rate hikes in late 2018 and 2019.