

CAMA RBA SHADOW BOARD – COMMENTS

MAY 2021

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.

SALLY AULD

No comment.

RENÉE FRY-MCKIBBIN

No comment.

SARAH HUNTER

Yesterday's inflation print doesn't fundamentally change my view of the position of the economy. Employment growth continues to impress, and capacity constraints are starting to appear in some sectors for some jobs (particularly skilled labour). But this is unlikely to spill over to a broad-based pick-up in wages growth in the near term. There is still ample spare capacity in the economy, much of which is captured in the standard labour market metrics (as indicated by the rising participation rate), and this will need to be absorbed before pressures generally start to build in the labour market. Moreover, those that are currently out of work or working fewer hours than they would like may not be able to pivot into the sectors where demand is strongest. How the labour force works through this transition over the next 12-24 months (and what happens with the international border and the return of migrant workers and students) will be crucial determinants of when and how wage and price pressures materialise.

MARIANO KULISH

No comment.

GUAY LIM

No comment.

WARWICK MCKIBBIN

No comment.

JAMES MORLEY

No comment.

JOHN ROMALIS

No comment.

JEFFREY SHEEN

No comment.