CAMA RBA SHADOW BOARD – COMMENTS

AUGUST 2025

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.

BESA DEDA

No comment.

BEGOÑA DOMINGUEZ

No comment.

MARIANO KULISH

With underlying inflation now within the RBA's 2–3 per cent target band—and core measures nearing the midpoint—monetary policy is well-positioned to begin easing. My stance in recent years has been relatively hawkish, anchored in the need to restore price stability. But the ongoing moderation in inflation suggests that a cut in the cash rate is now appropriate. At the same time, global uncertainties—particularly around trade policy—justify a cautious approach. In this context, the RBA's measured stance appears warranted.

GUAY LIM

No comment.

WARWICK MCKIBBIN

With nominal GDP growing at 1.4% in the June Quarter (5.6% annualized) and rising over the past 3 quarters there is clearly a monetary stimulus relative to aggregate potential supply of goods and services in the economy. This suggests rising inflation pressures under the current stance of monetary policy. Nominal GDP growth was a leading indicator of the inflation rise after COVID. This observation is consistent with a neutral policy rate being around 4.5% -- calculated as the growth of potential output (labour supply of 2% and productivity zero, pus inflation at the middle of the RBA band of 2.5%). Stimulating demand does not create supply unless there are unused factors of production. With unemployment low, the problem with low economic growth is low productivity growth which monetary policy cannot fix.

JAMES MORLEY

No comment.

JOHN ROMALIS

No comment.

PETER TULIP

In May the RBA forecast that, if monetary policy is eased the way markets are expecting, then inflation would rise above its target.

Incoming data do not materially change that outlook. Inflation and unemployment have been in line with expectations. The danger of a trade war has diminished slightly.

A hold is consistent with the RBA's mandate.