

CAMA RBA SHADOW BOARD – COMMENTS

MAY 2026

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.

MEI DONG

No comment.

STELLA HUANGFU

The RBA should increase the cash rate at its May meeting because inflation has clearly re-accelerated, with annual CPI at 4.6%, well above target. The latest data show both headline inflation and trimmed mean inflation — at 3.5% — are elevated, suggesting price pressures are broad-based rather than just a temporary fuel-price spike. Rising energy costs also risk feeding into inflation expectations and wage demands, so a rate increase would help keep expectations anchored.

MARIANO KULISH

Recent data continue to suggest that monetary policy is not yet sufficiently restrictive. With the cash rate at 4.1 per cent and CPI inflation at 3.7 per cent, the implied real policy rate remains modest, and it is difficult to characterise the current stance as clearly contractionary. In this context, the RBA should remain on a tightening path until there is clear and sustained evidence of disinflation in the data. Since the previous meeting, geopolitical tensions in the Middle East have persisted, increasing the likelihood that higher energy prices feed more durably into inflation. This raises the risk that inflation proves more persistent than currently projected and strengthens the case for a firmer policy response. Maintaining a tightening bias would help ensure that monetary conditions are sufficiently restrictive to return inflation to target within a reasonable horizon. Delaying further adjustment in the hope that inflation moderates on its own risks leaving policy behind the curve and may ultimately require a larger and more costly tightening later. With the labour market still broadly consistent with full employment, the RBA has scope to prioritise its price stability objective.

WARWICK MCKIBBIN

No comment.

JOHN ROMALIS

No comment.

PETER TULIP

There's a small chance that inflation might hit the target without a hike.

But the risks are very much on the side of inflation being significantly and persistently higher.

So the RBA should hike substantially.

Especially as unemployment is below the NAIRU.

I think many commentators are overstating the dampening effect of higher oil prices, not giving sufficient weight to the stimulus from higher gas export prices.