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# Market Movements

20<sup>th</sup> February 2026

# Market Update

## Unemployment Remains at 4.1%

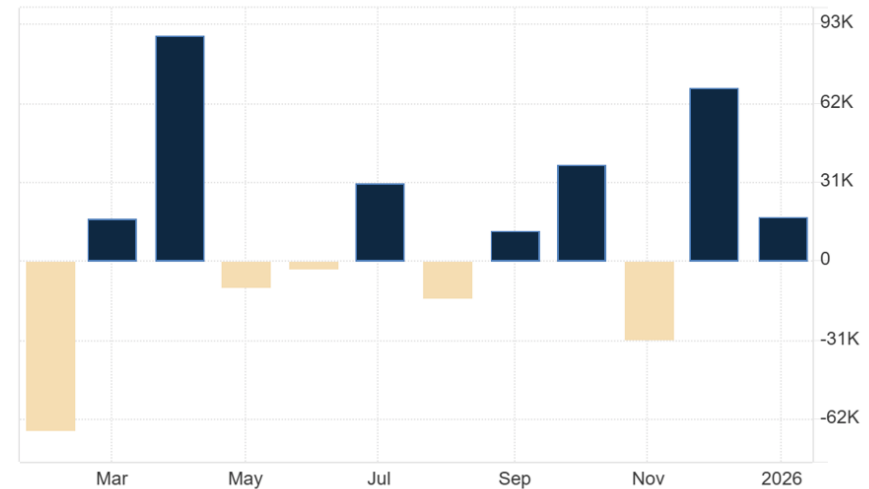
The ABS provided the latest unemployment figures yesterday.

- Employment growth was modest but steady. January employment rose 17.8k, broadly in line with expectations, with hours worked also increasing. After volatile swings late last year, the data suggests the labour market is stabilising rather than accelerating.
- Demand is firmer, but not strong. The employment-to-population ratio has levelled out after declining for much of 2025. Care-sector growth has cooled, while market-sector hiring is gradually improving. Employment growth appears near its trough, with a gradual recovery expected into 2026, albeit flatter given renewed inflation pressures.
- Unemployment held at 4.1%, marking a shift from the steady rise seen through 2025. However, annual employment growth (around 1.1%) remains well below its long-run average, indicating conditions are not overheating.
- Participation is the key swing factor. The recent fall in unemployment is largely due to weaker labour force participation rather than stronger hiring. Participation has fallen 0.6ppt over the year, influenced by easing cost-of-living pressures. A rebound in participation could see unemployment rise again in coming months.
- Policy interpretation remains balanced. While the RBA may view stable unemployment as evidence of a tight labour market, benign wages growth and participation-driven dynamics suggest no clear “re-tightening.” The ABS data reinforces that conditions are steady but not accelerating, keeping rate expectations finely balanced.



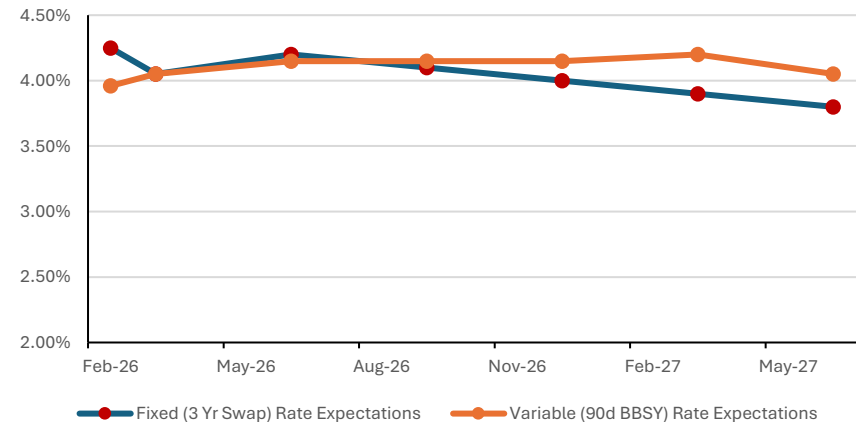
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Australia Employment Change (Persons)



Source: tradineconomics.com | Australian Bureau of Statistics

Fixed vs Variable Expectations (Westpac)



Source: Westpac Weekly (13<sup>th</sup> February)

# Consumer Confidence

## Confidence remains weak



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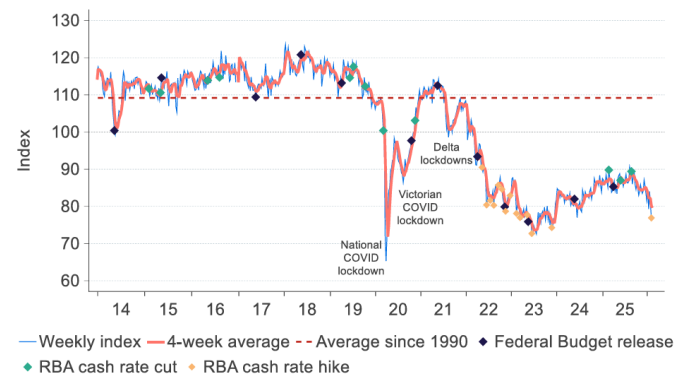
### Consumer Confidence

“ANZ-Roy Morgan Australian Consumer remains very weak at 77.1pts, having dropped 3.4pts since the RBA increased the cash rate to 3.85%. The four-week moving average fell to its lowest level since June 2024. Households remain pessimistic in their financial conditions over the next 12 months and their economic conditions over the next five years, with both subindices at decade lows. We now expect modest GDP growth of 1.8% y/y through 2026. The weaker level of consumer confidence following the February RBA rate hike is likely to dampen household consumption growth and support this soft result in the near term.” Sophia Angala – ANZ Economics

### Wages Growth – Steady but Not Surging

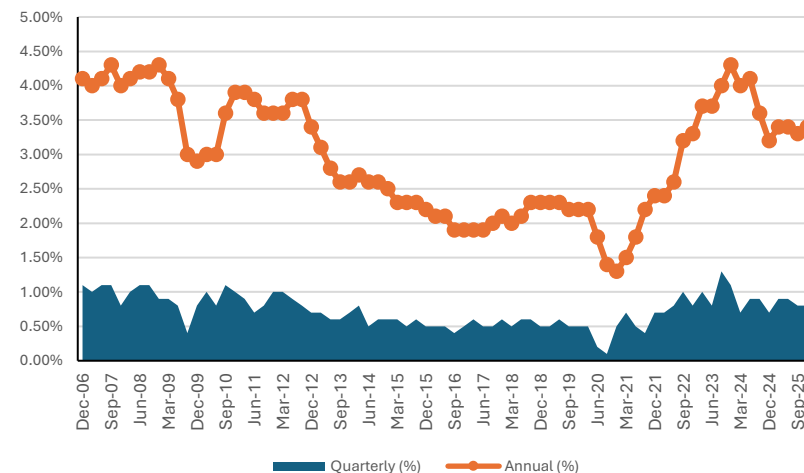
- Wages rose 0.8% in the December quarter and 3.4% over the year, according to the latest Wage Price Index data. This keeps annual wage growth broadly stable and suggests momentum has levelled out rather than accelerating.
- Private and public sector outcomes were similar, though public sector wages recorded slightly stronger annual growth. Outcomes continue to reflect enterprise agreements and scheduled pay increases rather than broad-based wage pressure.
- Growth remains moderate by historical standards. While stronger than the pre-pandemic period, wage increases are no longer accelerating and appear to have passed their peak pace.
- Industry outcomes were mixed. Health care, education and construction were among the larger contributors, reflecting ongoing demand in essential services and project-based sectors.
- Implications for inflation and rates are balanced. With wage growth holding steady rather than re-accelerating, it does not point to a wage-price spiral. However, at 3.4% annually, wages remain firm enough to keep the RBA attentive to services inflation and broader cost pressures.

ANZ-Roy Morgan Australian Consumer Confidence was broadly unchanged, rising just 0.2pts last week



Source: ANZ-Roy Morgan, Macrobond, ANZ Research

Wage Price Index (Quarterly and Annual Movement) - Seasonally Adjusted

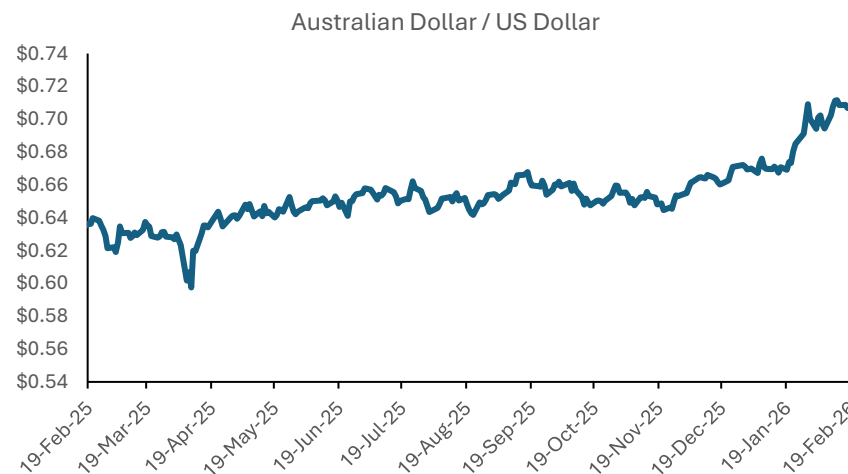


# Foreign Exchange

## AUD at a Crossroads – Rates, Resilience and Rising Volatility



- The Australian dollar has been volatile, trading around US\$0.70. It recently dipped below US\$0.703 on stronger US data and a firmer greenback but remains near three-year highs, supported by expectations of further RBA tightening.
- Rate expectations are rising. Markets are pricing roughly a 70% probability of a near-term 25bp hike, with around 50bp of tightening expected over the year. Divergence between a potentially hawkish RBA and an easing US Federal Reserve has supported the AUD.
- Credit growth is surprisingly strong. Private sector credit rose 0.8% in December, the fastest pace since mid-2022, lifting annual growth to 7.7%. Housing credit (over 60% of total credit) remains the key driver.
- Investor and business borrowing picked up sharply. Investor credit surged 1.0% month-on-month, while business credit also rose 1.0%, signalling resilient risk appetite despite higher rates. Owner-occupier lending remains steady but more constrained.
- Inflation remains above target. Core inflation rose 0.9% in Q4 and 3.4% annually, exceeding expectations. While some housing cost pressures are easing, services inflation remains sticky. The combination of firm inflation and strong credit growth increases the likelihood of a cautious, restrictive RBA stance, supporting the AUD near term but raising volatility around policy decisions.



### The week ahead

Wednesday February 25 2026			Previous	Forecast
11:30 AM	AU	Construction Work Done QoQ Q4	-0.7%	0.8%
11:30 AM	AU	Inflation Rate MoM JAN	1.0%	0.2%
11:30 AM	AU	Inflation Rate YoY JAN	3.8%	3.6%
11:30 AM	AU	RBA Trimmed Mean CPI MoM JAN	0.2%	0.3%
11:30 AM	AU	RBA Trimmed Mean CPI YoY JAN	3.3%	3.1%
11:30 AM	AU	CPI JAN	100.97	
11:30 AM	AU	RBA Weighted Median CPI MoM JAN	0.2%	0.2%
11:30 AM	AU	RBA Weighted Median CPI YoY JAN	3.6%	3.5%
Thursday February 26 2026			Previous	Forecast
11:30 AM	AU	Building Capital Expenditure QoQ Q4	2.1%	1.6%
11:30 AM	AU	Plant Machinery Capital Expenditure QoQ Q4	11.5%	-2.0%
11:30 AM	AU	Private Capital Expenditure QoQ Q4	6.4%	0.3%
Friday February 27 2026			Previous	Forecast
11:30 AM	AU	Housing Credit MoM JAN	0.7%	0.6%
11:30 AM	AU	Private Sector Credit MoM JAN	0.8%	0.6%



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Lending Expertise.  
People Focused.

# Why Mannix?

## Lending expertise. People focused.

At **Mannix Capital**, we understand that success in banking is built on relationships. With over 13 years of industry experience, we've developed deep connections with key lenders, giving our clients access to competitive rates and exclusive lending solutions.

### We take the time to understand you

We believe that the best lending outcomes are achieved by understanding our clients deeply, which is why we take the time to get to know your business.

### We utilise our market relationships

Our strong network allows us to:

- Negotiate better terms by leveraging trusted relationships.
- Secure fast approvals through our direct access to decision-makers.

### We draw on our expertise, particularly on complex deals

We go beyond standard solutions to structure and negotiate lending that truly fits your business needs, including:

- Offering the right level of security for the lending.
- Negotiation of financial and non-financial covenants.
- Achieving optimal lending amounts and costs.



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**Over 60 Lenders**



# Supporting You

## Navigating Commercial Lending

### Where we support you

#### Commercial Retail

- Lending up to ~\$3m
- Instant approval loans
- Fast approval loans
- Lease Doc Lending
- No financial covenants
- Standard corporate structures
- Typically fully secured
- Some unsecured lending options

#### Commercial Wholesale

- Lending up to ~\$10m
- Financial and non-financial covenants may be included
- Fully secured and partially secured lending
- Industry specialisations
- Scope for complex transactions and structures

#### Emerging Corporate

- Lending up to ~\$100m
- Financial and non-financial covenants
- Fully secured and partially secured lending
- Unsecured lending
- Industry specialisations
- Multibank arrangements and complex security arrangements

# Get in touch

Let's grab a coffee



## Ready to Get Started?

Let's chat! Whether you need guidance on your first home loan or a complex commercial transaction, we've got you covered. Feel free to reach out—we'd love to discuss how we can help you achieve your financial goals.

### Contact Us

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