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Market Movements

20th March 2026

Market Update

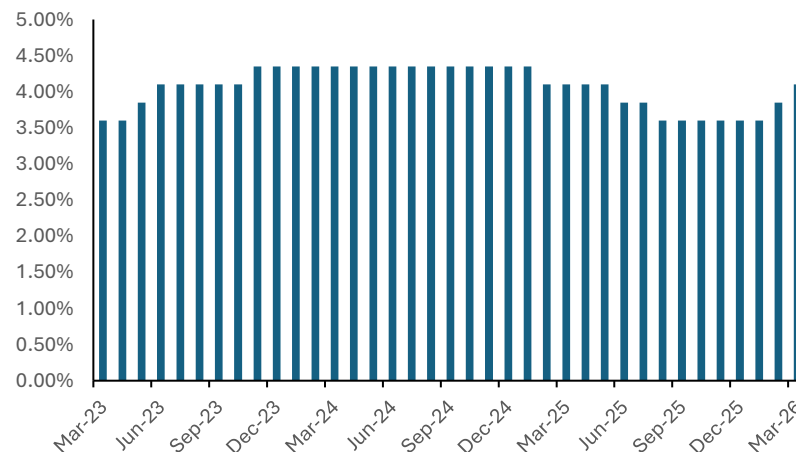
RBA Tightens Policy as Risks Become More Complex



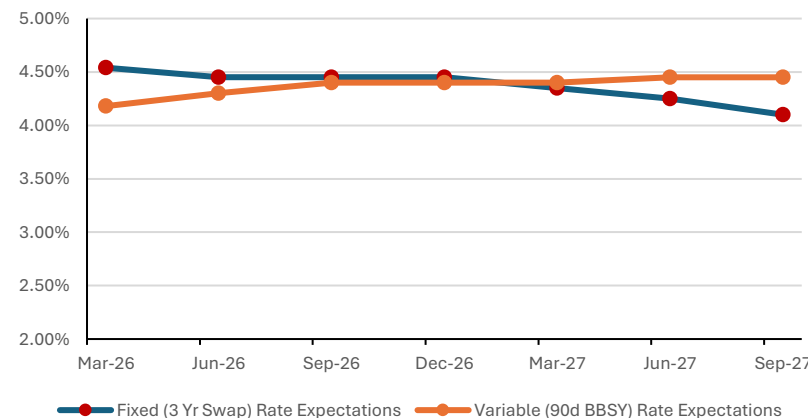
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- The Reserve Bank raised the cash rate to 4.1%, with a narrow 5:4 split decision, highlighting differing views within the Board. While all members agreed on the need to tighten policy, there was debate around the timing of the move.
- Capacity pressures remain a central concern. The RBA continues to assess that the economy is operating close to its limits, with demand growth running above supply capacity. This assessment has not materially changed despite softer signals from consumption and labour cost data.
- The Middle East conflict has added a new layer of risk. Rising fuel prices have already lifted near-term inflation expectations, which influenced the decision to hike. The Bank is also considering the possibility that prolonged high energy costs could feed more persistently into inflation.
- The outlook for further rate hikes is less certain but still active. A follow-up increase in May remains a possibility, though not guaranteed. Future decisions will depend heavily on how the conflict evolves and its impact on inflation, growth and confidence.
- Policy remains data-dependent and cautious. While some inflation pressures are seen as temporary, the RBA's focus on capacity constraints and above-target inflation means further tightening remains on the table. At the same time, the global backdrop introduces downside risks, particularly if higher energy prices begin to weigh more heavily on economic activity and financial conditions.

Cash Rate Movements



Fixed vs Variable Expectations (Westpac)



Source: Westpac Weekly (16th March)

Consumer Confidence

Confidence Falls 4.9pts



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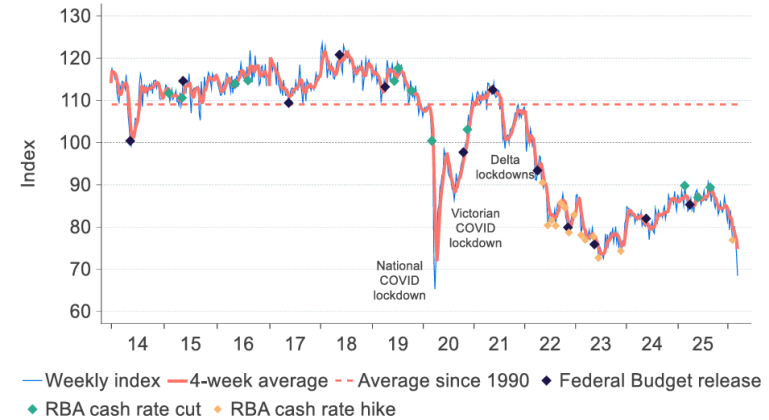
Consumer Confidence

“At 68.5pts, the ANZ-Roy Morgan Australian Consumer Confidence is now at its lowest since March 2020, when the first pandemic lockdowns were announced. Households are increasingly pessimistic about the one-year and five-year outlooks for the economy, likely driven by geopolitical uncertainty and the shifting outlook for inflation and rates. Inflation expectations are still at their highest since November 2022, supported by the recent sharp rise in petrol prices. With inflation above target and the labour market viewed as tight by the RBA, there is likely to be less tolerance than usual to an external inflation shock, in this case from higher oil prices.” Sophia Angala – ANZ Economics

Energy Shock Tests the Global Economy (Westpac Analysis)

- The closure of the Strait of Hormuz has triggered a major energy shock, disrupting a key global oil and gas route. Uncertainty remains high, particularly around how long the conflict will last and how quickly supply chains can normalise.
- In the baseline scenario, the disruption is short-lived. Oil prices are expected to spike to around US\$110 per barrel, with elevated LNG prices, before easing as shipping resumes over the following months.
- In that case, inflation in Australia would rise temporarily. Headline CPI is estimated to increase by around 0.8 percentage points, peaking near 4.6%, while underlying inflation sees only modest flow-on effects.
- Economic growth impacts are limited in the base case. GDP growth is expected to be only slightly weaker, with some offset from stronger export income linked to higher commodity prices.
- A prolonged disruption would have larger consequences. If the shock lasts three months, oil could average US\$130 per barrel, pushing inflation higher for longer and reducing GDP growth more meaningfully, highlighting the sensitivity of the outlook to global energy markets.

ANZ-Roy Morgan Australian Consumer Confidence fell 4.9pts last week



Source: ANZ-Roy Morgan, Macrobond, ANZ Research

Crude Oil WTI



source: tradingeconomics.com

Foreign Exchange

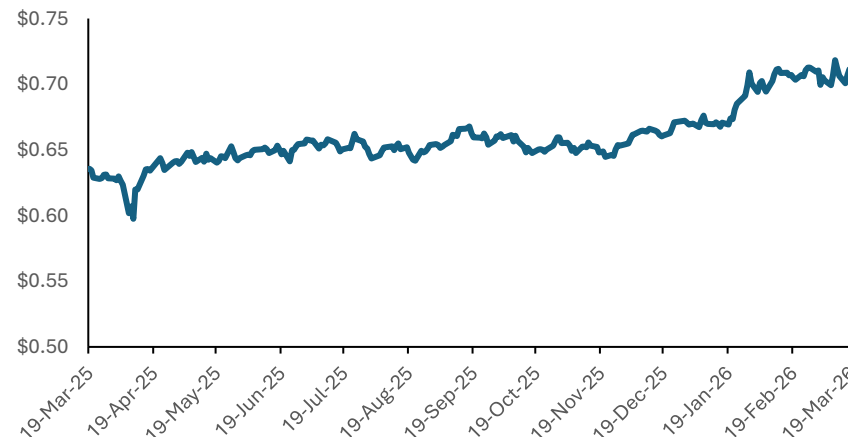
AUD Steady as Jobs Data Meets Global Uncertainty



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- The Australian dollar is trading around US\$0.704, recovering slightly after a recent decline. The move follows a volatile period driven by both domestic data and global developments.
- Labour market data delivered a mixed signal. Employment rose strongly by 48,900 in February, well above expectations, pointing to ongoing resilience in hiring. However, the unemployment rate also increased to 4.3%, suggesting some softening beneath the headline strength.
- Overall labour conditions remain relatively tight. Despite the rise in unemployment, the level remains low by historical standards. This supports the view that the economy can absorb higher interest rates without a sharp deterioration in employment.
- Interest rate expectations were largely unchanged. Markets remain divided on whether another rate hike could occur as early as May, with incoming data continuing to shape expectations.
- Global risks are becoming more influential. The escalating conflict in the Middle East is being closely monitored, with the central bank highlighting potential risks to growth and inflation. Higher energy prices could add to cost pressures for households and businesses.
- In the near term, the Australian dollar is being influenced by a combination of domestic resilience and global uncertainty. While strong employment data provides some support, external risks and shifting rate expectations are likely to keep currency movements volatile.

Australian Dollar / US Dollar



The week ahead

Tuesday March 24 2026			Previous	Forecast
09:00 AM	AU	S&P Global Manufacturing PMI Flash MAR	51	51.6
09:00 AM	AU	S&P Global Services PMI Flash MAR	52.8	54.7
09:00 AM	AU	S&P Global Composite PMI Flash MAR	52.4	54.5
Wednesday March 25 2026			Previous	Forecast
11:30 AM	AU	Inflation Rate MoM FEB	0.4%	0.1%
11:30 AM	AU	Inflation Rate YoY FEB	3.8%	3.8%
11:30 AM	AU	RBA Trimmed Mean CPI MoM FEB	0.3%	0.3%
11:30 AM	AU	RBA Trimmed Mean CPI YoY FEB	3.4%	3.4%
11:30 AM	AU	CPI FEB	101.33	101.4
11:30 AM	AU	RBA Weighted Median CPI MoM FEB	0.3%	0.3%
11:30 AM	AU	RBA Weighted Median CPI YoY FEB	3.6%	3.6%



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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.

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Jack Mannix

Master of Economics (Econometrics)

Diploma in Finance and Mortgage Broking Management