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Market Movements

1st May 2026

Market Update

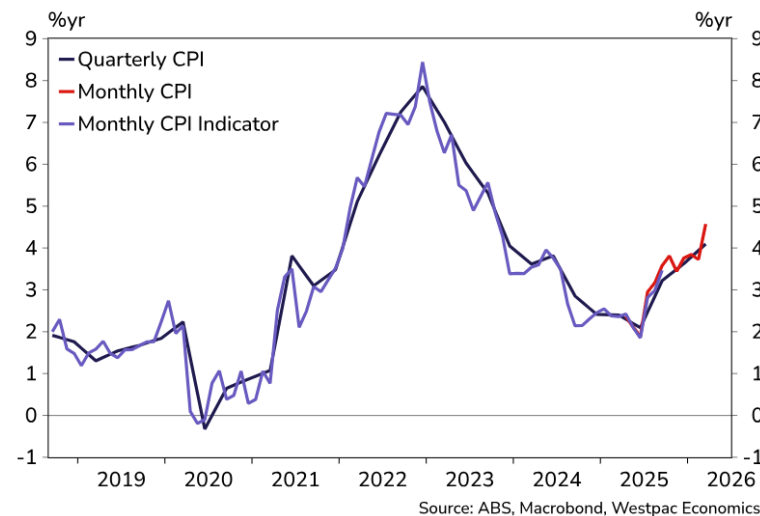
Inflation Reaccelerates, But the Details Matter



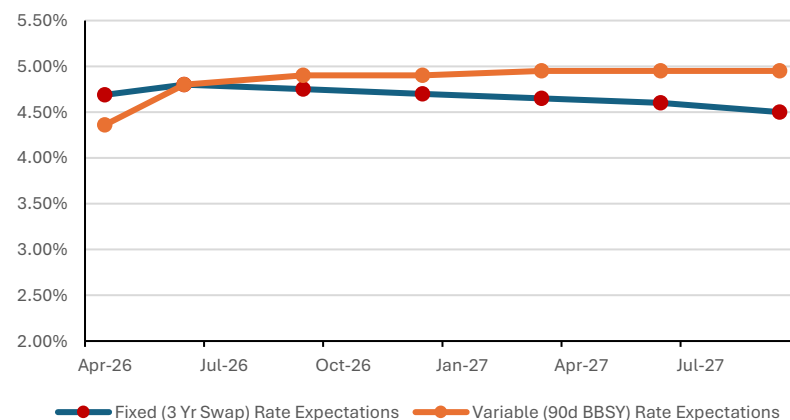
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- Inflation has moved higher again, with CPI rising 4.6% annually to March, up from 3.7% the prior month and marking the highest level since September 2023. The monthly increase was 1.1%, driven largely by a sharp lift in transport costs, particularly fuel, while housing remained the single largest contributor to annual inflation.
- Underlying inflation is more stable than the headline suggests. Trimmed mean inflation was unchanged at 3.3% annually, indicating that, outside of volatile items like fuel, price pressures are not accelerating at the same pace.
- There are early but limited signs of pass-through. Some categories such as construction, insurance and repairs recorded modest increases, but these remain scattered. Many price changes appear forward-looking, with businesses adjusting ahead of expected cost pressures rather than responding to current conditions.
- Fuel remains the dominant driver of volatility. Petrol prices surged through March but came in slightly below expectations. Forward indicators suggest some near-term relief, although policy settings such as fuel excise changes could reintroduce volatility later in the year.
- For policymakers, this creates a difficult balance. The data supports a near-term rate hike, but the trajectory beyond that will depend on whether higher prices materially dampen demand or begin feeding more broadly into wages and services inflation.

Headline Inflation



Fixed vs Variable Expectations (Westpac)



Source: Westpac Weekly (27th April)

Consumer Confidence

Confidence Rises 3.5pts



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Consumer Confidence

“ANZ-Roy Morgan Australian Consumer Confidence rose 3.5pts to 67.8pts last week. The series is at its highest level since mid-March but remains among the lowest readings since the series began in 1973. While all subindices improved last week, the lift was led by improving confidence in economic conditions. Weekly inflation expectations fell to 6.6% last week, its lowest rate since early March, following the escalation of conflict in the Middle East. This comes ahead of the Q1 CPI release (due Wednesday 29 April). We forecast headline inflation to have risen 1.4% q/q, partly reflecting the impact of higher fuel prices in March. We continue to expect the RBA to increase the cash rate by 25bp at its May meeting.” Sophia Angela – ANZ Economics

Housing Market Loses Momentum, But Not Uniformly

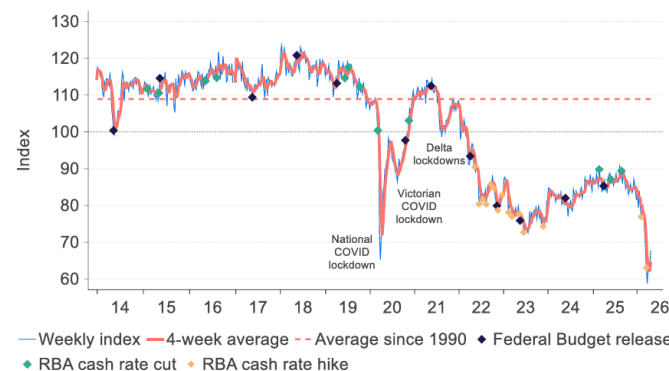
National home values rose just 0.3% in April, down from 0.6% in March, marking the weakest monthly growth in nearly a year and signalling a clear loss of momentum.

Two rate increases this year have lifted the cash rate to 4.1%, tightening borrowing capacity and weighing on buyer demand, particularly in more expensive markets.

Sydney and Melbourne recorded -0.6% declines, driven by a combination of higher borrowing costs and increased housing supply coming onto the market. Perth (+2.1%), Brisbane (+1.1%) and Adelaide (+1.2%) continued to grow, supported by tighter supply and comparatively stronger affordability dynamics.

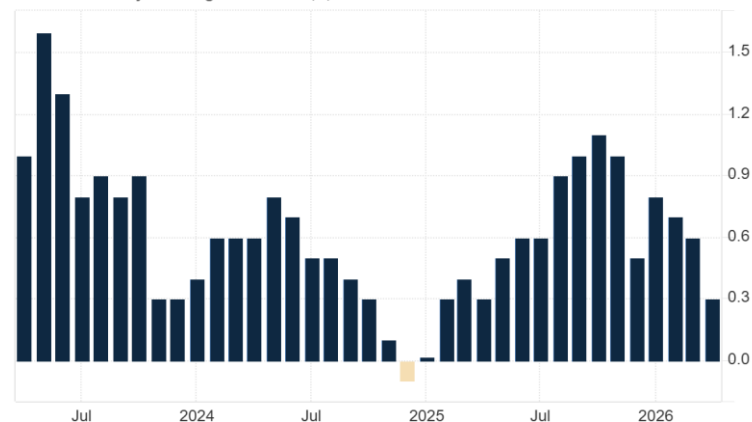
Demand remains strongest in lower-priced segments, with first-home buyers helping stabilise parts of the market despite broader headwinds.

ANZ-Roy Morgan Australian Consumer Confidence rose 3.5pts last week



Source: ANZ-Roy Morgan, Macrobond, ANZ Research

Australia Cotality Dwelling Prices MoM (%)



Source: tradingeconomics.com | Cotality, Australia

Foreign Exchange

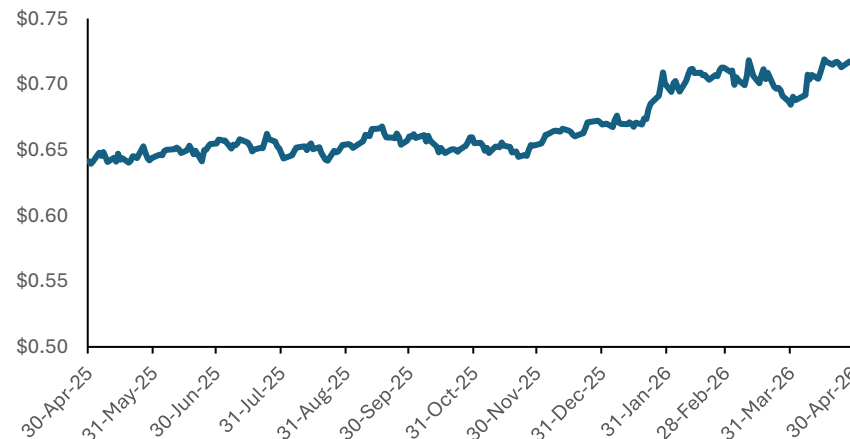
Australian Dollar Holds Firm Amid Cross-Currents



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- The Australian dollar is trading near multi-year highs around 0.71, despite some recent softness, reflecting a combination of elevated inflation and expectations of further monetary tightening by the Reserve Bank. Currency markets remain highly sensitive to both domestic data and global risk sentiment.
- Inflation is a key driver. Headline CPI is running at 4.6% annually, above the RBA's target band, while core inflation remains sticky at 3.3%. This has reinforced expectations that policy will need to tighten further in the near term to contain price pressures.
- Interest rate expectations are providing support. Markets are currently pricing a high probability of a 25 basis point rate increase, which has helped underpin the currency even as broader market sentiment becomes more cautious. Yield differentials remain an important influence on capital flows.
- However, geopolitical risk is limiting upside. Ongoing tensions in the Middle East, particularly around energy supply routes, have driven a more defensive tone across global markets. This has reduced demand for risk-sensitive currencies like the Australian dollar.
- Globally, policy divergence is also in focus. While Australia is leaning toward further tightening, major economies are expected to pause. This divergence could provide relative support to the AUD, but the outlook will remain closely tied to inflation trends and global risk conditions.

Australian Dollar / US Dollar



The week ahead

Monday May 04 2026			Previous	Forecast
12:00 PM	AU	TD-MI Inflation Gauge MoM APR	1.3%	1.1%
12:30 PM	AU	Building Permits MoM Prel MAR	29.7%	-6.0%
12:30 PM	AU	ANZ-Indeed Job Ads MoM APR	-3.1%	0.9%
12:30 PM	AU	Building Permits YoY Prel MAR	14.0%	13.2%
12:30 PM	AU	Private House Approvals MoM Prel MAR	0.2%	-0.2%
Tuesday May 05 2026			Previous	Forecast
10:00 AM	AU	S&P Global Composite PMI Final APR	46.6	50.1
10:00 AM	AU	S&P Global Services PMI Final APR	46.3	50.3
12:30 PM	AU	Household Spending MoM MAR	0.3%	2.0%
03:30 PM	AU	RBA Interest Rate Decision	4.1%	4.35%
04:30 PM	AU	RBA Press Conference		
Wednesday May 06 2026			Previous	Forecast
10:00 AM	AU	Ai Group Industry Index APR	-23.6	-27
Thursday May 07 2026			Previous	Forecast
12:30 PM	AU	Balance of Trade MAR	A\$5.686B	A\$4.0B



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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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