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Market Movements

8th May 2026

Market Update

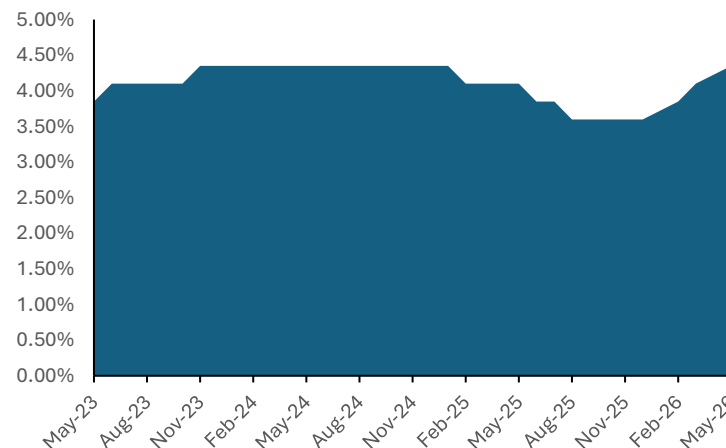
RBA Hikes to 4.35% in 8–1 Vote; June Finely Balanced



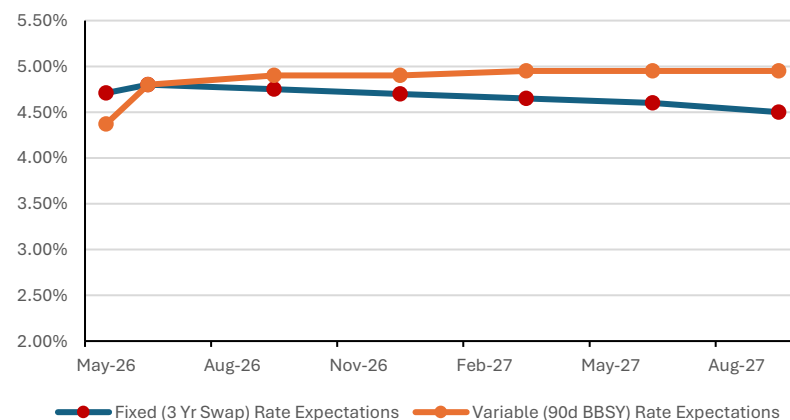
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- The RBA raised the cash rate 25bps to 4.35% at its May meeting, the third consecutive hike. The vote was 8–1, a decisive shift from the tight 5–4 split in March, signalling broad Board alignment on the need for further tightening.
- The RBA cited second-round effects from Middle East fuel costs as exacerbating existing capacity pressures. Trimmed mean inflation is forecast to peak at 3.8% in Q2, with the RBA not expecting a return to the 2.5% target midpoint until June 2028.
- Governor Bullock's press conference struck a more dovish tone than the statement, characterising the three hikes as addressing pre-conflict inflation and noting this "gives space" to assess how conditions evolve. Markets now price only ~20% probability of a June move.
- Notwithstanding, Westpac's assessment is that near-term inflation risks are tilted to the upside relative to RBA forecasts, with trimmed mean peaking at 4.0% and remaining elevated through 2026. Headline CPI is expected to reach 5.4% in Q2 before moderating.
- Westpac currently forecast the cash rate to 4.60% by June and 4.85% by September 2026, holding through late 2027 before easing to 4.35% by mid-2028. The 3Y Swap curve signals an eventual reversal, declining from 4.80% to 4.20% over the forecast horizon.
- GDP growth is forecast to slow to 1.0% by year-end as rate hikes feed through, with unemployment expected to rise gradually to 4.9%. Consumer confidence remains near historic lows, underscoring the growth–inflation tension facing the Board.

Cash Rate Movements



Fixed vs Variable Expectations (Westpac)



Consumer Confidence

Slight Fall in Confidence Ahead of RBA Decision



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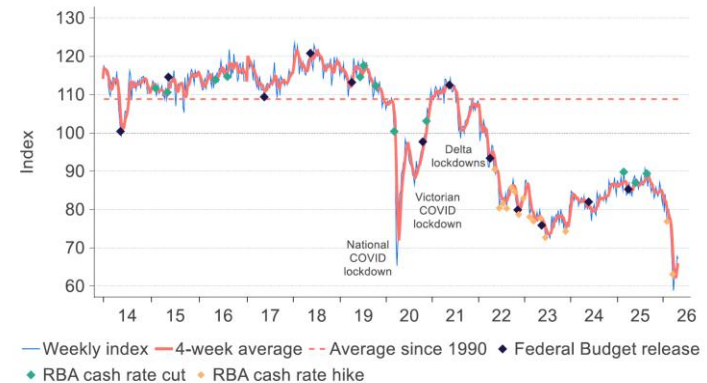
Consumer Confidence

"ANZ-Roy Morgan Australian Consumer Confidence fell 0.6pts to 67.2pts last week. The series remains near its lowest level since records began in 1973. Household confidence in financial conditions largely improved, with the 'future financial conditions' subindex rising to its highest level since mid-March. Household confidence in economic conditions weakened slightly, likely reflecting the Q1 CPI data showing trimmed mean inflation remaining above the RBA's 2–3% target. Weekly inflation expectations ticked up to 6.7%." Sophia Angala – ANZ Economics

Oil Markets: Fresh Clashes Threaten Diplomatic Progress

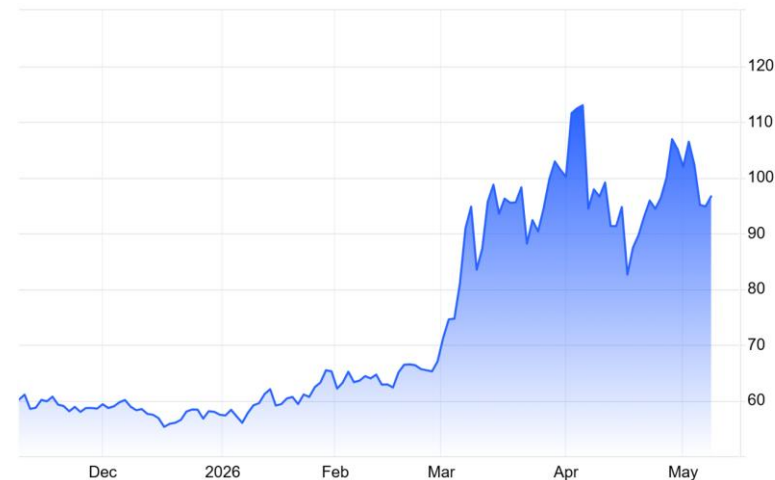
- WTI crude recovered to above US\$97/bbl on Friday after renewed military exchanges between US and Iranian forces cast doubt over the viability of ongoing negotiations. The US Navy conducted a show-of-force transit through Hormuz, though officials stressed the response was defensive in nature.
- A US proposal to reopen the strait and resolve the nearly 10-week standoff is now with Tehran, which is expected to deliver its position through Pakistani intermediaries within 48 hours. The broader region, including Lebanon, remains on edge.
- The IEA estimates the conflict has taken approximately 14m bpd offline globally and cautioned that even a resolution would see supply normalise only gradually, keeping energy markets tight into H2.

ANZ-Roy Morgan Australian Consumer Confidence fell 0.6pts last week



Source: ANZ-Roy Morgan, Macrobond, ANZ Research

Crude Oil WTI



source: tradingeconomics.com

Foreign Exchange

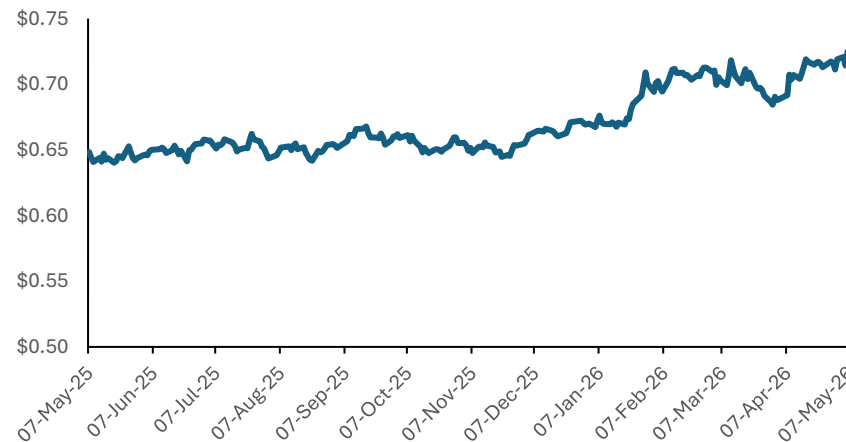
AUD Hits Four-Year High on Peace Deal Hopes



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- The Aussie dollar extended its rally past the 0.72 handle this week, touching levels not seen since mid-2022. The catalyst was a shift in geopolitical sentiment with signals that Washington and Tehran may be moving toward a negotiated resolution to the Hormuz crisis pulled the floor out from under safe-haven demand for the greenback.
- March trade data delivered an unwelcome surprise: a goods deficit of A\$1.84bn, the first negative print in more than eight years. A surge in data centre hardware imports and elevated fuel costs from the conflict overwhelmed otherwise solid resource export volumes.
- Monetary policy divergence continues to underpin the AUD. This week's RBA hike to 4.35% widens the gap to a stationary Fed funds rate of 3.625%. Futures markets assign roughly 20% odds to a follow-up move in June, though a path toward 4.60% by September remains the base case in swaps pricing.
- The move is not purely an AUD story as the dollar index has retreated to a two-month trough after Tokyo intervened to prop up the yen, dragging USD/JPY to 157. The euro and sterling have firmed in sympathy, with EUR/USD at 1.17 and cable at 1.36.
- Westpac sees the pair consolidating around 0.72 through Q3, drifting higher to 0.73 by December and 0.74 by mid-2027 before retracing as the RBA eventually pivots to easing. The binary risk remains whether a diplomatic breakthrough unwinds the energy premium or an escalation reignites demand for the USD.

Australian Dollar / US Dollar



The week ahead

Monday May 11 2026			Previous	Forecast
12:30 PM	AU	Building Permits MoM Final MAR	29.7%	
12:30 PM	AU	Building Permits YoY Final MAR	14.0%	
12:30 PM	AU	Private House Approvals MoM Final MAR	0.2%	0.9%
Tuesday May 12 2026			Previous	Forecast
11:30 AM	AU	Westpac Consumer Confidence Change MAY	-12.5%	1.1%
11:30 AM	AU	Westpac Consumer Confidence Index MAY	80.1	81
12:30 PM	AU	NAB Business Confidence APR	-29	-32
Wednesday May 13 2026			Previous	Forecast
12:30 PM	AU	Home Loans QoQ Q1	10.6%	
12:30 PM	AU	Investment Lending for Homes Q1	7.9%	
12:30 PM	AU	Wage Price Index QoQ Q1	0.8%	0.8%
12:30 PM	AU	Wage Price Index YoY Q1	3.4%	3.3%
Thursday May 14 2026			Previous	Forecast
12:00 PM	AU	Consumer Inflation Expectations MAY	5.9%	6.3%



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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

Phone: 0411 920 947

Address: Level 13 / 111 Elizabeth St, Sydney

Email: jack@mannixcapital.com

Website: www.mannixcapital.com



Jack Mannix

Master of Economics (Econometrics)

Diploma in Finance and Mortgage Broking Management