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Market Movements

22nd May 2026

Labour Market

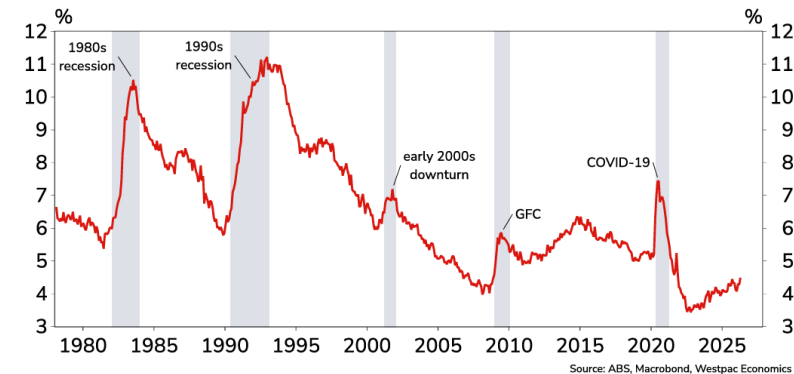
Unemployment Jumps to 4.5% in April



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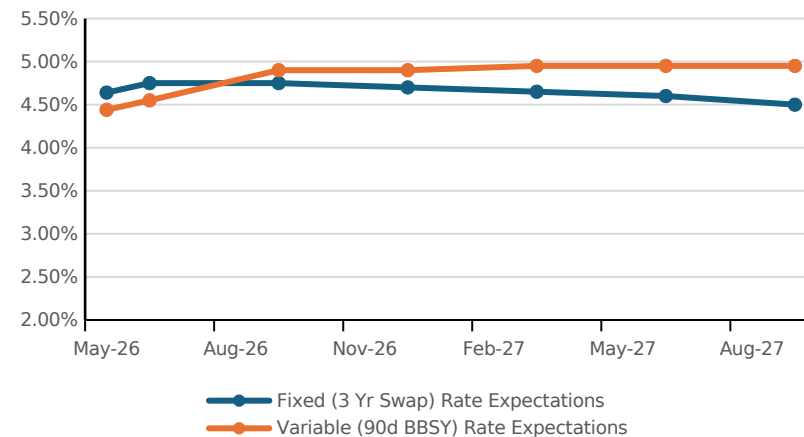
- April's Labour Force Survey delivered a downside surprise across the board. Employment contracted by 18.6k against expectations of a 10 to 15k lift, the participation rate edged down a tenth to 66.7%, and the jobless rate jumped two-tenths to 4.5%, the highest reading since the Delta wave of late-2021.
- The print warrants caveats. This year's survey window fully captured the Easter long weekend, a calibration quirk that adds holiday-driven softness the seasonal adjustment process cannot fully strip out. Past episodes of this overlap have typically been followed by a May rebound.
- The youth cohort (15 to 24) explained the entire downside surprise. Employment in that group collapsed 56.4k and youth unemployment lifted 0.9ppt. Moves of that scale in this segment are historically noisy and should partially reverse next month.
- Beneath the seasonal noise, however, the result was still genuinely weaker than expected. The three-month employment growth rate has slipped from 1.6%yr to 1.5%yr and the employment-to-population ratio dropped 0.2ppt to 63.7%. Survey-based signals on consumer sentiment and discretionary spending are also turning, with card data showing essentials crowding out services.
- Westpac sees the broader softening landing in H2 once the Middle East shock and prior hikes fully transmit, with unemployment forecast to reach a 5% quarter-average by early 2027, well above RBA and Treasury projections.

Unemployment rate



Westpac Chart Pack – April 2026 Labour Force Survey

Fixed vs Variable Expectations (Westpac)



Source: Westpac Weekly 18th

May

Source: Westpac Economics – April 2026 Labour Force Survey, Australian Bureau of Statistics

Consumer Confidence

Confidence Rises 2.3pts



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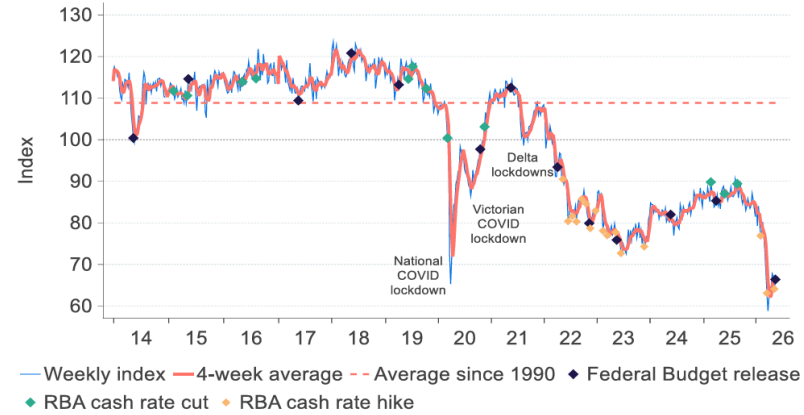
Consumer Confidence

"ANZ-Roy Morgan Australian Consumer Confidence rose 2.3pts last week to 64.1pts, but confidence remains around historical lows since the series began in 1973. All subindices improved last week. This occurred alongside the release of Australia's Budget 2026-27 and Q1 wages data. Weekly inflation expectations fell to 6.0% last week, their lowest level since early March, though still 0.6ppt higher than at the beginning of the year. The still-elevated level of inflation expectations likely reflects higher fuel prices over recent months and some risk of secondround effects (where higher input costs, such as fuel or fertiliser, flow through to goods and services broadly)" Sophia Angala - ANZ Economics

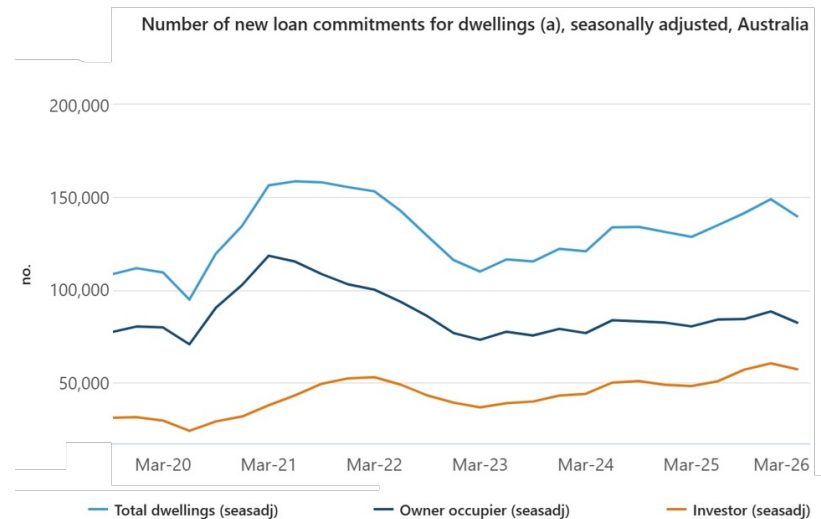
New Home Loans: Borrowing Pulls Back in March Quarter

- The value of new home loan commitments fell in the March quarter according to the latest ABS lending indicators, marking the first quarterly decline in over a year. The pullback spans both owner-occupier and investor segments, reflecting the bite of higher borrowing costs after the RBA's recent tightening cycle.
- First home buyer lending also softened in the quarter, easing back from elevated levels late last year. Average loan sizes have plateaued nationally, with declines in Sydney and Melbourne offsetting continued gains in the mid-sized capitals where supply constraints remain acute.
- The data points to credit-led demand cooling at the margin even before this week's softer labour market print and last weeks Budget's housing tax changes.

ANZ-Roy Morgan Australian Consumer Confidence rose 2.3pts last week



Source: ANZ-Roy Morgan, Macrobond, ANZ Research



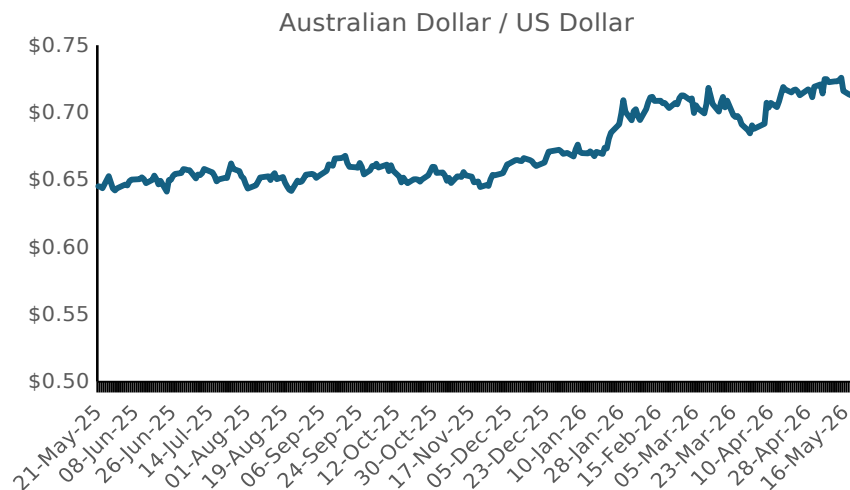
Foreign Exchange

AUD Slips to 0.71 on Jobs Surprise



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- The Aussie has retreated to the 0.71 handle on Friday, giving back recent gains after a much weaker-than-expected April jobs print prompted traders to dial back conviction on further RBA tightening. The pair is on track for a second straight weekly decline.
- Seasonally adjusted unemployment lifted to 4.5% in April from 4.3% in March, well above consensus and the highest reading since November 2021. The total employed dropped by 18,600 to 14.74 million, the first monthly contraction since November 2025.
- The implied probability of a June hike to 4.60% has collapsed in OIS pricing following the release. After three consecutive moves higher, markets are now leaning toward a pause as the Board digests the first clear sign of labour market deterioration.
- The Melbourne Institute survey of consumer inflation expectations cooled to 5.6% in May, retracing from April's three-year peak of 5.9%. The decline offers some relief on the second-round inflation narrative, but the level remains uncomfortable relative to the RBA's target band.
- Crude prices remain a structural headwind for the disinflation story. The Iran conflict continues to keep a premium embedded in front-end energy contracts, leaving the AUD caught between a softening domestic growth profile and stubbornly elevated imported cost pressures.



The week ahead

Wednesday May 27 2026			Previous	Forecast
12:30 PM	AU	Construction Work Done QoQ Q1	-0.1%	0.5%
12:30 PM	AU	Inflation Rate MoM APR	1.1%	1.2%
12:30 PM	AU	Inflation Rate YoY APR	4.6%	5.1%
Thursday May 28 2026			Previous	Forecast
12:30 PM	AU	Building Capital Expenditure QoQ Q1	2.3%	0.6%
12:30 PM	AU	Household Spending MoM APR	1.6%	0.5%
12:30 PM	AU	Household Spending YoY APR	6.3%	6.8%
Friday May 29 2026			Previous	Forecast
12:30 PM	AU	Housing Credit MoM APR	0.6%	0.5%
12:30 PM	AU	Private Sector Credit MoM APR	0.7%	0.6%
12:30 PM	AU	Private Sector Credit YoY APR	8.1%	8.0%



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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



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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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