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# Market Movements

29<sup>th</sup> May 2026

# Inflation

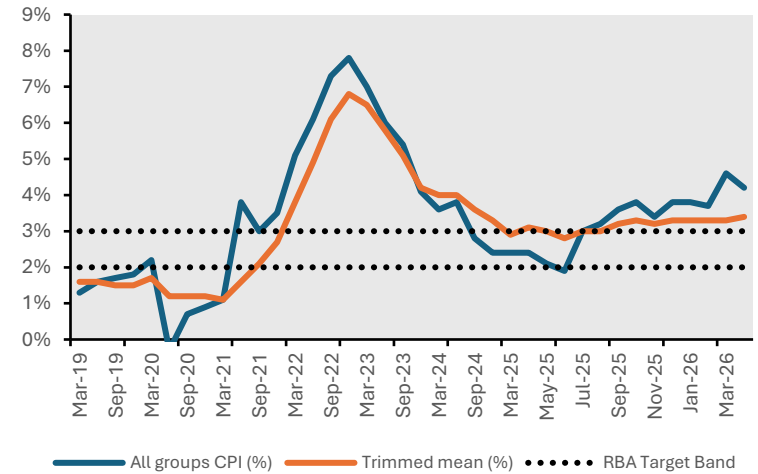
## April CPI Eases to 4.2%, but Core Holds Firm



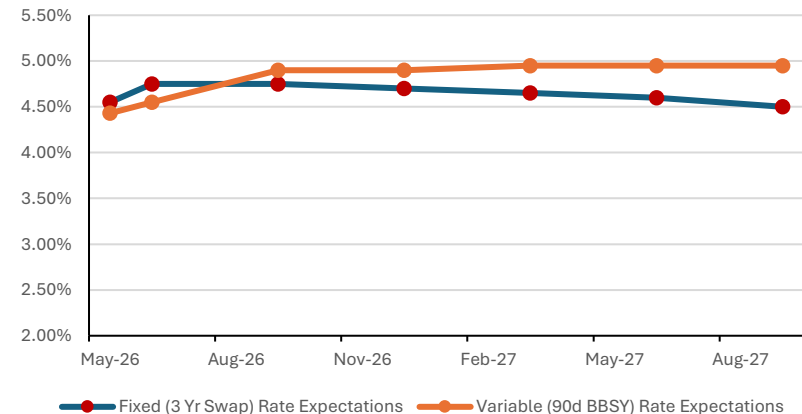
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- April CPI rose 0.4%*mth* to be up 4.2%*yr*, a step down from March's 4.6%*yr* pace and market expectations (4.4%*yr*). In seasonally adjusted terms, prices actually fell 0.1%*mth* in what is usually a seasonally strong month.
- The miss was concentrated in volatile and policy-affected items. Transport fell 2.7%*mth* (detracting 0.3p*pt*) as the fuel excise halving and free public transport in Victoria and Tasmania took hold. Holiday travel and accommodation jumped 5.5% on Easter demand, adding 0.3p*pt*.
- Underlying inflation proved more persistent. The monthly trimmed mean rose 0.3%*mth*, lifting the annual rate to 3.4%*yr* from 3.3%, though the six-month annualised pace continued to ease to 3.2%.
- Early second-round effects are surfacing. New dwelling purchase costs rose 0.7%*mth*, the strongest since November 2023, as project builders lifted base prices to recover fuel surcharges and materials costs. Takeaway food and postal services also showed above-target gains.
- The downside surprise is welcome but not view-changing. With excise relief set to expire in July, Westpac still expects pass-through to be larger and faster than normal, with headline and trimmed mean inflation peaking at 5.0%*yr* and 4.0%*yr* respectively in Q3.

Annual CPI Movements



Fixed vs Variable Expectations (Westpac)



Source: Westpac Weekly 25<sup>th</sup> May

# Consumer Confidence

## Confidence Largely Unchanged



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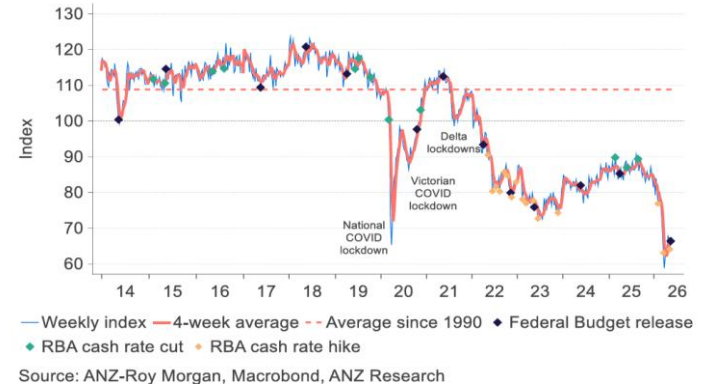
### Consumer Confidence

“ANZ-Roy Morgan Australian Consumer Confidence was broadly unchanged last week, falling just 0.3pts to 66.1pts. Confidence remains around historical lows since the series began in 1973. While confidence in financial conditions eased, confidence in economic conditions improved slightly, which may have been driven by news of the prospect of a US Iran deal. Weekly inflation expectations ticked up ahead of April CPI data this week.” Sophia Angala – ANZ Economics

### Capital Expenditure: Data Centres Drive Surprise Surge

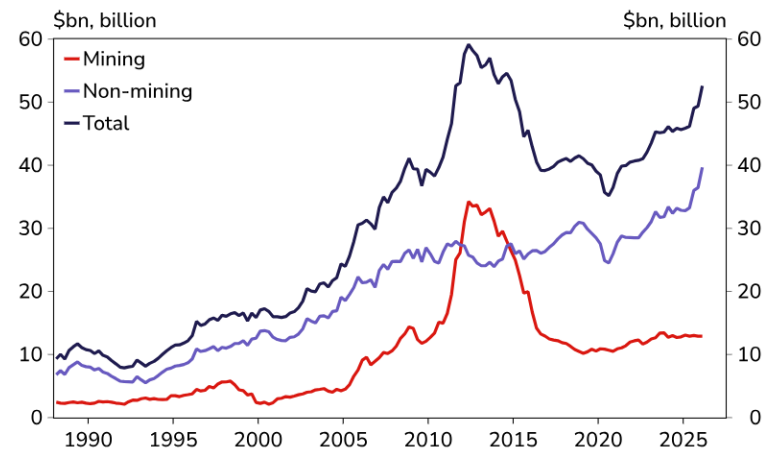
- Private capex jumped 6.5%qtr and 14.6%yr in the March quarter, the largest quarterly rise since the peak of the mining boom in 2012. The result blew past both consensus (1.0%qtr) and Westpac's top-of-range call (4.0%qtr).
- Machinery and equipment drove the gain, up 18%qtr, led by a 196%qtr surge in information and telecommunications as data-centre investment scaled up. Buildings and structures were a drag, falling 3.8%qtr. The tech sector is now the second-largest by capex behind mining.
- Spending plans point to continued momentum, with FY2026 estimates implying real capex growth near 10.7%yr. Much of the import-intensive equipment spend leaks abroad, limiting the near-term GDP impulse, while the capex deflator's fourth straight quarterly fall signals easing cost pressures.

ANZ-Roy Morgan Australian Consumer Confidence fell just 0.3pts to 66.1pts last week



### Capital Expenditure

By industry



# Foreign Exchange

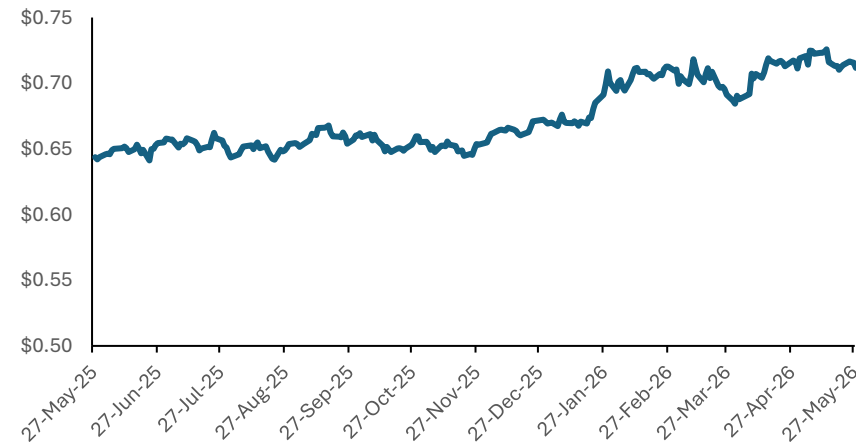
## AUD Holds 0.71 as Hike Bets Fade



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- The Australian dollar is changing hands near 0.71 and is tracking toward a monthly loss of roughly 0.5%. The softer tone reflects a sharp repricing lower in rate-hike expectations as evidence mounts that the earlier tightening cycle is finally biting on activity.
- With the cash rate at 4.35% after three hikes this year, the back-to-back downside surprises in April employment and inflation have gutted the case for a June move. Market-implied odds of a June hike have collapsed to just 5%.
- Thursday's soft consumer spending figures reinforced the dovish narrative. That said, traders are not pricing the cycle as finished: swaps still assign around 70% probability to one final lift to 4.60% before the end of the year.
- Despite the monthly slide, the Aussie is set for a modest 0.5% weekly gain. Reports of a possible ceasefire extension in the Middle East, including a potential reopening of the Strait of Hormuz, have lifted global risk appetite and lent the currency support.
- Attention now shifts to next week's data slate, with the final manufacturing PMI read and the Q1 National Accounts due to provide a clearer steer on the underlying health of the economy.

Australian Dollar / US Dollar



### The week ahead

Monday June 01 2026			Previous	Forecast
10:00 AM	AU	S&P Global Manufacturing PMI Final MAY	51.3	50.2
12:00 PM	AU	TD-MI Inflation Gauge MoM MAY	0.6%	0.6%
12:30 PM	AU	ANZ-Indeed Job Ads MoM MAY	-0.8%	-0.4%
12:30 PM	AU	Housing Credit MoM APR	0.6%	0.5%
Tuesday June 02 2026			Previous	Forecast
11:00 AM	AU	RBA Harper Speech		
12:30 PM	AU	Building Permits MoM Prel APR	-10.5%	-2.3%
12:30 PM	AU	Company Gross Profits QoQ Q1	5.8%	-0.9%
Wednesday June 03 2026			Previous	Forecast
12:30 PM	AU	GDP Growth Rate QoQ Q1	0.8%	0.5%
12:30 PM	AU	GDP Growth Rate YoY Q1	2.6%	2.5%
Thursday June 04 2026			Previous	Forecast
12:30 PM	AU	Balance of Trade APR	A\$-1.841B	A\$-3.0B



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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.

### Contact Us

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