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Market Movements

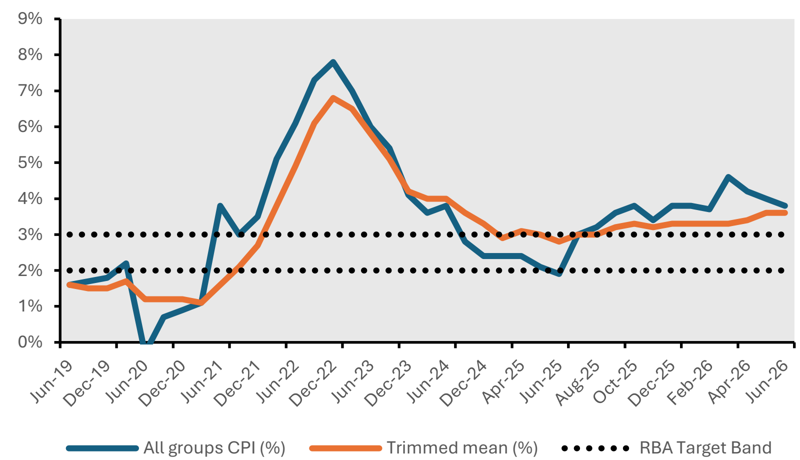
31st July 2026

Inflation

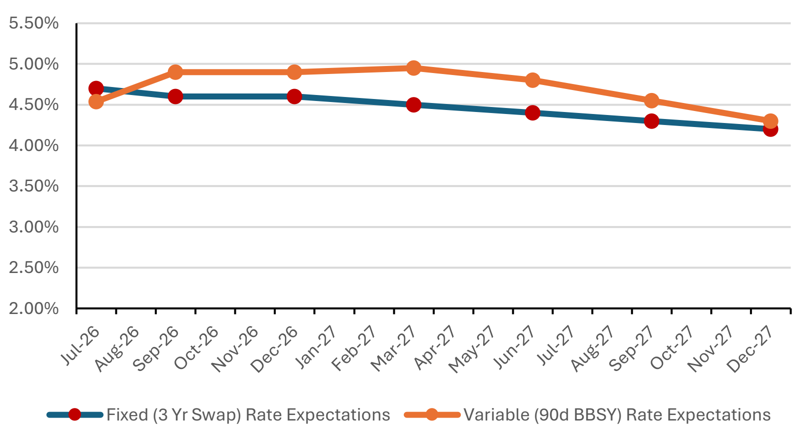
Headline Slows to 3.8%, Core Still Sticky

- Annual headline inflation eased to 3.8% in June, down from May and below market expectations of 4.0%. It was the softest reading since February, though inflation remains above the RBA's 2 to 3 per cent target band.
- On a quarterly basis, Q2 CPI rose 3.9% over the year, easing from a two-year high of 4.1% in Q1. Consumer prices unexpectedly fell 0.1% in the month, a second consecutive monthly decline against expectations of a 0.2% rise.
- Goods inflation did the heavy lifting, slowing to a four-month low of 3.5%. Transport costs rose just 0.1% over the year, down from 3.3% in May, as fuel prices fell. Health and clothing also softened.
- The relief was not broad based. Housing inflation accelerated to 6.8% from 6.5%, services inflation picked up to 4.0% from 3.7%, and food and non-alcoholic beverages held steady at 3.3%.
- Core measures remain sticky. The trimmed mean rose 3.6% over the year, still the highest since September 2024 though below the 3.7% consensus, while the weighted median lifted to 3.7% from 3.6%.
- RBA Assistant Governor Sarah Hunter called the result a touch softer than expected, noting that housing and services pressures are persistent and that a tight labour market continues to support elevated wage growth.
- Markets have sharply cut the odds of a further hike at the 11 August meeting, but with inflation still above target the Board will want more evidence before declaring the job done. Policy, as Hunter reiterated, works on demand rather than supply driven costs.

Annual CPI Movements



Fixed vs Variable Expectations (Westpac)



Source: Westpac Weekly 27th July

Source: ABS Monthly CPI Indicator and Quarterly CPI (June quarter 2026), RBA

Consumer Confidence

Confidence falls 4.4pts

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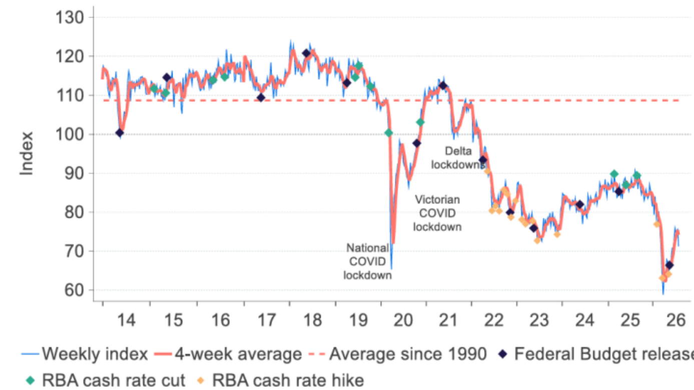
Consumer Confidence

"ANZ-Roy Morgan Australian Consumer Confidence fell 4.4pts to 71.2pts last week, its lowest level since mid-June, with all subindices declining. The recent escalation of conflict in the Middle East, renewed inflation risks and a gradual easing in labour market conditions in June may all have weighed on confidence. Lower-than-expected inflation and the broader slowing of activity should see the RBA cash rate remain at 4.35% at the August meeting. However, a hike cannot be ruled out, either in August or November." Sophia Angala – ANZ Economics

ANZ-Roy Morgan Australian Consumer Confidence fell 4.4pts to 71.2pts last week



Source: ANZ-Roy Morgan, Macrobond, ANZ Research

Building Approvals: Units Drive the Rebound

- Total dwelling approvals rose 7.2% in June, lifting the annual pace to 8.9%. The rebound was driven by units, with private unit approvals up 17.8% on the back of a sharp rise in high-rise projects.
- Detached housing was steady rather than strong, with private house approvals up 0.4%. Queensland led the gains and NSW and WA also rose, while South Australia and Victoria went backwards.
- The value of residential approvals rose 15.1%, but a slump in non-residential work, led by other commercial buildings, dragged the total value of approvals down 5.5%.
- Recent RBA rate rises and still elevated construction costs remain headwinds, so the approvals pipeline is likely to stay uneven from here.

Building approvals – June 2026

		3mth %chg*		%yr	
3mth avg	latest	May	Jun	May	Jun
Private houses	10,518	4.0	2.9	12.4	13.0
Private units	6,668	3.5	4.3	4.5	2.6
Public dwellings	412	29.2	6.2	6.4	11.3
Total dwellings	17,598	4.2	3.5	9.2	8.8
Total dwellings, mthly*	18,328	-1.6	7.2	5.5	8.9
– units in 'high rise'^	3,732	-1.1	-4.4	10.4	11.5
– units in 'low rise'^	3,000	0.5	-1.6	2.5	-3.6
Renovations, $bn	1.351	3.5	0.2	15.2	11.7
Non–res., $bn	9.010	4.2	16.9	11.0	16.3

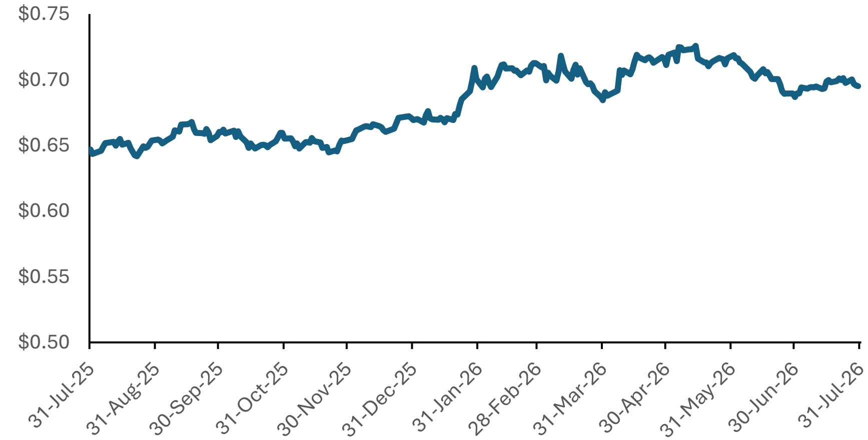
*figures for 'total dwellings mthly' are monthly and mthly%ch, all others are rolling 3mth avg and 3mth%ch; ^all sectors, Westpac estimates
Sources: ABS, Westpac Economics

Foreign Exchange

AUD Slips Below US$0.695 as Inflation Cools

- The Australian dollar fell below US$0.695, its weakest level in two weeks, after softer inflation data cooled expectations of further tightening.
- Headline inflation eased to a four-month low of 3.8% in June, below both May's reading and forecasts of 4.0%, while monthly consumer prices fell 0.1% for a second straight month.
- Core measures also undershot. The trimmed mean rose 3.6% over the year against 3.7% expected, with quarterly core inflation up 0.8%, likewise below forecast.
- Markets moved quickly, cutting the probability of another hike this year to around 50% from more than 90% before the release, and all but ruling out a move at the 11 August meeting.
- The Aussie had traded near multi-week highs earlier in the month, before Governor Michele Bullock warned that a further hike may still be needed and that the near-term outlook remains highly uncertain.
- With inflation still above the 2 to 3 per cent target band and the RBA in data-watching mode, the currency looks range-bound near term. Domestic demand and labour market prints are the next catalysts.

Australian Dollar / US Dollar



The week ahead

Monday August 03 2026			Previous	Forecast
10:00 AM	AU	S&P Global Manufacturing PMI Final JUL	51.5	51.7
12:00 PM	AU	TD-MI Inflation Gauge MoM JUL	-0.4%	0.3%
	AU	Cotality Dwelling Prices MoM JUL	-0.4%	-0.3%
Tuesday August 04 2026			**Previous**	**Forecast**
12:30 PM	AU	ANZ-Indeed Job Ads MoM JUL	-0.2%	-0.1%
12:30 PM	AU	Household Spending MoM JUN	1.3%	0.2%
12:30 PM	AU	Household Spending YoY JUN	5.5%	5.1%
05:30 PM	AU	Commodity Prices YoY JUL	16.9%	15.0%
Wednesday August 05 2026			**Previous**	**Forecast**
10:00 AM	AU	Ai Group Industry Index JUL	-30.0	-27
Thursday August 06 2026			**Previous**	**Forecast**
12:30 PM	AU	Balance of Trade JUN	A$-3.018B	A$ 1.9B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Capital
Lending Expertise.
People Focused.

Why Mannix?

Lending expertise. People focused.

Mannix Capital

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.

Over 60 Lenders

Supporting You

Navigating Commercial Lending

Mannix Capital

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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