The Mandate

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TERM 1, WEEK 6

On behalf of the CMA team, we'd like to welcome you to the start of Term 1! If this summer was any indicator, we are confident that this will be an exciting year for market changes.

We hope everyone enjoyed a good break and we thank you for staying tuned into events and notices by following us on CMA's Instagram and LinkedIn pages.

— CMA Team

		CURRENT	FRTNLY
ASX200	$AU	8869.1	-0.39%
S&P500	$US	6939.03	-0.01%
AU 10Y	%	4.796	+2.41%
US 10Y	%	4.256	+2.04%
AUD/USD		0.6965	+4.48%
Gold Spot	$US	4865.35	+6.15%

Speculated 2026 IPO - Databricks

Databricks is one of the world's leading data-and-AI infrastructure companies, providing a unified platform used by more than 20,000 organisations (including over 60% of the Fortune 500) to build, deploy, and scale data pipelines, analytics, and AI applications. Its platform underpins a growing share of enterprise AI workloads, making it one of the most strategically important private companies in the sector.

The company has now accelerated toward a potential public-market debut after announcing a Series L raise exceeding US$4 billion, valuing the business at US$134 billion. Databricks also disclosed that it has surpassed a US$4.8 billion revenue run-rate, growing more than 55% year-on-year, while maintaining positive free cash flow over the past 12 months. Both its AI products and Data Warehousing business have crossed US$1 billion in annualised revenue, highlighting the breadth of its monetisation engine. The company also reports a net retention rate above 140% and more than 700 customers generating over US$1 million annually, underscoring deep enterprise stickiness and expansion.

The round attracted a heavyweight roster of global investors — including Insight Partners, Fidelity, J.P. Morgan Asset Management, BlackRock, Blackstone, Coatue, GIC, NEA, Temasek, and others — reinforcing institutional conviction in Databricks' long-term positioning. Capital will support product expansion across Lakebase, Databricks Apps, and Agent Bricks, as well as provide liquidity for employees and fund future AI acquisitions.

From an ECM perspective, Databricks stands out as a potential anchor listing for the 2026 window: large-scale, profitable, strategically central to the AI stack, and backed by a global investor base. If it chooses to list, Databricks has the profile to set valuation benchmarks for the next wave of AI-infrastructure IPOs and materially influence sentiment across the broader issuance cycle.

Structural Shifts in the Japanese Bond Market

Japan's US$11T bond market is the third largest in the world. It is currently undergoing its most significant structural shift in decades, transitioning away from the era of ultra-low and negative rates toward the highest borrowing costs in three decades. The benchmark 10Y yield surged past 2.25% (a 27-year high), while ultra-long 40-year yields reached an all-time peak of 4.22%. This yield shock (synonymous with a drop in prices) signals that investors are no longer willing to accept rock-bottom returns for the safety of Japanese debt.

The sell-off was partly driven by aggressive fiscal expansion and uncertainty ahead of the election on February 8. Markets were weary of Prime Minister Takaichi's Y$122.3T budget and plans to suspend food sales taxes. Investors effectively demanded a risk premium before the vote, fearing that Japan's debt-to-GDP ratio would rise further above its current ~230%.

The critical indicator to watch out for is the rising cost of servicing this debt. Total debt-servicing costs are projected to reach Y$31.3T, accounting for around one-quarter of all government spending. This includes Y$13T in interest payments alone. Consequently, for every 1% rise in rates, the government must redirect billions from sectors like education or defence to pay lenders.

Director's Digest – War & Oil

West Texas Intermediate (WTI) is a high- quality North American crude oil and one of the three main global benchmarks of oil pricing, alongside Brent and Dubai Crude. It is the underlying commodity for the NYSE oil futures. Price has risen > 25% this past week.

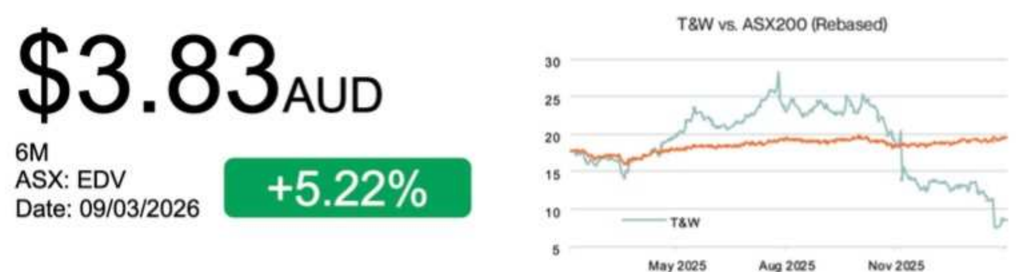
Oil markets have been thrown into renewed volatility as tensions between Iran, the United States, and Israel escalate, with Israeli strikes on Iranian infrastructure, Iranian proxy retaliation across the Gulf, and Washington signalling full support for Israel. This matters because roughly 20% of the world's oil supply moves through the Strait of Hormuz, and even the threat of disruption pushes traders into defensive positioning. Brent crude briefly surged above US$110/bbl before retreating as speculative longs unwound, but the underlying risk premium remains embedded.

China and Russia—together consuming over a quarter of the world's oil—have increasingly consolidated their energy networks as access to alternative suppliers narrows. China now sources more than 20% of its crude imports from Russia, while Russia has redirected most exports away from Europe and the U.S., forming a more closed, politically aligned supply chain. At the same time, Venezuela has largely fallen out of the system due to sanctions and collapsing output, and Iran faces rising physical disruption risks as conflict spreads across the Gulf.

With these secondary suppliers compromised, China and Russia lose much of the flexibility that once insulated them from global price shocks. This pushes more oil into tight political blocs and leaves fewer barrels available to the open market. When Middle Eastern tensions flare, the impact is magnified: fewer neutral suppliers are able to redirect flows, fewer producers can respond quickly, and the system becomes more segmented, increasing the likelihood that a regional disruption cascades into a global economic shock.

Australia is particularly exposed in this environment. With low strategic fuel reserves and limited refining capacity, it relies heavily on imported fuel moving through geopolitically sensitive shipping routes. Even modest global disruptions translate rapidly into higher domestic energy and transport costs, while the fear of supply interruption keeps pump prices elevated regardless of temporary easing in international benchmarks. The combination of geopolitical escalation, tightening supply blocs, and Australia's structural dependence on foreign fuel creates a persistently higher-risk landscape, where price volatility becomes a steady pressure on households and businesses.

Ultimately, the picture that emerges is a more constrained and less resilient energy system, where geopolitical tension feeds more easily into real-world economic pressure and leaves import-reliant economies navigating a structurally higher baseline of risk.



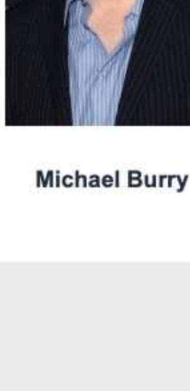
$3.83AUD

6M
ASX: EDV
Date: 09/03/2026

+5.22%

Endeavour Group is a retail drinks and hospitality holding. They own Dan Murphy's, BWS, ALH Hotels and more. EDV has weathered volatility stemming from management changes and uncertain fundamentals.

Share price fizzled in early January from disappointing HY26 results accompanied by slashing interim dividends by 13.6%. However, recent Q4 earnings reported improvements in revenue and earnings, making it an interesting stock to track.



Michael Burry

Michael Burry — the legendary "Big Short" investor who built his entire reputation on calling the 2008 housing collapse — has spent the past year taking high-profile bearish positions against the AI-driven equity rally, including shorts tied to the OpenAI boom and the broader tech melt-up. Those trades didn't land, with markets grinding higher and leaving him early once again. After another round of misses, Burry openly admitted that "the market isn't the same game anymore", signalling frustration with how momentum, liquidity, and retail flows now overpower fundamentals.

Michael Burry Warns 'Fragile' Stock Market Overdue a Crash

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