

Light trade to start the week with Russia/Ukraine news dominating; markets await US/EU/Zelensky readout

- **SNAPSHOT:** Equities mixed, Treasuries down, Crude up, Dollar up.
- **REAR VIEW:** Trump hailed 'great' progress at Putin meeting, but no ceasefire achieved; Zelensky supports a trilateral meeting between Ukraine, US and Russia; Trump Admin considers 10% stake in INTC; NAHB surprisingly declines.
- **COMING UP: Data:** US Building Permits & Housing Starts, Canadian CPI **Speakers:** Fed's Bowman **Earnings:** Home Depot **Supply:** Japan, UK & Germany.
- **WEEK AHEAD:** Highlights include Jackson Hole, FOMC minutes; Japan & Canada CPI; PBoC, RBNZ, Riksbank. [To download the report, please click here.](#)
- **CENTRAL BANK WEEKLY:** Previewing PBOC, RBNZ, FOMC minutes, Riksbank, Jackson Hole; Reviewing RBA. [To download the report, please click here.](#)

MARKET WRAP

US indices were rangebound to start the week, while the Russell 2000 (+0.4%) outperformed in thin newsflow and typical summer trading conditions as focus resided around US/Ukraine/Russia updates. On Friday, after the close, Trump and Putin held a summit, whereby Trump hailed great progress and called it a "10" but no ceasefire was achieved. Trump, Zelensky and European leaders are meeting at the time of writing, and prior to it both Trump and Zelensky touted a possible trilateral meeting with Russia. Sectors were mixed with Industrials and Consumer Discretionary sitting atop of the pile, with Real Estate and Energy the laggards. The stock specific highlight was reports that the Trump admin is looking at taking a 10% stake in Intel (INTC). The Dollar is firmer with JPY, GBP, and EUR the G10 laggards and weakening off of the aforementioned Buck strength, as opposed to anything currency specific. The crude complex saw gains, and firmed through the US afternoon with upside coinciding with a WSJ piece that the US could leverage intelligence sharing to press for a Ukraine deal. Treasuries saw marginal gains across the curve, and precious metals were more-or-less flat. There was no Tier 1 US data or Fed speak, for the record, as attention turns to Jackson Hole later this week whereby Fed Chair Powell is scheduled to speak on Friday at 10:00EDT.

US

NAHB: NAHB housing market index for July surprisingly fell to 32.0 from 33.0, against expectations for a rise to 34.0. Current single-family home sales slightly dropped to 35.0 from 36.0, home sales over the next six months remained at 43.0 (prev. 43.0), while prospective buyers rose to 22.0 from 20.0. Homebuilder sentiment slipped as uncertainty about the economic outlook and affordability challenges keep prospective homebuyers on the sidelines, and as such, Oxford Economics expects gloomy homebuilder sentiment will weigh on single-family housing starts over the balance of this year. In addition, OxEco notes builders continue to offer incentives, including price cuts in their effort to move inventory; completed homes for sale are now at a 16-year high. The consultancy thinks incentives are more likely to keep a floor under new home sales than boost sales.

FIXED INCOME

T-NOTE FUTURES (U5) SETTLED 2+ TICKS LOWER AT 111-16+

T-Notes see marginal weakness as Jackson Hole awaits. At settlement, 2-year yields +1.0bps at 3.769%, 3-year yield +0.9bps at 3.731%, 5-year yield +0.9bps at 3.854%, 7-year yield +0.9bps at 4.070%, 10-year yield +0.9bps at 4.337%, 20-year yield +1.3bps at 4.915%, 30-year yield +1.4bps at 4.939%.

INFLATION BREAKEVENS: 1-year BEI -2.9bps at 3.192%, 3-year BEI -0.1bps at 2.697%, 5-year BEI -1.0bps at 2.437%, 10-year BEI -0.3bps at 2.369%, 30-year BEI -0.1bps at 2.271%.

THE DAY: Treasuries were fairly rangebound overnight, before gradually selling off through the EU afternoon and continuing into the US morning. While newsflow was sparse on Monday, NAHB unexpectedly worsened, although little move was seen in T-Notes, and the Ukraine/Russian summits seemed to have little sway in the fixed income space. Trump/Zelensky/European leaders are speaking at the time of writing, and participants await a readout following their summit. Highlighting the narrow range T-Notes traded in, a high of 111-27 was seen in the EU morning against a trough of 111-13+ in the US session. The calendar is thin this week in what has been typical summer trading conditions, but that all changes with Jackson Hole later in the week with Fed Chair Powell speaking at 10:00EDT on Friday.

Bills:

- US sold USD 86bln of 3-mnth bills at a high rate of 4.130%, B/C 2.70x.
- US sold USD 76bln of 6-mnth bills at a high rate of 3.945%, B/C 2.95x.

STIRS/OPERATIONS

- **Market Implied Fed Rate Cut Pricing: September 21bps (prev. 22bps), Oct 34bps (prev. 36bps), Dec 53bps (prev. 55bps).**
- NY Fed RRP op demand at USD 38bln (prev. 34bln) across 19 counterparties (prev. 16).
- EFRR at 4.33% (prev. 4.33%), volumes at USD 112bln (prev. 114bln) on August 14th.
- SOFR at 4.36% (prev. 4.34%), volumes at USD 2.821tn (prev. 2.767tn) on August 14th.

CRUDE

WTI (V5) SETTLED USD 0.72 HIGHER AT 62.70/BBL; BRENT (V5) SETTLED USD 0.75 HIGHER AT 66.60/BBL

The crude complex saw gains to start the week, and firmed through the US afternoon after being held within tight ranges for the duration of the EU session. Tier 1 data and Fed speak was non-existent to start the week in light newsflow, as all traders' attention surrounded the Trump/Zelensky/European leaders meeting following the Trump/Putin summit on Friday. In that meeting, no ceasefire was agreed, albeit that was by no means expected, and Trump said that they made great progress. As mentioned, Trump and Zelensky have already held some press questions and added little new, but both President's highlighted the idea of a trilateral meeting [with Putin]. Next up, a multilateral meeting with European leaders at 15:00EDT/20:00 BST is next on the agenda, whereby we will likely get a further readout of how it went. Regarding the move higher, it seemingly coincided with a WSJ piece that the US could leverage intelligence sharing to press for a Ukraine deal. For the record, WTI and Brent saw earlier lows of USD 61.45/bbl and 65.30/bbl, respectively, against recent highs of 63.01 and 66.82.

EQUITIES

CLOSES: SPX -0.02% at 6,449, NDX +0.01% at 23,713, DJI -0.08% at 44,910, RUT +0.40% at 2,296.

SECTORS: Industrials +0.4%, Consumer Discretionary +0.38%, Technology +0.13%, Financials +0.12%, Consumer Staples +0.08%, Health -0.23%, Utilities -0.49%, Energy -0.57%, Materials -0.58%, Communication Services -0.7%, Real Estate -0.95%.

EUROPEAN CLOSES: Euro Stoxx 50 -0.25% at 5,435, Dax 40 -0.23% at 24,302, FTSE 100 +0.21% at 9,158, CAC 40 -0.50% at 7,884, FTSE MIB -0.03% at 42,642, IBEX 35 -0.17% at 15,252, PSI +1.28% at 7,880, SMI -0.15% at 12,056, AEX +0.13% at 897.

STOCK SPECIFICS:

- MCR Hotels is leading a group of investors to take **Soho House (SHCO)** private for ~USD 9/shr or USD 1.8bln; Note, SHCO closed Fri. at 7.64.
- **Novo Nordisk's (NVO)** Wegovy gets accelerated US FDA approval for liver disease MASH.
- Thoma Bravo in talks to acquire **Dayforce (DAY)**.
- **Tesla (TSLA)** almost halves monthly payments as UK sales slump, via The Times
- Google increases stake in **TeraWulf (WULF)** to 14%.
- **SunRun (RUN)** upgraded at RBC; said noting recent guidance from the Treasury Department describing how renewable projects might qualify for tax benefits under Trump's tax bill as a potential catalyst.
- **Amphenol (APH)** announced a definitive agreement to acquire Trexon for roughly USD 1bln in cash. Trexon is expected to have 2025 sales and EBITDA margins of ~USD 290mIn and 26%, respectively.
- Citron Research said "OpenAI at USD 500bln puts Palantir (PLTR) at USD 40, and that's generous". The piece adds, "Last week, Citron's Andrew Left appeared on Fox Business with Liz Claman, suggesting that at a \$40 price, PLTR would start to look cheap. We stand corrected; even at that price, it remains expensive".
- US President Trump's administration is reportedly considering taking a 10% stake in **Intel (INTC)**, via Bloomberg citing sources; reportedly considering converting the Cos. CHIPS Act grants into equity Source adds that the exact size of the stake and whether the White House moves ahead or not is still in flux.

FX

The Dollar started the week on the front foot with the DXY hitting a peak of 98.186 amid light newsflow encapsulated by no tier 1 data or Fed speak ahead of Fed Chair Powell at Jackson Hole later in the week. While headline-driven trade was thin on Monday, focus resided around geopolitics and the Trump/Zelensky/European leaders meeting after Putin/Trump on Friday. Trump said if everything works out well, they'll have a trilateral meeting, something Zelensky also echoed; Trump also said we would know in a week or two if a solution can be found, and warned it was possible that it might not get done.

G10 FX was largely weaker against the Greenback, with the CAD and NZD, flat, the relative outperformers, whilst JPY, EUR, and GBP saw the largest losses. To avoid the danger of sounding like we're repeating ourselves, there was little currency-specific newsflow with watchers of the single-currency Euro awaiting updates from the EU/Zelensky/Trump meeting. On this front, via Eurasia, "European leaders have 3 main goals in DC today: 1) pin down more details on possible US security guarantees; 2) work on preparations for the possible trilateral Putin, Zelensky & Trump meeting, and 3) push back forcefully on the idea of "land swaps". EUR/USD saw a high of 1.1716 against a low of 1.1657, a level it currently sits around.

Cable saw a narrow range between 1.3504-65 ahead of UK inflation metrics on Wednesday, which will be pivotal for the outcome of the next BoE meeting. USD/JPY gradually edged higher from the 147.00 level overnight and rose to just short of 148.00. Further upside was facilitated by the dollar firming throughout the session on the back of EUR weakness. There isn't much slated for the JPY from a domestic standpoint before Japanese CPI on Friday, but price action until then will likely be derived from broader macro alongside yield differentials.

EMFX largely weakened, and was due to the strengthening Greenback. Brazilian IGP-10 Inflation Index rose less than expected in August, Chilean GDP rose 0.4%, as expected, in Q2 on a Q/Q basis.

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