

SNAPSHOT

STOCKS			
Nikkei 225	+1.7%	ASX 200	+0.4%
Hang Seng	-0.9%	Shanghai Comp	N/A
Euro Stoxx 50 Dec'25	+0.2%	DAX Dec'25	+0.3%
ES Dec'25	+0.2%	NQ Dec'25	+0.3%

FX			
DXY	+0.1% (97.91)	EUR/USD	U/C (1.1718)
USD/JPY	+0.3% (147.71)	GBP/USD	1.3431 (1.3433)

BONDS			
US T-Note Dec'25	-2+ ticks	Bund Dec'25	+2 ticks
US 10yr Yield	4.09%	German 10yr Yield	2.70%

ENERGY & METALS			
WTI Nov'25	-0.2%	Brent Dec'25	-0.1%
Spot Gold	-0.1%	LME Copper	+0.1%

CRYPTO			
Bitcoin	-0.5%	Ethereum	-0.1%

As of 06:15BST/01:15EDT

LOOKING AHEAD

- Highlights include Turkish CPI (Sep), EZ & UK Final Composite PMIs (Sep), EZ Producer Prices (Aug), ISM Services (Sep), ECB's Lagarde, Schnabel, Fed's Williams, Jefferson, BoE's Bailey.
- Due to the US government shutdown, the following data will not be released: US NFP (Sep)
- [Click for the Newsquawk Week Ahead.](#)

US TRADE

EQUITIES

- US stocks were choppy as the government shutdown held back key US data, with no weekly jobless claims released. Stocks closed the day in the green, paring some of the risk-off moves seen at the opening bell.
- The majority of sectors closed red with Energy, Real Estate and Consumer Discretionary, and Consumer Staples lagging, while Materials, Tech and Industrials outperformed.
- SPX +0.06% at 6,715, NDX +0.37% at 24,893, DJI +0.17% at 46,520, RUT +0.66% at 2,458
- [Click here for a detailed summary.](#)

NOTABLE HEADLINES

- US President Trump said there could be firings and project cuts if the shutdown continues , according to an interview.
- Employees furloughed at the BLS told Senator Warren's office the September labour data has been collected and is likely ready to be released, according to CNN, citing a Senate Banking Committee aide. Senator Warren called on the Trump administration to release the September jobs report on Friday despite the ongoing government shutdown, arguing the data has been processed and prepared, but the administration is choosing not to publish it, via CNN.
- Fed's Goolsbee (2025 voter) said the immediate impact of the shutdown will be on federal workers who don't get paid on

time, adding that real-time indicators show a steady unemployment rate and in the absence of the official figure the Fed will make decisions with the information it has, while stressing the need to be careful about overly frontloading rate cuts, via Fox.

- Google (GOOGL) will locate a new data centre in West Memphis, Arkansas, with a multi-billion USD investment, according to Reuters.
- BoC Deputy Governor Mendes said the Bank is studying ways to improve its existing measures of core inflation, questioning whether preferred and alternative measures should all pre-exclude mortgage interest costs. He said improvements are only the first step, with the second involving exploration of new measures such as multivariate core trend inflation (MCT), which isolates persistent inflation pressures.

TRADE/TARIFFS

- US President Trump is reportedly planning to send billions in cash bailouts to farmers with taxpayer money, with the administration set to roll out the first tranche of payments in the coming weeks using billions from an internal USDA account, according to Politico, citing three people with direct knowledge. Trump has also said he wants to use direct tariff revenue for the payments, which could spark a major fight in Congress. The WSJ reported he is considering providing USD 10bn or more in aid to US farmers.
- US President Trump said he is considering taxpayer rebates of USD 1,000–2,000 funded by tariff revenue, according to Reuters.

APAC TRADE

EQUITIES

- APAC stocks were mostly firmer, taking their cue from Wall Street's gains amid light newsflow, whilst the looming delay of the US jobs report due to the government shutdown keeps focus on Fed speak and upcoming ISM data. Mainland Chinese and South Korean markets remained closed for holidays.
- ASX 200 was supported by strength in technology and healthcare names, though gold miners lagged as the yellow metal pulled back.
- Nikkei 225 outperformed, driven by weakness in the yen and strength in technology, while remarks from BoJ Governor Ueda following this week's Tankan Survey underlined the need to maintain an accommodative monetary environment, with focus also on the upcoming LDP elections.
- Hang Seng declined, bucking the regional trend as it failed to benefit from gains in technology, with Stock Connect closed and Mainland participants absent during Golden Week.
- US equity futures traded with a modest upward bias but within contained ranges amid the lack of fresh newsflow, while the state-side data blackout means the US jobs report will not be released on Friday, adding greater weight to the ISM Services PMI and Fed speak.
- European equity futures are indicative of a mildly firmer open with the Euro Stoxx 50 future +0.2% after cash closed +1.1% on Thursday.

FX

- DXY held a modest upward bias, supported in part by JPY weakness, though the index remained confined within yesterday's 97.52–97.13 range. The dollar index was sandwiched between its DMA at 98.05 and the 21 DMA at 97.63.
- EUR/USD traded unchanged in a narrow intraday range and stayed within Thursday's 1.1683–1.1759 parameters, with little of note for the single currency overnight and no reaction seen to reports of drone sightings over Munich airport. Traders now turn attention to the final Services and Composite PMIs from the bloc.
- GBP/USD was also little changed, holding uneventful trade on either side of 1.3450 and within Thursday's 1.3400–1.3509 band. The pair faced resistance not far from its 50 DMA at 1.3462, with market participants awaiting the UK's final Services and Composite PMIs before a speech from the BoE Governor.
- USD/JPY had a firmer bias, with the yen weaker after initially trading sideways. Upside momentum in the pair followed remarks from BoJ Governor Ueda, who, after this week's Tankan Survey, stressed the importance of maintaining an accommodative monetary environment to support the economy. USD/JPY was seen around its 21 DMA at 147.76 and 50 DMA at 147.78, while traders also eyed this weekend's LDP elections.
- Antipodeans were quiet, with both AUD/USD and NZD/USD flat amid subdued newsflow and the continued absence of Mainland China. AUD showed little reaction to the release of Australia's final PMIs, while NZD was steady as traders looked ahead to next week's RBNZ meeting, where expectations are split between a 25bps or 50bps rate cut.

FIXED INCOME

- 10yr UST futures were little changed, drifting sideways after Thursday's choppy session as traders struggled to find a clear narrative amid the ongoing data blackout. With the US jobs report not being released on Friday, focus turns instead to the ISM Services PMI and upcoming Fed commentary.
- Bund futures saw a mild upward bias, but moves were largely contained with little reaction to reports of Munich airport being closed following drone sightings. Broader macro newsflow was also light heading into the end of the APAC week.
- 10yr JGB futures were firmer, supported by modest dovish impulses after BoJ Governor Ueda said that policy should maintain an accommodative stance and support the economy. His remarks followed this week's Tankan Survey, with traders now turning their attention to the LDP elections this weekend.

- **Australia sold AUD 1bln 1.25% 2032 AGB ; b/c 3.38x (prev. 2.93x), average yield 3.9431% (prev. 3.9240%)**

COMMODITIES

- **Crude futures** were modestly firmer, with WTI and Brent consolidating after Thursday's downside move that saw both contracts settle at session troughs despite the lack of a clear headline catalyst. Focus is firmly on the upcoming OPEC+ meeting this weekend, with attention on whether the group accelerates the pace of unwinding existing production curbs. Recent reports suggested Saudi Arabia and partners are considering fast-tracking the return of the remaining 1.66mln BPD tranche in larger increments, including potential monthly instalments of around 500k BPD, while Reuters sources noted that the core producers could agree to a November hike of between 274–411k BPD.
- **Spot gold** eventually tilted lower after Thursday's pullback, with traders struggling to find direction in the absence of the US jobs report, which will not be released on Friday due to the government shutdown. The focus instead shifts to ISM Services and upcoming Fed commentary.
- **Copper futures** traded on either side of USD 10,500/t on the LME. Activity remained muted amid the absence of mainland Chinese markets for Golden Week and against the backdrop of the US data blackout, leaving momentum light.
- **OPEC oil output rose by 330k BPD in September to 28.4mln BPD from August**, according to a Reuters survey. Under the September OPEC+ agreement, five OPEC members — Algeria, Iraq, Kuwait, Saudi Arabia and the UAE — were to raise output by 415k BPD before compensation cuts of 170k BPD for Iraq, Kuwait and the UAE. The survey found the actual increase by the five was 347k BPD, via Reuters.

CRYPTO

- **Bitcoin** was modestly softer overnight but largely held onto its USD 120k handle.

NOTABLE ASIA-PAC HEADLINES

- **BoJ Governor Ueda said the Bank will continue raising interest rates if the economy and prices move in line with its forecast, while stressing the need to maintain an accommodative monetary environment to support the economy.** He said the likelihood of the baseline forecast materialising will be scrutinised alongside upside and downside risks, with close monitoring of the global outlook, including the US economy, the impact of tariffs on corporate profits, wage and price-setting behaviour, and overall price developments. Ueda noted signs that consumers are cutting back on spending amid rising food prices, which the BoJ is watching carefully. He said corporate profits are likely to stay elevated, though some manufacturers are being hit by tariffs, as seen in exports and output data. He reiterated the BoJ wants to support business activities by keeping policy loose, but warned that tariff policy creates global uncertainty and a 15% tariff rate would weigh on the economy. He added that economic growth is likely to moderate before rising again as overseas economies return to a moderate growth path, and emphasised that judgements will be made without preconceptions on whether the economy and prices are moving in line with the forecast. He repeated that interest rates will continue to be raised if conditions follow the outlook, while noting that the impact of US tariffs has not spread to Japan's entire economy so far, according to Reuters.
- **Japan Finance Minister Kato said tariffs cannot be boosted on countries importing Russian oil from the perspective of compliance with international laws. He added that Japan is watching with high interest the impact of the US government shutdown on markets and the economy.**

DATA RECAP

- Japanese S&P Global Services PMI Final SA (Sep) 53.3 (Prev. 53)
- Japanese S&P Global Composite Op Final SA (Sep) 51.3 (Prev. 51.1)
- Japanese Unemployment Rate (Aug) 2.6% vs. Exp. 2.4% (Prev. 2.3%)
- Japanese Jobs/Applicants Ratio (Aug) 1.2 vs. Exp. 1.22 (Prev. 1.22)
- Australian S&P Global Composite PMI Final (Sep) 52.4 (Prev. 52.1)
- Australian S&P Global Services PMI Final (Sep) 52.4 (Prev. 52.0)

GEOPOLITICS

NATO

- **Germany's Munich Airport has been closed after drones were spotted over the airport**, a federal police spokesperson told BILD.
- **Munich Airport later reopened** after being closed overnight amid drone sightings, according to witnesses

RUSSIA-UKRAINE

- **The Trump administration's plan to send long-range Tomahawk missiles to Ukraine may not be viable as current inventories are committed to the US Navy and other uses**, via Reuters, citing officials and sources.
- **Russian President Putin criticised Sweden and Finland's NATO membership as "silly", saying they had lost the advantages of neutrality.** He joked that Russia does not have drones capable of flying to Lisbon, referencing drones in Denmark, and added, "I will not do this anymore, I promise". **On the one-year extension of the New START treaty, he said dialogue with the US is complex and noted Russia now possesses Oreshnik missiles.** He added he is confident the global energy sector will remain sustainable, demand will rise, and it is impossible to picture a global economy without Russian oil, warning prices would skyrocket, but demand will still be met.

- **Russian President Putin said it is impossible to believe Russia will attack NATO, adding they will not do so for security reasons, but questioned whether countermeasures will be taken against the militarisation of Europe.** He warned that weakness is unacceptable and Russia should not be provoked, stressing that if others seek military competition, Russia has proved it can respond quickly, while also calling for a full-scale restoration of relations with the US and a mutually acceptable solution.
- **Russian President Putin said all NATO countries are fighting against Russia in Ukraine by providing intelligence, weapons, and training, calling it a serious challenge.** He claimed Russian forces are advancing across all fronts, creating a security zone, now control two-thirds of Kupyansk, and have entered Kostiantynivka and Pokrovsk, adding that the US is supplying Ukraine with as many weapons as required.
- **Responding to US demands that India and China stop buying Russian energy, Russian President Putin said the threat of higher tariffs on Russia's trade partners would lead to higher prices and force the Fed to hold rates for longer.** He noted Russia is the second-largest supplier of uranium to the US, earning around USD 800mIn last year from the trade and set to exceed USD 1bIn in 2025, and said Russia is ready to continue providing stable uranium supplies to the US.
- **Russian President Putin also said the possible seizure of vessels would increase the risks of confrontations at sea, and warned that any US supply of Tomahawk missiles to Ukraine would not change the battlefield but would be dangerous, damage relations, and escalate the conflict,** according to Reuters.

EU/UK

NOTABLE HEADLINES

- **Italy lowered its 2025 budget deficit target to 3.0% of GDP from 3.3% in April and now sees GDP growth at 0.5% from 0.6% previously.** The government sees 2026 GDP growth at 0.7% from 0.8% prior and confirmed its 2026 deficit-to-GDP target at 2.8%, according to Reuters.

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newsquawk.com · +44 20 3582 2778 · info@newsquawk.com