

SNAPSHOT

STOCKS			
Nikkei 225	+3.2%	ASX 200	U/C
Hang Seng	U/C	Shanghai Comp	+1.4%
Euro Stoxx 50 Mar'26	+0.7%	DAX Mar'26	+0.4%
ES Mar'26	+0.1%	NQ Mar'26	+0.4%

FX			
DXY	+0.3% (98.706)	EUR/USD	-0.3% (1.1685)
USD/JPY	+0.2% (157.17)	GBP/USD	-0.2% (1.3427)

BONDS			
US T-Note Mar'26	+2.5 ticks	Bund Mar'26	+7 ticks
US 10yr Yield	4.18%	German 10yr Yield	2.91%

ENERGY & METALS			
WTI Feb'26	-0.7%	Brent Mar'26	-0.6%
Spot Gold	+2.0%	LME Copper	+2.8%

CRYPTO			
Bitcoin	+0.9%	Ethereum	+0.2%

As of 06:24GMT/01:24EST

LOOKING AHEAD

- Highlights include US ISM Manufacturing PMI (Dec).
- [Click for the Newsquawk Week Ahead.](#)

US TRADE

EQUITIES

- US stocks closed the first trading session of 2026 somewhat mixed on Friday, with most indices in the green, although the Nasdaq was the laggard, in which it completely unwound its outperformance at the opening bell. Sectors were predominantly firmer with Energy, Industrials and Materials leading the gains. Consumer Discretionary, Communication Services and Consumer Staples lagged while Tech was flat, with the decline in Consumer Discretionary led by Tesla (TSLA) after poor Q4 delivery numbers.
- SPX +0.15% at 6,856, NDX -0.17% at 25,206, DJI +0.66% at 48,382, RUT +0.96% at 2,506.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- US President Trump blocked HieFo Corp's USD 3m acquisition of assets in New Jersey-based aerospace and defence specialist Emcore on Friday and ordered HieFo to divest all interests and rights in Emcore assets due to national security and China-related concerns, according to Reuters.
- Irish PM Martin arrived in Beijing as part of a five-day visit aimed at boosting trade between the two countries, according to Chinese state media. There were later reports that Chinese President Xi said in a meeting with Ireland's PM that China and the EU should take a long-term view and adhere to the positioning of partnership, while Xi also commented that unilateral bullying is undermining the international order.
- US President Trump warned that he could raise tariffs on India if they don't help on Russian oil issue.

NOTABLE HEADLINES

- **Fed's Paulson (2026 voter)** said she sees inflation moderating, the labour market stabilising and growth coming around 2% this year, while she added that if all of that happens, then some further adjustments to the Fed Funds Rate would likely be appropriate later in the year. Paulson said she views the current level of rates as still restrictive and sees a decent chance that they will end the year with inflation that is close to 2% on a run-rate basis, as tariff-related price adjustments will likely be completed. Furthermore, she stated that while the labour market is bending, it is not breaking and that the baseline outlook for the economy is pretty benign.

APAC TRADE

EQUITIES

- **APAC stocks** were mostly higher as the region shrugged off the US strike on Venezuela and resumed last year's semiconductor-led rally which lifted the KOSPI to a record high, while TSMC shares also notched firm gains after Goldman Sachs raised its price target by 35% and its ADR's jumped late last week to become the sixth-largest company in the world by market cap.
- **ASX 200** was flat as gains in mining and material stocks were counterbalanced by losses in the tech and consumer sectors.
- **Nikkei 225** rallied on its first trading session of 2026 with notable strength in the heavy industries and semiconductor stocks.
- **Hang Seng** and **Shanghai Comp** traded mixed as the Hong Kong benchmark lagged and with the mainland buoyed on return from the New Year holiday closure, which saw the Shanghai Comp reclaim the 4,000 status, while participants digested the latest RatingDog Services PMI, which matched estimates at 52.0 (prev. 52.1) and the Composite figure slightly accelerated to 51.3 (prev. 51.2).
- **US equity futures** were mostly little changed, although kept afloat as markets shrugged off the geopolitical concerns, with marginal outperformance in E-mini Nasdaq 100 futures.
- **European equity futures** indicate a higher cash market open with Euro Stoxx 50 futures up 0.7% after the cash market closed with gains of 1.0% on Friday.

FX

- **DXY** benefitted from the mild losses in its major peers and with some haven appeal following the US intervention in Venezuela, with President Trump stating that the US will 'run' Venezuela and 'fix oil infrastructure', while he also signalled potentially widening their focus in the region to Cuba and Colombia.
- **EUR/USD** trickled lower and retreated to beneath the 1.1700 handle amid the firmer buck and with light news flow from the bloc.
- **GBP/USD** was lacklustre with little reaction seen to comments over the weekend from UK PM Starmer that the UK should move to closer alignment with the European single market on an "issue-by-issue" basis if it is in the national interest.
- **USD/JPY** edged higher and reclaimed the 157.00 handle amid a surge in Japanese stocks and despite the higher yield environment in Japan.
- **Antipodeans** gradually retreated, but with further downside cushioned amid the upbeat risk appetite.
- **PBoC set USD/CNY mid-point at 7.0230 (Prev. 7.0288)**

FIXED INCOME

- **10yr UST futures** were little changed as participants shrugged off the geopolitical-related headwinds and looked ahead to the potential announcement of President Trump's next Fed chair pick, as well as the key US jobs data later in the week.
- **Bund futures** lacked demand after Friday's whipsawing and with quiet newsflow and a sparse data calendar.
- **10yr JGB futures** retreated as Japanese stocks outperformed, and with Japan's 10yr yield extending on its highest levels in more than 25 years.

COMMODITIES

- **Crude futures** fluctuated and pared most of their earlier losses after initially slumping by more than 1% as participants digested the geopolitical events from over the weekend surrounding Venezuela, in which the US conducted a strike on Venezuela and captured its President Maduro. The reaction was ultimately to the downside as participants weighed the likely near-term disruption in Venezuela's oil activity, with expectations of a future boost in oil production, as President Trump had stated that they will get oil flowing like it should be, and he anticipates US oil producers spending billions in Venezuela.
- **OPEC+ agreed to keep the group's output unchanged following a brief meeting on Sunday.**
- **Venezuela's oil exports, which had dropped to a minimum amid the US blockade of sanctioned tankers, are said to now be paralysed as port captains have not received requests to authorise loaded ships to set sail,** according to four sources close to operations cited by Reuters.
- **Former top Chevron executive is raising USD 2bln for Venezuelan oil projects as investors race to heed Trump's call to pour "billions of dollars" into the country,** according to FT.
- **Spot gold** rallied with early upside as the recent geopolitical events spurred haven appeal, and with the precious metal also buoyed in tandem with a broad rally in the metals complex, which saw intraday gains in silver of more than 4%.
- **Copper futures** benefitted alongside the mostly positive risk appetite and rally in metal prices as Chinese commodities trading got underway for the first time this year.

CRYPTO

- Bitcoin gained amid the positive risk appetite and briefly climbed above the USD 93,000 level.

NOTABLE ASIA-PAC HEADLINES

- Chinese authorities are receiving more tax from online vendors as part of Beijing's crackdown as it seeks to boost revenues to compensate for slowing economic growth, according to FT.
- Shanghai launched a new plan to enhance the business environment in the city in which it "will continue to prioritize the optimization of the business environment as a key driver of high-quality development, further deepen high-level opening-up, attract top enterprises and talents from home and abroad, and fully unleash innovation and creativity", according to Chen Jining who is the party secretary of Shanghai cited by China Daily.

DATA RECAP

- Chinese RatingDog Services PMI (Dec) 52.0 vs. Exp. 52.0 (Prev. 52.1)
- Chinese RatingDog Composite PMI (Dec) 51.3 (Prev. 51.2)

GEOPOLITICS

VENEZUELA

- US President Trump announced on Saturday that the US successfully carried out a large-scale strike against Venezuela, while he added that President Maduro and his wife were captured and flown out of Venezuela. Trump also commented that they are going to run Venezuela until such a time that they can do a safe, proper and judicious transition, while he added they are going to run Venezuela with a group and will get oil flowing like it should be, with Trump anticipating US oil producers spending billions in Venezuela.
- US President Trump said they are ready to stage a second strike if necessary and had assumed a second wave was needed, but now probably not. Furthermore, he said the US is not afraid of boots on the ground in Venezuela, and commented that they will be 'reimbursed' and will be selling large amounts of oil to other countries. It was separately reported that President Trump signalled the US could widen its focus in the region to Cuba, and he will be meeting with House Republicans in a closed-door meeting on Tuesday, following mixed reactions to the Venezuela attack including praise from top Republicans regarding the operation and questions by some lawmakers regarding the legal authority.
- US President Trump said it sounds good to him regarding whether there will be an operation in Colombia, while he added that Colombia is very sick as the country is being run by a sick man, but he won't be doing it very long. Trump also commented that Cuba looks like it is ready to fall and looks like 'its going down for the count'. Furthermore, Trump said if Venezuela doesn't behave, the US will do a second strike on Venezuela and noted that troops on the ground in Venezuela depend on how they act, while it was separately reported that Trump warned of dire consequences if Venezuela fails to meet US demands.
- Venezuela's VP Rodriguez was granted temporary presidential powers, while she called for the return of Maduro and said the capture of Maduro has a 'Zionist tint'. Furthermore, she said that they will not be anyone's colony and that what is being done to Venezuela is barbaric.
- US Secretary of State Rubio and Defense Secretary Hegseth are among the Trump administration officials to brief some lawmakers regarding Venezuela on Monday, according to Punchbowl and The Hill.
- US Transportation Secretary Duffy said original restrictions around the Caribbean airspace were expiring and flights could resume.
- World leaders responded to the situation in Venezuela and largely called for restraint and an orderly transition to a legitimate government. Furthermore, German Chancellor Merz said the legal assessment of US strikes in Venezuela was complex, while Spanish PM Sanchez said they will not recognise a US intervention in Venezuela that violates international law, and UK PM Starmer said the UK sheds no tears about the end of Maduro's regime.
- China said the US should immediately release Venezuela's Maduro and his wife and resolve the situation in Venezuela through dialogue and negotiation, according to Reuters. It was separately reported by Bloomberg that China was deeply shocked and strongly condemned the hegemonic acts by the US and that threaten peace and security in Latin America and the Caribbean region, while other allies of Venezuela's allies including Brazil denounced the US attack, and Russia also criticised it as an 'unacceptable violation of the sovereignty of an independent state'.
- UN Security Council is to convene an emergency meeting on Monday to discuss the US operation in Venezuela.

MIDDLE EAST

- UK Ministry of Defence said British and French aircraft conducted a joint strike on an Islamic State facility in Syria.
- Iran's Supreme Leader Khamenei labelled protestors 'enemy mercenaries', while he approved a crackdown and said that rioters must be put in their place, according to Iran International. It was separately reported by Reuters that US President Trump warned Iran on Friday that the US would come to the aid of protestors in Iran if security forces fired on them and said that the US is 'locked and loaded and ready to go'. In relevant news, Iran's Revolutionary Guards began a military exercise including missile launches and testing of air defence systems, according to correspondent Amichai Stein on X.

RUSSIA-UKRAINE

- US President Trump said he is not thrilled with Russian President Putin regarding the war in Ukraine and said that too many

people are dying, according to Bloomberg. Trump separately commented that there is no deadline on a Russia-Ukraine deal, while he thinks they will have a deal on Russia and Ukraine in the not-too-distant future.

- Moscow claimed that Ukraine is escalating drone attacks on Russia and has targeted Moscow with drones every day of 2026 so far, according to The Guardian.

OTHER

- North Korea test-fired ballistic missiles which landed in the sea after flying about 900km, while KCNA later confirmed that North Korea had test-fired hypersonic missiles.

EU/UK

NOTABLE HEADLINES

- UK PM Starmer said the UK should move to closer alignment with the European single market on an "issue-by-issue" basis if it is in the national interest, according to Reuters.
- Forecasters issued further snow and ice warnings for the UK, amid travel disruptions, according to Sky News.
- German doctors warned that increasing anti-Syrian rhetoric risks worsening staff shortages in hospitals, clinics and care homes, according to FT.

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