

## SNAPSHOT

STOCKS			
Euro Stoxx 50	-0.2%	DAX40	+0.6%
Stoxx 600	U/C	FTSE 100	-0.7%
ES Mar'26	-0.2%	RTY Mar'26	U/C
NQ Mar'26	-0.3%	YM Mar'26	U/C

  

FX			
DXY	U/C (98.56)	EUR/USD	U/C (1.1692)
USD/JPY	-0.1% (156.49)	GBP/USD	U/C (1.3498)

  

BONDS			
US T-Note Mar'26	+7 ticks	Bund Mar'26	+51 ticks
US 10yr Yield	4.14%	German 10yr Yield	2.80%

  

ENERGY & METALS			
WTI Feb'26	-0.7%	Brent Mar'26	-0.4%
Spot Gold	-0.7%	LME Copper	-1%

  

CRYPTO			
Bitcoin	-2%	Ethereum	-2.4%

As of 10:55 GMT / 05:55 EST

### LOOKING AHEAD

- US ADP, ISM Services PMI (Dec), JOLTS (Nov), Comments from Fed's Bowman.
- [Click here for the Week Ahead preview](#)

## EUROPEAN TRADE

### EQUITIES

- **European bourses** are mixed. The **FTSE 100** (-0.6%) is under pressure, hit by losses across underlying commodity prices whilst the **DAX 40** (+0.6%) posts gains by around half a percent.
- **European sectors** hold a very slight negative bias. **Utilities** holds towards the top of the pile, joined closely by **Construction & Materials, and Real Estate**. To the downside, **Energy** is the laggard, in-fitting with pressure seen across crude benchmarks whilst **Luxury** downside weighs on **Consumer Products & Services**.
- **US equity futures are mixed/lower** (ES -0.2%, NQ -0.3%, RTY U/C), with the **RTY** holding mildly in the green whilst the **ES** and **NQ** are posting slight losses.
- **NVIDIA (NVDA)** CEO said Chinese demand for its AI chips is quite high and H200s are flowing, according to WSJ.
- [Click for the sessions European pre-market equity newsflow](#)
- [Click for the additional news](#)

### FX

- **DXY is flat intraday but resides in a current 98.497-98.690 parameter** as traders await key US labour market data due ahead of Friday's official employment situation report; ADP's gauge of nonfarm employment is expected to print 49K in December vs -32K in November. JOLTS job openings are expected to fall to 7.61mln in November (prev. 7.67mln in October); in the October report, the quits rate fell to 1.8% from 2.0%, while the vacancy rate was unchanged at 4.6%. Elsewhere, the ISM Services PMI is seen inching down a little in December. Currently, the index is well within Monday's 98.25-98.86 range, and on either side of

its 100 DMA (98.59).

- **EUR/USD** was initially pressured, continuing the downside seen in the prior session. Though the downside did reverse following the EZ HICP release, which printed in-line with expectations, seemingly as bets for a cooler-than-expected print following the German series unwind. Currently just shy of the 1.1700 mark, after making a peak of 1.1702 overnight.
- **AUD/USD** is choppy following overnight outperformance given softer-than-expected monthly inflation, but as the headline figure and the core reading remain sticky and above the RBA's 2-3% target.
- **USD/JPY** found resistance at yesterday's high and remains within that session's 156.30-156.80 parameter. Other G10s are largely uneventful and follow the choppy price action.
- **PBoC** set USD/CNY mid-point at 7.0187 vs exp. 6.9896 (Prev. 7.0173).

## FIXED INCOME

- **A firmer start for fixed income** . Initial gains were a familiar ~ 5 and ~ 20 ticks for USTs and Bunds, respectively.
- During the early European morning, the benchmarks picked up further, to highs of 112-17+ and 128.19, firmer by 7+ and 51 ticks at most, respectively. A move that occurred in relatively limited newsflow, but as the European risk tone soured. **A deterioration that extended on the mixed/downbeat APAC performance, as the region failed to sustain record Wall St. levels.**
- **EZ HICP Flash figures for December printed in-line with expectations** (though the core figures were a touch short of expectations). Some pressure was seen in Bunds following the release, as participants unwound bets for a cooler print after the prelim. German inflation series. Also, no move to Construction PMIs this morning or a dire set of German retail data. However, on the latter, the implications have perhaps been limited given the marked upward revision to the prior (October) series.
- **Finally for Bunds**, around five ticks of pressure were seen following the tepid results for the new 2036 Bund line. Currently trading at 128.20.
- **Gilts** acknowledged the bullish action in peers and opened higher by 29 ticks at 92.54 before extending to a 91.84 peak and are currently leading the fixed space. Thereafter an above 3x b/c to a **5yr Gilt auction spurred some very modest upside in Gilts**, taking UK paper above the 92.00 mark.
- **UK sold GBP 4.25bln 4.125% 2031 Gilt; b/c 3.50x (prev. 3.23x), average yield 3.980% (prev. 4.093%), tail 0.2bps (prev. 0.2bps).**
- **Germany sells EUR 4.542bln vs exp. EUR 6bln 2036 Bund; b/c 1.29x, average yield 2.83%, retention 24.3% .**

## COMMODITIES

- **WTI and Brent** futures fell after Washington moved to tighten control over Venezuela's oil industry, with President Trump saying Venezuela would hand over up to 30-50mln bbls of crude to the US to be sold at market prices, with proceeds managed by the President for the benefit of both countries. **Nat Gas** on the other hand rebounds following yesterday's slump cited by some to a warmer-than-expected winter.
- **Gold eased as focus shifted away from geopolitical risk toward upcoming US data releases** , with bullion finding resistance at USD 4,500/oz and now trading near the bottom end of a USD 4,441.44-4,500/oz after a more than 4% rally across the prior three sessions. Meanwhile, Chinese gold reserves data this morning showed rising reserves for a 14th consecutive month. Spot silver fell back under USD 80/oz after peaking at USD 82.77/oz earlier.
- **3M LME copper prices** are choppy but holding above the USD 13k/t mark and not far off record highs, with Friday also in focus amid a potential SCOTUS ruling on the Trump tariffs.
- **Chevron (CVX)** , ConocoPhillips (COP) and Exxon Mobil (XOM) will meet with US President Trump on Friday, according to WSJ.
- **US President Trump posted "I am pleased to announce that the Interim Authorities in Venezuela will be turning over between 30 and 50 MILLION Barrels of High Quality, Sanctioned Oil, to the United States of America"**. Full post "I am pleased to announce that the Interim Authorities in Venezuela will be turning over between 30 and 50 MILLION Barrels of High Quality, Sanctioned Oil, to the United States of America. This Oil will be sold at its Market Price, and that money will be controlled by me, as President of the United States of America, to ensure it is used to benefit the people of Venezuela and the United States! I have asked Energy Secretary Chris Wright to execute this plan, immediately. It will be taken by storage ships, and brought directly to unloading docks in the United States. Thank you for your attention to this matter!".
- **US Private Inventory Data (bbls): Crude -2.8mln (exp. +0.5mln), Distillate +4.9mln (exp. +2.1mln), Gasoline +4.4mln (exp. +3.2mln), Cushing +0.7mln.**
- **Several oil storage tanks** are on fire in Russia's Belgorod region after a Ukrainian drone attack, according to the regional governor.

## TRADE/TARIFFS

- **China's Commerce Ministry** announces an anti-dumping probe into Japan Dichlorosilane imports; investigation begins on Jan 7 and will end a year later, but can be extended by 6 months if needed.
- **Japanese Chief Cabinet Secretary Kihara** said China curbs targeting only Japan are regrettable, adds we'll consider necessary response as we assess China's export curb details.

## NOTABLE EUROPEAN HEADLINES

- **Italian PM Meloni** plans overhaul of Italy's voting system to aid re-election bid, according to FT.

## NOTABLE EUROPEAN DATA RECAP

- **EU Core Inflation Rate YoY Flash (Dec) 2.3% Y/Y vs. Exp. 2.4% (Prev. 2.4%).**
- **EU HICP Excluding Food, Energy, Alcohol & Tobacco Flash YY (Dec) 2.3% vs. Exp. 2.4% (Prev. 2.4%); MM (Dec) 0.3%.**

- EU HICP Excluding Food & Energy Flash YY (Dec) 2.3% vs. Exp. 2.4%.
- EU Inflation Rate MoM Flash (Dec) M/M 0.20% vs. Exp. 0.3% (Prev. -0.3%).
- EU Inflation Rate YoY Flash (Dec) 2.0% Y/Y vs. Exp. 2% (Prev. 2.1%); Services 3.4% (prev. 3.5%).
- EU HCOB Construction PMI (Dec) 47.4 vs. Exp. 46.9 (Prev. 45.4).
- German Unemployed Persons (Dec) 2.977M vs. Exp. 2.978M (Prev. 2.973M).
- German Unemployment Rate (Dec) 6.3% vs. Exp. 6.3% (Prev. 6.3%).
- German Unemployment Change (Dec) 3K vs. Exp. 5K (Prev. 1K).
- German HCOB Construction PMI (Dec) 50.3 vs. Exp. 47 (Prev. 45.2).
- German Retail Sales MoM (Nov) M/M -0.6% vs. Exp. 0.2% (Prev. -0.3%, rev. 0.3%).
- German Retail Sales YoY (Nov) Y/Y 1.1% vs. Exp. 1.2% (Prev. 0.9%, Rev. 1.6%).
- Italian Inflation Rate YoY Prel (Dec) Y/Y 1.2% vs. Exp. 1.1% (Prev. 1.1%).
- Italian Inflation Rate MoM Prel (Dec) M/M 0.2% vs. Exp. 0.2% (Prev. -0.2%).
- Italian HCOB Construction PMI (Dec) 47.9 vs. Exp. 48.9 (Prev. 48.2).
- UK S&P Global Construction PMI (Dec) 40.1 vs. Exp. 42.5 (Prev. 39.4).
- French HCOB Construction PMI (Dec) 43.4 vs. Exp. 44 (Prev. 43.6).

## NOTABLE US HEADLINES

- **China's Foreign Ministry** said China's legitimate rights and interest in Venezuela must be protected, in regards to US President Trump's statement on Venezuela oil.

## GEOPOLITICS

### RUSSIA-UKRAINE

- **Ukrainian drone hits apartment building in Tver, Russia**, according to Sky News Arabia.
- **Russia sends a submarine to escort tanker the US tried to seize off Venezuela**, according to WSJ.
- **Several oil storage tanks** are on fire in Russia's Belgorod region after a Ukrainian drone attack, according to the regional governor.

### MIDDLE EAST

- **"Iran's president called on law enforcement agencies not to attack protesters"**, Sky News Arabia reported.
- **"Iran's army chief: Trump's and Netanyahu's statements on the demonstrations represent a threat to which Tehran will respond"**, Sky News Arabia reported.
- **US President Trump presses Venezuela to dismiss agents from China, Russia, Iran and Cuba**, according to Axios.

### OTHERS

- **"Iran's president called on law enforcement agencies not to attack protesters"**, Sky News Arabia reported.
- **Yemeni Saudi-backed government forces reportedly advance towards Aden.**
- **"Iran's army chief: Trump's and Netanyahu's statements on the demonstrations represent a threat to which Tehran will respond"**, Sky News Arabia reported.
- **China's Foreign Ministry** accused the US of bullying and using brazen force, in regards to Venezuela.
- **Ukrainian drone hits apartment building in Tver, Russia**, according to Sky News Arabia.
- **South Korea President Lee** said China may move structure in the sea between the two countries.
- **US President Trump presses Venezuela to dismiss agents from China, Russia, Iran and Cuba**, according to Axios.
- **China's Taiwan Affairs Office** named two people to be punished for Taiwan independence activities, while it stated the people as well as their relatives are banned from entering the mainland, Hong Kong and Macau.
- **Russia sends a submarine to escort tanker the US tried to seize off Venezuela**, according to WSJ.
- **US President Trump's administration** warns Venezuela's Interior Minister to cooperate or face potential targeting, according to sources.
- **US said military is among 'options' to acquire Greenland and annexation of semi-autonomous territory from Denmark is 'national security priority'**, according to FT.
- **US Secretary of State Rubio** told lawmakers that US President Trump aims to buy Greenland, and downplayed military action, according to WSJ.

## CRYPTO

- **Bitcoin** is trading on the backfoot and holds just shy of USD 92k, **Ethereum** is also under mild pressure.

## APAC TRADE

- **APAC stocks** traded somewhat mixed as momentum began to wane despite the fresh record levels on Wall Street.
- **ASX 200** marginally gained amid strength in tech and defensives, while participants also digested monthly inflation data, which printed softer-than-expected but remained sticky.
- **Nikkei 225** lagged amid Japan's frictions with China after the latter imposed export controls on dual-use items to Japan.
- **Hang Seng and Shanghai Comp** retreated with the Hong Kong benchmark pressured by losses in energy names and tech stocks following a decline in oil prices, and with platform names pressured by China announcing management measures for online platforms. Meanwhile, the mainland bourses kept afloat for most of the session but eventually faltered as the mood

deteriorated and were also not helped by a substantial net liquidity drain of around CNY 500bln in the PBoC's open market operations.

#### NOTABLE ASIA-PAC HEADLINES

- **Maersk (MAERSKB DC)** said Asia-Pacific ocean freight markets enter 2026 with cautious optimism; intra-Asia volumes are gaining momentum, and supply chain planning is increasingly focused on agility, regional connectivity, and early Chinese NY preparations.
- **South Korea's President Lee** said had a serious talk with China regarding supply chains and peace on the Korean Peninsula.
- **Baidu's (9888 HK) AI chip arm Kunlunxin aims to raise up to USD 2bln in Hong Kong IPO, according to Bloomberg citing sources.** - Co. has picked China International Capital Corp., Citic Securities Co. and Huatai Securities, while China Securities International is also working on the potential offering.
- **UMC (2303 TT) Dec (TWD): Revenue 19.3bln (prev. 19.0bln Y/Y).**
- **China's market regulator and cyberspace authorities unveiled two separate documents on Wednesday to further regulate the country's livestreaming e-commerce sector and online trading platforms, Xinhua reported.**
- **China announces management measures for online platforms and China's market regulator said online platforms must not sell below cost or disrupt market competition.** Online platforms must not sell below cost or disrupt market competition.

#### NOTABLE APAC DATA RECAP

- **Australian CPI YY (Nov) 3.40% vs. Exp. 3.60% (Prev. 3.80%).**
- **Australian RBA Trimmed Mean CPI YY (Nov) 3.2% vs. Exp. 3.2% (Prev. 3.3% ).**
- **Japanese S&P Global Composite PMI Final (Dec) 51.1 (Prelim. 51.5).**
- **Japanese S&P Global Services PMI Final (Dec) 51.6 (Prelim. 52.5).**

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