

European Market Wrap - 7th January 2026

- European equities remained mostly lower, extending the trend seen earlier in the session.
- DXY rose and T-note futures dipped following ISM Services PMI.
- US has secured the Russian-flagged tanker with links to Venezuela, NBC reported.

EQUITIES

- European equities remained mostly lower, extending the trend seen earlier in the session. The **DAX** continued to outperform, while the **FTSE 100** lagged amid weakness in underlying commodity prices.
- European sectors were mixed. **Construction, Real Estate, and Industrial Goods & Services** outperformed, though there was little macro news to explain the improved sentiment. On the downside, **Energy, Consumer Products & Services, and Insurance** lagged, with Energy pressured by lower crude prices and luxury names weighing on Consumer Products & Services.
- US equities have **opened mixed and are trading choppy**. Key data today includes; US ADP National Employment (missed exp.), JOLTS (missed exp.) and ISM Services (headline beat, Employment component missed whilst Prices Paid topped exp.). Some mild pressure was seen in US equity futures, but ultimately proved fleeting.
- Movers in the US include **Strategy** with Co shares gaining after **MSCI** said that it will not exclude DATs from MSCI Global Investable Market Indexes in February. **AAR Corp** is another winner with Co. shares spiking after EPS & revenue beat. Mobileye also gains after it announced that it will acquire humanoid robotics startup Mentee Robotics for around USD 900mln.

FX

- **USD** - Flat intraday, trading within a tight 98.497–98.690 range as markets largely overlooked data today ahead of Friday's jobs report, although upticks were seen after the higher-than-expected ISM Services PMI. The DXY remains well inside Monday's 98.25–98.86 band and straddles its 100DMA at 98.59.
- **EUR** - Held onto yesterday's losses after softer German inflation, with today's EZ-wide print unlikely to shift ECB expectations. EUR/USD looks to end the session flat intraday after failing to convincingly breach 1.1700 to the upside.
- **GBP** - Quiet and largely following broader dollar moves, with no notable UK-specific drivers in the session and price action choppy across G10.
- **JPY** - USD/JPY met resistance at yesterday's high and continues to trade within Monday's 156.30–156.80 range, with little domestic newsflow to steer direction.
- **Antipodeans** - Modestly firmer overall, with AUD choppy after yesterday's outperformance faded following sticky Australian inflation metrics that remain above the RBA's 2–3% target. NZD is similarly uneventful, with both pairs tracking the broader USD tone.

FIXED INCOME

- **A session of gains for fixed income**. Initial impetus stemmed from the risk tone, as Europe succumbed to and extended lower from the mixed/weak APAC handover despite Wall St. strength.
- Thereafter, **EGBs** experienced a modest hawkish reaction on the **Flash EZ HICP** series as bets for a cooler-than-expected print following the German metrics unwound. Albeit, the move proved fleeting with HICP at the ECB's target and the on-hold narrative maintained.
- Throughout this, **USTs** meandered around the upper-end of a narrow 112–11 to 112–19 band into the day's data. No move to ADP, while the JOLTS (below exp.) and ISM Services (above exp.) sparked downside in USTs, but within earlier parameters.
- **Bunds** got as high as 128.24 before taking a short-lived knock on the mentioned data. However, a slightly larger pullback occurred on a weak tap for Germany's new 2036 Bund. Nonetheless, Bunds entered the ISM/JOLTS window at the upper-end of a 127.72 to 128.24 band and are, post data, set to end the day at the 128.00 mark.
- **Gilts** began the day on the front foot, gapping higher and extending in acknowledgement of the bullish bias in peers. Thereafter, as Gilts were not subject to the pressure in EGBs on HICP and supply, the benchmark continued to extend and outperformed with just under a full point at most in a 91.53 to 92.18 band. Once again, UK-specific newsflow has been relatively light, aside from a strong 2031 tap.
- **Germany sold EUR 4.542bln vs exp. EUR 6bln 2036 Bund; b/c 1.29x, average yield 2.83%, retention 24.3%.**
- **China's Vanke to hold meetings for bondholders for two CNY bonds on 21st January.**
- **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).**
- **UK DMO to reopen the 5.25% 2041 Gilt via syndication in the week of January 19th.**

COMMODITIES

- **Crude** - WTI and Brent fell after Washington moved to tighten control over Venezuela's oil industry, with President Trump saying Caracas would hand over 30–50mln bbls of crude to the US for sale at market prices, with proceeds managed by the President "for the benefit of both countries." Brent briefly dipped below USD 60/bbl and WTI lost its USD 56 handle. Attention now turns to Friday's meeting between Trump and major US producers (Chevron, ConocoPhillips, Exxon) to discuss "billions"

in prospective investment in Venezuela. Geopolitics remained tense across the Middle East and Russia-Ukraine. US private inventory data showed a headline draw but larger-than-expected builds in the internals; traders await the DoEs.

- **Natural Gas** – Rebounded after yesterday's sharp slump, which some attributed to warmer-than-expected winter forecasts. Prices are poised to end the European session off best levels, however.
- **Precious Metals** – Softer overall and pulling back from the recent rally, with little direct impact from the geopolitical newsflow and US data during the session. Traders look ahead to Friday, in which NFP could also be followed by a potential SCOTUS ruling on Trump's tariffs. For silver, it was also reported that China's SHFE is to adjust some silver futures trading margin ratios; To adjust transaction fees for silver future contract AG2604 and tin future contract SN2602 from January 9th.
- **Base Metals** - Supported by the broader risk tone, though geopolitical developments created some two-way interest. Copper remained underpinned after recent strength, with sentiment aided by constructive signals on Russia-Ukraine negotiations, though all progress remains contingent on an eventual ceasefire endorsed by Russia, Ukraine and the US
- **US Southern Command said the DoW "apprehended a stateless, sanctioned dark fleet motor tanker without incident"; "The interdicted vessel, M/T Sophia, was operating in international waters and conducting illicit activities in the Caribbean Sea".**
"The interdicted vessel, M/T Sophia, was operating in international waters and conducting illicit activities in the Caribbean Sea. The U.S. Coast Guard is escorting M/T Sophia to the U.S. for final disposition". "Through Operation Southern Spear, the Department of War is unwavering in its mission to crush illicit activity in the Western Hemisphere. We will defend our Homeland and restore security and strength across the Americas.". Other reported:"US authorities seized two ships this morning, the Bella 1 in the North Atlantic, for which there was a federal warrant, and the Sophia in the Caribbean, which was carrying oil from Venezuela in violation of embargo. No injuries to US forces", writes CBS' Jacobs on X.
- **US Energy Secretary Wright** said they wish to fill the SPR. It is currently being filled, but not at an ideal pace.
- **US Defence Secretary Hegseth** said the blockade of sanctioned and illicit Venezuelan oil stays in full effect around the world.
- **OPEC Secretariat receives updated compensation** plans from Iraq, UAE, Kazakhstan, and Oman.
- **China's SHFE to adjust some silver futures trading margin ratio; To adjust transaction fees for silver future contract AG2604, Tin future contract SN2602 from January 9th.** Silver futures contracts maximum daily opening position limit to be set at 7,000 lots from 9th January. Will adjust trading margins for some silver futures contracts with delivery from Jan to April to 17-18%. Will adjust price limit range for some silver futures contracts with delivery from Jan to April to 16%.
- **China VP must closely monitor crop growth, soil moisture, and prevent disasters like cold waves and droughts and ensure safe overwintering of winter wheat, Xinhua reported.**
- **China VP must closely monitor crop growth, soil moisture, and prevent disasters like cold waves and droughts and ensure safe overwintering of winter wheat, Xinhua reported.**
- **HSBC** raises silver price forecast to USD 68.25/oz in 2026, and USD 57.00/oz in 2027. Expects silver market deficit to narrow to 140mIn OZ in 2026, and then to 59mIn OZ in 2027.
- **Equinor's (EQNR NO) CEO** said the Co. is not planning on returning to Venezuela's oil industry.

EUROPEAN DATA

- **EU Inflation Rate YoY Flash (Dec) 2.0% Y/Y vs. Exp. 2% (Prev. 2.1%); Services 3.4% (prev. 3.5%).**
- **EU HICP Excluding Food, Energy, Alcohol & Tobacco Flash YY (Dec) 2.3% vs. Exp. 2.4% (Prev. 2.4%); MM (Dec) 0.3%.**
- **EU Core Inflation Rate YoY Flash (Dec) 2.3% Y/Y vs. Exp. 2.4% (Prev. 2.4%).**
- **EU Inflation Rate MoM Flash (Dec) M/M 0.20% vs. Exp. 0.3% (Prev. -0.3%).**
- **EU HICP Excluding Food & Energy Flash YY (Dec) 2.3% vs. Exp. 2.4%.**
- **EU HCOB Construction PMI (Dec) 47.4 vs. Exp. 46.9 (Prev. 45.4). "**
- **Italian Inflation Rate MoM Prel (Dec) M/M 0.2% vs. Exp. 0.2% (Prev. -0.2%).**
- **Italian Inflation Rate YoY Prel (Dec) Y/Y 1.2% vs. Exp. 1.1% (Prev. 1.1%).**
- **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).**
- **German Unemployed Persons (Dec) 2.977M vs. Exp. 2.978M (Prev. 2.973M).**
- **German Unemployment Change (Dec) 3K vs. Exp. 5K (Prev. 1K).**
- **German Unemployment Rate (Dec) 6.3% vs. Exp. 6.3% (Prev. 6.3%).**
- **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%).**
- **French HCOB Construction PMI (Dec) 43.4 vs. Exp. 44 (Prev. 43.6). "**
- **French Consumer Confidence (Dec) 90 vs. Exp. 90 (Prev. 89).**
- **Swedish Services PMI (Dec) 56.7 vs. Exp. 58 (Prev. 59.1).**

NOTABLE HEADLINES

- **Spanish Foreign Minister, on Ukraine, said they are far from a peace plan, and suggests there is "an outline of ideas".**

TRADE/TARIFFS

- **Italy's Agriculture Minister** called on EU to remove tariffs and carbon border levies on fertiliser imports from outside the bloc.
- **Italy's Agriculture Minister** called on EU to remove tariffs and carbon border levies on fertiliser imports from outside the bloc.
- **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.**

CENTRAL BANKS

GEOPOLITICS

RUSSIA-UKRAINE

- **Russian Transport Ministry speaking on the US seizure of Russian-flagged "Marinera" tanker, said, all contact has been lost.**
- **Russian Foreign Minister** said the Marinera tanker is a Russian vessel and expresses concern around the situation.
- **US has secured the Russian-flagged tanker with links to Venezuela, NBC reported.**
- **Ukraine's President Zelenskiy** said there's still no clear response from allies on whether they will protect Ukraine in the event of further Russian aggression.
- **Ukrainian President Zelensky** said he hopes to meet US President Trump soon, possibly in Washington.
- **Spanish Foreign Minister, on Ukraine, said they are far from a peace plan, and suggests there is "an outline of ideas".**
- **Ukrainian drone hits apartment building in Tver, Russia, according to Sky News Arabia.**

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.**

OTHERS

- **US President Trump posted "We will always be there for NATO, even if they won't be there for us. The only Nation that China and Russia fear and respect is the DJT REBUILT U.S.A.". Full post: "Remember, for all of those big NATO fans, they were at 2% GDP, and most weren't paying their bills, UNTIL I CAME ALONG. The USA was, foolishly, paying for them! I, respectfully, got them to 5% GDP, AND THEY PAY, immediately. Everyone said that couldn't be done, but it could, because, beyond all else, they are all my friends. Without my involvement, Russia would have ALL OF UKRAINE right now. Remember, also, I single-handedly ENDED 8 WARS, and Norway, a NATO Member, foolishly chose not to give me the Noble Peace Prize. But that doesn't matter! What does matter is that I saved Millions of Lives. RUSSIA AND CHINA HAVE ZERO FEAR OF NATO WITHOUT THE UNITED STATES, AND I DOUBT NATO WOULD BE THERE FOR US IF WE REALLY NEEDED THEM. EVERYONE IS LUCKY THAT I REBUILT OUR MILITARY IN MY FIRST TERM, AND CONTINUE TO DO SO. We will always be there for NATO, even if they won't be there for us. The only Nation that China and Russia fear and respect is the DJT REBUILT U.S.A. MAKE AMERICA GREAT AGAIN!!! President DJT".**
- **US has secured the Russian-flagged tanker with links to Venezuela, NBC reported.**
- **US Energy Secretary Wright** said the US government wants to sell Venezuelan oil and deposit the money into US-controlled accounts, remarks at the Goldman Sachs conference; US government wants to get Venezuelan oil flowing again. Want to create conditions for US oil companies to enter Venezuela. Money from selling Venezuelan oil will flow back to benefit Venezuelan citizens. Estimates Venezuelan oil production could grow by several hundred thousand additional barrels in the short to mid term. Can Increase Output By 700K BPD in the mid term. Control of Venezuela's oil would give the US large leverage. Oil to be turned over by Venezuela to the US will come from storage. The former Three Mile Island nuclear plant is in the process of restarting in around 18 months. Wish to fill the SPR; is currently being filled, but not at an ideal pace.
- **Oil sales from Venezuela will continue indefinitely and sanctions will be reduced as part of an agreement between the US administration and Venezuela, CNBC reported citing a White House source; 50mln barrels to be sold to the US in the first tranche.** Sanctioned oil that would have gone to China and others is going to be rerouted to the US, proceeds will thereafter benefit the US and Venezuela. No sale price has been touted regarding the sale.
- **Ukraine's President Zelenskiy** said there's still no clear response from allies on whether they will protect Ukraine in the event of further Russian aggression.
- **Ukrainian President Zelensky** said he hopes to meet US President Trump soon, possibly in Washington.
- **A helicopter** is reportedly trying to land apparent US military forces on a Venezuela linked oil tanker, "Marinera", according to RT.
- **US is carrying out operation to seize Venezuela-linked tanker formerly known as Bella-1, reported Reuters citing US officials.** US coast guard intercepts Venezuela-linked tanker in Latin America waters, in second operation in recent operation.
- **"Member of the STC delegation that arrived from Aden to Riyadh: The atmosphere is positive", Al Hadath reported.**
- **"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.**

NOTABLE NORTH AMERICAN NEWS

- **NYSE has come to an agreement with MSCI to become the US options listing venue for MSCI benchmark indexes in early-2026.**
- **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.

NORTH AMERICAN DATA

- **US ISM Services PMI (Dec) 54.4 vs. Exp. 52.3 (Prev. 52.6).**
- **US ISM Services Prices (Dec) 64.3 vs. Exp. 65.5 (Prev. 65.4).**

- **US ISM Services New Orders (Dec) 57.9 vs. Exp. 52.2 (Prev. 52.9).**
- **US ISM Services Business Activity (Dec) 56.0 vs. Exp. 54 (Prev. 54.5).**
- **US ISM Services Employment (Dec) 52.0 vs. Exp. 48.7 (Prev. 48.9).**
- **US MBA 30-Year Mortgage Rate (Jan/02) 6.32% (Prev. 6.31%).**
- **US ADP Employment Change (Dec) 41K vs. Exp. 47K (Prev. -32K, Rev. -29k).** ADP's Richardson "Small establishments recovered from November job losses with positive end-of-year hiring, even as large employers pulled back". Median Change in Annual Pay. Job stayers 4.4% (prev. 4.4%). Job changers 6.6% (prev. 6.3%).
- **US JOLTs Job Openings (Nov) 7.146M vs. Exp. 7.60M (Prev. 7.449M, Rev. 7.670M)**
- **Canadian Ivey PMI s.a (Dec) 51.9 vs. Exp. 49.5 (Prev. 48.4).**

NOTABLE US EQUITY HEADLINES

- **Micron (MU)** announces groundbreaking at its new New York megafab, a USD 100bln project.
- **White House official confirms Trump will meet oil Co. execs on Friday.**
- **GameStop (GME)** announced it has granted a performance-based stock option award to Chair and CEO Cohen. The award is designed to incentivise Cohen to achieve "extraordinary" growth. In order for the award to fully vest, the Company's market capitalization would have to grow to USD 100bln and it would need to achieve USD 10bln Cumulative Performance EBITDA.

NOTABLE GLOBAL EQUITY HEADLINES

- **Pirelli (PIRC IM) and Sinochem (600500 CH) reportedly consider reducing China's stake in the tyre maker to 10%, according to Bloomberg.** Talks may also include the potential sale of the entire stake. Pirelli and Italy aim to preserve the tyre maker's access to the US market.
- **KKR to invest USD 1.5bln in its European data centre business, FT reported.**
- **Industry insider remarks that if Samsung Electronics (005930 KS) is able to secure Qualcomm (QCOM) as a customer after Tesla (TSLA), it will be able to secure more orders from other firms, Hankyung reported.** Full quote: "Samsung, which was pushed back by TSMC, was able to effectively compete head-on with its cutting-edge 2nm process. If it secures Qualcomm as a customer following Tesla, it will be able to secure more orders from global companies."
- **China preliminary retail car sales -13% Y/Y, via PCA.**
- **Revolut** is reportedly in talks to acquire FUPS to begin offering services in Turkey, Bloomberg reported citing sources.

Copyright © 2026 Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

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