

### SNAPSHOT

STOCKS			
S&P 500	-0.3%	Nasdaq Comp.	+0.2%
DJIA	-0.9%	Russell 2000	-0.3%
ES Mar'26	-0.3%	RTY Mar'26	-0.2%
NQ Mar'26	+0.1%	YM Mar'26	-1.0%

  

FX			
DXY	+0.2% (98.74)	EUR/USD	+0.1%
USD/JPY	+0.1%	GBP/USD	+0.3%

  

BONDS			
US T-Note Mar'26	+5.5 ticks	10yr Bund Mar'26	+33 ticks
US 10yr Yield	4.15%	German 10yr Yield	2.81%

  

ENERGY & METALS			
WTI Feb'26	-1.3%	Brent Mar'26	-0.3%
Spot Gold	-0.7%	LME Copper	-2.8%

  

CRYPTO			
Bitcoin	-3.0%	Ethereum	-4.6%

As of 21:50GMT/16:50EST

### LOOKING AHEAD

- Highlights include Japanese Labour Cash Earnings & Household Confidence, Australian Trade Data, Supply from Japan
- [Click for the Newsquawk Week Ahead.](#)

### US TRADE

- **US stocks** saw two-way trade with upside in stocks seen throughout most of the US session before selling off in the afternoon into the closing bell to see indices close predominantly in the red, albeit Nasdaq was flat. The downside extended with US President Trump taking aim at two sectors in the US, housing and defence. The President announced he will ban large institutional investors from buying more single-family homes, weighing on the real estate sector and Blackstone (BX). Meanwhile, for Defence, Trump said he will not permit buybacks or dividends until problems, like slow production and maintenance, are fixed, which pressured defence stocks, although they were supported after the closing bell as Trump commented that he wants the 2027 defence budget boosted to USD 1.5tn from USD 1tn.
- **SPX** -0.34% at 6,921, **NDX** +0.06% at 25,654, **DJI** -0.94% at 28,996, **RUT** -0.29% at 2,575.
- [Click here for a detailed summary.](#)

### TARIFFS/TRADE

- China reportedly told tech companies to halt NVIDIA (NVDA) H200 chip orders, while officials may order domestic AI chip purchases with NVIDIA orders, according to The Information.
- China's Commerce Ministry announced an anti-dumping probe into Japan's dichlorosilane imports, while the investigation begins on January 7th and will end a year later, but can be extended by 6 months if needed.
- EU trade chief said the European Commission will propose most-favoured-nation tariffs on ammonia, urea and, where necessary, other fertilisers, while they will issue guidance to allow temporary suspension of carbon border tax on certain goods, such as fertilisers.
- Italy's Agriculture Minister called on the EU to remove tariffs and carbon border levies on fertiliser imports from outside the

bloc.

## NOTABLE HEADLINES

- US President Trump said he is immediately taking steps to ban large institutional investors from buying more single-family homes, and will be calling on Congress to codify it.
- US President Trump posted on Truth Social that they will no longer tolerate defence contractors issuing massive dividends to their shareholders and massive stock buybacks, at the expense and detriment of investing in plants and equipment.
- US Treasury is implementing President Trump's no tax on American car loan interest, according to Treasury Secretary Bessent on X.
- White House is withdrawing its nomination of Ryan Baasch to be FTC commissioner, with Baasch to become the Deputy Director of the White House NEC instead.
- US Q4 GDP data has been rescheduled for February 20th, while October and November Personal Income and PCE are to be released January 22nd. Furthermore, the December Personal Income and PCE is due on February 20th at 08:30EST, alongside the Q4 advance estimate for GDP.

## DATA RECAP

- US Factory Orders MoM (Oct) M/M -1.3% vs. Exp. -1.2% (Prev. 0.2%)
- US ISM Services PMI (Dec) 54.4 vs. Exp. 52.3 (Prev. 52.6)
- 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 ISM Services New Orders (Dec) 57.9 vs. Exp. 52.2 (Prev. 52.9)
- US ADP Employment Change (Dec) 41K vs. Exp. 47K (Prev. -32K, Rev. -29k)
- US JOLTS Job Openings (Nov) 7.146M vs. Exp. 7.60M (Prev. 7.449M, Rev. 7.670M)

## FX

- USD was slightly firmer on Wednesday, tracking the move higher in US yields on the short end after ISM Services strongly topped expectations, pointing to the strongest growth in the services sector since October 2024. Additionally, all sub-indices expanded for the first time since February, as employment expanded for the first time since May. On the flip side, Job openings unexpectedly deteriorated in November; however, markets shrugged it aside, alongside the slight miss in the ADP December report, as more significance is placed on the December NFP report on Friday, which is expected to show 55k jobs added to the US economy after the 64k print in November.
- EUR marginally softened amid the gains in the dollar, and with EU flash inflation unlikely to change the ECB's narrative.
- GBP was among the laggards along with cyclical peers amid the downbeat risk appetite and weak UK Construction PMI.
- JPY was lacklustre with price action in USD/JPY reflecting the mild tailwinds in the dollar.

## FIXED INCOME

- T-notes settled higher, although saw two-way price action amid mixed data releases as ISM Services PMI topped estimates, but ADP Employment and JOLTS Job Openings disappointed.

## COMMODITIES

- Oil prices were choppy and settled in the red amid a further deluge of Venezuela-related headlines, while it was reported that the US seized a Russian-flagged tanker in the North Atlantic and a second tanker in the Caribbean.
- US EIA Crude Oil Stocks Change (Jan/02) -3.831M vs. Exp. 1.1M (Prev. -1.934M)
- US Energy Secretary Wright said they wish to fill the SPR and that it is currently being filled, but not at an ideal pace. Wright separately commented that the US government wants to sell Venezuelan oil and deposit the money into US-controlled accounts, as well as stated that the US government wants to get Venezuelan oil flowing again.
- White House said the Trump administration is in close correspondence with interim Venezuelan authorities, and their decisions will continue to be dictated by the US, while the US is working with Venezuela and the oil industry on a deal, and they have already begun marketing the oil. Furthermore, it stated that the deal involves sanctioned oil that was just sitting on ships and will arrive very soon.
- US Defence Secretary Hegseth said the blockade of sanctioned and illicit Venezuelan oil remains in full effect around the world.
- US DoE provided details on the Venezuela fact sheet, in which it is to allow the sale of oilfield equipment and services to Venezuela.
- Oil sales from Venezuela will continue indefinitely and sanctions will be reduced as part of an agreement between the US administration and Venezuela, while 50mln barrels are to be sold to the US in the first tranche, CNBC reports citing a White House source.
- Venezuela's PDVSA said it is in negotiations with the US to sell crude. Furthermore, a PDVSA board member said only Chevron (CVX) are currently exporting Venezuelan crude, while the board member added they do not owe anything to the US, and if the US wants to have Venezuela's oil supply, it must pay for cargoes at international prices.
- Mantoverde copper and gold mine strike in Chile continues after negotiations between Capstone Copper and union workers.

# GEOPOLITICAL

## VENEZUELA/LATIN AMERICA

- US Secretary of State Rubio said the first phase is to stabilise Venezuela, the second phase will be recovery, and the third phase is the transition, while they will control how money from the sale of Venezuelan oil will be dispersed in a way that benefits the Venezuelan people. Furthermore, he said there will be no additional costs for Venezuela, and declined to provide a timeline for resuming oil exports.
- US seized a Russian tanker with links to Venezuela, according to NBC. It was later reported that Russian Transport Ministry said regarding the US seizure of the Russian-flagged "Marinera" tanker, that all contact has been lost. It was earlier reported that the US was carrying out an operation to seize the Venezuela-linked tanker formerly known as Bella-1, while the US Southern Command said the Department of War apprehended a stateless, sanctioned dark fleet motor tanker without incident. It added that the seized vessel, M/T Sophia, was operating in international waters and conducting illicit activities in the Caribbean Sea, and the US Coast Guard is escorting M/T Sophia to the US for final disposition.
- US Energy Secretary Wright said they're going to see very significant pressure on Cuba, according to a CNBC interview.

## MIDDLE EAST

- Iran's President called on law enforcement agencies not to attack protesters, according to Sky News Arabia.
- Iran's army chief said US President Trump's and Israeli PM Netanyahu's statements on the demonstrations represent a threat to which Tehran will respond", Sky News Arabia reports.
- Yemeni Saudi-backed government forces reportedly advance towards Aden.

## RUSSIA-UKRAINE

- Ukrainian President Zelenskiy said he hopes to meet US President Trump soon, possibly in Washington, while he stated there's still no clear response from allies on whether they will protect Ukraine in the event of further Russian aggression. Zelensky also said he expects no further demands on Ukraine in peace negotiations.
- Spain's Foreign Minister said they are far from a peace plan regarding Ukraine and suggested there is "an outline of ideas".

## OTHER

- 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."
- White House said regarding Russia and China relations that President Trump has good personal relationships and will continue.
- White House said regarding Greenland that it is being actively discussed by President Trump and the National Security team, and are talking about what a potential purchase would look like.

# EU/UK

## DATA RECAP

- 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)
- Italian HCOB Construction PMI (Dec) 47.9 vs. Exp. 48.9 (Prev. 48.2)
- 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%)
- German Unemployment Rate (Dec) 6.3% vs. Exp. 6.3% (Prev. 6.3%)
- EU HCOB Construction PMI (Dec) 47.4 vs. Exp. 46.9 (Prev. 45.4)
- EU Inflation Rate YoY Flash (Dec) 2.0% Y/Y vs. Exp. 2.0% (Prev. 2.1%)
- EU Core Inflation Rate YoY Flash (Dec) 2.3% Y/Y vs. Exp. 2.4% (Prev. 2.4%)
- EU HICP Excluding Food & Energy Flash YY (Dec) 2.3% vs. Exp. 2.4%
- EU HICP Excluding Food, Energy, Alcohol & Tobacco Flash YY (Dec) 2.3% vs. Exp. 2.4% (Prev. 2.4%)

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