

### SNAPSHOT

STOCKS			
S&P 500	Flat	Nasdaq Comp.	-0.4%
DJIA	+0.6%	Russell 2000	+1.1%
ES Mar'26	+0.1%	RTY Mar'26	+1.3%
NQ Mar'26	-0.5%	YM Mar'26	+0.7%

  

FX			
DXY	+0.1% (98.84)	EUR/USD	-0.1%
USD/JPY	+0.1%	GBP/USD	-0.1%

  

BONDS			
US T-Note Mar'26	-7.5 ticks	10yr Bund Mar'26	-14 ticks
US 10yr Yield	4.17%	German 10yr Yield	2.83%

  

ENERGY & METALS			
WTI Feb'26	+4.3%	Brent Mar'26	+4.7%
Spot Gold	+0.5%	LME Copper	-1.5%

  

CRYPTO			
Bitcoin	-0.1%	Ethereum	-1.5%

As of 21:50GMT/16:50EST

### LOOKING AHEAD

- Highlights include South Korean Current Account, Japanese Household Spending & Leading Index, Chinese CPI & PPI.
- [Click for the Newsquawk Week Ahead.](#)

### US TRADE

- **US stocks** were mixed on Thursday and NVDA lagged its Mag7 peers, with other AI-exposed names also hit, despite little newsflow to support the downside, as seemingly profit-taking drove the moves. Specifically, Micron (MU) was lower by 3.7%, and Sandisk (SNDK) dropped over 5%. As such, Tech was the worst-performing sector while Energy and Staples outperformed. Russell 200 was lifted thanks to strong gains in Bloom Energy (BE, +13% ) after it signed a deal with AEP, while Kratos (KTOS) also contributed to index gains after Trump sparked a rally in defence names, arguing military spending should be increased by USD 500bln to 1.5tn in 2027. Elsewhere, the dollar and US yields were higher following a deluge of US data, which largely came in hot as Claims continued to signal a labour market that doesn't face an imminent meltdown, and trade data unveiled an unexpected chunky reduction in the trade deficit as imports dropped and exports increased. Following the data and the ISM Services beat on Wednesday, the Atlanta Fed revised up its Q4 real GDP growth forecast to 5.4% from 2.7%. Other releases included the NY Fed SCE, which saw consumers' 1-year inflation expectations move higher but unchanged on the 3- and 5yr horizons. Meanwhile, Unit Labour Costs saw a consecutive quarterly drop, despite expectations for a rebound, while Productivity also accelerated, and ahead of the NFP report on Friday, RevelioLabs estimated 71k jobs will be added to the US economy.
- SPX +0.01% at 6,921, NDX -0.57% at 25,507, DJI +0.55% at 49,266, RUT +1.11% at 2,604.
- [Click here for a detailed summary.](#)

### TARIFFS/TRADE

- **US Treasury Secretary Bessent said for the first time, the Chinese seem to be getting serious over fentanyl because of IEEPA tariffs, while he added that IEEPA tariffs have brought Mexico and Canada to the negotiating table.**

- China's Ambassador rejected Japan's export controls negotiations, while it was separately reported that China initiated restrictions on the exports of rare earths and magnets to Japan, according to WSJ citing sources.
- China is to reportedly approve some NVIDIA (NVDA) H200 purchases as soon as this quarter, according to sources cited by Bloomberg. China is to bar H200 from state bodies and critical infrastructure, while Beijing is said to allow commercial use of H200 AI chip.
- French President Macron said France will vote against the EU-Mercosur deal.

## NOTABLE HEADLINES

- Fed Governor Miran (Dove) confirmed he is the most dovish dot plot and sees 150bps of cuts this year, while he reiterated that excess inflation above target is due to statistical quirks. Miran added that when you strip out the noise, inflation is operating at about 2.3%, and he reiterated his view that goods inflation is not being driven by tariffs.
- US President Trump said he has a decision in mind regarding the Fed Chair pick, but has not spoken about the decision with anybody.
- US Treasury Secretary Bessent urged more Fed rate cuts, according to CNBC citing a draft speech. Bessent pressed the administration's desire for lower interest rates, saying they are key to future economic growth. Bessent also stated that interest rates remain well above neutral and policy should not be restrictive, as well as noted that models suggest 2.5% to 3.25% for the FFR. Furthermore, he said they haven't interviewed Rick Rieder yet, and there are still four candidates to succeed Powell, while he thinks Trump will decide on the Fed Chair in January.
- US Treasury Secretary Bessent said the US has not decided the exact contours of a crackdown on private equity home purchases.
- US House passed a three-bill spending package with weeks left to avoid a shutdown, according to POLITICO.
- CBO estimates US GDP growth to accelerate to 2.2% in 2026; unemployment to be 4.6% in 2026 and 4.4% in 2028; and the EFR to decrease to 3.4% in 2026.

## DATA RECAP

- US Consumer Inflation Expectations (Dec) 3.4% vs. Exp. 3.2% (Prev. 3.2%)
- NY Fed SCE (Dec): 1yr inflation expectations 3.42% (prev. 3.2%); 3yr 3.0% (prev. 3.0%), 5yr 3.0% (prev. 3.0%)
- US Wholesale Inventories MoM (Oct) M/M 0.2% vs. Exp. 0.2% (Prev. 0.5%)
- US Balance of Trade (Oct) -29.40B vs. Exp. -58.9B (Prev. -48.10B, Rev. -52.8B)
- US Exports (Oct) 302B vs. Exp. 290.0B (Prev. 289.3B)
- US Imports (Oct) 331.4B vs. Exp. 344.0B (Prev. 342.1B)
- US Unit Labour Costs QoQ Prel (Q3) Q/Q -1.9% vs. Exp. 1% (Prev. -2.9%, Rev. 1%)
- US Nonfarm Productivity QoQ Prel (Q3) Q/Q 4.9% vs. Exp. 3% (Prev. 4.1%, Rev. 3.3%)
- US Initial Jobless Claims (Jan/03) 208K vs. Exp. 210K (Prev. 200K, Rev. 199K)
- US Continuing Jobless Claims (Dec/27) 1914K vs. Exp. 1900K (Prev. 1.858K, Rev. 1866K)
- US Challenger Job cuts (Dec): 35.55k (prev. 71.3k)
- RevelioLabs Total Nonfarm Payrolls (Dec.): 71k (prev. -9k)

## FX

- USD was firmer, supported by US data that pointed to no imminent meltdown in the labour market, as the 4-week initial claims average hit its lowest level since April 2024, while continued claims remain at a level consistent with a slow pace of hiring, Oxford Economics argued. Ahead of the NFP December report on Friday (exp. +60k), Revelio published their estimates of 71k, meaning if realised, the unemployment rate could be subject to downward pressure when taking into account the widely floated 0-50k breakeven range argued by Fed officials.
- EUR mildly weakened against the firmer buck, and with the single currency not helped by a slew of data releases, which were ultimately mixed.
- GBP was choppy with a downward bias, although GBP/USD is off today's worst levels, while there were late reports that UK PM Starmer will exclude the City of London from his push for "closer alignment" with the EU following lobbying by financial services firms against any return to Brussels rule.
- JPY softened in which USD/JPY tested the 157.00 level to the upside on several occasions as US yields gained post-data.
- SNB Minutes stated the Governing Board confirmed that it remains willing to be active in the foreign exchange market as necessary, while the Board will continue to monitor the situation closely and adjust monetary policy if necessary.

## FIXED INCOME

- T-notes retreated with yields rising across the curve, supported by US data and gains in oil prices.

## COMMODITIES

- Oil prices gained after two sessions of losses, paring the weakness seen on Wednesday, despite little catalysts behind the gradual rebound, as the newsflow pertained to the US methodology of bringing Venezuelan crude online and with US Energy Secretary Wright anticipating Venezuela's oil production could be up 50% in the next 18 months. Nonetheless, there was some support seen following US President Trump's warning against Iran in which he threatened to hit Iran hard if they kill rioters.

- Venezuela is actively co-operating with the US on plans to export oil, according to FT.
- Foreign embassies in Venezuela began arranging visits next week for US and European oil companies, according to Reuters citing sources.

## GEOPOLITICAL

### VENEZUELA/LATIN AMERICA

- US President Trump said Cuba is in trouble and is hanging by a thread.
- US President Trump demands Venezuela partner exclusively with the US on oil and cut ties with China, Iran, Russia, and Cuba, threatening a blockade if ignored, according to reports.
- US Energy Secretary Wright said the balance can be had with China in Venezuela, while he added they will not allow China to have huge control over Venezuela and that President Trump wants peaceful relations with China going forward. Wright said the US can market oil at a better price than Venezuela and they are not going to cut off China. Furthermore, he said Venezuela's oil production could be up 50% in the next 18 months.
- US Treasury Secretary Bessent said the US will be removing sanctions from some Venezuelan entities, while he noted strong interest from independent oil companies and "wildcaters" in swift investments in Venezuela and stated the largest oil companies are likely to move slower in Venezuela.

### MIDDLE EAST

- Israel considered Lebanon's efforts to disarm Hezbollah 'totally insufficient', according to Sky News Arabia.
- US President Trump warned that the US will hit Iran hard if they kill rioters.
- Iran's Foreign Minister said they are ready for any situation and do not want war, but are ready for it and are also ready to negotiate, according to Al Jazeera.

### RUSSIA-UKRAINE

- Ukrainian President Zelensky said Ukraine is ready for finalisation with US President Trump, while Ukraine understands the US will speak with Russia and is awaiting feedback on whether Moscow is ready to end the war.
- German Chancellor Merz said Russia does not want a ceasefire currently so we must increase the price of war in Ukraine.
- Russia rejected the US-European security proposals for Ukraine and condemned the US for seizing the Russian-flagged tanker.
- US President Trump said regarding the US-Russia nuclear treaty that "If it expires, it expires" and doesn't need international law, according to a New York Times interview.
- UK spokeswoman said PM Starmer and US President Trump held a phone call this afternoon, in which they discussed Euro-Atlantic security and agreed on the need to deter an increasingly aggressive Russia in the High North.

### OTHER

- US President Trump's administration is discussing sending lump sum payments to Greenlanders as part of a plan to annex the island, according to sources. US officials have discussed offering Greenlanders USD 10,000–100,000 each to support secession from Denmark and possible US affiliation, while the plan is part of broader White House deliberations, which also include military options or a Compact of Free Association.
- US Ambassador to NATO Whitaker spoke to allies this week about Greenland and the Arctic, while it was stated that the security of Greenland is going to be paramount.

## ASIA-PAC

### NOTABLE HEADLINES

- China's market regulator summoned six top Chinese solar firms and urged them not to coordinate on capacity, utilisation rates, output or prices.

## EU/UK

### NOTABLE HEADLINES

- UK PM Starmer will exclude the City of London from his push for "closer alignment" with the EU, following lobbying by financial services firms against any return to Brussels rule, according to FT.
- UK Chancellor Reeves is to announce a relief package for pubs in the near term and determined that such firms need relief from the Autumn Budget business rate changes, according to FT.
- ECB's de Guindos said the ECB is at the inflation target, but uncertainty remains very high.
- Croatia Justice Minister announced ECB's Vujcic as ECB Vice President nominee.
- ECB Consumer Expectations Survey (Nov 2025 vs Oct 2025): median consumer perceptions of inflation over the previous 12 months remained unchanged, as did median inflation expectations for the next 12 months, for three years ahead and for five years ahead.
- Big tech was spared strict rules in the EU digital rule overhaul, with big tech to be subject to a voluntary framework, unlike telecom companies facing stricter rules, while the rule revamp is to set out the duration of licensing and pricing methodology

for spectrum sales.

#### DATA RECAP

- German Factory Orders MoM (Nov) M/M 5.6% vs. Exp. -1.0% (Prev. 1.5%)
- EU PPI MoM (Nov) M/M 0.5% vs. Exp. 0.2% (Prev. 0.1%)
- EU PPI YoY (Nov) Y/Y -1.7% vs. Exp. -1.9% (Prev. -0.5%)
- EU Unemployment Rate (Nov) 6.3% vs. Exp. 6.4% (Prev. 6.4%)
- EU Industrial Sentiment (Dec) -9.0 vs. Exp. -9.1 (Prev. -9.3)
- EU Economic Sentiment (Dec) 96.7 vs. Exp. 97 (Prev. 97.1, Rev. 97)
- EU Consumer Inflation Expectations (Dec) 26.7 vs. Exp. 23.6 (Prev. 24.3, Rev. 23.1)
- EU Selling Price Expectations (Dec) 10.9 vs. Exp. 10.4 (Prev. 9.9)
- EU Consumer Confidence Final (Dec) -13.1 vs. Exp. -14.6 (Prev. -14.2)
- EU Services Sentiment (Dec) 5.6 vs. Exp. 5.9 (Prev. 5.8, Rev. 5.7)

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