

## SNAPSHOT

| STOCKS               |       |               |       |
|----------------------|-------|---------------|-------|
| Nikkei 225           | -0.4% | ASX 200       | +0.5% |
| Hang Seng            | -0.6% | Shanghai Comp | -0.6% |
| Euro Stoxx 50 Sep'25 | +0.4% | DAX Sep'25    | +0.1% |
| ES Sep'25            | +0.1% | NQ Sep'25     | +0.2% |

| FX      |                |         |                |
|---------|----------------|---------|----------------|
| DXY     | +0.1% (99.17)  | EUR/USD | -0.1% (1.1634) |
| USD/JPY | +0.1% (158.51) | GBP/USD | -0.1% (1.3429) |

| BONDS            |          |                   |          |
|------------------|----------|-------------------|----------|
| US T-Note Sep'25 | -2 ticks | Bund Jun'25       | -6 ticks |
| US 10yr Yield    | 4.14%    | German 10yr Yield | 2.82%    |

| ENERGY & METALS |       |              |       |
|-----------------|-------|--------------|-------|
| WTI Jul'25      | -2.9% | Brent Aug'25 | -2.9% |
| Spot Gold       | -0.7% | LME Copper   | %     |

| CRYPTO  |       |          |       |
|---------|-------|----------|-------|
| Bitcoin | +0.2% | Ethereum | -1.0% |

As of 06:15 GMT / 01:15 EST

## LOOKING AHEAD

- Highlights include UK GDP Estimate (Nov), EZ Trade (Nov), US Export/Import Prices (Dec; Nov-cancelled), NY Fed (Jan), Weekly Claims (w/e 3rd Jan). Speakers include ECB's de Guindos; Fed's Bostic, Barr, Barkin, Schmid. Supply from Spain.
- Earnings from Morgan Stanley, Goldman Sachs, BlackRock
- [Click for the Newsquawk Week Ahead.](#)

## US TRADE

### EQUITIES

- **US stocks** mostly closed lower on Wednesday, led by sharp declines in mega-cap technology stocks. The Nasdaq underperformed, while the Russell 2000 and the Equal Weight S&P 500 managed to close in the green.
- **Sector performance was mixed**, with Energy, Consumer Staples, and Real Estate outperforming, while Consumer Discretionary, Technology, and Communication Services lagged. Energy stocks initially outperformed as crude prices traded higher for most of the session, allowing benchmarks to settle firmly in positive territory. However, post-settlement, futures erased gains after President Trump said he had been informed by an Iranian source that killings would stop and that there are no plans for executions. This reduced the perceived probability of a US strike on Iran.
- The comments also weighed on gold prices (though they remain well in the green) and helped lift equity indices into the close, after multiple reports earlier in the day suggested a potential US attack on Iran within 24 hours.
- **SPX** -0.53% at 6,927, **NDX** -1.07% at 25,466, **DJI** -0.09% at 49,150, **RUT** -0.52% at 2,652
- [Click here for a detailed summary.](#)

### TRADE/TARIFFS

- **China is said to be drafting purchase rules for NVIDIA's (NVDA) H200 chips, Nikkei reported, as it seeks to balance support**

for domestic chip development with the needs of Chinese technology firms.

- **Taiwan's government** said Taiwan and the US have previously held multiple discussions and reached consensus on preferential tariff treatment for semiconductors and related products under Section 232. Taiwan's government said Taiwan will subsequently schedule a separate meeting with the Office of the U.S. Trade Representative to sign the Taiwan-US trade agreement documents.
- **The White House** said **President Trump imposed a 25% tariff on certain advanced computing chips, such as NVIDIA (NVDA) H200 and AMD (AMD) MI325X chips.** Depending on the outcome of negotiations, President Trump may consider alternative remedies in the future, including minimum import prices for specific types of critical minerals. The Secretary and the trade representative should consider price floors for trade in critical minerals and other trade-restricting measures. The US chip tariff will not apply to chips imported for US technology supply.
- **The White House** said that in the near future, **US President Trump may impose broader tariffs on semiconductor imports and their derivative products.**
- **US President Trump ordered the Commerce Dept. and USTR to negotiate agreements with foreign suppliers to reduce US reliance on imported processed critical minerals, citing national security risks.** Negotiators have 180 days to secure binding or enforceable agreements.

## NOTABLE HEADLINES

- **US President Trump** said the party that controls the White House often loses seats in midterm elections.
- **US embassy in Qatar** said at this time, **US embassy staffing and operations are not changed, and consular services continue as normal; will continue to monitor the situation.**
- **The US Senate** votes 51-50 in favour to allow **US President Trump to act on Venezuela military action without Congressional approval; VP Vance casting the deciding vote.**
- **Chinese officials** have reached out to counterparts in Venezuela and the US to seek assurances regarding their loans to Venezuela, **Bloomberg** reported citing people familiar with the matter.
- **US President Trump** posted "had a very good call with the Interim President of Venezuela, Delcy Rodríguez. We are making tremendous progress, as we help Venezuela stabilize and recover." "Many topics were discussed, including Oil, Minerals, Trade and, of course, National Security."
- **US-China AI race** extends to space-based data centers, via Nikkei.
- **US Treasury Secretary Bessent** met with **Australian Treasurer** to discuss critical minerals opportunities, as well as mutual concerns of economic and national security interest.
- **Atlanta Fed GDP Now (Q4 2025): 5.3% (prev. 5.1%).**

## CENTRAL BANKS

- **US President Trump** said **no plans to remove Fed Chair Powell.**
- **US President Trump** rejects criticism from Senate Republicans of the Justice Department probe of Fed chair Jerome Powell and said "they should be loyal."; speaks highly of Kevin Hassett and Kevin Warsh.
- **Fed's Bostic (2027 voter)** said **inflation still quite far from where we need to be; those are not characteristics that suggest to me a passive posture is appropriate, still need to be restrictive.** As they go through 2026 the economy is likely to get stronger and could put more upward pressure on prices and that is something they have to watch. Labour market has weakened, but it is not clearly weak. In a difficult environment to see what might be coming in the economy and inflation. Should not expect there to be 100% consensus on everything.
- **Fed's Kashkari (2026 Voter)** said **the economy is confusing and job market is showing signs of weakness; inflation is still too high but moving in the right way.** Overall, the economy seems quite resilient. Economy has not slowed as much as expected, describes it as K-shaped. Wonders how tight monetary policy actually is. Has seen less tariff pass through than expected. Tariffs haven't been gut punch many feared, but long term story still playing out. 2% inflation remains target, remains committed to getting that level. Does not expect inflation to surge again. Current Fed balance sheet expansion is not QE. Sees pretty good growth, does not see need for Fed QE.
- **Fed's Beige Book: Overall economic activity increased at a slight to modest pace in eight of the twelve Federal Reserve Districts, with three Districts reporting no change and one reporting a modest decline.** This marks an improvement over the last three report cycles where a majority of Districts reported little change. Most banks reported slight to modest growth in consumer spending this cycle, largely attributed to the holiday shopping season.
- **NY Fed** said desk plans to conduct ~USD 15.4bln in reinvestment purchases between January 15th to February 12th; plans an additional ~USD 40bln in reserve management purchases over the noted monthly period.
- **BoJ Governor Ueda** said **the mechanism under which wages and prices rise moderately in tandem likely to be sustained. BoJ is expected to keep raising interest rates if targets are met.**
- **EU's Economic Committee** considers **ECB's Kazaks and ECB's Centeno as preferred candidates for ECB's VP role.**
- **PBoC RRP**s are to support government bond issuance, local press reported.
- **Bank of Korea** kept its **Base Rate unchanged at 2.50%, as expected, and removed "potential rate cut" reference from the statement. BoK Governor Rhee** said **rate decision was unanimous, need to remain cautious on FX volatility.** 5 members see a 'high chance' of a hold in the next 3 months, 1 sees a cut in the near-term. Addressing FX volatility requires immediate steps as well as structural reforms. A weak KRW is not likely to trigger any financial crisis and have ample amounts of USDs. BoK Governor Rhee said the Government is to make an announcement on the US trade deal and the FX market later in the day.

## APAC TRADE

## EQUITIES

- **APAC stocks** traded mostly in the green, outperforming their US counterparts, though the Nikkei lagged the region.
- **ASX 200** continued its trend higher as mining and materials names advanced, supported by fresh ATHs in metals and news that Rio Tinto and BHP are collaborating on iron ore extraction in the Pilbara.
- **Nikkei 225** underperformed, slipping back below 54,000 as reports that opposition parties CDP and Komeito have begun talks to form a new party weighed on sentiment.
- **KOSPI** traded comfortably in the green, extending to new ATHs and nearing 4,750, whilst the BoK kept rates steady as expected in a unanimous decision.
- **Hang Seng** and **Shanghai Comp** saw mixed trade, with the Hang Seng hovering just below ATHs near 27,380 while the Shanghai Composite oscillated around the unchanged mark as Chinese markets struggled for traction.
- **US equity futures** traded flat for the most part, finding some stability after Wednesday's tech-led selloff. Though, as the European morning got underway **futures lifted on TSMC earnings & guidance**, with the **NQ** +0.2% amid this.
- **European equity futures** point to a firmer open, with the Euro Stoxx 50 future up 0.2% after Wednesday's -0.4% cash close.

## FX

- **DXY** traded narrowly, oscillating within a 99.09–99.15 band before slowly grinding higher to a peak of 99.18.
- **EUR/USD** moved in a tight range, with participants awaiting final inflation releases from France and Spain.
- **GBP/USD** likewise remained contained, showing little momentum ahead of the upcoming UK data slate.
- **USD/JPY** held onto most of Wednesday's losses, with the JPY flat after reports that a new opposition party may challenge PM Takaichi and complicate legislative progress — marking the pair's first down day since the opening session of 2026.
- **Antipodeans** underperformed their G7 peers, pressured by a pullback in metals and weakness across Chinese equities.
- **CNH** firmed slightly, supported by a stronger-than-prior PBoC yuan fixing.
- **PBoC set USD/CNY mid-point at 7.0064 vs exp. 6.9678 (prev. 7.0120)**

## FIXED INCOME

- **10yr UST futures** pulled back from Wednesday's 112'18 high to 112'13 as fears of a potential US strike on Iran eased, while comments from President Trump reiterating no plans to remove Fed Chair Powell generated little market reaction.
- **Bund futures** held most of Wednesday's geopolitical gains, easing to 128.33 from the 128.48 peak and trading within a tight eleven-tick band through the Asia-Pac session.
- **10yr JGB futures** opened firmer in line with the risk-off tone seen in the Nikkei, with the contract peaking at 132.28 before retreating to a new session low of 131.81.
- **Treasury Buyback (20-30year, liquidity support, max USD 2bln): Accepts USD 2bln of USD 25bln offers, accepts 5 of 35 eligible issues.** Offer-to-cover: 12.5x.
- **US** sold 17-week bills at a high rate of 3.560%, b/c 3.00x.

## COMMODITIES

- **Crude futures** saw heavy losses after President Trump said late Wednesday that killings in Iran were stopping and that there were no plans for executions, with additional downside following an NBC report suggesting he advised against a prolonged conflict. WTI Feb'26 and Brent Mar'26 dropped around USD 2.50/bbl, troughing at USD 59.80/bbl and USD 64.20/bbl before stabilising into USD 59.89–61.14/bbl and USD 64.29–65.36/bbl ranges through APAC trade.
- **Spot gold** pulled back sharply as easing US–Iran tensions unwound part of the geopolitical risk premium. After hitting a fresh record high of USD 4,643/oz on Wednesday, XAU fell back below USD 4,600/oz, while silver led the decline with a 5.6% drop.
- **Copper futures** traded mixed, with 3M LME copper sliding in line with China's risk-off tone, dropping below USD 13k/t as Chinese equities weakened, while Shanghai tin futures surged as much as 9%.
- **US President Trump** said it would be better for Venezuela to remain in OPEC but is unsure if this would be beneficial to the US.
- **Saudi's Aramco and Commonwealth LNG sign a long-term supply deal.**
- **US official** said additional sales of Venezuelan oil are expected in the coming days and weeks.
- **The US** is said to be considering private contractors to safeguard oil in Venezuela, CNN reports citing sources.
- **US President Trump signed an order to seek international supply chain of critical minerals; will allow the US to take in 25% on the sale of chips.**
- **US authorizes certain transactions for Lukoil sale.**
- **Chile's Codelco** said government has approved extension of the Hales mine.
- **Chevron (CVX)** reportedly expected to receive expanded Venezuela license from the US this week, according to reports.
- **The European Commission** is set to allow member states to delay the switch-off of copper telecommunications networks to 2035, Bloomberg reported, citing people familiar with the matter.

## CRYPTO

- **Bitcoin** pulled back overnight to around USD 96k after finding resistance near USD 98k.
- **US Senate Committee** is to postpone meeting on crypto market structure.

## NOTABLE ASIA-PAC HEADLINES

- Yonhap reports that South Korea NPS is considering adjusting FX hedging and local stock investment ratios.
- Japan's opposition parties Komeito and CDP confirmed the establishment of a new party.
- Earthquake of magnitude 5.5 in the Hokkaido region in Japan, EMSC reported.
- Beijing reportedly tells Chinese firms to stop using software from CrowdStrike (CRWD), Mandiant, Wiz, SentinelOne (S), McAfee, Rapid7 (RPD) and Cyber Ark (CYBR).
- Trump admin reportedly nearing trade and investment deal with Taiwan. Taiwan's vice premier Cheng Li-chiun and trade representative Yang Jen-ni are expected to arrive late Wednesday or early Thursday, with plans to meet in the coming days.

## DATA RECAP

- South Korea Import Growth Final (Dec) 4.6% vs. Exp. 4.6% (Prev. 1.1%).
- South Korea Trade Balance Final (Dec) 12.17B vs. Exp. 12.18B (Prev. 9.74B).
- South Korea Export Growth Final (Dec) 13.3% vs. Exp. 13.4% (Prev. 8.4%).
- Australian Consumer Inflation Expectations (Jan) 4.6% vs. Exp. 4.5% (Prev. 4.7%).
- Japanese PPI YoY (Dec) Y/Y 2.4% vs. Exp. 2.4% (Prev. 2.7%).
- Japanese PPI MoM (Dec) M/M 0.1% vs. Exp. 0.1% (Prev. 0.3%).

## NOTABLE APAC EQUITY HEADLINES

- TSMC (2330 TT) Q4 2025 (TWD): Net Profit 505.7bln (exp. 467bln), Revenue 1.046tn (exp. 868.46bln), CapEx USD 40.9bln (exp. USD 40-42bln), Q4 gross margin 62.3% (exp. 60.6%), +3.3ppts Y/Y.
- Xiaomi (1810 HK) CEO Lei Jun says next-gen SU7 is near its final stages and preview of vehicles will be available in-store before launch.
- China Vanke (2202 HK) proposes extending the grace period for domestic bond "22 Vanke MTN004" to 90 trading days
- Alibaba (BABA / 9988 HK) links Taobao, Fliggy and Alipay to its flagship Qwen AI app.
- Rio Tinto (RIO AT) and BHP (BHP AT) have agreed to collaborate to extract up to 200m tonnes of iron ore in the Pilbara.
- SK Hynix (000660 KS) executive said it will open a new chip factory in South Korean three months early, in February 2027.

## GEOPOLITICS

### RUSSIA-UKRAINE

- US President Trump said Ukrainian President Zelensky is to blame for the current stalemate in Russia-Ukraine negotiations, adding that Russian President Putin is "ready to make a deal."
- Ukraine President Zelensky said State of Emergency will be declared for the energy sector after Russian strikes. Ukraine will significantly increase the volume of electricity imports.

### MIDDLE EAST

- US President Trump said he has been told the killing in Iran is stopping, no plan for executions. This followed earlier reports that strikes on Iran could take place within the next 24 hours as Trump is said to have decided to intervene in the regime's crackdown, according to The Telegraph.
- Initial unconfirmed reports suggested an explosion was heard in Iranian capital Tehran, although the X account which flagged the initial explosions in Tehran said they deleted the post "as the source appears to be a bit flimsy, though reporting on any potential action is going to be difficult due to the ongoing internet blackout across Iran".
- US President Trump has told his National Security team that any US military action in Iran to be swift and decisive, NBC News reported citing sources; adds that a sustained war is undesirable. Trump's advisors have so far not been able to guarantee a quick collapse of Iran's regime.
- UN Security Council plans to meet with Iran at 15:00 EST / 20:00 GMT on Thursday, AFP reports.
- Iran issues NOTAM to close its airspace to all flights, except international flights to Iran with prior permission. Iran later extended its airspace closure NOTAM until 03:30 UTC. Later, there were conflicting reports, with some suggesting the airspace will reopen tomorrow whilst others suggested the flight restrictions have been lifted. A few aircraft are visible on FlightRadar24, but possibly representing international flights authorised to enter Iranian airspace.
- US President Trump said Iran's government could fall due to unrest but "any regime can fail".
- Iran's Foreign Minister Araghchi said there have been many threats by US President Trump and others but we are in control, hopes tensions do not reach a high level; no plans to carry out executions against protestors. Not ready to give up our legitimate right to the peaceful use of nuclear technology.
- The US is moving a carrier strike group from the South China Sea to the CENTCOM area of responsibility, Newsnation reported citing sources; "That will take a week or so to complete".
- "All the signals are that a US attack [against Iran] is imminent, but that is also how this administration behaves to keep everyone on their toes. Unpredictability is part of the strategy," Reuters reported, citing a Western military official.
- US President Trump has made it clear to the National Security team his goals for any US military action in Iran, NBC news reported.
- US Special Envoy Witkoff is announcing the launch of Phase 2 of Trump's 20 point plan to end the Gaza conflict.

### OTHERS

- Colombia President Petro is to meet with US President Trump on February 3rd.
- US President Trump said he had a great conversation with Venezuela's leader.

- **US gets firm USD 500mln Venezuelan oil deal; Semafor reported.**
- **US President Trump on Greenland** said we're going to see what happens, we need it; will be briefed soon on meeting; we have very good relationship with Denmark. Cannot rely on Denmark.
- **France** said will take part in European military mission to Greenland.
- **Greenland's Foreign Minister** said they will strengthen cooperation with the US but that doesn't mean we want to be owned by the US.
- **Denmark Foreign Minister** said they came to the US following a number of remarkable comments about Greenland, said have committed additional funds for fighter jets, ships, and drones and are committed to do more. Eager to work with the US. Greenland is covered by Article 5. Had a frank, constructive discussion with US officials. Perspectives continue to differ. Still have a fundamental disagreement, will continue to talk. Ideas that do not respect the territorial integrity of Greenland are totally unacceptable. Not necessary for the US to acquire Greenland. There is not an instant threat from China or Russia that they can't accommodate. We didn't manage to change the US position on Greenland.
- **Germany will send soldiers to Greenland this week, Bild reported.**
- **EU parliament leaders call on EU Commission and council to define concrete and tangible support to Greenland and Denmark.**
- **Danish Defence Minister** said they will have a more permanent presence on Greenland going forward, will have a larger military footprint.

## EU/UK

### DATA RECAP

- **UK RICS House Price Balance (Dec) -14% vs. Exp. -16% (Prev. -14% , Rev. -16% )**

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