

SNAPSHOT

STOCKS			
S&P 500	-0.1%	Nasdaq Comp.	-0.7%
DJIA	+0.1%	Russell 2000	+0.1%
ES Mar'26	-0.3%	RTY Mar'26	-0.2%
NQ Mar'26	-0.7%	YM Mar'26	-0.1%

FX			
DXY	-0.2% (96.16)	EUR/USD	+0.1%
USD/JPY	-0.2%	GBP/USD	+0.1%

BONDS			
US T-Note Mar'26	+5 ticks	10yr Bund Mar'26	+19 ticks
US 10yr Yield	4.24%	German 10yr Yield	2.83%

ENERGY & METALS			
WTI Mar'26	+3.6%	Brent Apr'26	+3.3%
Spot Gold	-0.7%	LME Copper	+4.7%

CRYPTO			
Bitcoin	-5.4%	Ethereum	-6.6%

As of 21:50GMT/16:50EST

LOOKING AHEAD

- Highlights include South Korean Industrial Production, Japanese Industrial Production, Retail Sales, Unemployment Rate & Tokyo CPI, Australian Private Sector Credit & PPI, Supply from Australia & Japan.
- [Click for the Newsquawk Week Ahead.](#)

US TRADE

- **US stocks** finished mixed with early weakness seen, and the tech-heavy Nasdaq 100 was the laggard as Microsoft (MSFT, -10%) plunged post-earnings due to Azure growth and next quarter guidance disappointed the lofty Wall St. expectations. As such, Technology was the clear sectoral underperformer, while Communications was at the other end of the spectrum and was buoyed by stellar Meta (+10.4%) earnings. Tesla (-3.5%) was the other Mag-7 name to report, and eventually saw weakness amid MSFT and broad risk-off sentiment, despite initially seeing gains pre-market amid earnings beat, but attention was on the path ahead given CapEx hike.
- **SPX** -0.13% at 6,969, **NDX** -0.53% at 25,884, **DJI** +0.11% at 49,072, **RUT** +0.05% at 2,655.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **US President Trump** said tariffs could be steeper, and they are being very nice about it.
- **US President Trump** said he had a very productive telephone conversation with Mexican President Sheinbaum and that it went extremely well for both countries, with much of it focused on the border, stopping drug trafficking, and trade, while they will be speaking again soon.
- **Mexican President Sheinbaum** said she had a productive talk with US President Trump, and that both countries agreed to continue working together. Sheinbaum said there's no concrete progress on the trade deal, but discussions are progressing well, and the US has requested an increase in regional content within the USMCA, extending beyond the auto sector. Furthermore, she said they did not discuss critical minerals, but it is a topic that other countries are discussing, while she

separately commented that they aim to have a call with Canada's PM Carney soon.

- **China MOFCOM spokesperson, when asked about a potential round of US-China trade talks, said China is willing to work with the US side to jointly uphold and implement the important consensus of the two heads of state, according to Global Times.**
- **UK PM Starmer's office confirmed that China will cut UK whisky tariff to 5% from 10%.**

NOTABLE HEADLINES

- **US President Trump said he is announcing the Fed Chair next week and that rates should be 2 or 3 points lower.**
- **US President Trump said Fed Chair Powell again refused to cut interest rates, even though he has absolutely no reason to keep them so high. Trump added that Powell is costing America hundreds of billions of dollars a year in unnecessary interest expense.**
- **US President Trump said he doesn't want home values to go down** and noted that when it is too easy and cheap to build houses, prices come down, and they do not want to do that.
- **US President Trump said regarding a shutdown, that they hopefully won't have one and will work in a bipartisan way to avoid a shutdown, while he added that Democrats don't want a shutdown either, and he thinks they will have an amazing, incredible year.**
- **White House is considering a short-term deal to avert a government shutdown** while negotiations continue with Democrats over reforms to ICE, according to Politico.
- **US Senate Republican Leader Thune said shutdown talks are going in the right direction,** according to POLITICO.
- **US House-backed funding package failed to pass the Senate procedural vote.**
- **White House fact sheet stated that US President Trump is to sign an Executive Order on drug addiction,** named the American Recovery Initiative.

NOTABLE EARNINGS

- Apple Inc. (AAPL) Q1 2026 (USD): EPS 2.84 (exp. 2.67), Revenue 143.8bn (exp. 138.36bn), iPhone net sales 85.27bn (exp. 78.65bn), iPad net sales 8.60bn (exp. 8.13bn), Mac net sales 8.39bn (exp. 8.95bn), Wearables, Home and Accessories net sales 11.49bn (exp. 12.04bn).
- Visa Inc. (V) Q1 2026 (USD) Adj. EPS 3.17 (exp. 3.14), Revenue 10.90bn (exp. 10.68bn).
- Western Digital Corporation (WDC) Q2 2026 (USD) Adj. EPS 2.13 (exp. 1.92), Revenue 3.02bn (exp. 2.93bn).

DATA RECAP

- US Factory Orders MoM (Nov) M/M 2.7% vs. Exp. 1.6% (Prev. -1.3%)
- US Balance of Trade (Nov) -56.80B vs. Exp. -40.5B (Prev. -29.40B, Rev. From -29.4B)
- US Unit Labour Costs QoQ Final (Q3) Q/Q -1.9% vs. Exp. -1.9% (Prev. 1.0%, Rev. From -2.9%)
- US Nonfarm Productivity QoQ Final (Q3) Q/Q 4.9% vs. Exp. 4.9% (Prev. 3.3%, Rev. From 4.1%)
- US Initial Jobless Claims (Jan/24) 209K vs. Exp. 205K (Prev. 210K, Rev. From 200K)
- US Continuing Jobless Claims (Jan/17) 1827K vs. Exp. 1860K (Prev. 1840K, Rev. From 1849K)

FX

- **USD** was softer on the day following a varied performance against its peers and with mixed US data in which Factory Orders topped forecasts and Initial Jobless Claims were worse than feared, although the data did little to shift views regarding future Fed policy, while uncertainty remains regarding a partial government shutdown after a House-backed funding package failed to pass the Senate procedural vote.
- **EUR** eked slight gains against the softer buck, although gains were capped with the single currency remaining at sub-1.2000 territory.
- **GBP** was flat on the day with little fresh catalysts from the UK, while news that China will cut UK whisky tariff to 5% from 10% did little to spur price action.
- **JPY** notched mild gains with USD/JPY briefly slipping beneath the 153.00 as risk appetite was pressured near the start of US trade, while attention turns to a slew of overnight data.
- **Riksbank kept its policy rate at 1.75%, as expected, and reiterated that the policy rate is expected to remain at this level for some time to come, in line with the forecast in December.**
- **South African Interest Rate Decision 6.75% vs. Exp. 6.75% (Prev. 6.75%),** in which two members favoured a cut of 25bps, while four preferred a hold, while it assessed that "the risks to the inflation outlook as balanced."

FIXED INCOME

- **T-notes** settled higher and the curve steepened, despite oil gains arousing inflation concerns, while data was mixed and the 7-year note auction was weak, but failed to stir a sustained reaction.

COMMODITIES

- **Oil prices** saw notable gains amid heightened US/Iran rhetoric, with US President Trump considering a new large-scale attack on Iran due to a lack of progress on a nuclear deal, while Iran warned ships that it intends to run a drill on Sunday and Monday, which would include live firing in the Strait of Hormuz.

GEOPOLITICAL

MIDDLE EAST

- US President Trump said a large fleet of ships is heading over to the Middle East.
- US Secretary of War Hegseth said they are to provide any option that the President chooses regarding Iran.
- US administration is reportedly hosting senior defence and intelligence officials from Israel and Saudi Arabia for talks on Iran this week, while Israel is sharing intelligence on potential targets in Iran, but Saudi Arabia is looking to broker a diplomatic solution and is concerned about a possible regional war, according to Axios citing sources.
- Iran warned ships that it intends to run a drill on Sunday and Monday, which would include live firing in the Strait of Hormuz, according to AP's Gambrell.
- Iran's President discussed the region with the Emir of Qatar and Pakistan's PM, while Iran, Qatar and Pakistan all called for diplomacy to ease tensions.
- Iran's Vice President said they are ready to engage in negotiations, but want guarantees that they will not be attacked while negotiating. Furthermore, he said they will negotiate if they are certain that the American side is seeking real negotiations that will not be a cover for a larger conspiracy.
- Iran's Foreign Minister said Europe is making a big mistake by designating IRGC a 'terrorist organisation', while Iran's Foreign Ministry condemned "illegal and unjustified" designation of the Revolutionary Guards by the EU in the strongest terms.

RUSSIA-UKRAINE

- US President Trump said regarding the Ukraine war, that Russian President Putin agreed not to fire on Kyiv for a week, given the record cold.
- US envoy Witkoff said regarding the war in Ukraine that he thinks they made a lot of progress and talks are to continue in about a week, while he added that security and prosperity agreements are largely finished and parties are discussing the land deal.
- Kremlin aide Usahkov disagrees with a statement by US Secretary of State Rubio that everything has been agreed upon regarding Ukraine, except for the territorial issue.
- Russian Foreign Minister Lavrov shot down a proposal for a US-Ukraine security deal, according to the Washington Post. Lavrov rejected a key part of the deal to end the war with Ukraine and dismissed security guarantees demanded by Ukraine for any deal, while he reiterated that the current regime in Kyiv should end.
- Russia's Kremlin said they are still waiting for the US response on Russian President Putin's offer to extend limits in the expiring nuclear treaty.

OTHER

- US President Trump said they are getting along really well with Venezuelan leadership and major oil companies are going to scout out locations. Trump said they informed the president that they will be opening airspace over Venezuela and will open all commercial airspace over Venezuela today.
- US President Trump confirmed the beginning of attacks on drugs coming in on land, and said you'll see that happen.
- Canadian PM Carney said regarding reports that US officials met Alberta separatists, that he expects the US administration to respect Canadian sovereignty.

ASIA-PAC

NOTABLE HEADLINES

- China and the UK agreed to resume high-level security dialogue, with a new strategic and economic dialogue planned in 2026, according to Xinhua.
- Alibaba (BABA) reportedly attracted more than 400 clients for their new chip, according to sources.

EU/UK

NOTABLE HEADLINES

- German Chancellor Merz said they are now seeing the first signs of recovery in the German economy.

DATA RECAP

- EU Consumer Confidence Final (Jan) -12.4 vs. Exp. -12.4 (Prev. -13.1)
- EU Economic Sentiment (Jan) 99.4 vs. Exp. 97 (Prev. 97.2, Rev. From 96.7)
- EU Industrial Sentiment (Jan) -6.8 vs. Exp. -8.1 (Prev. -8.5, Rev. From -9.0)
- EU Services Sentiment (Jan) 7.2 vs. Exp. 6 (Prev. 5.8, Rev. From 5.6)
- EU Selling Price Expectations (Jan) 10.0 (Prev. 10.8, Rev. From 10.9)
- EU Consumer Inflation Expectations (Jan) 24.1 (Prev. 26.7)

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