

SNAPSHOT

STOCKS			
S&P 500	-0.4%	Nasdaq Comp.	-0.9%
DJIA	-0.4%	Russell 2000	-1.6%

FX			
DXY	97.15	EUR/USD	Flat
USD/JPY	+0.4%	GBP/USD	Flat

BONDS			
US T-Note Mar'26	Flat	10yr Bund Mar'26	-21 ticks
US 10yr Yield	4.24%	German 10yr Yield	2.84%

ENERGY & METALS			
WTI Mar'26	+0.5%	Brent Apr'26	Flat
Spot Gold	-9.1%	CME Copper	-3.8%

CRYPTO			
Bitcoin	-1.8%	Ethereum	-5.4%

As of 21:50GMT/16:50EST

LOOKING AHEAD

- Highlights include Australian MI Inflation Gauge, Regional PMIs, Chinese RatingDog Manufacturing PMI, Indonesian CPI, BoJ Summary of Opinions from the January 22nd-23rd Meeting.
- [Click for the Newsquawk Week Ahead.](#)

US TRADE

- US stocks** were choppy as participants digested what Trump's nomination of Kevin Warsh as Fed Chair would mean. That assessment is likely to continue for some time until Warsh issues a more up-to-date view on current conditions, given his lack of appearances in recent times. Warsh has been viewed as hawkish in the past on his approach to the balance sheet, showing concerns over QE, while in 2025, he advocated for lower rates. Nonetheless, stocks ultimately finished the session in the red, with the downside led by Materials amid a large correction in precious metals, followed by Tech. Furthermore, Apple (AAPL) ended the day relatively flat despite reporting top and bottom line beats, as some desks noted concern over lacklustre services revenue and future expenses tied to memory shortages, while defensives such as Consumer Staples and Healthcare showed resilience.
- SPX** -0.43% at 6,939, **NDX** -1.28% at 25,552, **DJI** -0.36% at 48,892, **RUT** -1.55% at 2,614.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- US President Trump warned of a very substantial response if Canada enacts a trade agreement with China**, while he added that the US does not want China to take over Canada, which would happen with the deal that they are looking to make.
- South Korean Industry Minister Kim said they will speed up the implementation of investment legislation after returning from talks with the US**, which he said cleared up misunderstandings regarding tariffs.
- EU industry association said on Friday that China proposed final anti-subsidy duties on EU dairy products at lower levels than in provisional duties** with the final Chinese anti-subsidy tariffs on EU dairy products to go up to 11.7% vs. a maximum 42.7% in provisional duties.

NOTABLE HEADLINES

- **US President Trump said Fed Chair nominee Warsh may get Democrat votes, and he hopes that Warsh will lower interest rates.** In relevant news, Trump said on Friday that Warsh did not commit to cutting rates and he will probably talk about cutting rates with Warsh, while Trump also stated that Warsh will cut rates without White House pressure.
- **Fed's Musalem (2028 voter) said on Friday that further interest rate cuts are not advisable and policy is now neutral,** while he added that the economy does not need stimulus. Musalem also commented that risks are balanced and further rate cuts are only needed if the job market were to decay or inflation falls.
- **Fed's Bowman (voter) said on Friday that she supported a rate pause as inflation remains elevated,** while she added that downside risks to the labour market have not diminished and that policy is modestly restrictive. Bowman also said that they should not imply that they expect to maintain the current stance of policy for an extended period of time, and noted she projected three rate cuts for 2026 in the December SEPs.
- **US Senate voted 71-29 to pass the USD 1.2tn government funding deal, and the House is expected to vote as soon as Monday on the plan after a brief government shutdown.**
- **US President Trump picked Brett Matusmoto to head the BLS,** according to WSJ.
- **US Commerce Secretary Lutnick** was reported to have planned a visit to Epstein's island with his family, according to the latest Epstein files released by the DoJ.
- **NVIDIA (NVDA) reportedly halts plan to invest USD 100bln in OpenAI as discussions broke down amid concerns from within NVIDIA regarding the transaction,** according to unidentified sources cited by WSJ.

COMMODITIES

- **Eight OPEC+ members agreed on Sunday to maintain the pause in oil output hikes in March.**
- **US President Trump said he welcomes investment from China and India in Venezuelan oil, while he announced that they have already made a deal for India to buy Venezuelan oil.**
- **Russia will permit gasoline exports for fuel producers through to end-July to avoid overstocking, although it extended the ban on exports for non-producers,** as well as the ban on diesel and other types of fuel for non-producers until end-July.
- **Carlyle is in discussions for potential UAE partners amid the acquisition of Lukoil assets.**
- **CME raised gold and silver margins on Friday** following a historic slump with Comex gold futures margins to increase from 6% to 8% of the value of the underlying contract for a non-heightened risk profile and will rise from 6.6% to 8.8% for elevated risk profile margins, while silver margins will increase from 11% to 15% for non-heightened risk profiles and will rise from 12.1% to 16.5% for heightened risk profiles.

GEOPOLITICAL

MIDDLE EAST

- **Iranian Supreme Leader Khamenei warned that if the US launches a war, it won't stay confined to Iran and would likely escalate into a broader regional conflict,** according to Iran International. It was separately reported that **Iran renewed its threat to strike Israel** in which Iranian army chief Major-General Amir Hatami warned that "If the enemy makes a mistake, it will without doubt endanger its own security, the security of the region, and the security of the Zionist regime".
- **US officials said a meeting between the US and Iran could take place in Turkey this week,** according to Axios's Ravid.
- **US State Department approved arms sales to Israel and Saudi Arabia valued at a total of nearly USD 16bln.**

RUSSIA-UKRAINE

- **Ukrainian President Zelensky said Ukraine is ready for substantive discussions and is interested in results, while he announced that the next trilateral peace talks between the US, Russia and Ukraine will take place in Abu Dhabi on February 4th-5th.**
- **US envoy Witkoff said he held constructive talks with Russian special envoy Dmitriev** on Saturday in Florida as part of the US effort to end the war in Ukraine.
- **Russia's Medvedev said victory will come soon in the Ukraine war** but it is equally important to think about how to prevent new conflicts, while he also commented that US President Trump is an effective leader who seeks peace and that they never found the two nuclear submarines Trump spoke about deploying closer to Russia.
- **Russia's Defence Ministry said Russia gained control over two villages** in Ukraine's Kharkiv and Donetsk region, according to TASS.

OTHER

- **US President Trump said the US will make a deal with Cuba, while he said they have started negotiations regarding Greenland** and that he thinks it's pretty well agreed to.

ASIA-PAC

NOTABLE HEADLINES

- **Chinese President Xi called for China's renminbi to attain global reserve currency status,** according to FT.
- **Japanese PM Takaichi said in a speech on Saturday that the yen's recent depreciation boosted exporters and returns from the government's foreign exchange fund,** while she failed to address concerns regarding the effect on consumer prices. However, she attempted to clarify on Sunday that she was referring solely to the need to build an economic structure that can

withstand currency fluctuations, and not to stress the advantages of a weaker currency.

- **India increased infrastructure spending in its annual budget** with the capital spending target for the upcoming fiscal year lifted by around 9% to INR 12.2tn, while it proposed to boost manufacturing in strategic sectors including rare earths and semiconductors, as well as proposed a tax holiday up to 2047 for foreign cloud companies making data centre investments in India. Furthermore, it strongly emphasised fiscal restraint and targeted reducing the debt-to-GDP ratio to 50% (+/-1%) from 56% by 2030/2031 and estimates the fiscal deficit will decline to 4.3% from 4.4% of GDP, while it is to raise the Securities Transaction Tax on futures and options trading.

DATA RECAP

- **Chinese Manufacturing PMI (Jan) 49.3 vs Exp. 50.1 (Prev. 50.1)**
- **Chinese Non-Manufacturing PMI (Jan) 49.4 vs Exp. 50.3 (Prev. 50.2)**
- **Chinese Composite PMI (Jan) 49.8 (Prev. 50.7)**
- **South Korean Trade Balance (USD)(Jan P) 8.7B vs Exp. 4.6B (Prev. 12.2B)**
- **South Korean Exports YY (Jan P) 33.9% vs Exp. 29.9% (Prev. 13.4%, rev. 13.3%)**
- **South Korean Imports YY (Jan P) 11.7% vs Exp. 14.6% (Prev. 4.6%)**

EU/UK

NOTABLE HEADLINES

- **UK PM Starmer said the UK should consider re-entering talks for a defence pact with the EU, while he added that Europe needs to step up and do more to defend itself in certain times, according to The Guardian.**
- **UK and Japan agreed to deepen defence and security cooperation.**
- **S&P affirmed Italy at 'BBB+' rating; Outlook Revised Outlook to Positive from Stable, while it affirmed the European Stability Mechanism at AAA; Outlook Stable.**

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