

Stocks green as tech rebound continues

- **SNAPSHOT:** Equities up, Treasuries flat/up, Crude up, Dollar down, Gold up.
- **REAR VIEW:** NY Fed SCE inflation expectations tick down on the 1yr, with 3- & 5yr left unchanged; Japanese PM Takaichi wins landslide election victory; China is reported urging banks to curb exposure to USTs; Iran's Atomic Chief said Tehran could dilute its highly enriched uranium if all sanctions are lifted; Qatar reportedly pushes the start of its LNG expansion; UK PM Starmer stands his ground as PM & cabinet ministers support him; Alphabet set to raise USD 20bln from dollar bond sale.
- **COMING UP:** **Data:** Norwegian CPI (Jan), US NFIB (Jan), Weekly ADP, ECI (Q4), Retail Sales (Dec). **Events:** EIA STEO. **Speakers:** Fed's Hammack, Logan. **Supply:** Australia, Japan, Netherlands, UK, Germany, US. **Earnings:** Coca-Cola, S&P, Gilead, Robinhood, Welltower, Duke Energy, Datadog, Ford, AIG, Xylem, Spotify, AstraZeneca, BP, Barclays, Ferrari, Mediobanca, Kering.
- **WEEK AHEAD:** Highlights include US NFP and CPI, Japanese Election, UK GDP and China Inflation. [Click here for the full report.](#)
- **CENTRAL BANK WEEKLY:** Reviewing BoE, RBA, ECB, RBI, Banxico and Riksbank Minutes. [Click here for the full report.](#)
- **WEEKLY US EARNINGS ESTIMATES:** Earnings season continues with highlights including CVS, CSCO, AMAT. [Click here for the full report.](#)

MARKET WRAP

Stocks continued to gain on Monday, with tech once again leading the upside, with semis largely outperforming. Nvidia (NVDA) shares rallied, seemingly continuing to benefit from the hiked CapEx plans announced alongside earnings from AMZN, META and GOOGL. The Nasdaq outperformed while the Dow lagged; sectors were predominantly firmer, with Tech and Materials leading, while Consumer Staples and Healthcare lagged. T-Notes had largely managed to pare earlier losses with the initial downside stemming from weakness in JGBs after the Japan election, with lows seen after reports that China is urging banks to curb US Treasury exposure. Alphabet (GOOGL) also hit the market with an upsized USD 20bln 7-parter, although T-Notes settled largely flat. In FX, the Yen was one of the outperformers after the Takaichi landslide in the election, which resulted in bolstered rate hike bets from the BoJ due to her pro-growth policies. The Yen strength and reports of China curbing UST exposure weighed on the Dollar to see it clearly underperform, propping up G10 currencies. Metals continued to rebound, with gold reclaiming USD 5,000/oz. In the UK, the political landscape continues to dictate UK assets with both Gilts and pounds rebounding from morning lows after PM Starmer's cabinet publicly supported the PM in the face of calls to resign. Attention this week turns to the US NFP on Wednesday and CPI on Friday, while bond traders will be eyeing 3, 10 and 30-year supply. Energy traders will be eyeing further talks between US and Iran, with crude prices settling in the green today, albeit primarily due to dollar weakness.

US

NY FED: The NY Fed Survey of consumer expectations saw a modest improvement in earnings, job loss and job finding expectations. The median one-year ahead inflation expectation dropped to 3.1% from 3.4%, with the three and five-year steady at 3.0%. Earnings growth expectations rose by 0.2% to 2.7%, primarily driven by households with an income of under USD 50,000. Regarding employment, the mean expected probability of losing one's job in the next twelve months decreased by 0.4% to 14.8%, remaining slightly above the trailing 12-month average of 14.6%. The mean expected probability of finding a job in the next three months if current jobs were lost increased by 2.5% to 45.6%, remaining below the trailing 12-month average of 48.6%. Perceptions about households' current financial situations deteriorated, with a larger share of respondents reporting a worse financial situation compared to a year ago. Year-ahead expectations about households' financial situations also deteriorated, with a smaller share expecting to be better off a year from now and a larger share expecting to be worse off.

FIXED INCOME

T-NOTE FUTURES (H6) SETTLED 2+ TICKS HIGHER AT 112-06

T-Notes settle flat despite early weakness on reports China is to curb UST exposure. At settlement, 2-year -1.0bps at 3.485%, 3-year -1.2bps at 3.555%, 5-year -1.2bps at 3.743%, 7-year -0.9bps at 3.964%, 10-year -0.8bps at 4.198%, 20-year -0.6bps at 4.791%, 30-year -0.7bps at 4.848%.

THE DAY: T-Notes gapped lower on the resumption of trade Sunday night, feeling the pressure of JGBs after PM Takaichi's landslide victory in the snap election, regaining full legislative control. T-Notes did gradually pare somewhat overnight, but fresh lows were seen early European morning after Bloomberg reported that China is urging banks to curb its exposure to US Treasuries. Nonetheless, the dip was bought once again. Some follow-on pressure was felt after Alphabet (GOOGL) announced 7-part issuance, which was later announced to fund up to USD 15bln, before being upsized to USD 20bln following strong demand with bids at over USD 100bln. Thereafter, the move pared once again with upside tracking Gilts higher as UK debt moved off lows following vocal support for UK PM Starmer from key members on his team, including Angela Rayner and Wes Streeting, both of whom had been touted as a potential successor should Starmer no longer be PM. T-Notes ultimately settled flat with attention turning to Treasury supply this week (3, 10 and 30-year), and also key economic data: NFP and CPI, both will help shape Fed rate expectations with

markets not pricing in any more rate cuts until the summer, but with two rate cuts now fully priced. Although rate cuts are priced further out the year, some of that likely reflects the change in Fed leadership, with Warsh the nominee to replace Chair Powell when his term (as Chairman) expires in May.

SUPPLY

Bills

- US to sell USD 90bln of 6-week bills on February 10th; to settle on February 12th
- US sold 3-month bills at a high rate of 3.60%, B/C 2.76x; Sold 6-month bills at a high rate of 3.500%, B/C 2.76x

Notes

- US to sell USD 58bln in 3-year notes on February 10th, USD 42bln in 10-year notes on February 11th, and USD 25bln in 30-year bonds on February 12th.

STIRS/OPERATIONS

- Market Implied Fed Rate Cut Pricing: March 3.7bps (prev. 1.3bps), April 8.2bps (prev. 5.3bps), June 23.2bps (prev. 16.8bps), December 55.7bps (prev. 49.2bps).
- NY Fed RRP op demand at USD 1.3bln (prev. 3.11bln) across 10 counterparties (prev. 6)
- EFR at 3.64% (prev. 3.64%), volumes at USD 106bln (prev. 110bln) on February 6th
- SOFR at 3.64% (prev. 3.65%), volumes at USD 3.195tln (prev. 3.228tln) on February 6th.

CRUDE

WTI (H6) SETTLED USD 0.81 HIGHER AT 64.36/BBL; BRENT (J6) SETTLED USD 0.99 HIGHER AT 69.04/BBL

The crude complex began the week on a firmer footing and was buoyed by broader risk sentiment and Dollar weakness. Overnight, WTI and Brent edged lower to hit troughs of USD 62.62/bbl and 67.02, respectively, before spiking higher during the European morning on reports that Qatar pushed the start of its LNG expansion to the end of 2026. Thereafter, the next catalyst initiating some downticks came via ISNA, who said Iran's Atomic Chief Eslami remarked Tehran could dilute its highly enriched uranium if all sanctions are lifted. Following this, it was one-way trade for oil to see WTI and Brent hit peaks of USD 64.88/bbl and 69.45 as risk on sentiment supported, as well as heavy selling of the Dollar. On the supply side of things, Tengiz plans to return to peak production of 120k T per day by February 23rd, while separate reports noted Venezuela's crude production nears 1mln BPD following output cut reversal; sources also reported that output at the main oil region, Orinoco belt, gained more than 100k BPD to some 500k BPD after PDVSA's cut reversal.

EQUITIES

CLOSES: SPX +0.42% at 6,961, NDX +0.77% at 25,268, DJI +0.04% at 50,136, RUT +0.68% at 2,689.

SECTORS: Technology +1.59%, Materials +1.44%, Energy +0.83%, Communication Services +0.80%, Real Estate +0.59%, Industrials +0.33%, Utilities +0.31%, Consumer Discretionary -0.35%, Financials -0.62%, Consumer Staples -0.86%, Health -0.86%.

EUROPEAN CLOSES: Euro Stoxx 50 +1.02% at 6,059, Dax 40 +1.15% at 25,005, FTSE 100 +0.16% at 10,386, CAC 40 +0.60% at 8,323, FTSE MIB +2.06% at 46,823, IBEX 35 +1.40% at 18,195, PSI +1.13% at 8,991, SMI +0.06% at 13,521, AEX +0.37% at 999

STOCKS SPECIFICS

- **Kroger (KR):** Plans to appoint former Walmart executive Greg Foran as its next CEO.
- **Kyndryl Holdings (KD):** Missed EPS, disclosed internal control weaknesses, filed a non-timely 10-Q, and announced CFO changes.
- **Nexstar (NXST), Tegna (TGNA):** Trump expressed support for a potential merger between Nexstar & Tegna.
- **Eli Lilly (LLY):** To acquire Orna Therapeutics w/ transaction valued at \$2.4bln.
- **Block (XYZ):** Cutting up to 10% of its workforce as part of a broader efficiency & business overhaul.
- **Meta (META):** EU Commission has notified META of possible interim measures to reverse exclusion of third-party AI assistants from WhatsApp.
- **Cleveland-Cliffs (CLF):** Revenue light. Becton, Dickinson (BDX): Q4 metrics strong, but revised FY profit view much lower.
- **Hims & Hers Health (HIMS):** Will stop selling a copycat version of Novo Nordisk's Wegovy weight-loss pill.

FX

The Dollar Index was heavily sold on Monday, to the benefit of global peers, with pressure initially stemming from broad Yen strength post-election and also Bloomberg reports that China is urging banks to curb UST exposure amid market risk. Whilst these two catalysts hindered the Greenback, with the latter particularly reviving the "Sell America" theme. Broader risk-on sentiment also weighed. On Monday, there was a lack of tier 1 data and Fed speak as participants await the US jobs report (Wed) and CPI (Fri). For the record, January's NY Fed Survey of Consumer Expectations saw the 1yr ahead inflation expectations revised lower to 3.1% from 3.4% in December, with both 3yr and 5yr ahead left unchanged at 3%.

All G10FX saw gains vs. the Dollar, with the AUD and CHF outperforming, and the GBP the relative underperformer, albeit still strengthening. The Pound is currently gripped by its own domestic political turmoil, with continued calls for PM Starmer to resign,

with UK Labour MP Sarwar even calling for Starmer to step down today. However, some of the immediate risk has subsided after cabinet ministers backed him to stay in office, which now favours the narrative that he will remain until at least the May local elections. Cable hit a low of 1.3587 against a high of 1.3700.

AUD was buoyed by the aforementioned risk sentiment and gains in precious metals, with the **Yen** seeing support from the Japanese election overnight, whereby PM Takaichi won by a landslide and supermajority. USD/JPY topped out at 157.72 upon the reopening of trade, before reversing sharply as JPY buying accelerated, with USD/JPY eventually hitting a low of 155.52 as drivers included expectations of an LDP landslide, higher JGB yields, jawboning from Finance Minister Katayama, rising April BoJ hike odds (~60%), and PM Takaichi's commitment to fiscal discipline. Ahead, Barclays brought forward its expected 25bps BoJ hike to April and lifted its terminal rate forecast to 1.5%.

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