

SNAPSHOT

STOCKS			
S&P 500	+0.6%	Nasdaq Comp.	+0.8%
DJIA	+0.3%	Russell 2000	+0.5%
ES Mar'26	+0.5%	RTY Mar'26	+0.3%
NQ Mar'26	+0.7%	YM Mar'26	+0.2%
FX			
DXY	+0.7% (97.74)	EUR/USD	-0.6%
USD/JPY	+1.0%	GBP/USD	-0.5%
BONDS			
US T-Note Mar'26	-7 ticks	10yr Bund Mar'26	-6 ticks
US 10yr Yield	4.09%	German 10yr Yield	2.74%
ENERGY & METALS			
WTI Apr'26	+4.3%	Brent Apr'26	+4.3%
Spot Gold	+1.8%	LME Copper	+1.9%
CRYPTO			
Bitcoin	-1.6%	Ethereum	-2.4%

As of 21:50GMT/16:50EST

LOOKING AHEAD

- Highlights include Japanese Machinery Orders, South Korean Trade Data, Australian Employment Change & Unemployment Rate, Supply from Japan, Holiday Closures in China, Hong Kong, Taiwan & Vietnam.
- [Click for the Newsquawk Week Ahead.](#)

US TRADE

- US stocks** finished higher in two-way trade with morning weakness offset after a strong cash open before pulling back from their best levels into the closing bell. Sectors were mixed, Energy, Consumer Discretionary, Financials and Tech outperformed, while Utilities, Real Estate and Consumer Staples lagged. There were several noteworthy developments. On geopolitics, Axios reported that Trump has moved closer to a major war with Iran, reigniting concerns in the region, resulting in oil prices rallying. Meanwhile, US data was overall strong with Durable Goods, Housing Data and Industrial Production beating analyst expectations. Meanwhile, the FOMC Minutes continue to show a divide on the rate outlook at the Fed, but several preferred two-sided guidance, noting upward adjustments could be appropriate if inflation remains above target.
- SPX** +0.56% at 6,881, **NDX** +0.80% at 24,899, **DJI** +0.26% at 49,663, **RUT** +0.45% at 2,659.
- [Click here for a detailed summary.](#)

FOMC MINUTES

- FOMC Minutes** stated that almost all supported maintaining rates at 3.50-3.75%, while a couple preferred a 25bps cut, citing restrictive policy and labour market risks, and some judged rates should be held steady for some time. Several said further rate cuts would likely be appropriate if inflation declines as expected, and some judged rates should be held steady for some time pending clearer disinflation evidence. Furthermore, a number judged further easing may not be warranted until clear evidence shows disinflation is firmly back on track, while several favoured two-sided guidance, noting that upward adjustments could be appropriate if inflation remains above target.

TARIFFS/TRADE

- **US White House Economic Advisor Hassett said consumers have been made better off by US President Trump's tariffs.** Hassett added that the NY Fed study on tariffs is the worst in history and should be disciplined, while he thinks there is plenty of room for the Fed to cut rates even more.
- **Chinese steel was hit with duties of up to USD 670 per tonne as Brazil's dumping probe concluded,** according to SCMP.

NOTABLE HEADLINES

- **Fed's Bowman (voter) said the latest jobs report is "a bit strange" and most other indicators do not show as strong a labour market,** while she remains concerned about the labour market, and still expects to propose new Basel bank capital rules by the end of Q1.
- **US President Trump's administration is rescinding energy department rules** that incentivise EV production to meet fuel economy requirements.

DATA RECAP

- US Durable Goods Orders MM (Dec) -1.4% vs. Exp. -2% (Prev. 5.3%, Low. -5%, High. 1%)
- US Durable Goods Orders Ex Transport MM (Dec) M/M 0.9% vs. Exp. 0.3% (Prev. 0.4%, Rev. From 0.5%, Low. 0.2%, High. 0.5%)
- US Industrial Production MM (Jan) 0.7% vs. Exp. 0.4% (Prev. 0.2%, Rev. From 0.4%)
- US Industrial Production YY (Jan) 2.3% (Prev. 2%)
- US Manufacturing Production MM (Jan) 0.6% vs. Exp. 0.4% (Prev. 0.0%, Rev. From 0.2%)
- US Manufacturing Production YY (Jan) 2.4% (Prev. 2.0%)
- US Building Permits Prel (Dec) 1.448M vs. Exp. 1.40M (Prev. 1.388M)
- US Housing Starts (Dec) 1.40M vs. Exp. 1.33M (Prev. 1.32M)
- NY Fed Services Survey (Feb) Business activity -25.7 (prev. -16.1)

FX

- **USD** was broadly firmer as US yields rose with the move in the dollar accelerated following the US durable goods report, which saw the headline decline less than expected, while another factor likely adding to upside in yields, was the renewed strength in oil prices as an Axios report put a dent in recent optimism regarding a diplomatic US-Iran solution, as it cited sources that stated the Trump admin is closer to a major war with Iran than people realise. Focus was also on the FOMC Minutes, which largely encapsulated the statement in the January meeting and ultimately showed a divided rate outlook.
- **EUR** suffered amid the firmer buck, and with the single currency not helped by conflicting reports about Lagarde's future.
- **GBP** gradually retreated to beneath the 1.3500 handle owing to the dollar and as UK CPI data softened as expected.
- **JPY** was pressured with USD/JPY gaining a firm footing above the 154.00 level as US yields climbed post-data.

FIXED INCOME

- **T-notes** were lower after stronger-than-expected US data, rising energy prices, and a weak auction, while FOMC minutes continued to show a divided rate outlook.

COMMODITIES

- **Oil prices** saw notable gains amid heightened US/Iran tensions with a report from Axios, citing sources, which noted that the Trump administration is closer to a major war with Iran than people realise, and a military operation would likely be massive.
- **US Private Inventory Data (bbls):** Crude +0.6mIn (prev. +13.4mIn), Distillate -1.6mIn (prev. -2.0mIn), Gasoline -0.3mIn (prev. +3.3mIn), Cushing -2.4mIn (prev. +1.4). - **Slovakia declared an oil emergency** and will release oil from its state reserves.
- **India imported 1.1mIn BPD of Russian oil in January,** which is the lowest level since November 2022.
- **Libya reportedly brought in western companies to supply fuel** as part of a broader industry overhaul, according to sources.

GEOPOLITICAL

MIDDLE EAST

- **US President Trump's administration is said to be closer to a major war with Iran than people realise,** according to an Axios report citing sources, while a military operation would likely be a massive, weeks-long campaign that will be a joint US-Israeli attack. Furthermore, an official said "The boss is getting fed up. Some people around him warn him against going to war with Iran, but I think there is 90% chance we see kinetic action in the next few weeks".
- **US President Trump said UK is strong and powerful, but PM Starmer is losing control of Diego Garcia Island,** while he added that the US may want to use the island to eradicate a potential attack by a dangerous regime and "Should Iran decide not to make a Deal, it may be necessary for the United States to use Diego Garcia, and the Airfield located in Fairford, in order to eradicate a potential attack by a highly unstable and dangerous Regime".
- **White House Press Secretary said Iran would be wise to make a deal, and diplomacy is President Trump's first option, while there are many reasons one could make for a strike on Iran.** Furthermore, she said some progress was made, but they are still far away on some issues, and Iranians are expected to come back with more details in the next couple of weeks.

- **US senior official told Axios that the round of talks with Iran in Geneva was "a hamburger stuffed with nothing"** and is one of the reasons why Trump is close to making a decision on the issue of going to war with Iran, according to Axios's Ravid.
- **Iran has put forward the idea of suspending uranium enrichment and does not meet President Trump's demand**, according to a US official. However, negotiators think they can still potentially arrive at an agreement if Tehran can bring together a proposal that guarantees adequate oversight of its nuclear program and includes sufficiently tempting economic incentives. Furthermore, the Iranian side informed the US of the return within two weeks with detailed proposals, while Washington is considering lifting financial sanctions and the ban on Iranian oil sales.
- **New NOTAM issued by Iran showed planned rocket launches** within areas across southern Iran on Thursday from 03:30 GMT to 13:30 GMT, according to the FAA.
- **Iran and Russia are reportedly to conduct navy drills** in the Sea of Oman and the northern Indian Ocean.

RUSSIA-UKRAINE

- **White House said meaningful progress was made in yesterday's talks on Ukraine**, and another round of talks is expected in the near future.
- **Ukrainian President Zelensky said the next round of talks with Russia is to occur in Switzerland**, while he added that Ukraine and Russia are "close to" having a document establishing how any ceasefire will be monitored. Furthermore, he said the US will have leadership in monitoring the ceasefire, and European representatives should also be involved.
- **Ukrainian President Zelensky told the reporters that they've agreed to continue peace discussions**, while he added that talks were difficult and positions are different for now. Zelensky also noted that he cannot say that the results of the Russia talks were sufficient, but they did have substantive talks on the military track. Furthermore, he wants the next round of talks to be held in February and said political issues have to be worked on further.
- **Russia's Kremlin said Geneva negotiations were difficult**, and the venue of upcoming talks with Ukraine has not yet been announced, while the Russian delegation head said talks were difficult, but business-like.
- **Ukraine and China plan ministry-level meetings**, while Ukraine is interested in a leaders-level dialogue with China.

OTHER

- **US Secretary of State Rubio** has been holding secret talks with the grandson of Cuba's Castro, according to Axios reports citing sources.
- **A major US arms-sales package for Taiwan is in limbo** following pressure from Chinese President Xi and concerns among some in the Trump administration that greenlighting the weapons deal would derail US President Trump's coming visit to Beijing, via WSJ

ASIA-PAC

NOTABLE HEADLINES

- **Japanese PM Takaichi said she aims to pass the FY26 budget as swiftly as possible, and called for cooperation on holding tax cut discussions.** Takaichi also stated they are going to mull a tax cut with a refundable tax credit system, which she added that Japan seeks to deepen economic cooperation with the US. Furthermore, she said they are checking daily market moves, including yields and FX.

EU/UK

NOTABLE HEADLINES

- **ECB's Schnabel** said the Euro is increasingly acting as a haven, boosting its global role.
- **ECB's Villeroy** said the ECB has won the battle against inflation, while domestic French inflation is undershooting on temporary factors, but it is not too low.
- **German Chancellor spokesperson** said Germany could propose a German for ECB chief. It was separately reported that Spain is the first to enter the race to replace ECB President Lagarde, and that De Cos is widely regarded as a strong contender.
- **Italy's cabinet approved a decree to cut energy bills**, according to Ansa.

DATA RECAP

- UK Inflation Rate YoY (Jan) Y/Y 3.0% vs. Exp. 3.0% (Prev. 3.4%, Low. 2.9%, High. 3.5%)
- UK Core Inflation Rate YoY (Jan) Y/Y 3.1% vs. Exp. 3.1% (Prev. 3.2%, Low. 2.9%, High. 3.3%)

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