

SNAPSHOT

STOCKS			
Nikkei 225	+0.6%	ASX 200	+0.9%
Hang Seng	Closed	Shanghai Comp	Closed
Euro Stoxx 50 Mar'26	-0.1%	DAX Mar'26	-0.3%
ES Mar'26	+0.1%	NQ Mar'26	+0.1%

FX			
DXY	U/C (97.681)	EUR/USD	+0.1% (1.1798)
USD/JPY	+0.2% (155.12)	GBP/USD	U/C (1.3495)

BONDS			
US T-Note Mar'26	-4 ticks	Bund Mar'26	-13 ticks
US 10yr Yield	4.10%	German 10yr Yield	2.74%

ENERGY & METALS			
WTI Apr'26	+0.3%	Brent Apr'26	+0.3%
Spot Gold	+0.5%	LME Copper	-0.4%

CRYPTO			
Bitcoin	+1.1%	Ethereum	+1.3%

As of 06:25GMT/01:25EST

LOOKING AHEAD

- Highlights include US Trade Balance (Dec), Weekly/Continuing Claims, Philadelphia Fed (Feb), Pending Home Sales (Jan), EZ Flash Consumer Confidence (Feb), New Zealand Trade Balance (Jan), Australian Flash PMIs (Feb), Japanese CPI (Jan). Speakers include ECB's Cipollone, ECB's de Guindos, Fed's Bostic, Kashkari, Goolsbee & Bowman. Supply from Spain, France & US. Earnings from Walmart, Deere, Wayfair, Klarna, Opendoor, Newmont Mining, Southern, Constellation Energy, Airbus, Pernod Ricard & Renault.
- Holiday: Chinese Spring Festival Golden Week (17-24 Feb)
- [Click for the Newsquawk Week Ahead.](#)

US TRADE

EQUITIES

- **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. 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's January meeting minutes showed a broad agreement to hold rates at 3.50-3.75%**, with almost all participants

backing no change, while a couple preferred a 25bps cut on the grounds that policy remained restrictive and labour market risks persisted (Miran and Waller). Those favouring a steady stance argued that, after 75bps of easing last year, policy was within estimates of neutral, and most expected supportive financial conditions and fiscal settings to underpin growth. **However, views diverged on the path ahead as several indicated further cuts would likely be appropriate if disinflation progresses as expected, whereas others judged easing should await clearer evidence that inflation is firmly returning to target. Meanwhile, several favoured two-sided guidance, noting upward adjustments could be appropriate if inflation remains above target,** although all agreed policy was not on a preset course and would be informed by a wide range of incoming data, the evolving economic outlook, and the balance of risks.

TARIFFS/TRADE

- **US President Trump** posted that the US trade deficit has been reduced by 78% because of the tariffs being charged on other companies and countries, adding that it will go into positive territory during this year for the first time in many decades
- **US-ASEAN Business Council** said US and Indonesian companies signed trade and investment deals covering critical minerals, semiconductors, agriculture and forestry, while deals include a USD 4.89bn semiconductor joint venture involving Essence Global Group. Furthermore, Indonesian firms are to purchase 1mln tons of US soybeans, 1.6mln tons of corn, and 93,000 tons of cotton over an unspecified period, while Indonesia's government later confirmed to sign a USD 38.4bn deal with US companies in textiles, energy, agriculture and tech sectors.
- **Canadian minister responsible for Canada-US trade LeBlanc** said Canadian companies from various provinces have signed 15 commercial partnerships in Mexico, and he is reassured by the Mexican Economy Secretary of a desire to work with Canada and to ensure that the review of the USMCA results in a trilateral trade agreement. LeBlanc said Mexicans have very similar interests to Canada in ensuring that some of the sectoral tariffs that the US has applied are diminished and are brought down, while he responded 'no' when asked if Canada has discussed any contingency plan with Mexico if the US seeks bilateral deal and announced he will meet with USTR Greer in the next few weeks to discuss the CUSMA.
- **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 expects to propose new Basel capital rules by end of Q1.
- **US President Trump** is scheduled to deliver remarks on the economy at 16:00 EST/21:00 GMT on Thursday.

APAC TRADE

EQUITIES

- **APAC stocks** traded higher following the positive handover from the US and with South Korea outperforming amid tech strength on return from the Lunar New Year holidays.
- **ASX 200** rallied to a fresh record high with the gains led by strength in telecoms and energy, as the former was boosted alongside Telstra, which reported a 9.3% increase in H1 net profit, while energy stocks benefitted from the rise in underlying oil prices amid geopolitical frictions.
- **Nikkei 225** gained with sentiment underpinned by a weaker currency and stronger-than-expected Machine Tool Orders.
- **KOSPI** outperformed on return from the Lunar New Year holiday closure as tech stocks played catch-up to the rebound in their US counterparts, including index heavyweight Samsung Electronics, as its shares rallied by around 5% to a record high.
- **US equity futures** were rangebound after the prior day's choppy, but ultimately positive performance.
- **European equity futures** indicate a slightly lower cash market open with Euro Stoxx 50 futures down 0.1% after the cash market finished with gains of 1.4% on Wednesday.

FX

- **DXY** held on to its recent spoils after advancing yesterday as US yields rose following better-than-expected data and as oil prices surged after sources noted the Trump administration 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 as several stated that 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, while several favoured two-sided guidance, noting that upward adjustments could be appropriate if inflation remains above target.
- **EUR/USD** attempted to nurse some losses after slipping beneath the 1.1800 level as the buck strengthened, and with the single currency not helped by conflicting reports about ECB President Lagarde's future.
- **GBP/USD** languished at this month's lows beneath the 1.3500 handle owing to the firmer dollar and after UK CPI slowed.
- **USD/JPY** reclaimed the 155.00 level to the upside after coattailing on the dollar advances and higher US yields post-data.
- **Antipodeans** Mildly benefitted from the positive risk appetite with AUD/USD supported following the mixed jobs data, which showed headline employment change slightly missed expectations, although the unemployment rate printed lower than expected, and the increase in jobs was solely fuelled by full-time work.

FIXED INCOME

- **10yr UST futures** languished at this week's lows after retreating yesterday following stronger-than-expected US data, rising energy prices, and a weak 20yr auction, while prices were also not helped by the mixed views in the FOMC Minutes and with

further US supply on the horizon.

- **Bund futures** trickled lower in rangebound trade following the recent choppy performance and Bund issuance.
- **10yr JGB futures** retreated after stronger-than-expected data from Japan in the form of Machine Tool Orders, which surged by double-digit percentages, while mild pressure was also seen after weaker demand at the 20yr JGB auction.

COMMODITIES

- **Crude futures** remained afloat after rallying by over 4% yesterday amid geopolitical concerns as Axios sources noted the Trump admin is closer to a major war with Iran than people realise, and a military operation would likely be massive, while it was also recently reported that the US military is ready to strike Iran as early as this weekend, although President Trump has yet to make the final decision.
- **US Private Inventory Data (bbls)**: Crude +0.6mln (prev. +13.4mln), Distillate -1.6mln (prev. -2.0mln), Gasoline -0.3mln (prev. +3.3mln), Cushing -2.4mln (prev. +1.4mln).
- **US Treasury Department** issued a general license authorising transactions related to Venezuelan oil and gas operations.
- **Spot gold** marginally pulled back after briefly returning to above the USD 5,000/oz level, while the latest FOMC Minutes did little to spur price action and showed a divided outlook on rates.
- **Copper futures** held on to most of the prior day's gains after advancing in the aftermath of stronger-than-expected US data.

CRYPTO

- **Bitcoin** gradually edged higher to test the USD 67,000 level to the upside.

NOTABLE ASIA-PAC HEADLINES

- **RBNZ Governor Breman** said fundamentals are consistent with slower inflation, and they are not at all comfortable with having inflation at 3.1%, while she added that wage growth is modest and they have some spare capacity. Furthermore, she stated that if the outlook for inflation changes, the committee will adjust policy stance to ensure inflation returns to the target.
- **RBNZ Assistant Governor Silk** said the easing cycle is likely over and there are risks on either side, while she added that maintaining accommodative policy for a while aligns with economic conditions and that even with a minor hike, rates would reach just the lower bound of the neutral band.

DATA RECAP

- Japanese Machinery Orders MM (Dec) 19.1% vs. Exp. 4.5% (Prev. -11.0%, Rev. From -11%)
- Japanese Machinery Orders YY (Dec) Y/Y 16.8% vs. Exp. 3.9% (Prev. -6.4%)
- Australian Employment Change (Jan) 17.8K vs. Exp. 20K (Prev. 65.2K)
- Australian Full Time Employment Chg (Jan) 50.5K (Prev. 54.8K)
- Australian Unemployment Rate (Jan) 4.1% vs. Exp. 4.2% (Prev. 4.1%)
- Australian Participation Rate (Jan) 66.7% vs. Exp. 66.8% (Prev. 66.7%)

GEOPOLITICS

MIDDLE EAST

- **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.
- **US senior official** said the US expects Iran to submit a written proposal on resolving the standoff in the wake of Tuesday's talks, while the official stated that all US forces involved in the Middle East buildup should be in place by mid-March and that Secretary of State Rubio will travel to Israel to meet Israeli PM Netanyahu to discuss Iran on the weekend of February 28th.
- **US military** is ready to strike Iran as early as this weekend, although President Trump has yet to make the final decision, according to sources familiar with the matter cited by CNN.
- **US** is gathering the greatest amount of air power in the Middle East since the 2003 Iraq invasion, and President Trump is being briefed on military options for striking Iran, even as aides hold talks with the Iranian regime, according to WSJ.
- **Two Israeli defence officials** said that significant preparations were underway for the possibility of a joint strike with the US against Iran, according to NYT.
- **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.
- **Iraqi Foreign Minister** said any alternative to a US-Iran deal would be disastrous, and they may not be able to export their oil if war breaks out in the region.
- **Israeli Defence Forces** announced they struck Hezbollah infrastructure sites in southern Lebanon, according to Sky News Arabia

- **An Israeli raid** was reported on areas of deployment of occupation forces east of Gaza City, according to Al Jazeera
- **US officials said the US is withdrawing all forces from Syria** and the Trump administration is looking to strengthen its diplomatic relations with Syria's new leaders.
- **US is said to be pushing NATO to cut many foreign activities**, including ending a key alliance mission in Iraq, according to four NATO diplomats cited by POLITICO.

RUSSIA-UKRAINE

- **White House said meaningful progress was made in Ukraine talks** and another round of talks is expected in the near future.
- **Ukrainian President Zelensky said he cannot say that the results of the Russia talks were sufficient**, but they did have substantive talks on the military track, while he wants the next round of talks to be held in February and said political issues have to be worked on further. Zelensky later stated that **the next round of talks with Russia is to occur in Switzerland**, and noted that Ukraine and Russia are "close to" having a document establishing how any ceasefire will be monitored.
- **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.

OTHER

- **Russian President Putin** said Russia considers new restrictions on Cuba to be unacceptable.
- **US Southern Command Commander Donovan** met with Venezuela's interim President Rodriguez and defence officials.
- **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 President Trump's visit to Beijing.
- **North Korean leader Kim Jong Un** said fresh military and construction targets will be unveiled at this month's party congress.
- **North Korea's Kim Yo Jong** said the military will take measures to strengthen its vigilance on the border with South Korea, while she appreciates the South Korean Unification Minister's official recognition of South Korea's drone provocation and stated the border with the enemy should be solid.

EU/UK

NOTABLE HEADLINES

- **UK Treasury source said they want the Spring Statement to be a "complete non-event. The goal is to be as boring as possible"**, The Telegraph reports. *The statement is due on the 3rd of March.*
- **ECB's Schnabel** said the Euro is increasingly acting as a haven, boosting its global role, while she sees no need to leave her board seat early.

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