

European Market Wrap - 24th February 2026

- European bourses were slightly firmer, whilst US equity futures gained; Meta (-0.2%) agreed a multibillion-dollar deal with AMD (+5.2%)
- JPY was dragged on reports PM Takaichi raised reservations about rate hikes to BoJ Governor Ueda; DXY slightly firmer.
- BoE's Bailey said he will be going into the coming meetings asking if a cut is justified; a rate cut at the next meeting is a genuinely open question.

EQUITIES

- **European bourses (STOXX 600 +0.2%)** broadly rebounded from earlier losses. **SMI (+1.3%)** remained at the top of the pile, closely followed by the **AEX (+0.6%)**. On the other hand, **Bank-heavy FTSE MIB (-0.2%)** and **IBEX 35 (-0.4%)** were the clear laggards.
- **Sectors** ended European trade with a positive bias. **Utilities (+1.4%)** and **Chemicals (+1.8%)** held onto earlier gains, supported by upside in **Givaudan (+4.2%)**, **Croda (+9.3%)** and **Sika (+2.8%)**. As highlighted above, **Banks (-1.3%)** underperformed following poor **Standard Chartered (-1.4%)** earnings and worries that AI could affect jobs, as Anthropic's Claude can now automate COBOL modernization, a language heavily used in banking.
- **Other key movers included Novo Nordisk (-2.0%)** and **Fresenius Medical Care (-6.1%)**. Multiple broker downgrades and PT changes led to Novo's continuation lower from Monday's selloff. The WSJ reported midday that the Co. will cut its US prices for Ozempic and Wegovy prices by up to 50% by January 2027. Losses were modestly pared back after Anthropic mentioned the Co. in a presentation but still held onto earlier losses. For Fresenius Medical Care, the Co. released positive Q4 earnings, but uninspiring 2026 growth forecasts have weighed on the shares.
- **US equity futures (NQ +0.7%, ES +0.3%, RTY +0.6%)** are trading choppy as the cash session gets underway, but are gradually gaining as the Anthropic presentation highlights that it is working with multiple companies. Pre-market, it was reported that Meta signed a deal with AMD (+6%) to spend billions on AI gear. AMD shares rose aggressively, and consequently weighed on Nvidia (-1.2%) shares.

FX

- **DXY** is mildly firmer this morning, and looks to end the European session at the upper end of a 97.69-97.97 range. The docket today was jam-packed with US data and Fed speak; for the former, ADP Weekly Employment change printed at 12.75k (prev. 10.25k). Elsewhere, the Philly Fed regional business activity printed at -17.3 (prev. -4.2). Fed speak today included Goolsbee, who noted that there can be more cuts this year, but not until inflation is heading to target. Markets now await US President Trump's State of Union address tonight.
- **JPY was shunned today**, with **USD/JPY** trading at the upper end of a 154.52 to 156.27 range – the pair currently trades around its 50 DMA at 155.97. Overnight pressure stemmed from reports that US Treasury Secretary Bessent initiated rate checks, rather than at the request of the Japanese. The weakness in **JPY** was then exacerbated by a source report stating that PM Takaichi relayed to BoJ Governor Ueda her reservations about further rate hikes; she was reportedly **"stricter than at the previous meeting"**, in November. As a reminder, the PM and Ueda met last week, where traders assigned some risk that the PM would ask Ueda to cull future rate hikes.
- **G10s were broadly lower vs the USD**. **Antipodeans** were initially outperforming overnight and in early morning action, but now look to end the European day at the bottom end of the G10 pile – potentially as spot gold continues to slip. **EUR** essentially flat against the **USD**, and holding around its 50 DMA (1.7725) – no reaction to the EU's Trade Commissioner saying the US reassured them that they stand by the trade deal. Elsewhere, **GBP** was little moved to initial commentary via Governor Bailey, who suggested that he expects inflation to get back in proximity to the target in April; he sees scope for some further easing this year.

FIXED

- **Global fixed benchmarks** were broadly firmer in early morning action, in the aftermath of the AI disruption woes. Since, bonds gradually waned off best levels as the risk tone stabilised.
- **USTs** look to end the European day at the lower end of a 113-06+ to 113-13 range. Tier 2 US data (better-than-prior weekly ADP and deteriorating Philly Fed index) had little impact on US paper, with Fed speak also unable to move **USTs**. Goolsbee suggested that **there can be more cuts this year, but not until inflation is heading to target**. Now traders will await POTUS at his State of Union address.
- **Bunds** firmer by a handful of ticks, within a 129.63 to 129.76 range. Some attention on **EU Trade Commissioner Sefcovic** who said that US counterparts reassured the EU that they will stand by the trade deal, as such, the European Parliament will vote to approve the deal in March.
- **Gilts** mildly outperformed peers heading into the BoE's TSC hearing, where Taylor, Pill, Greene and Governor Bailey are to appear. Thus far, Governor Bailey, suggested that he expects inflation to get back in proximity to the target in April; he sees scope for some further easing this year. No move in UK paper just yet.
- **Italy sold EUR 2.5bln vs exp. EUR 2-2.5bln 2.20% 2028 BTP Short Term & EUR 2.0bln vs exp. EUR 1.5-2bln 1.10% 2031, 1.80%**

2036 BTPei.

- UK sold GBP 3bln 4.125% 2033 Gilt: b/c 3.37x (prev. 3.18x), average yield 4.075% (prev. 4.296%), tail 0.2bps (prev. 0.2bps).

COMMODITIES

- **Crude benchmarks** remained firmer as the European session neared the close, with **WTI** and **Brent** trading within USD 66.16-67.11/bbl and USD 70.87-71.90/bbl, respectively. Geopolitical tension between the US and Iran continued to underpin the crude complex. There was some upside pressure in the afternoon European session, with some analysts owing it to comments from the White House, stating that US President Trump's first option is diplomacy, but he is willing to use violence if necessary. Elsewhere, in the energy space, Venezuela reportedly readies larger crude cargoes for exports starting in March, according to sources, with exports to expand to India.
- **Precious metals** were more subdued, with **spot gold** falling by nearly 1.7% today and trading at the lower range of USD 5093.2-5250.0/oz. The yellow metal has eroded some gains on recent USD strength. Increased sentiment in Europe and the US on the back of Meta reportedly signing a deal with AMD to spend billions on AI has also weighed down the yellow metal demand as a haven.
- **Copper prices** remained firmer, up 2% and trading above USD 13k. Activity for the red metal has picked up in line with its largest market, China's reopening. At the time of writing, **3M LME copper** trades at the upper range USD 13.005-13.115k/t.
- **Venezuela reportedly readies larger crude cargoes for exports starting in March, according to sources; exports of Venezuelan oil to expand to India.**
- **Russian President Putin talks about the possible Ukrainian threats to various Russian energy pipelines.** Russia's adversaries know how things could end if they use a "nuclear element" in any attack against Russia.
- **EU Commission** is reportedly on the 15th of April to propose legislation to phase out the remaining Russian oil imports, according to a draft document.
- **The Trump administration** is reportedly expected to revert to a gallon mandate from a rin mandate.
- **UBS** said spot gold may reach USD 6,200/oz in the near future as the factors fuelling its recent rally remain intact.
- **Shanghai Gold Exchange** said it is to cut margin ratio and price limits for some gold and silver contracts from the closing settlement on February 24th.

EUROPEAN DATA

- **UK CBI Distributive Trades** (Feb) -43 vs. Exp. -16 (Prev. -17).
- **French Business Climate Indicator** (Feb) 97 (Prev. 99).
- **French Business Confidence** (Feb) 102 vs. Exp. 104 (Prev. 105).

TRADE/TARIFFS

- **India Trade Minister** said it will resume trade talks with the US once there is more clarity on tariffs.
- **A White House official** said there is no change of heart on President Trump's plan for 15% under section 122, but timing of change is unclear.
- **India's Trade Minister** said India is open to calibrated approach on allowing China investments in consultation with the industry.
- **EU Trade Commissioner Sefcovic said US counterparts have reassured the EU that they will stand by the trade deal, European Parliament should target a vote to approve the deal in March.** On China:EU is discussing prospects of high level engagement with China this year.
- **EU reportedly expects the US to ease the impact of metals tariffs in the coming weeks, according to Bloomberg.**
- **India's Trade Minister hopes to launch FTA talks with Canada, in PM Carney's visit to India.**
- **US Trump Administration** is to use a Pentagon-created AI model to set reference prices for critical minerals in a global trading block, according to sources; these include Antimony, Tungsten, Germanium and Gallium.
- **China** announces that the hot-rolled steel coil issue with South Korea has been resolved.
- **China's Commerce Ministry called on US to abandon unilateral tariff; will adjust countermeasures and monitor US actions.** Willing to hold 6th round of trade talks with the US.

CENTRAL BANKS

- **Fed's Cook (voter) said neutral rate could fall over time.**
- **Fed's Goolsbee (2027 voter) optimistic there can be more rate cuts this year, but not until inflation is heading back to target.** Can't bank on coming productivity to lower inflation or use that as a rationale for rate cuts. Inflation progress has stopped, not obvious that Fed policy is even restrictive. Need to make more progress on inflation, concerned if it remains stuck above target. Core services inflation ex-housing is stubbornly high and need to be vigilant. Lowering rates in anticipation of productivity gains could lead to overheating. Consumer spending, not AI investment, has been main driver of economic growth. Low hiring, low firing fuelled by uncertainty that looks set to continue with supreme court tariff ruling. Economic growth and labour market do not seem especially fragile. Any discussion of returning to a scarce reserves regime would need to look at the pros and cons.
- **Fed's Bostic (Retiring Hawk) said the US may be trending toward structurally higher unemployment; transition to AI could be challenging to policymakers.** The US may be heading towards structurally higher unemployment, something the Fed cannot offset.
- **BoE's Bailey (annual report): "...with inflation returning to target, there should be scope for some further easing in monetary policy. This does not mean that I expect to cut Bank Rate at any particular meeting".** "But it means that I will go into the coming meetings asking whether a cut is justified".

- **BoE's Bailey said he will be going into the coming meetings asking if a cut is justified. Expects inflation to get back in proximity to the target in April. Rate cut at the next meeting is a genuinely open question.** Expects to see some scope for further policy easing, probably in 2026. Would have been premature to take a decision at the last meeting. Seeing some labour market softening. Rate cut at the next meeting is a genuinely open question. The key question is if inflation will feed into expectations, do not necessarily need to see this for a further cut.
- **NBH Policy Statement: A careful and patient approach to monetary policy remains necessary due to risks to the inflation outlook.**
- **NBH Governor Varga** said a 25bp cut was the only option discussed, not committed to any rate path and didn't decide on starting a rate-cut cycle. Careful and patient approach to policy remains necessary.
- **Hungarian Interest Rate Decision 6.25% vs. Exp. 6.25% (Prev. 6.50%, Rev. From 6.5%).**

GEOPOLITICS

RUSSIA-UKRAINE

- **Canada imposes sanctions on 100 vessels from Russia's shadow fleet, lowering its price cap for Russian crude to USD 44.10/bbl (prev. 47.60); Canada is renewing its military training mission in Ukraine for three years to 2029.**
- **Russian President Putin talks about the possible Ukrainian threats to various Russian energy pipelines.** Russia's adversaries know how things could end if they use a "nuclear element" in any attack against Russia.
- **Ukrainian President Zelensky** said US, Russia and Ukraine will meet again in the next week or 10 days.
- **Russia's Kremlin highlights that the special operation goals have not yet been achieved, cannot provide a date for the next round of Ukraine talks.**
- **China** said it is open to nuclear talks in Geneva and urges the US to resume strategic stability dialogue with Russia.
- **Ukrainian President Zelensky** said we will do everything necessary to ensure a strong and lasting peace.

MIDDLE EAST

- **White House on Iran, said Trump's first option is always diplomacy but willing to use lethal force when and if necessary.**
- **Iran's military** said any escalation will not only harm Americans, but will also lead to broader instability, including Washington's allies, Sky News reported.
- **Israel sent an indirect message to Lebanon that it would strike the country's civilian infrastructure hard if Hezbollah gets involved in any US-Iran war, according to Lebanese officials.**
- **Iran reportedly nears a deal to purchase anti-ship missiles from China, according to sources.**
- **Iran's military** said any escalation will not only harm Americans, but will also lead to broader instability, including Washington's allies, Sky News reported.
- **"Iranian TV: Revolutionary Guards ground forces begin manoeuvres in the south of the country", according to Al Jazeera.**

NOTABLE NORTH AMERICAN NEWS

- **White House Press Secretary Leavitt** said US President Trump will be making a "few" policy announcements during the State of the Union Address.
- **US Secretary of State Rubio** is to brief House and Senate leaders at the White House at 15:00EST/20:00GMT.

NORTH AMERICAN DATA

- **US S&P/Case-Shiller Home Price MoM (Dec) M/M -0.1% (Prev. 0.0%, Rev. From 0%).**
- **US House Price Index (Dec) 440.4 (Prev. 439.7, Rev. From 439.3).**
- **US S&P/Case-Shiller Home Price YoY (Dec) Y/Y 1.4% vs. Exp. 1.4% (Prev. 1.4%).**
- **US House Price Index YoY (Dec) Y/Y 1.8% (Prev. 2.1%, Rev. From 1.9%).**
- **US House Price Index MoM (Dec) M/M 0.1% vs. Exp. 0.3% (Prev. 0.7%, Rev. From 0.6%).**
- **US Redbook YoY (Feb/21) Y/Y 6.7% (Prev. 7.2%).**
- **US ADP Employment Change Weekly 12.75K (Prev. 10.25K).**
- **Philadelphia Fed Nonmanufacturing Business Outlook Survey (Feb):** Regional business activity -17.3 (prev. -4.2), Firm business activity 5.8 (prev. -16.2). New Orders: -9.3 (prev. 5.5). Sales/Revenues: 8.2 (prev. 24.8).

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