

SNAPSHOT

STOCKS			
S&P 500	+0.8%	Nasdaq Comp.	+1.1%
DJIA	+0.8%	Russell 2000	+1.2%
ES Mar'26	+0.7%	RTY Mar'26	+1.1%
NQ Mar'26	+1.0%	YM Mar'26	+0.7%

FX			
DXY	+0.2% (97.89)	EUR/USD	-0.1%
USD/JPY	+0.8%	GBP/USD	Flat

BONDS			
US T-Note Mar'26	-2 ticks	10yr Bund Mar'26	+8 ticks
US 10yr Yield	4.03%	German 10yr Yield	2.71%

ENERGY & METALS			
WTI Apr'26	-0.4%	Brent May'26	Flat
Spot Gold	-1.6%	LME Copper	+2.7%

CRYPTO			
Bitcoin	-0.7%	Ethereum	+0.2%

As of 21:50GMT/16:50EST

LOOKING AHEAD

- Highlights include Japanese Services PPI & BoJ Core CPI, Singapore GDP, Australian CPI & Construction Work Done, US President Trump's State of the Union Address, Supply from Japan.
- [Click for the Newsquawk Week Ahead.](#)

US TRADE

- **US stocks** gained as the initial weakness, amid declines in NVIDIA shares, was reversed and buoyed by the Anthropic presentation just after the open, which boosted many names that Anthropic announced they are, or will be, partnering with, potentially quelling some AI disruption fears surrounding these names. As such a lot of the stocks that were recently hit by AI disruption fears like software turned, while sectors were predominantly firmer, with Consumer Discretionary and Technology atop of the breakdown, in which the latter was also boosted by AMD (+8.7%), after they signed a deal with META, while Salesforce (+4.1%) gained after Anthropic, in their presentation, noted they are "leading the transformation".
- **SPX** +0.77% at 6,890, **NDX** +1.09% at 24,977, **DJI** +0.76% at 49,175, **RUT** +1.20% at 2,652.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **White House official** said there is no change of heart regarding US President Trump's plan for a 15% tariff under section 122, but the timing is unclear.
- **US posted** a notice of US President Trump's order extending the de minimis suspension.
- **US Commerce Department official** understands that no NVIDIA (NVDA) H200s have been sold to China yet.
- **China's Commerce Ministry** called on the US to abandon unilateral tariffs, while it will adjust countermeasures and monitor US actions. MOFCOM also said it is willing to hold a 6th round of trade talks with the US.
- **EU Trade Commissioner Sefcovic** said US counterparts have reassured the EU that they will stand by the trade deal, while he added that the European Parliament should target a vote to approve the deal in March and the EU is discussing prospects of

high-level engagement with China this year. Sefcovic separately commented that they have a transitional period ahead with the US on tariffs and noted the US is looking into the issue of steel derivative tariffs, while he hopes for better news soon and said they should have more clarity from the US in 3-4 months. Furthermore, he said they got reassurances from the US on derivatives, as well as noted that he spoke with USTR Greer twice on Monday and with US Commerce Secretary Lutnick earlier today.

- **EU reportedly expects the US to ease the impact of metals tariffs in the coming weeks**, according to Bloomberg.
- **UK Secretary of State for Business and Trade Kyle said the deal negotiated with the US still stands**, and they still aspire for a comprehensive trade deal, while he added that to get such a deal, you need two partners "who want it", and he believes tariffs are a lose-lose.
- **US Commerce Department set preliminary countervailing duties on solar panels** from India, Indonesia and Laos.
- **India's Trade Minister hopes to launch FTA talks with Canada during PM Carney's visit to India**, while he also stated that India is open to a calibrated approach on allowing Chinese investments in consultation with the industry.
- **NYT opinion piece stated that US President Trump's new tariffs are illegal too** in which it noted "A Section 122 "payments problem" involves a flight from the U.S. dollar. At the moment, no such problem exists."

NOTABLE HEADLINES

- **Fed's Cook (voter) said the neutral rate could fall over time and could reverse when the AI productivity gains are more fully realised, or if the labour market transition leads to a rise in income inequality, which could lower the neutral rate, all else equal.** Cook also stated that the AI-driven investment surge means it is possible that the current neutral rate is higher than before the pandemic, and that AI is already being incorporated into the Fed's forecasts.
- **Fed's Waller (voter) said AI will not completely take humans out of the picture** and it is a tool, while he added the Citrini report on AI overstates the risk to jobs.
- **Fed's Barkin (2027 voter) said it is clear sense that the job market has loosened** and it is hard to calibrate what's going on with labour supply, while he added that inflation data has been consistently above target. Furthermore, Barkin said he is hopeful inflation is retreating to 2%, but wants data to show this clearly and said **monetary policy is currently well positioned for risks.**
- **Fed's Goolsbee (2027 voter) is optimistic there can be more rate cuts this year, but not until inflation is heading back to target**, while he added they can't bank on coming productivity to lower inflation or use that as a rationale for rate cuts. Goolsbee said Inflation progress has stopped, and it is not obvious that Fed policy is even restrictive, as well as noted that they need to make more progress on inflation, and is concerned if it remains stuck above target.
- **Fed's Collins (2028 voter) said they are quite likely to hold current rates for some time** and noted that policy is mildly restrictive and may be close to neutral, while she added that recent job data has been promising and the job market softened last year, but wasn't soft. Collins said she wants more confidence that inflation is easing, and the Baseline view is that inflation will wane later this year, as well as noted that the latest tariff news hasn't changed the outlook much.
- **Fed's Bostic (retiring) said the US may be trending toward structurally higher unemployment**, something the Fed cannot offset, and the transition to AI could be challenging to policymakers
- **White House Press Secretary Leavitt said US President Trump will be making a "few" policy announcements during the State of the Union Address.**
- **US President Trump is to announce data centre energy deals** during the State of the Union address, according to POLITICO.
- **Anthropic unveiled 10 new ways for business customers to plug in its tech to key areas of work**, which could help with Investment Banking tasks like reviewing deals, Wealth Management tasks such as portfolio analysis and HR-related tasks. Other items include plug-ins for private equity, engineering and design.

DATA RECAP

- US CB Consumer Confidence (Feb) 91.2 vs. Exp. 87 (Prev. 84.5)
- US Richmond Fed Manufacturing Index (Feb) -10 vs. Exp. -4 (Prev. -6)
- US Richmond Fed Manufacturing Shipments Index (Feb) -13 (Prev. -5)
- US Richmond Fed Services Revenues Index (Feb) -8 (Prev. -3)
- US Dallas Fed Services Index (Feb) -3.2 (Prev. 2.7)
- US Dallas Fed Services Revenues Index (Feb) 4.1 (Prev. 7.8)
- US Philadelphia Fed Non-Manufacturing Business Outlook Survey (Feb): Regional business activity -17.3 (prev. -4.2), Firm business activity 5.8 (prev. -16.2)
- US Wholesale Inventories MM (Dec) 0.2% vs. Exp. 0.2% (Prev. 0.2%)
- US House Price Index MM (Dec) 0.1% vs. Exp. 0.3% (Prev. 0.7%, Rev. From 0.6%)
- US House Price Index YY (Dec) 1.8% (Prev. 2.1%, Rev. From 1.9%)
- US S&P/Case-Shiller Home Price MM (Dec) -0.1% (Prev. 0.0%, Rev. From 0%)
- US S&P/Case-Shiller Home Price YY (Dec) 1.4% vs. Exp. 1.4% (Prev. 1.4%)
- US ADP Employment Change Weekly 12.75K (Prev. 10.25K)

FX

- **USD** was ultimately firmer but with gains limited following the mixed performance against its peers, and as the risk-off sentiment seen at the start of the week eased following optimistic announcements between AI firm Anthropic and software-related names. Elsewhere, focus was on data and Fed speak. US Consumer Confidence rose in February, with consumers feeling less pessimistic about future economic conditions, while ADP's weekly private job figures picked up, and the Richmond Fed Manufacturing Index contracted at a faster rate. FedSpeak highlights included Goolsbee (2027 voter), who

reiterated that more progress is needed on inflation before resuming rate cuts, while Fed's Cook (voter) said the neutral rate could fall over time and Collins (2028 voter) said they are quite likely to hold current rates for some time.

- **EUR** marginally softened but with the downside limited amid a light calendar and after EU Trade Commissioner Sefcovic noted that US counterparts have reassured the EU that they will stand by the trade deal.
- **GBP** was flat despite a deluge of remarks from BoE policy makers in which the main takeaway is that a cut in April/May remains an open question for markets, with Governor Bailey stating a rate cut in April is a genuinely open question and that he will be going into the coming meetings asking if a cut is justified.
- **JPY** weakened following reports that Japanese PM Takaichi relayed to BoJ Governor Ueda reservations about further rate hikes, being stricter than their previous meeting.

FIXED INCOME

- **T-notes** settled mildly lower and the curve flattened with moves led by the front-end and in choppy price action during the US session, with market focus remaining on AI disruption, although some of the recent fears were allayed as Anthropic announced a slew of new partnerships, with many of the companies that were hit by Anthropic's abilities actually partnering with Anthropic, which helped software names rally.

COMMODITIES

- **Oil prices** were ultimately lower following two-way trade on Tuesday as participants continue to digest the latest US-Iran rhetoric, with pressure seen after Iran's Deputy Foreign Minister remarked that Tehran is ready to take any necessary step to reach a deal with the US, and a strike on Iran is a real gamble.
- **US Private inventory data (bbls):** Crude +11.4mIn (exp. +1.5mIn) , Distillate -2.8mIn (exp. -1.6mIn), Gasoline -1.5mIn (exp. -0.6mIn), Cushing +1.8mIn
- **Venezuela reportedly readies larger crude cargoes for exports starting in March**, while exports of Venezuelan oil are to expand to India, according to sources.
- **EU Commission is reportedly to propose legislation on April 15th to phase out the remaining Russian oil imports**, according to a draft document.
- **Oil deliveries via the Druzhba pipeline are expected to resume on Thursday**, according to Slovakia.

GEOPOLITICAL

MIDDLE EAST

- **White House said President Trump's first option is always diplomacy regarding Iran, but is willing to use lethal force when and if necessary.**
- **US Senator Cruz said we are likely to see limited strikes on Iran in a matter of days** and will not see ground forces on the ground, according to Asharq News.
- **Iranian Foreign Minister Araghchi said Tehran will resume talks with the US in Geneva** with a determination to achieve a 'fair and equitable deal in the shortest possible time', while he added that Iran will under no circumstances ever develop a nuclear weapon, nor will it ever forgo the right to harness the dividends of peaceful nuclear technology for its people. Araghchi also said they have a historic opportunity to strike an unprecedented agreement and that a deal is within reach, but only if diplomacy is given priority.
- **Iran's Deputy Foreign Minister said Tehran is ready to take any necessary step to reach a deal with the US**, while he added a strike on Iran is a real gamble.
- **Iran's military said any escalation will not only harm Americans, but will also lead to broader instability, including for Washington's allies.**
- **China is reportedly to send Iran aircraft carrier killing missiles, with Iran said to be close to buying a supersonic missile from China** that could destroy American aircraft carriers, according to The Telegraph.
- **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.
- **US F-22 fighter jets were deployed to southern Israel to help intercept missile and drone launches by Iran-aligned Houthi forces from Yemen**, according to Israeli media reports.

RUSSIA-UKRAINE

- **Ukrainian President Zelensky said the US, Russia and Ukraine will meet again in the next week or 10 days.**
- **Ukraine's Foreign Ministry pushed back on claims that Ukraine is attempting to acquire nuclear weaponry.**
- **EU Council President Costa said we can expect significant progress in Ukraine's accession path to the EU** in the foreseeable future.
- **Canada imposed sanctions on 100 vessels from Russia's shadow fleet and is lowering its price cap for Russian crude** to USD 44.10/bbl (prev. 47.60), while Canada is also renewing its military training mission in Ukraine for three years to 2029.

OTHER

- **US imposes cyber-related sanctions** on Russian and UAE individuals and entities.
- **China said it is open to nuclear talks in Geneva** and urged the US to resume strategic stability dialogue with Russia.

ASIA-PAC

NOTABLE HEADLINES

- **China state TV reported that the number of Lunar New Year holiday travellers and spending hit an all-time high.**
- **China aims to boost output of relatively advanced chips to 100k wafers in 1-2 years** and has set a target of adding an additional 500k wafers of capacity by 2030, according to Nikkei.
- **US State Department officials said the US wants a stable relationship with China, but does not trust Beijing.**
- **German Chancellor Merz said decoupling from China would hamper economic opportunities,** while he added it is crucial that Sino-German competition is fair and transparent.
- **Japanese PM Takaichi reportedly relayed to BoJ Governor Ueda her reservations about further rate hikes,** according to Mainichi citing sources.

EU/UK

NOTABLE HEADLINES

- **BoE's Bailey said he will be going into the coming meetings asking if a cut is justified and noted a rate cut at the next meeting is a genuinely open question,** while he expects inflation to get back in proximity to the target in April and expects to see some scope for further policy easing, probably in 2026. Bailey also stated that with inflation returning to target, there should be scope for some further easing in monetary policy, although this does not mean that he expects to cut Bank Rate at any particular meeting, but means he will go into the coming meetings asking whether a cut is justified.
- **BoE's Pill said based on the available data, he expects the disinflation process to continue,** with CPI inflation falling close to 2% in the spring. Pill also said that in the past, the BoE has perhaps put too much weight on inflation being at target as opposed to future risks, while he added that bearing down on inflationary pressures remains necessary, while there is still work to do. Furthermore, he said they **need to see more progress on the indicators of underlying inflation, and on balance, risks are still to the upside on achieving the inflation target, which means there is caution in a further reduction in policy rates.**
- **BoE's Greene believes the disinflationary process is still on track and the risk that inflation remains persistently above target has diminished, while she added they might instead need to raise rates, but this could damage their credibility,** which may in turn make it harder for them to convincingly anchor inflation expectations. It is for this reason that **she believes it is appropriate to slow the pace of further cuts until they can be more confident inflation is returning sustainably to target.**

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