

## SNAPSHOT

STOCKS			
Nikkei 225	-1.4%	ASX 200	U/C
Hang Seng	-2.0%	Shanghai Comp	+0.5%
Euro Stoxx 50 Mar'26	-1.8%	DAX Mar'26	-1.0%
ES Mar'26	-1.1%	NQ Mar'26	-1.4%

FX			
DXY	+0.6% (98.214)	EUR/USD	-0.6% (1.1741)
USD/JPY	-0.1% (156.00)	GBP/USD	-0.7% (1.3390)

BONDS			
US T-Note Mar'26	+0.5 tick	Bund Mar'26	+20 ticks
US 10yr Yield	3.96%	German 10yr Yield	2.64%

ENERGY & METALS			
WTI Apr'26	+7.2%	Brent May'26	+6.3%
Spot Gold	+1.9%	LME Copper	+0.2%

CRYPTO			
Bitcoin	+0.8%	Ethereum	+0.8%

As of 06:25GMT/01:25EST

## LOOKING AHEAD

- Highlights include German Retail Sales (Jan), EZ/UK/US Final Manufacturing PMIs (Feb), US ISM Manufacturing PMI (Feb), Japanese Unemployment Rate (Jan), Speakers including BoE's Taylor & Ramsden, BoC's Kozicki & Macklem, Earnings from Riot Platforms, Norwegian Cruise Line & ASM International.
- [Click for the Newsquawk Week Ahead.](#)

## IRAN CONFLICT

- US and Israel launched a large-scale joint military operation against Iran on Saturday, 28th February, with explosions reported across Tehran shortly after 09:30 local time (06:00 GMT / 01:00 EST), and additional strikes were confirmed in Isfahan, Qom, Karaj and Kermanshah, while the Israeli military confirmed it launched an additional wave of strikes on Sunday morning, targeting Iran's ballistic missile and aerial defence systems.
- Iran launched immediate retaliatory missile and drone attacks against Israel, and multiple US military installations across the Gulf and multiple Gulf states, including the UAE, Qatar, Kuwait and Bahrain. Iranian state television officially confirmed the death of Supreme Leader Ayatollah Ali Khamenei following Saturday's US-Israeli "decapitation strike" on his secure residence and office compound in central Tehran. Furthermore, IRGC declared the Strait of Hormuz closed to international navigation until further notice, while major tanker operators and global trading houses have halted crude, fuel and LNG shipments through the waterway. IRGC also announced on Sunday that they hit 3 US and UK oil tankers with missiles in the Gulf and Strait of Hormuz.
- Iran launched a fresh wave of missile and drone attacks on Sunday, while Iranian sources stated that 27 US bases across the region were targeted, along with Israel's military headquarters in Tel Aviv. It was also reported that Iran fired missiles towards British military bases in Cyprus and that rockets landed near British troops in Bahrain.
- Israeli Air Force launched a new wave of attacks on Iranian regime targets in Tehran early on Monday and bombarded Hezbollah strongholds in the southern suburb of Beirut, while Hezbollah fired rockets towards Northern Israel for the first time since the ceasefire agreement, and it was also reported that Hezbollah parliamentary bloc head Mohammed Raad was killed in

an Israeli raid.

- **US President Trump said the US military launched "major combat operations" in Iran with the objective of defending the American people by eliminating imminent threats from the Iranian regime.** Trump said people in Iran should stay at home and that bombs will be dropping everywhere, while he called for Iranians to take over the government.
- **US President Trump said that Iran's Supreme Leader Khamenei had died, and he was informed that they destroyed and sank nine Iranian ships, as well as largely destroyed the naval headquarters.** Trump separately commented that the military operations are ahead of schedule and that 48 leaders were killed in strikes on Iran, while he also stated that Iranian leaders want to talk and he has agreed to talk, but couldn't say if it would happen soon, according to Atlantic Magazine and Daily Mail. Furthermore, Trump suggested that the fighting with Iran could go on for four weeks, while he also stated on Sunday that they have hit hundreds of targets in Iran under 'Operation Epic Fury' and combat operations will continue in full force until all objectives are complete.
- **US President Trump said he could lift sanctions on Iran if its next leader proves pragmatic and that he had three very good choices for Iran's next leader,** although he also commented that the people he considered for Iran's next leader died in the air attacks.
- **US Secretary of War Hegseth is to hold a press conference at 08:00EST/13:00GMT.** White House separately announced that US Secretary of State Rubio and Secretary of War Hegseth are to brief a full Congress on Tuesday.
- **US officials told Al Jazeera that the strikes on Iran are focused on military targets and will be far more extensive than the US strikes last June,** while the US reported that three US service members died and five were seriously wounded amid the operations against Iran.
- **Israeli PM Netanyahu said the US and Israel operations are to remove the existential threat from the Iranian regime, while Israeli officials characterised the action as a "pre-emptive strike" to prevent Iran from obtaining nuclear weapons.** Israel ordered the shutdown of some natural gas fields as a security measure following the US-Israel strike on Iran, while it pre-approved a USD 2.9bln supplement to the defence budget to fund the war with Iran.
- **Iran's Foreign Ministry called for an emergency meeting of the UN Security Council and said it will defend the country with full determination,** while it said that the US and Israel attacked military and defence targets, as well as civilian infrastructure. It was separately reported that Iran warned that those responsible for killing Supreme Leader Khamenei will face consequences.
- **Iran's Secretary of the Supreme National Security Council Larijani was said to seek nuclear talks with the US.** However, it was later reported that Larijani said US President Trump has brought chaos to the region with "false whims" and is now worried about more casualties among US forces, while he added that Trump is sacrificing American soldiers for Israel's quest for power and stated that Iran will not negotiate with the US.
- **Islamic Resistance in Iraq said it conducted 23 operations using drones targeting US air bases in Iraq and the region.**
- **Saudi Arabia and the UAE increased their criticism regarding Iran's strikes across the Gulf,** while a senior UAE policy adviser called for Iran to return to its senses and to deal with its neighbours with reason and responsibility.
- **US Democrats are pushing for a vote this week on a resolution to curtail US President Trump's authority to launch strikes against Iran,** while senior Senate Democrat Warner said that Trump's rationale for the strikes on Iran isn't convincing and that Trump owes an explanation to the families of US service members killed in action. It was also reported that House Speaker Johnson told lawmakers the vote on war powers is likely to occur Thursday, according to ABC.
- **FBI Director Patel put the bureau's counterterrorism and counterintelligence teams on high alert** after the US and Israel conducted a military strike on Iran.
- **UK PM Starmer said British planes are 'in the sky' in a coordinated defence against Iran,** and the UK Ministry of Defence said RAF jets took out an Iranian drone heading to Qatar. It was separately reported that PM Starmer said the UK will not take part in military strikes on Iran, but has granted the US request to use its military bases to strike Iran, while the UK was reportedly drawing up options for a mass evacuation of citizens from the Middle East.
- **German Chancellor Merz voiced concern regarding the fallout from the US and Israeli strikes on Iran,** ahead of a key trip to Washington this week. Merz also stated that he will discuss the Middle East with US President Trump on Tuesday in Washington and that the regime in Tehran has no legitimacy to stay in power.
- **Chinese Foreign Minister Wang Yi said regarding the US operation against Iran that China opposes the use of force in international relations,** while he also stated it is unacceptable to openly kill the leader of a sovereign country and institute regime change.
- **Russian Foreign Ministry said news regarding the death of Iran's Supreme Leader is met with resentment and deep regret.**
- **UAE announced its two key stock markets will be closed for the first two days of this week due to the fallout from the Iran strikes,** while thousands of flights were disrupted following the escalation in the Middle East and Dubai's main airport was effectively shut down after it was hit by a suspected aerial attack.
- **US Air Force F-15 fighter plane crashed in northern Kuwait near the Iraqi border.** Videos circulating on social media seemed to show smoke billowing from the accident scene, according to Global Times citing initial sources from Iraqi News

## US TRADE

### EQUITIES

- **US stocks** were lower on Friday, amid credit risk and geopolitical tensions, but pared weakness into the close to finish well off earlier troughs. Sectors were mixed, but Financials was the clear laggard as private credit fears continue to linger after the collapse of MFS earlier in the week exposed several US financials, including Wells Fargo, Apollo, and Jefferies. The ongoing private credit concerns may be prompting a rotation out of corporate credit and into safer government debt, underpinning USTs, which saw gains across the curve as Fed rate cut bets were eased for 2026.
- **SPX -0.43% at 6,879, NDX -0.30% at 24,960, DJI -1.05% at 48,977, RUT -1.68% at 2,632.**

- [Click here for a detailed summary.](#)

## TARIFFS/TRADE

- **US President Trump** said on Friday that the recent SCOTUS decision on tariffs could allow hundreds of billions of dollars to be returned to countries and companies that have been ripping the US off, while he questioned if a rehearing or a re-adjudication of this case is possible.
- **India and the EU** were reported on Friday to bar new import-export curbs beyond WTO rules and scrap consular requirements under a proposed FTA goods pact, while they are to grant a most favoured nation treatment for five years after the pact comes into force.

## NOTABLE HEADLINES

- **US President Trump** said on Friday that there will be a six-month phase-out period for agencies like the Department of War that are using Anthropic's products at various levels, while he warned that Anthropic better get its act together, or major civil and criminal consequences are to follow.
- **OpenAI CEO Altman** said they reached an agreement with the Department of War to deploy the Co.'s models in their classified networks, while the Co. will build technical safeguards to ensure that the models behave as they should.
- **NVIDIA (NVDA)** is said to be preparing a specialised chip in a bid to speed AI processing, while it is said to be a new system for inference computing and is set to be released this month.

## APAC TRADE

### EQUITIES

- **APAC stocks** were mostly pressured as all focus centred on geopolitics following the US and Israeli strikes on Iran, which killed its Supreme Leader and dozens of officials, while Iran responded with retaliatory strikes against the US and allies, including several neighbours in the Gulf.
- **ASX 200** was rangebound with weakness seen in tech, financial and airlines stocks as the latter got a double whammy from flight disruptions and higher fuel costs, while energy stocks benefitted from the surge in oil due to the Iran conflict.
- **Nikkei 225** fell beneath the 58,000 level as exporters suffered from the worsening geopolitical climate and disruption in the Strait of Hormuz, which the IRGC shut.
- **Hang Seng** and **Shanghai Comp** were mixed with heavy losses in Hong Kong due to tech weakness, while the mainland shrugged off early jitters and climbed ahead of the annual 'two sessions' in Beijing, where top officials are set to unveil economic strategies.
- **US equity futures** retreated at the reopen due to the conflict in Iran, which President Trump suggested could last four weeks and with operations to continue in full force.
- **European equity futures** indicate a drop at the cash market open with Euro Stoxx 50 futures down 1.5% after the cash market closed with losses of 0.4% on Friday.

### FX

- **DXY** traded higher as the downbeat risk tone provided some haven appeal and weighed on the greenback's cyclical counterparts, but with the gains in the dollar capped as its peers gradually clawed back some of the lost ground, while participants also await further geopolitical updates on the third day of military strikes in Iran.
- **EUR/USD** gapped below the 1.1800 handle as the Iran conflict threatens global disruption, and with very little fresh from the bloc, while German Chancellor Merz voiced concerns regarding the fallout from the strikes ahead of his meeting with US President Trump in Washington on Tuesday, where he is to seek clarity on tariffs.
- **GBP/USD** fell at the open amid pressure in cyclicals and with Iran targeting a UK base in Cyprus.
- **USD/JPY** was choppy with early haven demand seen to support the greenback and the yen, while there were some comments from BoJ Deputy Governor Himino, who said they are to raise rates if the economic outlook is met, and that the goal is to maintain price stability by avoiding excessive inflation and deflation.
- **Antipodeans** slumped at the open but then gradually recovered to briefly return to flat territory as some of the initial extreme moves moderated.
- **PBoC** set USD/CNY mid-point at 6.9236 vs exp. 6.8693 (Prev. 6.9228).
- **ECB's Nagel** said doubts regarding the safe-haven status of the US dollar have increased, and that dollar weakness is currently set to remain.
- **South African budget chief** resigned after helping to stabilise debt, according to FT.

### FIXED INCOME

- **10yr UST futures** saw early haven flows but failed to sustain the gains and returned to relatively flat territory as higher oil prices increase inflationary pressures.
- **Bund futures** faded the majority of initial gains after printing a fresh YTD peak, but with the pullback limited and with participants looking ahead to German Retail Sales.
- **10yr JGB futures** were lifted but are off the initial highs as asset classes pared some of the extreme moves seen at the open.

### COMMODITIES

- **Crude futures** surged at the reopen in reaction to the geopolitical escalation in the Middle East owing to the strikes against Iran and the killing of its Supreme Leader, as well as its retaliation against the US and several neighbours in the Gulf, while it also announced the closure of the Strait of Hormuz. However, prices are well off their opening highs as Brent returned to beneath the USD 80/bbl and WTI briefly retreated to below 70/bbl levels, while it was also reported over the weekend that OPEC+ decided to resume oil output increases with 206k BPD starting in April.
- **OPEC+ is to resume oil output increases, in which it will add 206k bpd in April.** It had been previously reported over the weekend that OPEC+ could consider a larger production hike of as much as 441k bpd following the strike on Iran.
- **IRGC declared the Strait of Hormuz closed to international navigation until further notice,** while major tanker operators and global trading houses have halted crude, fuel and LNG shipments through the waterway. Furthermore, analysts warned of a potential Brent crude move above USD 100/bbl if the blockade persists.
- **S&P Global Platts suspended bids and offers for Middle East oil products requiring Strait of Hormuz transit.**
- **Spot gold** rallied on a haven bid but then mildly pulled back after stalling just shy of the USD 5,400/oz level.
- **Copper futures** ultimately weakened in choppy trade amid the mostly negative risk appetite in the region, with all focus on geopolitics.

## CRYPTO

- **Bitcoin** gained overnight, albeit in a choppy fashion, with some resistance seen near the USD 67,000 level.

## NOTABLE ASIA-PAC HEADLINES

- **China overhauled a key micro credit program** in which the focus is shifting to longer-term income support for rural households from a prior focus on poverty alleviation.
- **Macau gaming revenue in February rose 4.5% Y/Y** to MOP 20.6bln (exp. 1% growth).
- **DeepSeek is to release the long-awaited DeepSeek 4 model in the week ahead.**

## GEOPOLITICS

### RUSSIA-UKRAINE

- **Russia is said to consider a halt in peace talks unless Ukraine cedes land.** Talks planned for the week ahead will be decisive on whether or not the sides can agree on terms to end the war, while Russia will likely walk away if Ukrainian President Zelensky fails to make the concession.

### OTHER

- **China said the US's claims that it conducted nuclear explosive tests are baseless** and it accused the US of being the main cause of uncertainty regarding the global nuclear order.
- **China Commerce Ministry spokesperson said regarding UK sanctions that measures lack basis in international law and that China strongly opposes the sanctions,** while it urges the UK to reverse sanctions on Chinese entities and correct what it calls wrongful measures to safeguard bilateral ties. Furthermore, China is to take necessary measures to safeguard the legitimate rights and interests of its enterprises.
- **Venezuela's opposition leader Machado is to return to Venezuela in a few weeks.**

## EU/UK

### NOTABLE HEADLINES

- Top academics warned that planned cuts to physics and astronomy funding risk undermining a key government strategy to harness innovation to boost economic growth, according to FT.

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