

SNAPSHOT

STOCKS			
Euro Stoxx 50	-3.7%	DAX40	-4.0%
Stoxx 600	-3.4%	FTSE 100	-2.9%
ES Mar'26	-1.7%	RTY Mar'26	-2.5%
NQ Mar'26	-2.3%	YM Mar'26	-1.7%

FX			
DXY	+0.7% (99.26)	EUR/USD	-0.8% (1.1595)
USD/JPY	+0.3% (157.80)	GBP/USD	-0.8% (1.3300)

BONDS			
US T-Note Mar'26	-11 ticks	Bund Mar'26	-86 ticks
US 10yr Yield	4.090%	German 10yr Yield	2.792%

ENERGY & METALS			
WTI Apr'26	+6.7%	Brent May'26	+5.8%
Spot Gold	-1.2%	LME Copper	-1.9%

CRYPTO			
Bitcoin	-3.4%	Ethereum	-3.8%

As of 10:50GMT / 05:50EST

LOOKING AHEAD

- Highlights include US RCM/TIPP (Mar), New Zealand Export/Import Prices, Australian Composite PMI Final (Feb). Speakers include Fed's Williams & Kashkari, UK Spring Statement. Earnings from CrowdStrike, Best Buy, Target, AutoZone, Bayer, Adidas, & Continental.
- [Click here for the Week Ahead preview](#)

EUROPEAN TRADE

EQUITIES

- European bourses** (STOXX 600 -3.4%) continue to selloff as risk tone remains sour, with participants using this opportunity to profit from the trend higher, which is also exacerbating losses. **Banks** remain the hardest-hit, affecting the **FTSE MIB** (-4.5%) and **IBEX 35** (-4.7%) the most. The broader STOXX 600 has now dipped below the 50DMA at 611.7, the index closed at 633.9 only two days ago.
- Unlike Monday, in which **Energy** (-2.0%) was supported by the higher oil prices, all sectors are in the red. As stated above, **Banks** (-4.6%) and **Insurance** (-4.6%) are the worst performing sectors due to the effects of higher oil on growth and the increased war-risk claims. Surging Nat Gas prices have failed to support Utilities (-4.7%), due to the energy disruption caused by QatarEnergy (which accounts for nearly 20% of global LNG trade) stopping the production of LNG.
- US equity futures** (ES -1.7%, NQ -2.3%, RTY -2.5%) are following their European peers, despite managing to close Monday with gains.
- US mulls capping NVIDIA (NVDA) H200 sales to 75,000 per Chinese buyer, while AMD's (AMD) MI325 chips would also fall under the US AI accelerator cap.**
- [Click for the sessions European pre-market equity newsflow](#)
- [Click for the additional news](#)

FX

- **DXY** continues to extend higher, with the geopolitical environment remaining turbulent, and with recent US commentary suggesting no near-term solution to the war. In brief, the IRGC continues to threaten any ship attempting to pass through the Strait of Hormuz, whilst President Trump warned of larger strikes against Iran. (Newsquawk analysis on the war on the headline feed at 08:15 / 03:15 ET). For the time being, DXY resides at the upper end of a 98.43 to 99.22 range, and now trading at levels not seen since late Jan'26; another leg higher could see the retest of January 19 high at 99.47, and then the round 99.50 mark thereafter.
- **EUR** and **GBP** continue to remain pressured by the ongoing Iranian war – both are net-importers of energy, as such, have been considerably pressured in the past couple of session. Geopols aside, the **EUR** saw some very modest upticks on the hotter-than-expected HICP – this is a bit stale, given the ECB will likely have to consider the inflationary/growth impacts of higher energy prices. UK-specific traders will also be attentive of the UK's Spring Statement – it is likely to be a "non-event", though focus will remain on the OBR, DMO forecasts and the implied headroom for Chancellor Reeves. (A Newsquawk primer is on the headline feed at 09:01 GMT / 04:01 EST)
- **CHF** continues to underperform vs peers. As above, Switzerland is a net-importer of energy, with downside also exacerbated by reports that the SNB is increasingly prepared to intervene. This stems the haven-related strength, that would otherwise be expected during times of geopolitical turmoil. Sticking with havens, the **JPY** also continues to weaken against the USD. **USD/JPY** now trades around 157.82, and is gradually edging its head back towards the touted intervention zone of 158-160. Further upside would likely see the resurgence of jawboning via Japanese officials. This perhaps explains why the JPY is holding up better vs peers (albeit is still lower vs USD). Earlier, Japanese Unemployment ticked a touch higher in January, but had little impact on the currency.

FIXED INCOME

- **Fixed benchmarks under pressure** as energy prices continue to climb and bias yields higher. A narrative that is sparking a hawkish repricing for central banks, with the near-term odds of a BoE cut trimming significantly and ECB pricing implying a small chance of tightening by end-2026.
- **Bunds** are down by 88 ticks at most, to a 128.75 trough. If the move continues, we look to 128.03 from the week of February 13th before the figure and then a cluster of lows from the first few weeks of the year between 127.51 to 127.82. If those are taken out, the YTD base is 126.98 before the 126.75 March contract low.
- **Gilts** gapped lower by 54 ticks and then fell almost a full point lower to a 91.58 trough, lower by 143 ticks at worst. Pressure is a function of the energy narrative as discussed above. A point that has seen the odds of BoE easing in the near-term trim significantly, with pricing now less than a 50% chance of a March cut vs. c. 85% at the end of last week.
- For the UK, the docket is theoretically headline by the **Spring Statement**. Though, the expectation is firmly for Chancellor Reeves to be a non-event. Nonetheless, the forecasts and DMO remit will be of note; Newsquawk primer available at 09:01GMT.
- **USTs** are in-fitting directionally, though magnitudes are less pronounced than its UK or even German peers. Down to a 112-24 base with losses of c. 13 ticks. Ahead, the docket features a handful of data points before Fed speak from Williams and Kashkari (2026), with a text and Q&A expected from both. Though, of course, any fresh geopolitical escalation/moderation will dominate the narrative.
- **Germany sells EUR 3.825bln vs exp. EUR 5.0bln 2.50% 2031 Bobl: b/c 1.19x (prev. 1.65x), average yield 2.43% (prev. 2.40%), retention 23.5% (prev. 23.8%).**
- **Japan sold JPY 2.04tln 10yr JGBs, b/c 3.30x (prev. 3.02x), average yield 2.122% (prev. 2.249%).**
- **Australia sold AUD 300mln Mar 2047 bonds, b/c 4.7, avg. yield 5.1378%.**

COMMODITIES

- **WTI and Brent futures** remain firmer within USD 70.41-74.19/bbl and USD 76.74-79.27/bbl, with prices underpinned as the Iran conflict entered a fourth day, with the IRGC threatening to attack any ship trying to pass through the Strait of Hormuz, while US President Trump warned of larger strikes against Iran (analysis on the Newsquawk feed).
- **Nat Gas** has been in focus amid the upside from the war, further exacerbated by Qatar's shuttering of output yesterday. Qatar accounts for roughly one-fifth of global LNG supply. Analysts warn that every week of downtime removes 1.6-1.8mtn tons of LNG from the global market. Dutch TTF currently trades +23% intraday at EUR 54.805/MWh vs around EUR 32/MWh on February 27th.
- **Precious metals** are trading slightly lower. Silver faces a steeper drop thus far, down 4.6%, whilst spot gold is down 0.4%. XAG and XAU trade within the narrow ranges of USD 5,284.62-5,292/oz and USD 84.84-85.13/oz, respectively. Continuous dollar strength continues to hamper gains in the precious metals space despite weaker global risk sentiment amid geopolitical tension between the US and Iran, which increases haven demand for precious metals. Some analysts also suggest that profit-taking has been the key driver behind the slight pressure on the yellow metal. That being said, BMI forecasts that gold should rise above USD 5,600/oz this week with further upside to USD 5,850-6,500/oz if the conflict lasts 2-3 weeks.
- **Base metals** are also lower, hampered by global risk sentiment amid geopolitical tension between the US and Iran. 3M LME copper trades within the lower range of USD 12.798-13.281k/t.
- **IAEA confirms recent damage to entrance buildings of Iran's underground Natanz fuel enrichment plan.**
- **US President Trump will meet with US Treasury Secretary Bessent and the Energy Secretary Wright at 14:00EST/19:00GMT on Tuesday.**
- **Fox News reporter citing US Central Command said Strait of Hormuz is not closed despite the IRGC pronouncement.**
- **Oil production at Kazakhstan's Tengiz (CVX) field reportedly dropped by 30% on the 1st of March from February's average**

output to 415k/BPD, sources reported.

- **Turkey** is reportedly assessing the revival of a fuel tax mechanism aimed at cushioning consumers from rising oil prices, Bloomberg reported citing sources.
- **Russian oil product exports from Black Sea port of Tuapse** planned at 755k tonnes in March (vs 312k tonnes in February schedule), traders suggest.
- **India** is reportedly rationing nat gas supply to industries following on from Qatar halting production, according to sources.
- **Some Asian oil refiners** are reportedly considering run cuts of 20-30% amidst the Middle Eastern conflict, and the difficulties relating to shipping through the Strait of Hormuz, Bloomberg reported citing sources.
- **Oman** announces that fuel tanks at the commercial port of Duqm were attacked by several drones, Sky News Arabia reported; damage has been contained, Al Jazeera reported.
- **Morgan Stanley** said it remains bullish on aluminium prices; forecasts price to reach USD 3,700/t in FY 2026.

TRADE/TARIFFS

- **US Treasury Secretary Bessent and Chinese Vice Premier He Lifeng** are expected to convene in Paris at the end of next week to discuss bilateral matters, according to Bloomberg.
- **US and China trade negotiators are to meet mid-March** prior to the Trump-Xi summit.

NOTABLE EUROPEAN HEADLINES

- **Two UK government aligned think tanks** are reportedly working on the options to reform student loans, Politico reported citing sources.

NOTABLE EUROPEAN DATA RECAP

- **EU Core Inflation Rate YoY Flash (Feb) Y/Y 2.4% vs. Exp. 2.2% (Prev. 2.2%, Low. 2.0%, High. 2.3%).**
- **EU Inflation Rate YoY Flash (Feb) Y/Y 1.9% vs. Exp. 1.7% (Prev. 1.7%, Low. 1.6%, High. 1.9%); Services 3.4% (prev. 3.2%).**
- **EU Inflation Rate MoM Flash (Feb) M/M 1.7% (Prev. -0.6%).**
- **Italian Inflation Rate MoM Prel (Feb) M/M 0.8% vs. Exp. 0.2% (Prev. 0.4%).**
- **Italian Inflation Rate YoY Prel (Feb) Y/Y 1.6% (Prev. 1.0%, Rev. From 1%).**
- **Worldpanel UK grocery inflation (4-weeks to Feb 22nd) 4.3% (prev. 4.0%).**
- **UK BRC Shop Price Inflation (Feb) 1.1% vs. Exp. 1.2% (Prev. 1.5%).**
- **Turkish Inflation Rate MoM (Feb) M/M 2.96% vs. Exp. 3% (Prev. 4.84%).**
- **Turkish Inflation Rate YoY (Feb) Y/Y 31.53% vs. Exp. 31.55% (Prev. 30.65%).**

CENTRAL BANKS

- **Fed Chair nominee Warsh's attempt to shrink the Fed's balance sheet would proceed only slowly as he would face resistance over his plan to scale back one of the Fed's most powerful tools, according to FT.**
- **BoJ Governor Ueda said the BoJ will conduct technical experimentation on settlement using central bank money in the form of current account deposits on a blockchain-based system.**
- **ECB's Stourmaras said should the Iran war continue, then there will be an upward pressure on EZ inflation; no rush to change rates.**
- **ECB's Villeroy said French economic exposure to tensions in the Middle East is limited, would be a mistake to predict a rate move in a hurry.**
- **ECB's Lane warned that a prolonged war in the Middle East and a persistent decline in oil and gas supplies could cause a "substantial spike" in inflation and a sharp fall in output in the Eurozone, according to FT.**
- **RBA Governor Bullock said underlying demand in the economy is further from supply potential than they had assessed. A large part of the unexpected increase in inflation was sector specific. Policy is well positioned to respond if needed.**
- **Riksbank's Thedeen said inflation is close to target, interest rates have come down and the labour market has started to improve. Core inflation may trail forecast in 2026.**
- **PBoC purchased CNY 50bln worth of sovereign bonds in February on the open market.**

NOTABLE US HEADLINES

- **Two leading Republican senators** are reportedly asking the Trump admin to pass a USD 200bln tax cut without congressional approval, according to Washington Post citing a draft; GOP seeks improving its economic approval rating ahead of the mid-term elections. Two senators incl. Ted Cruz and Tim Scott. Aims to reduce some of the taxes paid on capital gains.

GEOPOLITICS

MIDDLE EAST

- **Israeli defence forces announce that they did not deploy ground troops in Iran, Israeli source report.**
- **The IDF announces that they have struck Iran's leadership compound in Tehran.**
- **IAEA confirms recent damage to entrance buildings of Iran's underground Natanz fuel enrichment plan.**
- **Israel's Home Front announce early warning after detection of rockets fired from Iran toward Israel, Al Jazeera reported.**
- **Israeli Military Spokesperson said it is not likely that Israel will deploy ground forces to Iran as it is not practical.**
- **IDF spokesperson said launches detected from Iran and alerts expected in the northern area from the Golan to northern Sharon.**

- Iran's military said it targeted the Al Udeid base with missiles.
- Iran's IIRG said they targeted the aircraft carrier "Lincoln" with 4 cruise missiles; The aircraft carrier "Lincoln" headed towards the southeastern Indian Ocean , Al Arabiya reported.
- Member of Iran's Assembly of Experts said choosing a successor to Supreme Leader Khamenei "won't take long", according to ISNA.
- Hezbollah said it targeted the Ramat David Air Base in northern Israel.
- US VP Vance said President Trump wants to make sure Iran never had nuclear weapons, adds the US has a lot of capacity in Iran.
- US President Trump held a call with Kurdish leaders in Iraq on Sunday to discuss the US-Israel war with Iran and what might come next, according to three sources with knowledge of the call cited by Axios.
- US is said to prepare for a 'pickup' of attacks in Iran during the next 24 hours, according to CNN.

RUSSIA-UKRAINE

- Russian Kremlin spokesperson Peskov on Ukraine talks, said its hardly possible to talk about meeting, adding that there's no certainty on venue or timing.

CRYPTO

- Bitcoin continues to pull back, falling just shy of USD 66,000.

APAC TRADE

- APAC stocks were pressured with risk appetite weighed down by geopolitics as the Iranian conflict entered a fourth day, and with US President Trump warning of larger strikes to come.
- ASX 200 was led lower by weakness in mining and materials, with broad weakness seen in nearly all sectors aside from energy and financials.
- Nikkei 225 slumped beneath the 57,000 level amid the Iranian conflict and global disruption, with sentiment also not helped by a rise in the unemployment rate and as higher energy prices stoked inflationary concerns, which could narrow policy space for the BoJ.
- Hang Seng and Shanghai Comp traded indecisively with price action initially rangebound, before eventually succumbing to the risk-off mood, while there was a fairly substantial liquidity drain by the PBoC, and participants continue to await China's annual Two Sessions conclave.

NOTABLE ASIA-PAC HEADLINES

- Japanese PM Takaichi said chances of a supplementary budget are not zero.
- Japanese Finance Minister Katayama said sees large market volatility on the Middle East situation, while Trade Minister Akazawa said watching impacts on prices including energy and will take steps to ensure economic impact is minimal.

NOTABLE APAC DATA RECAP

- Japanese Unemployment Rate (Jan) 2.7% vs. Exp. 2.6% (Prev. 2.6%, Low. 2.5%, High. 2.7%).
- Japanese Jobs/applications ratio (Jan) 1.18 vs. Exp. 1.19 (Prev. 1.19, Low. 1.18, High. 1.2).
- Japanese Capital Spending Ex. Software YY (Q4) 7.3% (exp. 3.9%).
- Japanese Capital Spending YoY (Q4) Y/Y 6.5% vs. Exp. 3% (Prev. 2.9%).
- Australian Building Permits MoM Prel (Jan) M/M -7.2% vs. Exp. 5.5% (Prev. -14.9%, Low. 1.5%, High. 10%).
- Australian Building Permits YoY Prel (Jan) Y/Y -15.7% (Prev. 0.4%).
- Australian Private House Approvals MoM Prel (Jan) M/M 1.1% (Prev. 0.4%).
- South Korea S&P Global Manufacturing PMI (Feb) 51.1 (Prev. 51.2).
- New Zealand Building Permits MoM (Jan) M/M 1.9% (Prev. -4.5%, Rev. From -4.6%).

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