

SNAPSHOT

STOCKS			
Nikkei 225	-4.0%	ASX 200	-1.9%
Hang Seng	-2.8%	KOSPI	-12.2%
Euro Stoxx 50 Mar'26	-0.4%	DAX Mar'26	-0.1%
ES Mar'26	-0.7%	NQ Mar'26	-1.0%

FX			
DXY	+0.1% (99.158)	EUR/USD	-0.1% (1.1601)
USD/JPY	-0.1% (157.57)	GBP/USD	-0.3% (1.3321)

BONDS			
US T-Note Mar'26	-4.5 ticks	Bund Mar'26	+4 ticks
US 10yr Yield	4.075%	German 10yr Yield	2.750%

ENERGY & METALS			
WTI Apr'26	+2.1%	Brent May'26	+2.1%
Spot Gold	+1.1%	LME Copper	+0.7%

CRYPTO			
Bitcoin	-0.3%	Ethereum	-0.8%

As of 06:25GMT/01:25EST

LOOKING AHEAD

- Highlights include Swiss CPI (Feb), Global Final Composite/Services PMIs (Feb), EZ Unemployment (Jan), PPI (Jan), US ISM Services PMI (Feb), NBP Policy Announcement, Speakers including ECB's Cipollone, de Guindos & BoC's Macklem, Supply from Germany, Earnings from Broadcom, Merck & Deutsche Post.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump said everything was knocked out in Iran** and they felt strongly that Iran was going to attack first, based on the way talks were going. Trump stated that Iran no longer has air protection and detection facilities, while adding that **there was another hit on the new leadership.**
- US and Israeli forces targeted Tehran, Urmia, Isfahan, and Karaj with heavy air strikes**, while the IDF announced it conducted a wave of attacks against missile launch sites, defence systems, and infrastructure belonging to the Iranian regime.
- US Central Command said they have bombed nearly 2,000 targets in Iran and destroyed 17 Iranian ships**, while it stated there are no Iranian ships sailing in the Gulf or Strait of Hormuz or Gulf of Oman today.
- US President Trump said if we have slightly high oil prices, it could be for a little while**, but they will drop and could even be below the levels before. Trump also announced with immediate effect that **the US is to provide political risk insurance and guarantees (at a very reasonable price) for the financial security of all maritime trade, especially energy, travelling through the Gulf.** Furthermore, he said that **"If necessary, the United States Navy will begin escorting tankers through the Strait of Hormuz, as soon as possible".**
- US and Israel are seeking to foment an armed uprising inside Iran using an armed Kurdish fighting force**, while it was separately reported that the CIA is working to arm Kurdish forces.
- US Senator Schumer said the Senate will vote on the Iran war powers resolution on Wednesday.**
- Israeli Home Front reported sirens sounding in several towns in Israel's Upper Galilee**, while the IDF identified missiles fired by Iran towards Israel and was working to intercept them. Furthermore, the IDF issued an evacuation notice to 16 villages in

southern Lebanon.

- **Israel Defence Force said they have killed the commander of the Iranian Qods Force's Lebanon Corps.**
- **IDF spokesman said the Iranian regime transferred some components of the nuclear program to secret sites, but they found them and struck them.**
- **Iran hit more than 10 tankers that ignored warnings** and warns ships against transiting the Strait of Hormuz, according to FARS.
- **Iran's Assembly of Experts elected Ali Khamenei's son Mojtaba as the next Supreme Leader,** according to Iran International.
- **There has reportedly been a 70% decrease in launch volumes from Iran.**
- **IAEA's Grossi said there has been no evidence of Iran building a nuclear bomb,** while he added that Iran's large stockpile of near-weapons-grade enriched Uranium and refusal to grant IAEA full access are cause for serious concern.
- **US Embassy in Riyadh noted continuous threats of Iranian missile strikes and drones targeting areas in Saudi Arabia,** while Saudi Arabia said it will take all necessary measures to defend its security. There were also separate reports that Saudi defences intercepted and destroyed nine drones after they entered the kingdom's airspace, and that a suspected Iranian drone attack hit the CIA station in Saudi Arabia.
- **Sirens and explosions were reported in Bahrain, while Kuwait said two Kuwaiti army personnel were killed on Monday** as a result of Iran's attacks against the country.
- **French President Macron said France will send air defences and a warship to Cyprus.**

US TRADE

EQUITIES

- **US stocks** were sold on Tuesday, albeit closed off lows, as the escalating Middle Eastern conflict continued to dominate trade and newsflow with the war showing no signs of slowing down, as the attacks from all sides continued far and wide, with Iran continuing to attack US bases in the Middle East, while it was reported that the UAE is considering taking military action to stop Iranian missile and drone strikes on the country, with reports also suggesting that Iran hit the US consulate in Dubai. As such, WTI and Brent saw extensive gains, but then pulled back from intraday peaks after US President Trump confirmed actions to attempt to resume shipping in the Strait of Hormuz, which is currently "closed".
- **SPX -0.94% at 6,817, NDX -1.09% at 24,720, DJI -0.83% at 48,501, RUT -1.75% at 2,609.**
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **US President Trump said they must charge tariffs on nations that play with their money,** while they have a 5-month period to go at 15% tariffs and are doing the various studies on tariffs during this time.
- **US President Trump said he will be going to China** in a little while and has a very good relationship with China. Furthermore, **Trump said he told Treasury Secretary Bessent to cut off all dealings with Spain, and he is not happy with the UK either,** while he stated that Spain has been very uncooperative and that the UK has ruined relationships, which he said is a shame.
- **US Treasury Secretary Bessent** said the Supreme Court reaffirmed President Trump's ability to implement an embargo.
- **German Chancellor Merz** told US President Trump of the need to complete the US-EU trade deal to end the uncertainty.
- **Spain's government said regarding President Trump's threat to cut trade,** that the US must comply with international law and the bilateral EU-US trade agreement.
- **Japanese Trade Minister Akazawa is to travel to the US on Thursday** and will meet US Commerce Secretary Lutnick and discuss Japan-US investment.

NOTABLE HEADLINES

- **Fed's Kashkari (2026 voter) said it is too soon to assess the Iran conflict's impact on inflation** and that it could have an impact on monetary policy. Kashkari added that **policy is in a good place and uncertainty around tariffs has increased,** but he does not think the latest round of tariffs will have a fresh inflation impact. Kashkari separately commented that the Fed can sit tight as war clouds the outlook, while he also noted that **one or two cuts later this year could be appropriate if inflation cools, but war in the Middle East could also create conditions that would justify an extended pause.**

APAC TRADE

EQUITIES

- **APAC stocks** extended losses with markets roiled by the widening conflict in the Middle East, with the UAE considering taking military action to stop Iranian missile and drone strikes on the country, while it was also estimated that Saudi Arabia could attack Iran soon.
- **ASX 200** slumped with the index dragged lower by underperformance in the commodity-related sectors, while better-than-expected Australian GDP data for Q4 failed to inspire a turnaround.
- **Nikkei 225** dipped beneath the 54,000 level with mining and materials the worst performers amid disruption concerns.
- **KOSPI** saw a double-digit percentage drop and had triggered a circuit breaker with declines led by shipbuilders and shipping firms, while large exporters such as Samsung, SK Hynix and Hyundai Motor also suffered.
- **Hang Seng and Shanghai Comp** conformed to the bloodbath in the region as participants digested mixed Chinese PMI data in which the official NBS Manufacturing and Non-Manufacturing PMIs disappointed, but the private sector RatingDog PMI accelerated to multi-year highs, while attention is also on the Two Sessions, which began today in Beijing, while the focus will be on the Work Report on Thursday.

- **US equity futures** retreated amid the broad sell-off across the Asia-Pac region.
- **European equity futures** indicate a slightly lower cash market open with Euro Stoxx 50 futures down 0.4% after the cash market closed with losses of 3.6% on Tuesday.

FX

- **DXY** held on to recent spoils amid the ever-escalating Middle Eastern conflict, which continues to expand across the region, with Axios sources stating that the UAE is considering taking military action to stop Iranian missile and drone strikes on the country, while an Israeli senior official estimates that Saudi Arabia will attack Iran soon. Elsewhere, the data calendar for the US is very light, although ISM Services is scheduled later, while there were recent Fed speakers, in which the main message was that policy was well-positioned, and it is too soon to gauge the impact of the war in Iran on inflation.
- **EUR/USD** remained lacklustre and just about returned beneath the 1.1600 handle with the single currency not helped by President Trump's threat to cut all trade with Spain, while participants look ahead to EU PPI and Unemployment data.
- **GBP/USD** demand is subdued with trade kept within tight parameters amid some support at the 1.3300 level and following a lack of fireworks from the recent UK Spring Statement, with the OBR downgrading its 2026 growth and inflation view.
- **USD/JPY** price action was choppy amid a quiet calendar for Japan and ongoing uncertainty regarding the Iranian conflict and effects on inflation, as well as the ramifications for BoJ monetary policy.
- **Antipodeans** were mixed with underperformance in AUD/USD despite the better-than-expected Australian GDP data for Q4, which topped forecasts, although the currency failed to benefit amid the risk-off mood and given that the data was prior to the RBA's first rate hike in more than two years.
- **PBoC** set USD/CNY mid-point at 6.9124 (Prev. 6.9088).

FIXED INCOME

- **10yr UST futures** lacked conviction following the recent two-way trade as eyes remained glued to the Middle East.
- **Bund futures** attempted to nurse some of the prior day's losses, but with upside limited ahead of a Bund issuance.
- **10yr JGB futures** initially gained amid a slump in stocks and briefly returned to the 133.00 level, where it then hit some resistance.

COMMODITIES

- **Crude futures** remained underpinned by the escalating Middle East conflict, but are off the prior day's highs after US President Trump confirmed the US is to provide political risk insurance and guarantees at a very reasonable price for the financial security of all maritime trade, and could also begin escorting tankers through the Strait of Hormuz.
- **US Private Energy Inventories (bbls)**: Crude +5.6mln (exp. +2.3mln), Distillate +0.5mln (exp. -2.6mln), Gasoline -3.3mln (exp. -0.8mln), Cushing +1.5mln
- **Qatar Gulf International Services** noted a stoppage of certain operations and services related to energy sector activities.
- **Spot gold** continued its rebound from support at the USD 5,000/oz level, with prices helped by haven demand.
- **Copper futures** edged higher with mild tailwinds seen after China's private sector manufacturing PMI data showed the greatest improvement in manufacturing conditions in more than five years.

CRYPTO

- **Bitcoin** retreated overnight in choppy trade with prices reverting to beneath the USD 68,000 level.

NOTABLE ASIA-PAC HEADLINES

- **China NPC spokesperson said they will continue to expand domestic demand this year and will foster new growth points in services consumption**, while China will promote high-quality employment this year and will formulate the law on childcare services, social assistance and medical security this year.

DATA RECAP

- Chinese NBS Manufacturing PMI (Feb) 49.0 vs. Exp. 49.1 (Prev. 49.3)
- Chinese NBS Non-Manufacturing PMI (Feb) 49.5 vs. Exp. 49.8 (Prev. 49.4)
- Chinese NBS Composite PMI (Feb) 49.5 (Prev. 49.8)
- Chinese RatingDog Manufacturing PMI (Feb) 52.1 vs. Exp. 50.2 (Prev. 50.3, Low. 49.1, High. 50.8)
- Chinese RatingDog Services PMI (Feb) 56.7 vs. Exp. 52.3 (Prev. 52.3)
- Chinese RatingDog Composite PMI (Feb) 55.4 (Prev. 51.6)
- Australian GDP Growth Rate QQ (Q4) 0.8% vs. Exp. 0.6% (Prev. 0.4%, Low. 0.4%, High. 1.0%)
- Australian GDP Growth Rate YY (Q4) 2.6% vs. Exp. 2.2% (Prev. 2.1%, Low. 1.9%, High. 2.5%)

GEOPOLITICS

RUSSIA-UKRAINE

- **US President Trump said Russia/Ukraine is very high on his priority list.**

EU/UK

NOTABLE HEADLINES

- **ECB's Kazaks said he sees no need to rush the rate decision**, and the February inflation reading will keep them in a cautious mood.

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