

## SNAPSHOT

STOCKS			
Nikkei 225	-4.8%	ASX 200	-2.9%
Hang Seng	-1.7%	Shanghai Comp	-0.6%
Euro Stoxx 50 Mar'26	-2.1%	DAX Mar'26	-2.2%
ES Mar'26	-1.5%	NQ Mar'26	-1.7%

  

FX			
DXY	+0.5% (99.344)	EUR/USD	-0.5% (1.1554)
USD/JPY	+0.5% (158.47)	GBP/USD	-0.6% (1.3321)

  

BONDS			
US T-Note Jun'26	-13 ticks	Bund Jun'26	-59 ticks
US 10yr Yield	4.193%	German 10yr Yield	2.864%

  

ENERGY & METALS			
WTI Apr'26	+13.4%	Brent May'26	+15.7%
Spot Gold	-0.9%	LME Copper	-0.6%

  

CRYPTO			
Bitcoin	+2.5%	Ethereum	+3.4%

As of 06:25 GMT/02:25 EDT

## LOOKING AHEAD

- US clocks moved forward an hour over the weekend to Daylight Saving Time, with the London-NY time difference at 4 hours.
- Highlights include German Industrial Production (Jan), US NY Fed SCE, Australian Westpac Consumer Confidence (Mar), Japanese GDP Final (Q4), Speakers including ECB's Elderson & Cipollone.
- [Click for the Newsquawk Week Ahead.](#)

## IRAN CONFLICT

- **US President Trump said that Iran would be hit very hard on Saturday** and the US would consider targeting areas and groups in Iran that were not previously considered as targets.
- **US President Trump said there would have to be a very good reason for the US to deploy ground troops in Iran, while Trump also said that he has ruled out having Kurdish forces go into Iran.** It was separately reported that Trump told Britain that he does not need its help to win the Iran war, while Trump blamed Iran for launching a deadly strike on an all-girls school in Hormozgan province in Iran that killed about 180 people during the first day of the US-Israeli strikes. However, sources cited by CBS News said the US may be responsible for the bombing of the girls' school in Iran.
- **US President Trump is said to be considering the option of deploying special forces on the ground in Iran** to seize its near-bomb-grade uranium, according to Bloomberg, citing three diplomatic sources briefed on the matter.
- **US President Trump said on Friday that his demand for Iran's unconditional surrender could be when Iran announces it or when Iran "can't fight any longer",** according to an interview cited by Axios. Trump also commented on Friday that he had a very good meeting with the largest US defence manufacturing companies and that they agreed to quadruple production of "Exquisite Class" weaponry.
- **US aircraft carrier USS Gerald R. Ford was reported on Friday to have left the eastern Mediterranean,** while it crossed the Suez Canal and is currently active in the Red Sea, according to Al Jazeera.
- **Iranian President Pezeshkian said on Saturday that he instructed the military not to attack any country that is not striking Iran and apologised to Iran's neighbours for conducting strikes against them,** although reports noted that there were no signs that

Iranian forces had stopped striking their Arab Gulf neighbours.

- **Iran's Foreign Minister Araghchi said he is in constant contact with his Saudi counterpart** and that Saudi officials said they were fully committed to not letting their territory, water and airspace be used against Iran.
- **Iran's Supreme National Security Council Secretary Larijani said the US must pay for its actions** and that Iran would not leave US President Trump alone for killing Supreme Leader Khamenei, while he also stated that Tehran has no problem with regional countries but warned Tehran would continue attacking neighbouring countries if they allow their territories to be used for attacks against Iran.
- **Iran picked former Supreme Leader Ali Khamenei's son Mojtaba as the next Supreme Leader**, while Iran's Revolutionary Guards said they are ready to follow and obey new Supreme Leader Mojtaba Khamenei.
- **Israel's military warned it would pursue every person who sought to appoint a successor to Iranian Supreme Leader Khamenei.**
- **Iranian missile attack caused a power outage in Tel Aviv**, while Iran also conducted launches towards northern Israel and the Lachish area.
- **Iranian strike hit a Bahraini desalination plant**, according to Semafor.
- **Iraqi media reported air defences shot down a drone targeting Victoria base** at Baghdad airport.
- **Qatari Ministry of Defence announced armed forces responded to a missile attack**, while at least eight explosions and several ballistic missile interceptions were reported over Doha, Qatar.
- **IRGC spokesman challenged US President Trump on Friday to have US vessels escort oil tankers in the Strait of Hormuz.**
- **UAE, Kuwait, Bahrain and Saudi Arabia said they intercepted Iranian stacks overnight into Sunday**, while UAE President Mohammed bin Zayed warned the country's "enemies" that they are no easy prey and not to mistake their prosperity for weakness. It was separately reported that Dubai's Emirates Airlines planned to resume operations after flights were temporarily suspended on Saturday following disruptions caused by interceptions, while the **UAE also announced on Sunday that its air defence systems responded to a missile threat.**
- **Saudi Arabia and Pakistan discussed joint steps they could take to stop Iranian drone and missile strikes on the kingdom**, amid their mutual defence pact, while it was also reported that **Saudi Arabia intercepted four drones that were heading to the Shaybah oil field**, which has a 1mln bpd output capacity. Furthermore, the **Saudi Foreign Ministry said the kingdom affirms that it reserves its full right to take measures to protect its security, and it stated that Iran's sinful aggressions cannot be accepted or justified.**
- **US embassy in Oslo sustained minor damage from an explosion early on Sunday**, while Norwegian police said signs pointed to an attack and that there were no casualties.
- **US State Department ordered diplomats to leave Saudi Arabia**, citing growing risks in the region.
- **One of the UK's two aircraft carriers has been placed on advanced readiness to deploy in five days from Saturday**, which has led to speculation that it could be deployed to the Mediterranean to help defend British interests.

## US TRADE

### EQUITIES

- **US stocks** were heavily sold on Friday to conclude what had been a grim week for risk assets amid the start of the Middle East conflict. In addition to that, markets got a further hit on a quite dismal US jobs report, which saw the headline plunge 92k (exp. 59k, prev. 126k), unemployment rate tick higher to 4.4% (prev. & exp. 4.3%), and wages unwelcomingly accelerate/sticky.
- Further adding to the woes, and hitting the tech/semi sector, including NVIDIA, were Bloomberg reports that Oracle and OpenAI ended plans to expand a data centre site. However, US indices pared some of this weakness as CNBC, citing a source, refuted this, saying existing plans remain on track.
- **SPX -1.33% at 6,740, NDX -1.51% at 24,643, DJI -0.95% at 47,502, RUT -2.33% at 2,525.**
- [Click here for a detailed summary.](#)

### TARIFFS/TRADE

- **US Customs and Border Protection told a court it cannot immediately refund about USD 166bln in tariffs** deemed illegal by the Supreme Court, as its computer systems, administrative procedures and staffing do not enable it to comply at once.
- **US President Trump and Chinese President Xi's summit is said to unlikely yield a breakthrough**, with five people briefed on preparations saying the summit is unlikely to create room for even a limited reset of business and investment ties.
- **Chinese Foreign Minister Wang Yi said China and the US could make 2026 a landmark year** for sound, steady and sustainable development of China-US relations, while he added that China's attitude is always positive and open. Furthermore, he stated regarding US President Trump's planned visit to Beijing, that the agenda of high-level exchanges is already on the table and that both sides now need to make preparations accordingly.
- **Japanese Trade Minister Akazawa said Japan requested that the US exempt it from the planned tariff increase from 10% to 15%**, following a meeting with US Commerce Secretary Lutnick. It was also reported that Japan is said to be considering JPY 15tn for a second US investment project and that the government approached Japan Display (6740 JT) about operating a USD 13bln cutting-edge factory in the US as part of the USD 550bln investment package.
- **South Korea's Industry Minister Kim said the US is unlikely to impose the previously threatened 25% tariffs on South Korea** if the Korean parliament move swiftly to ratify the investment legislation in the week ahead.

### NOTABLE HEADLINES

- **US President Trump threatened not to sign any bills into law until his package of voting reforms is passed.**
- **Fed's Bowman (voter) said on Friday that she still supports 75bps in cuts this year**, and that the labour market could use more support from Fed policy.

- **Fed's Miran (voter) said on Friday that he is hesitant to read too much into one month's job report** and policy is pretty mis-calibrated from here, as well as noted that monetary policy is too tight. Miran said neutral is like 2.50%-2.75%, and he hopes the Fed votes to cut at the next FOMC meeting, and will be a dissenter if not, while he added the Fed should cut rates to neutral, then re-estimate.
- **Fed's Hammack (2026 voter) said on Friday that she sees no imminent need to change the stance of monetary policy** in an economy where inflation is still "too high". Hammack also stated that the job numbers were a disappointment and that the economy is overall brightening, while the labour market is stabilising. Furthermore, she said they are right around neutral and not overly restrictive, based on banks and firms she is talking to, as well as commented that they should stay at least around neutral to bring inflation down and could be on hold for quite some time.
- **Fed's Collins (2028 voter) said on Friday that she expects the Fed rate target to hold steady 'for some time'** and that now is the time for the Fed to be patient and deliberative with rate policy, while she added that to cut rates again, they need to see clear evidence inflation is ebbing. Collins sees no urgent need to change monetary policy stance and stated the job market appears relatively stable, as well as noted that Fed policy is currently well positioned, and the latest on tariffs could bring more inflation pressure.
- **Fed's Schmid (2028 voter) said on Friday that businesses are pausing on hiring** and the labour market is under a structural, no cyclical strain.

## APAC TRADE

### EQUITIES

- **APAC stocks** sold off heavily with global markets rattled after the Iran war entered a second week with no signs of abating and as oil prices surged around 30% intraday on continued disruption, with more producers forced to cut output.
- **ASX 200** slumped at the open with heavy losses across all sectors aside from energy due to the oil price surge.
- **Nikkei 225** suffered intraday losses of more than 4,000 points as manufacturers and exporters suffered from the rising energy costs and shipping disruption.
- **Hang Seng and Shanghai Comp** conformed to the broad risk-off mood with sources tempering expectations for a breakthrough in the upcoming Trump/Xi summit, but with the downside in the mainland somewhat cushioned after firmer-than-expected Chinese inflation data.
- **US equity futures** extended on their post-NFP declines as the Iran conflict and surge in oil spooked markets.
- **European equity futures** indicate a much lower cash market open with Euro Stoxx 50 futures down 2.1% after the cash market closed with losses of 1.1% on Friday.

### FX

- **DXY** surged on a haven bid with the market spooked after the Iran conflict entered its second week and oil prices surged to print just shy of USD 120/bbl. The conflict continued to show no signs of abating after President Trump announced that Iran would be hit very hard on Saturday, and he was also said to be considering the option of deploying special forces on the ground in Iran. Furthermore, Iran continued to conduct strikes against Gulf neighbours despite the Iranian President instructing forces not to, while Iran also named Ali Khamenei's son, Mojtaba Khamenei, as the new Supreme Leader, who is seen as a hardliner and who the IRGC vowed to obey.
- **EUR/USD** retreated beneath the 1.1600 level amid the firmer buck and as energy-related disruptions roiled global markets.
- **GBP/USD** briefly dipped to sub-1.3300 territory, with the pair also not helped by Trump's recent criticism against the UK for the lack of support in Iran strikes, while Trump said the US does not need UK aircraft carriers but will remember.
- **USD/JPY** climbed higher after gapping above the 158.00 level as the dollar reigned supreme, while firmer-than-expected wage data and higher in Japan did little to stem the losses in the Japanese currency.
- **Antipodeans** gave up ground to the firmer dollar but with downside cushioned following firmer-than-expected Chinese inflation data, and as the oil-related inflationary pressure adds to the hawkish central bank outlooks.

### FIXED INCOME

- **10yr UST futures** wiped out the gains seen following last Friday's disappointing jobs data, as the surge in oil prices further stoked inflationary fears.
- **Bund futures** fell firmly below the USD 127.00 level as oil prices rocketed, while German Industrial Production data is due later.
- **10yr JGB futures** conformed to the downside in global peers with yields climbing on the inflationary pressures, while data also showed that Japanese wages topped forecasts.

### COMMODITIES

- **Crude futures** surged from the open with both WTI and Brent crude futures climbing above USD 100/bbl before later extending to just shy of the USD 120.00/bbl level as the Iran conflict dragged on into a second week and with disruptions forcing producers such as the UAE and Kuwait to begin cutting production, while Iraq's production has reportedly fallen about 60% since the beginning of the conflict. However, prices later retreated from highs, with a pullback also facilitated by a report that the G7 is to discuss a joint release of emergency reserves.
- **Iraq's oil output has fallen by about 60% and is currently 1.7mln-1.8mln bpd vs around 4.3mln** prior to the start of the Iran conflict.
- **UAE and Kuwait have begun cutting oil production** amid the closure of the Strait of Hormuz, according to Bloomberg.

- G7 is to discuss a joint release of emergency oil reserves in a meeting today, with three G7 countries so far, including the US, are said to have expressed support for the idea, according to FT.
- US President Trump posted "Short term oil prices, which will drop rapidly when the destruction of the Iran nuclear threat is over, is a very small price to pay for U.S.A., and World, Safety and Peace. ONLY FOOLS WOULD THINK DIFFERENTLY!"
- US Energy Secretary Wright said global energy supplies are sufficient and that the surge in oil prices reflects a fear premium that won't last.
- US Treasury Secretary Bessent commented on Friday that the world is well supplied with oil and that they may remove sanctions on other Russian oil, while he added that the US is on track to get safe passage of ships in the Strait of Hormuz.
- US was reported on Friday to create a USD 20bln reinsurance facility for Gulf shipping, as a facility to restart maritime cargo, according to FT.
- Russian First Deputy PM said the Russian section of the Druzhba oil pipeline is technically ready for oil supplies.
- Spot gold declined alongside a firmer buck and with the metals complex pressured alongside the broad risk-off mood.
- PBoC continued its gold buying for a 16th consecutive month in February, in which its holdings rose by 30k troy ounces last month to a total 74.22mln troy ounces.
- Copper futures slumped at the reopen as the continued Iran conflict and surge in oil set the tone across, although prices are off worst levels with some mild tailwinds seen following the firmer-than-expected Chinese inflation data.

## CRYPTO

- Bitcoin gradually climbed overnight to return to above the USD 67,000 level.

## NOTABLE ASIA-PAC HEADLINES

- China NPC Standing Committee said it is to revise the law on enterprise state-owned assets, and will strengthen research on legislation in AI and other sectors, while it will also revise the PBoC law and banking regulation law.

## DATA RECAP

- Chinese CPI YY (Feb) 1.3% vs. Exp. 0.8% (Prev. 0.2%)
- Chinese PPI YY (Feb) -0.9% vs. Exp. -1.1% (Prev. -1.4%)
- Japanese Labour Cash Earnings (Jan) 3.0% vs Exp. 2.5% (Prev. 2.4%)

## GEOPOLITICS

### MIDDLE EAST

- Three Palestinians were killed by extremist Israeli settlers in deadly raids in the West Bank.

### RUSSIA-UKRAINE

- Russia conducted a large drone and missile attack across Ukraine, while its ballistic missile strike levelled much of a residential building in Kharkiv and killed at least seven people.

### OTHER

- US carried out a boat strike in the eastern Pacific which killed six, according to NYT.
- Taiwan's Premier Cho made the first visit by a Taiwanese Premier to Japan since 1972, in defiance of China, to watch a baseball game between Taiwan and the Czech Republic, while he paid for the visit himself.

## EU/UK

### NOTABLE HEADLINES

- UK government is said to have offered China's Jingye Group "tens of millions" of pounds to resolve the British Steel ownership impasse.
- German Chancellor Merz's CDU party faces a setback in a key regional election in Baden-Württemberg, as projections show that the incumbent Greens have a narrow lead in the state.
- ECB's Schnabel said on Friday that the ECB is still in a good place, but the Iran war creates upside inflation risks, and the ECB must monitor the persistence of the energy price shock. Schnabel said a small and temporary inflation overshoot is of little relevance if expectations remain anchored, while she added that post-pandemic lessons suggest the ECB must tread carefully. Furthermore, she said with inflation projected to be at the target over the medium term and inflation expectations anchored, monetary policy remains in a good place.

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