

## European Market Wrap - 9th March 2026

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- DXY strengthened to a 99.695 peak but waned off its best levels (vs low 98.836) as the Iran war continued with no signs of near-term resolution.
- France's Finance Minister said the G7 are not there yet on releasing oil stockpiles.

### EQUITIES

- **European bourses (STOXX 600 -1.1%)** opened the first trading session of the week in the red, with the majority of indices printing losses as much as 2% but have pared back some of its losses as the session comes to a close. The **CAC 40 (-1.7%)** ended the session with the biggest losses, as **ArcelorMittal (-4.3%)** printed heavy losses, alongside other European miners, after JPMorgan downgraded a number of European mining equities due to Middle East tensions.
- **Sectors** held a negative bias throughout European trade, with **Energy (+0.8%)** the only sector that printed modest upside as surging oil prices supported the sector. However, the expensive oil prices hurt airlines, resulting in losses in the **Travel and Leisure sector (-2.8%)**. **Real Estate (-3.0%)** was also hit due to the higher yield environment.
- As expected, **oil majors (BP +1.5%, Shell +2.1%)** posted positive gains, benefiting from the higher oil prices. Other key movers include **Novo Nordisk (+1.7%), Roche (-3.3%) and Leonardo (+4.8%)**. Starting with Novo, Bloomberg reported, which was later confirmed, that the Co. has formed an agreement with Hims & Hers to sell its weight-loss drugs on its platform. Novo shares rose following the report and saw gains of as much as 2% but gave back some of its gains. Roche was hit after Genetech's persevERA breast cancer study did not meet the primary objective of a statistically significant improvement in progression-free survival. Lastly, Leonardo was boosted after a Barclays upgrade to overweight from equal weight.
- **US equity futures (ES -1.0%, NQ -0.7%, RTY -1.8%)** opened lower and continue to hold onto losses as markets await a potential joint statement by the G7 on the possible release of emergency oil. Technically, ES found support just shy of the 6583 level, and with the RSI slightly above oversold territory, the index could oscillate within the day's range until a new catalyst presents. The 200DMA also resides at 6684.50 and may act as additional support if the ES closes above it today.

### FX

- **USD** - DXY strengthened to a 99.695 peak but waned off its best levels (vs low 98.836) as the Iran war continued with no signs of near-term resolution. Oil's earlier ~30% surge reinforced haven demand and also underpinned the USD amid inflationary factors. A move toward late-November 2025 highs and the 100.00 handle (100.26 high on 25 Nov 2025) is in view. Near-term upside was capped after FT-cited sources suggested a potential joint IEA release of 300–400mIn barrels (vs 182mIn in Mar–Apr 2022), although the G7 is not there yet on releasing oil stockpiles, according to France's Finance Minister. The G7 joint statement noted that it "stands ready" to take necessary measures.
- **EUR** - EUR extended losses as higher energy prices hit net-importers and lifted inflation expectations. Money markets this morning fully priced in two ECB hikes in 2026 (vs none pre-war). German state politics added noise after Baden-Württemberg elections saw the Greens win and the SPD slump, raising coalition questions. French President Macron said France is "setting up a ship-escort mission to reopen the Strait of Hormuz", and added that the escort mission is possible once the hottest phase of the war is over. This prompted modest upside in the EUR at the time, but the pair looks to end the session around the middle of a 1.1507-1.1588 range.
- **GBP** - Sterling fell further on energy-driven inflation risk, with markets shifting from pricing three BoE cuts in 2026 pre-war to ~50% odds of a hike. Moves remain largely USD- and oil-driven.
- **JPY** - The yen weakened despite its haven status, reflecting Japan's energy-import exposure. USD/JPY advanced toward perceived "intervention territory" around 158–160, though sustained oil strength may blunt any FX intervention impact.
- **Antipodeans** - AUD and NZD were initially pressured by USD strength but later stabilised, with NZD outperforming as the AUD/NZD cross fell beneath 1.1900. Firmer-than-expected Chinese inflation overnight provided marginal support.

### FIXED INCOME

- **A bearish start to the week for benchmarks as yields react to energy prices.** See the 08:25GMT update for a full geopolitical overview, but in brief, the ongoing Middle East conflict, supply/production disruptions, and no clear signs that the US or Iran are set to back down have lifted crude to above USD 100/bbl, a level not seen since 2022.
- **As such USTs are set to end the European session at the mid-point of a 111-31+ to 112-15 range.** US paper found a base, helped by a slight pullback in oil prices – but the complex remains choppy, as markets react to mixed reporting following a G7 meeting. The FT recently reported that the joint statement will note that it stands ready to take measures to support global energy supply, which was later confirmed. From a yield perspective, the **10yr trades around 4.15%**; a recent note via GS highlighted that "the outright level of 10yr yields aren't unreasonable, with longer-term forwards still broadly fair".
- **Over in Europe, Bunds** trundled lower early doors, before gradually moving higher as the session progressed. German paper is still lower by a handful of ticks, trading at the upper end of a 125.94 to 126.95 range. Factors for the slight bounce back in Bunds today include; a) modest haven allure, b) a slight re-think of ECB pricing, whereby money markets see two 25bps hikes at the ECB this year. Nonetheless, analysts at **GS believe the ECB will keep rates steady throughout the year**, but the recent

surge in energy prices has reduced the chance of a cut.

- Elsewhere on a domestic footing, focus has been on the Baden-Württemberg election in Germany. The Greens won the election, whilst the CDU (29.7%) extended on its standing from the last election (24.1%); importantly, the SPD fell to 5.6% (prev. 11%), which may stoke fears for Chancellor Merz, and the standing coalition.
- **Gilts** held a negative bias throughout the session, and look to end the European day off by around 50 ticks in a 88.80 to 89.80 range. The gap higher lower this morning, lifted the 10yr yield to a 4.78% peak, the highest since October 2025 and takes us back to the September 2025 peak of 4.86%. Action that has seen a marked shift in BoE repricing, with markets implying around a 70% chance of a hike by the end of 2025; a marked shift from mid-February, when two cuts were essentially priced. Note, this move will likely moderate as while easing is likely off the cards in the near-term, the UK's job market situation does not support tightening in the near term.
- **European Union** is to sell EUR-denominated 10-year bond via syndication.
- **Bank of Korea** is reportedly to purchase up to **KRW 3tln of government bonds**.

## COMMODITIES

- **Crude** - Oil opened in panic mode, with WTI and Brent surging above USD 100/bbl and spiking as much as 30% toward USD 120/bbl as the Iran conflict entered its second week and Gulf supply disruptions intensified. Prices later pared after reports that the G7 will discuss a coordinated emergency reserve release, although France's Finance Minister said the G7 are not there yet on releasing oil stockpiles.
- **Natural Gas** - European gas jumped ~30% at the open amid Strait of Hormuz risk, tanker interference, refinery attacks and surging war-risk premiums. While alternative routes such as the Red Sea may cushion flows, they cannot fully replace Hormuz volumes. Prices remain highly sensitive to reopening signals or coordinated reserve action.
- **Precious Metals** - Spot gold softened within a USD 5,015.04-5,192/oz range, pressured by a firmer USD and liquidation tied to energy-driven inflation fears. Central bank demand remains supportive, with the PBoC reportedly extending purchases for a 16th consecutive month.
- **Base Metals** - Copper slumped on the reopen as oil's spike and geopolitical risk weighed on cyclicals, before trimming losses on firmer Chinese inflation data. The tone stays fragile: sustained energy disruption and USD strength are downside risks, while any Gulf de-escalation could stabilise sentiment. 3M LME copper trades in a USD 12,594-12,874.00/t range.
- **G7 statement**: Will continue to closely monitor energy markets, and stands ready to take necessary measures.
- **France's Finance Minister Lescure** said **strategic oil reserves are ready to use to stabilise oil market; G7 not there yet on releasing oil stockpiles**.
- **Japan Finance Minister Katayama** **G7 Finance Ministers would push relevant ministers to release emergency oil reserves; agreed that we will closely monitor energy markets and take necessary action**. The G7 joint statement will mention specific steps, including the release of oil reserves. Will hold the energy ministers meeting soon, when asked about specific process of oil reserves release.
- **EU's Economic Commissioner Dombrovskis** said he has reflections on possible energy options; one of the options is to release oil reserves.
- **Marine heat wave in the Gulf of Mexico** is fuelling storms with severe weather forecast for Southern and Central US this week; Midwest and Plains face significant tornado risk on Tuesday, via WaPo.
- **Official Source of the Ministry of Energy** said **the pumping of gas to Egypt has been completely halted since the beginning of the war; Any talk of a return to pumping at small rates is completely incorrect, via Attaqa News**.
- **Iraq's Kirkuk crude flows to the Ceyhan port of Turkey stopped on the 9th of March, according to sources**.
- **Israel reportedly resumes limited gas exports to Egypt, according to NewsBase citing Al Arabiya Business**. Limited pumping has resumed from the Tamar offshore field, primarily to facilitate the technical process of refilling pipelines and restoring network pressure via the southern route. Current volumes remain exceptionally low, estimated at c. 5% of the standard contractual agreements.
- **Serbia has banned, until the 19th of March, the export of oil and petroleum products, given the ongoing Middle East conflict and associated disruption**.
- **India's government officials confirm they will not release strategic crude oil stockpiles**.
- **EU Commission Spokesperson declines to comment on the prices of oil and gas, however states that the EU do follow the increases with some concern**.
- **EU Commission Spokesperson** said "we are far less concerned about the security of supply of oil and gas than we are about the high energy prices". All member states have between 85-90 days of stocks of oil or equivalent.
- **Kpler's Bakr** said **"There are headlines coming out now about Aramco is cutting production from a number of fields, and this a CUT in production. This is NOT accurate, according to our understanding"**. Second post: "The reduction is happening in fields that do not produce Arab light grades which can be exported via the Yanbu terminal. So there is a reallocation of supply that's happening NOT a CUT."
- **Saudi Arabia reportedly begins oil output cuts as storage fills up, according to Bloomberg**.
- **Saudi Aramco reduces output at two oil fields, sources say**.
- **SHFE to adjust transaction fees for listed fuel oil futures contract; effective from 10th March night session**.
- **Croatian PM Plenkovic** said we are temporarily capping fuel prices to protect buyers.
- **Qatar to push LNG expansion to 2027 following drone attacks, Bloomberg reported citing sources**.
- **China** raises its gas and diesel prices by CNY 695 and 670/ton respectively from March 10th.
- **EU Commission Spokesperson** said European oil and gas supply groups are to meet on Thursday 12th to discuss the Middle East situation.
- **Some officials** are discussing a potential 300-400mln barrel release, up to 30% of the IEA's 1.2bln barrel emergency

stockpile, according to Kpler's Bakr.

- **Japan METI orders oil reserve station to prepare for a release, according to Nikkei.**
- **Bahrain's Bapco declares a force majeure.**

## EUROPEAN DATA

- **German Industrial Production MoM (Jan) M/M -0.5% vs. Exp. 0.9% (Prev. -1.9%).**
- **Swiss Consumer Confidence (Feb) -30 vs. Exp. -29 (Prev. -30).**
- **Swiss Sight Deposits (w/e Mar 6). Domestic Banks CHF 428.861bln (prev. 440.5bln), Total CHF 454.072bln (prev. 459.8bln).**
- **Norwegian PPI YoY (Feb) Y/Y -9.4% (Prev. -7.8%).**

## NOTABLE HEADLINES

- **Spanish Economy Minister Cuerdo** said we are evaluating how and when to launch a mechanism of support after recent jump in oil prices.
- **UK Chancellor Reeves will give parliamentary update on response to situation in the Middle East later on Monday.** Will address G7 meeting to co-ordinate countries' responses to situation in Middle East.
- **German Chemical Industry Association (VCI)** said higher energy costs will have to be passed on to customers, adding that higher prices will dampen demand.
- **UK PM Starmer** said we are talking to international partners about what more can be done to reduce the economic impact.

## CENTRAL BANKS

- **UBS** expects the BoE to cut in April and July 2026 (prev. forecast March and June 2026).
- **Bank of Israel Minutes (Feb): Vote was unanimous to keep policy steady.**

## GEOPOLITICS

### RUSSIA-UKRAINE

### MIDDLE EAST

- **A high ranking Iranian official claimed to Al Mayadeen that Trump is working, through mediators, to create a connection between Iran and the US in order to end the war, but is trying to claim otherwise, via Kan News; Iran not willing to accept any message.**
- **Greek-operated tanker with 1mln barrels of oil loaded in Saudi Arabia sails through Strait of Hormuz, according to ship trackers; Four Iranian supertankers arrive in waters near Singapore with 8mln barrels of oil after leaving Iran before February 28th.**
- **US President Trump's Gaza peace plan on hold as Iran conflict pauses disarmament talks, according to reported.**
- **US Secretary of State Rubio** said goals are clear, to destroy missiles; Iran is a terroristic regime and attacking its neighbors; is trying to destroy Iran's navy.
- **US and Israeli bombing campaign is nearing the achievement of its military objectives, according to a senior Israeli official.** Adds, Iran will not surrender; however, it may send signals that it would accept a ceasefire under certain US conditions. At this stage of the conflict, Israel seeks to destabilise the Iranian regime to enable change.
- **Israeli PM Netanyahu's adviser, speaking to CBS, said the position of the Supreme Leader carries risks and we made it clear that senior positions in Iran are vulnerable to being targeted.**
- **IDF has begun waves of strikes in Tehran, Isfahan, and southern Iran.**
- **"An attack took place in Safa district in Isfahan at 14:30 [local] on March 18", via Iran International.**
- **US envoys Kushner and Witkoff have cancelled their planned arrival in Israel tomorrow, local Israeli reported suggest.**
- **Israeli Channel 12 estimates that the battle with Iran may continue for at least five additional weeks, Sky News Arabia reported.**
- **UAE** said its air defences are currently responding to incoming missile and drone threats from Iran.
- **Iranian Foreign Ministry spokesperson** said there is no doubt the US is after Iranian oil resources and aims to weaken and break up the country, SNN reported. When asked about a possible ceasefire, said as long as attacks continue, there is no point in talking about anything but defence and retaliation against enemies.

## OTHERS

- **NATO** has again intercepted a missile heading to Turkiye. NATO stands firm in its readiness to defend all Allies against any threat.
- **The IRGC** states that we used super-heavy missiles in the latest wave of attacks.
- **French President Macron** said "setting up ship-escort mission to reopen the Strait of Hormuz"; adds that the escort mission is possible once the hottest phase of the war is over.
- **Greek PM Mitsotakis** has requested that European states increase the EU naval force, given the Middle East conflict.
- **French President Macron** said when Cyprus is attacked, then Europe is attacked; G7 energy ministers will hold talks on Tuesday to discuss situation. French deployment in Mediterranean, Red Sea, Hormuz Strait will include eight warships, aircraft carrier, two helicopter carriers. Setting up ship-escort mission to reopen the Strait of Hormuz. Escort mission is possible once the hottest phase of the war is over.
- **US President Trump will not go to any cities beyond Beijing during his visit to China scheduled for late this month because of his tight schedule and security concerns, SCMP sources report.**

- **The US suspends consulate services in southern Turkey and orders non-essential staff to leave.**
- **EU's Kallas** said EU will be signing defence partnerships with Australia, Iceland and Ghana.
- **Sirens sound at the British Akrotiri base in Cyprus, Al Jazeera reported.**

#### NOTABLE NORTH AMERICAN NEWS

- **The White House is mulling releasing oil from the Strategic Petroleum Reserve but so far has not made a formal decision, Politico sources say; "But there is pretty fierce opposition to tapping SPR — it's a half measure at best".** Administration officials who oppose tapping the reserve say a release wouldn't solve what they consider the underlying problem.

#### NORTH AMERICAN DATA

- **US Conference Board Employment Trends Index (ETI) 105.37 (prev. 105.06, rev. 105.18).**

#### NOTABLE GLOBAL EQUITY HEADLINES

- **Glencore (GLEN LN) mulls ASX listing in wake of value gap that foiled Rio (RIO LN) merger, according to AFR.**
- **Novo Nordisk (NOVOB DC) and Hims & Hers (HIMS)** are expected to announce a new partnership on Monday for Novo to sell its weight-loss drug on the Hims platform, Bloomberg reported citing sources.

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