

European Market Wrap - 10th March 2026

- European bourses entirely in the green, benefiting from President Trump's remarks that the Iran war will end soon.
- DXY flat, AUD benefited from RBA commentary and metals prices.
- Crude futures have fully retraced the week's opening surge, with Brent back towards USD 91/bbl.

EQUITIES

- European bourses (STOXX 600 +1.8%) rebounded and held onto gains throughout the session, with the **IBEX 35 (+2.6%)** holding the top spot. Risk tone across markets brightened following comments by President Trump in the early hours of the APAC session, stating the Iran war is nearing an end, causing a record-setting sell-off in crude prices.
- Sectors were entirely in the green, except **Food, Beverage and Tobacco (-0.4%)**, as **Lindt (-8.2%)** weighed on the food sector after cutting 2026 sales guidance. **Basic Resources (+3.8%)** was the outperformer as metals rebounded from Monday's selloff. **Banks (+2.8%)** have also rebounded. Since the start of the Iran war, the Banking sector underperformed the broader European market by 2% due to its long positioning. However, Citi argues that fundamentally, banks should be relatively well-positioned and may see earnings upgrades.
- Key movers include **Santander (+5.3%), Hugo Boss (+3.2%) and Airbus (+1.0%)**. Other than the banking outperformance, Santander also gained after the Co.'s President bought 300,000 shares for almost EUR 3mln. For Hugo Boss, the Co. announced FY revenue that beat expectations and the Co. guided 2026 sales above analyst estimates. Airbus released its February deliveries, which came in slightly softer than expectations and below the typical February seasonality. Goldman Sachs analysts still see Airbus as a Buy with 31% upside.
- **US equity futures (ES +0.1%, NQ +0.3%, RTY +0.4%)** have traded choppy at the start of the cash session, taking a breather after the large reversal that took place in Monday's session.

FX

- **DXY looks to end the European session flat**, with the trough of the day just shy of its 100 DMA at 98.56. It traded in a 98.49-98.93 range. Really not much driving action this session, with the **USD** holding at the lows seen on Monday after US President Trump suggested that the end of the Iran war was soon. Thereafter, he was questioned about whether the war would end within a week – he responded with “**no, but soon**”. As it stands, traders don't have much clarity on the next steps, with the likes of Chancellor Merz suggesting he sees “no plan” for bringing an end to the war. The **USD**, and FX more broadly, will need some concrete proof of how Trump will achieve a swift end to the war, for any significant reversal of the post-war action to occur. On the data front, weekly ADP Employment Change printed at 15.5k (prev. 12.75k), and the NFIB printed at 98.8 (exp. 99.7). Little move in **USD** on the metrics.
- **Aussie was the clear outperformer** throughout the session, and is set to end the European day at the upper end of a 0.7053-0.7126 range. A few factors driving performance, including: a) the risk tone, b) base metals strength, c) constructive Chinese data, d) sell-side banks seeing an RBA hike at next week's meeting, e) RBA's Hauser suggesting that “there will be a very genuine policy debate” at the next meeting.
- **JPY lacked direction early doors**, before slowly moving a touch lower as the session progressed. **USD/JPY** has pulled back from the touted intervention level beyond the 158.00 mark, to currently trade within a 157.27-157.98 range. Overnight saw mixed Japanese data, whereby Q4 GDP revisions that either matched or exceeded the preliminary numbers, while Household Spending surprisingly contracted. Following the GDP revision, ING wrote that the BoJ is likely to stand pat in April, instead, favouring a June hike.
- **NOK weakened in the aftermath of softer-than-expected CPI data**, with the pair, in a delayed reaction, lifting from 11.1350 to 11.1650 in the five minutes following the release, before hitting an 11.1825 peak around 20 minutes later. The pair made a session high at 11.2334, before pulling back towards the 11.1900 mark.

FIXED

- **A bullish session for fixed income**. As the energy complex continues to moderate after the moderation in Middle East tensions by President Trump on Monday. Action that has allowed **yields to ease from recent highs and been accompanied by an unwinding of much of the recent hawkish Central Bank pricing**.
- That aside, newsflow has been a touch quieter than in recent sessions with nothing to spark a significant move in fixed benchmarks. However, we did see a handful of chunky corporate announcements as **Amazon targets USD 25-30bln and EUR 10bln in a bond offering**.
- No reaction to a marginally above consensus weekly **ADP** print or a press conference from the **US Secretary of War**.
- As it stands, benchmarks are in the green but well off best. **USTs firmer by around six ticks**, but holding a similar amount of best in 112-13 to 112-24+ parameters. **Bunds** similar, firmer by a handful of ticks and back below the 127.00 handle in a 126.80 to 127.53 range. A pullback that is potentially a function of the continued inflammatory Iranian action and/or no announcement on a near-term energy release.
- **Gilts led initial action**, as the benchmark caught up to the POTUS-induced moves last night. As such, the benchmark opened with gains of 57 ticks before continuing to a 91.39 peak. But, as above, much of this has retraced, and Gilts are back to the

91.00 handle, but still the clear outperformer with gains in excess of 50 ticks at the time of writing.

- Ahead, the only scheduled fixed event is a **US 3yr auction**. As such, action will likely continue to be dictated by the energy/geopolitical environment.
- **Amazon (AMZN)** is targeting USD 25-30bln in Dollar bonds and EUR 10bln in the Euro offering.
- **Amazon (AMZN) files to sell corporate debt; 11-partner Dollar issuance and 8-part Euro issuance.**
- **Germany sold EUR 3.871bln vs exp. EUR 5bln 2.10% 2028 Schatz: b/c 1.61x (prev. 1.77x), average yield 2.72% (prev. 2.02%), retention 22.6% (prev. 23.5%).**

COMMODITIES

- **Crude** – Futures have fully retraced the week's opening surge. Initial downside followed Monday's reports that the G7 is considering a coordinated emergency reserve release (US seen favouring 300–400mln barrels). Additional pressure came after President Trump suggested the Iran conflict may be nearing an end. However, rhetoric from Iran remains confrontational, with the IRGC threatening to halt regional exports if attacks continue and the military vowing continued strikes. Bloomberg reported Saudi Arabia, UAE, Iraq and Kuwait cut output by up to 6.7mln BPD. Saudi Aramco's CEO cited ~180mln barrels of disruption so far, noted ~2mln BPD spare capacity, and said it could be restored within days if needed. Little came out of the G7 energy ministers' meeting aside from a statement of readiness to act. Ahead, IEA's Chief Birol says he is meeting members of governments on Tuesday regarding supply, and the meeting is to inform on whether oil stocks release is needed. WTI Apr trades mid-range USD 84.43–91.48/bbl; Brent May USD 88.05–98.04/bbl.
- **Natural Gas** – Dutch TTF fell over 10% intraday, slipping back below EUR 50/MWh as markets aggressively priced out the prior war premium following Trump's de-escalation remarks. Volatility remains elevated, but the risk premium has materially compressed.
- **Precious Metals** – Spot gold edges higher, supported by softer USD and renewed buying amid hopes hostilities may wind down, although the situation on the ground seems less optimistic. XAU rose above USD 5,200/oz trades toward the top of a USD 5,117.51–5,228.93/oz range (vs Monday's USD 5,014.58–5,192.04/oz), after closing at USD 5,136.60/oz.
- **Base Metals** – Copper advanced with improving risk appetite and softer USD. China's combined Jan–Feb trade data (adjusted for Lunar New Year distortions) showed Trade Balance, Imports and Exports beating expectations. 3M LME copper traded between USD 12,992–13,173/t.
- **IEA's Chief Birol says he is meeting members of governments on Tuesday regarding supply; meeting is to inform whether oil stocks release is needed.**
- **French Finance Minister Lescure has requested that the IEA work on potential scenarios for an oil stockpile release. Need to be prepared to act at any point.**
- **Ivory Coast has reportedly sold 400k metric tons of cocoa export contracts to local grinders for mid-crop season.**
- **Slovakian PM Fico believes problems with their Croatian partners on oil deliveries can be resolved.**
- **Chile's Codelco workers reportedly protest and block access to mines.**
- **UAE Ruwais refinery has stopped as a precaution after a drone attack.**
- **HSBC has increased its average 2026 Brent price forecast to USD 80/bbl.**
- **German Agricultural Ministry said Canada and the US have lifted foot-and-mouth disease restrictions, recognising Germany as FMD-free.**
- **Iran noted an explosion of an oil tanker near Abu Dhabi, according to Iranian Press.**
- **LME has decided to implement a move from the existing manual exercise process to an automated expiry process for metal options.**
- **US has reportedly told European allies that further easing of sanctions on Russian oil would be mostly limited to supplies to India, according to Bloomberg citing sources.**
- **Shanghai Futures Exchange announced the adjustment of price limits and margin ratios for some fuel oil, petroleum asphalt and butadiene rubber futures.**
- **Saudi Arabia, UAE, Iraq and Kuwait reportedly cut oil output by as much as 6.7mln BPD in total, Bloomberg reported citing sources.**

EUROPEAN DATA

- **Italian PPI YoY (Jan) Y/Y -1.6% (Prev. -1.4%).**
- **Italian PPI MoM (Jan) M/M 1.5% (Prev. -0.7%).**
- **French Balance of Trade (Jan) -1.8B vs. Exp. -4.6B (Prev. -4.3B, Rev. From -4.8B).**
- **French Imports (Jan) 55.3B (Prev. 57.3B, Rev. From 57.9B).**
- **French Current Account (Jan) 2.10B (Prev. 0.10B, Rev. From -0.6B).**
- **French Exports (Jan) 53.4B (Prev. 53.0B, Rev. From 53.1B).**
- **Norwegian Core Inflation Rate YoY (Feb) Y/Y 3.0% vs. Exp. 3.0% (Prev. 3.4%).**
- **Norwegian Core Inflation Rate MoM (Feb) M/M 0.7% (Prev. 0.3%).**
- **Norwegian Inflation Rate YoY (Feb) Y/Y 2.7% vs Exp. 2.8% (Prev. 3.6%).**
- **Norwegian Inflation Rate MoM (Feb) M/M 0.6% (Prev. 0.6%).**
- **German Balance of Trade (Jan) 21.2B vs. Exp. 15.2B (Prev. 17.1B, Rev. From 17.1B).**
- **German Exports MoM (Jan) M/M -2.3% vs. Exp. -2% (Prev. 4.0%, Rev. From 4%, Low. -2%, High. -1.5%).**
- **German Imports MoM (Jan) M/M -5.9% (Prev. 1.4%).**

TRADE/TARIFFS

- **Spanish Foreign Minister Albares said US-Spain relations have been operating normally.**

- **India** is reportedly seeking fast vegetable oil shipments; worried that soyoil and sunflower oil shipments could be delayed by the Middle East conflict.
- **DIHK Survey** shows that German firms have become "unsettled" by US trade policies, with some planning to cut or delay investments in the US; German firms see US business as a risk factor.
- **India has relaxed foreign investment rules for Chinese firms, Bloomberg reported citing sources.**
- **Indian Trade Minister Goyal** said there will be no tariff concessions on sugar imports under any trade deal.

CENTRAL BANKS

- **ECB's Kocher** said uncertainty has risen due to the Iran war. If current market expectations on prices becomes a reality, would expect growth to be lower by a quarter of a point, and inflation to rise by half a point.
- **ECB's Muller** said the chance of rate hike has increased but should not rush, need to see if the surge in energy prices is transitory or not.
- **ECB's Simkus** said it is important to stay calm until the next policy decision and not to over react, we are aware of the recent changes in market pricing but should stay the course for now.
- **Goldman Sachs' analysts** see the RBA likely raising interest rates at its March policy meeting.
- **NBP's Zarzecki** said the current situation called for a cautious wait and see approach, according to PAP.
- **RBI** is reportedly likely selling USD via state-run banks.

GEOPOLITICS

RUSSIA-UKRAINE

- **Russia's Kremlin** said the trilateral format of the Ukraine talks need to be continued, but no specific dates or locations have been agreed for the next round.
- **US has reportedly told European allies that further easing of sanctions on Russian oil would be mostly limited to supplies to India, according to Bloomberg citing sources.**

MIDDLE EAST

- **US President Trump** said it is possible he could talk to Iran, via Fox News. The full sentence however was it is possible he could talk to Iran, but added that he "sort of" doesn't need to speak to them anymore.
- **US Secretary of War Hegseth** said objectives are to destroy missiles and defense industrial base and another objective is to destroy's Iran navy; today will be most intense day of strikes. Have seen Iran fire lowest number of missiles in the last 24 hours. US will not end Iran war until enemy is defeated.
- **Israeli PM Netanyahu** said "we will crush the bones of the Iranian regime, and our work is not yet done".
- **Israeli Foreign Minister, citing US President Trump, said the war will not end this week.**
- **Israeli Foreign Minister declines to comment when asked how long Israeli anticipates the way with Iran will last.**
- **Iran noted an explosion of an oil tanker near Abu Dhabi, according to Iranian Press.**
- **Iranian Army** said we attacked the oil and gas refinery and fuel tanks in Haifa with drones, Al Hadath reported.
- **Iranian military** said heavy fire will continue to rain down on aggressors.
- **Iranian Parliament Speaker** said we do not seek a ceasefire and believe in the necessity of teaching the aggressor a harsh lesson.
- **UKMTO** said it received a report of an incident 36NM north of UAE's Abu Dhabi.
- **NATO deploys Patriot systems to Turkey's Malatya where a crucial radar base is located, Turkish Defence Ministry announces.**

NOTABLE NORTH AMERICAN NEWS

- **CBOE US Options Exchange** has declared self-help against box options.
- **BofA Consumer Checkpoint (Feb):** Spending growth was very strong in February and the Y/Y growth rate rose to 3.2%, the highest in over three years. On a seasonally-adj. basis, card spending +0.9% M/M.

NORTH AMERICAN DATA

- **US Existing Home Sales MoM (Feb) M/M 1.7%** (Prev. -5.9%, Rev. From -8.4%).
- **US Existing Home Sales (Feb) 4.09M vs. Exp. 3.89M (Prev. 4.02M, Rev. From 3.91M, Low. 3.83M, High. 4.15M).** Inventory of homes for sale 1.29mln units, 3.8 months' worth (prev. 3.7 months worth).
- **US Redbook YoY (Mar/07) Y/Y 6.2%** (Prev. 7%).
- **US ADP Employment Change Weekly 15.5K (Prev. 12.75K).**
- **US ADP Employment Change Weekly 15.5K (Prev. 12.75K).**
- **US NFIB Business Optimism Index (Feb) 98.8 vs. Exp. 99.7 (Prev. 99.3).**

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