

European Market Wrap - 12th March 2026

- Iran Supreme Leader Mojtaba Khamenei, in a statement, closure of Strait of Hormuz should be continued as a tool to pressure the enemy
- US President Trump posted that it is of greater importance to him to stop Iran, rather than making money off higher oil prices.
- European and US equity futures sink as the war in Iran shows no sign of easing; Brent trades back towards USD 100/bbl.

EQUITIES

- **European bourses (STOXX 600 -1.0%)** traded in the red throughout the session, as higher energy prices continued to act as a headwind for global equities. Downside in the **DAX 40 (-0.7%)** was limited due to upside in **Zalando (+10.5%)** after the Co. reported FY adjusted EBIT and 2026 mid-point for the metric that beat estimates, while they also announced a share buyback programme of up to EUR 300mln.
- **Sectors** are set to end mixed, as **Chemicals (+1.8%)** topped the pile with gains in **K+S (+13.6%)** driving the sector higher. **Banks (-4.1%)** continued to underperform. Outside of the poor growth prospects due to elevated oil prices, **Deutsche Bank (-6.8%)** was hit the hardest after the bank flagged a USD 30bln exposure to private credit.
- Other key movers included **BMW (-0.8%), Leonardo (+4.6%)** and **RWE (+3.2%)**. For BMW, the Co. missed Q4 sales estimates and forecast higher tariffs acting as a headwind on EBIT margin. Sticking in Germany for RWE, its 2025 adj. EBITDA beat estimates and stated that it will build its first US gas plant. Finally, for Italy's Leonardo, the Co. reported positive FY earnings and raised its 2026 guidance. The defence giant also continued to benefit from the ongoing Iran war.
- **US equity futures (ES -1.2%, NQ -1.5%, RTY -2.2%)** have been under pressure since the start of the cash session, as the upside following comments by US Energy Secretary Wright lifted energy prices and as a result, weighed on US indices. Pressure also coincided with hawkish commentary via President Trump and the new Iranian Supreme Leader.

FX

- **DXY opened with very mild gains** and gradually edged higher as the session progressed, trading in a 99.25-99.60 range. Initial strength associated with the ongoing geopolitical developments, as an attack on an Omani export terminal led Brent back above USD 100/bbl. The index then made a session peak after **US President Trump said he is more interested in stopping Iran, rather than focusing on the rise in oil prices**. This also coincided with a statement from the new Iranian Supreme Leader, **who said the Strait of Hormuz should remain shut**. Overall, factors which spurred some haven flows into the index. Elsewhere, jobless claims printed more or less in line with expectations. Oxford Economics suggested that the claims metrics suggest "the big drop in nonfarm payrolls in February was a blip, not the start of a trend."
- **G10s** were broadly lower against the **USD**. The **JPY** manages to hold afloat, with **USD/JPY** now sitting back on a 159.00 handle – and in the touted intervention zone. Though the lack of jawboning at these levels may signal a potentially higher bar for **USD/JPY** to rise. Overnight, Governor Ueda noted that foreign exchange is an important factor affecting the economy and prices.
- **The Aussie underperformed this morning**, and was then joined by the Kiwi as the risk tone deteriorated. Earlier pressure in the Aussie seemingly just some scaling back following the recent gains made earlier in the week, which was facilitated by a **hawkish RBA repricing** – ANZ was the latest bank to pencil in a 25bps forecast at next week's meeting. Money markets now assign a circa 80% chance of such a move.

FIXED

- **A bearish session** for benchmarks **with energy prices remaining around the USD 100/bbl mark**, underpinning yields and hawkish rate expectations.
- The complex began under pressure, but then lifted well off lows across the mid-morning as energy benchmarks eased from peaks. However, as the energy space has reverted back towards earlier peaks amid a flurry of geopolitical developments, yields have lifted towards best.
- No real move to the day's **US data docket**. Ahead, we have **30yr supply** to round off the week after a better than recent but poorer than average 10yr and a weak 3yr sale.
- Overall, **USTs** enter the US afternoon towards 111-21 lows, with downside of just under 10 ticks. **Bunds** in-fitting, lower by around 20 ticks but holding above the 126.00 mark and by extension the 125.91 trough.
- For **Gilts**, at most the benchmark hit an 88.96 base with downside of c. 75 ticks. A move driven by the **continued indecision around BoE pricing** as to when the next cut will be, but with recent moves having removed any chance of one next week. Elsewhere, and potentially factoring, UK press digests the first tranche of Mandelson files which increases the scrutiny on PM Starmer.
- In terms of the Gilt move, the 88.96 base is just above the 88.80 MTD low and then the 88.52 contract base beneath.
- **Italy sold EUR 6.0bln vs exp. EUR 4.75-6.0bln 2.40% 2029, 3.15% 2033 and 3.25% 2038 BTP.**
- **UK sold GBP 500mln 1.825% 2049 I/L Gilt: b/c 3.57x (prev. 3.39x), real yield 2.019% (prev. 2.360%).**

COMMODITIES

- **WTI and Brent** steadily bid higher at the start of the APAC session but have since traded rangebound between USD 88.61-95.97/bbl and USD 95.20-101.59/bbl respectively. Focus remained on the effects of the Hormuz closure and further commentary following the IEA release of emergency oil reserves. After reversing the APAC move, benchmarks steadily climbed higher, nearing USD 100/bbl, following comments by US Energy Secretary Wright stating that the US will release 172mln barrels in swaps for over 200mln barrels within a year. Essentially, more barrels will be taken out of the market, thereby reducing the supply. US President Trump and the new Iranian Supreme Leader made comments, but this failed to move energy prices.
- **Spot XAU** continued to find resistance just shy of the USD 5200/oz throughout the European session, as a stronger dollar weighed on the precious metal. Underlying structural drivers remain intact for the yellow metal; however, the conviction in further Fed cuts may limit further upside in gold.
- **3M LME Copper** traded either side of the USD 13k/t handle as the dull risk tone continues to act as a headwind for the red metal. The news of the US initiating Section 301 probes weighed on copper prices before the move being pared back as the European session got underway.
- **The Trump administration is reportedly set to suspend the Jones Act to tame oil prices**, Bloomberg reports.
- **US Energy Secretary Wright** said the release of oil reserve is in part about ensuring near-term supply of oil in Asia, the US has 415mln barrels of oil in storage right now. US plans to have more barrels of oil in SPR a year from now despite release.
- **Taiwan looks to reduce reliance on Hormuz for LNG, Nikkei reported; Taiwan to expand US LNG imports in response to Hormuz closure.**
- **Iraq Oil Minister said they have decided to continue producing crude oil at 1.4mln bbls per day, via State News Agency.** Export operations have stopped in the south, and we are looking for possible alternatives for exporting crude oil. An agreement has been signed regarding oil exports via the Ceyhan pipeline.
- **US Energy Secretary Wright said they are releasing 172mln SPR barrels in swaps for over 200mln bbls back within a year.** Military operation will take weeks, not months. Navy escort will happen relatively soon, cannot happen right now. It is quite likely the Navy can escort ships by the end of the month. On SPR, releases will be exchanged at no cost to US taxpayer. Will see the US working with other nations to reopen Strait of Hormuz. SPR draw will be exchanges, and oil will be returned to reserves. When can afford some additional assets to move tankers through the Strait, they will. Short-term disruption is needed for long-term energy security. No discussion of refined products export ban. On possible limits of US exports like China, said no discussion to do that. Russia is not getting sanctions relief. Unlikely oil is going to get to USD 200/bbl. Will be able to move off Russian unriched uranium.
- **Chinese government** rejects Sinopec's request to tap 95mln bbls of national commercial reserve, according to reported; Chinese government tells state refiners stockpiles under 'strategic petroleum reserve' are off-limits for release for now.
- **IEA OMR: cuts 2026 global oil supply growth forecast to 1.1mln BPD (prev. 2.4mln BPD), total 2026 supply forecast 107.2mln BPD (prev. 108.6mln BPD). Middle East conflict is the largest oil supply disruption ever.**
- **China reportedly expands BHP's (BHP AT) iron ore ban to new products, asking domestic steel mills not to take delivery from BHP's Portside Newman fines from next week.**
- **Oman's Mina Al Fahal crude export terminal has resumed normal operations after a temporary halt earlier Thursday, with loading activities now proceeding as usual, according to reported.**

EUROPEAN DATA

- **Swedish CPIF MoM Final (Feb) M/M 0.6% vs. Exp. 0.6% (Prev. 0.3%).**
- **Swedish CPIF YoY Final (Feb) Y/Y 1.7% vs. Exp. 1.7% (Prev. 2.0%); XE 1.4% (exp. 1.4%).** Statistics Sweden: "In February, we can see that the inflation rate according to the CPI was mainly affected by higher prices for electricity and food, but also for restaurant visits. The price increases, on the other hand, were offset by continued low interest costs."

NOTABLE HEADLINES

- **Germany's IFW institute sees 2026 inflation at 2.5% (prev. 1.8%), GDP at 0.8% (prev. 1.0%), 2027 GDP at 1.4% (prev. 1.3%).**

TRADE/TARIFFS

- **EU Commission spokesperson** said "we can only reiterate that the US fully honours the EU-US trade deal"; ready to respond proportionately to US deal breach.
- **South Korea parliament passes US investment bill, as expected.**

CENTRAL BANKS

- **PBoC Governor** said it will continue to implement appropriately loose monetary policy; will step up counter-cyclical and cross-cyclical adjustment.
- **Turkish CBRT Policy Announcement 37% vs. Exp. 37% (Prev. 37%).**
- **NBP's Janczyk** said the current base rate is at an appropriate level for the coming quarters.

GEOPOLITICS

RUSSIA-UKRAINE

- **Hungary will block the adoption of the 20th package of sanctions against Russia by the EU until Ukraine resumes the transit of Russian oil through the "Friendship" pipeline, according to Hungarian PM's office.**
- **Russia's Kremlin** said it is too early to talk about concrete cooperation with the US on energy but it is being discussed.

MIDDLE EAST

- **Iran Supreme Leader Mojtaba Khamenei, in a statement, closure of Strait of Hormuz should be continued as a tool to pressure the enemy; all US bases should immediately be closed in the region and those bases should be attacked.** Strait of Hormuz should stay closed. called for unity amongst people. Will not give up on avenging martyrs. Iran will take compensation from the enemy. Countries should close US bases. Iran will seek compensation from enemies or destroy their assets accordingly. Believes in friendship with neighbours. Other fronts will be opened if war persists; studies have been made of opening other fronts.
- **US President Trump posted "The United States is the largest Oil Producer in the World, by far, so when oil prices go up, we make a lot of money. BUT, of far greater interest and importance to me, as President, is stopping an evil Empire, Iran".** Full post: "The United States is the largest Oil Producer in the World, by far, so when oil prices go up, we make a lot of money. BUT, of far greater interest and importance to me, as President, is stoping an evil Empire, Iran, from having Nuclear Weapons, and destroying the Middle East and, indeed, the World. I won't ever let that happen! Thank you for your attention to this matter. President DONALD J. TRUMP".
- **Iran's Larijani posted, Trump said, "I could cut off Iran's electricity in an hour, but I didn't."** However, if he were to do so, total blackout would engulf entire region within half an hour, and darkness would provide perfect opportunity... ..to track down and capture fleeing American soldiers.
- **The IDF announced the attack of the "Telkan" site, which Iran used to develop vital capabilities for nuclear weapons,** Sky News Arabia reported.
- **reported suggests that Iran said it struck a US oil tanker in the Strait of Hormuz.**
- **A senior US administration official, on the Middle East conflict and President Trump's view, said "The Iranians fcking around with the Strait makes him more dug in".** An advisor said that Trump is bullish on the success of the operation thus far and believes the American people will believe it was the right approach once it is over. Advisor adds that Trump, and others in the administration, genuinely believe that gas prices will substantially fall when the Middle East conflict concludes, and long enough before the midterms to not be a problem. President Trump's advisers warn the Iran war could drag on longer if the regime succeeds in strangling the Strait of Hormuz and driving oil prices beyond his tolerance.
- **According to Lebanese newspaper citing diplomatic sources, Iran clarified that they defend itself against American and Israeli aggression and that it will not agree to a ceasefire that is not accompanied by clear guarantees,** via N12 News reporter Lipkin.
- **India is in discussions with Iran to secure passage for 20 tankers through the Strait of Hormuz,** Bloomberg reported citing sources.
- **Officials from four nations are attempting to persuade Iran to begin talks with the US,** Jerusalem Post reported citing sources; however, thus far, Iran has refused to engage and is maintaining a hardline position. Nations are: Egypt, Oman, Pakistan and Turkey.
- **Iranian Supreme Leader Khamenei's first message to the public will describe: Special points re. martyred leader, Role and duties of the people, armed forces, executive bodies, resistance front, countries of the region and dealing with enemies, via locals.**
- **First message from Iran's New Supreme Leader Mojtaba Khamenei reportedly to be delivered within minutes.**
- **Sky News Arabia, citing Israeli officials said "The campaign against Hezbollah will not be short and will not adhere to a specific timetable".**
- **US President Trump was reportedly "ambiguous and noncommittal" during the G7 leaders call,** Axios reported; with some participants thinking POTUS wants to end the war, while other attendees left with the opposite view.

NOTABLE NORTH AMERICAN NEWS

- **Japan and US to expand classified info sharing on defence cooperation,** Kyodo reported.
- **reported suggests that Iran said it struck a US oil tanker in the Strait of Hormuz.**

NORTH AMERICAN DATA

- **US QSS: selected services total revenue for Q4USD 6,163.5bln, +0.8% Q/Q, +6.7% Y/Y.**
- **US Imports (Jan) 356.6B vs. Exp. 351B (Prev. 357.6B).**
- **US Housing Starts MoM (Jan) M/M 7.2% (Prev. 6.2%).**
- **US Housing Starts (Jan) 1.487M vs. Exp. 1.35M (Prev. 1.404M, Low. 1.3M, High. 1.405M).**
- **US Building Permits MoM Prel (Jan) M/M -5.4% (Prev. 4.8%).**
- **US Initial Jobless Claims (Mar/07) 213k vs. Exp. 215k (Prev. 213k, Low. 208k, High. 224k).**
- **US Continuing Jobless Claims (Feb/28) 1850k vs. Exp. 1850k (Prev. 1868k, Low. 1829k, High. 1855k).**
- **US Balance of Trade (Jan) -54.50B vs. Exp. -68B (Prev. -70.3B, Low. -80B, High. -62B).**
- **US Building Permits Prel (Jan) 1.376M vs. Exp. 1.41M (Prev. 1.455M, Low. 1.37M, High. 1.50M).**
- **US Jobless Claims 4-week Average (Mar/07) 212.00K (Prev. 215.75K).**
- **US Exports (Jan) 302.1B vs. Exp. 286B (Prev. 287.3B).**

Copyright © 2026 Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com

Copyright © {{ copyright-year }} Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com