

SNAPSHOT

STOCKS			
Nikkei 225	-1.1%	ASX 200	-0.1%
Hang Seng	-0.7%	Shanghai Comp	-0.5%
Euro Stoxx 50 Mar'26	+0.2%	DAX Mar'26	+0.2%
ES Mar'26	+0.3%	NQ Mar'26	+0.1%

FX			
DXY	+0.1% (99.855)	EUR/USD	-0.1% (1.1497)
USD/JPY	+0.1% (159.45)	GBP/USD	-0.1% (1.3323)

BONDS			
US T-Note Jun'26	+4.0 ticks	Bund Jun'26	-18 ticks
US 10yr Yield	4.267%	German 10yr Yield	2.944%

ENERGY & METALS			
WTI Apr'26	-1.2%	Brent May'26	-0.8%
Spot Gold	+0.5%	LME Copper	-0.8%

CRYPTO			
Bitcoin	+1.3%	Ethereum	+1.7%

As of 06:20GMT/02:20EDT

LOOKING AHEAD

- Highlights include German Wholesale Prices (Feb), UK Trade Balance (Jan), GDP (Jan), French/Spanish HICP Final (Feb), Canadian Jobs Report (Feb), US Core PCE Price Index (Jan), Durable Goods Orders (Jan), Personal Spending (Jan), JOLTS (Jan), University of Michigan Consumer Sentiment Prelim. (Mar), Atlanta Fed GDP, Rating Updates including Scope Ratings on UK & Spain, S&P on Spain, Moody's on Greece & Germany, Fitch on Spain & Italy.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump said Iran is paying a high price right now and the situation with Iran is moving along rapidly, while Trump separately commented that he thinks Iranian Supreme Leader Mojtaba Khamenei, is alive but injured.
- US President Trump posted "We are totally destroying the terrorist regime of Iran, militarily economically, and otherwise yet, if you read the Failing New York Times, you would incorrectly think that we are not winning. Iran's Navy is gone, their Air Force is no longer, missiles, drones and everything else are being decimated, and their leaders have been wiped from the face of the earth. We have unparalleled firepower, unlimited ammunition, and plenty of time - Watch what happens to these deranged scumbags today."
- US Treasury Secretary Bessent told Sky News an international coalition could protect ships in the Strait of Hormuz.
- US Treasury Secretary Bessent said they know that Iran has not mined the Strait of Hormuz and he sees a lower oil price regime over the medium-term after the conflict, while a separate report noted that US officials said Iran had begun laying mines in the Strait of Hormuz as of Thursday.
- US officials noted they said from the start the war will last 4-5 weeks and may end in 2 weeks, with the decision up to Trump.
- US has burned through 'years' of munitions since the Iran war began, while the rapid depletion of stockpile including Tomahawk missiles, raises pressure on US President Trump regarding the cost of the war, according to FT
- US military said it was aware of the loss of a US KC-135 refuelling aircraft, while it added the incident occurred in friendly airspace during Operation Epic Fury and that rescue efforts were ongoing.
- Islamic Resistance in Iraq claimed responsibility for downing the US military refuelling aircraft, while Iran's military said the crew

were killed.

- **IRGC official said that if their energy infrastructures are attacked, they will burn the region's oil and gas infrastructure.**
- **Iran's Foreign Ministry said many ships can still pass through the Strait of Hormuz** if they coordinate with Iran's navy.
- **Israeli PM Netanyahu said Hezbollah will pay a heavy price for its aggression** and when asked about Mojtaba Khamenei, Hezbollah and Hezbollah's Leader Qassem, he said that he wouldn't take out any life insurance on those leaders.
- **Israeli officials think Iran's regime isn't likely to fall soon**, with US and Israel shifting focus to degrading Iran's nuclear, military, and ballistic-missile capabilities, according to WSJ.
- **Israel's army identified missiles launched from Iran** and defence systems were activated to counter the threat, although it was later reported that an Iranian missile successfully hit its target after Israeli interceptors failed to stop it.
- **Israel conducted air strikes in Iran** and a series of raids on the southern suburbs of Beirut.
- **Israel is considering launching a strong ground operation in Lebanon within a week**, according to Al Jazeera.
- **Israeli army reportedly pushes large numbers of tanks to the border with Lebanon**, according to Israel's Channel 12.
- **Qatar's Foreign Ministry said it strongly condemned Israeli attacks on southern Lebanon** and called on the international community to compel the Israeli occupation to cease its repeated attacks on Lebanon
- **Saudi Arabia said it intercepted 12 drones after they entered its airspace and later announced that 10 more drones were intercepted** over the east of the country, while it also shot down a drone attempting to approach the diplomatic quarter.
- **China's Middle East envoy said red lines on civilian protection must not be crossed, non-military targets should not be attacked and shipping lanes must remain safe**, while the envoy stated an immediate halt to military actions is needed to prevent further escalation.

US TRADE

EQUITIES

- **US stocks** were pressured in risk-off trade as oil prices surged once again, which saw Brent settle back above USD 100/bbl as the new Supreme Leader Khamenei called on the Strait of Hormuz to remain shut and for attacks on US bases to continue; meanwhile, navy escorts through the strait may not happen until the end of the month. Additionally, the US is to release 172mln barrels of crude from the SPR, although the delivery is expected to take around 120 days, diminishing hopes over the US finding a short-term resolution, while fuel tankers were also struck in the Gulf.
- The rising oil prices and geopolitical escalations hit US equities with the majority of sectors lower, aside from energy due to higher oil prices, and utilities and staples - haven sectors. The rise in oil stoked inflationary concerns, and traders unwound rate cut bets for the Fed this year, with a 25bps cut no longer fully priced, currently implying a 66% probability of a 25bps cut this year. Meanwhile, US data saw jobless claims remain within recent ranges, perhaps easing some of the concerns following the February NFP report.
- **SPX -1.52%** at 6,673, **NDX -1.73%** at 24,534, **DJI -1.56%** at 46,678, **RUT -2.12%** at 2,489.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **USTR announced to initiate 60 Section 301 investigations** related to failures to take action on forced labour.
- **China's MOFCOM said the US 301 tariffs violate WTO rules**, urges the US to correct wrong practices and return to dialogue.
- **US Secretary of State Rubio will join US President Trump during his trip to China** later this month
- **US critical mineral talks advance with the EU and Japan** on a price floor, according to reports.
- **US CBP is developing a four-part system for tariff refunds** and is between 40-80% complete.
- **Mexico's Economy Minister said 85% of Mexico's trade under USMCA is unrelated to US Section 301** and does not expect Section 301 to have an impact on trade with the US, while Mexico's Deputy Trade Secretary said Canada's participation in USMCA is fundamental.
- **ByteDance reportedly plans to tap NVIDIA (NVDA) Blackwell processors that are barred for export to China**, with the Co. working with Aolani Cloud on plans to use some 500 Blackwell computing systems in Malaysia, according to WSJ.

NOTABLE HEADLINES

- **US President Trump said Fed Chair "Too Late" Powell should drop interest rates immediately**, not wait for the next meeting.
- **US Treasury Secretary Bessent said the Fed is a long way from returning to quantitative easing**, while he also stated that the Trump-Starmer relationship will get back on track.

APAC TRADE

EQUITIES

- **APAC stocks** were mostly subdued with the region cautious amid headwinds from the recent double-digit surge in oil prices after Iran's new Supreme Leader dug in and called for a continued closure of the Strait of Hormuz, as well as warned that other fronts will be opened if the war persists, while the US also initiated 60 Section 301 investigations related to failures to take action on forced labour.
- **ASX 200** traded indecisively as strength in financials and energy offset the losses in mining and materials.
- **Nikkei 225** underperformed as oil and inflationary-related pressures weighed on the large exporting industries, including tech and autos, with Honda among the worst hit after it cancelled three planned EV launches in North America and revised its FY25/26 outlook to a loss of as much as JPY 690bln from the previous guidance of JPY 300bln profit.

- **Hang Seng** and **Shanghai Comp** were lacklustre in rangebound trade with a lack of conviction heading into talks between US Treasury Secretary Bessent, USTR Greer and Chinese Vice Premier He Lifeng in Paris beginning on Sunday.
- **US equity futures** recouped some lost ground, but with the rebound limited by oil-related pressures and hostilities.
- **European equity futures** indicate a mildly higher cash market open with Euro Stoxx 50 futures up 0.2% after the cash market closed with losses of 0.8% on Thursday.

FX

- **DXY** traded rangebound after printing fresh YTD highs yesterday as yields climbed for a third consecutive day and Brent returned to above the USD 100/bbl level, with Iran's Supreme leader advocating for the Strait of Hormuz to remain closed. The inflationary concerns spurred a further unwinding of Fed rate cut bets, and money markets are no longer fully pricing in a cut by year-end, while the attention turns to the Fed's preferred PCE metric due later.
- **EUR/USD** languished at this week's trough after sliding to the 1.1500 level amid recent dollar strength, energy disruption and light EU newsflow.
- **GBP/USD** was choppy with a lack of conviction heading into the monthly UK GDP and industrial output data.
- **USD/JPY** swung between gains and losses with support seen at the 159.00 level and after recently coat-tailing on firmer US yields and higher oil prices.
- **Antipodeans** were lacklustre amid a quiet overnight calendar and the overall cautious mood.
- **PBoC** set USD/CNY mid-point at 6.9007 vs exp. 6.8888 (Prev. 6.8959).

FIXED INCOME

- **10yr UST futures** attempted to nurse losses after recently bear flattening as the return of Brent to above USD 100/bbl further unwound Fed rate cut bets, and with prices not helped by supply, including a 30yr auction which was better than recent averages but not as strong as the stellar February offering, while participants also await the Fed's preferred inflation metric.
- **Bund futures** remained subdued after retreating beneath the 126.00 level amid the oil-triggered inflationary headwinds.
- **10yr JGB futures** tracked the losses in global peers amid price-related concerns and following weaker-than-previous 10yr climate transition bond auction results.

COMMODITIES

- **Crude futures** took a breather overnight after rallying by double-digit percentages yesterday as Iran's Supreme Leader dug in on the Strait of Hormuz closure, which he said should be continued and threatened that other fronts will be opened if the war persists. However, further upside was contained overnight after the US issued a new Russia-related general license permitting the sale of Russian crude oil and petroleum products loaded on vessels.
- **US issued a new Russia-related general license permitting the sale of Russian crude oil and petroleum products loaded on vessels** as of March 12th, while the license permits the sale of such Russian crude oil and petroleum products until 12:01 AM EDT on April 11th. Furthermore, **US Treasury Secretary Bessent clarified that the new general licence applies only to Russian oil already in transit** and will not provide significant financial benefit to Russia.
- **Kremlin envoy Dmitriev said US sanctions waiver affects around 100mln barrels of Russian oil.**
- **Saudi Aramco offered to sell 2 mln barrels** of Arab Light crude for March loading at Yanbu port.
- **UAE's ADNOC cut the volume of crude for its onshore partners** by about a fifth this month, according to Bloomberg
- **Australia's Energy Minister announced to lower minimum stock obligations for diesel and fuel by up to 20%**, which would allow the release of up to 762 million litres of petrol and diesel from Australia's domestic reserves.
- Japan's Trade Minister Akazawa said companies are exploring alternative crude oil procurement sources, including the US, Central Asia and South America.
- **Spot gold** clawed back some losses after suffering from a firmer buck, as rising oil prices further unwound rate cut bets.
- **Copper futures** traded lower and eventually breached the prior day's trough, with demand dampened amid the cautious mood and after the US initiated more Section 301 investigations.

CRYPTO

- **Bitcoin** rallied in early trade and approached just shy of the USD 72,000 level before paring less than half the gains.

NOTABLE ASIA-PAC HEADLINES

- **Japanese Finance Minister Katayama said they are in closer contact with US authorities on FX**, and separately commented that they are prepared to take all necessary steps on FX.

GEOPOLITICS

OTHER NEWS

- **Afghan government said Pakistan conducted strikes on Kabul** and other areas in Afghanistan.
- **North Korea accused Japan of pushing the region into danger for its long-range missile deployments** and claimed Japan's military buildup is part of preparations for a reinvasion, according to KCNA.

EU/UK

NOTABLE HEADLINES

- **UK Chancellor Reeves is to make another push for Britain to secure greater access to the single market next week**, amid renewed trade strains between the UK and the EU, according to FT.
- **EU's Kallas said the bloc must stick together against US President Trump's hostile tactics** and that Washington seeks to divide European governments, which wield less power individually, according to FT.
- **ECB's Villeroy sees risks and opportunities for the EU in private credit**, and urged EU supervision of investment funds.

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