

European Market Wrap - 13th March 2026

- European bourses opened softer but edged higher throughout the final session of the week.
- WTI and Brent traded off both extremes as markets braced for another weekend of geopolitical risk with no clear de-escalation.
- US Pentagon reportedly mulling sending more warships to escort tankers through the Strait of Hormuz, WSJ reported.

EQUITIES

- **European bourses** - European markets opened softer but edged higher throughout the session, with the STOXX 600 up ~0.3% heading into the week's close. Initial downside emanated from woes from higher oil prices. The FTSE 100 edged lower after UK January GDP showed no growth M/M, but nonetheless looks to close in the green with gains of 0.5% intraday.
- **European sectors** - Sector performance was mixed. Energy initially outperformed as Brent held above USD 100/bbl. Basic Resources remained the laggard on USD strength, weighing on metals. In semis, BE Semiconductor was reported to have received takeover interest, though it declined to comment.
- **US equities** - Opened in the green with little reaction in futures seen following the slew of US data, which proved to be stale amid the Iranian war. BofA's weekly flow data showed renewed inflows into US equities, while the bank suggested fading the S&P 500 below 6600 as it could trigger a policy response. Samsung Electronics advanced next-gen NAND work with NVIDIA, while WSJ reported ByteDance plans to use export-restricted NVIDIA Blackwell systems in Malaysia via Aolani Cloud.

FX

- **DXY rose beyond the 100.00 mark early doors**, alongside strength in the crude complex. The index then made a peak at 100.29, before scaling back from that level as the session progressed. Limited price action was seen following quarterly and monthly PCE and GDP metrics. In a brief recap, Q4 GDP growth and Durable Goods for January were dismal, while PCE (Jan) was mixed. **Headline M/M and Y/Y were in line, as was core M/M, while Y/Y was slightly hotter than expected**. Figures which will ultimately be overlooked given the current geopolitical environment - more details on recent developments can be found in the commodities section below. Elsewhere, JOLTS Job Openings were a touch above expectations.
- **G10s were broadly lower against the USD (ex-JPY)**; the **GBP** underperformed, with pressure facilitated by lower-than-expected GDP metrics, which showed that the UK experienced no growth in January. Elsewhere, **Antipodeans** were hampered by the risk tone and as base metals trundled lower. And the **CAD** was initially faring well vs the broadly stronger **USD**, but then sunk following a very weak regional jobs report; unemployment rate ticked higher, whilst employment change contracted by 83.9k (exp. +10k). **USD/CAD** rose above its 50 DMA (1.3700) from 1.3654 to a session high of 1.3715 within 30 minutes, before scaling back a touch from highs.
- **JPY remains the only G10 incrementally firmer/flat vs USD**. Potentially a function of traders seeing the possibility of near-term intervention/rate checks as **USD/JPY** sits firmly in the intervention zone, beyond 158; last at 159.10. Overnight, Finance Minister Katayama said that **they are in closer contact with US authorities on FX, and separately commented that they are prepared to take all necessary steps on FX**. As a reminder, the NY Fed conducted a rate check on **USD/JPY** back in January. As mentioned previously, intervention seems unlikely given a) it would prove to be ineffective given the current geopolitical environment, b) low volume short positions on the JPY, c) the move is fundamentally driven by higher energy prices, and d) the recent lack of verbal intervention suggests potentially a higher bar for USD/JPY to rise. Nonetheless, markets will be cognizant of any jawboning heading into the BoJ meeting and wage responses next week.

FIXED INCOME

- **A comparably contained session for fixed benchmarks**, with **USTs** set to end the day with gains of c. seven ticks in a narrow range of just over 10 ticks. No real move to the day's data, with the market instead **driven primarily by a moderation in energy benchmarks**.
- A similar story for **Bunds**, which have picked up after an initially slightly softer start. Currently, set to end the day around the unchanged mark as we look to next week's **ECB** where any hawkish-nod from Lagarde may prove instrumental.
- **Gilts** opened lower by nearly 20 ticks before slipping further as the benchmark caught up to early energy moves. However, this then rebounded as traders digested the morning's **GDP** data for January and the discussed moderation in crude benchmarks.
- **Gilts** set to end the day with gains of around 15 ticks, looking to the **BoE** next week where a cut is off the table given energy moves. However, the vote split and hints towards easing still be expected this year (as desks look for, but market pricing does not) may prove key.

COMMODITIES

- **Crude** - WTI and Brent traded off both extremes as markets braced for another week of geopolitical risk with no clear de-escalation. The US issued a second short-term waiver allowing buyers to receive Russian oil already at sea, broadening a prior India-only authorisation, though without materially benefiting Moscow. Prices dipped modestly after Axios reported President Trump told G7 leaders Iran is "about to surrender," but gains held after Iran's new Supreme Leader vowed to

continue fighting. Downticks were seen on reports that the oil tanker Jag Prakash moved out of the east of the Strait of Hormuz. Further fleeting losses were seen on FT reports that France and Italy reached out to Iran regarding passage through the Strait of Hormuz. WTI traded between USD 92.04–98.09/bbl; Brent USD 97.60–102.75/bbl.

- **Natural Gas** – European nat gas was eventually softer on the session and fell sub-EUR 50/MWh, in tandem with price action in broader energy markets, with prices elevated at the start of the session amid persistent energy disruption risk tied to the Iranian crisis. Volatility remains sensitive to any supply or diplomatic headlines.
- **Precious Metals** – Spot gold moved above USD 5,100/oz overnight and hovered around the figure throughout the session, though it remained on track for a second weekly decline as elevated oil lifted the USD on inflation concerns. XAU traded USD 5,061.32–5,128.47/oz. Silver lingered near weekly lows after failing to sustain a break above USD 90/oz earlier in the week.
- **Base Metals** – 3M LME copper softened amid a firmer USD and broader sentiment drag after the US launched a Section 301 probe into forced-labour practices across 60 economies. Iron ore headed for its largest weekly gain in over a year after China's state-backed buyers expanded restrictions on BHP products, tightening supply dynamics.
- **China has reportedly partially eased restrictions on BHP Jimblebar fines for around one week, according to sources.**
- **Russian ESPO blend oil has flipped to a premium against ICE Brent within China and India due to elevated demand, according to reported citing traders.**
- **Saudi Arabia has cut oil output by a minimum of 2mln BPD to c. 8mln BPD, according to sources.**
- **UAE Energy Minister** said energy supplies in the country are stable and operating normally, via State News Agency.
- **Ukraine will conclude the heating season with 9.5bcm of natural gas stored underground, Ukraine's Energy Minister said.**
- **Kirkuk, Iraq crude flows to Ceyhan, Turkey recommenced on the 13th of March, according to source reported.**
- **Sinopec (600028 CH) reportedly plans to reduce March crude refinery runs by over 10%, sources say; Co. is reportedly prioritising fuel over petrochemicals.**
- **UK to speed up nuclear power projects via planning system changes, FT reported citing ministers.**
- **UK Chancellor Reeves** said "To build national resilience, energy security and economic growth, we need nuclear."
- **EU Commission** said gas storage filling levels in the EU remain stable and oil stocks are at a high level, via statement; gas storage should not be refilled at all costs.
- **Philippine Foreign Minister Lazaro** said they are looking into whether to import oil from Russia.
- **Iraqi official** said there is limited damage to the Lanaz refinery after it was targeted this morning.
- **Japan's Defence Minister Koizumi** said it would be possible to provide escort for Japanese ships through Hormuz, however PM Takaichi clarified that no decisions have been made.
- **Japan's Industry Ministry** said it will consider whether to purchase Russian crude, after the US' issuance of a 30-day waiver.

EUROPEAN DATA

- **German Wholesale Prices MoM (Feb) M/M 0.6% vs. Exp. 0.4% (Prev. 0.9%).**
- **German Wholesale Prices YoY (Feb) Y/Y 1.2% vs. Exp. 1.0% (Prev. 1.2%).**
- **German Current Account (Jan) 17.1B (Prev. 16.1B).**
- **EU Industrial Production YoY (Jan) Y/Y -1.2% (Prev. 1.2%).**
- **EU Industrial Production MoM (Jan) M/M -1.5% vs. Exp. 0.5% (Prev. -1.4%, Low. -0.8%, High. 1.0%).**
- **Italian Industrial Production YoY (Jan) Y/Y -0.6% (Prev. 3.2%).**
- **Italian Industrial Production MoM (Jan) M/M -0.6% vs. Exp. 0.2% (Prev. -0.4%).**
- **Spanish Inflation Rate MoM Final (Feb) M/M 0.4% vs. Exp. 0.4% (Prev. -0.4%).**
- **Spanish Inflation Rate YoY Final (Feb) Y/Y 2.3% vs. Exp. 2.3% (Prev. 2.3%).**
- **Spanish Core Inflation Rate YoY Final (Feb) Y/Y 2.7% vs. Exp. 2.7% (Prev. 2.6%).**
- **French Inflation Rate YoY Final (Feb) Y/Y 0.90% vs. Exp. 1% (Prev. 0.3%).**
- **French Inflation Rate MoM Final (Feb) M/M 0.6% vs. Exp. 0.7% (Prev. -0.3%).**
- **Swedish Employed Persons (Feb) 5.250M (Prev. 5.914M).**
- **Swedish Unemployment Rate (Feb) 8.8% (Prev. 8.6%).**
- **UK Goods Trade Balance Non-EU (Jan) -3.46B (Prev. -10.99B).**
- **UK Manufacturing Production MoM (Jan) M/M 0.1% vs. Exp. 0.2% (Prev. -0.5%, Low. -0.1%, High. 0.7%).**
- **UK Goods Trade Balance (Jan) -14.45B vs. Exp. -22.2B (Prev. -22.72B, Low. -23.3B, High. -21.2B).**
- **UK GDP YoY (Jan) Y/Y 0.8% vs. Exp. 0.9% (Prev. 0.7%, Low. 0.8%, High. 1.0%).**
- **UK GDP MoM (Jan) M/M 0.0% vs. Exp. 0.2% (Prev. 0.1%, Low. 0.1%, High. 0.3%).** ONS: Growth ticked up slightly in the latest three months, partly reflecting the recovery of car manufacturing, following the cyber incident in the Autumn. Within services, which also increased, wholesale continued to rebound from a weak summer. However, the overall picture remains subdued, with no growth in the latest month. There was another large fall in the construction industry in the latest three months, with continued contraction in housebuilding.
- **UK GDP 3-Month Avg (Jan) 0.2% vs. Exp. 0.2% (Prev. 0.1%, Low. 0.2%, High. 0.3%).**
- **UK Construction Output YoY (Jan) Y/Y -0.2% vs. Exp. -0.1% (Prev. -0.3%, Low. -0.8%, High. 0.2%).**
- **UK Industrial Production YoY (Jan) Y/Y 0.4% vs. Exp. 0.6% (Prev. 0.5%, Low. 0.5%, High. 1.0%).**
- **UK Manufacturing Production YoY (Jan) Y/Y 1.3% vs. Exp. 1.5% (Prev. 0.5%, Low. 1.2%, High. 1.9%).**
- **UK Industrial Production MoM (Jan) M/M -0.1% vs. Exp. 0.2% (Prev. -0.9%, Low. 0.1%, High. 0.6%).**
- **UK Balance of Trade (Jan) 3.922B vs. Exp. -6.2B (Prev. -4.340B).**

NOTABLE HEADLINES

- **Norwegian Wage Commission revises 2026 core inflation forecast to 3.2% (prev. 3.1% seen in February).**
- **Should high energy prices remain at their current high level for two to three months, the German inflation rate could**

subsequently rise to 3.5%, according to a report by the German economic advisory board of Economics Minister Reiche.

- Eurogroup Chair Pierrakakis said the European economy has the capacity and resilience needed to absorb shocks. Swift action must be taken if elevated energy prices persist.

TRADE/TARIFFS

- USTR Greer said he wants to ensure continued stability within the US-China relationship, via CNBC; our trade deficit with China has gone down by 30%. We want to make sure that we continue to get the rare earths we need for our manufacturing base. Iran war is not affecting US-China relations. Interest payments part of the course on tariff refunds. If we find that countries have been involved in unfair trading practices, we can quantify that harm to the US commerce and then try to resolve that. In relation to trade probes, we are trying to move very quickly, in a matter on months.
- US President Trump said they are doing economically well with China, have had a good relationship.
- India is considering support measures for exporters, Bloomberg reported citing sources; measures would be similar to those during the COVID period.
- China's MOFCOM is to impose tariffs of up to 30.1% on imports of rubber from Japan and Canada, effective March 14th.

CENTRAL BANKS

- Bank of England/Ipsos Inflation Attitudes Survey - February 2025:. To note, the survey was gathered before the start of the Iran conflict. Inflation: On current rate of inflation, respondents gave a median answer of 4.6% (prev. 4.7% in November). Median expectations of the rate of inflation over the coming year were 3.2% (prev. 3.5% in November). Expected inflation in the next 12 months, respondents gave a median answer of 3.2% (prev. 3.3% in November). Expected longer term inflation of 3.7% (prev. 3.7% in November).
- BCB sold USD 1bln in spot dollar auction; sold 20,000 reserve FX swap contracts at auction.
- NBP's Maslowska said the Bank may only hike if CPI shocks are sustained.
- Polish Inflation Rate MoM (Feb) M/M 0.3% vs. Exp. 0.6% (Prev. 0.6%).
- Polish Inflation Rate YoY (Feb) Y/Y 2.1% (Prev. 2.2%).

GEOPLITICS

MIDDLE EAST

- US Pentagon reportedly mulling sending more warships to escort tankers through the Strait of Hormuz; escort missions likely won't begin until the threat from Iran is reduced, WSJ reported citing officials.
- US President Trump tells Fox he believes Iran leader is alive but 'damaged'.
- Turkey's transport minister said Iran allowed a Turkish-owned bulk carrier to exit the Strait of Hormuz, FT reported; carrier was allowed to pass after "we obtained permission from the Iranian authorities.
- European nations, including France and Italy, open talks with Iran in the hope of securing Strait of Hormuz passage, FT reported citing sources; working to restart gas and oil export without expanding the conflict. No European navies are prepared to escort. The official cited said, "it has to be a permissible environment".
- US Secretary of War Hegseth said that there is no clear evidence that Iran has laid mines in the Strait of Hormuz.
- General Caine said US forces are continuing to go after Iran's mine-laying capabilities. Have made progress, but Iran still has ability to harm friendly forces and shipping. Work continues. On the Strait, there is some traffic flowing through there. Centcom continues to attack Iranian efforts that could impact the Straits. Q&A Retain a whole variety of options to solve problems.
- US Secretary of War Hegseth said US is on course to destroy Iranian military means at a pace not seen before; Iran has no longer the ability to build more defences; US will keep on advancing; Gulf partners are now going on the offence. Iranian missiles are down 90%. Iranian leadership has gone underground, said the new Iranian leader is wounded and likely disfigured. All of Iran's defence companies will soon be destroyed. New Iranian leader lacks legitimacy. US President Trump holds the cards and will decide on timing. Today sees the highest number of US strikes on Iran yet. The US will stop at nothing to win. The US wants to make sure oil keeps flowing; the only thing preventing traffic is Iran's attacks. One of the aims is to deny Iran the ability to produce a nuclear weapon.
- USTR Greer said Iran war is a matter of weeks, and the effect will be short-lived.
- IAEA Chief Grossi said IAEA is trying to arrange a new nuclear deal between the US and Iran, according to Tass. Hopes to resume talks aimed at reaching long-term solution regarding Iran's nuclear programme.
- US President Trump said Russian President Putin might be helping Iran "a little bit"; Putin probably thinks we're helping Ukraine.
- US President Trump on US escorts in Strait of Hormuz, said would do it if needed, via Fox News; going to be hitting Iran "very hard" over the next week.
- US VP Vance was reportedly sceptical of the US striking Iran in the lead-up to the decision to launch the war, Politico reported citing sources.
- Indian government official said oil tanker Jag Prakash moved out from the east of Strait of Hormuz, according to reported.
- India asks Iran to allow tankers through the Strait of Hormuz, according to the WSJ; India is in active talks to allow 23 tankers through the Strait, with first crossing expected this weekend.
- "This is a significant moment. Government source confirms to me the US have started conducting strike missions on Iran from UK bases. Began earlier this week", via reporter Dan Hodges.
- NATO intercepts an Iranian missile targeting Turkey, the 3rd occasion since the Middle East conflict began. Missile was launched from Iran and destroyed by defences in the eastern Mediterranean. Turkish Defence Minister said all necessary

measures are being taken decisively and without hesitation.

- **US President Trump told G7 leaders in a virtual meeting Wednesday that Iran is "about to surrender," according to three officials from G7 countries briefed on the contents of the call, Axios reported.**
- **Israeli Security Official** said that Iran has around 150 missile launch platforms, these will continue to be targeted.
- **SocGen analysts** said there is currently little to no risk to semiconductor companies stemming from a possible helium shortage due to the Iran war.
- **Iran announces a fresh wave of attacks on US bases and Israel, ISNA reported.**
- **Israeli army** said it has begun a wave of air strikes targeting government infrastructure in Iran's capital, Tehran, Al Jazeera reported.
- **US President Trump said the domestic economy will bounce back when the Middle East conflict concludes.**
- **Italy's Foreign Ministry denies the FT report relating to negotiations to open the Strait of Hormuz.**

NORTH AMERICAN DATA

- **US GDP Growth Rate QoQ 2nd Est (Q4) Q/Q 0.7% vs. Exp. 1.4% (Prev. 4.4%).**
- **US Core PCE Prices QoQ 2nd Est (Q4) Q/Q 2.7% vs. Exp. 2.7% (Prev. 2.9%).**
- **US GDP Price Index QoQ 2nd Est (Q4) Q/Q 3.8% vs. Exp. 3.7% (Prev. 3.7%).**
- **US Real Consumer Spending QoQ 2nd Est (Q4) Q/Q 2% vs. Exp. 2.4% (Prev. 3.5%).**
- **US PCE Prices QoQ 2nd Est (Q4) Q/Q 2.9% (Prev. 2.8%).**
- **US GDP Sales QoQ 2nd Est (Q4) Q/Q 0.4% (Prev. 4.5%).**
- **US Core PCE Price Index YoY (Jan) Y/Y 3.1% vs. Exp. 3% (Prev. 3%, Low. 2.5%, High. 3.2%).**
- **US PCE Price Index MoM (Jan) M/M 0.3% vs. Exp. 0.3% (Prev. 0.4%, Low. 0.2%, High. 0.4%).**
- **US Personal Spending MoM (Jan) M/M 0.4% vs. Exp. 0.3% (Prev. 0.4%, Low. 0.0%, High. 0.6%).**
- **US Core PCE Price Index MoM (Jan) M/M 0.4% vs. Exp. 0.4% (Prev. 0.4%, Low. 0.2%, High. 0.5%).**
- **US Durable Goods Orders Ex Transp MoM (Jan) M/M 0.4% vs. Exp. 0.5% (Prev. 0.9%, Low. -0.5%, High. 0.7%).**
- **US PCE Price Index YoY (Jan) Y/Y 2.8% vs. Exp. 2.8% (Prev. 2.9%, Low. 2.3%, High. 3.0%).**
- **US Personal Income MoM (Jan) M/M 0.4% vs. Exp. 0.4% (Prev. 0.3%, Low. 0.2%, High. 0.7%).**
- **US Durable Goods Orders ex Defense MoM (Jan) M/M 0.5% (Prev. -2.5%).**
- **US JOLTs Job Quits (Jan) 3.1M (Prev. 3.204M).**
- **US JOLTs Job Openings (Jan) 6.946M vs. Exp. 6.70M (Prev. 6.542M, Low. 6.5M, High. 6.85M). Vacancy Rate 4.2% (prev. 3.9%, rev. 4.0%). Quits Rate 2.0% (prev. 2.0%).**
- **US Michigan 5 Year Inflation Expectations Prel (Mar) 3.2% vs. Exp. 3.4% (Prev. 3.3%).**
- **US Michigan Inflation Expectations Prel (Mar) 3.4% vs. Exp. 3.9% (Prev. 3.4%).**
- **US Michigan Current Conditions Prel (Mar) 57.8 vs. Exp. 55.2 (Prev. 56.6).**
- **US Michigan Consumer Expectations Prel (Mar) 54.1 vs. Exp. 54.7 (Prev. 56.6).**
- **US Michigan Consumer Sentiment Prel (Mar) 55.5 vs. Exp. 55 (Prev. 56.6).**
- **US Durable Goods Orders MoM (Jan) M/M -1.4% vs. Exp. 0.8% (Prev. -1.4%, Low. -4.0%, High. 3.0%).**
- **Canadian Manufacturing Sales MoM Final (Jan) M/M -3.0% vs. Exp. -3.3% (Prev. 0.6%, Low. -3.3%, High. 0.8%).**
- **Canadian Full Time Employment Chg (Feb) -108.4K (Prev. 44.9K).**
- **Canadian Part Time Employment Chg (Feb) 24.5K (Prev. -69.7K).**
- **Canadian Participation Rate (Feb) 64.9% (Prev. 65%).**
- **Canadian Employment Change (Feb) -83.9K vs. Exp. 10K (Prev. -24.8K, Low. -20K, High. 50K).**
- **Canadian Unemployment Rate (Feb) 6.7% vs. Exp. 6.6% (Prev. 6.5%).**
- **Canadian Average Hourly Wages YoY (Feb) Y/Y 4.2% (Prev. 3.3%).**

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