

## European Market Wrap - 17th March 2026

- European session firmer across the board with broader sentiment bolstered by a steady decline in crude prices throughout the session.
- DXY price action remains sensitive to oil and geopolitics, with limited fresh escalation pressuring the USD.
- Israel has plans to attack targets in Iran during the next six weeks, Sky News Arabia reported.

### EQUITIES

- **European Bourses** - Look to end the European day firmer across the board (Stoxx 600 +0.9%) with broader sentiment bolstered by a steady decline in crude prices throughout the session. The IBEX 35 (+1.5%) outperformed, closely followed by the FTSE 100 (+1.0%). On the other hand, the SMI (+0.7%) saw the shallowest gains in the region.
- **European Sector** - Eventually traded mostly firmer amid the aforementioned boost to sentiment. Nonetheless, Energy emerged as the winning sector despite the declines across crude prices, potentially amid expanding refining margins as the cost of the raw material decreases faster than the price of finished products like petrol and diesel. The overall sector bias turned more cyclical throughout the session.
- **US equity futures** - Firmer across the board (ES +0.7%) as price action was largely dictated by the aforementioned decline in oil. Major US stories were on the lighter side, although NVIDIA CEO Huang noted that growth is accelerating at a larger scale with the inflection of inference.

### FX

- **DXY** - Softer after easing from overnight highs, ends the European day closer to the trough, given a recent modest further bout of pressure. Price action remains sensitive to oil and geopolitics, with limited fresh escalation. Headlines around potential US-Iran dialogue and conflicting reports of contact have kept direction subdued. No action was seen on the weekly ADPs. DXY waned from its 100.12 peak and fell below Monday's 99.66 low to a current 99.523 low, with price action largely mirroring price action in oil markets.
- **EUR** - Edged higher, reversing earlier weakness in line with the softer USD. Focus included comments from EU's Kallas, who suggested a Black Sea-style security model could be applied to the Strait of Hormuz and left the door open to EU participation. Broader EUR catalysts remained limited, with little reaction to progress on an EU-Australia trade deal. EUR saw downticks on the sub-par ZEW Economic Sentiment metrics. Nonetheless, EUR/USD resided in a 1.1466-1.1544.
- **GBP** - Traded firmer alongside peers amid modest USD softness. UK-specific newsflow was light, though markets continue to monitor UK-US relations amid reported tensions over positioning in the Iran conflict. Elsewhere, UK Chancellor Reeves said the Iran conflict is likely to put upward pressure on inflation in the months to come. GBP/USD traded in a 1.3273-1.3347.
- **JPY** - USD/JPY remained rangebound on either side of 159.00, with the pair heavy amid a weaker dollar and a steady decline in oil prices. Upside was capped by broader USD softness during European hours, leaving the pair off recent highs and consolidating within yesterday's range.
- **Antipodeans** - Traded mixed, with AUD/USD firmer post-RBA. The initial dovish reaction to the rate decision (5-4 vote to hike) reversed as Governor Bullock struck a hawkish tone, stressing that inflation remains elevated and that dissent centered on timing rather than the direction of further tightening.

### FIXED

- **USTs** - Initially extended yesterday's sell-off, with crude strength lifting yields and pushing prices to session lows. Headlines surrounding Iranian Top Security Official Larijani triggered a pullback in oil and a recovery in risk sentiment, supporting bonds and bringing USTs back to broadly unchanged levels before tilting higher to the tune of some three and a half ticks at the time of writing, with little move seen from the weekly ADP. Ahead, supply is the highlight.
- **Bunds** - Followed a similar pattern to US counterparts, hitting early lows on higher yields driven by energy strength. The move reversed as oil pared gains on Larijani-related headlines, lifting Bunds back into positive territory. Negative ZEW Economic Sentiment propped up bunds in recent trade, with the German benchmark looking to end the European session towards the top end of a 126.02-126.57 range.
- **Gilts** - Gapped higher amid the initial Larijani headlines and saw only modest early downside before sharply reversing higher. The benchmark rallied strongly alongside the pullback in yields and energy, outperforming peers. The benchmark remained underpinned, although UK Chancellor Reeves says the Iran conflict is likely to put upward pressure on inflation in the months to come. Gilts look to end the European day higher by around 60 ticks.
- **Bunge (BG)** files to sell 7yr and 10yr noted.
- **Brazil's Treasury** announces auction for the purchase and sale of LTN and NTN-F at 10am local, according to a statement.
- **UK sold GBP 4bln 4.125% 2031 Gilt: b/c 3.33x (prev. 3.94x), average yield 4.228% (prev. 4.001%), tail 0.3bps (prev. 0.2bps).**
- **UK DMO** plans to sell a new 10-year conventional gilt in April and long-maturity gilt in June. Also plans 2 syndicated gilt sales between April and June.

### COMMODITIES

- **Crude futures** - Rebounded overnight after the prior session's pullback, as the Iran conflict continues without major escalation. In Europe, headlines added further volatility: Fujairah port suspended oil loadings, while Israel indicated Iran's top security chief Larijani may have been killed. Strait of Hormuz developments remain in focus, with EU's Kallas suggesting a Black Sea-style framework, while Iraq noted ongoing discussions with Iran to allow tanker passage. Net net, oil has been on a steady grind lower but still positive on the day, with WTI within a USD 92.88-97.65/bbl range and Brent within USD 101.08-104.98/bbl.
- **Precious Metals** - Spot gold traded in a narrow range, largely tracking USD moves. Geopolitical tensions and inflation concerns are limiting haven-driven upside, keeping price action contained around the USD 5,000/oz level.
- **Base Metals** - Base metals were mixed, with copper consolidating after prior gains supported by improved risk sentiment, although the red metal remained capped below the USD 13,000/t level.
- **UK Chancellor Reeves** said government will publish its steel strategy on Thursday.
- **Indian Finance Minister** said domestic LPG supplies remain steady.
- **Slovakia PM Fico** said it is mulling higher diesel prices for foreigners; cites fuel tourism from Poland.
- **Spain** is to release strategic oil reserves, a minister said; will release 11.5mln barrels over 90 day period.
- **Germany** is to tighten controls on fuel prices; does not rule out handouts to commuters amid high fuel prices, FT reported citing the German Economy Minister.
- **US Senator Gallego (D) has written to Energy Secretary Wright asking for details on** plans to provide oil from the SPR, Axios reported.
- **UK Chancellor Reeves** said that a decision will be made on the Rosebank and Jackdaw North Sea developments soon.
- **Some Japanese aluminium buyers have reportedly agreed with a global producer to pay a premium of USD 350/t for shipments between April and June.**
- **Fujairah port has suspended oil loadings, Bloomberg reported citing sources; loading berths at the Fujairah Oil Tanker Terminals were halted as of Tuesday morning.**
- **Iraq Oil Ministry** warns it may take legal action if Erbil blocks all exports via the Kirkuk-Ceyhan pipeline, adds pipeline exports could help offset the impact of Hormuz disruption.
- **Spain** warns the EU against suspending carbon market to try to lower energy prices, according to FT.

#### EUROPEAN DATA

- **German ZEW Current Conditions (Mar)** -62.9 (Prev. -65.9, Low. -80, High. -61.6).
- **German ZEW Economic Sentiment Index (Mar)** -0.5 (Prev. 58.3, Low. 30, High. 54.5).
- **EU ZEW Economic Sentiment Index (Mar)** -8.5 (Prev. 39.4).
- **Italian Inflation Rate YoY Final (Feb)** Y/Y 1.5% vs. Exp. 1.6% (Prev. 1%).
- **Italian Inflation Rate MoM Final (Feb)** M/M 0.7% vs. Exp. 0.8% (Prev. 0.4%).
- **Swiss Producer & Import Prices YoY (Feb)** Y/Y -2.7% (Prev. -2.2%).
- **Swiss Producer & Import Prices MoM (Feb)** M/M -0.3% (Prev. -0.2%).

#### NOTABLE HEADLINES

- **UK Chancellor Reeves** said the Iran conflict is likely to put upward pressure on inflation in the months to come.
- **UK PM spokesperson** said UK petrol stations are well-stocked, UK fuel production and imports are continuing as usual; aside from Trump's comments, UK-US relations enduring and close.
- **UK, Finland and others are reportedly exploring new defence financing mechanism by 2027, with the aim of increasing the availability of critical capabilities such as munitions.**

#### TRADE/TARIFFS

- **China's Foreign Minister, on US President Trump seeking a delay to the summit with Chinese President Xi, said China and the US are in communication over Trump's visit to China.**
- **US Treasury Secretary Bessent** said will issue statement on Paris talks in the next few days.
- **EU lawmakers look to vote this week on legislation to enact parts of the EU-US trade deal.**
- **Maersk (MAERSKB DC)** announces that empty containers for imports to Bahrain, Kuwait, Qatar and the UAE will not be accepted at the usual return locations, with immediate effect.

#### CENTRAL BANKS

- **Indonesian Interest Rate Decision 4.75% (Prev. 4.75%).**

#### GEOPOLITICS

#### RUSSIA-UKRAINE

- **Ukraine President Zelensky tells EU that repair work on Druzhba Pipeline nearing completion, and in 1.5 months, damaged pumping station will be restored.**
- **European Commission statement regarding Druzhba: "The EU has offered Ukraine technical support and funding. The Ukrainians have welcomed and accepted this offer. European experts are available immediately."** "Our priority is to ensure energy security for all European citizens. In this sense, we will continue to work with the concerned parties on alternative routes for the transit of non-Russian crude oil to the countries of Central and Eastern Europe.""
- **Chinese state oil majors have recommenced seeking Russian oil shipments following the US waiver, according to sources.**
- **Kazakhstan and Russia have discussed increasing Russian oil transit to China to 12.5mln tonnes per year, according to**

Kazakhstan's Kaztransoil.

## MIDDLE EAST

- **US Director of National Counterterrorism Centre Joe Kent has resigned from his role over the war with Iran.**
- **Israeli PM Netanyahu said there are "many more surprises in store".** said the elimination of Iran's Larijani was part of an effort to erode the regime, and to give the people a chance to overthrow it. Spoke at length with US President Trump on Monday on the issue of the Gulf.
- **Israel has plans to attack targets in Iran during the next six weeks, Sky News Arabia reported citing Israeli Channel 12 citing an Israeli official.**
- **reported of sounds of a fighter jet and an explosion** were heard in Isfahan, Iran International reported.
- **NEC Director Hassett said coordinated oil reserve release could go up if needed; Iran conflict is going to be over in the short run, has a plan for every quarter of the disruption.**
- **Israeli Foreign Minister** said have already won and Iran has been dramatically weakened; will continue the war with Iran until the mission is completed.
- **Greek PM Mitsotakis** said Europe will not join in on the military operations in proximity to Iran.
- **Israeli government believes Iran seeks to start and conduct official negotiations for an agreement soon, Israel's pro-Netanyahu Channel 13 reported.** "The Iranians are discussing the outlines of the agreement - what their conditions are and what they are willing to discuss. It will become an official engagement with the U.S. and an official request soon."
- **India Foreign Ministry** said it continues to be in talks with Iran to bring stranded ships in Strait of Hormuz back.
- **A senior Iranian official said the new Supreme Leader rejected proposals that were sent to Iran's Foreign Ministry by two intermediary countries, with the Leader stating it is not the right time for peace and that US and Israel must be defeated.**
- **Israeli Defence Minister Katz said Iran's Top Security Chief Larijani was killed in the airstrike.**
- **EU's Kallas said a model similar to the Black Sea could be used in the Strait of Hormuz but the question is what neighbouring countries, including Iran, could agree on; the door is not closed on the participation in the Strait.** Adds that "we are ready to help in this regard."
- **Israel said paramilitary Basij senior commanders were targeted yesterday; there is a high probability that Senior officer Gholamreza Soleimani will be killed, Israeli media reported.**
- **Israel struck senior Iranian official Larijani but it is unknown if he was injured or killed, an Israeli official tells the Jerusalem Post.**
- **Iraq's oil minister said they are in contact with Iran to allow some oil tankers to pass through the Strait of Hormuz, state news reported.**
- **Iran's parliamentary speaker** said regional states were told US presence doesn't ensure security and that Americans need to leave, according to state TV.
- **Iran's Revolutionary Guard arrests 10 foreigners on espionage charges in northeast of country.**
- **Ambrey said it received report of a vessel sighting explosions in its vicinity while anchored 4NM north-northwest of UAE's Sharjah port; no damage to merchant vessel or port infrastructure was reported.**
- **Allies of the US President** are concerned that Iranian attacks on oil tankers within the Strait of Hormuz are boxing in the US, Politico reported.

## OTHERS

- **China's coast guard** said it had to expel a Japanese boat that intruded into waters in proximity to the Senkaku islands.

## NOTABLE NORTH AMERICAN NEWS

- **White House received offer from Dems on DHS funding, NBC reported.**
- **BofA Fund Manager Survey noted cash levels have jumped to 4.3% in March (prev. 3.4%), the largest rise since the pandemic.** Global growth optimism slips to 7% (prev. 39%). Inflation concerns jump to net 45% of investors expecting a rise in global CPI (from 9%). BofA said global investors turn bearish as Iran and private credit concerns end frothy bull sentiment.

## NORTH AMERICAN DATA

- **US ADP Employment Change Weekly 9K (prev. 15.5K).**
- **US Pending Home Sales MoM (Feb) M/M 1.8% (Prev. -0.8%, Low. -4.5%, High. 7.2%).**
- **US Pending Home Sales YoY (Feb) Y/Y -0.8% (Prev. -0.4%).**
- **US Redbook YoY (Mar/14) Y/Y 6.4%.**
- **NY Fed Services Business Activity (Mar) -22.6 (exp. -20.0, prev. -25.7).**

## NOTABLE US EQUITY HEADLINES

- **NVIDIA (NVDA) CEO Huang** said growth is accelerating at a larger scale with the inflection of inference, via CNBC interview. said he has high confidence visibility Of USD 1tln of Blackwell and Rubin.
- **Delta Air Lines (DAL)** raises revenue outlook on demand momentum; looking at somewhere around three points of higher revenue growth above what they prev. guided.

## APAC

## NOTABLE HEADLINES

- **Japanese PM Takaichi reiterates that not considering further increase in consumption tax.**

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