

SNAPSHOT

STOCKS			
S&P 500	-1.4%	Nasdaq Comp.	-1.5%
DJIA	-1.6%	Russell 2000	-1.6%
ES Jun'26	-1.6%	RTY Jun'26	-1.9%
NQ Jun'26	-1.6%	YM Jun'26	-2.0%
FX			
DXY	+0.7% (100.28)	EUR/USD	-0.7%
USD/JPY	+0.6%	GBP/USD	-0.7%
BONDS			
US T-Note Jun'26	-17.5 ticks	10yr Bund Jun'26	-64 ticks
US 10yr Yield	4.27%	German 10yr Yield	2.94%
ENERGY & METALS			
WTI May'26	+3.7%	Brent May'26	+6.8%
Spot Gold	-3.7%	LME Copper	-3.4%
CRYPTO			
Bitcoin	-3.5%	Ethereum	-5.4%

As of 21:50GMT/17:50EDT

LOOKING AHEAD

- Highlights include Japanese Machinery Orders, Australian Jobs Data, Malaysian CPI, BoJ Rate Decision & Press Conference.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- **US President Trump said he wonders what would happen if they "finished off" what is left of the Iranian terror state,** and let the countries that use it, be responsible for the "so called "Straight?""", while he added that it would get non-responsive allies in gear.
- **US President Trump hasn't made up his mind yet on whether he wants to send American forces into Iran** and seize the country's nuclear material, which would be a very dangerous operation, sources familiar with the matter told CBS News.
- **White House Press Secretary said getting Iran's nuclear fuel is an option on the table.**
- **Israel targeted civilian infrastructure in Iran in what was said to be a "major escalation".**
- **Israel Defence Minister Katz said "During this day, significant surprises are expected in all arenas that will escalate the war** we are waging against Iran and Hezbollah in Lebanon", while he added that they "authorised the IDF to thwart any senior Iranian official who is targeted - without the need for additional authorisation".
- **Israeli senior official said the Israeli Air Force struck the largest natural gas processing facility in Iran,** located in the southwest of the country, while the strike was carried out in coordination with and with the approval of the US, according to Axios.
- **Israeli official said a strike on the South Pars gas field was aimed at signalling to Iran that if it continues to disrupt oil supply through the Strait of Hormuz, there could be an escalation in targeting of its energy facilities,** while it was a signal of what could come next, according to Axios' Ravid.
- **Israel attempted to assassinate Iran's Intelligence Minister Khatib** overnight, according to the Jerusalem Post, citing an Israeli official, while they are still awaiting results of the targeting, although the initial assessment is that he has been eliminated.
- **Iran's Supreme Leader Khamenei said "Larijani's bloodshed will strengthen the Islamic Republic,** and for every bloodshed there is a price that the killers will soon pay".

- **Iranian Foreign Minister Araghchi has ruled out a ceasefire**, while it was also reported that he spoke with EU's Kallas and discussed the regional situation and Strait of Hormuz.
- **Iranian parliament speaker said the "eye for an eye" equation has taken root** and a new level of conflict has begun.
- **Iran said part of the South Pars gas field was attacked and that the Asaluyeh oil facility was attacked**, while petrochemical facilities were also hit.
- **Iranian military source told Fars News that Iran will strike the enemy's infrastructure** after it targeted the Asalouyeh gas field, and will hit enemy sites that were previously thought to be safe.
- **Iran issued evacuation threats to people near oil facilities in Saudi Arabia, Qatar, UAE**, while Saudi Aramco evacuated the Samref refinery after the warning from Iran about strikes on energy infrastructure. Qatar's Ras Laffan installations were also being evacuated following Iran's threat to attack Gulf energy facilities, according to reports, citing a source.
- **Qatari Foreign Ministry spokesperson said Israel's targeting of facilities linked to Iran's South Pars gas field is a dangerous and irresponsible step** amid the current military escalation in the region.
- **QatarEnergy confirmed Ras Laffan Industrial City had been subjected to missile attacks** and emergency response teams were deployed immediately to contain the resulting fires, as extensive damage has been caused, although all personnel have been accounted for and no casualties have been reported at this time.
- **UAE is mulling joining US efforts to secure the Strait of Hormuz**, according to the senior adviser to the UAE President.

US TRADE

- **US stocks** were pressured as yields rose in response to further upside in oil prices following an Israeli attack on the South Pars gas facility, which is the largest in the world. Oil then gave back some of its gains as EU's Kallas and Iran's Foreign Minister spoke, but saw a late resurgence after Qatar announced the Ras Laffan Industrial complex was attacked, causing extensive damage, while Israel targeted Iranian navy ships in the Caspian Sea. These reports took oil prices higher post-settlement, supporting the dollar, weighing on stocks and boosting yields. Also contributing to the moves was Fed Chair Powell. The Fed left rates on hold as expected in an 11-1 vote split, while dot plots were largely unchanged, with little reaction seen. However, alongside the aforementioned geopolitical updates, Powell noted how the Fed will not look through energy-induced inflation lightly and stated that rate hikes in the future were discussed, but caveated that it is not the base case for the vast majority.
- **SPX -1.36%** at 6,625, **NDX -1.43%** at 24,425, **DJI -1.63%** at 46,225, **RUT -1.64%** at 2,479.
- [Click here for a detailed summary.](#)

FOMC

- **FOMC kept rates unchanged between 3.50-3.75%**, as expected, in an 11-1 vote (**Miran dissented and voted for a 25bps rate cut**). Fed said the Committee will continue to monitor implications of incoming information for the economic outlook and would adjust the stance of policy as appropriate if risks emerge that could impede its goals. Assessments will take into account labour market conditions, inflation pressures, inflation expectations, and financial and international developments. In considering additional rate adjustments, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks, while the Committee said it is strongly committed to supporting maximum employment and returning inflation to 2%. Furthermore, it stated that uncertainty about the economic outlook remains elevated, and the implications of developments in the Middle East for the US economy are uncertain. In terms of the projections, **Federal Funds Rate for 2026 is seen at 3.375% (exp. 3.375%, prev. 3.4%), 2027 at 3.125% (exp. 3.125%, prev. 3.1%), 2028 at 3.125% (exp. 3.125%, prev. 3.1%) and the Longer Run at 3.125% (exp. 3.125%, prev. 3.0%)**.
- **Fed Chair Powell said in the post-meeting statement that the economy is expanding at a solid pace and inflation remains somewhat elevated, while he added the policy stance remains appropriate, and they will remain attentive to risks on both sides of the mandate.** Powell noted Middle East uncertainty and that it is too soon to note duration and effects on the economy, as well as stated that rate cuts from last year bring rates to a plausible estimate of neutral.
- **Fed Chair Powell said during the Q&A that the FOMC's median rate path projection did not change, but there was a meaningful move of people towards fewer rate cuts, and stated that if progress on inflation is not seen, we will not see a rate cut.** Powell said part of the oil shock is in the forecast for higher inflation, but also, **Fed has not seen the hoped-for progress on lowering prices, while he added it is a reflection of slow progress on tariffs and believes they will see progress on tariff inflation, but it may take more time.** Powell also stated that he **thinks it is important to keep policy restrictive and the Fed must balance risks, while he noted the Fed is in a difficult situation and that policy is now in the right place.** Powell also stated that the vast majority of participants do not see a hike as the next base case, but they did have a conversation today about possible two-sided risks to rates and the possibility that the next move might be a hike did come up at the meeting. Furthermore, Powell said if his successor is not confirmed before his term expires, he would serve as Fed Chair pro tem, and has no intention of leaving the Board until the DoJ investigation is over, but has not made a decision on whether he will stay on the Board if the DoJ probe is over.

TARIFFS/TRADE

- **USTR Greer said talks with the Chinese were constructive and bilateral trade talks are expected with the EU, Malaysia, and India**, while he added that Section 338 is appropriate in certain circumstances. Greer also said that Iran's oil came up a "little bit" in China talks and that Canada is behind in talks compared to Mexico.
- **Japan's second phase of US investment pledge is seen reaching USD 63bln**, while construction of nuclear reactors, gas plants expected to be announced at the summit, according to Nikkei.

NOTABLE HEADLINES

- **US President Trump said the Democrats' purposeful DHS shutdown is causing chaos at the airports**, while he added that they are fully to blame and must pay a high price for the good of the US in the midterm elections.

DATA RECAP

- US Factory Orders MoM (Jan) M/M 0.1% (Prev. -0.7%, Low. -2%, High. 0.9%)
- US PPI MoM (Feb) M/M 0.7% vs. Exp. 0.3% (Prev. 0.5%, Low. -0.1%, High. 0.7%)
- US PPI YoY (Feb) Y/Y 3.4% vs. Exp. 2.9% (Prev. 2.9%, Low. 2.6%, High. 3.4%)

FX

- **USD** traded firmer and was supported by Fed Chair Powell leaning hawkish, further energy disruption in the Middle East and a hot US PPI report. Starting off, Israel's attacks on Iran's South Pars gas field and Asaluyeh oil facility left crude prices rallying, with Brent nearing USD 110/bbl, while PPI was hot on all measures, adding to already existing inflationary concerns, given the report was before the surge in oil prices in March and components which feed into PCE leaned slightly hot. Attention in then turned to the Fed which held rates as expected, while the statement pointed out uncertainty surrounding the economic impacts from the Middle East situation and Fed Chair Powell provided hawkish leaning comments during the Q&A as he noted that there was a meaningful move of people towards fewer rate cuts, and that if progress on inflation is not seen, we will not see a rate cut, while he also stated the vast majority of participants do not see a hike as the next base case but the possibility that next move might be a hike did come up at the meeting.
- **EUR** weakened amid the firmer buck with the single currency retreating to a sub-1.1500 level heading into Thursday's ECB meeting.
- **GBP** gave back the 1.3300 status owing to the dollar strength and with light newsflow from the UK, although the BoE policy decision is also due on Thursday.
- **JPY** weakened with USD/JPY approaching closer towards the 160.00 level on higher oil prices and hawkish-leaning Powell, while attention turns to the BoJ.

FIXED INCOME

- **T-notes** were lower in the aftermath of the FOMC, where the Fed kept rates unchanged, while Fed Chair Powell sounded hawkish on inflation and stated that the possibility that the next move might be a hike did come up at the meeting.

COMMODITIES

- **Oil prices** settled relatively flat on what was a choppy day as attacks on Iran's energy facilities left concerns elevated over disruption to supply, but then rallied later after Qatar confirmed that the Ras Laffan Industrial City had been subjected to missile attacks and that extensive damage had been caused.
- **US EIA Crude Oil Stocks Change (Mar/13) 6.156M vs exp. -0.58M (prev. 3.824M)**
- **US VP Vance said they will announce a couple of things in the next 24 to 48 hours on gas prices.**
- **Flow of Iranian oil to Iraq had completely stopped** after the attack on Iran's oil and gas facilities, according to Saudi media.
- **Russia Deputy PM Novak said they are currently witnessing the worst energy crisis in the last forty years** and the conflict is currently affecting at least 20mln BPD of oil, while 20% of global gas production is currently unable to reach the market, according to Tass.

GEOPOLITICAL

- **Afghan Taliban** announced a temporary suspension of its military operation against Pakistan.
- **US assessed that China** is not currently planning to invade Taiwan in 2027.

ASIA-PAC

NOTABLE HEADLINES

- **White House Press Secretary said China agreed to postpone the Trump visit** and will get dates as soon as possible, while they are working on a date.

EU/UK

NOTABLE HEADLINES

- **ECB reportedly urged lenders to keep a close watch on their USD funding** after observing individual weaknesses on key metrics.

DATA RECAP

- EU Inflation Rate MoM Final (Feb) M/M 0.6% vs. Exp. 0.7% (Prev. -0.6%)
- EU Inflation Rate YoY Final (Feb) Y/Y 1.9% vs. Exp. 1.9% (Prev. 1.7%)
- EU Core Inflation Rate YoY Final (Feb) Y/Y 2.4% vs. Exp. 2.4% (Prev. 2.2%)

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