

## SNAPSHOT

STOCKS			
Nikkei 225	-3.5%	ASX 200	-1.7%
Hang Seng	-1.8%	Shanghai Comp	-1.2%
Euro Stoxx 50 Mar'26	-1.7%	DAX Mar'26	-1.8%
ES Mar'26	U/C	NQ Mar'26	-0.1%

  

FX			
DXY	-0.1% (100.11)	EUR/USD	+0.2% (1.1475)
USD/JPY	-0.1% (159.66)	GBP/USD	+0.1% (1.3273)

  

BONDS			
US T-Note Jun'26	-5.5 ticks	Bund Jun'26	-32 ticks
US 10yr Yield	4.27%	German 10yr Yield	2.96%

  

ENERGY & METALS			
WTI Apr'26	+1.2%	Brent May'26	+5.4%
Spot Gold	+0.3%	LME Copper	-1.9%

  

CRYPTO			
Bitcoin	-0.5%	Ethereum	-0.5%

As of 06:23GMT/02:23EDT

## LOOKING AHEAD

- Highlights include UK Jobs/Average Earnings (Jan), US Initial Jobless Claims (Mar/14), Atlanta Fed GDP, New Zealand Trade Balance (Feb), Riksbank, SNB, BoE & ECB policy announcements. Speakers include BoJ's Ueda, SNB's Schlegel, Riksbank's Thedeen & ECB's Lagarde. Supply from Spain, France & US. Earnings from FedEx & Alibaba.
- [Click for the Newsquawk Week Ahead.](#)

## IRAN CONFLICT

- US President Trump said Israel violently lashed out at Iran's major facility and that the US did not know about the attack, while he said there will be no more attacks by Israel on South Pars and threatened the US will retaliate by massively blowing up the entirety of the South Pars Gas Field if Qatar's LNG is attacked again.
- US officials say President Trump wants no more energy strikes but supported the attack on South Pars, and could once again be open to targeting additional Iranian energy facilities depending on Iran's actions in the Strait of Hormuz, according to WSJ.
- US President Trump's administration is considering deploying thousands of additional US troops to the Middle East as Trump weighs Iran's next steps, according to sources cited by Reuters.
- US Pentagon seeks more than USD 200bln in budget requests for the Iran war, according to the Washington Post.
- Iran's Foreign Minister Araghchi spoke with EU's Kallas and discussed the regional situation and Strait of Hormuz, while he spoke with Turkish, Egyptian, and Pakistani counterparts, and vowed Iran will spare no effort to defend its sovereignty.
- 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 the official added that the strike was a signal of what could come next.
- Israeli official said Israel conducted strikes against Iranian navy missile boats in the Caspian Sea, with more than five vessels targeted. Israel's military also said it began striking targets in northern Iran for the first time.
- Israel identified that the US is preparing to take control of the Strait of Hormuz, which could prolong the war by a few weeks.
- Israeli army reported missile launches from Iran and stated air defence systems were intercepting the threat.

- Iran said a US-Israeli attack targeted customs and ports in Gilan.
- 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 had been caused, although all personnel have been accounted for and no casualties were reported at the time. Qatar's Defence Ministry later reported another ballistic missile attack from Iran, which targeted Ras Laffan Industrial City and caused damage, although Qatar announced after that two of the three fires were contained at the facility.
- Qatar declared Iran's military attache, security attache, and all staff at the embassy, as persons unwelcome and called for their departure from the country within 24 hours, while it warned of additional measures if Iran continues its hostile approach.
- Saudi Foreign Minister said Iran must review its 'misjudgements' and that attacks will bring no gains, while he demanded Iran stop proxy support and protect maritime navigation immediately. Furthermore, Saudi Arabia said it reserves the right to take military action against Iran, and it intercepted five drones that attempted to approach an energy facility in the Eastern region.
- Iraqi security sources said they were intercepting a drone that approached Baghdad Airport
- Iraqi armed group Kataib Hezbollah announced suspension of attacks on the US embassy for five days, subject to conditions.
- UKMTO reported a vessel was hit by an unknown projectile 11 nautical miles east of Khor Fakkan, UAE, which caused a fire on board, while it also reported an incident involving a ship 4 nautical miles east of Ras Laffan, Qatar.
- French President Macron said he spoke with the Emir of Qatar and US President Trump following the strikes that hit gas production sites in Iran and Qatar, while he added that "It is in the common interest to implement without delay a moratorium on strikes targeting civilian infrastructure, particularly energy and water infrastructure."

## 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.

## US TRADE

### EQUITIES

- 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.](#)

### TARIFFS/TRADE

- US and Mexico announced the next steps ahead of the USMCA review, while the USTR said they are to explore options to boost manufacturing jobs.

## APAC TRADE

### EQUITIES

- **APAC stocks** declined as the region took its cue from the losses stateside, where the major indices suffered amid higher oil prices and yields, following energy infrastructure attacks in the Middle East and hawkish Powell comments.
- **ASX 200** was dragged lower by losses in miners, materials and real estate, with sentiment not helped by mixed jobs data.
- **Nikkei 225** suffered from the higher oil prices and as markets awaited the BoJ policy decision, which provided no major surprises, while the attention now turns to more central bank announcements, as well as the Trump-Takaichi summit later.
- **Hang Seng** and **Shanghai Comp** conformed to the broad risk-off mood with tech hit by weakness in semiconductors and following Tencent's earnings, while miners and airlines were also pressured after a decline in metal prices and surge in oil.
- **US equity futures** remained lacklustre after sliding on higher oil prices and a hawkish-leaning Powell.
- **European equity futures** indicate a lower cash market open with Euro Stoxx 50 futures down 1.7% after the cash market closed with losses of 0.6% on Wednesday.

### FX

- **DXY** took a breather after rallying yesterday as yields climbed alongside a surge in oil prices due to attacks on key energy infrastructure in Iran and Qatar, firmer-than-expected PPI data and with Fed Chair Powell leaning hawkish at the post-meeting press conference. FOMC kept rates unchanged at between 3.50-3.75%, as expected, in an 11-1 vote with Miran the lone dissenter, who voted for a 25bps rate cut. The Fed noted 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 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 the next move might be a hike did come up at the meeting.
- **EUR/USD** attempted to nurse some losses but remained beneath the 1.1500 handle after it gave way to the recent dollar strength, while participants now await the ECB.
- **GBP/USD** partially rebounded from the prior day's trough at sub-1.3300 territory, ahead of UK jobs/wages data and the BoE.
- **USD/JPY** traded flat but held on to its recent gains after it climbed to the highest level in nearly 8 months, but stalled just shy of the 160.00 level, while there was little reaction to the BoJ which refrained from policy tweaks, as unanimously forecast.
- **Antipodeans** clawed back some losses with NZD/USD gradually shrugging off weaker-than-expected Q4 GDP data for New Zealand, while AUD/USD was choppy following mixed jobs data in which headline employment topped forecasts, but was solely due to part-time jobs, and the Unemployment Rate surprisingly climbed higher to 4.3% from 4.1%.
- **PBoC** set USD/CNY mid-point at 6.8975 (Prev. 6.8909)
- **Brazilian Central Bank lowered its Selic Rate by 25bps to 14.75%, as expected, with the decision unanimous.** BCB reaffirmed serenity and caution, while the Committee deemed it appropriate to begin the monetary policy calibration cycle and stated that future interest rate decisions will incorporate new information on the Middle East conflict depth and duration.

### FIXED INCOME

- **10yr UST futures** remained subdued after yields climbed on higher oil prices, hot PPI data and the post-FOMC press conference, where Fed Chair Powell sounded hawkish on inflation and stated the possibility that the next move might be a hike did come up at the meeting.
- **Bund futures** slid beneath the 126.00 level with market moves largely driven by geopolitics, oil and the Fed, while more central bank announcements loom, including from the ECB.
- **10yr JGB futures** conformed to the downside seen in global peers, with participants also digesting better-than-expected Machinery Orders data from Japan, while there was a lack of fireworks from the BoJ decision in which the central bank unsurprisingly kept rates unchanged at 0.75%.

### COMMODITIES

- **Crude futures** fluctuated with an initial rally following the targeting of Middle East energy infrastructure, whereby Israel attacked Iran's South Pars gas field and the Asaluyeh oil facility, while Iran retaliated with a strike on Qatar's Ras Laffan complex, which is the world's largest LNG production facility and produces about 20% of the world's LNG exports. This boosted oil prices and saw WTI approach near the USD 100/bbl, but then pulled back from highs after US President Trump posted that Israel will no longer strike the South Pars gas field and warned to massively blow up the entirety of the South Pars Gas Field if Qatar's LNG is attacked again.
- **Iranian official said explosions that hit several facilities in Iran's Asaluyeh natural-gas complex haven't led to any restrictions on natural-gas supplies**, according to state media cited by WSJ.
- **Spot gold** nursed some losses after recently declining alongside a firmer dollar and hawkish comments from Fed Chair Powell.
- **Copper futures** remained pressured after the recent escalation in the Middle East conflict and broad risk-off mood.

### CRYPTO

- **Bitcoin** traded indecisively and ultimately retreated back beneath the USD 71,000 level.

### NOTABLE ASIA-PAC HEADLINES

- **BoJ kept its short-term interest rate unchanged at 0.75%, as expected, with the decision made by an 8-1 vote as Takata dissented and voted for a 25bps hike. BoJ reiterated that it will continue to raise policy rates if the economy and prices move in line with its forecasts and will conduct monetary policy as appropriate from the perspective of sustainably and stably achieving the 2% inflation target.** It also stated that the economy is likely to continue growing moderately and inflation expectations have risen moderately, while consumer inflation is likely to briefly slow below 2% and re-accelerate due to the impact of rising oil prices, with the price trend to be in line with the goal in the second half of the outlook. However, Takata and Tamura opposed the description regarding the outlook for inflation, as Takata suggested CPI had already generally reached the price stability target, and Tamura said CPI was likely to be at a level generally consistent with the price stability target from the beginning of fiscal 2026.
- **Japan's Lower House approved BoJ board nominees Sato and Asada,** who are both known reflationists
- **HKMA responded to the Fed rate decision in which it stated the future trend of US interest rates is quite uncertain,** while it will maintain monetary and financial stability. HKMA added that it will closely monitor market developments and that Hong Kong markets continue to operate in an orderly manner.
- **China's government released a list of policies to strengthen, benefit and enrich the agricultural sector** this year, which covers subsidies for soybean, corn planting and production. Furthermore, policies also cover cultivated land facility protection subsidies, as well as subsidies for inter-provincial employment and transportation subsidies.
- **RBA Financial Stability Review stated Australia's financial system is well placed to handle an increasingly uncertain global environment, with most borrowers in a solid financial position** and able to manage a rise in cost pressures, though some will face increasing challenges. It also noted that Australian banks are in a strong position to continue supporting the economy even if conditions deteriorate sharply, while most households and businesses are in a strong financial position and are unlikely to be a source of instability.
- **RBNZ Financial Markets Director Richardson announced a liquidity management proposal,** in which they will use weekly full allotment operations to inject liquidity and will begin a new framework on April 2nd.

## DATA RECAP

- Japanese Machinery Orders MM (Jan) -5.5% vs Exp. -9.6% (Prev. 19.1%)
- Japanese Machinery Orders YY (Jan) 13.7% vs Exp. 10.5% (Prev. 16.8%)
- Australian Employment Change (Feb) 48.9K vs. Exp. 20.3K (Prev. 17.8K)
- Australian Full Time Employment Change (Feb) -30.5K vs. Exp. 3K (Prev. 50.5K)
- Australian Unemployment Rate (Feb) 4.3% vs. Exp. 4.1% (Prev. 4.1%)
- Australian Participation Rate (Feb) 66.9% vs Exp. 66.7% (Prev. 66.7%)
- New Zealand GDP QQ (Q4) 0.2% vs. Exp. 0.4% (Prev. 1.1%)
- New Zealand GDP YY (Q4) 1.3% vs. Exp. 1.7% (Prev. 1.3%)

## GEOPOLITICS

### RUSSIA-UKRAINE

- **Russia considers sending armed naval patrols** to protect its "shadow fleet", according to FT.
- **Russia's Kremlin said trilateral US-Russia-Ukraine negotiations** are on pause, but investment talks are to continue.

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