

## SNAPSHOT

STOCKS			
Euro Stoxx 50	-0.4%	DAX40	-0.5%
Stoxx 600	-0.4%	FTSE 100	-0.6%
ES Jun'26	-0.7%	RTY Jun'26	-1.1%
NQ Jun'26	-0.9%	YM Jun'26	-0.6%

FX			
DXY	+0.4% (99.59)	EUR/USD	-0.4% (1.1543)
USD/JPY	+0.7% (158.87)	GBP/USD	-0.5% (1.3368)

BONDS			
US T-Note Jun'26	-6 ticks	Bund Jun'26	-32 ticks
US 10yr Yield	4.304%	German 10yr Yield	2.997%

ENERGY & METALS			
WTI May'26	+0.5%	Brent May'26	+1.8%
Spot Gold	-0.1%	LME Copper	-0.2%

CRYPTO			
Bitcoin	+0.5%	Ethereum	-0.3%

As of 10:25GMT / 06:25EDT

### LOOKING AHEAD

- Highlights include Canadian Retail Sales (Jan), PPI (Feb). Speakers include ECB's Nagel, Fed's Bowman and Waller. Credit Rating Update with Scope Ratings/Morningstar DBRS on France.
- [Click here for the Week Ahead preview](#)

## EUROPEAN TRADE

### EQUITIES

- **European bourses** kicked off cash trade on the front foot, rebounding from Thursday's losses. The IBEX 35 is currently bouncing the most, closely followed by the DAX 40. The FTSE 100 lags, weighed on by losses in oil majors and Smiths Group, as the Co. cuts its 2026 organic revenue growth to between 3-4% from 4-6%. Futures however dipped following reports the Trump Administration is reportedly considering plans to occupy or blockade Iran's Kharg Island to pressure Iran to reopen the Strait of Hormuz, according to Axios citing sources.
- **Sectors** point to a cyclical bias, with Construction and Materials and Banks sitting at the top of the pile. Energy and Media are the only sectors in the red.
- **US equity futures** are under modest pressure. Super Micro Computer is under significant pressure pre-market after US prosecutors charged "Willy", "Wally" and "Steven" with conspiring to divert US-assembled high-performance servers with NVIDIA GPUs to China in violation of export controls.
- **Jeff Bezos is in talks to raise USD 100bln AI manufacturing fund, while fund is to buy manufacturing firms and implement AI, and will target aerospace, chip making and defence companies, according to The Information.**
- [Click for the sessions European pre-market equity newsflow](#)
- [Click for the additional news](#)

### FX

- **DXY** initial traded in a narrow range for most of the European morning before edging higher alongside crude following reports the Trump Administration is reportedly considering plans to occupy or blockade Iran's Kharg Island to pressure Iran to reopen the Strait of Hormuz, Axios reported citing sources. The index edged higher to a 99.60 peak from a 99.25 low, still a way off yesterday's 100.23 peak.
- **EUR/USD** mildly pulled back overnight but trades relatively steady in a narrow range during the European morning. There have been several ECB speakers on the wires this morning, with Nagel suggesting that the ECB would need to hike in April if the price outlook sours, and will act with necessary resolve. The broad message by speakers suggested a meeting-by-meeting approach, echoing President Lagarde from her post-policy press conference. Pressure seen in recent trade on the aforementioned USD strength.
- **GBP/USD** trickled lower overnight after strengthening in the aftermath of the BoE decision. GBP clambered off its worst levels briefly at the start of the European session but is now trading at session lows as energy prices grind higher. Pressure seen in recent trade on the aforementioned USD strength.
- **USD/JPY** partially rebounds after slumping briefly below the 158.00 handle, while the mild recovery was facilitated by improved risk appetite, but with further momentum contained amid the absence of Japanese participants. JPY pressure was seen in recent trade on the aforementioned USD strength.
- **Antipodeans** initially tilted higher on a positive risk mood but has turned lower since as tone begins to sour, with added pressure following the Axios report on the Kharg islands.

## FIXED INCOME

- **UST futures** were initially on a firmer footing but are down some 3 ticks, largely moving in tandem with oil prices, with pressure seen across fixed income following reports that the Trump Administration is reportedly considering plans to occupy or blockade Iran's Kharg Island to pressure Iran to reopen the Strait of Hormuz. Earlier gains were limited after the recent choppy performance and curve flattening on hawkish central bank expectations in response to the Iran war.
- **Bund futures** trade lower amid the recent rise in crude prices. Upside has been contained following hawkish ECB reports yesterday, which noted officials see the need for possible rate hike talk to start in April, while ECB's Nagel stated earlier the ECB would need to hike in April if the price outlook sours.
- **Gilts** underperform, with price action has been driven by the rebound in energy prices following the aforementioned Axios report, while markets are now fully pricing in 3 rate hikes by the BoE in 2026. As a reminder, the Bank kept rates unchanged with all 9 policymakers voting for a hold.
- **China MOF** sold 3-year bonds at 1.29% yield and 10-year bonds at 1.80% yield.

## COMMODITIES

- **Crude futures** initially traded with modest losses as the European session got underway but has steadily reversed higher following an Axios report stating that the Trump administration is considering plans to occupy or blockade Iran's Kharg Island to pressure Iran to reopen the Strait of Hormuz. WTI regains the USD 96/bbl handle following the report, while Brent extends beyond USD 110/bbl. Comments from US Treasury Secretary Bessent late in Thursday's session stated that the US could pursue another SPR release to keep prices down and may lift sanctions on Iranian oil but that has since been put in the rear view.
- **Spot gold** stabilises after its recent slide, although remaining on course for its worst weekly loss in six years following a deluge of hawkish-leaning central bank updates amid inflationary pressures driven by the war-related surge in oil prices. Spot gold resides in a USD 4,634-4,736/oz range.
- **Copper futures** have followed on from Thursday's selloff as the dollar gains following the rebound in energy prices.
- **SinoChem (600500 CH)** reportedly cut throughput at its 300k BPD Quanzhou refinery to ~60%, sources say; also reduces operations at steam cracker to ~60%; seeking prompt delivery crude oil, including Russian oil under waver, to cover the supply gap.
- **Russia** is to limit major foreign container shipping companies from routes involving Russian ports unless they meet strict domestic control requirements.
- **Spain** is to reduce VAT on fuel from 21% to 10% to mitigate the impact of the Iran war, Ser Radio reported.
- **Saudi officials** see the base case for oil to rise to USD 180/bbl if the disruptions persist until late April, according to WSJ.
- **EU member states** to request EU Commission design national temporary and targeted measures to mitigate impacts on energy costs, according to a draft document.
- **South32 (S32 AT)** pauses production at the world's biggest manganese mine due to cyclone threat.

## TRADE/TARIFFS

- **Chinese media, SCMP**, writes that the White Houses' Section 301 investigations may be less dramatic than war, but they risk retaliation and trade breakdowns.
- **White House** posted Fact Sheet on US-Japan alliance and stated it welcomes a second tranche of Japanese investments and that US and Japan reached a critical minerals action plan.

## NOTABLE EUROPEAN DATA RECAP

- **UK Public Sector Net Borrowing Ex Banks (Feb)** 14.3B vs. Exp. 8.5B (Prev. -30.4B).
- **German PPI MoM (Feb) M/M** -0.5% vs. Exp. 0.3% (Prev. -0.6%, Low. -0.1%, High. 0.7%).
- **German PPI YoY (Feb) Y/Y** -3.3% vs. Exp. -2.7% (Prev. -3%, Low. -3.1%, High. -2.1%).

## CENTRAL BANKS

- ECB's Nagel said the ECB would need a hike in April if the price outlook sours, will act with necessary resolve.
- ECB's Makhoulf says the ECB is currently managing extreme uncertainty, adds that action will be taken if facts point to action. Every meeting is a live meeting.
- ECB's Rehn said no decision has been locked in ahead of time.
- ECB's Villeroy said rate hikes will be decided meeting by meeting and are totally determined to bring inflation back to 2%.
- ECB's Villeroy said ECB will remain vigilant and has the ability to act as needed.
- ECB's Muller said duration of high energy prices is key for ECB.
- ECB's Kazak said we know that inflation will go up and economy will slow, and will take stock in April.
- European Council appoints ECB's Vujcic as the central bank's Vice President to replace de Guindos as of June 1st.
- Barclays now forecasts ECB will raise rates by 25bps each in April and June vs. previous hold outlook.
- JP Morgan now expects ECB to hike interest rates in April and July, versus a previous forecast of holding rates unchanged throughout the year.
- Goldman Sachs now expects BoE to remain on hold throughout 2026 vs. prior forecast of quarterly cuts from July.

## NOTABLE US HEADLINES

- The Trump administration has delayed an executive order that could have required banks to collect and report more information on the immigration status of their customers, after Wall Street push-back, WaPo reported.
- US President Trump said at dinner with Japanese PM Takaichi that the US is encouraged to see Japan buying US defence equipment.

## GEOPOLITICS

### MIDDLE EAST

- The Trump Administration is reportedly considering plans to occupy or blockade Iran's Kharg Island to pressure Iran to reopen the Strait of Hormuz, Axios reports citing sources.
- Iran announces the death of IRGC spokesperson Narini.
- Iranian Supreme Leader Khamenei said officials must compensate for the loss of the Iranian Minister of Security, Al Hadath reported.
- Iranian President said "the flames of war against us will affect many if the international community does not stand up to the aggression", Al Jazeera reported.
- Iran's Foreign Minister told his UK counterpart that providing military bases for the US will be considered as participation in aggression.
- Iran's IRGC spokesman, responding to Israeli PM, insists Tehran is still building missiles, AP reported.
- Iran's Revolutionary Guards report that missile manufacturing remains active amid conflict and stockpiles are sufficient.
- Iran is said to allow more Indian vessels to pass the Strait of Hormuz.
- IDF launches a wave of strikes on infrastructure targets across Iran.
- Explosion heard in Iranian city of Isfahan, according to Iran International.
- Saudi Arabia's eastern region saw further drone interceptions, with several threats destroyed.
- EU leaders call for de-escalation, civilian protection and full respect of international law by all parties, while they call for moratorium on strikes targeting energy and water infrastructure, also strongly condemned Iran's indiscriminate strikes.

### RUSSIA-UKRAINE

- German Chancellor Merz said EU leaders have asked the European Commission to examine other possible ways of paying out loans to Ukraine.

## CRYPTO

- Bitcoin holds above USD 70k, while Ethereum holds the USD 2k handle.

## APAC TRADE

- APAC stocks were mostly subdued but with downside limited as the region reacted to the recent oil swings, deluge of central bank meetings and mixed geopolitical headlines, while conditions were thinned - with the absence of Japanese participants due to the Vernal Equinox holiday.
- ASX 200 was dragged lower by weakness in the materials and commodity-related sectors, but with losses cushioned by strength in telecoms and defensives, while there were few fresh drivers overnight.
- Hang Seng and Shanghai Comp were following disappointing earnings results from the likes of Alibaba and CK Hutchison, with the former posting a 67% drop in Q3 net, which also weighed on other tech names. Furthermore, the PBoC's reiteration to continue implementing a moderately accommodative monetary policy and to use RRR and MLF to ensure sufficient stability did little to inspire, while China's Loan Prime Rate were unsurprisingly kept unchanged for the 10th consecutive month.

## NOTABLE ASIA-PAC HEADLINES

- **Chinese Commerce Ministry releases measures to boost travel services, CCTV reported; announces measures to expand inbound consumption.**
- **China's government** is said to be urged to reform consumption tax in order to boost local income, according to China's Securities Journal.

#### NOTABLE APAC DATA RECAP

- **New Zealand Balance of Trade (Feb) -257B vs. Exp. -0.74B (Prev. -0.519B).**
- **New Zealand Exports (Feb) 6.63 vs. Exp. 6.6 (Prev. 6.21).**
- **New Zealand Imports (Feb) 6.89 vs. Exp. 6.2 (Prev. 6.73).**

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