

Crude dives and stocks rally as Trump teases US/Iran talks and halts strikes on key infrastructure

- **SNAPSHOT:** Equities up, Treasuries up, Crude down, Dollar down
- **REAR VIEW:** Trump says US wants to make a deal with Iran, and they want to make a deal too; Trump halts strikes on Iran's energy and power sites; Iranian media and officials downplays Trump's remarks, says no talks/negotiations have happened; Fed's Goolsbee sees an environment where multiple cuts or a hike could happen, Miran still sees 100bps of cuts this year; Israeli officials suggests prelim talks of Iranians and US officials precede meeting this week in Pakistan; Downside miss in US construction spending sees Atlanta Fed GDPnow Q1 estimate revised lower.
- **COMING UP:** **Data:** Global Flash PMIs (Mar), US ADP Employment Change Weekly. **Speakers:** RBNZ's Breman; ECB's Cipollone, Lane, Nagel; BoE's Pill; SNB's Schlegel; Fed's Barr. **Supply:** Australia, Japan, UK, Germany, US.
- **WEEK AHEAD** Highlights include Japanese CPI, UK Inflation, UK Retail Sales and Flash PMIs: [Click here for the full report.](#)
- **WEEKLY US EARNINGS ESTIMATES:** PDD, CTAS, PAYX, JEF, CCL. [Click here for the full report.](#)

MARKET WRAP

Stocks closed well in the green on Monday as Trump halted attacks on Iranian energy and power infrastructure for five days. This led to a reduction of the geopolitical risk premiums with stocks rallying and crude tumbling. Crude settled well off the overnight peaks and helped ease some of the inflationary concerns too, in turn seeing global yields move lower, particularly in the front-end, as hawkish rate bets eased somewhat from the shift seen at the end of last week. Although a welcome development, the Iranian side has largely pushed back on Trump's claims that talks between the US and Iran were held, but Trump was adamant that they occurred. This still leaves a lot of uncertainty, but the overall messaging is a positive one with Trump making an effort to de-escalate for now. Trump has suggested talks will be held this week and a deal could be announced within five days. The developments led to a weaker Dollar due to the risk-on trade. NZD, GBP, JPY, EUR, and CHF all managed to strengthen vs USD in the risk-taking environment, while AUD and CAD lagged with marginal gains. Behind the two underperformances was likely a pullback of outperformance in recent weeks, given their energy independence. Gold was still lower, but well off the overnight lows, with the precious metal trading between USD 4,098-4,536, currently just above USD 4,400 heading into APAC trade. Silver and Bitcoin saw gains.

FED

GOOLSBEE: (2027 Voter): The Chicago Fed President noted that the Fed could be back in an environment of multiple cuts, but he also sees conditions where the Fed would hike, noting the Fed are in an intense moment with a lot in the balance. Goolsbee warned that historically, oil shocks have been stagflationary, making both inflation and joblessness worse. He noted at best that inflation has stalled, and the Fed is waiting for that to go away. However, he remains optimistic that rates could go lower by year-end, but he is still awaiting proof on inflation. He noted gas prices have a high impact on household expectations, but inflation expectations remain anchored. On the labour market, he said the economy is near full employment, raising inflation concerns, while noting that inflation now appears to be the primary risk.

MIRAN: Fed Governor Miran (Dove) confirmed he pencilled in four rate cuts this year (vs six in prior projections, but he did say this was his view pre-meeting). Despite the ongoing risks, Miran continues to push for lower rates, noting that the Fed should not be making policy based on short-term headlines and that it is premature to judge the current situation. Miran suggested he does not want to respond to oil price shocks, in case it leads to a wage price spiral, while noting that the labour market could benefit from additional support. He suggested the Fed typically looks through the first round of all price shocks, noting it would be unusual for them to focus on them this time around. However, he stressed this is not his base case, but second round effects and wage rises could require a rate hike, but current conditions do not warrant rate hikes. Miran did state he needs more clarity on whether policy should react to current events but his outlook remains for rate cuts. He also said that the balance of risks got worse on both sides.

FIXED INCOME

T-NOTE FUTURES (M6) SETTLED 13+ TICKS HIGHER AT 110-29+

T-notes bull steepen as Trump halts attack on Iranian key infrastructure following US/Iran discussions. At settlement, 2-year -7.6bps at 3.831%, 3-year -7.6bps at 3.843%, 5-year -5.7bps at 3.951%, 7-year -5.7bps at 4.143%, 10-year -5.0bps at 4.334%, 20-year -4.3bps at 4.938%, 30-year -3.4bps at 4.913%.

THE DAY: T-notes bull steepened on Friday on hopes of an end to the Iranian war. President Trump announced that the US had productive talks with Iran over the weekend and that he has instructed the Dept. of War to halt strikes in key Iranian infrastructure (energy and power) for five days. The positive developments saw oil prices plummet as geopolitical risk premium unwound, helping ease some of the recent inflationary fears and expectations of a hawkish policy response. The move in T-notes was led by the front-end as Fed rate hike bets were unwound, but ultimately settled off extreme levels as Iran dismissed Trump's claims that the two sides were talking. Elsewhere, both Fed's Miran and Goolsbee spoke today, with Miran echoing recent dovish commentary

while Goolsbee said he is still hopeful for more rate cuts by year-end, but there is a scenario where he could see rate hikes on the table. On Data, the Chicago Fed National Activity Index declined while Construction spending surprised to the downside, leading to a revision lower in the Atlanta Fed GDPNow tracker to 2.0% from 2.3%. Focus this week largely remains on geopolitical updates, with Trump suggesting a deal with Iran could be made in five days. Elsewhere, there is little data due, but the US will be offering 2-, 5-, and 7-year notes.

SUPPLY

Notes

- US to sell USD 69bln of 2-year notes on Tuesday, March 24th, USD 70bln of 5-year notes on Wednesday, March 25th and USD 44bln of 7-year notes on Thursday, March 26th; all to settle March 31st
- US to sell USD 28bln reopened 2-year FRN on March 25th; to settle March 27th.

Bills

- US sold 3-month bills at a high rate of 3.635%, B/C 2.84x; sold 6-month bills at a high rate of 3.630%, B/C 3.03x

STIRS/OPERATIONS

- Fed Money Market Pricing (implied bps): April +3.8bps (prev. +5.2bps), June +4.9bps (prev. +7.6bps), July +2.8bps (prev. +7.5bps), December -0.5bps (prev. +10.5bps)
- NY Fed RRP op demand at 0.86bln (prev. 0.82bln) across 5 counterparties (prev. 5) on March 23rd
- SOFR at 3.62% (prev. 3.62%), volumes at USD 3.102tln (prev. USD 3.121tln) on March 20th
- EFFR at 3.64% (prev. 3.64%), volumes at USD 103bln (prev. USD 103bln) on March 20th

CRUDE

WTI (K6) SETTLED USD 10.10 LOWER AT 88.13/BBL; BRENT (K6) SETTLED 12.25 LOWER AT 99.94/BBL

Crude prices were hit as Trump teases a deal with Iran and postpones attacks on Iran's energy and power plants for five days.

Initially, Oil prices were higher after the weekend following increased tensions between the US and Iran, whereby US President Trump gave Iran a 48hr ultimatum to open the Strait of Hormuz fully, or they will target their various power plants and energy facilities. The IRGC responded with a warning that if the US targets the plants, Hormuz will be fully closed. WTI and Brent hit highs of USD 101.67/bbl and USD 114.43, respectively. In the US morning, oil prices faced heavy pressure, and fears were eased somewhat on a Trump Truth Social post, in which he said they have had talks with Iran, which were very good and have therefore halted strikes against Iranian energy and power facilities for five days. Oil found its lows on the post, with WTI and Brent falling to lows of USD 84.37/bbl and 96.00/bbl, respectively. Thereafter, Iranian media and officials downplayed the statement, saying there have been no direct talks or negotiations. More remarks from Trump were seen: The deal with Iran could be in five days or sooner; Recent talks occurred last night, and we have had major points of agreement. One thing both sides seem to have agreed on is that messages are being exchanged indirectly between Tehran and Washington, mediated by Egypt and Turkey. An Israeli official suggests preliminary talks precede a meeting of high-ranking Iranian and American officials in Pakistan this week. Meanwhile, reports suggested that the US has set April 9th as a date to end the war on Iran, while other reports highlighted that Iran has agreed to freeze its missile project for five years.

Commentary

- Occidental Petroleum (OXY) CEO said the US likely has the capacity to make up for the oil shortfall caused by Iran war, sees peak US oil supply at about 15mln bpd; sees peak US oil supply in the range of 2027-2031.
- Vitol Americas CEO says severe demand destruction expected at USD 120/bbl crude prices

EQUITIES

CLOSES: SPX +1.15% at 6,581, NDX +1.22% at 24,189, DJI +1.38%, RUT 2.29%

SECTORS: Health +0.03%, Consumer Staples +0.37%, Real Estate +0.62%, Communication Services +0.69%, Financials +0.86%, Utilities +1.03%, Energy +1.14%, Industrials +1.16%, Technology +1.46%, Materials +1.49%, Consumer Discretionary +2.46%.

EUROPEAN CLOSES: Euro Stoxx 50 +1.42% at 5,579, Dax 40 +0.96% at 22,595, FTSE 100 -0.15% at 9,903, CAC 40 +0.79% at 7,726, FTSE MIB +0.91% at 43,230, IBEX 35 +1.04% at 16,888, PSI +0.25% at 8,779, SMI +0.61% at 12,411, AEX +0.53% at 967

STOCK SPECIFICS

- **AMD (AMD)** - Upstage is in talks with AMD to buy 10,000 MI355 AI accelerators as part of efforts to expand large-scale computing capacity in South Korea, Bloomberg reports. The CEO said he discussed the purchase with AMD's chief executive last week, and wants to diversify beyond Nvidia (NVDA) chips.
- **DraftKings (DKNG)**: US senators are to introduce a bipartisan legislation on Monday to prohibit prediction-market exchanges from listing contracts related to sporting events.
- **Synopsys (SNPS)**: Elliott Investment Management has reportedly built a stake in SNPS.
- **Venture Global (VG)**: Double upgraded to Overweight at Morgan Stanley; PT USD 22.
- **MongoDB (MDB)**: Upgraded at Mizuho to 'Outperform' from 'Neutral'.
- Apple (AAPL) to announce ad programme for the maps app as soon as this month in services push, according to Bloomberg; WWDC conference will be held on June 8-12th, 2026.

- **Estee Lauder (EL)** nears deal to combine with Jean Paul Gaultier's own Puig, FT reports; deal could be announced as soon as Monday.
- **FICO (FICO)** said to be questioned by Congress's Hawley for mortgage credit scoring.
- **Apple (AAPL)** to announce ad programme for the maps app as soon as this month in services push, according to Bloomberg. Meanwhile, the WWDC conference is to be held on June 8-12th, 2026

FX

The **dollar** was offered as risk-on returned to equities and FX on a Trump Truth Social post, that the US have had very good and productive talks with Iran, announcing it has halted military strikes on Iran's energy & power infrastructure for five days. As such, the perceived easing of geopolitical risk means the dollar lost some of its haven status. Reporting and remarks out of Iran have likely not behaved to Trump's liking, downplaying the statement, arguing it is false, and there have been no direct talks/negotiations. Despite the mixed messages, markets placed more significance on Trump's statement and the signals it sends of an effort to end energy disruption. Elsewhere, we heard from Fed's Miran (dove voter) and Goolsbee (2027 voter). Miran said current conditions do not warrant considering rate hikes, while Goolsbee noted that the Fed could be back in an environment of multiple cuts, but also sees conditions where the Fed would hike. DXY. peaked higher at 101.148 following elevated tensions between the US and Iran over the Strait of Hormuz over the weekend, before later falling to around the current lows of 98.880.

NZD, GBP, JPY, EUR, and CHF all managed to strengthen vs USD in Monday's risk-taking environment, while AUD and CAD lagged with marginal gains. Behind the two underperformances was likely a pullback of outperformance in recent weeks, given their energy independence.

Outside of geopolitics, updates came via elections. In France, local election results were mixed, with the far-right RN gaining in smaller cities but losing ground in larger ones. In Germany, Chancellor Merz's CDU secured victory in the Rhineland-Palatinate elections, clouding the outlook for the SPD, which had governed the region for 35 years. ING gave two potential paths for the SPD: either becoming a "genuine junior partner" and allowing CDU-led reforms to pass, or obstructing reforms, risking a government breakdown. In Italy, Italian voters rejected PM Meloni's judicial reform, which some suggest could weaken her re-election chances next year. EUR/USD starts the week on the front foot, trading ~ 1.1620 from Friday's close of 1.1571.

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