

SNAPSHOT

STOCKS			
Nikkei 225	+1.3%	ASX 200	+0.2%
Hang Seng	+2.1%	Shanghai Comp	+1.2%
Euro Stoxx 50 Jun'26	-0.6%	DAX Jun'26	-0.6%
ES Jun'26	-0.5%	NQ Jun'26	-0.5%

FX			
DXY	+0.3% (99.40)	EUR/USD	-0.3% (1.1580)
USD/JPY	+0.2% (158.70)	GBP/USD	-0.2% (1.3397)

BONDS			
US T-Note Jun'26	-12 ticks	Bund Jun'26	-11 ticks
US 10yr Yield	4.38%	German 10yr Yield	2.99%

ENERGY & METALS			
WTI May'26	+3.6%	Brent May'26	+2.9%
Spot Gold	-0.4%	LME Copper	-1.7%

CRYPTO			
Bitcoin	-0.7%	Ethereum	-0.6%

As of 06:20GMT/02:20EDT

LOOKING AHEAD

- Highlights include Global Flash PMIs (Mar), US ADP Employment Change Weekly. Speakers include ECB's Cipollone, Lane & Nagel, BoE's Pill, SNB's Schlegel, Fed's Barr. Supply from UK, Germany & US.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump reiterated that the US and Iran had preliminary talks over the past few days, and that they had very good discussions with Iran, while he added that energy strikes were postponed temporarily, and this time, Iran means business and wants to settle, and he hopes that they will get it done. Trump also commented that they will make sure Iran cannot get a nuclear weapon, and they have eliminated everything there is to eliminate in Iran, including leaders.
- Washington set April 9th as the date to end the war on Iran, according to an Israeli official cited by Yedioth Ahronoth.
- US President Trump's admin is reportedly eyeing Iran's parliament speaker Ghalibaf as a US-backed leader, according to POLITICO. It was separately reported by Pakistani media that Ghalibaf had discussed the Strait of Hormuz issue with US officials in Islamabad.
- US VP Vance and Israel PM Netanyahu discussed components of a possible deal to end the war with Iran.
- US Interior Secretary Burgum said regarding Iran that President Trump is going to resolve it and win, while he added that there is engagement with Iran about a possible solution going forward, according to a CNBC Interview.
- US Central Command denied rumours of an F-15 being shot down over Kuwait.
- US Pentagon officials weigh deployment of airborne troops to Iran, according to NYT. It was also reported that there has been no change in plans to send thousands more marines and sailors to the Middle East, military sources told CBS News.
- Thousands of US Marines are slated to arrive in the Middle East on Friday, according to two US officials cited by WSJ, the day President Trump has set as the deadline for Iran to reopen the Strait of Hormuz.
- US officials said Strait of Hormuz dotted with about a dozen Iranian mines, although an IRGC spokesperson said there is no need to mine the Strait of Hormuz as Iranian armed forces have full control.

- Iranian Foreign Ministry senior official said Iran received points from the US through mediators and that they are being reviewed, according to CBS News. Furthermore, a senior official told Al-Jazeera that a transfer of messages is taking place between Tehran and Washington, mediated by Egypt and Turkey, based on good intentions aimed at reducing the tension.
- Iranian senior official said Washington still refuses to accept two essential conditions, which are paying reparations and acknowledging the aggression against them. It was stated that the issue of closing the Strait of Hormuz and planting mines remains on the table in anticipation of any reckless American action, while the official added that the US President does not have the authority to set conditions or deadlines for negotiations.
- Iranian Supreme Leader Khamenei's military adviser said the war continues until all sanctions are lifted and damages to Iran must also be compensated, according to State TV.
- Iran is said to be ready to offer very significant and serious concessions regarding its nuclear programme, although an Israeli official said the likelihood of reaching an agreement remains very low, while it was also reported that Iran agrees to freeze its missile project for five years, according to Israel's Channel 12.
- Gas-related facilities were said to be hit in strikes on Isfahan in central Iran, in which offices belonging to a gas company and a gas pressure reduction station were damaged in a US-Israeli attack on Isfahan, according to Fars News Agency. It was also reported that a projectile fell on a gas pipeline feeding a power station in Khorramshahr, but there were no casualties, while explosions were heard in Tehran, Chamran and Ba'ath, and a missile site in Andimeshk was heavily targeted.
- Iran launched a new wave of missiles at Israel, and Israeli media reported sirens sounding in 121 Israeli locations, while the Israeli Home Front announced sirens sounded in several towns in Western Galilee and northern Israel.
- Israeli PM Netanyahu summoned the leaders of the government coalition to an urgent meeting regarding US talks with Iran, while it was reported that Netanyahu is worried the US may reach an unfavourable deal with Iran, according to Israeli media.
- Israeli security official told Ynet that even if the war continues for several more weeks, Israel does not expect to fully stop, or reduce to zero, Iranian ballistic missile launches, and in this assessment, attacks are likely to persist until the war ends.
- Negotiations between Iranian Islamic Parliament Speaker Ghalibaf and the US were completely false, and one of the purposes of fabricating this false information was to create conditions for the assassination of Ghalibaf, according to Chinese press.
- US allies in the Persian Gulf are reportedly inching toward joining the fight against Iran, following persistent attacks, WSJ.
- Saudi Defence spokesperson stated that they intercepted drones in the eastern province.
- Kuwait responded to incoming missile and drone attacks, while explosions were reported at a US base in Kuwait.
- Bahrain circulated to members of the UN Security Council an initial draft of a new resolution against Iran, focusing on freedom of navigation in the Strait of Hormuz, according to a copy of the draft proposal obtained by The Jerusalem Post.
- Mitsui OSK Lines (9104 JT) denied reports that its vessel passed through the Strait of Hormuz.

US TRADE

EQUITIES

- US stocks rallied on Monday after President Trump announced a halt to the 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. However, the Iranian side largely pushed back on Trump's claims that talks between the US and Iran were held, while Trump was adamant that they occurred, which leaves a lot of uncertainty, but the overall messaging is a positive one with Trump making an effort to de-escalate for now, while Trump also suggested talks will be held this week and that a deal could be announced within five days.
- SPX +1.15% at 6,581, NDX +1.22% at 24,189, DJI +1.38% at 46,208, RUT +2.29% at 2,494.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- US and EU are close to a critical minerals deal, which would incentivise Western investment and hinder Chinese investors from "flooding the market", according to WSJ.
- EU and Australia agreed to a free trade deal, according to a joint statement.

NOTABLE HEADLINES

- Fed's Daly (2027 voter, dove) says there are at least two possible paths for the US economy, with one being that the conflict in the Middle East is resolved quickly, oil and energy prices fall, and the impact on the US economy is short-lived and muted. Under such circumstances, it likely would make sense to look through the temporary rise in energy prices, assuming inflation expectations remain well anchored. However, Daly said if the conflict becomes more protracted, a different scenario is possible, in which disruptions in energy supply and associated cost pressures could persist, with increased risks for higher inflation, slower growth, and a weaker labour market. This would amplify the current tradeoffs for monetary policy, making it harder to balance the risks to both sides of our dual mandate. Furthermore, she said there is no single most-likely path, and with policy in a good place, they need to remain flexible and able to respond to rapidly evolving risks.
- US President Trump told Republicans not to deal with Democrats until the voting law is passed and there will be no deal without the voter ID law, tying voter ID and DHS funding together. Four Senate Republicans met with President Trump and discussed funding for the Department of Homeland Security, while it was reported that the GOP senators see a path to ending the DHS shutdown after meeting with Trump, according to POLITICO.
- US Senate approved the nomination of Markwayne Mullin as Secretary of Homeland Security.

APAC TRADE

EQUITIES

- **APAC stocks** took their cues from the positive performance on Wall Street, where the major indices rallied, and oil dropped after US President Trump announced US-Iran conversations and a five-day halt of strikes against Iranian energy infrastructure, while Iran denied the talks and called it fake news. Nonetheless, stocks gained in Asia but are well off their earlier highs as the conflict persisted overnight, while oil prices also partially rebounded amid news that gas-related facilities were hit in strikes on Isfahan in central Iran, where offices belonging to a gas company and a gas pressure reduction station were damaged.
- **ASX 200** climbed at the open with outperformance in mining, materials and resources, although the index eventually pared the majority of gains with losses seen in tech and financials, while flash PMI data weakened.
- **Nikkei 225** traded higher but had given back a chunk of the earlier spoils and briefly returned to beneath the 52,000 level with headwinds seen as oil prices partially rebounded from yesterday's slump.
- **Hang Seng** and **Shanghai Comp** gained with outperformance in Hong Kong amid tech strength and with attention on earnings.
- **US equity futures** trickled lower as strikes in the Middle East continued and oil partially rebounded.
- **European equity futures** indicate a lower cash market open with Euro Stoxx 50 futures down 0.6% after the cash market closed with gains of 1.3% on Monday.

FX

- **DXY** regained poise after weakening yesterday as the drop in oil and the broad risk-on environment sapped haven demand. Nonetheless, the rebound overnight was facilitated by a partial recovery in oil and upside in yields, while recent commentary from Fed officials had little impact, with Fed's Daly noting there are at least two possible paths for the US economy depending on whether the Middle East conflict is resolved quickly, or becomes more protracted.
- **EUR/USD** returned to beneath the 1.1600 handle as the greenback recovered, while there was little reaction in the single currency to the EU and Australia agreeing to a free trade agreement, nor to reports of a nearing US-EU critical minerals deal.
- **GBP/USD** struggled to sustain the 1.3400 status after climbing yesterday in the heightened risk environment, but with price action contained overnight by a lack of fresh drivers and as the Middle East conflict persisted.
- **USD/JPY** mildly bounced back from yesterday's trough after finding support at the 158.00 level, with mild tailwinds seen as oil edged higher and after Japanese CPI decelerated.
- **Antipodeans** retreated with AUD/USD back at sub-0.7000 territory and was not helped by weak flash PMI data from Australia, while NZD/USD was subdued with RBNZ Governor Breman flagging higher inflation in the near term and growth impacts.
- **PBoC** set USD/CNY mid-point at 6.8943 vs exp. 6.8840 (Prev. 6.9041)

FIXED INCOME

- **10yr UST futures** faded some of the prior day's gains as the partial rebound in oil prices spurred upside in yields, while prices were also not helped by incoming supply with a US 2yr note auction due later.
- **Bund futures** continued to pull back from yesterday's peak with price action across asset classes largely driven by fluctuations in oil, while demand for Bunds was also contained ahead of a total of EUR 7bln of Bobl and Bund issuances scheduled Tuesday-Wednesday.
- **10yr JGB futures** oscillated around the 131.00 level with mild gains seen as participants digested the softer-than-expected Japanese CPI data and somewhat mixed results from the 40yr JGB auction.

COMMODITIES

- **Crude futures** clawed back some of the prior day's heavy losses that were triggered by US President Trump's announcement to postpone military strikes against Iranian power plants and energy infrastructure after the US and Iran had 'very good and productive conversations'. Nonetheless, Iran denied talks with the US and called it fake news, but said messages had been conveyed in recent days through several friendly countries, while the partial rebound in oil was also spurred by a report that some gas-related facilities were hit amid US-Israeli strikes on Isfahan.
- **Valero's Port Arthur refinery experienced a large fire**, likely caused by an industrial heater, while there were no injuries.
- **Spot gold** retreated as the dollar strengthened and yields climbed alongside a rebound in oil prices.
- **Copper futures** retraced some of the recent risk-fuelled advances amid ongoing uncertainty and conflicting headlines on the Iran war.

CRYPTO

- **Bitcoin** gradually declined during the session and approached closer to retesting the USD 70,000 level to the downside.

NOTABLE ASIA-PAC HEADLINES

- **RBNZ's Breman said the RBNZ is well positioned to handle challenges to price and financial stability mandates caused by the ongoing conflict in the Middle East**, while she added they are likely to see higher headline inflation over the near term and somewhat weaker growth momentum. However, she also stated that monetary policy can and should ensure that a temporary inflation spike does not turn into enduring inflationary pressures.
- **BoJ Governor Ueda said he expects underlying inflation to accelerate moderately and price trend is to rise gradually**. He said

tight labour market, firms' active wage, price-setting behaviour will keep in place a cycle in which wages and prices rise in tandem. He noted a temporary freeze on food sales tax may briefly push down inflation, but is likely to have a limited impact on inflation expectations. He said the BoJ will guide monetary policy appropriately to stably achieve the inflation target, accompanied by wage gains, and are to conduct policy for stable prices with wage growth.

DATA RECAP

- Japanese Inflation Rate YY (Feb) 1.30% vs. Exp. 1.50% (Prev. 1.50%)
- Japanese Inflation Rate Ex. Fresh Food YY (Feb) Y/Y 1.60% vs. Exp. 1.70% (Prev. 2.00%)
- Japanese Inflation Rate Ex-Food and Energy YY (Feb) 2.50% vs. Exp. 2.70% (Prev. 2.60%)
- Japanese S&P Global Manufacturing PMI Flash (Mar) 51.4 vs. Exp. 52.8 (Prev. 53)
- Japanese S&P Global Services PMI Flash (Mar) 52.8 vs. Exp. 51.8 (Prev. 53.8)
- Japanese S&P Global Composite PMI Flash (Mar) 52.50 vs. Exp. 51.3 (Prev. 53.90)
- Australian S&P Global Manufacturing PMI Flash (Mar) 50.1 (Prev. 51.0)
- Australian S&P Global Services PMI Flash (Mar) 46.6 (Prev. 52.8)
- Australian S&P Global Composite PMI Flash (Mar) 47.0 (Prev. 52.4)

GEOPOLITICS

OTHER

- **North Korean leader vowed an 'irreversible' nuclear status, while he formally called South Korea the "most hostile state"** and warned of merciless consequences if provoked, according to KCNA. South Korea's Blue House later responded that the declaration of 'most hostile state' against South Korea is not desirable for a peaceful coexistence.

EU/UK

NOTABLE HEADLINES

- **ECB's Vujcic said ECB must be vigilant facing stagflation risk and officials will know soon whether they must act,** while he added that if hikes are needed, it is better to start with a small move.

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