

SNAPSHOT

STOCKS			
S&P 500	-1.7%	Nasdaq Comp.	-2.4%
DJIA	-1.0%	Russell 2000	-1.7%
ES Jun'26	-1.6%	RTY Jun'26	-1.4%
NQ Jun'26	-2.2%	YM Jun'26	-0.9%

FX			
DXY	+0.3% (99.89)	EUR/USD	-0.2%
USD/JPY	+0.2%	GBP/USD	-0.2%

BONDS			
US T-Note Jun'26	-22.5 ticks	10yr Bund Jun'26	-120 ticks
US 10yr Yield	4.42%	German 10yr Yield	3.06%

ENERGY & METALS			
WTI May'26	+3.8%	Brent Jun'26	+3.7%
Spot Gold	-3.2%	LME Copper	-1.6%

CRYPTO			
Bitcoin	-3.3%	Ethereum	-4.5%

As of 21:50GMT/17:50EDT

LOOKING AHEAD

- Highlights include Chinese Industrial Profits, Philippines Trade Data, Comments from Fed's Jefferson & Barr, Supply from Australia.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- **US President Trump announced to pause the period of energy plant destruction by 10 days to Monday, 6th April 2026 at 8 PM, at the request of the Iranian government, while he added that talks with Iran are going very well.**
- **US President Trump said very substantial talks are going on with Iran, while he noted regarding the gift from Iran, that Iran would allow 8 boats of oil to pass through the Strait of Hormuz, while the boats Iran let sail were Pakistan-flagged. Trump added that Iran apologised for something, then sent two more boats and let a total of 10 boats sail through Hormuz as a gift.**
- **US President Trump said don't know if the US will be there anymore for the UK and that the US was always there for the UK, but doesn't know anymore and said the request to the UK for help was a test.** Trump also said he thinks it'll cost NATO dearly that they didn't help, and he doesn't know yet if the Friday deadline for Iran will change.
- **US President Trump said Iranian drone stockpiles are being crushed and Iran is begging to make a deal, while he does not know if the US is willing to work a deal with Iran and does not know if they will be able to do a deal.** Trump also stated the conflict with Iran will end soon, it won't be long, and had to take a little detour, while he said taking control of Iran's oil is an option, and noted that they have targets they want to hit before they leave.
- **US President Trump posted that Iranian negotiators are very different and strange; they are begging us to make a deal; they better get serious soon, before it is too late; once that happens, there is no turning back.**
- **Official from one of the countries mediating between the US and Iran told The Times of Israel that US President Trump appears to be leaning towards ordering a major US ground operation against Iran, with the US convinced Iran will buckle under pressure.**
- **US VP Vance said the Iranian military is effectively destroyed, and this gives the US options, while they can use every tool in**

the US's disposal to ensure Iran never has a nuclear weapon.

- **US Secretary of State Rubio said it is in the G7's interest to help the US with the Strait of Hormuz. Rubio also said that "progress has been made" in negotiations with Iran but declined to get into the specifics of whom he's had discussions with, according to CNN.**
- **US Envoy Witkoff said Iran miscalculated and repeatedly rebuffed the US's requests in discussions,** while he added they have been stalling, and there is no doubt the US is making all possible efforts towards a resolution.
- **US Pentagon is developing military options for a "final blow" in Iran** that could include the use of ground forces and a massive bombing campaign.
- **Furious Republicans reportedly stormed out of a classified briefing on Iran on Wednesday amid fears the US is preparing to invade the country** as Tehran refuses Trump's peace overtures, according to Daily Mail.
- **Iran's President explained that Iran seeks a complete end to the war** and achieve security and stability in the region.
- **Iran's Parliament Speaker Ghalibaf said that no one has the right to issue ultimatums to Iran or Iranians,** while he added that the vicious cycle of 'war-ceasefire-war' must end.
- **Iran has reportedly reviewed the US proposal that was conveyed to them via Pakistan, while it assesses that the proposal is one-sided and unfair.** Furthermore, there is still no arrangement for negotiations and no realistic plan for talks at this moment, while it was stated that diplomacy has not stopped and if realism prevails within the US, then a way forward could be found.
- **Iran wants the US to dial back demands in the 15-point peace plan before starting any talks,** according to WSJ citing sources, while Iran is open to the possibility of talks but deems the US proposals excessive. It was stated that demands to dismantle most of its nuclear programme and end support to regional allies and cap its missile programme are excessive, while Tehran ruled out discussing Iran's missile program as a starting point to the talks and doesn't want to commit to ending enrichment of uranium forever. Furthermore, the sources said Iran also wants guarantees, preferably through a third party, that Israel and the US will not later turn around and attack again.
- **Iranian military source said that over one million fighters have been equipped for a ground battle with the US.**
- **Debate among Iranian hardliners over whether Tehran should seek a nuclear bomb in defiance of an escalating US-Israeli attack is getting louder,** more public and more insistent, according to source reports. Sources said with the IRGC now dominant following the death of former Supreme Leader Khamenei, hardline views on Iran's nuclear approach are rising, although sources added there was no plan to change Iran's nuclear doctrine yet, and Iran had decided not to seek a bomb.
- **Iranian source speaking on the "Iran gift" to the US said ships allowed to cross are owned by countries that initiated contact with Iran** and officially coordinated the transit of their ships and their contents, according to Al Mayadeen.
- **Iranian embassy in Spain said Spain is committed to international law and Iran is receptive to any request from Madrid regarding the Strait of Hormuz.**
- **Iran warned UAE and Bahrain hoteliers not to house American soldiers, or they will become legitimate targets,** according to Fars News citing sources.
- **Israel has shifted the focus of its air campaign from destabilising Iran's ruling regime to crippling its military-industrial base,** while the pivot comes as Israeli officials have become convinced President Trump could soon try to end the war, according to sources cited by WSJ.
- **IAEA Director Grossi warned that damage to Iran's Bushehr NPP could result in a major radiological accident** affecting a large area in Iran and beyond.
- **There was said to be information that the team of the US VP and the Director of the CIA are working to remove Israeli PM Netanyahu from the American decision-making circle.**
- **Pakistan Foreign Minister said US-Iran indirect talks are taking place through messages being relayed by Pakistan,** while Turkey and Egypt, among others, are also extending support for the talks.
- **Yemen's Houthis are reportedly ready to join the Iran war if required.** It was separately reported that the Houthi leader said "We are in the phase of de-escalation, but the aggressive intentions are clear from the Americans, the British, the Israelis and from the Saudi side".

US TRADE

- **US stocks** declined in another risk-off session with stocks hit and oil rising as hopes dwindled of a near-term agreement between the US and Iran, while Iran reportedly sent its final offer to the US and is awaiting its response, but found that the US proposal to be excessive. The uncertainty and higher oil prices also led to downside in treasuries across the curve, with the weakness felt most in the front-end and belly as higher energy prices lead to added rate hike bets with 15bps of hikes priced by year-end, albeit analysts still look for at least one rate cut. However, markets were briefly jolted after the close as US President Trump announced a 10-day extension to the pause on strikes on Iranian energy facilities.
- **SPX -1.74% at 6,477, NDX -2.38% at 23,589, DJI -1.01% at 45,960, RUT -1.70% at 2,493.**
- [Click here for a detailed summary.](#)

NOTABLE HEADLINES

- **US President Trump said they will be working towards making the US economy the best it can be, and that the economy was doing great.** Regarding the stock market, he thought it would go down more and thinks the economy has confidence in the President, the cabinet, and the consumer.
- **US Treasury Bessent said the USD has reasserted itself as a safe haven,** while he added the dollar appreciated, and capital is flowing in.

DATA RECAP

- US Kansas Fed Manufacturing Index (Mar) 11 (Prev. 10)
- US Kansas Fed Composite Index (Mar) 11 (Prev. 5)
- US Initial Jobless Claims (Mar/21) 210k vs. Exp. 210k (Prev. 205k, Low. 205k, High. 215k)
- US Continuing Jobless Claims (Mar/14) 1819k vs. Exp. 1860k (Prev. 1857k, Low. 1840k, High. 1867k)

FX

- **USD** was bid on higher oil prices, and therefore higher yields, with updates for most of the day heading in the opposite direction of the initial optimism sparked from Trump's announcement on Monday. Nonetheless, the dollar momentarily wobbled in late trade after US President Trump announced a 10-day extension to the pause on strikes on Iranian energy plants.
- **EUR** softened as geopolitics continued to dictate price action, while ECB's Lagarde warned that Europe is facing a real shock and that markets are maybe optimistic.
- **GBP** ultimately weakened, although price action was choppy, while there was little reaction to comments from BoE officials, including Taylor who currently sees a high bar to hiking and said the UK faces low risks of inflation becoming unanchored given the weakening labour market and slowing wage growth.
- **JPY** gradually continued to give way to the firmer buck as oil prices edged higher for most of the day.

FIXED INCOME

- **T-notes** were lower as geopolitical uncertainty kept oil prices higher, seeing participants add to Fed rate hike bets.

COMMODITIES

- **Oil prices** settled higher as markets continued to doubt the initial optimism on Monday over a US-Iran resolution, as further updates painted a different picture, although there was pressure in late trade after US President Trump announced a 10-day extension to the pause on Iranian energy plant destruction.
- **US President Trump said on suspending the gasoline tax, that some people should do that and have thought about suspending the federal gasoline tax**, which is something they have in their pocket.
- **US Treasury Secretary Bessent said the oil market is well supplied and the US doesn't believe a chokepoint exists in the Strait of Hormuz**, while they are starting to see more movement in and out of the Gulf and are confident shipping traffic will continue to increase even before they secure the Strait.
- **Spain and Algeria are reportedly in talks to increase pipeline gas supply by up to 10%**, according to source reports.

GEOPOLITICAL

RUSSIA-UKRAINE

- **US President Trump thinks Putin-Zelensky "hatred" is calming down** and said there is a chance of getting it done on Ukraine-Russia.
- **Canada announced additional sanctions against Russia, in which it added 100 more vessels** from Russia's shadow fleet to the sanctions list.

EU/UK

NOTABLE HEADLINES

- **BoE's Breeden said firms and workers are likely to have less price and wage bargaining power, so second-round effects are less likely.**
- **BoE's Taylor said current energy shock looks more like 2011 than 2022 in terms of magnitude, while he currently sees a high bar to hiking** and said the UK faces low risks of inflation becoming unanchored given the weakening labour market and slowing wage growth. Furthermore, Taylor said he is very open about where they go for the rest of the year.
- **ECB President Lagarde said Europe is facing a real shock and that markets are maybe optimistic**, according to The Economist.
- **ECB's de Guindos said the outbreak of the Iran war has made the growth and inflation outlook significantly more uncertain**, while the sharp increase in energy prices poses upside risks for inflation and downside risks for economic growth. However, he also stated that the ECB is well-positioned to navigate this uncertain period.
- **ECB's Nagel said the ECB will have enough data by April to determine if they need to act** or whether to wait and see.

DATA RECAP

- German GfK Consumer Confidence (Apr) -28.0 vs. Exp. -26.5 (Prev. -24.7, Low. -32.2, High. -25.6)

