

SNAPSHOT

STOCKS			
Nikkei 225	-0.9%	ASX 200	+0.3%
Hang Seng	+0.5%	Shanghai Comp	-0.2%
Euro Stoxx 50 Jun'26	+0.1%	DAX Jun'26	+0.2%
ES Jun'26	+0.6%	NQ Jun'26	+0.5%

FX			
DXY	U/C (100.45)	EUR/USD	U/C (1.1468)
USD/JPY	-0.1% (159.55)	GBP/USD	+0.1% (1.3198)

BONDS			
US T-Note Jun'26	+5 ticks	Bund Jun'26	+20 ticks
US 10yr Yield	4.32%	German 10yr Yield	3.05%

ENERGY & METALS			
WTI May'26	+0.3%	Brent Jun'26	U/C
Spot Gold	+1.0%	LME Copper	-0.5%

CRYPTO			
Bitcoin	+1.3%	Ethereum	+1.9%

As of 06:25BST/01:25EDT

LOOKING AHEAD

- Highlights include German Retail Sales (Feb), Import Prices (Feb), Unemployment Rate (Mar), UK GDP Final (Q4), French/Italian/EZ Inflation Prelim. (Mar), Canadian GDP Prelim. (Feb), US JOLTS (Feb), Australian Manufacturing PMI Final (Mar). Speakers include Fed's Goolsbee, Barr & Bowman. Supply from Germany, Earnings from Nike.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump reportedly told aides he's willing to end the war without reopening the Strait of Hormuz, according to the Wall Street Journal.
- US Secretary of State Rubio presented a plan at last week's G7 foreign ministers' meeting for the Strait of Hormuz to be run by a multinational coalition, while he stressed there would be "no fees, and free circulation" through the shipping route.
- White House Press Secretary said the US is increasing its leverage over Iran with each strike, while she added talks are continuing and going well. Furthermore, she noted what is said publicly is different from what is said to the US privately.
- US officials cited by CNN said it is not clear whether the Iranian figures receiving their messages have the final authority to approve any agreement.
- Israeli PM Netanyahu said in private meetings that a US-Iran deal won't end fighting with Hezbollah. It was separately reported Netanyahu said Iran's enriched uranium is US President Trump's focus right now and the US is leading military options to open the Strait of Hormuz, while he refused to set any timeline on ending the Iran war.
- Israel has shifted to targeting Iran's economy as it enters the "completion phase" of the war, according to Times of Israel.
- The Israeli army is providing the US with intelligence on potential operations in the Strait of Hormuz and Iranian energy facilities, and is close to achieving its war objectives, according to Channel 12 citing sources.
- Israel conveyed to the US administration that whatever Washington decides on the next phase of the war with Iran will be acceptable to Jerusalem, according to Ynet citing a senior Israeli political official.
- Iranian President Pezeshkian said any decision on ending the war will be taken exclusively subject to all the conditions

presented and within the framework of ensuring the security and interests of the Iranian people.

- **Iranian Foreign Ministry said they have not conducted any negotiations with the US during the 31 days of the war, and that what happened is a request for negotiations accompanied by American proposals that reached them through some intermediaries**, including Pakistan. Furthermore, it stated their position is clear that they are dedicating all their efforts to defend their sovereignty amid the continuation of American aggression.
- **Iranian Foreign Minister Araghchi said Iran respects Saudi Arabia and considers it a brotherly nation**, while he added that Iranian operations are aimed at enemy aggressors who have no respect for Arabs or Iranians, nor can they provide any security. Furthermore, he said it is high time to eject US forces.
- **Iranian Parliament Speaker Ghalibaf said "The enemy promotes its desires as news while threatening our nation at the same time. Big Mistake. If they hit one, they'll take several back."**
- **Iran is pressing Houthis to prepare a new campaign on Red Sea shipping, depending on any further escalation by the US in the war on Iran**, while there are divisions among Houthis on how aggressive to be, according to European officials familiar with the matter cited by Bloomberg.
- **Iran's parliament reportedly approved the bill to impose fees on the Strait of Hormuz**, according to Fars.
- **Iran said no ships for hostile nations crossed the Strait of Hormuz**, according to TASS.
- **US attacked a large ammunition depot in Isfahan, Iran, and an explosion sounded in the Shiraz Airport area in Iran**. It was separately reported that **Israeli air defences responded to Iranian missiles, while Saudi Arabia announced the interception and destruction of four ballistic missiles** launched towards the Riyadh region.
- **UAE Interior Minister said air defences were dealing with a missile threat**, while Kuwait warned of a potential oil spill after an Iranian strike hit a Kuwaiti crude carrier in Dubai's port. It was later reported to have been contained with no oil leakage or injuries reported.
- **UK PM Starmer said a coalition of 35 countries is working on de-escalation**.
- **EU will expand its naval operations in the Red Sea and western Indian Ocean**, but will for now refrain from taking part in any potential missions to secure oil and gas shipments through the Strait of Hormuz.
- **China was said to have been providing Iran with targeting coordinates on US military forces and equipment**, according to a source familiar with the intelligence cited by a Humint News journalist.
- **Ukrainian President Zelensky said Ukraine had shared intelligence with Middle Eastern leaders about Russian help to Iran**, including potential targeting assistance for attacks on US and allied military bases in the region.

US TRADE

EQUITIES

- **US stocks** finished lower with weakness seen in tech, industrials and small caps, while WTI and Brent climbed, with the former settling above USD 100/bbl. The key geopolitical development was the Houthis entering the war for the first time, while US President Trump said talks with Iran were making good progress and he expected a deal to be agreed soon.
- However, he warned that if no deal is reached, the US would completely obliterate Iranian energy and power facilities, including Kharg Island. Elevated tensions weighed on sentiment through the day, as equity futures tested the overnight lows before paring some losses into the closing bell. There were also some comments from Fed officials, including Chairman Powell, who said policy is in a good place, that policymakers are not yet facing the question of what action to take, and that the tendency is to look through supply shocks, while Governor Miran largely reiterated his familiar commentary.
- **SPX -0.39%** at 6,344, **NDX -0.78%** at 22,953, **DJI +0.11%** at 45,217, **RUT -1.51%** at 2,413.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **USTR Greer slammed the WTO** after e-commerce tariff talks failed, according to FT.

NOTABLE HEADLINES

- **Fed's Williams (voter) said uncertainty around inflation path is "high", and that tariffs and the Iran war will push up headline inflation**. Williams expects the unemployment rate to edge down this year and next, and stated that the economy is facing an "unusual set of circumstances". Williams said there is a lot of uncertainty, but added the economy has been more resilient than expected, and the base outlook for the economy has been good. Furthermore, he said **monetary policy is appropriately positioned, and noted that 2024-2025 rate cuts were highly beneficial and strong household balance sheets were supported by a healthy mortgage market**.

APAC TRADE

EQUITIES

- **APAC stocks** were mixed with some indecision seen amid fluctuations in oil and mixed geopolitical headlines, including US President Trump's threats to obliterate Iran's energy infrastructure if a deal is not made soon, although he was also reported to have told aides he is willing to end the military operation in Iran without reopening Hormuz.
- **ASX 200** rallied with gains led by strength in tech, telecoms and financials, while there was little impact from the RBA minutes, which stated that board members agreed financial conditions needed to be restrictive and that a further tightening would likely be needed, but disagreed on whether to hike at the meeting. Furthermore, members agreed that it is not possible to predict the future path of the cash rate with any confidence, given the Middle East conflict.

- **Nikkei 225** retreated at the open but is off lows amid mixed data and fluctuations in oil.
- **Hang Seng** and **Shanghai Comp** failed to sustain early gains and dipped into negative territory despite better-than-expected Chinese official PMI data, and with participants reflecting on a deluge of earnings releases.
- **US equity futures** rebounded overnight with the recovery facilitated by a pullback in oil and some optimism for an earlier end to the Middle East conflict.
- **European equity futures** indicate a flat cash market open with Euro Stoxx 50 futures +0.1% after the cash market closed with gains of 0.7% on Monday.

FX

- **DXY** marginally softened after gaining yesterday alongside upside in oil prices and ongoing geopolitical uncertainty after the mixed signals from US President Trump, who suggested the US is in serious discussions to end the military operation in Iran, but also threatened to "obliterate" Iran's power plants and oil wells if a deal is not reached "shortly". Nonetheless, the mixed headlines persisted as strikes continued overnight, while it was also reported that Trump told aides he is willing to end the war without opening Hormuz.
- **EUR/USD** clawed back some of the prior day's losses after slipping beneath the 1.1500 handle, but with a further rebound contained ahead of Eurozone inflation data.
- **GBP/USD** found some reprieve from recent selling and returned to the 1.3200 territory, while the attention turns to incoming data including the final Q4 GDP reading for the UK.
- **USD/JPY** was choppy amid the mixed bag of data releases from Japan and overnight fluctuations in oil.
- **Antipodeans** were rangebound amid the tentative risk tone and after failing to benefit from the stronger-than-expected Chinese official PMI data.
- **PBoC set USD/CNY mid-point at 6.9194 vs exp. 6.9209 (Prev. 6.9223)**

FIXED INCOME

- **10yr UST futures** remained afloat after gaining despite yesterday's advances in oil, with yields declining in a continuation of last Friday's reversal and amid likely rebalancing heading into quarter-end.
- **Bund futures** extended on their recent rebound, but with upside capped ahead of German data and supply.
- **10yr JGB futures** tracked the advances in global peers as participants digested a slew of data releases, including a softer-than-expected Tokyo CPI report, while results of the latest 2yr JGB auction were mixed.

COMMODITIES

- **Crude futures** saw two-way price action as oil initially extended on the prior day's gains owing to the recent escalation in the Middle East and Iran's continued denial that negotiations are taking place, while further upside was seen after an Iranian strike on a Kuwaiti crude carrier in Dubai's port. However, oil later wiped out its gains and more after a report that US President Trump told aides he is willing to end the war without reopening Hormuz.
- **Libya's National Oil Corporation said full production resumed at the Sharara and El Feel oilfields.**
- **Iran's Oil Minister said they have taken the necessary measures regarding fuel supplies** and will not face any problems, according to Al Jazeera citing IRNA.
- **Spot gold** was higher with the metals complex underpinned as oil pulled back and sentiment improved.
- **Copper futures** initially benefitted from hopes of a sooner end to the Middle East conflict and after Chinese PMI data topped forecast, but then pared gains given the ongoing uncertainty in the Middle East conflict.

CRYPTO

- **Bitcoin** rose overnight and briefly climbed above the USD 68,000 level before fading some of the gains.

NOTABLE ASIA-PAC HEADLINES

- **PBoC advisor said China has room to absorb the shock from oil prices** if the Middle East conflict ends soon.
- **BoK Governor nominee Shin sees the Middle East crisis as a risk to the Korean economy and said inflationary pressure from extra budgets is limited**, while he added KRW liquidity is good and external factors affecting KRW improved considerably.
- **RBA Minutes from the March meeting stated that board members agreed financial conditions needed to be restrictive and a further tightening would likely be needed, but disagreed on whether to hike at the meeting, while they agreed it is not possible to predict the future path of rates with any confidence** given the Middle East conflict. It also stated that the rise in oil prices increased the risk that inflation would remain above target for a prolonged period, and oil prices around USD 100 would lift annual CPI inflation to around 5% in the June quarter. Furthermore, a **majority felt it was important to demonstrate a clear commitment to return inflation to the target and judged financial conditions were insufficiently restrictive, even accommodative. Conversely, a minority wanted to wait for more information, even if rates would likely need to rise at some point**, and saw a risk that domestic consumption could be weaker than forecast and the labour market looser.

DATA RECAP

- Chinese NBS Manufacturing PMI (Mar) 50.4 vs. Exp. 50 (Prev. 49.0, Low. 48.8, High. 50.5)
- Chinese NBS Non-Manufacturing PMI (Mar) 50.1 vs. Exp. 49.9 (Prev. 49.5)
- Chinese NBS Composite PMI (Mar) 50.5 vs. Exp. 50.2 (Prev. 49.5)
- Japanese Industrial Production MM (Feb P) M/M -2.1% vs. Exp. -2.0% (Prev. 4.3%)

- Japanese Retail Sales YY (Feb) Y/Y -0.2% vs. Exp. 0.8% (Prev. 1.8%, Low. -1.1%, High. 1.3%)
- Japanese Tokyo CPI YY (Mar) 1.4% vs. Exp. 1.7% (Prev. 1.6%)
- Japanese Tokyo Ex. Fresh Food CPI YY (Mar) 1.7% vs. Exp. 1.8% (Prev. 1.8%, Low. 1.6%, High. 2.1%)
- Japanese Tokyo CPI Ex Fresh Food and Energy YY (Mar) 2.3% vs. Exp. 2.4% (Prev. 2.5%)
- Japanese Unemployment Rate (Feb) 2.6% vs. Exp. 2.7% (Prev. 2.7%, Low. 2.6%, High. 2.7%)

EU/UK

NOTABLE HEADLINES

- **ECB's Stournaras said the ECB would react to a second round of price effects,** and warned that should conflict in the Middle East be protracted, the ECB's March baseline scenario is at risk and makes stagflation more likely.

DATA RECAP

- UK BRC Shop Price Inflation (Mar) 1.2% vs. Exp. 1.3% (Prev. 1.1%)

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