

SNAPSHOT

STOCKS			
S&P 500	+0.7%	Nasdaq Comp.	+1.2%
DJIA	+0.5%	Russell 2000	+0.6%
ES Jun'26	+0.7%	RTY Jun'26	+0.7%
NQ Jun'26	+1.1%	YM Jun'26	+0.5%

FX			
DXY	-0.3% (99.55)	EUR/USD	+0.3%
USD/JPY	Flat	GBP/USD	+0.7%

BONDS			
US T-Note Jun'26	-3 ticks	10yr Bund Jun'26	+31 ticks
US 10yr Yield	4.32%	German 10yr Yield	3.00%

ENERGY & METALS			
WTI May'26	-2.4%	Brent Jun'26	-3.4%
Spot Gold	+1.9%	LME Copper	+1.1%

CRYPTO			
Bitcoin	+0.1%	Ethereum	+2.5%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include South Korean CPI, Japanese Monetary Base, Australian Trade Data, US President Trump's Primetime Address, Supply from Japan.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump said ahead of a speech this evening that "We've had full regime change" in Iran and "We're going to be out of Iran pretty quickly," but did not give a timeline. Trump also said the US has some more targets left and, if necessary, will come back to do spot hits. He also reiterated that Iran will not have a nuclear weapon, nor do they want one, while he will express disgust with NATO in his speech today and is "absolutely" considering withdrawing the US from NATO.
- US President Trump posted "Iran's New Regime President, much less Radicalized and far more intelligent than his predecessors, has just asked the United States of America for a CEASEFIRE! We will consider when Hormuz Strait is open, free, and clear. Until then, we are blasting Iran into oblivion or, as they say, back to the Stone Ages!!!"
- US President Trump spoke on the phone on Wednesday with Saudi Crown Prince MBS, discussed the war with Iran and briefed him on the talks over a possible ceasefire, according to Axios citing sources.
- US President Trump is to declare an Iran war 'winding down' in his address, while the speech is expected to claim that all military objectives have been met, according to six people familiar with the planning cited by Politico. He also intends to harshly scapegoat NATO allies for the biggest unresolved matter of the war, Iran's ongoing restrictions on shipping traffic through the Strait of Hormuz.
- White House official said US President Trump is to reiterate in his address on Wednesday the 2-3 week timetable for ending operations in Iran. It was separately reported that a US official said President Trump is to give an operational update on Iran tonight, while he is to tout success in achieving goals in Iran and reiterate a 2- to 3-week timeline for leaving Iran.
- US VP Vance has reportedly been speaking with intermediaries about the Iran conflict as recently as Tuesday, and US President Trump directed Vance to communicate privately that he is open to a ceasefire as long as certain US demands are

met, including reopening the Strait of Hormuz, according to Reuters citing sources.

- **US military officials are planning for two potential ground assaults in Iran, one targeting Kharg Island, and another to seize enriched uranium**, while they just need the go-ahead from US President Trump, according to a source cited by Atlantic.
- **Three US officials said discussions are taking place about a possible ceasefire with Iran in return for the reopening of the Hormuz Strait, although officials said it is unclear if a deal can be reached**", according to Axios's Ravid.
- **US is dispatching 18 A-10 planes in the Middle East to join the roughly one dozen A-10s already in the region**, according to NYT.
- **US military gave the president a plan to seize nearly 1k lbs of highly enriched uranium in Iran** that would involve flying in excavation equipment and building a runway for cargo planes to take the radioactive material out, according to WaPo sources.
- **Iran's President Pezeshkian, in an open letter to Americans, questioned whether Washington is truly putting "America First" or merely acting as a "proxy for Israel" willing to fight "to the last American soldier."** He also said Iran pursued negotiations, reached an agreement, and fulfilled all its commitments, while the decision to withdraw from an agreement, escalate toward confrontation, and launch two acts of aggression in the midst of negotiations were destructive choices made by the US government—choices that served the delusions of a foreign aggressor.
- **Iranian Supreme Leader Mojtaba Khamenei emphatically declared that the consistent policy of Iran**, following on the path of Imam Khomeini and the martyred Leader, is to continue supporting the resistance against the Israeli-US enemy.
- **Iranian Foreign Ministry said the Supreme Leader is in good health and may appear in public soon.**
- **Iranian Foreign Ministry spokesman said there is no truth to US President Trump's statements that Iran requested a ceasefire.**
- **Iranian Deputy Speaker of Parliament said the "Strait of Hormuz will never be opened, as well as stated there has been no negotiation, and there will be no negotiation".**
- **Iran's military spokesman said Iran will sever the feet of any aggressor who dares to invade**, according to Press TV.
- **Iran said the Strait of Hormuz won't reopen based on US President Trump's "absurd" display** and that only Iran and Oman will decide the future of the Strait of Hormuz.
- **Iran would welcome Russia as a mediator in the conflict**, according to Tass citing an Iranian envoy. It was separately reported that Russia said Iran has agreed to let some ships pass through the Strait of Hormuz.
- **Israeli Defence Minister Katz said they will continue to strike the economic infrastructures of the Iranians.**
- **Israeli official said talks between the US and Iran are "not progressing positively"**, while fears are growing in Israel that Trump will be satisfied with the operation's achievements and declare it over, according to Kann News.
- **Iranian attack on Israel was the widest since the start of the war**, according to Al Jazeera citing Channel 14.
- **Kuwait said it extinguished a fire that erupted in fuel tanks at Kuwait airport**, with no casualties reported.
- **UAE defences said they were dealing with rocket and drone attacks coming from Iran**, while the UAE said it "reserves right to self-defense" but denied plans to join the war.
- **UK will host coalition talks on securing the Strait of Hormuz**, with other countries including France, the Netherlands, and Gulf states involved in private discussions over what naval assets they would provide. Military escorts, mine-sweeping operations, and other defences against possible attacks by Iran are under consideration, according to FT.
- **French Navy Chief said the number of Chinese vessels going through the Strait of Hormuz is not enough to restore normal traffic flows and that China will likely need to engage more directly and show impatience with the closure.** He added that France is working to bring countries together to determine how the Strait of Hormuz can be reopened in a lasting way and that there is no evidence at this stage that it has been mined.

US TRADE

- **US stocks** and most sectors ended the day in the green amid broader risk-on trade as participants seemingly took sentiment regarding constructive remarks from the US on the conclusion of the Iranian war, although Iranian officials pushed back on this at every opportunity. Heading into President Trump's primetime address on Wednesday evening; many of the details had been touted in which he will seemingly lambast NATO, and declare 2-3 more weeks of the war, while reports suggested that an imminent withdrawal/de-escalation isn't expected. Nonetheless, geopolitics continued to dictate sentiment and price action, while participants also digested several data releases, including a strong ADP report, which topped expectations, ahead of the US jobs report on Friday, while Retail Sales and ISM also topped forecasts, with the prices metric soaring on the latter and survey respondents clearly concerned about the Iranian war. Back to sectors, Industrials and Communications outperformed, but Energy was the laggard and was hit by weakness in oil prices, while Nike slumped post-earnings amid soft guidance and questions regarding the turnaround strategy.
- **SPX +0.72% at 6,575, NDX +1.18% at 24,020, DJI +0.48% at 46,566, RUT +0.64% at 2,512.**
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **Japanese PM Takaichi said Japan will work with France to strengthen supply chains, including rare earths**, strengthen defence ties, and cooperate on opening the Strait of Hormuz.
- **Swiss government dismisses US accusations in trade investigations** related to alleged excess capacity and production in manufacturing sectors.

NOTABLE HEADLINES

- **Fed's Barr (voter) said inflation has been brought down from 2022 highs to about 3% today, but emphasised the Fed has more work to do to get it down to 2% via continued rate adjustments.**

- **Fed's Barkin (2027 voter) said consumer spending still seems resilient and he does not see inflation expectations at risk of breaking out**, while he expects slow progress on inflation and not a quick return to target. Barkin said goods firms feel pricing power is limited, but services firms feel they have it, while households and firms see the oil shock as short-term.
- **Fed's Musalem (2028 voter) said US monetary policy is "well positioned" and should hold in place "for some time."** He added that war shocks have increased risks to the economy and inflation, while he can see scenarios to both raise and cut interest rates. **Musalem said monetary policy is currently at the low end of the neutral range, supply shocks carry greater inflation risks in the current environment, and he is cautious about looking through the impact of energy shocks.** He also noted that tariffs are still an inflation driver, but their impact should wane, and that the economic outlook is highly uncertain.
- **Fed's Musalem (2028 voter) said he has lowered the probability of the baseline scenario and increased the likelihood of alternative scenarios, and that the US economy was already overheated during the 2022 oil price shock and did not overheat now.** Musalem also said the Fed needs to stay vigilant on supply shocks and inflation, noting this is the fourth supply shock in five years, and that lower labour force and population growth could limit US economic growth.

DATA RECAP

- US Retail Sales MoM (Feb) M/M 0.6% vs. Exp. 0.4% (Prev. -0.2%, Low. 0.2%, High. 0.8%)
- US Retail Sales YoY (Feb) Y/Y 3.7% vs. Exp. 2.9% (Prev. 3.2%)
- US Retail Sales Ex Autos MoM (Feb) M/M 0.5% vs. Exp. 0.3% (Prev. 0%, Low. 0.0%, High. 0.5%)
- US Retail Sales Control Group MoM (Feb) M/M 0.5% (Prev. 0.3%)
- US S&P Global Manufacturing PMI Final (Mar) 52.3 vs. Exp. 52.4 (Prev. 51.6)
- US ISM Manufacturing PMI (Mar) 52.7 vs. Exp. 52.3 (Prev. 52.4, Low. 50.6, High. 53.5)
- US ISM Manufacturing New Orders (Mar) 53.5 (Prev. 55.8)
- US ISM Manufacturing Employment (Mar) 48.7 (Prev. 48.8)
- US ISM Manufacturing Prices (Mar) 78.3 vs. Exp. 72.5 (Prev. 70.5, Low. 71, High. 80)
- US Business Inventories MoM (Jan) M/M -0.1% vs. Exp. 0.2% (Prev. 0.1%)
- US Retail Inventories Ex Autos MoM (Jan) M/M 0.3% (Prev. 0.4%)
- US ADP Employment Change (Mar) 62K vs. Exp. 40K (Prev. 63K, Low. 35K, High. 96K)

FX

- **USD** was broadly weaker as markets continued to place an optimistic significance on the Iranian President's remarks on Tuesday, which welcomed a diplomatic route to end the war. US President Trump suggested will be leaving Iran in two weeks or maybe three weeks, and could exit the war even without a deal with Iran. Risk-sentiment improved once again across assets as markets look through rebuttals from Iranian media outlets and other officials, viewing openness to end the war from both sides as a positive signal. However, in the US afternoon, USD came off lows as markets got tentative ahead of addresses from the Iranian President and US President Trump overnight. There was little follow-up from the Iranian President's remarks from Tuesday as he sent more of a diplomatic outreach in his letter to the American people as opposed to the Trump admin, which seemingly disappointed markets, waning on risk appetite. Meanwhile, US data had a limited reaction, albeit largely contained in the Treasury space, in which yields rose after the ADP (Mar) report topped expectations. Retail sales and ISM also beat. Trump is expected to give a nationwide address tonight, where he is anticipated to disparage NATO, float Iranian success, and reiterate the 2-3 week timeline left in operations.
- **EUR** benefitted from the dollar's demise and briefly reclaimed the 1.1600 status before gradually pulling back, while there were several comments from ECB officials, including a suggestion that the central bank's adverse scenario is more likely to be the next baseline.
- **GBP** outperformed as a further retreat in European gas prices supported strength. Furthermore, the UK government confirmed new measures to ease the cost-of-living pressure are to come into force today, while BoE Governor Bailey said he still thinks markets are getting ahead of themselves by pricing in rate hikes.
- **JPY** lacked conviction and was ultimately flat against the dollar amid lower oil prices and a risk-on mood.
- **BoC Minutes stated the Governing Council agreed to keep options open, and members acknowledged they would need to rely on judgment more heavily than usual.** They agreed they would need to take a risk management approach to monetary policy and agreed they could therefore take some time to see how the war in Iran evolved and what it meant for the outlook.

FIXED INCOME

- **T-notes** flattened as the ADP beat limits further upside in the short-end.

COMMODITIES

- **Oil prices** were lower, albeit in choppy trade, as slightly more constructive remarks surrounding the end of the war seemingly supported the downside, despite an Iranian pushback.
- **US EIA Crude Oil Stocks Change (Mar/27) 5.451M (Prev. 6.926M)**
- **IEA Chief Birol said more than 12mln BPD of oil supply has been lost so far due to the Middle East crisis,** and that the current crisis is worse than the 1970s oil shocks and the loss of Russian gas in 2022 combined. He added that oil supply losses in April are expected to be twice as high as in March, and that the biggest problem is a lack of jet fuel and diesel, already affecting Asia and coming to Europe in April-May.
- **Saudi Arabia's oil exports reportedly dropped by around 50% in March amid the closure of the Strait of Hormuz by Iran.**
- **South Korea President Lee ordered ways to ship crude oil from the Red Sea.**

GEOPOLITICAL

RUSSIA-UKRAINE

- US President Trump threatened to stop supplying weapons to Ukraine in order to pressure European allies to join a “coalition of the willing” to reopen the Strait of Hormuz, according to FT citing sources.
- Ukrainian President Zelensky said he revealed an Easter ceasefire idea with UK PM Starmer. Zelensky later said Russia has responded with strikes on Ukraine's energy infrastructure to Kyiv's proposal for an Easter ceasefire, while he added that an Easter ceasefire would send a signal that diplomacy is working. Furthermore, he said regarding talks with US negotiators, that they agreed to strengthen security guarantees.
- Ukraine's military said it struck a Russian missile components production plant in the Bryansk region.

OTHER

- FBI declared a suspected Chinese hack of US surveillance system a "major cyber incident", according to Politico.

ASIA-PAC

NOTABLE HEADLINES

- China said it will target financial resources more precisely toward tech innovation areas, while the PBoC, MIIT, NFRA, and CSRC held a meeting to advance tech finance cooperation. China added that it will enrich financial products tailored to high-tech sectors and urged boosting financial services for innovations, according to a statement.
- China is to purchase frozen pork for state reserves again and the NDRC vowed to boost the pork stockpile for a stable market.

EU/UK

NOTABLE HEADLINES

- BoE Governor Bailey said he still thinks markets are getting ahead of themselves by pricing in rate hikes. He added that the Bank will have to act if appropriate, but tackling the source of the energy price shock is most important. Bailey said prolonged high energy prices and supply disruption will strain many countries “quite seriously,” and that he is very clear the Bank needs to return inflation to target in a way that causes the least damage to growth and jobs, according to Reuters.
- ECB's Dolenc said the ECB's adverse scenario is more likely to be the next baseline and the current baseline is more like the best-case scenario.
- ECB's Makhoul said he's not ruling anything in or out, and a prolonged war would bring the ECB's adverse scenario closer.
- ECB's Stouraras said if oil prices rise over USD 150/bbl, Europe could face a recession.

DATA RECAP

- UK S&P Global Manufacturing PMI Final (Mar) 51.0 vs. Exp. 51.4 (Prev. 51.7, Low. 49.9, High. 51.9)
- French S&P Global Manufacturing PMI Final (Mar) 50.0 vs. Exp. 50.2 (Prev. 50.1, Low. 50.2, High. 50.2)
- German S&P Global Manufacturing PMI Final (Mar) 52.2 vs. Exp. 51.7 (Prev. 50.9, Low. 50.9, High. 51.7)
- EU S&P Global Manufacturing PMI Final (Mar) 51.6 vs. Exp. 51.4 (Prev. 50.8, Low. 51.4, High. 51.4)

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