

SNAPSHOT

STOCKS			
Nikkei 225	+2.5%	ASX 200	+0.7%
Hang Seng	+0.3%	Shanghai Comp	+0.5%
Euro Stoxx 50 Jun'26	+0.4%	DAX Jun'26	+0.6%
ES Jun'26	U/C	NQ Jun'26	+0.2%

FX			
DXY	U/C (98.33)	EUR/USD	+0.1% (1.1765)
USD/JPY	-0.2% (159.04)	GBP/USD	+0.1% (1.3515)

BONDS			
US T-Note Jun'26	+4 ticks	Bund Jun'26	+49 ticks
US 10yr Yield	4.28%	German 10yr Yield	3.07%

ENERGY & METALS			
WTI Jun'26	-1.7%	Brent Jun'26	-1.4%
Spot Gold	+0.6%	LME Copper	+0.7%

CRYPTO			
Bitcoin	-0.1%	Ethereum	-0.4%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include Swedish CPI Final (Mar), German Wholesale Prices (Mar), Spanish HICP Final (Mar), US NFIB Business Optimism Index (Mar), ADP Weekly Change, PPI (Mar), South Korean Export/Import Prices (Mar), IEA OMR (Apr), IMF World Economic Outlook Press Briefing (Apr). Speakers include BoE's Mann, Bailey & Greene, ECB's Lane, Cipollone & Lagarde, RBNZ's Breman, Fed's Goolsbee, Barr, Paulson, Collins & Barkin, Supply from the Netherlands & Germany. Earnings from JPMorgan Chase, BlackRock, Citi, J&J, Wells Fargo, BMW & Kering.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump said VP Vance has done a good job on Iran, while he added the US has been called by the other side, which wants to make a deal very badly, with the sticking point in talks being over nuclear issues. Trump also stated that the US will get nuclear material back and that if Iran does not agree to no nuclear weapons, there will be no deal. Furthermore, he stated that the blockade started at 10 am EDT as previously touted and that they may stop by Cuba after finishing with Iran.
- US President Trump posted "For those people that still read The Failing New York Times and, despite the fact that Iran has been totally OBLITERATED, Militarily, and otherwise, you would think that Iran is actually winning or, at the very least, doing quite well — But that's not true, and The New York Times knows that it's FAKE NEWS! When does this Corrupt Media Outlet apologize for their LIES and horrible actions against me, my supporters, and our Country itself! HAVE THEY NO SHAME? HAVE THEY NO SENSE OF DECENCY?"
- US President Trump said 34 ships went through the Strait of Hormuz on Sunday, which is the highest since the closure began. It was separately reported that at least 15–20 mainly Chinese, Pakistani, Russian and Iranian vessels recently transited the Strait of Hormuz using a controlled shipping corridor with IRGC permission after paying tolls.
- US VP Vance said we made some progress in Iran talks and he wouldn't say things went wrong, while he added Iranians moved in our direction in talks, but not far enough. Vance also stated that the ball is in Iran's court and have made it clear what US red lines are in Iran talks.
- US proposed that Iran accept a 20-year moratorium on uranium enrichment during negotiations in Islamabad over the

weekend, while the Iranians countered with a shorter "single-digit" period, and the differences over Iran's nuclear program — and in particular whether Tehran will agree not to enrich uranium and to give up its existing stockpile — were the main sticking points that prevented a deal, according to Axios citing sources. A source said the proposal included "all kinds of other restrictions," while the US also asked Iran to remove all highly enriched uranium from the country, and Iranians said they would agree to a "monitored process of down-blending" it instead.

- **US official said there is "continued engagement" with Iran and forward motion on trying to get to an agreement, while a senior US official also said talks between the US and Iran are continuing even now and there is progress in trying to reach an agreement, according to Axios.**
- **US eyes potential second round of in-person talks with Iran as blockade takes hold, according to CNN.** It was also reported that **US officials are weighing another possible face-to-face session with Iranians and are looking at potential dates and locations should ongoing talks with Iran and mediators in the region progress in the coming days,** with the source describing the discussions as preliminary, according to CNN.
- **US and Iran left door open to dialogue after tense Islamabad talks, while a source stated that the parties came "very close" to an agreement and were "80% there", before running into decisions that could not be settled on the spot, according to Reuters.**
- **US and Iran are discussing another round of face-to-face talks to secure a longer-term ceasefire after Islamabad negotiations ended without a deal, while officials aim to meet again before the two-week ceasefire expires next week, according to reports.** Furthermore, AP reported that the **US and Iran could be headed toward a second round of talks, which could happen on Thursday, while a source in Tehran also said the next round of Iran-US direct talks will be held in Islamabad on Thursday.**
- **US aircraft carrier USS George H.W. Bush is sailing off the coast of Africa and is heading to the Middle East to join Operation Epic Fury, according to two US officials cited by WSJ.**
- **Iranian President Pezeshkian said to French President Macron in a phone call on Monday that Iran will negotiate only under international law, while he claimed that unreasonable US demands prevented an agreement in weekend talks.**
- **Iranian Foreign Minister Araghchi spoke to Russian Foreign Minister Lavrov and warned of the dangerous consequences of US actions in the Persian Gulf and Strait of Hormuz, while Lavrov told his Iranian counterpart it is important to ensure that no new fighting breaks out, and that Moscow is on high alert to help in the settlement.**
- **IRGC spokesperson said if the war continues, they will unveil capabilities that the enemy has no idea about, according to SNN on Telegram.** IRGC spokesperson said they have not yet unveiled many of their capabilities and have methods of warfare that the enemy will not have much power to counter.
- **Iranian Defence Ministry spokesperson said any military intervention by foreign powers in the security of the Strait of Hormuz would escalate the crisis and instability in global energy security.**
- **Iranian lawmaker said a draft bill, "Strategic Action for the Security of the Strait of Hormuz," aims to redefine passage rules through the key waterway, while it was stated that charging tolls in rials or using yuan and crypto in energy trade would weaken US financial dominance and mark the start of de-dollarisation.**
- **Pakistani official said they intensified diplomatic attempts to bring the US and Iran back to the negotiating table, while they are awaiting replies from the US and Iran to resume talks, according to CBS citing sources.**
- **US Secretary of State Rubio is to host Israeli and Lebanese ambassadors for talks on Tuesday, while the talks aim for a ceasefire, Hezbollah disarmament and peace deal, according to Axios.**
- **Meeting between the Israeli ambassador and the Lebanese ambassador Lebanon will be held on Tuesday at 18:00EDT/23:00BST, according to Al Jazeera citing Israeli Channel 15 citing sources.**
- **Hezbollah's head called on the Lebanese government to cancel the Tuesday meeting with Israeli officials in Washington.** It was also reported that **senior Hezbollah figure Wafik Safa said the group will not abide by any agreement reached during Tuesday's meeting between the Lebanese and Israeli ambassadors in Washington.**
- **Saudi Arabia is pressing the US to drop its Hormuz blockade, with Gulf energy exporters worrying that Iran could escalate and close the Bab al-Mandeb, according to WSJ.**
- **UK Deputy PM Lammy met with US VP Vance in Washington and urged for the Iran ceasefire to hold, while he stressed free shipping through the Strait of Hormuz.**
- **British Defence Ministry said it has deployed additional military planners to the US Central Command "to explore the options for making the Strait of Hormuz accessible and safe once the hostilities have ceased".**
- **China's Defence Minister Dong reportedly sent a message to the Trump administration and US Navy emphasising Beijing's intent to continue operating in the Strait of Hormuz and uphold its agreements with Iran.**
- **Tanker that was heading to China was forced to reverse course under the US blockade, according to ship tracking data.**

US TRADE

EQUITIES

- **US stocks** clawed back losses in which markets initially returned from the weekend in escalation mode after the US and Iran failed to reach an agreement, with equity futures lower, oil surging, and Treasuries under pressure. However, sentiment improved throughout the session on reports that talks remain ongoing and progress is being made, with the possibility of another in-person meeting before the ceasefire expires. As such, equities pared initial losses, with the Russell outperforming, while the Dow lagged amid weakness in Goldman Sachs (GS) following softer FICC trading revenues, while oil prices settled higher but well off overnight peaks, and Treasuries reversed earlier losses to close firmer.
- **SPX +1.03% at 6,887, NDX +1.07% at 25,284, DJI +0.63% at 48,219, RUT +1.43% at 2,668.**
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- EU reached a provisional agreement on measures to limit steel imports.
- EU Chamber in China warned of an expansion of China's export controls and said EU companies continue to suffer from China's export controls on rare earths, according to Handelsblatt.
- Chinese President Xi said China and Spain should enhance cooperation and mutual trust, while he rejects a return to the law of the jungle, as well as stated that they are to jointly defend multilateralism and safeguard global development.

NOTABLE HEADLINES

- Fed's Miran (voter, dovish dissenter) said he expects inflation to be close to target in a year and there is no reason to think oil prices will remain elevated, while he added that so far, it seems wise to look through this oil shock.
- Fed's Goolsbee (2027 voter) said if oil prices were USD 90/bbl month after month, it would start spilling over to other prices, while he added that oil futures prices show people think that this will be a short-run argument. Goolsbee also stated that as long as the consumer remains strong, economic growth will too, and don't be surprised if consumer sentiment sours.
- Fed Chair Nominee Warsh submitted financial disclosures that are required before he can advance to a confirmation hearing, according to CNBC.

APAC TRADE

EQUITIES

- APAC stocks traded higher as risk sentiment was underpinned by hopes regarding US-Iran peace talks after President Trump suggested Iran called the US and wants to make a deal very badly, while a US official said that talks between the sides are continuing even now and there is progress, with some reports also noting that the second round of face-to-face talks could take place this Thursday, although there hasn't been any confirmation.
- ASX 200 was lifted by outperformance in tech and miners, but with the upside capped following a deterioration in Australian Consumer Sentiment and Business Confidence surveys.
- Nikkei 225 rallied to just shy of the 58,000 level with tech-related stocks dominating the list of best performers, including SoftBank, Advantest, NEC Corp and Renesas, all in the top five biggest gainers.
- Hang Seng and Shanghai Comp gained, but with the advances limited as participants also digested mixed Chinese trade data, in which exports disappointed and imports surged, while China Customs Vice Minister said the international situation is currently turbulent, geopolitical conflicts are intensifying and global oil prices fluctuate sharply.
- US equity futures plateaued overnight after rallying on US-Iran peace talk hopes.
- European equity futures indicate a positive cash market open with Euro Stoxx 50 futures up 0.4% after the cash market closed with losses of 0.4% on Monday.

FX

- DXY was little changed after ultimately weakening yesterday as US-Iran talks seemingly continued despite the initial failure over the weekend, with a senior US official noting that talks between the US and Iran are continuing even now, and there is progress in trying to reach an agreement, while some US officials stated that the second round of face-to-face talks could take place on Thursday, as the sides seek a solution to the conflict ahead of the ceasefire expiry next Tuesday. Nonetheless, nuclear remained the main sticking point as the US wants a longer moratorium on uranium enrichment than the Iranians, and for Iran to remove all highly enriched uranium, while Iranians want a "monitored process of down-blending".
- EUR/USD retained a firm footing above 1.1700 after having benefitted from the recent retreat in the dollar.
- GBP/USD held on to its spoils after reclaiming the 1.3500 status and with little reaction seen following comments from BoE Governor Bailey regarding financial stability, in which he sees an increased likelihood of multiple vulnerabilities, and stated that they must stay vigilant.
- USD/JPY trickled towards the 159.00 level after the dollar recently dwindled, and with lower oil prices supportive of the yen.
- Antipodeans were rangebound amid the positive risk appetite and recent deterioration in Australian business and consumer confidence surveys, while participants also digested mixed Chinese trade data.
- PBoC set USD/CNY mid-point at 6.8593 vs exp. 6.8173 (Prev. 6.8657)
- Canadian PM Carney received a parliamentary majority following a win by liberals in the special election for a vacant seat, as expected.

FIXED INCOME

- 10yr UST futures marginally extended on yesterday's rebound after yields reversed this week's initial upside, as diplomatic efforts to revive peace talks continued, while US President Trump said the US had been called by the other side, which wants to make a deal very badly.
- Bund futures remained firmer and returned to the 125.00 level after clawing back recent lost ground, although further upside was capped ahead of supply, including EUR 5bn of Bobls today, followed by EUR 3bn of Bunds tomorrow.
- 10yr JGB futures tracked the recovery in global peers and with further upside seen after the latest 20yr JGB auction results showed the highest bid/cover ratio since 2019.

COMMODITIES

- Crude futures were lower and continued to pull back from the initial spike seen at this week's open, while the retreat coincided with optimism regarding US-Iran talks, as the sides could be headed towards another round of face-to-face discussions, which could happen on Thursday.

- **IEA Chief Birol said he hopes another oil stockpile release is not needed but “we stand ready to act”**, while he noted over 80 oil and gas facilities, including production, terminals and refineries, were damaged by the Iran war.
- **US Energy Secretary Wright said US energy prices will likely rise in the next few weeks and remain until meaningful ship traffic through the Strait of Hormuz resumes.** Wright said Venezuelan oil production has surpassed 1.2mIn bpd, representing a 25% increase over three months and 150mIn barrels of Venezuelan oil were sold since January 3rd. He also said there is an announcement coming soon about a large US company with a history in Venezuela ramping up production and noted that 'by this summer' is an aggressive timeframe for oil and gas prices to start coming down.
- **Chevron (CVX) agreed a deal with Venezuela's PDVSA aimed at increasing production by joint ventures**, which included an asset swap with PDVSA.
- **Spot gold** continued to edge higher after recouping recent losses, with upside facilitated after the dollar lost steam.
- **Copper futures** remained afloat amid optimism about US-Iran talks, although gains were limited overnight amid the mostly disappointing Chinese trade data.
- **China is said to ease restrictions on certain BHP (BHP AT) iron ore cargoes.**

CRYPTO

- **Bitcoin** lacked conviction and is ultimately flat after price action was confined within relatively tight parameters.

NOTABLE ASIA-PAC HEADLINES

- **China Customs Vice Minister said the international situation is currently turbulent**, while geopolitical conflicts are intensifying and global oil prices fluctuate sharply. Furthermore, China is willing to be not only the world's factory but also the world's market, while they have the capabilities to continue to promote a stable scale of foreign trade.
- **Monetary Authority of Singapore tightened its FX-based policy, as expected, in which it slightly raised the rate of appreciation of the SGD NEER policy band**, while it made no change to the width and the level at which the band is centred. MAS said it is in an appropriate position to respond effectively to any risk in medium-term price stability, and it stands ready to curb excessive volatility in the SGD NEER. Furthermore, it stated that MAS Core inflation will pick up and remain elevated over the next few quarters, while it expects GDP growth to slow over the course of the year.

DATA RECAP

- Chinese Balance of Trade (Mar) 51.1B vs. Exp. 112B (Prev. 213.62B)
- Chinese Exports YY (Mar) 2.5% vs. Exp. 8.3% (Prev. 21.8%)
- Chinese Imports YY (Mar) 27.8% vs. Exp. 11.1% (Prev. 19.8%)
- Chinese Yuan-Denominated Balance of Trade (Mar) 354.8B (Prev. 1503.49B)
- Chinese Yuan-Denominated Exports YY (Mar) -0.7% (Prev. 36.1%)
- Chinese Yuan-Denominated Imports YY (Mar) 23.8% (Prev. 10.9%)
- Singaporean GDP Advanced QQ (Q1) -0.3% vs. Exp. -0.5% (Prev. 2.1%)
- Singaporean GDP Advanced YY (Q1) 4.6% vs. Exp. 5.4% (Prev. 6.9%)
- Australian Westpac Consumer Confidence Change (Apr) -12.5% (Prev. 1.2%)
- Australian Westpac Consumer Sentiment (Apr) 80.1 (Prev. 91.6)
- Australian NAB Business Confidence (Mar) -29 (Prev. -1)
- Australian NAB Business Conditions (Mar) 6 (Prev. 7)

GEOPOLITICS

RUSSIA-UKRAINE

- **Ukraine's drone force commander said a chemicals plant in Russia's Vologda region was struck.**

OTHER NEWS

- **North Korea test-fired a cruise missile and anti-warship missiles from a naval destroyer**, according to KCNA.

EU/UK

NOTABLE HEADLINES

- **BoE Governor Bailey spoke about financial stability, in which he stated that he sees an increased likelihood of multiple vulnerabilities**, and that they must stay vigilant.

DATA RECAP

- **UK BRC Retail Sales Monitor YY (Mar) Y/Y 3.1% vs. Exp. 0.9% (Prev. 0.7%)**

