

## European Market Wrap - 14th April 2026

- European bourses firmer amidst optimism surrounding US-Iran talks.
- DXY pressured, Kiwi outperformed & JPY buoyed on reports that the BoJ will lift inflation forecasts.
- Next round of talks between US and Iran could take place this week or early next week, according to the Iranian embassy official in Pakistan.

### EQUITIES

- European bourses (STOXX 600 +0.9%) held onto their earlier gains, which were spurred by prospects of a second round of US-Iran talks. However, there has been no confirmation from either side that talks are taking place. The **DAX** held its place as the outperformer while the **FTSE 100** lagged as oil majors, as well as losses in Imperial Brands and British American Tobacco, weighed on the index.
- Sectors end the session with a positive bias. **Technology** topped the sector pile, closely followed by **Autos**. At the bottom of the pile was **Energy**, as crude prices pull back on hopes of further talks.
- **LVMH, Sika and Givaudan** all released Q1 earnings that drove the day's price action. For LVMH, the Co. missed revenue estimates for nearly all its metrics while citing the -1% impact on Q1 organic growth due to the Middle East conflict. Both Sika and Givaudan surged higher, with the former beating Q1 sales estimates and affirming 2026 outlook, while fragrance sales drove the latter to a sales beat.
- Looking ahead, **ASML** is set to announce its Q1'26 earnings before the European open on Wednesday. Focus will lie on any updates to its guidance, where Citi and UBS analysts expect the chip-maker to raise its sales forecast to the upper end of its current EUR 34-39bln guidance. Options markets indicate earnings-related volatility of around 5.5% in either direction. *(See the full Newsquawk preview on the headline feed.)*
- **US equity futures** began the cash session with mild gains, ahead of a heavy speaker slate. On the earnings front, **Citi and BlackRock** announced a positive set of results, beating their EPS and Revenue estimates. On the flip side, **JPMorgan** shares slid after lowering its FY NII guidance.

### FX

- **G10 FX traded the session with an exponentially optimistic tone** amid continued positive newsflow. The London session alone saw several outlets report a second round of talks was to be held - nothing confirmed as of yet, though Pakistan said it offered to host, while Thursday or early next week were touted. A trader cited in a Citi note this morning said client sentiment has been fading the negatives recently, and there is a high bar to exceed last week's peak bearishness.
- **Given the risk tone, Antipodeans** performed well throughout the London session. **NZD** was the best performer for the entirety of the session amidst continued rate repricing and domestic banks shifting calls for the RBNZ. ANZ revised its rate outlook for the RBNZ, forecasting hikes in July, September and October. ANZ Chief Economist said it was fair to interpret the recent media appearances from Governor Breman as deliberate. Elsewhere in the ANZ note, Zollner said, "We don't have a strong view on July versus September. But we do have a pretty strong view that hikes will come before our previous call of December."
- **JPY** was helped by softening crude prices, with **USD/JPY** gradually trickling lower throughout the session to mark a session low of 158.63, while traders pointed out that EUR/USD completely wiped out its war-related losses (since March 2nd) to make a session high of 1.1807. GBP also benefited from the risk tone, with the cable attempting to breach 1.36 but falling just short at 1.3589.
- **US March PPI** rose 0.5% M/M, below the 1.2% forecast and cooling from the prior 0.7% print. Pantheon Macroeconomics said that the modest rise in March core PPI brings some genuinely good news, suggesting momentum in January and February was partly due to residual seasonality. Although a softer than expected report, the components that feed through to PCE accelerated in March, particularly the Air Passenger Transport PPI amid rising fuel costs in the face of the US/Iran war. Pantheon Macroeconomics expects the core PCE rose 0.29% M/M and 3.2% Y/Y.
- Elsewhere, **JPMorgan lifted its stance on EM FX** back to overweight, saying the "end game" US-Iran war is now emerging. The points analysts cited were 1) US have adhered to the timeline set out at the start of the war 2) US and Iran walked away from escalation 3) A degree of overlap in demands which may allow a deal 4) The failure of weekend talks has not resulted in exchange of strikes 5) Headlines suggest US are pressuring Israel for a Lebanon ceasefire.
- **South Korean Pension Fund allows more FX hedging to bolster KRW, Bloomberg reported.**

### FIXED

- **Global fixed benchmarks began the European morning on a slightly firmer footing**, with initial strength facilitated by lower energy prices as reports suggested that the US and Iran could hold a second round of talks in Pakistan. **Markets are currently awaiting official confirmation on if/when talks begin – some reports tout this week, or early next week.**
- **USTs** started the European session firmer, given the geopolitical environment. US paper then gradually moved lower as the session progressed, with some two-way action seen on the region's PPI metrics, which were cooler-than-expected. Following this, Pantheon Macro estimates that "core PCE deflator increased by 0.29% in March, lifting the inflation rate to 3.2%, from

3.0% in February”.

- **Bunds** were also firmer, and set to end the European session firmer by around 30 ticks and towards the upper end of a 124.88 to 125.25 range. Overall, **German paper followed peers**, and moved at the whim of the geopolitical developments; however, some fleeting pressure was seen in the benchmark following above-expected **German Wholesale Prices**. The quick paring of the downside can be attributed to the inner report suggesting that much of the strength in the metric was associated with rising costs in energy and raw material prices, amidst the Iranian conflict. Elsewhere, a couple of ECB speakers provided some commentary but ultimately failed to move the benchmark at the time.
- **Gilts** outperformed vs peers, and looked to close the end European session off its best levels within a 88.38-88.76 range. As has been the case since the Iranian conflict began, UK paper has been extremely sensitive to moves in the oil complex, given the UK's high dependence on external energy. Aside from geopolitics, the **UK's BRC Retail Sales** topped expectations – though the firm highlighted much of the momentum was associated with warmer weather and Easter spending. On the monetary policy front, **BoE's Mann** said she is concerned that a price shock could show up in wage expectations.
- **Nine potential borrowers** are looking to raise new capital in the US investment-grade primary market on Tuesday, according to Bloomberg citing a poll.
- **UK gets a record GBP 148bn investor bids for its 10-year debt sale, Bloomberg reported.**
- **The Netherlands sold EUR 2.81bn vs exp. EUR 2-3.0bn 2.50% 2031 DSL: avg. yield 2.795% (prev. 2.526%).**
- **Germany sold EUR 3.953bn vs exp. EUR 5.0bn 2.50% 2031 Bobl: b/c 1.04x (prev. 1.1x), average yield 2.74% (prev. 2.72%), retention 20.9% (prev. 29.04%).**
- **Brazil to sell EUR-denominated 4yr, 7yr and 10yr debt via syndication.**
- **China's Finance Ministry to reportedly meet with underwrites on Thursday to discuss ultra-long special Treasury Bond issuance, according to Reuters sources.**
- **France opens book to sell EUR-denominated June 2037 Green Oat via syndicate; guidance seen at +13bps to May 2036 Oat.**

## COMMODITIES

- **Crude futures** – Crude softened as diplomatic signals improved, with Brent June falling below USD 99/bbl (USD 96.50–99.45 range) and WTI June trading within USD 90.19–92.66. Progress in US–Iran talks weighed on prices, with some downside seen on reports that Iran is reportedly mulling pausing its Hormuz shipping to avoid derailing talks. Elsewhere, the IEA noted supply could exceed demand by 410k BPD in 2026 and highlighted that restoring Hormuz flows remains key.
- **Natural Gas** – Dutch TTF fell ~4.5% in choppy trade. Supply is seen as sufficient over summer, with domestic output and Norwegian flows expected to meet demand despite Iran-related disruption.
- **Precious Metals** – Spot gold rebounded to just below USD 4,800/oz after two days of losses, trading near the top of a USD 4,743–4,797 range as diplomatic progress slightly eased inflation concerns.
- **Base Metals** – Copper hit a one-month high, with 3M LME copper trading USD 13,054.95–13,274.00/t, supported by optimism around US–Iran talks. However, caution persisted amid escalation risks, while China's softer export growth and EU steel trade measures added to the backdrop.
- **Ukraine President Zelensky** said Druzhba pipeline to be operational by end-April.
- **European Commission** said there is no evidence of fuel shortages at this point in time, while the jet fuel situation remains a primary concern. No evidence of jet fuel shortage in the EU at present.
- **Commerzbank** said if the Strait of Hormuz remains blocked until end of May, Aluminum prices could temporarily rise to almost USD 4,000/tonne.
- **Russia has reportedly** set temporary limits for helium exports.
- **Russian oil product exports from Black Sea port of Tuapse revised up to 1.27mln tons for April (vs 794k tons in prev. plan), according to traders cited by Reuters.**
- **SHFE** said it will adjust price limits and margin requirements for certain gold and silver futures contracts from listing.
- **IEA OMR: sees world oil demand falling by 80k in 2026 due to Iran (prev. forecast for a 640k BPD rise); sees world oil supply falling by 1.5mln BPD in 2026 (prev. forecast for 1.1mln BPD rise).**
- **IEA Chief Birol met with US Energy Secretary Wright; discussed energy security, according to reported.**
- **Ukraine's Zaporizhzhia Nuclear power plant offsite power has been restored via one power line.**
- **IAEA said Ukraine's Zaporizhzhia nuclear power plant lost all off-site power earlier in the morning.**

## EUROPEAN DATA

- **Spanish Inflation Rate MoM Final (Mar) M/M 1.2% vs. Exp. 1.0% (Prev. 0.4%).**
- **Spanish Core Inflation Rate YoY Final (Mar) Y/Y 2.9% vs. Exp. 2.7% (Prev. 2.7%).**
- **Spanish Inflation Rate YoY Final (Mar) Y/Y 3.4% vs. Exp. 3.3% (Prev. 2.3%).**
- **Swedish CPI YoY Final (Mar) Y/Y 1.6% vs. Exp. 1.6% (Prev. 1.7%).**
- **Swedish CPI MoM Final (Mar) M/M -0.6% vs. Exp. -0.6%.**
- **German Wholesale Prices MoM (Mar) M/M 2.7% vs. Exp. 0.4% (Prev. 0.6%).**
- **German Wholesale Prices YoY (Mar) Y/Y 4.1% (Prev. 1.2%).**

## NOTABLE HEADLINES

- **German Health Ministry** said they will be saving up to EUR 12bn with measures.
- **French Finance Minister Lescure** said France have entered the crisis on a strong footing but will have an economic slowdown in the short-term.
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## TRADE/TARIFFS

- German economy ministry agreed with Ukraine to establish cooperation in the exploration and development of mineral resources in Ukraine.
- EU agrees to double tariffs on foreign steel, according to reported.
- The EU is to cut funds for projects containing Chinese inverters, SCMP reported; sources state that the commission wants to prevent EU money from flowing to such projects and curb research cooperation under its Horizon programme.
- China will reportedly strengthen credit support for exporters to help nurture new drivers for trade.
- China Foreign Ministry said if the US imposes tariffs on China over Iran related issues, China will take "firm" countermeasures.

## CENTRAL BANKS

- Kevin Warsh confirmation hearing for Fed Chair will be next Tuesday, April 21st, according to Punchbowl citing sources. The Senate Banking Committee is planning to notice the hearing today.
- Senator Scott said Kevin Warsh Fed Chair hearing is next week, Bloomberg reported.
- Fed Chair nominee Warsh has submitted the financial disclosures required before he can advance to a Senate hearing, reported suggest.
- The BoJ is said to be considering a sharp increase to its price forecast this month, while weighing a possible growth outlook cut due to high oil prices, Bloomberg reported. Views are reportedly split over Middle East-related caution and upside price risks, with a final decision likely to depend on risks assessed up to the last minute.
- The ECB is urging EU governments to fast-track common deposit insurance to break the impasse in banking integration while warning against softening guardrails to boost competitiveness, the FT reported.
- ECB is looking for a bigger say on bank's capital requirements, giving it more power over capital rules, Reuters reported.
- ECB's Rehn said it is unclear the war effect on medium term inflation, rate decisions not locked in beforehand. Monetary policy should not be based on a single price, such as oil; it should be based on the economy as a whole. Impact of the war on inflation is not straightforward.
- BoE's Mann said concerned that a price shock could show up in wage expectations; inflation expectations are very volatile if CPI is above 3-3.5%.
- PBoC will conduct CNY 500bln of 183-day outright reverse repos on 15th April.

## GEOPOLITICS

### RUSSIA-UKRAINE

- German economy ministry agreed with Ukraine to establish cooperation in the exploration and development of mineral resources in Ukraine.
- Ukraine Military said it struck drone storage facilities using scalp missiles in Russia-controlled part of Donetsk.
- Ukraine President Zelensky said Druzhba pipeline to be operational by end-April.
- Ukrainian President Zelensky said he discussed the European anti-ballistic missile programme; said Ukraine's EU accession path should not be blocked.
- The German Chancellery announces that Germany and Ukraine are to sign an agreement on economic collaboration on reconstruction.
- Kremlin Press Secretary Peskov said the US has made no announcements on extending the permit to purchase Russian oil loaded on tankers, TASS reported.
- Russia has reportedly set temporary limits for helium exports.
- Russian oil product exports from Black Sea port of Tuapse revised up to 1.27mln tons for April (vs 794k tons in prev. plan), according to traders cited by Reuters.
- Ukraine's Zaporizhzhia Nuclear power plant offsite power has been restored via one power line.
- IAEA said Ukraine's Zaporizhzhia nuclear power plant lost all off-site power earlier in the morning.
- Russian drones attacked Ukraine's Izmail port and damaged a Panama-flagged vessel, according to Ukraine's Deputy PM cited by Reuters.

### MIDDLE EAST

- Next round of talks between US and Iran could take place this week or early next week, according to the Iranian embassy official in Pakistan. Further commentary by the Pakistan Foreign Ministry stating it offered to host a second round of US-Iran negotiations, no date or time has been set yet.
- Pakistani Journalist Mallick said "While Islamabad has offered to host the next round of in person talks between US and Iran , which could be held at a working level, to my understanding, date and venue for the next round has not been finalised as yet".
- Iran reportedly mulling pausing its Hormuz shipping to avoid derailing talks, Bloomberg reports. Holding back maritime activity for several days is seen as one possible step. The objective is to hold fresh talks before the truce expires next week.
- Reports in Iran state that there is still no information about an agreement to hold talks in Islamabad or in other reports, despite claims by some Pakistani sources and Western media.
- In-person talks between the US and Iran could resume as early as this week , according to NBC News. The US asked Iran during the marathon talks over the weekend for a 20-year suspension of uranium enrichment. The Iranians agreed to 3-5 years, which President Donald Trump has said is not acceptable, the source said. US has asked Iran to remove highly

enriched uranium from the country, but Iran agreed to a "monitored process of down blending" — a process where highly enriched uranium is mixed with natural or less potent uranium to create a less potent material.

- **US and Iran discussing another round of face-to-face talks to secure longer-term ceasefire** after Islamabad negotiations ended without a deal, while officials aim to meet again before two-week ceasefire expires next week, according to Clash report. AP also reported that US and Iran could be headed toward a second round of talks, while talks could happen on Thursday.
- **US VP Vance said we made some progress in Iran** talks and he wouldn't say things went wrong, adds Iranians moved in our direction in talks but not far enough. Ball is in Iran's court. We made it clear what US red lines are in Iran talks.
- **US and Iran reportedly leave 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.
- **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 between US and Iran. He further told Macron that a lack of US good will and maximalist positions prevented finalising an agreement in Islamabad, IRNA reports; further states that diplomacy is the preferred path to resolving disputes.
- **Iranian Spokesman for the National Security Committee** said the end of the truce should not lead to its extension, Al Mayadeen reported.
- **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.
- **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.
- **Alarms** have sounded in the Galilee Panhandle due to concerns over potential UAV penetration.
- **Lebanese source** said, "The official mandate of Lebanon's ambassador in Washington is limited to pursuing a ceasefire with Israel", via Al Jazeera.
- **Switzerland** is reportedly ready to help diplomatic initiatives between the US and Iran.
- **Russian Foreign Minister Lavrov** tells Iranian counterpart Araghchi that it is important to ensure that no new fighting breaks out, and Moscow is on high alert to help in the settlement, while the latter warned of dangerous consequences of US actions.
- US Secretary of State Rubio is to host Israeli and Lebanese ambassadors for talks on Tuesday, while the talks aim for 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.
- Chinese President Xi makes four proposals on maintaining peace in the Middle East, according to Chinese press.
- UK Deputy PM Lammy meets with US VP Vance in Washington and urges Iran ceasefire to hold, while he stresses free shipping through the Strait of Hormuz.

## NOTABLE NORTH AMERICAN NEWS

- **US Treasury Secretary Bessent** said the US agenda for the G-20 this year is growth.
- **Out of the four probable venues proposed to hold next round of US - Iran talks, two are serious contenders with Islamabad being one of them which is being seriously considered where the next round could be, via Anas Mallick.**
- **Republicans in Congress** are pushing to make DTC cash drug purchases more attractive by requiring insurers to count that spending toward deductibles and out-of-pocket limits, Axios reported. The change would address a key drawback for insured patients, whose cash payments currently do not help them reach the point where insurance covers more of their healthcare costs, Axios said.

## NORTH AMERICAN DATA

- US Redbook YoY (Apr/11) Y/Y 7.0%.
- **US PPI Ex Food, Energy and Trade MoM (Mar) M/M 0.2% (Prev. 0.5%).**
- US Core PPI MoM (Mar) M/M 0.1% vs. Exp. 0.6% (Prev. 0.5%).
- US Core PPI YoY (Mar) Y/Y 3.8% vs. Exp. 4.2% (Prev. 3.9%, Low. 3.9%, High. 4.4%).
- **US PPI MoM (Mar) M/M 0.5% vs. Exp. 1.2% (Prev. 0.7%, Low. 0.3%, High. 2.3%).**
- **US PPI Ex Food, Energy and Trade YoY (Mar) Y/Y 3.6% (Prev. 3.5%).**
- **US PPI YoY (Mar) Y/Y 4.0% vs. Exp. 4.6% (Prev. 3.4%, Low. 3.4%, High. 5.9%).**
- **US ADP Average Weekly Employment Change (four weeks to March 28th): 39.25k (prev. 26k).**
- **US NFIB Business Optimism Index (Mar) 95.8 vs. Exp. 98.6 (Prev. 98.8).**

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