

## European Market Wrap - 15th April 2026

- European bourses were broadly lower; Luxury hit following poor earnings from Kering -8.6% and Hermes -9%; ASML -2.7% slips despite raising 2026 outlook, though Q2 outlook disappointed
- DXY was slightly firmer; AUD outperformed, whilst the JPY lagged
- Iranian and US officials lean back on reports of agreement on an extension to the current US-Iran ceasefire (due to expire Apr 22nd)

### EQUITIES

- **European bourses (STOXX 600 -0.2%)** are to end the trading session mixed. The **CAC 40** maintained its place as the underperformer due to losses in **Hermes and Kering**, but pared back slightly from its earlier losses. The **DAX 40** was the slight outperformer, printing only modest gains.
- **Sectors** also set to end with a lack of directional bias. **Health Care** ended up at the top of the sector pile, while **Consumer Products & Services** remained the laggard, with losses just shy of 2%.
- As detailed earlier, **ASML, Hermes and Kering** were the key movers. ASML delivered Q1 revenue that beat estimates and raised its FY sales forecast. However, the Q2 revenue guidance underwhelmed high expectations. Meanwhile, Hermes and Kering both highlighted the weakness in the Middle East due to the Iran conflict, weighing on the luxury sector. Both luxury names are set to close with losses of over 8%, while ASML lacked clear direction throughout the session and is set to end with losses over 4%.
- **British American Tobacco** released its AGM statement mid-session, stating that the Co. continues to expect performance at the lower end of its guided range. Shares slumped following the guidance but then reversed after stating the Middle East conflict is not currently having a significant impact on business.
- **US equity futures** began the cash session flat, consolidating after two days of gains of nearly 1%. **Morgan Stanley and Bank of America** reported positive earnings in the US pre-market, with both beating top- and bottom-line estimates.

### FX

- **G10 FX** was indecisive in Wednesday's London session as several geopolitical updates pushed **DXY** from the 98.00 level, which it bottomed at on Tuesday afternoon.
- AP reported that effort to extend the US-Iran ceasefire has made progress with mediators aiming to extend for at least another two weeks. Both sides gave an "in principle agreement" to extend the ceasefire, while WaPo suggested the Pentagon would send additional troops to the Middle East, mulling possibility of additional strikes or ground operations if the ceasefire breaks. Elsewhere, POTUS spoke; he suggested US-China relations were strong, and said the war is nearly over. On the Iranian side, its Foreign Ministry said messages continue between both sides, and that the extension of a ceasefire was not yet approved. Elsewhere, reports from Middle Eastern press suggested attempts are being made to establish a Lebanon ceasefire; no final decision reported yet.
- **DXY** traded with a mild positive bias for most of the session as it remained supported above the 98.00 mark. As mentioned, there were various geopolitical headlines, none of which did much to spur the buck; crude, however, trickled lower throughout the European afternoon. Citi's London trading desk wrote this morning: "Not yet fully convinced that there will be further diversification away from US assets after the Iran dust settles, tactically sees dips should be bought." Several Fed speakers today, nothing pertinent enough to change USD bias.
- **EUR** and **GBP** were unchanged for the session against a mildly firmer greenback. The **EUR/GBP** cross was also unchanged. Several trading desks now recommend longs on the cross, with Rabo today writing: "Heading further into the spring, we see the downside bias as running out of steam and expect the currency pair to turn modestly higher." ING today saying: "the latest developments keep us confident with our call that front-end rates have further to fall in the UK than the eurozone and that should offer lasting support to EUR/GBP beyond the near-term". Then, finally, a JPM trader suggesting positioning for weakening fundamentals and more reactive FX hedging from European RM should help EUR.
- For **GBP** specifics, BoE's Greene to speak imminently (15:15 BST), while Bailey is touted to speak twice; GDP metrics are due on Thursday.
- For **EUR**, there were several speakers today, Kazaks said he had nothing against two hikes starting in June, adding "will see" if April is too soon for action. Rehn said tightening is not guaranteed, while Lagarde overnight reiterated the ECB was in a good place.

### FIXED

- **Global fixed benchmarks** are moving at the whim of geopolitical developments. Early action saw the complex remain near highs as traders digested comments from **US President Trump**, where he stated that he views the war as being very close to over, adding that he does not think it will be necessary to extend a ceasefire. As the morning progressed, fixed income dipped off its best levels, with reports in **WaPo suggesting that the US is sending thousands of additional troops into the Middle East in the coming days**. In terms of reports surrounding second round talks, AP reported that both sides gave an "in principle agreement" to extend the ceasefire – after some wider airing, some modest upticks were seen in the complex;

however, both US and Iranian officials pushed back on these reports, which led to a reversal of the earlier move.

- **USTs started the European session** around the unchanged mark, but petered lower as the session progressed; currently, US paper looks to close the European day at the lower end of a 111-13 to 111-21 range. Ultimately, moving at the whim of the geopolitical developments mentioned earlier, but the day was packed with domestic updates also. Starting with President Trump, he noted that if Powell does not leave, **he will have to fire him**, adding that he hopes nominee Warsh will be confirmed next week. Keeping on the monetary policy front, Treasury Secretary Bessent said that he understands if the Fed needs to wait on rate cuts, but eventually, cuts will come. **And in terms of Fed speakers specifically**, Hammack noted that the "baseline" is to keep rates on hold, adding that the question is how much/long energy prices will remain elevated.
- **Bunds and Gilts** both began the European session firmer, but gradually moved lower as the morning progressed, with the pair now set to end the European session around the unchanged mark. **Bunds** currently hold within a 125.17 to 125.68 range, with focus now on the round 125.00 level. From a yield perspective, the **GE 2yr** hovers around 2.52% and towards its WTD low, but still a fair bit away from the lows from last week at 2.44%. ECB speak today has included Kazaks, though did little to move German paper at the time; he suggested that there is nothing against bets on two hikes starting in June.
- **JPMorgan (JPM)** is looking to raise a minimum of USD 7bln from its US bond sale, Bloomberg reported.
- **Turkey to sell USD-denominated 5-year noted via syndicate; yield guidance seen at 6.75%.**
- **Germany sold EUR 2.503bln vs exp. EUR 3.0bln 1.25% 2048, 0.00% 2052 and 2.90% 2056 Bund.**
- **Toyota (7203 JT) files to sell EUR-denominated 4yr noted, guidance seen MS +80-85bps.**
- **Italy's Tesoro opens book to sell EUR-denominated new 2yr BTPei, guidance seen MS+33bps.**

## COMMODITIES

- **Crude futures** – **Crude** posted modest losses following Tuesday's near-5% drop, as markets weighed renewed US-Iran diplomatic momentum against persistent disruption in the Strait of Hormuz. On the newsflow front, WaPo reported the Pentagon is deploying additional troops to the Middle East to pressure Iran, while AP noted progress towards extending the US-Iran ceasefire (set to expire Apr 22), with both sides giving "in principle" backing to a two-week extension. However, tensions remain elevated—Iran's military warned that any continuation of the US naval blockade would breach the ceasefire, with the IRGC threatening to halt all trade flows across the Persian Gulf, Oman Sea, and Red Sea. Separately, regional developments pointed to a potential one-week ceasefire in Lebanon aligning with the broader US-Iran timeline, according to Al Mayadeen. Price action remained choppy amid the conflicting signals, with **Brent Jun'26** around USD 95/bbl (USD 93.93–96.90) and **WTI Jun'26** near USD 88.50/bbl (USD 84.70–90.45).
- **Precious Metals** – **Gold** eased during the European session, trading within a USD 4,786–4,871/oz range. Some desks attributed the move to technical factors after bouncing off the 200 DMA, while HSBC raised allocations as part of a defensive positioning shift.
- **Base Metals** – **Base metals** were eventually mixed. 3M LME Copper traded flat/subdued within a USD 13,224–13,392/t range, underpinned by optimism around potential peace talks.
- **Kazakhstan** is considering the possibility of exporting oil to South Korea in 2026, Interfax reported.
- **US President Trump oil prices will fall soon; oil will be down to the levels it was, maybe lower, does not expect oil at highs at the midterms ; gas prices are coming down before midterms - Fox Business Interview from April 14th.**
- **Indian Foreign Ministry Spokesperson** said India continues to purchase oil from diversified sources. Trade Sec said energy and LPG imports from the US have gone up lately.
- **Codelco** is in talks with India's Hindustan Copper over a joint venture for Chilean copper.
- **Iran is to use alternative ports to those in southern Iran to bypass the US blockade in the Strait, Mehr News reported.**

## EUROPEAN DATA

- **EU Industrial Production MoM (Feb) M/M 0.4% vs. Exp. 0.3% (Prev. -1.5%, Low. -0.5%, High. 1.0%).**
- **EU Industrial Production YoY (Feb) Y/Y -0.6% vs. Exp. -1.4% (Prev. -1.2%, Low. -1.9%, High. -1.0%).**
- **French Inflation Rate YoY Final (Mar) Y/Y 1.7% vs. Exp. 1.7% (Prev. 0.9%); HICP Y/Y 2.0% vs. prelim. 1.9%.**
- **French Inflation Rate MoM Final (Mar) M/M 1.0% vs. Exp. 0.9% (Prev. 0.6%).**

## NOTABLE HEADLINES

- **Italy's Budget Watchdog, UPB, expects the Middle East conflict to reduce GDP by 0.2-0.4ppts in 2026 and 2027.**
- **UK Chancellor Reeves** plans emergency energy relief for UK firms, The Telegraph reported citing sources; support is expected to be available for "energy intensive" business, such as steel and concrete firms.
- **Officials told POLITICO the UK Chancellor** is planning to hold a one-on-one with US Treasury Secretary Bessent at the "Invest in America" event today. Top of the agenda is freedom of navigation in the Strait of Hormuz, as well as the need to stabilize energy and financial markets. POLITICO said the Chancellor should be confirming UK's participation in the EU's EUR 90bln loan to Ukraine.

## TRADE/TARIFFS

- **An Indian trade delegation will visit the US from April 20–22nd for trade deal talks, Indian trade official said.**
- **Semafor** reported that a group of US senators, from both parties, will urge the Trump administration to extend the USMCA agreement.
- **US Treasury Secretary Bessent** plans to visit Japan in mid-May, Kyodo reported.
- **China is reportedly considering curbs on solar manufacturing equipment exports to the US, Reuters reported citing sources.**

## CENTRAL BANKS

- Fed's Barr (voter) said in the long run, AI is likely to add to productivity; AI must be used to promote access to credit.
- Fed's Hammack (2026 voter, hawk) said the key piece of information is how high energy prices get to, and how long they remain there for; high energy could bring inflation higher, but it could also hit growth; thinks rates are in a good place.
- US Treasury Secretary Bessent said he understand if the Fed needs to wait on rate cuts; eventually Fed will cut more.
- A potential third courtroom battle looms between Trump and the Fed. The administration has so far not succeeded on its subpoenas or firing of Lisa Cook, via WSJ's Timiraos.
- US President Trump said he hopes Fed Chair Nominee Warsh is confirmed next week. Not planning to drop probe on Powell. If he doesn't leave, will have to fire him. Thinks rates will go lower when Warsh gets in.
- ECB's Kazaks said higher yields do some of the adjustment for us, adds that ECB needs to act if second round effects emerge; nothing against bets on two hikes starting June; will see if April is too soon for action.
- ECB's Rehn said tightening is not guaranteed, the policy path depends a lot on how the Middle East conflict evolves.
- The PBoC raises the leverage ratios for bank's overseas loans.
- SNB, ahead of the end-2027 introduction of the PSFF, has decided to lower the special-rate surcharge from 50bps to 25bps as of July 1st.

## GEOPOLITICS

### RUSSIA-UKRAINE

- Ukraine's drone forces commander said Kyiv struck petrochemicals plant in Russia's Bashkortostan region.
- Russia's Kremlin said Russian President Putin will visit China but there are no plans for a Putin–Trump meeting there.
- Officials told POLITICO the UK Chancellor is planning to hold a one-on-one with US Treasury Secretary Bessent at the "Invest in America" event today. Top of the agenda is freedom of navigation in the Strait of Hormuz, as well as the need to stabilize energy and financial markets. POLITICO said the Chancellor should be confirming UK's participation in the EU's EUR 90bln loan to Ukraine.

### MIDDLE EAST

- Effort to extend US-Iran ceasefire has made progress, AP reports citing official; mediators aim to extend the ceasefire for at least another two weeks; both sides gave an "in principle agreement" to extend the ceasefire.
- Discussions are underway regarding possible extension of temporary ceasefire between Iran and US, according to Arab diplomatic sources cited by Russia on Wednesday and being reported by Chinese press CCTV. However, US President Trump said it could end either way, but thinks a deal is preferable because then Iran can rebuild, also said he isn't thinking about extending the ceasefire and doesn't think it will be necessary, according to reported citing ABC reporter on X.
- The Pentagon is sending thousands of additional troops into the Middle East in the coming days, WaPo reports citing US officials; in a bid to pressure Iran while mulling the possibility of additional strikes or ground operations if the ceasefire breaks.
- Iran Foreign Ministry says the exchange of messages between Iran and US continues through the intermediary of Pakistan , Mehr News report. Visit of the Pakistani official to Tehran is in continuation of Islamabad talks. It is very likely that a Pakistani delegation will be hosted today to continue the Islamabad talks.
- Iranian Foreign Ministry spokesperson says for now, extending the ceasefire has not been approved.
- "The US has not agreed to an extension of the ceasefire . There is continued engagement between the US and Iran to reach a deal", according to a US official cited by Axios' Ravid.
- US President Trump says China is very happy that he permanently opening the Strait of Hormuz... and President Xi will give him a big, Fat, hug when he gets there in a few weeks.
- Iran's military warns the US against continuing the naval blockade, stating that a continued blockade would break the ceasefire and warns IRGC "will not allow any export and import to continue in the Persian Gulf, Oman Sea and Red Sea", local TV reports.
- US President Trump, on Iran, says they are going to make a deal .
- With follow-up and pressure from Iran , starting tonight, a ceasefire will be established in Lebanon, Al Mayadeen citing an Iranian source; the duration of the ceasefire will be one week and extends until the end of the ceasefire period between US-Iran.
- An Israeli Broadcasting Corporation correspondent , citing a source, reported that Israel rejected a US request for a temporary ceasefire in Lebanon while US-Iran negotiations were underway, via Al Jazeera.
- Israeli Official says we have not received any decision or request regarding a ceasefire in Lebanon, via Al Jazeera citing Channel 12.
- US President Trump complains about US spending on NATO; says relationship with Italy has changed, PM Meloni has been negative.
- US President Trump, on Iran, says maybe the end result will happen soon; no pushback from China and Saudi regarding the Hormuz blockage - Fox Business Interview from April 14th
- US President Trump said it's "very possible" a deal with Iran will be reached by the time the King visits the US later this month (27-29th April), Sky News reported.
- US President Trump said he views the war being very close to over, according to Fox News.
- US VP Vance said we are negotiating with Iran and ceasefire is holding, adds Iranian negotiators wanted to make a deal. Feel good about where we are. Lot of mistrust between the US and Iran, can't be solved overnight.
- US Vice President JD Vance is expected to lead a potential second round of talks with Iranian officials should negotiations lead to another face-to-face meeting before the ceasefire expires next week, according to sources familiar cited by CNN.

- **Pakistan** leadership's overseas tour until April 18th dims prospects of US-Iran talks in Islamabad before April 18th, Pakistani journalist Mallick reported.
- **Iran** is to use alternative ports to those in southern Iran to bypass the US blockade in the Strait, Mehr News reported.
- **An Iranian VLCC** (Very Large Crude Carrier), which was on the US sanctions list, entered the waters of Iran past the US blockade, Fars reported.
- **Iran** secretly acquired a Chinese spy satellite that gave the Islamic republic a powerful new capability to target
- **US** military bases across the Middle East during the recent war, according to an FT investigation.
- **US** Central Command said blockade of Iranian ports has been fully implemented and that US forces have completely halted economic trade going into and out of Iran by sea.
- **US** has intercepted eight Iran-linked oil tankers since the start of the blockade, according to WSJ.
- New satellite images show Iran digging for missile launchers trapped underground amid a ceasefire, according to CNN.
- More than 20 commercial ships have passed through the Strait of Hormuz in the past 24 hours, WSJ reported, citing US officials.
- US destroyer interdicted two oil tankers that attempted to leave Iran on Tuesday, according to an official cited by Reuters.
- US President Trump reiterates on Truth Social "NATO wasn't there for us, and they won't be there for us in the future!".
- Europe is accelerating a NATO fallback plan in case US President Trump pulls US out of the treaty, according to WSJ.
- US Pentagon is likely to trim its Iran wall funding request, according to WSJ citing Senator Coons who is the top democrat on the Senate appropriations defence committee.

#### NOTABLE NORTH AMERICAN NEWS

- **US President Trump said anthropic threat is not systemic; we will work it out.** Asked about banks and AI risks, said it could lead to greatness in the banking system.
- **US President Trump praises Supreme Court Justices, said if he needs to replace anyone then he has a shortlist - Fox Business Interview from April 14th.**
- **US President Trump** said he wants to keep the reconciliation bill "slim"; said tax refunds are really significant - Fox Business Interview from April 14th.
- **US President Trump said the US economy is doing so well; stock market is going to "boom" - Fox Business Interview from April 14th.**

#### NORTH AMERICAN DATA

- **US Export Prices YoY (Mar) Y/Y 5.6% (Prev. 3.5%).**
- **US NY Empire State Manufacturing Index (Apr) 11.00 vs. Exp. -2 (Prev. -0.20, Low. -6, High. 5.0).** New Orders index +19.3 (prev. +6.4). Prices Paid +51.0 (prev. +36.6). Employment +9.8 (prev. +5.8). Six-month business conditions +19.6 (prev. +31.0).
- **US Export Prices MoM (Mar) M/M 1.6% vs. Exp. 1.5% (Prev. 1.5%, Low. 1.0%, High. 3.5%).**
- **US Import Prices MoM (Mar) M/M 0.8% vs. Exp. 2% (Prev. 1.3%, Low. 0.4%, High. 4.3%).**
- **US Import Prices YoY (Mar) Y/Y 2.1% (Prev. 1.3%).**
- **US MBA 30-Year Mortgage Rate (Apr/10) 6.42% (Prev. 6.51%).**
- **US MBA Mortgage Applications (Apr/10) 1.8% (Prev. -0.8%).**

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