

## SNAPSHOT

STOCKS			
Nikkei 225	-1.0%	ASX 200	-0.2%
Hang Seng	-1.3%	Shanghai Comp	-0.2%
Euro Stoxx 50 Jun'26	-0.2%	DAX Jun'26	-0.1%
ES Jun'26	U/C	NQ Jun'26	-0.1%

  

FX			
DXY	U/C (98.21)	EUR/USD	U/C (1.1783)
USD/JPY	+0.3% (159.48)	GBP/USD	U/C (1.3521)

  

BONDS			
US T-Note Jun'26	-2 ticks	Bund Jun'26	-27 ticks
US 10yr Yield	4.32%	German 10yr Yield	3.05%

  

ENERGY & METALS			
WTI Jun'26	-1.8%	Brent Jun'26	-1.3%
Spot Gold	+0.3%	LME Copper	-0.4%

  

CRYPTO			
Bitcoin	-0.6%	Ethereum	-1.1%

As of 06:25BST/01:25EDT

## LOOKING AHEAD

- Highlights include Italian Balance of Trade (Feb), Canadian Housing Starts (Mar), Speakers including BoE's Breeden & Pill, Fed's Daly, Barkin & Waller, Supply from Australia, Earnings from State Street, Credit Reviews including Morningstar DBRS reviews credit rating on the EU and Italy.
- [Click for the Newsquawk Week Ahead.](#)

## IRAN CONFLICT

- US President Trump said they are making a lot of progress on Iran, and he is not sure the ceasefire needs to be extended, while he added that Iran is willing to do things today they previously weren't and the US blockade of the Strait of Hormuz is holding up well. Trump said the next meeting with Iran may take place over the weekend, and it is looking very good that a deal will be made with Iran, but added that if there is no deal with Iran, fighting will resume. Trump also stated that they have a very powerful statement that Iran will not have nuclear weapons, which goes beyond 20 years and that Iran agreed they will not have a nuclear weapon. Furthermore, he said he would extend the ceasefire if he has to and that Iran has agreed to almost everything, as well as noted that if an Iran deal is signed in Islamabad, he might go.
- US President Trump posted "I hope Hezbollah acts nicely and well during this important period of time. It will be an GREAT moment for them if they do. No more killing. Must finally have PEACE!"
- US President Trump said the Iran war is going 'swimmingly' and should be ending pretty soon, while he added that they are going to see some incredible results.
- US Senator Graham, a well-known Iran hawk, told reporters on Thursday morning that he is "confident" the US will not extend its ceasefire with Iran beyond next week's deadline, after speaking with President Donald Trump on Wednesday night, according to CNN.
- US officials said a Reuters report that US and Iranian negotiators have scaled back ambitions for a comprehensive deal is not true. It was separately reported that Gulf and European officials see the US needing 6 months for an Iran deal.
- US President Trump said he had excellent conversations with Lebanon's President Aoun and Israeli PM Netanyahu, while he

announced that the leaders agreed to formally begin a 10-day ceasefire from 17:00EDT on Thursday. Trump also posted that he will be inviting Israeli PM Netanyahu and Lebanese President Aoun to the White House for the first meaningful talks between Israel and Lebanon.

- **US State Department said the initial period of Israel-Lebanon ceasefire may be extended by mutual agreement** between Lebanon and Israel if progress is demonstrated in negotiations.
- **Israel PM Netanyahu said he agreed to a temporary ten-day ceasefire in Lebanon, but has not agreed to Hezbollah's demand to withdraw from southern Lebanon**, while he said they will remain in Lebanon with an extensive security zone up to the Syrian border.
- **Israel launched airstrikes on southern Lebanon minutes before the ceasefire**, according to an Asharq correspondent, while Lebanon's army noted intermittent shelling on southern Lebanese villages after the ceasefire took effect.
- **Israeli security official said the military has no plans to withdraw forces from Southern Lebanon during a ceasefire, while the Israeli military said forces remain stationed in southern Lebanon following the ceasefire** and urged residents not to move south of the Litani River.
- **Israeli senior official said the Trump administration intends to actively be a part of the efforts by the Lebanese government to disarm Hezbollah** and is prepared to use American resources to achieve this goal.
- **Hezbollah source said as long as the occupation remains on their land, Lebanon and its people have the right to resist by all means** to force its withdrawal.
- **Iran welcomed the ceasefire in Lebanon** and said it was part of the Iran-US ceasefire understanding mediated by Pakistan. Furthermore, **Iran stressed the need for full Israeli withdrawal from southern Lebanon**, according to Iranian media citing a Foreign Ministry spokesman.
- **Iranian Parliament Speaker said the ceasefire was nothing but a result of Hezbollah's steadfastness and the unity of the Axis of Resistance**, while they will deal with this ceasefire with caution, and will remain together until the full realisation of victory.
- **US CENTCOM said USS Abraham Lincoln is transiting the Arabian Sea and no vessels were violating the blockade so far.**
- **French President Macron and UK PM Starmer are to hold a summit today on a plan to secure the Strait of Hormuz and are expected to brief US President Trump** following the meeting, according to FT.
- **A source told Al-Mayadeen that starting Friday, at noon (10:00BST), anyone wishing to cross Bab al-Mandab should be more vigilant than ever before in all six directions**, while other reports noted that the warning was made by a resistance commander.
- **US intelligence detected signs China was weighing giving Iran advanced radar systems in the days after the Iran war began**, according to CBS.

## US TRADE

### EQUITIES

- **US stocks** extended on record levels and the Nasdaq continued to outperform, albeit modestly, while most sectors finished higher, led by energy, real estate and technology, although healthcare, industrials and consumer discretionary lagged. Energy stocks tracked gains in crude, with oil prices rising despite ongoing optimism about a resolution to the conflict. However, with the Strait of Hormuz still heavily restricted, markets are likely to look for progress beyond ceasefires, while a resistance commander advised caution for those wanting to cross the Bab al-Mandab Strait from noon on Friday.
- **SPX +0.26%** at 7,041, **NDX +0.49%** at 26,333, **DJI +0.24%** at 48,579, **RUT +0.22%** at 2,720.
- [Click here for a detailed summary.](#)

### TARIFFS/TRADE

- **USTR Greer said there is continued offshoring to Mexico and that they had talks about changing USMCA rules of origin, which will be among the issues discussed in meetings in Mexico next week.** Greer said they had talks with Canada and Mexico about rules of origin for steel, while they are also preparing texts for a plurilateral agreement with a select group on critical minerals, including a proposed price floor.
- **Canada's Trade Minister reportedly held discussions with Chinese EV manufacturers**, including BYD, Xpeng, and Guangzhou Automobile Group.

### NOTABLE HEADLINES

- **US Senator Warren said she met with Fed Chair Nominee Warsh and has concerns about him**, while she does not think they should have the Warsh hearing next week.
- **ICE Acting Director Lyons plans to resign in May**, according to NYT.

## APAC TRADE

### EQUITIES

- **APAC stocks** were mostly lower as markets lost steam following the recent rallies and with participants paring risk heading into the weekend, despite the Israel-Lebanon ceasefire taking effect and optimism by US President Trump regarding a deal between the US and Iran, which he said could resume talks over the weekend.
- **ASX 200** was subdued with weakness seen in gold miners, financials and the consumer sectors, although the downside is limited amid a lack of fresh catalysts and a quiet data calendar.
- **Nikkei 225** pulled back from its all-time record highs and just about returned to beneath the 59,000 level, with

underperformance seen in some miners, manufacturers and semiconductor names.

- **Hang Seng** and **Shanghai Comp** conformed to the uninspired mood with the Hong Kong benchmark dragged lower by tech weakness, while participants also digested some earnings releases, including from Kweichow Moutai, which reported a 5% drop in FY profit.
- **US equity futures** took a breather overnight after Wall Street recently extended on record levels.
- **European equity futures** indicate a lower cash market open with Euro Stoxx 50 futures down 0.2% after the cash market closed with losses of 0.1% on Thursday.

## FX

- **DXY** kept afloat after rebounding on Thursday alongside a recovery in oil prices, despite geopolitical updates remaining positive. Nonetheless, the Strait of Hormuz remains largely shut, while talks between the US and Iran have no set date, although Trump claimed Iran agreed to hand over enriched uranium and that the next meeting may take place over the weekend, while he also said it is looking very good that a deal will be made.
- **EUR/USD** was contained after its recent soft performance and with little reaction seen from the ECB Minutes or slew of comments from central bank officials, including ECB's Kazaks, who said that every meeting is a live meeting and a lot can happen until the April meeting.
- **GBP/USD** lacked direction with some headwinds seen as PM Starmer faces increased calls to step down due to the Mandelson vetting scandal, which has led to top Foreign Office official Olly Robbins leaving his post.
- **USD/JPY** extended on advances after reclaiming the 159.00 status and following the recent unwinding of BoJ April rate hike bets, while there were comments from BoJ Governor Ueda, who reiterated that monetary conditions remain highly accommodative, with Japan's real interest rate low, and that BoJ will decide policy based on the likelihood of forecast materialising and risk at each meeting.
- **Antipodeans** were rangebound amid the overall uneventful mood across the FX space and in the absence of any tier-1 data releases.
- **PBoC** set USD/CNY mid-point at 6.8622 vs exp. 6.8206 (Prev. 6.8616)

## FIXED INCOME

- **10yr UST futures** marginally extended on declines after yields rose across the curve yesterday in tandem with oil, amid the ongoing blockade of the Strait of Hormuz and with a resistance commander cautioning that anyone who attempts to cross the Bab Al-Mandeb should be alert to threats from all sides from noon today.
- **Bund futures** were lower following the recent whipsawing and deluge of ECB rhetoric.
- **10yr JGB futures** nursed some of their earlier losses with prices oscillating through the 130.00 level amid a lack of pertinent drivers and following the recent unwinding of BoJ April rate hike bets.

## COMMODITIES

- **Crude futures** pulled back overnight following the prior day's advances amid the continued reduced traffic flow in the Strait of Hormuz and with a resistance commander advising caution for those wanting to cross the Bab al-Mandab Strait from noon on Friday, while a ceasefire between Israel and Lebanon took effect today, but had little impact on prices as reports over the past couple of days had already pointed to such an outcome.
- **Spot gold** traded indecisively after trickling below the USD 4,800/oz level.
- **Copper futures** were subdued with demand dampened by the lacklustre mood in Asia-Pac.
- **IEA chief** said markets must brace for significant price surges if critical oil transit route remains closed, while IEA signals it's not ready yet to release more reserves, though the option is being evaluated.
- **US oil companies warned President Trump not to allow Iran to impose a toll on tankers transiting the Strait of Hormuz in a future peace deal**, according to FT.
- **US Interior Secretary Bergum said he spoke with oil and gas producers**, while he added that US producers are getting a price signal to invest.

## CRYPTO

- **Bitcoin** gradually retreated after failing to sustain the USD 75,000 level.

## NOTABLE ASIA-PAC HEADLINES

- **China State Planner Vice Chair said economic operations are showing positive changes with significant improvements on both the supply and demand side**, while they will reserve a batch of macro policy measures and roll them out in a timely way based on needs. Furthermore, it was stated that China is to boost energy reserves to improve ability to handle emergencies.
- **US is in a deal to create a high-tech manufacturing zone in the Philippines**, according to WSJ.

## DATA RECAP

## GEOPOLITICS

### RUSSIA-UKRAINE

- **G7 reaffirmed backing for Ukraine, including energy needs ahead of winter, and agreed to sustain pressure on Russia**, while

they discussed Chernobyl repair efforts and IMF reform progress.

## OTHER

- US President Trump posted "Italy wasn't there for us, we won't be there for them!".

## EU/UK

### NOTABLE HEADLINES

- **UK PM Starmer faces resignation calls over Mandelson vetting**, according to The Telegraph. It was later reported that **UK Foreign Office senior official Sir Oly Robbins is leaving his post following the Mandelson vetting row**, according to The Guardian's Political Editor Crerar.
- **UK Chancellor Reeves said the UK is looking at a range of options on defence and is willing to make hard choices to boost defence spending**, while she would prefer not to raise taxes or increase borrowing to fund higher defence spending.
- **BoE's Taylor said he agrees with Governor Bailey that markets got ahead of themselves**, while he added that the labour market reaction to the Iran war is key to the BoE's decision.
- **ECB's Nagel said the war in Iran may harm German growth by 0.3 ppts this year**.
- **ECB's Dolenc said falling energy prices may make rate hikes unnecessary, but they are ready to act if needed**.
- **EU is planning its biggest relaxation of corporate merger rules in decades, while EU competition commissioner Ribera said merger rules are to favour scale and innovation**, according to FT.

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newsquawk.com · +44 20 3582 2778 · info@newsquawk.com