

SNAPSHOT

STOCKS			
S&P 500	+1.2%	Nasdaq Comp.	+1.5%
DJIA	+1.8%	Russell 2000	+2.1%

FX			
DXY	98.10	EUR/USD	-0.3%
USD/JPY	+0.2%	GBP/USD	-0.2%

BONDS			
US T-Note Jun'26	+13.5 ticks	10yr Bund Jun'26	+62 ticks
US 10yr Yield	4.24%	German 10yr Yield	2.97%

ENERGY & METALS			
WTI Jun'26	-7.9%	Brent Jun'26	-9.1%
Spot Gold	+1.0%	CME Copper	+0.1%

CRYPTO			
Bitcoin	-1.3%	Ethereum	-2.7%

As of 22:36BST/17:36EDT

LOOKING AHEAD

- Highlights include New Zealand Trade Data, Malaysian Trade Data, PBoC Loan Prime Rates.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- Iran reversed the brief reopening of the Strait of Hormuz and said the waterway had returned to "strict control" after accusing the US of not meeting its obligations and refusing to lift the blockade on Iranian ports, with at least three attacks on commercial ships reported after the re-closure, including Iranian gunboats firing on a tanker and an attack on a cargo vessel near the strait that damaged containers on board.
- US President Trump said on Saturday that Iran got "a little cute" by closing the Strait again, but added there were still "very good conversations" going on.
- US President Trump announced on Sunday an Iranian-flagged cargo ship named TOUSKA tried to get past the US naval blockade, but the Navy Guided Missile Destroyer USS SPRUANCE intercepted it in the Gulf of Oman, and gave them fair warning to stop, while the Iranian crew refused to listen, so the US Navy ship stopped them in their tracks by blowing a hole in the engine room. Trump added that US Marines have custody of the vessel, and they are seeing what's on board. It was separately reported that Mehr news agency claimed US forces fired on an Iranian merchant ship to force it to return to territorial waters, but were then forced to flee after the rapid response of IRGC naval units.
- US President Trump posted on Sunday that "Iran decided to fire bullets yesterday in the Strait of Hormuz – A Total Violation of our Ceasefire Agreement!", while Trump stated that his representatives are going to Islamabad and will be there on Monday evening for negotiations. Trump added that "Iran recently announced they were closing the Strait, which is strange, because our BLOCKADE has already closed it. They're helping without knowing, and they are the ones that lose with the closed passage... We're offering a very fair and reasonable DEAL, and I hope they take it because, if they don't, the United States is going to knock out every single Power Plant, and every single Bridge, in Iran. NO MORE MR. NICE GUY! They'll come down fast, they'll come down easy and, if they don't take the DEAL, it will be my Honor to do what has to be done, which should have been done to Iran, by other Presidents, for the last 47 years. IT'S TIME FOR THE IRAN KILLING MACHINE TO END!"
- US President Trump said VP JD Vance, Special Envoy Witkoff and Jared Kushner will head to Islamabad, Pakistan, for fresh talks with Iran, and will arrive on Monday evening, according to a White House official.

- US President Trump said that maybe he won't extend the ceasefire if there is no deal by Wednesday, and will maintain the blockade on Iranian ports.
- US President Trump said on Friday that the US will not release frozen Iranian funds, and that most main points are finalised in talks towards a deal, while he claimed Iran agreed to an unlimited suspension of the nuclear programme and that a deal to end the war is mostly complete. It was also reported that Trump told Axios that US and Iranian negotiators will probably meet over the weekend, and he expected them to hammer out a final deal.
- US senior official said that if there is no breakthrough soon, the Iran war could resume in the coming days, and that the situation with Iran is at a critical point.
- Iran's Supreme Leader said Iran's navy is ready to inflict "new bitter defeats" on its enemies.
- Iran's Deputy Foreign Minister said there will be no further in-person peace talks with the US until Washington changes its "maximalist" demands, while the official added Iran would not hand over its enriched uranium to the US. Furthermore, IRNA also reported that Tehran has not agreed to participate in a second round of talks.
- Iran's Security Council said they are reviewing proposals made by the US in recent days and Iran is determined to maintain control of the Strait of Hormuz until the war ends, while it was stated that Iran will not reopen the Strait as long as the US blockade of Iranian ports is in place.
- Iranian Foreign Ministry spokesperson said on Friday that Foreign Minister Araghchi's post was within the framework of the ceasefire agreement of April 10th, and they do not have a new understanding, with traffic in the strait carried out based on the agreement reached on April 10th.
- Iranian senior official said that significant differences remained between Iran and the US, including on nuclear issues and serious talks are required, according to a report on Friday.
- Iran has yet to agree to another round of talks with the US, according to Iranian press. It was also reported that Iran's Deputy Foreign Minister said Iran will respond with full force if they return to war.
- Iranian source said given US President Trump's remarks about talks and the contradiction with what is actually unfolding between Iran and the US, they believe they are facing trickery by the adversary and are on the brink of a fresh wave of escalation, according to Al Jazeera.
- Iranian senior official denied US President Trump's claims and said that Iran did not agree to halt uranium enrichment indefinitely, while they will not accept being an exception to international law.
- IDF confirmed it carried out the first strikes against Hezbollah since the ceasefire and that the strikes were against Hezbollah operatives who violated the ceasefire understandings.
- UAE opened talks with the US about obtaining a financial backstop in case the Iran war plunges it into a deeper crisis, according to US officials cited by WSJ.

US TRADE

- US stocks rallied to fresh record highs on Friday as oil prices plunged after Iran announced it would reopen the Strait of Hormuz to all commercial traffic. This saw Brent fall below USD 90/bbl, easing supply concerns and driving a broad risk-on move across markets. Despite the positive headline, uncertainty remained around the durability of the development, with shipping firms cautious about resuming activity, while there was mixed messaging from Iranian officials, including apparent surprise from the IRGC, and conflicting reports between the US and Iran, which continued to cloud the durability of the agreement.
- SPX +1.20% at 7,126, NDX +1.29% at 26,672, DJI +1.79% at 49,447, RUT +2.11% at 2,777.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- US President Trump said his meeting with Chinese President Xi will be a special one and potentially historic, while he looks forward to meeting with Xi and said much will be accomplished.
- US trade officials are considering tougher USMCA auto import rules, including a revision to the minimum auto parts threshold to boost the domestic industry.

NOTABLE HEADLINES

- Fed's Waller (voter) said on Friday that compared to the 70's shock, central bankers understand the importance of inflation expectations. Waller also stated that if the war creates high inflation and a weak labour market, he could call for holding rates steady, while he added that inflation and job risks increase the longer the war remains unresolved.
- Fed's Daly (2027 voter) said on Friday that businesses are cautiously optimistic and consumers are nervous about the economy, but added that spending is a strong pillar, and that the outlook depends on how long oil prices climb and how long the conflict will persist.
- US President Trump signed an executive order to accelerate access to research on psychedelic drugs, while the order directs the FDA to expedite review of psychedelic drugs being tested for a variety of treatments, including for PTSD and depression.

COMMODITIES

- US Treasury Department extended the issuance of Russia-related general licence to May 16th, authorising the sale of some Russian oil.
- US Energy Secretary Wright said US gasoline prices may remain at USD 3 per gallon or more until next year.
- IEA chief Birol proposed building a new oil pipeline linking Basra oil fields and Turkey's Ceyhan oil terminal.

GEOPOLITICAL

RUSSIA-UKRAINE

- Ukrainian President Zelensky said Russia appears to be regrouping forces and that Russian forces are showing greater activity in Belarus, while Ukraine believes Russia will once again try to involve Belarus in the war.

OTHER

- North Korea conducted a missile test in which multiple ballistic missiles were launched off its east coast.

ASIA-PAC

NOTABLE HEADLINES

- China is to further improve its policy to better regulate live hog capacity.

EU/UK

NOTABLE HEADLINES

- UK cabinet ministers backed PM Starmer amid increased calls for him to resign following the Mandelson vetting scandal, while it was separately reported by The Telegraph that Starmer knew about Mandelson red flags.
- UK Chancellor Reeves is to meet with the executives of the largest UK banks on Wednesday as the Iran crisis weighs on the UK economy, according to Sky.
- ECB's Demarco said market bets on two rate hikes are not unreasonable, and given the high uncertainty over the Iran war, the ECB would be better off waiting a little longer before raising rates rather than acting too soon.
- ECB's Kazaks said on Friday that it is not certain the next rate move will be a hike, while he would not object to bets of two hikes this year, and hasn't seen much yet in the way of spillovers.
- ECB's Kocher said on Friday that the baseline scenario is the best-case scenario and warned against pre-emptive ECB rate action on uncertainty.
- Moody's lowered Belgium's sovereign rating by one notch from Aa3 to A1; Outlook revised to Stable from Negative.

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