

## SNAPSHOT

STOCKS			
S&P 500	-0.6%	Nasdaq Comp.	-0.6%
DJIA	-0.6%	Russell 2000	-1.0%
ES Jun'26	-0.4%	RTY Jun'26	-0.6%
NQ Jun'26	-0.1%	YM Jun'26	-0.3%

  

FX			
DXY	+0.3% (98.39)	EUR/USD	-0.4%
USD/JPY	+0.4%	GBP/USD	-0.2%

  

BONDS			
US T-Note Jun'26	-11.5 ticks	10yr Bund Jun'26	-50 ticks
US 10yr Yield	4.29%	German 10yr Yield	3.01%

  

ENERGY & METALS			
WTI Jun'26	+3.2%	Brent Jun'26	+3.6%
Spot Gold	-2.1%	LME Copper	-0.9%

  

CRYPTO			
Bitcoin	-0.3%	Ethereum	Flat

As of 21:50BST/16:50EDT

## LOOKING AHEAD

- Highlights include Japanese Trade Data, Australian MI Leading Index, Supply from Australia.
- [Click for the Newsquawk Week Ahead.](#)

## IRAN CONFLICT

- US President Trump said the US have been asked to hold their attack on Iran until such time as their leaders and representatives can come up with a unified proposal, while he extended the ceasefire until such time as their proposal is submitted, and discussions are concluded, one way or the other, but has instructed the military to continue the blockade.
- US Vice President Vance called off his trip to Pakistan, according to a US official cited by AP, while it was also reported that VP Vance's trip to Pakistan was postponed indefinitely, according to Axios' Ravid citing a US source.
- Iran's decision not to attend Pakistan on Wednesday is final, while the negotiating team announced to the American side through the Pakistani intermediary for various reasons that it will not be present in Islamabad, on Wednesday, and there is currently no prospect of participating, according to Tasnim.
- Regional mediators, led by Pakistan, are racing to try to convince Iran to join talks with the US in Islamabad this week, after Tehran said it won't send its delegation before the blockade on its ports is lifted, according to WSJ.
- US President Trump said Iran has violated the ceasefire numerous times. Trump separately commented that he thinks they will end up with a great deal, and Iran has no choice, it is regime change no matter what you want to call it. Trump added they are in a strong negotiating position and that the naval blockade has been successful, while he does not want to extend the ceasefire and stated there is not that much time.
- US President Trump said the actions in Iran are justified, despite the impact on the market and energy prices from it, while he added that administration officials understood that it had to happen, and they have "totally won the war". Trump also commented that a currency swap with the UAE is being considered, and if he could help the UAE, he would. Furthermore, he stated that Saudi Arabia is helping with regard to the Strait and that Saudi Arabia is not asking for anything, while NATO is not helping.

- US President Trump posted "To the Iranian leaders, who will soon be in negotiations with my representatives...would appreciate the release of these women...would be a great start to our negotiations".
- US VP Vance's diplomatic trip to Islamabad has been put on hold after Tehran failed to respond to American negotiating positions, according to NYT citing a US official, while the diplomatic process is in effect paused, though the trip has not been cancelled. There were earlier unconfirmed reports that US VP Vance is to depart for Pakistan on Wednesday morning, while Axios's Ravid noted that sources said Iran signalled in private yesterday that it is coming, but today said it's not coming.
- US VP Vance has for now paused plans to travel to Pakistan on Tuesday for negotiations with Iran over ending the war, and Trump is privately discussing cancelling the trip altogether, according to WSJ citing a source.
- It was previously reported that the US/Iran ceasefire was reportedly scheduled to end at 16:50EDT on Wednesday, according to NY Post citing three Pakistani sources, although the White House did not respond to multiple requests for confirmation.
- US blockade of the Strait of Hormuz has contributed to the ongoing uncertainty surrounding a second round of talks between Iranian and American negotiators, according to CNN citing officials familiar with the matter.
- Iran FM Araghchi said blockading Iranian ports is an act of war and thus a violation of the ceasefire, while he added that striking a commercial vessel and taking its crew hostage is an even greater violation. He also commented that Iran knows how to neutralise restrictions, how to defend its interests, and how to resist bullying.
- Iranian Foreign Ministry spokesperson said a definitive decision to participate or not in the negotiations has not yet been made, according to Fars.
- Iran's UN envoy said the US has privately indicated to Iranians that it would soon lift its blockade, which is a demand Tehran has made for returning to the negotiations in Islamabad, according to AP's Farnoush Amiri.
- Iranian senior official said Pakistan's efforts to persuade the US to lift the naval blockade, release the Iranian ship and its crew have not yet yielded results, according to reports.
- Tehran had initially told mediators that it would send a delegation to Pakistan on Tuesday for talks, but later informed them that the US would have to lift its blockade on Iran ports, according to officials cited by WSJ.
- Iran's Khazrian, a member of the Parliament's National Security Commission, said under the current conditions, Iran has no intention of participating in the negotiations unless the conditions change, according to Fars News.
- Iran prepares new surprises for the possibility of restarting the war, according to Tasnim, while it stated that "Iran has always considered the possibility of war to be strong over the past two weeks".
- Commander of IRGC Aerospace Force warned Gulf Arab states against using enemy facilities to attack Iran, and said they would have to say goodbye to oil production, according to Mehr News.
- US source noted difficult debates at the top of the Iranian government between senior officials.
- Pakistani source said it is too early to talk about the failure of the second round of negotiations and they have not received any apology from either the American or Iranian side for not participating, according to Al Hadath.
- Pakistan-led mediators received confirmation earlier that top negotiators US VP Vance and Iran's parliament speaker Ghalibaf, will arrive in Islamabad early on Wednesday to lead their teams in the peace talks, according to AP citing officials.
- Israeli senior diplomatic source said the chances that the US and Iran will bridge their differences and reach an agreement, or even a framework agreement, are very low to non-existent.
- Israeli army said Hezbollah fired rockets towards our forces in Rabaa al-Thalathin, southern Lebanon, south of the advanced defence line, according to Al Jazeera.
- EU's Kallas said EU ministers reached an agreement to widen sanctions on Iran to include breaches of freedom of navigation.

## US TRADE

- US stocks were lower and oil prices remained supported amid ongoing uncertainty around US/Iran talks, with both assets paring earlier extremes before renewed late-session volatility. Crude initially eased on reports that the US may be willing to lift its blockade, but later rallied after Tasnim reported Iran's decision not to attend talks was final, while AP noted Vice President Vance has called off his planned trip to Pakistan. However, after the US cash market closed, equity futures were supported, and crude futures pared some of their gains as Trump announced to extend the ceasefire until discussions are concluded, but continued the naval blockade.
- SPX -0.63% at 7,064, NDX -0.42% at 26,479, DJI -0.59% at 49,150, RUT -1.01% at 2,765.
- [Click here for a detailed summary.](#)

## TARIFFS/TRADE

- US President Trump said regarding tariffs that Switzerland should pay much more, and will get that up a little bit.

## NOTABLE HEADLINES

- US President Trump said Fed Chair nominee Warsh is great and he will do a great job, while he added that Warsh had been in favour of rate increases to stop inflation in the past, which is "sort of effective". Furthermore, Trump said the US should always have the lowest interest rate globally.
- Fed Chair Nominee Warsh said past experience at the Fed allows him to hit the ground running, and they have a short window to bring inflation back down, while he said balance sheets should be smaller, and they should not hold long-term treasuries. Warsh also commented that rate decisions are very hard calls, and when asked about a WSJ article back in December, he responded that reporters who said that Trump pressed him to cut rates need better sources, while he added that Trump never asked him to commit to a rate cut at any particular meeting, and he would never do that. Furthermore, Warsh said his disagreements with current Chair Powell are about policy, while he added that the trajectory of inflation is improving, but there is more work to do. He also stated that the Fed does not have a legal right to issue digital currency, and it would be a bad

policy choice.

## DATA RECAP

- US Retail Sales MoM (Mar) M/M 1.7% vs. Exp. 1.4% (Prev. 0.6%, Low. 0.4%, High. 2.0%)
- US Pending Home Sales MoM (Mar) M/M 1.5% vs. Exp. 0.1% (Prev. 1.8%, Low. -2.0%, High. 1.7%)
- US Pending Home Sales YoY (Mar) Y/Y -1.1% (Prev. -0.8%)
- US Retail Inventories Ex Autos MoM (Feb) M/M 0.3% vs. Exp. 0.3% (Prev. 0.3%)
- US Business Inventories MoM (Feb) M/M 0.4% vs. Exp. 0.3% (Prev. -0.1%, Low. 0.0%, High. 0.6%)

## FX

- **USD** strengthened as geopolitics once again dominated the tape and price action, while the focus was on the US and Iran, as Islamabad talks were initially for Wednesday, although US VP Vance's trip was indefinitely postponed, while it was also reported that Iran's decision not to attend the talks was final. There was a further bout of volatility seen in late trade after US President Trump announced to extend the ceasefire until negotiations conclude, but also instructed the military to continue to blockade. Elsewhere, US Retail Sales beat expectations, though the rise was driven by a hefty jump in petrol prices, while pending home sales also impressed, and Fed Chair nominee Warsh appeared before the Senate, where he largely stressed the importance of Fed independence, stating several times that he would not let the president dictate his decisions on interest rates.
- **EUR** trickled lower throughout the day but with price action kept within the 1.1700 handle, while the single currency was not helped by the recent weak German and EU ZEW surveys.
- **GBP** softened in choppy price action on both sides of the 1.3500 level, with participants now awaiting UK CPI data.
- **JPY** weakened with USD/JPY back above the 159.00 level amid the firmer buck and upside in oil prices, while there were a couple of source reports that continued to point to the BoJ holding off on hiking rates next week.

## FIXED INCOME

- **T-notes** settled lower and the yield curve flattened as prospects of US/Iran talks faded ahead of the ceasefire deadline, although Trump later announced to extend the ceasefire, despite talks in Islamabad being called off.

## COMMODITIES

- **Oil prices** were firmer after a choppy trading session amid continued conflicting reports over the likelihood of US-Iran talks in Islamabad, while it was later reported that VP Vance's trip to Islamabad was postponed indefinitely and US President Trump announced an extension to the ceasefire but said the blockade will remain in place.
- **Ukrainian President Zelensky said repair work on the Druzhba pipeline was completed**, and operations may resume.

## GEOPOLITICAL

### RUSSIA-UKRAINE

- **Ukrainian drones reportedly hit an oil dispatch facility in Russia's Samara region.**

## ASIA-PAC

### NOTABLE HEADLINES

- **BoJ is to hold rates steady in April and is to make a decision in June after assessing the situation in the Middle East**, according to Nikkei sources.
- **BoJ is reportedly set to stay on hold in April but keep a hawkish stance, while some officials still favour increasing rates in April, as they expect the Middle East shock to push prices higher. Furthermore, officials remain committed to further hikes when conditions allow**, while it was suggested that a June move becomes more likely if the economy holds up, according to Bloomberg citing sources.
- **China Vanke bondholders approved the proposal to repay 40% of the April 23rd yuan bond repayment, and extend the remainder by one year.**

## EU/UK

### NOTABLE HEADLINES

- **Former UK Foreign Ministry official Ollie Robbins said there was a "dismissive attitude" from Number Ten towards Mandelson's vetting as they wanted to get him out to Washington as quickly as possible**, while the Foreign Office was under constant pressure from the PM's office to get Peter Mandelson cleared to become US ambassador. Furthermore, Robbins said the Cabinet Office suggested Peter Mandelson not be vetted at all, but the Foreign Office overruled it.
- **ECB's de Guindos said high market valuations, private credit and fiscal policy are among the financial stability risks, while he said monetary policy must be prudent and should keep a cool head.**

## DATA RECAP

- UK Employment Change (Feb) 25K (Prev. 84K)
- UK Unemployment Rate (Feb) 4.9% vs. Exp. 5.2% (Prev. 5.2%, Low. 5.1%, High. 5.3%)
- UK Average Earnings incl. Bonus (3Mo/Yr) (Feb) 3.8% vs. Exp. 3.6% (Prev. 3.9%, Low. 3.3%, High. 4.0%)
- UK Average Earnings excl. Bonus (3Mo/Yr) (Feb) 3.6% vs. Exp. 3.5% (Prev. 3.8%, Low. 3.5%, High. 3.9%)
- German ZEW Economic Sentiment Index (Apr) -17.2 vs. Exp. -5 (Prev. -0.5, Low. -20, High. 10)
- German ZEW Current Conditions (Apr) -73.7 vs. Exp. -70 (Prev. -62.9, Low. -74, High. -59)
- EU ZEW Economic Sentiment Index (Apr) -20.4 vs. Exp. -3.6 (Prev. -8.5, Low. -37.1, High. 5.0)

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