

SNAPSHOT

STOCKS			
Nikkei 225	+0.2%	ASX 200	-1.0%
Hang Seng	-1.3%	Shanghai Comp	+0.3%
Euro Stoxx 50 Jun'26	+0.1%	DAX Jun'26	+0.1%
ES Jun'26	+0.6%	NQ Jun'26	+0.8%

FX			
DXY	-0.2% (98.25)	EUR/USD	+0.1% (1.1756)
USD/JPY	-0.1% (159.14)	GBP/USD	+0.2% (1.3526)

BONDS			
US T-Note Jun'26	+3 ticks	Bund Jun'26	+10 ticks
US 10yr Yield	4.28%	German 10yr Yield	3.02%

ENERGY & METALS			
WTI Jun'26	-2.1%	Brent Jun'26	-1.9%
Spot Gold	+1.1%	LME Copper	+0.2%

CRYPTO			
Bitcoin	+2.4%	Ethereum	+3.1%

As of 06:30BST / 01:30EDT

LOOKING AHEAD

- Highlights include UK Inflation (Mar), South African Inflation (Mar), EZ Consumer Confidence (Apr), CBRT Policy Announcement (Apr), Bank of Indonesia Policy Announcement (Apr), Speakers including BoE's Breeden, ECB's Lagarde, Elderson, Lane & Cipollone, Supply from Germany & US, Earnings from Vertiv, Boeing, GE Vernova, AT&T, Tesla, ServiceNow, IBM, L'Oreal, Danone, Accor & Akzo Nobel.
- [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 President Trump posted "Iran is collapsing financially! They want the Strait of Hormuz opened immediately- Starving for cash! Losing 500 Million Dollars a day. Military and Police complaining that they are not getting paid. SOS!!!"
- US President Trump posted "Iran doesn't want the Strait of Hormuz closed, they want it open so they can make \$500 Million Dollars a day (which is, therefore, what they are losing if it is closed!) They only say they want it closed because I have it totally BLOCKADED (CLOSED!), so they merely want to "save face." People approached me four days ago, saying, "Sir, Iran wants to open up the Strait, immediately." But if we do that, there can never be a Deal with Iran, unless we blow up the rest of their Country, their leaders included!
- Iran received 'some sign' the US is ready to break the blockade, Tasnim reports.
- 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's Ravid citing a US source.
- US VP Vance's diplomatic trip to Islamabad was put on hold after Tehran failed to respond to American negotiating positions, according to NYT citing a US official, while it was stated that the diplomatic process is in effect paused, though the trip has not been cancelled. There were also prior unconfirmed reports that Vance is to depart for Pakistan on Wednesday morning.

- **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.
- **Fox News cited sources that stated President Trump's decision not to resume strikes on Iran for now is a last chance for peace that Trump is giving to the Iranian people, but the ceasefire will be short-term unless an agreement is reached shortly.**
- **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.
- **Iranian Parliament Speaker Ghalibaf's advisor said Trump's decision to extend the ceasefire makes no sense and that the extension is an attempt to buy time for a surprise attack, and that Iran currently holds the initiative.**
- **Iranian Foreign Minister 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, as well as stated that Iran knows how to neutralise restrictions, defend its interests, and resist bullying.**
- **Iran's top joint military command spokesperson said they are warning against repeated threats of the US President and army commanders, and that their capable and powerful forces have been 100% ready and on the trigger for a long time.** Furthermore, the spokesperson said in the case of aggression and any action against Iran, they will immediately attack the predetermined targets and teach the aggressor, America and the Israeli regime another lesson.
- **Iranian Parliament's National Security and Foreign Policy Commission member Khazarian said that while Trump is announcing the end of the ceasefire unilaterally, at the same time, he raised the maritime blockade, which is a ridiculous contradiction.** Khazarian added it means that both this is a military action and there is a silent war against Iran, while he expects that Iran will not respond and adhere to the ceasefire, as well as stated that this issue is not accepted by Iran.
- **Iran's UN envoy said the US had 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.**
- **Iranian TV stated that Iran will not recognise the ceasefire announced by Trump and may not abide by it and will act in accordance with its national interests, according to Al Mayadeen.** Furthermore, Tasnim separately noted that the continuation of the naval blockade means continuation of hostilities, while it added that Iran will not reopen the Strait of Hormuz as the maritime blockade continues and will break the blockade by force if necessary.
- **IRGC Aerospace Force Commander warned Gulf Arab states against using enemy facilities to attack Iran, and that they would have to say goodbye to oil production, according to Mehr News.**
- **Pakistan's PM said he thanked US President Trump for accepting requests to extend the ceasefire, while he added that they will continue serious efforts to reach a negotiated solution to the conflict, and they hope that both sides can reach a comprehensive peace agreement.**
- **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.**
- **Regional mediators, led by Pakistan, were 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 Treasury Secretary Bessent said Iran must be held accountable for its extortion of global energy markets and indiscriminate targeting of civilians with missiles and drones.**
- **US Secretary of State Rubio will join talks between Israel and Lebanon on Thursday.**
- **US blocks Iraq's dollar shipments to squeeze its Iran-backed militias and suspends security cooperation with Baghdad, in an escalating pressure campaign, according to WSJ.**
- **EU's Kallas said EU ministers reached an agreement to widen sanctions on Iran to include breaches of freedom of navigation.**
- **UK will host military planners from over 30 countries on Wednesday to develop a mission to reopen the Strait of Hormuz, according to The Times.**
- **Ukraine is ready to send ships from the UK to help reopen the Strait of Hormuz, in which four minehunters docked in Portsmouth could form part of a British-French led mission after tensions with Iran have calmed.**
- **UKMTO said it received information about an incident 15 nautical miles to the northeast of Oman in which a container vessel was approached by a single IRGC gunboat, while gunfire struck the vessel and severely damaged the bridge.**

US TRADE

EQUITIES

- **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 an extension of 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

- **USTR Greer called on US allies to pay more for critical minerals and said a 'security premium' was needed to counter reliance on Chinese supplies, according to FT**

NOTABLE HEADLINES

- **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 said the Fed's balance sheet has played an unhelpful role in achieving the dual mandate and he prefers using interest rates as a dominant force, as well as stated that a broader range of people would benefit if they were to cut rates.
- **US Senate voted 52-46 to advance GOP budget bill for ICE and Border Patrol.**

APAC TRADE

EQUITIES

- **APAC stocks** traded mixed as participants reflected on the latest geopolitical developments, including the collapse of peace talks in Islamabad, while US President Trump announced an extension of the ceasefire until discussions conclude, but will maintain the naval blockade in Hormuz
- **ASX 200** declined with the index dragged lower by underperformance in health care and the top-weighted financial industry, while the mining sector was rangebound despite gains in BHP following its quarterly production update.
- **Nikkei 225** initially clawed back losses and printed a fresh record high with some encouragement from stronger-than-expected Exports and Imports data from Japan, while recent source reports continued to point to the central bank refraining from hiking rates next week.
- **Hang Seng** and **Shanghai Comp** were mixed with the Hong Kong benchmark the underperformer, as tech weakness clouded over the strength seen in the Chinese oil majors, while the mainland was kept afloat in rangebound trade with very few fresh China-specific catalysts.
- **US equity futures** recouped some of yesterday's losses with some relief seen after US President Trump extended the ceasefire indefinitely, despite the collapse of Islamabad talks.
- **European equity futures** indicate a lower cash market open with Euro Stoxx 50 futures up 0.1% after the cash market closed with losses of 0.9% on Tuesday. Most recently, upticks were seen on reports that Iran received 'some sign' the US is ready to break the blockade.

FX

- **DXY** took a breather after strengthening yesterday as geopolitics once again dominated the tape and price action, in which the focus was on the US-Iran Islamabad talks, which were set for Wednesday, but ultimately collapsed after it was reported that Iran's decision not to attend the talks was final and US VP Vance's trip was indefinitely postponed. There was also a further bout of volatility in markets after President Trump announced an extension of the ceasefire until negotiations conclude, but also instructed the military to continue to blockade. Outside of geopolitics, data showed 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 and stated several times that he would not let the president dictate his decisions on interest rates. Most recently, downticks were seen on reports that Iran received 'some sign' the US is ready to break the blockade.
- **EUR/USD** rebounded off its recent trough after trickling lower for most of the prior day, with the single currency not helped by the weak ZEW surveys, while several ECB speakers are scheduled later.
- **GBP/USD** remained afloat around the 1.3500 focal point, where price action has been choppy and with participants now awaiting UK inflation data.
- **USD/JPY** paused overnight after returning to above the 159.00 level, and as a couple of recent source reports continued to point to the BoJ holding off on hiking rates next week.
- **Antipodeans** nursed some of the prior day's losses but with upside contained amid the mixed risk appetite and lack of relevant tier-1 data.
- **PBoC** set USD/CNY mid-point at 6.8635 vs exp. 6.8233 (Prev. 6.8594)

FIXED INCOME

- **10yr UST futures** traded little changed after recent declines and curve flattening as prospects of US/Iran talks faded ahead of the ceasefire deadline, although Trump later announced an extension of the ceasefire, despite the collapse of planned talks in Islamabad. Furthermore, there were several data releases, including better-than-expected Retail Sales, which were driven by a large jump in petrol prices, while participants now look ahead to a 20yr auction stateside. Most recently, upticks were seen on reports that Iran received 'some sign' the US is ready to break the blockade.
- **Bund futures** remained lacklustre after slipping back beneath the 126.00 level, and with Bund issuances scheduled later.
- **10yr JGB futures** tracked the recent downside in global peers, while the latest trade data also showed stronger-than-expected Japanese exports and imports.

COMMODITIES

- **Crude futures** were rangebound after the prior day's positive, but choppy performance amid conflicting reports over US-Iran talks in Islamabad, although it was reported that Iran's decision not to attend talks in Pakistan on Wednesday was final and that VP Vance's trip to Islamabad was postponed indefinitely. Furthermore, US President Trump announced an extension of the ceasefire despite the breakdown of talks, but instructed the military to continue the naval blockade. Most recently, downticks were seen on reports that Iran received 'some sign' the US is ready to break the blockade.

- **US President Trump considers extending waivers to ease US oil shipments**, according to Axios
- **US Private Energy Inventories (bbls)**: Crude -4.5mIn (exp -1.8mIn), Distillate -4.6mIn (exp. -2.5mIn), Gasoline -5.2mIn (exp. -1.3mIn), Cushing +0.7mIn.
- **Spot gold** rebounded from a brief dip beneath the USD 4,700/oz level after suffering yesterday alongside the upside seen in oil, yields and the dollar.
- **Copper futures** clawed back recent losses with futures returning to above the USD 6/lb level amid some relief following Trump's ceasefire extension, despite the breakdown of talks.

CRYPTO

- **Bitcoin** climbed higher during Asia-Pac hours and returned to above the USD 77,000 level.

NOTABLE ASIA-PAC HEADLINES

DATA RECAP

- Japanese Balance of Trade (JPY) (Mar) 667.0B vs. Exp. 1106B (Prev. 57.3B, Low. 700B, High. 5306B)
- Japanese Exports YY (Mar) 11.7% vs. Exp. 11% (Prev. 4.2%, Low. 6.4%, High. 14.2%)
- Japanese Imports YY (Mar) 10.9% vs. Exp. 7.1% (Prev. 10.2%, Low. 3.8%, High. 10.1%)

EU/UK

NOTABLE HEADLINES

- **ECB's Kazaks said the central bank has the "luxury" of not needing to rush to raise interest rates**, and he sees no rush to respond to higher energy prices driven by the Iran war, according to FT.
- **European Commission will unveil a package of measures today aimed at offsetting surging energy prices**, according to Reuters.

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