

SNAPSHOT

STOCKS			
Nikkei 225	+1.7%	ASX 200	-0.2%
Hang Seng	-0.1%	Shanghai Comp	+0.2%
Euro Stoxx 50 Jun'26	+0.1%	DAX Jun'26	+0.2%
ES Jun'26	U/C	NQ Jun'26	+0.2%

FX			
DXY	-0.1% (98.46)	EUR/USD	+0.1% (1.1725)
USD/JPY	-0.1% (159.28)	GBP/USD	+0.1% (1.3536)

BONDS			
US T-Note Jun'26	-3 ticks	Bund Jun'26	-12 ticks
US 10yr Yield	4.32%	German 10yr Yield	2.99%

ENERGY & METALS			
WTI Jun'26	+1.5%	Brent Jun'26	+1.8%
Spot Gold	+0.2%	LME Copper	+0.2%

CRYPTO			
Bitcoin	-0.6%	Ethereum	-0.9%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include German GfK Consumer Confidence (May), US Dallas Fed Manufacturing Index (Apr), Supply from the EU & US.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- Iran has communicated a three-stage negotiation process to the US through intermediaries, according to Al Mayadeen citing Iranian reports. The first stage would focus on ending the war and receiving guarantees to prevent recurrence. Second stage is to be focused on the Strait of Hormuz while the third stage would lead to the nuclear issues. Axios later announced a similar report, adding that US President Trump is to hold a situation room meeting on Iran on Monday.
- US President Trump cancelled sending Steve Witkoff and Jared Kushner to Pakistan for talks with Iran, saying there would be "too much time wasted on travelling". Trump said the US "has all the cards" and Iran "has none", adding that "if they want to talk, all they have to do is call". Trump later said the US would not travel "15, 16 hours" to meet "people nobody's ever heard of", adding that US envoys were not meeting Iran's actual leader. Trump claimed Iran sent a "much better" offer within 10 minutes of him cancelling the envoys' trip, but said Iran had offered "a lot but not enough".
- US President Trump said Iran wants to talk and see if they can make a deal, US officials negotiating with Iran are dealing with the people who are in charge now. He also stated that Iran plans to make an offer aimed at resolving US demands, according to Reuters.
- Iran's Foreign Minister Araghchi posted on X that discussions in Oman included focusing on ways to ensure the safe transit through Hormuz and that neighbours are the priority. He later stated in Russia, ahead of his meeting with Russian President Putin, that the visit to Islamabad was very good, in which conditions were reviewed for US-Iran talks to continue.
- Iranian Foreign Minister Araghchi described his Pakistan visit as "very fruitful" and said Iran had shared a "workable framework to permanently end the war." According to reports citing Pakistani officials, Araghchi laid out Tehran's negotiating demands as well as its reservations about US demands. In other talks, IRNA reported that the FM will travel to Muscat and

Moscow to hold bilateral conversations, discuss current developments in the region, and the latest situation regarding the war.

- **A trilateral meeting with the US, Iran and Pakistan will be considered only after Pakistan meet with Araghchi, a meeting between the US and Iran may not take place until Monday**, Axios reported. US Special Envoy Witkoff and Kushner is to hold separate talks with Pakistan on Sunday.
- **Axios reported that a US official and a source said Ghalibaf grew frustrated with the infighting in the Iranian leadership after the previous round of talks, and even threatened to step aside.** It still remains unclear if he is the lead Iranian negotiator.
- **Iranian F-5 fighter jet reportedly breached US air defences and hit a US military base in Kuwait**, according to Press TV.
- **Traffic passing through the Strait of Hormuz has come to a near-complete stop**, Bloomberg reported citing tracking data, with only a small chemicals and oil-product tanker leaving the Persian Gulf. Further, Iran is continuing to fill supertankers at terminals in Kharg Island.
- **US Central Command said a merchant vessel, named the M/V Sevan, was intercepted in the Arabian Sea**. The vessel was intercepted by a US Navy helicopter from a guided-missile destroyer.
- **IRGC reportedly seized the ship "EPAMINODES" which is suspected of collaborating with the US**, Tasnim reported. The ship ignored warnings and numerous maritime violations.
- **UKMTO reported an incident occurring 6NM northeast of Somalia**, where unknown persons seized the cargo ship and diverted it into territorial waters.
- **Germany's Defence Minister Pistorius said Germany is to deploy a minesweeper to the Mediterranean as preparation for a potential international mission in the Strait of Hormuz.** This came following comments by Germany's navy commander confirming readiness to participate in a mine-clearing mission in the Strait of Hormuz.
- **Hezbollah said they targeted a gathering of Israeli enemy vehicles and soldiers with a guided missile in Tel al-Nahas in southern Lebanon.**
- **Israel and Hezbollah accused each other of ceasefire violations.**
- **Israeli PM Netanyahu told the IDF to strike Hezbollah targets "with force" after rockets and drones were launched at northern Israel.**
- **Israel said it struck Hezbollah infrastructure across southern Lebanon**, including launchers and weapons facilities.
- **The IDF said two projectiles were fired from Lebanon towards Israel**, with one intercepted and one landing in an open area.
- **Israeli military reported hostile aircraft infiltration sirens sounded in northern Israel communities.**
- **Israel again attacks southern Lebanon**, claiming retaliation for overnight rocket fire, Al Jazeera reported.

US TRADE

EQUITIES

- **US stocks ended Friday firmer as sentiment improved on hopes of progress in US-Iran negotiations, driving a risk-on tone across assets.** Tech outperformed after strong INTC earnings lifted the chip sector. Gains in Qualcomm (QCOM) also helped the tech sector after the Co.'s ARM data centre CPU is scheduled to launch in June.
- **SPX +0.80% at 7,165, NDX +1.95% at 27,304, DJI -0.16% at 49,230, RUT +0.43% at 2,787.**

TARIFFS/TRADE

- **US President Donald Trump posted that SCOTUS tariff decision would cost the US USD 159bln, adding that the US should not have to pay back already paid monies, and that USD 159bln is more than most countries are worth.**
- **EU Trade Commissioner Sefcovic said he discussed critical minerals and steel with US Commerce Secretary Lutnick, and the EU and US agreed to accelerate discussions on steel derivatives.**
- **China's MOFCOM issued a statement on the EU Industrial Accelerator Act, calling it discriminative for trade.** The statement went on to say that China will closely monitor and engage in dialogue with the EU but threatens countermeasures if the EU presses ahead.
- **China is reportedly set to restrict US investment in key domestic tech firms**, Bloomberg reported. China sent notices to Moonshot, Stepfun among others.
- **China has placed seven EU companies to its export control list**, according to SCMP. This comes after the EU added Chinese entities to its 20th sanctions package against Russia. China also vowed to take necessary measures. - **India and New Zealand have signed an FTA**, lowering and eliminating tariffs across a range of goods, and granting 100% duty-free access for Indian exporters.

CENTRAL BANKS

- **White House Press Secretary said the Fed case is not necessarily dropped**, it is in best interest of taxpayer to get to the bottom of the Fed case. Senator Tillis should do the right thing over Warsh.
- **Senator Tillis said he is dropping his decision to block the nomination of Kevin Warsh as Fed Chair following the DoJ's decision to drop the criminal case against current Fed Chair Powell.** He states that he is looking forward to supporting Kevin Warsh's confirmation.
- **US Treasury Secretary Bessent said he wouldn't say no to being Fed Chair at a later date**, WSJ reported, while also adding that he has no interest in the presidency.

NOTABLE HEADLINES

- **US President Trump was rushed to safety from the White House Correspondents' Dinner after gunshots were reported at the Washington Hilton.**

- **US State Department reportedly ordered a global warning over alleged AI IP theft involving DeepSeek and other Chinese firms,** according to Reuters citing sources.
- **A group of budget airlines have requested USD 2.5bln in federal assistance in exchange for convertible warrants,** WSJ reports citing sources. However, Southwest Airlines (LUV) later said that the Co. is not part of the US budget carriers seeking government aid.

APAC TRADE

EQUITIES

- **Asia-Pac stocks** pointed to a broadly positive start of the week, mainly spurred by an Axios report detailing that Iran gave the US a new proposal, through Pakistani mediators, for reaching a deal on reopening the Strait of Hormuz and ending the war. It is a three-stage proposal, with the halting of the war and focus on the Strait of Hormuz highlighted as the key points before the third stage of nuclear issues.
- **ASX 200** was the underperformer, being weighed on by losses in Energy and Utilities following Friday's risk-on sentiment hitting energy prices. Among the weakness, Atlas Arteria outperformed after IFM investors offers to buy the Co. for AUD 4.75/security.
- **Nikkei 225** initially traded with a lack of direction before being boosted following the Axios report. The index has regained the 60,000 handle and continued to gain towards 61,000.
- **KOSPI** was the clear outperformer as it tracks its peers' stateside. This was spearheaded by Intel (INTC) after the Co. reported positive Q1 earnings and beat forecasts.
- **Hang Seng** and **Shanghai Comp.** traded with mild gains. Chips across Asia are performing well, with China's SMIC also benefiting from the announcement that DeepSeek's V4 is adapted to run on Huawei chips.
- **US equity futures** reversed the losses seen at the start of futures trade, as ES held above 7,200.
- **European equity futures** are indicative of a slightly firmer open with the Euro Stoxx 50 future +0.5% after cash closed -0.2% on Friday.

FX

- **DXY** gapped higher but was then under immediate pressure, falling from an open of 99.33 to slip back below 98.50.
- **EUR/USD** found support at 1.1705 before regaining the 1.1720 handle as the Axios report further spurred a weaker greenback. This week's focus will lie on the ECB policy announcement, in which policymakers are expected to keep rates steady, and the PMIs later in the week.
- **GBP/USD** managed to open above the 1.35 handle and has since bid higher to a peak of 1.3548. British politics still remains at the front of investors' minds, with local elections set for May 7th. However, the more imminent event lies on Thursday, 30th, in which the BoE is expected to keep rates on hold at 3.75%.
- **USD/JPY** reversed earlier gains and slipped back below 159.20, ahead of the BoJ meeting in which the Bank is expected to maintain rates at 0.75%.
- **Antipodeans** outperformed, supported by the positive risk tone spread across markets following the Axios report.
- **CNH**, similarly to its global peers, began weaker against the greenback but then reversed the losses. Other than the Axios report, the stronger-than-expected Yuan fixing helped pressure USD/CNH to a session low of 0.8249.

FIXED INCOME

- **USTs** traded with modest losses, however, off worst levels, as energy continues to drive the price action in the fixed income space. USTs oscillated in a 111-01+ to 111-05+ range.
- **Bund Futures** found support at 125.55 and has steadily bid higher towards Friday's settlement at 125.63. German GfK awaits, expectations at -29.5, slipping from a prior -28.
- **JGB Futures** lagged behind their US and German peers, falling below the 130 handle on the open to an initial trough of 129.75 before forming a new leg lower.
- **Bloomberg reported that China delayed foreign debt sales with USD 100bln of bonds due.**

COMMODITIES

- **Crude futures** started that Asia-Pac session with gains as much as USD 2/bbl amid dim prospects of another round of US-Iran talks. This came after US President Trump announced that he would not be sending Special Envoy Witkoff and Jared Kushner to Islamabad, saying there would be "too much time wasted on travelling." **WTI** and **Brent** peaked at USD 96.68/bbl and USD 107.97/bbl, respectively. Energy prices have since ground lower, with a limited reaction seen following the Axios report detailing that Iran gave the US a new proposal, through Pakistani mediators, for reaching a deal on reopening the Strait of Hormuz and ending the war.
- In other news, **the ceasefire between Lebanon and Israel has seemingly broken down, with both sides continuing to fire missiles.** More recently, it has been reported that Israeli artillery shelling has targeted eastern Gaza city, while Hezbollah announced they targeted a gathering of Israeli enemy vehicles and soldiers with a guided missile in Tel al-Nahas in southern Lebanon.
- **Precious Metals** have completely reversed the earlier losses and now point to modest gains as a softer dollar supports the metals space. **Spot gold** fell from USD 4720/oz to a session low of USD 4672/oz but then reversed beyond its opening price.
- **3M LME Copper** started on the backfoot but now trades at session highs, breaking through the intraday resistance of USD

13.35k/t. The lift in the red metal came amid the constructive risk tone following the Axios report.

- **Goldman Sachs raises its Brent forecast to USD 100/bbl this quarter and USD 90/bbl in Q4**, due to prolonged disruption in the Strait of Hormuz and extreme inventory draws.
- **Citi raises its base case average Brent price forecasts to USD 110/bbl for Q2, USD 95/bbl for Q3, USD 80/bbl for Q4.**

CRYPTO

- **Bitcoin extends above USD 79k amid the positive risk tone.**

NOTABLE ASIA-PAC HEADLINES

- **DeepSeek's delayed V4 release pointed to a strategic shift towards Huawei's Ascend chips, moving to deeper integration with China's domestic chip ecosystem**, according to a CCTV-affiliated account.
- **China announced a framework for new employment groups**, including delivery riders and livestreamers, to standardise contracts, fair pay and stronger labour protections.
- **Chinese Securities Regulator said that China is to allow qualified foreign investors to trade treasury futures from April 24, 2026, for hedging purposes only.**
- **China unveiled an all-iron flow battery that could significantly reduce the cost of storing renewable energy while extending the lifespan**, SCMP reported.
- **Australia announced that it is to spend AUD 1.2bn to buy around 300 armoured Bushmaster vehicles**, made by Thales (HO FP), and upgrade current armoured trucks for the Army.

DATA RECAP

- **Chinese Industrial Profits (Mar) Y/Y 15.8%**; industrial profits at large firms in March posted the fastest Y/Y growth since September 2025.
- **Chinese Industrial Profits (YTD) YoY (Mar) Y/Y 15.5% (Prev. 15.2%).**

GEOPOLITICS

RUSSIA-UKRAINE

- **Russia carried out a large-scale attack in multiple areas in Ukraine, with 47 ballistic and cruise missiles launched as well as 619 drones.** Most of the attacks was focused in Dnipro, with regions in Chernihiv, Odesa and Kharkiv also targeted.
- **Ukrainian drones hit a residential building in Yekaterinburg, a city around 2000km into Russia.**
- **Ukraine's General Staff of the Armed Forces announced that drones have attacked a fertiliser plant and oil refinery at PhosAgro's complex in the Vologda region, northwest Russia.**
- **Russia's Foreign Minister reportedly said Russia is willing to hold talks with the US on a Ukraine settlement.**

EU/UK

NOTABLE HEADLINES

- **The UK Government is to introduce a major financial services reform bill** in the King's Speech on May 13th, according to the FT, citing sources. The aim is to simplify regulation and boost competitiveness. **UK Chancellor Reeves is to deliver speeches to set out a responsible plan to see households and businesses through the Iran war fallout**, according to the FT citing sources. The Chancellor will also set out measures in June to boost growth. **UK ministers have voiced concerns about the damage to the tech sector and its alliance with the US** as the PM plans for closer relations with the EU, FT reported citing sources.
- **Hungary's incoming PM Magyar is to meet EU Commission President von der Leyen** in Brussels on Wednesday 29th to talk about the resumption of EU funding.
- **EU leaders have tasked Finance Ministers to come up with new measures to deal with potential energy shortages** after assessing that current proposals were not enough, Bloomberg reported, citing sources.
- **S&P affirms Germany's sovereign rating at AAA; outlook stable.**

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