

- European bourses were mostly firmer; US equity futures are mixed.
- DXY was under mild pressure; Antipodeans gained, whilst havens lagged.
- Iran communicated a three-stage negotiating process to the US; 1) focus on ending the war and receiving guarantees, 2) then on the Strait of Hormuz, 3) and finally on nuclear issues.

EQUITIES

- European bourses began the session on a weaker footing but rose throughout the European morning as energy benchmarks eased. In recent trade, the index has come under pressure (STOXX 600 -0.1%) alongside renewed strength in energy benchmarks, absent of geopolitical newsflow. On the company-specific front, reports suggested **Microsoft (-1%)** would no longer pay a revenue share to OpenAI, with the license now non-exclusive.
- **Sectors began the session mixed**, though now set to finish the session with a negative bias after the aforementioned downside in the index. At the bottom of the pile were consumer-sensitive sectors, Optimised Personal Care and Food Beverage & Tobacco.
- Stateside, **equity futures performed well throughout the morning alongside energy weakness, though as mentioned, the energy complex firmed to the detriment of stocks.** The Microsoft/OpenAI report also weighed briefly, with the former down c. -1% after the news. In terms of other movers, **QCOM +4%** as **OpenAI** working w/ **MediaTek & QCOM** on mobile processors, **VZ +3%**: EPS, adj. EBITDA surpassed exp.; raises FY26 profit view and **ADBE -1.5%** after it was Downgraded at Mizuho

FX

- **FX showed increasingly positive sentiment** throughout the London session, with Antipodeans the best performers alongside NOK and SEK.
- **DXY trundled lower after surging at the Asia reopening**. The index fell from a high of 99.34, past its 100 and 200 DMAs, which provided support last week at 98.50, to mark a session low of 98.21. This pressure came after Axios reported that Iran gave the US a new proposal for reaching a deal on reopening the Strait of Hormuz. The plan called for an extension of the ceasefire so parties can work on a three-stage plan, with nuclear negotiations as the final stage. The report noted that Pakistani mediators had given the proposal to the US, though US cooperation remains unclear.
- Aside from geopolitics, and perhaps another story which influenced the USD, Senator Tillis said he was dropping his decision to block the nomination of Kevin Warsh as Fed Chair following the DoJ's decision to drop the criminal case against Fed Chair Powell. The vote on Warsh's confirmation is scheduled for 29th April, at 10:00 EDT.
- The US-specific docket is light ahead of this week's FOMC meeting, with just 2yr and 5yr supply, and Dallas Fed Manufacturing scheduled for today
- **Antipodeans outperformed for the entirety of the session** amid the risk environment. In the cross, NZD outperformed with AUD/NZD -0.1%. A perfect storm for NOK with USD weakness, firmer energy prices and the heightened sentiment, USD/NOK marked a session low just above support at 9.2400, while the Scandi cross set to finish London +0.3% and exponentially closer to the 1.00 mark (session high 0.9941).
- **EUR/GBP was a touch firmer after GBP** weakened on reports PM Starmer would be subject to a vote on whether he should be referred to the Privileges Committee (as mentioned in FX morning analysis). The move on the announcement, brought by Times' Swinford, saw c. 20 pips move higher in the cross, which remains subdued following last week's strong UK data.

FIXED

- **Fixed faltered** with energy on the front-foot into a blockbuster week in terms of scheduled events alone.- **USTs** early doors got to as low as 111-01+, lower by just over five ticks. While the move didn't extend in European hours, if it does around one of the potential POTUS appearances or supply, we look to 110-27+ and 110-26+ from Friday and Thursday, before attention then turns to 110-22+, 110-17+ and the 110-16 MTD low from earlier in April.- **Gilts** gapped lower by 23 ticks and then slipped further to a 87.13 low. UK specifics were light for much of the day, before the news cycle was jolted again by a Times piece that **PM Starmer will be subject to a debate and vote on whether he should be referred to the Privileges Committee**. Vote expected on 28th of April. An update that weighed on Gilts by a few ticks, but it remained clear of the session's trough. - **EGBs** in-fitting with the above. Specifics for the complex light. As such, **Bunds** found themselves trading in the red and between USTs and Gilts in terms of the magnitude of downside, within 125.46-73 parameters.
- EU sold EUR 6bln vs exp. EUR 7bln 2.50% 2031, 3.25% 2036, and 4.00% 2044 Bonds.

COMMODITIES

- **WTI and Brent** started the European day with mild gains and gradually picked up as the morning progressed before slipping from best. Traders have had several mixed geopolitical updates to digest, and now await Trump's situation room meeting. **Brent Jun'26** is set to end the European day around the mid-point of a USD 105.82/bbl to USD 108.50/bbl range.
- To recap, **US President Trump cancelled his envoy's trip to Pakistan, suggesting that it would be a waste of time**. He claimed that Iran sent a "much better" offer within 10 minutes of him cancelling the trip, but it was "not enough". Since, **Axios reported**

that Iran had communicated a three-stage negotiation process to the US through intermediaries. A first stage would involve securing guarantees to prevent another war, with the next stage focusing on the Strait and, finally, on nuclear issues. Given that this proposal pushes the nuclear issue to the back of the agenda, it is not likely that the US will accept the proposal. Most recently, local Iranian press, citing an official, suggested that Iran believed its military should have control of the Strait – this led to some mild strength in energy benchmarks.

- **Spot gold** currently trades within a narrow USD 4,672/oz to USD 4,729/oz range, posting very mild losses. Price action throughout the European session was ultimately lacklustre, with the yellow metal little moved by the inflationary implications of an elongated war. From a technical standpoint, **XAU/USD** sat below both its 21-DMA (4,717/oz) and 100-DMA (4,746/oz). As for base metals, **3M LME copper** was slightly lower, and traded within a USD 13,234.65–13,376.03/t range.
- **DR Congo** to set up paramilitary unit to secure mines; unit to secure mines amid US and UAE partnerships, AFP reported.
- **German spokesperson** said they are working on alternative procurement for the Pck Schwedt refinery (230k BPD).
- **Oilfield service companies reportedly begin taking Venezuela drilling rigs and equipment out of storage, according to sources.**
- **Iran suspends exports of steel slabs and sheets until 30th May, Iranian media reported.**

EUROPEAN DATA

- **UK CBI Distributive Trades (Apr)** -68 vs. Exp. -48 (Prev. -52).
- **German GfK Consumer Confidence (May)** -33.3 vs. Exp. -29.5 (Prev. -28.0).

NOTABLE HEADLINES

- **Germany's Finance Ministry has reportedly indicated** it is prepared to consider suspending debt restrictions as an emergency measure, Bloomberg reported.
- **UK PM Starmer will be subject to a vote on whether he should be referred to the Privileges Committee, The Times' Swinford reported; Speaker Hoyle is expected to allow a debate and vote on the 28th of April over the referral.**
- **ECB SAFE Survey: Firms reported further net tightening of bank loan interest rates and other loan conditions related to price and non-price factors.** Firms reported further net tightening of bank loan interest rates and other loan conditions related to price and non-price factors. Financing needs remained stable, but availability of bank loans deteriorated marginally. Firms expected stronger increases in selling prices and non-labour input costs, whereas wage expectations moderated slightly. Short-term inflation expectations increased markedly, with medium-term inflation expectations remaining stable.

TRADE/TARIFFS

- **India and New Zealand sign a free trade agreement.**

CENTRAL BANKS

- **Fed Chair Powell faces a decision on whether to leave his Fed board seat next month after Kevin Warsh's confirmation path has been reopened, WSJ reported.** Nick Timiraos noted that Senator Tillis backed Warsh's vote after receiving DoJ assurances that its criminal probe of Powell was effectively finished, clearing a path for Senate confirmation before Powell's chair term expires on 15th May 2026.
- **UK PM Starmer** said he plans to meet "people from the BoE" on Tuesday to discuss impact of Iran war.
- **CBRT Governor Karahan** said it maintained its tight policy stance and to tighten policy further if needed.

GEOPOLITICS

RUSSIA-UKRAINE

- **A drone has hit the transportation department of Ukraine's Zaporizhzhia plant, according to reported.**

MIDDLE EAST

- **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.
- **Iran is reportedly "discussing the uranium and nuclear issue with friends and allies** and is open for discussion at the negotiating table.", Journalist Mallick reported. Full post:"To my understanding, While Iran has proposed a structured operational mechanism for Strait of Hormuz which would lead to cessation of hostilities, at the same time, contrary to reported, Iran is discussing the uranium and nuclear issue with friends and allies and is open for discussion at the negotiating table."
- **Iran reportedly believes that its military should have control over the Strait of Hormuz, according to an official cited by local media.**

NOTABLE NORTH AMERICAN NEWS

- **White House Trade Adviser Navarro** said the Trump administration is looking into high meat prices.
- **The US Secret Service, is at risk of not being able to pay its employees by the end of the week, Semafor reported citing sources; suggesting that a shutdown nears its breaking point.**

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