

# newsquawk

## US Market Wrap - 27th April 2026

### Oil bid after Trump cancels talks with Iran

- **SNAPSHOT:** Equities flat, Treasuries down, Crude up, Dollar down, Gold down
- **REAR VIEW:** Iran sends three step negotiation process to US on ending war and reopening Hormuz; Trump cancels US envoy trip to Pakistan; Iran believes its military should have control over Hormuz; Rubio said US cannot tolerate Iran normalising control of the Strait of Hormuz; Average US 2- & 5yr note auctions; OpenAI working with MediaTek and QCOM on mobile processors; MSFT will no longer pay a revenue share to OpenAI.
- **COMING UP: Data:** Spanish Retail Sales (Mar), Italian PPI (Mar), US ADP Weekly Employment Change, US House Price Index (Feb), US CB Consumer Confidence (Apr), US Richmond Fed Index (Apr), US Dallas Fed Index (Apr). **Events:** BoJ Policy Announcement (Apr), NBH Policy Announcement (Apr). **Speakers:** BoJ Governor Ueda; ECB President Lagarde. **Supply:** Netherlands, UK, US. **Earnings:** RobinHood, Bloom Energy, Visa, Booking.com, NXP Semiconductor, UPS, Coca-Cola, Spotify, General Motors, Centene, Airbus, Air Liquide, BP, Barclays.
- **WEEKLY US EARNINGS ESTIMATES:** Plethora of earnings with 5 of the Mag-7 reporting after-hours. [Click here for the full report.](#)

### MARKET WRAP

Markets saw choppy trade on Monday, with equities ultimately closing flat while oil prices were volatile, settling off highs as uncertainty around US/Iran developments persisted. The cancellation of talks over the weekend kept sentiment fragile, with mixed headlines throughout the session offering little clarity on the path forward.

Geopolitical developments remained the key driver. Iran stated its military should have control over the Strait of Hormuz, while also proposing to reopen the Strait if the US lifts its naval blockade. Reports suggested the US has requested negotiations, although the White House stopped short of confirming it is considering Iran's proposal, noting an official response from President Trump is expected soon.

In equities, sector performance was mixed. Communication Services outperformed, supported by strong Verizon earnings, while Tech saw mixed moves after Microsoft announced it will no longer pay a revenue share to OpenAI but later said Accenture signed a firm-wide Copilot licence. Chip names were pressured after Poet Technologies plunged on cancelled orders, weighing on peers such as Marvell.

In FX, cyclical currencies gained as equities pared earlier losses, weighing on the dollar. Antipodes led the upside, while traditional havens lagged.

In commodities, crude prices were bid but off highs amid the geopolitical backdrop, while precious metals were softer.

In rates, Treasuries were weaker as oil prices rose, with auctions having limited impact despite stronger demand in the 2-year relative to the 5-year.

There was no notable US data, with focus this week turning to a heavy slate of central bank meetings, including the BoJ tonight and the Fed on Wednesday.

### FIXED INCOME

#### T-NOTE FUTURES (M6) SETTLED 6 TICKS LOWER AT 111-01

**Treasuries sold off across the curve on Monday, with yields rising amid a renewed surge in oil prices following the breakdown in US/Iran talks over the weekend.** At settlement, 2-year +1.9bps at 3.804%, 3-year +2.2bps at 3.828%, 5-year +2.8bps at 3.950%, 7-year +3.0bps at 4.133%, 10-year +3.2bps at 4.338%, 20-year +3.3bps at 4.924%, 30-year +3.3bps at 4.945%,

**THE DAY:** T-notes came under pressure throughout the session as crude prices rallied after talks between the US and Iran were called off, reigniting inflationary concerns. The move higher in oil drove a broad bear steepening, with the belly and long-end leading the sell-off as markets pared back easing expectations.

Geopolitical uncertainty remains elevated, with markets awaiting clarity on whether President Trump will consider Iran's latest proposal, which reportedly includes reopening the Strait of Hormuz in exchange for lifting the US blockade, while deferring discussions on nuclear activity.

There was no tier 1 US data or Fed speak, although over the weekend, Senator Tillis said he would support Warsh as Fed Chair following the Department of Justice dropping its probe into Powell.

On the supply front, the 2-year auction was strong while the 5-year was more mixed, although the impact on price action was limited, with only modest moves seen around the results.

Overall, Treasury trade continues to be driven by developments in energy markets and geopolitics, with higher oil prices feeding

through into inflation expectations and keeping upward pressure on yields.

## SUPPLY

### Notes

- [US sold USD 69bln of 2-year notes; tail 0.1bps.](#)
- [US sold USD 70bln of 5-year notes; tail 0.5bps.](#)
- US to sell USD 44bln 7-year on April 28th, to sell USD 30bln 2yr FRN on April 28th

### Bills

- US to sell USD 70bln of 6-week bills on April 28th; all to settle April 30th.

## STIRS/OPERATIONS

- Fed Money Market Pricing (D/D): April (prev. +1.8bps), June (prev. +0.6bps), July (prev. -2.2bps), Dec (prev. -10.4bps)
- NY Fed RRP op demand at 0.36bln (prev. 0.08bln) across 5 counterparties (prev. 4) on April 27th
- SOFR at 3.66% (prev. 3.65%), volumes at USD 3.047tln (prev. USD 3.011tln) on April 24th
- EFFR at 3.64% (prev. 3.64%), volumes at USD 97bln (prev. USD 93bln) on April 24th

## CRUDE

**WTI (M6) SETTLED USD 1.97 HIGHER AT 96.37/BBL; BRENT (M6) SETTLED USD 2.90 HIGHER AT 108.23/BBL**

The crude complex was firmer to start the week, in what was a relative quiet day compared to recent memory. Middle East headlines were still rife after US/Iran cancelled talks in Islamabad over the weekend. In terms of the main updates on Monday, local media citing officials said that Iran believes that its military should have control over the Strait of Hormuz, and comes following them communicating a three-stage negotiating process to the US over the weekend: 1) focus on ending the war and receiving guarantees, 2) then on the Strait of Hormuz, 3) and finally on nuclear issues. In addition, re. talks, Israel's Channel 12 said it is approaching decisive days regarding the future of negotiations with Iran, which spared modest upside in crude benchmarks. As mentioned, it was largely a pretty quiet day ahead of a week filled with risk events, such as central bank confabs, Mag-7 earnings, data, and the ever-ongoing Middle East war. For reference, WTI traded between USD 94.59-97.67/bbl and Brent USD 105.82-109.79/bbl. In the immediacy, traders await Trump's situation room meeting, and followed WH Press Secretary Leavitt noting Iran's proposal is being discussed, would not say the US is considering Iran's proposal, and will hear from Trump soon about Iran.

## EQUITIES

**CLOSES:** SPX +0.12% at 7,174, NDX +0.01% at 27,306, DJI -0.11% at 49,175, RUT +0.13% at 2,791.

**SECTORS:** Communication Services +0.94%, Financials +0.65%, Technology +0.46%, Utilities -0.02%, Industrials -0.03%, Energy -0.25%, Materials -0.51%, Health -0.53%, Consumer Discretionary -0.76%, Real Estate -0.83%, Consumer Staples -1.18%.

**EUROPEAN CLOSES:** Euro Stoxx 50 -0.32% at 5,862, Dax 40 -0.14% at 24,094, FTSE 100 -0.56% at 10,321, CAC 40 -0.19% at 8,142, FTSE MIB +0.04% at 47,674, IBEX 35 +0.01% at 17,693, PSI +0.59% at 9,178, SMI -0.07% at 13,160, AEX -1.15% at 1,009

### STOCK SPECIFICS:

- **OpenAI** working with **MediaTek & Qualcomm (QCOM)** on mobile processors; **Apple (AAPL)** saw weakness on Monday as a result.
- **Organon (OGN)** to be acquired Sun Pharma for USD 14/shr in cash; note, OGN closed Friday at USD 11.26/shr.
- **Snap (SNAP)** upgraded at Rothschild to 'Buy' from 'Neutral'.
- **IonQ (IONQ)** and **SkyWater (SKYT)** both received second FTC request for additional information regarding IONQ's planned acquisition of SKYT.
- **Pinterest (PINS)** downgraded at Rothschild to 'Neutral' from 'Buy'.
- **Adobe (ADBE)** downgraded at Mizuho to 'Neutral' from 'Outperform'.
- **Oracle's (ORCL)** USD 16bln financing for a Michigan data centre closed after months of negotiations with investors.
- **Microsoft (MSFT)** will no longer pay a revenue share to OpenAI.
- **Poet Tech (POET):** Wolfpack noted that the CFO last week spouted off order with Marvell (MRVL) that violated order confidentiality. Also, Poet provided purchase order update and cancels all purchase orders received from Celestial AI.

### EARNINGS:

- **Verizon (VZ):** EPS, adj. EBITDA surpassed expectations; raised FY26 profit view.
- **Nomura Holdings (NMR):** Profit fell short due to write downs and a loss in Europe.
- **Domino's Pizza (DPZ):** EPS, revenue and SSS all missed.

## FX

The Dollar Index was marginally weaker on Monday, as Antipodeans outperformed in a day of quiet newsflow, ahead of a week packed with scheduled risk events. For the Dollar, headline-driven trade was light, amid no US data and the Fed on blackout ahead of the latest FOMC confab on Wednesday. Note, 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. On the data footing, GDP, ECI, PCE, and ISM Mfg. PMI are all due this weekend, as well as a deluge of earnings with 5 of the Mag-7 reporting this week. On the Middle East footing, the Greenback saw a bout of pressure as Axios reported that Iran gave the US a new proposal for reaching a deal on reopening the Strait of Hormuz.

As mentioned, **Antipodeans** outperformed, followed by the Loonie, EUR and GBP were more or less flat, and the CHF and JPY saw slight losses, as the latter awaits BoJ overnight. The BoJ is widely expected to keep rates unchanged at 0.75%, and there was a significant unwinding of April rate hike bets following BoJ Governor Ueda's comments and source reports. In addition, the BoJ will also release its latest Outlook Report, with the central bank said to be considering a sharp increase to its price forecast and potential cut to the growth outlook. Ahead of the meeting, USD/JPY traded between 159.09-60.

Over in **Europe**, German GfK Consumer Confidence for May fell deeper into negative territory than expected, while uncertainty continues to grow over UK PM Starmer. Today it was reported he will be subject to a vote on whether he should be referred to the Privileges Committee, and Speaker Hoyle is expected to allow a debate and vote on the 28th of April over the referral. Elsewhere in the UK, Guardian reported that Chancellor Reeves is considering imposing a one-year rent freeze on private sector homes amid growing alarm in government about the impact of the Iran war on voters' budgets.

**In EMs**, Moody's downgraded China's outlook to stable from negative, while ahead of BCB on Wednesday, Durigan said the expectation is that the BCB will continue to have interest rate cuts. Note, the Copom is widely expected to cut rates by 25bps on Wednesday, according to the latest Reuters poll.

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