

SNAPSHOT

STOCKS			
Nikkei 225	-1.1%	ASX 200	-0.6%
Hang Seng	-1.1%	Shanghai Comp	-0.3%
Euro Stoxx 50 Jun'26	+0.1%	DAX Jun'26	+0.1%
ES Jun'26	-0.1%	NQ Jun'26	-0.2%

FX			
DXY	+0.1% (98.54)	EUR/USD	-0.1% (1.1711)
USD/JPY	-0.2% (159.10)	GBP/USD	-0.1% (1.3527)

BONDS			
US T-Note Jun'26	-2 ticks	Bund Jun'26	-12 ticks
US 10yr Yield	4.35%	German 10yr Yield	3.03%

ENERGY & METALS			
WTI Jun'26	+1.1%	Brent Jun'26	+1.2%
Spot Gold	-0.6%	LME Copper	-0.1%

CRYPTO			
Bitcoin	+0.6%	Ethereum	+0.5%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include 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), NBH Policy Announcement (Apr), Speakers include BoJ Governor Ueda and ECB President Lagarde, Supply from the Netherlands, UK and US.
- Earnings from RobinHood, Bloom Energy, Visa, Booking.com, NXP Semiconductor, UPS, Coca-Cola, Spotify, General Motors, Centene, Airbus, Air Liquide, BP & Barclays.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- **US President Trump is seen as unlikely to accept Iran's proposal**, CNN sources said, as reopening the Strait without addressing nuclear issues **would strip the US of a key source of leverage**.
- **US President Trump told his advisers he is not satisfied with Iran's latest proposal to reopen the Strait of Hormuz and end the war**, NYT reported. Furthermore, a US official said that accepting the proposal could appear to deny Trump a victory. To add, the report went on to say that **some administration officials believe that continuing the blockade for two more months would cause significant long-term damage to Tehran's energy industry**.
- **US President Trump is reportedly sceptical of Iran's Strait of Hormuz proposal in exchange for tabling discussions on its nuclear work**, WSJ reported citing sources. The source went on to say that the White House will continue to negotiate with Iran and is **expected to provide its response and counterproposals in the coming days**.
- **US and Iran are not as far apart as they seem, and that the first part of any potential agreement will focus on opening the Strait of Hormuz without restrictions or fees**, CNN reported citing sources. Mediators are applying pressure on both sides to reach an agreement, with the **next few days being especially crucial**.
- **White House Press Secretary Leavitt said Iran's proposal is being discussed but would not say if the US is considering Iran's proposal**. She added that we will hear from Trump soon about Iran.

- **US Secretary of State Rubio** said the Iran offer is better than we thought. He added that the level of sanctions and pressure on Iran is extraordinary and expressed hopes that the rest of the world will sanction Iran.
- **Al Araby highlighted reports from Israel's Channel 12**, citing a security source, stating that we are approaching decisive days regarding the future of negotiations with Iran.
- **Iranian Foreign Minister Araghchi commented on his meeting with Russian President Putin**, noting cooperation between the two countries and highlighting numerous areas for potential collaboration.
- **Iran Foreign Ministry spokesman** said US must be held accountable in regards to the seizure of oil ships.
- **US CENTCOM** said the guided-missile destroyer **USS Rafael Peralta** enforced the U.S. blockade of Iranian ports against **M/T Stream** after it attempted to sail to an Iranian port on April 26th.
- **Ship tracking data** showed that an **ADNOC LNG tanker** crossed the **Strait of Hormuz** for first time since Iran war.
- **US Treasury Secretary Bessent warned businesses that are working with Iranian airlines risks sanctions**, WSJ reported. This comes as an attempt by the Treasury to impose maximum pressure on Iran.

BOJ

- **BoJ maintained its short-term interest rate at 0.75%**, as expected; **vote split 6-3 to hold (exp. near-unanimous)** ; **Nakagawa, Takata and Tamura voted to hike by 25bps to 1.00%**, highlighting upside risks to inflation.
- **Outlook report**: FY26 and 27 Core CPI median forecast rose to 2.8% (prev. 1.9%) and 2.3% (prev. 2.0%) respectively, while real GDP median forecast was cut to 0.5% (prev. 1.0%) and 0.7% (prev. 0.8%) respectively.
- **Commentary**: Inflation expectations likely to continue increasing moderately, risks to economic outlook skewed to the downside while risks to inflation are skewed to the upside.

US TRADE

EQUITIES

- **US stocks** ultimately ended Monday's session flat as uncertainty around US-Iran developments persisted. Geopolis remained the key driver, with Iran stating that its military should have control over the Strait of Hormuz, while also proposing to reopen the Strait if the US lifts its naval blockade. 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.
- **SPX +0.12%** at 7,174, **NDX +0.01%** at 27,306, **DJI -0.11%** at 49,175, **RUT +0.13%** at 2,791.

TARIFFS/TRADE

- **Foreign automakers have reportedly warned the Trump administration that they are mulling pulling their cheapest car models out of the US market if the USMCA isn't renewed or is watered down**, WSJ reported citing sources.
- **US Treasury Secretary Bessent** discussed risks from overcapacity production with the EU.

CENTRAL BANKS

- **White House Press Secretary Leavitt** said US President Trump will be satisfied once Warsh is confirmed as Fed Chair.

NOTABLE HEADLINES

- **US President Trump called on Republicans in the House to support DHS budget blue print** and asked for final bill on his desk by 1st June.
- **House GOP leaders would like to vote on the DHS funding bill on Thursday before House leaves for recess**, Politico's Hill reports citing sources. House republicans are still discussing whether they can modify the Senate bill.

APAC TRADE

EQUITIES

- **Asia-Pac stocks** traded broadly weaker, as risk sentiment weakened amid reports that US President Trump is unlikely to agree to Iran's proposal.
- **ASX 200** started the session on the backfoot, and held onto its earlier losses. Sectors were broadly in the red, as Utilities underperformed while Energy was supported by higher crude prices.
- **Nikkei 225** opened flat but fell lower, a move which was later exacerbated after the hawkish hold by the BoJ. The Bank upgraded inflation outlook and downgraded growth, with FY27 growth only modestly cut. The index fell back towards the 60,000 handle. For single stock stories, DENSU reported earning in which all metrics rose annually, but the Co. cut its FY net and op. profit guidance while stating its withdrawal of the proposal of Rohn acquisition.
- **KOSPI** was the outperformer, with LG Electronics among those that lifted the index after reports that the Co.'s CEO is to meet Nvidia CEO Huang's daughter to discuss strategic cooperation.
- **Hang Seng and Shanghai Comp.** followed the broadly negative bias. CATL's HK shares were under pressure after the Co.'s announcement of a plan to raise over HKD 39bln in private share placement to step up expansion in its renewables business.
- **US equity futures** initially got a lift at the start of futures trade but came off best levels to around the unchanged mark.
- **European equity futures** are indicative of a relatively contained open, with the Euro Stoxx 50 future +0.1% after cash closed -

0.3% on Monday.

FX

- **DXY** traded flat, consolidating after Monday's selloff in which the basket fell back below 98.50. The index bounced off its 98.43 low following comments by US officials stating that US President Trump is unhappy with the Iranian proposal, as nuclear talks have seemingly been pushed aside.
- **EUR/USD** oscillated in a tight 1.1708-1.1727 range as markets await a busy central bank docket.
- **GBP/USD** grinded lower as the greenback firmed but has since rebounded. UK politics have been front and centre in recent sessions, with the latest update in Monday's session stating that UK PM Starmer will be subject to a vote on whether he should be referred to the Privileges Committee, a headline in which pressure was seen in GBP/USD. Cable traded in a narrow 1.3525-1.3541 range.
- **USD/JPY** rotated in a 159.31-159.57 range heading into the BoJ rate decision. Initial two-way price action was seen on the announcement after the Bank held rates unchanged at 0.75%, as expected, but the Yen later strengthened as the vote split came out more hawkishly than expected (6-3 vs near-unanimous). All dissenting members cited upward risks to prices. In terms of the outlook report, the core CPI forecasts remain above the BoJ's 2% target throughout the horizon forecast, whilst growth forecasts were downgraded.
- **Antipodeans** lacked direction, with a lack of catalysts to drive the Aussie or Kiwi.

FIXED INCOME

- **UST Futures** oscillated in a narrow 5 tick range, after benchmarks were pressured in Monday's session as energy prices rose. Despite US officials highlighting US President Trump's disappointment with Iran's proposal, USTs remained unfazed.
- **Bund Futures** were softer and extended beyond Monday's 125.21 trough. Newsflow to drive German debt was light, with price action continuing to be energy-dependent.
- **JGB Futures** found comfort as 10yr JGB yields found resistance at 2.48%. Japanese debt gapped lower on the return from the lunch break as markets had to re-price the hawkish hold by the BoJ. However, the gap failed to hold and was immediately filled.
- **US sells USD 70bln of 5yr notes; Tail 0.5bps.**
- **US sells USD 69bln of 2-year notes; Tail 0.1bps.**

COMMODITIES

- **Crude futures** traded on a firmer footing following reports coming out of the Situation Room meeting. The meeting was called upon following Iran's 3-stage peace proposal announced on Monday. US officials told Reuters that US President Trump was unhappy with Iran's proposal, with more recent reporting by CNN confirming his disappointment. CNN's sources report also added that Trump is unlikely to accept Iran's plan, which lifted **WTI** and **Brent** futures to session highs of USD 79.41/bbl and USD 109.25/bbl respectively. Since then, crude futures ticked higher slightly before paring back slightly.
- **Precious Metals** came under pressure after the CNN report, as spot gold slipped to USD 4667/oz from a peak of USD 4701/oz amid the firmer dollar, driven by geopolitics.
- **3M LME Copper** initially traded either side of USD 13.25k/t before slipping below USD 13.2k/t amid the softening in the global risk tone.
- **ADNOC is planning to invest tens of billions of dollars to build a natural gas business in the US** to diversify its commodity exposure and the XRG business.
- **Venezuela is to raise crude shipments to 1.06mln bpd and fuel sales to 134k by year-end.**
- China allows the purchases of banned BHP (BHP AT) portside cargoes following a deal with the Co., according to sources

CRYPTO

- **Bitcoin** fell below the USD 77k handle.

NOTABLE ASIA-PAC HEADLINES

- **Japanese Finance Minister Katayama said volatility in crude is affecting FX, ready to take decisive action. They will closely coordinate with the US and will act when necessary.** On the economy, she said that it is recovering modestly with momentum for wage hikes continuing but caution is warranted for outlook.

DATA RECAP

- **Japanese Unemployment Rate (Mar)** 2.7% vs. Exp. 2.6% (Prev. 2.6%, Low. 2.6%, High. 2.7%).
- **Japanese Jobs/applications ratio (Mar)** 1.18 vs. Exp. 1.18 (Prev. 1.19, Low. 1.18, High. 1.20).

GEOPOLITICS

RUSSIA-UKRAINE

- **Ukrainian drones attack Russia's Tuapse oil refinery, causing a fire,** according to authorities.

OTHER

- Taiwanese Defense Ministry said that Taiwan has spotted two Chinese warships operating in waters near the Penghu Islands and has sent its own naval and air forces to keep watch.

EU/UK

NOTABLE HEADLINES

- The Guardian reported that Rachel 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.
- Heathrow's plans for a third runway is facing growing political uncertainty if Chancellor Reeves is removed after the May elections, FT reported citing sources.
- German Finance Minister Klingbeil wants to make smokers pay even more, according to Bild. The tobacco tax is to be increased in two stages.

DATA RECAP

- UK BRC Shop Price Inflation (Apr) 1.0% vs. Exp. 1.5% (Prev. 1.2%).
- Citi/YouGov Poll: 1-year inflation expectations 5% (prev. 5.4% M/M), 5-10-year 4.2% (prev. 4.5% M/M).

Copyright © 2026 Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com