

SNAPSHOT

STOCKS			
S&P 500	-0.5%	Nasdaq Comp.	-1.0%
DJIA	-0.1%	Russell 2000	-1.2%
ES Jun'26	-0.5%	RTY Jun'26	-1.1%
NQ Jun'26	-0.9%	YM Jun'26	U/C

FX			
DXY	+0.1% (98.62)	EUR/USD	-0.1% (1.1714)
USD/JPY	+0.1% (159.60)	GBP/USD	-0.1% (1.3522)

BONDS			
US T-Note Jun'26	-4+ ticks	10yr Bund Jun'26	-34 ticks
US 10yr Yield	4.350%	German 10yr Yield	3.071%

ENERGY & METALS			
WTI Jun'26	+3.4%	Brent Jun'26	+2.7%
Spot Gold	-1.9%	LME Copper	-0.5%

CRYPTO			
Bitcoin	-1.2%	Ethereum	-0.5%

As of 22:20BST/17:20EDT

LOOKING AHEAD

- Highlights include Australian Inflation (Mar/Q1), Speakers include RBNZ's Breman.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- **Iran is expected to submit a revised peace proposal soon**, CNN reported citing sources. Pakistan mediators expect to receive a revised proposal from Iran in the next few days to end the war.
- **US intelligence agencies are examining how Iran would react to US President Trump declaring victory in the war**, according to Reuters citing sources.
- **US President Trump said, "Iran has just informed us that they are in a "State of Collapse" They want us to "Open the Hormuz Strait", as soon as possible as they try to figure out the leadership situation."**
- **US President Trump said Germany's Chancellor Merz thinks it's ok for Iran to have a nuclear weapon and he doesn't know what he's talking about.**
- **US officials are said to be concerned about being drawn into a frozen conflict of no war and no deal with Iran**, Axios reported. According to advisors, **US President Trump is indecisive between launching new military strikes or waiting to see if his financial sanctions make Iran more inclined to negotiate an end to its nuclear weapons program.**
- **Bloomberg's Blas posted "Something big seems to be cooking in the Middle East: Multiple Emirate commentators are softening the ground for a major diplomatic announcement."**
- **Iranian Army Spokesperson said they do not consider the conflict to be over.**
- **A Japanese oil tanker passed through the Strait of Hormuz with Iran's coordination.** Idemitsu is an oil tanker that was carrying 2mIn bbls of crude oil and it had been stationed in Saudi Arabia since late February.
- **Satellite imagery showed ships departing Iran being redirected by the US Navy blockade.**
- **US has issued new Iran related sanctions, targeting 35 Iranian entities and individuals for aiding sanctions evasion.**
- **US Energy Secretary Wright said the administration is focused on getting the right deal with Iran.** He noted that Iran does not

have a huge amount of storage capacity. Later, he stated that the Strait of Hormuz can open without clearing all mines.

- **Israeli PM Netanyahu reportedly told US President Trump the Israel-Lebanon ceasefire is fragile**, N12 reported citing sources.
- **"Netanyahu informed his ministers that there is no more he can do in Lebanon and this is what Washington wants"**, Al Jazeera reported citing an Israeli Radio source.

US TRADE

- **US stocks** finished lower as risk tone soured, with Technology the clear sectoral laggard as AI-infrastructure exposed names were hit hard after WSJ reported that OpenAI missed targets, which stoked data centre spending concerns. Overall, sectors closed mixed, with Energy the clear gainer, followed by Consumer Staples, as the former was supported by strength in crude benchmarks, given that the lack of progress between the US and Iran outweighed the UAE exiting OPEC and OPEC+.
- **SPX** -0.49% at 7,139, **NDX** -1.01% at 27,029, **DJI** -0.05% at 49,142, **RUT** -1.15% at 2,756.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **China to grant zero tariffs from 1st May 2026 to 30th April 2028 for 20 African countries with diplomatic ties**, excluding least-developed nations.
- **Reuters reported that China is stepping up customs inspections to enforce its new fertilizer export controls as gaps widen between domestic and international prices that have surged.**

CENTRAL BANKS

- **In his post-policy press conference, BoJ Governor Ueda said need to be mindful of further economic slowdown depending on supply shock levels but that Japan's economy has some degree of endurance.** The likelihood of price and economic outlook materialising has fallen due to Middle East uncertainty and wants to take a little more time in gauging how Middle East situation would affect Japanese economy and prices. He added that he **cannot say how many months it would take to gauge timing of next rate hike and will look to see if underlying inflation has a clear upward risks.** On risks, he stated that inflation upward risk could be a reason for raising rates, but not the only reason and that ****there are possibilities of a rate hike if either upward risks to prices emerge or downside risks to the economy are limited.** By June, probably no big upward pressure appears in consumer price data. **
- **ECB Consumer Expectations Survey: 1yr CPI expectations 4% (exp. 2.8%, prev. 2.5%), 3yr CPI expectations 3.0% (exp. 2.6%, prev. 2.5%).**
- **NBP keeps rates unchanged at 6.25%, as expected.**

NOTABLE HEADLINES

- **The US has reportedly ordered numerous chip equipment companies to halt tool shipments to two facilities of Hua Hong, China's second largest chipmaker.**
- **Amazon (AMZN) AWS CEO said the co. is working hard to add more capacity for OpenAI** with AI chip, power, capacity demand outpacing supply.
- **OpenAI said business is firing on all cylinders and that enterprise business and advertising are growing.** This comes after the WSJ released an article saying that OpenAI recently missed its own targets for new users and revenue, hurdles that have raised concern among some of the company's leaders on whether it will be able to support its huge spending on data centres.
- **The White House is to hold a closed-door meeting with technology and cyber companies to discuss concerns about Anthropic's Mythos model**, Politico reported citing sources.

DATA RECAP

- **US CB Consumer Confidence (Apr) 92.8 vs. Exp. 89.5 (Prev. 91.8 , Low. 80.3 , High. 95.0).**
- **US Richmond Fed Services Revenues Index (Apr) 9 (Prev. 9).**
- **US Richmond Fed Manufacturing Shipments Index (Apr) -2 (Prev. -2).**
- **US Richmond Fed Manufacturing Index (Apr) 3 vs. Exp. -4 (Prev. 0).**

FX

- **DXY** was marginally firmer as high-beta FX took a step back amid the continued rise in energy prices. Geopolitical updates pointed towards US President Trump being unlikely to accept the latest Iran plan, given its delay on nuclear issues. The index rotated in a 98.43-98.87, heading into the Fed policy announcement on Wednesday, in which the FOMC is expected to leave rates on hold.
- **EUR** pulled back from earlier losses and finished Tuesday's trade just shy of the unchanged mark. Early weakness came amid the firmer dollar after the CNN report pointed to Trump likely to not accept Iran's peace proposal. Elsewhere, the ECB SCE was hawkish - 1yr-ahead inflation is seen rising to 4% (prev. saw 2.5%) - this is the highest level since October 2023. By the end of Tuesday's trade, EUR/USD found support at the 20-SMA and 200-SMA and closed back above the 1.1700 handle.
- **GBP** closed with only modest losses, as the political landscape continued to remain murky for PM Starmer. The PM can breathe a slight shy of relief after UK lawmakers voted against holding inquiry into whether the PM misled parliament over Mandelson appointment. Cable traded in a 1.3463-1.3541 band and finished back above the 1.3500 handle.
- **JPY** was mostly driven in the early hours of trade, after the BoJ maintained its short-term interest rate at 0.75% as expected. The decision was met with 3 hawkish dissenters calling for a 25bps hike, citing upward risks to prices. A stronger day for JPY

was limited by Governor Ueda expressing uncertainty over the Middle East and continuing to abstain from giving guidance for a hike at the June meeting. USD/JPY hit lows of 158.96 in the aftermath of the decision, before trimming shortly after to around 159.60.

FIXED INCOME

- **T-notes** sold off across the curve on Tuesday, with front-end underperformance as yields rose on the back of firmer oil prices.
- **US sells USD 44bln of 7yr notes; Tail 0.5bps.**
- **UK sells GBP 1bln 0.125% 2028 Gilt via tender: b/c 4.28x (prev. 4.05x), average yield 4.219% (prev. 3.336%), tail 0.3bps (prev. 0.7bps).**
- **Bloomberg reported that China is said to be weighing a second green sovereign bond sale.**

COMMODITIES

- **Oil prices** was firmer, as the lack of progress between US-Iran, outweighed the UAE exiting OPEC and OPEC+. On the former, CNN reported overnight that Trump is dissatisfied with the Iranian proposal, adding that that he is unlikely to accept it. Benchmarks steadily bid higher, with **WTI** and **Brent** topped at USD 101.85/bbl and USD 105.83/bbl respectively before the announcement of the UAE exiting OPEC and OPEC+. As of May 1st, the Gulf country is to bring additional production to the market in a "gradual and measured manner, aligned with demand and market conditions". Energy prices dropped c. USD 2/bbl and immediately paring back the move before Trump stated an hour or so later that "Iran has just informed us that they are in a "State of Collapse", they want us to "Open the Hormuz Strait", as soon as possible".
- **UAE announced it will quit OPEC and OPEC+, as of the 1st of May. To bring additional production to the market, in a "gradual and measured manner, aligned with demand and market conditions".** Following this, UAE Energy Minister said it is not going to shock oil market with supply.
- **Iraqi officials said they have no plan to leave OPEC or OPEC+.**
- **Saudi Aramco extended suspension of LPG deliveries through May.**
- **Reuters reported that Saudi Arabia reportedly may cut its official June crude selling prices to Asia as spot premiums eased and demand eased.**
- **ADNOC has told some oil buyers to pick up Gulf supply outside the Strait of Hormuz,** as producers look to diversify to other routes and bring their oil to the market.
- **China state-owned refiners have begun applying for government permits that would allow them to resume fuel exports in May.**
- **German Economy Ministry said it is in talks with Poland on possibility of short-term, temporary crude oil supplies to PCK Schwedt Refinery from Poland** after Russia halts Kazakh oil flows via Druzhba.
- **US Private Energy Inventories (bbbls): Crude -1.8mbln (exp +0.3mbln), Distillate -2.6mbln (exp. -2.3mbln), Gasoline -8.5mbln (exp. -2.1mbln), Cushing -0.8mbln.**
- **Commerzbank said if the increase in oil prices continue, gold prices could fall back towards USD 4,500/oz.**

GEOPOLITICAL

RUSSIA-UKRAINE

- **Russian President Putin** said Ukraine is intensifying attacks on Russian civilian targets, with the latest example being an attack on the Tuapse.

ASIA-PAC

NOTABLE HEADLINES

- **PBoC reportedly guided banks to increase lending in April.**
- **Indian government official** said it is seeking the elimination of import tax on rayon-grade wood pulp.

DATA RECAP

- **Hong Kong Balance of Trade (Mar) -89.1B (Prev. -64.2B).**
- **Hong Kong Imports YoY (Mar) Y/Y 41.2% (Prev. 29.9%).**
- **Hong Kong Exports YoY (Mar) Y/Y 35.8% (Prev. 24.7%).**

EU/UK

NOTABLE HEADLINES

- **Germany is reportedly preparing a draft budget for 2027 with EUR 110.8bln in borrowing in core budget, +EUR 98bln in 2026,** Reuters reported citing sources. This would bring total borrowing to EUR 196.5bln, incl. special funds.
- **EU Parliament called for new EU revenue sources** – including a digital tax, a levy on online gambling, and a tax on profits from crypto transactions.
- **UK lawmakers voted against holding inquiry into whether UK PM Starmer misled parliament over Mandelson appointment.**

- FT reported that the UK government has ruled out a temporary rent freeze.

DATA RECAP

- **Italian PPI MoM (Mar) M/M 4.4%** (Prev. -0.4%).
- **Italian PPI YoY (Mar) Y/Y 4.2%** (Prev. -2.7%).
- **Spanish Retail Sales MoM (Mar) M/M 1.2%** (Prev. -0.1%).
- **Spanish Retail Sales YoY (Mar) Y/Y 4.1%** (Prev. 2.2%).

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