

SNAPSHOT

STOCKS			
S&P 500	U/C	Nasdaq Comp.	U/C
DJIA	-0.6%	Russell 2000	-0.6%
ES Jun'26	-0.4%	RTY Jun'26	-1.1%
NQ Jun'26	-0.1%	YM Jun'26	-1.0%

FX			
DXY	+0.4% (98.94)	EUR/USD	-0.3% (1.1676)
USD/JPY	+0.5% (160.44)	GBP/USD	-0.3% (1.3475)

BONDS			
US T-Note Jun'26	-19 ticks	10yr Bund Jun'26	-58 ticks
US 10yr Yield	4.430%	German 10yr Yield	3.115%

ENERGY & METALS			
WTI Jun'26	+8.6%	Brent Jul'26	+8.1%
Spot Gold	-1.1%	LME Copper	-0.4%

CRYPTO			
Bitcoin	-0.6%	Ethereum	-1.8%

As of 22:35BST/17:35EDT

LOOKING AHEAD

- Highlights include South Korean Industrial Production (Mar), Japanese Industrial Production (Mar), Retail Sales (Mar), Chinese NBS PMIs (Apr), RatingDog Manufacturing PMI (Apr), Supply from Japan.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- **US President Trump said the Hormuz blockade has been genius and foolproof.** The blockade shows how good the US Navy is and says all Iran has to do is "cry uncle". He added that Iran has come a long way, question is whether they will go far enough and reiterated that there will never be a deal with Iran until they agree to no nuclear weapon.
- **US President Trump posted "Iran can't get their act together. They don't know how to sign a nonnuclear deal. They better get smart soon! President DJT".** Further, US President Trump told N12 News that without nuclear deal he will not lift blockade on Iran.
- **The US Central Command has prepared a plan for a "short and powerful" wave of strikes against Iran aimed at trying to break the current impasse in negotiations.**
- **US President Trump and Russian President Putin held phone call, according to Kremlin media.** The call lasted over 1.5 hours, in which Putin proposed ideas on Iran nuclear programme and warned against new military action in Iran while Trump believes a deal to settle Ukraine conflict is close.
- **US Treasury Secretary Bessent said we are sprinting for the finish line with Iran and are willing to do secondary sanctions on Iran oil buyers.**
- **A White House Official said US President Trump and oil companies discussed steps to continue the Iran blockade for months if needed.**
- **Members of US President Trump's National Security team presented him with multiple options this week for how to handle the continuing bottleneck in the Strait of Hormuz, NBC reported citing a US official.**
- **US will reportedly seek forfeiture of Iran-linked oil tankers seized at sea.**

- Pakistani mediators expect a revised peace proposal from Iran as soon as today, or slide to Friday, according to CNN sources.
- Iranian Navy Commander said we have closed the Strait of Hormuz from the Arabian sea side and will take swift action if enemy advances.
- Iran's military adviser to supreme leader said revenge for the martyred leader remains in place.
- A top Iranian official told Press TV that Iran succeeds in rendering all options on US table ineffective.
- Khamenei's military advisor said new rounds of diplomacy and negotiation must be initiated.
- Iran has warned that continued US maritime piracy will soon be met with "practical and unprecedented military action," high-ranking security source told Press TV.
- Iran's Vice Chairman of the National Security Council Boroujerdi said that Parliament Speaker Ghalibaf continues to manage negotiations personally.
- Japanese tankers have reportedly crossed the Strait of Hormuz following on from talks with Iran. This followed comments by Japanese PM Takaichi stating that Japan will engage with Iran for safe passage of ships.
- US CENTCOM said the US navy has redirected 42 vessels from the blockade in the Strait of Hormuz and that the military is fully committed to enforcing the blockade.
- US President Trump told Israeli PM Netanyahu that Israel should only take surgical military action in Lebanon and avoid a full resumption of the war, according to Axios.
- Israel is asking the US to limit negotiations with Iran to a timeframe ending in mid-May, Channel 12 reported citing sources.
- Israeli Foreign Minister said "we will reconsider the military option with Iran if US negotiations fail".
- The US is pushing to extend the Israel-Lebanon ceasefire by three additional weeks, in order to create time to complete the preparations related to the delegation and the issues, according to Kan news citing Al-Jadeed.

US TRADE

- US stocks ended mixed, with the tech-heavy Nasdaq 100 the sole gainer, while the small-cap Russell 2000 lagged amid a deluge of earnings, US data, Middle East rhetoric and the latest FOMC meeting. Sectors were broadly lower, with energy the clear gainer, buoyed by notable gains in crude benchmarks as the US and Iran seemed no closer to any breakthrough, with punchy rhetoric from both sides on Wednesday.
- AMZN, META, GOOGL and MSFT reported earning after-hours, with all 4 beating on its EPS and revenue metrics. However, performance was mixed with GOOGL the only Mag-7 printing gains. AMZN traded mixed after Q2 operating income guidance missed estimates however, beating revenue guidance. META plummeted after missing Q2 revenue guidance expectations while MSFT was choppy.
- SPX -0.04% at 7,136, NDX +0.58% at 27,187, DJI -0.57% at 48,862, RUT -0.60% at 2,739.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- China's Foreign Ministry said it has repeatedly outlined its position on US chip exports to China and called on the US to take action to maintain stable supply chains

CENTRAL BANKS

- The FOMC hold rates at 3.50-3.75% as expected; voted 8-4 to hold rates (Miran voted for a 25bps rate reduction; Hammack, Kashkari, Logan dissented on easing bias in statement). Within the statement, a key shift in language was on inflation, with the line that inflation "remains somewhat elevated" being replaced with "elevated", with the Fed explicitly attributing this to the recent surge in global energy prices, a hawkish tilt suggesting the Committee views the oil shock as more than purely transitory. Growth and labour market language was largely unchanged.
- In the post-meeting statement, Chair Powell stated that the policy stance is appropriate and not on a pre-set course. The economy is expanding at a solid pace however job gains have remained low and the outlook is highly uncertain. He described inflation as elevated and sees PCE at 3.5% Y/Y in March, with core PCE at 3.2% Y/Y. On the leadership transition, he announced that he will stay on as Governor after his term as Chair ends, until the DoJ probe is well and truly over.
- Within the Q&A, Powell stated that there was a vigorous debate on guidance, highlighting that a number of policymakers see a hike as likely as cut with the number of officials supporting a change to a neutral bias increased. He added that policymakers are not saying a hike is needed now. He reiterated that the Fed will need to wait and see, policy stance is in a good place and in the high-end of the neutral range estimates. On tariffs, he said the Fed has hypothesised that tariffs would be a one-off and that progress on energy and tariffs needs to be seen before lowering rates. On inflation, he said the prospects for a rise in core inflation are real and does not see the labour market as a source of inflation.
- BoC holds rates at 2.25% as expected; it is looking through war's immediate impact on inflation, but will not let higher energy prices become persistent inflation. The Bank's MPR showed that inflation expected to increase in 2026 due to higher gasoline prices caused by the Middle East conflict, will then ease in 2027 as oil prices are assumed to moderate. 2026 & 2027 growth outlook evolving generally as anticipated.
- BoC Governor Macklem stated three key messages: 1) Canada is being buffeted by global events and geopolitical uncertainties, 2) higher global energy prices are pushing inflation up, and 3) monetary policy is focused on ensuring jump in energy prices does not turn into persistent inflation.
- In the post-meeting press conference, Macklem said if energy prices stay higher for longer, there could well be a need to raise the policy rate. BoC Senior Deputy Governor Rogers said there is not a single inflation number where they would completely change their view.

- Fed Chair nominee Warsh approved by Senate Banking Committee in 13-11 vote.

NOTABLE HEADLINES

- OpenAI's USD 500bln "Stargate" plan to secure computing power is being reworked and, in some places, abandoned, FT reported.

DATA RECAP

- Atlanta Fed GDPNow Model (Q1 '26): 1.2% (prev. 1.2%).
- US Durable Goods Orders MoM (Mar) M/M 0.8% vs. Exp. 0.5% (Prev. -1.4%).
- US Housing Starts (Mar) 1.502M vs. Exp. 1.40M.
- US Housing Starts (Feb) 1.356M vs. Exp. 1.4M (Prev. 1.487M, Low. 1.310M, High. 1.488M).
- US MBA Mortgage Applications (Apr/24) -1.6%.
- US MBA 30-Year Mortgage Rate (Apr/24) 6.37%.

FX

- DXY strengthened on a hawkish dissent from 3 members on the Fed's statement language as well as Powell speaking hawkish of some of his peers. Rates were held as expected at 3.50-3.75%, with Miran unsurprisingly calling for a 25bps cut. Interestingly, Hammack, Kashkari, and Logan did not support the inclusion of an easing bias in the statement at this time, while Powell said non-voters preferred this route as well (didn't specify amount), but he does not think they need to do it at this meeting. Powell added that a number of members are seeing a hike as likely as a cut having moved up. A hawkish reaction was seen towards the statement, which extended after Powell announced he will stay on the board after his term as Chair until the investigations is well and truly over, bolstering Fed independence and likely giving incoming Chair Warsh a tougher time to push for his preference for easing. DXY peaked at 99.05 before retreating to ~98.91.
- EUR retreated back below the 1.1700 handle, with price action primarily driven on geopolitics and the firmer dollar (amid hawkish dissent). Cooler-than-expected inflation prints also helped the Euro soften, as German HICP printed at 2.9% Y/Y (exp. 3.1%, prev. 2.8%) while Spanish inflation came in at 3.2% (exp. 3.6%, prev. 3.4%).
- GBP softened and slipped below the 1.3500 handle. Politics remained in focus, with UK Manchester Mayor Burnham stating that he is not ruling out seeking to become an MP again. Burnham is regarded as a credible leadership challenge to UK PM Starmer. However, he is not currently an MP and was blocked from running to become one in a recent by-election by Labour. As a result, modest downticks were seen in cable following this statement.
- JPY weakened, as USD/JPY regained the 160 handle and further into intervention territory. JPY-specific newsflow was light, with the majority of price action driven by geopolitics.

FIXED INCOME

- T-notes pressured as yields rose across the curve as oil gained after Trump rejected Iran's proposal while Fed hawks dissented on easing language bias.
- Germany sells EUR 3.8bln vs exp. EUR 5bln 2.90% 2036 Bund: b/c 1.15x (prev. 1.24x), average yield 3.08% (prev. 2.92%), retention 23.3% (prev. 23.66%).
- German Finance Minister said it is not yet at the stage to consider debt brake suspension.

COMMODITIES

- Oil prices were firmer as participants digested numerous Middle East headlines. Initially, traders digested a WSJ article which suggested that Trump told officials to prepare for an extended blockade on Iran, before crude benchmarks took another leg higher after a White House Official said Trump and oil companies discussed steps to continue the Iran blockade for months, if needed. Furthermore, source reports, via Press TV, suggested that Iran would hit the US with "unprecedented" military action, should the US continue its "maritime piracy". WTI and Brent continued to edge higher and hit peaks of USD 107.68/bbl and 111.50/bbl, respectively, after N12 News reports. Away from the geopolitics, benchmarks came off highs as Reuters source reports suggested OPEC+ is likely to agree oil output hike at Sunday meeting without UAE, and OPEC+ likely to hike quotas by 206k BPD minus the UAE share of 18k BPD.
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- Kazakhstan's Energy Minister said they have no intention to leave OPEC.
- Russian Kremlin said they are not going to exit OPEC+ and hopes the UAE's action does not imply an end to OPEC+.
- OPEC has launched a USD 1.5bln package to assist nations managing rising economic pressures linked to commodity and energy disruptions.
- US EIA Crude Oil Stocks Change (Apr/24) -6.233M vs exp. 0.3M (prev. 1.925M).
- UAE's Fujairah port oil inventories have fallen further to 6mln barrels.
- Russia could increase seaborne crude exports in May as port capacity has been restored and weather will improve.
- Fire at PDVSA's Cardon refinery's FCC unit is reportedly under control.
- EU Commission President von der Leyen said stronger EU coordination is required on fuel reserves.

ASIA-PAC

NOTABLE HEADLINES

- **Shenzhen has eased purchase restrictions relating to house prices**, with measures to take effect from April 30th.
- **Hong Kong** to launch LPG fuel subsidy measures.

EU/UK

NOTABLE HEADLINES

- **UK Manchester Mayor Burnham said he does not rule out seeking to become an MP again.**
- **German Cabinet** has approved the blueprint budget and an overhaul of the healthcare system.
- **The EU is taking legal action over Hungary** for failing to abolish retail tax regime.

DATA RECAP

- **German Prelim. HICP (Apr): 2.9% Y/Y vs. exp. 3.1% (prev. 2.8%); 0.5% M/M vs exp. 0.8% (prev 1.2%).**
- **German Inflation Rate MoM Prel (Apr) M/M 0.6% vs. Exp. 0.7% (Prev. 1.1%, Low. 0.5%, High. 1.1%).**
- **German Inflation Rate YoY Prel (Apr) Y/Y 2.9% vs. Exp. 3% (Prev. 2.7%, Low. 2.7%, High. 3.3%); Core 2.3% (prev. 2.5%).**
- **Spanish HICP Flash (Apr): 3.5% Y/Y (prev. 3.4%); Core 3.1% Y/Y (prev. 2.8%); M/M 0.7% (prev. 1.7%).**
- **Spanish Inflation Rate MoM Prel (Apr) M/M 0.4% (Prev. 1.2%).**
- **Spanish Inflation Rate YoY Prel (Apr) Y/Y 3.2% vs. Exp. 3.6% (Prev. 3.4%); Core 2.8% (prev. 2.9%).**
- **Spanish Core Inflation Rate YoY Prel (Apr) Y/Y 2.8% (Prev. 2.9%).**
- **EU Consumer Confidence Final (Apr) -20.6 vs. Exp. -20.6 (Prev. -16.3).**
- **Italian Business Confidence (Apr) 87.9 (Prev. 88.8).**
- **Italian Consumer Confidence (Apr) 90.8 (Prev. 92.6).**

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