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US Market Wrap - 1st May 2026

Stocks gain and oil drops as Iran sends latest peace proposal

- **SNAPSHOT:** Equities up, Treasuries flatten, Crude down, Dollar up, Gold flat
- **REAR VIEW:** Trump not satisfied with the latest proposal from Iran; Trump said EU is not complying with trade deal and he will increase tariffs to 25% next week on EU cars and truck imports into the US; US ISM Mfg. PMI misses & prices jump; BoJ data confirms FX intervention; AAPL beats, rev. guide topped; Memory names beat; Fed's Logan, Hammack, and Kashkari explain dissent on easing language bias in statement.
- **COMING UP: Holiday:** UK May Bank Holiday, Japan's Greenery Day. **Data:** Turkish Inflation (Apr), Global Manufacturing PMI (Apr), US Factory Orders (Mar). **Speakers:** Fed's Williams; BoC's Macklem and Rogers; ECB's Cipollone, de Guindos. **Supply:** US Treasury Financing Estimates. **Earnings:** Palantir, ONSem, Pinterest, Norwegian Cruise Line, Tyson Foods.
- **WEEK AHEAD:** Highlights include US NFP, ISM Services PMI, RBA, Canadian jobs and OPEC+. [Click here for the full report.](#)
- **WEEKLY US EARNINGS ESTIMATES:** Earnings continue with AMD, PLTR, ARM the highlights. [Click here for the full report.](#)

MARKET WRAP

US indices closed firmer as post-Mag7 earnings persisted into the end of the week. The latest report from Apple (+X%) showed another earnings beat, driven by strong iPhone and services sales, better-than-expected China revenue, alongside upbeat revenue guidance. Tech/AI-related names drove the move today as breadth remained poor. Memory names largely moved higher after strong earnings from Sandisk and Western Digital. Energy was the worst performer on the day, as lower crude prices weighed, a function of reports that Iran sent the US a new peace proposal on Thursday. That said, Axios noted via sources that the focus in the latest plan will likely be on ending the war (not nuclear). Additionally, Trump said he is not satisfied with the latest proposal from Iran. These updates provided a floor for crude prices, which ultimately settled in the red as de-risking after two strong weeks of gains took place ahead of a weekend involving high uncertainty. On trade, Trump threatened the EU with 25% tariffs on its trucks & cars imports (prev. 15%), claiming non-compliance with the agreed-upon trade deal. Both this update and Trump's dissatisfaction with the latest Iran proposal sparked pressure in equities, but proved unsustainable. US yields pared the initial movement tracking crude prices lower. The 2yr remained firmer on the session, perhaps helped by Fed's Logan, Hammack, and Kashkari citing high uncertainty, upside risks to inflation, and the need for new guidance amid the changed environment behind their dissent on easing bias language in Wednesday's FOMC statement. The Dollar was boosted by increased geopolitical uncertainty and Trump's tariff threat, as well as the slight rebound against the JPY after Thursday's JPY intervention. Gold finished the session flat and lower on the week, while silver extended higher on Friday, paring earlier weakness seen in the week.

US

ISM Manufacturing PMI was unchanged at 52.7, albeit beneath the expected 53.2. Prices paid surged to a 4-year high of 84.6 from 78.3, and much above the forecast of 80.7. New orders rose to 54.1 from 53.5, while employment fell further beneath 50 to 46.4 from 48.7. Production and backlog of orders fell, with both still in expansionary territory, while supplier deliveries and inventories rose. Oxford Economics writes that ISM Mfg. index is still resilient to any negative sentiment surrounding the Middle East war. OxEco adds that new orders, combined with low customer inventories, are reasons for optimism, but history suggests geopolitical events are corrosive on production, as firms turn more hesitant on their expansion plans. Looking at prices, pressures are becoming more evident, and the AI buildout is driving shortages in memory components and semiconductors, and the passthrough of energy cost increases to consumer prices will play out in the next months, OxEco argued.

Fed's Logan (2026 Voter, Hawk, Statement Dissenter) said the Fed should avoid giving guidance that implies easing at this stage, stressing that the next rate move could be either a cut or a hike, given the high degree of uncertainty in the economic outlook. She noted that the labour market has remained stable but expressed growing concern about the Fed's ability to return inflation to its 2% target, highlighting that the path for inflation remains uncertain.

Fed's Kashkari (2026 Voter, Hawk, Statement Dissenter) said he pushed for the Fed to signal potential rate hike risks in its outlook, warning that a closure of the Strait of Hormuz could force the Fed to raise rates. He noted that before the conflict, he had expected inflation to decline sufficiently to justify another rate cut this year, and argued that conditions had not changed enough by March to alter the policy statement. However, he cautioned that a sufficiently large price shock could unanchor inflation expectations, which in turn might require a series of rate hikes to maintain the Fed's credibility in defending its 2% inflation target.

Fed's Hammack (2026 Voter, Hawk, Statement Dissenter) said she opposed retaining an easing bias in the FOMC statement, arguing it is no longer appropriate given the current outlook. She pointed to broad-based inflation pressures, with energy playing a key role in driving prices higher, and highlighted upside risks to inflation alongside downside risks to the labour market. Hammack noted that while the economy has remained resilient so far in 2026, uncertainty has increased, and the policy path has become less clear. She added that the job market remains near full employment and emphasised that a wide range of views is a cornerstone of the Fed's decision-making process.

FIXED INCOME

T-NOTE FUTURES (M6) SETTLED 1+ TICK HIGHER AT 110-20+

Treasuries were little changed on the session, with the curve slightly flattening as front-end yields marginally underperformed. At settlement, 2-year +2.1bps at 3.888%, 3-year +1.9bps at 3.910%, 5-year +1.5bps at 4.021%, 7-year +1.1bps at 4.198%, 10-year +0.4bps at 4.378%, 20-year -0.2bps at 4.956%, 30-year -0.1bps at 4.965%.

THE DAY: T-notes largely meandered overnight before catching a bid in the US morning on reports that Iran had sent a revised proposal via Pakistan to the US. The headlines weighed on crude prices, lifting Treasuries to session highs. However, the move reversed as subsequent reports suggested nuclear issues would not be addressed in the proposal, instead focusing on ending the war, which saw oil rebound and Treasuries pare gains. Late trade saw further downside in T-notes after President Trump said he is not satisfied with Iran's proposal, reigniting upside in crude and pushing Treasuries back lower. Geopolitics and oil once again dictated price action, with intraday swings in crude driving moves across the curve. Fed speak resumed, with Logan, Hammack and Kashkari outlining their dissent to the FOMC statement, where all favoured removal of the easing bias, although the majority opted to retain it. On the data front, ISM Manufacturing PMI was unchanged despite expectations for a rise. Employment deteriorated further, while prices paid surged to 84.6 from 78.3, above expectations, and new orders improved. Elsewhere, trade developments saw President Trump announce an increase in tariffs on EU cars and trucks to 25% from 15%, citing a lack of compliance with the trade agreement. Overall, Treasuries were range bound but tilted weaker into the close, with geopolitics and oil continuing to dominate direction, while data and Fed speak had limited lasting impact.

SUPPLY

Bills

- US to sell USD 77bln 26-week bills and USD 89bln of 13-week bills on May 4th, and USD 75bln of 6-week bills on May 5th; all to settle on May 7th

STIRS/OPERATIONS

- Fed Pricing: June -0.4bps (prev. +0.8bps), July -1.2bps (prev. -1.2bps), Sept -2.3bps (prev. -2.3bps), Dec +0.7bps (prev. -0.8bps)
- NY Fed RRP op demand at 0.607bln (prev. 8.261bln) across 5 counterparties (prev. 12)
- SOFR at 3.66% (prev. 3.63%), volumes at USD 3.275tln (prev. USD 2.964tln) on April 30th
- EFRF at 3.64% (prev. 3.64%), volumes at USD 90bln (prev. USD 87bln) on April 30th

CRUDE

WTI (M6) SETTLED USD 3.13 LOWER AT 101.94/BBL; BRENT (N6) SETTLED USD 2.23 LOWER AT 108.17/BBL

The crude complex ended the day with losses, as Tehran submitting a new proposal weighed. Prior to this, WTI and Brent hit peaks of USD 106.65/bbl and 112.45, respectively, as oil prices were elevated heading into a weekend of geopolitical risk. Following this, risk tone improved, and benchmarks fell as Axios' Ravid said Iran delivered on Thursday to the US through the Pakistani mediators its response to the latest US amendments on the agreement to end the war. However, sources "added nuclear negotiations will not succeed under these circumstances, and the focus will likely be on ending the war." Nonetheless, Pakistani officials also said Iran's latest response to the US terms for a peace deal was delivered to the US officials, and crude continued to slip. In the following reports, Tehran could see talks restarting if the US lifts its blockade of Iranian ports and Iran fully reopens the Strait of Hormuz, but the source added that Iran remains deeply distrustful of the US. Further still, Trump was on the wires and said he is not satisfied with the latest proposal from Iran, the Iran negotiations are not getting there right now, and said they are asking for things he cannot agree with. Into the weekend, focus will be on any progress or escalation regarding US/Iran. For the record, the weekly Baker Hughes rig count saw oil fall 1 to 408, natgas rise 1 to 130, leaving the total up 3 to 547.

EQUITIES

CLOSES: SPX +0.29% at 7,230, NDX +0.94% at 27,710, DJI -0.31% at 49,499, RUT +0.46% at 2,813

SECTORS: Energy -1.31%, Industrials -0.93%, Utilities -0.69%, Health -0.52%, Financials -0.37%, Materials -0.32%, Real Estate -0.25%, Consumer Staples -0.09%, Communication Services -0.02%, Consumer Discretionary +0.51%, Technology +1.41%.

STOCK SPECIFICS:

- **Apple (AAPL):** Reported an earnings and revenue beat, driven by strong iPhone and services sales, better-than-expected China revenue, upbeat revenue guidance, and signs that the company is managing through higher memory costs and supply constraints.
- **Roblox (RBLX):** Q1 rev. & user numbers missed.
- **Reddit (RDDT):** Adj. EPS & rev. beat; Q2 guidance topped.
- **Atlassian (TEAM):** Q3 earnings beat.
- **Western Digital (WDC), Sandisk (SNDK):** Beat on earnings, revenue and guidance.
- **Twilio (TWLO):** Earnings beat and lifted FY guidance.
- **Atlassian (TEAM):** Q3 earnings beat.
- **Estee Lauder (EL):** EPS, rev. and guidance topped.
- **Chevron (CVX), Exxon Mobil (XOM):** Earnings beat.
- **Ares (ARES)** CEO says demand has remained consistent despite recent market noise, seeing investors lean in; continue to exceed fundraising targets in most of our flagship fundraisers. CFO says not seeing any credit deterioration broadly within software, only one software company is on nonaccrual.
- US President Trump says looking for a bailout for **Spirit Airlines (FLYYQ)**, gave them a final proposal and announcement later

today.

FX

The dollar erased early-session losses from lower crude prices, as US President Trump threatened the EU with 25% tariffs on their trucks and cars (prev. 15%), claiming they're not complying with the previously agreed trade deal. Helping the rebound into the green, Trump also expressed that he is not satisfied with the latest proposal from Iran. Despite crude prices getting lower, the dollar was generally firmer, perhaps amid the 2yr yield reversing initial downside. Possibly behind the move was the collection of all the Fed dissents on the easing bias language within the statement. Logan, Hammack, and Kashkari, all 2026 voters, cited increased uncertainty, upside risks to inflation, and inappropriate language given the changed outlook. Separately, US ISM Manufacturing PMI missed on the headline, and of concern, prices paid rose to its highest level in four years, while employment hit a YTD low. DXY hit lows of 97.72 before reversing to ~98.18

A slight rebound in the **USD/JPY** helped the overall dollar index, rising to ~157.04 at the time of writing. New WTD lows of 155.49 were seen as speculation on FX intervention continued. BoJ data for April 30th showed FX intervention of some JPY 5.4tn. ING writes that unless Washington gets involved, "we think there will be good demand for USD/JPY near 155, given high energy prices, hesitant BoJ tightening, and a Fed being blown off its easy course".

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