Daily Asia-Pac Opening News - 4th May 2026

SNAPSHOT

STOCKS			
S&P 500	+0.3%	Nasdaq Comp.	+0.9%
DJIA	-0.3%	Russell 2000	+0.5%

FX			
DXY	+0.1% (98.21)	EUR/USD	+0.2%
USD/JPY	-0.2%	GBP/USD	+0.2%

BONDS			
US T-Note Jun'26	+2.5 ticks	10yr Bund Jun'26	+55 ticks
US 10yr Yield	4.37%	German 10yr Yield	3.04%

ENERGY & METALS			
WTI Jun'26	-2.5%	Brent Jul'26	-
Spot Gold	-0.2%	LME Copper	-

CRYPTO			
Bitcoin	+0.4%	Ethereum	+0.6%

As of 22:05 BST / 17:05 EDT

LOOKING AHEAD

- Highlights include holidays in Japan and Mainland China, South Korean and Indian Manufacturing PMIs, Australian ANZ Job Advertisements, Australian Building Approvals, and Australian MI inflation gauge.
- Click for the Newsquawk Week Ahead.

US TRADE

- **US stocks** closed firmer as post-Mag7 earnings persisted into the end of the week. 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.
- **SPX** +0.29% at 7,230, **NDX** +0.94% at 27,710, **DJI** -0.31% at 49,499, **RUT** +0.46% at 2,813

NOTABLE US HEADLINES

- **Chair of European Parliament's trade committee** said Trump's behaviour is unacceptable and are currently drafting the legislation. Latest move just shows how unreliable US is. No way to treat close partners.
- **US Senators offer an act on the China threat to strategic interests and the US Senators' China threat resolution** is bipartisan.

MIDDLE EAST

US

- **US President Trump posted on Sunday that the US will guide neutral ships safely out of the Strait of Hormuz under "Project Freedom", beginning Monday morning Middle East time, and several countries have asked the US to help free ships locked up in the Strait of Hormuz.**
- **US President Trump said US representatives are having very positive discussions with Iran, which could lead to something very positive for all.**
- US President Trump said the ship movement is a humanitarian gesture and is intended to free ships, crews, companies and

countries that have done nothing wrong, and any interference with the humanitarian process will have to be dealt with forcefully.

- **US President Trump said late Friday that he was "not satisfied" with the new peace proposal from Iran.**
- **US President Trump posted at 23:47 BST on May 2nd that he would review Iran's proposal but "can't imagine that it would be acceptable", Trump added that Iran had "not yet paid a big enough price", according to Truth Social.**
- Trump told reporters the US could restart Iran strikes "if they misbehave".
- US Senator Graham urged Trump to "finish the job" in Iran if Tehran remained "provocative", according to the Financial Times.
- **A senior foreign diplomat inside Tehran linked to US-Iran negotiations said Iranians expected "hostilities will resume" after an extended diplomatic stalemate**, according to MS NOW on May 2nd.
- **US Treasury Secretary Bessent said oil prices were "going to be much lower" on the other side of the conflict** , according to Fox Business. Bessent said he "wouldn't be surprised" to see more ships move through the Strait of Hormuz.
- **US President Trump on Friday sent letters to Congress explaining that due to the ongoing ceasefire, he doesn't need its authorisation for ongoing military operations in Iran, NBC reported.** "On April 7, 2026, I ordered a two-week ceasefire. The ceasefire has since been extended. There has been no exchange of fire between the United States Forces and Iran since April 7, 2026. The hostilities that began on February 28, 2026, have terminated," Trump wrote in the letters, one of which went to the House and one of which went to the Senate. "Despite the success of United States operations against the Iranian regime and continued efforts to secure a lasting peace, the threat posed by Iran to the United States and our Armed Forces remains significant," the president added in the letter, promising to keep congressional leaders updated on further developments in Iran. "I have and will continue to direct United States Armed Forces consistent with my responsibilities and pursuant to my constitutional authority to conduct United States foreign relations and as Commander in Chief and Chief Executive," the president wrote in his letter.

IRAN

- **Iran sent a 14-point proposal to Pakistani mediators** , according to Tasnim. **Iran wants key issues resolved within 30 days** . Iran called for an end to multi-front hostilities including Lebanon, and demanded guarantees against military aggression, a US troop withdrawal from the region, an end to the naval blockade and sanctions, the release of frozen assets, and compensation payments.
- **Negotiations on Iran's nuclear programme would take place after the war ended,** according to Axios.
- **Iran proposed reopening the Strait of Hormuz while postponing talks on nuclear energy** , according to a senior Iranian official cited by Reuters.
- **Analysts said Iran had not altered its negotiation position on key matters** , according to the Institute for the Study of War.
- **Iran planned a "Strait of Hormuz management plan" that included a ban on Israeli ships and permission requirements for other vessels**, according to Iranian state media.
- **The IRGC said new Persian Gulf management rules had been set and would be implemented under the supreme leader's "historic command"**, according to SNN TV. The IRGC said controlling nearly 2,000 km of Iran's coastline in the Persian Gulf and Strait of Hormuz would be a source of livelihood, security and prosperity for Iran and the region.
- **Iranian parliament member Rashidi said the Strait of Hormuz would not open and no uranium would leave Iran** , according to Tasnim.
- **Iranian Foreign Minister Araghchi briefed his Omani counterpart on efforts to end the war and establish peace in the region,** according to Iran's foreign ministry.
- **The IRGC's intelligence unit said Trump has to choose between "an impossible military operation or a bad deal with the Islamic Republic of Iran."** The unit said "the room for US decision-making has narrowed."
- **Iran's Foreign Minister Araghchi on Friday said Iran is open to diplomacy in case the US drops its excessive demands and stops using the language of threats against the country, Press TV reported.**

ISRAEL/LEBANON

- **Israel told people in 11 towns and villages in southern Lebanon to evacuate** , according to the Israeli military.
- **Israel said it would buy two squadrons of fighter jets from the US** , according to Israel's defence ministry.
- **Israeli PM Netanyahu was set to convene his security cabinet to discuss the Iran ceasefire and Gaza** , according to The Times of Israel and Kan.
- **Lebanon said 41 people had been killed in 24 hours despite the ceasefire** , according to Lebanon's health ministry.

SHIPPING

- **Iran has continued to mine the Strait of Hormuz during the ceasefire, European security assessments indicate** , according to an ambassador who spoke to Faytuks Network.
- **A bulk carrier near the Strait of Hormuz reported being attacked by multiple small craft, according to the UK Maritime Trade Operations centre.** The vessel had been northbound, all crew were reported safe, and there was no environmental impact.
- **Iran said the ship was not seized after an attack report near the Strait of Hormuz** , according to Sky News. Iranian navy stopped the ship to check documents.
- **The US warned shipping firms they could face sanctions for paying Iran for safe passage through the Strait of Hormuz** , according to AP.
- **Iranian official threatened to turn Hormuz into 'graveyard' of US 'pirates'** , Al Jazeera reported.
- **A tanker loading LNG for India passed through the Strait of Hormuz** , according to India's shipping ministry on Saturday.
- **An Iranian official said the risks of cutting oil production were manageable through expertise acquired during previous**

sanctions periods. The official said cutting oil production could affect about 30% of oil reserves.
- **Iraq said oil output could recover within a week once the Strait of Hormuz blockade ended**, according to Iraq's Deputy Oil Minister Mohammed.
- **An oil tanker was hijacked off the coast of Yemen**, according to Yemen's coast guard. The vessel was reportedly steered toward the Gulf of Aden in the direction of Somali waters.

TARIFFS/TRADE

- **European Commission said it is implementing EU-US trade agreement with standard legislative practice; it is keeping US admin fully informed throughout.** Will keep options open to protect EU interests if the US takes measures inconsistent with trade deal.
- **US President Trump said his trip to China with President Xi will be great.**
- **US President Trump said EU is not complying with trade deal and he will increase tariffs to EU cars and truck imports into the US; tariff will be increased to 25%.** It is fully understood and agreed that, if they produce Cars and Trucks in U.S.A. Plants, there will be NO TARIFF. Full Post: "I am pleased to announce that, based on the fact the European Union is not complying with our fully agreed to Trade Deal, next week I will be increasing Tariffs charged to the European Union for Cars and Trucks coming into the United States. The Tariff will be increased to 25%. It is fully understood and agreed that, if they produce Cars and Trucks in U.S.A. Plants, there will be NO TARIFF. Many Automobile and Truck Plants are currently under construction, with over 100 Billion Dollars being invested, A RECORD in the History of Car and Truck Manufacturing. These Plants, staffed with American Workers, will be opening soon — There has never been anything like what is happening in America today! Thank you for your attention to this matter. President DONALD J. TRUMP".

DATA RECAP

- **US** Baker Hughes Total Rigs Count (May/01) 547.
- **US** Baker Hughes Oil Rig Count (May/01) 408.
- **US** ISM Manufacturing Employment (Apr) 46.4 (Prev. 48.7).
- **US ISM Manufacturing PMI (Apr) 52.7 vs. Exp. 53.2 (Prev. 52.7).** "The past relationship between the Manufacturing PMI® and the overall economy indicates that the April reading (52.7 percent) corresponds to a 1.8-percent increase in real gross domestic product (GDP) on an annualized basis,".
- **US** ISM Manufacturing Prices (Apr) 84.6 vs. Exp. 80.7 (Prev. 78.3).
- **US** ISM Manufacturing New Orders (Apr) 54.1 (Prev. 53.5).
- **US S&P Global Manufacturing PMI Final (Apr) 54.5 vs. Exp. 54.0 (Prev. 52.3).**
- Canadian S&P Global Manufacturing PMI (Apr) 53.3 (Prev. 50.0)

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.
- A slight rebound in the **USD/JPY** helped the overall dollar index
- **BoJ data for April 30th shows FX intervention of some JPY 5.4tln.**

FIXED INCOME

- **T-notes** were little changed on the session, with the curve slightly flattening as front-end yields marginally underperformed.

COMMODITIES

- **Oil prices** ended the day with losses, as Tehran submitting a new proposal weighed.
- **Tether's gold hoard nears USD 20bln as buying spree continues, Bloomberg reported.**
- **Baker Hughes Rig Count: Oil -1 at 408, Nat gas +1 at 130, Total +3 at 547.**
- **US President Trump said US producing and selling more oil right now.**
- **US Energy Secretary Wright** said that the President Trump wants to build as much US energy infrastructure as he can and is very passionate to do that with our allies as well. "Many pipeline projects are being discussed in Central and Eastern Europe as part of the Trump Peace Pipeline agenda to bring prosperity and security".
- **Seven OPEC+ countries decided to implement a production adjustment of 188k BPD (as expected) in June 2026**, according to OPEC. Saudi Arabia, Russia, Iraq, Kuwait, Kazakhstan, Algeria and Oman reaffirmed their commitment to market stability, said they would continue to monitor market conditions, and are set to meet again on June 7th. *As a reminder, the UAE withdrew from OPEC and OPEC+ on May 1st 2026.*
- **ADNOC said it would award USD 55bln in projects for 2026-2028 to advance its growth strategy.** Co. said the awards would reinforce its five-year capital expenditure plan and support a new phase of project execution across its value chain to meet growing global energy demand.

CENTRAL BANKS

- **Atlanta Fed GDPNow (Q2)**: 3.5% (prev. 3.7%).
- **NY Fed RRP op demand at 0.607bln (prev. 8.261bln) across 5 counterparties (prev. 12).**
- **Fed's Logan (2026 voter, hawk, statement dissenter) said Fed should not give guidance implying easing right now.** Next rate

move could be a cut or a hike. Economic outlook is very uncertain. Job market has been stable. Increasingly concerned about getting inflation back to 2%. Outlook for inflation path is uncertain.

- **US Senate Banking Committee Chair Scott believes there will be a vote for Kevin Warsh to become Fed Chair in the week of 11th May.**
- **Fed's Kashkari (2026 voter, Hawkish, statement dissenter) said he urged the Fed to signal hike risks in outlook; warns Hormuz closure may force Fed rate hikes.** Prior to war had seen inflation likely to decline and warrant another rate cut this year; situation had not changed enough in March to modify the policy statement. A large enough price shock could put inflation expectations at risk, potentially requiring a series of rate increases for the Fed to keep credibility in defending its 2% inflation target.
- **Fed's Hammack (2026 voter, Hawk, statement dissenter) said she dissented against keeping an easing bias in the statement, inflation pressures are broad based and energy is driving up prices.** Fed's clear easing bias is no longer appropriate given the outlook. Economy has been resilient so far in 2026. Sees upside inflation risk, downside job market risk. Uncertainty around economy, Policy path has risen. Wide range of views is the cornerstone of Fed process. Job market is near full employment.
- **Citigroup now** expects the BoJ to deliver its next hike in June (prev. saw July), and sees the BoJ continuing to raise rates roughly every six months thereafter.
- **ECB's Dolenc said medium term inflation expectations remain relatively stable; will reassess at upcoming meetings.**
- **ECB's Sleijpen said the impact on inflation will depend on the length of the crisis.**
- **ECB's Makhlouf said without a clear timeline for the Middle East conflict, he is concerned about a higher-for-longer energy price scenario.** Inflation expectations need to be closely monitored for signs of de-anchoring.
- **BoE Chief Economist Pill (Dissenter, voted to hike 25bps) said there is high uncertainty over how far the energy inflation shock will spread.** There is a lot of discussion on the MPC around tightening. Policy should not over react to short-term volatility. Tightening in financial conditions does seem a reasonable response to inflation risk from Iran war. MPC has varied opinions on second-round impacts. MPC does not want to lock itself in on rates, needs to remain flexible. MPC has also stressed it is ready to act if necessary. Choosing to keep rates unchanged is not a passive choice. Main difference between his position and majority of MPC is that he was more concerned about stalling of disinflation before Iran war. As a result, thought they should be acting more promptly in response to new inflation pressure.
- **BoE MPS (Apr): end-2026 Bank Rate seen at 3.75% (3.25% in Feb. survey).** 89% of respondents expected a hold in April, 9.8% a 25bps hike to 4.00%. 67% of respondents expected a hold in June, 24.7% a 25bps hike to 4.00%.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Russia's Kremlin said Ukrainian strikes on Russia’s oil infrastructure could lead to further oil price increases** , according to TASS.
- **Ukrainian drones attacked Russia’s Baltic Sea port of Primorsk on Sunday, setting it on fire** , according to Leningrad Governor. He said more than 60 drones were downed overnight in the region, the fire at the major oil export outlet was extinguished, and there was no oil spill.
- **Ukraine hit two shadow fleet tankers near Russia’s Black Sea port of Novorossiysk** , according to Ukrainian President Volodymyr Zelenskiy.

NATO

- Trump said the US would withdraw “a lot further” than 5,000 troops from Germany.
- US Republicans warned that withdrawing troops from Germany "risks undermining deterrence and sending the wrong signal to Vladimir Putin".
- **NATO said it remained confident in its defence and deterrence capabilities despite the US troop withdrawal from Germany** ,
- **Germany’s defence minister said the US decision to withdraw troops was foreseeable** .

ASIA-PAC

NOTABLE HEADLINES

- **Magnitude 5.6 earthquake strikes Taiwan region, GFZ reported.**
- **Nikkei cites estimates which suggest Japan's currency intervention on 30th April totalled approximately JPY 5tln.**
- **Japan reportedly purchased a shipment of oil from Russia amid the situation in the Strait of Hormuz, TASS reported.**
- **An earthquake of around magnitude 5.1 struck Xinjiang on Sunday** , according to the China Earthquake Networks Center.

EU/UK

NOTABLE HEADLINES

- **Some Labour MPs said it was imperative that Chancellor Rachel Reeves stayed in post to reassure markets even if there was a change of leadership. Labour MPs feared bond market chaos if Rachel Reeves was ousted alongside UK PM Starmer,** according to The Sunday Times. Reeves and Starmer are expected to come under pressure if local elections went as badly as feared.
- **Wes Streeting had the backing of enough Labour MPs to launch a leadership challenge within days** , according to The Telegraph. He had reportedly recruited more than 81 MPs, the minimum needed to trigger a challenge. UK PM Starmer was

alerted to Streeting’s plans after a Downing Street staffer was accidentally texted details. Some Streeting supporters want him to strike as soon as the Friday after local elections, according to The Telegraph.

- **PM Starmer loyalists on Labour’s ruling body are no longer prepared to block Andy Burnham’s return to Parliament** , according to The Telegraph.
- **Cabinet allies of UK PM Starmer have reportedly urged Labour MPs to back the PM and avoid a leadership contest** , FT reported.
- **Streeting ready to launch leadership challenge against Starmer, The Telegraph reported; he has recruited enough MPs to trigger a contest, with supporters calling for him to strike after local elections next week.**
- **Andy Burnham has plan to return to Westminster 'within weeks', according to Guardian citing allies.**