Daily European Opening News - 4th May 2026

SNAPSHOT

STOCKS			
Nikkei 225	--	ASX 200	-0.4%
Hang Seng	+1.5%	Shanghai Comp	+0.1%
Euro Stoxx 50 Jun'26	+0.3%	DAX Jun'26	+0.3%
ES Jun'26	+0.2%	NQ Jun'26	+0.4%

FX			
DXY	-0.1% (98.13)	EUR/USD	+0.1% (1.1729)
USD/JPY	-0.2% (156.75)	GBP/USD	+0.2% (1.3587)

BONDS			
US T-Note Jun'26	-2 ticks	Bund Jun'26	+2 ticks
US 10yr Yield	--	German 10yr Yield	3.042%

ENERGY & METALS			
WTI Jun'26	-0.7%	Brent Jul'26	-0.5%
Spot Gold	-0.2%	LME Copper	-0.3%

CRYPTO			
Bitcoin	+2%	Ethereum	+2.6%

As of 06:15BST / 01:15EDT

LOOKING AHEAD

- Highlights include Global Manufacturing PMI Finals (Apr), US Factory Orders (Mar). Speakers include Fed's Williams, BoC's Macklem and Rogers, ECB's Cipollone, de Guindos. Earnings from Palantir, ONSemi, Pinterest, Norwegian Cruise Line, Tyson Foods.
- Holiday: UK May Bank Holiday.
- Click for the Newsquawk Week Ahead.

IRANIAN WAR

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 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.**
- **US President Trump said late Friday that he was "not satisfied" with the new peace proposal from Iran.**
- 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 Iran, said "it is going very well".**
- **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.**
- **US and Iran remain far apart, however, on the substantive issues of reopening the Strait of Hormuz and Iran's nuclear programme, WSJ reported on Friday, citing sources, an indication negotiations will continue to be fraught.**

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 said Iran is open to diplomacy if the US drops its excessive demands and stops using the language of threats against the country, Press TV reported.**
- **Head of the Iranian Parliament News Agency** said Iran informed the countries of the region, led by the UAE, that if the war is renewed, Iran will direct devastating strikes against oil wells, Al Mayadeen reported.
- **Iran's Rahimi told Al-Mayadeen the negotiations were not conducted by telephone as Trump claims, but rather through the Pakistani mediator and sometimes through an exchange of messages with Iran's FM Araghchi.**
- **Pakistani and Iranian Foreign Ministers held a call to discuss regional situation and the ongoing diplomatic efforts,** according to Pakistan's Foreign Ministry.

SHIPPING

- **The head of the national security commission of the Iranian parliament said any American interference in the new maritime regime of the Strait of Hormuz will be considered a violation of the ceasefire.**
- **UKMTO reported an incident 78 NM north of Fujairah, UAE; "a tanker has reported being hit by unknown projectiles. All crew reported safe".**
- **Joint Maritime Information Centre said "The maritime security threat level in the SoH remains critical due to ongoing regional military operations".**
- **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. The Iranian navy stopped the ship to check documents.
- **US CENTCOM posted it will begin supporting Project Freedom from May 4; "US military support to Project Freedom will include guided-missile destroyers, over 100 land and sea-based aircraft, multi-domain unmanned platforms, and 15,000 service members".**
- **The new Strait of Hormuz initiative will not necessarily include US Navy ships escorting commercial ships, according to two US officials cited by Axios' Ravid; US Navy ships will be "in the vicinity".** One of the officials said US Navy ships will be "in the vicinity" in case they need to prevent Iran's military from attacking commercial ships moving through the strait. The officials said the US Navy is going to provide commercial ships with information on the best maritime lanes in the strait, especially when it comes to using lanes that were not mined by the Iranian military.
- **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.
- **"Despite the war, Iran continues to export to six key markets, including China, India, Russia, Turkey, Oman and Armenia", SNN reported, citing the Iranian Bushehr Chamber of Commerce.**
- **US CENTCOM** said the Iranian ship TOUSKA that was captured by US forces has been handed over to Pakistan along with the crew so that it could be returned to Iran, Pakistani journalist Mallick posted. "Alongside Pres Trump's announcement discussions with Iran that can lead to something positive -- Compelled to say, Game Set Match -- Deal!", Mallick said.

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.
- **Washington informed Israel that the ceasefire with Lebanon will remain in effect despite any developments with Iran** , Al Jazeera reported citing Channel 12 sources.

US TRADE

EQUITIES

- **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
- Click here for a detailed summary.

NOTABLE HEADLINES

- **US President Trump** posted an image with the caption "I have all the cards".
- **Chair of European Parliament's trade committee** said Trump's behaviour is unacceptable; currently drafting the legislation. Latest move just shows how unreliable US is. No way to treat close partners.
- **US senators propose an act on the China threat to strategic interests and the US Senators' China threat resolution** is bipartisan.

NOTABLE US EQUITY HEADLINES

- **GameStop (GME) is offering to purchase eBay (EBAY) for USD 56bln, GameStop CEO said, according to WSJ; offer at USD 125/shr (vs USD 104.07/shr closing price on Friday).** "If eBay isn't receptive to the proposal, GameStop's CEO said he was prepared to run a proxy fight and take the offer directly to the shareholders."

DATA RECAP

- **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).**

TRADE/TARIFFS

- **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 on 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.
- **Australian PM Albanese** said Australia signed a joint declaration on economic security cooperation with Japan; agreement will make the countries more resilient to economic shocks and uncertainty. Australian PM noted a joint statement on critical minerals with Japan elevates critical minerals to a core pillar of economic and security relationship, and defence and security cooperation will further develop the already advanced defence relationship.

APAC TRADE

EQUITIES

- **APAC stocks** traded mostly firmer, although thinner liquidity prevailed amid the absence of Japanese and Mainland Chinese markets.
- **ASX 200** trimmed early gains but remained rangebound ahead of the RBA decision, where a 25bps hike is expected.
- **KOSPI** surged at the open, with chip giants leading the market higher, SK Hynix +10%, Samsung Electronics +3.5%.
- **Hang Seng** opened higher, supported by tech strength, albeit Northbound and Southbound Stock Connect trading were closed due to the Labour Day holiday in Mainland China
- **US equity futures** initially gapped higher before paring gains, moving in line with energy price action as crude rebounded from early lows.
- **European equity futures** are indicative of a modestly firmer return from the long weekend, with the Euro Stoxx 50 future +0.2% after cash closed with gains of 1.1% last Thursday.

FX

- **USD/JPY** was volatile amid thin liquidity (Golden Week) and recent intervention speculation, with a sharp ~38 pip dip at 02:17 BST that was quickly reversed. The pair then edged higher to a 157.25 high before suddenly sliding (at 04:45BST) to 156.00 in under two minutes, and then extending to a 155.67 low. The move mimicked the drop seen on Friday at 07:30BST from around the same levels. As a reminder, Japanese Finance Minister Katayama on Thursday said they are monitoring FX while on holiday.
- **DXY** traded choppy and flat for most the session largely tracking energy price action. DXY then saw a sudden dip alongside the aforementioned USD/JPY slide.
- **EUR/USD** was within a 1.1720–1.1747 range, moving in line with the USD amid limited regional catalysts; the pair remained within Friday’s 1.1714–1.1785 band, with the 100 DMA at 1.1708.
- **GBP/USD** held a mild upward bias within Friday's range, while UK participants are away for the Bank Holiday, with focus on domestic politics ahead of the May 7th local elections, viewed as a verdict on PM Starmer’s premiership.
- **Antipodeans** were modestly firmer against the USD as regional risk sentiment improved and following the aforementioned JPY volatility; NZD outperformed slightly, while AUD/NZD approached 1.2200 to the downside ahead of the 5th May RBA decision.

FIXED INCOME

- **10yr UST futures** moved in tandem with energy prices, initially gapping higher before paring gains as oil recovered from its lows.
- **Bund futures** returned from the long weekend with an upside gap but met resistance around the 125.50 level.

COMMODITIES

- **Crude futures** initially gapped lower after reports the US sent a revised proposal to Iran and announced “Project Freedom” to escort ships through Hormuz. Prices later rebounded after Iran warned US maritime involvement would violate the ceasefire. Brent briefly fell below USD 106/bbl before stabilising above USD 108/bbl. Elsewhere, the seven remaining OPEC+ voluntary output-cut members decided to increase output by 188k as expected.
- **Spot gold** was subdued, briefly dipping below USD 4,600/oz, as a firmer USD and recovering oil prices weighed on the metal despite a slightly stronger open.
- **Copper futures** were softer, with CME prices pressured by the broader energy-driven risk tone, while LME markets were closed for the UK Bank Holiday.
- **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.
- **Baker Hughes Rig Count: Oil -1 at 408, Nat gas +1 at 130, Total +3 at 547.**
- **US President Trump said the US is producing and selling more oil right now.**

CRYPTO

- **Bitcoin** gained and briefly topped USD 80,000 for the first time since late January.

CENTRAL BANKS

- **ECB's Rehn said fast action is needed if second-round inflation is seen.**
- **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.**
- **RBNZ Board Member Gai said supply shocks such as the Hormuz situation have raised the neutral rate.**
- **BoK Deputy Governor said it is time to think about a rate hike, Yonhap reported; cites more resilient growth and higher inflation than expected.**

DATA RECAP

- **Australian** TD-MI Inflation Gauge (Apr) M/M 0.6% (Prev. 1.3%); Y/Y 4.3% (Prev. 4.3%).
- **Australian** Building Permits MoM Prel (Mar) M/M -10.5% (Prev. 29.7%).
- **Australian** ANZ-Indeed Job Ads MoM (Apr) M/M -0.8% (Prev. -3.1%).
- **Australian** Private House Approvals MoM Prel (Mar) M/M 12% (Prev. 0.2%).
- **Australian** Building Permits YoY Prel (Mar) Y/Y 9.0% (Prev. 14.0%).

GEOPOLITICS

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 the 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.
- **UK intends to begin negotiations to join a EUR 90bln European Union loan scheme seen as providing vital support for Ukraine, BBC reported. BBC suggests this "further signals the government's desire for closer ties with the EU".** "UK PM Starmer will tell the European Political Community (EPC) summit in Armenia on Monday about the UK's ambitions, which further signals the government's desire for closer ties with the EU."

CHINA

- **China is reportedly prodding Iranian officials to negotiate with the US, while also quietly allowing its companies to give Iran commercial support that could help Iran's military if it goes back into a full-blown war, NYT reported.**

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** .

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 go 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 accidentally texted details. Some Streeting supporters want him to strike as soon as the Friday after the 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.
- **Wes Streeting is 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 a plan to return to Westminster 'within weeks', according to the Guardian, citing allies.**