newsquawk

Daily US Opening News - 4th May 2026

SNAPSHOT

STOCKS			
Euro Stoxx 50	-0.5%	DAX40	+0.3%
Stoxx 600	-0.2%	FTSE 100	Closed
ES Jun'26	+0.1%	RTY Jun'26	U/C
NQ Jun'26	+0.3%	YM Jun'26	-0.2%

FX			
DXY	U/C (98.23)	EUR/USD	U/C (1.1720)
USD/JPY	U/C (156.98)	GBP/USD	U/C (1.3562)

BONDS			
US T-Note Jun'26	-5 ticks	Bund Jun'26	-25 ticks
US 10yr Yield	4.4%	German 10yr Yield	3.05%

ENERGY & METALS			
WTI Jun'26	+0.9%	Brent Jul'26	+1.3%
Spot Gold	-0.6%	LME Copper	Closed

CRYPTO			
Bitcoin	+2%	Ethereum	+2.3%

As of 10:50BST / 05:50EDT

LOOKING AHEAD

- Looking ahead, highlights include Global Manufacturing PMI Finals (Apr), US Factory Orders (Mar), and US President Trump. 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 here for the Week Ahead preview

EUROPEAN TRADE

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.
- **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 sent on Sunday another amended draft for an agreement to end the war in response to Iranian officials' latest proposal, Axios sources said.**
- **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.
- 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.
- **A small group of US Senate Republicans** are working behind the scenes on an authorisation of military force regarding Iran that can be acted if President Trump resumes strikes, Semafor reported citing sources.
- **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 has handed over 22 crew members from the seized Iranian container ship MV Touska to Pakistan, journalist Mallick reported citing the Foreign Ministry of Pakistan.**
- **US President Trump's frustration** with the Iran stalemate prompted a Hormuz gambit, Axios reports; source says it could be the "beginning of a process that could lead to a confrontation with the Iranians". A source close to the President described this as the "beginning of a process that could lead to a confrontation with the Iranians".

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.
- **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.
- **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.
- **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.** "The Strait of Hormuz and the Persian Gulf would not be managed by Trump's delusional posted!".
- **US CENTCOM** said 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.
- **IRGC unveils a new map of the Strait of Hormuz area which** is under Iranian control. From the south of the line between Mount Mubarak in Iran and south of Fujairah in the UAE. From the west of the line between the end of Qeshm Island in Iran and Umm Al-Qawin in the UAE.
- **Iran's Foreign Ministry Spokesperson Baghaei** said that the US has a hard time quitting its maximalist demands. We received America's response through Pakistan. The issues presented by the United States are under review. Issues about enrichment and materials raised are mostly speculation. The US response is being considered. At this stage, we are not talking about anything other than a complete cessation of the war.
- **"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.**
- **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.**
- **Iran's Foreign Minister Araghchi 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.**
- **IRGC Spokesperson** said "Other maritime movements contrary to the declared principles of the IRGC Navy will face serious risks. Violating vessels will be stopped by force.".
- **Iranian Major Abdullahi said any foreign armed forces, particularly the US, would be attacked if they approach and enter the Strait of Hormuz.**
- **Pakistani and Iranian Foreign Ministers** held a call to discuss regional situation and the ongoing diplomatic efforts, according to Pakistan's Foreign Ministry.

- **Joint Maritime Information Centre said "The maritime security threat level in the SoH remains critical due to ongoing regional military operations", UKMTO posted.** "Mariners should expect increased naval presence, enhanced force protection postures, potential VHF hailing, and congestion near anchorage areas.".
- **UKMTO reported an incident 78 NM north of Fujairah, UAE; "a tanker has reported being hit by unknown projectiles. All crew reported safe".**

ISRAEL/LEBANON

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

EQUITIES

- **European bourses** (STOXX 600 -0.2%) opened tentatively on either side of the unchanged mark, and have gradually moved lower, alongside a pick-up in energy prices. The **DAX 40** (+0.3%) is the outperforming major this morning, whilst the **IBEX 35** (-1%) lags vs peers. As a reminder, the **FTSE 100** is closed on account of the UK's May Bank Holiday. The focus this morning has been on a) geopols and b) trade. (See geopolitical section above for details)
- **On the trade front, Trump threatened the EU with 25% tariffs on European cars/trucks**, after suggesting that the bloc is not complying with the trade deal. The White House said that it would implement the tariffs through Section 232, which are typically subject to long due process/probes. The **Autos** sector in **Europe** this morning has been mildly hit following Trump's threat, with the likes of **BMW** (-1.3%) and **Mercedes** (-1.2%) on the backfoot, whilst **Stellantis** (-0.1%) remains fairly resilient. **The divergence is explained by BMW/Mercedes importing many of their cars into the US through European factories, whilst Stellantis has a higher industrial presence within the region**.
- **European sectors** are mixed. **Media** and **Tech** take the top two spots, whilst **Autos** and **Media** are the clear laggards. The **Tech** sector gains follow the strength seen in APAC trade overnight, whereby **SK Hynix** shares rallied 12%, as the sector reacted to continued optimism surrounding strong spending for AI data centres.
- **US equity futures** are mixed (ES +0.1%, NQ +0.3%, RTY -0.1%), following the tentative action seen in Europe. The US docket today includes factory orders, with focus also on Fed speak via Fed's Williams later; President Trump is also set to speak. As for key stories this morning, **GameStop** (-0.8%) is offering to purchase **eBay** (+8%) for USD 56bln, GameStop CEO says, according to WSJ. Elsewhere, **Manchester United** (+2.1%) secured Champions League football for next season, after defeating Liverpool on Sunday.
- **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.".
- Click for the sessions European pre-market equity newsflow
- Click for the additional news

FX

- **G10s are mixed against a relatively flat USD**; the **Kiwi** outperforms a touch, whilst the **Swiss Franc** marginally lags. Ultimately, price action has been lacklustre throughout the European morning, awaiting updates on the geopolitical and trade front.
- **DXY remains within a 97.97 to 98.29 range, and well below its 100- and 200-DMA at 98.46 and 98.54**, respectively. The **Dollar** has been moving incrementally higher throughout the European morning, alongside a bid in the energy complex. Focus has ultimately been on the geopolitical situation, whereby **President Trump announced plans to guide neutral ships safely through the Strait, over the weekend**. Unsurprisingly, this was met with resistance by the Iranians, with an official this morning spurring some mild risk off, after he said that the US would be attacked if they approach and enter the Strait of Hormuz.
- **EUR is essentially flat**, and trades around 1.1720 within a 1.1711 to 1.1750 range; the trough is in close proximity to both its 21- and 100-DMA at 1.1711 and 1.1709, respectively. **The single currency has had several Final EZ Manufacturing PMIs to digest**, but they were broadly subject to only very mild revisions. Also of note was the release of the **ECB's Survey of Professional Forecasters**, which saw upward revisions to near-term inflation, whilst remaining unchanged on a longer-term basis. No move on this.
- **JPY is currently flat vs USD this morning**, but did experience some volatile trade in the Asia session, amidst thin liquidity (Japan on holiday for Golden Week). A sharp dip of circa. 38 pips was seen in **USD/JPY** overnight, but this move mostly pared as the session progressed. Touted intervention at this time, but markets will look for confirmation. **MUFG opines that whether this bout of intervention proves effective**, will depend on fundamentals such as Fed-BoJ policy divergence. In its base case, analysts see two BoJ hikes this year, which would allow "a gradual move lower in **USD/JPY** towards the 152 levels". **USD/JPY** currently trades around 157.00 (vs 155.70 trough). The potential intervention today didn't quite lead the pair down to recent troughs of 155.48; a level not seen since late-Feb of this year.
- **India** is reportedly mulling steps to make Dollar inflows more attractive, to help the weak INR, sources suggest; non-resident FX deposit scheme and tax reliefs on foreign government bonds are reportedly being looked into.

FIXED INCOME

- **A slightly bearish start to the week, though conditions are thin on account of holidays in China, Japan and the UK** .
- **USTs** down to a 110-15+ trough this morning, hit by an uptick in energy, which reverberated through on a wider airing of comments from Iran regarding the US' activity around Hormuz. At most, **USTs** have been lower by 5+ ticks. Ahead, we await remarks from Fed's Williams and then the financing estimates ahead of refunding later in the week.
- From Williams, we are attentive to his view on forward guidance after several Fed members, including three voters, objected to language implying the next move would be a cut. In his most recent remarks, Williams described policy as modestly restrictive and well-positioned, adding that the Middle East conflict was already lifting inflation.
- **Bunds** are in-fitting directionally, though in a slightly wider range and with modestly greater pressure on catch-up from the long weekend. Hit a 125.09 base with losses of 27 ticks at most, bottoming alongside the above move in USTs. No real reaction to the region's Final Manufacturing PMIs, or the latest ECB SPF, which saw near-term inflation revised up but the longer-term view maintained.

COMMODITIES

- **Energy benchmarks are at highs**, firmer by in excess of USD 2/bbl for **WTI** and **Brent** and over EUR 0.50/MWh for **Dutch TTF**.
- Specifics for the space include **US President Trump announcing Project Freedom, to get neutral vessels out of Hormuz. In response**, Iran said US interference would be considered a ceasefire violation. Since, and prompting notable energy upside, the **Iranian Major Abdullahi said any foreign forces, but particularly US, would be attacked if they approach and enter the Strait of Hormuz**.
- The latter update was enough to lift **WTI Jun'26 and Brent Jul'26** to highs of USD 104.36/bbl and USD 110.68/bbl, respectively. Gains that weighed on the equity and fixed income complexes while providing support to the USD. Note, this entirely overshadowed more constructive updates, such as the US handing over 22 crew members from the MV Touska, an Iranian container ship.
- Ahead, we have remarks from POTUS at 20:00BST. Before that, geopolitical updates around Hormuz or the Iranian proposals, which Trump said were unlikely to be accepted as Iran had "not yet paid a big enough price", will be in focus.
- **Spot gold on the backfoot**, as the inverse correlation between energy and the precious metal sends it to a USD 4574/oz low, with downside of near 1% on the session. Furthermore, conditions were a little thin overnight, given the absence of Japan and mainland China. The latter point is weighing on copper prices, while conditions there are thin on account of the UK holiday, and as such, there is no LME trade.
- **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.
- **US President Trump** said the US is producing and selling more oil right now.

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.
- **UAE confirms ongoing discussions with the US on an FX swap agreement.**
- **EU Commission President von der Leyen** said the Canada-EU partnership is strengthening.
- **EU Parliamentary Delegation to the US Chair Benifei** said he will call for the European Commission to bring out the "trade bazooka", as they need a mechanism that makes violating trade agreements too costly for the US.
- **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.
- **Japanese PM Takaichi** is to meet with Australian PM Albanese to discuss energy and rare earths.

NOTABLE EUROPEAN HEADLINES RECAP

- **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.

NOTABLE EUROPEAN DATA RECAP

- **EU S&P Global Manufacturing PMI Final (Apr) 52.2 vs. Exp. 52.2 (Prev. 51.6); "Over the two months since the war started, the jump in input cost inflation has been far larger than anything previously recorded...".**
- **German S&P Global Manufacturing PMI Final (Apr) 51.4 vs. Exp. 51.2 (Prev. 52.2)**
- **French S&P Global Manufacturing PMI Final (Apr) 52.8 vs. Exp. 52.8 (Prev. 50.0).**
- **Italian** S&P Global Manufacturing PMI (Apr) 52.1 vs. Exp. 51.6 (Prev. 51.3).
- **Spanish** S&P Global Manufacturing PMI (Apr) 51.7 vs. Exp. 49.5 (Prev. 48.7).
- **Swedish** Swedbank Manufacturing PMI (Apr) 57.2 (Prev. 56.3).

CENTRAL BANKS

- **ECB's Kazimir said policy tightening in June is all but inevitable.** Europe is increasingly likely to face a prolonged period of broad-based price increases, with higher energy prices set to spread to the rest of the economy.
- **ECB's Simkus said it is clear that they have deviated from the baseline scenario.**
- **ECB Survey of Professional Forecasters (Q2'26): Headline and core HICP inflation revised up in the near term, while remaining unchanged further out.** Headline and core HICP inflation revised up in the near term, while remaining unchanged further out. Real GDP growth expectations revised down for 2026 and 2027, but unchanged thereafter. Unemployment rate expectations unchanged.
- **ECB's Villeroy said they are facing an unprecedented shock. Expects France to have a deficit of 5% of GDP, should avoid a recession.**
- **ECB's Muller said ECB rate is at more-or-less neutral level and allows time to wait.**
- **ECB's Rehn said fast action is needed if second-round inflation is seen.**
- **ECB Wunsch FT interview: "Europe 'naive' in clinging to old economic model".**
- **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.**

NOTABLE US 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.

GEOPOLITICS

RUSSIA-UKRAINE

- **UK intends to begin negotiations to join a EUR 90bln European Union loan scheme seen as providing vital support for Ukraine, BBC reported, suggesting "which 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.".
- **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.

CRYPTO

- **Bitcoin** is on a firmer footing this morning and trades just shy of the USD 80k mark. **Ethereum** outperforms a touch, and eyes USD 2.4k.

APAC TRADE

- **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.

NOTABLE APAC DATA RECAP

- **Indian** HSBC Manufacturing PMI Final (Apr) 54.7 vs. Exp. 55.9 (Prev. 53.9).
- **Australian** Building Permits YoY Prel (Mar) Y/Y 9.0% (Prev. 14.0%).
- **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 MoM Prel (Mar) M/M -10.5% (Prev. 29.7%).
- **Australian** TD-MI Inflation Gauge (Apr) M/M 0.6% (Prev. 1.3%); Y/Y 4.3% (Prev. 4.3%).