Daily Asia-Pac Opening News - 5th May 2026

SNAPSHOT

STOCKS			
S&P 500	-0.4%	Nasdaq Comp.	-0.2%
DJIA	-1.1%	Russell 2000	-0.5%
ES Jun'26	-0.5%	RTY Jun'26	-0.6%
NQ Jun'26	-0.3%	YM Jun'26	-1.2%

FX			
DXY	+0.3% (98.45)	EUR/USD	-0.3%
USD/JPY	+0.1%	GBP/USD	-0.3%

BONDS			
US T-Note Jun'26	-13 ticks	10yr Bund Jun'26	-48 ticks
US 10yr Yield	4.43%	German 10yr Yield	3.08%

ENERGY & METALS			
WTI Jun'26	+3.1%	Brent Jul'26	+5.2%
Spot Gold	-2.2%	LME Copper	-

CRYPTO			
Bitcoin	+1.9%	Ethereum	1.4%

As of 22:00 BST/ 17:00 EDT

LOOKING AHEAD

- Highlights include RBA policy announcement and Press conference.
- Holidays: Mainland China, Japan.

US TRADE

- **US stocks** traded risk-off on Monday as escalating geopolitical tensions in the Strait of Hormuz and the UAE drove energy prices sharply higher. The move weighed on equities and bonds, while supporting the dollar.
- **SPX** -0.41% at 7,201, **NDX** -0.21% at 27,652, **DJI** -1.13% at 48,942, **RUT** -0.60% at 2,796

NOTABLE US HEADLINES

- **US CBP** said IEEPA refund transactions are going to begin as early as May 12th.
- **White House reportedly on lockdown amid** reported of shots fired a few blocks away.
- **US President Trump privately** raises objection to the Senate housing bill, via Politico. Trump was on the verge of putting out a social media post taking issue with the major housing affordability package the Senate approved this year, according to sources. The president doesn't support language in the bill that would require large institutional investors to sell single-family homes that are built as long-term rentals after seven years, the sources said.
- **Japanese Finance Minister Katayama said they would take firmer steps against speculative FX activity, under the remit of the 2025 US agreement.**

TARIFFS/TRADE

- **US President Trump** said hate to have to pay tariffs back.
- **US Treasury Department** announces the issuance of general license authorising some transactions in relation to the PDVSA 8.5% 2020 bond as of the 19th of June.
- **Brazilian President Lula to travel to the US shortly to meet with US President Trump, O Globo reported. Details are being**

finalised. Expectation is for the meeting to occur no later than next week.

- **French Finance Minister Lescure** said France is willing to keep working with the US on trade deal in good faith, other options are on the table with the US if needed. No tariffs will be imposed on the UK.
- **Polish PM** said they will be signing a security agreement with the UK at the end of May.

DATA RECAP

- **US** Factory Orders ex Transportation (Mar) 1.6% (Prev. 1.2%).
- **US** Factory Orders MoM (Mar) M/M 1.5% vs. Exp. 0.4% (Prev. 0%). Inventories/Shipments 1.51 Months' Worth (prev. 1.52).

FX

- In FX, the **dollar** was firmer on safe-haven demand, although gains were choppy following remarks from Fed's Williams, who said that rate cuts are still expected eventually and that he does not currently consider the need for rate hikes. G10 FX broadly weakened against the dollar, with higher beta currencies underperforming.

FIXED INCOME

- **T-notes** sold off across the curve as higher oil prices lifted yields, with the move led by the front-end as inflation expectations repriced.
- **US Treasury Financing Estimates (Q2): To borrow USD 189bln in Q2 and sees end-June cash balance of USD 900bln (prev. saw USD 109bln, assuming end-June cash balance of USD 900bln).** To borrow USD 671bln in Q3, and sees end-September cash balance of USD 950bln. Borrowed USD 577bln in Q1, with end-quarter cash balance of USD 893bln.
- **US** sold 3-month bills at a high rate of 3.610%, B/C 2.76x; sold 6-month bills at high rate 3.610%, B/C 2.79x.
- **ADP (ADP)** files for senior note offering.

COMMODITIES

- **Oil prices** surged on reports of direct conflict between the US and Iran in the Strait, alongside Iranian strikes on the UAE, including the Fujairah energy facility. The escalation lifted inflation expectations, pressuring Treasuries and weighing on broader risk sentiment.
- **EU's Dombrovskis** said taxing windfall energy profits is a possibility that member states can use, but not foreseeing recommending EU initiative.
- **Chevron (CVX) CEO** said oil storage buffers being drawn down.
- **Kazakhstan has lifted its oil and gas condensate output in April to 2.17mln BPD, +16% M/M, sources report.**
- **German Finance Minister Klingbeil** said they will continue to push for a windfall tax on energy profits.
- **QatarEnergy extended force majeure on its liquefied natural gas supply through mid-June.**
- **EU Commission Spokesperson** said EU Commission does not have access to information on commercial contracts of jet fuel; Will issue guidance for airlines on jet fuel this week.
- **Japan** is reportedly seeking oil supplies from Kazakhstan.

CENTRAL BANKS

- **Fed's Williams (voter) said longer-term outlook still suggests eventual rate cuts will happen and does not see need to start weighing Fed interest rate hike.** Current uncertainty limits providing policy guidance. Fed's easing bias mostly about likely longer-term policy trends. He is 'very comfortable' with rate-setting committee's current policy language.
- **US President Trump** said "Too Late" is a DISASTER for America! Interest rates too high!
- **Fed SLOOS: Regarding loans to businesses over Q1, survey respondents, on balance, tighter lending standards and basically unchanged demand for commercial and industrial (C&I) loans to firms of all sizes.** Banks reported basically unchanged lending standards and weaker or basically unchanged demand for commercial real estate (CRE) loans. For loans to households, banks reported basically unchanged lending standards and unchanged or weaker demand for most categories of residential real estate (RRE) loans on balance. Banks similarly reported basically unchanged lending standards but stronger demand for home equity lines of credit (HELOCs). In addition, banks reported tighter standards for other consumer loans, while standards remained basically unchanged for credit card and auto loans. Meanwhile, demand reportedly weakened for credit card, auto, and other consumer loans.
- **Fed's Williams (voter) said in a time of uncertainty and economic shocks, natural to see diverging views on FOMC.** Dissents happen more in times of uncertainty, shows Fed is grappling with issues. There has been a huge shift in labour force growth in the US. Job market break even might range between zero and 50k jobs per month now. Jobs market is holding up well so far. Not seeing longer term inflation expectations move much, that's encouraging. In balance, job market is helping contain inflation. Fed's job is to make sure inflation expectations hold steady. Tariff based inflation should ease. R-star likely higher than most recent low readings. 3% is likely long run Fed funds rate. Expects higher productivity growth over coming years from AI. Persistence of inflation over target is definitely on central bankers' minds. Not seeing signs yet of inflation spilling into underlying trends. US will be less affected relative to other nations from energy shock.
- **Fed's Williams (voter) said monetary policy remains well positioned for uncertain economy.** No way to know yet how Iran war impact will play out for US economy. Risks to both sides of Fed's mandates have increased. Economy is presenting 'unusual set of circumstances'. Market energy outlook benign, but there are 'plausible' bad scenarios. Inflation likely to be 3% this year, back to 2% target in 2027. 'Notable' supply chain disruptions emerging. Tariffs and energy are big inflation drivers, underlying inflation is mostly stable. It's good that inflation expectations remain contained. Expects US economic growth between 2-

2.25% this year. The economy has been very resilient. Expects jobless rate to stay around 4.25-4.50%.

- **ECB's Nagel said the longer the conflict lasts, the greater the risk that inflation will remain high without ECB intervention and the starting point will be much better than in 2022.** June rate hike may be warranted if the inflation outlook does not improve significantly.
- **ECB's de Guindos said it is important to have a cool head when it comes to setting policy. Middle East shock may be impacting inflation to a greater degree than growth.**
- **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. Does not comment on any fixed path for rates.
- **BoC Governor Macklem** said inflation should peak in early April of 2027, then ease to 2% throughout the year. Will not allow energy prices to remain high for long.
- **SARB Governor Kganyago** said very committed to 3% inflation goal, and it makes sense to keep options open.
- **CNB Governor Michl** said they must ensure that real interest rates remain positive to prevent a repeat of inflation post-COVID.
- **Turkey Finance Minister Simsek** said the rise in inflation is temporary.

GEOPOLITICAL

MIDDLE EAST

- **Saudi Crown Prince** held phone call with UAE President, condemned Iran's unjustified attacks on UAE.
- **US President Trump said Iran detour is working out nicely and sees oil prices going down rapidly once the war is over.**
- **US and Israel holding talks on how to respond and assist UAE; sources suggest likely options include strikes against launchers and military targets threatening the strait, or an attack on an Iranian energy facility in response to Fujairah; via Hayom.**
- **US President Trump stops short of saying Iran has violated the ceasefire, via ABC News citing phone call.** Full Post: Regarding the Iranian drone and missile attacks on UAE today: “They were shot down for the most part,” Trump told me. “One got through. Not huge damage.” Regarding the Iranian attack on a South Korean ship: “We're going to look into it. Shots were fired at a South Korean ship, and I think South Korea should take some action. ... This was a South Korean ship riding by itself. It was not an escorted ship.".
- **Informed Iran military official said Iran had no pre-designed plan to attack Fujairah oil facilities, and what happened was the product of the American army's adventure to create a illegal passage of ships through the forbidden passages of the Strait.**
- **Iran's army said "Tonight we will start a new chapter, a chapter that the enemies have never seen before", N12 reported.**
- **The US updated Israel on** plans to break the naval blockade in Hormuz and raised concerns that the Iranians will attack ships or countries in the Gulf, a move that according to senior Israeli officials could lead Trump to resume the war, via Kann News.
- **UAE plans 'severe retaliatory response' and UAE officials say plan is 'harsh revenge' against Iran, MS Now reported.**
- **Security officials admit that the situation with Iran could deteriorate rapidly, even within a few hours, but the tense situation may persist for additional days and even beyond that, via Israel Hayom.** As of this moment, there is no concrete intelligence regarding an Iranian intention to attack Israel as well.
- **US envoy to the Security Council, said they will submit, with regional countries, a draft resolution requesting Iran to stop planting mines in the Strait of Hormuz, Al Araby reported.**
- **Iran military source's said if the Emiratis become Israel's playthings and make mistakes, they will learn a lesson that they will never forget, Tasnim reported.** If the UAE takes an unwise action, all its interests will become Iran's target, and no point of the UAE's facilities will be safe.
- **US CENTCOM** said guided-missile destroyer USS Pinckney observes a merchant vessel while on patrol enforcing the US blockade against Iran.
- **US President Trump said Iran has taken some shots at unrelated nations with respect to the ship movement, Project Freedom, including a South Korean cargo ship.** Perhaps it is time for South Korea to join the mission. Other than the South Korean ship, no damage through the Strait. Hegseth and Caine to hold a news conference tomorrow morning. Full Post: Iran has taken some shots at unrelated Nations with respect to the Ship Movement, PROJECT FREEDOM, including a South Korean Cargo Ship. Perhaps it’s time for South Korea to come and join the mission! We’ve shot down seven small Boats or, as they like to call them, “fast” Boats. It’s all they have left. Other than the South Korean Ship, there has been, at this moment, no damage going through the Strait. Secretary of War Pete Hegseth and Chairman of the Joint Chiefs of Staff, Dan Caine, will have a News Conference tomorrow morning. Thank you for your attention to this matter! President DONALD J. TRUMP.
- **Following the developments in the Gulf, PM Netanyahu is holding several security discussions today, and Israel is prepared for any scenario, Amichai Stein reported, citing an Israeli source.**
- **Israeli Broadcasting Authority, citing sources: Additional American aircraft arrived in Israel today, including refuelling planes, via Al Jazeera.**
- **Israeli official to News 14 said Ready to return to immediate fighting in Iran, awaiting the green light from the Americans.**
- **A senior UAE official informed Israel that they do not intend to remain silent about the attacks. "The Iranian regime has begun attacking us - we will strike back", N12 reported.**
- **A US official told Al Jazeera that Operation Freedom in the Strait of Hormuz is a defensive operation and we do not want to see an escalation with Iran.**
- **US President Trump said Iran will be "blown off the face of the Earth" if they attack US vessels carrying out Project Freedom, via Fox News.** Trump made the comments during an interview with Fox News' Trey Yingst on Monday, adding that he believes Iran has become "much more malleable" in peace negotiations. “We have more weapons and ammunition at a much higher grade than we had before," Trump said. “We have the best equipment. We have stuff all over the world. We have these bases all over the world. They’re all stocked up with equipment. We can use all of that stuff, and we will, if we need it.”.
- **A senior Iranian military official** said the US' claim that it sank a number of Iranian warships is false, Iranian media reported.

- **US CENTCOM Chief Cooper** said the US has opened a Passage in Hormuz for free passage. Iran has attempted but failed to interfere by firing at commercial shipping. Iranian forces are strongly advised to remain well clear of US military assets. US military blockade on Iran is exceeding expectations. Iran has targeted commercial and US military ships with cruise missiles. Focus is on getting ships out of the Strait; over time will look to get ships into the Strait of Hormuz.
- **Maersk (MAERSKB DC) says its subsidiary's US-flagged vehicle carrier, Alliance Fairfax, exited the Gulf via Strait of Hormuz on May 4th.**
- **Senior military official said Iran had no plans to target the UAE, Iran media reported.**
- **The UAE, which claims that Iran launched a drone and missile attack on its Fujairah port, has now told CNN that it expects the US to help it, via Tasnim.**
- **A source reportedly tells CNN's reporter in Dubai that they expect US/Israeli strikes on Iran within the next 24 hours, via Faytuks News.**
- **Iran ceasefire in peril as UAE said it's under attack, Axios reported.**
- **Fire in a commercial complex in Mashhad, Iran, and four fire stations were present at the scene, Mehr News reported.**
- **Lebanese President Aoun** said today that this is not the time for him to meet with Israel PM Netanyahu. US Ambassador to Lebanon Michel Issa does not believe there is a problem with such a meeting.
- **Additional sirens being heard in UAE and there** are reported of suspended flights at the airports of Dubai and Sharjah, Israel's Amit Segal reported.
- **Iran Army Commander said security in Hormuz region is Iran's red line, via Tasnim.**
- **UAE's Fujairah said fire erupts in a petroleum industrial site following a drone attack from Iran.** VTTI oil facility struck.
- **UAE Defence Ministry** said it detected 4 missiles launched from Iran, and successfully intercepted 3 of them, and the fourth fell into the sea, Al Araby reported.
- **ISNA shares videos of the Iran navy reportedly firing warning shots at US destroyers.**
- **US Treasury Secretary Bessent said the US is opening up the strait, and we have absolute control of the strait.** Iranians do not have control of the strait. Project Freedom was not done in coordination with Iran. If Iranians want to escalate, we are willing to do so. The US is firing only when fired upon. It is a good time for US partners to step up and pressure Iran. Think the market will be very well supplied. Every carrier through Hormuz has about 2mln bbls. The world is in an 8-10mln bbl oil deficit. China. Trump and Xi have discussed Iran in their phone call. China has been buying 90% of Iran's energy. Urges China to join us in the Hormuz operation. Let’s see China step up diplomacy on Iran. Aims to keep the US-China relationship stable. The summit next week is a chance for Trump-Xi to share views and push forward the consensus from the agreement last year in South Korea.
- **Spokesperson of Iran's National Security Commission, Rezai, said the Strait of Hormuz is not closed with a tweet but opened with a tweet, ISNA reported.** The way to open the Strait of Hormuz or to accept defeat is to reach an agreement and accept Iran's sovereignty and presidency over the Strait of Hormuz, or to return to the field, accept another defeat and accept Iran's sovereignty and presidency over the Strait of Hormuz. There is no other way.
- **Senior Iranian official said Iran fired a warning shot against a US warship to prevent its entry into the Strait of Hormuz, Reuters reported; unclear whether there was any damage.**
- **Iran** is ready for any scenario in the Strait of Hormuz, according to Tasnim citing sources. Referring to the first shots fired by Iranian forces at some American combat vessels, he noted: "Iranian armed forces will not allow American combat forces to pass, as they did during the 40-day war, and any movement in the Strait of Hormuz will not be carried out without the permission of the Iranian armed forces.". This informed source noted: All vessels should learn from the experience of the 40-day war and not pay the price for the Americans' stupidity. He emphasised: In addition to firing at US combat vessels, Iran has also prepared other scenarios that it will take action on if needed.
- **Iran’s military said it prevented US warships from entering the Strait of Hormuz after issuing a strict warning, Al Jazeera reported.** Iranian media said additional news will be announced later.
- **US President Trump’s frustration with the Iran stalemate prompted a Hormuz gambit, Axios reported; a source said 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". The report noted Trump was fed up with the "no deal, no war" stalemate in Iran. "The President wants action. He doesn't want to sit still. He wants pressure. He wants a deal," an official said. Kushner and Witkoff are still exchanging drafts with Araghchi.

RUSSIA-UKRAINE

- **Ukrainian President Zelensky** said Ukraine is starting a ceasefire on May 5th-6th.
- **The Russian Ministry of Defence** warned Kyiv residents to leave the city promptly, via Tass.
- **Russian Defence Ministry** said if Ukraine attempts to disrupt Victory Day celebrations, there will be a massive retaliatory missile strike on the centre of Kyiv, Interfax reported.
- **Russian President Putin decided to announce a temporary ceasefire in the conflict with Ukraine, Ria reported; is in connection with Victory Day and will be in effect May 8-9th.**
- **Ukrainian President Zelensky** said one day ceasefire with Russia is not an option.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com