newsquawk

Daily European Opening News - 11th May 2026

SNAPSHOT

STOCKS			
Nikkei 225	-0.3%	ASX 200	-0.6%
Hang Seng	-0.3%	Shanghai Comp	+0.6%
Euro Stoxx 50 Jun'26	U/C	DAX Jun'26	-0.1%
ES Jun'26	-0.1%	NQ Jun'26	U/C

FX			
DXY	+0.3% (98.11)	EUR/USD	-0.3% (1.1753)
USD/JPY	+0.3% (157.08)	GBP/USD	-0.3% (1.3586)

BONDS			
US T-Note Jun'26	-7 ticks	Bund Jun'26	-31 ticks
US 10yr Yield	4.394%	German 10yr Yield	2.99%

ENERGY & METALS			
WTI Jun'26	+4.9%	Brent Jul'26	+4.3%
Spot Gold	-0.8%	LME Copper	+0.2%

CRYPTO			
Bitcoin	-1.6%	Ethereum	-1.5%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include Norwegian Inflation (Apr), US Existing Home Sales, BoC Market Participants Survey. Supply from the US. Earnings from Hims & Hers, Constellation Energy, Circle Internet, Hannover Re & Gea Group.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump posted, "I have just read the response from Iran's so-called "Representatives." I don't like it — TOTALLY UNACCEPTABLE!"** Trump previously posted that "Iran has been playing games with the United States, and the rest of the World, for 47 years (DELAY, DELAY, DELAY!), and then finally hit "pay dirt" when Barack Hussein Obama became President. He was not only good to them, he was great, actually going to their side, jettisoning Israel, and all other Allies, and giving Iran a major and very powerful new lease on life. Hundreds of Billions of Dollars, and 1.7 Billion Dollars in green cash, flown into Tehran, was handed to them on a silver platter."
- **Iran submitted its response to the latest proposal by the US to end the war,** according to the Islamic Republic News Agency, while Tehran hasn't provided any public indication yet on whether it will accept US President Trump's proposal for Iran to permit passage through the Strait of Hormuz and for the US to end its blockade on Iranian ports in the next month. **Iranian state media later reported that the US proposal amounted to Iran surrendering to Trump's excessive demands, while Iran's proposal stressed the need for the US to pay compensation for war damages and emphasised Iran's sovereignty over the Strait of Hormuz.**
- **Iran reportedly was offering a shorter uranium enrichment suspension than the 20-year US proposal and rejected dismantling its nuclear facilities in any future talks with the US,** according to WSJ. It was separately reported that the semi-official YJC News Agency cited an Al Mayadeen report which noted that **Iran said the US deal must end the war and trigger 30-day talks, while it stated Hormuz control and a Lebanon ceasefire are red lines, as well as demanded an end to oil sanctions and asset release.**
- **Iranian official said that Iran's response to the US plan is realistic and positive,** according to Al Jazeera.

- **US and Iran were reported on Friday to be working with mediators to formulate a 14-point MoU that would set the parameters for a month of talks to end the war, and talks could resume as early as next week in Islamabad,** according to WSJ. This would involve the US winding back its blockade of Iranian ports during 30 days of talks, although Iran remained opposed to transferring nuclear material to the US, according to an Iranian official.
- **US Central Command announced that US Marines are prepared to intercept non-compliant ships,** while US Marines are conducting boarding drills amid the Iran blockade, according to Fox News.
- **National Security Commission of Iran member said on Friday that from now on, the actions of the US for the maritime blockade will be met with Iran's military response,** while it was stated that the US should put some escorts for its destroyers so that they can save their forces if they sink, according to Fars.
- **Iranian official said on Friday that Supreme Leader Mojtaba Khamenei has recovered from his injury and is in perfect health,** according to Al Hadath.
- **Israeli PM Netanyahu said the war with Iran isn't over, as there is nuclear material in Iran which still needs to be removed, while he claimed that China provided a "certain amount of support and particular components of missile manufacturing" to Iran,** but refused to share more information. Furthermore, he said Tel Aviv would not agree to a ceasefire in Lebanon as part of any agreement to end the US-Israeli war against Iran.
- **Israeli PM Netanyahu and US President Trump discussed latest regional developments, especially developments related to Iran and the situation in Lebanon,** according to Yedioth Ahronoth. It was separately reported that **Israeli PM Netanyahu said the removal of Iranian nuclear material remains a war priority and that US President Trump told him, 'I want to go in' regarding Iranian nuclear sites.**
- **UK and France will host a meeting on Tuesday with the presence of defence ministers of dozens of countries** to discuss the situation in the Strait of Hormuz.
- **UK is to deploy a warship to the Middle East as part of planning for a European-led mission to escort ships through the Strait of Hormuz** once a stable ceasefire is established.

US TRADE

EQUITIES

- **US stocks** closed with gains on Friday as the tech-heavy Nasdaq 100 outperformed amid chunky gains in semiconductor names and the broad-based mega-caps. Intel had another positive catalyst, as it and Apple (AAPL) reached a preliminary chip-making agreement. As expected, while sectors were mixed, Tech was the clear gainer, with Utilities residing at the bottom of the breakdown. It was a broadly risk-on trade to end the week, and was helped by a stellar US jobs report, as the headline topped expectations, the unemployment rate remained unchanged, and wages were cooler than expected.
- **SPX** +0.81% at 7,397, **NDX** +2.35% at 29,235, **DJI** +0.02% at 49,609, **RUT** +0.71% at 2,860.
- Click here for a detailed summary.

TARIFFS/TRADE

- **US President Trump posted "Any money paid to the United States of America does not have to be paid back" — That sentence, if added by the Supreme Court to its highly disputed Tariff decision, would have saved America 159 Billion Dollars!"**
- **US President Trump posted "ALL FEDERAL AGENCIES MUST BUY AMERICAN — NO EXCUSES!** For decades, Washington politicians sent your Taxpayer Dollars overseas, and let Foreign Countries rip us off while our Workers, Factories, and Supply Chains were left behind. That betrayal is OVER. My Administration is strengthening MADE IN AMERICA Laws, ENDING Waiver Loopholes, and STOPPING the Federal Government from buying Foreign Products when Great American Products are available".
- **US White House spokeswoman said regarding US President Trump's expected visit to China this week that the opening ceremony will be held on Thursday morning and a state banquet will be held on Thursday evening, while bilateral tea and a working lunch will be held on Friday before Trump's departure.** Furthermore, China confirmed US President Trump's visit to China on May 13th-15th.
- **US Treasury Secretary Bessent confirmed he is to depart on Monday for a quick series of meetings in Japan and South Korea.**
- **Canadian PM Carney said Canada is open-minded to developing deeper trade ties with the US and Mexico** in certain industries to boost economic prosperity in North America.
- **China urged Germany to play a constructive role in averting the EU from drifting further towards protectionism, while China also called for France to play an active role in helping keep EU markets open** through dialogue.

NOTABLE HEADLINES

- **Fed's Waller (voter) said the 12 regional Fed banks agreed to a framework to standardise and centralise some functions, including back-office operations.**
- **Fed's Goolsbee (2027 voter) said on Friday that inflation is "the topic of the moment", and it would be wrong to only think that rate cuts are before the Fed, while he added they have to pay attention to the inflation rate when price pressures are mounting.** Goolsbee also stated that the Fed's balance sheet can be smaller, but it is unclear if it needs to be, and he is open to considering Warsh's ideas about changing Fed communications.
- **Goldman Sachs pushed back its calls for the next two Fed rate cuts by a quarter to December 2026 and March 2027** amid stickier-than-anticipated inflation.

APAC TRADE

EQUITIES

- **APAC stocks** traded mixed as the region reflected on last Friday's tech rally and NFP beat, as well as firmer-than-expected Chinese data, and geopolitical developments with US President Trump rejecting Iran's response to the peace proposal.
- **ASX 200** was dragged lower by heavy losses in the health care sector as CSL shares slumped by around 19% after it flagged a USD 5bln impairment, while sentiment was also not helped by a report that Australia's government is to scrap the 50% capital gains tax discount by July 2027.
- **Nikkei 225** initially climbed to a fresh record high north of the 63,000 level but then wiped out its gains amid headwinds from higher oil prices and weak earnings outlooks for the likes of Nintendo and Honda.
- **KOSPI** outperformed and rose to an all-time high on tech strength, while the Korea Exchange activated a sidecar on the KOSPI after KOSPI 200 futures rose 5% to halt programme trading for 5 minutes.
- **Hang Seng** and **Shanghai Comp** were varied amid the mixed fortunes among the tech names in Hong Kong, and with the mainland boosted after Chinese trade and inflation data topped forecasts.
- **US equity futures** were marginally pressured by the higher oil prices and US President Trump's rejection of Iran's response to the peace proposal.
- **European equity futures** indicate a flat cash market open with Euro Stoxx 50 futures unchanged, after the cash market closed with losses of 1.0% on Friday.

FX

- **DXY** strengthened amid a higher yield environment and the upside in oil prices, while the overall risk sentiment was mixed overnight as participants digested the recent encouraging data releases from the world's two largest economies, including last Friday's NFP report stateside and China's firmer-than-expected trade and inflation numbers. Furthermore, there were comments from Fed officials in which Waller announced the 12 regional Fed banks agreed to a framework to standardise and centralise some functions, while Goolsbee said on Friday that inflation is "the topic of the moment", and it would be wrong to only think that rate cuts are before the Fed, adding they have to pay attention to the inflation rate when price pressures are mounting.
- **EUR/USD** mildly declined amid the firmer dollar but with downside stemmed following recent comments from ECB officials, including Lagarde who stated that the ECB is carefully considering its response to the Iran war and the impact on inflation to ensure it doesn't act too prematurely or too late, while Nagel said on Friday that they will do whatever is needed to contain energy price jumps, and that the ECB is highly alert to increasing inflation risks.
- **GBP/USD** dipped beneath the 1.3600 handle before bouncing off today's worst levels, but with the rebound limited as UK PM Starmer faces increased threats to his leadership following last week's heavy election losses, although he remained defiant and said that he wants to remain in his job for a decade, as well as lead the Labour Party into the next election.
- **USD/JPY** climbed back above the 157.00 level amid the firmer buck and with Japan's economy facing headwinds from the higher oil prices.
- **Antipodeans** retreated as most major currencies gave up ground to the firmer buck, and with cyclical currencies not helped by the mixed risk sentiment, while they failed to take impetus from outperformance in the yuan after Chinese trade and inflation data topped forecasts.
- **PBoC** set USD/CNY mid-point at 6.8467 vs exp. 6.7988 (prev. 6.8502).

FIXED INCOME

- **10yr UST futures** retreated as yields climbed in tandem with higher oil prices and with demand also contained ahead of US supply scheduled for Monday, including a 3-year note auction.
- **Bund futures** continued the recent pullback amid energy-related inflationary pressures, while ECB President Lagarde recently noted that policymakers face huge uncertainty and need a lot more data to understand the repercussions of the war.
- **10yr JGB futures** followed suit to global peers amid headwinds from the rising oil prices, and with the latest 10yr JGB auction scheduled for tomorrow.

COMMODITIES

- **Crude futures** were lifted at the reopen following US President Trump's rejection of Iran's response to the peace plan, which he called totally unacceptable, while Iran's proposal was said to have stressed the need for the US to pay compensation for war damages and emphasised Iran's sovereignty over the Strait of Hormuz. As such, Brent climbed above the USD 105/bbl, and WTI breached the USD 100/bbl level to the upside. It was also reported that Saudi Aramco warned a reopening of the Strait of Hormuz is no quick fix and that it would take months for the market to return to normal, even if the crucial waterway was reopened immediately, while Qatar sent its first LNG shipment through the Strait of Hormuz since the start of the Iran war, and Pakistan is in talks with Iran to allow more Qatar LNG cargoes to transit through Hormuz.
- **Saudi Aramco said that a reopening of the Strait of Hormuz is no quick fix and that it would take months for the market to return to normal, even if the crucial waterway was reopened immediately,** while it posted a 25% jump in profits for Q1 amid higher oil prices and its ability to redirect exports through a pipeline bypassing Hormuz. It was separately reported that the Iran war is burning through the world's oil inventories at a record pace.
- **Qatar appeared to have sent its first LNG shipment through the Strait of Hormuz for the first time since the start of the Iran war, while Pakistan is in talks with Iran to allow more Qatar LNG cargoes to transit through Hormuz,** according to Bloomberg.
- **Iraq raised its June Basrah medium crude price to Asia to a premium of USD 4.30/bbl vs Oman/Dubai quotes.**
- **US President Trump's administration is open to suspending the federal gas tax,** according to NBC.

- **Spot gold** mildly retreated beneath the USD 4,700/oz level amid a firmer buck and higher oil prices.
- **China's gold output declined in Q1 amid safety inspections and output suspensions,** according to China Gold Association data.
- **Copper futures** remained afloat following last week's rally and as participants digested firmer-than-expected Chinese trade and inflation data.

CRYPTO

- **Bitcoin** steadily retreated throughout the session to below the USD 81,000 level.

NOTABLE ASIA-PAC HEADLINES

- **China vowed to boost efforts to defuse local government debt risks whilst supporting growth,** while the State Council called for stronger policy execution.
- **ByteDance raised its planned 2026 AI infrastructure spending by 25% to CNY 200bln.**
- **Australian Treasurer Chalmers said the upcoming budget will target surging home prices and will aim to make it easier for people to gain a foothold in the housing market,** according to Bloomberg.

DATA RECAP

- Chinese Balance of Trade (USD)(Apr) 84.8B vs. Exp. 82.4B (Prev. 51.13B)
- Chinese Exports YY (USD)(Apr) 14.1% vs Exp. 8.2% (Prev. 2.5%)
- Chinese Imports YY (USD)(Apr) 25.3% vs Exp. 17.3% (Prev. 27.8%)
- Chinese Trade Balance (CNY)(Apr) 585.7B (Prev. 354.8B)
- Chinese Exports YY (CNY)(Apr) 9.8% (Prev. -0.7%)
- Chinese Imports YY (CNY)(Apr) 20.6% (Prev. 23.8%)
- Chinese CPI MM (Apr) 0.3% vs. Exp. -0.1% (Prev. -0.7%)
- Chinese CPI YY (Apr) 1.2% vs. Exp. 0.8% (Prev. 1.0%)
- Chinese PPI YY (Apr) 2.8% vs. Exp. 1.5% (Prev. 0.5%)

GEOPOLITICS

- **US President Trump announced on Friday that there will be a three-day ceasefire in the war between Ukraine and Russia on May 9th, 10th, and 11th for Victory Day,** while he said the ceasefire will include a suspension of all kinetic activity, and also a prison swap of 1,000 prisoners from each country.
- **US President Trump posted "We just secured the release of three Polish, and two Moldovan, prisoners from Belarusian and Russian detention.** Thanks to my Special Presidential Envoy, John Coale, we were able to push hard to make this release happen."
- **Ukraine and Russia both claimed the other side had violated the US-brokered ceasefire.**
- **Russia's Kremlin said US envoys Witkoff and Kushner will visit Moscow 'soon enough' to continue dialogue,** according to Ifax.
- **EU sees the opportunity to prepare another round of sanctions against Russia,** with Putin's shadow fleet facing fresh EU sanctions blitz, while banks, military companies and firms selling stolen Ukrainian grain also face penalties.
- **Japan is mulling sending officials to Russia as soon as month-end to maintain communications with Moscow to support Japanese companies that are still operating there,** according to the Japanese Trade Ministry.

OTHER

- **US is increasing the number of surveillance flights off the coast of Cuba and has carried out at least 25 flights using manned aircraft and drones since February 4th,** according to CNN citing data from FlightRadar24.

EU/UK

NOTABLE HEADLINES

- **UK PM Starmer faces a fresh leadership threat with Labour Party lawmaker Catherine West threatening to trigger a leadership contest unless cabinet ministers take steps to remove the PM by Monday,** following last week's heavy election loss. In relevant news, **PM Starmer told the Observer newspaper that he wants to remain in his job for a decade and that he will lead the Labour Party into the next election.**
- **UK PM Starmer is to speak Monday morning (time TBC). In his speech, the PM "will say that 'incremental change won't cut it' - and put a much closer relationship with Europe at the heart of his pitch to stay in Downing Street",** Sky News reported.
- **Thus far, 32 Labour MPs have publicly called for Starmer to resign** , Sky News reported.
- **UK Health Secretary Wes Streeting told UK PM Starmer that he is preparing his case to be the next UK PM if a contest is triggered, but will not challenge the leader directly,** according to The Telegraph.
- **ECB President Lagarde said the ECB is carefully considering its response to the Iran war and the impact on inflation to ensure it doesn't act too prematurely or too late,** while she stated that policymakers face huge uncertainty and need a lot more data to understand the repercussions of the war.
- **ECB's de Guindos said "I think that we have to wait before deciding on the next interest rate move. We need more clarity about the conflict in Iran. We will have new projections in June. Let's see the data",** when asked about a June rate hike.
- **ECB's Escriva said central banks must review the resilience of financial infrastructure amid the increase in AI,** and also defenc their role as ultimate guarantor against risks from stablecoins.

- **ECB's Nagel said on Friday that they will do whatever is needed to contain energy price jumps,** and that the ECB is highly alert to increasing inflation risks.

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