newsquawk

Daily European Opening News - 13th May 2026

SNAPSHOT

STOCKS			
Nikkei 225	+0.8%	ASX 200	-0.6%
Hang Seng	+0.1%	Shanghai Comp	+0.4%
Euro Stoxx 50 Jun'26	+0.8%	DAX Jun'26	+0.7%
ES Jun'26	+0.2%	NQ Jun'26	+0.4%

FX			
DXY	U/C (98.312)	EUR/USD	U/C (1.1736)
USD/JPY	+0.1% (157.72)	GBP/USD	U/C (1.3540)

BONDS			
US T-Note Jun'26	+1.5 ticks	Bund Jun'26	-2 ticks
US 10yr Yield	4.46%	German 10yr Yield	3.11%

ENERGY & METALS			
WTI Jun'26	-1.3%	Brent Jul'26	-1.3%
Spot Gold	-0.2%	LME Copper	+0.9%

CRYPTO			
Bitcoin	+0.8%	Ethereum	+1.2%

As of 06:25BST/01:25EDT

LOOKING AHEAD

- Highlights include Swedish Inflation Final (Apr), French Inflation Final (Apr), EZ Employment Change (Q1), Industrial Production (Mar), GDP 2nd Estimate (Q1), US PPI (Apr), BoC Minutes (Apr), Riksbank Minutes (May), IEA OMR (May), OPEC MOMR (May). Speakers include BoE's Mann, Fed's Collins & Kashkari, ECB's Lane & Lagarde. Supply from Australia, Italy, Germany & US. Earnings from Cisco Systems, Alibaba, Siemens, Deutsche Telekom, Allianz, E.ON, Merck & RWE.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said they are only going to make a good deal regarding Iran and will have a long talk with Chinese President Xi about the Iran war, while he added that Pakistan has been great, and on the China trip, good things will happen.** Furthermore, Trump said he does not think he needs Xi's help on Iran and the blockade has been effective. He also stated that **Iran will either do the right thing, or the US will finish the job, and that Iran will make a deal or be decimated.**
- **US President Trump posted "When the Fake News says that the Iranian enemy is doing well, Militarily, against us, it's virtual TREASON** in that it is such a false, and even preposterous, statement. They are aiding and abetting the enemy! All it does is give Iran false hope when none should exist."
- **US President Trump and the UAE's President discussed a strategic partnership and assessed Middle East developments in a phone call,** according to the Emirati News Agency.
- **US Pentagon is considering re-naming the Iran war "Sledgehammer" if the ceasefire collapses,** according to NBC citing a White House official familiar with the discussions.
- **US intelligence shows that Iran retains missile sites and launchers, while it has operational access to 30 of 33 missile sites along the Strait of Hormuz,** which contradicts US claims of decimation, according to New York Times.
- **US House and Senate Democrats are to hold Iran war powers votes this week, with the Senate vote scheduled on Wednesday and the House vote planned for Thursday,** according to Politico sources.
- **A source familiar with the course of negotiations between Iran and the US confirmed that the top directives for the Iranian**

negotiating team included the condition of achieving five points before starting negotiations on the nuclear file, which were ending the war on all fronts, lifting all sanctions, releasing frozen funds, compensation for damages and losses resulting from the war, and recognising Iran's right of sovereignty over the Strait of Hormuz. It was separately reported that **Iran will not enter the second round of talks with the US without fulfilling five confidence-building conditions,** according to Fars citing sources, while Iran told the Pakistani mediator that the continuation of the naval blockade in the Arabian Sea and Gulf of Oman after the ceasefire has further strengthened the argument that negotiations with the US are unreliable.

- **Iranian Foreign Minister Araghchi said a lack of good faith and the dishonesty of the US is the most significant obstacle to a definitive end to the war,** while he commented that the main cause and origin of the current situation in the Strait of Hormuz is the US and Israeli regime's military aggression against Iran, and subsequently the repeated violation of the ceasefire through the continued blockade of Iran's maritime ports. Furthermore, he said **they are holding consultations to draft regulations concerning arrangements for the Strait of Hormuz in accordance with international law.**
- **Iran Foreign Ministry advisor Ali Safri said Iran's current focus is on ending the war, and they realised the US does not want negotiations but rather Iran's surrender,** while Safri added they cannot surrender to America.
- **Iran's Foreign Ministry rejected Kuwait's statements that Tehran was planning 'hostile actions' against Kuwait, while it said four Iranians arrested by Kuwait were engaged in a routine naval patrol mission** and entered Kuwait's territorial waters due to "disruption in their navigation".
- **Saudi Arabia reportedly carried out unpublicised retaliatory strikes on Iran during the war,** according to Reuters citing sources, while the attacks were carried out in late March.
- **US CENTCOM said forces prevented a Malta-flagged tanker from crossing the Strait of Hormuz.** It was separately reported that **Iran hasn't successfully exported any crude oil by sea over the past 28 days, according to Tanker Trackers.**
- **Pakistan and Iraq have struck agreements with Iran to transport liquefied gas and oil via the Strait of Hormuz amid shipping risks,** according to sources.
- **China urged Pakistan to intensify US-Iran mediation, while it was separately reported that a China-flagged supertanker is attempting to exit Hormuz,** according to data.
- **UK is to contribute drones, jets and a warship to the multinational mission to secure the Strait of Hormuz,** which will include autonomous mine-hunting kit, Typhoon jets and HMS Dragon.

US TRADE

EQUITIES

- **US stocks** were mixed on Tuesday, and the major indices finished mostly in the red as participants reflected on geopolitics and firmer-than-expected inflation data, although the Dow was slightly firmer. Sector performance was also varied as Health Care, Consumer Staples and Energy outperformed, while Technology, Consumer Discretionary and Industrials lagged. Furthermore, Tech weighed on the broader market as semiconductor names saw profit taking after recent outperformance, although equities did pare the majority of losses into the close as chip stocks bounced from intraday lows without a clear driver.
- Nonetheless, the geopolitical backdrop remained tense, with markets continuing to focus on the risk of renewed conflict in the Middle East after President Trump described the ceasefire as "very weak". Tuesday's developments included reports that Iran had targeted Kuwait, drawing strong condemnation from the UAE, while additional reports suggested Saudi Arabia had struck Iran during the early stages of the conflict. Meanwhile, Iran reiterated it would not return to negotiations unless five conditions are met, including an end to the war, sanctions relief, the release of frozen funds, compensation, and the recognition of Iranian sovereignty over Hormuz.
- **SPX** -0.16% at 7,401, **NDX** -0.87% at 29,065, **DJI** +0.11% at 49,766, **RUT** -0.97% at 2,842.
- Click here for a detailed summary.

TARIFFS/TRADE

- **US President Trump posted that NVIDIA CEO Huang is on Air Force One along with a number of CEOs of large US companies, including Tesla, Boeing, Cargill, Citi, Goldman Sachs, GE Aerospace, Micron & Qualcomm.** Trump added that his first request to Chinese President Xi will be to open up China so that these brilliant people can work their magic.
- **White House said reports that Trump and Xi are considering a deal to allow China to invest USD 1tln in the US to build factories on American soil are "baseless and false".**
- **US Treasury Secretary Bessent visited South Korea for trade talks with China's Vice Premier He.**
- **US Appeals Court temporarily paused the trade court ruling against Trump's 10% tariffs under Section 122.**
- **European Commission said Brazil can no longer export some products to the EU, including bovine, poultry and eggs from September 3rd,** according to an EC spokesperson.

NOTABLE HEADLINES

- **Majority of the US Senate voted to confirm Kevin Warsh as Fed Governor, while the Chair confirmation is expected on Wednesday.**
- **Fed's Goolsbee (2027 voter) said he does not think Fed independence is going away, and without central bank independence, inflation will come roaring back,** while he also stated that inflation is going the wrong way, not just in oil-related and tariff-related things.
- **US President Trump's admin is expected to tap David Venturella to lead ICE,** according to NYT.

APAC TRADE

EQUITIES

- **APAC stocks** traded mixed following on from the mostly subdued handover from Wall Street, where sentiment was dampened by tech weakness, higher oil prices and firmer-than-expected inflation, while the geopolitical situation remained uncertain with Iran said to require five confidence-building conditions for it to enter a second round of talks with the US.
- **ASX 200** declined amid weakness in the top-weighted financial sector after shares in Australia's largest lender CBA, slumped around 10% following its earnings results, while the recent federal budget announcement failed to spur risk appetite and was seen by analysts to hit consumer stocks.
- **Nikkei 225** clawed back initial losses after encouraging current account and bank lending data, and despite hawkish market pricing of around a 70% chance for a BoJ rate hike next month.
- **Hang Seng** and **Shanghai Comp** were mixed as participants digested earnings releases and with the focus on the looming Trump-Xi summit, while the US President is on his way to Beijing with various CEOs on Air Force One, including the late addition of NVIDIA's Jensen Huang.
- **US equity futures** were varied following recent price swings and inflationary headwinds.
- **European equity futures** indicate a positive cash market open with Euro Stoxx 50 futures up 0.8% after the cash market closed with losses of 1.5% on Tuesday.

FX

- **DXY** took a breather after recently gaining in tandem with oil prices and a hotter-than-expected CPI report in which services and supercore inflation proved sticky, prompting Fed's Goolsbee to express concern again over the former. The geopolitical situation remains uncertain as Iran has set its own preconditions to entertain a second round of talks, which the US is known to oppose, including compensation for damages caused by the war and recognising Iran’s right of sovereignty over the Strait of Hormuz, while participants look to PPI data and the approaching Trump-Xi summit.
- **EUR/USD** traded sideways after recently giving up ground to the dollar, despite hawkish-leaning comments from ECB's Nagel, who said the ECB mandate requires them to act if inflation expectations de-anchor and "we'll see in June", while he also stated they still have quite a bit of inflation ahead of them and that ECB rate hikes are becoming increasingly likely. Furthermore, participants also await several data releases from the bloc, including EZ Employment Change, Industrial Production, and Q1 GDP 2nd Estimate.
- **GBP/USD** remained constrained amid political headwinds as UK PM Starmer continued to defy the increasing calls for him to step down, which essentially invites a leadership challenge, while government whips believe that Wes Streeting will make his move on Thursday to avoid clashing with the King's Speech.
- **USD/JPY** retained a firm footing at the 157.00 handle after the recent increase in oil prices and upside in US yields, while the Japanese currency failed to benefit from stronger Current Account and Bank Lending data, nor from the market pricing for a BoJ June rate hike.
- **Antipodeans** were choppy amid the mixed risk appetite and after yesterday's intraday rebound, while there was little reaction in AUD/USD after Australian wage data printed in line with expectations.
- **PBoC** set USD/CNY mid-point at 6.8431 vs exp. 6.7946 (prev. 6.8426).

FIXED INCOME

- **10yr UST futures** lingered near yesterday's trough after the recent moves in oil and a hotter-than-expected inflation report spurred Fed rate hike bets for later in the year. Furthermore, the 10yr auction stateside ultimately came in broadly in line with the recent averages, while participants now look to PPI data and US 30yr issuance.
- **Bund futures** were lacklustre after retreating beneath the 125.00 level and as supply looms.
- **10yr JGB futures** followed suit to recent losses in peers as long-term Japanese yields climbed to their highest levels in almost 3 decades, and with the 30yr yield printing an all-time peak amid energy-related inflationary pressures, firmer data and market pricing for a BoJ rate hike in June.

COMMODITIES

- **Crude futures** mildly pulled back overnight but remained above the USD 100/bbl level, after climbing higher throughout most of the prior day as US/Iran tensions showed no signs of abating, while reports noted Iran will not enter the second round of talks with the US unless five confidence-building conditions are fulfilled, including compensation for damages and losses from the war, as well as recognising Iran’s right of sovereignty over the Strait of Hormuz.
- **US Private Inventory Data (bbls): Crude -2.2mln (exp. -2.3mln),** Distillates -0.3mln (exp. -1.3mln), Gasoline +0.5mln (exp. -2.5mln), Cushing -1.8mln
- **US NEC Director Hassett said this is a temporary energy shock and that President Trump is confident the Strait of Hormuz will be open soon,** while Hassett said regarding the SPR that they are releasing as fast as possible. Furthermore, he said Trump's view is that we should modernise the gasoline tax.
- **EIA STEO noted 2026 world oil demand is forecast at 104.2mln bpd (prev. 104.6mln bpd),** and 2027 world oil demand at 105.6mln bpd (prev. 106.2mln bpd).
- **Spot gold** marginally softened and tested the USD 4,700/oz level to the downside after recent swings as higher oil prices and firmer inflation strengthened the dollar and clouded the interest rate path.
- **India raised import tariffs on gold and silver, with the agriculture infrastructure and development cess on gold and silver imports lifted to 5% from 1.0%.**
- **Copper futures** remained elevated and were unfazed by the mixed risk appetite, with CME copper futures printing record highs and LME prices above USD 14,000/tonne.

CRYPTO

- **Bitcoin** gradually edged higher and returned to above the USD 81,000 level.

NOTABLE ASIA-PAC HEADLINES

- **US Treasury Secretary Bessent said that thanks to the powerful bond between US President Trump and Japanese PM Takaichi, the relationship between the US and Japan is stronger than ever before,** while he was happy to share with the PM the belief that the fundamentals of the Japanese economy are indeed strong and resilient. Furthermore, he said they exchanged views on the US-Japan investment program, critical minerals, President Trump's upcoming visit to Beijing, and other subjects of mutual interest.

DATA RECAP

- Japanese Current Account (Mar) 4682B vs. Exp. 3900B (Prev. 3933B)
- Japanese Bank Lending (Apr) Y/Y 5.4% vs. Exp. 4.6% (Prev. 4.8%)
- Australian Wage Price Index QQ (Q1) 0.8% vs. Exp. 0.8% (Prev. 0.8%, Low. 0.8%, High. 0.9%)
- Australian Wage Price Index YY (Q1) 3.3% vs. Exp. 3.3% (Prev. 3.4%, Low. 3.3%, High. 3.4%)
- New Zealand 1-Year Inflation Expectations (Q2) 3.4% (Prev. 2.6%)
- New Zealand 2-Year Inflation Expectations (Q2) 2.5% (Prev. 2.4%)

GEOPOLITICS

RUSSIA-UKRAINE

- **Ukrainian President Zelensky said Ukraine struck gas facilities in Russia's Orenburg region, more than 1,500km from Ukraine.**
- **Russia and Ukraine reportedly believe there is little prospect for reviving US-brokered peace talks even after the Middle Eastern war ends**, FT reported citing sources.

OTHER

- **North Korea leader Kim inspected munitions factories and called for modernisation and efficiency gains in the arms industry,** according to KCNA.

EU/UK

NOTABLE HEADLINES

- **UK PM Starmer is increasingly confident he has seen off the immediate threat to his premiership,** according to The Guardian.
- **UK government appoints loyalists to fill gaps left by government resignations.**
- **UK Deputy PM Lammy said PM Starmer has his full support and that no one seems to have enough support to stand up against Starmer.**
- **UK Energy Secretary Miliband is prepared to run for leadership if Streeting triggers a contest,** according to The Times.
- **UK's Wes Streeting will hold talks with UK PM Starmer in Downing Street on Wednesday morning after nearly 100 Labour MPs called for the PM to go.**
- **UK government whips believe Wes Streeting will make his move on Thursday, to avoid clashing with the King's Speech, while they also believe Andy Burnham doesn't have an MP ready to quit, and that aside from the 87 MPs who've publicly called for Starmer to go, the same number privately want him to step down,** according to Sky News reporter Jon Craig.
- **Andy Burnham was reported to hold a secret meeting with MPs in London and consulted key supporters as the PM's future hangs in the balance,** according to The Telegraph. Two sources familiar with Burnham's thinking said he had now identified an MP who was willing to stand down and trigger a by-election, allowing him a path back into Westminster.
- **Four UK ministers resigned on Tuesday and called for PM Starmer to step down** , BBC reported.
- **ECB's Nagel said they still have quite a bit of inflation ahead of them and that ECB rate hikes are becoming increasingly likely,** as well as stated the ECB is no longer in a baseline scenario.