Daily Asia-Pac Opening News - 14th May 2026

SNAPSHOT

STOCKS			
S&P 500	+0.6%	Nasdaq Comp.	+1.2%
DJIA	-0.1%	Russell 2000	Flat
ES Jun'26	+0.7%	RTY Jun'26	+0.1%
NQ Jun'26	+1.3%	YM Jun'26	+0.1%

FX			
DXY	+0.2% (98.48)	EUR/USD	-0.2%
USD/JPY	+0.2%	GBP/USD	-0.1%

BONDS			
US T-Note Jun'26	+1 tick	10yr Bund Jun'26	+9 ticks
US 10yr Yield	4.47%	German 10yr Yield	3.11%

ENERGY & METALS			
WTI Jun'26	-1.2%	Brent Jul'26	-1.8%
Spot Gold	-0.6%	LME Copper	+0.4%

CRYPTO			
Bitcoin	-1.3%	Ethereum	-0.9%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include Japanese Money Supply, Australian MI Inflation Expectations, Trump-Xi Summit, Supply from Japan.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US VP Vance said on Iran talks that he thinks they are making progress and are focused on a diplomatic pathway for now,** while he agrees with the President that Iran should not possess nuclear weapons.
- **US CENTCOM said American forces had redirected 67 commercial vessels, up from 65 D/D, while allowing 15 humanitarian aid support vessels to pass and disabling four vessels to ensure compliance.** In relevant news, a **Chinese supertanker crossed the Strait of Hormuz without paying tolls with Iran allowing a COSCO tanker passage without a USD 2mln fee,** according to the WSJ.
- **Iran's Foreign Minister said that in a clear attempt to sow discord, Kuwait unlawfully attacked an Iranian boat and detained 4 Iranian citizens in the Persian Gulf,** which took place near an island used by the US to attack Iran, while they demand the immediate release of their nationals and reserve the right to respond.
- **Iranian Foreign Ministry spokesman said Tehran would obtain a more accurate assessment of the US position through Pakistani mediators,** while reiterating that Iran rejected what it described as maximalist and unjust demands regarding its nuclear programme, according to Al Araby TV.
- **Iranian NSC spokesperson said new confrontations with the US are possible and they are preparing a law regarding navigation in the Strait of Hormuz,** while the spokesperson said they forced the US to back down, and it is responsible for the escalation.
- **Iranian Army spokesperson said the Strait of Hormuz remained under the strategic control of Iran's armed forces and declared that Iran would no longer allow American weapons to transit the waterway en route to regional bases,** while the spokesperson added that any country seeking passage through the strait would require Iranian armed forces supervision.
- **Iran is using the Caspian Sea, highways and a railroad to China to bypass the US blockade of Hormuz.**

- **Iraqi sources reported hearing the sound of several explosions in Erbil, Iraq, while a drone strike hit an Iranian opposition camp north of Iraq's Erbil,** according to Fars. It was also reported shortly after that a second drone strike hit an Iranian opposition camp north of Erbil, according to security sources.
- **Chinese companies have been discussing arms sales with Iran, plotting to send the weapons through other countries to mask the origins of the military aid,** according to NYT citing US officials.
- **Saudi warplanes reportedly struck Iran-backed militia sites in Iraq during the war.**
- **Israeli PM Netanyahu reportedly made a secret visit to the UAE in the midst of the Iran operation, where he met with UAE President Mohamed bin Zayed Al Nahyan,** while the visit resulted in a historic breakthrough in relations between Israel and the UAE. However, the **UAE later denied the report of a visit.**

US TRADE

- **US stocks** closed with an upward bias as the Nasdaq 100 outperformed, buoyed by strength in Mag-7 (ex-MSFT), with NVDA and MU being particularly fruitful as their CEOs accompany President Trump on his trip to China, while Micron also saw a chunky BofA PT lift. As such, both the S&P 500 and NDX printed fresh record highs, while the focus resided around the Trump/Xi summit and the Middle East situation, albeit with little incrementally new, although VP Vance thinks they are making progress on Iran talks and is focused on a diplomatic pathway for now. Furthermore, US PPI data spurred an initial hawkish reaction, as it was much hotter than expected, which saw US indices and treasuries fall, while the dollar rose as the data pointed to broader price pressures beyond energy. However, the early pressure in stocks was reversed, and sectors were predominantly firmer, with Communications and Tech sitting atop the pile, while Utilities and Financials lagged.
- **SPX** +0.58% at 7,444, **NDX** +1.04% at 29,367, **DJI** -0.14% at 49,698, **RUT** +0.04% at 2,844.
- Click here for a detailed summary.

TARIFFS/TRADE

- **US and China were reportedly weighing tariff cuts on USD 30bln worth of imports, and Presidents Trump and Xi are expected to discuss a managed trade push in Beijing, while Washington had shifted its focus toward numerical trade targets rather than model reform,** according to Reuters sources.
- **White House had reportedly not ruled out potential direct Chinese investment into the US,** according to Semafor.
- **China's Foreign Ministry said Beijing welcomed President Trump's state visit and that discussions would cover major issues affecting Sino-US ties as well as world peace and development,** while it added that China was prepared to work with the US on the basis of equality, mutual respect and mutual benefit while expanding cooperation and managing differences.
- **China viewed the months-long conflict with Iran as potentially strengthening Beijing's negotiating position with President Trump, while sources said the situation could present China with an opportunity ahead of expected difficult midterm elections for Trump, who was seen as eager to deliver tangible wins to US voters,** including large Chinese purchases of US agricultural products and Boeing aircraft. Furthermore, sources said Beijing viewed the Trump-Xi summit as an opportunity to secure a more stable long-term relationship with the US, according to CNN.

NOTABLE HEADLINES

- **US Senate confirmed Kevin Warsh as Fed Chair.**
- **Fed's Kashkari (2026 voter) said inflation is too high, while he commented that there is a huge question mark about how long the Hormuz Strait will be closed and that will have a big effect on inflation.**
- **Fed's Collins (2028 voter) said she expected the Federal Reserve would need to maintain restrictive policy for some time but hoped the economy would eventually permit more rate cuts later this year.** Collins also warned that further rate hikes could become necessary to cool inflation pressures and said current Fed policy remained "well positioned" to address risks.
- **NY Fed said the desk plans to conduct ~USD 16.3bln in reinvestment purchases between May 14th and June 11th,** while it plans an additional ~USD 10bln in reserve management purchases over the same period.
- **US House Financial Services Committee took up legislation that would amend the Federal Reserve Act to eliminate the Fed's dual mandate and focus solely on price stability.** The bill proposed replacing the phrase "maximum employment, stable prices" with "stable prices" in Section 2A of the Federal Reserve Act.

DATA RECAP

- US PPI MM (Apr) 1.4% vs. Exp. 0.5% (Prev. 0.5%)
- US PPI YY (Apr) 6.0% vs. Exp. 4.9% (Prev. 4.0%)

FX

- **USD** was supported after another hot inflation report as PPI accelerated more notably than CPI and spurred a hawkish reaction across markets as both headline and core PPI readings saw striking accelerations. Particularly, the 1.4% increase in April from March's +0.5%, and most worryingly, that 60% of the rise can be attributed to a 1.2% advance in the index for final demand services (higher energy prices, not the no.1 force), although components that feed into PCE were more mixed.
- **EUR** softened in early trade, then proceeded relatively sideways with little reaction seen to the slew of commentary from ECB speakers.
- **GBP** saw two-way price action and rebounded from a brief dip beneath the 1.3500 handle, while participants await quarterly GDP data and if UK Health Secretary Streeting triggers a Labour leadership contest.
- **JPY** continued to give up ground to the firmer buck with USD/JPY edging closer towards the 158.00 level.

- **BoC Minutes stated that Governors felt the situation could change quickly and rates might have to go up to guard against persistent inflation,** while GC members agreed they had scope to be patient ahead of the April 29th rate announcement.
- **Riksbank minutes showed market expectations regarding central bank policy rates had become closely linked to inflation risks** stemming from energy prices.

FIXED INCOME

- **T-notes** were choppy as hotter-than-expected PPI data initially weighed on Treasuries, before lower crude prices helped support the market later in the session.

COMMODITIES

- **Oil prices** ended the day in the red following choppy trade as focus resides around the Trump/Xi summit, as well as geopolitics, while there were reports late in the session of drone strikes that hit the Iranian opposition camp north of Iraq's Erbil.
- **US EIA Crude Oil Stocks Change (May/08) -4.306M vs. Exp. -2.1M (Prev. -2.314M)**
- **OPEC Monthly Oil Market Report said crude oil production by countries participating in the Declaration of Cooperation fell by 1.74mln BPD month-over-month in April to average 33.19mln BPD,** according to secondary sources. **OPEC also revised down 2026 demand for DoC crude by 0.2mln BPD from the previous month's assessment to 42.7mln BPD, although this remained around 0.4mln BPD above 2025 levels.**
- **IEA Oil Market Report projected global oil supply would fall by 3.9mln BPD in 2026 under assumptions that Strait of Hormuz flows gradually resumed from June, compared with the prior forecast of a 1.5mln BPD decline.** It also forecast world oil supply would run 1.78mln BPD below demand in 2026, versus the previous forecast for supply to exceed demand by 0.41mln BPD. IEA also said that global oil demand would decline by 420k BPD in 2026 due to the Iran conflict, compared with the previous projection for 80k BPD decline.
- **German government spokesperson said kerosene reserves were sufficient for the year and there have been no problems with Germany's energy supply.**

GEOPOLITICAL

RUSSIA-UKRAINE

- **Ukraine's military said it had struck a Russian oil refinery in Yaroslavl.**
- **Russian President Putin said they would continue developing missile systems capable of overcoming all current and future missile defence systems and would continue modernising its strategic nuclear forces,** according to TASS.

EU/UK

NOTABLE HEADLINES

- **UK PM Starmer spokesperson said the PM retained full confidence in Health Secretary Streeting, but declined to comment on the content of meetings.**
- **UK Health Secretary Wes Streeting had told allies he was preparing to resign and trigger a Labour leadership contest as soon as Thursday,** while one ally reportedly said "He is going to go for it. He's going tomorrow", and another source expected a move before the end of the week, according to The Times. In relevant news, Streeting's team failed to deny a report that he was preparing to resign as health secretary as soon as Thursday, while MPs believed Chancellor Reeves was attempting to discourage support for Streeting, according to Sky News.
- **UK Labour Party-affiliated union group TULO said Labour could not continue on its current path and that it was clear PM Starmer would not lead the party into the next election.**
- **BoE's Mann warned that tighter monetary policy stance could trigger volatility as newer market participants unwind positions, potentially tightening domestic financial conditions more than intended.** Mann added that recent geopolitical events had reinforced how exposed the UK economy remained to international shocks requiring domestic policy responses. She also noted that since August 2025 inflation had remained above target, economic growth had been modest, and unemployment had risen, while the recent energy price shock had complicated the inflation-output trade-off because monetary policy could not offset cost-push shocks. Mann further stated that energy components had contributed more significantly to CPI inflation since March 2026 compared with the February Monetary Policy Report projections.
- **ECB's Dolenc said consumer inflation expectations could rise, although energy prices currently have only a limited economic impact.**
- **ECB's Elderson warned banks needed to update resilience plans due to the growing probability of severe disruptions linked to Anthropic's Mythos AI tool,** adding that euro area banks currently lacked access to the system.
- **ECB's Kocher said June rate hike could not yet be considered the baseline and reiterated that policymakers would decide meeting-by-meeting, while he described 50bp June hike as very unlikely at present.** Kocher added there were several meetings remaining this year and said that after an initial hike, absent improvements, his bias would be toward "one-and-watch". He also said September could become the natural next point for another hike if June tightening occurred, though it was too early to discuss. Kocher further stated that maintaining rates unchanged through year-end would be difficult without improvement in price dynamics, according to Econostream.

- **ECB's Lane said global oil shock from the Iran war may require ECB hikes,** while he stated that an increase in selling price expectations suggests input cost pressures will map into higher output prices in the coming months.
- **ECB’s Muller said the EU had not fallen into stagflation.**
- **ECB’s Radev said policymakers were once again confronting external price shock.**
- **ECB’s Rehn said inflation expectations remained anchored.**
- **German Chancellor Merz planned to convene another coalition meeting in June to assess trade union and employer positions on reforms** covering pensions, taxation and working time legislation, according to Bild.

DATA RECAP

- EU GDP Growth Rate QoQ 2nd Est (Q1) Q/Q 0.1% vs. Exp. 0.1% (Prev. 0.2%)
- EU GDP Growth Rate YoY 2nd Est (Q1) Y/Y 0.8% vs. Exp. 0.8% (Prev. 1.2%)
- EU Industrial Production MoM (Mar) M/M 0.2% vs. Exp. 0.3% (Prev. 0.4%)
- EU Industrial Production YoY (Mar) Y/Y -2.1% (Prev. -0.6%)
- EU Employment Change QoQ Prel (Q1) Q/Q 0.1% vs. Exp. 0.2% (Prev. 0.2%)
- EU Employment Change YoY Prel (Q1) Y/Y 0.5% (Prev. 0.7%)
- German Wholesale Prices MoM (Apr) M/M 2.0% vs. Exp. 1.0% (Prev. 2.7%)
- German Wholesale Prices YoY (Apr) Y/Y 6.3% (Prev. 4.1%)