Daily European Opening News - 14th May 2026

SNAPSHOT

STOCKS			
Nikkei 225	-0.6%	ASX 200	-0.1%
Hang Seng	+0.5%	Shanghai Comp	-0.6%
Euro Stoxx 50 Jun'26	+0.7%	DAX Jun'26	+0.8%
ES Jun'26	+0.1%	NQ Jun'26	+0.2%

FX			
DXY	U/C (98.50)	EUR/USD	U/C (1.1712)
USD/JPY	+0.1% (157.94)	GBP/USD	U/C (1.3518)

BONDS			
US T-Note Jun'26	+2.5 ticks	Bund Jun'26	+13 ticks
US 10yr Yield	4.46%	German 10yr Yield	3.08%

ENERGY & METALS			
WTI Jun'26	+0.4%	Brent Jul'26	+0.5%
Spot Gold	+0.3%	LME Copper	-1.3%

CRYPTO			
Bitcoin	+0.4%	Ethereum	+0.1%

As of 06:25BST/01:25EDT

LOOKING AHEAD

- Highlights include Trump-Xi Summit (14th-15th May); UK GDP (Mar/Q1), Industrial Production (Mar), Spanish HICP Final (Apr), US Retail Sales (Apr), Export/Import Prices (Apr), Jobless Claims (May 9), Atlanta Fed GDP. Speakers include ECB's Lagarde, BoE's Pill, Fed's Logan, Schmid, Hammack & Williams. Earnings from Telefonica, Burberry & National Grid.
- Ascension Day Holiday (Closures in Switzerland, Sweden, Norway, Finland, Denmark)
- 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 Secretary of State Rubio said the US hopes to convince China to play a more active role in persuading Iran to back down on its actions in the Gulf,** according to Reuters.
- **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 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.
- **Iran is using the Caspian Sea, highways and a railroad to China to bypass the US blockade of Hormuz.**
- **US intelligence report emphasised that China acted to maximise its advantage and achievements against the US following the war in Iran on the diplomatic, military, economic and intelligence levels,** according to WaPo.
- **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.
- **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.
- **Israeli raid was reported on the town of Arnoun in the district of Nabatieh in southern Lebanon, while Hezbollah said it targeted a Merkava tank with a guided missile** in Tel Nahas on the outskirts of the town of Kafr Kila and achieved a confirmed hit, according to Al Jazeera. It was also reported that Hezbollah conducted 17 operations against Israeli forces on Wednesday.
- **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 State Department official said Lebanon added its former ambassador to the US, Simon Karam, to the next round of talks with Israel,** while the Israeli delegation will include its ambassador to Washington and the deputy national security adviser.
- **Saudi warplanes reportedly struck Iran-backed militia sites in Iraq during the war.**

TRUMP-XI SUMMIT

- **US President Trump told Chinese President Xi that they've had a fantastic relationship and they are going to have a fantastic future together,** while he added that he has such respect for China and that he tells everybody Xi is a great leader. Trump also stated that the **relationship between the US and China will be better than before, with trade to be totally reciprocal on their behalf** and he looks forward to doing business with China.
- **Chinese President Xi told US President Trump it is a pleasure to meet him in Beijing, while he has always believed that the common interests between China and the US outweigh the differences.** Xi stated that the success of China and the US is an opportunity for each other, and he looks forward to discussions with US President Trump.
- **Chinese President Xi said to US CEOs that China's door will only open wider, adds China welcomes US to strengthen reciprocal cooperation in China**, according to Xinhua.
- **Chinese President Xi said talks are the only right way to resolve disputes and that there are no winners in a trade war, while he also commented that the Taiwan issue is the most important in US-China ties,** and if the issue is not handled well, the two countries will clash, according to Xinhua.
- **China renewed export licenses for more than 400 US beef plants,** according to customs data.

US TRADE

EQUITIES

- **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 strong 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.

NOTABLE HEADLINES

- **US Senate confirmed Kevin Warsh as Fed Chair.**
- **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 stated that further rate hikes could become necessary to cool inflation pressures and said current Fed policy remained "well positioned" to address risks. It was later reported by WSJ that **Collins said she is watching the extent to which tariffs continue to pass through the price chain and that the Fed may need to raise rates if inflation pressures broaden in the coming months, but sees inflation pressures from the Iran war eventually subsiding.**
- **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.
- **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.

APAC TRADE

EQUITIES

- **APAC stocks** traded mixed following the mostly positive lead from Wall Street, where markets were choppy and gradually

brushed aside the firmer-than-expected PPI data amid strength in tech and communications, while the focus turns to the Trump-Xi summit, which has begun in Beijing, although it has provided very little so far to excite markets.
- **ASX 200** was lacklustre as weakness in consumer staples, tech, health care and energy counterbalanced the resilience in the top-weighted financials sector, while a lack of tier-1 data added to the humdrum mood.
- **Nikkei 225** initially climbed to a fresh record high, before fading the gains amid quiet catalysts.
- **Hang Seng** and **Shanghai Comp** were mixed as participants digested earnings releases, including from the likes of Alibaba and Tencent, which both beat on the bottom line but disappointed on sales, while participants now await any concrete outcomes from the Trump-Xi summit.
- **US equity futures** took a breather after the prior day's rebound and as markets look to any developments in Beijing.
- **European equity futures** indicate a positive cash market open with Euro Stoxx 50 futures up 0.7% after the cash market closed with gains of 0.9% on Wednesday.

FX

- **DXY** traded flat overnight and held on to the prior day's gains after strengthening on another hot inflation report in which PPI accelerated and spurred a hawkish reaction across markets, with the jump in prices driven by final demand for services, although the components that feed into PCE were more mixed. Nonetheless, price action in FX was muted overnight with little reaction during the ceremony and opening remarks from the Trump-Xi summit, while the dollar was also unmoved by the US Senate confirmation of Warsh as Fed chair.
- **EUR/USD** paused after returning from a brief dip to sub-1.1700 territory, and with little impact from a slew of recent ECB rhetoric, including from Lane, who stated that the global oil shock from the Iran war may require rate hikes, and that an increase in selling price expectations suggests input cost pressures will map into higher output prices in the coming months.
- **GBP/USD** lacked direction after recent two-way price action, while participants await quarterly GDP data from the UK and whether Health Secretary Streeting triggers a leadership contest.
- **USD/JPY** approached the 158.00 level with early weakness seen in the Japanese currency amid a lack of tier-1 data releases and some speculation regarding a potential extra budget, although there was a bout of volatility seen late in the session with USD/JPY briefly wobbling on hawkish comments from BoJ's Masu who said that they need to raise rates at the earliest stage possible, but noted that he judged at the April meeting that the situation did not warrant a hasty policy rate hike.
- **Antipodeans** conformed to the predominantly humdrum mood across currencies amid a light Asia-Pac calendar and in the absence of any major fresh FX-related catalysts.
- **PBoC** set USD/CNY mid-point at 6.8401 vs exp. 6.7888 (prev. 6.8431)
- **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.

FIXED INCOME

- **10yr UST futures** kept afloat after the prior day's rebound, in which the pullback in oil prices helped treasuries claw back the initial losses that were triggered by hotter-than-expected PPI data.
- **Bund futures** moved back towards the 125.00 level as some of the energy-related pressures dissipated, and despite comments from ECB's Lane that the global oil shock from the Iran war may require hikes.
- **10yr JGB futures** were indecisive amid the lack of tier-1 data from Japan and as participants digested the mixed results from the latest 30yr JGB auction.

COMMODITIES

- **Crude futures** were rangebound following the prior day's choppy performance and as focus turned to the Trump-Xi summit, while on the geopolitical front, there were reports of drone strikes that hit the Iranian opposition camp north of Iraq's Erbil, but had little lasting impact on oil prices.
- **Libya's NOC Chairman expects the Ras Lanuf refinery to restart in six months to one year.**
- **Cuba's Energy and Mines Minister said Cuba has run out of diesel and fuel oil amid the US oil blockade.**
- **Spot gold** saw two-way trade and fluctuated through the USD 4,700/oz level after recent oil price swings and despite the firmer-than-expected PPI data stateside.
- **Copper futures** pulled back from record levels with price action not helped by the mixed risk sentiment, and as the attention was centred on the Trump-Xi summit.
- **India banned sugar exports until September 30th this year,** according to a government notice.

CRYPTO

- **Bitcoin** traded indecisively and ultimately returned to flat territory.

NOTABLE ASIA-PAC HEADLINES

- **BoJ's Masu said they need to raise the rate at the earliest stage possible, and due attention should be paid to whether inflation triggered by the yen's depreciation may raise people's inflation expectations and, in turn, affect underlying inflation.** Masu said the BoJ will continue to raise rates in response to economic, price, and financial developments, as well as noted that Japan has clearly entered an inflationary phase. Masu said **there were mixed views among policy board members at the April meeting on whether to raise the policy interest rate immediately, while he judged at the April MPM that the situation did not warrant a hasty policy rate hike.** Masu also commented that **he is convinced the BoJ needs to raise the policy interest**

rate further, so that it falls solidly within the estimated range of neutral interest rate, and warned that if inflation is not contained at an appropriate level, this could lead to a vicious cycle in which firms have to further raise wages to retain workers. Furthermore, he noted that **given Japan is no longer in a deflationary period, negative real rates should be addressed as soon as possible.**
- **Japan considers drafting an extra budget,** according to Kyodo. **However, Japanese Chief Cabinet Secretary Kihara said no immediate need for a supplementary budget.**

GEOPOLITICS

RUSSIA-UKRAINE

- **Russia fired at least 800 drones in a massive daytime barrage on about 20 regions of Ukraine on Wednesday,** according to NBC
- **Ukraine's capital Kyiv was under Russian attack early on Thursday** with explosions sounding in the city, according to reports citing its mayor Klitschko.

EU/UK

NOTABLE HEADLINES

- **UK PM Starmer has made clear to allies that he will stand and fight if Wes Streeting succeeds in triggering a leadership contest,** according to The Times.
- **Former UK Deputy PM Rayner said she's been cleared of any tax wrongdoing by HMRC.**
- **Manchester Rusholme MP Afzal Khan is understood to be prepared to give up his Westminster seat so Burnham can try to return to parliament and be a leadership contender**, the Times reported.
- **BoE is set to water down stablecoin rules after industry pressure, with Deputy Governor Breeden stating that initial plans may have been 'overly conservative'** and the central bank is 'looking very hard' at alternatives, according to FT.
- **British Chambers of Commerce warned UK manufacturers and construction groups will be hit by significant financial and logistical problems as a result of ministers' plans to double tariffs on steel imports** from July 1st, according to FT.
- **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.