newsquawk

Daily Asia-Pac Opening News - 15th May 2026

SNAPSHOT

STOCKS			
S&P 500	+0.8%	Nasdaq Comp.	+0.9%
DJIA	+0.8%	Russell 2000	+0.7%
ES Jun'26	+0.7%	RTY Jun'26	+0.6%
NQ Jun'26	+0.7%	YM Jun'26	+0.7%

FX			
DXY	+0.5% (98.89)	EUR/USD	-0.4%
USD/JPY	+0.4%	GBP/USD	-0.9%

BONDS			
US T-Note Jun'26	-3 ticks	10yr Bund Jun'26	+35 ticks
US 10yr Yield	4.48%	German 10yr Yield	3.05%

ENERGY & METALS			
WTI Jun'26	+1.0%	Brent Jul'26	+0.9%
Spot Gold	-0.8%	LME Copper	-1.2%

CRYPTO			
Bitcoin	+2.6%	Ethereum	+1.6%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include New Zealand PMI & Food Price Index, Japanese PPI, South Korean Trade Data, Comments from Fed's Barr, Supply from Australia.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump's team was reportedly discussing options for military escalation to break the deadlock, while US officials said Trump was not expected to take dramatic steps during his trip but could make the next move immediately afterwards,** according to Axios. US officials said one option was to resume "Project Freedom", involving Navy efforts to break the logjam in the Strait of Hormuz, while another option involved launching a new bombing campaign focused on Iranian infrastructure, which Trump had repeatedly threatened.
- **US President Trump, on Tuesday, appeared to suggest prioritising stopping Iran from obtaining a nuclear weapon even if it carried domestic economic costs, although advisers cited by Axios said the wording was poor** and likely to be used in Democratic campaign advertisements.
- **US President Trump said Chinese President Xi committed not to provide Iran with military equipment, although Xi indicated China would continue purchasing Iranian oil despite longstanding US pressure and sanctions efforts aimed at halting such trade.** Trump also said Chinese President Xi had offered to help on Iran and wanted to see the Strait of Hormuz remain open, while he added that Xi stated China would not provide military equipment to Iran, according to Fox News.
- **Washington informed Tel Aviv of the possibility that President Trump could order strikes inside Iran,** according to Al Hadath.
- **Israeli Defence Minister Katz said the Iran mission was not over and warned Israel was prepared for the possibility that it may need to act again.**
- **Israeli officials said they would remain on high alert this weekend in case Trump decided to resume the war, adding that any such operation would take place in coordination with the Israeli military,** according to Axios.
- **Israel was reportedly set to inform the Lebanese delegation that it would not commit to a comprehensive ceasefire, although it**

could offer to avoid bombing northern Bekaa and Beirut, according to Al Hadath sources.

- **Iranian National Security Council Deputy Secretary Bagheri said "although this war began with Iran, it is not limited to Iran and will spread and expand if there is inaction and inaction against it. Any weak response is an invitation to more war".**
- **Iranian Foreign Minister Araghchi said Iranian forces were ready to "deliver crushing and devastating response to foreign aggressors", although he added, "We do not seek war",** during remarks at the BRICS summit. Araghchi said, "In our view, the Strait of Hormuz is open to all commercial ships, but they must cooperate with our naval forces", while he hoped the situation would end with the lifting of what he described as "illegal blockade imposed by America". Separately, Araghchi criticised the UAE for being an "active partner" in Israeli aggression, according to IRIB.
- **Iran's Revolutionary Guards said around 30 vessels had crossed the Strait of Hormuz with Tehran's permission since Wednesday evening,** according to state media. Transit of Chinese vessels through the Strait of Hormuz began on Wednesday following an understanding over Iran's management protocols, according to Fars News.
- **Former IRGC commander Jafari said "If the enemy does not accept Iran's preconditions, there will be no negotiations."** Jafari added that if the war starts again, they will strike harder blows at the enemy than ever before.
- **UKMTO reported incident 38 nautical miles northeast of Fujairah, UAE, stating the vessel had been taken by unauthorised personnel** while at anchor and was now bound for Iranian territorial waters.
- **Pakistan's Foreign Ministry said peace process remained intact and that officials remained engaged and hopeful,** according to journalist Mallick.
- **Saudi Arabia had floated a proposal for a Middle Eastern non-aggression pact involving Iran as part of discussions with allies over managing regional tensions after the conclusion of the US-Israeli war with Iran,** according to FT sources.
- **Saudi Arabia reportedly conducted secretive strikes on Iran after Tehran attacked Saudi energy facilities and civilian infrastructure in March,** according to WSJ citing US and Gulf officials familiar with the attacks. Saudi air force reportedly carried out strikes on Iranian drone and missile launch sites, while Saudi warplanes also struck targets in Iraq linked to Iranian-backed militias, according to sources cited by WSJ.
- **Russian intelligence said negotiations aimed at ending the war involving Iran were ongoing, although there was no end in sight and renewed US attacks against Iran could not be ruled out,** according to Al Arabiya. Russian intelligence added that the likelihood of the conflict ending remained distant.

US TRADE

- **US stocks** continued to rally, with tech leading the gains once again, as NVIDIA was boosted after the US and China announced the company would be allowed to resume chip sales to China, sending shares more than 4% higher. Cisco (CSCO) also surged following earnings and a restructuring announcement, while Cerebras (CBRS) nearly doubled from its IPO price, reinforcing ongoing optimism surrounding AI demand. Focus remained on the US/China summit, which appeared constructive overall as agreements involving NVIDIA and Boeing (BA) were announced, although China's reported 200 Boeing jet order fell short of the previously touted 500 aircraft figure, while Treasury Secretary Bessent commented that "soybeans are all taken care of", weighing on soybean futures.
- **SPX** +0.76% at 7,501, **NDX** +0.73% at 29,580, **DJI** +0.75% at 50,063, **RUT** +0.67% at 2,863.
- Click here for a detailed summary.

TARIFFS/TRADE

- **White House said President Trump had a good meeting with Chinese President Xi and that both sides discussed ways to enhance economic cooperation. White House added that both sides agreed the Strait of Hormuz must remain open and agreed Iran could never have a nuclear weapon.** They also discussed expanding market access for American businesses into China and increasing Chinese investment, while highlighting the need to build on progress in ending the flow of fentanyl precursors into the US. They also discussed increasing Chinese purchases of American agricultural products and increasing oil trade.
- **US President Trump said it had been a "fantastic day" and that he had held "extremely positive and productive meetings", while he added that discussions had been good for both China and the US.** Trump invited Chinese President Xi to White House on September 24th and described the US-China relationship as "one of the most consequential in world history" and "very special", as well as stated there was a chance to create a "future of great prosperity".
- **US President Trump said Chinese President Xi had agreed to buy 200 Boeing (BA) aircraft and reiterated that Xi wanted an agreement on Iran, while refusing to provide military equipment to Tehran. Trump added that Xi wanted to continue buying Iranian oil and opposed Iran charging Hormuz tolls.** Trump further stated, "Boeing wanted 150, they've got 200 big ones", during an interview with Fox.
- **Chinese President X, at the state banquet with the US delegation, described the visit as historic and said rejuvenation of China and "Make America Great Again" could go hand in hand.** Xi added China-US ties had remained stable through talks with President Trump and said both leaders believed China-US relations were the most important bilateral ties in the world.
- **China People's Republic Chair Qiang said the US and China should focus on cooperation and continue to be friends.**
- **US Treasury Secretary Bessent, asked about reports that NVIDIA (NVDA) H200 chips had been approved for some Chinese companies, said it would be news to him if approvals had been granted.** Bessent added that "soybeans are all taken care of" and said he expected large Boeing (BA) orders related to trade with China. This follows an earlier source report that the **US approved around 10 Chinese firms to buy NVIDIA H200 chips, and that approved buyers included Alibaba, ByteDance, Tencent and JD.com.**
- **US Treasury Secretary Bessent said the US and China would discuss AI guardrails and that China remained substantially behind the US in AI, despite still being advanced. Bessent said the US did not want to stifle innovation and that AI required the**

highest levels of safety. Furthermore, he said President Trump would have more to say on Taiwan in the coming days and would be resolute in his answers, while on reducing tariffs on Chinese trade, Bessent said the idea was to start with USD 30bln.

- **US Secretary of State Rubio said US policy on Taiwan remained unchanged,** according to NBC News. Rubio added that arms sales to Taiwan had not been prominent in discussions with China and said the US and China agreed Strait of Hormuz should not be militarised, while he added that the US was not asking China for help regarding Hormuz.
- **US Senator Warren said President Trump was clearing a sale of advanced AI chips to China, while criticising both Trump and Nvidia (NVDA) over previous chip sales to China.**

NOTABLE HEADLINES

- **US Treasury Secretary Bessent said incoming Fed Chair Warsh would bring an open mind to the Federal Reserve,** while adding there could be one or two hot inflation readings followed by disinflation.
- **Fed's outgoing Miran said he believed PCE inflation, particularly housing-related inflation, would converge back to normal levels and reiterated his calls for rate cuts based on lags in monetary policy transmission,** while Miran submitted his resignation from the Federal Reserve Board effective on or shortly before Kevin Warsh's swearing-in as Chair.
- **Fed's Hammack (2026 voter) said central bank independence remained critical to effective monetary policymaking.**
- **Fed's Schmid (2028 voter) said persistent inflation remained the most pressing risk to the US economy and stressed inflation was still too high. Schmid added the US economy had shown remarkable resilience and that economic fundamentals remained sound,** while noting the economy was less vulnerable to global oil disruptions. He also warned that higher oil prices were draining household spending power and increasing business costs, although he added that the labour market continued functioning effectively.
- **US President Trump's proposals, including a gas tax holiday and federal funding for a new White House ballroom, were reportedly facing opposition in Congress,** according to Semafor.

DATA RECAP

- US Retail Sales MoM (Apr) M/M 0.5% vs. Exp. 0.5% (Prev. 1.7%)
- US Retail Sales YoY (Apr) Y/Y 4.9% vs. Exp. 3.3% (Prev. 4.0%)
- US Retail Inventories Ex Autos MoM (Mar) M/M 0.4% vs. Exp. 0.5%
- US Business Inventories MoM (Mar) M/M 0.9% vs. Exp. 0.3% (Prev. 0.4%)
- US Import Prices MoM (Apr) M/M 1.9% vs. Exp. 1.0% (Prev. 0.8%)
- US Export Prices MoM (Apr) M/M 3.3% vs. Exp. 1.1% (Prev. 1.6%)
- US Initial Jobless Claims (May/09) 211.0k vs. Exp. 205k (Prev. 200k)
- US Continuing Jobless Claims (May/02) 1782.0k vs. Exp. 1790k (Prev. 1766k)

FX

- **USD** was firmer, to the detriment of G10 FX peers, following a constructive Trump/Xi summit, whereby the overall tone was positive, while there was nothing too incrementally new on Iran. Nonetheless, reports suggested Washington informed Tel Aviv of the possibility that Trump might order strikes inside Iran, and echoed earlier reports from Axios, which reported that Trump's team is now discussing options for military escalation to break the deadlock. However, no one expects any dramatic action until Trump returns from China. In terms of the data, initial jobless claims rose, but still indicated a stable-to-improving job market, while import/export prices jumped, showing more signs energy costs are feeding through to other parts of the economy. Furthermore, retail sales headline M/M was in line, but Oxford Economics highlighted the details were stronger and upward revisions to past months mean real consumer spending is now tracking close to 2% annualised in H1, which is unspectacular, but solid.
- **EUR** retreated beneath the 1.1700 handle amid the stronger buck and with little newsflow from Europe, where some countries observed Ascension Day.
- **GBP** was the laggard despite better-than-expected GDP data, with the pound weighed on by UK political turmoil surrounding PM Starmer. The main point today was the potential leadership challenger, Streeting, resigning from his post as Health Secretary. If Streeting does launch a contest, PM Starmer has made clear he will challenge it. In addition, Andy Burnham confirmed he'll try to run for Parliament after Labour MP Simons said he'll resign to make way for him, and the BBC understands Starmer will not seek to block Burnham from becoming the Labour candidate in Makerfield.
- **JPY** ultimately weakened with USD/JPY back above the 158.00 level, although there was an early bout of volatility in which the pair suffered an abrupt drop just after the US cash open, which swiftly reversed, with some touting potential intervention or a rate check.

FIXED INCOME

- **T-notes** saw relatively muted trade and the curve flattened modestly as front-end yields edged higher, while the long-end outperformed slightly.

COMMODITIES

- **Oil prices** were mildly firmer, albeit with price action choppy and in tight ranges relative to recent intraday moves, while there was little market-moving Middle East headlines today, amid the Trump/Xi summit and a participants await Trump to return home, although benchmarks did see some pressure after FT reported that Saudi Arabia floated a Middle Eastern non-aggression pact with Iran.

- **OPEC+ was reportedly set to persist with symbolic monthly output hikes and planned to complete its series of quota increases,** according to delegates cited by Bloomberg.

ASIA-PAC

DATA RECAP

- Chinese New Yuan Loans (Apr) -10.0B vs. Exp. 300B (Prev. 2990B)
- Chinese Total Social Financing (Apr) 620.0B vs. Exp. 1500B (Prev. 5230B)
- Chinese M2 Money Supply YoY (Apr) Y/Y 8.6% vs. Exp. 8.5% (Prev. 8.5%)

EU/UK

NOTABLE HEADLINES

- **UK Downing Street insider said PM Starmer was "going nowhere" and that Labour Party managers believed Streeting's support on Thursday had only reached the forties,** according to FT.
- **UK Labour MP Jones, described as top aide to PM Starmer, was reportedly telling MPs that Starmer was going to leave,** according to Bloomberg's Wickham citing allies of Health Secretary Streeting. **However, allies close to UK PM's Chief Secretary Jones said he continued backing Starmer and wanted to continue governing, contradicting earlier reporting,** according to Bloomberg's Mayes.
- **UK Cabinet Minister said Chancellor Reeves was looking to decouple from PM Starmer,** according to cabinet source cited by Mail on Sunday's Hodges. **Cabinet Ministers and MPs were also reportedly pointing to union calls for timetable as potential trigger for "second wave" of calls for Prime Minister Starmer to step down,** according to The Mail on Sunday's Dan Hodges.
- **At least four cabinet ministers, including figures close to both Streeting and Manchester Mayor Burnham, denied reports they would go to Prime Minister Starmer to demand his resignation,** according to Bloomberg's Wickham.
- **UK Health Minister Streeting announced his resignation and said regarding the next steps, "It needs to be broad, and it needs the best possible field of candidates. I support that approach and I hope that you will facilitate this."**
- **Allies of Streeting believed a leadership announcement could be pre-empted by Prime Minister Starmer announcing a timetable for his departure, possibly as soon as today,** according to ITV's Peston, who added that less-partisan sources described the situation as being "in the end game". Furthermore, Streeting's allies said he had the numbers, although "things are shifting" and claimed cabinet ministers would head to Downing Street to tell PM Starmer to quit, according to The Sun's Elsom.
- **A Streeting ally told Sky's Rigby that Streeting had not decided to trigger a challenge or immediate contest and instead believed Prime Minister Starmer needed to set out a timetable for departure,** while The Mail on Sunday's Hodges said he had been told the bulk of the cabinet would now support that position.
- **A Cabinet Minister told The Mail on Sunday's Hodges that two-thirds of the cabinet now believed Starmer needed to set out timetable for departure and said this had been communicated to Downing Street the previous day.**
- **UK MP Josh Simons is to stand aside for Andy Burnham imminently.**
- **BoE's Pill said disinflation had stalled prior to the Iran conflict and warned that second-round effects could prove stronger, adding that policymakers should focus on tackling those effects.** Pill said he did not expect second-round effects to become as strong as in 2022, and that policymakers "must not allow ourselves to drift off into deep space of unmoored inflation dynamics". **Pill stated the labour market was not as loose as during the oil price spikes of 2008 or 2011, and there had been excess money in 2022, but opposite conditions prevailed now. Furthermore, he could not confirm whether any rate rise would prove temporary or represent a plateau and reiterated his view that the BoE needed to keep rates elevated for now.**

DATA RECAP

- UK GDP Growth Rate QoQ Prel (Q1) Q/Q 0.6% vs. Exp. 0.6% (Prev. 0.1%)
- UK GDP Growth Rate YoY Prel (Q1) Y/Y 1.1% vs. Exp. 0.8% (Prev. 1.0%)
- UK GDP 3-Month Avg (Mar, Q1) 0.6% vs. Exp. 0.5% (Prev. 0.5%)
- UK GDP MoM (Mar) M/M 0.3% vs. Exp. -0.2% (Prev. 0.5%)
- UK GDP YoY (Mar) Y/Y 1.2% vs. Exp. 0.7% (Prev. 1.0%)
- UK Industrial Production MoM (Mar) M/M -0.2% vs. Exp. -0.3% (Prev. 0.5%)
- UK Industrial Production YoY (Mar) Y/Y 0.0% (Prev. -0.4%)
- UK Manufacturing Production MoM (Mar) M/M 1.2% vs. Exp. -0.2% (Prev. -0.1%)
- UK Manufacturing Production YoY (Mar) Y/Y 1.2% (Prev. -0.5%)