

## SNAPSHOT

STOCKS			
Nikkei 225	-0.7%	ASX 200	-1.3%
Hang Seng	-1.3%	Shanghai Comp	-0.3%
Euro Stoxx 50 Jun'26	-0.9%	DAX Jun'26	-0.8%
ES Jun'26	-0.6%	NQ Jun'26	-0.6%

  

FX			
DXY	+0.1% (99.32)	EUR/USD	-0.1% (1.1620)
USD/JPY	+0.2% (158.97)	GBP/USD	-0.1% (1.3317)

  

BONDS			
US T-Note Jun'26	-6+ ticks	Bund Jun'26	-43 ticks
US 10yr Yield	4.62%	German 10yr Yield	3.18%

  

ENERGY & METALS			
WTI Jul'26	+2.1%	Brent Jul'26	+1.7%
Spot Gold	-0.5%	LME Copper	-0.5%

  

CRYPTO			
Bitcoin	-0.5%	Ethereum	-0.3%

As of 06:20BST/01:20EDT

## LOOKING AHEAD

- Highlights include Canadian Victoria Day holiday, speakers including BoE's Greene & Mann, Supply from the EU, Earnings from Baidu & Ryanair.
- [Click for the Newsquawk Week Ahead.](#)

## IRAN CONFLICT

- US President Trump warned on Truth Social that the clock is ticking for Iran and that they better get moving fast, or there won't be anything left for them, and that time is of the essence.
- US President Trump declined to give a specific deadline for negotiations with Iran and will hold a Situation Room meeting with his national security team on Tuesday to discuss possible options for military action, while he spoke with Israeli PM Netanyahu about the situation in Iran, according to Axios. Trump also stated that he still thinks Iran wants a deal and he is waiting for an updated Iranian proposal, which he hopes will be better than the prior offer. Furthermore, Axios's Ravid reported that Trump threatened that attacks would resume with greater intensity if the Iranian regime does not come up with a better proposal, while Channel 12's Kraus posted that President Trump said in a phone call that he thinks the Iranians should be afraid of what's going on right now.
- US President Trump posted a generated image of a drone striking boats with Iranian flags and the caption BYE BYE, "Fast Boats", while he also posted an image of ships in the US with the caption "Empty Oil Tankers are SAILING to the US to LOAD UP on OIL!"
- Iranian Defence Ministry spokesman Brigadier General Reza Talei-Nik warned of a regretful response to enemies and said that Iranian armed forces are fully prepared to confront any potential attack by the US and Israeli regime, according to IRNA.
- Iranian Major General Rezaei said Iran is serious about diplomacy and negotiations, but is more serious about dealing with the aggressor, while he added that the US must now prove its good intentions and that Iranian armed forces are on the trigger as diplomatic efforts continue.
- Iran said transit through the Strait of Hormuz would flow again once its conflict with the US and Israel is over, although the

sides remain far from resolving their differences, according to Bloomberg. In relevant news, three cargo-empty, US-sanctioned tankers reportedly slipped through the US naval blockade in recent days, according to TankerTrackers.com.

- Israeli senior official was reported on Friday to have told Channel 12 that Tel Aviv was preparing for the possibility of an imminent resumption of war with the Islamic Republic, while the official said regarding negotiations between Tehran and Washington that "The Americans have concluded that the negotiations are not going anywhere."
- US State Department official said on Friday that the atmosphere of the second day of talks between Lebanon and Israel was extremely positive and exceeded expectations, while the State Department announced that Israel and Lebanon's cessation of hostilities will be extended by 45 days to enable further progress.
- Israel said it carried out a Gaza strike targeting the de facto head of Hamas's armed wing, while Israel also conducted an airstrike on the towns of Froun, Kfar Hounah and Zawtar al-Sharqiya in southern Lebanon. Furthermore, an Israeli air strike targeted Baalbek, Lebanon and killed an Islamic Jihad commander and his daughter.
- UAE officials said a drone attack set off a fire near the UAE's nuclear power station, while it was still investigating the source of the attack.
- Saudi Defence Ministry said it intercepted three drones launched from Iraq after entering the kingdom's airspace.

## US TRADE

### EQUITIES

- US stocks closed in the red on Friday with all sectors lower, aside from Energy, as Materials and Utilities lagged, while broad-based mega-cap weakness added to the losses. Energy was the only sector in the green and buoyed by gains in the crude complex amid renewed escalation risk as Trump returned from China and attention turned back to Iran. On that, little incrementally new came out of the Xi/Trump summit, and many awaited Trump's return from China. As a reminder, source reports through the week suggested Trump was weighing up possibly resuming military action, but sources added they don't think he would order any before he returns from China, while Israeli sources stated that readiness would be raised upon the end of Trump's visit.
- SPX -1.24% at 7,408, NDX -1.54% at 29,125, DJI -1.07% at 49,531, RUT -2.44% at 2,793.
- [Click here for a detailed summary.](#)

### TARIFFS/TRADE

- USTR Greer said President Trump will be presented with options for action on China if US investigations determine that industrial overcapacity is influencing Chinese exports.
- White House released a Fact Sheet on Sunday following last week's Trump-Xi summit, which stated that China will purchase at least USD 17bn in US agricultural products annually for 2026, 2027 and 2028.
- China's MOFCOM said it agreed with the US to set up trade and investment bodies, while it also confirmed that the US had agreed to sell aircraft, aircraft engines and components to China, according to WSJ.
- China's MOFCOM pushed back against the EU's use of its Foreign Subsidies Regulation, which followed criticism by its justice ministry that related cross-border probes constituted "improper extraterritorial jurisdiction".
- EU is drawing up plans to force European companies to purchase critical components from at least three different suppliers, in an effort to lower the bloc's reliance on China, according to FT.
- France wants Stellantis (STLA IM) and Renault (RNO FP) to favour local parts suppliers to protect jobs and keep know-how in the region as Europe's automakers deepen ties with manufacturers from China.
- China flagged that Australian beef imports are approaching the safeguard threshold and are at the 80% of the annual quota, which caps imports at current tariff rates, while additional imports would be subject to 55% tariffs on top of existing tariffs three days after shipments reach 100% of the quota.
- UK is reportedly close to a trade agreement with Gulf Council states, according to FT.

### NOTABLE HEADLINES

- Fed named Jerome Powell as the temporary chairman of the Federal Reserve Board of Governors on Friday until his successor, Kevin Warsh, is sworn in.
- Federal funding for President Trump's planned ballroom hit a procedural roadblock at the Senate on Saturday.

## APAC TRADE

### EQUITIES

- APAC stocks were mostly in the red after last Friday's losses on Wall St, and with risk sentiment sapped as oil prices and yields extended higher after US President Trump warned the clock was ticking on Iran, heading into a meeting on Tuesday with his national security team to discuss possible options for military action, while participants in the region also digest disappointing Chinese activity data.
- ASX 200 was dragged lower amid losses across nearly all sectors aside from energy, and with sentiment not helped by disappointing data from Australia's largest trading partner.
- Nikkei 225 resumed its pullback from last week's record highs amid higher oil prices and the anticipation of the BoJ to resume rate normalisation next month.
- KOSPI was volatile as the index initially suffered heavy losses and the Korea Exchange triggered a sidecar after KOSPI 200 futures dropped 5.0% with jitters seen as Samsung Electronics faces an 18-day strike involving nearly 45,000 of Samsung's

unionised workers starting on May 21st. The index then staged a firm rebound alongside Samsung shares after the union said it would engage in government-mediated pay talks, and a court was said to partially accept an injunction request against the union's planned strike, although the union later announced that it would proceed with the strike as planned.

- **Hang Seng and Shanghai Comp** were pressured following the disappointing activity data in which Industrial Production, Retail Sales and Fixed Assets Ex-Rural Investment all missed forecasts, with the latter showing a surprise contraction, while the stats bureau noted the external situation is complex and that China's economic foundation still needs to be consolidated.
- **US equity futures** trickled lower amid concerns of a potential resumption of military action against Iran.
- **European equity futures** indicate a negative cash market open with Euro Stoxx 50 futures down 1.1% after the cash market closed with losses of 1.8% on Friday.

## FX

- **DXY** marginally gained amid the negative mood in Asia-Pac, as well as the upside in oil and yields, while there was little in the way of major fresh catalysts outside of geopolitics for the US. Nonetheless, the White House released a Fact Sheet regarding last week's Trump-Xi summit, which stated that China will purchase at least USD 17bn in US agricultural products annually through to 2028, and it was reported on Friday that the Fed named Powell as chair pro tempore until his successor, Warsh, is sworn in.
- **EUR/USD** languished firmly beneath the 1.1700 handle following last week's retreat and with very light newsflow from the bloc to spur the single currency, while China's MOFCOM also pushed back against the EU's use of its Foreign Subsidies Regulation.
- **GBP/USD** tested 1.3300 to the downside as the UK political landscape remains in limbo with PM Starmer reportedly mulling whether he would bring more government stability by announcing a timetable for his departure and a leadership election, while former Health Secretary Streeting said he would battle Manchester City Mayor Burnham for the leadership and called for the UK to rejoin the EU, while Burnham played down rejoining the EU.
- **USD/JPY** tested the 159.00 level to the upside as the Japanese currency faced headwinds from higher oil prices and anticipation that the government will issue more debt for an additional budget to soften the blow from the Middle East conflict.
- **Antipodeans** remained lacklustre after last week's declines, and with price action also constrained by the disappointing Chinese activity data.
- **PBoC** set USD/CNY mid-point at 6.8435 vs exp. 6.8086 (prev. 6.8415).

## FIXED INCOME

- **10yr UST futures** were subdued as the upside in oil prices further added to the ongoing inflationary concerns.
- **Bund futures** continued its slide at sub-124.00 territory amid energy-related headwinds and looming EU supply.
- **10yr JGB futures** declined in early trade as yields climbed with the 10yr yield at its highest in around 3 decades amid BoJ June rate hike expectations and with Japanese PM Takaichi set to announce an extra budget, which sources noted would likely be funded by fresh debt. However, futures then gradually nursed losses and are well off today's worst levels despite the mixed results from a 5yr JGB auction.

## COMMODITIES

- **Crude futures** resumed their recent rally with Brent briefly touching USD 112/bbl following a warning by US President Trump that the clock is ticking on Iran, while he is set to hold a Situation Room meeting with his national security team on Tuesday to discuss possible options for military action. In addition, a report noted that the energy crisis is said to enter a new phase as the peak summer season draws closer, while the US allowed a Russian oil sales waiver to expire, despite the ongoing supply concerns caused by the Middle East conflict.
- **US allowed a Russia oil sales waiver to expire**, despite concerns regarding global oil supplies and higher energy costs amid the Iran conflict.
- **Iran energy crisis is said to enter a new phase as the peak summer season draws closer**, according to FT.
- **European airlines and oil refiners are more confident Europe can avoid jet fuel shortages this summer** after plants maximised output, boosted imports, and governments tapped strategic reserves, according to FT.
- **Venezuela circulated a draft of regulations as part of its oil law rules** for companies seeking to invest in the country's oil production.
- **Spot gold** initially retreated and briefly dipped beneath the USD 4,500/oz level amid higher yields and a firmer dollar, but then gradually recouped all of the earlier losses and returned to flat territory.
- **India tightened silver import regulations amid efforts to defend the domestic currency**, in which the government notified that the import of silver bars was now "restricted" instead of "free".
- **Copper futures** extended on last Friday's downturn with demand sapped by the mostly negative risk appetite and disappointing Chinese activity data.

## CRYPTO

- **Bitcoin** was choppy overnight and oscillated around the USD 77,000 level.

## NOTABLE ASIA-PAC HEADLINES

- **Chinese President Xi and Russian President Putin exchanged congratulatory messages at the opening of the China-Russian Expo in China's north-eastern city of Harbin**, while Putin is to visit China on May 19th-20th.
- **Chinese MIIT Minister Li Lecheng said China should upgrade "outdated" industries, and not scrap them**, because manufacturing remains the backbone of the economy.

- **China's State Administration for Market Regulation set 34 priorities for this year to support private sector growth**, with a focus on fair competition, legal protections and efficient regulation.
- **China's stats bureau said the external situation is complex and China's economic foundation still needs to be consolidated**, while it added that **China is to continue to optimise supply and that the domestic supply-demand imbalance remains prominent**. China's stats bureau said **China will continue to expand the domestic demand and should implement more active fiscal policies and moderately loose monetary policies**. Furthermore, it said the international situation remains grim and complicated as of April, and the world economic recovery is facing greater headwinds, as well as stated that the will and capacity of people to spend needs improving.
- **Japan is likely to issue fresh debt as part of funding for a planned extra budget to soften the blow from the Middle East conflict**, according to sources cited by Reuters. A separate report confirmed that Japanese PM Takaichi was set to announce an extra Japan budget.

#### DATA RECAP

- Chinese Industrial Production YoY (Apr) Y/Y 4.1% (Prev. 5.7%)
- Chinese Retail Sales YoY (Apr) Y/Y 0.2% vs Exp. 2.0% (Prev. 1.7%)
- Chinese Fixed Asset Investment (YTD) YoY (Apr) Y/Y -1.6% vs. Exp. 1.7% (Prev. 1.7%)
- Chinese House Price Index MoM (Apr) M/M -0.1% (Prev. -0.2%)
- Chinese House Price Index YoY (Apr) Y/Y -3.5% (Prev. -3.4%)

## GLOBAL NEWS

- **WHO declared a global health emergency following an Ebola outbreak in Congo, which has killed about 80 people**, according to WSJ.

## GEOPOLITICS

#### RUSSIA-UKRAINE

- **Ukraine upped the pressure on Russia with the biggest strike on Moscow in over a year involving dozens of drones on Sunday**, according to WSJ.
- **Russian drones hit Odessa and damaged residential homes**, according to Interfax.
- **Ukrainian manufacturers and officials warned the EU's plan to slash steel imports would hurt Ukraine**.

#### OTHER

- **Intelligence claimed that Cuba has acquired more than 300 military drones and recently began discussing plans to use them to attack the US base at Guantanamo Bay, US military vessels and possibly Key West, Florida**, according to Axios, which added that the intelligence could become a pretext for US military action and shows the degree to which the Trump administration sees Cuba as a threat.
- **US President Trump said US and Nigerian forces killed an ISIS leader who was hiding in Africa**.
- **US President Trump's advisers fear that China may target Taiwan in the next 5 years**, according to Axios.
- **Taiwan's President Lai said on Sunday that Taiwan will never be sacrificed or traded, after US President Trump recently described a planned USD 14bln arms sale to Taipei as a bargaining chip with China**.
- **Frictions between Norway and Malaysia increased following a scrapped weapons deal**, with Norway revoking export licences for a naval strike missile system.

## EU/UK

#### NOTABLE HEADLINES

- **BoE's Breeden said the central bank should not be 'trigger happy' on rates, while she warned of a hit to business from political uncertainty**, according to FT.
- **UK PM Starmer was reportedly mulling whether he would bring more government stability by announcing a timetable for his departure and a leadership election**, according to ITV.
- **Former UK Health Secretary Streeting vowed to stand in any Labour Party leadership contest to oust UK PM Starmer**. In relevant news, **Streeting said he would battle Manchester Mayor Burnham for the Labour leadership and called for the UK to rejoin the EU, while Burnham played down rejoining the EU**.
- **UK Chancellor Reeves is reportedly to lay out more details in the week ahead regarding proposals to ease bank regulations that were imposed to prevent a repeat of the 2008 GFC**.
- **Fitch affirmed Germany's sovereign rating at AAA; Outlook Stable, while DBRS maintained Portugal at A (high), Outlook Raised to Positive**.

#### DATA RECAP

- UK Rightmove House Prices MM (May) 1.2% (Prev. 0.8%)
- UK Rightmove House Prices YY (May) -0.3% (Prev. -0.9%)

Copyright © 2026 Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com

---

Copyright © {{ copyright-year }} Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com