newsquawk

# Daily US Opening News - 18th May 2026

## SNAPSHOT

| STOCKS | | | |
|---|---|---|---|
| Euro Stoxx 50 | -0.3% | DAX40 | +0.1% |
| Stoxx 600 | -0.2% | FTSE 100 | +0.2% |
| ES Jun'26 | -0.3% | RTY Jun'26 | -0.3% |
| NQ Jun'26 | -0.1% | YM Jun'26 | -0.6% |

| FX | | | |
|---|---|---|---|
| DXY | -0.1% (99.16) | EUR/USD | +0.1% (1.1638) |
| USD/JPY | +0.1% (158.87) | GBP/USD | +0.4% (1.3367) |

| BONDS | | | |
|---|---|---|---|
| US T-Note Jun'26 | U/C | Bund Jun'26 | -18 ticks |
| US 10yr Yield | 4.597% | German 10yr Yield | 3.170% |

| ENERGY & METALS | | | |
|---|---|---|---|
| WTI Jul'26 | +1.4% | Brent Jul'26 | +1.0% |
| Spot Gold | +0.1% | LME Copper | -0.6% |

| CRYPTO | | | |
|---|---|---|---|
| Bitcoin | -0.7% | Ethereum | -0.6% |

As of 10:35BST / 05:35EDT

### LOOKING AHEAD

- Highlights include US NAHB Housing Market Index (May), Canadian Victoria Day holiday, Supply from the EU.
- Click here for the Week Ahead preview

## 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.**
- **Pakistan shared revised Iranian proposal to end the war with the US on Sunday night,** according to Pakistani sources. The course added that "we don't have much time", adding that both countries "keep changing their goalposts".
- **Western sources say the new Iranian proposal includes a commitment of unclear value not to produce nuclear weapons but no mention of uranium or Hormuz,** according to Journalist Segal.
- **Iranian Foreign Ministry Spokesperson Baghaei said talks with the US continue through Pakistani mediation.** The spokesperson added that they have made great efforts for safe movement and protection of the Strait of Hormuz and are in constant contact with Oman to develop a mechanism. On Uranian, Baghaei said **Tehran does not need any party to recognize its right to uranium enrichment** and will not discuss during negotiations with the US.
- **Iranian Defence Ministry spokesman Brigadier General Reza Talaei-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.
- **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.**

# EUROPEAN TRADE

## EQUITIES

- **European bourses** (STOXX 600 -0.2%) opened entirely in the red this morning, given the lack of US-Iran progress, and further punchy rhetoric from President Trump. Over the weekend, **he stated that the clock is ticking for Iran**, though he declined to give a specific deadline. Since then, **bourses have clambered off lows amidst positive geopolitical updates**; notably, Iran's Baghaei suggesting that talks with the US continue through Pakistani mediation. Moreover, **Pakistani sources suggested that Pakistan shared a revised Iranian proposal** to end the war with the US on Sunday night.
- **European sectors** opened with a clear negative bias, but this picture is now a little more mixed. **Energy** takes pole position, benefiting from higher underlying crude prices; **Media** and **Utilities** complete the top three. **At the bottom of the pile reside cyclical sectors**, such as **Autos** and **Travel & Leisure**. The latter has been pressured by post-earning losses in **Ryanair** after reporting in-line metrics, but warned that flat fares may put pressure on profits.
- **US equity futures** (ES -0.3% NQ -0.1% RTY -0.3%) are entirely in the red, albeit modestly so. In terms of key stories this morning, **Samsung Electronics** (+4% in Korean trade) moved higher after reporting that **Samsung** and the union held talks to avert a strike; elsewhere, a South Korean court granted the company an injunction that could limit the scope of the planned strike. Elsewhere, Reuters reported that **Tesla** (-0.8% pre-market) raised US prices for its Model Y car, but did not provide a reason.
- Click for the sessions European pre-market equity newsflow
- Click for the additional news

## FX

- **FX shows a risk-on bias with high-beta outperforming and DXY in the red**.
- **DXY** firmed at the Asia reopen and rose to a 99.40 peak as participants digested **US President Trump's remarks over the weekend**, "the clock is ticking for Iran." However, with Brent crude falling from its USD 112/bbl peak (curr. 110/bbl), the index now trades modestly in the red, a touch above 99.00 where its 50 DMA lies. Nothing notable scheduled today, though the rest of the week sees weekly ADP jobs on Tuesday, FOMC Minutes + NVIDIA earnings Wednesday, Jobless Claims and PMIs Thursday and UoM on Friday.
- **GBP** is one of the best G10 performers, likely a factor of technical factors than political reprieve with newsflow light heading into the likely June 18th by-election. **EUR/GBP** reversed from 0.8730, and **Cable** bounced from 1.33. **On domestic politics**, PM potential candidates **Streeting and Burnham were on the wires talking up the importance of rejoining the EU**. On the Fiscal/Consumer front, the Times reported Chancellor Reeves has plans to retain the cut on fuel duty from September amid fuel price concerns, while separately drawing up plans for a targeted intervention on energy bills - both potentially factors helping the **Pound** today. The week ahead sees Jobs on Tuesday, CPI on Wednesday and PSNB on Friday, the former which ING says is expected to be mild because of base effects.
- **JPY is the only G10 currency** that trades lower against the buck amid: a) a weak 5yr JGB auction, b) reports that the Japanese government is to start compiling a supplementary budget, c) lack of Iran progress, and d) surging energy prices. (See Fixed Income 09:35 BST for more). **USD/JPY** +0.1%, up a touch despite earlier gains which were capped by the 159 mark.

## FIXED INCOME

- **A bearish start to the week as US President Trump's** escalatory language on Iran and the associated energy move, with Brent peaking at USD 112/bbl overnight.
- Amidst this, fixed benchmarks spent the APAC session in the red. Note, **JGBs** derived pressure from this alongside a weak 5y outing and reports around the compiling of a supplementary Japanese budget, see 09:35 BST for more details.
- **USTs hit a 108-30 trough**, a fresh contract low, in the early hours. Since, and particularly after remarks from the Iranian Foreign Ministry spokesperson, energy benchmarks have eased off, which has allowed fixed to lift, taking **USTs** to a 109-08 high with gains of one tick on the session. Today's US docket is quiet, but the week is busy with Nvidia due before the FOMC Minutes and a 20yr auction. From the Minutes, the last with Powell as Chair, BofA expects the account to "reinforce the Fed's recent hawkish tone", showing that Warsh will inherit a Fed with "little appetite to cut".
- **Bunds** in-fitting with the above, hit a 123.74 base, which is also a new contract low. **Given the discussed energy moves**, the benchmark has pared much of its 53 ticks of downside and is now lower by a more modest c. 15 ticks, just off a 124.20 peak. Newsflow has been relatively limited, we had remarks from but no move to ECB's Lagarde, who essentially noted that she is

watching the yield space. On yields, the **German 10yr** hit a 3.19% peak overnight, a new high for the year and the highest since 2011's 3.49% best. Furthermore, the energy moves continue to be reflected in near-term policy expectations, with 21bps of ECB tightening implied for June and 75bps by end-2026.

- **Gilts** opened near-enough flat, as the bearish leads from overnight had already begun to moderate, in addition to the lack of significant weekend development on the fate of PM Starmer. Furthermore, the complex is perhaps deriving some support from a revival of coverage that contenders Burnham and Streeting would like to rejoin the EU at some point; albeit, **Burnham did somewhat distance himself from this over the weekend**, concerning the upcoming by-election campaigning at least. As it stands, Gilts are holding at highs of 85.53 with gains of c. 25 ticks. A bounce from the 84.96 base this morning, another contract low.
- **Japan** sells JPY 1.9tln 5yr JGBs; b/c 3.22x (prev. 3.58x), average yield 2.024% (prev. 1.826%), Lowest accepted price 99.85 (prev. 99.84), Weighted average price 99.89 (prev. 99.88), Tail in price 0.05 (prev. 0.04).

## COMMODITIES

- **Crude futures surged at the start of Asia-Pac trade**, with **WTI** making a new contract high of USD 104.37/bbl while **Brent** peaked at USD 112.00/bbl. Punchy rhetoric over the weekend by US President Trump, warning Iran that the "**clock is ticking**" and that "they better get moving, fast, or there won't be anything left of them" initially spurred the upside in energy prices. However, benchmarks have pulled back as European trade gets underway, with **WTI** and **Brent** now trading at the lower end of its USD 101.59-104.37/bbl and USD 109.56-112/bbl range, respectively. More recently, according to Pakistani sources, **Pakistan shared a revised Iranian proposal to end the war with the US on Sunday night**.
- **Spot gold** briefly dipped below USD 4,500/oz amid higher energy prices as trade got underway but has since regained the handle and currently trading at the upper end of its USD 4481-4560/oz range. Jewellers in India have reported higher demand for the yellow metal, ahead of the wedding season, after Indian authorities hiked gold import tariffs and then later curbed the amount of gold that can be imported. Silver has also faced restrictions with tightening rules for imports, describing imports as now "restricted" rather than "free". Spot silver is currently in a USD 73.71-76.76/oz range, consolidating following Friday's selloff.
- **3M LME Copper** has started Monday's trade on the backfoot, slipping back below USD 13.5k/t and falling closer towards last week's trough of USD 13.4k/t. China's growth slowed in April, with investment contracting while retail sales printed essentially flat Y/Y.

### TRADE/TARIFFS

- **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 17bln in US agricultural products annually** for 2026, 2027 and 2028.
- **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 (STLAM IM/STLAP FP) 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.

### NOTABLE EUROPEAN HEADLINES

- **UK PM Starmer has decided not to announce a departure timetable** unless and until Andy Burnham wins the Makerfield by-election, ITV's Peston reported.
- **UK Deputy PM Lammy** said PM Starmer will not be announcing a timetable for departure, speaking to Sky News.
- **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.**

### NOTABLE EUROPEAN DATA RECAP

- **UK** Rightmove House Prices MM (May) 1.2% (Prev. 0.8%).
- **UK** Rightmove House Prices YY (May) -0.3% (Prev. -0.9%).
- **Swiss** GDP Growth Rate QoQ Flash (Q1) Q/Q 0.5% (Prev. 0.2%).

### CENTRAL BANKS

- **BoE's Greene said some of the global economic resilience to the Iran war is due to inventories while second round effects of the energy price shock will not show up for another year.** Should not be looking through negative supply shocks.

- **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.

#### NOTABLE US HEADLINES

- **US President Trump told Fortune he thinks US could sell Intel (INTC) shares slowly over time without tanking the stock market.** He added that "Intel should be the biggest company in the world right now... If I had been president when all these companies started sending their chips in from China, I would have put a tariff on that would have protected Intel."
- **Over 60 allies of US President Trump have urged him to test and approve the most powerful AI models before its released,** Axios reported citing sources.

### 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.
- **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.**

### CRYPTO

- **Bitcoin** continued to pull back and slipped back below USD 77k.

## APAC TRADE

- **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.

#### NOTABLE ASIA-PAC HEADLINES

- **China State Council** said it will leverage national venture capital guidance fund to increase support for entrepreneurship in tech innovation.
- **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. However, conflicting comments by **Japanese Finance Minister Katayama followed, stating that they**

**are not yet at a stage to talk about the specifics of an extra budget.**

- **Japanese Chief Cabinet Secretary Kihara** said they are watching market moves with a high sense of urgency, including long-term rates. No comment on FX intervention.

NOTABLE APAC 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%).



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