

SNAPSHOT

STOCKS			
S&P 500	-0.1%	Nasdaq Comp.	-0.5%
DJIA	+0.3%	Russell 2000	-0.6%
ES Jun'26	-0.2%	RTY Jun'26	-0.6%
NQ Jun'26	-0.5%	YM Jun'26	+0.2%

FX			
DXY	-0.3% (98.99)	EUR/USD	+0.3%
USD/JPY	+0.1%	GBP/USD	+0.9%

BONDS			
US T-Note Jun'26	+4 ticks	10yr Bund Jun'26	+7 ticks
US 10yr Yield	4.59%	German 10yr Yield	3.16%

ENERGY & METALS			
WTI Jul'26	+1.5%	Brent Jul'26	+0.4%
Spot Gold	+0.6%	LME Copper	+0.3%

CRYPTO			
Bitcoin	-0.5%	Ethereum	+0.3%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include New Zealand PPI & Electronic Card Retail Sales, Japanese GDP, Australian Westpac Consumer Sentiment & RBA Minutes.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump posted on Truth that he instructed Hegseth to hold off on the Iran attack that was initially planned for tomorrow after Saudi Arabia, UAE and Qatar requested him to do so as serious talks are now taking place. Trump added that in their opinion, a deal will be made that is very acceptable to the US and the Middle East, while a deal will include no nuclear weapons for Iran.
- US President Trump instructed DoW Chief Hegseth and General Caine that the US will not attack Iran tomorrow, but instructed them to be prepared to go forward with a full, large-scale assault of Iran on a moment's notice, in the event an acceptable deal is not reached.
- US President Trump told The Post on Monday he is "not open" to any concessions for Tehran after receiving the latest disappointing Iranian response on peace deal talks, while he said Iran knows "what's going to be happening soon."
- Iranian President Pezeshkian said that "Dialogue does not mean surrender" and the Islamic Republic of Iran enters into dialogue with dignity, authority, and the protection of the rights of the nation, and will not retreat from the legal rights of the people and the country in any way.
- Iran submitted an updated proposal for a deal to end the war, although White House reportedly viewed the revisions as insufficient and not a meaningful improvement, according to a senior US official and a source briefed on the matter cited by Axios. US officials said President Trump still wanted a deal to end the conflict, although he was also considering resuming military action due to Iran's rejection of several US demands and its refusal to make meaningful concessions on its nuclear programme. Trump is expected to convene his top national security team in the Situation Room on Tuesday to discuss military options, and a senior US official said that if Iran did not shift its position, negotiations would continue "through bombs," while

adding that the Iranian counterproposal, delivered through Pakistani mediators on Sunday night, contained only token improvements over the previous draft. Furthermore, an official said, "We are really not making a lot of progress. We are at a very serious place today. Pressure is on them to be responsive in the right way."

- **Iran agreed to a long-term nuclear freeze instead of a complete dismantling programme and was seeking a long-term, multi-stage truce**, according to Al Arabiya sources. **Iran had withdrawn its demand for compensation in favour of economic concessions and was working on a conditional transfer of enriched uranium to Russia instead of the US, while also seeking multiple international guarantees for any agreement.** Separately, a source close to the negotiating team told Tasnim that the latest US draft, unlike previous versions, included an agreement to lift Iran's oil sanctions during the negotiation period. However, a US official later told CNBC that Iranian state media reports claiming the US had agreed to lift oil sanctions while negotiations were ongoing were false.
- **Western sources said the new Iranian proposal included a commitment of unclear value not to produce nuclear weapons**, while omitting references to uranium enrichment and the Strait of Hormuz.
- **Fundamental differences between the Iranian and American texts remained**, according to a source Tasnim cited by Tasnim, while it was stated that despite changes in the latest US draft, "Americans' exaggeration and lack of realism remain." Furthermore, the report added that US demands were still considered excessive and that Iran will not abandon its firm and principled positions on ending the war and realising the rights of the Iranian people."
- **Iranian Foreign Ministry spokesperson Baghaei said Iran had made significant efforts to ensure safe movement through the Strait of Hormuz and remained in constant contact with Oman to develop a mechanism**, according to Mehr. **He added that talks with the US continued through Pakistani mediation**, while Baghaei also said Iran did not require any party to recognise its right to uranium enrichment and would not discuss that right during negotiations with the US.
- **Air defences were activated at Qeshm Island after the detection of micro drones**, according to Tasnim.
- **Sources cited by IRIB News reported a massive explosion at the entrance to the Bab al-Mandab Strait into the Red Sea overnight.**
- **IAEA was informed by the UAE that off-site power was restored to Unit 3 of the Barakah NPP earlier today**, following yesterday's drone strike that caused a fire in an electrical generator near the site.

US TRADE

- **US stocks finished mixed on what was a choppy performance as geopolitical headlines dominated price action**, although the key development came late in the session after President Trump announced he had called off a planned attack on Iran scheduled for Tuesday, following requests from Saudi Arabia, the UAE and Qatar. Furthermore, Trump said Gulf allies had urged the US to delay military action as "serious negotiations" are now underway and expressed confidence that a deal acceptable to the US could still be reached, including guarantees preventing Iran from obtaining nuclear weapons, but added that officials will remain prepared for a large-scale assault at a moment's notice should negotiations fail.
- **SPX -0.08% at 7,403, NDX -0.45% at 26,091, DJI +0.32% at 49,686, RUT -0.61% at 2,776.**
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- **EU was reportedly preparing tougher trade measures to counter China's export surge**, according to Bloomberg.

NOTABLE HEADLINES

- **Kevin Warsh is to be sworn in as the next Fed Chair on Friday**, according to Fox Business.
- **Fed's Goolsbee (2027 voter) said he is excited about Warsh becoming Fed Chair. Goolsbee also stated they have too high inflation and inflation has got to be at the front of mind when Warsh starts as Chair**, while he noted the job market is stable.
- **US President Trump told Fortune that the US could gradually sell Intel (INTC) shares over time without destabilising the stock, while he added that he should have asked for more regarding the government stake in Intel.** Trump commented that "Intel should be biggest company in 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", while he also stated regarding TSMC (2330 TT) that "Intel would have all that business now, and there would be no Taiwan."
- **White House official told CNBC that President Trump was expected to announce a "dramatic expansion" of discounted prescription drug offerings available on TrumpRx.gov later in the day.**
- **US House lawmakers proposed a USD 130 annual EV fee to help fund road repairs.**

FX

- **USD was weaker to start the week, to the benefit of all G10 peers as Middle East headlines dominated the tape, and led the way for sentiment throughout.** The most recent, and arguably most important, just came from US President Trump on Truth, which supported risk-on trade, pressured the dollar and helped stocks reverse afternoon losses. This is after Trump said he instructed Hegseth to hold off on the Iran attack that was initially planned for tomorrow after Saudi, the UAE and Qatar requested him to do so as serious talks are now taking place, although instructed defence officials to be prepared to go forward with a full, large-scale assault of Iran on a moment's notice, in the event an acceptable deal is not reached.
- **EUR gradually edged higher in a choppy fashion and ultimately benefited from the dollar weakness amid light newsflow from the bloc and despite the EU commissioner flagging that the bloc would cut its growth outlook and raise its inflation forecast amid the Iran war.**
- **GBP strengthened throughout the day, and with further support seen after potential leadership challenger Andy Burnham fully**

ruled out changing Chancellor Reeves' fiscal rules if he becomes PM.

- JPY traded indecisively and returned to flat territory after fluctuation through the 159.00 level.

FIXED INCOME

- T-notes were choppy owing to the mixed geopolitical headline, but rebounded ahead of the settlement as Trump held off on an Iran attack for now.

COMMODITIES

- Oil prices settled higher but saw choppy trade throughout the day in mixed Middle East reporting.
- US Treasury issued a temporary 30-day general licence allowing the most vulnerable nations temporary access to Russian oil currently stranded at sea.

GEOPOLITICAL

OTHER

- US demanded veto power over Chinese and Russian investment in Greenland, according to The Telegraph, while preventing Beijing from accessing mineral reserves beneath the ice had reportedly become a key Trump administration objective in negotiations over the island. Furthermore, Greenlandic and Danish officials were reportedly concerned that such a veto could breach sovereignty, although they hoped it might satisfy Trump's ambitions regarding Greenland.
- UK was reportedly preparing a multibillion-pound cash injection into joint stealth fighter jet programme with Japan and Italy, according to FT.

ASIA-PAC

NOTABLE HEADLINES

- PBOC recently released "Administrative Measures for List of Entities with Serious Dishonesty in Fields Managed by PBOC," setting stricter criteria for inclusion on the dishonesty list and strengthening penalties and constraints for dishonest behaviour.
- Japanese Finance Minister Katayama said Japan was not yet at the stage of discussing specifics for an additional budget.

EU/UK

NOTABLE HEADLINES

- BoE's Greene said some of the global economic resilience to the Iran war reflected inventory buffers, while adding that second-round effects from energy price shock would likely not emerge for another year. Greene also said policymakers should not look through negative supply shocks.
- UK Prime Minister Starmer had decided not to announce a departure timetable unless and until Andy Burnham wins the Makerfield by-election, according to ITV's Peston. It was separately reported that Starmer said he was "not going to walk away" and would not set out a timetable for standing down.
- UK former health secretary Streeting is set to attack Chancellor Reeves's record in a major escalation of Labour in-fighting, The I Paper reports. Streeting is expected to make the economy a new front of his leadership campaign, with allies accusing Reeves and Starmer of lacking ambition on growth.
- UK's Andy Burnham fully ruled out changing Chancellor Reeves' fiscal rules if he becomes PM. His team had previously left it open whether he might change them in the future, although his spokesperson told Bloomberg that he is explicitly ruling out any changes to the existing fiscal rules.
- EU commissioner said the bloc would cut its growth outlook and raise its inflation forecast amid the Iran war, warning of a "stagflationary shock", according to CNBC. EU commissioner added, "We think it's important that support measures we take are temporary and targeted, not ones which actually sustain high demand for fossil fuels."

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