

## SNAPSHOT

STOCKS			
Nikkei 225	-0.4%	ASX 200	+0.9%
Hang Seng	+0.2%	Shanghai Comp	+0.1%
Euro Stoxx 50 Jun'26	+0.2%	DAX Jun'26	+0.1%
ES Jun'26	-0.3%	NQ Jun'26	-0.5%

FX			
DXY	+0.2% (99.151)	EUR/USD	-0.2% (1.1635)
USD/JPY	+0.1% (158.99)	GBP/USD	-0.2% (1.3403)

BONDS			
US T-Note Jun'26	+5 ticks	Bund Jun'26	+6 ticks
US 10yr Yield	4.61%	German 10yr Yield	3.14%

ENERGY & METALS			
WTI Jul'26	-1.6%	Brent Jul'26	-2.0%
Spot Gold	-0.5%	LME Copper	-0.5%

CRYPTO			
Bitcoin	-0.2%	Ethereum	U/C

As of 06:30BST/01:30EDT

## LOOKING AHEAD

- Highlights include UK Jobs Report (Mar/Apr), Average Earnings (Mar), US ADP Employment Change Weekly, Canadian CPI (Apr). Speakers include BoE's Breeden, ECB's Lane & Fed's Waller. Supply from UK & Germany, Earnings from Home Depot.
- [Click for the Newsquawk Week Ahead.](#)

## IRAN CONFLICT

- US President Trump posted on Truth that he instructed Secretary of War Hegseth, Joint Chiefs of Staff Chairman Caine and the US military to hold off on the Iran attack that was initially planned for Tuesday 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, but he also instructed the US 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 said 'hopefully, maybe forever' regarding the decision to delay the Iran attack, while he added that they will probably be satisfied if they can make a deal where Iran doesn't get a nuclear weapon. Trump also stated that countries requested to put off the attack on Iran briefly and asked if an attack on Iran could be delayed 2-3 days.
- US President Trump told The Post on Monday that 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."
- US State Department spokesperson said President Trump prefers the diplomatic path and has kept this door open from the start, according to Al Jazeera.
- US official told CNBC that Iranian state media reports claiming the US had agreed to lift oil sanctions while negotiations were ongoing were false.
- Israeli security sources said preparations were completed ahead of another round, which is estimated to last several days and will be the last for the near term, while a source updated on US moves said a strike on Iran "is not a question of whether but of when", according to Israel's Hayom News.

- Iranian President Pezeshkian said "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.
- Iranian Foreign Minister Araghchi met with Pakistan's Interior Minister Naqvi in Tehran, while he considered the contradictory and exaggerated behaviour and positions of the US as a serious obstacle in the path of diplomacy.
- Iran's Khatam al-Anbiya headquarters commander warned the US and its allies against strategic mistakes, while he said Iran's forces have become ready and will respond quickly and firmly to any new aggression from the enemies.
- Iranian Supreme Leader's military advisor Rezaei said the iron fist of Iran's armed forces and nation will force America to retreat and surrender.
- Israeli media said the main reason US President Trump postponed attacks on Iran is the Pentagon's warning that Iran is strengthening its air defences, while senior Pentagon officials warned that Iran is enhancing its warplane detection capabilities and bolstering its air defences, according to Al Mayadeen. It was also reported that air defences were activated in Isfahan, according to Mehr News.
- Air defences were activated at Qeshm Island after the detection of micro drones, according to Tasnim.
- Four missiles targeted the headquarters of Kurdish separatist groups in Iraqi Kurdistan.
- Israeli drone strike was reported in Al-Qarara, Khan Yunis, in the southern Gaza Strip. It was separately reported that Hezbollah announced it attacked Israeli soldiers in the town of Rashaf, southern Lebanon with drones, while the Israeli army issued an evacuation warning for a building in the city of Tyre, southern Lebanon.
- 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

### EQUITIES

- **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.](#)

### 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 announced that the number of drugs available on TrumpRx is to be increased by nearly 7 times** and that over 600 generics are to be added to TrumpRx.

## APAC TRADE

### EQUITIES

- **APAC stocks** traded mixed following the choppy performance in US peers as geopolitical headlines dominated price action stateside, while there was an announcement late in the session on Monday by President Trump that he instructed defence officials to hold off on a planned attack on Iran that was scheduled for Tuesday. The decision followed a request from Middle East allies as serious negotiations were said to be taking place, and they had the opinion that a deal will be made, which would be very acceptable to the US, although Trump added that he further instructed top defence officials and the military to be prepared to go forward with a full, large scale assault of Iran, on a moment's notice, if an acceptable deal is not reached.
- **ASX 200** was led higher by notable strength in the consumer, telecom, real estate and financial sectors, while the minutes from the RBA's May meeting also noted that the board judged financial conditions would be somewhat restrictive after the May hike.
- **Nikkei 225** swung between gains and losses as participants reflected on recent currency fluctuations, stronger-than-expected GDP data, and the potential ramifications for BoJ policy.
- **Hang Seng** and **Shanghai Comp** were rangebound with little fresh catalysts outside of geopolitics.
- **US equity futures** were lacklustre as geopolitical uncertainty lingered, despite US President Trump calling off Iran strikes.
- **European equity futures** indicate a mildly higher cash market open with Euro Stoxx 50 futures up 0.2% after the cash market closed with gains of 0.4% on Monday.

### FX

- **DXY** was marginally firmer and got some slight reprieve after losing ground to its major peers yesterday, as recent price action across markets was largely driven by mixed geopolitical headlines, although the main development was President Trump's announcement to postpone a strike on Iran that was planned for Tuesday following a request from Middle East allies.

Aside from geopolitics, there was little else to spur price action in the dollar as reports that Warsh's confirmation for Fed Chair is set for Friday, and comments from Fed's Goolsbee, were met with a muted reaction.

- **EUR/USD** partially faded Monday's choppy rebound with trade quiet amid light newsflow from the bloc, while the EU flagged a cut to the growth outlook and an increase in the inflation forecast due to the Iran war.
- **GBP/USD** slightly pulled back after yesterday's outperformance, which was helped by potential leadership challenger, Andy Burnham, fully ruling out changing Chancellor Reeves's fiscal rules if he became PM, while participants now await UK employment and earnings data.
- **USD/JPY** eked slight gains but with the upside capped by resistance around the 159.00 level and following recent fluctuations, as well as stronger-than-expected Japanese GDP data.
- **Antipodeans** retreated amid the mixed risk appetite and pressure in the metals complex, while the RBA Minutes from the May meeting noted that the board judged financial conditions would be somewhat restrictive after the May hike and that a hike would provide space to see how the Gulf conflict develops, as well as the response of households and businesses.
- **PBoC** set USD/CNY mid-point at 6.8375 vs exp. 6.7909 (prev. 6.8435).

## FIXED INCOME

- **10yr UST futures** eked mild gains but with the upside capped following the prior day's indecisive performance, as markets were fixated on mixed geopolitical headlines.
- **Bund futures** remained afloat in quiet trade and heading into supply with a EUR 5bln Bobl issuance scheduled later, followed by a similarly-sized Bund auction tomorrow.
- **10yr JGB futures** pulled back after yesterday's modest recovery and following better-than-expected Q1 GDP data.

## COMMODITIES

- **Crude futures** were lower following the prior day's choppy mood owing to mixed geopolitical headlines, although the main highlight was US President Trump calling off an attack on Iran that was planned for Tuesday following a request by Saudi Arabia, Qatar and the UAE, with serious negotiations said to be taking place.
- **US Treasury Secretary Bessent confirmed a temporary 30-day general license to provide the most vulnerable nations with the ability to temporarily access Russian oil** currently stranded at sea.
- **Australian PM Albanese said Australia secured over 600k barrels of jet fuel** and that three cargoes of jet fuel from China are expected to arrive from early June.
- **Spot gold** was subdued following its recent range-bound performance beneath the USD 4,600/oz level.
- **Copper futures** gradually extended declines with demand constrained amid the mixed risk appetite.

## CRYPTO

- **Bitcoin** was indecisive and briefly climbed back above USD 77,000 before wiping out its gains.

## NOTABLE ASIA-PAC HEADLINES

- **RBA Minutes from the May meeting stated the board judged financial conditions would be somewhat restrictive after the May hike and that a hike would provide space to see how the Gulf conflict develops, as well as the response of households and businesses.** Board considered whether to hike by 25bps or to keep rates at 4.1%, while it was stated that for future decisions, the board agreed monetary policy could not alter the near-term trajectory of inflation, and also agreed Australian economic growth is likely to be below potential for some time. Furthermore, the board will do what is considered necessary to meet inflation and employment mandates, while the majority emphasised that core inflation was projected above target for an extended period.

## DATA RECAP

- Japanese GDP Growth Rate QoQ Prel (Q1) Q/Q 0.5% vs. Exp. 0.4% (Prev. 0.3%, Low. 0.1%, High. 0.7%)
- Japanese GDP Growth Annualised Prel (Q1) 2.1% vs. Exp. 1.7% (Prev. 1.3%, Low. 0.4%, High. 2.9%)

## GEOPOLITICS

### RUSSIA-UKRAINE

- **Chinese President Xi told US President Trump during their talks last week that Russian President Putin might end up regretting his invasion of Ukraine,** according to FT.

### OTHER

- **Cuba's leader warned on Monday of a "bloodbath" in the event of a US attack,** while the US imposed new sanctions on the country's intelligence agency and senior officials.
- **Germany is to deploy a Patriot air defence system and 150 troops to Turkey,** starting late June.
- **UK was reportedly preparing a multibillion-pound cash injection into joint stealth fighter jet programme with Japan and Italy,** according to FT.

## EU/UK

## NOTABLE HEADLINES

- **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.

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