

SNAPSHOT

STOCKS			
Nikkei 225	+3.2%	ASX 200	+0.4%
Hang Seng	Closed	Shanghai Comp	+0.7%
Euro Stoxx 50 Jun'26	+1.0%	DAX Jun'26	+1.1%
ES Jun'26	+0.9%	NQ Jun'26	+1.4%

FX			
DXY	-0.3% (98.99)	EUR/USD	+0.4% (1.1643)
USD/JPY	-0.2% (158.87)	GBP/USD	+0.5% (1.3485)

BONDS			
US T-Note Jun'26	+21.5 ticks	Bund Jun'26	+58 ticks
US 10yr Yield	4.55%	German 10yr Yield	3.03%

ENERGY & METALS			
WTI Jul'26	-6.1%	Brent Aug'26	-5.8%
Spot Gold	+1.2%	LME Copper	+0.9%

CRYPTO			
Bitcoin	+0.4%	Ethereum	+0.5%

As of 06:23BST/01:23EDT

LOOKING AHEAD

- Holidays: US Memorial Day, UK Spring Bank Holiday, EU Whit Monday.
- Newsquawk Desk remains open as usual.
- [Click for the Newsquawk Week Ahead.](#)

IRAN CONFLICT

- US President Trump posted on Saturday that an agreement has largely been negotiated, subject to finalisation between the US, Iran and various Middle Eastern countries, while the final aspects and details of the deal were being discussed, and will be announced shortly. Trump stated in addition to many other elements of the agreement, the Strait of Hormuz will be reopened.
- US President Trump posted on Sunday that negotiations are proceeding in an orderly and constructive manner, while he informed representatives not to rush into a deal and that time is on their side. Trump stated the blockade will remain in full force and effect until an agreement is reached, certified, and signed, and that both sides must take their time and get it right.
- US President Trump posted on Sunday "If I make a deal with Iran, it will be a good and proper one, not like the one made by Obama, which gave Iran massive amounts of CASH, and a clear and open path to a Nuclear Weapon. Our deal is the exact opposite, but nobody has seen it, or knows what it is. It isn't even fully negotiated yet."
- US President Trump convened a meeting with his senior national security team on Friday morning regarding the war with Iran, according to Axios's Ravid citing two US officials, while the sources stated that Trump was seriously considering launching new strikes against Iran, barring a last-minute breakthrough in negotiations.
- US President Trump posted a generated image of a strike on Iranian-flagged vessels with the caption 'Adios'.
- US Secretary of State Rubio said there may be "some good news" regarding the blocked Strait of Hormuz in the coming hours, but not final news, while he also commented that a nuclear deal cannot be reached with Iran in 72 hours and that nuclear negotiations are very technical issues that cannot be done in 72 hours 'on the back of a napkin'. Rubio separately commented that President Trump is not going to make a bad deal and that it takes time as they have to wait to hear back from Iran, while he suggested that signing a deal with Iran is still possible on Monday and that they will either a good agreement with Iran or will

deal with the matter in another way, but will give diplomacy every chance to succeed before exploring alternatives.

- US and Iran were reportedly close to signing an agreement involving a 60-day ceasefire extension, which could be extended by mutual consent, according to Axios. Furthermore, a US official said Trump's key principle is "relief for performance", while Iran wanted funds unfrozen immediately and permanent sanctions relief, but the US position is that this would only follow tangible concessions. It was also reported that US President Trump told leaders of Arab and Muslim countries during a Saturday conference call that if a deal to end the Iran war is achieved, he wants their nations to join the Abraham Accords and sign peace agreements with Israel, according to Axios's Ravid.
- US senior official said the White House doesn't expect an agreement to end the war with Iran on Sunday and believes it could take several days for the deal's approval by Iran's leadership, according to Axios.
- US senior officials said the naval blockade will only be lifted after Iran opens the Strait of Hormuz, and no funds will be released until enriched uranium is handed over, while it was stated that there is agreement on 95% of a deal, but it needs to be drafted. Furthermore, difficulties remained regarding issues, and it is estimated to take 5-6 days to receive approval from Supreme Leader Khamenei, with any further changes also requiring his consent, according to Jerusalem Post's Amichai Stein.
- US and Iran are said to have agreed in principle to a preliminary deal aimed at ending the war, which would reopen the Strait of Hormuz and limit Iran's uranium stockpile, but remains subject to final approval, which is expected to take several days, according to NYT. A separate report also noted that the US understands that Iran agrees in principle to dispose of uranium stockpile and that the Supreme Leader endorses the broad template, although there was no immediate confirmation from Iran or elaboration on what an "in principle" agreement meant, according to Sky News.
- US officials stated that Iranian negotiators are facing difficulty in communicating with Supreme Leader Khamenei, which is the reason for the delay in the agreement, according to CBS.
- Iranian President Pezeshkian said their negotiating team will not compromise when it comes to the country's honour or dignity, while he said they are ready to reassure the world that they are not seeking nuclear weapons.
- Iranian source said Iran has no optimism towards the US and that there is no final deal yet, with challenges remaining. The source also stated that Iran rejects linking frozen assets to nuclear stockpiles and has not made any new nuclear commitments, while Iran demands the release of frozen assets as a condition for a deal and will monitor US actions if a deal is reached, according to Tasnim. Furthermore, it was reported that there is still the possibility an agreement may be cancelled.
- Iran said on Friday that 'no deal' will reach a conclusion if the US demands enriched uranium handover. It was also reported that an Iranian official source said that stopping the war on all fronts is the essential prerequisite for discussing any future negotiations, while the source stated there was no final agreement yet, and work is underway to narrow the gap between Tehran and Washington, according to Al Jazeera.
- IRGC advisor said their enemy knows that if it wants to make a mistake, it will receive an irreparable blow and that Iran would retaliate 10-fold against the US. It was separately reported that Iran shot down an Israeli surveillance drone, according to Mehr News Agency.
- Iran's Deputy Foreign Minister for Legal and International Affairs Kazem Gharibabadi said Iran and Oman discussed Hormuz maritime rules amid ongoing US talks.
- Iranian officials said major disagreements remain, especially over the status of the Strait of Hormuz, Iran's nuclear program and conflicts involving Tehran-backed groups in Lebanon, according to Al Jazeera.
- Iranian Foreign Ministry spokesperson said on Friday that the differences between Iran and the US are so deep and numerous that it cannot be said that they will definitely reach a conclusion with several visits or negotiations within a few weeks, according to Fars.
- Israeli PM Netanyahu told US President Trump that Israel will maintain the freedom to act in Lebanon, while Netanyahu said that Trump agrees that the Iran deal must remove the nuclear threat.
- Israel conducted a strike on Arzoun in the city of Tyre, southern Lebanon.
- Hezbollah deputy leader Naim Qassem said any attempt to disarm Hezbollah would lead to its elimination and the gradual Israeli occupation of Lebanon, while he added that Hezbollah will remain on the battlefield until an Israeli withdrawal.
- A drone attack targeted the Pehmerga command centre in Salaymaniyah, Iraq, according to IRNA.

US TRADE

EQUITIES

- US stocks ended higher on Friday amid broad strength (RSP +0.9%). Healthcare, Industrials, and Utilities outperformed, while Communications was the only sector notably in the red. Hardware names (DELL +16.8%, HPQ +15.3%) surged on Lenovo reporting its highest quarterly growth rate in five years amid strong consumer demand for PCs. Separately, Fed's Waller shifted to hawkish from his dove stance at the start of the year, arguing against the easing bias in the statement, adding that it is "crazy" given recent data (hot CPI, PPI, and NFP in Apr), to be talking about rate cuts in the near future. The remarks resulted in short-end underperformance in treasuries, leaving money markets pricing in one 25bps rate hike by year-end.
- Meanwhile, Kevin Warsh was sworn in as the 17th Fed Chair, albeit remarks had little impact. Geopolitics continued to dominate the tape, albeit with conflicting reporting. The main takeaways were that Pakistani and Qatari officials were in Iran to try to finalise an agreement between the US. Sky News Arabia, via a source, boosted optimism, noting that negotiations in Tehran have reached an understanding on broad outlines regarding the nuclear issue. However, an Iranian FM Spokesperson said the differences between Iran and the United States are deep and significant.
- SPX +0.37% at 7,473, NDX +0.42% at 29,482, DJI +0.58% at 50,585, RUT +0.91% at 2,869.
- [Click here for a detailed summary.](#)

TARIFFS/TRADE

- EU countries press for a trade crackdown on China, according to FT.
- Singapore Trade Ministry official said US discussions on Section 301 went well with no surprises.
- Indian Minister of Commerce and Industry Goyal will visit Canada on May 25th-27th to hold talks on a proposed free trade agreement between India and Canada.

NOTABLE HEADLINES

- New Fed Chair Warsh said on Friday that ours is a time of great consequence, and he is not naive about the challenges they face, while he added inflation can be lower and growth strong. Furthermore, he said that they will lead a reform-oriented Fed and will learn from past mistakes and successes.
- White House NEC Director Hassett said ending the Iran war may create room for a Fed rate cut, and he expects energy prices to drop once there's a deal with Iran.
- US Secret Service shot and killed a man who fired at officers at a security checkpoint near the White House on Saturday, according to WSJ.

APAC TRADE

EQUITIES

- APAC stocks gained with risk appetite boosted by hopes of a nearing US-Iran deal after US President Trump announced on Saturday that an agreement has largely been negotiated, subject to finalisation and would include the reopening of Hormuz. Furthermore, a separate report noted there is agreement on 95% of a deal, but it needs to be drafted and is estimated to take 5-6 days to receive approval, while Trump also posted the following day that he informed representatives not to rush into a deal and stated that the blockade will remain in full force and effect until an agreement is signed.
- ASX 200 was led by outperformance in the mining, materials and resources sectors, while energy and defensives were at the other end of the spectrum amid lower oil prices and the positive risk tone.
- Nikkei 225 rallied to a fresh record high above the 65,000 level, with sentiment helped by lower oil prices and amid continued tech strength as SoftBank continued to add to the spoils from last week's surge.
- Shanghai Comp conformed to the positive mood following another liquidity boost by the PBoC, but with the upside limited amid the holiday closure in Hong Kong and the absence of Stock Connect flows.
- US equity futures gained at the reopen amid hopes that a US-Iran agreement is nearing.
- European equity futures indicate a positive cash market open with Euro Stoxx 50 futures up 1.0% after the cash market closed with gains of 1.0% on Friday.

FX

- DXY softened amid the risk-on environment and a drop in oil prices after President Trump announced on Saturday that a US-Iran agreement has largely been negotiated, subject to finalisation, and would include the reopening of the Strait of Hormuz, while he posted the next day that negotiations are proceeding in an orderly and constructive manner, but informed representatives not to rush into a deal. A separate report noted there was agreement on 95% of a deal, which needs to be drafted and some difficulties remained, and it is estimated to take 5-6 days to receive approval from Iran's Supreme Leader. Aside from geopolitical updates, there was very little else to spur the dollar amid the extended weekend for Memorial Day, although there were some comments from NEC Director Hassett that ending the Iran war may create room for a Fed rate cut.
- EUR/USD benefitted from the weaker dollar and with some recent hawkish commentary from ECB officials, with Kocher and Stournaras suggesting the central bank may be forced to hike rates next month amid inflationary pressures, unless a US-Iran peace deal can be reached.
- GBP/USD strengthened amid the positive risk appetite, but with further upside contained amid the closure of the world's largest FX trading hub on Monday due to the UK Spring Bank Holiday.
- USD/JPY retreated back beneath the 159.00 level amid a softer dollar and as lower oil prices eased some of the energy-related pressures on Japan.
- Antipodeans gained at the reopening amid the optimism related to a nearing US-Iran deal.
- PBoC set USD/CNY mid-point at 6.8318 vs exp. 6.7880 (prev. 6.8373)

FIXED INCOME

- 10yr UST futures rallied as the lower oil prices eased inflationary pressures, although further upside was capped beneath the 110.00 level and with US cash markets closed for the Memorial Day holiday.
- Bund futures climbed to test the 126.00 level as asset classes remained heavily driven by geopolitics.
- 10yr JGB futures rose alongside the declines in oil and with some support seen following the stronger-than-previous demand ratio at the 5yr climate transition JGB auction.

COMMODITIES

- Crude futures declined amid hopes for a US-Iran agreement after President Trump announced on Saturday that an agreement has largely been negotiated, subject to finalisation between the US, Iran and Middle Eastern countries, which would include opening up the Strait of Hormuz, although he posted the following day that he informed representatives not to rush into a deal and the blockade will remain in full force and effect until an agreement is reached, certified, and signed. Furthermore, other reports stated that there is agreement on 95% of a deal, but it needs to be drafted and is estimated to take 5-6 days to receive

approval from Iran's Supreme Leader Khamenei.

- **IRGC Navy said 33 ships passed through the Strait of Hormuz after obtaining permission from Iran in the last 24 hours, while reports also noted that a supertanker hauling Iraqi crude to China left the Persian Gulf and crossed the US blockade line into the Arabian Sea.**
- **Spot gold** rallied amid a softer dollar, lower oil prices, and hopes of a US-Iran agreement.
- **Copper futures** extended on last week's advances amid the constructive and with China also boosting its liquidity efforts.

CRYPTO

- **Bitcoin** traded indecisively and oscillated around the USD 77,000 level.

NOTABLE ASIA-PAC HEADLINES

- **Japanese Trade Minister Akazawa said he briefly spoke with Chinese Commerce Minister Wang Wentao at an APEC trade chiefs' dinner on Friday**, which was the first ministerial-level exchange of words between their countries since a diplomatic standoff began in November.

GEOPOLITICS

RUSSIA-UKRAINE

- **Ukraine said Russia conducted a massive drone and missile barrage against Kyiv on Sunday involving 90 missiles and 600 drones, including a hypersonic Oreshnik ballistic missile on the town of Bila Tserkva.**
- **Ukraine said it hit a key Russian oil terminal in the Black Sea, while Ukraine's Air Force announced that drones were detected over Zaporizhzhia.** It was also reported that **Russia's Belgorod region was under missile attack** and energy infrastructure was damaged.
- **RAF jet carrying the UK Defence Secretary Healey had its signal jammed for the entire three-hour flight after it flew near the Russian border**, with Russia thought to be behind the incident which occurred on Thursday.

OTHER

- **Chinese President Xi reportedly lambasted Japan 'remilitarisation' during the summit with President Trump**, while Trump told Xi that Japan's security stance is due to North Korea, according to FT. It was also reported that **Xi criticised Japanese PM Takaichi during the summit with Trump, although Trump defended Takaichi at the summit**, according to Nikkei
- **French President Macron held a rare phone call with his Belarusian counterpart Lukashenko** on Sunday and discussed relations between Belarus and the EU, as well as regional issues.

EU/UK

NOTABLE HEADLINES

- **UK competition watchdog is to examine the childcare market**, according to FT.
- **ECB's Kocher said the central bank faces pressure to increase interest rates and is heading towards hiking rates next month**, unless a sustainable peace deal between the US and Iran can be found.
- **ECB's Stournaras said a rate increase may be inevitable to preserve the central bank's credibility, and that inflation prospects are worsening** in the absence of a peace deal between the US and Iran.
- **ECB plans to press lenders to accelerate efforts to secure their IT systems and will warn banks at a meeting on Tuesday about potential threats to the financial system highlighted by Anthropic PBC's Claude Mythos Preview and similar AI systems**, according to Bloomberg.

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