newsquawk

Daily Asia-Pac Opening News - 26th May 2026

SNAPSHOT

STOCKS			
ES Jun'26	+1.0%	RTY Jun'26	+1.6%
NQ Jun'26	+1.4%	YM Jun'26	+0.9%

FX			
DXY	-0.3% (98.98)	EUR/USD	+0.4%
USD/JPY	-0.2%	GBP/USD	+0.7%

BONDS			
US T-Note Jun'26	+23.5 ticks	10yr Bund Jun'26	+98 ticks
US 10yr Yield	4.47%	German 10yr Yield	2.99%

ENERGY & METALS			
WTI Jul'26	-6.5%	Brent Aug'26	-6.6%
Spot Gold	+1.3%	CME Copper	+1.4%

CRYPTO			
Bitcoin	+0.4%	Ethereum	+0.6%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include UK BRC Shop Price Index, Japanese Leading Index & BoJ Core CPI, Singapore Industrial Production.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump posted "The deal with Iran will either be a great and meaningful one, or there will be no deal",** while adding "It will be the exact opposite of the JCPOA disaster negotiated by the failed Obama Administration, which was a direct and open path to a Nuclear Weapon for Iran. No, I don't do deals like that!"
- **US President Trump posted "Negotiations with the Islamic Republic of Iran are proceeding nicely!", while mandating that nations need to immediately sign the Abraham Accords** and adding that Iran could also join.
- **US envoys Witkoff and Kushner will visit Israel to discuss a potential agreement with Iran,** according to Israeli Channel 12 citing sources.
- **US and Iran were discussing a plan that would reopen the Strait of Hormuz roughly 30 days after the two sides reach a deal to end hostilities,** Nikkei reported. **Iran would proceed with clearing mines from the strait during a 30-day window following an agreement, after which ships from all countries would be able to navigate freely and safely as they did before the de facto shutdown, while Iran would stop collecting transit fees.** The report added that **approval from Iranian Supreme Leader Ayatollah Mojtaba Khamenei was key to the proposed deal, while the ceasefire agreed by the US and Iran in early April would be extended for 60 days.**
- **Draft MOU terms between the US and Iran, pending Iranian approval, included a 60-day extension of the current ceasefire, Iran immediately reopening the Strait of Hormuz and taking steps to ensure traffic returns to pre-war conditions within 30 days,** Iran and the US together with their allies declaring that all military operations on every front, including Lebanon, end immediately and permanently, commitments not to start any war against each other and to refrain from threatening or using force, as well as Iran reaffirming that it will never develop nuclear weapons, according to CBS.
- **A source familiar with talks between the high-level Iranian delegation and officials in Doha said Qatari mediation has led to an understanding with the US on Tehran's frozen financial assets,** according to Al Jazeera. Furthermore, it was stated that **thanks to the agreement on this issue, there is a strong likelihood of an agreement between the US and Iran being announced on Tuesday.**

- **Iranian Chairman of the National Security Committee of the Parliament said until the Americans take 5 confidence-building measures, there is no meaning in the so-called understanding with the US,** according to IRIB News. These measures include ending the war on all fronts, especially Lebanon, lifting the US blockade and piracy, transit of civilian ships through the Strait of Hormuz with Iranian arrangements, suspension of oil sanctions for 30 or 60 days, and releasing Iran's frozen funds, while it was stated that even if an agreement is reached, it will not mean the end of its challenge with the US.
- **Iranian Parliament Speaker Ghalibaf and Foreign Minister Araghchi arrived in Doha "earlier today" for talks to end the US-Iran conflict, while Iranian Speaker Ghalibaf and Foreign Minister Araghchi were reportedly meeting the Qatar PM in Doha,** with discussions primarily focused on the Strait of Hormuz, highly enriched uranium and frozen funds.
- **Iranian Foreign Ministry spokesperson Baghaei said there was currently no need to hold an in-person meeting between Iran and the US, but such a meeting could occur if deemed necessary,** and the current communication was through Pakistan as mediators. Baghaei also said many of the details reported on the US-Iran negotiations were a combination of speculation or leaks, while adding that what was clear was that the 14-point MOU was focused on ending the war. Furthermore, Baghaei said US decision makers were in a state of turmoil and that Iran does not rule out any option when it comes to defending itself.
- **Iran's Foreign Ministry spokesperson said Iran was negotiating an end to the war and was not currently discussing nuclear issues, while a framework had been reached, but nobody could say that an agreement was imminent.** The spokesperson added Iran was determined to proceed with the best formula to protect Iranian interests and was not tied to what the enemies want, while Pakistan and other states' mediation drove recent weeks' developments. Furthermore, the spokesperson said the **US may not honour commitments and they will ignore threats, while the potential MOU had no specific details about the management of the Strait of Hormuz because management belongs to the coastal countries,** and Iran did not currently have a plan to send a delegation to Pakistan.
- **Iranian diplomat said no commitment had been made to the other side in Iran's draft in the initial agreement with the US on the nuclear issue and highly-enriched uranium,** according to ISNA. The diplomat added that the **issue of managing the Strait would be an Iranian-Omani issue, and they were negotiating with the Omani side.**
- **Negotiations between Iran and the US were progressing, although difficulties remained and both sides were demanding changes and "upgrades" in the language of the memorandum,** according to journalist Amichai Stein citing sources. The report added that the **Iranian delegation that arrived in Qatar was attempting to bridge difficult gaps, including the issue of unfreezing the funds demanded by Iran.**
- **Iran is said to have retreated and not impose fees on passage through the Strait of Hormuz,** according to Al Arabiya, while **the current MOU pertained only to ending the war and not managing the Strait. However, a separate report noted that opening the Strait of Hormuz remained the main sticking point in US-Iran talks,** according to Sky News Arabia, while the **US was demanding that the Strait opens before any Iranian funds are released.**
- **US and Iran were working to resolve language disputes on nuclear issues and sanctions, while disputes over language on Iran's nuclear programme and the lifting of sanctions had held up finalisation of a deal to end the war,** although there was optimism that the differences would be resolved relatively soon, according to CNN citing US officials.
- **Disputes continued over arrangements related to the US military presence in the vicinity of Iran, while disputes also continued over detailed arrangements for managing the Strait of Hormuz.**
- **The "knot" of US-Iran negotiations was on its way to being resolved and "it's only a matter of hours",** while the Qatari initiative to settle the dispute between Tehran and Washington played a fundamental role as Doha was truly a mediator and not just an assistant in mediation.
- **Iran was demanding the transfer of highly enriched uranium to China and was ready to remove highly enriched uranium from its territory, while Iran was seeking guarantees from China before proceeding with the agreement with the US.** It was separately reported that **Iranian sources have said that Iran is ready to remove highly enriched uranium from the country, although Tasnim rejected the report as false.**
- **Mediators outlined that US-Iran progress slowed on Monday as the sides dug in over nuclear and financial issues,** according to WSJ. **US officials were reportedly concerned that Iran would slow nuclear progress once it had secured some financial relief,** while a source added Israel was pressing the US for a tougher deal with more Iranian commitments.
- **"Qatar's mediation role is now complementing Pakistan's efforts, and if the remaining sticking points are resolved, the chances of announcing a deal could become very high",** according to Al Jazeera's Hashem, while the Iranian delegations' visit to Doha could see a US move toward the "middle of the bridge".
- **Sound of air defence activity was heard in Qeshm Island, Iran, on Monday evening,** according to Mehr.
- **Rocket attack hit Iranian opposition camp north of Iraq's Erbil, wounding two fighters,** according to security sources reports.
- **China said it was ready to cooperate with Pakistan to restore Middle East stability.**
- **Pakistani PM said Pakistan and China's Foreign Minister pledged a five-point program to stop the war in the Middle East,** according to Al Hadath.
- **An Israeli airstrike was reported in Siddiqin, Tyre, Lebanon, while the Israeli Army issued evacuation warnings for 10 villages in southern Lebanon.**
- **In the wake of a series of drone attacks targeting IDF forces, Israeli officials discussed potential changes to Israel's operational policy in Lebanon, which had been constrained by the ceasefire agreement,** although no decision had been reached so far. It was separately reported that an **Israeli senior official said containment is over and Israel has decided to launch a major strike against Hezbollah,** according to Israeli Channel 12. Furthermore, **a senior US official hinted that the Trump administration will support escalation of Israel's actions against Hezbollah,** according to Axios's Ravid.

US TRADE

- **US markets were closed for Memorial Day.**

TARIFFS/TRADE

- **Mexico's Foreign Minister Ebrard said Mexico and the US would hold trade talks in Mexico City on May 27th-29th.**

GEOPOLITICAL

RUSSIA-UKRAINE

- **Ukraine's military said it struck a Russian oil depot in the Bryansk region.**
- **Russia's Foreign Ministry said it would strike Kyiv in response to the attack on Starobilsk College.**

ASIA-PAC

NOTABLE HEADLINES

- **Japanese PM Takaichi said Japan would compile an extra budget of more than JPY 3tln and provide JPY 500bln from reserves for subsidies to curb utility and gas bills from July to September. Takaichi added that the budget would have no impact on bond markets as new debt would be offset by higher tax revenue and other factors, while Japan would not increase bond issuance on a calendar basis and would issue new deficit financing bonds.** Takaichi also said that Japan would raise the ratio of nuclear and renewable energies from 30% to 70%, and the **Finance Minister would unveil details of energy saving measures on Tuesday, while Japan would establish a reserve fund for responding to the Middle East situation and other matters.** Furthermore, Takaichi said Japan would call for energy saving as usual, although the country was not at a stage of further saving that would put the brakes on economic activities.

EU/UK

NOTABLE HEADLINES

- **UK Chancellor Reeves has instructed cabinet colleagues to award government contracts in four critical industries directly to British companies, while industries include shipbuilding, steel-making, energy, and artificial intelligence,** according to The Guardian.
- **UK Labour Party MPs on the left of the party were reportedly unhappy that the Greater Manchester mayor was dropping progressive ideas on immigration, fiscal rules and rejoining the EU,** according to The Times.
- **ECB's Stournaras said the closure of Hormuz could have secondary effects on wages and prices of goods, while adding it was necessary to ensure inflation returns to the 2% medium-term target.**