# Daily European Opening News - 26th May 2026

## SNAPSHOT

| STOCKS | | | |
|---|---|---|---|
| Nikkei 225 | -0.1% | ASX 200 | -0.4% |
| Hang Seng | +0.3% | Shanghai Comp | -0.5% |
| Euro Stoxx 50 Jun'26 | -0.3% | DAX Jun'26 | -0.4% |
| ES Jun'26 | +0.6% | NQ Jun'26 | +0.8% |

| FX | | | |
|---|---|---|---|
| DXY | +0.1% (99.10) | EUR/USD | -0.1% (1.1629) |
| USD/JPY | +0.1% (159.00) | GBP/USD | -0.2% (1.3478) |

| BONDS | | | |
|---|---|---|---|
| US T-Note Jun'26 | +15.5 ticks | Bund Jun'26 | -19 ticks |
| US 10yr Yield | 4.508% | German 10yr Yield | 2.937% |

| ENERGY & METALS | | | |
|---|---|---|---|
| WTI Jul'26 | -4.5% | Brent Aug'26 | +2.3% |
| Spot Gold | -0.9% | LME Copper | U/C |

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

*As of 06:25BST/01:25EDT*

### LOOKING AHEAD

- Highlights include US Chicago Fed National Activity Index (Apr), Dallas Fed Manufacturing Index (May), Consumer Confidence (May), NBH Policy Announcement (May), Supply from Italy & US.
- Click for the Newsquawk Week Ahead.

## IRAN CONFLICT

- **US Central Command spokesperson said US forces conducted self-defence strikes in southern Iran on Monday, in which US forces hit targets, including missile launch sites and Iranian boats attempting to emplace mines.** Furthermore, CENTCOM said it will defend troops while maintaining the ceasefire restraint and stated that strikes have concluded for now.
- **Explosions were reported in Iran's Bandar Abbas city, with the cause initially unknown,** while similar sounds were also heard in the Persian Gulf, around Sirik and Jask. **A Mehr News Agency reporter stated shortly after that the situation in the city was normal and completely under control, with no reason for any concern for the people of Bandar Abbas. However, N12 reporter Nitzan Shapira posted on Telegram that unofficial channels identified with the IRGC said fighter jets attacked two boats in the port of Bandar Abbas and that four people were killed.** Furthermore, **Iranian media reported the killing of a number of Iranians as a result of the American-Israeli attacks on Iranian ships in the Strait of Hormuz,** according to Asharq.
- **US President Trump posted "The Enriched Uranium (Nuclear Dust!) will either be immediately turned over to the United States to be brought home and destroyed or, preferably, in conjunction and coordination with the Islamic Republic of Iran, destroyed in place or, at another acceptable location,** with the Atomic Energy Commission, or its equivalent, being witness to this process and event."
- **US Secretary of State Rubio said Iran negotiations will take a few days and that President Trump said he will make a good deal or no deal, while Rubio added that there were some talks going on in Qatar and thinks there is a lot of talking back and forth going on about specific language** in the initial document. Rubio commented that negotiating the language of the deal with Iran could take a few days, and the **Strait of Hormuz is going to be opened one way or the other.**
- **US Secretary of State Rubio said US strikes on Iran do not preclude a diplomatic deal and that an Iran deal is possible within**

**days,** while Al Jazeera reported that the US strike on Iran's Bandar Abbas is a 'small hurdle' but unlikely to derail peace talks.

- **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,** according to Nikkei. **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 also 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.
- **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.
- **US and Iran negotiations 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.**
- **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.**
- **Iran's Supreme Leader issued directives on officials' war duties, including managing wartime economy and for officials to seek reparations from enemies,** while it was also stated that officials are to use the Hormuz Strait as leverage.
- **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 official source said Tehran warned Washington that any Israeli attacks on Beirut or the southern suburbs would seriously jeopardise ongoing efforts to end the war, and could derail the diplomatic track altogether,** according to journalist Hashem.
- **Intense talks on the details of an agreement to end the regional conflict have been ongoing in Doha since Monday morning and were reportedly continuing,** according to Fox.
- **Iran launched a drone strike targeting Kurdish militant bases in Iraq's Kurdistan region.**
- **Israeli army intensified strikes in southern Lebanon on Monday, as Israeli PM Netanyahu said he had ordered the military to escalate its offensive in Lebanon in an effort to "crush" Hezbollah,** according to CBS News and AFP.
- **Israeli warplanes conducted airstrikes on the town of Al-Duweir in the Nabatiyeh district, southern Lebanon,** according to Al Mayadeen.
- **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.
- **Hezbollah said it targeted Israeli forces at the headquarters of the 300th Brigade in Shumera.**

# US TRADE

## EQUITIES

- **US markets were closed on Monday 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.**
- **Japan and Mercosur are to begin economic partnership agreement talks,** according to Kyodo.
- **Canadian PM Carney said Canada is negotiating a free trade deal with India.**

# APAC TRADE

## EQUITIES

- **APAC stocks** were mixed as the recent optimism regarding a nearing US-Iran agreement was clouded by reports that the US launched 'self-defence' strikes in southern Iran against missile launch sites and Iranian boats attempting to lay mines, although the market reaction to the renewed attack was limited, with some reports downplaying the likelihood that it could derail peace talks.
- **ASX 200** was subdued with the index led lower by utilities and energy, but with the downside limited amid a lack of data releases and following the mixed geopolitical signals.
- **Nikkei 225** pulled back after printing a fresh record high and briefly returned to beneath the 65,000 level amid profit taking and as participants reflected on the latest geopolitical headlines, while there were comments from BoJ Deputy Governor Himino that they will continue to raise the policy rate, adjust the degree of monetary accommodation according to economic

activity, prices and financial conditions.

- **Hang Seng** and **Shanghai Comp** were mixed with the mainland subdued alongside the geopolitical uncertainty, while the Hong Kong benchmark outperformed on return from the holiday closure as tech strength helped participants shrug off China's announcement late last week regarding a cross-border investment crackdown.
- **US equity futures** faded some of the prior day's gains with price action driven by the mixed geopolitical updates.
- **European equity futures** indicate a mildly lower cash market open with Euro Stoxx 50 futures down 0.3% after the cash market closed with gains of 2.0% on Monday.

### FX

- **DXY** eked slight gains after softening yesterday in holiday-thinned conditions and as oil prices slumped amid hopes that the US and Iran are nearing a peace agreement, while the mild overnight reversal in price action followed the announcement that the US conducted 'self-defence' strikes against Iranian missile launch sites and boats attempting to lay mines.
- **EUR/USD** lacked demand with price action rangebound amid light news flow from the bloc and some concerns that the US self-defence strikes on Iran could impede the ongoing peace negotiations.
- **GBP/USD** pared some of its recent advances and returned from a brief foray above the 1.3500 level, with recent price action driven by the risk sentiment and the temperamental geopolitical climate, while participants in the world's largest FX trading hub are set to return from the Bank Holiday weekend.
- **USD/JPY** lacked conviction amid a quiet calendar and with resistance at the 159.00 focal point.
- **Antipodeans** were contained with risk appetite dampened by the latest geopolitical developments.
- **PBoC** set USD/CNY mid-point at 6.8288 vs exp. 6.7822 (prev. 6.8318).

### FIXED INCOME

- **10yr UST futures** partially faded yesterday's advances after hitting resistance at the 110.00 level, and with US 'self-defence strikes' on southern Iran providing a potential stumbling block for the ongoing peace negotiations, while there is also US supply scheduled today, including a 2yr note auction.
- **Bund futures** pared some of the recent spoils but held above the 126.00 level as oil prices and geopolitics remained the main influences for price action.
- **10yr JGB futures** gapped lower with demand not helped by geopolitical uncertainty and a quiet calendar.

### COMMODITIES

- **Crude futures** partially rebounded off the prior day's lows after slumping nearly 7% on Monday as participants reflected on US-Iran negotiations, which President Trump described as proceeding nicely, while a source claimed that mediation has led to an understanding with the US on Tehran’s frozen financial assets, and there is a strong likelihood of an agreement between the US and Iran being announced on Tuesday. Nonetheless, oil prices gradually nursed some losses overnight after the US conducted 'self-defence' strikes in southern Iran, which hit targets including missile launch sites and Iranian boats attempting to lay mines.
- **Spot gold** pulled back following recent advances and the mixed geopolitical headlines.
- **Copper futures** pared most of yesterday's gains with risk sentiment souring as US 'self-defence' strikes in southern Iran clouded over the recent optimism for a nearing peace agreement.

### CRYPTO

- **Bitcoin** was pressured overnight and slipped back beneath the USD 77,000 level.

#### NOTABLE ASIA-PAC HEADLINES

- **BoJ Deputy Governor Himino said higher long-term interest rates are being interpreted by markets as a sign of persistent inflation concerns worldwide, while he added that monetary policy will be guided appropriately to achieve the inflation goal stably and sustainably.** Himino also commented that the **economic outlook can change depending on the Middle East situation and they will consider the timing and pace of adjustment while monitoring how Middle East developments affect Japan's economy, prices and examining the likelihood of realising the baseline scenario.** Furthermore, he said they **will continue to raise the policy rate and adjust the degree of monetary accommodation according to economic activity, prices and financial conditions.**

## GEOPOLITICS

#### RUSSIA-UKRAINE

- **Russian Foreign Minister Lavrov called US Secretary of State Rubio to urge the evacuation of US citizens and diplomats from Kyiv,** according to the Russian Foreign Ministry. Furthermore, the **US State Department said Rubio exchanged views with Lavrov on the Russia-Ukraine war, bilateral relations and the situation with Iran.**

## 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.
- **EU Commissioner for Startups Research and Innovation said the UK could join a EUR 4bln EU startup fund this year,** according to FT.
- **ECB's Schnabel said the ECB should raise rates in June, even if an Iran peace deal is struck, while she sees signs of energy inflation spillovers.**



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