newsquawk

Daily US Opening News - 26th May 2026

SNAPSHOT

STOCKS			
Euro Stoxx 50	-0.8%	DAX40	-0.6%
Stoxx 600	-0.3%	FTSE 100	+0.7%
ES Jun'26	+0.6%	RTY Jun'26	+0.1%
NQ Jun'26	+0.9%	YM Jun'26	+0.5%

FX			
DXY	U/C (99.04)	EUR/USD	U/C (1.1642)
USD/JPY	+0.2% (159.18)	GBP/USD	-0.2% (1.3482)

BONDS			
US T-Note Jun'26	+15 ticks	Bund Jun'26	-29 ticks
US 10yr Yield	4.502%	German 10yr Yield	2.975%

ENERGY & METALS			
WTI Jul'26	-3.8%	Brent Aug'26	+3.2%
Spot Gold	-1.1%	LME Copper	-0.3%

CRYPTO			
Bitcoin	-0.8%	Ethereum	-0.8%

As of 10:50BST / 05:50EDT

LOOKING AHEAD

- Highlights include US Chicago Fed National Activity Index (Apr), Dallas Fed Manufacturing Index (May), Consumer Confidence (May), NBH Policy Announcement (May), Speakers include ECB's Sleijpen, Supply from the US.
- [Click here for the Week Ahead preview]

US HOLIDAY RECAP

- Over the weekend, **US President Trump posted 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.** He followed up by stating 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.**
- Reuters reported that the proposed framework is broken into three stages: **1) formally ending the war, 2) reopening the Strait of Hormuz and 3) opening an extendable 30-day window for broader negotiations on nuclear issues and sanctions relief.** Axios further reported, citing a US official, that **an agreement would involve a 60-day ceasefire extension during which the Strait of Hormuz would be opened, Iran would be able to freely sell oil, and negotiations would be held on curbing Iran's nuclear programme.**
- However, a US senior official told Axios that **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.**
- Elsewhere, **Iran's Foreign Minister Araghchi travelled to Doha for talks with Qatar's PM.**
- Positiveness was seen across markets at the start of trade, with **US equity futures** gaining amid a slump in energy prices. **The dollar index** softened while **global fixed income yields** continued its pullback. However, the positive sentiment seemed to wane slightly as the session continued after the **WSJ reported that mediators outline that US-Iran progress slowed on Monday as the sides dug in over the nuclear and financial issues.**

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.
- **Iranian Supreme Leader Khamenei said America will no longer have a safe haven in the Middle East; "the region will no longer serve as shields for American bases."** He further said the clock cannot be turned back and the "shaky Zionist regime will move closer to the end of its ominous existence."
- **Iran's IRGC said Iran has the right to respond to respond to any US ceasefire breach.** They have identified hostile aircrafts entering Iran's airspace in the Gulf region and have shot down one MQ-9 drone.
- **IRIB News said the claims by Al Arabiya regarding the 14-point MOU between the US and Iran are false and baseless.**
- **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 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.
- **Iranian National Security Committee Chairman said if the US side takes confidence-building measures at the implementation level and we see tangible results,** this could be the basis for further steps. He added that Iran will not compromise on national interests.
- **IRGC senior spokesperson said, "If we are attacked, our attacks will be more intense, heavier and stronger",** according to IRIB News citing an Al Jazeera interview. The report added that "The response to any new aggression will be different from what it has been before."
- **Israeli Broadcasting Authority said the Israeli army has begun mobilising its soldiers with the aim of intensifying its operations in Lebanon,** according to Al Jazeera.
- **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.
- **Hezbollah said it targeted Israeli forces at the headquarters of the 300th Brigade in Shumera.**

EUROPEAN TRADE

EQUITIES

- **European bourses** (STOXX 600 -0.3%) trade mixed. Risk sentiment has softened after reports overnight that the US conducted strikes on Iranian missile launch sites and mine-laying boats in southern Iran overnight, with US CENTCOM citing self-defence. To add, US Secretary of State Rubio tempered expectations, saying a deal could take a few days and warned that the Strait of Hormuz would be opened "one way or the other."
- **Sectors** lack a clear directional bias. **Basic Resources** (+1.2%) is the clear sector outperformer, helped by UK miners (Glencore, Rio Tinto). To the downside lies **Technology** (-1.2%) and **Autos** (-1.7%).
- **US equity futures** point to modest gains, giving back Monday's futures gains amid the renewed strikes on Iranian sites. **ES** +0.6%.
- Click for the sessions European pre-market equity newsflow
- Click for the additional news

FX

- **G10s** are broadly lower against the Buck as thin risk-on holiday trade on Monday was partially pared as US CENTCOM conducted "self-defence" strikes in Iran and Iran issued unconstructive rhetoric regarding the strikes.
- **DXY** trades modestly higher, returning to Monday's session highs amid the aforementioned geopolitics and a general rebound in crude benchmarks. Dollar saw upside this morning on rare remarks from Iran's Supreme Leader Khamenei, suggesting "America will no longer have a safe haven in the Middle East.... the region will no longer serve as shields for American bases". USD strength seen on these remarks was pared just above Monday's session highs of 99.12. DXY should remain supported by

its 50DMA at 98.93, as it was on Monday, with resistance at 99.50.
- **Kiwi** is the worst G10 performer, heading into the RBNZ meeting and OCR projections on Wednesday, with Antipodeans generally underperforming amidst the modestly sour tone (**AUD/NZD** +0.3%, **NZD/USD** -0.5%). RBNZ is expected to keep the OCR unchanged at 2.25% for the third consecutive meeting as geopolitical uncertainty and mixed data support the case for a pause. Markets currently assign c. 70% probability of a hold, with risks skewed to tightening.
- **GBP** is also softer as energy is boosted on geopolitics, and **GBP/USD** reverses from the 1.35 mark after gains on bank holiday Monday.
- **EUR** is one of the best-performing G10s as it resides a touch below 1.1650 after soft EZ, and hawkish US data pushed EUR/USD lower last week. The European docket for the remainder of the week, with EZ inflation and GDP data scheduled.

FIXED INCOME

- **Fixed benchmarks** are mixed, but the bias throughout the European morning is negative. **USTs** are stronger (given the lack of settlement on Monday), **Gilts** play catch-up to peers (given Monday's Bank Holiday), whilst **Bunds** move lower. To recap recent geopolitical updates, strength in fixed benchmarks was facilitated by the weekend's geopolitical positive updates, in which reports suggested that the US-Iran were nearing a deal. However, the complex then waned from overnight highs amidst reports of the US conducting "self-defence" strikes near Bandar Abbas. The move further exacerbated in European hours after the Iranian Supreme Leader said that America no longer has a safe haven in the Middle East, adding that the region will no longer serve as a shield for US bases.
- **Markets now remain attentive to whether Iran decides to physically retaliate against the US's strikes,** or whether a deal between the US and Iran can be ironed out. Geopolitics aside, the US data slate includes the Chicago Fed National Activity Index, CB Consumer Confidence and the Dallas Fed Manufacturing Index; in Europe, ECB speak from Sleijpen will be in focus.
- **USTs** are firmer by c. 15 ticks, but off c. 10 ticks from Monday's highs; currently trading within a 109-17 to 110-00 range. Elsewhere, **Gilts** are firmer by around 35 ticks and ultimately playing catch-up to the gap higher seen on Monday; UK paper trades within the 88.17 to 88.70 range. Finally, the **German paper** has moved lower this morning, given the positive bias seen in the crude complex. Bunds currently off by around 30 ticks and within a 125.95 to 126.26 range. Earlier, hawkish speak from Schnabel failed to move Bunds; she noted that **the Bank should raise rates in June, even if a peace deal with Iran is struck.**
- **Italy sells EUR 2.5bln vs exp. EUR 2.25-2.5bln 2.20% 2028 BTP and EUR 2.5bln vs exp. EUR 1.75-2.5bln 1.10% 2031 and 2.25% 2046 BTPei.**

COMMODITIES

- **Crude futures** rebound following yesterday's hefty losses, with **Brent** futures firmer by 3.50%, whilst WTI/Brent intraday change quotes diverge given the lack of **WTI** settlement due to the US holiday yesterday. In terms of geopolitics, US forces carried out "self-defence" strikes in southern Iran against missile launch sites and boats allegedly attempting to lay mines. CENTCOM said the strikes had concluded, "for now". Over in Iran, the IRGC said Tehran has the right to respond to any US ceasefire breach, adding that it had identified hostile aircraft entering Iranian airspace over the Gulf and shot down an MQ-9 drone. To add, Supreme Leader Khamenei has reportedly yet to approve progress toward a potential US-Iran accord.
- **Brent Aug'26** resides towards the upper end of a USD 94.36-97.08/bbl range, while **WTI Jul'26** sits in a USD 89.41-93.90/bbl band. **Dutch TTF** prices are firmer by some 4% intraday and back above the EUR 47/MWh mark after oscillating around EUR 46/MWh yesterday.
- **Spot gold** falls with the yellow metal dipping under yesterday's USD 4,549/oz low after matching the high at USD 4,580/oz, with today's trough at USD 4,518/oz. **Spot silver** is also weaker, with prices slipping from a USD 78.39/oz to a current low at USD 75.73/oz.
- **Base metals** are mixed with the LME returning from its long weekend. LME and CME copper trade relatively flat, with price action rather varied across different base metals. **LME copper** resides in a narrow USD 13.62k-13.73k/t range.
- **Malaysia** has imposed a 10% import duty on some gold bar shipments.
- **UBS** lowers year-end 2026 Gold price forecast to USD 5500/oz; citing persistent yield and USD headwinds.

TRADE/TARIFFS

- **India's Foreign Minister said a new US-India agreement on critical minerals and rare earths has been signed.**

NOTABLE EUROPEAN HEADLINES

- **EU Commissioner for Startups Research and Innovation said the UK could join a EUR 4bln EU startup fund this year,** according to FT.

NOTABLE EUROPEAN DATA RECAP

- **UK** BRC Shop Price Inflation (May) 1.2% vs. Exp. 1.1% (Prev. 1.0%).

CENTRAL BANKS

- **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.**
- **ECB's Lane said the ECB is not pre-committing to a particular path after June,** Nikkei reported.
- **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.**

OTHER

- **South Korean military said North Korea fired an unidentified projectile,** according to Yonhap.

CRYPTO

- **Bitcoin** pulled back below USD 77k amid the softer risk tone. **Ethereum** dipped below USD 2.1k.

APAC TRADE

- **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.

NOTABLE ASIA-PAC HEADLINES

- **Japanese Finance Minister Katayama** said authorities are watching Middle East developments carefully and will act in a timely manner to cushion the impact on households.
- **Japanese Deputy Chief Cabinet Secretary Ozaki** said they are aware of reports regarding consumption tax, but nothing decided yet and will refrain from prejudging.