newsquawk

Daily Asia-Pac Opening News - 27th May 2026

SNAPSHOT

STOCKS			
S&P 500	+0.6%	Nasdaq Comp.	+1.2%
DJIA	-0.2%	Russell 2000	+1.8%
ES Jun'26	+0.6%	RTY Jun'26	+1.9%
NQ Jun'26	+1.6%	YM Jun'26	-0.3%

FX			
DXY	+0.1% (99.15)	EUR/USD	-0.1%
USD/JPY	+0.3%	GBP/USD	-0.4%

BONDS			
US T-Note Jun'26	+20 ticks	10yr Bund Jun'26	-27 ticks
US 10yr Yield	4.49%	German 10yr Yield	2.98%

ENERGY & METALS			
WTI Jul'26	-3.1%	Brent Aug'26	+3.0%
Spot Gold	-1.3%	LME Copper	-0.4%

CRYPTO			
Bitcoin	-1.7%	Ethereum	-1.8%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include Japanese Services PPI, Australian MI Leading Index & CPI, Chinese Industrial Profits, RBNZ Rate Decision, Comments from RBNZ Governor Breman & BoJ Governor Ueda, Supply from Japan, Holiday Closures in Indonesia, Malaysia, Singapore & Middle East.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US Navy reportedly restarted guiding ships through the Strait of Hormuz,** according to WSJ citing a US official, while the US Navy planned to help around a dozen vessels cross through Hormuz over the coming days, and a Greek supertanker carrying 2mln barrels of crude was guided through the strait. **However, it was reported shortly after that a US official denied that the US had resumed escorting ships and renewed "Operation Freedom" in the Strait of Hormuz, while CENTCOM also denied that the US Navy had restarted escorting or assisting commercial vessels** during transits through the Strait of Hormuz and said Project Freedom has not resumed.
- **Iranian Supreme Leader Khamenei said the US would no longer have a safe haven in the Middle East and that "the region will no longer serve as shields for American bases".** Khamenei also said **the clock could not be turned back and that the "shaky Zionist regime will move closer to the end of its ominous existence".**
- **Iranian President Pezeshkian, speaking with Qatar's Emir and Egypt's President, said Iran was ready for a framework to end the regional war and had demonstrated commitment to dialogue,** according to Fars. Iran also described its military actions as lawful self-defence against attacks on American bases in the region, while Qatar's Emir pledged continued mediation and Egypt's President expressed support for ongoing dialogue.
- **Iran's Foreign Ministry said the US violated the ceasefire in the Hormozgan area and that Iran would respond and would not hesitate in defending itself, while it was also reported that Iran's aerospace chief warned of a "decisive response" to US truce violations,** according to Al Jazeera.
- **Iran's Foreign Ministry spokesperson said regarding the US "self-defence" strike in Iran that "the attack was not a mistake but**

- **a calculated decision to test the destructive power of a new weapon system on Iranian civilians",** according to Press TV.
- **Iran's IRGC said Iran had the right to respond to any US ceasefire breach, while it said it identified hostile aircraft entering Iran's airspace in the Gulf region and shot down one MQ-9 drone.**
- **A high-level Iranian delegation, including Iranian Foreign Minister Araghchi, Parliamentary Speaker Ghalibaf and the Governor of the Central Bank of Iran, visited Doha and met with the Qatari Prime Minister and Foreign Minister,** according to Al Hadath.
- **Iranian Parliament Speaker Ghalibaf and the Iranian negotiation delegation returned to Tehran from Doha. It was separately reported by Tasnim that Ghalibaf's Qatar trip sought progress on releasing USD 24bln in frozen Iranian funds,** with Tehran pushing for USD 12bln upfront and the remainder within 60 days, while the overall trip was described as positive and led to progress.
- **Iranian National Security Committee Chairman said if the US side took confidence-building measures at the implementation level and Iran saw tangible results, this could form the basis for further steps,** while he stated Iran would not compromise on national interests.
- **Iran was insisting on receiving half of its frozen funds when a memorandum of understanding is announced,** according to a diplomatic source cited by Al Arabiya.
- **Iranian parliamentary official said Iran-US ties would remain a challenge, even following an agreement.**
- **Sources said no negotiations were possible without receiving Iran's paid-in funds,** according to Fars. **It was also reported that progress had been made through Qatar, although Iran's negotiating team did not consider the understandings finalised,** while the issue was said to be the last major disagreement.
- **Israeli source said the US and Iran agreement will include Lebanon, while it was also stated that any plans to attack Iran are currently ruled out following a US message,** according to Channel 14.
- **Israel's Channel 12 quoted sources saying that gaps still existed between Washington and Tehran over the agreement,** according to Al Hadath, while the **agreement was still far from being finalised and Iran's Supreme Leader had not yet approved the agreement.**
- **Iranian member of parliament Ardastani said "Two American pilots who were present at the Isfahan incident have been detained by the Islamic Republic",** according to Iran International.
- **IRIB News said claims by Al Arabiya regarding the 14-point MOU between the US and Iran were false and baseless.**
- **UKMTO said it received a report of an incident 60 nautical miles off Oman's Muscat,** with a tanker reporting an external explosion on the port side close to the waterline.
- **US source said military and political negotiations between Lebanon and Israel had not been cancelled or postponed,** according to Al Hadath. The source added **Washington did not view the recent Israeli military escalation in southern Lebanon negatively** and said Hezbollah was responsible for the collapse of the truce because of its drones and Naim Qassem's recent speech.
- **Israeli PM Netanyahu said the Israeli military is operating with 'large forces on ground' in Southern Lebanon and taking control of 'strategic areas'.**
- **Israeli security official said the army summoned an additional battalion to Lebanon,** according to Al Jazeera.

US TRADE

- **US stocks** gained on Tuesday, helped by broad buying across sectors (RSP +0.5%) and particularly gains in AI-related stocks. Micron (MU +19.4%) drove the bulk of SPX's gains (contributed ~19 points to SPX's 46-point gain) as the rally in semiconductors and memory names showed no sign of stopping; UBS upped its MU PT to USD 1,625 (prev. 535), citing long-term memory supply agreements. Energy stocks underperformed on the drop in oil futures WTD, a function of the US and Iran nearing a finalisation of an agreement, with reports suggesting Iran's blocked resources are the main sticking point left unresolved, although energy prices ultimately bounced off Monday's lows as Iran looks to respond to the US attacks, in which the US said it conducted self-defence strikes in southern Iran. Staples were a sea of red, as appetite for the defensive sector remains subdued in the aftermath of cautious Q2 commentary seen in Walmart and Target earnings last week.
- **SPX** +0.61% at 7,519, **NDX** +1.76% at 30,001, **DJI** -0.23% at 50,467, **RUT** +1.79% at 2,921.
- Click here for a detailed summary.

NOTABLE HEADLINES

- **Fed's Kashkari (2026 voter) said they could embark on "a series of" rate hikes in response to inflation stemming from the turmoil in the Middle East.**
- **Fed planned to provide more clarity on new supervisory policies as US banks pressed it to cement narrower supervisory policies,** according to sources.
- **Wall Street banks were lobbying the Federal Reserve to formalise its supervisory pullback to prevent a reversal by future administrations,** according to Reuters. The report added that the **Fed had been replacing binding "matters requiring attention" with nonbinding "observations" and planned to amend 2013 documentation to provide legal clarity. Banks were also seeking written assurances that observations would not be escalated to formal enforcement actions,** while the Fed was publishing new operating principles for examiners to make the changes more durable.

DATA RECAP

- US CB Consumer Confidence (May) 93.1 vs. Exp. 92 (Prev. 92.8, Low. 89, High. 96.4)
- US Chicago Fed National Activity Index (Apr) 0.14 (Prev. -0.20)
- US S&P/Case-Shiller Home Price MoM (Mar) M/M 1.0% (Prev. 0.4%)
- US S&P/Case-Shiller Home Price YoY (Mar) Y/Y 0.8% vs. Exp. 1.0% (Prev. 0.9%)

- US House Price Index MoM (Mar) M/M 0.1% vs. Exp. 0.1% (Prev. 0%)
- US House Price Index YoY (Mar) Y/Y 1.7% (Prev. 1.7%)

FX

- **USD** was ultimately firmer with the tone of trading being dictated by incoming geopolitical headlines. DXY initially gapped lower at the open and has been drifting higher through the session, seeing strength after Iran called the US's overnight attacks a violation of the ceasefire, and warned that it would respond and would not hesitate in defending itself. ING said the Greenback may not sell off much on any Middle East de-escalation, as markets begin casting their attention towards the economic fallout, activity and inflation; April PCE data due this week will be key, and comes amid the doves all but vanishing from the FOMC after Miran's departure, and Waller's hawkish pivot last week.
- **EUR** was an early beneficiary of the USD weakness, further buttressed by hawkish commentary from the ECB's Schnabel, who said the ECB should lift rates in June, arguing that the size and persistence of the current shock meant "looking through" was no longer an option, even if the Middle East conflict was resolved quickly. The EUR, however, tilted into negative territory amid some geopolitical caution that lent strength to the Buck during periods of the day. Elsewhere, the ECB's Sleijpen said the central bank is somewhere between baseline and adverse scenario, and it will do everything in its power to tame inflation.
- **GBP** gradually softened on the day after failing to sustain the 1.3500 handle and with little in the way of newsflow to spur the currency, although there were reports that the UK is poised to unveil a multi-billion-pound package to boost the UK defence industry and armed forces next week, which is expected to be backed by GBP 18bln of government funding.
- **JPY** weakened to above 159.00 vs the USD, briefly topping last week's peak of 159.35, after US attacks on Iran prompted risk-off and a rebound in oil from recent lows, resulting in USD upside. There were recent comments from BoJ's Deputy Governor Himino, who said Iran developments should influence rate-hike timing, and maintaining market confidence requires adjusting monetary easing appropriately as government bond yields rise. Analysts said his remarks are another sign that members are preparing to tighten policy, despite PM Takaichi expressing hopes for a steady policy. Money markets are assigning a probability near 80% for a June rate rise.

FIXED INCOME

- **T-notes** were bid as progress towards finalisation of the US-Iran agreement saw oil prices drop at the start of the week. There was some perceived progress in talks between the US and Iran, with US Secretary of State Rubio saying that negotiations could take a few days, although the announcement of a finalisation of an agreement has been repeatedly pushed back. Furthermore, a larger decline in oil prices was offset by the resumption of strikes in the Middle East, in which the US said it conducted self-defence measures in Southern Iran late on Monday, while Iran's aerospace chief reportedly warned of a "decisive response" to US truce violations.

COMMODITIES

- **Oil prices** were mixed in the absence of a settlement for WTI on Monday and as focus remained on geopolitics, with Fars reporting that the last major disagreement between both sides over starting negotiations relates to the method of access to Iran's blocked resources, while US senior officials have said no funds will be released until enriched uranium is handed over. Nonetheless, oil prices were off Monday's lows in response to US forces conducting self-defence strikes in southern Iran, while Iran's Foreign Ministry said the US has violated the ceasefire in the Hormozgan area and that Iran will respond, stoking crude prices higher.
- **US NEC Director Hassett said energy prices would drop once the Strait of Hormuz reopened,** according to remarks via Fox Business, while he added that the stock market was rallying because productivity was so high. Hassett also said consumers should feel falling oil prices "right away" and that falling prices would be felt once the Strait of Hormuz reopens.
- **Russia was reportedly considering restricting diesel exports, although no final decision had yet been made,** according to IFX.
- **Iranian Deputy Interior Minister said some petrochemical plants resumed production,** according to Mehr News, while other sections would also be activated soon.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Russian Duma said attacks on civilians could push Moscow to use weapons that leave no trace for anyone,** according to Al Arabiya.
- **Russia said it would like to increase the "dynamics of meetings" with the US to eliminate mutual irritants, although there was still no progress on the main issues,** according to IFX. Russia also said it hoped the US response to Moscow's decision to strike Kyiv would be responsible.

OTHER

- **Iranian Deputy Secretary of the National Security Council arrived in Moscow for the 14th International Conference of Senior Security Officials, where he was expected to deliver a speech and meet Russian political and security officials,** according to Press TV.

ASIA-PAC

NOTABLE HEADLINES

- **China's gaming regulator approved 154 domestic online games in May, while it also approved four imported online games.**
- **EU is set to open an in-depth probe into JD.com's (JD) takeover of Ceconomy,** according to FT.

EU/UK

NOTABLE HEADLINES

- **UK PM Starmer is poised to unveil a multi-billion-pound package to boost the UK defence industry and armed forces next week, which is expected to be backed by GBP 18bln of government funding,** according to The i Paper.
- **ECB's Lane said the ECB was not pre-committing to a particular path after June,** according to Nikkei.
- **ECB's Sleijpen said the ECB was somewhere between baseline and adverse scenarios, while adding that the ECB would do everything in its power to tame inflation.**
- **ECB Financial Stability Review stated that the Eurozone was not facing systemic risk from the private credit market, and exposure remained limited.** The review added that available commercial, public and proprietary data showed euro area financial institutions appeared to have limited direct exposure to private credit, making it unlikely that private credit in isolation would currently be a source of systemic financial instability.