Daily European Opening News - 27th May 2026

SNAPSHOT

STOCKS			
Nikkei 225	+0.4%	ASX 200	+0.3%
Hang Seng	-0.9%	Shanghai Comp	-1.0%
Euro Stoxx 50 Jun'26	+0.3%	DAX Jun'26	+0.2%
ES Jun'26	+0.1%	NQ Jun'26	+0.1%

FX			
DXY	-0.1% (99.07)	EUR/USD	+0.1% (1.1642)
USD/JPY	U/C (159.25)	NZD/USD	+0.7% (0.5877)

BONDS			
US T-Note Jun'26	+4.5 ticks	Bund Jun'26	+23 ticks
US 10yr Yield	4.47%	German 10yr Yield	2.97%

ENERGY & METALS			
WTI Jul'26	-2.0%	Brent Aug'26	-1.6%
Spot Gold	U/C	LME Copper	+0.5%

CRYPTO			
Bitcoin	-0.4%	Ethereum	-0.1%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include US ADP Employment Change Weekly. Speakers include Fed's Kashkari, Logan & Cook. Supply from the UK, Germany & the US. Earnings from PDD, Marvell, HP & Salesforce.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US Central Command denied reports that the US Navy had restarted escorting or assisting commercial vessels** during transits through the Strait of Hormuz and said that Project Freedom has not resumed.
- **US administration official briefed Israeli figures on efforts to reach an Iran-US agreement, while the official said there was no certainty a deal would be achieved, but if it happened, "and that is a big if", it would satisfy Israel,** according to Hayom.
- **US source said military and political negotiations between Lebanon and Israel had not been cancelled or postponed,** according to Al Hadath. The source added that **Washington does 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.
- **Iran is 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 President Pezeshkian spoke with Qatar's Emir and Egypt's President, and stated that Iran was ready for a framework to end the regional war and had demonstrated commitment to dialogue,** according to Fars. Furthermore, Iran described its military actions as lawful self-defence against attacks on US bases in the region, while Qatar's Emir pledged continued mediation and Egypt's President expressed support for ongoing dialogue.
- **Iran's Deputy Secretary of the National Security Council Bagheri met with Iraq's National Security Adviser Al-Araji, on the sidelines of the security conference in Moscow** and called for Iraq to prevent its territory from being a source of threats against Iran.
- **UAE's National Security Advisor and Qatar's PM discussed by phone mediation efforts between Washington and Tehran and**

ways to reduce escalation in the region, according to Sky News Arabia.
- **Israeli PM Netanyahu said the Israeli military is operating with 'large forces on the ground' in southern Lebanon** and taking control of 'strategic areas'.
- **Israeli source said the US-Iran agreement will include Lebanon, while it was also stated that any plans to attack Iran are currently ruled out following a US message.**
- **Israel's Channel 12 reported the assassination of Hamas military wing commander Muhammad Awda.**
- **Israel conducted strikes on various towns in southern Lebanon, and explosions were reported in Lebanon's capital, Beirut, and its suburbs,** while Israel's military reported sirens sounding in several areas of northern Israel after launches were identified from Lebanon.

US TRADE

EQUITIES

- **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.

TARIFFS/TRADE

- **USTR Greer said section 301 investigations will seek public comments on any proposed measures and US President Trump is not interested in exclusion programmes regarding tariffs,** while he stated the Trump administration may have legal authority to reimpose the 10% tariff after its current authorisation expires in July.
- **USTR Greer said President Trump is concerned about the US trade deficit with Mexico, and they will discuss changing the rules of origin to enhance US content in USMCA negotiations, while the US is going to have tariffs on Mexican goods as long as there is a giant trade deficit,** but there will be preferential treatment for countries in this region. Greer stated that they are negotiating with Mexico on a bilateral basis and also speak to Canada, but added that the US has trade challenges with Canada, and that only Canada and China have retaliated against US tariffs.
- **USTR Greer said China expects a certain level of US tariffs that we agreed to, and the US got what it wanted from the Trump-Xi summit, including stability and continued tariffs.** He also commented that the US is mostly giving up on changing China's economic model in favour of managed trade, as well as noted that the Trump administration view on Chinese investment in the US has not changed, and they will review Chinese investment in the US on a case-by-case basis. Furthermore, he said **reduced tariffs on USD 30bln in Chinese goods won't swing supply chains back to China, as well as noted that US tariffs on Chinese goods will likely always be higher than for other countries**
- **USTR Greer said they have a team going to India next week to try to finalise the framework trade agreement.**

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.**

APAC TRADE

EQUITIES

- **APAC stocks** were predominantly higher following the mostly positive lead from Wall Street, where the S&P 500 and Nasdaq printed fresh record highs amid outperformance in tech, while markets remain hopeful of a US-Iran agreement despite the recent limited US 'self-defence' strikes.
- **ASX 200** eked mild gains with strength seen in tech and miners, but with the upside capped by losses in the top-weighted financial sector, while participants also digested softer-than-expected headline inflation.
- **Nikkei 225** rose to a fresh record high above the 66,000 level as tech stocks continued to underpin the index, and with Services PPI data printing softer-than-expected.
- **KOSPI** outperformed and posted a new all-time high as SK Hynix rallied to surpass the USD 1tln market cap milestone, while Samsung Electronics was also boosted after union workers voted to accept the pay agreement.
- **Hang Seng** and **Shanghai Comp** lagged following weak earnings results from Xiaomi, which reported a 43% drop in adjusted net in Q1 and with China expanding overseas travel curbs to its top AI talent in private firms, while there were also comments from USTR Greer that China expects a certain level of US tariffs we agreed to and that US tariffs on Chinese goods will likely always be higher than for other countries.
- **US equity futures** kept afloat in rangebound trade after the recent choppy performances.
- **European equity futures** indicate a mildly higher cash market open with Euro Stoxx 50 futures up 0.3% after the cash market

closed with losses of 1.2% on Tuesday.

FX

- **DXY** traded rangebound following the prior day's mild gains, in which price action was largely driven by geopolitical headlines with Iran threatening to respond to the US violating the truce. Nonetheless, there haven't been any major fresh developments overnight regarding the Middle East aside from continued launches between Israel and Hezbollah, while the dollar was also contained by the mixed price action in its major counterparts.
- **EUR/USD** kept afloat following yesterday's intraday rebound and with the recent ECB rhetoric continuing to point to a June rate hike.
- **GBP/USD** lacked direction following its retreat from the 1.3500 territory and with quiet newsflow from the UK, although there were reports that France signalled a U-turn in which the EU could allow UK-made vehicles to qualify for "Made in Europe" subsidies
- **USD/JPY** took a breather after advancing back above the 159.00 level, with muted reaction seen in the currency following softer-than-expected Services PPI data and comments from BoJ Governor Ueda, who warned that energy shocks may become more persistent.
- **Antipodeans** were mixed as AUD/USD pared its gains after softer-than-expected monthly headline CPI data for April, while NZD/USD outperformed following the RBNZ's hawkish hold in which it kept the OCR unchanged for the third consecutive meeting, but stated the OCR will most likely need to increase sooner and by more than envisaged in the February MPS. Furthermore, the RBNZ raised its OCR projections, in which it now sees the OCR at 2.51% in Sept. 2026 (prev. 2.28%) and at 3.07% in June 2027 (prev. 2.62%), while the decision to pause was a tight (3-3) vote split.
- **PBoC** set USD/CNY mid-point at 6.8291 vs exp. 6.7883 (prev. 6.8228).

FIXED INCOME

- **10yr UST futures** edged higher and briefly reclaimed the 110.00 level after the choppy start to the week, owing to the mixed geopolitical headlines and fluctuations in oil, while the latest 2yr auction was average but with a zero tail, and participants also look ahead to a 5yr auction later.
- **Bund futures** continued the rebound from the prior day's trough with prices back above the 126.00 level, albeit with further upside capped ahead of today's Bund issuance.
- **10yr JGB futures** ultimately gained in tandem with global peers and following softer-than-expected Services PPI data from Japan, while the latest 40yr auction from Japan was mixed and had little lasting effect on prices.

COMMODITIES

- **Crude futures** steadily pulled back following the prior day's semi-rebound as hopes remain for a US-Iran peace agreement, despite the recent US self-defence strikes in southern Iran, while price action and demand were constrained overnight amid little fresh developments on the geopolitical front and with this week's inventory data delayed due to the recent holiday.
- **Russia was reportedly considering restricting diesel exports, although no final decision had yet been made,** according to IFX.
- **Spot gold** traded indecisively following recent selling pressure and with the precious metal battling to remain in the USD 4,500/oz territory.
- **Copper futures** extended yesterday's intraday recovery amid the mostly positive risk appetite, but with price action choppy overnight as the red metal's largest buyer lagged.

CRYPTO

- **Bitcoin** gradually retreated overnight after stalling just shy of the USD 76,000 level.

NOTABLE ASIA-PAC HEADLINES

- **RBNZ kept the OCR at 2.25%, as expected, while it stated the committee remains focused on ensuring that increased costs do not lead to elevated inflation over the medium term, and the OCR will most likely need to increase sooner and by more than envisaged in the February Monetary Policy Statement.** RBNZ said the pace of OCR increases will depend on the relative influence of persistent wage- and price-setting behaviour versus weaker economic activity on medium-term inflation pressures. Furthermore, the central bank's latest rate projections were increased with the **OCR now seen at 2.51% in September 2026 (prev. 2.28%), 3.07% in June 2027 (prev. 2.62%), and at 3.11% in September 2027 (prev. 2.71%).**
- **RBNZ Minutes revealed that three committee members (Breman, Silk, Conway) voted to leave the OCR on hold and three members (Hansen, Gourley, Gai) voted for a 25bp hike, resulting in the chairperson having the casting vote,** meaning the OCR remained on hold at 2.25%. It was also stated that the **committee remains focused on bringing medium-term inflation back to target and expects that OCR increases will be required this year, while all committee members agreed that increasing the OCR at upcoming meetings would likely be necessary** to ensure higher near-term inflation does not feed through to higher medium-term inflation.
- **RBNZ Governor Breman said in the post-meeting press conference that all members agreed on the path for rates and the difference was on timing, while she added that OCR increases are likely at the coming meetings and depend on data.** Furthermore, she said even if the Gulf conflict stops now, they still see inflation effects ahead, but cannot completely rule out anything on rates and stated that the current OCR is still a little bit on the accommodative side.

DATA RECAP

- Chinese Industrial Profits (YTD) YY (Apr) Y/Y 18.2% (Prev. 15.5%)
- Japanese Services PPI YY (Apr) 3.0% vs Exp. 3.3% (Prev. 3.1%)
- Australian Inflation Rate MM (Apr) 0.4% vs. Exp. 0.6% (Prev. 1.1%)
- Australian Inflation Rate YY (Apr) 4.2% vs. Exp. 4.4% (Prev. 4.6%)
- Australian RBA Trimmed Mean CPI MM (Apr) 0.3% vs. Exp. 0.3% (Prev. 0.3%)
- Australian RBA Trimmed Mean CPI YY (Apr) 3.4% vs. Exp. 3.4% (Prev. 3.3%)

GEOPOLITICS

OTHER

- **North Korea said it successfully tested a new lightweight multi-purpose cruise missile with AI-guided precision targeting and terrain-matching navigation,** according to KCNA.

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.
- **France signalled that the EU could allow UK-made vehicles to qualify for "Made in Europe" subsidies,** according to FT.