Daily US Opening News - 27th May 2026

SNAPSHOT

STOCKS			
Euro Stoxx 50	+0.7%	DAX40	+0.6%
Stoxx 600	+0.4%	FTSE 100	U/C
ES Jun'26	+0.3%	RTY Jun'26	+0.8%
NQ Jun'26	+0.4%	YM Jun'26	+0.4%

FX			
DXY	-0.1% (99.08)	EUR/USD	+0.2% (1.1644)
USD/JPY	U/C (159.34)	GBP/USD	U/C (1.3446)

BONDS			
US T-Note Jun'26	+6+ ticks	Bund Jun'26	+25 ticks
US 10yr Yield	4.463%	German 10yr Yield	2.960%

ENERGY & METALS			
WTI Jul'26	-3.9%	Brent Aug'26	-3.3%
Spot Gold	-0.4%	LME Copper	+0.1%

CRYPTO			
Bitcoin	U/C	Ethereum	+0.6%

As of 10:55BST / 05:55EDT

LOOKING AHEAD

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

EUROPEAN TRADE

EQUITIES

- **European bourses** (STOXX 600 +0.4) start Wednesday trade broadly in the green, with the **IBEX 35** (+0.8%) outperforming. Geopolitical newsflow has been light, with no response coming from Iran after Tehran stated that the US had violated a ceasefire by striking targets near the contested Strait of Hormuz. More recently, Iranian Deputy Security Secretary said indirect contacts between the US and Iran continue, and Iran is not discussing the fate of its enriched uranium stockpiles with the US.
- **Sectors** have a positive tilt. **Autos** is the clear outperformer, after new-vehicle registrations rose to 1.15mln, +7% M/M. Car sales climbed for the third consecutive month, with EV deliveries rising 38%. **Consumer Products & Services** and **Retail** also printed decent gains. At the bottom of the pile lies **Energy** and **Utilities**, with UK names lower after Ofgem raised the energy price cap to 13%.
- **US equity futures** (ES +0.3%) are bid across the board. Goldman Sachs this morning raised its S&P 500 year-end target to 8,000 (prev. 7,600), citing AI-driven earnings growth.
- **Samsung Electronics (005930 KS)** - Co.'s union members have voted in favour of a compensation deal that will hand workers an average bonus of c. USD 340,000. The deal was signed after 74% of members voted in favour of the agreement.
- Click for the sessions European pre-market equity newsflow
- Click for the additional news

FX

- **DXY** trades within a relatively narrow 99.04-99.14 range amid a lack of major geopolitical updates and drivers, as participants look for a more definitive direction with regard to the mediation efforts to end the US-Iran war. The index remains tucked within yesterday's 98.98-99.25 range. Earlier, modest downticks coincided with comments from Fed's Kashkari, who said it is too early to predict the timing of the next Fed action when asked about market pricing for an October rate hike.
- **Kiwi** is the best performing G10 currency following the RBNZ's hawkish hold, in which it kept the OCR unchanged, but stated the OCR will most likely need to increase sooner and by more than envisaged in the February MPS. **NZD/USD** reside in a 0.5833-0.5885 range. **AUD/USD** was hit by softer-than-expected inflation. **AUD/USD** and **AUD/NZD** reside towards the bottom of 0.7136-0.7180 and 1.2143-1.2287 range, respectively.
- Other **G10s** are largely flat vs the USD. **CAD** is subdued by oil prices, **JPY** saw softer-than-expected Services PPI data and comments from BoJ Governor Ueda, who warned that energy shocks may become more persistent. **EUR** overlooked further hawkish ECB commentary, whilst **GBP** was unreactive to the Ofgem's expected energy price cap rise.

FIXED INCOME

- **Global fixed benchmarks** continue to take impetus from the price action seen across the energy complex, with yields softer across the curve as **WTI** and **Brent** prints losses of c. 3.0%. Geopolitical updates have been light thus far, with commentary out of Iran continuing to reiterate its stance on the Strait of Hormuz, "management of the Strait of Hormuz is a precondition that cannot be negotiated," while the Iranian Supreme Leader advisor stated that the real guarantor of any agreement with the US is the Strait of Hormuz.
- **USTs** gain by a handful of ticks, trading at the upper end of its 109-27 to 110-01+ range.
- **Bunds** are higher by some 20 ticks, and further extending beyond the 126 handle (126.10-126.27 range). In terms of commentary, ECB's Stournaras said a June hike is likely, which is in line with recent rhetoric by policymakers. The Bank also released its financial stability review, in which it stated that financial markets are in danger of a sudden and significant correction, with asset prices looking stretched by historical standards. However, no reaction was seen in the Bund complex.
- **Gilts** outperform with gains of c. 50 ticks as it nears the 89 handle. In yield terms, the 10yr has slipped back below 4.85%, it remains a fair way from the April 17th low of 4.73%. In comparison to its German counterpart, it has already breached the low. UniCredit remains cautious on UK debt, highlighting 3 reasons: 1) political uncertainty, 2) inflationary pressure well above BoE's target, and 3) weakening macro fundamentals.
- **Germany sells EUR 1.550bln vs exp. EUR 2bln 2.60% 2041 and 2.90% 2056 Bund.**
- **UK sells GBP 4bln 4.125% 2033 Treasury Gilt: b/c 3.38x (prev. 3.30x), average yield 4.550% (prev. 4.507%), tail 0.2bps (prev. 0.2bps).**
- **Japan** sells JPY 300bln in 40-year JGBs; b/c 2.70x (prev. 2.54x), highest accepted yield 3.840% (prev. 3.600%).

COMMODITIES

- **Crude futures** are on a softer footing with little in terms of escalatory headlines on the US-Iran front, and with no "hot response" from Iran over US' "self-defence" strike earlier in the week. Furthermore, mediation efforts are seemingly ongoing, but funds and Hormuz management remain sticking points. That being said, an official in the Iranian Revolutionary Guard said the likelihood of renewing war with the United States is "slim", but warned that "the armed forces are lying in wait with full magazines".
- Nonetheless, **crude futures** are on a grind lower with **WTI** Jul towards the lower end of a USD 89.64-93.69/bbl range, next eyeing the Monday low of 89.41/bbl. **Brent** Aug dipped under yesterday's low and currently resides in a USD 92.87-96.45/bbl range ahead of Monday's USD 93.21/bbl trough.
- Elsewhere, **spot gold** and **silver** remain softer despite the pullback in crude as inflationary concerns remain on traders' minds, with the RBNZ's hawkish hold overnight also not helping sentiment across the space. **Spot gold** fell under USD 4,500/oz to reside towards the lower end of a USD 4,476-4,528/oz parameter.
- **Base metals** are mixed/mostly lower as inflation concerns remain heightened, and with large buyer China also seeing a subdued performance overnight. **3M LME copper** trades flat within a narrow USD 13.61k-13.85k/t range, awaiting the next macro impulse
- **UK's energy regulator Ofgem announces 13% increase in energy price cap for 1 July to 30 September 2026 (as expected),** citing higher wholesale gas prices due to Middle East. conflict

TRADE/TARIFFS

- **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**

- **EU Government has reportedly cleared legislation to implement EU import duty cuts for US goods as part of the EU-US trade deal,** according to EU sources.

NOTABLE EUROPEAN 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.
- **Germany's Council of Economic Experts forecasts 2027 economic growth 0.8%, and sees 2026 GDP +0.5% vs +0.9% in November.**
- **Spain's anticorruption police has raided the headquarters of Spanish PM Sánchez's Socialist Party in Madrid,** Politico reported. The raid was to obtain evidence for an ongoing probe into the alleged illegal financing of the country's ruling party. - **Hungary's government spokesman said technical talks with the EU are underway on multiple EU funding issues, while a meeting between the Hungarian PM and European Commission President has not yet been scheduled.**

NOTABLE EUROPEAN DATA RECAP

- **EU** New-vehicle registrations rose to 1.15mln, +7% M/M. Car sales climbed for the third consecutive month, with EV deliveries rising 38%.
- **UK** Grocery Inflation eases to 3.1% in the four weeks to May 17th (vs 3.8% in the four weeks to April 19th), according to Worldpanel.
- **French** Consumer Confidence (May) 82 vs. Exp. 85 (Prev. 84).

CENTRAL BANKS

- **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.
- **Fed's Kashkari (2026 voter) said it is too early to predict the timing of the next Fed action when asked about market pricing for an October rate hike.** On the mandate, Kashkari said the US inflation risk is currently higher than labour-market deterioration risk, though both must be monitored.
- **BoJ Governor Ueda said supply shocks loom large in everyone's mind and they are not new but have become more frequent. He warned that energy shocks may become more persistent and that central banks should not look at oil prices in isolation.** On inflation expectations, Ueda said that If inflation expectations are already high and wages are accelerating, the risk of second-round effects is large, however, if expectations are very low and wages are stagnant, even a large cost shock may not raise underlying inflation.

GEOPOLITICS

MIDDLE EAST

- **The IDF and US CENTCOM remain on high alert amid the possibility of a deal being failed to be reached and that US President Trump could order military action,** according to journalist Stein as coordination between the US and Israel continue.
- **Iranian Deputy Security Secretary said indirect contacts between the US and Iran continue,** Interfax reported. Iran is not discussing the fate of its enriched uranium stockpiles with the US while Tehran is negotiating with Oman over a new mechanism of passage through Hormuz.
- **Iranian Foreign Ministry spokesperson** said Iran and the United States have not yet reached an agreement on unblocking the Strait of Hormuz, Nour News reported.
- **Iranian lawmaker Boroujerdi said in the draft agreement between Iran and the United States, it was agreed that Washington would commit to a comprehensive ceasefire for 60 days, including Lebanon,** Al Mayadeen reported. The draft also included the release of a large part of Iran's frozen assets and the lifting of the naval blockade are among the other requirements of this agreement.
- **An official in the Iranian Revolutionary Guard said the likelihood of renewing war with the United States is "slim",** Al Arabiya Business reported, however, adds that "the armed forces are lying in wait with full magazines."

- **Iran said management of the Strait of Hormuz is a precondition that cannot be negotiated, while the advisor to the Iranian Supreme Leader said the real guarantor of any agreement with the United States is the Strait of Hormuz,** Al Jazeera reported. The advisor added that documents and signatures alone cannot guarantee any deal.
- **There is a decisive US message to Israel to ban targeting Beirut,** Sky News Arabia reported quoting Channel 12. "Washington fears that strikes in Beirut could derail negotiations with Iran and expand the scope of escalation in Lebanon."
- **Israeli PM Netanyahu said Israel are not limited to operating in Beirut,** but have been operating there recently. The Israeli Defence Minister added that Israel is currently in a complex situation with the US, and no one will stop Israel from defending itself.
- **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.

RUSSIA-UKRAINE

- **A senior Ukrainian commander said he expects a "turning point" in the war in Ukraine in the next six to nine months.**

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.

CRYPTO

- **Bitcoin** slipped back below the USD 76k handle and trades in a USD 75.16k-76k range.

APAC TRADE

- **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.

NOTABLE APAC DATA RECAP

- **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%).
- **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%).