Daily Asia-Pac Opening News - 28th May 2026

SNAPSHOT

STOCKS			
S&P 500	Flat	Nasdaq Comp.	+0.1%
DJIA	+0.4%	Russell 2000	Flat
ES Jun'26	+0.2%	RTY Jun'26	+0.2%
NQ Jun'26	+0.2%	YM Jun'26	+0.5%

FX			
DXY	+0.1% (99.23)	EUR/USD	Flat
USD/JPY	+0.1%	GBP/USD	-0.1%

BONDS			
US T-Note Jun'26	+1.5 ticks	10yr Bund Jun'26	-8 ticks
US 10yr Yield	4.48%	German 10yr Yield	2.98%

ENERGY & METALS			
WTI Jul'26	-4.8%	Brent Aug'26	-3.8%
Spot Gold	-1.1%	LME Copper	-0.8%

CRYPTO			
Bitcoin	-1.6%	Ethereum	-1.6%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include New Zealand Business Confidence & Budget Balance, Australian Private Capital Expenditure, Japanese Housing Starts, BoK Rate Decision, Comments from Fed's Jefferson, Goolsbee & ECB's Lane, Holiday Closures in India, Indonesia & Middle East.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said there would be no Iran sanctions relief in exchange for giving up uranium, according to PBS, while adding negotiations with Iran were “proceeding nicely”.** Trump also said Saudi Arabia should join the Abraham Accords, arguing it would be “great for Saudi Arabia”.
- **US President Trump said Iran was intent on a deal and wanted to make a deal, while adding "we are not satisfied with it, we will be" and that Iran was negotiating on fumes. Trump said "maybe we go back and finish it, maybe we don't", while he reiterated that Iran cannot have a nuclear weapon,** and said the US had received great support from other nations. Furthermore, Trump said regarding Iran that **"we may have to close it out very quickly".**
- **US President Trump said he was not discussing easing sanctions on Iran and would keep control of Iran’s money until it behaves, while adding he was uncomfortable with Russia or China taking Iran’s highly enriched uranium stockpile.** Trump also said Iran was starting to give things "that they have to give us", while adding regarding a timeframe that "it will happen quickly".
- **US President Trump said the Strait of Hormuz would be open to everyone and no one would control it, while adding Iran would have to behave like everyone else and "Oman will have to behave or we will have to blow them up".** Trump also said control of Hormuz was part of the negotiations and that "at the right time" the US would release boats from the Strait.
- **US President Trump may unilaterally announce in the coming hours that an Iran-US agreement has been finalised in order to pressure Iran and shape public opinion before differences are resolved,** according to Fars, while an **Iranian negotiating team member said some issues remained unresolved and Iran would officially announce the result only if they were fully resolved.**

- **White House said US President Trump stated the Iran negotiations were going well and clearly outlined his red lines,** while adding that Trump would only make a deal that categorically guarantees Iran will not have a nuclear weapon.
- **Iran's State TV said it had obtained a draft of the initial unofficial framework for an MOU with the US, while according to the draft, US military forces would withdraw from the vicinity of Iran and lift the naval blockade, although the Islamabad framework had not yet been finalised. The report added that management and routing of ship traffic through Hormuz would be handled by Iran in cooperation with Oman,** while Iran would commit to restoring commercial transit through Hormuz to pre-war levels within one month. **However, it was later reported that the White House said the draft shown on Iranian TV was incorrect and that Trump would only agree to a deal guaranteeing Iran would not have a nuclear weapon,** according to a Jerusalem Post reporter.
- **US Secretary of State Rubio said President Trump's preference was to negotiate with Iran and that diplomacy remained the first option, while adding there had been progress in some areas and reiterated that Iran cannot have a nuclear weapon. Rubio also said "we will see over the next few hours and days",** while he stated that Cuba was in a lot of trouble and that over 10mln barrels of oil had come into the US from Venezuela.
- **US War Secretary Hegseth said the US was prepared to finish the Iran war militarily and that no Iranian tanker around the globe was safe.**
- **Iranian Parliamentary Speaker Ghalibaf said cooperation among Islamic countries to strengthen regional collaboration without foreign interference plays an effective role in resolving regional crises,** according to IRNA.
- **Iran Security Council's Bagheri said Iran and Oman were negotiating a new procedure for ships passing through the Strait of Hormuz, with conditions set to differ from before the conflict began,** according to IRNA. Bagheri also said no agreement would be reached until all issues were agreed upon, and that Iran's enriched uranium reserves were not on the negotiation agenda.
- **Iranian Deputy Security Secretary said indirect contacts between the US and Iran continued, according to Interfax, while adding Iran was not discussing the fate of its enriched uranium stockpiles with the US.** The official also said Tehran was negotiating with Oman over a new mechanism for passage through Hormuz.
- **Iranian lawmaker Boroujerdi said the draft agreement between Iran and the US included a US commitment to a comprehensive 60-day ceasefire,** including Lebanon, according to Al Mayadeen. Boroujerdi added that the release of a large portion of Iran's frozen assets and the lifting of the naval blockade were among the agreement's other requirements.
- **Iran's IRGC Navy said passage through the Strait of Hormuz for vessels from "hostile countries" remained prohibited,** according to ISNA, while the IRGC separately said its precise control over the Strait of Hormuz continued uninterrupted, firmly and powerfully, according to Al Jazeera.
- **Iranian Ministry of Intelligence said "We have carried out deadly offensive strikes against the Israeli entity, and we have not announced them yet",** according to Al Mayadeen.
- **Israeli PM Netanyahu said "We are not limited to operating in Beirut, we have been operating there recently", while the Israeli Defence Minister said Israel was currently in a complex situation with the US** and that no one would stop Israel from defending itself.
- **There was a decisive US message to Israel banning the targeting of Beirut, while Washington feared strikes in Beirut could derail negotiations with Iran and expand escalation in Lebanon,** Sky News Arabia reported citing Channel 12.

US TRADE

- **US stocks** were largely traversing sideways, consolidating in a range just off all-time highs. Sectors were mixed, though there was decent upside in Consumer Discretionary (ANF and BBWI were standouts). Note, heavyweights Tesla and Amazon did the heavy lifting. Travel and Leisure was supported by lower energy prices. Communications saw strength (META launches Instagram, Facebook, and WhatsApp subscriptions); Energy was the laggard as crude prices dropped, while Financials also underperformed, and Tech was under pressure (QCOM reaffirmed its non-handset revenue target; ZS down 31.5% on disappointing guidance put pressure on software names, particularly cybersecurity). The equity complex was subject to some choppiness amid geopolitical headlines, though it ultimately closed around flat, ahead of key earnings after hours, and ahead of Thursday's PCE inflation data.
- **SPX** +0.02% at 7,520, **NDX** -0.09% at 29,974, **DJI** +0.36% at 50,649, **RUT** -0.02% at 2,920.
- Click here for a detailed summary.

TARIFFS/TRADE

- **US President Trump said the US was doing a lot of business with China and that it was profitable.**
- **China International Trade Representative Li Chenggang met US Deputy Trade Representative Sweitzer and exchanged views on China-US economic and trade relations,** according to reports.
- **EU governments 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 HEADLINES

- **Fed's Cook (voter) said the right course of action is to hold rates steady and risks are tilted towards higher inflation with inflation clearly moving in the wrong direction, while she is prepared to raise rates if expected disinflation doesn't appear in a timely manner and would be prepared to cut rates if the labour market deteriorates.** Furthermore, she said even temporary shocks could push up inflation in the medium term, and that shocks pushing up inflation should in theory, be temporary.
- **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, and stated that US inflation risk is currently higher than labour-market deterioration risk,** though

both must be monitored. Furthermore, he said US data since his April dissent show inflation risks rising, not falling.

DATA RECAP

- US ADP Employment Change Weekly 35.75k (Prev. 42.25k)
- US Richmond Fed Manufacturing Index (May) 13 vs. Exp. 4 (Prev. 3)
- US Richmond Fed Manufacturing Shipments Index (May) 16 (Prev. -2)
- US Richmond Fed Services Revenues Index (May) 14 (Prev. 9)

FX

- **USD** heads into the APAC session with limited gains after FX markets were generally quiet on Wednesday despite a heavy day of newsflow, particularly regarding geopolitics, while the stock impulse hasn't provided any new impetus for the USD, with traders booking profits on equity gains after indices notched fresh record highs. Looking ahead, US PCE inflation data is due Thursday, with many expecting a multi-year hot reading, which will likely keep FOMC policymakers cautious on the prospects regarding any loosening of policy, as price pressures continue to move away from the central bank's target. Separately, a Reuters poll shows investors expect the Greenback could break higher ahead as the Fed focuses on inflation, supported by higher Treasury yields, oil-driven inflation, and a resilient US economy.
- **EUR** price action was limited, with the single-currency trading around flat, while ECB officials continue to strike a cautious tone with VP de Guindos noting that inflation expectations remain well-anchored. Furthermore, Pereira warned that the Middle East conflict could materially affect prices and wages, while Stournaras said a June rate hike was likely.
- **GBP** marginally softened on the day but with downside limited as newsflow from the UK remained light, while the UK energy regulator announced a 13% increase in the energy price cap for July 1st to September 30th 2026, which was as expected.
- **JPY** gradually weakened with USD/JPY gaining a firmer footing above the 159.00 territory, which could stoke intervention risks if pair continues climbing towards the psychological 160.00 level.

FIXED INCOME

- **T-notes** were largely horizontal, seeing some upside on geopolitical optimism as energy prices fell.

COMMODITIES

- **Oil prices** declined amid reported progress on US-Iran negotiations, with markets continuing to place greater significance on recent diplomatic efforts.
- **US President Trump said the US was producing more oil than Russia and Saudi Arabia combined,** and the administration was working hard to reopen California oil reserves.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Ukrainian President Zelensky reportedly warned the US of air defence shortages,** according to Ukrainian press.
- **Ukrainian senior commander said he expected a "turning point" in the war in Ukraine within the next six to nine months.**
- **Russia's Kremlin said President Putin was open to negotiations with Europe,** according to RIA.
- **Russia's Security Council Secretary Shoigu said deployment of US and NATO military infrastructure in Afghanistan or neighbouring countries was unacceptable,** according to Interfax.

OTHER

- **China's military said a Dutch vessel repeatedly launched carrier-based helicopters that intruded into China's airspace and that a Dutch navy frigate illegally intruded into the Paracel Islands,** while it stated that the Dutch side should immediately cease infringing and provocative acts.

ASIA-PAC

NOTABLE HEADLINES

- **Chinese Premier Li said China should make good use of reserves and adjustments for bulk commodities and essential materials,** according to state media. Li also said **China should continuously enhance the resilience of industrial and supply chains, further expand reserve capacity, and promote the construction of various types of reserve facilities.**
- **China's Commerce Minister met with his German counterpart,** while China said it was willing to strengthen dialogue and consultation with Germany and jointly support free trade and multilateralism, according to a statement.

EU/UK

NOTABLE HEADLINES

- **UK energy regulator Ofgem announced a 13% increase in the energy price cap for July 1st to September 30th 2026, in line**

with expectations, citing higher wholesale gas prices due to the Middle East conflict.

- **Bank of France confirmed Emmanuel Moulin would become governor in June.**
- **ECB's de Guindos said inflation expectations were "well-anchored".**
- **ECB's Makhlouf said he had not yet seen second-round effects, although he did not rule out their existence,** while he added that any Iran peace deal would be a factor in rate decisions and that a return to pre-war conditions was unlikely to be clearly signalled.
- **ECB's Pereira said the conflict in the Middle East was expected to have a significant impact on price developments,** while adding the ECB was looking at second-order effects on prices and wages which would be taken into account at the next ECB meeting.
- **ECB's Stournaras said a June rate hike was likely.**