Daily European Opening News - 28th May 2026

SNAPSHOT

STOCKS			
Nikkei 225	-0.9%	ASX 200	-1.5%
Hang Seng	-2.1%	Shanghai Comp	-0.3%
Euro Stoxx 50 Jun'26	-1.2%	DAX Jun'26	-1.0%
ES Jun'26	-0.3%	NQ Jun'26	-0.8%

FX			
DXY	+0.3% (99.49)	EUR/USD	-0.3% (1.1592)
USD/JPY	U/C (159.56)	GBP/USD	-0.4% (1.3379)

BONDS			
US T-Note Jun'26	-10.5 ticks	Bund Jun'26	-36 ticks
US 10yr Yield	4.52%	German 10yr Yield	2.98%

ENERGY & METALS			
WTI Jul'26	+3.8%	Brent Aug'26	+3.6%
Spot Gold	-1.8%	LME Copper	-0.4%

CRYPTO			
Bitcoin	-1.9%	Ethereum	-2.3%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include Spanish Retail Sales (Apr), EU Consumer Confidence Final (May), US Initial Jobless Claims (May/23), GDP 2nd Estimate (Q1), Core PCE (Apr), Durable Goods Orders (Apr), Real Consumer Spending 2nd Estimate (Q1), Atlanta Fed GDP (Q2), ECB Minutes (Apr), SARB Policy Announcement (May). Speakers include Fed's Williams & Barkin, BoE's Breeden, ECB's Lane, Lagarde, Cipollone, Schnabel & SNB's Schlegel. Supply from the UK, Italy & US, Earnings from Dell.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **The sound of three explosions was heard from the east of Bandar Abbas, Iran, and air defences were activated for a few minutes,** according to Fars News Agency.
- **A US official said the US military carried out new strikes on an Iranian military site and shot down multiple Iranian drones that posed a threat to US forces and commercial maritime traffic in the Strait of Hormuz.**
- **Iran's Navy reportedly forced four vessels to turn back in the Strait of Hormuz by firing warning shots. Furthermore, a military source told Tasnim that hours ago, a US oil tanker intended to cross the Strait of Hormuz by turning off its radar system, but IRGC Navy fired at it and forced it to turn back, while the source added that the US army fired at a scorched-earth area in Bandar Abbas but caused no casualties or damage,** which was the cause of the earlier reported explosions.
- **IRGC said it targeted a US air base in response to the US aggression earlier near Bandar Abbas Airport, while it added that any further US attacks would trigger a more decisive response** and that Washington bears responsibility for consequences, according to Tasnim.
- **Air raid sirens sounded in Kuwait and the Kuwaiti Army said air defences were intercepting hostile missiles and drone attacks,** according to Al Hadath.
- **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 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 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 under a framework deal, the Strait of Hormuz would open immediately, while he does not want a bad agreement with Iran and stated he is not sure if the US should make an Iran deal if others do not join the Abraham Accords.** Furthermore, Trump said if it is not a great deal, the US will not do it, but thinks talks with Iran are going well and stated they have things understood now with Iran.
- **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 Iran negotiations were going well** and that Trump clearly outlined his red lines.
- **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.**
- **US issued fresh Iran-related sanctions by adding Persian Gulf Strait Authority to its SDN list, while US Treasury Secretary Bessent said Gulf Strait Authority action targets Hormuz tolls,** and that the Treasury is maintaining maximum pressure on Iran.
- **Iranian Parliament National Security Committee head said Iran will not be pushed back from its red lines by US President Trump's rhetoric,** while its red lines included the right to enrich uranium and its possession, authority over the Strait of Hormuz, and the removal of sanctions.
- **IRGC Aerospace Force Deputy Head of Public Relations Naderi said if enemies launch military action again, the Islamic Republic's response will be different from anything seen so far** and they will face a new image of Iran.
- **Iran's Supreme National Security Council Deputy Secretary Baqeri met with Russian Deputy Foreign Minister Ryabkov,** and discussed a number of important issues on the current international agenda with a focus on the situation around Iran's nuclear program.
- **Israeli fighter jets carried out an attack on the city of Tyre in southern Lebanon,** according to Mehr News Agency.

US TRADE

EQUITIES

- **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

- **EU is to broaden import quotas and tariffs against China, according to the bloc's industry commissioner,** cited by FT.

NOTABLE HEADLINES

- **Fed Vice Chair Jefferson (voter) said he has not prejudged the outcome of the June FOMC meeting and that monetary policy is well-positioned to respond to the economy.** Jefferson said he is firmly committed to getting inflation back to 2% and that risks around inflation outlook are tilted to the upside, but expects inflation to wane later this year on fading tariff and energy hits, while he also stated that focus remains on 2% inflation target and that the US labour market is very resilient to the energy shock
- **Fed's Cook (voter) said the right course of action is to hold rates steady, and that 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 the labour market is in decent shape, consumer prices remain too high,** and inflation remain the top priority.
- **Fed's Goolsbee (2027 voter) said energy inflation has been more persistent than expected,** and warned that Asia faced an old-style stagflation shock.

APAC TRADE

EQUITIES

- **APAC stocks** were pressured amid a flare-up of geopolitical tensions in the Middle East after the US conducted another defensive operation in which it attacked a launch site and shot down drones after they posed a threat to US forces and commercial maritime in the Strait of Hormuz, while the IRGC said it responded by attacking the US base where the US aggression originated from.
- **ASX 200** retreated amid the geopolitical escalation and with sentiment not helped by mixed data in which capex topped estimates, but household spending disappointed.
- **Nikkei 225** was initially choppy but ultimately retreated amid the rebound in oil prices and increased geopolitical tensions between the US and Iran.
- **Hang Seng** and **Shanghai Comp** were negative but to varying degrees, with the Hong Kong benchmark underperforming following recent earnings and mixed tech fortunes.
- **US equity futures** trickled lower amid the US-Iran tit-for-tat limited attacks.
- **European equity futures** indicate a lower cash market open with Euro Stoxx 50 futures down 1.2% after the cash market closed with gains of 0.1% on Wednesday.

FX

- **DXY** was supported as a rebound in oil prices and the negative risk appetite provided some tailwinds after reports of limited strikes between the US and Iran, while participants now await a slew of data releases, including the Fed's preferred Core PCE inflation gauge. There were also several Fed comments, including from Cook, Jefferson, Kashkari and Goolsbee, but they did little to shift the dial, with Cook stating that the right course of action is to hold rates steady, while Jefferson said he has not prejudged the outcome of the June FOMC meeting and that monetary policy is well-positioned to respond to the economy.
- **EUR/USD** gave up some ground and breached the 1.1600 level to the downside amid the firmer dollar and energy-related headwinds, while there were some hawkish-leaning comments from ECB's Lane and ECB Minutes also loom.
- **GBP/USD** trickled lower to return to sub-1.3400 territory with little catalysts from the UK to support the pound, while the UK energy regulator also recently announced a 13% increase in the energy price cap.
- **USD/JPY** took a breather after gaining a firmer footing above the 159.00 level, with price action contained amid a lack of tier-1 data from Japan and with intervention risks stoked as the pair edges closer to the psychological 160.00 level.
- **Antipodeans** weakened amid the downbeat mood as geopolitical tensions in the Middle East flared following tit-for-tat strikes between the US and Iran.

FIXED INCOME

- **10yr UST futures** continued their slide from the 110.00 level with pressure seen amid a rebound in oil as geopolitical tensions flared, while participants await a slew of data releases from the US, including PCE.
- **Bund futures** declined with headwinds from energy prices and further hawkish ECB rhetoric.
- **10yr JGB futures** rebounded from an early dip to return to flat territory, while Japan's ruling party proposed allowing the government to issue bridging bonds to fund certain expenditures, which can be excluded from the debt-to-GDP ratio and primary balance calculations.

COMMODITIES

- **Crude futures** edged higher after reports of explosions in Bandar Abbas, where the US was said to have carried out another defence operation in which it targeted a military site and shot down multiple Iranian drones that posed a threat to US forces and commercial maritime in the Strait of Hormuz. However, a military source cited by Iranian press stated a US oil tanker intended to cross the Strait of Hormuz by turning off its radar system, and the IRGC Navy fired at it, forcing it to turn back, while the US army then fired at a scorched-earth area in Bandar Abbas, but caused no casualties or damage. Further upside was then seen after the IRGC announced it retaliated against the airbase where the US aggression originated.
- **US Private Inventory Data (bbls): Crude -2.8mln (exp. -4.4mln),** Distillates +11.0mln (exp. -2.0mln), Gasoline -3.2mln (exp. -2.9mln), Cushing -2.9mln.
- **US President Trump said gasoline prices will come down like never before, while he also stated that the gas tax holiday is something they might talk about,** and will see over the next fortnight.
- Iran has restored production at the South Pars industrial hub to its pre-war capacity following an intensive repair operation, according to PressTV.
- **Spot gold** retreated amid higher oil prices and a firmer dollar, with increased selling pressure seen in metals as Shanghai commodities and LME electronic trade got underway.
- **Copper futures** extended recent declines amid the downbeat mood in Asia following reports of the US and Iran's retaliatory strikes.

CRYPTO

- **Bitcoin** declined throughout the session and eventually dipped beneath the USD 73,000 level.

NOTABLE ASIA-PAC HEADLINES

- **BoK kept the 7-day Repo Rate unchanged at 2.50%, as expected, while the decision was not unanimous as board members Ryoo and Chang dissented to Thursday's rate decision and called for a rate hike. BoK dot plots showed 10 of 21 policy rate projections by board members for the next six months at 3.00%, 7 dots projected 2.75%, 2 projected 2.50% and 2 projected rates at 3.25% in six months,** while the Board said it will decide the timing of any rate hikes.
- **BoK Governor Shin said they need to raise interest rates at some point in the future and need for a base rate hike at an appropriate time, while he added the policy path is very clear, with a restrictive stance ahead while factoring in FX, growth and inflation.** Shin stated that the wider BoK dot plot range reflects a high degree of uncertainty, and CPI is seen remaining above target for a considerable period, as well as noted that they need to monitor whether CPI and growth follow the expected path. Furthermore, he said inflationary pressures are emerging and strong growth is seen continuing in the coming months, while he also stated that **there may be technical differences within board members about when to hike, but board members agree the direction should be tightening**
- **BoJ Governor Ueda said they have seen supply shocks in food and energy, which even if temporary, can lift the overall inflation rate** because of their cumulative impact.
- **RBNZ Governor Breman said the board considers that inflation pressures will intensify in the future and the cash rate needs to be raised further.**

DATA RECAP

- Australian Private Capital Expenditure QoQ (Q1) Q/Q 6.5% vs. Exp. 1% (Prev. 0.4%)
- Australian Household Spending MM (Apr) -1.1% vs Exp. -0.5% (Prev. 1.6%)
- Australian Household Spending YY (Apr) 4.9% vs Exp. 5.8% (Prev. 6.3%)

GEOPOLITICS

OTHER

- **North Korea's Foreign Ministry stated that the country will never denuclearise, while it accused the US-led Quad of maintaining a hostile stance towards Pyongyang** and other regional nations, according to KCNA.

EU/UK

NOTABLE HEADLINES

- **ECB's Lane said even if initial energy shock starts to reverse, the second round will be with us for a while,** and even if there is some kind of resolution to the Iran war, the conflict has gone on for so long that there may be repositioning in terms of optimal diversification strategy.