Daily Asia-Pac Opening News - 29th May 2026

SNAPSHOT

STOCKS			
S&P 500	+0.6%	Nasdaq Comp.	+0.9%
DJIA	+0.1%	Russell 2000	+0.6%
ES Jun'26	+0.6%	RTY Jun'26	+0.4%
NQ Jun'26	+0.9%	YM Jun'26	+0.1%

FX			
DXY	-0.2% (99.01)	EUR/USD	+0.2%
USD/JPY	-0.2%	GBP/USD	+0.2%

BONDS			
US T-Note Jun'26	+4.5 ticks	10yr Bund Jun'26	+19 ticks
US 10yr Yield	4.45%	German 10yr Yield	2.96%

ENERGY & METALS			
WTI Jul'26	-0.2%	Brent Aug'26	+0.2%
Spot Gold	+0.1%	LME Copper	+1.3%

CRYPTO			
Bitcoin	-1.0%	Ethereum	-0.2%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include South Korea Industrial Production & Retail Sales, Japanese Industrial Production, Retail Sales & Tokyo CPI, Australian Private Sector Credit, Supply from Australia & Japan.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US and Iran reportedly reached an agreement on a 60-day MOU to extend the ceasefire and launch negotiations on Iran's nuclear programme, although US President Trump had yet to give final approval and asked to take a "few days" to think about it,** according to Axios. Reuters also reported that a US-Iran memorandum of understanding on extending a ceasefire by 60 days had been reached, although Trump still needed to approve it.
- **The text of the possible memorandum of understanding between the US and Iran has not been finalised and confirmed to this point,** according to Tasnim. Sources stated that **contrary to the claims of some Western sources that the text of the so-called "memorandum of understanding" between Iran and the US has been finalised and is just waiting for the two sides to announce it, this is not true, and the text has not yet been finalised.**
- **US Treasury Secretary Bessent posted that "The Treasury continues our Economic Fury campaign against the Iranian regime" and added that "Only a satisfactory outcome in negotiations will end the downward spiral".** Bessent also announced that the Treasury sanctioned Iran's Persian Gulf Strait Authority (PGSA), and they have warned any corporate or state entities against paying tolls or hiding them as aid payments. Furthermore, he said the US would shut down Iranian airlines' access to landing slots, refuelling and ticket sales.
- **US Treasury Secretary Bessent said the Omani ambassador confirmed there are no plans to impose transit fees in the Strait of Hormuz. Bessent earlier stated that the US would not tolerate any effort to impose a tolling system in the Strait of Hormuz and that "Oman, in particular, should know that the US Treasury will aggressively target any actors involved** - directly or indirectly".
- **US senior administration officials suggested the Axios report was accurate and said it appeared the US was getting everything**

it wanted.

- **US official said recent events in the Strait of Hormuz did not threaten negotiations with Iran and that recent measures were defensive in nature,** according to Al Jazeera.
- **Explosions, exchanges of fire in Hormuz Strait, according to Guy Elster citing local reports, while Iranian channels claim that Iran targeted 4 American ships that attempted to cross Hormuz.**
- **Iranian Supreme Leader Khamenei urged parliament to focus its decisions on Iran's key national issues and public needs.**
- **Iran said it would not allow the US to "undermine sovereignty" in the Strait of Hormuz,** according to Al Jazeera.
- **Iran's Deputy Foreign Minister said "the Americans committed mischief that is definitely a violation of the ceasefire" and that Iran "will not allow military actions to undermine Iran's sovereignty over the Strait of Hormuz".** It was also reported that Iran's Deputy Foreign Minister said the delay in studying the memorandum of understanding was to ensure it would serve the country's interests.
- **Iranian National Security Council official Bagheri said the US could not be trusted based on violating commitments,** while he added that ending the war on all fronts, including Lebanon, was a fundamental principle for negotiations or any agreement.
- **IRGC official Bagheri said Iran was ready to engage in constructive dialogue and sustainable cooperation with responsible regional countries to establish an order based on unity, independence and resistance,** according to IRIB News.
- **A source familiar with the details told i24NEWS that Supreme Leader Khamenei had not approved the agreement and that this was one of the reasons Trump had not yet agreed,** while the source added there was an agreement between Araghchi and Witkoff, but the senior Iranian leadership had not approved it.
- **Pakistani journalist Mallick posted "Almost done subject to a necessary nod, the fine prints have been refined",** while i24NEWS sources suggested there were agreements on a draft accord between the negotiating teams.
- **Kuwait said it retained all rights to take measures to preserve its security.**
- **Israeli military and security correspondent noted initial reports that Israeli forces conducted targeted attacks in Dahiya, Beirut.**
- **Hamas spokesperson said the Gaza ceasefire agreement faced the risk of collapse due to "occupation's crimes and ongoing violations",** according to Al Jazeera.

US TRADE

- **US stocks** printed fresh all-time highs, reversing earlier losses on the prospects of a US-Iran ceasefire deal, as oil pared gains sharply. This followed an Axios report that US and Iranian negotiators reached an agreement on a 60-day MoU regarding a ceasefire extension, though the deal still requires approval from US President Trump. However, Iran's Tasnim leaned back on Western reports, stating the text has not been finalised, with sources saying that Iran has not notified the Pakistani mediator of any finalisation, and added that any such narrative from Western sources remains invalid until Iran makes an official announcement. Nonetheless, stocks were gaining even prior to the Axios report after monthly core and headline PCE metrics for April came in below expectations, while Q1 GDP growth was revised down.
- **SPX** +0.57% at 7,563, **NDX** +0.84% at 30,224, **DJI** +0.05% at 50,670, **RUT** +0.57% at 2,937.
- Click here for a detailed summary.

TARIFFS/TRADE

- **EU is set to discuss restrictions on Chinese imports, although no decision was expected on Friday,** while the talks are aimed at aligning the Commission's thinking and addressing Chinese overproduction, according to The Guardian
- **China's MOFCOM said it was negotiating with the EU within the WTO over EU steel curbs,** and stated that China-EU economic relations were mutually beneficial.
- **Canadian PM Carney said China needed to move more rapidly to address the scale of its economic imbalances.**

NOTABLE HEADLINES

- **Fed's Williams (voter) said the US economy was solid and that the underlying labour market was doing well and stated the Middle East conflict was lifting inflation,** although the surge in energy prices was likely to be short-lived, and the US was currently less sensitive to oil shocks than historically. Williams also said that **monetary policy needed to remain data-dependent, and policy was well positioned and where the Fed wanted it to be, while he said persistently high inflation would call for higher rates, but caveated "that is not where we are today".**
- **Fed's Barkin (2027 voter) said strong earnings mean motivation to fire is not high.**
- **Fed's Musalem (2028) voter said the baseline outlook was that inflation would take longer to return to the target and noted risks that inflation may not converge to the target as policymakers would like. Musalem also said there was a scenario where the economy might require a rate increase and that it would concern him if disinflation was not seen in the next couple of quarters.** Musalem also commented that Fed policy appeared to be at or below long-run neutral and that he thought in April that the easing bias in the statement was no longer consistent, according to a Bloomberg TV interview. Furthermore, **Musalem stated that whether the Fed hikes, cuts or holds rates would depend on economic developments, and that reducing banking system demand for reserves would be a smoother path towards a smaller balance sheet than shrinking the supply side.**
- **US Treasury Secretary Bessent said Warsh means a new day at the Fed and believes he will do the right thing to balance inflation and growth.**

DATA RECAP

- US GDP Growth Rate QoQ 2nd Est (Q1) Q/Q 1.6% vs. Exp. 2.0% (Prev. 0.5%)
- US GDP Price Index QoQ 2nd Est (Q1) Q/Q 3.5% vs. Exp. 4.5% (Prev. 3.7%)
- US GDP Sales QoQ 2nd Est (Q1) Q/Q 1.5% vs. Exp. 1.6% (Prev. 0.3%)

- US PCE Prices QoQ 2nd Est (Q1) Q/Q 4.5% vs. Exp. 4.5% (Prev. 2.9%)
- US Core PCE Prices QoQ 2nd Est (Q1) Q/Q 4.4% vs. Exp. 4.3% (Prev. 2.7%)
- US Real Consumer Spending QoQ 2nd Est (Q1) Q/Q 1.4% vs. Exp. 1.6% (Prev. 1.9%)
- US PCE Price Index MoM (Apr) M/M 0.4% vs. Exp. 0.5% (Prev. 0.7%)
- US PCE Price Index YoY (Apr) Y/Y 3.8% vs. Exp. 3.8% (Prev. 3.5%)
- US Core PCE Price Index MoM (Apr) M/M 0.2% vs. Exp. 0.3% (Prev. 0.3%)
- US Core PCE Price Index YoY (Apr) Y/Y 3.3% vs. Exp. 3.3% (Prev. 3.2%)
- US Personal Spending MoM (Apr) M/M 0.5% vs. Exp. 0.5% (Prev. 0.9%)
- US Durable Goods Orders MoM (Apr) M/M 7.9% vs. Exp. 3.5% (Prev. 0.8%)
- US Initial Jobless Claims (May/23) 215.0k vs. Exp. 211k (Prev. 209k)
- US Continuing Jobless Claims (May/16) 1786.0k vs. Exp. 1780k (Prev. 1782k)

FX

- **USD** weakened after reports of a 60-day US-Iran ceasefire extension, reversing two sessions of gains driven by renewed hostilities, while the Dollar was on the defensive even before the constructive Iran news, following softer-than-expected monthly headline and core PCE (though annual inflation continues to climb away from the Fed's target), as well as data which showed a downward revision to Q1 GDP.
- **EUR** gradually benefitted from the softer dollar and, after regaining a footing at the 1.1600 handle, while ECB minutes stated that a number of members noted the decision was a close call and they would not have opposed raising rates.
- **GBP** rebounded from a brief dip beneath the 1.3400 level as risk sentiment was underpinned by reports regarding a potential ceasefire extension, while UK-specific newsflow and data remained light.
- **JPY** steadily gained as the dollar retreated and oil pared its initial advances, although USD/JPY remained in 159.00 territory, while there is a slew of data releases overnight heading into month-end, including the latest Tokyo CPI numbers.
- **South African Reserve Bank raised its benchmark rate by 25bps to 7.0%, in line with expectations, while the decision was split with four members supporting a 25bps hike and two members favouring no change.** SARB stated upside risks to inflation and downside risks to growth remained, while the SARB Governor added that a 50bps hike was discussed.
- **SNB's Schlegel said the SNB's main instrument was the policy rate and that FX interventions could be used if necessary, while Schlegel said the CHF was a safe-haven currency that tends to appreciate when global uncertainty is high,** and inflation meets the objective of medium-term price stability.

FIXED INCOME

- **T-notes** saw gains amid risk-on trade as Axios reported an agreement regarding a 60-day MoU to extend the US-Iran ceasefire.

COMMODITIES

- **Oil prices** settled with slight gains, albeit in choppy trade, as US/Iran updates dominated the tape. Whilst there was plenty of newsflow, the main update came via Axios, which sparked notable downside in oil, as the US and Iran reportedly reached an agreement on a 60-day MoU to extend the ceasefire and launch negotiations on Iran's nuclear programme, but Trump has yet to give it his final approval and asked to take a "few days" to think about it. However, Tasnim sources later refuted the claims, saying the text of the possible MoU has not been finalised or confirmed.
- **US EIA Crude Oil Stocks Change (May/22) -3.327M vs. Exp. -4.1M (Prev. -7.864M)**

GEOPOLITICAL

RUSSIA-UKRAINE

- **Russian intelligence chief said NATO was making preparations for a large-scale conflict on the eastern border,** according to Sky News Arabia.
- **Russian Energy Minister said Armenia had been warned of repercussions if it sought closer ties to the EU, particularly economic repercussions relating to energy pricing,** according to IFX.

OTHER

- **US President Trump's administration was reportedly accelerating its strategy to squeeze the Cuban regime through increased economic sanctions,** with the aim of speeding up transition without US invasions, according to Axios.

ASIA-PAC

NOTABLE HEADLINES

- **PBoC is reportedly set to guide banks to boost May lending amid weak credit issuance,** according to sources.

EU/UK

NOTABLE HEADLINES

- **BoE's Breeden said hedge funds were an important source of gilt demand but could amplify market volatility.**
- **ECB Minutes showed all members agreed to keep the three key ECB interest rates unchanged, while a number of members noted the decision was a close call and they would not have opposed raising rates.** The minutes stated that the **upside risks to inflation and downside risks to growth had intensified and weakness could persist well beyond the end of the conflict, while a few stressed that the option value of waiting had decreased and that a "looking through" approach without policy action was increasingly unlikely to be appropriate.**

DATA RECAP

- EU Consumer Confidence Final (May) -19.0 vs. Exp. -19.0 (Prev. -20.6, Low. -19.0, High. -18.0)
- EU Industrial Sentiment (May) -8.0 vs. Exp. -8.0 (Prev. -7.7, Low. -9.5, High. -7.0)
- EU Services Sentiment (May) 2.2 vs. Exp. 0.1 (Prev. 0.9, Low. -2.0, High. 1.8)
- EU Economic Sentiment (May) 93.5 vs. Exp. 92.5 (Prev. 93.0, Low. 92.0, High. 94.0)

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