Daily European Opening News - 29th May 2026

SNAPSHOT

STOCKS			
Nikkei 225	+2.6%	ASX 200	+1.5%
Hang Seng	+1.0%	Shanghai Comp	-0.1%
Euro Stoxx 50 Jun'26	+0.2%	DAX Jun'26	+0.3%
ES Jun'26	+0.1%	NQ Jun'26	U/C

FX			
DXY	+0.1% (99.047)	EUR/USD	-0.1% (1.1642)
USD/JPY	U/C (159.29)	GBP/USD	U/C (1.3440)

BONDS			
US T-Note Jun'26	+3 ticks	Bund Jun'26	+5 ticks
US 10yr Yield	4.44%	German 10yr Yield	2.96%

ENERGY & METALS			
WTI Jul'26	-1.3%	Brent Aug'26	-1.0%
Spot Gold	+0.3%	LME Copper	-0.2%

CRYPTO			
Bitcoin	-0.1%	Ethereum	+0.1%

As of 06:25BST/01:25EDT

LOOKING AHEAD

- Highlights include Spanish HICP (May), German Import Prices (Apr), State/Nationwide CPI Prelim. (May), Unemployment Rate (May), French GDP Final (Q1), HICP Prelim. (May), Italian HICP Prelim. (May), Canadian GDP (Q1). Speakers include BoE's Bailey, Fed's Kashkari, Schmid, Bowman, Paulson & Daly. Credit Rating updates include S&P on France & Hungary, Morningstar DBRS on Spain.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said the US has all the cards and Iran has been defeated militarily,** according to a Fox interview. Trump also said that they completely sank the Iranian Navy and destroyed its air force, but did not target all of Iran's military leadership so that what happened in Iraq would not be repeated.
- **US VP Vance said the US and Iran are exchanging proposals regarding some drafting points, including the issue of enrichment, while Vance said the time is still early to know when an agreement with Iran will be reached and if it will happen at all.** Vance said that President Trump is not yet ready to endorse the Iran agreement, but noted that the US and Iran made a lot of progress towards a ceasefire deal, with the sides at odds on uranium enrichment and stockpiles.
- **White House Deputy Chief of Staff for Policy Stephen Miller stated in an interview with Fox News that US President Trump is directly and personally involved in negotiations with Iran, making sure that the results are up to his standards.** Miller added that there's no deal until there's a deal and nothing is final until it's final, while he added that Trump has been clear that he reserves the option now or at any time in the future to do what is necessary to defend and protect US national security.
- **US Treasury Secretary Bessent said the Omani ambassador confirmed there are no plans to impose transit fees in the Strait of Hormuz.**
- **US imposed fresh sanctions targeting Iran's military oil sales, in which it sanctioned 25 individuals, firms and vessels.**
- **US Secretary of State Rubio will meet with Pakistan's Deputy PM and Foreign Minister today,**
- **US-Iran memorandum of understanding on extending a ceasefire by 60 days had been reached, although Trump still needed**

to approve it, according to Reuters.
- **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.**
- **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 military source said a US drone was intercepted near Bushehr in southern Iran, while Iranian television reports claimed "the downing of an American fighter jet" in the vicinity of Bushehr, although the US military said Iran's state TV claim that Iranian forces downed a US aircraft near Bushehr was false** and no US aircraft was shot down by Iran, with all US air assets accounted for.
- **Israel conducted shelling on several towns in southern Lebanon,** according to Al Mayadeen.

US TRADE

EQUITIES

- **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 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.
- **Canadian PM Carney said China needed to move more rapidly to address the scale of its economic imbalances.**

NOTABLE HEADLINES

- **Fed's Barkin (2027 voter) said strong earnings mean motivation to fire is not high.**
- **Fed's Musalem (2028 voter) said 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.**

APAC TRADE

EQUITIES

- **APAC stocks** headed into month-end on the front foot as the region took impetus from the gains stateside, where the S&P 500 and Nasdaq 100 posted fresh record highs amid reports of a tentative agreement regarding an MOU for a 60-day US-Iran ceasefire extension and to launch negotiations on Iran's nuclear programme, although it still needs approval from US President Trump, while Iranian sources also pushed back and stated it was not finalised.
- **ASX 200** was led higher by outperformance in the mining, materials and resources industries, while the energy and defensive sectors were at the other end of the spectrum as geopolitics and oil moves remained the main catalyst for price action.
- **Nikkei 225** rallied back above the 66,000 level amid lower oil prices and following a slew of data, including softer Tokyo CPI, lower Unemployment, and better-than-expected industrial output & retail sales.
- **Hang Seng** and **Shanghai Comp** were mixed as the mainland lagged and with headwinds from earnings, as automakers were pressured following weak results from XPeng, while sentiment was also not helped by trade frictions, with the EU set to discuss restrictions on Chinese imports.
- **US equity futures** traded rangebound after gaining yesterday on the the tentative agreement for a ceasefire extension.
- **European equity futures** indicate a mildly positive cash market open with Euro Stoxx 50 futures up 0.2% after the cash market closed with losses of 0.3% on Thursday.

FX

- **DXY** traded flat and got some mild respite after weakening yesterday as oil and yields retreated on reports of a tentative agreement regarding a potential 60-day US-Iran ceasefire extension, while the greenback was also not helped by the recent slew of data releases, including a downward Q1 GDP revision and the somewhat mixed/in-line PCE data.
- **EUR/USD** took a breather after returning to above the 1.1600 level on the back of recent dollar weakness, while ECB minutes

from the April meeting stated a number of members noted the decision to hold was a close call and that they would not have opposed raising rates.

- **GBP/USD** traded sideways overnight following the recent swings through the 1.3400 level, and as UK-specific newsflow and data releases remained quiet.
- **USD/JPY** retained the 159.00 status with a mild rebound seen in the aftermath of a slew of data, including softer-than-expected Tokyo inflation data, although gains were capped given that most data releases topped forecasts and with some light jawboning from Japanese Finance Minister Katayama, who said Japan can take decisive action on FX volatility.
- **Antipodeans** held on to recent spoils amid the positive risk tone and with outperformance in NZD following hawkish comments from RBNZ officials.
- **PBoC** set USD/CNY mid-point at 6.8176 vs exp. 6.7685 (prev. 6.8240).

FIXED INCOME

- **10yr UST futures** marginally extended gains after yields declined in tandem with a retreat in oil prices on reports of a tentative agreement regarding an MOU for a 60-day extension to the US-Iran ceasefire.
- **Bund futures** kept afloat following the prior day's rebound but with further upside capped ahead of German data, including Import Prices, State & Nationwide CPI figures and the Unemployment Rate.
- **10yr JGB futures** conformed to the upward momentum in global peers and rose above the 129.00 level, with upside facilitated by lower oil prices and softer-than-expected Tokyo CPI data, but have since pulled back from intraday highs following a 2yr JGB auction.

COMMODITIES

- **Crude futures** were subdued after wiping out the prior day's initial gains with pressure seen after reports that US and Iranian negotiators reached an agreement on a 60-day MOU to extend the ceasefire and launch negotiations on Iran's nuclear programme, although the deal still requires approval from President Trump, while Iran's Tasnim also pushed back against the reports and stated the text has not been finalised.
- **US EIA Crude Oil Stocks Change (May/22) -3.327M vs. Exp. -4.1M (Prev. -7.864M)**
- **Spot gold** held on to the prior day's spoils after climbing above the USD 4,500/oz level as the dollar, yields, and oil prices declined on the reports of a tentative agreement to extend the US-Iran ceasefire.
- **Copper futures** plateaued overnight after recently advancing on geopolitical-related optimism.

CRYPTO

- **Bitcoin** trickled lower throughout the session but held above the USD 73,000 level.

NOTABLE ASIA-PAC HEADLINES

- **RBNZ Governor Breman said she sees ongoing uncertainty around inflation, and that on balance, the OCR is likely to rise.**
- **RBNZ Assistant Governor Silk said she did not think interest rates need to increase yet, but noted that inflation pressures are building in the near term.** Silk added she is looking at high-frequency data for the July decision and stated the **bias is they're going to see rate hikes in the coming meetings.**
- **RBNZ's Gourley said rates are likely to rise sooner rather than later,** but the speed and size of any hike will depend on data.

DATA RECAP

- Japanese Industrial Production MM (Apr P) 0.8% vs. Exp. -0.9% (Prev. -0.4%)
- Japanese Retail Sales YY (Apr) 2.1% vs. Exp. 1.3% (Prev. 1.7%, Low. 0.2%, High. 3.2%)
- Japanese Unemployment Rate (Apr) 2.5% vs. Exp. 2.7% (Prev. 2.7%, Low. 2.6%, High. 2.7%)
- Japanese Tokyo CPI YY (May) 1.4% vs. Exp. 1.6% (Prev. 1.5%)
- Japanese Tokyo CPI Ex. Fresh Food YY (May) 1.3% vs. Exp. 1.5% (Prev. 1.5%)
- Japanese Tokyo CPI Ex. Food and Energy YY (May) 1.6% vs. Exp. 1.9% (Prev. 1.9%)

GEOPOLITICS

RUSSIA-UKRAINE

- **Fuel storage facilities in Russia's Yaroslavl region were hit by drones.**
- **Romanian radio station reported a drone hit a residential building in Romania's Galati,** near the border with Ukraine.

EU/UK

NOTABLE HEADLINES

- **EU is preparing emergency powers to intervene in Europe's semiconductor supply chains during shortages, including forcing chipmakers to override existing contracts,** according to FT.