Daily Asia-Pac Opening News - 1st June 2026

SNAPSHOT

STOCKS			
S&P 500	+0.2%	Nasdaq Comp.	+0.2%
DJIA	+0.7%	Russell 2000	-0.5%

FX			
DXY	98.94	EUR/USD	Flat
USD/JPY	Flat	GBP/USD	+0.1%

BONDS			
US T-Note Jun'26	+2.5 ticks	10yr Bund Jun'26	+4 ticks
US 10yr Yield	4.45%	German 10yr Yield	2.93%

ENERGY & METALS			
WTI Jul'26	-1.3%	Brent Aug'26	-1.8%
Spot Gold	Flat	CME Copper	-0.5%

CRYPTO			
Bitcoin	-0.3%	Ethereum	-0.7%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include Japanese Capital Spending, South Korean Trade Data, Regional PMIs, Chinese RatingDog Manufacturing PMI, Holiday Closures in New Zealand, Indonesia, Malaysia & Thailand.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump's meeting in the Situation Room on Friday lasted about two hours, but he did not reach a decision on any new deal with Iran,** NYT reports citing a senior admin official. The official stated that the administration believes it is close to an agreement, but there are still certain matters being debated, including the unfreezing of funds for the Iranians.
- **US Treasury Secretary Bessent said on Friday that there were three scenarios regarding Iran, which were a deal, no deal, or 'kinetic' action.** Bessent said anything that is taken off will be taken off slowly, when asked about the blockade on Iran, but also commented that there is more they can do if they have to.
- **Iranian Supreme Leader's military adviser Mohsen Rezaei said Iran has no intention of yielding or compromising with the US and will not place itself in a weak position, while he also stated that US President Trump is betraying diplomacy for the third time** by continuing a naval blockade on Iran and making excessive demands.
- **Iranian Foreign Minister Araghchi told state media that talks and message exchanges with the US are ongoing, and that the talks cannot be judged until a clear result is reached.**
- **Iran may propose changes to the US peace draft memorandum of understanding,** according to Tasnim. Furthermore, it was noted that President Trump proposed further changes to the existing text, while a source stated that text exchanges continue and that Iran may submit its own edits.
- **Iran's Presidential Office denied reports that Iranian President Pezeshkian submitted his resignation to the Supreme Leader,** and stated that the stories were spread by some foreign media.
- **Iranian missile attack on a Kuwaiti airbase late last week injured several Americans.**
- **Explosions were reported near Erbil in Iraq's Kurdistan region.**
- **Air defence activity was reported on Friday near Iran's Qeshm Island,** according to Mehr News.
- **Israel expanded its ground assault in Lebanon for its broadest incursion into Lebanon in 25 years,** while it stated that Hezbollah fired more than 300 projectiles at Israeli forces over the weekend.

- **Air raid sirens sounded in Kiryat Shmona and its surrounding area in northern Israel.**

US TRADE

- **US stocks** continued to rise at the end of last week and were underpinned by geopolitical optimism. President Trump outlined demands for an Iran agreement, including a pledge never to develop nuclear weapons, immediate unrestricted access through the Strait of Hormuz, mine removal, and US excavation of enriched uranium stockpiles in coordination with Iran and the IAEA. However, Fars News, citing an informed source, called Trump's nuclear claims "baseless," said USD 12bln in frozen assets must be unfrozen before further talks, and confirmed no final decision has been reached in Tehran. Meanwhile, the President held a meeting in the Situation Room, which lasted approximately two hours, but no decision was reached on a new deal; the administration believes it is close to an agreement, with outstanding issues including the unfreezing of funds for Iran, NYT said. The news provoked some downside in equities and bonds, but stock traders quickly bought the dip, and the S&P 500 and Nasdaq 100 rallied into the close.
- **SPX** +0.24% at 7,582, **NDX** +0.36% at 30,333, **DJI** +0.72% at 51,033, **RUT** -0.53% at 2,922.
- Click here for a detailed summary.

TARIFFS/TRADE

- **China vowed to resolutely retaliate if the EU proceeds with new restrictive trade measures,** following a European Commission discussion on China policy last Friday.

NOTABLE HEADLINES

- **Fed's Waller (voter) said the spread of stablecoins globally could broaden the reach of US monetary policy.**
- **Fed's Daly (2027 voter) says barriers to getting sustained productivity growth from AI are largely regulatory, while she sees green shoots for productivity growth from AI,** and doesn't expect mass unemployment or displacement from AI.
- **US President Trump posted regarding a New York Times article about an exodus of legal talent from the Trump administration, in which he commented that this is a good thing and many of the departing staffers are 'Radical Left Deep State Lunatics',** while he added many of them did not leave but were fired.

COMMODITIES

- **EU is mulling a temporary freeze on its Russian oil price amid the Middle East conflict,** according to people familiar with the matter cited by Reuters.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Ukrainian President Zelensky said they believed Russia could launch a major assault during the weekend using drones, cruise missiles, and ballistic missiles.**
- **IAEA experts inspected the Zaporizhzhia Nuclear Power Plant after Russia claimed the idled atomic facility was struck by a Ukrainian drone,** while Ukraine also targeted a Russian refinery.

OTHER

- **US, UK and Australia announced to further deepen AUKUS maritime ties through the development of advanced underwater drone systems.**
- **US Secretary of War Hegseth said the US, Japan and South Korea are deepening defence cooperation to ensure their combined forces remain lethal, prepared and capable of deterring aggression in the region.** Hegseth reportedly sought to convince allies that the US should stay quiet on Taiwan and separately commented that a true friendship was developing between the US and Pakistan.
- **South Korea said it will conduct joint search and rescue exercises at sea with Japan for the first time in nine years.**
- **Japan denounced an accusation by China that it was pursuing 'new militarism', with Japanese Defence Minister Koizumi stating that Tokyo was being unfairly called out for its actions to increase weapons spending.** Furthermore, he feels sad that they were not able to meet his Chinese counterpart at the Shangri-La dialogue in Singapore, but stated that Japan's door is always open.
- **China ordered a New York Times journalist earlier this year to leave the country due to an interview with Taiwan President Lai,** while Taiwan condemned the expulsion.

ASIA-PAC

NOTABLE HEADLINES

- **China signalled it would focus its policy regarding online platforms in balancing support for growth with enhanced regulatory oversight,** according to a draft article in a Communist Party publication.
- **Five workers were killed following the collapse of a mine in China's Yunnan province on Sunday.**
- **India's Finance Ministry said India needs to be vigilant on the inflation outlook in the country,** just days ahead of the central bank's 3-day monetary policy meeting.

DATA RECAP

- **Chinese NBS Manufacturing PMI (May) 50.0 vs Exp. 50.2 (Prev. 50.3)**
- **Chinese NBS Non-Manufacturing PMI (May) 50.1 vs Exp. 49.5 (Prev. 49.4)**
- **Chinese Composite PMI (May) 50.5 (Prev. 50.1)**

EU/UK

NOTABLE HEADLINES

- **UK former Health Secretary and potential leadership contender Wes Streeting flagged the idea of lowering employers' national insurance and favours new North Sea oil drilling.**
- **BoE's Mann said the long run of good luck central bankers experienced in containing inflation has run out with a more shock-prone era setting in.**
- **ECB's Pereira said the central bank shouldn't hesitate to act and thinks that it is better to act sooner rather than later,** so that they don't have much greater second-order effects later on.
- **ECB's Vujcic said Croatia's inflation is likely to ease in May after accelerating to the fastest annual pace in the euro area of 5.8% in April.**
- **S&P confirmed France's sovereign rating at A+; Outlook Stable,** according to French Finance Minister Lescure.
- **SoftBank pledged to spend at least USD 52bln on building a network of data centres in France** as it seeks to deliver as much as 3.1 gigawatts of computing capacity in the country by 2031, according to WSJ.