Daily Asia-Pac Opening News - 2nd June 2026

SNAPSHOT

STOCKS			
S&P 500	+0.3%	Nasdaq Comp.	+0.4%
DJIA	+0.1%	Russell 2000	-0.5%
ES Jun'26	+0.2%	RTY Jun'26	-0.7%
NQ Jun'26	+0.4%	YM Jun'26	+0.1%

FX			
DXY	+0.3% (99.19)	EUR/USD	-0.2%
USD/JPY	+0.3%	GBP/USD	+0.1%

BONDS			
US T-Note Jun'26	-2.5 ticks	10yr Bund Jun'26	-47 ticks
US 10yr Yield	4.46%	German 10yr Yield	3.01%

ENERGY & METALS			
WTI Jul'26	+5.9%	Brent Aug'26	+4.3%
Spot Gold	-1.2%	LME Copper	+1.8%

CRYPTO			
Bitcoin	-3.5%	Ethereum	-0.4%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include South Korean CPI, Japanese Monetary Base, Australian Building Approvals, Current Account & Net Exports Contribution to GDP, Indonesia Trade Data & Inflation, Supply from Japan.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump told NBC News that he had not heard from Iran regarding reports that Tehran was suspending talks and said, "I think we've been talking too much if you want to know the truth, going silent would be very good," while adding that the blockade in the Strait of Hormuz would remain in place and that he could "wait as long as they want"** because "they're losing a fortune." However, it was separately reported that **President Trump said talks with Iran were continuing at a rapid pace.**
- **US President Trump told CNBC that he did not care if negotiations with Iran were over and said he intended to ask Israeli Prime Minister Netanyahu what was happening with Lebanon. He also said he was not concerned about oil prices after Iranian state media reported that Tehran was vowing to "completely block" the Strait of Hormuz and halt negotiations,** adding that "I think the oil will be dropping like a rock in the very near, you know, the very near distance."
- **US President Trump said he had a very productive call with Israeli PM Netanyahu and that there will be no troops going to Beirut, while he added that Hezbollah agreed that all shooting will stop.**
- **US was initially reported to have given the green light for Israeli strikes on Beirut and its southern suburbs, according to Al Araby. However, a US source told Al Hadath that the Lebanese position had succeeded in convincing Israel not to expand the military escalation, while Washington was working to prevent the collapse of the negotiation track** it is leading between Lebanon and Israel. The escalation had reportedly threatened a fourth round of Lebanese-Israeli talks scheduled for Tuesday, while negotiations were said to have moved from "preliminary contacts" to "security arrangements."
- **Pakistan's Foreign Ministry announced that Iran had called for Pakistan's continued mediation efforts to de-escalate the situation and support the ceasefire,** according to ILNA. - **Iran's Foreign Ministry said the US bore direct responsibility for violations of the ceasefire with Iran and for ceasefire violations committed by Israel in Lebanon, adding that a violation on one**

front was equal to violations on all fronts. The ministry said Iran would continue using all of its capabilities and exercise its right to self-defence whenever necessary.

- **Iranian Foreign Minister Araghchi said the ceasefire between Iran and the US unequivocally applied to all fronts, including Lebanon, and warned that any violation on one front constituted a violation across all fronts,** while adding that the US and Israel would bear responsibility for the consequences of any breach.
- **Iranian FM spokesperson Baghaei said no negotiations had taken place on the details of the nuclear issue at this stage, while adding that one of the issues under discussion was the allocation of reconstruction funds.** Baghaei also said that **Tehran was considering options for responding to escalating Israeli attacks in Lebanon and stressed that a ceasefire in Lebanon was an integral part of any broader agreement and end to the war.** He also stated that a lack of trust and constant shifts in US and Israeli positions regarding Lebanon were delaying diplomacy, as well as noted that continued maritime piracy and attacks on Iranian shipping constituted violations of the ceasefire, but added that exchanges of messages were ongoing.
- **Iran's Deputy Foreign Minister Gharibabadi said Iran's goal was not to detain ships in the Strait of Hormuz but to establish procedures that were not contrary to international law,** while adding that these arrangements would not be temporary and that Tehran would not back down.
- **Advisor to Iran's Supreme Leader Mohsen Rezaei said the Strait of Hormuz was under Iran's management and that Tehran would not allow the blockade to continue, while he warned that Iran would not tolerate increased tensions in Lebanon** and said the patience of Iran's armed forces had limits.
- **Iranian member of the negotiating team's media team said that during the first stage of negotiations, the US demanded the transfer of Iranian nuclear materials to the US,** but the request was rejected.
- **Iran had reportedly stopped exchanging messages with the US in protest against "Zionist crimes," while Iran and the Resistance Front had reportedly set an agenda to completely block the Strait of Hormuz and activate other fronts, including the Bab al-Mandab Strait,** according to Tasnim. It was also reported that Yemen's Houthis were prepared to join Hezbollah against Israel.
- **IRGC force commander said Israeli operations in Lebanon and Gaza will lead the resistance axis to 'equate the traffic situation of the Bab El Mandeb Strait with the Strait of Hormuz',** according to state media.
- **Iran's Central Military Command warned residents in northern Israel to evacuate to avoid harm if Israel carried out attacks on Beirut.**
- **Iran suggested that the US and Israel had attempted to pressure Tehran by intensifying attacks on the Lebanese and Gaza fronts**, Mehr News reported.
- **Israeli PM Netanyahu said Israel would continue to expand and deepen field operations in southern Lebanon.** Netanyahu later said that **he spoke with US President Trump in the evening and told him that if Hezbollah does not stop attacking our cities and citizens, Israel will attack terror targets in Beirut.**
- **Israel was awaiting Trump's final approval for any operation in Beirut's southern suburbs,** according to two Israeli sources.
- **Israel planned a major strike in Beirut's Dahieh district, although the operation was postponed at the last moment following US intervention,** according to Kann News.
- **Israeli army will not carry out attacks in Beirut and will not withdraw from its current positions,** according to Al Araby reports citing the official broadcasting authority.
- **Israel's threat to bomb Beirut's southern suburbs came at the request of the US in an effort to pressure Iran during negotiations,** according to Al Araby citing a senior Hezbollah source.
- **Hezbollah will not stop targeting northern Israel following Israeli threats on Monday to bomb Beirut's southern suburbs if attacks continued,** AFP reported citing a source close to Hezbollah.
- **Hezbollah lawmaker said they support a full ceasefire on all Lebanese territory, and a full ceasefire would be a precursor to an Israeli troop withdrawal from all Lebanese territory.**
- **Lebanese official told the US that Hezbollah was ready for a full ceasefire with Israel,** according to Axios. Lebanese parliament speaker Nabih Berri reportedly told the Trump administration on Sunday that Hezbollah was prepared for an immediate and comprehensive ceasefire and pledged to guarantee its implementation, according to Berri adviser Ali Hamdan. Axios added that US officials told Berri they did not believe Netanyahu would agree, while noting that such a truce could leave the Israeli occupation of southern Lebanon in place while potentially separating the Lebanese front from the conflict with Iran.
- **Lebanese Presidency cited the Lebanese embassy in the US, stating that Hezbollah agreed to the US proposal on a mutual cessation of attacks that would be expanded to all Lebanese territory.**
- **UKMTO reported an incident 40 miles off Umm Qasr in Iraq,** according to Al Hadath, which said a cargo ship had been struck by a massive projectile explosion off the Iraqi coast. Al Arabiya also reported that a **large Panamanian-flagged vessel had been hit by an explosion in Iraqi territorial waters.**
- **Iran said it would ensure that Japanese ships passed through the Strait of Hormuz with "greater" ease, while adding that some parties, including the United States, had undermined diplomatic processes by reneging on commitments.** Tehran added that it was fully prepared to facilitate maritime traffic.

US TRADE

- **US stocks** ultimately closed mostly higher on Monday, although gains were concentrated in large-cap tech, while the Russell 2000 underperformed and broader sector breadth remained weak outside of Technology and Energy, with tech supported by strength in mega-cap names Nvidia and Microsoft after the companies unveiled a new Windows AI superchip, which also lifted related names including Dell, HP and Arm. Energy outperformed following a raft of geopolitical headlines, with the key update coming from Tasnim, which reported that Iran had halted message exchanges with the US via mediators and was threatening to completely block both the Bab al-Mandab Strait and the Strait of Hormuz. Nonetheless, sentiment improved through the afternoon as subsequent headlines were more constructive, namely, Trump announcing a Hezbollah/Israel ceasefire, which

saw crude prices pull back from peaks, although both benchmarks still settled firmly higher.
- **SPX** +0.26% at 7,600, **NDX** +0.60% at 30,514, **DJI** +0.09% at 51,084, **RUT** -0.47% at 2,906.
- Click here for a detailed summary.

DATA RECAP

- US ISM Manufacturing PMI (May) 54.0 vs. Exp. 53.0 (Prev. 52.7; Low 52.1, High 54.0)
- US ISM Manufacturing Prices (May) 82.1 vs. Exp. 85.5 (Prev. 84.6; Low 82.5, High 87.0)
- US ISM Manufacturing New Orders (May) 56.8 (Prev. 54.1)
- US ISM Manufacturing Employment (May) 48.6 (Prev. 46.4)
- US S&P Global Manufacturing PMI Final (May) 55.1 vs. Exp. 55.3 (Prev. 54.5)
- US Construction Spending (Apr) M/M 0.4% (Prev. 0.6%)

FX

- **USD** was firmer amid higher oil prices and punchy geopolitical rhetoric, in which Tasnim reported Iran has stopped exchanging messages with the US via mediators, and that it is to "completely" block the Bab al-Mandab Strait and Strait of Hormuz. Nonetheless, there was more encouraging US/Iran reporting later in the session, as Trump said talks with Iran are continuing at a rapid pace and that he had a very productive call with Netanyahu. He said Israel agreed there would be no troops going to Beirut and that Hezbollah agreed that all shooting would stop, implementing a ceasefire between the two.
- **EUR** weakened as the dollar climbed alongside the earlier negative geopolitical headlines, but with the single currency off today's worst levels, with support seen near the 1.1600 level and as later headlines were more encouraging.
- **GBP** whipsawed and ultimately returned to flat territory, with the price swings in GBP/USD contained within the 1.3400 handle.
- **JPY** weakened amid higher oil prices and a firmer buck, which saw USD/JPY get a firmer footing above the 159.00 level.

FIXED INCOME

- **T-notes** bear flattened on Monday as crude prices rallied, although yields came off session highs after President Trump announced an Israel-Hezbollah ceasefire.

COMMODITIES

- **Oil prices** were notably firmer to start the week, albeit settled off highs with price action driven by Middle East reporting. The big market mover came just prior to the US cash equity open, whereby Tasnim reported Iran has stopped exchanging messages with the US via mediators, and will "completely" block the Bab al-Mandab Strait and Strait of Hormuz in response to Israeli crimes in Lebanon and Gaza. As such, WTI and Brent saw a knee-jerk higher before gradually extending to highs in the US afternoon. Following that, some of the reporting was more risk-positive, which saw benchmarks reside off peaks, including an Axios report that a Lebanese official told the US that Hezbollah was ready for a full ceasefire with Israel, and Kann News followed that Israel had planned a significant strike in Dahieh in Beirut, but it was postponed at the last moment due to US intervention.
- **OPEC+ was reportedly likely to raise July output quotas by 188k bpd at Sunday's meeting,** according to Reuters sources, while **seven members were expected to agree and the broader group policy was anticipated to remain unchanged.**
- **Russian authorities were preparing a new package of measures aimed at saturating the domestic fuel market,** according to RBC News sources. The government and relevant agencies were reportedly discussing increased supplies from Belarus as well as raising the import damper on Class 5 gasoline and diesel fuel.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Russian President Putin said Ukrainian attacks in Luhansk and the southern Kherson region show Kyiv is opening a new page in a series of attacks.**
- **Russian President Putin was reportedly told by senior officials that the war in Ukraine was becoming unaffordable,** in what Bloomberg described as the clearest sign yet of internal divisions in Moscow since the start of the full-scale invasion.

OTHER

- **German Chancellor Merz was reportedly preparing to gather multiple leaders to draft a NATO plan aimed at securing Trump's support,** according to Bloomberg.
- **China and US militaries were reportedly set to hold a maritime security consultative working-group meeting.**

EU/UK

NOTABLE HEADLINES

- **UK Chancellor Reeves reportedly summoned oil executives from companies including BP and Shell to discuss a proposed crackdown on tax loopholes involving foreign branches,** according to Sky News.

DATA RECAP

- UK S&P Global Manufacturing PMI Final (May) 53.9 vs. Exp. 53.7 (Prev. 53.7)
- EU S&P Global Manufacturing PMI Final (May) 51.6 vs. Exp. 51.4 (Prev. 52.2)
- French S&P Global Manufacturing PMI Final (May) 49.7 vs. Exp. 48.9 (Prev. 52.8)
- German S&P Global Manufacturing PMI Final (May) 50.1 vs. Exp. 49.9 (Prev. 51.4)
- German Retail Sales MoM (Apr) M/M -0.3% (Prev. -2%)
- German Retail Sales YoY (Apr) Y/Y -0.3% (Prev. -2%)