Daily European Opening News - 2nd June 2026

SNAPSHOT

STOCKS			
Nikkei 225	-0.8%	ASX 200	-0.2%
Hang Seng	+1.8%	Shanghai Comp	+0.4%
Euro Stoxx 50 Jun'26	+0.5%	DAX Jun'26	+0.4%
ES Jun'26	-0.3%	NQ Jun'26	-0.4%

FX			
DXY	U/C (99.148)	EUR/USD	+0.1% (1.1638)
USD/JPY	U/C (159.71)	GBP/USD	+0.1% (1.3464)

BONDS			
US T-Note Jun'26	+8 ticks	Bund Jun'26	+50 ticks
US 10yr Yield	4.43%	German 10yr Yield	2.98%

ENERGY & METALS			
WTI Jul'26	-0.9%	Brent Aug'26	-0.7%
Spot Gold	+0.8%	LME Copper	+0.4%

CRYPTO			
Bitcoin	-1.0%	Ethereum	-0.5%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include EZ CPI (May), JOLTs Job Openings (Apr), RCM/TIPP Economic Optimism, New Zealand Export/Import Prices (Q1), NBP Policy Announcement (Jun). Speakers include Fed's Kashkari & Hammack, BoE's Bailey & Greene, ECB's Vujcic. Supply from UK & Germany. Earnings from Dollar General, Palo Alto & ULTA Beauty.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said talks with Iran were continuing at a rapid pace.**
- **US President Trump told ABC News he thinks he will have an agreement with Iran to extend the ceasefire and reopen the Strait of Hormuz over the next week,** while he also stated that a peace agreement with Iran could be better than a military victory. Trump also stated that it's not simple for both sides, but they're getting what they need to get and that he still has to get a few more points.
- **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."
- **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 President Trump posted that he asked Israeli PM Netanyahu not to go into a major raid of Beirut, and that Netanyahu turned his troops around, while Trump thanked 'Bibi' and said he also had a conversation with representatives of the leaders**

of Hezbollah.** Trump added that **they agreed to stop shooting at Israel, and its soldiers, while Israel agreed to stop shooting at them.**

- **US President Trump reportedly lashed out at Israeli PM Netanyahu over Israel's escalation in Lebanon in an expletive-laden call on Monday,** according to Axios, citing two US officials and a source briefed on the call.
- **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.”
- **Iran’s Foreign Ministry said the US bears 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 Parliament Speaker Ghalibaf said talks will halt if Israeli actions persist in Lebanon,** and warned that Iran will confront Israel if atrocities in Lebanon continue.
- **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 Iran would not tolerate increased tensions in Lebanon** and said the patience of Iran’s armed forces had limits.
- **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's IRGC reported targeting a US-owned commercial vessel with a cruise missile, according to Al Jazeera.
- **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.
- **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.
- **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.**
- **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.
- Source close to Yemen's Houthis emphasised they will not allow Lebanon to be attacked and Hezbollah to fight alone, according to SNN.
- **UN Secretary-General Guterres proposed to the UN Security Council the establishment of a new force to replace the UNIFIL,** peacekeeping force in southern Lebanon, according to i24's Amichai Stein.
- **Syrian local sources reported that Israeli troops with more than 10 military vehicles entered one of the villages in Al-Quneitra province in southern Syria,** according to Tasnim.

US TRADE

EQUITIES

- **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.]()

TARIFFS/TRADE

- **White House released a Fact Sheet stating President Trump signed a Proclamation adjusting certain metals tariffs to more effectively address national security threats and spur investment. The Proclamation adjusts the tariffs on agricultural equipment, like combines and harvesters, as well as certain other equipment, from 25% to 15%,** while it expands the category of industrial equipment subject to a 15% tariff to include mobile industrial equipment, like bulldozers and forklifts, when imported from trade deal countries that are entitled to such treatment. It also encourages foreign companies to use more US steel and aluminium by allowing them to qualify for a 10% duty rate if their capital equipment includes at least 85% US melted and poured or smelted and cast steel or aluminium by weight.
- **US Trade Representative said they determined that Brazil has performed unreasonable acts under Section 301 and that the acts are actionable,** while the US continues to engage with Brazil to seek a resolution, and the US will hold a hearing about proposed action on June 6th. **USTR later proposed to impose tariffs of 25% on all imports from Brazil, except for goods that are subject to Section 232 national security tariffs.**
- **Chinese entities' procurement records showed that Chinese labs with ties to the military were seeking NVIDIA (NVDA) chips,**

according to Bloomberg.

NOTABLE HEADLINES

- **US President Trump dropped the USD 1.8bln anti-weaponisation fund following Republican backlash,** according to FT.

APAC TRADE

EQUITIES

- **APAC stocks** were mixed following the choppy performance stateside, where the major indices ultimately finished mostly higher amid tech strength and mixed geopolitical updates.
- **ASX 200** was subdued amid weakness in real estate, financials and defencives, while sentiment was also not helped by a slew of mostly weaker-than-expected data releases.
- **Nikkei 225** slipped after printing a new all-time high at the open with very few fresh catalysts from Japan, and as the recent mixed geopolitical headlines provide an opportunity to book profits.
- **Hang Seng** and **Shanghai Comp** conformed to the mixed picture with the mainland flat, while the Hong Kong benchmark was led higher by strength in the big tech names, with Meituan underpinned post-earnings, while Tencent, Alibaba, Lenovo, Kuaishou, SMIC and JD were all among the top performers.
- **US equity futures** were lacklustre following recent mixed geopolitical messaging.
- **European equity futures** indicate a positive cash market open with Euro Stoxx 50 futures up 0.5% after the cash market closed with losses of 0.3% on Monday.

FX

- **DXY** dollar struggled for direction overnight after strengthening yesterday on higher oil prices and initial punchy geopolitical rhetoric, but did pare some of the moves as later geopolitical updates were more encouraging. Nonetheless, price action has since quietened overnight with muted reaction seen to Trump adjusting certain metals tariffs to more effectively address national security threats and spur investment.
- **EUR/USD** traded sideways following a partial rebound from support near the 1.1600 level, and as EU CPI looms.
- **GBP/USD** paused overnight after the recent whipsawing and with trade confined within the 1.3400 handle.
- **USD/JPY** retained a firm footing at the 159.00 level, which keeps the door open for questions on intervention, although Japanese Finance Minister Katayama refrained from commenting on FX intervention and current FX level, while she stated that changes to their FX warning phrases would risk confusing markets and reiterated that they are closely coordinating with the US on FX.
- **Antipodeans** were contained amid the mixed risk appetite and with little reaction seen to a slew of data from Australia, which mostly missed expectations, including Current Account, Net Exports Contribution, Building Approvals and Company Profits.
- **PBoC** set USD/CNY mid-point at 6.8187 vs exp. 6.7720 (prev. 6.8167).

FIXED INCOME

- **10yr UST futures** continued to gradually rebound after the prior day's bear flattening, which had been spurred by a rally in oil, while the pullback in yields followed the improvement in geopolitical rhetoric, including the announcement of a partial ceasefire in Lebanon.
- **Bund futures** added to their gains after clawing back recent losses and returning to above the 126.00 level, while participants await EU CPI data and a looming EUR 5bln Schatz issuance.
- **10yr JGB futures** mirrored the recovery in global peers and rose above the 129.00 level with further upside seen in the aftermath of the 10yr JGB auction.

COMMODITIES

- **Crude futures** gradually pulled back overnight following the prior day's rally, which was spurred by Iran's threats to block the Bab al-Mandab Strait and as initial reports stated Iran was stopping exchanging texts with the US. Nonetheless, prices eased back from Monday's best levels as later reports were more encouraging, in which Trump announced that talks with Iran were continuing at a rapid pace and that Hezbollah agreed to a reciprocal halt of attacks on Israel, while it was also reported that Israel postponed a planned major strike in Beirut after US intervention and with Trump said to have lashed out in a call with Israeli PM Netanyahu regarding the escalation in Lebanon.
- **Spot gold** was rangebound for most of the session after recent declines, although it eventually edged higher and returned to above the USD 4,500/oz level.
- **Copper futures** lacked conviction after recent sideways trade and amid the mixed risk appetite.

CRYPTO

- **Bitcoin** fell beneath the USD 71,000 level, but has gradually clawed back most of the losses.

NOTABLE ASIA-PAC HEADLINES

- **RBA's Harper said stronger than expected domestic demand and re-emergence of capacity constraints have widened the output gap again, and markets are now anticipating that the bank would have to address this,** while he added that persistent inflation is a genuine concern and market measures of inflation have gone up, which is a worry.

DATA RECAP

- Australian Current Account (Q1) -27.1B vs Exp. -23.2B (Prev. -21.1B)
- Australian Net Exports Contribution to GDP (Q1) -0.8% vs Exp. -0.5% (Prev. -0.1%)
- Australian Building Permits MM (Apr P) -3.4% vs Exp. -2.3% (Prev. -10.5%)
- Australian Building Permits YY (Apr P) 10.2% (Prev. 9.0%)
- Australian Company Gross Profits QQ (Q1) -1.3% vs Exp. 0.5% (Prev. 5.8%)
- Australian Business Inventories QQ (Q1) 0.5% vs Exp. 0.1% (Prev. -0.1%)

GEOPOLITICS

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.
- **Explosions were reported in Kyiv, and a witness said the city sustained a large-scale air bombardment,** while Ukraine's air force said it detected missiles headed towards the Sumy region and Kyiv, as well as UAVs that were headed towards Zaporizhzhia from the south.
- **Ukrainian official Budanov said Ukraine expects a visit by Trump's envoys and that Ukraine is ready to accept the frontline status quo with Russia,** while it will not give up Donbas to Russia.

OTHER

- **US is in talks to expand nuclear weapon deployments in Europe,** according to the FT.

EU/UK

NOTABLE HEADLINES

- **EU is weighing fiscal flexibility for energy costs, while the proposal would allow countries budgetary leeway to cushion energy costs,** according to Bloomberg.