Daily Asia-Pac Opening News - 4th June 2026

SNAPSHOT

STOCKS			
S&P 500	-0.7%	Nasdaq Comp.	-0.9%
DJIA	-1.2%	Russell 2000	-1.3%
ES Jun'26	-1.0%	RTY Jun'26	-1.5%
NQ Jun'26	-0.7%	YM Jun'26	-1.3%

FX			
DXY	+0.3% (99.53)	EUR/USD	-0.3%
USD/JPY	+0.1%	GBP/USD	-0.4%

BONDS			
US T-Note Jun'26	-9 ticks	10yr Bund Jun'26	-58 ticks
US 10yr Yield	4.50%	German 10yr Yield	3.04%

ENERGY & METALS			
WTI Jul'26	+2.6%	Brent Aug'26	+1.4%
Spot Gold	-1.2%	LME Copper	-1.8%

CRYPTO			
Bitcoin	-1.5%	Ethereum	-1.5%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include New Zealand ANZ Commodity Prices, Australian Trade Data, Comments from RBA Governor Bullock and Assistant Governor Kent, Supply from Australia & Japan.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said the US is working on a deal with Iran and that Iran had agreed it would not have a nuclear weapon, while he added that Iran's Ayatollah is involved in the negotiations with the US.** Trump also said he would probably meet Iranian leaders depending on the outcome, and **could have Iran lift the blockade by US Labor Day on 7th September, as well as noted that the Iran situation is rapidly evolving and "will be very good."** Furthermore, Trump separately commented, "We don't need boots on the ground" to achieve US aims in Iran.
- **US Secretary of State Rubio told Congress that the US is waiting for Iran's "final sign-off" on negotiations** surrounding Tehran's nuclear programme.
- **US has added an annex to its proposal to end the war and renew freedom of navigation in the Strait of Hormuz,** requiring Iran to clarify where the stockpile of enriched uranium is located and how it will be transferred, according to Hayom citing sources.
- **Israeli PM Benjamin Netanyahu said Israeli and US forces are ready if needed in Iran during a CNBC interview, while he added that the decision is up to President Trump. Netanyahu also stated that Trump is weighing many options, and that he speaks to Trump once every two days.** Furthermore, he said Iran has not yet agreed to remove nuclear material, but pressure is building, while he **did not dismiss regime change and said Iran is "playing with fire."**
- **Talks between Iran and the US were reportedly still ongoing, and no final decision had been made,** according to Fars citing a member of Tehran's negotiating team. The report added that the **first phase of the Islamabad talks was unsuccessful because of Iran's refusal to enter nuclear negotiations.** The report also stated Iran would not enter an agreement in which Lebanon is ignored, while if finalised and agreed, the MoU between the US and Iran would go through a four-stage mechanism.
- **Iran's Foreign Ministry condemned US attacks on an Iranian tanker and Qeshm island, while stating it "notes the direct and**

clear responsibility of the rulers of Kuwait and Bahrain for last night's aggressive acts."

- **Iranian Foreign Minister Araghchi said "our Armed Forces are conducting self-defence strikes on sites the US is permitted to use to attack civilian shipping and violate the ceasefire", while he warned that "any hostile act will be met with an immediate, decisive response"** and that "what sanctions and war failed to achieve won't be won with more war."
- **Iranian Foreign Minister Araghchi told Al Mayadeen that Iran and the US are studying the texts that were exchanged, while there is no established method for negotiations now, but messages are being exchanged** with the Americans.
- **Iranian Deputy Speaker of the Islamic Consultative Assembly said the Foreign Ministry had obtained permission from the Supreme Leader to form a working group on the Strait of Hormuz,** according to Tasnim.
- **Iranian negotiating delegation media team member outlined a four-stage proposal for a deal with the US in which Phase 1 involves ending the war and halting military actions, while Phase 2 includes tangible measures involving the Strait of Hormuz, such as lifting the blockade, removing restrictions and oil sanctions, as well as releasing part of Iran's frozen assets and blocked financial resources.** Furthermore, Phase 3 would focus on sanctions and the nuclear file, while Phase 4 would establish a supervisory committee to oversee implementation and monitor commitments of all parties, according to Fars Politics.
- **Iranian Expediency Council member said Iran would not allow America to be too demanding either in negotiations or in the ceasefire,** according to IRNA.
- **Iranian hardline lawmaker called for a stronger military response to US strikes,** according to Al Jazeera.
- **IRGC spokesperson said the destruction of the passenger terminal at Kuwait Airport was caused by an error in American Patriot systems attempting to intercept an Iranian missile,** according to Tasnim. **However, US CENTCOM denied the claims by Iran that Kuwait Airport was damaged by a US missile interceptor, and said Iran struck the civilian airport with drones in a deliberate, calculated, and unjustified attack.**
- **Iran targeted a US military ship hosting a control and command centre approaching Iranian territorial waters in the Gulf of Oman,** according to state media.
- **One of the key sticking points remaining in negotiations between the US and Iran centres on monetary compensation,** according to CNN. Iran has communicated to mediators that they want some form of financial compensation to be released as soon as the two sides agree on an initial memorandum of understanding.
- **Mehr News reported that although Trump claimed Iran had agreed not to acquire nuclear weapons, sources said the text of a possible agreement between Iran and the US was still under review, and no response had yet been sent. Tasnim also reported Iran had not provided any response to the Americans in recent days** and that Trump's claim Iran was confirming the issue was "completely different from reality."
- **Kuwait said its armed forces intercepted 13 hostile ballistic missiles within its airspace since dawn, while Kuwait's General Civil Aviation Authority said an emergency plan at Kuwait International Airport was activated after Terminal 1 was targeted** by Iranian drones and missiles.
- **No serious progress was reportedly made in the current round of talks in Washington between Lebanon and Israel,** according to Sky News Arabia citing a Lebanese source, while a joint declaration of intent between Lebanon and Israel was not expected to be announced during this round of talks. The report added that if proposals reached a positive conclusion, a joint Lebanese-Israeli statement could be issued regarding the fourth round of talks held in Washington, and the Lebanese delegation insisted on beginning discussions with the ceasefire issue as a prelude to discussing other points.
- **Lebanese official told Al Jazeera discussions in Washington were progressing well, and there was an American understanding of the Lebanese approach, while adding the delegation was pushing for a comprehensive solution running parallel to Israeli withdrawal and the extension of state authority.** Sky News Arabia also reported that a Lebanese source said a breakthrough in the US talks between Israel and Lebanon was likely.
- **MTV Lebanon reported that a joint statement between Israel and Lebanon expected to be issued tonight would, for the first time, reference what is known as the Pilot Zone,** which is supposed to constitute the first phase of implementing new security and field arrangements in southern Lebanon.
- **A new round of negotiations between Israel and Lebanon is expected later this month,** according to Al Qahera citing a US State Department source.
- **At least two rockets were reportedly launched from southern Lebanon towards Israel,** according to Al Jazeera.

US TRADE

- **US stocks** declined on what was a geopolitical risk-off session with all major indices in the red, although the Nasdaq outperformed and closed down just 0.2% versus a 1.4% decline in the Russell 2000. Sector performance was mixed, with Energy and Health Care outperforming, while Consumer Discretionary, Financials and Technology lagged. Energy stocks benefited from higher crude prices after the US and Iran exchanged attacks overnight, with the US striking Iran's Qeshm Island and Iran targeting US military bases in the Middle East. Oil prices briefly pared some gains after President Trump said the US is working on a deal with Iran and that Tehran had agreed not to pursue nuclear weapons, although Iranian media pushed back on those claims, while Iran's Foreign Minister later said communication channels remain open but that no meaningful progress has been made in negotiations, helping support crude into the settlement.
- **SPX** -0.71% at 7,556, **NDX** -0.29% at 30,571, **DJI** -1.21% at 50,688, **RUT** -1.31% at 2,894.
- Click here for a detailed summary.

TARIFFS/TRADE

- **US President Trump issued a proclamation adjusting Section 232 tariff regimes for aluminium, steel and copper imports effective June 8, 2026, to address national security concerns and support domestic industries, while the US granted exemptions from metals tariffs to the EU, UK, South Korea and others.**

- **USTR Greer said both the US and EU are committed to compliance with their trade agreement, while he added that goods made with forced labour are an unfair trading practice that distorts global trade.** Greer also said the 15% tariff on EU goods in the Turnberry agreement "is the deal and a deal is a deal", and he still expects the European Parliament to pass the agreement despite the latest tariff arrangement.
- **German government spokesperson said the focus is on ensuring the existing EU-US trade agreement is implemented and added there is no doubt the agreement will be honoured.**
- **Mexico's Economy Ministry said that following consultations with the US, it could confirm USMCA-compliant trade would be exempt from potential US tariffs relating to forced labour,** while it added that proposed measures would exempt autos, aluminium and steel.

NOTABLE HEADLINES

- **Fed's Barr (voter) said current policy is in a good place and is likely to remain there for some time.**
- **Fed's Williams (voter) said higher energy prices are lifting costs and inflation, while adding inflation is up "quite a bit" and is expected to peak in the coming months.** Williams said inflation should remain elevated for the remainder of 2026 before easing in 2027, as well as stated that **monetary policy is in the correct place and there is no obvious argument to alter interest rates currently.**
- **Fed Beige Book (June) stated that economic activity increased at a slight to moderate pace in ten of the twelve Federal Reserve Districts,** while one District reported a slight decline and one reported no change.
- **US President Trump said "we have very little inflation," while adding gas prices will come down when the Iranian conflict ends and should decline in the "not too distant future."**
- **US Treasury Secretary Bessent said there is a possibility of a below 4% deficit-to-GDP ratio by the end of the current term.** Bessent added that the US currently faces a growth and spending problem, while he added that inflation is going to be a short-term blip.

DATA RECAP

- US ISM Services PMI (May) 54.5 vs. Exp. 53.7 (Prev. 53.6, Low. 52.5, High. 54.9)
- US ISM Services New Orders (May) 57.3 (Prev. 53.5)
- US ISM Services Business Activity (May) 57.7 (Prev. 55.9)
- US ISM Services Employment (May) 47.9 (Prev. 48.0)
- US ISM Services Prices (May) 71.3 (Prev. 70.7)
- US S&P Global Services PMI Final (May) 50.7 vs. Exp. 50.9 (Prev. 51.0)
- US S&P Global Composite PMI Final (May) 51.5 vs. Exp. 51.7 (Prev. 51.7)
- US Factory Orders MoM (Apr) M/M 4.8% vs. Exp. 4.6% (Prev. 1.5%, Low. 2.4%, High. 5.5%)
- US ADP Employment Change (May) 122K vs. Exp. 110K (Prev. 109K, Low. 65K, High. 137K)

FX

- **USD** saw gains against peers as it benefitted from the risk-off sentiment given retaliatory attacks between the US and Iran, while Iranian Foreign Minister Araghchi recently updated that there is no established method for negotiations now between the US and Iran, but messages are being exchanged, although no progress has been made. Elsewhere, ISM Services impressed on the headline, although prices did tick higher, while ADP, ahead of US NFP on Friday, printed 122k (exp. 110k, prev. 109k). On the Fed, Barr (Voter) said current policy is in a good place and likely to stay there for some time, while the influential NY Fed President Williams said monetary policy is in the correct place and there is no need to move on rates.
- **EUR** gave way to the firmer buck and retreated to just beneath 1.16000 territory.
- **GBP** trickled lower amid weakness in cyclical peers due to the risk-off mood.
- **JPY** was volatile with USD/JPY wobbling following comments on FX by PM Takaichi, while BoJ Governor Ueda also provided some hawkish remarks, although USD/JPY rebounded and continued to edge higher throughout the session to eventually breach the 160.00 level.
- **SNB Chair Schlegel reiterated an increased willingness to intervene in FX markets and warned global economic growth may temporarily slow, while adding that uncertainty is now clearly higher.** Schlegel also said medium-term inflation pressure in Switzerland has hardly changed.

FIXED INCOME

- **T-notes** settled lower and yields rose across the curve as Treasury trade continued to be dictated by energy markets, with data taking a back seat.

COMMODITIES

- **Oil prices** were firmer but traded within choppy ranges as US/Iran updates headlines dominated flow. Overall, oil saw strength and was ultimately buoyed amid another flare-up and retaliatory strikes between the US and Iran, with a bout of strength also seen as European traders entered for the day after Kuwait's airport was struck by a missile, something an IRGC spokesperson claimed was caused by an error in American Patriot systems attempting to intercept an Iranian missile. After WTI and Brent grinded to session highs, benchmarks then reversed as Trump said they are working on a deal with Iran, and have agreed they will not have a nuclear weapon.

- **US EIA Crude Oil Stocks Change (May 29) -7.974M vs. Exp. -4.0M (Prev. -3.327M)**
- **Saudi Aramco Vice President of Market Analysis and Sustainability Al Mulla said there has been underinvestment in oil refining, while he added that the loss of 3mln BPD of refining capacity between 2020 and 2023 created a shock to the system** during the current crisis.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Ukrainian President Zelenskyy said an agreement had been reached to purchase Patriot air defence systems. Zelensky said he is ready for direct talks with Russian President Vladimir Putin to end the war, while he added it is only a matter of time before Ukraine increases the scale of retaliatory strikes in Russia** and called for Europe to step up efforts on an anti-ballistic programme.
- **Germany, France and the UK are reportedly sketching out a plan to engage Russian President Putin in peace talks.**

ASIA-PAC

NOTABLE HEADLINES

- **BoJ Governor Ueda said the BoJ's basic stance is to continue raising the policy rate in accordance with economic, price and financial developments, while the bank will strive to fulfil its mandate of achieving price stability through appropriate policy measures. Ueda said that an accommodative financial environment is supporting economic activity, and stated that if there is a chance of second-round effects, the BoJ must consider taking action.** He also stated that **Japan's real interest rate remains low and upside risks to prices appear greater overall and are likely to emerge sooner, while he warned that delaying a necessary response could force the BoJ to raise rates sharply, hurting the economy and imposing a heavy burden on markets and the financial system.** Furthermore, Ueda said **if the central bank judges inflationary risks outweigh downside economic risks, it will debate the pros and cons of a June rate hike,** and stated that policymakers will carefully analyse incoming data when judging policy moves.
- **Japanese PM Takaichi said she is prepared to take appropriate measures in the FX market at any time if needed,** while adding that Japan will deepen international cooperation, including with the US on FX.
- **India is reportedly planning tax cuts and other measures to boost capital inflows,** according to Bloomberg. India is poised to announce cuts to taxes on foreign bond investors and remove ownership caps on some bonds as soon as this week, while the cabinet is expected to consider eliminating or significantly reducing the 20% levy on interest earned by global funds from Indian bonds.

EU/UK

NOTABLE HEADLINES

- **UK Labour Party is likely to back a second attempt to reform benefits provided new funding is allocated to help claimants into work,** according to The i Paper.
- **ECB's Elderson said there are not yet any second-round effects.**
- **European Commission announced measures to boost EU cloud providers, chip makers and AI companies,** while the chip proposal aims to increase demand for domestic chips.

DATA RECAP

- UK S&P Global Services PMI Final (May) 49.3 vs. Exp. 47.9 (Prev. 52.7)
- UK S&P Global Composite PMI Final (May) 49.7 vs. Exp. 48.5 (Prev. 52.6)
- French S&P Global Services PMI Final (May) 44.3 vs. Exp. 42.9 (Prev. 46.5)
- French S&P Global Composite PMI Final (May) 44.9 vs. Exp. 43.5 (Prev. 47.6)
- German S&P Global Services PMI Final (May) 48.1 vs. Exp. 47.8 (Prev. 46.9)
- German S&P Global Composite PMI Final (May) 48.8 vs. Exp. 48.6 (Prev. 48.4)
- EU S&P Global Services PMI Final (May) 47.7 vs. Exp. 46.4 (Prev. 47.6)
- EU S&P Global Composite PMI Final (May) 48.5 vs. Exp. 47.5 (Prev. 48.8)
- EU PPI MM (Apr) M/M 0.6% vs. Exp. 0.4% (Prev. 3.4%, Low. 0.2%, High. 0.7%)
- EU PPI YY (Apr) Y/Y 4.9% vs. Exp. 4.8% (Prev. 2.1%, Low. 4.5%, High. 5%)