newsquawk

Daily European Opening News - 4th June 2026

SNAPSHOT

STOCKS			
Nikkei 225	-1.5%	ASX 200	+1.2%
Hang Seng	-1.5%	Shanghai Comp	-0.5%
Euro Stoxx 50 Jun'26	-0.5%	DAX Jun'26	-0.3%
ES Jun'26	-0.4%	NQ Jun'26	-0.6%

FX			
DXY	-0.1% (99.45)	EUR/USD	+0.1% (1.1607)
USD/JPY	-0.1% (159.91)	GBP/USD	+0.1 (1.3425)

BONDS			
US T-Note Sept'26	U/C ticks	Bund Jun'26	-5 ticks
US 10yr Yield	4.48%	German 10yr Yield	3.03%

ENERGY & METALS			
WTI Jul'26	-0.6%	Brent Aug'26	-0.7%
Spot Gold	+0.9%	LME Copper	+0.1%

CRYPTO			
Bitcoin	-0.7%	Ethereum	-1.4%

As of 06:30BST/01:30EDT

LOOKING AHEAD

- Highlights include Swedish CPIF (May), Swiss CPI (May), EU Retail Sales (Apr), US Challenger Layoffs (May), Jobless Claims (May/30), Revelio PLS (May), Chicago Fed Labor Market Indicators Final (May). Supply from Spain & France. Earnings from Docusign, lululemon & Ciena.
- Speakers include BoE's Bailey, ECB's Lagarde, Fed's Daly, Bowman & Barkin.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said they have been hitting Iran pretty hard and Iran negotiations are going well, while he suggested a deal could happen over the weekend and said anything can happen when you are dealing with Iran, but also stated it could go another two or three weeks.** Trump also stated he would rather not use the military in Iran, and would rather not wipe Iran out, as well as noted that they are close to signing papers in theory. Furthermore, Trump said they are trying to separate Iran and Lebanon issues, while **he responded that in that part of the world, a ceasefire is when you're shooting in a more moderate manner, when questioned about the ceasefire.**
- **US President Trump told aides privately that he would consider ending the ceasefire with Iran if US troops are killed,** according to WSJ.
- **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.
- **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.** Furthermore, 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.
- **US House backed a resolution curbing Trump's Iran war powers with the House voting 215 to 208** to pass the War Powers resolution.

- **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.
- **Sources noted that the first phase of the interim agreement between the US and Iran involves cessation of direct military operations, phase 2 is a full reopening of maritime traffic, phase 3 includes limited easing of some sanctions and phase 4 includes major issues such as the Iranian nuclear program,** according to Al Hadath.
- **There are discussions about creating a fund that would provide Iran with billions of dollars once a final agreement is reached,** according to sources cited by CNN, although sources stated **Trump told his advisers he would not sign any agreement in which the US provides direct money to Iran.**
- **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. Araghchi separately commented **"Our Armed Forces are conducting self-defence strikes on sites the US is permitted to use to attack civilian shipping and violate the ceasefire", as well as 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."
- **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. However, US **CENTCOM denied Iran's claim that it attacked a US Navy destroyer in the Gulf of Oman.**
- **Israel and Lebanon agreed to a ceasefire in US-brokered talks, with the ceasefire contingent on Hezbollah's evacuation from the Litani,** while Lebanese armed forces will take control of pilot zones, and Israel and Lebanon agreed to reconvene negotiations in the week of 22nd June.
- **US State Department confirmed Israel and Lebanon agreed to the implementation of a ceasefire and that the sides agreed with guidance of the US to swiftly advance creation of pilot zones in which Lebanese armed forces will take exclusive control of the territory.** Israel and Lebanon also reaffirmed they have no hostile intent towards one another and are committed to continuing negotiations.
- **Israeli airstrikes were reported in several areas in southern Lebanon,** according to SNN.
- **Hezbollah attacked Israeli positions in southern Lebanon.**

US TRADE

EQUITIES

- **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 had 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

- **China's Ministry of Commerce said industrial subsidies comply with WTO rules,** while it added that the recent OECD report on subsidies lacked clear definitions and is biased.

NOTABLE HEADLINES

- **Fed's Logan (2026 voter) said she is increasingly concerned higher interest rates could be necessary later this year and monetary policy is not restraining the economy, while she added that inflation is taking too long to return to 2%,** economic activity remains strong and corporate earnings are 'going gangbusters'. Logan said financial conditions are accommodative, and the labour market is stable, but separately noted that the higher price of gas is feeding through to prices of other goods and services. Furthermore, she stated that **mildly restrictive policy is needed and that the current monetary policy looks neutral or loose.**
- **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 is to announce nearly USD 700mln in coal support and to use the Defence Production Act for the coal sector,** according to Axios.
- **US President Trump is expected to nominate acting AG Blanche as Attorney General.**
- **US Agricultural Secretary Rollins announced additional USDA personnel deployment to South Texas, and urged livestock**

producers to remain vigilant, while she stated that potential New World screwworm detection is being fully contained and is not a harm to US food supply or safety.
- **USDA confirmed a flesh-eating parasite New World screwworm case in Texas and estimated a USD 1.8bln potential impact from the outbreak,** while the report also noted that a US cattle ban from Mexico pressures beef prices.

APAC TRADE

EQUITIES

- **APAC stocks** were lower following the negative handover from the US, where risk sentiment was weighed on by the recent retaliatory attacks between the US and Iran, as well as weakness in tech stocks.
- **ASX 200** was pressured by underperformance in the mining and materials industries, while most sectors were subdued aside from the resilience in defensives.
- **Nikkei 225** retreated from record levels and briefly tested the 67,000 level to the downside amid intervention risks following FX comments from Japanese PM Takaichi, while comments from BoJ Governor Ueda signalled the central bank could resume rate normalisation this month. On that front, hawkish BoJ sources noted the central bank is to mull a hike this month, with another possible in 2026.
- **Hang Seng** and **Shanghai Comp** conformed to the downbeat mood amid tech-related headwinds and with the PBoC refraining from open market operations for a second consecutive day.
- **US equity futures** remained subdued following the prior day's tech-related losses and were also not helped by pressure in Broadcom and CrowdStrike post-earnings.
- **European equity futures** indicate a lower cash market open with Euro Stoxx 50 futures down 0.4% after the cash market closed with losses of 0.9% on Wednesday.

FX

- **DXY** slightly softened overnight as it took a breather after advancing yesterday amid the risk-off mood and higher oil prices, while recent data releases were mostly better-than-expected but took a back seat to the geopolitical headlines. Furthermore, the latest Fed Beige Book and comments from Fed's Logan, who stated she is increasingly concerned higher interest rates could be necessary later this year and that monetary policy is not restraining the economy, did little to spur price action.
- **EUR/USD** rebounded off the prior day's trough and reclaimed the 1.1600 level, but with price action limited amid light newsflow outside of geopolitics, while participants also await Lagarde comments and EU Retail Sales.
- **GBP/USD** attempted to nurse some losses after declining yesterday alongside the weakness in cyclical peers due to the risk-off mood.
- **USD/JPY** pulled back after briefly breaching through the psychological 160.00 level, with intervention risk and rate hike expectations among potential headwinds. There was a bout of selling seen due to a source report that the BoJ is said to mull a June rate hike with another possible in 2026, although this was pared moments after.
- **Antipodeans** were rangebound after recent declines and with little impact seen from the latest Australian trade data.
- **PBoC** set USD/CNY mid-point at 6.8203 vs exp. 6.7770 (prev. 6.8184).

FIXED INCOME

- **10yr UST futures** rebounded as oil pulled back, as Treasury trade continues to be driven by energy markets, while recent data from the US was mostly encouraging, but has taken a back seat to geopolitics.
- **Bund futures** gradually recouped some lost ground but with the recovery limited amid a lack of pertinent drivers, while participants await EU Retail Sales data and comments from ECB's Lagarde.
- **10yr JGB futures** traded indecisively following a recent slide and hawkish commentary from BoJ Governor Ueda. Late pressure was seen following the enhanced-liquidity auction for longer-dated JGBs and a source report that the BoJ is said to mull a June rate hike with another possible in 2026.

COMMODITIES

- **Crude futures** pulled back overnight after advancing yesterday due to the recent fresh geopolitical escalation between the US and Iran. Moreover, there were some encouraging comments from US President Trump, who suggested a deal with Iran could come 'over the weekend' and reportedly told aides that he won't resume all-out war with Iran unless US troops are killed. It was also reported that Israel and Lebanon agreed to implement a ceasefire and establish security zones, though it is contingent on Hezbollah halting its attacks.
- **Spot gold** rebounded from a weekly trough and got some reprieve after suffering alongside the recent dollar strength and higher oil prices.
- **Copper futures** continued to retreat amid the downbeat risk appetite across the global markets.

CRYPTO

- **Bitcoin** was choppy but ultimately recovered from a 2000+ point intraday slump and returned to above the USD 64,000 level.

NOTABLE ASIA-PAC HEADLINES

- **PBoC open market operations were at zero for a second consecutive day.**

- **Chinese analysts stated that China's market liquidity will remain stable and ample in June** despite the PBoC skipping open market operations.
- **BoJ is said to mull a June rate hike with another possible in 2026,** according to sources.
- **South Korea's ruling party candidate Cheong concedes defeat to incumbent Oh Se-hoon in the Seoul mayoral election.**
- **RBA Governor Bullock** says RBA expects inflation to increase further in the near term, notes flow of data and development since May has not been materially different to our expectations. Inflation is too high, and the board will do what it considers necessary to achieve its mandate of delivering price stability and full employment. Having raised the cash rate three times, monetary policy is well placed to respond to developments. Will carefully monitor conditions to assess how the combined effects of higher interest rates and the energy price shock are playing out. Some signs of tightening impact already seen, but full effects to take 1 to 2 years.

DATA RECAP

- Australian Balance of Trade (Apr) 1.8B vs. Exp. -1.6B (Prev. -1.8B)
- Australian Exports MM (Apr) 7.2% (Prev. -2.7%)
- Australian Imports MM (Apr) 0.8% (Prev. 14.1%)

GEOPOLITICS

RUSSIA-UKRAINE

- **Germany, France and the UK are reportedly sketching out a plan to engage Russian President Putin in peace talks.**

OTHER

- **North Korean leader Kim plans to significantly boost the nation's national nuclear capabilities,** according to KCNA.

EU/UK

NOTABLE HEADLINES

- **UK PM Starmer is considering watering down plans to boost defence spending by GBP 18bln over concerns that they are unaffordable,** according to The Times.
- **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.