Daily European Opening News - 5th June 2026

SNAPSHOT

STOCKS			
Nikkei 225	-1.1%	ASX 200	-0.6%
Hang Seng	-1%	Shanghai Comp	+0.1%
Euro Stoxx 50 Jun'26	U/C	DAX Jun'26	-0.4%
ES Jun'26	-0.5%	NQ Jun'26	-0.9%

FX			
DXY	U/C (99.40)	EUR/USD	+0.1% (1.1616)
USD/JPY	-0.1% (159.93)	GBP/USD	U/C (1.3428)

BONDS			
US T-Note Sept'26	+1 tick	Bund Jun'26	-2 ticks
US 10yr Yield	4.47%	German 10yr Yield	3.02%

ENERGY & METALS			
WTI Jul'26	+0.1%	Brent Aug'26	+0.4%
Spot Gold	-0.6%	LME Copper	-1%

CRYPTO			
Bitcoin	-0.6%	Ethereum	-2%

As of 06:30BST/01:30EDT

LOOKING AHEAD

- Highlights include French Balance of Trade (Apr), BoE DMP (May), EU Employment Change Final (Q1), GDP 3rd Estimate (Q1), Italian Retail Sales (Apr), Canadian Jobs Report (May), US Jobs Report (May).
- Speakers include RBA's Hauser, BoE's Bailey & Dhingra.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said they do not need help from European countries regarding Hormuz and noted that Iran talks are going well, while he reiterated that almost all of Iran's leadership has been wiped out and that Iran has no navy or air force.** Trump said if Iran killed US troops, it would restart the war quickly, and the Israel-Lebanon conflict is interconnected with Iran. Trump also stated he thinks progress has been made on Lebanon, and he would be honoured to meet Iran's Supreme Leader if a deal is made.
- **Washington has demanded that Tehran deliver its response before the end of the week, and stated no progress in negotiations between Iran and the US**, according to Al Hadath, citing Israeli Channel 12. **Washington informed Tehran that the signing ceremony for the agreement with it will take place in Switzerland, while it warned Tehran "either an agreement or a military strike".** Furthermore, the Israeli Broadcasting Authority quoted an Israeli official as saying Washington "will understand our position" if the agreement with Lebanon is not implemented.
- **US State Department issued a security alert for all Middle Eastern countries** due to the "potential for hostilities".
- **Iranian Foreign Minister Araghchi said they have many documents and evidence that show Kuwaiti skies have been used regularly against Iran.** Araghchi also commented that **Iran and Oman will regulate the management of the Strait of Hormuz based on international law standards, while they will exchange views and ideas about the management of the Strait with the Persian Gulf countries, but ultimately the decision will be made between Iran and Oman.**
- **Iranian Foreign Minister Araghchi said the Hormuz Strait is in the territorial waters of Iran and Oman,** while he stated that US bases in the region are targets for retaliation.

- **Iranian Ministry of Foreign Affairs Deputy for Legal and International Affairs Gharibabadi said Iran insists 50% of frozen assets must be made available to Iran** at the same time as the signing of an MOU.
- **Iran's Supreme Leader advisor Rezaei said US President Trump wants to pressure Iran to accept his conditions and keep Iran in a vague state,** while he added that the current draft has ambiguities that have to be clarified. Rezaei also said that **Iran will stand firmly with Hezbollah in Lebanon and that Iran will have no hesitation in defending its interests and security.**
- **Iran's IRGC, in response to recent events in Lebanon, said Iran's initial condition for accepting a ceasefire in the regional war was a ceasefire on all fronts, including Lebanon.** IRGC also stated the region would never be stable unless Israel withdraws from Lebanon, according to Tasnim.
- **Pakistan's interior minister was reported to return to Tehran to push negotiations.**
- **Oman suspended crude oil loading at Mina Al-Fahal terminal following an explosion,** according to sources, while a drone attack was suspected to be the cause of the explosion.
- **US official told Al Jazeera the ceasefire with Iran is in place, but they will continue to protect their forces and impose a blockade on ports, while the official stated there is an open shipping route through the Strait of Hormuz, but it is up to the ships to decide whether to transit,** and approximately 1,000 ships have crossed the Strait of Hormuz since the ceasefire with Iran went into effect on April 8th.
- **Nearly 40 ships previously stranded in the Persian Gulf have exited through the Strait of Hormuz over the past three weeks as vessels quietly coordinate with the US Navy,** according to Lloyd's List Intelligence via CNBC.
- **Israeli forces struck a tent shelter in Khan Younis, which killed one person.**
- **Hezbollah informed Lebanese authorities of its rejection of the Washington agreement between Lebanon and Israel,** according to Al Araby TV citing the Hezbollah leader.
- **Hezbollah claimed drone and missile attacks on Israeli bases, while it also stated that six Merkav tanks were destroyed in Lebanon,** according to Fars.
- **US House rejected a war powers resolution on Lebanon** in a 92 vs 324 vote.

US TRADE

EQUITIES

- **US stocks** ultimately closed somewhat mixed but with most major indices in the green, while the Nasdaq underperformed despite finishing well off session lows. The tech-heavy index came under pressure after Broadcom (AVGO) reported a revenue miss and disappointing semiconductor revenue guidance for the next quarter. The results weighed on semiconductor and AI-linked names that have been among the market's strongest performers in recent weeks, driving early weakness in the sector. However, although Broadcom remained sharply lower, much of the broader technology complex recovered through the session, helping the Nasdaq pare losses. Beneath the surface, market breadth was stronger than the headline indices suggested, and most sectors closed in positive territory, led by Health Care, Financials and Communication Services, while Technology and Consumer Staples were the only sectors to finish lower. Crude prices were lower after President Trump described US-Iran negotiations as being in their "final stages", while the decline in oil supported Treasuries, particularly at the front-end, resulting in a bull steepening move as traders pared Fed rate hike expectations.
- **SPX** +0.41% at 7,585, **NDX** -0.54% at 30,408, **DJI** +1.73% at 51,562, **RUT** +1.46% at 2,936.
- Click here for a detailed summary.

TARIFFS/TRADE

- **US President Trump said automakers sought no tariff changes in their meeting and that talks focused mostly on car repair.**
- **China International Trade Council says it opposes proposed US tariffs and criticised the plan for 12.5% tariffs on Chinese goods.**

NOTABLE HEADLINES

- **US President Trump confirmed a USD 700mln announcement on coal plants.**
- **US President Trump said he is interviewing people for the intelligence chief,** and that Pulte's position is not permanent.
- **US President Trump's trade adviser Navarro said the Fed shouldn't raise rates into supply shock inflation.**
- **US officials held preliminary discussions with major AI companies about the potential for the government to acquire some shares in their firms,** according to people familiar with the matter cited by NOTUS.

APAC TRADE

EQUITIES

- **APAC stocks** were mostly lower with the region subdued by recent tech-related pressure, and despite the predominantly positive handover from Wall St, where healthcare helped boost the Dow to a record high.
- **ASX 200** declined as the losses in the mining, materials and resources sectors overshadowed the outperformance in health care.
- **Nikkei 225** retreated amid tech selling but with the index off today's worst levels after bouncing off a floor beneath the 66,000 level, while data was mostly encouraging as Household Spending and Labour Cash Earnings topped forecasts, which effectively supports the argument for a BoJ rate hike this month.
- **Hang Seng** and **Shanghai Comp** were mixed with Hong Kong pressured after the recent efforts to tighten cross-border capital outflows, including banks suspending opening Hong Kong bank accounts for mainland clients that could be used for

overseas investments, while the mainland is marginally positive after the PBoC resumed open market operations.
- **US equity futures** trickled lower as overnight sentiment was soured by tech weakness.
- **European equity futures** indicate a marginally lower open with Euro Stoxx 50 futures down 0.1% after the cash market closed with gains of 0.8% on Thursday.

FX

- **DXY** kept to within tight ranges as traders awaited the incoming US NFP report, while the recent labour market proxies disappointed as initial jobless claims rose to 225k from 212k, above the top end of the forecast range, while Challenger layoffs rose to 97.006k from 83.387k. There was also recent Fed commentary with Fed's Daly noting that policy was in a good place, and the central bank was prepared to respond either way, while known hawk Schmid said the issue was whether the Fed needed to raise rates to "tamp this thing down" and meet the inflation target.
- **EUR/USD** traded little changed after recent price swings and with very light newsflow from the bloc.
- **GBP/USD** lacked direction as the data calendar for the UK remained light, while comments from BoE Governor Bailey provided little incrementally, in which he noted that markets had been orderly but stretched at times, and that leverage in debt markets raised questions over vulnerabilities.
- **USD/JPY** lingered around the 160.00 level as participants digested data, including firmer-than-expected Labour Cash Earnings and Household Spending, although Foreign Reserves dropped by the most on record since the data series began in 2000. There were also some comments from Japanese PM Takaichi, who said there are pros and cons to a weak yen, as well as stated that investment strategy will help maintain trust in the yen and her economic policy is aimed at boosting Japan's economic capability, not at FX manipulation.
- **Antipodeans** marginally softened amid the mostly negative tone and recent declines in commodities.
- **PBoC** set USD/CNY mid-point at 6.8157 vs exp. 6.7735 (prev. 6.8203).

FIXED INCOME

- **10yr UST futures** traded little changed after bull steepening yesterday as falling crude prices eased inflation concerns and reduced Fed rate hike pricing, while participants await the key US jobs data.
- **Bund futures** lacked direction following recent indecision and in the absence of pertinent catalysts.
- **10yr JGB futures** remained afloat after the prior day's decline in oil prices, but with the upside in JGBs capped as participants also digested several data releases in which Labour Cash Earnings and Household Spending topped forecasts.

COMMODITIES

- **Crude futures** traded sideways with demand constrained after prices fell yesterday amid the ongoing mediation efforts towards a US–Iran peace deal following recent flare-ups and retaliatory strikes, while Trump stated that the US is "in the middle of my final negotiations to end the War".
- **US Energy Secretary Wright issued an emergency order to keep a Florida coal plant online,** with the emergency order for the Stanton coal plant effective through September 1st.
- **Norway's Stryke labour union said it agreed to a wage deal for oil workers and that they will not go on strike**
- **Spot gold** resumed the recent pullback from the USD 4,500/oz level, with downside also seen amid the broader selling in the metals complex.
- **Copper futures** continued to trickle lower alongside the mostly downbeat overnight risk sentiment.

CRYPTO

- **Bitcoin** declined overnight to beneath the USD 63,000 level.

NOTABLE ASIA-PAC HEADLINES

- **RBI kept the Repurchase Rate unchanged at 5.25%, as expected, via unanimous decision, while the policy stance was maintained at neutral. RBI Governor Malhotra said monetary policy has turned more cautious and noted considerable risks to inflation and growth, as well as noted that domestic demand remains resilient; however, elevated energy prices and supply constraints are having an adverse impact** on economic activity. Malhotra said the food price outlook remains uncertain and risks of higher inflation have been amplified, while he stated it is prudent to wait for greater clarity to emerge and that the RBI will remain data dependent.
- **PBoC injected CNY 215bln via 7-day reverse repos with rate maintained at 1.40%.**
- **Japanese PM Takaichi said there are pros and cons to a weak yen, while she added that investment strategy will help maintain trust in the yen** and that her economic policy is aimed at boosting Japan's economic capability, not at FX manipulation.
- **Japan may have tapped its foreign securities holdings** , including US Treasuries, to fund last month’s record currency market intervention, potentially attracting scrutiny from Washington, Bloomberg reported.

DATA RECAP

- Japanese Household Spending MM (Apr) 1.6% vs. Exp. 0.8% (Prev. -1.3%)
- Japanese Household Spending YY (Apr) -0.5% vs. Exp. -1.5% (Prev. -2.9%)
- Japanese Average Cash Earnings YY (Apr) 3.5% vs. Exp. 3.2% (Prev. 2.7%)
- Japanese Overtime Pay YY (Apr) 4.20% vs. Exp. 3.2% (Prev. 1.9%)

- Japanese Foreign Exchange Reserves (May) 1305.9B (Prev. 1383B)

GEOPOLITICS

RUSSIA-UKRAINE

- **US President Trump said it would be great if Ukrainian President Zelensky and Russian President Putin met, while he is glad Russia and Ukraine are talking about meeting** and noted they will both make compromises.
- **US House voted 226 to 195 to approve the Ukraine aid package and Russia sanctions bill after more than a dozen GOP lawmakers voted against party lines.**
- **US Pentagon is expected to cancel a plan to send Tomahawk missiles to Germany partly because officials are concerned Russia will view it as an escalation,** which is a startling reversal of a long-planned agreement with one of America's biggest allies, according to POLITICO.
- **Ukrainian President Zelensky sent a letter to Russian President Putin stating the choice is yours; "Enough of war, Ukraine proposes to end this war", while Zelensky is proposing a meeting.**
- **Ukrainian forces were reportedly utilising high-definition, near real-time commercial satellite imagery to identify and strike Russian military assets,** according to WSJ.
- **Russian President Putin said Trump's peace proposals could be a basis for peace deals with Ukraine and that Trump sincerely seeks to resolve the Ukrainian crisis, but still has to persuade Ukraine. Putin also said there is no need to stop fighting to start talks with Ukraine.**
- **Russian Foreign Minister Lavrov said Western nations have consistently pursued a strategy aimed at suppressing and partitioning Russia,** according to an interview with Izvestia, while he stated that **Russia sees no signs of US efforts to persuade Kyiv on peace and that there was no progress on a Ukraine settlement** since the Anchorage summit.

OTHER

- **US sanctioned Cuba's President Miguel Diaz-Canel, while President Trump said sanctions are not meant to accelerate a collapse, and stated they will handle Cuba after they take care of Iran.**
- **Russian President Putin said Russia had always cooperated with China in the military sphere and would continue to do so,** while he stated the two countries were on friendly terms. Putin also commented that **Russia and China were not against anyone, but acted in each other's interests, and that Russia and China would soon make the global energy market happy with new agreements.**

EU/UK

NOTABLE HEADLINES

- **BoE Governor Bailey said markets had been orderly but stretched at times, while noting that leverage in debt markets raised questions over vulnerabilities.**
- **UK PM spokesperson said Starmer will not walk away from PM job, in response to Andy Burnham's bid for the leadership,** while Burnham confirmed he'll stand to replace PM Starmer as Labour leader, as he stated that Wes Streeting seems to have launched a leadership contest, which he would seek to join.
- **Andy Burnham discussed with a leading economist how he might boost infrastructure spending without breaking Labour's fiscal rules and spooking the markets,** according to FT.
- **Andy Burnham says he would run in a Labour leadership contest and, if prime minister, urgently tackle social care,** taxation and devolution while avoiding a snap election or immediate Brexit rerun, according to the Guardian.