

# newsquawk

## US Market Wrap - 8th June 2026

### Tech rebounds and oil pares overnight gains as Trump pushes de-escalation

- **SNAPSHOT:** Equities up, Treasuries flat, Crude up, Dollar flat, Gold flat
- **REAR VIEW:** Israel & Iran trade weekend strikes; Israel & Iran signal end to strikes on each other following Trump pressure; US tells Israel to hold off for a few days to allow space for a deal; Israel to continue operations in Lebanon; NY Fed SCE sees inflation expectations little changed; OPEC+ agreed to another modest output quota increase of 188k bpd for July; NVDA & SK Hynix announce partnership; GOOG & NVDA are reportedly looking at INTC as a secondary manufacturing partner; AAPL unveils Siri AI
- **COMING UP:** **Data:** South Korean GDP (Q1), Australian Westpac (Jun), Chinese Balance of Trade (May), German Balance of Trade (Apr), Imports (Apr), Mexican Inflation (May), US ADP Weekly Change, Exports/Imports, Atlanta Fed GDP, Existing Home Sales (May), Wholesale Inventories (Apr), Canadian Exports/Imports (Apr). **Events:** EIA STEO (Jun). **Speakers:** ECB President Lagarde. **Supply:** Netherlands, Germany, US

### MARKET WRAP

US indices were predominantly firmer on Monday, with the Nasdaq recovering some of the sharp losses seen in the latter half of last week, while the S&P 500 posted modest gains. The Dow closed little changed and the Russell 2000 also finished in positive territory. Market breadth was weak, however, with Technology accounting for most of the upside while the majority of sectors closed lower. Utilities and Real Estate led the declines after outperforming during last week's risk-off trade.

Within Technology, Intel (INTC) was a standout performer after The Information reported that Alphabet (GOOGL) and Nvidia (NVDA) are evaluating the company as a secondary manufacturing partner. Elsewhere, the Memory ETF (DRAM) rebounded around 8%, while the Semiconductor ETF (SOXX) gained roughly 6%, recovering part of last week's sharp declines. Meanwhile, Apple held its WWDC, where it unveiled the updated Siri AI. The feature will be available later this year, although it will not be available in China due to regulatory issues, seeing the stock close lower.

Crude prices settled higher following a fresh exchange of strikes between Israel and Iran over the weekend. The escalation saw oil gap higher at the reopen of trade. However, President Trump later called on both sides to exercise restraint, helping reduce some of the geopolitical risk premium. Reports during the European session suggested the US and Israel had agreed not to strike Iran, while Iran had agreed to suspend military operations against Israel, although Tehran warned it would respond should Israeli attacks on Hezbollah in Lebanon continue.

The apparent pause in hostilities helped crude prices retrace much of the overnight rally. Treasury markets largely tracked the move in energy, with yields reaching session highs overnight before gradually paring through the day to finish little changed across much of the curve. The Dollar was also little changed overall, with the New Zealand Dollar outperforming and the Swiss Franc lagging, likely reflecting the improvement in equity sentiment.

Attention this week remains on both geopolitics and US inflation data. CPI and PPI will be closely watched for clues on the Fed's reaction function. While the reports are unlikely to materially alter expectations for the June 17th FOMC meeting, Kevin Warsh's first as Chair, they could have a greater influence on pricing further out the curve. Markets are currently pricing around a 69% probability of a 25bp rate hike by October, with a full hike discounted by year-end. Another hot inflation report could strengthen the case for more officials to align with the hawks in removing the easing bias from the policy statement, particularly following the strong April payrolls report.

### US

**NY FED SCE:** The NY Fed's Survey of Consumer Expectations for May showed one-year ahead inflation expectations easing to 3.5% from 3.6%, while three- and five-year expectations were unchanged at 3.1% and 3.0%, respectively. Elsewhere, expectations for future credit availability deteriorated, with a smaller share of respondents expecting it will be easier to obtain credit over the next year. Perceptions of current credit access compared to a year ago were largely unchanged. Labour market expectations softened. The perceived probability of finding a job after losing one's current job fell 2.3ppts to 43.7%, the lowest reading since December 2025 and below the 12-month average of 46.8%. Meanwhile, the perceived probability of losing one's job over the next year rose 0.5ppts to 15.1%, above the 12-month average of 14.4%. Overall, the survey pointed to a modest deterioration in household sentiment. Short-term inflation expectations eased, while medium- and longer-term inflation expectations remained stable. However, labour market expectations weakened, with respondents becoming less confident about finding work and slightly more concerned about job losses. Expectations surrounding future credit availability, household finances and delinquency rates also deteriorated, while home price growth expectations increased.

### FIXED INCOME

**T-NOTE FUTURES (M5) SETTLED 1+ TICKS LOWER AT 109-01**

**Yields finish little changed but off session highs as Trump pushes de-escalation efforts . At settlement, 2-year +0.8bps at 4.153%, 3-**

year +0.3bps at 4.203%, 5-year +0.7bps at 4.278%, 7-year +1.3bps at 4.410%, 10-year +1.6bps at 4.548%, 20-year +1.6bps at 5.037%.

**THE DAY:** Yields moved modestly higher across the curve on Monday as oil prices rallied following a fresh exchange of strikes between Israel and Iran over the weekend. The escalation saw crude gap higher at the reopen of trade, lifting Treasury yields as markets priced a greater risk of a prolonged conflict and the potential for higher inflation pressures.

However, President Trump later called on both sides to exercise restraint, helping ease some of the geopolitical risk premium. Reports during the European session suggested the US and Israel had agreed not to strike Iran, while Iran had also agreed to suspend military operations against Israel, although Tehran warned it would respond if Israeli attacks on Hezbollah in Lebanon continued.

The apparent pause in hostilities saw crude prices retreat from overnight highs, allowing Treasury yields to pare earlier gains, with rates finishing little changed across the curve.

The data highlight on Monday was the New York Fed's consumer inflation expectations survey, which showed one-year inflation expectations easing to 3.5% in May from 3.6%, while three- and five-year expectations were unchanged at 3.1% and 3.0%, respectively. The release generated little market reaction.

The Fed remains in blackout ahead of the June 17th FOMC meeting, the first under Chair Kevin Warsh. Attention this week turns to CPI and PPI, while Treasury supply will also remain in focus.

## SUPPLY

### Notes

- US Treasury to sell USD 58bln of 3-year notes on June 9th, USD 39bln of 10-year notes on June 10th and USD 22bln of 30-year bonds on June 11th

### Bills

- US sold 6-month bills at a high rate of 3.640%, B/C 2.79x, sold 6-month bills at a high rate of 3.690%, B/C 2.75x
- US to sell USD 65bln of 6-week bills on June 9th
- US to sell USD 59bln of 52-week bills on June 9th.

## STIRS/OPERATIONS

- Fed Pricing: 27.1bps (prev. Dec 27.5bps)
- EFR at 3.62% (prev. 3.62%), volumes at USD 117bln (prev. USD 121bln) on June 5th
- SOFR at 3.63% (prev. 3.62%), volumes at USD 3.131tn (prev. USD 3.147tn) on June 5th
- NY Fed RRP op demand at 1.83bln (prev. 0.76bln) across 16 counterparties (prev. 5) on June 8th

## CRUDE

**WTI (N6) SETTLED USD 0.76 HIGHER AT 91.30/BBL; BRENT (Q6) SETTLED USD 1.16 HIGHER AT 94.25/BBL**

The crude complex was firmer to start the week, albeit settling way off highs, as Israel/Iran tensions ramp up. Upon reopening of trade after the weekend, benchmarks gapped higher in the wake of the weekend escalations and back and forth fire from Israel and Iran, which saw WTI and Brent hit peaks of USD 95.47/bbl and USD 98.08/bbl, respectively. However, supporting the oil space retracing off peaks were a couple of more positive Middle East comments, and largely from US President Trump, who said "Israel and Iran must immediately stop shooting", and also that "Israel and Iran, are looking to do an immediate CEASEFIRE!". In addition to this, according to local media, Iran's armed forces announce end of military operations against Israel, but warned of harsher attacks if Israel resumes attacks on Lebanon, while Israel and US conveyed a message to Iran that there will be no further attacks if Iran does not fire again. As such, benchmarks settled well off highs, and Middle Eastern rhetoric dominated the tape as participants await the next development in the war. Within all this, one of the additional lines of focus has been how Trump, at least for the last couple of days, has continuously requested Israel refrains from further, escalating attacks on Iran, as he thinks it may jeopardise a peace deal.

## EQUITIES

**CLOSES:** SPX+ 0.30% at 7,406, NDX +1.58% at 29,414, DJI -0.16% at 50,791, RUT +0.77% at 2,855.

**SECTORS:** Technology +1.47%, Energy +1.14%, Consumer Discretionary +0.49%, Health -0.22%, Consumer Staples -0.31%, Industrials -0.34%, Financials -0.58%, Communication Services -1.07%, Materials -1.28%, Real Estate -1.63%, Utilities -1.92%.

**EUROPEAN CLOSES:** Euro Stoxx 50 +0.04% at 6,064, Dax 40 -0.47% at 24,642, FTSE 100 +0.05% at 10,373, CAC 40 -0.23% at 8,199, FTSE MIB +0.63% at 50,208, IBEX 35 -0.66% at 18,223, PSI -0.01% at 8,931, SMI -0.56% at 13,314, AEX +0.37% at 1,045

### STOCK SPECIFICS:

- **Marvell (MRVL), Flex (FLEX):** To join the SPX BMO on 22nd June, replacing **Campbell's (CPB) & Pool (POOL)**.
- **Nvidia (NVDA) & SK Hynix** announced a multiyear tech partnership covering next-gen memory for Nvidia AI servers, PCs & robotics
- **AMD (AMD):** Plans to invest up to \$2bln in the UK over a 5yr period for AI innovation & research.
- **Nurix Therapeutics (NRIX):** Collaborating w/ Roche to develop & commercialise bexobrutideg.

- **Super Micro Computer (SMCI):** Bluefin Research is positive on the stock.
- **Amazon (AMZN)** announces agreement with Corning (GLW) to boost US fibre optics manufacturing, creating 1,000 advanced manufacturing jobs in North Carolina.
- **Google (GOOGL)** and **Nvidia (NVDA)** are reportedly looking at Intel (INTC) as a secondary manufacturing partner, The Information reports, citing sources; the Co's aim to alleviate capacity constraints at **TSMC (TSMC)**.
- Citrini new long at **Shopify (SHOP)**.
- **Apple (AAPL)** introduces Siri AI but will not be available initially in the EU, and it will not be available in China due to regulatory issues. The overall launch will be later this year.
- **Paramount (PSKY)** reportedly offers concessions to avoid antitrust suit by States, according to reports

## FX

**The Dollar** was mixed against G10 FX peers, as geopolitical news dominated the tape, after the weekend escalations with Iran and Israel. However, as Trump got involved and seemed to intimate that Iran and Israel are looking to do an immediate ceasefire... and final negotiations on "Peace" are proceeding, although, how accurate or close they actually are is a different question. As alluded to, over the weekend Iran and Israel struck each other again, for the first time since the April ceasefire, but since resumption of trade on Monday, both sides have eased off but promised to retaliate if fighting begins again, and Iran has warned of a "severe" response if the Israel Defence Forces continue striking southern Lebanon. Elsewhere, newsflow was actually pretty sparse amid no tier 1 US data and the Fed on blackout ahead of the confab next week. In the NY Fed SCE for May: 1yr ahead expected inflation eased to 3.5% (prev. 3.6%), with 3yr unchanged at 3.1%, and 5yr unchanged at 3.0%.

As mentioned, **G10 FX** performance was mixed vs. the Dollar, in what was pretty sparse currency specific newsflow, but instead trading of broader sentiment. Highlighting this, and amid the turnaround in risk sentiment given the more constructive geopol rhetoric and also some AI/chip equity stories, the Kiwi outperformed. CHF and CAD were the laggards, while EUR, GBP, and AUD eked out marginal gains vs. the Greenback. USD/JPY traded either side of 160 as participants continue to be wary of potential intervention, but some desks write that they are likely waiting for the BoJ rate decision next week if they are to intervene and USD/JPY remains around current levels.

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