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US Market Wrap - 9th June 2026

Tech sold amid renewed AI fears as Trump touts Iran response

- **SNAPSHOT:** Equities down, Treasuries up, Crude down, Dollar mixed, Gold down
- **REAR VIEW:** Trump said US must respond to Iranian attack on US helicopter; Draft agreement has reportedly been sent to the US side for review, with confirmation that the draft is preliminary accepted to the US admin; US and Iran reportedly zero in on four nuclear issues in talks; Taiwan said to be mulling curbs on AI chip exports to China to align with US; US trade deficit shrinks slightly less than expected in April; US existing home sales rose more than anticipated; US 3yr note auction shows some improvement; Data centre developer Crusoe has paused development on a 1.8GW AI project in Wyoming.
- **COMING UP: Data:** Japanese PPI (May), Chinese Inflation (May), Norwegian CPI (May), Swedish GDP (Apr), US CPI (May). **Events:** BoC Policy Announcement (Jun). **Speakers:** BoC's Macklem. **Supply:** Australia, Japan, Germany, US. **Earnings:** Oracle

MARKET WRAP

US indices, especially the tech-heavy Nasdaq 100, saw losses on Tuesday, albeit closing well off lows, which saw the NDX down in excess of 3% at worst. Even though indices were hit hard, a lot of the weakness was contained to the technology space, and extending on last week's pressure, as the equal-weighted S&P, RSP, was actually up +0.3%. For the weakness in tech, the renewed pressure could be a factor of a Bloomberg report that highlighted Crusoe, a data centre developer, has paused its development activities on its Wyoming site, which may have added to recent AI valuation fears, particularly in the wake of the Broadcom (AVGO) earnings report last week, which led to sharp declines in tech on Thursday and Friday. As mentioned, and highlighting the shallow breadth of losses, only Energy and Consumer Discretionary were the others to see losses, with defensive sectors like Real Estate, Consumer Staples, Utilities and Health Care sitting atop of the pile.

The crude complex was lower with the overall downside appearing to be a function of growing optimism surrounding US-Iran negotiations amid reports suggesting a draft agreement has been sent to the US side for review, while other reports indicate efforts are underway to reach an MoU as soon as this week. However, while benchmarks still ended lower. Prices rallied off lows after Trump said the US will respond to the Iranian attacks on US Apache helicopters over the Strait of Hormuz, which also sent stocks tumbling to daily lows.

Treasuries bull steepen as crude slides on hopes for a US-Iran agreement, while the Dollar was mixed against G10 peers and saw two-way trade amid sentiment and conflicting Middle East reporting. Overall, Antipodeans and GBP initially outperformed, with the former buoyed by aforementioned Middle-East developments and strong Chinese trade data, and the latter in the wake of strong BRC retail sales. However, as the session continued and risk sentiment soured, the Aussie turned around and was hit, with the USD/JPY continuing to hover around 160 ahead of next week's BoJ.

Precious metals were sold, likely on risk, as traders await any further action from Trump given his threat, and also attention turns to Wednesday's CPI report, which will provide a key test of the market's increasingly hawkish Fed outlook following Friday's strong nonfarm payrolls report. Money markets are now fully pricing one 25bp rate hike by year-end. Another firm inflation report could strengthen the case for more officials to join the statement dissenters from the last meeting in favour of removing the easing bias. Governor Waller has already suggested he intends to support such a move at the upcoming meeting.

US

BALANCE OF TRADE: The US balance of trade saw a deficit of USD 55.90bln, marginally deeper than the expected deficit of USD 55.5bln, but easing from March's USD 56.6bln as exports increased more than imports. Highlighting this, the former rose 2.6% to USD 327.1bln, with the latter rising 2% to USD 383bln. The goods deficit decreased USD 2.4bln to USD 83.7bln, while services surplus decreased USD 1.7bln to USD 27.8bln. The rise in exports outpaced the increase in imports, which was mainly due to the surge in petroleum exports related to the Middle East war. As such, Oxford Economics writes that the strength in exports relative to imports provides some upside risk to its forecast for net trade to pose a 0.6ppt drag on GDP in Q2. OxEco also adds that capital goods imports, including computers, computer accessories, and semiconductors, remain strong thanks to ongoing demand for AI hardware, and the reliance on electronics equipment from abroad means that AI spending has had a marginal impact on GDP so far.

EXISTING HOME SALES: Existing home sales rose 3.2% in May to 4.17mln from 4.02mln, above the expected 4.05mln. Inventory of homes for sale was 1.55mln units, or 4.5 months' worth, unchanged M/M, while the US national median home price for existing homes was USD 429,300, +1.3% Y/Y. NAR Chief Economist Yun said, "More Americans are on the move, with home sales rising to the highest level since December", and "improving affordability is helping drive this momentum". Yun continued, "The new record-high May home price reflects solid fundamentals for homeowners and ongoing supply constraints."

FIXED INCOME

T-NOTE FUTURES (U6) SETTLED 6 TICKS HIGHER AT 109-07

T-notes bull steepen as crude slides on hopes for a US-Iran agreement. At settlement, 2-year -4.0bps at 4.126%, 3-year -4.0bps at 4.180%, 5-year -3.5bps at 4.259%, 7-year -3.8bps at 4.389%, 10-year -3.6bps at 4.532%, 20-year -3.0bps at 5.025%, 30-year -

2.7bps at 5.012%.

THE DAY: Treasury yields moved lower on Tuesday, with the curve bull steepening as front-end yields led the move. The move was primarily driven by further geopolitical optimism, with President Trump suggesting a "victory" could be declared within two weeks, while reports indicated a memorandum of understanding between the US and Iran could be signed as soon as this week.

The improving outlook for negotiations weighed heavily on crude prices, helping ease inflation concerns and supporting Treasuries. Oil prices did, however, recover from session lows after President Trump announced the US would respond to Iran's attack on Apache helicopters operating over the Strait of Hormuz. As crude pared losses, Treasury yields also moved off their lows.

Alongside the decline in oil prices, equities came under pressure, particularly within the technology sector, with the Nasdaq leading losses. The weakness in risk assets may also have generated some haven demand for Treasuries.

On the data front, existing home sales came in stronger than expected, while ADP's weekly employment gauge showed an average of 29k jobs added per week over the past four weeks. Elsewhere, the April trade deficit narrowed to USD 55.9bln from USD 60.3bln, although it was slightly wider than the expected USD 55.5bln. The Atlanta Fed's GDPNow estimate was also revised higher to 3.3% from 3.0%.

Attention now turns to Wednesday's CPI report, which will provide a key test of the market's increasingly hawkish Fed outlook following Friday's strong nonfarm payrolls report. Money markets are now fully pricing one 25bp rate hike by year-end. Another firm inflation report could strengthen the case for more officials to join the statement dissenters from the last meeting in favour of removing the easing bias. Governor Waller has already suggested he intends to support such a move at the upcoming meeting.

SUPPLY

Notes

- [US sold USD 58bln of 3-year notes; Tail 0.3bps.](#)
- US to sell USD 39bln of 10-year notes on June 10th and USD 22bln of 30-year bonds on June 11th

Bills

- US sold 6-week bills at a high rate of 3.600%, B/C 3.25x; sold 1-year bills at a high rate of 3.750%, B/C 3.34x
- US to sell USD 69bln of 17-wk bills on June 10th;
- US to sell USD 70bln of 4-wk bills and USD 75bln of 8-wk bills on June 11th.

STIRS/OPERATIONS

- **Fed Pricing: 25.1bps (prev. Dec 27.1bps).**
- EFFR at 3.62% (prev. 3.62%), volumes at USD 108bln (prev. USD 117bln) on June 8th
- SOFR at 3.63% (prev. 3.63%), volumes at USD 3.115tln (prev. USD 3.131tln) on June 8th
- NY Fed T-Bill Purchases (4-11 month): Accepts USD 3.29bln of USD 31.18bln offered; Offer-to-cover 9.48x
- NY Fed RRP op demand at 0.58bln (prev. 1.83bln) across 13 counterparties (prev. 16) on June 9th

CRUDE

WTI (N6) SETTLED USD 3.10 LOWER AT 88.20/BBL; BRENT (Q6) SETTLED USD 2.80 LOWER AT 91.45/BBL

The crude complex was lower for the duration of the session on Tuesday, but was choppy, and settled off troughs after a Trump threat to Iran. As mentioned, WTI and Brent rebounded off lows, after selling through the duration of the session, after Trump stated the US must respond to the Iranian attack on a US helicopter last night; desks await further clarification or any action on the US President's punchy rhetoric. Note, Axios, citing a US investigation, did not know if the Iran downing of a US helicopter was deliberate, but in a more recent trade, Al Arabiya, citing a US official, said it was deliberate. Prior to this, the Middle East developments were more constructive, as a Pakistani source told Al-Hadath that contacts are ongoing with all parties to reach an MoU this week, while Sky News Arabia said the draft agreement has been sent to the US side for review, with confirmation that the draft is preliminarily accepted by the US administration. Further still, Trump remarked that they are negotiating regarding Iran, and victory will happen very soon.

Away from the Middle East, the monthly [EIA STEO](#) saw world oil demand at 102.9mln bpd (prev. 104.2mln bpd), and 2027 at 105.3mln bpd (prev. 105.6mln bpd). In commentary, it does not expect Strait of Hormuz traffic to ramp up to pre-Iran war level until early 2027, and assumes oil shipments through Strait of Hormuz resume in Q3 2026. After-hours traders await the weekly private inventory metrics.

WTI traded between USD 85.95-91.55/bbl and Brent USD 89.57-94.42/bbl.

EQUITIES

CLOSES: SPX -0.26% at 7,387, NDX -1.12% at 29,084, DJI +0.17% at 50,877, RUT +0.41% at 2,867

SECTORS: Technology -1.82%, Energy -1.60%, Consumer Discretionary +0.12%, Communication Services +0.15%, Financials +0.95%, Consumer Staples +0.98%, Utilities +1.14%, Industrials +1.16%, Health +1.27%, Materials +1.72%, Real Estate +2.13%.

EUROPEAN CLOSES: Euro Stoxx 50 -0.24% at 6,047, Dax 40 -0.80% at 24,418, FTSE 100 -1.41% at 10,227, CAC 40 +0.05% at 8,203, FTSE MIB +0.11% at 50,263, IBEX 35 -0.20% at 18,187, PSI -0.32% at 8,903, SMI +0.27% at 13,356, AEX +0.18% at 1,047

STOCK SPECIFICS:

- **FedEx (FDX)** raised annualised div. rate 5% to USD 4.88/shr, following one-time adjustment related to the spin-off of FedEx Freight (FDXF)
- **GSK (GSK)** agreed to acquire Nuvalent (NUVL) for USD 10.6bn (or USD 124/shr in cash); closed Mon. at USD 88.49/shr
- **J.M. Smucker (SJM)**: EPS & rev. topped w/ FY profit view better than exp.
- **Applied Digital (APLD)** signed a 15yr lease with a US-based hyperscaler at its Delta Forge 2 site which is exp. to generate \$5.2bn in rev.
- **AstraZeneca (AZN)** Oral GLP-1 receptor agonist elecoglipron achieved average body weight reduction of 10.5% at 26 weeks
- **Applied Materials (AMAT)** raised quarterly div. ~15% to USD 0.53/shr.
- **SailPoint (SAIL)** issued disappointing FY guidance.
- **Vail Resorts (MTN)**: Profit light.
- **Reddit (RDDT)** received positive comments from Piper Sandler and Cleveland.
- Data centre developer Crusoe has paused development on a 1.8GW AI project in Wyoming, Bloomberg reports.
- **Salesforce (CRM)** laid off more employees in a new round of cuts, according to sources cited by Business Insider.
- Ancora built stake in **Ashland (ASH)**, and calls on Co. to begin sales process, according to reports.
- **PNC (PNC)** said Q2 tracking toward high end of prior guidance ranges with about two-thirds of the quarter complete; revenue is toward the higher end; both NII and fees are tracking very well and credit remains very good. Charge-offs tracking to the guided ~USD 225mln.

FX

The dollar was overall slightly weaker on Tuesday, likely on the inflation angle, with yields slightly lower amid another slump in oil prices as markets welcome the latest developments. Reports noted a draft agreement has been sent to the US side for review, with other reporting noting that all parties will reach an MOU this week. However, following US President Trump saying he would respond to the Iranian attack on a US helicopter, the Dollar saw strength, and US equities extended even further on their losses to intra-day troughs. Away from the Middle East, the NFIB Business Optimism Index unexpectedly dropped to 95.3 (exp. 96.0, prev. 95.9). Interestingly, a net 36% of small business owners raised average selling prices, the highest reading since March 2023, and a net 34% plan to increase prices, the highest reading since July 2022. At Citi, the Global FX strategy recommends shorts where the economy was already weak, a central bank that is unlikely to deliver hawkish market pricing, and terms of trade negative to the conflict; said SEK and NZD continue to flag as vulnerable. Today, DXY hit lows of 99.679 before paring to ~99.912, still below the high of 100.077.

NZD saw strength, capped by the jittery mood across markets, with equities once again facing a wave of pressure, albeit easing into the close. NZD/USD held onto gains while AUD/USD traded in the red at ~ 0.7030, with the Aussie hit by the broader risk off sentiment and losses in US equities. Overnight updates included strong trade data out of China (imports & exports beat) and Australia's NAB business confidence showed some improvement in April from May, though it remained negative amid persistent cost pressures and a weakening domestic backdrop.

USD/CAD is set for a fifth straight day of gains ahead of the BoC rate decision, as lower oil prices act as a headwind on GDP growth from energy exports. The BoC is widely expected to leave its policy rate unchanged at 2.25% for a fifth consecutive meeting as it balances trade uncertainty against lingering inflation risks. [Click here for the full Newsquawk Preview.](#)

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