

newsquawk

US Market Wrap - 11th June 2026

Oil slides and stocks rally as Trump touts US/Iran deal

- **SNAPSHOT:** Equities up, Treasuries up, Crude down, Dollar down, Gold up
- **REAR VIEW:** Trump cancels fresh attacks on Iran, citing agreement reached with Iran, signing awaits; Reports suggest Iranian Supreme Leader approval is still needed, but a positive sign that the US has accepted Iran proposal; US PPI prints hot on headline, core soft; Weak US 30yr bond auction; ECB hiked rates by 25bps; ORCL slides on capex guide and new capital raise.
- **COMING UP: Data:** Japanese Industrial Production Final (Apr), German/French/Spanish HICP Final (May), UK GDP (Apr), Industrial Production (Apr), Canadian Wholesale Sales (Apr), US UoM Prelim. (Jun). **Event:** SpaceX COO Interview.

MARKET WRAP

Risk sentiment improved markedly on Thursday after US President Trump touted a deal with Iran and announced that planned US strikes scheduled for tonight had been cancelled.

Equities rallied on the news, with gains led by cyclical and growth-sensitive sectors as investors rotated back into risk assets, with industrial materials and tech outperforming, while energy was the sole sector in the red. Oracle (ORCL) was the tech underperformer after earnings last night, where its USD 40bn equity sale saw the stock fall over 8%.

The crude complex was the primary casualty of the geopolitical optimism, reversing earlier gains and settling sharply lower. Markets continue to await official confirmation regarding the reported agreement, with Iranian and Israeli media pushing back on some of the claims. However, Fars reported that any proposed deal is likely to be accepted, helping maintain optimism around a potential de-escalation. Meanwhile, Trump suggested the deal could be signed this weekend in Europe.

The decline in oil prices supported a broad rally in Treasuries, with yields falling 8-10bps across the curve. The move was led by the belly, as traders pared inflation concerns and some of the hawkish policy expectations that had built in recent weeks amid elevated energy prices. Markets are no longer fully pricing a 25bps rate hike by year-end, with 18.5bps currently priced, implying a 74% chance of such a move.

In FX, the USD was broadly weaker, reflecting the improvement in global risk sentiment. The Antipodeans outperformed, with both AUD and NZD benefiting from the more constructive risk backdrop. The Canadian Dollar was weighed down by the sharp decline in crude prices.

Elsewhere, US PPI was mixed, with softer core measures offset by firm headline and supercore inflation. The report did little to materially alter Fed expectations, although a sustained decline in energy prices following any Iran agreement could help ease inflation pressures in the months ahead. Meanwhile, the USD 22bn 30-year bond auction was weak, with a sizeable tail and a sharp decline in indirect demand, highlighting ongoing caution towards long-duration debt despite yields remaining close to 5%.

US

US PPI: The May PPI report was mixed, with a hot headline reading, softer core inflation, and a reacceleration in supercore prices. Headline PPI rose 1.1% M/M, above the 0.7% forecast but below the prior 1.4%, while the Y/Y rate accelerated to 6.5% from 6.0%, slightly above the 6.4% consensus. Core PPI rose 0.4% M/M, in line with expectations and cooling from the prior 1.0%, while the Y/Y measure eased to 4.9% from 5.2%, below the 5.3% forecast. Meanwhile, supercore PPI, which excludes food, energy and trade services, rose 0.8% M/M, accelerating from 0.6%, while the Y/Y rate accelerated to 5.1% from 4.4%. While the softer core reading is a welcome sign, the acceleration in the supercore measures suggests underlying inflation pressures remain elevated. Within the report, the PPI components relevant for PCE were mixed. Portfolio management prices rose sharply to 4.84% from -2.31%, while air passenger transportation prices declined 0.5% after rising 2.66% previously. Following the release, Pantheon Macroeconomics estimated that core PCE likely increased 0.38% in May, lifting the annual rate to 3.4% from 3.3% in April. Overall, the report is unlikely to materially alter Fed expectations. Inflation remains above target and the labour market continues to appear stable, allowing policymakers to maintain their focus on inflation risks. However, the softer core reading means the report is unlikely to generate a significant additional hawkish repricing following last week's strong payrolls data. Attention now turns to next week's FOMC meeting and Chair Warsh's press conference for further insight into how he is interpreting the recent inflation and labour market data.

JOBLESS CLAIMS: Initial jobless claims (w/e June 6th) rose to 229k from 225k, above the expected 219k and within the forecast range. The four-week average increased to 219.0k from 214.75k. Continuing claims (w/e May 30th) rose to 1.795m from the prior week's revised 1.771m, above the 1.780m forecast. In the unadjusted data, initial claims totalled 228,276, up 21.1% W/W, while seasonal factors had anticipated an increase of 35,595 claims (+18.9%). Looking at the state breakdown, the largest increases were recorded in Pennsylvania (+5,627), California (+5,340), Minnesota (+5,306), Texas (+2,818), and Puerto Rico (+2,640), while the largest declines were seen in Tennessee (-1,069), Oklahoma (-522), Mississippi (-448), Missouri (-349), and Kansas (-334). Summarising the data, Oxford Economics writes that "Initial jobless claims have moved well off their recent lows, but we don't think the increase is signalling deteriorating labor market conditions. Labour market indicators taken together paint a stabilised and improving picture." While claims have drifted higher in recent weeks, the broader labour market continues to appear stable. As such,

the data is unlikely to materially alter the Fed's outlook and allows policymakers to maintain their focus on inflation risks, which remain above target.

FIXED INCOME

T-NOTE FUTURES (U6) SETTLED 17 TICKS HIGHER AT 109-21+

Yields lower across the curve as Trump touts US/Iran deal. At settlement, 2-year -9.4bps at 4.051%, 3-year -10.1bps at 4.101%, 5-year -10.8bps at 4.172%, 7-year -10.8bps at 4.305%, 10-year -10.1bps at 4.453%, 20-year -9.5bps at 4.955%, 30-year -8.4bps at 4.946%.

THE DAY: Yields moved lower across the curve on Thursday, with the move accelerating into settlement after US President Trump touted a deal with Iran and announced that planned strikes scheduled for tonight had been cancelled. The announcement saw crude prices reverse earlier gains and move sharply lower, helping Treasuries rally as investors pared inflation risk premiums tied to the conflict.

Treasuries had already been edging higher throughout the session, with the long end initially leading the move. However, Trump's comments prompted a broader rally across the curve, leaving yields 8-10bps lower by settlement, with the belly outperforming.

The market reaction has largely held, although questions remain regarding the validity of the reported agreement. Iranian and Israeli media have pushed back on reports that a deal has been reached, while officials have provided little clarification. That said, Fars reported that any proposed agreement is likely to be accepted, helping maintain optimism that a broader de-escalation may be achievable.

Elsewhere, the May PPI report was mixed, with softer core measures offset by firm headline and supercore inflation. While the data does little to alter the broader narrative that inflation remains above target, a successful agreement with Iran and a sustained decline in energy prices could help ease inflation pressures in the months ahead, particularly if the Strait of Hormuz reopens smoothly.

The USD 22bln 30-year bond auction was weak, tailing by 1.2bps and seeing a sharp decline in indirect demand. The result suggests investor appetite for duration remains fragile despite yields remaining near 5%, with dealers left holding a well-above-average share of the issue.

SUPPLY

Notes

- [US sold USD 22bln of 30-year bonds; Tail 1.2bps](#)
- US Treasury to sell USD 13bln of 20-year bonds on June 16th, to settle June 22nd; to sell USD 24bln of 5-year TIPS on June 18th, to settle June 30th

Bills

- US sold 4-week bills at a high rate of 3.595%, B/C 3.13x; sold 8-week bills at a high rate 3.610%, B/C 2.94x
- US to sell USD 89bln of 13-week bills, and USD 77bln of 26-week bills on June 15th, to settle on June 18th
- US to sell USD 65bln of 6-week bills on June 16th, to settle on June 18th

STIRS/OPERATIONS

- **Fed Pricing: 18.5bps (prev. Dec 24.9bps)**
- EFR at 3.62% (prev. 3.62%), volumes at USD 106bln (prev. USD 106bln) on June 10th
- SOFR at 3.59% (prev. 3.60%), volumes at USD 3.023tln (prev. USD 3.063tln) on June 10th
- NY Fed RRP op demand at 0.46bln (prev. 0.39bln) across 3 counterparties (prev. 4) on June 11th
- NY Fed T-bill Schedule: Plans to conduct approximately USD 16.5bln in reinvestment purchases and an additional approximately USD 10bln in reserve management purchases over the noted monthly period

CRUDE

WTI (M6) SETTLED USD 2.32 LOWER AT USD 81.71/BBL; BRENT (Q6) SETTLED USD 2.72 LOWER AT USD 90.38/BBL

Crude reversed early gains and tumbled on Thursday as US President Trump touted an agreed-upon deal with Iran while simultaneously cancelling the planned strikes on Iran, which he only announced this morning. Regarding a deal, Trump said in his post that "discussions with the Islamic Republic of Iran have been brought to the highest level of Iranian leadership and approved" while noting "Discussions and final points have been, in both concept and great detail, approved by all parties involved", alluding to a deal. However, we are yet to hear confirmation from Iranian officials but Israeli press has been pushing back on the deal claims, while Iran's Fars News has also pushed back on an agreed upon deal. Nonetheless, sources told Axios that key gaps were resolved during talks between Iranian officials and Qatari mediators, and the Qataris and the Iranians believed on Wednesday that they had reached an agreed-upon text that the US would also accept. This resulted in notable downside in crude prices while equities rallied and the dollar tumbled. Ahead of this, oil prices were trading with gains after Trump said the US will be hitting Iran very hard tonight, and the US "will be taking Kharg Island, and other oil infrastructure points " in the not-too-distant future. Elsewhere, in remarks to Fox News in wake of the Truth post, Trump said US is talking to Iran, his preference would be to take Kharg Island, but not sure US has the appetite for it, and he doesn't want boots on the ground. Meanwhile, Bloomberg reported that the UAE and Iran reportedly met face-to-face to ease tensions.

Away from the Middle East, the OPEC MOMR for May, stated global oil demand forecast to grow by 1.0mln BPD Y/Y in 2026 (prev. 1.2mln BPD in last assessment) and 1.7mln BPD Y/Y in 2027 (prev. 1.5mln BPD). For the record, WTI traded between USD 86.54-

93.64/bbl and Brent USD 89.46-95.50/bbl.

EQUITIES

CLOSES: SPX +1.75% at 7,394, NDX +3.29% at 29,446, DJI +1.86% at 50,854, RUT +3.02% at 2,921

SECTORS: Energy -2.06%, Consumer Staples -0.47%, Real Estate -0.12%, Utilities +0.07%, Communication Services +0.34%, Financials +0.79%, Health +0.80%, Consumer Discretionary +2.39%, Technology +2.94%, Industrials +3.25%, Materials +3.26%.

EUROPEAN CLOSES: European Closes: Euro Stoxx 50 +0.93% at 6,066, Dax 40 +0.06% at 24,210, FTSE 100 +0.48% at 10,304, CAC 40 +0.48% at 8,201, FTSE MIB +0.95% at 50,505, IBEX 35 +0.81% at 18,290, PSI +1.44% at 9,025, SMI +0.49% at 13,530, AEX +1.06% at 1,063.

STOCK SPECIFICS:

- **Oracle (ORCL):** Higher-than-exp. FY27 capex plans & is to raise more money to finance AI buildout outweighed strong Q metrics.
- Beijing's market regulator summoned Alibaba (BABA), JD (JD), PDD (PDD), ByteDance & Xiaohongshu over alleged misleading "618" sales promotions.
- **Caterpillar (CAT)** raised quarterly dividend by 8% to USD 1.63/shr.
- **Intel (INTC)** was double upgraded to 'Buy' from 'Underperform' at BofA.
- **Dana Incorporated (DAN)** to combine with Eaton's (ETN) Mobility business headlines.
- Crusoe pushed aside at Wyoming AI project after **Google (GOOGL)** concerns.
- **Google (GOOGL)** announces roll out of enhanced local services ads for home listings.
- Muddy Waters announces it is short **Ensign Group (ENSG)**.

FX

The dollar was broadly hit on Trump reversing his decision to attack Iran tonight, citing that discussions with Iran have been brought to the highest level of Iranian leadership and approved. Trump floated an agreement that would be signed and announced soon. The move was broad-based, as a surge in risk appetite left EMs rallying. As of now, Iranian media have said a final agreement has not been approved by Iran, which syncs up with Axios' Ravid reporting that the Supreme Leader still needs to give final approval. In response, oil prices tumbled, leaving bonds bid as Fed rate hike bets got unwound, denting the USD bull case. In the US morning, US PPI sparked a quiet reaction in trade, though it printed notably hotter on the headline readings than CPI on Wednesday. Core came in softer-than-expected; however, the acceleration in the supercore measure means current levels of underlying inflation remain a concern. Separately, initial claims ticked higher to 229K from 225K, but like continued claims, remain in healthy ranges. Now, we await a response from the Iranian Supreme Leader on Trump's comments. Meanwhile, SpaceX's IPO on Friday marks a historic day; demand thus far appears to be strong, particularly amongst retail investors. DXY trades around 99.586, lows from earlier 100.314 highs.

G10 FX was mostly in the green, except CAD and NOK, both weighed down by the slump in oil prices. Antipodes saw the most gains, whilst the EUR posted lesser gains in the aftermath of the ECB announcement.

The ECB decision was broadly as expected, with a 25bps hike and the expected non-committal guidance and usual language. Baseline inflation forecasts were revised higher while growth was cut, though the cut to the growth view was not as marked as some had expected. Overall, the statement endorses, but does not cement, market pricing for another 2026 hike. EUR/USD hit lows of 1.1503 on Trump's escalation before reversing on his U-turn to highs of 1.1589. [Click here for the full ECB review.](#)

ECB REVIEW: Overall, largely as expected from the ECB with the bank hiking rates by 25bps to 2.25%. Both the statement and President Lagarde were non-committal to further tightening, but there was nothing standing in the way of additional action. The baseline forecasts have inflation back to target in 2028, suggesting that further tightening is not a certainty as the ECB arguably does not need it over the medium term. However, the Adverse scenario that Lagarde pointed us to does have inflation above target by the end of the forecast horizon, suggesting further tightening is still a possibility. In short, the statement, forecasts and press conference chime with pre-ECB market pricing for another hike this year, a view broadly maintained post-ECB; pricing has (adj. for the 25bps move today) 33bps implied by-end 2026 vs 36bps pre-ECB. In wake of the meeting, sources via Reuters noted that policymakers eye a pause in July if energy prices stay where they are and would need to see a material surge in crude prices to support another hike in July. Looking ahead, policymakers projected two more rate hikes, meaning a September hike is still possible. Bloomberg sources however said officials see the next rate hike possibly as soon as July. [For further analysis, please click here](#)

Copyright © 2026 Newsquawk Voice Limited. All rights reserved.

Registered Office First Floor, 10 Chiswell Street, London, EC1Y 4UQ · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 4545 5000 · sales@newsquawk.com