newsquawk

Daily US Equity Opening News - 17th June 2026

INTC's 18A-P chip process enters risk production; NFLX denies reports of interest in LION

- **US INDEX FUTURES:** ES +0.2%, NQ +0.7%, YM unch, RUT +0.2%
- **DAY AHEAD:** The US day sees the release of US Retail Inventories, Business Inventories, and Pending Home Sales. In energy, the EIA will release its weekly inventory report; Tuesday's private inventory data showed, Crude -8.3mln (exp. -4.5mln), Distillates -0.5mln (exp. -0.2mln), Gasoline +2.5mln (exp. -1.4mln), Cushing -1.5mln. The main event of the day is the FOMC meeting, where the Fed is expected to hold rates.
- **FOMC PREVIEW** - The Fed is widely expected to keep the target range for the federal funds rate unchanged at 3.50-3.75%. Economists largely expect rates to remain on hold this year, with 72 of 102 respondents in a Reuters survey conducted between June 4th and 9th seeing no rate changes through end-2026. Money market pricing had, at one stage, fully priced a rate hike by year-end amid firmer oil prices during the Iran conflict, above-target inflation, and a resilient labour market following the strong May nonfarm payrolls report. However, with the US and Iran subsequently reaching an agreement to end the conflict, which is set to be signed on Friday, and oil prices retracing sharply from their highs, markets have pared some of those expectations and currently price around 18bps of tightening by year-end, implying a 72% probability of a 25bps hike. The vote split on rates is expected to be unanimous, particularly with former Governor Miran no longer on the Board and Kevin Warsh now serving as Chair. Bank of America does not expect Warsh to advocate for a rate cut at his first meeting. Click here for the full preview.
- **BROKER MOVES:** CRI upgraded at Wells Fargo; ZGN downgraded at Goldman Sachs. For the full list, click here.
- **MAJOR MORNING MOVES RECAP:** INTC, ORCL, MSFT, GNK, DSX, ASTS, LZB, KMX, LION, NFLX, AVGO, FIG, LDOS, AEHR. For the full list, click here.
- **US DAILY CONFERENCE CALENDAR:** CTVA, ABT, BX, FIX. For the full list, click here.

NEWS:

GEOPOLITICS

- **US/Iran** - US President Trump said Iran MoU is not final (in reference to the 60-day negotiating period); if I do not like what I see, "we will strike again". The MoU does not include immediate sanctions relief, but we will talk about this later. Meanwhile, "An informed source: Bloomberg's alleged text about the [US-Iran] memorandum is not accurate", Tasnim reports; adds that "The text of the memorandum, based on the agreement of the parties, will be published after it is signed on Friday". "This source close to the negotiating team emphasised: For example, the first paragraph and the paragraph related to the Strait of Hormuz that appeared in Bloomberg are clearly inaccurate, and some important keywords are missing."

TECH

- **Microsoft (MSFT), Oracle (ORCL)** - Microsoft walked away from a USD 3bln deal to lease Oracle cloud capacity over security concerns, Business Insider reports. One of the people said that the deal could have been worth more than USD 3bln. Microsoft is seeking a deal or deals with other cloud providers to prioritise its own Azure cloud computing resources on customers, the people said. The plan was to move some Microsoft workloads to Oracle Cloud Infrastructure, but Oracle's public cloud did not have the Federal Risk and Authorization Management Program (FedRAMP), a standardised security framework that ensures cloud services are secure enough to handle US government data. Oracle was not willing to add this framework, one of the people said. Microsoft is still evaluating and exploring options for leasing cloud infrastructure, the people familiar with the talks said. Amazon and Google's public clouds have FedRAMP. In response, Oracle disputed the BI report, calling the details in the report inaccurate.
- **Apple (AAPL)** - To launch AI equipped AirPods and smart glasses, while AirPods will feature embedded cameras for visual intelligence and smart glasses project N50 targets a 2027 launch, according to the New York Post.
- **Intel (INTC)** - Announced its next-generation 18A-P manufacturing process has entered risk production, with the company positioning the node for potential external foundry customers and citing performance and power-efficiency improvements over 18A.
- **US/China** - US delayed blacklisting China's DeepSeek and over 100 Chinese firms deemed national security risks, to avoid escalating tensions with Beijing, according to Reuters, citing sources.
- **Broadcom (AVGO)** - JPMorgan is 'Overweight' on Broadcom, PT of USD 580/shr. writing "Ignore The Noise - TPU v9 2nm ASIC Program On Track For CY28 Ramp - NO Delays; Secures Next Four Generations of TPU (And Increasing Revenues) On Prior GOOG/AVGO Five-Year Agreement". JPM believes the market continues to underestimate Broadcom's "significant dominance" in advanced packaging design, cadence of new designs, intellectual property portfolio, and track record of execution. The firm reiterates an 'Overweight' rating and would be "aggressive buyers at current levels."

- **Anthropic** - European Commission spokesperson said to meet with Anthropic on Thursday. According to sources, Trump officials weighed Anthropic export controls weeks before forcing its models offline, after a dispute over giving China-linked firm Mythos access, The Washington Post reported.
- **Samsung Electronics (005930 KS)** - Said to be fielding inquiries about contract chip making services with multiple companies said to be reaching out to the Co, while names mentioned include BYD (BYDDY), Google (GOOG), AMD (AMD) and Tesla (TSLA). Meanwhile, Samsung Electronics' plans for mass production of next-generation DRAM are taking shape, ZDNET reports. Co. is currently developing equipment for the mass production of 7th-generation 10-nanometer DRAM with multiple partners; it aims to introduce it as early as the second quarter of next year.
- **Stellantis (STLA)**, Wayve, **Uber (UBER)** - Companies formed a partnership to explore deployment of Level 4 robotaxis globally, combining Stellantis' vehicle platforms, Wayve's AI driving technology, and Uber's ride-hailing network. The agreement builds on the companies' existing strategic relationships, including Stellantis and Wayve's recent L2++ agreement, and Wayve and Uber's partnership to deploy autonomous rides in London, Tokyo, and ten other cities around the world starting this year.
- **WeRide (WRD), Uber (UBER)** - Companies plan to launch commercial robotaxi service in the Greater Zurich region later this year, marking their second European deployment announcement in recent weeks following Madrid, subject to regulatory approval.
- **Uber (UBER), Nuro, Lucid (LCID)** - Companies selected Houston as the second robotaxi market, with commercial launch planned for mid-2027 after the San Francisco Bay Area rollout. Nuro is already conducting autonomous testing in Houston, while Uber has secured a 50,000-square-foot depot and charging facility to support fleet operations. The companies expect to launch the service in Houston in mid-2027 exclusively through the Uber network, with plans to expand the service to dozens of additional markets over the coming years.
- **Figma (FIG)** - Citi initiated coverage of Figma with a 'Buy' rating and USD 36 PT. The firm believes the company's "ramping AI traction" will drive "significant upside" to consensus estimates. Citi's industry checks show strong AI traction for Figma, including seat upgrades and credit pack utilisation.
- **Leidos Holdings (LDOS)** - Downgraded at BofA to 'Neutral' from 'Buy' with a USD 125 PT (prev. 200), citing increasing pressure across the "once blooming" healthcare portfolio. The managed healthcare business has been a standout performer for some time, but the firm sees downward pressure in the near term as the Defense Health Agency works on trying to work directly with suppliers in the Defense Healthcare Management System Modernization maintenance phase and the Medical Disability Exams upcoming recompete weighs on Leidos' future share and pricing power.
- **Jabil (JBL)** Q3 2026 (USD): Core EPS 3.16 (exp. 3.12), Revenue 8.8bln (exp. 8.66bln); sees Q4 core EPS 3.80-4.20 (exp. 3.73) and Q4 reveune of 9.2-10.0bln (exp. 9.05bln).
- **Aehr Test Systems (AEHR)** - Announced a follow-on production order for its FOX-XP wafer-level burn-in system, which tests nine wafers in parallel and includes a WaferPak Auto Aligner and full set of FOX WaferPak Contactors. The system is scheduled to be delivered within six months.
- **AST SpaceMobile (ASTS)** - Successfully launched BlueBird 8, 9, and 10 satellites aboard a Falcon 9 from Cape Canaveral, advancing deployment of its space-based cellular broadband network for direct-to-smartphone connectivity.

COMMUNICATIONS

- **Netflix (NFLX), Lionsgate (LION)** - Netflix denied reports that it planned to acquire Lionsgate Studios and said it did not make a bid for Roku, contradicting earlier media reports, The Wrap reported.
- **Meta (META)** - CTO said morale is almost 'the worst it's ever been', Business Insider reports.
- **AT&T (T)** - Appointed Jennifer Biry as Deputy CFO effective July 6, 2026; to become CFO January 1, 2027, according to a SEC filing.
- **Google (GOOGL)** - UK CMA announced further action to secure a fairer deal for businesses and improve Google search services in UK. New requirements: The first requires that Google improve transparency and fairness in how search results are ranked. The second requires Google to allow users to port their search data to authorised third parties, such as rewards platforms or companies offering personalised offers or discount codes.
- **Verizon (VZ)** - Launched its "customer-centered reboot," including new Verizon Simplicity and Verizon One plans aimed at simplifying pricing, billing, and bundled wireless/home services.

CONSUMER DISCRETIONARY

- **Amazon (AMZN)** - Reportedly faces a potential FTC lawsuit tied to disclosures around advertising terms and pricing, with Bloomberg reporting potential damages could reach billions of dollars. Meanwhile, AWS is to waive network bandwidth charges for all Amazon GameLift server instances, generation six and later, effective 15 June. Separately, Amazon is partnering with startup Odyssey ML to build AI systems that can simulate the physical world, building on emerging technology, according to FT.
- **GM (GM)** - Held talks with RTX (RTX) and L3Harris (LHX) on boosting munitions output.
- **Alibaba (BABA)** - To launch data centers in France; suite of agentic AI services set to launch for European customers later this year.
- **Five Below (FIVE)** - Appointed Shake Shack (SHAK) CEO Robert Lynch to its board as an independent director, expanding the board to nine members.
- **Six Flags (FUN)** - Disclosed that Director Rehan Jaffer bought 250K shares of common stock on June 12 in a total transaction size of USD 5.9mln.
- **La-Z-Boy (LZB)** Q4 2026 (USD): Adj. EPS 1.26 (exp. 0.82), Revenue 570mln (exp. 569.23mln); sees Q1 revenue at 490-

510mln (exp. 495.5mln). Announced a new USD 300mln share repurchase programme.

- **CarMax (KMX)** Q1 2026 (USD): EPS 1.31 (exp. 0.94), Revenue 8.01bln (exp. 7.43bln).

ENERGY

- **IEA OMR (Jun):** World oil demand falling by 1.1mln BPD in 2026 on the Iran War (prev. forecast 420k BPD fall); sees total world oil supply 920k BPD lower than demand in 2026 (prev. forecast 1.7mln BPD lower). Supply: Supply to fall by 3.9mln BPD in 2026 (prev. forecast 3.9mln BPD fall).
- **Russia** - Russia's oil exports through its Western ports were about 35% higher than preliminary plans in the first half of June, according to sources.
- **Exxon Mobil (XOM)** - Signed a preliminary agreement to supply LNG to South Africa's planned first LNG import terminal at Richards Bay, supporting the country's shift away from coal-fired power generation.
- **TotalEnergies (TTE)** - Said its Saudi Arabian refinery was hit by three drones, still only running at 70% and "probably" will not be repaired until early 2027.
- **Peabody Energy (BTU)** - Locked out workers at its United Wambo Washery in New South Wales for two weeks amid an ongoing labor dispute, with industrial action continuing after workers rejected the company's pay and bonus proposal.
- **West Coast SPR** - Two US Senate Democrats are calling for US Energy Secretary Wright to abandon efforts to build a West Coast SPR, CNN reports; Democrats warned that establishing it this fiscal year would flout the law and usurp congressional authority.

FINANCIALS

- **PayPal (PYPL)** - Reportedly winding down its venture investing arm as part of a broader restructuring, with the team reduced to two employees from more than 10 in late 2025.
- **HSBC (HSBC), Google Cloud (GOOGL)** - Announced a multi-year AI partnership to deploy AI across HSBC's operations, with the bank targeting 200+ new AI use cases over the next two years using Google's Gemini and agentic AI technologies.
- **KKR (KKR)** - Reportedly aiming to launch a USD 1.4bln fund for a new round of aircraft leasing with Altavair, WSJ reports.

INDUSTRIALS

- **Diana Shipping (DSX), Genco Shipping & Trading (GNK)** - Diana Shipping raised its offer to acquire Genco Shipping & Trading to USD 27.34/shr (prev. 24.80); comprised of USD 24.80 in cash and one Diana share valued at USD 2.54 per Genco share.
- **Crane NXT (CXT)** - Crane NXT disclosed that its CEO Aaron Saak bought 24K shares of common stock on June 12 in a total transaction size of USD 1.01mln.

MATERIALS

- **FMC (FMC), Corteva (CTVA)** - Companies entered a co-exclusive supply and licensing agreement for FMC's rimisoxafen herbicide technology across North and South America, with Corteva making a USD 200mln upfront prepurchase payment to FMC.

MACRO

- **Japanese trade** - Japan's nominal goods exports rose 17% Y/Y in May after a 14.8% increase in April, with exports also advancing 1.8% M/M after a 1.5% gain previously. Oxford Economics sees exports as remaining healthy for now, supported by strong AI-related demand that is keeping tech and semiconductor shipments robust, particularly to Asia excluding China, where exports rose 20%, and semiconductor exports surged 58%. However, the firm expects export growth to gradually moderate. While the AI boom should continue to support tech-related exports in the near term, higher energy prices and sluggish global growth are expected to weigh on broader demand for Japanese goods, especially non-AI capital goods and investment-related exports. Imports rose 13% Y/Y in May after a 10% increase in April, partly reflecting stronger semiconductor imports associated with global supply-chain trade.
- **UK inflation** - UK inflation held steady at 2.8% Y/Y in May, below the expected 3.0% and unchanged from April, while services inflation came in at 3.7%, matching expectations and up from 3.2% previously. ONS Chief Economist Grant Fitzner said inflation was unchanged from the prior month as offsetting price movements balanced each other out. Transport provided the main upward pressure, with airfares, vehicle taxes and petrol prices contributing to higher inflation. Those increases were countered by lower food prices, with inflation slowing across a range of meat, dairy and vegetable products, while domestic heating oil prices also declined after rising in recent months. Core Inflation Y/Y printed 2.6% (exp. 2.7%, prev. 2.5%).
- **Riksbank** - The Swedish Riksbank left its policy rate unchanged at 1.75%, in line with expectations and unchanged from the previous meeting, but struck a somewhat more hawkish tone by signalling that the likelihood of a rate increase later this year has risen since its March assessment. In its guidance, the central bank said it was "well-balanced" to keep the policy rate at 1.75% for now, while noting that the probability of a rate hike later in 2025 has increased relative to its previous forecast. The Riksbank also noted that its forecasts and policy assessment were based on information available as of June 11 and therefore do not incorporate subsequent developments in the Middle East, including the Memorandum of Understanding referenced in the statement. As a result, any impact from the latest geopolitical developments on inflation, energy prices or growth prospects has yet to be reflected in the bank's projections.