Daily Asia-Pac Opening News - 2nd July 2026

SNAPSHOT

STOCKS			
S&P 500	-0.2%	Nasdaq Comp.	-0.7%
DJIA	Flat	Russell 2000	-0.4%
ES Sep'26	-0.2%	RTY Sep'26	-0.5%
NQ Sep'26	-1.5%	YM Sep'26	-0.1%

FX			
DXY	+0.3% (101.43)	EUR/USD	-0.4%
USD/JPY	Flat	GBP/USD	+0.1%

BONDS			
US T-Note Sep'26	-11 ticks	10yr Bund Sep'26	-30 ticks
US 10yr Yield	4.48%	German 10yr Yield	2.92%

ENERGY & METALS			
WTI Aug'26	-2.0%	Brent Sep'26	-1.9%
Spot Gold	+0.6%	LME Copper	-0.3%

CRYPTO			
Bitcoin	+3.7%	Ethereum	+3.6%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include South Korean CPI, Australian Trade Data, Supply from Japan.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said meetings with Iran had gone "very good" and that both sides were "getting along very well",** adding that Iran's denuclearisation was progressing well.
- **US President Trump said they are winning a war easily and doing well with Iran,** like with Venezuela, while he added they won't let China take over the Panama Canal.
- **US VP Vance said commercial transit had remained free for the past three days and that negotiations with Iran were progressing well,** while he stated the US would give diplomacy a chance to succeed.
- **White House spokeswoman Kelly said the US and Iran had a good chance of reaching a deal,** according to Fox News.
- **US delegation began talks with the Qatari mediator,** while the Iranian delegation held discussions with the Pakistani mediator, according to Al Arabiya.
- **US and Iranian negotiators resumed talks in Doha focused on management of the Strait of Hormuz and the terms of a 60-day MoU** aimed at a comprehensive nuclear deal, according to Axios' Barak Ravid. While a temporary one-week de-escalation agreement remained in place, US officials warned the administration remained prepared to respond militarily to any further Iranian aggression, noting that President Trump had previously requested briefings on military options.
- **US Ambassador to Israel told the Jerusalem Post that if Iran did not change its ambitions, President Trump had made clear that all options remained on the table.** It was separately reported that if talks failed, the option of US military action against Iran would return to the table, with recent discussions also held between the US and Israel on the issue, according to Iran International, citing a source.
- **A preliminary agreement had been reached to release USD 3bln to Iran, although indirect negotiations remained ongoing in Doha,** according to Al Hadath sources.

- **Tehran reportedly linked progress in the technical negotiations to receiving the USD 3bln, and discussions also covered the Strait of Hormuz under a new proposal put forward by Oman,** while the delegations were expected to return to their capitals to consider the Omani proposal.
- **Iran requested that the memorandum of understanding be implemented in "time phases",** according to Al Hadath. Separately, Al Arabiya, citing a senior source, reported **Tehran had requested implementation of five points of the MoU before moving to other issues.** Furthermore, Iran was prepared to reaffirm its commitment to the Nuclear Non-Proliferation Treaty, while Pakistan and Qatar pushed for a temporary understanding before delegations returned to Tehran and Washington.
- **Iran lifted its ban on chemical, polymer and petrochemical products,** according to Fars.
- **Iranian Foreign Minister Araghchi said the terms of the MoU were "crystal clear" and that President Trump had committed the US to "muzzling its pets in Tel Aviv",** while he warned that any threat against the Iranian people would receive an immediate and powerful response.
- **Iranian Deputy Foreign Minister Gharibabadi said a communication channel would be established to report and discuss breaches of the Iran-US MoU,** according to IRNA. He added that Pakistan and Qatar had pushed for a temporary understanding before delegations returned to Tehran and Washington, while it had been agreed with Qatar that part of Iran's USD 6bln in frozen funds would be used to purchase goods based on Iran's needs.
- **Iranian Deputy Foreign Minister Gharibabadi said no meeting had been held between the Iranian and US delegations in Doha,** according to ISNA. He added that Iran's meetings had been limited to joint and trilateral discussions with the Qatari and Pakistani delegations to follow up on the implementation of the MoU, particularly regarding Lebanon and the release of frozen assets. **Gharibabadi also stated that consultations by the mediators to determine the date and location of negotiations were ongoing, while he added that negotiations on a final agreement had not yet begun,** and that while working groups had been formed to oversee implementation of the memorandum of understanding and negotiate a final agreement, talks in those formats had yet to commence.
- **Iran deployed special forces to its western borders following a wave of terrorist attacks,** according to Press TV.
- **UKMTO received a report of an incident 76 nautical miles south of Balhaf, Yemen,** stating that a suspicious small craft had departed from a vessel but remained active in the area and could pose a risk to other shipping.
- **Israeli drones struck Al-Dir in southern Lebanon,** according to Tasnim.

US TRADE

- **US stocks** were mixed with a clear divergence seen, and the major indices finished lower, with the tech-heavy Nasdaq 100 the laggard amid broad-based weakness in semiconductor names, although the Mag-7 names notably firmed, with Meta (META +8.8%) the notable outperformer, buoyed by a Bloomberg report that the Co. plans to build a Cloud business to sell excess AI compute capacity. As such, Communications sat atop the sectoral breakdown, with Technology and Utilities at the bottom, while participants also digested data ahead of the key NFP report. Elsewhere, little came out of the US/Iran technical talks, and the crude complex settled in the red as participants awaited further developments in the Middle East.
- **SPX** -0.22% at 7,483, **NDX** -1.54% at 29,809, **DJI** -0.03% at 52,310, **RUT** -0.39% at 3,013.
- Click here for a detailed summary.

TARIFFS/TRADE

- **USTR said the US had not agreed to renew the USMCA in its current form and would continue engaging with Canada and Mexico to address shortcomings in the agreement and bilateral trade deficits,** while the agreement remains in force pending resolution of those issues or its termination.
- **US official said President Trump decided not to renew the USMCA and instead intended to pursue separate 10-year trade agreements with Canada and Mexico,** according to Fox Business's Lawrence.
- **Mexican Economy Minister Ebrard said USTR Greer had proposed annual reviews of the USMCA over the next 10 years and that the two sides would meet again on July 20th.** Mexico’s Economy Minister said he proposed to the US to reduce Section 232 on steel and aluminium and coordinate at a regional level.
- **Apple (AAPL) is reportedly in talks with the Trump admin on chip purchases and in discussions to purchase memory chips from Chinese companies,** according to Bloomberg.

NOTABLE HEADLINES

- **Fed Chair Warsh said the Federal Reserve must rethink the conduct of monetary policy and chart a new course so it could make better decisions, while he said the Fed would not provide forward guidance and wanted healthy debate within the FOMC.** Warsh also stated the Fed would remain an independent central bank, and hoped new technology would improve understanding of the economy within the next 9-12 months, as well as noted that dot plots would remain, at least for the short term.
- **Fed Chair Warsh appointed former BoE Governor King to lead a new communications task force, while Warsh was also said to pick a Bessent staffer to serve as an adviser.**
- **US President Trump said the US was building many car plants and AI sites and could control 50% of the global chip market by the time he leaves office.**
- **Apple (AAPL) reportedly cut production of its iPhone 17 lineup,** according to MacRumors.

DATA RECAP

- US S&P Global Manufacturing PMI Final (Jun) 53.9 vs. Exp. 55.7 (Prev. 55.1)
- US ISM Manufacturing PMI (Jun) 53.3 vs. Exp. 53.8 (Prev. 54.0)

- US ISM Manufacturing New Orders (Jun) 56.0 (Prev. 56.8)
- US ISM Manufacturing Prices (Jun) 73.0 (Prev. 82.1)
- US ISM Manufacturing Employment (Jun) 49.7 (Prev. 48.6)
- US Construction Spending (May) M/M 0.1% vs. Prev. 0.4%
- US ADP Employment Change (Jun) +98K vs. Exp. +110K (Prev. +122K)
- US Challenger Job Cuts (Jun) 45.849K (Prev. 97.006K), with layoffs remaining concentrated in the technology sector as AI continued to reshape hiring strategies. - Revelio Labs Nonfarm Payrolls Estimate (Jun) +258.5K (Prev. +123.7K, Rev. +110.8K).

FX

- **USD** remained bid ahead of NFP on Thursday, brought forward a day on account of Independence Day on Friday. Ahead of the report, which is expected to see 110k jobs added to the economy, ADP printed 98k private payroll growth, shy of the expected 110k; Revelio printed 259k overall. Meanwhile, US challenger layoffs eased to 45.85k from 97k, with cuts remaining concentrated in tech; ISM mfg PMI missed expectations but saw a welcome drop in the prices component. The dollar was largely muted through the data releases, though it did see strength trimmed once Fed Chair Warsh spoke at Sintra. No remark(s) in particular drove the pullback, but rather the overall tone failed to prove as hawkish as expected after his inaugural FOMC press conference.
- **EUR** was mildly pressured in the aftermath of the EZ HICP report, which came in below expectations and cooled from the prior on all gauges, while there was a slew of ECB commentary in which Demarco and Stournaras seemed fine with where policy stands for the time being, while ECB's Wunsch argued they would need stronger second-round effects to justify further tightening.
- **GBP** saw slight strength, albeit not without intra-day weakness, in response to BoE Governor Bailey, who noted that the softening economy and labour market were the reasons not to raise rates.
- **JPY** was choppy with USD/JPY ultimately flat on the day and kept within the 162.00 handle.

FIXED INCOME

- **T-notes** settled lower and the curve steepened as Fed Chair Warsh stuck to script, offering few fresh hawkish surprises.

COMMODITIES

- **Oil prices** were lower with little new information and no breakthrough from the indirect talks in Doha.
- **US EIA Crude Oil Stocks (Jun. 26) -3.775M vs. Exp. -5.100M (Prev. -6.088M)**
- **OPEC+ was likely to raise August oil production quotas by 188k BPD at Sunday's meeting,** according to Reuters sources.
- **Saudi Aramco reportedly sold at least 6mln barrels of spot crude oil to customers across South Korea, Japan and China.**
- **Guangzhou Futures Exchange said it would widen daily price limits for platinum and palladium futures to 14% and raise margin requirements to 16%,** effective from settlement on July 3rd.
- **China's CMRG reportedly restricted some steelmakers from taking delivery of certain portside Fortescue (FMG AT) iron ore products from July 15th,** according to sources.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Ukrainian President Zelensky said Russia was preparing a new large-scale air strike against Ukraine.**

OTHER

- **China's Foreign Minister held a call with US Secretary of State Rubio and said he hoped the US would handle Taiwan-related issues with caution,** according to Xinhua.

ASIA-PAC

NOTABLE HEADLINES

- **Chinese authorities jointly issued industry standards to strengthen controls on water pollutant emissions from the textile industry,** according to CCTV.

EU/UK

NOTABLE HEADLINES

- **UK Labour MPs reportedly wanted Andy Burnham to appoint Pat McFadden as Chancellor in order to block Ed Miliband,** according to Huffington Post sources.
- **BoE Governor Bailey said the UK economy and labour market had softened, which was the reason not to raise interest rates, while policymakers remained focused on the pass-through from the energy crisis.** He added energy prices had fallen substantially, but their effects were delayed, rate cuts were off the table for now, and the jury remained out on whether

artificial intelligence would create or destroy jobs. Bailey also said he remained cautious on forward guidance because it was easier to introduce than withdraw, and policymakers should avoid becoming tied to predetermined interest rate paths. Regarding the balance sheet, he said the Bank would need to consider the financial system's demand for reserves and wanted to remove interest rate exposure from the balance sheet.

- **EU is pushing to conclude a deal with the UK following the appointment of a new prime minister,** with Politico reporting the European Commission intended to finalise long-running negotiations on agricultural and trade issues shortly after PM Starmer's successor took office.
- **ECB President Lagarde said the ECB wanted to move away from forward guidance towards "framework guidance". Lagarde stated that risks to the economy were more balanced than a few weeks earlier and reiterated references to stagflation,** while saying it was not the correct description of the current economic environment, and stressed the ECB remained committed to price stability.
- **ECB's Kaasik said one further rate hike remained a reasonable expectation and policymakers may gain greater clarity on wages in the autumn,** adding the longer-term impact of higher oil prices from the war was likely to be limited.
- **ECB's Nagel rejected the narrative of an "insurance hike"** in an interview with Bloomberg TV, saying **inflation would remain elevated in 2026 and above target in 2027.** He also stressed the ECB's meeting-by-meeting, data-dependent approach while keeping options open for July and September, adding that first-round effects remained present but wage pass-through had yet to emerge.
- **ECB's Stournaras said maybe it's good to stay where they are for some time and doesn't think anything will happen in July.**
- **ECB's Wunsch told Econostream the case for further tightening was receding, and any surprise in eurozone inflation before the July meeting was more likely to be on the downside.** He added that stronger second-round effects would be needed to justify further tightening, and one additional hike could prove sufficient if the shock faded.

DATA RECAP

- UK S&P Global Manufacturing PMI Final (Jun) 52.5 vs. Exp. 53.1 (Prev. 53.9)
- German S&P Global Manufacturing PMI Final (Jun) 50.3 vs. Exp. 50.0 (Prev. 50.1)
- French S&P Global Manufacturing PMI Final (Jun) 51.2 vs. Exp. 50.7 (Prev. 49.7)
- Eurozone S&P Global Manufacturing PMI Final (Jun) 51.4 vs. Exp. 51.3 (Prev. 51.6)
- Eurozone Flash CPI (Jun) Y/Y 2.8% vs. Exp. 3.0% (Prev. 3.2%)
- Eurozone Flash Core HICP (Jun) Y/Y 2.4% vs. Exp. 2.6% (Prev. 2.6%)