newsquawk

Daily Asia-Pac Opening News - 8th July 2026

SNAPSHOT

STOCKS			
S&P 500	-0.5%	**Nasdaq Comp.**	-1.2%
DJIA	-0.3%	**Russell 2000**	-0.9%
ES Sep'26	-0.5%	**RTY Sep'26**	-1.0%
NQ Sep'26	-1.7%	**YM Sep'26**	-0.3%

FX			
DXY	+0.2% (101.10)	**EUR/USD**	-0.3% (1.1412)
USD/JPY	U/C (162.10)	**GBP/USD**	-0.3% (1.3356)

BONDS			
US T-Note Sep'26	-16 ticks	**10yr Bund Sep'26**	-87 ticks
US 10yr Yield	4.549%	**German 10yr Yield**	3.009%

ENERGY & METALS			
WTI Aug'26	+5.3%	**Brent Sep'26**	+5.5%
Spot Gold	-1.4%	**LME Copper**	-0.5%

CRYPTO			
Bitcoin	-0.6%	**Ethereum**	-0.8%

As of 22:20BST/17:20EDT

LOOKING AHEAD

- Highlights include Japanese Current Account (May), Economy Watchers Current Index (Jun), Australian Building Approvals (May), RBNZ Policy Announcement, Speakers include RBNZ's Breman and Supply from Australia.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US CENTOM announced that forces have begun launching a series of powerful strikes in response to Iranian attacks on three commercial vessels transiting through the Strait of Hormuz. This came following reports of several explosions in Sirik, Qeshm and Bandar Abbas.**
- **A US official said negotiators continue to work in good faith towards a final agreement but Iran's actions in the Strait were wholly unacceptable to the US and will be met with consequences.**
- **US Treasury revoked June 21st Iran-related waiver; Revokes General License X, effective July 7th, 2026, which previously authorized the production, delivery, and sale of Iranian-origin crude oil and petrochemical products to Iran.**
- **UKMTO said it received a report of another incident involving a tanker in the Strait of Hormuz.** The tanker was struck by an unknown aerial vehicle, and the vessel was continuing to its next port of call.
- Separately, **the UKMTO received a report of an incident involving a tanker transiting the Strait of Hormuz.** The tanker was struck by an unidentified projectile and is believed to have structural damage.
- **A US official said the US military also shot down multiple drones launched by Iran today and the attacks are a direct violation of the MoU.**
- **Iran's Foreign Ministry Spokesperson said Qatar's accusations against Iran regarding attack on a vessel linked to the Country in the Strait of Hormuz are perplexing and inconsistent** with the principle of good neighbours, adding that Iran is diligently fulfilling its commitments under the MoU to take measures to manage the Strait of Hormuz and urged countries and shipping companies to refrain from any actions that contradict the MoU.
- **Traffic in Strait of Hormuz is conducted in accordance with Iran's arrangements,** Iran's Press TV reported citing an official

The source added that any 'provocative action' by the US will be met with immediate and decisive response.

- **Iran told the International Maritime Organisation that it has authority over parts of the Strait of Hormuz as parts fall within the territorial waters of Iran.**
- **Israeli PM Netanyahu said he and US President Trump see "eye to eye" on the big things related to the handling of Tehran, despite the occasional disagreements.**
- **Israel is reportedly to hold the next round of talks with Lebanon in Rome, Italy, during the week of July 12th.**
- **Qatar Foreign Ministry Spokesperson demanded Iran immediately cease all practices that undermine regional security or threaten the safety of international navigation.** Qatar holds Iran fully responsible for aggression and repercussions that may result from it.
- **Attacked Qatari LNG tanker Al Rekayyat is at risk of exploding due to a fire in its engine room.** This comes following a strike on the tanker overnight by the IRGC.
- **A Saudi-flagged crude oil tanker was reportedly damaged near Oman around the Strait of Hormuz** after another LNG tanker was struck in the same area.

US TRADE

- **US stocks** were sold on Tuesday, with the Nasdaq the clear underperformer as Technology led the downside, particularly across semiconductor and memory names. The primary catalyst was Samsung's preliminary Q2 earnings, which disappointed lofty investor expectations and prompted a reassessment of valuations following the recent rally in the memory sector. Industrials also lagged, with sharp weakness in GE Vernova (GEV) weighing on the AI theme given its exposure to supplying power infrastructure for energy-intensive data centres. Energy was the clear outperforming sector as crude prices moved higher on renewed geopolitical tensions. Iran attacked commercial vessels from Qatar and Saudi Arabia in the Strait of Hormuz, before the US later responded by revoking Iran's General License X, which had allowed the country to produce, deliver and sell energy products.
- **SPX** -0.48% at 7,501, **NDX** -1.77% at 29,173, **DJI** -0.25% at 52,925, **RUT** -0.91% at 2,982.
- Click here for a detailed summary.

NOTABLE HEADLINES

- **US President Trump praised Turkish President Erdogan,** saying we will talk about trade and military today. On the F-35 sale, said "it is a decision we will make."
- **Fed's Williams (voter) sees steady trend like growth for US economy and job market is showing stability.** On inflation, he said the retreat in energy prices is good news, and should ebb further and cool inflation but recognised that inflation is still quite high. On monetary policy, he said policy is in a good place.
- **Microsoft (MSFT) replaces OpenAI and Anthropic with its own AI in some apps.**

DATA RECAP

- **NY Fed SCE (June): Year ahead expected inflation 3.7% (vs. 3.5% in May), three-year ahead 3.3% (vs. 3.1%), five-year ahead 3% (vs. 3%).**
- **Atlanta Fed GDPnow Model (Q2): 1.4% (prev. 1.2%).**
- **US Balance of Trade (May) -77.60B vs. Exp. -78.8B (Prev. -55.9B).**
- **US** Exports (May) 317.7B (Prev. 327.1B).
- **US** Imports (May) 395.3B (Prev. 383.0B).
- **US** ADP Employment Change Weekly 21.0K (Prev. 30.75K).
- **Canadian** Balance of Trade (May) 4.24B vs. Exp. 2.4B (Prev. 2.72B).
- **Canadian** Exports (May) 77.10B (Prev. 75.16B).
- **Canadian** Imports (May) 72.86B (Prev. 72.44B).

FX

- **DXY** was broadly firmer against its G10 peers on Tuesday, with the Greenback seeing its strongest gains late in the US session after Washington adopted a more aggressive stance towards Iran. The US Treasury revoked Iran's General License X, which had authorised the production, delivery and sale of Iranian energy products, while a senior US official warned Iran would face consequences for its actions in the Strait of Hormuz. The developments supported the Dollar alongside higher Treasury yields and oil prices.
- **EUR** and **GBP** both finished with modest losses as both regions had to digest new political developments. In France, Marine Le Pen was found guilty of embezzlement by a Paris court, although she later reiterated her intention to run in the 2027 presidential election without an electronic bracelet. In the UK, Reform UK leader Nigel Farage announced he would resign as an MP to trigger a by-election and confirmed he intends to contest the Clacton-on-Sea seat, describing the contest as "the people versus the establishment".
- **JPY** had initially outperformed overnight after Japan's Economy Minister Kiuchi rejected reports that the government was pressuring the BoJ to lower interest rates, stating the government's policy framework remained unchanged. However, the earlier strength gave way, with USD/JPY finishing back above the 162.00 handle.

FIXED INCOME

- **T-notes** sold off throughout Tuesday's session, with yields supported following the day's geopolitical updates. The initial downside came overnight after the first of three UKMTO reports off the coast of Oman. Following the initial report was a report by Axios' Ravid, citing a US official, stating that Iran's IRGC was responsible for the strikes on two commercial ships. Throughout the session, two further UKMTO reports involving a tanker in the Strait pushed energy prices higher and further weighed on fixed income. Further downside was spurred as the US Treasury revoked Iran General License X regarding authorised sale of Iranian oil, and a US official warning of consequences to Iran's actions in Hormuz. On the supply front, the 3-year tap was strong, with the stop-through of 0.6bps; however, no reaction was seen as higher energy prices continued to drive price action.
- **Amazon (AMZN) files to sell an 8-parter USD corporate issuance; seeking to raise at least USD 25bln.**
- **US sells USD 58bln of 3-year notes; stop-through 0.6bps.**
- **UK sells GBP 4bln 4.125% 2033 Treasury Gilt: b/c 3.16x (prev. 3.38x), average yield 4.519% (prev. 4.550%), tail 0.2bps (prev. 0.2bps).**
- **Germany sells EUR 1.318bln vs exp. EUR 1.5bln 1.30% 2027 Green Bobl & 2.60% 2041 Green Bund.**

COMMODITIES

- **Oil prices** was firmer, and supported amid numerous reported strikes in the Strait of Hormuz. Following the overnight reports of strikes on two commercial ships, the UKMTO said it had received reports of two further incidents, which supported benchmarks even further. Saudi Arabia later confirmed one of the vessels struck was a Saudi Tanker and that it holds Iran fully responsible for such attacks and its repercussions. The crude complex formed another leg higher as the US Treasury revoked Iran General License X regarding authorised sale of Iranian oil, and a US official warning of consequences to Iran's actions in Hormuz. WTI and Brent closed at the top end of their respective USD 68.58-72.51/bbl and USD 72.04-76.36/bbl ranges.
- **EIA STEO: 2026 World Oil Demand at 102.8mln BPD (prev. 102.9mln BPD); 2027 World Oil Demand at 104.8mln BPD (prev. 105.3mln BPD).**
- **Saudi Arabia is said to be planning to expand East-West crude oil pipeline capacity by up to 2mln BPD** to increase exports via the Red Sea to reduce reliance on the Strait of Hormuz, according to sources.
- **Discounts for Russian Urals crude raise to USD 10/bbl vs. Brent in India amid weaker demand.**
- **Iraq reportedly boosts West Qurna 1 (465k BPD) and Rumaila oil (1.3-1.5mln BPD) output to full capacity.**
- **Kazakhstan Energy Ministry said it is trying to fulfil its OPEC+ obligations,** while hoping to maintain production plans for 2026.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Russian officials have stated that military operations in Ukraine will cease the day after the withdrawal of the Armed Forces of Ukraine from Russian territory,** RIA reported.
- **Omsk refinery in Russia has reportedly been halted following on from a drone attack on Monday,** according to sources.

OTHER

- **A Cuban official** said a US energy blockade is preventing its attempts to restore electricity.
- **A series of explosive devices have detonated in proximity to the hotel in Damascus where French President Macron is staying,** Reuters reported citing sources. However, French President Macron's motorcade left the hotel in Damascus around one hour before the explosions took place.

ASIA-PAC

NOTABLE HEADLINES

- **Japanese top FX diplomat Mimura** said they have been in close contact with South Korean FX authorities on FX movement.
- **BoJ's Asada said the inflation target must be met with support from rising demand and wages, prior to a rate hike.** Not against hikes but a future decision will be on the assessment of conditions.
- **Chinese authorities have reportedly held meetings with top tech companies over the past few months regarding potential restrictions of overseas access to China's most advanced AI models,** sources suggest.
- **China's DeepSeek is reportedly developing its own AI chip,** sources suggest. The chip would be used for inference rather than training AI models.
- **Zhipu AI, the Chinese AI lab behind the highly regarded GLM series of open-source AI models, is weighing designing its own AI chip** as surging demand and US export controls make computing resources a growing constraint, according to The Information.
- **China's Foreign Reserves (Jun): USD 3.416tln (exp. 3.436tln); Gold reserves 303.7bln (prev. 340.8bln M/M).**

EU/UK

NOTABLE HEADLINES

- **BoE Governor Bailey said the FPC is particularly concerned that existing risks to financial stability could crystallise**

simultaneously. He added that the stretch in equity valuations appears broader than just AI optimism and the risk of sharp correction in equity markets remains high. In separate comments, BoE Governor Bailey said it would be inconsistent with Basel agreements to exempt government bonds from leverage rules.

- **BoE FSR: Proposes the easing of some bank capital rules; the leverage ratio proposal would reduce the requirement by 20bps.**
- **UK OBR long-term fiscal risk/sustainability report:** "...almost all our scenarios show public debt eventually moving onto an unsustainable path. Debt moves onto a steep upward trajectory in the 2040s in our baseline scenario, while in plausible alternative scenarios this happens earlier."
- **UK Reform leader MP Farage said he has resigned as an MP to force a by-election. He said he will be standing in the Clacton-on-Sea by-election.**
- **The UK Conservative Party and Labour Party have both announced that they will not stand a candidate in the Clacton by-election.**
- **France's Le Pen was found guilty of embezzlement by the Paris court.** The court ruled Le Pen ineligible to hold public office for 45 months and suspended for 30. **As such, Le Pen can theoretically run in the 2027 contest.** Following the announcement, Le Pen said she will appeal the court's decision and will run for President in 2027 without an electronic bracelet.

DATA RECAP

- **French Balance of Trade (May) -6.9B vs. Exp. -5.2B (Prev. -5.6B).**
- **French** Exports (May) 53.6B (Prev. 54.6B).
- **French** Imports (May) 60.5B (Prev. 60.2B).
- **German** Industrial Production MoM (May) M/M 0.9% vs. Exp. 0.2% (Prev. 0.4%).
- **UK** Halifax House Price Index MoM (Jun) M/M 0.2% vs. Exp. 0.1% (Prev. -0.1%).
- **UK** Halifax House Price Index YoY (Jun) Y/Y 0.6% (Prev. 0.5%).