Daily European Opening News - 16th July 2026

SNAPSHOT

STOCKS			
Nikkei 225	-2.7%	ASX 200	-0.1%
Hang Seng	+2%	Shanghai Comp	-0.8%
Euro Stoxx 50 Sep'26	+0.2%	DAX Sep'26	+0.1%
ES Sep'26	+0.2%	NQ Sep'26	+0.2%

FX			
DXY	U/C (100.50)	EUR/USD	+0.1% (1.1467)
USD/JPY	-0.1% (162.09)	GBP/USD	U/C (1.3537)

BONDS			
US T-Note Sep'26	-2+ ticks	Bund Sep'26	+4 ticks
US 10yr Yield	4.55%	German 10yr Yield	3.11%

ENERGY & METALS			
WTI Aug'26	-0.4%	Brent Sep'26	-0.6%
Spot Gold	-0.7%	LME Copper	+0.4%

CRYPTO			
Bitcoin	+0.1%	Ethereum	+0.2%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include UK GDP (May), Italian HICP Final (Jun), EZ Balance of Trade (May), US Retail Sales (Jun), Jobless Claims, Philly Fed Index (Jul), Pending Home Sales (Jun), Atlanta Fed GDP, SNB Minutes (Jul), Speakers including Fed’s Logan & Schmid, Supply from Spain, France & UK.
- Earnings from Netflix, Alcoa, UnitedHealth, GE Aerospace, US Bancorp, Abbott, State Street & ABB.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said Iran had better behave and that he does not like giving deadlines, while he also said that Iran wants to meet.** Trump also stated Iran wants to settle so badly, and we will find out if we settle with them or finish it off.
- **US President Trump said strikes against Iran would expand next week, while it was separately reported that Trump is leaning toward expanding US military operations in Iran after days of briefings from top aides,** according to WSJ.
- **US President Trump posted that Iran allowed a US citizen who was wrongly detained in December 2024 to leave the country.** Trump added that the citizen is now safely outside of Iran and in good condition, while he stated that the **US appreciates the gesture of goodwill by Iran.**
- **US VP Vance said Israel is more effective than most at influencing the US, and that some people in the Israeli government want war indefinitely.** Furthermore, Vance said they are not going to send ground troops for regime change and that the US will not simply engage in endless bombing of Iran.
- **US CENTCOM said forces conducted operations for a second wave of strikes on Wednesday against Iran and that US forces disabled a non-compliant vessel in the Arabian Gulf,** while it denied Iranian claims that US forces struck a civilian wheat storage facility in Hoveyzeh on July 14th and described the reports as false.
- **US strikes on Iran are strengthening options for potential US escalation,** according to sources.
- **Explosions were heard in Iran's Khorramabad, and US air strikes targeted areas in Tehran.** Explosions were also heard in Iran's Qeshm and Bandar Abbas, while US projectiles hit near Sirik.

- **Iran attacked economic interests and US facilities in Kuwait, while at least 10 explosions were heard at the US Navy's Fifth Fleet Headquarters in Bahrain,** and Iran also targeted Jordan.
- **Kuwait said its armed forces intercepted four cruise missiles and 21 drones from Iran on Wednesday, while Iranian aggression targeted a number of vital facilities, resulting in material damage,** although no injuries were reported.
- **Iran's Parliamentary Speaker Ghalibaf said Iran has never welcomed war and does not, but must always be ready to fight and stand to the end to safeguard its national security and interests,** while he stated that Iran must also use diplomacy and negotiations to realise and secure its national interests.
- **Houthis were reportedly laying the groundwork and quietly extending their reach to the Horn of Africa,** according to the Telegraph citing sources in Yemen, with **Houthi rebels reportedly preparing to shut the Bab el-Mandeb Strait on behalf of Iran.** Furthermore, sources said the effort was a deliberate Iranian attempt to control "the other side of the Red Sea" and create a situation similar to its grip on the Strait of Hormuz.

US TRADE

EQUITIES

- **US stocks** were ultimately mixed as most major indices finished in the green, although the Nasdaq 100 reversed early gains and underperformed. ASML's earnings initially lifted Nasdaq futures after the company delivered strong quarterly results. However, the stock reversed course during the US session after management guided EUV lithography machine sales slightly below consensus expectations, weighing on both ASML and the broader semiconductor sector. Sectors were varied as Communication Services and Consumer Discretionary led the gains, but Energy and Utilities lagged. Attention was also on data as a softer-than-expected PPI report supported the broader market by reinforcing the inflation picture shifting benignly following Tuesday's CPI release.
- **SPX** +0.38% at 7,572, **NDX** -0.28% at 29,503, **DJI** +0.29% at 52,664, **RUT** +0.39% at 2,976.
- Click here for a detailed summary.

TARIFFS/TRADE

- **USTR Greer said Canada offers no concessions and that Mexico is pragmatic in USMCA talks, while Greer said he spoke with President Trump regarding Brazil.**
- **US announced to set 25% tariff on some Brazilian goods from July 22nd, but with coffee and beef exempted,** while Brazil later announced it will invoke the reciprocity law to contest US tariffs

NOTABLE HEADLINES

- **Fed's Cook (voter) said it is prudent to wait a little longer for inflation to slow, but she was prepared to act if that did not occur soon, while she stated that inflation expectations remained anchored, although that depended on appropriate monetary policy, and the Fed could not take its eye off the ball.** Cook said there was reason to expect further disinflation but warned tariffs, the Middle East conflict and AI investment posed upside inflation risks, as well as stated that risks had shifted noticeably towards higher inflation since last summer, while the labour market remained stable. Furthermore, Cook said policy was currently mildly restrictive, and the FOMC could take more time to observe incoming data, while she added that one month of CPI and PPI data did not establish a trend and said the Fed had methods to compensate for low response rates in government surveys.
- **Fed Beige Book stated that prices increased moderately overall, with nine Districts reporting moderate growth, two robust growth, and one slight growth;** compared with the last reporting period, price growth was the same or slower in all Districts.
- **US President Trump's speech on Thursday night will partially touch on previously unreported Chinese meddling in US elections,** according to CBS News.
- **US Vice President Vance said the administration was trying to lower interest rates. Vance stated it had been a major mistake not to pursue antitrust action against Big Tech in the 2000s and said authorities must be willing to use it in the 21st century,** while he added that the biggest AI risk was a hyper-monopolist dominating the sector and influencing government.
- **Several senators will meet with President Trump at the White House on Thursday afternoon to discuss progress on a broad cryptocurrency regulatory bill,** according to Politico.
- **US and Iraq are to announce USD 60bln in commercial deals** as Trump pivots US-Iraq ties towards commerce over military, according to Semafor.

APAC TRADE

EQUITIES

- **APAC stocks** were ultimately mixed, albeit with a mostly negative bias in the major indices, as risk sentiment was dampened by a sell-off in semiconductor stocks.
- **ASX 200** was subdued with the index pressured by losses in miners after BHP reported lower output.
- **Nikkei 225** slid below 67,000 with chip-related stocks over-represented in the list of worst performers.
- **KOSPI** triggered sidecars as Samsung Electronics and SK Hynix slumped alongside the semiconductor sell-off, while the BoK also raised its key rate by 25bps to 2.75%, as expected, and signalled further action.
- **Hang Seng** and **Shanghai Comp** were mixed with the mainland in the red following disappointing loans and financing data, while the Hong Kong benchmark rallied amid strength in hyperscalers following reports that US companies were increasingly

adopting open-weight Chinese AI models and that Alibaba's Qwen AI would be integrated into Apple Intelligence in China.

- **US equity futures** traded rangebound following recent choppy price action amid softer inflation metrics and the ongoing geopolitical backdrop, while the spotlight gradually shifts to earnings.
- **European equity futures** indicate a slightly higher cash market open with Euro Stoxx 50 futures up 0.1% after the cash market closed with losses of 0.2% on Wednesday.

FX

- **DXY** got some slight reprieve from the data-induced selling pressure in which the DXY weakened against its major peers and money markets shifted to just about pricing one 25bps rate hike by year-end. This came after PPI followed suit to the recent CPI data and printed beneath expectations on all watched gauges. In terms of Fed rhetoric, Williams said current policy is well-positioned to bring inflation back to the 2% target, but didn't have a clear direction about which way interest rates are going or when. Elsewhere, Fed Chair Warsh largely reiterated comments during the second day of his Congress testimony, including commitment to the inflation target, and described the labour market as in good shape.
- **EUR/USD** held on to prior spoils after climbing on the back of a weaker dollar, although further upside in the single currency was capped, and comments from ECB speakers did little to shift the dial.
- **GBP/USD** took a breather after yesterday's outperformance, which coincided with reports that the UK's incoming PM is expected to name current Home Secretary Mahmood as Chancellor. Markets believe she would be fiscally conservative given her history in the current ministerial role, while participants look ahead to monthly GDP and output data.
- **USD/JPY** traded rangebound at the 162.00 handle in the absence of any tier-1 data and with little reaction seen to the familiar jawboning by Japan's Finance Minister, who reiterated they will take appropriate action on FX anytime as needed.
- **Antipodeans** were little changed amid the mixed risk appetite and quiet overnight calendar.

FIXED INCOME

- **10yr UST futures** took a breather after bull steepening yesterday as PPI data added to the soft inflation narrative, while more data looms, including Retail Sales and Initial Jobless Claims.
- **Bund futures** traded little changed after oscillating through the 125.00 level, with price action indecisive following recent supply and after the latest ECB rhetoric provided little to shift the dial.
- **10yr JGB futures** trickled lower in the absence of tier-1 data and amid supply across the curve through an enhanced-liquidity auction.

COMMODITIES

- **Crude futures** paused after recent gains and despite continued US-Iran strikes, while President Trump was said to be leaning toward expanding US military operations in Iran after days of briefings from top aides.
- **IEA Executive Director Birol said Hormuz must reopen within weeks to avoid a crisis,** adds markets are nervous about renewed Iran conflict.
- **US President Trump said oil prices will yo-yo for a while, and suggested oil will be USD 55/bbl when Iran settles down.**
- **White House was reportedly weighing an additional extension of Jones Act waivers** as the renewed Iran conflict stirred concerns over higher prices.
- **EU is to maintain the Russia oil price cap at its current level until 23 July.**
- **Russia will seek more gasoline from India after Ukraine attacked refineries.**
- **Spot gold** faded gains with price action choppy after recent upside in oil and softer US inflation.
- **Copper futures** saw two-way trade amid the mixed risk appetite and following softer-than-expected Chinese lending data.

CRYPTO

- **Bitcoin** traded sideways with price action choppy on both sides of USD 64,500.

NOTABLE ASIA-PAC HEADLINES

- **BoK raised its 7-day Repo Rate by 25bps to 2.75%, as expected, with the rate decision unanimous. BoK stated that the growth rate this year is expected to considerably surpass the May forecast of 2.6%, while it will assess the timing of a further increase in inflation pressure, the improvement trend in the economy and financial stability.** BoK also stated that it needs to monitor high exchange rate volatility, the housing market and household debt growth, as well as acknowledged that core inflation for this year is likely to be somewhat higher than the previous forecast of 2.4%.
- **BoK Governor Shin said they will raise the interest rate on the BoK's special loan programs, and that all parts of the components making up South Korea's GDP are robust.** Shin stated that the demand side price pressure may need careful monitoring as it can turn into stronger inflation pressure if a robust increase in GDI is sustained. Furthermore, he said **they will respond until inflation stabilises at the BoK's target level, and that how actively the BoK would respond to inflation risks will depend on the data,** with Q2 GDP data to be thoroughly assessed.
- **Japanese Finance Minister Katayama reiterated they will take appropriate action on FX anytime as needed, although she won't comment on specific FX levels, and stated they will monitor market developments** and economic indicators to achieve fiscal sustainability.

GEOPOLITICS

RUSSIA-UKRAINE

- **Kyiv official announced an attack by Russia on Ukraine's capital with ballistic missiles.**
- **Ukrainian President Zelensky nominated Sergii Koretskyi as Ukraine's PM,** while it was also reported that Ihor Klymenko will be named as the new Defence Minister, according to FT
- **Greece opposed new EU sanctions on Russia to shield a Greek shipping company,** according to FT

OTHER

- **US Pentagon officials are reportedly quietly eyeing Cuba, as the US-Iran war restarts following the collapse of the ceasefire,** according to CBS.

EU/UK

NOTABLE HEADLINES

- **ECB's Moulin said the ECB needed to be ready for any eventuality on inflation.**