Daily Asia-Pac Opening News - 21st July 2026

SNAPSHOT

STOCKS			
S&P 500	-0.2%	**Nasdaq Comp.**	-0.1%
DJIA	-0.6%	**Russell 2000**	-0.7%
ES Sep'26	-0.2%	**RTY Sep'26**	-0.6%
NQ Sep'26	Flat	**YM Sep'26**	-0.5%

FX			
DXY	+0.2% (100.97)	**EUR/USD**	-0.2%
USD/JPY	+0.1%	**GBP/USD**	-0.2%

BONDS			
US T-Note Sep'26	-11 ticks	**10yr Bund Sep'26**	-38 ticks
US 10yr Yield	4.56%	**German 10yr Yield**	3.15%

ENERGY & METALS			
WTI Sep'26	+0.8%	**Brent Sep'26**	+0.8%
Spot Gold	-0.3%	**LME Copper**	+0.9%

CRYPTO			
Bitcoin	+1.1%	**Ethereum**	+1.8%

As of 21:50BST/16:50EDT

LOOKING AHEAD

- Highlights include New Zealand CPI.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said every time Iran kills an American soldier, it would pay for that killing many times over,** and that a directive had been issued to key military officials.
- **US President Trump is expected to decide in the coming days whether to expand military operations against Iran and return to full-scale combat,** a senior US official told Fox News.
- **US officials said regarding potential ceasefire talks with Iran that President Trump is currently focused on making Iran pay for their violations of the MoU and their continued acts of terrorism in the Strait of Hormuz",** according to Axios's Ravid.

- **US was reportedly preparing the next phase of its military campaign against Iran in the coming days,** according to i24 News citing an Israeli security source.
- **US officials said nearly 100 US service members have been injured in Iranian attacks on multiple bases in the Middle East this month,** while some suffered traumatic brain injuries and most have already returned to duty.
- **Iranian President Pezeshkian said Iran had not retreated from any of its rights, interests or principles under the memorandum of understanding,** according to Al Jazeera.
- **Iran's top negotiator Ghalibaf said the US was continuously bringing new military equipment into the region while claiming it sought to stop the war.**
- **Iranian Foreign Ministry said it would not abandon talks with the US and reiterated that Iran's sovereign rights over the Strait of Hormuz were non-negotiable.** It added that Iran was determined, in cooperation with Oman, to take all necessary measures to fully exercise its sovereignty and prevent any security threats in the Strait of Hormuz.
- **Iranian Foreign Ministry spokesman Baghaei said negotiations with the US could continue if they served Iran's national interests, adding that intermediaries had conveyed messages to Tehran in recent days and continued efforts to prevent escalation.** He also said that Iran had received proposals from mediators but declined to discuss the details, while reiterating that the memorandum of understanding was clear and there was no justification for violations by the US.
- **Iranian senior source told Reuters that mediators had proposed a 10-day halt to strikes in an effort to revive the interim Iran-US agreement,** while Al-Hadath cited a senior source who stated that a proposal for a ceasefire and the reopening of the Strait of Hormuz for between 10 days and two weeks was under discussion.
- **Iranian army spokesman said the war would continue until full deterrence had been achieved,** according to Tasnim.
- **Iran's Press TV reported that a US strike had targeted an industrial facility in Khomein in central Iran,** while Tasnim reported Iran had claimed a strike on a US military data centre in Bahrain.
- **Iran and Pakistan will hold extensive consultations on border management, cross-border security and implementation of the Islamabad memorandum of understanding,** alongside other issues of mutual concern, according to journalist Mallick.
- **Iranian armed forces were likely to launch a ground security operation towards Kuwait in the coming hours,** according to IRIB News citing Naya.
- **Residents reported explosions over the skies of Eilat in southern Israel,** according to Israel News.
- **Yemeni Houthi spokesman announced a ban on maritime navigation for Saudi-linked vessels, citing the blockade and saying the group was fully prepared to enforce the measure, while Houthi spokesman warned that if the Saudi siege on Yemen was not lifted,** the group's armed forces would move towards full-scale war.

US TRADE

- **US stocks** ended the session mixed, with the tech-heavy Nasdaq 100 the only major index to finish marginally higher. Technology and Communication Services were the only sectors to outperform, alongside Energy, with the former supported ahead of Alphabet's earnings on Wednesday after reports the company is developing a new server chip. Health Care and Materials lagged, while there was little in the way of macro catalysts, with no US economic data and Fed officials in their blackout period ahead of next week's FOMC meeting. The crude complex was volatile but ultimately settled higher following another barrage of geopolitical headlines, including further attacks between the US and Iran, while reports throughout the session suggested the

conflict is more likely to escalate than de-escalate, despite officials indicating diplomatic channels remain open and that talks continue.
- **SPX** -0.19% at 7,443, **NDX** +0.04% at 28,604, **DJI** -0.59% at 51,844, **RUT** -0.67% at 2,942.
- Click here for a detailed summary.

TARIFFS/TRADE

- **US is imposing additional 50% tariffs on certain products of Canada, including some USMCA products, to counter Canadian bias against US commerce with respect to alcoholic beverages, dairy and motor vehicles,** while the additional duties take effect at 00:01EDT/05:01BST on 19th August 2026.
- **US President Trump signed a proclamation offering 50% reduced aluminium tariffs for onshoring investments**.

NOTABLE HEADLINES

- **US House Rules Committee was preparing legislation for an interim government funding bill extending through early December, alongside a framework for reconciliation 3.0,** according to Fox's Chad Pergram.

FX

- **USD** mostly gained vs. G10 peers on Monday amid higher oil prices and yields, although the Antipodeans saw strength, with the Aussie particularly outperforming following a broad bid in Chinese assets during APAC, with China expected to decide on additional stimulus measures at the Politburo meeting this month. Back to the greenback, there was no data or Fed speak, given the latter are on blackout, with a pretty quiet week in terms of scheduled risk events (ex-earnings), ahead of FOMC and PCE next week.
- **EUR** gave up ground to the firmer buck and with very few pertinent catalysts for the single currency.
- **GBP** ultimately failed to benefit from the change of leadership, in which Andy Burnham took over as PM and named members of his cabinet, including John Healey as Chancellor, while participants look ahead to employment and average earnings data.
- **JPY** marginally softened in choppy trade but with price action confined within the 162.00 handle.

FIXED INCOME

- **T-notes** were lower and yields rose across the curve on Monday as oil prices climbed further amid escalating tensions in the Middle East.

COMMODITIES

- **Oil prices** were choppy to start the week in reaction to numerous geopolitical headlines throughout the day and ultimately settled firmer.

GEOPOLITICAL

RUSSIA-UKRAINE

- **Russia's Kremlin said it would welcome further contact between the Russian and US foreign ministers and noted technical-level contacts between the two sides had continued.**

OTHER

- **Chinese and Russian naval forces conducted live-fire exercises within Japan's exclusive economic zone,** according to Kyodo.
- **Philippine naval official was reportedly injured following an incident involving the Chinese Coast Guard, while China's Coast Guard said a Philippine rubber boat had dangerously approached and rammed one of its patrol vessels,** adding that Philippine personnel first attacked Chinese law enforcement officers with paddles and sticks.

ASIA-PAC

NOTABLE HEADLINES

- **China's Cabinet said it would improve the social security system, while it also reviewed and approved the 15th Five-Year Plan for intellectual property protection and utilisation,** as well as vowed to achieve this year's economic targets.
- **Chinese Premier Li Qiang held talks with Thailand's Prime Minister,** with the two sides looking to expand local currency settlement.
- **US President Trump's administration was showing signs it could ban cutting-edge Chinese AI models,** according to Axios. The report said **the administration could restrict US access to Chinese open-source AI models through procurement rules, entity list threats, security advisories and liability requirements.** Furthermore, supporters cited national security concerns, while critics argued such restrictions would favour OpenAI and Anthropic, reduce competition and discourage US companies from using lower-cost Chinese models such as Kimi.
- **Hong Kong Exchanges and Clearing (0388 HK) was reportedly considering extending stock trading hours and scrapping the midday trading break.**

EU/UK

NOTABLE HEADLINES

- **UK PM Burnham said his government would introduce a new economic and political model and use public procurement to reindustrialise the UK, while setting out new cost-of-living measures from the following day.** He added the government would build more council homes, comply with fiscal rules, honour defence commitments and maintain support for Ukraine.
- **UK PM Burnham said he was considering changes to the personal income tax allowance threshold but noted such changes would have significant consequences, while he reiterated that he would not take risks with the economy,** recommitted to the fiscal rules, pledged to use political capital to reform social care and said the government would use any flexibility available within the fiscal framework.
- **UK PM Burnham and European Commission President von der Leyen agreed their teams should work closely towards a UK-EU summit later this year.**
- **UK appointed John Healey as Chancellor, Louise Haigh as Secretary of State, Shabana Mahmood as Interior Minister, Ed Miliband as Foreign Minister and Yvette Cooper as Health Secretary.**

DATA RECAP

- German PPI (Jun) M/M -0.3% vs. Exp. -0.2% (Prev. 0.3%)
- German PPI (Jun) Y/Y 1.8% vs. Exp. 1.8% (Prev. 2.2%)

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