newsquawk

Daily US Opening News - 21st July 2026

SNAPSHOT

STOCKS			
Euro Stoxx 50	+0.6%	DAX40	+0.3%
Stoxx 600	+0.4%	FTSE 100	+0.2%
ES Sep'26	+0.5%	RTY Sep'26	+0.7%
NQ Sep'26	+1.3%	YM Sep'26	+0.3%

FX			
DXY	-0.1% (100.89)	EUR/USD	+0.1% (1.1427)
USD/JPY	+0.1% (162.67)	GBP/USD	U/C (1.3431)

BONDS			
US T-Note Sep'26	+1 tick	Bund Sep'26	-10 ticks
US 10yr Yield	4.598%	German 10yr Yield	3.158%

ENERGY & METALS			
WTI Sep'26	+0.5%	Brent Sep'26	+0.5%
Spot Gold	+1.4%	LME Copper	+1.7%

CRYPTO			
Bitcoin	+1.6%	Ethereum	+1.8%

As of 10:50BST / 05:50EDT

LOOKING AHEAD

- Highlights include US ADP Employment Change Weekly, NBH Policy Announcement (Jul). Earnings from General Motors & 3M.
- Click here for the Week Ahead preview

EUROPEAN TRADE

EQUITIES

- **European bourses** are mixed and ultimately trading on either side of the unchanged mark. Tentative action which is encapsulated by the tumultuous geopolitical environment and a number of earnings from within the region.
- **European sectors** hold a slight negative bias. **Tech** outperforms followed by **Basic Resources**, whilst **Optimised Personal Care** and **Media** reside at the bottom of the pile. The Tech sector

continues to bounce back from recent losses, following a similar theme seen in the APAC session, where the KOSPI gained c. 3.5%.
- **US equity futures** are firmer across the board, with outperformance in the tech-heavy NQ, following similar outperformance from within the sector in Asia and Europe. On the theme of AI/tech, UBS analysts suggest that continued earnings growth and rapid global AI adoption will keep AI names a dominant theme into H2. In recent reporting, TSMC is reportedly set to raise prices for both advanced and mature chip production services by up to 10% in 2027, Nikkei reported.
- Click for the sessions European pre-market equity newsflow
- Click for the additional news

FX

- **G10s** are mixed against the Buck. **Antipodeans** lead after a hotter-than-expected NZ CPI; **JPY** underperforms after the Japanese cabinet excluded a sales tax decision from its fiscal plan.
- **DXY** is a touch lower today, with oil prices softer but lacking direction as we await further geopolitical updates. Overnight, Axios reported that senior US and Israeli officials are claiming Trump's options were to either promote a new 10-day ceasefire or launch a full-scale war on Iran. Elsewhere, Fox reported Trump will decide in the coming days whether to expand military operations against Iran. ING opines USD risks remain to the upside, given the aforementioned factors. Given the above, focus remains on incoming Gulf newsflow with a light calendar ahead of the Fed's meeting next week. DXY remains below the 21DMA at 100.05, currently between 100.90 and 101.
- **GBP** in focus today after UK PM Burnham appointed former Defence Minister Healey as Chancellor (see 09:50 analysis for more detail). Elsewhere, UK jobs saw the unemployment rate remain steady at 4.9%, whilst the Employment Change topped expectations, while the wages components were flat/very slightly firmer. Overall, a report which will have little impact on the BoE, ahead of CPI on Wednesday and Flash PMIs on Friday. GBP takes a breather just above 1.3420 in Cable, and a little weaker just above 0.85 in the EUR cross.
- **JPY** is on a weaker footing despite the aforementioned subdued Dollar and softer oil prices. Overnight, Japan's Cabinet approved the economic framework policy document, including a fiscal plan, which cited BoJ autonomy but lacked a sales tax decision. Amid the uncertainty given the lack of a funding plan, USD/JPY resides towards the upper end of a 162.43-162.70 range.
- **Antipodeans** hold on to the spoils of the prior day's outperformance, with **Aussie** propped up by firmer metals whilst the **Kiwi** is leading after firmer-than-expected New Zealand CPI data. AUD/NZD is a modest touch lower, Aussie and Kiwi both +0.4% against the Buck.

FIXED INCOME

- **Global fixed income benchmarks** trade range-bound, in line with energy prices, despite the risk-on tone seen across the equity space. Equities seem to enjoy the reporting around a possible 10-day ceasefire, with recent reporting hinting that the US is demanding a longer ceasefire.
- **Gilts** (+1 tick) trade higher, despite the announcement of former Defence Secretary Healey as Chancellor. Thus far, gilts have taken this as fairly positive, possibly taking comfort in the fact that he used to work in the Treasury in past governments. In terms of Burnham's policy, Bloomberg reported that the UK government will remove VAT on electricity bills from October 1st, funded by cancellation of the Digital ID programme. There have been contradictory reports over whether this measure will be fully funded. The Times reported that this will be fully funded; however, the OBR said the GBP 1.8bln figure for the ID scheme was unfunded, while former UK minister Jones suggested that Burnham's cut is also unfunded. More recently, the Huffington Post reported that

Burnham is to slash business rates for the hospitality sector by 20%, while a GBP 2 cap on bus fares is also set to be unveiled soon.
- On the data front, the ONS released its May employment report; employment change 147k (exp. 85k, prev. 100k), unemployment change 4.9% (exp. 4.9%, prev. 4.9%). Despite the strong labour report, gilts have failed to react, given the focus on politics.
- **Bunds** (-10 ticks) rotate in a 124.59-124.81 range. Focusing on the short-end, the yield currently trades outside of the 2.52-2.76% range, driven by the recent leg higher in energy prices. Brent has recently returned above the USD 90/bbl mark, resurfacing worries of an energy pass-through into inflation. ING says that rates can take a hawkish view, with the 2yr euro swap rate touching 3%, because the EZ growth picture continues to recover. Additionally, implied bond volatility is at lower levels, compared to the early stages of the Middle East conflict.
- **USTs** (+1 tick) lack direction given the quiet docket this week, heading into the Fed policy announcement next week.
- **Germany sells EUR 4.553bln vs exp. EUR 6bln 2.90% 2031 Bobl: b/c 1.48x, average yield 2.89%, retention 24.1%.**
- **The UK sells GBP 5bln 4.00% 2029 Gilt: b/c 3.42x (prev. 3.35x), average yield 4.463% (prev. 4.238%), tail 0.3bps (prev. 0.2bps).**

COMMODITIES

- **Geopolitics remain fluid with constructive and escalatory updates on the US-Iran front.** On the former, a 10-day ceasefire proposal was pitched, while Iran confirmed ongoing mediation talks, which keeps alive the possibility of a return to the June interim MoU. On the other hand, last night was the 10th consecutive day of US airstrikes, whilst Iran continues targeting the region and reiterated that the Strait of Hormuz is closed. 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. Meanwhile, senior US and Israeli officials are claiming Trump only has two realistic options: either promoting a new 10-day ceasefire with the aim of reopening the Strait of Hormuz, or launching a full-scale war on Iran, Axios reported. Further, a US official said if US President Trump decides to expand the war, the strikes will include Tehran and nuclear sites, according to Al Arabiya.
- **Crude oil futures** are trading subdued as market participants weigh emerging diplomatic de-escalation signals against ongoing military exchanges in the Middle East. Brent crude futures fell to the bottom end of a USD 88.08-89.45/bbl range while WTI similarly waned to the lower end of a USD 81.64-83.05/bbl range. Also on the supply side, NHC reported that Tropical Storm Bertha has strengthened, situated right in the Gulf of Mexico. Dutch TTF bucks the trend and has edged higher, back above the EUR 59.23/MWh mark, in the European morning, with analysts suggesting gas will be impacted more by the Middle East situation.
- **Precious metals** are on a firmer footing as the Dollar and inflation expectations ease with oil prices. Spot gold trades towards the upper end of a USD 3,999/oz to USD 4,084/oz range. Spot silver surges 4.5% at the time of writing as it rises above USD 59/oz vs Friday's 54.77/oz base.
- **Base metals** also cheer the pullback in the Dollar alongside expectations of Chinese stimulus following recent weak economic data. 3M LME copper is firmer by 1.5% at the time of writing and towards the upper end of a USD 13,603.73- 13,840.00/t range.
- **UAE's ADNOC has approved a USD 6.2bln project to boost natgas production,** Bloomberg reported.
- **Goldman Sachs** said Brent may rise above USD 120/bbl in FY26 Q4 if Hormuz remains disrupted.

TRADE/TARIFFS

- **The US is imposing an additional 50% tariff on certain products of Canada including some USMCA products, to counter Canadian bias against US commerce with respect to alcoholic beverages, dairy, motor vehicles.** In response, Canadian PM Carney said Canada is ready to engage intensively to address issues with the US and said we're ready to talk with the US about modernising the USMCA. Additionally, the Ontario Premier said that Canada should impose retaliatory tariffs against the US.
- **China is weighing tighter export controls on AI models and chips,** according to FT.

NOTABLE EUROPEAN HEADLINES

- **UK government to remove VAT on electricity bills from October 1st,** funded by cancellation of the Digital ID programme, as part of new tax cut measures.
- **UK PM Burnham reportedly to slash business rates for the hospitality sector by 20% within days,** Huffington Post reported. Additionally, a GBP 2 cap on bus fares is also set to be unveiled as soon as Wednesday.
- **Worldpanel** announced grocery inflation and sales (w/e 12th July): Grocery Inflation 2.6% (prev. 3%).
- Click for detailed analysis of the implications of Burnham's policies

NOTABLE EUROPEAN DATA RECAP

- **UK Employment Change (May) 147K vs. Exp. 85.0K (Prev. 100K).**
- **UK Unemployment Rate (May) 4.9% vs. Exp. 4.9% (Prev. 4.9%).**
- **UK** Average Earnings excl. Bonus (3Mo/Yr) (May) 3.4% vs. Exp. 3.4% (Prev. 3.4%).
- **UK** Claimant Count Change (Jun) 6.7K vs. Exp. 28.3K (Prev. 31.2K).
- **UK** Public Sector Net Borrowing Ex Banks (Jun) -16B vs. Exp. -19.8B (Prev. -23.3B).
- **EU** ZEW Economic Sentiment Index (Jul) 23.4 vs. Exp. 11.5 (Prev. 9.5).
- **German** ZEW Economic Sentiment Index (Jul) 26.3 vs. Exp. 18 (Prev. 10.5).
- **German** ZEW Current Conditions (Jul) -77.6 vs. Exp. -77.8 (Prev. -81.0).

CENTRAL BANKS

- **ECB Bank Lending Survey (Jul):** Euro area banks reported a moderate net tightening of credit standards for loans or credit lines to enterprises in Q2'26.

NOTABLE US HEADLINES

- **US President Trump signed an order to identify and fix potential national security vulnerabilities by requiring defence contractors to screen their supply chains,** aiming to stop weapons makers from working with certain foreign suppliers including China.

GEOPOLITICS

MIDDLE EAST

- **It was Iran which proposed the 10-day ceasefire, i24's Stein reported, citing sources. The US said to be demanding a longer ceasefire and demanding even partial navigation of the Strait of Hormuz.** The goal of these 10 days, according to the two sources, is to find a solution for the Strait of Hormuz. The mediators conveyed the proposal to the US and even added additional components to it during the talks they held with Washington and Tehran so that it would be

between the territory controlled by Oman and the territory controlled by Iran and through which ships could pass.
- **US Energy Secretary Wright said they will continue to attack Iran and are ensuring the flow of oil, gas and other products through the Strait of Hormuz with or without Iran's cooperation.** Wright said they continue to undermine Iran's offensive military capabilities and that President Trump wants to end the conflict with a peace deal, but this will require cooperation from both sides.
- **US CENTCOM announced another round of strikes against Iran in which US forces struck Iranian military command centres, maritime capabilities, missile and drone launch sites and air defence systems to degrade Iran's ability to continue attacking vessels.**
- **US airstrikes targeted the centre of Isfahan city and several explosions were heard in Bandar Abbas, Qeshm, Chabahar, Konarak and Shiraz,** while air defence systems were activated near Iran's Bushehr nuclear power plant.
- **US likely does not have enough munitions to sustain a prolonged all-out war with Iran** — which is already adapting to bypass US defence systems in its attacks across the region, according to an expert cited by The New York Post
- **Iran claimed a strike on a US military data centre in Bahrain and stated that US radar and defence systems in Bahrain were destroyed.** Iran also targeted US military facilities at Kuwait's Ahmad Al-Jaber base, US missile systems at Kuwait's Arifjan base, while explosions were reported in the Ali Al-Salem Airbase in Kuwait. Additionally, a central data infrastructure of Amazon (AMZN) in Bahrain was attacked by several cruise missiles.
- **More recently, there have been reports of sirens in Qatar while explosions were heard in Jordan.**
- **IRGC said two tankers were hit near the Strait of Hormuz, and that the Strait of Hormuz is closed,** while the UKMTO said it received a report of an incident 8NM northeast of Oman's Limah and later announced the crew had abandoned the ship.
- **Yemeni Houthi commander said Saudi Arabia faces two options:** either lift the blockade and stop its intervention or continue escalating, which will cost it a lot, Al Mayadeen reported.
- **Israeli Finance Minister Smotrich said "the State of Israel has no interest in joining the conflict between Iran and the US - the current situation is the best for us",** Ynet reported.
- **Israel conducted artillery strikes on southern Lebanon, while it stated that the programme of pilot zones in southern Lebanon began on Monday,** which was carried out in cooperation with US military and Lebanese armed forces. Furthermore, it will respond forcefully to any violation of the agreement.
- **The Lebanese army entered Zawtar al-Gharbiya as part of the first phase of the pilot zones,** Al Hadath reported, while Israeli troops departed the area.

RUSSIA-UKRAINE

- **Russia’s Defence Ministry** said its forces have struck infrastructure used by Ukraine’s military in the port of Odesa, IFX reported.
- **Russia's Kremlin** said that Russia will continue targeting vessels involved in supplying Ukraine’s military.

OTHER

- **US State Department said the US calls on China to immediately cease its destabilising conduct** and condemns China's dangerous and aggressive actions against Philippine Navy personnel at the Second Thomas Shoal in the South China Sea on July 20th.

- **North Korea's Foreign Minister met with Russian President Putin in Moscow** on 19th July, according to KCNA.

CRYPTO

- **Bitcoin** has trended higher throughout the European morning and has regained the USD 66k mark.

APAC TRADE

- **APAC stocks** traded mixed following the subdued handover from the US, where most major indices declined as oil prices and yields climbed amid the ongoing geopolitical backdrop, although the Nasdaq showed some resilience amid a bounce in tech and telecommunications.
- **ASX 200** lacked firm direction with price action contained within relatively tight parameters in the absence of notable data or key macro drivers.
- **Nikkei 225** rallied on return from the long weekend, with some bargain-hunting after last Friday's slump.
- **KOSPI** shrugged off earlier indecision and rallied amid a tech rebound, with notable strength seen in Samsung Electronics and SK Hynix shares.
- **Hang Seng** and **Shanghai Comp** were mixed with price action range-bound as they took a breather after rallying yesterday amid stimulus hopes and China’s “national team” buying close to USD 9bln in equities.

NOTABLE ASIA-PAC HEADLINES

- **Japan's Cabinet approved an economic framework policy document including fiscal plan, which cites BoJ autonomy and lacked sales tax decisions.**
- **Japan** is reportedly to relax rules surrounding bank lending for M&A and incentivise pension funds to invest more in alternative assets.

NOTABLE APAC DATA RECAP

- **New Zealand Inflation Rate QoQ (Q2) Q/Q 1.5% vs. Exp. 1.4% (Prev. 0.9%).**
- **New Zealand** Inflation Rate YoY (Q2) Y/Y 4.1% vs. Exp. 4% (Prev. 3.1%).
- **South Korea** July 1st-20th Exports rose 52.3% Y/Y, Imports rose 20.0% Y/Y and Trade Balance is at a provisional surplus of USD 12.2bln.
- **Taiwan** Export Orders (Jun) Y/Y 59.4% (exp. 47.3%).

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