Daily European Opening News - 3rd August 2026

SNAPSHOT

STOCKS			
Nikkei 225	-1.3%	ASX 200	+0.1%
Hang Seng	+0.1%	Shanghai Comp	-0.8%
Euro Stoxx 50 Sep'26	+0.9%	DAX Sep'26	+1.0%
ES Sep'26	+0.6%	NQ Sep'26	+0.9%

FX			
DXY	-0.1% (99.713)	EUR/USD	U/C (1.1532)
USD/JPY	-0.6% (156.48)	GBP/USD	U/C (1.3471)

BONDS			
US T-Note Sep'26	+11.5 ticks	Bund Sep'26	+25 ticks
US 10yr Yield	4.692%	German 10yr Yield	3.209%

ENERGY & METALS			
WTI Sep'26	-6.2%	Brent Oct'26	-5.6%
Spot Gold	+0.4 %	LME Copper	-0.4%

CRYPTO			
Bitcoin	-1.7%	Ethereum	-1.4%

As of 06:20BST/01:20EDT

LOOKING AHEAD

- Highlights include Global S&P Manufacturing PMI Final (Jul), German Retail Sales (Jun), Swiss Inflation (Jul), US ISM Manufacturing PMI (Jul), Atlanta Fed GDP (Q3), US Treasury Financing Estimates, Earnings from Palantir & ONSemi, Canadian Civic Holiday.
- Click for the Newsquawk Week Ahead.

IRAN CONFLICT

- **US President Trump said the US is locked and loaded and ready to go against Iran, but they "have just been asked by Iran, and other Middle Eastern Countries, to hold off any attack in that the perimeters of a deal have been agreed to. This would include the Immediate, Complete, and Total OPENING OF THE HORMUZ STRAIT,** and an end to Iran's nuclear threat. Based on this request, **I have agreed, for the future benefit of the WORLD and, likewise, the survival of a successful and prosperous Iran, to cancel the attack, subject to being able to rapidly make a DEAL."**
- **US President Trump said the Iran attack would have been a massive one if not paused, while he added there's a deal on Hormuz and there will be a deal on denuclearisation.** Trump said he was asked very strongly by Iran to hold off the attack and was also asked by Saudi Arabia, Qatar, and the UAE to pause the attack. Furthermore, he said they are **talking to Iran in the form of a negotiation and that the negotiation begins on Monday afternoon.**
- **US CENTCOM was reported on Friday to have prepared a large-scale operation in the form of a decisive two-week bombing campaign should President Trump choose escalation to break the deadlock in the Middle East,** according to The Hill, citing sources.
- **Iranian President Pezeshkian said regarding the MoU that "We must strive to force the enemy to remain committed to what it has signed",** adding that "The security of the country, the region, and our allies will be enhanced through this agreement".
- **Iranian Foreign Minister Araghchi told a cabinet meeting on Sunday that the negotiations with Oman to manage shipping through the Strait of Hormuz "were in the final stages",** according to FT. It was separately reported that Araghchi held phone calls with Saudi, Pakistani and Iraqi counterparts and exchanged views on the latest developments in the region, while he warned on Saturday against any adventurous action by the US and stressed Iran's readiness to respond decisively to any aggression.

- **Iran said talks with Oman on the Strait of Hormuz are unrelated to any third party, stressing that conditions there will not return to their pre-war state,** according to Press TV.
- **Iran's Mehr News Agency rejected US President Trump's claim that he halted attacks at the request of Iran and Middle East countries, while it called it "a new lie"** and emphasised Iran's forces are on full alert.
- **UKMTO said on Saturday it received a report of an incident 21 nautical miles northeast of Oman's Khasab, where the master of the tanker saw a large splash and explosion in close proximity to the vessel,** although no damage to the vessel was reported. **UKMTO also announced on Sunday that it received a report of an incident 20 nautical miles northeast of Oman's Khasab, where the master of the tanker reported an explosion in close proximity to the vessel,** although the vessel and crew are safe.
- **Israel told the White House it has significant security concerns over a proposed Hamas disarmament agreement, saying intelligence suggests Hamas intends to rebuild its military capabilities rather than genuinely disarm.** Israel added that it will not withdraw from most of Gaza until Hamas has fully completed the disarmament process.
- **Palestinian civil defence said Israeli drone and airstrikes hit multiple locations across the Gaza Strip, killing at least 18 people,** including women and children, with residential apartments, tents sheltering displaced people and civilian areas among the reported targets.

US TRADE

EQUITIES

- **US stocks** continued their rebound on Friday, led by Amazon (AMZN +15.3%) reporting faster AWS growth; stronger-than-expected revenue reassured investors that heavier AI and data centre spending is being matched by accelerating cloud demand. All Mag-7 ex-AAPL also gained, whilst breadth remained poor, as displayed by 4/11 sectors trading higher. Consumer Discretionary, Communications, Energy, and Industrials gained, whilst Materials and Tech lagged. Apple (AAPL -7.3%) and memory weakness were behind the Tech underperformance. Apple reported weak services, iPad, and China sales figures, alongside underwhelming revenue guidance. Meanwhile, memory names were weighed on by Japanese memory chipmaker Kioxia missing earnings and guidance expectations.
- **SPX** +0.70% at 7,490, **NDX** +0.60% at 28,274, **DJI** +0.53% at 52,491, **RUT** -0.50% at 2,931.
- Click here for a detailed summary.

TARIFFS/TRADE

- **China's MOFCOM said the US addition of Chinese companies to its forced labour entities list had no factual basis** and that US actions disrupt the stability of global supply chains.

NOTABLE HEADLINES

- **Fed Chair Warsh was reported on Friday to be considering reducing the frequency of Fed Policy meetings,** according to NYT.
- **Fed's Barkin (2027 voter) said on Friday that it was a 'close call' whether rates are high enough to bring inflation down, while he didn't know whether he would have joined three fellow regional Fed presidents who voted for higher rates.** However, he said "I think there is a strong case there" for adding restraint and taking back some of last year's rate cuts, according to WSJ.
- **Fed's Musalem (2028 voter) said the sell-off in US Treasuries the past week signalled the need for the Fed to earn its inflation-fighting credibility with interest rate hikes,** according to FT.
- **US Senators Collins and Murray proposed a continuing resolution to fund the US government through December 11, while also blocking a proposed Office of Management and Budget rule that would allow the administration to rescind federal grants to states,** including Democratic-led states, according to Semafor.
- **Trump Media and Technology Group (DJT) officially rolled out Truth API, which is its new subscription-based data service on Saturday, giving paying customers faster, real-time access to Truth Social posts from Trump** and other high-profile accounts for a monthly fee of up to USD 100k.

APAC TRADE

EQUITIES

- **APAC stocks** were mostly lower despite the geopolitical relief from Trump's cancellation of Iran strikes, with a mixed performance in the tech sector, while markets also digested weak Chinese PMI data and confirmation of joint US-Japan intervention on the yen.
- **ASX 200** was ultimately flat, with underperformance in energy, real estate and financials offset by resilience in defensives.
- **Nikkei 225** retreated amid increased rate hike bets following last week's hawkish comments from BoJ Governor Ueda at the post-meeting press conference, while there were also headwinds from a firmer currency after the US and Japan confirmed they jointly intervened to support the yen on Friday.
- **KOSPI** underperformed amid weakness in its tech heavyweights and with participants digesting earnings.
- **Hang Seng** and **Shanghai Comp** were mixed amid divergences in the tech sector as hyperscalers advanced with Alibaba shares among today's best performers after launching its Qwen 3.8 Max AI model, while chipmakers were pressured.

Meanwhile, the mainland was subdued following disappointing Chinese RatingDog Manufacturing PMI data and as US-China frictions lingered, with MOFCOM criticising the US addition of Chinese companies to its forced labour entities list.
- **US equity futures** gained following President Trump's decision to cancel a massive attack on Iran, subject to making a rapid deal, while he touted a deal on Hormuz with negotiations to begin on Monday afternoon.
- **European equity futures** indicate a higher cash market open with Euro Stoxx 50 futures up 0.9% after the cash market closed with gains of 0.2% on Friday.

FX

- **DXY** marginally softened following the drop in oil prices and lower yields, but with price action contained amid ongoing Fed policy uncertainty, with a report on Friday noting that Chair Warsh is mulling reducing the frequency of policy meetings. Fed's Barkin also said on Friday that it was a 'close call' whether rates are high enough to bring inflation down, and he didn't know whether he would have joined three fellow regional Fed presidents who voted for higher rates, but thought there waws a strong case there for adding restraint and taking back some of last year's rate cuts, while Musalem said the sell-off in US Treasuries the past week signalled the need for the Fed to earn its inflation-fighting credibility with interest rate hikes.
- **EUR/USD** eked mild gains in range-bound trade amid the absence of any major fresh catalysts from the bloc and after last Friday's whipsawing through the 1.1500 level.
- **GBP/USD** gave back its 1.3500 status, with weekend newsflow quiet for the UK, although it was reported on Friday that Chancellor Healey told cabinet ministers to prepare for budget cuts.
- **USD/JPY** continued to decline and briefly dipped beneath the 156.00 handle after the US and Japan confirmed they jointly intervened on Friday to curb the yen's weakness, while trader reports noted some hedge funds were selling USD/JPY, which potentially could be due to speculation of further intervention on Monday given the IMF currency guidelines that classify three days of intervention as a single market operation.
- **Antipodeans** remained afloat amid the softer buck but with upside limited after the miss on Chinese RatingDog Manufacturing PMI data.
- **PBoC** set USD/CNY mid-point at 6.7898 vs exp. 6.7364 (prev. 6.7894)

FIXED INCOME

- **10yr UST futures** opened higher as a drop in oil prices eased some of the inflationary pressures and dragged yields lower, although further upside in T-note futures was limited ahead of key jobs data later in the week and with the ongoing uncertainty regarding Fed policy. Furthermore, there were recent comments from Fed's Musalem that the sell-off seen in US Treasuries the prior week signalled the need for the Fed to earn its inflation-fighting credibility with an interest rate hike.
- **Bund futures** benefitted from the lower oil prices and clawed back some of last Friday's losses, while participants await the incoming German Retail Sales data scheduled today.
- **10yr JGB futures** remained pressured as short-end yields climbed on increased rate hike bets in the aftermath of hawkish comments late last week from BoJ Governor Ueda and following US-Japan intervention.

COMMODITIES

- **Crude futures** slumped at the start of the week, with WTI briefly falling beneath USD 79/bbl after US President Trump announced over the weekend that he cancelled strikes on Iran at the request of Tehran and other Middle East countries, subject to making a rapid deal, while he touted a deal on Hormuz and said negotiations will begin on Monday afternoon. Elsewhere, OPEC+ members agreed to increase output by 188k bpd in September, to complete the rollback of all voluntary cuts, and signalled to pause for the rest of the year.
- **OPEC+ agreed to an increase in production quotas for September of 188,000 barrels per day, while it stated that it had little incentive to rush into further supply changes after having completed the restoration campaign.** Furthermore, its **base case is for a pause in Q4 as the group prepares for 2027 quota negotiations,** while the next OPEC+ meeting is scheduled for 6th September.
- **Kuwait increased its crude oil output to nearly 2mln bpd in July from about 1.65mln bpd in June,** according to a source familiar with the matter cited by Reuters.
- **Indian Oil Corp bought a record 84% share of its crude oil from the spot market during the April-June quarter** amid the Middle East supply hit.
- **Spot gold** gapped higher at the open as oil prices dropped, but then proceeded in a choppy fashion.
- **Copper futures** were supported by the geopolitical relief, but with gains capped amid the mixed risk appetite, while participants also digested disappointing Chinese RatingDog Manufacturing PMI data.

CRYPTO

- **Bitcoin** gradually declined throughout the session to beneath the USD 63,000 level.

NOTABLE ASIA-PAC HEADLINES

- **Japan's Finance Ministry said it conducted coordinated yen-buying intervention with the US on Friday and won't hesitate to conduct further forex intervention with the US,** in which intervention was to address recent excessive and disorderly moves in the yen. Furthermore, **Finance Minister Katayama wouldn't comment on whether there was forex intervention today, but reiterated they won't hesitate to take FX steps at any time.**

- **Japan's top currency diplomat Mimura said they will not hesitate to conduct further joint intervention,** and that joint intervention could be seen as the culmination of the US-Japan currency alliance.
- **US President Trump, when asked regarding the US intervening in the yen, said the US is intervening because the US has a good relationship with Japan, and we're always there for Japan,** while he added that the US is getting financial benefit out of the arrangement.
- **US Treasury Secretary Bessent posted that Friday's coordinated foreign exchange actions countered disorderly yen movements and that the Treasury remains attentive and in close communication with counterparts at Japan's MoF and BoJ,** while he added that they will not hesitate to participate in further joint intervention.
- **Macau gaming revenue in July declined by 8.4% Y/Y to MOP 20.3bln,** amid the World Cup and travel disruptions from Typhoon Noul.

DATA RECAP

- Chinese RatingDog Manufacturing PMI (Jul) 50.9 vs. Exp. 51.5 (Prev. 51.7)

GEOPOLITICS

RUSSIA-UKRAINE

- **Russia launched ballistic missiles and attack drones targeting Ukraine's capital, Kyiv, and Ukrainian forces struck oil facilities deep inside Russian territory,** while reciprocal strikes on infrastructure between the sides continued on Sunday.
- **IAEA said that Ukraine's Zaporizhzhia nuclear power plant lost off-site power for the 23rd time since the military conflict began.**

EU/UK

NOTABLE HEADLINES

- **UK Chancellor Healey was reported on Friday to have told cabinet ministers to prepare for budget cuts,** according to The Times.
- **EU ministers are to discuss the migration crisis in the Spanish territory of Ceuta after Spanish PM Sánchez hit out regarding the criticism of Spain’s handling of the situation,** according to FT.

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