

SNAPSHOT

STOCKS			
Euro Stoxx 50	+0.5%	DAX40	+0.7%
Stoxx 600	+0.2%	FTSE 100	+0.2%
ES Sep'25	+0.2%	RTY Sep'25	U/C
NQ Sep'25	+0.3%	YM Sep'25	+0.1%

FX			
DXY	-0.2% (97.71)	EUR/USD	+0.1% (1.1725)
USD/JPY	+0.2% (147.67)	GBP/USD	U/C (1.3505)

BONDS			
US T-Note Dec'25	U/C	Bund Dec'25	U/C
US 10yr Yield	4.08%	German 10yr Yield	2.66%

ENERGY & METALS			
WTI Oct'25	+1.8%	Brent Nov'25	+1.9%
Spot Gold	+0.7%	LME Copper	+0.1%

CRYPTO			
Bitcoin	+0.7%	Ethereum	+0.1%

As of 10:25 BST / 05:25 EDT

LOOKING AHEAD

- US Employment Trends (Aug), NY Fed SCE & French Confidence Vote.
- [Click for the Newsquawk Week Ahead.](#)

TARIFFS/TRADE

- Japan's trade negotiator Akazawa said he cannot say the trade issues with the US have been resolved, while he added that a US presidential order on auto tariffs was issued, but there are no orders yet on the most favoured nation status for pharmaceuticals and semiconductors.
- US-China trade talks have reportedly made little progress towards a deal, and an impasse was hit on the fentanyl issue, while senior China negotiator Li Chenggang's trip to Washington suggests that China is attempting to keep talks open but is not willing to give any ground, according to WSJ.
- European Council President said the EU and US President Trump have "turned the page" on their prior "rocky" relationship , according to the FT.
- US is reportedly considering annual China chip supply permits for SK Hynix (000660 KS) and Samsung (005930 KS) , via Bloomberg; firms would be required to outline their annual requirements.
- EU reportedly weighs new sanctions on Russia to hit banks and oil trade , according to Bloomberg.

EUROPEAN TRADE

EQUITIES

- European bourses (STOXX 600 +0.2%) opened with a positive bias and have traded sideways throughout the morning so far – action which follows on from similar sentiment in the APAC region.

- **European sectors** opened with a strong positive bias but are now mixed. **Construction & Materials** takes the top spot, joined closely by **Energy** and then **Industrials** to complete the top three. For **Energy** specifically; the complex has been boosted by significant upside in the crude benchmarks after eight core OPEC+ countries upped its oil output target by 137k bpd in October. For **Industrials**, the sector has seemingly been boosted by Alstom (+1%) after it received a EUR 538m contract.
- **US equity futures** (ES +0.2% NQ +0.3% RTY U/C) are incrementally firmer/flat across the board, following on from the positive risk tone seen in Europe, but with gains capped in the aftermath of a weak NFP report last Friday.
- **Apple (AAPL) iPhone 17 Pro** will see an 18.7% battery life increase vs the iPhone 16 Pro, via 9to5mac citing Chinese filings.
- [Click for the sessions European pre-market equity newsflow](#)
- [Click for the additional news](#)
- [Click for a detailed summary](#)

FX

- **USD trickled lower in the European morning after rangebound APAC trade**, and in the aftermath of last Friday's disappointing jobs data, which boosted Fed rate cut bets with money markets fully pricing in at least a 25bps cut at the Fed meeting on September 17th and a slight off chance for a 50bps move. On the topic of Fed independence, **US President Trump said Waller, Warsh and Hasset are the three finalists for Fed chair nomination**. **DXY** resides closer to the bottom end of today's current 97.644-97.942 range.
- **EUR is holding modest gains against the softer dollar**, though political risk remains in focus with **French PM Bayrou's government facing a confidence vote later today**. On that, today's French confidence vote (statement 14:00 BST / 09:00 ET, result ~18:00 BST / 13:00 ET), with PM Bayrou expected to lose as his coalition holds only 210/577 seats; failure likely forces resignation and raises risks of snap elections if no successor emerges. **EUR/USD** trades in a current 1.1703-1.1734 range.
- **JPY briefly climbed above the 148.00 level overnight amid political uncertainty** after PM Ishiba announced his resignation, although the yen is off its worst levels as participants also digested the stronger-than-expected revised GDP data. Japanese PM Ishiba said he has decided to resign as LDP president and **gave instructions to hold an emergency LDP leadership election**, while he will continue to carry out responsibilities until a new leader is elected. The political uncertainty from PM Ishiba's resignation is seen as potentially **delaying a resumption of BoJ's rate normalisation**. **USD/JPY** sits closer to the bottom of a 147.51-148.57 range.
- **GBP lacks clear direction with price action contained near the 1.3500 level** amid a very light calendar for the UK for most of the week until Friday's monthly GDP and output data. Desks note sterling remains vulnerable via Gilts, with **UK government bonds still the "weak link" despite the recent abatement of last week's global bond sell-off**. Starmer's cabinet reshuffle left Chancellor Reeves untouched, preserving her market credibility, but fiscal challenges remain. **GBP/USD** resides in a narrow 1.3482-1.3526 range.
- **Antipodeans lacked firm conviction in APAC trade** but edged higher during European hours to become the clear G10 outperformers at the time of writing, with the high-beta FX coat-tailing on the broader rise of base metals and broader constructive sentiment across the market.
- **EUR/NOK** trades on either side of its 100 DMA (11.7274) in a current 11.6811-11.7554 range. Focus on Norwegian elections, where opinion polling currently points to a continuation of the current Red-Green bloc, with a lead of around 6pp.
- **PBoC set USD/CNY mid-point at 7.1029 vs exp. 7.1317 (Prev. 7.1064)**
- **SNB Chairman Schlegel said there is a high bar to the next interest rate cut**, according to Migros-Magazin. It was separately reported that Schlegel said he is aware of undesirable effects of negative rates, while he added that **US tariffs raise uncertainty and have a negative impact on the economy**.
- [Click for a detailed summary](#)
- [Click for NY OpEx Details](#)

FIXED INCOME

- **USTs are contained**, holding onto the bulk of the NFP induced upside we saw on Friday. On Friday, USTs hit a 113-21+ peak. Today, the benchmark holds at the upper end of 113-07+ to 113-14 parameters. The main update on the Fed front post-NFP has been Trump saying that **Waller, Warsh and Hasset are the three finalists for the Chair role**.
- **JGBs are slightly firmer**. PM Ishiba has announced that he will be stepping down as LDP leader and by extension PM. As such, a new LDP leadership vote is expected to take place on October 4th, according to Reuters sources. **Ishiba's resignation is not a huge surprise**, as the tone in recent weeks had been moving towards him stepping down as various high-ranking LDP officials had announced their intention to resign, taking responsibility for the lower house election result. The announcement by Ishiba saw **long-end yields climb amid concern that Ishiba's successors may outline more expansionary fiscal policy** than has been the case under Ishiba. Specifically, the 30yr yield climbed to a 3.299% peak, just eclipsing the record high set last week. JGBs themselves saw downside of just under 30 ticks following Ishiba's announcement, with the 10yr yield moving a little higher as a result.
- **OATs are near enough flat** into the confidence motion. The base case remains that **PM Bayrou will lose the motion and have to submit his resignation to President Macron**, an outcome that is priced by the market now and as such, should not spur any significant widening of spreads; OAT-Bund remains around the 80bps mark. The process begins at 14:00BST but the actual vote and subsequent results are not expected until the evening. Politico guides that 18:00BST is the earliest the outcome could be known.
- **Bunds are in-fitting with the above**. Firmer by a handful of ticks in 128.91 to 129.21 parameters, eclipsing Friday's peak by a tick. Focus for the bloc is firmly on France, but as it stands, the risk of contagion is regarded as slim by desks. Aside from France, today's September EZ Sentix figure came in below the forecast range at -9.2 (exp. -2.0, prev. -3.7).
- **Gilts echo above**. Similarly to Bunds, Gilts have eclipsed Friday's best at the top end of 91.09 to 91.34 parameters, besting

Friday's high by two ticks.

- [Click for a detailed summary](#)

COMMODITIES

- **Crude gained following the decision by OPEC+ members to continue hiking production for October, albeit at a slower pace of increase of 137k bpd (as touted)**, while Goldman Sachs kept its Brent/WTI price forecast unchanged for 2025 and noted that the decision to start gradually unwinding the 1.65mln bpd of cuts likely reflects that OECD commercial stocks remain low. **WTI** currently resides in a USD 61.85-63.08/bbl range while **Brent** sits in a USD 65.51-66.78/bbl range.
- **Precious metals climbed in the European morning** after trading rangebound overnight as traders took a brief breather from the aftermath of last Friday's jobs data, owing to a weaker dollar and Fed rate cut bets. - Drivers remain a mix of: 1) overhang from Friday's data, 2) geopolitics (Trump-Russia tensions + more EU sanctions), 3) sustained central bank demand (PBoC), and 4) technical momentum after topping USD 3,600/oz. **Spot gold** currently resides in a USD 3,579.72-3,617.29/oz range after topping the psychological USD 3,600/oz for the first time.
- **Base metals are a little firmer.** Losses from last Friday were met with a limited APAC recovery as participants digested disappointing Chinese trade data. Prices then tilted firmer during the European morning amid the softer dollar and broader risk appetite. **3M LME copper** resides in a USD 9,888.10-9,934.00/t range, at the time of writing.
- **US President Trump issued an executive order on Friday exempting graphite, tungsten, uranium, gold bullion and other metals from tariffs**, while silicone and certain pharmaceuticals/chemicals were included in the tariff list.
- **Eight OPEC+ members agreed to raise the oil production by 137k bpd in October (as touted), citing a steady global economic outlook and current healthy market fundamentals, while the next meeting is to be held on October 5th.**
- **OPEC Secretary General said projections indicate OPEC+ under the leadership of OPEC members will increase production from 49mln bpd to around 64mln bpd by 2050.**
- **Iraq's PM said they will make arrangements to facilitate the entry of oil majors into Iraq, and they are in talks with ExxonMobil (XOM) on major energy projects, while Iraq hopes fellow producers will reconsider its oil export quota to better reflect its production capacity.**
- **Iraq's SOMO and Oman's OQ signed two MOUs on oil storage and Iraqi oil trading, while one MOU includes developing an integrated crude oil storage project in Oman's Raz Markaz with an initial capacity of 10mln bbls.**
- **Russia's Novak said they discussed 7-month OPEC+ compliance, which is high, and they agreed to monitor the market further, while he added the market is balanced and Russia is fully compliant with the OPEC+ deal.**
- **ADNOC is said to mull USD 10bln plus financing for the Santos (STO AT) deal, according to Bloomberg.**
- **Italy's Energy Minister said there is no plan to dismantle coal-fired plants in continental Italy by year-end, and they are relaxed about the level of gas storage filling in Italy and in Europe, while the official added that US suppliers are currently offering LNG at a competitive price.**
- **PBoC purchased gold in August for 10th month in a row, according to data cited by Reuters.**
- [Click for a detailed summary](#)

NOTABLE DATA RECAP

- German Trade Balance, EUR, SA (Jul) 14.7B vs. Exp. 15.3B (Prev. 14.9B)
- German Exports MM SA (Jul) -0.6% vs. Exp. 0.1% (Prev. 0.8%); Imports -0.1% vs. Exp. -1.0% (Prev. 4.2%)
- EU Sentix Index (Sep) -9.2 vs. Exp. -2.0 (Prev. -3.7)

NOTABLE EUROPEAN HEADLINES

- **Italy's Economy Minister said the government sees 2025 GDP growth in line with its 0.6% target.**
- **ECB and PBoC extend bilateral euro-renminbi currency swap arrangement.**
- **HSBC expects BoE to hold rates steady in November and February, revising previous forecast of rate cuts; now projects BoE to resume cutting from April 2026.**

NOTABLE US HEADLINES

- **US President Trump said Waller, Warsh and Haseett are the three finalists for Fed chair nomination. In relevant news, White House's Haseett said Fed monetary policy needs to be fully independent of political influence, including from President Trump, according to a CBS News interview.**
- **US President Trump signed Executive Orders on Friday regarding changing the name of the Department of Defense to the Department of War, and on ordering penalties against countries complicit in holding wrongfully detained Americans.**

GEOPOLITICS

MIDDLE EAST

- **US President Trump posted that he had warned Hamas about the consequences of not accepting a hostage deal and said this was his last warning.**
- **Hamas said it received some ideas from the US side through mediators to reach a ceasefire deal in Gaza.**
- **Israel's Foreign Minister Saar said the war in Gaza can end tomorrow if hostages are released and Hamas lays down its arms, while he said establishing a Palestinian state would jeopardise Israel's security and urged Denmark not to recognise a Palestinian state. It was also reported that Denmark's Foreign Minister said they are not ready to recognise a Palestinian state but added Israel does not have a veto over any Danish recognition of a Palestinian state.**

- Yemen's Houthis targeted Israel's Ramon Airport with drones, although operations at the airport were resumed following the drone strike from Yemen.
- Israeli Defence Minister Katz posts "Today a huge hurricane will hit the skies of Gaza City...The IDF continues as planned and is preparing to expand the manoeuvre to defeat Gaza".
- Iranian Official Baghaei says "We have not yet reached a conclusion with the IAEA, but the process of talks has been positive", via Iran International on X.
- Israeli PM Netanyahu says "We will complete our missions in the West Bank, Gaza and everywhere ", via Al Hadath.

RUSSIA-UKRAINE

- Ukraine's PM said the main building of the Ukrainian government was damaged by an enemy strike for the first time during the war and that firefighters were working to extinguish the blaze at the government building. In relevant news, Ukraine's Air Force said on Sunday morning that Russia launched 805 drones and 13 missiles on Ukraine overnight, while it was separately reported that Ukraine attacked Russia's Druzhba oil pipeline in the Bryansk region.
- Russian Defence Ministry said Russian forces took control of Khoroshe in Ukraine's Dnipropetrovsk region and carried out strikes on Ukraine's military-industrial complex and transport infrastructure facilities, according to TASS.
- US President Trump said he is ready to go to the second round of sanctioning Russia, while Trump commented on Friday that the Ukraine war will end, or there will be hell to pay, and they are working on security guarantees to Ukraine.
- US envoy to Ukraine said Russia's latest strike on Kyiv is not a signal it wants to diplomatically end the war.
- US and the EU plan to discuss new Russia sanctions on Monday, according to AP News. European leaders will visit the US on Monday or Tuesday to discuss ways to end the war in Ukraine, according to the BBC.
- EC President Costa says the EU prepares 19th package of sanctions against Russia in close coordination with US.
- Russian Foreign Minister Lavrov says, "Moscow is ready for dialogue with everyone", according to Al Arabiya.
- IAEA chief Rafael Grossi reports progress in talks with Iran over full resumption of nuclear inspections, hoping for a successful resolution within days; there is still time but not much.

TURKEY

- Tensions rose in Istanbul as hundreds of Turkish police blocked access to the main opposition's Istanbul headquarters following a court-ordered leadership change of the party's local administration, according to Bloomberg.

CRYPTO

- Bitcoin is a little firmer and trades just shy of the USD 112k level, whilst Ethereum holds just above USD 4.3k.

APAC TRADE

- APAC stocks began the week mostly positive but with some of the gains capped amid several key market themes, including last Friday's disappointing US jobs data and the subsequent boost in Fed rate cut bets, as well as Japanese PM Ishiba's resignation announcement and the latest Chinese trade data.
- ASX 200 was dragged lower by weakness in energy, utilities and financials, while participants also reflect on the latest Chinese trade data.
- Nikkei 225 outperformed amid a weaker currency and as the political uncertainty following Japanese PM Ishiba's resignation, was seen as potentially delaying the BoJ resuming its rate hikes, while upward revisions to Q2 GDP added to the heightened risk appetite in Tokyo.
- Hang Seng and Shanghai Comp were ultimately positive but with cautiousness seen amid the latest Chinese trade data in which exports and imports missed forecasts, while there was also a recent report that US-China trade talks have made little progress towards a deal, and an impasse was hit on the fentanyl issue.

NOTABLE ASIA-PAC HEADLINES

- Japanese PM Ishiba said he has decided to resign as LDP president and gave instructions to hold an emergency LDP leadership election, while he will continue to carry out responsibilities until a new leader is elected and thought it was the right timing to step down given the conclusion of the Japan-US trade agreement. Furthermore, he said the party will decide on the schedule for the leadership race and he will not run in the LDP leadership race.
- Japan LDP's Aizawa said they are to set the LDP leadership election date on Tuesday, while it was separately reported that the LDP is making final arrangements for a leadership vote on October 4th, according to TBS. Furthermore, Japanese Chief Cabinet Secretary Hayashi intends to run in the next LDP presidential election and former Foreign Minister Motegi also revealed his intention to run in the next LDP presidential election.
- South Korea's Foreign Minister said over 300 Koreans were detained by US authorities at the Hyundai plant and President Lee ordered all-out efforts to respond to the arrest of Korean nationals. However, it was later reported that South Korea said a deal was reached with the US to release workers in the Hyundai Motor raid, according to WSJ.
- China is preparing to reopen its domestic bond market to major Russian energy companies, according to FT.
- China Auto Industry Body CPCA says China sold 2.02mln passenger cars in August, +4.9% Y/Y.

DATA RECAP

- Chinese Trade Balance (USD)(Aug) 102.3B vs. Exp. 99.2B (Prev. 98.24B)
- Chinese Exports YY (USD)(Aug) 4.4% vs. Exp. 5.0% (Prev. 7.2%); Imports YY (USD)(Aug) 1.3% vs. Exp. 3.0% (Prev. 4.1%)

- Chinese Trade Balance (CNY)(Aug) 732.7B (Prev. 743.6B)
- Chinese Exports YY (CNY)(Aug) 4.8% (Prev. 8.0%); Imports YY (CNY)(Aug) 1.7% (Prev. 4.8%)
- Japanese GDP Revised QQ (Q2) 0.5% vs. Exp. 0.3% (Prev. 0.3%); QQ Annualised (Q2) 2.2% vs. Exp. 1.0% (Prev. 1.0%)

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