

## DM Headlines

- Constrained Fed, Leery Dealers May Hurt Bonds' Utility as Hedge Bank for International Settlements discusses topic in paper  
U.S. Treasuries' effectiveness as equity hedge has eroded: BIS  
<https://blinks.bloomberg.com/news/stories/QKTGGRDWX2PS>
- Virus-Aid Talks Slow as Congress Extends Spending-Bill Deadline  
Negotiators working on legislative language for Covid-19 aid  
Package would be attached to giant spending bill for 2021  
<https://blinks.bloomberg.com/news/stories/QKZQOXT0AFB7>
- Bank-Driven Squeeze in Funding Markets Emerges as Stocks Rise  
Lenders are looking to counteract rise in regulatory scores  
Consequences seen in currency, swap and collateral markets  
<https://blinks.bloomberg.com/news/stories/QKZMJQT1UM0Z>
- Oil Drops Toward \$45 With Virus Surge Tempering Vaccine Optimism  
U.S. has almost 2,000 Covid-19 hospitalizations per day  
WTI declines 1.1% after dropping by the same amount Monday  
<https://blinks.bloomberg.com/news/stories/QL0FEVT0G1L4>
- U.S. Sanctions New Group of Chinese Officials Over Hong Kong  
Officials targeted were members of National People's Congress  
Move stopped short of most senior officials like Li Zhanshu  
<https://blinks.bloomberg.com/news/stories/QKZ5JODWX2PU>
- Enter Fed Funds Futures Steepeners Amid Potential IOER Hike: DB  
<https://blinks.bloomberg.com/news/stories/QKZ837T1UM0W>
- Fauci Warns of 'Dark January' Amid N.Y. Hospital Capacity Fears  
NYC indoor dining may shut if hospital data doesn't improve  
Top infectious disease expert is guest at Cuomo daily briefing  
<https://blinks.bloomberg.com/news/stories/QKZBMJT0G1KW>
  
- Angela Merkel Is Losing Her Touch at the Worst Possible Time  
Germany's EU presidency has suffered a string of failures  
Disputes over recovery fund and Brexit threaten Merkel legacy  
<https://blinks.bloomberg.com/news/stories/QKYOYPDWLU71>
- ECB Has Become De Facto Yield-Curve Controller, Economists Say  
<https://blinks.bloomberg.com/news/stories/QKYWKNDWX2PW>
- ECB Meeting Could Be Early Test of Credit Taper Tantrum Thesis  
<https://blinks.bloomberg.com/news/stories/QKZ277T0G1L3>
- Tighter German Lockdown Looms as Virus Rates Remain High (3)  
Merkel meeting with state premiers likely before Christmas  
Chancellor wants to close shops after Christmas, Bild says  
<https://blinks.bloomberg.com/news/stories/QKZB6XT1UM0W>



## RUBRICS

- U.K. Backs Down on Threat to Break Brexit Divorce Agreement  
Johnson's government ready to drop lawbreaking clauses  
House of Commons votes down Lords amendments late Monday  
<https://blinks.bloomberg.com/news/stories/QKZMOYT1UM0X>
- Johnson Set for Brussels Crisis Talks as Brexit Deal Hopes Fade  
Every chance trade talks could now fail, U.K. official says  
Significant differences remain between Britain and the EU  
<https://blinks.bloomberg.com/news/stories/QKZLX1TOG1KX>
- U.K. Financiers Warned to Expect EU Access Loss Even With a Deal  
EU's Mairead McGuinness says significant changes are coming  
'Complementarity,' not 'reliance,' sought with London  
<https://blinks.bloomberg.com/news/stories/QKZB0HTOG1KW>
- All Eyes on U.K. for Western World's First Covid Shots (1)  
Elderly and health-care workers first in line for Pfizer shot  
Boris Johnson warns that mass vaccination will take time  
<https://blinks.bloomberg.com/news/stories/QL0EP6DWX2QE>
  
- Australia 3Q house price index +0.8% q/q vs est. -1.7%
- Australia Nov. NAB business conditions +9 vs revised +2
- Australia Nov. NAB business confidence +12 vs revised +3
- Aussie Erases Loss on Business Confidence: Inside Australia/NZ  
Yield on 10-year note eases 2bps to 1.02% while that on 3-year note is unchanged at 0.13%  
<https://blinks.bloomberg.com/news/stories/QL0948T1UM0Y>
- Australia Passes Law That Can Scrap China Belt and Road Accords  
Foreign minister now able to veto deals with foreign powers  
Move by Morrison's government may exacerbate Beijing tensions  
<https://blinks.bloomberg.com/news/stories/QKP27BT0G1L4>
  
- Japan Pension Funds Make Record Switch From Stocks to Bonds  
<https://blinks.bloomberg.com/news/stories/QKZWF9TOG1LZ>
- Japan GDP Beats First Estimate as Suga Unveils New Stimulus  
<https://blinks.bloomberg.com/news/stories/QKZV2XT1UM0W>
- Japan's Suga Announces Stimulus Package of Over \$700 Billion (1)  
Prime minister says fiscal measures worth 40 trillion yen  
Latest package to be partly funded by a third extra budget  
<https://blinks.bloomberg.com/news/stories/QKZX4FT0G1LX>
- Japan 3Q GDP 5.5% SA q/q vs est. 5.2%
- Japan Oct. household spending +1.9% y/y vs est. +2.8%
- Japan Oct. labor cash earnings -0.8% vs est. -0.7%
- Japan Oct. BoP current account surplus adjusted JPY1983.3b vs est. JPY1829.2b
- JGBs Rise as Supply Concern Abates, Yen Steadies: Inside Japan  
<https://blinks.bloomberg.com/news/stories/QL0BU2TOG1KY>

## EM Headlines

- SocGen Says Long-Term Bearish Cycle for EMFX Is Just Delayed  
<https://blinks.bloomberg.com/news/stories/QKZ4KZT1UM12>
- China's Financial Markets Start to Price In Deleveraging (1)  
Debt-to-GDP ratio rose to record 277% after 2020 stimulus  
Concern over tighter liquidity has led to corporate defaults  
<https://blinks.bloomberg.com/news/stories/QKZYVOT0G1KW>
- Resistance to Yuan Gains May Have Begun, China's Reserves Show  
<https://blinks.bloomberg.com/news/stories/QKZW4RT0G1Q3>
- Hong Kong Returns to Tightest Virus Restrictions as Cases Spike  
Dining-in to halt after 6 p.m.; gyms and salons to shut  
Hong Kong has seen Covid-19 infections surge in recent weeks  
<https://blinks.bloomberg.com/news/stories/QL0FTGT1UM1L>
- \*CHINA NOV. RETAIL PASSENGER VEHICLE SALES +7.8% Y/Y: PCA
- Won Drops Amid Calls for Citizens to Stay Home: Inside Korea  
<https://blinks.bloomberg.com/news/stories/QKZWHRT1UM0Y>
- Bonds Supported by Minister's Deficit Comments: Inside India  
<https://blinks.bloomberg.com/news/stories/QL081ODWLU6O>
- India to Overlook Fiscal Deficit Worries in Virus Recovery Fight  
Stimulus spending won't be wound down in a hurry: Sitharaman  
Economists see India's budget gap widening to 8% this year  
<https://blinks.bloomberg.com/news/stories/QL0CM2T1UM0Y>
- Indonesia Could See V-Shaped Recovery on Vaccine Plans: Maybank  
<https://blinks.bloomberg.com/news/stories/QKYRRFT0AFBF>
- Indonesia May Have a New Political Dynasty With Jokowi's Family  
President's son and son-in-law are both running for mayorships  
Indonesia holds local polls on Dec. 9 despite virus resurgence  
<https://blinks.bloomberg.com/news/stories/QKCDMZDWLU6W>
  
- Sao Paulo Sets First Date in Latin America to Start Vaccinations  
Brazil's wealthiest state set to begin vaccinations on Jan. 25  
Vaccine has yet to be approved by Brazil's health regulator  
<https://blinks.bloomberg.com/news/stories/QKZFSMT1UM0W>
- Brazil Top Court's 'Surprise' Decision Clouds Reform Outlook (1)  
Supreme Court says heads of congress cannot seek new term  
Agenda could be delayed until new names elected in February  
<https://blinks.bloomberg.com/news/stories/QKZ9E4T0G1L1>
- Brazil Economy Ministry Rejects Flexibilizing Spending Cap Rule  
<https://blinks.bloomberg.com/news/stories/QKZLC2T0G1L1>
- AMLO Taps Mexican Treasurer Borja to Banxico in Dovish Tilt (1)  
Galia Borja to replace outgoing deputy governor Javier Guzman  
AMLO also appoints Tatiana Clouthier as new economy minister  
<https://blinks.bloomberg.com/news/stories/QKZ5YKT1UM10>
- Mexico Analysts Cut 2020 CPI Est. to 3.50% Vs. 3.90%: Citi  
<https://blinks.bloomberg.com/news/stories/QKZNL6T0AFB5>
- \*MEXICO 2020 GDP SEEN FALLING 9.0% VS PRIOR -9.3%: CITI SURVEY



- Hungary, Poland Pressured to Lift EU Veto Threat Within Hours  
Senior EU diplomat says signal of compromise needed by Tuesday  
EU poised to launch 'Plan B' that would exclude the holdouts  
<https://blinks.bloomberg.com/news/stories/QKZIJFT0G1KX>
- \*POLAND SAYS ALLIANCE WITH HUNGARY ON EU VETO IS INTACT
- Poland and Germany in Talks on EU Budget Deal, Newspaper Reports  
<https://blinks.bloomberg.com/news/stories/QL0D1HT0G1L0>
- Hungary Inflation Down With Real Yields Little Changed  
<https://blinks.bloomberg.com/news/stories/QL0GX4DWRGGJ>
- Central Banker Sees Virus Delaying Czech Rate Hike Next Year (1)  
Czech rate setter Holub sees recovery clouded by uncertainty  
Lockdown easing at risk as Covid-19 infection levels stay high  
<https://blinks.bloomberg.com/news/stories/QKZL3JT1UM0W>
- Mora Sees Czech Disinflationary Covid Impact in Medium Term: MFD  
<https://blinks.bloomberg.com/news/stories/QKZF15T0AFBA>
- Czechs Curb Hours for Restaurants, Bars as Virus Trend Worsens  
<https://blinks.bloomberg.com/news/stories/QKZBI2T0AFBQ>
- South Africa GDP Is Down From 2019 Even as Recession Ends: Chart  
<https://blinks.bloomberg.com/news/stories/QKZ3C2T0G1KY>
- S. Africa Offers SAA Staff Less Than Legally Required (1)  
South African Airways hasn't flown commercially since March  
Airline was placed under administration in December last year  
<https://blinks.bloomberg.com/news/stories/QKZGF3T1UM12>
- Rand Dips Before GDP as EM Peers Edge Lower: Inside South Africa  
<https://blinks.bloomberg.com/news/stories/QL0AOKDWRGGQ>