

DM Headlines

- Sharp U.S. Hiring Downshift Projected With More Risks On Horizon
Surging virus and new lockdowns to curtail December job growth
Vaccine may not invigorate the job market until second quarter
<https://blinks.bloomberg.com/news/stories/QMGZGFT0AFBH>
- Harker Says Fed May Begin Paring Bond Purchases in Late 2021 (1)
Philadelphia Fed chief sees economy rebounding in second half
Says 'steady as she goes until' really see the economy healing
<https://blinks.bloomberg.com/news/stories/QMKLCVT0G1L1>
- Fed's Kaplan Says Expect Rising Bond Yields as Economy Mends (1)
Revises 2021 GDP forecast to 4.5% to 5% from 3.5% in November
Fed tapering should follow widespread recovery, vaccinations
<https://blinks.bloomberg.com/news/stories/QML42UT1UM18>
- Quants Ditch Treasuries Amid Battle Over How High Yields Can Go
U.S. jobs data may be next catalyst for Treasury yields: DWS
BMO Capital Markets says Fed expected to remain patient
<https://blinks.bloomberg.com/news/stories/QMKKKT1UM13>
- Trump Faces Mounting Pressure and Calls for Resignation, Removal
Democrat Schumer, GOP's Kinzinger call for president's ouster
Transportation Secretary Chao steps down after Congress attack
<https://blinks.bloomberg.com/news/stories/QMLBERT0AFEI>
- Democratic Sweep Sets Stage for \$2,000 Checks and Higher Taxes
Covid relief funds, taxes, health care policy, the minimum wage and student debt could all be considered by the U.S. Senate.
<https://blinks.bloomberg.com/news/stories/QMKIHMT1UM1T>
- Fed Returns Money to Treasury for Terminated Emergency Programs
<https://blinks.bloomberg.com/news/stories/QMKYY1DWX2QE>
- U.S. Trade Gap Widened to Second-Biggest on Record in November
Goods-trade gap increases to \$86.4 billion, biggest yet
Services surplus narrows to smallest since August 2012
<https://blinks.bloomberg.com/news/stories/QMKHBPT0G1KY>
- Oil Heads for Weekly Gain on Saudi Cuts and Democratic Sweep
Democratic wins in Georgia may lead to more stimulus spending
WTI futures rise 0.4% on Friday and are up 5.2% for the week
<https://blinks.bloomberg.com/news/stories/QMLQ64DWX2Q3>
- Trump Prepares Pardon List for Aides and Kin, and Maybe Himself
White House staff, family members may get preemptive pardons
Legal power to pardon self isn't clear in Constitution
<https://blinks.bloomberg.com/news/stories/QML4Y4DWLU6M>



RUBRICS

- Italy Plans Requesting EU222b From EU Recovery Fund: Draft
<https://blinks.bloomberg.com/news/stories/QMKP66T0AFB7>
- Bank of France Says High Debt Puts Financial System at Risk (1)
Low interest rates, rising credit risk weigh on banks' profits
Extended lockdown would make it harder to pay off loans
<https://blinks.bloomberg.com/news/stories/QMKAP7T0G1KX>
- France Nov. Industrial Production -0.9% M/m; Est. -1% M/m
<https://blinks.bloomberg.com/news/stories/QMLUF5T0G1LL>
- Wealth Taxes Are Going Global, From California to Germany
Argentina imposed a one-time levy on millionaires in December, and other serious proposals are being floated from California to Germany.
<https://blinks.bloomberg.com/news/stories/QMIYCLT1UM0X>
- Trump Suspends Tariff Action on French Goods on Digital Tax (2)
The tariffs were supposed to go into effect on Jan. 6
The U.S. said it will seek a 'coordinated response' to duties
<https://blinks.bloomberg.com/news/stories/QMKVH7T1UM0W>

- Goldman Expects BOE to Fight New Recession With More Bond Buying
<https://blinks.bloomberg.com/news/stories/QMK1SVDWLU6K>
- Reuters Business: Central banks must arm up for next market upheaval, BoE's Hauser says
<https://t.co/YnrCTMx4gn>
- Brexit Becomes Truckers' Nightmare as Red Tape Ties Up Drivers
Lull in traffic means delays haven't hit major U.K. ports, yet
Trucks delayed at pick-up points as customs agents struggle
<https://blinks.bloomberg.com/news/stories/QMLL00T0G1KW>
- Debenhams Halts Irish Sales, Sailings Canceled After Brexit (1)
Retailer says Brexit uncertainty means can't sell in Ireland
Stena cancels a dozen sailings between Ireland and U.K.
<https://blinks.bloomberg.com/news/stories/QMKWTTT0G1KZ>

- Aussie Yield Rises With Focus on U.S. Aid: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/QMLLHYDWLU6O>
- Aussie Barrels Toward a Moment of Reckoning at 80 U.S. Cents
Technicals show weekly valuation stretched as key test nears
Greenback may lift from lows as U.S. yields reset higher
<https://blinks.bloomberg.com/news/stories/QMJHU7DWX2PV>

- Yen Weighed by Verbal Action, Foreign Debt Buying: State Street
<https://blinks.bloomberg.com/news/stories/QML61ET0AFB6>
- Japan Officials Meet to Show Vigilance on Yen Near 9-Month High
<https://blinks.bloomberg.com/news/stories/QMJVT3T0G1KW>
- Yen Falls to 3-Week Low as Treasury Yields Rise: Inside Japan
<https://blinks.bloomberg.com/news/stories/QMLKPIT0AFBO>
- Japan's Suga Risks More Economic Pain if Limited Emergency Fails
Premier faces uphill battle to contain virus, hold Olympics
Failure raises risk of party dumping him before national poll
<https://blinks.bloomberg.com/news/stories/QMLR89T0G1L4>

EM Headlines

- Citi Stays Long EM FX But Says UST Yield Rise a Growing Danger
<https://blinks.bloomberg.com/news/stories/QMLLAQT0G1KZ>
- MSCI Index Deletions Trigger Rush to Sell Chinese Telecom Stocks
S&P Dow Jones Indices, FTSE Russell take similar actions
Investors are watching whether Alibaba, Tencent are next
<https://blinks.bloomberg.com/news/stories/QMLHDTDWLU6P>
- Treasury Yield Surge Rattles Emerging-Market Currencies in Asia
Won, rupiah post biggest losses against dollar on Friday
Risk-sensitive currencies will remain on back foot: TD
<https://blinks.bloomberg.com/news/stories/QMLITZDWLU6S>
- China's Rapid Recovery Puts Global Dollar Hegemony in Doubt (1)
Citi says the yuan could touch strongest in almost 30 years
China sees record capital inflows into stock and bond markets
<https://blinks.bloomberg.com/news/stories/QMLM2KT0G1KZ>
- City Near Beijing Locked Down, Millions Tested as Outbreak Grows
Shijiazhuang is about three hours south of the capital
It's the biggest cluster in about two months in China
<https://blinks.bloomberg.com/news/stories/QMLE61T0G1L0>
- S. Korea's Nov. Current Account Surplus Widens Y/y to \$8.97b
<https://blinks.bloomberg.com/news/stories/QML5XKDWX2QB>
- Won Falls as Traders Cover Dollar Short Positions: Inside Korea
<https://blinks.bloomberg.com/news/stories/QMLCFVTOAFDO>
- Rupee Bonds Trade Mixed Before Weekly Bond Auction: Inside India
<https://blinks.bloomberg.com/news/stories/QMLMBYT1UM0Z>
- India Says High Frequency Indicators Point at Economic Recovery
<https://blinks.bloomberg.com/news/stories/QMKG4WDWRGG0>
- India's GDP Set to Drop 7.7%, Biggest Contraction Since 1952 (1)
GDP decline seen steeper than RBI and economists' estimates
Statistics body says estimates prone to sharp revisions
<https://blinks.bloomberg.com/news/stories/QMKC9LT0G1LP>
- Indonesia Expects to Spend \$5.3 Billion for Vaccine Program (1)
Government seeks 108 million doses from Gavi to help budget
Indonesia's coronavirus cases rose by record on Thursday
<https://blinks.bloomberg.com/news/stories/QMK5FRDWX2PY>
- Brazil Covid Deaths Surpass 200,000, With Daily Case Record (1)
Country reported almost 88,000 new cases on Thursday
Infections have picked up speed, vaccine prospects murky
<https://blinks.bloomberg.com/news/stories/QML2RSTOG1L0>
- Bolsonaro Says Most Brazilians Don't Want Covid Vaccine
President says he obtained data by polling "in the street"
Brazil has registered over 7.8 cases, nearly 200,000 deaths
<https://blinks.bloomberg.com/news/stories/QMKHMMT0AFB5>
- Brazil Local Debt Suffers a New Year Reality Check: Latam Bonds
Bonds have gone from best performers to the worst in New Year



- Renewed debate over the spending cap rule rattles investors
<https://blinks.bloomberg.com/news/stories/QMKGU9DWLU6R>
- Mexico Inflation Slows Near Target as Rate Cut Debate Grws (2)
Prices rose 3.15% y/y in December, less than 3.16% forecast
Banxico voted 3-2 to hold rate at 4.25% at December meeting
<https://blinks.bloomberg.com/news/stories/QMKO2ADWLU6A>
 - Mexico Leader Condemns Twitter, Facebook for Blocking Trump
<https://blinks.bloomberg.com/news/stories/QMLFBQ3V7U9S>
 - Banxico's Esquivel, Heath Voted for Cut at Last Meeting
<https://blinks.bloomberg.com/news/stories/QMKLCPT1UM0Y>
 - MXN Drops Most Since October as USD, Yields Rise: Inside Mexico
<https://blinks.bloomberg.com/news/stories/QMKJ18T0G1KW>
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- Zloty Tests Polish Intervention Appetite With Gain to Key Level
Currency rises close to where the central bank acted last year
Traders doubt the institution is intervening despite swings
<https://blinks.bloomberg.com/news/stories/QMKIXVTOG1KY>
 - Polish Inflation Sinks to 1 1/2-Year Low, Despite Zloty Fall (1)
Prices rose to 2.3% y/y in December; analysts estimated 2.6%
Glapinski says low inflation permits further FX interventions
<https://blinks.bloomberg.com/news/stories/QMK4N1T0G1L1>
 - Labor Ministry Sees Polish Dec. Unemployment Rising to 6.2%
<https://blinks.bloomberg.com/news/stories/QMLU24T1UM0X>
 - Hungary Extends Virus Curbs Until Feb. 1, Prime Minister Says
<https://blinks.bloomberg.com/news/stories/QMLRONT1UM0W>
 - Hungary Official Reserves Rise to Highest Since July 2015
<https://blinks.bloomberg.com/news/stories/QMLU7SDWLU6X>
 - Czech Government Extends Virus Lockdown Measures Until Jan. 22
<https://blinks.bloomberg.com/news/stories/QMK2TPTOG1KZ>
 - Czechs Report Record Covid Surge Again as Cabinet Debates Curbs
<https://blinks.bloomberg.com/news/stories/QMJZFHT0AFB5>
 - Deepening Virus Crisis Turns Investors Off South Africa's Rand
Currency on track for biggest five-day slump since September
Cost of hedging against declines rises to highest since May
<https://blinks.bloomberg.com/news/stories/QMKLYST1UM10>
 - Rand in Longest Weekly Losing Run Since April: Inside S. Africa
<https://blinks.bloomberg.com/news/stories/QMLPKWT0AFB4>