



DM Headlines

- Reflation Bets Stumble as Options Traders Wager on Near-Term Rut
Treasury strangle seller looks for tight ranges short-term
Option selling is popular strategy for generating extra yield
<https://blinks.bloomberg.com/news/stories/QN8FXYT0AFB4>
- When the Fed Tapers, the Market Will Have a Tantrum: Bill Dudley
The best the central bank can do is be prepared to limit the economic fallout.
<https://blinks.bloomberg.com/news/stories/QNA6KIDWLU87>
- Biden Unveils Virus Plan But Says 100,000 May Die in Next Month
Incoming officials say Trump administration lacked plan
Coronavirus deaths now more than 400,000 in the U.S.
<https://blinks.bloomberg.com/news/stories/QNAVWDXDWRGG2>
- Yellen Leaves Door Open to Tax Increase on Wealthy Americans (3)
Incoming Treasury chief vows to fight currency manipulation
Yellen answers a range of written questions from senators
<https://blinks.bloomberg.com/news/stories/QNB71QDWRGG0>
- U.S. 10-Year TIPS Auction Stops Through at Record-Low Yield
<https://blinks.bloomberg.com/news/stories/QNAQ6QT0AFB4>
- FX 'Wildcard' Lies in Vaccine Race With Signals Favoring USD: TD
<https://blinks.bloomberg.com/news/stories/QNAHX5DWLU6S>
- Bipartisan Meeting Planned on Stimulus as GOP Skepticism Widens
GOP lawmakers showing little appetite for another big bill
Biden is seeking \$1.9 trillion in Covid-19 relief spending
<https://blinks.bloomberg.com/news/stories/QNB3FHDWLU6F>
- GLOBAL INSIGHT: Alt Data Show Growth Stumble on Fresh Virus Fear
<https://blinks.bloomberg.com/news/stories/QNB1Y6DWRGG1>
- Lagarde Signals New Recession Even as ECB Holds Stimulus (1)
Bond-buying, interest rates, bank loans are kept unchanged
December forecast for 3.9% growth in 2021 is "broadly valid"
<https://blinks.bloomberg.com/news/stories/QNAMBTDXW2QG>
- Euro Rises to One-Week High on Hint of ECB Easing Life Support
German, Italian bonds slip; ECB seen easing pace of purchases
Implicit yield curve control could be temporary, says Robeco
<https://blinks.bloomberg.com/news/stories/QNA0PTDWLU6E>
- EU Leaders Warn of Tougher Lockdowns, Threat of New Strains (1)
European governments fear virus mutations causing fresh misery
Non-essential travel 'strongly discouraged' across the bloc
<https://blinks.bloomberg.com/news/stories/QNBRY9DWX2PV>
- ECB Seeks New Gauges by March to Aid Pandemic Stimulus Plans (1)
Officials want new ways to measure impact of existing stimulus
ECB President Lagarde has said they'll take 'holistic' view
<https://blinks.bloomberg.com/news/stories/QNBR8WDWRGG2>
- Europe's Bond Traders Grow Wary of ECB Desire to Keep Powder Dry
Goldman's 'peak ECB' view plays out in higher yields post-ECB
Italy yield hit two-month high as Lagarde stressed flexibility



- <https://blinks.bloomberg.com/news/stories/QNAGWGDWLU6Z>
- Italian Bonds Extend Slide on Early Election Jitters, ECB Buying
<https://blinks.bloomberg.com/news/stories/QNBQK7DWLU68>
- France to Seek Coordination With U.S. on Pandemic Stimulus Plans
Le Maire aims to talk with U.S. officials early next week
France also seeks deals on trade, digital tax: Le Maire
<https://blinks.bloomberg.com/news/stories/QNAWHET0AFB4>
- Boris Johnson Signals Third U.K. Lockdown Could Last Into Summer
Prime minister warns of 'tough few weeks ahead' in pandemic
Minister announces \$1,000 fines for attending lockdown parties
<https://blinks.bloomberg.com/news/stories/QNB61LDWRGG1>
- U.K. Jan. GfK consumer confidence -28 vs est. -30
- U.K.'s Sunak to Set Out Plans to Restore Finances in Budget (1)
Person familiar says Sunak drawing up plans to close deficit
Sunak sees fiscal sustainability as political dividing line
<https://blinks.bloomberg.com/news/stories/QNBQONT0AFBC>
- U.K. Retail Sales Weaker Than Expected Between Lockdowns (2)
Food, fuel, department store sales particularly poor
Decline will lower overall economic output in fourth quarter
<https://blinks.bloomberg.com/news/stories/QNBS0FDWX2PZ>
- New Zealand Inflation Surprise Suggests No More RBNZ Rate Cuts
Annual inflation rate steady at 1.4%; economists saw 1.1%
Holiday accommodation, construction drive quarterly CPI gains
<https://blinks.bloomberg.com/news/stories/QNB0TZDWRGGG>
- Australia Retail Sales Tumble 4.2% After Spiking a Month Earlier
<https://blinks.bloomberg.com/news/stories/QNB37KDWX2Q1>
- Kiwbank Now Sees RBNZ Holding OCR at 0.25% 'Well Into 2022'
<https://blinks.bloomberg.com/news/stories/QNB1DEDWRGG1>
- Australia Dec. retail sales -4.2% m/m vs est. -1.5%
- Aussie, Kiwi Retreat on Hong Kong Lockdown: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/QNB1G5DWX2PZ>
- Japan's PMIs Fall in January as Virus Emergency Imposed
<https://blinks.bloomberg.com/news/stories/QNB9P2T0G1KY>
- Japan Dec. CPI -1.2% y/y vs est. -1.3%
- Japan Jan. Jibun Bank manufacturing PMI 49.7 vs 50.0 prior
- Japan Jan. Jibun Bank services PMI 45.7 vs 47.7 prior
- Japan Prices Extend Losses as BOJ Heads Toward Policy Review (2)
<https://blinks.bloomberg.com/news/stories/QNB645DWLU6F>
- BOJ's Kuroda Maximizes Flexibility Ahead of Crucial Two Months
Governor keeps options open on review after standpat decision
Gloomier economic view for now, but sees stronger growth later
<https://blinks.bloomberg.com/news/stories/QN9YPKDWLU6L>
- JGBs Fall Ahead of Next Week's Sale; Yen Declines: Inside Japan
<https://blinks.bloomberg.com/news/stories/QNBEVODWLU6K>

EM Headlines

- Hong Kong to Order First Lockdown in Kowloon Area, Media Says
Residents can't leave unless they show a negative virus test
Lockdown is strictest step yet taken by financial hub
<https://blinks.bloomberg.com/news/stories/QNBJAWDWLU6C>
- Lockdown Risk Comes to Fore as Emerging Stock Rally Loses Steam
Stocks fall as Mexico, Indonesia see record increase in deaths
Cyclical assets may see short-term correction: AMP Capital
<https://blinks.bloomberg.com/news/stories/QNBGTODWX2PT>
- Chinese Borrowing Costs Start to Fall After PBOC Adds Cash
Central bank has now lent a net 254 billion yuan this month
Overnight money market rate falls after rising for 11 days
<https://blinks.bloomberg.com/news/stories/QMRVL7DWRGGD>
- Yuan FX Rate Currently at Reasonable Equilibrium Level: SAFE
<https://blinks.bloomberg.com/news/stories/QNBG19DWX2Q1>
- Won Snaps 3-Day Advance as Foreigners Sell Stocks: Inside Korea
<https://blinks.bloomberg.com/news/stories/QNB5YSDWX2PS>
- Rupee Bonds Drop With Debt Sales Due Without OMO: Inside India
<https://blinks.bloomberg.com/news/stories/QNBLDEDWLU6G>
- Economy getting over pandemic, growth headed for 'glorious summer': RBI
<https://blinks.bloomberg.com/news/stories/QNAXSP9WBE2Q>
- IDR Falls as Traders Mull More Easing from BI: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/QNBBC0T0G1KW>
- Indonesia Adds Record Virus Deaths Amid Extended Restrictions
<https://blinks.bloomberg.com/news/stories/QNA21VDWLU6I>
- Mexico Sees Record Rise of Covid Deaths Second Day This Week (1)
Daily toll surged by more than 1,500 for three days straight
Cases swell by record as officials struggle to control virus
<https://blinks.bloomberg.com/news/stories/QNBAQ1DWRGG0>
- Billionaire Loses to Mexico Central Bank in Battle Over Cash (1)
President speaks against proposed bill, sinking its prospects
Measure would have forced central bank to buy excess dollars
<https://blinks.bloomberg.com/news/stories/QNAQZODWRGG2>
- Brazil Opens Door to Key Rate Hike as Inflation Calls Rise (3)
Central bank says inflation more persistent than expected
Policy makers say data doesn't capture recent Covid-19 spike
<https://blinks.bloomberg.com/news/stories/QNA9Q8DWLUB3>
- Brazil Senate Willing to Discuss New Round of Covid Assistance
Candidates for senate helm either support or don't oppose aid
Senators to resume work in February with election of new head
<https://blinks.bloomberg.com/news/stories/QNAM5QDWX2PX>



RUBRICS

- Poland Stepped In to Stem Upward Pressure on Zloty: Sura on PAP
<https://blinks.bloomberg.com/news/stories/QNA552T0AFBH>
- Hungary Becomes First in EU to Approve Russian Covid Vaccine (2)
Drug regulator grants emergency approval for Sputnik V
Orban has pressured officials to skirt EU in approval process
<https://blinks.bloomberg.com/news/stories/QNAI4DT0G1KW>
- Hungary Keeps 1-Week Rate Unchanged, Bracing for Volatility
<https://blinks.bloomberg.com/news/stories/QN9ZV4DWX2PT>
- Czech Lawmakers Extend State of Emergency Over Covid to Feb. 14
<https://blinks.bloomberg.com/news/stories/QNAR1RDWRGG4>
- Rusnok Expects Czech Rates Won't Exceed 1% This Year: Ekonomicky
<https://blinks.bloomberg.com/news/stories/QNA1MQDWX2Q2>
- South Africa's Widening Budget Gap May Drive Up Tax Targets
Deficit forecast at 11% of GDP in fiscal 2021-22, survey shows
State plans to raise extra 40 billion rand in tax over 4 years
<https://blinks.bloomberg.com/news/stories/QN9YO1DWRGGG>
- Where Are Our Coronavirus Vaccines? South Africans Ask (2)
State failed to sign any bilateral deals for shots in 2020
President says 40 million people to get vaccinated this year
<https://blinks.bloomberg.com/news/stories/QNASLODWRGG0>
- Rand Traders Eye Budget, Vaccine After SARB: Inside South Africa
<https://blinks.bloomberg.com/news/stories/QNBMU5DWLU6H>
- S. Africa Holds Key Rate and Signals Hiking May Start Sooner (1)
Repurchase rate held at 3.5% as MPC lifts inflation forecast
Of five MPC members, three favored the unchanged stance
<https://blinks.bloomberg.com/news/stories/QNAG4LDWLU71>