

DM Headlines

- Powell, With Year to Run at Fed, Aims to Avoid Past QE Mistake
Fed chair likely to signal he's in no rush to taper bond buys
Fed may still 'get run over' by markets as economy strengthens
<https://blinks.bloomberg.com/news/stories/QNCPB6DWLU6G>
- Fed to Avoid Early Exit or Bond-Taper Signal: Decision-Day Guide
Fed seen keeping rates near zero, with no change in guidance
Powell to push back against tapering bond buying any time soon
<https://blinks.bloomberg.com/news/stories/QNHZ7ADWX2Q4>
- Schumer Eyes Quick Action on Democrats-Only Relief as GOP Balks
Senate majority leader discusses move toward 'reconciliation'
Bipartisan alternative remains in discussion among lawmakers
<https://blinks.bloomberg.com/news/stories/QNKCCWDWLU6P>
- Treasury 10-Year Yield May Peak at 3%-3.25% Within Years: BofA
<https://blinks.bloomberg.com/news/stories/QNJUTKT0AFB5>
- Biden Commerce Pick Raimondo Vows 'Aggressive' China Steps (1)
Raimondo says U.S. must combat China's 'unfair' practices
Nominee pledges work to return manufacturing jobs to the U.S.
<https://blinks.bloomberg.com/news/stories/QNJZRKDWX2PS>
- IMF Boosts World Growth Outlook as Vaccines Outweigh Risks (1)
U.S., Japan forecasts see big improvements on fiscal-aid plans
Virus variants and new outbreaks remain threats to the outlook
<https://blinks.bloomberg.com/news/stories/QNJNX2DWRGG1>
- Global Services Exports Decimated by Virus Lockdowns, WTO Says
Travel most affected by Covid-19 restrictions and confinement
U.S., U.K. services industries hard hit by virus' second wave
<https://blinks.bloomberg.com/news/stories/QNJVNCT0G1KX>
- Democrats Propose Phasing in \$15 Minimum Wage Over Five Years
House to include bill in Covid package, prepares budget tool
Schumer says Democrats will bypass Republicans if needed
<https://blinks.bloomberg.com/news/stories/QNK26VT0G1L5>
- ECB Studying If Differences With Fed Policy Boosting Euro (2)
Dollar weakness despite stronger U.S. economy is a puzzle
Euro jumped over past year, contributing to too-low inflation
<https://blinks.bloomberg.com/news/stories/QNJY8AT0G1KW>
- Conte Gambit May Return Him to Power in Italy or Cut Him Off (1)
Options include Conte comeback, a new premier or elections
President Mattarella to hold three days of talks with parties
<https://blinks.bloomberg.com/news/stories/QNK4S3T1UM0X>
- AstraZeneca Faces EU Grilling Over Delays to Vaccine Delivery
Standoff ahead of shot approval could result in export curbs
Sluggish rollout has put governments on the defensive
<https://blinks.bloomberg.com/news/stories/QNJW6WT0G1L5>
- ECB Steps Up Scrutiny of Loan Risk Before Potential Defaults (1)
Regulators seek more information on quality of lending books



- ECB member says 'won't shy away' from new capital demands
<https://blinks.bloomberg.com/news/stories/QNJMYPT1UM0W>
- European Economy Lags Peers as Vaccine Shambles Deepens Slump
Continent starts 2021 on the back foot as U.S. regains stride
Region's double-dip recession is widening disparity with peers
<https://blinks.bloomberg.com/news/stories/QNHRS9DWLU6Q>
- Sunak Seeks Deeper U.K. Financial Services Ties With Switzerland
U.K. chancellor set for talks with Swiss counterpart Wednesday
Swiss share trading set to return to London in February
<https://blinks.bloomberg.com/news/stories/QNJS4IDWX2PS>
- The U.K.'s economy shrank more last year than any of the G-7, in what the Bank of England says will be the country's biggest economic slump in more than 300 years.
<https://on.wsj.com/3al7UhR>
- Sunak Could Help 1.5 Million Crisis-Hit Workers at a Modest Cost
IFS questions why so many are excluded from support programs
Pressure is building on the chancellor ahead of March 3 Budget
<https://blinks.bloomberg.com/news/stories/QNJKWJDWX2PS>
- Freight Firms Reject 1-in-5 Cargos Shipped From France to U.K.
Border checks between EU and U.K. are adding to delays
Demand for moving goods has declined from a year ago
<https://blinks.bloomberg.com/news/stories/QNKA7NTOG1KX>
- Australia's Inflation Exceeds Estimates as Recovery Builds (1)
Prices were driven higher by tobacco excise and childcare fees
NAB report shows firms' conditions rose to highest since 2018
<https://blinks.bloomberg.com/news/stories/QNKLEMT1UM0W>
- Australia 4Q CPI +0.9% y/y vs est. +0.7%
- Australia 4Q trimmed mean CPI +1.2% y/y vs est. +1.1%
- Australia 4Q weighted median +1.4% y/y vs est. +1.2%
- Australia Dec. NAB business conditions 14 vs revised 7 prior
- Australia Dec. NAB business confidence 4 vs revised 13 prior
- Yen Damped by Risk On as Reflation Trade Returns: Gaitame.com
<https://blinks.bloomberg.com/news/stories/QNKJF9DWRGH2>
- Japan Stock Rally Defies Foreign Sales Thanks to BOJ, Banks (2)
Nikkei 225 advanced last year despite foreign net selling
Overseas investors not needed for Japan bull market: Vail
<https://blinks.bloomberg.com/news/stories/QNKX7MT1UM0W>
- Reuters: Japan's COVID crisis reawakens deflation fears as cash hoarding returns
<https://t.co/wcntJhPDSO>

EM Headlines

- China Dec. industrial profits 20.1% y/y vs 15.5% prior
- Yuan Bulls Take Comfort From High FX Conversion Rate: Macro View
<https://blinks.bloomberg.com/news/stories/QNHHRDWLU6E>
- CHINA INSIGHT: Financial Risk Manageable, Liquidity Key (1)
<https://blinks.bloomberg.com/news/stories/QNKDLOT0AFB5>
- China Won't Exit From Stimulus Prematurely, PBOC's Yi Says (1)
PBOC governor reiterates recent comments on seeking 'balance'
He adds that Ant IPO could proceed if problems are resolved
<https://blinks.bloomberg.com/news/stories/QNKI2PT1UM0W>
- China's Benchmark Money Market Rate at Highest Since April 2019
<https://blinks.bloomberg.com/news/stories/QNKKM0T0G1KY>
- China's Economy Steams Through 4Q Into Choppier Waters in 2021
<https://blinks.bloomberg.com/news/stories/QNKD88DWLU7L>
- Won Gains Most in 2 Weeks on Better Economic Data: Inside Korea
<https://blinks.bloomberg.com/news/stories/QNKHX3TOG1KY>
- Korea's Export-Led Recovery Offsets Domestic Drag on GDP
<https://blinks.bloomberg.com/news/stories/QNK3RJTOAFB5>
- Falling Demand for Sukuks Shows Investor Fatigue for Rupiah Debt
Indonesia misses sukuk auction target for second time in Jan.
Reduced bond supply to market could ease pressure: Maybank
<https://blinks.bloomberg.com/news/stories/QNKG9ZT1UM0X>
- Bonds in India Head for Losses on Modi's Near-Record Debt Sales
Gross borrowing seen at 10.6 trillion rupees in next fiscal
10-year sovereign yields seen rising to 6.30% by end-December
<https://blinks.bloomberg.com/news/stories/QMWO4CDWRGGI>
- INR Bonds Steady Ahead of 190 Bln Rupee Bill Sale: Inside India
<https://blinks.bloomberg.com/news/stories/QNKTFUDWLU6M>
- Jokowi Gets Second Sinovac Shot as Cases Surge Past One Million
<https://blinks.bloomberg.com/news/stories/QNKK9CT0AFBS>

- Brazil Central Bank Discussed Rate Hike at Last Meeting (1)
Some board members questioned current level of stimulus
Bank held benchmark Selic at record low of 2% last week
<https://blinks.bloomberg.com/news/stories/QNJJ1GDWLU6R>
- Mexico President's Covid Case Is Evolving Well, Official Says
AMLO's symptoms have remained minimal, Lopez-Gatell said
The president continued to work after contracting the virus
<https://blinks.bloomberg.com/news/stories/QNKKNOT0AFBO>
- Peru Puts Lima Back in Quarantine as Covid Pushes ICUs to Limit
<https://blinks.bloomberg.com/news/stories/QMVME3DWLU78>
- Paramedics Drive Around All Night for Covid Beds in Mexico City
As death rates hit records, some drive hours away for patients
Space frees up when patient dies or is discharged: paramedics
<https://blinks.bloomberg.com/news/stories/QNK6J9T1UM16>
- Mexico Senate Would Act on Modified Banxico Bill: Monreal



- <https://blinks.bloomberg.com/news/stories/QNK8BAT0AFB4>
- Bolsonaro Government Downplays the Possibility of More Covid Aid
Brazil 'will stay firmly committed to spending ceiling'
Economy chief says additional help depends on inoculation pace
<https://blinks.bloomberg.com/news/stories/QNK9Q2T0AFB5>
- Brazil Fiscal Stimulus Requires Some Spending Cuts: Campos Neto
<https://blinks.bloomberg.com/news/stories/QNKAJRT0G1KY>

- Europe May See Rate Hikes in 2021 as Czechs Mull Tightening (1)
Central bank governor sees 'zero, one or two hikes' in 2021
Rusnok says uncertainty, stronger koruna will delay tightening
<https://blinks.bloomberg.com/news/stories/QNJAWOT0G1L1>
- Saudi Arabia Returns to Dollar-Debt Market to Boost Finances (4)
Sale included \$5 billion in 12-year, 40-year dollar securities
Saudi Arabia follows bond sales from Oman, Bahrain this month
<https://blinks.bloomberg.com/news/stories/QNK7OPT0G1KZ>
- Poland Dec. M3 Money Supply Rises 16.4% on Year; Est. +16.3%
<https://blinks.bloomberg.com/news/stories/QNKYPDWX2Q7>
- Fitch Doesn't Assume More Polish Interventions Amid Zloty Gains
<https://blinks.bloomberg.com/news/stories/QNJC6IT1UM0Z>
- Hungary Pledges Caution on Inflation as It Boosts Bond Plan (1)
Central bank leaves rates on hold, steers stimulus to QE plan
Rate setters repeat warnings of volatile inflation outlook
<https://blinks.bloomberg.com/news/stories/QNJP8ST0AFB4>
- Hungary's Central Bank Stays Cautious, Rejigs Liquidity Tools
<https://blinks.bloomberg.com/news/stories/QNJNX7T0AFB9>
- Czech Koruna Swings to Gain as Rusnok Signals Hikes: Inside CEE
<https://blinks.bloomberg.com/news/stories/QNJADUT0G1L9>
- South African Economy Heads for Decade of Growth Below 3%: Chart
<https://blinks.bloomberg.com/news/stories/QNJ7Q1DWRGGM>
- Coupons Propel Record Demand at South African Weekly Debt Sale
<https://blinks.bloomberg.com/news/stories/QNJIEN0AFB4>