

DM Headlines

- Fed Poised to Crawl Onto 'Knife Edge' to Rein In Record Largesse
Fed wants to normalize relations with Congress, markets
Policy makers may begin months-long talks on taper Tuesday
<https://blinks.bloomberg.com/news/stories/QUPBY6T0G1LG>
- Fed Debate Moves to Bond Taper and Liftoff: Decision-Day Guide
Committee dot plot may show first interest rate hike in 2023
A number of participants are ready to slate tapering planning
<https://blinks.bloomberg.com/news/stories/QUP01AT0G1KY>
- Drowning in Cash, Money Markets Seek Another Life Raft From Fed
More than \$4 trillion in funds are focused on front-end rates
Concerns about the 'integrity' of the Fed's 0% floor: BofA
<https://blinks.bloomberg.com/news/stories/QUR7OZT1UM11>
- GOP Senators Rosy on Bipartisan Infrastructure Proposal (2)
Progressive Democrats skeptical of slimmed-down plan
Schumer launching budget process for Democrat-only bill
<https://blinks.bloomberg.com/news/stories/QURI9LT0G1KX>
- Brent Oil Marches Toward \$75 as Market Tightens Up, Curbs Ease
U.S. crude holdings seen falling over 8 million barrels: API
Top traders including Vitol flag scope for further price gains
<https://blinks.bloomberg.com/news/stories/QURZJFT0G1L3>
- Fed to Initiate Tapering Discussion, JPMorgan's Hui Says
<https://blinks.bloomberg.com/news/stories/QURQYTT1UM13>
- Reuters: Dollar holds near one-month high; focus on Fed's inflation take
<https://t.co/yInxAsGDTB>

- EURO-AREA INSIGHT: EU Funds to Supercharge an Advancing Recovery
<https://blinks.bloomberg.com/news/stories/QUS4X1T0AFBB>
- Lagarde Takes Bolder Tone in Setting Agenda for Stimulus Talks
Lisbon remarks before June meeting killed debate on a pullback
Previous drives for consensus led to slower policy responses
<https://blinks.bloomberg.com/news/stories/QUJ4Y2DWLU6F>
- ECB's Rehn Says Favorable Financing Conditions Key to Recovery
<https://blinks.bloomberg.com/news/stories/QUQBWZT0G1L7>
- ECB Hopes to Lift Bank Dividend Restrictions Soon, Enria Says
Banks need caution as a lot of uncertainty over outlook: Enria
Supervisors to step up pressure on business models: Enria
<https://blinks.bloomberg.com/news/stories/QUQNJAT0G1KX>
- Norway Poised to Start Countdown to Rate Liftoff: Decision Guide
Thursday meeting may presage Sept. 23 decision to hike
Speculation is already building for another move in December
<https://blinks.bloomberg.com/news/stories/QUQSQYT1UM21>



- GBP to See 'Modest' Drop as BOE Offsets Brexit Risk: Commerzbank
<https://blinks.bloomberg.com/news/stories/QUR1SST0AFBT>
- London Banks Rewrite Office Return Plans on Longer Lockdown (2)
Investment banks earlier told staff to prepare for June return
City of London has stood largely empty since last March
<https://blinks.bloomberg.com/news/stories/QUR7AYT0G1KW>
- U.K. Inflation Surges to 2.1% Unexpectedly Passing BOE Goal (1)
Fuel, clothing and recreational goods prices powered the rise
Central bank's forecast is for inflation to ease next year
<https://blinks.bloomberg.com/news/stories/QUS68ZT0AFBF>
- U.K., Australia Seal Trade Deal in Boost for Boris Johnson (2)
Prime minister is seeking to expand global ties after Brexit
Johnson faces backlash from farmers who fear being undercut
<https://blinks.bloomberg.com/news/stories/QURP2ST0AFB9>
- Home-Working Boom Risks Loss of 6 Million U.K. Professional Jobs
Study finds one in five roles now done by 'anywhere' workers
Warning issued by institute founded by former premier Blair
<https://blinks.bloomberg.com/news/stories/QUQOYNT1UM0Y>
- U.S., U.K. Aim to Reach Boeing-Airbus Truce After EU Deal (1)
USTR Katherine Tai traveling to London for talks on Wednesday
Sides see pact within reach after successful outcome with EU
<https://blinks.bloomberg.com/news/stories/QURBDGT1UM10>

- Australia's Short-Dated Bond Yields Turn Negative Amid Cash Glut
<https://blinks.bloomberg.com/news/stories/QUS2KUT1UM16>
- Bonds Drop Ahead of China Data, Fed, Lowe: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/QURWZ4T0G1KW>
- Australia's Farm Exports Set To Climb Amid Strong Global Demand
Increased value of shipments driven by beef, wool and dairy
Livestock and oilseed prices seen staying historically high
<https://blinks.bloomberg.com/news/stories/QUQ5G5T0G1KW>

- USD/JPY Firm Above 50-DMA, More Upside Seen in Short Term: Citi
<https://blinks.bloomberg.com/news/stories/QURSPVT1UM17>
- Expectations Are Fading for BOJ to Cut Bond Buying in July: SMBC
<https://blinks.bloomberg.com/news/stories/QURNMET0AFDN>
- (Japan) May Trade Balance Adjusted, actual JPY43.1b, est. JPY241.8b, prior JPY65.2b, revised JPY84.4b
- (Japan) April Core Machine Orders YoY, actual 6.5%, est. 8.0%, prior -2.0%
- (Japan) May Exports YoY, actual 49.6%, est. 50.8%, prior 38.0%
- (Japan) May Imports YoY, actual 27.9%, est. 26.6%, prior 12.8%
- Japan Exports Jump by 50% on Record Gains to the U.S. and Europe
<https://blinks.bloomberg.com/news/stories/QURPNKT1UM18>
- Japan to Narrowly Avoid Double-Dip Recession, Survey Shows
<https://blinks.bloomberg.com/news/stories/QURV63T0AFBL>

EM Headlines

- China's Consumer Recovery Will Give Clues to Economy's Outlook
<https://blinks.bloomberg.com/news/stories/QUPV7MT0AFGK>
- China's Holdings of U.S. Treasuries Declined in April
<https://blinks.bloomberg.com/news/stories/QR2BWT1UM12>
- China Blasts 'Ill' U.S. as Biden Rallies Allies on Europe Trip
Foreign Ministry criticizes G-7, NATO statements on Beijing
U.S. seeks to build more united front among democratic West
<https://blinks.bloomberg.com/news/stories/QUQLBAT1UM13>
- Yuan in Tight Range Ahead of Factory, Retail Data: Inside China
<https://blinks.bloomberg.com/news/stories/QRVHCT1UM17>
- China's Campaign to Control Commodities Goes Into Overdrive
State firms ordered to curb overseas commodities exposure
China will also release metals from secretive state reserves
<https://blinks.bloomberg.com/news/stories/QUS538T0AFB5>
- Won Falls to Three-Week Low After BOK Minutes: Inside Korea
<https://blinks.bloomberg.com/news/stories/QRPUVT0G1KZ>
- Asian Central Banks Build Dollar War Chests as They Gird for Fed
<https://blinks.bloomberg.com/news/stories/QUQ3IMT0AFBL>
- New RBI FX Strategy May Lure Bond Buyers, Keep Cash Easy (1)
RBI seen gradually unwinding its forward dollar book: Barclays
RBI policy leading to lower hedging costs, higher reserves
<https://blinks.bloomberg.com/news/stories/QUS1TCT0AFB7>
- INR Bonds Drop as Oil Rally Fuels Inflation Worry: Inside India
<https://blinks.bloomberg.com/news/stories/QUS3Z8T0G1KW>
- Rupiah at 1-Week Low Into Fed, Bank Indonesia: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/QRUSLT0G1KW>
- Hartarto Says Confident of Indonesia Achieving 2021 GDP Target
<https://blinks.bloomberg.com/news/stories/QUROC4T1UM13>

- Castillo Leads Final Peru Count But Fujimori Refuses to Concede
Peru's electoral court must still rule on disputed ballots
Castillo leads Fujimori by 44,058 votes as all ballots counted
<https://blinks.bloomberg.com/news/stories/QRHX1T0G1KX>
- Peru Economic Activity Rockets 59% as Recovery Powers Ahead (1)
Activity rose by 58.5% y/y in April influenced by low base
Increasing political uncertainty is main drag on outlook
<https://blinks.bloomberg.com/news/stories/QR5SLT0G1LF>
- Mexico's AMLO to Insist on Power Reform After Midterm Losses
Earlier reform attempt to CFE has been held up in courts
AMLO also wants to change electoral institute, national guard
<https://blinks.bloomberg.com/news/stories/QUQXL5T0AFBG>
- MXN Falls With EM Peers as USD Rises a Third Day: Inside Mexico
<https://blinks.bloomberg.com/news/stories/QUQUJ8T0AFCO>
- BRAZIL PREVIEW: BCB to Dial Up Hawkish Message, Avoid Commitment
<https://blinks.bloomberg.com/news/stories/QRHP2T1UM33>



RUBRICS

- Morgan Stanley Sees Brazil's Central Bank Lifting Key Rate by 75bp on Wednesday
<https://blinks.bloomberg.com/news/stories/QUR4LFBP8R28>
- Investors More Positive on Brazil, Expect Hawkish BCB, BofA Says
<https://blinks.bloomberg.com/news/stories/QUQW4TT0G1L6>
- Banchile Raises Chile GDP Growth Estimate to 7% in 2021
<https://blinks.bloomberg.com/news/stories/QUR6YAT0G1KX>
- CLP, COP Drop on Broad Dollar Strength Before Fed : Inside Andes
<https://blinks.bloomberg.com/news/stories/QUQTYST1UMOW>

- Putin Goes to Geneva With Long Wish List, Limited Optimism (1)
Agenda ranges from cyberspace to climate change, adviser says
Kremlin has low expectations for the first summit with Biden
<https://blinks.bloomberg.com/news/stories/QUQLSJT1UM15>
- Poland May CPI Rises 4.7% on Year; Flash Estimate +4.8%
<https://blinks.bloomberg.com/news/stories/QUQGN6T1UM14>
- Poland Should Be Fined Over Turow Mine, Czechs Ask EU Court
<https://blinks.bloomberg.com/news/stories/QUQXWXT0AFCH>
- Hungary Approves Budget as Orban Ignores Central Bank on Deficit
<https://blinks.bloomberg.com/news/stories/QUQID8T1UM0Y>
- Zloty Weakens Past 200-DMA; Forint Extends Losses to Third Day
<https://blinks.bloomberg.com/news/stories/QUQPSQT1UM10>
- Dedek Says 'More Comfortable' to Delay Czech Rate Hike: Reuters
<https://blinks.bloomberg.com/news/stories/QUQGSMT1UM13>
- Mora Says Leaning Toward Backing Czech Rate Hike in June
<https://blinks.bloomberg.com/news/stories/QUQSX8T0G1L0>
- Ramaphosa Curbs Alcohol Sales as S. African Virus Cases Jump (1)
President extends night-time curfew, raises Covid alert level
Less than 2 million people inoculated in country so far
<https://blinks.bloomberg.com/news/stories/QURBR8T1UM0Y>