



DM Headlines

- Long Bond Yields Plunge as Treasury Curve Flattening Accelerates
30-year yield drops to lowest level since February at 2.05%
Belly of the curve remains under pressure from hawkish Fed
<https://blinks.bloomberg.com/news/stories/QUVJKPT1UM0Y>
- Oh, Yeah, Taper: Fed's Stronger Liftoff Signal Causes Confusion
Taper signal could come at late-August Jackson Hole retreat
Hawkish dot plot seen challenging Fed's new policy framework
<https://blinks.bloomberg.com/news/stories/QUUR9BT1UM0Y>
- Cash-Soaked Money Funds Embrace Fed Lifeline in Hunt for Yield
One-day rise in demand for reverse repo was biggest on record
Central bank boosted RRP rate to five basis points from zero
<https://blinks.bloomberg.com/news/stories/QUV623T0AFC1>
- U.S. Rates Option Traders Are Hedging a Summer Volatility Spike
<https://blinks.bloomberg.com/news/stories/QUUM5NT1UM0Y>
- TD Securities Exits 5s30s Steepener After Fed's Hawkish Shift
<https://blinks.bloomberg.com/news/stories/QUUSQNT0AFBH>
- Crude Oil Extends Slump as Traders Weigh Dollar Against Demand
WTI heads for back-to-back loss amid retreat in commodities
Traders track Iranian talks as country to elect new president
<https://blinks.bloomberg.com/news/stories/QUVPP5T1UM0X>
- Grains Plunge Most Since 2009 Amid Broader Commodities Rout
Corn, soy oil, canola futures all drop by exchange limits
Weather changes, biofuel policy uncertainty drive volatility
<https://blinks.bloomberg.com/news/stories/QUV7NYT1UM0W>
- With Putin Behind Him, Biden's Focus Shifts to China's Xi (1)
Sullivan says planning under way for talks with Beijing
Personal relationship frays between U.S., Chinese leaders
<https://blinks.bloomberg.com/news/stories/QUVBE9T1UM0W>
- How Europe Plans to Compel Its Nations to Obey Democratic Rules
European Commission offers guidelines for rule-of-law power
New mechanism could withhold budget outlays from culprits
<https://blinks.bloomberg.com/news/stories/QUUL5ZT0AFCU>
- Laschet Says EU Budget Rules Must Be Reinstated After Covid (2)
Biden's Europe trip is a sign of revival of the global system
Gas will flow through Nord Stream, CDU chief tells Bloomberg
<https://blinks.bloomberg.com/news/stories/QUUNWNT0AFBZ>
- Germany to Raise 2022 Borrowing to About 100 Billion Euros (1)
Finance Minister Scholz to present proposal on Wednesday
Borrowing plan exceeds previous target by roughly a quarter
<https://blinks.bloomberg.com/news/stories/QUUCSGT0AFC1>
- The Climate-Change Fight Is Adding to the Global Inflation Scare
BlackRock's Fink and others see price risk in green revolution
<https://blinks.bloomberg.com/news/stories/QUVPS7T0AFBN>
- ECB's Villeroy Rebuffs French Adviser's Helicopter Cash Proposal



Think tank said direct money transfers can boost inflation

French governor responds that idea is untested and complex

<https://blinks.bloomberg.com/news/stories/QUSNXGT0AFB7>

- Germans Pour Onto Europe's Beaches While British Have to Wait
Europe is opening to regional and overseas travel, while British are forced to wait
<https://blinks.bloomberg.com/news/stories/QUVPTSDWRGG0>
- U.K. Virus Cases Surge Even as Vaccine Rollout Hits Milestone
Over 11,000 new infections recorded, most since mid-February
Government says 8 in 10 adults have now had first vaccine dose
<https://blinks.bloomberg.com/news/stories/QUUQCVT0G1L6>
- Northern Ireland's Largest Party Ousts Leader After Three Weeks
DUP's Edwin Poots to step down after internal party revolt
Exit follows mutiny over power-sharing deal with nationalists
<https://blinks.bloomberg.com/news/stories/QUV684T0AFBO>
- U.K. Retail Sales Fall as Food Spending Shifts to Restaurants
Consumers shifted spending to reopened restaurants and bars
CBI upgrades its outlook for the economy this year and next
<https://blinks.bloomberg.com/news/stories/QUVVV1T0G1KY>
- HSBC Sees Increased Prospect of a U.K. Rate Hike Next Year
Economists lift forecasts after price growth leap above target
Debate intensifies about when monetary policy will tighten
<https://blinks.bloomberg.com/news/stories/QUSHEVT0G1L8>
- More BOE Members Could Join Hawkish Haldane
<https://blinks.bloomberg.com/news/stories/QUUEX4T0G1L4>
- Westpac's Evans Sees RBA Raising Key Interest Rate in Early 2023
<https://blinks.bloomberg.com/news/stories/QUVTSMT1UM0X>
- Short NZD/USD as Markets Will Price In More Fed Hikes: Citigroup
<https://blinks.bloomberg.com/news/stories/QUVIJAT0AFB5>
- Cash Is King at Australian Wealth Fund Eyeing Central Bank Pivot
Future Fund CIO Sue Brake says she maintains high cash levels
Cash provides the flexibility to move quickly, Brake says
<https://blinks.bloomberg.com/news/stories/QUTRFUT0G1L2>
- Aussie, Kiwi Decline on Hedge Fund Sales: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/QUVRENT1UM0X>
- BOJ Flags New Step on Climate, Extends Covid Support Program (1)
Bank will aid climate change efforts through lending measure
Prolongs Covid support by six months, stands pat on rates
<https://blinks.bloomberg.com/news/stories/QUVV7KT1UM0Z>
- Japan Inflation Gains for 1st Time Since March 2020 as BOJ Meets
<https://blinks.bloomberg.com/news/stories/QUVDPOT0AFB6>
- Japanese Await Wider Spreads Before Buying Foreign Bonds: Daiwa
<https://blinks.bloomberg.com/news/stories/QUVCBWT0G1KY>
- (Japan) May Natl CPI Ex Fresh Food, Energy, actual -0.2%, est. -0.3%, prior -0.2%
- (Japan) May Natl CPI YoY, actual -0.1%, est. -0.2%, prior -0.4%

EM Headlines

- China's Growth Decouples From Credit, With Global Implications
Structural shifts reduce role of credit-intensive sectors
Property investment could withstand credit contraction
<https://blinks.bloomberg.com/news/stories/QUQ4K1T1UM0Y>
- China's Steeper Bond Curve May Draw Yield-Hungry Funds: Chart
<https://blinks.bloomberg.com/news/stories/QUVJ29T0G1KX>
- China's Steps Turn Iron Into World's Most Volatile Commodity (1)
Iron ore has flipped between bull and bear markets since May
China's steel policy is a key factor in whipsawing prices
<https://blinks.bloomberg.com/news/stories/QUVQLT1UM0W>
- PBOC Weakens Yuan Fixing for Fourth Day in a Row: Inside China
<https://blinks.bloomberg.com/news/stories/QUVMEFT1UM0W>
- China's PBOC Braces for Weaker Yuan as Fed Plans Tapering (1)
Currency drops most since March, Fed forecasts rate increases
State-backed entity urges firms to hedge against yuan swings
<https://blinks.bloomberg.com/news/stories/QUU1Q5T0AFBN>
- China's Worse-Than-Suez Ship Delays Set to Widen Trade Chaos (1)
Covid outbreak in Yantian export terminals slow ship loading
Disruptions to stretch into peak season for retail stockpiling
<https://blinks.bloomberg.com/news/stories/QUVEYGT0AFBA>
- Won Falls to One-Month Low as Funds Sell Equities: Inside Korea
<https://blinks.bloomberg.com/news/stories/QUVFZ4T0AFBE>
- INR Bonds Mixed Ahead of INR320B Auction, Minutes: Inside India
<https://blinks.bloomberg.com/news/stories/QUVT5AT1UM10>
- Bonds in India Signal Doubts on RBI's Easy Policy Stance (1)
Benchmark 10-year yield rises to highest since April
Inflation may prove an inflection point for bonds: Quantum
<https://blinks.bloomberg.com/news/stories/QUVRIMT0AFB6>
- IDR Is Set For Biggest Weekly Drop Since July: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/QUVMCQT1UM0Y>
- World Bank Sees Indonesia GDP Growth at 4.4% in 2021, 5% in 2022
<https://blinks.bloomberg.com/news/stories/QUTRRZT0G1L2>
- Brazil's Hawkish Turn Sends Real Surging Near One-Year High (1)
Central bank raised rate to 4.25%, will remove all stimulus
Real strengthened as much as 0.9%, outperforming EM peers
<https://blinks.bloomberg.com/news/stories/QUURDOT0G1L9>
- Brazil Senate Approves \$12 Billion Privatization of Eletrobras
Bill allowing sale of power utility passed by tight margin
Vote was a test of government ability to push for reforms
<https://blinks.bloomberg.com/news/stories/QUV4QOT0AFB5>
- Mexican FinMin Had Constructive Meeting With IMF's Georgieva
<https://blinks.bloomberg.com/news/stories/QUV2N5T1UM0W>
- Mexico's Herrera Says He Talked W/ Yellen About Global Min. Tax
<https://blinks.bloomberg.com/news/stories/QUVD1JT1UM0W>



- Fitch to Decide on Colombia's Credit Rating Within a Month
<https://blinks.bloomberg.com/news/stories/QUUP0MT1UM1B>
- Colombia Covid Deaths Surge Toward 100,000 as Economy Reopens
It will follow Brazil, Mexico and Peru in reaching milestone
Almost 600 die every day and numbers are still rising
<https://blinks.bloomberg.com/news/stories/QUFVV4DWLU69>
- Governor Tightens Grip Over Polish Central Bank's Narrative (1)
Only governor will address media following policy meetings
Change comes amid split within MPC about rate normalization
<https://blinks.bloomberg.com/news/stories/QUUR6TT0AFBN>
- Polish MPC's Zyzynski Expects Inflation to Moderate: PAP
<https://blinks.bloomberg.com/news/stories/QUUSYAT0AFB6>
- Tusk to Return as Poland's Civic Platform Acting Head: Wyborcza
<https://blinks.bloomberg.com/news/stories/QUVT5ET0G1L1>
- Hungary's Orban 'Very Concerned' About Vaccination Slowdown
<https://blinks.bloomberg.com/news/stories/QUVVSTT0G1LT>
- Forint Drop Highlights Market Split on Planned Hungary Rate Hike
<https://blinks.bloomberg.com/news/stories/QUUAJ2T0AFBM>
- Hungary Keeps 1-Week Rate Unchanged Before Start of Tightening
<https://blinks.bloomberg.com/news/stories/QUU4V1T0AFBK>
- South Africa Is Identifying Projects to Fund With Green Bonds
Treasury's Mogajane comments to investment conference
Green-financing could substitute current funding options
<https://blinks.bloomberg.com/news/stories/QUUG8PT0AFBC>
- S. Africa Won't Budge on State Wage Bill, Finance Chief Says (1)
Unions angered by government plans for three-year pay freeze
Mboweni opposes income grants, wants job incentives instead
<https://blinks.bloomberg.com/news/stories/QUUFTST0G1KY>