

## DM Headlines

- Powell Pressed Again on Inflation, Says Fed Watching Risks  
Says bond taper to be discussed at Fed's upcoming meeting  
Federal Reserve chair testifies before Senate banking panel  
<https://blinks.bloomberg.com/news/stories/QWAQ9LT1UM0Z>
- Yellen Demurs on Second Powell Term, Saying She'll Talk to Biden  
Treasury chief says inflation to remain elevated for months  
Yellen says yield drop shows view inflation to stay contained  
<https://blinks.bloomberg.com/news/stories/QWB05IT1UM0W>
- Fed's Bullard Urges Start of Bond Taper With Jobs Goals Met (1)  
St. Louis chief: 'It is time to end these emergency measures'  
The goal of substantial progress on jobs has been met, he says  
<https://blinks.bloomberg.com/news/stories/QWADPQT0G1KW>
- Biden, Xi to Address APEC Leaders at Special Summit on Virus  
Unprecedented informal summit being hosted by New Zealand  
U.S. president to outline his vision for the Indo-Pacific  
<https://blinks.bloomberg.com/news/stories/QWBCAXT0AFB9>
- Biden Says U.S. to Warn Business on Deteriorating Hong Kong (1)  
'Chinese government is not keeping its commitment,' Biden says  
Banks and other businesses continue to expand in the territory  
<https://blinks.bloomberg.com/news/stories/QWB3YWT0AFB4>
- U.S. REACT: Shortages Limit Factory Output, Flag Price Gains (1)  
<https://blinks.bloomberg.com/news/stories/QWAIF7T0AFB5>
  
- ECB INSIGHT: Housing Costs Muddy Move to Clearer Inflation Goal  
<https://blinks.bloomberg.com/news/stories/QWBLWXT1UM15>
- ECB Seen Changing Words Now, Bond-Buying Later With New Strategy  
Policy makers set to update forward guidance following review  
Economists expect older bond-buying program to be increased  
<https://blinks.bloomberg.com/news/stories/QWA54ZT1UM4N>
- How the World's First Carbon Border Tax May Play Out  
<https://blinks.bloomberg.com/news/stories/QWAMIBT0G1KW>
- Merkel Offers Aid as Flood 'Catastrophe' Hits Germany (1)  
Death toll tops 40 in Germany after worst floods in decades  
Belgium calls for evacuating parts of one of largest cities  
<https://blinks.bloomberg.com/news/stories/QWAPZHT0AFBA>
- Europe Auto Sales Fall 2 Million Cars Short of 2019's First Half  
Registrations rise 27% from last year, when Covid hit hardest  
Strong recovery in China and U.S., plus pricing, lifts profits  
<https://blinks.bloomberg.com/news/stories/QWAH5FT1UM0Y>
- Visco Warns Against Prematurely Reducing ECB Stimulus Amid Slack  
ECB hasn't discussed potential extension of pandemic program  
Bank of Italy governor speaks in Bloomberg TV interview  
<https://blinks.bloomberg.com/news/stories/QWA2KTT0G1L2>



- Bond Markets Position for Fed and BOE to Go Their Own Ways (1)  
Spread between gilts, Treasuries reaches tightest since March  
BOE is sending hawkish signals while Powell remains dovish  
<https://blinks.bloomberg.com/news/stories/QWAM2AT1UM0W>
- U.K.'s Office Workers Set to Stay Home as Reopening Falls Flat  
The easing of government guidance is unlikely to set off a wholesale return to workplaces  
<https://blinks.bloomberg.com/news/stories/QWBKGEDWRGG9>
- BOE Steps Up Debate About Cutting Stimulus as Soon as Next Month  
Pound jumps after two speakers warn about rising inflation  
Saunders and Ramsden previously had more dovish outlook  
<https://blinks.bloomberg.com/news/stories/QWABLET0AFB8>
- BOE Asset-Buying Risks Stoking Inflation, Inequality, Lords Say  
Parliament's upper chamber attacks quantitative easing  
Says program has benefited the rich, done little for growth  
<https://blinks.bloomberg.com/news/stories/QWAML9T1UM0Y>
  
- New Zealand Inflation Surges, Fueling RBNZ Rate-Hike Bets  
Annual inflation rate of 3.3% is fastest in 10 years  
Investors now see 90% chance of RBNZ rate increase in August  
<https://blinks.bloomberg.com/news/stories/QWBJ26T1UM10>
- Westpac Now Sees RBNZ Raising Rates Three Times This Year  
<https://blinks.bloomberg.com/news/stories/QWBIOGT0AFB5>
- (NZ) June Business NZ Manufacturing PMI, actual 60.7, prior 58.6
- (NZ) 2Q CPI YoY, actual 3.3%, est. 2.7%, prior 1.5%
- (NZ) 2Q CPI QoQ, actual 1.3%, est. 0.7%, prior 0.8%
- Kiwi Holds CPI Gain, Westpac Sees 3 Hikes: Inside Australia/NZ  
<https://blinks.bloomberg.com/news/stories/QWBJDXT0AFB5>
- Sydney Virus Cases Remain High as Infected Aren't Isolating  
<https://blinks.bloomberg.com/news/stories/QWB8MVT0AFB5>
- Australia Economy to Stall In Second Half on Outbreak, HSBC Says  
<https://blinks.bloomberg.com/news/stories/QWB7PFT0G1KW>
  
- BOJ Joins Global Climate-Change Fight With Green Loan Incentives  
Japan's central bank will offer lenders interest-free funding  
BOJ says it will also buy foreign-currency green bonds  
<https://blinks.bloomberg.com/news/stories/QWBIO5T0AFBA>
- (Japan) July BOJ Policy Balance Rate, actual -0.100%, est. -0.100%, prior -0.100%
- (Japan) July BOJ 10-Yr Yield Target, actual 0.000%, est. 0.000%, prior 0.000%
- JAPAN REACT: BOJ Makes Cautious Move Into Green Finance (1)  
<https://blinks.bloomberg.com/news/stories/QWBP60T1UM0W>

## EM Headlines

- Delta Engulfs Southeast Asia With Fastest-Growing Deaths (1)  
Variant's spread threatens region twice as populated as U.S.  
Vaccination rates lag developed economies that are reopening  
<https://blinks.bloomberg.com/news/stories/QWBAK4T1UM24>
- Yuan Declines Amid Risk-Off Sentiment in Asia: Inside China  
<https://blinks.bloomberg.com/news/stories/QWBG53T0G1KW>
- China's Services Industry Expands as Consumer Spending Picks Up  
<https://blinks.bloomberg.com/news/stories/QW9X3DT1UM0W>
- China's 50% Slump in Pork Imports May Cool Global Food Costs (1)  
Local prices have collapsed as hog herds rebound from disease  
Shrinking demand may bring some relief for global food costs  
<https://blinks.bloomberg.com/news/stories/QWBHV8T1UM0X>
- Funding Dries Up for China's Indebted Local State Vehicles (1)  
Inner Mongolia and Jilin top list of bond refinancing pressure  
Stress for weaker LGFVs reflects polarization in state sector  
<https://blinks.bloomberg.com/news/stories/QWBDOBT0AFB4>
- Won Slips on Dollar Buying by Local Importers: Inside Korea  
<https://blinks.bloomberg.com/news/stories/QWB840T0AFB4>
- Bond Traders Bet on BOK Normalization Even as Virus Cases Surge  
Rates may rise in August if infections fall on curbs: Daishin  
Policy makers are 'unfazed' by virus situation, Meritz says  
<https://blinks.bloomberg.com/news/stories/QW9PVYT0AFB4>
- Shorter Rupee Bonds Gain on Borrowing Plan: Inside India  
<https://blinks.bloomberg.com/news/stories/QWBO0BT0AFB4>
- Shorter Bonds Gain in India as Government Sticks to 1H Borrowing  
Move is unlikely to remove supply concerns among traders  
Yield on 2026 bond declines by as much as 5 basis points  
<https://blinks.bloomberg.com/news/stories/QWBK61T1UM0Y>
- RBI Must Sacrifice Inflation Aim to Aid Growth, Ex-Governor Says  
<https://blinks.bloomberg.com/news/stories/QWANX0T1UM0Y>
- S&P Cuts Indonesia's 2021 Growth Est. to 3.4% on Covid Struggle  
<https://blinks.bloomberg.com/news/stories/QWA12TT0AFB7>
- Rupiah Falls After S&P Lowers Growth Forecast: Inside Indonesia  
<https://blinks.bloomberg.com/news/stories/QWBB5NT1UM0Z>
  
- Chile Relaxes Virus Limits in Capital Santiago as Cases Drop  
<https://blinks.bloomberg.com/news/stories/QWAP4PT1UM10>
- Mexico's Covid Response Shows Power of Denialism and Obfuscation  
AMLO and his government obscured the truth about cases, deaths, and vaccinations. Can these same people protect the country from the delta surge?  
<https://blinks.bloomberg.com/news/stories/QWAZDFDWRGG4>
- Brazil's economy in 'jobless recovery' after inflation surge  
<https://blinks.bloomberg.com/news/stories/QWB DG8073NCX>
- Traders Bet Chile Can Toe Slow Rate-Hike Path That Foiled Brazil  
Peso retreats from rally, yields fall, swaps see fewer hikes



## RUBRICS

Tone in first hike echoes Brazil, which later shifted course

<https://blinks.bloomberg.com/news/stories/QWAJS6T0G1L0>

- Bolsonaro Unlikely to Need Surgery But Remains Hospitalized  
President sought treatment Wednesday after abdominal pain  
In interview with local TV, Bolsonaro says he's 'much better'  
<https://blinks.bloomberg.com/news/stories/QWB4RKT1UM11>
- Chilean Peso Weakens After Central Bank Starts Tightening (1)  
<https://blinks.bloomberg.com/news/stories/QWAEXOT0G1L4>
- Poland's EU Legal Spat Could Hit Zloty, FDIs: Oxford Economics  
<https://blinks.bloomberg.com/news/stories/QWAOBUT0AFB6>
- EU Fights Back as Rogues Test Legal Order, Defy LGBTQ Rights (1)  
Polish tribunal and EU's top court give conflicting rulings  
Clash revives risks to EU fund transfers to Poland, Hungary  
<https://blinks.bloomberg.com/news/stories/QWAIA3T1UM0Y>
- Hungary Blasts EU Plan to Accelerate Emissions Cuts on Costs  
<https://blinks.bloomberg.com/news/stories/QWA4YTT0G1M7>
- Hungary Approves Third Covid-19 Vaccine Dose, Orban Says  
<https://blinks.bloomberg.com/news/stories/QWB0URT0G1KY>
- Hungary Balks Over EU 'Linking' Funding to LGBTQ Law  
<https://blinks.bloomberg.com/news/stories/QWA5CBT1UM0W>
- S. African Riot Deaths Hit 117 as Army Starts Restoring Calm (2)  
Uprising is deadliest since white minority rule ended in 1994  
Gauteng, the biggest economic hub, may stabilize on Friday  
<https://blinks.bloomberg.com/news/stories/QWBXPVTOAFBC>
- South Africa Pushed to the Brink in Test of Ramaphosa Authority  
Police have failed to contain rampant looting and arson  
Violence was triggered by jailing of ex-President Jacob Zuma  
<https://blinks.bloomberg.com/news/stories/QW9271T1UM0Z>