

DM Headlines

- Fed's MBS Buying High on Agenda as Officials Begin Taper Talk
Soaring home prices put focus on mortgage-backed securities
Officials split on tapering MBS buying faster than Treasuries
<https://blinks.bloomberg.com/news/stories/QWNQT5DWRGGF>
- Growth Softens at U.S. Service Firms on Capacity Constraints
IHS Markit index decreases to five-month low in July
Separate manufacturing gauge climbs to a fresh record high
<https://blinks.bloomberg.com/news/stories/QWPACPDWX2QC>
- Yellen Warns of Default Risk by October Without Debt-Limit Hike
Default would cause 'irreparable harm,' Yellen says in letter
Too difficult to estimate how long Treasury can hold out
<https://blinks.bloomberg.com/news/stories/QWPVPSDWLU6I>
- World's Food Supplies Get Slammed by Drought, Floods and Frost
Coffee surges to highest since 2014 after frost hits Brazil
As food vulnerability rises, social unrest often follows
<https://blinks.bloomberg.com/news/stories/QWOSY5DWLU6J>
- Oil Resumes Decline With Demand Outlook Clouded by Delta Spread
Some nations implement curfews amid latest virus outbreaks
WTI crude futures fall below \$72 a barrel after four-day rally
<https://blinks.bloomberg.com/news/stories/QWU69UT0G1KW>
- U.S., China Head Into First Talks in Months Still Trading Blows
Senior U.S. envoy to meet Foreign Minister Wang Yi in Tianjin
Washington, Beijing are at odds over issues from virus to tech
<https://blinks.bloomberg.com/news/stories/QWTMZWT1UM0W>
- What's the Delta from Delta? Global Growth Outlook: Economics
<https://blinks.bloomberg.com/news/stories/QWTMG8DWX2PV>
- U.S. Labor Shortages, Price Pressures to Continue, Survey Shows
<https://blinks.bloomberg.com/news/stories/QWPHJ0DWLU6A>

- ECB INSIGHT: New Forward Guidance Requires More QE in September
<https://blinks.bloomberg.com/news/stories/QWU467T1UM0Z>
- ECB's Wunsch, Weidmann Say New Rate Guidance Goes Too Far (1)
Belgian governor says central bank might need "escape clause"
Comments by Wunsch, Weidmann and Villeroy show ECB divisions
<https://blinks.bloomberg.com/news/stories/QWPHDQDWRGG1>
- Reuters: China says EU's planned carbon border tax violates trade principles
<https://t.co/OqMhYMQmos>
- Watch European Bank Stocks After ECB Lifted Cap on Dividends
<https://blinks.bloomberg.com/news/stories/QWU6CGT0AFB4>
- Merkel's Bloc Continues to Slide in German Election Poll
<https://blinks.bloomberg.com/news/stories/QWRC77T1UM0W>
- German Politicians Float Bans, Mandatory Jabs, for Unvaccinated
Merkel aid says unvaccinated may be banned from restaurants
Baden-Wuerttemberg PM doesn't rule out mandatory inoculation
<https://blinks.bloomberg.com/news/stories/QWSOV4T0G1KX>



RUBRICS

- U.K. Banks Prepared for Negative Rates in Case Recovery Crumbles
Bank of England asked for technical work to be done by August
Debate has shifted away from stimulus and toward tightening
<https://blinks.bloomberg.com/news/stories/QWNIUTDWRGG3>
- U.K. to Scrap Post-Brexit Red Tape on Wine Imports, Cutting Cost
EU wine shipments to Britain faced extra paperwork from 2022
Move will save 10 pence on a bottle of wine, government says
<https://blinks.bloomberg.com/news/stories/QWT5XUTOG1KZ>
- AUD Falls on Virus Spread, Weak Sentiment: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/QWU14OT0AFB5>
- Sydney Covid Cases Climb Amid Concerns of Protest Superspread
New infections hit 145, with lockdown unlikely to end Friday
Weekend lockdown protests saw thousands defy restrictions
<https://blinks.bloomberg.com/news/stories/QWTU1GT1UM0X>
- Hedge Funds With Long Aussie Bets Are Hoping for Inflation
CPI data watched for policy cues as virus weighs on economy
Aussie poised for more declines after dropping to 8-month low
<https://blinks.bloomberg.com/news/stories/QWL3SSDWRGG0>
- New Zealand 2q Exports Climb to Record on Forestry, Dairy
<https://blinks.bloomberg.com/news/stories/QWTQE8T1UM0W>
- Barclays, Morgan Stanley Say Go Long Japan Bonds Against Swaps
<https://blinks.bloomberg.com/news/stories/QWTQS4T0G1KW>
- JGB Yields Should Stay Above Zero as U.S. Yields Stabilize: SMBC
<https://blinks.bloomberg.com/news/stories/QWTPMT0AFCH>
- (Japan) July Jibun Bank Japan PMI Composite, actual 47.7, prior 48.9
- (Japan) July Jibun Bank Japan PMI Services, actual 46.4, prior 48.0
- (Japan) July Jibun Bank Japan PMI Mfg, actual 52.2, prior 52.4
- Tokyo Olympics Has 16 More Virus Cases, Including Three Athletes
More coronavirus cases identified with events in full swing
Total rises to 148, though just 0.02% of tests are positive
<https://blinks.bloomberg.com/news/stories/QWU5PVT0G1KY>

EM Headlines

- China to Overhaul Education Sector 'Hijacked by Capital' (1)
Companies that teach school curriculums to be non-profits
Most tutoring is banned during weekends and vacations
<https://blinks.bloomberg.com/news/stories/QWTW06T0G1KW>
- China Says U.S. Ties in Stalemate at Start of Tianjin Meeting
U.S. attempting to suppress Asian nation, vice minister says
Talks are first since acrimonious Alaska meeting in March
<https://blinks.bloomberg.com/news/stories/QWTX00T1UM10>
- Bonds Advance as Stock Losses Spur Haven Demand: Inside China
<https://blinks.bloomberg.com/news/stories/QWTU6AT1UM17>
- China's Ongoing Recovery Showed Signs of Weakness in July
<https://blinks.bloomberg.com/news/stories/QWOJ0HDWLU6C>
- Won Declines as Global Funds Sell Local Shares: Inside Korea
<https://blinks.bloomberg.com/news/stories/QWTSC0T0G1KX>
- South Korea Passes Extra Budget With Handouts to Most Households
<https://blinks.bloomberg.com/news/stories/QWMO6IDWRGG0>
- Rupee Bonds Gain on Drop in Oil, Lower State Debt: Inside India
<https://blinks.bloomberg.com/news/stories/QWU6SCT0G1KW>
- Record Flow of Easy Money Keeps India on Bull Run: Taking Stock
<https://blinks.bloomberg.com/news/stories/QWTR6T1UM0X>
- Rupiah Edges Lower as Covid Curbs Extended: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/QWTXX9T0G1KY>
- Indonesia to Extend Restrictions as Covid Cases Remain High
Small businesses are allowed to open under strict protocols
More than 90% of those who died had not received Covid shot
<https://blinks.bloomberg.com/news/stories/QWTTBRT0G1KW>

- Covid Explodes in Cancun, Los Cabos as New Wave Hits Mexico (1)
Hotels offer special rates for the sick; tourists pouring in
Delta variant drives the rise, filling up hospital beds again
<https://blinks.bloomberg.com/news/stories/QWPJKOT0G1KY>
- Mexico Willing to Use Import Tools to Fight Food Inflation
AMLO's government analyzing increase in corn purchase limits
Clouthier talked about measures with central bank last week
<https://blinks.bloomberg.com/news/stories/QWP8K7DWX2PV>
- Brazil's Above-Forecast Inflation Fuels Bets on Bigger Rate Hike
Prices driven by increasing housing and transport costs
Policy makers pledged to raise Selic by at least 75bps in Aug.
<https://blinks.bloomberg.com/news/stories/QWP6UUDWX2Q1>
- Facing Probes, Bolsonaro Maneuvers to Keep Congress Support (1)
Centrist lawmaker tapped to become Bolsonaro's chief of staff
Bolsonaro is currently facing over 100 calls for impeachment
<https://blinks.bloomberg.com/news/stories/QWP6D7DWX2PX>
- Morgan Stanley Says Sell Brazil Real on Valuation, Politics
<https://blinks.bloomberg.com/news/stories/QWU6TET0G1L0>



RUBRICS

- Center-Left Candidate Jumps Into Chile Presidential Race (1)
Yasna Provoste presidential ambitions in televised speech
Presidential election's first round on Nov. 21; runoff in Dec.
<https://blinks.bloomberg.com/news/stories/QWPJHYDWLU6P>
- Andes Currencies Mixed With CLP Leading Losses: Inside Andes
<https://blinks.bloomberg.com/news/stories/QWP4OFDWLU6R>
- Biden Has Eyes on Discovery's Polish TV Woes, Official Says
Issue is 'priority,' State Department official tells newspaper
Polish ruling party seeks law to force Discovery to sell unit
<https://blinks.bloomberg.com/news/stories/QWSMO6T0G1KW>
- Crowds Flock to Pride March as Hungary Faces LGBTQ Reckoning
Thousands attend Pride March, defying President Viktor Orban's crackdown.
<https://blinks.bloomberg.com/news/stories/QWRA7FT0AFB7>
- Czech Finance Chief Sees Return to Budget Surplus in 8 Years: MF
<https://blinks.bloomberg.com/news/stories/QWU7QWT0AFB4>
- Benda Says New Forecast May See Faster Czech Rate Hikes: Reuters
<https://blinks.bloomberg.com/news/stories/QWPCF1DWRGG2>
- South Africa Must Offset Relief, Hasten Reforms, IMF Says (1)
Fiscal framework deviations may put debt on 'explosive path'
Country may receive up to \$4.3 billion in new IMF reserves
<https://blinks.bloomberg.com/news/stories/QWTF7BT0G1KX>
- South Africa Unveils Post-Riot Relief, Eases Virus Lockdown (2)
Monthly welfare grant reinstated until end of March 2022
Companies get extension to pay tax collected from workers
<https://blinks.bloomberg.com/news/stories/QWU868T0AFB6>
- South Africa Says Third Coronavirus Wave Has Passed Its Peak (2)
Government may have scope to ease alcohol ban, travel curbs
Ramaphosa may announce relief plan for those affected by riots
<https://blinks.bloomberg.com/news/stories/QWPD90DWRGG5>