

DM Headlines

- Bank of England Policy Shock Spurs Latest Global Rates Reset
Fed rate-hike premium erodes as Bank of England stand pat
Pricing of second Fed hike moves out to 2023 from late 2022
<https://blinks.bloomberg.com/news/stories/R2200T1UM1G>
- Global Bond Yields Drop as Central Banks Puncture Rate-Hike Bets
Treasury five-year yield dropped to lowest in three weeks
Moves come as BOE shock caps week of central bank dovishness
<https://blinks.bloomberg.com/news/stories/R22N98TOG1KW>
- Central Bankers Plot Course Through End of Easy Money Minefield
Fed slows bond-buying, RBA ends yield cap, BOE defies markets
Analyst sees 'most interesting phase' for policy in 50 years
<https://blinks.bloomberg.com/news/stories/R21SJ2DWRGG2>
- Labor-Market Upheaval Seeps Into October U.S. Jobs Report
U.S. labor shortages put negotiating power in workers' hands
Broader inflation outpaces wage growth, eroding buying power
<https://blinks.bloomberg.com/news/stories/R1YBKZDWLU6C>
- Oil Steadies as Investors Assess Response to Modest OPEC+ Hike
Alliance agreed to gradual increase of 400,000 barrels a day
WTI futures trade near \$79 after declining 2.5% on Thursday
<https://blinks.bloomberg.com/news/stories/R235ETT0AFB4>
- Battered Bond Traders Brace for Whiplash From U.S. Payrolls
U.S. jobs data could revive downplayed inflation concerns
Global bond markets have been whipsawed in recent weeks
<https://blinks.bloomberg.com/news/stories/R22PB9TOG1KY>
- U.S. PREVIEW: October Jobs Report To Test Fed's 'Humility'
<https://blinks.bloomberg.com/news/stories/R21PZET0AFBQ>
- Fed Risks Repeating Past Mistakes in Calling Full Employment
The central bank might let inflation overshoot if it waits for unemployment to fall back to pre-pandemic levels.
<https://blinks.bloomberg.com/news/stories/R21FK9DWRGG9>
- Portugal to Hold Snap Election on Jan. 30 After Budget Rejection
Prime Minister Costa's Socialists lead opinion polls
Parliament rejected minority government's budget on Oct. 27
<https://blinks.bloomberg.com/news/stories/R1YFRRDWRGG0>
- European Gas Prices Retreat as Major Russian Link Resumes Flows
Yamal-EU pipe shipping gas to Germany via Mallnow: grid data
Mallnow flows had been reversed for five days since Saturday
<https://blinks.bloomberg.com/news/stories/R21LOFDWRGG0>
- Eurozone Sept. Producer Prices Up 2.7% M/m; Est. +2.3% M/m
<https://blinks.bloomberg.com/news/stories/R21JGLGFLIIO>
- ECB Rate-Hike Conditions Unlikely to Be Met Next Year: Schnabel
<https://blinks.bloomberg.com/news/stories/R22909DWX2PU>
- FXStreet: ECB's Stournaras: Inflation will be temporary
<https://blinks.bloomberg.com/news/stories/R2376NMB2SJQ>



- Traders Push Back First 10bps ECB Hike to 2023 From Dec. 2022
<https://blinks.bloomberg.com/news/stories/R21CZOT0AFB8>
- Rate Hike Jitters Are Sowing Wild Swings in European Bonds
Central bank uncertainty triggers sharp moves in rates market
Volatility for euro high-grade debt is highest since mid-2020
<https://blinks.bloomberg.com/news/stories/R21Q34TOG1L1>
- BOE Defies Bets on a Rate Hike as Bailey Echoes Fed's Jobs Focus
Policy makers voted 7-2 to hold benchmark rate at 0.1%
But say tightening needed in coming months to curb inflation
<https://blinks.bloomberg.com/news/stories/R21XU3DWRGG3>
- BOE's Andrew Bailey Says Inflation Will Squeeze U.K. Consumers
<https://blinks.bloomberg.com/news/stories/R237RGT1UM13>
- U.K. House Prices Gain for a Fourth Month, Halifax Says
<https://blinks.bloomberg.com/news/stories/R236NCDWLU6A>
- U.K. Job Recruiters Say Wages Rising Because of Fewer Applicants
Candidate availability fell by fastest rate since 1997: REC
Starting pay rose at the sharpest pace over same period
<https://blinks.bloomberg.com/news/stories/R2237LT0AFB6>
- BOE's Bailey Says Not His Job to Steer Markets on Interest Rates
Bailey spoke in interview with Bloomberg TV on Thursday
Investors say BOE misled market on rates before the meeting
<https://blinks.bloomberg.com/news/stories/R222CLT0G1KY>
- RBA Sees First Rate Hike in 2024 as Wage Growth Sluggish (2)
Central bank sees economy rebounding quickly from lockdowns
RBA remains cautious on outlook for wage growth and inflation
<https://blinks.bloomberg.com/news/stories/R22S6EDWLU6C>
- Bonds Rise as BOE Joins Rate-Hike Pushback: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/R233QATOG1KW>
- Australia Yields Tumble After BOE Surprise Bolsters RBA's Stance
<https://blinks.bloomberg.com/news/stories/R22KJ0DWRGG0>
- Aussie Bond Buyers Licking Wounds May Affect Auction Demand
<https://blinks.bloomberg.com/news/stories/R2314MDWLU6P>
- (Japan) Sept. Household Spending YoY, actual -1.9%, est. -3.5%, prior -3.0%
- (Japan) Oct. Japan Buying Foreign Bonds, actual -JPY525.9b, prior -JPY604.5b
- Yen Up On Risk-Off View, Pre-Payrolls Positioning: Inside Japan
<https://blinks.bloomberg.com/news/stories/R22S5XDWRGG3>
- Japan's Household Spending Gains as Virus Fears Ease (2)
Uptick suggests start of recovery in consumption under way
Amid stimulus talk quarterly data point to 3Q GDP contraction
<https://blinks.bloomberg.com/news/stories/R22NOCDWX2PT>
- Japan Mulling 100,000 Yen Handouts for 18 Year-Olds and Under
<https://blinks.bloomberg.com/news/stories/R22X2RDWLU6F>
- JAPAN REACT: Spending Recovery Won't Prevent 3Q GDP Contraction
<https://blinks.bloomberg.com/news/stories/R22PLBT1UM0W>

EM Headlines

- Mystery of China's Huge Dollar Surplus Baffles Global Markets
Bumper exports and investor inflows pump dollars into China
Analysts say it's unclear where those dollars are being parked
<https://blinks.bloomberg.com/news/stories/R1ZFYMDWRGG0>
- China Bonds Advance on PBOC's \$16 Billion Liquidity Injection
The 10-year bond is set for its best weekly gain since July
Rally follows gains in global bonds on dovish central banks
<https://blinks.bloomberg.com/news/stories/R233VPT1UM0W>
- Bond Futures Set for Best Week Since February 2020: Inside China
<https://blinks.bloomberg.com/news/stories/R22UGXT0AFB5>
- Xi Says China Open to Talks on Industrial Subsidies, SOEs (1)
He also pledges to boost imports for better trade balance
U.S., China are planning for leaders to hold video summit
<https://blinks.bloomberg.com/news/stories/R22M9RT0AFB4>
- Indonesia's Economic Growth Slows as Delta Disrupts Recovery (1)
3Q GDP grew 3.51% y/y, slowing from 2Q and below est. 3.88%
Impact from pandemic restrictions overpowered commodity surge
<https://blinks.bloomberg.com/news/stories/R22UH7T0G1KW>
- Won Slips a Third Day on Risk Aversion, Dovish BOE: Inside Korea
<https://blinks.bloomberg.com/news/stories/R22NKDDWX2PS>
- South Korea Conservatives Pick Ex-Lawman as Presidential Nominee
Yoon Seok-young had launched probes into Moon's government
Nation heading into most open presidential race since 1980s
<https://blinks.bloomberg.com/news/stories/R234TNDWLU69>
- IDR Set for Biggest Week Drop Since July 2020: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/R22RQPDWX2QK>
- Indonesia Cancels Bond, Sukuk Auctions for Rest of the Year
<https://blinks.bloomberg.com/news/stories/R21IFFDWRGG8>

- Brazil Parties Push to Reverse Fiscal Rule Change in New Vote
Bill makes room in budget for Bolsonaro's new social program
Text passed first vote by narrow margin early Thursday
<https://blinks.bloomberg.com/news/stories/R227T5DWRGG6>
- Mexican Auto Sales Fall to Lowest Level for October in 10 Years
<https://blinks.bloomberg.com/news/stories/R21ZUBTOG1L1>
- Mexico Ruling Party Sees AMLO Power Bill Approved by April (1)
Bill requires a two-thirds majority in both houses of congress
Lower house may begin debates as early as November or December
<https://blinks.bloomberg.com/news/stories/R21XHKT0G1L4>
- Global Cash Surges to Brazil After World's Worst Stock Drop (1)
Ibovespa index trades near the lowest valuation in a decade
JPMorgan sees best opportunity 'we will encounter in a while'
<https://blinks.bloomberg.com/news/stories/R21SCPT0G1L3>
- Brazil Has No Option Other Than Breaching Spending Cap: Lira
<https://blinks.bloomberg.com/news/stories/R22EB1DWLU6K>



RUBRICS

- Chile's Central Bank Warns Forced Asset Sales are Biggest Risk
Early pension withdrawals have pumped \$49 billion into economy
Chile's bond yields, stock market, currency have been hit
<https://blinks.bloomberg.com/news/stories/R1ZXHEDWX2PS>
- Czechs Outline More Rate Hikes After Shock November Move (1)
Key rate rises 125 basis points, to above pre-pandemic level
Central bank picks war on inflation despite slowing economy
<https://blinks.bloomberg.com/news/stories/R2219KDWX2PS>
- Polish Bond Funds Suffer Record Losses on Interest Rate Spike
<https://blinks.bloomberg.com/news/stories/R21V4QDWRGG2>
- Czech Republic Joins Poland With Bigger-Than-Expected Rate Hike
<https://blinks.bloomberg.com/news/stories/R21VOCT0AFB4>
- Hungary Finance Ministry Lowers Growth Estimate on Energy, Virus
<https://blinks.bloomberg.com/news/stories/R21HNPT0G1L4>
- Campaign Spending Reanimates Hungary's Twin Deficits: Chart
<https://blinks.bloomberg.com/news/stories/R201NSDWX2PS>
- Czech Central Bank Sees 'Sharp' Hikes in Late 2021, Early 2022
<https://blinks.bloomberg.com/news/stories/R21XU1DWX2Q2>
- Under-Fire Ramaphosa Is Still ANC's Best Bet in South Africa
ANC suffers worst electoral performance since end of apartheid
Polls show Ramaphosa is way more popular than his party
<https://blinks.bloomberg.com/news/stories/R1ZEB9DWRGG2>
- Natural Gas Key to Africa's Energy Security, Says AfDB's Adesina
Continent needs to increase electricity supply to population
Development bank is lender of almost \$5 billion to Eskom
<https://blinks.bloomberg.com/news/stories/R1ZU0VDWRGG2>
- ANC Fails to Regain Control of South Africa's Richest City
Newcomer ActionSA becomes Johannesburg's third-biggest party
Four other major urban centers to be governed by coalitions
<https://blinks.bloomberg.com/news/stories/R21CEODWX2PT>