

DM Headlines

- Treasury Yields Slide as Fed's Path Is Repriced After Weak Data
Two-year yield slid as much as 16 basis points Tuesday
Stock market slump creates additional demand for haven assets
<https://blinks.bloomberg.com/news/stories/RCEV0VDWLU6A>
- Here's How Fed Might Adopt Bostic's Fed Rate Pause in September
'Clear and convincing' evidence of slowing inflation is a must
Slowdown in growth and jobs also a condition to halting rates
<https://blinks.bloomberg.com/news/stories/RCEMMCDWX2QI>
- Treasuries' New-Found Haven Status Masks Vanishing Liquidity
Liquidity has dropped to lowest level since start of pandemic
Elevated volatility damps speculators' risk appetite: Mizuho
<https://blinks.bloomberg.com/news/stories/RCEZFLDWRGG0>
- US New-Home Sales Plunge to Lowest Since Start of Pandemic
Purchases of new single-family homes fall by most since 2013
Median price hits a record, though housing inventory improves
<https://blinks.bloomberg.com/news/stories/RCE5TADWRGG6>
- Rising Global Food Protectionism Risks Worsening Inflation (3)
Malaysia and India are safeguarding chicken and crop supplies
Around 30 countries curbed exports recently: Fitch Solutions
<https://blinks.bloomberg.com/news/stories/RCF860DWLU6B>
- Oil Climbs as Report Shows Tightening US Gasoline Stockpiles
Motor fuel inventories at the lowest seasonal level since 2013
Saudi foreign minister says kingdom done all it can for market
<https://blinks.bloomberg.com/news/stories/RCF00BDWLU69>
- Blinken to Deliver Key Speech on US China Policy After Delays
Speech to come after Biden's trip to Asia instead of before
Goal to outline a broad strategy toward second-largest economy
<https://blinks.bloomberg.com/news/stories/RCEK2EDWX2QE>
- Inflation Forces Desperate Leaders to Try and Soften the Blow
Central banks are in the driving seat, but it's political leaders who'll be left to face angry voters.
<https://blinks.bloomberg.com/news/stories/RCF4CUDWX2QF>
- US Consumers Seen Shrugging Off Economic Gloom: Davos Update
<https://blinks.bloomberg.com/news/stories/RCE8DXDWLU68>
- ECB Shouldn't Rule Out Half-Point Rate Hikes, Kazaks Says (1)
Sees hikes in July and September, maybe one more in 2022
Latvian central bank chief Kazaks speaks in interview
<https://blinks.bloomberg.com/news/stories/RCE5WPDWLU68>
- EU Takes Aim at Energy Companies' Windfall Profits: Davos Update
<https://blinks.bloomberg.com/news/stories/RCE57TDWRGG5>
- ECB Battle Lines Shift With Lagarde Urged to Speed Up Rate Hikes
Monetary debate has shifted radically in the past month
Talk of hike in July has become argument over half-point move
<https://blinks.bloomberg.com/news/stories/RCE1W0DWX2PZ>



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- Lagarde Won't Rush as ECB Consensus Shuns Half-Point Hike (2)
Villeroy reckons Governing Council favors smaller move for now
Holzmann says ECB should start big in July, Kazaks is amenable
<https://blinks.bloomberg.com/news/stories/RCE5VZDWRGG0>
- Britain Faces Another Energy Shock as Bills Set to Surge 42% (3)
Ofgem CEO gives stark warning to UK lawmakers on energy crisis
12 million households could be plunged into fuel poverty
<https://blinks.bloomberg.com/news/stories/RCE2GJDWRGG3>
- Pound Tumbles as Rate-Hike Bets Cut on Fresh Recession Fears (1)
Sterling tops volatility table this week and haven gilts rally
S&P Global's index of UK private sector growth slid in May
<https://blinks.bloomberg.com/news/stories/RCE0HTDWX2Q3>
- BOE Says Climate Transition Will Cost Finance System Billions
Banks and insurers could face total losses of £334 billion
Fitch Ratings describes the test as the 'world's toughest yet'
<https://blinks.bloomberg.com/news/stories/RCDY10DWX2QT>
- PMI Flags Recession Risk, Putting BOE in a Tough Spot
<https://blinks.bloomberg.com/news/stories/RCEIT1T0AFB4>
- RBNZ Steps Up Inflation Fight With Second Half-Point Hike (2)
Flags more aggressive rate increases ahead to tame inflation
Sees cash rate rising above 3% this year, nearing 4% in 2023
<https://blinks.bloomberg.com/news/stories/RCF6PIDWLU68>
- (AU) Bloomberg May Australia Economic Survey (Table)
- (AU) 1Q Construction Work Done, actual -0.9%, est. 1.0%, prior -0.4%, revised 0.6%
- (NZ) May RBNZ Official Cash Rate, actual 2.00%, est. 2.00%, prior 1.50%
- Former Australian PM Expects China Reset Under Albanese
Relations with Beijing began to sour under Turnbull in 2017
China has reached out to congratulate Australia's new PM
<https://blinks.bloomberg.com/news/stories/RCE55FDWLU6D>
- Australia GDP Growth Seen Slower, Inflation Faster, Survey Shows
CPI upgraded to 5.3% vs 3.8% in 4Q as GDP cut to 3.8% vs 4.3%
RBA's Ellis says price pressures are becoming more broad-based
<https://blinks.bloomberg.com/news/stories/RCF0SLDWLU68>
- N.Z. REACT: RBNZ Threatens Shock And Awe -- Won't Deliver it All
<https://blinks.bloomberg.com/news/stories/RCF947DWX2Q7>
- Surprise BOJ Policy Shift Would See Yields Above 1%, Mizuho Says
Mizuho sees bond market turmoil if YCC suddenly scrapped
Morgan Stanley MUFG sees 10-yr 0.35% as fair value without YCC
<https://blinks.bloomberg.com/news/stories/RCEUULDWRGG0>
- Japan Maintains View of Economy as Omicron Impact Fades Further
<https://blinks.bloomberg.com/news/stories/RCEOCGDWRGG1>
- FXStreet: Japan's PM Kishida: FX stability is important
<https://blinks.bloomberg.com/news/stories/RCFBV5MB2SJM>

EM Headlines

- China Growth Target in Tatters as Covid Zero Hammers Economy
Analysts see Beijing emphasizing Covid Zero and jobs goals
Beijing still values growth, meaning further stimulus likely
<https://blinks.bloomberg.com/news/stories/RCCCJFDWX2PX>
- Beijing Punishes Officials Over Covid; Tianjin Area Locked Down
A dozen official punished over two clusters in China's capital
Tianjin locks down a district in city's center to tame flareup
<https://blinks.bloomberg.com/news/stories/RCEYUADWX2PS>
- Yuan Gains Seen Fading With Drop to 7 Per Dollar on Horizon (2)
Diverging monetary policy with US, slowing economy to weigh
Yuan drop past 7 had spurred heavy PBOC intervention in 2019
<https://blinks.bloomberg.com/news/stories/RCF1D7DWX2PY>
- Yuan Reverses Four-Day Rise on Higher Covid Cases: Inside China
<https://blinks.bloomberg.com/news/stories/RCF15QDWLU6A>
- Yuan's Recent Gains Versus Dollar May Signal End of Drop: Paper
<https://blinks.bloomberg.com/news/stories/RCEU11DWRGG6>
- Won Advances Most in Asia Amid Drop in US Yields: Inside Korea
<https://blinks.bloomberg.com/news/stories/RCF0VMDWRGG2>
- Won Bulls May Need a Dovish Fed as Global Stagflation Risk Rises
<https://blinks.bloomberg.com/news/stories/RCEQG6DWLU69>
- Won's Downward Spiral Shows Signs of Bottom to Avoid Crisis Zone
Economy points to better days for currency: HI Investment
SK Securities, KB Kookmin see losses limited to 1,300 level
<https://blinks.bloomberg.com/news/stories/RBT4RQDWRGG5>
- South Korea's Growth Goal Faces Demographic Hurdle, Moody's Says
Anushka Shah says graying also makes cutting fiscal aid hard
Moody's reaffirmed Aa2 rating, stable outlook earlier in May
<https://blinks.bloomberg.com/news/stories/RCDHPRDWLU68>
- North Korea Fires Suspected ICBM as Biden Wraps Up Asia Tour
Missiles flew toward waters off eastern coast, Seoul says
Kim Jong Un firing off missiles at record pace this year
<https://blinks.bloomberg.com/news/stories/RCF49ODWRGG2>
- IDR Extends Gain After BI's Hawkish Decision: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RCF4NODWL68>
- Indonesia Raises Reserve Requirement While Holding Key Rate (2)
Seven-day reverse repurchase rate kept steady at 3.5%
Bank increases planned reserve requirement ratio to 9%
<https://blinks.bloomberg.com/news/stories/RCDNAQDWRGG1>
- Top Buyer India Allows Duty-Free Import of Some Cooking Oils (1)
Government scraps agriculture levy on soybean, sunflower oils
Tax-free imports only for 2022-23 and 2023-24 fiscal years
<https://blinks.bloomberg.com/news/stories/RCEIZMDWX2PT>
- Rupee Short End Bonds Gain For Third Straight Day: Inside India
<https://blinks.bloomberg.com/news/stories/RCF8MHDWRGG0>



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- Bolsonaro Shakes Up Petrobras Leadership to Save His Re-Election
Changing Petrobras pricing policy, tax cuts are on the table
More Brazilians blame costlier fuel on Bolsonaro than on war
<https://blinks.bloomberg.com/news/stories/RCE8NXDWLU6B>
- Chile's Draft Charter Leaves Key Points in Limbo, Fitch Warns
Doubts remain on property rights, checks and balances: Fitch
Referendum on draft charter to take place on Sept. 4
<https://blinks.bloomberg.com/news/stories/RCEECTDWX2Q1>
- Mexico Sees Price Pact Slowing Inflation by Up to 1.5 Points (1)
Finance Ministry gives estimate of inflation pact with firms
AMLO in May inked a deal to limit price increases, cut tariffs
<https://blinks.bloomberg.com/news/stories/RCEETIDWRGG1>
- Banxico's Heath Sees Additional 200-300 Basis Point Rate Hikes
Rate of 10% would be unprecedented for Mexico's central bank
Banxico must keep gap with Fed at 600 bps, maybe higher: Heath
<https://blinks.bloomberg.com/news/stories/RCE776DWX2QB>
- Mexico Inflation Slows Slightly as Banxico Mulls Record Hike (1)
Consumer prices rose 7.58% in early May, above 7.57% estimate
Central bank hinted at possible hike of 75bps at June meeting
<https://blinks.bloomberg.com/news/stories/RCDWDQDWX2QH>
- Brazil's Inflation Surges as Bolsonaro Seeks to Curb Fuel Prices
Prices rose 12.2% on year, 0.59% on month in mid-May
Bolsonaro replaced Petrobras head in bid to curb fuel prices
<https://blinks.bloomberg.com/news/stories/RCDZ17DWRGG3>

- Russia Edges Closer to Default as US Lets Key Waiver Expire (2)
Carveout allowing payments to Americans will end at midnight
US seeks to raise pressure on Moscow over war in Ukraine
<https://blinks.bloomberg.com/news/stories/RCEN0LDWRGG1>
- Poland Mulls EUR or USD Bond Sale Later This Year: Debt Chief
<https://blinks.bloomberg.com/news/stories/RCE74ZDWLU69>
- Orban Declares State of Emergency in New Government's First Move
Hungarian leader cites fallout from neighboring Ukraine
Emergency status allows government to rule by decree
<https://blinks.bloomberg.com/news/stories/RCE8M9DWX2PU>
- Soros Says Hungarians Are Exploited by Orban-Run 'Mafia State'
<https://blinks.bloomberg.com/news/stories/RCEGYBDWLU68>
- Czech Confidence Diverges as Broad Figure Rises to 11-Month High
<https://blinks.bloomberg.com/news/stories/RCDT9WDWRGG2>
- Arrests Loom in Tender Scandal Linked to South African Minister
Scandal forced Zweli Mkhize to resign as health minister
Mkhize may run for president of governing party in December
<https://blinks.bloomberg.com/news/stories/RCE40XDWRGG6>