

DM Headlines

- Bond Trade Ideas Flourish as Investors Weigh Fed Rate-Hike Pause
Bank of America recommends receiving swap rate that may fall
Peak intermediate and long-term yields may have been reached
<https://blinks.bloomberg.com/news/stories/RCHZSRDWLU6E>
- US Plans Economic Talks With Taiwan in Latest Challenge to China
Taiwan wasn't included in Biden's new regional initiative
Bilateral economic talks to be announced in the coming weeks
<https://blinks.bloomberg.com/news/stories/RCHS3ZDWLU6E>
- Fed Would Blunt Impact From A Digital Dollar as Banks Push Back
A decrease in bank deposits likely, Lael Brainard says
Shift already happening as people move to mobile payment apps
<https://blinks.bloomberg.com/news/stories/RCHYWXDWX2Q8>
- US Consumers Expect Inflation Shock to Pass, NY Fed Survey Finds
Consumers expect prices to rise by about 3% in five years
Medium-term inflation expectations reached a plateau
<https://blinks.bloomberg.com/news/stories/RCHTWIDWX2Q4>
- BofA Recommends Receiving September FOMC OIS for Possible Pause
<https://blinks.bloomberg.com/news/stories/RCI50JDWRGG0>
- US PREVIEW: Spending to Rise Amid High but Slowing Inflation
<https://blinks.bloomberg.com/news/stories/RCHT4EDWX2RL>
- US REACT: Labor Market Continues to Churn, Jobless Claims Show
<https://blinks.bloomberg.com/news/stories/RCHQBMDWLU68>
- Remote Work Takes Poaching to Another Level in Small US Cities (1)
'The reality is people in Arkansas can work anywhere now,' says a local grid operator.
<https://blinks.bloomberg.com/news/stories/RCI0B8DWRGG2>

- Scholz Urges Wider Alliance Against Russia to Thwart Putin (1)
German chancellor speaks at World Economic Forum in Davos
Attack on Ukraine undermines rules-based order, Scholz says
<https://blinks.bloomberg.com/news/stories/RCHHVQDWRGG6>
- ECB INSIGHT: TLTRO Rate to Be Raised in June, Scheme's End Looms
<https://blinks.bloomberg.com/news/stories/RCIYL8DWRGG0>
- FXStreet: ECB's de Cos: Inflation will remain high in the coming months
<https://blinks.bloomberg.com/news/stories/RCJ1IVMB2SJK>
- Italy Confidence Rises Defying Concerns About War, Inflation
<https://blinks.bloomberg.com/news/stories/RCHG60DWLU69>

- Rishi Sunak Embraces Socialism Again With a Windfall Tax for UK
Economists and right-wing concerned about spending splurge
Labour opposition says Sunak's policy was their idea
<https://blinks.bloomberg.com/news/stories/RCHOGKT1UM0W>
- Sunak Gives Economy Good Chance of Dodging Recession
<https://blinks.bloomberg.com/news/stories/RCI7UET0AFB4>
- UK Signs Indiana Pact as Brexit Tensions Hinder Broader US Deal



- Mordaunt calls trade agreement with US state 'major milestone'
Comes after Pelosi warned UK over policy on Northern Ireland
<https://blinks.bloomberg.com/news/stories/RCHUTPDWRGG1>
- UK Flexes Its New National Security Powers to Intervene on Deals
Two probes opened into foreign acquisitions of British assets
UK deal scrutiny will act as test cases for future investment
<https://blinks.bloomberg.com/news/stories/RCHF2NDWRGG0>
 - RBA Set for First Review in Generation as Chalmers Takes Charge
Bank criticized over inflation, forward guidance, yield target
Inflation target of 2-3% will remain in place during review
<https://blinks.bloomberg.com/news/stories/RCH19GDWLU68>
 - (NZ) May ANZ Consumer Confidence MoM, actual -2.5%, prior 8.3%
 - (NZ) May ANZ Consumer Confidence Index, actual 82.3, prior 84.4
 - (AU) April Retail Sales MoM, actual 0.9%, est. 1.0%, prior 1.6%
 - Australian Households' Woes Seen Deepening on Rising Power Bills
<https://blinks.bloomberg.com/news/stories/RCIXGSDWX2Q7>
 - Australia Retail Sales Power Ahead in Sign of Strong Economy (1)
Food retailing and eating out led retail sales gains in April
Data augurs well for Q2 GDP, implies solid inflation impulse
<https://blinks.bloomberg.com/news/stories/RCIS4ADWLU68>
 - Yen Undershoot Offers Hidden Upside for Japan Corporate Revenue
70% of Japanese firms expected dollar-yen at 120 or below
The weak yen is a "two-edged sword": United Overseas Bank
<https://blinks.bloomberg.com/news/stories/RC2A8MT1UM0W>
 - Small Yield Rise Not Credit Upside for Japan Megabanks: Fitch
<https://blinks.bloomberg.com/news/stories/RCIRK8DWX2Q6>
 - (Japan) May Tokyo CPI Ex-Fresh Food, Energy, actual 0.9%, est. 0.9%, prior 0.8%
 - (Japan) May Tokyo CPI Ex Fresh Food YoY, actual 1.9%, est. 2.0%, prior 1.9%
 - (Japan) May Tokyo CPI YoY, actual 2.4%, est. 2.5%, prior 2.5%, revised 2.4%
 - First Japan Tourists Face Tests, Chaperones and Little Free Time
Island nation inches toward letting in visitors from abroad
Small tour groups are allowed in under strict measures
<https://blinks.bloomberg.com/news/stories/RCIS7SDWRGG3>
 - Tokyo Inflation's Failure to Gain Speed Aids BOJ's Stance (2)
Higher processed food prices outweighed by weaker energy gains
Figures suggest nationwide trend not spiraling upward
<https://blinks.bloomberg.com/news/stories/RCIL7VDWRGG6>
 - Kuroda Says US Rate Hikes Won't Necessarily Mean Weaker Yen
<https://blinks.bloomberg.com/news/stories/RCHBPYDWX2Q3>



EM Headlines

- China's Li Gives Dire Growth Warning in Unpublished Remarks (1)
GDP growth risks sliding out of reasonable range, premier says
Positive growth must be ensured in 2Q, jobless rate must drop
<https://blinks.bloomberg.com/news/stories/RCIMT8DWLU69>
- Beijing Adds More Cases as Anxiety Over China Economy Swells (1)
Premier Li warned cadres to balance growth with Covid Zero
While world opens up, China continues to try and quash virus
<https://blinks.bloomberg.com/news/stories/RCITCFT0G1KW>
- (China) April Industrial Profits YoY, actual -8.5%
- (China) April Industrial Profits YTD (YoY), actual 3.5%, prior 8.5%
- China's Industrial Profits Plunge for First Time Since 2020 (2)
Profits under 'obvious short-term pressure,' NBS official says
Foreign firms see profits drop 16.2% in first four months
<https://blinks.bloomberg.com/news/stories/RCIT47DWRGG0>
- Offshore Yuan Seesaws, Industrial Profits Plunge: Inside China
<https://blinks.bloomberg.com/news/stories/RCIP7XDWRGG0>
- Xi-Li Discord Paralyzes Officials Responsible for China Economy
Local officials struggle to implement contradicting diktats
Bureaucrats are still prioritizing Covid Zero over growth
<https://blinks.bloomberg.com/news/stories/RCIIVNDWRGG0>
- Rupiah Gains With Bonds as Risk Assets Recover: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RCIN2QDWRGG1>
- Won Jumps to One-Month High as Risk Assets Rally: Inside Korea
<https://blinks.bloomberg.com/news/stories/RCIKQJDWLU6H>
- Rupee Bonds Slide on Higher Crude Oil Prices: Inside India
<https://blinks.bloomberg.com/news/stories/RCIWDRDWX2Q0>
- Strong Demand Powers Indian Economy Past Inflation, for Now
Slew of high-frequency indicators show momentum was intact
RBI signals more hikes to cool prices from an eight-year high
<https://blinks.bloomberg.com/news/stories/RCHGH4DWRGG7>

- Hawkish Banxico Meeting Saw Second Board Member Mull Bigger Hike
Hike of 75bps would have been biggest in bank's recent history
Banxico delivered 4th-straight rise of 50 basis points, to 7%
<https://blinks.bloomberg.com/news/stories/RCHVW3DWRGG0>
- Banxico Has Higher Chance of Hiking 75bps: BBVA, JPM (1)
<https://blinks.bloomberg.com/news/stories/RCI9F4DWLU6G>
- Lula's Lead Over Bolsonaro Grows in Brazil Presidential Race
Lula takes 48% of first-round vote; Bolsonaro 27%: DataFolha
Former president benefiting from others dropping out of race
<https://blinks.bloomberg.com/news/stories/RCIE05DWLU6C>
- Brazil Economy Ministry Backs Aid to Truck, Taxi Drivers: Estado
<https://blinks.bloomberg.com/news/stories/RCI893DWX2PS>
- Chile's Draft Charter Hurts Business-Friendly Climate: Credicorp
<https://blinks.bloomberg.com/news/stories/RCHT80DWRGG0>



RUBRICS

- Colombia's Leftist Candidate Has Bond Market on Edge Before Vote
Sunday's presidential election keeping investors on their toes
Local and dollar bonds have underperformed regional peers
<https://blinks.bloomberg.com/news/stories/RC17QHT0AFB9>
- Russian Rate Cut Tops Forecasts, Sends Ruble Rally Into Reverse
Third straight reduction takes aim at ruble's rebound
Currency's gains concern the Kremlin, imperil budget revenue
<https://blinks.bloomberg.com/news/stories/RCHRHADWRGG6>
- Poland May Start Getting EU Recovery Fund Money in Aug./Sept.
<https://blinks.bloomberg.com/news/stories/RCJ0FUDWX2PV>
- Poland Clears Crunch Vote to Access \$39 Billion in EU Funds
Lawmakers vote 231-208 to scrap contested changes in judiciary
European Commission president may announce aid approval June 2
<https://blinks.bloomberg.com/news/stories/RCHMO3DWRGG0>
- Hungary Windfall Tax Targets Annual \$2.2 Billion in Revenue
<https://blinks.bloomberg.com/news/stories/RCHQG8DWLU6B>
- Hungary Fights 'Petrol Tourism' With Foreigner Price Cap Ban
<https://blinks.bloomberg.com/news/stories/RCHTWADWX2QK>
- South Africans Face Fuel Price Surge as Levy Concession Ends
South African motorists are set for a 16% price hike in June
Government doesn't plan to extend 2-month cut in gasoline levy
<https://blinks.bloomberg.com/news/stories/RCC41ODWRGG9>
- South Africa Record Producer Inflation Likely to Dent Sentiment
<https://blinks.bloomberg.com/news/stories/RCHI6XDWX2PU>
- AfDB Seeks to Manage Climate Funds for South Africa Transition
<https://blinks.bloomberg.com/news/stories/RCHX04DWLU68>