

## DM Headlines

- Market Optimists Make the Case That 2022 Will End on High Note  
For Dutta, it's labor supply; Kolanovic cites China's recovery  
Tinsley uses consumer spending, Markowska tracks foot traffic  
<https://blinks.bloomberg.com/news/stories/RD2NH9DWRGG0>
- Stagflation Danger Spurs World Bank to Cut Global Growth Outlook  
Pain of high inflation, slow growth could persist for years  
Lender reduces 2022 economic growth forecast to 2.9%  
<https://blinks.bloomberg.com/news/stories/RD41H5DWX2PT>
- Yellen Warns Inflation to Stay High, Recants Again on Transitory  
Treasury chief is peppered by senators' questions on inflation  
Yellen again defends \$1.9 trillion Biden relief plan  
<https://blinks.bloomberg.com/news/stories/RD3WE7DWLU6F>
- Fed Reverse Repo Facility Use Surges to Record Amid Cash Deluge  
Demand for Fed's key tool increases to \$2.091 trillion  
Supply-demand imbalances in short-end continue to drive rise  
<https://blinks.bloomberg.com/news/stories/RD4AT8DWRGG2>
- Fed Balance-Sheet Reduction Plan Spells Scarcity in Repo Market  
By curbing reinvestment, Fed initially will shrink issue sizes  
Week's \$5.6 billion add-on compares with \$40.6 billion in May  
<https://blinks.bloomberg.com/news/stories/RD25QJDWX2Q6>
- US Toughens Sanctions With Ban on Russian Debt Purchases (2)  
New rule comes amid criticism of banks trading Russian bonds  
Meanwhile, Russia's sovereign bond payments stuck at Euroclear  
<https://blinks.bloomberg.com/news/stories/RD47LFDWLU68>
- Dalio: Fed will have to cut rates in two years to fight stagflation  
<https://blinks.bloomberg.com/news/stories/RD4TAF6QRTHC>
- UBS Global Wealth Is Returning to Bonds, Particularly Short Ones  
<https://blinks.bloomberg.com/news/stories/RD3NE5DWX2PZ>
- Pimco Says Keep Inflation Hedges in Portfolios  
<https://blinks.bloomberg.com/news/stories/RD4YS7T0AFB4>
- Crude Oil's Perfect Storm for World Inflation  
<https://blinks.bloomberg.com/news/stories/RD4JORT0AFB4>
- US INSIGHT: Summers Is Right on CPI. Happily, PCE Is Fed Focus  
<https://blinks.bloomberg.com/news/stories/RD4KCKDWLU6D>
  
- European Gas Extends Losses Amid Easing Demand, Ample LNG Supply  
Gas consumption has declined with the onset of summer  
Russian supply via Nord Stream pipeline remains below capacity  
<https://blinks.bloomberg.com/news/stories/RD477JDWLU6A>
- Markets Precluding Surprise ECB Hike Looks Like Lazy Thinking  
<https://blinks.bloomberg.com/news/stories/RD57D8T1UMOY>
- A More Hawkish ECB Can Help European Banks Outperform: Chart  
<https://blinks.bloomberg.com/news/stories/RD40WGDWLU68>
- ECB to firm up plans to ward off bond market stress  
<https://blinks.bloomberg.com/news/stories/RD55A38JRZLS>



- Eurozone Inflation Set to Peak in 3Q, Above-Target in 2023  
<https://blinks.bloomberg.com/news/stories/RD4L08T1UM10>
- UK House Prices Register 11th Consecutive Rise, Halifax Says  
Values climb 1% but annual growth slows for 4th month running  
Housing market is showing 'signs of cooling,' Halifax says  
<https://blinks.bloomberg.com/news/stories/RD59OIDWLU6B>
- UK CPI Surge Isn't Over, Unlikely to Go Below 8% Until 2023  
<https://blinks.bloomberg.com/news/stories/RD4L08T0G1L0>
- Australian Central Bank Criticized After Surprising Markets (1)  
Australia is seen as 'risky proposition' by offshore investors  
Money markets now pricing 40-bp hike each meeting to December  
<https://blinks.bloomberg.com/news/stories/RD55CEDWRGG4>
- Australia Cash Rate Will Rise by 'a Lot More,' Ex-RBA Chief Says  
Inflation unlikely to fall back to 2%; 3-5% is more probable  
Central banks can not be held 'hostage' by marginal borrowers  
<https://blinks.bloomberg.com/news/stories/RD4ZT5DWRGG6>
- Aussie Bonds Rally Mostly About Treasuries Rebound, Yarra Says  
<https://blinks.bloomberg.com/news/stories/RD5130DWRGG1>
- Aussie, Kiwi Slide Amid Risk-Off Sentiment: Inside Australia/NZ  
<https://blinks.bloomberg.com/news/stories/RD5690DWLU68>
- New Zealand 10-Month Budget Deficit Is Narrower Than Forecast  
<https://blinks.bloomberg.com/news/stories/RD4MQZDWRGG3>
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- Trading Slowing to a Crawl in Japan Bond Market on BOJ Dominance  
No trades in 10-year JGB on Tuesday, first since December  
BOJ conducting fixed-rate unlimited purchases every day  
<https://blinks.bloomberg.com/news/stories/RD37GODWX2QO>
- Japan Economy Contracts Less Than Thought as Recovery Begins (1)  
<https://blinks.bloomberg.com/news/stories/RD4TBCDWX2PU>
- (Japan) 1Q GDP SA QoQ, actual -0.1%, est. -0.3%, prior -0.2%
- (Japan) 1Q GDP Deflator YoY, actual -0.5%, est. -0.4%, prior -0.4%
- (Japan) 1Q GDP Annualized SA QoQ, actual -0.5%, est. -1.1%, prior -1.0%
- Yen Extends Multi-Decade Low on Policy Divergence: Inside Japan  
<https://blinks.bloomberg.com/news/stories/RD544RDWLU68>
- Yen Tumble Continues as Weakness Spreads Beyond the Dollar  
Yen at seven-year low vs Aussie, euro; 20-year low vs dollar  
BOJ's dovish policy in spotlight as peers turn more hawkish  
<https://blinks.bloomberg.com/news/stories/RD4RXDDWLU68>
- Japan's Smaller GDP Contraction Won't Change BOJ, Yen Narrative  
<https://blinks.bloomberg.com/news/stories/RD504PDWX2PV>



## EM Headlines

- China Will Extend Trading Hours of Onshore FX Market: Official  
<https://blinks.bloomberg.com/news/stories/RD50ZJDWLU6A>
- China Monetary Policy Has Room to Help Growth, Newspaper Says  
<https://blinks.bloomberg.com/news/stories/RD4RQTDWLU60>
- China Export Boom Fades as Buying Shifts, Cheap Rivals Gain (1)  
Overseas orders are falling, profits slumping, exporters say  
Covid disruptions have pushed customers to Southeast Asia  
<https://blinks.bloomberg.com/news/stories/RD55XADWRGG0>
- China Approves More Games in a Step Toward Normalization (1)  
Regulator grants licenses for 60 new games from 45 in April  
Publishing giants Tencent and NetEase got no approvals  
<https://blinks.bloomberg.com/news/stories/RD4WYSDWRGG1>
- China Fears Wind Is Blowing Covid Virus in From North Korea (2)  
Authorities in Dandong ask residents to close their windows  
Experts say virus spread via air over long distances unlikely  
<https://blinks.bloomberg.com/news/stories/RD58OWDWRGG1>
- Yuan in Tight Range as Traders Await Next Catalyst: Inside China  
<https://blinks.bloomberg.com/news/stories/RD52QVDWRGG1>
- EM Debt in Midst of Sharp, Temporary Bear Market Rally: Fidelity  
<https://blinks.bloomberg.com/news/stories/RD3WN5DWRGG0>
- South Korea Economy Expands Slower Than Previously Estimated  
<https://blinks.bloomberg.com/news/stories/RCTZPUTOG1KX>
- Won Gains as Global Risk Appetite Offsets GDP Miss: Inside Korea  
<https://blinks.bloomberg.com/news/stories/RD4S25DWRGG0>
- Rupee Bonds Gain as RBI Promises Borrowing Support: Inside India  
<https://blinks.bloomberg.com/news/stories/RD59AGDWX2PW>
- India RBI Signals More Rate Hikes to Come in Inflation Fight (2)  
RBI sees inflation above 6% tolerance level for three quarters  
Das drops mention of "staying accommodative" in policy address  
<https://blinks.bloomberg.com/news/stories/RD5798DWLU6G>
- Bonds Rally in India as Das Promises to Support Borrowing Plan  
Four-year bond yields fell as much as 15 basis points  
Bonds rallied on re-pricing of markets' rate-hike expectations  
<https://blinks.bloomberg.com/news/stories/RD3CCSDWRGGD>
- Rupiah Bonds Fall Amid Weak Demand at Auction: Inside Indonesia  
<https://blinks.bloomberg.com/news/stories/RD5007DWLU6A>
- Indonesia Eyes Subsidies, Nuclear Power in Renewable Bill (1)  
<https://blinks.bloomberg.com/news/stories/RD3D97DWLU6A>
- Brazil's Real Tumbles on Bolsonaro's Plan to Cut Fuel Prices (2)  
Currency leads losses in emerging markets, swap rates rise  
President offers to reimburse states that cut taxes on fuel  
<https://blinks.bloomberg.com/news/stories/RD4IPSDWX2QD>
- Chile Signals Gradual End to Tightening as Price Risks Loom (2)  
Bank board raised key rate by 75bps to 9% on Tuesday



- Policy makers said the economy is receding more slowly  
<https://blinks.bloomberg.com/news/stories/RD4OOCDWLU68>
- Economists See Record Banxico Hike on Persistent High Inflation  
Analysts predict higher 2022 inflation than Banxico forecast  
Central bank chief said faster rate increase 'on the table'  
<https://blinks.bloomberg.com/news/stories/RD4HFVT1UMOX>
  - CHILE REACT: Central Bank Hikes, Extends Tightening Cycle (1)  
<https://blinks.bloomberg.com/news/stories/RD4QBJDWRGG1>
  - Colombia May Consumer Confidence Rises to -14.7; Est. -16.1  
<https://blinks.bloomberg.com/news/stories/RD463AT0AFB4>
  - Russia's Default Tussle With Bondholders Is Only Just Starting  
It's unclear if and how a default on bonds will be declared  
Investors could be in for a long legal battle to get cash back  
<https://blinks.bloomberg.com/news/stories/RCSOP3TOG1KX>
  - Poland Set For Ninth Rate Hike as Prices Spike: Decision Guide  
Policy makers seen lifting the key rate by 75bps to 6%  
Inflation continues to rise as manufacturing, mortgages slow  
<https://blinks.bloomberg.com/news/stories/RD3NDDDWRRGG2>
  - EU's Von Der Leyen Says Not All Poland Issues Resolved Yet  
<https://blinks.bloomberg.com/news/stories/RD4616DWX2QC>
  - Holdout Poland Digs In Heels Against Deal for Global Minimum Tax  
Finance minister worries about impact on attracting investors  
Poland wants guarantees on tax changes for digital giants  
<https://blinks.bloomberg.com/news/stories/RD3GUKDWRGGH>
  - Hungary's Inflation Tops 10%, Piling Pressure on Central Bank  
Annual price growth in May was the fastest since 2001  
Forint has dropped as central bank struggles to slow inflation  
<https://blinks.bloomberg.com/news/stories/RD3S2VDWRGG4>
  - Hungary to Tap International Markets as EU Blocks Funds (1)  
Government hired banks to sell bonds in euros and dollars  
Sale may help Hungary's financing as EU freezes pandemic funds  
<https://blinks.bloomberg.com/news/stories/RD3UM3DWRGG5>
  - Goldman Warns Spiking Inflation Means More Hikes: Inside CEE  
<https://blinks.bloomberg.com/news/stories/RD3IWIDWX2QB>
  - Czech President to Name Central Bankers on Wednesday (1)  
<https://blinks.bloomberg.com/news/stories/RD42VEDWLU68>
  - Czech Central Bank Increased Foreign-Currency Sales in April  
<https://blinks.bloomberg.com/news/stories/RD3KFBWLU6A>
  - South African Economy Is Now Bigger Than Before Pandemic Struck  
Economy expanded faster-than-expected 1.9% in first quarter  
Output growth may slow in second quarter after deadly floods  
<https://blinks.bloomberg.com/news/stories/RD3TNNDWLU6C>
  - Rand Dodges EM Slump Amid Unfolding Politics and GDP Boost  
Sentiment for currency also buoyed by China's re-opening  
Rand is one of seven in EM with gains versus greenback in 2022  
<https://blinks.bloomberg.com/news/stories/RD3QS6DWLU6B>