

DM Headlines

- Fed Hikes 75 Basis Points; Powell Says 75 or 50 Likely in July
Kansas City's George dissents; favored half-point raise
FOMC cuts 2022 GDP outlook; raises jobless-rate estimate
<https://blinks.bloomberg.com/news/stories/RDJYAT0G1L1>
- Bond Market Losses Just Beginning as Fed Sets Path to 4% Yields
Key Treasury yields, Fed rate tend to peak at similar levels
Despite relief rally, expectations marked up on where Fed ends
<https://blinks.bloomberg.com/news/stories/RDJSHOT1UM0W>
- Powell Sets Path to Restrain Economy and Stop Runaway Inflation
Suggests avoiding recession may be outside of Fed's control
Fed chair: overarching message is commitment to cool prices
<https://blinks.bloomberg.com/news/stories/RDJJ4DT1UM0W>
- T. Rowe Says Buy Bonds Now at 'Most Attractive Point' in Years
Duration management, yield curve positioning key tools in rout
Firm's CIO Arif Husain warns 'threat of recession is real'
<https://blinks.bloomberg.com/news/stories/RD83CSDWRGG4>
- A Fed-Triggered Recession May Cost Biden a Second Term
Rate hikes to counter inflation lift risk of a downturn to 72% in Bloomberg Economics models
— heralding trouble for the White House
<https://blinks.bloomberg.com/news/stories/RDJED0DWRGG2>
- Oil Edges Higher as Traders Weigh Rate Hike, Rising US Output
Federal Reserve increased interest rates by 75 basis points
WTI crude futures lost almost 5% over prior two sessions
<https://blinks.bloomberg.com/news/stories/RDK0IMT1UM0W>
- Guggenheim's MinerD Says It's Time to Extend Duration in Bonds
<https://blinks.bloomberg.com/news/stories/RDJ6LLT0AFB4>
- Barclays, Which Called This Fed Hike Right, Now Sees 50 In July
<https://blinks.bloomberg.com/news/stories/RDJ8ZGT0AFB7>
- China's Treasuries Holdings Fell a Fifth Straight Month in April
<https://blinks.bloomberg.com/news/stories/RDJ932T1UM0Z>
- USD/JPY's Gains Capped on Fed Resolve to Curb Inflation: Shinkin
<https://blinks.bloomberg.com/news/stories/RDJOXXT0AFB4>

- ECB Acts to Stem Nascent Italian Crisis With Pledge of New Tool
Pandemic has left lasting euro-area vulnerabilities, ECB says
Officials held emergency meeting Wednesday amid debt turmoil
<https://blinks.bloomberg.com/news/stories/RDITJPT1UM0Z>
- ECB's Guindos Says ECB Is Determined to Tackle Fragmentation
<https://blinks.bloomberg.com/news/stories/RDK1NKT0AFB4>
- ECB's Guindos: Markets Shouldn't Doubt Resolve on Fragmentation
<https://blinks.bloomberg.com/news/stories/RDK46HT0AFB6>



- UK Tells Banks to Support Customers as Rising Inflation Bites
<https://blinks.bloomberg.com/news/stories/RDK3TDT0AFBL>
- BOE Set for Steady Rate Hikes Amid Global Chaos: Decision Guide
Officials expected to increase key rate to highest since 2009
Economists anticipate three votes for a 50-basis-point hike
<https://blinks.bloomberg.com/news/stories/RD7JV3DWX2Q2>
- BOE PREVIEW: Fifth Hike On the Bounce As Hawks Eye 50-Bp (1)
<https://blinks.bloomberg.com/news/stories/RDK4LLT1UM0Y>
- AUSTRALIA REACT: Minimum-Wage Lift Smooths Way For RBA Hikes (1)
<https://blinks.bloomberg.com/news/stories/RDIG73TOG1KX>
- New Zealand Economy Surprisingly Contracts as Covid Spread (2)
Annual growth slows to just half the pace economists predicted
Result is unlikely to deter RBNZ from pursuing higher rates
<https://blinks.bloomberg.com/news/stories/RDJM2XT0AFB4>
- Australia Hiring Boom Powers on; Jobless Rate Holds at 3.9% (1)
Employment advances for a seventh consecutive month in May
Jobless rate holds at 48-year low as participation hits record
<https://blinks.bloomberg.com/news/stories/RDJRCXT0G1KW>
- Australia Inflation Expectations Surge to Highest Since 2008 (1)
<https://blinks.bloomberg.com/news/stories/RDJRKOT0G1KW>
- (NZ) 1Q GDP SA QoQ, actual -0.2%, est. 0.6%, prior 3.0%
- (AU) May Unemployment Rate, actual 3.9%, est. 3.8%, prior 3.9%
- (AU) June Consumer Inflation Expectation, actual 6.7%, prior 5.0%
- Australia's Higher Household Buffers Limit Risk From Rising Debt
<https://blinks.bloomberg.com/news/stories/RDJTAUT0G1KW>
- Bonds Trimmed as Jobs Data Emboldens Hawks: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RDK1YPDWRGG1>
- Yen Weakening Has Gone Too Far, Japan Brokerage Group Warns
JSDA chairman sees 'signs of overshooting' in currency's fall
Expects BOJ to keep monetary easing despite policy pressure
<https://blinks.bloomberg.com/news/stories/RDI9QOT1UM0Z>
- (Japan) May Imports YoY, actual 48.9%, est. 44.0%, prior revised 28.3%
- (Japan) May Exports YoY, actual 15.8%, est. 16.1%, prior 12.5%
- Japan Imports Soar by Record Amid Energy Jump, Weak Yen
Import value rises by the most in data going back to 1980
Trade deficit widens to fresh eight-year high on imports hit
<https://blinks.bloomberg.com/news/stories/RDJMZMT0AFB4>
- BOJ Gets Bond-Market Breathing Room From Fed Relief Rally
Fed offers more cautious view over large interest rate hikes
Overseas factors have exacerbated recent selloff in JGBs
<https://blinks.bloomberg.com/news/stories/RDJZNF0AFB4>
- Bond Futures Bounce After Fed Meeting; Yen Weakens: Inside Japan
<https://blinks.bloomberg.com/news/stories/RDJTN9T1UM0W>



EM Headlines

- (China) May New Home Prices MoM, actual -0.17%, prior -0.30%
- US Inflation Needs to Peak Before EM Assets Can Rally: Pictet
<https://blinks.bloomberg.com/news/stories/RDJUT2T0AFB5>
- Shanghai to Mass Test Whole City Weekly to Keep Covid at Bay (1)
Financial hub reported 16 new virus cases for Wednesday
Authorities going to great lengths to adhere to Covid Zero
<https://blinks.bloomberg.com/news/stories/RDJSDLT0G1KX>
- CNH Declines, HK Buys Record Local Dollars: Inside China
<https://blinks.bloomberg.com/news/stories/RDJSO2T0AFB4>
- China Home Prices Drop for Ninth Month as Demand Stays Weak (1)
Pace of decline slowed to 0.17% amid efforts to support market
Pressure on some developers likely to remain as lockdowns end
<https://blinks.bloomberg.com/news/stories/RDJS8CT1UM11>
- Overseas Funds Cut China Bond Holdings for Record Fourth Month
China's yield discount to Treasuries is largest since 2009
Global funds sold a record amount of policy bank notes in May
<https://blinks.bloomberg.com/news/stories/RDJM5TT1UMOW>
- Won Rises After Minister's Vow to Stabilize Market: Inside Korea
<https://blinks.bloomberg.com/news/stories/RDJMN5T0G1X6>
- S.Korea Vows Emergency Bond Buyback, Steps in FX If Needed
<https://blinks.bloomberg.com/news/stories/RDJY6T0G1KZ>
- Korea Pledges to Stay Focused on Inflation Fight After Fed Hike
<https://blinks.bloomberg.com/news/stories/RDIC7OT0G1KY>
- RBI Hikes Fuel Longest Fund Exodus in Three Years: India Credit
<https://blinks.bloomberg.com/news/stories/RDETITT0G1L6>
- Rupee Bonds Join Risk Rally After Fed Comments: Inside India
<https://blinks.bloomberg.com/news/stories/RDJXCGT1UMOW>
- India Cumulative Monsoon Rainfall 32% Below Normal as of June 15
<https://blinks.bloomberg.com/news/stories/RDIHSET0G1KX>
- IDR Rises as CPI View Spurs Hawkish Outlook: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RDJSTDT0G1KX>
- Curve Flattening Trade in Southeast Asia Is Set to Get Hotter
Inflation and relative steepness in curve to drive flattening
Significant premiums in region's curves relative to historical
<https://blinks.bloomberg.com/news/stories/RD71WTDWX2RC>
- Palm Oil Ban, China Lockdowns Dampen Indonesia's Export Growth
<https://blinks.bloomberg.com/news/stories/RDI07GT0AFB5>

- Brazil Puts 14% Rate in Sight After Locking in More Tightening
Policy makers lift rate by half a percentage point as expected
They anticipate another hike of 50 points or smaller in August
<https://blinks.bloomberg.com/news/stories/RDJH5FT0G1KX>
- Banxico to Incorporate 75bps Fed Hike into Analysis: Rodriguez
<https://blinks.bloomberg.com/news/stories/RDJ7AHT0G1KX>
- Mexico Is Subsidizing 35% of Fuel Costs Thanks to Oil Bonanza



Costs down to 22 pesos per litre from 34 pesos due to subsidy
Fuel tax relief costs about 1% of GDP in 2022: chief economist

<https://blinks.bloomberg.com/news/stories/RDIVT2TOG1KX>

- Fed's New Dot Plot Cements a Floor on Likely Banxico Hikes
<https://blinks.bloomberg.com/news/stories/RDJA0WT0G1KX>
- Brazil's Congress Approves First Proposal to Curb Fuel Prices
Proposal caps a state tax and scraps federal taxes on fuel
Bolsonaro's popularity hurt by inflation ahead of election
<https://blinks.bloomberg.com/news/stories/RDIXGPT1UM0W>
- BRAZIL REACT: Inflation Keeps BCB Cycle Alive After New Hike (2)
<https://blinks.bloomberg.com/news/stories/RDJK6DT0G1UD>
- Chile Consumer Prices to Close 2022 at 10%, Banchile Says
<https://blinks.bloomberg.com/news/stories/RDJBKQTOAFB8>
- Colombia to Start Phasing Out Fuel Subsidies From This Month (1)
Government capped gasoline and diesel prices to curb inflation
Finance Ministry forecasts lower deficit, and faster growth
<https://blinks.bloomberg.com/news/stories/RDIOVNT0AFBH>
- Poland May CPI Rises 13.9% on Year; Flash Estimate +13.9%
<https://blinks.bloomberg.com/news/stories/RDIDXTGEZ1FK>
- Poland Is Moving Closer to Agreeing to EU Minimum Corporate Tax
EU finance ministers meet on Friday to discuss the directive
Poland sought guarantees global tax deal is introduced in full
<https://blinks.bloomberg.com/news/stories/RDIL8AT0AFB4>
- Hungary Official Reserves Drop to Lowest Since August
<https://blinks.bloomberg.com/news/stories/RDIIGGGEZ1FK>
- Forint Rebounds from Record Low Before ECB, Fed: Inside CEE
<https://blinks.bloomberg.com/news/stories/RDIDHLT0G1KW>
- Hungary Buys Back Early \$1.2 Billion in Bonds to Extend Duration
<https://blinks.bloomberg.com/news/stories/RDIDOYT1UM0W>
- SocGen Says Czechs Are Spending Billions of Euros to Prop Koruna
Central bank probably sold about 3% of reserves in one month
Koruna under pressure from 16% inflation, expected dovish turn
<https://blinks.bloomberg.com/news/stories/RDIVRIT0AFB4>
- Czechs Seek to Help Rebuild Ukraine and Foster Its EU Entry Bid
Czechs to take over EU rotating six-month presidency in July
Russian aggression weighs heavily over EU matters, premier says
<https://blinks.bloomberg.com/news/stories/RDIS3DT1UM0W>
- Czech Central Banker Seeks One Last Big Hike Before Board Revamp
Nidetzky expects at least 75 basis-point increase next week
Rates could then remain stable after shuffle of hawkish board
<https://blinks.bloomberg.com/news/stories/RDH3HVT1UM10>
- Holub Says Another 'Significant' Czech Rate Hike Needed in June
<https://blinks.bloomberg.com/news/stories/RDIMHAT1UM1V>
- S. Africa Considering Buying Russian Oil, Energy Minister Says
<https://blinks.bloomberg.com/news/stories/RDIXENT1UM0W>