

DM Headlines

- Summers Says US Needs 5% Jobless Rate for Five Years to Ease CPI
Ex-Treasury secretary supports abandoning forward guidance
Fears US faces elements of secular stagflation and stagnation
<https://blinks.bloomberg.com/news/stories/RDSI5LT0AFB7>
- Biden Says US Recession Avoidable After Call With Summers
Changing Medicare, cutting insulin costs on the table, he says
White House, Democrats in talks on inflation-fighting laws
<https://blinks.bloomberg.com/news/stories/RDS8NET0G1L3>
- Yellen Says 'Stay Tuned' for Word on Russian Oil Price-Cap Plan
Cap could work through an exception to EU's insurance ban
Says Keystone wouldn't solve short-term energy-price woes
<https://blinks.bloomberg.com/news/stories/RDSL9MT0G1KZ>
- Oil Advances as Investors Weigh Outlook for Demand, US Economy
Biden says recession not 'inevitable,' will decide on gas tax
Crude heads for a quarterly gain amid disruptions to supplies
<https://blinks.bloomberg.com/news/stories/RDTCEQT1UM0W>
- Goldman Warns US Recession Risk Now Higher and More Front-Loaded
<https://blinks.bloomberg.com/news/stories/RDT2F2T1UM0W>
- Unlikely Fed RRP Demand Will Drop in Meaningful Way: RBC's Gwinn
<https://blinks.bloomberg.com/news/stories/RDSIWOT1UM0Y>
- Bullard Says CPI Expectations Risk Unmooring Without Fed Action
<https://blinks.bloomberg.com/news/stories/RDSA4IT0AFB4>

- Germany's Biggest Union Pushes for 7%-8% Raise in Wage Talks (1)
Demand is highest in 13 years for metal and electronics sector
Union calls on politicians to help ease the burden on citizens
<https://blinks.bloomberg.com/news/stories/RDSA7UT0AFB4>
- European Firms Fear Wage Demands Over Supply Costs, Intrum Says
<https://blinks.bloomberg.com/news/stories/RDKHEQT1UM0X>
- EU, China Aim for Talks in Next Few Weeks, Ambassador Says
EU wants meetings on real bilateral issues, tangible benefits
April summit was described as 'a dialog of the deaf'
<https://blinks.bloomberg.com/news/stories/RDRQ5LT0AFB5>
- Germany's Gas Storage Rises to 58% Full; EU at 54%: GIE
<https://blinks.bloomberg.com/news/stories/RDS2CWT1UM0W>
- FRANCE INSIGHT: Political Tumult Could Add to ECB's Challenges
<https://blinks.bloomberg.com/news/stories/RDT9KPT1UM0W>
- Germany May Non-EU Exports Rise 22.7% on the Year (Table)
<https://blinks.bloomberg.com/news/stories/RDTCVRGFFW8W>
- Lagarde Restates ECB Hiking Plan as Crisis Tool Takes Shape (2)
Tightening intention reaffirmed after emergency meeting
ECB president testifies to lawmakers in European Parliament
<https://blinks.bloomberg.com/news/stories/RDS3EWT0AFB6>
- EuroEco Brief: Bond Traders Doubts on ECB's Crisis Tool
<https://blinks.bloomberg.com/news/stories/RDT74VT0AFB8>



- UK's Discontent Risks Deepening the Malaise: Mohamed El-Erian
Britain can't stop a cost-of-living crisis in the short term, but it must come up with a new growth model that is designed for the changing structure of the domestic and global economy.
<https://blinks.bloomberg.com/news/stories/RDT750DWLU6B>
- BOE Move to Scrap Mortgage Tests Puts First-Time Buyers at Risk
Goodhart sees political pressure on central bank to ease rules
Boris Johnson's government seeks to spur home ownership
<https://blinks.bloomberg.com/news/stories/RDRYMCT0G1KX>
- BOE Policy Maker Suggests Faster Hikes to Defend the Pound (1)
Catherine Mann says inflation from sterling weakness a factor
Opens the door to rate cuts once domestic demand fades
<https://blinks.bloomberg.com/news/stories/RDS6CDT0G1KW>
- UK Rail Strikes to Proceed After Unions Reject Late Offer (1)
Some 40,000 staff plan to strike on railways, London subway
Walkouts planned for June 21, 23, 25 after talks break down
<https://blinks.bloomberg.com/news/stories/RDSM7MT0G1KW>
- RBA Says Disorderly Exit From Yield Target Damaged Reputation
<https://blinks.bloomberg.com/news/stories/RDRH18T1UMOW>
- RBA Says It's an Open Question How Much YCC Damaged Credibility
<https://blinks.bloomberg.com/news/stories/RDSR9NT0G1KW>
- RBA's Lowe Sees Key Rate Rising Up to 50-Basis Points in July
Review of YCC shows RBA unlikely to deploy yield target again
June minutes show bank relying on households to support growth
<https://blinks.bloomberg.com/news/stories/RDT4XWT0G1KW>
- Rates Traders Erase Bets on 75bp RBA Hike After Lowe's Comments
<https://blinks.bloomberg.com/news/stories/RDSXVQT0G1KX>
- (NZ) 2Q Westpac Consumer Confidence, actual 78.7, prior 92.1
- Shorter AUD Bonds Rise After Lowe's Speech: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RDTC5OT0G1KX>
- NZ Consumer Confidence Gauge Falls to Lowest on Record: Westpac
<https://blinks.bloomberg.com/news/stories/RDSN0TT0G1KW>
- JGBs Mixed After Weak Auction, Yen Range-Bound: Inside Japan
<https://blinks.bloomberg.com/news/stories/RDT4ZIT0AFB6>
- Bond Turmoil Boils Over With Worst Japan Five-Year Sale in Years
Bid-to-cover ratio was lowest since sale in March 2020
Futures instability is running through to cash bond market
<https://blinks.bloomberg.com/news/stories/RDSY4DT0AFB7>
- Suzuki Concerned About Recent Sudden Weakening in the Yen
<https://blinks.bloomberg.com/news/stories/RDT3NQT1UMOW>
- RBA Lessons for BOJ on How Yield Curve Control Can End Badly (1)
Review of YCC concludes RBA more likely to use QE in future
BOJ spent record amount last week to defend yield ceiling
<https://blinks.bloomberg.com/news/stories/RDT9KNT1UMOW>



EM Headlines

- Even Without a Lockdown, Beijing's Economy Struggled in May
Retail sales declined 26%, only behind Shanghai in latest data
Industrial output drops 40% in Beijing, worse than others
<https://blinks.bloomberg.com/news/stories/RDR4WWT0AFB5>
- China Outbreaks Shift to South With Shenzhen, Macau on Alert (3)
Beijing, Shanghai outbreaks subsiding after months of curbs
Tech hub and gambling enclave racing to stop infection spread
<https://blinks.bloomberg.com/news/stories/RDTABRT1UM0X>
- China Junk Bond Selloff in New Phase With Record Fosun Rout (1)
Conglomerate's bonds remain pressured after record selloff
Bonds of industrial firms, Macau casino operators also slide
<https://blinks.bloomberg.com/news/stories/RDT352T0AFBK>
- Overnight Repo Rate Rises, HKMA Defends Peg: Inside China
<https://blinks.bloomberg.com/news/stories/RDT5Q0T1UM10>
- China Lending Rate May Fall Further Despite Easing Pause: Papers
<https://blinks.bloomberg.com/news/stories/RDSTWST0AFB4>
- Korean Bonds Drop as BOK Flags Faster Inflation: Inside Korea
<https://blinks.bloomberg.com/news/stories/RDSW5CT0G1KW>
- Bank of Korea's Rhee Keeps Door Open to Larger Rate Hike
Central bank sees inflationary pressures rising further
Rhee wary of offering strong signal on rate action next month
<https://blinks.bloomberg.com/news/stories/RDT05JT1UM10>
- Korea's Record Early Trade Deficit Suggests Won Needs Hike Help
Won among worst performers in Asia as trade balance sinks
Average daily shipments rise 11% in sign of resilient demand
<https://blinks.bloomberg.com/news/stories/RDSX5RT0AFBR>
- Worst Is Yet to Come for Food Inflation in Asia, Nomura Warns
<https://blinks.bloomberg.com/news/stories/RDRM5ST1UM11>
- Rupee Bonds Give Up Gains Amid Higher Oil Prices: Inside India
<https://blinks.bloomberg.com/news/stories/RDT7XGT1UM0W>
- India Faces Challenges in Meeting Budget Gap Goal, Finmin Says
<https://blinks.bloomberg.com/news/stories/RDROP9T0AFB9>
- IDR Snaps Six-Day Drop as Palm Oil Curbs Eased: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RDT0VBTOG1KW>
- Indonesia Likely to Hike Rates on Weak Rupiah: Morgan Stanley
<https://blinks.bloomberg.com/news/stories/RDRF6YT1UM0W>

- Mexican Swap Rates Looking Overblown After Fed-Induced Tumult
Swaps appear to have priced the most aggressive hiking scene
Rate spread vs US may be too high, some see belly opportunity
<https://blinks.bloomberg.com/news/stories/RDKUCXT0G1KW>
- Mexico Is Working on More Measures to Control Food Prices: AMLO
<https://blinks.bloomberg.com/news/stories/RDS4UYT0AFB5>
- Petrobras Head Resigns as Bolsonaro Rages About Fuel Prices (2)
Coelho was under pressure from Bolsonaro and congress to quit



- Bolsonaro's administration continues with privatization plans
<https://blinks.bloomberg.com/news/stories/RDSB77T0AFB7>
- Brazil's Lira Wants Govt To Lead Push For Higher Petrobras Taxes
<https://blinks.bloomberg.com/news/stories/RDSXFFT0AFB8>
 - Chilean Peso Reaches All-Time Low as Copper Extends Losses (1)
Copper fell for an eighth session to below \$9,000 a ton
Peso's previous record low was reached in March 2020
<https://blinks.bloomberg.com/news/stories/RDS5MYT1UM0Z>
 - Colombia's First Black Vice President Brings Climate Focus (1)
Francia Marquez went from teenage activist to 'Green Nobel'
She pledges a 'government of the people with calloused hands'
<https://blinks.bloomberg.com/news/stories/RDSJYMT1UM0W>
 - Ruble Soars to 7-Year High Prompting Debate Over Targeting Rate
Currency strength undermines government revenue, export appeal
Capital controls make ruble surge more than any other currency
<https://blinks.bloomberg.com/news/stories/RDS35RT1UM0W>
 - Hedge Funds Boost Long Positions in South African Rand to Record
Currency close to erasing losses for the year amid EM slump
Domestic risks for rand may rise into year-end: Anchor Capital
<https://blinks.bloomberg.com/news/stories/RDRRV4T1UM0W>
 - Poland's De Facto Leader Quits Government Role to Focus on Vote
<https://blinks.bloomberg.com/news/stories/RDTB4BT0AFB4>
 - Czechs to Tap Power Utility CEZ for Inflation Relief Funds (1)
State raises dividend proposal from 44 to 48 koruna per share
Komerční sees increased payout as 'cosmetic' budget boost
<https://blinks.bloomberg.com/news/stories/RDS1NUT1UM0W>
 - Forint in Precarious Place as Risk Avoidance Spreads: Inside CEE
<https://blinks.bloomberg.com/news/stories/RDRNQIT1UM0W>
 - Hungary Backs EU Candidacy Status for Ukraine, Moldova, MTI Says
<https://blinks.bloomberg.com/news/stories/RDS4K1T1UM0W>
 - Hungary's Gas and Oil Supplies From Russia Unaffected: Minister
<https://blinks.bloomberg.com/news/stories/RDS0SGTOG1KZ>
 - South Africa Renews Bid to Stem Blockades on Key Trade Routes
Government and industry set up taskforce to address concerns
Police could be strategically deployed to national roads
<https://blinks.bloomberg.com/news/stories/RDRVZQT1UM0W>
 - South Africa Economic Activity Bounces Back Strongly From Floods
Transactions index rose to 143.5 in May from 137.6 in April
Gauge signals continuation of strong first-quarter growth
<https://blinks.bloomberg.com/news/stories/RDRTQNT0AFB6>