



DM Headlines

- White-Knuckled Bond Investors Confident Only in More Havoc
Volatility has continued to rise despite stalled selloff
June CPI report expected to show higher inflation rate
<https://blinks.bloomberg.com/news/stories/RENGNRDWRGG4>
- Treasury Yields Surge as Jobs Data Boost Bets on Fed Tightening
Swaps traders lift odds of a 75-basis-point hike this month
Two-to-10-year yield gap extends inversion on hawkish Fed view
<https://blinks.bloomberg.com/news/stories/REPL23DWRGGB>
- Oil Sinks as China's Covid Resurgence Overshadows Tight Market
Shanghai faces more restrictions after sub-variant reported
President Biden scheduled to visit Saudi Arabia this week
<https://blinks.bloomberg.com/news/stories/REUE79TOG1KX>
- US Job Growth Tops Estimates, Unemployment Rate Holds at 3.6%
Payrolls rose 372,000 in June, in line with prior months' pace
Participation rate eases as more Americans left labor force
<https://blinks.bloomberg.com/news/stories/REPDLLDWX2PT>
- Biden Says Action on China Import Tariffs Still Being Discussed
Commerce secretary says she expects decision 'shortly'
Administration divided over impact, scope of tariff easing
<https://blinks.bloomberg.com/news/stories/RETC95T0AFB4>
- Fed Braces as Another Big US Inflation Number Looms: Eco Week
Investors await follow-up to last month's market-shaking data
Large rate hikes expected in Canada, New Zealand, South Korea
<https://blinks.bloomberg.com/news/stories/RESNOITOG1KW>
- French Minister Says Russian Gas Cutoff Most Likely Scenario (2)
Nation trying its best to avoid power shortages, Le Maire says
Finance minister to update on EDF nationalization in weeks
<https://blinks.bloomberg.com/news/stories/RETACZT1UM0W>
- ECB's Holzmann Foresees Steep Rate Hikes to Stem Fast Inflation
If needed, ECB should raise by 50bps in July, 75bps in Sept.
Austria's Holzmann among most hawkish ECB policy makers
<https://blinks.bloomberg.com/news/stories/REPL10DWX2PS>
- Euro-Zone Recession Risk Seen Rising Even as Inflation Peak Near
Economists in survey see price growth maxing out this quarter
ECB's deposit rate will reach 1.25% in March, poll shows
<https://blinks.bloomberg.com/news/stories/REP88CDWX2PT>
- 'Strong' ECB Crisis Tool Could Stay on Shelf, Stournaras Says
Greek official describes 'very good debate' on fragmentation
Policy makers devising instrument as they prepare for hikes
<https://blinks.bloomberg.com/news/stories/RESTVGT1UM0W>
- ECB's New Crisis Tool Must Surprise Markets, Bini Smaghi Says
Former central banker says ECB should show readiness to act
Bini Smaghi says 50 basis-point hike in autumn probably right
<https://blinks.bloomberg.com/news/stories/REQZCNTOG1KX>



- Real Estate Funding Model in Danger as ECB's Easy Money Era Ends
Worst-performing sector lost 17% since the start of the year
Companies raised 316 billion euros of cheap debt amid stimulus
<https://blinks.bloomberg.com/news/stories/REHZCMDWX2PS>
- Possible Energy Crisis Seen as Tail Risk for Fixed Income -- Market Talk
<https://blinks.bloomberg.com/news/stories/REUFO00799MO>
- UK Leadership Race Heats Up as Tories Clash Over Tax Plans
Javid and Hunt put tax-cutting at heart of their campaigns
Trade minister Mordaunt, transport secretary Shapps join fight
<https://blinks.bloomberg.com/news/stories/RESQY7T1UM0W>
- Almost 4.5 Million UK Families Are in Serious Financial Trouble
Distress now higher than at any point during the pandemic
Financial Fairness Trust says 36% of households face hardship
<https://blinks.bloomberg.com/news/stories/REP8ETDWX2PS>
- BoE under pressure as UK companies plan for extended period of inflation
<https://blinks.bloomberg.com/news/stories/REU5QI8JRZLS>
- Australian Dollar Set to Fall Further as Recession Talk Grows
Nomura sees Australia's economy contracting in next 12 months
Hawkish Fed, China's Covid policy adding to currency headwinds
<https://blinks.bloomberg.com/news/stories/REHLDSDWRGG2>
- Aussie Falls Amid China Woe, Strong Dollar: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/REU9GMT0AFB4>
- Australian PM Won't Respond to Beijing's 'Demands' After Meeting
China's Wang Yi issued four demands to fix Australia relations
Australia seeking to repair ties with largest trading partner
<https://blinks.bloomberg.com/news/stories/REU4N9T1UM0W>
- RBNZ Shadow Board Recommends Half-Point Hike This Week: NZIER
<https://blinks.bloomberg.com/news/stories/RETS8LT0G1KW>
- Japan Ruling Bloc Wins Big in Vote Held Days After Abe's Murder
Ruling bloc increases its majority in the upper house
Election went ahead days after former premier was fatally shot
<https://blinks.bloomberg.com/news/stories/RETWK5T0AFB7>
- Yen Selling Accelerates as Japan Policies Earn Public Backing
Dollar-yen climbs to fresh 24-year high after election results
Political stability may suggest status quo on key policies
<https://blinks.bloomberg.com/news/stories/REU5IZT0AFB4>
- Goldman's Baba Sees Japan Govt Sticking With Current BOJ Policy
<https://blinks.bloomberg.com/news/stories/RETXMWT1UM0W>
- Abe's Death May Slowly Reduce Dovish Fiscal, BOJ Momentum: SMBC
<https://blinks.bloomberg.com/news/stories/RETVBKT1UM0W>
- (Japan) June Money Stock M2 YoY, actual 3.3%, est. 3.1%, prior 3.2%, revised 3.1%
- (Japan) May Core Machine Orders YoY, actual 7.4%, est. 5.6%, prior 19.0%
- Yen Falls to 24-Year Low After Election: Inside Japan
<https://blinks.bloomberg.com/news/stories/REU81HT0AFB4>



EM Headlines

- China's Bumper Data Week Will Set Tone for Economic Stimulus (1)
Economy probably expanded at the slowest pace since early 2020
PBOC expected to hold policy rates, but stimulus seen in 2H
<https://blinks.bloomberg.com/news/stories/RETYRTT0AFB4>
- Shanghai Outbreak Swells as First Sub-Variant Case Detected (1)
Financial hub steps up testing as first BA.5 infection found
Shandong's outbreak continues to flare, Beijing reports 1 case
<https://blinks.bloomberg.com/news/stories/REU2NLT0AFB4>
- Bond Futures Gain Most in a Month, Yuan Declines: Inside China
<https://blinks.bloomberg.com/news/stories/REU3JZT0AFB8>
- Won, Stocks Turn Steady as Risk-On Mood Fades: Inside Korea
<https://blinks.bloomberg.com/news/stories/RETX14T1UM0W>
- S. Korea July 1-10 Exports Rise 4.7% Y/y; Trade Deficit \$5.53b
<https://blinks.bloomberg.com/news/stories/RETXO7T0AFBA>
- Recession Angst Spurs Pivot to Emerging World's Growth Engines
Asian local bonds leading gains in emerging markets in July
That's despite default fears related to Sri Lanka's troubles
<https://blinks.bloomberg.com/news/stories/REU5E8T1UM0W>
- Rupees Slides to New Record on Foreign Outflows: Inside India
<https://blinks.bloomberg.com/news/stories/REU9W7DWRGG0>
- Top Funds See Value in Risky India Bonds After RBI Sparked Rout
ICICI Prudential, Nippon India note stronger balance sheets
They see value coming into view as credit spreads widen
<https://blinks.bloomberg.com/news/stories/REHL4EDWLU68>
- Indian Inflation Expected to Cool From October, RBI's Das Says
Shift may ease need for aggressive action, allow soft landing
Price gains now more linked to global factors, governor says
<https://blinks.bloomberg.com/news/stories/REQR0NT0G1KW>
- Rajapaksa to Finally Exit After Sri Lanka Protesters Storm House
President agrees to resign hours after he flees official home
Concerns building over power vacuum as country talks with IMF
<https://blinks.bloomberg.com/news/stories/RETVJQT0G1KW>
- Rupiah Gains as Traders Assess BI's Rate Hikes: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/REU3EFT0G1KX>
- Fuel Theft Becomes Billion-Dollar Problem Again in AMLO's Mexico (2)
The president helped eradicate illegal taps of Pemex gasoline pipelines, a practice known as huachicol. Now thieves—and cartels—are targeting liquefied petroleum gas, or LPG.
<https://blinks.bloomberg.com/news/stories/REPRB5T0AFB6>
- Mexico Credit Rating Cut by Moody's as Fiscal Picture Worsens
Moody's says economic scarring from pandemic won't be reversed
Rating cut to Baa2; move comes days after S&P boosted outlook
<https://blinks.bloomberg.com/news/stories/REQ1HFDWLU6B>
- Inflation Speeds Up in Brazil, Chile Ahead of Planned Rate Hikes
Brazil consumer prices up 11.89% a year, Chile's rose 12.5%



Both were below estimates without changing tightening outlook

<https://blinks.bloomberg.com/news/stories/REPB9KDWLUG6C>

- Chilean Prices Rise Less Than Expected Before Rate Decision
Consumer prices rose 12.5% on year, 0.9% on month in June
Central bank set to lift rates for 9th straight time next week
<https://blinks.bloomberg.com/news/stories/RELWI1DWX2PV>
- Colombia Central Bank Has to Look Beyond Inflation, Ocampo Says
Policy makers also need to look at growth and employment
Ocampo will hold seat at the central bank's seven-member board
<https://blinks.bloomberg.com/news/stories/REPN1DWRGG0>
- Poland's Central Bank Chief Alleges German Pressure to Join Euro
<https://blinks.bloomberg.com/news/stories/REPGPYT0AFB4>
- Poland Floats Plan to Impose Windfall Tax on State Utilities
<https://blinks.bloomberg.com/news/stories/RETO4ETOG1KW>
- Glapinski Says Doesn't Like Weak Zloty But It's Not A Problem
<https://blinks.bloomberg.com/news/stories/REPGOZDWRGG4>
- Hungary Price Cap Threatens Oil Supply Security, Mol CEO to ATV
<https://blinks.bloomberg.com/news/stories/REUBU2T0AFB4>
- US to Scrap Hungary Tax Treaty Amid Global-Deal Resistance (1)
Treasury move follows tension over tax pact backed by Yellen
Hungary says it won't be pressured into supporting minimum tax
<https://blinks.bloomberg.com/news/stories/REQTHDT0AFB4>
- Zloty at Record Low to Dollar Ups Ante for Glapinski: Inside CEE
<https://blinks.bloomberg.com/news/stories/REOYUUDWRGG0>
- Hungarian Inflation Rate Rises to Highest Level in 24 Years
<https://blinks.bloomberg.com/news/stories/REORMHT1UM0X>
- Michl Sees Debate About Pros and Cons of More Czech Rate Hikes
<https://blinks.bloomberg.com/news/stories/REUC9UT0AFB4>
- Czech Central Bank Sold \$3.7 Billion to Prop Up Koruna in May
<https://blinks.bloomberg.com/news/stories/REOX1QT1UM0W>
- Rand's Resilience Tested as US Recession Fears Move to Forefront
South African currency set to extend drop despite fundamentals
Slump in industrial metals, dollar strength to scupper rebound
<https://blinks.bloomberg.com/news/stories/REJAQPDWLU69>
- Dirty Coal Is Keeping South Africa's Inflation In Check (1)
Eskom benefits from nation's rich reserves of the fossil fuel
Country's inflation rate is lower than that of the Euro-area
<https://blinks.bloomberg.com/news/stories/REOZBDDWLU68>
- S&P Says Positive Outlook on S. Africa Still Faces Hurdles
Rating company changed its outlook on the country in May
Risks remain in commodities demand and global economy
<https://blinks.bloomberg.com/news/stories/REPOSGDWLU68>