

DM Headlines

- IMF Cuts World GDP Outlook a Third Time as Inflation, Rates Jump Outlook risks 'overwhelmingly tilted to downside,' fund says World may soon be teetering on recession edge, Gourinchas says <https://blinks.bloomberg.com/news/stories/RFMW3MT0G1KW>
- Biden Will Speak to Xi on Thursday as US-China Ties Worsen Tensions have risen over possible Pelosi visit to Taiwan Biden considering lifting some tariffs imposed by Trump <https://blinks.bloomberg.com/news/stories/RFNSAODWX2PS>
- Oil Climbs as US Crude Stockpiles Shrink Ahead of Fed Decision Crude inventories fell by 4.04 million barrels last week: API Central bank expected to approve big rate hike on Wednesday <https://blinks.bloomberg.com/news/stories/RFO1HTT0AFB4>
- SOFR Futures Market Gets Big Block Trade as Bet on Hawkish Fed Position anticipates wider gap between 2022 and 2023 contracts Swaps price in at least two quarter-point rate cuts next year <https://blinks.bloomberg.com/news/stories/RFN938T0G1KW>
- US INSIGHT: Economy Walking the Line - High-Frequency Dashboard <https://blinks.bloomberg.com/news/stories/RFN28IT0AFB4>
- Treasury Bill Yields Continue Rising Ahead of Fed Rate Decision <https://blinks.bloomberg.com/news/stories/RFN1MST0G1KW>
- US PREVIEW: Powell to Avoid Feeding Market Hopes of a 'Fed Put' <https://blinks.bloomberg.com/news/stories/RFMZNDT0G1KW>
- Forward Guidance Has Outlived Its Usefulness for the Fed <https://blinks.bloomberg.com/news/stories/RFMXSKT0G1KW>

- EU Nations Back 15% Gas-Cut Target as Russia Reduces Flows (1) Ministers sign off on voluntary rules to cut demand by 15% Rules may become mandatory under emergency supply situation <https://blinks.bloomberg.com/news/stories/RFMQZST0AFB4>
- Russian Gas Cuts Risk Reviving Old EU Divisions This Winter Southern capitals cool to excessive efforts to help Germany Bloc confident that solidarity will prevail against Putin <https://blinks.bloomberg.com/news/stories/RFMGFIT0G1L0>
- Goldman Sees Euro-Area Recession in Second Half of This Year <https://blinks.bloomberg.com/news/stories/RFO2ZPT0AFB4>
- Spain Slashes 2023 Growth as Inflation Weighs on Economy (2) Economy Minister Calvino says inflation main challenge ahead Govt sets new record spending limit of 198 billion euros <https://blinks.bloomberg.com/news/stories/RFN2S0T0AFB4>
- German Hopes of Avoiding Recession Are Shrinking by the Day (1) IMF predicts slowest G-7 growth as inflation and energy weigh Banks say downturn has begun and will last into 2023 <https://blinks.bloomberg.com/news/stories/RFO1Y0T0G1KW>
- Half-Point ECB Hike Doesn't Imply Higher Terminal Rate: De Cos <https://blinks.bloomberg.com/news/stories/RFN27ST1UM0W>



- UK Retailers Report Prices Rising at Sharpest Pace Since 2005
Figures add to the cost-of-living crisis hitting consumers
Many retailers absorb some of the shock to keep customers
<https://blinks.bloomberg.com/news/stories/RFMCABT1UM0Y>
- (UK) July BRC Shop Price Index YoY, actual 4.4%, prior 3.1%
- Trading UK Bonds Comes With Rare Hedging Risk in Futures Market
Gilt flips before contract ends for first time since 2014: RBC
Traders fear more quirks will leave bond hedges less effective
<https://blinks.bloomberg.com/news/stories/RFMYFUT1UM0W>
- Sunak Vows to Cut VAT on Energy to Revive UK Tory Leadership Bid
Rival Truss criticizes former chancellor's pledge as a U-turn
Truss campaign announces policy designed to cut crime by 20%
<https://blinks.bloomberg.com/news/stories/RFNRDZTOAFB4>
- Rail Strike Will Add to Britain's Summer of Travel Misery (1)
Industrial action will stop most trains from running Wednesday
Port of Dover faces prospect of more queues later this week
<https://blinks.bloomberg.com/news/stories/RFO1SJT1UM0W>
- Former BOE Rate Setter Says Truss's Tax Cut Plan 'Risky' for UK
<https://blinks.bloomberg.com/news/stories/RFMC9XT0G1KW>
- UK Economy Will Have Slowest Growth in G-7 Next Year, IMF Says
<https://blinks.bloomberg.com/news/stories/RFMIUPT1UM10>

- Inflation Is a New Friend for Australia Bond Bulls
<https://blinks.bloomberg.com/news/stories/RFNHAFTOAFB4>
- Australia's Super-Size Rate-Hike Bets Scrapped on Inflation Miss
Investors had feared the worst as prices surged worldwide
CPI is still highest since 2001, keeping pressure on RBA
<https://blinks.bloomberg.com/news/stories/RFNX47T0AFB4>
- (AU) 2Q CPI Trimmed Mean YoY, actual 4.9%, est. 4.7%, prior 3.7%
- (AU) 2Q CPI YoY, actual 6.1%, est. 6.3%, prior 5.1%
- RBA's Harper Says 'Robust' Economy Can Withstand Further Hikes
RBA board member Ian Harper sees broader price pressures now
Harper plays down risk of rate 'overreach' after PM's comments
<https://blinks.bloomberg.com/news/stories/RFLQ7WT1UM0W>
- Bonds Rise as CPI Miss Dilutes Hawkish Bets: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RFNYOQT0AFB7>

- BlueBay Refuses to Back Down on Japan Bond Short as Yields Fall
Asset manager reaffirms commitment to short JGB bets
Sees potential pivot from Bank of Japan in September
<https://blinks.bloomberg.com/news/stories/RFNJ8HT1UM0W>
- Japan's May Leading Index Revised Down to 101.2; Details
<https://blinks.bloomberg.com/news/stories/RFNY4EGFR4SG>
- Japan's Deeper Inflation Trend Shows Price Growth Spreading
<https://blinks.bloomberg.com/news/stories/RFM1RLT1UM0Y>

EM Headlines

- Fed Hike Will Intensify Market Risks for Asia's Central Banks
Negative real policy rates in Asia are spurring fund outflows
Southeast Asia has the slimmest of buffers to rising US rates
<https://blinks.bloomberg.com/news/stories/RFK981T0AFB5>
- China's Industrial Profits Rise in June as Covid Curbs Ease (1)
Foreign firms still see big profit plunge in first six months
Overall improvement due in part to supply chain recovery: NBS
<https://blinks.bloomberg.com/news/stories/RFNOUAT0AFB6>
- China's Borrowing Cost Slump Shows Limits of PBOC Policy Easing
Money supply growth exceeded credit growth in last 3 months
Excess cash isn't getting funneled to the real economy: Citic
<https://blinks.bloomberg.com/news/stories/RFNOV5T1UMOW>
- Overnight Repo Rate Sub-1%, First Time Since 2021: Inside China
<https://blinks.bloomberg.com/news/stories/RFNR9HT0AFB4>
- China's Impact on Asia FX, Rates Is Diminishing: Morgan Stanley
<https://blinks.bloomberg.com/news/stories/RFMFQ6T0G1KW>
- (China) June Industrial Profits YoY, actual 0.8%, prior -6.5%
- (China) June Industrial Profits YTD (YoY), actual 1.0%, prior 1.0%
- Rupiah Slips as IMF Warns on Global Economy: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RFNS4FT0AFB4>
- Xi Gets Invitation to G-20 Summit, But His Response Is Unclear
Jokowi is first foreign leader to visit China since Olympics
G-20 host visiting nations to ensure smooth summit in November
<https://blinks.bloomberg.com/news/stories/RFML2BT0G1L3>
- Rupee Slips With Regional Currencies Ahead of FOMC: Inside India
<https://blinks.bloomberg.com/news/stories/RFNVU9T0AFB4>
- Credit Suisse Raises India Bond View on Easing Rate-Hike Bets
<https://blinks.bloomberg.com/news/stories/RFMLGMT0G1KW>
- Won Falls on Recession Fears Ahead of Fed Meeting: Inside Korea
<https://blinks.bloomberg.com/news/stories/RFNJTKT0AFB4>
- South Korea's Consumer Confidence Drops by Most Since Pandemic
Inflation expectations, price perceptions reach record highs
Outlook for economy drops sharply to weakest level since 2008
<https://blinks.bloomberg.com/news/stories/RFM7VCT1UM11>
- IMF Sees Argentina Committed to Program, With Downside Risks (2)
Managing Director Georgieva met with Economy Minister Batakis
Fund's chief economist sees 'quite preoccupying' situation
<https://blinks.bloomberg.com/news/stories/RFMTF2T0AFB6>
- El Salvador Bonds Surge on Plan for Buyback at Market Prices
Government will make 'transparent, public and voluntary' offer
The program will start in six weeks, Bukele tweeted Tuesday
<https://blinks.bloomberg.com/news/stories/RFN93NT0G1KW>
- Mexico's 'Super Peso' Shocks Traders Who Had Bet on Wipeout (1)
Mexico is benefitting as factories 'nearshore' from China



It's the beginning of a turnaround from two decades ago

<https://blinks.bloomberg.com/news/stories/RFMZU2DWLU6A>

- Brazil Inflation Cools More Than Expected Ahead of Rate Hike (1)
Prices rose 11.39% in mid-July from a year ago; 0.13% on month
Transportation and housing costs fell on the month; food rose
<https://blinks.bloomberg.com/news/stories/RFMN57T1UM0W>
- Bankers, CEOs, Jurists See 'Immense Danger' to Brazil Democracy
Letter supporting voting system receives over 3,000 signatures
Bolsonaro has increased attacks against electoral authorities
<https://blinks.bloomberg.com/news/stories/RFNGKVT0G1KW>
- Campaign to Reject Chile Charter Far Outspending Approval Push
Backers of new constitution have also received fewer donations
Chile will hold referendum on proposed new charter on Sept. 4
<https://blinks.bloomberg.com/news/stories/RFN5B3T1UM0W>
- Fitch Rtg: Chile, Colombia Large Current Account Deficits Are a Vulnerability
<https://blinks.bloomberg.com/news/stories/RFMTJB33O5CO>
- CLP Leads Global FX as Copper Helps Central Bank: Inside Andes
<https://blinks.bloomberg.com/news/stories/RFMSKET0AFB4>
- Poland to Boost Grain Exports Capacity by 500,000 Tonnes/Month
<https://blinks.bloomberg.com/news/stories/RFO0DOT0AFB4>
- Hungary Raises Key Rate Above 10%, Commits to Further Tightening
Central Bank raises base rate by 100 basis points to 10.75%
1-week rate set to increase by same amount Thursday, it says
<https://blinks.bloomberg.com/news/stories/RFMRMMT1UM0W>
- Orban Denounced for 'Nazi' Speech After Tirade on Migration
<https://blinks.bloomberg.com/news/stories/RFMNAOT1UM0Y>
- Czech Central Banker Seeks Cautious Steps After Change of Guard
New board member sees cooling in loans, demand, house prices
Frait says hikes in August or later 'definitely' not ruled out
<https://blinks.bloomberg.com/news/stories/RFM9UUT0AFB4>
- Czech Cabinet to Raise Salaries for Police, Firefighters: CTK
<https://blinks.bloomberg.com/news/stories/RFMR7BT0G1KY>
- Zamrazilova Says Czech GDP, Wage Talks Are Key for Rates: Radio
<https://blinks.bloomberg.com/news/stories/RFMWHAT0AFB4>
- Demand Climbs at S. Africa's Weekly Debt Sale to February Highs
Auction's bid-to-cover ratio surpassed average seen since June
Sale no relief to yields, which rose after auction completion
<https://blinks.bloomberg.com/news/stories/RFMHGYT0AFB4>
- Money Laundering Seen a High Risk Threat for South African Banks
<https://blinks.bloomberg.com/news/stories/RFMM2OT0AFB4>