

DM Headlines

- Hedge Fund Treasury Shorts Jump to Multiyear Highs Before Powell
Leveraged net short over 5 million 10-year futures equivalents
JPMorgan Treasury clients cut long positions in cash market
<https://blinks.bloomberg.com/news/stories/RM49RJTOAFB4>
- BofA Says the US Yield Curve Will Return to Normal on Fed Pivot
Strategists sees both 2-, 10-year yields at 3.25% by end-2023
Weakening labor market likely to spur Fed policy pivot: BofA
<https://blinks.bloomberg.com/news/stories/RM4AOPTOG1KW>
- Barclays Pushes Back Timeline for US Recession, Fed Cuts on Data
Start of 'shallow recession' delayed to second quarter
Fed could wait one more meeting before cutting interest rates
<https://blinks.bloomberg.com/news/stories/RM4HDVT1UM0W>
- Oil Climbs a Third Day on OPEC+ Cut Chatter, Falling Stockpiles
Producer alliance may agree to reduce output at Dec. 4 meeting
WTI rises toward \$79 after adding 2.5% over last two sessions
<https://blinks.bloomberg.com/news/stories/RM5DT0DWX2PS>
- BofA Sees 'Choppy' First Quarter Before Rates, Dollar Peak
<https://blinks.bloomberg.com/news/stories/RM4E36T0G1LD>
- Bullard Repeats Call for Fed Hikes, Looks for Return to Normal
<https://blinks.bloomberg.com/news/stories/RM4O42T1UM0W>
- Fear Gauge Suggests US Labor Market May Break Soon: Macro View
<https://blinks.bloomberg.com/news/stories/RM45W2T0AFB4>
- Global Debt Costs Are Soaring. Here's Where It Will Hurt Most
With borrowing becoming pricier, risks abound for overleveraged consumers, companies and countries.
<https://blinks.bloomberg.com/news/stories/RM59Y2DWX2PV>

- German Inflation Eases, Boosting Calls for Slower ECB Hikes (2)
Consumer prices advanced 11.3% in November, as expected
Spanish and Belgian data earlier Tuesday were also softer
<https://blinks.bloomberg.com/news/stories/RM467LT0AFB6>
- French Inflation Holds at Record, Defying European Slowdown (1)
November consumer prices rose 7.1% from year ago; est. 7%
Data follow lower inflation readings in Germany and Spain
<https://blinks.bloomberg.com/news/stories/RM5I24T0AFB4>
- EU Is Hooked on Russia LNG and Paying Billions to Keep It Coming
Europe's costs to import the fuel have soared to a record
Liquefied gas is unlikely to face region-wide ban, unlike oil
<https://blinks.bloomberg.com/news/stories/RLU3J2T0G1KW>
- EU Proposes Special Court to Probe Russian Actions in Ukraine
<https://blinks.bloomberg.com/news/stories/RM5IA5DWRGG0>
- De Cos Says Can't Predict How Much ECB Rates Need to Climb (1)
Uncertainty complicates anticipation of terminal rate
Spain could be early indicator of price evolution in euro zone
<https://blinks.bloomberg.com/news/stories/RM4AOF0G1KW>



- UK to Relax Ring-Fencing of Banks as Part of Brexit 'Big Bang'
Part of government efforts to deregulate the City of London
Ring-fencing part of response to 2008 global financial crisis
<https://blinks.bloomberg.com/news/stories/RM564MTOG1KW>
- (UK) Nov. BRC Shop Price Index YoY, actual 7.4%, prior 6.6%
- (UK) Nov. Lloyds Business Barometer, actual 10, prior 15
- UK Mortgage Approvals Fall in Sign of Weaker Housing Market (1)
Homebuyer demand being hit by rising borrowing costs
House prices expected to lose value over the next two years
<https://blinks.bloomberg.com/news/stories/RM3RYQT0AFB4>
- UK INSIGHT: Think 2022 Was Bad For Britain? Wait for 2023
<https://blinks.bloomberg.com/news/stories/RM5E05T0AFB4>
- BOE's Mann Says UK Inflation Expectations Drifting Toward 4% (1)
<https://blinks.bloomberg.com/news/stories/RM4102T0AFB5>

- Australia Inflation Surprisingly Eases, Reducing Rate-Hike Bets
October consumer price indicator climbed 6.9% vs 7.6% estimate
Price gains cooled for holiday travel and fruit and vegetables
<https://blinks.bloomberg.com/news/stories/RM59BGT0G1KW>
- (AU) Oct. Private Sector Credit YoY, actual 9.5%, est. 9.4%, prior 9.4%
- (AU) Oct. CPI YoY, actual 6.9%, est. 7.5%, prior 7.3%
- (AU) Oct. Building Approvals MoM, actual -6.0%, est. -2.0%, prior revised -8.1%
- (NZ) Nov. ANZ Business Confidence, actual -57.1, prior -42.7
- Aussie Bonds Rise After CPI Misses Estimate: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RM56ZXT1UMOW>
- RBA's Kearns Sees Interest-Rate Rises Boosting Home-Loan Arrears
Home loan arrears are likely to climb, Kearns says in speech
Kearns expresses confidence in outlook of RMBS market overall
<https://blinks.bloomberg.com/news/stories/RM3C2ST0G1KW>
- RBNZ Doesn't Want Time-Frame For Returning Inflation to Target
Central bank prefers undefined 'medium term' horizon for goal
Specified time-frame an option in monetary policy remit review
<https://blinks.bloomberg.com/news/stories/RM4MDMT1UMOW>

- Covid Arbitrage Trade Dries Up in Japan and Overnight Rates Drop
Reduced Covid funding leads to drop in arbitrage: MUFJ-MS
Covid funding balance has dropped 88% since peaking in March
<https://blinks.bloomberg.com/news/stories/RM4SFPT1UMOW>
- Japan's Factory Output Decline Flags Weak Start to Final Quarter
Chip and flat-panel making gear dragged down production
Decline shows weak start to fourth quarter, patchy recovery
<https://blinks.bloomberg.com/news/stories/RM4WKBT0G1KX>
- (Japan) Oct. Industrial Production MoM, actual -2.6%, est. -1.8%, prior -1.7%
- (Japan) Oct. Industrial Production YoY, actual 3.7%, est. 5.1%, prior 9.6%
- Yen Is Poised for its Best Monthly Gain Since 2016: Inside Japan
<https://blinks.bloomberg.com/news/stories/RM5DG5T0AFB7>

EM Headlines

- China Economic Activity Falls as Covid Cases Surge to Record (2)
Manufacturing PMI drops to 48 in November, lowest since April
Sub-indexes measuring output, suppliers' delivery times plunge
<https://blinks.bloomberg.com/news/stories/RM52E9T0G1KZ>
- China Vows Crackdown on 'Hostile Forces' Amid Covid Protests (2)
Comments from law-enforcement body are warning to protesters
Heavy police presence appears to deter more demonstrations
<https://blinks.bloomberg.com/news/stories/RM50MNT0G1KW>
- 'Interesting' Yuan Rally Driven by Capital Flows: Pepperstone
<https://blinks.bloomberg.com/news/stories/RM4S8XT0AFB8>
- (China) Nov. Manufacturing PMI, actual 48.0, est. 49.0, prior 49.2
- (China) Nov. Non-manufacturing PMI, actual 46.7, est. 48.0, prior 48.7
- Softer China Stance on Covid Emerges in Media, Official Rhetoric
The tone is shifting after strict curbs drew social unrest
State media urged citizens take control of their own health
<https://blinks.bloomberg.com/news/stories/RM5DMNT0G1KW>
- CHINA REACT: PMI Pain Adds Pressure to Ease Covid Zero (1)
<https://blinks.bloomberg.com/news/stories/RM54YFT1UM0W>
- CNY Edges Up on Hopes for Further Covid Easing: Inside China
<https://blinks.bloomberg.com/news/stories/RM50HDT1UM1O>
- Won Gains Amid Foreign Inflows Before Fed Speech: Inside Korea
<https://blinks.bloomberg.com/news/stories/RM4ZIMT0G1KW>
- Korea's Industrial Output Declines as Pressure Builds on Economy
Industrial production falls by most from prior month since '20
Falling exports, credit crunch and trucker strike add to woes
<https://blinks.bloomberg.com/news/stories/RM4SMWT0G1KX>
- BOK's Rhee Steps Closer to Flagging 3.5% as Terminal Rate (1)
More BOK board members than not see peak rate as one hike away
Inflation fight remains top priority for BOK, Rhee says
<https://blinks.bloomberg.com/news/stories/RM5FOIT0G1KX>
- Indonesia Ready to Boost Rates, Buy Bonds to Shield Rupiah (1)
Economic recovery, attractive yields should lure foreign funds
Core inflation should return to target in early 2023: Governor
<https://blinks.bloomberg.com/news/stories/RM57N3T1UM0W>
- RBI Is Seen Nearing Rate-Hike Peak With Funds Buying Short Bonds
RBI may complete tightening cycle this fiscal year: Tata Asset
Investors shun longer debt on fears of elevated borrowings
<https://blinks.bloomberg.com/news/stories/RLQFOEDWLU69>
- Rupee Is Set for First Monthly Advance This Year: Inside India
<https://blinks.bloomberg.com/news/stories/RM5605T1UM0W>
- Rupiah Steady as BI Intervenes to Support FX: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RM5B4AT0AFB4>
- Mexico Peso Nears Pre-Pandemic High as Traders Bet on More Gains
Peso leaped Tuesday to its strongest level since March 2020



Attractive carry, stable politics help to boost bullish bets

<https://blinks.bloomberg.com/news/stories/RM424RT0G1KW>

- AMLO Warns Spat With US Over GMO Corn Will Escalate Without Deal
Mexico to study if GMO corn as animal feed harms humans: AMLO
Mexico has 'elements to defend' itself under USMCA trade deal
<https://blinks.bloomberg.com/news/stories/RM48TYT0G1KW>
- Lula, Haddad, Arida Attend First In-Person Economy Team Meeting
<https://blinks.bloomberg.com/news/stories/RM4NV0T0G1KW>
- Brazil Politics: Haddad Joins Economic Transition Team Meetings
<https://blinks.bloomberg.com/news/stories/RM3ZDRT0G1L0>
- Chile October Unemployment Rate 8.0%; Est. +8.1%
<https://blinks.bloomberg.com/news/stories/RM3YU0GFA9Z4>
- Peso Gains on Views China May Ease Covid-19 Rules: Chile Close
<https://blinks.bloomberg.com/news/stories/RM4FXHT0AFB4>
- Colombia May Be Nearing End of Hiking Cycle, Villar Says (1)
<https://blinks.bloomberg.com/news/stories/RM4FHAT0G1KY>
- Colombia Could Sell More Global Bonds if Risk Drops: Ocampo
<https://blinks.bloomberg.com/news/stories/RM4BUI0G1KW>

- Turkey's Economic Slowdown Worse Than Forecast Despite Rate Cuts
GDP growth decelerates to annual 3.9%, slowest since 2020 drop
Turkish inflation crisis is starting to take toll on economy
<https://blinks.bloomberg.com/news/stories/RM47I7T0G1KW>
- Poland to Keep 0% VAT on Food in 1H 2023 at PLN8b Cost: Premier
<https://blinks.bloomberg.com/news/stories/RM3ZG4T0G1KW>
- EU Finance Chiefs to Need New Meeting on Hungary, Minister Says
<https://blinks.bloomberg.com/news/stories/RM3PGZT1UM0W>
- Hungary Oct. Producer Prices Rise 3.7% M/m
<https://blinks.bloomberg.com/news/stories/RM5HHMT1UM0W>
- Hungary Sells \$400 Million in Bonds as Orban Looks to Fill Gaps
Soaring energy costs raise financing need by over \$10 billion
Uncertainty over EU fund disbursement adds to debt pressure
<https://blinks.bloomberg.com/news/stories/RM3WHGT1UM0X>
- UniCredit Says Central Banks Will Pause Rate Hikes: Inside CEE
<https://blinks.bloomberg.com/news/stories/RM3S3QT0G1KX>
- South Africa's Mashatile Says ANC Must Focus on Fostering Growth
<https://blinks.bloomberg.com/news/stories/RM3SLT0G1KW>
- Farm Scandal Probe Winds Up With Ramaphosa's Fate at Stake
Top South African ruling party leaders to discuss findings
Separate investigations being conducted by police, ombudsman
<https://blinks.bloomberg.com/news/stories/RM3WEGT0G1KX>
- Energy Crisis Risks South African Financial Stability, SARB Says
Blackouts impacts negatively on growth, investor sentiment
Country has been experiencing energy shortages since 2008
<https://blinks.bloomberg.com/news/stories/RM3UY4T0G1KW>
- South Africa Factories Drive Job Growth Despite Record Blackouts
<https://blinks.bloomberg.com/news/stories/RM3SG2T1UM0X>