

DM Headlines

- Fed to Downshift While Signaling Higher Peak: Decision Day Guide
Fed officials are expected to raise rates by 50 basis points
Fresh projections could shed light on how high rates may go
<https://blinks.bloomberg.com/news/stories/RMU4XMT1UM0W>
- US Core Inflation Slows, Giving Fed Some Breathing Room on Rates
Key gauge rose 0.2% in November, below economists' forecasts
Cooling inflation validates anticipated Fed downshift in hikes
<https://blinks.bloomberg.com/news/stories/RMU1Y6T0G1KW>
- Bond Traders Now Lean Toward Quarter-Point Fed Hike in February
Swaps price lower peak policy rate, see cuts second-half
Markets continue to lock-in a 50bp move for Wednesday decision
<https://blinks.bloomberg.com/news/stories/RMU4NQT0G1KW>
- Bond Traders Betting on Rates Downshift Have Fed Hurdle to Clear
Treasuries pare some post-CPI gains as Fed set to raise rates
Swaps traders price in a lower peak for Fed's policy rate
<https://blinks.bloomberg.com/news/stories/RMUT7PT0G1KZ>
- US REACT: CPI Adds to 'Compelling' Case for Rate Pause Soon (1)
<https://blinks.bloomberg.com/news/stories/RMU3OZT1UM0X>
- US to Add More Than 30 Chinese Companies to Trade Blacklist (1)
Yangtze Memory and others will move to US Entity List
US and China have battled over access to leading technology
<https://blinks.bloomberg.com/news/stories/RMV3FKT1UM14>
- Oil Dips After Two-Day Rally Ahead of Fed Decision on Rates
Slowing consumer prices signals worst of inflation likely over
WTI slips toward \$75 after advancing 6% over two sessions
<https://blinks.bloomberg.com/news/stories/RMVCAPT0G1KY>

- EU Agrees to Tap Carbon Market for €20 Billion in Energy Pivot
Emissions permits sales to finance shift away from Russian gas
Deal involves use of permits placed in carbon market reserve
<https://blinks.bloomberg.com/news/stories/RMUUCMT0AFFE>
- What We Know as the ECB Gears Up to Reverse Years of Bond-Buying
Officials to announce key quantitative-tightening principles
President Lagarde promised 'measured and predictable' approach
<https://blinks.bloomberg.com/news/stories/RMIXEVDWX2PS>
- Euro Can Ride High on ECB Being More Hawkish Than Fed
<https://blinks.bloomberg.com/news/stories/RMV2CRT0G1KW>
- ECB to Raise Rates by 50Bps, Indicate Further Rises -- Market Talk
<https://blinks.bloomberg.com/news/stories/RMVEQQ073NCW>
- French Workers Threaten Strikes If Macron Raises Retirement Age
Labor and student groups have put the president on notice that they'll take to the streets
over his pension reform.
<https://blinks.bloomberg.com/news/stories/RMV7A3T1UM0W>
- EURO-AREA INSIGHT: Late 'Team Transitory' Win May Axe Recession
<https://blinks.bloomberg.com/news/stories/RMV981T0G1KX>



- UK Inflation Eases in Sign Living-Cost Squeeze Is Past Peak (2)
Core inflation, petrol and used car prices all softened
Figures unlikely to deter Bank of England rate rise this week
<https://blinks.bloomberg.com/news/stories/RMVDMST1UM0Y>
- UK REACT: CPI Is Past Peak, Opening Door to 50-Bp BOE Hike
<https://blinks.bloomberg.com/news/stories/RMVDTUT0AFB4>
- U.K. Inflation Eased in November, Following Global Trend – Update
<https://blinks.bloomberg.com/news/stories/RMVF9Y073NCW>
- UK Energy Bill Support Contributing to Labor Shortages, MPs Say
Means testing creates cliff-edges that deter people from work
Parliament panel says payments should spread over six months
<https://blinks.bloomberg.com/news/stories/RMTR6OT0AFB7>

- SURVEY: Australia’s 10Y Bond Yield to Rise to 3.74% by End-4Q22
<https://blinks.bloomberg.com/news/stories/RMUTM4GFFW8W>
- Australian Homelessness Spikes as Soaring Living Costs Hit Poor
Only 3% of community services say they can always meet demand
Community services are ‘beyond breaking point,’ ACOSS CEO says
<https://blinks.bloomberg.com/news/stories/RMT1FBT1UM0W>
- New Zealand Government Forecasts Recession as Rates Rise (1)
Budget is expected to return to surplus in 2024-25 fiscal year
Finance Minister plans to run contractionary fiscal policy
<https://blinks.bloomberg.com/news/stories/RMUVHCTOG1KW>
- (NZ) 3Q Current Account GDP Ratio YTD, actual -7.9%, est. prior -7.7%
- (NZ) 3Q BoP Current Account Balance NZ, actual -10.2b, est. -10.2b, prior revised -5.42b
- Aussie, Kiwi Fall Amid China Covid Surge: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RMV3Y0T0G1KW>

- BOJ Is Likely to Conduct Policy Review in 2023, Economists Say
No change in negative rate, yield control expected next week
Deputy Governor Amamiya still top contender to replace Kuroda
<https://blinks.bloomberg.com/news/stories/RMTNDLT1UM0W>
- (Japan) 4Q Tankan Large Non-Mfg Index, actual 19, est. 16, prior 14
- (Japan) 4Q Tankan Large Mfg Index, actual 7, est. 6, prior 8
- (Japan) Oct. Core Machine Orders MoM, actual 5.4%, est. 1.8%, prior -4.6%
- Japan’s Biggest Firms Take Different Views on Economic Outlook
Manufacturers’ mood worsens for a fourth consecutive quarter
Global economy clouds outlook while domestic demand recovers
<https://blinks.bloomberg.com/news/stories/RMUTS1T1UM0Y>
- Yen Rallies With Bonds on Slower Fed Hike Bets: Inside Japan
<https://blinks.bloomberg.com/news/stories/RMV99GT0G1KX>
- JAPAN REACT: Tankan’s Ebbing Outlook Backs BOJ Stimulus Case (1)
<https://blinks.bloomberg.com/news/stories/RMV17HT0AFB4>

EM Headlines

- China Reopening Overpriced by Markets, Saxo Capital Says
<https://blinks.bloomberg.com/news/stories/RMUY5TDWLU69>
- China Recovery Rally Not Fully Priced Into Markets, MS Says
<https://blinks.bloomberg.com/news/stories/RMUYC8T0G1KW>
- China's Economy Likely Worsened Before Abrupt Covid Policy Shift
Retail sales contraction expected to deepen, economists say
Central bank may add stimulus short of interest rate cut
<https://blinks.bloomberg.com/news/stories/RMNRRLDWLU68>
- China Postpones Key Economic Policy Meeting Due to Covid Spike
Annual confab usually features setting annual economic targets
Officials likely worried over adding to Covid spread: analyst
<https://blinks.bloomberg.com/news/stories/RMU4K4T0G1KZ>
- Bond Yields Drop as PBOC Liquidity Move Awaited: Inside China
<https://blinks.bloomberg.com/news/stories/RMUYW1T1UM1P>
- China Gives Up Counting All Covid Cases After Ending Mass Tests
Country will no longer report new asymptomatic cases
Official tally of infections collapsing despite virus spread
<https://blinks.bloomberg.com/news/stories/RMUXSXT0AFH0>
- Won Jumps as Risk Appetite Offsets Weaker Jobs: Inside Korea
<https://blinks.bloomberg.com/news/stories/RMUXJNT1UM0W>
- South Korea's Jobless Rate Rises as Rate Hikes Weigh on Hiring
<https://blinks.bloomberg.com/news/stories/RMUPTST0G1KW>
- BOK Members Back Further Rise in Rates to Cap Inflation: Minutes
<https://blinks.bloomberg.com/news/stories/RMTHNATOAFB7>
- Rupiah Advances With Most Peers; Bonds Rise: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RMUZJKT0AFB4>
- 16% of Indonesia's Population Will Travel in December: Bisnis
<https://blinks.bloomberg.com/news/stories/RMUS8IT1UM0W>
- Rupee, Bonds Rise After US Inflation Undershoots: Inside India
<https://blinks.bloomberg.com/news/stories/RMV3CKT1UM0X>
- ADB Cuts Developing Asia GDP Outlook Amid Global Growth Concerns
<https://blinks.bloomberg.com/news/stories/RMUN8LTOG1KX>

- Brazil Central Bank Has Fiscal Warning for New Finance Chief (1)
Bank sounds spending alarm before meeting with Fernando Haddad
Lula seeks additional \$28 billion in public spending in 2023
<https://blinks.bloomberg.com/news/stories/RMTX21T0G1KW>
- Brazil's Haddad Picks Galipolo as Deputy Finance Minister (1)
<https://blinks.bloomberg.com/news/stories/RMUB89T0G1KW>
- Chile Political Parties Revive Process to Write New Charter (2)
Proposal includes an elected council and appointed experts
Voters overwhelmingly rejected previous charter in September
<https://blinks.bloomberg.com/news/stories/RMTYK9T1UM0W>
- Mexico, Argentina, Colombia Back Castillo Amid Chaos in Peru (2)
Governments still refer to Pedro Castillo as Peru's president



Protesters were killed in clashes with security forces

<https://blinks.bloomberg.com/news/stories/RMU2HKT0AFB4>

- Banxico to Decouple From Fed After December Hike, Barclays Says
Barclays expects half-point rate increase in Mexico this week
Mexico to then raise 25bps in Feb. after Fed's 50bps in Jan.
<https://blinks.bloomberg.com/news/stories/RMUAJET1UM0W>
- Brazil's Haddad Promises a Balanced, Socially Responsible Budget
Incoming finance minister's plans face market skepticism
Government revenue for 2023 seems underestimated, he says
<https://blinks.bloomberg.com/news/stories/RMU9MEDWX2PS>
- Chile Money Manager Stands by Market-Beating Bet After CPI Shock
Marco Gallardo sees rate cuts beginning in the second quarter
Money manager for Bice Inversiones comments in interview
<https://blinks.bloomberg.com/news/stories/RMISIIDWRGG0>
- Petro Says Colombia Needs More Spending to Face 2023 Slowdown
<https://blinks.bloomberg.com/news/stories/RMUUYLT0G1KX>

- South Africa Lawmakers Vote Against Ramaphosa Impeachment Probe
<https://blinks.bloomberg.com/news/stories/RMU4ALT1UM0W>
- Lawmakers Quash Cash-in-Sofa Report in Boost for Ramaphosa (2)
South African president won't have to face impeachment inquiry
Panel found that Ramaphosa may have violated constitution
<https://blinks.bloomberg.com/news/stories/RMU5Z4T1UM0Z>
- Poland Secures EU Support for Plan to Access Billions in Aid (1)
Warsaw still needs to implement draft legislation, EU says
Poland's ruling party seeks financing before 2023 elections
<https://blinks.bloomberg.com/news/stories/RMUA57T0AFB4>
- Poland's Ruling Alliance Survives Key Confidence Vote After Spat
Law & Justice-led alliance has sparred over relations with EU
Fractious coalition will likely muddle through until 2023 vote
<https://blinks.bloomberg.com/news/stories/RMS7K1T0G1KZ>
- Hungary Extends Food Price Cap Until End-April 2023
<https://blinks.bloomberg.com/news/stories/RMV9FJT1UM0W>
- Forint, Hungarian Bonds Rally on EU Deal Relief: Inside CEE
<https://blinks.bloomberg.com/news/stories/RMTQFPT0G1KW>
- Dedek Sees Prevailing Arguments for Stable Czech Rates: Reuters
<https://blinks.bloomberg.com/news/stories/RMU3P2T0AFB6>
- South Africa Plans to Gauge Growing Use of Self-Generated Power
State power utility is unable to meet demand for electricity
Record power outages seen curtailing economic growth next year
<https://blinks.bloomberg.com/news/stories/RMIT92DWRGG2>
- South Africa Business Mood Shows Recovery From Covid Disruptions
- Confidence index averaged 109 in 2022 — highest in four years
- Index increased to 110.9 in November from 109.4 in October
<https://blinks.bloomberg.com/news/stories/RMTJW7T0G1KW>