

DM Headlines

- Global Bonds Rally as Cooler US Inflation Set to Spur Fed Shift
CPI data bolster speculation rate hikes are nearing end
Swaps show some chance Fed won't hike in March at all
<https://blinks.bloomberg.com/news/stories/ROEDOXT1UM0W>
- World Economy Walks Tightrope Between Recession and Soft Landing
China's sudden reopening changes its economy's growth outlook
Warmer weather has taken the edge off Europe's energy crisis
<https://blinks.bloomberg.com/news/stories/ROCIODT0G1KW>
- Fed on Track for Rate-Hike Downshift After Cool Inflation Data
Officials voice support for quarter-point increase next month
Key inflation gauges post smallest 12-month advances since '21
<https://blinks.bloomberg.com/news/stories/ROE01CT1UM0W>
- Fed's Harker Supports 25 Basis-Point Hikes 'Going Forward'
Harker sees rates rising 'a few more times this year'
A 2023 voter, says he's in the 'camp of being cautious'
<https://blinks.bloomberg.com/news/stories/RODN0GT1UM0W>
- Fed's Bullard Favors Getting Rates Above 5% 'Soon as Possible'
St. Louis Fed chief says 'front-loading' rate hikes has worked
Philadelphia Fed's Harker favors stepping down to 25 bps
<https://blinks.bloomberg.com/news/stories/RODW9UT0G1KW>
- US REACT: Service Costs a Worrisome Note in Subdued CPI Print
<https://blinks.bloomberg.com/news/stories/RODRAKT0AFB6>

- ECB Rate Pricing in Period of Lower Volatility Relative to 2022
<https://blinks.bloomberg.com/news/stories/ROEWXADWLU6C>
- Meloni Signals Climbdown on Italy's Hard Line on Fuel-Tax Relief
Government ready to aid consumers with extra tax income
Meloni defends government actions in television interview
<https://blinks.bloomberg.com/news/stories/RODW2PT1UM0W>
- German Net Borrowing Declined More Than Planned Last Year (1)
<https://blinks.bloomberg.com/news/stories/RODPLOT0AFB4>
- ECB's Vujcic Says Monetary-Tightening Cycle Isn't Over Yet
<https://blinks.bloomberg.com/news/stories/ROF03TT0AFB6>
- ECB's Kazaks Sees No Reason for Rate Cuts This Year: Reuters
<https://blinks.bloomberg.com/news/stories/ROEZN3T1UM1P>



- Britain May Avoid a Recession for Now as Consumers Spend (2)
Tax break and World Cup football helped prop up spending
Figures may strengthen case for sharp interest rate increases
<https://blinks.bloomberg.com/news/stories/ROEY2MT0AFB6>
- UK and EU Aim for Deal to End Brexit Clash in Fresh Talks (1)
“Tunnel” talks aim to unlock Northern Ireland protocol dispute
The advance comes after an agreement on data sharing
<https://blinks.bloomberg.com/news/stories/RODW3DT1UM0W>
- UK REACT: GDP Surprise Means Recession Delayed, Not Averted
<https://blinks.bloomberg.com/news/stories/ROEYPDT1UM0W>
- BOE Official Signals More Rate Rises Despite Recession Risk (1)
Catherine Mann says it’s key to curb inflation expectations
Bleak outlook with aging population and low productivity
<https://blinks.bloomberg.com/news/stories/RODX4ZT1UM0W>

- Australia Inflation Set to Recede Following Utility Bill Shock
<https://blinks.bloomberg.com/news/stories/ROE43DT0AFB4>
- Higher Rates and Falling Prices Hammer New Zealand Homeowners
Half of all mortgages in the South Pacific country have to be refinanced this year, driving up costs as home values plunge.
<https://blinks.bloomberg.com/news/stories/ROE0X9TOG1KW>
- (AU) Nov. Home Loans Value MoM, actual -3.7%, est. -2.0%, prior -revised -2.8%
- (AU) Nov. Owner-Occupier Loan Value MoM, actual -3.8%, prior revised -3.1%
- (AU) Nov. Investor Loan Value MoM, actual -3.6%, prior revised -2.3%
- Aussie Falls on Cross Flows, Bonds Advance: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/ROEN0JT1UM0W>

- Japan Bond Yield Breaches BOJ's Cap as Policy Change Wagers Grow
Ten-year yield rises above BOJ's policy ceiling of 0.5%
Citi expects BOJ to terminate yield curve control next week
<https://blinks.bloomberg.com/news/stories/ROEOS0TOG1KW>
- BOJ Conducts Unscheduled Bond Buying for Second Time on Friday
<https://blinks.bloomberg.com/news/stories/ROEHT8TOG1KZ>
- BOJ Watchers See Earlier Policy Shift After December’s Surprise
Hold expected next week, but 38% expect move in April or June
Poll shows 76% view wider yield range as step to normalization
<https://blinks.bloomberg.com/news/stories/ROED4CDWX2PV>
- JGB Futures Fall Signal Market Confident of Policy Tweak: Mizuho
<https://blinks.bloomberg.com/news/stories/ROEEEMT0AFB4>
- Kuroda to Avoid More Tweaks After December Move, Hayakawa Says
Ex-BOJ official says extra changes should come after a review
Joint accord with government also needs revising, he adds
<https://blinks.bloomberg.com/news/stories/ROD0SIT1UM0W>
- (Japan) Jan. Foreign Buying Japan Bonds, actual -JPY271.2b, prior revised -JPY605.2b
- JGB Yields Retreat After BOJ Bond Purchases: Inside Japan
<https://blinks.bloomberg.com/news/stories/ROETFRT1UM0W>

EM Headlines

- China to Boost Cash Buffer With Lunar Holiday Usage Due to Soar
PBOC may add 100 billion yuan via MLF in January: Survey
Cash demand to spike due to holiday spending, tax payments
<https://blinks.bloomberg.com/news/stories/ROEDFAT0G1KW>
- Yuan's Reopening-Led Rally Faces Near-Term Growth Headwinds
Currency halts gains after climbing to five-month high
Some traders see exporter dollar sales easing before holidays
<https://blinks.bloomberg.com/news/stories/ROB2SQT1UM0W>
- China's Exports Slump Further as Global Demand Drops Off (3)
Overseas shipments fall 9.9% in December: customs authority
Foreign trade still facing pressure with weak global economy
<https://blinks.bloomberg.com/news/stories/ROERZADWLU6A>
- Offshore Yuan Pare Early Gains as Exports Shrank: Inside China
<https://blinks.bloomberg.com/news/stories/ROEDZTTOG1KW>
- China's \$7 Trillion 'Hidden Debt' Is Back in Focus: China Today
<https://blinks.bloomberg.com/news/stories/RODXLNT0AFB4>
- Won Gains as US CPI Slows Down, BOK Raises Rate: Inside Korea
<https://blinks.bloomberg.com/news/stories/ROED5VT0G1KW>
- Bank of Korea's Rhee Keeps Policy Options Open After Rate Hike
Governor says statement isn't an indication rate to be frozen
Bonds gain as market prices an end to policy tightening cycle
<https://blinks.bloomberg.com/news/stories/ROENIFT0AFBF>
- Central Bank Rates Seen Peaking Soon in Southeast Asia (1)
Rate hikes seen to end as early as the first quarter
Indonesia, Malaysia to announce rate decisions Thursday
<https://blinks.bloomberg.com/news/stories/ROEES9T0AFB5>
- Rupiah Eyes Best Weekly Gain Since June 2020: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/ROELQ3T0G1L6>
- INR, Bonds Up on Inflation Signals Before Auction: Inside India
<https://blinks.bloomberg.com/news/stories/ROEN51T1UM0W>
- India Inflation Cools to 5.72% in December Amid Tight Rates (1)
<https://blinks.bloomberg.com/news/stories/RODG6TT0AFB5>
- India's RBI May Lower Inflation Forecast by 50 BPS, Says Citi
<https://blinks.bloomberg.com/news/stories/ROEMA5T0G1KZ>

- Brazil US Dollar Debt Too Rich Now for Morgan Stanley, JPMorgan
Morgan Stanley says bonds are too expensive, recommends short
JPMorgan underweight nation's debt citing limited upside room
<https://blinks.bloomberg.com/news/stories/RODKDITOG1KW>
- MXN Pares Gains After Fresh 2023 High on Fed Bets: Inside Mexico
<https://blinks.bloomberg.com/news/stories/RODL9CTOG1KW>
- Brazilian President Vows To Rein In the Military – WSJ
<https://blinks.bloomberg.com/news/stories/ROEYBP073NCX>
- Brazil Unveils Plan to Cut Deficit in Bid to Ease Fiscal Fears
Strategy relies more on boosting revenue than spending cuts



- Finance chief shares economic responsibility with central bank
<https://blinks.bloomberg.com/news/stories/RODQ3AT0G1KW>
- BRAZIL REACT: Haddad's Initial Fiscal Measures Are Promising
<https://blinks.bloomberg.com/news/stories/ROE8PCT0G1KW>
 - Lula Keeps His Defense Chief as Allies Demand Ouster Over Riots
Brazilian president won't replace his under-fire minister
Members of ruling coalition pushing for dismissal after riots
<https://blinks.bloomberg.com/news/stories/RODR4MT0AFB6>
 - US Inflation Slowdown Extends Gains for Peso: Chile Close
<https://blinks.bloomberg.com/news/stories/RODO2QDWRGG0>
 - COP Leads Latam FX Gains as Traders Eye Peru Rates: Inside Andes
<https://blinks.bloomberg.com/news/stories/RODLXBT1UM0W>

 - Polish Government Sees Rocky Path to Unlocking Frozen EU Funds
Europe minister sees 'very difficult process' in law's passage
Hurdles include opposition from within coalition, president
<https://blinks.bloomberg.com/news/stories/RODBAEDWLU6F>
 - New Polish Mortgage Trap Opens as Banks Lock in Peak Rates (1)
BNP and ING are dropping once dominant floating-rate loans
Financing costs expected to decline as inflation surge eases
<https://blinks.bloomberg.com/news/stories/RODRNCDWX2Q8>
 - Polish Inflation Will Peak Below 20% This Year: MPC's Dabrowski
<https://blinks.bloomberg.com/news/stories/RODUE5T0G1KW>
 - Hungary's EU-Topping Inflation Accelerates Less Than Forecast
Prices rise annual 24.5% in Dec. after end of fuel price caps
Central bank sees up to 20% inflation in 2023 vs 14.5% in 2022
<https://blinks.bloomberg.com/news/stories/ROD6RAT0AFB4>
 - EU Has Failed to Corner Hungary Financially, Premier Orban Says
<https://blinks.bloomberg.com/news/stories/ROEWL7T1UM0W>
 - Orban Offers to Loosen Control of Universities After EU Pressure
Move comes as EU excluded nation from flagship Erasmus program
Erasmus cutoff 'unacceptable and intolerable,' Minister says
<https://blinks.bloomberg.com/news/stories/ROBTEBT0AFB4>
 - Czech Central Banker Pushes Against Bets on Rate Cuts This Year
Frait says Czech labor market remains 'slightly overheated'
Markets price at least 150 basis points of 2023 policy easing
<https://blinks.bloomberg.com/news/stories/ROD9R2T0AFB8>
 - Billionaire Ex-Premier, Former General Vie for Czech Presidency
Two of top three candidates will likely advance to run-off
President has limited powers in parliamentary system
<https://blinks.bloomberg.com/news/stories/RODUC5T0G1KW>
 - S. Africa's Godongwana Says Eskom's Performance Inexplicable (1)
<https://blinks.bloomberg.com/news/stories/RODD4XT1UM0W>
 - S. Africa's ANC Wants Clear Jobs Reference in Central Bank Remit
Finance Minister Godongwana endorses inflation targeting
Enoch Godongwana spoke in an interview in Johannesburg
<https://blinks.bloomberg.com/news/stories/RODB68T1UM10>