

DM Headlines

- Hedge Fund Bond Split With Institutions May Signal Fed Cycle End
Leveraged funds bearish 10-year bonds, asset managers bullish
Split mirrors peak of last Fed interest-rate hike cycle
<https://blinks.bloomberg.com/news/stories/ROWW8CT0G1KW>
- US Bond Market Flouting Inflation Looks Increasingly Vulnerable
Traders have been slashing their expectations for inflation
Inflation-protected bond auction results show different view
<https://blinks.bloomberg.com/news/stories/ROQPEGDWLU6A>
- Fed Set to Slow Hikes Again and Debate How Much Further to Go
Officials poised for quarter-point move with inflation cooling
Tight labor market makes some uneasy about pausing increases
<https://blinks.bloomberg.com/news/stories/ROSYPTDWRGG0>
- Fed's Waller Backs Slowing the Next Rate Hike to 25 Basis Points
Fed governor says further tightening needed to curb inflation
Says Fed must maintain the progress made on cooling prices
<https://blinks.bloomberg.com/news/stories/ROSTB9DWX2PS>
- Fed Rate Cut in 2023 Unlikely, IG Markets Says
<https://blinks.bloomberg.com/news/stories/ROWTVQT0AFB4>
- JPMorgan Model Shows Recession Odds Fall Sharply Across Markets
Investors return to riskier assets as soft-landing hopes build
S&P 500 still assigns 73% recession bet, from 98% in October
<https://blinks.bloomberg.com/news/stories/RORZIADWX2PW>
- Slowdown Could Linger Into 2024, World Bank's Malpass Tells Sky
<https://blinks.bloomberg.com/news/stories/ROVZT1DWRGG0>
- ECB's Knot Wants at Least Two More Half-Point Rate Hikes (1)
No 25-bp rate moves at upcoming meetings, possibly later
Dutch central bank chief comments in interview with La Stampa
<https://blinks.bloomberg.com/news/stories/ROVWMEDWLU68>
- Germany and France Push for Huge Spending to Compete With US (2)
Scholz and Macron met in Paris to discuss European industry
EU leaders will discuss the Inflation Reduction Act next month
<https://blinks.bloomberg.com/news/stories/ROXHLBDWRGG0>
- EU's Michel Proposes New European Bond Program: Handelsblatt
<https://blinks.bloomberg.com/news/stories/ROWCZNT0G1KY>
- Global Inflation Scare Vexes Central Banks Even as Shock Fades
Lagarde vows to 'stay the course'; Williams sees more to do
Officials respond as Davos crowd feels 'sense of relief'
<https://blinks.bloomberg.com/news/stories/ROS240DWRGG0>
- ECB's Rehn Sees Grounds for Significant Rate Hikes in Spring (1)
Markets are pricing in 'a lot' of the tightening, Rehn says
Central bank governor spoke in interview on Finland's MTV
<https://blinks.bloomberg.com/news/stories/ROUJU9DWX2PU>
- Europe Is Bracing for a Sharp and Abrupt Real Estate Reversal
Borrowers face crunch as valuations fall and lending tightens



New rules, market changes may make downturn steep but short

<https://blinks.bloomberg.com/news/stories/ROBC7YT0AFB5>

- Market Stress in U.K. Rises: Bloomberg Financial Conditions
<https://blinks.bloomberg.com/news/stories/ROXJM0GEZ1FK>
- FXStreet: BoE's hesitant stance will remain a burdening factor for the Pound – Commerzbank
<https://blinks.bloomberg.com/news/stories/ROXH1SMB2SJM>
- Britain Braces for High Borrowing Costs to Linger for Longer
Labor shortages and energy crisis are still feeding inflation
Outlook contrasts with US, rate cuts are possible this year
<https://blinks.bloomberg.com/news/stories/ROSCHDDWLU68>
- Economists Split Over Whether RBA's Lowe Deserves Another Term
Some respondents see political hurdles to Lowe's reappointment
Chalmers expects to make decision on governor around mid-year
<https://blinks.bloomberg.com/news/stories/ROS1PUDWX2PS>
- Aussie Bought by Funds, Exporters at Higher Levels, Traders Say
<https://blinks.bloomberg.com/news/stories/ROWW25DWX2PS>
- New Zealand PM-Elect Signals Policy Overhaul as Recession Looms
Says government to focus on voters' 'bread-and-butter' issues
Cabinet will look at reining in some non-essential projects
<https://blinks.bloomberg.com/news/stories/ROXCJUT0AFB5>
- Aussie Rises as FedSpeak Spurs USD Weakness: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/ROX2RFDWRGG3>
- New Zealand's Recession To See Policy Reversal in '23
<https://blinks.bloomberg.com/news/stories/ROWNO6DWX2PS>
- New Zealand's Inflation May Have Peaked, Reducing Rate Pressure
Economists see 7.1% rise in 4Q, less than RBNZ's 7.5% forecast
Traders now pricing in better chance of 50bps hike than 75bps
<https://blinks.bloomberg.com/news/stories/RORDBHDWRGG0>
- Bank of Japan Offers ¥1 Trillion Yen for 5-Year Loan Operation
<https://blinks.bloomberg.com/news/stories/ROWW1KT0AFB4>
- Japan State Pension Sees No Need for Allocation Shift After BOJ
Increase in Japan yields is in line with GPIF simulations
Fund to report quarterly performance results early next month
<https://blinks.bloomberg.com/news/stories/RORRFUT0AFB4>
- BOJ's Loans-for-Bonds Plan Already a Success in Swap Market
<https://blinks.bloomberg.com/news/stories/RORU2EDWLU69>
- BOJ's December Meeting Was Suspended at Government's Request
<https://blinks.bloomberg.com/news/stories/ROWXR4DWRGLH>
- JGB Futures Rally After BOJ's Loan Operation: Inside Japan
<https://blinks.bloomberg.com/news/stories/ROXBX2T1UM0W>
- Japan Premier Kishida Seeks Labor Market Shakeup to Raise Pay
Premier seeks to enable workers to flow into growth industries
Policy speech comes after inflation hits highest since 1981
<https://blinks.bloomberg.com/news/stories/ROWZV7DWLU68>

EM Headlines

- China Says Covid Deaths Topped 12,600 Before Holiday Amid Spread
Real death toll likely much higher given scale of the outbreak
WHO has urged China to release more detailed Covid information
<https://blinks.bloomberg.com/news/stories/ROWR5HT0AFB4>
- Hong Kong Aims to Scrap Testing, Quotas on China Border Travel
<https://blinks.bloomberg.com/news/stories/ROX39GT0G1KW>
- Beijing New Home Sales Fall Most of China's Tier-One Cities
<https://blinks.bloomberg.com/news/stories/ROXD94GQD79C>
- Charting the Global Economy: Growth in China Slows Significantly
<https://blinks.bloomberg.com/news/stories/ROMPLGDWLU68>
- South Korea Early Jan. Trade Data Show Export Slump Persisting
<https://blinks.bloomberg.com/news/stories/ROPGTJTOG1KW>
- Sri Lanka Says China Willing to Back Debt Restructuring Plan
<https://blinks.bloomberg.com/news/stories/ROVBTYDWX2PS>
- Won's Rally Nears Final Leg as Signs of Weaker Economy Mount
Focus on GDP data this week to gauge state of exports
ING Bank forecasts won to end first quarter at 1,230 vs dollar
<https://blinks.bloomberg.com/news/stories/ROKHPQT0G1KY>
- INDIA INSIGHT: Budget to Spur Public, Private Capex, Cut Deficit
<https://blinks.bloomberg.com/news/stories/ROX390T0AFB4>
- Rupee Gains With Stocks as Growth Concerns Ebb: Inside India
<https://blinks.bloomberg.com/news/stories/ROX68BDWRGG0>
- India's Forex Reserves Rise to a Five-Month High of \$572 Billion
<https://blinks.bloomberg.com/news/stories/RO24JNTOG1KW>
- The Global Economy Needs a New Powerhouse. India Is Stepping Up
Prime Minister Narendra Modi wants to make India a developed nation. How soon can a country once synonymous with red tape become a \$10 trillion economy?
<https://blinks.bloomberg.com/news/stories/ROWW0FT0G1KY>

- CLP Leads Gains; Political Crisis in Peru Deepens: Inside Andes
<https://blinks.bloomberg.com/news/stories/ROSH44DWX2PS>
- Oil Rig That's Treading Water Is Costing Brazil \$1 Million a Day
Petrobras waiting on wildlife rescue center permit to drill
Delay signals a clash between oil ambitions and environment
<https://blinks.bloomberg.com/news/stories/ROR288DWRGG0>
- SURVEY: Mexico Economy to Expand 3.3% in 4Q22; Prior +2.8%
<https://blinks.bloomberg.com/news/stories/ROR0N7GFWR28>
- Mexico Facing 2022 Economic Slowdown, Banxico's Heath Says
<https://blinks.bloomberg.com/news/stories/ROSR1QDWX2PS>
- Banxico's Mejia May Have 'Neutral to Hawkish Approach': JPMorgan
<https://blinks.bloomberg.com/news/stories/ROSW0IDWRGG1>
- Brazil, Argentina to Renew Talks on South American Currency (1)
Argentina faces high inflation in lead-up to October election
Request for common currency came from Argentina, official says
<https://blinks.bloomberg.com/news/stories/ROX0HZT0G1KW>



- Lula Fires Brazil's Army Chief Arruda After Riots in Capital (1)
New Army commander defended election results on Friday
Government has promised to punish those involved in riots
<https://blinks.bloomberg.com/news/stories/ROUXYKDWRRGG0>
- Colombia's Petro Announces Aid for Region Cut Off By Landslide
<https://blinks.bloomberg.com/news/stories/ROWM1XDWRGG0>
- Colombia Affirmed at BB+ by S&P
<https://blinks.bloomberg.com/news/stories/ROSY61MRXLVU>
- Economists See Dismal Year for Latin America, Especially Chile
Lower growth in most of the region expected for 2023
Chile's economy predicted to contract by one percentage point
<https://blinks.bloomberg.com/news/stories/ROSQP9DWRGG0>

- Poland to Train, Equip Heavy Brigade With T72 Tanks for Ukraine
<https://blinks.bloomberg.com/news/stories/ROSIYYDWLU6A>
- Hungary Outlook Cut to Negative by Fitch as EU Funds Frozen
<https://blinks.bloomberg.com/news/stories/ROQNSADWLU68>
- Hungarian Central Bank Says Will Renew 2-Month Deposit Facility
<https://blinks.bloomberg.com/news/stories/ROS84WDWRGG0>
- Czech Policy Maker Says Smoothing Out Rate Path Best Option Now
Board member Kubelkova speaks in Hospodarske Noviny interview
Kubelkova prefers holding rates at elevated level for longer
<https://blinks.bloomberg.com/news/stories/ROVUXYDWRGG0>
- Michl Says Strong Czech Koruna Is Helping to Tame Inflation
<https://blinks.bloomberg.com/news/stories/ROXBWHDWLU69>
- IMF Says Czechs Should Resume Rate Hikes Soon to Quell Inflation
<https://blinks.bloomberg.com/news/stories/ROSL6GDWX2PS>
- South Africa Defends Naval Exercise With Russia and China
South Africa says held similar exercises with UK, US, France
Country says it hasn't abandoned neutral stance on Ukraine
<https://blinks.bloomberg.com/news/stories/ROXBEDWRGG1>
- Ramaphosa Urges Delaying South Africa Power-Price Increases (1)
Inflation-beating energy tariff hike to take effect in April
Most-industrialized African nation is enduring daily blackouts
<https://blinks.bloomberg.com/news/stories/ROXBA1DWLU6B>
- South Africa Faces Two More Years of Power Cuts, Eskom Says (1)
State-owned utility is overhauling its coal-fired plants
Available capacity likely to remain 'tight' through 2023: CEO
<https://blinks.bloomberg.com/news/stories/ROVXBNDWX2PS>
- South Africa Relaxes Local-Content Rules to Ease Power Crisis
Government seeking to add new generation capacity more quickly
Africa's most industrialized economy suffering daily blackouts
<https://blinks.bloomberg.com/news/stories/ROU4FTDWX2PS>