

DM Headlines

- Bond Traders Hedge Prospect That This May Be Fed's Last Hike (2)
Fed swaps price in chance of a March pause after 25bp Feb move
Traders waded into SOFR options to hedge dovish Fed scenarios
<https://blinks.bloomberg.com/news/stories/RP0LAOT1UM0W>
- Hedge Funds Eye Treasury Steepeners With Last Fed Move in Sight
Positions in US two-, 10-year futures widest in over a year
Short bets extend by most in three weeks: JPMorgan survey
<https://blinks.bloomberg.com/news/stories/ROY4GEDWX2PS>
- Shipping-Cost Drop From Pandemic High Points to Easing Inflation
Sea-transport fees' role as inflation driver under-recognized
Officials must be held accountable for missing price drivers
<https://blinks.bloomberg.com/news/stories/RP055ST0G1KW>
- Jeremy Grantham Warns of a 17% Plunge in the S&P 500 This Year
Range of problems larger than it usually is, strategist says
He doesn't rule out a 'brutal decline' to 2,000 for S&P 500
<https://blinks.bloomberg.com/news/stories/ROSY5CDWLU68>
- January Two-Year Treasury-Note Auction Strong as Demand Climbs
<https://blinks.bloomberg.com/news/stories/RP05WBT0AFB4>
- Oil Ticks Higher as Traders Look to China, OPEC for Fresh Leads
WTI rises toward \$81 a barrel after falling by 1.8% on Tuesday
API reports build in US inventories ahead of official figures
<https://blinks.bloomberg.com/news/stories/RP116XT1UM0W>
- Fed Reverse Repo Use Hits 2-Month Low as Funding Rates Lure Cash
<https://blinks.bloomberg.com/news/stories/RP0B6QT0AFB4>
- ECB Shouldn't Slow Hikes as Wage Pressures Grow, Simkus Says (1)
Underlying measure shows fight against inflation isn't over
Lithuanian central bank governor comments in interview
<https://blinks.bloomberg.com/news/stories/ROZYIFT0AFB4>
- Europe Bond Sales Top €245 Billion in Best-Ever January: Chart
<https://blinks.bloomberg.com/news/stories/ROZVPDT1UM0W>
- ECB Shouldn't Commit to Guidance Beyond February, Panetta Says
New forecasts in March will require reevaluation by officials
Executive Board member Fabio Panetta comments in Handelsblatt
<https://blinks.bloomberg.com/news/stories/ROZWMPT1UM0W>
- Germany to Quash Recession Fears With 2023 Growth Forecast (2)
Government to publish forecast of 0.2% expansion this year
Economy Ministry had predicted contraction of 0.4% for 2023
<https://blinks.bloomberg.com/news/stories/RP011LT0AFB4>
- Italy Gas Stations Shut as Workers Begin Nationwide Strikes (2)
Minister Urso to meet EU's Vestager, Gentiloni in Brussels
Unions confirmed strike, will meet government on Feb. 8
<https://blinks.bloomberg.com/news/stories/RP13RPT1UM1F>
- Europe's Factories Show Signs Slump May Be Brief: Supply Lines
<https://blinks.bloomberg.com/news/stories/ROZO0NT0G1L1>



- UK Recession Risks Grow With Record Deficit and Output Slump (2)
Tax increases and inflation are draining consumer's pockets
Treasury struggles to pay for energy subsidy and debt service
<https://blinks.bloomberg.com/news/stories/ROZT3QT1UMOW>
- UK Factory Price Inflation Shows Signs of Easing as Oil Declines
<https://blinks.bloomberg.com/news/stories/ROZVTIT0AFB4>
- UK December Factory Output Prices Rose 14.7% on Year
<https://blinks.bloomberg.com/news/stories/RP153BGFLIIO>
- BOE Heads Off Strike Danger With 3.5% Pay Deal for 4,200 Staff
Central bank offers additional 1% one-off salary sweetener
Unite union accepts package, avoiding embarrassing strike risk
<https://blinks.bloomberg.com/news/stories/RP05CKT0G1KW>

- Bond Bulls Face Inflation Setback If Australia, NZ Are Any Guide
Rates market had underpriced RBA's policy path, Schroders says
New Zealand yields pared drop after Australia CPI surprise
<https://blinks.bloomberg.com/news/stories/RP00DET0AFB4>
- Australia's Accelerating Inflation Boosts RBA Rate-Hike Bets (2)
Services inflation recorded its largest annual rise since 2008
There are some signs that inflation has peaked, Chalmers says
<https://blinks.bloomberg.com/news/stories/RP0R7JT0AFB4>
- New Zealand Rate Bets Trimmed as Inflation Misses RBNZ Forecast
Annual inflation still holds near three-decade high at 7.2%
Looming recession could prompt RBNZ to slow tightening pace
<https://blinks.bloomberg.com/news/stories/RP0HXTT0G1KW>
- RBNZ Core Inflation Gauge Rises to Fresh Record High of 5.8%
<https://blinks.bloomberg.com/news/stories/RP0QZTT1UMOW>
- Westpac Now Sees RBNZ Raising Cash Rate by 50 Bps in February
<https://blinks.bloomberg.com/news/stories/RP0TMVT0G1L0>
- Aussie CPI Makes RBA 25bp Rate Hike Done Deal in Feb.: Nomura
<https://blinks.bloomberg.com/news/stories/RP0N34T0AFB4>
- (NZ) 4Q CPI YoY, actual 7.2%, est. 7.1%, prior 7.2%
- (AU) Dec. CPI YoY, actual 8.4%, est. 7.7%, prior 7.3%
- Aussie Rises as CPI Ends Bets on RBA Pause: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RP10LLT1UMOX>

- BOJ Owns More Than 100% of Some Debt as Bonds Go Round and Round
Increase in BOJ bond lending leads to ownership discrepancy
BOJ will have to end yield target sooner or later: SMBC Nikko
<https://blinks.bloomberg.com/news/stories/RP0IC5T0AFB6>
- New BOJ Chief Likely to Start Phasing Out YCC, Ex-Official Says
Maeda sees shift from special measures such as negative rate
Says yield range widened to 0.75 ppt could spell end of YCC
<https://blinks.bloomberg.com/news/stories/ROZE7VT0AFB9>
- JGB Futures Gain Ahead of BOJ's Debt Purchases: Inside Japan
<https://blinks.bloomberg.com/news/stories/RP0KUOT0AFB5>

EM Headlines

- Morgan Stanley IM Says the Decade of Emerging Markets Has Begun
EM and international stocks seen beating US and mega-cap tech
Fund manager says India is one of top trades at Morgan Stanley
<https://blinks.bloomberg.com/news/stories/ROS3LTT0G1KW>
- Singapore Core Inflation Near 2008 High as Growth Risks Rise (1)
Key price gauge seen to stay elevated in first half: statement
Food prices rose a 10th month, up the most since Oct. 2008
<https://blinks.bloomberg.com/news/stories/RPOZCRT0G1KX>
- Won Gains as Markets Resume Trading After Holidays: Inside Korea
<https://blinks.bloomberg.com/news/stories/RPOKMTT1UM0W>
- S. Korea's Debt-to-GDP Ratio Rises Above 50% Last Year: Daily
<https://blinks.bloomberg.com/news/stories/RPOLATT0G1KW>
- SKorea to See Inflation Easing to 4% After 1Q: Finance Minister
<https://blinks.bloomberg.com/news/stories/ROXCHAT0AFB4>
- Rupiah Drops as Recent Gains Deemed Excessive: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RPORMTT0AFB4>
- Resurgent Rupiah Having Best Month in Over Two Years Amid Inflow
<https://blinks.bloomberg.com/news/stories/ROZ6GWDWX2PS>
- INR Rises, Bonds Steady Before INR80b Green Debut: Inside India
<https://blinks.bloomberg.com/news/stories/RPOX9WT0G1KW>
- Bond Yields Seen Falling in India Despite Record Borrowings (1)
India set to borrow 15.8 trillion rupees via bonds: survey
Traders predict 10-year yields will fall to 7.10% by December
<https://blinks.bloomberg.com/news/stories/RPOXFAT1UM0W>
- Indonesia's FDI Rises 44.2% to 654.4 Trillion Rupiah in 2022 (1)
<https://blinks.bloomberg.com/news/stories/ROZGP2T0AFB4>
- Kimchi Inflation Pushes South Korea Imports From China to Record
<https://blinks.bloomberg.com/news/stories/RP00A8T0G1KW>

- Colombia Launches \$1.8 Billion Bond Sale to Fund Buyback (4)
Deal launched at 7.6% yield, down from 8% initial price talk
Part of the proceeds will be used to repurchase 2024 bonds
<https://blinks.bloomberg.com/news/stories/RP0KMAT1UM0X>
- Chile Peso Briefly Strengthens Past 800/USD, Outperforms Peers
<https://blinks.bloomberg.com/news/stories/ROZXVUT0AFB4>
- Lula's Jab at Central Bank Puts Traders on Edge Across Brazil
Attack on central bank's autonomy is relevant risk, Vista says
Lula's criticism of inflation goal added to investor worries
<https://blinks.bloomberg.com/news/stories/RNM2L9T0AFB8>
- Latin America's Top Economies See Faster-Than-Expected Inflation
Mid-January price rises top forecasts in Brazil and Mexico
Policymakers from both nations to set rates in February
<https://blinks.bloomberg.com/news/stories/ROZPO5T0AFB5>
- Mexico Inflation Quickens Above Expectations, Pressuring Banxico
Prices rose 7.94% in early January versus 7.85% estimate



Inflation above 7.86% level recorded in late December

<https://blinks.bloomberg.com/news/stories/ROYB9WDWX2PS>

- Pemex Plans Bond Sale in Weeks With Billions in Payments Due (2)
Pemex could issue at least \$2 billion, according to a source
The company has \$10 billion in debt amortizations due in 2023
<https://blinks.bloomberg.com/news/stories/RPODW3T1UM0W>
- Chile Peso Jumps to 9-Month High, Leads EMFX Gains: Inside Andes
<https://blinks.bloomberg.com/news/stories/ROZSWMT0AFB4>
- Hungary Backs 'Tight' Policy in Push-Back Against Rate-Cut Calls
Central bank sees 18% key rate until 'trend improvements'
Investors have stepped up rate-cut bets on forint recovery
<https://blinks.bloomberg.com/news/stories/ROZUHTT1UM12>
- Poland Dec. M3 Money Supply Rises 0.4% M/m, Est. +0.8%
<https://blinks.bloomberg.com/news/stories/ROZQ8L6JLCZK>
- Germany Set to Allow Poland's Re-Export of Tanks to Ukraine (1)
Warsaw asked Berlin for authorization to send Leopards Tuesday
Germany needs to authorize re-exports of military equipment
<https://blinks.bloomberg.com/news/stories/ROZZX3T0AFB7>
- Goldman Bullish on Forint as Europe's Growth Outlook Brightens
<https://blinks.bloomberg.com/news/stories/ROZC2OT0G1KX>
- Czechs May Get Gas From German LNG Port This Year, Fiala Says
<https://blinks.bloomberg.com/news/stories/ROZVPJT0G1KW>
- Zamrazilova Says High Wage Growth Is Risk to Czech Inflation: LN
<https://blinks.bloomberg.com/news/stories/ROZ9OST0G1KW>
- South Africans Favor US, Shun Russia in Clash With Policy Bias
Nation's foreign policy is geared toward its BRICS allies
Russia is South Africa's 33rd biggest trade partner, US second
<https://blinks.bloomberg.com/news/stories/ROZLTFT1UM11>
- South African Inflation-Linked Bonds a Tough Sell as Prices Ease
Investors demanded higher yields at Friday's linker auction
Assets like stocks and fixed-rate debt have better appeal
<https://blinks.bloomberg.com/news/stories/ROSBALDWRGG1>