

DM Headlines

- The Bond-Market Comeback of 2023 Is Heading to First Big Test
Treasuries rallied in January on bets Fed hikes nearing an end
Fed meeting, key economic figures will show if wagers correct
<https://blinks.bloomberg.com/news/stories/RP3NKWT1UM0Z>
- Powell's Narrow Path Would Avoid Routes Taken by Burns, Volcker
The Fed chief is aiming to quash inflation without a recession
Inflation resurgence, soaring job losses could foil strategy
<https://blinks.bloomberg.com/news/stories/RP5QTVT0AFB4>
- Pension Funds in Historic Surplus Eye \$1 Trillion of Bond-Buying
Corporate plans ending years of shortfalls want to derisk
Funding ratio at biggest US pension plans surges to 110%
<https://blinks.bloomberg.com/news/stories/ROXTOVDWX2PS>
- US PCE Inflation Cools Further, Paving Way for Smaller Fed Hike
Core, overall annual PCE prices climbed the slowest since 2021
Real spending declined 0.3% in December, mostly due to goods
<https://blinks.bloomberg.com/news/stories/RP5FL6T0G1KX>
- Asset Managers Unwound Net Long Positions in Long-End USTs: CFTC
<https://blinks.bloomberg.com/news/stories/RP5S1LDWRGG0>
- Bond Traders Edge Up Inflation Expectations as Fed Nears Pause
<https://blinks.bloomberg.com/news/stories/RP5L64T1UM0Y>
- Biden, McCarthy Lay Out Debt-Ceiling Stances for Feb. 1 Meeting
'We're not going to default,' House speaker says on CBS
Republicans are pressing Biden for changes in US spending
<https://blinks.bloomberg.com/news/stories/RP9O8RT0G1KW>
- Oil Declines as Commodities Ease After China's New Year Break
US benchmark WTI falls toward \$79 following a 2% weekly drop
Crude drops along with copper despite positive news on demand
<https://blinks.bloomberg.com/news/stories/RPA9HCT0G1L0>

- ECB Debate Looks to March With Half-Point Hike Assured This Week
Governing Council's views diverge on path for interest rates
Outlook has shifted since Lagarde's December pledge on rates
<https://blinks.bloomberg.com/news/stories/RP7HDWDWX2PS>
- Gentiloni Says Germany Should Support New EU Debt Issuance: FAZ
EU economies face energy; China, US competition pressures
EU economy commissioner is due to travel to Germany this week
<https://blinks.bloomberg.com/news/stories/RP94UDDWRGG0>
- Macron Digs In as Hostility to French Pension Reform Mushrooms
Unions plan second day of strikes and protests on Tuesday
Some Macron allies express doubts as parliament debate begins
<https://blinks.bloomberg.com/news/stories/RP39KYT0AFB4>
- Scholz Visits South America in Race With China for Lithium (2)
Metal is crucial component of batteries for electric vehicles
China has become the dominant processor of many commodities
<https://blinks.bloomberg.com/news/stories/RP9VX4T0G1UW>



- UK Business Optimism at Six-Month High Despite Recession Risk Sentiment improves on cooling inflation hopes, Lloyds says CBI survey shows fall in private-sector activity over winter <https://blinks.bloomberg.com/news/stories/RP5KP0T0AFB4>
- (UK) Jan. Lloyds Business Barometer, actual 22, prior 17
- Sunak Turns Attention to Fixing UK's NHS After Zahawi Debacle Premier unveils new plan to free up space in hospitals Wants to get back on track after Tory chairman fired over tax <https://blinks.bloomberg.com/news/stories/RP9C91DWLU68>
- Profit Warnings Issued by UK Firms Surge 50% on Higher Costs: EY Tightening credit markets prominent reason for more warnings Retail, travel and leisure continued to be most affected <https://blinks.bloomberg.com/news/stories/RP8SIBDWLU68>
- UK Wage Inflation Points to Another Big Rate Hike This Week Bank of England expected to raise key rate to 4% on Thursday Policy makers are concerned about an inflationary spiral <https://blinks.bloomberg.com/news/stories/RP3RT5T0AFB4>

- Deutsche Bank Revises RBA Terminal Rate Call to 4.1% by August <https://blinks.bloomberg.com/news/stories/RP9Z4PT1UM0W>
- Australia's Chalmers Looks to Revamp Markets, Institutions Treasurer vows in essay to deliver 'values-based capitalism' Says government should co-invest with private sector <https://blinks.bloomberg.com/news/stories/RP7UXHT1UM10>
- (NZ) Dec. Trade Balance 12 Mth YTD NZD, actual -14.5b, prior revised -15b
- (NZ) Dec. Trade Balance NZD, actual -475m, prior revised -2.18b
- Aussie Sold for Yen, USD on Position Flow: Inside Australia/NZ <https://blinks.bloomberg.com/news/stories/RPA7PGDWLU68>
- Aussie Rises on Month-End Flow, Deutsche RBA Rate Call: Traders <https://blinks.bloomberg.com/news/stories/RP9YSQDWLU6A>

- Tokyo Inflation Blowout Won't Prompt BOJ to Relent <https://blinks.bloomberg.com/news/stories/RP5MG8DWLU68>
- BOJ's 2% Inflation Target Should Be Long-Term Goal, Panel Says <https://blinks.bloomberg.com/news/stories/RPA5VST0AFB9>
- Panel's Call for Rethink of BOJ Accord, Price Goal Moves Yen Panel includes Yuri Okina, potential BOJ deputy governor BOJ leadership changes expected to be announced in February <https://blinks.bloomberg.com/news/stories/RPA7XMT0G1KW>
- BOJ's Fixed-Rate Bond-Buying Operation Has No Takeup (1) <https://blinks.bloomberg.com/news/stories/RPADOQGFLLIO>
- Yen Gains on Renewed Speculation of Policy Tweaks: Inside Japan <https://blinks.bloomberg.com/news/stories/RPA9TMT0AFB4>
- Japan PM Kishida Faces Calls for Election Over Defense Tax Hike Polls show majority want election before tax rise for defense Some 80% percent don't expect a pay rise above inflation <https://blinks.bloomberg.com/news/stories/RP9TICDWLU68>

EM Headlines

- China Economy Shows Muted Improvement During Holiday Period (1)
Aggregate indicator rises to 4 after December drop on Covid
Car sales and home sales fall though, exports remain a concern
<https://blinks.bloomberg.com/news/stories/RPA3UBTOG1L4>
- China Junk Dollar Bonds Swing From All-Time Low to Record Rally
Prices have climbed for 12 straight weeks after policy shifts
Bonds could go higher still as global funds return: analyst
<https://blinks.bloomberg.com/news/stories/RPA3FRTOG1L2>
- China PBOC Extends Monetary Policy Tools for Green Sector
<https://blinks.bloomberg.com/news/stories/RP8R3KT1UM0W>
- China Vows to Boost Consumption to Power Economic Recovery
<https://blinks.bloomberg.com/news/stories/RP70P2DWRGG0>
- Onshore Yuan Climbs in Post-Holiday Catchup: Inside China
<https://blinks.bloomberg.com/news/stories/RPA1GAT1UM0W>
- Won Rises on Foreign Stock Inflows Ahead of Fed: Inside Korea
<https://blinks.bloomberg.com/news/stories/RP9XADT0AFB6>
- Korea Pension Reserves to Run Out in 2055, Faster Than Expected
<https://blinks.bloomberg.com/news/stories/RP4U93TOG1L0>
- Rupee Left Behind in EM Rally as RBI Rebuilds Foreign Reserves
Indian currency has underperformed Asian peers this year
QuantEco sees rupee weaker at 83.5 vs dollar in three months
<https://blinks.bloomberg.com/news/stories/ROZ0U9TOG1KW>
- Rupiah Bonds Extend Losses Before Auction: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RP9YKLT0AFB4>
- Overseas Demand for Indonesian Bonds Climbs to Eight-Year High
BI's peak-rate signal is positive for Indonesia bonds: TD Bank
Foreigners own 15% of government bonds, from 39% in early 2020
<https://blinks.bloomberg.com/news/stories/RP9WCTT0AFB7>
- Rupee Falls in Cautious Trade Before Budget: Inside India
<https://blinks.bloomberg.com/news/stories/RPA5RCDWX2Q0>
- India's Budget to Test Modi's Fiscal Resolve Ahead of 2024 Vote
Modi's been chipping away at subsidies, except during pandemic
Fiscal pressures could arise from elections: Fitch Ratings
<https://blinks.bloomberg.com/news/stories/ROM86VDWX2PS>

- Chile Central Bank Head Signals Longer Wait Before Rate Cuts (1)
Rosanna Costa speaks in an interview with Bloomberg Television
Policymakers held rates at over two-decade high on Thursday
<https://blinks.bloomberg.com/news/stories/RP5SYOT0AFB4>
- Mexico's AMLO Pledges Pemex Financing that Sparks Bond Rally (2)
Details on timeline could come as soon as today: president
Pemex contending with debt load of about \$105 billion
<https://blinks.bloomberg.com/news/stories/RP5QXJT0AFB4>
- MXN Holds Steady, Defying Higher Dollar, Yields: Inside Mexico



- <https://blinks.bloomberg.com/news/stories/RP5FZ7T1UM0X>
- Krugman Says Argentina, Brazil's Joint Currency Is Terrible Idea
Argentina exports to Brazil are higher, but still only 15%
Argentina sends farm products; Brazil has more finished goods
<https://blinks.bloomberg.com/news/stories/RP96OBDWRGG0>
- Lula, Governors Discuss Fixes for Abrupt Drop in Tax Revenue (1)
Facing sharp revenue drop, states question legality of tax cap
Lula also offers BNDES help to finance infrastructure projects
<https://blinks.bloomberg.com/news/stories/RP5TZRT1UM0W>
- Brazil Government Not Discussing Inflation Target Change: Folha
<https://blinks.bloomberg.com/news/stories/RP92EWDWX2PS>
- Colombia Slows Key Rate Rises and Signals Cycle Near the End (2)
Central bank lifts its benchmark interest rate to 12.75%
Colombian peso is outperforming nearly all peers this year
<https://blinks.bloomberg.com/news/stories/RP5XNAT1UM0W>

- SURVEY: Poland Economy to Expand 1.8% in 4Q22; Prior +1.8%
<https://blinks.bloomberg.com/news/stories/RP3PJQGENSW0>
- Hungary Jan. GKI Economic Sentiment Rises to -20.5
<https://blinks.bloomberg.com/news/stories/RP50AP6RV5DU>
- Hungary's Credit Grade Cut at S&P as EU Continues to Block Funds
<https://blinks.bloomberg.com/news/stories/RP38BZDWX2PS>
- Hungary Calls Out Germany Over Russia-Led Nuclear Project Delays
<https://blinks.bloomberg.com/news/stories/RP5CR0T0G1KW>
- Ex-NATO General Scores Victory Over Populist in Czech Vote (1)
Pavel defeats Babis, populist ex-premier who fought with EU
Pavel win may boost western unity against Russian aggression
<https://blinks.bloomberg.com/news/stories/RP79QNDWX2PS>
- Eskom Latest: Power Outages Roll on; Emergency Package Discussed
<https://blinks.bloomberg.com/news/stories/RPAA42DWLU68>
- S. Africa's Richest City Picks Mayor From Party With 1% of Seats
Al Jama-ah's Thapelo Amad is now the mayor of Johannesburg
African National Congress councilors supported Amad as mayor
<https://blinks.bloomberg.com/news/stories/RP5DHXT1UM0W>