

DM Headlines

- US Consumer Long-Term Inflation Expectations Hit 12-Year High
Five- to 10-year inflation views rose to 3.2% in early May
University of Michigan sentiment fell to six-month low
<https://blinks.bloomberg.com/news/stories/RUJTL6DWRGG0>
- The Fed Isn't Fully Taking Its 'Foot Off the Pedal,' Loomis Says
Stokes sees officials likely pausing tightening cycle in June
But says central bank will be 'a little slower' to cut rates
<https://blinks.bloomberg.com/news/stories/RUGKD9DWX2PS>
- Fed's Jefferson Says Inflation High, But Policy 'On Track'
Jefferson: Disinflation occurring at slower pace than expected
Fed's Bullard: policy at 'low end' of sufficiently restrictive
<https://blinks.bloomberg.com/news/stories/RUKNJNDWX2PS>
- G-7 Finance Chiefs Unite to Condemn Russia and Counter China
Chiefs call for immediate end to Russia's war against Ukraine
G-7 propose new partnership for supply chain diversification
<https://blinks.bloomberg.com/news/stories/RUKXRWT0AFB4>
- Biden and McCarthy to Resume Debt Ceiling Talks on Tuesday (1)
<https://blinks.bloomberg.com/news/stories/RUOF3BT0AFB4>
- Oil Drops for a Fourth Day as Concerns Over Demand Persist
Negotiations continue on spending package to avert US default
WTI slips below \$70 a barrel after falling for three sessions
<https://blinks.bloomberg.com/news/stories/RUOMWGT0AFB4>
- Heard on the Street: Debt-Ceiling Comes With a Catch-22 – WSJ
<https://blinks.bloomberg.com/news/stories/RUOSTS073NCW>

- ECB Tightening Path Is in 'Home Stretch,' Guindos Tells Sole
<https://blinks.bloomberg.com/news/stories/RUM2N8T1UM0W>
- ECB Seen Keeping Rates High for Longer Amid Sticky Core Prices
Economists now expect a rate cut in second quarter of 2024
Underlying inflation to take more time to slow, survey shows
<https://blinks.bloomberg.com/news/stories/RUJHGZDWLU68>
- EU Urged to Extend Access for London Clearing Houses, FT Reports
<https://blinks.bloomberg.com/news/stories/RUOOKVT1UM0W>
- ECB INSIGHT: TLTRO Repayment in June Could Renew Woes for Banks
<https://blinks.bloomberg.com/news/stories/RUOQBFT0AFB4>
- Scholz's SPD Defends Bremen Stronghold in German State Vote (2)
Chancellor's SPD wins 29.4% ahead of opposition CDU on 25.7%
Backing for Greens slumps nearly five points from 2019 vote
<https://blinks.bloomberg.com/news/stories/RUNZ3JT1UM0W>
- Italy's Exports to China Are Booming and It's Not Clear Why
One theory is Chinese demand for a Covid therapies is surging
Analyst says re-exports from other EU nations could explain it
<https://blinks.bloomberg.com/news/stories/RUIJ6LT0G1KW>



RUBRICS

- Hedge Funds Flip to Become Most Bearish on Pound Since 2021
Leveraged funds held 6,858 net short positions on sterling
Concern is growing that inflation battle will be costly: NAB
<https://blinks.bloomberg.com/news/stories/RUODPXT0AFB4>
- UK Mulls Easing Burden On Banks From New Global Rules: Telegraph
<https://blinks.bloomberg.com/news/stories/RUNS7DT0G1KW>
- How BOE Went From Warning About 5% Rates to Closing In on Them
U-turns and policy confusion leave central bank under scrutiny
Inflation first seen as transitory has turned out to be sticky
<https://blinks.bloomberg.com/news/stories/RUJOQHWRGG0>
- BOE Chief Economist Says UK Inflation at 'Turning Point' (1)
Huw Pill says key measure of price increases should decrease
UK economy grew by sluggish 0.1% in first quarter of year
<https://blinks.bloomberg.com/news/stories/RUJSMUDWX2PS>
- Why UK's Sluggish Growth Rate is Too Much for the BOE: Charts
Central bank worried inflation will persist for longer
Strong jobs market and fewer workers fueling wage-price spiral
<https://blinks.bloomberg.com/news/stories/RUJC2LDWLU68>

- Australia's Tight Fiscal Stance Helps RBA's Inflation Fight
<https://blinks.bloomberg.com/news/stories/RUK3V8T0AFB4>
- (NZ) April Performance Services Index, actual 49.8, prior 54.4, revised 53.8
- NZ Services Index Contracts for the First Time in 14 Months (1)
<https://blinks.bloomberg.com/news/stories/RUO70BT0G1KW>
- Bonds Follow US Losses on Inflation Fears: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RUONREDWLU68>
- NAB Sees Australian Cash Rate Peak at Least 4.1%
<https://blinks.bloomberg.com/news/stories/RUOC8YT1UMOW>
- Tax Cuts for Some a 'Worthy Objective,' Australia Treasurer Says
<https://blinks.bloomberg.com/news/stories/RUMCHGT0G1KW>
- New Zealand Plans NZ\$1 Billion Recovery Package for Bad Weather
<https://blinks.bloomberg.com/news/stories/RUMK44T0AFB4>
- RBNZ Liquidity Review Creates Bond Market Uncertainty, Banks Say
<https://blinks.bloomberg.com/news/stories/RUO4ZST0AFB4>

- Kishida Flags Importance of Wages as Panel Scrutinizes Trend
<https://blinks.bloomberg.com/news/stories/RUOBSYTOG1KW>
- Yen Falls on Corporate USD Demand; Bonds Decline: Inside Japan
<https://blinks.bloomberg.com/news/stories/RUOPYBTOG1KW>
- Japan April Producer Prices Rise 5.8% Y/y; Est. +5.6%
<https://blinks.bloomberg.com/news/stories/RUOADAGETF55>
- Reuters: Japan's govt, central bank debate whether sustained exit from deflation is near
<https://t.co/3LbPDPWbJp>
- Japan, US, SKorea Set to Meet During G-7 Summit to Bolster Ties
Leaders to discuss North Korea, supply chains, energy security
Announcement follows summit between Japan and South Korea
<https://blinks.bloomberg.com/news/stories/RUMYTVT0G1KW>

EM Headlines

- PBOC Extends Cash Support in May After Credit Growth Slumped (2)
Authority offered more policy loans versus maturities in May
Liquidity operation sends a supportive policy signal: OCBC
<https://blinks.bloomberg.com/news/stories/RUOH5JT0G1KW>
- China Opens New Channel Giving Access to \$3 Trillion Swap Market
Swap Connect scheme follows earlier stock, bond programs
One of biggest advantages is cost reduction, Linklaters says
<https://blinks.bloomberg.com/news/stories/RUOG2TT0G1KW>
- (China) May 1-Yr Medium-Term Lending Facility, actual 2.75%, est. 2.75%, prior 2.75%
- (China) May 1-Yr Medium-Term Lending Facility, actual 125b, est. 100b, prior 170b
- China's Housing Rebound Fizzles, Adding to Economy's Risks (1)
High-frequency data suggests a short-lived housing recovery
Waning property recovery may limit China's growth this year
<https://blinks.bloomberg.com/news/stories/RUJ6X4T1UM0W>
- PBOC Extends Cash Support, Swap Connect Starts: Inside China
<https://blinks.bloomberg.com/news/stories/RUOHR7T0G1KW>
- PBOC May Cut Rates in 2H When Growth Weakens Further: Maybank
<https://blinks.bloomberg.com/news/stories/RUOEPLT0G1KW>
- Traders to Watch Bond Moves After Slower Inflation: Inside India
<https://blinks.bloomberg.com/news/stories/RUOFHNT0G1KW>
- Funds Plow \$13 Billion Into India Debt After Surprise Rate Pause
Debt fund inflows surge \$13 billion, most since October 2020
Bonds are poised to perform well: Sundaram Asset's Srivastava
<https://blinks.bloomberg.com/news/stories/RUHQM1DWX2PS>
- Modi Loses India Swing State, Boosting Gandhi Before 2024 Vote
Opposition looks to build momentum after Karnataka victory
Election is one of several key state polls this year
<https://blinks.bloomberg.com/news/stories/RUMUBTT0G1KW>
- Won Falls to Two-Week Low; Bond Futures Decline: Inside Korea
<https://blinks.bloomberg.com/news/stories/RUOBIDT1UM0W>
- Korea Raises Power and Gas Prices After Over a Month Delay (1)
<https://blinks.bloomberg.com/news/stories/RUODZJT1UM0W>
- Rupiah Falls to Weakest in More Than Two Weeks: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RUOH7ET1UM0W>
- Amundi to Abrdn See Emerging-Market Currencies on Cusp of Rally
High real yields lure investors as bets for a Fed pause grow
Latam favored with Mexican peso, Brazilian real as top picks
<https://blinks.bloomberg.com/news/stories/RUO9Q2T0G1KW>
- Brazil Inflation Slowdown Disappoints as Lula Eyes Rate Cuts (2)
Consumer prices rose 0.61% on month, 4.18% on year in April
Lower annual inflation still likely to encourage Lula
<https://blinks.bloomberg.com/news/stories/RUJPGVT1UM0W>
- Mexican Crude Exports to US May Taper Off After Price Hike
<https://blinks.bloomberg.com/news/stories/RUKB1ODWRGG0>



RUBRICS

- Brazil Debt Is the Source of High Rates, Central Bank Chief Says
Campos Neto counters President Lula criticism on rates
Brazil inflation does have demand pressure, he added
<https://blinks.bloomberg.com/news/stories/RULLPUTOAFB4>
- Chile Holds Key Rate With Inflation Trudging Toward Target (2)
All economists in Bloomberg survey saw rate kept at 11.25%
Policymakers have focused on sticky core price readings
<https://blinks.bloomberg.com/news/stories/RUKGJTDWRGG0>
- CHILE REACT: Central Bank on Track to Begin Rate Cuts in 3Q
<https://blinks.bloomberg.com/news/stories/RUKIODDWX2PS>
- Petro Says Colombia Must Respond to High Rates With Tariffs
President asks Colombian private banks to cut loan rates
Says Colombia must lift import tariffs to protect industry
<https://blinks.bloomberg.com/news/stories/RUKLU9T0G1KW>
- Colombia March Retail Sales Fall 7.1% Y/y, Est. -3.0%
<https://blinks.bloomberg.com/news/stories/RUJW4D6RV5DU>

- Turkey Likely Heads to Runoff Vote With Erdogan's Slim Lead (2)
Erdogan fails to secure outright victory in Sunday's elections
Polarizing presidential campaign has whipsawed Turkish markets
<https://blinks.bloomberg.com/news/stories/RUOMB4T1UM0W>
- 'Worst Outcome' for Markets: Traders React to Turkey Vote (1)
<https://blinks.bloomberg.com/news/stories/RUOLJRT0G1KY>
- Polish Ruling Party Pledges Higher Social Spending Before Ballot
Other benefits announced as Law & Justice vies for re-election
Opposition has bashed party over prices, graft allegations
<https://blinks.bloomberg.com/news/stories/RUNG6GT0AFB4>
- Polish MPC Isn't Discussing Rate Cuts, Governor Says
<https://blinks.bloomberg.com/news/stories/RUI00DDWRGG0>
- Orban Ramps Up Anti-EU Rhetoric by Asking 'What's the Point?'
<https://blinks.bloomberg.com/news/stories/RUJEZ9DWRGG0>
- Hungary Extends Interest Cap Until Key Rate Drops Below 10%
<https://blinks.bloomberg.com/news/stories/RUHM7RDWLUA9>
- Czech Budget Deficit Cuts Will Help Tame Inflation, Premier Says
PM says central bank also has work to do against rising prices
Price growth could fall back to single digits within months
<https://blinks.bloomberg.com/news/stories/RUL8WHT1UM0W>
- Wages, Budget Risks Key in Czech Rate Debate: Minutes (Correct)
<https://blinks.bloomberg.com/news/stories/RUJF0QDWLU68>
- South African Rand Jumps Amid Signs US Row Is Softening (1)
Currency rallies 1.3% to post its biggest gain since May 3
Rand slumped to a record low last week amid tensions with US
<https://blinks.bloomberg.com/news/stories/RUOHUUTOAFB4>
- US Won't Sanction South Africa Over Arms Row, Minister Says (1)
Market stability to return when furor dies down: Godongwana
American ambassador accused Pretoria of sending arms to Russia
<https://blinks.bloomberg.com/news/stories/RUOSCOT1UM0W>