

DM Headlines

- Two Fed Hawks Say More Rate Hikes May Be Needed to Quell Prices
St. Louis Fed's Bullard sees two more rate increases in 2023
Minneapolis's Kashkari calls June pause a 'close call'
<https://blinks.bloomberg.com/news/stories/RV305MT0G1KW>
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- Biden-McCarthy Debt Talk Ends With Optimism, But Without a Deal
Speaker says 'tone' of meeting was better than earlier talks
Oval Office meeting lasted for over an hour Monday evening
<https://blinks.bloomberg.com/news/stories/RV3F6CDWLU68>
- Yellen Says It's Now 'Highly Likely' US Out of Cash Early June
Negotiations have yet to produce debt-limit agreement
Goldman Sachs is among those seeing June 8-9 as critical
<https://blinks.bloomberg.com/news/stories/RV2TUCDWLU68>
- US Default Scenarios Span From Localized Pain to Dimon's 'Panic'
Market participants have done contingency planning for default
Dimon warns of potential for irrational reactions by investors
<https://blinks.bloomberg.com/news/stories/RUX6AGT0AFB4>
- Debt-Ceiling Anxiety Tracker: Growing Fear Premium in Bills (1)
Yields on most at-risk securities leaped ahead of Biden-McCarthy meeting
<https://blinks.bloomberg.com/news/stories/RV2UNMT1UM0W>
- Oil Steadies as US Debt-Talk Progress Aids Appetite for Risk
Biden, McCarthy have productive meeting although deal elusive
WTI holds above \$72 a barrel after closing higher on Monday
<https://blinks.bloomberg.com/news/stories/RV3HQDT1UM0W>
- US INSIGHT: Cost of Debt Deal - Spending Cuts May Cost 570k Jobs
<https://blinks.bloomberg.com/news/stories/RV2ZTPDWX2PS>
- Inflation Strained Finances Last Year, Fed Survey Shows – WSJ
<https://blinks.bloomberg.com/news/stories/RV3M6L073NCW>
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- ECB Not Done Raising Rates, Should Keep Them High, De Cos Says
Some inflation indicators are starting to show moderation
Bank of Spain chief speaks to business leaders in Barcelona
<https://blinks.bloomberg.com/news/stories/RV2HGEDWX2PS>
- ECB's Lane Favors Services and Goods Inflation Gauges Over Core
<https://blinks.bloomberg.com/news/stories/RV2H8YDWRGG0>
- Meta Fined Record \$1.3 Billion in EU Over US Data Transfers (3)
Decision follows long-running saga over US protection of data
Impact of a ban on transfers may be muted by new EU-US pact
<https://blinks.bloomberg.com/news/stories/RV27EEDWX2PS>
- EURO-AREA PREVIEW: PMI Survey May Soften on ECB's Tightening
<https://blinks.bloomberg.com/news/stories/RV3LQ0T1UM0W>
- Scholz Plots €20 Billion of German Budget Cuts in Snub to Greens
Chancellor working out spending reductions with finance chief
Greens have called for tax increases to cover budget shortfall
<https://blinks.bloomberg.com/news/stories/RV1WLWDWX2PS>



RUBRICS

- UK's Inflation Rate May Fall at Sharpest Pace in 30 Years (1)
April data to end seven-month streak of double-digit rises
But markets keep up bets on BOE rates going as high as 5%
<https://blinks.bloomberg.com/news/stories/RV3KHZTOG1KW>
- UK Cost-of-Living Support Drives Government Borrowing Higher (1)
Figures limit the scope for Sunak to cut taxes before election
Debt interest payments soared along with retail prices
<https://blinks.bloomberg.com/news/stories/RV3L58T0AFB4>
- UK INSIGHT: What Yellen's Model Says on Bailey's Wage-CPI Spiral
<https://blinks.bloomberg.com/news/stories/RV3HT4T1UM0W>
- BOE Paper Says QE Portfolio May be Cut in Half to £400 Billion
Internal analysis provides estimate of stable reserves level
Target level may be five years off at current pace of sales
<https://blinks.bloomberg.com/news/stories/RV29OADWRGG0>

- NZ Treasury Says Strong Immigration Is Upside Risk to Economy
<https://blinks.bloomberg.com/news/stories/RV2YJTT0AFB4>
- (AU) May Judo Bank Australia PMI Mfg, actual 48.0, prior 48.0
- (AU) May Judo Bank Australia PMI Services, actual 51.8, prior 53.7
- (AU) May Judo Bank Australia PMI Composite, actual 51.2, prior 53.0
- Million-Dollar 'Shack' in Sydney Shows Split With NZ Home Market
Housing rebound in Australia is shutting first-time buyers out
New entrants grab record share of market in New Zealand
<https://blinks.bloomberg.com/news/stories/RUU7BQT1UM0W>
- RBNZ Poised to Hike Rates, Leave Door Ajar to Further Tightening
Economists predict 25-point hike to 5.5%, higher track for OCR
Surging migration, looser fiscal policy may avert recession
<https://blinks.bloomberg.com/news/stories/RV134WT1UM0W>
- Bonds Extend Loss Amid Debt Deal Sentiment: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RV3GAGDWLU68>
- NZ PREVIEW: RBNZ Likely to Hike as Recession Risk Retreats
<https://blinks.bloomberg.com/news/stories/RV34A3TOG1KW>

- Japan PMIs Signal Stronger Recovery, Aided by Return of Tourists
Services PMI hits record, manufacturing activity on rise again
Favorable momentum supports Kishida's early election calculus
<https://blinks.bloomberg.com/news/stories/RV38OJDWRGG0>
- (Japan) May Jibun Bank Japan PMI Mfg, actual 50.8, prior 49.5
- (Japan) May Jibun Bank Japan PMI Composite, actual 54.9, prior 52.9
- (Japan) May Jibun Bank Japan PMI Services, actual 56.3, prior 55.4
- Yen Touches 2023 Low With Focus on US Debt Talks: Inside Japan
<https://blinks.bloomberg.com/news/stories/RV3EY8T1UM0W>
- Yen Will Stay on Back Foot Amid Defensive Posturing
<https://blinks.bloomberg.com/news/stories/RV2PO8DWRGG0>

EM Headlines

- Yuan Extends Drop as PBOC Fixing Signals Tolerance: Inside China
<https://blinks.bloomberg.com/news/stories/RV3AWCDWRGG0>
- ‘Sell in May’ Works Like Clockwork for the Yuan: China Today
<https://blinks.bloomberg.com/news/stories/RV2CO4DWRGG1>
- US Expresses ‘Serious Concerns’ About China Move Against Micron
Commerce Department talking directly with Beijing, State says
China warned infrastructure operators to avoid buying Micron
<https://blinks.bloomberg.com/news/stories/RV2OI7DWRGG0>
- China’s Solar Sector Is Speeding Past 2022’s Record Surge (1)
Nation already had world-leading pace of renewable deployments
Lower costs, rising power demand driving installations higher
<https://blinks.bloomberg.com/news/stories/RV3CP2TOG1KW>
- Won Jumps to Five-Week High as Stocks Rally: Inside Korea
<https://blinks.bloomberg.com/news/stories/RV36HNT0AFB4>
- Foreign Inflows Will Be a Positive Tailwind for Korea
<https://blinks.bloomberg.com/news/stories/RV2YQ6DWRGG1>
- S. Korea May Consumer Confidence Rises to 98 From 95.1
<https://blinks.bloomberg.com/news/stories/RV1SMAGQITJ4>
- Rupiah Extends Gain on Current Account Data: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RV3DJDT0G1KW>
- Indonesia to Reduce Bond Sales as Budget Stays in Surplus (1)
<https://blinks.bloomberg.com/news/stories/RV20BNT0G1KW>
- Rupee Trades Steady Near Crucial 83 Per Dollar: Inside India
<https://blinks.bloomberg.com/news/stories/RV3I68DWX2PS>
- RBI’s Dollar Purchases Casting a Pall Over the Indian Rupee
<https://blinks.bloomberg.com/news/stories/RV1Z7HT0G1KW>
- RBI Sees Revival in Rural Demand, Buoyancy in Manufacturing
<https://blinks.bloomberg.com/news/stories/RV26MBDWLU69>

- Mexico Top Court Invalidates AMLO’s Flagship Works Decree
Six of the court’s eleven justices voted to reject it
The decree designated projects of national security interest
<https://blinks.bloomberg.com/news/stories/RV2TL9DWX2PS>
- Brazil Analysts Raise Bets That Inflation Target Will Stay at 3%
Government is expected to decide 2026 target next month
Central bank chief says he’s against higher inflation target
<https://blinks.bloomberg.com/news/stories/RV2OV2DWRGG0>
- Brazil's Inflation Seen Slowing Further After Fuel Price Cut
Petrobras reduced gasoline, diesel and cooking gas prices
Central bankers poured cold water on early rate cut bets
<https://blinks.bloomberg.com/news/stories/RTU7D1DWRGG0>
- World’s Worst Bonds Get Riskier Amid Ecuador’s Volatile Politics
Ecuador bonds are biggest losers in emerging markets in 2023
Nation has defaulted 11 times since its independence in 1830
<https://blinks.bloomberg.com/news/stories/RUVD6GT1UM0W>



- Mexico's Foreign Investment Surges 48% as Nearshoring Booms
Sharp increase occurs as companies expand operations
Nuevo Leon, Jalisco and Puebla are top receiving states
<https://blinks.bloomberg.com/news/stories/RV2BAJDWX2PS>
- Mexico's AMLO Expropriates Private Lands to Build Train Stations
Expropriation seeks to guarantee connectivity to new airport
Infrastructure Ministry will pay for the expropriated assets
<https://blinks.bloomberg.com/news/stories/RV39W8T0G1KW>
- Reuters: Brazil regulator unlikely to backtrack on Amazon oil project
<https://t.co/K14o0RHRrt>
- Stocks Advance, Pushing IPSA Index to 8-Month High: Chile Close
<https://blinks.bloomberg.com/news/stories/RV2HTDDWLU68>
- Colombia's Villar: Can't Yet Assure Tightening Cycle Is Over
<https://blinks.bloomberg.com/news/stories/RUXA1ZT1UM0W>

- Buy 'Extremely Cheap' S. Africa Bonds, Deutsche's Wietoska Says
Deutsche's call comes as market outflows top last year's total
Yields have soared amid power crisis, spat with US over Russia
<https://blinks.bloomberg.com/news/stories/RV1VN8DWRGG0>
- Zloty Jumps as Citi Note Sparks Talk of Increased State Support
Government has been selling more euros on market, Citi says
Zloty is best emerging-market currency in the second quarter
<https://blinks.bloomberg.com/news/stories/RV2CS9DWLU68>
- Poland April Industrial Output Shows Biggest Drop Since 2020 (1)
<https://blinks.bloomberg.com/news/stories/RV1W7YDWX2PT>
- Polish Ruling Party Narrows Lead in Opinion Poll for RMF/DGP
<https://blinks.bloomberg.com/news/stories/RV3I0QDWX2PS>
- Hungary Readies to Cut EU-High Key Interest Rate: Decision Guide
Analysts see a 100 basis point interest rate cut to 17%
Some risks remain that could prompt central bank to hold rates
<https://blinks.bloomberg.com/news/stories/RV1W49DWRGG0>
- Hungary to Purchase Gas from Qatar, Prime Minister Orban Says
<https://blinks.bloomberg.com/news/stories/RV2GB2DWLU68>
- Premier Fiala Reiterates Czechs Must Transform Energy Sector
<https://blinks.bloomberg.com/news/stories/RV2GOFDWLU68>
- Czech Government Plans to Slightly Reduce Sales of Bonds in June
<https://blinks.bloomberg.com/news/stories/RV26QODWLU68>
- South Africa Opposition Pleads for Market Access as US Ties Fray
Democratic Alliance leaders make case on visit to Washington
DA controls areas highly dependent on trade with American
<https://blinks.bloomberg.com/news/stories/RV2CI7DWX2PS>
- Waste-Treatment Mess Spawns Cholera in South Africa Capital (1)
Disease causes diarrhea and spreads in unsanitary conditions
Hundreds have died of cholera in Malawi, Mozambique this year
<https://blinks.bloomberg.com/news/stories/RV2FZ5DWLU68>
- Bond Outflows YTD Exceed Full-Year 2022: Inside South Africa
<https://blinks.bloomberg.com/news/stories/RV1SVVDWLU68>