

DM Headlines

- McCarthy, Graves Signal Impasse in White House Debt Talks
House lawmakers preparing to leave Washington on Thursday
Votes on any deal likely pushed until just before deadline
<https://blinks.bloomberg.com/news/stories/RV5458DWX2PS>
- Fed Needs to Loosen Tight Job Market, Bernanke and Blanchard Say
Ex-Fed chair and ex-IMF economist to give paper at Brookings
Powell has also stressed need to rebalance the labor market
<https://blinks.bloomberg.com/news/stories/RV2R1BDWLU68>
- Goldman Sachs Says There Is 'More Room' for Dollar Strength
US Credit conditions have not tightened as much as feared
Analysts maintain its euro target at 1.10 for the end of 2023
<https://blinks.bloomberg.com/news/stories/RV4NKMDWRGG1>
- US Business Activity Unexpectedly Quickens to a 13-Month High
S&P Global preliminary composite gauge climbed to 54.5
Advance led by services; factory index hit three-month low
<https://blinks.bloomberg.com/news/stories/RV46V4DWRGG0>
- Oil Rises for Third Day as Saudis Tell Short Sellers 'Watch Out'
Prince Abdulaziz bin Salman issues warning to oil speculators
WTI climbs toward \$74 a barrel after closing up 1.3% Tuesday
<https://blinks.bloomberg.com/news/stories/RV58XSDWRGG1>
- Powell Avoids Debt Limit in Meeting With House Democrat Group
Gathering with New Democrat Coalition had long been planned
Fed chair reiterated concerns about inflation at the meeting
<https://blinks.bloomberg.com/news/stories/RV4H5ZDWX2PT>
- Fed's Kashkari Says Sticky Prices May Keep Rates High for Longer
<https://blinks.bloomberg.com/news/stories/RV4223DWX2PT>
- ECB's Nagel Says 'Several' Interest-Rate Hikes Still Needed
'Monetary policy tightening has not yet come to an end'
Keeping rates high won't necessarily be popular, he says
<https://blinks.bloomberg.com/news/stories/RV4BYWDWLU68>
- EU and US Discuss Aligning Investment Controls With Eye on China
Allies are mapping out role of some public investment funds
Progress made on semiconductors, draft TTC statement says
<https://blinks.bloomberg.com/news/stories/RV4FHJDWLU68>
- Italian Banks Face Biggest ECB Cash Gap to Fill, Allianz Says
TLTRO loan programs set to expire this year and next
Banks can tap markets, other ECB facilities for funds
<https://blinks.bloomberg.com/news/stories/RV43C0DWX2PS>
- Euro-Zone Factories Flounder With Biggest Decline Since Pandemic
Manufacturing PMI index for May falls to 36-month low
Services gauge also fell, though still signals robust growth
<https://blinks.bloomberg.com/news/stories/RV3O1KT1UM0W>



- UK Inflation Exceeds All Estimates as Core Prices Surge (2)
Alcohol, tobacco and mobile phone costs all are rising
Figures add to pressure for higher BOE interest rates
<https://blinks.bloomberg.com/news/stories/RV5G57DWX2PS>
- UK April Consumer Prices Rise 8.7% Y/y; Above All Estimates
<https://blinks.bloomberg.com/news/stories/RV5FJ4GQOFSW>
- UK PMI Shows Momentum Holding Up, Adds to BOE's Worries
<https://blinks.bloomberg.com/news/stories/RV4DO6DWRGG0>
- UK REACT: Another Big CPI Surprise Leaves BOE With Few Options
<https://blinks.bloomberg.com/news/stories/RV5GWKT0G1KW>
- UK Service Firms Show Fastest Rise in Costs in Three Months (2)
<https://blinks.bloomberg.com/news/stories/RV3UNFDWX2PS>
- New Zealand Signals Tightening Cycle Done After Raising Rate (3)
Kiwi plunges as RBNZ fails to lift projected cash rate peak
Policymakers discussed pause, voted 5-2 in favor of hike
<https://blinks.bloomberg.com/news/stories/RV59Y3DWX2PS>
- Australia Recession Risk Rises as Rates Seen Higher for Longer
<https://blinks.bloomberg.com/news/stories/RV5017T1UM0W>
- Potential RBA-RBNZ Policy Divergence Favors Long AUD/NZD: OCBC
<https://blinks.bloomberg.com/news/stories/RV54LUDWX2PS>
- (NZ) May RBNZ Official Cash Rate, actual 5.50%, est. 5.50%, prior 5.25%
- (NZ) 1Q Retail Sales Ex Inflation QoQ, actual -1.4%, est. 0.2%, prior -0.6%, revised -1.0%
- (AU) April Westpac Leading Index MoM, actual -0.03%, prior -0.01%, revised
- NZ Dollar, Yields Drop on Dovish RBNZ Hike: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RV5AF6DWRGG0>
- NZ REACT: RBNZ Hikes, Flags Hold That Likely Won't Last Long (1)
<https://blinks.bloomberg.com/news/stories/RV5E5AT0AFB4>
- RBNZ Surprise Was Declaration of 'Mission Accomplished,' TD Says
<https://blinks.bloomberg.com/news/stories/RV561UDWRGG0>
- Japan to Issue Bridge Bonds to Fund Childcare Policies: Yomiuri
<https://blinks.bloomberg.com/news/stories/RV4WS0T0AFB4>
- Japan Eyes Childcare Handouts for Up to 18-Year-Olds: Mainichi
<https://blinks.bloomberg.com/news/stories/RV4VJST0AFB4>
- Nuclear Power Revival Gets a Win in Japan on Case Dismissal (1)
Regional court dismisses case to keep reactor offline
Japan is shifting toward atomic power to curb fuel imports
<https://blinks.bloomberg.com/news/stories/RV56I8T0AFB4>
- Yen, Bonds in Narrow Range Amid Debt Talk Deadlock: Inside Japan
<https://blinks.bloomberg.com/news/stories/RV5DOQT0G1KW>
- China Blasts Japan Over Export Curbs on Chipmaking Technology
Japanese export controls on chipmaking machines start in July
China has repeatedly protested them, promises a response
<https://blinks.bloomberg.com/news/stories/RV3N3LT0G1KW>

EM Headlines

- Xi's Micron Ban Shows His Limited Options to Hit Back at US (1)
Previous sanctions on US firms were toothless and symbolic
Latest action shows China is starting to become more proactive
<https://blinks.bloomberg.com/news/stories/RV4WS2DWRGG0>
- Xi Upends the Secretive World of \$10,000-an-Hour China Experts
Expert networks are a key tool for foreign investors in China
Once-praised industry seen as a threat to national security
<https://blinks.bloomberg.com/news/stories/RUXKR5T0AFB4>
- Yuan in Tight Range After Weakest Fixing Since Dec: Inside China
<https://blinks.bloomberg.com/news/stories/RV576SDWRGG0>
- China's New US Envoy Says Relations Face 'Serious' Challenges
Xie Feng arrives from Beijing as US expects better relations
Previously Beijing's top diplomat in Hong Kong during protests
<https://blinks.bloomberg.com/news/stories/ROCQ5KDWRGG0>
- China LGFV's Last-Minute Bond Payment Highlights Local Woes (1)
Kunming Dianchi paid a maturing onshore note Monday night
Recent China stock declines attributed to local-debt worries
<https://blinks.bloomberg.com/news/stories/RV56RGDWRGG0>
- Korean Short-Term Yields Rise Before BOK; Won Down: Inside Korea
<https://blinks.bloomberg.com/news/stories/RV4ZSLT1UM0W>
- Bank of Korea Seen Holding Rates as Growth Sours: Decision Guide
Economists see BOK holding at 3.5% rate reached in January
Markets split on future rate cut timing as inflation sticky
<https://blinks.bloomberg.com/news/stories/RV1GDUT1UM0W>
- S. Korea Household Debt Falls to 1,853.9t Won at End-March
<https://blinks.bloomberg.com/news/stories/RV3510GETF5S>
- Rupee, Bonds Trade Steady Ahead of RBI Das' Speech: Inside India
<https://blinks.bloomberg.com/news/stories/RV59ZPDWX2PS>
- India's Economy Is Buzzing But Weaker Exports Could Be a Drag
Record tax mop-up, boost in services serve as growth drivers
Weakening global demand, rising unemployment sour optimism
<https://blinks.bloomberg.com/news/stories/RUU69ZT0G1KW>
- Rupiah Snaps Winning Streak as Sentiment Ebbs: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RV5A2LDWLU69>
- INDONESIA PREVIEW: It's Too Soon for Bank Indonesia to Cut
<https://blinks.bloomberg.com/news/stories/RV53MST0G1KW>
- Argentina Economy Grew Less Than Expected on Drought, Inflation
Economic activity in March increased 0.1% m/m; 1.3% y/y
Economy expected to enter recession before October vote
<https://blinks.bloomberg.com/news/stories/RV458XDWLU68>
- 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 Top Court Invalidates AMLO's Flagship Works Decree (1)
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/RV43XIDWX2PS>
- Lula Lashes Out and Sends Warning to Central Bankers Everywhere
The Brazilian president's feud with Campos Neto is shining a light on a growing risk of rate hikes around the globe
<https://blinks.bloomberg.com/news/stories/RV4VW9DWX2PS>
- Brazil Lower House Approves Lula's New Fiscal Framework Proposal
The main text passed with 372 votes in favor, 108 against
Amendments will go to a vote before it moves to Senate
<https://blinks.bloomberg.com/news/stories/RV4Q0CT0G1KW>
- Peso Underperforms Peers as Copper Slumps: Chile Close
<https://blinks.bloomberg.com/news/stories/RV4AEFDWX2PS>
- Chile Cenbank Starts Banks' Countercyclical Capital Requirement
<https://blinks.bloomberg.com/news/stories/RV4TQ5DWRGG0>
- Medellin to Cut Electricity Bills to Curb Colombian Inflation
EPM to reduce household bills in Antioquia province from June
Move will cost Medellin-based utility up to \$89 million
<https://blinks.bloomberg.com/news/stories/RV4FQCDWLU68>
- Hungary Cuts EU's Highest Key Interest Rate to Spur Economy (1)
Central bank cuts its key 1-day deposit rate to 17% from 18%
Move expected to be first step in a months-long easing cycle
<https://blinks.bloomberg.com/news/stories/RV44MNDWRGG0>
- Orban Says Ukraine Can't Win War as He Justifies Veto on Aid (1)
Premier says Ukraine cannot beat back Russia's invasion
Hungary will continue to oppose EU aid and further sanctions
<https://blinks.bloomberg.com/news/stories/RV40TUDWRGG0>
- Forint Pares Loss After Central Bank Cuts Key Interest Rate (1)
Hungary central bank in EU's first interest-rate cut of 2023
Orban says Ukraine can't win war on battlefield, opposes aid
<https://blinks.bloomberg.com/news/stories/RV45NHDWLU68>
- Bets Against Turkish Lira Hit Record With Controls Under Strain
Lira briefly weakened beyond 20 per dollar twice this week
Traders see 54% odds of lira hitting 29 per dollar by year-end
<https://blinks.bloomberg.com/news/stories/RV3SETDWX2PS>
- Poland Is 'Quite OK' With Zloty Gains, Finance Minister Says (1)
Zloty jumped to highest level in two years versus euro
Minister pushes back against claims it's boosting currency
<https://blinks.bloomberg.com/news/stories/RV41ZGDWLU68>
- Czech Rate Cuts May Start in 4Q or Early 2024, Kubicek Tells E15
<https://blinks.bloomberg.com/news/stories/RV4EOZDWLU68>
- Holub Says Czech Wage-Price Spiral Risk Partially Materializing
<https://blinks.bloomberg.com/news/stories/RV479CDWLU68>
- South African Defense Minister Insists No Arms Shipped to Russia
<https://blinks.bloomberg.com/news/stories/RV3WCJDWRGG0>