

## DM Headlines

- US Credit Rating at Risk of Fitch Cut on Debt-Limit Impasse  
Ratings company warns on worsening political partisanship  
Treasury bill yields maturing early June surged Wednesday  
<https://blinks.bloomberg.com/news/stories/RV73QIT1UM0W>
- Fed Officials Lean Toward Pause in June, But Not Ready to Stop  
'Several' said more tightening 'may not be necessary': minutes  
'Some' said more increases would 'likely be warranted'  
<https://blinks.bloomberg.com/news/stories/RV6OP0DWX2PS>
- Fed's Bostic Says Flexibility Will Be Key in Interest-Rate Calls  
Data will guide, don't want to be locked into specific moves  
Repeats view that rate cuts unlikely until well into 2024  
<https://blinks.bloomberg.com/news/stories/RV6N8QDWX2PS>
- Social Security Looms as Ultimate Enforcer of Debt-Limit Deal  
Millions of Americans are due a benefit payment next Friday  
Yellen says 'difficult choices' loom if Treasury cash runs out  
<https://blinks.bloomberg.com/news/stories/RV4LOADWX2PS>
- Oil Drops as Debt Angst Climbs and Novak Says OPEC+ to Stand Pat  
US credit rating risks cut on debt-limit impasse, Fitch warns  
WTI slides toward \$74 a barrel following three-day winning run  
<https://blinks.bloomberg.com/news/stories/RV7A2BT1UM0W>
- US Voters Assign Equal Blame to Both Sides in Debt-Limit Fight  
Just 25% want spending cuts added to hike in borrowing cap  
Seniors more concerned about impacts of defaulting on debt  
<https://blinks.bloomberg.com/news/stories/RV6DT2DWLU68>
- Best Risk-Off Trade Is Via Dollar Index, Not Japanese Yen: IG  
<https://blinks.bloomberg.com/news/stories/RV6SHKDWRGG0>
- Rating Downgrade to Have Temporary Effect on Dollar, CBA Says  
<https://blinks.bloomberg.com/news/stories/RV6QEDT1UM0W>
- Conservatives Turn Up Pressure on McCarthy as Debt Talks Resume  
Chip Roy insists Republicans hold the line on their demands  
Pressure campaign comes as talks with White House resume  
<https://blinks.bloomberg.com/news/stories/RV63XGDWLU68>
- Key Takeaways From Minutes of Fed's May 3 Decision on Rates  
<https://blinks.bloomberg.com/news/stories/RV6CO1TP3SIC>
- Germany Suffers Winter Recession on Bleaker First Quarter (2)  
First-quarter output dropped 0.3%; initial estimate was 0%  
Europe's biggest economy is facing a challenging outlook  
<https://blinks.bloomberg.com/news/stories/RV7B9QDWX2PS>
- ECB Must Still Raise Interest-Rates More, Vasle Tells Delo  
<https://blinks.bloomberg.com/news/stories/RV5VVTDWRGG0>
- EU Banks Are Said to Sail Through Early Round of Stress Test (2)  
Early results are said to raise questions from regulators  
Results of stress tests are key to capital return policies  
<https://blinks.bloomberg.com/news/stories/RV5S1RDWX2PT>



- Climate Change Will Speed Up Inflation in Next Decade, ECB Says  
Weather may boost annual food inflation as much as 3.23ppts  
Risks to price stability mean policy makers will need to react  
<https://blinks.bloomberg.com/news/stories/RV46EJDWX2PS>
- EURO-AREA PREVIEW: Core Inflation to Dip, Relief Only Temporary  
<https://blinks.bloomberg.com/news/stories/RV770BTOG1KW>
- Brexit Caused a Third of UK Food Price Inflation, LSE Paper Says  
Economists say border costs added £7 billion to grocery bills  
Study comes as ONS data shows food prices driving inflation  
<https://blinks.bloomberg.com/news/stories/RV64SNDWLU68>
- Rishi Sunak Finds UK Inflation May Follow Him Into Election Year  
Soaring prices intensify cost-of-living squeeze on consumers  
Investors brace for sharper increase in BOE interest rates  
<https://blinks.bloomberg.com/news/stories/RV5YF2DWRGG0>
- Mortgages in the UK Look Set to Get a Lot More Expensive  
<https://blinks.bloomberg.com/news/stories/RV5T98DWX2PS>
- UK's Stubbornly High Inflation Fuels Bets for Higher Rates (3)  
Alcohol, tobacco and mobile phone costs all are rising  
Figures add to pressure for higher BOE interest rates  
<https://blinks.bloomberg.com/news/stories/RV617EDWX2PS>
- UK Price Shock Sends Bond Yields to Levels Last Seen Under Truss  
Gilt yields spike on data, approaching October crisis levels  
Inflation print came in worse than all economists foresaw  
<https://blinks.bloomberg.com/news/stories/RV5WC4T0G1KW>
- Another Big UK CPI Shock Leaves BOE With Few Options  
<https://blinks.bloomberg.com/news/stories/RV6C0YT0AFB4>
- AUD, NZD Underperform Amid Dollar Bid: Inside Australia/NZ  
<https://blinks.bloomberg.com/news/stories/RV75JKT1UM0W>
- This Is the Turning Point in the Rate-Hike Cycle: Daniel Moss  
In a refreshingly open manner, New Zealand effectively declared it was done tightening. Will Powell be as candid?  
<https://blinks.bloomberg.com/news/stories/RV6L09T1UM0W>
- RBNZ's Orr Confident Current Rate Settings Will Tame Inflation  
<https://blinks.bloomberg.com/news/stories/RV6L9PDWX2PS>
- Japan Coalition Party Won't Back PM Kishida's LDP in Tokyo: NTV  
<https://blinks.bloomberg.com/news/stories/RV6WXZDWLU68>
- BOJ's Ueda: BOJ's Balance Sheet Not Necessarily in Normal State  
<https://blinks.bloomberg.com/news/stories/RV79SMT0AFB4>
- Reuters: BOJ may abandon bond yield cap this year - govt panellist <https://t.co/mP8fKbjpSj>
- SocGen Says Yen to Gain 7% in Near-Term on June BOJ Policy Shift  
Yen can approach 130 per dollar on yield-curve control tweak  
Buy USD/JPY digital puts ahead of BOJ, SocGen's Korber says  
<https://blinks.bloomberg.com/news/stories/RV66CDDWRGG0>

## EM Headlines

- China Growth Would Benefit More From RRR Cut Than Rates, BE Says  
<https://blinks.bloomberg.com/news/stories/RV5LOGT1UM0W>
- Yuan Extends Drop With Next Monetary Move in Focus: Inside China  
<https://blinks.bloomberg.com/news/stories/RV723FDWRGG0>
- CHINA INSIGHT: SHOK Shows Monetary Easing Must Play Bigger Role  
<https://blinks.bloomberg.com/news/stories/RV6NULT1UM0X>
- No Room for Further Sharp Depreciation of China's Yuan: Paper  
<https://blinks.bloomberg.com/news/stories/RV6QOVT0G1KW>
- Yuan Has Suffered and May Now Make a Stand as PBOC Pushes Back  
<https://blinks.bloomberg.com/news/stories/RV5ZM2T1UM0W>
- Xi Says Russia, China Should Bolster Ties at Multilateral Groups  
Mishustin says two sides pressured by 'illegitimate' sanctions  
Meeting comes as Xi sends envoy to Kyiv, Moscow to discuss war  
<https://blinks.bloomberg.com/news/stories/RV5PPMT1UM0W>
- Bank of Korea Holds Rate, Signals Inflation Fight Isn't Over  
Central bank nudges down GDP forecast to 1.4% for this year  
Inflation outlook at 3.5% for 2023, but core pressures linger  
<https://blinks.bloomberg.com/news/stories/RV755NT0G1KW>
- Bonds Slip Tracking US Yields as Debt Talks Drag: Inside India  
<https://blinks.bloomberg.com/news/stories/RV76EEDWRGG0>
- RBI May Need to Buy \$18 Billion of Bonds to Add Cash, ICICI Says  
Cash reserve ratio cut of 50 basis points may happen in FY2H  
5-year bond yield can drop to 6.80%, ICICI's Prasanna says  
<https://blinks.bloomberg.com/news/stories/RV787XDWX2PS>
- RBI Wants Nations With Excess Rupees to Tap Indian Bonds (2)  
India has been trying to promote trade in local currency  
On rates, Das says ground realities to guide its decision  
<https://blinks.bloomberg.com/news/stories/RV5XEZDWX2PS>
- India Poised for World-Beating Growth, Government Adviser Says  
Nageswaran says GDP to grow 6.5%, CPI will return to 4%  
Monsoon, geopolitical shocks could pose some risks for economy  
<https://blinks.bloomberg.com/news/stories/RV3TNLDWLU68>
- Rupiah Slips Ahead of Bank Indonesia Decision: Inside Indonesia  
<https://blinks.bloomberg.com/news/stories/RV6ZXFDWRGG0>
- Indonesia Seen to Stand Pat on Key Rate as Rupiah Faces Pressure  
Policy rate seen to stay at 5.75% for fourth straight month  
Rupiah has lost about 1.5% month-to-date amid US uncertainty  
<https://blinks.bloomberg.com/news/stories/RV3IP1T0G1KW>
- Bank Indonesia May Start Lowering Rates Next Year, BCA CEO Says  
<https://blinks.bloomberg.com/news/stories/RV5XWXT0G1KW>
  
- Chile Swap Rates Fall on Copper, BCCh Measures: Inside Andes  
<https://blinks.bloomberg.com/news/stories/RV6101DWX2PS>
- Brazil's Real Gains as Lower House Approves Tougher Fiscal Rules  
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/RV5YUDDWRGG0>

- Mexico Inflation Slows Past Forecasts as Banxico Halts Hikes (1)  
Consumer prices in early May rose 6% from year ago, est. 6.13%  
Core prices rose 7.45% from year ago, median estimate 7.49%  
<https://blinks.bloomberg.com/news/stories/RV5XRJDWX2PS>
- MXN Outperforms After Railway Deal, CPI Data: Inside Mexico  
<https://blinks.bloomberg.com/news/stories/RV5V7PDWRGG0>
- Brazil to Disclose Measures to Boost Car Sales on Thursday  
<https://blinks.bloomberg.com/news/stories/RV6MC2T1UM0W>
- Chile Tightens Credit Conditions, Citing Higher Global Risk (2)  
Central bank raises 'counter-cyclical' capital requirements  
Some analysts say measure may hasten interest rate reductions  
<https://blinks.bloomberg.com/news/stories/RV67ACDWRGG0>
- Chilean Peso Leads EMFX Losses as Copper Sinks, Oil Rises  
<https://blinks.bloomberg.com/news/stories/RV66A1DWX2PS>
  
- Poland April M3 Money Supply Rises 0.3% M/m, Est. +0.5%  
<https://blinks.bloomberg.com/news/stories/RV5VKFMRXLVP>
- Czechs Sell More Bonds Than Planned as Yields Climb: Inside CEE  
<https://blinks.bloomberg.com/news/stories/RV5W5WDWLU68>
- Forint Gains Most in EM; Deutsche Bank Recommends to Sell (1)  
<https://blinks.bloomberg.com/news/stories/RV5X63DWRGG0>
- Holub Sees Czech Debate About Rate Cut Near End of Year: Patria  
<https://blinks.bloomberg.com/news/stories/RV5LNQDWRGG0>
- Hungary Rate Cuts Compound Forint's Sensitivity to Geopolitics  
<https://blinks.bloomberg.com/news/stories/RV77D9DWX2PU>
- Czech PM, Finance Minister to Meet Central Bank Chief Thursday  
<https://blinks.bloomberg.com/news/stories/RV5P32DWLU68>
- South Africa Weighs Extending Larger Coal Plants' Lives (1)  
Lethabo and Kendal power stations may be possible candidates  
Government is trying boost nation's long-term energy security  
<https://blinks.bloomberg.com/news/stories/RV5UO7DWLU69>
- Cape Town Seeks to Take Over Electricity Supply From Eskom  
State utility directly supplies about 30% of city's power  
City may issue debt to fund takeover of Eskom-supplied areas  
<https://blinks.bloomberg.com/news/stories/RV3N8MDWLU68>
- South Africa Set for Rate Hike as Politics Hits Rand: Day Guide  
Central bank seen raising key rate to 8.25% from 7.75%  
Rand has weakened more than 7% against dollar since last MPC  
<https://blinks.bloomberg.com/news/stories/RUSIW7T1UM0W>
- South Africa's Commercial Capital Weighs Plan to Reduce Outages  
<https://blinks.bloomberg.com/news/stories/RV5P7XDWRGG0>
- Russia Pushes India for Help to Avert Financial Isolation (1)  
The Financial Action Task Force suspended Russia's membership over the invasion of Ukraine. Moscow is trying to avoid being blacklisted next month.  
<https://blinks.bloomberg.com/news/stories/RV4K58DWX2PS>