

DM Headlines

- Debt Deal Takes Shape to Raise Limit, Cap Spending for Two Years
Defense spending would be permitted to rise 3% next year
Shares opened marginally higher in Japan and South Korea
<https://blinks.bloomberg.com/news/stories/RV8UMNDWLU68>
- US on 'Borrowed Time' as Debt Cap Drives Cash Below \$50 Billion
Negotiations ongoing in Washington to find a debt-ceiling deal
T-bill markets indicate concern among investors about default
<https://blinks.bloomberg.com/news/stories/RV8EG0DWLU68>
- Collins Says Fed at or Near Rate-Pause Point as Inflation Cools
Boston Fed chief says low, predictable inflation rate needed
Policymakers next meet to discuss US rates June 13-14
<https://blinks.bloomberg.com/news/stories/RV80GTDWLU68>
- Fed Traders Fully Price In an Interest-Rate Hike Once Again
Two-year yield rise above 4.5%, up for 10 straight sessions
June and July swaps show at least a quarter-point hike priced
<https://blinks.bloomberg.com/news/stories/RV8D43DWRGG0>
- McCarthy Vows to Work Through Long Weekend on Debt Deal (1)
'We knew this would not be easy' US House speaker says
US Treasury a week away from potential catastrophic default
<https://blinks.bloomberg.com/news/stories/RV8MKCDWX2PS>
- Goldman Sees Best Chance of Debt Deal Announcement Late Friday
<https://blinks.bloomberg.com/news/stories/RV8S1DT0G1KW>
- Treasury Discussing Payments-Practice Tweaks as Debt Clock Ticks
Manual sets out payment reporting change under debt constraint
No instructions to change payment reporting sent to agencies
<https://blinks.bloomberg.com/news/stories/RV821NDWLU68>

- Carry Set to Outperform, Dollar Favored Over the Euro: JPM
<https://blinks.bloomberg.com/news/stories/RV88O6DWRGG0>
- US Push for Controls on Investment in China Hits EU Resistance
EU and US have discussed how to toughen investment controls
Member states are concerned about technicalities of new tool
<https://blinks.bloomberg.com/news/stories/RV828HDWLU68>
- EU gas demand expected to fall by more than Russian imports in 2023
<https://blinks.bloomberg.com/news/stories/RV8HR78JRZLS>
- Germany's Recession Is Already Forgotten as ECB Hawks Circle (1)
Officials remain focused on raising interest rates further
GDP revision showed surprise 0.3% drop in first quarter
<https://blinks.bloomberg.com/news/stories/RV83G6DWX2PS>
- Eurozone Debt Crisis Risks Ebb as Greek Upgrade Bets Spur Rally
<https://blinks.bloomberg.com/news/stories/RV951BT1UM0W>
- Core Euro-Area CPI Dip to Offer ECB Only Temporary Respite
<https://blinks.bloomberg.com/news/stories/RV8AALDWLU69>

- Britain Loses Its Luster for Job Seekers From Poland to Portugal



- Lower unemployment in Europe reduces the UK's drawing power
Polish community in Britain shrank since the 2016 Brexit vote
<https://blinks.bloomberg.com/news/stories/RU19Z2T0AFBB>
- UK Retail Sales Jump More Than Expected After Wet March (1)
Consumers spending 16.5% more than 2020 to buy fewer goods
Figures underscore inflationary pressures worrying BOE
<https://blinks.bloomberg.com/news/stories/RV950ZDWRGG0>
 - Gilt Yields Facing a Cruel Summer If Market Bank Rate Vindicated
<https://blinks.bloomberg.com/news/stories/RV9217DWLU6C>
 - BOE's Haskel Signals Support for More UK Interest Rate Hikes (1)
Policy maker says 'greedflation' isn't main driver of prices
BOE would respond to signs inflation is more persistent
<https://blinks.bloomberg.com/news/stories/RV84G1T1UM0W>
 - New Zealand Cyclone Less Inflationary Than Feared, RBNZ Says (1)
Assistant Governor Karen Silk Speaks to Bloomberg in interview
Says RBNZ is wary of over-tightening, time to pause and assess
<https://blinks.bloomberg.com/news/stories/RV8P1ODWX2PS>
 - Australia Retail Sales Flat as Higher Rates Drag on Spending (1)
Weakness in food-related industries weighed on sales, ABS says
RBA is raising rates to slow economy and bring down inflation
<https://blinks.bloomberg.com/news/stories/RV8TH0T0G1KW>
 - (NZ) May ANZ Consumer Confidence Index, actual 79.2, prior 79.3
 - AUD, NZD Trim Losses From Six-Month Low: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RV8Z8ET0AFB4>
 - Australian's Cooling Inflation Puts RBA Policy Pause On Table
<https://blinks.bloomberg.com/news/stories/RV8AALDWLU6A>
 - BOJ's Ueda Says Wages Aren't the Goal, Keeps Speculators in Dark
Ueda speaks in first group media interview since starting job
Emphasizes reaching stable, sustainable 2% inflation as key
<https://blinks.bloomberg.com/news/stories/RV8SSLDWX2PS>
 - Tokyo Inflation Slows, Supporting BOJ's Price View for Now (1)
Electricity, gas prices drag on overall inflation in capital
Deeper price trend still shows signs of further strengthening
<https://blinks.bloomberg.com/news/stories/RV8NUBT0AFB4>
 - Yen's 'Sweet Spot' Around 125, UBP's Calder Says (Video)
<https://blinks.bloomberg.com/news/stories/RV8PZDDWRGG0>
 - (Japan) May Tokyo CPI YoY, actual 3.2%, est. 3.4%, prior 3.5%
 - (Japan) April PPI Services YoY, actual 1.6%, est. 1.4%, prior 1.6%, revised 1.7%
 - Yen Weakens Past 140 Per Dollar as Traders See Another Fed Hike
When dollar-yen moves, it always moves big, says Jefferies
BOJ policy prospects may be a key for a yen rebound, says CBA
<https://blinks.bloomberg.com/news/stories/RV8P1QT0G1KW>
 - Reuters: BOJ's Ueda says targeting shorter-duration bond yield among future options
<https://t.co/igmlMuwhwN>

EM Headlines

- China's Top Rating Firm Downgrades US in Echo of Global Rivalry
China's CCFI cuts rating by one notch, puts US on review
White House, GOP seen making progress, but still no debt deal
<https://blinks.bloomberg.com/news/stories/RV8AIQDWX2PS>
- Economists Trim China Growth Forecasts, See RRR Cut Sooner (1)
Reserve ratio to be cut in 3rd quarter, latest survey shows
GDP growth forecasts for this year lowered slightly to 5.5%
<https://blinks.bloomberg.com/news/stories/RV92YFT0G1KW>
- Yuan Set for 3rd Weekly Drop Amid PBOC's Tolerance: Inside China
<https://blinks.bloomberg.com/news/stories/RV8UVUDWRGG0>
- Muted Speculation Against Yuan May Keep PBOC on Sidelines: UBS
<https://blinks.bloomberg.com/news/stories/RV8RWXT0G1KW>
- Yields Climb on Hawkish BOK, Extra Budget Prospect: Inside Korea
<https://blinks.bloomberg.com/news/stories/RV8QYPT0AFB4>
- US, South Korea Start Live-Fire Drills Set to Anger North (1)
High-tech equipment mobilized in training area near border
Marks 70th anniversary of US-Korea alliance, irks Kim Jong Un
<https://blinks.bloomberg.com/news/stories/RV7HGDT0AFB4>
- SKorea Can Mull Extra Budget, Depending on Macro Situation: Choi
<https://blinks.bloomberg.com/news/stories/RV78J4DWLU68>
- Rupiah Steady as BI Vows to Support Currency: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RV8WZ2DWLU68>
- Jokowi Asks US Delegate How to Get Facility to Enter US EV Mkt
<https://blinks.bloomberg.com/news/stories/RV7KT6T0AFB4>
- Rupee, Bonds Steady Ahead of Weekly Debt Auction: Inside India
<https://blinks.bloomberg.com/news/stories/RV93S9DWX2PS>
- India's Coal Pits Fuel the Heat Waves That Threaten Millions
Continued reliance on the dirtiest fossil fuel means the world's most populous nation is making its climate troubles worse.
<https://blinks.bloomberg.com/news/stories/RV8O0KT0G1KX>
- India Is Once Again Making Money a Plaything: Andy Mukherjee
The manner in which the central bank is retiring the 2,000 rupee bill has reignited memories of the monumental disaster of demonetization in 2016.
<https://blinks.bloomberg.com/news/stories/RV8FOFDWX2PS>
- BRL Has Limited Upside With Easing Cycle in Sight, BofA Says
<https://blinks.bloomberg.com/news/stories/RV7ZSADWRGG0>
- Brazil Central Bank Sees Inflation Improving, Fans Rate Cut Bets
Campos Neto says data shows slight improvement in core prices
Central bank holding rates at 13.75% despite easing inflation
<https://blinks.bloomberg.com/news/stories/RV8C54DWLU68>
- Goldman, BBVA Say Dollar Weakness to Boost Mexican Peso
Currency can reach 17.50 per US dollar in short term: BBVA
Peso is the best performer among major currencies this year
<https://blinks.bloomberg.com/news/stories/RV6EZXDWRGG0>



RUBRICS

- Socialist Leads Ecuador Presidential Election Race, Poll Finds
Crime, corruption and economy are top issues for voters
Election set for Aug. 20, with possible October runoff
<https://blinks.bloomberg.com/news/stories/RV7X10DWLU68>
- High Carry EM Is 'Bright Spot' in Choppy Markets, Citigroup Says
Likes currencies from Hungary, Colombia, Chile and Brazil
Lower rates volatility is conducive for emerging-market trades
<https://blinks.bloomberg.com/news/stories/RV6EK9DWX2PS>
- Banxico Report to Show Moderate Growth, Slower Inflation Ahead
<https://blinks.bloomberg.com/news/stories/RV8AALDWX2PV>
- MEXICO PREVIEW: Activity Likely Extended Its Uptrend in March
<https://blinks.bloomberg.com/news/stories/RV8BXJDWLU68>
- Brazil's Surprise Inflation Slowdown Aids Lula Rate Cut Push (2)
Prices rose 0.51% on month, 4.07% on year in mid-May
Central bank has shown no sign of lowering interest rates soon
<https://blinks.bloomberg.com/news/stories/RV7Z3WDWRGG0>
- Peso Falls in Line With Peers Even as Copper Gains: Chile Close
<https://blinks.bloomberg.com/news/stories/RV7XRBDWLU69>
- Colombia Core Inflation Will Ease Starting in 2H23, Acosta Says
<https://blinks.bloomberg.com/news/stories/RV8N3WTOG1KW>

- South Africa Raises Rates to Highest Since 2009; Rand Slumps
Rand at record low as bank warns of further currency weakness
All five MPC members voted for 50 basis-point rate increase
<https://blinks.bloomberg.com/news/stories/RV7UOZDWLU68>
- Morawiecki Says Hopes for Interest Rates Cut in Poland in 4Q
<https://blinks.bloomberg.com/news/stories/RV95MVDWLU68>
- Poland Threatens Another LGBTQ Crackdown, This Time on Schools
<https://blinks.bloomberg.com/news/stories/RV7JCDWRGG0>
- Hungary Budget Overruns Are Becoming an Issue for Investors (1)
Hungary trying to stabilize budget after missing fiscal goals
Investors may shift focus to budget from rates, NatWest says
<https://blinks.bloomberg.com/news/stories/RV93M7DWX2PT>
- Hungary April Unemployment Rate Falls to 3.9%; Est. 4.1%
<https://blinks.bloomberg.com/news/stories/RV9539MS385G>
- EU Approves Hungary-Russia Nuclear Contract Change: Minister
<https://blinks.bloomberg.com/news/stories/RV7BOSDWRGG0>
- Czech Cabinet, Central Bank Seek United Front in Inflation Fight
Price growth eases after friction signs between institutions
Government has presented austerity plan to cut budget deficit
<https://blinks.bloomberg.com/news/stories/RV7E8ZDWRGG0>
- Czech Monetary Policy Is Sufficiently Tight, Zamrazilova Says
<https://blinks.bloomberg.com/news/stories/RV83GMDWRGG0>
- Weak Rand, Government Missteps Deny South Africans Rates Relief
Borrowing costs have more than doubled since November 2021
SARB won't intervene directly in currency market: Kganyago
<https://blinks.bloomberg.com/news/stories/RV7WV8DWRGG0>