

DM Headlines

- Treasury Yields Rise as Global Bond Slide Extends Before Powell
Market gauge of rate expectations rises close to March high
Pental's Xie Patrick buying bond dips as hiking cycle near end
<https://blinks.bloomberg.com/news/stories/RWJ4CDDWRGG0>
- US Homebuilder Sentiment Increases to Almost One-Year High (1)
NAHB/Wells Fargo index rose to 55, exceeding all forecasts
Sales expectations gauge for June firmest since May 2022
<https://blinks.bloomberg.com/news/stories/RWICEODWRGG0>
- Blinken's China Trip Yields Best Possible Result: More Talks (1)
China, US agree to resume talking but few specifics appear
More visits to come but military contacts still lacking
<https://blinks.bloomberg.com/news/stories/RWJ74XDWLU68>
- Oil Drifts Lower on Concern Chinese Stimulus Will Fall Short
Slow roll-out of steps by Beijing may crimp consumption growth
US benchmark WTI on course for back-to-back quarterly decline
<https://blinks.bloomberg.com/news/stories/RWJCGJT0AFB4>
- Persistent Inflation Worldwide Keeps Heat on Central Banks
<https://blinks.bloomberg.com/news/stories/RWJFW20799MO>

- Germany May Producer Prices Fall 1.4% M/m, Est. -0.7%
<https://blinks.bloomberg.com/news/stories/RWJFD7MS385N>
- ECB Said to Signal Banks Face Harsher Stress Test Results (2)
Regulator said to tell banks to prepare for adjustments
Banks have been benefiting from surge in interest income
<https://blinks.bloomberg.com/news/stories/RWHVIQDWLU68>
- ECB Officials Spar as Lane Rebuffs Talk of September Rate Hike
Schnabel warns on complacency while Lane sounds more relaxed
With July hike foreseen, debate focuses on following meeting
<https://blinks.bloomberg.com/news/stories/RWIOR8DWX2PS>
- Why Euro-Area Inflation Puts ECB September Decision in Balance
<https://blinks.bloomberg.com/news/stories/RWHHW6DWLU68>
- ECB's Guindos Says Slowdown in Core Inflation May be Limited
<https://blinks.bloomberg.com/news/stories/RWIIE7DWLU68>
- EU Readies €50 Billion Ukraine Package Ahead of Donor Summit (2)
Cash offered as grants, loans conditional on reform measures
EU to ask member states for funds for reconstruction plan
<https://blinks.bloomberg.com/news/stories/RWJ2IFDWX2PS>
- Viraj Patel: ⚠️ ECB's latest core CPI forecasts completely ignoring the lead from producer price inflation. German PPI inflation is at its lowest in nearly 2 years. Suggests core CPI will normalise later this year... starting in the next 2-3 CPI prints. We saw a glimpse of this in May \$EUR <http://twitter.com/VPatelFX/statuses/1671037436053340161>
- EurActiv: Italy says ECB war against inflation will hit growth
<https://blinks.bloomberg.com/news/stories/RWJF9XMB2SJM>
- ECB Terminal Distribution Supportive of Lower Rates Volatility
<https://blinks.bloomberg.com/news/stories/RWJCP7T0AFB7>



- Hedge Funds to Face First Ever Stress Tests Under BOE Exercise
<https://blinks.bloomberg.com/news/stories/RWHR57DWRGG0>
- London Home Asking Prices Slide as Rate Rises Stretch Buyers (1)
The UK capital suffered a bigger drop than any other region
Rightmove expects more wobbles as BOE battles high inflation
<https://blinks.bloomberg.com/news/stories/RWHRRXDWX2PS>
- UK Housing Pulse, June 2023: Soaring-Rate Spiral Deepens Risks
<https://blinks.bloomberg.com/news/stories/RWJCK6TOG1KW>
- Bloomberg's Economists: A 6% UK Rate = 2% Drop in GDP
<https://blinks.bloomberg.com/news/stories/RWJFWGGENSW0>
- BOE Likely to Slow Pace of UK Bond Sales, Goldman Sachs Predicts
<https://blinks.bloomberg.com/news/stories/RWI91LDWX2PS>

- RBA Frets Over Inflation Risk in 'Finely Balanced' Rate Call (2)
RBA considered pausing tightening cycle at June policy meeting
Tight labor market and sticky inflation among reasons for hike
<https://blinks.bloomberg.com/news/stories/RWJA52T1UM0W>
- Australia's Jobless Rate Needs to Rise Toward 4.5%, Bullock Says
<https://blinks.bloomberg.com/news/stories/RWJ4MGT0AFB4>
- Rate Cut Bets Build in Bond Markets From Australia to Sweden
Investors target central banks that will cut first and faster
Ninety-One, Hartford fund buying Australian, Nordic bonds
<https://blinks.bloomberg.com/news/stories/RURB04T1UMOX>
- (NZ) 2Q Westpac Consumer Confidence, actual 83.1, prior 77.7
- Australian Bonds Look for Help From 8-Month High Yield Premium
<https://blinks.bloomberg.com/news/stories/RWHBWXT0G1KW>
- NZ Consumer Confidence Stays in Doldrums as Costs Bite: Westpac
<https://blinks.bloomberg.com/news/stories/RWIP9TDWLU68>

- Japan Pension Proxies Scoop Up Super-Long Bonds on Dovish BOJ
Trust banks buy record amount of super-long JGBs in May
Yields are low again, making investments challenging: SMTB
<https://blinks.bloomberg.com/news/stories/RWIYXVTOG1KW>
- Yen Pressure Mounts With Trade-Weighted Gauge at Two-Decade Low
Slide in currency opens door for more verbal intervention
Yen is particularly weak against European currency peers
<https://blinks.bloomberg.com/news/stories/RWJ9HHT1UM0W>
- Japan's Nishimura: Watching for Excessive, Speculative FX Moves
<https://blinks.bloomberg.com/news/stories/RWJ547DWX2PS>
- Yen Near 142 Per USD, Intervention Concerns Grow: Inside Japan
<https://blinks.bloomberg.com/news/stories/RWJCTIDWX2PS>
- Japan April Industrial Production Revised Up to 0.7% M/m
<https://blinks.bloomberg.com/news/stories/RWJBQ9GFWR28>

EM Headlines

- Chinese Banks Disappoint With Modest Cut to Five-Year Rate (2)
One- and five-year rates reduced by 10 basis points each
Some economists had expected more support for housing
<https://blinks.bloomberg.com/news/stories/RWJ8XFT0G1KW>
- Xi Tells Blinken 'Very Good' That Progress Made on US-China Ties
Top US diplomat is on a two-day mission to reboot China ties
Positive tone of trip raises expectations of Xi-Biden talks
<https://blinks.bloomberg.com/news/stories/RWHUBIT1UM0W>
- Hong Kong Dollar One-Month Rate Climbs to Highest Since 2007
Aggregate balance shrank due to rounds of FX intervention
City's dollar moved away from weak end of trading band
<https://blinks.bloomberg.com/news/stories/RWJ8W9DWRGG0>
- China's Small Cut To 5-Year LPR Disappoints Yuan Traders: Mizuho
<https://blinks.bloomberg.com/news/stories/RWJ2ZWT1UM0W>
- (China) June 1-Year Loan Prime Rate, actual 3.55%, est. 3.55%, prior 3.65%
- (China) June 5-Year Loan Prime Rate, actual 4.20%, est. 4.15%, prior 4.30%
- Yuan Extends Drop, Bonds Gain After Modest LPR Cut: Inside China
<https://blinks.bloomberg.com/news/stories/RWJ1ZUT0AFB4>
- Emerging-Market Currency Volatility Erases War-Time Spike (2)
JPMorgan gauge of implied swings at lowest since October 2021
Peaking of monetary tightening, weaker dollar boost sentiment
<https://blinks.bloomberg.com/news/stories/RWID9CDWLU68>
- Won Gains on Dollar Weakness; Trade Data Watched: Inside Korea
<https://blinks.bloomberg.com/news/stories/RWIZLZT1UM0W>
- BOK Sees Increased Risk of Core Inflation Sticking Around (1)
Core inflation seen persisting amid strong jobs market, demand
BOK Governor reiterates it's too early to discuss rate cuts
<https://blinks.bloomberg.com/news/stories/RWHK7FT1UM0W>
- Rupee Declines With Stocks Amid Foreign Outflows: Inside India
<https://blinks.bloomberg.com/news/stories/RWJ8RFDWX2PS>
- India's NSE Plans Derivatives Based on Bond Indexes
Credit index-based products due to launch by September
Officials rolled out regulatory change back in January
<https://blinks.bloomberg.com/news/stories/RWHHP4DWRGG0>
- Rupiah Slips to Two-Month Low Amid Outflows: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RWJ8QQT0AFB4>
- PIMCO Sees Fundamental Opportunities in Indian, Indonesian Debt
<https://blinks.bloomberg.com/news/stories/RWHE2LT0AFB4>
- Chile Holds Rates in Split Vote and Signals Easing to Start (2)
Nearly all analysts in Bloomberg survey saw hold at 11.25%
3-2 decision came as surprise, with two votes for 50bps cut
<https://blinks.bloomberg.com/news/stories/RWIV34DWLU68>
- Goldman Forecasts 9% Gain for Brazil's Real on High Carry
<https://blinks.bloomberg.com/news/stories/RWD8HZT0G1KW>



RUBRICS

- Dovish Mood Sweeps Latin America as Central Banks Meet
<https://blinks.bloomberg.com/news/stories/RWIATPDWX2PS>
- CLP Declines Before Central Bank Decision: Inside Andes
<https://blinks.bloomberg.com/news/stories/RWI2TMDWX2PS>
- Mexico's AMLO Names Luisa Maria Alcalde Interior Minister
<https://blinks.bloomberg.com/news/stories/RWIC3MDWX2PS>
- AMLO Says Mexico to Set Tariffs on White Corn Imports: Milenio
<https://blinks.bloomberg.com/news/stories/RWIFVIDWLU68>
- Brazil Analysts Cut Selic, Inflation Bets Before Rate Decision
Central bankers seen holding interest rates steady at 13.75%
Wall Street banks now bet on first rate cut in September
<https://blinks.bloomberg.com/news/stories/RWHX8ADWRGG0>
- Lula: CenBank Head Needs to Explain Selic at 13.75% to People
<https://blinks.bloomberg.com/news/stories/RWI3EXDWLU68>
- CHILE REACT: Central Bank Readies for July Rate Cut After Hold
<https://blinks.bloomberg.com/news/stories/RWIVTADWLU68>
- Colombia Inflation-Adjusted House Prices Fall 3.9% Y/y in March
<https://blinks.bloomberg.com/news/stories/RWIKTBGFLIIO>

- Unexpected Recovery Sweeps World's Riskiest Sovereign Bonds (1)
Dollar debt from Nigeria, Turkey, Argentina has risen in June
EM government junk bonds have beat investment-grade peers
<https://blinks.bloomberg.com/news/stories/RWHLZ0DWRGG0>
- Forget Quality, Seek Emerging-Market High Yield: Morgan Stanley
Investment-grade EM credits unlikely to rally more from here
Preferred HY cash bonds include Ghana, Ukraine, El Salvador
<https://blinks.bloomberg.com/news/stories/RWHTXQDWRGG0>
- Poland's Ruling Party Reshuffles Campaign Team to Gain Traction
Kaczynski ally to lead campaign ahead of October contest
Law & Justice struggles to gain traction over opposition
<https://blinks.bloomberg.com/news/stories/RWHU2CDWRGG0>
- Hungary Set for Another Cut as Inflation Ebbs: Decision Guide
<https://blinks.bloomberg.com/news/stories/RWI26PDWRGG0>
- Forint Slips as Rate Advantage Seen Shrinking: Inside CEE
<https://blinks.bloomberg.com/news/stories/RWHR1HDWRGG0>
- Hungary Seeks to Soften Fiscal Blow From Central Bank Losses
Government in talks with central bank about compensating loss
Hungary's draft '24 budget omits central bank recapitalization
<https://blinks.bloomberg.com/news/stories/RWHTH8DWLU68>
- South Africa 10-Year Real Yields Headed for 1-Month Low
<https://blinks.bloomberg.com/news/stories/RWHSBAGFR4SG>
- South Africa Central Bank Rate at 8.25% by End-3Q (Survey)
<https://blinks.bloomberg.com/news/stories/RWHXMFGFR4SG>
- SURVEY: South Africa Economy to Grow 0.8% in 2Q23; Prior +0.9%
<https://blinks.bloomberg.com/news/stories/RWHXQDGF8W>
- Rand Eyes Strongest Level in Two Months: Inside South Africa
<https://blinks.bloomberg.com/news/stories/RWHKLRDWX2PT>