

DM Headlines

- US Curve Inversion Deepens to One Percentage Point After Powell
Inversion now widest since before March banking-sector fears
Powell signals Fed pause may be followed by more tightening
<https://blinks.bloomberg.com/news/stories/RWMOW3DWX2PS>
- Powell Signals Higher Rates as Lawmakers Press Him on Bank Rules
Says the timing of rate moves will be decided at each meeting
Powell fields questions on Fed's response to bank failures
<https://blinks.bloomberg.com/news/stories/RWM8HADWRGG0>
- Fed's Bostic Sees No Need for More Rate Hikes for Rest of 2023
Letting restrictive policy work a while is prudent, he says
As inflation slows, real rates rise so policy becomes tighter
<https://blinks.bloomberg.com/news/stories/RWMC6FDWLU68>
- Inflation Would Be Same Today Even If Fed Had Tightened Earlier
Bloomberg Economics model says liftoff timing mattered little
Fed would have required 'sharp recession' to prevent inflation
<https://blinks.bloomberg.com/news/stories/RWMGD0T0AFB4>
- US REACT: Markets Shrug Off Powell Hints of Additional Hikes
<https://blinks.bloomberg.com/news/stories/RWM6FODWLU68>
- Hedge Funds Struck Ultra-Bullish Rates Pose on Eve of Fed Pause
Option structures anticipating 2.5% funds rate see demand
JPMorgan Treasury client net long remains at multi-year highs
<https://blinks.bloomberg.com/news/stories/RWMAU1DWX2PS>

- EU Banks Expand Risk Scenarios They Face Due to Climate Change
Liquidity risks from climate now modeled by a third of banks
ECB climate test results seen as understatement of real risks
<https://blinks.bloomberg.com/news/stories/RWLN5ADWX2PS>
- ECB Pushes Banks on 'Survival Period' After Credit Suisse Fiasco
So-called survival period metric part of central bank's focus
Recent turmoil had heightened scrutiny of banks' liquidity
<https://blinks.bloomberg.com/news/stories/RWJMUVDWLU68>
- ECB's Schnabel Sees Profits and Wages Driving Domestic Inflation
Bundesbank chief Nagel says 'still a way to go' to tame prices
Investors looking for signs of when rate-hike cycle may finish
<https://blinks.bloomberg.com/news/stories/RWLVKZDWLU68>
- EU Sees Hurdles to Seizing €200 Billion in Russian Assets (2)
Officials mull making 'temporary' use of central bank funds
Wall Street banks say Russia could retaliate against seizure
<https://blinks.bloomberg.com/news/stories/RWLMUODWRGG0>
- ECB's Kazimir Says Core Inflation Must Be Tamed for Pause (1)
Slovak central bank chief says September decision uncertain
Says logical for ECB to hike again if core inflation stubborn
<https://blinks.bloomberg.com/news/stories/RWLJO1DWLU68>



RUBRICS

- Warnings of Mortgage Crisis Overblown, Says Top BOE Official
BOE court chair David Roberts spoke to House of Lords panel
Media has warned of mortgage time bomb as rates increase
<https://blinks.bloomberg.com/news/stories/RWLCW7DWX2PS>
- BOE Seen Boosting Pace of Hikes After Shock Inflation Reading
Traders see half-point hike in either June or August
Gilts fall with pound as markets reprice rates outlook
<https://blinks.bloomberg.com/news/stories/RWM0CKTOG1KW>
- BOE's Interest-Rate Decision Seen a Tough Call, Says Citi
<https://blinks.bloomberg.com/news/stories/RWN8EU0799MO>
- Pound Unlikely to See Much Benefit From a Hawkish BOE Surprise
<https://blinks.bloomberg.com/news/stories/RWN857DWRGG0>
- UK Foreign Secretary Rejects Idea BOE Needs to Create Recession
Remarks contrast with Chancellor's emphasis on inflation fight
Investors expect rate hike on Thursday and more ahead
<https://blinks.bloomberg.com/news/stories/RWN5YLDWLU68>

- RBA Governor Decision Is Likely in July as Challenges Mount (1)
Chalmers says decision will be made by time parliament resumes
Lowe has faced widespread criticism on guidance, communication
<https://blinks.bloomberg.com/news/stories/RWMSHLTOAFB4>
- For Aussie to Re-Test 70 Cents, RBA Needs to Be Hawkish: SocGen
<https://blinks.bloomberg.com/news/stories/RWMHLVTOG1KW>
- (NZ) May Trade Balance NZD, actual 46m, prior 427m, revised 236m
- (NZ) May Exports NZD, actual 6.99b, prior 6.8b, revised 6.61b
- (NZ) May Imports NZD, actual 6.95b, prior 6.38b, revised 6.37b
- (NZ) May Trade Balance 12 Mth YTD NZD, actual -17.1b, prior -16.8b, revised -17b
- Aussie Bond Curve Inverts on Powell Remarks: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/RWN08IDWRGG0>
- NZ May Trade Surplus Narrows, Exports to China +9.7% M/m
<https://blinks.bloomberg.com/news/stories/RWMKQDGFWR28>

- A Trader's Guide to Japanese Policymakers' Language on the Yen
Recent yen weakening has sparked renewed intervention concerns
Policymakers sent several signals before last fall's actions
<https://blinks.bloomberg.com/news/stories/RWJG9TT1UM0W>
- Bonds Steady, Yen Near 7-Month Low on Dovish BOJ: Inside Japan
<https://blinks.bloomberg.com/news/stories/RWN1KHTOAFB4>
- BOJ's Noguchi: Important to Strengthen Wage Momentum Via Easing
<https://blinks.bloomberg.com/news/stories/RWMSPUTOG1KW>
- BOJ's Ueda: Will Persistently Continue With Monetary Easing
<https://blinks.bloomberg.com/news/stories/RWLBU7TOG1KW>
- JGBs Show Asymmetrical Risk Into Friday's CPI Data
<https://blinks.bloomberg.com/news/stories/RWMW1HDWRGG0>
- JAPAN PREVIEW: Core CPI Inflation Likely Slowed to 3.1% in May
<https://blinks.bloomberg.com/news/stories/RWMLDMTOAFB4>

EM Headlines

- China Begins Nationwide Push to Reveal Hidden Government Debt
<https://blinks.bloomberg.com/news/stories/RWLEPDT0G1KW>
- Volatility of Emerging Asia Bonds Drops Below That of Treasuries
Asia central banks near end of tightening as Fed stays hawkish
Lower currency volatility is conducive for EM bonds: Maybank
<https://blinks.bloomberg.com/news/stories/RWN24GT0AFB4>
- Yuan to Hit 7.4/USD by End-Sept. as China Data Disappoints: BofA
<https://blinks.bloomberg.com/news/stories/RWLDEIT1UM0W>
- China Says Biden Calling Xi a Dictator Is ‘Provocation’ (2)
US president’s comments come days after trip to cool tensions
New flare in bilateral ties shows fragility of relationship
<https://blinks.bloomberg.com/news/stories/RWLHCUT0G1KW>
- Won Gains on USD’s Decline, Increase in Exports: Inside Korea
<https://blinks.bloomberg.com/news/stories/RWMOWKT0G1KW>
- Foreign Inflows Set to Be Positive Tailwind for Korea
<https://blinks.bloomberg.com/news/stories/RWMIB6DWRGG0>
- South Korea In Process to Issue FX Stabilization Bonds: Infomax
<https://blinks.bloomberg.com/news/stories/RWL7JSDWRGG0>
- Rupiah Rises to 1-Week High Before BI Decision: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/RWMYWADWX2PS>
- An Extended Rate Pause in the Cards for Indonesia, Philippines
Indonesia may weigh RRR cut to spur lending, growth: analyst
No pressure on Philippines to move after the Fed’s pause
<https://blinks.bloomberg.com/news/stories/RWHP5ZT0AFB4>
- Rupee Gains as Foreigners Pour Money Into Stocks: Inside India
<https://blinks.bloomberg.com/news/stories/RWMYHWDWRGG0>
- Dollar Junk Bonds Set for Best Asia Performance: India Credit
<https://blinks.bloomberg.com/news/stories/RWHOIUDWLU68>
- India Economic Growth Prospects Fuel Foreign Bond-Buying Streak
Foreigners buying Indian bonds for third straight month
Indian economy growing faster than most major world economies
<https://blinks.bloomberg.com/news/stories/RWL2GTDWX2PS>
- Brazil Holds Key Rate Steady, Avoids Clear Signs of Easing
Decision was expected by all analysts in Bloomberg survey
Businesses, politicians are echoing Lula’s criticism on rates
<https://blinks.bloomberg.com/news/stories/RWMJ1MDWLU68>
- Finance Chief Says Colombia Could Cut Key Rate by September (1)
Bonilla expects peso to stabilize around its current level
Finance Minister Ricardo Bonilla speaks in New York interview
<https://blinks.bloomberg.com/news/stories/RWMETXDWRGG0>
- Goldman Adds to Calls on Overvalued Mexico Peso After Big Rally
Peso may strengthen to 15.10/USD if “misvaluation” continues
Bank of America warns currency is vulnerable to a US downturn
<https://blinks.bloomberg.com/news/stories/RWMHQZT0G1KW>



- MEXICO PREVIEW: Banxico to Hold Rate, Cuts May Begin in 4Q
<https://blinks.bloomberg.com/news/stories/RWMGMDWRGG0>
- Mexico's economic outlook weighed down by expected drop in trade with U.S., says rating agency
<https://blinks.bloomberg.com/news/stories/RWMURF3V7U9S>
- Brazil Senate Alters Fiscal Plan, Sending It Back to Lower House
Lower house is expected to vote on the changes in early July
Senators increased the list of exceptions to the spending cap
<https://blinks.bloomberg.com/news/stories/RWI5USDWRGG0>
- Brazil Said to Consider ESG Bond Debut as Soon as September
Nation's efforts to tap sustainable debt market spanned years
Brazil may also tap its 6% bond due 2033 in coming weeks
<https://blinks.bloomberg.com/news/stories/RWIJOQDWLU68>
- Chile Tax Treaty Teed Up for Senate Passage With Bipartisan Vote
Wednesday test vote starts clock on vote on final passage
If the Senate votes in favor, treaty goes back to Chile for sign-off
<https://blinks.bloomberg.com/news/stories/RWMED2T0AFB4>
- Colombian Peso Drops After Trade Deficit Data: Inside Andes
<https://blinks.bloomberg.com/news/stories/RWLTPIDWLU69>
- Colombia April Trade Deficit Narrows to \$923.3m; Est. -\$875.0m
<https://blinks.bloomberg.com/news/stories/RWLZ3QMRXLVL>

- Deutsche Bank Warns on Risks as Forint Rallies Most in EM (1)
Hungary to slow pace of easing in fall, Morgan Stanley says
Forint also boosted by prospect of new \$1.5 billion factory
<https://blinks.bloomberg.com/news/stories/RWLP2ST0AFB4>
- Wall Street Is Baffled as Turkey's Reckoning Over Rates Arrives
Central bank set to hike rate for first time in over two years
Decision likely marks start of gradual normalization in policy
<https://blinks.bloomberg.com/news/stories/RWLOSAT1UM0W>
- South African Bonds Poised to Extend Rally as Inflation Eases
<https://blinks.bloomberg.com/news/stories/RWLLG7DWRGG0>
- Poland's Kaczynski Seeks Campaign Reset in Cabinet Return (1)
Kaczynski to re-assume active role in government ahead of vote
Law & Justice struggles to gain traction in election campaign
<https://blinks.bloomberg.com/news/stories/RWLM8EDWLU69>
- Forint Set to Run Out of Steam as Carry Fades
<https://blinks.bloomberg.com/news/stories/RWN6IYDWX2PS>
- Czechs Push Back Against Rate Cut Bets Despite Slowing Inflation
Central bank holds benchmark rate at 7% for eighth meeting
Michl says market expectations on rate cut won't materialize
<https://blinks.bloomberg.com/news/stories/RWLX2UDWRGG1>
- South Africa Consumer Inflation Slows to 13-Month Low in May (1)
Data eases pressure on central bank to keep raising rates
Inflation rate slows to 6.3% last month from 6.8% in April
<https://blinks.bloomberg.com/news/stories/RWLG47DWRGG0>