

DM Headlines

- Traders Scrap Bets on November Fed Move as Historic Short Cracks
Open interest in futures contract slumps from record level
Barclays, Bank of America shift Fed hike calls out to December
<https://blinks.bloomberg.com/news/stories/S2TY2WT0G1KW>
- Record Treasury Bets Build as Traders Split on Fed Rate Outlook
Funds boost both short and long positions in 2-year Treasuries
Long and shorts positions are the most on record: CFTC data
<https://blinks.bloomberg.com/news/stories/S2YPG8DWRGG0>
- Wild Treasuries Swings Just Starting as Bond Traders ‘Buckle Up’
Mixed signals from Fed, geopolitical angst fuel bond tumult
Volatility in Treasuries only seen increasing in coming months
<https://blinks.bloomberg.com/news/stories/S2RYN9T0AFB4>
- Fed’s Mester Says Rates Are at or Near the ‘Holding Point’
Official reiterates sustained high yields could affect policy
Mester anticipates keeping rates at peak for some time
<https://blinks.bloomberg.com/news/stories/S2U8IVT1UM0W>
- Oil Declines as Israel Delays Gaza Invasion Amid Hostage Talks
Israel, US are demanding release of civilians held by Hamas
Brent declines below \$92 a barrel after two weeks of gains
<https://blinks.bloomberg.com/news/stories/S2YRELT0AFB4>
- Central Banks Search for Lessons From Great Inflation Outbreak
Policymakers likely to show some flexibility in return to 2%
Quantitative easing better used for firefighting not stimulus
<https://blinks.bloomberg.com/news/stories/S2R1V7T1UM0W>
- Fund Managers Are Updating Bond Models to Capture a New Risk (1)
Extreme weather has direct impact on real estate credit market
Climate risks are resulting in mispricing of sovereign bonds
<https://blinks.bloomberg.com/news/stories/S2YU1BDWRGG2>
- Lombard Odier Looking to Add Bonds Once Volatility Subsides: Lee
<https://blinks.bloomberg.com/news/stories/S2YIE5T0AFB4>
- IMF Economist Says France Will Struggle to Reach Deficit Target
Gourinchas tells France Inter that nation needs more reforms
Finance Minister Le Maire reiterates resolve to cut debt load
<https://blinks.bloomberg.com/news/stories/S2VH4LDWX2PS>
- ECB’s €5 Trillion Problem Forces a Rethink of Market Operations
Balance-sheet reduction risks distorting policy transmission
Fed and BOE models offer options but there’s no easy solution
<https://blinks.bloomberg.com/news/stories/RYN52ADWRGG0>
- Europe’s Biggest Money Managers Bet ECB Rates Haven’t Hit a Peak
LGIM, Vanguard & Robeco anticipate additional tightening
Warn on front-end debt, see Italian spreads at risk from hikes
<https://blinks.bloomberg.com/news/stories/S2RSLMTOG1KW>
- Italy Survives S&P Scrutiny Staying Two Steps Above Junk (2)
S&P assessment will be followed in coming weeks by rivals



Ratings companies are scrutinizing new looser deficit profile
<https://blinks.bloomberg.com/news/stories/S2V86ADWRGG0>

- UK Outlook Raised to Stable by Moody's in Win for Sunak (1)
S&P maintained its stable outlook on the UK on Friday
Credit assessors cite policy predictability, resilient economy
<https://blinks.bloomberg.com/news/stories/S2UGGHT1UM0W>
- UK Pushing Pensions Into Private Equity Draws Industry Backlash
Experts flag risk posed by opaque private market valuations
Local governments resisting asset pooling over lack of control
<https://blinks.bloomberg.com/news/stories/S1LHC5DWLU68>
- UK Housing Correction to Deepen on 'Table Mountain' Rate Path
<https://blinks.bloomberg.com/news/stories/S2YTTVDWRGG0>
- Economists Urge BOE to Rejig Bond Sales After Market Rates Spike
Yields on 30-year bonds have surged to the highest since 1998
Sales from BOE's stimulus portfolio lock in taxpayer losses
<https://blinks.bloomberg.com/news/stories/S2U43GT0G1KW>
- BOE Governor Signals UK's Inflation Fight Has Further to Run (1)
Bailey points to wage growth and food prices as concerning
Remarks indicate pressure for interest rates to remain high
<https://blinks.bloomberg.com/news/stories/S2TGIBT0G1KW>

- Australia Gender Bias Costs Economy \$80 Billion, Taskforce Says
Report argues Australians need 52 weeks paid parental leave
Firms will be forced to reveal their gender pay gaps from 2024
<https://blinks.bloomberg.com/news/stories/S2YEQVT1UM0W>
- Bonds Follow USTs Lower Into RBA, CPI Week: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S2YQINT0G1KW>
- Kiwi at Risk Against Franc on Crude Link: Standard Chartered
<https://blinks.bloomberg.com/news/stories/S2TSRAT0AFB4>

- JGB 10-Year Yield at 0.9% Would Trigger YCC Revision: MUFJ-MS
<https://blinks.bloomberg.com/news/stories/S2YFAFT0G1KW>
- Yen Breaches 150 Per Dollar Again, Raising Intervention Risk
Wide interest rate gap with US weighs on Japan's currency
Havens in focus as tensions in Middle East ratchet higher
<https://blinks.bloomberg.com/news/stories/S2YKX7T0G1KW>
- BOJ May Review Yield-Curve Control Policy as Rates Rise: Nikkei
<https://blinks.bloomberg.com/news/stories/S2WMLNDWX2PS>
- Japan's Kishida Touts Tax Cuts After Special Election Loss (1)
Public support for premier has tumbled to lowest of his tenure
Unpopularity may hurt prospects in next party leadership vote
<https://blinks.bloomberg.com/news/stories/S2YI6JDWRGG0>
- Yen Steady Below 150; 10Y Yield at Decade High: Inside Japan
<https://blinks.bloomberg.com/news/stories/S2YR6AT1UM0W>



EM Headlines

- China Stocks Erase All Reopening Gains as Property Woes Persist
Foreigners sold most onshore stocks since August this week
CSI 300 Index retreats 4.2% this week, biggest loss in a year
<https://blinks.bloomberg.com/news/stories/S2TFZQT1UM0W>
- Bonds Gain Amid PBOC's Cash Support; CNH Steady: Inside China
<https://blinks.bloomberg.com/news/stories/S2YIIBDWRGG0>
- Chinese Yuan Pressured by Biggest Capital Exodus Since 2016
Overseas funds cut their holdings of China bonds in September
Unfavorable US-China rate spread adding to outflows: Goldman
<https://blinks.bloomberg.com/news/stories/S2U80RTOG1KW>
- Australian PM to Visit China After Reaching Deal Over Wine Spat
Albanese will meet with Xi when he travels to China Nov. 4-7
Beijing agrees to review tariffs on Australian wine exports
<https://blinks.bloomberg.com/news/stories/S2YK4LTOAFB4>
- China Plans Twice-a-Decade Financial Policy Conference Next Week
Meeting to discuss risk prevention including LGFVs, people say
China is struggling to boost its economy and capital markets
<https://blinks.bloomberg.com/news/stories/RNBPVCT0G1KZ>
- Won Little Changed, Exports Return to Growth: Inside Korea
<https://blinks.bloomberg.com/news/stories/S2YHKBT0G1KW>
- Korea's Early Export Gain Points to Recovering Global Demand (1)
Semiconductor prices are starting to rebound, adding to hopes
Korean policymakers expect recovery momentum to pick up
<https://blinks.bloomberg.com/news/stories/S2YHEFT1UM0W>
- Sri Lanka Wins Initial IMF Approval for \$330 Million Payout (2)
IMF concludes staff-level talks in nation's \$3 billion program
Country has been in talks with creditors to restructure debt
<https://blinks.bloomberg.com/news/stories/S2TKA3T1UM0W>
- More Rate Hikes Seen in Indonesia as Rupiah Keeps Sinking (1)
Economists see key rate as high as 6.5% if volatility worsens
New FX securities will be crucial to replenish dollar supply
<https://blinks.bloomberg.com/news/stories/S2YQ7DT0G1KW>
- Rupee Bond Traders Await State Debt Sale, FX Swap: Inside India
<https://blinks.bloomberg.com/news/stories/S2YN49DWLU68>
- India Official Reserves Rise After Five Weeks of Decrease
<https://blinks.bloomberg.com/news/stories/S2TSTFGF4NPC>
- India's RBI Governor Says It's 'Extra Vigilant' on Inflation (2)
Governor Das says RBI needs to see sustained easing to 4%
MPC calls for close watch on price gains amid uncertainties
<https://blinks.bloomberg.com/news/stories/S2TQ8JT0G1KW>
- Chile's Peso Leads Latin American Losses on S&P Outlook Cut, Oil
Higher oil, lower copper prices to undermine terms of trade
Weakening consensus on economic agenda may hurt growth: S&P
<https://blinks.bloomberg.com/news/stories/S2TV07T1UM0W>



RUBRICS

- Peru Acknowledges the Recession It Spent Months Downplaying
Social unrest and severe weather have caused disruption
Peru had been Latin America's star economy this century
<https://blinks.bloomberg.com/news/stories/S2UEGCT1UM0W>
- Brazil's Economic Activity Declines for First Time Since May (1)
Activity fell 0.77% on month, rose 1.28% on the year in August
Analysts see GDP growth at 2.92% this year, 1.5% in 2024
<https://blinks.bloomberg.com/news/stories/S2TUZQTOG1KW>
- Latin American Leaders Agree to Boost Economy to Stop Migration
Colombia, Venezuela presidents among 10 regional leaders there
US officials have put pressure on AMLO ahead of 2024 elections
<https://blinks.bloomberg.com/news/stories/S2YDWVDWX2PS>
- One of Brazil Central Bank's Top Hawks Requests Reappointment
Fernanda Guardado's mandate expires at the end of the year
Her policy views put her at odds with President Lula's agenda
<https://blinks.bloomberg.com/news/stories/S2UB8HT1UM0W>
- Massa Gains Upper Hand Over Milei as Argentina Heads to Runoff
Economy Minister Sergio Massa surprises with second round win
Ahead of decisive Nov. 19 runoff, Milei is now on the backfoot
<https://blinks.bloomberg.com/news/stories/S2YLXTT0G1KW>
- Peso Falls for Third Week Amid Higher Oil Prices: Chile Close
<https://blinks.bloomberg.com/news/stories/S2UDE1T0G1KW>
- Colombia Aug. Trade Deficit Widens to \$1.061b; Est. -\$830.0m
<https://blinks.bloomberg.com/news/stories/S2U1Q26JLCZR>
- Currencies Swing Wildly With US Yields Guiding: Inside Andes
<https://blinks.bloomberg.com/news/stories/S2U0BNT0G1KW>

- Poland Is Winning Over Investors With Pivot Back to Europe
Zloty, Warsaw stocks jump as Poland set for pro-EU government
Political shift may unlock EU aid, boost \$700 billion economy
<https://blinks.bloomberg.com/news/stories/S2RU1OT0G1KW>
- Poland's Incoming Ruling Party Sticks to Tax Cut, Spending Plans
<https://blinks.bloomberg.com/news/stories/S2TFEUT1UM0W>
- Gazprom Will Boost Gas Supplies to China, Hungary, CEO Says
<https://blinks.bloomberg.com/news/stories/S2XOFODWLU68>
- South Africa's Eskom to Extend Daily Power Suspension to Tuesday
<https://blinks.bloomberg.com/news/stories/S2XBPQDWRGG0>
- Africa Can Figure Out Their Climate Policy, Tshabalala Says
<https://blinks.bloomberg.com/news/stories/S2X4PXDWRGG0>
- Aid Gets to Gaza for First Time Since Israel-Hamas War Began (3)
Rafah border between Gaza and Egypt opened on Saturday morning
It's unclear if foreigners in Gaza will be allowed to leave
<https://blinks.bloomberg.com/news/stories/S2W5TGT0AFB4>
- Foreign Investors Net Sellers of South African Bonds (Table)
<https://blinks.bloomberg.com/news/stories/S2U6ZVGEZ1FK>