

DM Headlines

- Bond Traders Racing Ahead of Fed Face Reality Check on Jobs Data
Treasury yields priced for an accelerating slowdown in hiring
Swaps indicate series of Fed cuts to 4% within 12 months
<https://blinks.bloomberg.com/news/stories/S57I13DWX2PS>
- Fed's Repo Backstop Gets Most Use Since 2020 Amid Funding Stress
Counterparties tapped facility for \$203 million on Dec. 5
Rise comes after SOFR jumped to record high 5.39% on Dec. 1
<https://blinks.bloomberg.com/news/stories/S59KYKDWX2PS>
- JPMorgan Sees Rates Rally Driving Single-Digit Returns for Bonds
Firm's Steve Dulake expects lower defaults for corporate bonds
Potential volatility in Treasury market is his top concern
<https://blinks.bloomberg.com/news/stories/S5BAUQDWX2PS>
- High-Yield Rally on Fed Optimism Sends Spreads to 19-Month Lows
Investors bet interest-rate hikes near done as inflation cools
Renewed demand for bonds fuels broad-based gains across sector
<https://blinks.bloomberg.com/news/stories/S4SEYBT0AFB4>
- US PREVIEW: Strike End to Boost Payrolls, But Job Market Cooling
<https://blinks.bloomberg.com/news/stories/S5C283T1UM0W>
- Oil's Bounce Fails to Erase Worst Weekly Losing Run Since 2018
Brent nears \$76 as benchmark heads for seventh weekly decline
Demand growth in top oil importer China seen slowing next year
<https://blinks.bloomberg.com/news/stories/S5C4ICT0AFB4>
- Wrong Six Straight Times, Traders Bet Big Again on Fed Rate Cuts
<https://blinks.bloomberg.com/news/stories/S5AJSBDWLU68>
- Yellen Says Market Expectations Can Complement Fed's Policy
<https://blinks.bloomberg.com/news/stories/S59J5JT0G1KW>
- US INSIGHT: What Makes Fed Cut Rates, Recognize a Recession? (1)
<https://blinks.bloomberg.com/news/stories/S5AOQPDWRGG0>

- EU Inches Toward Fiscal Deal as Year-End Deadline Looms (1)
Eight hours of talks end around 3 a.m. on Friday morning
'We have made essential progress,' France's Le Maire says
<https://blinks.bloomberg.com/news/stories/S5C3Q4DWLU68>
- ECB to Clash With Markets Over Rate-Cut Timing, Survey Shows
Expectation of first reduction moved to June from September
Majority sees earlier end to reinvestments of pandemic bonds
<https://blinks.bloomberg.com/news/stories/S5AGN8DWX2PS>
- ECB Rates to Stay on Hold - Forecasts, PEPP in Focus
<https://blinks.bloomberg.com/news/stories/S5BIUCT1UM0X>
- ECB Might Start Rate Cuts in March, Says SEB Research -- Market Talk
<https://blinks.bloomberg.com/news/stories/S5C7KI0799MO>
- Euro-Zone Recession Signs Grow as National Industries Falter (1)
German, Italian October production data show declines
France and Spain also revealed output drops on Tuesday
<https://blinks.bloomberg.com/news/stories/S5AHPJDWRGG0>



- Banks Borrow Record £4 Billion From BOE in Repo Arbitrage (1)
Short-Term Repo operation sees usage surge in recent weeks
Gauge of repo market rates higher than cost to borrow from BOE
<https://blinks.bloomberg.com/news/stories/S5AQFFDWLU68>
- BOE Asks Banks to Report Private Debt Exposure, Reuters Says (1)
Regulators around the world are looking closely at the market
The SEC has also implemented private fund rules in the US
<https://blinks.bloomberg.com/news/stories/S5ASVIDWRGG1>
- BOE PREVIEW: On Hold, to Hint Market Rate Cut Bets Are Overdone
<https://blinks.bloomberg.com/news/stories/S5C21FT1UM0W>
- UK to Update Playbook for Bank Failures After SVB Flagged Flaws
City Minister says bank resolution consultation will come soon
Some vulnerabilities exposed by Silicon Valley Bank's collapse
<https://blinks.bloomberg.com/news/stories/S5AVPST0AFB4>

- Australia Reiterates RBA's CPI 2-3%, Full Employment Objectives
<https://blinks.bloomberg.com/news/stories/S5BH8PDWLU68>
- RBA Says Increased Financial Stress Unlikely to Impact Stability
<https://blinks.bloomberg.com/news/stories/S5BSDBDWLU68>
- AUD Rises With Ore, Oil Amid Shortcovering: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S5BWN3T1UM0W>
- Australia Reiterates RBA's CPI 2-3%, Full Employment Objectives
<https://blinks.bloomberg.com/news/stories/S5BH8PDWLU68>
- New Zealand 3Q GDP to Fall Despite Boost From Population Growth
<https://blinks.bloomberg.com/news/stories/S5BIUCT1UM11>
- New Zealand Treasury Signals Bond Syndications Before June 30
<https://blinks.bloomberg.com/news/stories/S5A4E9DWX2PS>

- Traders Pile Into Bets That End of Negative BOJ Rate Is Near (2)
Swaps show as much as an almost 45% chance of December tweak
Deputy Himino's remarks spur talk of 'live' December meeting
<https://blinks.bloomberg.com/news/stories/S5AYEUDWRGG0>
- Two-Thirds of BOJ Watchers Expect End of Negative Rate by April
Some 94% of polled economists see no policy change in December
15% see axing of subzero rate in January, half opt for April
<https://blinks.bloomberg.com/news/stories/S5BQEVT0AFB4>
- Japan's Deepest Contraction Since Pandemic Clouds Path for BOJ
Annualized 2.9% drop in GDP may give central bank pause
Market speculation of BOJ change sparking sharp yen moves
<https://blinks.bloomberg.com/news/stories/S5BPHEDWLU68>
- JAPAN REACT: Wages Are Going Right Way for BOJ But Not There Yet
<https://blinks.bloomberg.com/news/stories/S5BMKJTOG1KW>
- Yen Short Positions May Have Been Cleaned Out: Daiwa Securities
<https://blinks.bloomberg.com/news/stories/S5BNN1DWLU68>
- (Japan) Oct. Household Spending YoY, actual -2.5%, est. -2.9%, prior -2.8%
- (Japan) 3Q GDP Annualized SA QoQ, actual -2.9%, est. -2.0%, prior -2.1%
- (Japan) 3Q GDP Deflator YoY, actual 5.3%, est. 5.1%, prior 5.1%

EM Headlines

- China's Oil Demand Growth to Cool in 2024 as Recovery Fades (1)
Past year saw benefit of pent-up appetite after the pandemic
Growth for next year seen at 500,000 barrels per day – survey
<https://blinks.bloomberg.com/news/stories/S5BU8XT0AFB4>
- CNY Resumes Declines Before US Payroll Data: Inside China
<https://blinks.bloomberg.com/news/stories/S5BTYKT0AFB4>
- Xi Tells EU Leaders China Wants to Be 'Key Partner' on Trade (3)
Chinese leader urges 'mutually beneficial cooperation' with EU
Bloc wants Beijing to address a range of economic complaints
<https://blinks.bloomberg.com/news/stories/S5AS3KT0G1KW>
- China's Li Hopes EU Will Be Prudent With Trade Policy, CCTV Says
<https://blinks.bloomberg.com/news/stories/S5ANNGDWLU68>
- China's Covid Zero Scars Leave Citizens Fearful of Curbs (1)
Digital health codes remain on government apps causing anxiety
Scattered reports show sporadic virus testing still in place
<https://blinks.bloomberg.com/news/stories/S5ARLYT0AFB4>
- Moody's Cuts Outlook for Eight Chinese Banks, Hong Kong (2)
Eight banks cut to negative from stable by the ratings company
Measures follow cut to outlook for sovereign rating Tuesday
<https://blinks.bloomberg.com/news/stories/S5AMMVDWX2PS>
- Won Jumps on Yen Surge, BOK Forex Swap Talks: Inside Korea
<https://blinks.bloomberg.com/news/stories/S5BNOJTOG1KW>
- South Korea Foreign Travel Spending Up 23% in October Y/Y
<https://blinks.bloomberg.com/news/stories/S5BK43GETF5S>
- S. Korea's NPS, Central Bank Seek to Extend FX Swap Line: Rtrs
<https://blinks.bloomberg.com/news/stories/S5BMVXT0G1KW>
- Rupiah Edges Higher Ahead of US Jobs Data: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S5BWZSDWX2PS>
- Won, Rupiah, Indian Rupee Favored: Credit Agricole CIB
<https://blinks.bloomberg.com/news/stories/S5BVCXT0AFB4>
- Indonesia Nov. Consumer Confidence Falls to 123.6 (1)
<https://blinks.bloomberg.com/news/stories/S5BVAXTOG1KW>
- The World's Fastest-Sinking Megacity Has One Last Chance to Save Itself
<https://blinks.bloomberg.com/news/stories/S5AWX5DWX2PS>
- India Signals Rates to Stay High for Longer as Economy Booms (2)
RBI keeps repurchase rate at 6.5%, in line with forecasts
Governor Das raises full-year growth forecast to 7% from 6.5%
<https://blinks.bloomberg.com/news/stories/S5C09ZDWRGG0>
- Traders Breathe Sigh of Relief as RBI Tones Down on Bond Sales
Need for OMO bond sales hasn't arisen, says RBI Governor Das
Yield on 10-year bond may drop to 7.05% by March: Mirae Asset
<https://blinks.bloomberg.com/news/stories/S5C28MDWLU68>
- Chile Inflation Exceeds All Forecasts Ahead of Rate Decision (2)
Consumer prices rose 4.8% on year, 0.7% on month in November



- Chile's economic activity fell 0.1% in October from September
<https://blinks.bloomberg.com/news/stories/S5AQOSDWX2PS>
- Mexico Inflation Ticks Up Though Key Measure Continues Slowdown
Annual inflation quickens to 4.32%, versus 4.39% estimate
Core inflation slows to 5.3%, below 5.33% projection
<https://blinks.bloomberg.com/news/stories/S57LW8DWLU68>
 - El Salvador's Fovial Shelves \$500 Million Junk Bond Sale (1)
<https://blinks.bloomberg.com/news/stories/S5BCONDWRGG0>
 - Argentina Limits Banks' Dollar Holdings as Devaluation Looms (1)
Central bank limits amount of foreign currency they can hold
Investors expect a 44% FX devaluation as Milei takes office
<https://blinks.bloomberg.com/news/stories/S5B6QCDWLU68>
 - Mexico's Central Bank to Stay on Hold for Sixth Straight Meeting
<https://blinks.bloomberg.com/news/stories/S5BIUDT0G1KY>
 - Mexico Inflation Slowing More Gradually Into Year-End and 2024
<https://blinks.bloomberg.com/news/stories/S5BIIDDWRGG0>
 - Mercosur Summit Ends Without EU Deal, Eclipsed by Venezuela Fear
Lofty goals overshadowed by trade setback, regional tensions
Leaders call for peaceful end to Venezuela-Guyana dispute
<https://blinks.bloomberg.com/news/stories/S5BCXKDWX2PS>
 - Brazil Central Bank to Stay on Track with 50-Bp Rate Cut
<https://blinks.bloomberg.com/news/stories/S5BIUDT1UM0W>
 - Colombian Core CPI Unexpectedly Jumps, Souring Rate Cut Hopes
Headline inflation extended downward trend in November
Central bank holds its next monetary policy meeting on Dec. 19
<https://blinks.bloomberg.com/news/stories/S5B7P6DWLU68>
 - COLOMBIA REACT: Inflation Slowing, But Not Enough for Rate Cuts
<https://blinks.bloomberg.com/news/stories/S5BLP4DWLU68>

 - South African Current Account Gap Narrows as Imports Slip (1)
Shortfall narrows to 0.3% of GDP in the third quarter
Value of imports lowers, exports saw softer lower prices
<https://blinks.bloomberg.com/news/stories/S5AH2RDWLU68>
 - Poland's Ex-Central Bank Chief Skeptical About Probing Glapinski
<https://blinks.bloomberg.com/news/stories/S5AEAXDWX2PS>
 - Glapinski Hopes March Forecast Will Clear Up Risks to Rate Path
<https://blinks.bloomberg.com/news/stories/S5AVSHDWRGG0>
 - Polish Banks and Their Owners Drop on New CHF Loans Ruling (1)
<https://blinks.bloomberg.com/news/stories/S5AVT8DWX2PS>
 - Hungary's Inflation Rate Eases to 7.9%, Boosting Rate-Cut Plans
<https://blinks.bloomberg.com/news/stories/S5AIZ5T1UM0W>
 - Czech October Industrial Production NSA Rose 8% on Year
<https://blinks.bloomberg.com/news/stories/S5AEH7GQOFSW>
 - South Africa Consumer Confidence Edges Lower Amid Gloomy Outlook
Quarterly sentiment gauge at -17 on eve of holiday period
Index records worst festive-season reading in two decades
<https://blinks.bloomberg.com/news/stories/S58S9LDWLU68>