

DM Headlines

- Demand for Fed's Bank Term Funding Facility Grows to Record High
Use rose to all-time high \$131 billion in week through Dec. 20
Facility pricing more attractive as rate-cut bets increase
<https://blinks.bloomberg.com/news/stories/S61D63DWRGG0>
- US Money-Market Funds See Second Straight Week of Outflows
Assets fell to \$5.87 trillion in week to Dec. 20: ICI
Decline was offset by inflows into retail money funds
<https://blinks.bloomberg.com/news/stories/S61B4WDWRGG0>
- Euphoria on Fed Pivot Prospects Ignores the Lagging Hangover
Impact of past hikes is still feeding through to real economy
Debt costs, lower credit availability will weigh on demand
<https://blinks.bloomberg.com/news/stories/S4K3DYT0AFB4>
- US Weighs Tariffs on Chinese Electric Vehicles, Other Goods
Biden launched tariff review shortly after taking office
Administration has been seeking warmer relationship with China
<https://blinks.bloomberg.com/news/stories/S619IXDWRGG0>
- Oil Edges Lower on US Output Gains, Angola's Departure From OPEC
Risk to ships in Red Sea are helping limit crude's losses
WTI falls below \$74 a barrel after rising for three sessions
<https://blinks.bloomberg.com/news/stories/S61831DWRGG0>
- Kaplan: Sustained Improvement Needed Before Fed's Action
<https://blinks.bloomberg.com/news/stories/S61HUIDWRGG0>
- Treasury 5-Yr TIPS \$20 Billion Reopening Stops Close to WI Yield
<https://blinks.bloomberg.com/news/stories/S6132CDWRGG0>
- Treasury's 20-Year Bond Still In Demand in Repo After Auction
<https://blinks.bloomberg.com/news/stories/S60SIYDWLU68>
- US PCE Inflation Cooling to 2.9% in November – Nowcast
<https://blinks.bloomberg.com/news/stories/S61H86DWRGG0>

- EU Should Tap \$88 Billion Rescue Fund to Help Ukraine, Rehn Says
European Stability Mechanism could serve as a "Plan B"
US lawmakers abandoned efforts to reach deal on aid this year
<https://blinks.bloomberg.com/news/stories/S60A0NDWLU68>
- Italian Lawmakers Reject Bailout Fund Proposal in Blow to EU (1)
Lower house vote drags out a clash with partners in the bloc
Dispute over ratification is isolating Italy in European Union
<https://blinks.bloomberg.com/news/stories/S60OYODWRGG1>
- PEPP Portfolio May Shrink by About €15 Billion Per Month in 2025
<https://blinks.bloomberg.com/news/stories/S623G7DWX2PS>
- Euro Area's New Fiscal Rules Will Prevent Excessive Cuts
<https://blinks.bloomberg.com/news/stories/S618I0DWRGG1>
- Wind Power Hits Record in UK, Germany in Stormy Weather (3)
Generation from turbines beats previous peak set in January
Clean energy accounts for more than 50% of Germany, UK power
<https://blinks.bloomberg.com/news/stories/S60T23DWLU68>



- UK Economy Shrinks in Third Quarter, Raising Recession Risk (1)
GDP revised to show 0.1% contraction, 2Q also downgraded
Figures put pressure on Bank of England and PM Rishi Sunak
<https://blinks.bloomberg.com/news/stories/S6245WDWRGG0>
- U.K. Retail Boosted in November by Black Friday Promotions, Lower Inflation – Update
<https://blinks.bloomberg.com/news/stories/S625P00799MO>
- UK REACT: Retail Sales Jump Despite Looming Shadow of Recession
<https://blinks.bloomberg.com/news/stories/S625JET0AFB4>
- UK Retail Sales Rise 1.3% M/m in Nov.; Est. +0.4%
<https://blinks.bloomberg.com/news/stories/S623IGGFA9Z4>
- FirstFT: Jeremy Hunt says ‘reasonable chance’ that Bank of England will cut rates next year
<https://blinks.bloomberg.com/news/stories/S61Z5A8JMDC0>
- EU, UK Push Back Tariffs on EV Trade for Three Years (1)
Duties now set to enter into force from start of 2027
Grace period to give time to expand battery production
<https://blinks.bloomberg.com/news/stories/S60SZPDWX2PS>

- Australia’s Central Bank Seen as Hawkish Holdout to Global Pivot
Traders uncertain of RBA cut in next 6 months, unlike Fed, ECB
Inflation in Australia remains higher than in the US and UK
<https://blinks.bloomberg.com/news/stories/S51UYKT0AFB4>
- Australia Underlying Cash Deficit A\$8.2B for 5 Months to Nov. 30
<https://blinks.bloomberg.com/news/stories/S61SMMDWLU68>
- (AU) Nov. Private Sector Credit YoY, actual 4.7%, prior 4.8%, revised 4.7%
- (AU) Nov. Private Sector Credit MoM, actual 0.4%, est. 0.4%, prior 0.3%
- AUD, NZD Trim Weekly Gain in Thin Liquidity: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S61X17T1UM0W>
- Australia Nov. Credit to Business, Consumers Rises 0.4% M/m
<https://blinks.bloomberg.com/news/stories/S61LEV6JLCZK>

- Japan's Cooling Inflation Also Offers Encouraging Signs for BOJ
Core prices weaken as expected on deeper falls in energy fees
Service price gains suggest wider inflation trend building
<https://blinks.bloomberg.com/news/stories/S61JG4DWLU68>
- BOJ Members: Need to See Intensified Virtuous Wage-Price Cycle
<https://blinks.bloomberg.com/news/stories/S61L2QT0G1KW>
- (Japan) Nov. Natl CPI Ex Fresh Food, Energy, actual 3.8%, est. 3.8%, prior 4.0%
- (Japan) Nov. Natl CPI YoY, actual 2.8%, est. 2.8%, prior 3.3%
- (Japan) Nov. Natl CPI Ex Fresh Food YoY, actual 2.5%, est. 2.5%, prior 2.9%
- GPIF Is Open to Expanding Active Stock Investments, CIO Says (1)
Easiest way to lift return is via active stock management: CIO
Fund ranks managers with help from computer-generated data
<https://blinks.bloomberg.com/news/stories/S61VC7T0AFB4>
- Bonds Fall With BOJ Debt Purchase Plan in Focus: Inside Japan
<https://blinks.bloomberg.com/news/stories/S61WT3T0AFB4>

EM Headlines

- China's 30-Year Yield Hits Lowest Since '05 on Deposit Rate Cuts
Move comes as economy struggles to deliver solid recovery
Benchmark yields will keep falling in coming year: analyst
<https://blinks.bloomberg.com/news/stories/S61RMRT1UM0W>
- China Turns Up Heat on Trade With Rare Earths Tech Curbs (3)
Move throws up a new hurdle in race to boost Western supplies
China has come to dominate refining over the past 30 years
<https://blinks.bloomberg.com/news/stories/S6209OT0AFB4>
- China Banks Could Cut Deposit Rates Even More: Securities Times
<https://blinks.bloomberg.com/news/stories/S61HZJT0G1KW>
- Top US, Chinese Military Officials Speak Amid Warming Ties (2)
Discussion included communication, avoiding miscalculations
Biden-Xi meeting credited with restoring military contacts
<https://blinks.bloomberg.com/news/stories/S61PAST0AFB4>
- Bonds Gain as Banks Cut Deposit Rates; CNY Lags: Inside China
<https://blinks.bloomberg.com/news/stories/S61J43T0G1KW>
- China Mega Banks Cut Deposit Rates, Signaling More Policy Easing
Analysts expect lending rates to be lowered as soon as January
PBOC may also cut reserve requirement ratio in coming months
<https://blinks.bloomberg.com/news/stories/S61OZKT1UM0W>
- PBOC's Interest Rate Cuts Are Pushing on a String: China Today
<https://blinks.bloomberg.com/news/stories/S614R8DWLU68>
- PBOC May Cut Policy Rates in Jan. Following Deposit Move: Nomura
<https://blinks.bloomberg.com/news/stories/S61OCHT1UM0W>
- China's Foreign Direct Investment Drops to Near Four-Year Low
<https://blinks.bloomberg.com/news/stories/S5JY87T0AFB4>
- Won Gains as Fed Rate-Cut Bets Boost Sentiment: Inside Korea
<https://blinks.bloomberg.com/news/stories/S61LKKT0G1KW>
- South Korea's Core CPI to Show Progress in Central Bank's Eyes
<https://blinks.bloomberg.com/news/stories/S6155BDWX2PS>
- South Korea's Export Momentum Could Lift Shipping
<https://blinks.bloomberg.com/news/stories/S61HD6DWRGG1>
- Rupee Bonds Move Sideway Before Debt Sale: Inside India
<https://blinks.bloomberg.com/news/stories/S622H2DWLU68>
- Rupiah Rises as BI Signals Higher-For-Longer: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S61QQZT0AFB4>
- Indonesia's Central Bank Is Wary of Rupiah, CPI Risks
<https://blinks.bloomberg.com/news/stories/S618I0DWRGG2>
- Brazil Central Bank Cuts 2024 Growth Forecast on Consumption (1)
Central bankers lowered interest rate to 11.75% last week
Policymakers see economic growth at 3% this year, 1.7% next
<https://blinks.bloomberg.com/news/stories/S60LLJDWX2PS>
- Milei Unveils Broad Reforms to Liberalize Argentina Economy (2)
Plan will face opposition in congress and from labor unions



Measures come after deep budget cuts, sharp peso devaluation

<https://blinks.bloomberg.com/news/stories/S60M2UDWLU68>

- Airlines Lead Latin American Bonds After Covid-Induced Drop
Latam, Avianca, Aeromexico emerge stronger after bankruptcies
Air travel in Latin America returned to pre-pandemic levels
<https://blinks.bloomberg.com/news/stories/S5KICKT0AFB4>
- Ecuador Leader Says Bondholders Lost Bet Against His Government
Noboa alleges JPMorgan, BlackRock were shorting Ecuador debt
Comments come against backdrop of market optimism with Ecuador
<https://blinks.bloomberg.com/news/stories/S61AQFT0G1KW>
- Brazil Police Launch Probe Into Braskem as Mine Risks Collapsing
Police sees evidence that company ignored safety parameters
Braskem's employees are target of search and seizure warrants
<https://blinks.bloomberg.com/news/stories/S60PGBDWX2PS>
- Mexico Gets 'Bad Inflation News' as Holiday Spending Jumps (1)
Annual inflation accelerated to 4.46% above est. 4.36%
Central bank has held key rate for six straight meetings
<https://blinks.bloomberg.com/news/stories/S60NIYDWRGG0>
- Biden Dispatches Top US Officials to Mexico Amid Migration Spike
Blinken, Mayorkas will discuss increased security measures
Record numbers of migrant encounters tests Biden ahead of 2024
<https://blinks.bloomberg.com/news/stories/S617MODWLU68>
- Colombia Insurers Warn System at Risk Ahead of Funding Deadline
Government hasn't yet set key health-care formula for 2024
Increase of 7% plus inflation is needed, industry group says
<https://blinks.bloomberg.com/news/stories/S5Z5M1DWX2PS>
- Turkey Hikes Rates Again and Announces New Tightening Measures
The move to 42.5% is central bank's seventh straight rate hike
Turkey has raised rates aggressively to combat inflation
<https://blinks.bloomberg.com/news/stories/S60K84DWRGG0>
- Polish President Slams Tusk's Media Shakeup as 'Anarchy' (1)
Former ruling party cries foul over reshuffle at public TV
Row signals tough cohabitation between Duda and new cabinet
<https://blinks.bloomberg.com/news/stories/S60AOWDWRGG0>
- Polish Deficit Plan Set to Delay Rate Cuts, Central Banker Says
Looser budget justifies 'higher for longer' stance, he says
Recent zloty strengthening doesn't threaten exports, growth
<https://blinks.bloomberg.com/news/stories/S60EN4DWRGG0>
- Hungary Oct. Average Gross Wages Rise 13.9% Y/y
<https://blinks.bloomberg.com/news/stories/S609OCMS385J>
- Czech Central Bank Sees Rates Above Path Implied by Forecast
<https://blinks.bloomberg.com/news/stories/S60SFKDWRGG0>
- Czechs Kick Off Policy Easing With First Rate Cut Since 2020 (1)
Central bank lowers main rate by 25 basis points to 6.75%
Policymakers have said easing will be cautious and gradual
<https://blinks.bloomberg.com/news/stories/S60R71DWX2PS>