

DM Headlines

- Cheap Costs Push Use of Fed Term Funding Tool to Fresh Record
Use rose to all-time high \$141 billion in week through Jan. 3
Facility pricing still attractive despite paring rate-cut bets
<https://blinks.bloomberg.com/news/stories/S6RALJDWLU68>
- Massive Bearish Treasury Option Trade Bets on Rout Post-Payrolls
Wager targets 10-year yield rise to 4.15% before Friday close
Decent ADP jobs data Thursday raises bar for December payrolls
<https://blinks.bloomberg.com/news/stories/S6RI7AT0AFB4>
- Traders Pare Fed, ECB Rate-Cut Bets After Stronger Economic Data
Private job report shows hiring ramped up in December
Bunds, gilts swing to losses after upward revision to PMIs
<https://blinks.bloomberg.com/news/stories/S6QQT9T1UMOW>
- Money-Market Fund Assets Rise to New All-Time High Amid Year-End
Total climbed to \$5.965 trillion in week to Jan. 3: ICI
Increase driven by cash moving into government funds
<https://blinks.bloomberg.com/news/stories/S6R69ST0AFB4>
- Credit's \$240 Billion Wipeout Makes Late-2023 Rally a Memory (1)
Traders temper expectations of aggressive central bank cuts
January's seasonally large supply also weighs on performance
<https://blinks.bloomberg.com/news/stories/S6QVA8T0AFB4>
- US PREVIEW: Jobs Report To Show More Diffused Weakening (1)
<https://blinks.bloomberg.com/news/stories/S6RVVVT0AFB4>
- Oil Set for Weekly Gain as Supply Risks Outweigh Weak US Demand
US gasoline stockpiles expand by the most in three decades
Benchmark Brent rises more than 1% this week after seesawing
<https://blinks.bloomberg.com/news/stories/S6RYN7DWLU68>
- Treasury 10-Year Yields Can Extend Climb, Jamieson Coote Says
<https://blinks.bloomberg.com/news/stories/S6RLKJT1UMOW>

- Traders Pare ECB Rate-Cut Bets, See Fewer Than 150bps This Year
<https://blinks.bloomberg.com/news/stories/S6S33BT0G1KW>
- EURO-AREA PREVIEW: CPI Pickup Is Awkward for ECB, Won't Last (4)
<https://blinks.bloomberg.com/news/stories/S6RVPBT0G1KW>
- German Inflation Jumps Less Than Expected in Boost for ECB (2)
Consumer prices rose 3.8% from year ago in December; est. 3.9%
Surge largely due to one-time energy aid payments in late 2022
<https://blinks.bloomberg.com/news/stories/S6QOMAT0G1KW>
- SocGen Recommends Rate Swap Bets to Fade ECB Cuts Versus Fed
<https://blinks.bloomberg.com/news/stories/S6R01BT0G1KW>
- Europe's Red Tape Puts €82 Billion of New Housing in Jeopardy
Investors are ready to bet on residential, but a tangle of rules threatens to stymie the flow
<https://blinks.bloomberg.com/news/stories/S6RV8DDWLU69>
- Supply Reminiscent of 2011-12 Crisis Will Keep ECB on Its Toes
<https://blinks.bloomberg.com/news/stories/S6RY57DWRGG3>



RUBRICS

- UK Store Visits Drop Amid Christmas Washout for Retailers
Fewer consumers head to the shops during cost-of-living crisis
JD Sports slashes profit forecast citing rain, weak sentiment
<https://blinks.bloomberg.com/news/stories/S6QEYQDWLU68>
- UK Economists Upgrade Outlook With BOE Seen Cutting Rates in May
Goldman and Bloomberg Economics predict stronger 2024 growth
Improved prospects in second half set stage for UK election
<https://blinks.bloomberg.com/news/stories/S6QDGDWX2PS>
- UK House Prices Defy Gloom With Gain in 2023, Halifax Says (1)
Prices have stagnated in 2023 instead of plunging 10%
Outlook for a more modest decline this year or even gains
<https://blinks.bloomberg.com/news/stories/S6S1DHDWX2PS>
- UK Households Reap £16 Billion Windfall From Higher Rates
Resolution analysis helps explain resilience of UK economy
Income boost to unravel as 1.5 million mortgagors refinance
<https://blinks.bloomberg.com/news/stories/S6QVBKT0G1KW>
- UK's Sticky Pay Gains Will Stop BOE Talking Cuts, for Now
<https://blinks.bloomberg.com/news/stories/S6ROL9T1UM0Y>

- AUD Falls on Strong Greenback, Bonds Fall: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S6RTEZT0G1KW>
- Aussie's Path of Least Resistance Is to the Downside
<https://blinks.bloomberg.com/news/stories/S6ROMPT0AFB4>
- Fuel-Price Pullback to Lead Australia's November CPI Lower
<https://blinks.bloomberg.com/news/stories/S6RF9XDWX2PV>

- Markets See Yen's Slump Deepening on Rethink of Fed, BOJ Path
Yen has fallen almost 3% vs dollar in first few days of 2024
Swaps markets shows softer expectations of Fed cuts this year
<https://blinks.bloomberg.com/news/stories/S6RZD0T0AFB4>
- Yen Likely to Fare Better Than Yuan in 2024: Capital Economics
<https://blinks.bloomberg.com/news/stories/S6RF52T0AFB4>
- (Japan) Dec. Jibun Bank Japan PMI Composite, actual 50.0, prior 50.4
- (Japan) Dec. Jibun Bank Japan PMI Services, actual 51.5, prior 52.0
- (Japan) Dec. Consumer Confidence Index, est. 36.5, prior 36.1
- Japan Rushes to Find 222 People Missing After Earthquake (1)
Death toll from New Year's Day disaster rises to 94 people
Woman in her 80s pulled from rubble three days after quake
<https://blinks.bloomberg.com/news/stories/S6RYHNDWRGG0>
- Yen Hits Three-Week Low, Bonds Bought on BOJ View: Inside Japan
<https://blinks.bloomberg.com/news/stories/S6RVLAT0AFB4>
- Japan's Dec. Consumer Confidence Index Rises to 37.2; Est. 36.5
<https://blinks.bloomberg.com/news/stories/S6RVA5GQOFSW>
- Yen Setting Up Payrolls Trap for New Dollar Believers
<https://blinks.bloomberg.com/news/stories/S6RKERT1UM0W>

EM Headlines

- China Markets Are Betting Big on Further PBOC Easing This Year
Yield on 10-year government bonds at lowest since April 2020
Banks' NCD rate also below that on PBOC's one-year policy loan
<https://blinks.bloomberg.com/news/stories/S6RG7MT0G1KW>
- Yuan Is Set for Biggest Weekly Decline Since Sept.: Inside China
<https://blinks.bloomberg.com/news/stories/S6RM8UT0G1KW>
- Xi's Mysterious Economic Slogan Adds to Investor Confusion (1)
Chinese leader used slogan on at least 128 occasions last year
Meaning of popular phrase can be very broad, economists say
<https://blinks.bloomberg.com/news/stories/S6S2J4T0AFB4>
- Chinese Stock Indicator With 100% Success Rate Is Flashing Buy
<https://blinks.bloomberg.com/news/stories/S6REC9T1UM0W>
- China Fiscal Spending Will Rise in 2024, Finance Chief Says (1)
Minister's remarks add to pledges for more policy support
Government spending was weak in 2023 amid property crisis
<https://blinks.bloomberg.com/news/stories/S6PZ8ET0G1KW>
- Won Poised to Have Worst Week in Five Months: Inside Korea
<https://blinks.bloomberg.com/news/stories/S6RHTLT0G1KW>
- Bank of Korea to Eye Debt Levels and Keep Rates Tight in January
<https://blinks.bloomberg.com/news/stories/S6RF9XDWLU6A>
- Korea's Mortgage Defaults Modest Amid Housing Slowdown in 2024
<https://blinks.bloomberg.com/news/stories/S6RBS5T0G1KW>
- Rupee Bonds Lower Ahead of INR340b Debt Sale: Inside India
<https://blinks.bloomberg.com/news/stories/S6RUXOT0AFB4>
- Vedanta Inks Deal to Delay Due Dates for \$3 Billion of Bonds
Miner needed creditor backing to revise maturities of 3 bonds
S&P warned the deal likely to trigger a selective default
<https://blinks.bloomberg.com/news/stories/S6PVFET0AFB4>
- Foreign Inflows to India Bonds Gain Momentum
<https://blinks.bloomberg.com/news/stories/S6QLLVGFR4SG>
- India Likely to Set GDP Estimate Near to 7% on Spending Boom (1)
<https://blinks.bloomberg.com/news/stories/S6RW1ST1UM0X>
- India's Oil Imports From Russia Costliest in a Year in November
Iraq crude was cheaper than discounted Russian barrels
India says low discounts not payment issues hit imports
<https://blinks.bloomberg.com/news/stories/S6PZKRT1UM0W>
- Rupiah, Bonds Eye Worst Weekly Drop Since Oct.: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S6RTALT0G1KW>
- Fatal Blast in Indonesia Shows Costs of Battery Metal Ambitions
Morowali disaster may be a flashpoint in the presidential race
Nation relies on foreign investment, particularly from China
<https://blinks.bloomberg.com/news/stories/S6NXQYT1UM0W>
- Peru Finance Chief Contreras Denies Reports of Resignation (2)
La Republica initially reported Alex Contreras had resigned



- Contreras met with President Boluarte and denied resigning
<https://blinks.bloomberg.com/news/stories/S6RFPDT1UM0W>
- Buyers Shun Argentina Reconstruction Bonds for Second Time (1)
Importer bond is part of Milei's plan to unify exchange rates
Central Bank sold \$57 million of \$750 million notes offered
<https://blinks.bloomberg.com/news/stories/S6R9U0TOG1KW>
 - Ecuador Bonds Outperform Emerging Peers on Investor Optimism
<https://blinks.bloomberg.com/news/stories/S6QZFSDWLU68>
 - Banxico's Board Sees Gradual Cuts to Record-High Rates This Year
Three members talked about the importance of 'gradual' changes
Bank has held the reference rate at 11.25% for six decisions
<https://blinks.bloomberg.com/news/stories/S6FY3JT1UM0W>
 - Milei Shock Therapy Fueled Best-Performing ETF in the World (1)
Fund tracking Argentina was best country equity ETF in 2023
December saw most inflows since fund was launched in 2011
<https://blinks.bloomberg.com/news/stories/S6R5UBTOG1KW>
 - Mexican Inflation to Accelerate in December, Won't Raise Alarms
<https://blinks.bloomberg.com/news/stories/S6RF9XDWLU6B>
 - Brazil Vehicles Sales to Rise 12% in 2024 y/y, Fenabreve Says
<https://blinks.bloomberg.com/news/stories/S6QSUVDRGG0>
 - Sao Paulo Dec. Consumer Prices Rise 0.38% M/m
<https://blinks.bloomberg.com/news/stories/S6S3NPMRXLVS>

 - EMEA FX Might Possess Higher Holding Allure Than Their EM Peers
<https://blinks.bloomberg.com/news/stories/S6RBS6T1UM0W>
 - Poland Joins Emerging-Market Eurobond Spree With Record Sale (1)
Poland is returning to Eurobonds to cover surge in spending
BNP Paribas, Citi, Commerzbank and ING arrange the issue
<https://blinks.bloomberg.com/news/stories/S6QZBCDWRGG0>
 - Most Investors See Egypt Restructuring Debt in 2025: Citi Survey
<https://blinks.bloomberg.com/news/stories/S6QRG6T0G1KW>
 - Polish Homebuilders Surge on Plan to Restart Mortgage Subsidies
Cabinet to focus aid on first-time home buyers amid high rates
Proposal assumes income limits to reduce impact on home prices
<https://blinks.bloomberg.com/news/stories/S6QF7YT0AFB4>
 - Hungary Nov. Unemployment Rate Rises to 4.2%
<https://blinks.bloomberg.com/news/stories/S6S1FD6JLCZL>
 - Hungary's Government Plans to Cut Deficit, Finance Minister Says
<https://blinks.bloomberg.com/news/stories/S6QD3JDWLU68>
 - Hungary Plans Another FX Bond Sale in Second Half of 2024
<https://blinks.bloomberg.com/news/stories/S6QD2EDWX2PS>
 - Czech Central Bankers Want Cautious Approach to Future Rate Cuts
<https://blinks.bloomberg.com/news/stories/S6S19BDWRGG0>
 - Czech Government Plans to Increase Bond Issuance in January
<https://blinks.bloomberg.com/news/stories/S6QKDPT0AFB4>