

DM Headlines

- Bond Traders Pile Into Short-Term Wagers Targeting Higher Yields
Strong appetite for bearish wagers that expire in just days
Meanwhile Hedge fund net SOFR long cut for third week in a row
<https://blinks.bloomberg.com/news/stories/S70AIYDWRGG0>
- Pimco Predicts Equity-Like Returns From Bonds Even After Rally
Six- to 12-month outlook no longer favors duration extension
Yields near 15-year highs create ‘array of opportunities’
<https://blinks.bloomberg.com/news/stories/S702F7T1UM0W>
- Markets Get Ready for Risk-Free Fed Arbitrage Trade to Expire
Bank funding facility established as ‘emergency program’: Barr
Use reached record \$141 billion, according to latest Fed data
<https://blinks.bloomberg.com/news/stories/S70DHEDWX2PS>
- Fed’s Barr Signals Emergency Loan Program Won’t Be Extended (2)
Vice chair says that he expects use to continue until March 11
Fed’s Bank Term Funding Program set up in regional bank crisis
<https://blinks.bloomberg.com/news/stories/S70F7MDWX2PS>
- Oil Climbs on Falling US Stockpiles and Houthis’ Red Sea Barrage
API reports inventories drop nationwide and at key Cushing hub
Houthis launch barrage of missiles and drones in fresh attack
<https://blinks.bloomberg.com/news/stories/S71BANDWLU68>
- BlackRock Cuts 3% of Workforce, Citing Dramatic Industry Shifts
The firm said 600 of its employees would lose their jobs
Memo to staff cites unprecedented changes in asset management
<https://blinks.bloomberg.com/news/stories/S6UVV3T0AFB4>
- Treasury 3-Year Auction Stops Through at Lowest Yield Since May
<https://blinks.bloomberg.com/news/stories/S70A5JDWX2PS>
- Traders Target Weekly US Options to Hedge Near-Term Event Risks
<https://blinks.bloomberg.com/news/stories/S700FUDWRGG0>

- Europe Debt Demand Smashes Records in Busiest Day of Sales (2)
Primary market sees sales of at least \$50 billion in new bonds
Italy receives €82 billion in bids for a sale of 30-year debt
<https://blinks.bloomberg.com/news/stories/S6ZWDYDWRGG0>
- Draghi’s Comeback Fuels EU Gossip Mill as He Sounds Out CEOs
Mario Draghi to meet European managers in Milan on Wednesday
Former premier’s EU mission fuels speculation on his future
<https://blinks.bloomberg.com/news/stories/S709YBT1UM0W>
- EU faces potential €450mn post-Brexit bill on empty London offices
<https://blinks.bloomberg.com/news/stories/S714KP8JMDCO>
- ECB’s Villeroy Reiterates That Rates Will Be Cut This Year
French official refuses to give specific timing for easing
Decision on rate reductions to depend on data, Villeroy says
<https://blinks.bloomberg.com/news/stories/S703VVDWX2PS>
- ECB Decisions Could Come Before May, Centeno Tells Econostream
<https://blinks.bloomberg.com/news/stories/S6ZNREDWLU68>



- Better Services Trump Tax Cuts for UK Voters in Election Year Poll by Global Counsel suggests Labour on track on key issues Sunak is pitching his Conservatives as party of tax giveaways <https://blinks.bloomberg.com/news/stories/S6ZPNNDWRGG0>
- UK INSIGHT: Learning the Wrong Lessons From Mini-Budget Meltdown <https://blinks.bloomberg.com/news/stories/S716V6T0AFB4>
- Federated Hermes Cuts Back on UK Bonds After Gains on a 2023 Bet Hard to have conviction on rates, election: Federated Hermes Garvey took profit as gilts performed strongly into year-end <https://blinks.bloomberg.com/news/stories/S6S5H5TOG1KW>

- Australian Inflation Eases, Boosting Case for Rate Pause (1) November's annual increase is the smallest since Jan. 2022 Housing, food, insurance were among top inflation contributors <https://blinks.bloomberg.com/news/stories/S70SBATOG1KW>
- Aussie Bonds Give Cool Welcome to CPI Signaling RBA Hikes Done <https://blinks.bloomberg.com/news/stories/S70UJQ3T0AFB4>
- AUSTRALIA REACT: CPI Fall Extends RBA's Data-Dependent Pause (1) <https://blinks.bloomberg.com/news/stories/S70ZTUTOG1KW>
- (AU) Nov. CPI YoY, actual 4.3%, est. 4.4%, prior 4.9%
- (AU) Nov. Job Vacancies QoQ, actual -0.7%, prior -8.9%, revised -8.2%
- (NZ) Dec. ANZ Commodity Price MoM, actual 2.4%, prior -1.3%, revised -1.2%
- Floods Trap Cows, Harm Crops as Wild Weather Hits Australia (1) Recent rains have led to flood warnings across Victoria state Farmers expecting impact on fruit and grain crops, livestock <https://blinks.bloomberg.com/news/stories/S70KTNTOG1KX>
- Aussie Rises Amid Risk-On, Exporter Demand: Inside Australia/NZ <https://blinks.bloomberg.com/news/stories/S713K7T0AFB4>

- Japan 10-Year Bond Sale Sees Longest Tail Since March 2020 <https://blinks.bloomberg.com/news/stories/S70P7DTOG1KW>
- Weak Japan Bond Sale Raises Risk for 30-Yr Auction: Mizuho Sec. <https://blinks.bloomberg.com/news/stories/S711AOT1UM0W>
- Japan's Slower Wage Growth Adds to Reasons for BOJ to Hold (2) Nominal wage growth slumps, while deeper trend mostly steady BOJ monitoring 2024 wage gain prospects to set policy path <https://blinks.bloomberg.com/news/stories/S70PXEEDWX2PS>
- JAPAN REACT: Base Pay Growth at 1990s Pace Is Good News for BOJ <https://blinks.bloomberg.com/news/stories/S70QQET0AFB4>
- (Japan) Nov. Real Cash Earnings YoY, actual -3.0%, est. -2.0%, prior -2.3%
- (Japan) Nov. Labor Cash Earnings YoY, actual 0.2%, est. 1.5%, prior 1.5%
- Japan Shares Beat Asia Peers With Indexes Hitting 34-Year Highs Topix rises to highest level in more than three decades Japan equities to stay attractive, Saxo Capital's Chanana says <https://blinks.bloomberg.com/news/stories/S713NST1UM0W>
- Auction Sees Weak Demand; 10-Year Bond Pares Gain: Inside Japan <https://blinks.bloomberg.com/news/stories/S711LJT1UM0W>

EM Headlines

- Taiwan's Air Raid Alarm on Satellite Causes Pre-Election Anxiety
Island's military warns the public about debris from launch
Incident comes just days before pivotal presidential election
<https://blinks.bloomberg.com/news/stories/S70RQ6T0G1KW>
- Foreigners' Selling of China Stocks Can Begin to Ease in 2H: MS
<https://blinks.bloomberg.com/news/stories/S70RYKT0AFB4>
- PBOC Could Rest Amid Yuan Basket's Valuation Recovery
<https://blinks.bloomberg.com/news/stories/S70MI8DWLU68>
- China Balances Hard Line on Taiwan With Push to Improve US Ties
Ambassador says Taiwan is most sensitive issue in US relations
Still he sees many areas for Beijing, Washington to cooperate
<https://blinks.bloomberg.com/news/stories/S70RFDT1UM0W>
- China Credit Woes Ease as Big Borrowers Reveal Payment Plans (1)
Vanke, Longfor and Grand Automotive briefed creditors Tuesday
Three companies unveiled plans to repay bonds and loans
<https://blinks.bloomberg.com/news/stories/S716W3DWRGG0>
- CNY Falls on Deflation Worries Before Friday Data: Inside China
<https://blinks.bloomberg.com/news/stories/S70ZLKT0G1KW>
- Xi Elevates Ties With Record Number of Nations to Counter US (1)
China hails 'all weather' partnership with Venezuela, Belarus
Beijing is positioning itself as champion of the Global South
<https://blinks.bloomberg.com/news/stories/S70YDJT0G1KW>
- China Orders Banks, Insurers to Review Cyber and Data Security
Broad directive comes after November ransomware attack on ICBC
China has stepped up control of data to safeguard security
<https://blinks.bloomberg.com/news/stories/S6ZOU8DWRGG0>
- Won Falls to One Month-Low, BOK Decision Watched: Inside Korea
<https://blinks.bloomberg.com/news/stories/S70RHLDWLU68>
- Kim Jong Un Calls South Korea 'Principal Enemy,' Turning Up Heat
North Korea has fired artillery shells near border island
Pyongyang tends to escalate pressure before elections
<https://blinks.bloomberg.com/news/stories/S70NKIDWRGG0>
- S. Korea's Dec. Adjusted Jobless Rate Rises to 3.3%; Est. 2.9%
<https://blinks.bloomberg.com/news/stories/S70N7VGENSW0>
- KOREA REACT: Job Market Is Better Than Unemployment Shows (1)
<https://blinks.bloomberg.com/news/stories/S70XD0T1UM0W>
- Rupee Slips, Bonds Steady Before T-Bill Auction: Inside India
<https://blinks.bloomberg.com/news/stories/S713SBDWLU68>
- Bloomberg's India Bond Index Announcement "Symbolic", Says HSBC
<https://blinks.bloomberg.com/news/stories/S6ZSTNDWX2PS>
- Rupiah Declines to Lowest in Nearly a Month: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S713MAT0AFB4>
- Rice Prices Poised to Climb Higher as Market Remains Tight
India's export curbs expected to stay in place until election
Thai white 5% broken rose to fresh 15-year high in December



<https://blinks.bloomberg.com/news/stories/S6X5O8TOG1KW>

- Chile Taps Banco Santander Economist for Central Bank Board (1)
Claudio Soto to replace bank Vice President Pablo Garcia
Investors are betting central bank will weigh faster rate cuts
<https://blinks.bloomberg.com/news/stories/S6ZYMEDWRGG0>
- Mexico Inflation Accelerates as Banxico Starts to Mull Cuts (1)
Annual inflation accelerated to 4.66% versus est. 4.57%
Central bank has held rate at record 11.25% for six decisions
<https://blinks.bloomberg.com/news/stories/S6ZU8HT0AFB4>
- Armed Thugs Storm TV Station as Ecuador Violence Escalates (1)
Violence escalates across the nation after curfew imposed
Noboa orders army to neutralize gangs, stop 'armed conflict'
<https://blinks.bloomberg.com/news/stories/S70JHAT1UM0W>
- Nuevo Leon Governor Ally Joins Mexico Presidential Race (1)
Alvarez Maynez, like Governor Garcia, is a millennial at 38
Garcia quit race to keep rivals from taking governorship
<https://blinks.bloomberg.com/news/stories/S70T3MT0G1KW>
- Brazil Politics: Senate to Discuss Tax Bill Key to Fiscal Goal
<https://blinks.bloomberg.com/news/stories/S6ZUKXTOG1KW>
- Brazil's Payroll Tax Rapporteur Says Leaders Are Against Measure
<https://blinks.bloomberg.com/news/stories/S703JZT0AFB4>
- Colombia, Chile Top Emerging Market Losses as Rate Cuts Eyed
Mexico's peso weakened as inflation data sends mixed signals
Assets in wait-and-see mode ahead of US CPI data Thursday
<https://blinks.bloomberg.com/news/stories/S70E0LDWLU68>
- Colombia Inflation Surprise May Put Faster Rate Cuts in Play
Inflation eased below 10% for the first time in 18 months
Colombia started interest rate cuts at its December meeting
<https://blinks.bloomberg.com/news/stories/S70HYNDWRGG0>

- Poland Keeps Rates Unchanged as Budget Largess Questioned (2)
Central bank leaves benchmark rate at 5.75%, as expected
Investors await central bank governor comments on Wednesday
<https://blinks.bloomberg.com/news/stories/S703NYDWRGG0>
- Saudi Arabia Issues \$12 Billion Bond as EM Nations Load Up (1)
Kingdom says investors placed around \$30 billion of orders
Emerging market borrowers have issued bonds heavily this year
<https://blinks.bloomberg.com/news/stories/S6ZGH4DWRGG0>
- Poland Thrown into Political Chaos After Arrest of Two Lawmakers
Police arrests Polish lawmakers sheltered by president
It's the latest turmoil following the change of government
<https://blinks.bloomberg.com/news/stories/S71722DWX2PS>
- Hungary Posts \$13 Billion Budget Gap in 2023, Double Its Target
<https://blinks.bloomberg.com/news/stories/S6ZLPITOG1KX>
- Czechs May Pause or Quicken Rate Cuts If Needed, Prochazka Says
<https://blinks.bloomberg.com/news/stories/S6ZIZWDWRGG0>