

DM Headlines

- US Bond Markets Are Trimming Bets on Treasuries Ahead of CPI
JPMorgan sees positioning as most neutral in four months
Weekly option demand has surged as traders hedge higher yields
<https://blinks.bloomberg.com/news/stories/S71XMMDWRGG0>
- Fed's Williams Says Rates High Enough to Cool Inflation to Goal
Need policy to stay restrictive for 'some time,' Williams says
Don't seem close to point of slowing asset runoff, he says
<https://blinks.bloomberg.com/news/stories/S72EABT0AFB4>
- JPMorgan Asset Says Fed Rate Cuts May Exceed Forecasts
Reasonable base case is 150 basis points of cuts: Mac Gorain
JPMorgan Asset favors buying five-, seven-, 10-year Treasuries
<https://blinks.bloomberg.com/news/stories/S733PLT1UMOW>
- Oil Pushes Higher With Red Sea Risks and Weaker Dollar in Focus
US currency gives up ground before release of inflation data
Benchmark Brent climbs above \$77 a barrel after Wednesday drop
<https://blinks.bloomberg.com/news/stories/S72ZXOT0AFB4>
- Treasury 10-Year Auction Tails; Yield Still Lowest Since August
<https://blinks.bloomberg.com/news/stories/S724T1DWLU68>
- Dollar Swap Spreads Drop to Lows After Fed's Williams Taper Talk
<https://blinks.bloomberg.com/news/stories/S72BEIDWRGG0>
- US PREVIEW: Core CPI to Soften, But Last Mile Likely to Be Hard
<https://blinks.bloomberg.com/news/stories/S7315MT1UMOW>

- ECB's Schnabel Says Too Early to Discuss Interest-Rate Cuts (3)
Financial conditions have loosened more than projected
Markets pare bets, now expect only five reductions this year
<https://blinks.bloomberg.com/news/stories/S71YRRDWLU68>
- World's Most Powerful Passports Now Include France, Spain, Italy
Singapore and Japan lose their edge as European travelers gain visa-free access to more destinations.
<https://blinks.bloomberg.com/news/stories/S72RLRDWLU68>
- Romania Vies for an EU Top Job After Process Thrown Into Chaos
Klaus Iohannis is eying the European Council president post
Charles Michel may have to leave the council job early
<https://blinks.bloomberg.com/news/stories/S72DECTOG1KW>
- ECB's De Cos Says Euro Area Probably Failed to Grow at End-2023
'Risks to economic growth remain skewed to the downside'
Spanish central bank chief delivers speech in Madrid
<https://blinks.bloomberg.com/news/stories/S7220RTOG1KW>
- EU CREDIT CLOSE: Spain Smashes Orderbook Record Amid Sales Surge
<https://blinks.bloomberg.com/news/stories/S71PCMDWLU68>
- Spain Bonds Draw Record \$150 Billion Bids in Blockbuster Week
Spanish 10-year bond sale receives historic €137 billion bids
Issuers are giving a bit of new issue concession, says Danske
<https://blinks.bloomberg.com/news/stories/S71MJ5DWRGG0>



- Sterling Credit's 5.5% 2024 Gain May Beat Euros on ECB QT, Carry
<https://blinks.bloomberg.com/news/stories/S73258T0G1KX>
- Options Have Fatter BOE Left Tail as 2% Inflation Looks in Sight
<https://blinks.bloomberg.com/news/stories/S73256DWX2PT>
- Sterling Credit Leverage Worsens to Near Record on Weak Earnings
<https://blinks.bloomberg.com/news/stories/S73259T1UM0W>
- UK GDP Rebound Unlikely to Dispel Fears of Technical Recession
Economists predict slight increase in November GDP on Friday
Outlook brightening due to expectations for interest rate cuts
<https://blinks.bloomberg.com/news/stories/S71GY3T1UM0W>
- BOE Official Sees 'Exuberance' as Top Financial Stability Risk
Bailey tells MPs private credit is 'opaque' and needs watching
Mortgage borrowers and firms show no signs of stability stress
<https://blinks.bloomberg.com/news/stories/S71XQTDWRGG0>

- Australia's Trade Surplus Beats Estimates as Imports Tumble
<https://blinks.bloomberg.com/news/stories/S72MRWT0G1KW>
- Australia Firms Defy Asia Issuance Drop in Record Start to 2024
Australia kicks off January with record volume for the period
US-dollar bond sales in Asia are lower than a year ago
<https://blinks.bloomberg.com/news/stories/S6YZPWT1UM0W>
- Australia's First Bill Sale of 2024 Gets Most Demand Since Oct.
<https://blinks.bloomberg.com/news/stories/S72KQHDWLU68>
- (AU) Nov. Exports MoM, actual 1.7%, prior 0.4%, revised 0.8%
- (AU) Nov. Imports MoM, actual -7.9%, prior -1.9%, revised -2.9%
- (NZ) Nov. Building Permits MoM, actual -10.6%, prior 8.7%, revised 8.5%
- AUD, NZD Rise a 2nd Day Amid Risk-On Flows: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S72Z4VT0AFB4>
- NZ Residential Property Asking Price Rises as Listings Slump
<https://blinks.bloomberg.com/news/stories/S70S92T0G1KW>

- Bank of Japan Upgrades Economic Assessment of 2 of 9 Regions
<https://blinks.bloomberg.com/news/stories/S72Z9TT0G1KW>
- BOJ Fully Prepared for Lift Off, With April Likely: Ex-Official
<https://blinks.bloomberg.com/news/stories/S711IRT0G1KW>
- BOJ Hearings Yet to Deliver Conclusive Evidence on Wage Growth
<https://blinks.bloomberg.com/news/stories/S72TICT1UM0W>
- Curve Steepens Before 30-Year Bond Sale; Yen Rises: Inside Japan
<https://blinks.bloomberg.com/news/stories/S72YCKT0AFB4>
- BOJ Likely to Hold After Exiting Negative-Rate Territory: ANZ
<https://blinks.bloomberg.com/news/stories/S72S1RDWX2PS>
- Japan Bonds Will Find Relief as BOJ Tightening May Be a Mirage
<https://blinks.bloomberg.com/news/stories/S72MERT0G1KW>
- Japan's Kishida Launches Reform Panel to Restore Support (1)
Funding scandal sent disapproval to record high in one poll
Premier asks panel to report back before the end of January
<https://blinks.bloomberg.com/news/stories/S72ZK6DWLU68>

EM Headlines

- PBOC Provides Strongest Boost to Yuan With Fixing Since November
Gap between PBOC's yuan fix vs. estimate widened to 609 pips
PBOC is defending currency amid monetary easing hopes: Mizuho
<https://blinks.bloomberg.com/news/stories/S72QMQDWX2PS>
- China's Cleanup Efforts for LGFV Debt to Drag on Economy in 2024
Net bond market financing seen reaching record low this year
Fewer funds for infrastructure expected to hurt GDP growth
<https://blinks.bloomberg.com/news/stories/S6OXD1DWRGG0>
- Goldman Predicts 17% Gain for China Stocks on Support Measures
Prefers mainland stocks on lower geopolitical sensitivity
Likes technology, consumer staples and healthcare equipment
<https://blinks.bloomberg.com/news/stories/S7118YT0AFB4>
- Xi Calls for Stable US Relations as Taiwan Election Tests Ties
US, Chinese defense officials resumed talks this week
Chinese leader calls for 'stable, healthy' relationship
<https://blinks.bloomberg.com/news/stories/S72M93DWLU68>
- Yuan Gains Amid Strong PBOC Fixing, Easing Dollar: Inside China
<https://blinks.bloomberg.com/news/stories/S72QIKT0AFB4>
- China Is Fast Losing Its Place as Must-Have in Global Portfolios
Some of the top US pension funds are cutting China holdings
Investments into emerging markets excluding China are booming
<https://blinks.bloomberg.com/news/stories/S52RQ3T1UM0W>
- Won Gains Before US Data, Rhee Speech; BOK Holds: Inside Korea
<https://blinks.bloomberg.com/news/stories/S72JIUDWLU68>
- Bank of Korea Pushes Back on Speculation Over Early Policy Pivot
Rhee's view is it would be hard to cut for at least six months
Rhee expects rate to stay where it is for considerable period
<https://blinks.bloomberg.com/news/stories/S731CLDWLU68>
- Rupee, Bonds Trade Steady Ahead of US CPI Data: Inside India
<https://blinks.bloomberg.com/news/stories/S72Z6GT0G1KW>
- HSBC Selective on EM Local Rate Exposure, Sees India as Top Pick
<https://blinks.bloomberg.com/news/stories/S72KH4T0AFB4>
- Rupiah Edges Higher With Peers Ahead of US CPI: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S72YJJDWX2PS>
- Indonesia Could Earn 3.5% Share If China Expands Yuan FX Basket
<https://blinks.bloomberg.com/news/stories/S72H65DWX2PS>
- Indonesia Mulls \$10.5 Billion Sea Wall to Save Sinking Jakarta
Outgoing government revives proposal to help prop up capital
Whether Jokowi's successor will adopt it remains to be seen
<https://blinks.bloomberg.com/news/stories/S70XRCT1UM0W>
- Argentina Wins Key IMF Support With Deal to Unlock \$4.7 Billion
IMF praises President Milei's 'ambitious stabilization plan'
Argentina says measures will take country on right path
<https://blinks.bloomberg.com/news/stories/S72MENT1UM0W>



- Ecuador Criminal Uprising Threatens to Derail Comeback Plan (1)
Gangsters torch cars, storm state TV station and take hostages
President calls out army and imposes nationwide curfew
<https://blinks.bloomberg.com/news/stories/S70ZZT0G1KW>
- Venezuela Opposition Open to Creditor Talks Before Citgo Auction
'Risk of losing Citgo is real,' the board said in a statement
More than 20 plaintiffs seeking to collect on the auction
<https://blinks.bloomberg.com/news/stories/S70P1IT0G1KW>
- Mexican Peso Edges Lower Ahead of US CPI Release: Inside Mexico
<https://blinks.bloomberg.com/news/stories/S7241FDWLU68>
- SocGen 'Selectively Bullish' on Latam FX as Fed Nears Cuts
<https://blinks.bloomberg.com/news/stories/S71NLJT0AFB4>
- Brazil Mulls Bailout for Troubled Airlines as Fares Skyrocket
Brazil's development bank is considering loans to airlines
Government readies new program with airlines for lower fares
<https://blinks.bloomberg.com/news/stories/S6YJZZDWLU68>
- Brazil Central Bank Workers Union to Go on 24-Hour Stoppage
<https://blinks.bloomberg.com/news/stories/S72C8WT0G1KW>
- Brazil Politics: Senate Seeks Deal as Fiscal Bill Under Threat
<https://blinks.bloomberg.com/news/stories/S71OKVT1UM0W>
- CLP Snaps Four-Day Losing Streak, COP Drops on CPI: Inside Andes
<https://blinks.bloomberg.com/news/stories/S71VXQDWX2PS>

- Poland Isn't in 'Any Rate Cycle,' Governor Glapinski Says (1)
<https://blinks.bloomberg.com/news/stories/S71VHCDWLU68>
- Polish Governor Glapinski Doubts Rate Hikes Will Be Needed
<https://blinks.bloomberg.com/news/stories/S71W3UDWRGG0>
- Polish CPI to Fall to Target Range in March: Governor Glapinski
<https://blinks.bloomberg.com/news/stories/S71U6ODWRGG0>
- Polish President Slams Late-Night Arrest as Chaos Escalates (1)
Duda expresses shock over detention of two former officials
The standoff may complicate efforts to release blocked EU aid
<https://blinks.bloomberg.com/news/stories/S71M4SDWRGG0>
- Hungary Consumer Confidence Jumps to Highest in Almost Two Years
GKI consumer confident index posts biggest monthly improvement
Data is first clear sign that Hungary's economy is on the mend
<https://blinks.bloomberg.com/news/stories/S71PPJDWX2PS>
- Orban Critic Sees Independent Media Group Across Central Europe
Zoltan Varga bought into Polish newspaper just before election
Hungarian businessman wants to expand to Czech, Slovak markets
<https://blinks.bloomberg.com/news/stories/S6S9EJT0AFB4>
- South Africa Wants Israel's Gaza Strikes Ruled a Genocide: Q&A
<https://blinks.bloomberg.com/news/stories/S731USDWX2PS>
- South Africa's Labor Unions Imperil Billionaire's Port Takeover
Demands from unions include a 25-year moratorium on job cuts
South African ports are among the world's most inefficient
<https://blinks.bloomberg.com/news/stories/S720EKDWRGG0>