

## DM Headlines

- US Inflation Picks Up as Goods Prices Halt Months-Long Decline  
Consumer price index advanced 3.4%, most in three months  
Underlying inflation measures watched by Fed remained firm  
<https://blinks.bloomberg.com/news/stories/S73P6HDWRGG1>
- Bond Market Adds to Fed Rate-Cut Bets Despite Inflation Uptick  
Expectations mount for monetary easing beginning in May  
Consumer prices rose more than anticipated in December  
<https://blinks.bloomberg.com/news/stories/S743G3DWX2PS>
- Fed's Mester Says March Is Probably Too Early for a Rate Cut  
Says latest CPI inflation data shows Fed has more work to do  
Fed's Barkin and Goolsbee say too soon to know about March  
<https://blinks.bloomberg.com/news/stories/S74619DWLU68>
- Use of Fed Funding Tool Hits Fresh Peak as Officials Signal End  
Use rose to all-time high \$147 billion in week through Jan. 10  
Top Fed policymakers have suggested BTFP will shutter in March  
<https://blinks.bloomberg.com/news/stories/S7493PT0G1KW>
- US, UK Launch Airstrikes on Houthi Rebels After Red Sea Attacks  
Biden says strikes send 'clear message' to Yemeni militants  
More than a dozen locations struck including radar sites  
<https://blinks.bloomberg.com/news/stories/S74NLMT1UM0W>
- Oil Jumps as US Airstrikes Against Houthis Fan Mideast Tensions  
Global benchmark Brent advances as much as 2.5% to above \$79  
Strikes follow attacks by the militant group on Red Sea ships  
<https://blinks.bloomberg.com/news/stories/S74WAADWX2PS>
- Record Size Fed Funds Trade in Futures Points to Big Short Cover  
Block trade was seen in February 2024 contract after CPI data  
Price consistent with a buy, possibly linked to short position  
<https://blinks.bloomberg.com/news/stories/S749CKT1UM0W>
- Treasury 30-Year Auction Stops Just Below WI Yield at Deadline  
<https://blinks.bloomberg.com/news/stories/S73ZHLDWLU68>
- Credit Card Delinquency Rates Climb to Decade High in Fed Study  
<https://blinks.bloomberg.com/news/stories/S73Z4GDWX2PS>
  
- Lagarde Says ECB to Cut Rates When Sure Inflation Set for 2% (2)  
Most officials see first cut around mid-2024, markets earlier  
Inflation has fallen steeply in recent months, is near 2% goal  
<https://blinks.bloomberg.com/news/stories/S750F3DWX2PS>
- Lagarde Says History Suggests New Trump Term Would Be Threat (1)  
US interests not aligned with Europe's in Trump's first term  
ECB president comments in TV interview with France 2  
<https://blinks.bloomberg.com/news/stories/S748BST0G1KW>
- ECB INSIGHT: Receding Inflation Risks Greenlight Multiple Cuts  
<https://blinks.bloomberg.com/news/stories/S74WVNDWX2PS>
- ECB 2024 Credit €31.5 Billion Rolloff Won't Hurt Without Selling  
<https://blinks.bloomberg.com/news/stories/S74WT8DWRGG2>



- Brexit Cost the UK Economy £140 Billion, London Mayor Says (1)  
Study suggests UK has 2 million fewer jobs due to EU divorce  
Sadiq Khan says 'mature approach' needed to forge closer ties  
<https://blinks.bloomberg.com/news/stories/S73KJ4DWRGG0>
- UK Treasury Consults on Bank Resolution Levy After SVB Failure  
Proposal fixes shortcoming exposed by collapse of SVB in 2023  
Annual £1.5 billion deposit guarantee levy limit under review  
<https://blinks.bloomberg.com/news/stories/S73CUJT0G1KW>
- UK Economy Gains in November, Leaving Open Risk of Recession  
<https://blinks.bloomberg.com/news/stories/S73FGIT0AFB4>
- UK Economy Expanded 0.3% in Nov., Better Than Forecast  
<https://blinks.bloomberg.com/news/stories/S74ZI0GF4NPC>
- UK Job Market to Keep Cooling, BOE Rate Cuts on the Horizon  
<https://blinks.bloomberg.com/news/stories/S74BMWT1UM0X>
  
- (AU) Nov. Home Loans Value MoM, actual 1.0%, est. 1.3%, prior 5.4%, revised 7.1%
- (AU) Nov. Owner-Occupier Loan Value MoM, actual 0.5%, prior 5.6%, revised 8.3%
- (AU) Nov. Investor Loan Value MoM, actual 1.9%, prior 5.0%, revised 4.9%
- Aussie Rises With Oil on Yemen Airstrikes: Inside Australia/NZ  
<https://blinks.bloomberg.com/news/stories/S74RG5TOG1KX>
- AUSTRALIA INSIGHT: Positive Real Rates Are Back and Set to Climb  
<https://blinks.bloomberg.com/news/stories/S72L2XT0AFB4>
- Australia Nov. Home-Loan Values Rise 1.0% M/m, Est. +1.3%  
<https://blinks.bloomberg.com/news/stories/S74HHQ6RV5DS>
- New Zealand House Sales Fell to Record Low in Third Quarter  
<https://blinks.bloomberg.com/news/stories/S74MO5DWX2PS>
- New Zealand November New Lending Rises 11% Y/y  
<https://blinks.bloomberg.com/news/stories/S74LTDDWLU68>
  
- Japan's 30-Year Bond Sale Sees Weak Demand on Rate Outlook  
Second major sale this year comes after soft 10-year auction  
BOJ's planned cut in bond purchases also hurt demand  
<https://blinks.bloomberg.com/news/stories/S74TWLDWLU68>
- Japan 30-Year Bond Sale Draws Lower-Than-Expected Cut-Off Price  
<https://blinks.bloomberg.com/news/stories/S74DW8T0G1KW>
- BOJ Is Said to Mull Lowering Forecasts for Growth, Inflation (1)  
People familiar say bank to mull new FY24 CPI view around 2.5%  
BOJ seen standing pat this month as it awaits more wage info  
<https://blinks.bloomberg.com/news/stories/S74VMXDWRGG0>
- Bond Sale Sees Weaker-Than-Expected Cut-Off Price: Inside Japan  
<https://blinks.bloomberg.com/news/stories/S74RR4T1UM0W>
- Japan Nov. Current-Account Narrows to +1.93T Yen: Summary  
<https://blinks.bloomberg.com/news/stories/S74FWBGF4NPC>
- Japan Funds Sell Most Dutch Sovereign Debt Since 2014 in Nov.  
<https://blinks.bloomberg.com/news/stories/S74EUYT1UM0W>

## EM Headlines

- China's Worst Deflation Streak in 14 Years Puts Pressure on PBOC  
Weak demand spurs calls for more stimulus and rate cuts  
Overseas shipments decline for full year, a first since 2016  
<https://blinks.bloomberg.com/news/stories/S74RZZT0AFB4>
- China's Exports Drop for First Time Since 2016 as Demand Cools  
Slowing global economy, geopolitical tensions weighed on trade  
China also faces pressure at home with deflation fears rising  
<https://blinks.bloomberg.com/news/stories/S74N67T1UM0W>
- China Seen Cutting Rate, Boosting Cash to Support Economy (1)  
Central bank projected to reduce MLF rate by 10 bps on Monday  
PBOC also likely to add more liquidity to meet funding demand  
<https://blinks.bloomberg.com/news/stories/S74KG0TOG1KW>
- (China) Dec. PPI YoY, actual -2.7%, est. -2.6%, prior -3.0%
- (China) Dec. CPI YoY, actual -0.3%, est. -0.4%, prior -0.5%
- (China) Dec. Exports YoY, actual +2.3%, est. 1.5%, prior 0.5%
- (China) Dec. Imports YoY, actual +0.2%, est. -0.5%, prior -0.6%
- Yuan Set for 2nd Weekly Drop Amid PBOC Easing Bets: Inside China  
<https://blinks.bloomberg.com/news/stories/S74MYJT0AFB4>
- CHINA REACT: Lasting Deflation Boosts Odds of Jan. Rate Cut (1)  
<https://blinks.bloomberg.com/news/stories/S74MHTT1UM0W>
- China LGFV Dollar Bonds Post Best Performance in Four Years  
New supply may be limited as Beijing aims to cut local debt  
Demand highlights a lack of other high-yield options in China  
<https://blinks.bloomberg.com/news/stories/S58L1FT1UM0W>
- Won Falls Post Gains Spurred by Samsung Share Sale: Inside Korea  
<https://blinks.bloomberg.com/news/stories/S74JQQDWLU68>
- S. Korea Says Financial Markets Are Stable Amid Taeyoung Case  
<https://blinks.bloomberg.com/news/stories/S74GWUT0AFB4>
- Rupiah Set for Second Straight Weekly Loss: Inside Indonesia  
<https://blinks.bloomberg.com/news/stories/S74SG0DWRGG0>
- Bond Demand Jumps in Asia as Investors Look to Lock in Yield (1)  
Indonesia sukuk auction draws highest demand since September  
Demand moving ahead will depend on US: Colombia Threadneedle  
<https://blinks.bloomberg.com/news/stories/S74VF1T0AFB4>
- Rupee, Bonds Steady Before December Inflation Data: Inside India  
<https://blinks.bloomberg.com/news/stories/S74RF6DWLU68>
- Global Fund Selling of Indian Stocks Hits 2-Month High  
<https://blinks.bloomberg.com/news/stories/S74IBEGETF5T>
  
- Argentina Inflation Soars Past 211%, Worst in Latin America (1)  
Prices rose 25.5% in December from prior month, below forecast  
IMF sees inflation crisis worsening before improving in 2024  
<https://blinks.bloomberg.com/news/stories/S74509DWRGG0>
- Brazil Inflation Ends 2023 Above Forecasts But Within Target (1)  
Consumer prices rose 4.62% on the year, 0.56% in December



- Policymakers signaled a 50-point cut by the end of the month  
<https://blinks.bloomberg.com/news/stories/S73PAFDWLU68>
- Argentina's \$16.1 Billion in YPF Fight Is Open to Collection (2)  
Burford Capital can begin efforts to seize assets, judge rules  
Reasonable time has passed since judgment, US court finds  
<https://blinks.bloomberg.com/news/stories/S73ZENDWRGG0>
  - Mexico Nov. Industrial Production Rose 2.8% Y/y; Est. 4.9%  
<https://blinks.bloomberg.com/news/stories/S73IRWGEZ1FK>
  - Lula Picks Former Supreme Court Judge to Lead Justice Ministry  
Ricardo Lewandowski will replace outgoing minister Flavio Dino  
Lula originally appointed Lewandowski to top court in 2006  
<https://blinks.bloomberg.com/news/stories/S71RCDDWRGG0>
  - Chilean Peso Rebounds After Dip on US Inflation: Inside Andes  
<https://blinks.bloomberg.com/news/stories/S73Q3MDWRGG0>
  - Czech Inflation Slows More Than Expected as More Cuts Loom (1)  
December annual price growth at 6.9%, core inflation at 3.6%  
Central bank expects inflation rate to drop sharply this year  
<https://blinks.bloomberg.com/news/stories/S73IKAT1UM0W>
  - Polish Rate-Cut Bets Fade as Governor Warns of Inflation Revival  
Market prices 25 basis points fewer of rate cuts in next year  
Glapiński turned from ultra-dovish to neutral, economist says  
<https://blinks.bloomberg.com/news/stories/S73GW7DWLU68>
  - JPMorgan Cuts Egypt From Key Bond Indexes as FX Shortages Mount  
<https://blinks.bloomberg.com/news/stories/S7357VDWLU68>
  - Turkey Central Bank Anticipates Near-End of Tightening Cycle (1)  
Governor Hafize Gaye Erkan spoke at JPMorgan in New York  
Turkey tightening cycle to be completed as soon as possible  
<https://blinks.bloomberg.com/news/stories/S74T9SDWLU68>
  - Polish Court Bars Lawmakers From Probing Central Bank Head (2)  
Ruling coalition has sought to probe central bank governor  
Poland in turmoil as government reverses judiciary overhaul  
<https://blinks.bloomberg.com/news/stories/S73KIUDWLU68>
  - Thousands of Poles Protest in Opposition-Led March Against Tusk  
The march in Warsaw follows a week of political turmoil  
Tusk faces setbacks in dismantling 8 years of populist rule  
<https://blinks.bloomberg.com/news/stories/S73BSVDWRGG0>
  - Polish President to Pardon Jailed Politicians to Ease Tensions  
<https://blinks.bloomberg.com/news/stories/S73P47DWRGG0>
  - Hungarian Inflation Rate at Two-Year Low Widens Rate-Cut Room  
Inflation rate dropped to annual 5.5% in December; est. 5.9%  
Data to widen room for central bank to accelerate rate cuts  
<https://blinks.bloomberg.com/news/stories/S73BRBDWX2PS>
  - Hungary Dec. Consumer Prices Rise 5.5% Y/y, Est. +5.9%  
<https://blinks.bloomberg.com/news/stories/S750ELMS385D>
  - Czech Dec. Consumer Prices Fall 0.4% M/m, Est. 0%  
<https://blinks.bloomberg.com/news/stories/S737L06RV5DT>