

DM Headlines

- Bond Bulls Fixated on Fed Cuts Risk Getting Smacked Around
Swap traders are resolute on bets for big 2024 Fed reductions
10-year Treasury yields find center of gravity at key 4% mark
<https://blinks.bloomberg.com/news/stories/S782FSDWX2PS>
- Bond-Market Expected Inflation Stirs at Prospect of Rate Cuts
Breakevens extend rise this year into the 2.25% area
Test of investor demand looms with 10-year TIPS sale
<https://blinks.bloomberg.com/news/stories/S75LMXDWLU68>
- Fed Bosses Who Faced Last Repo Mess Offer Differing Views on QT
Dallas Fed's Logan says its time to talk about unwinding QT
But New York's Williams sees no sign of pressures building
<https://blinks.bloomberg.com/news/stories/S73TOPDWRGG0>
- US Producer Prices Fall Again, Boosting Bets on Fed Rate Cuts
PPI declined for a third month in December, longest since 2020
Details that inform Fed's inflation index were mostly soft
<https://blinks.bloomberg.com/news/stories/S75I4RDWLU68>
- US Economy Set for Another Cash Boost If Congress Backs Tax Deal
Bipartisan proposal could fuel price pressures, economists say
Passage isn't assured as Republicans and Democrats haggle
<https://blinks.bloomberg.com/news/stories/S73YKVDWLU68>
- Oil Steadies as Middle East Risks Vie With Soft Fundamentals
US launched follow-up attack against Houthis in Yemen
Multiple tanker companies pause voyages through Red Sea
<https://blinks.bloomberg.com/news/stories/S7AI2VT0AFB4>
- JPMorgan's Misra Warns of Hard Landing If Fed Keeps Rates Steady
<https://blinks.bloomberg.com/news/stories/S75KMUDWRGG0>
- New York Post: Fed's Bostic warns US progress on inflation is likely to slow
<https://blinks.bloomberg.com/news/stories/S79MWAMB2SJO>
- Top Fed Official Warns Against Hasty Rate Cuts Amidst Inflation Fluctuations
<https://blinks.bloomberg.com/news/stories/S79HQPBO99TT>

- ECB to Cut Interest Rates Four Times This Year, Survey Shows
Economists still have more cautious view than investors
Inflation forecast revised lower for 2024, kept stable in 2025
<https://blinks.bloomberg.com/news/stories/S75GRZT0AFB4>
- ECB to Continue Winding Down APP at Around €30 Billion per Month
<https://blinks.bloomberg.com/news/stories/S7AI2CDWRGG0>
- ECB Recalibrating Rates Too Fast Self Defeating, Lane Says
Policymakers and markets are at odds when rate cuts will start
ECB chief economist comments in Corriere della Sera interview
<https://blinks.bloomberg.com/news/stories/S774HFT0AFB4>
- Agrarians at the Gate Lead Revolt Against German Government (1)
Farmers are at the vanguard of anti-government protests
Coalition marred by budget constraints, possible recession
<https://blinks.bloomberg.com/news/stories/S78ZJCT0AFB4>



- Cameron Says 'Lights Flashing Red' on Global Risk Dashboard
Insecurity and instability are at peak levels: David Cameron
Sunak to brief Parliament Monday on strike against Houthis
<https://blinks.bloomberg.com/news/stories/S78U8MT0G1KW>
- Rishi Sunak Faces UK Parliament Over Decision to Strike Yemen
Premier joined US action against Houthis before telling MPs
Opposition Labour Party backs move but wants more details
<https://blinks.bloomberg.com/news/stories/S79LJ6T1UM0W>
- UK Debt Chief Sees Room for Bank 'Monopoly' on Gilt Sales to End
UK DMO head says new entrants may take on market making
Banks won't lose central primary dealer role, Stheeman says
<https://blinks.bloomberg.com/news/stories/S6YFY7DWLU68>
- UK INSIGHT: BOE Hikes Have Lifted Incomes. Spending? Think Again
<https://blinks.bloomberg.com/news/stories/S7AF9AT0AFB4>

- ASB Bank Expects NZ Economic Growth Will Stall in 2024
<https://blinks.bloomberg.com/news/stories/S79YQQT0AFB4>
- (AU) Dec. Melbourne Institute Inflation, actual 1.0%, prior 0.3%
- (AU) Dec. Melbourne Institute Inflation, actual 5.2%, prior 4.4%
- (AU) Dec. ANZ-Indeed Job Advertisements , actual 0.1%, prior -4.6%, revised -5.1%
- Australia Dec. Inflation Gauge Rises 1% M/m; Details
<https://blinks.bloomberg.com/news/stories/S7A0PLGFWR28>
- Australia Dec. Household Spending -3.9% M/m, +3.1% Y/y: Summary
<https://blinks.bloomberg.com/news/stories/S7AA35GFR4SG>
- Aussie Rises Over Kiwi Amid NZ Growth Worry: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S7ACDGT0G1KW>
- New Zealand December Job Ads Index Falls 28% Y/y: Ministry
<https://blinks.bloomberg.com/news/stories/S7A5Z5T1UM0Y>

- Japan Two-Year Yield Falls Below Zero, Easing Pressure on BOJ
BOJ decision to maintain operation size pushes down yield
Central bank expected to keep negative rate at policy meeting
<https://blinks.bloomberg.com/news/stories/S7A47QT0G1KW>
- Mr. JGB Says End of BOJ's Negative Rate Won't Set Yields on Fire
Saito says lower 1% range is highest 10-year yield would go
Sees labor shortage helping BOJ reach its stable price goal
<https://blinks.bloomberg.com/news/stories/S733TTT0AFB4>
- 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>
- (Japan) Dec. Money Stock M2 YoY, actual 2.3%, prior 2.3%
- (Japan) Dec. Money Stock M3 YoY, actual 1.7%, prior 1.7%
- Two-Year Yield Goes Negative; Yen Declines: Inside Japan
<https://blinks.bloomberg.com/news/stories/S7ACMPT1UM0W>

EM Headlines

- China Holds Key Rate as Economy Prepares for 'Difficult Year'
PBOC maintains MLF rate at 2.5%, bucking analyst expectations
Policymakers may still cut RRR, use targeted easing as support
<https://blinks.bloomberg.com/news/stories/S7A6RXT0AFB4>
- China Move to Hold Key Rate Steady May Disappoint Investors: BI
<https://blinks.bloomberg.com/news/stories/S7A4D5T0G1KW>
- PBOC Still Has Ample Room to Cut Rates This Year: StanChart
<https://blinks.bloomberg.com/news/stories/S7A51GT0AFB4>
- China Rate and RRR Cuts Still Likely in Q1: Credit Agricole CIB
<https://blinks.bloomberg.com/news/stories/S7A5BVT0AFB4>
- (China) Jan. 1-Yr Medium-Term Lending Facil, actual 2.50%, est. 2.40%, prior 2.50%
- BofA Sees Tactical Sell in EM Currencies After US Inflation Data
Bank says it maintains its overall positive view for 2024
Emerging-market currencies have rallied since October
<https://blinks.bloomberg.com/news/stories/S752QVDWX2PS>
- China Builder Logan's Restructuring Hits Snag as Lenders Revolt
Banks may replace bondholders in winding-up petition
Bondholders seek to drop case after signing deal with Logan
<https://blinks.bloomberg.com/news/stories/S7A8MAT0G1KW>
- Yuan Gains After PBOC Holds Policy Rates Unchanged: Inside China
<https://blinks.bloomberg.com/news/stories/S7A34ST0AFB4>
- Xi Has Few Good Options After Winnable Taiwan Vote Slips Away
Election had favorable conditions for Beijing-friendly win
China's military, economic pressure failed to sway result
<https://blinks.bloomberg.com/news/stories/S7A7LET0G1KW>
- Won Down as Taiwan, N. Korea Spur Risk Aversion: Inside Korea
<https://blinks.bloomberg.com/news/stories/S7A34ZT1UM0W>
- North Korea Test-Fires Its First Ballistic Missile of 2024 (3)
Launch comes ahead of meeting of rubber-stamp parliament
Arms transfer to Russia is helping North Korea's economy
<https://blinks.bloomberg.com/news/stories/S79X71T0G1KW>
- Korea's Real Estate Turmoil Is Far From Over: The Brink
Policymakers embark on fresh efforts to avert crisis spreading
<https://blinks.bloomberg.com/news/stories/S77J9BT0AFB4>
- Rupee Bonds Gain on CPI, States to Sell Less Debt: Inside India
<https://blinks.bloomberg.com/news/stories/S7AAI9T1UM0W>
- India Nov. Industrial Production Rises 2.4% Y/y, Est. +3.5%
<https://blinks.bloomberg.com/news/stories/S75DG5MRXLVL>
- Rupiah Steadies, Trade Surplus Beats Estimates: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S7AAU9T0AFB4>
- Indonesia Dec. Trade Surplus Rises to \$3.3B as Imports Fall (1)
<https://blinks.bloomberg.com/news/stories/S7ACBCT1UM0W>
- Ecuador Leader Seeks Tax Rise to Finance War on Drug Cartels
Measure could lift fiscal revenue by \$1 billion in 2024



- S&P Global Ratings cut Ecuador's outlook to negative this week
<https://blinks.bloomberg.com/news/stories/S75G6IDWX2PS>
- Argentina Bonds Gain as Milei's Rework Passes Crucial Tests (1)
IMF deal and successful interest payment drive notes higher
Inflation, labor union strikes pose challenges ahead
<https://blinks.bloomberg.com/news/stories/S75YFRDWX2PS>
 - Mexico's AMLO to Present Set of Reform Proposals on Feb. 5
<https://blinks.bloomberg.com/news/stories/S75JLVDWRGG0>
 - Brazilian Real Volatility Plunges to Pre-Covid Low
<https://blinks.bloomberg.com/news/stories/S75QFTDWX2PS>
 - Peso Has Worst Week Since November After CPI Data: Chile Close
<https://blinks.bloomberg.com/news/stories/S75X89DWLU68>
 - Andean Currencies Lead Developing FX After US PPI: Inside Andes
<https://blinks.bloomberg.com/news/stories/S75MCEDWRGG0>

 - Moody's Lifts Turkey's Outlook to Positive on Economic Policy
Company affirmed Turkey's rating at B3, six levels into junk
Orthodox monetary policy improves economic prospects: Moody's
<https://blinks.bloomberg.com/news/stories/S751EKDWX2PS>
 - Foreigners Increase Holdings of Hungary's Forint Debt to Record
Non-Residents hold \$22.4 billion in local debt, data show
Repo agreements with local banks account for some of the jump
<https://blinks.bloomberg.com/news/stories/S752LJDWRGG0>
 - Polish Central Banker Flags Tightening If Price Caps Lapse (1)
Hikes and unwinding of QE program possible, MPC member says
MPC may in March discuss selling Polish bonds, says Dabrowski
<https://blinks.bloomberg.com/news/stories/S75OD4DWX2PS>
 - Poland's Tusk Will Seek Ways to Probe Central Bank Chief (1)
Tusk says recent top court ruling on Glapinski is not binding
Central bank governor cut rates twice before Oct. 15 election
<https://blinks.bloomberg.com/news/stories/S75ZC2DWRGG1>
 - Poland Kicks Off Rule-of-Law Reform With New Rules for Judiciary
<https://blinks.bloomberg.com/news/stories/S75IPKDWLU68>
 - Hungary 10-Year Yield Premium Over Germany Falls For Seven Days
<https://blinks.bloomberg.com/news/stories/S756E6GEZ1FL>
 - Zamrazilova Says Czech Easing Pace to Depend on Inflation Trend
<https://blinks.bloomberg.com/news/stories/S751RRDWX2PT>
 - South Africa's Finance Minister Weighs Transnet Cash Injection
<https://blinks.bloomberg.com/news/stories/S73CQMDWRGG0>
 - Ramaphosa Hails ANC's Achievements Before Watershed Election
South African ruling party risks losing parliamentary majority
Economic stagnation, high unemployment erode ANC's support
<https://blinks.bloomberg.com/news/stories/S75IR4DWX2PS>
 - US Agrees Preliminary Deal With Africa on Trade-Access (1)
Special access to the US market due to expire September 2025
US, Africa previously agreed accord needs to be modernized
<https://blinks.bloomberg.com/news/stories/S75NXHDWLU68>