

DM Headlines

- Bonds Slump as Fed's Waller Urges Caution on Interest-Rate Cuts
Treasury yields of all tenors rise at least 10 basis points
Amount of easing priced in for March ebbs from Friday's peak
<https://blinks.bloomberg.com/news/stories/S7DBD3T0G1KW>
- Fed's Waller Urges Cutting Rates 'Carefully' If Inflation Cools
Central bank should be methodical, careful when cuts begin
No need to move as quickly as in past, says Christopher Waller
<https://blinks.bloomberg.com/news/stories/S7DGGFFDWX2PS>
- Bond Traders Start to Hedge Against Half-Point Fed Cut in March
Surge of activity seen in dovish SOFR options wagers last week
Pricing of Fed cuts has eased after Waller comments on Tuesday
<https://blinks.bloomberg.com/news/stories/S7D2F6T0G1KW>
- America Inc. Is Paying Up to Hedge Debt as Rate Volatility Soars
Treasury volatility remains elevated by historical standards
Corporate issuers increasingly look to hedge before debt sales
<https://blinks.bloomberg.com/news/stories/S6ZYG2DWRGG0>
- Trump Seeks to Revive Tough-on-China Image With Markets Remark
Boast gives investors indication of unyielding trade doctrine
China's internal problems seen as more likely cause of turmoil
<https://blinks.bloomberg.com/news/stories/S7DW60T0AFB4>
- US Business, Child Tax Break Faces Hurdles to Pass Congress (2)
Firms can't yet count on research, interest tax credits
Lacks enough support to add to measure averting US shutdown
<https://blinks.bloomberg.com/news/stories/S7DODGT1UM0W>
- Hoisington Says Treasury Bond Rally Likely to Extend Beyond 2024
<https://blinks.bloomberg.com/news/stories/S7D662T0AFB4>

- EU, China Raise EV and Liquor Probes in Davos Meeting (1)
Li Qiang met with EU's Ursula von der Leyen on Tuesday
They raised the EU's EV investigation and China's liquor probe
<https://blinks.bloomberg.com/news/stories/S7DR7JT0G1KW>
- Lagarde Says It's Likely ECB Will Cut Rates in Summer (1)
Lagarde speaks to Bloomberg Television before quiet period
Policymakers have been pushing back against market wagers
<https://blinks.bloomberg.com/news/stories/S7EB8VT1UM0W>
- ECB Must See Wage Turnaround Before Cuts, Knot Tells CNBC (1)
Dutch policymaker expects some correction in market bets
He sees risks from tight labor market, Red Sea tensions
<https://blinks.bloomberg.com/news/stories/S7EBPKT0G1KW>
- German Investor Outlook Unexpectedly Improves on ECB Shift (2)
ZEW January expectations index rises to 15.2, est. 11.7
Protests are adding to country's economic struggles
<https://blinks.bloomberg.com/news/stories/S7CRJST1UM0W>



- UK Inflation Rises Unexpectedly, Tempering Talk of Rate Cuts (3)
Alcohol, tobacco and clothing prices all jumped in the month
Global shift away from aggressive bets on lower rates
<https://blinks.bloomberg.com/news/stories/S7EAN1T0AFB4>
- Resignations, Rebel Votes Expose Sunak's Weak Grip on Party (1)
Tory officials quit to join push to change anti-migration bill
Prime minister faces another potential crunch vote on measure
<https://blinks.bloomberg.com/news/stories/S7EA8IT0G1KW>
- Traders Aggressively Pare BOE Rate Cut Bets After CPI Quickens
UK 2-year yields surge to highest in a month following data
Pace of consumer price gains came in above expectations
<https://blinks.bloomberg.com/news/stories/S7EALOT0AFB4>

- Sydney Affordability Hits Record Low: December Housing Tracker
<https://blinks.bloomberg.com/news/stories/S7DFM6T0G1KW>
- (NZ) Dec. Card Spending Retail MoM, actual -2.0%, prior 1.6%, revised 1.7%
- (NZ) Dec. Card Spending Total MoM, actual -0.6%, prior 0.8%
- AUD Slips as China Data Weighs on Sentiment: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S7E4UOT1UM0W>
- Sell Aussie as Fed Bets Dialed Back, China Recovery Muted: HSBC
<https://blinks.bloomberg.com/news/stories/S7E3UTT0AFB4>
- New Zealand's Card Spending Drops Even as Immigration Surges
First annual fall in electronic card purchases since pandemic
Consumer spending may decline further as labor market weakens
<https://blinks.bloomberg.com/news/stories/S7DLAQT1UM0W>

- Bond Issuer Shortens Marketing Time in Japan to Avoid BOJ Risks
Jasso reduces marketing period on two-year yen note by a day
Rare move comes amid pressure for deals to go through quicker
<https://blinks.bloomberg.com/news/stories/S7CGN9T1UM0W>
- Fukoku Waits on BOJ to Scrap Negative Rates Before Buying Bonds
Japan's insurers are avoiding buying bonds due to low yields
Planned bond auctions later this week could be affected
<https://blinks.bloomberg.com/news/stories/S7C35XT0AFB4>
- JAPAN INSIGHT: Three Reasons Why BOJ Won't End YCC by April (2)
<https://blinks.bloomberg.com/news/stories/S7DMIST0G1KW>
- Japan Market Roars Back to Life—With Old-Timers Leading Way (2)
After decades of setting its benchmark rate near zero, the BOJ is poised to tighten, spurring
new opportunities for veteran traders.
<https://blinks.bloomberg.com/news/stories/S7E964DWRGG0>
- Japan's Economy Gets Boost From 25 Million Visitors in 2023 (1)
December arrivals of 2.7 million, a record high for that month
Chinese travelers to Japan still lagging pre-pandemic levels
<https://blinks.bloomberg.com/news/stories/S7EBEHT0G1KW>
- Yen Declines to Six-Week Low, Bonds Fall on Fed: Inside Japan
<https://blinks.bloomberg.com/news/stories/S7DXWRT0AFB4>

EM Headlines

- China GDP Grew Around 5.2% in 2023, Premier Li Says at Davos (3)
Economy's expansion last year higher than official goal: Li
No. 2 says nation didn't 'resort to massive stimulus'
<https://blinks.bloomberg.com/news/stories/S7DPXBT0AFB4>
- China's Economic Growth Disappoints, Fueling Stimulus Calls (2)
GDP hits 2023 target, but deflation and property still drag
Focus shifts to how policymakers will step up support in 2024
<https://blinks.bloomberg.com/news/stories/S7E29IT1UM0W>
- (China) Dec. Retail Sales YoY, actual 7.4%, est. 8.0%, prior 10.1%
- (China) 4Q GDP YoY, actual 5.2%, est. 5.3%, prior 4.9%
- (China) Dec. Industrial Production YoY, actual 6.8%, est. 6.6%, prior 6.6%
- (China) Dec. Surveyed Jobless Rate, actual 5.1%, est. 5.0%, prior 5.0%
- China Bond Inflow Extends on Lucrative Swaps, PBOC Easing Hope
Global investors raised holdings of yuan debt for fourth month
Attractive FX swap premium key to demand for local bonds
<https://blinks.bloomberg.com/news/stories/S7BUWPT1UM0W>
- China's Wealth Fund Vows to Play Role in Stabilizing Markets
CIC stresses role as it strengthens state financial capital
Fund bought ETFs and bank shares last year to bolster market
<https://blinks.bloomberg.com/news/stories/S7BW9MTOG1KW>
- China Home Prices Fall Most Since 2015 as Downturn Persists (1)
Stronger easing in two biggest cities shows 'limited effect'
Slump in sales and property investments also worsened
<https://blinks.bloomberg.com/news/stories/S7DUKOT0AFB4>
- China Local 'Junk' Bond Spreads Contract to Tightest Since 2007
Steps to reduce LGFV debt risks are sparking investor optimism
Special sovereign bond plan seen as another potential boost
<https://blinks.bloomberg.com/news/stories/S7E5PUT0G1KW>
- Yuan Drops to Two-Month Low Amid GDP Release: Inside China
<https://blinks.bloomberg.com/news/stories/S7DPE5TOG1KW>
- China Population Shrinks Again as Births Fall to Record Low (2)
Births hit a new low in 2023, accelerating demographic shift
Deaths rose likely due to excess deaths from abrupt Covid exit
<https://blinks.bloomberg.com/news/stories/S7DWI1TOG1KW>
- Won Drops to 11-Week Low on Fed, Risk-Off Mood: Inside Korea
<https://blinks.bloomberg.com/news/stories/S7DNVCT1UM0W>
- Rupiah Trades at Lowest in a Month Ahead of BI: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S7DYPST0G1KW>
- INDONESIA REACT: Central Bank on Hold, Wary of Rupiah, CPI Risks
<https://blinks.bloomberg.com/news/stories/S7ECBNT1UM0W>
- Bonds Range-Bound as Traders Parse RBI Comments: Inside India
<https://blinks.bloomberg.com/news/stories/S7E2U0T0AFB4>
- India's Future Growth Prospects Robust, RBI's Das Says
<https://blinks.bloomberg.com/news/stories/S7D5EYTOG1KW>



RUBRICS

- Mexico Received 5 Proposals for Passengers Trains Projects
<https://blinks.bloomberg.com/news/stories/S7DRSWT0AFB4>
- Mexico International Reserves Rose to \$212.72b, Banxico Says
<https://blinks.bloomberg.com/news/stories/S7D0EQGFA9Z4>
- Brazil Politics: Haddad, Senate Make Progress on Fiscal Measures
<https://blinks.bloomberg.com/news/stories/S7CUZGT0AFB4>
- Brazil's Haddad Wants to Discuss Payroll Tax With Lira by Friday
<https://blinks.bloomberg.com/news/stories/S7DLOKT1UM0W>
- Chile's Revamp of Private Pensions System Clears First Hurdle
Bill eliminates country's Pinochet-era private fund managers
Will also increase state's presence in social security
<https://blinks.bloomberg.com/news/stories/S7B30LT1UM0W>
- Chile Govt Presents Bill to Adjust Electricity Prices: Tercera
<https://blinks.bloomberg.com/news/stories/S7DPIPT0AFB4>
- Colombia Needs to Be Cautious With Interest Rate Cuts: Taboada
<https://blinks.bloomberg.com/news/stories/S7CYWST1UM0W>

- Polish Central Bank Rejects QT Plan Floated by Rate Setter (2)
MPC member Dabrowski said last week central bank may use QT
Central bank board member Sobon calls QT idea "irresponsible"
<https://blinks.bloomberg.com/news/stories/S7CXBQT0AFB4>
- Speculating on Polish QT Is Irresponsible: Central Bank's Sobon
<https://blinks.bloomberg.com/news/stories/S7CZCIT0AFB4>
- Ukraine's Zelenskiy Meets With Polish Counterpart Duda in Davos
<https://blinks.bloomberg.com/news/stories/S7DI6TT1UM0W>
- Poland December Core Inflation +6.9% Y/y; Est. +6.9% Y/y
<https://blinks.bloomberg.com/news/stories/S7CU9VGFR4SG>
- Hungary Should Reduce Budget Gap 'Cautiously,' Nagy to Inforadio
<https://blinks.bloomberg.com/news/stories/S7D78ST0AFB4>
- Slovakia to Shield Hungary's Rights in EU, Fico Tells Orban
<https://blinks.bloomberg.com/news/stories/S7CUNXT0G1KX>
- Czech Dec. Industrial PPI Falls 0.5% M/m, Est. -0.2%
<https://blinks.bloomberg.com/news/stories/S7EBL36JLCZK>
- South Africa's Kganyago Doesn't See Rate Cuts Amid Sticky Prices
Central bank chief says inflation is proving more persistent
Kganyago is expected to hold rates steady next week at 8.25%
<https://blinks.bloomberg.com/news/stories/S7CUDIT1UM0W>
- South Africa's Godongwana Says No Imminent Plan to Tap Reserves
Finance minister stresses the need to avoid harmful impact
'We've got to be very careful, I think we're prudent'
<https://blinks.bloomberg.com/news/stories/S7CEF2T1UM0W>
- Zuma's Popularity Threatens ANC's Majority Hopes, SRF Says
Former South African leader campaigning for ANC splinter party
Zuma is 10 times more popular than Ramaphosa in KwaZulu-Natal
<https://blinks.bloomberg.com/news/stories/S7CMXPT0G1KW>