

DM Headlines

- Seismic Bond Shift Has Traders Watching Yield Curve's Every Move
Market has priced big rate cuts and curve remains inverted
Gross and Bassman are calling for a steeper yield curve
<https://blinks.bloomberg.com/news/stories/S7HOQZT0AFB4>
- US Retail Sales Rise By Most in Three Months to Cap Holidays
Value of purchases rose 0.6% in December in broad advance
Clothing, general merchandise and e-commerce led gains
<https://blinks.bloomberg.com/news/stories/S7ESV3T1UM0W>
- US Prepares Rule Forcing Banks to Tap Fed Discount Window
OCC chief says his agency, Fed and FDIC are crafting plan
Michael Hsu says idea is to create a 'fire drill' for trouble
<https://blinks.bloomberg.com/news/stories/S7HBMET0AFB4>
- Container Rates Soar as Red Sea Chaos Worsens Capacity Crunch
Asia to Europe charges have increased for seven straight weeks
Freight from Shanghai to Los Angeles also is more expensive
<https://blinks.bloomberg.com/news/stories/S7GKYFT1UM0W>
- Use of Fed Funding Tool Jumps Most Since April to Fresh Record
Demand up \$14.3 billion to \$161.5 billion in week to Jan. 17
Top Fed policymakers have suggested BTFP will shutter in March
<https://blinks.bloomberg.com/news/stories/S7H820TOG1KW>
- Hawkish SOFR Options Plays Mount With Fewer Fed Rate Cuts Seen
<https://blinks.bloomberg.com/news/stories/S7H3MQDWX2PS>
- Ten-Year TIPS Auction Stops Through at Lowest Yield Since July
<https://blinks.bloomberg.com/news/stories/S7GY6CT1UM0W>
- US Economy Likely Cooled in Final Months of 2023
<https://blinks.bloomberg.com/news/stories/S7H702DWRGG0>
- Posen Warns Peace Dividend Is Reversing as Global Tensions Rise
<https://blinks.bloomberg.com/news/stories/S7GD96T0AFB4>

- EUROPE INSIGHT: How Red Sea Crisis Could Keep ECB, BOE on Edge
<https://blinks.bloomberg.com/news/stories/S7HSNRT1UM0W>
- Behind Curve Twice in a Cycle? Market Sniffing ECB Policy Error
<https://blinks.bloomberg.com/news/stories/S7HVVH7DWX2PT>
- ECB to Pick Right Moment for First Rate Cut, Economists Say
Bloomberg survey sees four reductions in 2024, three in 2025
Respondents wonder if forward guidance will stage a comeback
<https://blinks.bloomberg.com/news/stories/S7EEYRT1UM0W>
- ECB's Lagarde Faces Uphill Battle to Trim Rate Cut Hopes
<https://blinks.bloomberg.com/news/stories/S7H703DWRGG0>
- Germany Dec. Producer Prices Fall 1.2% M/m, Est. -0.4%
<https://blinks.bloomberg.com/news/stories/S7HY8B6RV5DS>
- German Budget Lawmakers Approve Net New Borrowing of €39 Billion
Finance plan in line with debt brake enshrined in Basic Law
Another suspension still possible in case of an emergency
<https://blinks.bloomberg.com/news/stories/S7GBV2TOG1KW>



- UK Retail Sales Fell More Than Expected Ahead of Christmas
<https://blinks.bloomberg.com/news/stories/S7GFBTD0AFB4>
- UK Retail Sales Fall 3.2% M/m in Dec.; Below All Estimates
<https://blinks.bloomberg.com/news/stories/S7HY7AGENSW0>
- Quantum Computers Could Transform Financial Markets, BOE Says
<https://blinks.bloomberg.com/news/stories/S7GIJGT0G1KW>
- Sunak Warns UK Lords Not to 'Frustrate' Key Immigration Bill (2)
Controversial bill could pass the House of Lords by March 12
Officials optimistic Kigali flight could take off by 'spring'
<https://blinks.bloomberg.com/news/stories/S7GOXZT0AFB4>

- Australia Is Slowing But Should Avoid Recession, NAB CEO Says
<https://blinks.bloomberg.com/news/stories/S7H9XST0AFB4>
- (NZ) Dec. Business NZ Manufacturing PMI, actual 43.1, prior 46.7, revised 46.5
- (NZ) Nov. Net Migration SA, actual 2,740, prior 7,810, revised 9,090
- Kiwi Falls Before RBNZ's Conway Speaks, CPI: Inside Australia/NZ
<https://blinks.bloomberg.com/news/stories/S7HSMKT0G1KW>
- New Zealand Manufacturing Contracts for 10th Straight Month: PMI
<https://blinks.bloomberg.com/news/stories/S7H6J5T0AFB4>
- New Zealand Annual Immigration Edges Down From October Record
<https://blinks.bloomberg.com/news/stories/S7H8B0T0G1KW>
- AUSTRALIA REACT: Slow Job Growth to Lift Unemployment in '24 (1)
<https://blinks.bloomberg.com/news/stories/S7FQPUT0G1KW>

- Japan's Slowing Inflation Supports Case for BOJ to Wait Longer
Services prices continue to rise at fastest clip in 30 years
Slide in electricity prices deepens; costs of lodging soar
<https://blinks.bloomberg.com/news/stories/S7HDY9T0AFB4>
- BOJ Keeps Over 25Y Bond Buying Amount Despite Fewer Operations
<https://blinks.bloomberg.com/news/stories/S79YODT0G1KW>
- BOJ Uncertainty Risks Crushing Bets on Japan Money Flooding Home
Balance-of-payments shows big buying of foreign bonds in 2023
Banks buy overseas debt while selling Japan's government bonds
<https://blinks.bloomberg.com/news/stories/S7HFK7T0AFB4>
- BOJ in Holding Pattern to Keep YCC, Negative Rates in January
<https://blinks.bloomberg.com/news/stories/S7H703DWX2PT>
- Japan Closely Watching Foreign Exchange Market, Suzuki Says
<https://blinks.bloomberg.com/news/stories/S7HLV9T0G1KW>
- Yen May Weaken to 150 Per Dollar on Lack of BOJ Move: Barclays
<https://blinks.bloomberg.com/news/stories/S7HJ5ST1UM0X>
- Japanese Money Isn't Coming Home Without BOJ Clarity: Macro View
<https://blinks.bloomberg.com/news/stories/S6RPQ4T0G1KW>
- (Japan) Dec. Natl CPI YoY, actual 2.6%, est. 2.5%, prior 2.8%
- (Japan) Dec. Natl CPI Ex Fresh Food YoY, actual 2.3%, est. 2.3%, prior 2.5%
- (Japan) Nov. Tertiary Industry Index MoM, est. 0.2%, prior -0.8%
- BOJ Maintains Bond Buying; Suzuki Warns About Yen: Inside Japan
<https://blinks.bloomberg.com/news/stories/S7HPRHT0AFB4>

EM Headlines

- Did China's Economy Really Grow 5.2% in 2023? Not All Agree (1)
China growth rates still questioned by some economists
Alternative estimates of growth rate span a wide range
<https://blinks.bloomberg.com/news/stories/S7GFOGT0G1KW>
- China's Biggest Brokerage Restricts Short Sales After Stock Rout
Citic Securities suspended securities borrowing for investors
China stocks heading toward worst start to a year since 2016
<https://blinks.bloomberg.com/news/stories/S7GBLVT1UM0W>
- Yuan Extends Weekly Decline Amid Stock Rout: Inside China
<https://blinks.bloomberg.com/news/stories/S7HIZ6T0AFB4>
- China Swap Market Goes Into Overdrive as Traders Seek FX Bypass
Swaps grow in popularity thanks to returns, relative cheapness
Market share climbs to 10% by one measure of activity
<https://blinks.bloomberg.com/news/stories/S712DLT0AFB4>
- China Mutual Fund Liquidations Hit Five-Year High as Stocks Sink
Fund closures quicken as assets shrink, redemptions rise
Once popular ETFs also face oversupply, cooling demand
<https://blinks.bloomberg.com/news/stories/S7AMJBT1UM0W>
- US, China Fight for One Pacific Nation Mirrors a Regional Battle
Washington fighting rearguard action to contain Beijing's sway
Poor construction of Chinese infrastructure offers US a chance
<https://blinks.bloomberg.com/news/stories/S3TM3ET0AFB4>
- Won Gains as Risk Appetite Improves on Tech Rally: Inside Korea
<https://blinks.bloomberg.com/news/stories/S7HDVGT1UM0W>
- North Korea Tests Underwater Nuclear Weapon System: KCNA
<https://blinks.bloomberg.com/news/stories/S7HKJ4T0AFB4>
- Dollar Dominance Is Triggering Intervention Fears Across Markets
Further intervention a legitimate concern, Capital.com says
Policymakers in Korea, China set to calm volatility: Barclays
<https://blinks.bloomberg.com/news/stories/S7HJ8ZT0AFB4>
- Rupiah Set for Third Straight Weekly Loss: Inside Indonesia
<https://blinks.bloomberg.com/news/stories/S7HS21T0AFB4>
- Jokowi Critics Near Pact to Block Indonesia Succession Plan
Baswedan and Ganjar camps said to weigh pact for runoff polls
Pact seeks to weaken Prabowo, limit Jokowi's policy influence
<https://blinks.bloomberg.com/news/stories/S7E05UT0G1KW>
- Rupee Bonds Lower Amid Higher Crude, US Yields: Inside India
<https://blinks.bloomberg.com/news/stories/S7HQVTT1UM0W>
- India Central Bank Not Discussing Rate Cuts Yet, Das Says (2)
Governor sees India's potential growth rate rising to 7%
Inflows related to bond index inclusion can be absorbed easily
<https://blinks.bloomberg.com/news/stories/S7HMB4T1UM0W>
- Mexico and Hungary Add to Emerging-Market Debt Sale Frenzy (3)



Both countries have already tapped debt markets in 2024

Sales come as emerging-market assets slide amid Fed repricing

<https://blinks.bloomberg.com/news/stories/S7H1J9T0AFB4>

- Why the Argentine Peso Is Slipping Through Milei's Fingers
Peso on parallel market has slumped more than 30% year-to-date
Falling parallel peso hampers Milei's fight against inflation
<https://blinks.bloomberg.com/news/stories/S71UWBT0AFB4>
- Mexico Names Potential Partners in Passenger Train Project
<https://blinks.bloomberg.com/news/stories/S7GTBVDWRGG0>
- Brazil Politics: Congressional Deal on Fiscal Bill May Take Time
<https://blinks.bloomberg.com/news/stories/S7GIM6T0AFB5>
- Chile Says it Tapped \$800 Million From FEES Sovereign Fund
<https://blinks.bloomberg.com/news/stories/S7H6V8T1UM0W>
- Chile Government to Sell Up to \$3B From Jan. to March
<https://blinks.bloomberg.com/news/stories/S7HGVTT0G1KW>
- Fitch Ratings: Fitch Rates Chile's Social Bond 'A-'
<https://blinks.bloomberg.com/news/stories/S7H721MB2SJP>
- S&P Cuts Colombia Outlook to Negative on Weak Growth Risks (2)
Cites risk of low investor confidence hurting economic growth
Agency keeps rating at BB+, one notch below investment grade
<https://blinks.bloomberg.com/news/stories/S7HKOUT0G1KW>
- Colombian Economy Beats Expectations, Calming Recession Fears
Economic activity index rose 2.3% from a year earlier
President Gustavo Petro has called for interest rate cuts
<https://blinks.bloomberg.com/news/stories/S7GTWQT0G1KW>

- Hungary Won't Amend Asylum, LGBTQ Laws for EU Funds: Minister
<https://blinks.bloomberg.com/news/stories/S7GA32T1UM0W>
- EU Assembly Boosts Pressure to Withhold Funds from Orban (1)
European Parliament backs resolution on Hungary's EU funds
Motion urges blocking funds until Hungary meets all conditions
<https://blinks.bloomberg.com/news/stories/S7GI53T0G1KW>
- Goldman's Upbeat Turkey Inflation Call Outdoes Central Bank View
Price path hinges largely on money supply growth, Goldman says
Central bank sees peak around May, year-end inflation at 36%
<https://blinks.bloomberg.com/news/stories/S7G7E5T0G1KW>
- Poland Consumer Confidence Unexpectedly Jumps, Beating Estimates
<https://blinks.bloomberg.com/news/stories/S7GAVVT0G1KW>
- Polish Lawmakers Approve Budget Amid Political Tensions (1)
President Duda said he would likely approve the legislation
Failure to approve could have triggered an early election
<https://blinks.bloomberg.com/news/stories/S7GWDET0AFB4>
- EU Can't Sway Hungary's Policies by Freezing Funds, Orban Says
<https://blinks.bloomberg.com/news/stories/S7HXIYT1UM0W>
- Orban Calls for Boosting Economic Growth via Monetary Policy
<https://blinks.bloomberg.com/news/stories/S7HY9VT0G1KW>