

DM Headlines

- Two-Speed World Vexes G-7 With Inflation Fading Unevenly (1)
Meeting in Italy is looking at transatlantic divergence
2023 communique stressed need to clearly communicate policies
<https://blinks.bloomberg.com/news/stories/SDZ66VT1UM0W>
- Billionaire Tax Rejected by US Causes Split Ahead of G-7 (1)
US opposes mentioning of super-rich tax in communique
France says will keep pushing for work on minimum levy
<https://blinks.bloomberg.com/news/stories/SDY2D2DWLU68>
- US Business Activity Expands Most in Two Years, Prices Pick Up
S&P Global's flash May gauge advanced to 54.4 from 51.3
Composite measures of prices paid, received both rise
<https://blinks.bloomberg.com/news/stories/SDXYCJDWLU68>
- Fed Inflation Debate Shifts to How Far Goods Prices Can Drop (1)
Powell says 'we could get more' while others aren't so sure
Trajectory depends in part on prices of used cars, apparel
<https://blinks.bloomberg.com/news/stories/SDXYAFDWX2PS>
- Yellen Wants Currency Intervention to Be Rare and Well Flagged
Treasury secretary briefs reporters before G-7 meeting
Intervention shouldn't be used 'in any routine way at all'
<https://blinks.bloomberg.com/news/stories/SDXMTGDWLU68>
- Fed's Bostic Says Policy Is Taking Longer to Slow Growth
Need higher for longer rates in order to control inflation
Atlanta Fed chief said wouldn't raise rates again after cuts
<https://blinks.bloomberg.com/news/stories/SDY3HUDWX2PS>
- US Mortgage Rates Fall Below 7% for First Time Since Early April
Average rate for 30-year mortgage has declined for three weeks
Sales of new and previously owned properties dropped in April
<https://blinks.bloomberg.com/news/stories/SDSI9TDWRGG0>
- Gold Falls as US Business Activity Undermines Fed Rate Cut Path
US business activity expands most in two years, prices pick up
Gold slides for third day as traders cash in on recent rally
<https://blinks.bloomberg.com/news/stories/SDXYGZDWX2PS>
- Oil Holds Near Three-Month Low as Market Shows Signs of Weakness
US Memorial Day weekend is start of peak summer driving period
Brent futures closed at the lowest since Feb. 7 on Thursday
<https://blinks.bloomberg.com/news/stories/SDZ15TDWLU68>

- Euro-Zone Activity Hits One-Year High as Recovery Gains Pace (2)
Euro-area composite PMI at 52.3 in May; economist saw 52
'This looks as good as it could be,' says HCB's de la Rubia
<https://blinks.bloomberg.com/news/stories/SDXJW2DWLU68>
- Euro-Zone Wage Growth Picks Up in Inflation Warning to ECB (3)
Negotiated pay rose 4.7% from a year ago in first quarter
Officials focused on salaries as first interest-rate cut nears
<https://blinks.bloomberg.com/news/stories/SDY0Q1DWX2PS>



- ECB Still on Course for June Rate Cut After Data, Villeroy Says
Bank of France governor speaks at VivaTech conference in Paris
Villeroy urges against over-interpreting wages publication
<https://blinks.bloomberg.com/news/stories/SDXW1KDWX2PS>
- Macron Says Europe Needs a 'Bolder Monetary Policy'
<https://blinks.bloomberg.com/news/stories/SDXRXCWDRGG0>
- France Needs 'Substantial' Extra Efforts on Budget, IMF Says (1)
Fund comments on fiscal plans as part of Article IV mission
Finance minister pledges to do everything to hit deficit goal
<https://blinks.bloomberg.com/news/stories/SDXNQEDWLU68>
- BOE Cancels All Public Statements Until After July 4 Election
Arrangement is standard practice under UK Cabinet Office rules
June 20 rate decision to go ahead, FSR press conference is off
<https://blinks.bloomberg.com/news/stories/SDXUO8DWLU69>
- Morgan Stanley and Goldman Give Up on June Rate Cut at BOE
Inflation, election force banks to push back expected cut date
August now seen as starting point for easing rather than June
<https://blinks.bloomberg.com/news/stories/SDXSOLDWX2PS>
- Inside Sunak's Hail-Mary Plan to Narrow Poll Gap With Labour (1)
Premier makes Rwanda deportation plan central to campaign
Starmer says snap vote proves Sunak doesn't think policy works
<https://blinks.bloomberg.com/news/stories/SDXXC9DWLU68>
- UK Energy Bills to Fall 7% in July Just Before Election (1)
Both Labour and Conservatives see energy bills as a key issue
Bills much more expensive than before Rishi Sunak took office
<https://blinks.bloomberg.com/news/stories/SDZ7RFDWLU68>
- Goldman Says Market Pricing for RBA Rate Cuts Is 'Too Shallow'
<https://blinks.bloomberg.com/news/stories/SD8T6BT1UM0W>
- RBNZ 'Absolutely' Prepared to Hike Rates If Necessary, Silk Says
Assistant Governor speaks in interview with Bloomberg News
Bank tweaks models after underestimating domestic inflation
<https://blinks.bloomberg.com/news/stories/SDYOMLDWX2PS>
- Japan's Inflation Cools as BOJ Waits for Wage Gains to Kick In
Slower processed food price gains weigh on overall gauge
Scheduled end of utility subsidies may spur inflation
<https://blinks.bloomberg.com/news/stories/SDYQMOTOG1KW>
- BOJ's Ueda Signals Little Impact of GDP Drop on Policy Path
Japan's economy has failed to grow since third quarter of 2023
Central bank chief briefs reporters before G-7 meeting
<https://blinks.bloomberg.com/news/stories/SDXTV8TOG1KW>
- Fidelity Sees Opportunity in World's Worst-Performing Bonds
Strategy to buy Japanese bonds with dollars and hedge position
Yen bonds are worst performers among major markets this month
<https://blinks.bloomberg.com/news/stories/SDWY9CT0AFB4>

EM Headlines

- A New Trade War Offers No Easy Way Back for Old Global Order (1)
Rules-based trade fades as policies cement protectionism
Once a free-market cheerleader, US borrows from China playbook
<https://blinks.bloomberg.com/news/stories/SDZ7UKDWLU69>
- US Calls on Lenders to Stop Draining Funds From Poor Countries
White House lays out policy in 'Nairobi-Washington Vision'
US has sought to cast lending from China as unsustainable
<https://blinks.bloomberg.com/news/stories/SDY7CMDWX2PS>
- China's \$538 Billion Deposit Exodus Supercharges Rally in Bonds
Reallocation of deposits is set to continue: Citic Securities
Shanghai dividend-stock index has climbed about 16% this year
<https://blinks.bloomberg.com/news/stories/SDIMQNT0AFB4>
- Xi Hints at Housing, Job Reforms as Priorities for Third Plenum
Reforms must promote China-style modernization, report says
Expectations are rising measures will be announced at plenum
<https://blinks.bloomberg.com/news/stories/SDYWBDT0G1KW>
- China's Second Special Ultra-Long Bond Sale Sees Solid Demand
<https://blinks.bloomberg.com/news/stories/SDYUHOT0G1KW>
- China, Japan and South Korea Revive Summit in Bid to Mend Ties
Two days of discussions are set to start from Sunday in Seoul
US semiconductor restrictions and North Korea to cloud talks
<https://blinks.bloomberg.com/news/stories/SDXHWEDWRGG0>
- Yuan Retreats on Strong US Data, Weak PBOC Fixing: Inside China
<https://blinks.bloomberg.com/news/stories/SDYHZRDWRGG0>
- Won Declines to Two-Week Low on Dollar Strength: Inside Korea
<https://blinks.bloomberg.com/news/stories/SDYRUVT0AFB4>
- India's Index-Eligible Bonds Set for Best Performance in a Year
Bloomberg's FAR bond index has returned 1.3% so far in May
India bonds attractive given index inclusion, Barclays says
<https://blinks.bloomberg.com/news/stories/SDYVTXT0AFB4>
- INDIA INSIGHT: All-Time High RBI Payout Means Upside to Growth
<https://blinks.bloomberg.com/news/stories/SDYO2TT1UM0W>
- Modi's 400-Seat Dream In Doubt as Opposition Gains Steam (1)
Party insiders, analysts say little sign of 'Modi wave'
Elections end on June 1, with results scheduled for June 4
<https://blinks.bloomberg.com/news/stories/SDZ0AJDWRGG1>
- Haddad: Inflation, Fiscal Realities Better Than They Appear
<https://blinks.bloomberg.com/news/stories/SDW8RADWRGG0>
- Brazil Politics: Sao Paulo Emerges as Austerity Contrast to Lula
<https://blinks.bloomberg.com/news/stories/SDXS0QDWRGG1>
- Milei Warns Cabinet's Future Hinges On Argentina Congress Vote
Milei says cabinet under review after congress votes on bill
Government would lower tax called Impuesto PAIS if bill passes
<https://blinks.bloomberg.com/news/stories/SDYSSCT0AFB4>



RUBRICS

- Mexico Gets Hit by More Frustrating Economic Data Before Vote
Economy grew 0.3% in first quarter, while inflation sped up
Presidential election will take place in less than two weeks
<https://blinks.bloomberg.com/news/stories/SDXUO5DWX2PS>
- MEXICO REACT: Activity Recovery, Robust Consumption Buoy Outlook
<https://blinks.bloomberg.com/news/stories/SDXVSPDWLU68>
- Banxico Says Sticky Service Prices Call for Cautious Rate Moves
Analysts surveyed by Citi forecast a rate cut next month
Mexico's central bank held reference rate at 11% in May vote
<https://blinks.bloomberg.com/news/stories/SDWZCYT1UM0W>
- Most Banxico Members Highlighted Mexico's Strong Labor Market
<https://blinks.bloomberg.com/news/stories/SDY2I3DWLU68>
- Chile Slows Easing Pace and Says Further Rate Cuts Are Coming
Half-point reduction expected by all analysts in survey
Policymakers say inflation has been in line with forecasts
<https://blinks.bloomberg.com/news/stories/SDYLSGDWLU68>
- CHILE REACT: May Cut Keeps Outlook in Line With April Guidance
<https://blinks.bloomberg.com/news/stories/SDYMIODWLU68>
- Peru's Key Interest Rate Can Fall 100bps Below Fed's: Velarde
<https://blinks.bloomberg.com/news/stories/SDY0I5DWLU68>
- Colombia Lower House Committee Approves Petro's Pension Bill
<https://blinks.bloomberg.com/news/stories/SDYMDQDWLU68>

- Poland Tightens Ukraine Aid Hub Security Over Sabotage Concerns
Rzeszow-Jasionka airport has handled the bulk of western aid
Interior minister says interference is at unprecedented level
<https://blinks.bloomberg.com/news/stories/SDYRIDWLU68>
- Hungary Working to 'Redefine' Its NATO Membership, Orban Says
<https://blinks.bloomberg.com/news/stories/SDZ73KDWLU68>
- Foreigners Are Flocking into Turkish Lira Bonds at Record Pace
Non-resident holdings of lira debt triple to above \$8 billion
Last four weeks saw biggest monthly inflows on record
<https://blinks.bloomberg.com/news/stories/SDXTGZDWX2PS>
- Turkey Shifts Focus to Liquidity Glut After Holding Rates (1)
Central bank keeps key rate at 50%, in line with all forecasts
Rate hikes remain option if inflation deviates from projection
<https://blinks.bloomberg.com/news/stories/SDXZJBDWX2PS>
- South Africa Investors See Stable Coalition After Election (2)
Krutham canvassed foreign and local bankers, fund managers
Most investors expect continuity of economic policy after vote
<https://blinks.bloomberg.com/news/stories/SDZ6DHDWX2PS>
- South Africa Election Rally Is Biggest Bet in Poll of Funds (1)
Rally has room to run after poll, Bloomberg survey finds
Most investors overweight or neutral on South Africa
<https://blinks.bloomberg.com/news/stories/SDXJJUDWLU68>