

DM Headlines

- Investors Start Gaming Out Exit Plan for Global Rate Divergence
Fed, BOJ and BOE decisions span all possible policy outcomes
Diverging routes present opportunities, challenge outlook
<https://blinks.bloomberg.com/news/stories/SHIQBNTOG1KW>
- US Initial Jobless Claims Rise to One-Year High as Hiring Slows
Applications rose to 249,000 last week, most since August 2023
Michigan and Missouri saw large increases in jobless claims
<https://blinks.bloomberg.com/news/stories/SHJIWKDWLU68>
- US Jobs Report to Show More Softening With Unemployment Steady
Forecasters see 175,000 rise in payrolls, extending slowdown
Weaker report would likely supercharge bets on faster Fed cuts
<https://blinks.bloomberg.com/news/stories/SHJP7STOG1KW>
- US Manufacturing Activity Contracts by Most in Eight Months
ISM factory index dropped 1.7 points to 46.8 in July
Employment gauge shows sharpest contraction since 2020
<https://blinks.bloomberg.com/news/stories/SHJNPYT0AFB4>
- Bond Traders Are Fully Pricing In Three Fed Rate Cuts This Year
Treasury 10-year yield falls below 4% to lowest since February
Weakness in employment data is key ahead of July report Friday
<https://blinks.bloomberg.com/news/stories/SHK1DCDWRRGG0>
- Treasuries Rally Extends Into Seventh Day as US Payrolls Loom
Two-year yield falls to lowest since May 2023 on Fed bets
Bond traders pricing in three US rate cuts this year
<https://blinks.bloomberg.com/news/stories/SHKG68T0AFB4>
- US Job Market's Pandemic Unwind Puts Recession Signals to Test
Unemployment rate close to triggering popular downturn warning
'Situation really is unusual,' Powell says ahead of jobs data
<https://blinks.bloomberg.com/news/stories/SHE6UIDWLU68>
- Harris-Powell Double Act Leads to Unwind of 'Trump Trades' (1)
Recent polling shows Kamala Harris gaining in battlegrounds
Bond rally, stalled dollar suggest easing of Trump-related bet
<https://blinks.bloomberg.com/news/stories/SHK80UTOAFB4>
- Oil Heads for Weekly Drop as Demand Woes Offset Middle East Risk
Manufacturing gauges in US, China both showed a contraction
OPEC+ sticks with earlier plan to increase output next quarter
<https://blinks.bloomberg.com/news/stories/SHKUEODWLU68>



- ECB's Stournaras Still Sees Two More 2024 Cuts Amid Weak Growth
Risks to inflation are balanced, Greek official tells Platow
He warns against too much emphasis on services inflation
<https://blinks.bloomberg.com/news/stories/SHJ5QOT0AFB4>
- Eurozone June Unemployment Unexpectedly Rose to 6.5%, Est. 6.4%
<https://blinks.bloomberg.com/news/stories/SHJ6B8GFLIIP>
- German Budget Deal at Risk as Advisers Raise Legal Concerns
Further spending cuts may be necessary, officials say
Lindner has insisted on restoring a strict borrowing limit
<https://blinks.bloomberg.com/news/stories/SHJVS0DWX2PS>

- Bank of England Signals Caution With Narrow Vote to Cut Rates
Governor Andrew Bailey tips 'finely balanced' decision
Move offers some relief from borrowing costs at 16-year high
<https://blinks.bloomberg.com/news/stories/SHJJ9VT1UM0W>
- Starmer Gets a Gift From BOE - and a Warning on His Budget Plans
Tamed inflation, healthy growth pace offer boon to Reeves
Chancellor griped this week of fiscal legacy of Conservatives
<https://blinks.bloomberg.com/news/stories/SHJSD7DWLU68>
- UK Retail Store Traffic Falls as Shoppers Opt for Holidays
Footfall at UK retail outlets drops for 12th straight month
Cost-of-living fallout continues to squeeze consumers
<https://blinks.bloomberg.com/news/stories/SHJ4N1TOG1KW>

- Aussie Pares Risk-Off Losses After Local Data: Inside Australia
<https://blinks.bloomberg.com/news/stories/SHKQJRT0AFB4>

- BOJ Likely to Hike in October After Big Shift, Ex-Official Says
Kazuo Momma now sees scope for quarterly rate increases
Central bank's reaction function has changed, he adds
<https://blinks.bloomberg.com/news/stories/SHISBITOG1KW>
- Most BOJ Watchers Rethink Pace of Hikes After Ueda's Hawkishness
Nearly 70% of polled economists see another increase this year
Views shift after BOJ chief says he will keep raising rates
<https://blinks.bloomberg.com/news/stories/SHJ1CXT0G1KW>
- Japan Will Keep Watching Impact of Strong Yen, Suzuki Says
<https://blinks.bloomberg.com/news/stories/SHKKEFT0AFB4>

EM Headlines

- PBOC Adviser Gives Rare Critique of China Economic Policies (2)
Huang advocates setting hard target to bring inflation to 2-3%
Economy is 'easy to cool but difficult to heat up,' Huang says
<https://blinks.bloomberg.com/news/stories/SHKUGVT0G1KW>
- China Pledges More Support for Rural Migrants to Lift Demand (1)
Government's plan lays out measures to speed up urbanization
Expanding city population seen lifting consumption, investment
<https://blinks.bloomberg.com/news/stories/SHJBOLT1UM0W>
- Housing Slump Calls for Beijing to Step Up Rescue: China Today
<https://blinks.bloomberg.com/news/stories/SHJOE5DWX2PS>
- Bank Indonesia Cautious on Rate Cuts on Risk of Capital Outflows
<https://blinks.bloomberg.com/news/stories/SHKQSFT0G1KW>
- JPMorgan to Monitor India Bond Liquidity on Investor Curbs (1)
India imposed limits on foreign ownership of some new bonds
US bank declines comment on steps taken due to rule change
<https://blinks.bloomberg.com/news/stories/SHKN53T0AFB4>

- Real Hits 2024 Low as Brazil Central Bank Disappoints Hawks (2)
Real was the worst performing currency in emerging-markets
Traders have priced in September hike amid souring outlook
<https://blinks.bloomberg.com/news/stories/SHJSJDDWLU68>
- Japan Retail Traders Slash Bullish Bets on Mexican Peso
Peso in 'freefall' versus yen, Pepperstone's Weston says
Peso has dropped for nine days versus yen as BOJ hikes rate
<https://blinks.bloomberg.com/news/stories/SHJ6P7T1UM0W>
- Ending Mexico Transparency Body Would Violate USMCA, Chief Says
President Lopez Obrador has criticized it for cost, function
Mexican lawmakers are debating its future as part of a bill
<https://blinks.bloomberg.com/news/stories/SHJPBLT0AFB4>
- Chile Economy Notches First Monthly Increase Since February (1)
Activity rose 0.3% on month and 0.1% on year in June
Central bank paused its yearlong easing cycle late Wednesday
<https://blinks.bloomberg.com/news/stories/SHJIW7DWRGG0>
- Peru Raises \$3 Billion in First Eurobond Sale Since 2021 (2)
Country taps global debt markets with two-tranche transaction
Existing bonds have underperformed emerging-market peers
<https://blinks.bloomberg.com/news/stories/SHK4Z5DWX2PS>
- Peru Inflation Slows More Than Expected, Near Target Band Center
Annual inflation in Lima rises 2.13% in July; est. 2.24%
Central bank to announce its interest rate decision next week
<https://blinks.bloomberg.com/news/stories/SHJT15TOG1KW>



RUBRICS

- Mideast Conflict Fears Push EM Risk Spread to Six-Month High (1)
JPMorgan measure of premium climbs above 400 basis points
Investors grow concerned over threat of wider regional war
<https://blinks.bloomberg.com/news/stories/SHJL6SDWLU68>
- Czechs Slow Rate Cuts as Price Risks Eclipse Sluggish Growth (2)
Michl says central bank won't mind inflation slightly below 2%
'Hawkish cut' helps koruna after recent depreciation pressure
<https://blinks.bloomberg.com/news/stories/SHJMNXT0AFB4>
- Michl Says Czech Central Bank Wouldn't Mind Slightly Sub-2% CPI
<https://blinks.bloomberg.com/news/stories/SHJLL6TOG1KW>
- TURKEY PREVIEW: July Set to Kick-Off Two-Month Inflation Plunge
<https://blinks.bloomberg.com/news/stories/SHKQR0T0AFB4>
- Barbeque Index Shows South African Food Inflation Fell in July
Cost of a backyard barbecue fell 0.4% in July from year ago
Main drivers were a decline in onion and corn meal prices
<https://blinks.bloomberg.com/news/stories/SHHBWPDWRGG0>