

DM Headlines

- Trump Roils Markets With Tariff Threat on China, Mexico, Canada
President-elect cites flow of drugs, people across US borders
Republican has vowed to tighten border security in second term
<https://blinks.bloomberg.com/news/stories/SNJMVXDWLU68>
- Dollar Jumps, Peso and Loonie Hammered in Tariff Threat Whiplash
Trump vows to impose an additional 10% tariff on China
Dollar is being viewed as a haven on Trump's comments: StoneX
<https://blinks.bloomberg.com/news/stories/SNJKS5T0G1KW>
- Trump Trade Muddles Inflation Outlook in Fed's Favorite Gauge
Higher stock prices feed into Fed's preferred inflation gauge
Central bank could 'be a little hawkish' if rally continues
<https://blinks.bloomberg.com/news/stories/SN08ELT1UM0W>
- Fed's Kashkari Says It's Reasonable to Weigh Rate Cut Next Month
Says policy may not be restraining economy as much as thought
Fed officials will meet for last time this year Dec. 17-18
<https://blinks.bloomberg.com/news/stories/SNIS83DWX2PS>
- Fed's Goolsbee Argues for Rate Cuts Barring Signs of Overheating
<https://blinks.bloomberg.com/news/stories/SNIUGTDWX2PS>
- Citi's Strategists Say Fed Should Pause, Opposing Its Economists
Bank's economists are holdouts for a half-point December cut
Fed's Dec. 18 decision seen as turning on November jobs data
<https://blinks.bloomberg.com/news/stories/SNII2CTOAFB4>
- US Treasuries Rally on Bets Bessent Will Soften Trump's Plans
Moves gain momentum as oil slides on Middle East reports
Dollar index extends retreat from last week's two-year high
<https://blinks.bloomberg.com/news/stories/SNIUH3DWRGG0>
- US 10-Year Yield Lower Than Two-Year for First Time in Months
Curve inversion is restored atypically via a Treasury rally
Strong demand for two-year note auction fails to erase lag
<https://blinks.bloomberg.com/news/stories/SNIUTPT1UM0W>
- Oil Steady as Traders Weigh Trump Tariff Threat, Cease-Fire Deal
Trump said he would impose levies on Mexico, Canada, China
Israel, Hezbollah potentially days away from truce agreement
<https://blinks.bloomberg.com/news/stories/SNJIXGT1UM0W>

- ECB Must Be Open-Minded, Act Carefully on Rates, Lane Says (2)
Officials need to be agile amid risks, chief economist says
Remarks come before December policy meeting with cut expected
<https://blinks.bloomberg.com/news/stories/SNIPSFDX2PS>
- EU Proposes to Sanction Chinese Firms Aiding Russian War Effort
Bloc also pushes for more restrictions on Russian oil tankers
The measures require the backing of all 27 member states
<https://blinks.bloomberg.com/news/stories/SNITU5T1UM0W>



RUBRICS

- Scholz Gets Backing of SPD Leadership for Reelection Bid (1)
Chancellor had been under pressure to make way for Pistorius
Opposition conservative alliance is leading in opinion polls
<https://blinks.bloomberg.com/news/stories/SNIAUQT0AFB4>
- German Business Outlook Stays Subdued After Government Falls (1)
Ifo expectations gauge edges down to 87.2; economists saw 87
Europe's top economy faces second straight year of contraction
<https://blinks.bloomberg.com/news/stories/SNI1E8TOG1KW>
- Germany's Merkel Voices Support for Reform of Debt Brake Policy
Former chancellor says change needed to help defense spending
Fiscal rule reform also backed by regional leader Soeder
<https://blinks.bloomberg.com/news/stories/SNIO1BT0AFB4>
- Dhingra Becomes Latest BOE Official to Criticize UK Jobs Data
Says India manages accurate data with over 1 billion people
Separately Deputy Governor says participation may be higher
<https://blinks.bloomberg.com/news/stories/SNI9VYT1UM0W>
- BOE's Lombardelli Warns Wage Growth Risks Slowing Rate Cuts
Deputy governor urges 'careful' approach to gradual rate cuts
Response to Bernanke review will take 'years' to work through
<https://blinks.bloomberg.com/news/stories/SNI30TT0G1KW>
- BOE Suppressing Debate on Long-Term Rates, Ex-BOE Official Says
Vlieghe also criticises Governor Bailey's crisis communication
Former MPC member Vlieghe speaks at conference in London
<https://blinks.bloomberg.com/news/stories/SNILVUDWX2PS>
- Starmer Risks Row Over Back-to-Work Plan as Firms Warn of Cuts
UK premier wants to tackle inactivity to reduce welfare bill
CBI says half of British companies to cut jobs after tax rises
<https://blinks.bloomberg.com/news/stories/SNIQ6ZT1UM0W>
- Australian Budget Blow Out Seen as Structural Deficit Hits (1)
Return to the red comes as government faces tight election
Australia better placed than US as Trump set to swell deficit
<https://blinks.bloomberg.com/news/stories/SNIZV0T0G1KW>
- RBNZ Set to Join Aggressive Rate Cutters With Second Big Move
Inflation has slowed to near central bank's 2% target
Fresh forecasts expected to show further policy easing in 2025
<https://blinks.bloomberg.com/news/stories/SNHARCT0G1KW>
- Japan's Ishiba Renews Pressure on Companies to Ramp Up Pay (1)
Wage deals this year hit a 33-year-high for major union
Real wages continue to be lackluster amid ongoing inflation
<https://blinks.bloomberg.com/news/stories/SNJN9HT0AFB4>
- Japan's Firms Pass Costs to Customers at Fastest Pace Since 1992
<https://blinks.bloomberg.com/news/stories/SN4EDRT0G1KW>
- Japan Risks Deflation Again If Rushes Policy Change, Tamaki Says
<https://blinks.bloomberg.com/news/stories/SNJD51T1UM0W>

EM Headlines

- BofA Sees 5% EM Currency Slide as Trade War Risks Underpriced
Markets are underestimating trade war risk, strategists say
BofA recommends buying dollar against the yuan and the rand
<https://blinks.bloomberg.com/news/stories/SNHZO1T0AFB4>
- China Draws a Red Line for the Yuan as Trump Risks Return
The central bank is holding the daily fixing stronger than 7.2
China is balancing the need to boost economy, protect currency
<https://blinks.bloomberg.com/news/stories/SNJ8NYT0G1KW>
- Hong Kong a 'Global Leader' in Financial Crime, US Lawmakers Say
Lawmakers question US's financial, banking ties with the city
US, Hong Kong ties have frayed over city's handling of dissent
<https://blinks.bloomberg.com/news/stories/SNJE1CT1UMOW>
- Goldman AM Sees India Bright Spot Within EMs as China Decouples
India's economic growth story is a marathon and not a sprint
China growth divergence may widen further due to demographics
<https://blinks.bloomberg.com/news/stories/SNI1E8T0AFB4>
- South Koreans' Economic Outlook Frays at Fastest Pace Since 2022
<https://blinks.bloomberg.com/news/stories/SNHWF3DWRGG0>
- Silence From Modi Allies Shows Adani Has Political Cover (1)
<https://blinks.bloomberg.com/news/stories/SNJPFBT1UMOW>

- Junk Bonds at Risk as Emerging Markets Await 'Trumponomics' (1)
Rally looks shaky as Tariff curbs may hit poor nations hardest
Countries with heavy debt, dollar dependence most vulnerable
<https://blinks.bloomberg.com/news/stories/SNI2L2T1UMOW>
- Haddad: Spending Cuts Plan Will be Unveiled This Week
<https://blinks.bloomberg.com/news/stories/SNJ1LCDWRGG0>
- Chile Moderates See Key Vote Wins as Political Extremes Lose Out
Center-right Chile Vamos coalition to govern in six regions
Independent candidate Claudio Orrego triumphed in Santiago
<https://blinks.bloomberg.com/news/stories/SNI5AGT1UMOW>

- Hungary Plans 40% Minimum Wage Hike by 2027 in Risk to Inflation
Government wants to boost growth with economy in recession
Minimum wage is in focus ahead of closely contested 2026 vote
<https://blinks.bloomberg.com/news/stories/SNI42YT1UMOW>
- Turkey Money-Market Funds Face \$2.9 Billion Push Into Lira Bonds
Money market funds needs to allocate 10% to lira bills
Market regulator set February deadline to buy lira debt
<https://blinks.bloomberg.com/news/stories/SNHQYXT0G1KW>
- South Africa Needs a Single Body to Fight Corruption, OECD Says
South Africa flagged for inadequate anti-corruption framework
Policy body faults nation for multiple anti-graft agencies
<https://blinks.bloomberg.com/news/stories/SNIE7WT0AFB5>