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Bloomberg

Morning Briefing

Asia Edition

Your File Format APIs

Good morning. Donald Trump and the GOP package up a plan to avoid a US government shutdown. AI heavyweights slow the pace of product development. And SpaceX helps a startup commercialize the Earth’s orbit. [Listen to the day’s top stories.](#)

Markets Snapshot		
S&P 500 Index	5,867.08	-0.09%
Nasdaq 100 Index	21,110.51	-0.47%
Brazilian Real	0.16	+2.52%

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Intel Corp

19.06

-1.24%

Market data as of 04:41 pm EST.

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Market data may be delayed depending on provider agreements.

A US government shutdown may have been averted after Donald Trump and House Republicans [reached a deal to suspend the federal debt limit](#) for two years. It's unclear whether Democrats will support the measure. Earlier the president-elect and Elon Musk helped torpedo House Speaker Mike Johnson's original [plan to fund spending](#) through March 14. The last three government shutdowns combined [cost taxpayers close to \\$4 billion](#).

QuickTake

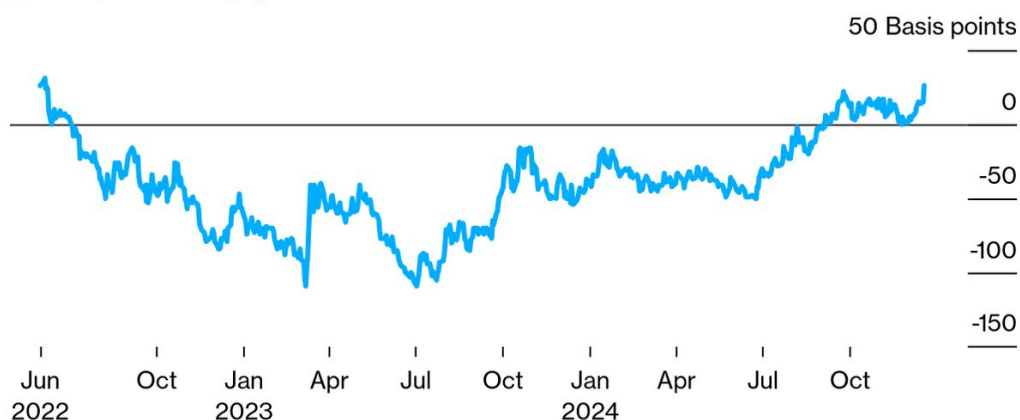


What to Know About the Debt Ceiling as Trump Backs Eliminating It

The US yield curve steepened to a level [last seen about 30 months ago](#) following the the Federal Reserve's [hawkish interest-rate easing](#) and projections for fewer rate cuts next year. The steepening has been driven by a reticence among investors to own longer-dated Treasuries given sticky inflation and a resilient economy after the Fed has cut policy rates by 1 full percentage point in recent months. US stocks [failed to recover](#) from a Fed-fueled selloff.

Steeper Yield Curve Trades Intensify

US 2yr versus 10yr yields



Bloomberg

The Bank of England voted 6-3 in favor of keeping the [benchmark interest rate steady](#) at 4.75%, although the majority reiterated a plan to deliver reductions in 2025. Governor Andrew Bailey said the “[world is too uncertain](#)” to commit to a cut in borrowing costs in February.

Chipmaker Intel is said to have shortlisted a number of buyout firms, including Silver Lake and Apollo Global, for the [next round of bidding for its Altera unit](#), which specializes in the design of low-power programmable chips. Elsewhere, **Nike** shares jumped as much as 12% postmarket trading after it reported second-quarter [revenue that beat the average analyst estimate](#).

Currencies: Brazil spent \$8 billion to stem a market rout in its currency and investors are no longer in the mood to finance the deficits. [As the real craters](#), a grim reality is setting in for top economic aides to President Luiz Inacio Lula da Silva. They are, they fear, powerless to do much to [stop the panic](#). **In Korea**, the won weakened to levels that can force the National Pension Service to sell up to [almost \\$50 billion worth of foreign exchange](#) to hedge against losses.

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Deep Dive: AI Slowdown

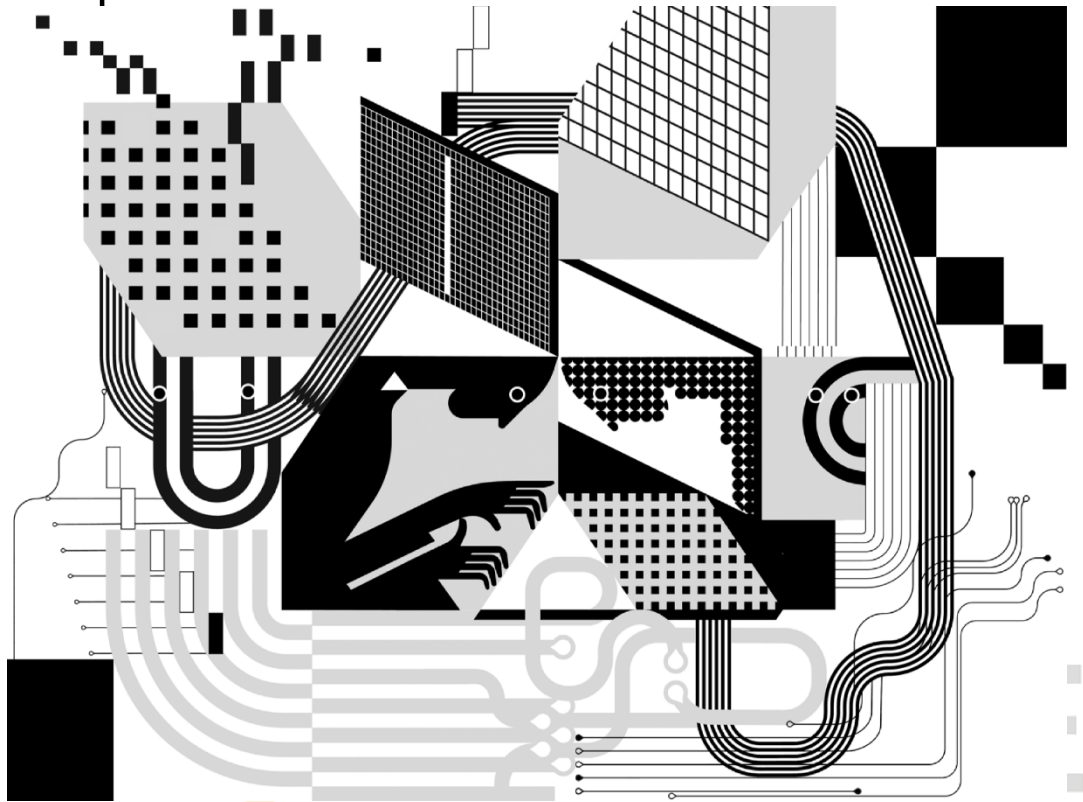


Illustration: Masha Titova/Bloomberg Businessweek

It's been two years since OpenAI supercharged the generative AI era with the introduction of ChatGPT. The time has passed in a blur of technological one-upmanship with rivals Anthropic, Google and Meta releasing a flurry of cutting-edge AI models, all trying to come out on top. But the breakneck speed of development has [reached a slow point](#).

- **Last month**, Bloomberg reported that OpenAI's upcoming model Orion [failed to hit the company's desired performance](#). And it wasn't the only company facing diminishing returns despite efforts to innovate: Google's next iteration of Gemini was not living up to internal expectations.
- **But can training these systems** on larger amounts of online data help them to eventually outperform humans? That has been an article of faith in certain corners of the industry but a new research paper is casting doubt on the approach and raising alarms about what might be [a fatal flaw in how AI systems are developed](#).

- **All of this may lead** to a *smaller is better* mentality. OpenAI, Google and Meta are all [investing in more affordable alternatives](#) to large language models and they aren't just cheaper for tech companies to build, but also for business customers to use. Given investor concern about the [high cost and uncertain payoff](#) of AI ventures, more tech companies may choose to go this route.

More on AI



From AGI to GPT, an AI Glossary You Can Actually Understand



OpenAI Rival Anthropic Defends Partnerships With Amazon, Google



OpenAI Adds \$200 Monthly ChatGPT Pro Subscription With New Model

The Big Take



Families Are Going After Snapchat for the Teen Fentanyl Crisis

A lawsuit argues that the platform helped dealers sell children deadly counterfeit drugs. The plaintiffs' legal strategy could change the internet as we know it.

[Read the Story](#)

Opinion

Central banks have begun a descent they cannot finish. The US Federal Reserve's cold feet on interest rate cuts show that the world is down from the post-pandemic inflation peak, but the [changing terrain is no less dangerous](#), writes John Authers, Richard Abbey and Carolyn Silverman. Inflationary psychology hasn't been snuffed out, thus, central bankers can't pat themselves on the back yet.

More Opinions



Juan Pablo Spinetto

Milei's Success in Argentina Isn't Threatened by \$7 Big Macs



The Editors

Trump Should Reform Financial Watchdogs. Here's How

Before You Go



Vast's orbiting hub Haven-2. *Source: Vast Space*

One small step for SpaceX: Vast Space, the aerospace startup founded by former crypto tycoon Jed McCaleb, has hired SpaceX to launch two [private astronaut](#)

[missions](#) to the International Space Station as part of an effort to commercialize Earth's orbit. The deal is contingent on Vast winning approval from NASA.

A Few More



North Korean Hackers Stole \$1.3 Billion in Crypto in 2024



Four Places That Reminded Me Why Travel Matters



Ten Books to Read in 2025

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