


Banco MUFG Brasil S.A.

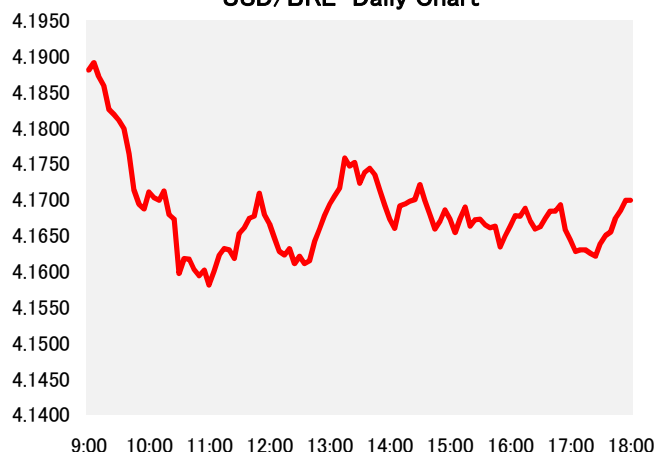
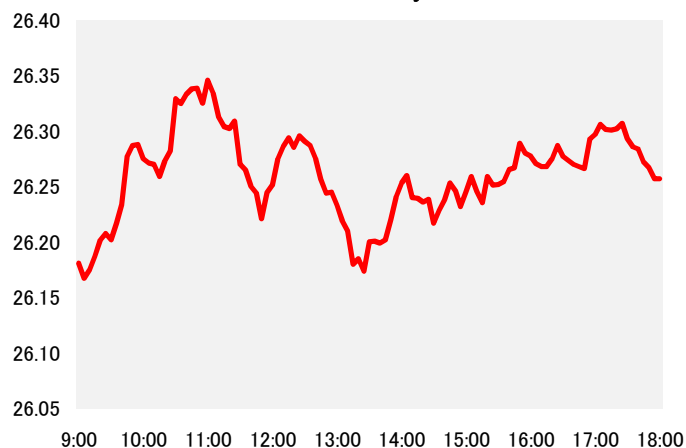
 Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			17-Jan	20-Jan	21-Jan	22-Jan	23-Jan	Net Chg
FX	USD/BRL	Spot	4.1620	4.1870	4.2140	4.1810	4.1700	-0.0110
	BRL/JPY	Spot	26.460	26.310	26.07	26.28	26.26	-0.02
	EUR/USD	Spot	1.1093	1.1097	1.1086	1.1093	1.1056	-0.0037
	USD/JPY	Spot	110.15	110.17	109.81	109.86	109.49	-0.37
Rates	Brazil DI	6MTH(p.a.)	4.247	4.244	4.240	4.202	4.218	+0.016
	Future	1Year(p.a.)	4.447	4.458	4.433	4.376	4.408	+0.032
	On-shore USD	6MTH(p.a.)	2.432	2.456	2.372	2.338	2.293	-0.045
		1Year(p.a.)	2.458	2.467	2.417	2.367	2.325	-0.042
Equity	Bovespa Index		118,478.30	118,861.60	117,179.10	118,203.10	119,440.50	+1,237.40
CDS	CDS Brazil 5y		97.23	97.74	98.18	98.12	99.06	+0.94
Commodity	CRB Index		182.887	182.887	181.564	180.030	178.527	-1.50

Source: Bloomberg

* The rates above are end of the day market price/ rate and used for your reference only

USD/BRL Daily Chart

BRL/JPY Daily Chart


Source: Bloomberg

2. Topics

- USDBRL opened at 4.1810 and depreciated in the early morning reaching the highest of 4.1900 following some cautious sentiment abroad because of concerns related to the potential outbreak of coronavirus in China. Tomorrow starts the Lunar New Year in China and usually thousands of tourists visit the country. In the city of Wuhan (origin of the outbreak), the holiday was cancelled and inhabitants cannot travel.
- On the local side, IPCA-15 (January 2020) came at +0.71%, near market expectation of +0.70%, and as expected, meat prices showed a sharp inflation slowdown.
- After 09:15 am (local time), USDBRL showed a sharp appreciation in the morning session influenced by USD inflows. There are news of several issuances of bonds abroad by large companies and banks. On the latter, Bradesco issued USD 1.6 billion, and the demand was 3 times higher than this amount placed. USDBRL reached the highest of 4.1570 at 10:52 am, and during the afternoon session, it depreciated somewhat following the increase of risk-off mood abroad. Analysts are concerned that coronavirus outbreak in China could curb demand in China, once people would stay more at home, so consuming less products and services. So, commodities prices decreased today, therefore impacting negatively currencies linked to commodities such as the BRL.
- Anyway, USDBRL ended today's session at 4.1700, thus still showing some appreciation versus the closing rate yesterday, and it was the best performer across EM currencies.

January 23, 2020



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