


**Banco MUFG Brasil S.A.**

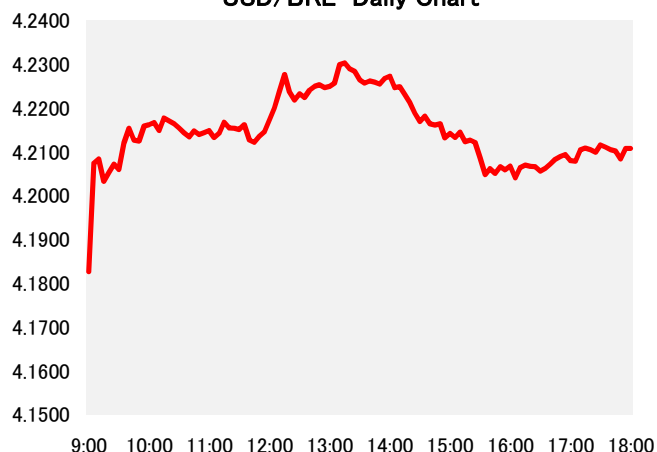
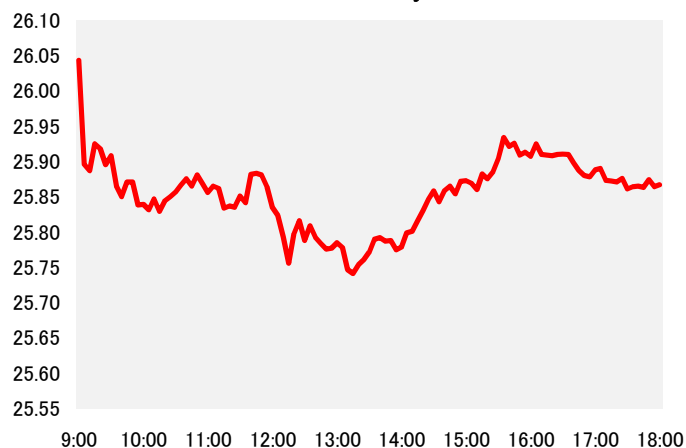
Treasury & Markets  
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**1. Market Rates**

			21-Jan	22-Jan	23-Jan	24-Jan	27-Jan	Net Chg
FX	USD/BRL	Spot	4.2140	4.1810	4.1700	4.1820	<b>4.2110</b>	+0.0290
	BRL/JPY	Spot	26.070	26.280	26.26	26.13	<b>25.87</b>	-0.26
	EUR/USD	Spot	1.1086	1.1093	1.1056	1.1029	<b>1.1018</b>	-0.0011
	USD/JPY	Spot	109.81	109.86	109.49	109.28	<b>108.90</b>	-0.38
Rates	Brazil DI	6MTH(p.a.)	4.240	4.202	4.218	4.197	<b>4.179</b>	-0.017
	Future	1Year(p.a.)	4.433	4.376	4.408	4.391	<b>4.363</b>	-0.028
	On-shore	6MTH(p.a.)	2.372	2.338	2.293	2.280	<b>2.273</b>	-0.007
	USD	1Year(p.a.)	2.417	2.367	2.325	2.334	<b>2.341</b>	+0.006
Equity	Bovespa Index		117,179.10	118,203.10	119,352.80	118,373.80	<b>114,506.60</b>	-3,867.20
CDS	CDS Brazil 5y		98.18	98.12	99.06	101.44	<b>105.79</b>	+4.35
Commodity	CRB Index		181.564	180.030	178.527	175.753	<b>173.176</b>	-2.58

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 4.1827 and weakened to the lowest level of 4.2310 in the middle of the day amid concerns about the impact of coronavirus on Chinese economic activity. Market discussed about the contagion of this outbreak to the global activity. BRL behaved very correlated to other EM currencies that suffered from this global sell-off. In the afternoon, US assets improved a bit, correcting part of previous overreaction, making BRL to appreciate to 4.2030 and closing at 4.2110., weaker than the opening. BRL was the 5th worst EM currency today
- BCB Focus report released this morning showed another round of downward revision for IPCA forecast this year and consolidated an additional Selic policy rate cut of 25 bps next week
- BCB Focus market expectation : IPCA inflation for 2020 reduced slightly to 3.47% from 3.56% in the previous week, and for 2021 it kept stable at 3.75%. GDP growth for 2020 was stable for both 2020 and 2021 at , respectively, 2.31% and 2.50%. USDBRL by the end of 2020 depreciated slightly to 4.10 from 4.05, and for 2021 it kept stable at 4.00. And regarding Selic policy rate, market adjusted down to 4.25% from 4.50% by the end of 2020 and it kept stable at 6.25% to 2021

January 27, 2020



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