


Banco MUFG Brasil S.A.

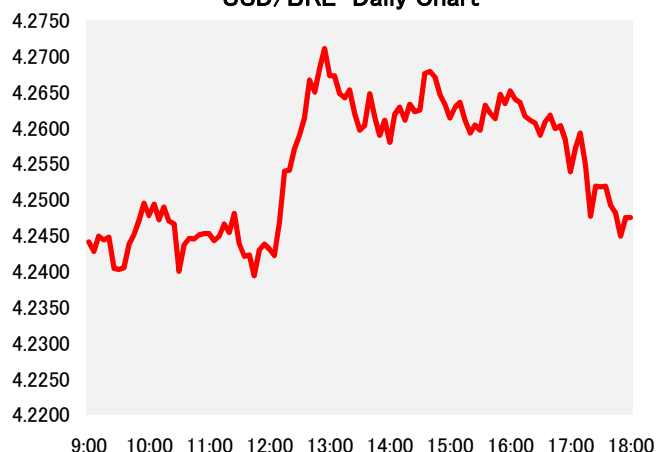
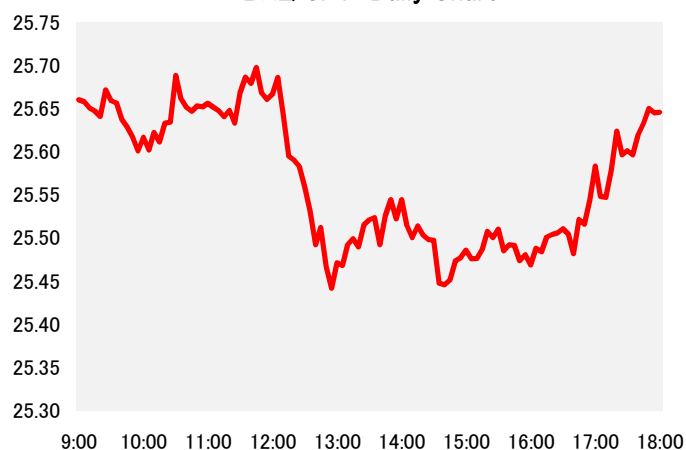
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			24-Jan	27-Jan	28-Jan	29-Jan	30-Jan	Net Chg
FX	USD/BRL	Spot	4.1820	4.2110	4.1900	4.2260	4.2480	+0.0220
	BRL/JPY	Spot	26.130	25.870	26.04	25.80	25.65	-0.15
	EUR/USD	Spot	1.1029	1.1018	1.1021	1.1002	1.1032	+0.0030
	USD/JPY	Spot	109.28	108.90	109.14	109.07	108.93	-0.14
Rates	Brazil DI	6MTH(p.a.)	4.197	4.179	4.182	4.175	4.203	+0.028
	Future	1Year(p.a.)	4.391	4.363	4.379	4.391	4.404	+0.013
	On-shore USD	6MTH(p.a.)	2.280	2.273	2.265	2.288	2.306	+0.018
		1Year(p.a.)	2.334	2.341	2.324	2.322	2.340	+0.018
Equity	Bovespa Index		118,373.80	114,417.00	116,479.00	115,388.80	115,204.00	-184.80
CDS	CDS Brazil 5y		101.44	105.79	99.35	97.01	99.45	+2.44
Commodity	CRB Index		175.753	173.176	173.797	172.954	171.140	-1.81

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

- A very volatile session today. USDBRL opened weaker but highest in the day at 4.2330, amid concerns about the coronavirus and discussion about the possibility of Central Bank intervention once the rate gets closer to the historical lowest intraday rate of 4.2765. It also influenced the Central Bank decision to roll over USD 11.7 billion FX swaps maturing in April 01st through traditional FX swaps and not by the combination of reverse FX swaps and FX lines as it used to do along the last few weeks. USDBRL reached the lowest level at 4.2715, but the rate at this level attracted investors to sell USD, so this rate wasn't sustained and the Central Bank didn't need intervene in the FX market. Later, the World Health Organization declared the coronavirus as a global emergency, but it didn't make price in the market. USDBRL closed at 4.2480
- IGP-M inflation index posted 0.48%, below market expectation, showing deflation of fuel, meat complex and iron ore. Inflation continues surprising positively that coupled with the weak economic activity reinforce the market expectation of 25 bps cut on the Selic policy rate to 4.25% on next February 05th. The volatility of FX market and the depreciation of USDBRL didn't change this expectation.

January 30, 2020



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