


Banco MUFG Brasil S.A.

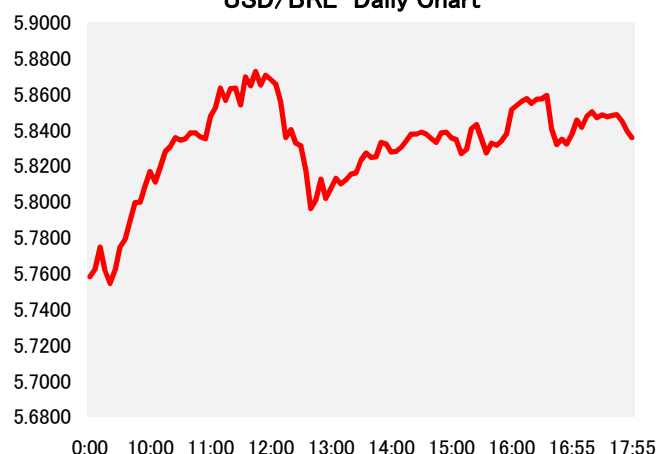
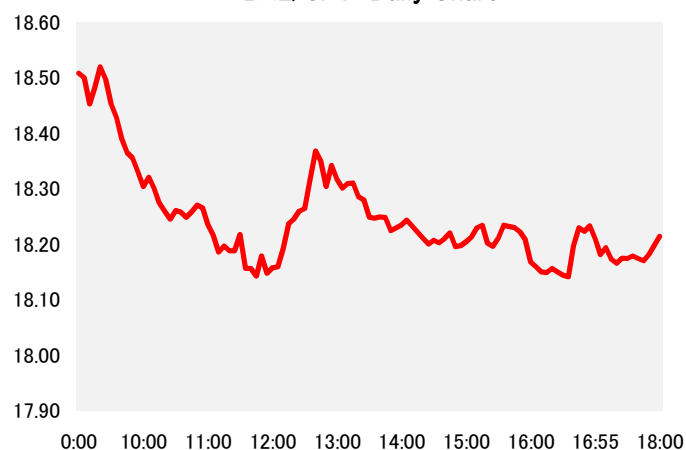
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			30-Apr	4-May	5-May	6-May	7-May	Net Chg
FX	USD/BRL	Spot	5.4860	5.5440	5.5790	5.7160	5.8360	+0.1200
	BRL/JPY	Spot	19.540	19.260	19.09	18.57	18.21	-0.36
	EUR/USD	Spot	1.0955	1.0906	1.0843	1.0795	1.0833	+0.0038
	USD/JPY	Spot	107.17	106.76	106.52	106.12	106.30	+0.18
Rates	Brazil DI	6MTH(p.a.)	2.843	2.829	2.768	2.774	2.801	+0.027
	Future	1Year(p.a.)	2.979	2.931	2.854	2.874	2.664	-0.210
	On-shore	6MTH(p.a.)	1.349	1.282	1.210	1.314	1.399	+0.086
	USD	1Year(p.a.)	1.676	1.583	1.475	1.558	1.687	+0.129
Equity	Bovespa Index		80,505.90	78,876.30	79,470.80	79,063.70	78,118.60	-945.10
CDS	CDS Brazil 5y		316.49	328.04	320.91	329.27	332.02	+2.75
Commodity	CRB Index		117.196	118.524	123.643	121.543	122.584	+1.04

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

- Market opened stressed again at 5.7477 with market repricing a lower than anticipated Selic policy rate. This was also the highest level today. Just to remember, yesterday before the Copom decision, market was pricing a total 75 bps and pause, but Central Bank delivered 75 bps cut and signalled a further final cut on June 18th meeting. Market expectation is of 50–75 bps cut to 2.25%–2.50%. USDBRL is underperforming its peers and moving to a new historical low level. When USDBRL reached almost 5.88, the Central Bank stepped in and placed USD 500 million. It was enough to reverse the trend and USDBRL reached its lowest level at 5.8744, a new historical low level. The currency just reversed more significantly after president Bolsonaro and Finance minister Paulo Guedes defended the presidential veto for Congress decision to increase the categories of public servants that are exempted the wage freeze until the end of 2021. Of course, a veto may always be overruled by the Congress. As the rate approach 5.85, the Central Bank placed additional USD 500 million of FX swap. It closed at 5.8360.



May 7, 2020

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