


Banco MUFG Brasil S.A.

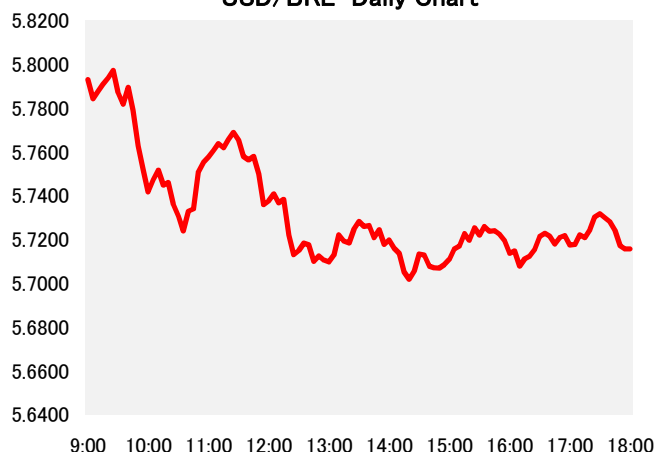
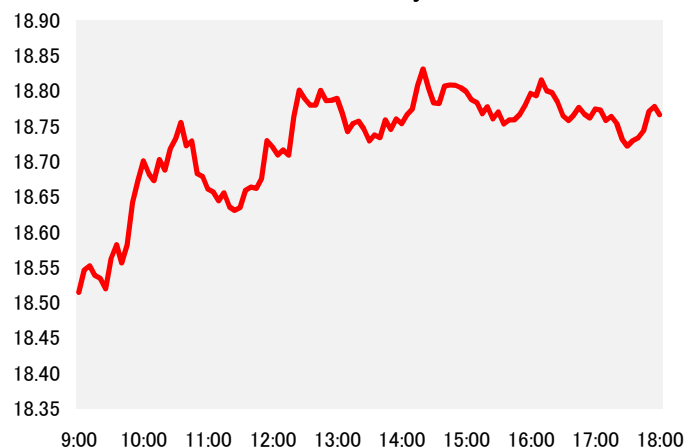
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			12-May	13-May	14-May	15-May	18-May	Net Chg
FX	USD/BRL	Spot	5.8860	5.8860	5.8140	5.8550	5.7160	-0.1390
	BRL/JPY	Spot	18.200	18.190	18.45	18.29	18.77	+0.48
	EUR/USD	Spot	1.0848	1.0818	1.0805	1.0820	1.0919	+0.0099
	USD/JPY	Spot	107.14	107.04	107.27	107.06	107.33	+0.27
Rates	Brazil DI	6MTH(p.a.)	2.584	2.630	2.617	2.570	2.530	-0.039
	Future	1Year(p.a.)	2.761	2.882	2.850	2.784	2.748	-0.036
	On-shore USD	6MTH(p.a.)	1.450	1.583	1.644	1.505	1.521	+0.016
		1Year(p.a.)	1.765	1.921	1.883	1.713	1.721	+0.008
Equity	Bovespa Index		77,871.90	77,772.20	79,010.80	77,556.60	81,194.30	+3,637.70
CDS	CDS Brazil 5y		330.54	350.92	352.63	353.51	336.52	-16.99
Commodity	CRB Index		122.629	120.629	123.125	124.747	129.086	+4.34

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 stronger at 5.8549 recovering somewhat amid a better mood abroad with the easing of social distancing restrictions in Europe. But, the market is still waiting for the development of investigations on president Bolsonaro and assesses its impact on the economy. The rate at 5.8555 just after the opening was the lowest level today. Market abroad improved further with the news that an experimental vaccine had good results, raising hopes of a vaccine for the Covid-19. Under this positive framework, USDBRL reached its highest level at 5.6957. Different from other days, BRL was the best performing currency among EM's. USDBRL closed at 5.7160.
- Weaker than expected 1Q and concerns about the fiscal balance in the future moved the worsening of forecasts in the FOCUS survey. IPCA inflation index was revised down to 1.59% from 1.76% for 2020, well below the lower bound of 2.5% and to 3.20% from 3.25% for 2021. The expectation of 2020 GDP was cut to -5.12% from -4.11% and of 2021 GDP was kept at 3.20%. The USDBRL depreciation worsened markedly to 5.28 from 5.00 at the end of 2020 and to 5.00 from 4.83 at the end of 2021. Market also reduced the Selic policy rate to 2.25% from 2.50% at the end of 2020, adjusting to the signal from the Central Banl of a final 75 bps cut in the next Copom meeting on June 17th, and stable at 3.50% at the end of 2021.



May 18, 2020

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