


**Banco MUFG Brasil S.A.**

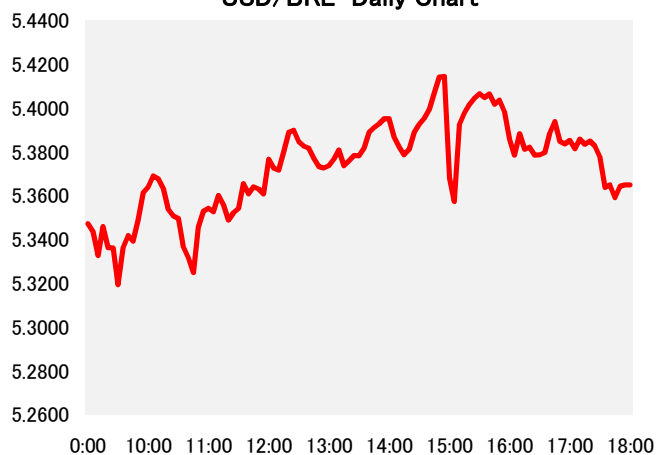
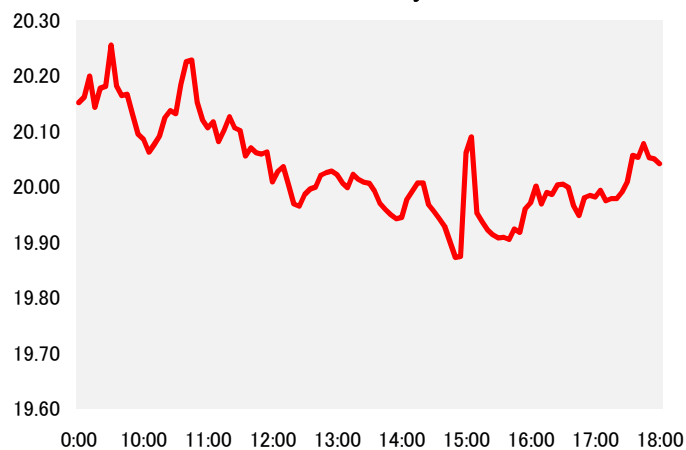
Treasury & Markets  
 Av. Paulista, 1274 – Bela Vista  
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**1. Market Rates**

			26-May	27-May	28-May	29-May	1-Jun	Net Chg
FX	USD/BRL	Spot	5.3480	5.2740	5.4090	5.3370	<b>5.3650</b>	+0.0280
	BRL/JPY	Spot	20.120	20.420	19.91	20.20	<b>20.04</b>	-0.16
	EUR/USD	Spot	1.0983	1.1005	1.1073	1.1103	<b>1.1136</b>	+0.0033
	USD/JPY	Spot	107.57	107.73	107.64	107.83	<b>107.57</b>	-0.26
Rates	Brazil DI	6MTH(p.a.)	2.398	2.389	2.366	2.303	<b>2.287</b>	-0.015
	Future	1Year(p.a.)	2.630	2.611	2.606	2.535	<b>2.508</b>	-0.027
	On-shore	6MTH(p.a.)	1.378	1.299	1.316	1.335	<b>1.333</b>	-0.002
	USD	1Year(p.a.)	1.601	1.529	1.589	1.624	<b>1.597</b>	-0.027
Equity	Bovespa Index		85,468.90	87,946.30	86,949.10	87,402.60	<b>88,620.10</b>	+1,217.50
CDS	CDS Brazil 5y		279.74	274.64	280.49	288.96	<b>280.63</b>	-8.33
Commodity	CRB Index		131.621	129.164	129.759	132.244	<b>132.347</b>	+0.10

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 slightly depreciated at 5.3347 and oscillated around this level in the beginning of the session. Players were divided between the weaker USD abroad as a consequence of the tension between USA and China, and the concerns about the political environment that gained a new momentum with protests in several cities in favor and against the president. USDBRL reached its highest level at 5.3147. Afterwards, it consolidated the depreciation trend as of a profit taking movement from investors. BRL behavior is not correlated to other EM currencies that are gaining from USD. When USDBRL got close to 5.42, the Central Bank stepped in and it announced a spot auction. At that time, it reached the lowest level at 5.4180. USDBRL then appreciated to close to 5.35, but as the monetary authority sold only USD 120 mln, USDBRL depreciated back again to the level around 5.40. The Central Bank made a second spot auction and it sold USD 410 mln. USDBRL closed at 5.3650.
- The weekly FOCUS survey brought new revisions of data. IPCA inflation rate for 2020 was finetuned to 1.55% from 1.57% and for 2021 to 3.10% from 3.14%. GDP expectation dropped to -6.25% from -5.89% for 2020 and it was kept at 3.50% for 2021. The USDBRL was kept at 5.40 for the end of 2020 and adjusted to 5.08 from 5.03 to the end of 2021. And, for the Selic policy rate, it was kept at 2.25% for the end of 2020 and raised to 3.385 from 3.29% for the end of 2021.



June 1, 2020

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