


Banco MUFG Brasil S.A.

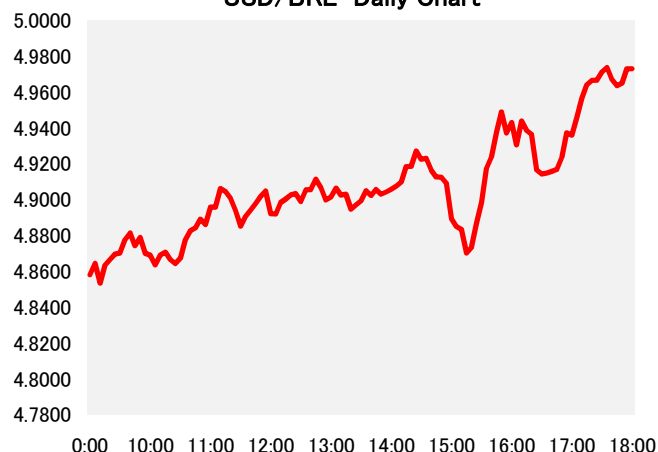
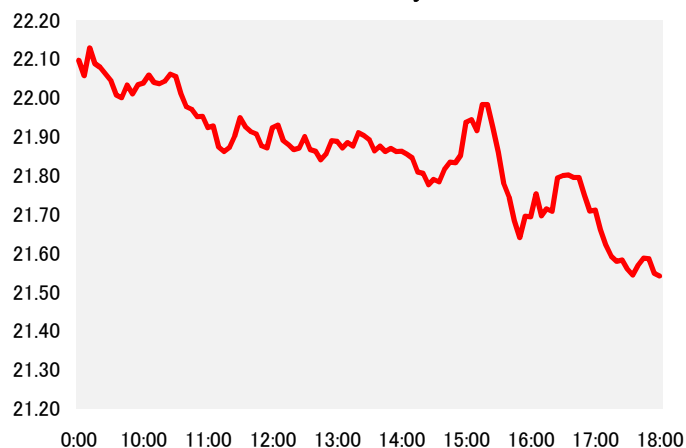
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			4-Jun	5-Jun	8-Jun	9-Jun	10-Jun	Net Chg
FX	USD/BRL	Spot	5.1180	4.9610	4.8220	4.9000	4.9730	+0.0730
	BRL/JPY	Spot	21.320	22.090	22.49	21.99	21.54	-0.45
	EUR/USD	Spot	1.1337	1.1292	1.1293	1.1339	1.1375	+0.0036
	USD/JPY	Spot	109.15	109.59	108.44	107.76	107.12	-0.64
Rates	Brazil DI	6MTH(p.a.)	2.179	2.194	2.210	2.186	2.188	+0.002
	Future	1Year(p.a.)	2.409	2.465	2.467	2.478	2.486	+0.008
	On-shore	6MTH(p.a.)	1.178	1.201	1.215	1.180	1.238	+0.058
	USD	1Year(p.a.)	1.419	1.446	1.471	1.429	1.382	-0.048
Equity	Bovespa Index		93,828.60	94,637.10	97,644.70	96,746.60	94,686.00	-2,060.60
CDS	CDS Brazil 5y		232.22	213.93	211.17	223.20	227.42	+4.22
Commodity	CRB Index		135.746	138.976	137.503	138.453	139.222	+0.77

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 4.8731, following the external market where EM currencies are gaining against USD. USDBRL appreciated a bit in the beginning of the session, but it depreciated afterwards, keeping an eye on the STF ruling today to continue the fake news probe and also waiting for the tone of FOMC decision in the afternoon. USDBRL reached at 4.9274 before the FOMC decision. The FED kept the FED fund rate at 0.00–0.25% and indicated the maintenance at this level until the end of 2021, making the rate recover from the lows momentarily. The less dovish speech of governor Powell pushed USDBRL to its highest level at 4.9592. It closed at 4.9730 moved by some profit taking after the strong gains in the last two weeks. USDBRL underperformed its peers in the last two days, but it has been the best EM currency so far this month.
- IPCA inflation posted -0.38% in May, coming above the median of market expectation (-0.46%). May is expected to be the last month of deflation this year followed by a modest inflation in June, influenced by the expected price hike of fuel. We expect some resumption of inflation during the second half of this year assuming that Coronavirus will be gradually controlled. Our IPCA forecast for this whole year is +1.7%.



June 10, 2020

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