


Banco MUFG Brasil S.A.

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

			5-Jun	8-Jun	9-Jun	10-Jun	12-Jun	Net Chg
FX	USD/BRL	Spot	4.9610	4.8220	4.9000	4.9730	5.0500	+0.0770
	BRL/JPY	Spot	22.09	22.49	21.99	21.54	21.26	-0.28
	EUR/USD	Spot	1.1292	1.1293	1.1339	1.1375	1.1255	-0.0120
	USD/JPY	Spot	109.59	108.44	107.76	107.12	107.38	+0.26
Rates	Brazil DI	6MTH(p.a.)	2.194	2.210	2.186	2.188	2.164	-0.024
		1Year(p.a.)	2.465	2.467	2.478	2.486	2.472	-0.014
	On-shore USD	6MTH(p.a.)	1.201	1.215	1.180	1.238	1.176	-0.062
		1Year(p.a.)	1.446	1.471	1.429	1.382	1.255	-0.126
Equity	Bovespa Index		94,637.10	97,644.70	96,746.60	94,686.00	92,795.30	-1,890.70
CDS	CDS Brazil 5y		213.93	211.17	223.20	227.42	271.62	+44.20
Commodity	CRB Index		138.976	137.503	138.453	139.222	134.321	-4.901

Source: Bloomberg

* The rates above are end of the day market price/ rate and used for your reference only

2. Weekly Topics

- The week started positively with market weighing on the re-opening of the economy in several countries. Emerging currencies gained against the USD until the FOMC meeting. Domestically, lower tension between the Executive and the Congress/Judiciary contributed to good performance of BRL. USDBRL opened at 4.9583 and it reached its highest level at 4.8194 by the end of Tuesday. The day of the FOMC market stayed almost sidelines and deteriorated a little after Powell speech showed a less optimistic approach regarding the US economic recovery, but market effectively soured after Covid-19 data in the US showed the possibility of a second wave of contagion. USDBRL reached the highest level at 5.1184 and it closed at 5.050. BRL was the 06th worse EM currency in the week, but our neighbors in Latam like COP, CLP and MXN performed poorer.

3. Next Week's Topic
USD/BRL Next Week's Forecast & Range : 4.70—5.40

- The market will basically focus on political developments and Copom decision next week. Abroad, market will follow the data of Covid-19 in the US to check if a second wave is coming or not.
- In terms of economic agenda, the focus will be on economic activity indicators for April and Copom decision, while in the US there will be the release of labor market indicators

4. Next Week's Economic Indicators

Country	Date	Indicator	Term	Forecast	Previous
BZ	6/16	Retail Sales Broad MoM	Apr		-13.70%
BZ	6/16	Retail Sales MoM	Apr		-2.50%
BZ	6/17	IBGE Services Sector Volume YoY	Apr		0.00%
BZ	6/17	Selic Rate	Jun 17	2.25%	3.00%
US	6/17	Housing Starts	May	1100k	891k
BZ	6/18	Economic Activity MoM	Apr		-5.90%
US	6/18	Initial Jobless Claims	Jun 13		1542k

Source: Bloomberg



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