


Banco MUFG Brasil S.A.

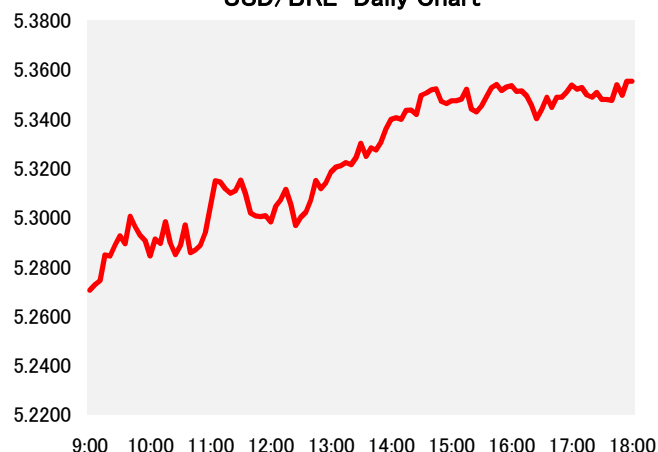
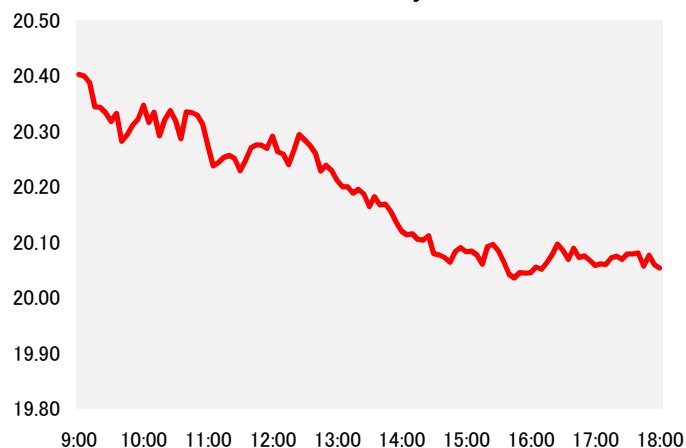
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			30-Jun	1-Jul	2-Jul	3-Jul	6-Jul	Net Chg
FX	USD/BRL	Spot	5.4660	5.3200	5.3620	5.3140	5.3550	+0.0410
	BRL/JPY	Spot	19.750	20.200	20.06	20.24	20.05	-0.19
	EUR/USD	Spot	1.1235	1.1251	1.1237	1.1247	1.1309	+0.0062
	USD/JPY	Spot	107.95	107.47	107.54	107.51	107.42	-0.09
Rates	Brazil DI	6MTH(p.a.)	2.075	2.059	2.068	2.070	2.087	+0.017
	Future	1Year(p.a.)	2.373	2.333	2.346	2.361	2.390	+0.030
	On-shore USD	6MTH(p.a.)	0.942	0.889	0.909	0.905	0.899	-0.006
		1Year(p.a.)	1.092	1.028	1.045	1.078	1.087	+0.009
Equity	Bovespa Index		95,055.80	96,203.20	96,234.90	96,764.90	98,937.20	+2,172.30
CDS	CDS Brazil 5y		260.33	248.36	235.11	231.95	230.07	-1.88
Commodity	CRB Index		137.972	139.140	140.598	140.598	140.898	+0.30

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 5.3149 in a global rally that are benefitting EM currencies. Chinese government actions to provide support to the local equity market helped in this positive opening. USDBRL reached its highest level at 5.2648. During the morning session, US PMI Services PMI posted 47.9 in June, coming better than the 46.9 expectation. The strong US datum shows that economic recovery continues on track, strengthening USD. USDBRL worsened, temporarily being weaker of Friday's closing. Detached from other EM currencies, USDBRL weakened further again to news lows in the day. By the way, detached from other Brazilian assets as Bovespa stock market went up and 5Y CDS improved. Even the issuance of USD 1.5 billion of a 10-year bond by Vale with an order book of USD 9 billion changed the situation. Some analysts saw outflows to justify the BRL behavior. Another explanation is linked to the low cost of making hedge, so investors acquire equity and hedge buying USD. USD reached its lowest level at 5.3567 and it closed at 5.3550.
- Few changes in the current FOCUS survey. No change in the forecast of IPCA inflation index: 1.63% for 2020 and 3.00% for 2021. The 2020 GDP forecast was ticked up to -6.50% from -6.54% and maintained at 3.50% for 2021. FX rate to the end of 2020 was kept at 5.20 and finetuned to 5.05 from 5.00 to the end of 2021. The Selic policy rate was kept to the end of both 2020 and 2021 at, respectively, 2.00% and 3.00%.



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