


Banco MUFG Brasil S.A.

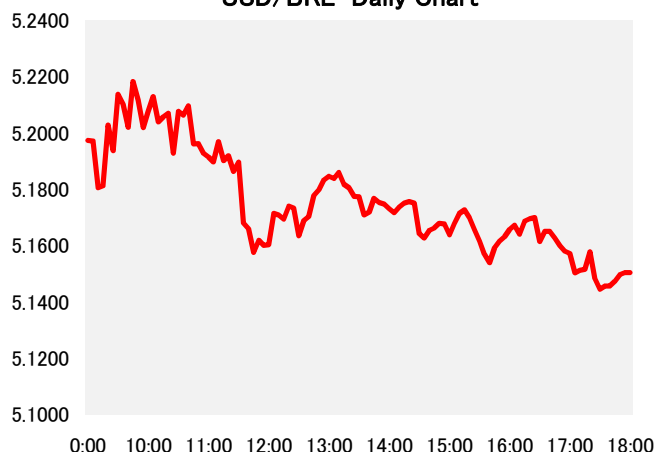
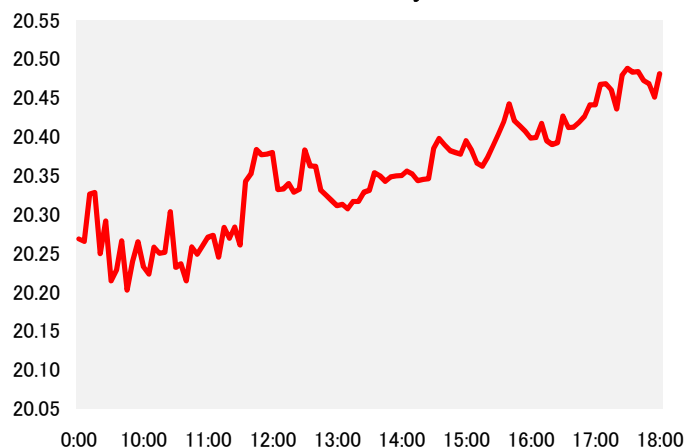
 Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			21-Jul	22-Jul	23-Jul	24-Jul	27-Jul	Net Chg
FX	USD/BRL	Spot	5.1740	5.1180	5.2140	5.2320	5.1510	-0.0810
	BRL/JPY	Spot	20.640	20.940	20.50	20.28	20.48	+0.20
	EUR/USD	Spot	1.1528	1.1569	1.1597	1.1656	1.1751	+0.0095
	USD/JPY	Spot	106.79	107.15	106.86	106.14	105.41	-0.73
Rates	Brazil DI	6MTH(p.a.)	2.057	2.056	2.048	1.957	1.942	-0.015
	Future	1Year(p.a.)	2.478	2.499	2.480	2.347	2.331	-0.016
	On-shore	6MTH(p.a.)	0.956	0.953	0.963	0.923	0.890	-0.033
	USD	1Year(p.a.)	1.024	1.046	1.040	0.997	0.952	-0.045
Equity	Bovespa Index		104,309.80	104,289.60	102,293.30	102,381.60	104,477.10	+2,095.50
CDS	CDS Brazil 5y		216.46	209.29	226.00	231.64	226.15	-5.49
Commodity	CRB Index		142.504	143.316	142.940	143.045	143.824	+0.78

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 5.1889. Market opened the week in a positive mood expecting for the USD 1 trillion aid program to the US economy and also anticipating the FOMC decision on Wednesday. In the domestic market, the progress of the tax reform is positive, although the change of two members of the economic team are seen with caution. In fact, they do not change the prospects of passing the tax reform that according to Eurasia Consulting Group has 65% probability to be approved next year. USDBRL reached its lowest level at 5.2326 right after the opening, but the positive mood predominated and FX rate appreciated following the weakening of USD abroad. During the afternoon session, USDBRL appreciated further in line with EM currencies. USDBRL reached its highest level at 5.1428 and it closed at 5.1510. MXN and BRL were the best EM currency performers today.
- Few changes in the weekly FOCUS survey. IPCA inflation was finetuned to 1.67% from 1.72% for 2020 and kept at 3.00% for 2021. Market also improved GDP figures for 2020. The median of market expectation for 2020 GDP was adjusted to -5.77% from -5.95% and kept at 3.50% for 2021. The FX rate for the end of 2020 and 2021 was unchanged at, respectively, 5.20 and 5.00. The same for Selic policy rate at the end of both years: respectively, 2.00% and 3.00%.



July 27, 2020

Banco MUFG Brasil S.A.

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

DISCLAIMER

The information herein is provided for information purposes only, and is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Neither this nor any other communication prepared by Banco MUFG Brasil S.A. and/or MUFG Bank, Ltd. (herein jointly as “MUFG”) is or should be construed as investment advice, a recommendation to enter into a particular transaction or pursue a particular strategy, or any statement as to the likelihood that a particular transaction or strategy will be effective in light of your business objectives or operations. Before entering into any particular transaction, you are advised to obtain such independent financial, legal, accounting and other advice as may be appropriate under the circumstances. In any event, any decision to enter into a transaction will be yours alone, not based on information prepared or provided by MUFG. MUFG hereby disclaims any responsibility to you concerning the characterization or identification of terms, conditions, and legal or accounting or other issues or risks that may arise in connection with any particular transaction or business strategy. Note that MUFG may have issued, and may in the future issue, other reports that are inconsistent with or that reach conclusions different from the information set forth herein. Such other reports, if any, reflect the different assumptions, views and/or analytical methods of the advisors who prepared them, and MUFG is under no obligation to ensure that such other reports are brought to your attention. MUFG retains copyright to this report and no part of this report may be reproduced or re distributed without the written permission of MUFG expressly prohibits the distribution or re-distribution of this report to any parties, via the Internet or otherwise and MUFG, its head office, branches, subsidiaries or affiliates accepts no liability whatsoever to any third parties resulting from such distribution or re-distribution.

Mitsubishi UFJ Financial Group, Inc. is one of the world’s leading financial groups. Headquartered in Tokyo (Japan) and with over 360 years of history, MUFG has a global network with over 1,800 locations in more than 50 countries. The Group has over 150,000 employees and offers services including commercial banking, investment banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

Banco MUFG Brasil S.A.
Av. Paulista, 1.274
São Paulo - SP - Brazil
Ombudsman Toll-free (and DDG): 0800 770 4060
Email: ouvidoria@br.mufg.jp

© 2019 Banco MUFG S.A. All rights reserved. The MUFG logo and name is a service mark of Mitsubishi UFJ Financial Group, Inc., and is used by Banco MUFG S.A. with permission