



## 1. Market Rates

			3-Aug	4-Aug	5-Aug	6-Aug	7-Aug	Net Chg
FX	USD/BRL	Spot	5.3230	5.2890	5.2930	5.3320	<b>5.4380</b>	+0.1060
	BRL/JPY	Spot	19.92	19.99	19.95	19.79	<b>19.48</b>	-0.31
	EUR/USD	Spot	1.1763	1.1799	1.1862	1.1877	<b>1.1786</b>	-0.0091
	USD/JPY	Spot	106.01	105.75	105.62	105.53	<b>105.93</b>	+0.40
Rates	Brazil DI	6MTH(p.a.)	1.910	1.939	1.964	1.865	<b>1.901</b>	0.036
		1Year(p.a.)	2.258	2.334	2.352	2.189	<b>2.266</b>	0.077
	On-shore USD	6MTH(p.a.)	0.900	0.882	0.877	0.867	<b>0.886</b>	+0.019
		1Year(p.a.)	1.004	1.006	0.993	0.961	<b>0.972</b>	+0.011
Equity	Bovespa Index		102,829.90	101,215.90	102,801.80	104,125.60	<b>102,775.60</b>	-1,350.00
CDS	CDS Brazil 5y		220.77	224.79	223.12	219.33	<b>215.85</b>	-3.48
Commodity	CRB Index		146.772	147.916	148.708	148.604	<b>146.855</b>	-1.749

Source: Bloomberg

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

## 2. Weekly Topics

- USDBRL opened the week at 5.2253. it reached the highest level at 5.2141 already in the beginning of the week. The main theme along the week was the negotiations between Democrats and Republicans about a new stimulus package to the US economy. Although both parties consider it necessary, Democrats were playing hard and they didn't get an agreement until markets were closed this week. In the domestic market, the concerns on the fiscal accounts was an important theme as there is growing pressures on the government to increase expenditures and easy fiscal rules like the expenditure cap. USDBRL has been traded within 5.25–5.35 range most of the time. However, market mood deteriorated by the end of the week. Here, the Central Bank not only let the door open for another 25 bps cut in the Selic policy rate at his next meeting scheduled to September, but also stated that this low level rate of monetary stimulus might last for a long period. Abroad, the US forbid business with two Chinese companies and threatened with sanctions against Hong Kong authorities because of the repression of street protests. USDBRL closed at its lowest level at 5.4380.

## 3. Next Week's Topic

### USD/BRL Next Week's Forecast & Range : 4.90—5.60

- The market will continue focusing on the progress of the pandemic here and abroad, the talks about the tax reform at the Congress, the climbing tension between US and China and the agreement between Democrats and Republicans to set a new package of stimulus measures in the US
- In terms of the economic agenda, the focus here will be on economic activity indexes of June, providing a better idea of performance in the 2Q.

## 4. Next Week's Economic Indicators

Country	Date	Indicator	Term	Forecast	Previous
BZ	8/12	Retail Sales MoM	Jun		13.90%
BZ	8/12	Retail Sales Broad MoM	Jun		19.60%
BZ	8/13	IBGE Services Sector Volume YoY	Jun		-19.50%
US	8/13	Initial Jobless Claims	Aug 8		1186K
BZ	8/14	Economic Activity MoM	Jun		1.31%
BZ	8/14	Economic Activity YoY	Jun		-14.24%
US	8/14	Retail Sales Advance MoM	Jul	1.60%	7.50%
US	8/14	Industrial Production MoM	Jul	3.00%	5.40%
US	8/14	U. of Michigan Sentiment	Aug P	71.0	72.5

Source: Bloomberg



**Banco MUFG Brasil S.A.**  
Treasury & Markets  
Av. Paulista, 1274 – Bela Vista

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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](mailto:ouvidoria@br.mufg.jp)

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