


**Banco MUFG Brasil S.A.**

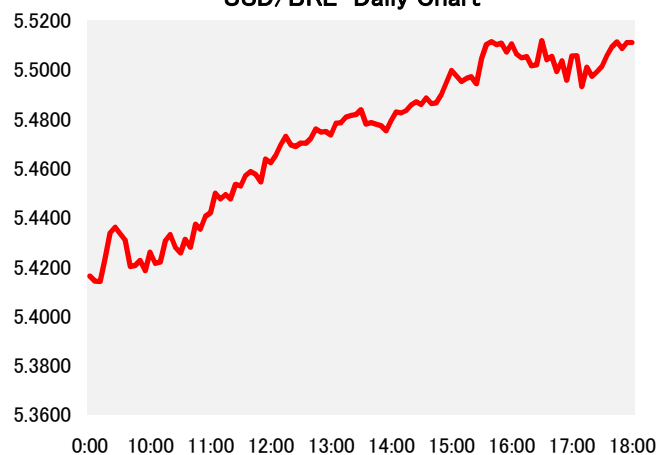
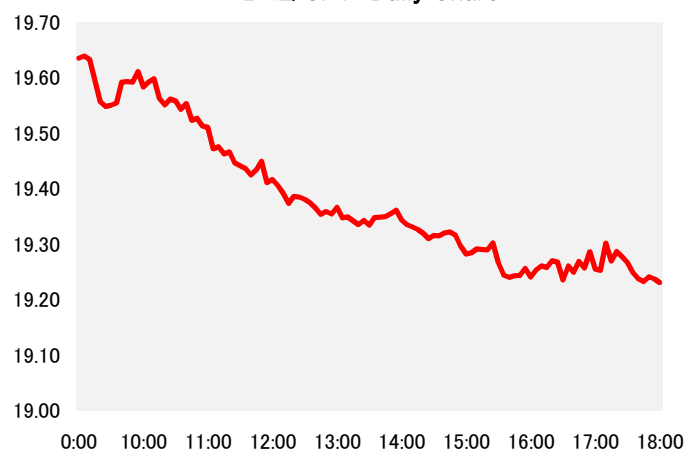
Treasury & Markets  
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**1. Market Rates**

			11-Aug	12-Aug	13-Aug	14-Aug	17-Aug	Net Chg
FX	USD/BRL	Spot	5.3820	5.4330	5.3690	5.4230	<b>5.5110</b>	+0.0880
	BRL/JPY	Spot	19.790	19.670	19.91	19.66	<b>19.23</b>	-0.43
	EUR/USD	Spot	1.1741	1.1786	1.1814	1.1842	<b>1.1870</b>	+0.0028
	USD/JPY	Spot	106.52	106.88	106.92	106.60	<b>105.99</b>	-0.61
Rates	Brazil DI	6MTH(p.a.)	1.894	1.907	1.930	1.958	<b>1.976</b>	+0.017
	Future	1Year(p.a.)	2.286	2.309	2.370	2.401	<b>2.425</b>	+0.024
	On-shore	6MTH(p.a.)	0.888	0.944	0.943	0.998	<b>1.063</b>	+0.065
	USD	1Year(p.a.)	0.978	1.029	1.049	1.119	<b>1.212</b>	+0.092
Equity	Bovespa Index		102,174.40	102,117.80	100,460.60	101,353.50	<b>99,595.40</b>	-1,758.10
CDS	CDS Brazil 5y		213.03	217.63	224.06	224.06	<b>233.78</b>	+9.72
Commodity	CRB Index		146.860	148.363	148.938	149.209	<b>150.874</b>	+1.66

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 weaker at 5.4349 and it oscillated in the beginning of the session assesment the internal dispute of the government regarding the 2021 budget. There are concerns of easing the spending cap, one of the pillars of the fiscal adjustment, as well as the weakeing of Finance minister Paulo Guedes that could make him leave the government. USDBRL reached its highest level at 5.4116 soon after the opening. In a day that was negative for most of BRL peers, USDBRL sped up the weakening due to local concerns on the fiscal side. USDBRL reached the lowest level at 5.5140 and the Central Bank remained out of the market. USDBRL closed at 5.5110. USDBRL underperformed its peers.
- Focus survey brought some few changes in the forecast. IPCA inflation forecast increased slightly to 1.67% from 1.63% for 2020 and it was kept at 3.00% for 2021. The forecast of 2020 GDP had its 7th weekly improved in a row to -5.52% from -5.62% estimated in the week before. Revisions down might continue after the economic activity index showed better-than-expected second quarter. The 2021GDP was kept at 3.50%. No changes in the forecast for USDBRL at the end of both 2020 and 2021: respectively, 5.20 and 5.00. The Selic policy reate is expected to end 2020 at 2.00%, despite the Central Bank let the door open to additional cut. And, for the end of 2021, it was reduced to 2.75% from 3.00% reflecting the Central Bank forward guidance of keeping the Selic rate at low level for a prolonged period.



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