


**Banco MUFG Brasil S.A.**

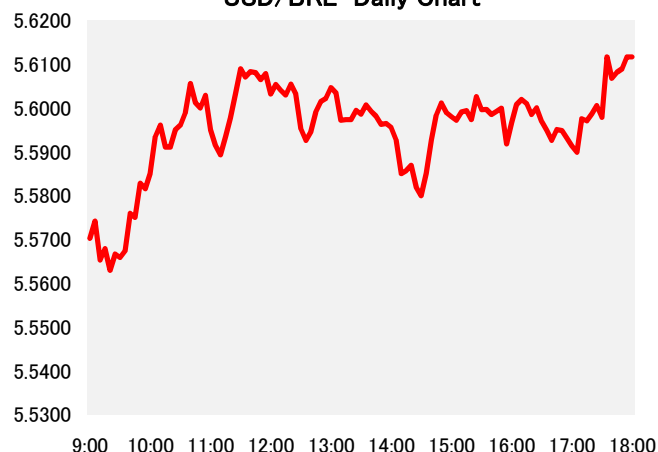
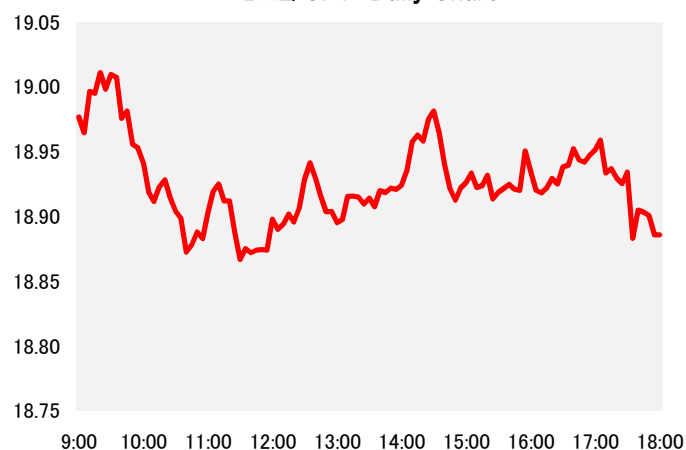
Treasury & Markets  
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**1. Market Rates**

|                  |                      |             | 18-Aug     | 19-Aug     | 20-Aug     | 21-Aug     | 24-Aug            | Net Chg |
|------------------|----------------------|-------------|------------|------------|------------|------------|-------------------|---------|
| <b>FX</b>        | USD/BRL              | Spot        | 5.4680     | 5.5570     | 5.5590     | 5.6210     | <b>5.6120</b>     | -0.0090 |
|                  | BRL/JPY              | Spot        | 19.280     | 19.100     | 19.03      | 18.83      | <b>18.89</b>      | +0.06   |
|                  | EUR/USD              | Spot        | 1.1931     | 1.1839     | 1.1859     | 1.1796     | <b>1.1792</b>     | -0.0004 |
|                  | USD/JPY              | Spot        | 105.44     | 106.13     | 105.79     | 105.81     | <b>105.98</b>     | +0.17   |
| <b>Rates</b>     | Brazil DI            | 6MTH(p.a.)  | 1.928      | 1.963      | 1.975      | 1.981      | <b>1.987</b>      | +0.007  |
|                  | Future               | 1Year(p.a.) | 2.310      | 2.392      | 2.405      | 2.405      | <b>2.397</b>      | -0.007  |
|                  | On-shore             | 6MTH(p.a.)  | 1.036      | 1.048      | 1.048      | 1.021      | <b>1.050</b>      | +0.030  |
|                  | USD                  | 1Year(p.a.) | 1.193      | 1.214      | 1.195      | 1.215      | <b>1.251</b>      | +0.035  |
| <b>Equity</b>    | <b>Bovespa Index</b> |             | 102,065.40 | 100,853.80 | 101,467.90 | 101,521.30 | <b>102,297.90</b> | +776.60 |
| <b>CDS</b>       | <b>CDS Brazil 5y</b> |             | 230.27     | 230.72     | 232.51     | 229.29     | <b>221.86</b>     | -7.43   |
| <b>Commodity</b> | <b>CRB Index</b>     |             | 151.695    | 152.000    | 150.822    | 149.957    | <b>151.259</b>    | +1.30   |

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 5.6124. Market abroad amid less tension between USA and China and after president Trump authorized the use of plasma for Covid-19 treatment. In the domestic market, the expectation is for tomorrow, when the government intends to announce several proposals to stimulate the economy, of which the most commented are the extension of the monthly stipend until the end of 2020, the launch of Renda Brasil social program that will replace Bolsa Família and other smaller social programs, privatizations, fiscal measures, etc. USDBRL reached its lowest level at the opening. USDBRL strengthened strongly and it reached its highest level at 5.5602. During the morning session, USD gained ground abroad, impacting negatively on EM currencies and BRL. But, not erasing today's gain. The government announced in the beginning of the afternoon session that it was postponing the announcement of the economic package, what made BRL depreciate further somewhat. USDBRL closed at 5.6120.
- Another round of small changes in the FOCUS survey. IPCA inflation expectation was raised to 1.71% from 1.67% for 2020 and kept at 3.00% for 2021. Market improved 2020 GDP forecast for the 8th week in a row to -5.46% from -5.52% for 2020 and maintained at 3.50% for 2021. No changes in the assessment of the FX rate to the end of 2020 and 2021 at, respectively, 5.20 and 5.00. Regarding the Selic policy rate, maintenance at 2.00% for the end of 2020 and increased to 3.00% from 2.75% for the end of 2021.



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