


**Banco MUFG Brasil S.A.**

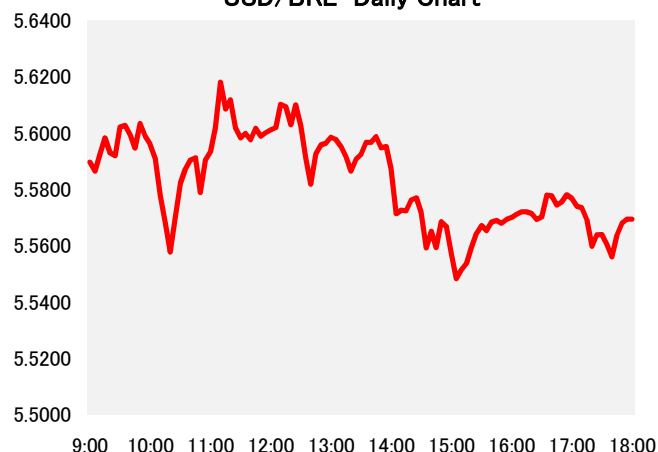
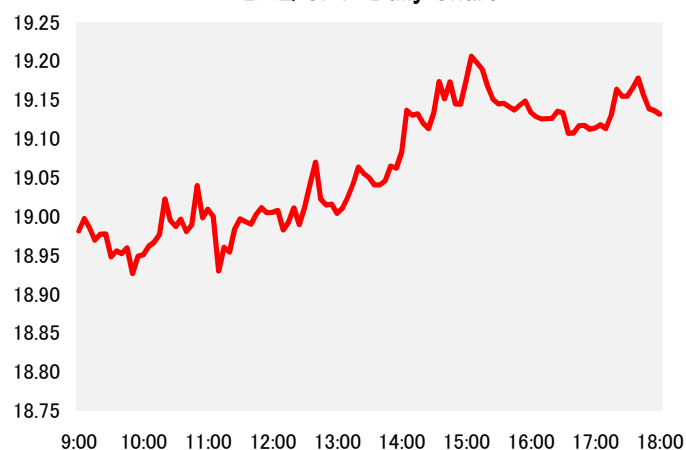
Treasury & Markets  
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**1. Market Rates**

			21-Aug	24-Aug	25-Aug	26-Aug	27-Aug	Net Chg
FX	USD/BRL	Spot	5.6210	5.6120	5.5090	5.6100	<b>5.5700</b>	-0.0400
	BRL/JPY	Spot	18.830	18.890	19.31	18.90	<b>19.13</b>	+0.23
	EUR/USD	Spot	1.1796	1.1792	1.1835	1.1831	<b>1.1821</b>	-0.0010
	USD/JPY	Spot	105.81	105.98	106.37	106.03	<b>106.56</b>	+0.53
Rates	Brazil DI	6MTH(p.a.)	1.981	1.987	2.004	2.050	<b>2.096</b>	+0.046
	Future	1Year(p.a.)	2.405	2.397	2.407	2.470	<b>2.495</b>	+0.025
	On-shore	6MTH(p.a.)	1.021	1.050	1.065	1.081	<b>1.062</b>	-0.018
	USD	1Year(p.a.)	1.215	1.251	1.222	1.220	<b>1.214</b>	-0.005
Equity	Bovespa Index		101,521.30	102,297.90	102,117.60	100,627.30	<b>100,623.60</b>	-3.70
CDS	CDS Brazil 5y		229.29	221.86	219.11	225.99	<b>223.51</b>	-2.48
Commodity	CRB Index		149.957	151.259	152.643	152.457	<b>152.703</b>	+0.25

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 5.6065. Market abroad are relatively positive, but waiting for Powell speech at Jackson Hole, expecting a dovish speech that potentially may benefit EM assets. Here, market is still waiting the economic package, but it was relieve by news that finance minister Paulo Guedes is preparing a new proposal fo the social program Renda Brasil to be submitted to the president soon. Early in the morning, data in the US came in line with market expectation, making dollar index to go down. Indeed, 2Q GDP posted -31.7% annualized against expectation of -32.5%, while initial jobless claims for the week of August 22nd printed 1,006K against estimative of 1,000K. EM gained more ground against USD after Powell dovish statement about FED targeting 2% inflation for some time. However, the concerns on the fiscal accounts predominated and USDBRL erased the gain today and moved to the lowest level at 5.6203. In a day of high volatility and favorable external environment to EM currencies, USDBRL resumed a strong appreciation, reaching its highest level at 5.5457. USDBRL closed at 5.5700.
- Industry confidence index posted the fourth growth in a row in August, indicating that the gradual economic recovery continues on track. Anyway, it is still 2.6% below the February level, before the pandemic.

August 27, 2020



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