


Banco MUFG Brasil S.A.

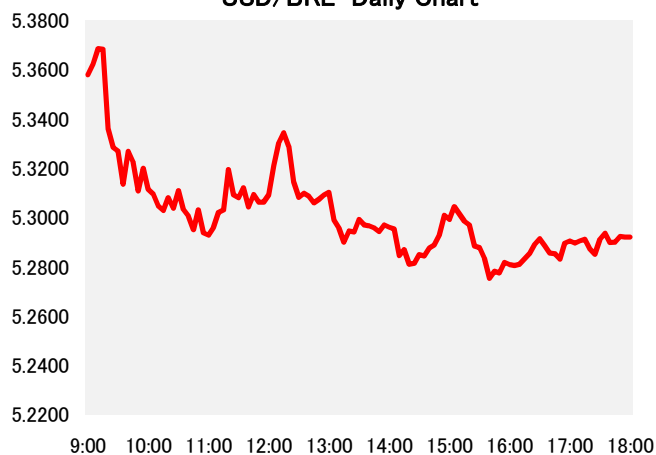
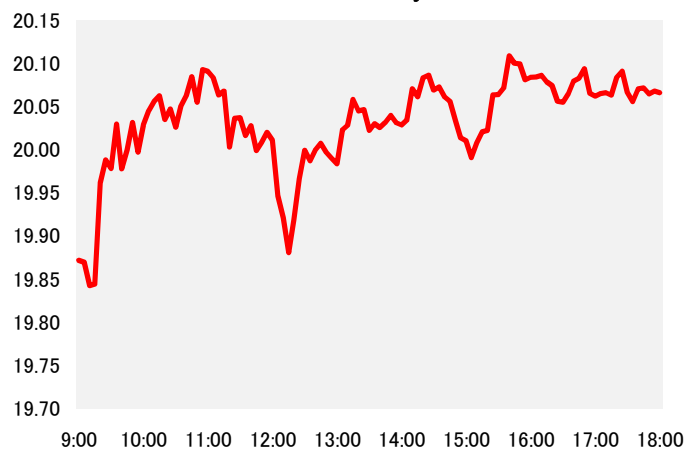
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			28-Aug	31-Aug	1-Sep	2-Sep	3-Sep	Net Chg
FX	USD/BRL	Spot	5.3890	5.4940	5.3960	5.3420	5.2920	-0.0500
	BRL/JPY	Spot	19.550	19.280	19.63	19.87	20.07	+0.20
	EUR/USD	Spot	1.1904	1.1937	1.1913	1.1852	1.1852	u.c.
	USD/JPY	Spot	105.37	105.91	105.97	106.15	106.17	+0.02
Rates	Brazil DI	6MTH(p.a.)	2.065	2.110	2.080	2.084	2.052	-0.032
	Future	1Year(p.a.)	2.462	2.519	2.445	2.490	2.452	-0.038
	On-shore USD	6MTH(p.a.)	1.051	1.071	1.004	0.974	1.018	+0.044
		1Year(p.a.)	1.199	1.183	1.124	1.089	1.119	+0.030
Equity	Bovespa Index		102,142.90	99,369.10	102,167.60	101,911.10	100,721.40	-1,189.70
CDS	CDS Brazil 5y		218.88	217.80	208.02	198.27	205.48	+7.21
Commodity	CRB Index		153.439	153.214	153.344	151.438	150.420	-1.02

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 5.3456. Market abroad is mixed with stocks going up in Europe, while some commodities are going down. In the domestic market, market is assessing the administrative reform just sent to the Congress. Additionally, the 8% growth of industrial production in July shows that the economic recovery continues under way. USDBRL reached its lowest level at 5.3731. Later, another positive activity figures sustained the economic recovery under way: PMI Composite at expansionary level of 53.9 in August from 47.3 in July and PMI services at 49.5 from 42.5 in the same period. USDBRL appreciated further, moving to below the closing rate yesterday. The rate oscillated a bit along the day, but it continued with the appreciation trend. USDBRL reached the highest level at 5.2741. USDBRL outperformed its peers. USDBRL closed at 5.2920.
- Industrial production (IP) increased 8.0% in July over June, seasonally adjusted. This outcome is even more relevant once figures from the previous two months were revised for the better: May up to+ 8.7% from +8.2% and June up to +9.7% from +8.9%. The easing of contingency measures combined with the monthly stipend of BRL 600 paid by the government to informal workers and poor families has been contributing to the gradual recovery of industrial production in the last few months. In addition, we don't expect social distancing measures to return any time soon and the Federal Government announced the extension of the emergency aid policy until the end of the year (at a smaller amount, BRL 300) supporting domestic demand and opening scope for the continuity of gradual IP recovery in the coming months.

September 3, 2020



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