



Banco MUFG Brasil S.A.

Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

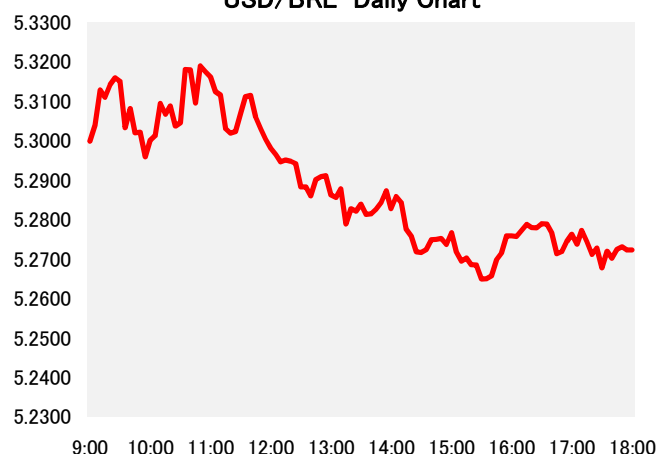
1. Market Rates

			8-Sep	9-Sep	10-Sep	11-Sep	14-Sep	Net Chg
FX	USD/BRL	Spot	5.3630	5.3080	5.3190	5.3190	5.2720	-0.0470
	BRL/JPY	Spot	19.780	20.010	19.96	19.97	20.05	+0.08
	EUR/USD	Spot	1.1779	1.1803	1.1815	1.1846	1.1864	+0.0018
	USD/JPY	Spot	106.03	106.22	106.15	106.16	105.71	-0.45
Rates	Brazil DI	6MTH(p.a.)	1.973	2.071	2.082	2.083	2.062	-0.021
	Future	1Year(p.a.)	2.491	2.469	2.503	2.505	2.487	-0.018
	On-shore	6MTH(p.a.)	1.085	1.074	1.031	1.054	1.106	+0.051
	USD	1Year(p.a.)	1.161	1.147	1.120	1.128	1.144	+0.015
Equity	Bovespa Index		100,050.40	101,292.10	98,834.60	98,363.30	100,274.50	+1,911.20
CDS	CDS Brazil 5y		215.15	209.96	207.88	206.18	203.35	-2.83
Commodity	CRB Index		145.997	147.077	146.174	146.413	146.501	+0.09

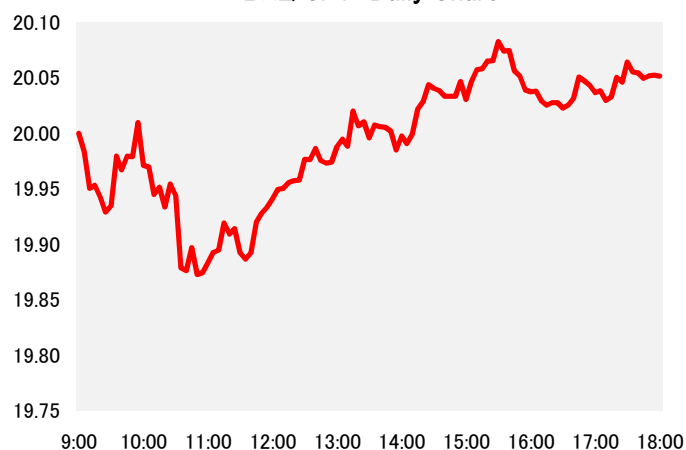
Source: Bloomberg

* 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 slightly stronger at 5.3079. Market opened positively abroad with commodity going up amid new hopes about a vaccine against the Covid-19 and big M&A being announced. In the beginning of the session, USDBRL oscillated somewhat without a clear trend and went above the Friday closing in a defensive posture ahead of monetary policy decisions here and in the US, and also because of lower than expected IBC-BR. USDBRL reached the lowest level at 5.3217. However, BRL entered in an appreciation trend following closely USD weakening abroad. USDBRL reached the highest level at 5.2629. USDBRL outperformed its peers today and it closed at 5.2720.
- FOCUS survey made additional adjustments this week. The median of market forecast for 2020 inflation increased to 1.94% from 1.78% and for 2021 inflation was finetuned to 3.01% from 3.00%. The 2020 GDP forecast was improved to -5.11% from -5.31%, while kept at 3.50% for 2021. No changes in the forecast for FX rate to the end of 2020 and 2021, respectively, at 5.25 and 5.00. Market expectation for the Selic policy rate at the end of 2020 was maintained at 2.00% and reduced to 2.50% from 2.88% at the end of 2021.
- In July, the IBC-BR (economic activity index) grew by 2.15% seasonally adjusted. Despite this worse-than-expected performance in July, there have been some upward revisions on the IBC-BR performance in all the previous months since January, of which we highlight June to +5.3% from +4.9%. As compared to July 2019, IBC-BR decreased by 4.89%. Economic activity is still 6.5% below the level in February (before the pandemic). So, there is room for further growth in the coming months.

September 14, 2020



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