


Banco MUFG Brasil S.A.

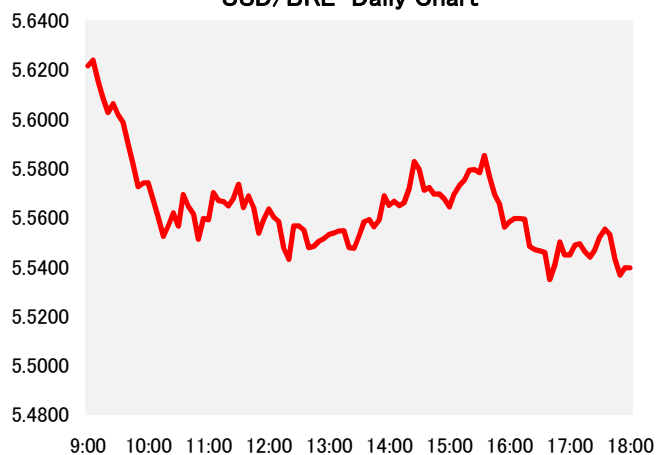
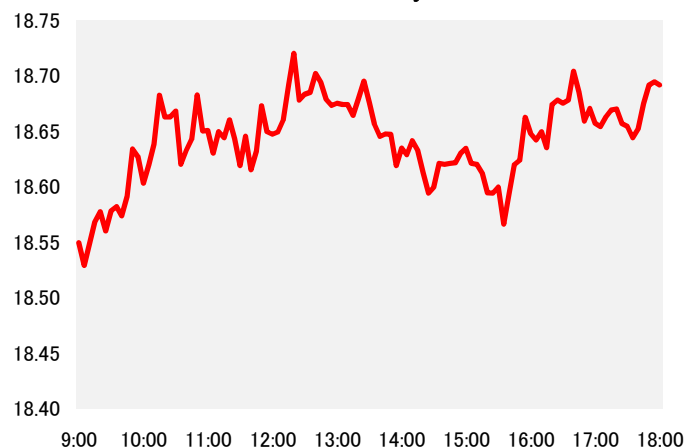
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			29-Oct	30-Oct	3-Nov	4-Nov	5-Nov	Net Chg
FX	USD/BRL	Spot	5.7790	5.7440	5.7520	5.6660	5.5400	-0.1260
	BRL/JPY	Spot	18.100	18.220	18.18	18.46	18.69	+0.23
	EUR/USD	Spot	1.1675	1.1647	1.1701	1.1719	1.1828	+0.0109
	USD/JPY	Spot	104.60	104.65	104.58	104.53	103.53	-1.00
Rates	Brazil DI	6MTH(p.a.)	2.271	2.268	2.321	2.302	2.302	+0.000
	Future	1Year(p.a.)	3.198	3.173	3.221	3.191	3.197	+0.006
	On-shore	6MTH(p.a.)	1.124	1.084	1.124	1.109	1.111	+0.002
	USD	1Year(p.a.)	1.141	1.090	1.126	1.121	1.125	+0.004
Equity	Bovespa Index		96,582.20	93,952.40	96,280.80	97,724.70	100,759.70	+3,035.00
CDS	CDS Brazil 5y		220.24	221.17	215.43	208.02	196.82	-11.20
Commodity	CRB Index		144.810	144.729	147.023	148.904	149.155	+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 5,6641 amid higher chances of victory for the democrat Joe Biden in the US presidential election. Biden tends to increase the stimulus to the US economy what weakens USD and strengthens other currencies like EM's. Here, the Congress overturned the presidential veto about the tax breaks on payroll (desoneração in Portuguese), what it will cost BRL 10 billion next year. This decision is not a defeat of the government because it is part of an agreement as in return Congress approved several bills that reallocate revenue to other ministries in 2020. So, it won't make any price. USDBRL moved to the level around 5.56 before the FED decision. After deciding to keep the FED fund rate at the range 0.00%–0.25% and not changing its assessment about the recovery path of the US economy and reinforcing the need of additional support to the economy. USDBRL moved to new highs. USDBRL reached the highest level at 5.5346 and it closed at 5.5400. USDBRL was the 2nd best EM currency, while 5Y CDS moved to below 200 bps.

November 5, 2020



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