


Banco MUFG Brasil S.A.

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

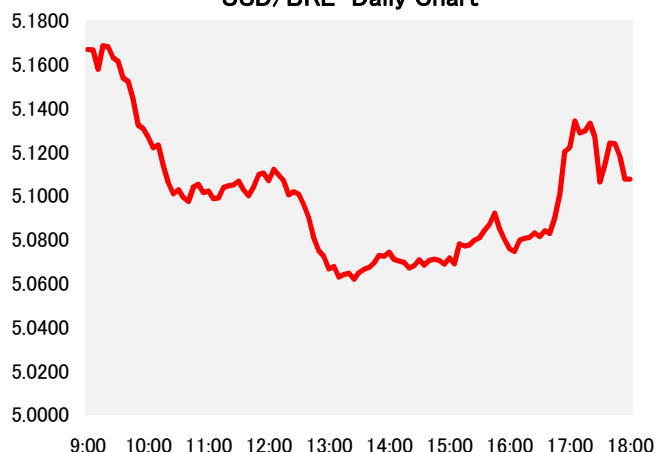
1. Market Rates

			1-Dec	2-Dec	3-Dec	4-Dec	7-Dec	Net Chg
FX	USD/BRL	Spot	5.2180	5.2320	5.1590	5.1300	5.1080	-0.0220
	BRL/JPY	Spot	20.000	19.980	20.14	20.31	20.37	+0.06
	EUR/USD	Spot	1.2072	1.2102	1.2143	1.2124	1.2108	-0.0016
	USD/JPY	Spot	104.32	104.51	103.90	104.18	104.06	-0.12
Rates	Brazil DI	6MTH(p.a.)	2.257	2.150	2.159	2.182	2.187	+0.005
	Future	1Year(p.a.)	2.994	2.928	2.950	2.963	2.975	+0.011
	On-shore	6MTH(p.a.)	1.326	1.294	1.242	1.230	1.232	+0.002
	USD	1Year(p.a.)	1.233	1.205	1.139	1.118	1.113	-0.005
Equity	Bovespa Index		111,508.10	111,716.60	112,291.60	113,750.30	113,048.90	-701.40
CDS	CDS Brazil 5y		159.94	158.38	157.06	155.81	157.48	+1.67
Commodity	CRB Index		158.939	159.421	159.311	159.894	158.951	-0.94

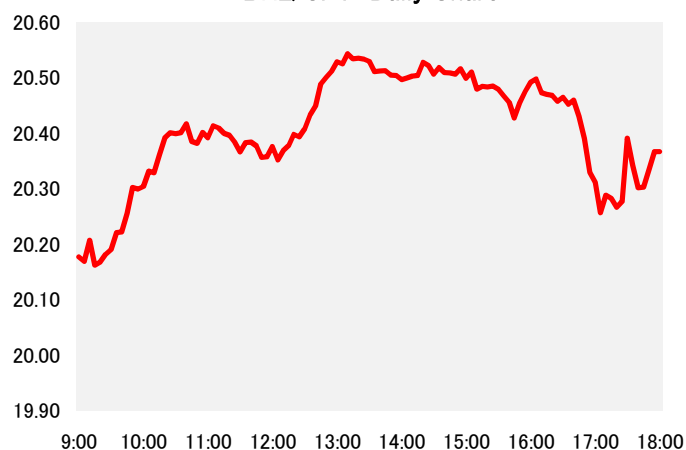
Source: Bloomberg

* 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 5.1592 amid rumors that the USA is preparing sanctions against dozens of Chinese officials and the risk of collapse of the negotiations arounds the Brexit. The Supreme Court decision to block the reelection of Rodrigo Maia and Davi Alcolumbre as Spekaer of, respectively, the Lower House and Senate in February 2021 election is being assessed. USDBRL reached the lowest level at 5.1691. The market abroad improved markedly and it push all EM currencies. USDBRL erased all loses and breached the 5.10, moving to the highest level at 5.0578. The plan of strating vaccination in SP on January 25th plus some USD inflow helped in this movement. It closed at 5.1080.
- The market made another round of revision of forecast in the weekly Focus survey. Market adjusted inflation forecast to the electric energy agency decision to anticipate the red flag level 2, increasing 2020 expectation to 4.21% from 3.54% and reducing 2021 forecast to 3.34% from 3.47%. The 2020 GDP forecast was improved to -4.40% from -4.50% and for 2021 to +3.50% from 3.45%. The USDBRL to the end of 2020 moved to 5.22 from 5.36 and to the end of 2021 to 5.10 from 5.20. The Selic policy rate was kept for both the end of 2020 and 2021 at, respectively, 2.00% and 3.00%.

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