


Banco MUFG Brasil S.A.

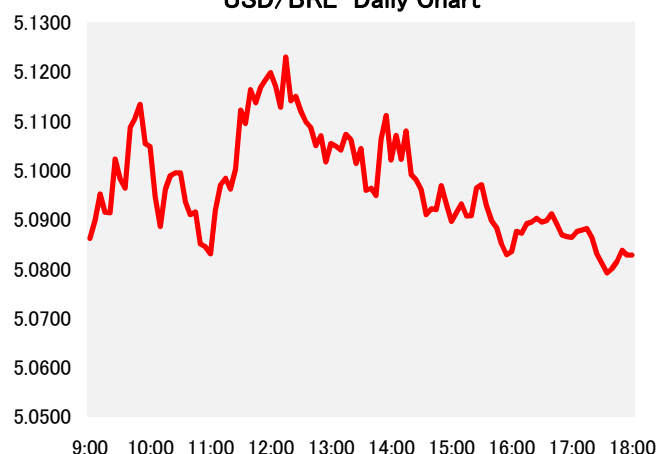
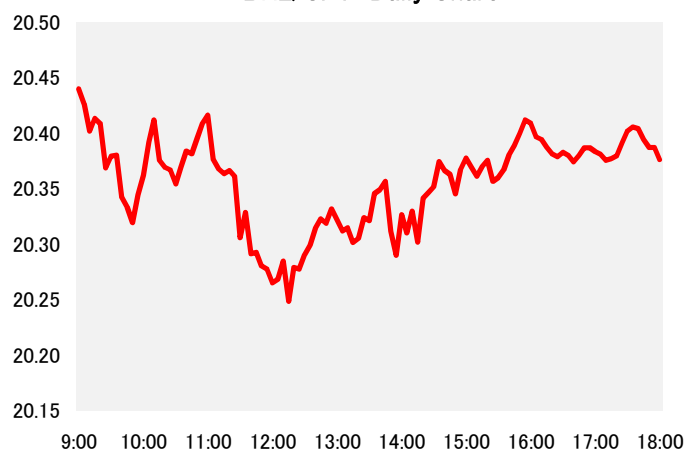
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			9-Dec	10-Dec	11-Dec	14-Dec	15-Dec	Net Chg
FX	USD/BRL	Spot	5.1680	5.0190	5.0610	5.1160	5.0830	-0.0330
	BRL/JPY	Spot	20.170	20.760	20.57	20.32	20.38	+0.06
	EUR/USD	Spot	1.2082	1.2140	1.2114	1.2149	1.2161	+0.0012
	USD/JPY	Spot	104.21	104.22	104.03	104.01	103.62	-0.39
Rates	Brazil DI	6MTH(p.a.)	2.195	2.200	2.201	2.195	2.161	-0.034
	Future	1Year(p.a.)	2.914	2.974	2.934	2.965	2.887	-0.079
	On-shore	6MTH(p.a.)	1.199	1.147	1.119	1.103	1.123	+0.020
	USD	1Year(p.a.)	1.054	1.051	1.029	1.025	1.048	+0.022
Equity	Bovespa Index		113,001.20	115,158.50	115,075.80	114,720.30	116,182.00	+1,461.70
CDS	CDS Brazil 5y		158.19	157.21	157.19	154.80	152.62	-2.18
Commodity	CRB Index		158.921	161.392	161.249	162.235	163.020	+0.78

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 on the sidelines at 5.1146. USDBRL appreciated initially as of the positive environment abroad with the start of vaccination in the US. Here, the minutes of the last Copom meeting reinforced the hawkish tone that the monetary authority would drop the forward guidance and prepare the market for the normalization of the monetary policy afterwards. USDBRL moved to around 5.0809 level in a volatile environment here and abroad. In the middle of the session, USDBRL erased its gains and moved to the lowest at 5.1235 before appreciating again in correlation with its peers. USDBRL reached its highest level at 5.0789 and it closed at 5.0830.
- In the Copom minutes, Central Bank kept the main message as of the Copom communiqué released last week. So, we keep our view that Central Bank might announce the drop of forward guidance in the second quarter of next year, paving away to start increasing the policy rate in August 2021, in times of economic recovery already on track, thus there would be no need to keep policy rate at current expansionist zone. We expect Selic might end up 2021 at 3.75% and reach the nominal equilibrium level of 6.50% (which would be 2.9% in real terms) in November 2022.

December 15, 2020



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