


Banco MUFG Brasil S.A.

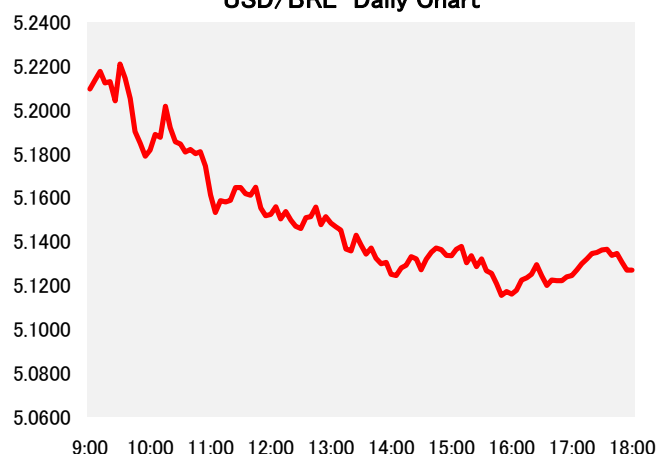
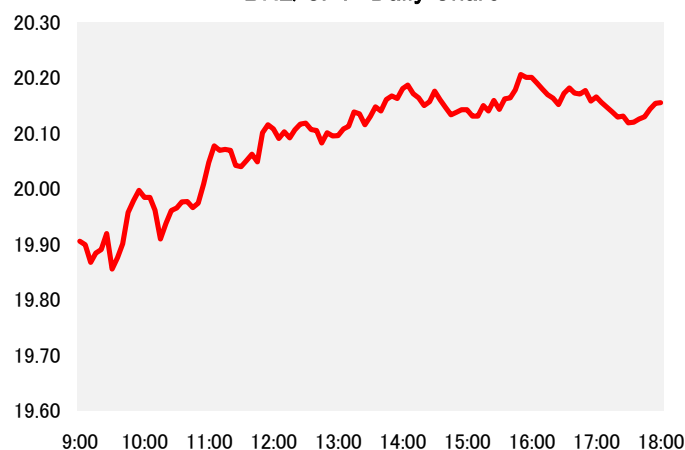
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

| | | | 15-Dec | 16-Dec | 17-Dec | 18-Dec | 21-Dec | Net Chg |
|------------------|----------------------|-------------|------------|------------|------------|------------|-------------------|-----------|
| FX | USD/BRL | Spot | 5.0830 | 5.0860 | 5.0660 | 5.0840 | 5.1270 | +0.0430 |
| | BRL/JPY | Spot | 20.380 | 20.360 | 20.36 | 20.29 | 20.15 | -0.14 |
| | EUR/USD | Spot | 1.2161 | 1.2183 | 1.2263 | 1.2247 | 1.2228 | -0.0019 |
| | USD/JPY | Spot | 103.62 | 103.51 | 103.15 | 103.31 | 103.33 | +0.02 |
| Rates | Brazil DI | 6MTH(p.a.) | 2.161 | 2.157 | 2.149 | 2.159 | 2.149 | -0.009 |
| | Future | 1Year(p.a.) | 2.887 | 2.921 | 2.911 | 2.914 | 2.915 | +0.001 |
| | On-shore | 6MTH(p.a.) | 1.123 | 1.134 | 1.206 | 1.111 | 1.082 | -0.029 |
| | USD | 1Year(p.a.) | 1.048 | 1.054 | 1.078 | 1.034 | 0.999 | -0.035 |
| Equity | Bovespa Index | | 116,174.90 | 117,922.90 | 118,223.80 | 117,995.60 | 115,807.20 | -2,188.40 |
| CDS | CDS Brazil 5y | | 152.62 | 152.40 | 150.13 | 151.80 | 151.45 | u.c. |
| Commodity | CRB Index | | 163.020 | 163.858 | 165.489 | 166.453 | 164.826 | -1.63 |

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 5.1977 and reached the lowest level of 5.2232, following the risk-off mood abroad amid the new variant of Covid-19 detected in UK which spread much faster (70% more transmissible) than current Covid-19 viruses. Several countries are suspending flights from and to UK in order to halt the spread of a new type of Covid, and great part of UK is under strict lockdown.
- During the day USDBRL appreciated with the USD inflows reaching the highest level of 5.1024 coming from exporters and the perspectives of high liquidity abroad with the fiscal stimuly pack if USD900 billion agreed in the USA.
- The market continues to revise its scenario according to the weekly Focus survey. IPCA inflation forecast was revised up to 4.39% from 4.35% for 2020 and to 3.37% from 3.34% for 2021. Regarding GDP, market pinpointed 2020 figure to -4.40% from -4.41% and the 2021 estimate was revised down to 3.46% from 3.50%. The FX rate to the end of 2020 was revised to 5.15 from 5.20 and to the end of 2021 to 5.00 from 5.03. The Selic policy rate to the end of 2021 was kept at 3.00%.
- The only relevant economic data this week is the IPCA-15 for December to be released tomorrow. Our call: +1,10% and median of market expectation is +1.16%. Such high level is explained by the combination of Pressures from electric energy (red flag 2), airfare, gasoline and food, as well as off-schedule collection of tuition fees (reflecting the partial reopening of schools that increased somewhat tuition fees).



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