


**Banco MUFG Brasil S.A.**

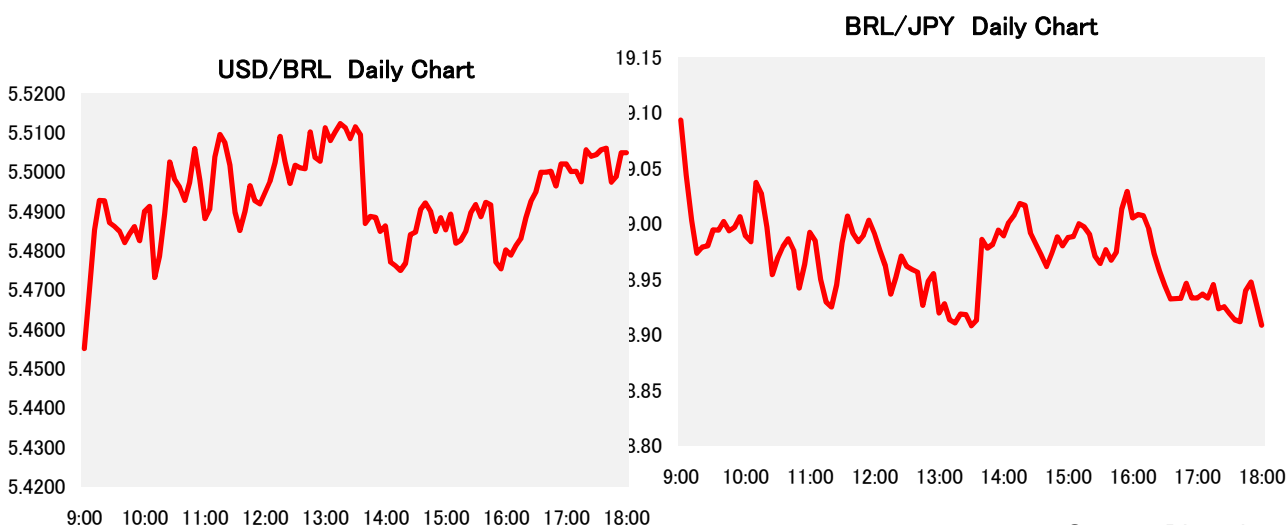
Treasury & Markets  
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**1. Market Rates**

|           |               |             | 5-Jan      | 6-Jan      | 7-Jan      | 8-Jan      | 11-Jan            | Net Chg   |
|-----------|---------------|-------------|------------|------------|------------|------------|-------------------|-----------|
| FX        | USD/BRL       | Spot        | 5.2770     | 5.3020     | 5.4010     | 5.4210     | <b>5.5050</b>     | +0.0840   |
|           | BRL/JPY       | Spot        | 19.470     | 19.430     | 19.24      | 19.18      | <b>18.91</b>      | -0.27     |
|           | EUR/USD       | Spot        | 1.2294     | 1.2326     | 1.2263     | 1.2224     | <b>1.2154</b>     | -0.0070   |
|           | USD/JPY       | Spot        | 102.72     | 103.01     | 103.83     | 103.96     | <b>104.17</b>     | +0.21     |
| Rates     | Brazil DI     | 6MTH(p.a.)  | 2.149      | 2.194      | 2.204      | 2.276      | <b>2.292</b>      | +0.016    |
|           | Future        | 1Year(p.a.) | 2.922      | 3.008      | 3.057      | 3.176      | <b>3.246</b>      | +0.070    |
|           | On-shore      | 6MTH(p.a.)  | 0.821      | 0.899      | 0.974      | 0.958      | <b>1.009</b>      | +0.052    |
|           | USD           | 1Year(p.a.) | 0.884      | 0.940      | 1.032      | 0.999      | <b>1.000</b>      | +0.000    |
| Equity    | Bovespa Index |             | 119,350.20 | 119,332.80 | 122,391.30 | 125,069.80 | <b>123,295.90</b> | -1,773.90 |
| CDS       | CDS Brazil 5y |             | 146.28     | 148.14     | 152.34     | 155.34     | <b>164.530</b>    | +9.19     |
| Commodity | CRB Index     |             | 171.705    | 172.107    | 172.312    | 173.347    | <b>172.727</b>    | -0.62     |

Source: Bloomberg

\* The rates above are end of the day market price/ rate and used for your reference only



Source: Bloomberg

**2. Topics**

- BRL opened weaker at 5.4181, which was also the highest level. The opening was amid bearish external environment as it continues the pressures for US president Trump impeachment. The possibility is low, even if the vote at the Senate is postponed to after Biden sworn in and when Democrats assume the control of Senate. It is worth mentioning that an impeachment requires 2/3 of votes and Democrats hold exactly 50% of the new Senate. Here, market keeps an eye on the speakership election in February in the Congress and the possibility of extension of the monthly stipend that would jeopardize the fiscal accounts. By the time USDBRL reached the lowest level at 5.5156, Central Bank stepped in and placed 10,000 contracts of FX swaps, resulting in some limited relief for the currency. USDBRL closed at 5.5050.
- Market finetuned its forecast scenario according to the Focus survey. IPCA is expected at 4.37% for 2020, it was slightly increased to 3.34% from 3.32% for 2021 and it was maintained at 3.50% for 2022. Regarding the GDP, 2020 forecast improved slightly to -4.37% from -4.36%, for 2021 to 3.41% from 3.40% and it was kept at 2.50% for 2022. The FX rate for the end of 2021 and 2022 was kept at, respectively, 5.00 and 4.90. And, the Selic policy rate was increased to 3.25% from 3.00% at the end of 2021 and to 4.75% from 4.50% at the end of 2022.

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