


Banco MUFG Brasil S.A.

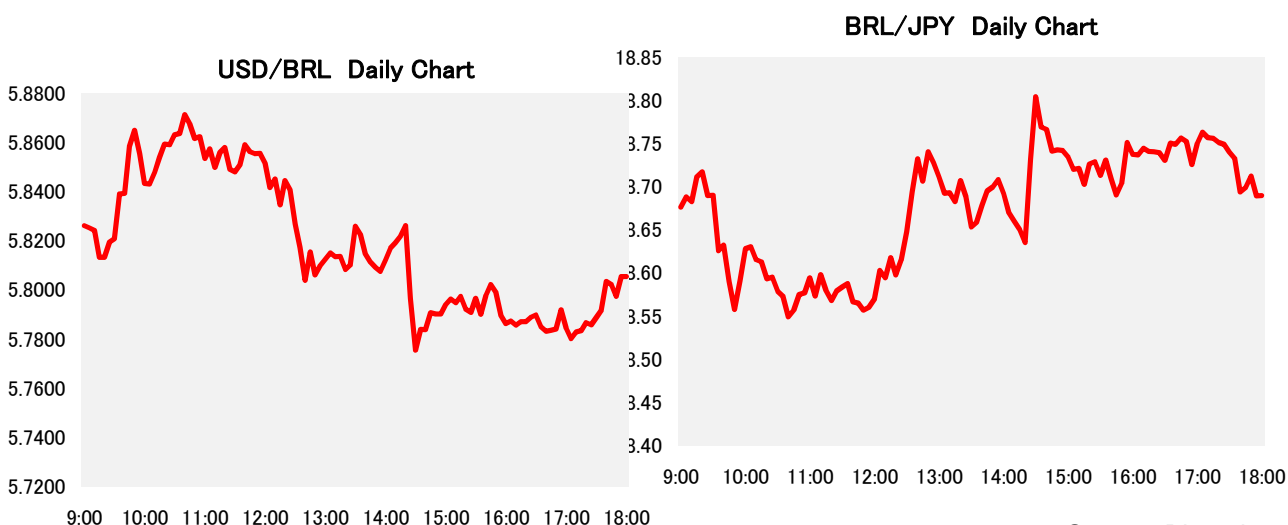
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			3-Mar	4-Mar	5-Mar	8-Mar	9-Mar	Net Chg
FX	USD/BRL	Spot	5.6230	5.6690	5.6840	5.8170	5.8050	-0.0120
	BRL/JPY	Spot	19.040	19.030	19.06	18.59	18.69	+0.10
	EUR/USD	Spot	1.2065	1.1972	1.1916	1.1915	1.1899	-0.0016
	USD/JPY	Spot	106.97	107.89	108.35	108.93	108.51	-0.42
Rates	Brazil DI	6MTH(p.a.)	3.248	3.291	3.144	3.279	3.345	+0.066
	Future	1Year(p.a.)	4.142	4.165	4.149	4.357	4.363	+0.005
	On-shore	6MTH(p.a.)	1.054	1.069	1.105	1.096	1.085	-0.011
	USD	1Year(p.a.)	1.113	1.131	1.189	1.199	1.204	+0.004
Equity	Bovespa Index		111,183.90	112,360.30	115,264.40	110,611.60	111,127.00	+515.40
CDS	CDS Brazil 5y		196.22	199.37	199.47	217.25	215.080	-2.17
Commodity	CRB Index		189.963	190.746	193.447	192.282	191.339	-0.94

Source: Bloomberg

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



Source: Bloomberg

2. Topics

- USDBRL opened weaker at 5.8775, still reflecting Supreme Court minister Edson Fachin that annulled all previous sentences of judge Sérgio Moro against former president Lula. This decision has put Mr. Lula back to the presidential race in October 2022. Market is concerned that president Bolsonaro would adopt a looser fiscal policy in order to improve his popularity and be more competitive to face Mr. Lula in the presidential election. Additionally, there was rumors that the Lower House would change the fiscal reform in a way that no countermeasures would remain in place to compensate the re-introduction of the monthly stipend. USDBRL moved against its peers once the external environment was favorable to EM currencies. USDBRL reached the lowest level at 5.8789 right after the opening. The session improved during the afternoon when the speaker of the Lower House said that the fiscal reform will be voted just like it cleared the Senate. USDBRL reached the highest level at 5.7714 and it closed at 5.8050.
- In January 2021, services activity increased 0.6% versus the previous month. With this outcome, now services activity is 3.0% below the level before the pandemic in February 2020. We continue expecting the resumption of the monthly emergency stipend, somewhat offsetting the socioeconomic impact. However, there is still uncertainty on the timing and value since it might be voted at the Lower House this week. Looking ahead, we expect that with a more advanced flow of vaccinations, service activities tend to show a more solid recovery from the second half of 2021 onwards.



March 9, 2021

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