


Banco MUFG Brasil S.A.

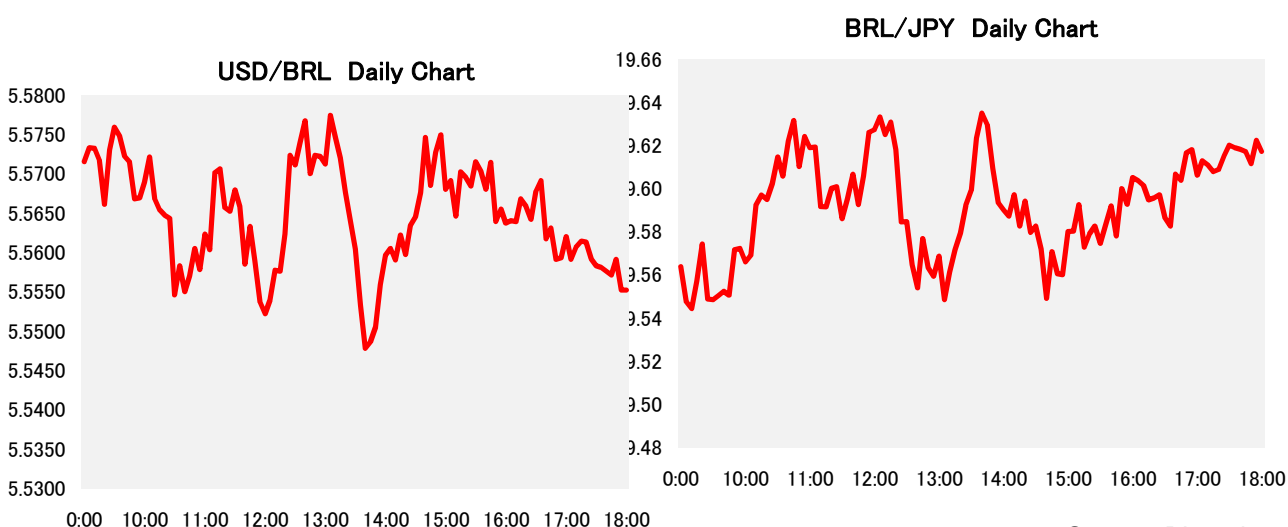
 Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			9-Mar	10-Mar	11-Mar	12-Mar	15-Mar	Net Chg
FX	USD/BRL	Spot	5.8050	5.6720	5.5400	5.5550	5.6180	+0.0630
	BRL/JPY	Spot	18.690	19.100	19.57	19.62	19.43	-0.19
	EUR/USD	Spot	1.1899	1.1926	1.1989	1.1959	1.1927	-0.0032
	USD/JPY	Spot	108.51	108.39	108.43	109.01	109.15	+0.14
Rates	Brazil DI	6MTH(p.a.)	3.345	3.350	3.667	3.500	3.565	+0.065
	Future	1Year(p.a.)	4.363	4.447	4.535	4.634	4.716	+0.082
	On-shore	6MTH(p.a.)	1.085	1.057	1.056	1.045	1.079	+0.035
	USD	1Year(p.a.)	1.204	1.187	1.139	1.126	1.169	+0.043
Equity	Bovespa Index		111,134.50	112,760.10	114,895.00	114,159.80	114,850.70	+690.90
CDS	CDS Brazil 5y		215.08	213.24	201.31	201.85	202.140	+0.29
Commodity	CRB Index		191.339	191.756	194.545	193.791	193.417	-0.37

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 stronger at 5.5509 amid a positive external environment. But, the main driver was another Central Bank intervention of placing USD 500 million of FX swaps. Market also kept an eye on the potential change of health minister Pazuello. USDBRL reached the highest level at 5.5328, but it didn't sustained. USDBRL were strongly pressured by expectation of monetary policy decision on Wednesday, the deterioration of the pandemic and investors buying USD for hedge in an uncertain scenario. USDBRL reached the lowest level at 5.5389 and the Central Bank intervened once again and sold USD 1,065 million, but the relief was temporary again. USDBRL closed at 5.6180.
- Market continues worsening its macroeconomic scenario according to the Focus weekly survey. IPCA inflation for 2021 was revised up to 4.60% from 3.98% and kept at 3.50% for 2022. GDP was ticked down to 3.23% from 3.26% for 2021 and to 2.39% from 2.48% for 2022. The FX rate to the end of 2021 was worsened to 5.30 from 5.15 and to the end of 2022 to 5.20 from 5.13. The Selic policy rate to the end of 2021 to 4.50% from 4.00% and maintained at 5.50 to the end of 2022.
- In January 2021, the IBC-BR (economic activity index) grew by +1.0% versus the previous month, seasonally adjusted. For the first quarter, our expectation is a GDP decrease of 1% versus the previous quarter amid the increase in the number of cases and deaths of Covid-19, and the consequent decrease of consumer and businessmen confidence. From the second quarter onwards, we see room for a modest recovery of 0.5% growth per quarter until the end of this year. But the trigger for a more solid recovery ahead depends on the pace of vaccination in Brazil and abroad.



March 15, 2021

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