


Banco MUFG Brasil S.A.

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

1. Market Rates

			26-Mar	29-Mar	30-Mar	31-Mar	1-Apr	Net Chg
FX	USD/BRL	Spot	5.7565	5.7830	5.7750	5.6340	5.7100	+0.0760
	BRL/JPY	Spot	19.06	18.99	19.11	19.65	19.37	-0.28
	EUR/USD	Spot	1.1794	1.1764	1.1718	1.1730	1.1777	+0.0047
	USD/JPY	Spot	109.64	109.80	110.35	110.73	110.62	-0.11
Rates	Brazil DI	6MTH(p.a.)	4.060	4.339	4.058	4.345	4.091	-0.254
	Future	1Year(p.a.)	5.187	5.231	5.169	5.092	5.205	0.113
	On-shore	6MTH(p.a.)	1.050	1.112	1.005	0.991	0.905	-0.086
	USD	1Year(p.a.)	1.181	1.193	1.091	1.075	1.060	-0.015
Equity	Bovespa Index		114,780.60	115,418.70	116,849.70	116,633.70	115,253.30	-1,380.40
CDS	CDS Brazil 5y		224.38	229.73	233.97	227.78	228.22	+0.44
Commodity	CRB Index		187.731	187.532	184.874	184.960	186.702	+1.742

Source: Bloomberg

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

2. Weekly Topics

- The week was positive for USDBRL. It opened at 5.7598 as the external environment opened reacting negatively to forced liquidation of some assets from family office Archegos impacting on some big banks due to their exposure to it. In the domestic market, there is a concern on the approved federal budget as congressmen introduced some illegal mechanisms and president Bolsonaro run the risk of impeachment in case of not vetoing or altering them. Additionally, market was concerned about the mounting Covid-19 cases and the resignation of Ernesto Araújo, minister of Foreign Affairs was a surprise, pushing USDBRL to the lowest level at 5.8060. Later in the week, external environment became positive to EM currencies and the mini cabinet reshuffle was understood as positive for the government and the prospects of the reforms. USDBRL reached the highest level at 5.6098. By the end of the week, there was some correction after strong gains before and the market took a cautious position because of the Easter holiday. USDBRL closed at 5.7100.

3. Next Week's Topic
USD/BRL Next Week's Forecast & Range : 5.40–6.00

- In Brazil, we will continue monitoring the evolution of the pandemic and the vaccination pace. Additionally, the results of the cabinet reshuffle in the relationship between government and the congress with a focus in the negotiations to change the federal budget in order to make it in compliance with fiscal regulation
- In Brazil, it will be a weak week, with economic activity figure being disclosed. In the US, besides the same economic activity index and the traditional labor market indicator, there will be the release of the last FOMC meeting minutes

4. Next Week's Economic Indicators

Country	Date	Indicator	Term	Forecast	Previous
US	4/5	Markit US Composite PMI	Mar F		59.1
BZ	4/5	Markit Brazil PMI Composite	Mar		49.6
BZ	4/5	Markit Brazil PMI Services	Mar		47.1
US	4/7	FOMC meeting minutes	Mar 17		
US	4/8	Initial Jobless Claims	Apr 3		719k

Source: Bloomberg

April 1, 2021



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