



Banco MUFG Brasil S.A.

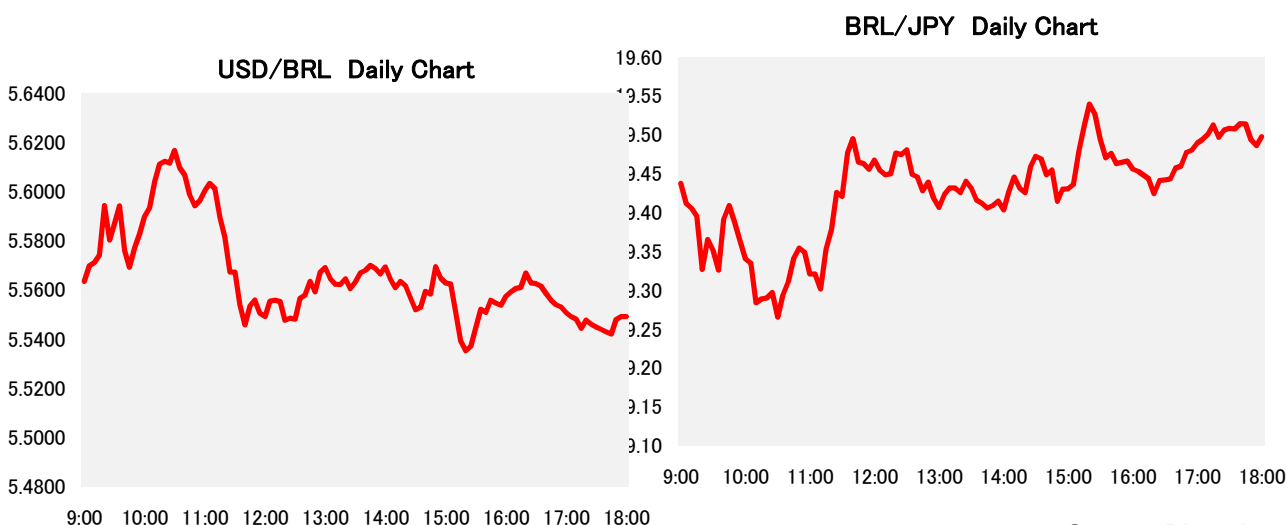
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			13-Apr	14-Apr	15-Apr	16-Apr	19-Apr	Net Chg
FX	USD/BRL	Spot	5.7170	5.6530	5.6160	5.5880	5.5490	-0.0390
	BRL/JPY	Spot	19.070	19.280	19.36	19.47	19.50	+0.03
	EUR/USD	Spot	1.1948	1.1980	1.1969	1.1982	1.2037	+0.0055
	USD/JPY	Spot	109.06	108.96	108.73	108.80	108.16	-0.64
Rates	Brazil DI	6MTH(p.a.)	4.271	4.239	4.217	4.406	4.351	-0.055
	Future	1Year(p.a.)	5.392	5.316	5.243	5.214	5.162	-0.052
	On-shore USD	6MTH(p.a.)	1.004	0.997	0.971	1.015	1.018	+0.003
		1Year(p.a.)	1.122	1.159	1.135	1.167	1.220	+0.053
Equity	Bovespa Index		119,297.10	120,294.70	120,700.70	121,113.90	120,933.80	-180.10
CDS	CDS Brazil 5y		221.82	219.20	212.45	204.28	199.540	-4.74
Commodity	CRB Index		188.137	192.449	193.861	193.210	193.977	+0.77

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 5.5655 amid a positive external environment where UST bond yields go down and USD loses ground globally. Here, it is a week for the decision about the budget with a holiday on Wednesday. After an initial relief, USDBRL erased all gains as domestic issues started to weigh. USDBRL moved to the lowest level at 5.6209. But, before the ending of the morning session, the scenario reversed again and USDBRL moved away from the lows. US bond yields drop and the new Petrobras CEO affirming to keep oil parity between external and domestic prices supported this movement. USDBRL reached the highest level at 5.5278 and it closed at 5.5490. Indeed, risk perception improved markedly and 5Y CDS closed below 200 bps.
- The market made further revision of the macroeconomic scenario according to the Focus weekly survey. The median of market expectation for inflation worsened to 4.92% from 4.85% for 2021 and to 3.60% from 3.53% for 2022. Regarding GDP, expectation for 2021 was ticked down to 3.04% from 3.08% and improved to 2.34% from 2.33% for 2022. The FX rate to the end of 2021 worsened to 5.40 from 5.37 and to the end of 2022 it was finetuned to 5.26 from 5.25. The Selic policy rate was kept unchanged to the end of both, 2021 and 2022 at, respectively, 5.25 and 6.00.
- In February, the IBC-BR (economic activity index) grew by 1.7% versus the previous month, seasonally adjusted. The economic growth in January and February might be partially offset the sharp contraction expected for March of around -8.5%. Our current call for overall GDP in the first quarter is at +0.2%. The sharp contraction in March would lead to a negative carry-over to the second quarter GDP. The restrictions probably will remain at least for the whole month of April. Our call is a sharp GDP contraction of 1.1% in the second quarter. From the second half onwards, with a more advanced stage of vaccination, there is room for resumption of quarterly GDP growth. And for the whole 2021, we keep our call of +3.3%



April 19, 2021

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