


Banco MUFG Brasil S.A.

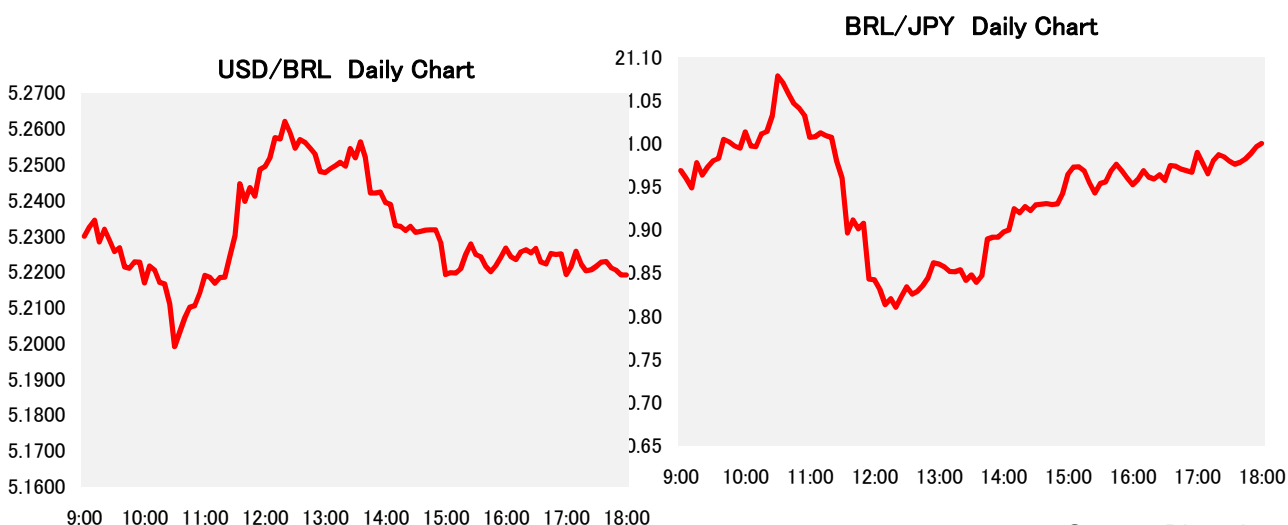
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			25-May	26-May	27-May	28-May	31-May	Net Chg
FX	USD/BRL	Spot	5.3320	5.3120	5.2390	5.2260	5.2190	-0.0070
	BRL/JPY	Spot	20.400	20.550	20.96	21.03	21.00	-0.03
	EUR/USD	Spot	1.2251	1.2191	1.2196	1.2193	1.2227	+0.0034
	USD/JPY	Spot	108.78	109.13	109.81	109.85	109.58	-0.27
Rates	Brazil DI	6MTH(p.a.)	4.762	4.766	4.761	4.823	4.868	+0.045
	Future	1Year(p.a.)	5.797	5.767	5.755	5.807	5.881	+0.074
	On-shore	6MTH(p.a.)	0.706	0.710	0.763	0.853	0.855	+0.001
	USD	1Year(p.a.)	0.889	0.893	0.948	1.034	1.047	+0.014
Equity	Bovespa Index		122,987.70	123,989.20	124,366.60	125,561.40	126,215.80	+654.40
CDS	CDS Brazil 5y		179.86	178.41	174.63	173.73	173.990	+0.26
Commodity	CRB Index		202.440	203.440	205.777	205.699	205.699	u.c.

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 on sidelines at 5.2260 in a day of low liquidity abroad as of holiday in UK and the USA. However, commodity boom continue to be favorable to EM currencies. Here, market try to sustain the positive mood ahead of 1Q GDP to be released tomorrow. Market will keep an eye on the electricity problem (low level of hydroelectric reservoirs, creating the concern on possible shortage) that it has been impacting on inflation due to the use of more expensive thermoelectric plants, but it might affect activity if there is rationing of water or electricity or both. USDBRL moved to the highest level at 5.1991 with the better than expected public accounts ,in April which posted a primary deficit of BRL 24.3 billion against an estimate of BRL 17.2 billion. Then the dispute for the end-of-month fixing reverted the situation , erased all gains and USDBRL moved to the lowest level at 5.2624. Once the fixing hour was over, USDBRL moved to around stability at around 5.22 level. USDBRL closed at 5.2190.
- The surprising data are making market to continue revise its scenario for both 2021 and 2022 according to the Focus weekly survey. IPCA inflation was revised up for both 2021 and 2022. It moved to 5.31% from 5.24% for this year and it was finetuned to 3.68% from 3.67% for 2022. Market revised up 2021 GDP for the 6th week in a row, this time to 3.96% from 3.52%, but it reduced 2022 growth to 2.25% from 2.30%. No change in the FX rate to the end of both 2021 and 2022, being at, respectively, 5.30 and also 5.30. It increased the Selic policy rate to the end of 2021 to 5.75% from 5.50% and it maintained at 6.50% to the end of 2022.



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