


Banco MUFG Brasil S.A.

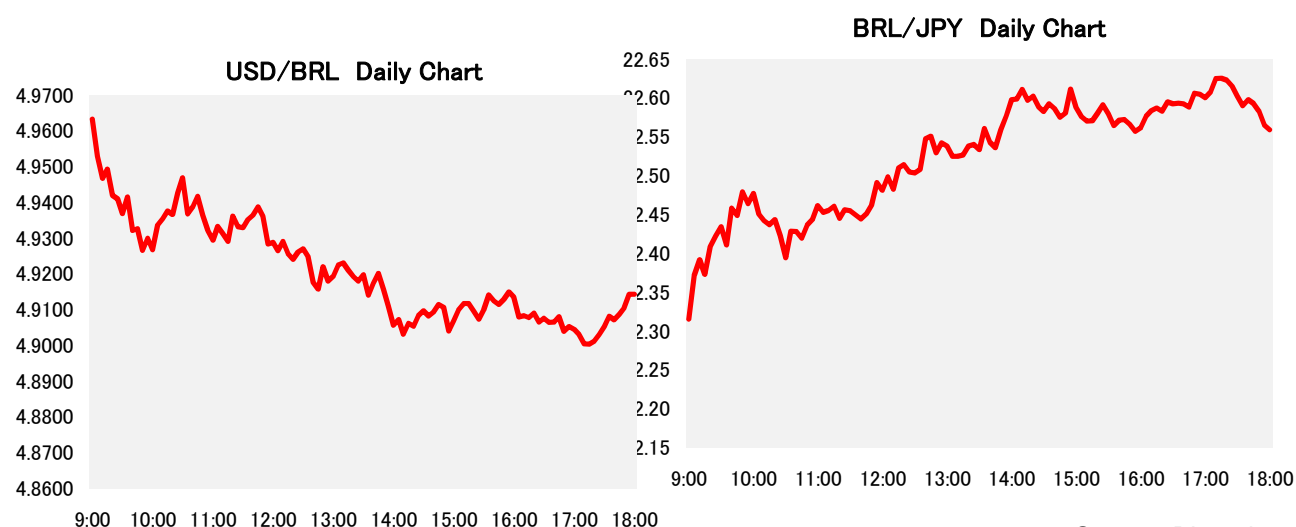
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			18-Jun	21-Jun	22-Jun	23-Jun	24-Jun	Net Chg
FX	USD/BRL	Spot	5.0901	5.0147	4.9590	4.9670	4.9140	-0.0530
	BRL/JPY	Spot	21.657	21.998	22.31	22.35	22.56	+0.21
	EUR/USD	Spot	1.1864	1.1918	1.1939	1.1927	1.1932	+0.0005
	USD/JPY	Spot	110.21	110.31	110.65	111.00	110.87	-0.13
Rates	Brazil DI	6MTH(p.a.)	5.508	5.490	5.627	5.660	5.652	-0.008
	Future	1Year(p.a.)	6.514	6.521	6.624	6.685	6.687	+0.002
	On-shore USD	6MTH(p.a.)	0.670	0.741	0.770	0.877	0.783	-0.094
		1Year(p.a.)	0.817	0.877	0.890	0.955	0.828	-0.127
Equity	Bovespa Index		128,405.40	129,265.00	128,767.40	128,428.00	129,513.60	+1,085.60
CDS	CDS Brazil 5y		167.41	167.93	167.28	164.57	162.410	-2.16
Commodity	CRB Index		205.860	207.866	207.880	209.245	209.512	+0.27

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 at 4.9716 ahead of GDP figures in the USA, FED members interviews, quarterly inflation report in Brazil and 2024 inflation target decision by the national monetary council. This opening rate was the lowest level today. During the morning session, US GDP in line with market expectation (+6.4% annualized in the 1Q21) and initial jobless claims worse than expectation (effective 411K against estimate of 380K) made USD lose ground globally. USDBRL deepened the appreciation trend. The interview of Central Bank governor Campos Neto reinforced the appreciation trend once he declared he is ready to do whatever is necessary to bring inflation back to the target. The positive external environment pushed USDBRL to the highest level at 4.8985 and it closed at 4.9140.
- The tone of the Inflation Report was quite similar to the Copom minutes and communiqué. In such context, we keep our view that Central Bank will increase Selic by 75 bps in August meeting, and maintain the same pace of rate hike in September and October meetings. In this scenario, the Selic policy rate would reach our estimated neutral level of 6.50% already in October this year and stabilize at this level from then onwards.



June 24, 2021

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