


Banco MUFG Brasil S.A.

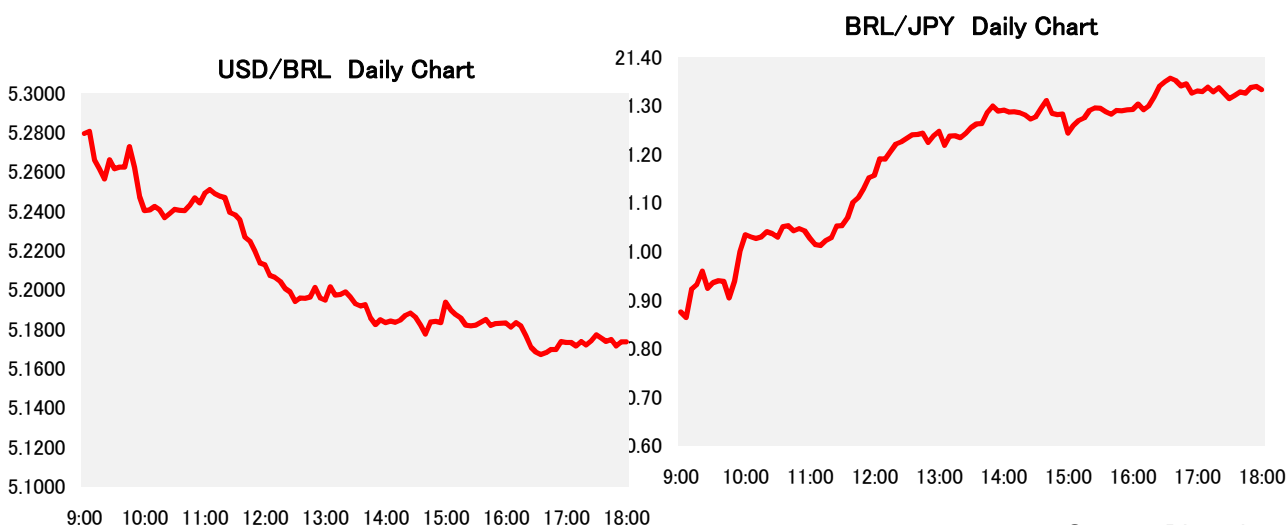
 Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			5-Jul	6-Jul	7-Jul	8-Jul	12-Jul	Net Chg
FX	USD/BRL	Spot	5.0950	5.2000	5.2320	5.2600	5.1730	-0.0870
	BRL/JPY	Spot	21.780	21.280	21.16	20.87	21.33	+0.46
	EUR/USD	Spot	1.1863	1.1825	1.1794	1.1844	1.1862	+0.0018
	USD/JPY	Spot	110.95	110.63	110.65	109.74	110.38	+0.64
Rates	Brazil DI	6MTH(p.a.)	5.743	5.429	5.763	5.853	5.880	+0.027
	Future	1Year(p.a.)	6.692	6.777	6.743	6.854	6.871	+0.017
	On-shore	6MTH(p.a.)	0.670	0.657	0.639	0.674	0.699	+0.025
	USD	1Year(p.a.)	0.724	0.691	0.746	0.805	0.862	+0.057
Equity	Bovespa Index		126,920.10	125,094.90	127,018.70	125,427.80	127,593.80	+2,166.00
CDS	CDS Brazil 5y		166.74	171.01	172.77	176.33	176.090	-0.24
Commodity	CRB Index		214.955	210.240	209.205	209.552	212.707	+3.16

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 5.2598 with the external market assessing the spread of the Delta variant and its impact on the economic recovery, what at last extent would reduce the demand for commodities, impacting EM currencies. Here the political noise continued with the pandemic probe at the Senate and a new tension between the president and the Electoral Court (TSE). Under this environment, USDBRL reached the lowest level at 5.2838 just after the opening. However, USDBRL soon erased all loses once the currency caught up other EM currencies as local market were closed on 09th July when EM currencies gained ground. USDBRL appreciated further under DXY depreciating abroad and some cautious among investors after the Central Bank intervention on 08th July. USDBRL moved to the highest level at 5.1639 after negotiations about the tax reforms show higher odds of an agreement, removing some burdens on financial markets. USDBRL closed at 5.1730.
- Market made some adjustments on its scenario according to the median of market expectation survey by the Central Bank. The 2021 inflation increased for the 14th week in a row to 6.11% from 6.07%, while 2022 figure was reduced to 3.75% from 3.77%. At the same token, 2021 GDP was improved for the 12th week in a row to 5.26% from 5.18% and 2022 GDO was finetuned to 2.09% from 2.10%. The FX rate expected to the end of 2021 worsened a bit to 5.05 from 5.04 and it was kept at 5.20 to the end of 2022. The Selic policy rate to the end of 2021 increased to 6.63% from 6.50%, while the figures to the end of 2022 moved to 7.00% from 6.75%.



July 12, 2021

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