


Banco MUFG Brasil S.A.

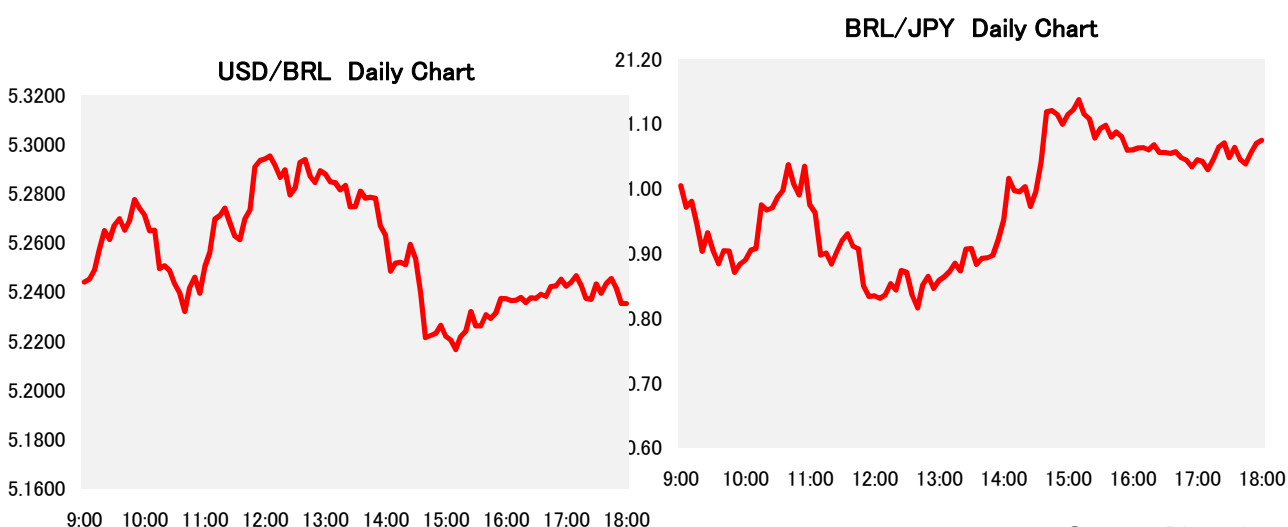
 Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			3-Aug	4-Aug	5-Aug	6-Aug	9-Aug	Net Chg
FX	USD/BRL	Spot	5.1980	5.1690	5.2490	5.2330	5.2350	+0.0020
	BRL/JPY	Spot	20.980	21.180	20.92	21.06	21.07	+0.01
	EUR/USD	Spot	1.1861	1.1837	1.1835	1.1762	1.1737	-0.0025
	USD/JPY	Spot	109.09	109.49	109.77	110.23	110.32	+0.09
Rates	Brazil DI	6MTH(p.a.)	6.585	6.636	6.794	6.816	6.873	+0.057
	Future	1Year(p.a.)	7.527	7.591	7.821	7.820	7.809	-0.011
	On-shore	6MTH(p.a.)	0.618	0.619	0.678	0.673	0.669	-0.004
	USD	1Year(p.a.)	0.779	0.799	0.859	0.874	0.873	-0.001
Equity	Bovespa Index		123,576.60	121,801.20	121,632.90	122,810.40	123,019.40	+209.00
CDS	CDS Brazil 5y		179.77	181.34	182.46	184.07	186.590	+2.52
Commodity	CRB Index		215.287	213.516	215.149	214.489	211.684	-2.80

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 5.2325 amid negative environment for EM markets. Commodity prices are going down due to concerns of higher Covid-19 cases provoked by the Delta variant and the US payroll higher than expected last Friday. Here, market expects the Copom minutes to be released tomorrow, while keeps an eye on the fiscal and political environments. The morning session had some volatility, but the worsening of external environment made USDBRL reach the lowest level at 5.2980. At this level, market started to discuss the possibility of a Central Bank intervention. But, market improved before as the speaker of the Lower House Arthur Lira declared he will prioritize the Court-Orders bill and the new social aid program Bolsa Família. Minister of citizenship affirmed that the Bolsa Família will be within the expenditure cap and the effective amount might be defined only in September. USDBRL erased all the losses to the highest level at 5.2150. USDBRL closed at 5.2350.
- Few adjustments on the economic scenario according to the Focus weekly survey. Inflation was revised up to 6.88% from 6.79% for 2021 and to 3.84% from 3.81% for 2022. GDP growth forecast remained at 5.30% for 2021 and reduced to 2.05% from 2.10% for 2022. No changes for the FX rate to the end of both 2021 and 2022, being at, respectively, 5.10 and 5.20. The market started to adjust the scenario to a more hawkish Central Bank, increasing the Selic policy rate to 7.25% from 7.00% to the end of both 2021 and 2022.



August 9, 2021

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