


Banco MUFG Brasil S.A.

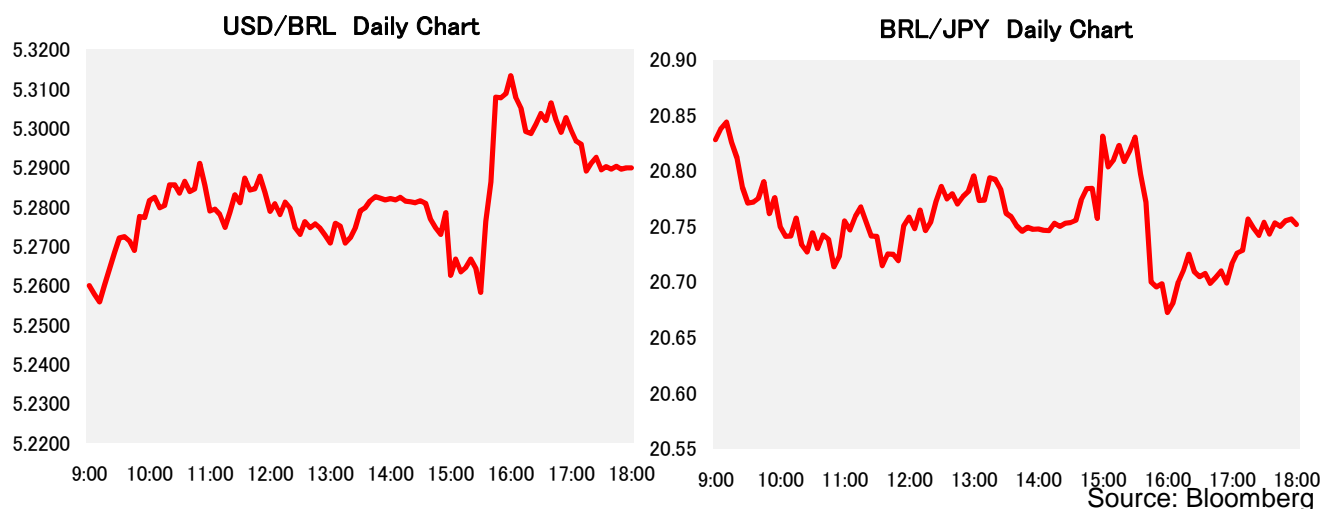
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			16-Sep	17-Sep	20-Sep	21-Sep	22-Sep	Net Chg
FX	USD/BRL	Spot	5.2590	5.2890	5.3250	5.2730	5.2900	+0.0170
	BRL/JPY	Spot	20.850	20.790	20.54	20.72	20.75	+0.03
	EUR/USD	Spot	1.1767	1.1725	1.1726	1.1726	1.1689	-0.0037
	USD/JPY	Spot	109.72	109.98	109.38	109.23	109.76	+0.53
Rates	Brazil DI	6MTH(p.a.)	7.956	7.861	7.851	7.826	7.857	+0.031
	Future	1Year(p.a.)	8.715	8.791	8.720	8.626	8.615	-0.010
	On-shore	6MTH(p.a.)	0.533	0.522	0.494	0.522	0.531	+0.009
	USD	1Year(p.a.)	0.649	0.646	0.623	0.649	0.669	+0.020
Equity	Bovespa Index		113,794.30	111,439.40	108,843.70	110,249.70	112,282.30	+2,032.60
CDS	CDS Brazil 5y		180.95	182.18	199.31	198.69	197.400	-1.29
Commodity	CRB Index		223.937	222.112	218.098	218.319	221.792	+3.47

Source: Bloomberg

* The rates above are end of the day market price/ rate and used for your reference only


2. Topics

- USDBRL opened at 5.2690 reacting to PCOB liquidity injection to mitigate the impact of Evergrande financial problems in the banking system. Market also kept an eye on the FOMC and Copom policy rate decisions later in the day. USDBRL moved to the highest level at 5.2513 right after the beginning. Until the FOMC decision in the middle of the afternoon session, USDBRL hovered around the closing yesterday. FOMC decision to keep the FED fund rate at 0.00%-0.25% range wasn't a surprise, but the interview of governor Power was more hawkish. He declared that the tapering may start in November and be over by mid-2022, what means that the FED fund rate hike might start already in 2022 and not in 2023 as previously expected. DXY gained ground and USDBRL moved to the lowest level at 5.3174. USDBRL closed at 5.2900.
- The Central Bank increased the Selic policy rate by 100 bps to 6.25%. The monetary authority also indicated another 100 bps in the next Copom meeting in November. We adjusted our scenario to Selic policy rate ending 2021 at 8.00% and a final 50 bps hike in February, ending the tightening cycle at 8.50%.

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