


Banco MUFG Brasil S.A.

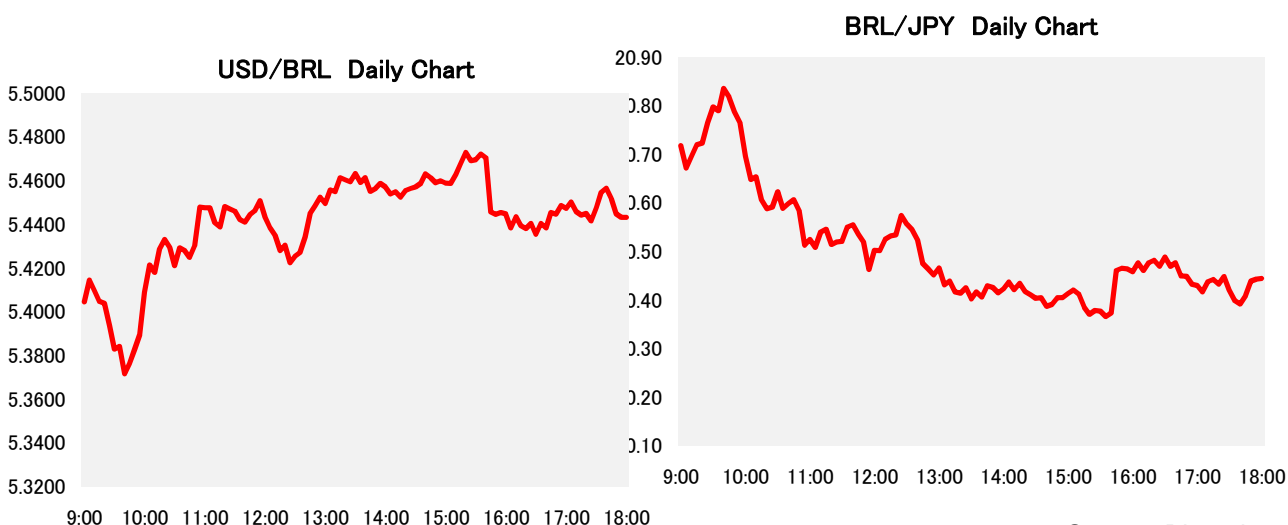
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			24-Sep	27-Sep	28-Sep	29-Sep	30-Sep	Net Chg
FX	USD/BRL	Spot	5.3360	5.3910	5.4300	5.4150	5.4430	+0.0280
	BRL/JPY	Spot	20.760	20.590	20.54	20.68	20.44	-0.24
	EUR/USD	Spot	1.1721	1.1698	1.1683	1.1598	1.1579	-0.0019
	USD/JPY	Spot	110.74	110.98	111.51	111.96	111.29	-0.67
Rates	Brazil DI	6MTH(p.a.)	7.925	7.995	8.044	8.031	8.050	+0.019
	Future	1Year(p.a.)	8.743	8.861	8.945	8.909	8.941	+0.032
	On-shore	6MTH(p.a.)	0.603	0.595	0.622	0.652	0.670	+0.019
	USD	1Year(p.a.)	0.749	0.813	0.870	0.871	0.902	+0.031
Equity	Bovespa Index		113,282.70	113,583.00	110,123.90	111,106.80	110,979.10	-127.70
CDS	CDS Brazil 5y		201.29	203.69	208.00	207.69	207.940	+0.25
Commodity	CRB Index		225.311	228.242	228.592	227.153	228.922	+1.77

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 5.4152 still pausing the sell-off mood with US Congress agreement to avoid the government shutdown because of the debt ceiling. Here, the market keeps an eye on the unemployment rate and the quarterly inflation report to find clues for the next steps of the monetary policy. USDBRL moved to the highest level at 5.3688. The better than expected unemployment rate sustained the positive behavior in the beginning of the morning session, but US treasury yields started to go up after GDP figures in the US. USDBRL reached the lowest level at 5.4755 when the Central Bank stepped in. The monetary authority placed USD 500 million of FX swap and USDBRL closed at 5.4430.
- Average unemployment rate decreased to 13.7% in May–July 2021 period. The employed population is at 89.0 million, increasing by 8.6% compared to the May–July 2020 period, and the unemployed population at 14.1 million increased by 7.3%. We expect the unemployment rate to continue falling until the end of this year. We expect unemployment rate might reach levels around 13.5% and 13.0%, respectively, for the 3rd and 4th quarters. The average unemployment rate in 2021 might be at 13.8%.
- The tone of the Quarterly Inflation Report was quite similar to the Copom minutes and communiqué. In such context, we keep our expectation of 100 bps rate hike to 7.25% in October and 75 bps in December, so the Selic policy rate would end the year at 8.00%. We also consider a final 50 bps hike in February 2022 to 8.50% and the maintenance at this level for the remaining of 2022. Of course, we can't rule out a tighter monetary policy should inflation forecasts continue to deteriorate and the shocks don't dissipate.

September 30, 2021



Banco MUFG Brasil S.A.

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

DISCLAIMER

The information herein is provided for information purposes only, and is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Neither this nor any other communication prepared by Banco MUFG Brasil S.A. and/or MUFG Bank, Ltd. (herein jointly as “MUFG”) is or should be construed as investment advice, a recommendation to enter into a particular transaction or pursue a particular strategy, or any statement as to the likelihood that a particular transaction or strategy will be effective in light of your business objectives or operations. Before entering into any particular transaction, you are advised to obtain such independent financial, legal, accounting and other advice as may be appropriate under the circumstances. In any event, any decision to enter into a transaction will be yours alone, not based on information prepared or provided by MUFG. MUFG hereby disclaims any responsibility to you concerning the characterization or identification of terms, conditions, and legal or accounting or other issues or risks that may arise in connection with any particular transaction or business strategy. Note that MUFG may have issued, and may in the future issue, other reports that are inconsistent with or that reach conclusions different from the information set forth herein. Such other reports, if any, reflect the different assumptions, views and/or analytical methods of the advisors who prepared them, and MUFG is under no obligation to ensure that such other reports are brought to your attention. MUFG retains copyright to this report and no part of this report may be reproduced or re distributed without the written permission of MUFG expressly prohibits the distribution or re-distribution of this report to any parties, via the Internet or otherwise and MUFG, its head office, branches, subsidiaries or affiliates accepts no liability whatsoever to any third parties resulting from such distribution or re-distribution.

Mitsubishi UFJ Financial Group, Inc. is one of the world’s leading financial groups. Headquartered in Tokyo (Japan) and with over 360 years of history, MUFG has a global network with over 1,800 locations in more than 50 countries. The Group has over 150,000 employees and offers services including commercial banking, investment banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

Banco MUFG Brasil S.A.

Av. Paulista, 1.274

São Paulo - SP - Brazil

Ombudsman Toll-free (and DDG): 0800 770 4060

Email: ouvidoria@br.mufg.jp

© 2019 Banco MUFG S.A. All rights reserved. The MUFG logo and name is a service mark of Mitsubishi UFJ Financial Group, Inc., and is used by Banco MUFG S.A. with permission