


Banco MUFG Brasil S.A.

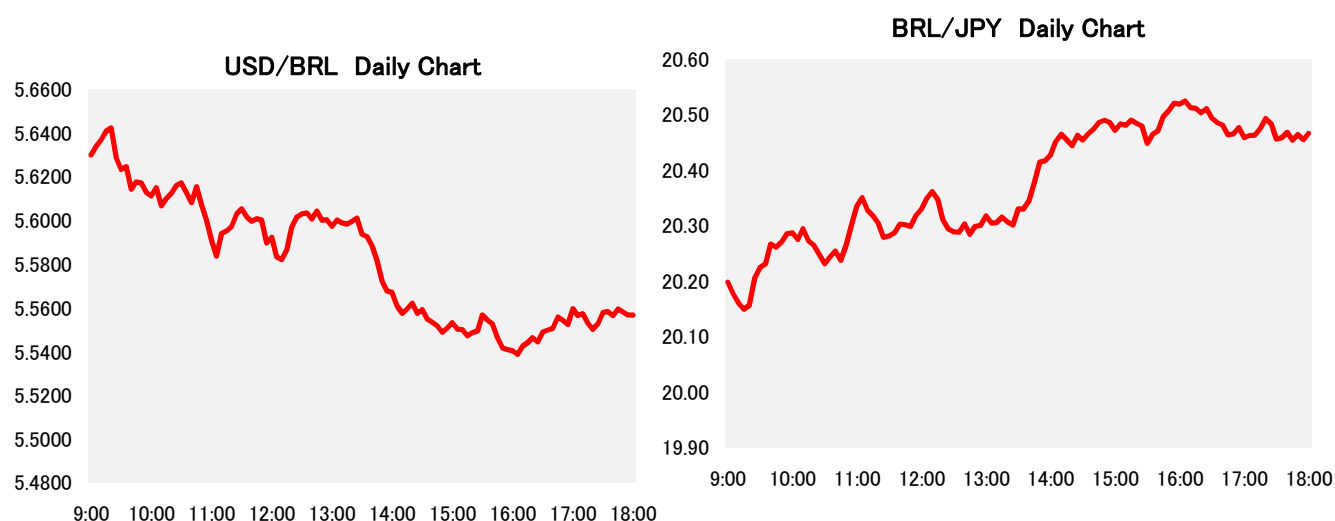
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			19-Oct	20-Oct	21-Oct	22-Oct	25-Oct	Net Chg
FX	USD/BRL	Spot	5.5850	5.5980	5.6610	5.6500	5.5570	-0.0930
	BRL/JPY	Spot	20.480	20.420	20.14	20.09	20.47	+0.38
	EUR/USD	Spot	1.1634	1.1650	1.1624	1.1645	1.1609	-0.0036
	USD/JPY	Spot	114.35	114.28	114.00	113.50	113.71	+0.21
Rates	Brazil DI	6MTH(p.a.)	8.687	8.950	9.230	9.314	9.548	+0.234
	Future	1Year(p.a.)	9.678	9.954	10.330	10.668	10.930	+0.262
	On-shore	6MTH(p.a.)	0.757	0.782	0.835	0.856	0.844	-0.012
	USD	1Year(p.a.)	0.983	1.008	1.061	1.128	1.099	-0.028
Equity	Bovespa Index		110,672.80	110,786.40	107,735.00	106,296.20	108,714.60	+2,418.40
CDS	CDS Brazil 5y		210.79	215.50	228.16	239.85	230.480	-9.37
Commodity	CRB Index		238.253	240.351	236.597	237.678	240.584	+2.91

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 5.6445 with market abroad on sidelines, although oil prices are going up. This was also the lowest level rate. Here, investors still digest the changes in the fiscal policy, the support of president Bolsonaro to finance minister Paulo Guedes and the replacements made in the economic team, all of it ahead of court-ordered payment constitutional amendment to be voted at the Lower House this week. BRL is benefitted also by the expectation that Central Bank are going to speed the tightening cycle, raising the Selic policy rate by 125 or 150 bps from 100 bps in its last decision. USDBRL moves to the highest level at 5.5379, outperforming its peers today, but not compensating the weakening of last week. USDBRL closed at 5.5570.
- The recent changes in the fiscal policy prompted market to revise strongly the macroeconomic scenario according to the Focus weekly survey. Inflation was revised up to 8.96% from 8.69% for 2021 and to 4.40% from 4.18% for 2022. GDP growth was ticked down to 4.97% from 5.01% for 2021 and to 1.40% from 1.50% for 2022. FX rate to the end of both 2021 and 2022 are expected at a more depreciated level: for both, to 5.45 from 5.25. The Selic policy rate was adjusted to 8.75% from 8.25% to the end of 2021 and to 9.50% from 8.75% to the end of 2022.

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