


Banco MUFG Brasil S.A.

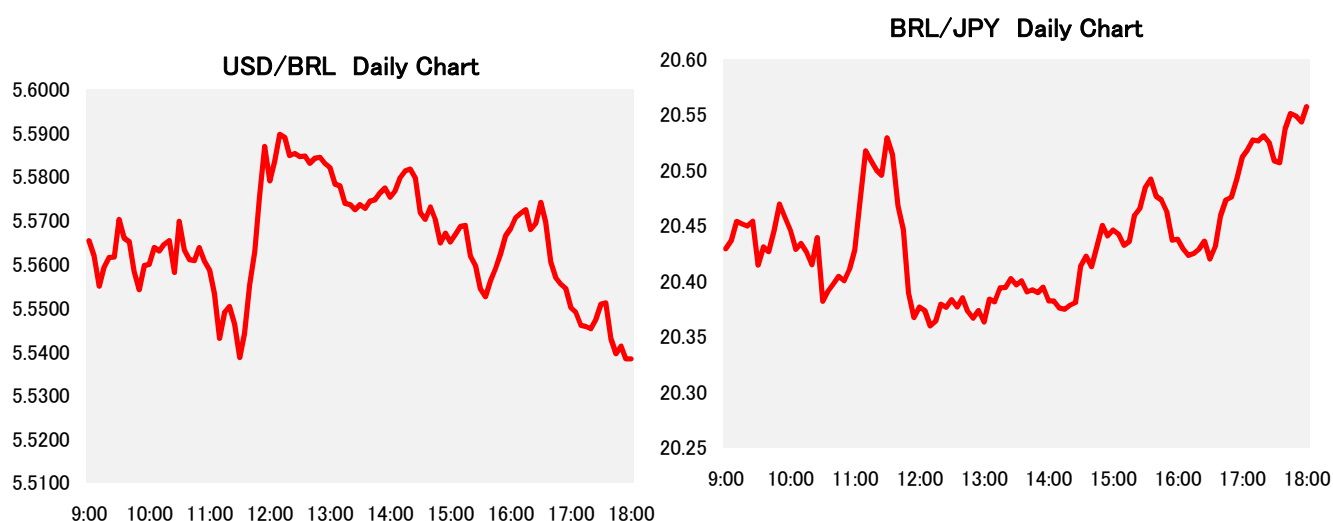
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			21-Oct	22-Oct	25-Oct	26-Oct	27-Oct	Net Chg
FX	USD/BRL	Spot	5.6610	5.6500	5.5570	5.5670	5.5380	-0.0290
	BRL/JPY	Spot	20.140	20.090	20.47	20.51	20.56	+0.05
	EUR/USD	Spot	1.1624	1.1645	1.1609	1.1593	1.1603	+0.0010
	USD/JPY	Spot	114.00	113.50	113.71	114.15	113.84	-0.31
Rates	Brazil DI	6MTH(p.a.)	9.230	9.314	9.548	9.806	10.064	+0.258
	Future	1Year(p.a.)	10.330	10.668	10.930	11.398	11.350	-0.049
	On-shore	6MTH(p.a.)	0.835	0.856	0.844	0.825	0.823	-0.003
	USD	1Year(p.a.)	1.061	1.128	1.099	1.091	1.068	-0.024
Equity	Bovespa Index		107,735.00	106,296.20	108,714.60	106,419.50	106,363.10	-56.40
CDS	CDS Brazil 5y		228.16	239.85	230.48	229.24	232.120	+2.88
Commodity	CRB Index		236.597	237.678	240.584	241.184	238.949	-2.24

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 5.5685 amid a negative external environment ahead of the Copom decision today and keeping an eye on the precatório constitutional amendment to be voted at the floor of the Lower House today. During the morning session the BRL appreciated slightly, oscillating in a narrow range. USDBRL moved to the level at 5.5373. By the end of the morning session, USD strengthened abroad after the Bank of Canada announced the end of monetary stimulus and be ready to start raising the policy rate by April. USDBRL reached the lowest level at 5.5914. In the afternoon session, USDBRL appreciated expecting a hawkish Central Bank speeding up the Selic rate. USDBRL moved to the highest level at 5.5371 and it closed at 5.5380.
- The Central Bank increased the Selic policy rate by 150 bps to 7.75% and delivered a more hawkish communiqué, indicating that the Selic policy rate might reach higher levels. We revised our scenario and we are working with the end of the tightening cycle at 10.25%.
- 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 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%.

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