


Banco MUFG Brasil S.A.

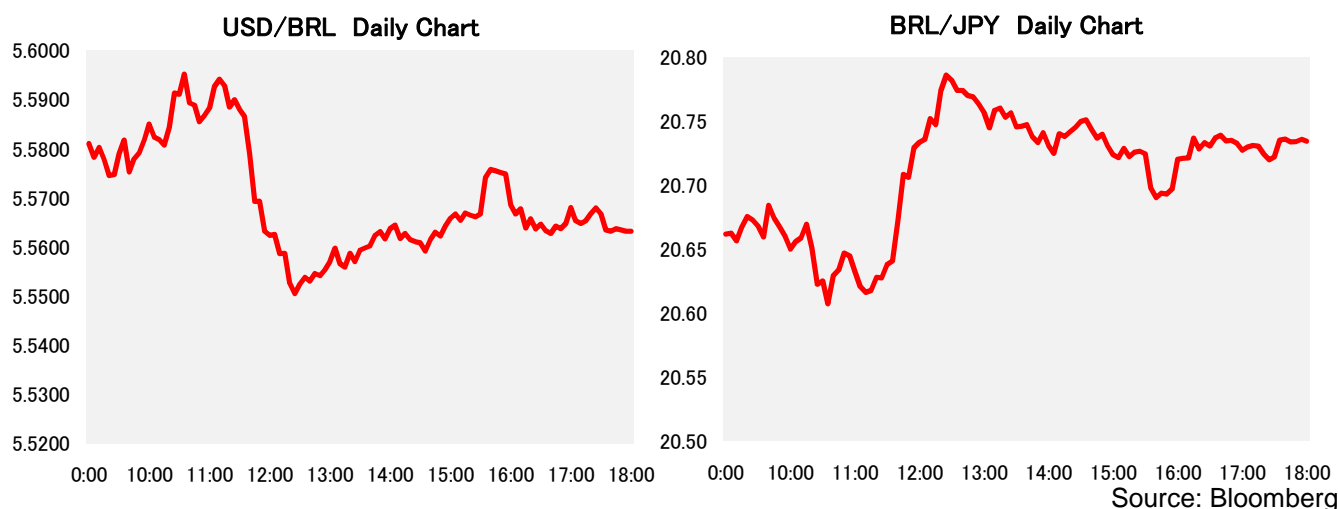
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			19-Nov	22-Nov	23-Nov	24-Nov	25-Nov	Net Chg
FX	USD/BRL	Spot	5.6100	5.5970	5.5910	5.6010	5.5630	-0.0380
	BRL/JPY	Spot	20.321	20.525	20.59	20.59	20.73	+0.14
	EUR/USD	Spot	1.1290	1.1240	1.1250	1.1200	1.1210	+0.0010
	USD/JPY	Spot	113.99	114.87	115.16	115.39	115.37	-0.02
Rates	Brazil DI	6MTH(p.a.)	10.816	11.038	11.058	10.999	10.947	-0.052
	Future	1Year(p.a.)	11.921	12.213	12.153	12.053	11.973	-0.080
	On-shore	6MTH(p.a.)	0.952	0.947	0.945	0.934	0.832	-0.103
	USD	1Year(p.a.)	1.024	1.052	1.075	1.100	1.053	-0.047
Equity	Bovespa Index		103,087.30	102,269.10	103,436.90	104,415.80	105,811.30	+1,395.50
CDS	CDS Brazil 5y		240.31	243.70	249.42	252.04	250.120	-1.92
Commodity	CRB Index		235.023	235.258	238.137	238.375	238.375	u.c.

Source: Bloomberg

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


2. Topics

- USDBRL opened at 5.5913 reacting to the dovish speech made by the Central Bank governor yesterday and ahead of the IPCA-15. The market will keep an eye on the fiscal issue being discussed at the Congress in a day of low liquidity as of the Thanksgiving holiday in the USA. This low liquidity brought some volatility and USDBRL moved to the lowest level at 5.5982. But, it predominated the better mood and USDBRL move to the highest level at 5.5490. USDBRL closed at 5.5630.
- IPCA-15 posted +1.17% in November. In the last 12 months, inflation accumulated +10.73%. The inflation in November was pressured by all of the 9 categories. IPCA in the whole 2021 might accumulate around 10.2%. The largest inflation pressures are comprised by food, fuel and electricity, thus being more related to cost than demand pressure. For 2022, we project lower inflation, but inflation composition might change, with more concerns related to the industrial goods prices and services inflation with the reopening of the economy.
- In October, the current account (CA) posted a deficit of USD 4.5 billion. The Foreign Direct Investment (FDI) amounted to USD 2.5 billion. In the last 12 months, CA deficit and FDI accumulated USD 26.7 billion and USD 49.2 billion, respectively. Partial figures in November up to 22nd show net inflow of USD 21 million in stocks and investment funds and net inflows of USD 897 million in debt securities. The sharp increase of Selic policy rate already implemented and expected for the coming months turn Brazilian bonds more attractive to foreign investors, although part of the attractiveness might be inhibited by the expectation of weaker BRL during next year.

November 25, 2021



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