


Banco MUFG Brasil S.A.

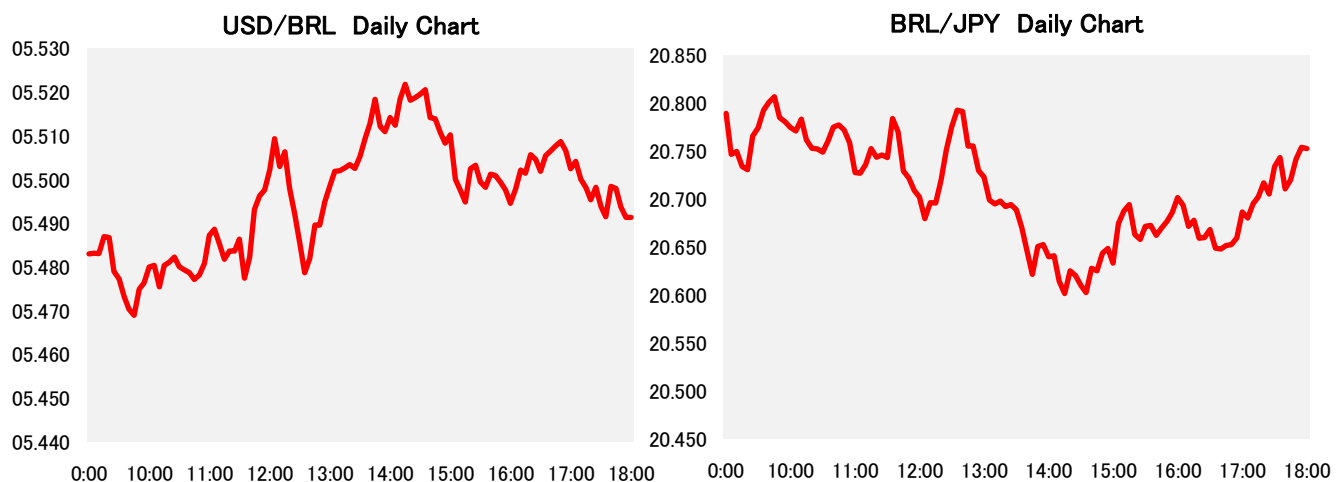
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			18-Jan	19-Jan	20-Jan	21-Jan	24-Jan	Net Chg
FX	USD/BRL	Spot	5.5680	5.4460	5.4370	5.4510	5.4910	+0.0400
	BRL/JPY	Spot	20.579	20.982	21.03	20.84	20.75	-0.09
	EUR/USD	Spot	1.1320	1.1350	1.1310	1.1340	1.1320	-0.0020
	USD/JPY	Spot	114.62	114.27	114.21	113.68	113.98	+0.30
Rates	Brazil DI	6MTH(p.a.)	11.617	11.628	11.595	11.616	11.612	-0.004
	Future	1Year(p.a.)	12.086	12.040	11.915	11.883	11.816	-0.067
	On-shore	6MTH(p.a.)	0.992	1.023	1.059	1.024	1.070	+0.047
	USD	1Year(p.a.)	1.343	1.413	1.410	1.370	1.377	+0.007
Equity	Bovespa Index		106,560.70	108,106.60	109,090.90	108,996.10	107,917.60	-1,078.50
CDS	CDS Brazil 5y		226.98	221.45	217.29	220.78	228.570	+7.79
Commodity	CRB Index		247.067	249.932	250.006	248.479	245.593	-2.89

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 the highest level at 4.4605 ahead of the FOMC meeting this Wednesday and keeping an eye on the fiscal risk given the pressures for public servant wages' readjustments and constitutional amendment that would reduce tax on fuels, a fiscal impact of around BRL 65 billion for the federal government. But, the opening was driven by the escalating tension between Russia and Ukraine, hitting EM currencies. It sparked a risk-off mood that made USDBRL move to the lowest level at 5.5240. Tension receded a bit and the FX rate closed at 5.4910.
- The latest Focus weekly survey made small adjustments in the macroeconomic scenario. The median of market expectation for 2022 IPCA inflation was revised up to 5.15% from 5.09%, but it was maintained at 3.40% for 2023. The GDP growth was kept at 0.29% for 2022 and cut to 1.69% from 1.75% for 2023. The FX rate to the end of 2022 remained at 5.60, while the figure to the end of 2023 was revised to 5.50 from 5.46. The forecast for the Selic policy rate was kept at 11.75% to the end of 2022 and at 8.00% to the end of 2023.

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