


Banco MUFG Brasil S.A.

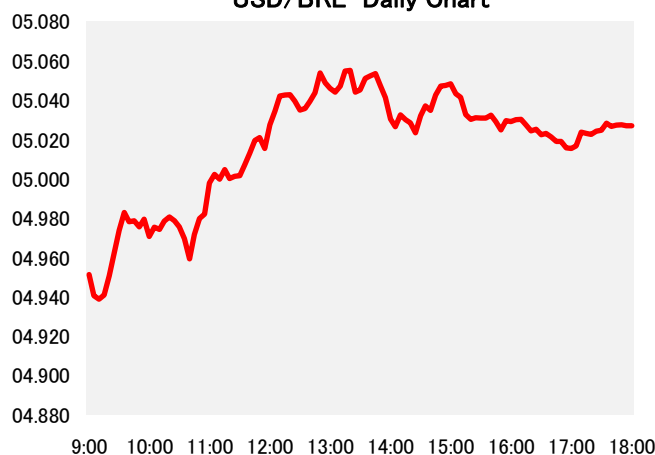
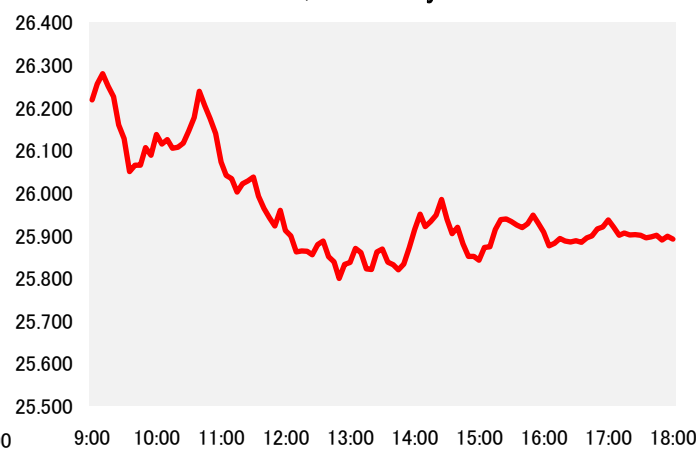
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

| | | | 29-Apr | 2-May | 3-May | 4-May | 5-May | Net Chg |
|------------------|----------------------|-------------|------------|------------|------------|------------|-------------------|-----------|
| FX | USD/BRL | Spot | 4.9720 | 5.0860 | 4.9620 | 4.9200 | 5.0270 | +0.1070 |
| | BRL/JPY | Spot | 26.12 | 25.58 | 26.21 | 26.24 | 25.89 | -0.35 |
| | EUR/USD | Spot | 1.0540 | 1.0500 | 1.0520 | 1.0620 | 1.0540 | -0.0080 |
| | USD/JPY | Spot | 129.75 | 130.15 | 130.13 | 129.09 | 130.21 | +1.12 |
| Rates | Brazil DI | 6MTH(p.a.) | 13.012 | 13.035 | 13.079 | 12.985 | 13.177 | +0.192 |
| | Future | 1Year(p.a.) | 13.007 | 13.060 | 13.105 | 12.947 | 13.177 | +0.230 |
| | On-shore | 6MTH(p.a.) | 2.137 | 2.183 | 2.184 | 2.123 | 2.236 | +0.113 |
| | USD | 1Year(p.a.) | 2.900 | 2.960 | 3.008 | 2.964 | 3.105 | +0.140 |
| Equity | Bovespa Index | | 107,876.16 | 106,638.64 | 106,528.09 | 108,343.74 | 105,304.19 | -3,039.55 |
| CDS | CDS Brazil 5y | | 231.98 | 237.51 | 231.43 | 226.53 | 230.18 | +3.65 |
| Commodity | CRB Index | | 308.271 | 309.161 | 306.783 | 314.267 | 313.865 | -0.40 |

Source: Bloomberg

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

USD/BRL Daily Chart

BRL/JPY Daily Chart


Source: Bloomberg

2. Topics

- USDBRL opened at 4.9514 and BRL weakened today in the wake of stronger Dollar abroad. Markets reacted to the sharp contraction of PMI composite in China that dropped to 37.2 points in April being the second lowest level in the time series, only better than the February 2020 level. Such negative data impacts negatively global economic growth path through lower demand for commodities and industrial supply disruptions. Additionally, markets reacted differently to the FOMC decision yesterday, and now weigh more on the expectation of further rate hikes in the next meetings that increases attractiveness of treasuries yields. Markets also assess that FOMC will need to deliver several hikes in order to curb inflationary pressures in the US, and such scenario might also hit global economic growth pace. Some players fears a scenario of stagflation, and such sentiment sparked a global risk-off mood today.
- The Bank of England (BoE) increased its policy rate by 25bps to 1%. However, GBP and EUR weakened versus USD amid market assessment that both BoE and ECB are behind the curve compared to the more hawkish FOMC stance.
- On the local side, markets keep reacting to the Copom decision yesterday. Among economists, there is a consensus that Central Bank will hike Selic rate in June (doubts about whether it will be 50bps or 75bps increase), with the door open for additional rate hike in the following meeting. Median of market expectation for Selic rate might move up to levels between 13.5% and 13.75%
- USDBRL reached the highest at 4.9390 and the lowest at 5.0553 ending up today's session at 5.0271



May 5, 2022

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