


Banco MUFG Brasil S.A.

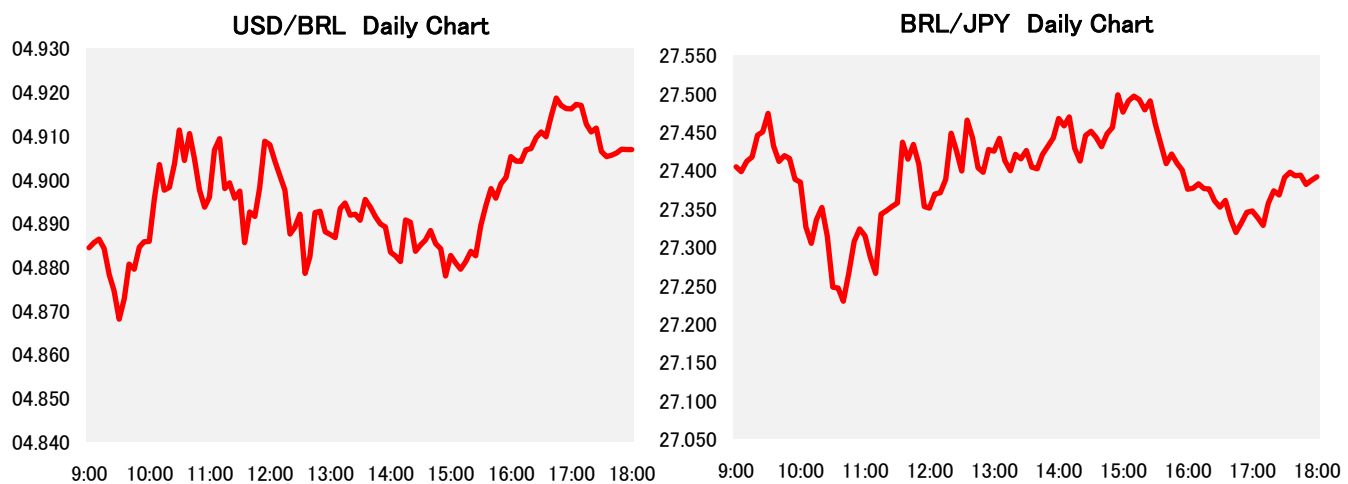
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			3-Jun	6-Jun	7-Jun	8-Jun	9-Jun	Net Chg
FX	USD/BRL	Spot	4.7750	4.7940	4.8710	4.8990	4.9070	+0.0080
	BRL/JPY	Spot	27.39	27.50	27.22	27.40	27.39	-0.01
	EUR/USD	Spot	1.0720	1.0700	1.0710	1.0720	1.0620	-0.0100
	USD/JPY	Spot	130.87	131.88	132.61	134.15	134.35	+0.20
Rates	Brazil DI	6MTH(p.a.)	13.411	13.424	13.454	13.461	13.355	-0.106
	Future	1Year(p.a.)	13.467	13.496	13.528	13.553	13.335	-0.218
	On-shore	6MTH(p.a.)	2.737	2.853	2.809	2.807	2.807	+0.000
	USD	1Year(p.a.)	3.471	3.599	3.559	3.605	3.613	+0.008
Equity	Bovespa Index		111,102.32	110,185.91	110,069.76	108,367.67	107,093.71	-1,273.96
CDS	CDS Brazil 5y		236.10	239.66	241.89	245.83	252.50	+6.67
Commodity	CRB Index		323.273	326.817	327.108	329.131	329.590	+0.46

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 4.9004 driven by the expectation of IPCA inflation index, Eletrobras privatization and the vote of the bill that creates a cap for the ICMS tax on several services. USDBRL moved to the highest level at 4.8674 after the favorable IPCA reading and ECB decision. The European Central Bank kept the policy rate but it signalled a 25bps hike in its next meeting, smaller than expected by the market. However, the concern on global growth after ECB signalled the beginning of the tightening cycle and the new lockdowns in China impacted EM currencies. USDBRL moved to around 4.90 level. After some volatility, USD gained some ground ahead of CPI in the US to be released tomorrow. USDBRL reached the lowest level at 4.9198. It closed at 4.9070.
- IPCA posted +0.47% in May. In the last 12 months, inflation accumulated +11.73%, reducing from the peak of +12.13%. In June, IPCA might post +0.60% once the positive impact of the green flag is over. The discussions to reduce taxes on several services might reduce inflation by 2.5 to 3.0 percentage points depending on how these measures will be approved by the congress and the degree of repass of the lower tax collection to the price to the final consumer. It puts a downward bias on our call of IPCA at 9.2% this year.



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