


**Banco MUFG Brasil S.A.**

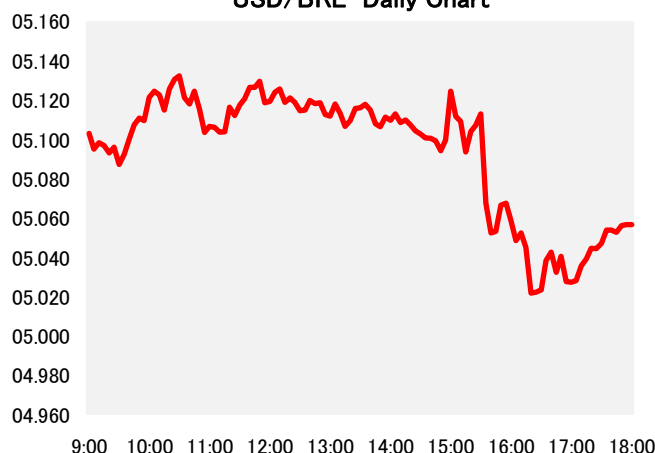
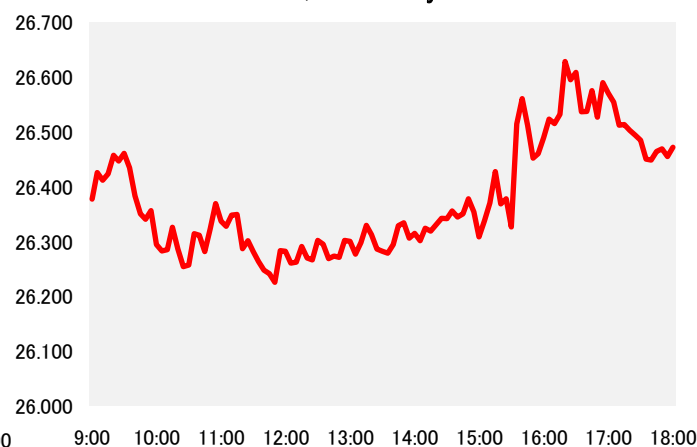
Treasury & Markets  
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**1. Market Rates**

			9-Jun	10-Jun	13-Jun	14-Jun	15-Jun	Net Chg
<b>FX</b>	USD/BRL	Spot	4.9070	4.9870	5.1170	5.1170	<b>5.0570</b>	-0.0600
	BRL/JPY	Spot	27.39	26.96	26.28	26.47	<b>26.47</b>	+0.00
	EUR/USD	Spot	1.0620	1.0520	1.0410	1.0410	<b>1.0450</b>	+0.0040
	USD/JPY	Spot	134.35	134.42	134.47	135.46	<b>133.77</b>	-1.69
<b>Rates</b>	Brazil DI	6MTH(p.a.)	13.355	13.360	13.563	13.645	<b>13.530</b>	-0.115
	Future	1Year(p.a.)	13.335	13.345	13.644	13.863	<b>13.636</b>	-0.226
	On-shore	6MTH(p.a.)	2.807	2.999	3.261	3.468	<b>3.477</b>	+0.009
	USD	1Year(p.a.)	3.613	3.837	4.194	4.426	<b>4.315</b>	-0.111
<b>Equity</b>	<b>Bovespa Index</b>		107,093.71	105,481.23	102,598.18	102,063.25	<b>102,806.82</b>	+743.57
<b>CDS</b>	<b>CDS Brazil 5y</b>		252.50	259.52	273.59	279.69	<b>269.44</b>	-10.25
<b>Commodity</b>	<b>CRB Index</b>		329.590	325.809	321.442	315.672	<b>314.792</b>	-0.88

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 5.1172 ahead of FOMC and Copom decisions. Initially, USDBRL reached to around 5.09, but it soon reversed to the lowest level at 5.1330. It was a session of high volatility on speculation of FED actions. Market priced 75bps hike, but discussion about 50bps or 75bps brought a lot of volatility until FOMC decision. The FED confirmed the 75bps hike, but the volatility didn't finish. USDBRL appreciated to the highest level at 5.0789, but it soon reversed close to the lowest level. The FED dot plot and the interview of chairman Powell fed this volatility. During the interview, Powell said this 75bps hike can't be considered as usual, so he delivered a dovish speech that impacted positively on EM currencies. USDBRL moved to the highest level at 5.0197 and it closed at 5.0570.
- The Central Bank increased the Selic policy rate by 50bps to 13.25% and it indicated another hike in August. We are now expecting a final hike of 25bps to 13.50% and the maintenance at this peak at least until the end of the first half. So, the Selic policy rate would end at 13.50% in 2022 and 11.50% in 2023.
- S&P reaffirmed Brazil's sovereign rating at BB- with stable outlook. We expect that Moody's and Fitch might also keep their assessment on Brazil. In fact, we don't expect any change before the election is over and the elected president disclose in more detail his economic plan



June 15, 2022

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