


Banco MUFG Brasil S.A.

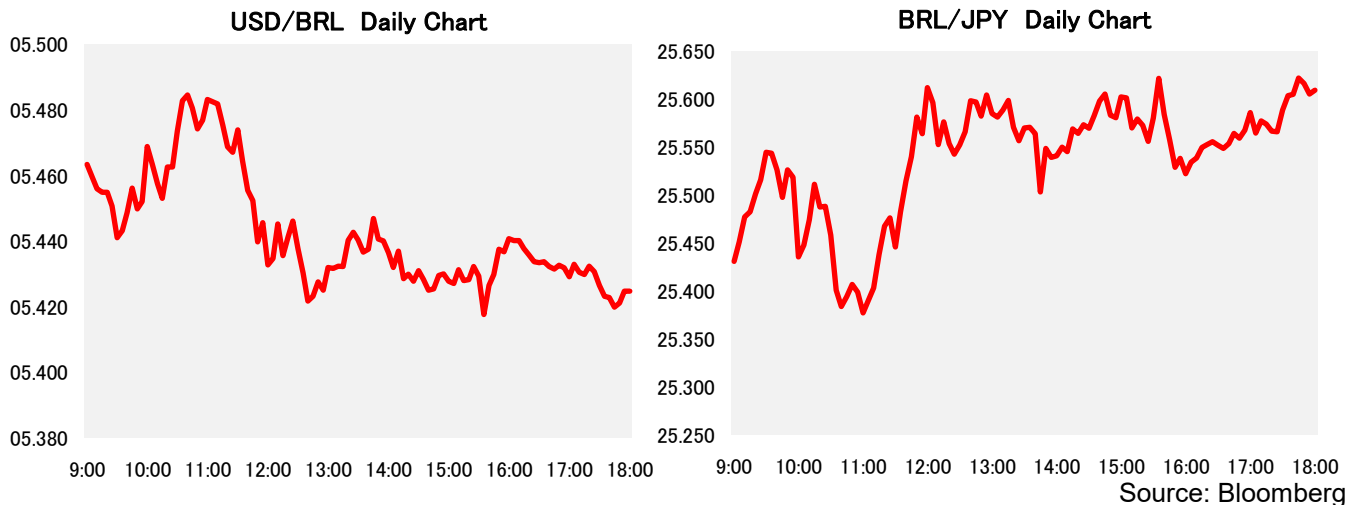
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			8-Jul	11-Jul	12-Jul	13-Jul	14-Jul	Net Chg
FX	USD/BRL	Spot	5.2560	5.3780	5.4390	5.3920	5.4250	+0.0330
	BRL/JPY	Spot	25.86	25.56	25.17	25.48	25.61	+0.13
	EUR/USD	Spot	1.0190	1.0040	1.0040	1.0060	1.0020	-0.0040
	USD/JPY	Spot	136.09	137.44	136.87	137.36	138.97	+1.61
Rates	Brazil DI	6MTH(p.a.)	13.802	13.911	13.871	13.904	13.940	+0.036
	Future	1Year(p.a.)	14.900	14.138	14.003	14.042	14.092	+0.050
	On-shore	6MTH(p.a.)	3.649	3.721	3.729	3.957	3.920	-0.037
	USD	1Year(p.a.)	4.294	4.281	4.251	4.427	4.440	+0.014
Equity	Bovespa Index		100,288.94	98,212.46	98,271.21	97,881.16	96,120.85	-1,760.31
CDS	CDS Brazil 5y		294.34	302.22	313.87	322.07	332.56	+10.49
Commodity	CRB Index		287.753	287.777	276.014	277.935	273.261	-4.67

Source: Bloomberg

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


2. Topics

- USDBRL opened at 5.4046 still affected by the rising inflation in the USA and lockdowns in China. In this scenario, USD strengthen abroad and commodity prices retract. Here, the market keep an eye on the conclusion of the vote on the Constitutional Amendment that increases public expenditures above the spending cap. Economic activity figure release didn't make price in the FX market. USDBRL moved to the lowest level at 5.4888 driven by the bearish external environment. FED members Christopher Waller and James Bullard defended a 75bps hike for the FED fund rate, what relieved a bit market that was considering the possibility of 100bps. USDBRL moved away from the lows and reached the highest level at 5.3989. It closed at 5.4250.
- In May, the IBC-BR (economic activity index) decreased 0.11% versus the previous month, seasonally adjusted. This result came after Industrial Production print of +0.3%, Broad Retail Sales +0.2% and Services +0.9%. In June we expect some stability of economic activity amid an equilibrium between positive and negative drivers. And we also keep our expectation of a weaker performance in the second half of this year, once the combination of high annual inflation, increasing interest rates with Selic policy rate reaching 13.75% in August and fragile labor market recovery will weigh negatively on activity and surpassing the impact of fiscal measures approved by the Congress, especially the higher value of "Auxílio-Brasil" social program.



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