


Banco MUFG Brasil S.A.

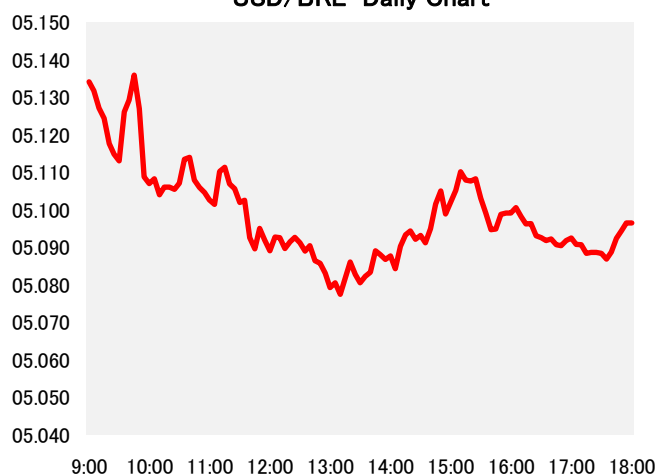
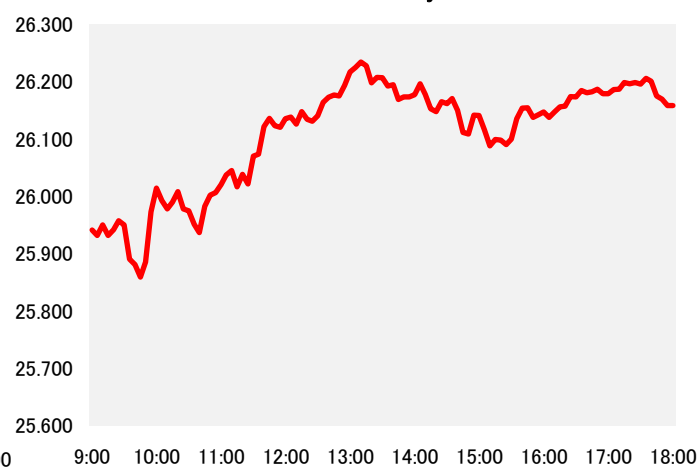
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			9-Aug	10-Aug	11-Aug	12-Aug	15-Aug	Net Chg
FX	USD/BRL	Spot	5.1260	5.0920	5.1570	5.0729	5.0970	+0.0241
	BRL/JPY	Spot	26.35	26.09	25.79	26.32	26.16	-0.16
	EUR/USD	Spot	1.0210	1.0300	1.0320	1.0260	1.0160	-0.0100
	USD/JPY	Spot	135.10	132.94	133.04	133.50	133.34	-0.16
Rates	Brazil DI	6MTH(p.a.)	13.726	13.719	13.708	13.695	13.695	+0.000
	Future	1Year(p.a.)	13.488	13.441	13.435	13.377	13.354	-0.024
	On-shore	6MTH(p.a.)	4.310	4.252	4.204	4.088	4.110	+0.022
	USD	1Year(p.a.)	4.703	4.670	4.619	4.543	4.523	-0.020
Equity	Bovespa Index		108,651.05	110,235.76	109,717.94	112,764.26	113,031.98	+267.72
CDS	CDS Brazil 5y		270.28	255.62	254.86	247.36	244.33	-3.03
Commodity	CRB Index		284.545	289.273	295.058	293.477	289.542	-3.94

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 5.0735. During the morning session, market reacted to the worse-than-expected activity data in China released last weekend. Industrial Production, Retail Sales and Fixed Investments disappointed in July, and commodities prices decreased. PBoC announced interest rate cuts by 10basis points. In the United States, confidence index of construction companies also came worse than expectation in August. Such round of negative data abroad sparked risk aversion mood, which led to USD appreciation abroad. USDBRL reached the lowest at 5.1360
- But after some hours of trading session, markets adjusted and USDBRL reached the highest at 5.0775. On the local side, IBC-BR economic activity index grew by 0.69% versus the previous month, seasonally adjusted, coming better than the median of market expectation of +0.38%. And it grew 0.57% in the second quarter versus the first one. Petrobrás announced another fuel prices cut. Gasoline prices was reduced by BRL 0.18 at refineries to BRL 3.53 per liter from previous 3.71. If such reduction is totally transferred to consumer prices, then it might reduce IPCA by extra 30bps, and our IPCA projection might reduce to 6.7% from 7.0%.
- USDBRL ended today's session at 5.0965
- The FOCUS weekly survey showed some finetune adjustments on inflation and activity. The median of market expectation for inflation moved down to 7.02% from 7.11% for 2022 and it was revised slightly up to 5.38% from 5.36% for 2023. The GDP expectation was ticked up to 2.00% from 1.98% for 2022 and to 0.41% from 0.40% for 2023. The FX and Selic policy rates were maintained for the end of both 2022 and 2023. The FX rate at 5.20 and also 5.20, showing stability, and the Selic rate at 13.75% and 11.00%.



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