


**Banco MUFG Brasil S.A.**

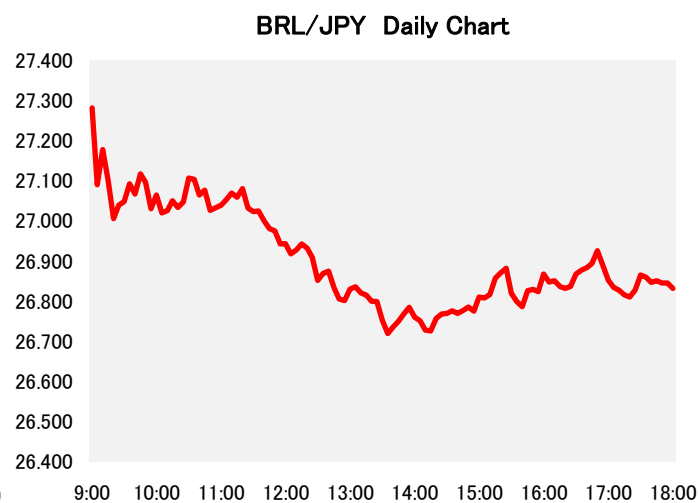
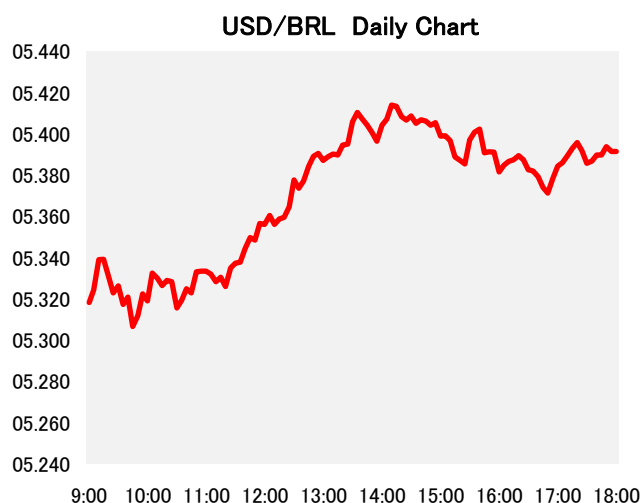
Treasury & Markets  
Av. Paulista, 1274 – Bela Vista  
São Paulo, SP – 01310-925

**1. Market Rates**

			20-Sep	21-Sep	22-Sep	23-Sep	26-Sep	Net Chg
FX	USD/BRL	Spot	5.1430	5.1730	5.1160	5.2630	<b>5.3920</b>	+0.1290
	BRL/JPY	Spot	27.95	27.85	27.83	27.25	<b>26.83</b>	-0.42
	EUR/USD	Spot	0.9970	0.9840	0.9840	0.9690	<b>0.9610</b>	-0.0080
	USD/JPY	Spot	143.74	144.05	142.37	143.33	<b>144.66</b>	+1.33
Rates	Brazil DI	6MTH(p.a.)	13.783	13.774	13.684	13.689	<b>13.717</b>	+0.028
	Future	1Year(p.a.)	13.549	13.502	13.211	13.228	<b>13.324</b>	+0.096
	On-shore	6MTH(p.a.)	5.202	5.236	5.285	5.255	<b>5.285</b>	+0.029
	USD	1Year(p.a.)	5.522	5.567	5.622	5.664	<b>5.689</b>	+0.025
Equity	Bovespa Index		112,516.91	111,935.86	114,070.48	111,716.00	<b>109,114.16</b>	-2,601.84
CDS	CDS Brazil 5y		265.76	266.33	270.58	284.24	<b>298.18</b>	+13.94
Commodity	CRB Index		279.540	278.228	277.846	268.474	<b>264.301</b>	-4.17

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 the highest level of 5.2734 amid a risk-off mood with market concerned about the need of stronger interest rate hikes by FED and other Central Banks as of the high inflation. At the same time the tax relief in UK may aggravate the crisis in UK. Additionally, the chances of former president Lula winning already in the first raise further concerns on the fiscal imbalance once the political capital would be higher and he would try to make a looser fiscal policy. USDBRL reached the lowest level at 5.4158. USDBRL closed at 5.3920.
- In July, the current account (CA) posted a deficit of USD 4.1 billion and the Foreign Direct Investment (FDI) amounted to USD 7.7 billion. In the last 12 months, CA deficit and FDI accumulated USD 36.6 billion and USD 65.6 billion, respectively. We expect current account deficit of USD 25 billion for this whole year, being small for Brazilian standards, and in such case easily financed by FDI that we expect to accumulate USD 65 billion.
- Few changes in the market forecast according to the Focus weekly survey. Inflation was revised down for both 2022 and 2023. Inflation is expected to close at 5.88% in 2022 from previous forecast of 6.00%, while the expectation for 2023 moved to 5.00% from 5.01%. GDP growth was revised up for the 13th week in a row to 2022 to 2.67% from 2.66%, while it was kept at 0.50% for 2023. No changes for the Selic and FX rates. The former one at 13.75% and 11.25 to the end of both 2022 and 2023, while the latter at 5.20 and also 5.20 for the same period.

September 26, 2022



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Banco MUFG Brasil S.A.  
Av. Paulista, 1.274  
São Paulo - SP - Brazil  
Ombudsman Toll-free (and DDG): 0800 770 4060  
Email: [ouvidoria@br.mufg.jp](mailto:ouvidoria@br.mufg.jp)

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