


Banco MUFG Brasil S.A.

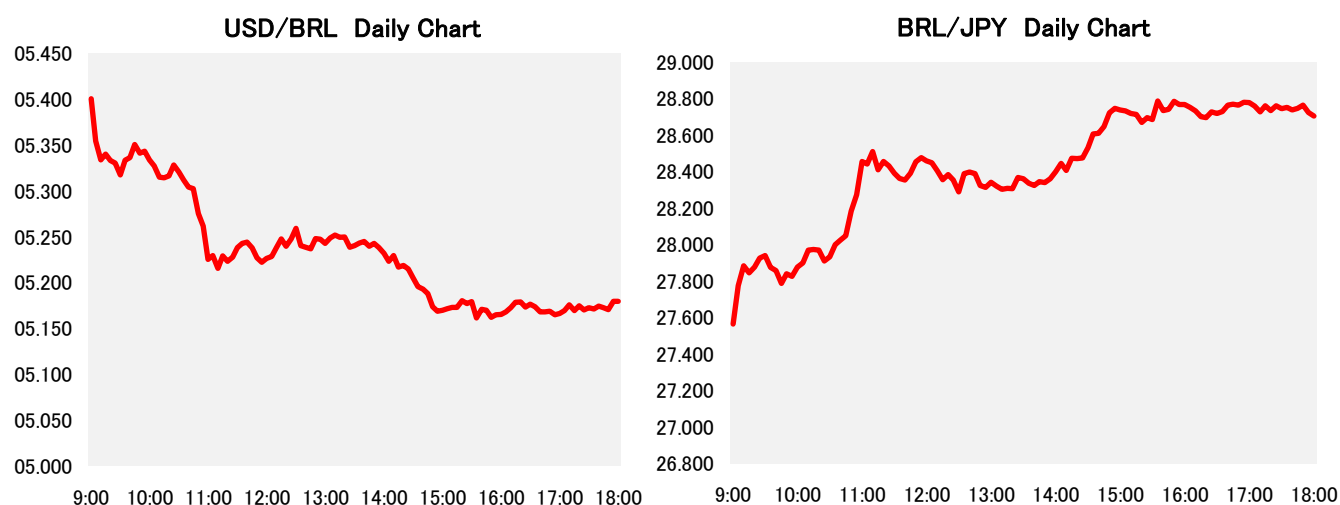
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
São Paulo, SP – 01310-925

1. Market Rates

			25-Oct	26-Oct	27-Oct	28-Oct	31-Oct	Net Chg
FX	USD/BRL	Spot	5.3160	5.3820	5.3430	5.2970	5.1800	-0.1170
	BRL/JPY	Spot	27.82	27.19	27.40	27.76	28.70	+0.95
	EUR/USD	Spot	0.9970	1.0080	0.9970	0.9970	0.9880	-0.0090
	USD/JPY	Spot	147.97	146.38	146.29	147.48	148.67	+1.19
Rates	Brazil DI	6MTH(p.a.)	13.673	13.688	13.694	13.698	13.684	-0.013
	Future	1Year(p.a.)	13.175	13.206	13.190	13.175	13.140	-0.034
	On-shore	6MTH(p.a.)	5.921	5.942	5.879	5.425	5.901	+0.476
	USD	1Year(p.a.)	6.136	6.170	6.078	6.176	6.223	+0.047
Equity	Bovespa Index		114,625.59	112,763.79	114,640.76	114,539.05	116,037.08	+1,498.03
CDS	CDS Brazil 5y		377.34	287.20	284.83	282.29	279.42	-2.87
Commodity	CRB Index		273.992	277.345	276.807	272.625	274.132	+1.51

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 5.3665 amid negative reaction of some Brazilian assets that would be harmed by the election of former president Lula, as well as the negative environment abroad ahead of FED decision on Wednesday. USDBRL soon reached the lowest level at 5.4031. Along the day and after a market adjustment after the election outcome, the concerns about fiscal slippage reduced given the new composition of the congress that might avoid the reversion of reforms and the approval of unsustainable policies. USDBRL reached the highest level at 5.1553 and it closed at 5.1800.
- On Oct 30th, the former president Lula was elected president for a 4-year mandate (2023–2026). It will be his third mandate, once he served two previous mandate: 2003–2010. The election was tighter than expected as the margin was just 1.8 percentage points, the smallest since the first election in 1989 after the military regime.
- Just a few slight adjustment on the macroeconomic figures according to the Focus weekly survey. The median of market expectation for 2022 inflation improved to 5.61% from 5.60% and it was kept at 4.94% for 2023. The GDP expectation was maintained at 2.76% for 2022 and adjusted to 0.64% from 0.63% for 2023. Once again, no changes in the forecasts for both the FX and Selic rates. Regarding the FX rate, estimates are of 5.20 and also 5.20 to the end of both 2022 and 2023, while the expectation for the Selic policy rate is at 13.75% and 11.25% to the same period.

October 31, 2022



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