


Banco MUFG Brasil S.A.

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

			7-Nov	8-Nov	9-Nov	10-Nov	11-Nov	Net Chg
FX	USD/BRL	Spot	5.1630	5.1480	5.1970	5.3810	5.3270	-0.0540
	BRL/JPY	Spot	28.40	28.29	28.19	26.28	26.02	-0.26
	EUR/USD	Spot	1.0020	1.0070	1.0010	1.0200	1.0360	+0.0160
	USD/JPY	Spot	146.60	145.62	146.52	141.00	138.65	-2.35
Rates	Brazil DI	6MTH(p.a.)	13.721	13.723	13.731	13.898	14.039	0.141
	Future	1Year(p.a.)	13.241	13.253	13.256	13.666	14.024	0.358
	On-shore	6MTH(p.a.)	6.357	6.360	6.447	6.245	6.192	-0.053
	USD	1Year(p.a.)	6.575	6.612	6.633	6.411	6.465	+0.054
Equity	Bovespa Index		115,335.55	116,212.98	113,580.09	109,339.43	112,341.37	+3,001.94
CDS	CDS Brazil 5y		260.30	261.70	271.46	276.00	276.00	u.c.
Commodity	CRB Index		286.916	284.047	279.778	282.117	285.788	+3.671

Source: Bloomberg

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

2. Weekly Topics

- USDBRL opened the week at 5.0568 keeping an eye on the candidates for key posts in the Lula administration and the proposal to change the 2023 federal budget and spend above the ceiling limit. USDBRL opened losing some ground given the different signs coming from abroad, but it reversed to the highest level at 5.0479 on the 07th with the expectation of a market friendly economic team to be nominated by the elected president. The midterm election in the USA on the 08th didn't impacted the market, but inflation figures in Brazil and in the USA did. The higher than expected IPCA made the interest rate curve to steepen, while the better than expected CPI in the USA made USD lose ground abroad, benefitting EM currencies. However, The fiscal concerns made USDBRL to depreciate detached from its peers once the especulated proposal of spending BRL 175 billion above the fiscal limit and putting social expenditures out of this limit permanently put doubts about public debt sustainability in the future. USDBRL reached the lowest level of 5.4110 and it closed at 5.3270.

3. Next Week's Topic
USD/BRL Next Week's Forecast & Range : 5.00 – 5.50

- The focus here will be on the transition group work, mainly the definition of the amount of expenditure above the spending cap that the elected president Lula intend to approve at the congress for 2023
- In Brazil, just activity indicator to be released before the Nov 15th holiday, while in the US a buchh of economic activity figures will be released

4. Next Week's Economic Indicators

Country	Date	Indicator	Term	Forecast	Previous
BZ	11/14	Economic Activity MoM	Sep	-0.15%	-1.13%
BZ	11/14	Economic Activity YoY	Sep	3.90%	4.86%
US	11/15	PPI Final Demand	Oct	0.50%	0.40%
US	11/15	Empire Manufacturing	Nov	-5.00%	-9.10%
US	11/16	Retail Sales Advance MoM	Oct	0.90%	0.00%
US	11/16	Industrial Production MoM	Oct	0.00%	0.40%
US	11/17	Initial Jobless Claims	Nov 12	221k	225K

Source: Bloomberg



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