


Banco MUFG Brasil S.A.

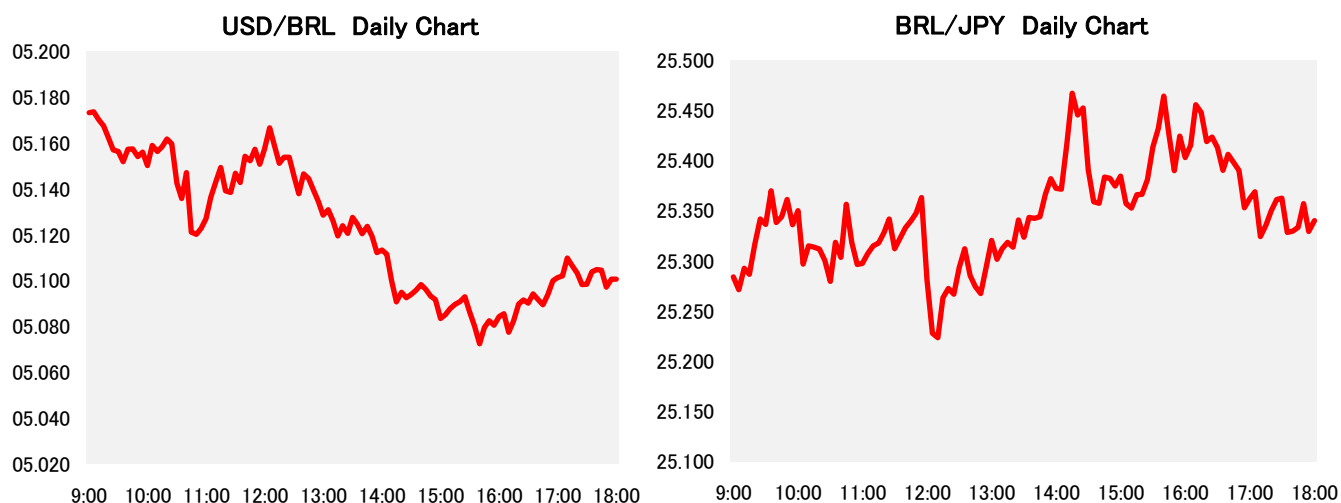
Treasury & Markets
Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			6-Jan	9-Jan	10-Jan	11-Jan	12-Jan	Net Chg
FX	USD/BRL	Spot	5.2260	5.2580	5.2040	5.1650	5.1010	-0.0640
	BRL/JPY	Spot	25.28	25.07	25.41	25.64	25.34	-0.30
	EUR/USD	Spot	1.0640	1.0740	1.0740	1.0760	1.0850	+0.0090
	USD/JPY	Spot	132.08	131.81	132.24	132.48	129.18	-3.30
Rates	Brazil DI	6MTH(p.a.)	13.745	13.721	13.738	13.715	13.729	+0.014
	Future	1Year(p.a.)	13.574	13.542	13.569	13.480	13.475	-0.005
	On-shore	6MTH(p.a.)	5.943	6.081	6.140	6.148	6.046	-0.102
	USD	1Year(p.a.)	6.257	6.257	6.319	6.280	6.215	-0.065
Equity	Bovespa Index		108,908.86	109,128.29	110,773.18	112,294.38	111,978.25	-316.13
CDS	CDS Brazil 5y		250.71	249.89	251.67	247.79	243.94	-3.85
Commodity	CRB Index		264.822	268.637	268.091	271.272	273.768	+2.50

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 5.1733 and BRL showed another session of sizeable strengthening, especially during the afternoon session. Abroad, Dollar has been weakening versus other currencies, today being influenced by the US CPI for Dec22. The headline figure at -0.1%MoM came slightly weaker than expectation (0%), whereas core CPI at +0.3% came in line with expectation. Anyway, such data increased market bets that FOMC might promote a more moderate rate hike in its next meeting. Emerging currencies continue benefitting from the optimism regarding the continuity of more flexible Covid policy in China that support commodities prices.
- On the local side, the Services activity or Nov22 remained stable (0.0%) versus the previous month, being the 2nd straight month without growth. Tomorrow morning the IBC-BR for Nov22 will be released and we expect 0.3% contraction versus the previous month.
- Markets also waited for the announcement of fiscal measures by the finance minister Haddad. He announced some tax recovery and debt relief measures, such as simplification of tax debt renegotiation of households and companies. He also commented that Treasury improved the estimates of revenues, and government aim to achieve primary deficit between 0.5% and 1% of GDP, thus better than market estimates of 1.7% to 2% deficit. But he didn't take a decision on the resumption of PIS/Cofins on fuels. Such decision will be taken after the president of Petrobras take office, and also depends on president Lula. The Planning minister Tebet commented about convergence on the views of ministers in the economic area.
- USDBRL reached the lowest at 5.1737, the highest at 5.0725 and ended up today's session at 5.1007

January 12, 2023



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