



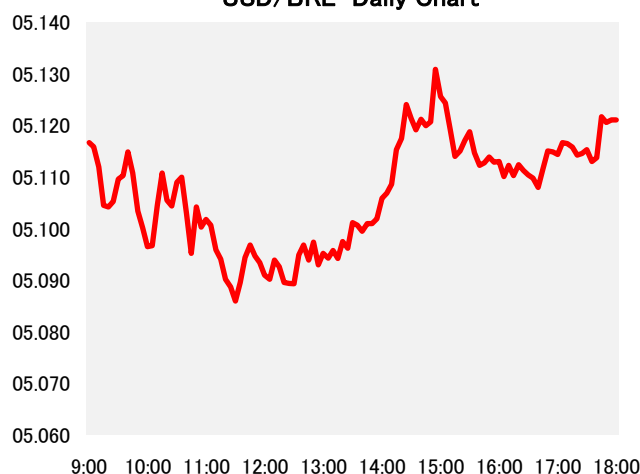
1. Market Rates

			23-Jan	24-Jan	26-Jan	27-Jan	30-Jan	Net Chg
FX	USD/BRL	Spot	5.1960	5.1420	5.0700	5.1090	5.1210	+0.0120
	BRL/JPY	Spot	25.14	25.32	25.68	25.42	25.48	+0.06
	EUR/USD	Spot	1.0870	1.0880	1.0890	1.0870	1.0850	-0.0020
	USD/JPY	Spot	130.67	130.17	130.26	129.88	130.46	+0.58
Rates	Brazil DI	6MTH(p.a.)	13.725	13.704	13.707	13.723	13.726	+0.003
	Future	1Year(p.a.)	13.516	13.430	13.437	13.503	13.489	-0.014
	On-shore	6MTH(p.a.)	6.210	6.082	5.983	5.949	6.027	+0.078
	USD	1Year(p.a.)	6.329	6.227	6.106	6.060	6.096	+0.036
Equity	Bovespa Index		111,873.54	113,028.15	114,278.84	112,316.16	112,273.01	-43.15
CDS	CDS Brazil 5y		248.68	243.66	240.99	235.05	236.93	+1.88
Commodity	CRB Index		280.250	277.966	279.550	277.665	274.428	-3.24

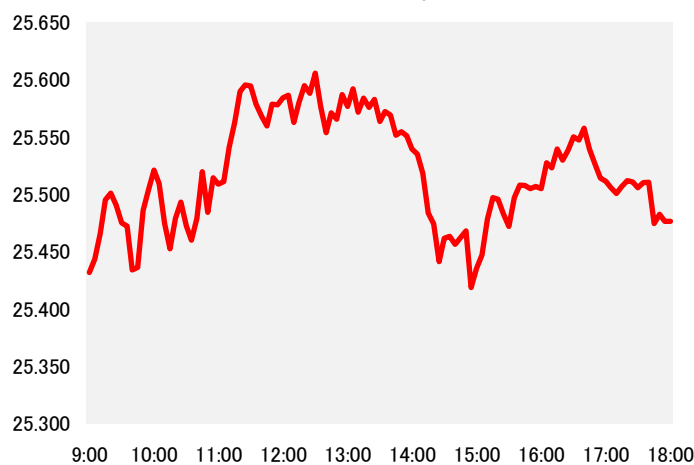
Source: Bloomberg

* 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 5.1167 reacting to deterioration of inflation expectations in the Focus weekly survey and monitoring the Finance minister Haddad that will have a meeting with Central Bank governor Roberto Campos. Initially, USDBRL moved to the highest level at 5.0839 driven by the carry-trade operations and reacting to the news that the government is not discussing the change of inflation target and also by the perspective of increasing federal taxes on fuels. In the beginning of the afternoon session, USDBRL reached the lowest level at 5.1328 driven by the deterioration of the external market and the statement of minister Haddad saying that the chose of Central bank deputy governors are a prerogative of the president Lula. Market worries the appointment dovish guys that would not fight inflation as the current Central Bank directboard. USDBRL closed at 5.1210.
- Market expectation for inflation deteriorated again: to 5.74% from 5.48% for 2023 and to 3.90% from 3.84% for 2024. The GDP forecast was ticked up to 0.80% from 0.79% for 2023 and it was kept at 1.50% for 2024. The FX rate was improved to 5.25 from 5.28 to the end of 2023 and maintained at 5.30 to the end of 2024. No change in the Selic policy rate: 12.50% and 9.50% to the end of both 2023 and 2024, respectively.

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