


Banco MUFG Brasil S.A.

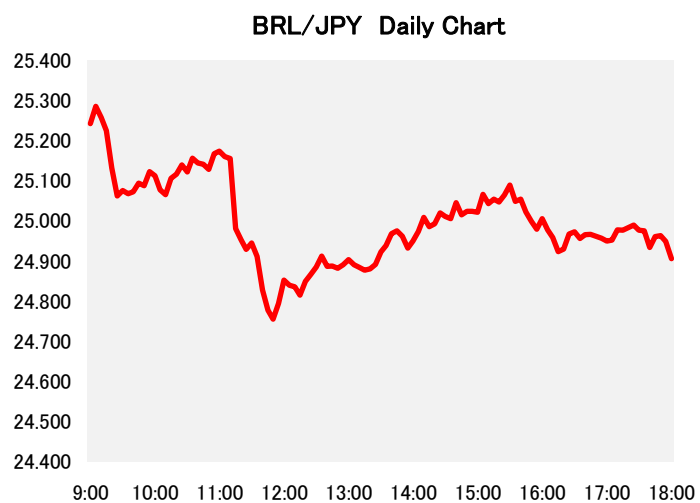
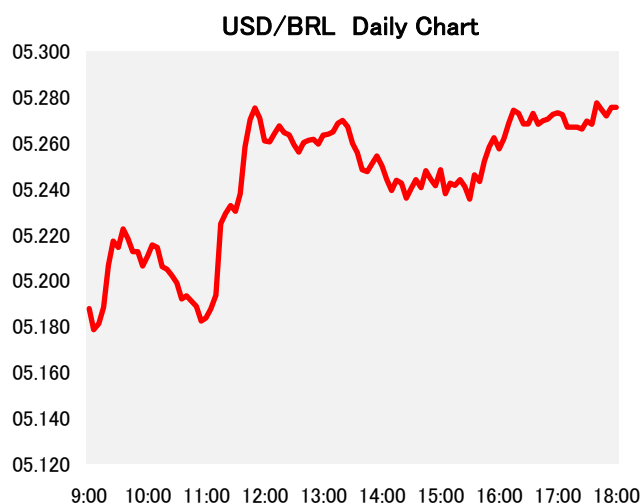
Treasury & Markets
 Av. Paulista, 1274 – Bela Vista
 São Paulo, SP – 01310-925

1. Market Rates

			3-Feb	6-Feb	7-Feb	8-Feb	9-Feb	Net Chg
FX	USD/BRL	Spot	5.1330	5.1510	5.2050	5.2010	5.2760	+0.0750
	BRL/JPY	Spot	25.52	25.74	25.17	25.28	24.91	-0.37
	EUR/USD	Spot	1.0800	1.0730	1.0720	1.0710	1.0730	+0.0020
	USD/JPY	Spot	131.18	132.61	131.11	131.45	131.62	+0.17
Rates	Brazil DI	6MTH(p.a.)	13.838	13.800	13.749	13.676	13.639	-0.037
	Future	1Year(p.a.)	13.792	13.743	13.638	13.406	13.366	-0.039
	On-shore	6MTH(p.a.)	6.044	6.130	6.046	5.975	5.989	+0.014
	USD	1Year(p.a.)	6.211	6.307	6.123	6.078	6.099	+0.021
Equity	Bovespa Index		108,645.30	108,702.87	107,827.67	109,707.75	108,027.07	-1,680.68
CDS	CDS Brazil 5y		224.77	232.05	230.15	232.64	236.23	+3.59
Commodity	CRB Index		266.194	266.215	270.794	270.937	270.482	-0.45

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 5.1970 ahead of IPCA and retail sales figures. There is some relief in the tension between the Executive and the Central Bank, but market continues monitoring. Abroad the market improves after the good balance sheets disclosed by several companies. Initially, driven by the favorable external environment, USDBRL moved to the highest level at 5.1735. However, when the news about government intention to anticipate the inflation target discussion popped up on the screen, the market reacted negatively. USDBRL reached the lowest level at 5.2780. Under this scenario of concerns of intervention on the monetary policy, USDBRL closed at 5.2760.
- IPCA posted +0.53% in January. In the last 12 months, inflation accumulated +5.77%. IPCA in February tends to be higher (we expect +0.75%) pressured by the readjustment of fuel prices reflecting the Petrobras' announcement of gasoline at the refineries on the 24th January, and the seasonal increase of tuition fees. Inflation in March might keep at high levels (our call is +0.80%) considering the resumption of PIS/Cofins tax on fuels. From April onwards, we expect more moderate inflation readings, accumulating 5.4% in this full year.
- In December, core retail sales decreased 2.6% whereas broad retail grew 0.4% versus the previous month, seasonally adjusted. In 2022, the core retail sales amounted to 1.0% and the broad retail retracted 0.6%. For this year, we expect the same divergent performance across segments. The segments more dependent on credit might keep facing difficulties in times of tight monetary policy and high household indebtedness. Conversely, those segments more linked to income might benefit from some further improvement on labor market conditions.



February 9, 2023

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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

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