



**Banco MUFG Brasil S.A.**

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

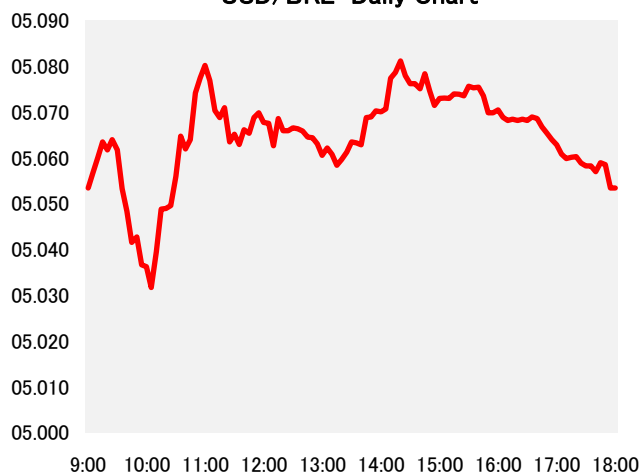
**1. Market Rates**

			18-Apr	19-Apr	20-Apr	24-Apr	25-Apr	Net Chg
FX	USD/BRL	Spot	4.9860	5.0750	5.0500	5.0370	<b>5.0530</b>	+0.0160
	BRL/JPY	Spot	26.90	26.54	26.59	26.65	<b>26.49</b>	-0.16
	EUR/USD	Spot	1.0970	1.0960	1.0970	1.1050	<b>1.0970</b>	-0.0080
	USD/JPY	Spot	134.12	134.74	134.24	134.21	<b>133.88</b>	-0.33
Rates	Brazil DI	6MTH(p.a.)	13.477	13.491	13.472	13.451	<b>13.430</b>	-0.021
	Future	1Year(p.a.)	12.814	12.864	12.765	12.721	<b>12.677</b>	-0.043
Equity	Bovespa Index		106,163.23	103,912.94	104,366.82	103,946.58	<b>103,220.09</b>	-726.49
CDS	CDS Brazil 5y		222.55	227.29	231.68	231.52	<b>233.18</b>	+1.66
Commodity	CRB Index		278.929	275.023	271.908	272.605	<b>268.782</b>	-3.82

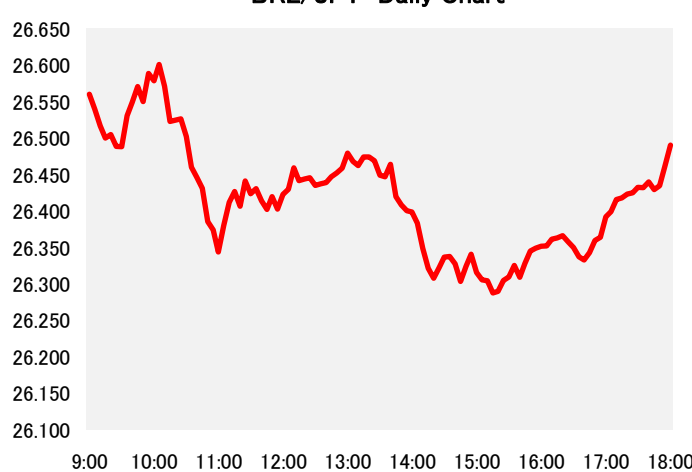
Source: Bloomberg

\* 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 5.0427 still affected by the uncertainty of Chinese demand affecting commodity currencies. Here, the markets focus on the testimony of the Central Bank governor Roberto Campos Neto at the Senate and ahead of the IPCA-15 inflation index to be released tomorrow. USDBRL moved to the highest level around 5.065. But, the hawkish speech delivered by Campos Neto made USDBRL erase all loses as it reinforces the scenario of not anticipating the beginning of the easing cycle, benefitting the inflow of USD through carry trade transactions. USDBRL reached the highest level at 5.0308. Afterwards, the external scenario deteriorated again after the drop of deposits of the First Republic Bank sparked again the concerns on a banking crisis. After some volatility, USDBRL reached the lowest level at 5.0829 and it closed at 5.0530.
- In February, core retail sales decreased 0.1% versus the previous month, seasonally adjusted, whereas broad retail grew 1.7%. We expect weaker retail sales performance ahead, especially on the segments more dependent on credit that might face difficulties as of the tight monetary policy and the high household indebtedness. Conversely, those segments more linked to income might benefit from some further improvement on labor market conditions and higher public expenditures on social programs.
- In March, the current account (CA) posted a surplus of USD 286 million and Foreign Direct Investment (FDI) amounted to USD 7.7 billion. The preliminary data in April up to 19th shows FDI at USD 2.9 billion, and inflow of portfolio capital at USD 1.2 billion. We keep our call for the FDI in this whole year at USD 80 billion, assuming the approval of a feasible fiscal framework and tax reform this year opening room for the expectation of better economic growth in the next years. Such high level of FDI coupled with the moderate current account deficit expected for this year (our current call is USD 45 billion) keep the solid stance of our external accounts.



April 25, 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](mailto:ouvidoria@br.mufg.jp)

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