



Banco MUFG Brasil S.A.

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

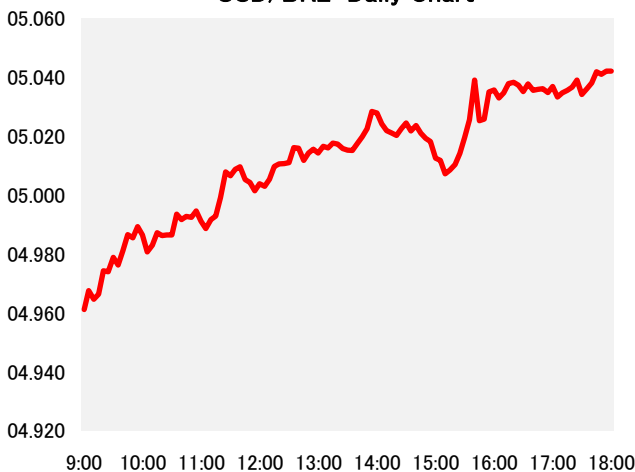
1. Market Rates

			19-May	22-May	23-May	24-May	25-May	Net Chg
FX	USD/BRL	Spot	4.9990	4.9680	4.9720	4.9600	5.0420	+0.0820
	BRL/JPY	Spot	27.59	27.90	27.87	28.13	27.80	-0.33
	EUR/USD	Spot	1.0810	1.0810	1.0770	1.0750	1.0730	-0.0020
	USD/JPY	Spot	137.89	138.60	138.59	139.42	140.07	+0.65
Rates	Brazil DI	6MTH(p.a.)	13.462	13.461	13.440	13.414	13.343	-0.070
	Future	1Year(p.a.)	12.642	12.657	12.625	12.577	12.431	-0.147
Equity	Bovespa Index		110,744.51	110,213.12	109,928.53	108,799.54	110,054.38	+1,254.84
CDS	CDS Brazil 5y		219.57	218.51	217.88	218.44	218.44	u.c.
Commodity	CRB Index		262.135	261.585	261.210	262.698	258.492	-4.21

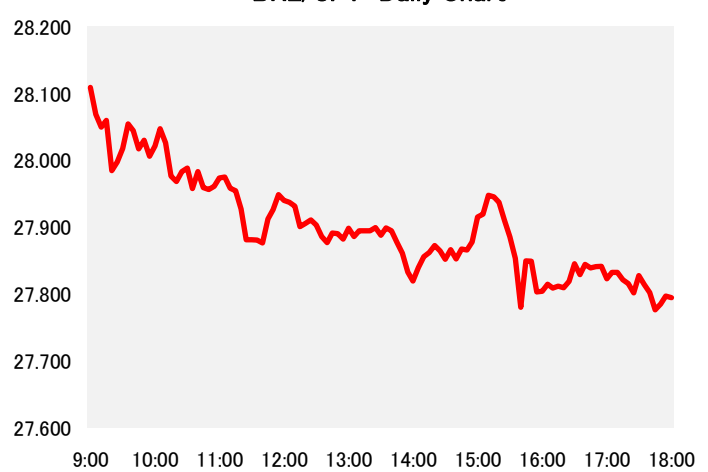
Source: Bloomberg

* 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 4.9605 ahead of IPCA-15 inflation reading, while assessing the political environment as lawmakers show signs that the approval of the fiscal framework by a largin margin doesn't mean a stable support of the government in the Congress. Abroad, there are cautious once a debt ceiling agrrement is not reached amid Firch outting AAA USA sovereign rating in negative credit watch. Concerns on Chinese growth remains, impacting on commodity currencies. USDBRL initially moved to the strongest level at 4.9479, bit beteer-than-expected GDP and Initial Jobless Claims reinforced the scenario that FED may raise FFR in June or July meeting, strenghtening USD. IPCA-15 posted lower-than-expected figure, but it didn't move the needle for the Central Bank anticipate the easing cycle of the monetary policy. However, futures market were pricing higher probability of the beginning of the easing cycle in September and today started to price it to August, meaning that the interest differential might start to shrink earlier. USDBRL breached the 5.00 level again, touched the weaker level at 5.0434 and it closed at 5.0420, being one of the worst RM currency today.
- IPCA-15 inflation posted +0.51% in May. In the last 12 months, inflation accumulated +4.07%. We expect IPCA in the full May at +0.30% being much lower than the IPCA-15 thanks to the reduction of fuel price at refineries announced by Petrobras and partially passing through gas stations. On the other hand, we might see further increase on food prices. We keep our forecast of IPCA at 6% in the full 2023.



May 25, 2023

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