


Banco MUFG Brasil S.A.

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

1. Market Rates

			18-Dec	19-Dec	20-Dec	21-Dec	22-Dec	Net Chg
FX	USD/BRL	Spot	4.9030	4.8650	4.9140	4.8810	4.8610	-0.0200
	BRL/JPY	Spot	29.15	29.58	29.28	29.14	29.31	+0.17
	EUR/USD	Spot	1.0920	1.0980	1.0940	1.1000	1.1010	+0.0010
	USD/JPY	Spot	142.91	143.88	143.69	142.24	142.48	+0.24
Rates	Brazil DI	6MTH(p.a.)	10.838	10.851	10.837	10.841	10.831	-0.010
	Future	1Year(p.a.)	10.101	10.096	10.087	10.093	10.075	-0.019
Equity	Bovespa Index		131,083.82	131,846.06	131,095.36	132,077.95	132,491.82	+413.87
CDS	CDS Brazil 5y		140.27	139.00	137.86	137.23	135.35	-1.88
Commodity	CRB Index		265.902	267.702	266.389	266.078	266.592	+0.514

Source: Bloomberg

* The rates above are end of the day market price/ rate and used for your reference only

2. Weekly Topics

- USDBRL opened the week at 4.9426 reassessing the optimistic scenario for FED rate cuts and ahead of Copom minutes to be released. USDBRL moved to the weakest level at 4.9511 on the 18th. the Copom minutes kept the same message of the statement released after the monetary policy decision . It kept the scenario of 50bps cut for the next meetings. The decision of BOJ to keep its dovish monetary policy improved the mood abroad. The combination of Copom message and the more favorable scenario for FED monetary policy keeps the carry trade transactions attractive, contributing for BRL appreciation. The decision of S&P to upgrade Brazil to BB didn't impact the market. Data in the USA like GDP and PCE reinforced the scenario of early interest cut in the USA. USDBRL reached the strongest level at 4.8491 on the 22nd and it closed at 4.8610.

3. Next Week's Topic
USD/BRL Next Week's Forecast & Range : 4.60 - 5.10

- Just a few indicators in the last week of 2023

4. Next Week's Economic Indicators

Country	Date	Indicator	Term	Forecast	Previous
BZ	28-Dec	IBGE Inflation IPCA-15 MoM	Dec	0.29%	0.33%
BZ	28-Dec	IBGE Inflation IPCA-15 YoY	Dec	4.60%	4.84%
US	28-Dec	Initial Jobless Claims	Dec 23		205k
BZ	29-Dec	National Unemployment Rate	Nov	7.60%	7.60%

Source: Bloomberg



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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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