


Banco MUFG Brasil S.A.

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

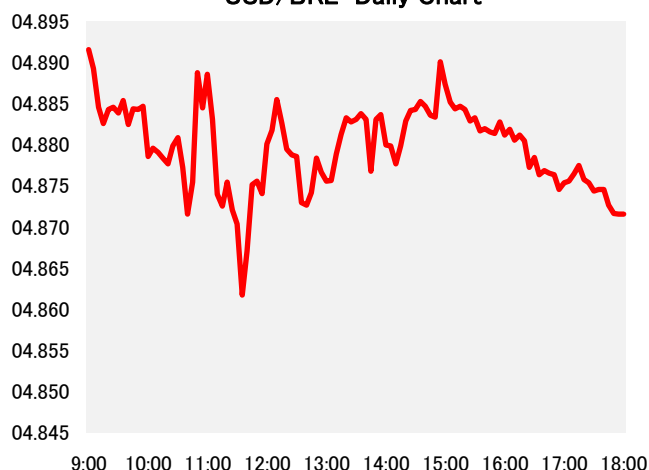
1. Market Rates

			5-Jan	8-Jan	9-Jan	10-Jan	11-Jan	Net Chg
FX	USD/BRL	Spot	4.8760	4.8750	4.9070	4.8930	4.8720	-0.0210
	BRL/JPY	Spot	29.68	29.57	29.47	29.80	29.84	+0.04
	EUR/USD	Spot	1.0940	1.0950	1.0930	1.0970	1.0970	u.c.
	USD/JPY	Spot	144.76	144.15	144.50	145.79	145.40	-0.39
Rates	Brazil DI	6MTH(p.a.)	10.704	10.712	10.708	10.700	10.690	-0.010
	Future	1Year(p.a.)	10.053	10.070	10.104	10.129	10.107	-0.022
Equity	Bovespa Index		131,832.06	132,460.20	131,420.87	130,804.11	130,732.94	-71.17
CDS	CDS Brazil 5y		141.46	138.93	137.59	132.52	131.83	-0.69
Commodity	CRB Index		265.912	261.649	264.686	262.313	264.097	+1.78

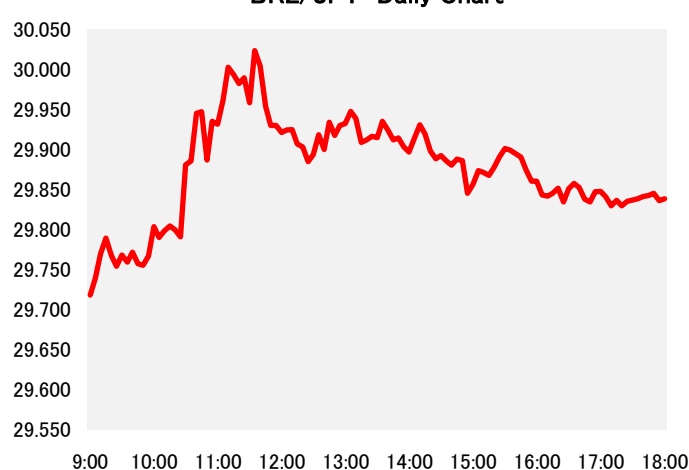
Source: Bloomberg

* 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 today's session at the weakest level of 4.8915 and BRL strengthened before the release of US CPI. The headline US inflation for Dec23 came at 0.3% slightly above 0.2%, but the core CPI at 0.3% came in line with expectation. Markets now reduced a bit their bets on the beginning of interest rate cut in Mar24, although this remains the majority of market view (about 60% chance). So, considering the proximity of monetary policy easing in the USA, dollar abroad lost additional strength.
- On the local side, IPCA posted +0.56%, coming above the median of market expectation (+0.49%). IPCA accumulated 4.62% in the full 2023, ending up last year slightly below the target ceiling of 4.75%, but above the midpoint target of 3.25%. Despite such slightly higher than expected inflation in December, the market expects IPCA at 3.9% for this year (our call is 3.5%), so keeping the expectation of Selic rate cuts during this year.
- USDBRL reached the strongest point at 4.8617, and ended up today's session at 4.8720



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