


Banco MUFG Brasil S.A.

Treasury & Markets
Av. Paulista, 1274 – Bela Vista
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1. Market Rates

			26-Feb	27-Feb	28-Feb	29-Feb	1-Mar	Net Chg
FX	USD/BRL	Spot	4.9810	4.9340	4.9710	4.9700	4.9550	-0.0150
	BRL/JPY	Spot	30.26	30.50	30.31	30.16	30.30	+0.14
	EUR/USD	Spot	1.0850	1.0850	1.0840	1.0810	1.0840	+0.0030
	USD/JPY	Spot	150.69	150.50	150.69	149.96	150.15	+0.19
Rates	Brazil DI	6MTH(p.a.)	10.305	10.271	10.273	10.261	10.244	-0.017
	Future	1Year(p.a.)	9.974	9.902	9.931	9.888	9.855	-0.033
Equity	Bovespa Index		129,609.05	131,652.39	130,151.88	129,044.46	129,180.37	+135.91
CDS	CDS Brazil 5y		126.37	128.70	129.10	127.86	127.19	-0.67
Commodity	CRB Index		273.636	276.494	275.271	275.077	277.109	+2.032

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 4.9858 ahead of a heavy week with several important economic data to be released along the week in Brazil and in the US. In February, IPCA-15 posted +0.78%, coming below the median of market expectation (+0.82%), but the good figure didn't make price as underline service prices continue to worry. After a long period, USDBRL behaved different from UST yields, gaining some momentum with the recovery of iron ore prices. USDBRL reached the strongest level at 4.9295 on the 27th. Along the week there was a political relief as president Lula revoked the bill regarding the payroll tax breaks that generated tension with congressmen and there were mixed results from the economic indicators released in the US. Indeed, GDP posted 3.2% annualized growth in the 4th quarter against an expectation of 3.3%, while PCE came in the other direction with 1.6% in the same period against expectation of 1.5%. USDBRL reached the weakest level at 4.9981 on the 29th before the release of PCE. Deflator PCE and its core came in line with market expectation what brought some relief. Consumer sentiment and manufacturing ISM completed the better picture. USDBRL closed at 4.9550.

3. Next Week's Topic
USD/BRL Next Week's Forecast & Range : 4.70 - 5.10

- It will be another heavy week in the US, with several labor market data that might impact on the bets on when FOMC will start cutting rates. In Brazil, activity and external sector data are the main releases

4. Next Week's Economic Indicators

Country	Date	Indicator	Term	Forecast	Previous
US	5-Mar	Durable Goods Orders	Jan F	-6.10%	-6.10%
BZ	6-Mar	Current Account Balance	Jan	-\$5350m	-\$5834m
BZ	6-Mar	Foreign Direct Investment	Jan	\$4000m	-\$389m
BZ	6-Mar	Industrial Production MoM	Jan	-1.90%	1.10%
BZ	6-Mar	Industrial Production YoY	Jan	2.60%	1.00%
US	6-Mar	ADP Employment Change	Feb	150k	107k
BZ	7-Mar	Net Debt % GDP	Jan	60.00%	60.80%
US	7-Mar	Initial Jobless Claims	Mar 2	218k	215k
US	8-Mar	Change in Nonfarm Payrolls	Feb	200k	353k
US	8-Mar	Unemployment Rate	Feb	3.70%	3.70%

Source: Bloomberg

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