



I. Open market and foreign exchange swap operations

In July, the Central Bank borrowed funds through security selling auctions with commitment of repurchase in three and six months. In the three-month operations settled over the month, the Central Bank sold NTN-B, LTN and NTN-F, in percentages of 41.1%, 38.5% and 20.3%, respectively. The financial volume of such long-term repurchase operations reached R\$22.4 billion and repurchases related to previous operations hit R\$21.3 billion, causing a monetary contraction of R\$1.0 billion. In the six-month operations settled over the month, the Central Bank sold NTN-F, NTN-B and LTN, in percentages of 45.5%, 27.6% and 26.9%, respectively. The financial volume of such long-term repurchase operations reached R\$12.2 billion and repurchases related to previous operations hit R\$16.4 billion, causing a monetary expansion of R\$4.2 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$66.4 billion on 6/30 to R\$67.3 billion on 7/31. In the same period, the average term to mature of such operations came from 33 to 31 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$93.2 billion on 6/30 to R\$87.1 billion on 7/31. In the same period, the average term to mature of such operations varied from 60 to 58 business days.

In managing short-term liquidity, the Central Bank borrowed funds overnight in all business days of the month. The average financial volume of these borrowing operations reached R\$157.3 billion at a maximum rate of 10.91% p.y. The Central Bank also held a borrowing intervention on 7/17 with term to mature of 35 business days and financial volume of R\$395.7 billion, at a maximum rate of 10.93% p.y.

On 7/22, standing facilities were accessed to borrow R\$110.0 million, at a rate of 10.10% p.y.

On every business day of the month, except on 7/4 and 7/9, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 75,000 contracts maturing on 2/2/2015, 59,150 contracts maturing on 5/4/2015, 9,000 contracts maturing on 6/1/2015 and 73,850 contracts maturing on 7/1/2015, totaling the equivalent of US\$10.9 billion. On the last day of the month, the foreign exchange swap net long position reached US\$92.8 billion.



II. Secondary market transactions with federal securities registered in Selic

In July, the volume of outright operations among market institutions with Selic-registered federal public securities decreased 10.9% as against the previous month, totaling R\$14.1 billion and 1,812 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 14.3% as against the previous month totaling R\$7.9 billion, or 56.0% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 1.1% as against June and was responsible for an average daily trade volume of R\$3.9 billion, equivalent to a 27.8% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 16.9% as against the previous month, totaling R\$2.3 billion, which was equivalent to a 16.2% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 4/1/2015, with a daily average of R\$1.2 billion, corresponding to 8.2% of the whole secondary market. Next in rank, came the LTN maturing on 10/1/2014, with a daily average of R\$1.1 billion, and the NTN-B maturing on 8/15/2016, with a daily average of R\$990.6 million. The security with the highest number of trades in the secondary market was the LFT due on 3/7/2015, with an average of 251 trades per day.

The daily average financial volume of forward operations decreased 12.8%, reaching R\$5.7 billion in July. On the segment of fixed-rate securities, forward negotiation fell 21.5% as against the previous month, reaching R\$3.3 billion. Transactions with inflation-linked securities raised 3.4% as against the previous month, totaling R\$2.4 billion. The NTN-B due on 8/15/2016 was the most transacted security, with a financial volume of R\$793.2 million and a share of 13.9% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$830.7 billion and 5,898 operations. Intraday repos recorded daily averages of R\$3.3 billion and 11 operations.

Overnight operations corresponded to 97.7% of total repurchase operations, recording daily averages of R\$811.9 billion and 5,776 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$626.3 million and 21 operations. Regarding those not allowing transaction of collateral, daily averages were R\$14.9 billion and 90 transactions.

The daily average of outright brokerage operations decreased 13.7% as against the previous month, to R\$5.1 billion. Their share of total outright operations changed from 37.0% to 35.9%. In July, the lowest traded volume was R\$889.7 million, on 7/9, and the highest, R\$12.4 billion, on 7/28.



Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$3.4 billion in June to R\$2.9 billion in July. The number of operations came from 80 to 71 per day on average. Their share of this segment fell from 37.2% to 37.0%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.3 billion, corresponding to 33.1% of the joint NTN-B and NTN-C market.

The NTN-B due on 8/15/2016, which recorded in July a daily average of R\$473.7 million in brokerage transactions, or 47.8% of its total outright operations, was the most traded security by brokers.

The financial volume of repurchase operations with brokers reached a daily average of R\$5.3 billion.