



I. Open market and foreign exchange swap operations

In October, 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 LTN, NTN-B and NTN-F, in percentages of 52.7%, 35.3% and 12.0%, respectively. The financial volume of such long-term repurchase operations reached R\$30.7 billion and repurchases related to previous operations hit R\$20.4 billion, causing a monetary contraction of R\$10.3 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-F and NTN-B, in percentages of 48.5%, 34.5% and 17.0%, respectively. The financial volume of such long-term repurchase operations reached R\$4.3 billion and repurchases related to previous operations hit R\$19.4 billion, causing a monetary expansion of R\$15.1 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$82.2 billion on 9/30 to R\$93.3 billion on 10/31. In the same period, the average term to mature of such operations came from 36 to 31 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$77.2 billion on 9/30 to R\$62.8 billion on 10/31. In the same period, the average term to mature of such operations varied from 62 to 60 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\$232.7 billion at a maximum rate of 10.91% p.y. until 10/29 and of 11.16% p.y. thereafter, when the target for the Selic rate was increased by 25 basis points. The Central Bank also held a borrowing intervention on 10/30 with term to mature of 25 business days and financial volume of R\$574.3 billion, at a maximum rate of 11.18% p.y.

Along the month, there were no standing facilities.

On every business day of the month, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 48,910 contracts maturing on 6/1/2015, 47,200 contracts maturing on 8/3/2015, 43,090 contracts maturing on 9/1/2015, 116,300 contracts maturing on 10/1/2015 and 12,500 contracts maturing on 12/1/2015, totaling the equivalent of US\$13.4 billion. On the last day of the month, the foreign exchange swap net long position reached US\$102.0 billion.



II. Secondary market transactions with federal securities registered in Selic

In October, the volume of outright operations among market institutions with Selic-registered federal public securities decreased 6.9% as against the previous month, totaling R\$16.8 billion and 2,227 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 9.1% as against the previous month totaling R\$8.6 billion, or 51.1% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 2.2% as against September and was responsible for an average daily trade volume of R\$5.1 billion, equivalent to a 30.7% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 7.9% as against the previous month, totaling R\$3.1 billion, which was equivalent to an 18.2% 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\$1.4 billion, corresponding to 8.2% of the whole secondary market. Next in rank, came the LTN maturing on 1/1/2015, with a daily average of R\$1.3 billion, and the NTN-B maturing on 8/15/2050, with a daily average of R\$932.6 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 346 trades per day.

The daily average financial volume of forward operations decreased 14.9%, reaching R\$6.4 billion in October. On the segment of fixed-rate securities, forward negotiation fell 23.6% as against the previous month, reaching R\$3.2 billion. Transactions with inflation-linked securities declined 3.9% as against the previous month, totaling R\$3.2 billion. The NTN-B due on 8/15/2050 was the most transacted security, with a financial volume of R\$547.3 million and a share of 8.6% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 5,876 operations. Intraday repos recorded daily averages of R\$3.9 billion and 14 operations.

Overnight operations corresponded to 98.8% of total repurchase operations, recording daily averages of R\$1.0 trillion and 5,802 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$404.0 million and 25 operations. Regarding those not allowing transaction of collateral, daily averages were R\$8.3 billion and 35 transactions.

The daily average of outright brokerage operations decreased 10.8% as against the previous month, to R\$5.8 billion. Their share of total outright operations changed from 36.4% to 34.9%. In October, the lowest traded volume was R\$4.0 billion, on 10/20, and the highest, R\$9.0 billion, on 10/1.



Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$3.6 billion in September to R\$3.0 billion in October. The number of operations came from 100 to 81 per day on average. Their share of this segment fell from 38.2% to 35.2%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.7 billion, corresponding to 33.0% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2015, which recorded in October a daily average of R\$447.9 million in brokerage transactions, or 32.7% 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\$5.1 billion.