



I. Open market and foreign exchange swap operations

In January, 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 42.4%, 39.5% and 18.1%, respectively. The financial volume of such long-term repurchase operations reached R\$36.4 billion and repurchases related to previous operations hit R\$31.1 billion, causing a monetary contraction of R\$5.3 billion. In the six-month operations settled over the month, the Central Bank sold NTN-F, LTN and NTN-B, in percentages of 46.1%, 42.6% and 11.3%, respectively. The financial volume of such long-term repurchase operations reached R\$7.1 billion and repurchases related to previous operations hit R\$12.5 billion, causing a monetary expansion of R\$5.4 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$99.8 billion on 12/31 to R\$105.2 billion on 1/30. In the same period, the average term to mature of such operations remained unchanged (30 business days). With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$69.2 billion on 12/31 to R\$63.1 billion on 1/30. In the same period, the average term to mature of such operations varied from 58 to 56 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\$179.4 billion at a maximum rate of 11.66% p.y. until 1/21 and of 12.16% p.y. thereafter, when the target for the Selic rate was increased by 50 basis points. The Central Bank also held a borrowing intervention on 1/22 with term to mature of 28 business days and financial volume of R\$615.5 billion, at a maximum rate of 12.18% p.y.

On 1/30 standing facilities were accessed to lend R\$156.5 million, at a rate of 12.95% p.y.

On every business day of the month, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 20,800 contracts maturing on 9/1/2015, 74,250 contracts maturing on 11/3/2015, 21,200 contracts maturing on 12/1/2015, 116,250 contracts maturing on 2/1/2016 and 9,500 contracts maturing on 4/1/2016, totaling the equivalent of US\$12.1 billion. On the last day of the month, the foreign exchange swap net long position reached US\$111.5 billion.



II. Secondary market transactions with federal securities registered in Selic

In January, the volume of outright operations among market institutions with Selic-registered federal public securities increased 7.0% as against the previous month, totaling R\$18.3 billion and 2,042 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 0.4% as against the previous month totaling R\$10.8 billion, or 59.3% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 10.4% as against December and was responsible for an average daily trade volume of R\$4.0 billion, equivalent to a 21.7% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 30.6% as against the previous month, totaling R\$3.5 billion, which was equivalent to a 19.0% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 1/1/2016, with a daily average of R\$1.6 billion, corresponding to 8.8% of the whole secondary market. Next in rank, came the LTN maturing on 4/1/2015 and on 7/1/2015, with daily averages of R\$1.5 billion and R\$1.2 billion, respectively. The security with the highest number of trades in the secondary market was the LFT due on 3/7/2015, with an average of 248 trades per day.

The daily average financial volume of forward operations increased 6.9%, reaching R\$7.4 billion in January. On the segment of fixed-rate securities, forward negotiation fell 0.7% as against the previous month, reaching R\$4.7 billion. Transactions with inflation-linked securities raised 23.1% as against the previous month, totaling R\$2.7 billion. The LTN due on 7/1/2018 was the most transacted security, with a financial volume of R\$644.5 million and a share of 8.7% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.1 trillion and 5,963 operations. Intraday repos recorded daily averages of R\$3.2 billion and 11 operations.

Overnight operations corresponded to 98.9% of total repurchase operations, recording daily averages of R\$1.0 trillion and 5,891 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$432.2 million and 23 operations. Regarding those not allowing transaction of collateral, daily averages were R\$8.3 billion and 37 transactions.

The daily average of outright brokerage operations increased 3.7% as against the previous month, to R\$6.5 billion. Their share of total outright operations changed from 36.6% to 35.5%. In January, the lowest traded volume was R\$2.1 billion, on 1/5, and the highest, R\$9.7 billion, on 1/19.



Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$3.9 billion in December to R\$3.8 billion in January. The number of operations came from 93 to 123 per day on average. Their share of this segment fell from 36.4% to 35.4%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.5 billion, corresponding to 37.8% of the joint NTN-B and NTN-C market.

The LTN due on 7/1/2018, which recorded in January a daily average of R\$592.8 million in brokerage transactions, or 61.3% 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\$5.5 billion.