



## **I. Open market and foreign exchange swap operations**

In February, 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 55.8%, 30.3% and 13.8%, respectively. The financial volume of such long-term repurchase operations reached R\$44.3 billion and repurchases related to previous operations hit R\$32.2 billion, causing a monetary contraction of R\$12.1 billion. In the six-month operations settled over the month, the Central Bank sold NTN-B, LTN and NTN-F, in percentages of 43.0%, 35.1% and 21.9%, respectively. The financial volume of such long-term repurchase operations reached R\$10.3 billion and repurchases related to previous operations hit R\$15.0 billion, causing a monetary expansion of R\$4.7 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$105.2 billion on 1/30 to R\$117.6 billion on 2/27. In the same period, the average term to mature of such operations came from 30 to 33 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$63.1 billion on 1/30 to R\$58.5 billion on 2/27. In the same period, the average term to mature of such operations varied from 56 to 63 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\$126.2 billion at a maximum rate of 12.16% p.y.

Along the month, there were no standing facilities.

On every business day of the month, except on 2/18, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 12,590 contracts maturing on 12/1/2015, 21,410 contracts maturing on 2/1/2016, 135,480 contracts maturing on 4/1/2016 and 72,520 contracts maturing on 6/1/2016, totaling the equivalent of US\$12.1 billion. On the last day of the month, the foreign exchange swap net long position reached US\$112.8 billion.



## **II. Secondary market transactions with federal securities registered in Selic**

In February, the volume of outright operations among market institutions with Selic-registered federal public securities decreased 0.7% as against the previous month, totaling R\$18.2 billion and 2,058 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 8.5% as against the previous month totaling R\$9.9 billion, or 54.7% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 29.9% as against January and was responsible for an average daily trade volume of R\$5.2 billion, equivalent to a 28.4% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 12.2% as against the previous month, totaling R\$3.0 billion, which was equivalent to a 16.8% 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\$1.5 billion, corresponding to 8.0% of the whole secondary market. Next in rank, came the NTN-F maturing on 1/1/2021, with a daily average of R\$1.1 billion, and the LTN maturing on 4/1/2016, with a daily average of R\$1.0 billion. The security with the highest number of trades in the secondary market was the LFT due on 3/7/2015, with an average of 208 trades per day.

The daily average financial volume of forward operations increased 6.0%, reaching R\$7.9 billion in February. On the segment of fixed-rate securities, forward negotiation fell 9.2% as against the previous month, reaching R\$4.3 billion. Transactions with inflation-linked securities raised 32.0% as against the previous month, totaling R\$3.6 billion. The NTN-B due on 8/15/2016 was the most transacted security, with a financial volume of R\$795.6 million and a share of 10.1% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,093 operations. Intraday repos recorded daily averages of R\$3.7 billion and 12 operations.

Overnight operations corresponded to 99.3% of total repurchase operations, recording daily averages of R\$1.0 trillion and 6,002 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$876.2 million and 40 operations. Regarding those not allowing transaction of collateral, daily averages were R\$2.2 billion and 39 transactions.

The daily average of outright brokerage operations decreased 7.7% as against the previous month, to R\$6.0 billion. Their share of total outright operations changed from 35.5% to 33.0%. In February, the lowest traded volume was R\$2.8 billion, on 2/19, and the highest, R\$8.9 billion, on 2/13.



Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$3.8 billion in January to R\$3.2 billion in February. The number of operations came from 123 to 84 per day on average. Their share of this segment fell from 35.4% to 32.5%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.6 billion, corresponding to 30.7% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2015, which recorded in February a daily average of R\$617.1 million in brokerage transactions, or 42.2% 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\$5.2 billion.