



## I. Open market and foreign exchange swap operations

In March, 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 45.1%, 39.5% and 15.4%, respectively. The financial volume of such long-term repurchase operations reached R\$47.7 billion and repurchases related to previous operations hit R\$36.8 billion, causing a monetary contraction of R\$10.9 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 41.4%, 35.5% and 23.1%, respectively. The financial volume of such long-term repurchase operations reached R\$20.9 billion and repurchases related to previous operations hit R\$12.1 billion, causing a monetary contraction of R\$8.9 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$117.6 billion on 2/27 to R\$129.7 billion on 3/31. In the same period, the average term to mature of such operations remained unchanged (33 business days). With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$58.5 billion on 2/27 to R\$68.0 billion on 3/31. In the same period, the average term to mature of such operations varied from 63 to 73 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\$109.1 billion at a maximum rate of 12.16% p.y. until 3/4 and of 12.65% p.y. or 12.66% 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 3/5 with term to mature of 38 business days and financial volume of R\$610.7 billion, at a maximum rate of 12.68% p.y.

On 3/10, 3/11 and 3/12, standing facilities were accessed to borrow R\$554.0 million, R\$522.0 million and R\$2.7 billion, respectively, at a rate of 11.85% p.y. On 3/13 standing facilities were accessed to lend R\$7.1 billion, at a rate of 13.45% 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 25,400 contracts maturing on 12/1/2015, 4,500 contracts maturing on 2/1/2016, 14,100 contracts maturing on 3/1/2016, 16,850 contracts maturing on 4/1/2016, 74,520 contracts maturing on 6/1/2016 and 64,030 contracts maturing on 10/3/2016, totaling the equivalent of US\$10.0 billion. On the last day of the month, the foreign exchange swap net long position reached US\$114.9 billion.



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

In March, the volume of outright operations among market institutions with Selic-registered federal public securities increased 54.1% as against the previous month, totaling R\$28.0 billion and 2,362 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 54.0% as against the previous month totaling R\$15.3 billion, or 54.6% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 19.2% as against February and was responsible for an average daily trade volume of R\$6.1 billion, equivalent to a 21.9% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 110.7% as against the previous month, totaling R\$6.4 billion, which was equivalent to a 23.0% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 10/1/2015, with a daily average of R\$4.1 billion, corresponding to 14.5% of the whole secondary market. Next in rank, came the LFT maturing on 3/1/2021, with a daily average of R\$3.8 billion, and the LTN maturing on 4/1/2015, with a daily average of R\$3.1 billion. The security with the highest number of trades in the secondary market was the LFT due on 9/7/2015, with an average of 255 trades per day.

The daily average financial volume of forward operations increased 43.6%, reaching R\$11.3 billion in March. On the segment of fixed-rate securities, forward negotiation rose 64.2% as against the previous month, reaching R\$7.0 billion. Transactions with inflation-linked securities raised 16.2% as against the previous month, totaling R\$4.2 billion. The LTN due on 10/1/2015 was the most transacted security, with a financial volume of R\$2.0 billion and a share of 17.3% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,243 operations. Intraday repos recorded daily averages of R\$3.8 billion and 12 operations.

Overnight operations corresponded to 98.7% of total repurchase operations, recording daily averages of R\$987.0 billion and 6,161 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$924.8 million and 31 operations. Regarding those not allowing transaction of collateral, daily averages were R\$8.3 billion and 38 transactions.

The daily average of outright brokerage operations increased 59.5% as against the previous month, to R\$9.6 billion. Their share of total outright operations changed from 33.0% to 34.2%. In March, the lowest traded volume was R\$5.1 billion, on 3/25, and the highest, R\$15.3 billion, on 3/13.



Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R\$3.2 billion in February to R\$5.9 billion in March. The number of operations came from 84 to 126 per day on average. Their share of this segment rose from 32.5% to 38.6%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$2.0 billion, corresponding to 31.9% of the joint NTN-B and NTN-C market.

The LTN due on 10/1/2015, which recorded in March a daily average of R\$1.4 billion in brokerage transactions, or 34.3% 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\$5.3 billion.