



I. Open market and foreign exchange swap operations

In May, 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 55.6%, 34.1% and 10.3%, respectively. The financial volume of such long-term repurchase operations reached R\$59.8 billion and repurchases related to previous operations hit R\$46.7 billion, causing a monetary contraction of R\$13.0 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-F and NTN-B, in percentages of 37.1%, 34.3% and 28.6%, respectively. The financial volume of such long-term repurchase operations reached R\$13.6 billion and repurchases related to previous operations hit R\$8.1 billion, causing a monetary contraction of R\$5.5 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$134.1 billion on 4/30 to R\$148.2 billion on 5/29. In the same period, the average term to mature of such operations came from 30 to 35 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$80.2 billion on 4/30 to R\$86.4 billion on 5/29. In the same period, the average term to mature of such operations varied from 69 to 66 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\$111.2 billion at a maximum rate of 13.15% p.y.

On 5/4 and 5/5, standing facilities were accessed to borrow R\$2.0 billion and R\$1.6 billion, respectively, at a rate of 12.35% p.y. On 5/7 standing facilities were accessed to lend R\$1.2 billion, at a rate of 13.95% p.y.

On every business day of the month, except on 5/29, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 94,500 contracts maturing on 5/2/2016 and 59,400 contracts maturing on 11/1/2016, totaling the equivalent of US\$7.7 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 May, the volume of outright operations among market institutions with Selic-registered federal public securities increased 5.7% as against the previous month, totaling R\$22.3 billion and 2,506 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 2.4% as against the previous month totaling R\$12.4 billion, or 55.7% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 32.8% as against April and was responsible for an average daily trade volume of R\$6.5 billion, equivalent to a 29.2% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 25.1% as against the previous month, totaling R\$3.0 billion, which was equivalent to a 13.7% 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\$2.3 billion, corresponding to 10.4% of the whole secondary market. Next in rank, came the LTN maturing on 1/1/2019 and on 7/1/2015, with daily averages of R\$1.8 billion and R\$1.4 billion, respectively. The security with the highest number of trades in the secondary market was the LFT due on 9/7/2015, with an average of 263 trades per day.

The daily average financial volume of forward operations increased 7.8%, reaching R\$9.8 billion in May. On the segment of fixed-rate securities, forward negotiation fell 2.7% as against the previous month, reaching R\$5.5 billion. Transactions with inflation-linked securities raised 29.0% as against the previous month, totaling R\$4.2 billion. The LTN due on 1/1/2019 was the most transacted security, with a financial volume of R\$1.2 billion and a share of 12.1% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$908.5 billion and 6,384 operations. Intraday repos recorded daily averages of R\$3.6 billion and 12 operations.

Overnight operations corresponded to 99.3% of total repurchase operations, recording daily averages of R\$901.8 billion and 6,300 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$771.1 million and 40 operations. Regarding those not allowing transaction of collateral, daily averages were R\$2.4 billion and 32 transactions.

The daily average of outright brokerage operations decreased 2.5% as against the previous month, to R\$7.4 billion. Their share of total outright operations changed from 35.9% to 33.1%. In May, the lowest traded volume was R\$4.9 billion, on 5/26, and the highest, R\$12.4 billion, on 5/18.



Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$4.5 billion in April to R\$4.3 billion in May. The number of operations came from 117 to 111 per day on average. Their share of this segment fell from 37.3% to 34.9%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$2.0 billion, corresponding to 30.8% of the joint NTN-B and NTN-C market.

The LTN due on 1/1/2019, which recorded in May a daily average of R\$892.7 million in brokerage transactions, or 50.4% 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\$4.7 billion.