



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 months. In the operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 58.5%, 23.7% and 17.8%, respectively. The financial volume of these long-term repurchase operations reached R\$32.1 billion and repurchases related to previous operations hit R\$23.6 billion, causing a monetary contraction of R\$8.6 billion. With regard to the six-month operations, there were no selling auctions settled over the month. However, repurchases related to previous operations caused a monetary expansion of R\$16.3 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$147.1 billion on 9/30 to R\$157.4 billion on 10/30. In the same period, the average term to mature of such operations came from 37 to 27 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$115.0 billion on 9/30 to R\$99.9 billion on 10/30. In the same period, the average term to mature of such operations varied from 63 to 51 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\$230.9 billion at a maximum rate of 14.15% p.y. The Central Bank also held a borrowing intervention on 10/22 with term to mature of 24 business days and financial volume of R\$483.4 billion, at a maximum rate of 14.18% p.y.

On 10/27, standing facilities were accessed to borrow R\$2.4 billion, at a rate of 13.35% p.y.

On every business day of the month, except on 10/30, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 121,462 contracts maturing on 12/1/2015, 15,275 contracts maturing on 1/4/2016, 13,350 contracts maturing on 2/1/2016, 48,213 contracts maturing on 3/1/2016 and 7,200 contracts maturing on 5/2/2016, totaling the equivalent of US\$10.3 billion. On the last day of the month, the foreign exchange swap net long position reached US\$108.1 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 29.2% as against the previous month, totaling R\$17.6 billion and 2,279 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 18.7% as against the previous month totaling R\$11.0 billion, or 62.7% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 13.2% as against September and was responsible for an average daily trade volume of R\$3.5 billion, equivalent to a 19.6% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 56.6% as against the previous month, totaling R\$3.1 billion, which was equivalent to a 17.7% 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\$2.1 billion, corresponding to 12.0% of the whole secondary market. Next in rank, came the LTN maturing on 4/1/2016, with a daily average of R\$1.8 billion, and the LFT maturing on 9/1/2021, with a daily average of R\$1.2 billion. The security with the highest number of trades in the secondary market was the LFT due on 9/7/2017, with an average of 163 trades per day.

The daily average financial volume of forward operations decreased 24.0%, reaching R\$6.9 billion in October. On the segment of fixed-rate securities, forward negotiation fell 31.9% as against the previous month, reaching R\$4.3 billion. Transactions with inflation-linked securities declined 4.4% as against the previous month, totaling R\$2.6 billion. The NTN-B due on 5/15/2019 was the most transacted security, with a financial volume of R\$810.8 million and a share of 11.7% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$964.7 billion and 6,209 operations. Intraday repos recorded daily averages of R\$3.1 billion and 13 operations.

Overnight operations corresponded to 99.0% of total repurchase operations, recording daily averages of R\$955.3 billion and 6,141 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$475.4 million and 26 operations. Regarding those not allowing transaction of collateral, daily averages were R\$5.8 billion and 28 transactions.

The daily average of outright brokerage operations decreased 31.6% as against the previous month, to R\$6.1 billion. Their share of total outright operations changed from 36.2% to 35.0%. In October, the lowest traded volume was R\$3.9 billion, on 10/30, and the highest, R\$9.4 billion, on 10/26.



Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$5.9 billion in September to R\$3.8 billion in October. The number of operations came from 127 to 106 per day on average. Their share of this segment fell from 43.5% to 34.6%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$968.6 million, corresponding to 28.0% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2016, which recorded in October a daily average of R\$810.2 million in brokerage transactions, or 44.5% 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\$3.6 billion.