



I. Open market and foreign exchange swap operations

In December, 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-F and NTN-B, in percentages of 52.7%, 24.8% and 22.5%, respectively. The financial volume of such long-term repurchase operations reached R\$22.7 billion and repurchases related to previous operations hit R\$68.1 billion, causing a monetary expansion of R\$45.4 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-F and NTN-B, in percentages of 52.1%, 24.0% and 23.9%, respectively. The financial volume of such long-term repurchase operations reached R\$14.8 billion and repurchases related to previous operations hit R\$21.3 billion, causing a monetary expansion of R\$6.5 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$141.4 billion on 11/30 to R\$97.4 billion on 12/31. In the same period, the average term to mature of such operations remained unchanged (27 business days). With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$86.1 billion on 11/30 to R\$80.6 billion on 12/31. In the same period, the average term to mature of such operations varied from 44 to 47 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\$260.8 billion at a maximum rate of 14.15% p.y.

On 12/1, 12/2, 12/8, 12/14, 12/16, 12/17, 12/22, 12/23, 12/24, 12/28, 12/29 and 12/30, standing facilities were accessed to borrow R\$1.0 billion, R\$700.0 million, R\$90.0 million, R\$830.0 million, R\$140.0 million, R\$650.0 million, R\$5.7 billion, R\$500.0 million, R\$155.0 million, R\$880.0 million, R\$1.2 billion and R\$65.0 million, respectively, at a rate of 13.35% p.y. On 12/10 standing facilities were accessed to lend R\$1.6 billion, at a rate of 14.95% p.y.

On every business day of the month, except on 12/24, 12/30 and 12/31, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 12,700 contracts maturing on 5/2/2016, 33,030 contracts maturing on 6/1/2016, 73,390 contracts maturing on 9/1/2016, 33,570 contracts maturing on 10/3/2016 and 61,250 contracts maturing on 1/2/2017, totaling the equivalent of US\$10.7 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 December, the volume of outright operations among market institutions with Selic-registered federal public securities increased 19.8% as against the previous month, totaling R\$20.4 billion and 2,344 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 30.4% as against the previous month totaling R\$12.6 billion, or 61.5% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 16.2% as against November and was responsible for an average daily trade volume of R\$3.6 billion, equivalent to a 17.8% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 35.9% as against the previous month, totaling R\$4.2 billion, which was equivalent to a 20.5% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 4/1/2016, with a daily average of R\$2.7 billion, corresponding to 13.3% of the whole secondary market. Next in rank, came the LTN maturing on 1/1/2016, with a daily average of R\$2.2 billion, and the LFT maturing on 9/1/2021, with a daily average of R\$1.7 billion. The security with the highest number of trades in the secondary market was the NTN-B due on 5/15/2019, with an average of 176 trades per day.

The daily average financial volume of forward operations increased 9.7%, reaching R\$8.4 billion in December. On the segment of fixed-rate securities, forward negotiation rose 32.9% as against the previous month, reaching R\$6.0 billion. Transactions with inflation-linked securities declined 23.1% as against the previous month, totaling R\$2.4 billion. The LTN due on 4/1/2016 was the most transacted security, with a financial volume of R\$1.0 billion and a share of 12.1% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$996.7 billion and 6,039 operations. Intraday repos recorded daily averages of R\$3.3 billion and 13 operations.

Overnight operations corresponded to 98.1% of total repurchase operations, recording daily averages of R\$977.5 billion and 5,787 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.0 billion and 22 operations. Regarding those not allowing transaction of collateral, daily averages were R\$14.9 billion and 216 transactions.

The daily average of outright brokerage operations increased 34.2% as against the previous month, to R\$8.6 billion. Their share of total outright operations changed from 37.5% to 42.1%. In December, the lowest traded volume was R\$2.6 billion, on 12/24, and the highest, R\$12.9 billion, on 12/3.



Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R\$3.8 billion in November to R\$5.8 billion in December. The number of operations came from 99 to 134 per day on average. Their share of this segment rose from 39.6% to 46.4%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.1 billion, corresponding to 29.0% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2016, which recorded in December a daily average of R\$1.1 billion in brokerage transactions, or 41.0% 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\$3.8 billion.