



## 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 77.4%, 13.3% and 9.3%, respectively. The financial volume of such long-term repurchase operations reached R\$23.9 billion and repurchases related to previous operations hit R\$22.2 billion, causing a monetary contraction of R\$1.7 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 54.3%, 36.7% and 9.0%, respectively. The financial volume of such long-term repurchase operations reached R\$11.5 billion and repurchases related to previous operations hit R\$14.9 billion, causing a monetary expansion of R\$3.3 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$85.6 billion on 2/29 to R\$88.3 billion on 3/31. In the same period, the average term to mature of such operations came from 36 to 32 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$70.1 billion on 2/29 to R\$67.6 billion on 3/31. In the same period, the average term to mature of such operations varied from 75 to 79 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\$148.7 billion at a maximum rate of 14.15% p.y. The Central Bank also held a borrowing intervention on 3/3 with term to mature of 38 business days and financial volume of R\$651.9 billion, at a maximum rate of 14.18% p.y.

On 3/1, standing facilities were accessed to borrow R\$114.0 million, at a rate of 13.35% p.y.

On every business day of the month, except on 3/28, 3/29, 3/30 and 3/31, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 31,550 contracts maturing on 8/1/2016, 31,620 contracts maturing on 12/1/2016, 29,190 contracts maturing on 2/1/2017 and 46,140 contracts maturing on 4/3/2017, totaling the equivalent of US\$6.9 billion. On 3/21, 3/22, 3/23, 3/24, 3/29, 3/30 and 3/31, the Central Bank offered contracts in reverse foreign exchange swap auctions. In these events were signed 43,900 contracts maturing on 7/1/2016 and 14,020 contracts maturing on 10/3/2016, totaling the equivalent of US\$2.9 billion. On the last day of the month, the foreign exchange swap net long position reached US\$105.6 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 14.2% as against the previous month, totaling R\$24.3 billion and 2,451 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 33.2% as against the previous month totaling R\$16.8 billion, or 69.1% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 3.0% as against February and was responsible for an average daily trade volume of R\$4.6 billion, equivalent to an 18.8% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 22.3% as against the previous month, totaling R\$2.9 billion, which was equivalent to a 12.1% 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\$4.5 billion, corresponding to 18.5% of the whole secondary market. Next in rank, came the LTN maturing on 7/1/2016 and on 10/1/2016, with daily averages of R\$2.3 billion and R\$2.1 billion, respectively. The security with the highest number of trades in the secondary market was the NTN-B due on 8/15/2050, with an average of 199 trades per day.

The daily average financial volume of forward operations increased 6.1%, reaching R\$10.2 billion in March. On the segment of fixed-rate securities, forward negotiation rose 14.4% as against the previous month, reaching R\$7.2 billion. Transactions with inflation-linked securities declined 4.3% as against the previous month, totaling R\$3.0 billion. The LTN due on 4/1/2016 was the most transacted security, with a financial volume of R\$2.0 billion and a share of 20.0% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$965.0 billion and 6,037 operations. Intraday repos recorded daily averages of R\$3.4 billion and 12 operations.

Overnight operations corresponded to 98.4% of total repurchase operations, recording daily averages of R\$949.5 billion and 5,982 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.1 billion and 8 operations. Regarding those not allowing transaction of collateral, daily averages were R\$11.0 billion and 34 transactions.

The daily average of outright brokerage operations increased 11.2% as against the previous month, to R\$9.1 billion. Their share of total outright operations changed from 38.4% to 37.4%. In March, the lowest traded volume was R\$5.2 billion, on 3/18, and the highest, R\$12.4 billion, on 3/2.



Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R\$5.3 billion in February to R\$6.3 billion in March. The number of operations came from 135 to 130 per day on average. Their share of this segment fell from 41.8% to 37.7%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.3 billion, corresponding to 27.6% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2016, which recorded in March a daily average of R\$1.9 billion in brokerage transactions, or 42.9% 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\$4.3 billion.