



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 44.5%, 33.4% and 22.1%, respectively. The financial volume of such long-term repurchase operations reached R\$34.8 billion and repurchases related to previous operations hit R\$40.9 billion, causing a monetary expansion of R\$6.1 billion. In the six-month operations settled over the month, the Central Bank sold NTN-B, LTN and NTN-F, in percentages of 41.5%, 38.5% and 20.0%, respectively. The financial volume of such long-term repurchase operations reached R\$5.5 billion and repurchases related to previous operations hit R\$5.3 billion, causing a monetary contraction of R\$180.1 million. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$90.4 billion on 4/29 to R\$85.1 billion on 5/31. In the same period, the average term to mature of such operations came from 29 to 35 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$81.2 billion on 4/29 to R\$82.2 billion on 5/31. In the same period, the average term to mature of such operations varied from 68 to 55 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\$197.8 billion at a maximum rate of 14.15% p.y.

Along the month, there were no standing facilities.

On 5/2, 5/3, 5/11, 5/12 and 5/18, the Central Bank offered contracts in reverse foreign exchange swap auctions. In these events were signed 102,270 contracts maturing on 8/1/2016, 27,500 contracts maturing on 9/1/2016 and 8,000 contracts maturing on 10/3/2016, totaling the equivalent of US\$6.9 billion. On the last day of the month, the foreign exchange swap net long position reached US\$62.1 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 1.5% as against the previous month, totaling R\$22.0 billion and 2,292 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 6.7% as against the previous month totaling R\$12.5 billion, or 56.9% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 49.8% as against April and was responsible for an average daily trade volume of R\$6.7 billion, equivalent to a 30.5% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 26.7% as against the previous month, totaling R\$2.8 billion, which was equivalent to a 12.6% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 4/1/2018, with a daily average of R\$1.7 billion, corresponding to 7.9% of the whole secondary market. Next in rank, came the NTN-B maturing on 5/15/2021, with a daily average of R\$1.5 billion, and the LTN maturing on 10/1/2016, with a daily average of R\$1.4 billion. 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 174 trades per day.

The daily average financial volume of forward operations increased 8.1%, reaching R\$10.8 billion in May. On the segment of fixed-rate securities, forward negotiation fell 5.4% as against the previous month, reaching R\$6.3 billion. Transactions with inflation-linked securities raised 37.7% as against the previous month, totaling R\$4.5 billion. The LTN due on 4/1/2018 was the most transacted security, with a financial volume of R\$1.6 billion and a share of 14.8% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$977.6 billion and 6,118 operations. Intraday repos recorded daily averages of R\$3.3 billion and 15 operations.

Overnight operations corresponded to 99.4% of total repurchase operations, recording daily averages of R\$972.1 billion and 6,056 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$705.8 million and 13 operations. Regarding those not allowing transaction of collateral, daily averages were R\$1.5 billion and 34 transactions.

The daily average of outright brokerage operations decreased 8.5% as against the previous month, to R\$7.5 billion. Their share of total outright operations changed from 37.9% to 34.2%. In May, the lowest traded volume was R\$2.2 billion, on 5/30, and the highest, R\$11.7 billion, on 5/25.



Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$5.0 billion in April to R\$4.6 billion in May. The number of operations came from 126 to 101 per day on average. Their share of this segment fell from 36.9% to 36.8%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.5 billion, corresponding to 23.1% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2018, which recorded in May a daily average of R\$980.9 million in brokerage transactions, or 56.3% 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\$4.0 billion.