

## I. Open market and foreign exchange swap operations

In November, 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 NTN-F, LTN and NTN-B, in percentages of 40.2%, 31.2% and 28.6%, respectively. The financial volume of such long-term repurchase operations reached R\$27.1 billion and repurchases related to previous operations hit R\$34.1 billion, causing a monetary expansion of R\$7.0 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-F and NTN-B, in percentages of 56.1%, 34.5% and 9.4%, respectively. The financial volume of such long-term repurchase operations reached R\$9.0 billion and repurchases related to previous operations hit R\$7.0 billion, causing a monetary contraction of R\$2.0 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$89.1 billion on 10/31 to R\$82.6 billion on 11/30. In the same period, the average term to mature of such operations came from 28 to 31 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$106.2 billion on 10/31 to R\$108.8 billion on 11/30. In the same period, the average term to mature of such operations varied from 69 to 59 business days.

In managing short-term liquidity, the Central Bank borrowed funds overnight on all business days of the month. The average financial volume of these borrowing operations reached R\$116.7 billion at a maximum rate of 13.90% p.y.

Along the month, there were no standing facilities.

On 11/11, 11/14, 11/16, 11/17, 11/18, 11/21 and 11/22, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 70,530 contracts maturing on 2/1/2017 and 108,335 contracts maturing on 3/1/2017, totaling the equivalent of US\$8.9 billion. On 11/1, 11/3, 11/4, 11/7 and 11/8, the Central Bank offered contracts in reverse foreign exchange swap auctions. In these events were signed 24,750 contracts maturing on 12/1/2016 and 250 contracts maturing on 1/2/2017, totaling the equivalent of US\$1.3 billion. On the last day of the month, the foreign exchange swap net long position reached US\$26.6 billion.

## II. Secondary market transactions with federal securities registered in Selic

In November, the volume of outright operations among market institutions with Selic-registered federal public securities increased 6.7% as against the previous month, totaling R\$26.2 billion and 2,573 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 14.2% as against the previous month totaling R\$14.6 billion, or 55.8% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 10.5% as against October and was responsible for an average daily trade volume of R\$7.6 billion, equivalent to a 29.2% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 17.4% as against the previous month, totaling R\$3.9 billion, which was equivalent to a 14.9% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the NTN-B due on 5/15/2021, with a daily average of R\$2.4 billion, corresponding to 9.3% of the whole secondary market. Next in rank, came the LTN maturing on 7/1/2020 and on 10/1/2018, with daily averages of R\$1.9 billion and R\$1.4 billion, respectively. The security with the highest number of trades in the secondary market was the NTN-B due on 5/15/2021, with an average of 252 trades per day.

The daily average financial volume of forward operations increased 4.5%, reaching R\$12.7 billion in November. On the segment of fixed-rate securities, forward negotiation rose 12.1% as against the previous month, reaching R\$7.7 billion. Transactions with inflation-linked securities declined 2.5% as against the previous month, totaling R\$4.9 billion. The NTN-B due on 5/15/2021 was the most transacted security, with a financial volume of R\$1.8 billion and a share of 14.2% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$964.2 billion and 6,438 operations. Intraday repos recorded daily averages of R\$3.3 billion and 11 operations.

Overnight operations corresponded to 99.4% of total repurchase operations, recording daily averages of R\$958.8 billion and 6,374 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.2 billion and 22 operations. Regarding those not allowing transaction of collateral, daily averages were R\$921.9 million and 31 transactions.

The daily average of outright brokerage operations increased 4.8% as against the previous month, to R\$7.7 billion. Their share of total outright operations changed from 30.1% to 29.6%. In November, the lowest traded volume was R\$4.0 billion, on 11/28, and the highest, R\$12.5 billion, on 11/17.

Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R\$4.2 billion in October to R\$4.6 billion in November. The number of operations came from 105 to 95 per day on average. Their share of this segment fell from 33.0% to 31.2%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.4 billion, corresponding to 18.5% of the joint NTN-B and NTN-C market.

The LTN due on 7/1/2020, which recorded in November a daily average of R\$891.3 million in brokerage transactions, or 46.1% 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.