

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 49.3%, 30.2% and 20.5%, respectively. The financial volume of such long-term repurchase operations reached R\$29.2 billion and repurchases related to previous operations hit R\$43.6 billion, causing a monetary expansion of R\$14.3 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 43.2%, 39.3% and 17.5%, respectively. The financial volume of such long-term repurchase operations reached R\$5.8 billion and repurchases related to previous operations hit R\$28.1 billion, causing a monetary expansion of R\$22.3 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$90.8 billion on 2/24 to R\$77.3 billion on 3/31. In the same period, the average term to mature of such operations came from 28 to 32 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$106.5 billion on 2/24 to R\$85.2 billion on 3/31. In the same period, the average term to mature of such operations varied from 59 to 58 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\$121.4 billion at a maximum rate of 12.15% p.y.

On 3/14, standing facilities were accessed to borrow R\$482.0 million, at a rate of 11.35% p.y.

On 3/16, 3/17, 3/20, 3/21, 3/22, 3/23, 3/24, 3/27, 3/28, 3/29 and 3/30, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 62,700 contracts maturing on 6/1/2017 and 47,300 contracts maturing on 7/3/2017, totaling the equivalent of US\$5.5 billion. On the last day of the month, the foreign exchange swap net long position reached US\$22.0 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 remained stable as against the previous month, totaling R\$31.5 billion and 2,308 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 15.2% as against the previous month totaling R\$18.4 billion, or 58.3% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 18.3% as against February and was responsible for an average daily trade volume of R\$9.3 billion, equivalent to a 29.5% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 8.0% as against the previous month, totaling R\$3.8 billion, which was equivalent to a 12.2% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 4/1/2017, with a daily average of R\$5.1 billion, corresponding to 16.1% of the whole secondary market. Next in rank, came the NTN-B maturing on 8/15/2022, with a daily average of R\$3.2 billion, and the LTN maturing on 4/1/2018, with a daily average of R\$1.9 billion. The security with the highest number of trades in the secondary market was the NTN-B due on 8/15/2022, with an average of 244 trades per day.

The daily average financial volume of forward operations increased 10.5%, reaching R\$17.7 billion in March. On the segment of fixed-rate securities, forward negotiation rose 34.3% as against the previous month, reaching R\$10.7 billion. Transactions with inflation-linked securities declined 13.9% as against the previous month, totaling R\$6.9 billion. The LTN due on 4/1/2017 was the most transacted security, with a financial volume of R\$3.0 billion and a share of 16.9% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,334 operations. Intraday repos recorded daily averages of R\$2.7 billion and 10 operations.

Overnight operations corresponded to 99.5% of total repurchase operations, recording daily averages of R\$1.0 trillion and 6,277 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.4 billion and 16 operations. Regarding those not allowing transaction of collateral, daily averages were R\$1.4 billion and 31 transactions.

The daily average of outright brokerage operations decreased 3.0% as against the previous month, to R\$7.9 billion. Their share of total outright operations changed from 25.7% to 24.9%. In March, the lowest traded volume was R\$2.9 billion, on 3/2, and the highest, R\$11.0 billion, on 3/31.

Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R\$4.6 billion in February to R\$5.0 billion in March. The number of operations came from 98 to 94 per day on average. Their share of this segment fell from 28.9% to 27.2%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.3 billion, corresponding to 13.9% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2017, which recorded in March a daily average of R\$1.2 billion in brokerage transactions, or 22.9% 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\$8.2 billion.