

I. Open market and foreign exchange swap operations

In April, 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 38.3%, 36.8% and 25.0%, respectively. The financial volume of such long-term repurchase operations reached R\$15.3 billion and repurchases related to previous operations hit R\$14.4 billion, causing a monetary contraction of R\$827.3 million. In the six-month operations settled over the month, the Central Bank sold NTN-B, NTN-F and LTN, in percentages of 50.8%, 39.7% and 9.5%, respectively. The financial volume of such long-term repurchase operations reached R\$11.3 billion and repurchases related to previous operations hit R\$17.7 billion, causing a monetary expansion of R\$6.3 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$77.3 billion on 3/31 to R\$78.8 billion on 4/28. In the same period, the average term to mature of such operations came from 32 to 25 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$85.2 billion on 3/31 to R\$79.6 billion on 4/28. In the same period, the average term to mature of such operations varied from 58 to 62 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\$168.9 billion at a maximum rate of 12.15% p.y. until 4/12 and of 11.15% p.y. thereafter, when the target for the Selic rate was decreased by 100 basis points. The Central Bank also held a borrowing intervention on 4/13 with term to mature of 32 business days and financial volume of R\$811.7 billion, at a maximum rate of 11.18% p.y.

On 4/28, standing facilities were accessed to borrow R\$796.8 million, at a rate of 10.35% p.y.

On 4/17, 4/18, 4/19, 4/20, 4/24, 4/25, 4/26 and 4/27, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 51,500 contracts maturing on 8/1/2017 and 76,285 contracts maturing on 10/2/2017, totaling the equivalent of US\$6.4 billion. On the last day of the month, the foreign exchange swap net long position reached US\$17.8 billion.

II. Secondary market transactions with federal securities registered in Selic

In April, the volume of outright operations among market institutions with Selic-registered federal public securities decreased 12.9% as against the previous month, totaling R\$27.5 billion and 2,195 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 22.7% as against the previous month totaling R\$14.2 billion, or 51.7% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 7.3% as against March and was responsible for an average daily trade volume of R\$8.6 billion, equivalent to a 31.4% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 21.0% as against the previous month, totaling R\$4.6 billion, which was equivalent to a 16.9% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the NTN-B due on 8/15/2022, with a daily average of R\$2.4 billion, corresponding to 8.9% of the whole secondary market. Next in rank, came the LTN maturing on 4/1/2018, with a daily average of R\$2.2 billion, and the NTN-B maturing on 5/15/2019, 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 8/15/2022, with an average of 189 trades per day.

The daily average financial volume of forward operations decreased 24.9%, reaching R\$13.3 billion in April. On the segment of fixed-rate securities, forward negotiation fell 36.7% as against the previous month, reaching R\$6.8 billion. Transactions with inflation-linked securities declined 7.0% as against the previous month, totaling R\$6.4 billion. The NTN-B due on 8/15/2022 was the most transacted security, with a financial volume of R\$1.9 billion and a share of 14.5% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,345 operations. Intraday repos recorded daily averages of R\$2.8 billion and 11 operations.

Overnight operations corresponded to 98.2% of total repurchase operations, recording daily averages of R\$1.0 trillion and 6,282 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.6 billion and 16 operations. Regarding those not allowing transaction of collateral, daily averages were R\$14.1 billion and 36 transactions.

The daily average of outright brokerage operations decreased 15.9% as against the previous month, to R\$6.6 billion. Their share of total outright operations changed from 24.9% to 24.1%. In April, the lowest traded volume was R\$3.6 billion, on 4/25, and the highest, R\$10.6 billion, on 4/3.

Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$5.0 billion in March to R\$3.5 billion in April. The number of operations came from 94 to 88 per day on average. Their share of this segment fell from 27.2% to 24.3%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.3 billion, corresponding to 14.9% of the joint NTN-B and NTN-C market.

The LFT due on 9/1/2021, which recorded in April a daily average of R\$594.9 million in brokerage transactions, or 71.8% 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\$8.4 billion.