

I. Open market and foreign exchange swap operations

In June, 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-B, NTN-F and LTN, in percentages of 38.4%, 31.1% and 30.5%, respectively. The financial volume of such long-term repurchase operations reached R\$28.7 billion and repurchases related to previous operations hit R\$26.5 billion, causing a monetary contraction of R\$2.3 billion. In the six-month operations settled over the month, the Central Bank sold NTN-B, LTN and NTN-F, in percentages of 34.6%, 33.5% and 31.9%, respectively. The financial volume of such long-term repurchase operations reached R\$9.9 billion and repurchases related to previous operations hit R\$19.3 billion, causing a monetary expansion of R\$9.4 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$73.3 billion on 5/31 to R\$76.2 billion on 6/30. In the same period, the average term to mature of such operations came from 32 to 34 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$86.9 billion on 5/31 to R\$78.2 billion on 6/30. In the same period, the average term to mature of such operations remained unchanged (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\$140.7 billion at a maximum rate of 10.15% p.y. The Central Bank also held a borrowing intervention on 6/1 with term to mature of 39 business days and financial volume of R\$824.5 billion, at a maximum rate of 10.18% p.y.

Along the month, there were no standing facilities.

On every business day of the month, except on 6/1, 6/2, 6/5 and 6/30, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 20,450 contracts maturing on 10/2/2017, 11,700 contracts maturing on 1/2/2018 and 106,650 contracts maturing on 4/2/2018, totaling the equivalent of US\$6.9 billion. On the last day of the month, the foreign exchange swap net long position reached US\$27.8 billion.

II. Secondary market transactions with federal securities registered in Selic

In June, the volume of outright operations among market institutions with Selic-registered federal public securities decreased 7.5% as against the previous month, totaling R\$29.5 billion and 2,130 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 0.6% as against the previous month totaling R\$15.2 billion, or 51.4% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 27.5% as against May and was responsible for an average daily trade volume of R\$9.0 billion, equivalent to a 30.5% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 21.7% as against the previous month, totaling R\$5.3 billion, which was equivalent to an 18.1% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 10/1/2018, with a daily average of R\$2.2 billion, corresponding to 7.3% of the whole secondary market. Next in rank, came the NTN-B maturing on 8/15/2022, with a daily average of R\$2.1 billion, and the LTN maturing on 7/1/2017, with a daily average of R\$2.0 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 215 trades per day.

The daily average financial volume of forward operations decreased 18.5%, reaching R\$13.5 billion in June. On the segment of fixed-rate securities, forward negotiation fell 6.2% as against the previous month, reaching R\$7.2 billion. Transactions with inflation-linked securities declined 28.6% as against the previous month, totaling R\$6.1 billion. The NTN-B due on 5/15/2019 was the most transacted security, with a financial volume of R\$1.5 billion and a share of 10.8% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,390 operations. Intraday repos recorded daily averages of R\$2.8 billion and 9 operations.

Overnight operations corresponded to 98.3% of total repurchase operations, recording daily averages of R\$1.0 trillion and 6,326 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.7 billion and 20 operations. Regarding those not allowing transaction of collateral, daily averages were R\$12.7 billion and 35 transactions.

The daily average of outright brokerage operations decreased 14.0% as against the previous month, to R\$7.1 billion. Their share of total outright operations changed from 25.7% to 23.9%. In June, the lowest traded volume was R\$4.0 billion, on 6/6, and the highest, R\$11.6 billion, on 6/30.

Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$4.3 billion in May to R\$4.0 billion in June. The number of operations came from 105 to 89 per day on average. Their share of this segment fell from 28.6% to 26.7%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.1 billion, corresponding to 11.9% of the joint NTN-B and NTN-C market.

The LTN due on 7/1/2020, which recorded in June a daily average of R\$623.8 million in brokerage transactions, or 34.1% 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\$8.1 billion.