

I. Open market and foreign exchange swap operations

In August, 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 36.4%, 35.1% and 28.5%, respectively. The financial volume of such long-term repurchase operations reached R\$33.4 billion and repurchases related to previous operations hit R\$22.8 billion, causing a monetary contraction of R\$10.6 billion. In the six-month operations settled over the month, the Central Bank sold NTN-B, NTN-F and LTN, in percentages of 44.9%, 28.6% and 26.5%, respectively. The financial volume of such long-term repurchase operations reached R\$9.4 billion and repurchases related to previous operations hit R\$17.2 billion, causing a monetary expansion of R\$7.8 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$95.4 billion on 7/31 to R\$106.2 billion on 8/31. In the same period, the average term to mature of such operations came from 37 to 31 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$81.2 billion on 7/31 to R\$73.4 billion on 8/31. In the same period, the average term to mature of such operations varied from 67 to 66 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\$155.3 billion at a maximum rate of 9.15% p.y.

Along the month, there were no standing facilities.

Along the month, there were no foreign exchange swap auctions. 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 August, the volume of outright operations among market institutions with Selic-registered federal public securities decreased 7.4% as against the previous month, totaling R\$27.0 billion and 2,305 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 13.2% as against the previous month totaling R\$11.2 billion, or 41.5% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 3.3% as against July and was responsible for an average daily trade volume of R\$11.5 billion, equivalent to a 42.4% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 1.1% as against the previous month, totaling R\$4.4 billion, which was equivalent to a 16.1% 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\$3.1 billion, corresponding to 11.6% of the whole secondary market. Next in rank, came the NTN-B maturing on 5/15/2021, with a daily average of R\$2.4 billion, and the LTN maturing on 10/1/2017, 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 246 trades per day.

The daily average financial volume of forward operations decreased 6.2%, reaching R\$14.5 billion in August. On the segment of fixed-rate securities, forward negotiation fell 5.1% as against the previous month, reaching R\$6.5 billion. Transactions with inflation-linked securities declined 7.8% as against the previous month, totaling R\$7.8 billion. The NTN-B due on 8/15/2022 was the most transacted security, with a financial volume of R\$2.1 billion and a share of 14.4% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,360 operations. Intraday repos recorded daily averages of R\$3.3 billion and 9 operations.

Overnight operations corresponded to 99.4% of total repurchase operations, recording daily averages of R\$1.0 trillion and 6,296 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.5 billion and 21 operations. Regarding those not allowing transaction of collateral, daily averages were R\$955.7 million and 33 transactions.

The daily average of outright brokerage operations increased 5.8% as against the previous month, to R\$7.3 billion. Their share of total outright operations changed from 23.7% to 27.1%. In August, the lowest traded volume was R\$2.7 billion, on 8/8, and the highest, R\$15.3 billion, on 8/10.

Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R\$3.9 billion in July to R\$4.0 billion in August. The number of operations came from 117 to 91 per day on average. Their share of this segment rose from 30.2% to 35.8%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.4 billion, corresponding to 11.8% of the joint NTN-B and NTN-C market.

The LTN due on 10/1/2017, which recorded in August a daily average of R\$655.5 million in brokerage transactions, or 38.8% 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\$8.2 billion.