

I. Open market and foreign exchange swap operations

In January, 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-F and NTN-B, in percentages of 43.1%, 33.5% and 23.4%, respectively. The financial volume of such long-term repurchase operations reached R\$26.0 billion and repurchases related to previous operations hit R\$30.7 billion, causing a monetary expansion of R\$4.7 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 39.9%, 30.8% and 29.3%, respectively. The financial volume of such long-term repurchase operations reached R\$23.1 billion and repurchases related to previous operations hit R\$22.2 billion, causing a monetary contraction of R\$867.8 million. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$86.1 billion on 12/29 to R\$80.5 billion on 1/31. In the same period, the average term to mature of such operations came from 29 to 27 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$112.7 billion on 12/29 to R\$112.5 billion on 1/31. In the same period, the average term to mature of such operations varied from 65 to 69 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\$264.9 billion at a maximum rate of 6.90% p.y.

On 1/5 standing facilities were accessed to lend R\$300.0 million, at a rate of 7.70% p.y.

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\$23.8 billion.

II. Secondary market transactions with federal securities registered in Selic

In January, the volume of outright operations among market institutions with Selic-registered federal public securities decreased 6.3% as against the previous month, totaling R\$29.9 billion and 2,343 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) dropped 19.1% as against the previous month totaling R\$14.2 billion, or 47.6% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 27.4% as against December and was responsible for an average daily trade volume of R\$10.7 billion, equivalent to a 35.8% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume decreased 16.2% as against the previous month, totaling R\$4.9 billion, which was equivalent to a 16.6% 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\$2.5 billion, corresponding to 8.3% of the whole secondary market. Next in rank, came the LTN maturing on 7/1/2020 and on 4/1/2018, with daily averages of R\$1.7 billion and R\$1.6 billion, respectively. 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 188 trades per day.

The daily average financial volume of forward operations decreased 10.9%, reaching R\$14.3 billion in January. On the segment of fixed-rate securities, forward negotiation fell 31.7% as against the previous month, reaching R\$7.0 billion. Transactions with inflation-linked securities raised 27.0% as against the previous month, totaling R\$7.2 billion. The NTN-B due on 8/15/2022 was the most transacted security, with a financial volume of R\$1.7 billion and a share of 11.5% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,531 operations. Intraday repos recorded daily averages of R\$2.3 billion and 8 operations.

Overnight operations corresponded to 99.4% of total repurchase operations, recording daily averages of R\$1.0 trillion and 6,451 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.7 billion and 23 operations. Regarding those not allowing transaction of collateral, daily averages were R\$2.7 billion and 48 transactions.

The daily average of outright brokerage operations decreased 9.2% as against the previous month, to R\$6.6 billion. Their share of total outright operations changed from 22.8% to 22.1%. In January, the lowest traded volume was R\$2.9 billion, on 1/25, and the highest, R\$11.7 billion, on 1/4.

Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$4.0 billion in December to R\$3.6 billion in January. The number of operations came from 81 to 84 per day on average. Their share of this segment rose from 22.9% to 25.1%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$834.8 million, corresponding to 7.8% of the joint NTN-B and NTN-C market.

The LTN due on 10/1/2019, which recorded in January a daily average of R\$545.0 million in brokerage transactions, or 43.4% 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\$6.3 billion.