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 54.0%, 29.5% and 16.5%, respectively. The financial volume of such long-term repurchase operations reached R$34.3 billion and repurchases related to previous operations hit R$26.2 billion, causing a monetary contraction of R$8.0 billion. In the six-month operations settled over the month, the Central Bank sold NTN-B, NTN-F and LTN, in percentages of 34.3%, 34.1% and 31.6%, respectively. The financial volume of such long-term repurchase operations reached R$28.0 billion and repurchases related to previous operations hit R$17.1 billion, causing a monetary contraction of R$10.9 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R$70.6 billion on 2/28 to R$79.0 billion on 3/29. In the same period, the average term to mature of such operations came from 28 to 33 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R$116.8 billion on 2/28 to R$128.4 billion on 3/29. In the same period, the average term to mature of such operations varied from 63 to 65 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$203.7 billion at a maximum rate of 6.65% p.y. until 3/21 and of 6.40% p.y. thereafter, when the target for the Selic rate was decreased by 25 basis points. The Central Bank also held a borrowing intervention on 3/22 with term to mature of 38 business days and financial volume of R$824.4 billion, at a maximum rate of 6.43% p.y.

On 3/29, standing facilities were accessed to borrow R$1.5 billion, at a rate of 5.60% p.y. On 3/12 standing facilities were accessed to lend R$480.0 million, at a rate of 7.45% p.y.

On every business day of the month, except on 3/1, 3/2, 3/5, 3/6, 3/7, 3/8, 3/9 and 3/29, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 113,000 contracts maturing on 6/1/2018, 17,200 contracts maturing on 8/1/2018 and 50,400 contracts maturing on 1/2/2019, totaling the equivalent of US$9.0 billion. 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 March, the volume of outright operations among market institutions with Selic-registered federal public securities increased 37.6% as against the previous month, totaling R$41.5 billion and 2,450 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 61.7% as against the previous month totaling R$23.3 billion, or 56.1% share of the total market. Likewise, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume increased 3.0% as against February and was responsible for an average daily trade volume of R$11.9 billion, equivalent to a 28.6% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 49.7% as against the previous month, totaling R$6.3 billion, which was equivalent to a 15.3% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 4/1/2018, with a daily average of R$5.7 billion, corresponding to 13.8% of the whole secondary market. Next in rank, came the NTN-B maturing on 5/15/2023 and the LTN maturing on 1/1/2022, both with a daily average of R$2.5 billion. The security with the highest number of trades in the secondary market was the NTN-B due on 5/15/2023, with an average of 180 trades per day.

The daily average financial volume of forward operations increased 35.9%, reaching R$23.7 billion in March. On the segment of fixed-rate securities, forward negotiation rose 62.0% as against the previous month, reaching R$14.2 billion. Transactions with inflation-linked securities raised 8.8% as against the previous month, totaling R$9.3 billion. The LTN due on 4/1/2018 was the most transacted security, with a financial volume of R$3.1 billion and a share of 13.0% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R$1.1 trillion and 6,583 operations. Intraday repos recorded daily averages of R$1.3 billion and 3 operations.

Overnight operations corresponded to 98.7% of total repurchase operations, recording daily averages of R$1.1 trillion and 6,521 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R$2.0 billion and 32 operations. Regarding those not allowing transaction of collateral, daily averages were R$11.1 billion and 27 transactions.

The daily average of outright brokerage operations increased 37.1% as against the previous month, to R$8.5 billion. Their share of total outright operations changed from 20.7% to 20.6%. In March, the lowest traded volume was R$4.0 billion, on 3/6, and the highest, R$13.0 billion, on 3/16.

Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R$3.7 billion in February to R$5.4 billion in March. The number of operations came from 83 to 136 per day on average. Their share of this segment fell from 25.5% to 23.4%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R$968.5 million, corresponding to 8.2% of the joint NTN-B and NTN-C market.

The LTN due on 4/1/2018, which recorded in March a daily average of R$1.1 billion in brokerage transactions, or 18.7% 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.