



Daily Fixed Income

September 21, 2017

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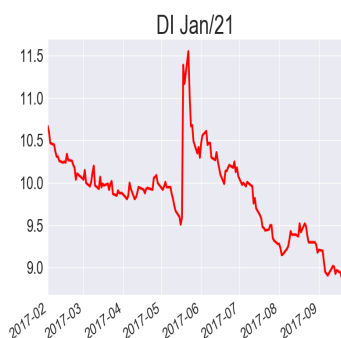
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Index	+/-	
CDS 5Y	nan	nanpts
DAX	nan	nan%
T-10	nan	nanpts
S&P Fut	nan	nan%
EUR	nan	nan%
MXN	nan	nan%
OIL	nan	nan%
Iron Ore	nan	nan%
Soya	nan	nan%
VIX	nan	nan%

Source: Bloomberg

21st September 2017 3:46pm -03:00



Source: Bloomberg

Highlights

- **Overseas markets:** 10-years Treasury is up.
- **Local news:** The charge against Temer to go straight to the Lower House.
- **Watch out:** Central Bank Inflation Report and Mid-term CPI.

Global Markets. European equities are up, the S&P future is unchanged. The Mexican peso, however is down by 0.2% against the USD, and the yield of the 10 years Treasury is up to 2.27%. Commodities: oil is down 0.3% to USD50.5, steel is down 0.4% and soy prices is climbing about 0.7%.

Local News. The second charge against Mr. Temer should indeed go to the Lower House, as confirmed yesterday by the Supreme Court. In fact, according to the Estadão, the Speaker of the Lower would have stated he is planned to get the whole done and over by before the October 12th holiday.

That said, the media outlet Broadcast reports Mr. Rodrigo Maia's discontentment with PMDB, which has sponsored the entrance of the Minister of Energy to PMDB rather than the DEM, Mr. Maia's party. Therefore, it remains to be seen whether this affair will interfere in the expedience of how the charge will be handled.

In the meantime, the Lower House has given an extra step to approve the political reform. It started to vote, in a second round, the constitutional amendment on election coalitions and minimum voting thresholds, which will have to continue on next week prior to send the bill to the Upper House, where it faces the October 7th deadline.

Also next week, the Lower House has another daunting task: vote the constitutional amendment on election funding, which faces the same deadline.

On the fiscal front, the Refis is giving the government an extra headache. According to the O Valor, The Ministry of Finance is no longer interest in approving it, since, reportedly, revenues have been quite good so far. However, Congress would be already counting on these benefits and dissatisfaction is growing ahead of the vote of the second charge against Temer.

On the economic front, newspaper conveys several information about privatizations to come. As per O Valor, the government is now studying in more in-depth the Eletrobras' case, which it has now floated the idea of privatization the mail services.

Agenda - Highlights: Brazil: BC's inflation report and mid-term CPI. US: jobless claims.

Time	Country	Indicator	Period	Forecast	Impact
08:00:00	BZ	Inflation Report	Sep	-	High
09:00:00	BZ	IPC-15	Sep	0,13% mom	High
09:30:00	US	Initial Jobless Claims	Sep 16	302 k	Low
11:00:00	US	Leading index	Aug	0,3% mom	Low
16:30:00	BZ	Jobs Creation	Aug	60 k	Medium

Bottom Line. Global markets look a bit counter productive, while local news look neutral. Watch out for CB's inflation report and mid-term inflation.

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1 Brazilian Bonds

NTNF

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Jan-18	7.4835	-0.0	-9.65	-0.34	98.87	-0.04	Jan-02-18	1291	525
Jan-19	7.3024	-0.02	-6.76	-0.08	99.18	-0.02	Dec-06-18	5867	546
Jan-21	8.68	-0.06	-14.0	-0.19	99.63	-0.05	Jul-23-20	13725	603
Jan-23	9.2509	-0.05	-21.91	0.1	99.47	0.0	Nov-29-21	20041	672
Jan-25	9.4912	-0.04	-31.88	-0.38	98.93	-0.04	Jan-06-23	25246	754
Jan-27	9.695	-0.04	-35.5	0.0	99.03	-0.01	Dec-08-23	29355	847

LTN

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Oct-17	8.172	0.0	3.11	0.01	100.37	0.0	Oct-02-17	110	500
Jan-18	7.4352	-0.0	-14.48	-0.14	98.26	-0.02	Jan-02-18	1214	500
Apr-18	7.2377	-0.0	-4.73	-0.53	99.46	-0.07	Apr-02-18	2286	500
Jul-18	7.1427	-0.02	-4.73	-0.84	99.43	-0.11	Jul-02-18	3357	500
Oct-18	7.215	-0.01	-2.5	-0.34	99.71	-0.05	Oct-01-18	4414	500
Jan-19	7.35	-0.02	-2.0	0.14	99.77	0.02	Jan-02-19	5359	500
Apr-19	7.54	-0.03	-1.0	0.17	99.89	0.02	Apr-01-19	6268	500
Jul-19	7.7575	-0.02	-0.25	-0.06	99.98	-0.01	Jul-01-19	7125	500
Oct-19	8.0121	-0.04	1.21	-0.13	100.15	-0.01	Oct-01-19	7976	500
Jan-20	8.1671	-0.05	-0.29	-0.08	99.97	-0.01	Jan-02-20	8754	500
Jul-20	8.5399	-0.07	-0.01	-0.23	99.99	-0.02	Jul-01-20	10123	500
Jul-21	9.0689	-0.06	-0.11	-0.04	99.98	-0.0	Jul-01-21	12414	500

NTN-B

Expiry	Yield	Daily Ch. (%)	BE	Ch. BE	FRA	FRA BE (Daily)	Duration (Macaulay)	BRL PV01	Carry (bps)
Aug-18	3.3744	-0.04	3.71	0.03	3.37	3.71	Aug-09-18	2618	-0.7
May-19	3.342	-0.03	4.16	0.0	3.3	4.74	Apr-15-19	4770	-0.4
Aug-20	3.97	-0.02	4.43	-0.03	4.82	4.79	Jun-05-20	8233	-0.14
May-21	4.2164	-0.02	4.52	-0.03	5.38	4.96	Dec-31-20	10158	-0.09
Aug-22	4.5342	-0.04	4.56	-0.01	5.54	4.67	Jan-17-22	13222	-0.04
May-23	4.65	-0.03	4.56	-0.01	5.67	4.62	Jul-15-22	14956	-0.02
Aug-24	4.6834	-0.02	4.73	-0.01	4.85	5.54	Jul-05-23	17887	-0.02
Aug-26	4.86	-0.01	4.77	-0.03	5.64	4.97	Oct-24-24	22019	-0.0
Aug-30	4.9421	-0.01	4.86	0.01	5.2	5.15	Jan-25-27	29485	0.0
May-35	5.0	-0.01	4.82	0.01	5.27	4.62	Jan-26-29	36808	0.0
Aug-40	5.025	-0.01	4.82	0.01	5.16	4.82	Feb-06-31	43410	0.0
May-45	5.1338	-0.01	4.72	0.01	6.51	3.53	Mar-02-32	47277	0.01
Aug-50	5.1154	0.01	4.75	-0.0	4.92	5.02	Jul-18-33	51716	0.0
May-55	5.076	0.0	4.79	-0.0	4.18	5.77	Mar-24-34	55370	0.0

Fixed-Rate Bonds



Fixed Bonds x DI



IPCA Linked Bonds



2 DI - Open Interest

Institutions	Contracts (k)	Long (%)	Ch. (k)	Contracts (k)	Short (%)	Ch. (k)	Net Position (k)	Net Ch. (k)
Financial Institutions	5983.0	26.85	157.0	7006.0	31.45	51.0	-1024.0	107.0
Banks	5972.0	26.8	157.0	6828.0	30.64	50.0	-856.0	107.0
Brokers & Dealers	0.0	0.0	0.0	2.0	0.0	0.0	-2.0	0.0
Other	11.0	0.04	0.0	177.0	0.79	1.0	-166.0	-1.0
Institutional Investors	11432.0	51.31	53.0	10332.0	46.38	223.0	1100.0	-170.0
Domestic	11432.0	51.31	53.0	10332.0	46.38	223.0	1100.0	-170.0
Nonresident Investors	4743.0	21.29	54.0	4872.0	21.87	8.0	-129.0	47.0
Corporations	103.0	0.46	20.0	61.0	0.27	4.0	42.0	17.0
Individuals	16.0	0.07	-0.0	5.0	0.02	-1.0	10.0	0.0
Total	22277.0	100.0	284.0	22277.0	100.0	284.0	0.0	0.0



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Contracts	D-1 (k)	D-Zero (k)	Ch. Daily (k)	Vol. (k)
V17	2587.7	2602.4	14.7	5440.5
X17	329.1	352.8	23.7	4629.6
Z17	313.5	318.5	5.0	3705.1
F18	4494.7	4655.5	160.8	36073.7
G18	78.1	78.4	0.4	35.6
H18	67.0	71.7	4.7	960.0
J18	1521.8	1579.9	58.1	17248.3
K18	27.1	27.1	0.0	175.0
M18	36.5	39.6	3.1	344.7
N18	1512.6	1527.5	14.9	12260.5
Q18	9.3	9.3	0.0	0.0
U18	4.4	4.4	0.0	0.0
V18	630.6	632.0	1.4	1550.2
F19	2066.5	2058.7	-7.8	42109.1
J19	560.8	540.9	-19.9	5933.5
N19	586.3	585.0	-1.3	3420.9
V19	275.4	277.0	1.6	1211.8
F20	1729.6	1747.5	17.9	26627.2
J20	74.6	74.6	-0.0	35.5
N20	1322.2	1325.3	3.1	3336.6
V20	49.5	49.8	0.3	64.9
F21	1460.8	1476.1	15.3	17916.1
J21	33.8	35.2	1.3	116.5
N21	258.2	259.2	1.0	506.4
V21	17.3	17.4	0.1	9.5
F22	111.5	109.9	-1.6	653.8
J22	1.6	1.6	0.0	0.0
N22	12.0	12.0	0.0	0.0
F23	777.9	772.0	-5.9	3674.7
N23	4.0	4.0	0.0	0.0
F24	56.9	56.8	-0.1	7.3
N24	3.4	3.4	0.0	0.0
F25	488.9	480.0	-8.9	2280.0
F26	62.6	62.6	0.0	2.5
F27	420.3	422.9	2.6	1317.2
F28	0.0	0.0	0.0	0.0
F29	4.6	4.6	0.0	1.5
F30	1.2	1.2	0.0	0.0



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3 DI - DV01 Table

DI	Last Trade	Contracts	DV01	DV01-5	DV01-21	DV01-63	DV01-126
	(%)	(k)	(k)	Bus. Days (Ave. (k))	Bus. Days (Ave.(k))	Bus. Days (Ave.(k))	Bus. Days (Ave.(k))
Market	nan	2174.2	8364.8	5086.0	5192.0	4890.9	4928.3
V17	8.14	54.5	5.1	104.9	80.5	53.7	48.3
X17	8.04	46.7	15.7	2.0	4.3	2.2	1.5
Z17	7.78	37.6	21.3	2.1	5.3	2.7	2.0
F18	7.58	368.0	292.9	505.8	428.3	378.5	468.0
G18	7.44	0.4	0.4	0.2	2.5	4.2	2.1
H18	7.36	9.9	12.3	1.5	2.0	1.1	0.5
J18	7.28	178.8	264.6	47.3	72.9	62.2	49.5
N18	7.19	129.3	279.4	157.7	135.9	112.7	98.6
V18	7.24	16.6	47.0	12.3	25.6	32.2	56.9
F19	7.37	460.7	1583.6	912.2	965.5	889.2	931.4
J19	7.55	66.2	265.4	60.7	114.3	87.1	48.7
N19	7.76	39.0	177.6	61.6	56.0	49.4	46.8
V19	8.0	14.1	72.1	3.7	4.4	2.6	3.2
F20	8.17	318.3	1782.6	524.1	472.2	476.3	477.8
J20	8.35	0.4	2.6	4.1	2.0	1.3	4.4
N20	8.54	41.8	270.5	218.9	261.4	241.7	239.3
V20	8.7	0.8	5.7	0.5	2.6	1.7	7.2
F21	8.82	236.2	1716.0	1190.3	1211.6	1176.7	1176.6
J21	8.93	1.6	12.0	0.1	1.8	1.0	0.8
N21	9.07	7.0	55.6	8.6	9.0	9.7	5.8
V21	9.14	0.1	1.1	0.1	1.5	0.6	1.3
F22	9.23	9.5	81.4	45.5	35.8	32.4	30.9
N22	9.36	0.0	0.0	0.1	0.1	0.1	0.1
F23	9.47	59.2	563.2	460.9	476.1	417.0	397.5
N23	9.55	0.0	0.0	0.0	0.1	0.0	0.1
F24	9.66	0.1	1.3	6.8	3.7	3.7	4.4
N24	9.73	0.0	0.0	0.0	0.0	0.0	0.0
F25	9.81	45.0	480.7	315.9	365.9	338.6	318.2
F26	9.93	0.1	0.6	0.8	5.3	5.8	5.4
F27	10.05	32.0	353.4	263.5	251.8	211.5	179.0
F28	10.11	0.0	0.0	0.0	0.0	0.0	0.0
F29	10.15	0.0	0.5	0.0	0.1	0.2	0.3
F30	10.19	0.0	0.0	0.0	0.1	0.0	0.0



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4 NTNB FRAs

FRA Yield NTN-B		B-18	B-19	B-20	B-21	B-22	B-23	B-24	B-26	B-30	B-35	B-40	B-45	B-50	B-55
B-18	3,37%														
B-19	3,34%	3,30%													
B-20	3,97%	4,26%	4,83%												
B-21	4,22%	4,53%	5,01%	5,39%											
B-22	4,53%	4,83%	5,21%	5,48%	5,54%										
B-23	4,65%	4,94%	5,28%	5,53%	5,58%	5,68%									
B-24	4,68%	4,92%	5,18%	5,31%	5,30%	5,13%	4,85%								
B-26	4,86%	5,07%	5,29%	5,41%	5,42%	5,37%	5,30%	5,64%							
B-30	4,94%	5,11%	5,27%	5,34%	5,34%	5,29%	5,25%	5,36%	5,20%						
B-35	5,00%	5,14%	5,27%	5,32%	5,32%	5,29%	5,26%	5,33%	5,23%	5,27%					
B-40	5,03%	5,14%	5,25%	5,29%	5,29%	5,26%	5,24%	5,29%	5,21%	5,22%	5,17%				
B-45	5,13%	5,25%	5,35%	5,40%	5,40%	5,39%	5,38%	5,44%	5,40%	5,49%	5,63%	6,51%			
B-50	5,12%	5,22%	5,31%	5,35%	5,35%	5,33%	5,32%	5,36%	5,32%	5,37%	5,41%	5,61%	4,92%		
B-55	5,08%	5,17%	5,26%	5,29%	5,29%	5,27%	5,25%	5,29%	5,24%	5,25%	5,24%	5,29%	4,67%	4,17%	

Spreads at the Curve

B-19	B-22	119
B-20	B-21	25
B-22	B-26	33
B-22	B-45	60
B-35	B-45	13
B-35	B-50	12



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5 DI FRAs

FRA DI	DI1V17	DI1F18	DI1N18	DI1F19	DI1N19	DI1F20	DI1N20	DI1F21	DI1N21	DI1F22	DI1F23	DI1F24	DI1N24	DI1F25	DI1F26	DI1F27	DI1F29	DI1F30
DI1V17	8.14%																	
DI1F18	7.57%	7.51%																
DI1N18	7.19%	7.15%	6.97%															
DI1F19	7.37%	7.35%	7.31%	7.65%														
DI1N19	7.76%	7.75%	7.79%	8.20%	8.78%													
DI1F20	8.17%	8.17%	8.25%	8.67%	9.19%	9.58%												
DI1N20	8.54%	8.54%	8.65%	9.06%	9.54%	9.92%	10.28%											
DI1F21	8.82%	8.83%	8.93%	9.32%	9.75%	10.06%	10.32%	10.35%										
DI1N21	9.07%	9.08%	9.19%	9.56%	9.95%	10.23%	10.46%	10.55%	10.76%									
DI1F22	9.23%	9.24%	9.34%	9.68%	10.03%	10.27%	10.45%	10.51%	10.59%	10.42%								
DI1F23	9.47%	9.48%	9.57%	9.86%	10.14%	10.34%	10.47%	10.51%	10.54%	10.47%	10.50%							
DI1F24	9.66%	9.67%	9.76%	10.01%	10.25%	10.41%	10.52%	10.55%	10.59%	10.55%	10.68%	10.59%						
DI1N24	9.73%	9.74%	9.82%	10.06%	10.28%	10.43%	10.53%	10.56%	10.59%	10.56%	10.65%	10.59%	10.89%					
DI1F25	9.81%	9.82%	9.90%	10.12%	10.33%	10.47%	10.57%	10.60%	10.63%	10.61%	10.71%	10.74%	10.80%	10.76%				
DI1F26	9.93%	9.93%	10.01%	10.21%	10.39%	10.52%	10.60%	10.63%	10.65%	10.64%	10.73%	10.75%	10.80%	10.93%	11.10%			
DI1F27	10.05%	10.06%	10.13%	10.31%	10.48%	10.59%	10.67%	10.70%	10.73%	10.72%	10.82%	10.87%	10.92%	10.93%	11.10%	10.74%		
DI1F29	10.15%	10.16%	10.21%	10.37%	10.51%	10.60%	10.66%	10.68%	10.70%	10.70%	10.75%	10.77%	10.79%	10.77%	10.78%	10.62%	10.62%	
DI1F30	10.19%	10.19%	10.25%	10.39%	10.52%	10.60%	10.65%	10.67%	10.69%	10.70%	10.73%	10.74%	10.76%	10.74%	10.74%	10.62%	10.62%	10.19%

Spreads at the Curve

DI1F18	DI1F19	-20
DI1F19	DI1F21	145
DI1F19	DI1F23	210
DI1F21	DI1F23	65
DI1F21	DI1F25	99
DI1F23	DI1F25	34



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