



# Daily Fixed Income

September 22, 2017

## Chief Economist

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## Economist

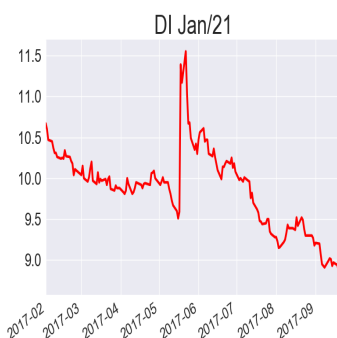
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Index		+/-
CDS 5Y	202.7	-0.9pts
DAX	12643.8	43.8%
T-10	100.0	97.7pts
S&P Fut	2498.3	-2.6%
EUR	1.2	0.0%
MXN	17.78	-0.1%
OIL	50.4	-0.1%
Iron Ore	469.0	-16.5%
Soya	978.8	8.0%
VIX	9.8	0.1%

Source: Bloomberg  
22nd September 2017 8:19am -03:00



Source: Bloomberg

## Highlights

- **Overseas markets:** 10-years Treasury is down, though equities are mixed.
- **Local news:** The charge against Temer reaches the Lower House, and the Speaker of the House states it will be processed expeditiously.
- **Agenda:** Light.

**Global Markets.** European equities are up, and the S&P future is edging down by 0.1%. The Mexican peso is noticeably up by 0.4% against the USD, and the yield of the 10 years Treasury is sliding to 2.25%. Commodities: oil is marginally down 0.1% to USD50.5, steel is down 2.2% and soy prices is climbing by about 0.9%.

**Local News. Politics.** The second charge against Temer has finally been sent to the Lower House. Against this background, the O Estadão reiterates the Speaker of House discontentment with the PMDB, which has interfered on his party's election strategy, and may impair the processing of the charge in the House. At the other extreme, the media outlet Broadcast informs Mr. Rogrigo Maia is, nonetheless, resolved to get done and over with it in a expedience manner.

In addition, as we have noticed in our visit to Brasilia this week, the O Valor noticed that PSDB looks more tamed now and, partially sponsored by the Governor of Sao Paulo, may deliver more votes to Temer in this time around. As expected, however, the Estadão reports that PP, PR and PSD are again complaining about their relationship with the government, and taking up the opportunity to raise their stakes for more room in the government.

The presidential election race also occupies some importance. As matter of fact, Mr. Alckmin move to sooth the government would be indeed a step to neutralize Mr. Doria's advancements within the PMDB. In the meantime, the latter and Mr. Rodrigo Maia seem to be in courtship mode, after having dinner last night. Finally, according to the O Valor, the Mr. Henrique Meirelles' name would be gathering strength and should the economy take off for good, his candidacy could take off for real.

**On the fiscal front,** the Refis comes back to the fore yet again and, as we informed yesterday, the speculation the government may not renew its provisional measure continues, which is raising anxieties in the Congress, since it would like to see the approval of softer version. Meanwhile, the Cemig's soup opera leaves on. Although its auction is scheduled to next week, the companies is trying to postpone in order to strike a last minute deal with the government.

Finally, **on the economic camp,** newspapers comes filled with optimism on the back of a discussion over yesterday's **Quarterly Inflation** report by the Central Bank. In a nutshell, annalists and commentators alike are raising the bets of low interest rates for longer amid higher GDP growth.

**Agenda - Highlights:** Brazil: Consumer confidence - FGV, September and Industrial Confidence - CNI, September. US: Markit US PMI, September.

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Time	Country	Indicator	Period	Forecast	Impact
08:00:00	BZ	Consumer Confidence @ 82,3	Sep	-	low
10:45:00	US	Markit Manufac.	Sep P	53	Medium
10:45:00	US	Markit Services	Sep P	55,7	Medium
11:00:00	BZ	CNI Business confidence	Sep	-	Low

**Bottom Line.** Global markets looked mixed, while local news comes plenty optimism, which may set a positive mode for local markets.



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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	7.47	-0.01	-9.5	0.15	98.9	-0.22	Jan-02-18	1273	525
Jan-19	7.2314	-0.07	-6.86	-0.1	99.15	-0.12	Dec-06-18	5858	546
Jan-21	8.5815	-0.1	-13.85	0.15	99.64	-0.08	Jul-24-20	13761	603
Jan-23	9.1509	-0.1	-21.91	-0.0	99.45	-0.05	Nov-30-21	20136	671
Jan-25	9.3969	-0.09	-32.31	-0.43	98.89	-0.11	Jan-09-23	25398	753
Jan-27	9.625	-0.07	-35.5	-0.0	99.08	0.09	Dec-12-23	29514	846

### LTN

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Oct-17	8.1734	0.0	3.16	0.04	100.37	0.0	Oct-02-17	92	500
Jan-18	7.4185	-0.02	-14.65	-0.17	98.24	-0.02	Jan-02-18	1196	500
Apr-18	7.1983	-0.04	-4.67	0.06	99.47	0.01	Apr-02-18	2270	500
Jul-18	7.1	-0.04	-4.5	0.23	99.46	0.03	Jul-02-18	3343	500
Oct-18	7.1452	-0.07	-2.48	0.02	99.72	0.0	Oct-01-18	4404	500
Jan-19	7.28	-0.07	-2.0	0.0	99.77	0.0	Jan-02-19	5351	500
Apr-19	7.46	-0.08	-1.0	0.0	99.89	0.0	Apr-01-19	6265	500
Jul-19	7.67	-0.09	-0.0	0.25	100.01	0.03	Jul-01-19	7127	500
Oct-19	7.9114	-0.1	1.14	-0.07	100.14	-0.0	Oct-01-19	7985	500
Jan-20	8.0478	-0.12	-0.22	0.07	99.98	0.01	Jan-02-20	8773	500
Jul-20	8.4199	-0.12	-0.01	-0.0	99.99	0.0	Jul-01-20	10154	500
Jul-21	8.97	-0.1	-0.0	0.11	99.99	0.01	Jul-01-21	12459	500

### NTN-B

Expiry	Yield	Daily Ch. (%)	BE	Ch. BE	FRA	FRA BE (Daily)	Duration (Macaulay)	BRL PV01	Carry (bps)
Aug-18	3.37	-0.0	3.63	-0.07	0.0	0.0	Jun-05-20	8235	-0.15
May-19	3.29	-0.05	4.13	-0.06	3.29	3.29	Dec-31-20	10173	-0.09
Aug-20	3.93	-0.04	4.36	-0.17	3.93	4.36	Jan-17-22	13253	-0.04
May-21	4.1604	-0.06	4.48	-0.09	5.25	5.08	Jul-15-22	15002	-0.03
Aug-22	4.48	-0.05	4.52	-0.09	5.49	4.62	Jul-05-23	17953	-0.02
May-23	4.59	-0.06	4.53	-0.09	5.55	4.62	Oct-25-24	22090	-0.01
Aug-24	4.6265	-0.06	4.69	-0.08	4.81	5.52	Jan-26-27	29583	-0.0
Aug-26	4.82	-0.04	4.74	-0.09	5.67	4.94	Jan-30-29	36953	0.0
Aug-30	4.9129	-0.03	4.82	-0.07	5.21	5.08	Feb-12-31	43610	0.0
May-35	4.9735	-0.03	4.79	-0.11	5.26	4.63	Mar-11-32	47563	0.01
Aug-40	5.0	-0.03	4.78	-0.12	5.15	4.73	Aug-01-33	52121	0.0
May-45	5.1051	-0.03	4.68	-0.13	6.42	3.48	Apr-11-34	55780	0.0
Aug-50	5.0825	-0.03	4.71	-0.15	4.85	5.02	Apr-11-34	55780	0.0
May-55	5.0475	-0.03	4.75	-0.16	4.25	5.69	Apr-11-34	55780	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	6099.0	27.37	117.0	7082.0	31.78	75.0	-982.0	41.0
Banks	6089.0	27.32	117.0	6902.0	30.97	75.0	-814.0	42.0
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	178.0	0.79	1.0	-167.0	-1.0
Institutional Investors	11502.0	51.62	70.0	10551.0	47.35	219.0	951.0	-149.0
Domestic	11502.0	51.62	70.0	10551.0	47.35	219.0	951.0	-149.0
Nonresident Investors	4561.0	20.46	-182.0	4582.0	20.56	-290.0	-21.0	108.0
Corporations	103.0	0.46	0.0	61.0	0.27	0.0	43.0	0.0
Individuals	15.0	0.06	-1.0	5.0	0.02	-0.0	10.0	-1.0
Total	22281.0	100.0	4.0	22281.0	100.0	4.0	0.0	0.0



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Contracts	D-1 (k)	D-Zero (k)	Ch. Daily (k)	Vol. (k)
V17	2602.4	2537.9	-64.5	20933.9
X17	352.8	359.7	6.9	3829.5
Z17	318.5	331.0	12.6	1497.0
F18	4655.5	4693.9	38.3	33521.8
G18	78.4	78.8	0.3	30.7
H18	71.7	71.4	-0.2	45.6
J18	1579.9	1574.9	-5.0	29732.6
K18	27.1	27.1	0.0	0.0
M18	39.6	39.6	0.0	77.3
N18	1527.5	1490.8	-36.7	27371.3
Q18	9.3	9.3	0.0	0.0
U18	4.4	4.4	0.0	0.0
V18	632.0	621.1	-11.0	3052.0
F19	2058.7	2070.3	11.6	32120.9
J19	540.9	541.9	1.0	472.9
N19	585.0	520.9	-64.2	9032.2
V19	277.0	293.9	17.0	6689.6
F20	1747.5	1810.3	62.8	21744.2
J20	74.6	74.7	0.0	5.3
N20	1325.3	1329.9	4.6	8740.9
V20	49.8	51.7	1.9	248.5
F21	1476.1	1486.9	10.8	16344.2
J21	35.2	35.0	-0.2	66.5
N21	259.2	274.6	15.4	3851.6
V21	17.4	17.7	0.3	30.4
F22	109.9	112.7	2.8	666.9
J22	1.6	1.6	0.0	0.0
N22	12.0	12.0	0.0	0.3
F23	772.0	767.6	-4.5	4054.1
N23	4.0	4.0	0.0	0.0
F24	56.8	56.8	0.0	3.4
N24	3.4	3.4	0.0	0.0
F25	480.0	485.5	5.5	1891.6
F26	62.6	62.6	0.0	8.3
F27	422.9	421.1	-1.7	753.3
F28	0.0	0.0	0.0	0.0
F29	4.6	4.6	0.0	0.0
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	2543.6	9048.9	5086.0	5192.0	4902.2	4928.3
V17	8.14	209.8	17.1	104.9	80.5	53.7	48.3
X17	8.04	38.6	12.6	2.0	4.3	2.2	1.5
Z17	7.77	15.2	8.4	2.1	5.3	2.7	2.0
F18	7.56	341.9	268.0	505.8	428.3	378.1	468.0
G18	7.42	0.3	0.3	0.2	2.5	4.2	2.1
H18	7.34	0.5	0.6	1.5	2.0	0.9	0.5
J18	7.24	308.2	452.4	47.3	72.9	62.2	49.5
N18	7.14	288.5	620.4	157.7	135.9	112.7	98.6
V18	7.17	32.7	92.2	12.3	25.6	32.2	56.9
F19	7.3	351.0	1203.9	912.2	965.5	889.2	931.4
J19	7.47	5.3	21.1	60.7	114.3	87.1	48.7
N19	7.67	102.8	467.9	61.6	56.0	49.4	46.8
V19	7.9	77.9	397.5	3.7	4.4	2.6	3.2
F20	8.05	259.2	1453.8	524.1	472.2	476.3	477.8
J20	8.23	0.1	0.4	4.1	2.0	1.3	4.4
N20	8.42	109.2	707.8	218.9	261.4	241.7	239.3
V20	8.59	3.2	22.0	0.5	2.6	1.7	7.2
F21	8.72	214.7	1562.8	1190.3	1211.6	1176.7	1176.6
J21	8.84	0.9	6.8	0.1	1.8	1.0	0.8
N21	8.97	53.2	422.5	8.6	9.0	9.7	5.8
V21	9.05	0.4	3.6	0.1	1.5	0.6	1.3
F22	9.14	9.7	82.9	45.5	35.8	32.4	30.9
N22	9.26	0.0	0.0	0.1	0.1	0.1	0.1
F23	9.37	64.9	620.7	460.9	476.1	417.0	397.5
N23	9.45	0.0	0.0	0.0	0.1	0.0	0.1
F24	9.56	0.1	0.6	6.8	3.7	3.7	4.4
N24	9.64	0.0	0.0	0.0	0.0	0.0	0.0
F25	9.72	37.1	398.7	315.9	365.9	338.6	318.2
F26	9.86	0.2	2.0	0.8	5.3	5.8	5.4
F27	9.98	18.2	202.0	263.5	251.8	211.5	179.0
F28	10.04	0.0	0.0	0.0	0.0	0.0	0.0
F29	10.08	0.0	0.0	0.0	0.1	0.2	0.3
F30	10.12	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	3,29%	3,19%													
B-20	3,93%	4,20%	4,80%												
B-21	4,16%	4,45%	4,95%	5,25%											
B-22	4,48%	4,76%	5,15%	5,40%	5,49%										
B-23	4,59%	4,86%	5,21%	5,44%	5,51%	5,55%									
B-24	4,63%	4,85%	5,12%	5,24%	5,24%	5,06%	4,81%								
B-26	4,82%	5,03%	5,25%	5,37%	5,39%	5,35%	5,30%	5,67%							
B-30	4,91%	5,07%	5,24%	5,31%	5,32%	5,29%	5,26%	5,38%	5,21%						
B-35	4,97%	5,11%	5,24%	5,30%	5,30%	5,28%	5,26%	5,33%	5,23%	5,26%					
B-40	5,00%	5,11%	5,23%	5,27%	5,27%	5,25%	5,23%	5,28%	5,20%	5,20%	5,15%				
B-45	5,11%	5,22%	5,32%	5,38%	5,38%	5,37%	5,36%	5,42%	5,38%	5,46%	5,59%	6,42%			
B-50	5,08%	5,18%	5,28%	5,32%	5,32%	5,31%	5,30%	5,34%	5,30%	5,33%	5,36%	5,53%	4,85%		
B-55	5,05%	5,14%	5,23%	5,27%	5,27%	5,25%	5,24%	5,27%	5,22%	5,22%	5,21%	5,25%	4,65%	4,25%	

Spreads at the Curve		B-19	B-22	119
B-19				
B-20				23
B-22				34
B-22				63
B-35				13
B-35				11





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## 5 DI FRAs

FRA DI	DI1V17	DI1F17	DI1N18	DI1F18	DI1N19	DI1F19	DI1N20	DI1F20	DI1N21	DI1F21	DI1N22	DI1F22	DI1N23	DI1F23	DI1N24	DI1F24	DI1N25	DI1F25	DI1N26	DI1F26	DI1N27	DI1F27	DI1N28	DI1F28	DI1N29	DI1F29	DI1N30	DI1F30
DI1V17	8.14%																											
DI1F18	7.56%	7.50%																										
DI1N18	7.14%	6.92%	7.11%																									
DI1F19	7.30%	7.28%	7.23%	7.54%																								
DI1N19	7.67%	7.66%	7.69%	8.08%	8.63%																							
DI1F20	8.05%	8.05%	8.12%	8.51%	9.00%	9.35%																						
DI1N20	8.42%	8.42%	8.51%	8.91%	9.38%	9.74%	10.15%																					
DI1F21	8.72%	8.72%	8.82%	9.20%	9.63%	9.95%	10.26%	10.36%																				
DI1N21	8.97%	8.98%	9.08%	9.44%	9.83%	10.12%	10.39%	10.51%	10.66%																			
DI1F22	9.14%	9.15%	9.25%	9.58%	9.92%	10.18%	10.39%	10.47%	10.53%	10.40%																		
DI1N22	9.37%	9.38%	9.47%	9.75%	10.03%	10.23%	10.38%	10.43%	10.44%	10.37%	10.36%																	
DI1F23	9.57%	9.57%	9.66%	9.91%	10.15%	10.31%	10.44%	10.48%	10.50%	10.47%	10.48%	10.61%																
DI1N23	9.64%	9.64%	9.72%	9.96%	10.18%	10.33%	10.45%	10.48%	10.50%	10.48%	10.49%	10.58%	10.53%															
DI1F24	9.72%	9.73%	9.80%	10.03%	10.24%	10.38%	10.49%	10.52%	10.54%	10.53%	10.55%	10.65%	10.68%	10.53%														
DI1N24	9.86%	9.86%	9.93%	10.13%	10.32%	10.45%	10.55%	10.58%	10.60%	10.60%	10.62%	10.71%	10.76%	10.84%	10.84%													
DI1F25	9.98%	9.99%	10.05%	10.24%	10.41%	10.53%	10.61%	10.65%	10.67%	10.67%	10.70%	10.79%	10.85%	10.91%	10.93%	10.83%												
DI1N25	10.08%	10.08%	10.14%	10.30%	10.44%	10.53%	10.60%	10.62%	10.64%	10.64%	10.66%	10.71%	10.73%	10.75%	10.74%	11.03%	10.93%											
DI1F26	10.12%	10.12%	10.18%	10.32%	10.45%	10.53%	10.59%	10.62%	10.63%	10.63%	10.64%	10.69%	10.70%	10.71%	10.71%	10.70%	10.70%	10.67%	10.55%									
DI1N26																												
DI1F27																												
DI1N27																												
DI1F28																												
DI1N28																												
DI1F29																												
DI1N29																												
DI1F30																												

### Spreads at the Curve

DI1F18	DI1F19	-26
DI1F19	DI1F21	142
DI1F19	DI1F23	207
DI1F21	DI1F23	65
DI1F21	DI1F25	100
DI1F23	DI1F25	35



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