



Daily Fixed Income

September 20, 2017

Chief Economist

Joao Mauricio Rosal, PhD

jmrosal@guideinvestimentos.com.br

+55 11 3675 6613

Economist

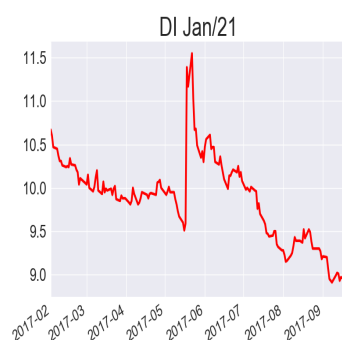
Vinicius Alves

vinicius.alves@guideinvestimentos.com.br

+55 11 3675 6611

Index		+/-
CDS 5Y	179.9	-0.1pts
DAX	12556.0	-0.0%
T-10	2.2	-0.0pts
S&P Fut	2505.1	0.0%
EUR	1.2	0.1%
MXN	17.75	-0.3%
OIL	50.0	1.1%
Iron Ore	495.5	-2.3%
Soya	969.0	0.4%
VIX	10.0	-0.2%

Source: Bloomberg
20th September 2017 8:01am -03:00



Source: Bloomberg

Highlights

- *Overseas markets: Overseas markets are mixed.*
- *Local news: The charge against Temer to go straight to the Lower House.*
- *Watch out for the FOCM statement today.*

Global Markets. European equities are mixed, with the DAX roughly flat and the Footsie down. Meanwhile, the S&P future is unchanged. The Mexican peso is up by 0.3% against the USD, and the yield of the 10 years Treasury is roughly flat at 2.22%. Commodities: Oil is up 1.0% to USD50.0, steel is down 0.5 and soy prices is climbing about 0.5%.

Local News. The second charge against Mr. Temer should indeed go to the Lower House, as informed by the O Globo. The judge Edison Fachin has refused to send the charge back to the new Prosecutor General, a decision that is expected to be followed by its peers at the Supreme Court. Accordingly, it will be down to the Lower House to decide the fate of President Temer, which is largely expected to lean favorably toward Mr. Temer by all accounts.

In the meantime, the Congress has kept working sort oblivious to that. In fact, the **Lower House has rejected any changes for the political system** yesterday, as least as far as the voting of the Lower House members are considered. Now there are only two changes that the Congress may rules over: 1) elections' coalitions, and 2) elections funding. Should none of that occur, the no funding *status quo* will prevail, thus hiking the uncertainties around 2018 elections.

Be that as it may, the fiscal issue continues to linger. For one, **BNDES seem to have knelled down** to the idea that it will indeed need to transfer R\$180bn to the Treasury, and, according to the Estadão, is negotiating the terms of the deal in face of the major cash flow impact it may have on the bank. In fact, as *per* O Valor, it should need to face with another cash flow event in 2018, since the bank should also need to transfer to R\$14.8bn to the FAT.

On the inflation front, against all the existing benign drivers, there seem to be one looming risk. According to the media outlet Broadcast, **analysts are expecting energy fares to be raised to red flag, level 2** as water reservoirs are at dangerous levels. On the other hand, the O Globo informs that, in face of this backdrop, the Brazilian government has decided to ramp up its energy purchases from Argentina and Uruguay. In our view, this is just an instance of the benign impact of a health balance of payments of on inflation.

Finally, on the ever more relevant 2018 elections, there a few interesting news. First, the former **President Lula has been charged for yet another possible wrongdoing**, adding to other six charges. Second, according to the Folha de Sao Paulo, the PSDB's infighting ahead of the election continues, as the party may decide to choose its presidential candidate only after December, reportedly, in order to give more time to Sao Paulo's mayor to work on his candidacy. As matter of fact, the same newspaper suggests the mayor of Salvador, Mr. ACM Neto, one of the key figures in the DEM, is ever more looking forward to support Mr. Joao Doria.

Agenda - Highlights: Brazil: Tax collections, August. US: FOMC and existing home sales, August.

Contents

1	Brazilian Bonds	3
2	DI - Open Interest	5
3	DI - DV01 Table	7
4	NTNB FRAs	8
5	DI FRAs	9
6	Disclaimer	10



Daily Fixed Income

September 20, 2017

Time	Country	Indicator	Period	Forecast	Impact
10:30:00	BZ	Tax Collections	Aug	R\$ 99 b	Medium
11:00:00	US	Existing home Sales	Aug	5,45m	Medium
15:00:00	US	FOMC rate Decision	Sep	1,25%	High

Bottom Line. Global markets look lukewarm and the local news not that eventful, setting the stage for mix session kick-off. Watch out for FOCM statement.



Daily Fixed Income

September 20, 2017

1 Brazilian Bonds

NTNF

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Jan-18	7.4869	-0.02	-9.31	-1.61	98.92	-0.2	Jan-02-18	1310	525
Jan-19	7.3232	-0.07	-6.68	-0.32	99.2	-0.07	Dec-06-18	5882	546
Jan-21	8.7419	-0.06	-13.81	-0.16	99.69	-0.03	Jul-23-20	13707	603
Jan-23	9.2999	-0.07	-22.01	-0.01	99.47	-0.03	Nov-29-21	20001	672
Jan-25	9.535	-0.06	-31.5	-0.16	98.97	-0.02	Jan-05-23	25181	754
Jan-27	9.735	-0.04	-35.5	-0.54	99.04	0.04	Dec-07-23	29267	848

LTN

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Oct-17	8.1711	-0.0	3.1	-0.38	100.37	-0.04	Oct-02-17	128	500
Jan-18	7.4366	-0.05	-14.34	-4.12	98.28	-0.52	Jan-02-18	1232	500
Apr-18	7.238	-0.03	-4.2	-2.27	99.53	-0.3	Apr-02-18	2303	500
Jul-18	7.1661	-0.05	-3.89	-1.89	99.54	-0.25	Jul-02-18	3372	500
Oct-18	7.2284	-0.07	-2.16	-0.97	99.76	-0.13	Oct-01-18	4429	500
Jan-19	7.3686	-0.08	-2.14	-0.82	99.75	-0.11	Jan-02-19	5372	500
Apr-19	7.5683	-0.07	-1.17	-0.88	99.87	-0.11	Apr-01-19	6279	500
Jul-19	7.7781	-0.08	-0.19	-0.81	99.99	-0.1	Jul-01-19	7135	500
Oct-19	8.0534	-0.07	1.34	-0.66	100.16	-0.08	Oct-01-19	7980	500
Jan-20	8.2179	-0.07	-0.21	-0.9	99.97	-0.1	Jan-02-20	8754	500
Jul-20	8.6122	-0.06	0.22	-0.66	100.02	-0.07	Jul-01-20	10109	500
Jul-21	9.1293	-0.06	-0.07	-0.94	99.98	-0.1	Jul-01-21	12390	500

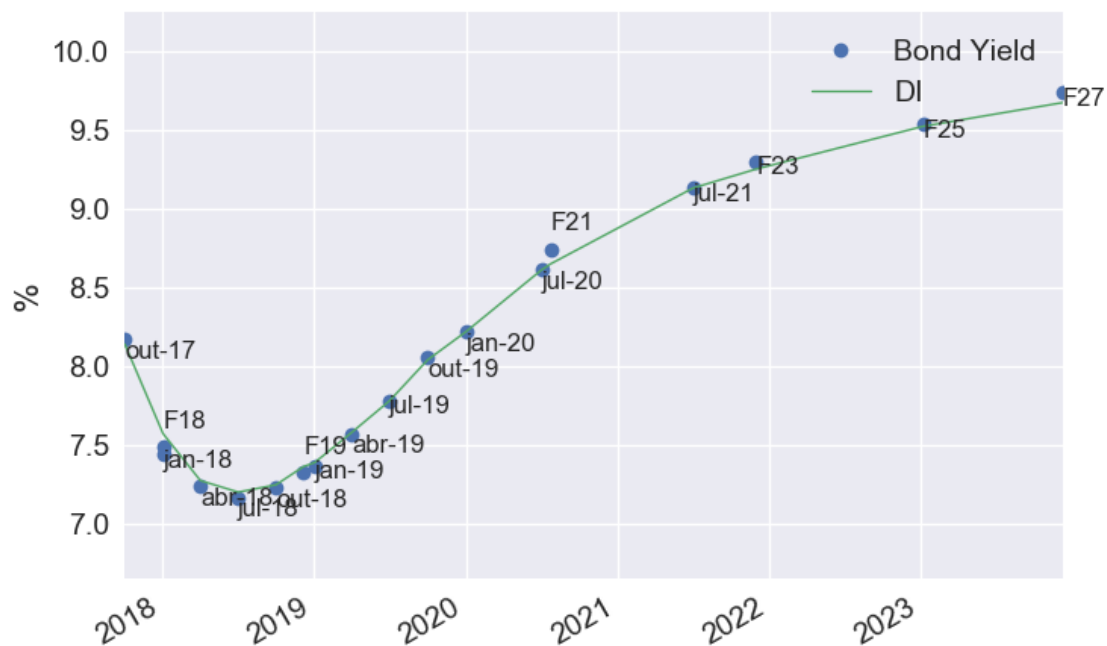
NTN-B

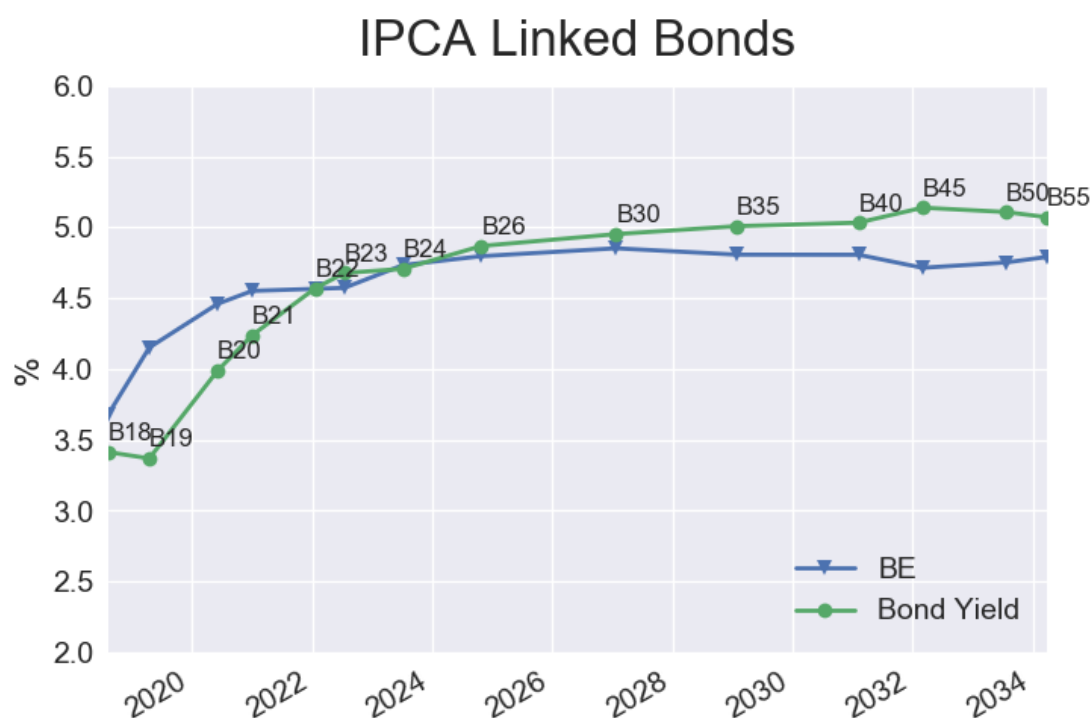
Expiry	Yield	Daily Ch. (%)	BE	Ch. BE	FRA	FRA BE (Daily)	Duration (Macaulay)	BRL PV01	Carry (bps)
Aug-18	3.4142	-0.0	3.68	-0.04	3.41	3.68	Aug-09-18	2627	-0.68
May-19	3.37	-0.02	4.15	-0.04	3.31	4.77	Apr-15-19	4778	-0.4
Aug-20	3.9905	0.01	4.46	-0.06	4.84	4.88	Jun-04-20	8236	-0.14
May-21	4.24	-0.03	4.55	-0.02	5.41	4.98	Dec-31-20	10157	-0.08
Aug-22	4.57	-0.02	4.57	-0.04	5.61	4.61	Jan-17-22	13205	-0.03
May-23	4.6792	-0.02	4.57	-0.04	5.65	4.63	Jul-14-22	14938	-0.02
Aug-24	4.7082	-0.02	4.73	-0.04	4.85	5.53	Jul-05-23	17863	-0.01
Aug-26	4.87	-0.01	4.8	-0.03	5.58	5.08	Oct-24-24	22005	-0.0
Aug-30	4.9538	-0.02	4.85	-0.02	5.22	5.03	Jan-22-27	29448	0.0
May-35	5.01	-0.01	4.81	-0.02	5.27	4.6	Jan-25-29	36754	0.0
Aug-40	5.0348	-0.02	4.81	-0.02	5.17	4.8	Feb-05-31	43331	0.0
May-45	5.1405	-0.02	4.72	-0.01	6.47	3.57	Mar-01-32	47209	0.01
Aug-50	5.11	-0.02	4.75	-0.01	4.79	5.14	Jul-20-33	51778	0.0
May-55	5.0731	-0.02	4.79	-0.01	4.22	5.71	Mar-27-34	55407	0.0

Fixed-Rate Bonds



Fixed Bonds x DI





2 DI - Open Interest

Institutions	Contracts (k)	Long (%)	Ch. (k)	Contracts (k)	Short (%)	Ch. (k)	Net Position (k)	Net Ch. (k)
Financial Institutions	5769.0	29.85	-68.0	6445.0	33.09	-539.0	-676.0	471.0
Banks	5769.0	29.84	-58.0	6267.0	32.18	-540.0	-498.0	482.0
Brokers & Dealers	0.0	0.0	0.0	2.0	0.0	0.0	-2.0	0.0
Other	1.0	0.0	-10.0	176.0	0.9	1.0	-175.0	-11.0
Institutional Investors	8952.0	46.32	-2508.0	8354.0	42.89	-1710.0	598.0	-798.0
Domestic	8952.0	46.32	-2508.0	8354.0	42.89	-1710.0	598.0	-798.0
Nonresident Investors	4507.0	23.31	-100.0	4612.0	23.68	-258.0	-105.0	158.0
Corporations	83.0	0.42	54.0	57.0	0.29	34.0	26.0	21.0
Individuals	16.0	0.08	-0.0	5.0	0.02	-1.0	10.0	1.0
Total	19327.0	100.0	-2622.0	19474.0	100.0	-2475.0	-147.0	-147.0



Daily Fixed Income

September 20, 2017

Contracts	D-1 (k)	D-Zero (k)	Ch. Daily (k)	Vol. (k)
V17	2627.2	2587.7	-39.5	10807.3
X17	323.8	329.1	5.3	2758.0
Z17	312.9	313.5	0.5	493.6
F18	4450.9	4494.7	43.9	24523.2
G18	77.6	78.1	0.5	49.7
H18	67.1	67.0	-0.1	535.6
J18	1507.6	1521.8	14.2	7914.6
K18	27.1	27.1	0.0	11.5
M18	36.4	36.5	0.1	9.5
N18	1487.2	1512.6	25.5	13773.9
Q18	9.3	9.3	0.0	0.0
U18	4.4	4.4	0.0	0.0
V18	635.1	630.6	-4.4	3004.9
F19	2073.6	2066.5	-7.0	26318.1
J19	566.3	560.8	-5.5	1175.0
N19	587.4	586.3	-1.1	1338.0
V19	274.2	275.4	1.2	1180.6
F20	1720.0	1729.6	9.6	22956.2
J20	74.6	74.6	0.0	15.1
N20	1322.1	1322.2	0.0	4382.0
V20	50.3	49.5	-0.7	89.2
F21	1463.8	1460.8	-3.0	15749.0
J21	33.7	33.8	0.2	23.6
N21	264.3	258.2	-6.2	1523.0
V21	17.3	17.3	0.0	3.5
F22	112.7	111.5	-1.2	510.9
J22	1.6	1.6	0.0	0.0
N22	12.0	12.0	0.0	3.6
F23	767.7	777.9	10.2	2919.9
N23	4.0	4.0	0.0	0.0
F24	56.9	56.9	0.0	22.4
N24	3.4	3.4	0.0	0.0
F25	494.1	488.9	-5.1	1898.1
F26	62.6	62.6	0.0	1.1
F27	413.8	420.3	6.5	898.4
F28	0.0	0.0	0.0	0.0
F29	4.6	4.6	0.0	16.8
F30	1.2	1.2	0.0	0.0



Daily Fixed Income

September 20, 2017

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	1663.6	6693.0	5086.0	5192.0	4864.9	4928.3
V17	8.14	108.4	11.4	104.9	80.5	53.7	48.3
X17	8.04	27.8	9.7	2.0	4.3	2.2	1.5
Z17	7.8	5.0	2.9	2.1	5.3	2.7	2.0
F18	7.58	250.3	201.9	505.8	428.3	377.1	468.0
G18	7.44	0.5	0.5	0.2	2.5	4.2	2.1
H18	7.37	5.5	6.9	1.5	2.0	1.0	0.5
J18	7.28	82.1	122.3	47.3	72.9	62.2	49.5
N18	7.2	145.3	315.4	157.7	135.9	112.7	98.6
V18	7.25	32.3	91.5	12.3	25.6	32.2	56.9
F19	7.39	288.2	992.6	912.2	965.5	889.2	931.4
J19	7.58	13.1	52.7	60.7	114.3	87.1	48.7
N19	7.78	15.3	69.6	61.6	56.0	49.4	46.8
V19	8.04	13.8	70.4	3.7	4.4	2.6	3.2
F20	8.22	274.9	1538.9	524.1	472.2	476.3	477.8
J20	8.41	0.2	1.1	4.1	2.0	1.3	4.4
N20	8.61	55.1	355.4	218.9	261.4	241.7	239.3
V20	8.75	1.2	7.9	0.5	2.6	1.7	7.2
F21	8.88	208.1	1509.1	1190.3	1211.6	1176.7	1176.6
J21	8.99	0.3	2.4	0.1	1.8	1.0	0.8
N21	9.13	21.2	167.4	8.6	9.0	9.7	5.8
V21	9.2	0.0	0.4	0.1	1.5	0.6	1.3
F22	9.28	7.5	63.6	45.5	35.8	32.4	30.9
N22	9.41	0.1	0.5	0.1	0.1	0.1	0.1
F23	9.52	47.1	447.6	460.9	476.1	417.0	397.5
N23	9.59	0.0	0.0	0.0	0.1	0.0	0.1
F24	9.68	0.4	4.1	6.8	3.7	3.7	4.4
N24	9.76	0.0	0.0	0.0	0.0	0.0	0.0
F25	9.85	37.6	400.2	315.9	365.9	338.6	318.2
F26	9.96	0.0	0.3	0.8	5.3	5.8	5.4
F27	10.09	21.9	240.7	263.5	251.8	211.5	179.0
F28	10.13	0.0	0.0	0.0	0.0	0.0	0.0
F29	10.14	0.5	5.5	0.0	0.1	0.2	0.3
F30	10.18	0.0	0.0	0.0	0.1	0.0	0.0



Daily Fixed Income

September 20, 2017

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	3,41%														
B-19	3,37%	3,31%													
B-20	3,99%	4,27%	4,84%												
B-21	4,24%	4,55%	5,03%	5,42%											
B-22	4,57%	4,87%	5,25%	5,55%	5,61%										
B-23	4,68%	4,97%	5,31%	5,57%	5,62%	5,65%									
B-24	4,71%	4,94%	5,21%	5,34%	5,32%	5,12%	4,85%								
B-26	4,87%	5,08%	5,30%	5,42%	5,41%	5,34%	5,27%	5,58%							
B-30	4,95%	5,12%	5,27%	5,35%	5,34%	5,29%	5,25%	5,35%	5,22%						
B-35	5,01%	5,15%	5,27%	5,33%	5,32%	5,28%	5,25%	5,32%	5,24%	5,27%					
B-40	5,03%	5,15%	5,26%	5,30%	5,29%	5,26%	5,24%	5,28%	5,22%	5,22%	5,17%				
B-45	5,14%	5,25%	5,36%	5,41%	5,41%	5,39%	5,37%	5,43%	5,40%	5,48%	5,62%	6,48%			
B-50	5,11%	5,21%	5,30%	5,34%	5,34%	5,31%	5,30%	5,34%	5,31%	5,34%	5,36%	5,52%	4,79%		
B-55	5,07%	5,17%	5,25%	5,29%	5,28%	5,25%	5,24%	5,27%	5,23%	5,23%	5,21%	5,24%	4,60%	4,22%	

Spreads at the Curve		B-19	B-22	120
B-19				
B-20				25
B-22				30
B-22				57
B-35				13
B-35				10



Daily Fixed Income

September 20, 2017

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%	7,50%																
DI1N18	7,20%	7,16%	6,99%															
DI1F19	7,39%	7,37%	7,34%	7,68%														
DI1N19	7,78%	7,77%	7,82%	8,23%	8,80%													
DI1F20	8,22%	8,22%	8,31%	8,74%	9,28%	9,73%												
DI1N20	8,61%	8,62%	8,73%	9,16%	9,66%	10,08%	10,45%											
DI1F21	8,88%	8,89%	9,00%	9,40%	9,84%	10,17%	10,40%	10,36%										
DI1N21	9,13%	9,14%	9,25%	9,63%	10,03%	10,33%	10,54%	10,58%	10,82%									
DI1F22	9,28%	9,29%	9,40%	9,74%	10,09%	10,34%	10,50%	10,52%	10,60%	10,40%								
DI1F23	9,52%	9,53%	9,63%	9,92%	10,21%	10,40%	10,52%	10,53%	10,58%	10,50%	10,55%							
DI1F24	9,69%	9,69%	9,78%	10,04%	10,28%	10,44%	10,53%	10,54%	10,58%	10,53%	10,56%	10,57%						
DI1N24	9,76%	9,77%	9,85%	10,09%	10,32%	10,47%	10,55%	10,57%	10,60%	10,56%	10,59%	10,62%	10,72%					
DI1F25	9,85%	9,86%	9,94%	10,17%	10,38%	10,52%	10,60%	10,62%	10,65%	10,63%	10,67%	10,72%	10,88%	11,03%				
DI1F26	9,96%	9,97%	10,04%	10,25%	10,43%	10,56%	10,63%	10,64%	10,67%	10,66%	10,69%	10,74%	10,82%	10,85%	10,76%			
DI1F27	10,09%	10,10%	10,17%	10,36%	10,53%	10,64%	10,71%	10,73%	10,76%	10,75%	10,79%	10,85%	10,94%	10,98%	10,97%	11,18%		
DI1F29	10,14%	10,15%	10,21%	10,36%	10,50%	10,59%	10,63%	10,65%	10,66%	10,65%	10,67%	10,69%	10,72%	10,72%	10,68%	10,65%	10,38%	
DI1F30	10,18%	10,19%	10,24%	10,38%	10,51%	10,59%	10,63%	10,64%	10,66%	10,65%	10,67%	10,68%	10,70%	10,70%	10,66%	10,64%	10,46%	10,61%

Spreads at the Curve

DI1F18	DI1F19	-18
DI1F19	DI1F21	149
DI1F19	DI1F23	213
DI1F21	DI1F23	64
DI1F21	DI1F25	97
DI1F23	DI1F25	33



Daily Fixed Income

September 20, 2017

6 Disclaimer

This report has been produced by Guide Investimentos S.A Corretora de Valores solely for its recipients and should not be distributed without previous consent from Guide Investimentos S.A. Although this report is based upon the most reliable public information, Guide Investimentos makes no warranties of the reliability of such information. This document is for informational purposes only and does not constitute any tender to sell or buy financial instruments. Information discussed herein is not suitable for all investors and it does not aim at providing any trading strategy for individual goals. Investors should have experience and knowledge of the risks in FX/Fixed Income markets. Guide Investimentos S.A Corretora de Valores has no obligation to update, revise or modify any information contained herein. Guide Investimentos and its analysts shall not be held responsible for any accidental incorrect information, nor for investment decisions taken based upon the information contained herein. Additional information discussed on this report is available upon request. Analysts each certify that the views expressed in this report represent only personal views produced independently, including with respect Guide Investimentos S.A Corretora de Valores. This report should not be considered as research report ("relatório de análise") for the purposes of the article 1 of CVM Instruction NR 483. Opinions, estimates and projections contained herein express the current judgment of the analysts build on the date this report was released and therefore can be changed without notice. Analysts do not accept any liability that incorrect use of this report could cause, including financial losses. Upon accepting this document, one should agree with all the above-mentioned limitations