

## Chief Economist

Joao Mauricio Rosal, PhD

[joao.rosal@bgcpartners.com](mailto:joao.rosal@bgcpartners.com)

+55 11 3077 2351

## Economist

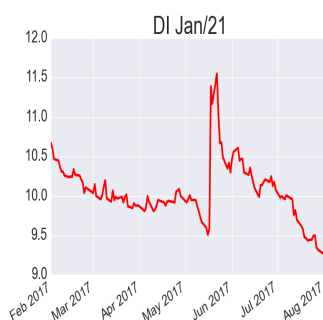
Vinicius Alves

[vinicius.martins@bgcpartners.com](mailto:vinicius.martins@bgcpartners.com)

+55 11 3077 2365

Index		+/-
CDS 5Y	203.8	-0.4pts
DAX	12144.8	-0.3%
T-10	2.3	-0.0pts
S&P Fut	2471.5	-0.1%
EUR	1.18	-0.1%
MXN	17.82	0.0%
OIL	49.8	0.3%
Iron Ore	543.0	0.4%
Soya	961.0	-1.7%
VIX	10.4	0.1%

Source: Bloomberg  
3rd August 2017 7:52am -03:00



Source: Bloomberg

## Highlights

- Overseas markets: Global markets on a neutral gear.
- Local news: Temer secures a important victory. Now, back to the job.

**Global Markets.** European equities are mixed, while the S&P future is roughly unchanged. In the meantime, the Mexican peso is pretty much flat against the USD, and the yield of the 10 years Treasury is sideways at 2.26%. Commodities: Oil is slightly up to USD49.8.

**Local News.** The victory Temer attained yesterday stands high on the news, and, in this sense, two sort of analysis are highlighted by the media. First, that the victory was a sounding one and thus allows the government to try to approve some difficult matters in the Congress, **particularly, the social security reform**. Second, prior to any such voting, there is still a hill climbing effort ahead in order to a) secure that those who voted for the President will stay on when it comes to the reform, and b) bring back the defectors in, particularly those from the PSDB.

As matter of fact, as for this party, all media outlets made sure to underscore the fragile situation it now stands. In particular, the party was deeply split yesterday, and other parties that supported the Temer are so claiming PSDB's Ministries in exchange. In any case, the government leaderships have been quick to state they are not intending to launch any type of avenger and are looking forward to pacify their relationship with the PSDB. In words others, as the President himself stated during his speech last night, forget the past and on with job, that is, to the social security reform.

On the economic front, the newspaper stick to the primary target debate, albeit in a more sanguine manner. In fact, among all the analysts making their case across the media, the fact that stand higher are that the main drivers behind the likely revision of the target are: a) the frustration of the one-timers on the revenues side, and b) the secular growth of recurring spending, which together are taken the blame off the economic team. On the other hand, this stance is also putting the responsibility on the shoulders of the political class, thus bringing the social security reform back to the fore.

**Agenda - Highlights:** Brazil: Markit PMI, July US: Jobless claim, Markit PMI, July, and Durable Goods order, June.

Time	Country	Indicator	Period	Forecast	Impact
09:30:00	US	Initial Jobless Claims	July	-	Low
10:00:00	BZ	Markit PMI	4-w July	243k	Medium
10:45:00	US	Markit Services	July	54,2	Medium
11:00:00	US	ISM Non-Manuf.	July	56,9	Medium
11:00:00	US	Factory Orders	July	3,0% mom	Medium
11:00:00	US	Durable Goods Orders	June	0,0% mom	Medium

**Bottom Line.** Neutral global background and a certain type of local relief should give a helping hand to the early local session.

## Contents

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

## 1 Brazilian Bonds

### NTNF

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Jan-18	8.1966	-0.02	-1.34	-0.22	99.95	-0.02	Jan-02-18	1900	524
Jan-19	7.9667	-0.03	-5.33	-0.04	99.41	-0.01	Dec-06-18	6374	549
Jan-21	9.085	-0.05	-14.5	0.04	99.51	-0.02	Jul-23-20	14000	608
Jan-23	9.615	-0.07	-19.5	-0.12	99.62	-0.07	Nov-25-21	20046	676
Jan-25	9.79	-0.09	-27.0	0.24	99.18	-0.08	Jan-02-23	25058	758
Jan-27	9.9014	-0.07	-29.86	0.17	99.09	-0.02	Dec-01-23	29126	851

### LTN

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Oct-17	8.8205	0.0	1.95	0.5	100.3	0.06	Oct-02-17	720	500
Jan-18	8.1565	-0.02	-5.35	0.39	99.48	0.05	Jan-02-18	1796	500
Apr-18	7.98	-0.02	0.0	0.15	100.09	0.02	Apr-02-18	2833	500
Jul-18	7.9	-0.02	0.0	0.0	100.07	0.0	Jul-02-18	3866	500
Oct-18	7.94	-0.03	1.0	0.0	100.17	0.0	Oct-01-18	4882	500
Jan-19	8.025	-0.03	0.5	0.0	100.1	0.0	Jan-02-19	5790	500
Apr-19	8.1723	-0.03	1.23	0.09	100.17	0.01	Apr-01-19	6660	500
Jul-19	8.341	-0.02	0.1	0.1	100.03	0.01	Jul-01-19	7480	500
Oct-19	8.5319	-0.04	2.19	-0.09	100.26	-0.01	Oct-01-19	8296	500
Jan-20	8.64	-0.05	0.0	0.36	100.01	0.04	Jan-02-20	9044	500
Jul-20	8.9694	-0.05	0.94	-0.02	100.1	0.0	Jul-01-20	10343	500
Jul-21	9.445	-0.05	-0.5	-0.08	99.95	-0.01	Jul-01-21	12499	500

### NTN-B

Expiry	Yield	Daily Ch. (%)	BE	Ch. BE	FRA	FRA BE (Daily)	Duration (Macaulay)	BRL PV01	Carry (bps)
Aug-18	3.3	0.0	4.45	-0.02	3.3	4.45	Aug-01-18	3003	-1.8
May-19	3.46	0.02	4.62	-0.04	3.69	4.86	Apr-15-19	5127	-1.02
Aug-20	4.12	-0.01	4.68	-0.04	5.17	4.79	May-08-20	8520	-0.53
May-21	4.4823	-0.01	4.64	-0.04	6.02	4.44	Dec-31-20	10353	-0.39
Aug-22	4.7524	0.0	4.68	-0.04	5.76	4.85	Dec-03-21	13341	-0.28
May-23	4.86	0.0	4.67	-0.07	5.63	4.62	Jul-13-22	15025	-0.24
Aug-24	4.8607	-0.02	4.82	-0.06	4.86	5.68	May-05-23	17891	-0.2
Aug-26	5.01	-0.02	4.81	-0.05	5.68	4.78	Aug-14-24	21914	-0.16
Aug-30	5.13	-0.03	4.8	-0.04	5.52	4.79	Oct-09-26	28947	-0.12
May-35	5.1667	-0.02	4.77	-0.04	5.32	4.65	Jan-04-29	35932	-0.09
Aug-40	5.1745	-0.03	4.79	-0.04	5.23	4.88	Sep-02-30	42207	-0.08
May-45	5.2733	-0.04	4.7	-0.02	6.21	3.88	Jan-15-32	45845	-0.07
Aug-50	5.2332	-0.05	4.75	-0.01	4.63	5.44	Dec-30-32	50188	-0.07
May-55	5.1922	-0.05	4.79	-0.02	4.6	5.41	Jan-20-34	53605	-0.06

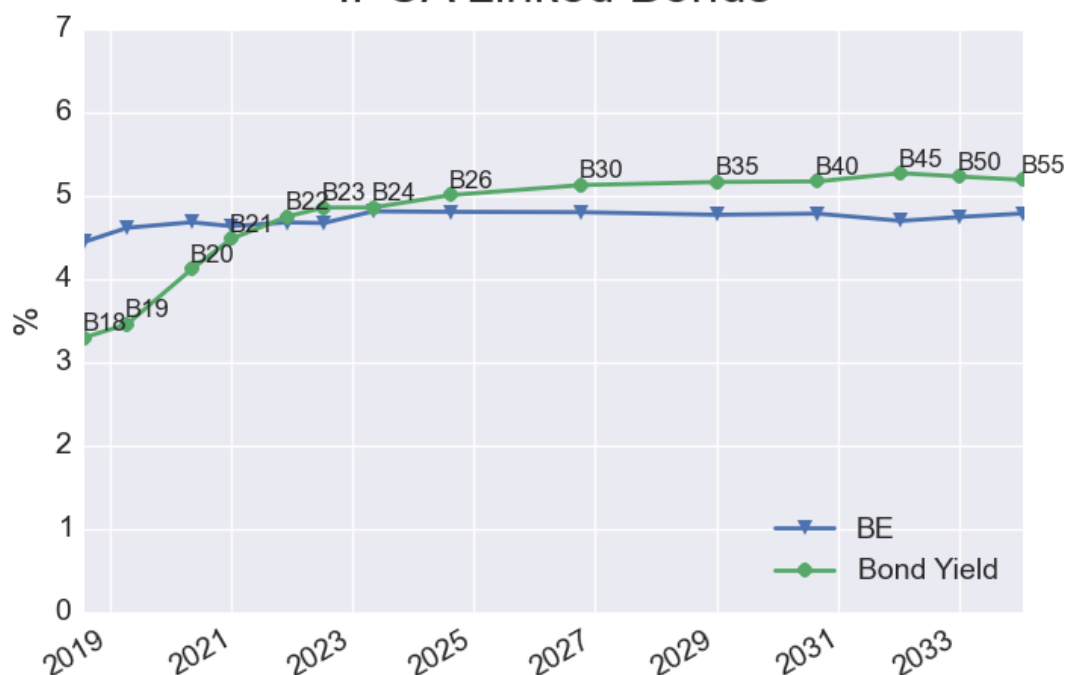
## Fixed-Rate Bonds



## 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	5506.0	28.11	-31.0	6642.0	33.91	18.0	-1136.0	-49.0
Banks	5493.0	28.04	-31.0	6464.0	33.0	17.0	-971.0	-49.0
Brokers & Dealers	0.0	0.0	0.0	2.0	0.01	0.0	-2.0	0.0
Other	13.0	0.06	0.0	175.0	0.89	0.0	-162.0	0.0
Institutional Investors	10398.0	53.09	77.0	9117.0	46.55	8.0	1281.0	69.0
Domestic	10398.0	53.09	77.0	9117.0	46.55	8.0	1281.0	69.0
Nonresident Investors	3654.0	18.65	-9.0	3806.0	19.43	10.0	-152.0	-19.0
Corporations	16.0	0.08	0.0	14.0	0.07	1.0	3.0	-1.0
Individuals	10.0	0.05	0.0	6.0	0.02	0.0	5.0	0.0
Total	19584.0	100.0	37.0	19584.0	100.0	37.0	0.0	0.0

# Fixed Income Daily

August 3, 2017

Contracts	D-1 (k)	D-Zero (k)	Ch. Daily (k)	Vol. (k)
U17	475.9	474.3	-1.6	576.6
V17	2391.1	2399.5	8.5	4586.1
X17	177.1	176.1	-1.1	345.3
Z17	189.0	188.4	-0.6	232.3
F18	3582.4	3540.5	-41.9	17549.6
G18	45.0	45.1	0.1	160.7
H18	28.8	28.8	0.0	0.5
J18	931.4	938.7	7.3	1561.7
K18	22.3	22.3	0.0	0.0
M18	20.1	20.1	0.0	0.5
N18	957.9	971.3	13.4	5494.2
Q18	0.0	0.0	0.0	0.0
V18	584.3	580.4	-3.9	2021.6
F19	2497.1	2500.0	2.9	23610.9
J19	576.7	573.7	-3.0	339.2
N19	461.1	461.9	0.9	726.9
V19	178.0	181.8	3.8	669.8
F20	1661.6	1703.1	41.5	13093.1
J20	73.8	73.5	-0.3	68.7
N20	1243.9	1263.7	19.8	4072.9
V20	49.7	49.9	0.2	34.5
F21	1298.9	1279.8	-19.1	21077.3
J21	32.9	32.9	0.0	2.2
N21	152.6	156.8	4.2	1413.3
V21	16.8	16.8	0.0	5.1
F22	105.4	105.9	0.5	474.0
J22	1.5	1.7	0.2	23.4
N22	13.6	13.3	-0.4	22.2
F23	706.6	717.5	10.8	4096.0
N23	3.5	3.5	0.0	0.3
F24	56.7	56.9	0.2	12.7
N24	3.4	3.4	0.0	0.0
F25	541.3	539.8	-1.5	3691.0
F26	61.6	61.6	0.0	6.4
F27	400.6	396.3	-4.4	1331.9
F28	0.0	0.0	0.0	0.0
F29	4.4	4.4	0.0	0.0
F30	0.7	0.7	0.0	0.0

## 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	1325.7	7022.2	5385.4	5049.9	5893.0	5497.6
N17	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Q17	0.0	0.0	0.0	1.1	0.0	0.0	0.0
U17	9.14	5.8	1.5	46.0	20.2	14.9	9.1
V17	8.8	46.5	22.6	95.2	81.1	92.4	78.4
X17	8.58	3.5	2.6	8.4	5.1	3.9	3.7
Z17	8.37	2.4	2.3	2.3	4.0	6.5	4.7
F18	8.21	181.3	212.9	290.2	276.3	347.6	374.5
G18	8.12	1.7	2.4	0.4	1.0	1.2	2.7
H18	8.04	0.0	0.0	0.7	1.3	0.8	0.9
J18	7.98	16.4	30.2	65.3	60.3	46.3	58.0
K18	7.94	0.0	0.0	0.8	2.2	1.6	1.6
M18	7.92	0.0	0.0	0.9	2.3	2.5	2.5
N18	7.9	58.8	147.3	192.3	147.1	138.4	130.7
V18	7.93	22.1	69.5	37.8	48.1	34.7	32.4
F19	8.02	263.2	983.8	1011.6	891.1	1216.8	1082.4
J19	8.16	3.9	16.6	91.5	63.2	74.6	83.5
N19	8.34	8.5	40.7	64.7	56.4	63.4	59.9
V19	8.51	8.0	42.7	64.7	48.4	22.7	12.8
F20	8.64	160.0	932.1	797.6	680.7	765.7	632.3
J20	8.8	0.9	5.4	5.9	3.3	3.2	2.2
N20	8.96	52.3	348.0	198.9	225.7	287.6	272.8
V20	9.12	0.5	3.2	1.7	1.4	2.5	2.1
F21	9.23	285.1	2111.6	1212.5	1254.4	1503.6	1376.8
J21	9.34	0.0	0.2	1.2	1.7	1.3	1.1
N21	9.45	20.1	161.7	70.8	89.0	34.8	20.5
V21	9.53	0.1	0.6	0.3	2.1	1.0	1.0
F22	9.6	7.1	61.3	40.1	38.1	36.3	33.4
N22	9.72	0.4	3.2	4.9	1.8	1.3	0.7
F23	9.81	68.1	648.8	451.9	451.1	474.8	448.0
N23	9.87	0.0	0.0	0.0	0.0	0.2	0.1
F24	9.94	0.2	2.4	7.7	2.4	4.4	4.2
N24	10.0	0.0	0.0	0.3	0.1	1.4	0.7
F25	10.06	75.4	800.3	392.8	380.3	384.8	374.9
F26	10.12	0.1	1.6	0.9	3.9	4.4	5.1
F27	10.2	33.4	366.9	223.8	202.4	240.7	225.3
F28	10.24	0.0	0.0	0.0	0.0	0.0	0.0
F29	10.25	0.0	0.0	0.0	0.0	1.0	0.6
F30	10.29	0.0	0.0	0.2	0.1	0.0	0.1

## 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	3,34%													
B-19	3,49%	3,70%												
B-20	4,21%	4,70%	4,21%											
B-21	4,55%	5,05%	4,55%	4,80%										
B-22	4,80%	5,24%	4,80%	4,80%	4,80%									
B-23	4,90%	5,30%	4,90%	4,90%	4,90%	4,90%								
B-24	4,92%	5,25%	4,92%	4,92%	4,92%	4,92%	4,92%							
B-26	5,07%	5,36%	5,07%	5,07%	5,07%	5,07%	5,07%	5,07%						
B-30	5,17%	5,40%	5,17%	5,17%	5,17%	5,17%	5,17%	5,17%	5,17%					
B-35	5,21%	5,39%	5,21%	5,21%	5,21%	5,21%	5,21%	5,21%	5,21%	5,21%				
B-40	5,22%	5,38%	5,22%	5,22%	5,22%	5,22%	5,22%	5,22%	5,22%	5,22%	5,22%			
B-45	5,34%	5,49%	5,34%	5,34%	5,34%	5,34%	5,34%	5,34%	5,34%	5,34%	5,34%	5,34%		
B-50	5,31%	5,44%	5,31%	5,31%	5,31%	5,31%	5,31%	5,31%	5,31%	5,31%	5,31%	5,31%	5,31%	
B-55	5,26%	5,38%	5,26%	5,26%	5,26%	5,26%	5,26%	5,26%	5,26%	5,26%	5,26%	5,26%	5,26%	5,26%

### Spreads at the Curve

B-19	B-22	-15
B-20	B-21	-87
B-22	B-26	-146
B-22	B-45	-146
B-35	B-45	-187
B-35	B-50	-187

[illegible]



---

## 6 Disclaimer

<http://www.bgcpartners.com>

**CONFIDENTIAL:** This document has been sent to you by one of the BGC entities (collectively BGC) Please see important legal information and disclaimer relating to this mail at the following links: <http://www.bgcpartners.com/disclaimers/>

Please see for BGC Disclosures. The link contains company and FCA registration numbers. This e-mail, including its contents and attachments, if any, are confidential. If you are not the named recipient please notify the sender and immediately delete it. You may not disseminate, distribute, or forward this e-mail message or disclose its contents to anybody else. Copyright and any other intellectual property rights in its contents are the sole property of BGC and its affiliates. E-mail transmission cannot be guaranteed to be secure or error-free. The sender therefore does not accept liability for any errors or omissions in the contents of this message which arise as a result of e-mail transmission. If verification is required please request a hard-copy version. Although we routinely screen for viruses, addressees should check this e-mail and any attachments for viruses. We make no representation or warranty as to the absence of viruses in this e-mail or any attachments. Please note that to ensure regulatory compliance and for the protection of our customers and business, we may monitor and read e-mails sent to and from our server(s). The registered offices of the BGC entities are at 1 Churchill Place, London, E14 5RD. For any issues arising from this email please reply to the sender. The FCA register appears at <http://www.FCA.org.uk/register/>. The FCA regulates the financial services industry in the United Kingdom and is located at 25 The North Colonnade, Canary Wharf, London, E14 5HS. BGC Financial LP CFTC Rule 1.55(K) Firm Specific Disclosure Statement