



Daily Fixed Income

September 8, 2017

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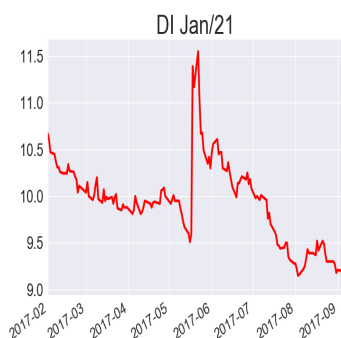
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Index		+/-
CDS 5Y	182.1	-0.3pts
DAX	12282.0	-0.1%
T-10	2.0	-0.0pts
S&P Fut	2456.7	-0.3%
EUR	1.21	0.4%
MXN	17.64	-0.2%
OIL	48.9	-0.3%
Iron Ore	545.5	-0.8%
Soya	970.8	0.2%
VIX	12.2	0.6%

Source: Bloomberg

8th September 2017 8:25am -03:00



Source: Bloomberg

Highlights

- Overseas markets: 10 years Treasury pretty close to the 1.0's again.
- Local news: Markets and policymakers alike are turning optimistic toward the economy.

Global Markets. European equities are slightly down, while the S&P future is about flat. In the meantime, the Mexican peso is up 0.2% against the USD, and the yield of the 10 years Treasury is at 2.02% and threatening to sink back into the 1.0's. Commodities: Oil is down 0.4% to USD48.8 and soy prices is about flat.

Local News. The local media resonates the more upbeat mood toward the economy. For one, the Estadão brings an article that the economic team is about to revise up its growth forecasts for 2017E, 2018E and 2019E. The numbers floated is that by 2019 the economy could be expanded as much as 3.5%. Moreover, with the ensuing boost to revenues, the fiscal hardship that has met the headlines over the last couple of months could be mitigated.

Still on the economic front, both the O Valor and the Estadão debate the COPOM's decision of past Wednesday. Based upon the Central Bank's Communique, two commonalities stand out, according to the newspapers: 1) the next step should entail smaller move, probably about 75bps; and 2) the easing cycle is about to come to a half still, this year.

In fact, optimism is abounding today, so much so that politicians in Brasília look seriously considering voting the social security reform this coming October, at least according to the Estadão, CorreioBraziliense, and O Valor. In fact, though from possibly different angles, all these newspapers underscored the new twists to the JSB affair has emboldened the government to face the challenge head on, where the President of the Lower House himself would be one of the first to champion the cause.

To be true, everything are not just made up of roses. As per the Folha de Sao Paulo, majors and politicians alike for the north and northeastern's cities are carving up ways to circumvent the limits imposed by the recently approved by provisional measure on the TLP and thus taking loans with rates below that. Also, the same newspaper takes stock on the Supreme Court ruling on the Fundef, which determined a huge fiscal skeleton due to some northeastern States, due to be paid from 2019 on.

In any case, the flow of local news is predominately optimistic, in starking contrast with a few weeks ago.

Agenda - Highlights: Brazil: Empty.. US:wholesale trade and inventories of July.

Time	Country	Indicator	Period	Forecast	Impact
11:00:00	US	Wholesale Inventories	July	0,4% mom	Medium
16:00:00	US	Consumer Credit	July	USD 15 b	Low

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Bottom Line. Further decline in the US 10 years rate and local optimism should give the local markets yet another boost.



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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	7.6153	-0.09	-4.47	-0.97	99.68	-0.11	Jan-02-18	1456	525
Jan-19	7.565	-0.17	-5.5	-0.0	99.43	-0.04	Dec-06-18	5994	547
Jan-21	8.8127	-0.12	-13.73	0.15	99.63	0.05	Jul-23-20	13788	604
Jan-23	9.3528	-0.12	-21.72	-0.22	99.43	-0.02	Nov-26-21	20040	673
Jan-25	9.5927	-0.12	-29.73	0.27	99.07	0.02	Jan-05-23	25161	754
Jan-27	9.7838	-0.11	-32.62	0.38	99.2	0.06	Dec-06-23	29215	847

LTN

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Oct-17	8.2357	-0.06	3.77	-0.03	101.14	0.09	Oct-02-17	274	500
Jan-18	7.5914	-0.09	-6.86	-1.17	99.38	-0.14	Jan-02-18	1371	500
Apr-18	7.455	-0.1	1.5	0.0	100.35	0.02	Apr-02-18	2433	500
Jul-18	7.44	-0.12	1.5	0.0	100.31	0.01	Jul-02-18	3489	500
Oct-18	7.515	-0.15	1.5	0.0	100.27	0.01	Oct-01-18	4532	500
Jan-19	7.6294	-0.17	0.94	0.19	100.18	0.03	Jan-02-19	5464	500
Apr-19	7.785	-0.17	1.5	-0.0	100.23	0.01	Apr-01-19	6364	500
Jul-19	7.97	-0.16	1.0	-0.0	100.15	0.01	Jul-01-19	7211	500
Oct-19	8.2134	-0.15	2.34	0.21	100.3	0.03	Oct-01-19	8049	500
Jan-20	8.36	-0.15	1.0	0.2	100.13	0.03	Jan-02-20	8816	500
Jul-20	8.7	-0.15	1.0	-0.0	100.12	0.0	Jul-01-20	10168	500
Jul-21	9.2088	-0.11	0.88	0.05	100.09	0.01	Jul-01-21	12417	500

NTN-B

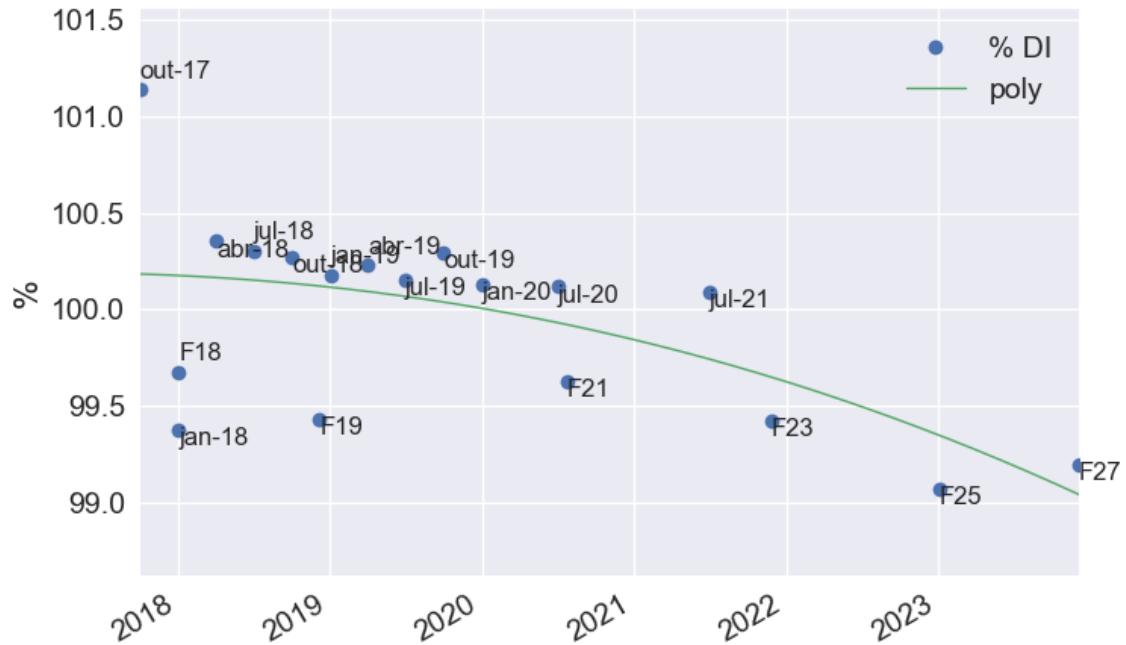
Expiry	Yield	Daily Ch. (%)	BE	Ch. BE	FRA	FRA BE (Daily)	Duration (Macaulay)	BRL PV01	Carry (bps)
Aug-18	3.38	-0.1	3.93	-0.03	0.0	0.0	Jun-04-20	8317	-0.05
May-19	3.3426	-0.11	4.36	-0.05	3.34	3.34	Dec-31-20	10266	-0.02
Aug-20	4.03	-0.09	4.51	-0.05	4.03	4.51	Jan-17-22	13337	0.01
May-21	4.2043	-0.09	4.66	-0.02	5.03	5.36	Jul-15-22	15067	0.02
Aug-22	4.51	-0.07	4.68	-0.05	5.48	4.76	Jul-05-23	18001	0.02
May-23	4.6346	-0.06	4.67	-0.05	5.74	4.58	Oct-24-24	22092	0.03
Aug-24	4.6674	-0.06	4.82	-0.05	4.83	5.57	Jan-21-27	29409	0.03
Aug-26	4.8674	-0.06	4.83	-0.04	5.76	4.86	Jan-25-29	36798	0.02
Aug-30	4.9874	-0.06	4.88	-0.01	5.37	5.05	Jan-28-31	43120	0.02
May-35	5.0153	-0.06	4.98	0.08	5.15	5.44	Feb-16-32	46862	0.02
Aug-40	5.07	-0.06	5.0	0.14	5.38	5.09	Jun-24-33	51150	0.02
May-45	5.1823	-0.06	4.94	0.16	6.62	4.16	Mar-03-34	54843	0.02
Aug-50	5.167	-0.05	4.98	0.12	5.01	5.44	Mar-03-34	54843	0.02
May-55	5.1174	-0.05	5.04	0.1	3.99	6.47	Mar-03-34	54843	0.02



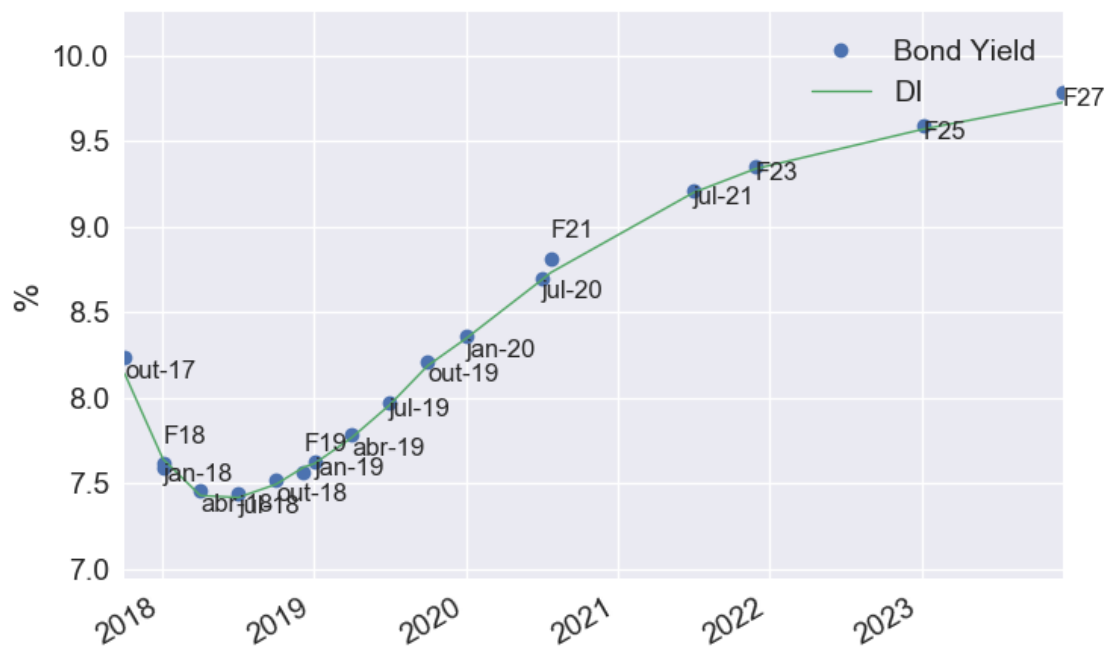
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Fixed-Rate Bonds



Fixed Bonds x DI

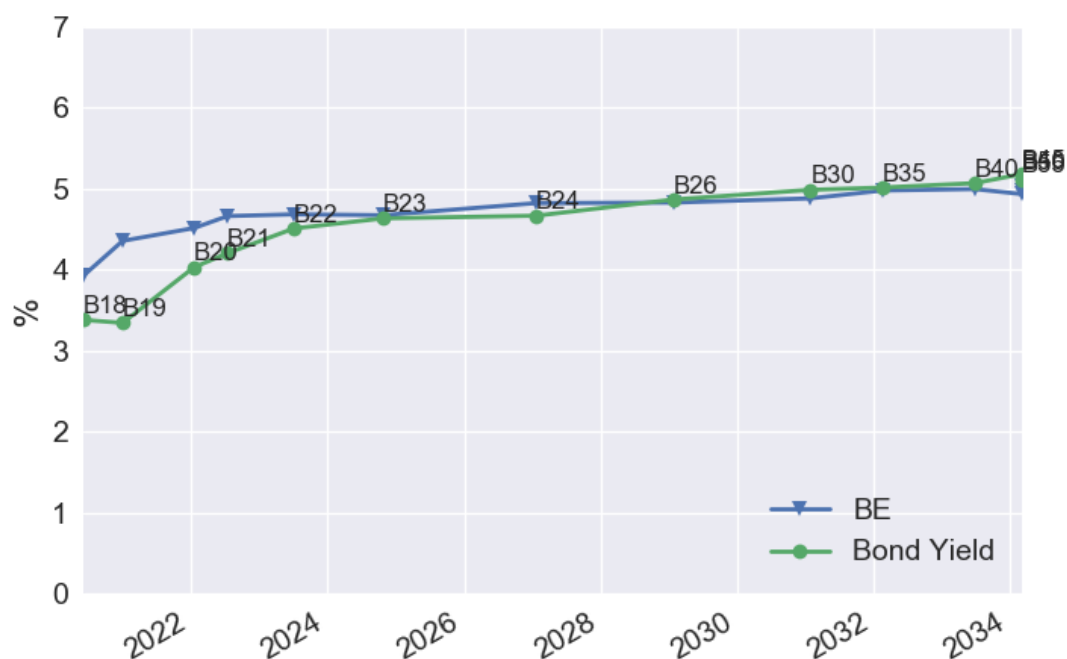




Daily Fixed Income

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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	5815.0	26.23	-326.0	6901.0	31.14	112.0	-1086.0	-438.0
Banks	5804.0	26.19	-326.0	6726.0	30.35	111.0	-922.0	-437.0
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	173.0	0.77	0.0	-162.0	-0.0
Institutional Investors	11928.0	53.82	185.0	10469.0	47.24	-168.0	1459.0	354.0
Domestic	11928.0	53.82	185.0	10469.0	47.24	-168.0	1459.0	354.0
Nonresident Investors	4372.0	19.72	149.0	4763.0	21.49	65.0	-391.0	84.0
Corporations	26.0	0.11	1.0	21.0	0.09	-0.0	5.0	1.0
Individuals	20.0	0.09	1.0	7.0	0.02	2.0	14.0	-1.0
Total	22160.0	100.0	10.0	22160.0	100.0	10.0	0.0	0.0



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Contracts	D-1 (k)	D-Zero (k)	Ch. Daily (k)	Vol. (k)
V17	3334.8	3283.0	-51.7	51125.9
X17	290.4	300.7	10.3	1869.9
Z17	262.8	263.7	0.8	2529.7
F18	4147.2	4213.3	66.1	27630.6
G18	75.6	75.6	0.1	274.0
H18	62.0	63.8	1.8	185.1
J18	1251.4	1245.8	-5.7	7148.6
K18	26.1	26.3	0.2	19.1
M18	36.4	36.4	0.0	0.0
N18	1495.0	1478.5	-16.5	10459.0
Q18	5.5	5.5	0.0	0.0
U18	0.4	4.4	4.0	372.4
V18	635.5	635.7	0.2	829.1
F19	2295.1	2322.8	27.7	48362.4
J19	569.6	567.9	-1.7	1103.2
N19	572.9	578.0	5.1	1725.6
V19	255.6	260.1	4.5	2823.5
F20	1691.1	1640.7	-50.4	22634.1
J20	73.8	73.9	0.0	3.7
N20	1323.5	1320.9	-2.6	3217.4
V20	49.2	49.6	0.4	66.3
F21	1442.0	1459.2	17.1	16537.9
J21	33.9	33.9	-0.0	19.5
N21	237.9	248.0	10.1	3247.7
V21	17.0	17.1	0.0	15.7
F22	107.7	109.5	1.8	428.2
J22	1.8	1.6	-0.2	14.3
N22	12.1	12.0	-0.1	4.9
F23	765.8	761.5	-4.2	3059.8
N23	4.0	4.0	0.0	0.0
F24	57.0	57.0	0.0	93.9
N24	3.4	3.4	0.0	0.0
F25	540.1	525.5	-14.5	3109.2
F26	62.6	62.7	0.0	125.9
F27	404.8	412.5	7.7	2093.5
F28	0.0	0.0	0.0	0.0
F29	4.5	4.6	0.0	10.5
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	2391.9	8628.4	5086.0	5192.0	4895.4	4928.3
V17	8.2	514.0	102.8	104.9	80.5	53.7	48.3
X17	8.09	18.9	8.4	2.0	4.3	2.2	1.5
Z17	7.83	25.7	17.4	2.1	5.3	2.7	2.0
F18	7.66	282.7	256.3	505.8	428.3	377.9	468.0
G18	7.54	2.8	3.3	0.2	2.5	4.2	2.1
H18	7.5	1.9	2.6	1.5	2.0	1.0	0.5
J18	7.44	74.4	118.4	47.3	72.9	62.2	49.5
N18	7.42	110.8	251.8	157.7	135.9	112.7	98.6
V18	7.5	9.0	26.3	12.3	25.6	32.2	56.9
F19	7.62	532.4	1887.9	912.2	965.5	889.2	931.4
J19	7.77	12.4	51.0	60.7	114.3	87.1	48.7
N19	7.96	19.8	92.3	61.6	56.0	49.4	46.8
V19	8.19	33.2	172.8	3.7	4.4	2.6	3.2
F20	8.35	272.6	1555.1	524.1	472.2	476.3	477.8
J20	8.52	0.0	0.3	4.1	2.0	1.3	4.4
N20	8.69	40.6	267.0	218.9	261.4	241.7	239.3
V20	8.86	0.9	6.0	0.5	2.6	1.7	7.2
F21	8.95	219.7	1618.4	1190.3	1211.6	1176.7	1176.6
J21	9.07	0.3	2.0	0.1	1.8	1.0	0.8
N21	9.2	45.4	363.8	8.6	9.0	9.7	5.8
V21	9.3	0.2	1.9	0.1	1.5	0.6	1.3
F22	9.36	6.3	54.3	45.5	35.8	32.4	30.9
N22	9.47	0.1	0.7	0.1	0.1	0.1	0.1
F23	9.57	49.7	477.6	460.9	476.1	417.0	397.5
N23	9.64	0.0	0.0	0.0	0.1	0.0	0.1
F24	9.74	1.7	17.4	6.8	3.7	3.7	4.4
N24	9.81	0.0	0.0	0.0	0.0	0.0	0.0
F25	9.89	62.0	666.9	315.9	365.9	338.6	318.2
F26	9.99	2.8	30.7	0.8	5.3	5.8	5.4
F27	10.11	51.4	571.5	263.5	251.8	211.5	179.0
F28	10.15	0.0	0.0	0.0	0.0	0.0	0.0
F29	10.16	0.3	3.5	0.0	0.1	0.2	0.3
F30	10.2	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	3,38%													
B-19	3,34%	3,29%												
B-20	4,03%	4,36%	4,99%											
B-21	4,20%	4,52%	5,00%	5,03%										
B-22	4,51%	4,81%	5,19%	5,32%	5,48%									
B-23	4,63%	4,93%	5,27%	5,42%	5,57%	5,74%								
B-24	4,67%	4,91%	5,17%	5,23%	5,28%	5,14%	4,83%							
B-26	4,87%	5,09%	5,31%	5,39%	5,44%	5,43%	5,36%	5,76%						
B-30	4,99%	5,16%	5,33%	5,38%	5,42%	5,40%	5,37%	5,51%	5,37%					
B-35	5,02%	5,16%	5,29%	5,33%	5,35%	5,33%	5,30%	5,38%	5,15%	5,15%				
B-40	5,07%	5,19%	5,30%	5,34%	5,36%	5,34%	5,32%	5,38%	5,26%	5,38%	5,38%			
B-45	5,18%	5,30%	5,41%	5,45%	5,47%	5,47%	5,46%	5,53%	5,49%	5,81%	6,62%	5,71%		
B-50	5,17%	5,28%	5,37%	5,41%	5,42%	5,42%	5,40%	5,46%	5,41%	5,56%	5,32%	4,66%	3,99%	
B-55	5,12%	5,22%	5,31%	5,33%	5,35%	5,34%	5,32%	5,36%	5,29%	5,34%	5,07%	5,18%	5,17%	5,12%

Spreads at the Curve	B-19	B-22	117
B-19			
B-20			17
B-22			36
B-22			67
B-35			17
B-35			15



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5 DI FRAs

FRA Yield	NTN-B	DI1V17	DI1F18	DI1N18	DI1F19	DI1N19	DI1F20	DI1N20	DI1F21	DI1N21	DI1F22	DI1F23	DI1F24	DI1N24	DI1F25	DI1F26	DI1F27	DI1F29	DI1F30
8.14%	8.14%	7.51%	7.64%	7.42%	7.62%	7.96%	8.35%	8.69%	8.95%	9.20%	9.36%	9.57%	9.74%	9.81%	9.89%	9.99%	10.11%	10.16%	10.20%
7.64%	7.64%	7.28%	7.61%	7.93%	8.87%	9.71%	10.31%	10.39%	10.91%	10.56%	10.48%	10.66%	10.67%	10.81%	10.72%	10.92%	11.12%	10.64%	10.41%
7.35%	7.35%	7.28%	7.61%	7.93%	8.87%	9.71%	10.31%	10.39%	10.91%	10.56%	10.48%	10.66%	10.67%	10.81%	10.72%	10.92%	11.12%	10.64%	10.41%
7.59%	7.59%	7.61%	7.93%	8.87%	9.71%	10.31%	10.35%	10.64%	10.73%	10.61%	10.57%	10.59%	10.63%	10.67%	10.74%	10.83%	10.89%	10.70%	10.69%
7.95%	7.95%	8.02%	8.40%	8.85%	9.30%	9.71%	10.00%	10.35%	10.64%	10.62%	10.56%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
8.35%	8.35%	8.46%	8.85%	9.20%	9.63%	10.00%	10.31%	10.53%	10.62%	10.56%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%	10.69%
8.69%	8.69%	8.82%	9.20%	9.44%	9.82%	10.13%	10.35%	10.64%	10.73%	10.61%	10.57%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
8.95%	8.95%	9.08%	9.34%	9.68%	10.04%	10.32%	10.53%	10.62%	10.73%	10.61%	10.57%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
9.20%	9.20%	9.34%	9.68%	10.04%	10.32%	10.53%	10.62%	10.62%	10.73%	10.61%	10.57%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
9.36%	9.36%	9.49%	9.81%	10.12%	10.37%	10.54%	10.62%	10.62%	10.73%	10.61%	10.57%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
9.57%	9.57%	9.69%	9.96%	10.21%	10.40%	10.52%	10.55%	10.59%	10.62%	10.61%	10.57%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
9.74%	9.74%	9.85%	10.08%	10.30%	10.46%	10.55%	10.55%	10.59%	10.62%	10.61%	10.57%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
9.81%	9.81%	9.91%	10.13%	10.33%	10.48%	10.57%	10.57%	10.59%	10.62%	10.61%	10.57%	10.59%	10.60%	10.64%	10.66%	10.74%	10.83%	10.89%	10.70%
9.89%	9.89%	9.99%	10.20%	10.39%	10.53%	10.61%	10.61%	10.63%	10.66%	10.66%	10.67%	10.67%	10.74%	10.81%	10.81%	10.99%	10.93%	10.70%	10.69%
9.99%	9.99%	10.00%	10.27%	10.44%	10.56%	10.63%	10.63%	10.63%	10.66%	10.66%	10.67%	10.67%	10.74%	10.81%	10.81%	10.99%	10.93%	10.70%	10.69%
10.11%	10.11%	10.12%	10.20%	10.37%	10.52%	10.63%	10.70%	10.73%	10.76%	10.74%	10.76%	10.83%	10.89%	10.93%	10.92%	11.12%	10.64%	10.41%	10.63%
10.16%	10.16%	10.17%	10.23%	10.37%	10.50%	10.58%	10.63%	10.65%	10.67%	10.65%	10.66%	10.69%	10.70%	10.70%	10.66%	10.66%	10.64%	10.48%	10.63%
10.20%	10.20%	10.21%	10.27%	10.40%	10.51%	10.59%	10.63%	10.65%	10.66%	10.65%	10.66%	10.68%	10.69%	10.69%	10.66%	10.66%	10.64%	10.48%	10.63%

Spreads at the Curve

DI1F18	DI1F19	-3
DI1F19	DI1F21	133
DI1F19	DI1F23	195
DI1F21	DI1F23	62
DI1F21	DI1F25	94
DI1F23	DI1F25	32



Daily Fixed Income

September 8, 2017

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