



Daily Fixed Income

September 14, 2017

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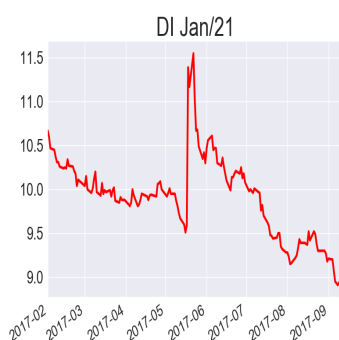
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Index	+/-	
CDS 5Y	nan	nanpts
DAX	nan	nan%
T-10	nan	nanpts
S&P Fut	nan	nan%
EUR	nan	nan%
MXN	nan	nan%
OIL	nan	nan%
Iron Ore	nan	nan%
Soya	nan	nan%
VIX	nan	nan%

Source: Bloomberg

14th September 2017 8:28am -03:00



Source: Bloomberg

Highlights

- Overseas markets: Europe is mixed, and S&P future, sideways.
- Local news: Charge against Temer to be out today.
- Watch-out: US CPI of August.

Global Markets. European equities are mixed, while the S&P future is sideways. In the meantime, the Mexican peso is down 0.1% against the USD, and the yield of the 10 years Treasury is roughly stable at 2.19%. Commodities: Oil is up 0.6% to USD49.6 and so is soy prices, climbing approximately 0.4%.

Local News. The Estadão brings the news that the Prosecutor General should finally bring forward his **second charge against Mr. Temer** to the Supreme Court today. In fact, the plan was to do so yesterday, however, in light of all the activities in the Court that was taking place yesterday, the move was to put off to today.

The Estadão and the Folha de Sao Paulo brings the information that the **charge should revolve around two accusations**: 1) obstruction of the justice, and 2) organized crime. With regards to the latter, it would fall into the so-called PMDB group, where the President supposedly occupied center stage, with the charge supported by the information unveiled by the plea bargain agreement of Mr. Lucio Funaro, the former off-the-book treasurer of the group, according to media information.

On the economic camp, the O Valor brings an extensive interview with the **President of the Central Bank**. Although the content hasn't deviated from the COPOM's recent communications, our highlight are: 1) the data-driven signalization/decisions of the Central Bank; 2) the importance to monitor these conditions, particularly, on the downside, food inflations and inertia and, on the upside, reforms' pace and global financial conditions, and 3) the baseline case of reduction of rate cuts and smooth ending of the cycle.

Yet again, we noticed a stronger emphasis given to food inflation, and its inertia component. In addition, Mr. Ilan Goldjan has underscored that activity is likely to help credit markets, rather than the other way around. That is, down underneath, according to his view, the recent strong price deceleration is shoring up income and thus activity.

On this fiscal *cum* reforms camp, the news refused to go away. For one, the debate over how the BNDES will make the transfers to the Treasury goes on. According to the Estadão, the bank may undertake the payments by using its portfolio of stock holdings, which may not be accepted by the Treasury, meaning that the discussion is ongoing. Another topic is the Refis soup opera, which as *per* O Valor is pretty close to reach its final chapter.

Agenda - Highlights: Brazil: Ibc-br, July. US: CPI of August and Jobless Claims.

Time	Country	Indicator	Period	Forecast	Impact
08:00:00	BZ	IGP-1 @ 0,39%	Aug	0,35% mom	Medium
08:00:00	UK	BoE Rate @ 0,25%	Aug	0,25% mom	High
08:30:00	BZ	IBC-Br	July	0,1% mom	Medium
09:30:00	US	CPI	Aug	0,3% mom	High
09:30:00	US	Jobless Claim	1-w sep	300k	Medium

Bottom Line. With global markets with little momentum and local news kind of on the negative camp, markets look likely set to lackluster kick-off.

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



Daily Fixed Income

September 14, 2017

1 Brazilian Bonds

NTNF

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Jan-18	7.5676	-0.02	-5.74	-0.35	99.36	-0.04	Jan-02-18	1383	525
Jan-19	7.535	-0.05	-5.5	-0.0	99.41	-0.02	Dec-06-18	5927	546
Jan-21	8.88	-0.01	-13.0	-0.0	99.74	0.01	Jul-23-20	13694	604
Jan-23	9.433	-0.01	-20.7	0.3	99.57	0.04	Nov-26-21	19907	672
Jan-25	9.685	0.0	-28.5	0.0	99.27	0.03	Jan-03-23	24965	754
Jan-27	9.8691	0.0	-32.09	-0.59	99.32	0.0	Dec-04-23	28982	847

LTN

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Oct-17	8.1773	-0.0	3.63	-0.26	100.43	-0.03	Oct-02-17	201	500
Jan-18	7.5397	-0.03	-8.53	-0.85	99.01	-0.11	Jan-02-18	1301	500
Apr-18	7.3684	-0.01	0.34	-0.16	100.12	-0.02	Apr-02-18	2367	500
Jul-18	7.349	-0.02	0.4	-0.41	100.11	-0.05	Jul-02-18	3428	500
Oct-18	7.44	-0.04	1.0	-0.23	100.17	-0.03	Oct-01-18	4475	500
Jan-19	7.5891	-0.05	-0.09	-0.38	100.01	-0.05	Jan-02-19	5408	500
Apr-19	7.7949	-0.04	1.49	-0.01	100.2	0.0	Apr-01-19	6304	500
Jul-19	7.9911	-0.03	1.11	-0.01	100.14	0.0	Jul-01-19	7152	500
Oct-19	8.2458	-0.02	2.58	0.01	100.3	0.0	Oct-01-19	7989	500
Jan-20	8.4	-0.01	1.0	-0.09	100.11	-0.01	Jan-02-20	8755	500
Jul-20	8.76	-0.01	1.0	0.06	100.1	0.01	Jul-01-20	10102	500
Jul-21	9.2708	-0.01	1.08	0.02	100.1	0.0	Jul-01-21	12349	500

NTN-B

Expiry	Yield	Daily Ch. (%)	BE	Ch. BE	FRA	FRA BE (Daily)	Duration (Macaulay)	BRL PV01	Carry (bps)
Aug-18	3.36	-0.02	3.88	0.0	0.0	0.0	Jun-04-20	8267	-0.26
May-19	3.37	-0.01	4.35	-0.03	3.37	3.37	Dec-31-20	10175	-0.18
Aug-20	4.02	-0.02	4.57	-0.0	4.02	4.57	Jan-17-22	13210	-0.11
May-21	4.2852	-0.0	4.64	-0.01	5.54	4.97	Jul-14-22	14940	-0.09
Aug-22	4.61	0.01	4.65	-0.02	5.64	4.7	Jul-04-23	17875	-0.07
May-23	4.7124	0.01	4.65	-0.02	5.62	4.64	Oct-24-24	22024	-0.05
Aug-24	4.7204	0.01	4.83	-0.01	4.76	5.74	Jan-22-27	29441	-0.04
Aug-26	4.8723	-0.01	4.9	0.01	5.54	5.16	Jan-26-29	36819	-0.03
Aug-30	4.96	-0.01	4.98	0.01	5.24	5.26	Feb-03-31	43260	-0.02
May-35	4.9995	0.01	5.07	-0.0	5.18	5.48	Feb-23-32	47003	-0.02
Aug-40	5.0435	0.0	5.1	0.01	5.29	5.26	Jul-12-33	51523	-0.02
May-45	5.1607	0.0	5.03	0.01	6.66	4.2	Mar-15-34	55093	-0.02
Aug-50	5.13	-0.0	5.09	0.01	4.81	5.71	Mar-15-34	55093	-0.02
May-55	5.0942	0.0	5.14	0.01	4.26	6.28	Mar-15-34	55093	-0.02



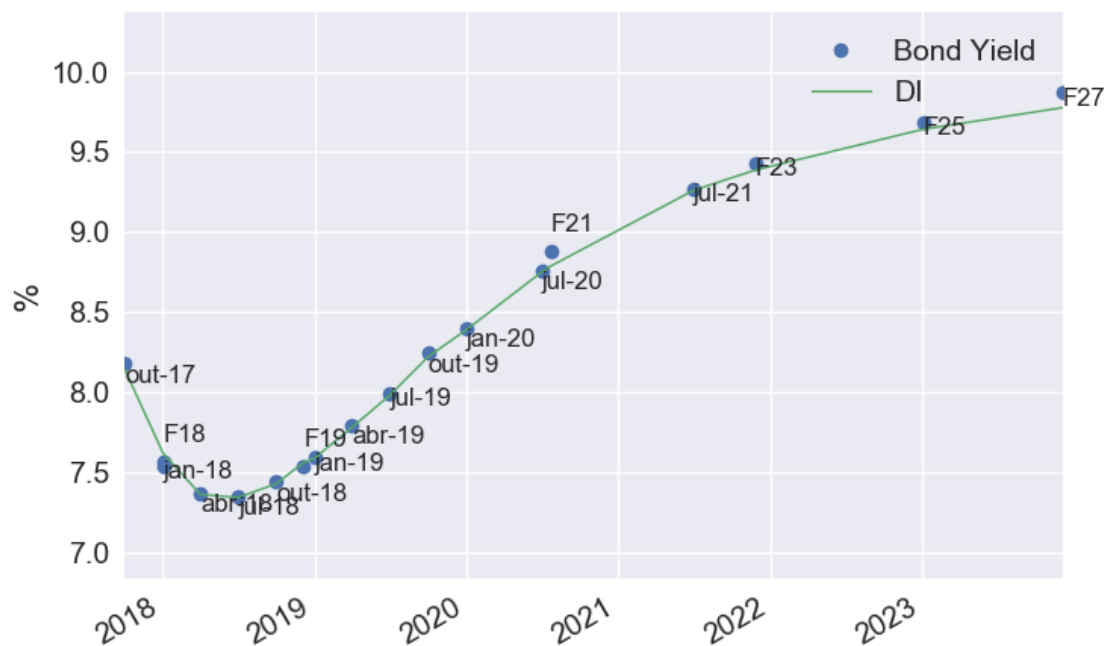
Daily Fixed Income

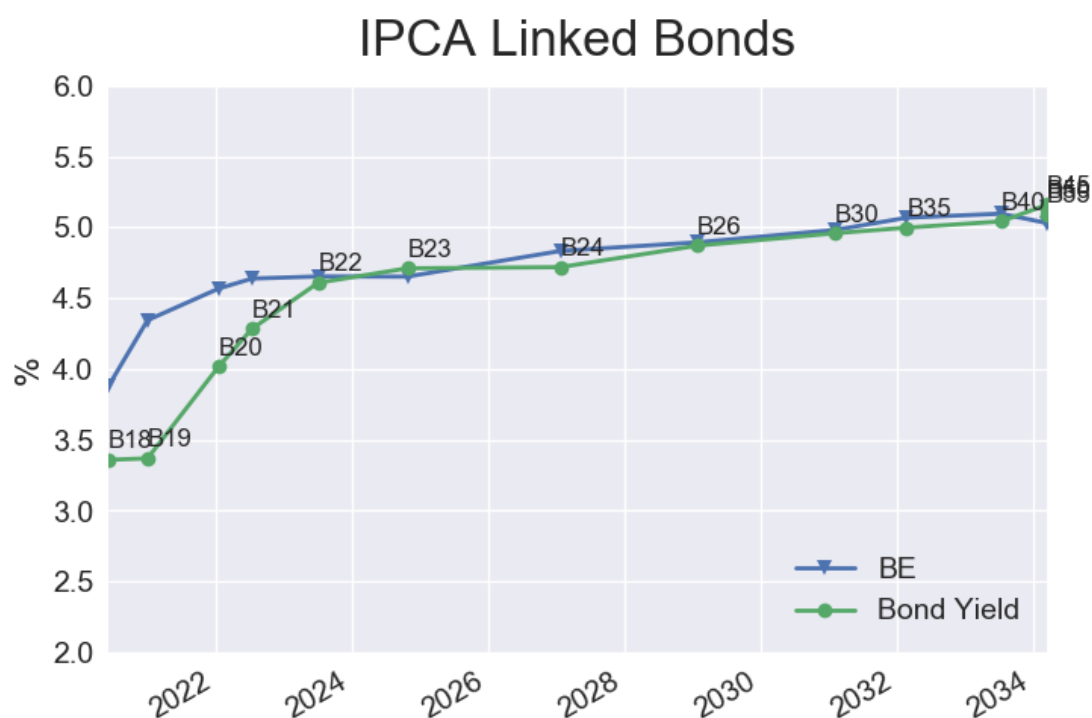
September 14, 2017

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	5919.0	26.86	-25.0	6911.0	31.36	-12.0	-992.0	-13.0
Banks	5908.0	26.81	-25.0	6735.0	30.56	-13.0	-827.0	-12.0
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	174.0	0.79	1.0	-163.0	-1.0
Institutional Investors	11526.0	52.31	-53.0	10169.0	46.15	-177.0	1357.0	124.0
Domestic	11526.0	52.31	-53.0	10169.0	46.15	-177.0	1357.0	124.0
Nonresident Investors	4544.0	20.62	-63.0	4925.0	22.35	45.0	-381.0	-109.0
Corporations	28.0	0.12	2.0	23.0	0.1	-0.0	4.0	2.0
Individuals	18.0	0.08	-4.0	6.0	0.02	0.0	12.0	-4.0
Total	22033.0	100.0	-144.0	22033.0	100.0	-144.0	0.0	0.0



Daily Fixed Income

September 14, 2017

Contracts	D-1 (k)	D-Zero (k)	Ch. Daily (k)	Vol. (k)
V17	3033.0	2910.7	-122.4	27168.1
X17	313.3	320.1	6.8	996.5
Z17	302.3	304.4	2.0	1075.0
F18	4264.6	4297.9	33.2	14904.9
G18	75.7	75.7	0.0	2.4
H18	66.2	66.2	0.0	1.9
J18	1437.8	1448.2	10.4	4639.6
K18	27.1	27.1	0.0	0.0
M18	36.4	36.4	0.0	57.1
N18	1514.4	1520.6	6.2	5421.6
Q18	9.3	9.3	0.0	85.5
U18	4.4	4.4	0.0	0.0
V18	638.9	638.0	-0.9	2327.9
F19	2109.4	2082.0	-27.4	24981.7
J19	579.0	579.5	0.5	1153.6
N19	591.8	593.1	1.3	1138.9
V19	277.2	275.4	-1.8	763.2
F20	1714.2	1680.0	-34.3	12078.6
J20	74.1	74.2	0.1	10.1
N20	1323.9	1324.2	0.3	847.6
V20	49.6	49.8	0.3	62.9
F21	1473.3	1459.0	-14.3	11517.3
J21	34.1	34.2	0.1	45.9
N21	263.7	267.9	4.3	1399.2
V21	17.2	17.2	0.0	9.4
F22	111.3	111.2	-0.0	212.4
J22	1.6	1.6	0.0	0.0
N22	12.0	12.0	0.0	0.0
F23	769.7	770.0	0.3	2780.0
N23	4.0	4.0	0.0	0.0
F24	56.9	56.9	0.0	1.9
N24	3.4	3.4	0.0	0.0
F25	505.4	497.2	-8.2	1921.5
F26	62.6	62.7	0.2	7.9
F27	413.7	413.0	-0.7	565.0
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



Daily Fixed Income

September 14, 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	1316.8	4731.5	5086.0	5192.0	4833.9	4928.3
V17	8.14	272.8	41.3	104.9	80.5	53.7	48.3
X17	8.06	10.1	4.0	2.0	4.3	2.2	1.5
Z17	7.82	10.9	6.8	2.1	5.3	2.7	2.0
F18	7.62	152.3	129.7	505.8	428.3	375.9	468.0
G18	7.5	0.0	0.0	0.2	2.5	4.2	2.1
H18	7.44	0.0	0.0	1.5	2.0	0.9	0.5
J18	7.36	48.2	73.8	47.3	72.9	62.2	49.5
N18	7.34	57.3	126.6	157.7	135.9	112.7	98.6
V18	7.43	25.1	71.9	12.3	25.6	32.2	56.9
F19	7.59	274.5	952.3	912.2	965.5	889.2	931.4
J19	7.78	12.9	52.2	60.7	114.3	87.1	48.7
N19	7.98	13.0	59.7	61.6	56.0	49.4	46.8
V19	8.22	9.0	45.8	3.7	4.4	2.6	3.2
F20	8.39	145.2	813.7	524.1	472.2	476.3	477.8
J20	8.58	0.1	0.8	4.1	2.0	1.3	4.4
N20	8.75	10.7	69.0	218.9	261.4	241.7	239.3
V20	8.9	0.8	5.6	0.5	2.6	1.7	7.2
F21	9.01	152.9	1106.8	1190.3	1211.6	1176.7	1176.6
J21	9.13	0.6	4.7	0.1	1.8	1.0	0.8
N21	9.26	19.5	154.1	8.6	9.0	9.7	5.8
V21	9.34	0.1	1.1	0.1	1.5	0.6	1.3
F22	9.42	3.1	26.5	45.5	35.8	32.4	30.9
N22	9.54	0.0	0.0	0.1	0.1	0.1	0.1
F23	9.64	45.2	426.6	460.9	476.1	417.0	397.5
N23	9.7	0.0	0.0	0.0	0.1	0.0	0.1
F24	9.79	0.0	0.4	6.8	3.7	3.7	4.4
N24	9.87	0.0	0.0	0.0	0.0	0.0	0.0
F25	9.97	38.3	404.9	315.9	365.9	338.6	318.2
F26	10.06	0.2	1.9	0.8	5.3	5.8	5.4
F27	10.19	13.9	151.3	263.5	251.8	211.5	179.0
F28	10.23	0.0	0.0	0.0	0.0	0.0	0.0
F29	10.24	0.0	0.0	0.0	0.1	0.2	0.3
F30	10.28	0.0	0.0	0.0	0.1	0.0	0.0



Daily Fixed Income

September 14, 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	3,36%														
B-19	3,37%	3,38%													
B-20	4,02%	4,35%	4,92%												
B-21	4,29%	4,63%	5,13%	5,54%											
B-22	4,61%	4,94%	5,32%	5,60%	5,64%										
B-23	4,71%	5,02%	5,37%	5,61%	5,63%	5,62%									
B-24	4,72%	4,97%	5,23%	5,34%	5,30%	5,05%	4,76%								
B-26	4,87%	5,09%	5,30%	5,40%	5,38%	5,28%	5,21%	5,54%							
B-30	4,96%	5,13%	5,28%	5,35%	5,33%	5,26%	5,22%	5,35%	5,24%						
B-35	5,00%	5,14%	5,26%	5,31%	5,29%	5,24%	5,21%	5,29%	5,21%	5,18%					
B-40	5,04%	5,17%	5,27%	5,31%	5,29%	5,25%	5,23%	5,29%	5,24%	5,24%	5,29%				
B-45	5,16%	5,28%	5,38%	5,43%	5,42%	5,40%	5,39%	5,46%	5,44%	5,53%	5,76%	6,66%			
B-50	5,13%	5,24%	5,33%	5,36%	5,35%	5,33%	5,31%	5,37%	5,34%	5,38%	5,46%	5,60%	4,81%		
B-55	5,09%	5,19%	5,28%	5,31%	5,30%	5,27%	5,25%	5,30%	5,26%	5,27%	5,30%	5,31%	4,63%	4,26%	
Spreads at the Curve		B-19	B-22												
B-19			124												
B-20				27											
B-22					26										
B-22						55									
B-35							16								
B-35								13							



Daily Fixed Income

September 14, 2017

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%	7.62%	7.34%	7.59%	7.98%	8.39%	8.75%	9.01%	9.26%	9.42%	9.64%	9.79%	9.87%	9.97%	10.06%	10.19%	10.24%	10.28%
DI1V17	8.14%																	
DI1F18	7.62%	7.52%																
DI1N18	7.34%	7.29%	7.18%															
DI1F19	7.59%	7.57%	7.58%	7.98%														
DI1N19	7.98%	7.98%	8.05%	8.49%	9.01%													
DI1F20	8.39%	8.40%	8.50%	8.94%	9.42%	9.81%												
DI1N20	8.75%	8.76%	8.88%	9.31%	9.76%	10.12%	10.45%											
DI1F21	9.01%	9.02%	9.15%	9.54%	9.93%	10.23%	10.44%	10.69%										
DI1N21	9.26%	9.28%	9.40%	9.77%	10.13%	10.41%	10.62%	10.67%	10.96%									
DI1F22	9.42%	9.44%	9.55%	9.89%	10.21%	10.45%	10.62%	10.67%	10.78%	10.62%								
DI1F23	9.64%	9.65%	9.76%	10.05%	10.31%	10.49%	10.61%	10.64%	10.69%	10.59%	10.59%							
DI1F24	9.79%	9.80%	9.90%	10.15%	10.37%	10.51%	10.60%	10.63%	10.66%	10.60%	10.59%	10.59%						
DI1N24	9.87%	9.89%	9.98%	10.21%	10.42%	10.55%	10.64%	10.66%	10.69%	10.65%	10.66%	10.70%	10.92%					
DI1F25	9.97%	9.98%	10.07%	10.29%	10.49%	10.62%	10.70%	10.73%	10.77%	10.74%	10.76%	10.85%	11.10%	11.26%				
DI1F26	10.06%	10.07%	10.15%	10.35%	10.52%	10.63%	10.71%	10.73%	10.76%	10.73%	10.75%	10.80%	10.91%	10.90%	10.71%			
DI1F27	10.19%	10.20%	10.27%	10.46%	10.61%	10.72%	10.79%	10.81%	10.84%	10.83%	10.86%	10.92%	11.03%	11.00%	11.28%			
DI1F29	10.24%	10.25%	10.31%	10.46%	10.59%	10.67%	10.72%	10.74%	10.75%	10.74%	10.75%	10.78%	10.81%	10.74%	10.75%	10.49%		
DI1F30	10.28%	10.29%	10.35%	10.48%	10.60%	10.67%	10.72%	10.73%	10.75%	10.74%	10.75%	10.77%	10.80%	10.78%	10.74%	10.56%	10.71%	

Spreads at the Curve

DI1F18	DI1F19	-3
DI1F19	DI1F21	142
DI1F19	DI1F23	205
DI1F21	DI1F23	63
DI1F21	DI1F25	96
DI1F23	DI1F25	33



Daily Fixed Income

September 14, 2017

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