



# Daily Fixed Income

September 15, 2017

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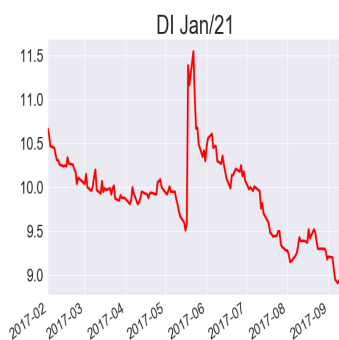
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Index		+/-
CDS 5Y	182.1	0.3pts
DAX	12531.0	-0.1%
T-10	2.2	0.0pts
S&P Fut	2491.1	-0.1%
EUR	1.2	0.3%
MXN	17.71	0.3%
OIL	49.9	0.0%
Iron Ore	509.5	-2.8%
Soya	972.5	-0.4%
VIX	10.7	0.2%

Source: Bloomberg

15th September 2017 8:16am -03:00



Source: Bloomberg

## Highlights

- Overseas markets: Overseas markets are edging down.
- Local news: Charge against Mr. Temer is finally out with little novelties.

**Global Markets.** European equities are down, while the S&P future is falling 0.12%. Meanwhile, the Mexican peso is falling 0.17% against the USD, and the yield of the 10 years Treasury is slightly up to 2.20%. Commodities: Oil is stable at 0.6% to USD49.9 and so is soy prices.

**Local News.** The second charge against Temer has finally been sent to the Supreme Court yesterday, as underscored by all local newspapers. For now, the judge of the Court in charge of overseeing the process, Mr. Edson Fachin, is likely to wait until the 20th of September before sending the accusation to Congress, according to the Folha de Sao Paulo. This is because he should wait the Court's decision over the legal validity of the information unveiled through the Joesley Baptista's plea Bargain, which is scheduled to the aforementioned date.

As expected, the argument by the Prosecutor General is based upon three pillars. First, Joesley's plea bargain agreement, second Lucio Funaro's plea bargain agreement, and third on the investigations over the existence of a crime organization within the PMDB within the Lower House. Overall, the accusations over Mr. Temer and his colleagues ranges from obstruction of justice to organized crime, based on information that have been already released over the last few weeks.

Be that as it may, once the accusation reaches the Lower House, as in the case of former accusation, it ought to go through the Justice and Constitution Commission (CCJ). On this front, its President is expecting this process itself will take about 15 to 30 days, according to the O Globo. In addition, the Speaker of the Lower House has stated the House will need to allocate as its efforts to the analyze and vote the accusation, meaning that the social security reform may have to be put aside for as long as a couple of months, in a worst case scenario.

In fact, on this last topic and as *per* o Correio Braziliense newspaper, the government still doesn't see enough support in Lower House today to approve the amending bill. Most likely, it will need time to build up some type of consensus, which may also demand negotiation and concessions. In this respect, the newspaper mentions that there is hope that a bill comprising only minimum retirement age is likely to be approved.

All in all, as negative as it all may look, the whole accusation business has come largely within what has been expected.

**Agenda - Highlights:** Brazil: Empty. US: Retail Sales and Industrial Production of August.

## 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

Time	Country	Indicator	Period	Forecast	Impact
09:30:00	US	Empire Manufacturing	Sep	18	Medium
09:30:00	US	Retail Sales	Aug	0,1% mom	High
10:15:00	US	Industrial Production	Aug	0,1% mom	High
11:00:00	US	U. Mich Sentiment	Sep P	95	Medium
11:30:00	BZ	Swap Rollover	-	12k	Medium

**Bottom Line.** With global markets edging down and with a counter productivity flow of local news, markets are likely to follow its global peers.



# Daily Fixed Income

September 15, 2017

## 1 Brazilian Bonds

### NTNF

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Jan-18	7.5466	-0.02	-6.34	-0.6	99.29	-0.07	Jan-02-18	1365	525
Jan-19	7.4827	-0.05	-5.73	-0.23	99.37	-0.04	Dec-06-18	5916	546
Jan-21	8.8	-0.08	-13.0	-0.0	99.73	-0.01	Jul-23-20	13721	604
Jan-23	9.34	-0.09	-21.0	-0.3	99.51	-0.06	Nov-26-21	19994	672
Jan-25	9.5772	-0.11	-29.28	-0.78	99.14	-0.13	Jan-05-23	25139	753
Jan-27	9.7678	-0.1	-33.22	-1.13	99.18	-0.14	Dec-06-23	29213	847

### LTN

Expiry	Yield	Daily Ch. (%)	Spread	Daily Ch. Daily	%DI	Daily Ch. (%)	Duration (Macaulay)	BRL PV01	DI Conts.
Oct-17	8.1749	-0.0	3.48	-0.14	100.41	-0.02	Oct-02-17	183	500
Jan-18	7.5207	-0.02	-8.93	-0.4	98.96	-0.05	Jan-02-18	1284	500
Apr-18	7.3175	-0.05	-0.25	-0.59	100.05	-0.07	Apr-02-18	2352	500
Jul-18	7.2985	-0.05	-0.15	-0.55	100.04	-0.07	Jul-02-18	3415	500
Oct-18	7.3865	-0.05	0.65	-0.35	100.12	-0.04	Oct-01-18	4463	500
Jan-19	7.535	-0.05	-0.5	-0.41	99.96	-0.05	Jan-02-19	5399	500
Apr-19	7.731	-0.06	1.1	-0.39	100.15	-0.05	Apr-01-19	6299	500
Jul-19	7.93	-0.06	1.0	-0.11	100.13	-0.01	Jul-01-19	7149	500
Oct-19	8.1857	-0.06	2.57	-0.01	100.3	0.0	Oct-01-19	7990	500
Jan-20	8.31	-0.09	1.0	-0.0	100.11	0.0	Jan-02-20	8767	500
Jul-20	8.66	-0.1	1.0	0.0	100.1	0.0	Jul-01-20	10126	500
Jul-21	9.1806	-0.09	1.06	-0.02	100.1	-0.0	Jul-01-21	12389	500

### NTN-B

Expiry	Yield	Daily Ch. (%)	BE	Ch. BE	FRA	FRA BE (Daily)	Duration (Macaulay)	BRL PV01	Carry (bps)
Aug-18	3.36	0.0	3.82	-0.05	0.0	0.0	Jun-05-20	8270	-0.14
May-19	3.36	-0.01	4.3	-0.05	3.36	3.36	Dec-31-20	10183	-0.08
Aug-20	3.977	-0.04	4.52	-0.05	3.98	4.52	Jan-17-22	13228	-0.03
May-21	4.2455	-0.04	4.6	-0.04	5.52	4.94	Jul-14-22	14960	-0.02
Aug-22	4.5721	-0.04	4.61	-0.05	5.61	4.64	Jul-04-23	17878	-0.01
May-23	4.6801	-0.03	4.6	-0.05	5.64	4.53	Oct-24-24	22026	-0.0
Aug-24	4.7121	-0.01	4.75	-0.08	4.87	5.51	Jan-22-27	29436	0.0
Aug-26	4.8675	-0.0	4.82	-0.08	5.55	5.11	Jan-25-29	36774	0.0
Aug-30	4.9602	0.0	4.88	-0.1	5.25	5.09	Feb-04-31	43287	0.0
May-35	5.007	0.01	4.98	-0.09	5.23	5.41	Feb-25-32	47073	0.01
Aug-40	5.04	-0.0	5.01	-0.09	5.23	5.18	Jul-13-33	51604	0.01
May-45	5.1537	-0.01	4.9	-0.13	6.6	3.6	Mar-20-34	55221	0.0
Aug-50	5.1235	-0.01	4.91	-0.18	4.81	5.03	Mar-20-34	55221	0.0
May-55	5.0853	-0.01	4.92	-0.22	4.21	5.14	Mar-20-34	55221	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	5923.0	27.08	4.0	6930.0	31.69	19.0	-1007.0	-15.0
Banks	5913.0	27.03	4.0	6754.0	30.88	19.0	-841.0	-14.0
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	175.0	0.79	0.0	-164.0	-0.0
Institutional Investors	11333.0	51.82	-193.0	10029.0	45.86	-140.0	1304.0	-53.0
Domestic	11333.0	51.82	-193.0	10029.0	45.86	-140.0	1304.0	-53.0
Nonresident Investors	4565.0	20.87	21.0	4879.0	22.31	-46.0	-314.0	67.0
Corporations	29.0	0.13	1.0	23.0	0.1	0.0	6.0	1.0
Individuals	18.0	0.08	-0.0	6.0	0.02	-0.0	12.0	0.0
Total	21867.0	100.0	-166.0	21867.0	100.0	-166.0	0.0	0.0



# Daily Fixed Income

September 15, 2017

Contracts	D-1 (k)	D-Zero (k)	Ch. Daily (k)	Vol. (k)
V17	2910.7	2647.0	-263.7	32394.5
X17	320.1	320.3	0.3	2317.9
Z17	304.4	312.7	8.3	1005.5
F18	4297.9	4385.6	87.8	16552.7
G18	75.7	75.7	0.0	1.0
H18	66.2	66.4	0.1	12.1
J18	1448.2	1462.0	13.7	4860.7
K18	27.1	27.1	0.0	0.0
M18	36.4	36.4	0.0	0.0
N18	1520.6	1502.1	-18.5	9879.2
Q18	9.3	9.3	0.0	0.0
U18	4.4	4.4	0.0	0.0
V18	638.0	630.9	-7.1	4174.2
F19	2082.0	2044.4	-37.6	33113.2
J19	579.5	569.9	-9.6	3596.1
N19	593.1	595.3	2.1	2867.9
V19	275.4	274.9	-0.5	4149.5
F20	1680.0	1718.8	38.8	17448.9
J20	74.2	74.5	0.2	28.9
N20	1324.2	1325.0	0.7	1307.4
V20	49.8	49.9	0.0	66.5
F21	1459.0	1472.2	13.2	13509.8
J21	34.2	34.2	-0.0	21.0
N21	267.9	280.5	12.6	3574.6
V21	17.2	17.2	0.0	5.6
F22	111.2	112.2	1.0	596.6
J22	1.6	1.6	0.0	0.0
N22	12.0	12.0	0.0	1.6
F23	770.0	767.6	-2.5	2792.5
N23	4.0	4.0	0.0	0.0
F24	56.9	56.9	0.0	0.0
N24	3.4	3.4	0.0	0.0
F25	497.2	494.0	-3.2	1789.5
F26	62.7	62.7	0.0	0.9
F27	413.0	410.8	-2.2	1053.4
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 15, 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	1785.2	6644.1	5086.0	5192.0	4864.2	4928.3
V17	8.14	325.2	45.7	104.9	80.5	53.7	48.3
X17	8.05	23.4	9.0	2.0	4.3	2.2	1.5
Z17	7.8	10.2	6.3	2.1	5.3	2.7	2.0
F18	7.61	169.1	142.8	505.8	428.3	376.1	468.0
G18	7.47	0.0	0.0	0.2	2.5	4.2	2.1
H18	7.4	0.1	0.2	1.5	2.0	0.9	0.5
J18	7.32	50.5	77.2	47.3	72.9	62.2	49.5
N18	7.3	104.4	230.7	157.7	135.9	112.7	98.6
V18	7.38	44.9	129.0	12.3	25.6	32.2	56.9
F19	7.54	363.5	1265.0	912.2	965.5	889.2	931.4
J19	7.72	40.3	163.1	60.7	114.3	87.1	48.7
N19	7.92	32.8	150.7	61.6	56.0	49.4	46.8
V19	8.16	48.7	249.8	3.7	4.4	2.6	3.2
F20	8.3	209.6	1181.2	524.1	472.2	476.3	477.8
J20	8.48	0.4	2.2	4.1	2.0	1.3	4.4
N20	8.65	16.5	107.0	218.9	261.4	241.7	239.3
V20	8.81	0.9	5.9	0.5	2.6	1.7	7.2
F21	8.93	179.1	1306.1	1190.3	1211.6	1176.7	1176.6
J21	9.04	0.3	2.2	0.1	1.8	1.0	0.8
N21	9.17	49.8	396.1	8.6	9.0	9.7	5.8
V21	9.24	0.1	0.7	0.1	1.5	0.6	1.3
F22	9.33	8.8	75.0	45.5	35.8	32.4	30.9
N22	9.46	0.0	0.2	0.1	0.1	0.1	0.1
F23	9.55	45.3	431.9	460.9	476.1	417.0	397.5
N23	9.61	0.0	0.0	0.0	0.1	0.0	0.1
F24	9.7	0.0	0.0	6.8	3.7	3.7	4.4
N24	9.78	0.0	0.0	0.0	0.0	0.0	0.0
F25	9.87	35.6	381.0	315.9	365.9	338.6	318.2
F26	9.98	0.0	0.2	0.8	5.3	5.8	5.4
F27	10.1	25.8	284.9	263.5	251.8	211.5	179.0
F28	10.14	0.0	0.0	0.0	0.0	0.0	0.0
F29	10.15	0.0	0.0	0.0	0.1	0.2	0.3
F30	10.19	0.0	0.0	0.0	0.1	0.0	0.0



# Daily Fixed Income

September 15, 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	3,36%														
B-20	3,98%														
B-21	4,25%														
B-22	4,57%														
B-23	4,68%														
B-24	4,71%														
B-26	4,87%														
B-30	4,96%														
B-35	5,01%														
B-40	5,04%														
B-45	5,15%														
B-50	5,12%														
B-55	5,09%														

Spreads at the Curve		B-19	B-22	121
B-19				
B-20				27
B-22				30
B-22				58
B-35				15
B-35				12



# Daily Fixed Income

September 15, 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	7,60%	7,51%																
DI1N18	7,30%	7,25%	7,12%															
DI1F19	7,54%	7,52%	7,92%	7,92%														
DI1N19	7,92%	7,91%	7,98%	8,41%	8,92%													
DI1F20	8,30%	8,30%	8,40%	8,82%	9,28%	9,61%												
DI1N20	8,65%	8,66%	8,77%	9,18%	9,61%	9,95%	10,30%											
DI1F21	8,93%	8,94%	9,06%	9,44%	9,83%	10,12%	10,39%	10,47%										
DI1N21	9,17%	9,18%	9,30%	9,66%	10,02%	10,29%	10,52%	10,63%	10,80%									
DI1F22	9,33%	9,34%	9,46%	9,79%	10,10%	10,34%	10,52%	10,60%	10,66%	10,52%								
DI1F23	9,55%	9,56%	9,66%	9,95%	10,20%	10,38%	10,52%	10,56%	10,58%	10,50%	10,49%							
DI1F24	9,70%	9,71%	9,80%	10,04%	10,26%	10,40%	10,51%	10,53%	10,54%	10,49%	10,49%	10,47%						
DI1N24	9,78%	9,79%	9,87%	10,10%	10,31%	10,44%	10,54%	10,57%	10,58%	10,54%	10,55%	10,58%	10,80%					
DI1F25	9,87%	9,88%	9,96%	10,18%	10,38%	10,50%	10,60%	10,63%	10,65%	10,63%	10,65%	10,72%	10,96%	11,12%				
DI1F26	9,98%	9,99%	10,07%	10,26%	10,43%	10,55%	10,63%	10,66%	10,68%	10,66%	10,68%	10,74%	10,87%	10,90%	10,78%			
DI1F27	10,10%	10,11%	10,18%	10,36%	10,52%	10,62%	10,70%	10,73%	10,75%	10,74%	10,76%	10,83%	10,95%	10,98%	11,11%	10,94%		
DI1F29	10,15%	10,16%	10,22%	10,37%	10,49%	10,57%	10,63%	10,65%	10,66%	10,65%	10,66%	10,69%	10,73%	10,72%	10,67%	10,63%	10,40%	
DI1F30	10,19%	10,20%	10,25%	10,39%	10,50%	10,58%	10,63%	10,65%	10,66%	10,65%	10,68%	10,71%	10,70%	10,66%	10,63%	10,47%	10,62%	

**Spreads at the Curve**

DI1F18	DI1F19	-6
DI1F19	DI1F21	139
DI1F19	DI1F23	201
DI1F21	DI1F23	62
DI1F21	DI1F25	94
DI1F23	DI1F25	32





# Daily Fixed Income

September 15, 2017

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