

I. Open market and foreign exchange swap operations

In June, the Central Bank borrowed funds through security selling auctions with commitment of repurchase in three, six and nine months. In the three-month operations settled over the month, the Central Bank sold LTN, NTN-F and NTN-B, in percentages of 65.7%, 19.0% and 15.3%, respectively. The financial volume of such long-term repurchase operations reached R\$8.8 billion and repurchases related to previous operations hit R\$34.7 billion, causing a monetary expansion of R\$25.8 billion. In the six-month operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 77.7%, 12.7% and 9.6%, respectively. The financial volume of such long-term repurchase operations reached R\$1.0 billion and repurchases related to previous operations hit R\$16.6 billion, causing a monetary expansion of R\$15.6 billion. Regarding the nine-month operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 41.1%, 30.2% and 28.7%, respectively. The financial volume of such long-term repurchase operations caused a monetary contraction of R\$69.5 billion. There were no repurchases related to previous operations. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$91.6 billion on 5/30 to R\$66.2 billion on 6/29. In the same period, the average term to mature of such operations came from 28 to 21 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$123.1 billion on 5/30 to R\$108.1 billion on 6/29. In the same period, the average term to mature of such operations varied from 67 to 56 business days. Regarding the nine-month repo operations, the balance accrued by the contracted rates reached R\$69.7 billion on 6/29 while the average term to mature of such operations was 177 business days.

In managing short-term liquidity, the Central Bank borrowed funds overnight on all business days of the month. The average financial volume of these borrowing operations reached R\$183.5 billion at a maximum rate of 6.40% p.y. The Central Bank also held a borrowing intervention on 6/21 with term to mature of 30 business days and financial volume of R\$669.1 billion, at a maximum rate of 6.43% p.y.

On 6/6, 6/7, 6/11 and 6/13, standing facilities were accessed to borrow R\$385.0 million, R\$700.0 million, R\$400.0 million and R\$250.0 million, respectively, at a rate of 5.60% p.y. On 6/14, 6/18 and 6/20 standing facilities were accessed to lend R\$454.5 million, R\$200.0 million and R\$386.0 million, respectively, at a rate of 7.20% p.y.

On every business day of the month, except on 6/29, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 166,880 contracts maturing on 8/1/2018, 105,100 contracts maturing on 9/3/2018, 43,200 contracts maturing on 10/1/2018, 36,300 contracts maturing on 11/1/2018, 172,540 contracts maturing on 12/3/2018, 55,050 contracts maturing on 1/2/2019, 267,950 contracts maturing on 2/1/2019, 20,430 contracts maturing on 3/1/2019 and 35,100 contracts maturing on 4/1/2019, totaling the equivalent of US\$45.1 billion. On the last day of the month, the foreign exchange swap net long position reached US\$67.4 billion.

II. Secondary market transactions with federal securities registered in Selic

In June, the volume of outright operations among market institutions with Selic-registered federal public securities increased 12.0% as against the previous month, totaling R\$42.9 billion and 2,771 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 21.9% as against the previous month totaling R\$24.0 billion, or 55.9% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 9.6% as against May and was responsible for an average daily trade volume of R\$12.1 billion, equivalent to a 28.3% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 30.2% as against the previous month, totaling R\$6.8 billion, which was equivalent to a 15.8% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 7/1/2018, with a daily average of R\$4.7 billion, corresponding to 11.0% of the whole secondary market. Next in rank, came the NTN-B maturing on 8/15/2022, with a daily average of R\$2.8 billion, and the LTN maturing on 7/1/2020, with a daily average of R\$2.7 billion. The security with the highest number of trades in the secondary market was the NTN-B due on 8/15/2022, with an average of 256 trades per day.

The daily average financial volume of forward operations increased 2.7%, reaching R\$24.0 billion in June. On the segment of fixed-rate securities, forward negotiation rose 13.9% as against the previous month, reaching R\$14.9 billion. Transactions with inflation-linked securities declined 13.3% as against the previous month, totaling R\$8.7 billion. The LTN due on 7/1/2018 was the most transacted security, with a financial volume of R\$3.5 billion and a share of 14.7% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$1.0 trillion and 6,975 operations. Intraday repos recorded daily averages of R\$3.2 billion and 11 operations.

Overnight operations corresponded to 98.4% of total repurchase operations, recording daily averages of R\$1.0 trillion and 6,920 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$1.2 billion and 12 operations. Regarding those not allowing transaction of collateral, daily averages were R\$11.9 billion and 33 transactions.

The daily average of outright brokerage operations decreased 4.7% as against the previous month, to R\$7.7 billion. Their share of total outright operations changed from 21.1% to 18.0%. In June, the lowest traded volume was R\$4.3 billion, on 6/26, and the highest, R\$12.7 billion, on 6/1.

Considering only fixed-rate securities, the financial volume of outright brokerage operations decreased from R\$5.1 billion in May to R\$4.3 billion in June. The number of operations came from 104 to 95 per day on average. Their share of this segment fell from 26.2% to 18.2%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$514.8 million, corresponding to 4.3% of the joint NTN-B and NTN-C market.

The LFT due on 3/1/2021, which recorded in June a daily average of R\$643.6 million in brokerage transactions, or 47.0% of its total outright operations, was the most traded security by brokers.

The financial volume of repurchase operations with brokers reached a daily average of R\$9.0 billion.