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(R\$ Mn)

# 1. Primary Market Transactions

# 1.1 FPD Issuances and Redemptions

In the month of December, Federal Public Debt - FPD¹ issuances came to R\$ 31.71 billion, while redemptions totaled R\$ 12.45 billion, generating net issuances of R\$ 19.27 billion, with R\$ 19.07 billion in net issuances of Domestic Federal Public Debt - DFPD and R\$ 0.20 billion in net issuances of External Federal Public Debt - EFPD.

Table 1.1
FPD Issuances and
Redemptions Held by
the Public
December/2019

	1 <sup>st</sup> Week	2 <sup>nd</sup> Week	3 <sup>rd</sup> Week	4 <sup>th</sup> Week	5 <sup>th</sup> Week	Total
-	2 a 6/Dec	9 a 13/Dec	16 a 20/Dec	23 a 27/Dec	30 a 31/Dec	December/19
FPD ISSUANCES	10,765.10	10,193.87	8,882.07	1,692.24	181.19	31,714.46
I - DFPD	10,362.58	10,193.87	8,780.02	868.91	122.03	30,327.41
Public Offerings	9,255.80	9,780.98	8,296.84	477.61	0.00	27,811.23
Non-competitive Issuances with cash inflow <sup>1</sup>	0.00	0.00	0.00	0.00	0.00	0.00
Non-competitive Issuances without cash inflow <sup>2</sup>	659.32	0.00	22.64	15.25	0.00	697.20
Exchanges	0.00	0.00	0.00	0.00	0.00	0.00
Treasury Direct	447.46	412.88	460.55	376.06	122.03	1,818.97
II - EFPD	402.52	0.00	102.04	823.33	59.16	1,387.05
Securities	0.00	0.00	0.00	0.00	0.00	0.00
Contractual	402.52	0.00	102.04	823.33	59.16	1,387.05
FPD REDEMPTIONS	1,367.41	505.65	1,786.63	8,709.01	77.40	12,446.10
III - DFPD	1,080.57	504.47	908.95	8,698.73	69.67	11,262.39
Maturities	594.03	0.00	63.63	0.00	0.00	657.67
Purchases	38.74	3.43	218.13	8,351.94	0.00	8,612.24
Exchanges	0.00	0.00	0.00	0.00	0.00	0.00
Treasury Direct	447.80	487.65	627.18	346.31	69.67	1,978.62
Dividends Payments <sup>3</sup>	0.00	0.00	0.00	0.00	0.00	0.00
Cancelled Bonds	0.00	13.39	0.00	0.47	0.00	13.87
IV - EFPD	286.84	1.17	877.68	10.28	7.73	1,183.71
Securities	255.68	0.00	0.00	0.00	0.00	255.68
Contractual	31.16	1.17	877.68	10.28	7.73	928.03
NET ISSUANCES	9,397.68	9,688.22	7,095.43	-7,016.77	103.79	19,268.36
DFPD (I - III)	9,282.01	9,689.39	7,871.07	-7,829.82	52.36	19,065.02
EFPD (II - IV)	115.68	-1.17	-775.64	813.05	51.42	203.34

<sup>&</sup>lt;sup>1</sup> Non-competitive issuances that involve inflow cash resources as counterpart;

Historical Data: Annex 1.1

Table 1.2
FPD Issuances and
Redemptions Held by
the Public. by index
December/2019

					(R\$ Mn)
	Issuance	:s	Redempti	ons	Net Issuance
FPD	31,714.46		12,446.10		19,268.36
DFPD	30,327.41	100.00%	11,262.39	100.00%	19,065.02
Fixed Rate	18,473.02	60.91%	305.33	2.71%	18,167.68
Inflation Linked	6,125.01	20.20%	1,450.03	12.87%	4,674.99
Floating	5,706.75	18.82%	9,439.43	83.81%	-3,732.68
FX-linked	22.64	0.07%	67.60	0.60%	-44.97
EFPD	1,387.05	100.00%	1,183.71	100.00%	203.34
USD	87.94	0.00%	367.79	31.07%	-279.85
EURO	76.74	0.00%	815.92	68.93%	-739.18
BRL	0.00	0.00%	0.00	0.00%	0.00
Other	1,222.37	0.00%	0.00	0.00%	1,222.37
Historical Data: Annex 1.2					

<sup>&</sup>lt;sup>2</sup> Non-competitive issuances that do not involve inflow cash resources as counterpart;

<sup>&</sup>lt;sup>3</sup> Refers to redemptions of securities in order to pay dividends and/or interests over own capital from entity in which government has share. related to the profit of the fiscal year.

 $<sup>^{\</sup>scriptscriptstyle 1}$  All data in this report refer to FPD held by the public.

#### 1.2 Domestic Federal Public Debt - DFPD

## **DFPD** Issuances and Redemptions

DFPD security issuances totaled R\$ 30.33 billion: R\$ 18.47 billion (60.91%) in fixed-rate securities; R\$ 6.13 billion (20.20%) in inflation-linked securities and R\$ 5.71 billion (18.82%) in floating-rate securities. Analysis of total issuances reveals that R\$ 27.81 billion were issued in traditional auctions, coupled with R\$ 1.82 billion in sales through the Treasury Direct Program (p.7) and R\$ 0.70 billion in direct issuances (p.8).

Table 1.3
Issuances and Redemptions of DFPD
Public Securities
December/2019

(R\$ Mn)

	1 <sup>st</sup> Week	2 <sup>nd</sup> Week	3 <sup>rd</sup> Week	4 <sup>th</sup> Week	5 <sup>th</sup> Week	Total
	2 a 6/Dec	9 a 13/Dec	16 a 20/Dec		-	December/19
I - ISSUANCES	10,362.58	10,193.87	8,780.02	868.91	122.03	30,327.41
Sales	9,255.80	9,780.98	8,296.84	477.61	0.00	27,811.23
LFT	0.00	4,660.33	0.00	0.00	0.00	4,660.33
LTN	5,871.41	4,634.47	5,374.78	477.61	0.00	16,358.27
NTN-B	2,741.17	0.00	2,194.26	0.00	0.00	4,935.43
NTN-F	643.22	486.18	727.80	0.00	0.00	1,857.20
Exchanges	0.00	0.00	0.00	0.00	0.00	0.00
LFT	0.00	0.00	0.00	0.00	0.00	0.00
LTN	0.00	0.00	0.00	0.00	0.00	0.00
NTN-B	0.00	0.00	0.00	0.00	0.00	0.00
NTN-F	0.00	0.00	0.00	0.00	0.00	0.00
Treasury Direct	447.46	412.88	460.55	376.06	122.03	1,818.97
LFT	250.88	226.60	250.78	215.82	77.77	1,021.85
LTN	50.73	43.13	53.92	42.47	14.33	204.57
NTN-B	132.37	130.57	137.86	108.84	29.94	539.58
NTN-F	13.47	12.59	17.98	8.93	0.00	52.98
Non-competitive Issuances with cash inflow <sup>1</sup>	0.00	0.00	0.00	0.00	0.00	0.00
Non-competitive Issuances without cash inflow <sup>2</sup>	659.32	0.00	22.64	15.25	0.00	697.20
II - REDEMPTIONS	1,080.57	504.47	908.95	8,698.73	69.67	11,262.39
Maturities	594.03	0.00	63.63	0.00	0.00	657.67
LFT	0.00	0.00	0.00	0.00	0.00	0.00
LTN	0.00	0.00	0.00	0.00	0.00	0.00
NTN-B	0.00	0.00	0.00	0.00	0.00	0.00
NTN-C	0.00	0.00	0.00	0.00	0.00	0.00
NTN-F	0.00	0.00	0.00	0.00	0.00	0.00
Other	594.03	0.00	63.63	0.00	0.00	657.67
Purchases	38.74	3.43	218.13	8,351.94	0.00	8,612.24
LFT	0.00	0.00	0.00	8,351.94	0.00	8,351.94
LTN	0.00	0.00	0.00	0.00	0.00	0.00
NTN-B	0.00	0.00	0.00	0.00	0.00	0.00
NTN-F	0.00	0.00	0.00	0.00	0.00	0.00
Other	38.74	3.43	218.13	0.00	0.00	260.30
Exchanges	0.00	0.00	0.00	0.00	0.00	0.00
LFT	0.00	0.00	0.00	0.00	0.00	0.00
LTN	0.00	0.00	0.00	0.00	0.00	0.00
NTN-B	0.00	0.00	0.00	0.00	0.00	0.00
NTN-C	0.00	0.00	0.00	0.00	0.00	0.00
NTN-F	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
Treasury Direct	447.80	487.65	627.18	346.31	69.67	1,978.62
LFT	226.89	249.02	281.63	160.85	34.04	952.43
LTN	51.75	57.18	82.66	44.72	8.05	244.36
NTN-B	155.93	163.81	245.45	129.66	25.62	720.47
NTN-C	0.05	0.12	0.22	0.00	0.00	0.38
NTN-F	13.19	17.52	17.22	11.08	1.96	60.97
Dividends Payments <sup>3</sup>	0.00	0.00	0.00	0.00	0.00	0.00
Cancelled Bonds	0.00	13.39	0.00	0.47	0.00	13.87
III - IMPACT ON LIQUIDITY <sup>4.5</sup>	-8,622.69	-9,702.79	-7,848.44	7,844.59	-52.36	-18,381.68
<sup>1</sup> Non-competitive issuances that involve inflow cash resou	irces as counterna	rt·				

<sup>&</sup>lt;sup>1</sup> Non-competitive issuances that involve inflow cash resources as counterpart;

<sup>&</sup>lt;sup>2</sup> Non-competitive issuances that do not involve inflow cash resources as counterpart;

<sup>&</sup>lt;sup>3</sup> Refers to redemptions of securities in order to pay dividends and/or interests over own capital from entity in which government has share. related to the profit of the fiscal year.

<sup>&</sup>lt;sup>4</sup> Refers to monetary impact resulting from DFPD market operations. Non-competitive issuances without cash inflow and cancelled bonds are not considered. Positive values mean increase on liquidity.

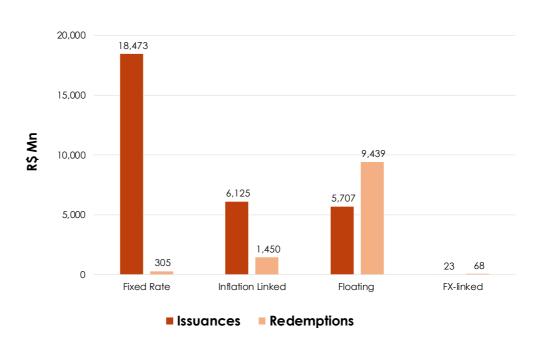
<sup>&</sup>lt;sup>5</sup> The purchases that occurred in the 5th week related to BNDES. in the amount of R\$ 15.13 billion. did not had impact on liquidity. Historical Data: Annex 1.3

In LFT auctions, total issuances added up to R\$ 4.66 billion in securities maturing at March 2026, with payment in cash.

As regards NTN-B auctions (IPCA-linked securities), issuances came to a total of R\$ 4.94 billion, maturing between August 2024 and May 2055, in cash payments. In the case of LTN auctions, issuances totaled R\$ 16.36 billion, maturing between April 2020 and July 2023, with payment in cash.

Total DFPD redemptions reached to R\$ 11.26 billion, highlighting floating rate securities totaling R\$ 9.44 billion (83,81%). Maturities in the period totaled R\$ 0.66 billion.

Graph 1.1
DFPD Issuances and
Redemptions
December/2019



#### **Treasury Direct Program**

Issuances through the Treasury Direct Program<sup>2</sup> in the month of December totaled R\$ 1,818.97 million, while redemptions totaled R\$ 1,978.62 million, generating net redemptions of R\$ 159.65 million. The securities in greatest demand were Tesouro Selic, with 56.18% of the total sold.

Treasury Direct stock reached to R\$ 59,645.44 million, representing 0.78% increase compared to the previous month. Highest share of the securities belongs to Tesouro IPCA+, with 35.52% of the stock.

Tabela 1.4
Treasury Direct
Program
December/2019

									(R\$ Mn)	
Security	Issuan			Redempt	ions		Net Issuances	Outstan	!·	
Security	issuaii	tes –	Repurch	ases	Maturi	ties	ivet issualices	Outstall	ung	
			Fix	ed Rate						
Tesouro Prefixado Tesouro Prefixado com Juros	204.57	11.25%	244.36	12.35%	0.00	0.00%	-39.79	8,738.39	14.65%	
Semestrais	52.98	2.91%	60.97	3.08%	0.00	0.00%	-7.99	2,127.18	3.57%	
			Inflat	ion Linked						
Tesouro IPCA <sup>+</sup> com Juros Semestrais	152.83	8.40%	171.08	8.65%	0.00	0.00%	-18.25	7,672.83	12.86%	
Tesouro IPCA <sup>+</sup>	386.75	21.26%	549.39	27.77%	0.00	0.00%	-162.65	21,187.57	35.52%	
Tesouro IGPM <sup>+</sup> com Juros Semestrais	0.00	0.00%	0.38	0.02%	0.00	0.00%	-0.38	63.42	0.11%	
	Floating									
Tesouro Selic	1,021.85	56.18%	952.43	48.14%	0.00	0.00%	69.42	19,856.04	33.29%	
TOTAL	1,818.97	100.00%	1,978.62	100.00%	0.00	100.00%	-159.65	59,645.44	100.00%	
Historical Data: Annex 1.5										

<sup>&</sup>lt;sup>2</sup> Program involving public security sales over the Internet to individual buyers.

As regards total participants in Treasury Direct operations, 194,375 new investors registered with the Program in the month of December. As a result, total investors registered since the program first began operating came to 5,626,333, corresponding to an increase of 80.72% in the last 12 months.

Table 1.5
Registered Investors
Profile
December/2019

	In the month	Total
Investors by Gender		
Men	68.10%	68.63%
Women	31.90%	31.37%
Investors by Age		
Up to 15 anos	0.37%	0.31%
From 16 to 25 years	26.94%	18.75%
From 26 to 35 years	34.68%	37.22%
From 36 to 45 years	21.12%	24.03%
From 46 to 55 years	9.26%	10.24%
From 56 to 65 years	5.21%	6.08%
Over 66 years	2.43%	3.37%
Investors by Region		
Northern	4.72%	4.01%
Northeast	15.32%	13.37%
Midwest	8.73%	8.36%
Southeast	56.37%	59.25%
South	14.87%	15.02%
Number of Investors		
Registries	194,375	5,626,333

## **Direct Issuances and Cancellations**

Direct issuances of DFPD securities totaled R\$ 697.20 million, while cancellations totaled R\$ 13.87 million, generating net issuances of R\$ 683.34 million.

Table 1.6

DFPD Non-competitive Issuances
December/2019

				ISSUAN	ICES	
Securities	Date of Transaction	Maturity	Quantity	Financial Volume (R\$ Mn)	Purpose	Legal Support
CFT-E1	12/5/19	01/01/2046	160,625,341	650.00	FIES - College Student Financial Fund	STN Directive nº 814, as of 12/05/2019
CFT-B	12/9/19	01/01/2030	7,020	9.32	PROIES, Program of Incentive to the Restructuring and Strengthening Institutions of Higher Education	STN Directive nº 822, as of 12/09/2019
NTN-I	12/20/19	several	3,071,183	22.64	PROEX, the Export Financing Program	STN Directive nº 851, as of 12/20/2019
TDA	12/27/19	several	133,639	15.25	Agrarian Reform	STN Directive nº 855, as of 12/27/2019
SUBTOTAL				697.20		
				CANCELLA	ATIONS	
Securities	Date of Transaction	Maturity	Quantity	Financial Volume (R\$ Mn)	Purpose	Legal Support
NTN-I	12/10/19	several	1,793,831	13.39	PROEX, the Export Financing Program	STN Directive nº 823, as of 12/10/2019
CTN	12/23/19	01/03/2020	118	0.47	Cancel of CTN	STN Directive 852, as of 12/23/2019
SUBTOTAL				13.87		
NET ISSUAN	ICE			683.34		

(R\$ Mn)

# 1.3 Extern Federal Public Debt — EFPD

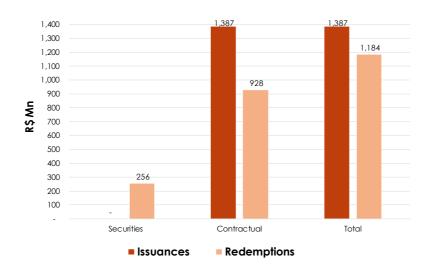
In the month of December, EFPD issuances totaled R\$ 1,387.05 million.

EFPD redemptions, in its turn, totaled R\$ 1,183.71 million, including R\$ 736.76 million in payments of securities debt and R\$ 446.95 million in payments of contractual debt.

Table 1.7
EFPD Issuances and
Redemptions
December/2019

	Principal	Interest, premiums and charges	Total
ISSUANCES	1,387.05	0.00	1,387.05
Securities	0.00	0.00	0.00
Sovereign Bonus	0.00	0.00	0.00
Contractual	1,387.05	0.00	1,387.05
Multilateral Organisms	92.26	0.00	92.26
Private Financial Institutions/Gov. Agencies	1,294.79	0.00	1,294.79
REDEMPTIONS	736.76	446.95	1,183.71
Securities	0.00	255.68	255.68
Sovereign Bonus	0.00	255.68	255.68
Buybacks	0.00	0.00	0.00
Contractual	736.76	191.27	928.03
Multilateral Organisms	68.21	25.81	94.02
Private Financial Institutions/Gov. Agencies	668.55	165.46	834.01
NET ISSUANCES			203.34
Historical Data: Annex 1.6		<u> </u>	

Graph 1.2 EFPD Issuances and Redemptions December/2019



# 2. Outstanding Federal Public Debt - FPD

## 2.1 Evolution

Outstanding FPD registered a 1.03% nominal increase, shifting from R\$ 4,205.42 billion in November to R\$ 4,248.91 billion in December.

Outstanding DFPD increased 1.22%, shifting from R\$ 4,033.91 billion to R\$ 4,083.23 billion, due to the net issuances in the amount of R\$ 19.07 billion and to positive interest appropriations totaling R\$ 30.26 billion.

As regards outstanding EFPD, the stock decreased 3.40% compared to the month of November, closing December at R\$ 165.68 billion (US\$ 41.10 billion), with R\$ 150.37 billion (US\$ 37.31 billion) referring to securities debt and R\$ 15.31 billion (US\$ 3.80 billion) to contractual debt.

Table 2.1
Outstanding FPD Held
by the Public

(R\$ Bn) Dec/18 Nov/19 Dec/19 DFPD 3,728.86 4,033.91 4,083.23 100.00% 96.10% 1,370.38 1,646.60 1,648.89 40.38% 38.81% LTN 872.51 832.91 855.03 20.94% 20.12% NTN-B 962.39 984.74 1,002.20 24.54% 23.59% NTN-C 84.47 86.84 2.04% 80.21 2.13% NTN-F 397.09 444.34 449.98 11 02% 10.59% Securitized Debt 5.06 3.77 3.74 0.09% 0.09% 1.44 1.17 1.12 0.03% 0.03% Other 39.77 35.91 35.44 0.87% 0.83% EFPD<sup>1</sup> 148.20 171.51 165.68 100.00% 3.90% Securities 133.81 156.24 150.37 90.76% 3.54% Global USD 118.48 140.79 134.96 81.46% 3.18% Euro 4.53 4.74 2.79% 0.11% Global BRL 10.70 10.80 10.79 6.51% 0.25% Contractual 14.39 15.27 15.31 9.24% 0.36% Multilateral Organisms 3.68 2.09% 0.08% 3.61 3.46 Private Financial Institutions/Gov. Agencies 10.71 11.66 11.85 7.15% 0.28%

All EFPD values converted to USD and then converted to BRL at the spot FX-rate as of the month's last day.

 2019 ABP Limits

 Outstanding Held by the public (R\$ Bn)

 Min
 Max

 FPD
 4,100.0
 4,300.0

# 2.2 Variation Factors

As mentioned previously the Federal Public Debt - FPD registered a 1.03% nominal increase, moving from R\$ 4,205.42 billion in November to a level of R\$ 4,248.91 billion in December. This variation was due to the net issuances in the amount of R\$ 19.27 billion and the positive interest appropriation in the amount of R\$ 24.22 billion.

Table 2.2
FPD Variation Factors
Held by the Public
December/2019

_	Month	ly	2019		
INDICATORS	R\$ Mn	% of outstanding debt	R\$ Mn	% of outstanding debt <sup>1</sup>	
Previous Outstanding Debt <sup>1</sup>	4,205,417.97		3,877,061.11		
DFPD	4,033,907.66		3,728,857.20		
EFPD	171,510.32		148,203.92		
Outstanding Debt in December-31-19	4,248,909.49		4,248,909.49		
DFPD	4,083,229.30		4,083,229.30		
EFPD	165,680.19		165,680.19		
Nominal Variation	43,491.52	1.03%	371,848.38	9.59%	
DFPD	49,321.64	1.17%	354,372.10	9.14%	
EFPD	-5,830.12	-0.14%	17,476.28	0.45%	
I - Debt Management - (Treasury) (I.1 + I.2)	43,491.52	1.03%	372,916.07	9.62%	
I.1 - Issuance/Net Redemption	19,268.36	0.46%	42,269.93	1.09%	
I.1.1 - Issuances	31,714.46	0.75%	759,260.61	19.58%	
Public Offerings Issuances (DFPD)	29,630.21	0.70%	727,864.90	18.77%	
Public Offerings Exchanges (DFPD)	0.00	0.00%	4,257.93	0.11%	
Non-competitive Issuances (DFPD)	697.20	0.02%	5,969.42	0.15%	
Issuances (EFPD)	1,387.05	0.03%	21,168.36	0.55%	
I.1.2 - Redemptions	-12,446.10	-0.30%	-716,990.68	-18.49%	
Current Payments (DFPD)	-11,248.53	-0.27%	-694,485.64	-17.91%	
Public Offerings Exchanges (DFPD)	0.00	0.00%	-4,257.90	-0.11%	
Cancellations (DFPD)	-13.87	0.00%	-63.85	0.00%	
Current Payments (EFPD)	-1,183.71	-0.03%	-13,767.51	-0.36%	
Early Redemption (EFPD)	0.00	0.00%	-4,415.77	-0.11%	
I.2 - Accrued Interest	24,223.16	0.58%	330,646.14	8.53%	
DFPD Nominal Accrued Interest	30,256.63	0.72%	316,154.93	8.15%	
EFPD Nominal Accrued Interest	-6,033.47	-0.14%	14,491.21	0.37%	
II - Central Bank Operations	0.00	0.00%	-1,067.69	-0.03%	
II.1 - Securities' Net Sales to the Market	0.00	0.00%	-1,067.69	-0.03%	
Total (I + II)	43,491.52	1.03%	371,848.38	9.59%	

 $<sup>^{\</sup>rm 1}\,\mbox{The}$  "Monthly" column relates to the last day of the previous month.

Historical Data: Annex 2.8

#### 2.3 Profile

#### Indexes

In terms of the FPD profile, DFPD share increased from 95.92% in November to 96.10% in December. In contrast, EFPD share decreased from 4.08% to 3.90%.

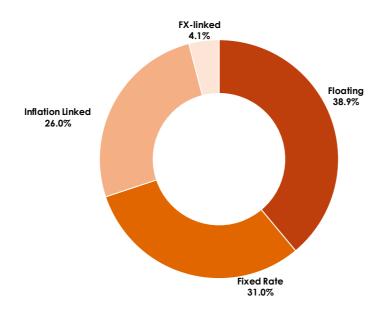
The share of fixed-rate FPD securities shifted from 30.63% in November to 30.97% in December. Share of inflation-linked securities increased from 25.83% to 26.04%. At the same time, the share of floating-rate securities decreased from 39.27% in November to 38.92% in December.

Table 2.3 **Profile** 

(R\$ Bn) Dec/18 Nov/19 Dec/19 Fixed Rate 1,280.41 33.03% 1,287.96 30.63% 1,315.80 30.97% Inflation Linked 25.83% 26.04% 1.064.62 27.46% 1.086.20 1.106.39 Floating 1,651.58 1 376 87 35 51% 1.653.78 38 92% 39 27% FX-linked 155.16 4.00% 179.68 4.27% 172.94 4.07% Fixed Rate 1,269.61 34.05% 32.75% 1,277.25 31.66% 30.37% 1,305.01 31.96% 30.71% Inflation Linked 1,064.62 28.55% 27.46% 1,086.20 26.93% 25.83% 1,106.39 27.10% 26.04% 1.376.87 36.92% 35.51% 1.651.58 40.94% 39.27% 40.50% 38.92% Floating 1.653.78 FX-linked 17.76 0.48% 0.46% 18.87 0.47% 0.45% 18.05 0.44% 0.42% EFPI 3.82% USD 122.89 82.92% 3.17% 145.01 84.55% 3.45% 138.98 83.88% 3.27% Euro 6.14% 0.23% 10.20 5.95% 0.24% 9.18 5.54% 0.22% BRL 10.80 7.29% 0.28% 10.70 6.24% 0.25% 10.79 6.51% 0.25% 3.65% 0.14% 0.13% 4.06% 0.16% Other 5.41 5.60 3.26% 6.73

Historical Data FPD: Annex 2.4 Historical Data DFPD: Annex 2.5 Historical Data EFPD: Annex 2.6

Graph 2.1 FPD Profile, by index December/2019



2019 ABP Limits Share in Outstanding FPD						
	Min	Max				
Fixed Rate	29%	33%				
Inflation Linked	24%	28%				
Floating	38%	42%				
FX-linked	3%	<b>7</b> %				

## **Holders**

The category of Pensions posted a decrease, in absolute share, from R\$ 1,025.61 billion to a level of R\$ 1,016.19 billion between November and December. Relative participation decreased to 24.89%. Financial Institutions grouping showed positive variation in its stock level, moving from R\$ 957.39 billion to R\$ 1,008.08 billion. Relative participation increased from 23.73% to 24.69%. Investment Funds increased their stock from R\$ 1,065.24 billion to R\$ 1,089.48 billion. Relative share reached 26.68%. The share of Nonresidents in DFPD decreased from 11.11% to 10.43%. The category of Government increased its relative share to 3.97%. Insurers showed a decrease in their stock, to R\$ 160.78 billion in December.

One should note that 90.94% of the portfolio of Nonresidents was concentrated in fixed-rate securities, while 55.50% of the Pensions portfolio is composed of inflation-linked securities.

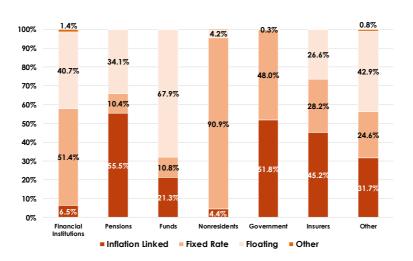
Table 2.4

DFPD Public Securities

Holders

						(R\$ Bn)
	Dec/18		Nov/19		Dec/19	
Pensions	930.85	24.96%	1,025.61	25.42%	1,016.19	24.89%
Financial Institutions	848.10	22.74%	957.39	23.73%	1,008.08	24.69%
Funds	1,003.56	26.91%	1,065.24	26.41%	1,089.48	26.68%
Nonresidents	418.41	11.22%	448.33	11.11%	425.77	10.43%
Government	158.19	4.24%	153.26	3.80%	161.97	3.97%
Insurers	153.27	4.11%	161.00	3.99%	160.78	3.94%
Other	216.49	5.81%	223.08	5.53%	220.97	5.41%
Total	3,728.86	100.00%	4,033.91	100.00%	4,083.23	100.00%
Historical Data and Notes: Anney 2	7					

Graph 2.2
Portfolio Profile.
by holder
December/2019



Graph 2.3 Average Maturity Profile. by holder December/2019



# 3. Federal Public Debt - FPD Maturity Profile

## 3.1 Maturities

FPD maturities in the next 12 months posted an increase, shifting from 18.62% in November to 18.68% in December.

The volume of DFPD securities maturing in up to 12 months shifted from 19.12% in November to 19.16% in December. Fixed-rate securities accounted for 61.43% of this total, followed by floating rate securities with share of 22.18% of the total.

With respect to EFPD, the percentage maturing in 12 months decreased from 6.66% in November to 6.62% in December, with those denominated in American Dollar accounting for 73.86% of this total. It is important to emphasize maturities over five years account for 57.46% of outstanding EFPD.

Table 3.1

FPD Maturities Held by the Public

(R\$ Bn)

Maturities	DFPD					EFPD				FPD			
iviaturities	Nov/19		Dec	/19	Nov	/19	Dec,	19	Nov/	19	Dec/	19	
Up to 12 months	771.43	19.12%	782.53	19.16%	11.43	6.66%	10.97	6.62%	782.86	18.62%	793.50	18.68%	
From 1 to 2 years	848.60	21.04%	850.99	20.84%	25.35	14.78%	24.33	14.68%	873.95	20.78%	875.31	20.60%	
From 2 to 3 years	534.66	13.25%	538.65	13.19%	10.11	5.89%	9.65	5.82%	544.77	12.95%	548.30	12.90%	
From 3 to 4 years	561.91	13.93%	572.64	14.02%	15.53	9.05%	14.77	8.92%	577.43	13.73%	587.42	13.83%	
From 4 to 5 years	427.96	10.61%	432.21	10.58%	11.09	6.47%	10.75	6.49%	439.05	10.44%	442.96	10.43%	
Over 5 years	889.35	22.05%	906.22	22.19%	98.01	57.14%	95.20	57.46%	987.36	23.48%	1,001.42	23.57%	
TOTAL	4,033.91	100.00%4	,083.23	100.00%	171.51	100.00%	165.68	100.00%	4,205.42	100.00%	4,248.91	100.00%	

Table 3.2 Federal Public Debt Held by the Public Due in 12 Months, by index

(R\$ Bn)

		Dec/18			Nov/19			Dec/19	
FPD	632.64		100.00%	782.86		100.00%	793.50		100.00%
DFPD	620.13	100.00%	98.02%	771.43	100.00%	98.54%	782.53	100.00%	98.62%
Fixed Rate	408.33	65.85%	64.54%	472.49	61.25%	60.35%	480.70	61.43%	60.58%
Inflation Linked	142.91	23.04%	22.59%	124.32	16.12%	15.88%	126.81	16.21%	15.98%
Floating	67.37	10.86%	10.65%	173.09	22.44%	22.11%	173.56	22.18%	21.87%
FX-linked	1.52	0.25%	0.24%	1.53	0.20%	0.20%	1.45	0.19%	0.18%
EFPD	12.50	100.00%	1.98%	11.43	100.00%	1.46%	10.97	100.00%	1.38%
USD	9.68	77.40%	1.53%	8.46	74.01%	1.08%	8.11	73.86%	1.02%
Euro	1.66	13.24%	0.26%	1.80	15.71%	0.23%	1.66	15.10%	0.21%
BRL	1.01	8.05%	0.16%	1.00	8.74%	0.13%	1.01	9.17%	0.13%
Other	0.16	1.32%	0.03%	0.18	1.54%	0.02%	0.20	1.86%	0.03%
Historical Data: Anne	x 3.3								

# 2019 ABP Limits % Up to 12 months Min Max FPD 17% 20%

# 3.2 Average Maturity

FPD average maturity posted a decrease from 4.04 years, in November, to 3.97 years, in December. DFPD average maturity decreased to 3.83 years in December. Parallel to this, EFPD average maturity decreased from 7.53 years in November to 7.50 years in December.

Table 3.3 **FPD Average Maturity** 

		(Years)
Dec/18	Nov/19	Dec/19
4.11	4.04	3.97
3.98	3.89	3.83
3.40	3.15	3.09
1.22	1.35	1.29
7.35	7.43	7.35
4.95	4.45	4.37
3.45	3.28	3.20
3.37	3.16	3.30
3.48	3.10	3.06
6.27	6.16	6.47
7.39	7.53	7.50
7.51	7.69	7.59
7.98	8.18	8.09
2.17	1.31	1.22
4.57	4.09	4.00
6.31	5.97	6.63
5.26	5.72	5.91
6.67	6.05	6.84
	4.11 3.98 3.40 1.22 7.35 4.95 3.45 3.37 3.48 6.27 7.39 7.51 7.98 2.17 4.57 6.31 5.26	4.11     4.04       3.98     3.89       3.40     3.15       1.22     1.35       7.35     7.43       4.95     4.45       3.45     3.28       3.37     3.16       3.48     3.10       6.27     6.16       7.39     7.53       7.51     7.69       7.98     8.18       2.17     1.31       4.57     4.09       6.31     5.97       5.26     5.72

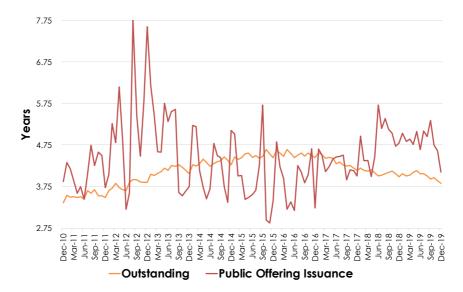
<sup>&</sup>lt;sup>1</sup> Refers to the pre-Brady bond (BIB). which does not have an embedded call option.

Table 3.4
Average Maturity of
DFPD Issuances - Public
Offerings, by index

			(Years)
Index	Dec/18	Nov/19	Dec/19
DFPD	4.72	4.61	4.10
Fixed Rate	2.26	2.56	2.56
LTN	2.07	2.26	2.26
NTN-F	5.78	5.28	5.10
Inflation Linked	9.42	6.48	7.30
Floating	6.10	6.24	6.01
Historical Data: Annex 3.9			

Graph 3.1

Average Maturity of
DFPD Issuances on
Public Offerings Vs
Outstanding Average
Maturity





# 3.3 Average Term to Maturity

The National Treasury releases the data of average life using new methodology called Average Term to Maturity – ATM, which is most commonly found in the international literature and therefore allows greater comparability between Brazil and other countries as refers to the maturity of government debt.

The new methodology for the average life is calculated by averaging weighted remaining time to maturity of each security that make up the FPD, considering principal only. The weighting occurs by value of each security. Using their face value.

FPD average life, in this new methodology, decreased from 5.50 years in November to 5.42 years in December.

(Years)

Table 3.5 FPD Average Life Held by the Public

			(Tears)
	Dec/18	Nov/19	Dec/19
FPD	5.68	5.50	5.42
DFPD	5.45	5.23	5.17
Fixed Rate	2.29	2.36	2.29
Inflation Linked	12.32	12.17	12.08
Floating	3.40	3.16	3.10
FX-linked	5.74	4.88	4.81
EFPD	11.55	11.83	11.78
Securities	12.00	12.28	12.17
Global USD	12.85	13.13	13.05
Euro	2.25	1.34	1.25
Global BRL	6.46	5.55	5.46
Contractual	7.51	7.26	8.00
Multilateral Organisms	6.15	6.89	7.10
Private Financial Institutions/Gov. Agencies	7.94	7.37	8.27

Note:The new methodology for the average life is calculated by averaging weighted remaining time to maturity of each security that make up the FPD. For securities and contractual debt that have intermediate amortizations. such amortizations are also part of the calculation of average life.

Note 2: FPD average life values by the old methodology for Dec/12 and Dec/13 are. respectively. 6.81 and 6.72 years.

Historical Data: Annex 3.10

# 4. Federal Public Debt - FPD Average Cost

# **4.1 Outstanding Average Cost**

FPD cumulative 12-month average cost increased from 8.67% per year, in November, to 8.69% per year, in December.

At the same time, DFPD cumulative 12-month average cost increased from 8.44% per year, in November, to 8.66% per year, in December.

Regarding to EFPD, this indicator decreased from 14.82% to 9.65% per year, mostly as a result of 4.58% depreciation of the American Dollar against the Brazilian Real in December 2019, compared to 0.30% appreciation recorded in December 2018.

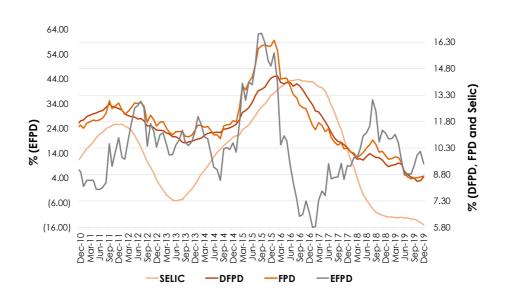
Table 4.1 **FPD Average Cost** 

						(% p.y.)	
	Mont	hly Average Co	st	12-Month Cumulative Average Cost			
	Dec/18	Nov/19	Dec/19	Dec/18	Nov/19	Dec/19	
FPD	7.59	11.48	8.16	9.83	8.67	8.69	
DFPD	7.43	8.29	10.00	9.37	8.44	8.66	
LFT	6.41	4.92	4.61	6.44	6.10	5.98	
LTN	10.43	9.17	9.07	10.73	9.69	9.62	
NTN-B	5.63	9.96	17.18	9.85	8.86	9.83	
NTN-C	-3.95	14.37	41.19	18.34	14.50	18.22	
NTN-F	11.83	11.36	11.34	11.75	11.66	11.67	
TDA	3.23	3.00	3.00	3.33	3.16	3.14	
Securitized Debt	4.04	5.18	5.91	5.18	4.83	4.99	
Other	1.55	44.62	-7.45	19.46	14.74	13.58	
EFPD	11.44	93.40	-35.01	22.07	14.82	9.65	
Securities	10.07	93.00	-35.96	22.43	15.06	9.86	
Global USD	9.67	100.80	-39.80	23.94	15.65	10.01	
Euro	20.33	72.09	-26.01	15.14	9.50	5.08	
Global BRL	10.16	10.16	10.17	10.15	10.15	10.15	
Contractual <sup>1</sup>	24.27	97.28	-25.33	18.84	12.49	7.70	
Multilateral Organisms	7.40	98.79	-40.22	21.14	13.33	7.82	
Private Financial Institutions/Gov. Agencies	30.20	96.80	-20.70	18.12	12.16	7.52	

<sup>&</sup>lt;sup>1</sup>The National Treasury has developed and implemented from January 2012 Contractual External Debt calculation methodology. in line with the existing to the average cost of calculating the DPMFi and External Debt Securities.

Historical Data: Annexes 4.1 e 4.2

Graph 4.1 FPD. DFPD and EFPD Average Cost and Selic Rate - over the past 12 months



# 4.2 Average Cost of DFPD - Public Offerings

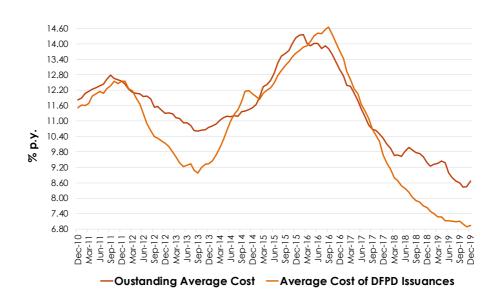
The average cost of DFPD issuances in public offerings is an indicator that reflects the internal rate of return - IRR of Treasury securities in domestic market, plus the variations of their indexes, considering only the placement of securities in a public offering (auctions) in the last 12 months .

In the month of December, the average cost of DFPD issuances in public offerings increased 0.05 percentage point, moving from 6.89% per year in November to 6.94% per year in December.

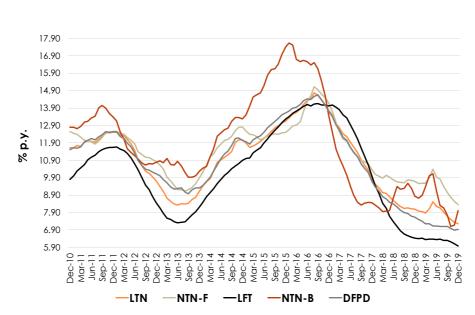
Table 4.2 Average Cost of DFPD Issuances - Public Offerings

			(% p.y.)
	Dec/18	Nov/19	Dec/19
DFPD	7.64	6.89	6.94
LTN	8.08	7.34	7.25
NTN-F	9.70	8.54	8.35
NTN-B	8.84	7.18	8.02
LFT	6.44	6.11	5.98
Historical Data: Annex 4.3			

Graph 4.2
Outstanding Average
Cost and Average Cost
of DFPD Issuances



Graph 4.3 Average Cost of DFPD Issuances. by Security



# 5. Secondary Market of Federal Public Securities

# **5.1 Secondary Market Turnover**

The average daily financial volume of securities negotiated on the secondary market increased from R\$ 39.19 billion in November to R\$ 44.37 billion in December. The share of floating rate securities decreased from 20.78% to 20.55%. The share of Fixed Rate securities increased from 40.02% to 50.86%. Securities tied to Inflation decreased from 39.20% to 28.59%.

Table 5.1
Secondary Market Turnover. by Security

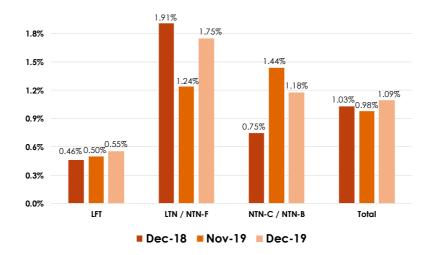
												(R\$ Bn)
		LFT			LTN / NTN-	F	N	ITN-B / NTN	-C		Total	
Month	Volume <sup>1</sup>	% of Total Traded <sup>2</sup>	Variation <sup>3</sup>	Volume <sup>1</sup>	% of Total Traded <sup>2</sup>	Variation <sup>3</sup>	Volume <sup>1</sup>	% of Total Traded <sup>2</sup>	Variation <sup>3</sup>	Volume <sup>1</sup>	% of Total Traded <sup>2</sup>	Variation <sup>3</sup>
dec/11	4.55	27.39%	0.79%	9.28	55.90%	16.56%	2.77	16.71%	-34.42%	16.60	100.00%	-0.61%
dec/12	3.57	14.06%	50.07%	13.27	52.21%	71.44%	8.57	33.73%	78.59%	25.41	100.00%	70.33%
dec/13	2.43	8.18%	0.80%	14.36	48.25%	75.42%	12.97	43.57%	151.22%	29.76	100.00%	88.80%
dec/14	2.66	15.55%	20.43%	10.81	63.27%	43.74%	3.59	21.03%	9.51%	17.09	100.00%	31.36%
dec/15	4.18	20.46%	35.94%	12.56	61.50%	30.38%	3.64	17.81%	-16.21%	20.43	100.00%	19.79%
dec/16	4.59	14.23%	17.40%	21.99	68.16%	50.48%	5.68	17.61%	-25.67%	32.26	100.00%	23.29%
dec/17	5.90	18.51%	46.64%	17.59	55.16%	40.60%	8.40	26.34%	5.02%	31.89	100.00%	29.99%
dec/18	6.27	16.44%	8.73%	24.07	63.12%	53.17%	7.79	20.44%	1.05%	38.13	100.00%	30.62%
jan/19	5.56	15.50%	-11.39%	18.54	51.73%	-22.98%	11.75	32.77%	50.72%	35.84	100.00%	-6.02%
feb/19	6.41	15.89%	15.44%	21.99	54.49%	18.61%	11.95	29.62%	1.77%	40.36	100.00%	12.60%
mar/19	6.68	14.23%	4.23%	27.98	59.56%	27.23%	12.31	26.21%	2.98%	46.97	100.00%	16.39%
apr/19	5.77	17.56%	-13.62%	15.92	48.43%	-43.10%	11.18	34.01%	-9.17%	32.87	100.00%	-30.01%
may/19	5.72	15.29%	-0.88%	16.92	45.23%	6.30%	14.77	39.48%	32.12%	37.42	100.00%	13.82%
jun/19	6.74	14.63%	17.75%	24.10	52.34%	42.42%	15.21	33.02%	2.93%	46.04	100.00%	23.06%
jul/19	6.05	16.16%	-10.24%	18.81	50.28%	-21.95%	12.56	33.56%	-17.43%	37.41	100.00%	-18.74%
aug/19	6.22	15.80%	2.80%	19.64	49.92%	4.41%	13.48	34.28%	7.41%	39.34	100.00%	5.15%
sep/19	7.07	16.61%	13.68%	24.20	56.88%	23.22%	11.28	26.51%	-16.35%	42.55	100.00%	8.15%
oct/19	10.01	21.99%	41.64%	18.00	39.53%	-25.62%	17.52	38.48%	55.33%	45.53	100.00%	7.01%
nov/19	8.14	20.78%	-18.64%	15.69	40.02%	-12.85%	15.36	39.20%	-12.32%	39.19	100.00%	-13.92%
dec/19	9.12	20.55%	11.98%	22.57	50.86%	43.87%	12.69	28.59%	-17.42%	44.37	100.00%	13.22%

<sup>&</sup>lt;sup>1</sup> Average. in the month. of the daily financial volume of definitive transactions. There are not considered: i) transactions in which pricings are not in +/- 25% range of the price accepted

Obs.1: Date calculated based on the original numbers. before roundings.
Obs.2: On brokerage operations. only the values of the final principals are accounted.

The daily volume traded in the secondary market for government securities as a percentage of the respective stocks increased from 0.98% in November to 1.09% in December. The participation in the turnover of the floating rate index increased from 0.50% to 0.55% in December; in relation to the Fixed Rate, there was an increase from 1.24% to 1.75%; in relation to Inflation Linked securities, there was a decrease from 1.44% to 1.18%.

Graph 5.1
Secondary Market of
Public Securities - Daily
Turnover as Percentage
of Respective
Outstanding Volume



on purchase and sale transactions (outliers); ii) transactions in which the National Treasury or the Central Bank is the financial principal;

<sup>&</sup>lt;sup>2</sup> Share of securities volume traded compared to total volume traded in the month;

 $<sup>^{\</sup>rm 3}$  Variation of total traded in the month compared to the previous month

LTN maturing in July 2020 was the most traded in December, followed by LTN maturing in January 2020 and April 2020. As regards NTN-F, the bond maturing in January 2025 was the most traded, followed by NTN-F maturing in January 2023 and January 2027.

Among NTN-B, the highest trading volume maturities were, in decreasing order, August 2024, May 2021 and August 2022.

With regard to the LFTs, the most negotiated bonds in December, in descending order, were those maturing in September 2021, March 2021 and September 2022.

Table 5.2
Top 3 Maturities Turnover in the Secondary
Market, by index
December/2019

									(R\$ Mn)
		Fixed Rate	- LTN				Fixed Rate -	NTN-F	
Security	Maturity	Financial Volume	Number of Transactions	% of Respective Outstanding Total	Security	Maturity	Financial Volume	Number of Transactions	% of Respective Outstanding Total
LTN	7/1/2020	4,864.25	65.6	2.81%	NTN-F	1/1/2025	1,001.13	40.0	0.97%
LTN	1/1/2020	4,551.09	48.4	4.96%	NTN-F	1/1/2023	924.71	47.7	0.73%
LTN	4/1/2020	2,794.45	29.0	2.44%	NTN-F	1/1/2027	910.98	70.9	1.29%
		Inflation Li	nked				Floating (S	ELIC)	
Security	Maturity	Financial Volume	Number of Transactions	% of Respective Outstanding Total	Security	Maturity	Financial Volume	Number of Transactions	% of Respective Outstanding Total
NTN-B	8/15/2024	2,928.83	171.3	2.86%	LFT	9/1/2021	2,132.25	69.2	0.96%
NTN-B	5/15/2021	2,183.19	126.3	2.99%	LFT	3/1/2021	976.88	84.6	0.54%
NTN-B	8/15/2022	1,462.37	162.6	0.99%	LFT	9/1/2022	916.89	72.9	0.88%

Obs. 1: Only definitive transactions are considered.

Obs. 2: Financial volume and number of transactions reflect daily averages within the month;

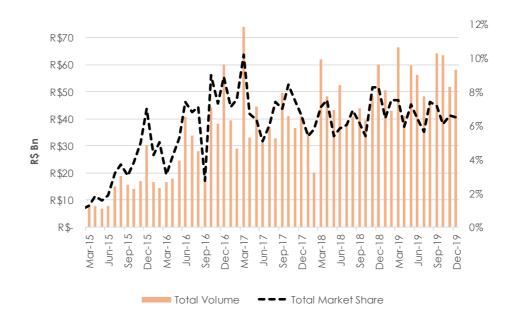
Obs. 3: There are not considered: i) transactions in which pricings are not in +/- 25% range of the price accepted on purchase and sale

 $transactions \ (outliers); ii) \ transactions \ in \ which \ the \ National \ Treasury \ or \ the \ Central \ Bank \ is \ the \ financial \ principal.$ 

Obs. 4: On brokerage operations. only the values of the final principals are accounted.

Regarding total volume, electronic trading platforms market share moved from 8.25% on December 2018 to 6.47% on December 2019. Electronic trading platforms market share reached 6.60% in the previous month. Monthly volume amounted R\$ 58.18 billion (R\$ 51.75 billion in the previous month and R\$ 60.00 billion 12 months earlier).

Graph 5.2
Monthly Volume on
Electronic Trading
Platforms and its
Market Share
December/2019

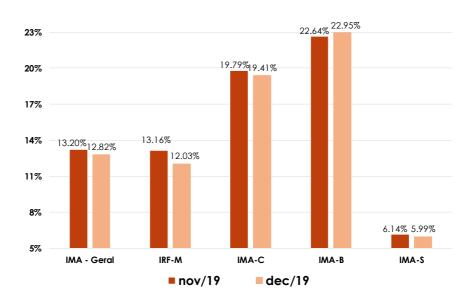


#### 5.2 Public Securities Yield

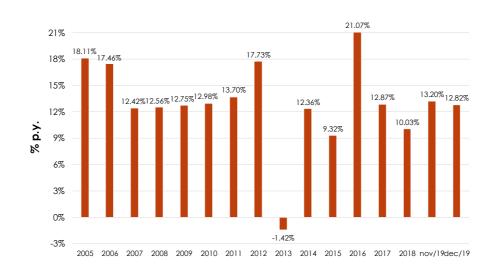
The Anbima Market index - IMA<sup>3</sup>, created by ANBIMA<sup>4</sup> in a partnership with the National Treasury, verifies the profitability of a theoretical portfolio composed of public securities in circulation on the market. It is considered an efficient parameter for purposes of evaluating the evolution of public security profitability, and has introduced greater dynamics into the primary and secondary federal public debt markets.

Data for the month of December indicate a decrease of 0.38 percentage points in the General Index. Fixed rate securities, represented by IRF-M, decreased 1.13 percentage points. The securities linked to the IGP-M, represented by the IMA-C, showed a decrease of 0.38 percentage points. The securities linked to the IPCA, represented by the IMA – B, increased 0.31 percentage points. Finally, the IMA-S index, referring to SELIC-linked securities, in its turn, decreased 0.15 percentage point.

Graph 5.3
Public Securities Yield
December/2019
(Cumulative
12-Month %)



Graph 5.4
Public Securities Yield
Evolution - Overall
IMA Cumulative
12-Month %)



<sup>&</sup>lt;sup>3</sup> IMA – Fixed-rate indexes calculated on the basis of the evolution of the market value of portfolios composed of public securities. The overall IMA is the result of weighting of the variations of each index; the IRF-M is composed of fixed-rate securities (LTN and NTN-F); the IMA-C, of securities tied to the IGP-M (NTN-C); the IMA-B, composed of securities tied to the IPCA (NTN-B); and the IMA-S, of securities tied to the SELIC rate (LFT). For greater information on the IMA indices, access: <a href="http://www.andima.com.br/publicacoes/args/edesp\_ima\_tpf.pdf">http://www.andima.com.br/publicacoes/args/edesp\_ima\_tpf.pdf</a>.

<sup>&</sup>lt;sup>4</sup> Brazilian Association of Financial and Capital Market Entities.