



## **BRAZIL LAUNCHES ITS FIRST TRANSACTION IN THE EXTERNAL MARKET IN 2021**

On June 29, the National Treasury announced a dual-tranche transaction in the international market consisting of a new 10-year benchmark, the GLOBAL 2031, and a retap of its current 30-year benchmark, the GLOBAL 2050, both denominated in US dollars. The transaction marked the Federative Republic of Brazil's first issuance in external markets this year. The joint bookrunners were *Bradesco BBI, Goldman Sachs and HSBC* and the settlement took place today, July 7.

The new GLOBAL 2031 offers an annual coupon of 3.750%, which represents the Republic's lowest 10-year coupon since the downgrade in 2015. The bond was launched in the amount of US\$1.5 billion, at a price of 98.948% of its face value, which corresponds to a 3.875% yield and to a spread-over-treasury of 240.2 basis-point. The bond will pay interest on March 12 and September 12 of each year, commencing on March 12, 2022, until maturity on September 12, 2031.

In addition, the National Treasury increased the amount of its current 30-year benchmark (GLOBAL 2050), which matures on January 14, 2050, by US\$750 million, bringing the total outstanding amount to US\$ 4.0 billion. The bond offers an annual coupon of 4.750% and was priced at 97.333% of its face value, which corresponds to a 4.925% yield and to a spread-over-treasury of 282.5 basis-point. The bond will pay interest on January 14 and July 14 of each year.

Despite the persistent uncertainties related to the COVID-19 pandemic and the course of the global economic recovery, the deal was motivated by a window of opportunity of relative stability and narrowing risk premiums, especially in the case of Brazil. The transaction was in line with the National Treasury's strategy to promote liquidity of its sovereign international curve as well as providing efficient benchmark references for the corporate sector. The issuance also made it possible to anticipate the refinance of outstanding indebtedness in foreign currency.

Lastly, the order book reflected the robust demand from investors for the Brazilian credit, surpassing three times the final amount issued in both tranches, and distributed across a diversified investor's base with greater participation of Americans and Europeans. Also worthy of note is the interest of real-money investors. A diversified investor base promotes the most appropriated combination of liquidity and performance of securities.

# Debt Report

Figure 1: Aggregate Orderbook - Geographic Distribution

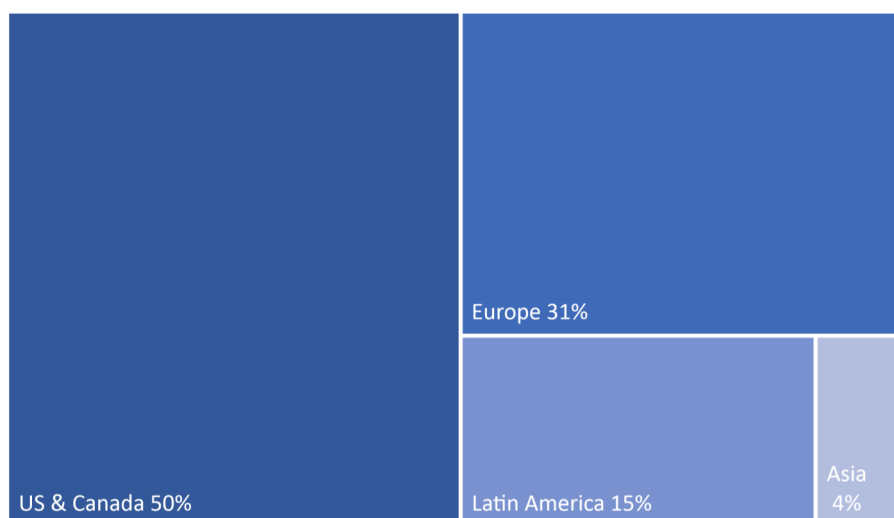
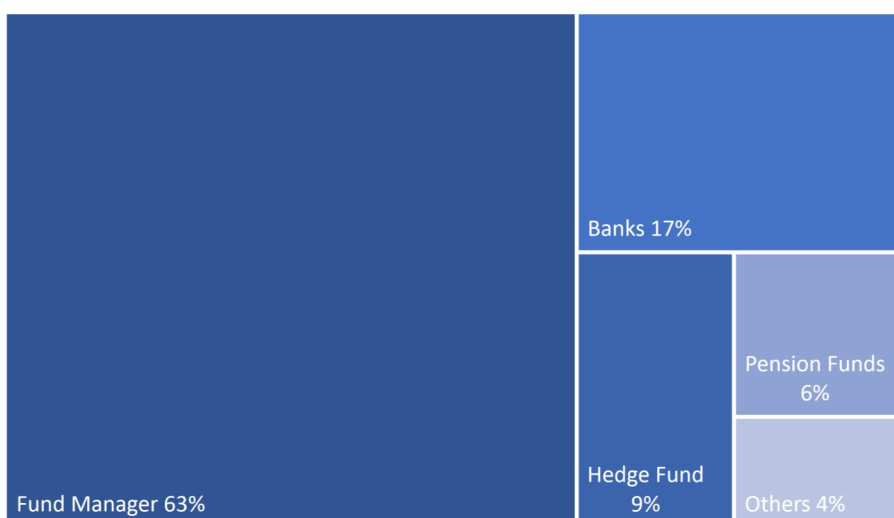


Figure 2: Aggregate Order Books - Investors' Type



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