

# 1. DEBT REDEMPTIONS AND ISSUANCE

## 1.1 Public offerings

**TABLE 1**  
Redemptions and issuances in federal security auctions

R\$ million

	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
	Jul/1 to Jul/4	Jul/7 to Jul/11	Jul/14 to Jul/18	Jul/21 to Jul/25	Jul/28 a Jul/31	
<b>NATIONAL TREASURY OPERATIONS</b>						
<b>I - REDEMPTIONS</b>	<b>2,427</b>	<b>5,315</b>	<b>16,443</b>	<b>4,099</b>	<b>2,297</b>	<b>30,582</b>
<b>I-1 Matured</b>	<b>2,395</b>	<b>3,886</b>	<b>16,121</b>	<b>2,788</b>	<b>66</b>	<b>25,256</b>
LFT	0	3,878	14,534	2,528	0	20,941
LTN	0	0	0	0	0	0
NTN-C	957	0	0	0	0	957
NTN-D	1,078	0	1,174	231	0	2,484
Others	360	8	412	28	66	874
<b>I-2 Purchases/Exchanges*</b>	<b>32</b>	<b>1,429</b>	<b>322</b>	<b>1,311</b>	<b>2,231</b>	<b>5,326</b>
LFT	0	1,429	322	1,311	2,231	5,293
NTN-C	32	0	0	0	0	32
Others	1	0	0	0	0	1
<b>II - ISSUANCES **</b>	<b>4,756</b>	<b>6,891</b>	<b>8,367</b>	<b>10,261</b>	<b>8,214</b>	<b>38,488</b>
LFT	2,456	3,343	5,046	5,928	3,396	20,168
LFT (exchange)	0	1,429	322	1,311	2,231	5,293
LTN 6-months	0	1,727	2,603	2,623	2,188	9,142
LTN 12-months	1,713	0	395	399	398	2,906
LTN 18-months	388	392	0	0	0	780
NTN-C	167	0	0	0	0	167
NTN-C (second phase)	32	0	0	0	0	32
<b>III - LIQUIDITY IMPACT *** (I - II)</b>	<b>-2,328</b>	<b>-1,576</b>	<b>8,076</b>	<b>-6,162</b>	<b>-5,917</b>	<b>-7,907</b>
<b>CENTRAL BANK OPERATIONS</b>						
<b>IV - REDEMPTIONS</b>	<b>0</b>	<b>0</b>	<b>2,414</b>	<b>0</b>	<b>0</b>	<b>2,414</b>
<b>IV-1 Matured</b>	<b>0</b>	<b>0</b>	<b>2,414</b>	<b>0</b>	<b>0</b>	<b>2,414</b>
NBCE	0	0	2,414	0	0	2,414
<b>IV-2 Purchases/Exchanges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
LFT	0	0	0	0	0	0
<b>V - SALES **</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
LFT	0	0	0	0	0	0
<b>VI - LIQUIDITY IMPACT *** (IV - V)</b>	<b>0</b>	<b>0</b>	<b>2,414</b>	<b>0</b>	<b>0</b>	<b>2,414</b>
<b>VII - TOTAL LIQUIDITY IMPACT *** (III + VI)</b>	<b>-2,328</b>	<b>-1,576</b>	<b>10,491</b>	<b>-6,162</b>	<b>-5,917</b>	<b>-5,492</b>

\* Includes securities used in settling NTN-C sales

\*\* Financial value of proceeds

\*\*\* Positive values mean increased liquidity in system

### MATURITY AT ISSUANCE IN PUBLIC OFFERINGS

In July, the National Treasury sold R\$25.5 billion LFT, of which R\$5.4 billion maturing in 48 months. Additionally, the National Treasury sold R\$12.8 billion in LTN and R\$199 million in NTN-C maturing in 2017, 2021 and 2031.

#### Public Offering of LTN

	3 Months	6 Months	12 Months	18 Months	24 Months	36 Months
FEB/03	0,00%	100,00%	0,00%	0,00%	0,00%	0,00%
MAR/03	0,00%	100,00%	0,00%	0,00%	0,00%	0,00%
APR/03	0,00%	71,21%	28,79%	0,00%	0,00%	0,00%
MAY/03	0,00%	72,93%	27,07%	0,00%	0,00%	0,00%
JUN/03	0,00%	22,07%*	58,51%	19,41%	0,00%	0,00%
JUL/03	0,00%	71,26%*	22,65%	6,08%	0,00%	0,00%

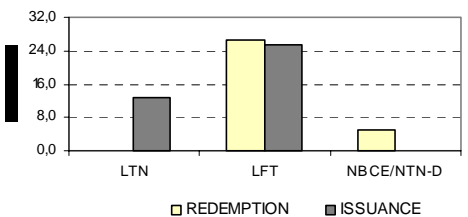
\* Refers to LTN with maturity on 1/7/04.

\* Refers to LTN with maturity on 4/1/04.

#### Public Offering of LFT \*

	Up to 6 Months	12 Months	18 Months	24 Months	36 Months	48 Months
FEB/03	17,69%	73,30%	9,00%	0,00%	0,00%	0,00%
MAR/03	10,41%	45,04%	42,06%	2,50%	0,00%	0,00%
APR/03	0,00%	30,12%	17,36%	52,52%	0,00%	0,00%
MAY/03	0,00%	5,67%	24,47%	44,68%	25,17%	25,17%
JUN/03	0,00%	0,00%	0,00%	40,86%	51,77%	7,38%
JUL/03	0,00%	0,00%	0,00%	73,93%	4,73%	21,34%

\* Includes exchange operations.



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In July, redemption of federal public securities totaled R\$33.0 billion, of which R\$27.7 billion related to securities maturing within the month and R\$5.3 billion to exchanges of LFT maturing up to December 2003 for LFT maturing in 2005, 2006 and 2007. Total securities issued reached R\$38.5 billion, largely due to fixed rate securities (R\$12.8 billion in July, versus R\$7.9 billion in June) and to the continued extending of LFT maturity terms. In July, R\$25.5 billion in LFT was issued, exchanges included, of which R\$5.4 billion scheduled to mature in 2007. The dollar-linked debt and swap operations maturing in the month were partially rolled over, through swaps contracted by the Central Bank.

Over the two last business days of June, the monthly NTN-C auction was held. NTN-C is a security traditionally offered at the end of one month for settlement on the first business day of the subsequent month. In the first phase of the auction (settlement in cash), 154 thousand securities (R\$167 million) were sold, maturing in 2017, 2021 and 2031. In the second phase (settlement in securities), 23 thousand securities (R\$32.4 million) were sold, maturing in 2017 and 2031, corresponding to redemption of LFT-B of shorter maturities.

Issuances in public offerings of federal securities exceeded redemptions, causing a monetary contraction of R\$5.5 billion.

## 1.2 Direct issuances

In July, direct issuances of domestic federal debt totaled R\$950.8 million, and cancellations, R\$1.2 million, resulting in a net issuance of R\$949.7 million (See Table 2).

**TABLE 2**  
**Domestic Federal Debt securities and Securitized Debt Issued Directly**

<b>ISSUANCE</b>					
<b>SECURITY</b>	<b>ISSUANCE</b>	<b>MATURITY</b>	<b>FINANCIAL VALUE IN R\$ MILLION</b>	<b>OBJECTIVE</b>	<b>LEGAL AUTHORIZATION</b>
CFT-A1	6/15/03	VARIOUS	240,05	Credit Assignment Agreement between the State of Espírito Santo and the Federal Government	Provisional Measure no. 120, of 6.11.2003
CFT-E1	5/1/03	5/1/33	45,61	For the benefit of FIES	Law no. 10,260, of 7.12.2001.
CFT-E1	7/31/03	VARIOUS	61,90	Credit Assignment Agreement between the Federal Government and the Ministry of Health Social Security Fund – MS PREV	Provisional Measure no. 120, of 6.11.2003
CTN	7/1/03	6/1/23	1,13	Renegotiation of rural debt	National Monetary Council Resolution no. 2,471/98
LFT	7/1/03	3/15/06	376,65	Credit Assignment Agreement between the Federal Government and BNDES	Law no. 10,438, of 4.26.2002
LFT	6/16/03	3/16/05	42,34	Credit Assignment Agreement between the State of Espírito Santo and the Federal Government	Provisional Measure no. 120, of 6.11.2003
NTN-I	4/15/01	3/15/19	149,10	For the benefit of PROEX	Law no. 10,184, of 2.12.2001
NTN-I	4/15/01	5/15/19	25,97	For the benefit of PROEX	Law no. 10,184, of 2.12.2001
TDA	7/1/03	6/1/08	8,08	Compensation for expropriations by INCRA, relative to land reform	Law no. 4,504, of 11.30.1964; Provisional Measure no. 2,183, of 8.24.2001.
<b>SUBTOTAL</b>			<b>950.82</b>		
<b>CANCELLATION</b>					
<b>SECURITY</b>	<b>ISSUANCE</b>	<b>MATURITY</b>	<b>FINANCIAL VALUE IN R\$ MILLION</b>	<b>REASON</b>	<b>LEGAL AUTHORIZATION</b>
CTN	VARIOUS	VARIOUS	0,25	Rural debt renegotiation agreements	National Monetary Council Resolution no. 2,471/98
TDA	VARIOUS	VARIOUS	0,90	Payment of Rural Land Tax (ITR)	Law no. 4,504, of 11.30.1964; Provisional Measure no. 2,183, of 8.24.2001.
<b>SUBTOTAL</b>			<b>1.15</b>		
<b>NET ISSUANCE</b>					
<b>TOTAL</b>			<b>949.67</b>		

1 Fundo de Financiamento ao Estudante de Ensino Superior (Higher Education Student Financing Fund).

2 Programa de Financiamento às Exportações (Export Financing Program).

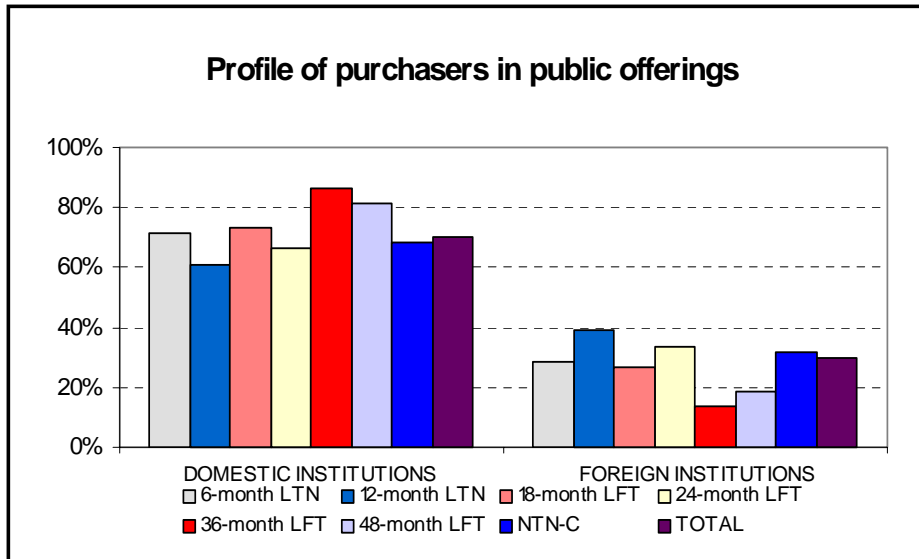
### 1.3 Profile of Purchasers

In July, domestic institutions purchased 70.0% of federal public securities issued, with emphasis to the purchase of 86.1% of 36-month LFT, 73.2% of 18-month LTN and 68.6% of NTN-C. Foreign institutions purchased 33.3% of 24-month LFT and 39.0% of 12-month LTN.

**TABLE 3**  
Profile of purchasers in public offerings (1)

	LTN - 6 Months	LTN - 12 Months	LTN - 18 Months	LTN Total	LFT - 24 Months	LFT - 36 Months	LFT - 48 Months	LFT Total	NTN-C	TOTAL
Domestic commercial bank (2)	29.54%	31.65%	72.23%	32.62%	34.09%	44.72%	28.65%	33.73%	59.60%	33.45%
Foreign commercial bank (2)	6.90%	16.80%	10.33%	9.35%	18.08%	0.00%	12.09%	15.89%	0.00%	13.27%
Domestic investment bank (3)	40.21%	24.93%	0.00%	34.31%	16.43%	27.81%	40.10%	21.47%	8.98%	26.35%
Foreign investment bank (3)	20.24%	16.61%	16.44%	19.19%	15.26%	13.91%	5.14%	13.32%	0.00%	15.51%
Domestic broker/dealer	1.77%	4.41%	1.01%	2.33%	16.14%	13.56%	12.67%	15.35%	0.00%	10.22%
Foreign broker/dealer	1.33%	5.60%	0.00%	2.22%	0.00%	0.00%	1.34%	0.25%	31.43%	1.20%
<b>Subtotal domestic institutions</b>	<b>71.53%</b>	<b>60.99%</b>	<b>73.24%</b>	<b>69.25%</b>	<b>66.66%</b>	<b>86.09%</b>	<b>81.42%</b>	<b>70.54%</b>	<b>68.57%</b>	<b>70.03%</b>
<b>Subtotal foreign institutions</b>	<b>28.47%</b>	<b>39.01%</b>	<b>26.76%</b>	<b>30.75%</b>	<b>33.34%</b>	<b>13.91%</b>	<b>18.58%</b>	<b>29.46%</b>	<b>31.43%</b>	<b>29.97%</b>
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Includes public offerings of federal securities registered in the SELIC that were settled in the month.  
 (2) Includes banks with commercial portfolio and no investment banking activities as well as those with commercial and investment banking portfolios, which have reserve requirements on demand deposits.  
 (3) Includes banks with no commercial portfolio or with commercial and investment banking portfolios that do not have reserve requirements on demand deposits.



Domestic institutions were the largest purchasers of public securities, buying a share of 70% of total securities issued.

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## 2. DOMESTIC FEDERAL DEBT HELD BY PUBLIC

### 2.1 Breakdown of domestic federal debt held by public

In July, the total domestic federal debt held by the public reached R\$690.0 billion, largely due to a R\$5.5 billion net issuance of securities and the effect of a 3.26% foreign exchange rate depreciation in the period, amounting to R\$2.9 billion, besides accrual of interest.

As a consequence of the R\$12.8 billion net issuance, the share of fixed rate securities increased to 6.3% of total federal debt, reaching the bracket of 5% to 15% forecast in the Yearly Funding Plan – PAF.

(See <http://www.stn.fazenda.gov.br/hp/downloads/resultado/paf2003.pdf>).

Dollar-linked security debt, swap operations not included, decreased 0.5 percentage point as a share over total debt (see Table 5), despite foreign exchange rate depreciation, due to net redemptions of R\$4.9 billion. Considering swap operations, the share of debt exposed to foreign exchange reduced to 28.6%, from 29,1% (see Table 6).

In July, US\$1.7 billion NBCE and NTN-D, and US\$3.8 billion foreign exchange swaps matured. Considering the methodology published by the Central Bank on January 20 this year, the principal maturing was US\$5.2 billion. Foreign exchange swaps totaling US\$3.1 billion were contracted, implying a rollover of 59.7% of principal only, and of 56.2% when considering the full amounts maturing.

Exposure to foreign exchange increased R\$2.5 billion (see Table 9) due to the depreciation of the Real against the balance of dollar-linked securities and foreign exchange swaps (of R\$6.2 billion) and interest accrued, partially offset by the impact of a higher coupon (R\$1.7 billion) and net redemptions (of R\$7.0 billion).

The price index-linked federal debt was slightly reduced to 12.5%, and the Selic-rate linked debt reduced to 66.2%, versus 67.2% in the previous month (see Table 5), as a result of a net redemption of R\$1.2 billion LFT (including LFT-A and LFT-B). Swap operations taken into account, exposure to the Selic rate reduced to 50.7% (see Table 6).

**TABLE 4**  
**Domestic federal debt held by the public by type of issuance/negotiability**

R\$ billion																		
Month	National Treasury						Central Bank				Total							
	Negotiable (Public offering)		Negotiable (Direct Issuance)		Non-negotiable		Negotiable (Public offering)		Negotiable (Direct Issuance)		Negotiable (Public offering)		Negotiable (Direct Issuance)		Non-negotiable		Total	
Dec/99	249.81	56.59%	114.15	25.86%	14.75	3.34%	62.05	14.06%	0.65	0.15%	311.87	70.65%	114.80	26.01%	14.75	3.34%	441.41	100.00%
Dec/00	284.15	55.64%	125.79	24.63%	15.07	2.95%	85.69	16.78%	-	0.00%	369.84	72.42%	125.79	24.63%	15.07	2.95%	510.70	100.00%
Dec/01	311.55	49.92%	169.51	27.16%	16.83	2.70%	126.20	20.22%	-	0.00%	437.75	70.14%	169.51	27.16%	16.83	2.70%	624.08	100.00%
August/02	364.54	58.53%	175.63	28.20%	8.00	1.28%	74.62	11.98%	-	0.00%	439.16	70.51%	175.63	28.20%	8.00	1.28%	622.79	100.00%
September	382.42	58.05%	173.94	26.40%	8.73	1.32%	93.69	14.22%	-	0.00%	476.11	72.27%	173.94	26.40%	8.73	1.32%	658.78	100.00%
October	370.98	58.69%	167.35	26.48%	8.69	1.37%	85.09	13.46%	-	0.00%	456.07	72.15%	167.35	26.48%	8.69	1.37%	632.10	100.00%
November	378.59	59.95%	168.23	26.64%	8.87	1.41%	75.77	12.00%	-	0.00%	454.35	71.95%	168.23	26.64%	8.87	1.41%	631.46	100.00%
December	377.29	60.54%	171.36	27.50%	7.41	1.19%	67.13	10.77%	-	0.00%	444.42	71.31%	171.36	27.50%	7.41	1.19%	623.19	100.00%
Jan/03	393.08	61.72%	173.50	27.24%	7.47	1.17%	62.81	9.86%	-	0.00%	455.89	71.58%	173.50	27.24%	7.47	1.17%	636.86	100.00%
February	401.61	62.28%	175.78	27.26%	7.55	1.17%	59.94	9.29%	-	0.00%	461.55	71.57%	175.78	27.26%	7.55	1.17%	644.88	100.00%
March	412.55	63.50%	176.56	27.18%	7.38	1.14%	53.21	8.19%	-	0.00%	465.76	71.69%	176.57	27.18%	7.38	1.14%	649.70	100.00%
April	419.93	65.17%	175.02	27.16%	6.93	1.08%	42.52	6.60%	-	0.00%	462.45	71.76%	175.02	27.16%	6.93	1.08%	644.41	100.00%
May	435.04	65.84%	178.11	26.96%	7.00	1.06%	40.60	6.14%	-	0.00%	475.65	71.98%	178.11	26.96%	7.00	1.06%	660.76	100.00%
June	446.79	66.74%	178.71	26.70%	6.92	1.03%	37.00	5.53%	-	0.00%	483.79	72.27%	178.71	26.70%	6.92	1.03%	669.42	100.00%
July	467.30	67.73%	179.46	26.01%	7.19	1.04%	36.05	5.22%	-	0.00%	503.34	72.95%	179.46	26.01%	7.19	1.04%	689.99	100.00%

Note: Values based on portfolio position according to securities' intrinsic yield curve prices.

**TABLE 5**  
**Domestic federal debt held by the public by type of return**

R\$ billion														
Month	Fixed Rate		Selic Rate		Price index		Exchange Rate		TR		Others		Total	
Dec/99	39.75	9.00%	251.68	57.02%	24.63	5.58%	100.71	22.82%	23.97	5.43%	0.67	0.15%	441.41	100.00%
Dec/00	75.40	14.76%	266.81	52.24%	30.32	5.94%	113.74	22.27%	24.07	4.71%	0.36	0.07%	510.70	100.00%
Dec/01	48.79	7.82%	329.46	52.79%	43.63	6.99%	178.58	28.61%	23.52	3.77%	0.10	0.02%	624.08	100.00%
August/02	48.17	7.73%	347.41	55.78%	61.47	9.87%	153.09	24.58%	12.42	1.99%	0.24	0.04%	622.79	100.00%
September	43.03	6.53%	348.50	52.90%	63.12	9.58%	191.31	29.04%	12.57	1.91%	0.26	0.04%	658.78	100.00%
October	41.05	6.49%	342.72	54.22%	67.50	10.68%	168.26	26.62%	12.48	1.97%	0.10	0.02%	632.10	100.00%
November	27.87	4.41%	364.19	57.67%	77.41	12.26%	149.32	23.65%	12.56	1.99%	0.10	0.02%	631.46	100.00%
December	13.66	2.19%	379.07	60.83%	78.17	12.54%	139.47	22.38%	12.78	2.05%	0.05	0.01%	623.19	100.00%
Jan/03	12.17	1.91%	397.52	62.42%	79.40	12.47%	134.89	21.18%	12.85	2.02%	0.04	0.01%	636.86	100.00%
February	12.80	1.98%	404.04	62.65%	82.22	12.75%	132.86	20.60%	12.92	2.00%	0.04	0.01%	644.88	100.00%
March	15.68	2.41%	415.34	63.93%	84.10	12.95%	121.55	18.71%	12.99	2.00%	0.04	0.01%	649.70	100.00%
April	12.32	1.91%	436.16	67.68%	85.55	13.28%	97.24	15.09%	13.10	2.03%	0.04	0.01%	644.41	100.00%
May	21.59	3.27%	444.06	67.20%	86.40	13.08%	95.37	14.43%	13.30	2.01%	0.04	0.01%	660.76	100.00%
June	29.99	4.48%	449.80	67.19%	85.87	12.83%	90.29	13.49%	13.45	2.01%	0.03	0.00%	669.42	100.00%
July	43.52	6.31%	456.73	66.19%	86.41	12.52%	89.74	13.01%	13.56	1.97%	0.03	0.00%	689.99	100.00%

Note: Values based on portfolio position according to securities' intrinsic yield curve prices.

**TABLE 6**  
Domestic federal debt held by the public by type of return (exposure – after swap)

R\$ billion														
Month	Fixed Rate		Selic Rate		Price index		Exchange Rate		TR		Others		Total	
Dec/99	39.75	9.00%	251.68	57.02%	24.63	5.58%	100.71	22.82%	23.97	5.43%	0.67	0.15%	441.41	100.00%
Dec/00	75.40	14.76%	266.81	52.24%	30.32	5.94%	113.74	22.27%	24.07	4.71%	0.36	0.07%	510.70	100.00%
Dec/01	48.79	7.82%	329.46	52.79%	43.63	6.99%	178.58	28.61%	23.52	3.77%	0.10	0.02%	624.08	100.00%
August/02	48.17	7.73%	282.62	45.38%	61.47	9.87%	217.87	34.98%	12.42	1.99%	0.24	0.04%	622.79	100.00%
September	43.03	6.53%	271.88	41.27%	63.12	9.58%	267.92	40.67%	12.57	1.91%	0.26	0.04%	658.78	100.00%
October	41.05	6.49%	270.95	42.86%	67.50	10.68%	240.02	37.97%	12.48	1.97%	0.10	0.02%	632.10	100.00%
November	27.87	4.41%	275.57	43.64%	77.41	12.26%	237.94	37.68%	12.56	1.99%	0.10	0.02%	631.46	100.00%
December	13.66	2.19%	287.97	46.21%	78.17	12.54%	230.57	37.00%	12.78	2.05%	0.05	0.01%	623.19	100.00%
Jan/03	<b>12.17</b>	<b>1.91%</b>	<b>300.81</b>	<b>47.23%</b>	<b>79.40</b>	<b>12.47%</b>	<b>231.60</b>	<b>36.37%</b>	<b>12.85</b>	<b>2.02%</b>	<b>0.04</b>	<b>0.01%</b>	<b>636.86</b>	<b>100.00%</b>
February	<b>12.80</b>	<b>1.98%</b>	<b>300.05</b>	<b>46.53%</b>	<b>82.22</b>	<b>12.75%</b>	<b>236.85</b>	<b>36.73%</b>	<b>12.92</b>	<b>2.00%</b>	<b>0.04</b>	<b>0.01%</b>	<b>644.88</b>	<b>100.00%</b>
March	15.68	2.41%	311.46	47.94%	84.10	12.95%	225.44	34.70%	12.99	2.00%	0.04	0.01%	649.70	100.00%
April	12.32	1.91%	337.74	52.41%	85.55	13.28%	195.66	30.36%	13.10	2.03%	0.04	0.01%	644.41	100.00%
May	21.59	3.27%	336.85	50.98%	86.40	13.08%	202.58	30.66%	13.30	2.01%	0.04	0.01%	660.76	100.00%
June	29.99	4.48%	345.59	51.63%	85.87	12.83%	194.49	29.05%	13.45	2.01%	0.03	0.00%	669.42	100.00%
July	43.52	6.31%	349.49	50.65%	86.41	12.52%	196.98	28.55%	13.56	1.97%	0.03	0.00%	689.99	100.00%

Note: Values based on portfolio position according to securities' intrinsic yield curve prices.  
The reference value for swap adjustments was deducted from the Selic rate-linked securities outstanding, and added to the exchange rate-linked securities outstanding

**TABLE 7**  
Exposure by type of return of domestic federal debt held by the public added to open market operations

R\$ billion																
Month	Fixed Rate		Selic Rate		Price index		Exchange Rate		TR		Others		O.M. Operations		Total	
Dec/99	39.75	9.06%	251.68	57.36%	24.63	5.61%	100.71	22.95%	23.97	5.46%	0.67	0.15%	-2.60	-0.59%	438.80	100.00%
Dec/00	75.40	14.88%	266.81	52.66%	30.32	5.98%	113.74	22.45%	24.07	4.75%	0.36	0.07%	-3.99	-0.79%	506.71	100.00%
Dec/01	48.79	8.06%	329.46	54.42%	43.63	7.21%	178.58	29.50%	23.52	3.89%	0.10	0.02%	-18.66	-3.08%	605.43	100.00%
August/02	48.17	7.23%	282.62	42.45%	61.47	9.23%	217.87	32.72%	12.42	1.86%	0.24	0.04%	43.00	6.46%	665.79	100.00%
September	43.03	6.07%	271.88	38.33%	63.12	8.90%	267.92	37.77%	12.57	1.77%	0.26	0.04%	50.61	7.13%	709.39	100.00%
October	41.05	5.98%	270.95	39.45%	67.50	9.83%	240.02	34.95%	12.48	1.82%	0.10	0.02%	54.69	7.96%	686.79	100.00%
November	27.87	4.02%	275.57	39.76%	77.41	11.17%	237.94	34.33%	12.56	1.81%	0.10	0.01%	61.61	8.89%	693.07	100.00%
December	13.66	1.99%	287.97	41.90%	78.17	11.37%	230.57	33.55%	12.78	1.86%	0.05	0.01%	64.11	9.33%	687.30	100.00%
Jan/03	12.17	1.70%	300.81	41.92%	79.40	11.06%	231.60	32.28%	12.85	1.79%	0.04	0.01%	80.70	11.25%	717.57	100.00%
February	12.80	1.78%	300.05	41.63%	82.22	11.41%	236.85	32.86%	12.92	1.79%	0.04	0.01%	75.83	10.52%	720.71	100.00%
March	15.68	2.17%	311.46	43.18%	84.10	11.66%	225.44	31.25%	12.99	1.80%	0.04	0.01%	71.64	9.93%	721.34	100.00%
April	12.32	1.77%	337.74	48.49%	85.55	12.28%	195.66	28.09%	13.10	1.88%	0.04	0.01%	52.14	7.49%	696.54	100.00%
May	21.59	3.04%	336.85	47.48%	86.40	12.18%	202.58	28.56%	13.30	1.88%	0.04	0.01%	48.65	6.86%	709.40	100.00%
June	29.99	4.18%	345.59	48.15%	85.87	11.96%	194.49	27.10%	13.45	1.87%	0.03	0.00%	48.39	6.74%	717.81	100.00%
July	43.52	5.92%	349.49	47.53%	86.41	11.75%	196.98	26.79%	13.56	1.84%	0.03	0.00%	45.38	6.17%	735.37	100.00%

Note: Values based on portfolio position according to securities' intrinsic yield curve prices.  
The reference value for swap adjustments was deducted from the Selic rate-linked securities outstanding, and added to the exchange rate-linked securities outstanding.  
Open market operations represent the balance, adjusted according to the contracted rate, of financing operations with a term to be run on the last working day of the month; positive values indicate financing taken on by the Central Bank.

R\$ billion		
Month	Issuances	Redemptions
August/02	11.3	0.2
September	9.9	12.6
October	9.2	13.3
November	20.4	8.8
December	16.4	15.1
Jan/03	17.8	15.8
February	15.1	12.7
March	11.4	8.9
April	16.6	9.8
May	9.7	6.4
June	9.9	9.1
July	8.9	10.9

R\$ billion			
Month	Domestic federal debt outstanding	Swap	Total
Dec/99	100.71		100.71
Dec/00	113.74		113.74
Dec/01	178.58		178.58
August/02	153.09	64.79	217.87
September	191.31	76.62	267.92
October	168.26	71.76	240.02
November	149.32	88.62	237.94
December	139.47	91.10	230.57
Jan/03	134.89	96.71	231.60
February	132.86	103.99	236.85
March	121.55	103.89	225.44
April	97.24	98.42	195.66
May	95.37	107.21	202.58
June	90.29	104.20	194.49
July	89.74	107.24	196.98

Note: Values based on portfolio position according to securities' intrinsic yield curve prices.

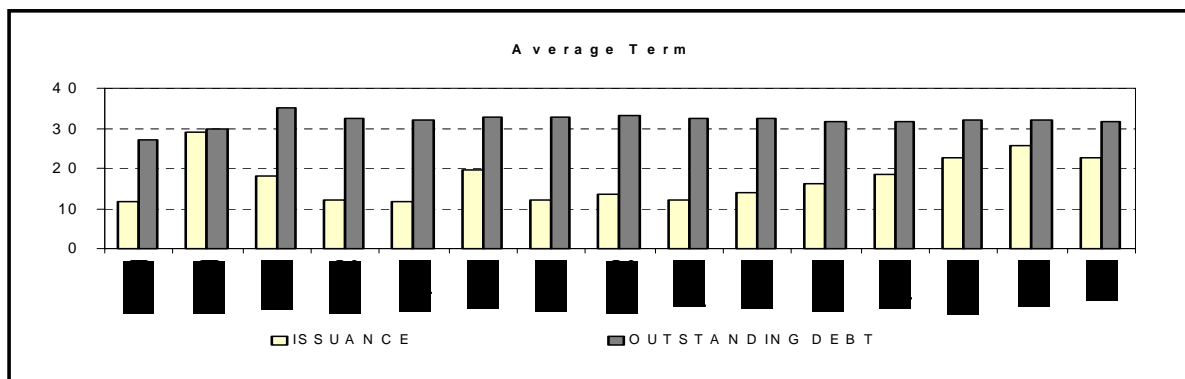
## 2.2 Average term to maturity

In July, the average term of federal debt outstanding recorded a small reduction to 31.77 months, against 31.94 months in the previous month (see Table 10). Likewise, the average term of issuances made during the month of July decreased to 22.52 months, from 23.52 months (see Table 12), largely due to an increased share of fixed rate securities, featuring smaller average term, in total federal debt outstanding.

However, the average term of securities issued in public offerings increased to 23.7 months, from 23.5 months (see Table 10). Issuances of LFT with average term higher than that outstanding are responsible for the continuous average term increase of the Selic-rate linked debt, which reached 21.99 months (see Table 11).

**TABLE 10**  
Average term of domestic federal debt held by the public by type of issuance/negotiability

Month	National Treasury			Central Bank		Total			Months
	Negotiable (Public offering)	Negotiable (Direct Issuance)	Non-negotiable	Negotiable (Public offering)	Negotiable (Direct Issuance)	Negotiable (Public offering)	Negotiable (Direct Issuance)	Non-negotiable	
Dec/99	8.27	68.35	95.34	11.26	1.57	8.87	67.97	95.34	27.13
Dec/00	15.36	62.54	98.42	17.81	0.00	15.93	62.54	98.42	29.85
Dec/01	29.40	54.01	90.22	15.77	0.00	25.47	54.01	90.22	34.97
August/02	21.28	59.57	91.01	15.92	0.00	20.37	59.57	91.01	32.33
September	21.40	61.74	88.29	15.46	0.00	20.23	61.74	88.29	32.09
October	22.43	61.72	90.43	15.02	0.00	21.05	61.72	90.43	32.77
November	22.68	61.10	90.60	15.43	0.00	21.47	61.10	90.60	33.00
December	23.05	60.93	67.42	16.01	0.00	21.99	60.93	67.42	33.24
Jan/03	22.09	60.25	66.85	16.16	0.00	21.28	60.25	66.85	32.43
February	22.07	59.57	66.32	16.30	0.00	21.32	59.57	66.32	32.27
March	21.94	58.20	65.79	16.38	0.00	21.30	58.20	65.79	31.83
April	22.44	56.50	66.18	16.78	0.00	21.92	56.50	66.18	31.79
May	23.01	55.73	65.52	17.15	0.00	22.51	55.73	65.52	31.92
June	23.50	54.78	64.93	17.33	0.00	23.03	54.78	64.93	31.94
July	23.66	54.53	62.72	17.47	0.00	23.22	54.53	62.72	31.77



**TABLE 11**  
Average term of domestic federal debt outstanding held by the public by type of return

Month							Months
	Fixed Rate	Selic Rate	Price index	Exchange Rate	TR	Others	Total
Dec/99	2.00	19.88	63.02	24.71	118.58	11.27	27.13
Dec/00	5.15	27.61	59.11	28.50	101.82	11.04	29.85
Dec/01	3.45	36.39	68.45	25.36	91.43	18.21	34.97
August/02	3.91	28.47	80.12	29.08	93.81	11.05	32.58
September	3.28	26.35	80.63	30.76	93.23	9.07	32.33
October	2.89	25.52	80.18	30.80	92.69	7.83	32.09
November	2.08	25.26	79.55	31.96	98.01	17.14	32.77
December	2.01	23.52	75.18	34.64	97.29	16.13	33.00
Jan/03	3.06	21.83	79.18	35.47	98.46	15.27	33.24
February	2.41	20.68	79.60	35.79	97.56	17.73	32.43
March	1.67	20.49	78.80	35.99	96.80	16.80	32.27
April	1.59	20.25	78.52	36.17	95.83	15.77	31.83
May	7.44	19.98	78.58	38.17	95.01	14.77	31.79
June	7.44	20.62	78.56	39.16	93.91	13.73	31.92
July	7.14	21.99	77.50	40.27	92.55	15.27	31.77

**TABLE 12**  
Average term of issuances in public offerings

Month					Months
	LTN	LFT	NTN-D/NBCE	NTN-B/NTN-C	Total
Dec/99	4.12	12.13	21.25	43.45	11.73
Dec/00	9.73	48.81	24.40	47.50	28.91
Dec/01	6.60	-	35.30	53.32	18.29
August	1.60	13.83	-	84.45	13.59
September	1.46	12.26	-	72.23	12.14
October	2.37	10.26	-	58.64	11.74
November	1.51	3.52	-	56.57	19.71
December	-	5.76	-	39.63	12.00
Jan/03	-	7.47	-	65.42	13.45
February	-	11.92	-	-	11.92
March	7.23	12.00	-	86.58	14.04
April	6.63	15.15	-	75.51	16.31
May	8.70	19.57	-	91.47	18.57
June	9.21	24.13	-	115.53	22.63
July	9.56	28.34	-	114.11	22.52

### 2.3 Maturity structure of domestic federal debt held by public

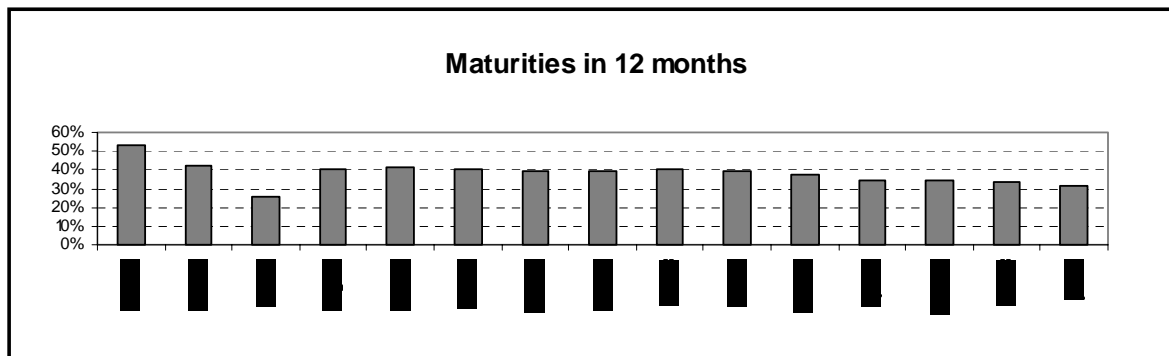
The volume of federal public securities held by the public maturing in the subsequent twelve months reduced to 31.6% of domestic federal debt outstanding, from 33.5% in the previous month (See Table 13), due both to redemptions (R\$33.0 billion) in the month having exceeded settlements (R\$9.3 billion) in July/04 and to placement of securities maturing within the next twelve months (R\$10.9 billion).

Emphasis should be given to increased terms of Selic-rate linked securities as a result of auctions in which LFT (R\$5.3 billion) were exchanged for securities maturing in over twelve months and new issuances (R\$21.4 billion) maturing in 2005 and after.

**TABLE 13**  
Federal securities held by the public maturing in twelve months by type of return

Month	Fixed Rate		Selic Rate		Price index		Exchange Rate		TR		Others		Total	
	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage
Dec/99	39.75	100.00%	146.04	58.02%	0.36	1.47%	46.91	46.58%	0.91	3.78%	0.02	3.34%	234.00	53.01%
Dec/00	72.95	96.75%	95.12	35.65%	1.53	5.04%	45.12	39.67%	1.31	5.45%	0.24	66.47%	216.27	42.35%
Dec/01	47.20	96.73%	35.22	10.69%	3.85	8.82%	72.45	40.57%	0.97	4.13%	0.02	23.62%	159.71	25.59%
August/02	47.77	99.18%	133.88	38.54%	4.36	7.09%	63.09	41.21%	1.17	9.40%	0.14	58.86%	250.41	40.21%
September	42.63	99.07%	143.29	41.12%	4.44	7.03%	79.06	41.33%	1.18	9.39%	0.15	60.25%	270.75	41.10%
October	40.64	99.01%	141.64	41.33%	4.65	6.89%	65.12	38.70%	1.00	8.00%	0.04	35.78%	253.08	40.04%
November	27.46	98.52%	167.83	46.08%	4.94	6.38%	49.31	33.02%	0.93	7.40%	0.04	35.72%	250.50	39.67%
December	13.21	96.77%	184.97	48.80%	0.07	0.09%	43.36	31.09%	0.91	7.10%	-	0.00%	242.52	38.92%
Jan/03	12.15	99.82%	203.33	51.15%	0.07	0.09%	39.78	29.49%	0.92	7.13%	-	0.00%	256.24	40.24%
February	12.78	99.82%	199.55	49.39%	0.08	0.09%	40.81	30.72%	0.92	7.11%	-	0.00%	254.14	39.41%
March	15.66	99.86%	185.70	44.71%	0.95	1.13%	41.20	33.89%	0.93	7.12%	-	0.00%	244.42	37.62%
April	11.53	93.57%	175.27	40.18%	0.96	1.12%	30.91	31.79%	0.93	7.08%	-	0.00%	219.60	34.08%
May	18.33	84.92%	178.08	40.10%	0.96	1.11%	30.16	31.63%	1.28	9.62%	-	0.00%	228.81	34.63%
June	24.71	82.41%	169.00	37.57%	0.96	1.11%	28.42	31.48%	0.93	6.91%	-	0.00%	224.02	33.47%
July	39.92	91.72%	148.55	32.53%	1.33	1.54%	27.45	30.59%	0.90	6.64%	-	0.00%	218.15	31.62%

Note: Values based on portfolio position according to securities' intrinsic yield curve prices.  
Percentage of total of securities maturing with same type of return.



The volume of federal public securities held by the public to mature in the next twelve months reduced to 31.6% of outstanding DPMFi, as against 33.5% in the previous month.

**TABLE 14**  
Maturity structure of federal securities held by the public

Month	R\$ billion						R\$ billion		R\$ billion		R\$ billion		R\$ billion	
	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total	Total	Total	Total	Total	Total	Total	Total
Dec/99	234.00	53.01%	98.12	22.23%	10.47	2.37%	10.37	2.35%	10.13	2.30%	78.32	17.74%	441.41	100.00%
Dec/00	216.27	42.35%	57.96	11.35%	102.00	19.97%	37.97	7.44%	16.81	3.29%	79.69	15.60%	510.70	100.00%
Dec/01	159.71	25.59%	138.17	22.14%	76.36	12.24%	50.59	8.11%	108.22	17.34%	91.04	14.59%	624.08	100.00%
August	250.41	40.21%	89.67	14.40%	70.99	11.40%	71.06	11.41%	44.12	7.08%	96.55	15.50%	622.79	100.00%
September	270.75	41.10%	90.39	13.72%	75.18	11.41%	80.43	12.21%	38.22	5.80%	103.81	15.76%	658.78	100.00%
October	253.08	40.04%	92.99	14.71%	67.52	10.68%	88.86	14.06%	26.46	4.19%	103.19	16.32%	632.10	100.00%
November	250.50	39.67%	90.14	14.27%	69.51	11.01%	99.07	15.69%	18.88	2.99%	103.37	16.37%	631.46	100.00%
December	242.52	38.92%	96.34	15.46%	71.64	11.50%	95.91	15.39%	18.71	3.00%	98.07	15.74%	623.19	100.00%
Jan/03	256.24	40.24%	97.91	15.37%	74.38	11.68%	92.11	14.46%	17.42	2.74%	98.81	15.51%	636.86	100.00%
February	254.14	39.41%	110.42	17.12%	75.53	11.71%	86.11	13.35%	17.58	2.73%	101.10	15.68%	644.88	100.00%
March	244.42	37.62%	127.56	19.63%	81.98	12.62%	77.15	11.87%	17.46	2.69%	101.13	15.57%	649.70	100.00%
April	219.60	34.08%	148.60	23.06%	90.69	14.07%	69.20	10.74%	24.09	3.74%	92.24	14.31%	644.45	100.00%
May	228.81	34.63%	139.54	21.12%	108.01	16.35%	68.36	10.35%	22.52	3.41%	93.52	14.15%	660.76	100.00%
June	224.02	33.47%	153.32	22.90%	112.81	16.85%	69.20	10.34%	17.05	2.55%	93.02	13.90%	669.42	100.00%
July	218.15	31.62%	177.84	25.77%	115.59	16.75%	68.41	9.92%	18.10	2.62%	91.90	13.32%	689.99	100.00%

Note: Values based on portfolio position according to securities' intrinsic yield curve prices.

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### **3. OPEN MARKET OPERATIONS**

#### **3.1 Central Bank Interventions**

The Central Bank intervened 28 times in the open market in July (23 business days) to manage the very short-term interest rate and control bank liquidity (see table “Central Bank Interventions in the Federal Securities Secondary Market – Funding Operations”).

Maintaining the strategy started in May 2003, the Central Bank held, on a weekly basis, post-fixed repo operations, borrowing funds for a term of two weeks. The five operations contracted in July offered a yield of 100.0% of the Selic rate and had an average volume of R\$23.5 billion.

Daily bank liquidity leveling operations were performed, of which 22 were fund-borrowing and 8 were fund-lending. Fund-borrowing operations had an average volume of R\$2.6 billion and rates of 25.7% up to 7/22, and 24.3% from 7/23 onwards, while fund-lending operations reached an average volume of R\$0.5 billion and rates of 26.2% up to 7/23 and 24.7% after that date. All of the operations were contracted for two business days, except for the operations of 7/23 – when the new target Selic rate became known – that had a term of one day (overnight).

Since the net balance of funds borrowed by the Central Bank reached R\$80.7 billion in 1/31 – a result of net redemptions over the second semester of 2002 and rolling over of dollar-linked securities through foreign exchange swaps – there has been a steady reduction towards the R\$45.4 billion recorded in 7/31 (see Table 7). An important contribution for this reduction was the net placement of federal public securities from March to July, amounting to about R\$12.6 billion.

### 3.2 Secondary market transactions with federal securities recorded with Selic

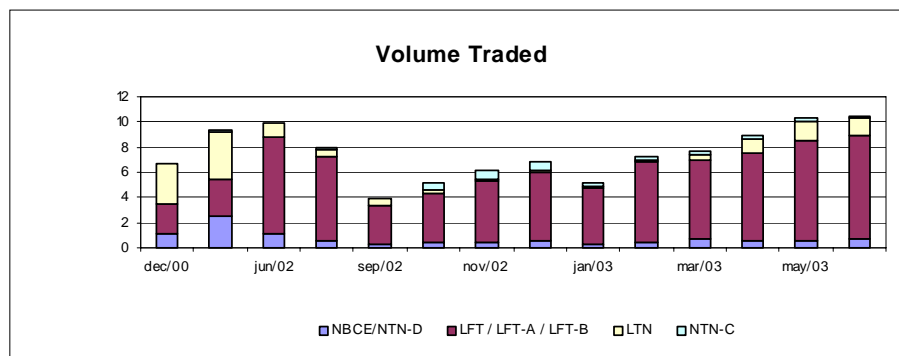
For the second consecutive month, the daily average of outright operations performed among financial institutions, and between such institutions and their customers, kept stable compared to the volume traded during the previous month, around R\$10.5 billion. However, a significant change was recorded in the relative share of fixed rate securities against the total volume traded, as well as in that of Selic-rate linked securities.

The daily average volume traded of fixed rate securities increased, reaching R\$3 billion, as against R\$1.3 billion in June. The relative share of LTN over total security traded rose to 28.7% in July from 12.6% in June. This increased trade in the secondary market suggests an attempt by financial institutions to improve their performance assessment, in the context of the selection, by the Central Bank and the National Treasury, for the new primary and specialist dealers system due to August 15. On this issue, see the Focus report “Selection of Dealers”, in <http://www4.bcb.gov.br/gci/Focus/M20030516-Seleção%20de%20Dealers.pdf>.

The average volume traded of Selic rate-linked securities (LFT, LFT-A and LFT-B), as against the previous month, decreased 16.7%, reaching R\$6.9 billion. Despite this, the securities remained as the most traded in the secondary market, with its share in total volume traded coming to 65.7% in July, from 79.3% in June.

The average daily volume of dollar-linked securities reduced 44.1% as against the previous month, reaching R\$0.4 billion, an amount corresponding to 3.4% of total financial volume daily traded in the secondary market. The volume traded keeps low, largely due to the rolling over of maturities by contacting foreign exchange swaps and consequently reducing outstanding dollar-linked securities.

The average volume of NTN-C traded kept stable as against the previous month, recording R\$0.2 billion/day. The relative share of such securities on total securities traded was 2.2%.



**TABLE 15**  
**Volume traded by security**

R\$ billion																	
Month	LFT / LFT-A / LFT-B			LTN			NBCE / NTN-D			NTN-C			Others		Total		
	Volume	%	Change	Volume	%	Change	Volume	%	Change	Volume	%	Change	Volume	%	Volume	%	Change
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(1)		(3)
Dec/00	2.38	35.0%	-9.6%	3.25	47.8%	21.1%	1.09	16.1%	25.2%	0.06	0.9%	-5.5 %	0.01	0.2%	6.79	100.0%	8.5%
Dec/01	2.94	31.6%	74.4%	3.77	40.5%	-4.1%	2.49	26.7%	53.4%	0.12	1.3%	85.3 %	0.00	0.1%	9.32	100.0%	27.6%
August	6.72	85.0%	45.0%	0.53	6.7%	-22.5%	0.53	6.8%	-67.0%	0.12	1.6%	-7.2%	0.00	0.0%	7.90	100.0%	11.8%
September	3.14	79.2%	-53.2%	0.45	11.3%	-14.5%	0.26	6.5%	-52.0%	0.12	3.0%	-2.8%	0.00	0.0%	3.97	100.0%	-49.7%
October	3.89	75.9%	23.7%	0.27	5.3%	-40.2%	0.44	8.5%	71.0%	0.51	9.9%	320.5%	0.02	0.4%	5.13	100.0%	29.1%
November	4.85	79.8%	24.7%	0.23	3.8%	-13.9%	0.39	6.5%	-10.4%	0.60	11.0%	18.4%	0.00	0.0%	6.08	100.0%	18.5%
December	5.46	80.1%	12.5%	0.18	2.6%	-24.2%	0.55	8.1%	40.5%	0.62	9.2%	4.0%	0.00	0.0%	6.81	100.0%	12.0%
Jan/03	4.48	86.0%	-18.0%	0.10	1.9%	-43.7%	0.28	5.5%	-48.5%	0.34	6.6%	-45.1%	0.00	0.0%	5.20	100.0%	-23.6%
February	6.52	90.4%	45.8%	0.12	1.7%	26.4%	0.36	5.0%	28.0%	0.21	2.9%	-39.6%	0.00	0.0%	7.22	100.0%	38.8%
March	6.29	82.5%	-3.6%	0.44	5.8%	255.3%	0.63	8.3%	74.6%	0.24	3.1%	15.9%	0.02	0.2%	7.62	100.0%	5.6%
April	7.09	78.9%	12.7%	1.01	11.3%	128.0%	0.51	5.6%	-20.4%	0.38	4.2%	56.5%	0.00	0.0%	8.98	100.0%	17.8%
May	8.06	77.8%	13.8%	1.44	13.9%	42.5%	0.51	4.9%	0.5%	0.36	3.4%	-5.3%	0.00	0.0%	10.37	100.0%	15.5%
June	8.30	79.3%	3.0%	1.32	12.6%	-8.5%	0.65	6.2%	27.8%	0.20	1.9%	-44.2%	0.00	0.0%	10.47	100.0%	1.0%
July	6.92	65.7%	-16.7%	3.02	28.7%	129.0%	0.36	3.4%	-44.1%	0.23	2.2%	15.5%	0.00	0.0%	10.54	100.0%	0.6%

(1) Monthly average of the daily financial value of outright operations. Operations where the prices agreed are outside the range of +/- 25% of the security collateral price, accepted by Central Bank in repo operations; and operations where one of the parties is either the Central Bank or the National Treasury are not considered.

(2) Share of the security monthly volume traded against total monthly trade.

(3) Percentage change of the security monthly volume traded against the volume traded in the previous month.

(4) Calculations performed using the original values, before rounding.

In July, the LTN maturing on 4/1/2004, offered in four occasions during the month (totaling R\$8.7 billion issued) was the security with the highest volume traded in the secondary market, with 26% of total volume traded and 92% of the volume of fixed rate securities traded. The daily averages of volume and number of operations reached R\$2.8 billion and 169 operations, respectively.

Among Selic rate-linked securities, the LFT maturing on 5/18/2005 was the one with the largest average financial volume traded, R\$2.5 billion/day, with 69 operations/day. This maturity was placed in eight different occasions during the month (R\$16.4 billion issued). The LFT maturing on 8/20/2003 was the first in number of operations, recording daily averages of R\$0.5 billion and 246 operations.

Once more, the NTN-C maturing on 12/1/2005 recorded the highest daily averages among price index-linked securities, both in financial volume (R\$108 million) and in number of operations (27/day). The NTN-C maturing on 12/1/2005 records the highest trade averages since October 2002.

The NTN-D maturing on 12/15/2004 was the dollar-linked security most traded in the secondary market, a position that had been taken by NBCE maturing on 10/12/2006 over the past four months. The NTN-D financial volume reached a daily average of R\$45 million.

**TABLE 16**  
**Most traded maturities in the secondary market by type of return**

R\$ million															
Fixed Rate				Selic Rate				Price Index				Exchange Rate			
Security	Maturity	Financial Volume	# of Operations	Security	Maturity	Financial Volume	# of Operations	Security	Maturity	Financial Volume	# of Operations	Security	Maturity	Financial Volume	# of Operations
LTN	04/01/04	2.772.6	169.4	LFT	05/18/05	2.471.7	68.9	NTNC	12/01/05	107.5	26.9	NTND	12/15/04	44.9	0.9
LTN	01/07/04	224.2	9.6	LFT	12/17/03	674.9	74.1	NTNC	07/01/05	34.9	10.7	NBCE	10/12/06	39.8	1.0
LTN	10/01/03	93.4	6.6	LFT	08/20/03	499.8	245.6	NTNC	04/01/21	23.9	2.0	NBCE	08/12/04	28.9	1.7
LTN	10/01/04	42.6	6.9	LFT	06/20/07	413.7	50.3	NTNC	04/01/08	19.7	3.0	NBCE	11/16/06	28.1	1.3
LTN	07/01/04	10.8	0.8	LFT	07/16/03	320.0	107.1	NTNC	03/01/11	19.6	2.3	NBCE	06/17/04	21.9	1.9

Notes: Includes only outright operations.

The financial volume and the number of operations relate to daily averages in the month.

Operations where the prices agreed are outside the range of +/- 25% of the security collateral price, accepted by Central Bank in repo operations; and operations where one of the parties is either the Central Bank or the National Treasury are not considered.

**TABLE 17**  
**Volume traded in the forward market by security**

R\$ million															
Month	LFT			LTN			NBCE/NTN-D			NTN-C			Total		
	Volume	%	Change	Volume	%	Change	Volume	%	Change	Volume	%	Change	Volume	%	Change
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
Dec/00				1,221.20	100.0%	358.3%	0.06	0.0%	-98.8%				1,221.25	100.0%	350.2%
Dec/01	1.72	0.1%	-23.3%	2,965.84	99.7%	-3.0%	8.18	0.3%	-63.6%				2,975.74	100.0%	-3.5%
August/02	61.06	79.6%	26,740.7%	4.31	5.6%	-59.0%	11.30	14.7%	-				76.66	100.0%	614.1%
September	22.20	24.5%	-63.6%	23.03	25.5%	434.9%	-	0.0%	-100.0%	45.31	50.0%	-	90.54	100.0%	18.1%
October	70.18	72.5%	216.2%	0.52	0.5%	-97.7%	-	0.0%	-	26.04	26.9%	-42.5%	96.74	100.0%	6.8%
November	58.67	97.4%	-16.4%	0.91	1.5%	74.4%	-	0.0%	-	0.64	1.1%	-97.5%	60.22	100.0%	-37.7%
December	95.17	99.0%	62.2%	0.99	1.0%	8.7%	-	0.0%	-	-	0.0%	-100.0%	96.16	100.0%	59.7%
Jan/03	10.97	100.0%	-88.5%	-	0.0%	-100.0%	-	0.0%	-	-	0.0%	-	10.97	100.0%	-88.6%
February	90.39	94.0%	723.8%	3.70	3.8%	-	-	0.0%	-	2.11	2.2%	-	96.20	100.0%	776.8%
March	111.68	53.8%	23.6%	95.84	46.2%	2,490.4%	-	0.0%	-	-	0.0%	-100.0%	207.52	100.0%	115.7%
April	39.07	5.6%	-65.0%	661.40	94.4%	590.1%	0.26	0.0%	-	0.11	0.0%	-	700.84	100.0%	237.7%
May	8.78	0.8%	-77.5%	1,141.34	99.2%	72.6%	-	0.0%	-100.0%	-	0.0%	-100.0%	1,150.12	100.0%	64.1%
June	80.78	8.2%	820.3%	896.63	91.1%	-21.4%	7.25	0.7%	-	-	0.0%	-	984.66	100.0%	-14.4%
July	27.97	1.1%	-65.4%	2,498.82	98.8%	178.7%	3.24	0.1%	-55.3%	-	0.0%	-	2,530.03	100.0%	156.9%

(1) Monthly average of the daily financial value of operations.

(2) Share of the security monthly volume traded against total monthly trade.

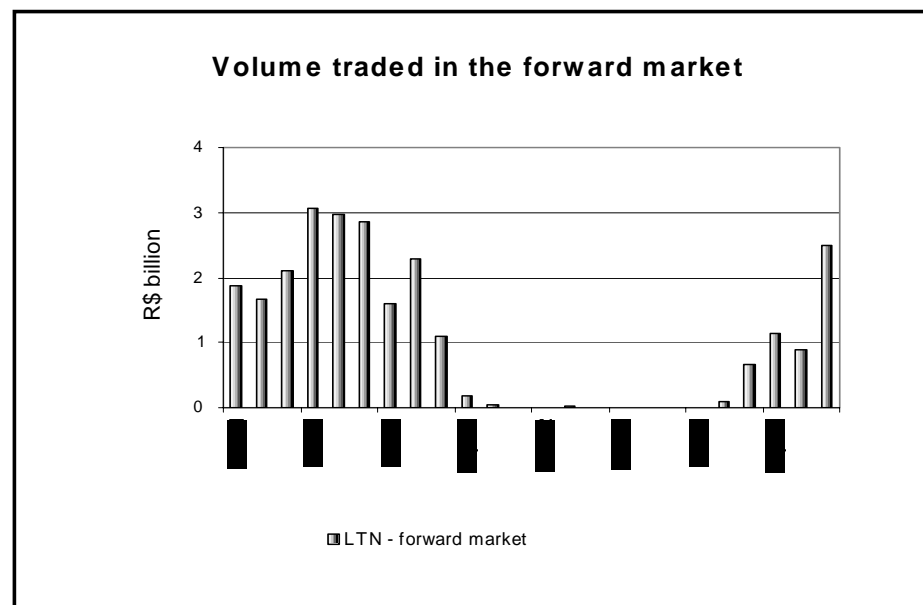
(3) Percentage change of the security monthly volume traded against the volume traded in the previous month.

(4) Calculations performed using the original values, before rounding.

(5) For operations with return in a date later than the end of the month, the price was calculated based on the updated nominal value on the closing of the month.

Security	Maturity	Financial Volume (R\$ million)	Number of Operations
LTN	04/01/04	2.329.6	142.73
LTN	01/07/04	114.5	3.14
LTN	10/01/03	36.0	0.77
LFT	05/18/05	26.2	0.64
LTN	10/01/04	16.0	1.59

Financial value and number of operations refer to daily averages in the month.



The daily average of transactions in the forward market – see Table 17 – recorded an increase of 156.9% as against June, reaching the figure of R\$2.5 billion, the highest since January 2002.

Fixed rate securities kept as the preferred assets for those contracting this type of operation, reaching 98.8% of the total traded. The LTN maturing on 4/1/2004 was the most traded security, with daily averages of R\$2.3 billion in financial volume, corresponding to 92% of total trade, and 143 operations.

Repurchase operations, excluding those performed with the Central Bank, reached daily averages of R\$121 billion and 2,892 operations, raising 5% as against the previous month and recovering the level of May, R\$120 billion (See table “Volume of federal security operations in the secondary market – monthly average of daily total”). Intra-day repo operations recorded a daily average volume of R\$3 billion and 36 operations.

Overnight operations represented almost all repo operations performed, with an average volume of R\$114 billion (94% of total operations). Freely transacted repo operations recorded daily averages of R\$39 million and 1.1 operation.

Differently from the past two months, when the volume of repurchase agreement operations allowing trade of the collateral within the term of operation increased, July recorded a drop of 76% as against the previous month, reaching a financial volume of R\$850 million in July, versus R\$3.6 billion recorded in June. Operations backed by NTN-D corresponded to 39% of total volume traded. There were also

operations involving LFT (34%), NBCE (25%) and LTN (2%).

**TABLE 19**  
**Volume of brokerage operations**

**R\$ million**

Month	Outright operations			Repo operations		
	Volume	# of Operations	Change	Volume	# of Operations	Change
	(1)		(2)	(1)		(2)
June/02	313.9	41.1	-13.2%	3.3	0.1	3207.8%
July	357.5	42.9	13.9%	2.5	0.2	-23.1%
August	331.4	44.7	-7.3%	9.1	0.1	256.9%
September	507.7	48.8	53.2%	3.1	0.1	-65.4%
October	518.6	60.7	2.1%	130.7	1.7	4050.2%
November	803.6	84.2	55.0%	248.2	3.6	89.9%
December	950.4	92.5	18.3%	252.1	3.0	1.6%
Jan/03	872.0	77.4	-8.2%	297.1	2.8	17.9%
February	1.334.6	85.5	53.0%	-	-	
March	1.395.9	108.9	4.6%	0.6	0.1	
April	2.174.3	178.4	55.8%	5.8	0.3	851.6%
May	2,686.0	222.5	23.5%	3.9	0.2	-32.1%
June	2,957.2	187.9	10.1%	5.0	0.4	26.3%
July	4.632.5	254.6	56.7%	2.0	0.2	-59.2%

(1) Monthly average of the daily financial value of operations.

(2) Percentage change of the security monthly volume traded against the volume traded in the previous month.

For the sixth consecutive time, the daily average volume of outright brokerages reached the highest figure recorded since this type of operation started in April 2002. Transactions increased 57% as against June and their daily average volume came to R\$4.6 billion, representing 44% of total outright operations. The raise was also related to the pursue of better performance assessment; in the previous month, brokerage operations were 29% of outright operations. The daily volume changed from R\$0.8 billion in 7/10 to R\$9.7 billion in 7/23. Repo brokerage operations kept the same low volume recorded over the past five months. While past January recorded the highest daily volume (R\$297 billion) since the beginning of such operations, the figure reached just R\$2 million in July.