

# GRUPO ESTADO

WFIC – Word Financial Information Conference  
Athens, Greece

## Brazil: Unique Player in the Latin American Financial Information Landscape

Daniel Parke  
Moderator

October 2009

W:\Agencia Estado\PPM - Planejamento e Pesquisa de Mercado\1 - Diretoria Executiva\2009



O ESTADO DE S. PAULO

RÁDIO  
EL DORADO  
AM 700 • FM 92,9

Jornal da Tarde

AE AGÊNCIA  
ESTADO

OESP  
mídia  
Credibilidade

OESP

estadao.com.br

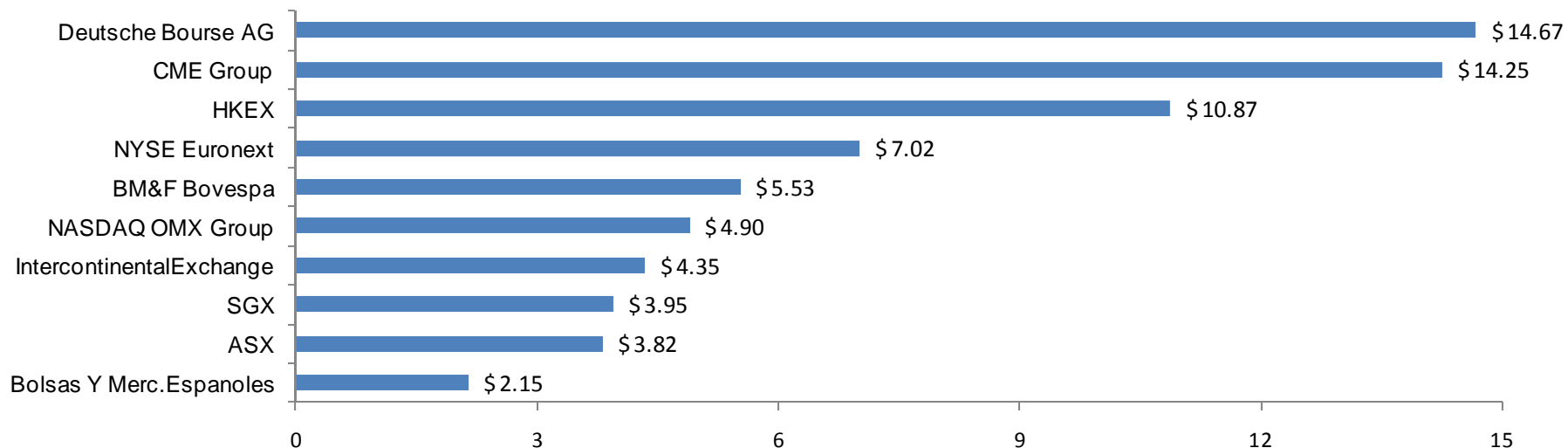
### Brazil – economy:

- Investment grade
- Declining interest rates
- Solid growth (less impact from global recession vs. others)
- Healthy FDI
- More liquid local fixed income markets (local cash bond curve)
- Brasília center of socio-eco power in Latam
- São Paulo financial market's center of liquidity for Latam
- Solid institutions: CVM, Central Bank, STN, etc.

Economic Indicators	2008	2009*	2010*
Unemployment rate (year end, IBGE)	7.90	8.60	9.30
Exchange Rate (year end, BRL/USD)	2.32	1.85	1.87
FDI (Foreign direct investment, US\$bn)	35.70	25.50	29.60
Industrial Production (% YoY)	4.13	-6.98	5.10
Interest rates (target Selic, year end, %)	13.75	8.75	9.25
Internacional reserves (US\$bn)	193.80	201.50	200.00
Public debt (% of GDP, year end)	38.80	44.10	40.87
Real GDP growth (% , IBGE)	5.10	0.20	4.70
Trade balance (US\$ bi)	24.70	21.30	16.80

(\*) Forecast (Central Bank of Brazil and market)

### Market Cap (USD bn)



\*IPO BM&F: 2007.11.29

\*\*Fusion BM&F and Bovespa: 2008.03.25

Source: FTSE/Mondo Visione Exchanges Index

### 1 - Brazilian Market Data / Real Time News / Electronic Trading Industry:

- Mature & diverse for an emerging market w/strong local players AE & CMA the big global players (TR & Bbg) as well as competent niche players such as Economatica.
- ~30,000 screens
- ~BRL\$500 million (+- USD\$280 million)
- Consolidation?

### 2 - Emerging Brazilian Buy Side:

- Professionalization
- BRL\$1.4 trillion
- “Easy money” a thing of the past w/low interest rates
- Alternative Investments
- Best Execution?

### 3 - BM&F BOVESPA

- Merged & public
- Monopoly?
- ATS / Dark Pools
- CETIP
- Partnerships – worldwide & regional (CME, Nasdaq)

### 4 - Technology

- Proliferation of Electronic Trading
- FIX “now well spoken”
- Algo Trading

### 5 - Regulation

- Sound & in tune w/market needs
- Brazil opening up: more gringo flow (north-south) & south-north
- DMA access
- Expanding Connectivity in general