



Brazilian National Treasury



OCTOBER 2009

A quick glance at Brazil

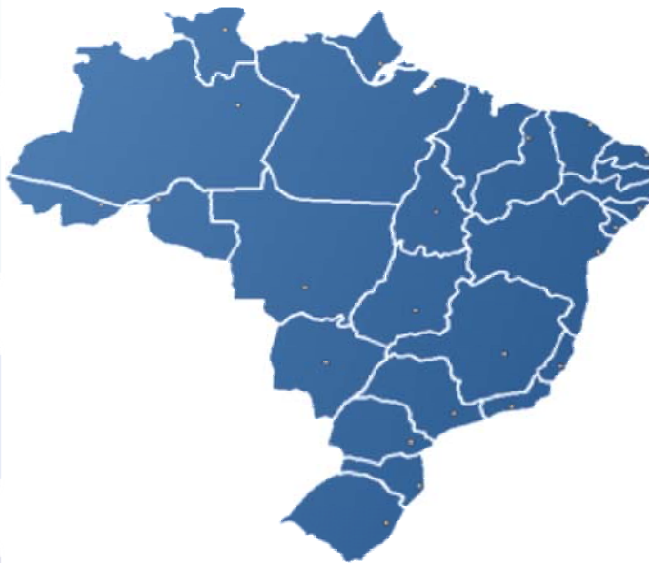
Why does Brazil represent an opportunity?

Flexible Society -
Social Mobility

Mature Consolidated
Democracy

5th largest population (200 mn
people); 5th largest area, 9th
largest GDP (USD 1,606.7 bn)

One language across the Nation
– contrast with BRIC countries



No geopolitical nor religious
problems

Low institutional risk

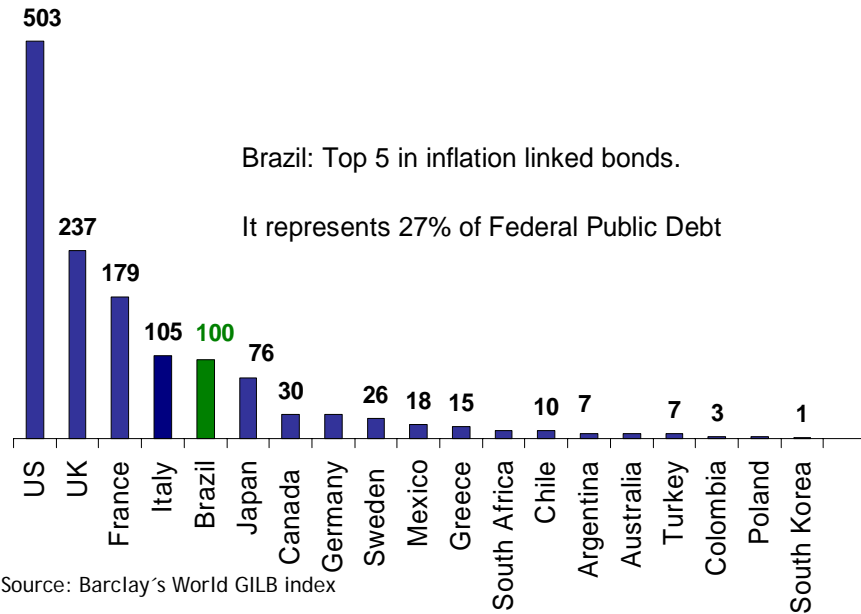
Diverse Energetic Sources

The “Pre-Salt” should turn the
country into an oil net exporter

A multi-cultural dynamic society

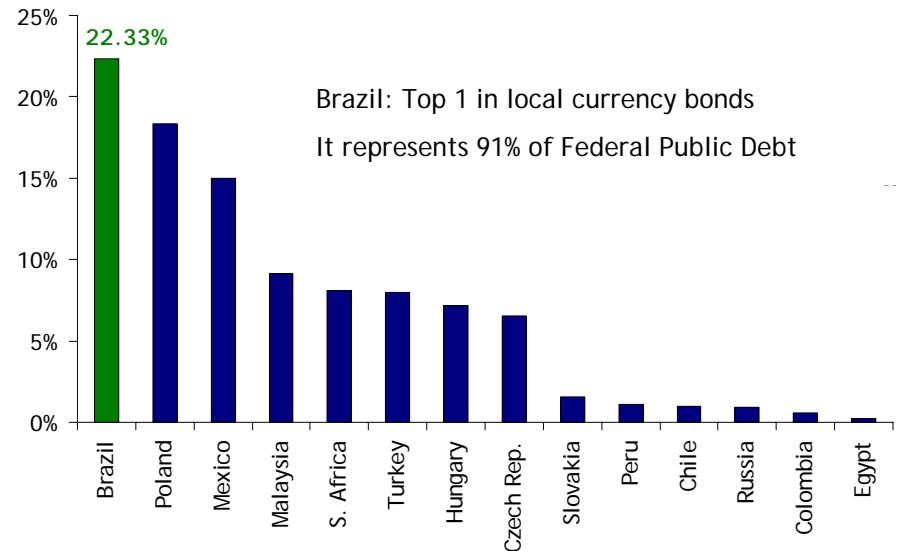
Brazil - A big player in international markets

GILB index - Domestic Inflation linked Bonds



- Brazil represents about 7.3% of world's total market cap in domestic inflation-linked bonds, according to Barclay's World GILB index.

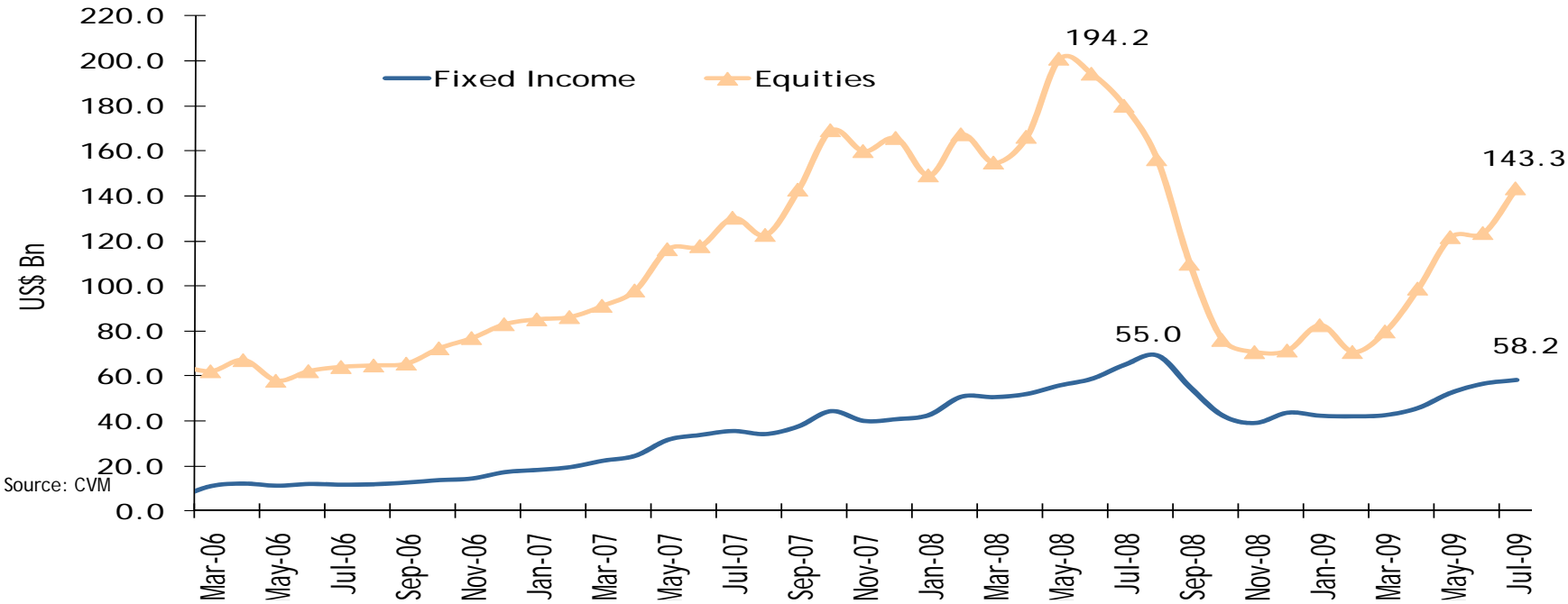
GBI-EM Index



- Brazil represents 22.3% of EMs total market cap in local currency bonds, according to JP Morgan's GBI-EM Index.

Foreign investors stance in domestic market

Foreigner's Investors: Portfolio level (US\$ bn)



- The foreign investors have already returned to the Brazilian fixed income and equity markets. But foreign participation in the domestic debt is small: only 6,3%.

Improving Market Liquidity and Transparency

- Dealers have to post bid and ask proposals for each one of the negotiated bonds in electronic platforms;

Three electronic platforms are functional - Sisbex (BM&F), Cetipnet (CETIP) and E-Bond (Bloomberg);

- Disclosure on the internet, by Andima (brazilian banks association), of the deals set in SISBEX, with delay of just 15 minutes;
- Andima publishes intraday reference prices, and compares the references prices with negotiation prices;
- Participants will have greater knowledge of prices and offered bonds, providing more transparency and improving the pricing of the bonds in the primary and secondary markets.