



**Federal Public Debt:
Annual Borrowing Plan
2013**

Number 13

Brasília

2013

MINISTER OF FINANCE

Guido Mantega

EXECUTIVE SECRETARY

Nelson Henrique Barbosa Filho

NATIONAL TREASURY SECRETARY

Arno Hugo Augustin Filho

NATIONAL TREASURY UNDER SECRETARIES

Cleber Ubiratan de Oliveira

Eduardo Coutinho Guerra

Gilvan da Silva Dantas

Lísio Fábio de Brasil Camargo

Marcus Pereira Aucélio

Paulo Fontoura Valle

TECHNICAL STAFF**Under Secretary of the Public Debt**

Paulo Fontoura Valle

General Coordinator of Public Debt Operations

Fernando Eurico de Paiva Garrido

General Coordinator of Public Debt Strategic Planning

Otávio Ladeira de Medeiros

General Coordinator of Public Debt Control

Antônio de Pádua Ferreira Passos

Alberto Alves Silva de Oliveira
André Luiz Gonçalves Garcia
André Proite
Artur Cleber Assunção do Vale
Carlos Eduardo Mendes do Nascimento
Carolina Santiago Silva
Cláudio Araujo de Freitas Gago
Daniel Mário Alves de Paula
Edis Machado Canedo
Fabiano Silvio Colbano
Frederico Schettini Batista
Geraldo Teodoro F. Gonçalves
Gilberto Tadeu Stanzione
Gustavo Matte Russomanno
Helano Borges Dias
José Franco Medeiros de Moraes
Krisjanis Figueroa Bakuzis
Leandro Puccini Secunho
Leopoldo Araújo Rodrigues

Luiz Fernando Alves*
Marcelo Rocha Vitorino
Márcia Fernanda Tapajós
Marcia Paim Romera
Marcos Demian Pereira Magalhães
Marcos Francisco Ferreira Martinelli
Marcus Vinícius Socio Magalhães
Maria José Marques de Paula
Mariana de Lourdes Moreira Lopes
Mariana Marreco Cerqueira
Maurício Dias Leister
Nucilene Lima de Freitas França
Pedro Camara Lima da Costa
Pedro Ivo Ferreira de Souza Júnior
Priscila de Souza C. de Castro
Regina Célia Dias
Renato da Motta Andrade Neto
Róger Araujo Castro
Ruth Lacerda Benfica
*** Technical Coordination.**

Federal Public Debt: Annual Borrowing Plan 2013. 1/ Ministry of Finance. National Treasury Secretariat, Brasília: National Treasury Secretariat, February, 2013, number 13.

1. Federal Public Debt 2. Annual Borrowing Plan 3. Planning 4. Strategy
I. Brazil. National Treasury Secretariat II. Title

Information:**Gerência de Relacionamento Institucional - GERIN**

Phone: (61) 3412-3188; **Fax:** (61) 3412-1565

Circulation 950 copies

National Treasury Secretariat

Edifício do Ministério da Fazenda, Esplanada dos Ministérios, Bloco P, 2º andar, CEP 70.048-900 – Brasília - DF

E-mail: stndivida@fazenda.gov.br

Home Page: <http://www.tesouro.fazenda.gov.br>

Federal Public Debt: Annual Borrowing Plan 2013 is a yearly publication of the National Treasury Secretariat. Reproduction in full or in part is permitted, provided the source is cited.

MESSAGE FROM THE MINISTER OF FINANCE

In the global framework, 2012 was marked by deepening of the international crisis. Despite the negative impacts of the external scenario on domestic economic activity, the year also marked an opportunity to adopt a structural cutback in interest rates. At the same time, the risk of an inflationary uptick was avoided, while the five percentage point drop in the Selic rate, coupled with measures taken to stimulate domestic demand and reverse growing overvaluation of the nation's currency, acted in such a way as to minimize the impacts of the external crisis on Brazil.

The government also sought to enhance competitiveness and stimulate investments by eliminating infrastructural, logistical and cost bottlenecks faced by the business sector. It was in this context that Accelerated Growth Program (PAC) projects were expanded, with addition of PAC-Equipamentos and announcement of new concessions in major transportation and logistical systems (ports, highways, railways and airports). In the case of airports, the first round of concessions has already taken place, generating investments in expansion of the operational capacity of three major systems: Guarulhos, Brasília and Viracopos. Parallel to these activities, an ambitious program of investments in highways and railways was announced, with forecasts of more than R\$130 billion in funding. This program is expected to move rapidly forward as of 2013. To improve the business environment, the federal government has also initiated a process of streamlining the country's tax profile. This process began with measures to end the fiscal war by introducing changes into the interstate ICMS. Simplifications in PIS/Cofins legislation are also under study.

It is important to stress that the fundamentals that have guided economic policy in recent years were preserved: fiscal responsibility above all else, accompanied by inflation control and maintenance of a floating exchange system, with particular emphasis on ensuring the nation's competitiveness. These fundamentals will make it possible to strengthen the capital market and reduce public indebtedness.

Coupled with the government's income policy in recent years, the aforementioned pillars of economic policy have generated a solid and dynamic labor market, even in a fragile international macroeconomic environment.

The positive reflections of these transformations in the Brazilian economy are already felt in the capital market, as demonstrated by the larger volume of trading of financial assets linked to production (debentures, FIDC and other financial products targeted to the private sector). In this sense, the decline in the Selic rate has acted as an important incentive to investors to seek higher yields on private assets. As a result, a larger share of resources is now available to companies and, with this, one can expect greater supply in the economy, higher employment levels and increased income, with the added benefit of combating the nation's inequalities.

Consequently, despite worsening of the international crisis in 2012, Brazil has implemented measures targeted at recovering growth, with inflation firmly under control, an anticyclical fiscal policy, a competitive exchange system and steady improvement in the public debt profile. These factors have clearly attenuated the process of deceleration, while laying the foundations for recovery in the final quarter of the year and throughout 2013.

Contributing to an environment of best expectations, an important part of the policy mix in the country is the Federal Public Debt management, which aims to meet the financing needs at the lowest possible cost, without incurring excessive risk. Within this context, the National Treasury publishes its thirteenth Annual

Borrowing Plan - ABP 2013, which is an important tool for transparency and fiscal management, highlighting the planning guidelines that will be followed with respect to public debt and reaffirming our commitment to responsible economic policy.

GUIDO MANTEGA
MINISTER OF FINANCE

MESSAGE FROM THE SECRETARY OF THE NATIONAL TREASURY

Federal Public Debt (FPD) management is guided by the threefold objective of minimizing costs, prudent risk management and contributing to the development of the Brazilian public bond market. It is with this in mind that we present the 13th Annual Borrowing Plan - ABP 2013, an important tool in the pursuit of this objective and a source of information for society regarding debt management guidelines, strategies and expected results in the current year.

Gradual but steady improvement has been attained in the FPD profile in recent years, as fixed rate and inflation-linked bonds now occupy predominant positions, resulting in lesser indexation of the economy to overnight interest rates. At the same time, the temporal distribution of maturities has improved sharply, resulting in attenuation of short-term pressures on debt refinancing operations, with lengthening of the average maturities of major public bonds.

Among the factors that have contributed to the progress achieved in the debt portfolio profile, one should highlight broadening of the investor base, improvements in the term structure of interest rate and greater public bond liquidity. Parallel to this, mention should be made of the exchanges that occurred in 2012, altering the asset profile of extramarket funds and the FGTS, following FPD management guidelines. Above all else, these efforts reflect confidence in Brazilian public debt management and, consequently, in the nation's macroeconomic solidity.

The strategy outlined in this ABP 2013 marked continuation of efforts to improve the public debt profile, mainly by lengthening average maturities and replacing floating rate securities with fixed rate and inflation-linked bonds. In the case of fixed rate securities, the supply structure will be preserved with four vertices of LTN and two of NTN-F. Offers of long-term NTN-B (maturing in 2030, 2040 and 2050) will also be maintained, in order to increase their market liquidity. Here, it is important to note that net redemptions of LFT maturing in 2013 are forecast, thus further reducing their participation in FPD to less than 20%.

Just as in previous years, this ABP consolidates our concern with planning and transparency, elements of fundamental importance to efficient public debt management.

ARNO HUGO AUGUSTIN FILHO
NATIONAL TREASURY SECRETARY

GENERAL INDEX

1. INTRODUCTION	8
2. SCENARIOS AND BORROWING REQUIREMENTS IN 2013	10
2.1. Scenarios	10
2.2. Borrowing Requirements	10
3. FPD STRATEGY AND INDICATORS.....	14
3.1 Borrowing strategy.....	14
3.2 Expected Results	18
4. FPD RISKS AND COSTS	21
4.1 Market Risk.....	21
4.2 Refinancing Risk	23
4.3 Cost.....	25
5. FPD PLANNING: MEDIUM TERM OUTLOOK	28
6. FINAL CONSIDERATIONS	31
7. ANNEX	32

INDEX OF BOXES

Box 1. Objectives and Guidelines	8
Box 2. Domestic Debt Auctions in 2013	16
Box 3. Federal Public Debt Targets in 2013.....	18
Box 4. Indicative Intervals of the Desired Composition and Average Maturity at the Long Term ..	28
Box 5. Schedule of Bond Auctions.....	32

INDEX OF FIGURES

Figure 1. FPD Maturities in 2013.....	11
Figure 2. DFPD Maturity Composition	11
Figure 3. EFPD Maturity Composition	12
Figure 4. National Treasury Borrowing Requirements.....	13
Figure 5. Average Maturity and Average Life of FPD	20
Figure 6. FPD Composition: Fixed Rate plus Inflation Linked.....	22

Figure 7. Average Maturity at Issue of Fixed Rate Securities.....	22
Figure 8. Refixing risk: FPD with Floating Rate or to Mature in 12 Months.....	23
Figure 9. Percentage Maturing in 12 Months	24
Figure 10. Evolution of DFPD Maturity Structure	24
Figure 11. Average Cumulative FPD Cost in 12 Months.....	26
Figure 12. Average Rates Accepted in the Public Offers of Fixed Bonds	26
Figure 13. Distribution of Floating Rate Debt Maturities.....	29

1. INTRODUCTION

This document represents the 13th edition of the Annual Borrowing Plan – ABP 2013. Over the course of these years, the ABP has consolidated its position as an instrument of planning, predictability and transparency at the core of Federal Public Debt – FPD borrowing strategy, encompassing both the domestic and external debts for which the federal government is liable¹.

As shown in Box 1, once FPD management objectives are defined, the ABP is elaborated following a set of specific guidelines. At the same time, varied economic scenarios and the expectations surrounding them are considered, together with issuance strategies for each scenario. All of these elements come together to guide the National Treasury in its operations on domestic and international markets during the course of 2013.

Box 1. Objectives and Guidelines

The objective defined for Federal Public Debt (FPD) management is that of efficiently meeting federal government borrowing requirements at the lowest possible long-term financing cost, while maintaining prudent risk levels. At the same time, FPD management seeks to contribute to the smooth operation of the Brazilian public bond market.

The guidelines for FPD management are as follows:

- Gradually replacing floating rate bonds for fixed rate or inflation-linked instruments;
- Smoothing the maturity structure, with special attention to short-term debt;
- Increasing the average maturity of outstanding debt;
- Developing the yield curve on both domestic and external markets;
- Growth in the liquidity of federal public securities on the secondary market;
- Broadening the investor base;
- Improving the External Federal Public Debt -EFPD profile through issuances of benchmark securities, buybacks and structured operations.

Source: National Treasury.

¹ FPD corresponds to the sum total of the Domestic Federal Public Debt - DFPD and the External Federal Public Debt - EFPD, the latter being composed of the securities debt and contractual debt. It should be stressed that all of the statistics presented in this document refer exclusively to debt held by the public and, therefore, do not encompass the share of DFPD held by the Central Bank. Information in this regard is available in the appendices to the FPD Monthly Reports at <https://www.tesouro.fazenda.gov.br/en/federal-public-debt/monthly-debt-report>.

One should stress that implementation of this ABP will adjust to varying market conditions. In moments of adversity, the Treasury will seek to adapt its strategy, weighting existing costs and risks in light of the current situation and acting in such a way as to avoid or at least minimize government bond market volatility.

This document is composed of five sections, aside from this introduction. Section 2 describes federal government borrowing requirements for 2013, coupled with a summary of the baseline macroeconomic scenarios selected for the ABP. Section 3 then presents the main lines of National Treasury financing strategy and action projected for the current year, together with the expected results (in the form of intervals) for 2013, in light of the major FPD indicators.

Section 4 discusses the outlook regarding the risks and costs implicit in the FPD structure and its recent evolution, with particular emphasis on refinancing and market risks. The next section deals with medium-term FPD planning and is followed by final considerations in section 6.

2. SCENARIOS AND BORROWING REQUIREMENTS IN 2013

2.1. Scenarios

Formulation of the financing strategies set out in this ABP is referenced to macroeconomic scenarios that encompass varied hypotheses for the evolution of the domestic and external economies. Alternative strategies are indicated for each scenario and are designed to achieve the desired objectives.

As regards the domestic environment, the basic premise adopted calls for preservation of current economic policy guidelines, defined as fiscal and monetary responsibility, coupled with a floating exchange system. In addition to this, macroprudential measures are viewed as important tools for achieving macroeconomic stability, particularly in view of the highly complex process of interaction with global markets.

The baseline scenario points to expectations of gradual recovery in the global economy in the coming years, marked by differing performances in the various economic blocs. Continued weak growth subject to volatility is forecast for the advanced economies, viewed as one of the major conditioning factors of international capital flows. In their turn, the emerging economies must cope with the challenge of achieving a more robust pace of growth in an environment marked by uncertainty. In this context, the external environment is expected to exert significant influence on the performance of the domestic economy.

The baseline scenario for the Brazilian economy that we deem most probable is quite close to market expectations for 2013, with an upturn in domestic activity, compliance with fiscal targets, absence of significant alterations in interest and exchange rates, accompanied by inflation well within the parameters of the target system. This scenario also indicates that favorable conditions for financing the current account deficit will persist.

The alternative scenarios are based on different dynamics for the domestic economy, coupled with distinct hypotheses for global economic recovery and the respective economic policy responses.

In the first scenario, which we consider less probable, accelerated recovery in the advanced economies would tend to strengthen a trajectory of sustained growth in the domestic economy. In this case, the tendency toward exchange rate appreciation would be countered by pressures originating in recovery of commodity prices, contributing to increased inflationary pressures and economic policy adjustments as a result of these trends.

The second alternative scenario incorporates more accentuated negative risks in the external environment, with potential for curtailing the pace of domestic growth and deepening uncertainties among economic agents. In this framework, the possibilities of external disinflation and growth below the domestic potential call for adoption of new economic policy measures aimed at stimulating the domestic economy.

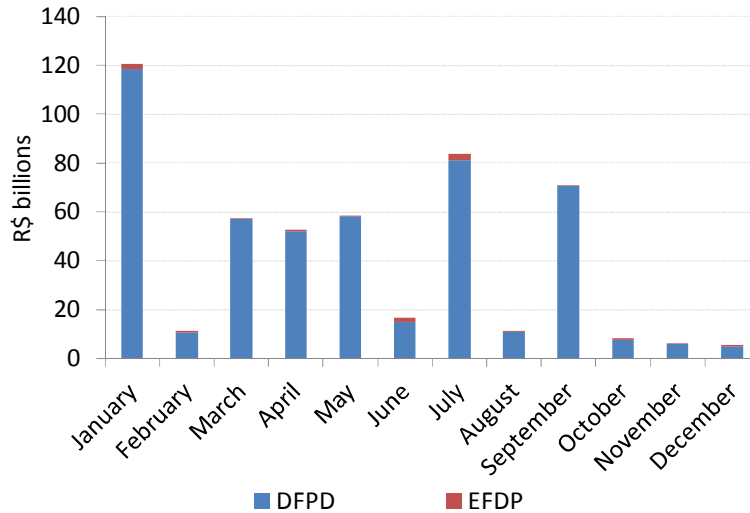
Finally, one should emphasize that no highly unlikely or particularly stressful events in the external and domestic scenarios were considered in defining the limits of this ABP.

2.2. Borrowing Requirements

The ABP begins with an assessment of FPD gross borrowing requirements, mainly reflecting federal government debt maturities on the market. Figure 1 presents a projection of FPD flows to mature in 2013, totaling R\$ 503.9 billion, with R\$ 493.2 billion in Domestic Federal Public Debt (DFPD) and R\$ 10.7 billion in

External Federal Public Debt (EFPD). It is important to emphasize that maturities of approximately R\$ 120 billion are forecast for January, resulting from concentration of LTN and NTN-F payments always on the first business day of each quarter.

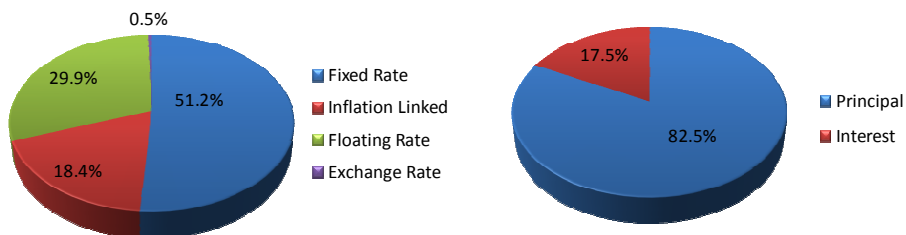
Figure 1. FPD Maturities in 2013



Source: National Treasury. Estimated values; position on 31/12/2012.

With respect to estimated DFPD maturities in 2013, the principal amount totals R\$ 407.0 billion, with R\$ 86.2 billion in interest. As shown in Figure 2, fixed rate bonds account for the major share of these flows (51.2%), thus helping to minimize the effect that fluctuations in debt indicators could have on projections. Maturities of floating rate bonds also deserve mention (approximately 30% of total maturities), since this group is composed basically of LFT and will not be wholly refinanced over the course of the year.

Figure 2. DFPD Maturity Composition



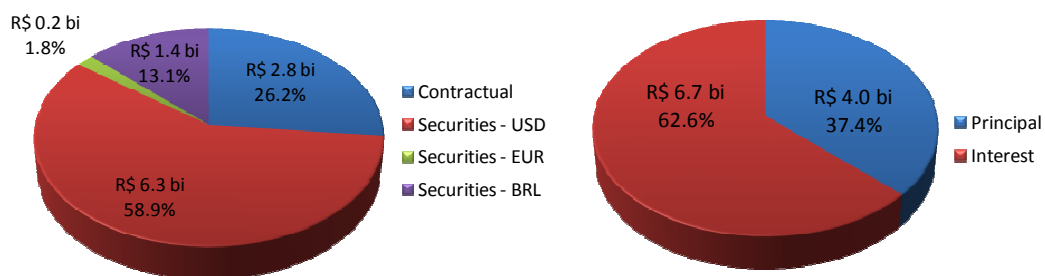
Source: National Treasury. Estimated values; position on 31/12/2012.

The National Treasury has a "liquidity cushion", precisely for the purpose of attenuating possible risks associated to refinancing of these maturities. This "cushion" consists of budget resources set aside and deposited in the Government Current Account in the Central Bank (Single Account), available exclusively for

FPD payments. At present, the overall value of these resources is equivalent to five² months of FPD principal and interest maturities. Therefore, in extremely adverse market conditions, the National Treasury is able to maintain its operations for an equivalent period without the need for going to the market to refinance FPD³.

In the EFPD for 2013, maturities are estimated at R\$ 7.9 billion in securities debt and R\$ 2.8 billion in contractual debt, as indicated in Figure 3. However, one should mention that, in order to honor future EFPD commitments, the National Treasury has already made anticipated⁴ purchases of dollars, in an amount equivalent to principal and interest flows of the next two years, approximately.

Figure 3. EFPD Maturity Composition



Source: National Treasury. Estimated values; position on 31/12/2012.

The volume of FPD maturities, R\$ 503.9 billion, added to an estimated R\$ 39.9 billion in charges on National Treasury bonds in the Central Bank⁵, less projections of budget resources targeted to payment of these charges, amounting to R\$131.2 billion⁶, indicates net National Treasury borrowing requirements of R\$ 412.6 billion for 2013, as shown in Figure 4.

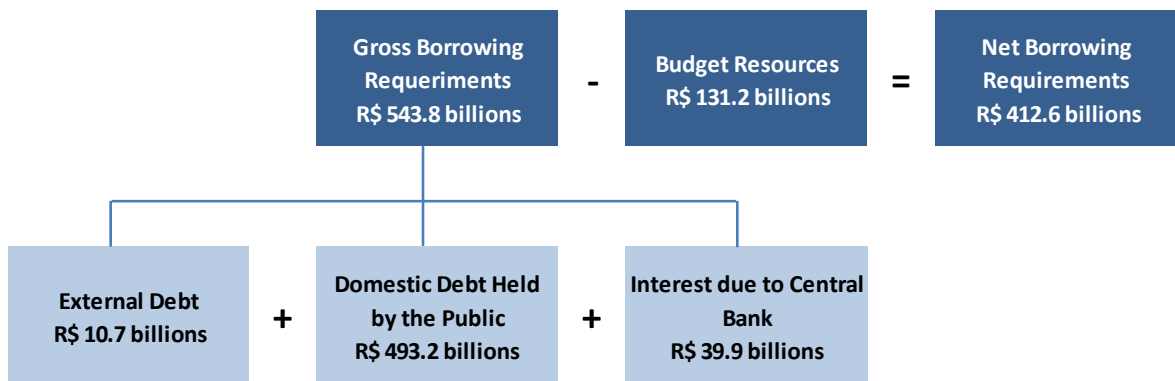
² Given the current FPD maturity structure, maintenance of a liquidity cushion equal to at least three months of debt service is considered comfortable.

³ Notwithstanding this, payment of FPD maturities through use of the liquidity cushion would impact banking liquidity, obligating the Central Bank to carry out repo operations. In other words, FPD would diminish, but the impact on the net general government debt would be nil. Consequently, utilization of these resources is reserved for adverse market situations, when pursuit of funding for rolling FPD maturities would generate excessive financial market volatility.

⁴ The National Monetary Council issued Resolution no. 3911, dated October 5, 2010, allowing the National Treasury to make anticipated purchases of dollars in order to settle its external liabilities due to mature within 1500 days.

⁵ As a consequence of article 39 of the Fiscal Responsibility Law (Law no. 101, dated May 4, 2000), charges on the National Treasury bonds in the Central Bank securities can not be refinanced with the Central Bank and must be paid with budget resources (mainly the primary result or bond issuances on the market).

⁶ This amount corresponds to the budget resources allocated to payments of federal government debt forecast for 2012. Though different, this amount bears a correlation to expectations of the public sector primary surplus of R\$ 155.9 billion as the target defined in the Budget Guidelines Law for 2013. Although primary surplus resources are utilized to reduce the public debt, the moment for utilization will depend on government financial programming which, in turn, adjusts the pace of budget execution to the probable flow of resources.

Figure 4. National Treasury Borrowing Requirements


Source: National Treasury. Estimated values; position on 31/12/2012.

3. FPD STRATEGY AND INDICATORS

3.1 Borrowing strategy

Lengthening of the average FPD maturity term and maintenance of short-term maturities at prudent levels, coupled with the ongoing process of gradually replacing floating rate bonds with fixed rate and inflation-linked bonds, remain as basic guidelines of 2013 issuance strategy. Coupled with this, the National Treasury, in its efforts to improve the debt profile, makes every effort to more efficiently distribute maturities over time and, in this way, contributing to reducing both refinancing and market risk. These guidelines contribute to development of the long-term term structure of interest rate, creating better conditions for both public and private financing.

Parallel to this, the National Treasury carries on a constant dialogue with various representative financial market segments, at both the domestic and international levels, with the aim of broadening and diversifying the investor base, conserving its operational transparency and ensuring a more adequate supply of public bonds. The National Treasury also seeks to contribute to development of the Brazilian fixed income market within the limits of its institutional responsibilities.

In terms of transparency and predictability of National Treasury issuance operations, the annual public offer calendar will be published as of 2013, representing an important step forward. This document, which is available in the appendix to this ABP, shows the dates and types of securities to be offered in each auction. As a complementary measure, an additional calendar will be published at the start of each quarter containing the maturity dates of each bond to be offered, together with the maximum volume of resources to be obtained through bond issuances in that quarter. A summary of the periodicity and principal bonds foreseen for auction this year is found in Box 2.

Fixed Rate Bonds

The structure of fixed rate issuances will be preserved in 2013, with offers of four vertices of LTN and two of NTN-F. LTN maturities will continue on the first day of January, April, July and October, representing the short and medium-term fixed rate vertices. Six and 12-month securities will be offered alternatively on a weekly basis, while 2 and 4-year LTN will be offered weekly. Consequently, three LTN vertices will be offered at each weekly auction.

In their turn, NTN-F will be issued every 15 days with maturities in the months of January and corresponding to the medium and long-term benchmarks (between 5 and 10 years). In its efforts to contribute to more efficient operation of the government bond market, the National Treasury will seek to provide an issuance volume in each vertice sufficient to increase its liquidity while, at the same time, giving special attention to distribution of the maturity dates of each benchmark, as a way of smoothing the debt maturity structure.

In 2013, the strategy of half-yearly fixed rate bond exchange auctions will be maintained and are scheduled for June and December, with the objective of reducing impacts on financial market liquidity and making it possible for investors to obtain anticipated refinancing of their securities. These operations will offer LTN with maturities of 6 and 12 months, equivalent to those offered in traditional auctions, and will accept fixed rate bonds with maturities of less than those offered in the exchanges. Buybacks of long-term NTN-F will continue, as a means of ensuring additional liquidity to investors.

Inflation-Linked Bonds

The strategy of issuing bonds with earnings tied to the Broad National Consumer Price Index - IPCA, represented by NTN-B, will include public offers of two groups of benchmarks. Group I will be composed of 5 and 10-year securities, while Group II will encompass longer-term vertices. In the latter group, the maturity dates of 08/15/2030, 08/15/2040 and 08/15/2050 will be maintained, so as to provide greater volume and liquidity for these vertices. Offers will be made at intervals of 15 days for Group I and once a month for Group II.

NTN-B will be issued with maturities in August for bonds maturing in even numbered years, making it possible to pay coupons in February and August. In the case of bonds maturing in odd numbered years, redemption dates will be in May, with coupon payments in May and November. This combination of maturities provides bondholders with a quarterly cash flow, thus meeting the demand of long-term liability managers.

In 2013, the system of issuing NTN-B in two stages will be maintained when offers of the two groups of securities take place simultaneously, making it possible to exchange diverse securities for NTN-B with longer average maturities in the second stage. One should note that this mechanism has made it possible to exchange LFT for NTN-B, thus following the guideline of replacing floating rate bonds with inflation-linked bonds.

At the same time, the National Treasury will continue its monthly buyback operations of long-term NTN-B, as a way of ensuring increased liquidity to bondholders. Finally, should investor interest be found to exist, anticipated redemptions of NTN-B interest coupons will be allowed since the coupons can be stripped from the already issued bonds.

Floating Rate Bonds

Issuance strategy for LFT – floating rate bonds tied to the Selic rate – calls for net redemptions over the course of 2013, as a result of the high volume of maturities scheduled for the period, thus further contributing to the process of reducing indexation of the debt to the overnight interest rate.

In 2013, the offer of just one LFT maturity in each monthly auction will continue, with maturities in March and September and average issuance terms greater than the outstanding FPD.

Box 2. Domestic Debt Auctions in 2013
Frequency of auctions to be held by the National Treasury in 2013

Bond	Traditional		Exchange		Buyback	
	Periodicity	Selection Criterion ¹	Periodicity	Selection Criterion	Periodicity	Selection Criterion
LTN	Weekly	Best Price	Half-yearly	Best Price		
NTN-F	Fortnightly	Best Price			Monthly	Best Price
LFT	Monthly	Best Price				
NTN-B	Fortnightly	Uniform	Monthly	Best Price	Monthly	Best Price

1. Criterion for selecting proposals in the auctions: In the uniform criterion, all proposals with quotes equal to or greater than the minimum quote will be accepted. This will be applied to all winning proposals. In the best price criterion, the proposals accepted pay the price presented in the bid.

Official annual and quarterly schedules will be released through the site: <https://www.tesouro.fazenda.gov.br/en/federal-public-debt/auctions-results>.

The government bond auctions adopted by the Treasury have the following specific purposes:

- Traditional Auctions: have the main purpose of refinancing the Federal Public Debt through issuances of fixed rate, floating rate and inflation-linked government bonds;
- Exchange Auctions: consist of exchanges of shorter-term securities for longer-term securities, with the objective of lengthening or improving the debt profile; and
- Buyback Auctions: ensure liquidity to the bondholder.

Following is a list of benchmark securities to be offered in 2013:

Yield	Bond	Benchmark	Maturity
Fixed rate	LTN	Short and Medium-Term Up to 4 years (4 vertices)	January, April, July and October
	NTN-F	Long-term Between 5 and 10 years (2 vertices)	January
Floating rate	LFT	Maturity greater than average for FPD	March and September
Price indices	NTN-B	Group I – Short and Medium-Term / Up to 10 years (2 vertices)	May and August
		Group II – Long-Term 20, 30 and 40 years (3 vertices)	

At its discretion, the National Treasury may hold off-the-run securities auctions with the objective of correcting possible distortions in government bond prices.

External Debt

In 2013, the National Treasury will continue implementing its policy of enhancing the efficiency of the external yield curve through qualitative issuances and early redemptions of securities that are not benchmarks.

EFPD strategy will be oriented by the following guidelines ⁷:

- Creation and improvement of benchmarks in the term structure of interest rate through issuances in dollars or in real;
- Maintenance of the buyback program for securities denominated in dollars (USD), euros (EUR) and real (BRL);
- Possibility of carrying out external liability management operations, with the purpose of enhancing the efficiency of the external yield curve;
- Monitoring of the External Contractual Debt, seeking alternative operations that generate financial gains for the National Treasury.

The processes described above will be subject to the existence of favorable market conditions.

Other Measures

Aside from the public bond issuance strategy described above, other measures should be implemented to achieve further advances in the operation of the government securities market - mainly with respect to the secondary market, broadening of the investor base and elimination of indexation of the economy to the overnight interest rate.

Among these measures, the National Treasury will continue disseminating the Anbima Market Index – IMA and its subindices referenced in government bonds, in such a way as to stimulate its use as a fixed income reference. Expectations regarding creation of Fixed Income Exchange Traded Funds - ETF, scheduled to be regulated by the Securities and Exchange Commission – CVM in 2013, represent a new opportunity to be exploited. With this, aside from stimulating the secondary bond market, the National Treasury expects to contribute to reducing indexation of financial assets to the overnight interest rate.

To correct possible distortions in the prices of government securities, the National Treasury may, at its discretion, carry out off-the-run securities auctions.

Finally, the Treasury will give its support to projects aimed at training professionals and providing financial education to investors, while continuing its policy of improving the dealers system (market makers) and introducing improvements into electronic platforms, giving priority to practices and products capable of contributing to development of the Brazilian fixed income market.

⁷ EFPD management is based upon Federal Senate Resolution no. 20/2004, which authorizes early redemption operations, bond exchanges and utilization of derivatives for purposes of EFPD management.

3.2 Expected Results

Using the economic scenarios, the federal government borrowing requirements and the strategies described above, the National Treasury seeks to estimate the FPD structure at the end of 2013, while defining annual targets for its major indicators expressed in the form of maximum and minimum parameters. These indicative limits provide predictability and ensure flexibility in public debt management, making it possible for the National Treasury to react to alterations in market conditions, whenever necessary. The limits defined for 2013 are presented in Box 3.

Box 3. Federal Public Debt Targets for 2013

Indicators	2012	Limits for 2013	
		Minimum	Maximum
Stock (R\$ billions)			
FPD	2,008.0	2,100.0	2,240.0
Profile (%)			
Fixed Rate	40.0	41.0	45.0
Inflation Linked	33.9	34.0	37.0
Floating Rate	21.7	15.0	19.0
Exchange Rate	4.4	3.0	5.0
Maturity Structure			
% Maturing in 12 months	24.4	21.0	25.0
Average Maturity (years)	4.0	4.1	4.3
Average Life (years)*	6.4	–	–

* For purposes of international comparisons, the National Treasury releases average life statistics. Targets are defined only for the average maturity indicator, which is more conservative from the point of view of risk management.

Outstanding FPD

After closing 2012 at R\$ 2,008 billion, projections point to outstanding FPD between R\$ 2,100 billion and R\$ 2,240 billion, at the end of 2013. Simulations indicate natural growth in outstanding volume through interest appropriations, coupled with expectations of National Treasury bond issuances in a volume greater than net borrowing requirements. In this case, the purpose would be to aid in reducing excess financial market liquidity over the coming years. However, this policy does not impact either the Net Public Sector Debt (NPSD) or the General Government Gross Debt (GGGD)⁸.

FPD Profile

Outstanding FPD can be broken down into categories according to the different types of earnings generated which, in turn, represent different classes of risk associated to the indexing factors of government financing

⁸ The counterpart of net National Treasury bond issuances (difference between issuances in auctions and redemptions) is the reduction in the volume of repo operations for which the Central Bank is liable. In other words, these operations are nothing more than exchanges of liabilities with the public between two government institutions and do not alter outstanding NPSD and GGGD.

instruments. Consequently, the FPD profile indicates the relative participation of each one of these categories in outstanding debt: fixed rate, inflation-linked bonds, floating rate (instruments with variable interest rates) and exchange rate (debt denominated or referenced to foreign currency).

At the end of 2012, fixed rate bonds accounted for 40.0% of FPD. The financing strategies to be followed in 2013 are expected to raise this fixed rate share to a level between 41% and 45% at the end of the year.

The second most significant component of FPD is the inflation-linked share, with participation of 33.9% at the end of 2012. For the current year, minimum and maximum limits were set at 34% and 37%, respectively. Securities linked to inflation have increased their participation in FPD in recent years, while floating rate share has dropped. Aside from moving toward the optimal FPD profile⁹, this position change has also resulted in growth in its average term.

The floating rate debt, tied mainly to the Selic rate, accounted for 21.7% of FPD at the end of 2012 and is expected to close the current year at a level between 15% and 19% of FPD. The decline in the participation of this category resulted from maturity of a significant volume of LFT in 2013, coupled with maintenance of the guideline that calls for replacement of these securities with fixed rate and inflation-linked bonds. However, how much progress will be achieved in this process of substitution will depend on the evolution of other FPD indicators, such as percentage maturing in 12 months, and an evaluation of costs in light of market conditions. In this way, the National Treasury hopes to ensure that improvement in the debt profile will not result in backsliding under other indicators.

Growing use of the family of IMA indices¹⁰ as a yield reference, particularly the IMA-B and the IRF-M, accounts for some of the alterations in the FPD profile, especially the reduction of the share tied to overnight interest rates. This is the case of institutional investors, States and Municipalities pension funds and the State-owned enterprise Funds (Extramarket Funds).

Finally, the exchange debt is expected to close between 3% and 5%. Currently, this debt category has been restricted basically to EFPD. In recent years, its relative participation in outstanding FPD has remained stable, as the National Treasury has prioritized more qualitative measures in external debt management, as already stressed in the section on ABP strategies. The interval is sufficiently large to allow for possible fluctuations in the exchange rate on outstanding EFPD in domestic currency.

FPD Maturity Structure

Average maturity and percentage maturing in 12 months are the main indicators of the FPD maturity structure. Average maturity is the average of the remaining maturities of debt payments, weighted by the present values of principal and interest flows. In its turn, percentage maturing in 12 months reveals the share of FPD scheduled to mature in the coming 12 months.

The average FPD maturity closed 2012 at 4.0 years. Expectations now indicate that this term will be further lengthened in 2013, closing between 4.1 and 4.3 years. Parallel to this, the percentage maturing in 12 months, which represented 24.4% of FPD at the end of 2012, is expected to end 2013 between 21% and 25% of FPD.

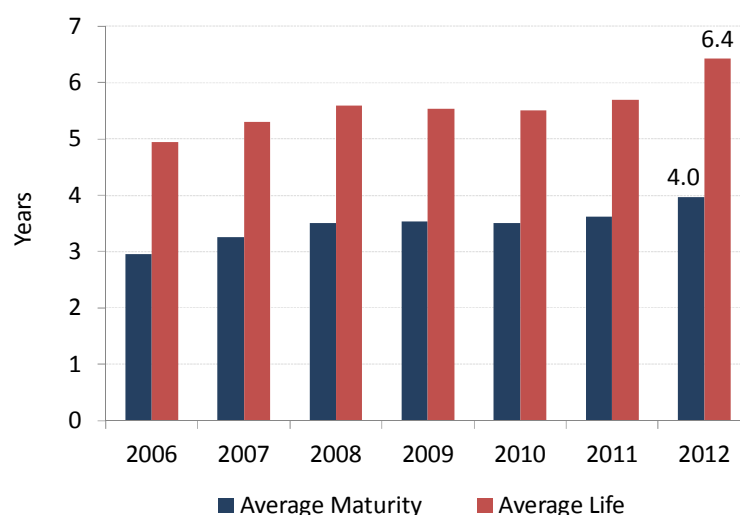
⁹ See section 5 of this ABP for greater detail.

¹⁰ For more information on the family of IMA indices, access < http://www.anbima.com.br/ima/arqs/IMA_Metodologia_English.pdf>.

Over the short-term, there may be a trade-off between lengthening of the average FPD maturity and growth in the fixed rate share of the debt, since fixed rate bonds have lesser average terms than the FPD as a whole. For this reason, these two guidelines must be evaluated jointly. The challenges of this simultaneous pursuit of longer terms and increased participation of fixed rate securities will be discussed in greater detail in the following section.

Aside from the average maturity, the National Treasury publishes average life (ATM¹¹) of outstanding FPD on a regular basis. This is a widely used indicator to be employed in international comparisons and many countries use it instead of average maturity (duration)¹², to calculate their debt maturities¹³. Figure 5 allows one to compare average maturity and average life (ATM) statistics for FPD. In 2012, the average life of FPD posted its highest annual value when viewed against the series initiated in 2006, closing at 6.4 years. It should be stressed that both indicators showed similar tendencies during the entire period.

Figure 5. Average Maturity and Average Life of FPD



Source: National Treasury

¹¹ Average Time to Maturity.

¹² The average term announced for FPD is equivalent to the concept of duration. However, for purposes of calculating the current value of flows, the issuance rate of outstanding bonds is applied (instead of market discount rates, as occurs in traditional analyses of duration).

¹³ This indicator is less efficient than average maturity, since it does not consider payments of intermediate interest coupons nor the fact that flows of principal are not adjusted to their present value. This impreciseness is the reason for giving less emphasis to this indicator in FPD statistics and results in values sharply higher than those registered under average maturity. Despite these limitations, most countries adopt an indicator similar to average life in their maturity structure statistics, making inadequate any direct comparisons with the metric used for setting targets on this ABP.

4. FPD RISKS AND COSTS

Minimization of federal government financing costs, coupled with simultaneous maintenance of public debt risks at prudent levels are objectives of FPD management. This section analyzes the major FPD risk indicators, with specific attention given to market and refinancing risks. At the end of this section, the recent evolution of FPD costs will also be discussed.

4.1 Market Risk

Market risk refers to the possibility of growth in the outstanding debt as a result of alterations in short-term interest rates, exchange rates and inflation or even in the term structure of interest rate. The FPD profile is a primary indicator of this risk, since alterations in these indexing factors impact the cost of the share of debt tied to each of them.

Although inflation-linked bonds represent a significant share of the debt, there are attenuating factors associated with the risk implicit in this indexing factor. In the first place, fluctuations in price indices provoke alterations only in the nominal value of FPD, but not in real value as measured in relation to GDP. At the same time, there is a strong correlation between a major share of federal government revenues and price indices, representing a type of protection for government balances in the framework of higher inflation. Thirdly, given that the country adopts the inflation target system, the index used as reference¹⁴ is expected to remain within defined value brackets, with considerably less volatility than in other financial variables, such as interest and exchange rates.

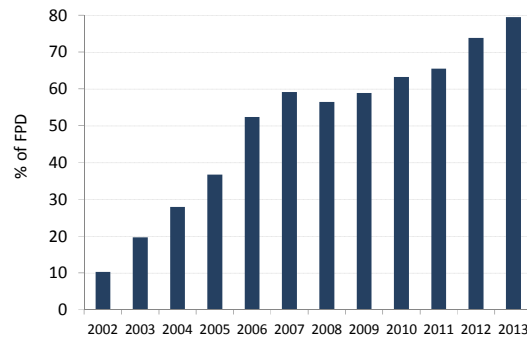
Therefore, the inflation-linked debt does not represent a high level of risk for debt management. Aside from the points raised above, these bonds are typically issued with long maturity periods, thus aiding in lengthening the average FPD term and smoothing maturities over time.

In an inflation target system with floating exchange rates, interest and exchange rates fluctuate according to monetary policy, the international scenario and balance of payments evolution, with considerably more volatile results than the government inflation index. Consequently, when variations in economic scenarios occur, the shares of FPD indexed to floating rates and exchange will normally post the strongest fluctuations in outstanding debt. To attenuate this risk, the National Treasury has prioritized issuance of fixed rate and inflation-linked debt.

As a result, the sum total of the fixed rate and inflation-linked shares of FPD has shown almost constant growth since 2002, as indicated in Figure 6. In 2013, this tendency is expected to continue, as the total rises to almost 80% of FPD at the end of the year.

¹⁴ In the case of Brazil, the index used to monitor the inflation target is the Broad Consumer Price Index, the indexing factor applied to approximately 90% of the inflation-linked public debt.

Figure 6. FPD Composition: Fixed Rate plus Inflation Linked



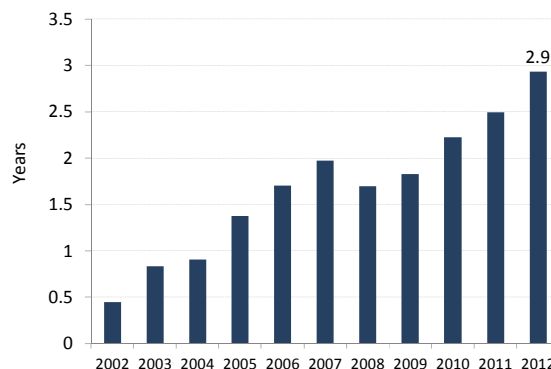
Source: National Treasury. The year 2013 was projected at the midpoint of the indicative limits of this ABP.

The debt share tied to exchange rate, which came to as much as 46% of FPD at the end of 2002, has dropped steadily in the last 10 years, closing 2012 below the 5% mark. Current participation of the exchange rate debt in total FPD is adequate. With this, the process of substituting exchange indexed debt with other indexing factors can be considered finalized.

In terms of floating rate debt, the process of reducing debt volume has been more gradual due to various factors, including the possibility of lengthening the maturities of fixed rate bonds as these securities assume a position of greater importance in FPD. This association between less floating rate debt and longer maturities for fixed rate debt is important to avoiding the possibility of exchanges of one type of debt for another resulting in excessive concentration of short-term debt.

In this sense, the 0 shows that, with the exception of 2002 (high domestic market volatility) and 2008 (international financial crisis), market conditions in recent years have made it possible to steadily expand the issuance maturities of fixed rate bonds, thus lengthening the maturity profile of this share of the debt. In 2012, the average issuance term of this type of debt came to 2.9 years, the highest level in the historical series.

Figure 7. Average Maturity at Issue of Fixed Rate Securities



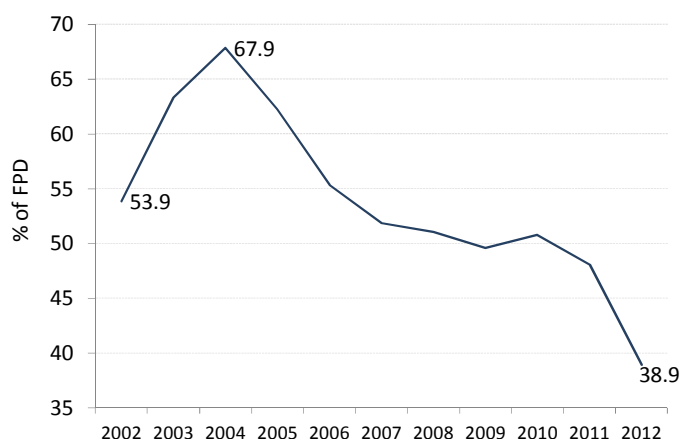
Source: National Treasury

One indicator of market risk considered adequate for reflecting the trade-off between substitution of floating rate debt and the maturity terms of new bonds is recontracting risk. This risk is calculated as a proportion of FPD, adding the entire debt maturing in 12 months to the volume of floating rate bonds with

maturities of more than 12 months. This reveals the share of debt for which costs would be renewed in situations of changes in interest rates over a one-year horizon.

Consequently, this is an indicator that is more sensitive to short-term changes in the Selic rate. Its evolution is shown in Figure 8 and indicates a much more favorable trajectory for debt management. As a result, the National Treasury has been quite successful in its strategy of contributing to lesser indexation of the economy to the overnight interest rate, without jeopardizing the FPD maturity structure.

Figure 8. Refixing risk: FPD with Floating Rate or to Mature in 12 Months

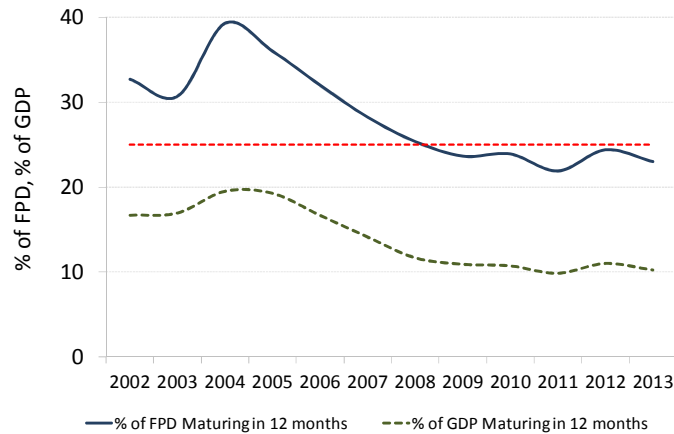


Source: National Treasury

4.2 Refinancing Risk

Refinancing risk is given by the volume and volatility of the short-term debt. It is the risk the National Treasury faces when accessing the market to refinance its maturing debt and encountering adverse market conditions capable of raising issuance costs or, in extreme cases, making it impossible to raise resources in the volume required for payments. Thus, this risk is directly related to the FPD maturity structure: the greater the concentration of maturities in a given period, the greater will be the refinancing risk.

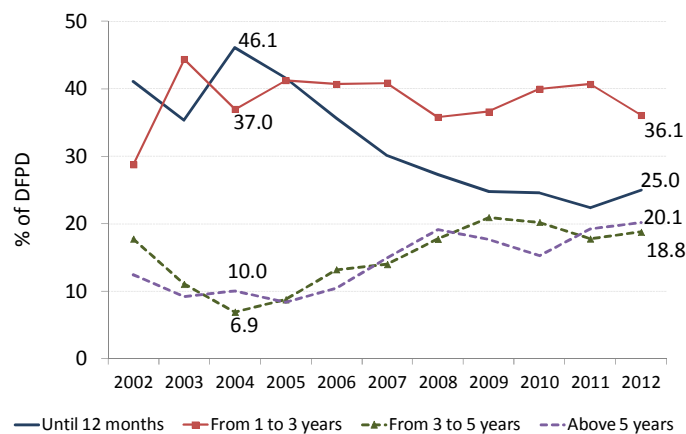
Figure 9 shows the main measurement of this risk: the percentage of debt to mature in the coming 12 months, indicating the proportion of debt to be paid over the short-term. This indicator has registered almost continuous reductions since 2004, remaining below 25% since 2009. This level is considered historically comfortable, particularly when one considers the existence of a "liquidity cushion" of at least three months of maturities, as already discussed previously.

Figure 9. Percentage Maturing in 12 Months


Source: National Treasury. The year of 2013 was projected at the midpoint of the indicative limits of this ABP.

Considering that 2013 will witness maturity of a large volume of floating rate bonds, the National Treasury's financing strategy for the year calls for intensification of the process of replacing these securities with other fixed rate or inflation-linked bonds. Though fixed rate instruments still have average terms that are shorter than other securities, one should not expect that the percentage of FPD maturing in 12 months will change significantly in the next three years. Expectations are that it will converge to levels near 20% over the medium-term.

Though it is the more immediate indicator of refinancing risk, percentage maturing in 12 months is limited by the fact that it does not detect concentrations in periods beyond this short-term horizon. For this reason, the Treasury has been giving greater emphasis to monitoring the complete maturity structure. The objective of this process is to foster smoother allocation of debt maturities over various periods. In this regard, Figure 10 shows the evolution of DFPD maturity structure.

Figure 10. Evolution of DFPD Maturity Structure


Source: National Treasury.

A movement toward reducing the percentage maturing in 12 months began after 2004, resulting in growth in the proportion maturing over periods of more than three years. This movement intensified as of 2006, benefiting from increases in bond issues indexed to inflation, which normally have longer maturities. An additional step occurred in 2007, with initial placements of 10-year fixed rate bonds on the domestic market, corresponding to a lengthening of the yield curve of these securities. With this movement, the debt with remaining maturities of more than three years came to 38.9% of FPD in 2012 (18.8% between 3 and 5 years; and 20.1% above 5 years).

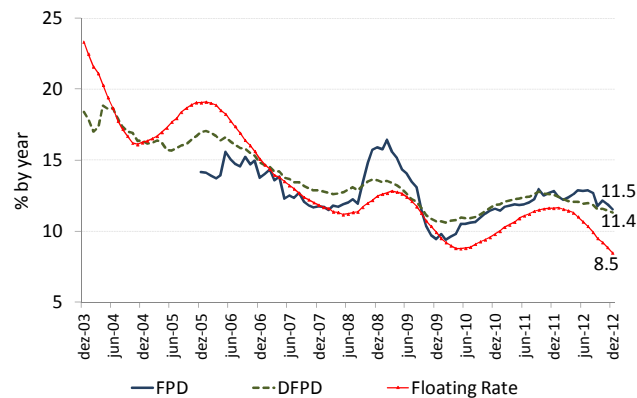
Finally, aside from management of the intertemporal distribution of debt maturities, the so-called "liquidity cushion" mentioned above is also designed to foster reductions in refinancing risk, since it ensures that the Treasury will have the time required to overcome moments of financial market volatility, thus reducing the impact of short-term pressures on financing costs.

4.3 Cost

Aside from the risks mentioned above, another aspect considered in the process of strategy definition is that of FPD financing costs. In general, efforts to reduce risk can lead to the option for a debt profile with higher costs, since investors tend to request premiums to acquire bonds that offer more protection to the issuer.

Data on average FPD costs are a combination of carryover costs of the outstanding debt (incorporating the yields of past moments) and the costs of new issuances (incorporating more recent yields). Thus, the behavior of these costs is impacted by the Selic rate, as well as by the risk premia implicit in a less risky debt portfolio for the government. In this way, the National Treasury may benefit less in times of declining interest rates (compared to a debt heavily concentrated in floating rates), as occurred in 2012. However, currently, protection does exist against shocks that could increase interest or devalue the domestic currency in relation to other currencies.

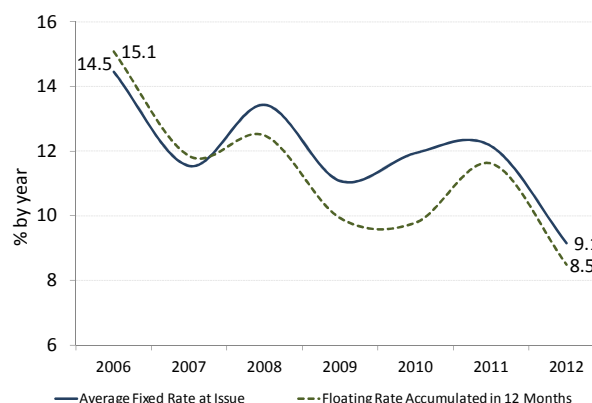
Figure 11 illustrates these dynamics. As regards the exchange rate risk, in the second half of 2008 and in 2009 the National Treasury benefited from less exposure to this index, since the exchange rate depreciated sharply during the financial crisis in global markets. This is patently clear in the differing behaviors of DFPD costs, which include practically no exchange rate indexed bonds, and FPD costs, which encompass the external debt (most of which is denominated in foreign currency). The peak in FPD costs would be considerably greater if EFPD participation were higher.

Figure 11. Average Cumulative FPD Cost in 12 Months


Source: National Treasury.

With respect to interest rate risk, the average cost of the DFPD closed below the accumulated Selic rate between 2004 and 2005, in context of tied monetary policy. In this case, the share of FPD not indexed to basic interest rates acted as a shock absorber for the cost of the debt. Starting in 2012, FPD costs diminished, albeit at a much less accentuated pace than the Selic rate adjustment. This was due to inertia in the cost metrics generated by a debt portfolio less exposed to short-term fluctuations.

This does not mean that FPD has not benefited from recent interest rate reductions in Brazil, as illustrated in Figure 12, showing a comparison between Selic rates and that of fixed rate debt new issuances in various maturities. On evaluating only the cost of more recent securities issues, one observes greater adherence between funding costs and the evolution of short-term interest rates.

Figure 12. Average Rates Accepted in the Public Offers of Fixed Bonds


Source: National Treasury.

It should be stated that, in 2012, there was a gap between the higher average DFPD cost (11.4% per year) and the Selic rate (8.5% per year). While the Selic rate decreased by 312 basis points the average FPD cost fell 128 basis point, compared with the previous year. For 2013, it is expected to occur renewal of maturing debt at rates below those in 2012, decreasing the difference between these indicators.

Finally, it should be stressed that the impact of changes in debt profile reflects greater predictability in terms of public debt financing costs. Looking at the last 4 years, the average DFPD showed volatility¹⁵ of 9.8%, compared to 291.7% for EFPD, resulting in volatility of 38.5% for FPD costs. This analysis illustrates the benefits consequent upon a more stable DFPD profile and the influence that exchange rate can have on fluctuations in debt costs.

¹⁵ In this exercise, volatility is calculated as the standard deviation of the rate of variation of average monthly debt costs, considering the historical series of the last 48 months.

5. FPD PLANNING: MEDIUM TERM OUTLOOK

As already mentioned in previous ABPs, FPD management works with a planning horizon greater than the fiscal year to which the ABP applies. Construction of financing strategies involves three stages: (i) definition of the optimal FPD profile (benchmark), indicating quantitative guidelines for the long-term debt profile; (ii) transition strategy (or medium-term strategy), making it possible to draw a more complete map of risks, opportunities and constraints that may arise on the path toward the optimal profile; and (iii) the Annual Borrowing Plan, which takes into account the subsidies originating in stages (i) and (ii) for constructing the borrowing strategy of the coming fiscal year.

Starting with the long-term debt structure, discussions in previous years resulted in a definition of upper and lower indicative limits for the optimal FPD profile. In light of more recent debates, this ABP alters the way in which these references are presented. As is shown in Box 4, the optimal FPD profile is now defined by indicators with tolerance margins. Aside from this, there is an innovation in relation to previous years involving introduction of limits for the percentage of FPD maturing in 12 months.

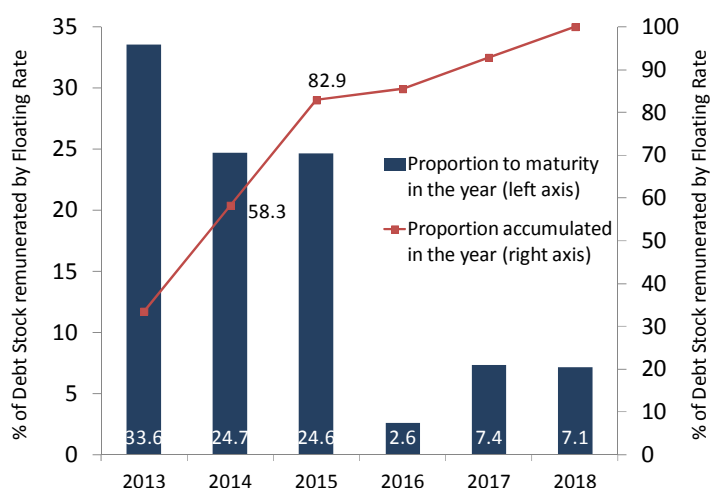
Box 4. Indicative Intervals of the Desired Composition and Average Maturity at the Long Term

Indicators	Long Term Limits	
	Target	Range
Profile - %		
Fixed Rate	45	+/- 2
Inflation Linked	35	+/- 2
Floating Rate	15	+/- 2
Exchange Rate	5	+/- 2
Maturity Structure		
% Maturing in 12 months	20	+/- 2
Average Maturity	5,5 anos	+/- 0,5

Source: National Treasury.

Compared to the current position of the outstanding debt, the optimal profile indicates that it would be more efficient for debt management to increase the share with fixed rate interest in detriment to the floating rate share. At the same time, the proportion of inflation and exchange linked FPD has already reached the proposed limits. It should be stressed that the indicative limits of this ABP (see Box 3) point to the possibility of new advances in the FPD profile in the direction of this optimal profile over the course of 2013.

With respect to the reduction in the floating rate debt, the 2013-2015 period represents a window of opportunity for intensifying substitution of LFT, since 83% of outstanding volume (position in December 2012) will mature in that period (see Figure 13).

Figure 13. Distribution of Floating Rate Debt Maturities


Source: National Treasury.

In order to illustrate the potential impact of the strategy adopted as a result of the window of opportunity, we performed a hypothetical exercise that assumes total refinancing of FPD maturities (principal and interest) in the next three years. We simulated three scenarios:

- Exchange of 100% of maturing LFT for new LFT;
- Substitution of 50% of maturing LFT with new LFT and 50% with other types of bonds;
- Substitution of 1/3 of maturing LFT with new LFT and 2/3 with other types of bonds.

The participation of the floating debt in FPD would stabilize at around 22% in case (a). In the other scenarios, the result would converge to the share indicated in the optimal profile (approximately 15%) by the end of 2014 (in case b) and, following a more accelerated strategy, by mid-2014 (case c).

It is important to emphasize that the major challenge in the path toward this optimal profile, however, is found in the FPD maturity structure itself. Average maturity in 2012 registered 4.0 years, with 24.4% maturing in 12 months. The debt term has lengthened over the last five years, from a position of 3.0 years in 2006, explained mainly by the increase in the proportion of inflation-linked debt - composed mainly of debt with longer average terms – in outstanding volume.

The average term of fixed rate securities also lengthened in the 2006/2012 period, shifting from 1.1 years to 1.9 years. However, given the weight of these instruments in debt financing, the major challenge to debt management over the medium-term became that of seeking more accentuated extension of average LTN and NTN-F maturities. In a context of indexation reduction of the economy relative to the overnight interest rate, supported by regulatory and tax changes and also for the maintenance of lower interest rates, it is believed that the scenario in the coming years tends to favor the increase of government bonds maturity.

The lengthening of average maturities should also be sought in conjunction with a smoother maturity structure from one year to the next. The metrics of percentages maturing in 12 months seek to incorporate this guideline. In this sense, long-term maintenance of a proportion of debt maturing in 12 months at

approximately 20% of FPD demands not only lengthening but permanent monitoring to avoid maturity peaks in specific years. To achieve this, the design of a medium-term strategy is aimed at obeying prudential maturity limits (monthly and annually), as a way of mitigating refinancing risk.

Finally, the National Treasury is continuously seeking to move toward a more efficient debt structure, including efforts to overcome short and medium-term restrictions. In this sense, execution of a strategy aimed at attaining the optimal profile must be gradual, without generating pressures that could result in excessive transition costs over time.

6. FINAL CONSIDERATIONS

Formulation of the ABP is oriented by the objectives and guidelines of debt management, giving due consideration to a prospective analysis of scenarios and a series of alternative financing strategies. With these premises and inputs, publication of this ABP is a mean of informing society on what is expected for 2013, with the added benefit of enhancing FPD transparency and predictability.

The ABP should be viewed in the framework of a broader planning process, in which guaranteeing borrowing requirements, minimizing costs, monitoring risks and contributing to efficient operation of the public bond market are elements of importance not only to effective debt management, but also to strengthening of nation's public finance and fiscal position. At the same time, it represents collaboration with the preservation of a healthy economic environment, marked by stability and attractiveness to both public and private investments, thus stimulating the Brazilian economic development.

7. ANNEX

Box 5. Schedule of Bond Auctions

	January	February	March	April	May	June	July	August	September	October	November	December
Monday				1			1					
Tuesday	1 Holiday			2			2					
Wednesday	2			3	1 Holiday		3			1		
Thursday	3 Sell LTN and NTN-F			4 Sell LTN and NTN-F	2 Sell LTN		4 Sell LTN and NTN-F	1 Sell LTN		2 Sell LTN and NTN-F		
Friday	4	1	1	5	3		5	2		3	1	
Saturday	5	2	2	6	4	1	6	3		4	2	
Sunday	6	3	3	7	5	2	7	4	1	5	3	1
Monday	7	4	4	8	6	3	8	5	2	6	4	2
Tuesday	8 Sell and Redemption NTN-B	5 Sell and Redemption NTN-B	5	9 Sell and Redemption NTN-B	7	4	9 Holiday	6	3	7 Sell and Redemption NTN-B	5	3
Wednesday	9 Exchange NTN-B	6 Exchange NTN-B	6	10 Exchange NTN-B	8	5	10	7	4	8 Exchange NTN-B	6	4
Thursday	10 Sell LTN and LFT	7 Sell LTN and LFT	7 Sell LTN and NTN-F	11 Sell LTN and LFT	9 Sell LTN and NTN-F	6 Sell LTN and NTN-F	11 Sell LTN	8 Sell LTN and NTN-F	5 Sell LTN and NTN-F	10 Sell LTN and LFT	7 Sell LTN and NTN-F	5 Sell LTN and NTN-F
Friday	11	8	8	12	10	7	12	9	6	11	8	6
Saturday	12	9	9	13	11	8	13	10	7	12	9	7
Sunday	13	10	10	14	12	9	14	11	8	13	10	8
Monday	14	11 Holiday	11	15	13	10	15	12	9	14	11	9
Tuesday	15	12 Holiday	12 Sell and Redemption NTN-B	16	14 Sell and Redemption NTN-B	11 Sell and Redemption NTN-B	16 Sell and Redemption NTN-B	13 Sell and Redemption NTN-B	10 Sell and Redemption NTN-B	15	12 Sell and Redemption NTN-B	10 Sell and Redemption NTN-B
Wednesday	16	13	13 Exchange NTN-B	17	15 Exchange NTN-B	12 Exchange NTN-B	17 Exchange NTN-B	14 Exchange NTN-B	11 Exchange NTN-B	16	13 Exchange NTN-B	11 Exchange NTN-B
Thursday	17 Sell LTN and NTN-F and Redemption NTN-F	14 Sell LTN and NTN-F and Redemption NTN-F	14 Sell LTN and LFT	18 Sell LTN and NTN-F and Redemption NTN-F	16 Sell LTN and LFT	13 Sell LTN and LFT	18 Sell LTN and LFT	15 Sell LTN and LFT	12 Sell LTN and LFT	17 Sell LTN and NTN-F and Redemption NTN-F	14 Sell LTN and LFT	12 Sell LTN and LFT
Friday	18	15	15	19	17	14	19	16	13	18	15	13
Saturday	19	16	16	20	18	15	20	17	14	19	16	14
Sunday	20	17	17	21 Tiradentes	19	16	21	18	15	20	17	15
Monday	21	18	18	22	20	17	22	19	16	21	18	16
Tuesday	22 Sell NTN-B	19 Sell NTN-B	19	23 Sell NTN-B	21	18	23	20	17	22 Sell NTN-B	19	17
Wednesday	23	20	20	24	22	19	24	21	18	23	20	18
Thursday	24 Sell LTN	21 Sell LTN	21 Sell LTN and NTN-F and Redemption NTN-F	25 Sell LTN	23 Sell LTN and NTN-F and Redemption NTN-F	20 Sell LTN and NTN-F and Redemption NTN-F	25 Sell LTN and NTN-F and Redemption NTN-F	22 Sell LTN and NTN-F and Redemption NTN-F	19 Sell LTN and NTN-F and Redemption NTN-F	24 Sell LTN	21 Sell LTN and NTN-F and Redemption NTN-F	19 Sell LTN and NTN-F and Redemption NTN-F
Friday	25 Holiday	22	22	26	24	21	26	23	20	25	22	20
Saturday	26	23	23	27	25	22	27	24	21	26	23	21
Sunday	27	24	24	28	26	23	28	25	22	27	24	22
Monday	28	25	25	29	27	24	29	26	23	28	25	23
Tuesday	29	26	26 Sell NTN-B	30	28 Sell NTN-B	25 Sell NTN-B	30 Sell NTN-B	27 Sell NTN-B	24 Sell NTN-B	29 Sell NTN-B	26 Sell NTN-B	24
Wednesday	30	27	27	31	29	26	31	28	25	30	27	25
Thursday	31 Sell LTN and NTN-F	28 Sell LTN	28 Sell LTN	30	28	25	31	29 Sell LTN	26 Sell LTN	31 Sell LTN	28 Sell LTN	26
Friday			30 Holiday		31 Sell LTN							27
Saturday								31				28
Sunday												29
Monday												30
Tuesday												31

LFT – Letras Financeiras do Tesouro (Zero Coupon Floating Rate Bill); LTN – Letras do Tesouro Nacional (Zero Coupon Fixed Rate Bill); NTN-B – Notas do Tesouro Nacional – Série B (IPCA – Consumer Price-Indexed Note); NTN-F – Notas do Tesouro Nacional – Série F (Plain Vanilla Fixed Rate Note).

	Sell NTN-B		Sell LTN		Sell LTN and NTN-F and Redemption NTN-F		Holiday
	Sell and Redemption NTN-B		Sell LTN and NTN-F		Exchange LTN		
	Exchange NTN-B		Sell LTN and LFT				

Source: National Treasury. This schedule is subject to changes according to market conditions