



Tesouro Nacional

Debt Report

Trading of Brazilian Bonds in the EuroMTS

July 2005

EuroMTS WILL TRADE EURO-DENOMINATED BRAZILIAN BONDS

EuroMTS will list Brazilian bonds in July. EuroMTS is the trade platform for sovereign bonds denominated in Euros. The listing will bring more liquidity to Brazilian bonds and it is another step taken by the Brazilian National Treasury to foster relations with investors.

The Euro 2011 and Euro 2012 bonds, each with more than € 1 billion outstanding, will be the first Brazilian bonds to be traded.¹ Although only seven institutions willing to work as market makers were needed to make the bonds eligible, eight banks have committed to support the trade of Brazilian bonds: ABN AMRO Bank, Barclays Bank, BNP Paribas, Dresdner Bank, Fortis Bank, J.P. Morgan Securities, Morgan Stanley e UniCredito Italiano. Trading in EuroMTS also requires market makers to ensure bid-ask spreads of no more than 0,750% and a minimum ticket of € 1 million.

EuroMTS members are the main financial institutions dealing with EU sovereign bonds. The decision of listing bonds from outside the European Union is thus an important step of EuroMTS to diversify and increase the range of trades it supports.

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¹ These bonds mature on 01/24/2011 and 02/24/2012, bearing a 9,5% and 8,5% coupon, respectively. Their yields on 07/06/2005 were of 6,02% and 6,59%.

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