



BM&FBOVESPA S.A.  
BOLSA DE VALORES, MERCADORIAS E FUTUROS  
*The Brazilian Securities, Commodities and Futures Exchange*

Brazilian Federal Taxpayer (CNPJ) No.09.346.601/0001-25  
State Registration (NIRE) No. 35.300.351.452

## Notice to the Market

### BM&FBOVESPA announces January 2011 market performance

- Record co-location trading in the Bovespa segment
- Record securities lending financial volume and number of trades

#### **Bovespa Segment**

In January 2011, equity markets (Bovespa segment) traded BRL 129.49 billion, in 9,304,931 trades, with daily averages of BRL 6.47 billion and 9,304,931 trades, in comparison to December when total volume reached BRL 132.48 billion, in 9,091,400 trades, with daily averages of BRL 6.3 billion and 432,924 trades.

#### **Equities**

The most traded stocks in January were: Vale PNA, with BRL 14.76 billion; Petrobras PN with BRL 12.82 billion; OGX Petróleo ON, with BRL 6.04 billion; Itauunibanco ON, with BRL 4.85 billion; and BM&FBOVESPA, with BRL 3.68 billion.

#### **Indexes**

The Ibovespa ended January at 66,574 points, down 3.93% from the previous month.

The best performing stocks were: Usiminas ON (+17.05%); Embraer ON (+14.58%); Telemar ON (+12.63%); TIM Participações S/A PN (+11.80%); and TIM Participações S/A PN ON (+9.99%). The worst performing stocks were: Cyrela Realty ON (-15.74%); LLX Log ON (-15.43%); Gafisa ON (-15.20%); Santander BR UNT (-14.28%); and Lojas Renner ON (-14.18%).



All of the other Bovespa segment stock-exchange indexes ended January as follows: IBrX-50 (-3.63% at 9,283 points); IBrX-100 (-3.49% at 21,462 points); ISE (-0.71% at 2,072 points); Itel (+7.33% at 1,550 points); IEE (+0.55% at 27,394 points); INDX (-5.61% at 10,331 points); IVBX-2 (-3.86% at 5,807 points); IGC (-5.05% at 7,243 points); Itag (-6.88% at 9,167 points); Small Cap (-8.31% at 1,319 points); MidLarge Cap (-3.26% at 947 points); Iconsumo (-9.39% at 1,525 points); Imobiliário (-11.79% at 914 points); Ifinanceiro (-8.42% at 3,429 points); ICO2 (-5.25% at 1,048 points); and IGTC (-4.03% at 2,055 points).

### **Market Value**

Market capitalization of the 373 companies listed on the BM&FBOVESPA in January was BRL 2.47 trillion, compared to BRL 2.56 trillion for the 381 companies listed in December.

### **Special Corporate Governance Levels**

At the end of January, the 168 companies that are part of the BM&FBOVESPA's special corporate governance levels represented 65.16% of the market capitalization, 77.28% of the financial volume, and 80.20% of the trades in the spot market. At the end of December, there were 167 companies, representing 65.65% of the market capitalization, 79.66% of the financial volume, and 83.86% of the spot market trades.

### **Market Participation**

The spot market accounted for 93.4% of total trading volume in January, followed by the options market, with 4.4%, and by the forward market, with 2.2%. The after-market traded BRL 1 billion with 56,834 trades, compared to BRL 1.1 billion and 59,703 trades in the previous month.

### **Investor Participation**

In January, foreign investors were responsible for 34.76% of the total volume, compared to 32.98% in December. Institutional investors came next, with 33.60%, compared to 34.29%; individual investors had 21.76%, compared to 20.46%; financial

institutions, with 8.21%, compared to 9.33%; companies, with 1.56%, compared to 2.87%; and other types of investors with 0.11%, compared to 0.07%.

### **Foreign Investment**

The net flow of foreign investment into the Brazilian stock market in January reached BRL 825,674,481.00, which is the combined result of the amount of BRL 424,267,176.00 in acquisitions carried out by foreign investors in stock offerings and the positive balance of BRL 401,407,305.00 in direct trading at BM&FBOVESPA.

In January, the financial volume traded by foreign investors in the stock market was a positive BRL 401,407,305.00, which is the net balance between stock sales of BRL 44,678,607,247.00 and stock purchases of BRL 45,080,014,552.

The foreign investor participation in stock offerings, including IPOs, represented 64.8% of the total BRL 654,697,680.00 in transactions related to the publication of the closing announcement dates ending on February 3rd, 2011, pursuant to information available on the Exchange's website, under the media section.

### **Investment Clubs**

BM&FBOVESPA ended January with 3,038 investment clubs and 30 new registrations. Total liquid assets reached BRL 11.39 billion and the number of participants reached 131,521, according to the latest available data.

### **Individual Investors**

BM&FBOVESPA ended January with 603,512 individual investor stock exchange accounts in custody, compared to 610,915 accounts in December.

### **Home Broker**

Average daily trading via Home Broker was at 245,000 trades in January, compared to 212,477 in December. The total number of trades reached 4,899,995 in January, compared to 4,462,019 in December. The volume in Home Broker trades totaled BRL

37.96 billion in January, compared to BRL 34.94 billion in December. Home Broker's participation in the stock market's total volume in January was 26.33%, compared to 24.09% in December. In January, the number of brokerage firms offering Home Broker was 68 from 65 in December.

### **ETFs**

The financial volume registered in January by the seven BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 717.9 million, in contrast to BRL 638.2 million in December. The ETFs BRAX11, CSMO11, MOBI11, BOVA11, SMAL11, MILA11 and PIBB11 registered 19,120 trades. In the previous month, the number of trades was 30,059. In January the ETF with the highest financial volume was BOVA11 with BRL 569.63 million, in comparison to its total financial volume of BRL 545.16 in December.

### **Securities Lending**

In January, the total number of securities lending transactions reached a record 98,352, compared to 92,405 transactions in August 2010 and 91,926 in December. There was also a record financial volume of BRL 59.05 billion in January from BRL 49.36 billion in December.

### **Fixed Income**

In January, the trading volume for the secondary market, counting both the Bovespa Fix and the Soma Fix, totaled BRL 13.07 million, compared to BRL 46.87 million in December. Of this total, debentures accounted for BRL 8.14 million and Mortgage Backed Securities (CRI) accounted for BRL 4.93 million.

### **BM&F Segment**

Derivatives markets in the BM&F segment (including financial and commodities derivatives) totaled 53,040,432 contracts and BRL 3.97 trillion in volume in January, compared to 62,099,275 contracts and BRL 4.43 trillion in December. The daily average of contracts traded in the derivatives markets in January was 2,525,735 contracts, in contrast to 2,957,108 in December. Open interest contracts ended the last

trading day of January with 31,451,156 positions, compared to 46,013,611 in December.

### **Financial Derivatives**

In January, interest rate futures (ID) traded 23,128,405 contracts, in contrast to 35,823,215 in December. The US dollar futures ended the month of October with 5,451,925 contracts, compared to 5,962,035 in the previous month. The Ibovespa futures traded 1,109,490 contracts, compared to 1,241,180 in December. The Euro futures contract (EUR) registered 61,290 contracts, in contrast to 33,480 contracts in December.

### **Agribusiness Derivatives**

In January, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 157,202 contracts traded, compared to 157,421 in December. Agribusiness markets totaled 132,483 open interest contracts, in contrast to 131,143 in the previous month.

Live cattle futures and options totaled a record 61,105 contracts traded in January, compared to 78,836 in December. Arabica coffee ended January with 43,758 contracts, compared to 44,953 in December. Soybeans totaled 7,572 contracts, compared to 7,602 in December, and cash-settled corn futures and options totaled 41,480 contracts traded, compared to 20,544 in December. Hydrous ethanol futures totaled 3,221 contracts, compared to 5,486 in December.

### **Mini Contracts**

The derivatives market for mini contracts traded 1,242,623 contracts in January, compared to 1,244,764 in December. Of this total, the futures market for Ibovespa mini contracts traded 1,073,007, compared to 1,100,551 contracts in the previous month. Mini U.S. dollar futures traded 167,211 contracts, compared to 141,396 in December. Mini futures contracts ended January with 35,121 open interest contracts, compared to 20,933 in the previous month

## **Spot Gold**

The spot gold market (250 grams) traded, in January, 1,972 contracts, compared to 1,592 contracts in December. Spot gold market volume totaled BRL 38.06 million, compared to BRL 32.66 million in the previous month.

## **Investor Participation**

In January, financial institutions led derivatives trading (BM&F segment), accounting for 44.91% of contracts traded, compared to 45.67% in the previous month. Institutional investors were responsible for 31.08%, compared to 33.63%; foreign investors for 18.67%, compared to 16.31%; individuals for 3.55%, compared to 2.83%; and companies for 1.72%, versus 1.56%.

## **Individual Investors**

BM&FBOVESPA ended January with 153,707 individual investor derivatives accounts in custody, compared to 149,573 accounts in December.

## **Volumes and trades by Direct Market Access (DMA)**

### **Bovespa Segment**

In January, BOVESPA\* market segment transactions carried out through Direct Market Access (DMA) via co-location registered a record financial volume of BRL 2,512,390,000.00 and a record 385,960 trades. The previous records were BRL 1,510,987.000.00 and 228,273 trades in December 2010.

### **Trading volumes per type of DMA in the Bovespa segment:**

**Traditional DMA** – Volume of BRL 79,533,918,000.00 and 7,685,165 trades, against BRL 79,911,012,000.00 and 7,687,953 trades the previous month;

**DMA provider** (including orders routed via the Globex System) – totaled BRL 625,370,000.00 in 43,639 trades, compared to BRL 676,045,000.00 and 37,187 trades.



## **BM&F Segment**

In January, BM&F\* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 16,404,063 contracts traded and 1,570,297 trades. In December, the volume reached 19,182,892 contracts traded and 1,643,381 trades.

**The volumes registered by each access modality in the BM&F segment were as follows:**

- **Traditional DMA** – 7,021,351 contracts traded, in 625,265 trades, in comparison to 8,919,487 contracts and 682,511 trades in December;
- **Via DMA provider** (including orders routed via the Globex System) – 7,143,359 contracts traded, in 233,720 trades, compared to 7,642,789 contracts and 228,823 trades in December;
- **DMA via co-location** – 2,239,353 contracts traded, in 711,312 trades, compared to 2,620,616 contracts and 732,047 trades in December.

In January, transactions carried out by foreign investors presented by CME to BVMF (who use the Globex-GTS order routing system or access BVMF markets via co-location) totaled 1,629,694 contracts traded, in 506,651 trades, compared to 1,951,587 contracts and 542,556 trades in December.

*\* Direct access to the BM&FBOVESPA market segments is carried out through DMA models 1, 2, 3 and 4. In model 1 or traditional DMA, the client accesses the GTS or Mega Bolsa through technological intermediation of a brokerage house. In model 2 or via DMA provider, the client does not use the technological intermediation of a brokerage house, but rather connects to the system through an authorized access provider. DMA via order routing with CME Globex is also a form of DMA model 2. In model 3, the client connects to the system through a direct connection. In model 4 or via co-location, the client installs its own computer within the Exchange's facilities.*

***Notes:***

*The volumes registered by access modality include both buy and sell sides of a trade.*

*The volumes by access modality for both the BM&F and the Bovespa market segments have been reported in a consolidated manner in the BM&FBOVESPA statements since May 2009.*

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