

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  
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## **Notice to the Market**

### **BM&FBOVESPA announces February 2011 market performance**

- Record total and daily average number of trades in the Bovespa segment
- Record co-location trading in the Bovespa segment
- Record number of securities lending transactions
- Record volume of hydrous ethanol contracts traded
- Record number of trades and financial volume for ETFs

### **Bovespa Segment**

In February 2011, equity markets (Bovespa segment) traded BRL 145.67 billion, in a record 10,897,755 trades, with daily averages of BRL 7.28 billion and a record 544,888 trades (the previous record was 511,041 in October 2010), in comparison to January when total volume reached BRL 129.49 billion, in 9,304,931 trades, with daily averages of BRL 6.47 billion and 465,247 trades.

### **Equities**

The most traded stocks in February were: Petrobras PN with BRL 16.1 billion; Vale PNA, with BRL 14.15 billion; OGX Petróleo ON, with BRL 7.44 billion; Itauunibanco PN, with BRL 5.64 billion; and Petrobras ON, with BRL 4.23 billion.

### **Indexes**

The Ibovespa ended February at 67,383 points, up 1.21% from the previous month.

The best performing stocks were: PORTX ON (+13.82%); LLX Log ON (+13.50%); OGX Petróleo ON (+13.02%); Eletrobras PNB (+12.28%); and Petrobras ON (+8.49%).  
The worst performing stocks were: Cyrela Realty ON (-10.10%); B2W ON (-9.42%); Ecodiesel ON (-8.79%); GOL PN(-7.52%); and Fibria ON (-6.72%).

All of the other Bovespa segment stock-exchange indexes ended February as follows: IBrX-50 (+2.14% at 9,482 points); IBrX-100 (+2.00% at 21,891 points); ISE (+1.57% at 2,105 points); IteI (+0.25% at 1,554 points); IEE (+2.66% at 28,124 points); INDX (-0.63% at 10,265 points); IVBX-2 (+0.39% at 5,830 points); IGC (+1.21% at 7,331 points); Itag (+2.01% at 9,352 points); Small Cap (+0.70% at 1,329 points); MidLarge Cap (+2.08% at 967 points); Iconsumo (+0.48% at 1,533 points); Imobiliário (-2.07% at 895 points); Ifinanceiro (+3.06% at 3,534 points); ICO2 (+1.10% at 1,060 points); and IGTC (+1.25% at 2,081 points).

### **Market Value**

Market capitalization of the 375 companies listed on the BM&FBOVESPA in February was BRL 2.55 trillion, compared to BRL 2.47 trillion for the 373 companies listed in January.

### **Special Corporate Governance Levels**

At the end of February, the 172 companies that are part of the BM&FBOVESPA's special corporate governance levels represented 64.57% of the market capitalization, 76.17% of the financial volume, and 81.46% of the trades in the spot market. At the end of January, there were 168 companies, representing 65.16% of the market capitalization, 77.28% of the financial volume, and 80.20% of the spot market trades.

### **Market Participation**

The spot market accounted for 94% of total trading volume in February, followed by the options market, with 4%, and by the forward market, with 2%. The after-market traded BRL 951.53 million with 52,380 trades, compared to BRL 1 billion and 56,834 trades in the previous month.

### **Investor Participation**

In February, foreign investors were responsible for 34.05% of the total volume, compared to 34.76% in January. Institutional investors came next, with 33.47%, compared to 33.60%; individual investors had 22.38%, compared to 21.76%; financial

institutions, with 8.53%, compared to 8.21%; companies, with 1.53%, compared to 1.56%; and other types of investors with 0.04%, compared to 0.11%.

### **Foreign Investment**

The net flow of foreign investment into the Brazilian stock market in 2011 through February reached BRL 36,659,037.00, which is the combined result of the amount of BRL 819,643,420.00 in acquisitions carried out by foreign investors in stock offerings and the negative balance of BRL 782,984,383.00 in direct trading at BM&FBOVESPA.

In February, the financial volume traded by foreign investors in the stock market was a negative BRL 1,184,391,688, which is the net balance between stock sales of BRL 50,025,957,563.00 and stock purchases of BRL 48,841,565,875.00.

The foreign investor participation in stock offerings, including IPOs, represented 67.2% of the total BRL 1,220,506,527.00 in transactions related to the publication of the closing announcement dates ending on March 2, 2011, pursuant to information available on the Exchange's website, under the media section.

### **Investment Clubs**

BM&FBOVESPA ended February with 3,008 investment clubs and 35 new registrations. Total liquid assets reached BRL 10.99 billion and the number of participants reached 131,638, according to the latest available data.

### **Individual Investors**

BM&FBOVESPA ended February with 600,341 individual investor stock exchange accounts in custody, compared to 603,512 accounts in January.

### **Home Broker**

Average daily trading via Home Broker hit 285,872 trades in February, compared to 245,000 trades the previous month. The total number of trades reached 5,717,442 in February, compared to 4,899,995 trades in January. The volume in Home Broker trades

totaled a record BRL 45.03 billion in February, compared to BRL 37.96 billion in January. Home Broker's participation in the stock market's total volume in February was 26.23%, compared to 26.33% in January. In February the number of brokerage firms offering Home Broker was 68, the same as the previous month.

## **ETFs**

The financial volume registered in February by the seven BM&FBOVESPA Exchange-Traded Funds (ETFs) reached a record BRL 876.25 million, in contrast to BRL 717.92 million in January. The ETFs BRAX11, CSMO11, MOBI11, BOVA11, SMAL11, MILA11 and PIBB11 registered a record 33,804 trades, up 76.8% on the previous month, when the number of trades was 19,120. In February the ETF with the highest financial volume was BOVA11 with BRL 779.91 million and 30,489 trades. There was also a record average daily average number of trades in ETFs in February, at 1,690 compared to 1,431 in December 2010. Daily average traded volume was BRL 43,812.7 from BRL 33,125.6 in December 2010.

## **Securities Lending**

In February, the total number of securities lending transactions reached a record 107,063, compared to 98,352 transactions in January. Financial volume was BRL 48.37 billion in February from BRL 59.05 billion in January.

## **Fixed Income**

In February, the trading volume for the secondary market, counting both the Bovespa Fix and the Soma Fix, totaled BRL 6.70 million, compared to BRL 13.07 million in January. Of this total, debentures accounted for BRL 6.08 million and Mortgage Backed Securities (CRI) accounted for BRL 619,736.23.

## **BM&F Segment**

Derivatives markets in the BM&F segment (including financial and commodities derivatives) totaled 56,375,869 contracts and BRL 3.39 trillion in volume in February, compared to 53,040,432 contracts and BRL 3.97 trillion in January. The daily average

of contracts traded in the derivatives markets in February was 2,818,793 contracts, in contrast to 2,525,735 in January. Open interest contracts ended the last trading day of February with 38,251,129 positions, compared to 31,451,156 in January.

### **Financial Derivatives**

In February, interest rate futures (ID) traded 25,951,848 contracts, in contrast to 23,128,405 in January. The US dollar futures ended the month of February with 5,087,373 contracts, compared to 5,451,925 in the previous month. The Ibovespa futures traded 1,730,747 contracts, compared to 1,109,490 in January. The Euro futures contract (EUR) registered 33,690 contracts, in contrast to 61,290 contracts in January.

### **Agribusiness Derivatives**

In February, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 165,445 contracts traded, compared to 157,202 in January. Agribusiness markets totaled 150,755 open interest contracts, in contrast to 132,483 in the previous month.

Hydrous ethanol futures totaled a record 6,130 contracts, compared to the previous record of 5,486 in December. In January there were 3,221 contracts traded. Live cattle futures and options totaled 62,311 contracts traded in February, compared to 61,105 in January. Arabica coffee ended February with 43,706 contracts, compared to 43,758 in January. Soybeans totaled 9,824 contracts, compared to 7,572 in January, and corn futures and options totaled 42,819 contracts traded, compared to 41,480 in January.

### **Mini Contracts**

The derivatives market for mini contracts traded 1,700,568 contracts in February, compared to 1,242,623 in January. Of this total, the futures market for Ibovespa mini contracts traded 1,583,452, compared to 1,073,007 contracts in the previous month. Mini U.S. dollar futures traded 114,737 contracts, compared to 167,211 in January. Mini futures contracts ended February with 22,113 open interest contracts, compared to 35,121 in the previous month

## **Spot Gold**

The spot gold market (250 grams) traded, in February, 766 contracts, compared to 1,972 contracts in January. Spot gold market volume totaled BRL 14.7 million, compared to BRL 38.06 million in the previous month.

## **Investor Participation**

In February, financial institutions led derivatives trading (BM&F segment), accounting for 44.01% of contracts traded, compared to 44.91% in the previous month. Institutional investors were responsible for 31.44%, compared to 31.08%; foreign investors for 19.41%, compared to 18.67%; individuals for 3.47%, compared to 3.55%; and companies for 1.58%, versus 1.72%.

## **Individual Investors**

BM&FBOVESPA ended February with 157,436 individual investor stock exchange accounts in custody, compared to 153,707 accounts the previous year.

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

### **Bovespa Segment**

In February, BOVESPA\* market segment transactions carried out through Direct Market Access (DMA) via co-location registered a record financial volume of BRL 4,221,936,000.00 and a record 697,943 trades. The previous records were BRL 2,512,390,000.00 and 385,960 trades in January.

Order routing via DMA in the BOVESPA segment totaled BRL 112,414,576,000.00 and 11,604,668 trades, from BRL 91,942,424,000.00 and 9,333,021 the previous month.

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

**Traditional DMA** – Volume of BRL 97,303,895,000.00 and 9,432,509 trades, against BRL 79,533,918,000.00 and 7,685,165 trades the previous month;

**DMA via provider** – Volume of BRL 857,324,000.00 and 54,236 trades, against BRL 625,370,000.00 and 43,639 trades the previous month.

### **BM&F Segment**

In February, BM&F\* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 21,597,076 contracts traded and 2,659,274 trades. In January, the volume reached 16,404,063 contracts traded and 1,570,297 trades.

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

- **Traditional DMA** – 8,150,916 contracts traded, in 767,877 trades, in comparison to 7,021,351 contracts and 625,265 trades in January;
- **Via DMA provider** (including orders routed via the Globex System) – 9,527,734 contracts traded, in 798,311 trades, compared to 7,143,359 contracts and 233,720 trades in January;
- **DMA via co-location** – 3,230,548 contracts traded, in 972,447 trades, compared to 2,239,353 contracts and 711,312 trades in January.

In February, 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 2,176,264 contracts traded, in 661,073 trades, compared to 1,629,694 contracts and 506,651 trades in January.

*\* 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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Eduardo Refinetti Guardia  
Investor Relations Officer