



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 July 2011 market performance**

- **Number of ETF trades grows 25% from June**

**BOVESPA Segment**

In July 2011, equity markets (BOVESPA segment) traded BRL 119.63 billion, in 11,016,993 trades, with daily averages of BRL 5.69 billion and 524,619 trades, in comparison to June when total volume reached BRL 124.19 billion, in 10,187,883 trades, with daily averages of BRL 5.91 billion and 485,137 trades.

**Equities**

The most traded stocks in July were: Vale PNA, with BRL 13.44 billion; Petrobras PN with BRL 8.18 billion; Itauunibanco PN, with BRL 5.63 billion, OGX Petróleo ON, with BRL 4.79 billion; and Bradesco PN, with BRL 4.05 billion.

**Indexes**

The Ibovespa ended July at 58,823 points, down 5.73% from the previous month.

The best performing stocks were: Redecard ON (+13.52%); BRF Foods ON (+11.32%); Cielo ON (+10.51%); Telesp PN (+7.49%); and Eletropaulo PN (+7.12%). The worst performing stocks were: Gol PN (-35.59%); B2W Varejo ON (-24.04%); Santander UNT (-20.38%); Hypermarcas ON (-18.91%); and Usiminas PNA (-18.61%).

All of the other BOVESPA segment stock-exchange indexes ended July as follows: IBrX-50 (-5.15% at 8,350 points); IBrX-100 (-5.01% at 19,705 points); ISE (-4.03% at 1,984 points); Itel (-2.39% at 1,731 points); IEE (-2.03% at 29,463 points); INDX (-8.41% at 8,955 points); IVBX-2 (-3.57% at 5,757 points); IGC (-5.23% at 6,717 points);



Itag (-6.89% at 8,526 points); Small Cap (-6.40% at 1,285 points); MidLarge Cap (-4.97% at 869 points); ICON (-5.91% at 1,524 points); IMOB (-4.45% at 852 points); IFNC (-8.37% at 3,238 points); ICO2 (-5.90% at 982 points); IGCT (-5.67% at 1,891 points); UTIL (-3.45% at 2,597 points); IDIV (-3.57% at 2,542 points); IMAT (-9.44% at 1,757 points); and IBRA (-5.05% at 1,809 points).

### **Market Value**

Market capitalization of the 377 companies listed on the BM&FBOVESPA in July was BRL 2.31 trillion, compared to BRL 2.42 trillion for the 377 companies listed in June.

### **Special Corporate Governance Levels**

At the end of July, the 181 companies that are part of the BM&FBOVESPA's special corporate governance levels represented 64.96% of the market capitalization, 79.04% of the financial volume, and 76.84% of the trades in the spot market. At the end of June, there were 177 companies, representing 65.56% of the market capitalization, 75.42% of the financial volume, and 77.57% of the spot market trades.

### **Market Participation**

The spot market accounted for 94% of total trading volume in July, followed by the options market, with 4.1%, and by the forward market, with 1.9%. The after-market traded BRL 1.08 billion with 73,841 trades, compared to BRL 828.2 million and 56,223 trades in the previous month.

### **Investor Participation**

In July, institutional investors were responsible for 34.81% of the total volume, compared to 33.46% in June. Foreign investors came next, with 32.73%, compared to 34.74%; individual investors had 23.62%, compared to 20.93%; financial institutions, with 7.63%, compared to 9.41%; companies, with 1.14%, compared to 1.43%; and other types of investors with 0.07%, from 0.03% the previous month.

### **Foreign Investment**



The net flow of foreign investment into the Brazilian stock market in 2011 through July reached BRL 7,345,357,336.20, which is the combined result of the amount of BRL 7,056,510,395.20 in acquisitions carried out by foreign investors in stock offerings (of which BRL 5.5 billion offered in Brazil) and the positive balance of BRL 288,846,941.00 in direct trading at BM&FBOVESPA.

In July, the financial volume traded by foreign investors in the stock market was a positive BRL 1,400,135,900.00, which is the net balance between stock sales of BRL 38,385,482,682.00 and stock purchases of BRL 39,785,618,582.00.

The foreign investor participation in stock offerings, including IPOs, represented 57.9% of the total BRL 12,189,238,954.00 in transactions related to the publication of the closing announcement dates ending on August 2, 2011, pursuant to information available on the Exchange's website, under the media section.

### **Investment Clubs**

BM&FBOVESPA ended July with 2,931 investment clubs and 16 new registrations. Total liquid assets reached BRL 10.41 billion and the number of participants reached 123,914, according to the latest available data.

### **Individual Investors**

BM&FBOVESPA ended July with 598,233 individual investor stock exchange accounts in custody, compared to 603,259 accounts in June.

### **ETFs**

The financial volume registered in July by the eight BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 667.75 million in 31,997 trades, from 25,701 and BRL 598.43 million the previous month.

In July the ETF with the highest financial volume was BOVA11 with BRL 573.83 million and 26,915 transactions.



## **Securities Lending**

In July, the total number of securities lending transactions reached 114,989 compared to 118,700 transactions in June. Financial volume was BRL 52.16 billion in July from BRL 57.99 billion the previous month.

## **Fixed Income**

In July, the trading volume for the secondary market, counting both the BOVESPA Fix and the Soma Fix, totaled BRL 46.24 million, compared to BRL 7.26 million in June. Of this total, debentures accounted for BRL 7.70 million, receivables investment funds (FIDC) BRL 4.06 million, and Mortgage Backed Securities (CRI) accounted for BRL 34.48 million.

## **BM&F Segment**

Derivatives markets in the BM&F segment (including financial and commodities derivatives) totaled 44,199,125 contracts and BRL 3.35 trillion in volume in July, compared to 51,023,956 contracts and BRL 3.25 trillion in June. The daily average of contracts traded in the derivatives markets in July was 2,104,720, in contrast to 2,429,712 in June. Open interest contracts ended the last trading day of July with 30,716,596 positions, compared to 43,343,347 in June.

## **Financial Derivatives**

In July, interest rate futures (ID) traded 17,793,477 contracts, in contrast to 20,883,925 in June. The US dollar futures ended the month of July with 7,096,360 contracts, compared to 7,496,766 in the previous month. The Ibovespa futures traded 1,759,640 contracts, compared to 1,715,319 in June. The Euro futures contract (EUR) registered 43,830 contracts, in contrast to 29,215 contracts in June.

## **Mini Contracts**



The derivatives market for mini contracts traded 2,277,364 contracts in July, compared to 2,018,776 in June. Of this total, the futures market for Ibovespa mini contracts traded 2,102,618, compared to 1,869,057 contracts in the previous month. Mini U.S. dollar futures traded 173,359 contracts, compared to 148,078 in June. Mini futures contracts ended July with 58,665 open interest contracts, compared to 30,983 in the previous month

### **Agribusiness Derivatives**

In July, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 227,749 contracts traded, compared to 224,165 in June. Agribusiness markets totaled 118,555 open interest contracts, in contrast to 103,821 in the previous month. Options on commodity futures totaled 33,183 contracts in July, against 22,947 the previous month.

The cash-settled soybean futures contract, launched in January, totaled 8,020 contracts traded in July, against 5,225 the previous month.

Live cattle futures and options totaled 124,623 contracts traded in July, compared to 99,084 in June. Corn futures and options totaled 51,953 contracts traded, compared to 67,283 in June. Arabica coffee ended July with 35,927 contracts, compared to 39,219 in June. Hydrous ethanol futures totaled 7,226 contracts, compared to 13,322 in June.

### **Spot Gold**

The spot gold market (250 grams) traded, in July, 2,492 contracts, compared to 1,897 contracts in June. Spot gold market volume totaled BRL 50.47 million, compared to BRL 37.89 million in the previous month.

### **Investor Participation**

In July, financial institutions led derivatives trading (BM&F segment), accounting for 34.95% of contracts traded, compared to 39.18% in the previous month. Institutional investors were responsible for 33.23%, compared to 30.91%; foreign investors for

24.53%, compared to 23.40%; individuals for 5.46%, compared to 4.63%; and companies for 1.77%, versus 1.88%.

### **Individual Investors**

BM&FBOVESPA ended July with 148,310 individual investor stock exchange accounts in custody, compared to 143,700 accounts in June.

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

#### **BM&F Segment**

In July, BM&F\* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 20,009,841 contracts traded and 2,417,398 trades. In June, the volume reached 20,409,252 contracts traded and 2,105,981 trades.

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

- **Traditional DMA** – 7,440,774 contracts traded, in 797,002 trades, in comparison to 8,168,492 contracts and 775,388 trades in June;
- **Via DMA provider** (including orders routed via the Globex System) – 7,040,432 contracts traded, in 258,881 trades, compared to 7,365,306 contracts and 260,441 trades in June;
- **DMA via direct connection** – 3,691 contracts traded in 977 trades, against 8,995 contracts and 1,376 trades in June;
- **DMA via co-location** – 5,524,944 contracts traded, in 1,360,538 trades, compared to 4,866,459 contracts and 1,068,766 trades in June.

In July, 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 2,897,744 contracts traded, in 688,862 trades, compared to 2,658,361 contracts and 623,653 trades in June.



## **BOVESPA Segment**

In July, order routing via DMA in the BOVESPA\* segment totaled BRL 95,030,778,000.00 and 11,225,193 trades, from BRL 88,977,494,000.00 and 10,244,578 trades the previous month.

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

**Traditional DMA** – Volume of BRL 87,674,861,000.00 and 10,091,956 trades from BRL 82,843,187,000.00 and 9,287,652 in June;

**DMA via co-location** – Volume of BRL 6,381,361,000.00 and 1,007,081 trades from BRL 5,206,388,000.00 and 856,246 in June;

**DMA via provider** – Volume of BRL 974,556,000.00 and 126,156 trades from BRL 927,919,000.00 and 100,680 in June.

*\* 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.*

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Eduardo Refinetti Guardia  
Investor Relations Officer