

**BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros**  
Brazilian Federal Taxpayer CNPJ No.09.346.601/0001-25  
Corporate Registry (NIRE) No. 35.300.351.452

## **NOTICE TO THE MARKET**

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

#### **Historic records set in 2011:**

- Financial volume and number of transactions in the Bovespa segment;
- Total number of contracts traded, DI futures contracts traded and of corn futures contracts and options on corn futures traded in the BM&F segment;
- Financial volume and number of equity lending transactions.

#### **Bovespa Segment**

**In 2011**, the total financial volume in the Bovespa segment set a historic record of BRL1.61 trillion, surpassing the previous record of BRL1.60 trillion set in 2010. The average daily financial volume also established a new record of BRL6.49 billion, exceeding the BRL6.48 billion reached in 2010.

The total number of trades reached the milestone of 141,229,649 in **2011**, surpassing last year's record high of 106,418,437. The average daily trading volume also established a new record at 567,187, exceeding the 2010 mark of 430,844.

**In December**, the financial volume in the Bovespa segment was BRL130.68 billion, compared to the BRL118.72 billion registered in November. The daily average financial volume was BRL6.22 billion in December, compared to BRL5.93 billion in the previous month. There were a total of 12,746,660 transactions carried out in December compared to 12,284,986 in November, and the average daily trading volume was 606,984, compared to 614,249 in November.

#### **Equities**

**In 2011**, the most traded stocks were: Vale PNA, with BRL174.33 billion; Petrobras PN, with BRL125.81 billion; OGX Petróleo ON, with BRL73.22 billion; Itaunibanco PN, with BRL67.73 billion; and Vale ON, with BRL45.05 billion.

**In December**, the most traded stocks were: Vale PNA, with BRL11.30 billion; Petrobras PN, with BRL8.75 billion; Itaunibanco PN, with BRL5.59 billion; OGX Petróleo ON, with BRL4.33 billion; and Bradesco PN, with BRL3.66 billion

#### **Ibovespa**

The Ibovespa closed out **2011** at 56,754 points, down 18.11% for the year.

In 2011, the best performing stocks were: TIM PART S/A ON (+72.58%); CIELO ON (+53.32%); REDECARD ON (+49.20%); KLABIN S/A PN (+42.53%); and ELETROPAULO PN (+41.13%). In 2011, the worst performing stocks were: B2W VAREJO ON (-71.07%); GAFISA ON (-64.95%); HYPERMARCAS ON (-62.06%); GOL PN (-50.00%); and V-AGRO ON (-48.39%).

In **December**, the Ibovespa declined 0.21%.

The best performing stocks on the Ibovespa, in December, were: TRAN PAULIST PN (+16.03%); ELETROBRAS PNB (+14.06%); CPFL ENERGIA ON (+13.62%); ELETROPAULO PN (+12.97%); and LLX LOG ON (+12.33%). In December, the worst performing stocks were: V-AGRO ON (-39.62%); GAFISA ON (-23.28%); ROSSI RESID ON (-19.76%); BROOKFIELD ON (-16.67%); and CIA HERING ON (-15.02%).

### All other indexes

All of the other indexes calculated by the Exchange performed as follows:

- IBrX-50 (-14.06% with 8,279 points at the end of 2011; up 0.99% in December);
- IBrX-100 (-11.39% with 19,706 points at the end of 2011; up 1.52% in December);
- ISE (-3.28 with 2,018 points at the end of 2011; up 3.65% in December);
- ITEL (+15.59% with 1,670 points at the end of 2011; up 5.11% in December);
- IEE (+19.72% with 32,613 points at the end of 2011; up 9.47% in December);
- INDX (-12.12% with 9,618 points at the end of 2011; up 2.31% in December);
- IVBX-2 (-4.71% with 5,756 points at the end of 2011; up 0.86% in December);
- IGC (-12.45% with 6,679 points at the end of 2011; up 1.76% in December);
- ITAG (-11.54% with 8,708 points at the end of 2011; up 2.88% in December);
- SMLL (-16.63% with 1,200 points at the end of 2011; up 0.79% in December);
- MLCX (-10.39% with 877 points at the end of 2011; up 1.77% in December);
- ICON (+0.55% with 1,693 points at the end of 2011; up 3.03% in December);
- IMOB (-27.71% with 749 points at the end of 2011; down 5.47% in December);
- IFNC (-7.40% with 3,468 points at the end of 2011; up 4.13% in December);
- ICO2 (-7.37% with 1,025 points at the end of 2011; up 3.18% in December);
- IBRA (-10.84% with 1,810 points at the end of 2011; up 1.68% up);
- IDIV (+13.99% with 2,926 points at the end of 2011; up 5.56% in December);
- IGCT (-12.36% with 1,877 points at the end of 2011; up 2% in December);
- IMAT (-28.51% with 1,592 points at the end of 2011; up 0.90% in December);
- UTIL (+22.61% with 2,939 points at the end of 2011; up 9.74% in December).

### Market Value

The market value (market capitalization) of the 373 companies listed at BM&FBOVESPA at the end of **2011** totaled BRL2.29 trillion. In 2010, the market value was BRL2.56 trillion for the 381 companies that were listed at that time.

### Special Corporate Governance Levels

**At the end of 2011**, the 182 companies that were part of the BM&FBOVESPA Special Corporate Governance Levels represented 64.87% of the market capitalization, 78.68% of the financial volume, and 82.72% of the trades on the cash market. At the end of 2010, there were 167 companies, representing 65.65% of the market capitalization, 75.14% of the financial volume, and 78.77% of the cash market trades.

In **December**, the 182 companies that were part of the BM&FBOVESPA Special Corporate Governance Levels represented 64.87% of the market capitalization, 75.82% of the financial volume, and 84.90% of the trades on the cash market. At the end of November, there were also 182 companies, representing 64.55% of the market capitalization, 82.40% of the financial volume, and 85.89% of the cash market trades.



### **Market Participation**

The cash market (round lot) accounted for 93.9% of the total financial volume in **2011**, followed by the options market with 4.3%, and by the forward market with 1.8%. The after-market traded BRL11.37 billion in 724,314 trades.

In **December**, the cash market (round lot) accounted for 94.6% of the total financial volume, followed by the options market with 4%, and by the forward market with 1.4%. The after-market traded BRL887.60 million with 48,002 trades, compared to BRL1.02 billion with 52,952 trades during the previous month.

### **Investor Participation**

In **2011**, foreign investors led trading in the Bovespa segment accounting for 34.74% of total contracts traded, compared to 29.57% in 2010. They were followed by institutional investors with 33.34%, compared to 33.29% in 2010, and individual investors with 21.44%, compared to 26.41% during the previous year. Financial institutions accounted for 8.65%, up from 8.35% in 2010, and companies accounted for 1.74% compared to 2.31% the previous year. The group Others accounted for 0.08% compared to 0.06% in 2010.

In **December**, foreign investors were also the leaders in the Bovespa segment, accounting for 39.07% of total contracts traded, compared to 32.98% in November. They were followed by institutional investors with 32.20% in December, compared to 34.29% in the previous month, and individual investors with 17.99% in December, compared to 20.46% in November. Financial institutions accounted for 8.81% in December, down from 9.33% in the previous month, and companies accounted for 1.92% in December, compared to 2.87% in the previous month. The group Others accounted for 0.01% in December, compared to 0.07% in November.

### **Foreign Investment**

In **2011**, the net flow of foreign investment into the Brazilian stock market, up to December, reached BRL8.23 billion, which is the result of BRL9.58 billion in acquisitions carried out by foreign investors in stock offerings (including BRL8.0 billion registered in Brazil) and the negative balance of BRL1.35 billion on the BM&FBOVESPA secondary market.

In **December**, the balance of transactions carried out by foreign investors at BM&FBOVESPA was a negative BRL2.42 billion, which was the net balance between stock sales of BRL52.08 billion and stock purchases of BRL49.66 billion.

Foreign investor participation in stock offerings, including IPOs, represented 55.3% of the total BRL17.33 billion in transactions related to the publication of the closing announcement dates ending on January 3, 2012, pursuant to information available on the Exchange's website, under the media section.

### **Investment Clubs**

At the end of 2011, the number of investment clubs stood at 2,852, with 10 new clubs opening in **December**. In November, total liquid assets were BRL8.97 billion and the number of investment club participants was 117,078, according to the latest data available.

### **Individual Investors**

**At the end of 2011**, the number of individual investor accounts in the equities market stood at 583,202. At the end of 2010, that number was 610,915.

### **ETFs**

In **2011**, the 10 ETFs available for trade at BM&FBOVESPA (BRAX11, CSMO11, MOBI11, BOVA11, SMAL11, MILA11, PIBB11, IT NOW IFNC 11, IT NOW ISUS 11, and IT NOW GOVE 11) reached a total financial volume of BRL12.11 billion with 577,723 transactions carried out. In 2010, there were seven ETFs (BRAX11, CSMO11, MOBI11, BOVA11, SMAL11, MILA11, PIBB11), which together accounted for a total financial volume of BRL6.99 billion, and 196,567 transactions.

In **December**, 74,438 transactions were carried out with the 10 ETFs available for trade at the Exchange. In November, that number was 86,037. The total financial volume in December was BRL1.21 billion, compared to BRL1.45 billion in November. In December, the ETF BOVA11 registered the largest financial volume with BRL1.15 billion, compared to the BRL1.37 billion it registered in November.

### **Securities lending**

In **2011**, securities lending transactions at BM&FBOVESPA reached a new milestone with a financial volume of BRL732.75 billion and 1,417,787 trades, surpassing 2010's financial volume of BRL465.6 billion and 971,558 trades.

In **December**, the financial volume for securities lending transactions also set a new record with BRL84.76 billion, exceeding the mark of BRL67.30 billion set in November. The number of transactions in December was 121,897, compared to 122,983 in November.

### **Real Estate Investment Funds**

In **2011**, Real Estate Investment Funds (FIIs) accounted for a financial volume of BRL912.46 million and 77,075 transactions. During the previous year, they accounted for a financial volume of BRL379.09 million and 24,983 transactions. At the end of 2011, there were 66 Real Estate Investment Funds registered and authorized for trade on the BM&FBOVESPA markets and on its OTC market.

In **December**, Real Estate Investment Funds (FIIs) accounted for a financial volume of BRL144.16 million and 7,617 transactions. During the previous year, they accounted for a financial volume of BRL78.54 million and 7,812 transactions.

### **Fixed Income**

In **2011**, the financial volume for the fixed income secondary market, counting both the Bovespa Fix and the Soma Fix, totaled BRL268.14 million, compared to BRL416.20 million in 2010. Of this total, debentures accounted for BRL142.78 million, Receivables Investment Funds (FIDC) accounted for BRL25.17 million, and Mortgage Backed Securities (CRI) accounted for BRL100.19 million.

In **December**, the financial volume for the fixed income market, counting both the Bovespa Fix and the Soma Fix, totaled BRL14.4 million, compared to BRL9.5 million in November. Of this total, debentures accounted for BRL11.76 million, and Mortgage Backed Securities (CRI) accounted for BRL2.38 million.

### **BM&F Segment**

In **2011**, the BM&F segment set a new record for contracts traded with 671,979,899, surpassing the previous 2010 record of 618,634,157. The financial volume in 2011 totaled BRL46.50 trillion, compared to a total of BRL42.51 trillion in 2010, and the average daily trading volume in 2011 was 2,687,920, compared to 2,494,493 in 2010.



In **December**, the markets in the BM&F segment accounted for a total of 43,358,744 contracts traded and a financial volume of BRL3.10 trillion, compared to 54,301,136 contracts and BRL3.87 trillion in November. The average daily trading volume in December was 2,064,702, compared to 2,715,057 in November. Open interest contracts ended the last trading day of December with 38,230,036 positions, compared to 37,001,711 in November.

#### **Financial Derivatives**

In **2011**, the interest rate futures (DI) traded a record 320,821,062 contracts, compared to the previous record of 293,065,417 set in 2010. The US dollar futures ended the year with 86,167,955 contracts traded, compared to 82,453,621 in 2010. The Ibovespa futures traded 21,650,138 contracts in 2011, compared to 18,039,345 during the previous year, and in 2011 the Euro futures (EUR) traded 552,481 contracts up from 390,295 in 2010.

In **December**, the interest rate futures (DI) accounted for 21,511,662 contracts, compared to 28,561,969 in November. The US dollar futures ended December with 6,239,499 contracts traded, compared to 7,189,024 in November. The Ibovespa futures traded 1,618,153 contracts compared to 1,774,340 during the previous month, and, in December, the Euro futures (EUR) traded 34.546 contracts down from 62.901 in November.

#### **Mini Contracts**

In **2011**, derivatives mini contracts traded 28,517,331 contracts compared to 18,700,470 in 2010. The Ibovespa futures traded 26,234,515 mini contracts in 2011, up from 16,705,118 in 2010, and the US dollar futures accounted for 1,710,007 mini contracts traded compared to 1,969,427 in 2010.

In **December**, derivatives mini contracts traded 2,338,964 contracts compared to 2,663,926 in November. The Ibovespa futures market traded 2,172,318 mini contracts, compared to 2,473,109 the previous month. The US dollar futures market traded 164,136 mini contracts down from 186,664 in November, and the open interest on mini contract futures ended December with 14.852 positions compared to 43,983 in November.

#### **Commodity derivatives**

In **2011**, a total of 2,389,454 futures and options commodity contracts were traded, down from 2,702,705 in 2010.

A total of 558,311 Corn futures and options contracts were traded in **2011**, surpassing the previous record of 490,265 in 2010. Live cattle futures and option contracts totaled 1,170,100 in 2011, down from 1,352,469 in 2010. Arabica coffee ended 2011 with 463,121 contracts traded compared to 694,348 in 2010, while the Ethanol futures market traded 94,726 contracts in 2011, up from 22,615 in 2010 and the Soybean market traded 70,639 contracts.

In **December**, a total of 160,585 futures and options commodity contracts were traded, down from 245,561 in November. When trading closed in December there were 129,006 open interest contracts, compared 133,410 at the end of the previous month.

Live cattle futures and options contracts totaled 82,627, in December, compared to 160,824 in November. Corn closed out the period with a total of 44,768 futures and options contracts traded, up from 42,279 in November. Arabica coffee ended December with 23,106 contracts traded, down from the 28,791 contracts traded in November. The Soybean market registered 3,310 contracts in December compared to 6,622 during the previous month, and the Ethanol

futures market accounted for 6,774 contracts traded, compared to the 7,045 contracts traded in November.

### **Agribusiness Securities**

After adding up all of the transactions carried out in the SRTA registration system, the agribusiness securities registered at BM&FBOVESPA totaled BRL8.68 billion in **2011**, compared to BRL1.24 billion in 2010. In 2011, a total of 46,690 records were also checked for agribusiness securities, and together they represented the cumulative financial volume of BRL29.43 billion, up from the 15,270 records with a trading volume of BRL10.05 billion in 2010. The stock of LCAs (Agribusiness Credit Bills) registered in the stock market in 2011 totaled BRL7.46 billion, compared to the BRL297 million registered during the previous year.

After adding up all of the transactions carried out in the SRTA registration system, the stock of agribusiness securities registered at BM&FBOVESPA totaled BRL8.68 billion in **December**, compared to BRL8.02 billion in November. The stock of LCAs totaled BRL7.46 billion in December, compared to BRL6.77 billion in November.

### **Spot Gold**

In **2011**, the spot gold market (250 grams) traded 23,579 contracts, compared to 9,567 in 2010. The financial volume for the spot gold market totaled BRL509.80 million, compared to BRL179.02 million the year before.

In **December**, the spot gold market (250 grams) traded 749 contracts, down from 2,240 in November. The total financial volume in December was BRL18.03 million, compared to BRL55.44 million in the month before.

### **Spot Dollar**

In **2011**, the spot US dollar totaled 12,859 transactions with a financial volume of US\$32.89 billion, compared to 14,339 transactions and a financial volume of US\$31.41 billion in 2010. The financial volume of U.S. dollars traded on the Brazilian interbank settlement market and registered in the BM&FBOVESPA FX Clearinghouse was US\$588.83 billion, with 31,462 trades, down from US\$718.31 billion and 36,428 trades in 2010.

In **December**, the spot dollar totaled 1,547 transactions with a financial volume of US\$2.07 billion. In November, 1,999 transactions were registered with a financial volume of US\$2.17 billion. In December, the financial volume of U.S. dollars traded on the Brazilian interbank settlement market and registered in the BM&FBOVESPA FX Clearinghouse was US\$40.62 billion with 2,711 transactions, compared to US\$37.65 billion and 2,475 transactions in November.

### **Public Fixed Income**

In **2011**, the financial volume for the public fixed income secondary market, counting all the transactions carried out on Sisbex, totaled BRL257.58 billion, compared to BRL116.89 billion in 2010. Of this total, BRL5.1 billion was related to final transactions and BRL251.1 billion was related to repo transactions. The financial volume for public securities lending transactions totaled BRL1.36 billion in 2011.

In **December**, the financial volume for the public fixed income secondary market, counting all the transactions carried out on Sisbex, was BRL18.6 billion, up from BRL6.9 billion in

November. Of this total, BRL32.10 million was related to final transactions and BRL18.57 billion was related to repo transactions.

### **Investor Participation**

In **2011**, financial institutions led trading in the markets of the BM&F segment accounting for 36.41% of total contracts traded, compared to 42.40% in 2010. They were followed by institutional investors with 31.27% in 2011, compared to 29.61% in 2010, and foreign investors with 25.86% compared to 22.40% during the previous year. Individual investors ended the year with 5.22%, up from 3.88% in 2010, and companies accounted for 1.24%, compared to 1.71% the previous year.

In **December**, financial institutions led trading in the markets of the BM&F segment accounting for 38.08% of total contracts traded, compared to 35.75% in November. They were followed by institutional investors with 32.53%, down from 34.49% the previous month. During this same period foreign investors accounted for 23.04%, compared to 23.18%. Individual investors ended the year with 4.48% in December compared to 5.19% in November; and companies accounted for 1.83%, up from 1.34% the month before.

### **Individual investors**

At the end of **2011**, there were 135,256 individual investors with at least one active account registered at the Derivatives Clearinghouse, compared to 137,820 at the end of the previous year.

### **DMA**

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

In **December**, the transactions carried out via Direct Market Access (DMA) in the BM&F\* segment totaled 25,617,886 contracts traded in 2,483,514 trades. During the previous month, 31,537,229 contracts were traded in 2,887,206 trades.

#### **The volumes registered by each DMA model in the BM&F segment were as follows:**

**Traditional DMA** – 12,266,856 contracts traded in 879,061 trades in December, compared to 15,783,631 contracts traded in 1,219,049 trades in November;

**Via DMA provider (including orders routed via the Globex System)** – 8,225,628 contracts traded in 234,539 trades in December, compared to 10,736,890 contracts traded in 252,343 trades the month before;

**DMA via direct connection** – 1,255 contracts traded in 303 trades in December, up from 1,034 contracts traded in 289 trades during the previous month; and

**DMA via co-location** – 5,124,147 contracts traded in 1,369,611 trades in December, compared to 5,015,674 contracts traded in 1,415,525 trades in November.

In December, the transactions carried out by foreign investors who were presented to BM&FBOVESPA by CME (which either use the order routing system or access the BM&FBOVESPA markets via co-location) totaled 2,240,922 contracts traded in 537,582 trades. In November, those totals were 2,297,168 and 554,624 respectively.

### **BOVESPA Segment**

In **December**, the transactions carried out via Direct Market Access (DMA) in the BOVESPA\* segment had a total financial volume of BRL86.68 billion in 12,297,326 trades. During the month of November, those numbers were BRL92.18 billion and 11,690,154 respectively.

**The volumes registered by each DMA model in the BOVESPA segment were as follows:**

**Traditional DMA** – BRL71.67 billion in 9,727,649 trades in December, compared to BRL76.89 billion in 9,411,041 trades in November;

**Via DMA provider** – BRL1.04 billion in 188,596 trades in December, compared to BRL981.77 million in 119,734 trades in November; and

**DMA via co-location** – BRL13.87 billion in 2,369,659 trades in December, compared to BRL14.21 billion in 2,150,118 trades in November.

*\* 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 trading system 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 or DMA via direct connection, the client connects to the system through a direct connection.*

*In model 4 or DMA 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