

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 July market performance

- More than 300,000 agribusiness derivatives contracts traded
- Fills turn over BRL 242.71 million in 28,063 transactions in July

BOVESPA Segment

In July 2012, the equities market's (BOVESPA segment) financial volume totaled BRL 126.60 billion in 15,706,354 trades, with a daily average of BRL 6.02 billion.

In June, financial volume totaled BRL 163.21 billion, the total number of trades 16,113,514, and the daily average BRL 8.16 billion.

Equities

The most traded stocks in July were: Vale PNA, with BRL 14.35 billion; PETROBRAS PN with BRL 10.18 billion; ITAUUNIBANCO PN, with BRL 5.77; OGX PETRÓLEO ON, with BRL 5.29 billion; and VALE ON, with BRL 4.23 billion.

Indexes

The Ibovespa ended July at 56,097 points, up 3.21% from the previous month.

The best performing stocks were: LLX LOG ON (+34.84%), OI ON (+24.86%), OI PN (+23.39%), MRV ON (+19.89%) and USIMINAS PNA (+16.77%). The worst performing stocks were: ELETROPAULO PN (-24.03%), TIM PART S/A ON (-23.48%), DASA ON (-12.94%), JBS ON (-11.11%) and TRANS PAULISTA PN (-8.72%).

All of the other BOVESPA segment stock-exchange indexes ended July as follows:

IBRA (+3.07, at 1,898 points); IBRX-50 (+3.08 at 8,393 points); IBRX-100 (+3.11, at 20,428 points); ICO2 (+3.14, at 1,089 points); ICON (+2.14, at 1,975 points); IDIV (+1.32, at 3,356 points); IEE (-1.91, at 34,741 points); IFNC (+8.33, at 3,641 points); IGCT (+2.67, at 1,993 points); IGC (+2.73 at 7,183 points); IMAT (+0.34, at 1,604 points); IMOB (+3.28, at 794 points); INDX (+1.09 at 10,191 points); ISE (+2.36, at 2,301 points); ITAG (+4.66, at 9,370 points); IVBX (+1.35 at 6,553 points); MLCX (+3.17, at 915 points); SMLL (+2.03, at 1,320 points); and UTIL (+1.21, at 3,456 points).

Market Value

Market capitalization of the 369 companies listed on the BM&FBOVESPA in July was BRL 2.35 trillion, compared to BRL 2.30 trillion for the 372 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 65.74% of the market capitalization, 80.89% of the financial volume, and 85.45% of the trades in the spot market. At the end of June, there were 182 companies representing 66.15% of the market capitalization, 70.91% of the financial volume, and 84.86% of the spot market trades.

Payouts to Shareholders

In July of 2012, the companies traded on BM&FBOVESPA paid shareholders BRL 2.41 billion, of which BRL 873.53 million in dividends and BRL 780.54 million in interest on shareholders' equity. In June the payout totaled BRL 3.92 billion, of which BRL 746.26 million in interest on shareholders' equity and BRL 1.48 billion in dividends.

Market Participation

The spot market accounted for 94.9% of total financial volume in July, followed by the options market, with 3.7%, and by the forward market, with 1.4%. The After Market traded BRL 724.80 million with 52,828 trades, compared to BRL 648.95 million and 51,626 trades in the previous month.

Investor Participation

In July, foreign investors were responsible for 39.97% of the total volume, compared to 42.41% in June. Institutional investors came next, with 31.32% from 32.12%; individual investors had 19.84%, compared to 14.91%; financial institutions, with 7.31%, compared to 8.35%; companies, with 1.55%, compared to 2.18%; and other types of investors with 0.01%, compared to 0.02%.

Foreign Investment

Over January to July the financial volume traded by foreign investors in the stock market was a positive BRL 5.14 billion, from BRL 3.25 billion in stock offerings (BRL 3.05 billion of which registered in Brazil) and a positive BRL 1.89 billion on the BM&FBOVESPA secondary market.

In July, the financial volume traded by foreign investors in the stock market was a negative BRL 281.49 million, which is the net balance between stock sales of BRL 50.22 billion and stock purchases of BRL 49.94 billion.

Foreign investor participation in stock offerings, including IPOs, represented 61.4% of the total BRL 5.29 billion in transactions related to the publication of the closing announcement dates ending on July 02, 2012, pursuant to information available on the Exchange's website, under the media section.

Investment Clubs

BM&FBOVESPA ended July with 2,569 investment clubs and 8 new registrations. Total liquid assets reached BRL 8.82 billion and the number of participants reached 94,316, according to the latest available data.

Individual Investors

BM&FBOVESPA ended July with 579,313 individual investor stock exchange accounts in custody, compared to 580,953 accounts in June.

ETFs

The financial volume registered in July by the 14 BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 1.89 billion in 75,421 trades, from BRL 2.90 billion and 83,323 the previous month. The BOVA11 ETF had a financial volume of BRL 1.70 billion and 63,609 trades.

Securities Lending

In July, the total number of securities lending transactions reached 111,423, compared to 111,206 in June. Financial volume was BRL 55.47 billion in July from BRL 52.80 billion the previous month.

Corporate Securities

In July, the trading volume for the secondary market for corporate securities, counting both the BOVESPA FIX and the SOMA FIX, totaled BRL 110.52 million, compared to BRL 41.30 million in June. Of this total, debentures accounted for BRL 8.13 million and Mortgage Backed Securities (CRI) accounted for BRL 102.39 million.

Real Estate Funds

Real Estate Funds (FIIs) turned over BRL 242.71 million in 28,063 transactions in July, against BRL 176.52 million and 21,347 transactions in June. There were 78 of these funds registered at the end of the month for trading in the exchange and OTC markets of BM&FBOVESPA.

BM&F Segment

Derivatives markets in the BM&F segment (including financial and commodities derivatives) totaled 59,029,459 contracts and BRL 3.74 trillion in volume in July, compared to 51,759,338 contracts and BRL 3.55 trillion in June. Open interest contracts ended the last trading day of July 2012 with 35,695,804 positions, compared to 40,682,007 in June.

Financial Derivatives

In July, interest rate futures (ID) traded 23,276,954 contracts, in contrast to 22,529,004 in June. US Dollar futures ended the month of July with 6,906,235 contracts, compared to 7,364,884 in the previous month. Ibovespa futures traded 1,915,180 contracts, compared to 1,923,505 in June.

Mini Contracts

The derivatives market for mini contracts traded 3,628,595 contracts in July, compared to 3,430,351 in June. Of this total, the futures market for Ibovespa mini contracts traded 3,470,805, compared to 3,266,871 contracts in the previous month. Mini US Dollar futures traded 155,932 contracts, compared to 162,528 in June. Mini futures contracts ended July with 68,291 open interest contracts, compared to 56,351 in the previous month.

Agribusiness Derivatives

In July, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 309,013 contracts traded, compared to 194,465 in June. Agribusiness markets totaled 131.554 open interest contracts, in contrast to 126,248 in the previous month.

Live cattle futures and options totaled 131,817 contracts traded in July, compared to 83,332 in June. Corn futures and options totaled 138,273 contracts traded, compared to 81,139 in June. Arabica coffee ended July with 24,771 contracts, compared to 19,980 in June. Hydrous ethanol futures totaled 6,496 contracts, compared to 3,207 in June. Soybean derivatives totaled 6,796 contracts traded in July, against 6,796 the previous month.

Agribusiness Securities

In July, agribusiness securities registered with BM&FBOVESPA totaled BRL 22.61 billion, from BRL 19.79 billion in June, including all of the transactions executed in the Agribusiness Securities Registration system. Agribusiness Credit Bills (LCAs) registered with the Exchange totaled BRL 21.14 billion, compared to BRL 18.54 billion in June.

Spot Gold

The spot gold market (250 grams) traded, in July, 777 contracts, compared to 713 contracts in June. Spot gold market volume totaled BRL 20.80 million, compared to BRL 18.64 million in the previous month.

Spot US Dollar

There were 81 spot US Dollar transactions totaling USD58.25 million in July, from 870 and USD834.75 million in June. US Dollar transactions in the Brazilian interbank market, registered for settlement with the Foreign Exchange Clearinghouse, totaled 3,161 transactions and USD46.02 billion, from 3,935 transactions and USD42.93 billion in June.

Government Securities

Financial volume in the secondary market for government securities totaled BRL 588.4 million in July, against BRL 1.80 billion in June, based on all of the transactions at SISBEX.

Investor Participation

In July, financial institutions led derivatives trading (BM&F segment), accounting for 35.54% of contracts traded, compared to 34.44% in the previous month. Institutional investors were responsible for 33.73%, compared to 31.60%; foreign investors for 24.54%, compared to 26.51%; individuals for 4.17%, compared to 5.44%; and companies for 1.86%, versus 1.94%.

Individual Investors

BM&FBOVESPA ended July with 128,819 individual investor stock exchange accounts in custody, compared to 125,299 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 30,176,701 contracts traded and 3,756,542 trades. In June, the volume reached 29,591,915 contracts traded and 3,747,628 trades.

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

- **Traditional DMA** – 9,618,768 contracts traded, in 1,163,426 trades, in comparison to 10,462,160 contracts and 1,183,344 trades in June;
- **Via DMA provider** (including orders routed via the Globex System) – 12,490,368 contracts traded, in 317,269 trades, compared to 10,924,106 contracts and 319,191 trades in June;
- **DMA via direct connection** – 800 contracts traded in 184 trades, against 902 contracts and 186 trades in June;
- **DMA via co-location** – 8,066,765 contracts traded, in 2,275,663 trades, compared to 8,204,747 contracts and 2,234,907 trades in June.

In July, transactions carried out by foreign investors presented by CME to BM&FBOVESPA (who use the Globex-BM&FBOVESPA PUMA Trading System order routing system or access BM&FBOVESPA markets via co-location) totaled 3,309,619 contracts traded, in 931,563 trades, compared to 3,303,637 contracts and 896,361 trades in June.

BOVESPA Segment

In July, order routing via DMA in the BOVESPA* segment totaled BRL 99.61 billion and 16,654,540 trades, from BRL 104.41 billion and 17,210,387 trades the previous month.

Trading volumes per type of DMA in the BOVESPA segment:

- **Traditional DMA** – Volume of BRL 69.86 billion and 11,451,605 trades from BRL 77.85 billion and 12,246,639 in June;
- **DMA via provider** – Volume of BRL 2.72 billion and 472,974 trades, from BRL 2.49 billion and 455,903 in June.
- **DMA via direct connection** – Volume of BRL 2.04 billion and 118,033 trades, from BRL 1.99 billion and 101,708 in June.
- **DMA via co-location** – Volume of BRL 24.99 billion and 4,611,928 trades from BRL 22.07 billion and 4,406,137 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. 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 July 2009.

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