

BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros
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NOTICE TO THE MARKET

BM&FBOVESPA announces October market performance

- ✓ Financial volume with securities lending rises from BRL 59.52 billion to BRL 74.52 billion.
- ✓ Number of contracts traded in the BM&F segment goes from 49,782,932 to 65,363,903.
- ✓ Real Estate Funds handle a record BRL 351.09 million.

BOVESPA Segment

In October 2012, the equities market's (BOVESPA segment) financial volume totaled BRL 146.67 billion in 15,819,697 trades, with daily averages of BRL 6.66 billion and 719,077 trades.

In September, financial volume totaled BRL 160.43 billion, the total number of trades 16,915,818, the daily average financial volume BRL 8.44 billion and daily average number of trades 890,306.

Equities

The most traded stocks in October were: Vale PNA, with BRL 13.03 billion; PETROBRAS PN with BRL 9.62 billion; ITAUUNIBANCO PN, with BRL 5.36 billion; OGX PETROLEO ON, with BRL 4.56 billion; and CIELO ON, with BRL 3.87 billion.

Indexes

The Ibovespa ended October at 57,068 points, down 3.5% from the previous month.

The best performing stocks were: KLABIN PN (+12.55%), LOJAS RENNER ON (+10.75%), DASA ON (+10.66%), ALL AMER LAT ON (+10.26%) and HYPERMARCAS ON (+8.46%). The biggest losses were OGX PETROLEO ON (-23.41%), LLX LOG ON (-21.18%), MMX MINER ON (-19.11%), ELETROPAULO PN (-18.12%) and GAFISA ON (-16.37%).

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

BDRX (-2.73% at 1,517 points); IBRA (-0.80% at 1,935 points); IBXL (-1.39% at 8,547 points); IBXX (-1.07% at 20,741 points); ICO2 (-0.34% at 1,083 points); ICON (4.57% at 2,249 points); IDIV (0.88% at 3,251 points); IEEX (-4.57% at 28,716 points); IFIX (-2.05% at 1,500 points); IFNC (-2.62% at 3,556 points); IGCT (-0.29% at 2,014 points); IGCX (-0.32% at 7,389 points); IGNM (-0.32% at 1,593 points); IMAT (-1.34% at 1,723 points); IMOB (-4.06% at 887 points); INDX (0.41% at 11,303 points); ISEE (-0.55% at 2,259 points); ITAG (-1.02% at 9,637 points); IVBX (-0.66% at 6,582 points); MLCX (-0.83% at 924 points); SMLL (-0.58% at 1,458 points); and UTIL (-1.45% at 2,780 points).

Market Value

Market capitalization of the 365 companies listed on the BM&FBOVESPA in October was BRL 2.36 trillion, compared to BRL 2.41 trillion for the 367 companies listed in September.

Special Corporate Governance Levels

At the end of October, the 177 companies that are part of the BM&FBOVESPA's special corporate governance levels represented 64.84% of the market capitalization, 81.10% of the financial volume, and 87.06% of the trades in the spot market. At the end of September, there were 179 companies representing 65.32% of the market capitalization, 83.32% of the financial volume, and 85.74% of the spot market trades.

Market Participation

The spot market accounted for 95.4% of total financial volume in October, followed by the options market, with 3.2%, and by the forward market, with 1.4%. The After Market traded BRL 781.94 million with 58,334 trades, compared to BRL 750.92 million and 52,243 trades in the previous month.

Investor Participation

In October, foreign investors were responsible for 41.55% of the total volume, compared to 40.53% in September. Institutional investors came next, with 31.76% from 30.65%; individual investors had 16.63%, compared to 16.99%; financial institutions, with 8.79%, compared to 7.46%; and companies, with 1.24%, compared to 4.34%.

Foreign Investment

Over January to October the financial volume traded by foreign investors in the stock market was a positive BRL 1.93 billion, from BRL 4.36 billion in stock offerings (BRL 4.16 billion of which registered in Brazil) and a negative BRL 2.43 billion on the BM&FBOVESPA secondary market.

In October, the financial volume traded by foreign investors in the stock market was a negative BRL 1.23 billion, which is the net balance between stock sales of BRL 61.41 billion and stock purchases of BRL 60.18 billion.

Foreign investor participation in stock offerings, including IPOs, represented 51.2% of the total BRL 8.51 billion in transactions related to the publication of the closing announcement dates ending on November 06, 2012, pursuant to information available on the Exchange's website, under the media section.

Individual Investors

BM&FBOVESPA ended October with 571,890 individual investor stock exchange accounts in custody, compared to 568,900 accounts in September.

ETFs

The financial volume registered in October by the 14 BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 2.16 billion in 89,580 trades, from BRL 2.00 billion and 97,083 the previous month. The BOVA11 ETF had a financial volume of BRL 1.97 billion and 78,509 trades from BRL 1.86 billion and 89,819 the previous month.

Securities Lending

In October, the total number of securities lending transactions reached 108,538, compared to 97,899 in September. Financial volume was BRL 74.52 billion in October from BRL 59.52 billion the previous month.

Corporate Securities

In October, the trading volume for the secondary market for corporate securities, counting both the BOVESPA FIX and the SOMA FIX, totaled BRL 80.02 million, compared to BRL 30.43 million in September. Of this total, debentures accounted for BRL 69.12 million and Mortgage Backed Securities (CRI) accounted for BRL 9.68 million.

Real Estate Funds

Real Estate Funds (FIIs) turned over BRL 351.09 million in 27,677 transactions in October, against BRL 249.60 million and 37,171 transactions in September. There were 84 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 65,363,903 contracts and BRL 4.42 trillion in volume in October, compared to 49,782,932 contracts and BRL 3.75 trillion in September. Open interest contracts ended the last trading day of October 2012 with 46,476,554 positions, compared to 45,847,287 in September.

Financial Derivatives

In October, interest rate futures (ID) traded 35,066,507 contracts, in contrast to 27,200,748 in September. US Dollar futures ended the month of October with 4,707,629 contracts, compared to 5,790,552 in the previous month. Ibovespa futures traded 1,822,235 contracts, compared to 1,708,490 in September.

Mini Contracts

The derivatives market for mini contracts traded 3,735,144 contracts in October, compared to 3,174,548 in September. Of this total, the futures market for Ibovespa mini contracts traded 3,653,424, compared to 3,054,964 contracts in the previous month. Mini US Dollar futures traded 79,042 contracts, compared to 117,532 in September. Mini futures contracts ended October with 20,142 open interest contracts, compared to 38,057 in the previous month.

Agribusiness Derivatives

In October, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 215,267 contracts traded, compared to 205,109 in September. Agribusiness markets totaled 148,648 open interest contracts, in contrast to 137,089 in the previous month.

Live cattle futures and options totaled 128,442 contracts traded in October, compared to 119,094 in September. Corn futures and options totaled 60,366 contracts traded, compared to 61,895 in September. Arabica coffee ended October with 19,777 contracts, compared to 13,337 in September. Hydrous ethanol futures totaled 2,792 contracts, compared to 5,840 in September. Soybean derivatives totaled 3,890 contracts traded in October, against 4,943 the previous month.

Agribusiness Securities

In October, agribusiness securities registered with BM&FBOVESPA totaled BRL 30.28 billion, from BRL 27.08 billion in September, including all of the transactions executed in the Agribusiness Securities Registration system. Agribusiness Credit Bills (LCAs) registered with the Exchange totaled BRL 28.59 billion, compared to BRL 25.38 billion in September.

Spot Gold

The spot gold market (250 grams) traded, in October, 1,566 contracts, compared to 1,419 contracts in September. Spot gold market volume totaled BRL 44.61 million, compared to BRL 40.06 million in the previous month.

Spot US Dollar

There were 144 spot US Dollar transactions totaling USD148 million in October, from 161 and USD201 million in September. US Dollar transactions in the Brazilian interbank market, registered for settlement with the Foreign Exchange Clearinghouse, totaled 2,808 transactions and USD37.90 billion, from 2,964 transactions and USD37.71 billion in September.

Government Securities

Financial volume in the secondary market for government securities totaled BRL 334.7 million in October, against BRL 1.81 billion in September, based on all of the transactions at SISBEX.

Investor Participation

In October, institutional investors led derivatives trading (BM&F segment), accounting for 36.01% of contracts traded, compared to 33.53% in the previous month. Financial institutions were responsible for 35.54%, compared to 34.39%; foreign investors for 22.56%, compared to 26.89%; individuals for 3.98%, compared to 3.97%; and companies for 1.89%, versus 1.11%.

Individual Investors

BM&FBOVESPA ended October with 137,916 individual investor stock exchange accounts in custody, compared to 134,357 accounts in September.

Volumes and trades by Direct Market Access (DMA)

BM&F Segment

In October, BM&F* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 35,153,998 contracts traded and 3,624,644 trades. In September, the volume reached 28,238,693 contracts traded and 3,230,715 trades.

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

- **Traditional DMA** – 17,563,619 contracts traded, in 1,220,502 trades, in comparison to 12,204,992 contracts and 1,047,232 trades in September;
- **Via DMA provider** (including orders routed via the Globex System) – 10,881,852 contracts traded, in 239,990 trades, compared to 9,668,449 contracts and 233,990 trades in September;
- **DMA via direct connection** – 1,961 contracts traded in 310 trades, against 2,691 contracts and 266 trades in September;
- **DMA via co-location** – 6,706,566 contracts traded, in 2,163,842 trades, compared to 6,362,561 contracts and 1,949,227 trades in September.

In October, 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 2,688,497 contracts traded, in 871,913 trades, compared to 2,603,157 contracts and 794,767 trades in September.

BOVESPA Segment

In October, order routing via DMA in the BOVESPA* segment totaled BRL 111.11 billion and 16,715,211 trades, from BRL 120.26 billion and 17,668,544 trades the previous month.

Trading volumes per type of DMA in the BOVESPA segment:

- **Traditional DMA** – Volume of BRL 75.28 billion and 10,938,561 trades from BRL 79.45 billion and 11,114,384 in September;
- **DMA via provider** – Volume of BRL 6.20 billion and 754,100 trades, from BRL 6.23 billion and 776,921 in September.
- **DMA via direct connection** – Volume of BRL 1.42 billion and 76,863 trades, from BRL 2.35 billion and 151,180 in September.
- **DMA via co-location** – Volume of BRL 28.22 billion and 4,945,687 trades from BRL 32.22 billion and 5,626,059 in September;

** 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, 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 October 2009.*

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