

BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros
Brazilian Federal Taxpayer CNPJ No.09.346.601/0001-25
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NOTICE TO THE MARKET

BM&FBOVESPA publishes January 2014 market performance

BOVESPA SEGMENT

In January 2014 the equities market's (BOVESPA segment) financial volume totaled BRL 136.95 billion against BRL 118.60 billion in December. Daily average was BRL 6.22 billion against BRL 6.24 billion in the previous month. Total number of trades in January was 17,612,258 against 14,405,343 in December. Daily average number of trades was 800,557 against 758,176 in December.

Equities

The most traded stocks in January were: Vale PNA with BRL 11.1 billion; Petrobras PN with BRL 8.5 billion; Itaunibanco ON with BRL 8.14 billion; Bradesco PN with BRL 4.33 billion; and Ambev ON with BRL 3.79 billion.

Indexes

The Ibovespa ended January at 47,638 points, down 7.51% from the previous month.

The best performing stocks for the Ibovespa in January were: OI PN (+16.16%); BROOKFIELD ON (+14.78%); MARFRIG ON (+4%); TELEF BRASIL PN (+3.94%); and SUZANO PAPEL PNA (+3.03%). The main losses were: SID NACIONAL ON (-22.18%); ECORODOVIAS ON (-16.89%); USIMINAS PNA (-16.26%); SABESP ON (-15.87%); and ENERGIAS BR ON (-14.98%).

All of the other BOVESPA segment stock-exchange indexes ended January as follows: IBRA (-8.15% at 1,822 points); IBXL (-8.20% at 7,982 points); IBXX (-8.15% at 19,559 points); ICO2 (-7.02% at 1,066 points); ICON (-8.41% at 2,194 points); IDIV (-7.26% at 3,158 points); IEEX (-3.97% at 25,207 points); IFIX (-6.74% at 1,282 points); IFNC (-7.45% at 3,824 points); IGCT (-7.60% at 1,962 points); IGCX (-7.89% at 7,173 points); IGNM (-8.18% at 1,533 points); IMAT (-8.99% at 1,826 points); IMOB (-9.14% at 613 points); INDX (-8.29% at 11,499 points); ISEE (-6.85% at 2,309 points); ITAG (-7.65% at 9,535 points); IVBX (-7.17% at 6,792 points); MLCX (-8.11% at 884 points); SMLL (-8.49% at 1,198 points); UTIL (-6.02% at 2,513 points); BDRX (-0.88% at 2,230 points).

Market Value

Market capitalization of the 361 companies listed on the BM&FBOVESPA in January was BRL 2.21 trillion compared to BRL 2.41 trillion for the 363 companies listed in December.

Special Corporate Governance Levels

At the end of January, the 187 companies that are part of BM&FBOVESPA's special corporate governance levels represented 68.82% of market capitalization, 82.59% of financial volume and 86.11% of trades in the cash market. At the end of December there were 187 companies representing 68.76% of market capitalization, 77.45% of financial volume and 85.76% of cash market trades.

Market Participation

The cash market accounted for 96.6% of total financial volume in January, followed by the options market with 2.1%; and by the forward market with 1.3%. The After Market traded BRL 947.6 million, with 59,882 trades compared to BRL 731.01 million and 55,448 trades in December.

Investor Participation

In January foreign investors maintained their lead in financial volume, at 46.86% of the total against 46.32% in December. Institutional investors came next, with 32.94% against 32.42%; individual investors had 13.24% compared to 12.88%; financial institutions had 5.37% against 7.27%; and companies had 1.44% compared to 1.06% in the previous month.



Individual Investors

BM&FBOVESPA ended January with 586,120 individual investor stock exchange accounts in custody, compared to 589,276 accounts in December.

Foreign Investment

In January, the financial volume traded by foreign investors in the stock market was a negative BRL 854.5 million, from BRL 64.6 billion in stock sales and BRL 63.7 billion in stock purchases.

ETFs

The financial volume registered in January by the 15 BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 1.46 billion from 74,707 trades against BRL 1.23 billion and 54,101 trades in December. In January, the ETF with the highest financial volume was ETF BOVA11, with BRL 1.35 billion against BRL 1.14 billion in the previous month.

Securities Lending

In January, the total number of securities lending transactions reached 153,579 compared to 136,246 in December. Financial volume was BRL 77.72 billion compared to BRL 92.93 billion in the previous month.

Corporate Securities

In January, the trading volume for the secondary market for corporate securities totaled BRL 15.60 million against BRL 27.05 million in December. Of the total volume, BRL 11.06 million were from Mortgage Backed Securities (CRI) and BRL 4.54 million from debentures.

Real Estate Funds

In January, Real Estate Funds (FIIs) turned over BRL 523.92 million in 93,387 transactions against BRL 553.72 million and 61,842 transactions in December. There were 116 of these funds registered at the end of the month for trading.

BM&F SEGMENT

Derivatives markets in the BM&F segment (including financial and commodities derivatives) totaled 62,461,468 contracts and BRL 4.88 trillion in volume in January compared to 41,299,815 contracts and BRL 3.42 trillion in December. Open interest contracts ended the last trading day of January 2014 with 28,350,317 positions compared to 43,378,762 in December.

Financial Derivatives

In January, interest rate futures (ID) traded 31,799,091 contracts against 20,270,826 in December. US Dollar futures ended the month of January with 7,201,230 contracts compared to 6,046,255 in the previous month. Ibovespa futures traded 1,346,875 contracts against 1,115,845 in December.

Agribusiness Derivatives

In January, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 188,359 contracts traded compared to 136,687 in December. Agribusiness markets totaled 81,010 open interest contracts against 71,995 in the previous month.

Live cattle futures and options totaled 86,228 contracts traded in January against 69,863 in December. Corn futures and options totaled 84,721 contracts traded against 46,259 in the previous month. Arabica coffee ended January with 11,522 contracts against 15,297 in December. Hydrous ethanol futures totaled 1,050 contracts traded in January against 2,040 in December. Soybean derivatives totaled 948 contracts traded in January against 1,069 in the previous month.

Spot Gold

In January the spot gold market (250 grams) traded 997 contracts compared to 865 in December. Spot gold market volume totaled BRL 24.03 million in January against BRL 19.81 million in the previous month.

Agribusiness Securities

In January, agribusiness securities registered with BM&FBOVESPA totaled BRL 91.89 billion against BRL 93.46 billion in December. Agribusiness Credit Bills (LCAs) registered with the Exchange totaled BRL 87.87 billion against BRL 89.89 billion in December.



Spot US Dollar

There were 56 spot US Dollar transactions totaling US\$ 32.50 million in January compared to 20 transactions and US\$ 8.25 million in December. US Dollar transactions in the Brazilian interbank market, registered for settlement with the Foreign Exchange Clearinghouse, totaled US\$ 32.16 billion and 2,353 transactions in January against US\$ 32.25 billion and 2,275 transactions in the previous month.

Investor Participation

In January institutional investors led derivatives trading (BM&F segment), accounting for 33.01% of contracts traded compared to 35.11% in December. Financial institutions came next, with 32.37% against 30.01%. Foreign investors were responsible for 28.78% compared to 27.98% in the previous month; individuals for 4.63% compared to 5.31%; and companies had 0.97% against 1.14% in December.

Volumes and trades by Direct Market Access (DMA)

BM&F SEGMENT

In January, BM&F* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 49,331,205 contracts traded and 5,052,902 trades. In the previous month, the volume reached 31,584,259 contracts traded and 3,739,552 trades.

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

Traditional DMA– 15,850,826 contracts traded in 1,376,687 trades compared to 10,505,631 contracts and 1,045,353 trades in the previous month;

Via DMA provider (including orders routed via the Globex System) – 20,457,890 contracts traded, in 609,377 trades compared to 11,528,819 contracts and 376,947 trades in the previous month;

DMA via direct connection – 36,430 contracts traded in 16,588 trades compared to 28,933 contracts and 12,727 trades in December;

DMA via co-location – 12,986,059 contracts traded in 3,050,250 trades against 9,520,876 contracts and 2,304,525 trades in the previous month.

In January, 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 3,105,801 contracts traded in 668,558 trades compared to 2,244,968 contracts and 494,317 trades in December.

BOVESPA SEGMENT

In January, order routing via DMA in the BOVESPA* segment totaled BRL 123.42 billion in 20,510,192 trades compared to BRL 91.72 billion and 16,310,381 trades in December.

Trading volumes per type of DMA in the BOVESPA segment:

Traditional DMA – BRL 72.77 billion in 12,133,299 trades from BRL 55.75 billion in 9,774,093 trades in the previous month;

DMA via provider – BRL 11.16 billion in 1,661,828 trades from BRL 7.33 billion in 1,210,276 trades in December;

DMA via direct connection – BRL 1.23 billion in 97,927 trades from BRL 0.75 billion in 60,925 trades in the previous month;

DMA via co-location – BRL 38.25 billion in 6,617,138 trades from BRL 27.89 billion in 5,265,087 trades in December.

* 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 Exchange's trading platforms 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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