

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

BM&FBOVESPA publishes May 2014 market performance

BOVESPA SEGMENT

In May the equities market's (BOVESPA segment) financial volume totaled BRL 133.83 billion against BRL 150.11 billion in April. The daily average was BRL 6.37 billion against BRL 7.50 billion in the previous month. The total number of trades in May was 17,481,365 against 19,724,219 in April. Daily average number of trades was 832,446 against 986,211 in April.

Equities

The most traded stocks in May were: PETROBRAS PN, with BRL 11.69 billion; VALE PNA, with BRL 8.55 billion; ITAUUNIBANCO PN, with BRL 6.99 billion; BRADESCO PN, with BRL 5.62 billion; and AMBEV ON, with BRL 3.72 billion.

Indexes

The IBOVESPA ended May at 51,239 points, down 0.75% from the previous month.

The best performing stocks for the Ibovespa in May were: MARFRIG ON (+27.40%); KROTON ON (+19.59%); ANHANGUERA ON (+16.67%); ESTÁCIO PART ON (+13.54%); and PDF REALT ON (+13.14%). The main losses were: ELETROBRAS PNB (-11.37%); ELETROBRAS ON (-10.55%); USIMINAS PNA (-9.52%); OI PN (-9,35%); and GAFISA ON (-9.09%).

Other indexes

All of the other BOVESPA segment stock-exchange indexes ended May as follows: IBRA (-1.03%, at 1,968 points); IBXL (-1.46%, at 8,632 points); IBXX (-1.12%, at 21,167 points); ICO2 (-2.94%, at 1,158 points); ICON (2.08%, at 2,420 points); IDIV (-2.86%, at 3,284 points); IEEX (1.87%, at 26,328 points); IFIX (1.37%, at 1,369 points); IFNC (-2.23%, at 4,585 points); IGCT (-1.22%, at 2,115 points); IGCX (-0.30%, at 7,780 points); IGNM (1.45%, at 1,696 points); IMAT (-1.95%, at 1,482 points); IMOB (-0.82%, at 645 points); INDX (-0.71%, at 11,191 points); ISEE (-1.71%, at 2,404 points); ITAG (-0.70%, at 10,572 points); IVBX (0.59%, at 7,096 points); MLCX (-1.29%, at 960 points); SMLL (1.07%, at 1,238 points); UTIL (0.49%, at 2,737 points); BDRX (1.89%, at 2,216 points).

Market value

Market capitalization of the 369 companies listed on the BM&FBOVESPA in May was BRL 2.35 trillion against BRL 2.36 trillion in April for 370 companies.

Special Corporate Governance Levels

At the end of May, the 187 companies that are part of BM&FBOVESPA's special corporate governance levels represented 68.78% of market capitalization, 81.01% of financial volume and 84.02% of trades in the cash market. At the end of April, there were 187 companies representing 69.48% of market capitalization, 76.85% of financial volume and 84.10% of cash market trades.

Market Participation

The cash market accounted for 95.9% of financial volume in April, followed by the options market with 2.9%; and by the forward market, with 1.2%. The After Market traded BRL599.95 million, with 38,980 trades against BRL623.32 million and 48,222 trades in the previous month.

Payouts to Shareholders

In May, the financial volume from corporate actions managed by BM&FBOVESPA totaled BRL 3.86 billion, of which BRL 2.77 billion in dividends; and BRL 693.41 million in interest on shareholders' equity paid to shareholders that use BM&FBOVESPA's Custody service. In April, the amount totaled BRL 12.18 billion, of which BRL 1.67 billion in dividends and BRL 9.79 billion in interest on shareholders' equity.

Investor Participation

In May foreign investors maintained their lead in financial volume, at 50.32% of the total against 50.88% in April. Institutional investors came next, with 29.43%, against 29.67%; individual investors had 15.22% compared to 13.72%; financial institutions had 4.21%, against 5.03%; and companies had 0.76%, against 0.65% in the previous month.

Individual Investors

BM&FBOVESPA ended May with 568,217 individual investor stock exchange accounts in custody, compared to 571,963 in April.

Foreign Investment

In 2014, the financial volume traded by foreign investors in the stock market was a positive BRL 24.8 billion, from BRL 13.9 billion in stock offerings in Brazil and BRL 10.9 billion on the BM&FBOVESPA secondary market.

In May, the financial volume traded by foreign investors in the stock market was a positive BRL 5.5 billion, which is the net balance between stock sales of BRL 64.5 billion and stock purchases of BRL 70 billion.

Foreign investor participation in stock offerings, including IPOs, represented 41.3% of the total BRL 14 billion in transactions related to the publication of the closing announcement dates ending on June 03, 2014, pursuant to information available on the Exchange's website, under the media section.

ETF

The financial volume registered in May by the 16 BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 1.96 billion in 111,407 trades, from BRL 2.63 billion and 102,030 the previous month. The BOVA11 ETF, which tracks Ibovespa, had a financial volume of BRL 1.78 billion and from BRL 2.55 billion the previous month.

Securities lending

In May, the total number of securities lending transactions reached 117,056 against 134,653 in the previous month. Financial volume was BRL 54.26 billion against BRL 68.91 billion in April.

Corporate securities

In May, the trading volume for the secondary market for corporate securities totaled BRL 30.47 million against BRL 31.12 million in April. Of the total volume, BRL 30.08 million was from debentures and BRL 380,000 from Mortgage Backed Securities (CRI).

Real Estate Funds

In May, Real Estate Funds (FIIs) turned over BRL 404.79 million in 75,163 transactions against BRL 386.36 million and 68,346 transactions in the previous month. At the end of the month there were 120 of these funds registered for trading.

BM&F SEGMENT

Derivatives markets in the BM&F segment (including financial and commodities derivatives) totaled 43,725,511 contracts and BRL 3.19 trillion in volume in May against 47,351,052 contracts and BRL 3.54 trillion in April. Open interest contracts ended the last trading day of May with 36,689,943 positions against 34,912,846 in the previous month.

Financial Derivatives

In May, interest rate futures (ID) traded 19,568,736 contracts against 19,704,654 in April. US Dollar futures ended the month of May with 5,815,735 contracts compared to 7,031,540 contracts in April. IBOVESPA futures traded 1,435,775 contracts against 1,866,725 in the previous month.

Agribusiness Derivatives

In May, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 194,274 contracts traded compared to 163,933 contracts in April. Agribusiness markets totaled 93,122 open interest contracts against 133,007 in the previous month.

Live cattle futures and options totaled 99,025 contracts traded in May against 74,908 in April. Corn futures and options totaled 67,870 contracts traded against 49,675 in the previous month. Arabica coffee ended May with 13,402 contracts against 15,436 in April. Hydrous ethanol futures totaled 2,623 contracts against 1,691 in the previous month; and soybean derivatives totaled 2,748 contracts in May against 15,902 in the previous month.

Spot Gold

In May the spot gold market (250 grams) traded 468 contracts against 1,336 in April. Spot gold market volume totaled BRL 10.76 million in May against BRL 30.96 million in the previous month.

Agribusiness Securities

In May, agribusiness securities registered with BM&FBOVESPA totaled BRL 104.67 billion against BRL 99.54 billion in April. Agribusiness Credit Bills (LCAs) registered with the Exchange totaled BRL 101.22 billion in May against BRL 99.95 billion in April.

Spot US Dollar

There were 22 spot US Dollar transactions in May totaling US\$12.5 million compared to 26 transactions and US\$ 17.25 million in April. US Dollar transactions in the Brazilian interbank market, registered for settlement with the Foreign Exchange Clearinghouse totaled US\$30.10 billion and 2,424 transactions in May, against US\$30.25 billion and 2,449 transactions in April.

Investor Participation

In May foreign investors led derivatives trading (BM&F segment), accounting for 32.41% of contracts against 33.23% in the previous month.

Institutional investors came next, with 30.11% from 28.57% the previous month.

Institutional investors were responsible for 29.56%, against 30.15%; individuals for 6.66% compared to 6.85%; and companies for 1.00%, against 0.93% in April.

DMA - BM&F SEGMENT

In May, BM&F* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 34,249,447 contracts traded and 5,496,726 trades. In April, the volume reached 38,519,175 contracts and 6,057,899 trades.

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

Traditional DMA – 10,955,236 contracts traded in 1,588,891 trades against 12,488,480 contracts and 1,590,043 trades in April;

Via DMA provider (including orders routed via the Globex System)– 12,276,282 contracts traded in 528,617 trades against 12,261,902 contracts and 550,819 trades in the previous month;

DMA via direct connection – 68,111 contracts traded in 26,701 trades against 95,784 contracts and 35,946 trades in the previous month; and

DMA via co-location – 10,949,818 contracts traded in 3,352,517 trades against 13,673,009 contracts and 3,881,091 trades in the previous month.

In May, 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 3,431,984 contracts in 1,130,184 trades compared to 3,584,721 contracts and 1,070,837 trades in the previous month.

DMA - BOVESPA SEGMENT

In May, order routing via DMA in the BOVESPA* segment totaled BRL 112.44 billion in 19,828,797 trades compared to BRL 126.20 billion and 23,633,116 trades in the previous month.

Trading volumes per type of DMA in the BOVESPA segment:

Traditional DMA BRL 61.65 billion in 10,921,226 trades against BRL 65.39 billion and 12,798,604 trades in the previous month;



DMA via provider – BRL 10.62 billion in 1,647,916 trades against BRL 11.78 billion in 1,914,269 trades in the previous month;

DMA via direct connection – BRL 1.20 billion in 107,289 trades against BRL 1.54 billion in 128,565 trades in the previous month; and

DMA via co-location – BRL 38.98 billion in 7,152,366 trades against BRL 47.48 billion in 8,791,678 trades in the previous month.

* 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.

São Paulo, May 6, 2014.

Eduardo Refinetti Guardia
Chief Product and IR Officer