

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 July 2014 market performance

BOVESPA SEGMENT

Trading value in the equity market (BOVESPA segment) totaled BRL 133.04 billion in July, higher compared with the previous month (BRL 120.42 billion). Average daily trading value was BRL 6.04 billion, from BRL 6.33 the previous month. Total volume reached 16,587,621 trades, up compared with the previous month (14,406,616). Average daily volume was 753,983 (758,243 in June).

Equities

The most traded stocks in July were PETROBRAS PN, with BRL 15.61 billion; VALE PNA, with BRL 7.11 billion; ITAUNIBANCO PN, with BRL 6.77 billion; PETROBRAS ON, with BRL 5.60 billion; and BRADESCO PN, with BRL 4.95 billion.

Indexes

The Ibovespa gained 5.01% in July, reaching 55,829 points.

The month's top performers in Ibovespa were KROTON ON (+28.33%); SID NACIONAL ON (+21.81%); CEMIG PN (+14.44%); GOL PN (+14.23%); and BRADESPAR PN (+13.58%). The worst performers in July were MMX MINER ON (-28.57%); OI PN (-24.62%); ROSSI RESID ON (-17.92%); SABESP ON (-14.69%); and ECORODOVIAS ON (-9.51%).

Other indexes

The other indexes calculated by the Exchange ended July as follows: IBRA (+4.21%, at 2,125 points); IBXL (+5.23%, at 9,417 points); IBXX (+4.46% at 22,913 points); ICO2 (+4.50% at 1,249 points); ICON (+1.01%, at 2,554 points); IDIV (+5.94% at 3,638 points); IEEX (+0.84%, at 28,369 points); IFIX (+1.57%, at 1,409 points); IFNC (+4.81% at 5,063 points); IGCT (+3.74% at 2,281 points); IGCX (+2.43% at 8,317 points); IGMN (+0.10%, at 1,795 points); IMAT (+6.27%, at 1,574 points); IMOB (+0.31% at 662 points); INDX (+1.61% at 11,630 points); ISEE (+2.30% at 2,569 points); ITAG (+2.72%, at 11,293 points); IVBX (+1.46% at 7,487 points); MLCX (+5.12%, at 1,047 points); SMLL (-3.35%, at 1,229 points); UTIL (+1.38%, at 2,980 points); BDRX (+2.39%, at 2,298 points).

Market value

Market capitalization of the 368 stocks listed on the BM&FBOVESPA reached BRL 2.49 trillion in July, down compared with the previous month (BRL 2.43 trillion for 369 stocks).

Special listings

In July the 185 stocks listed in BM&FBOVESPA's special corporate governance segments represented 69.31% of total market cap, 74.61% of total trading value, and 81.54% of the total volume traded in the cash market, compared with 187 stocks, 69.17%, 74.75% and 83.98% respectively in the previous month.

Market Participation

The cash market (round lots) accounted for 95% of total trading value in July, followed by the options market with 3.6%, and the forward market with 1.4%. The After Market traded BRL 469.74 million, with 29,549 trades, compared with BRL 498.97 million and 32,412 trades in the previous month.

Investor Participation

Foreign investors maintained their lead in July, accounting for 47.49% of total trading value (50.69% in June). Institutional investors came next, accounting for 31.02% (30.13% in June), followed by individual investors with 15.86% (13.13% in June), financial institutions with 4.59% (4.73% in June), and corporates with 1.01% (1.28% in June).



Individual Investors

At end-July, BM&FBOVESPA had 556,523 individual investor stock exchange accounts in custody, compared with 564,293 a month earlier.

Foreign Investment

Net foreign investment in the Brazilian stock market totaled BRL 21.5 billion from the start of 2014 through July, comprising BRL 5.8 billion invested in stock offerings in Brazil and BRL 15.7 billion in trading on BM&FBOVESPA's secondary market.

In the month of July, net foreign investment in the Brazilian stock market reached BRL 3.5 billion, with stock purchases amounting to BRL 64.9 billion and stock sales to BRL 61.4 billion.

Foreign investor participation in stock offerings including IPOs represented 41.3% of transactions pursuant to offers with close dates announced on or before July 04, which totaled BRL 14 billion, as shown in the table available on BM&FBOVESPA's website (Media Room).

Exchange-traded funds (ETFs)

The number of transactions involving BM&FBOVESPA's 16 exchange-traded funds totaled 100,661 in July, for an aggregate value of BRL 1.74 billion, compared with 105,208 and BRL 1.58 billion respectively in previous month. The most traded ETF was BOVA11, which tracks the Ibovespa, with BTL 1.62 billion in July (BRL 1.44 billion in the previous month).

Securities lending

In July the number of securities lending transactions reached 121,284, compared with 108,422 in the previous month. Trading value amounted to BRL 57.08 billion, compared with BRL 51.74 billion in June.

Corporate bonds

Trading value in BM&FBOVESPA's secondary market for corporate bonds reached BRL 36.70 million in July, compared with BRL 17.97 million in the previous month. Debentures accounted for BRL 18.77 million, receivables investment funds (FIDC) BRL 10.35 and mortgaged-backed securities (CRIs) for BRL 6.65 million.

Real estate funds (FIIs)

The number of transactions involving FIIs traded on BM&FBOVESPA totaled 73,410 in July, for an aggregate value of BRL 418.24 million, compared with 72,253 and BRL 359.19 million respectively in the previous month. At the end of the month 123 FIIs were registered for trading.

BM&F SEGMENT

The number of contracts traded in BM&FBOVESPA's derivatives markets (BM&F Segment) totaled 50,857,155 in July, for an aggregate value of BRL 3.86 trillion, compared with 44,167,716 and BRL 3.15 trillion in the previous month. Open interest comprised 32,250,887 contracts at closing on the last trading day of July, compared with 41,068,537 a month earlier.

Financial Derivatives

The number of interest-rate futures contracts (DI) traded in July totaled 21,552,949, compared with 19,327,725 in the previous month. The number of United States Dollar (USD) futures contracts traded in July totaled 5,825,555, compared with 5,754,460 in June. The number of Ibovespa futures contracts traded in July totaled 1,400,210, compared with 1,217,416 in the previous month.

Commodities derivatives

The number of commodity futures and options contracts traded in July totaled 212,360, compared with 182,029 in the previous month. Open interest at the end of the period amounted to 115,224 positions, compared with 103,244 a month earlier.

The number of corn futures and options contracts totaled 103,952, compared with 82,555 in the previous month. The number of live cattle futures and options contracts traded in July totaled 78,398, compared with 71,606 in June.



Arabica coffee ended with 19,534 contracts, compared with 11,486 at end-June. In the case of soybeans, the total was 1,611, compared with 6,238 a month earlier. In that of hydrous ethanol, it was 3,479, compared with 4,910 at end-June.

Spot Gold

The number of contracts traded in the spot gold market (250 grams) totaled 457, for an aggregate value of BRL 10.68 million, compared with 329 and BRL 7.64 million respectively in the previous month.

Agribusiness Securities

Trading value in agribusiness securities registered with BM&FBOVESPA totaled BRL 111.41 billion in July, compared with BRL 107.85 billion in the previous month. The stock of Agribusiness Credit Bills (LCAs) totaled BRL 106.44 billion at end-July, compared with BRL 103.60 billion at end-June.

Spot US Dollar

The number of spot transactions in United States Dollars (USD) totaled 10 in July, for an aggregate value of USD 21.2 million, compared with 24 transactions and USD 74 million in the previous month. The number of USD transactions performed in the Brazilian interbank market and registered for settlement with BM&FBOVESPA's Foreign Exchange Clearinghouse totaled 2,420 in July, for an aggregate value of USD 33.53 billion, compared with 2,241 and USD 27.99 billion in June.

Investor Participation

Financial institutions led derivatives trading in the BM&F Segment in July, accounting for 33.38% of the total, compared with 33.49% in the previous month. Institutional investors came next, accounting for 31.31%, compared with 31.15% in the previous month, followed by foreign investors, who accounted for 29.19%, compared with 28.93% in June, individual investors, who accounted for 5.09%, compared with 5.36% a month earlier, and corporates, which accounted for 0.76%, compared with 0.86% in June.

DMA - BM&F SEGMENT

Transactions in the BM&F Segment* through order routing via Direct Market Access (DMA) involved 34,903,701 contracts and 4,920,400 trades in July, compared with 31,713,615 contracts and 4,534,078 trades in the previous month.

Trading volumes per type of DMA were as follows in the BM&F Segment:

Traditional DMA – 10,011,915 contracts traded in 1,290,521 transactions, compared with 9,546,598 contracts and 1,248,719 transactions in the previous month

DMA via a provider (including orders routed via Globex) – 14,231,060 contracts traded in 633,883 transactions, compared with 12,562,566 contracts and 474,570 transactions in the previous month

DMA via direct connection – 67,351 contracts traded in 22,411 transactions, compared with 61,917 contracts and 20,426 transactions in the previous month

DMA via co-location – 10,593,375 contracts traded in 2,973,585 transactions, compared with 9,542,534 contracts and 2,790,363 transactions in the previous month

Foreign investors introduced to BM&FBOVESPA by CME (and who use Globex-BM&FBOVESPA PUMA Trading System order routing or access BM&FBOVESPA's markets via co-location) traded 3,532,565 contracts in 979,898 trades in July, compared with 2,986,308 contracts and 920,708 transactions in the previous month.

DMA - BOVESPA SEGMENT

The number of DMA transactions in the BOVESPA Segment* totaled 18,588,085 in July, for an aggregate value of BRL 110.61 billion, compared with 16,016,709 transactions worth BRL 93.30 billion in the previous month.



Trading values and volumes per type of DMA were as follows in the BOVESPA Segment:

Traditional DMA – BRL 61.98 billion in 10,188,040 transactions, compared with BRL 52.74 billion in 8,856,316 transactions in the previous month

DMA via a provider – BRL 11.32 billion in 1,683,963 transactions, compared with BRL 9.54 billion in 1,434,710 transactions in the previous month

DMA via direct connection – BRL 0.95 billion in 82,176 transactions, compared with BRL 0.98 billion in 88,104 transactions in the previous month

DMA via co-location – BRL 36.35 billion in 6,633,906 transactions, compared with BRL 30.04 billion in 5,637,579 transactions in the previous month

* BM&FBOVESPA's trading systems can be accessed using four types of DMA: 1, 2, 3 and 4. In Model 1, or traditional DMA, customers access the trading system via the technological structure of a brokerage house. In Model 2, or DMA via a provider, customers do not use a brokerage house but connect via an authorized access provider. DMA with order routing via Globex in the BM&F Segment is a form of Model 2 access. In Model 3, or DMA via direct connection, customers connect directly to the Exchange's trading platforms. In Model 4, DMA via co-location, customers install their computers inside the Exchange.

Note: The above trading values and volumes by access type include both sides of each trade (buy and sell). DMA trading statistics for the BM&F and BOVESPA Segments have been consolidated in BM&FBOVESPA's monthly reports since June 2009.

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