



## CMA Sees Brazil Trading Volume Doubling On Petrobras Shares

SAO PAULO -(Dow Jones)- Brazilian trading may double from average volumes as investors seek to profit from the huge influx of Petroleo Brasileiro SA (PBR, PETR4.BR) shares after a \$67 billion stock offering, trading platform operator CMA said Friday.

CMA, which is one of the biggest systems authorized to trade on Brazil's BM&FBovespa SA exchange, expects volume to jump on Sept. 27 and is adapting its trading platforms accordingly, the Sao Paulo-based company said in a statement.

Investors may "flip" shares of Petrobras, or sell them shortly after the public offering, as they take advantage of differences in prices between the amount they bought shares for and the price on the market, CMA said.

"CMA's expectation is that the trading volume increases more than 100% in relation to normal operations," the statement said. "We're setting up war operations, because we know we'll have never-before-seen demand."

Trading volume at the Sao Paulo-based Bovespa exchange reached a record on Thursday as investors awaited the pricing of Petrobras's share sale. The exchange completed 662,406 trades, equaling a financial volume of 9.2 billion Brazilian reais (\$5.4 billion).

The exchange has been preparing for this share sale and its consequences during the year.

"BM&FBovespa is totally prepared for the demand that will result from Petrobras's offering," the exchange said Friday in a statement. "The system's capacity has been increasing year over year based on the evolution of transaction volumes and also considering future expectations."

The exchange will have the capacity to handle 3 million trades a day by the end of this year, up from 1.5 million in 2008 and 390,000 in 2007. The exchange also seeks to cut down on the time it takes for orders to be placed to 1 or 2 milliseconds by the end of this year from 10 milliseconds in 2009.

Petrobras's share sale helped boost the exchanges market valuation to BRL30.4 billion, making it the world's second biggest. The share sale, the world's biggest, will boost overall trading volume at the exchange by 2.4%, Equity Research Desk said in a Sept. 8 note.

By Paulo Winterstein

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