

BM&FBOVESPA S.A.
BOLSA DE VALORES, MERCADORIAS E FUTUROS
The Brazilian Securities, Commodities and Futures Exchange

Brazilian Federal Taxpayer (CNPJ) No.09.346.601/0001-25
State Registration (NIRE) No. 35.300.351.452

NOTICE TO THE MARKET

October 2011 Market Performance

- BOVESPA segment financial volume reaches BRL 142.33 billion in October, against BRL 131.43 billion in September.
- Agribusiness derivatives registered with BM&FBOVESPA total BRL 7.44 billion, from BRL 6.92 billion in September.

BOVESPA Segment

In October 2011, the equity markets (BOVESPA segment) financial volume totaled BRL 142.33 billion in 13,645,172 trades and daily averages of BRL 7.11 billion and 682,259 trades.

In September, financial volume totaled BRL 131.43 billion, the total number of trades 13,551,487, and the daily averages BRL 6.25 billion and 645,309 trades respectively.

Equities

The most traded stocks in October were: Vale PNA, with BRL 16.29 billion; Petrobras PN with BRL 9.43 billion; OGX Petróleo ON, with BRL 6.39 billion; Itauunibanco PN, with BRL 6.12 billion; and Bradesco PN, with BRL 4.21 billion.

Indexes

The Ibovespa ended October at 58,338 points, up 11.4% from the previous month.



The best performing stocks were: V-Agro ON (+75.44%); JBS ON (+42.15%); GOL PN (+31.93%); Cyrela Realty ON (+28.18%); and MRV ON (+25.65%). The worst performing stocks were: B2W Varejo ON (-5.10%); CCR S/A ON (-3.47%); and BR Malls Par ON (-3.44%).

All of the other BOVESPA segment stock-exchange indexes ended October as follows: IBrX-50 (+9.66% at 8,288 points); IBrX-100 (+8.84% at 19,618 points); ISE (+7.50% at 1,997 points); Itel (+6.42% at 1,691 points); IEE (+3.77% at 28,857 points); INDX (+10.88% at 9,627 points); IVBX-2 (+8.33% at 5,737 points); IGC (+8.33% at 6,705 points); ITAG (+9.34% at 8,642 points); SMALL CAP (+6.84% at 1,241 points); MIDLARGE CAP (+8.90% at 869 points); ICON (7.98% at 1,618 points); IMOB (+12.59% at 826 points); IFNC (+10.83% at 3,398 points); ICO2 (+8.91% at 1,006 points); IGCT (+8.88% at 1,889 points); UTIL (+5.28% at 2,564 points); IDIV (+5.60% at 2,721 points); IMAT (+9.67% at 1,738 points); and IBRA (+8.72% at 1,800 points).

Market Value

Market capitalization of the 377 companies listed on the BM&FBOVESPA in October was BRL 2.28 trillion, compared to BRL 2.14 trillion for the 377 companies listed in September.

Special Corporate Governance Levels

At the end of October, the 182 companies that are part of the BM&FBOVESPA's special corporate governance levels represented 65.53% of the market capitalization, 78.26% of the financial volume, and 85.53% of the trades in the spot market. At the end of September, there were 182 companies, representing 65.30% of the market capitalization, 83.99% of the financial volume, and 85.50% of the spot market trades.

Market Participation

The spot market accounted for 93.7% of total trading volume in October, followed by the options market, with 4.8%, and by the forward market, with 1.5%. The after-market traded BRL 876.11 million with 57,662 trades, compared to BRL 950.49 million and 67,300 trades in the previous month.



Investor Participation

In October, foreign investors were responsible for 35.90% of the total volume, compared to 33.78%; in September. Institutional investors came next, with 33.80% compared to 32.80%; individual investors had 20.40%, compared to 22.95%; financial institutions, with 9.40%, compared to 7.66%; companies, with 1.30%, compared to 1.75%; and other types of investors with 0.01%, from 0.04% the previous month.

Foreign Investment

The net flow of foreign investment into the Brazilian stock market in 2011 through October reached BRL 9.62 billion, which is the combined result of the amount of BRL 9.58 billion in acquisitions carried out by foreign investors in stock offerings (of which BRL 8 billion offered in Brazil) and the positive balance of BRL 38.9 million in direct trading at BM&FBOVESPA.

In October, the financial volume traded by foreign investors in the stock market was a positive BRL 399.06, which is the net balance between stock sales of BRL 50.73 billion and stock purchases of BRL 51.13 billion.

The foreign investor participation in stock offerings, including IPOs, represented 55.3% of the total BRL 17.32 billion in transactions related to the publication of the closing announcement dates ending on November 3, 2011, pursuant to information available on the Exchange's website, under the media section.

Investment Clubs

BM&FBOVESPA ended October with 2,904 investment clubs and 25 new registrations. Total liquid assets reached BRL 8.79 billion and the number of participants reached 119,586, according to the latest available data.

Individual Investors

BM&FBOVESPA ended October with 588,568 individual investor stock exchange accounts in custody, compared to 593,311 accounts in September.

ETFs

The financial volume registered in October by the eight BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 1.37 billion in 72,352 trades, from BRL 1.42 billion and 75,740 the previous month.

In October the ETF with the highest financial volume was BOVA11 with BRL 1.31 billion and 69,386 transactions.

Securities Lending

In October, the total number of securities lending transactions reached 121,132, compared to 125,257 in September. Financial volume was BRL 64.64 billion in October from BRL 61.61 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 6.7 million, compared to BRL 28.5 million in September. Of this total, debentures accounted for BRL 5.6 million and Mortgage Backed Securities (CRI) accounted for BRL 1.1 million.

Real Estate Funds

Real Estate Funds (FIIs) turned over BRL 59.57 million in 7,769 transactions in October, against BRL 77.95 million and 7,855 transactions in September. There were 61 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 52,048,047 contracts and BRL 3.92 trillion in volume in October, compared to 59,365,524 contracts and BRL 4.35 trillion in September. The daily average of contracts traded in the derivatives markets in October was 2,602,402, in

contrast to 2,826,930 in September. Open interest contracts ended the last trading day of October with 32,515,445 positions, compared to 36,620,797 in September.

Financial Derivatives

In October, interest rate futures (ID) traded 23,619,012 contracts, in contrast to 32,142,429 in September. US Dollar futures ended the month of October with 8,048,212 contracts, compared to 9,193,043 in the previous month. Ibovespa futures traded 1,985,039 contracts, compared to 2,098,962 in September. The Euro futures contract (EUR) registered 42,833 contracts, in contrast to 70,857 contracts in September.

Mini Contracts

The derivatives market for mini contracts traded 3,041,425 contracts in October, compared to 3,675,847 in September. Of this total, the futures market for Ibovespa mini contracts traded 2,850,169, compared to 3,350,581 contracts in the previous month. Mini US Dollar futures traded 190,120 contracts, compared to 323,671 in September. Mini futures contracts ended October with 23,440 open interest contracts, compared to 34,672 in the previous month

Agribusiness Derivatives

In October, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 168,521 contracts traded, compared to 231,055 in September. Agribusiness markets totaled 127,691 open interest contracts, in contrast to 148,035 in the previous month. Options on commodity futures totaled 29,357 contracts in October, against 53,167 the previous month.

Live cattle futures and options totaled 85,256 contracts traded in October, compared to 116,410 in September. Corn futures and options totaled 31,584 contracts traded, compared to 55,767 in September. Arabica coffee ended October with 40,586 contracts, compared to 36,407 in September. Hydrous ethanol futures totaled 5,429 contracts, compared to 6,527 in September. Cash-settled soybean derivatives, launched in January, totaled 5,666 contracts traded in October, against 15,944 the previous month.

Agribusiness Securities

In October, agribusiness securities registered with BM&FBOVESPA totaled BRL 7.44 billion, from BRL 6.92 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 6.21 billion, compared to BRL 5.68 billion in September.

Spot Gold

The spot gold market (250 grams) traded, in October, 2,023 contracts, compared to 2,127 contracts in September. Spot gold market volume totaled BRL 48.53 million, compared to BRL 53.51 million in the previous month.

Spot US Dollar

There were 1,140 spot US Dollar transactions totaling USD1.77 billion in October, from 1,006 and USD2.53 billion in September. US Dollar transactions in the Brazilian interbank market, registered for settlement with the Foreign Exchange Clearinghouse, totaled 3,737 transactions and USD37.75 billion, from 3,765 transactions and USD48.36 billion in September.

Investor Participation

In October, financial institutions led derivatives trading (BM&F segment), accounting for 34.92% of contracts traded, compared to 34.52% in the previous month. Institutional investors were responsible for 33.57%, compared to 31.83%; foreign investors for 24.96%, compared to 26.90%; individuals for 5.04%, compared to 4.81%; and companies for 1.44%, versus 1.88%.

Individual Investors

BM&FBOVESPA ended October with 143,512 individual investor stock exchange accounts in custody, compared to 141,898 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 29,363,637 contracts traded and 3,479,935 trades. In September, the volume reached 35,144,357 contracts traded and 4,311,865 trades.

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

- **Traditional DMA** – 11,785,387 contracts traded, in 1,305,741 trades, in comparison to 12,583,334 contracts and 1,366,264 trades in September;
- **Via DMA provider (including orders routed via the Globex System)** – 11,079,832 contracts traded, in 291,505 trades, compared to 13,976,949 contracts and 374,992 trades in September;
- **DMA via direct connection** – 1,291 contracts traded in 339 trades, against 2,636 contracts and 447 trades in September;
- **DMA via co-location** – 6,497,127 contracts traded, in 1,882,350 trades, compared to 8,581,438 contracts and 2,570,162 trades in September.

In October, transactions carried out by foreign investors presented by CME to BVMF (who use the Globex-GTS order routing system or access BVMF markets via co-location) totaled 3,424,751 contracts traded, in 878,343 trades, compared to 4,685,186 contracts and 1,164,510 trades in September.

BOVESPA Segment

In October, order routing via DMA in the BOVESPA* segment totaled BRL 98.25 billion and 13,019,833 trades, from BRL 111.41 billion and 14,298,483 trades the previous month.

Trading volumes per type of DMA in the BOVESPA segment:

Traditional DMA – Volume of BRL 81.12 billion and 10,357,796 trades from BRL 95.77 billion and 11,763,618 in September;

DMA via provider – Volume of BRL 1.24 billion and 151,232 trades from BRL 1.34 billion and 177,044 in September.

DMA via co-location – Volume of BRL 15.81 billion and 2,502,489 trades from BRL 14.29 billion and 2,357,270 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 GTS or Mega Bolsa 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 May 2009.

São Paulo, November 07, 2011.

Eduardo Refinetti Guardia
Chief Financial, Corporate Affairs and Investor Relations Officer