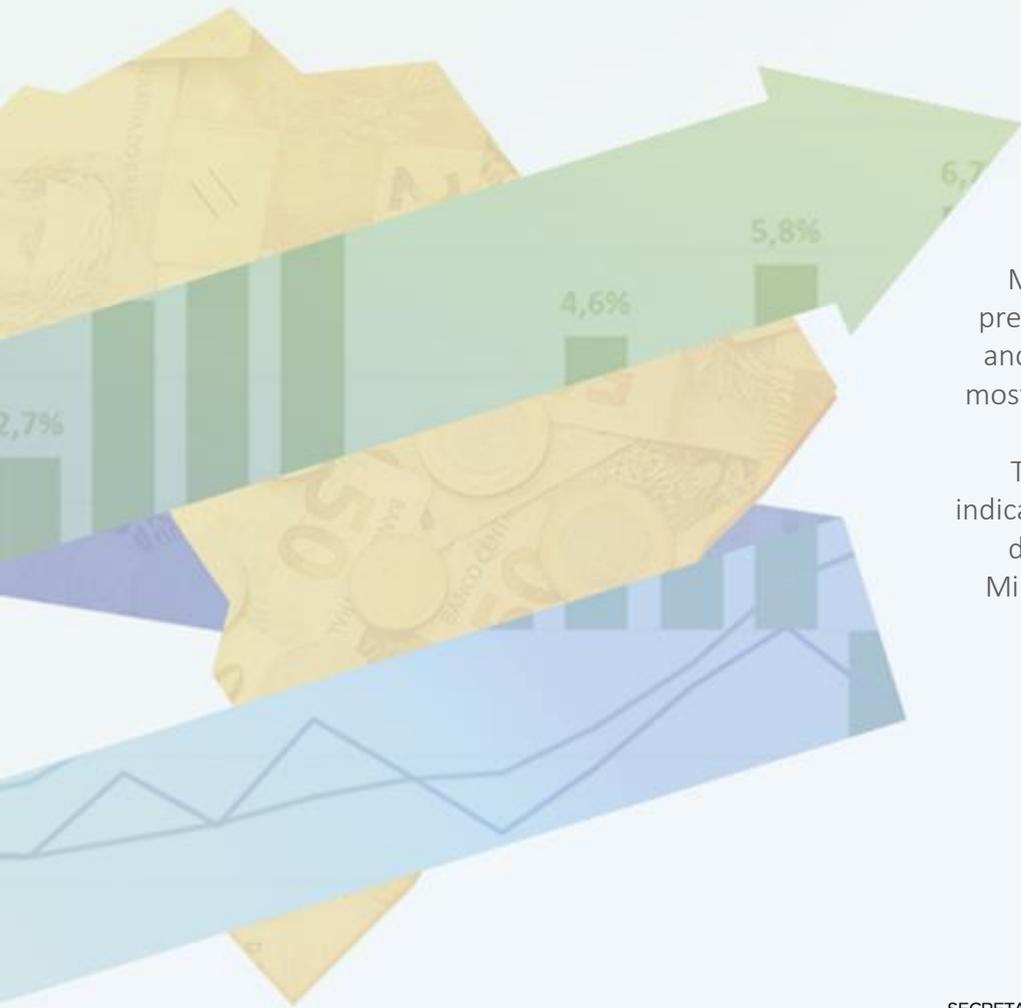




MACROECONOMIC OUTLOOK

November 2017



Macroeconomic Outlook is a report prepared by the Secretariat for Planning and Economic Issues (SEPLAN) with the most relevant economic data about Brazil.

This report does not constitute any indication of prospective policy decisions or delimits the operational area of the Ministry of Planning, Development and Management.

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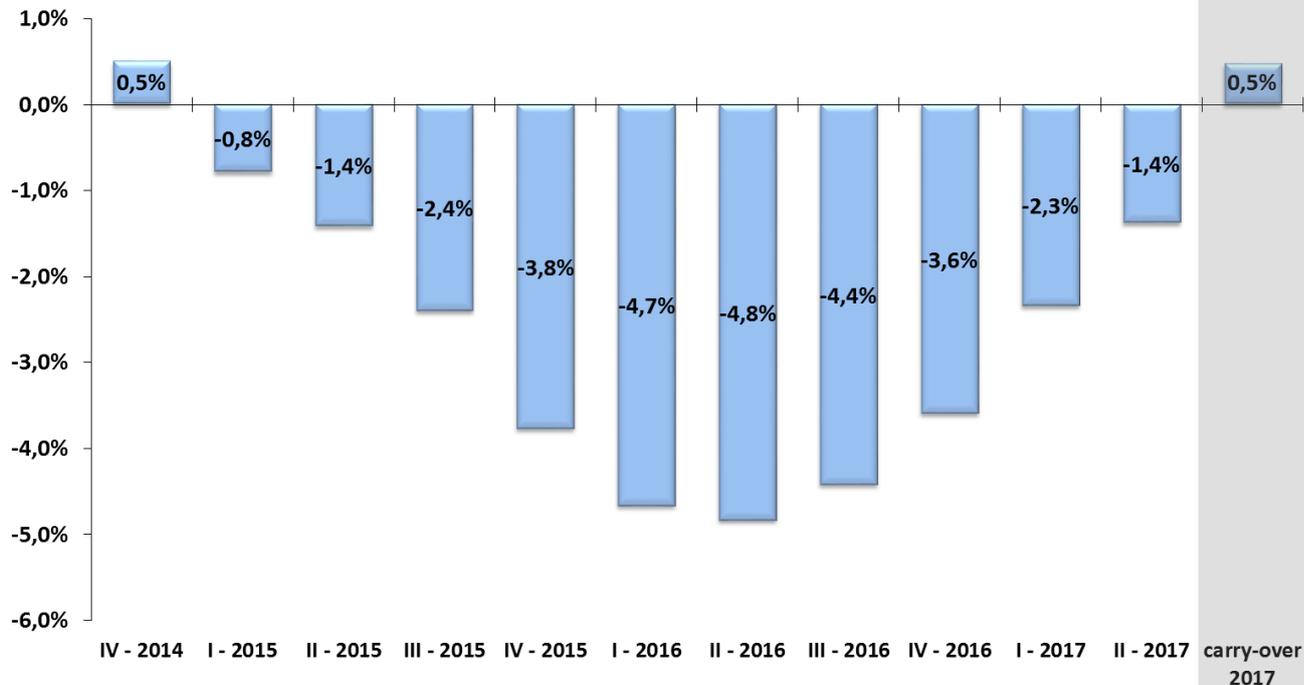
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HIGHLIGHTS

Quarterly GDP

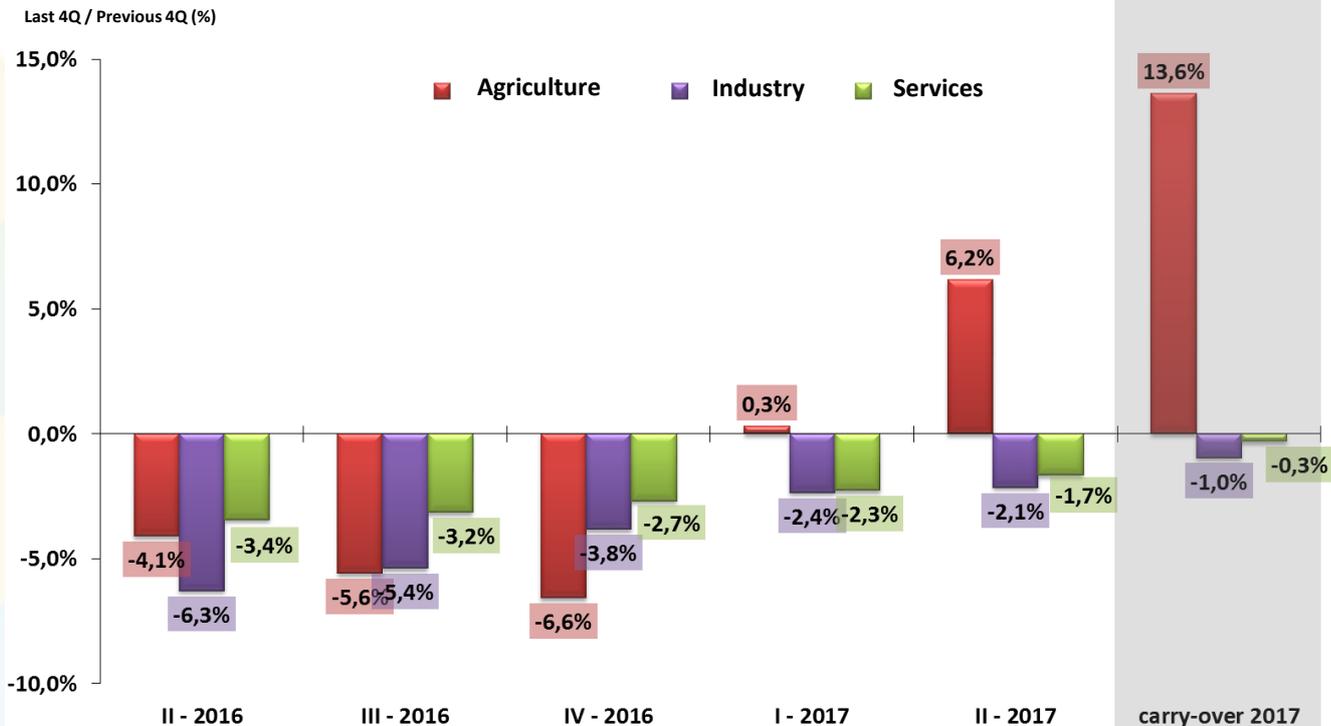
Last 4Q / Previous 4Q (%)



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 2nd quarter seasonally adjusted level compared to 2016 average.

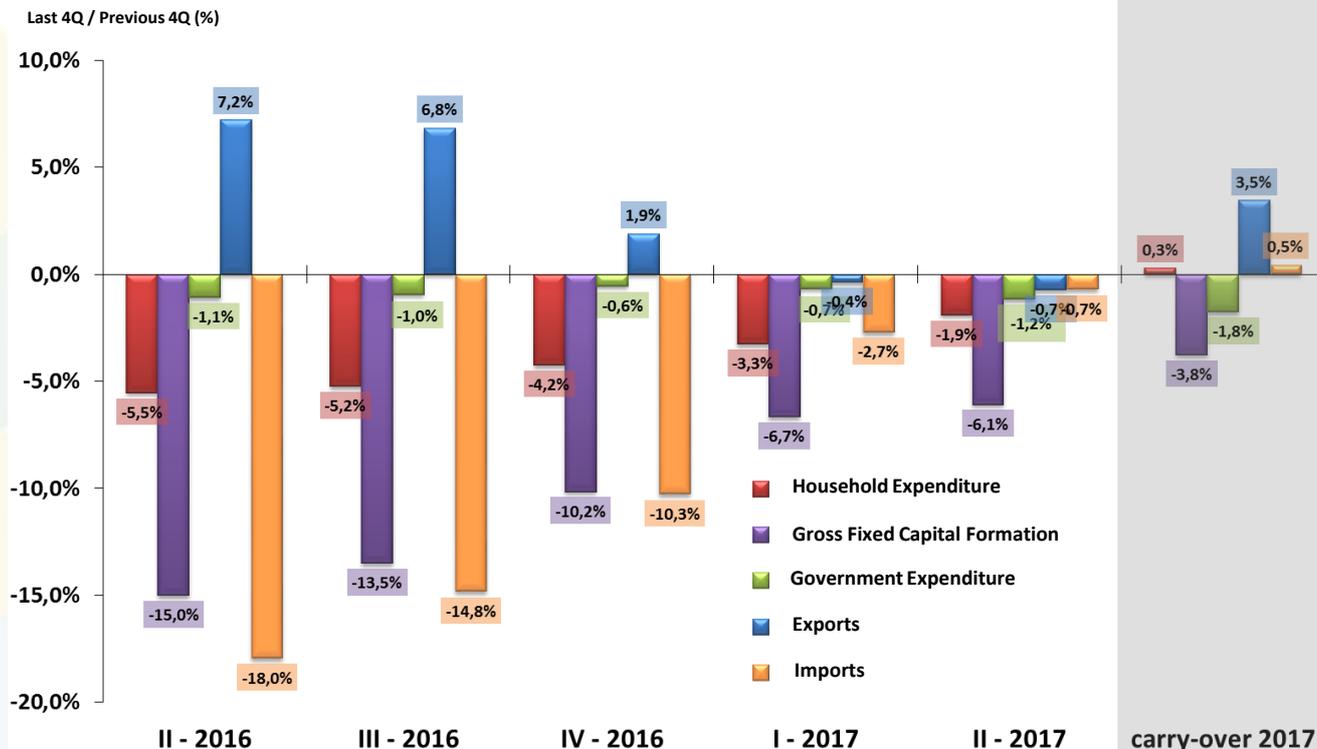
Quarterly GDP by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 2nd quarter seasonally adjusted level compared to 2016 average.

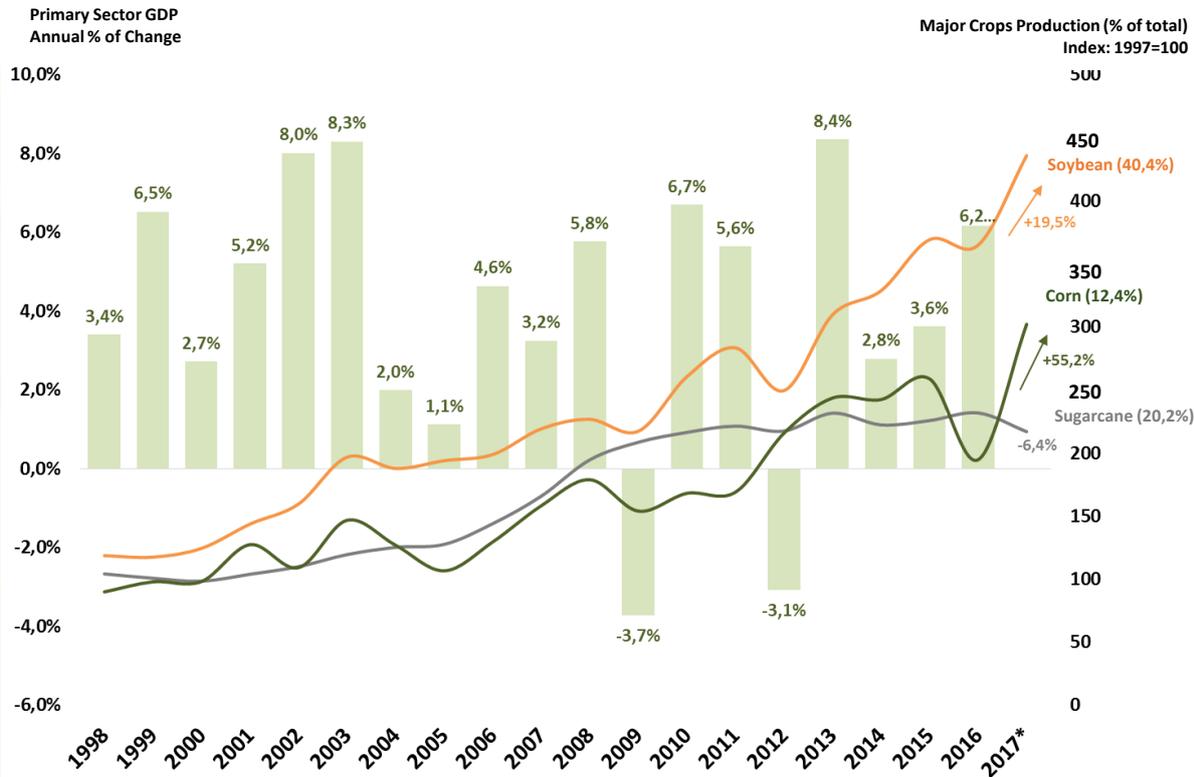
Quarterly GDP by Expenditure



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2007 based on 2017 2nd quarter seasonally adjusted level compared to 2016 average.

Primary Sector Performance by Major Crops

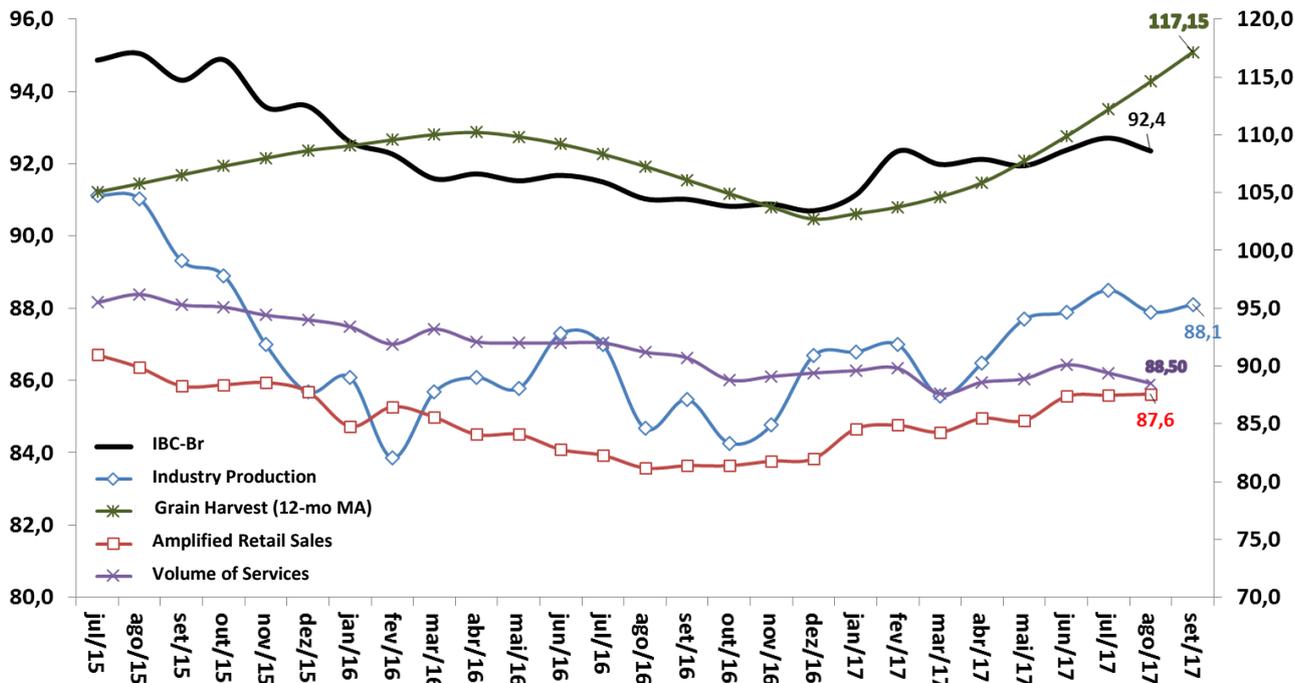


Source: IBGE/MP, Systematic Survey of Agricultural Production (LSPA) – September 2017.

Major Monthly Economic Activity Indicators

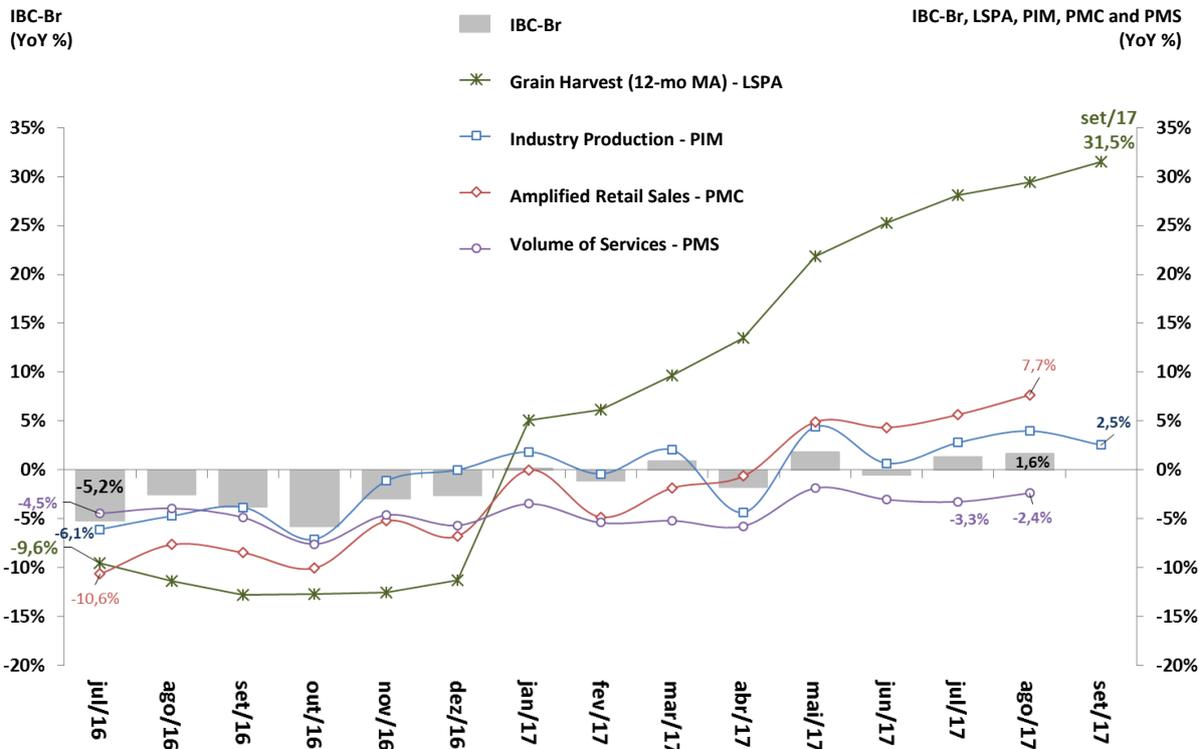
IBC-Br, Grain Harvest (12-mo MA) and Industry Production
Seasonally Adjusted Index (2003 = 100)

Amplified Retail Sales and Volume of Services
Seasonally Adjusted Index (2003 = 100)



Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

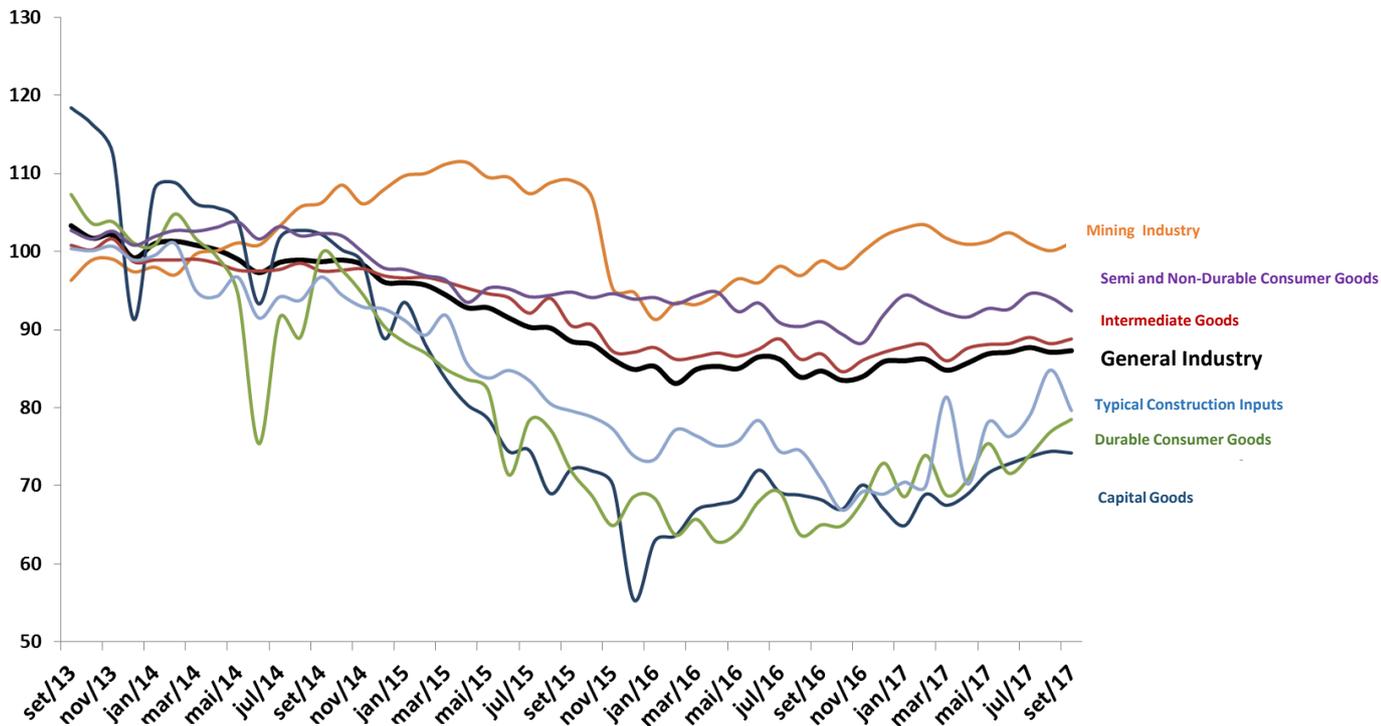
Major Monthly Economic Activity Indicators



Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Total Industrial Production and Economic Categories

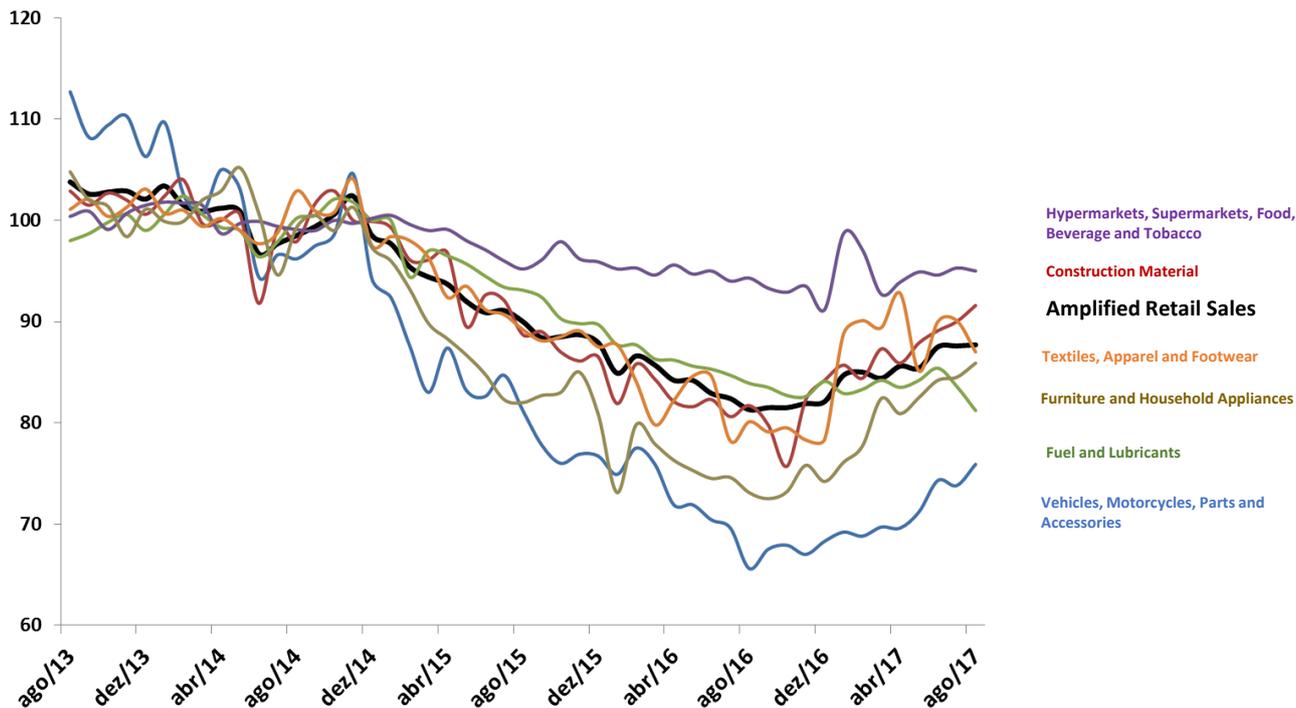
Industry Physical Production by Economic Category
Seasonally Adjusted Index (2002 = 100)



Source: IBGE/MP, Monthly Survey of Industry (PIM).

Total Retail Sales and Subsectors

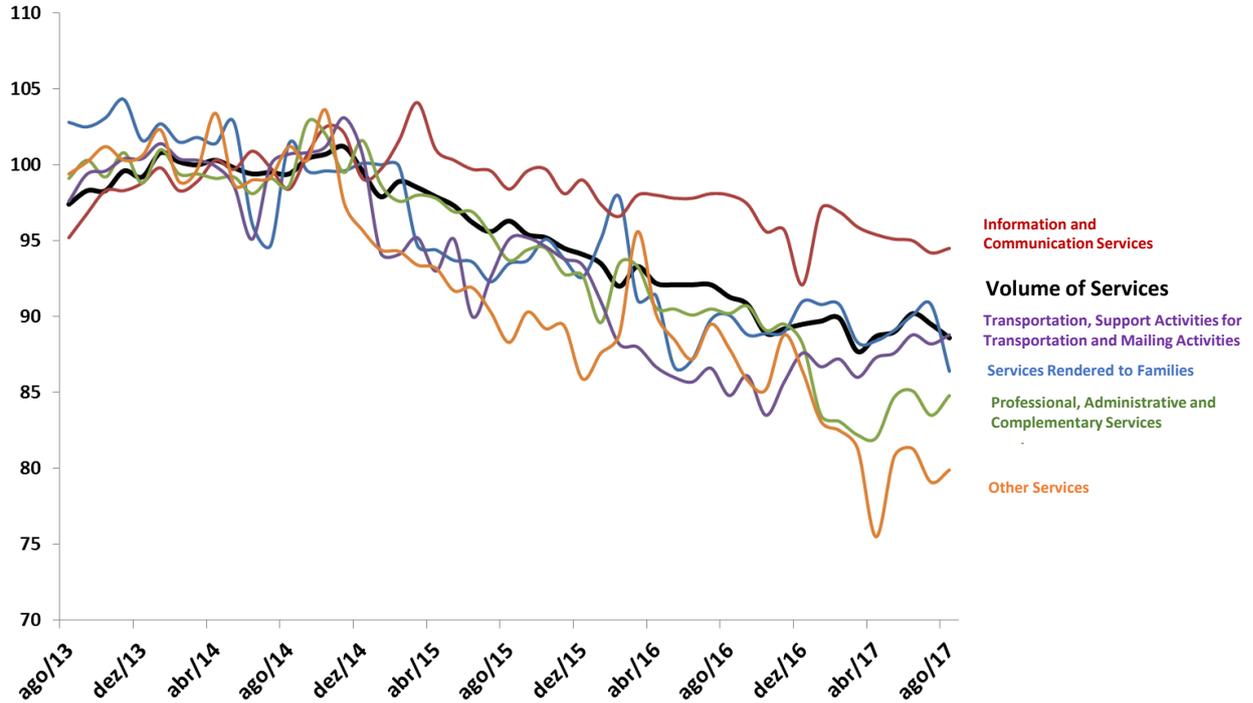
Retail Sales by Subsector
Seasonally Adjusted Index (2002 = 100)



Source: IBGE/MP, Monthly Survey of Trade (PMC).

Total Services and Subsectors

Volume of Services by Subsector
Seasonally Adjusted Index (2002 = 100)

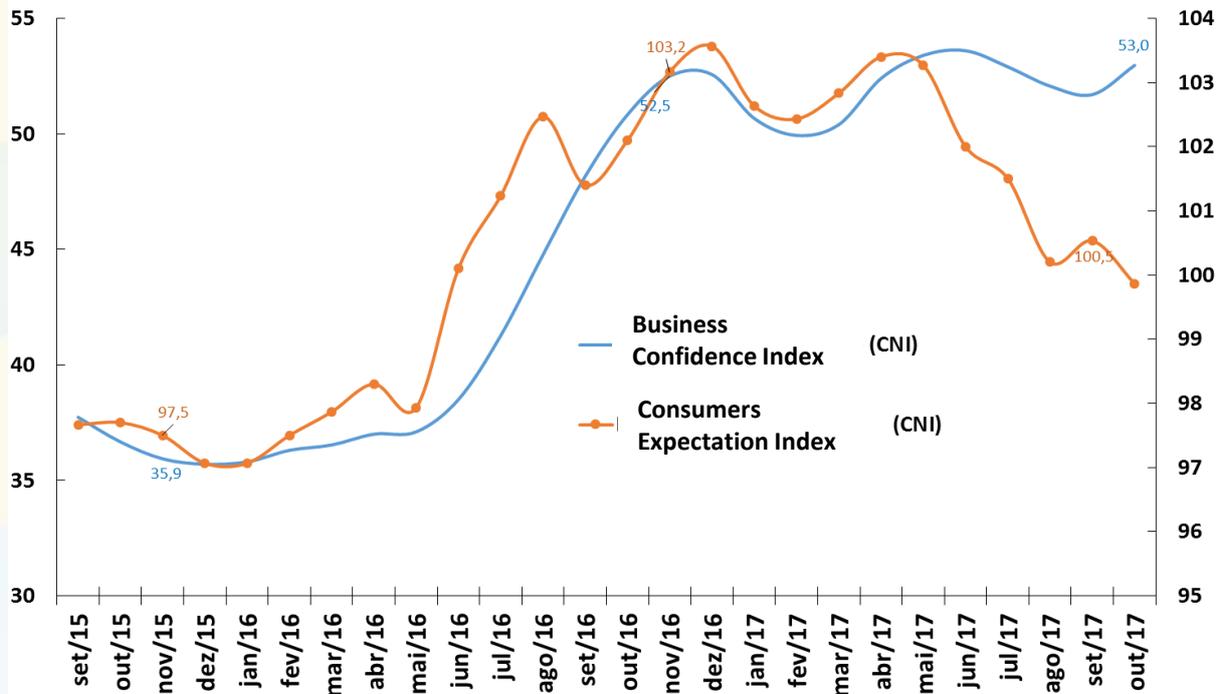


Source: IBGE, Monthly Survey of Services (PMS).

CNI: Business Confidence and Consumers Expectation Indexes

Business Confidence Index – ICEI
3-month moving average

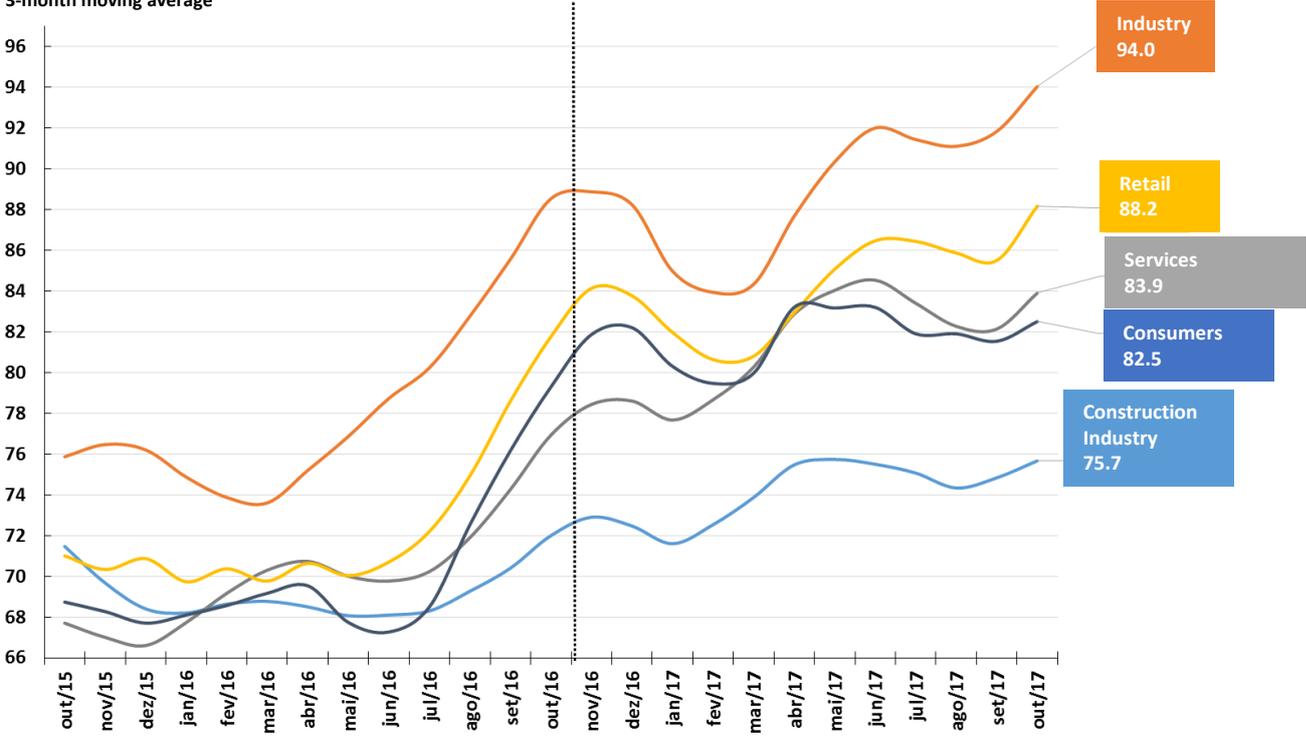
Consumers Expectation Index – INEC
3-month moving average



Source: CNI.

FGV: Economic Confidence Indicators

Economic Confidence Indicators
3-month moving average

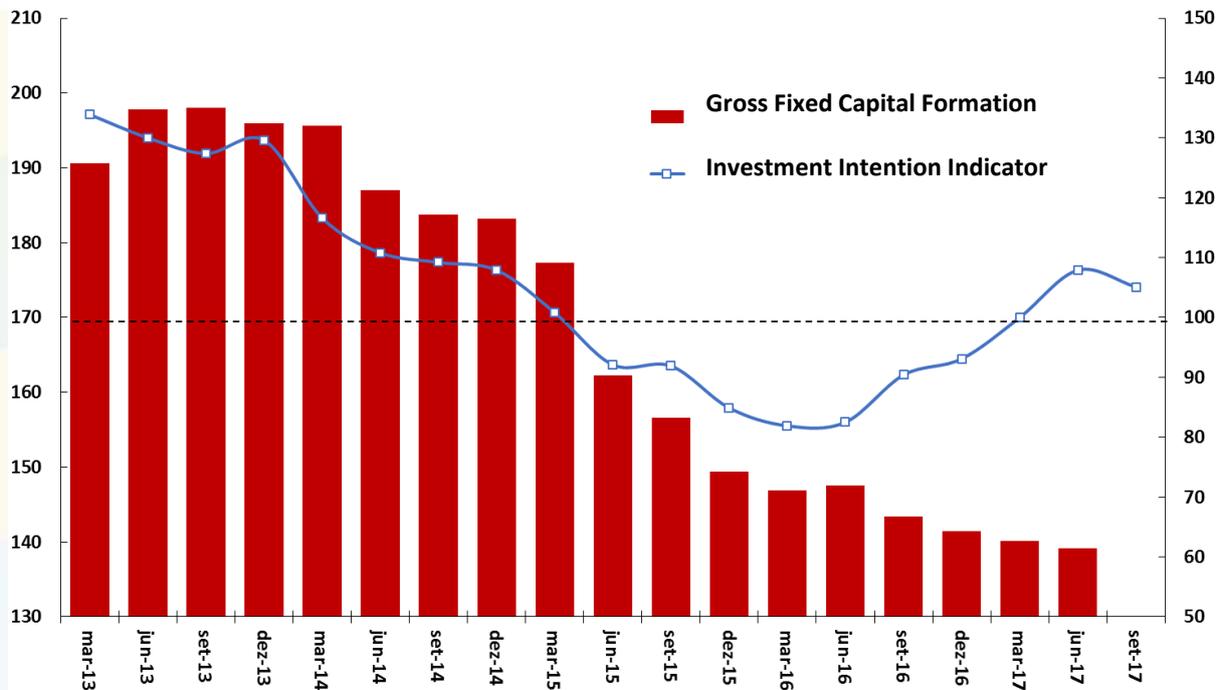


Source: IBRE/FGV.

Gross Fixed Capital Formation and Investment Intention

Gross Fixed Capital Formation (Quarterly National Accounts)
Chained Series of the Seasonally Adjusted Index: 1995=100

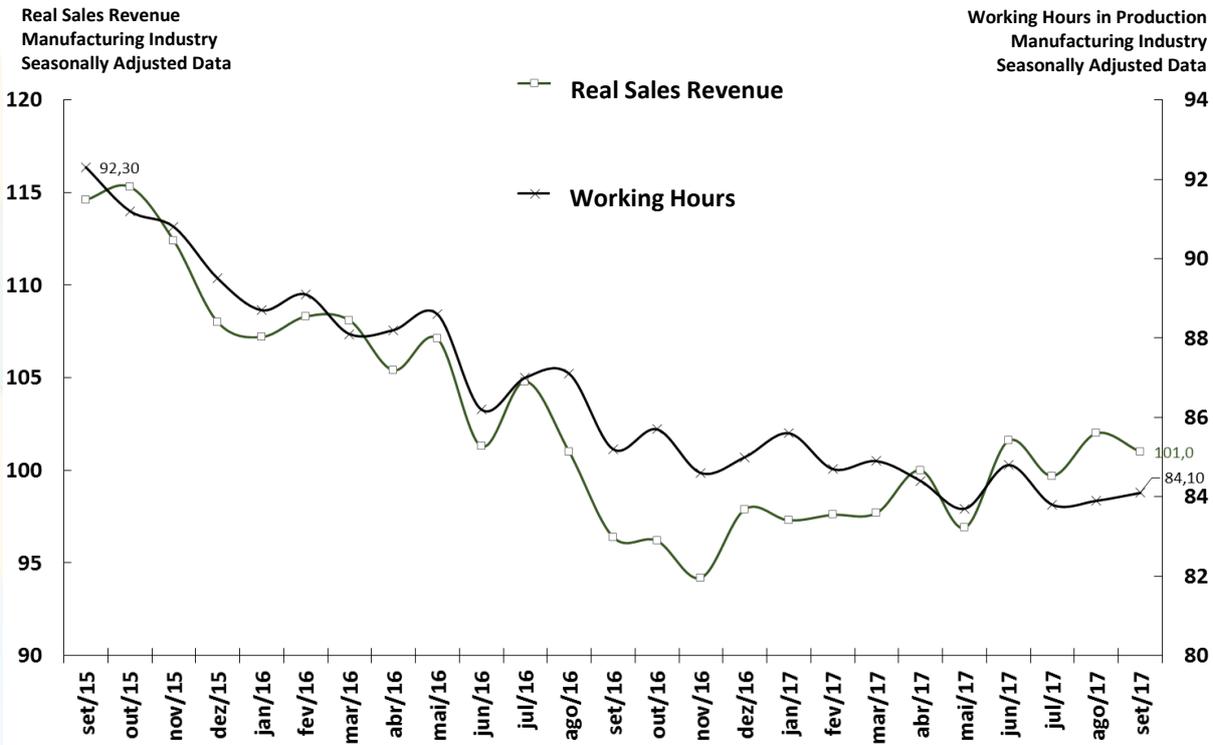
Investment Intention Indicator*
IBRE/FGV Investments Survey



Source: IBGE/MP e IBRE/FGV.

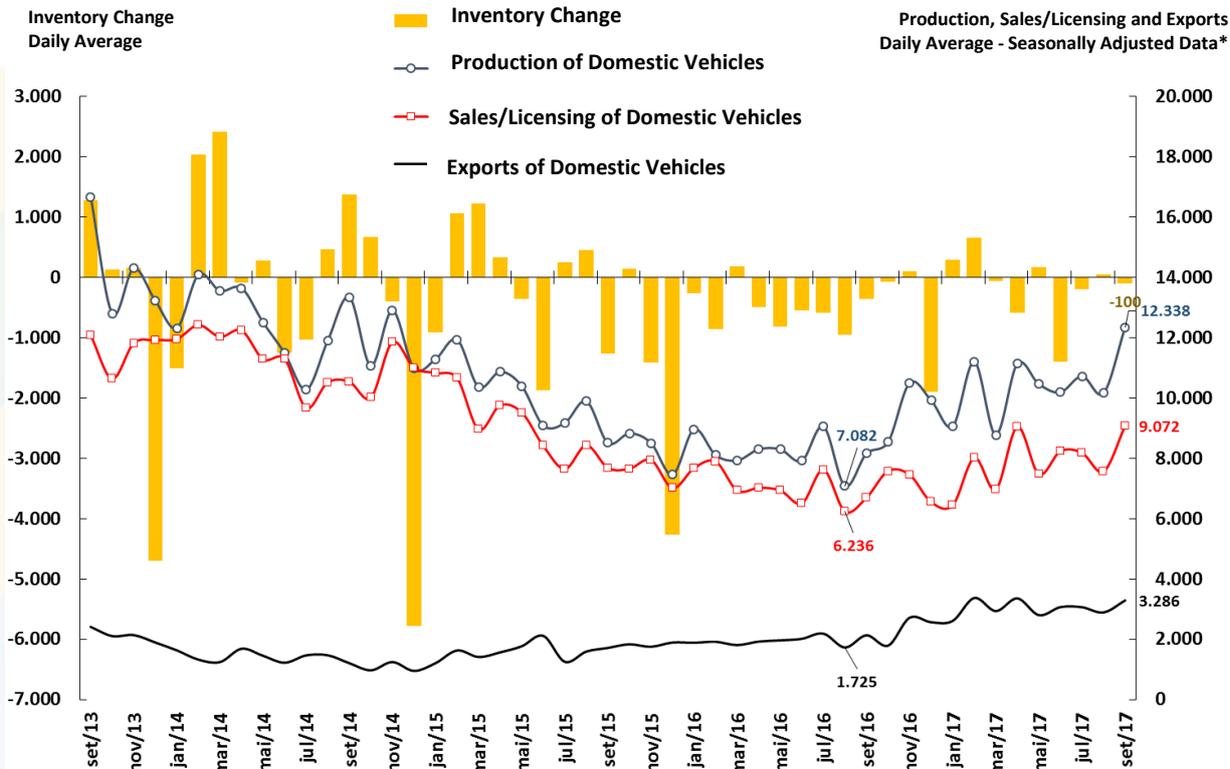
*Note: Measures the difference between positive and negative answers, plus 100.

CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

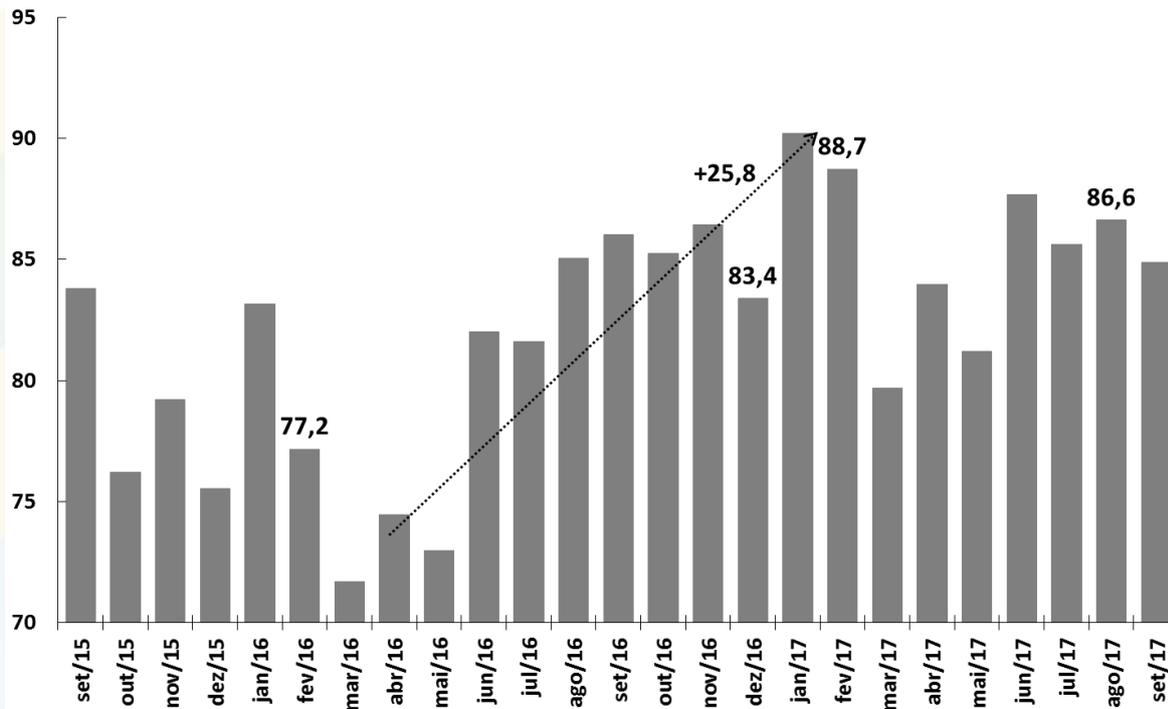
Automotive Sector Production, Sales and Inventory Change



Source: ANFAVEA and FENABRAVE. * Seasonally adjusted by SEPLAN/MP.

ANP: Natural Gas and Oil Production

Natural Gas and Oil Production
Millions of Barrels of Oil Equivalent (BOE) per Month

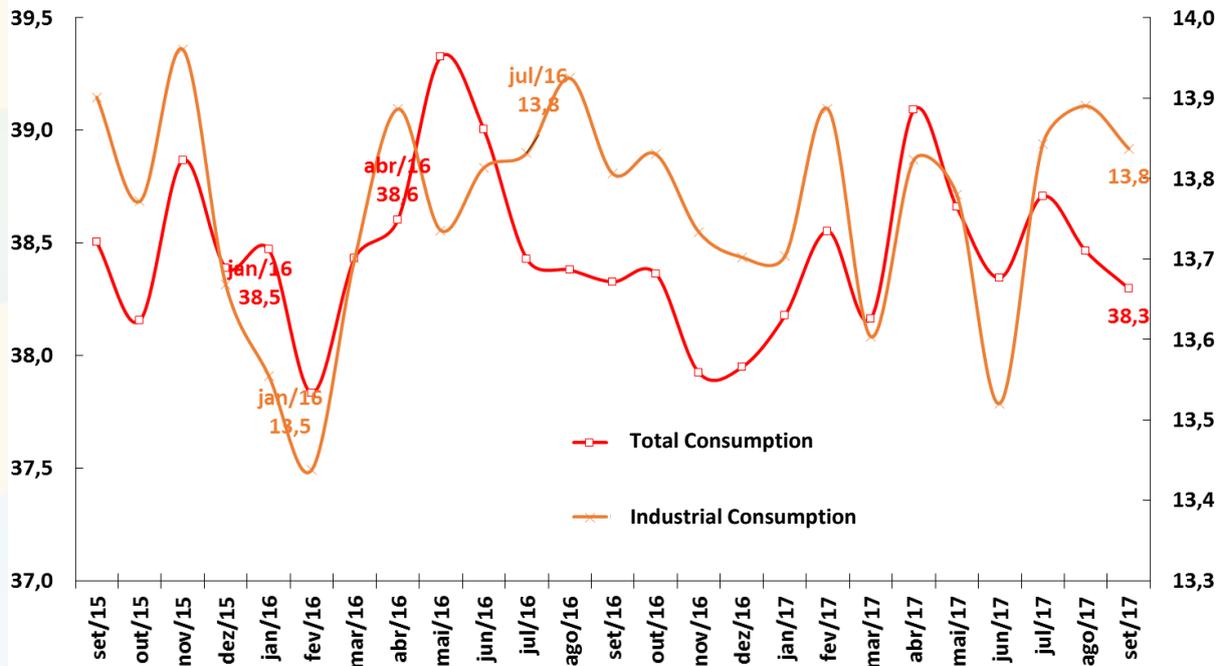


Source: ANP.

ANEEL: Electrical Energy Consumption

Total Electric Energy Consumption
Millions of MWh
Seasonally Adjusted Data*

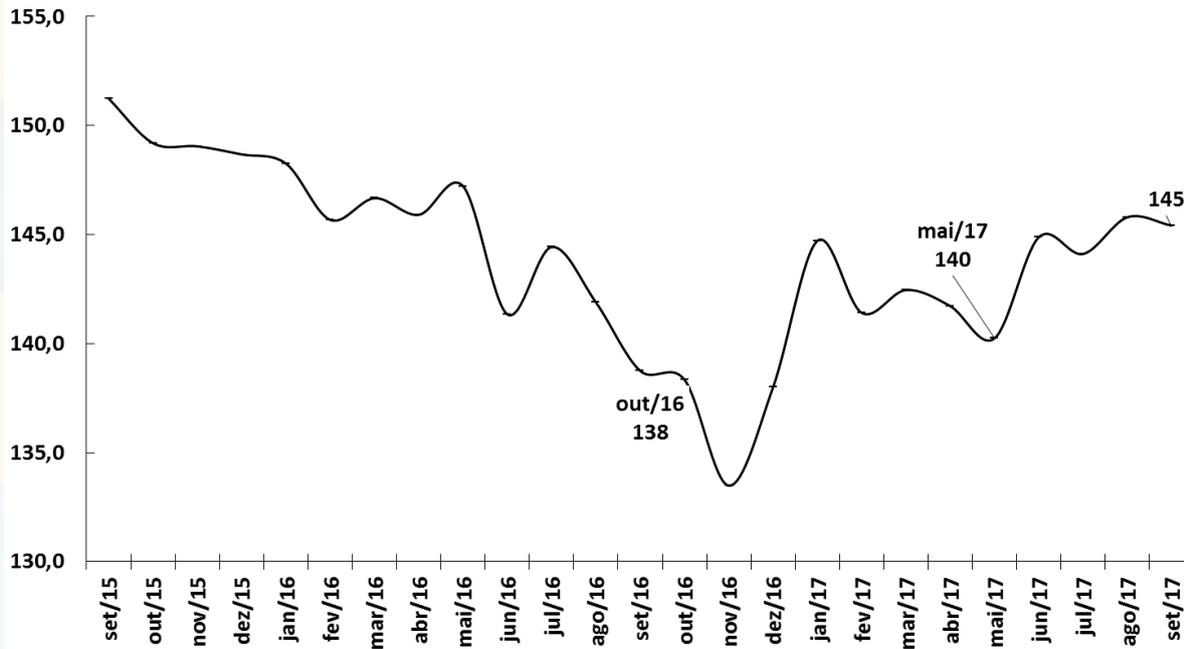
Electric Energy Industrial Consumption
Millions of MWh
Seasonally Adjusted Data*



Source: ANEEL. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index
Index: 1999=100
Seasonally Adjusted Data

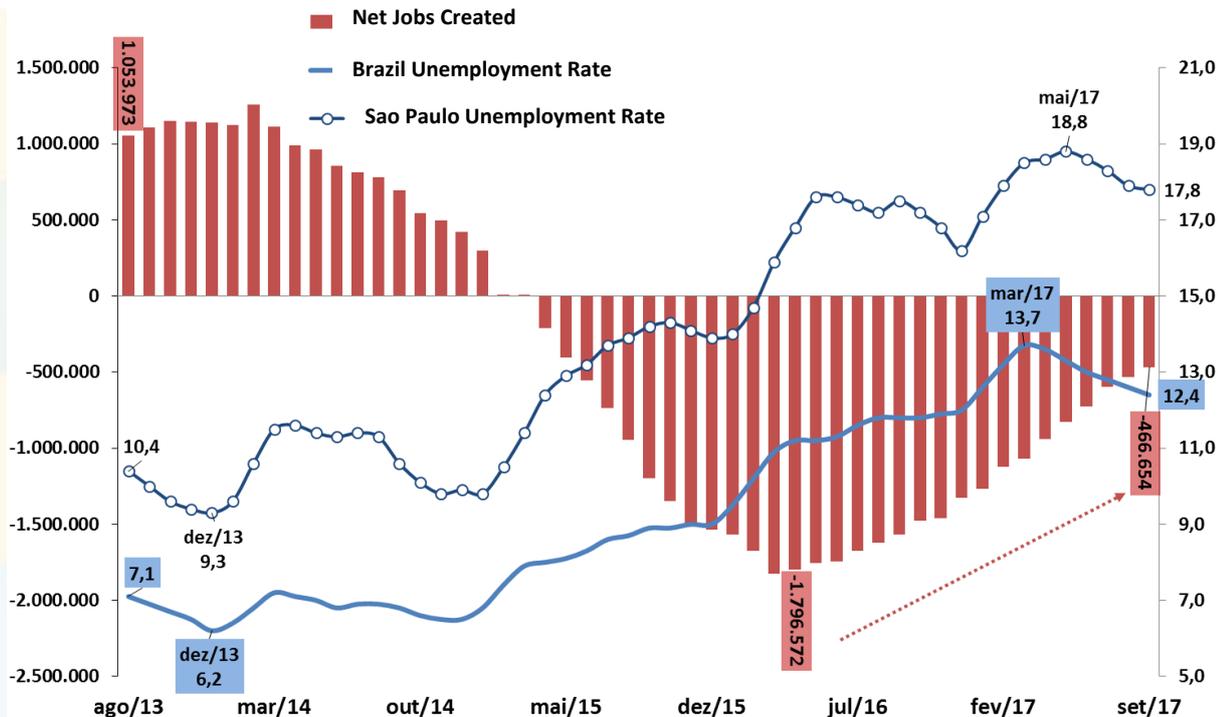


Source: ABCR.

Unemployment Rate and Net Formal Job Creation

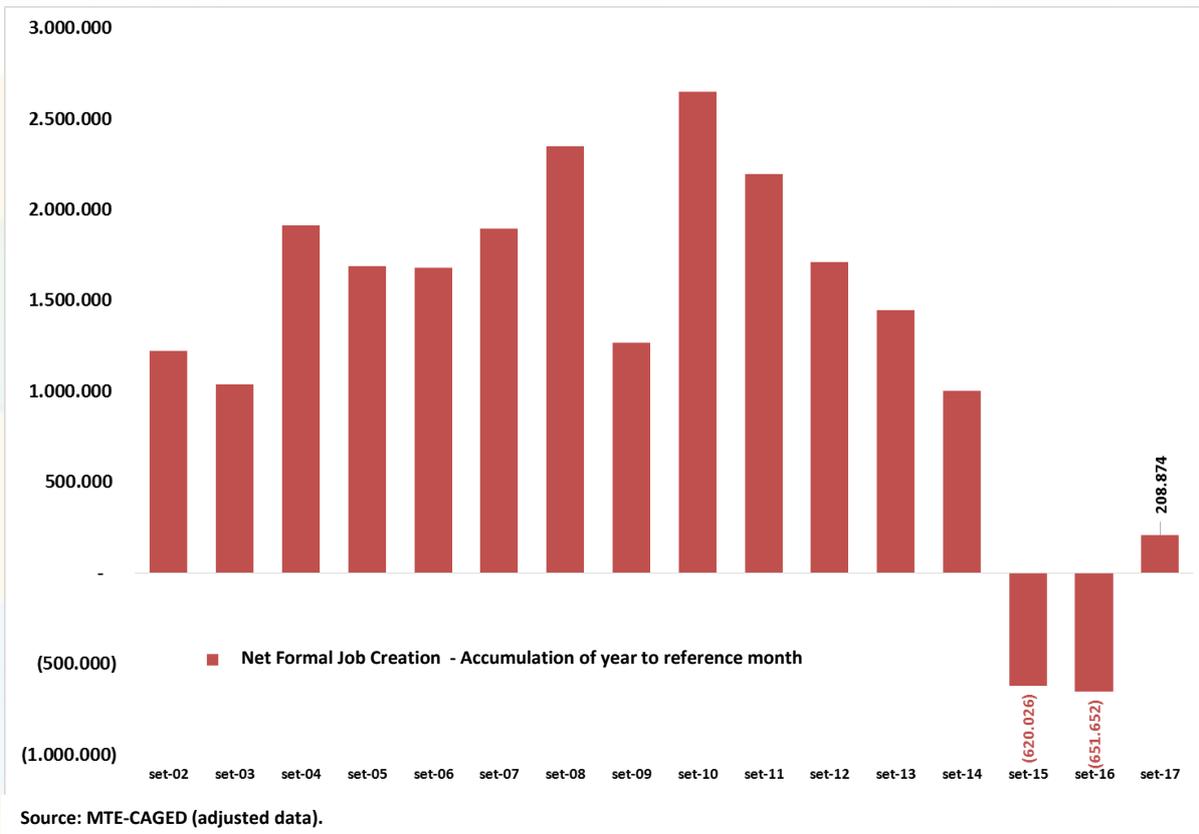
Net Formal Jobs Creation
12-Month Accumulated Figures

Brazil and Sao Paulo Unemployment Rate
% of Labor Force



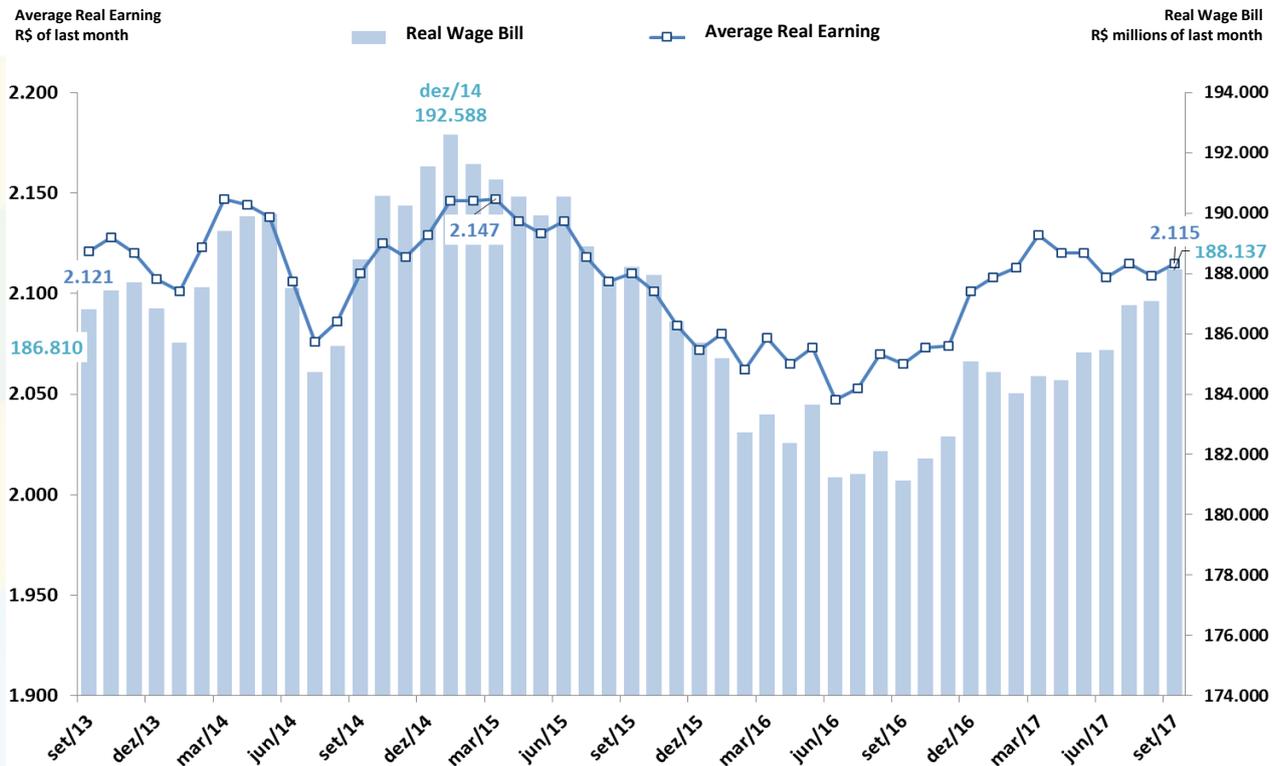
Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Net Formal Job Creation – Total Accumulation of Year



Source: MTE-CAGED (adjusted data).

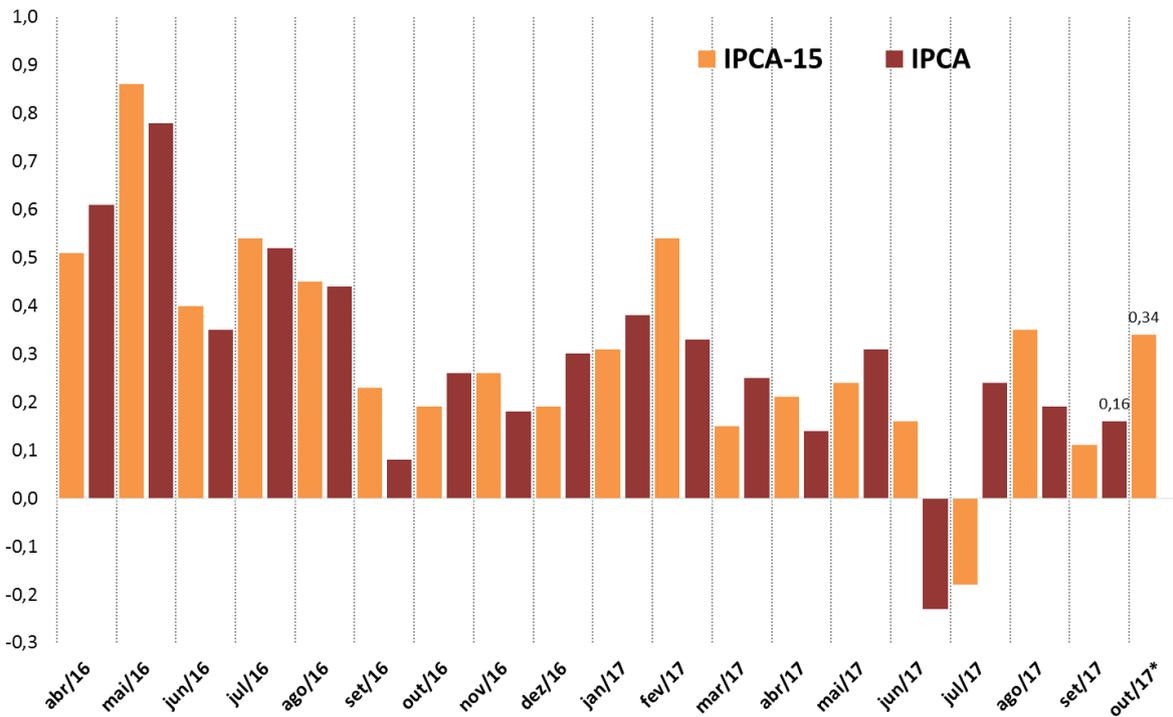
Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

IBGE: Monthly Consumer Price Indexes

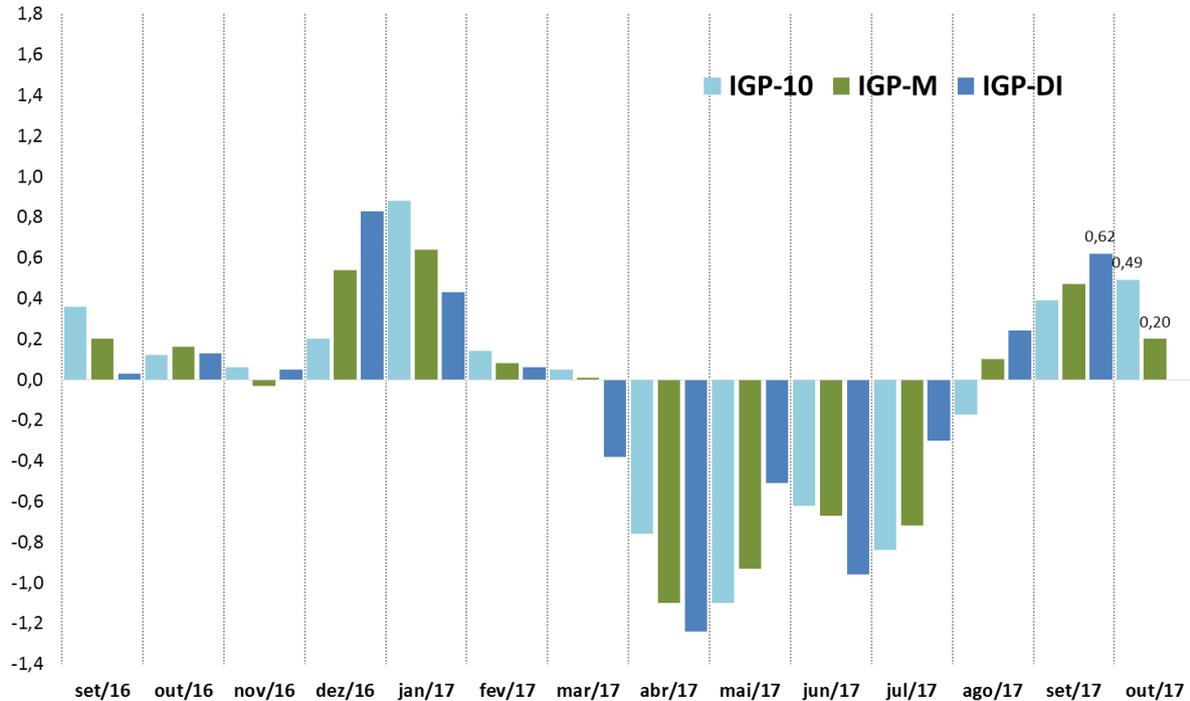
IPCA-15 and IPCA
By release order



Source: IBGE.

FGV: Monthly General Price Indexes

IGP-10, IGP-M and IGP-DI
By release order

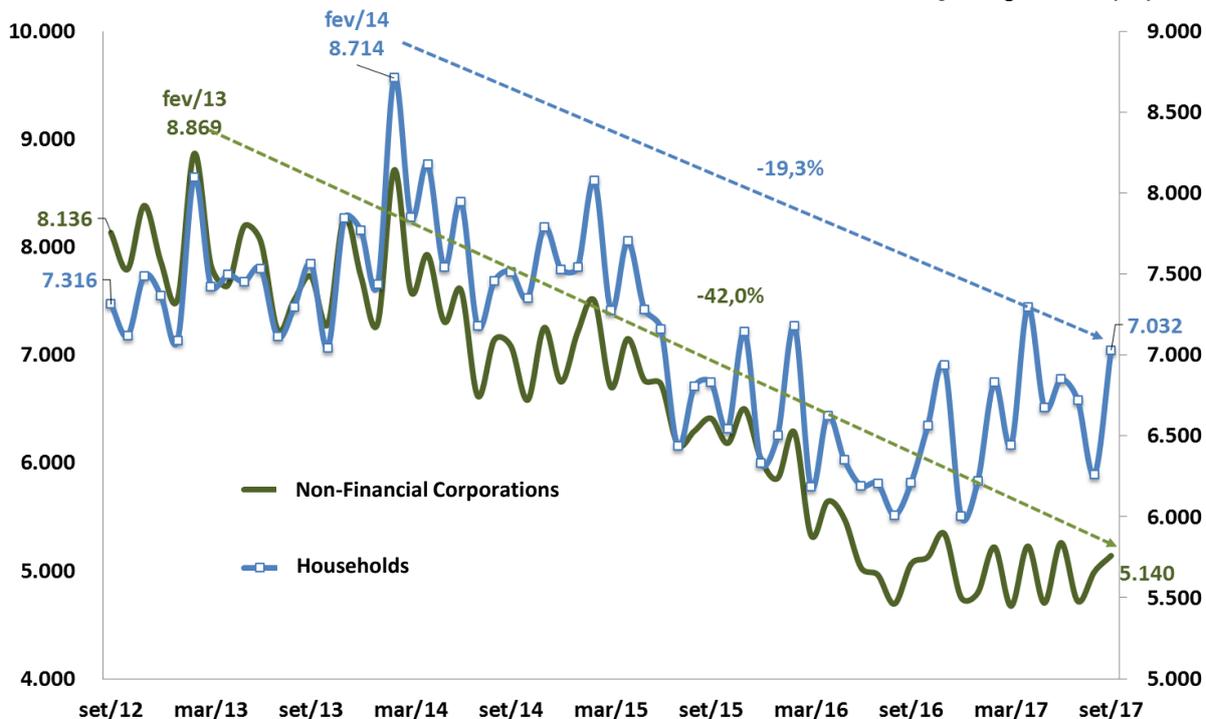


Source: FGV.

New Loans to Households and Non-Financial Corporations

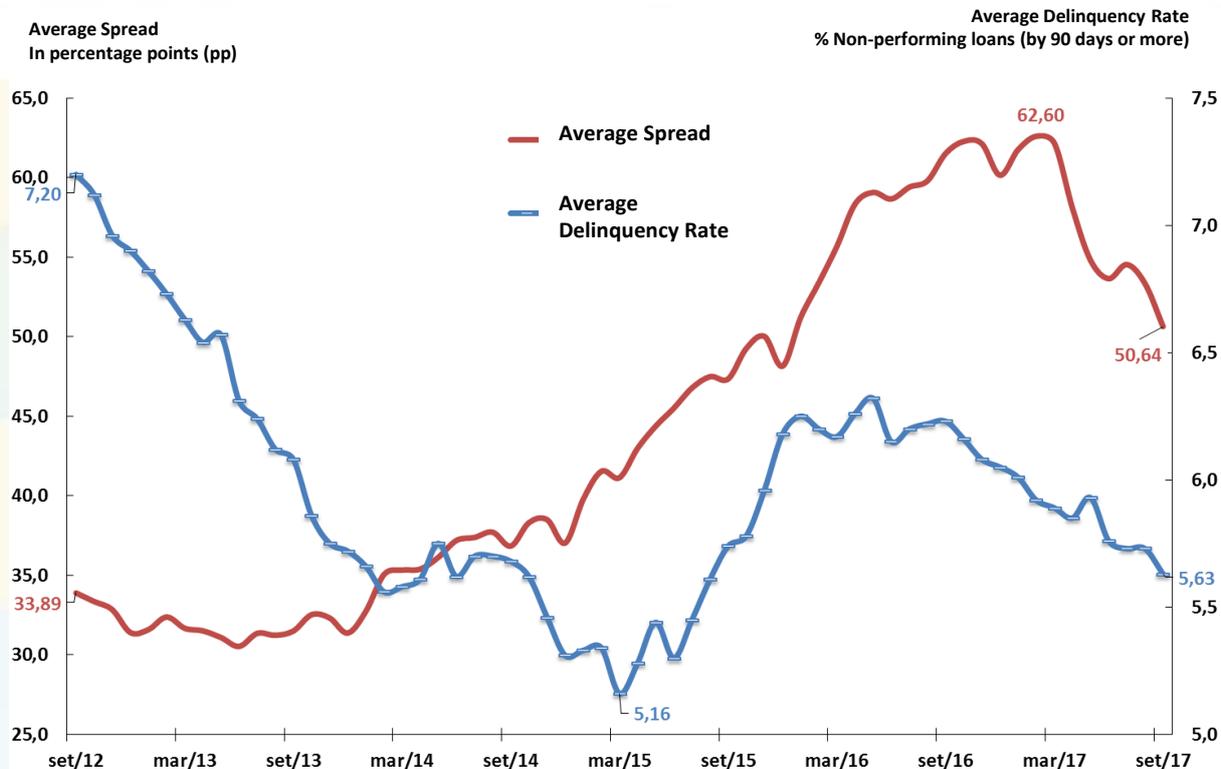
Daily Average of New Loans to Non-Financial Corporations
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*

Daily Average of New Loans to Households
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*



Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP.

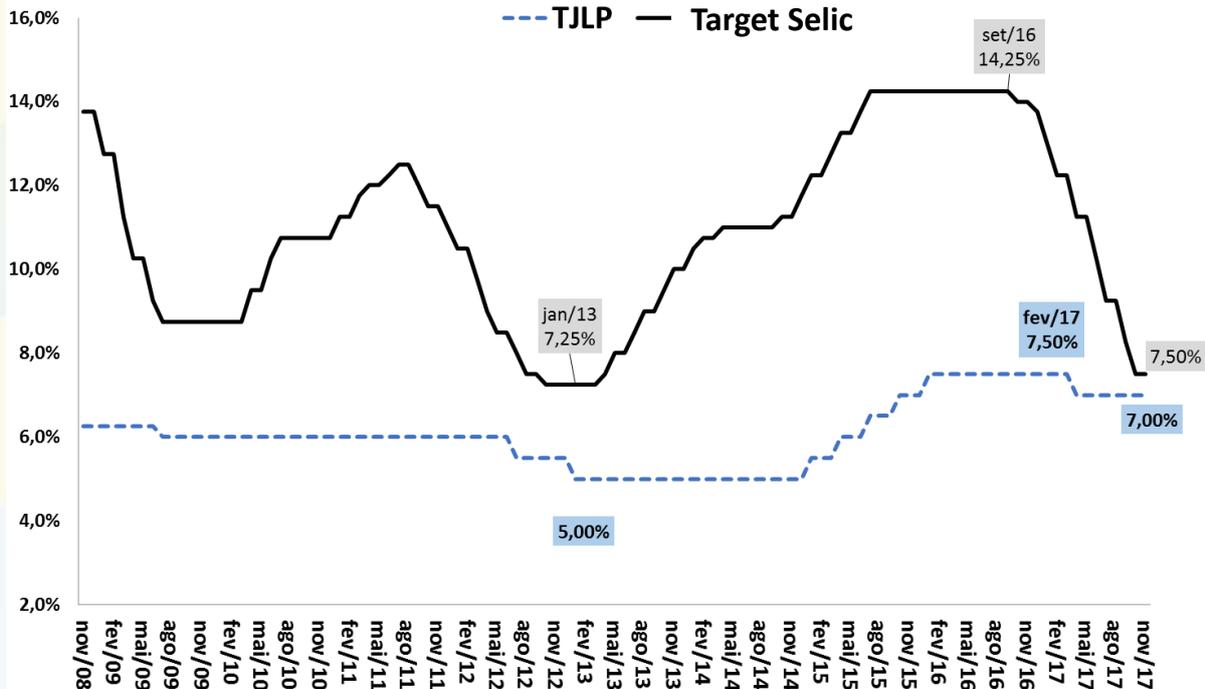
Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

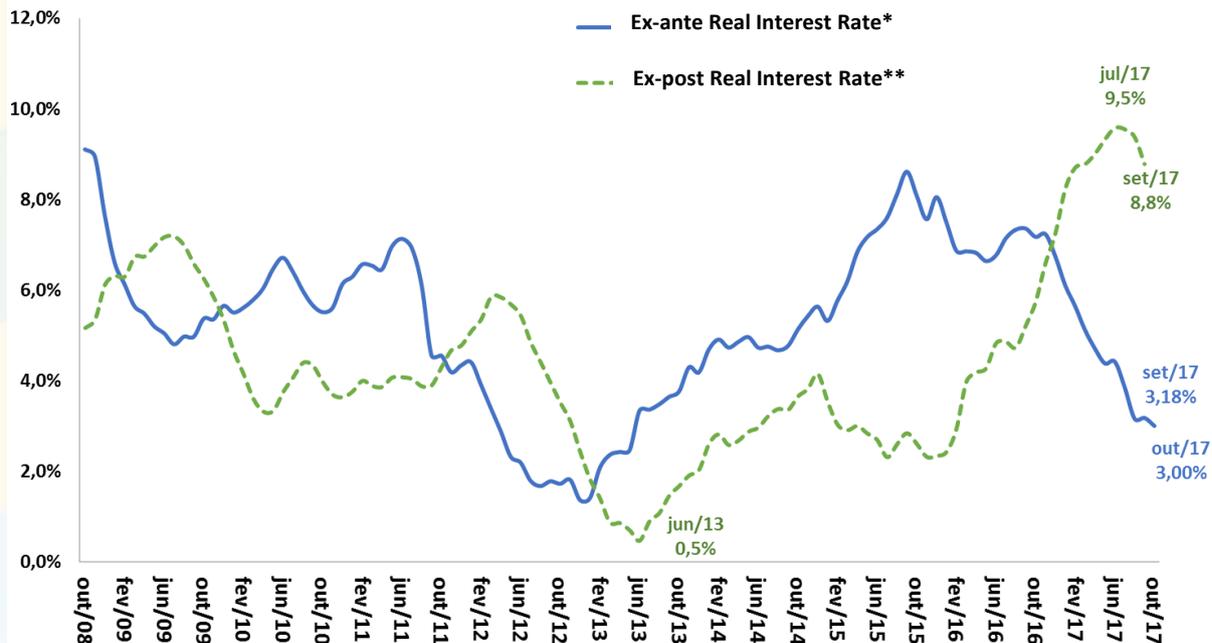
Selic and Long Term (TJLP)
Official Interest Rates (% py)



Source: Central Bank of Brazil.

Ex-ante and Ex-post Real Interest Rates

Ex-ante and Ex-post Real (Interbank CDI/IPCA)
Interest Rates (% py)



Source: Central Bank of Brazil.

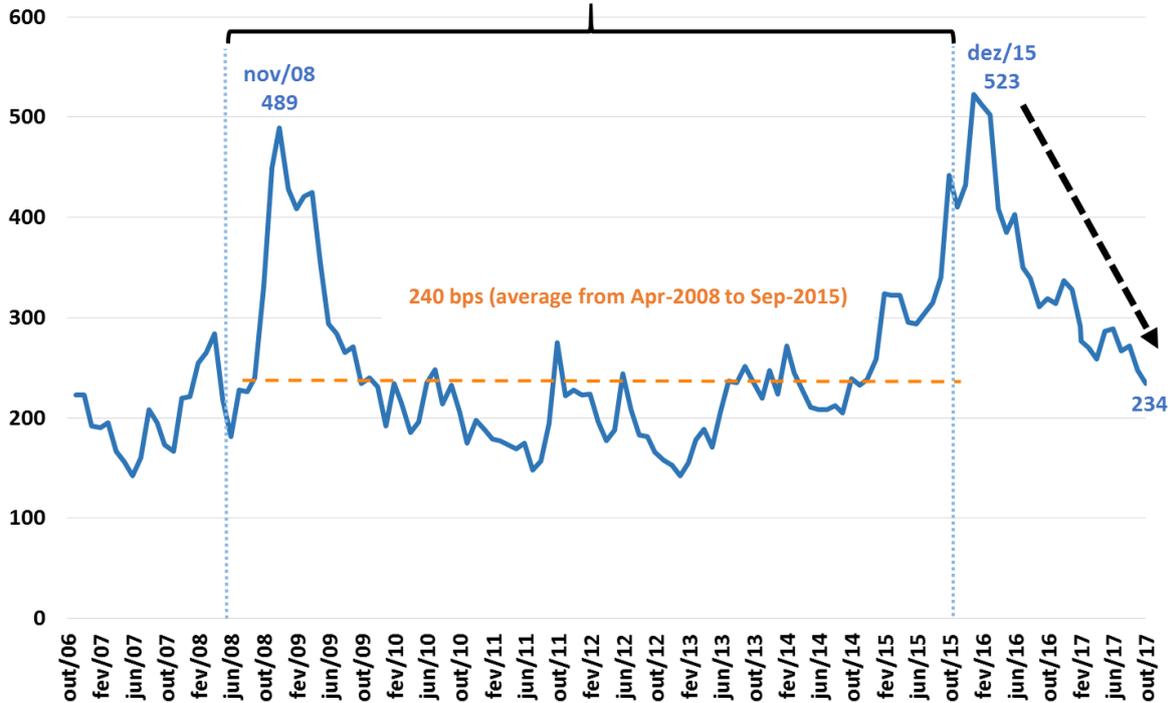
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

** Ex-post Real Interest Rate = Observed 12-months accumulated CDI/IPCA ratio.

Sovereign Risk (EMBI+ BR)

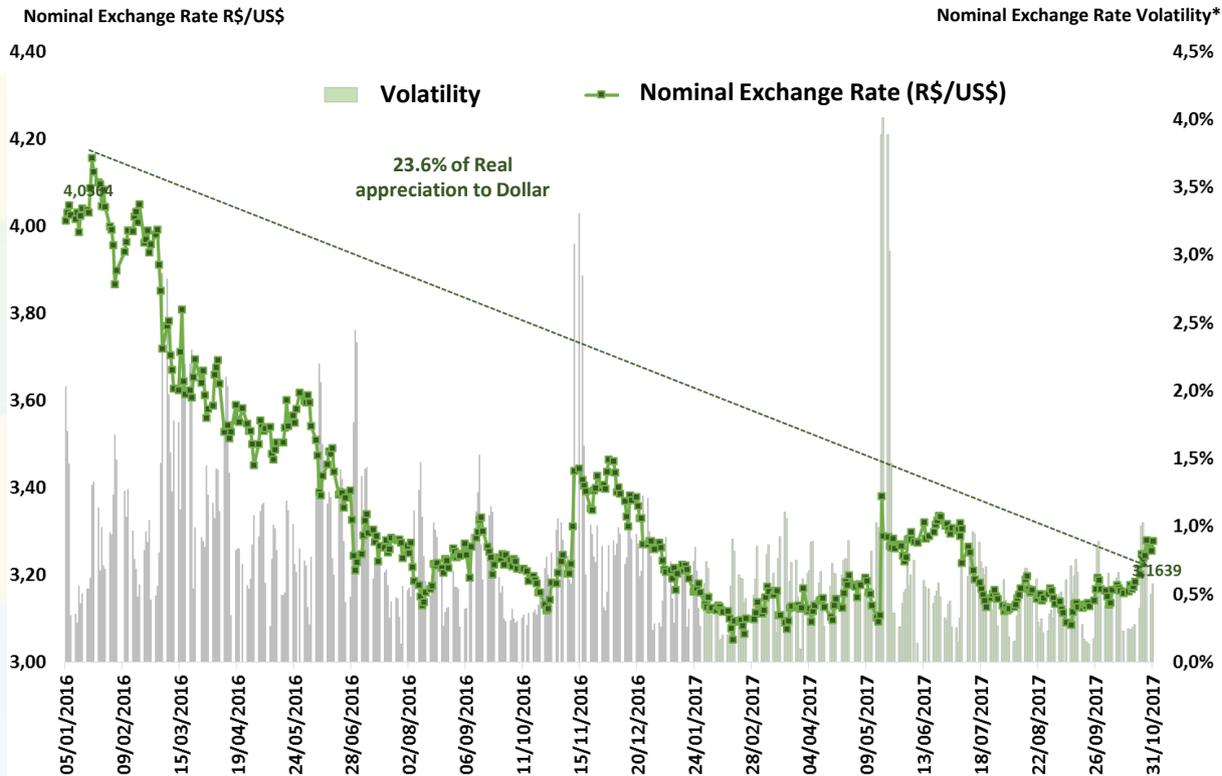
EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period



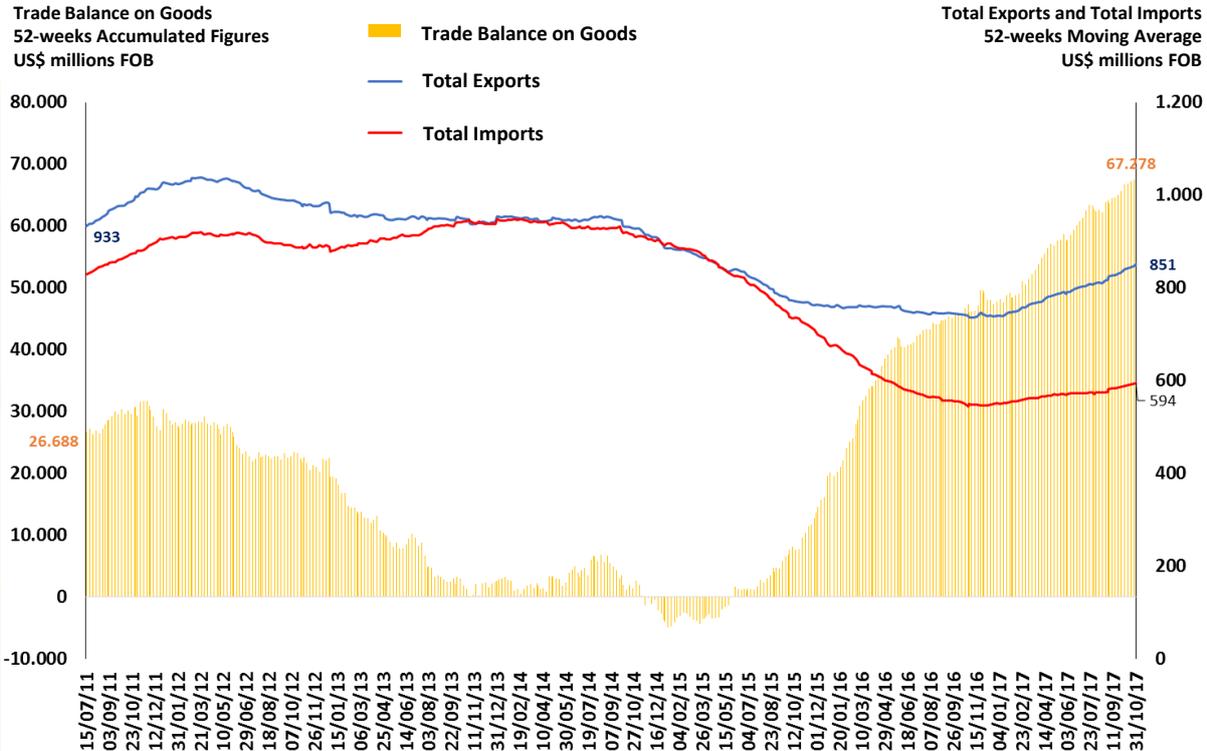
Source: JPMorgan. *30th June 2017 value.

Daily Nominal Exchange Rate R\$/US\$



Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

Trade Balance on Goods (52 weeks daily average)



Source: SECEX/MDIC.

Trade Balance, Quantum and Terms of Trade Ratios

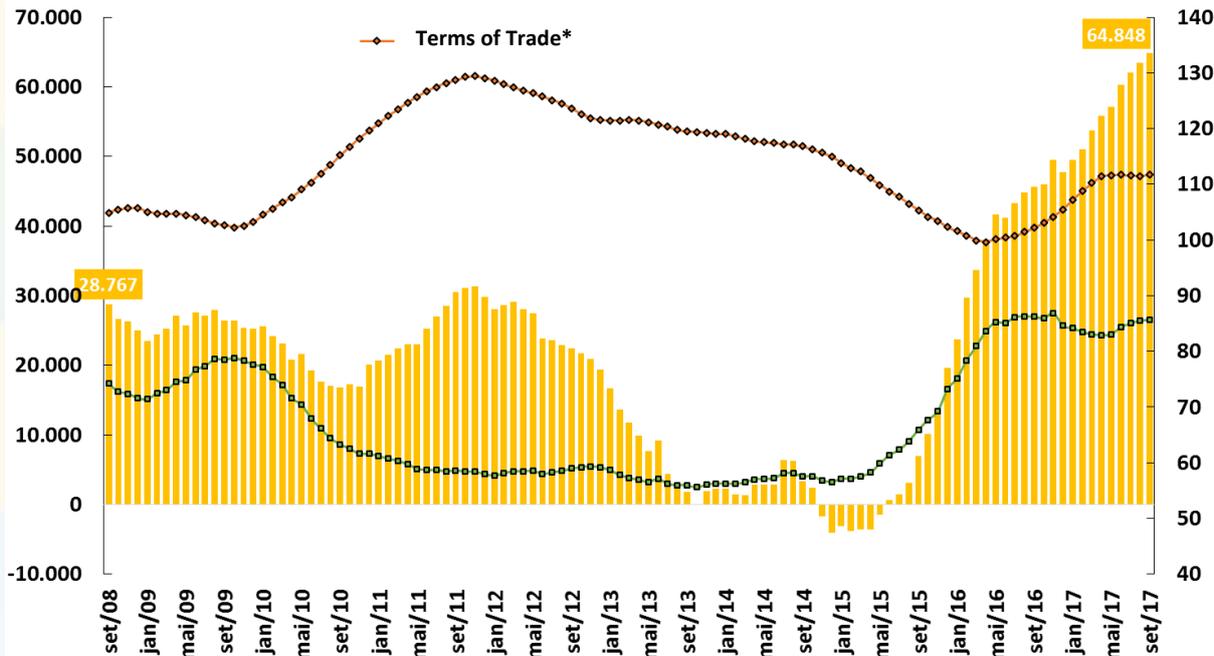
Trade Balance
12-month Accumulated Figures
US\$ millions FOB

Trade Balance on Goods

Quantum Ratio*

Terms of Trade*

Quantum Ratio and Terms of Trade*
12-month Moving Average
2006=100

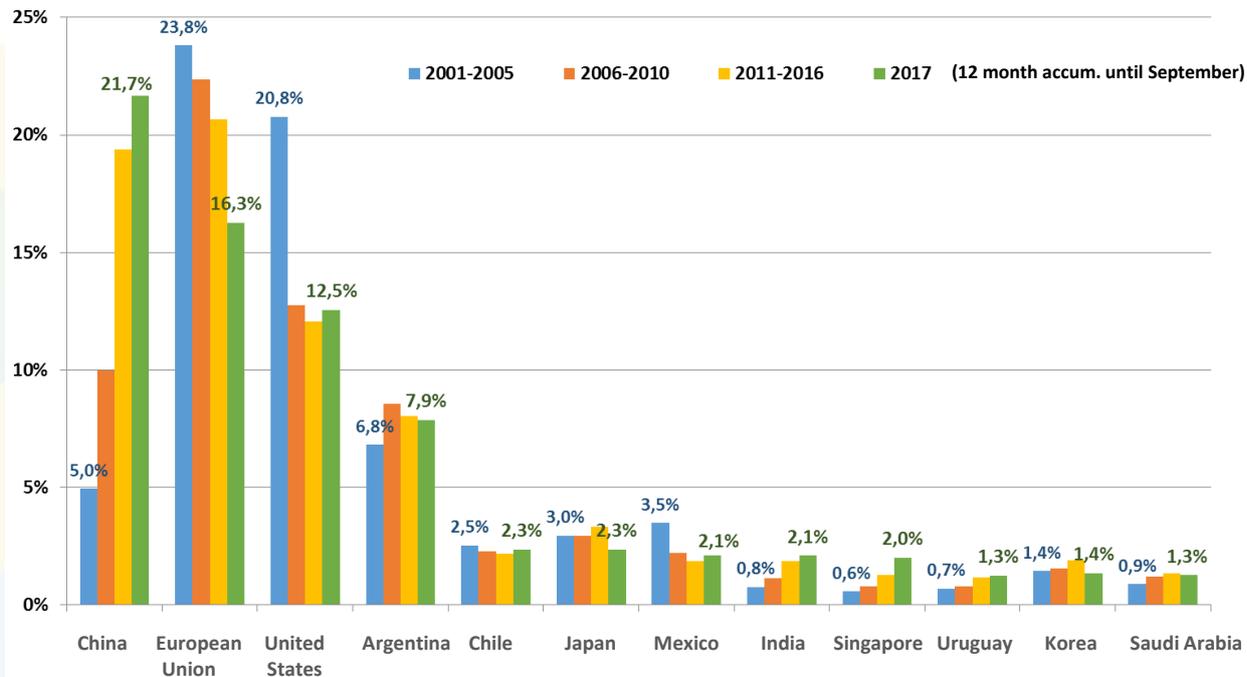


Sources: SECEX/MDIC and FUNCEX.

* Quantum Ratio = (average quantum Exports / average quantum Imports) and Terms of Trade = (average price Exports / average price Imports)

Brazilian Exports Evolution by Country of Destination

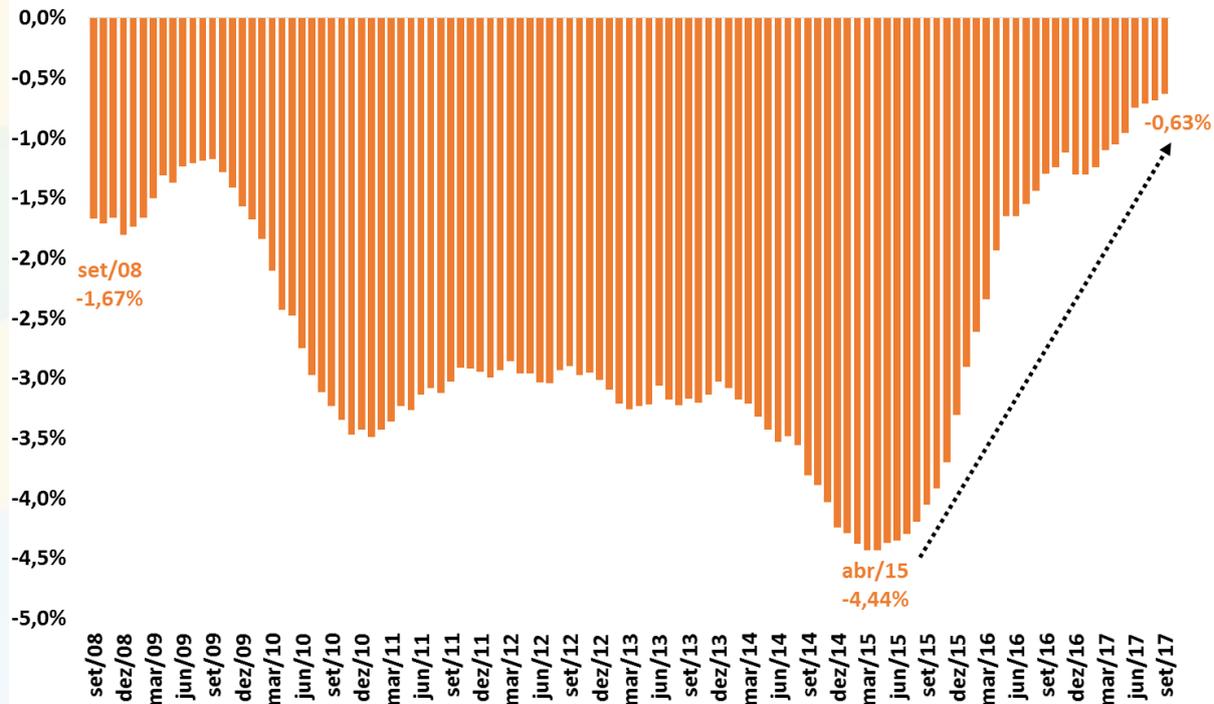
% of Exports Value



Source: MDIC/SECEX

Current Account Deficit as % of GDP

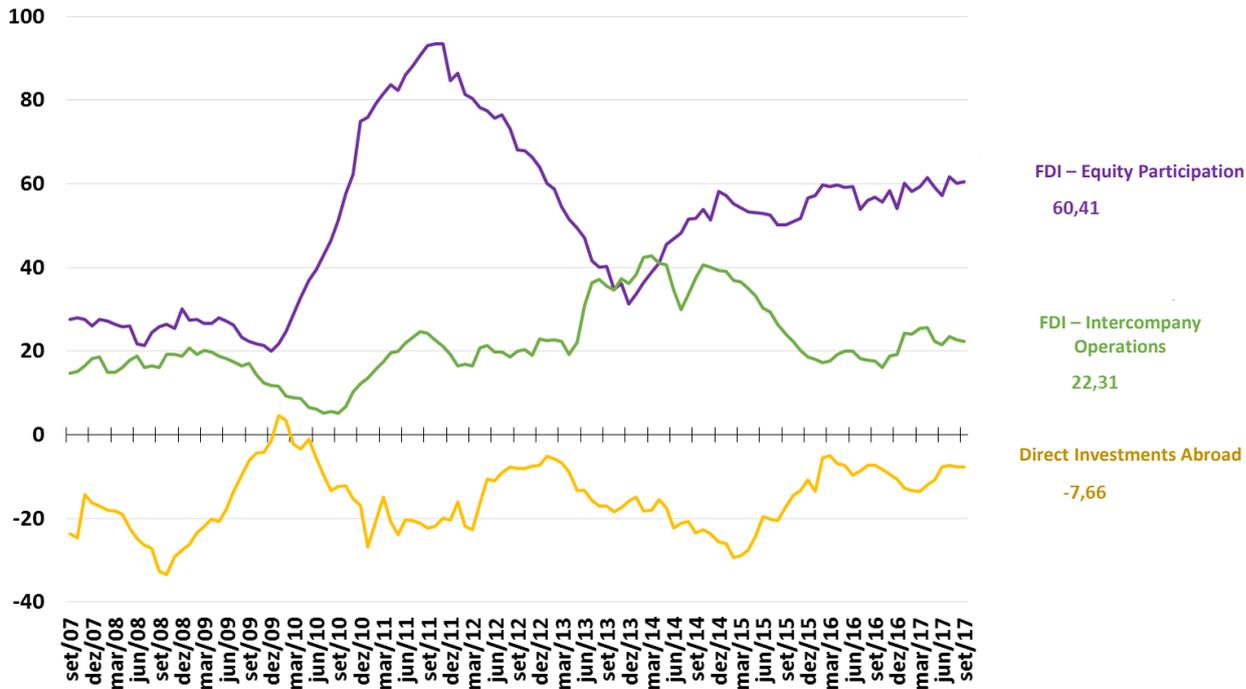
Current Account as % of GDP
12-month Figures



Source: Central Bank of Brazil.

Direct Investments and Components

Direct Investment Flows
 Net Inflow (+) and Net Outflow (-)
 12-month Accumulated - US\$ billions

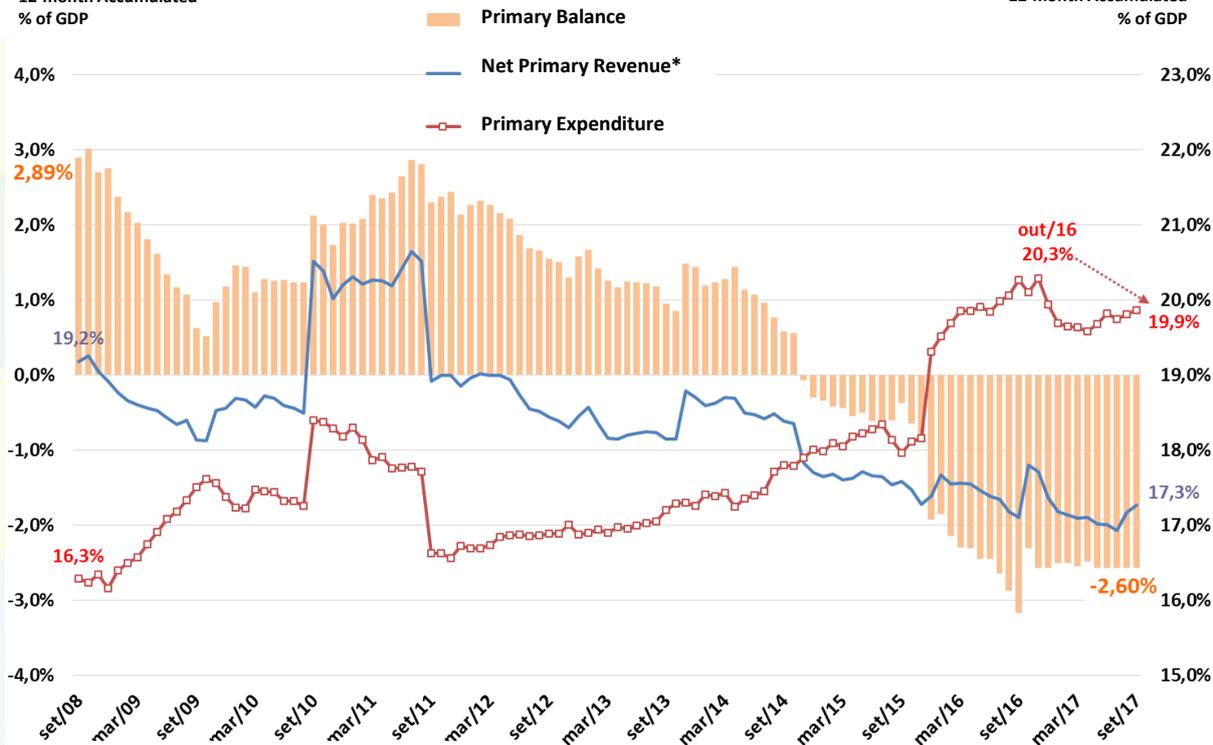


Source: Central Bank of Brazil.

Primary Balance of Federal Government (as % GDP)

Primary Balance of Federal Government
12-month Accumulated
% of GDP

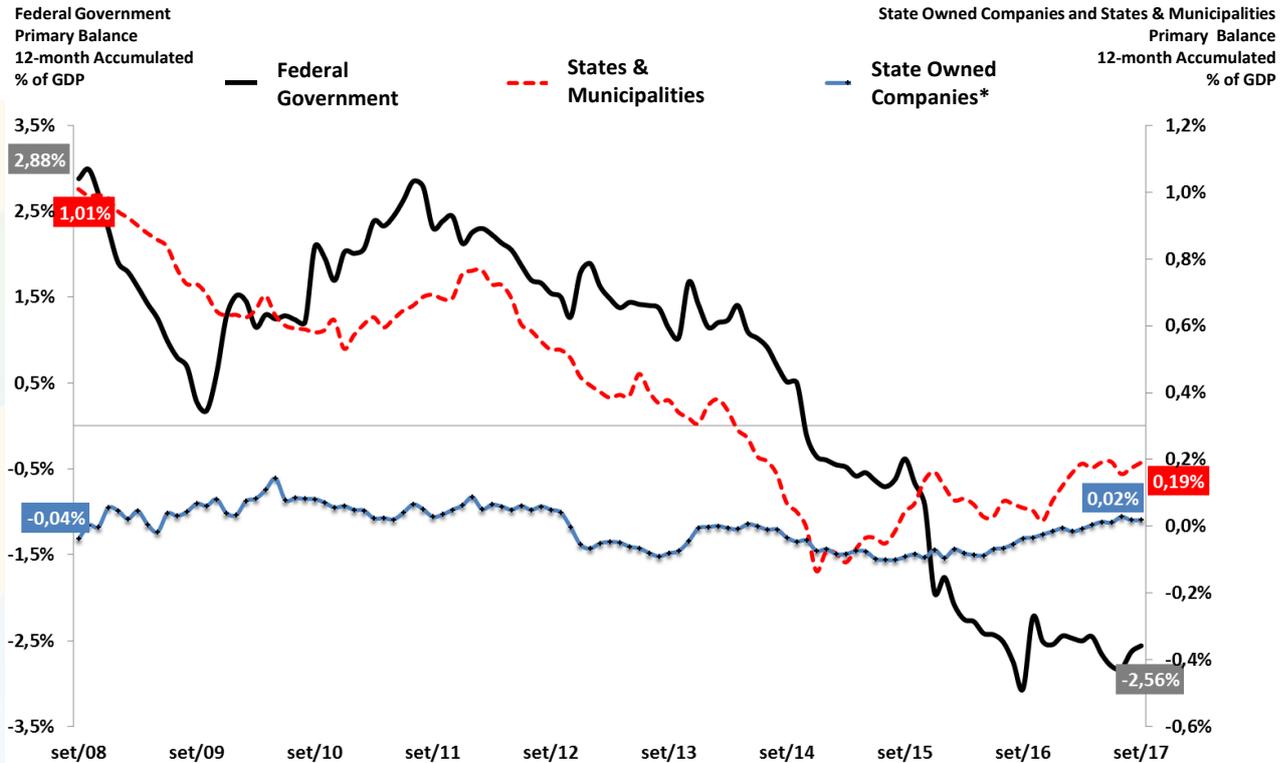
Net Primary Revenue and Primary Expenditure
12-month Accumulated
% of GDP



Sources: STN/MF.

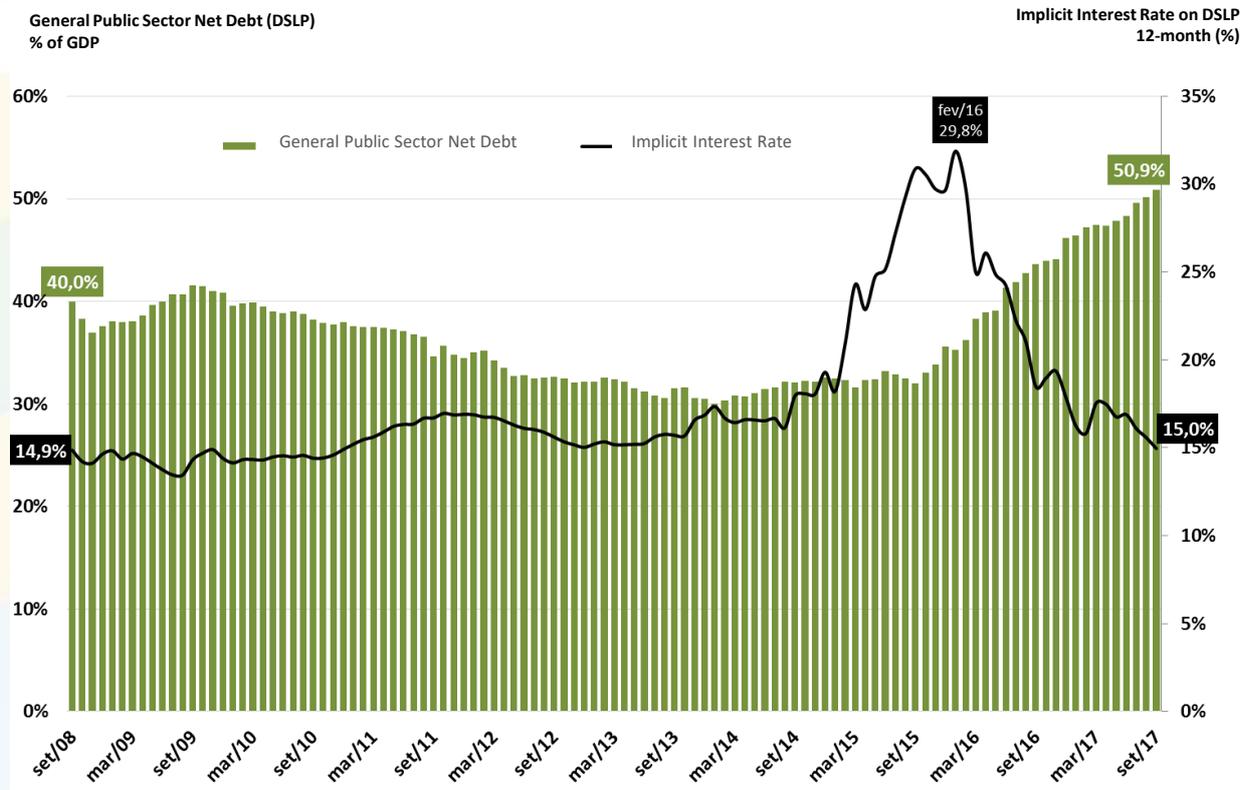
*excludes compulsory transfers to subnational entities

Public Sector Primary Balance (as % GDP)



Sources: Central Bank of Brazil. *Exclude Petrobrás and Eletrobrás.

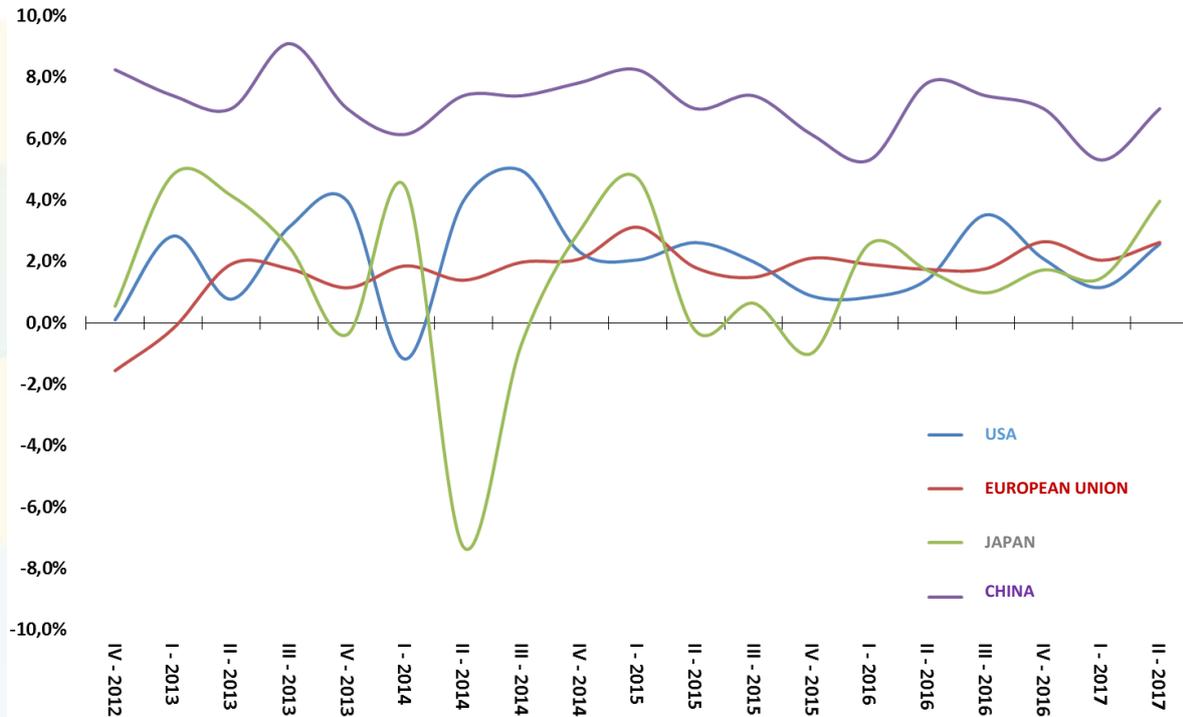
Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.

World Major Economies GDP

GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

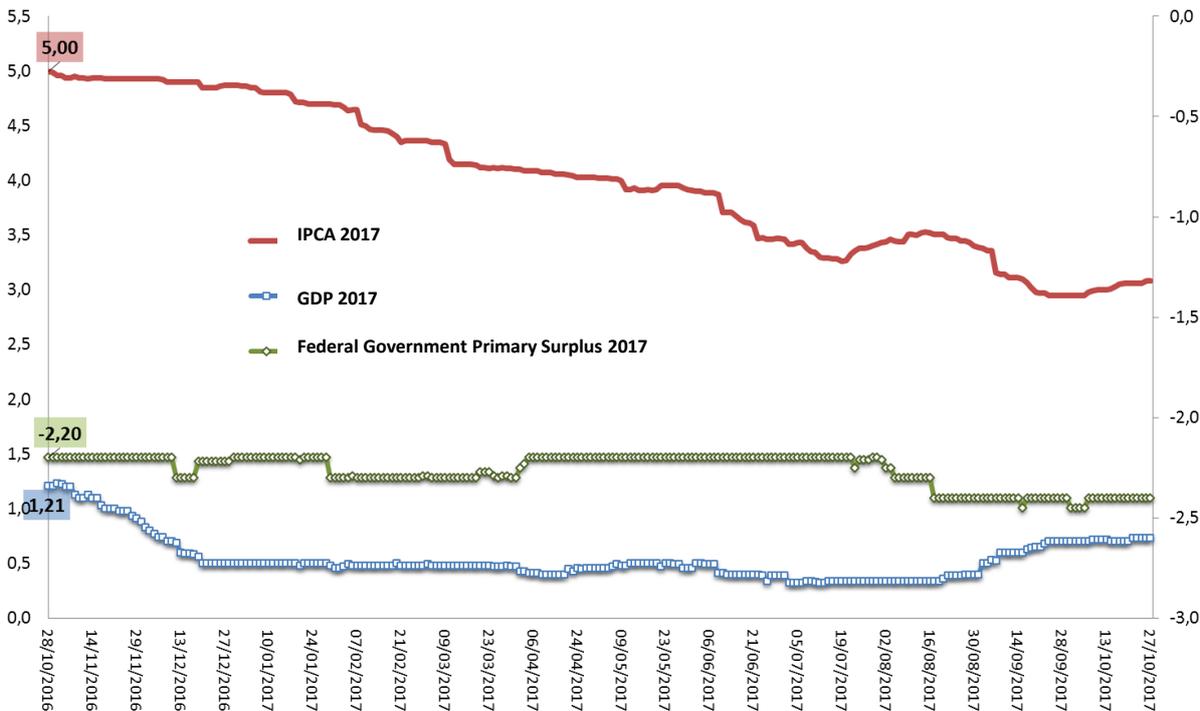


MARKET EXPECTATIONS

Market Expectations for 2017

Median of Market Expectations for 2017
Consumer Inflation (IPCA) and GDP
% p.a.

Median of Market Expectations for 2017
Federal Government Primary Surplus
as % GDP

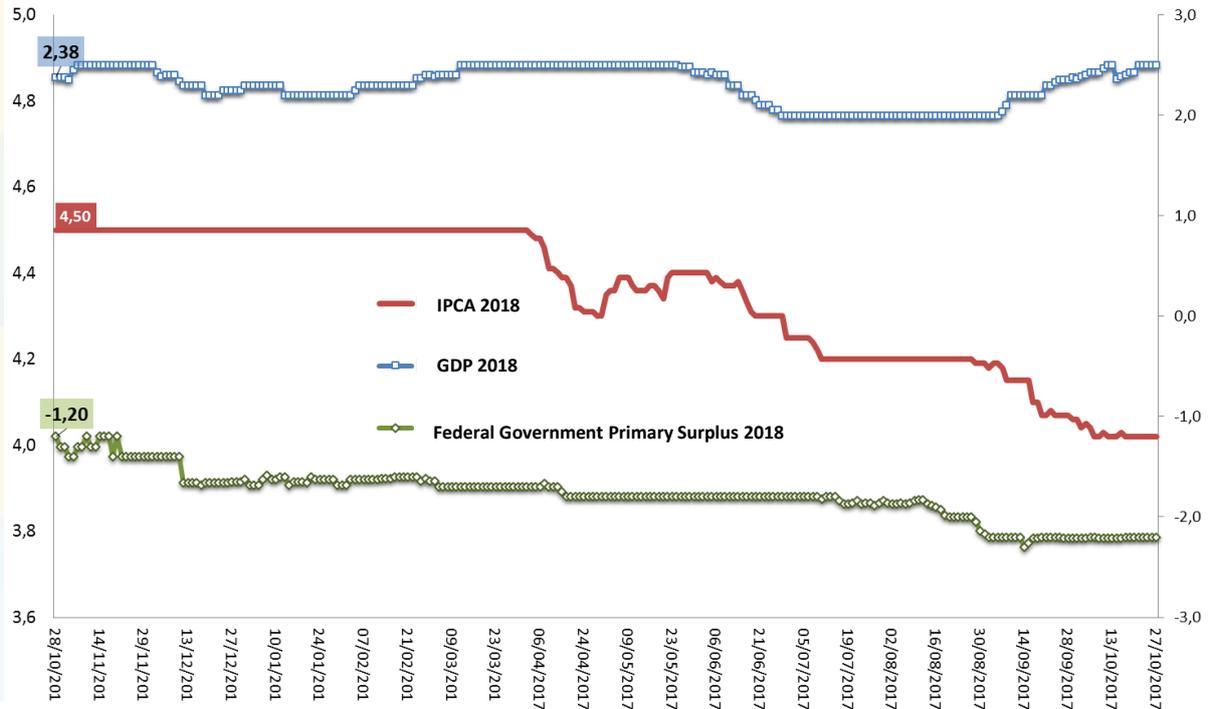


Source: Focus Survey, Central Bank of Brazil.

Market Expectations for 2018

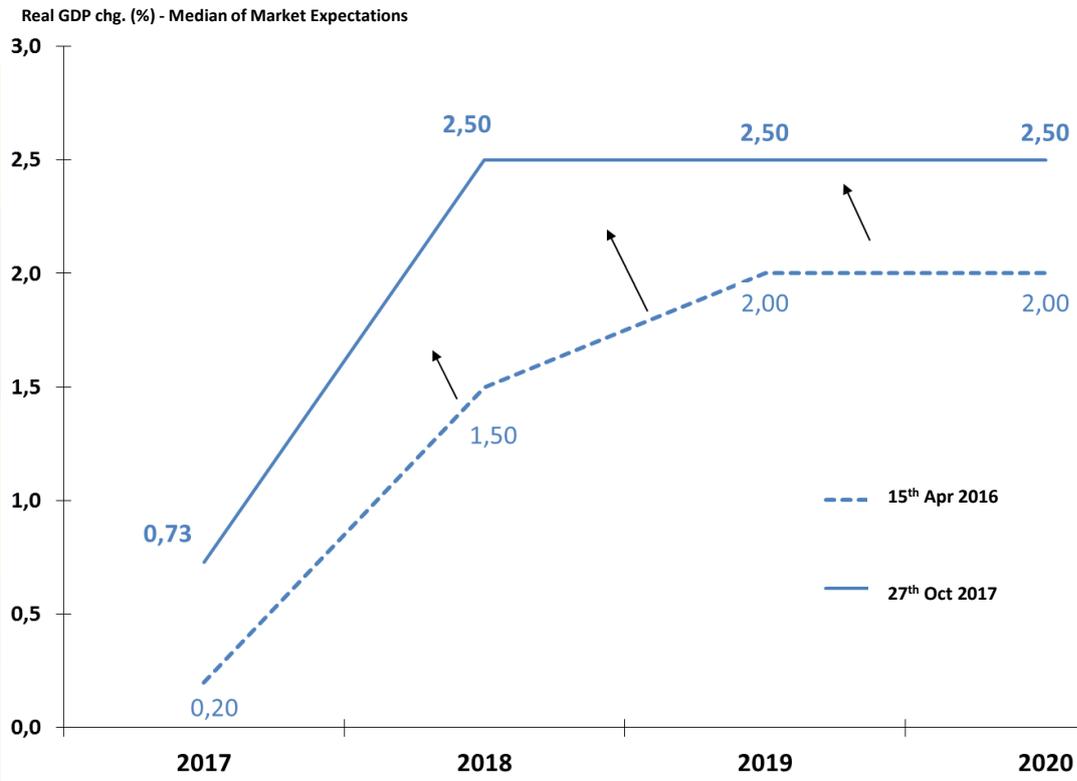
Median of Market Expectations for 2018
Consumer Inflation (IPCA) and GDP
% p.a.

Median of Market Expectations for 2018
Federal Government Primary Surplus
as % GDP



Source: Focus Survey, Central Bank of Brazil.

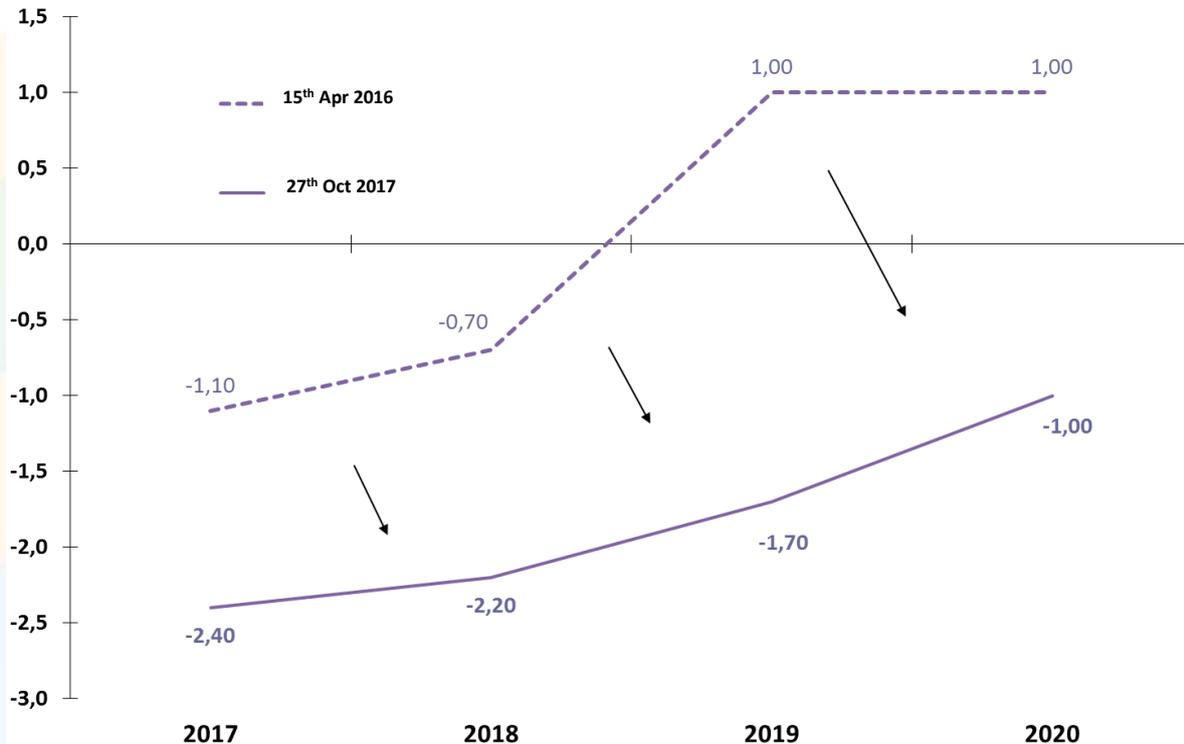
GDP: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

Primary Surplus: Median of Market Expectations

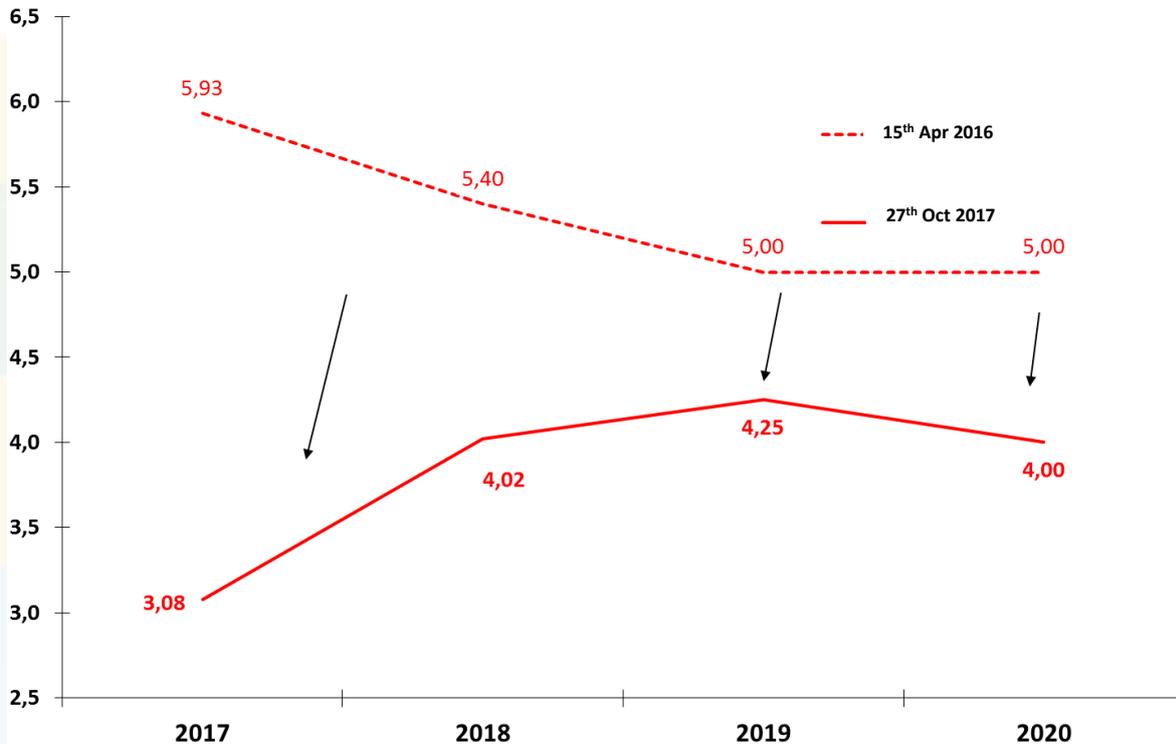
Federal Government Primary Surplus (%) - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

Consumer Price Index (IPCA): Median of Market Expectations

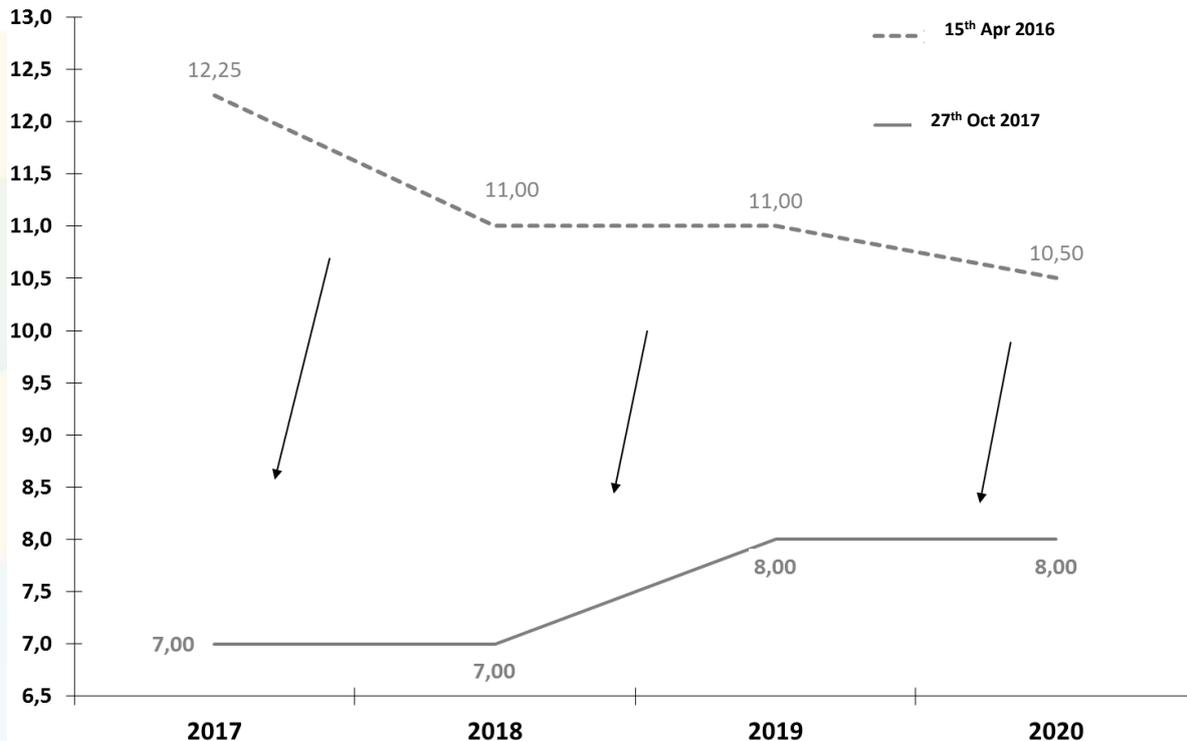
Consumer Price Index (IPCA) % p.a. - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

Main Interest Rate (Selic target): Median of Market Expectations

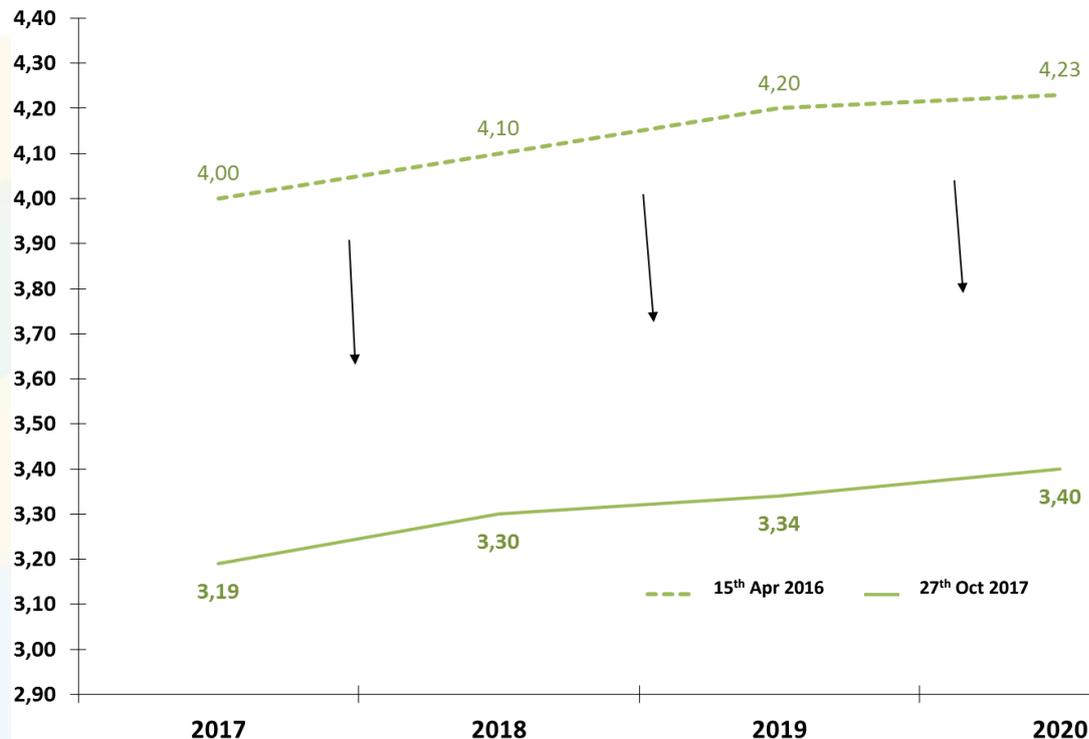
Main Interest Rate (Selic target) - % p.a. end of period - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

Nominal Exchange Rate: Median of Market Expectations

Nominal Exchange Rate (R\$/US\$) - end of period - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.



ECONOMIC ACTIVITY

GDP and Quarterly Economic Activity

BCBFOCUS: 10/27/2017

Gross Domestic Product (IBGE)	Q2 2017	2016	Q1-2017 / Q1-2016	Q2-2017 / Q2-2016	Q1-2017 / Q4-2016 (seasonally adjusted)	Q2-2017 / Q1-2017 (seasonally adjusted)	Year-To-Date	Q1-2017 accum. in 4-quarters	Q2-2017 accum. in 4-quarters	carry-over 2017	2017	2018	2019
	% change												
Agriculture	-6,6%	15,2%	14,9%	11,5%	0,0%	15,0%	0,3%	6,2%	13,6%	11,65%	2,48%	3,00%	
Industry	-3,8%	-1,1%	-2,1%	0,7%	-0,5%	-1,6%	-2,4%	-2,1%	-1,0%	-0,24%	3,33%	2,50%	
Services	-2,7%	-1,7%	-0,3%	0,2%	0,6%	-1,0%	-2,3%	-1,7%	-0,3%	0,00%	1,87%	2,50%	
GDP (market prices)	-3,6%	-0,4%	0,3%	1,0%	0,2%	0,0%	-2,3%	-1,4%	0,5%	0,73%	2,50%	2,50%	
Household Expenditure	-4,2%	-1,9%	0,7%	0,0%	1,4%	-0,6%	-3,3%	-1,9%	0,3%				
Government Expenditure	-0,6%	-1,3%	-2,4%	-0,7%	-0,9%	-1,9%	-0,7%	-1,2%	-1,8%				
Gross Fixed Capital Formation	-10,2%	-3,7%	-6,5%	-0,9%	-0,7%	-5,1%	-6,7%	-6,1%	-3,8%				
Exports of Goods and Services	1,9%	1,9%	2,5%	5,2%	0,5%	2,2%	-0,4%	-0,7%	3,5%				
Imports of Goods and Services (-)	-10,3%	9,8%	-3,3%	0,6%	-3,5%	2,9%	-2,7%	-0,7%	0,5%				
Economic Activity Indicators (BCB and IBGE)	Q2 2017	2016	Q1-2017 / Q1-2016	Q2-2017 / Q2-2016	Q1-2017 / Q4-2016 (seasonally adjusted)	Q2-2017 / Q1-2017 (seasonally adjusted)	Year-To-Date	Q1-2017 accum. in 4-quarters	Q2-2017 accum. in 4-quarters	carry-over 2017			
	% change												
IBC-Br Economic Activity Index*	-4,6%	0,0%	-0,2%	1,2%	0,3%	-0,1%	-3,1%	-2,0%	0,6%				
LSPA: Grain Harvest	-12,4%	6,9%	20,1%	22,4%	5,4%	28,9%	6,9%	20,1%	20,3%				
PIM: Industrial Production	-6,4%	1,0%	0,2%	0,9%	0,0%	0,5%	-3,5%	-1,9%	0,5%				
PMC: Amplified Retail Sales	-8,7%	-2,2%	2,9%	1,3%	2,4%	0,3%	-7,0%	-4,1%	1,4%				
PMS: Volume of Services	-5,0%	-4,7%	-3,5%	0,2%	-0,9%	-4,1%	-5,0%	-4,7%	-2,8%				

LSPA: Systematic Survey of Agricultural Production (IBGE)

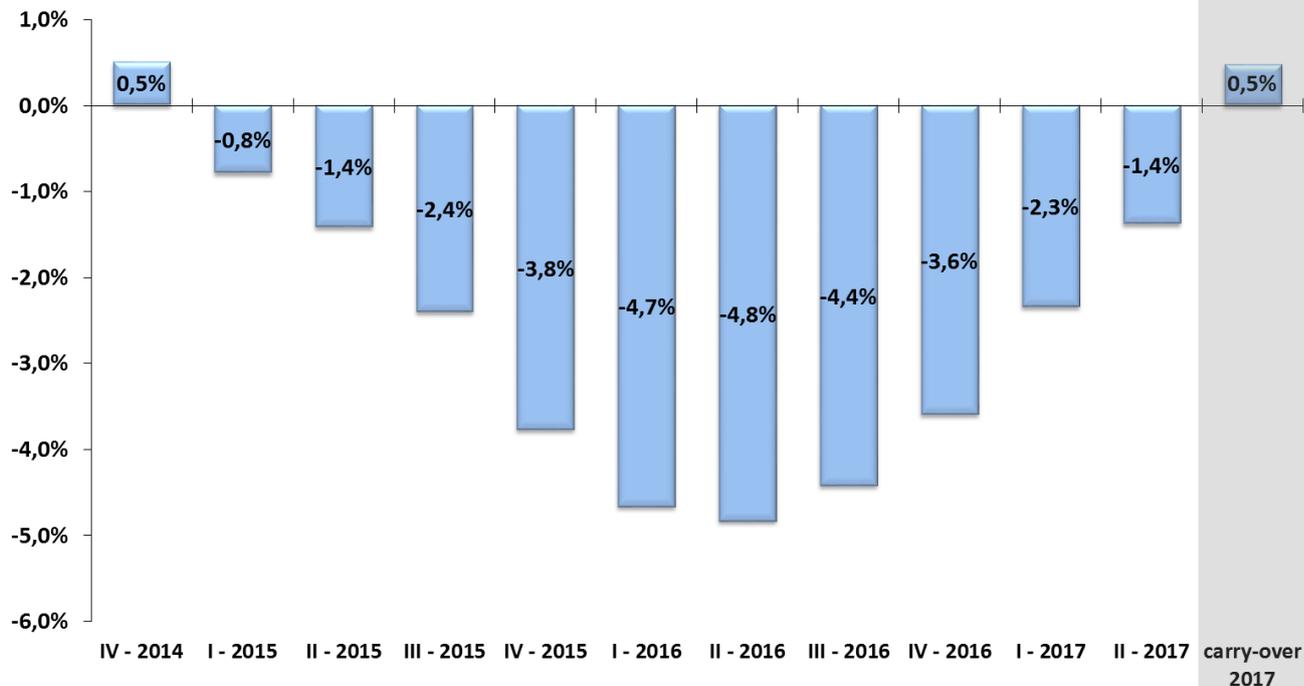
PIM: Monthly Survey of Industry (IBGE)

PMC: Monthly Survey of Trade (IBGE)

PMS: Monthly Survey of Services (IBGE)

Quarterly GDP

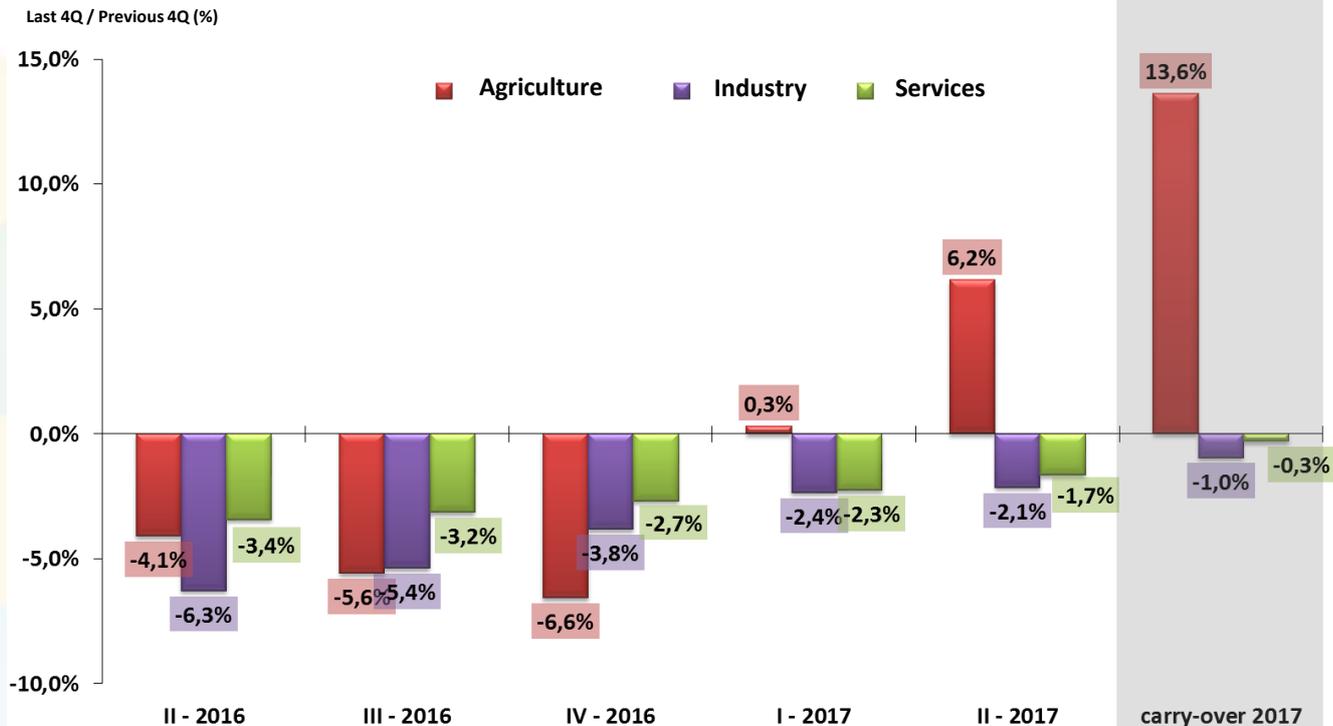
Last 4Q / Previous 4Q (%)



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 2st quarter seasonally adjusted level compared to 2016 average.

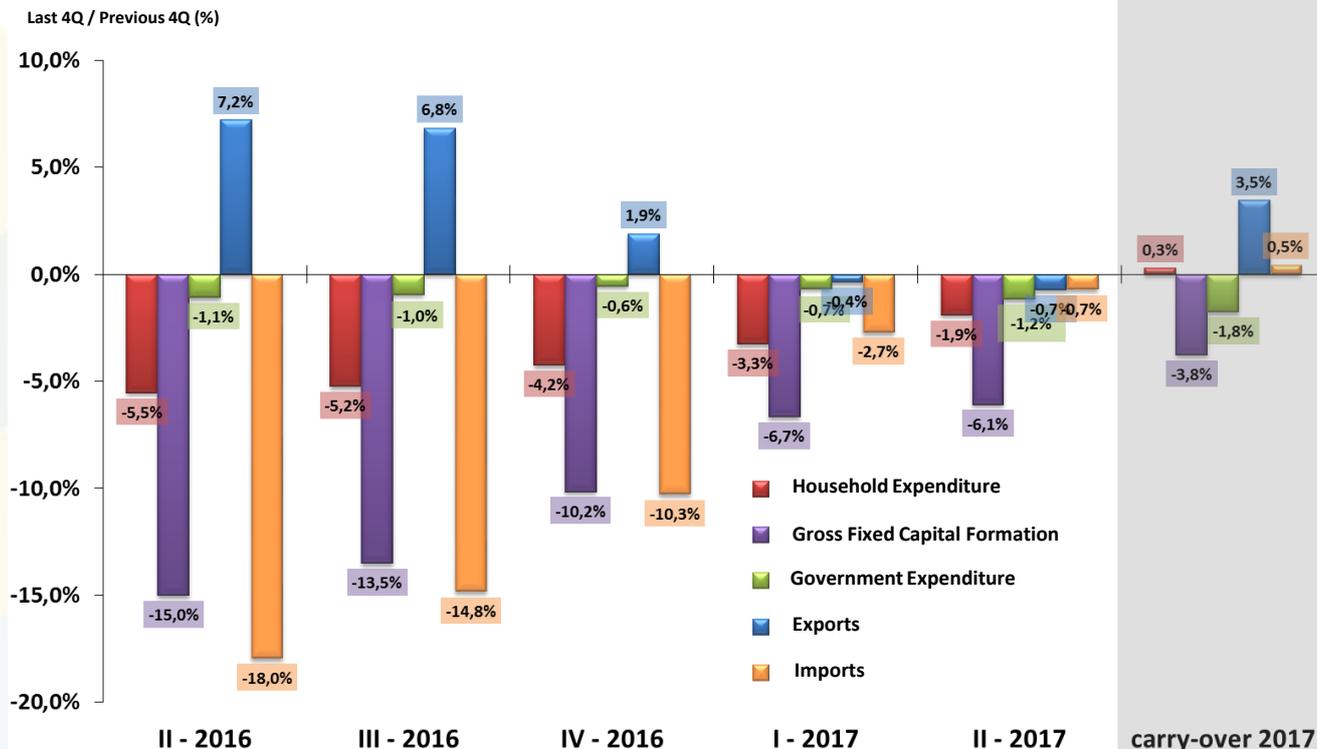
Quarterly GDP by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 2st quarter seasonally adjusted level compared to 2016 average.

Quarterly GDP by Expenditure

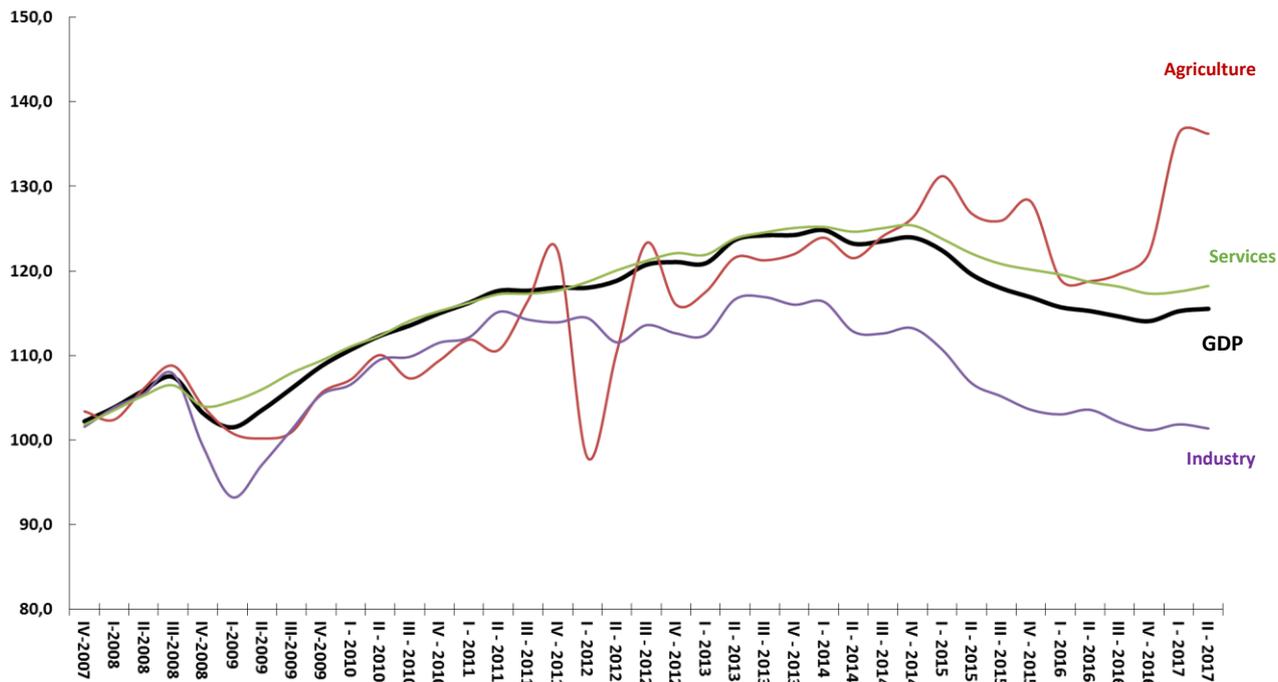


Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2007 based on 2017 2st quarter seasonally adjusted level compared to 2016 average.

Quarterly GDP by Activity Sector

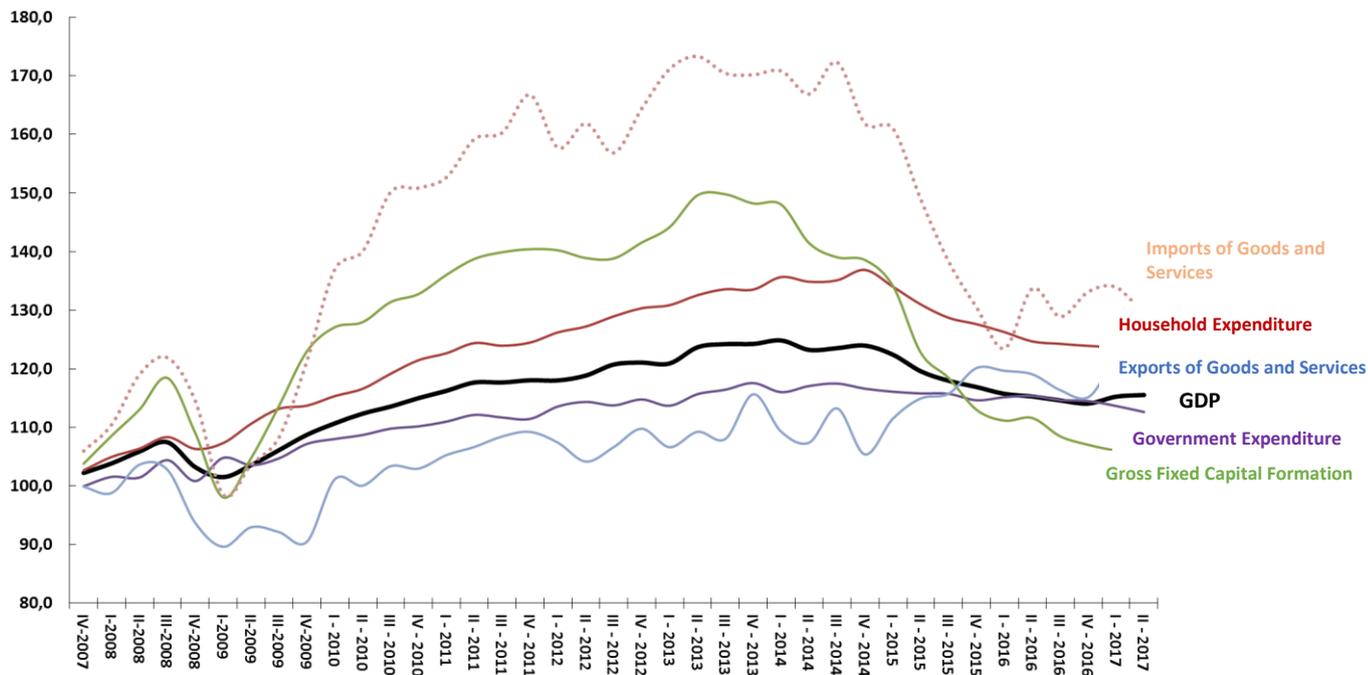
GDP and Economic Sectors Quarterly Volume Indicator
 Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

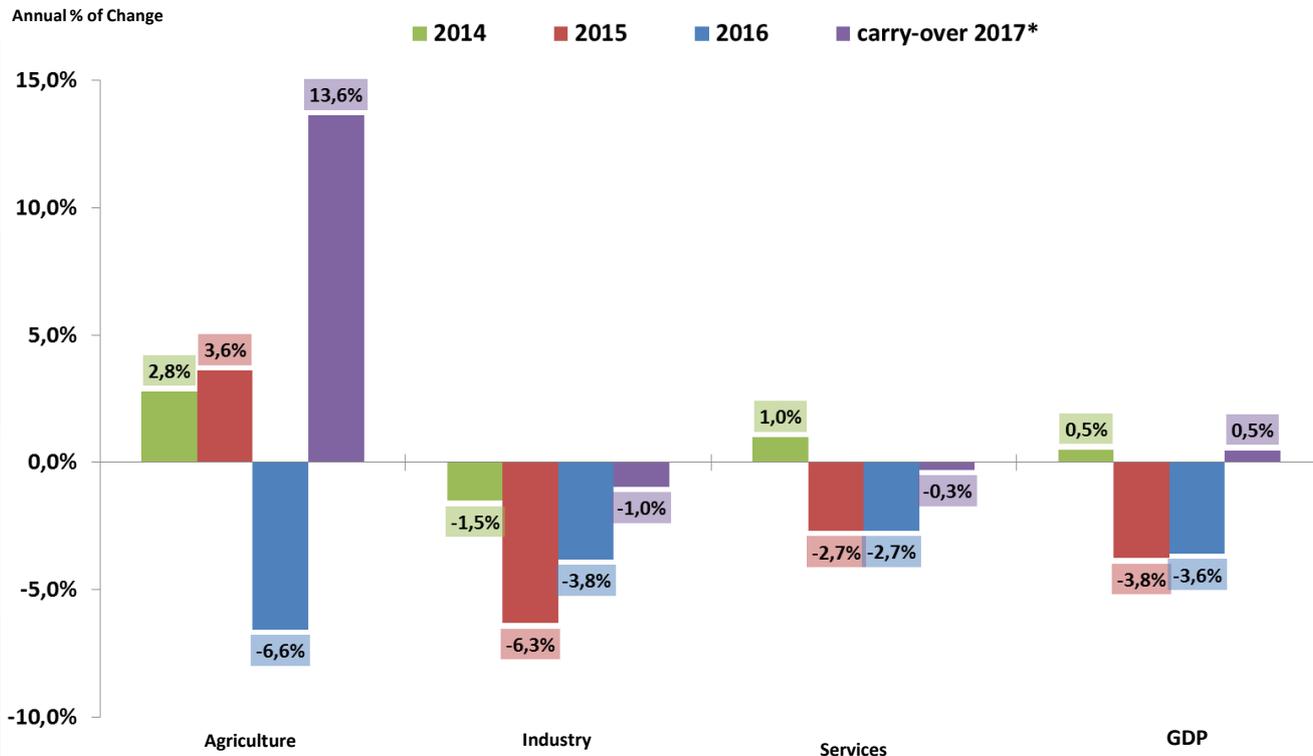
Quarterly GDP by Expenditure

GDP and Demand Categories Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

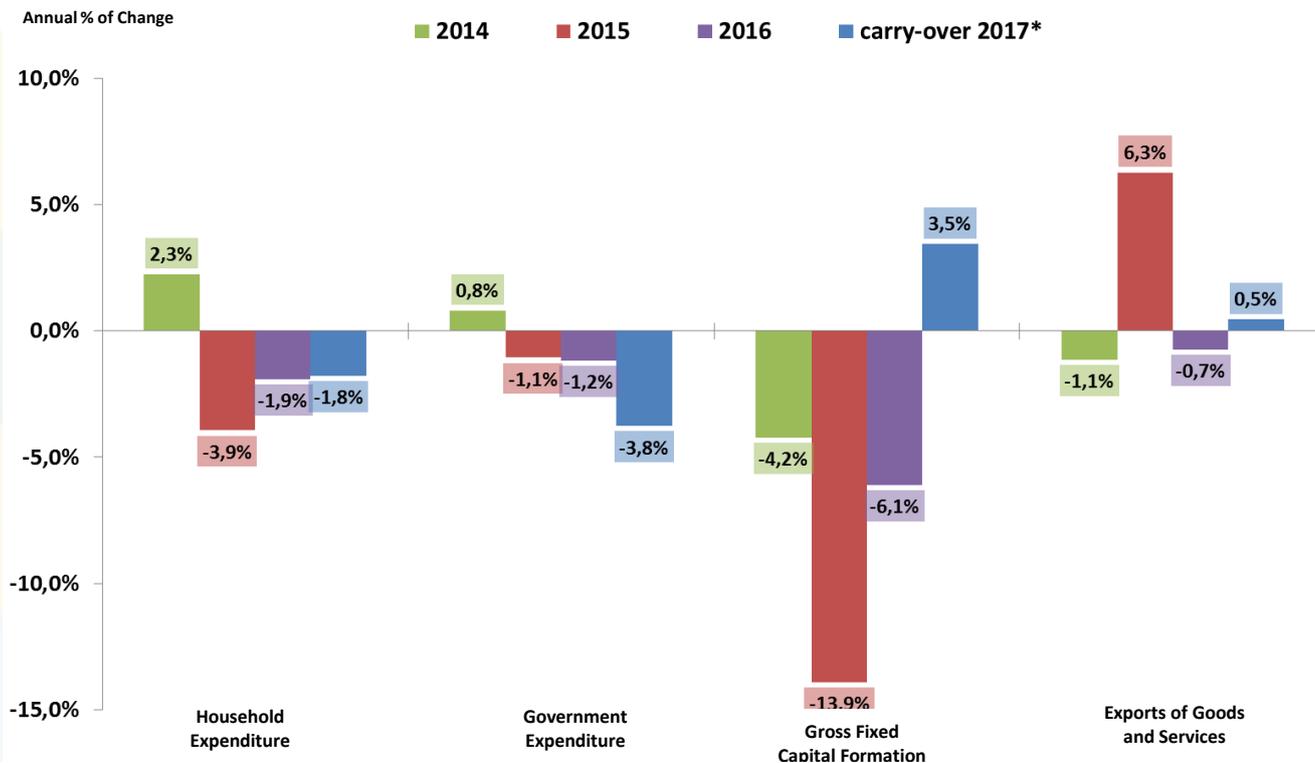
Annual GDP Real Growth by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 2nd quarter seasonally adjusted level compared to 2016 average.

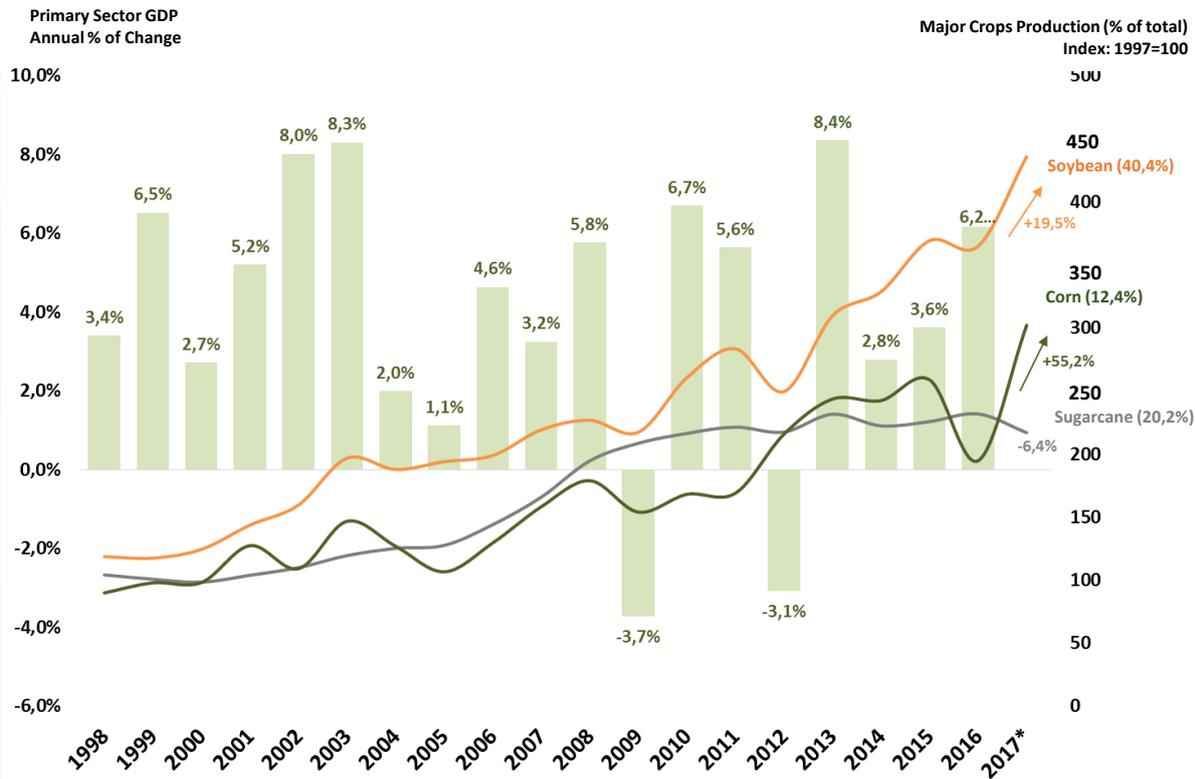
Annual GDP Real Growth by Expenditure



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 2nd quarter seasonally adjusted level compared to 2016 average.

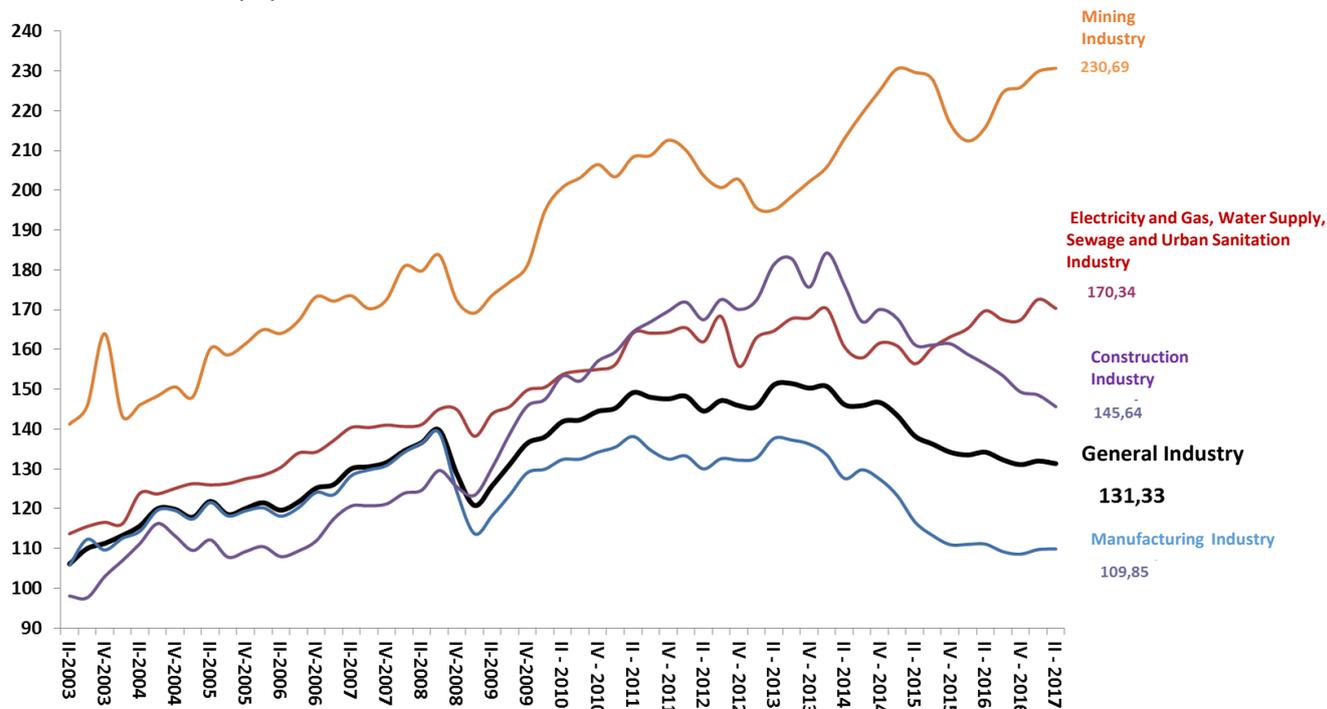
Primary Sector Performance by Major Crops



Source: IBGE/MP, Systematic Survey of Agricultural Production (LSPA) – September 2017.

Industry Performance by Subsectors

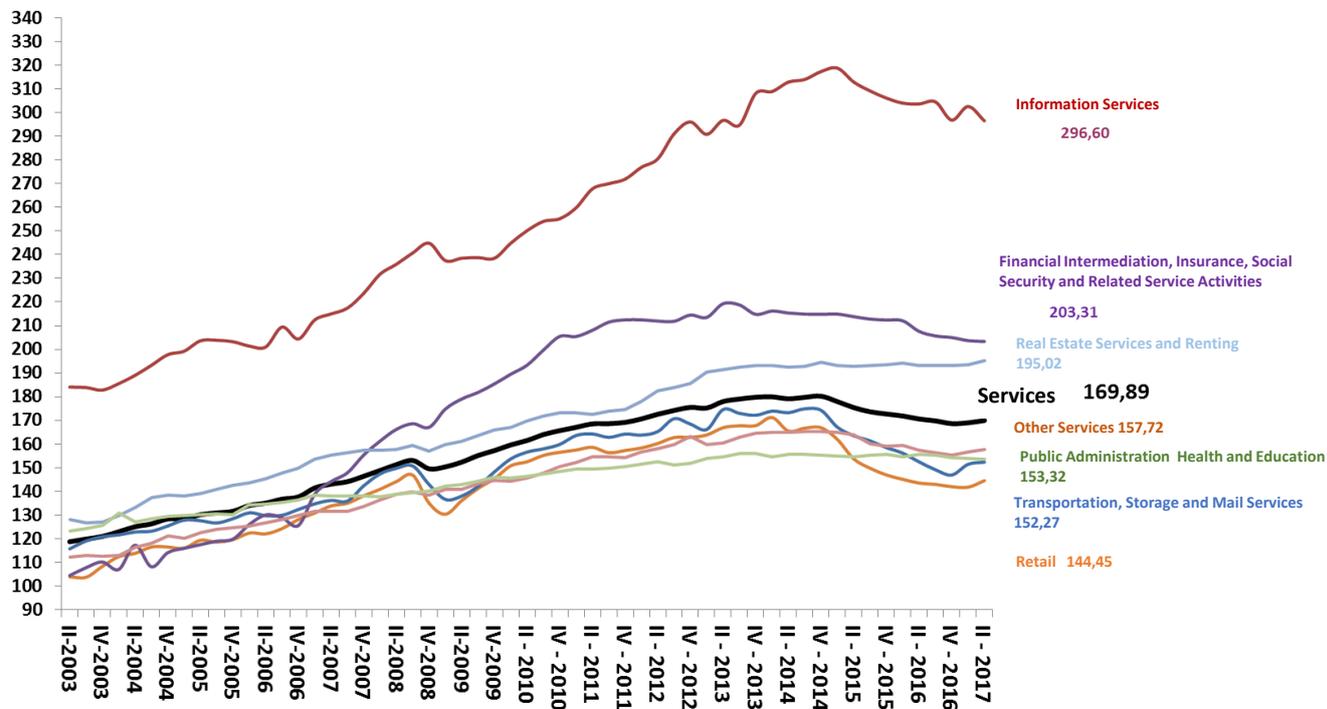
Industrial Production Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

Services Performance by Subsectors

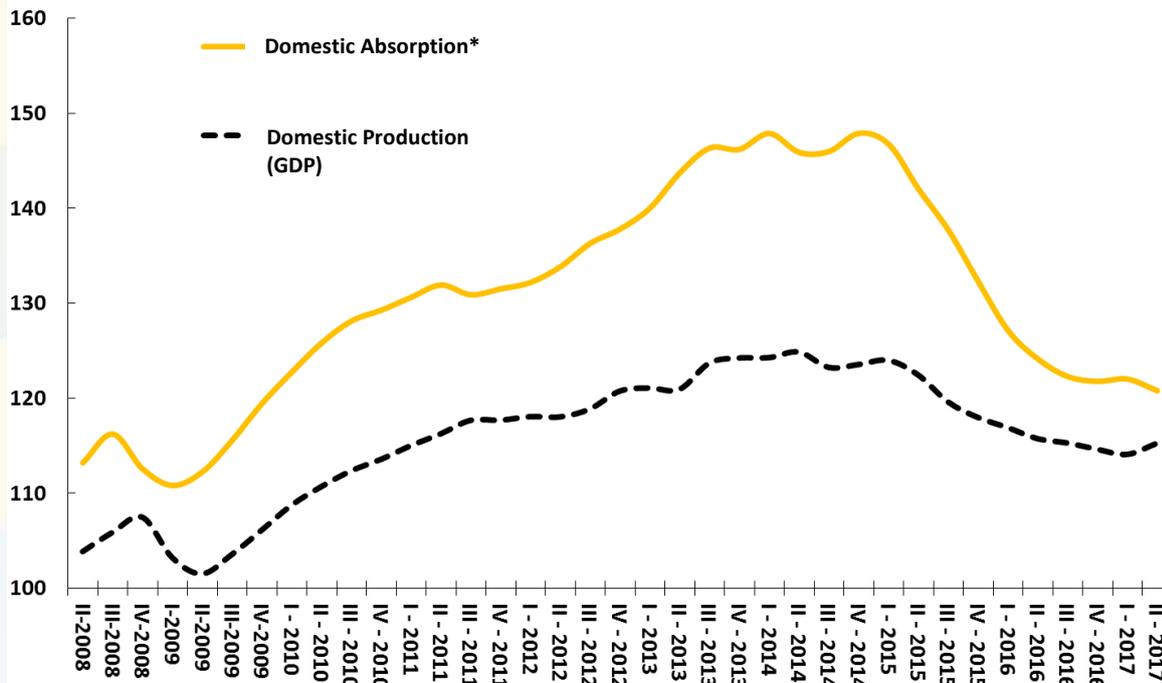
Services Provision Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

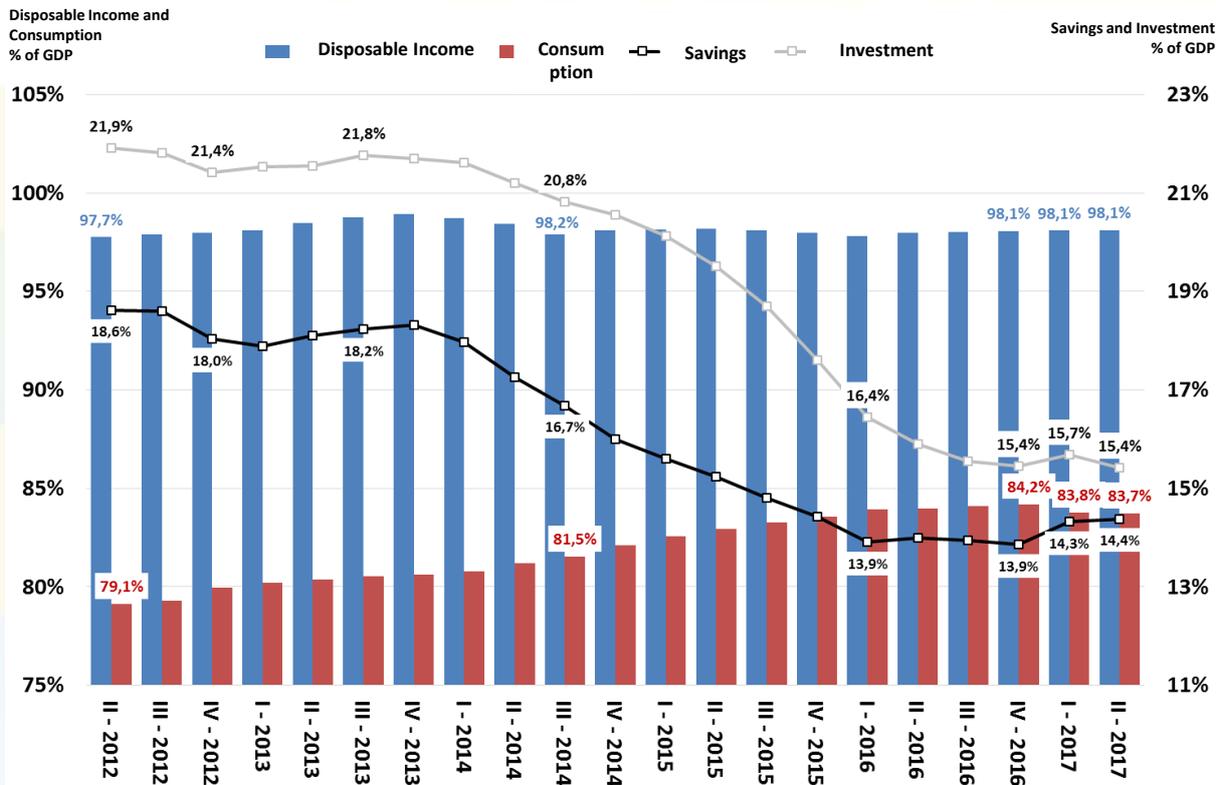
Domestic Production and Absorption

Domestic Volume and Absorption* Quarterly Volume Indicator
 Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series. * Domestic Absorption = GDP – Exports of Goods and Services + Imports of Goods and Services.

Disposable Income, Consumption, Savings and Investment

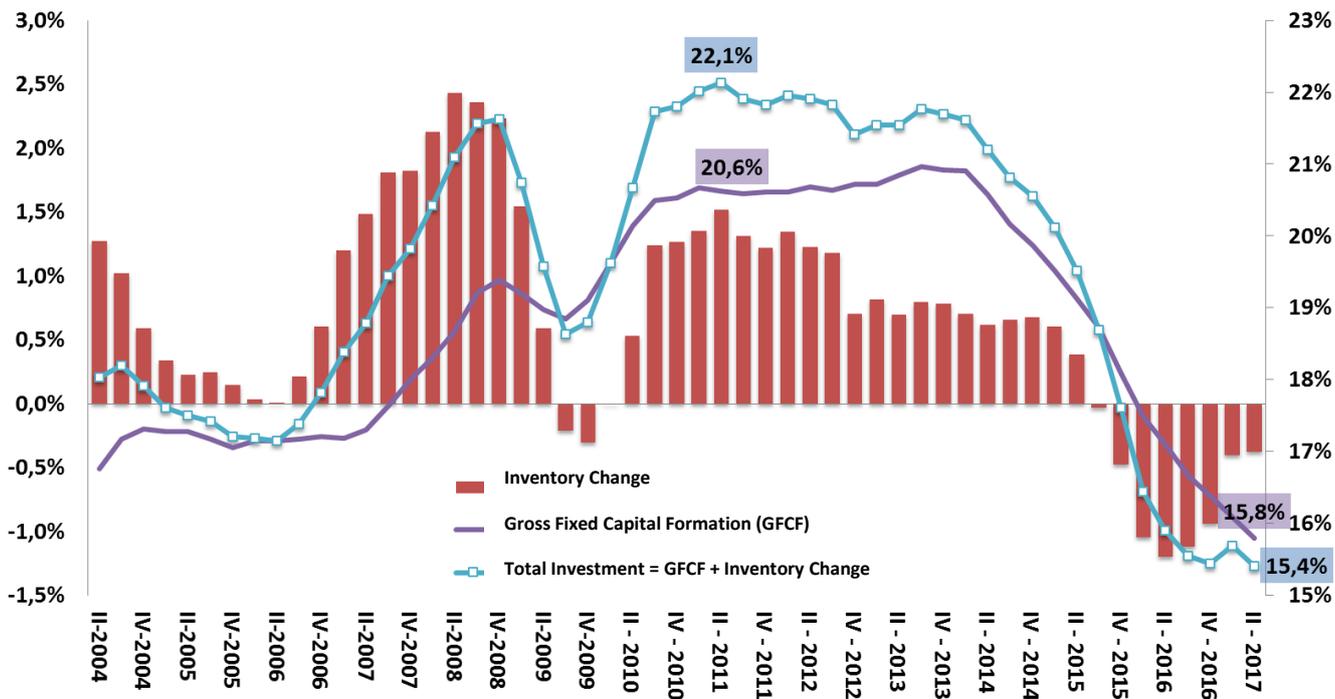


Source: IBGE/MP, Quarterly National Accounts Series.

Inventory Change and Gross Fixed Capital Formation

Inventory Change (% of GDP)
Accumulated in 4 quarters

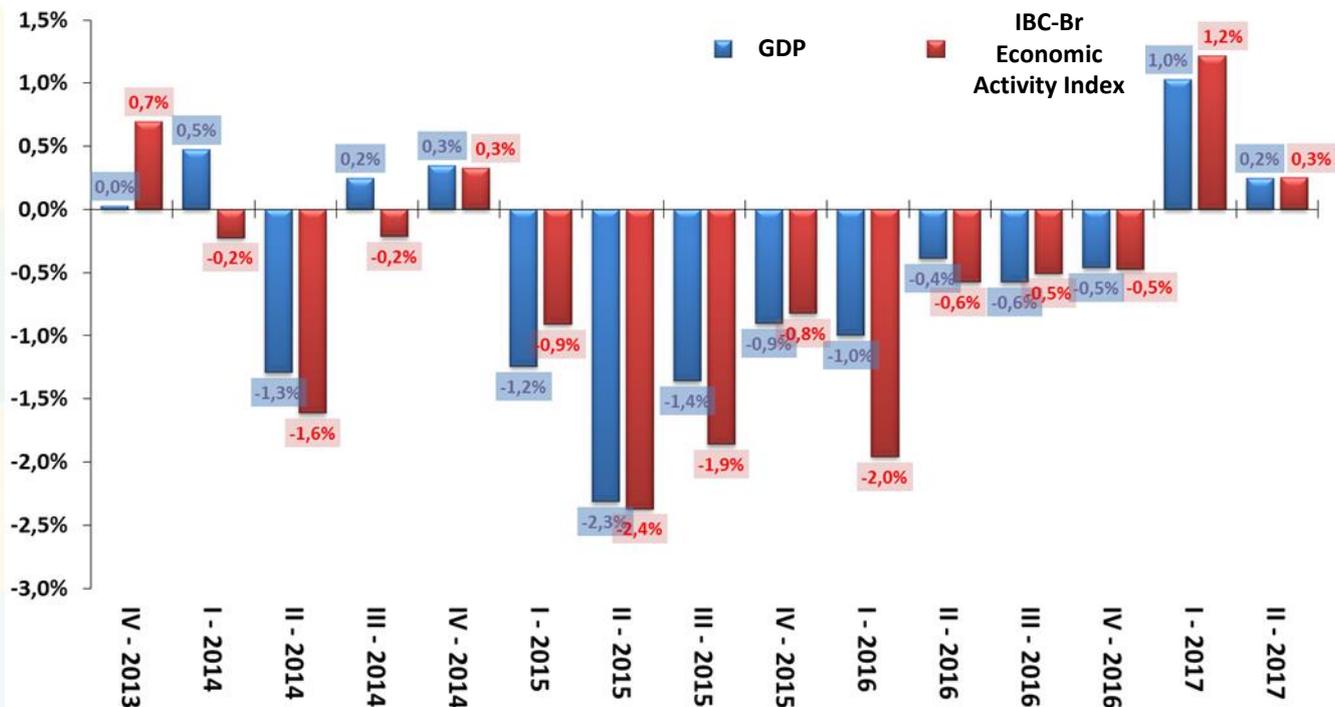
GFCF and Total Investment (% of GDP)
Accumulated in 4 quarters



Source: IBGE/MP, Quarterly National Accounts Series.

Quarterly GDP Growth and IBC-Br Economic Activity Index

Quarterly % Change - Seasonally Adjusted Series



Sources: IBGE/MP and Central Bank of Brazil.

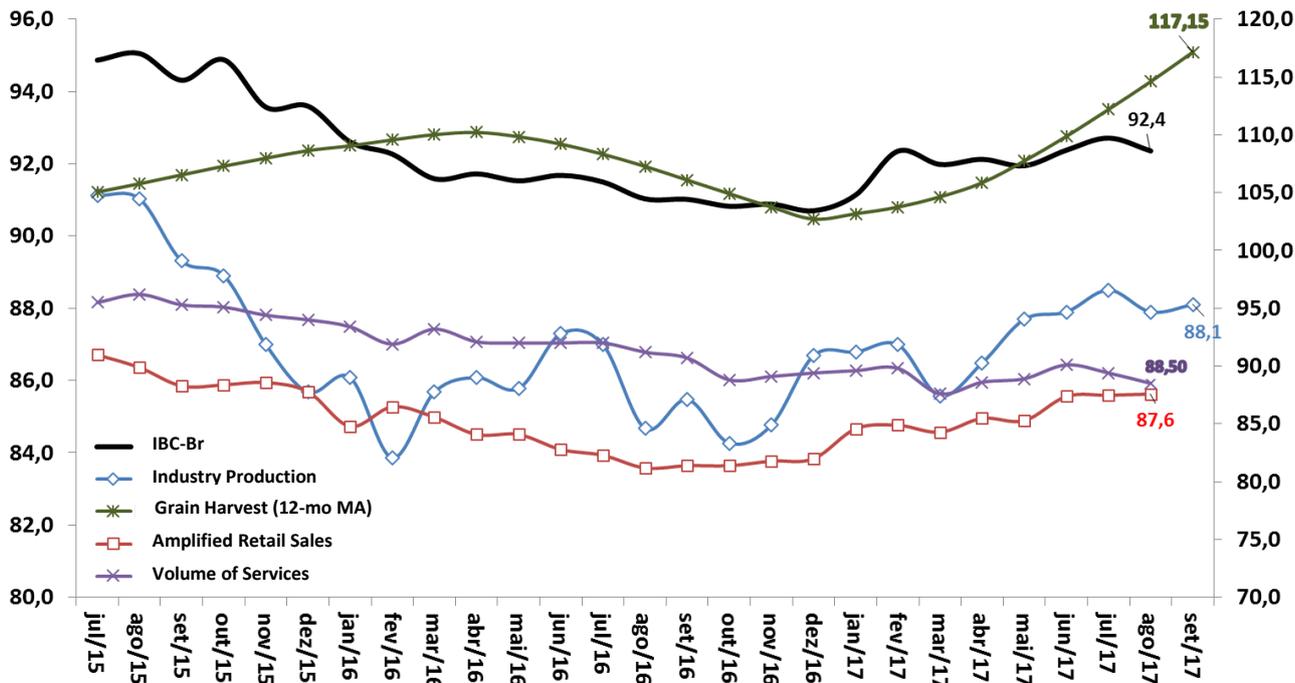
Monthly Economic Activity

IBC-Br Economic Activity Index	August 2017 % change	2015	2016	Jul/17 -Jul/16	Aug/17 -Aug/16	Jul/17 - Jun/17 (seasonally adjusted)	Aug/17 - Jul/17 (seasonally adjusted)	Year-To-Date	Jul/17 accum. in 12-months	Aug/17 accum. in 12-months	carry-over 2017
IBC-Br Economic Activity Index		-4,3%	-6,3%	3,1%	3,6%	0,0%	-0,5%	0,7%	-2,3%	-1,6%	2,3%
Systematic Survey of Agricultural Production (IBGE)	September 2017 % change	2015	2016	Aug/17 -Aug/16	Sep/17 -Sep/16	Aug/17 - Jul/17 (seasonally adjusted)	Sep/17 - Jul/17 (seasonally adjusted)	Year-To-Date	Aug/17 accum. in 12-months	Sep/17 accum. in 12-months	carry-over 2017
Grain Harvest		7,6%	-11,3%	29,4%	31,5%	-0,5%	0,5%	9,3%	29,4%	31,5%	21,4%
Industry Production (IBGE)	September 2017 % change	2015	2016	Aug/17 -Aug/16	Sep/17 -Sep/16	Aug/17 - Jul/17 (seasonally adjusted)	Sep/17 - Jul/17 (seasonally adjusted)	Year-To-Date	Aug/17 accum. in 12-months	Sep/17 accum. in 12-months	carry-over 2017
General Industry		-8,2%	-6,4%	4,0%	2,5%	-0,7%	0,2%	1,6%	-0,2%	0,4%	2,2%
Mining Industry (weight 11,2%)		3,9%	-9,4%	2,6%	2,3%	-1,4%	-0,9%	6,1%	3,5%	4,6%	5,2%
Manufacturing Industry (weight 88,8%)		-9,8%	-6,0%	4,0%	2,7%	0,5%	-0,1%	0,9%	-0,8%	-0,2%	1,8%
Food (weight 13,9%)		-1,8%	1,3%	3,5%	3,6%	2,3%	-4,8%	0,1%	-0,5%	-0,7%	1,6%
Petroleum refinement and alcohol production (weight 10,3%)		-5,9%	-8,5%	-3,7%	3,9%	1,9%	-1,5%	-5,4%	-8,1%	-6,7%	-3,1%
Motor vehicles (weight 10,1%)		-25,9%	-12,1%	28,4%	20,8%	-0,9%	6,5%	14,8%	11,1%	12,7%	15,7%
Capital Goods		-25,3%	-10,7%	9,3%	5,7%	1,2%	0,9%	4,5%	2,9%	3,9%	5,9%
Intermediate Goods		-5,2%	-6,3%	1,8%	1,8%	0,9%	-0,9%	0,7%	-0,7%	-0,2%	1,6%
Durable Consumer Goods		-18,5%	-14,4%	18,6%	16,2%	3,2%	4,1%	11,7%	6,7%	8,9%	12,2%
Semi and Non-Durable Consumer Goods		-6,7%	-3,2%	4,3%	0,2%	2,2%	-0,5%	0,4%	-1,4%	-1,1%	1,0%
Typical Construction Inputs		-12,5%	-11,9%	-5,5%	-2,2%	3,5%	7,4%	-6,1%	-8,3%	-7,8%	5,4%
Retail Sales (IBGE)	August 2017 % change	2015	2016	Jul/17 -Jul/16	Aug/17 -Aug/16	Jul/17 - Jun/17 (seasonally adjusted)	Aug/17 - Jul/17 (seasonally adjusted)	Year-To-Date	Jul/17 accum. in 12-months	Aug/17 accum. in 12-months	carry-over 2017
Retail Sales		-4,3%	-6,3%	3,1%	3,6%	0,0%	-0,5%	0,7%	-2,3%	-1,6%	2,3%
Amplified Retail Sales		-8,6%	-8,7%	5,7%	7,7%	0,1%	0,1%	1,9%	-2,8%	-1,5%	4,0%
Vehicles, Motorcycles, Parts and Accessories		-17,8%	-14,0%	6,3%	13,8%	-0,7%	2,8%	-0,8%	-7,3%	-5,1%	3,3%
Construction Material		-8,4%	-10,7%	11,1%	12,6%	1,0%	1,8%	6,5%	-0,2%	1,5%	8,8%
Fuel and Lubricants		-6,2%	-9,2%	-0,9%	-2,9%	-2,1%	-2,9%	-3,1%	-5,4%	-4,8%	-2,7%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco		-2,5%	-3,1%	0,3%	1,7%	0,7%	-0,3%	-0,2%	-1,7%	-1,3%	1,1%
Textiles, Apparel and Footwear		-8,6%	-10,9%	4,2%	15,0%	0,1%	-3,4%	7,1%	-3,6%	-1,3%	8,7%
Furniture and Household Appliances		-14,1%	-12,6%	12,2%	12,8%	0,4%	1,7%	6,8%	-3,0%	-1,2%	10,8%
Volume of Services (IBGE)	August 2017 % change	2015	2016	Jul/17 -Jul/16	Aug/17 -Aug/16	Jul/17 - Jun/17 (seasonally adjusted)	Aug/17 - Jul/17 (seasonally adjusted)	Year-To-Date	Jul/17 accum. in 12-months	Aug/17 accum. in 12-months	carry-over 2017
Volume of Services		-3,6%	-5,0%	-3,3%	-2,4%	-0,8%	-1,0%	-3,8%	-4,6%	-4,5%	-2,7%
Services Rendered to Families		-5,3%	-4,4%	1,5%	-4,4%	0,8%	-4,8%	-1,9%	-2,9%	-2,9%	-2,5%
Information and Communication Services		0,0%	-3,2%	-4,0%	-3,4%	-0,8%	0,3%	-2,2%	-2,5%	-2,8%	-1,8%
Professional, Administrative and Complementary Services		-4,3%	-5,5%	-7,7%	-6,0%	-1,9%	1,6%	-8,1%	-6,7%	-6,9%	-7,2%
Transportation, Support Activities for Transportation and Mailing Activities		-6,1%	-7,6%	3,1%	5,3%	-0,7%	0,7%	0,5%	-4,2%	-3,0%	1,5%
Other Services		-9,0%	-2,8%	-11,4%	-9,0%	-2,7%	1,0%	-10,1%	-6,7%	-7,4%	-9,3%

Major Monthly Economic Activity Indicators

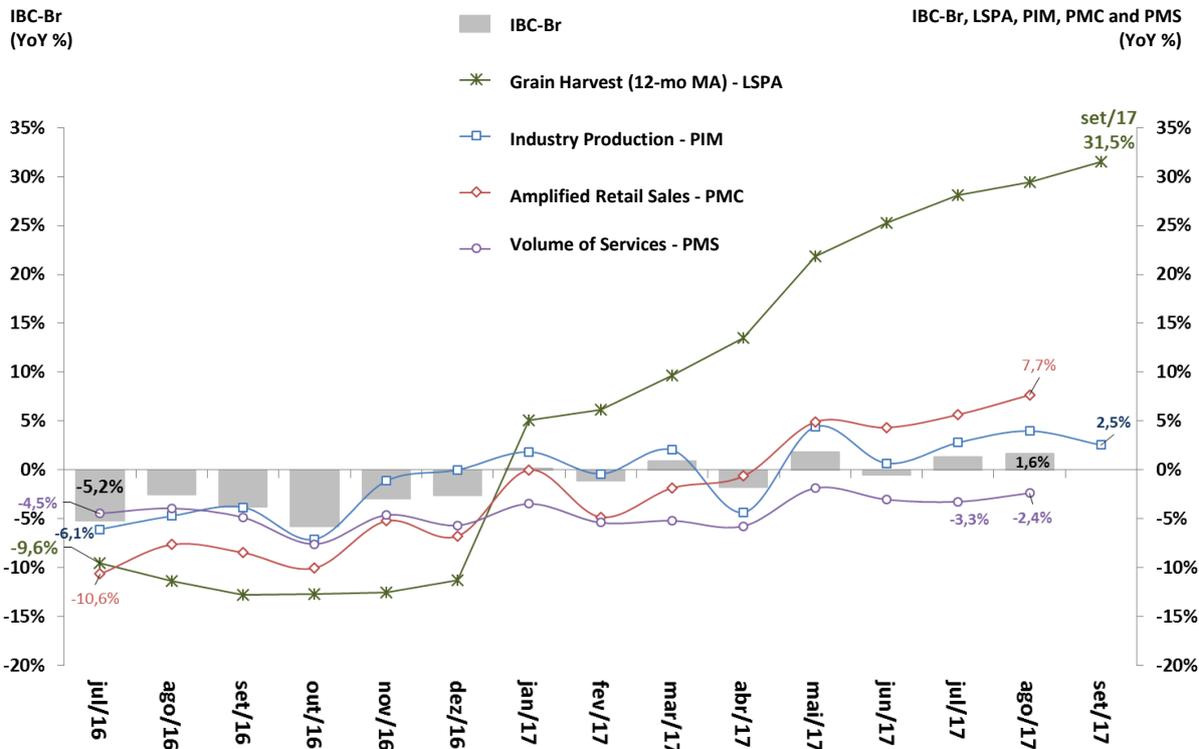
IBC-Br, Grain Harvest (12-mo MA) and Industry Production
Seasonally Adjusted Index (2003 = 100)

Amplified Retail Sales and Volume of Services
Seasonally Adjusted Index (2003 = 100)



Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators

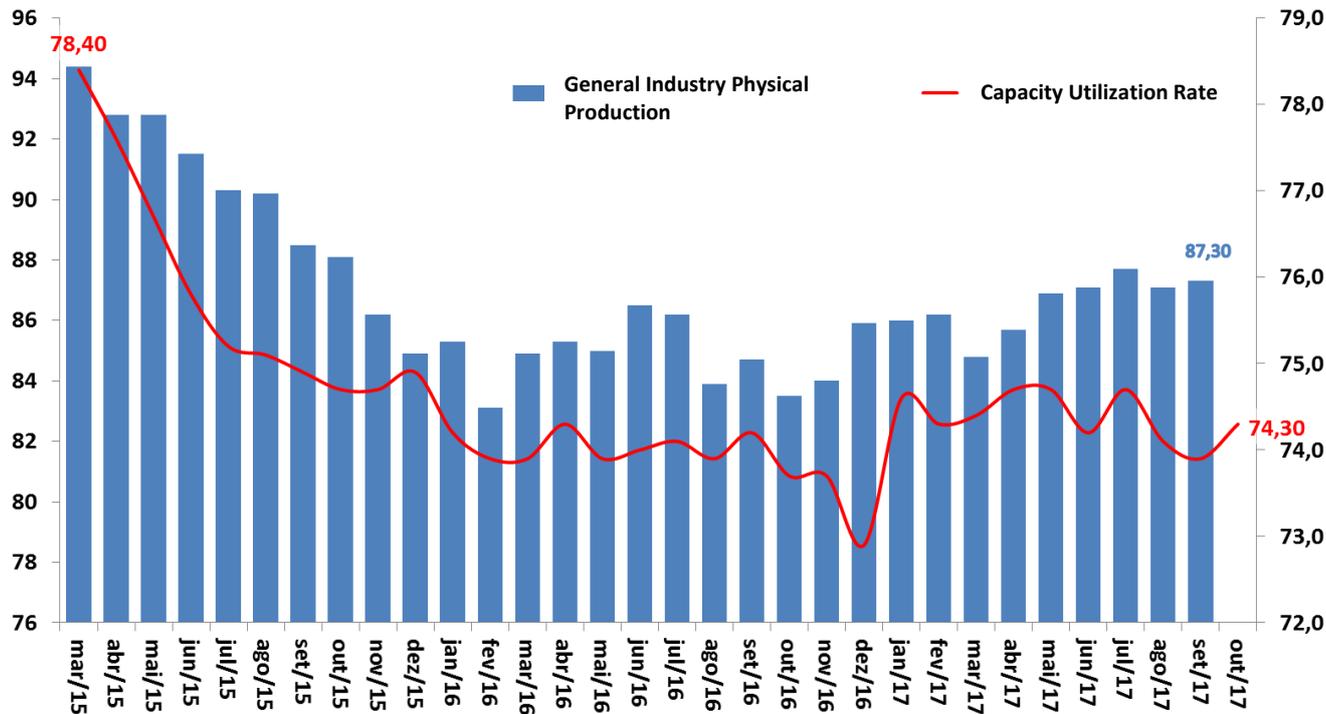


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

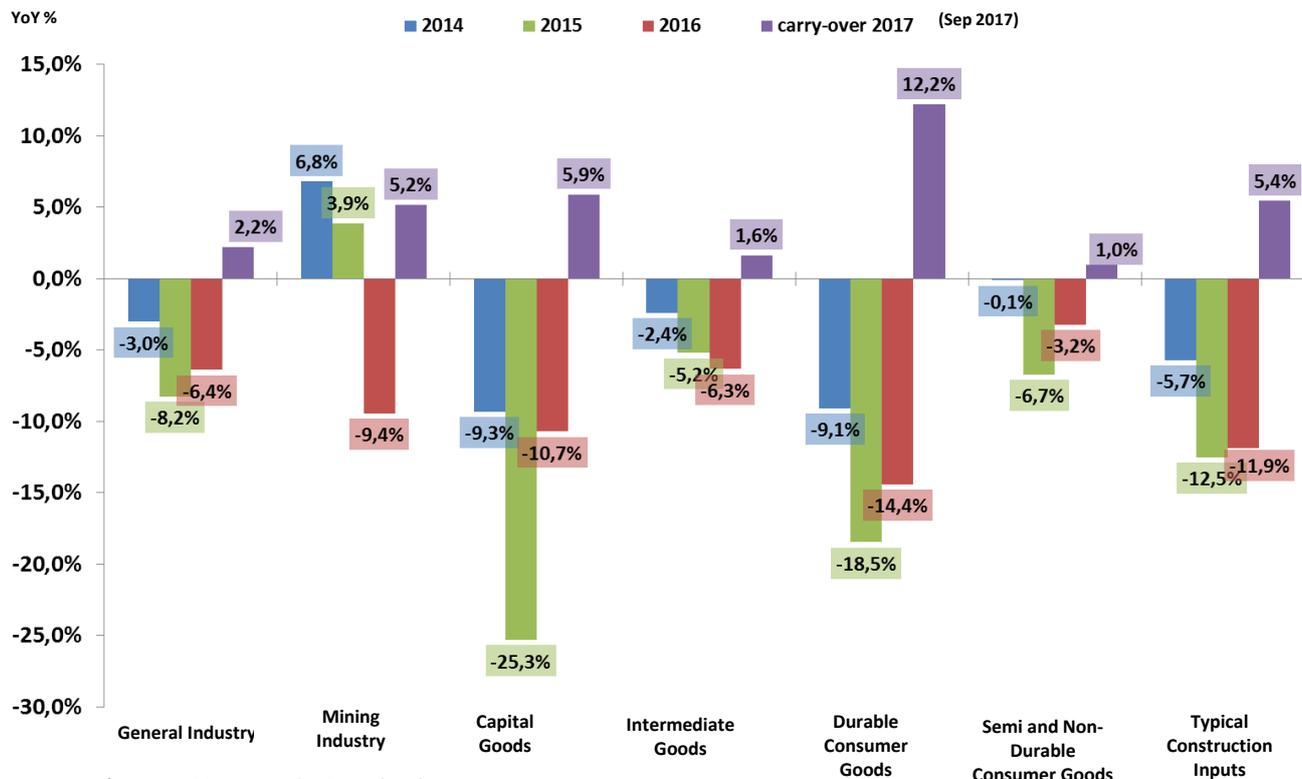
Industry Production
Seasonally Adjusted Index (2003 = 100)

Capacity Utilization
Seasonally Adjusted - % of Total Capacity



Sources: IBGE/MP and FGV.

Total Industrial Production and Economic Categories

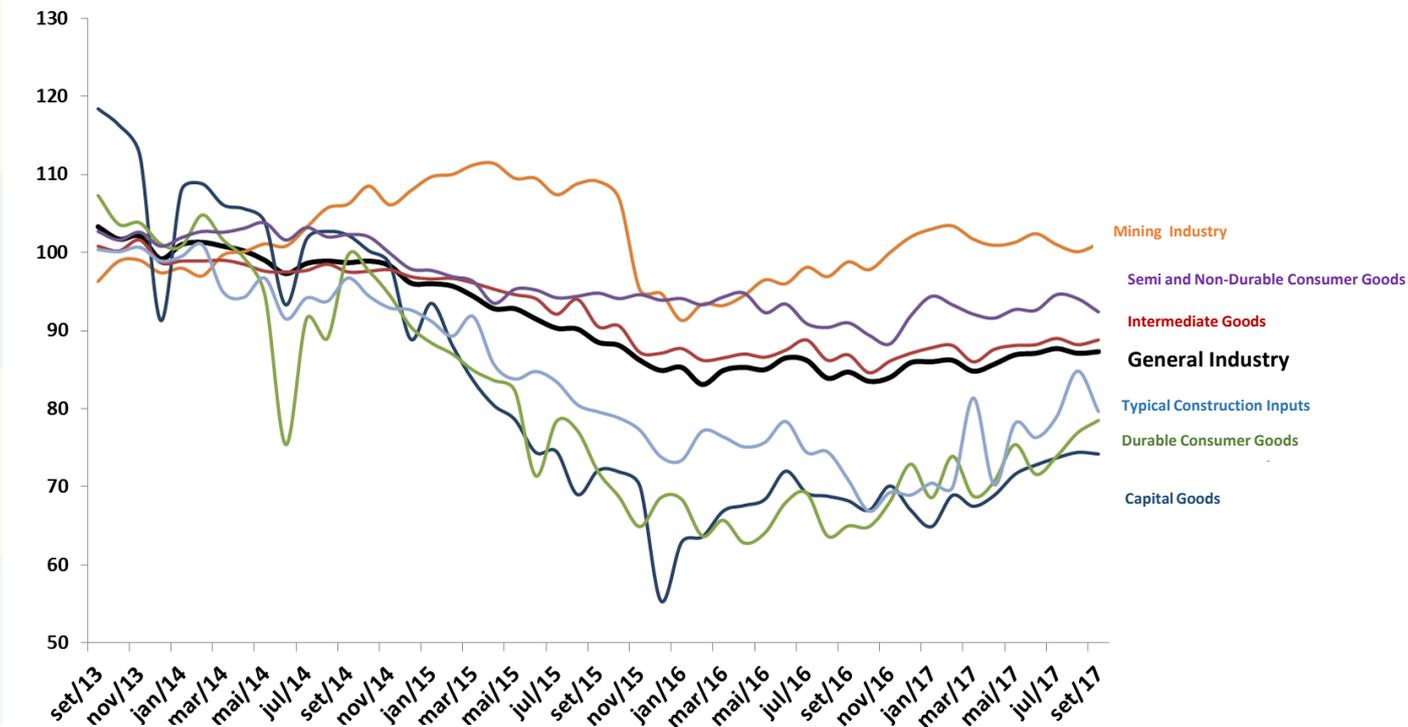


Source: IBGE/MP, Monthly Survey of Industry (PIM).

Note: Carry-over 2017 based on 2017 average compared to 2016 average.

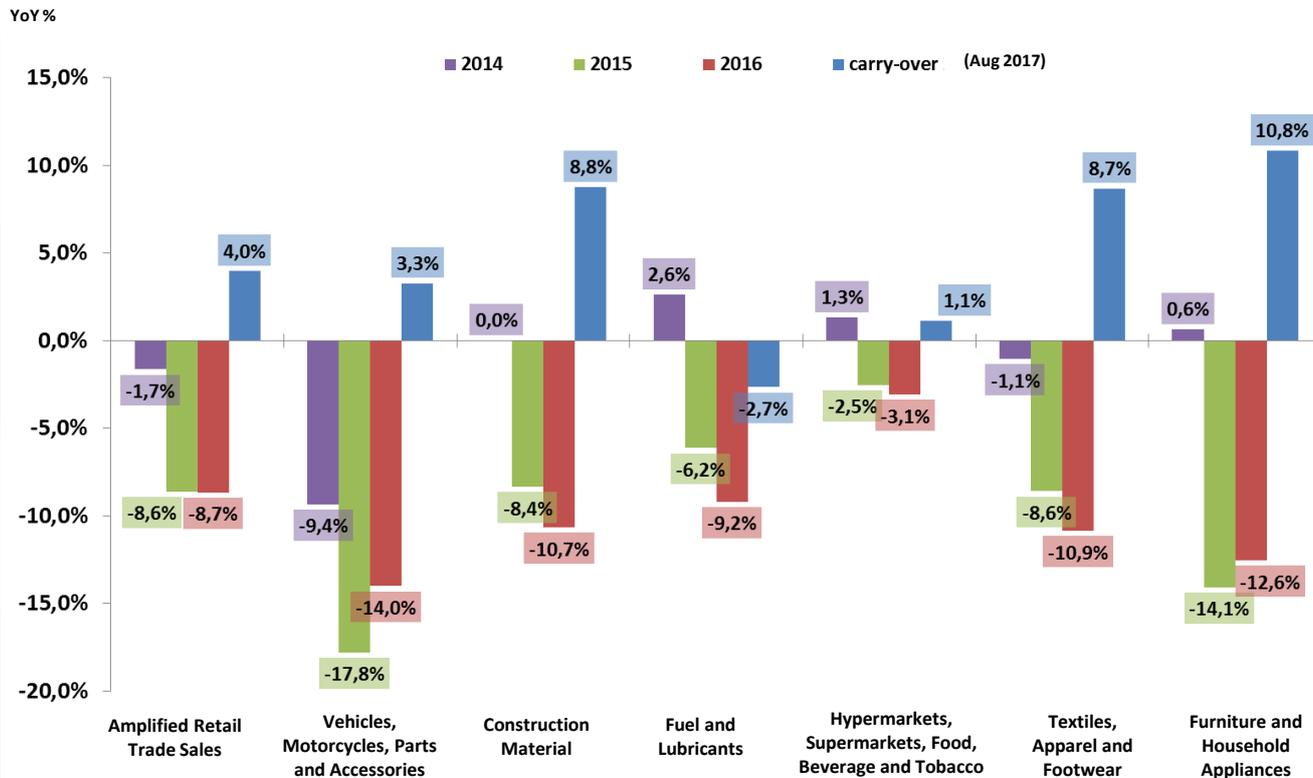
Total Industrial Production and Economic Categories

Industry Physical Production by Economic Category
Seasonally Adjusted Index (2002 = 100)



Source: IBGE/MP, Monthly Survey of Industry (PIM).

Total Retail Sales and Subsectors

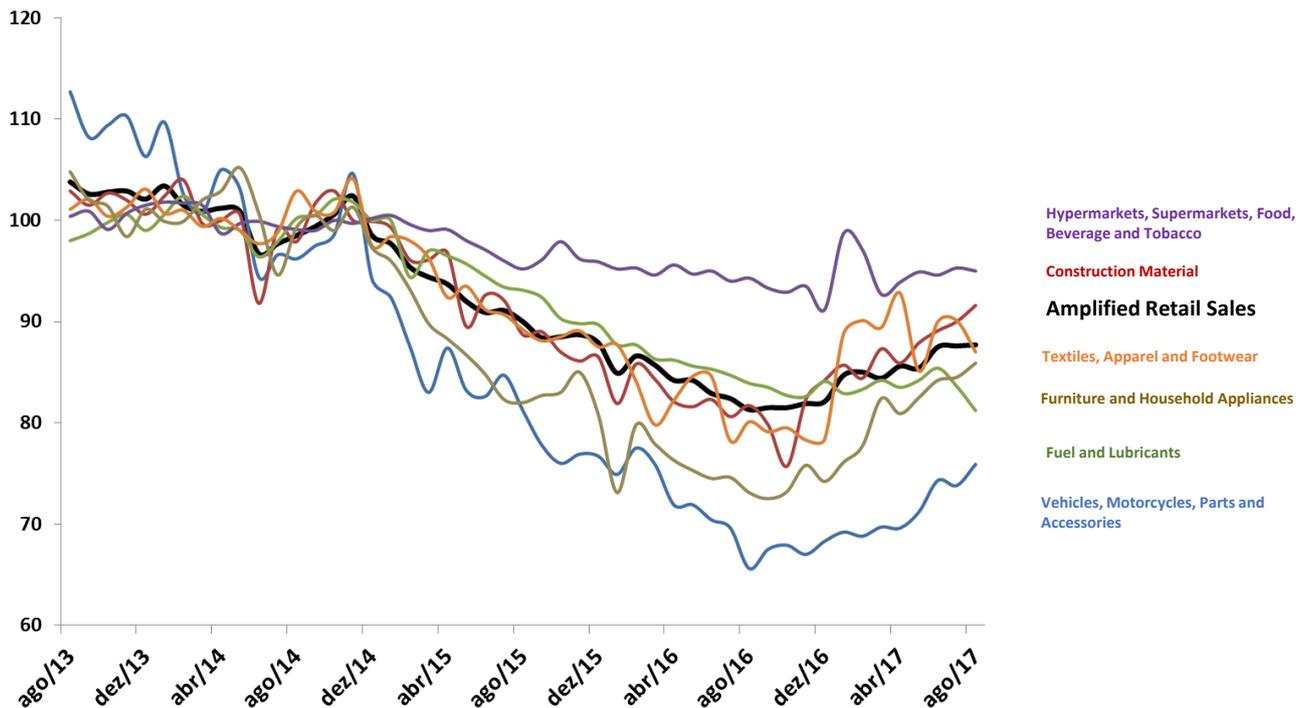


Source: IBGE/MP, Monthly Survey of Trade (PMC).

Note: Carry-over 2017 based on 2017 average compared to 2016 average.

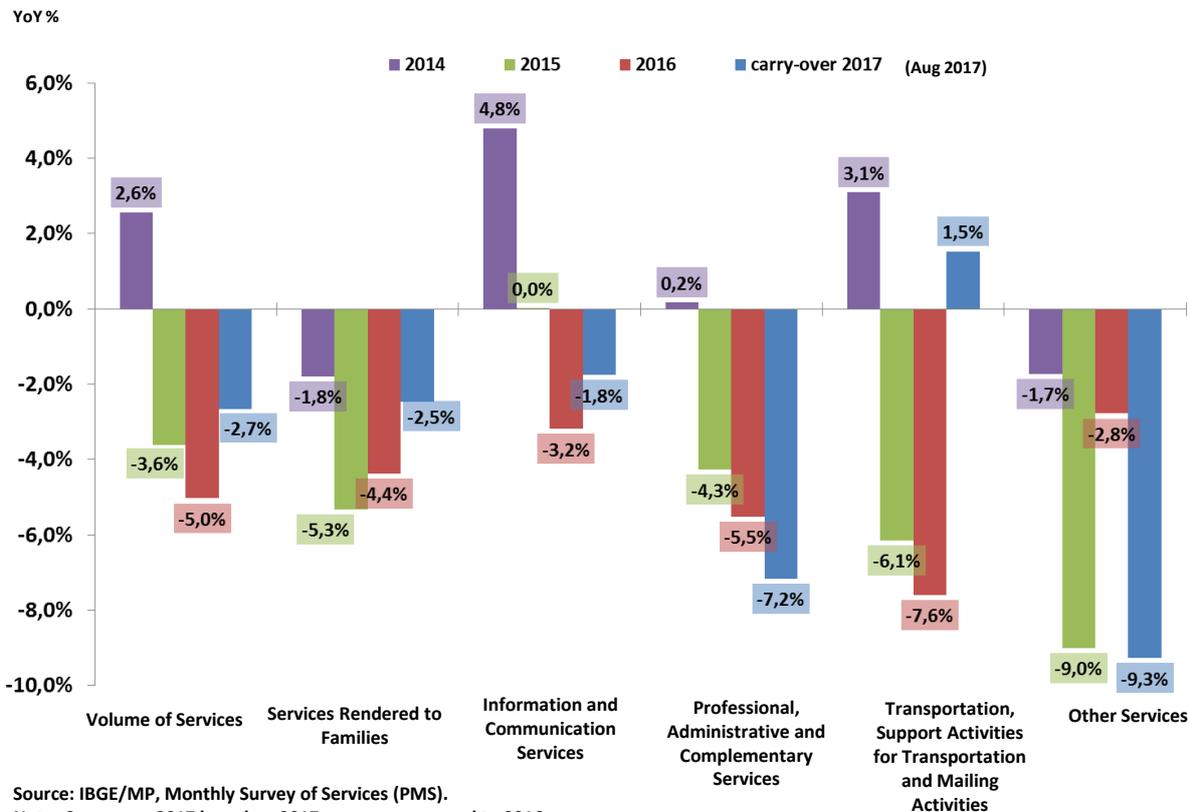
Total Retail Sales and Subsectors

Retail Sales by Subsector
Seasonally Adjusted Index (2002 = 100)



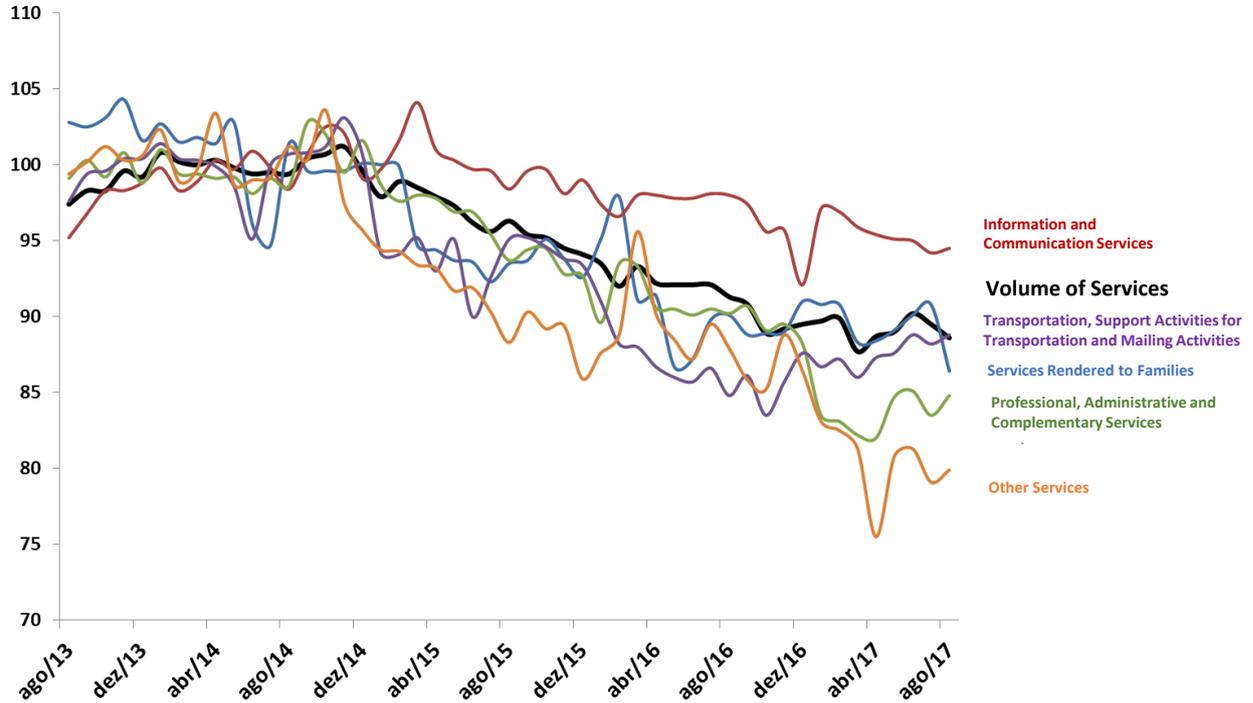
Source: IBGE/MP, Monthly Survey of Trade (PMC).

Volume of Services and Subsectors



Total Services and Subsectors

Volume of Services by Subsector
Seasonally Adjusted Index (2002 = 100)



Source: IBGE, Monthly Survey of Services (PMS).

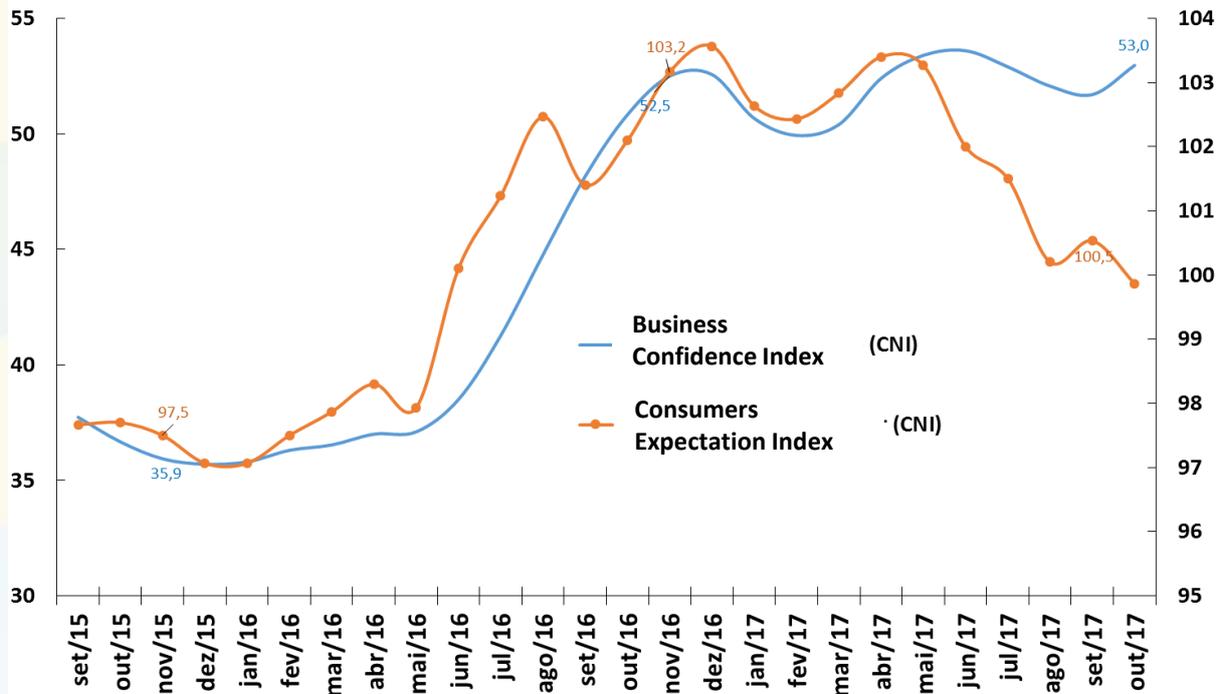
Other Monthly Economic Activity Indicators

September 2017		2016	Aug/17 - Aug/16	Sep/17 - Sep/16	Aug/17 - Jul/17 (seasonally adjusted)	Oct/17 - Aug/17 (seasonally adjusted)	Year-To-Date	Aug/17 accum. in 12-months	Sep/17 accum. in 12-months	carry-over 2017	
%change											
Industry Indicators (CNI)											
Real Sales Revenue		-12,8%	1,5%	4,5%	2,3%	-1,0%	-3,8%	-8,2%	-6,7%	-2,5%	
Working Hours in Production		-8,4%	-3,4%	-1,1%	0,1%	0,2%	-2,8%	-4,1%	-3,7%	-3,0%	
Capacity Utilization - UCI	effective level:	-2,7%	1,4%	1,3%	0,5%	0,3%	-0,2%	-0,7%	-0,5%	0,1%	
Business Confidence - ICEI (CNI)	effective level:	18,4%	2,1%	3,7%	0,5%	4,9%	22,6%	31,1%	26,7%	18,4%	
Sao Paulo Industry Confidence - ICEI-SP (FIESP)	effective level:	52,1	28,8%	3,8%	6,6%	-0,8%	6,7%	29,6%	41,3%	35,0%	24,5%
Total Vehicles Production (ANFAVEA)											
Car Production		-11,7%	46,0%	46,1%	-5,3%	21,4%	27,9%	20,5%	24,6%	27,5%	
Commercial Vehicles Production		-12,2%	49,8%	51,5%	-2,1%	22,5%	31,3%	22,5%	27,3%	30,6%	
		-19,0%	62,9%	64,7%	-3,0%	15,8%	28,2%	13,6%	20,5%	35,2%	
Total Vehicles Exports (ANFAVEA)											
		23,7%	62,2%	59,8%	-5,6%	13,8%	57,7%	47,5%	50,6%	51,3%	
Total Vehicles Sales/Licensing (FENABRAVE)											
Domestic Vehicles Sales/Licensing		-20,5%	17,8%	30,8%	-8,0%	19,1%	8,0%	-1,6%	2,6%	11,7%	
Imported Vehicles Sales/Licensing		-17,9%	21,0%	35,8%	-7,5%	19,9%	11,7%	2,0%	6,4%	15,4%	
		-34,2%	-3,4%	-1,5%	-10,6%	13,3%	-15,4%	-23,0%	-20,4%	-11,4%	
Corrugated Fiberboard Sales (ABPO)											
		-2,5%	8,9%	0,0%	2,7%	-6,6%	3,6%	1,2%	1,5%	3,2%	
Consumer Expectations - INEC (CNI)	effective level:	101,6	2,6%	-0,4%	-4,5%	1,5%	-2,9%	1,0%	3,2%	2,2%	0,1%
Heavy Vehicles Road Traffic (ABCR)		-6,0%	5,1%	4,3%	-0,3%	0,7%	0,0%	-2,8%	-1,8%	1,5%	
Industry Inventories (CNI) - Final Goods - planned x realized	effective level:	50,0	-4,1%	-1,6%	2,2%	-3,2%	3,5%	1,2%	-0,4%	0,1%	1,3%
Supermarket Sector Total Retail Sales (ABRAS)		1,6%	0,3%	4,6%	-0,2%	4,1%	1,1%	1,5%	1,5%	2,0%	
Electric Energy System Supply (ONS)		0,4%	-0,7%	-0,6%	-2,2%	0,0%	0,9%	0,6%	0,4%	0,6%	
Natural Gas and Oil Production (ANP)		2,7%	1,8%	-1,4%	-1,0%	-1,9%	7,6%	8,7%	8,3%	5,3%	
Electric Energy Consumption - Total (EPE)											
Industry Consumption (EPE)		-1,2%	-0,1%	-0,1%	-0,6%	-0,4%	0,1%	-0,2%	-0,2%	0,1%	
		-3,4%	0,1%	0,1%	0,3%	-0,4%	0,1%	-0,1%	0,0%	0,3%	
October 2017		2016	Sep/17 - Sep/16	Oct/17 - Oct/16	Aug/17 - Jul/17 (seasonally adjusted)	Oct/17 - Aug/17 (seasonally adjusted)	Year-To-Date	Sep/17 accum. in 12-months	Oct/17 accum. in 12-months	carry-over 2017	
%change											
Industry Confidence (FGV)	effective level:	95,8	5,7%	5,6%	10,2%	0,7%	2,8%	11,8%	12,3%	12,0%	11,9%
Consumer Confidence (FGV)	effective level:	84,3	2,8%	3,7%	4,5%	1,7%	1,7%	12,8%	14,9%	13,2%	13,3%
Services Confidence (FGV)	effective level:	86,0	1,1%	8,7%	11,8%	2,9%	2,6%	14,5%	14,8%	14,3%	14,6%
Construction Confidence (FGV)	effective level:	76,7	-5,8%	4,6%	5,2%	1,8%	0,6%	8,0%	7,5%	7,2%	8,0%
Retail Confidence (FGV)	effective level:	93,1	4,6%	10,6%	14,3%	8,3%	3,7%	14,6%	15,3%	14,7%	17,0%
Industry Capacity Utilization - NUCI (FGV)	effective level:	74,9	-3,3%	-0,7%	1,1%	-0,3%	0,5%	0,6%	-0,1%	0,1%	0,7%

CNI: Business Confidence and Consumers Expectation Indexes

Business Confidence Index – ICEI
3-month moving average

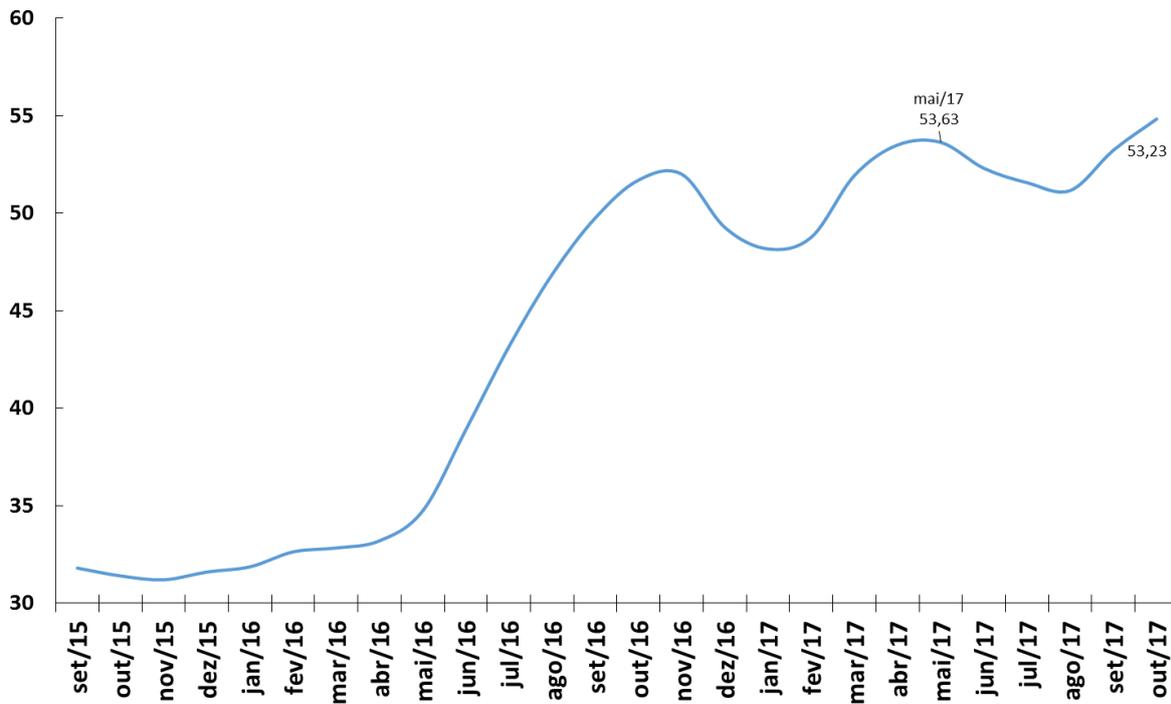
Consumers Expectation Index – INEC
3-month moving average



Source: CNI.

FIESP: Industry Confidence Index

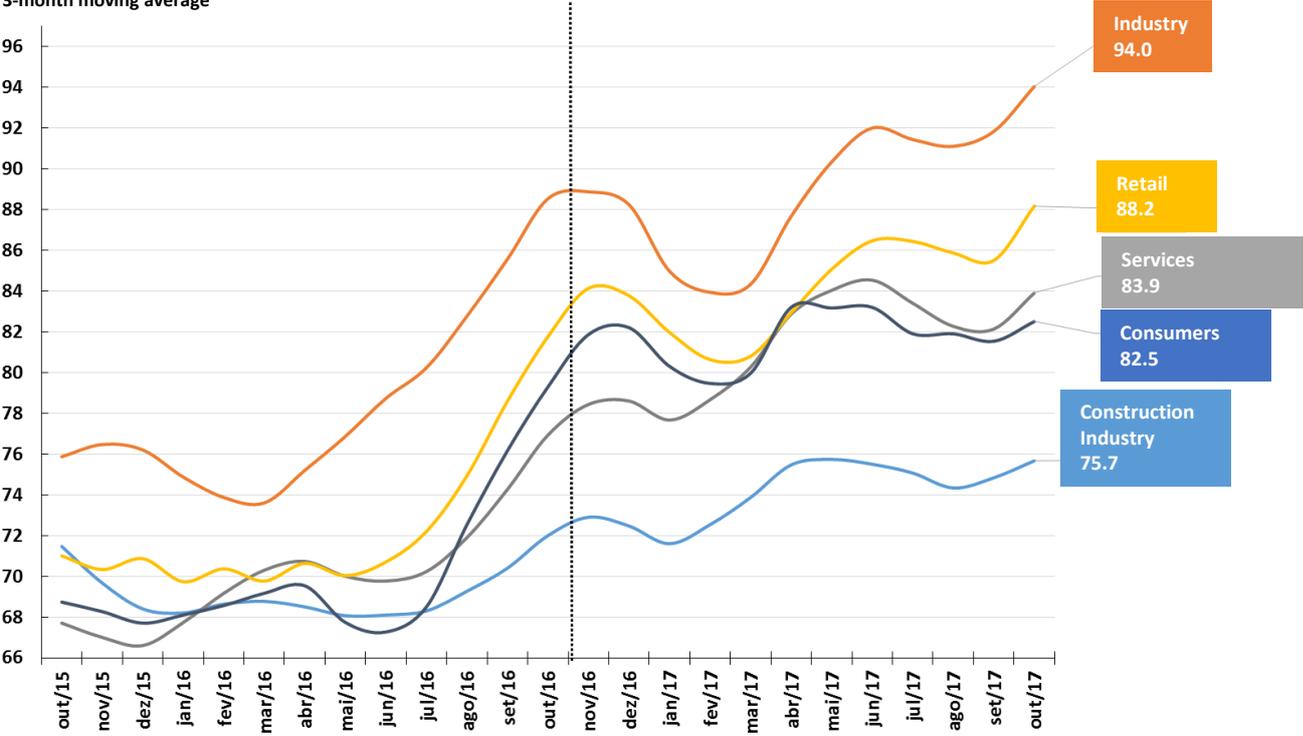
Sao Paulo Industry Confidence - ICEI-SP
3-month moving average



Source: FIESP.

FGV: Economic Confidence Indicators

Economic Confidence Indicators
3-month moving average

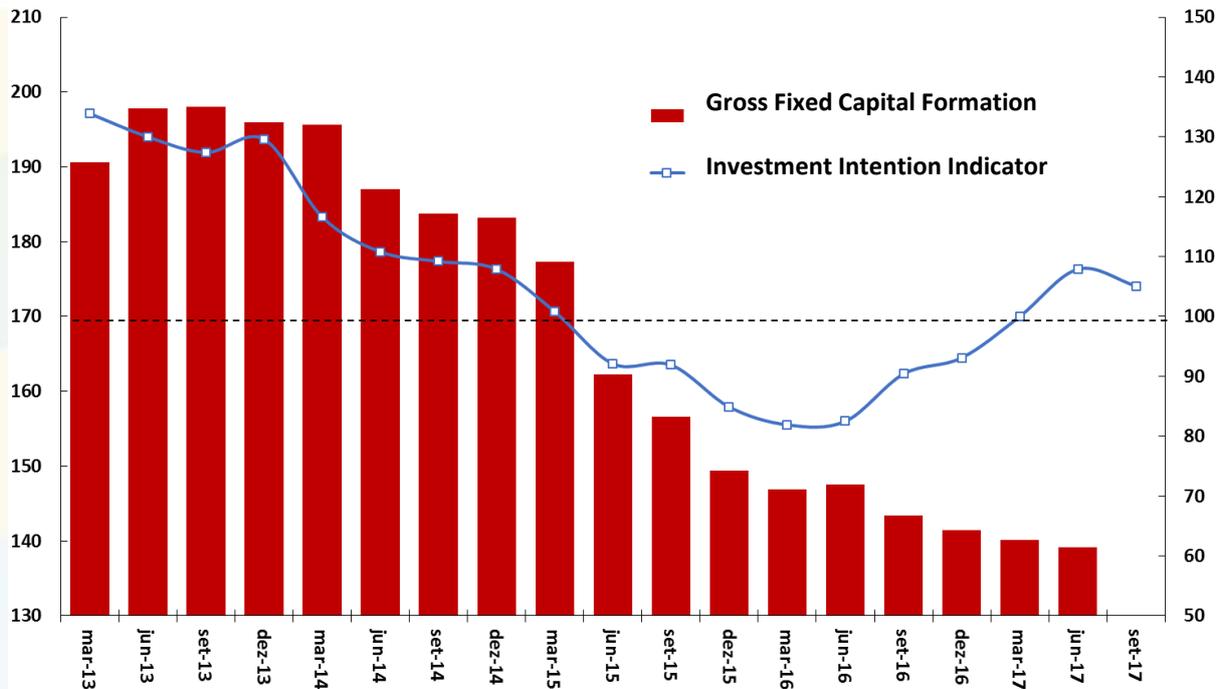


Source: IBRE/FGV.

Gross Fixed Capital Formation and Investment Intention

Gross Fixed Capital Formation (Quarterly National Accounts)
Chained Series of the Seasonally Adjusted Index: 1995=100

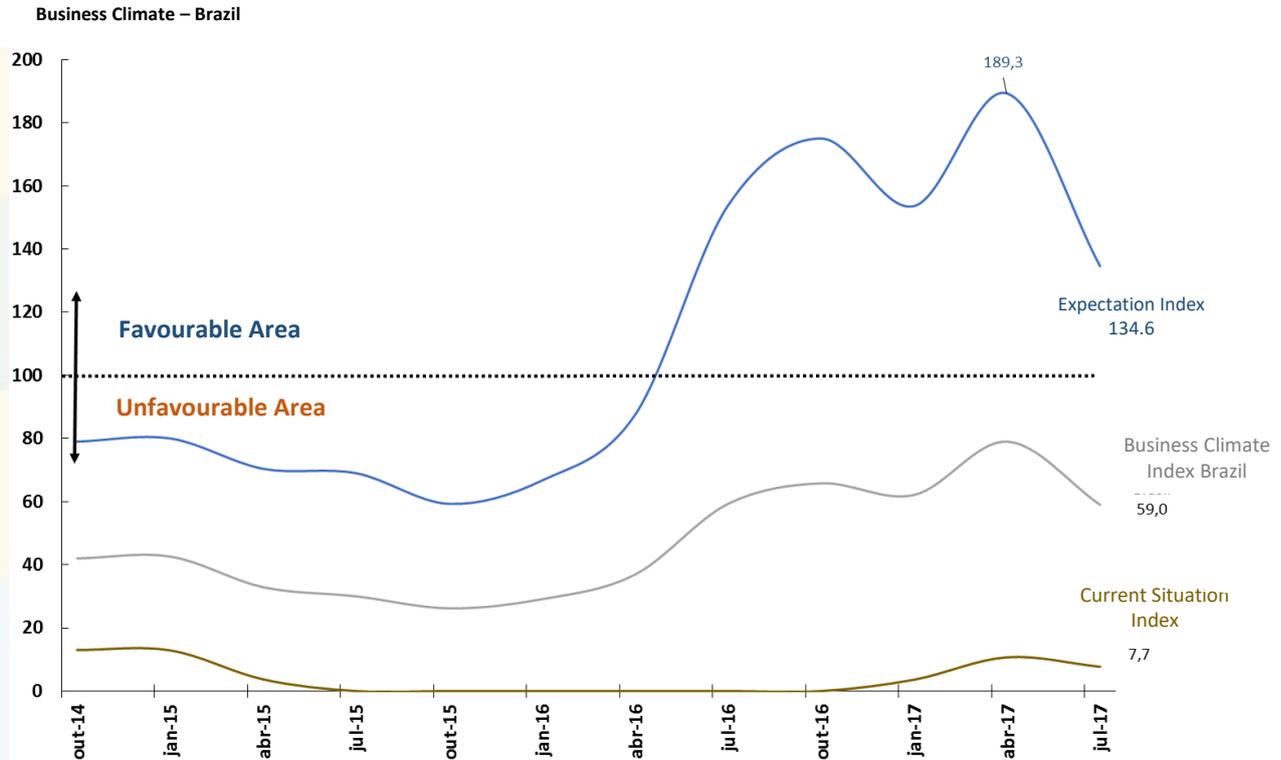
Investment Intention Indicator*
IBRE/FGV Investments Survey



Source: IBGE/MP e IBRE/FGV.

*Note: Measures the difference between positive and negative answers, plus 100.

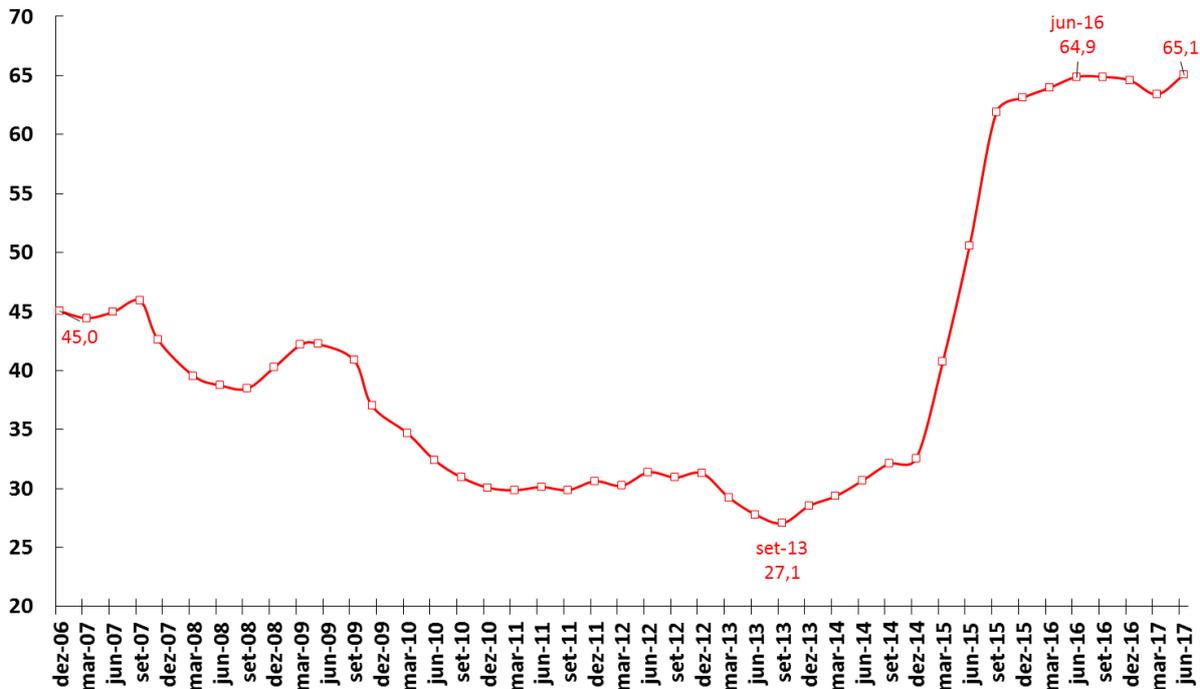
IFO / FGV: Business Climate Index - Brazil



Source: IFO and FGV.

CNI: Fear of Unemployment Index

Fear of Unemployment and Life Satisfaction (CNI)
3-month moving average

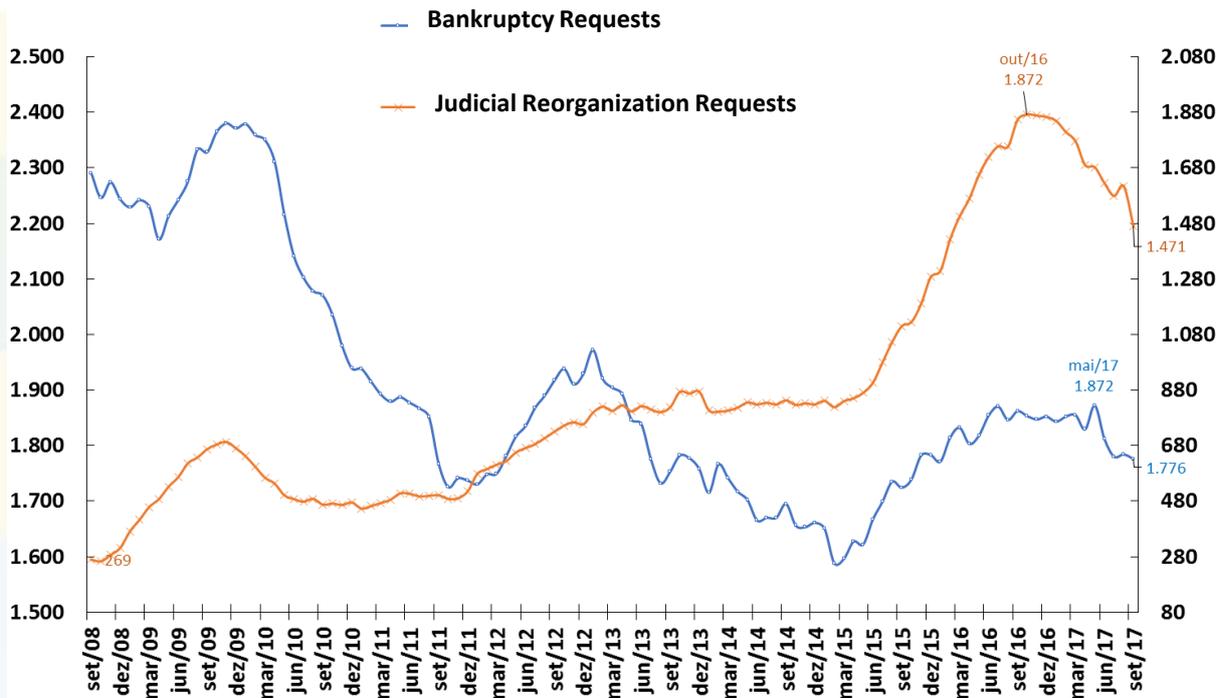


Source: CNI.

Bankruptcy and Judicial Reorganization Requests

Number of Bankruptcy Requests
12-month Accumulated

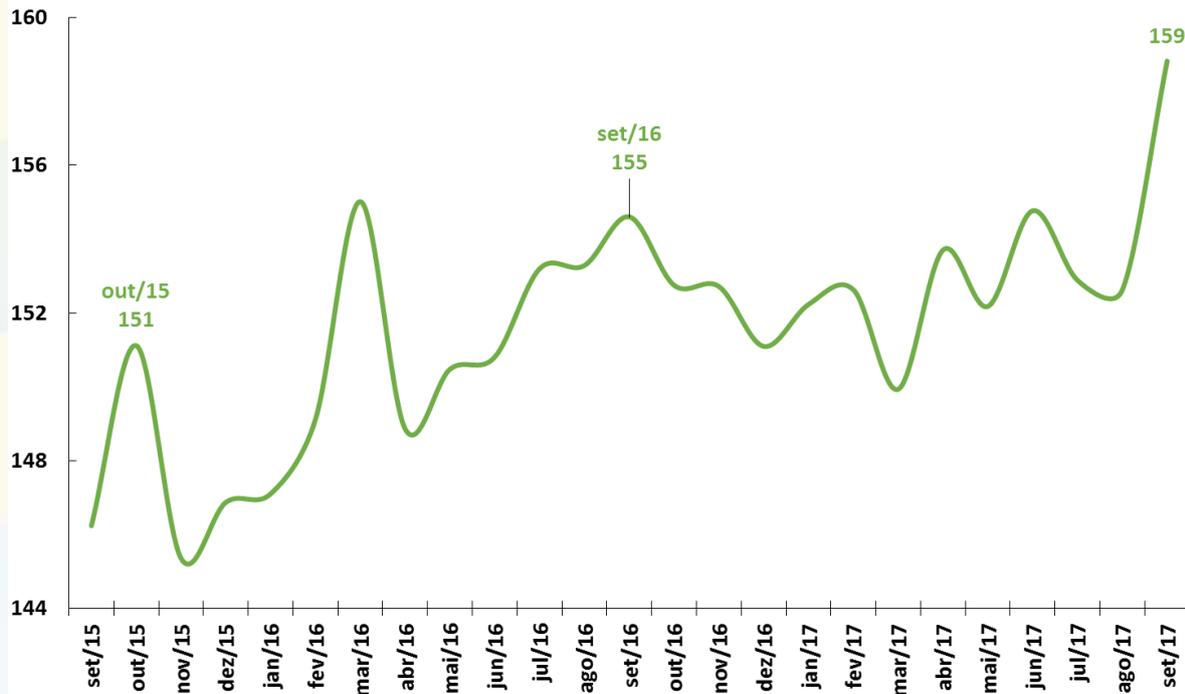
Number of Requests for Judicial Reorganization
12-month Accumulated



Source: Serasa-Experian.

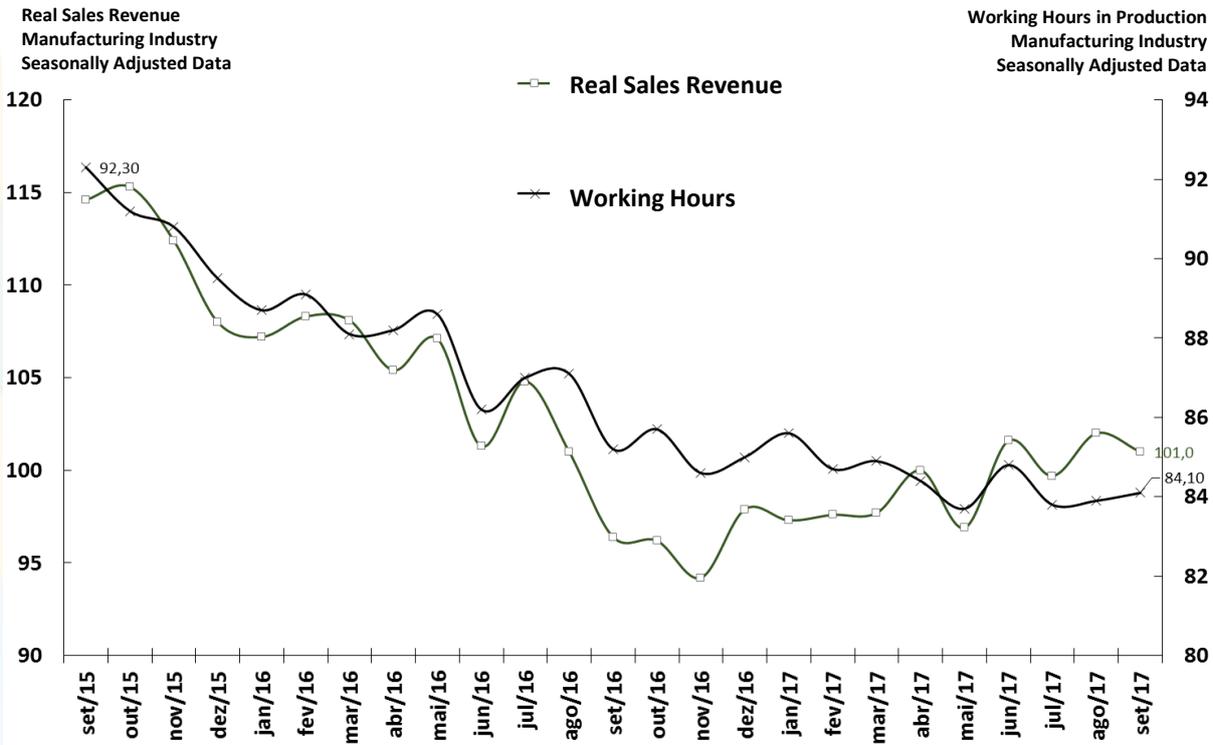
ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales
Seasonally Adjusted Data*



Source: ABRAS. * Seasonally adjusted by SEPLAN/MP.

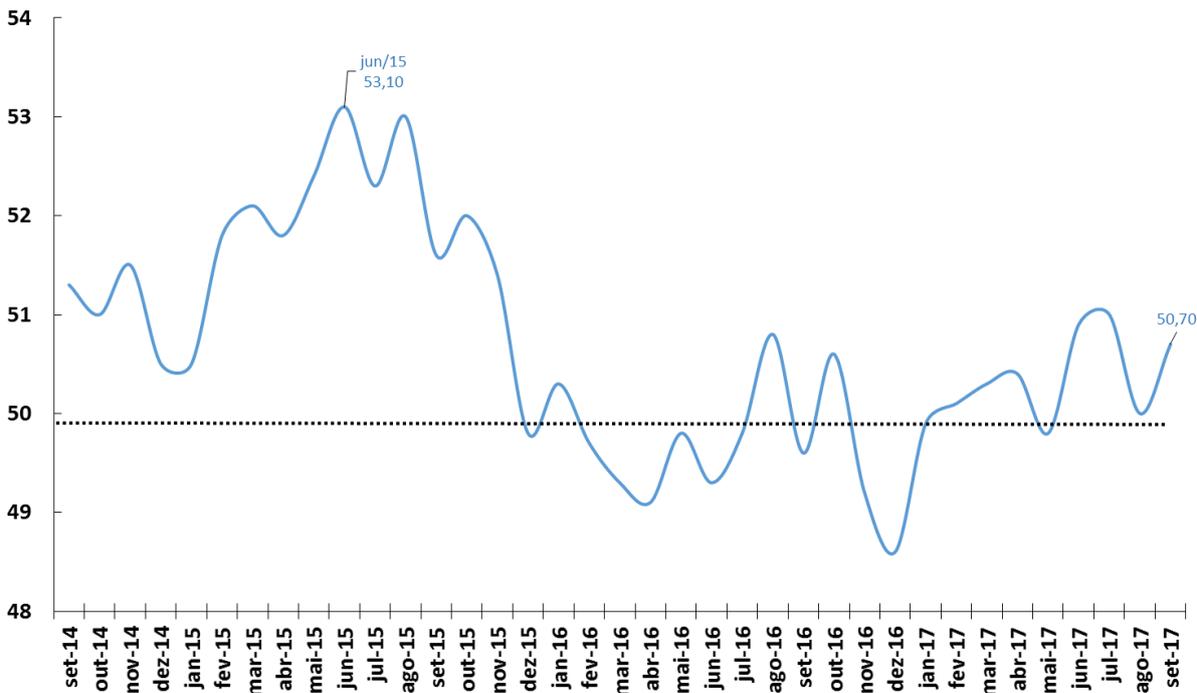
CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

CNI: Industry Inventory

General Industry Inventories Level
Final Goods - planned x effective

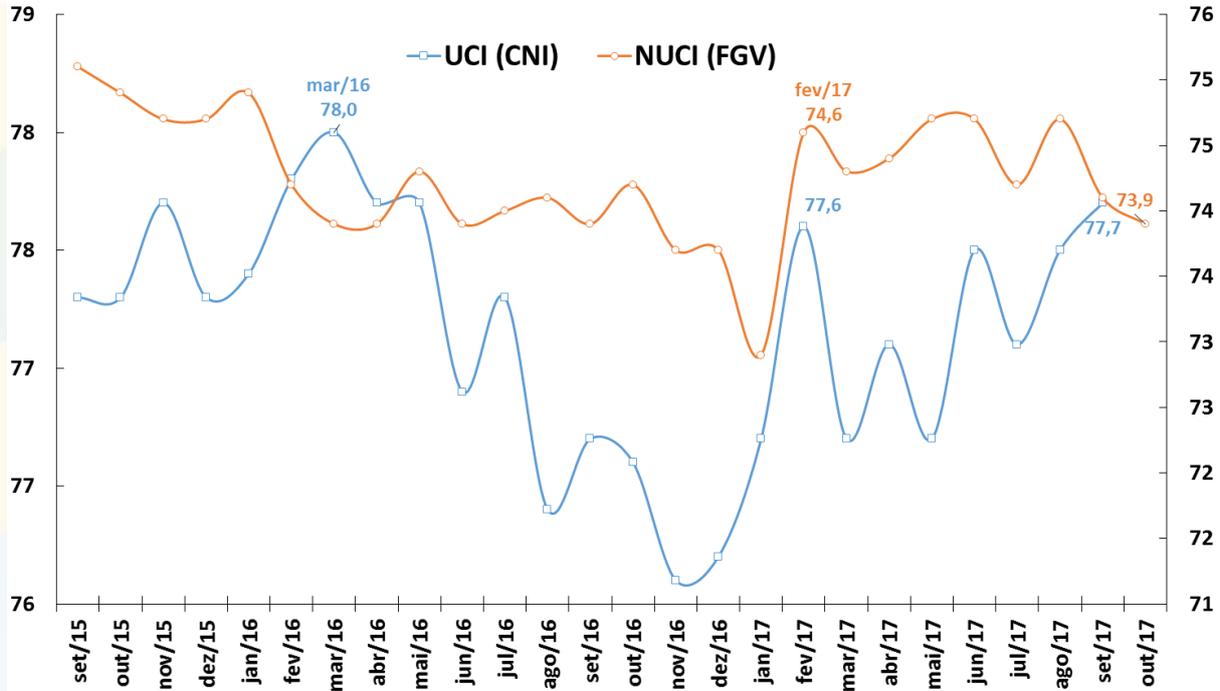


Source: CNI.

Capacity Utilization Rate

Capacity Utilization Rate - UCI (CNI)
Seasonally Adjusted Data

Industry Capacity Utilization Rate – NUCI (FGV)
Seasonally Adjusted Data

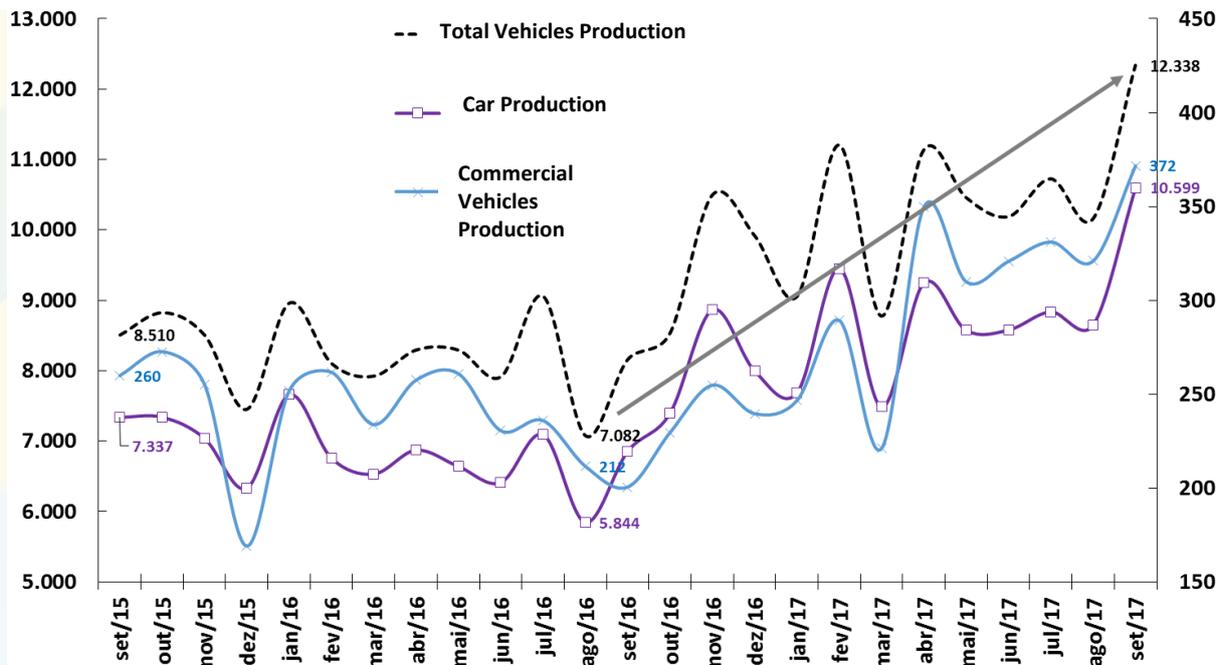


Source: CNI and FGV.

Anfavea: Automotive Sector Production

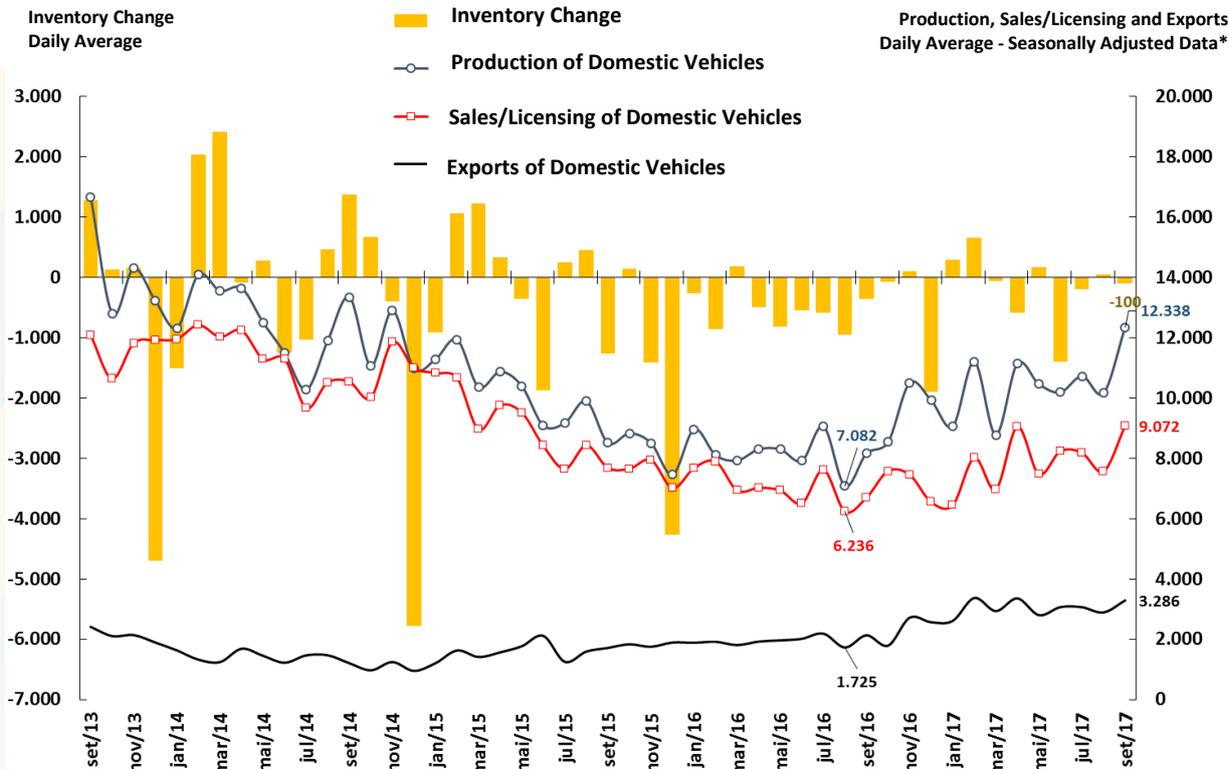
Total Vehicles and Car Production
Daily Average of Vehicles Monthly Manufactured
Seasonally Adjusted Data*

Commercial Vehicles Production
Daily Average of Vehicles Monthly Manufactured
Seasonally Adjusted Data*



Source: ANFAVEA. * Seasonally adjusted by SEPLAN/MP.

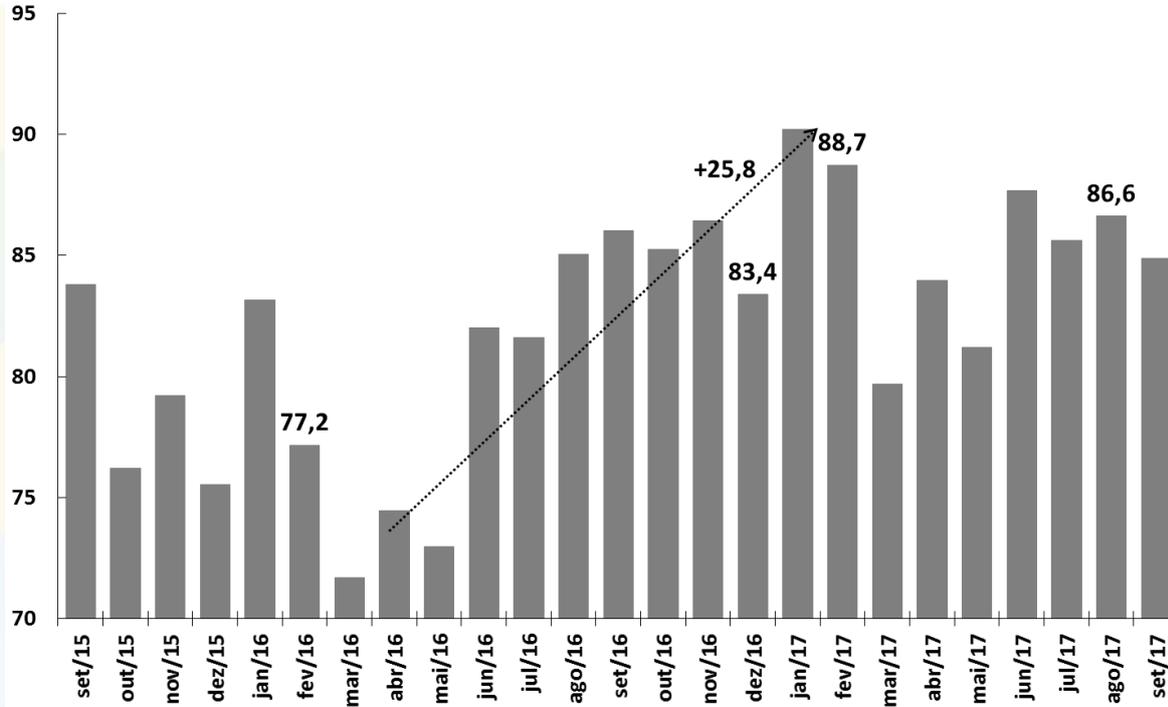
Automotive Sector Production, Sales and Inventory Change



Source: ANFAVEA and FENABRAVE. * Seasonally adjusted by SEPLAN/MP.

ANP: Natural Gas and Oil Production

Natural Gas and Oil Production
Millions of Barrels of Oil Equivalent (BOE) per Month

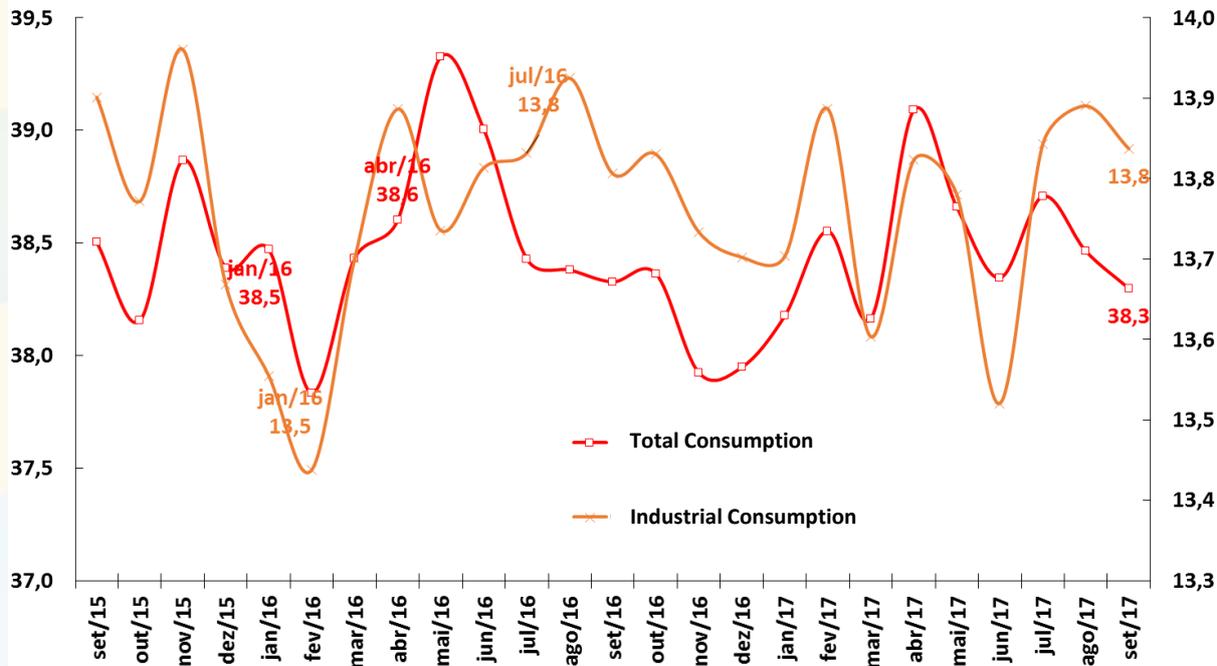


Source: ANP.

ANEEL: Electrical Energy Consumption

Total Electric Energy Consumption
Millions of MWh
Seasonally Adjusted Data*

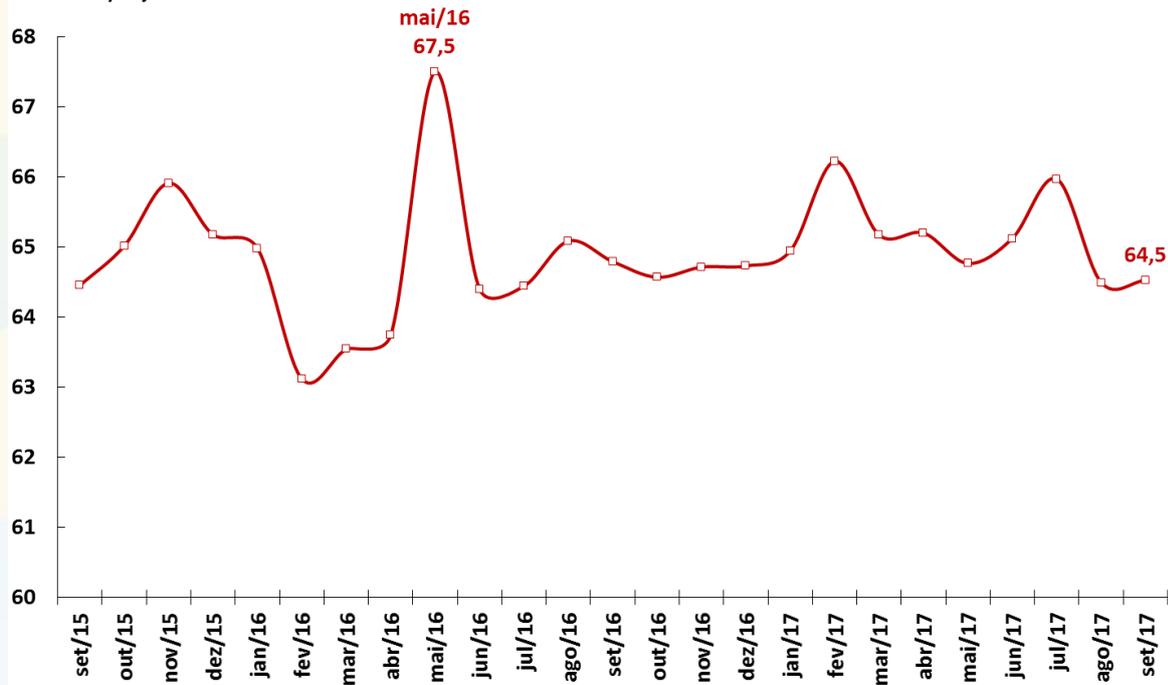
Electric Energy Industrial Consumption
Millions of MWh
Seasonally Adjusted Data*



Source: ANEEL. * Seasonally adjusted by SEPLAN/MP.

ONS: Electric Energy System Supply

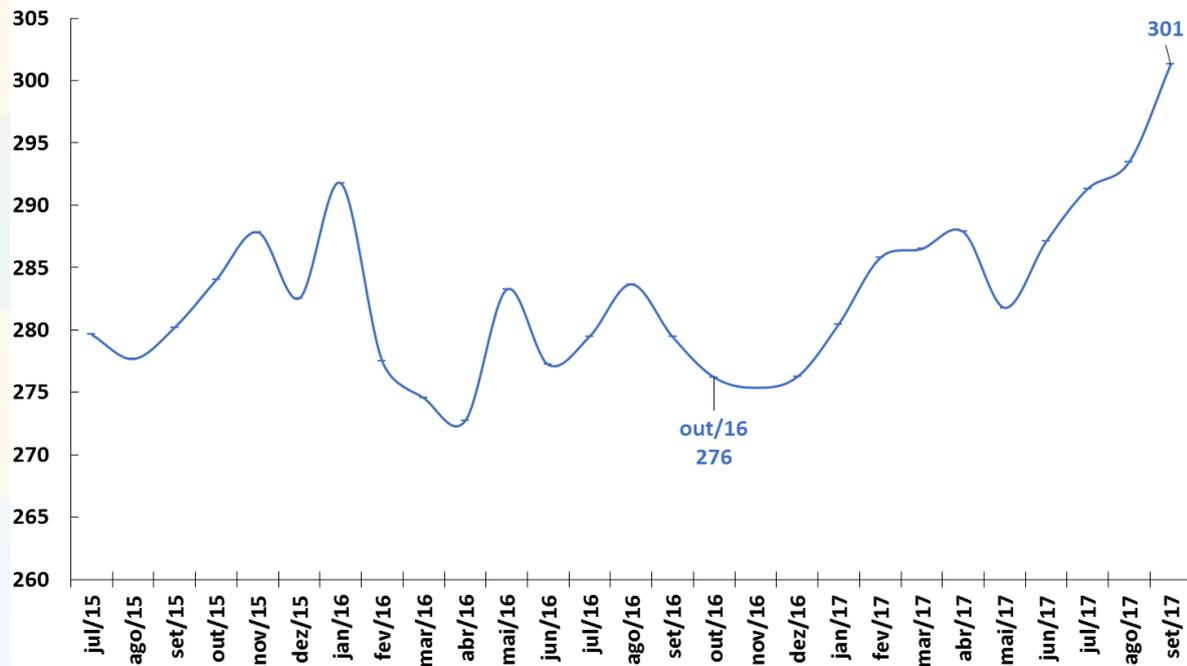
Electric Energy System Supply
Millions of MWh
Seasonally Adjusted Data*



Source: ONS. * Seasonally adjusted by SEPLAN/MP.

ABPO: Corrugated Fiberboard Sales

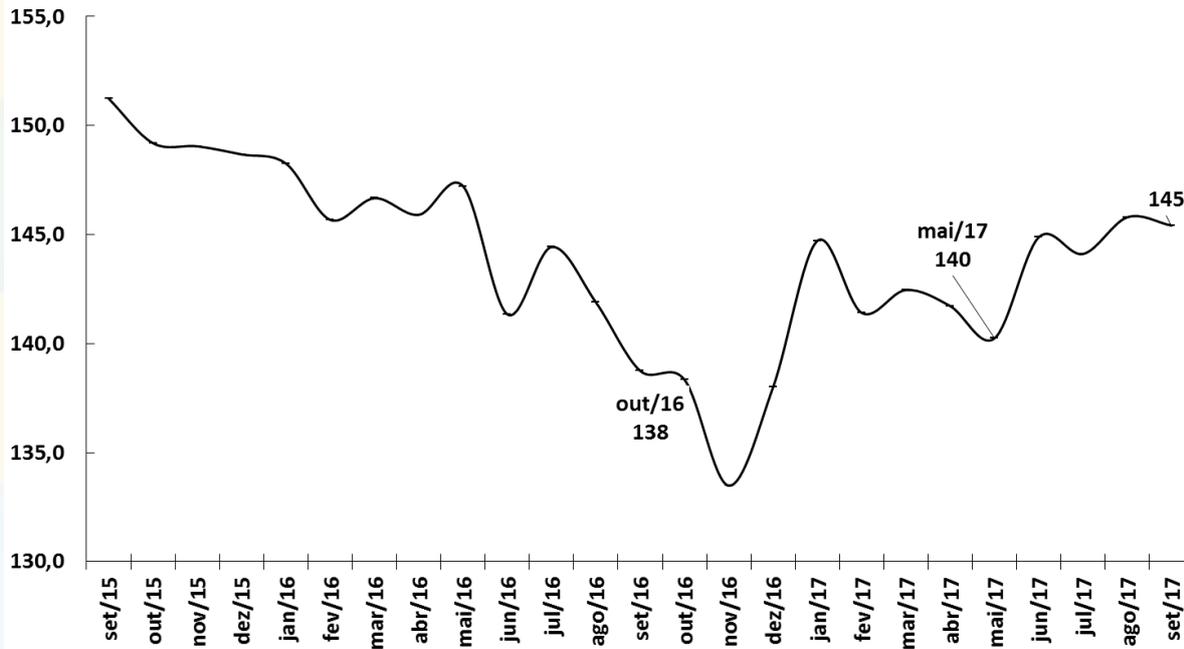
Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



Source: ABPO. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index
Index: 1999=100
Seasonally Adjusted Data



Source: ABCR.



LABOR MARKET

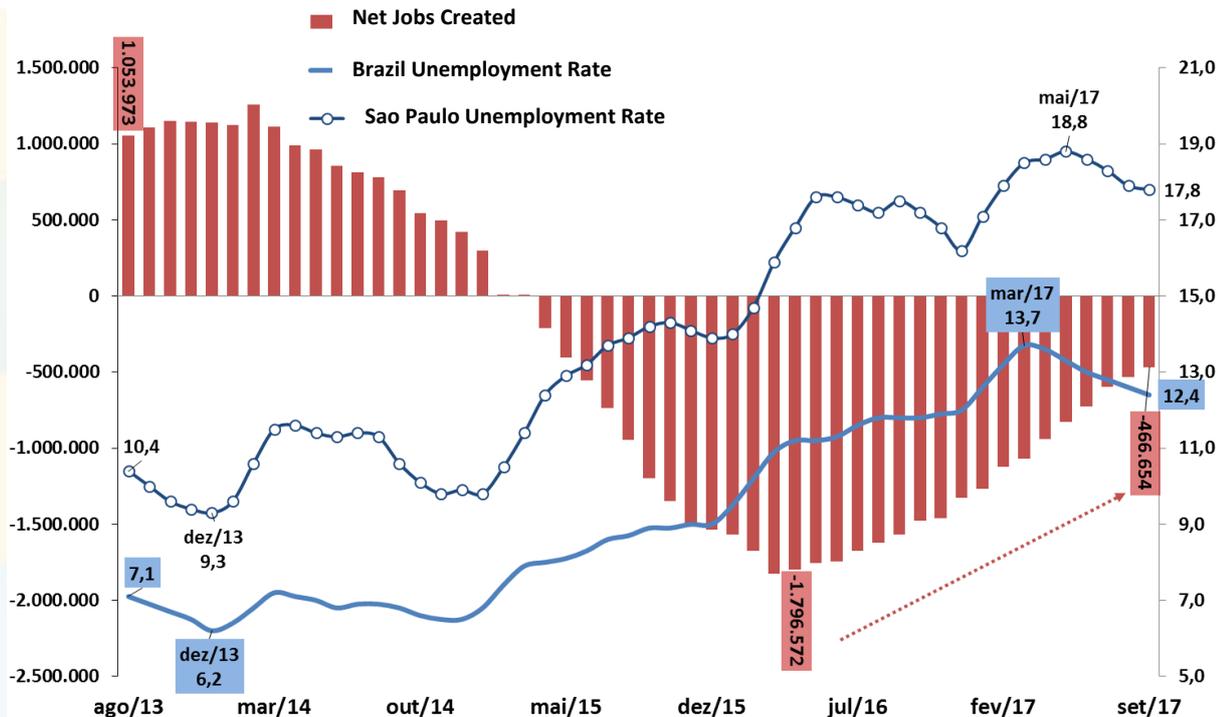
Labor Market

Formal Jobs (CAGED, MTE)		September 2017		2015	2016	Aug/17 accum. in 12 months	Sep/17 accum. in 12-months	Year-To- Date	Sep/17	chg.% 2016 / 2015	chg.% Sep/17 accum. 12- m / 2016	chg.% YTD 2017 / YTD 2016
Million people												
Net Formal Jobs Creation				-1.535	-1.327	-533	-467	209	34	-13,5%	-64,8%	-32,1%
Job Openings				17.838	14.845	14.501	14.453	11.263	1.148	-16,8%	-2,6%	96,6%
Job Separations				19.373	16.172	15.034	14.919	11.054	1.114	-16,5%	-7,7%	89,8%
Employment Indicators		September 2017		2015 average	2016 average	Sep/17 (12 months moving average)	Sep/17	chg.% 2016 / 2015	chg.% Aug/17 / Aug/16	chg.% Sep/17 / Sep/16	chg.% YTD 2017 / YTD 2016	chg.% Sep/17 / 2016 average
Brasil (PNADC, IBGE)												
Unemployment Rate % Labor Force				12,9	16,6	17,8	17,8	3,7 pp	0,7 pp	0,3 pp	1,6 pp	1,2 pp
Unemployed Population (in thousands)				8	11	13	12	296,7%	80,0%	60,0%	196,7%	113,3%
Employed Population (in thousands)				164.197	166.189	167.700	168.722	1,2%	1,3%	1,3%	1,2%	1,5%
Labor Force (in thousands)				100.575	102.033	103.214	104.258	1,4%	2,0%	2,4%	1,5%	2,2%
Working Age Population (in thousands)				92.216	90.539	90.058	91.297	-1,8%	1,0%	1,6%	-0,7%	0,8%
São Paulo Unemployment Rate % (RMSP, PED-Seade)				8358,3	11493,8	13155,5	12961,0	0,4 pp	0,1 pp	0,1 pp	0,2 pp	0,1 pp
Average Real Earnings (PNADC, IBGE)		September 2017		2015 average	2016 average	Sep/17 (12 months moving average)	Sep/17	chg.% 2016 / 2015	chg.% Aug/17 / Aug/16	chg.% Sep/17 / Sep/16	chg.% YTD 2017 / YTD 2016	chg.% Sep/17 / 2016 average
real values (in R\$ of last month)												
Employed Population				2.119	2.070	2.107	2.115	-2,3%	1,9%	2,4%	2,4%	2,2%
Formal Contract				2.017	1.991	2.017	2.035	-1,3%	3,0%	2,5%	1,7%	2,2%
Informal Contract				1.212	1.217	1.220	1.256	0,4%	-2,2%	1,6%	0,4%	3,2%
Self-employed				1.619	1.563	1.544	1.538	-3,5%	-2,4%	-0,1%	-1,6%	-1,6%
Public Sector				3.211	3.257	3.308	3.272	1,4%	0,0%	1,0%	2,1%	0,5%
Real Wage Bill (in R\$ milions of last months)				189.279	182.720	185.029	188.137	-3,5%	2,7%	3,9%	1,7%	3,0%
Percentage of the Minimum Wage to Purchase the Basic Food Basket (Dieese)				39,3%	46,3%	45,3%	42,7%	7,0 pp	-4,5 pp	-530,0%	-3,2%	-3,6%

Unemployment Rate and Net Formal Job Creation

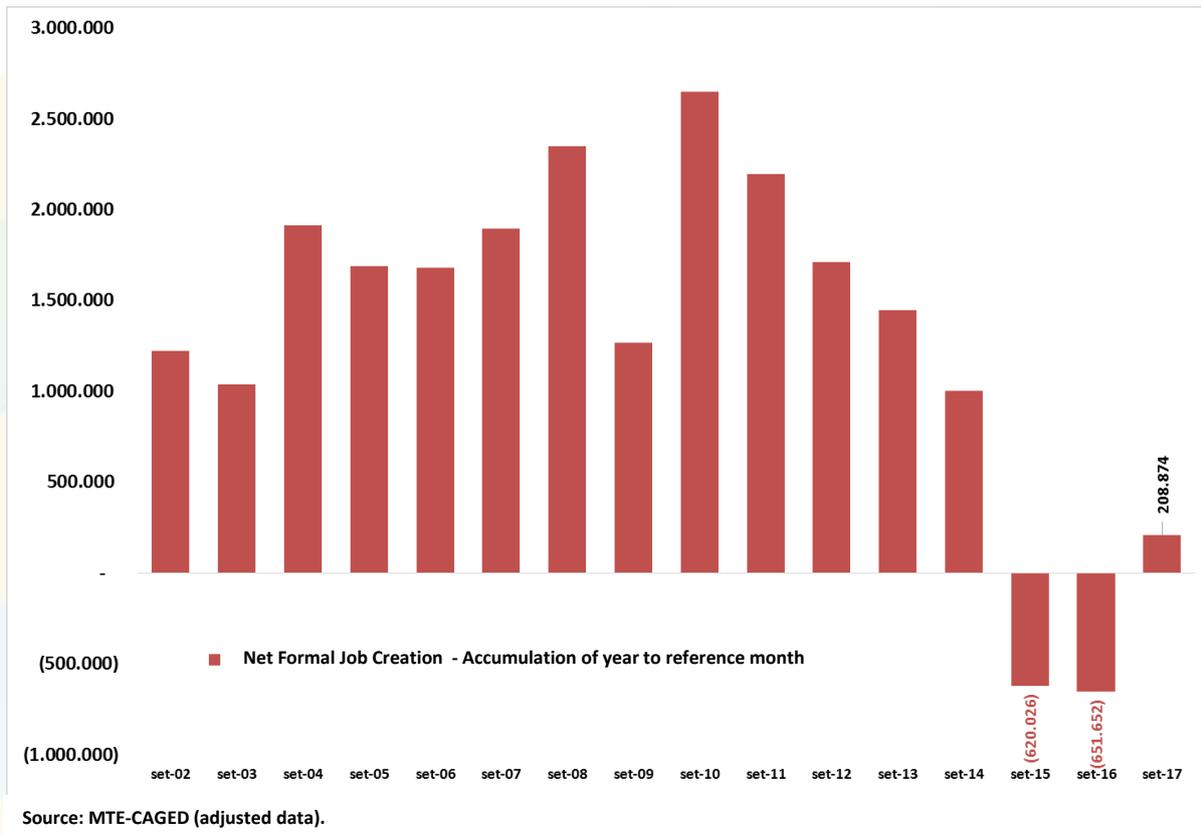
Net Formal Jobs Creation
12-Month Accumulated Figures

Brazil and Sao Paulo Unemployment Rate
% of Labor Force



Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

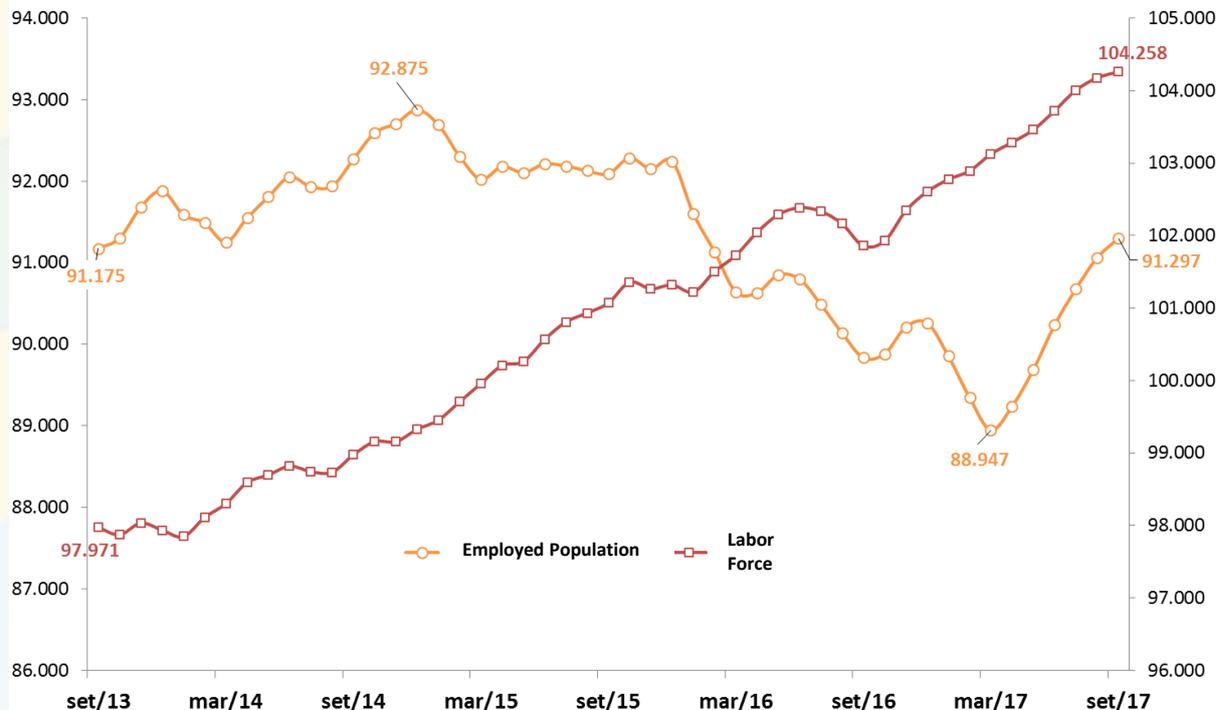
Net Formal Job Creation – Total Accumulation of Year



Employed Population and Labor Force Evolution

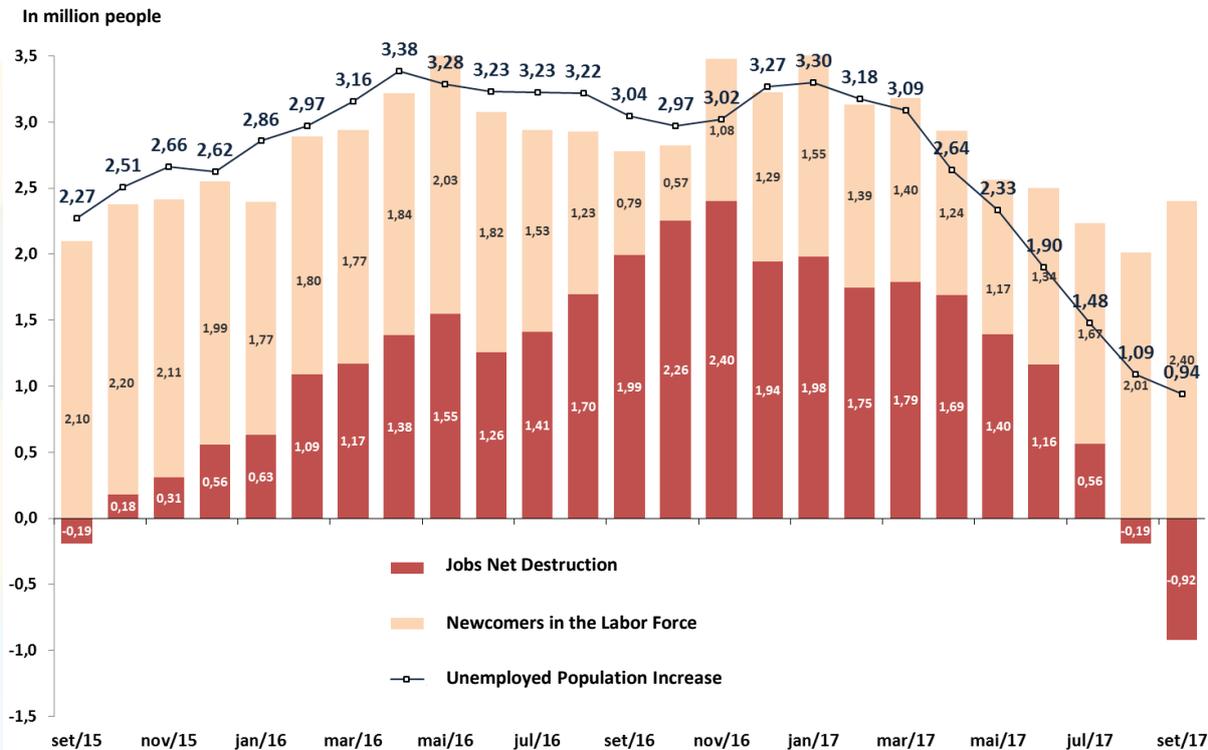
Employed Population
In 1.000 people

Labor Force
In 1.000 people



Source: IBGE/MP - PNADC.

12-Month Total Unemployment Increase Decomposition

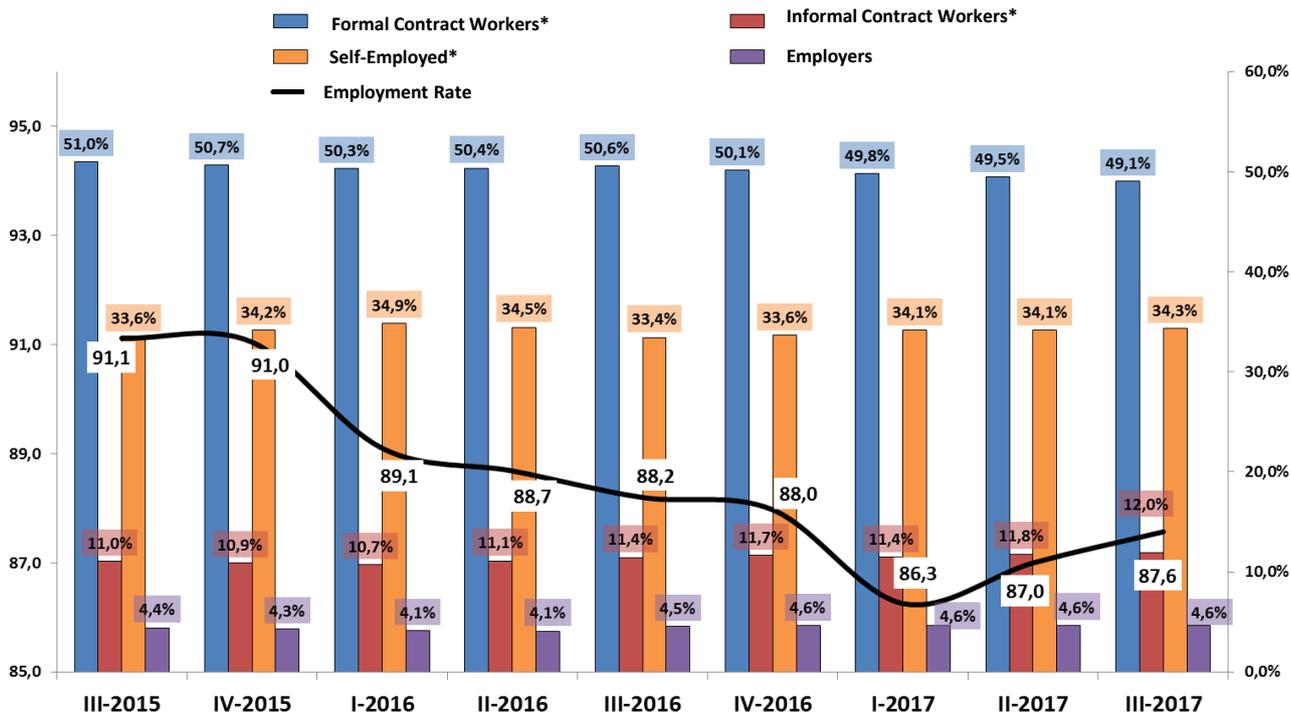


Source: IBGE/MP -- PNADC.

Labor Market Evolution by Employment Type

Employment Rate
(Employed Population / Labor Force)

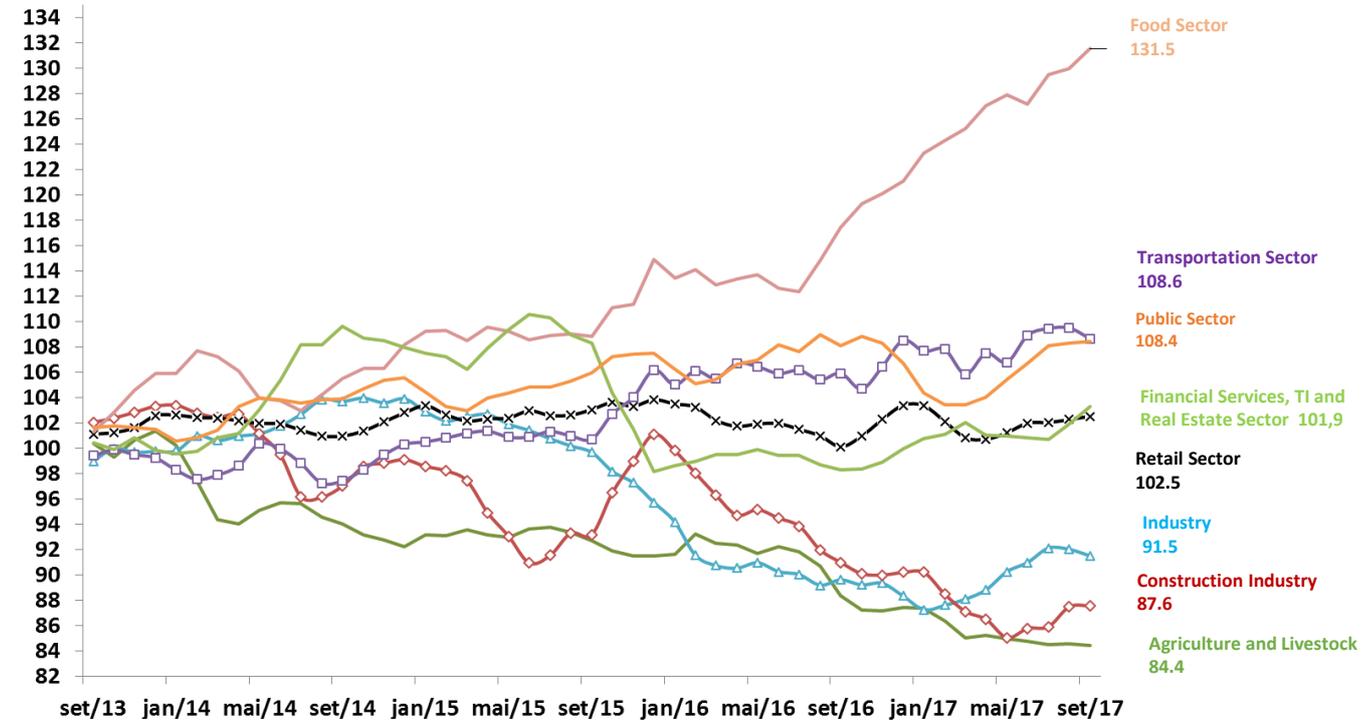
Formal and Informal Contract Workers, Self-Employed and Employers
% of Employed Population



Source: IBGE/MP - PNADC. Note: *Formal contract includes both private and public sectors and Self-Employed includes home-workers and family-workers.

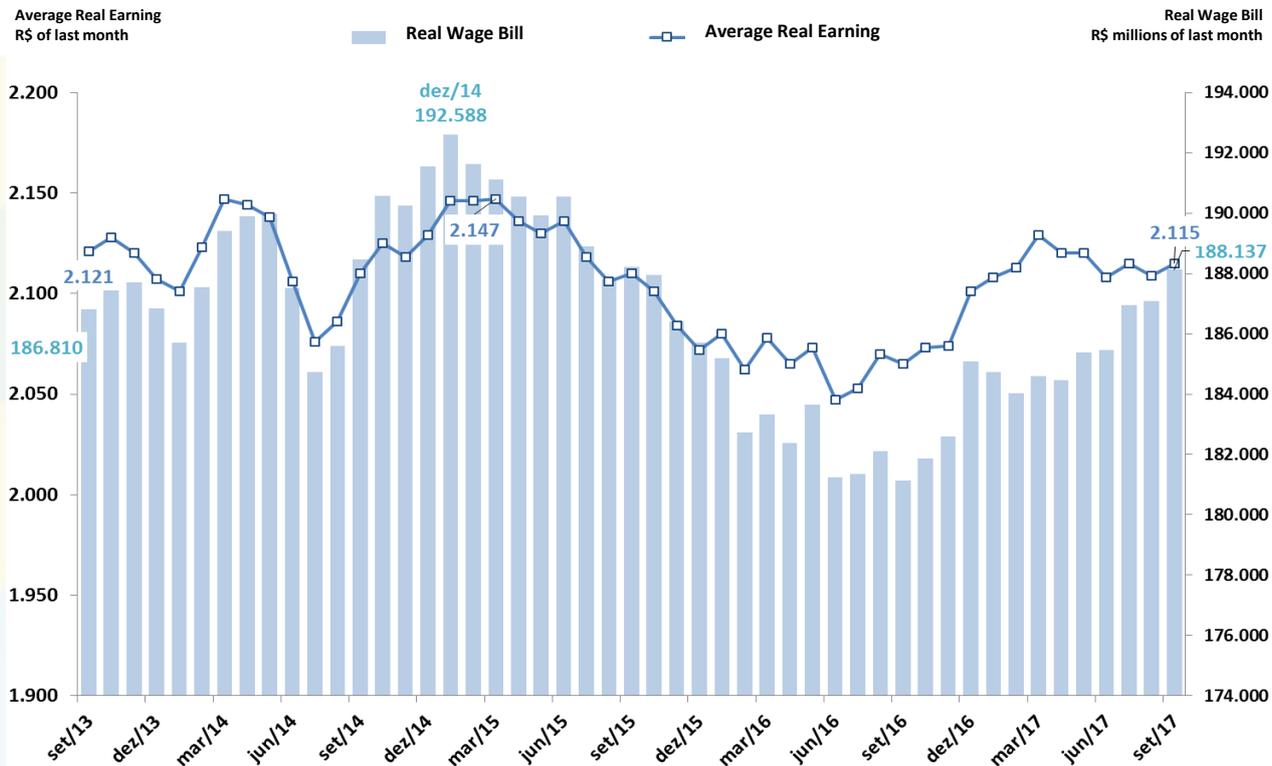
Employment by Sector of Activity

Employed Population by Sectors of Activity
Index: 2013 = 100

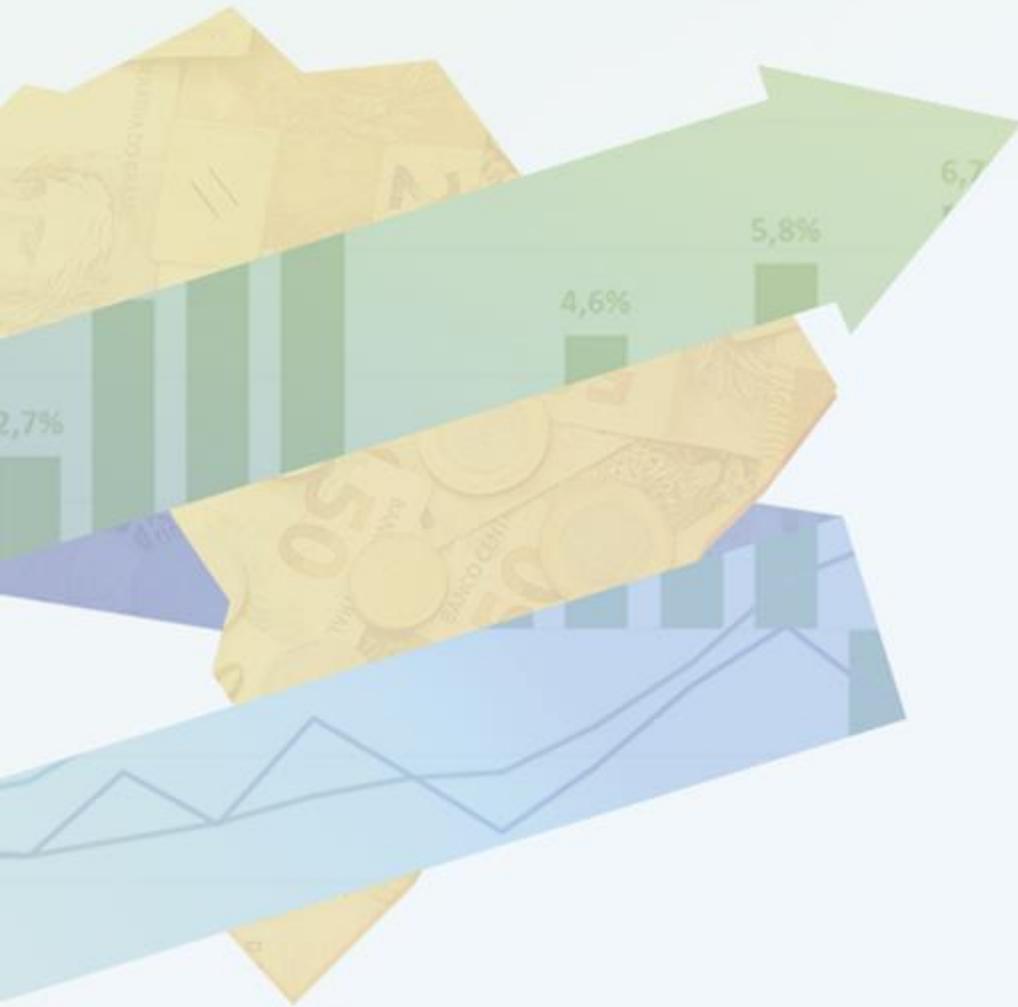


Source: IBGE/MP - PNADC.

Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.



INFLATION

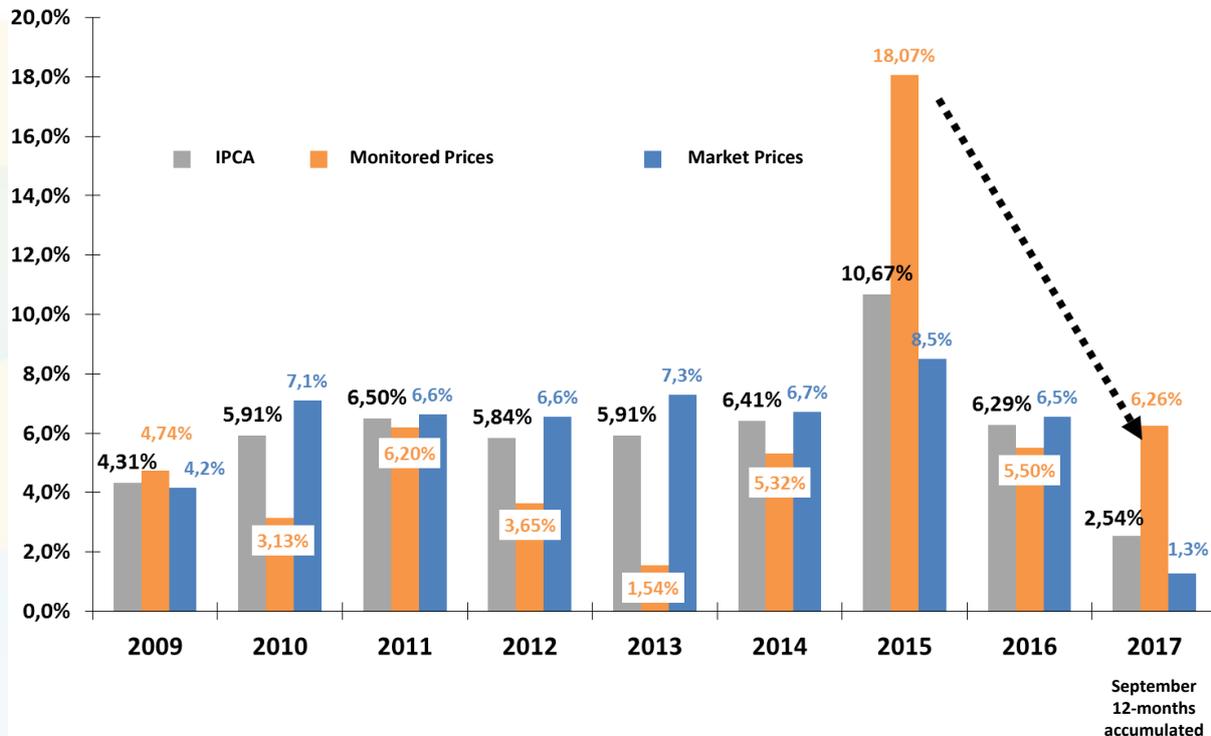
Inflation

BCB/FOCUS: 10/27/2017

Inflation Index	September 2017												2017	2018	2019
	2015	2016	Accum. In 12-months	YTD 2016	YTD 2017	Jul/16	Aug/16	Sep/16	Jul/17	Aug/17	Sep/17				
IPCA Inflation Target (CMN)	4,5%	4,5%											4,5%	4,5%	4,5%
Consumer Price Index IPCA (IBGE)	10,7%	6,3%	2,5%	5,5%	1,8%	0,52%	0,44%	0,08%	0,24%	0,19%	0,16%		3,1%	4,0%	4,3%
IPCA core (By exclusion food and energy - Ex2)	9,4%	6,2%	3,8%	5,2%	2,9%	0,4%	0,5%	0,2%	0,4%	0,2%	0,1%				
Food and Beverages	12,0%	8,6%	-2,1%	8,8%	-2,0%	1,3%	0,3%	-0,3%	-0,5%	-1,1%	-0,4%				
Housing	18,3%	2,8%	4,1%	2,7%	4,0%	-0,3%	0,3%	0,6%	1,6%	0,6%	-0,1%				
Household Articles	5,4%	3,4%	-1,3%	4,0%	-0,7%	0,5%	0,4%	-0,2%	-0,2%	0,2%	0,1%				
Apparel	4,5%	3,5%	2,2%	2,5%	1,2%	-0,4%	0,2%	0,4%	-0,4%	0,3%	0,3%				
Transportation	10,2%	4,2%	4,0%	2,0%	1,8%	0,4%	0,3%	-0,1%	0,3%	1,5%	0,8%				
Health and Personal Care	2,1%	1,3%	1,7%	0,9%	1,3%	0,0%	0,0%	0,2%	0,0%	-0,6%	0,5%				
Personal Expenses	9,2%	11,0%	6,8%	9,4%	5,2%	0,6%	0,8%	0,3%	0,4%	0,4%	0,3%				
Education	9,5%	8,0%	4,7%	6,4%	3,2%	0,7%	1,0%	0,1%	0,4%	0,3%	0,6%				
Communication	9,2%	8,9%	7,0%	8,7%	6,8%	0,0%	1,0%	0,2%	0,0%	0,2%	0,0%				
Consumer Price Index INPC (IBGE)	11,3%	6,6%	1,6%	6,2%	1,2%	0,64%	0,31%	0,08%	0,17%	-0,03%	-0,02%		2,5%	4,4%	4,1%
General Price Index IGP-DI (FGV)	10,7%	7,2%	-1,0%	6,1%	-2,0%	-0,39%	0,43%	0,03%	-0,30%	0,24%	0,62%		-1,0%	4,5%	4,3%
Consumer Price Subindex IPC/Br-DI	10,5%	6,2%	3,2%	5,3%	2,3%	0,4%	0,3%	0,1%	0,4%	0,1%	0,0%				
Construction Cost Subindex INCC-DI	7,5%	6,1%	4,3%	5,4%	3,5%	0,5%	0,3%	0,3%	0,3%	0,4%	0,1%				
Wholesale Price Subindex IPA-DI	11,3%	7,7%	-3,5%	6,5%	-4,5%	-0,8%	0,5%	0,0%	-0,7%	0,3%	1,0%		-3,7%	4,4%	4,5%
IPA-DI Industry	9,6%	6,7%	2,0%	3,6%	-0,9%	-0,3%	0,3%	0,6%	-0,4%	1,0%	1,1%				
IPA-DI Agriculture	15,6%	9,9%	-17,0%	13,8%	-14,1%	-2,0%	0,9%	-1,6%	-1,4%	-1,8%	0,8%				
São Paulo Consumer Price Index IPC RMSP (FIPE)	11,1%	6,5%	2,3%	5,3%	1,1%	0,35%	0,11%	-0,14%	-0,01%	0,10%	0,02%		2,3%	4,4%	4,0%
São Paulo Cost-of-Living Index ICV SP (DIEESE)	11,5%	6,2%	1,9%	5,3%	1,1%	0,21%	0,36%	0,03%	0,13%	-0,01%	0,20%				
São Paulo Basic Food Basket (DIEESE)	16,4%	5,0%	-9,1%	13,6%	-1,6%	4,30%	1,33%	-0,03%	-3,77%	0,96%	-3,18%				
National Average Basic Food Basket (DIEESE)	17,3%	10,4%	-9,3%	16,0%	-4,7%	4,30%	1,75%	1,13%	-2,11%	-0,09%	-2,30%				
Inflation Index	October 2017												2017	2018	2019
	2015	2016	Accum. In 12-months	YTD 2016	YTD 2017	Aug/16	Sep/16	Oct/16	Aug/17	Sep/17	Oct/17				
General Price Index IGP-10 (FGV)	10,5%	7,0%	-1,3%	6,7%	-2,0%	-0,27%	0,36%	0,12%	-0,17%	0,39%	0,49%				
General Price Index IGP-M (FGV)	10,5%	7,2%	-1,4%	6,6%	-1,9%	0,15%	0,20%	0,16%	0,10%	0,47%	0,20%		-0,9%	4,4%	4,3%
Consumer Price Index IPCA - 15 (IBGE)	10,7%	6,6%	2,7%	6,4%	2,3%	0,45%	0,23%	0,19%	0,35%	0,11%	0,34%		3,1%	4,1%	4,3%

Relative Prices Convergence in the Consumer Price Index

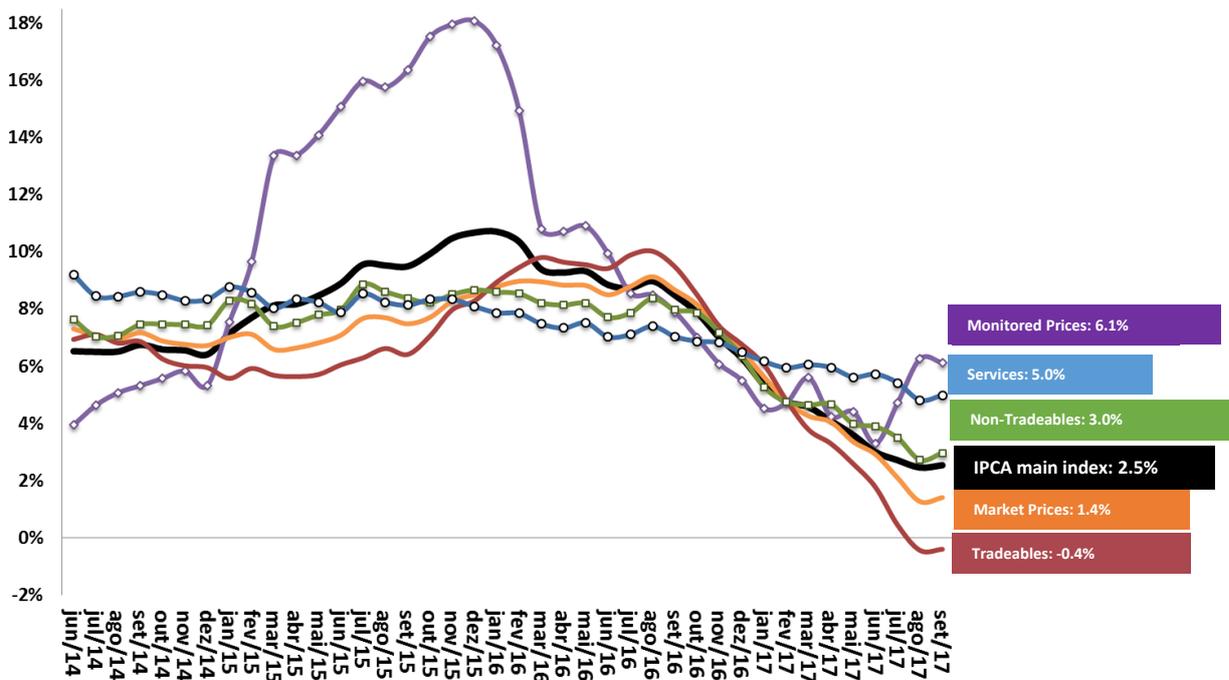
Inflation Rate (% per annum)



Source: IBGE/MP.

Consumer Price Index (IPCA) and Subindexes

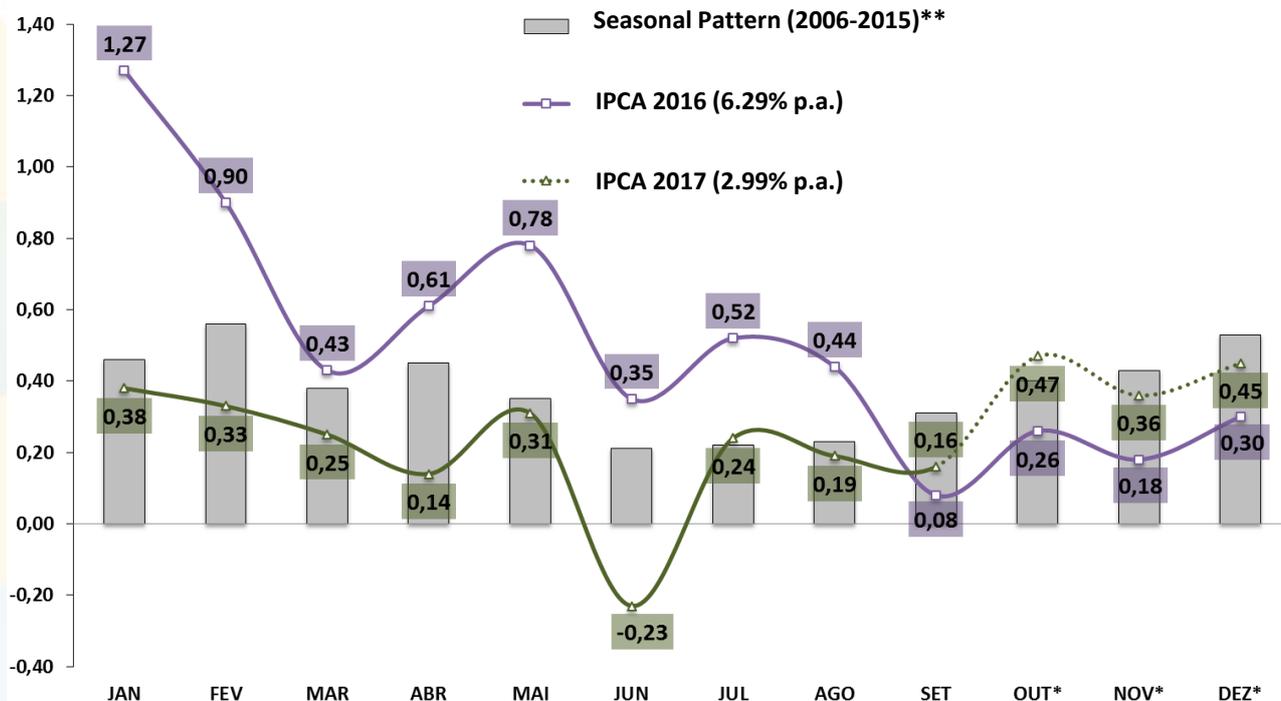
Consumer Price Index and Subindexes
12-months accumulated rate (%)



Source: IBGE/MP.

Consumer Price Index (IPCA) and Seasonal Pattern

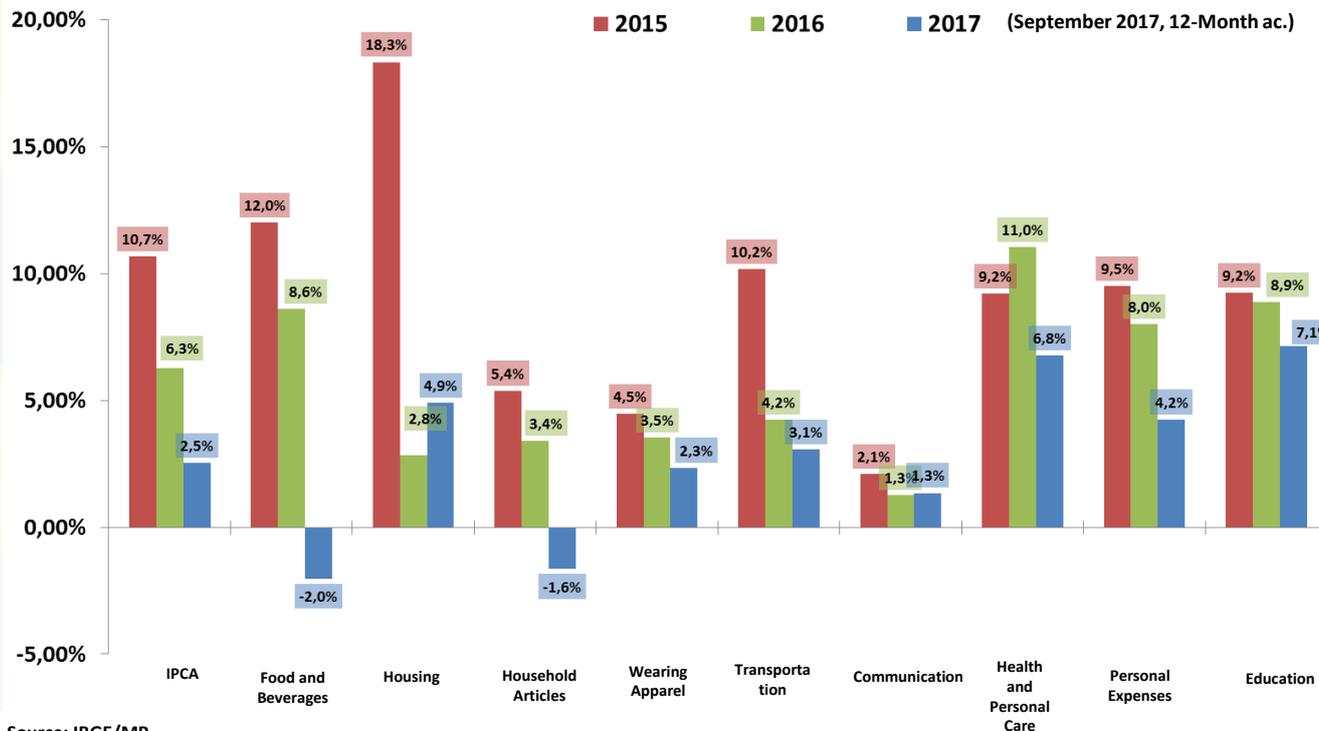
Inflation Rate (% per month)



Sources: IBGE/MP and Central Bank of Brazil. *BCB-Focus Survey September 01st, median of market expectations. **Seasonal pattern estimated by SEPLAN/MP.

Consumer Price Index (IPCA) by Groups

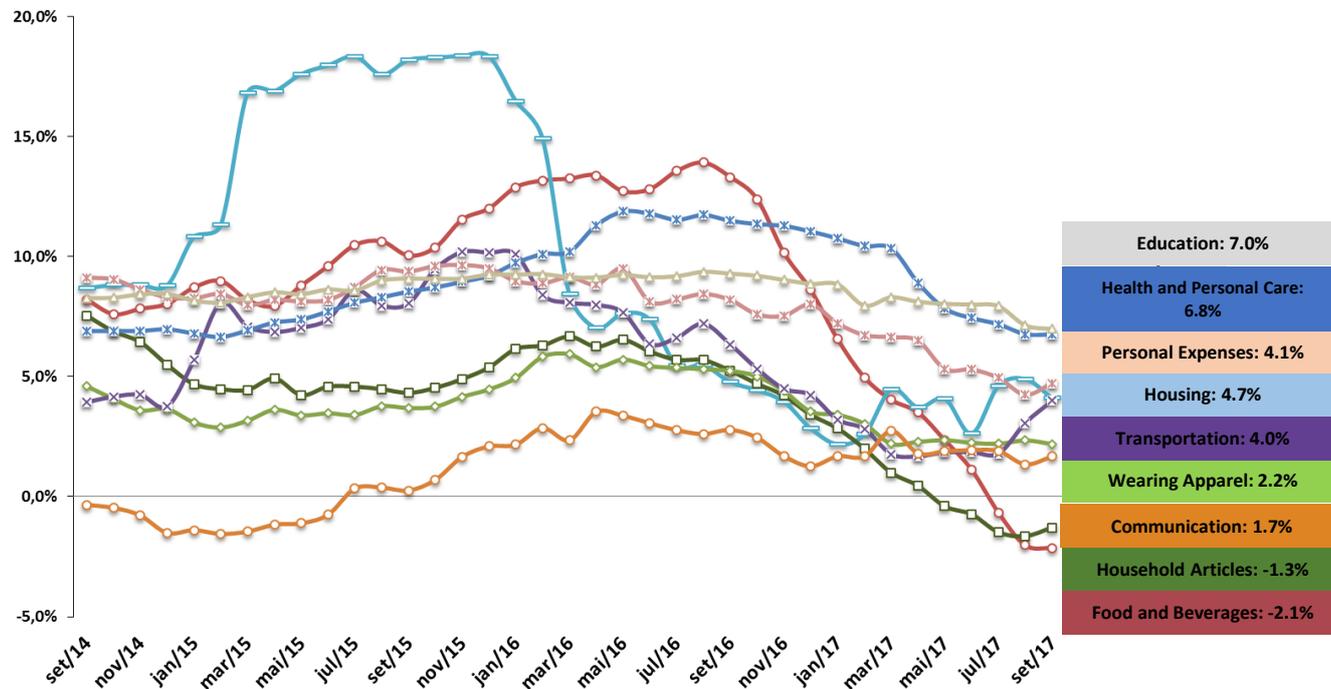
IPCA and components – by Groups
Inflation Rate (%)



Source: IBGE/MP.

Consumer Price Index (IPCA) by Groups

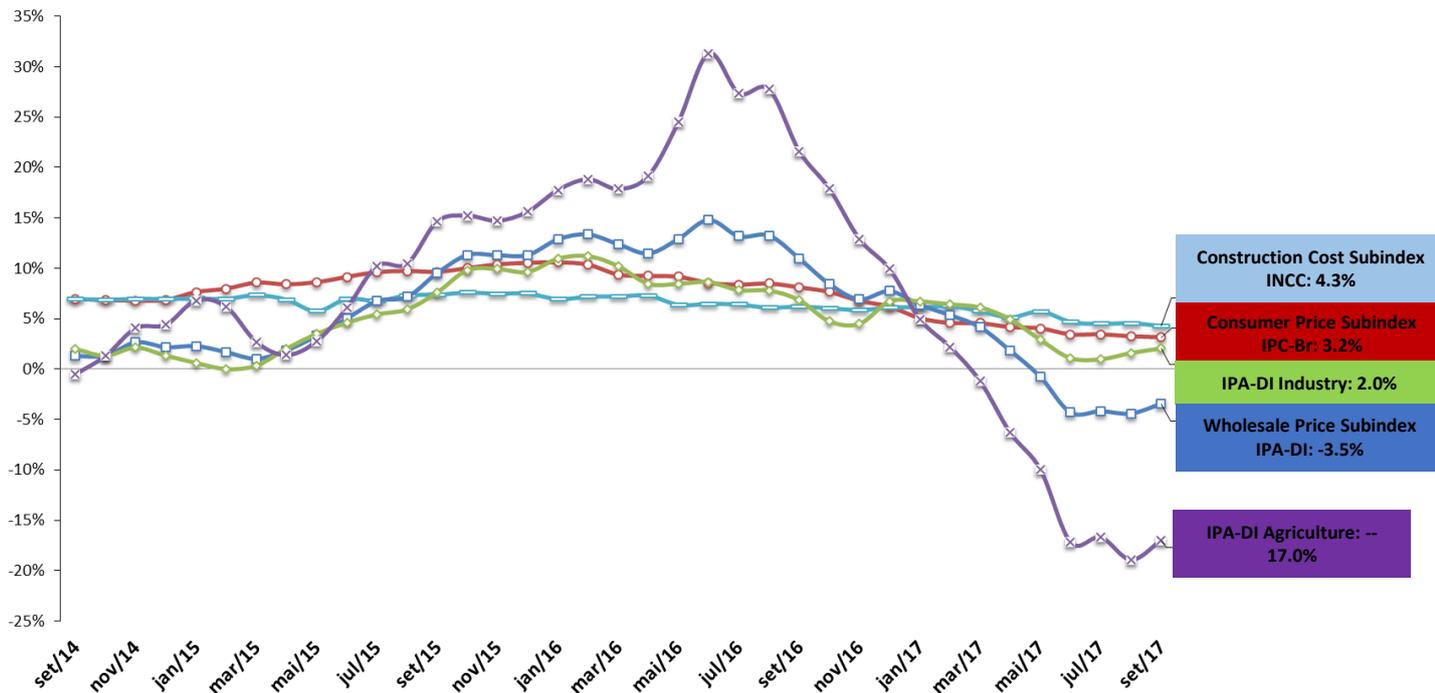
IPCA Groups
12-months accumulated rate (%)



Source: IBGE.

General Price Index (IGP-DI) by Subindexes

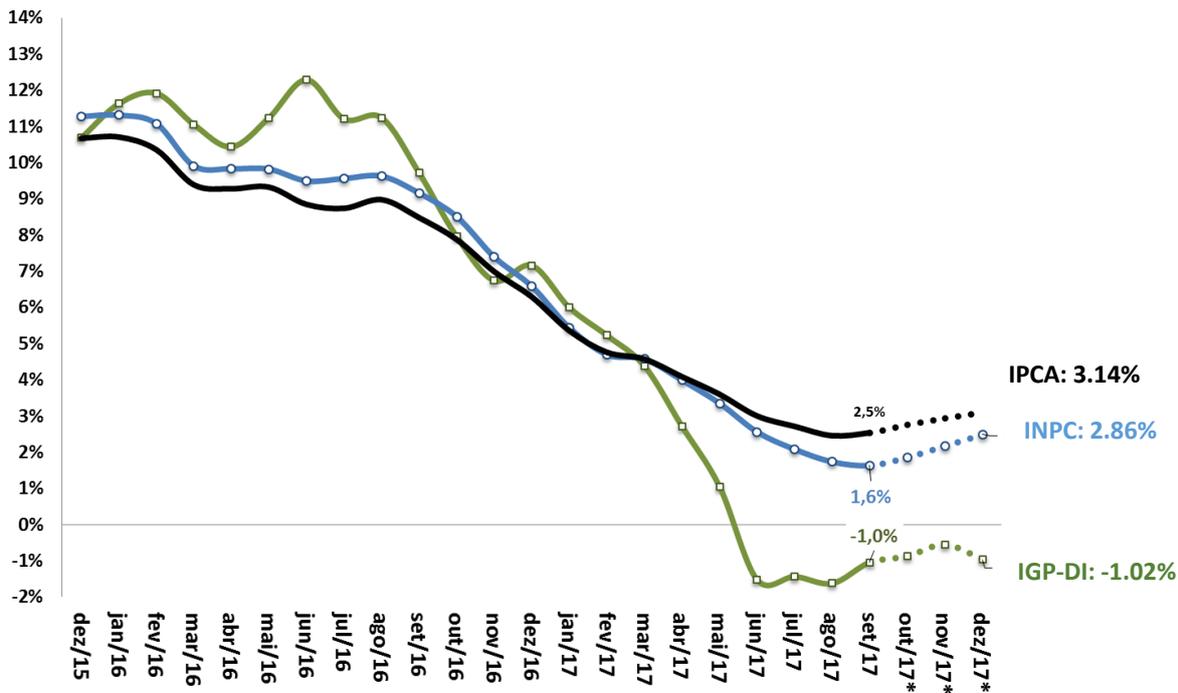
General Prices Subindexes
12-months accumulated rate (%)



Source: FGV.

Major Inflation Indexes

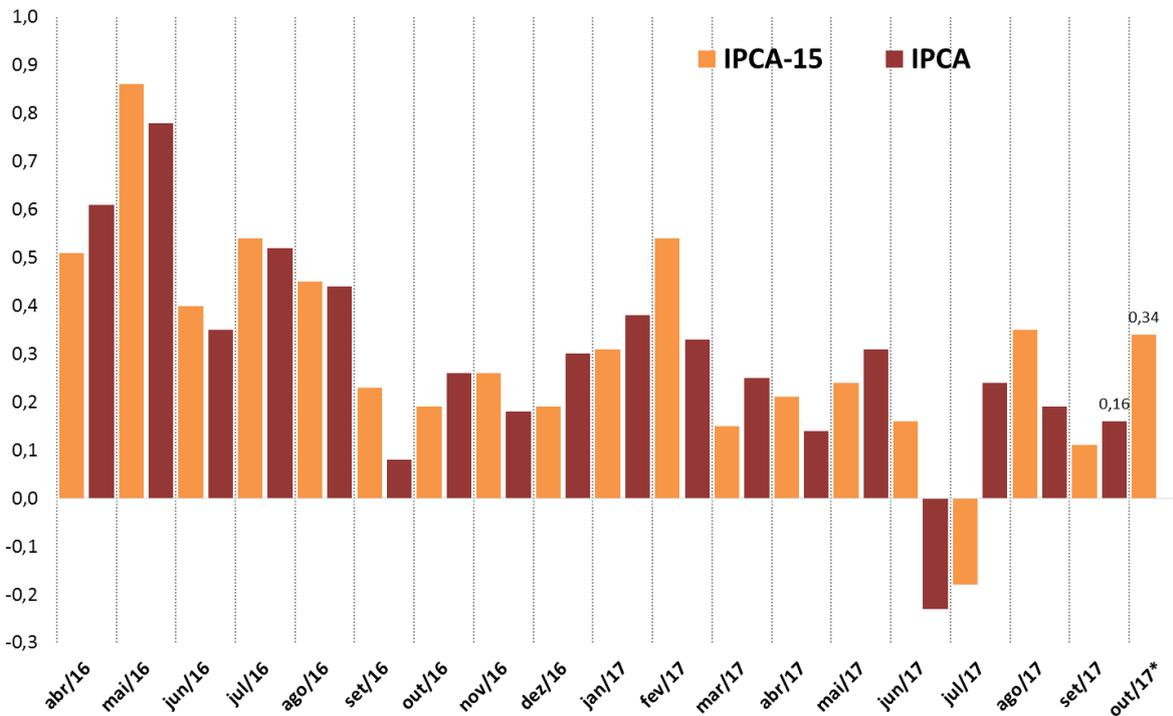
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *BCB-Focus Survey 27th October, median of market expectations.

IBGE: Monthly Consumer Price Indexes

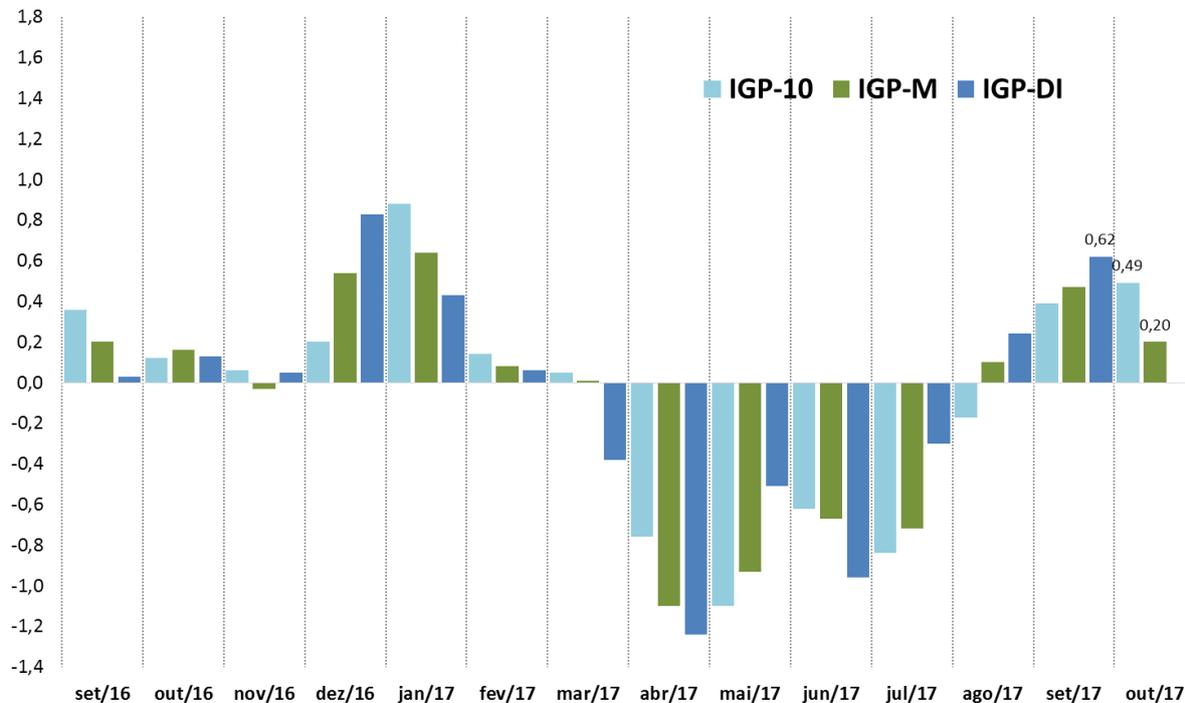
IPCA-15 and IPCA
By release order



Source: IBGE.

FGV: Monthly General Price Indexes

IGP-10, IGP-M and IGP-DI
By release order

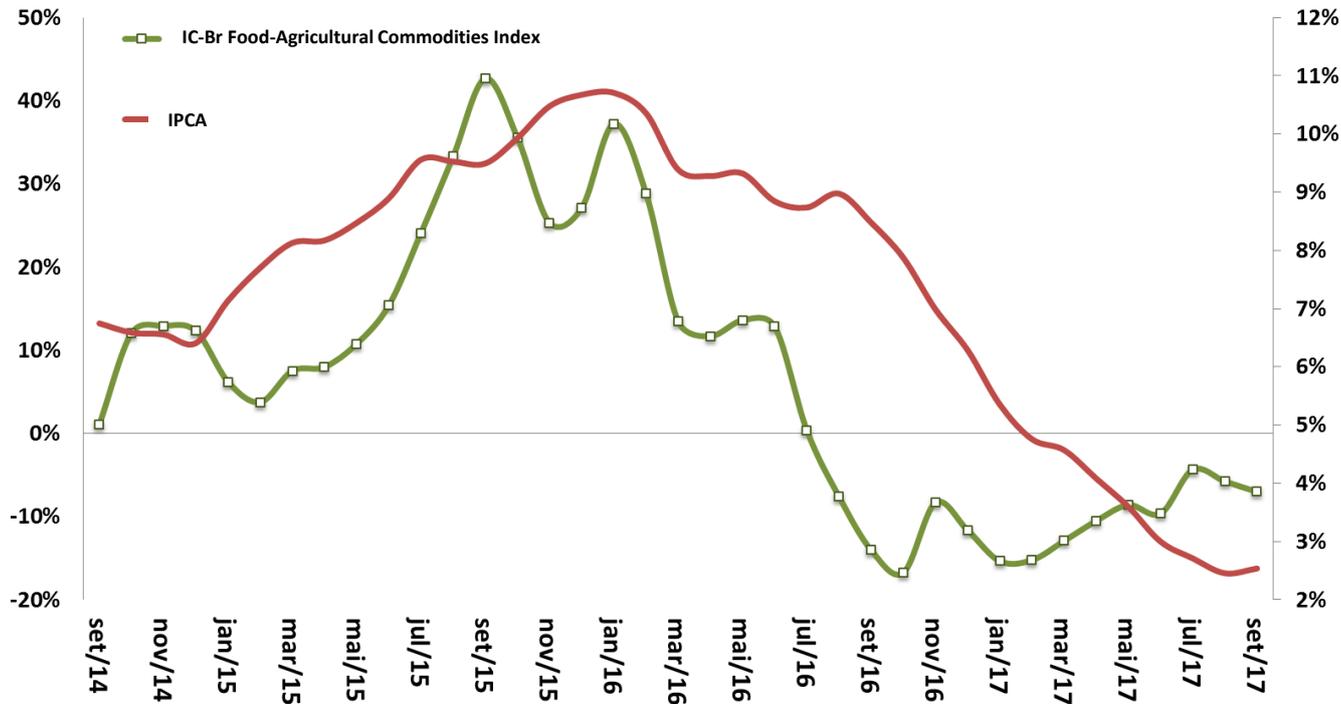


Source: FGV.

Consumer Price Index and Commodity Index (Brazil Agriculture)

Commodity Index – Brazil Agriculture (IC-Br Ag)
12-month accumulated change rate (%)

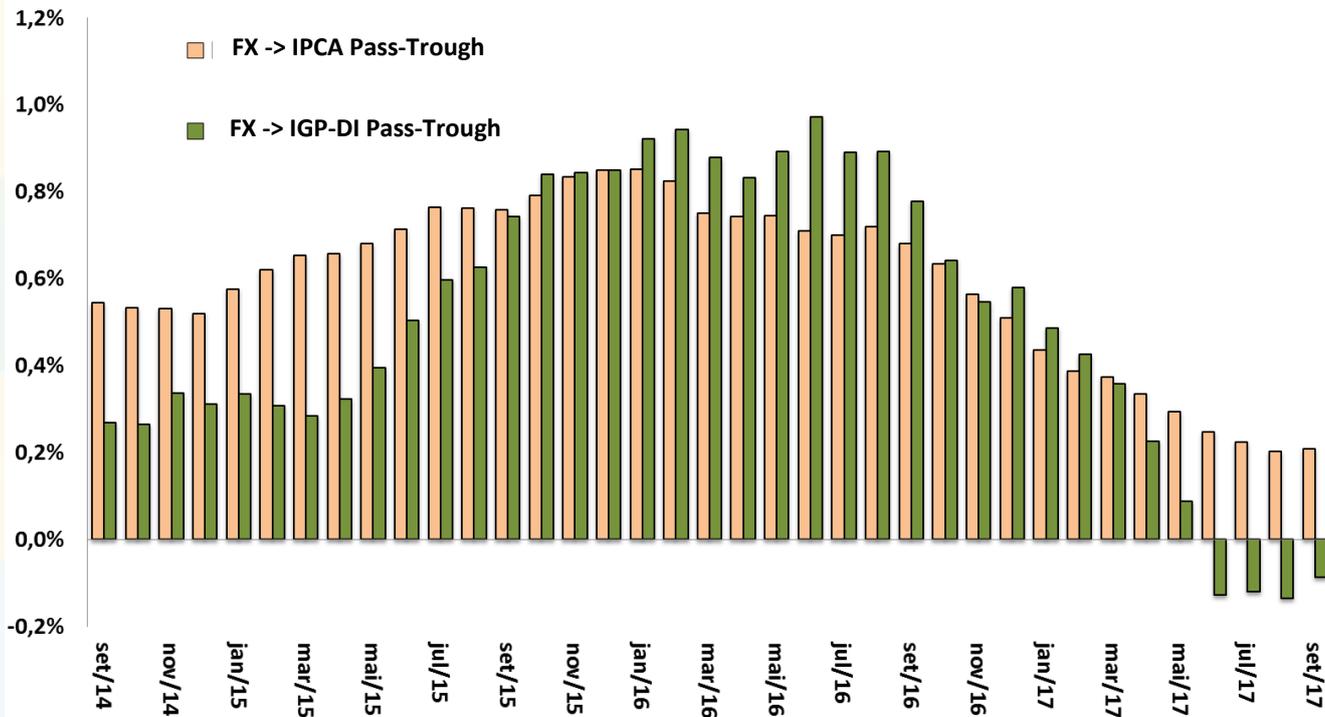
Consumer Inflation - IPCA
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil.

Exchange Rate Pass-Through in Consumer and General Price Indexes

Exchange Rate-Inflation Pass-Trough = impact of 1% change of exchange rate in 12-months inflation

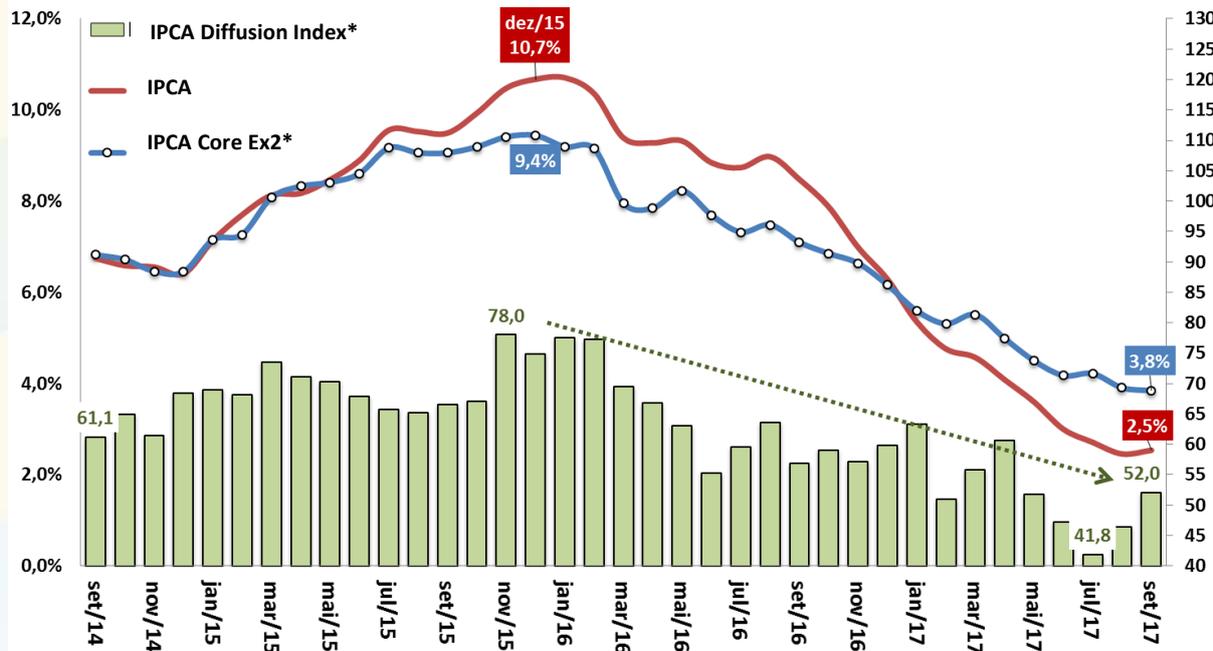


Sources: IBGE/MP and FGV. Note: Pass-Through series estimated by SEPLAN/MP.

IPCA, Core Inflation (IPCA Ex2) and Diffusion Index

IPCA and Core Ex2*
12-month accumulated rate (%)

IPCA Diffusion Index
items with prices increases (%)



Source: IBGE/MP.

* Ex2 = Exclusion from the main index of 12 items, 10 from residence dining and 2 from monitored prices. The excluded items represent, on average, 16% of IPCA main index.

** Diffusion Index = % of items from IPCA with price increase.



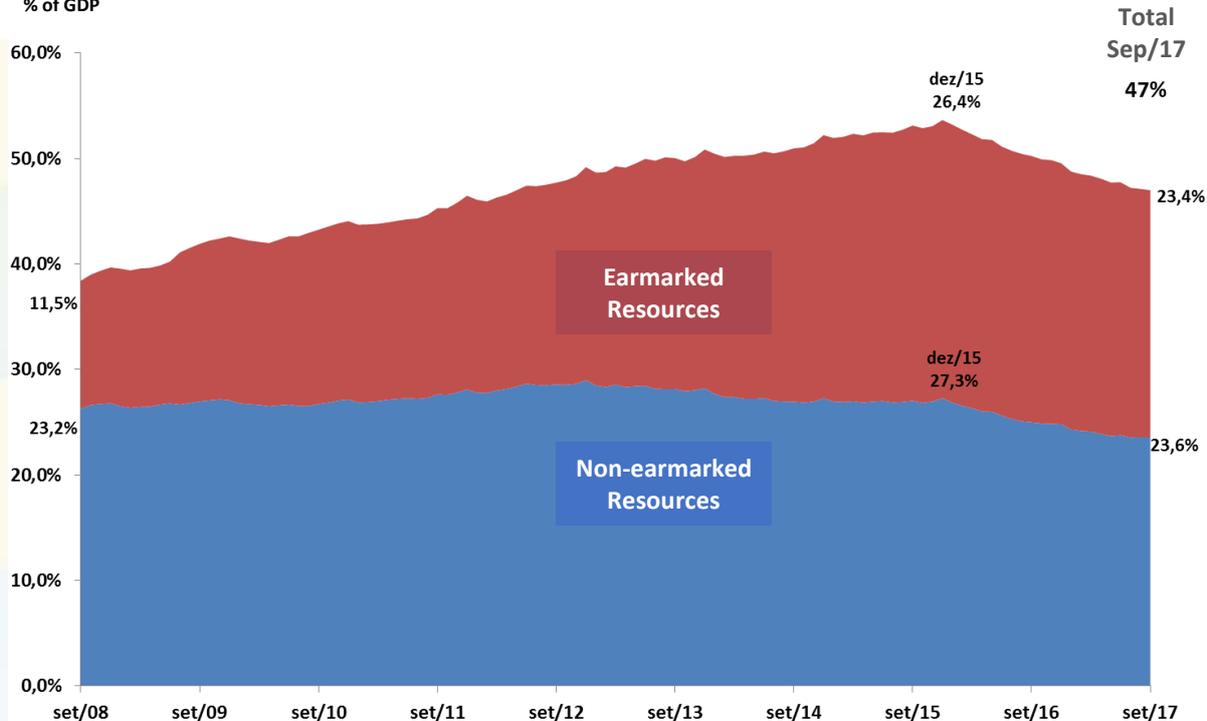
CREDIT MARKET

Credit Market

Credit Market (BCB)	September 2017				% of Total Credit	% of Total Credit	% of Total Credit	chg.%	chg.%	% of GDP	% of GDP	% of GDP
		Dec/15	Dec/16	Sep/17	Dec/15	Dec/16	Sep/17	Dec/16 / Dec/15	Sep/17 / Dec/16	Dec/15	Dec/16	Sep/17
End-of-Period Outstanding Credit (in R\$ billions)												
Total Credit to the National Financial System (NFS)		3.219,3	3.105,5	3.047,5	100,0%	100,0%	100,0%	-3,5%	-1,9%	53,7%	49,6%	47,0%
<i>by type of borrower</i>												
Public Sector (incl. State-Owned Enterprises)		261,1	235,8	220,3	8,1%	7,6%	7,2%	-9,7%	-6,6%	4,4%	3,8%	3,4%
Private Sector		2.958,3	2.869,7	2.827,2	91,9%	92,4%	92,8%	-3,0%	-1,5%	49,3%	45,8%	43,6%
Non-Financial Corporations		1.707,2	1.544,9	1.431,9	53,0%	49,7%	47,0%	-9,5%	-7,3%	28,5%	24,7%	22,1%
Households		1.512,2	1.560,7	1.615,6	47,0%	50,3%	53,0%	3,2%	3,5%	25,2%	24,9%	24,9%
<i>by type of lender</i>												
Public Financial Institutions		1.796,7	1.729,7	1.686,1	55,8%	55,7%	55,3%	-3,7%	-2,5%	29,9%	27,6%	26,0%
National Private Financial Institutions		947,9	976,2	952,1	29,4%	31,4%	31,2%	3,0%	-2,5%	15,8%	15,6%	14,7%
Foreign Private Financial Institutions		474,7	399,6	409,3	14,7%	12,9%	13,4%	-15,8%	2,4%	7,9%	6,4%	6,3%
<i>by type of credit</i>												
Earmarked Resources		1.582,2	1.549,5	1.517,6	49,1%	49,9%	49,8%	-2,1%	-2,1%	26,4%	24,7%	23,4%
Housing		572,3	605,7	623,5	17,8%	19,5%	20,5%	5,8%	2,9%	9,5%	9,7%	9,6%
Rural		231,1	241,6	239,7	7,2%	7,8%	7,9%	4,5%	-0,8%	3,9%	3,9%	3,7%
BNDES Development Bank		679,4	601,0	554,5	21,1%	19,4%	18,2%	-11,5%	-7,7%	11,3%	9,6%	8,6%
Others		99,3	101,2	100,0	3,1%	3,3%	3,3%	1,9%	-1,3%	1,7%	1,6%	1,5%
Non-Financial Corporations		875,3	797,7	729,9	27,2%	25,7%	23,9%	-8,9%	-8,5%	14,6%	12,7%	11,3%
Households		706,9	751,8	787,7	22,0%	24,2%	25,8%	6,4%	4,8%	11,8%	12,0%	12,1%
Non-earmarked Resources		1.637,1	1.556,0	1.529,9	50,9%	50,1%	50,2%	-5,0%	-1,7%	27,3%	24,8%	23,6%
Non-Financial Corporations		831,9	747,1	702,0	25,8%	24,1%	23,0%	-10,2%	-6,0%	13,9%	11,9%	10,8%
Households		805,3	808,8	827,9	25,0%	26,0%	27,2%	0,4%	2,4%	13,4%	12,9%	12,8%
Non-earmarked Resources (BCB)	September 2017				% of Total Credit	% of Total Credit	% of Total Credit	chg.%	chg.%	% of GDP	% of GDP	% of GDP
<i>New Loans, Spread and Delinquency Rates</i>		Dec/15	Dec/16	Sep/17	Dec/15	Dec/16	Sep/17	Dec/16 / Dec/15	Sep/17 / Dec/16	Dec/15	Dec/16	Sep/17
New Loans (12-months accum. in R\$ billions)		3.050,1	2.840,0	2.892,0	100,0%	100,0%	100,0%	-6,9%	1,8%	50,8%	45,3%	44,6%
Non-Financial Corporations		1.475,1	1.282,5	1.240,9	48,4%	45,2%	42,9%	-13,1%	-3,2%	24,6%	20,5%	19,1%
Households		1.575,0	1.557,6	1.651,0	51,6%	54,8%	57,1%	-1,1%	6,0%	26,2%	24,9%	25,5%
Spread (in pp per year)		32,0	40,3	35,1				8,4 pp	-5,2 pp			
Non-Financial Corporations		15,0	16,7	15,4				1,7 pp	-1,3 pp			
Households		48,2	60,2	50,6				12,0 pp	-9,5 pp			
Delinquency (% non-performing loans by 90 days or more)		5,3	5,7	5,4				0,4 pp	-0,2 pp			
Non-Financial Corporations		4,5	5,2	5,2				0,8 pp	0,0 pp			
Households		6,2	6,1	5,6				-0,1 pp	-0,4 pp			

Total Credit: Earmarked and Non-earmarked Resources

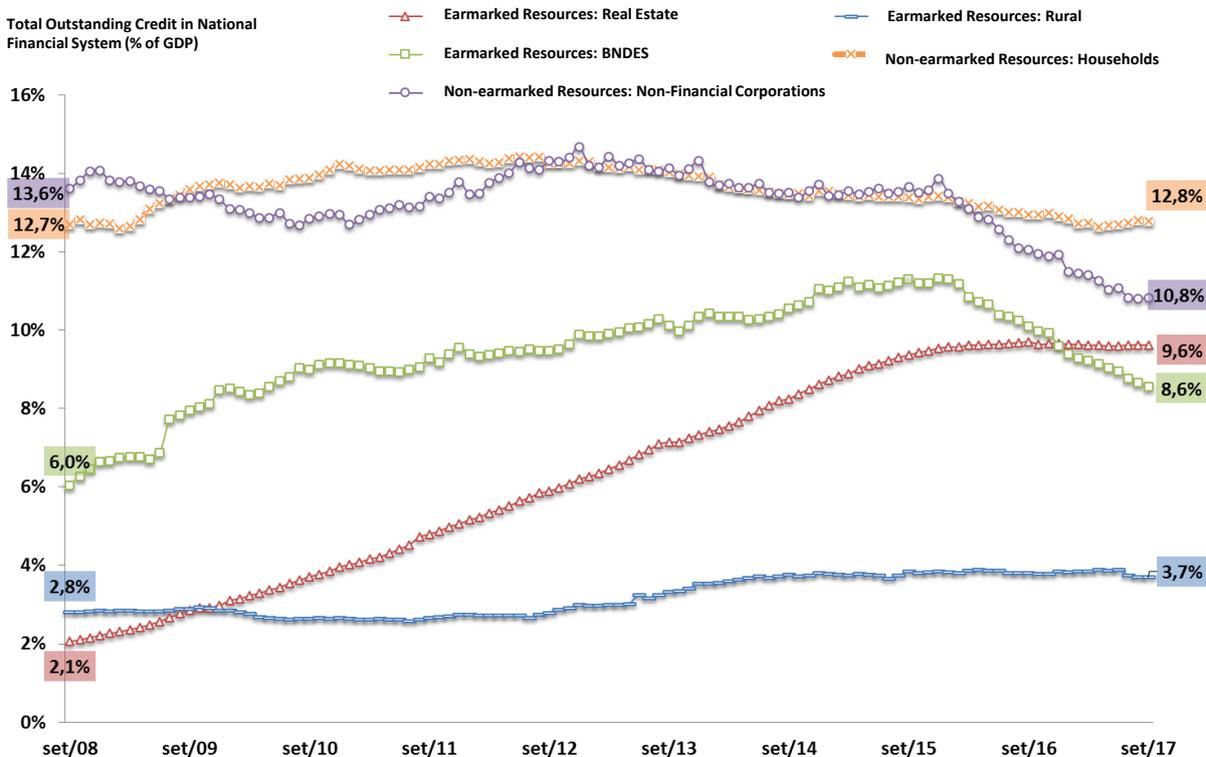
Total Outstanding Credit in National Financial System
% of GDP



Source: Central Bank of Brazil.

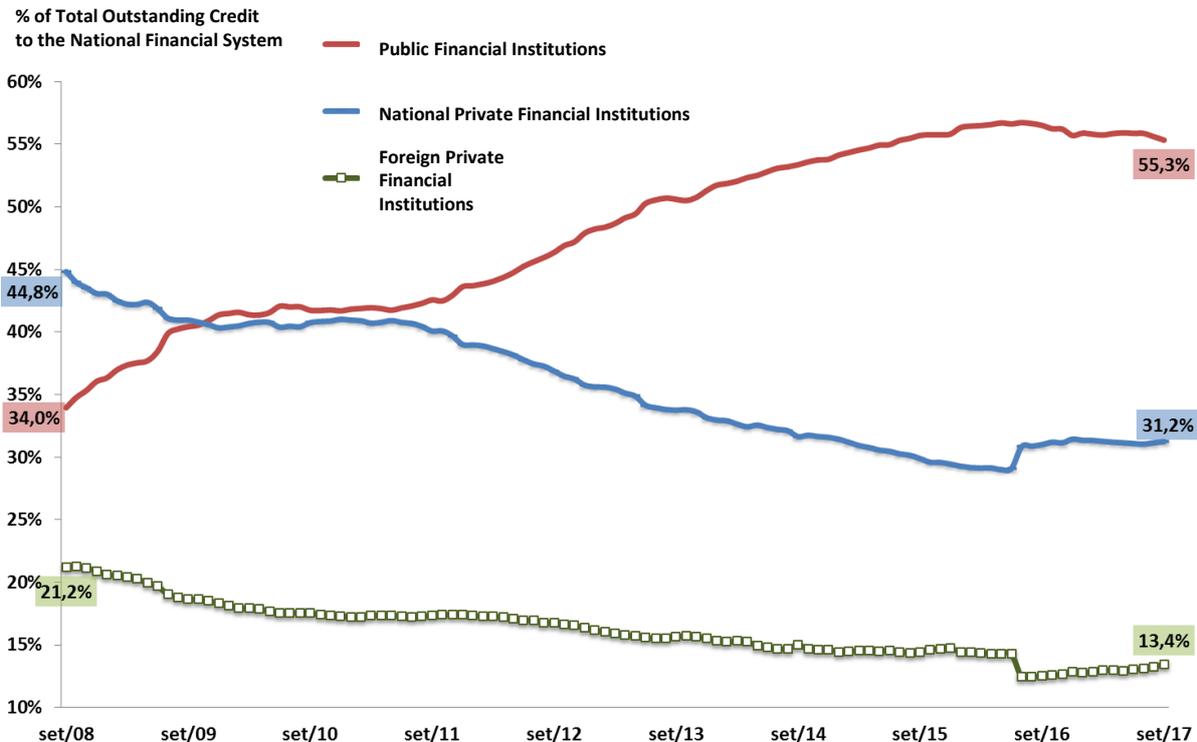
Total Credit Evolution by Major Segments

Total Outstanding Credit in National Financial System (% of GDP)



Source: Central Bank of Brazil.

Total Credit by Types of Financial Institutions

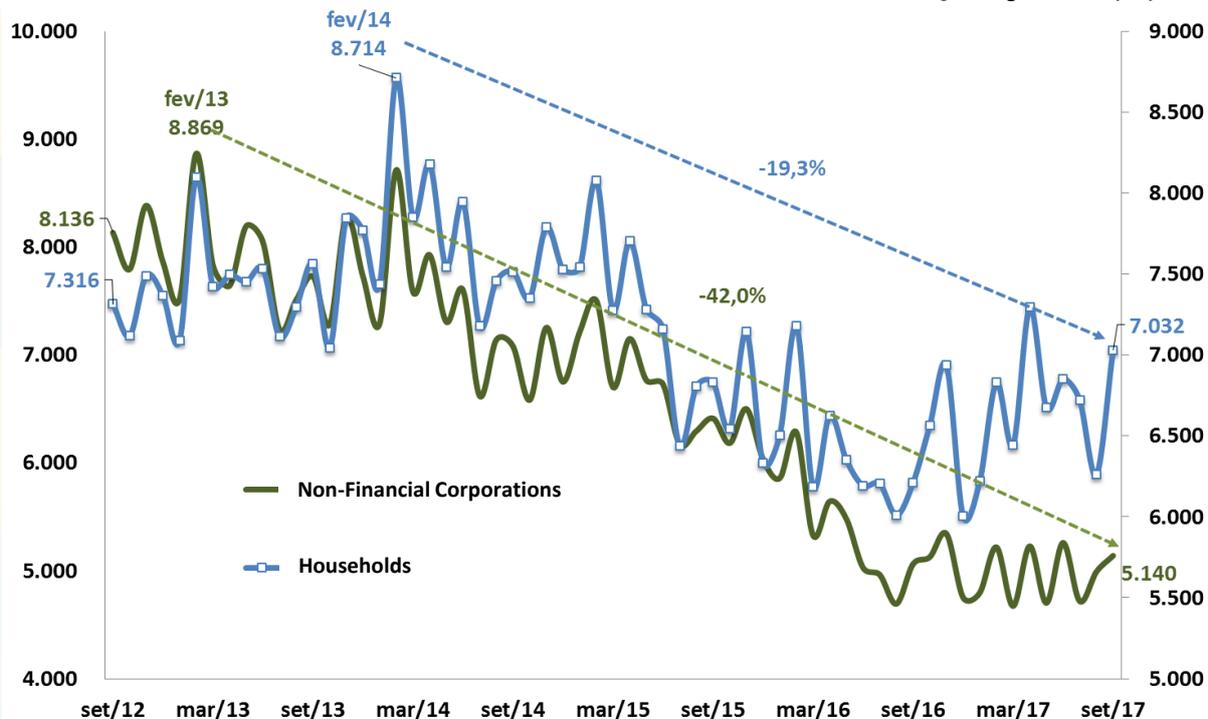


Source: Central Bank of Brazil.

New Loans to Households and Non-Financial Corporations

Daily Average of New Loans to Non-Financial Corporations
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*

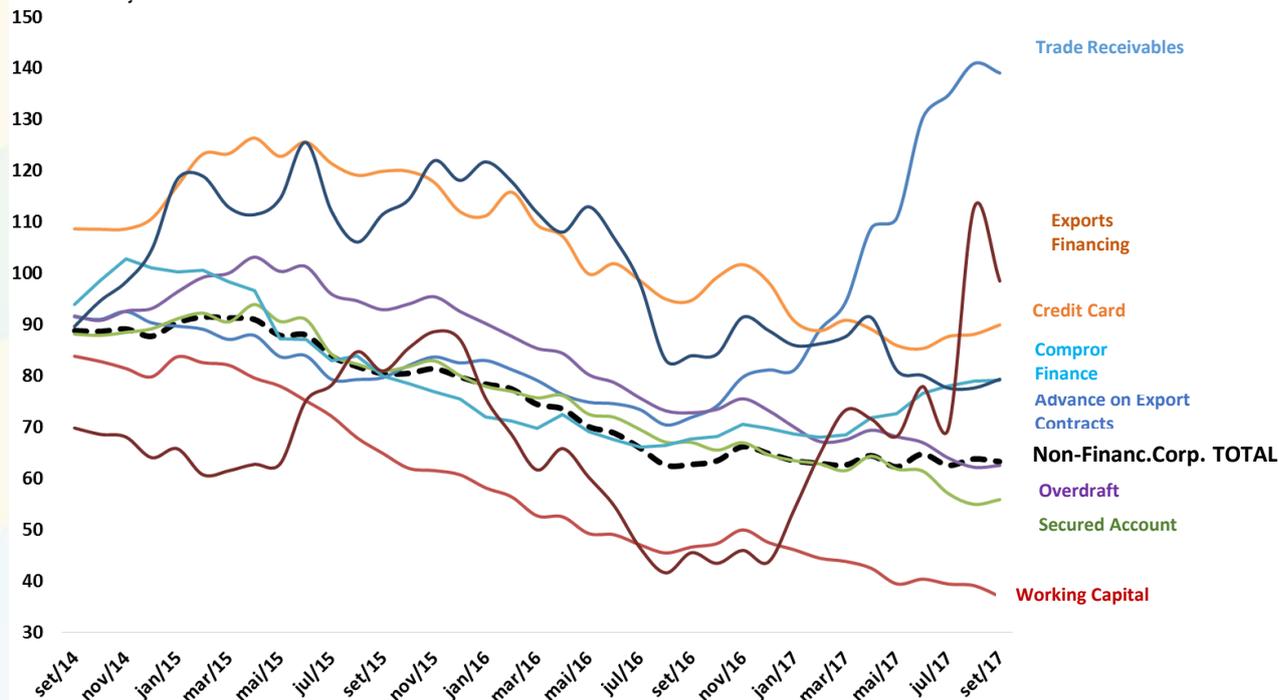
Daily Average of New Loans to Households
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*



Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP.

New Loans to Non-Financial Corp. by Type of Credit Lines

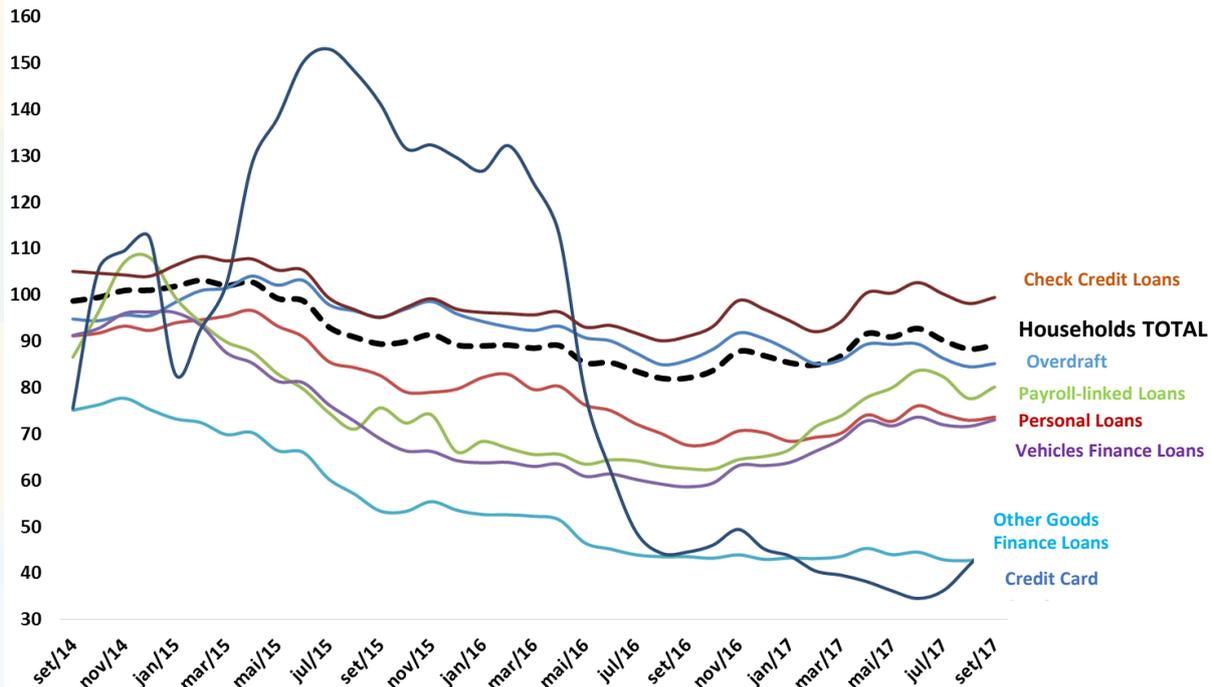
Daily Average of New Loans to Non-Financial Corporations – Last Month Real Values (IPCA)
3-Month Moving Average - Seasonally Adjusted* - Index: 2013=100



Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP.

New Loans to Households by Type of Credit Lines

Daily Average of New Loans to Households – Real Last Month Values (IPCA)
3-Months Moving Average - Seasonally Adjusted* - Index: 2013=100

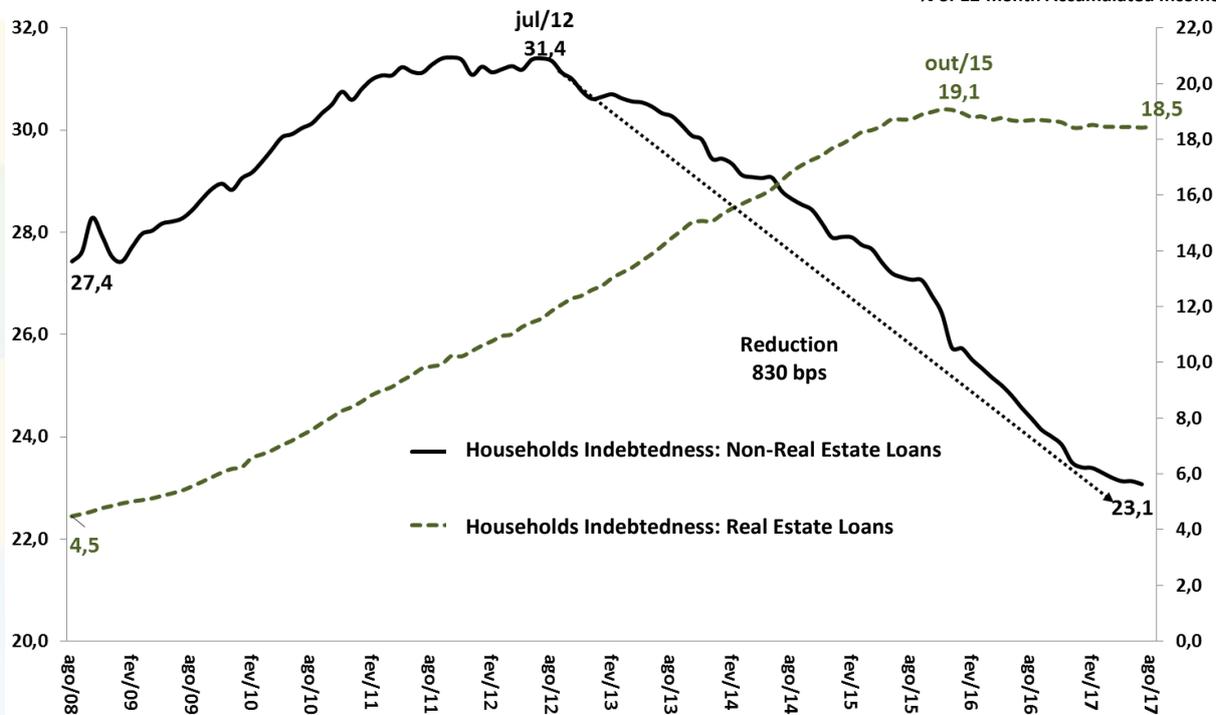


Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Households Indebtedness Rate

Households Indebtedness Rate* – Non-Real Estate Loans
% of 12-month Accumulated Income

Households* Indebtedness Rate* – Real Estate Loans
% of 12-month Accumulated Income

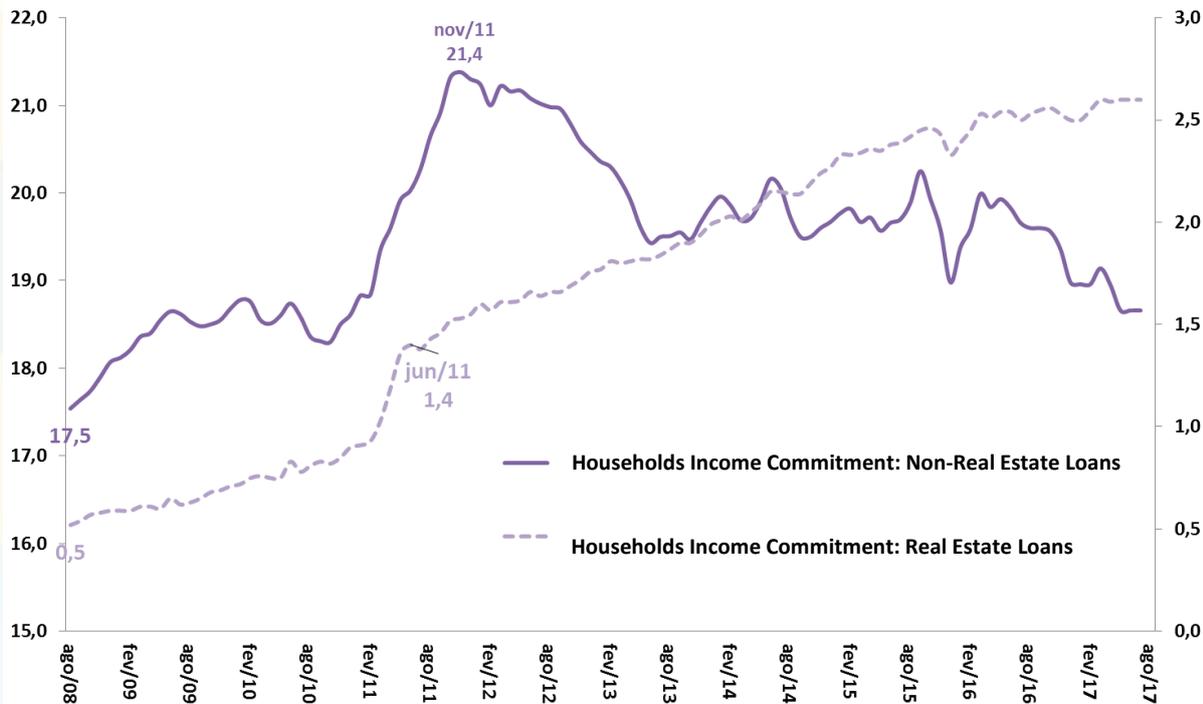


Source: Central Bank of Brazil. * Indebtedness rate = total outstanding debt / 12-months accumulated income.

Households Income Commitment

Households Income Commitment* – Non-Real Estate Loans
% of Monthly Income – 3-month moving average – seasonally adjusted data

Households Income Commitment* – Real Estate Loans
% of Monthly Income – 3-month moving average – seasonally adjusted data

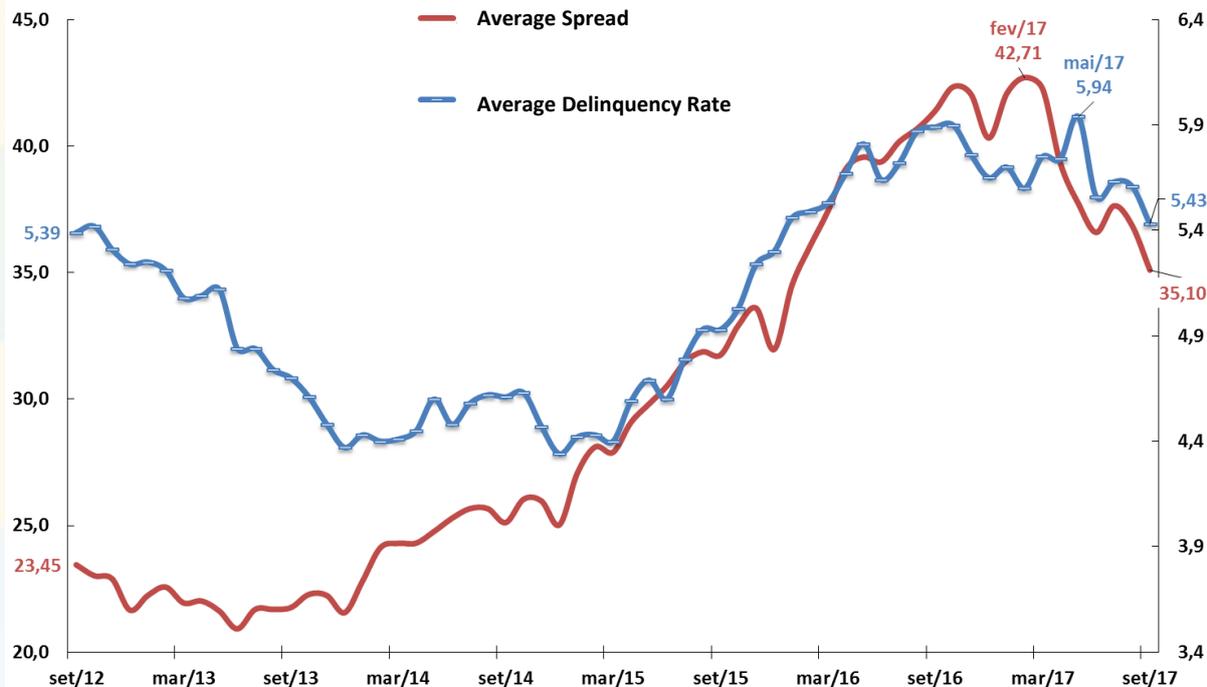


Source: Central Bank of Brazil. * Households Income Commitment = Loans Service Monthly Expenditure / Monthly Income.

Non-earmarked Resources: Spread and Delinquency Rates

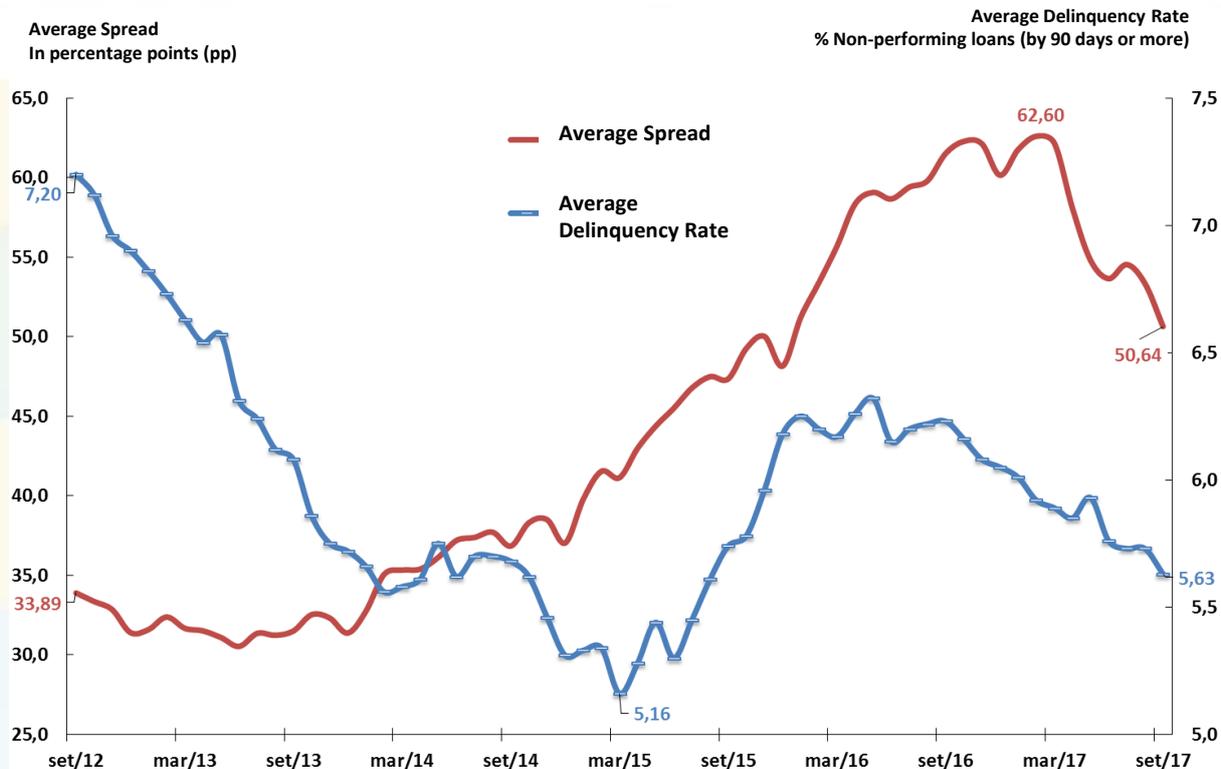
Average Spread
In percentage points (pp)

Average Delinquency Rate
% Non-performing loans (by 90 days or more)



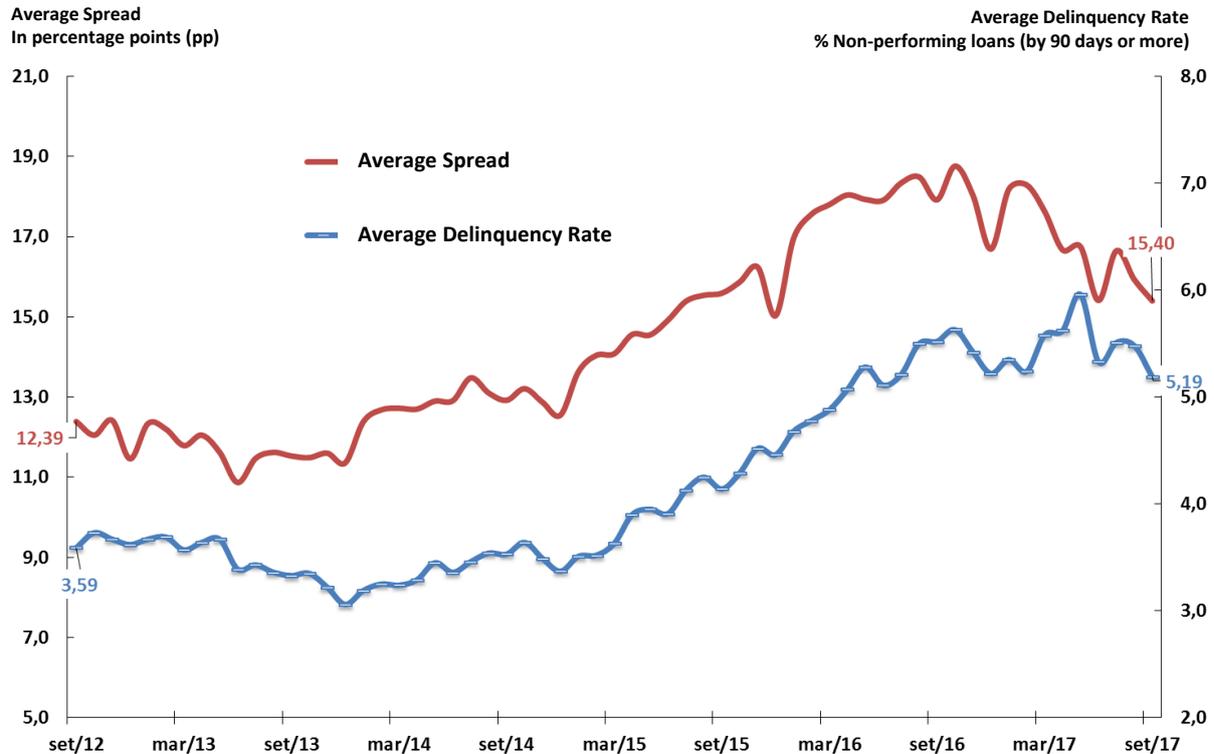
Source: Central Bank of Brazil.

Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Non-Financial Corp. Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.



FINANCIAL MARKETS

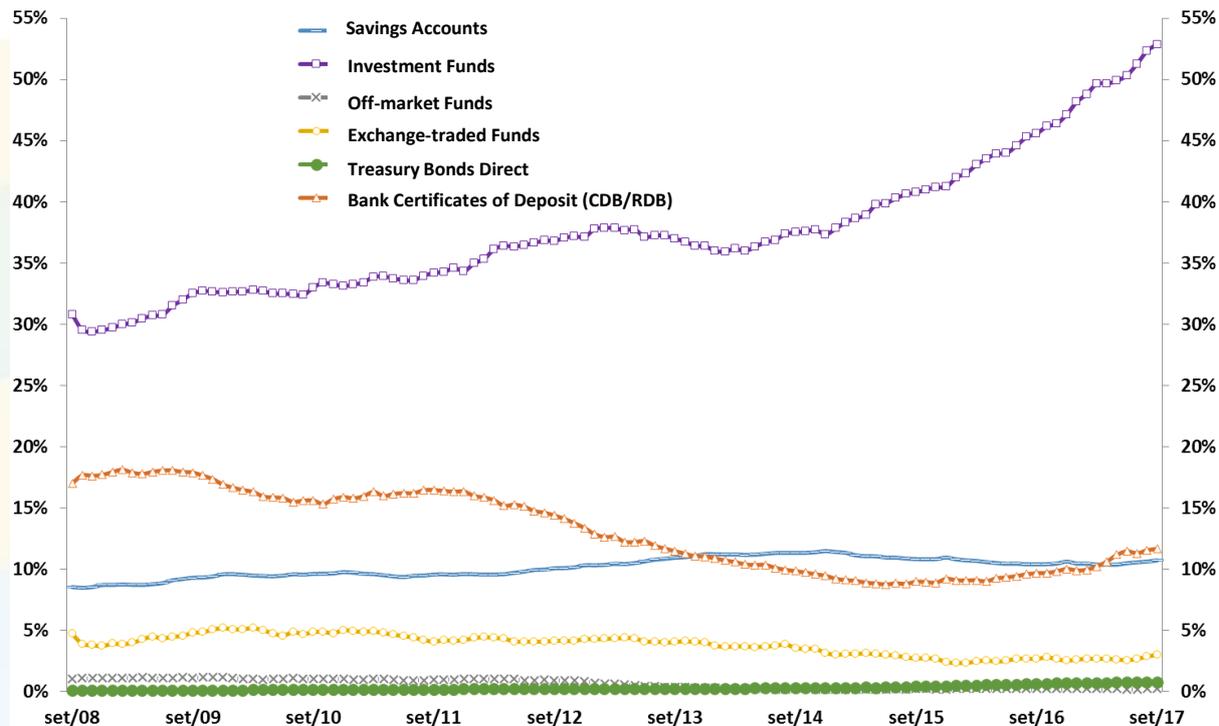
Financial Markets

BCB/FOCUS: 10/27/2017

Financial Savings (BCB)		September 2017				chg. %	chg. %	chg. %	chg. %			
Outstanding Positions - R\$ billions		Dec/15	Dec/16	Sep/16	Sep/17	Dec/15 / Dec/14	Dec/16 / Dec/15	Sep/17 / Dec/16	Sep/17 / Sep/16			
Bank Certificates of Deposit (CDB/RDB)		552,1	627,4	598,5	755,4	1,1%	13,6%	20,4%	26,2%			
Savings Accounts (Caderneta de Poupança)		656,6	665,0	643,0	694,0	-0,9%	1,3%	4,4%	7,9%			
Investment Funds		2.473,0	2.953,4	2.820,7	3.426,9	14,7%	19,4%	16,0%	21,5%			
Off-market Funds (Fundos Extramercado)		11,9	14,9	14,9	13,9	19,7%	25,0%	-7,0%	-6,8%			
Exchange-traded Funds		144,1	158,1	164,2	195,7	-21,0%	9,7%	23,8%	19,2%			
Treasury Bonds Direct (Tesouro Direto)		25,6	41,1	36,6	47,3	67,3%	60,5%	15,3%	29,2%			
BM&F-Bovespa - listed companies value as % of GDP		31,9%	39,4%	39,5%	46,5%	-6,95 pp	7,50 pp	7,15 pp	6,98 pp			
Capital Market (CVM)		September 2017				chg. %	chg. %	chg. %	chg. %			
New Public Offering - R\$ billions		Dec/15	Dec/16	Sep/16	Sep/17	Dec/15 / Dec/14	Dec/16 / Dec/15	Sep/17 / Dec/16	Sep/17 / Sep/16			
Stocks		16,1	0,5	0,0	6,1	6,7%	-96,7%	1035,4%	-			
Debentures		20,6	21,9	20,0	1,8	461,8%	5,9%	-91,7%	-90,9%			
Promissory Notes		0,0	0,0	0,0	0,0	-	-	-	-			
Housing Credit-backed Securities (CRI)		3,9	11,3	5,6	7,6	70,0%	191,9%	-32,3%	37,5%			
Investment Funds - new shares		5,8	2,1	1,8	3,6	21,8%	-63,5%	73,8%	103,8%			
Monet Market (BCB)		October 2017				chg. %	chg. %	chg. %	chg. %			
Interest Rates		Dec/15	Dec/16	Oct/16	Oct/17	Dec/15 / Dec/14	Dec/16 / Dec/15	Oct/17 / Dec/16	Oct/17 / Oct/16			
Selic market rate (% py)		14,15	13,65	14,05	8,07	2,6 pp	-0,5 pp	-5,6 pp	-6,0 pp			
CDI (% py)		14,14	13,63	14,03	8,10	2,6 pp	-0,5 pp	-5,5 pp	-5,9 pp			
Swap DI-Pre 180 days (% py)		15,18	12,45	13,20	7,04	2,6 pp	-2,7 pp	-5,4 pp	-6,2 pp			
Swap DI-Pre 360 days (% py)		15,86	11,56	12,43	7,15	2,9 pp	-4,3 pp	-4,4 pp	-5,3 pp			
Monet Market (BCB)		November 2017				chg. %	chg. %	chg. %	chg. %			
Selic target rate (% py)		Dec/15	Dec/16	Nov/16	Nov/17	Dec/15 / Dec/14	Dec/16 / Dec/15	Nov/17 / Dec/16	Nov/17 / Nov/16	2017	2018	2019
TJLP (% py)		7,00	7,50	7,50	7,00	2,0 pp	0,5 pp	-0,5 pp	-0,5 pp	7,00%	7,00%	8,00%
Brazil Sovereign Risk (BCB)		October 2017				chg. pp	chg. pp	chg. %	chg. %			
Monthly Average (in basis points)		Dec/15	Dec/16	Oct/16	Oct/17	Dec/15 / Dec/14	Dec/16 / Dec/15	Oct/17 / Dec/16	Sep/17 / Sep/16			
EMBH (JPMorgan)		523	328	314	234	264 pp	-195 pp	-94 pp	-80 pp			
5 years CDS		495	281	274	172	294 pp	-214 pp	-109 pp	-102 pp			
10 years CDS		558	360	347	278	299 pp	-199 pp	-82 pp	-69 pp			

Major Financial Savings Instruments

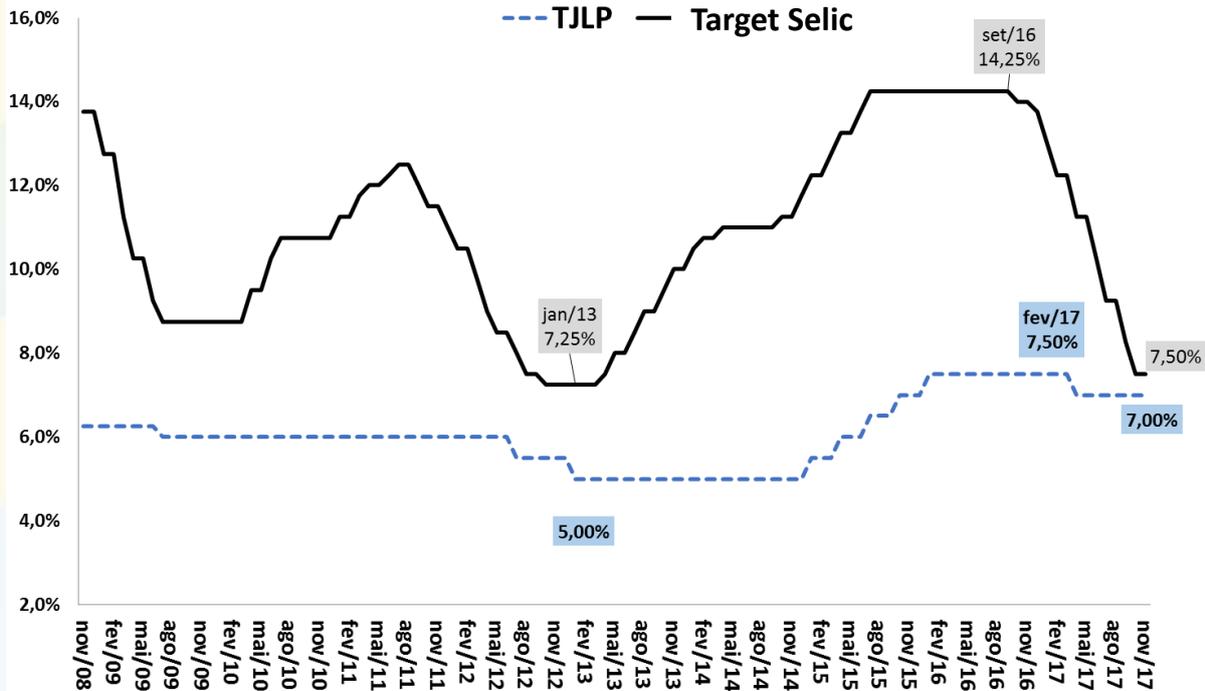
Outstanding Position as % of GDP



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

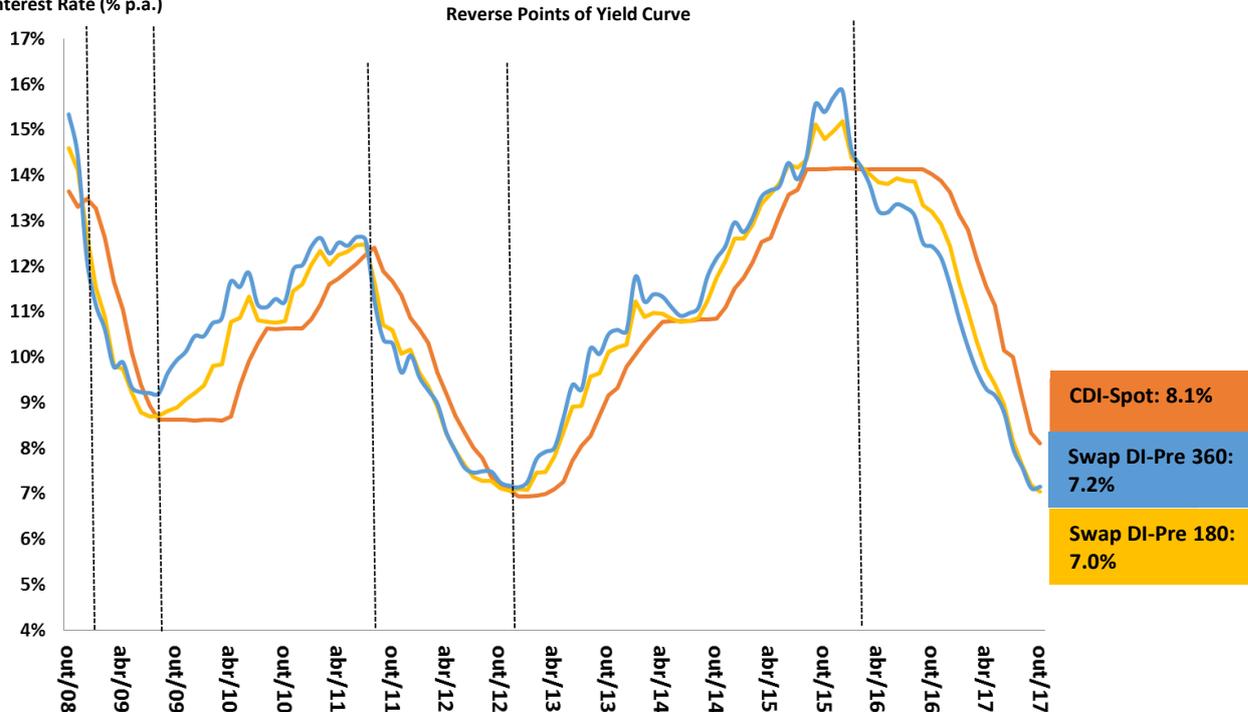
Selic and Long Term (TJLP)
Official Interest Rates (% py)



Source: Central Bank of Brazil.

Term Structure of Interbank Interest Rate

Interbank Spot, 180 and 360-days Interest Rate (% p.a.)



Source: Central Bank of Brazil.

Ex-ante and Ex-post Real Interest Rates

Ex-ante and Ex-post Real (Interbank CDI/IPCA)
Interest Rates (% py)



Source: Central Bank of Brazil.

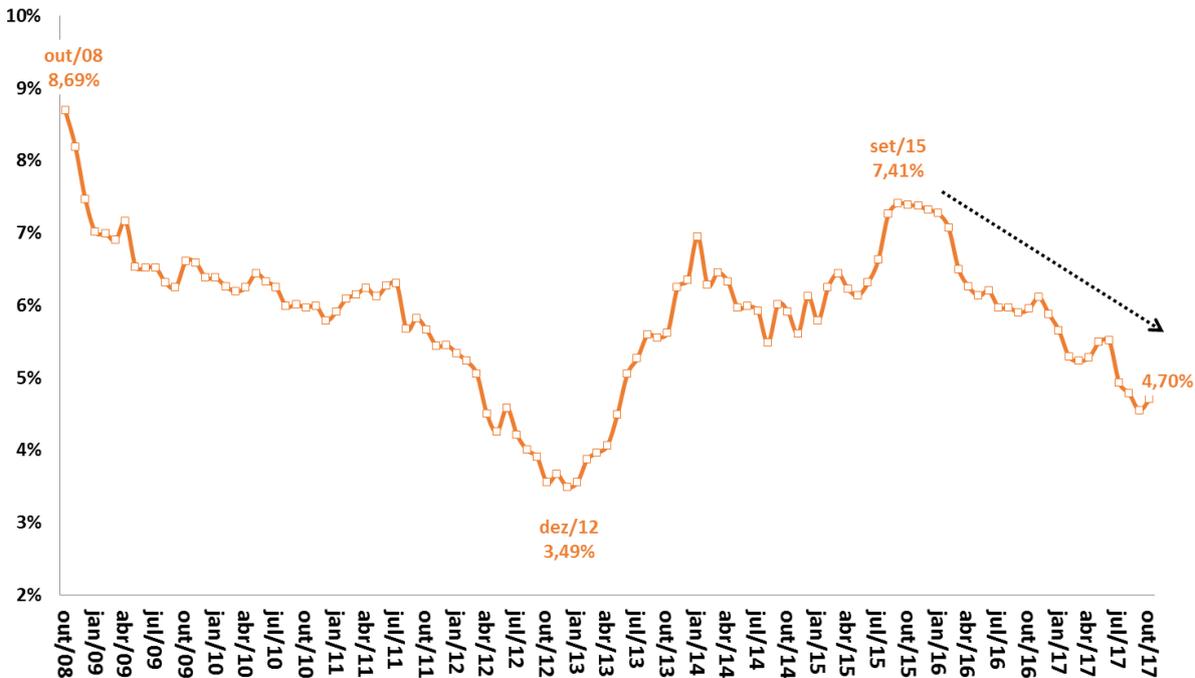
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

** Ex-post Real Interest Rate = Observed 12-months accumulated CDI/IPCA ratio.

Domestic Federal Bond (NTN-B): Implicit Real Interest Rate

NTN-B 2024*

Real Interest Rate (% p.a.) – End Of Month

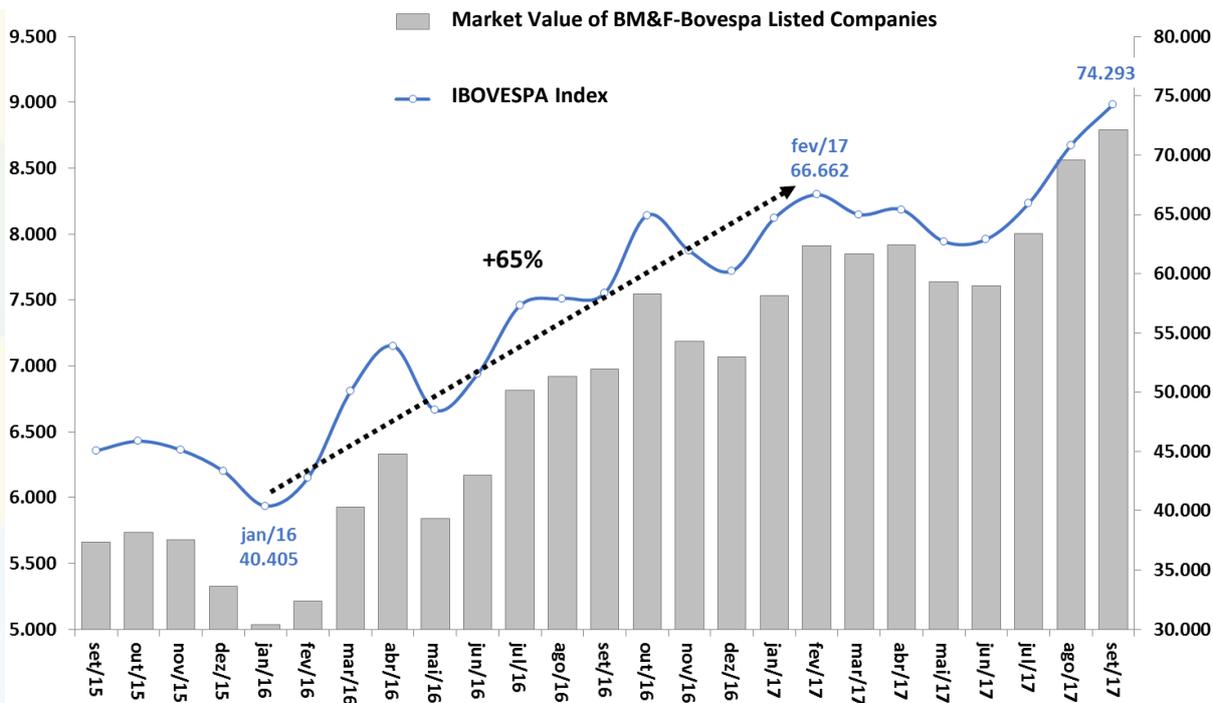


Source: STN/MF. * Interest rate paid by the NTN-B 2024 besides the IPCA inflation rate.

Brazilian Stock Market Evolution

Average Market Value of
BM&F-Bovespa Listed Companies
R\$ millions

IBOVESPA
Stock Index
In basis points

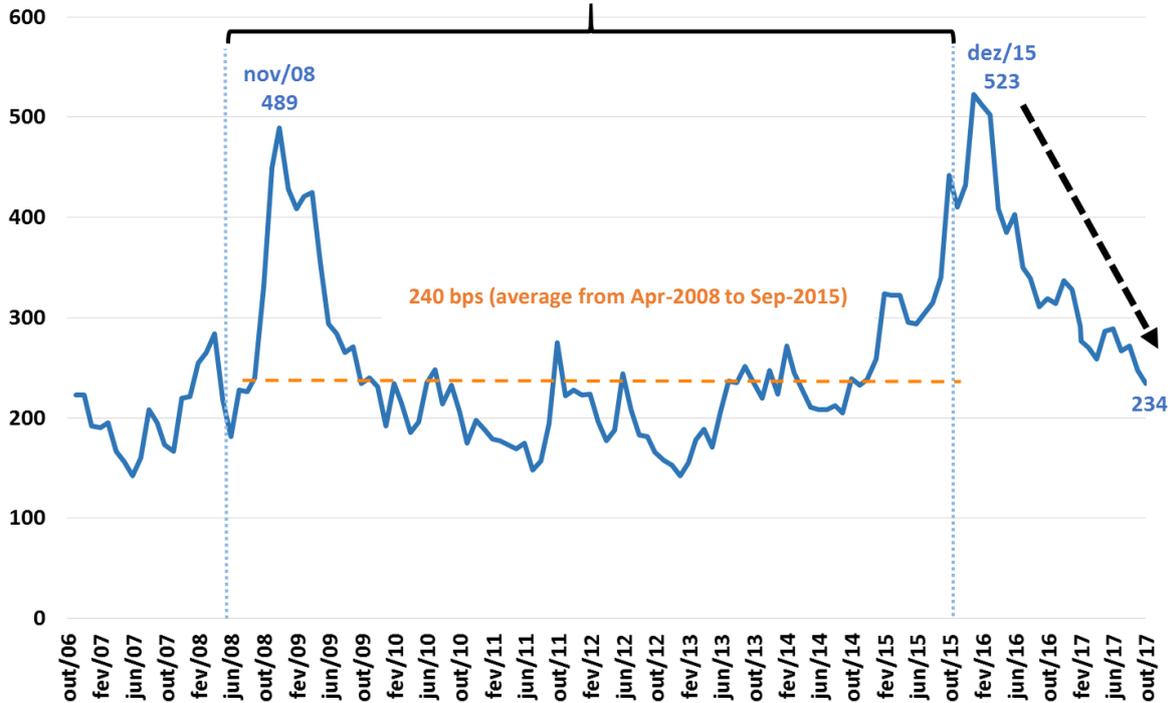


Source: Central Bank of Brazil.

Sovereign Risk (EMBI+ BR)

EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period

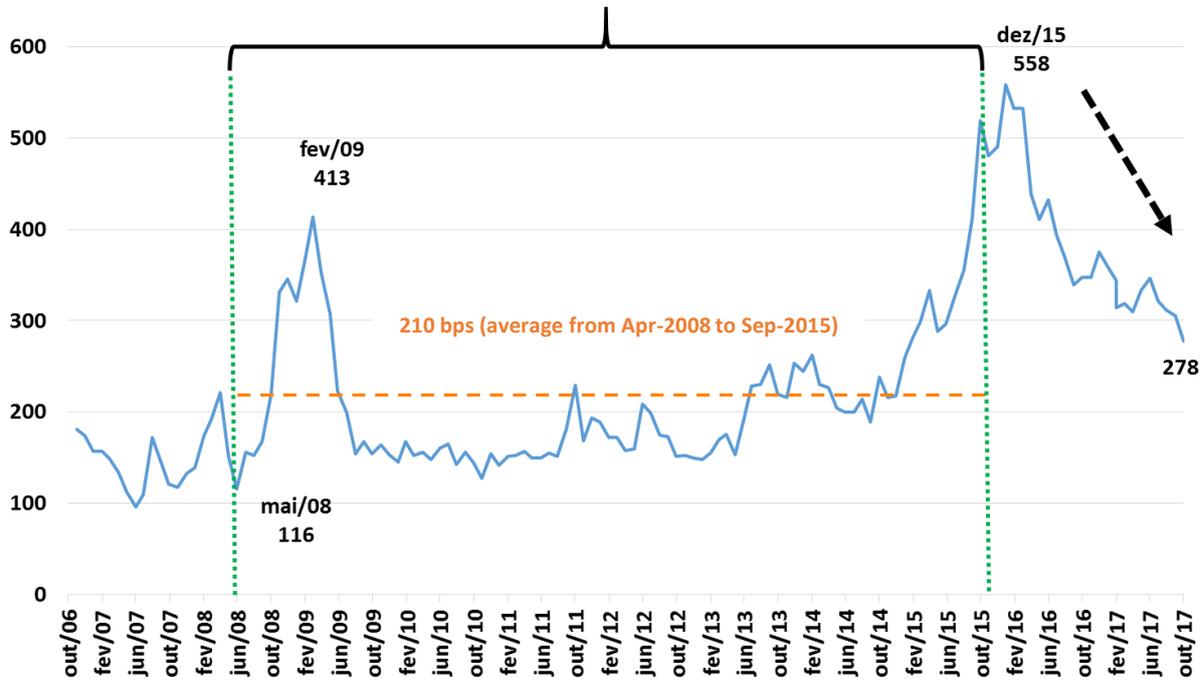


Source: JPMorgan.

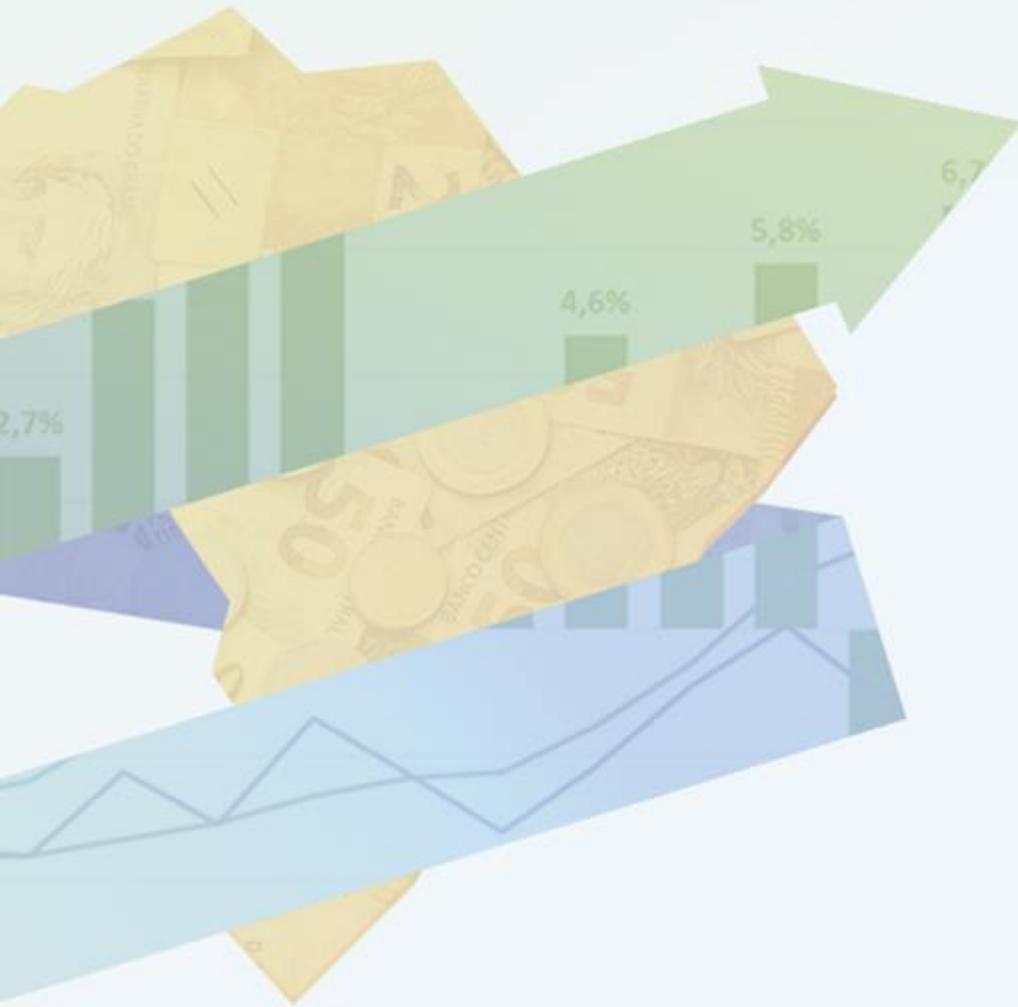
Sovereign Risk (CDS 10Y BR)

CDS 10Y Brazil Spread
basis points

S&P and Fitch Investment Grade Period



Source: Bloomberg.



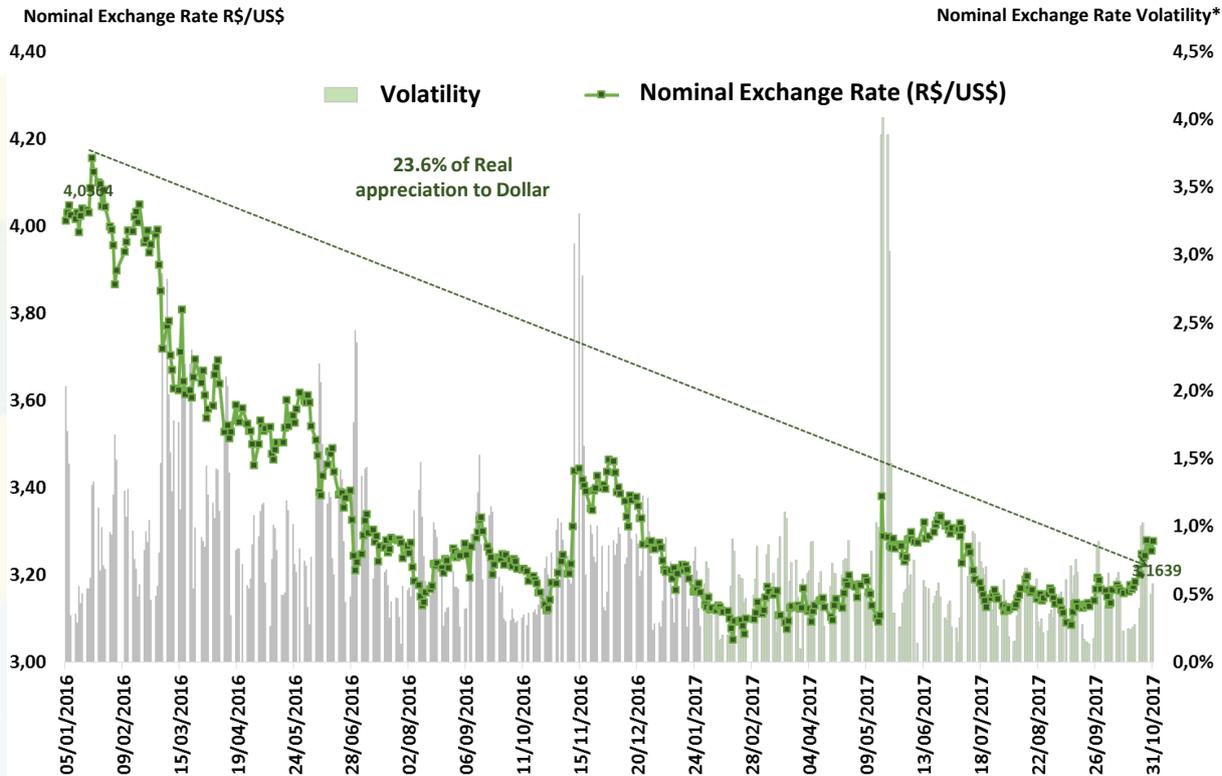
FOREIGN TRADE

Foreign Trade

BCB/FOCUS: 10/27/2017

Exchange Rate Indicators (BCB)										September 2017											
										2015	2016	chg.% Jul/17 / Jul/16	chg.% Aug/17 / Aug/16	chg.% Sep/17 / Sep/16	YTD 2017	Jul/17 accum. in 12-months	Aug/17 accum. in 12-months	Sep/17 accum. in 12-months	Average FX Rate 2017	Average FX Rate 2018	Average FX Rate 2019
FX % change rate: appreciation (-) or depreciation (+) of the Real																					
Nominal Exchange Rate (R\$/US\$) - sale - end of period month value: 3,13										43,5%	1,8%	-3,3%	-2,9%	-2,4%	-9,4%	-12,9%	-12,3%	-11,0%	3,19	3,30	3,34
Real Effective Exchange Rate (IPCA)										22,4%	-5,3%	-2,1%	-0,9%	-1,6%	-12,2%	-17,6%	-16,5%	-14,7%			
Exchange Rate / Wage Ratio adjusted by Labor Productivity										27,9%	-15,4%	8,1%	9,2%	6,4%	-4,5%	-16,9%	-13,8%	-10,3%			
Unitary Labor Cost in US\$										-21,7%	2,8%	1,3%	1,5%	3,3%	11,1%	17,9%	16,4%	13,7%			
Foreign Trade of Goods (FUNCEX)										September 2017											
										2015	2016	chg.% Jul/17 / Jul/16	chg.% Aug/17 / Aug/16	chg.% Sep/17 / Sep/16	YTD 2017	Jul/17 accum. in 12-months	Aug/17 accum. in 12-months	Sep/17 accum. in 12-months			
Average Price and Quantum																					
QUANTUM																					
Exports (X)										8,3%	3,3%	11,6%	12,4%	12,9%	5,3%	0,2%	0,5%	1,8%			
Basic Goods										13,2%	-2,7%	21,3%	25,8%	27,0%	9,7%	-2,8%	-0,6%	2,4%			
Semi-Manufactured										8,5%	9,9%	-0,8%	-0,5%	2,3%	-0,7%	0,6%	-0,9%	-1,6%			
Manufactured										2,3%	7,9%	7,4%	3,6%	5,7%	3,1%	3,8%	2,3%	2,7%			
Imports (M)										-15,1%	-11,9%	1,8%	4,9%	10,0%	3,6%	1,1%	0,7%	1,9%			
Intermediate Goods										-16,3%	-7,4%	2,9%	1,1%	6,2%	8,4%	10,2%	8,6%	8,7%			
Capital Goods										-16,6%	-17,0%	-14,9%	7,7%	41,3%	-18,0%	-24,2%	-22,0%	-17,7%			
Durable Consumer Goods										-27,6%	-36,0%	-1,5%	8,6%	5,0%	3,5%	-9,3%	-4,1%	-1,1%			
Semi and Non-Durable Consumer Goods										-6,5%	-9,2%	-1,4%	4,5%	17,2%	5,2%	2,8%	2,9%	5,6%			
Fuel and Lubricants										-11,4%	-22,1%	27,5%	32,5%	-1,2%	2,6%	-11,9%	-10,8%	-10,6%			
Exports Profitability Index (Jan/2017)										2,0%	-8,2%	-0,4%	-0,9%	-2,1%	-2,1%	-7,2%	-6,1%	-4,5%			
Quantum Ratio = average quantum X / average quantum M										29,3%	15,6%	9,4%	7,1%	2,8%	1,7%	-1,3%	-0,9%	-0,6%			
PRICE																					
Exports (X)										-21,6%	-6,2%	2,9%	1,9%	4,5%	12,5%	10,9%	11,1%	11,3%			
Basic Goods										-29,7%	-6,7%	-1,5%	-0,9%	2,9%	16,0%	14,8%	14,6%	14,5%			
Semi-Manufactured										-16,1%	-3,9%	9,2%	3,5%	3,1%	13,9%	14,4%	14,1%	13,6%			
Manufactured										-11,3%	-5,9%	4,5%	5,7%	6,0%	7,0%	4,9%	5,8%	6,6%			
Imports (M)										0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			
Intermediate Goods										-11,9%	-8,9%	4,3%	3,0%	2,3%	4,2%	0,1%	1,1%	1,9%			
Capital Goods										-6,4%	-7,7%	3,8%	4,1%	2,6%	2,5%	-1,6%	-0,6%	0,3%			
Durable Consumer Goods										-5,3%	-5,0%	-8,8%	-0,5%	-9,0%	-1,3%	-1,9%	-1,8%	-2,3%			
Semi and Non-Durable Consumer Goods										-4,6%	-3,9%	4,4%	0,2%	5,3%	2,1%	1,7%	1,5%	1,9%			
Fuel and Lubricants										-7,5%	-2,8%	6,2%	-6,7%	-3,2%	-1,8%	-0,8%	-1,6%	-2,6%			
Terms of Trade = average price X / average price M										-37,9%	-26,6%	24,2%	19,1%	22,8%	31,4%	11,8%	16,4%	20,9%			
										-11,0%	3,1%	-1,4%	-1,1%	2,2%	7,9%	10,7%	9,8%	9,3%			

Daily Nominal Exchange Rate R\$/US\$



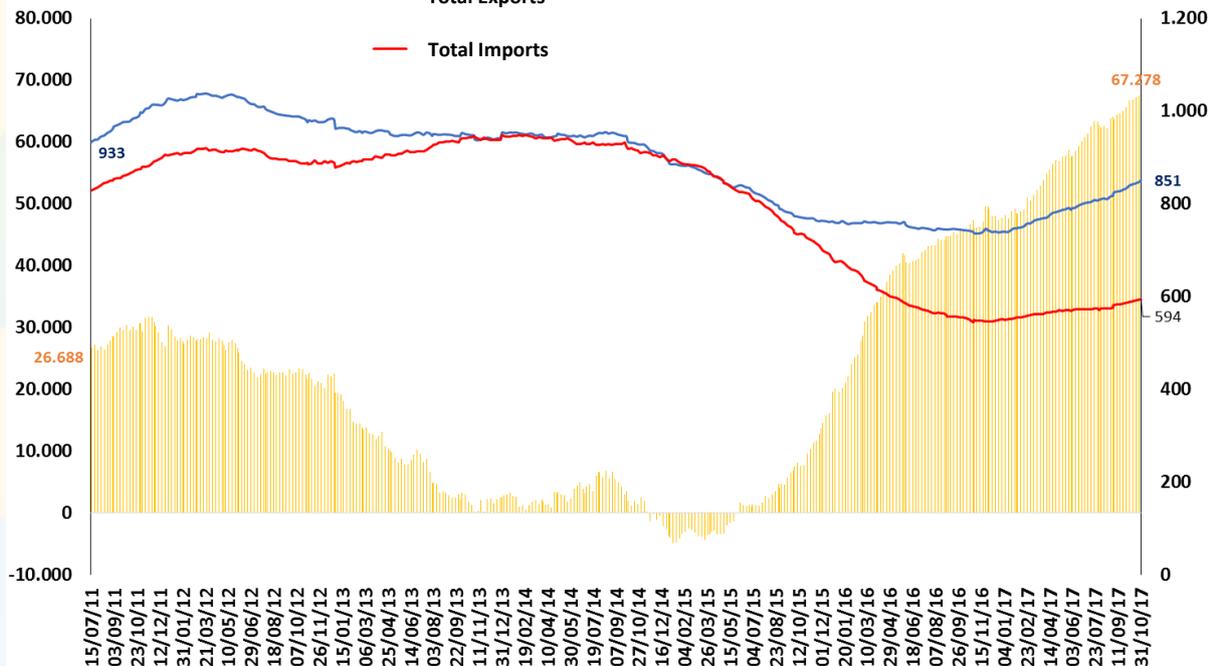
Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

Trade Balance on Goods (52 weeks daily average)

Trade Balance on Goods
52-weeks Accumulated Figures
US\$ millions FOB

Trade Balance on Goods
Total Exports
Total Imports

Total Exports and Total Imports
52-weeks Moving Average
US\$ millions FOB

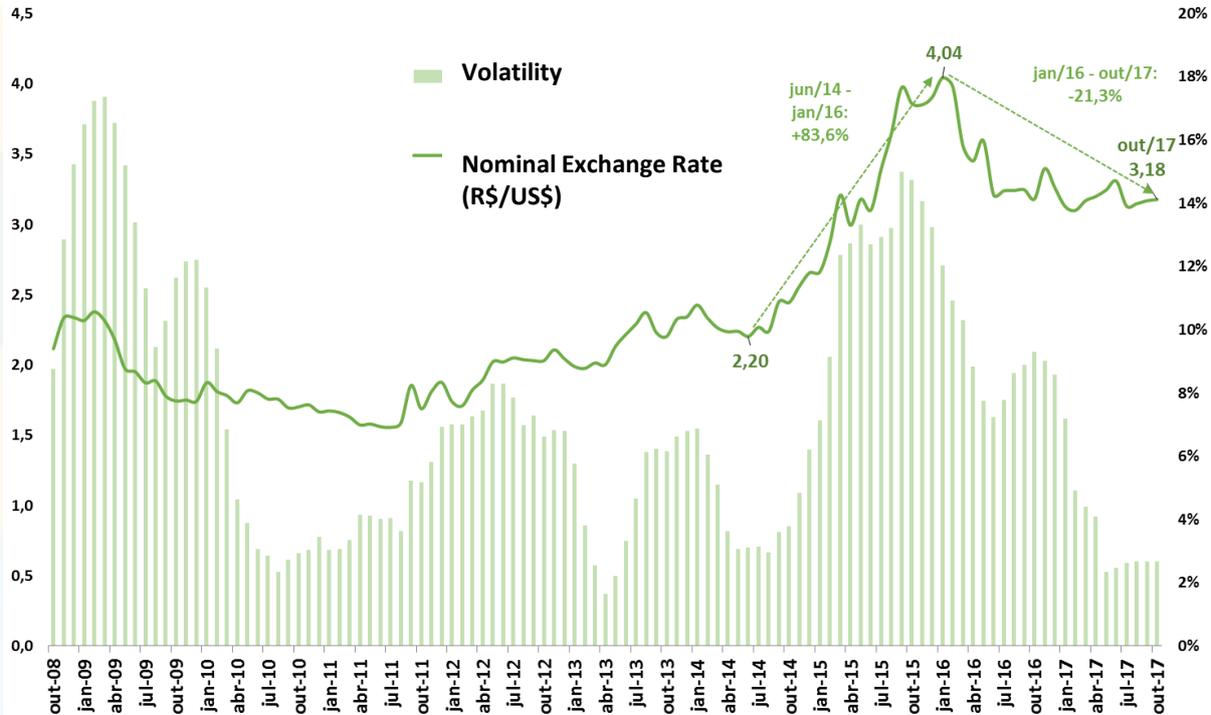


Source: SECEX/MDIC.

Nominal Exchange Rate R\$/US\$

Nominal Exchange Rate R\$/US\$
Sale – End of Period

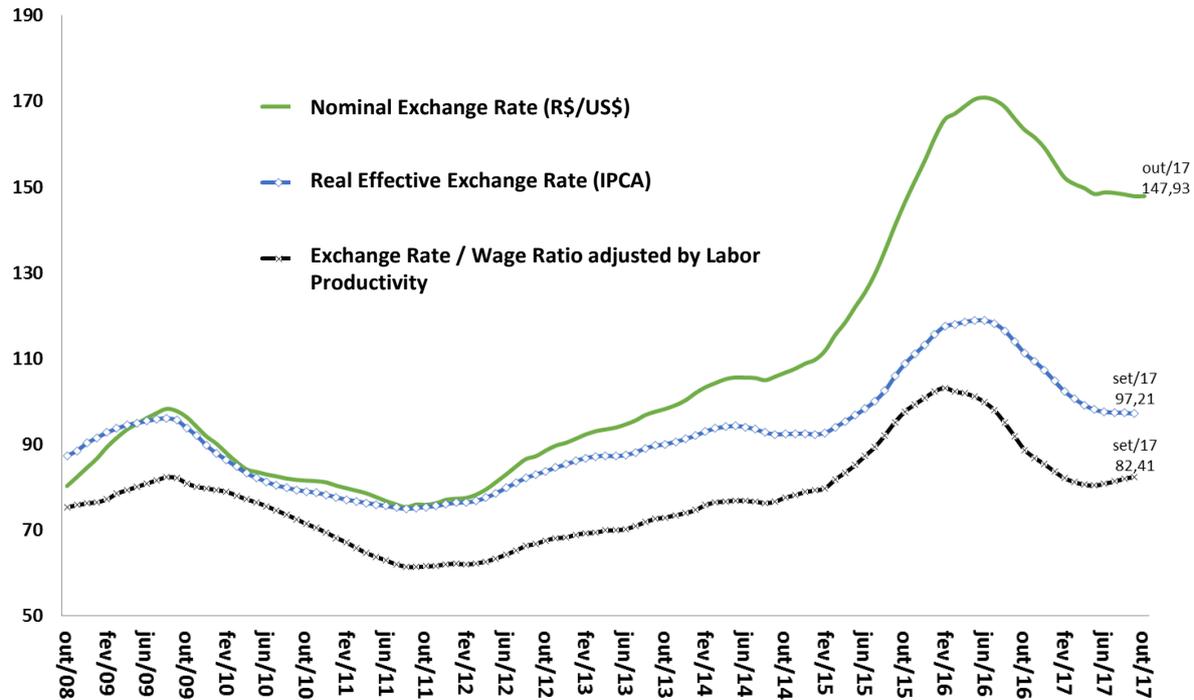
Nominal Exchange Rate
Volatility*



Source: Central Bank of Brazil. *Volatility = 12-months Moving Coefficient of Variation.

Exchange Rate Indexes

Exchange Rate Indexes (2006=100)
12-month Moving Average



Source: Central Bank of Brazil.

Trade Balance, Quantum and Terms of Trade Ratios

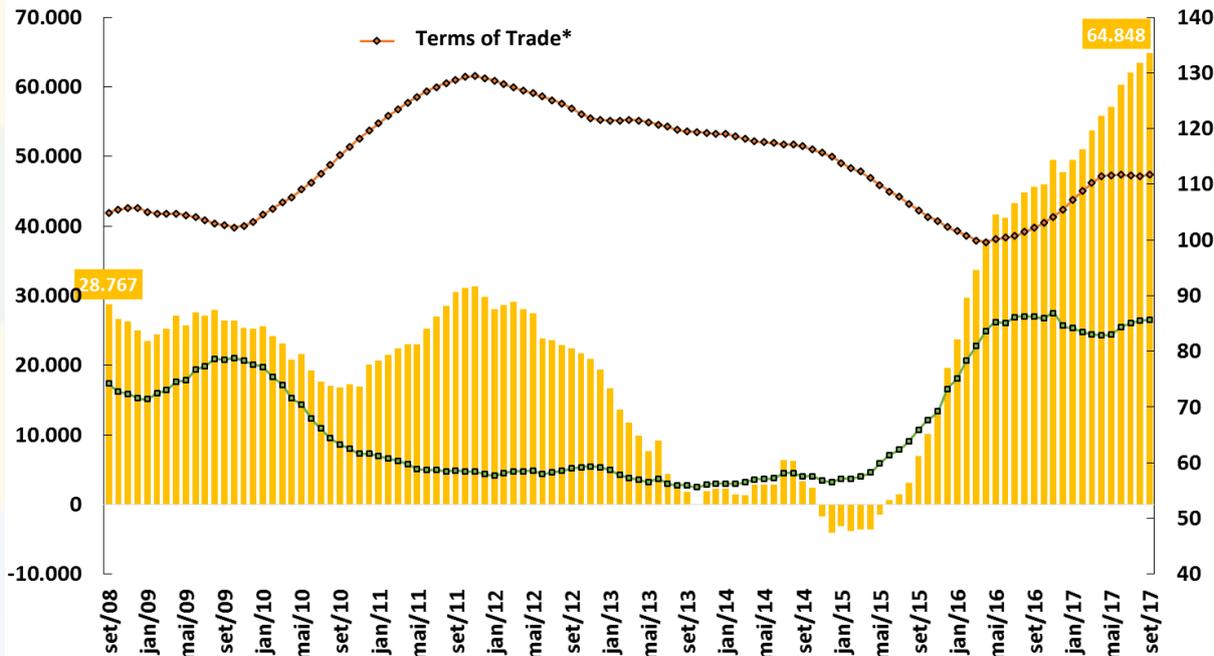
Trade Balance
12-month Accumulated Figures
US\$ millions FOB

Trade Balance on Goods

Quantum Ratio*

Terms of Trade*

Quantum Ratio and Terms of Trade*
12-month Moving Average
2006=100



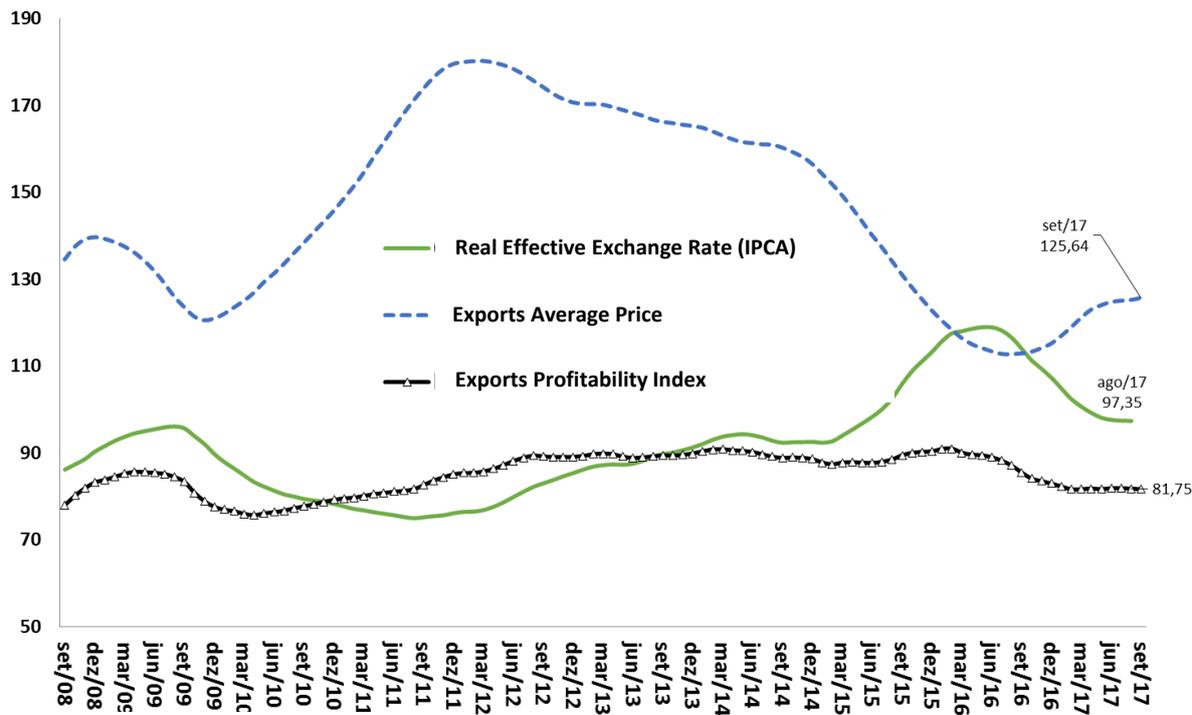
Sources: SECEX/MDIC and FUNCEX.

* Quantum Ratio = (average quantum Exports / average quantum Imports)

Terms of Trade = (average price Exports / average price Imports)

Exports: Profitability, Price and Real Exchange Rate

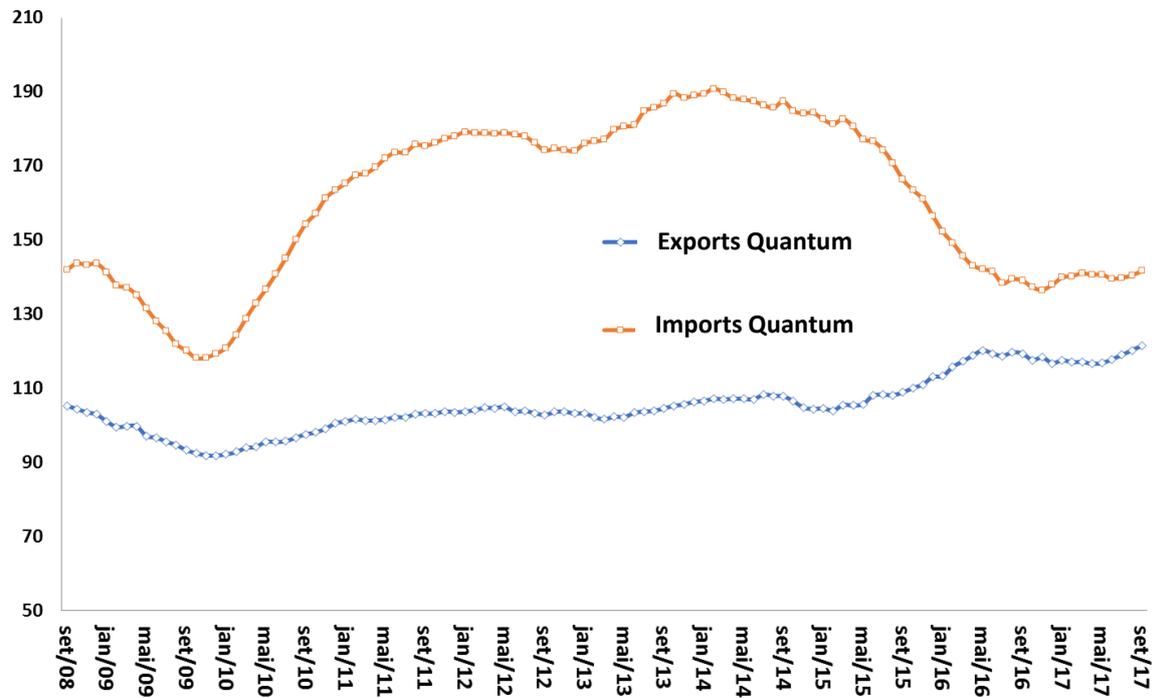
Real Effective Exchange Rate (IPCA), Exports Average Price and Exports Profitability Index
12-month Moving Average (2006=100)



Sources: Central Bank of Brazil and FUNCEX.

Quantum of Exports and Imports

Exports and Imports Quantum
12-month Moving Average (2006=100)

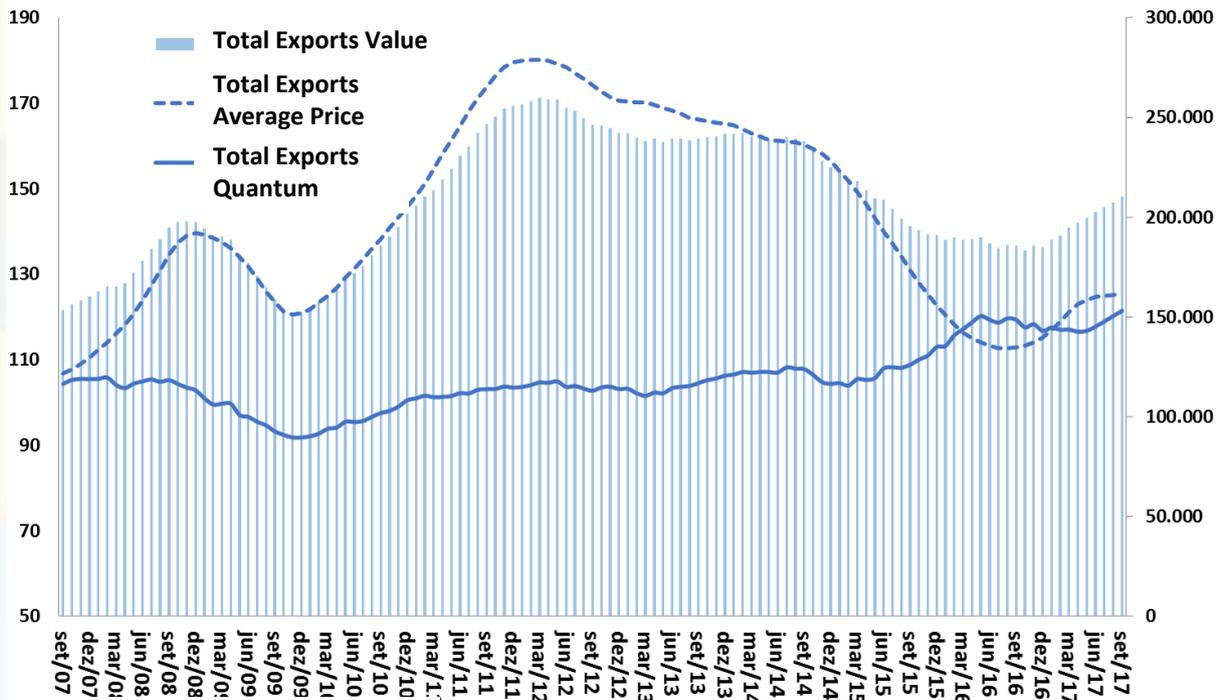


Source: FUNCEX.

Total Exports: value, quantum and price

Exports Quantum and Average Price
12-month Moving Average (2006=100)

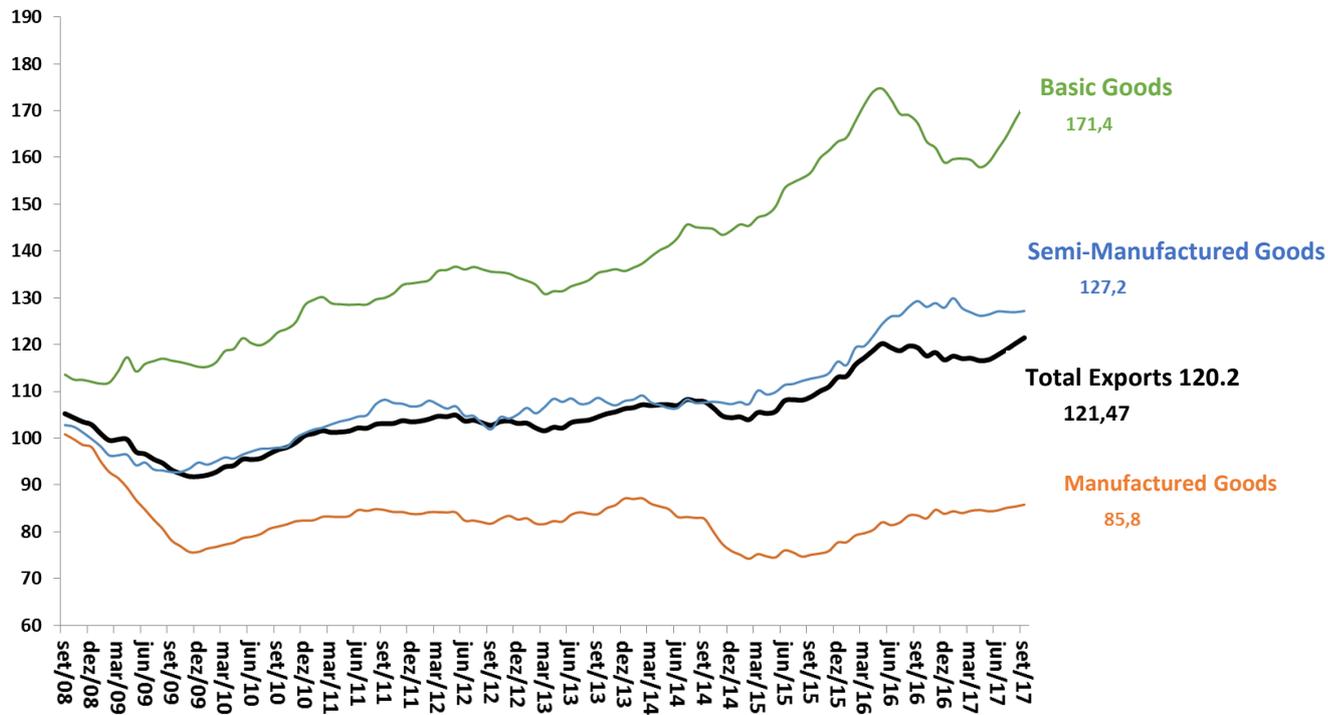
Exports Value
12-month Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Exports by Class of Products

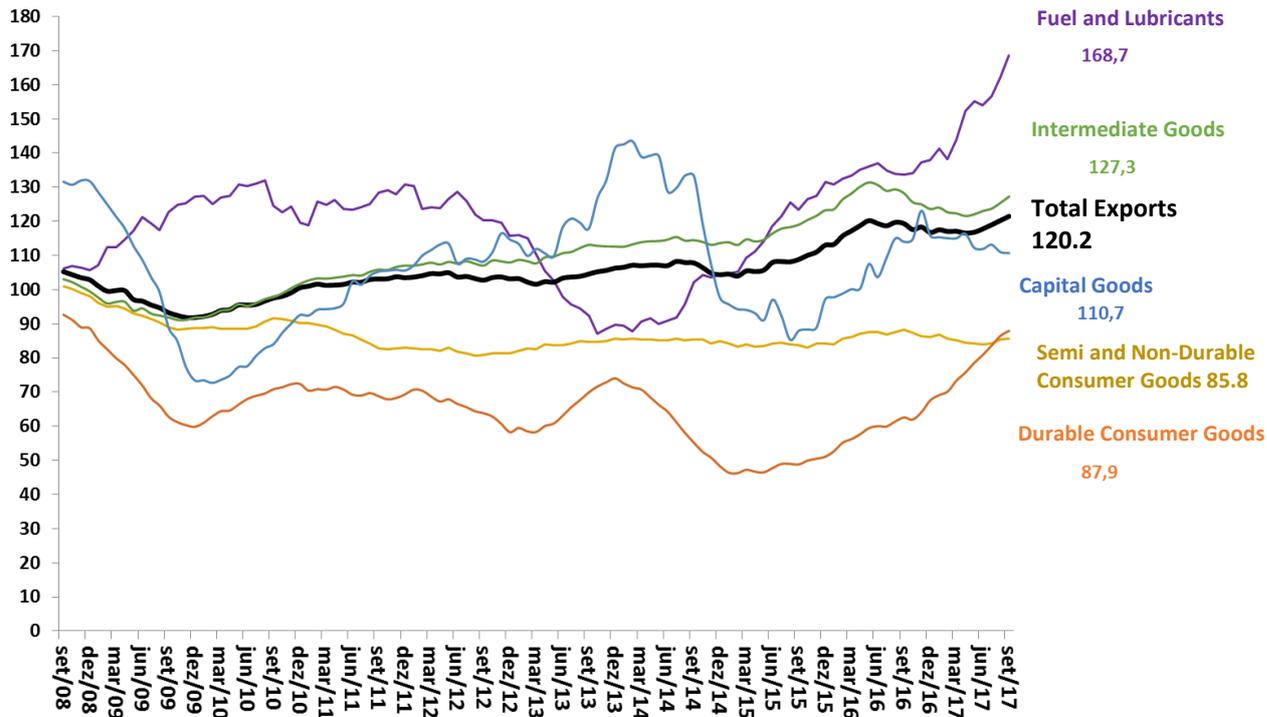
Exports Quantum by Class of Products
12-months Moving Average (2006=100)



Source: FUNCEX.

Quantum of Total Exports by Economic Categories

Exports Quantum by Economic Categories
12-month Moving Average (2006=100)

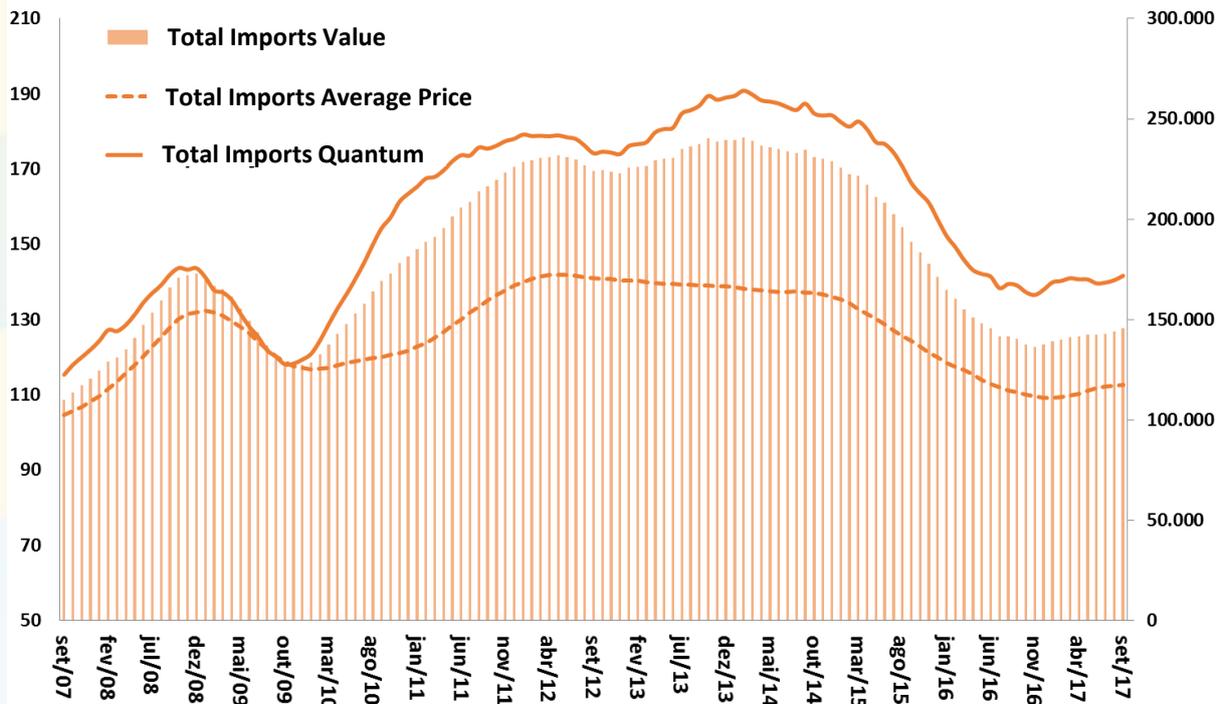


Source: FUNCEX.

Total Imports: value, quantum and price

Imports Quantum and Average Price
12-month Moving Average (2006=100)

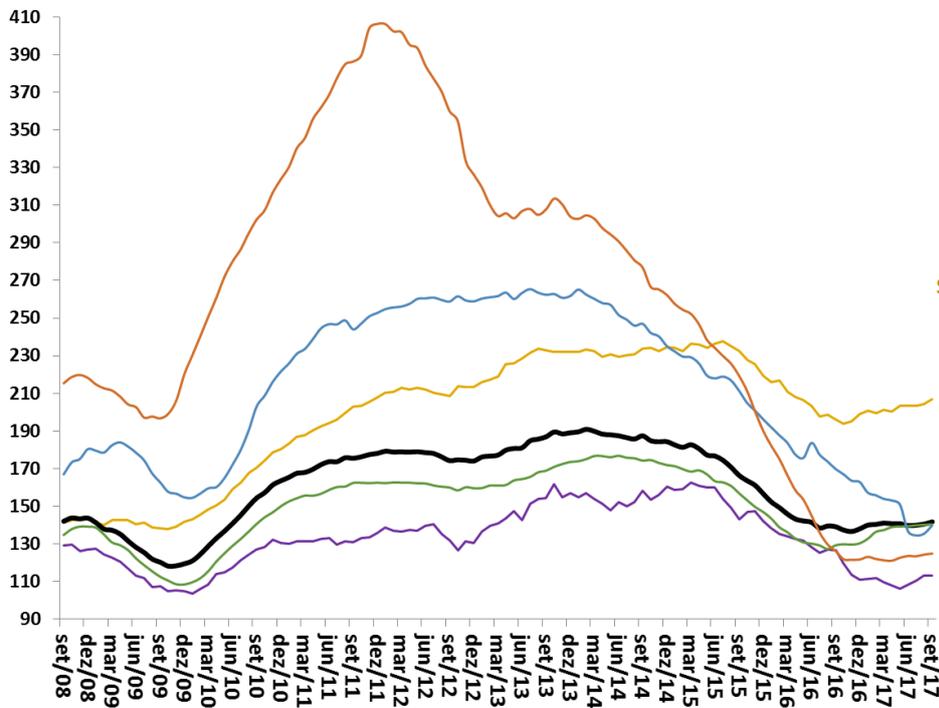
Imports Value
12-month Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Imports and by Economic Categories

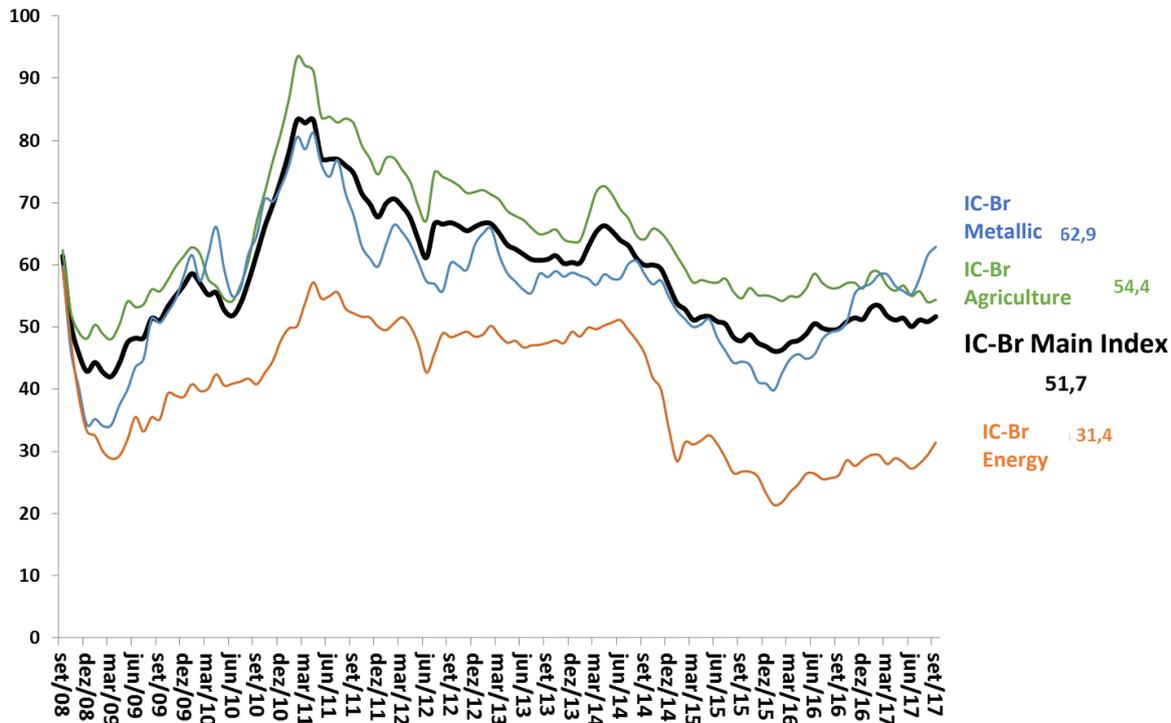
Imports Quantum by Economic Categories
12-month Moving Average (2006=100)



Source: FUNCEX.

Brazilian Commodity Price Indexes

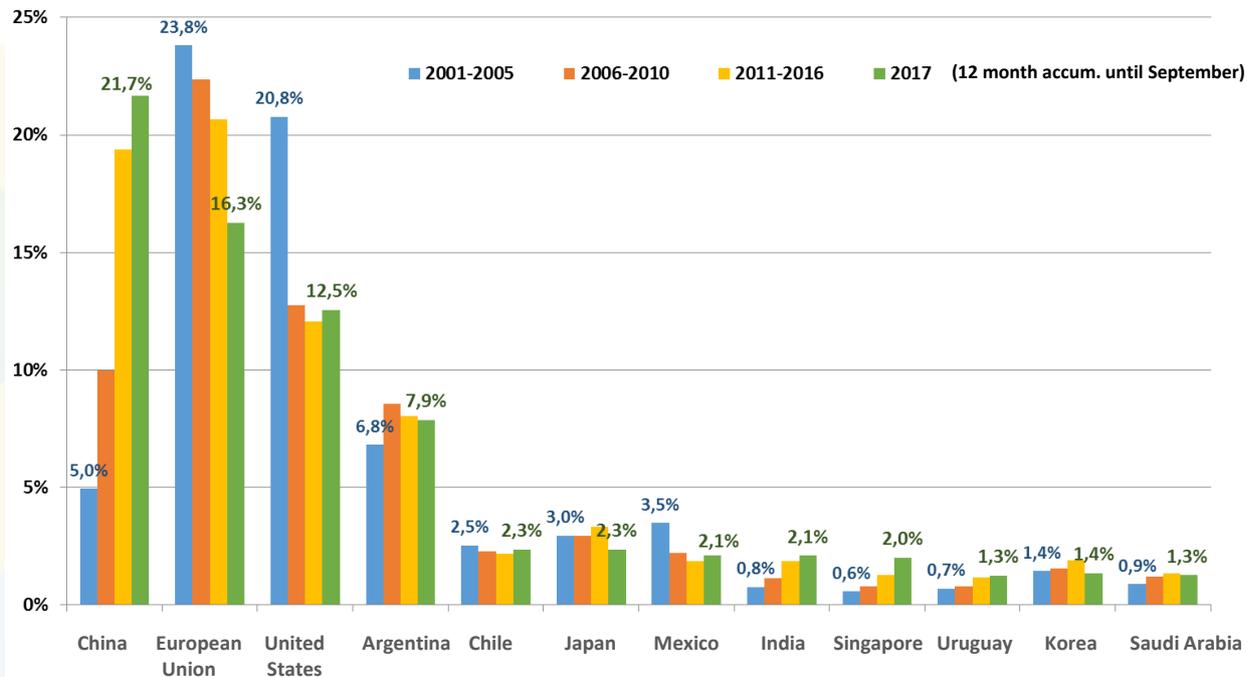
Brazilian Commodity Index (IC-Br)
12-month Moving Average (2006=100)



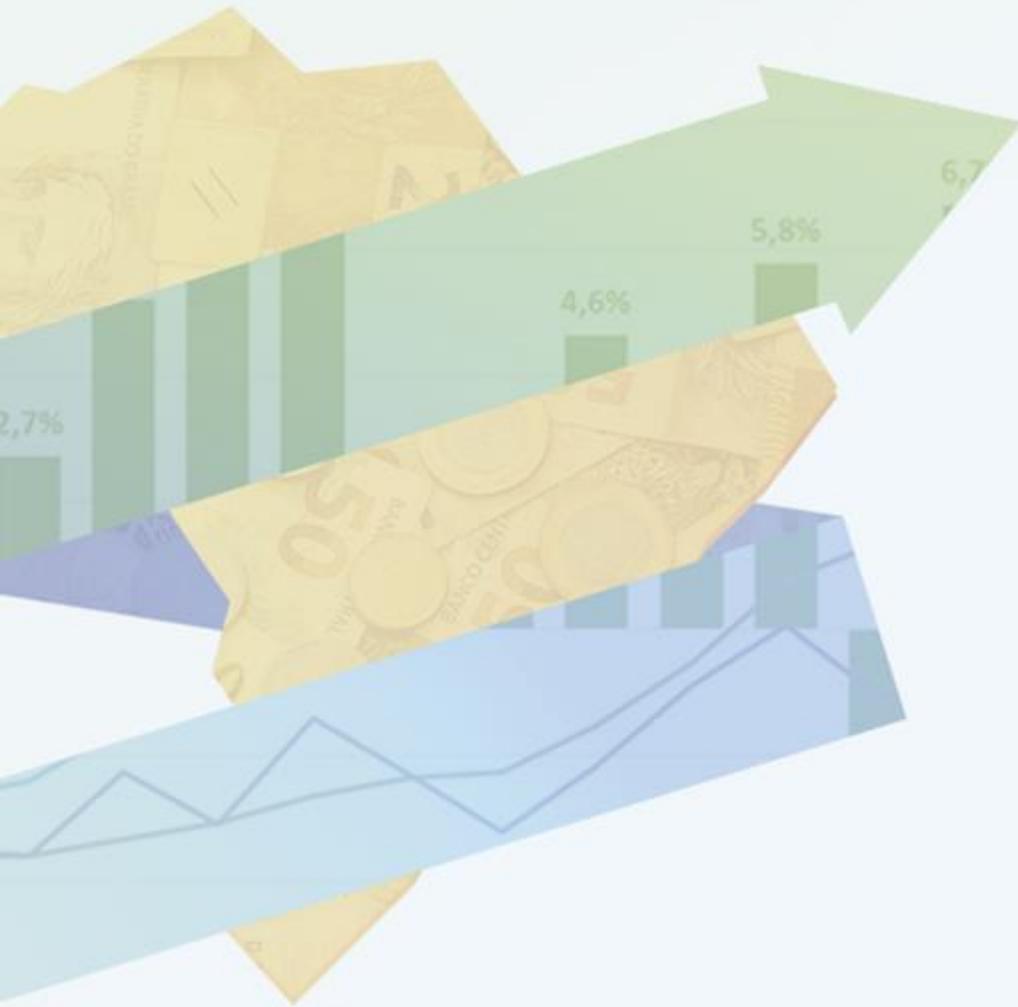
Source: Central Bank of Brazil.

Brazilian Exports Evolution by Country of Destination

% of Exports Value



Source: MDIC/SECEX



EXTERNAL SECTOR

External Sector

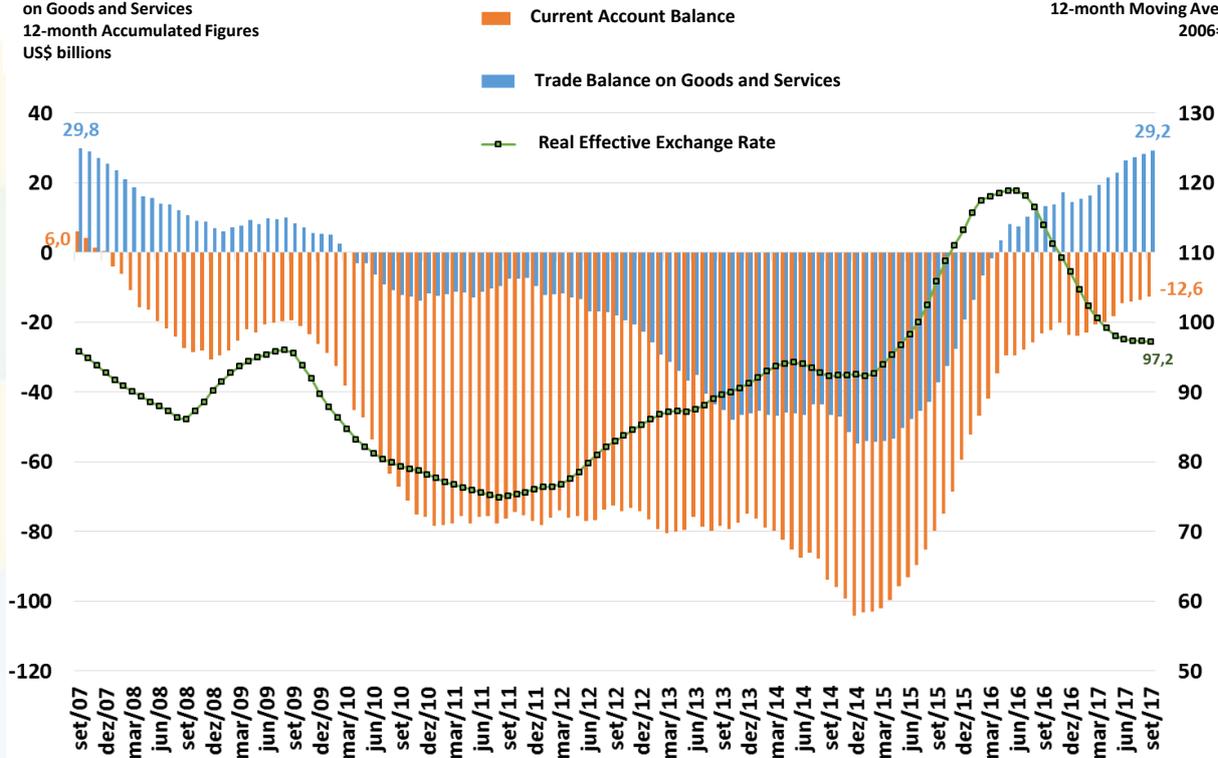
BCB/FOCUS: 10/27/2017

Balance of Payments (BCB)	September 2017									2017	2018	2019
	2015	2016	Sep/17 accum. in 12-months	chg.% 2016 / 2015	chg.% Sep/17 accum. 12-m / 2016	chg.% Dec/16 / Dec/15	chg.% Sep/17 / Sep/16	chg.% Jan- Aug/17 / Jan-Aug/16	chg.% Jan- Sep/17 / Jan-Sep/16			
In US\$ millions												
Balance of Payments	3.828	6.863	4.194	79,3%	-38,9%	-42,5%	30,1%	-49,4%	-44,6%			
Current Account Balance (CAB)	-59.434	-23.530	-12.646	-60,4%	-46,3%	-53,8%	-186,1%	-76,0%	-80,1%	-15,00	-30,00	-41,00
<i>CAB as % of GDP</i>	<i>-3,3%</i>	<i>-1,3%</i>	<i>-0,6%</i>	<i>2,0 pp</i>	<i>0,7 pp</i>	<i>0,8 pp</i>	<i>0,7 pp</i>					
Balance on Goods	17.670	45.037	62.057	154,9%	37,8%	36,0%	36,4%	51,3%	49,8%	64,8	55,1	50,2
Exports	190.092	184.453	209.934	-3,0%	13,8%	14,7%	18,3%	18,4%	18,4%	213,00	217,75	227,84
Imports	172.422	139.416	147.877	-19,1%	6,1%	8,3%	12,9%	7,5%	8,1%	148,19	162,70	177,61
Balance on Services	-36.918	-30.447	-32.845	-17,5%	7,9%	30,1%	10,7%	11,0%	10,9%			
Primary Income	-42.909	-41.080	-44.459	-4,3%	8,2%	12,5%	20,2%	11,6%	12,1%			
Secondary Income	2.724	2.961	2.601	8,69%	-12,2%	-34,0%	161,1%	-31,1%	-17,3%			
Capital Account	461	274	399	-40,6%	45,9%	5,8%	129,3%	57,0%	63,3%			
Financial Account	55.145	16.393	8.053	-70,3%	-50,9%	-13,8%	-861,6%	-99,8%	-112,6%			
Direct Investments	61.200	65.351	74.328	6,8%	13,7%	-30,4%	-6,2%	27,1%	22,5%			
Foreign Direct Investments (FDI)	74.718	78.167	83.397	4,6%	6,7%	-28,7%	20,2%	10,1%	11,2%	75,00	80,00	80,00
Portfolio Investments	-22.245	19.217	10.048	-186,4%	-47,7%	-73,1%	-104,1%	-36,8%	-57,7%			
Stock Market	-6.384	-7.049	-2.776	10,4%	-60,6%	-160,0%	-429,2%	-94,6%	-75,9%			
Bonds	-12.340	30.495	8.795	-347,1%	-71,2%	-81,3%	-121,3%	-83,0%	-91,1%			
Others Investments and Capital Flows	28.299	29.742	56.227	5,1%	89,1%	174,8%	1317,9%	128,0%	160,0%			
International Reserves - liquidity concept	356.464	365.016	381.244	2,4%	4,4%	3,3%	2,9%					
Gross External Debt (BCB)	September 2017											
In US\$ millions	2015	2016	Sep/17	2015 % of total	Sep/17 % of total	chg. pp	2015 % of GDP	Sep/17 % of GDP	chg. pp			
Total External Debt	665.101	676.647	683.699	100,0%	100,0%	-	37,0%	34,1%	-2,9 pp			
Gross External Debt	334.745	326.297	320.686	50,3%	46,9%	-3,4 pp	18,6%	16,0%	-2,6 pp			
Public Sector	68.208	74.379	76.074	20,4%	23,7%	3,3 pp	3,8%	0,0 pp	0,0 pp			
Private Sector and Public Financial Sector	266.537	246.918	244.611	79,6%	76,3%	-3,3 pp	14,8%	12,2%	-2,6 pp			
Short Term	51.140	56.327	59.835	15,3%	18,7%	3,4 pp	2,8%	3,0%	0,1 pp			
Medium and Long Term	283.605	264.970	260.850	84,7%	81,3%	-3,4 pp	15,8%	13,0%	-2,8 pp			
Intercompany Loans	205.711	222.344	235.733	30,9%	34,5%	3,5 pp	11,4%	11,7%	0,3 pp			
Domestic Bonds with Foreign Investors	124.645	128.006	127.281	18,7%	18,6%	-0,1 pp	6,9%	6,3%	-0,6 pp			

Brazil: Real Exchange Rate and External Sector Adjustment

Current Account Balance and Trade Balance on Goods and Services
12-month Accumulated Figures
US\$ billions

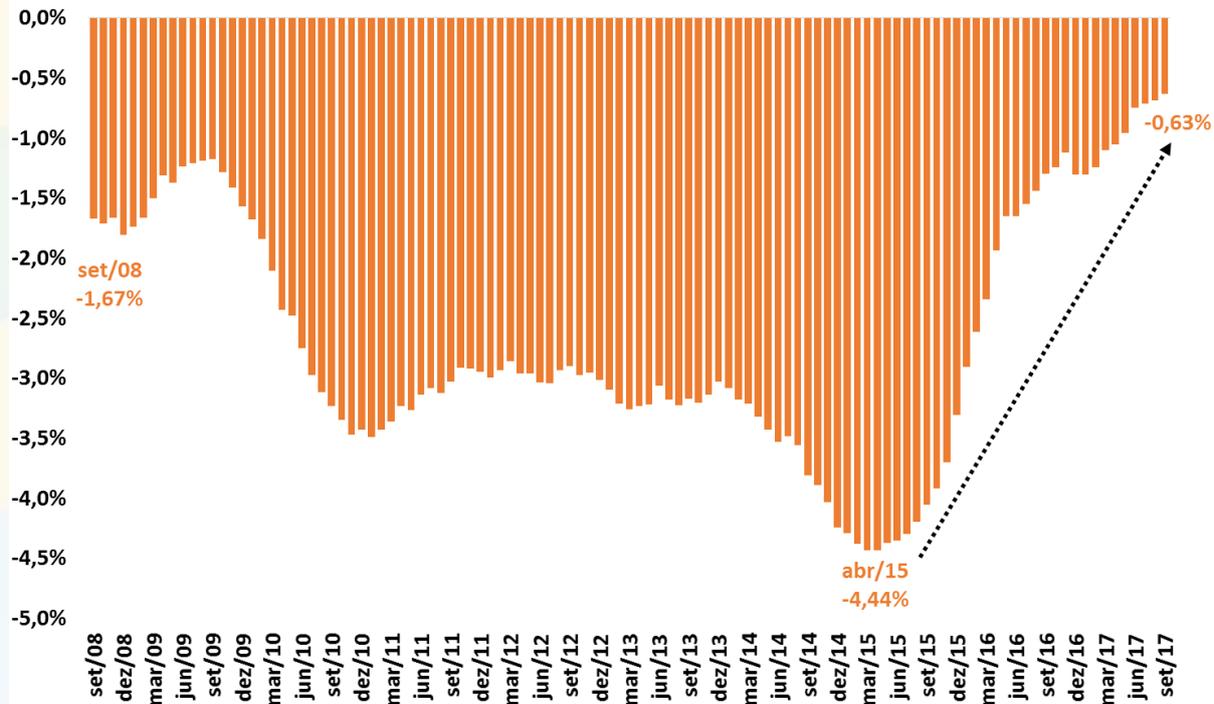
Real Effective Exchange Rate
12-month Moving Average
2006=100



Source: Central Bank of Brazil.

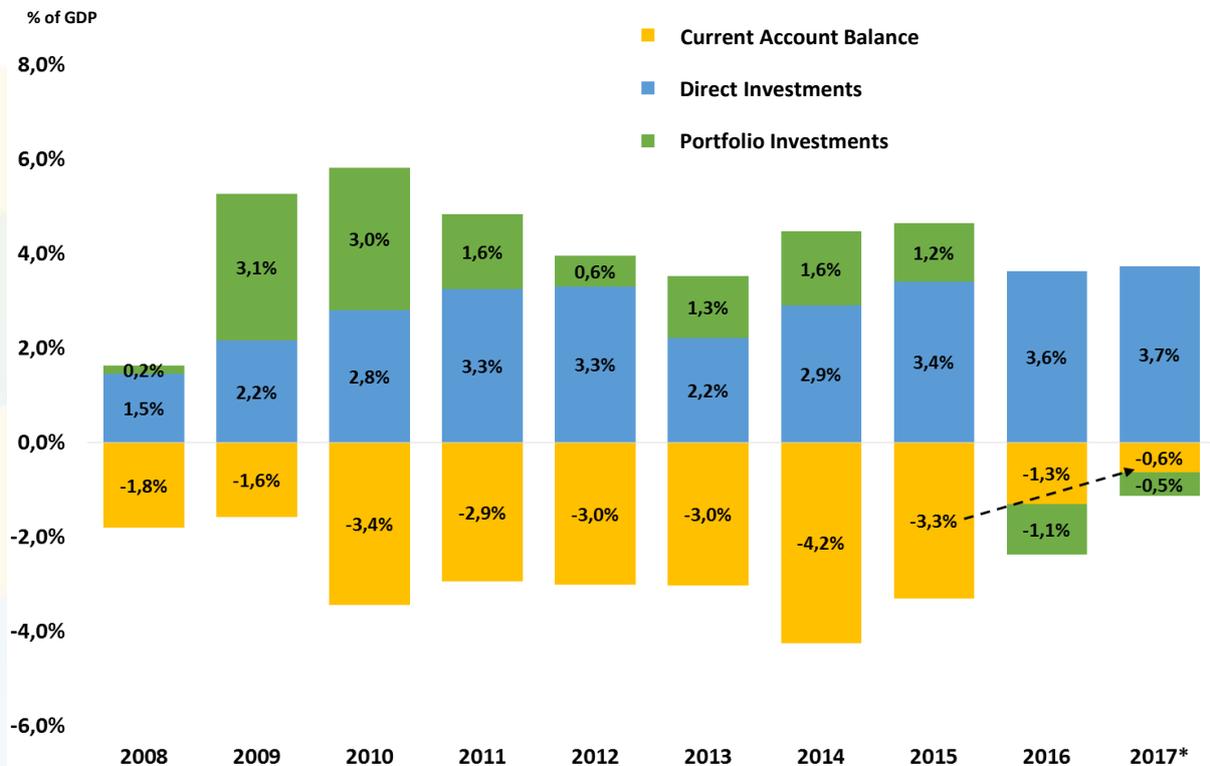
Current Account Deficit as % of GDP

Current Account as % of GDP
12-month Figures



Source: Central Bank of Brazil.

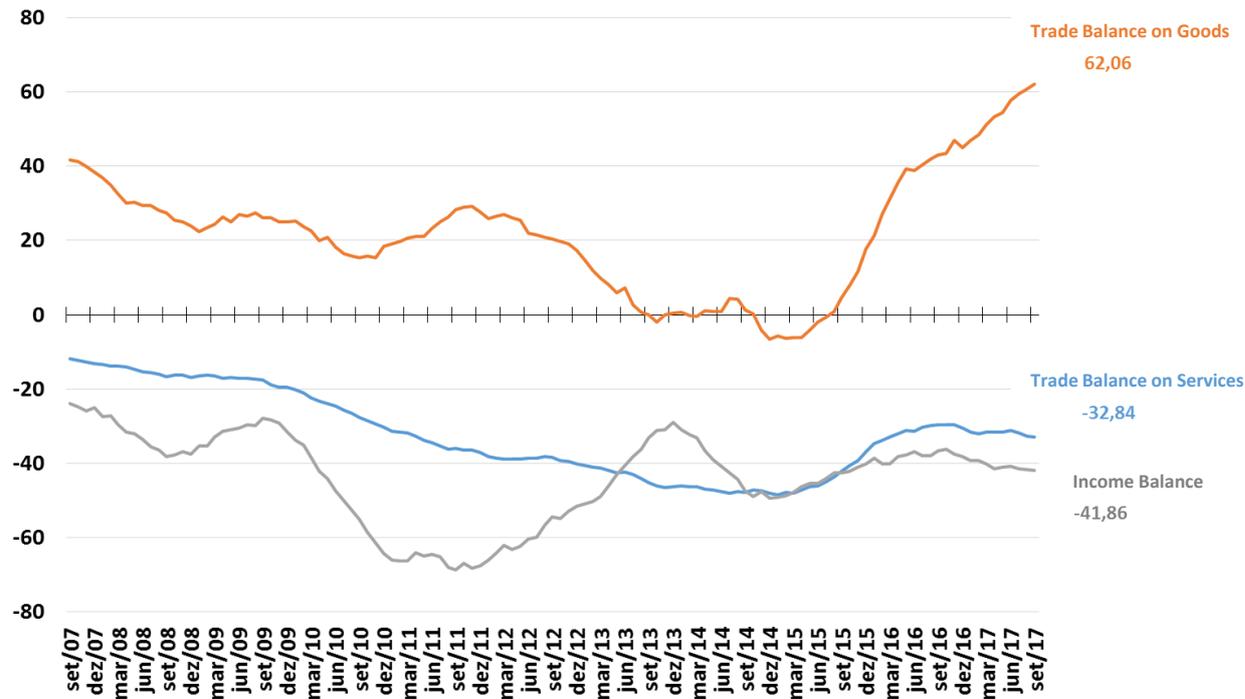
Current Account Deficit Financing



Source: Central Bank of Brazil. *12-month accumulated up to September/2017.

Current Account Balance Components

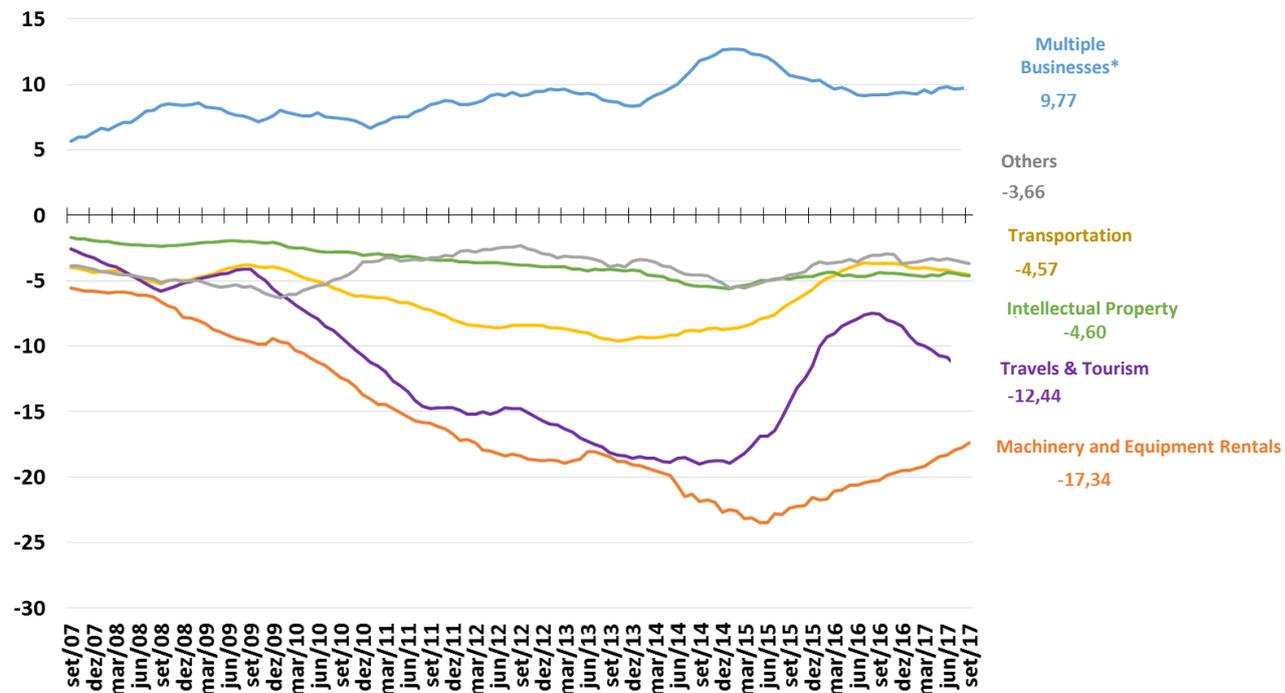
External Accounts Balance
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

Service Account Balance and Components

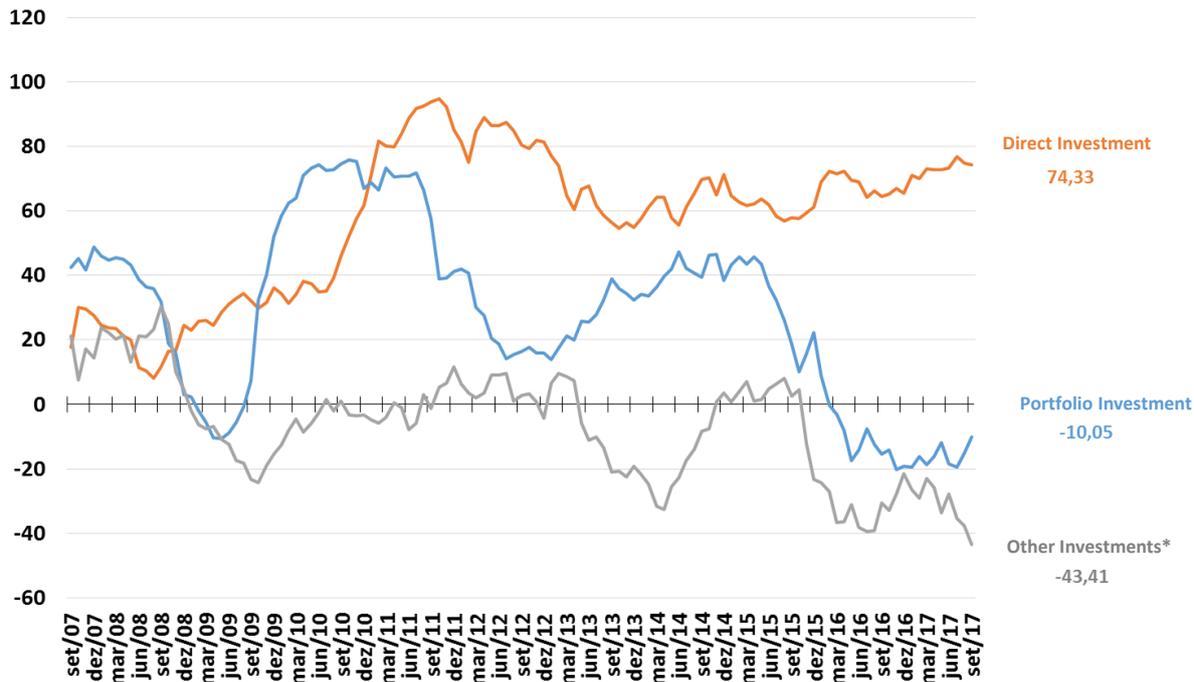
External Accounts Balance
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil. *Includes services of P&D, legal services, marketing, architecture & engineering, environmental services, among others.

Financial Account Balance and Components

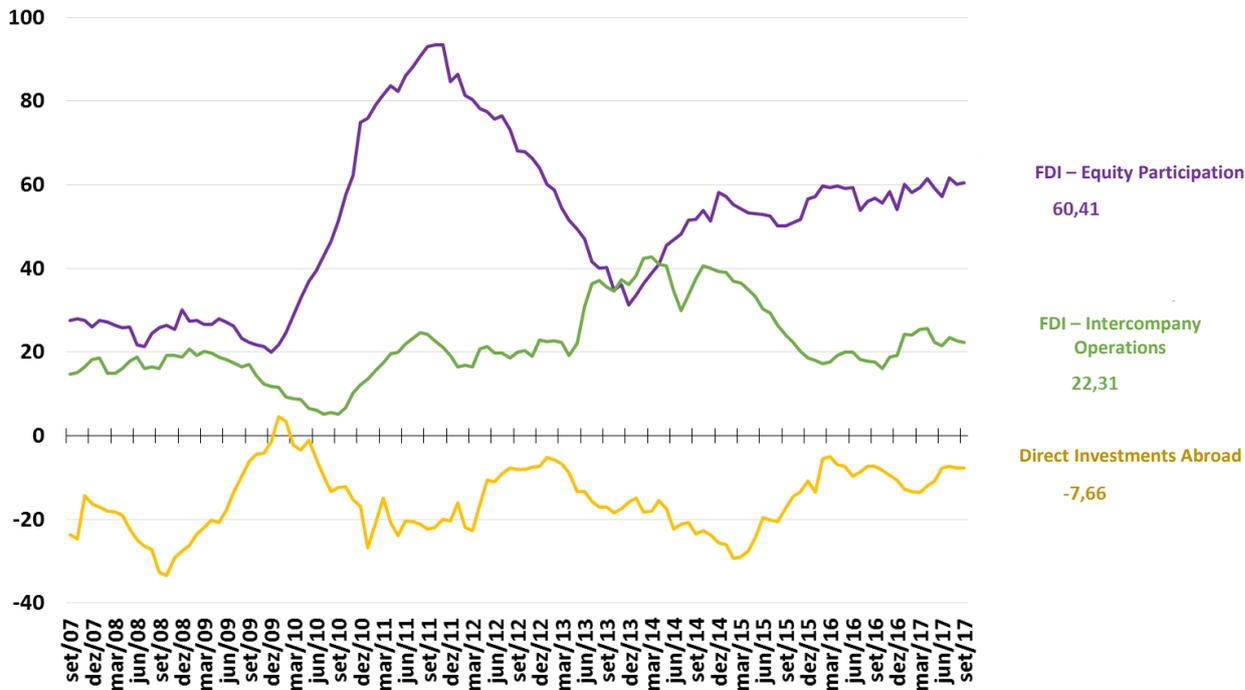
External Financial Flows
 Net Inflow (+) and Net Outflow (-)
 12-month Accumulated - US\$ billions



Source: Central Bank of Brazil. *Commercial Credit and Loans.

Direct Investments and Components

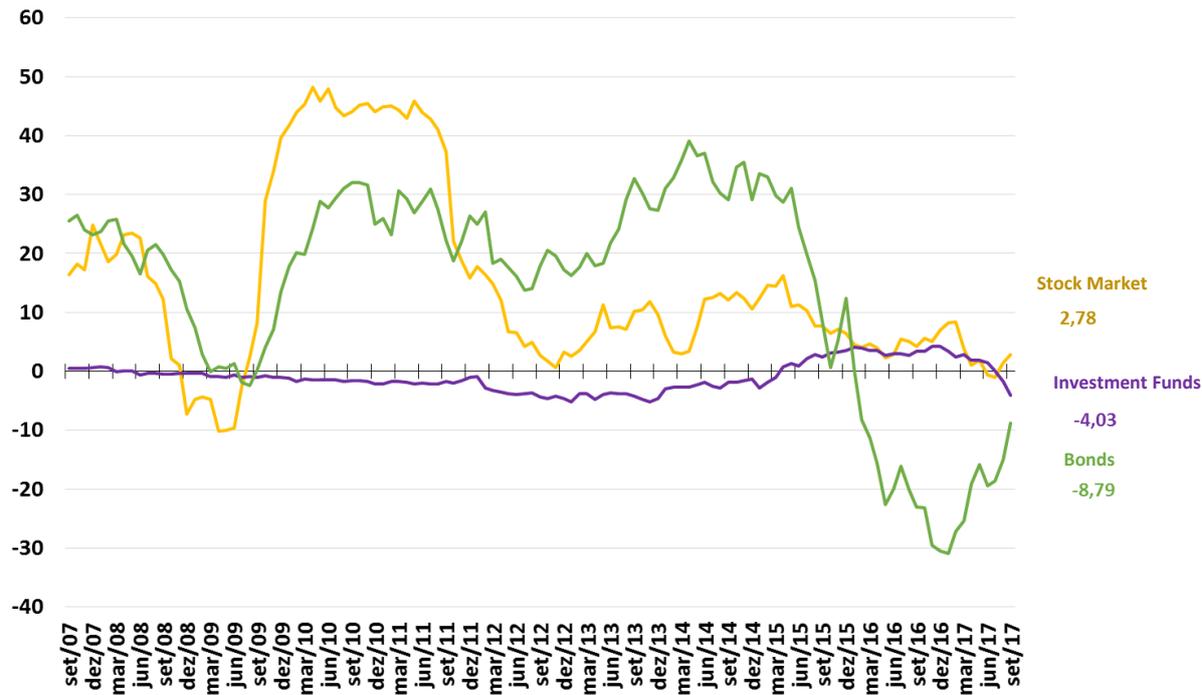
Direct Investment Flows
 Net Inflow (+) and Net Outflow (-)
 12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

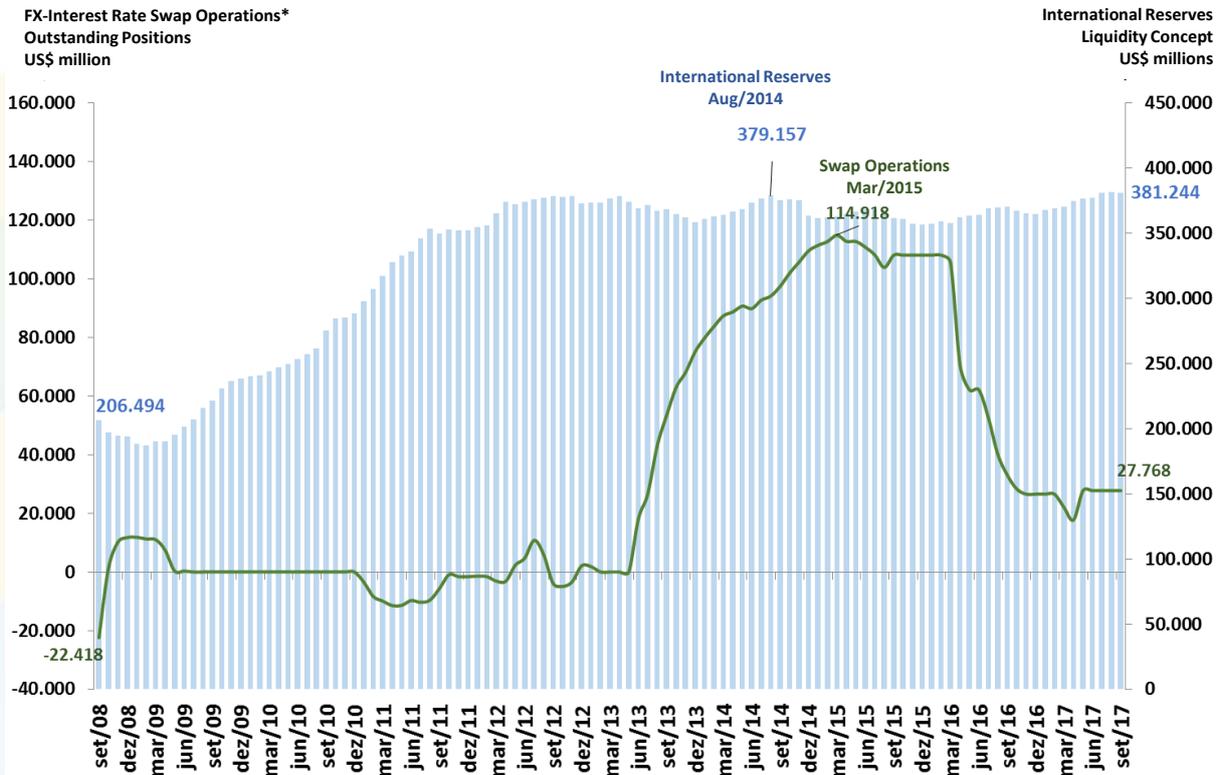
Portfolio Investments and Components

Portfolio Investment Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

Brazilian International Reserves



Source: Central Bank of Brazil. *Positive values represent net sell position on fx and negative values net buy position on fx.



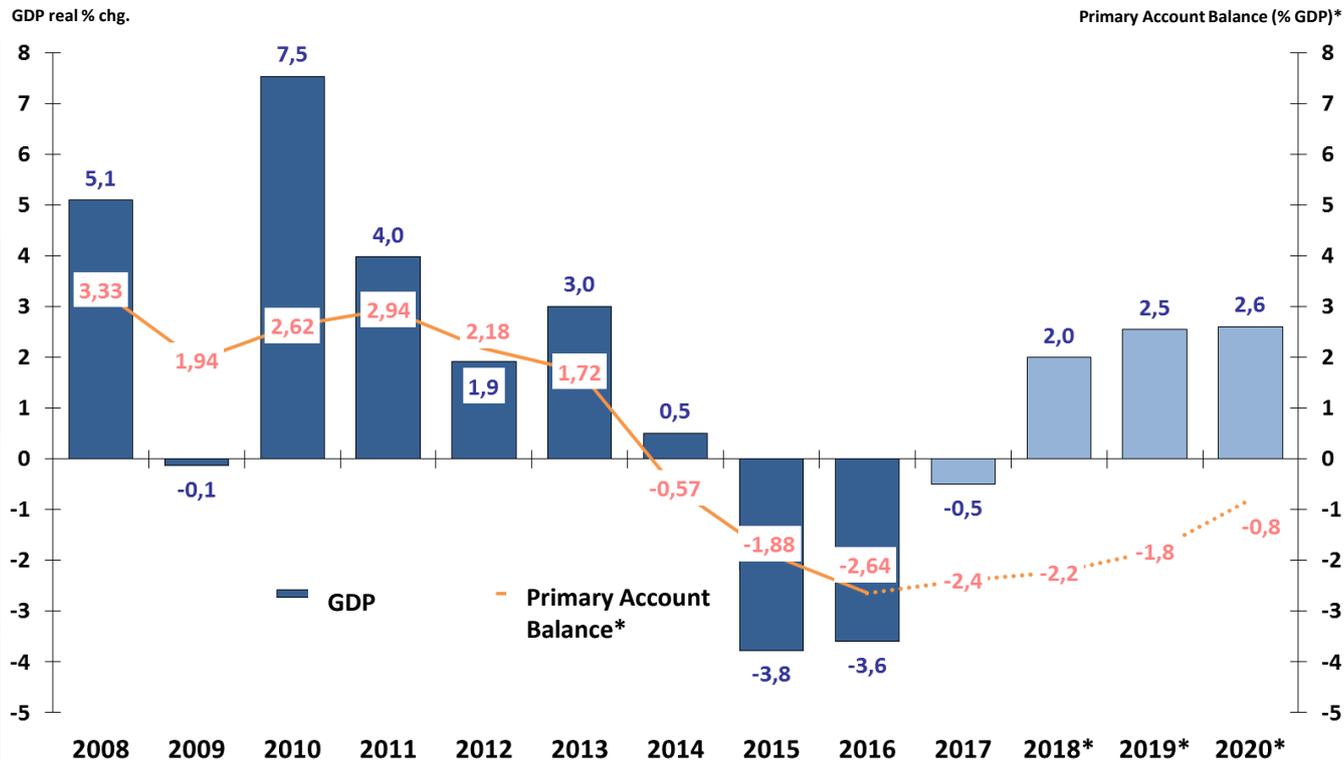
PUBLIC SECTOR ACCOUNTS

Public Sector Accounts

BCB/FOCUS: 10/27/2017

Federal Government Accounts	September 2017	12-month Accumulated Figures (in R\$ millions)						chg. %			2017	2018	2019
		2012	2013	2014	2015	2016	Sep/17 accum. in 12- months	2016 / 2015	Sep/17 accum. 12- m / 2016	YTD 2016 / YTD 2015			
Federal Budget (National Treasury/Ministry of Finance)													
Total Primary Revenue (a)		1,059.889	1,178.983	1,221.474	1,247.789	1,314.953	1,364.291	5,4%	3,8%	5,3%			
National Treasury		784.125	871.836	883.971	897.517	956.816	995.834	6,6%	4,1%	5,7%			
Social Security General System		275.765	307.147	337.503	350.272	358.137	368.457	2,2%	2,9%	4,1%			
States and Municipalities Mandatory Transfers (b)		171.394	181.895	198.462	204.684	226.835	244.630	10,8%	7,8%	11,8%			
Net Primary Revenue (a-b)		888.495	997.088	1,023.013	1,043.105	1,088.118	1,119.661	4,3%	2,9%	4,0%			
Total Primary Expenditure		812.632	920.095	1,040.223	1,158.701	1,249.393	1,281.674	7,8%	2,6%	4,1%			
National Treasury		496.043	563.092	646.022	722.611	741.522	741.286	2,6%	0,0%	0,0%			
Social Security General System		316.590	357.003	394.201	436.090	507.871	546.950	16,5%	7,7%	10,6%			
Federal Government Accounts	September 2017	12-month Accumulated Figures (in R\$ millions)						% of GDP					
Federal Budget (National Treasury/Ministry of Finance)		2012	2013	2014	2015	2016	Sep/17 accum. in 12- months	2015	2016	Sep/17 accum. in 12-months			
Primary Account Balance of Federal Government (STN/MF)		75.863	76.994	-17.211	-115.596	-161.276	-168.574	-1,9%	-2,6%	-2,6%			
National Treasury		116.687	126.850	39.487	-29.778	-11.542	9.919	-0,5%	-0,2%	0,2%			
Social Security General System		-40.825	-49.856	-56.698	-85.818	-149.734	-178.493	-1,4%	-2,4%	-2,8%			
Consolidate Public Sector Accounts	September 2017	12-month Accumulated Figures (in R\$ millions)						% of GDP					
Public Sector Financial Need (Central Bank of Brazil - BCB)		2012	2013	2014	2015	2016	Sep/17 accum. in 12- months	2015	2016	Sep/17 accum. in 12-months	2017	2018	2019
Primary Account Balance Target (% GDP)											-2,39%	-2,23%	-1,81%
Primary Account Balance		-104.951	-91.306	32.536	111.249	155.791	152.399	1,9%	2,5%	2,4%	-2,4%	-2,2%	-1,7%
Federal Government		-86.086	-75.291	20.472	116.656	159.473	165.872	1,9%	2,5%	2,6%			
States and Municipalities		-21.511	-16.337	7.790	-9.684	-4.666	-12.270	-0,2%	-0,1%	-0,2%			
State Owned Companies (except Petrobrás and Eletrobrás)		2.645	322	4.274	4.278	983	-1.204	0,1%	0,0%	0,0%			
Net Financial Public Expenditure (Debt Interest Payments)		213.863	248.856	311.380	501.786	407.024	415.118	8,4%	6,5%	6,4%			
Nominal Account Balance		108.912	157.550	343.916	613.035	562.815	567.517	10,2%	9,0%	8,8%	8,3%	7,6%	7,0%
General Public Sector Debt (BCB)	September 2017	Debt Outstanding (in R\$ millions)						chg. %					
End of Period Debt Outstanding (in R\$ millions)		Dec/12	Dec/13	Dec/14	Dec/15	Dec/16	Sep/17	Dec/15 - Dec/14	Dec/16 - Dec/15	Sep/17 - Dez/16	2017	2018	2019
Consolidated Public Sector		1.550.083	1.626.335	1.883.147	2.136.888	2.892.913	3.298.061	13,47%	35,38%	14,00%			
Federal Government		1.002.205	1.025.358	1.200.680	1.312.962	2.090.133	2.490.172	9,4%	59,2%	19,1%			
States and Municipalities		519.423	569.794	643.066	771.635	747.503	751.141	20,0%	-3,1%	0,5%			
State Owned Companies (except Petrobrás and Eletrobrás)		28.456	31.183	39.402	52.292	55.278	56.748	32,7%	5,7%	2,7%			
Net Domestic Debt		2.169.502	2.341.011	2.669.547	3.289.112	3.856.985	4.266.730	23,2%	17,3%	10,6%			
Net External Debt		-619.419	-714.676	-786.400	-1.152.224	-964.072	-968.669	46,5%	-16,3%	0,5%			
General Public Sector Net Debt (% GDP)		32,2%	30,5%	32,6%	35,6%	46,2%	50,9%	3,0 pp	16,6 pp	4,7 pp	52,3%	55,8%	58,2%
General Public Sector Gross Debt (% GDP)		53,7%	51,5%	56,3%	65,5%	69,9%	73,9%	9,2 pp	4,4 pp	4,0 pp			
General Public Sector Gross Debt (in R\$ millions)		2.583.946	2.747.997	3.252.449	3.927.523	4.378.486	4.789.342	20,76%	11,48%	9,38%			

Fiscal Adjustment and Economic Recovery



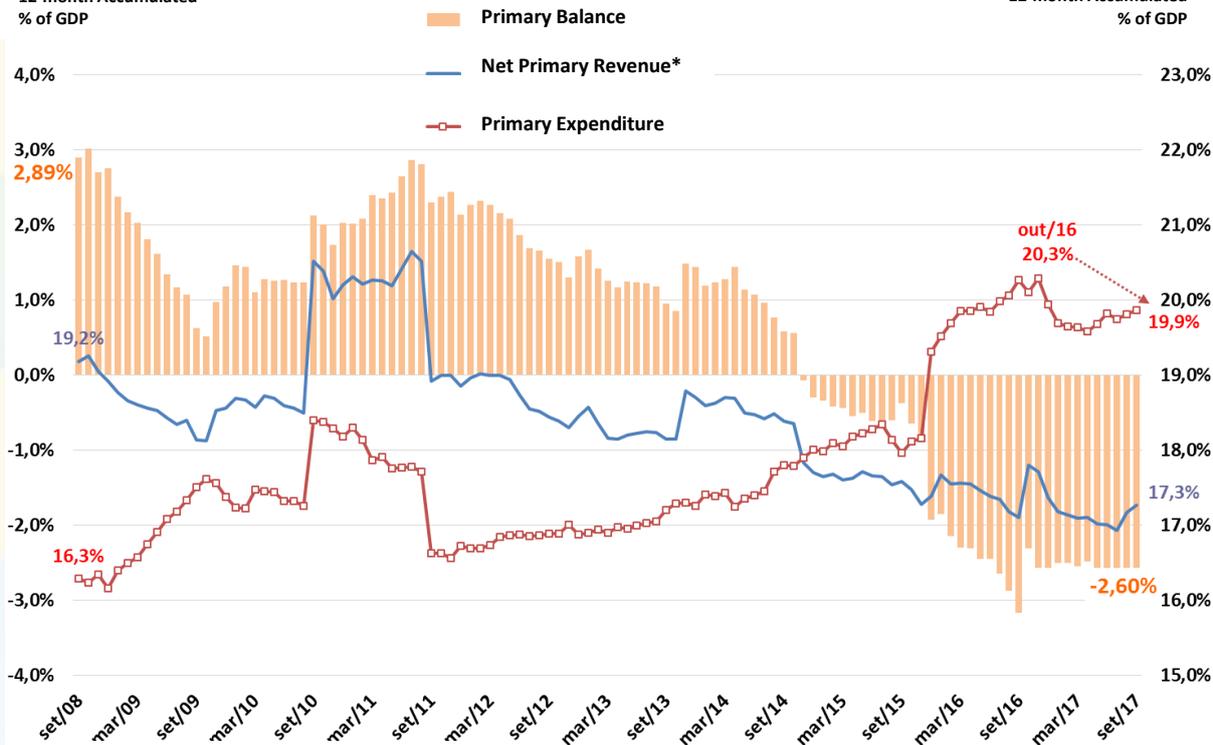
Sources: IBGE, MF and MP.

* Annex IV-Fiscal Targets of 2017 Budgetary Guidelines Bill of Law (LDO 2017) and Macroeconomic Projections from September-2017 - SPE/MF.

Primary Balance of Federal Government (as % GDP)

Primary Balance of Federal Government
12-month Accumulated
% of GDP

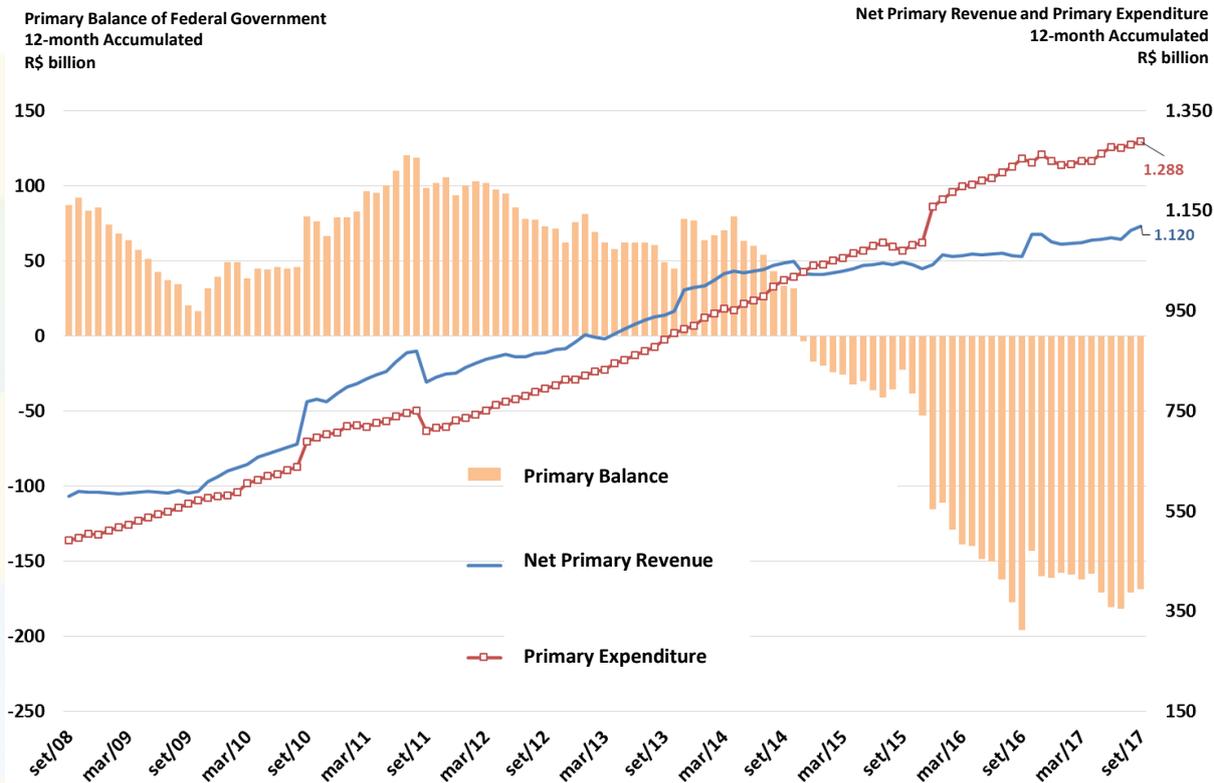
Net Primary Revenue and Primary Expenditure
12-month Accumulated
% of GDP



Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

Primary Balance of Federal Government (nominal values)

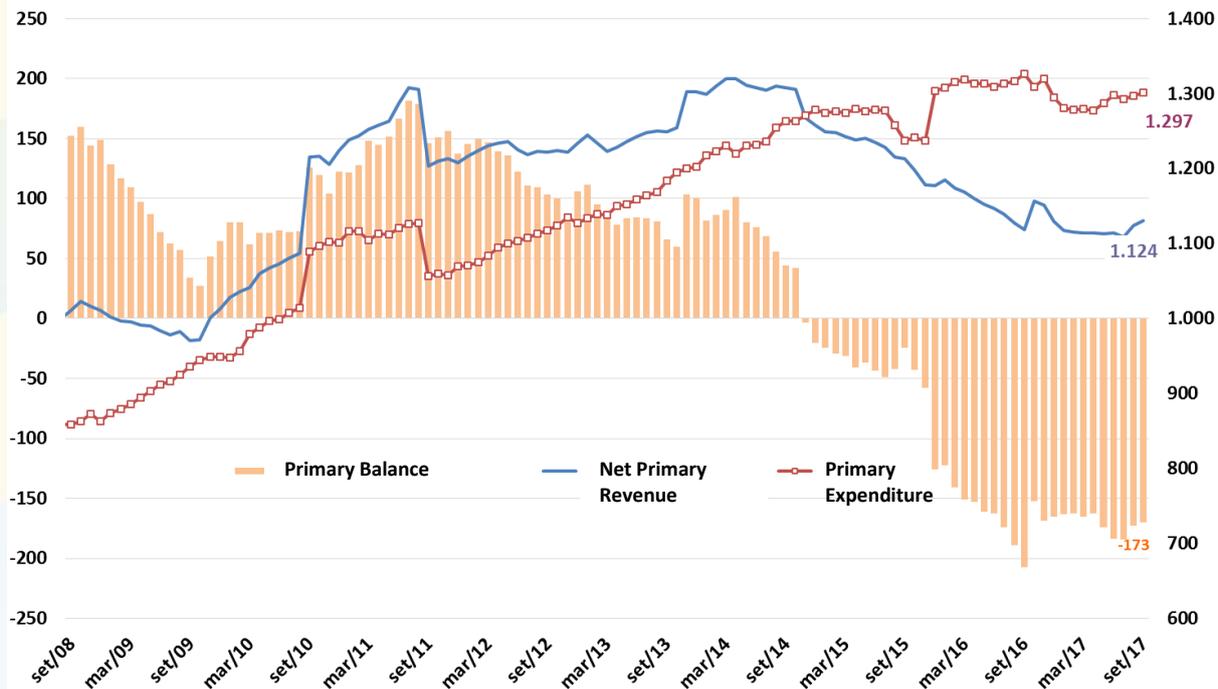


Source: STN/MF.

Primary Balance of Federal Government (real values)

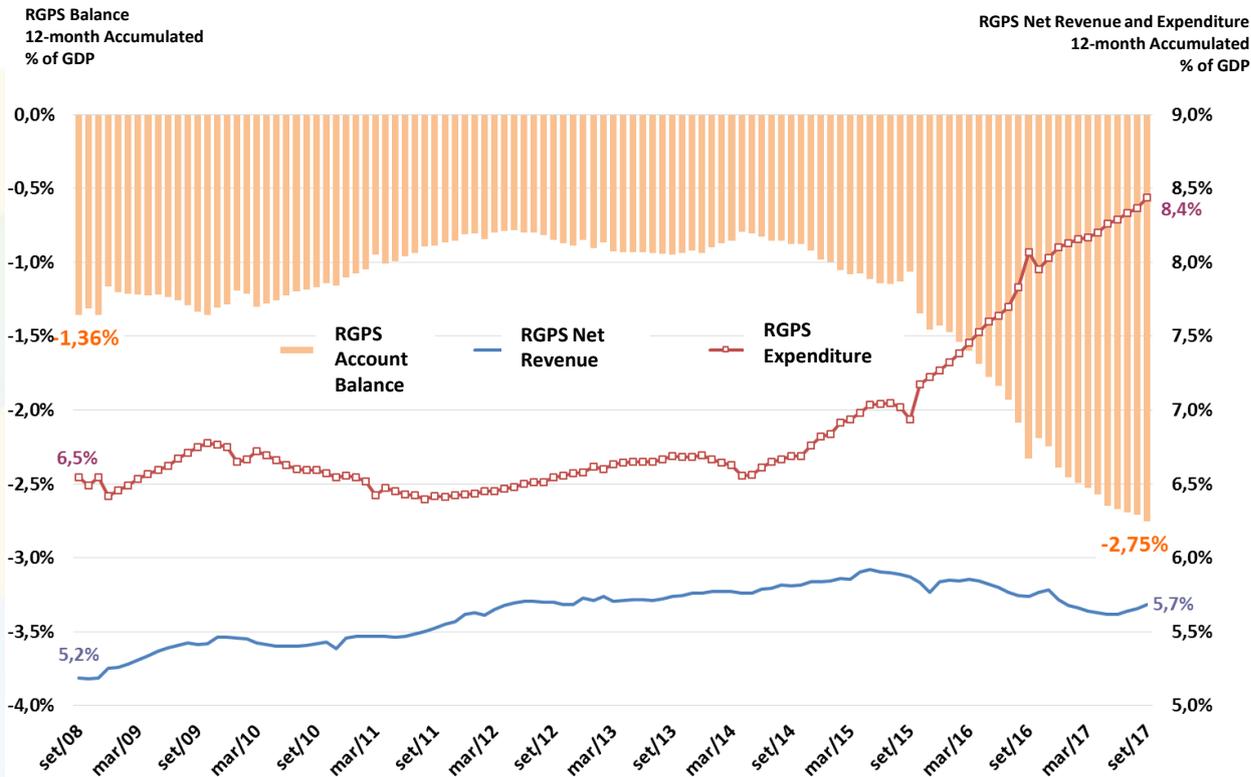
Primary Balance of Federal Government
12-month Accumulated – real values (Feb/2017)
R\$ billion

Net Primary Revenue and Primary Expenditure
12-month Accumulated – real values (Feb/2017)
R\$ billion



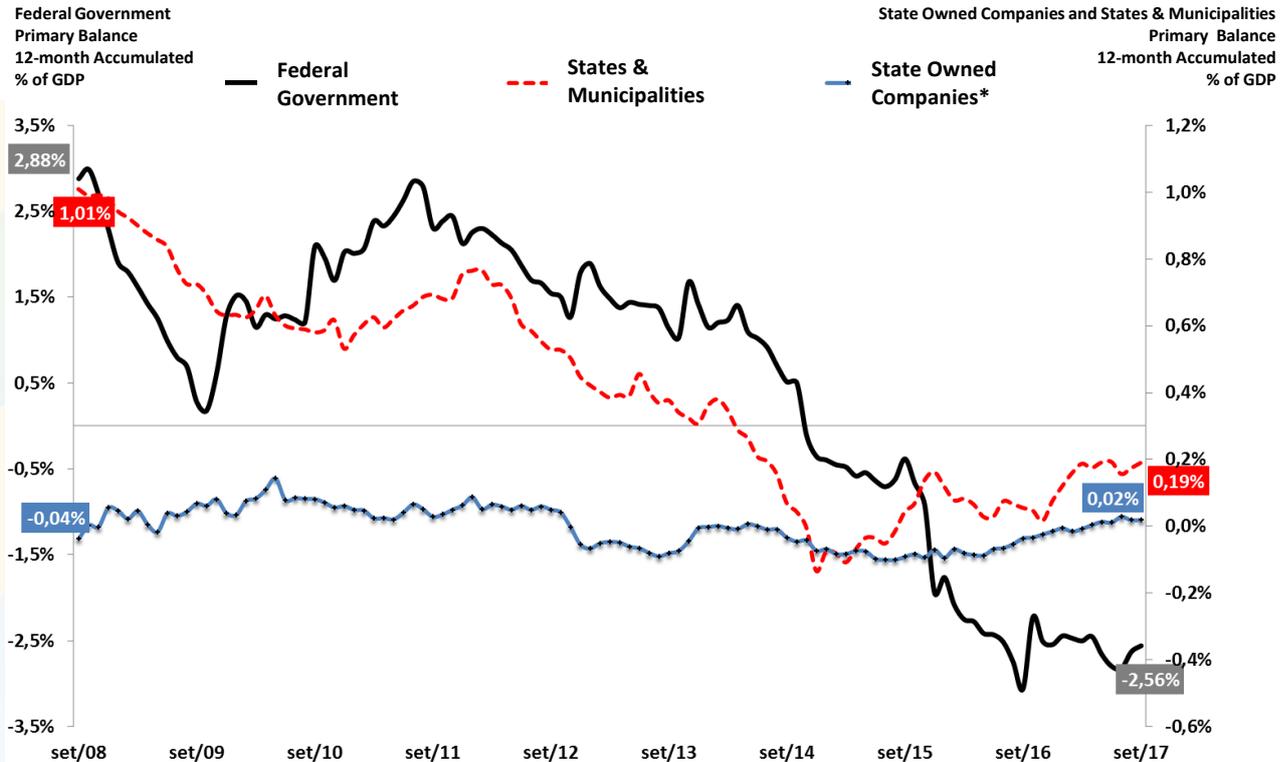
Source: STN/MF.

General Social Security System (RGPS) Balance



Sources: STN/MF.

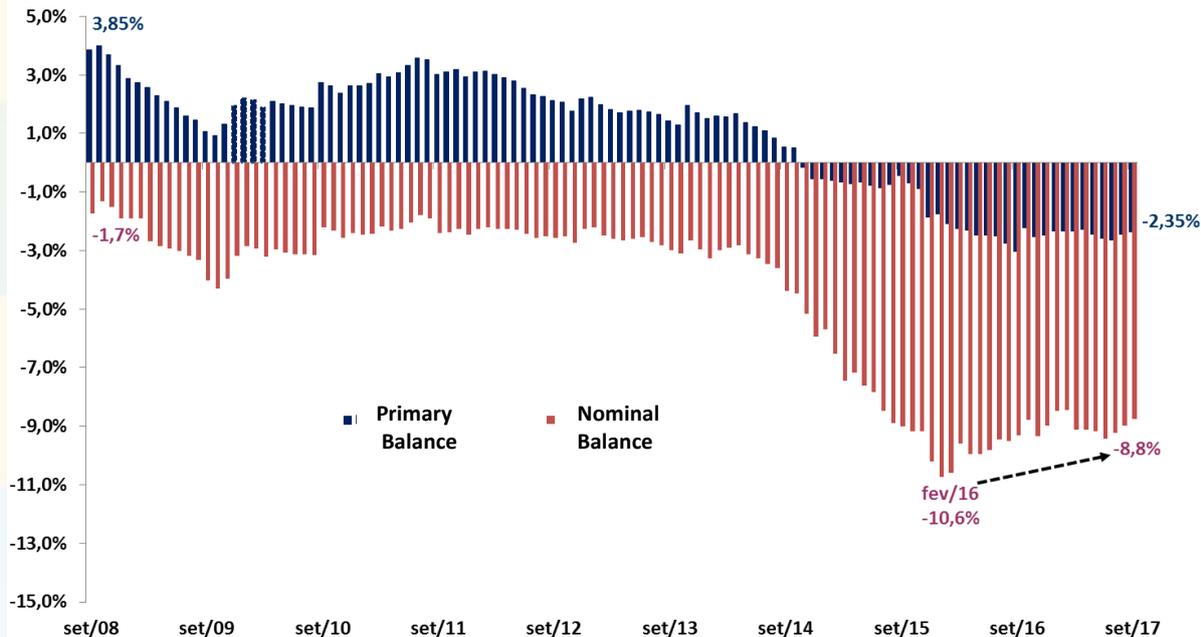
Public Sector Primary Balance (as % GDP)



Sources: Central Bank of Brazil. *Excludes Petrobras and Eletrobras.

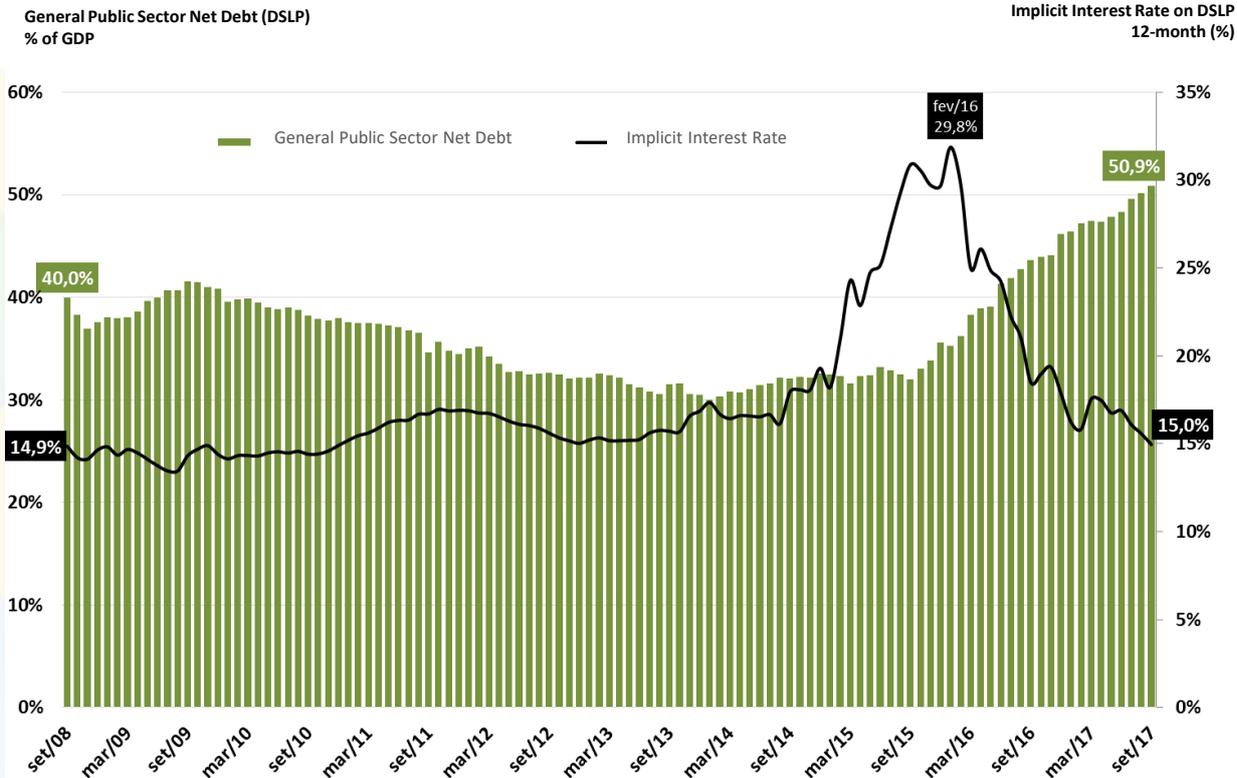
Public Sector Primary and Nominal Balance

Consolidated Public Sector
Primary and Nominal Balance
12-month Accumulated
% of GDP



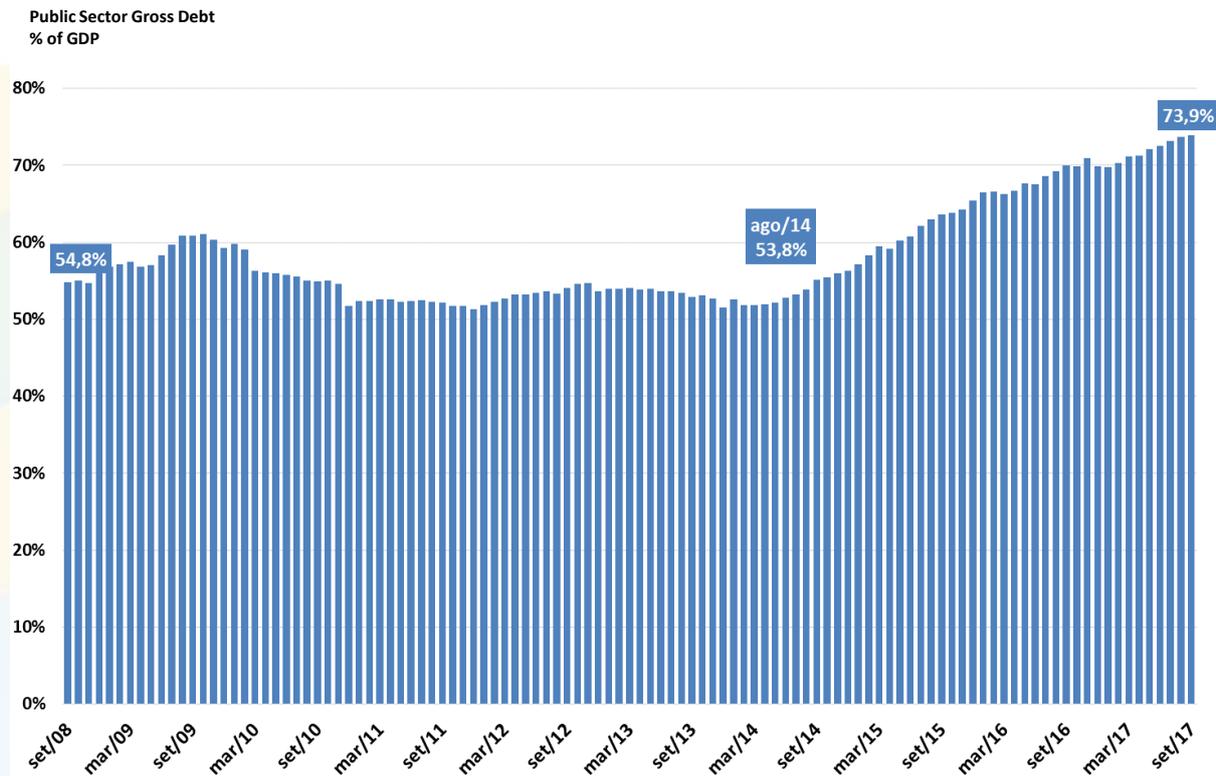
Source: Central Bank of Brazil.

Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.

Public Sector Gross Debt (as % GDP)



Source: Central Bank of Brazil.



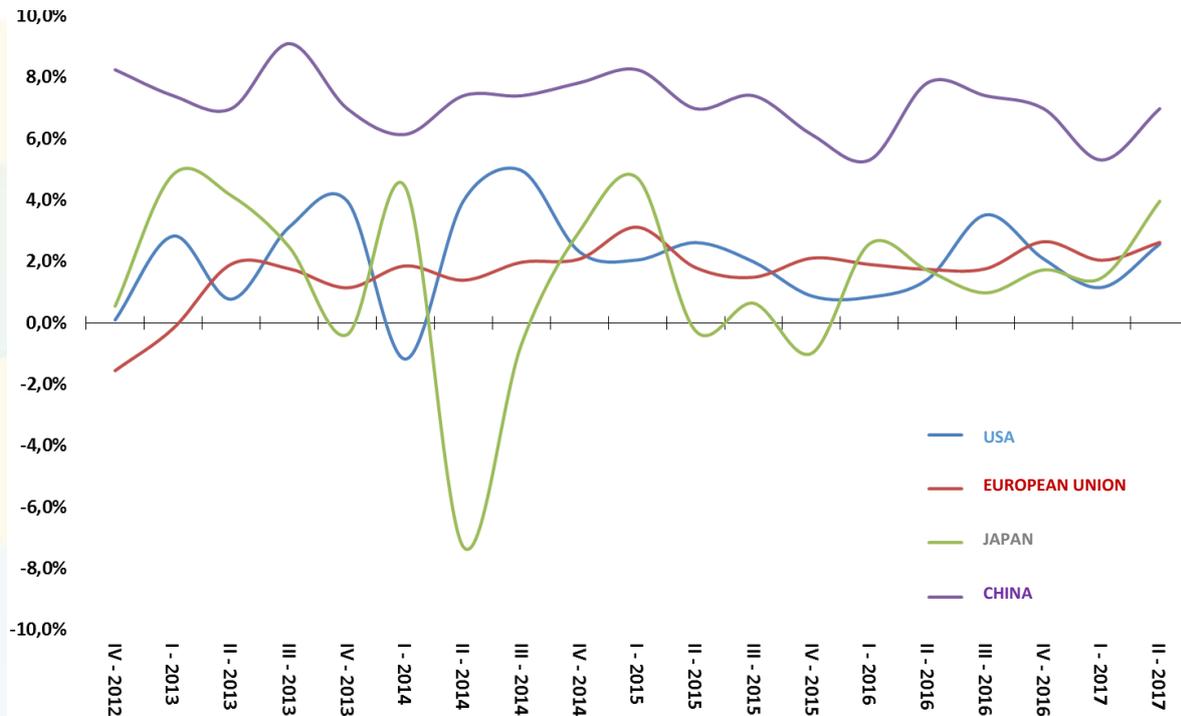
WORLD ECONOMY

World Economy

											IMF - WEO, October 2017.		
World	Q4 2016	2012	2013	2014	2015	2016	Q4-2015 / Q4-2014	Q4-2016 / Q4-2015				2017	2018
<i>data from IMF and WTO</i>													
World Output - GDP		3,5%	3,3%	3,4%	3,4%	3,2%	3,2%	3,2%				3,6%	3,7%
Advanced Economies		1,2%	1,2%	1,9%	2,1%	1,7%	1,8%	2,0%				2,2%	2,0%
Emerging Market and Developing Economies		5,3%	5,0%	4,6%	4,2%	4,3%	4,4%	4,4%				4,6%	4,9%
Latin America and the Caribbean		3,0%	2,9%	1,0%	0,1%	-0,9%	-1,1%	-1,1%				1,2%	1,9%
World Trade of Goods and Services		1,4%	2,8%	1,7%	2,7%	2,4%						4,2%	4,0%
<i>data from IMF, OECD, Eurostat, NBSC and METI</i>													
National Accounts	Q2 2017	2012	2013	2014	2015	2016	Q4-2016 / Q4-2015	Q1-2017 / Q1-2016	Q2-2017 / Q2-2016	Q1-2016 accum. in 4-quarters	Q1-2017 accum. in 4-quarters	2017	2018
USA - GDP		2,2%	1,7%	2,4%	2,6%	1,5%	1,8%	2,0%	2,2%	2,2%	1,7%	2,2%	2,3%
Household Expenditure		1,5%	1,5%	2,9%	3,2%	2,7%	2,8%	2,9%	2,7%				
Government Expenditure		-1,9%	-2,9%	-0,9%	1,8%	0,8%	0,4%	-0,2%	-0,1%				
Gross Fixed Capital Formation		10,6%	6,1%	4,5%	5,0%	-1,6%	0,9%	1,7%	3,3%				
Exports of Goods and Services		3,4%	3,5%	4,3%	0,1%	0,4%	0,6%	3,1%	3,3%				
Imports of Goods and Services (-)		2,2%	1,1%	4,4%	4,6%	1,1%	2,7%	3,8%	4,1%				
Industrial Production		2,2%	3,7%	4,9%	-1,8%	-1,0%	0,3%	0,6%	2,1%				
Unemployment (% of Labor Force)		8,1%	7,4%	6,2%	5,3%	4,9%	-0,3 pp	-0,3 pp	-0,7 pp			4,7%	4,6%
Consumer Price Index		1,7%	1,5%	0,8%	0,7%	2,1%	1,8%	2,5%	1,9%			2,8%	2,4%
European Union - GDP		-0,4%	0,3%	1,7%	2,4%	2,1%	2,0%	2,1%	2,3%	2,1%	1,9%	2,5%	2,2%
Household Expenditure		-0,5%	-0,1%	1,0%	2,0%	1,8%	1,6%	0,0%					
Government Expenditure		0,0%	0,3%	0,8%	1,7%	2,0%	2,0%	0,0%					
Gross Fixed Capital Formation		-2,2%	-1,6%	2,8%	3,7%	2,5%	2,5%	0,0%					
Exports of Goods and Services		2,4%	1,6%	4,7%	6,0%	2,3%	3,0%	0,0%					
Imports of Goods and Services (-)		-0,8%	2,5%	5,0%	7,1%	2,8%	4,0%	0,0%					
Industrial Production		-2,1%	-0,5%	1,2%	2,3%	1,3%	1,6%	1,1%	2,6%				
Unemployment (% of Labor Force)		10,4%	10,8%	10,2%	9,4%	8,7%	-0,8 pp	-1,0 pp				7,9%	7,6%
Consumer Price Index		2,4%	1,0%	0,0%	0,2%	0,9%	0,8%	1,8%	1,6%			2,5%	2,4%
Japan - GDP		1,5%	2,0%	0,3%	1,1%	1,0%	1,7%	1,4%	2,1%	1,3%	1,3%	1,5%	0,7%
Industrial Production		0,0%	-0,7%	2,1%	-0,9%	-0,2%	2,8%	4,0%	6,0%				
Unemployment (% of Labor Force)		4,3%	4,0%	3,6%	3,4%	3,1%	-0,2 pp	-0,3 pp	-0,2 pp			2,9%	2,9%
Consumer Price Index		-0,2%	1,5%	2,5%	0,2%	-0,1%	0,3%	0,3%	0,4%			0,4%	0,5%
China - GDP		7,8%	7,8%	7,3%	6,9%	6,7%	6,8%	6,9%	6,9%	6,8%	6,8%	6,8%	6,5%
Industrial Production		10,1%	9,9%	7,9%	6,6%	6,0%	6,2%	6,6%	7,0%				
Unemployment (% of Labor Force)		4,1%	4,1%	4,1%	4,1%	4,0%	-0,2 pp	-0,1 pp	-0,1 pp			4,0%	4,0%
Consumer Price Index		2,5%	2,5%	1,5%	1,6%	2,0%	2,2%	1,4%	1,5%			1,6%	2,4%

World Major Economies GDP

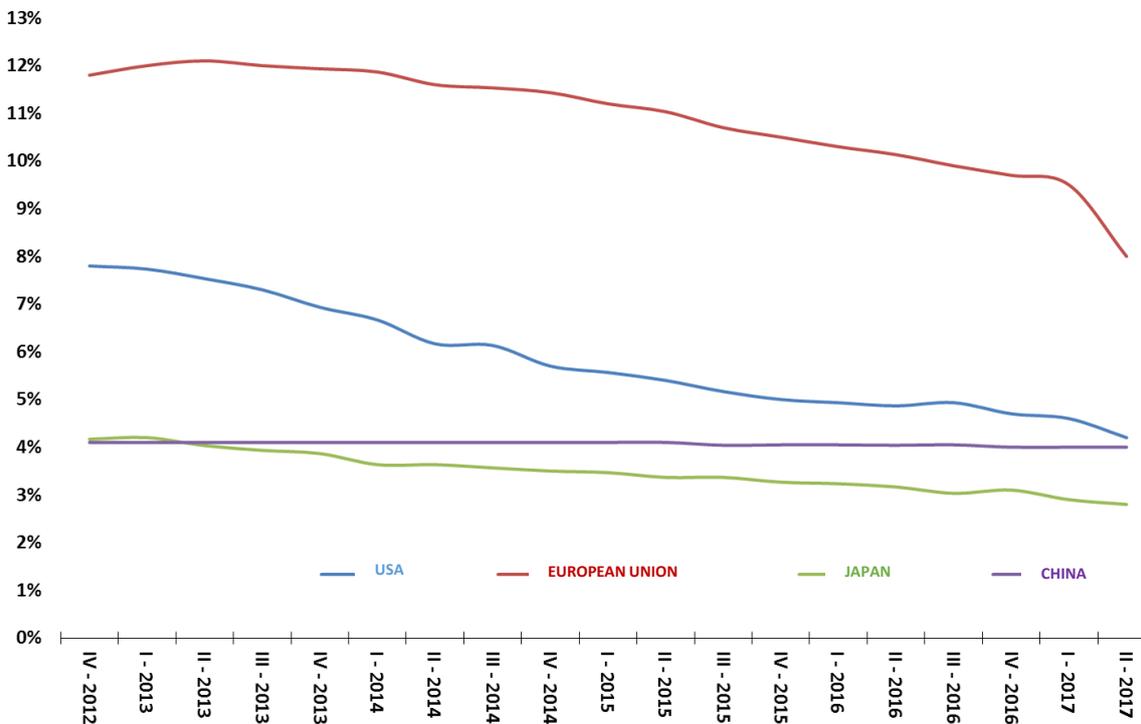
GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

World Major Economies Unemployment Rate

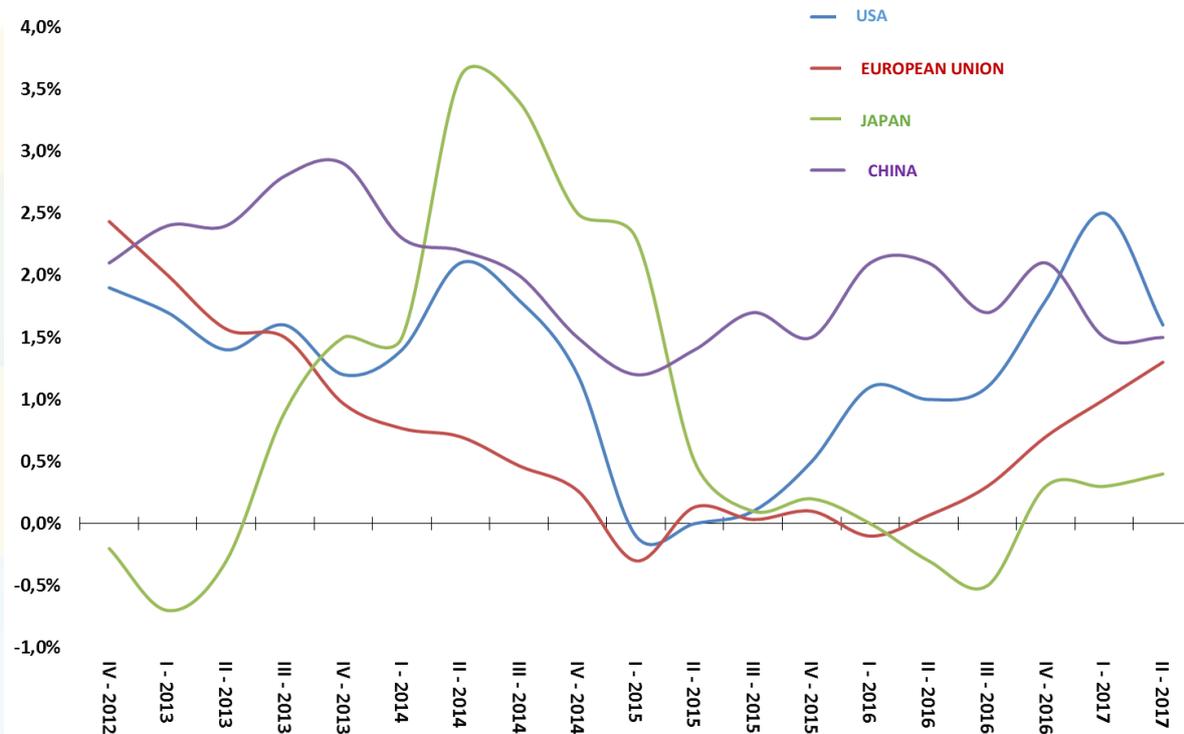
Unemployment Rate as % of Labor Force



Source: OECD.

World Major Economies Consumer Price Index

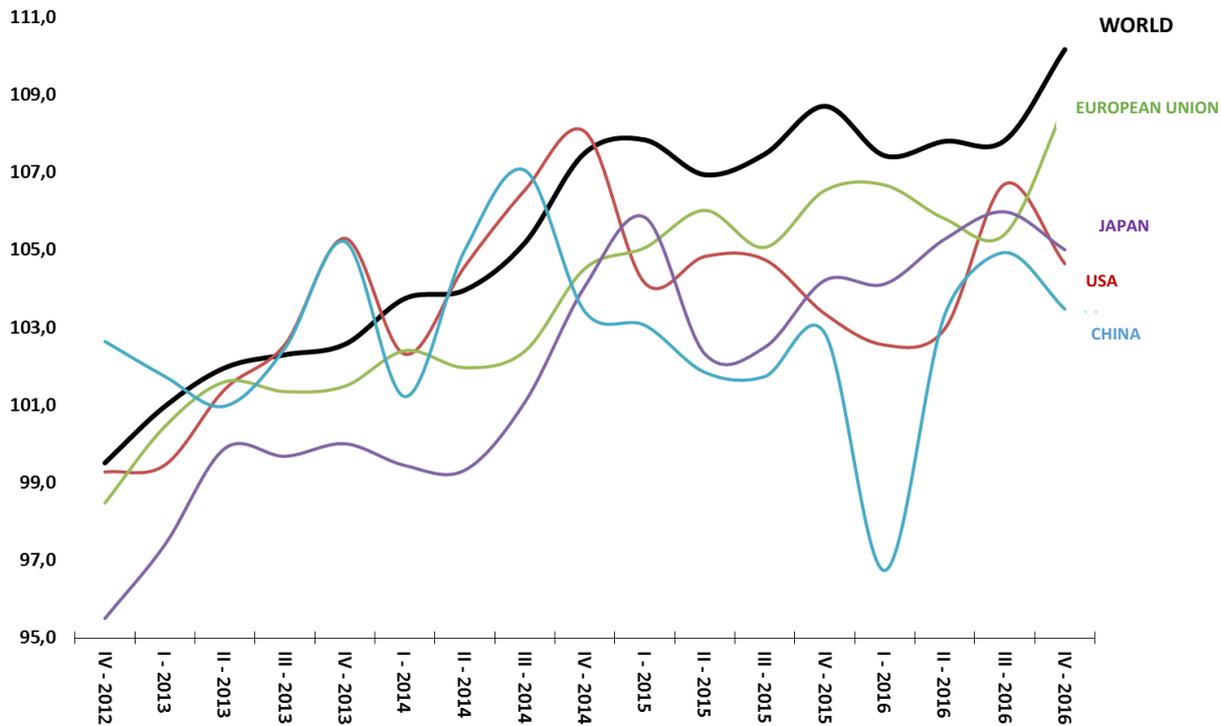
Consumer Price Indexes – annual chg. %



Source: OECD.

World Major Economies Total Exports

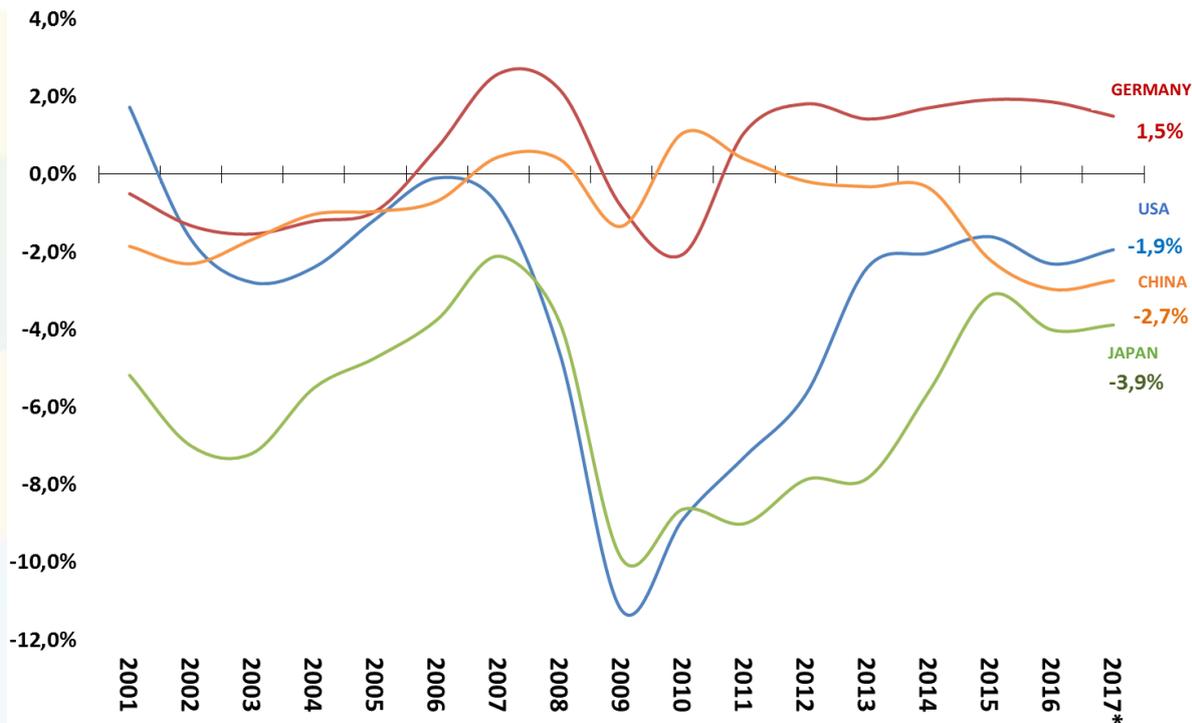
Total Exports Volume Index – Q3-2012 = 100



Source: OECD.

World Major Economies Government Primary Surplus

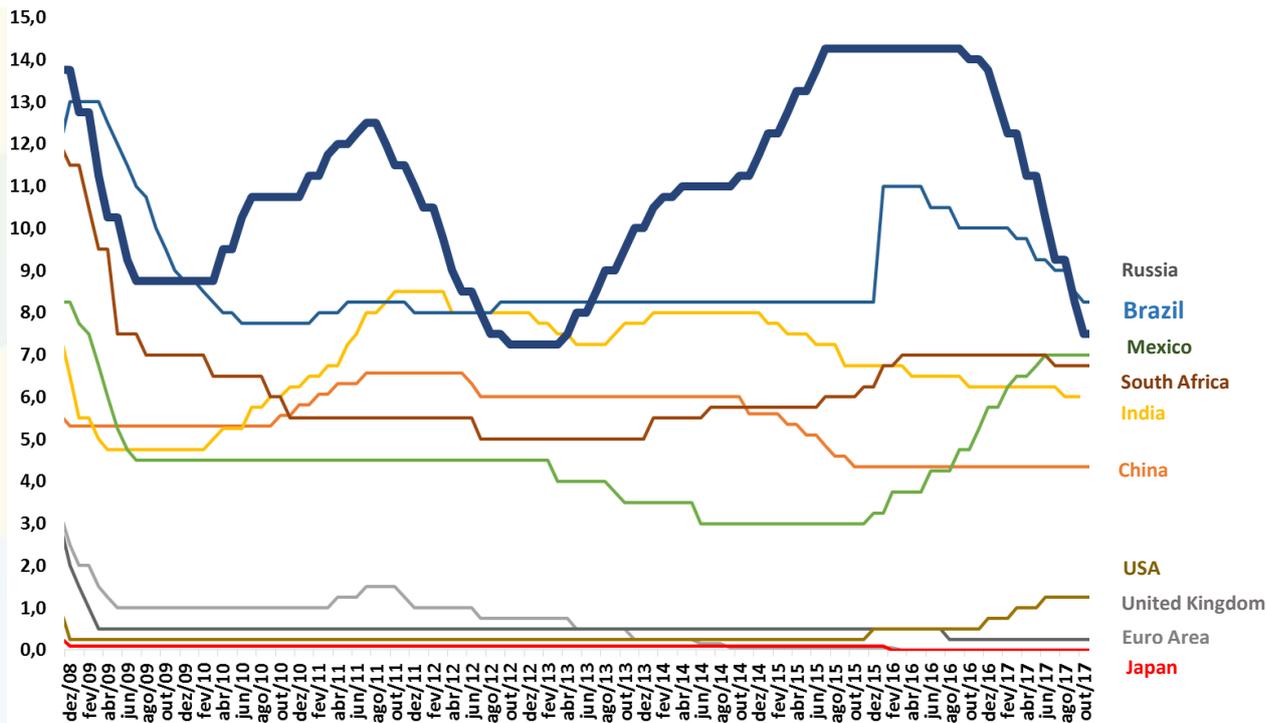
Central Government Primary Surplus as % of GDP



Source: IMF. * Estimated values

Selected Economies Main Interest Rate

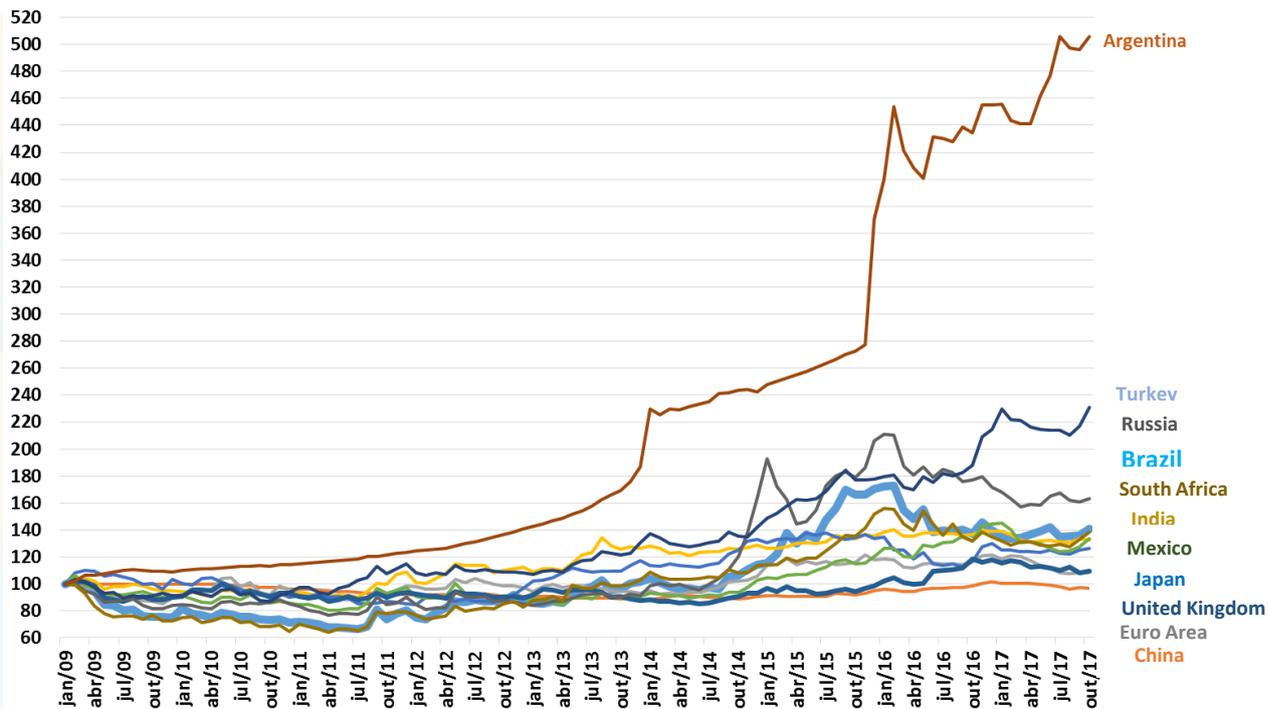
Main Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

Selected Economies FX-dollar Rate Evolution

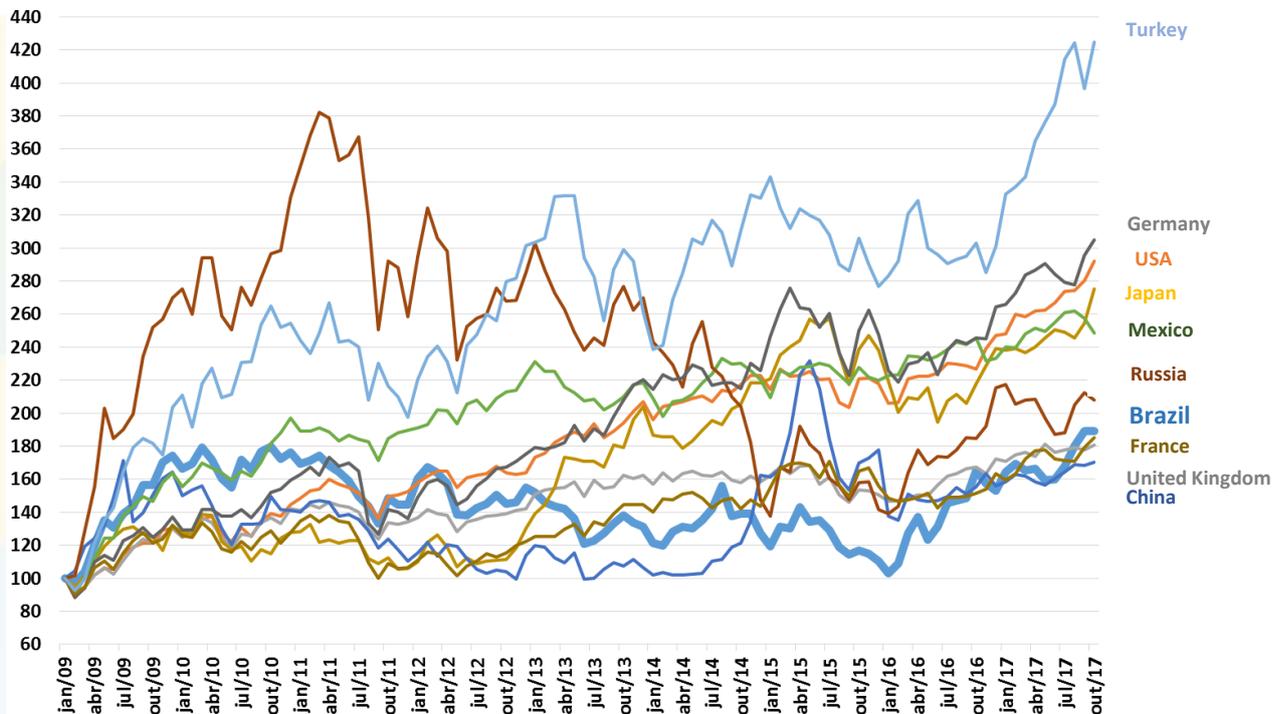
Selected Economies FX-rate Indexes – Dec/2008 = 100



Sources: Bloomberg.

Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Dec/2008 = 100



Sources: Bloomberg.

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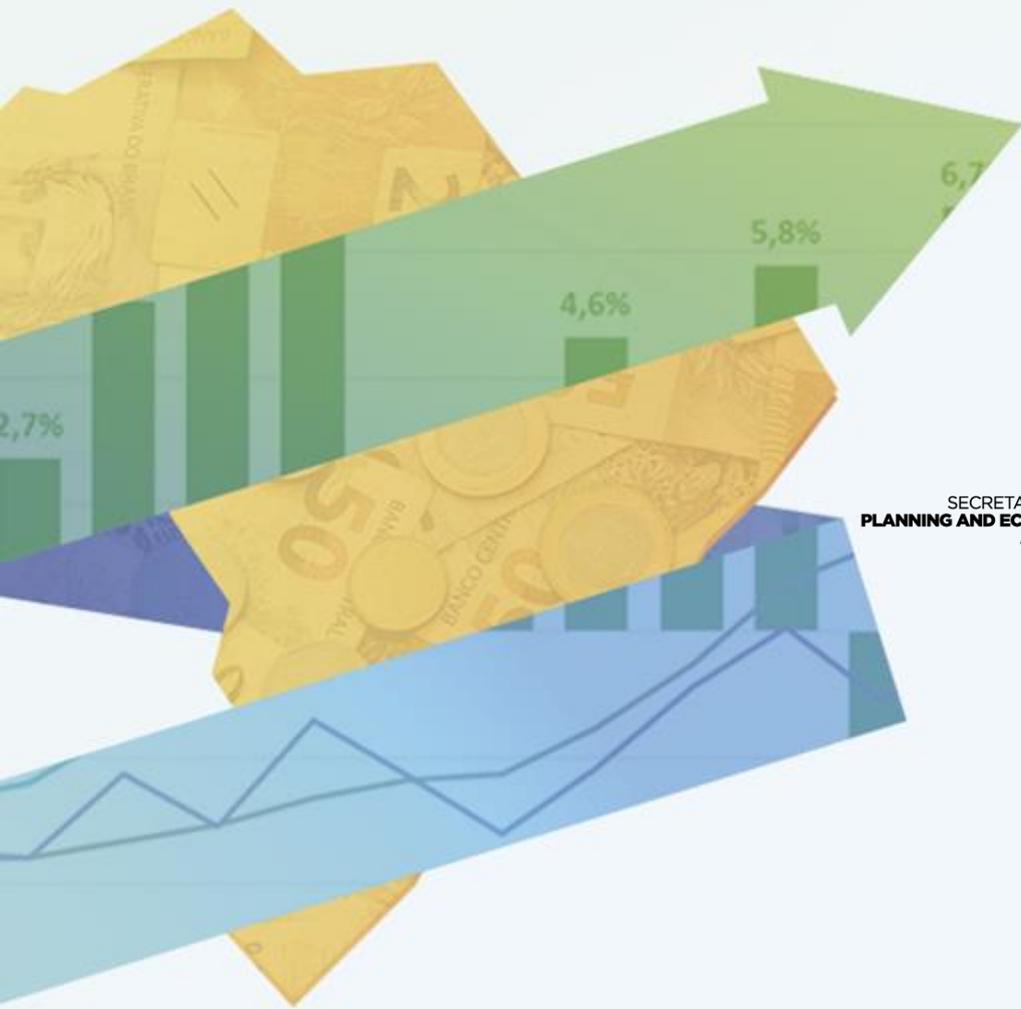
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