

# MACROECONOMIC OUTLOOK

January 2017

Macroeconomic Outlook is an informational report produced by Secretariat for Planning and Economic Issues (SEPLAN) related to a set of primary public economic data about Brazilian economy. Its content does not represent any prospective policy decisions or limitations to the actions taken by Ministry of Planning, Development and Management.

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PLANNING, DEVELOPMENT  
AND MANAGEMENT

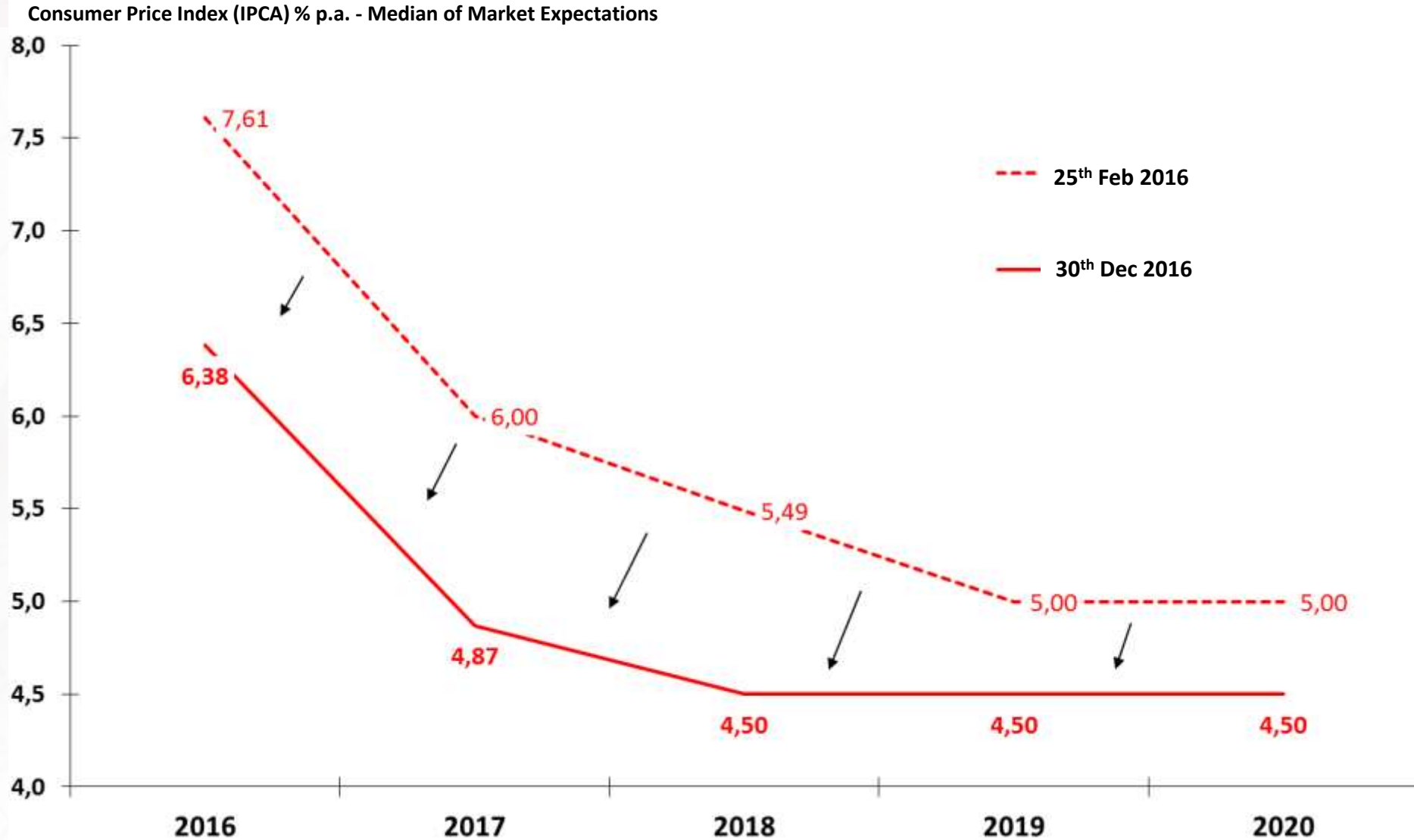


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# EDITION'S HIGHLIGHTS

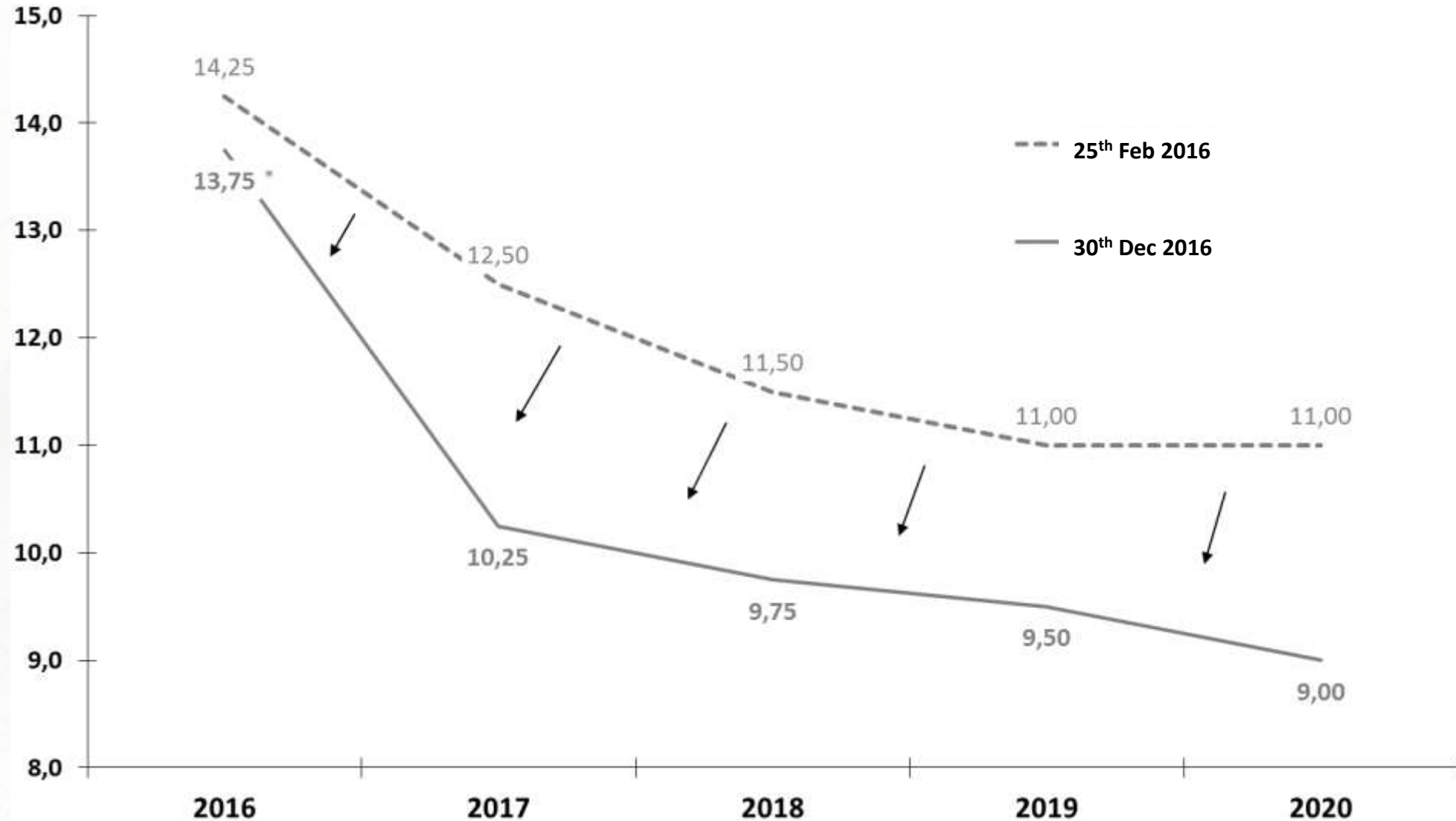
# Consumer Price Index (IPCA): Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

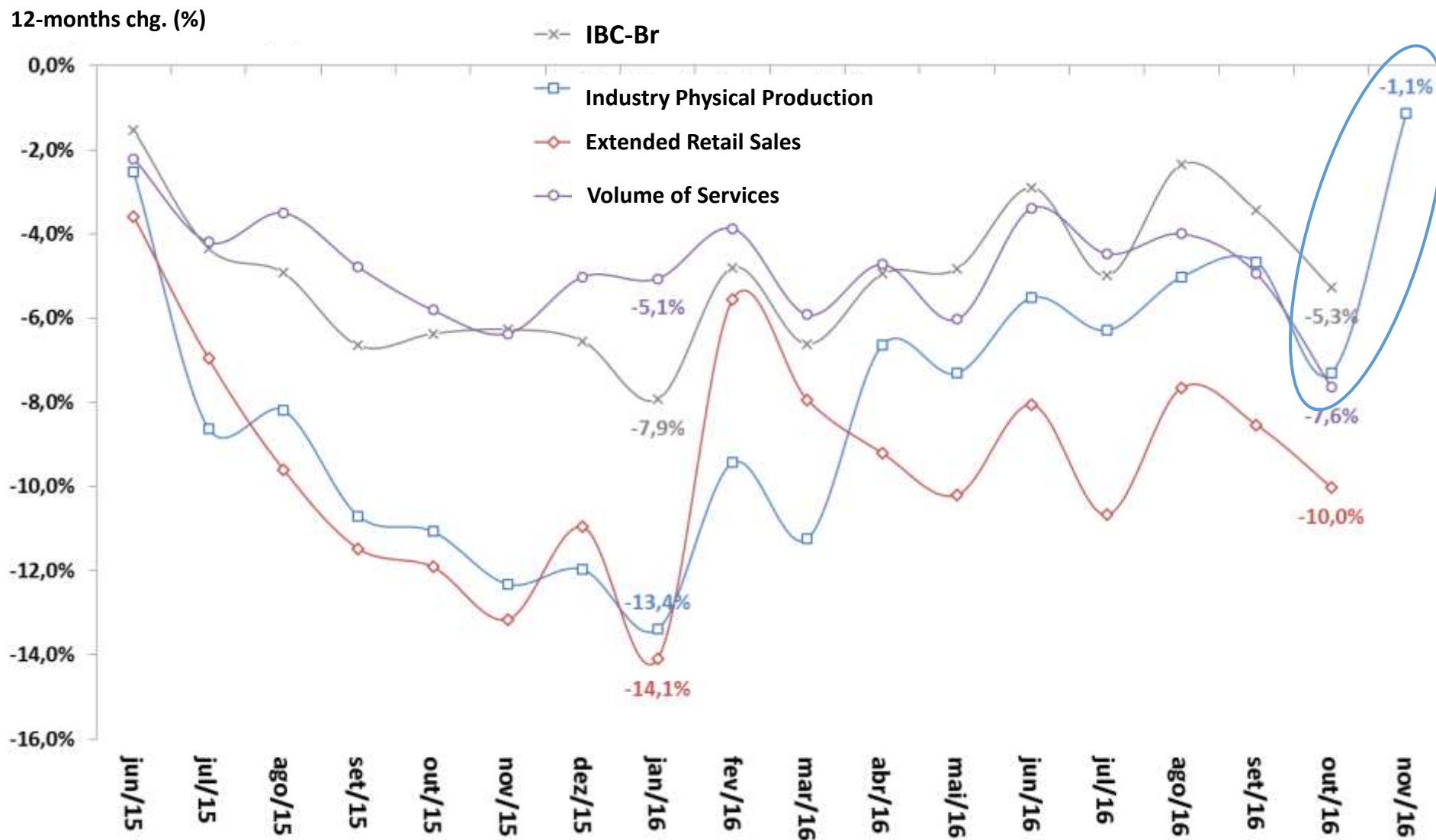
# Official Interest Rate (Selic-target): Median of Market Expectations

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



Source: Focus Survey, Central Bank of Brazil.

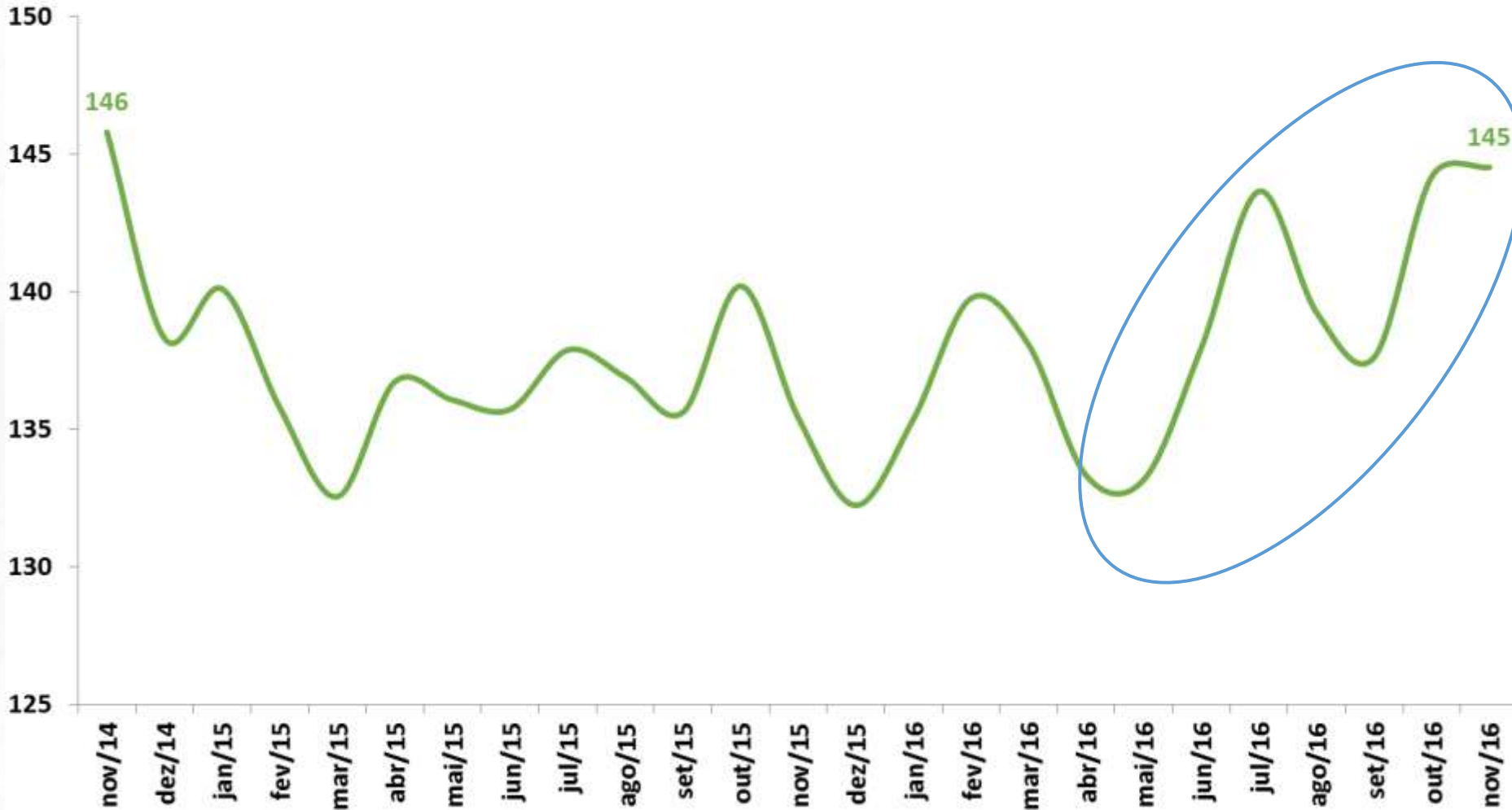
# Major Monthly Economic Activity Indicators



Sources: Central Bank of Brazil and IBGE: Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

# ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales  
Seasonally Adjusted Data

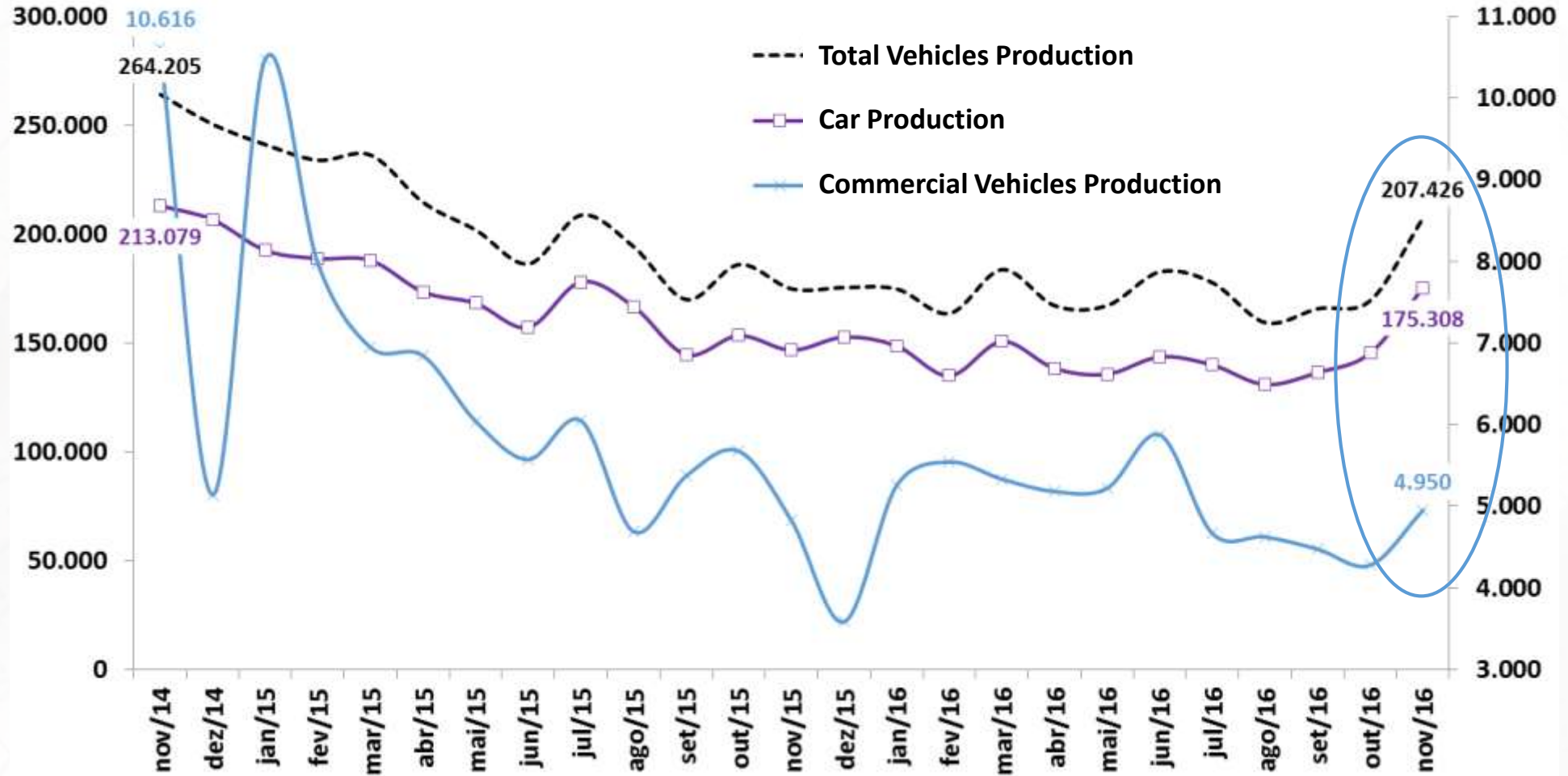


Source: ABRAS. \* Seasonally adjusted by SEPLAN/MP.

# Anfavea: Automotive Sector Production

Total Vehicles and Car Production  
Amount of Vehicles Monthly Manufactured  
Seasonally Adjusted Data\*

Commercial Vehicles Production  
Amount of Vehicles Monthly Manufactured  
Seasonally Adjusted Data\*



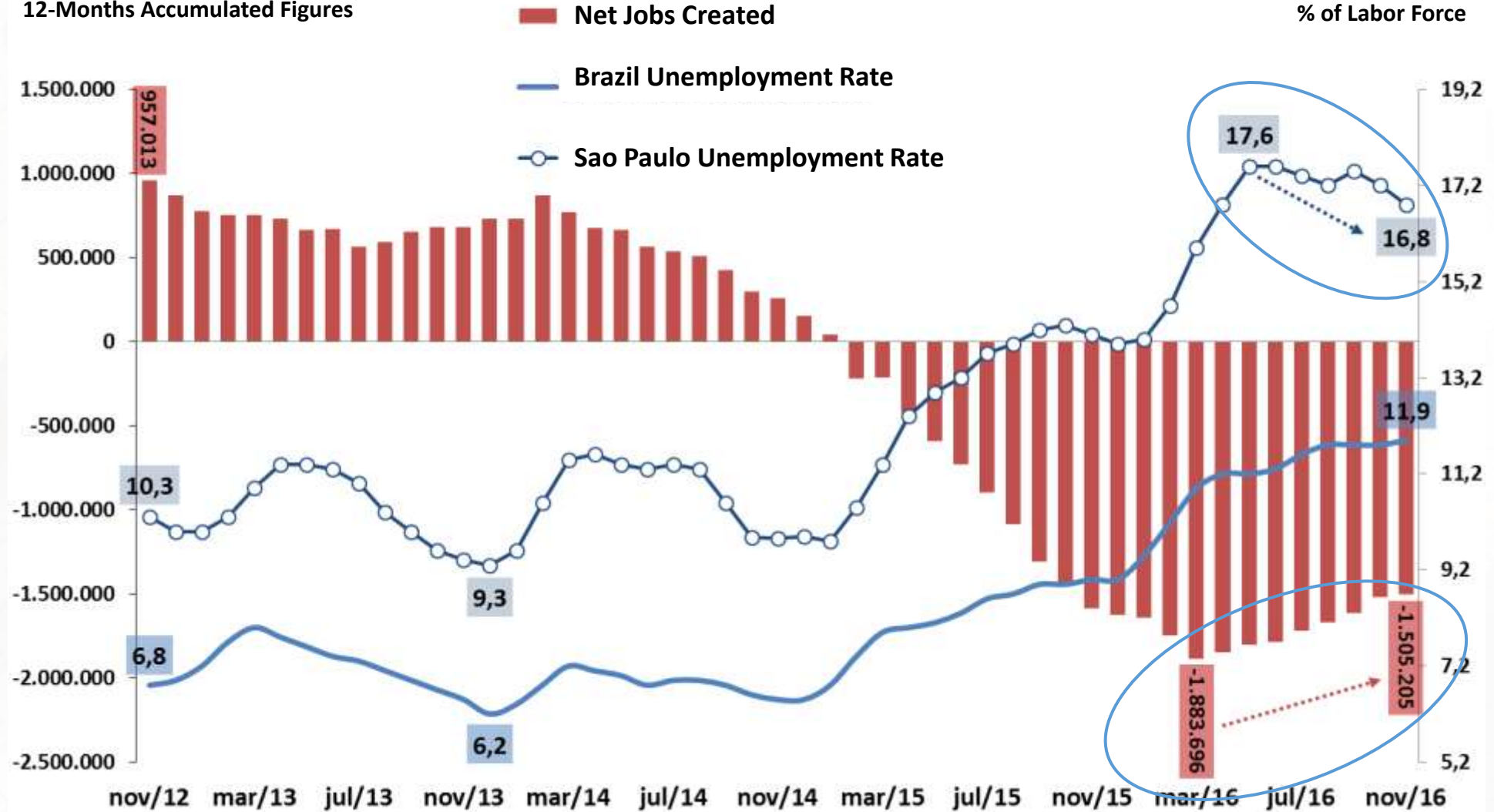
Source: ANFAVEA. \* Seasonally adjusted by SEPLAN/MP.



# Unemployment Rate and Net Formal Job Creation

Net Formal Jobs Creation  
12-Months Accumulated Figures

Brazil and Sao Paulo Unemployment Rate  
% of Labor Force



Sources: IBGE-PNADC, SEADE-PED and MTE-CAGED.

# Real Wage Bill and Average Real Earning

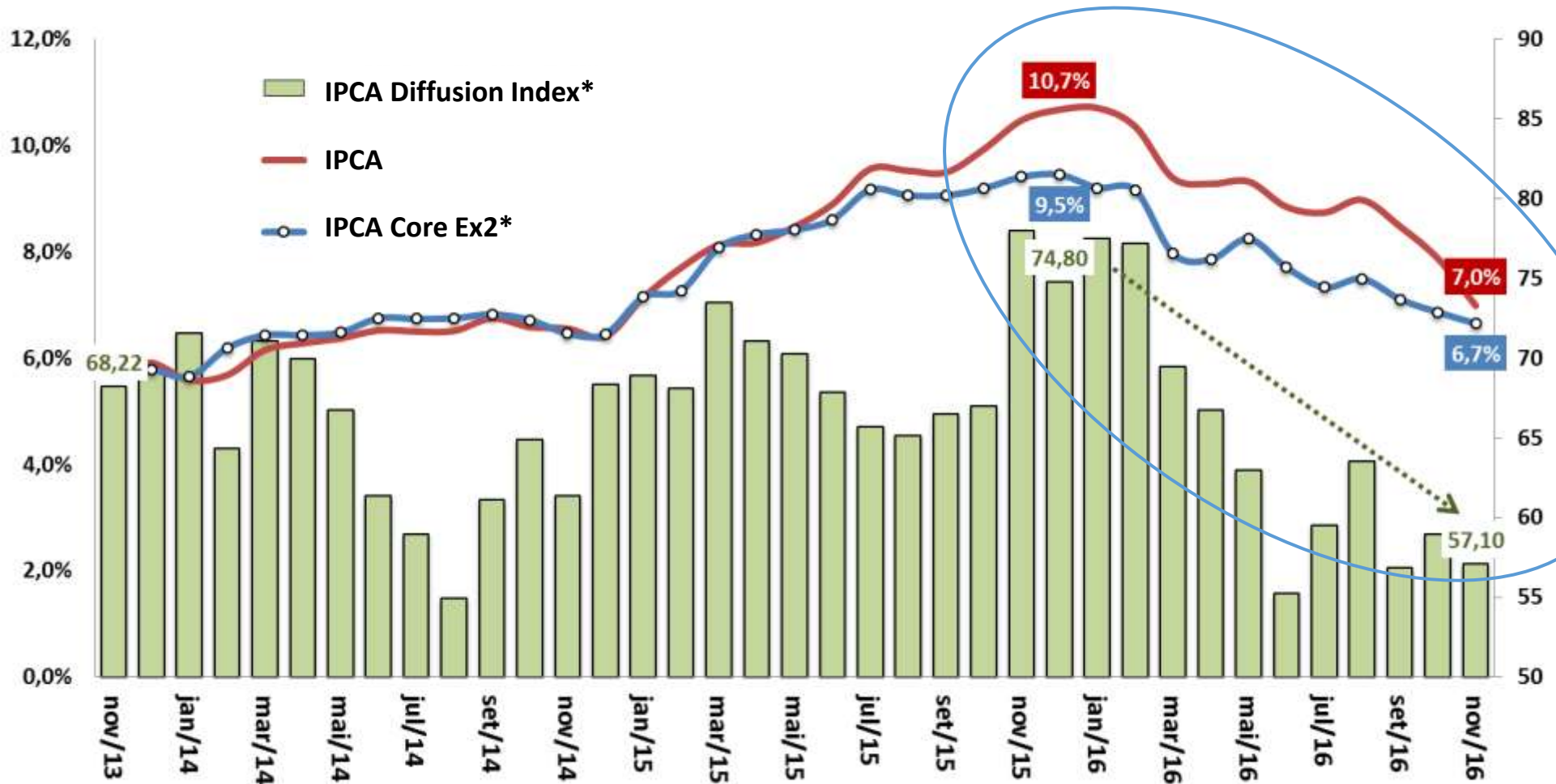


Source: IBGE-PNADC.

# IPCA, Core Inflation (IPCA Ex2) and Diffusion Index

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

IPCA Diffusion Index  
% items with prices increase



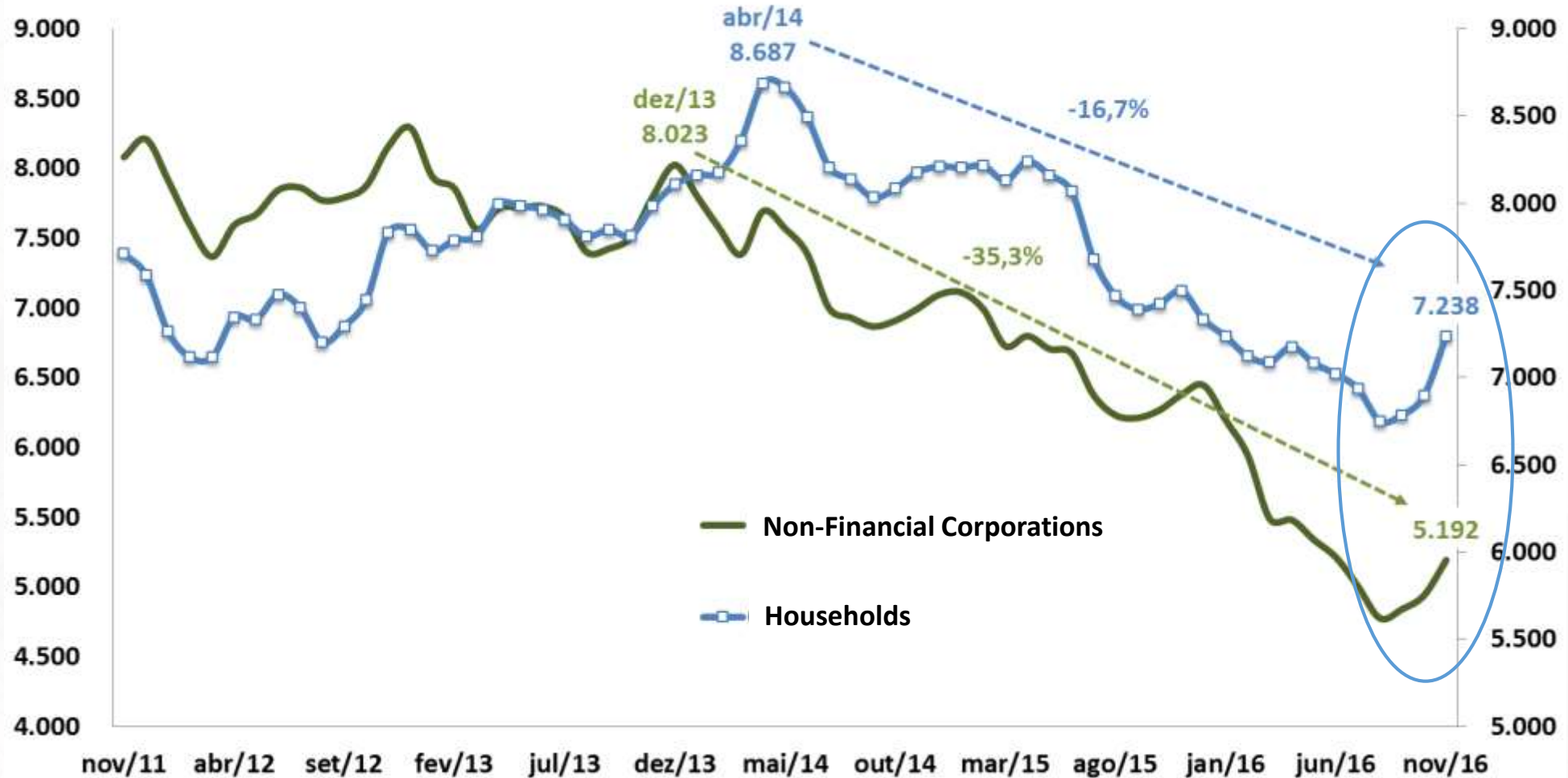
Source: IBGE. \* Ex2 = Exclusion from the main index of 12 items, 10 from residence dining and 2 from regulated prices. The excluded items represent, on average, 16% of IPCA main index.

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

# New Loans to Households and Non-Financial Corporations

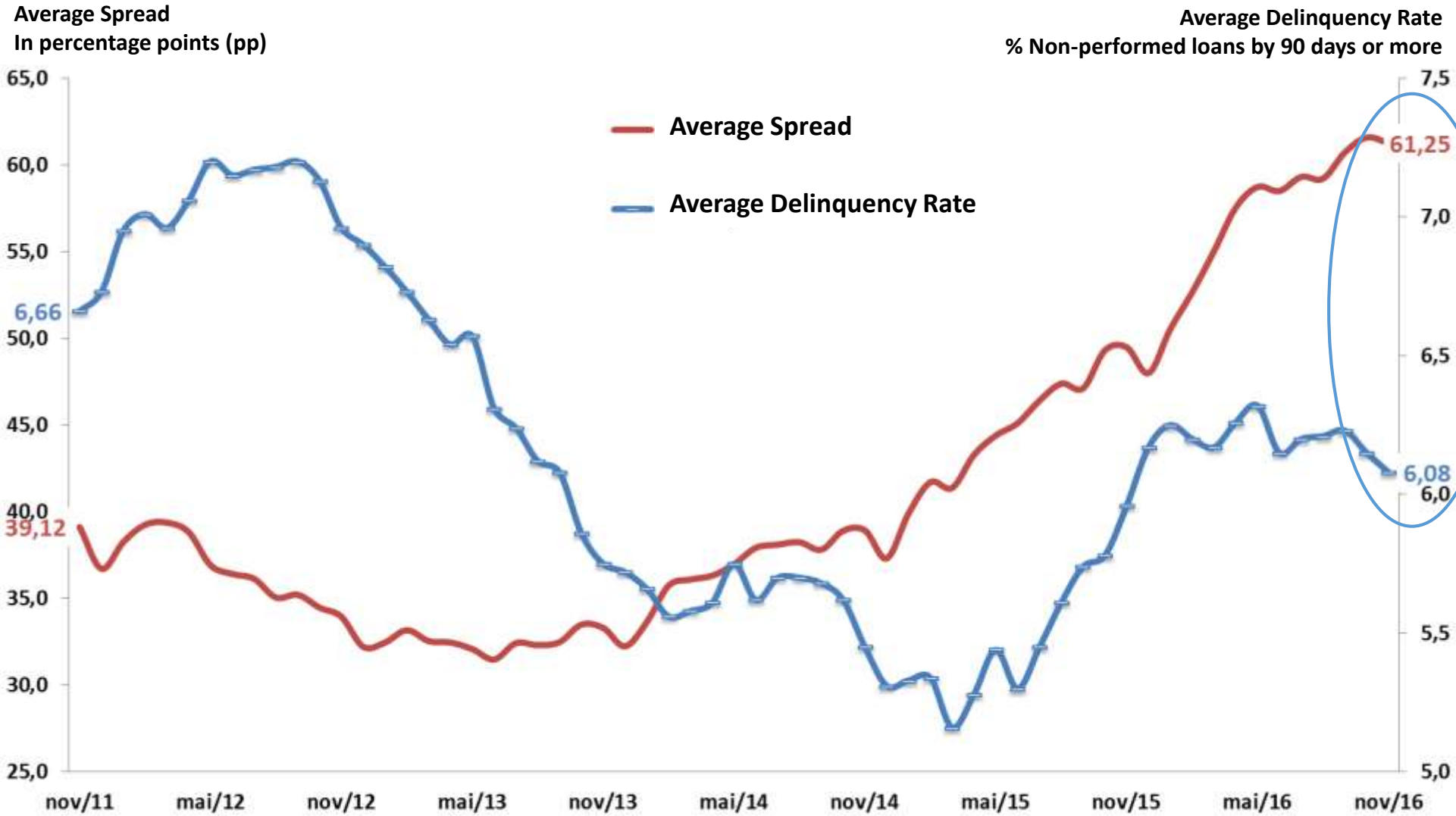
Daily Average of New Loans to Non-Financial Corporations  
R\$ millions of the last month  
3-Months Moving Average - Seasonally Adjusted\*

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



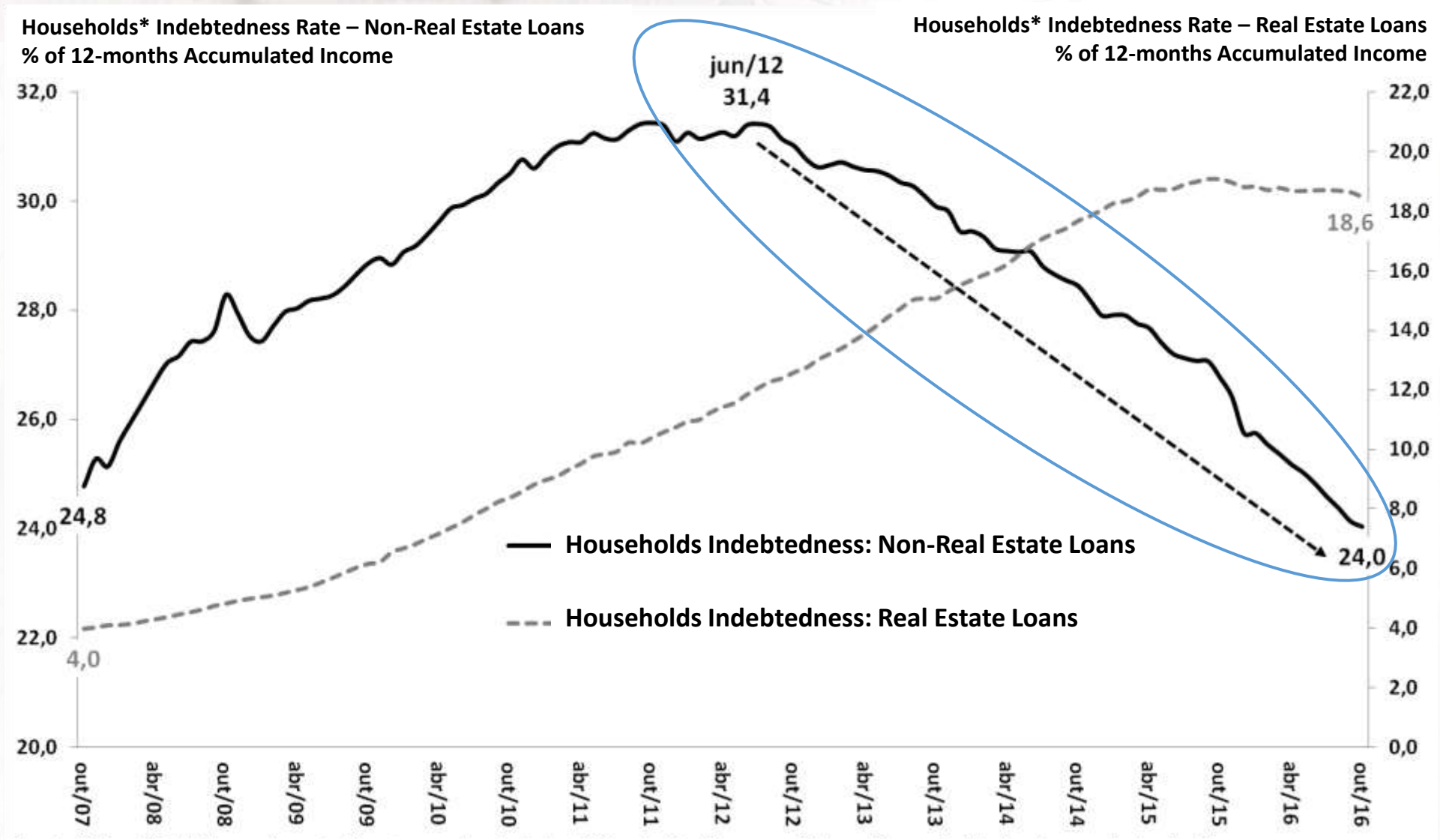
Source: Central Bank of Brazil. \* Seasonally adjusted by SEPLAN/MP.

# Households Loans: Spread and Delinquency Rates



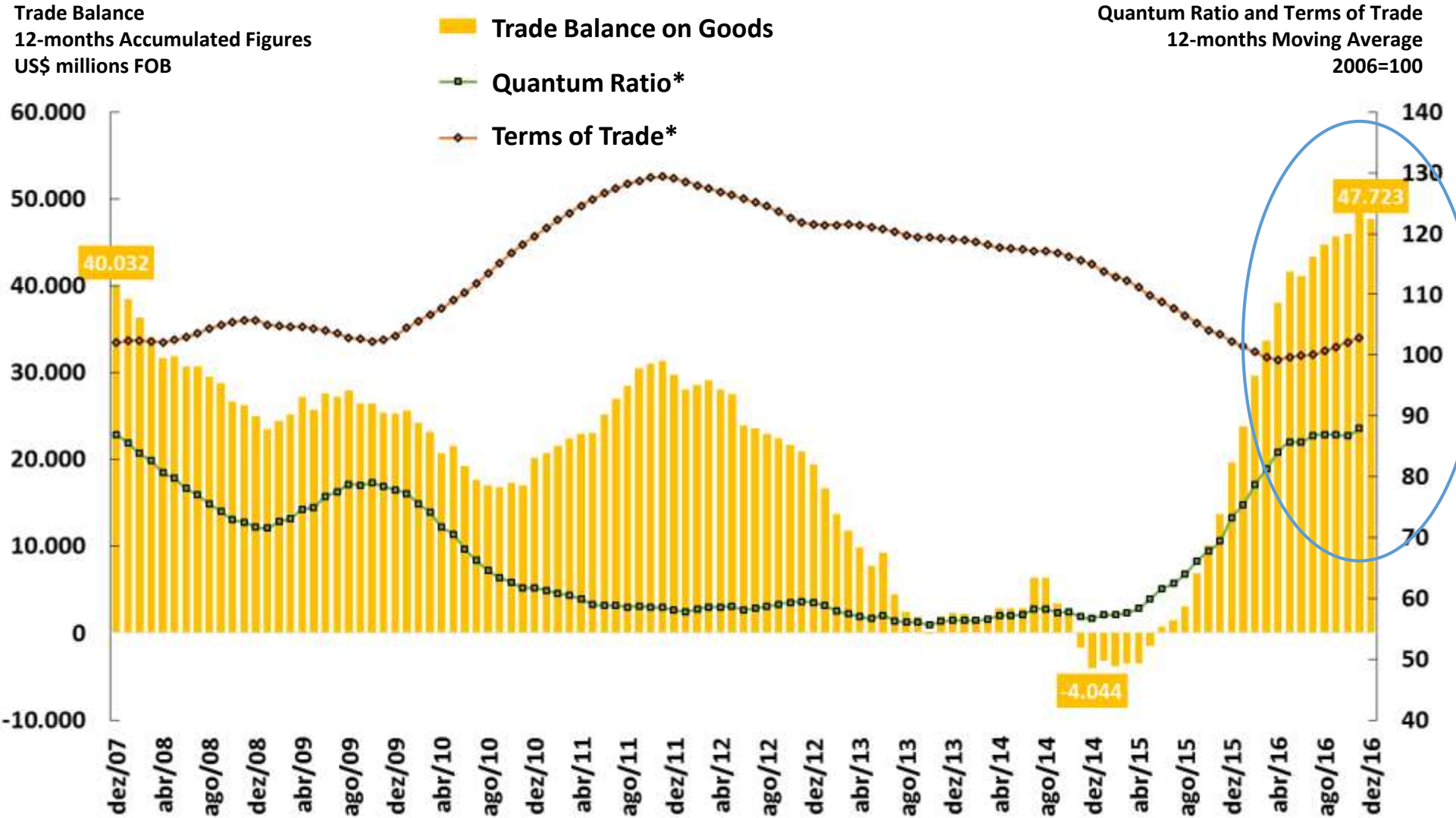
Source: Central Bank of Brazil.

# Households Indebtedness Rate



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

# Trade Balance, Quantum and Terms of Trade Ratios

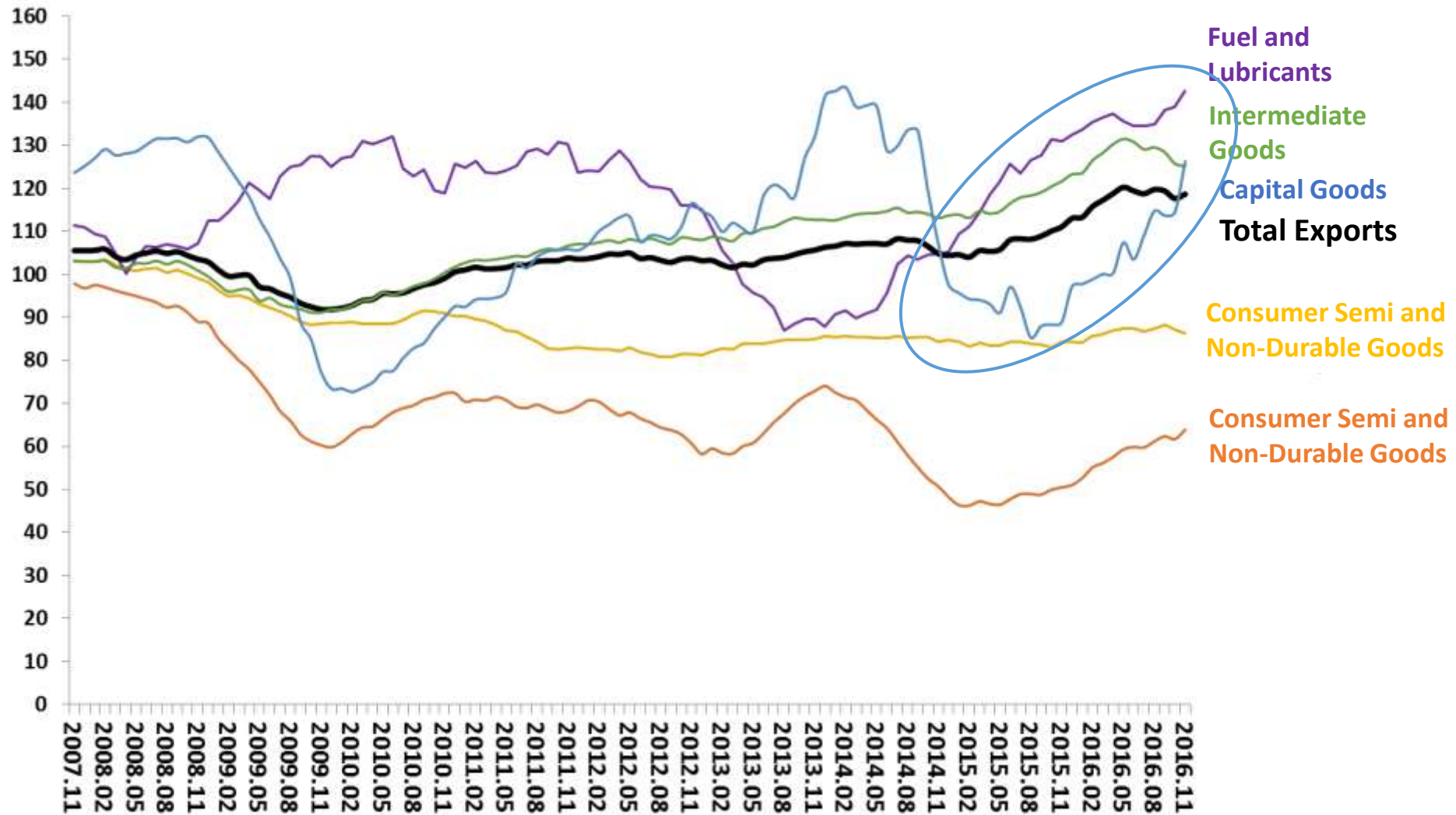


Sources: SECEX/MDIC and FUNCEX.

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

# Quantum of Total Exports and by Economic Categories

Exports Quantum and Economic Categories  
12-months Moving Average (2006=100)

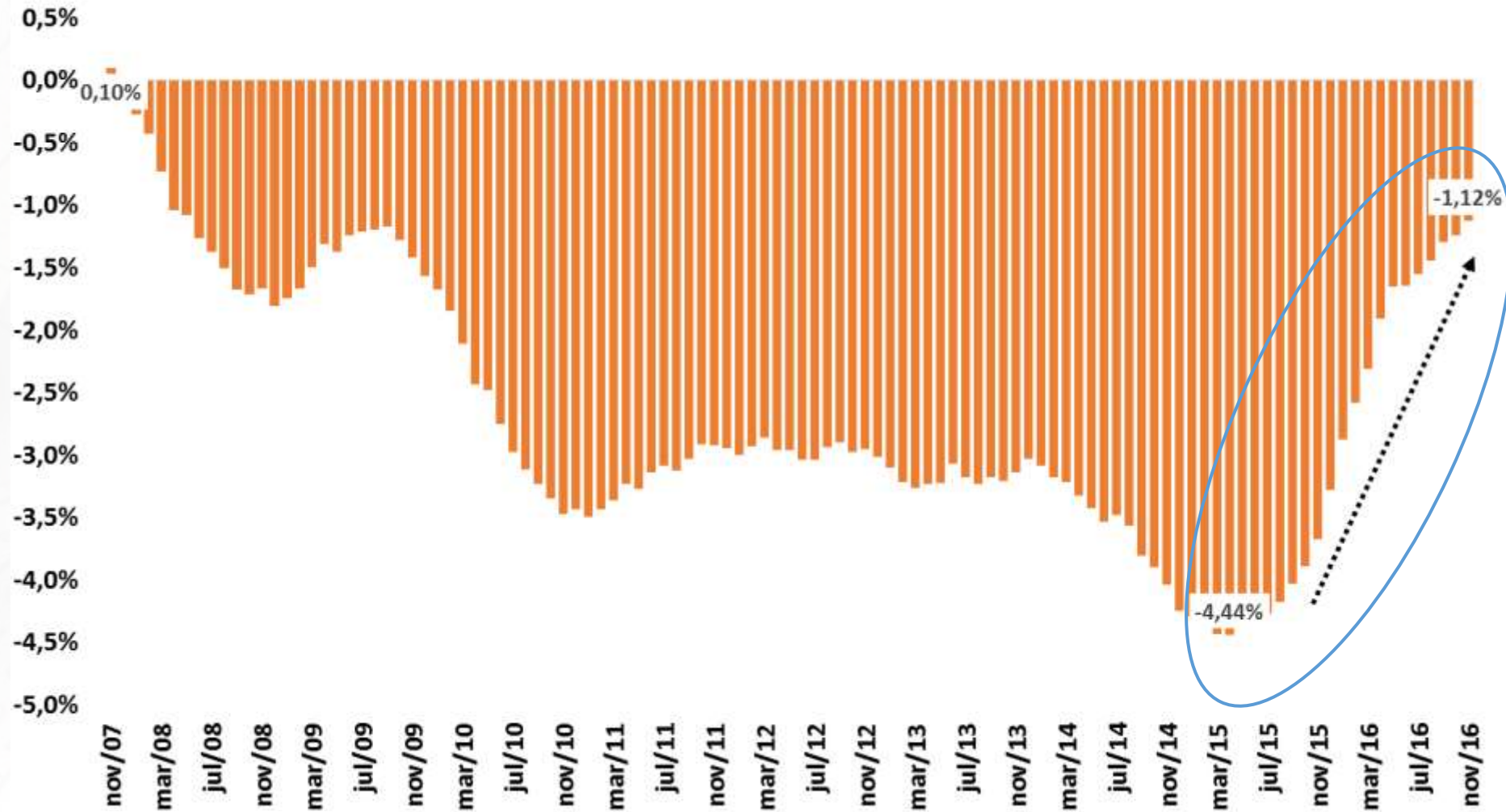


Source: FUNCEX.



# Current Account Deficit as % of GDP

Current Account as % of GDP  
12-months Figures



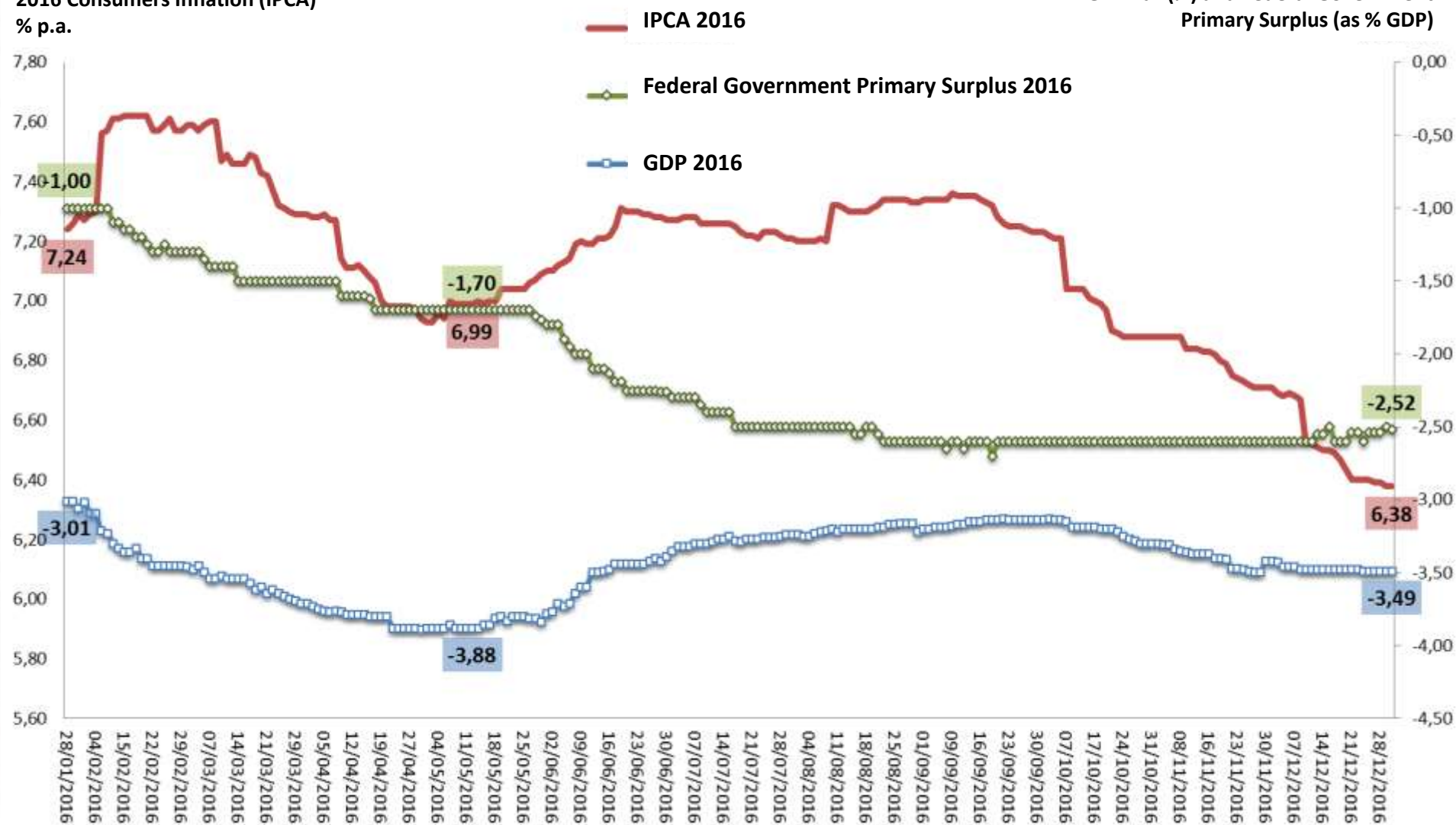
Source: Central Bank of Brazil.

# MARKET EXPECTATIONS

# Market Expectations for 2016

Median of Market Expectations  
2016 Consumers Inflation (IPCA)  
% p.a.

Median of Market Expectations for 2016  
GDP var.(%) and Federal Government  
Primary Surplus (as % GDP)

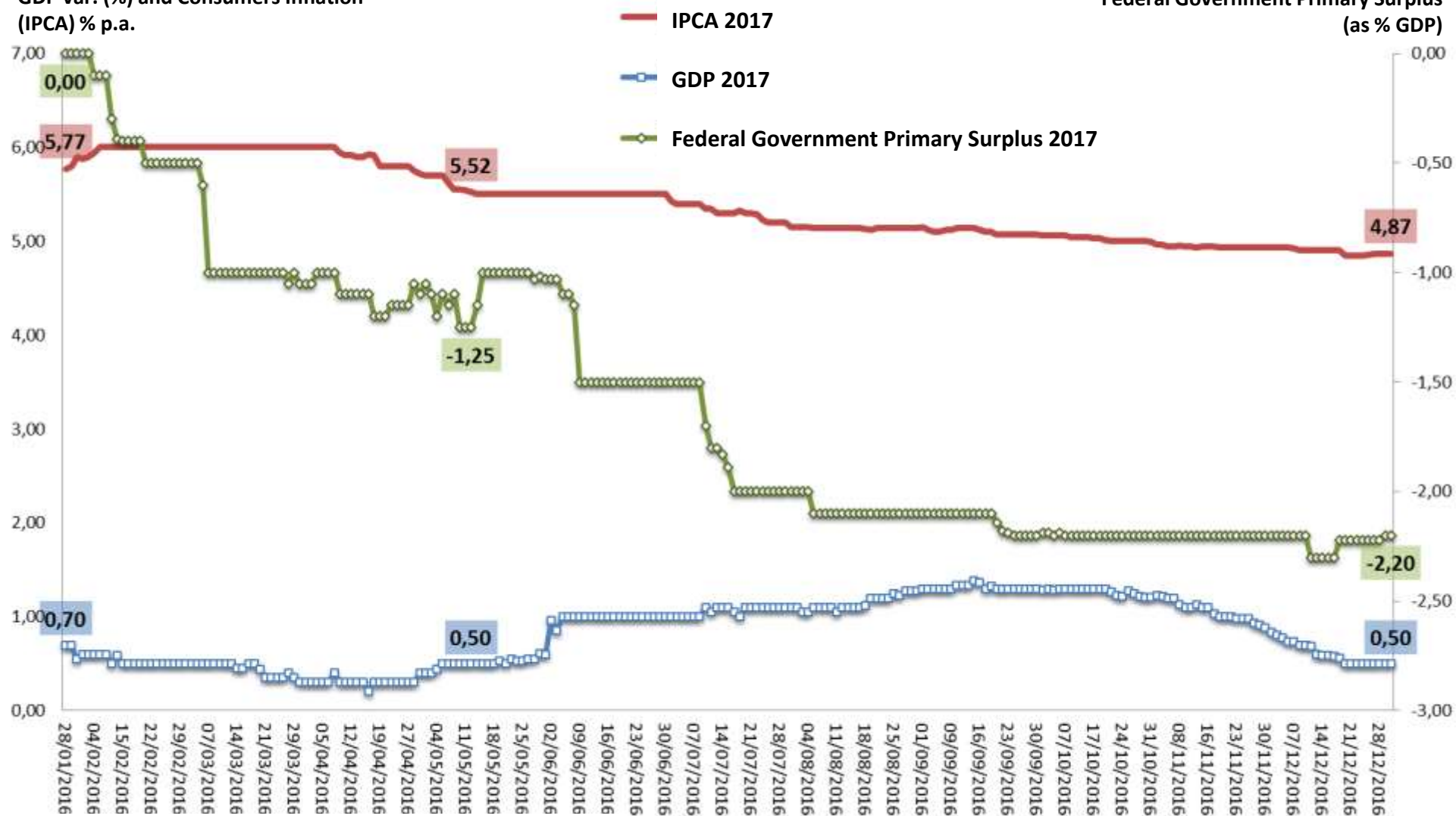


Source: Focus Survey, Central Bank of Brazil.

# Market Expectations for 2017

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

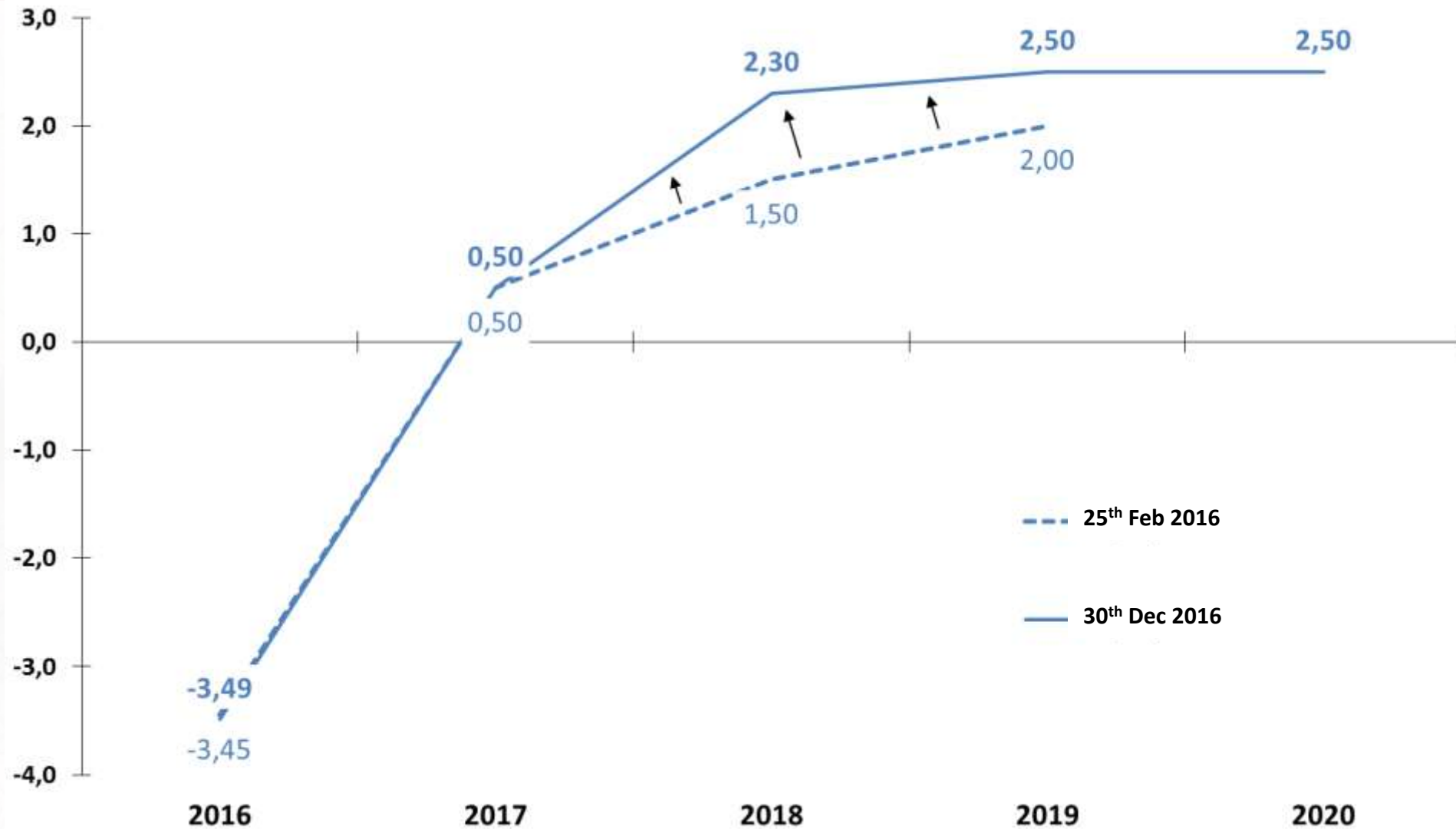
Median of Market Expectations for 2017  
Federal Government Primary Surplus  
(as % GDP)



Source: Focus Survey, Central Bank of Brazil.

# GDP: Median of Market Expectations

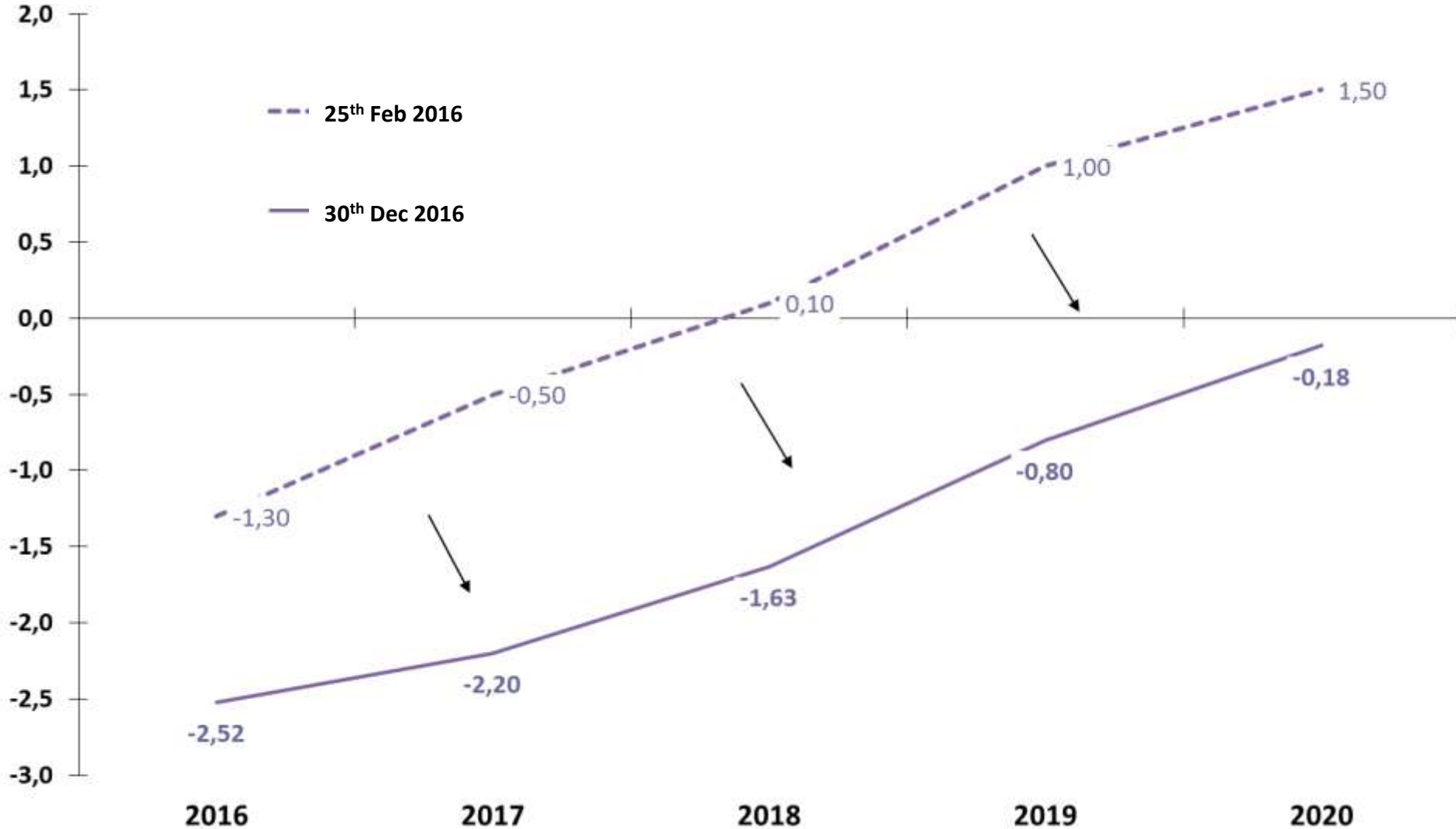
GDP var. (%) - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

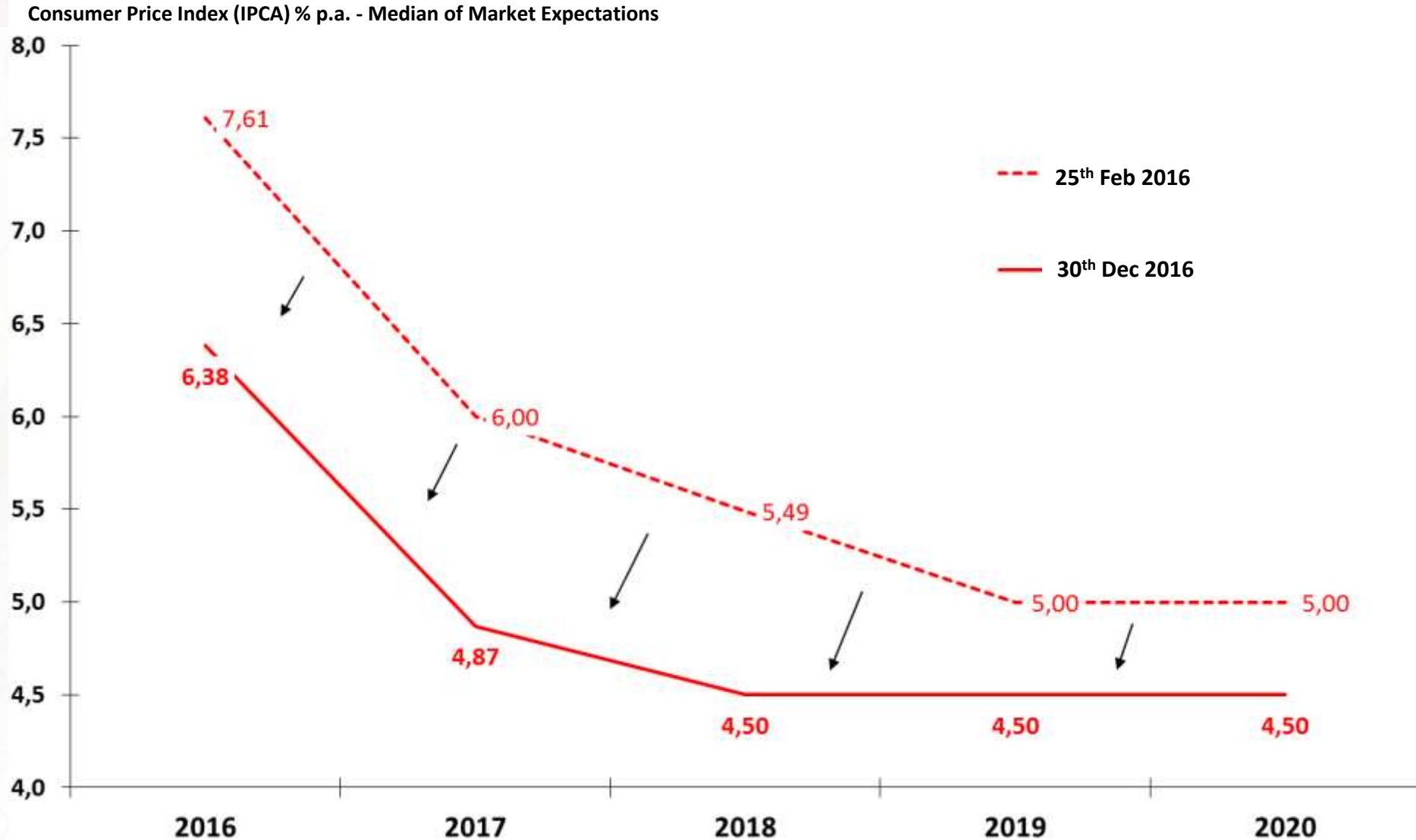
# Primary Surplus: Median of Market Expectations

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



Source: Focus Survey, Central Bank of Brazil.

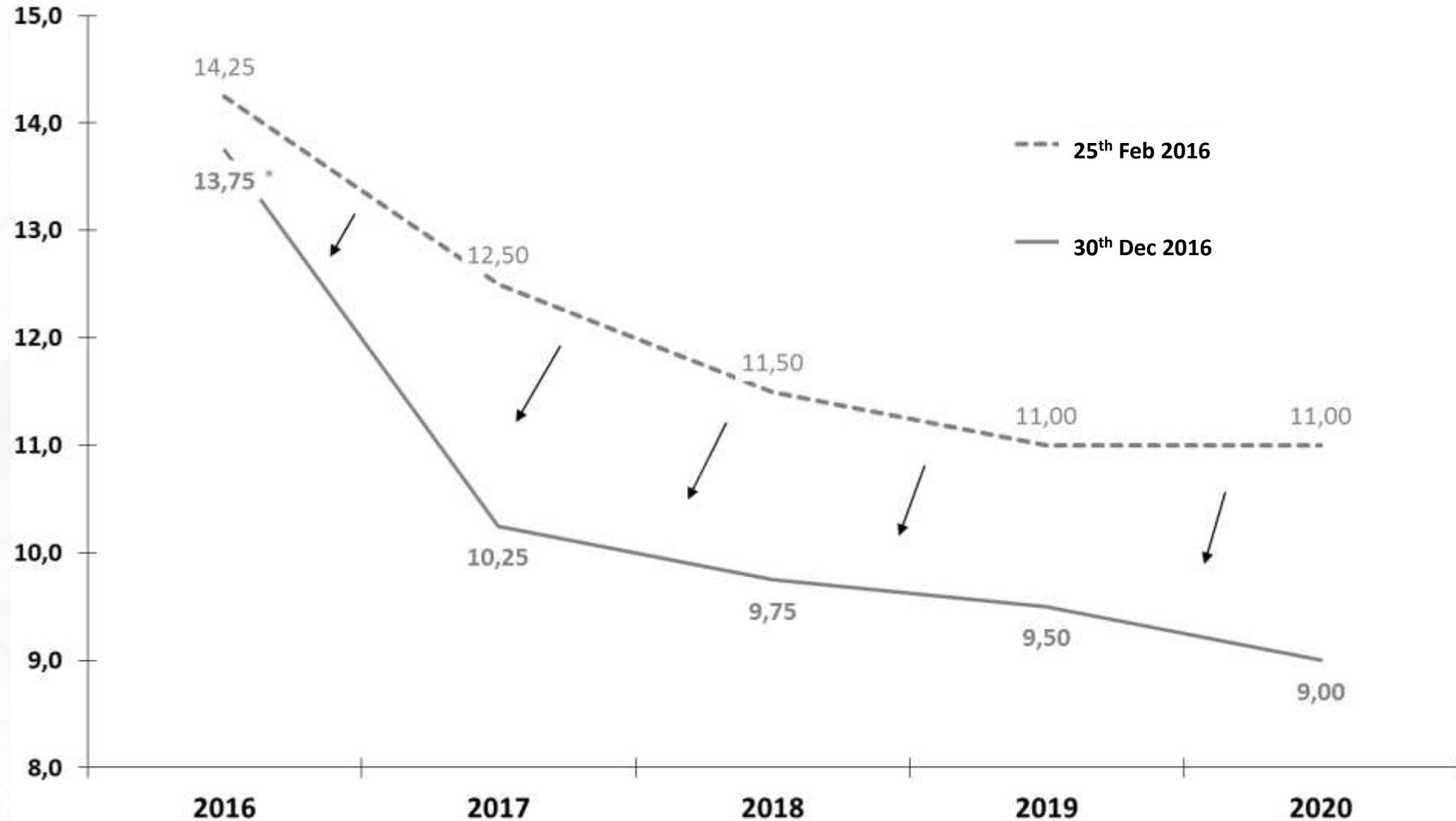
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Source: Focus Survey, Central Bank of Brazil.

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

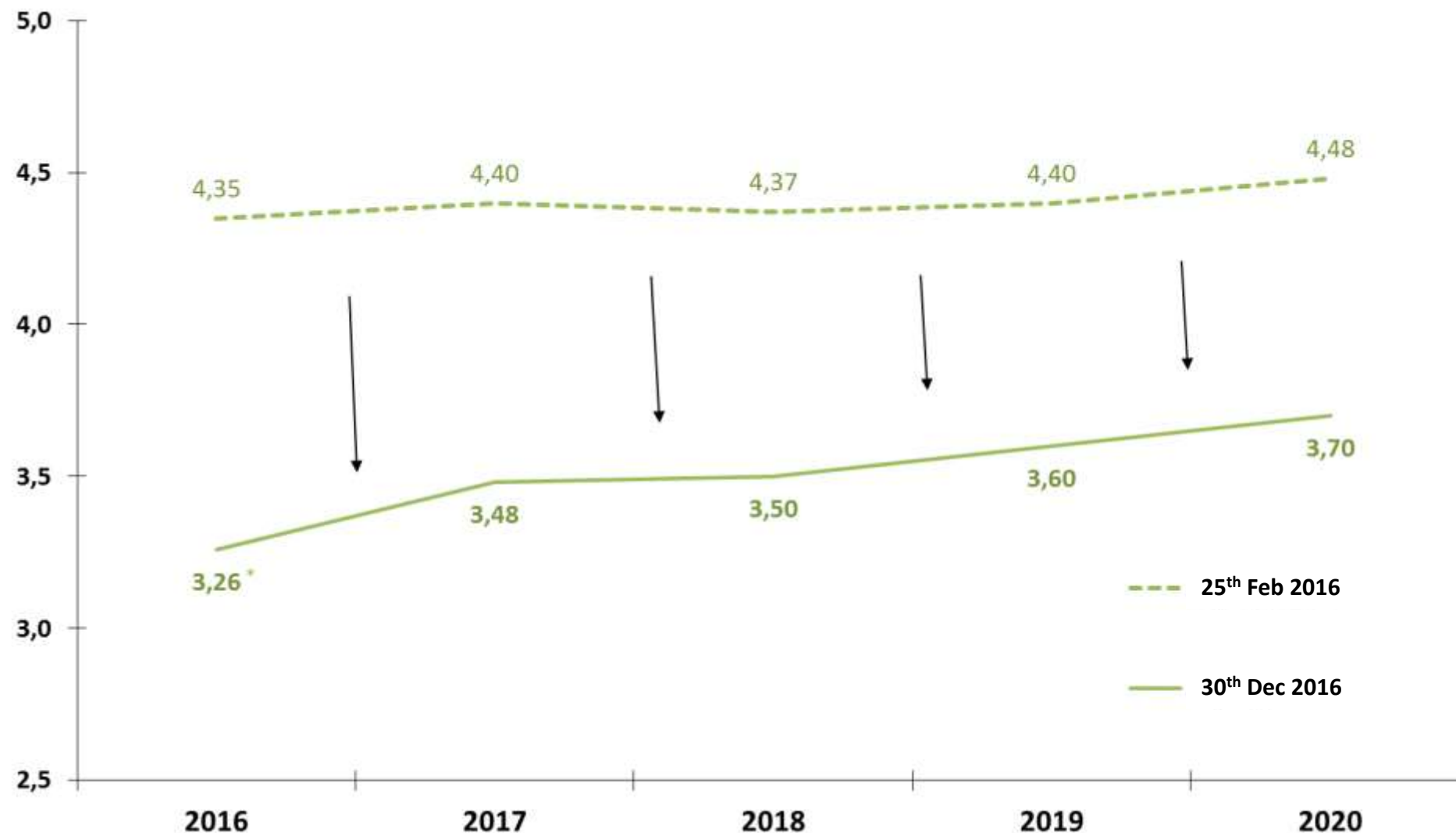


Source: Focus Survey, Central Bank of Brazil.



# 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

										BCB/Focus: December 30, 2016			
Gross Domestic Product (IBGE)	Q3 2016												
	% change	2015	Q2-2016 / Q2-2015	Q3-2016 / Q3-2015	Q2-2016 / Q1-2016 (seasonally adjusted)	Q3-2016 / Q2-2016 (seasonally adjusted)	Year-To-Date	Q2-2016 accum. in 4-quarters	Q3-2016 accum. in 4-quarters	carry-over 2016	2016	2017	2018
Agriculture	3,6%	-6,1%	-6,0%	-0,8%	-1,4%	-6,9%	-4,1%	-5,6%	-6,6%	-6,00%	3,37%	2,90%	
Industry	-6,3%	-2,9%	-2,9%	1,2%	-1,3%	-4,3%	-6,3%	-5,4%	-3,7%	-3,53%	0,68%	2,20%	
Services	-2,7%	-2,7%	-2,2%	-0,6%	-0,6%	-2,8%	-3,4%	-3,2%	-2,5%	-2,55%	0,00%	2,00%	
<b>GDP (market prices)</b>	<b>-3,8%</b>	<b>-3,6%</b>	<b>-2,9%</b>	<b>-0,4%</b>	<b>-0,8%</b>	<b>-4,0%</b>	<b>-4,8%</b>	<b>-4,4%</b>	<b>-3,4%</b>	<b>-3,49%</b>	<b>0,50%</b>	<b>2,30%</b>	
Household Expenditure	-3,9%	-4,8%	-3,4%	-1,0%	-0,6%	-4,7%	-5,5%	-5,2%	-4,3%				
Government Expenditure	-1,1%	-0,5%	-0,8%	0,0%	-0,3%	-0,7%	-1,1%	-1,0%	-0,5%				
Gross Fixed Capital Formation	-13,9%	-8,6%	-8,4%	0,5%	-3,1%	-11,6%	-15,0%	-13,5%	-10,0%				
Exports of Goods and Services	6,3%	4,0%	0,2%	-1,8%	-2,8%	5,2%	7,2%	6,8%	3,4%				
Imports of Goods and Services (-)	-14,1%	-10,4%	-6,8%	2,8%	-3,1%	-13,1%	-18,0%	-14,8%	-10,3%				
Economic Activity Indicators (BCB and IBGE)	Q3 2016												
	% change	2015	Q2-2016 / Q2-2015	Q3-2016 / Q3-2015	Q2-2016 / Q1-2016 (seasonally adjusted)	Q3-2016 / Q2-2016 (seasonally adjusted)	Year-To-Date	Q2-2016 accum. in 4-quarters	Q3-2016 accum. in 4-quarters	carry-over 2016			
<b>IBC-Br Economic Activity Index*</b>	<b>-4,3%</b>	<b>-4,2%</b>	<b>-3,8%</b>	<b>-0,4%</b>	<b>-0,8%</b>	<b>-4,8%</b>	<b>-5,6%</b>	<b>-5,2%</b>	<b>-4,6%</b>				
LSPA: Agricultural Crop Production	6,9%	-3,0%	-11,2%	-6,2%	-5,7%	-3,1%	4,6%	-0,4%	-5,5%				
PIM: Industry Physical Production	-8,3%	-6,6%	-5,5%	1,1%	-1,1%	-7,8%	-9,8%	-8,8%	-7,0%				
PMC: Extended Retail Trade Sales	-8,6%	-9,2%	-9,0%	-2,4%	-2,7%	-9,2%	-10,0%	-10,0%	-9,1%				
PMS: Volume of Services	-3,6%	-4,7%	-4,4%	-1,1%	-0,5%	-4,7%	-4,9%	-5,0%	-4,7%				

LSPA: Systematic Survey of Agricultural Production (IBGE)

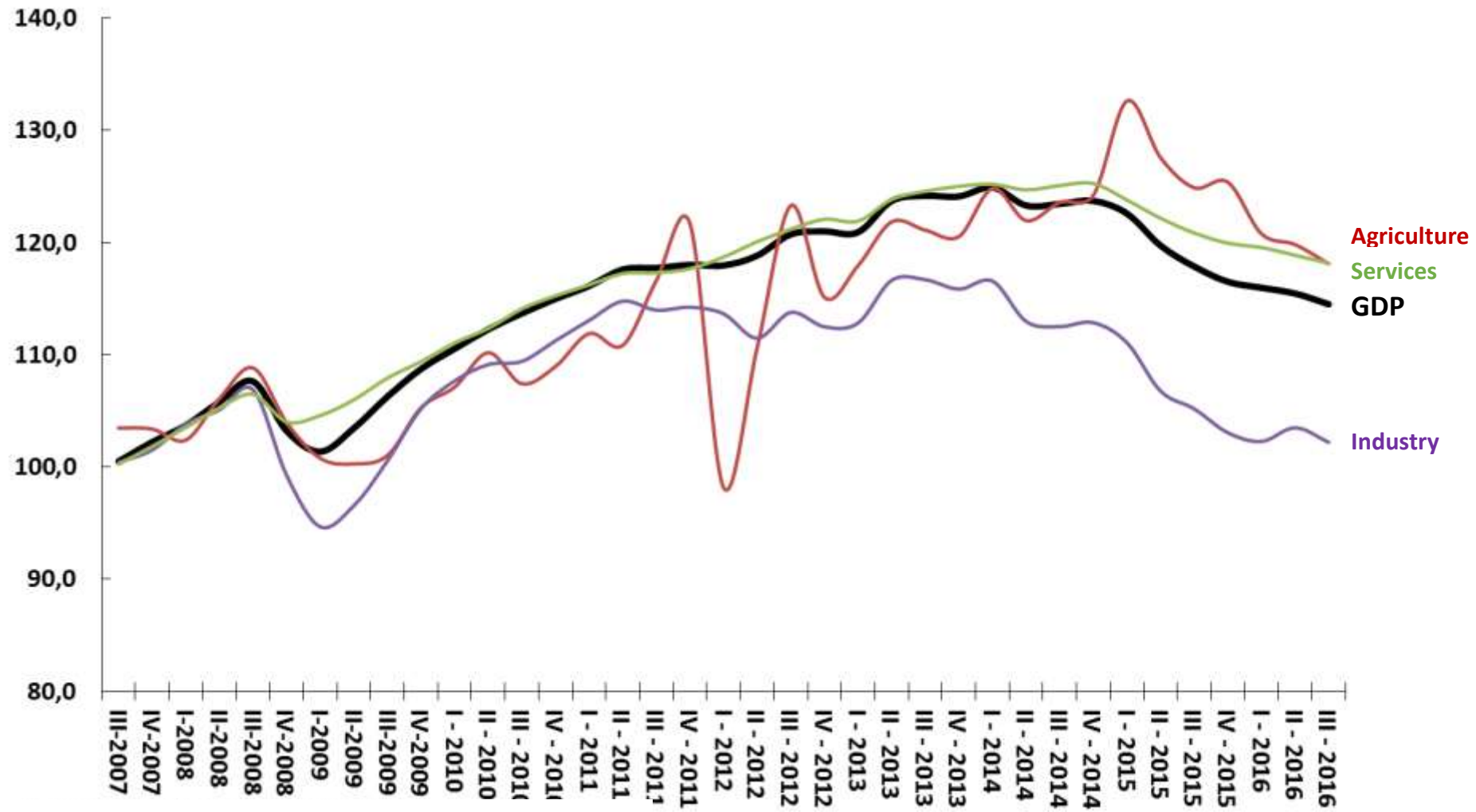
PIM: Monthly Survey of Industry (IBGE)

PMC: Monthly Survey of Trade (IBGE)

PMS: Monthly Survey of Services (IBGE)

# Quarterly GDP by Production Approach

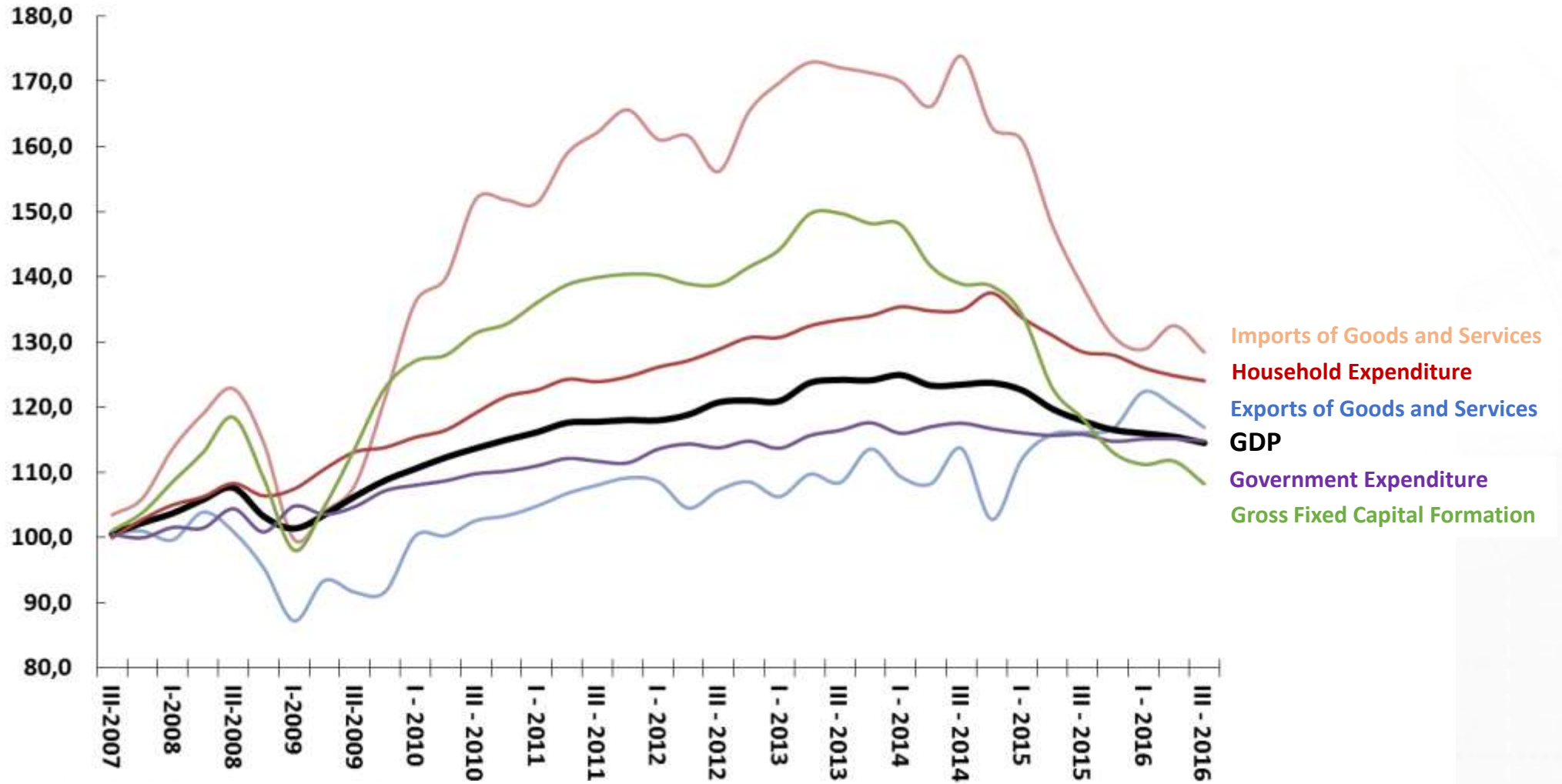
GDP and Economic Sectors Quarterly Volume Indicator  
Linked Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE, Quarterly National Accounts Series.

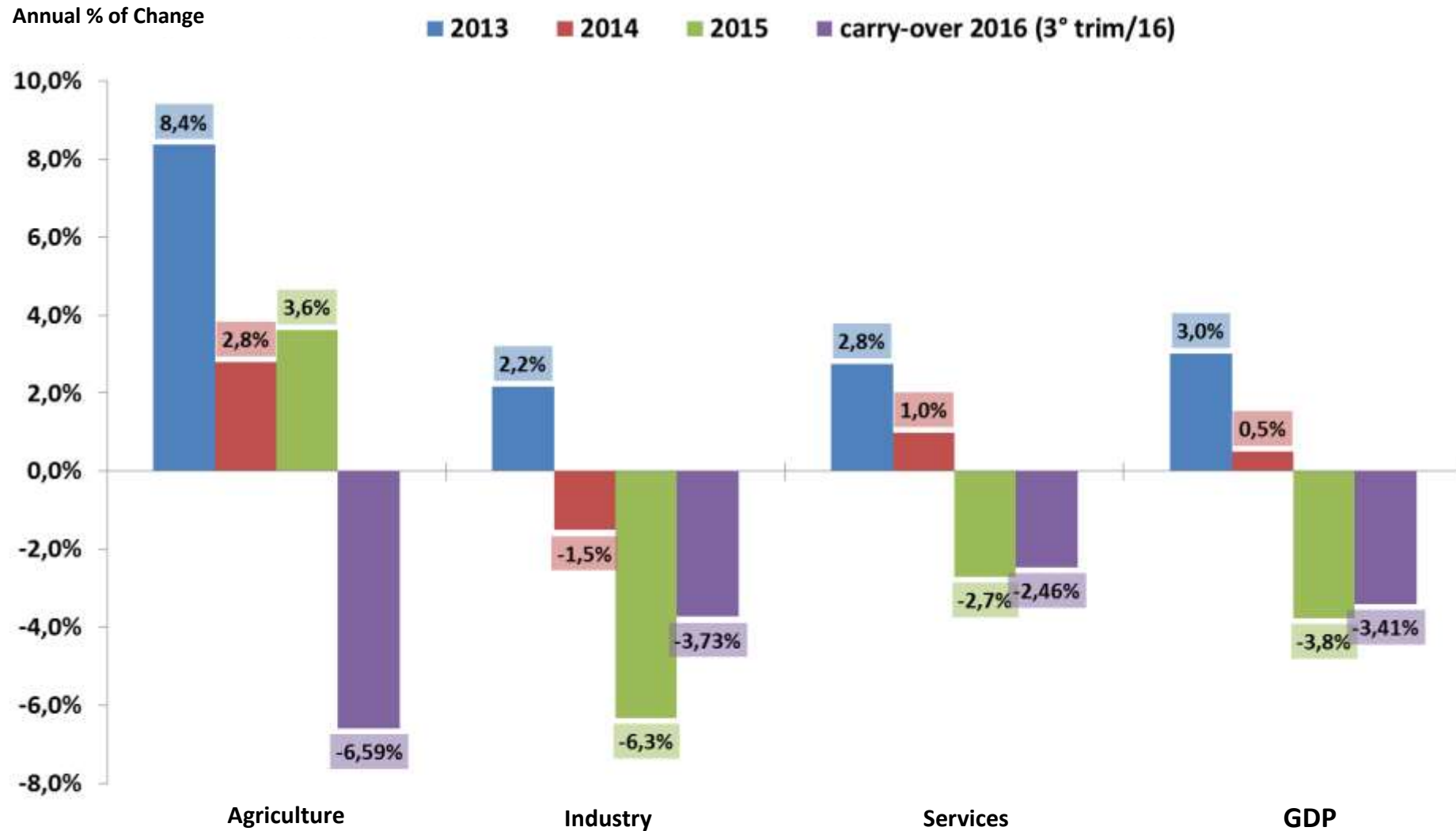
# Quarterly GDP by Expenditure Approach

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



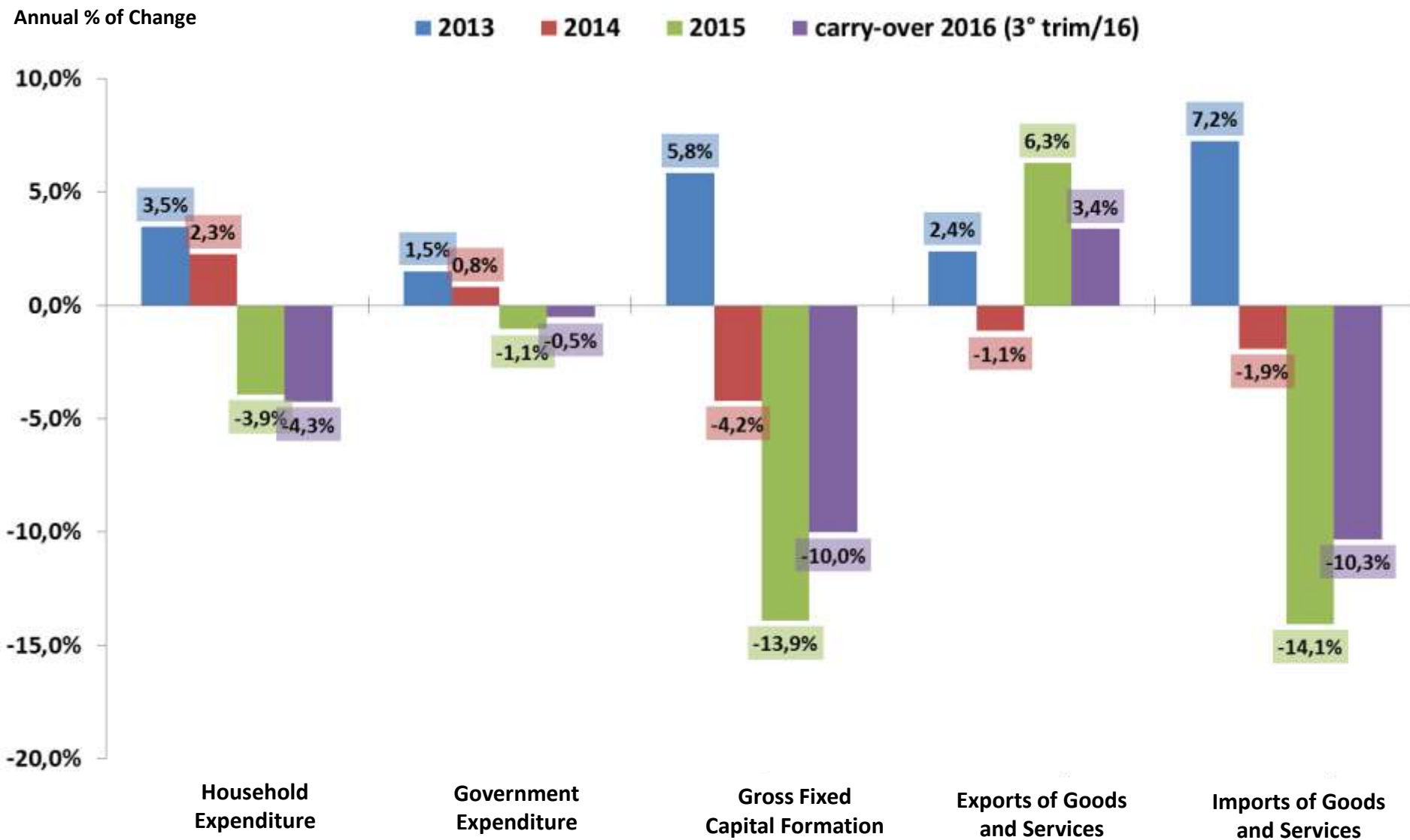
Source: IBGE, Quarterly National Accounts Series.

# Annual GDP Real Growth by Production Approach



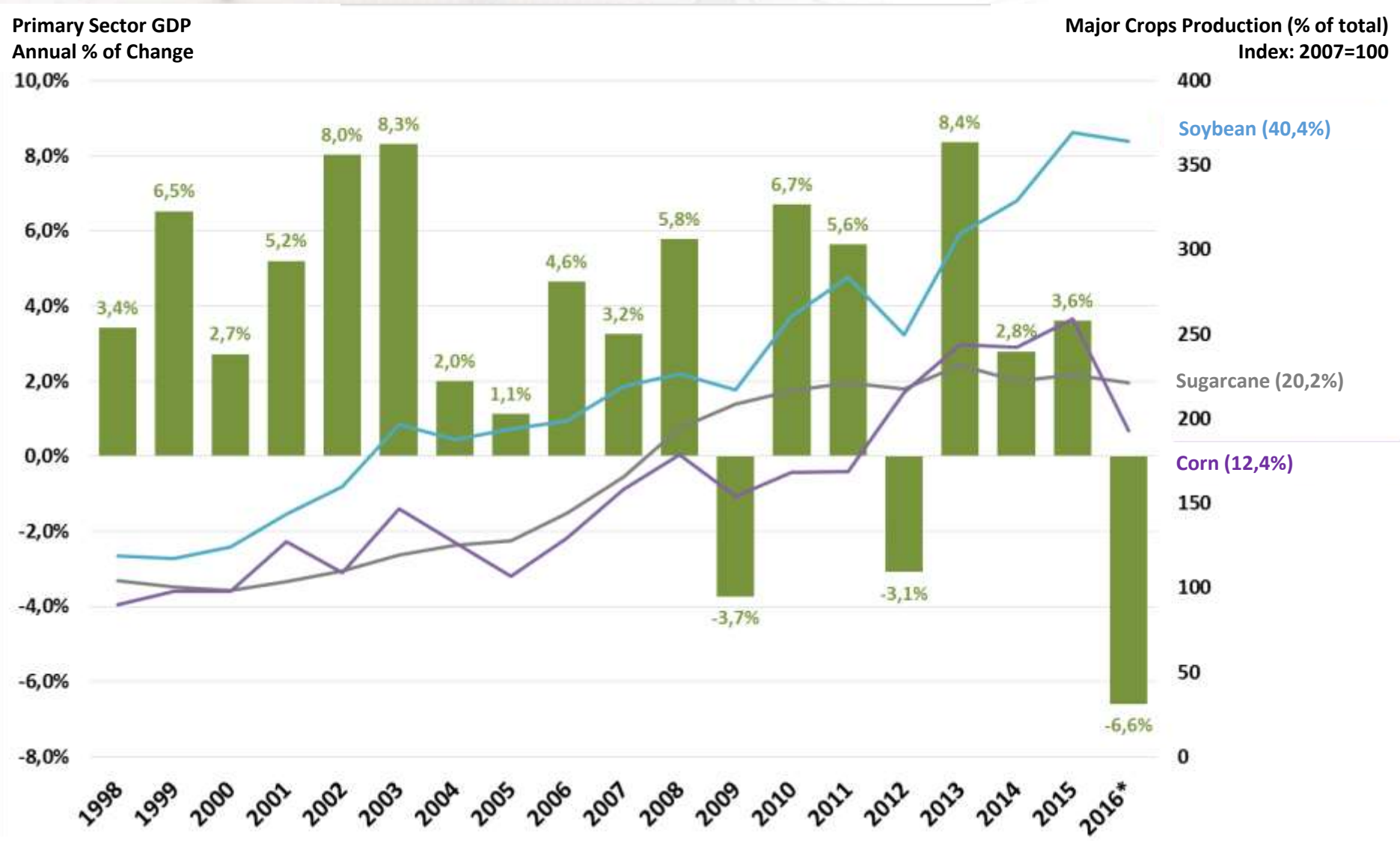
Source: IBGE, Quarterly National Accounts Series.

# Annual GDP Real Growth by Expenditure Approach



Source: IBGE, Quarterly National Account Series.

# Primary Sector Performance by Major Crops



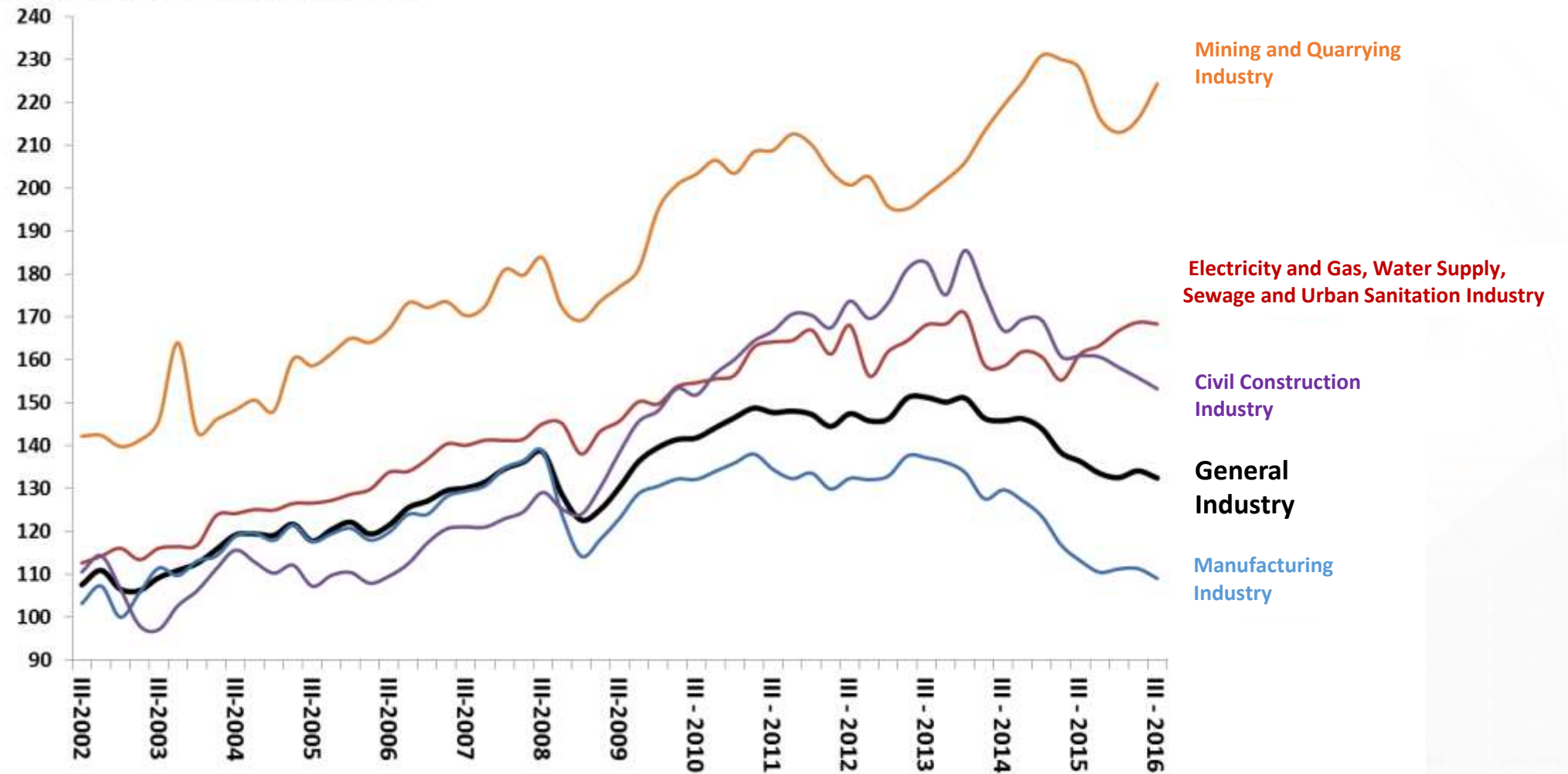
Source: IBGE, Systematic Survey of Agricultural Production (LSPA)



# Industry Performance by Subsectors

## Industrial Production Indicators

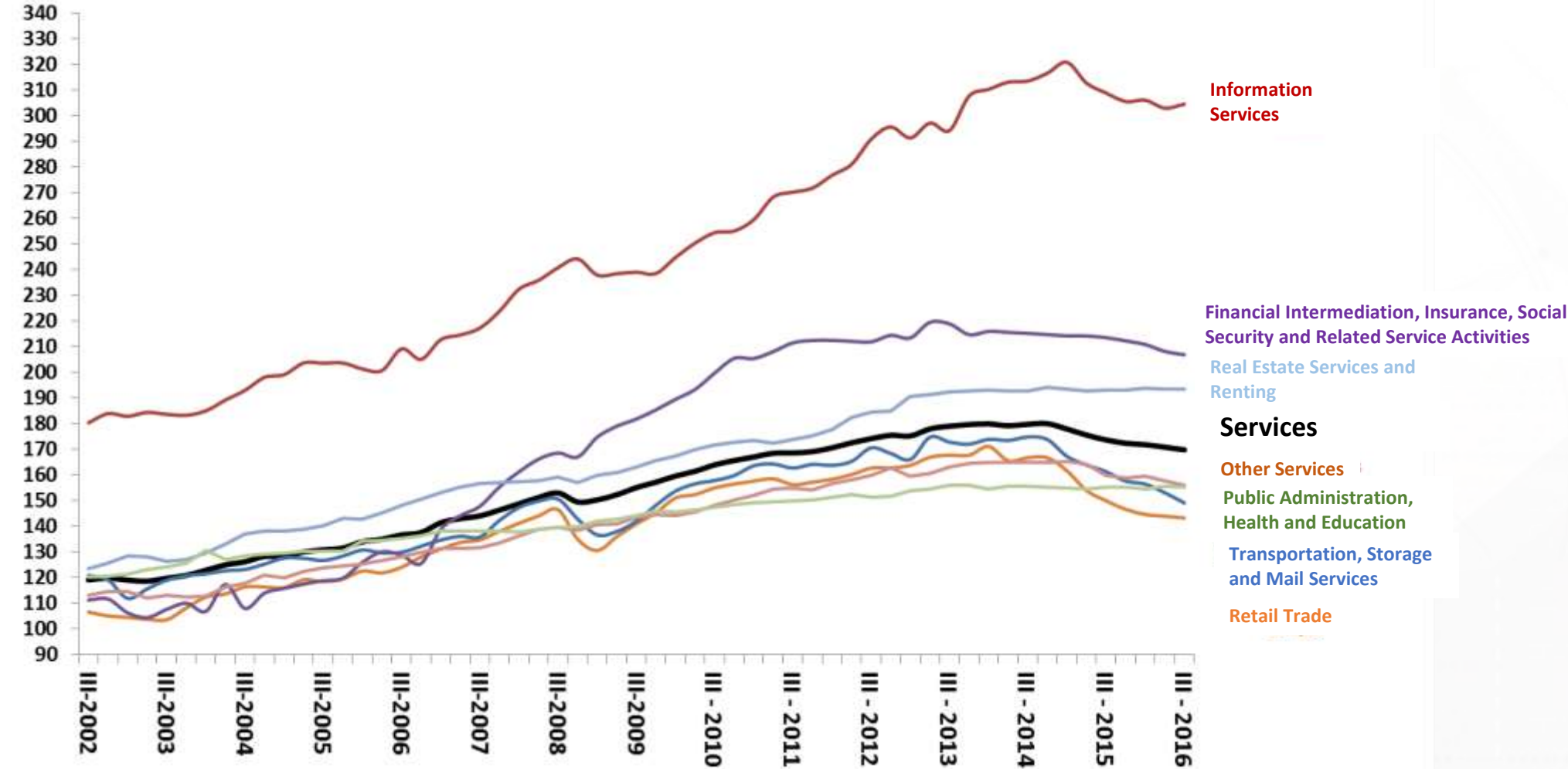
Linked Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE, Quarterly National Accounts Series.

# Services Performance by Subsectors

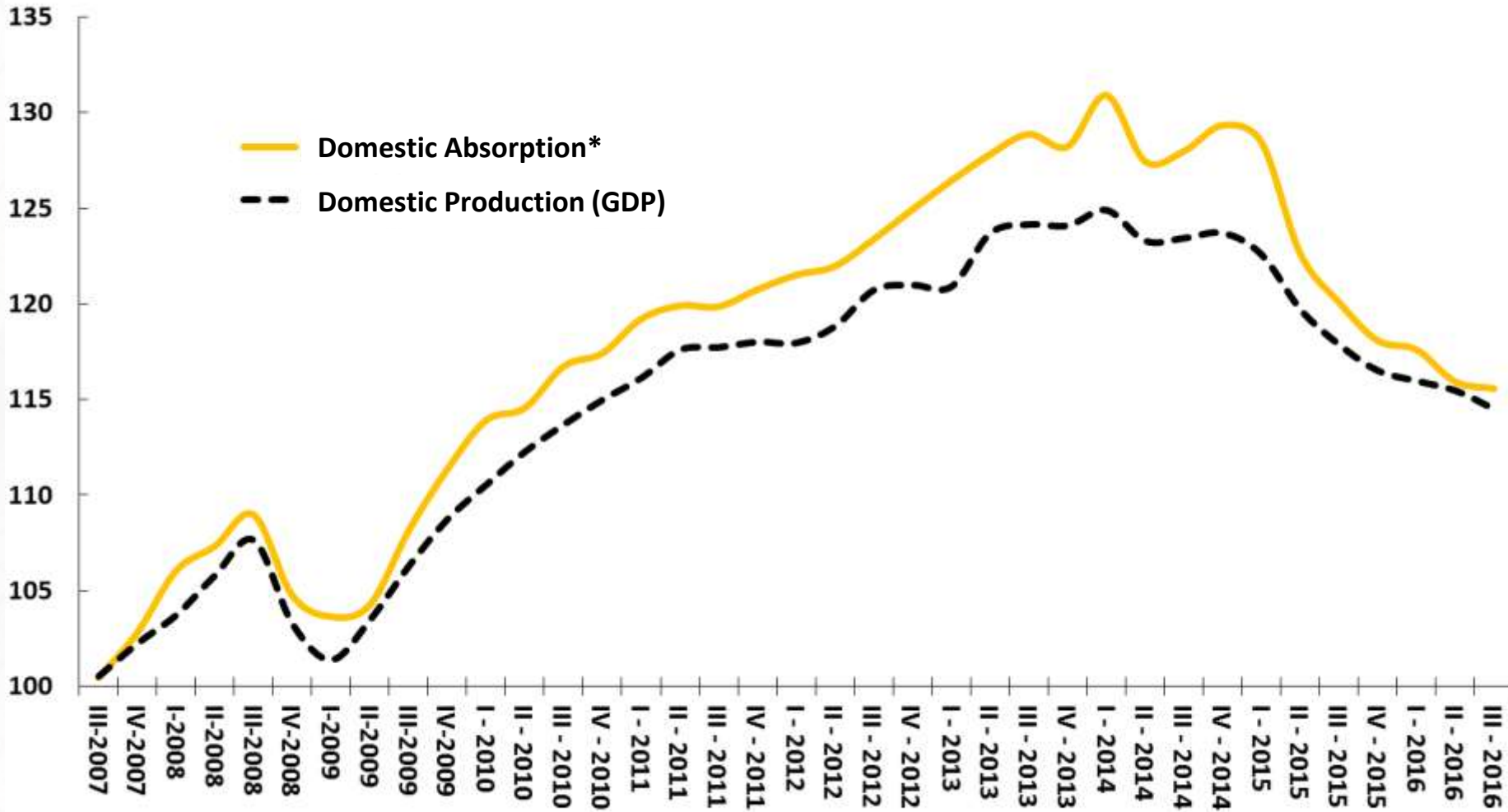
Services Provision Indicators  
Linked Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE, Quarterly National Accounts Series.

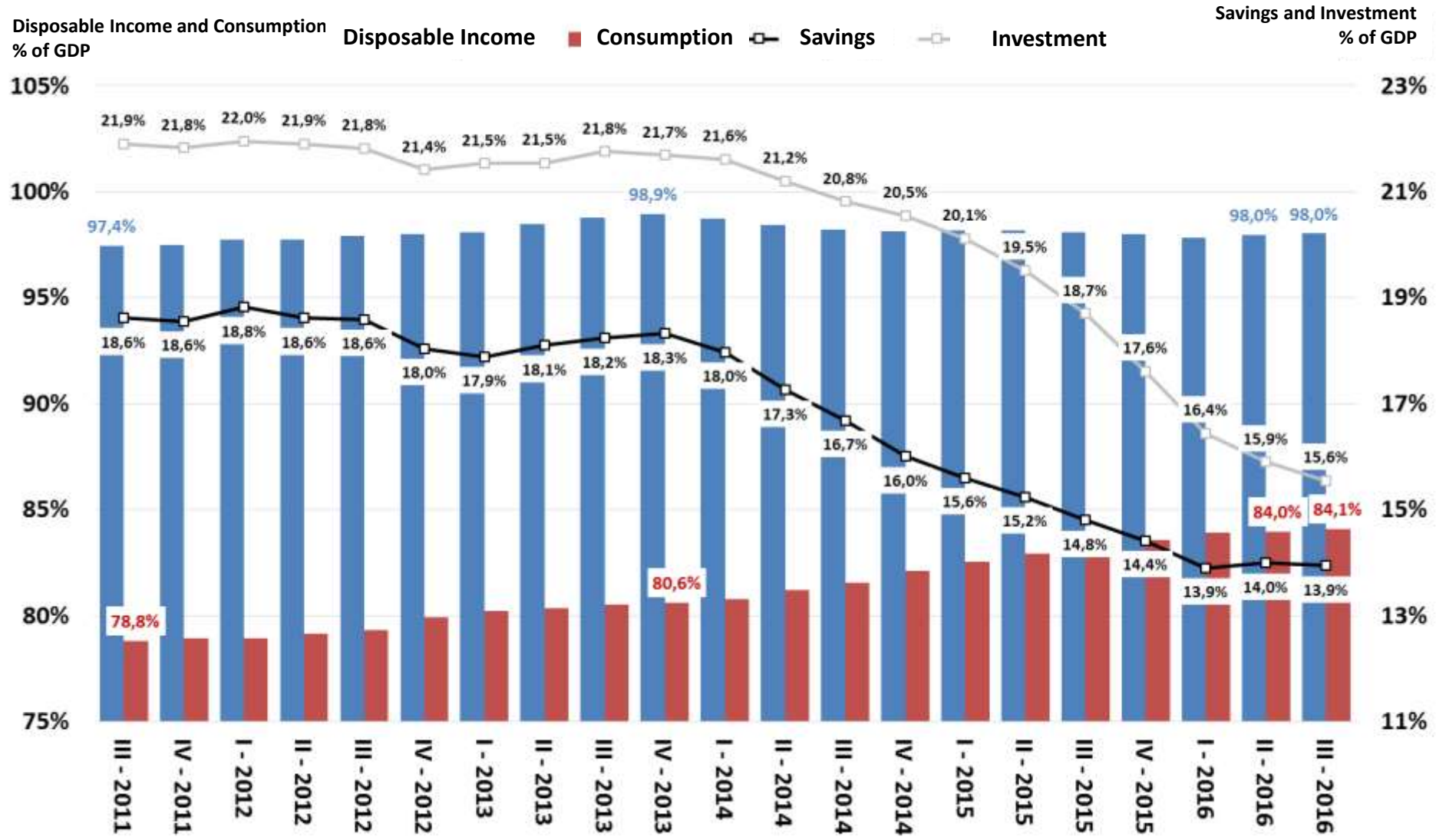
# Domestic Production and Absorption

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



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

# Disposable Income, Consumption, Savings and Investment

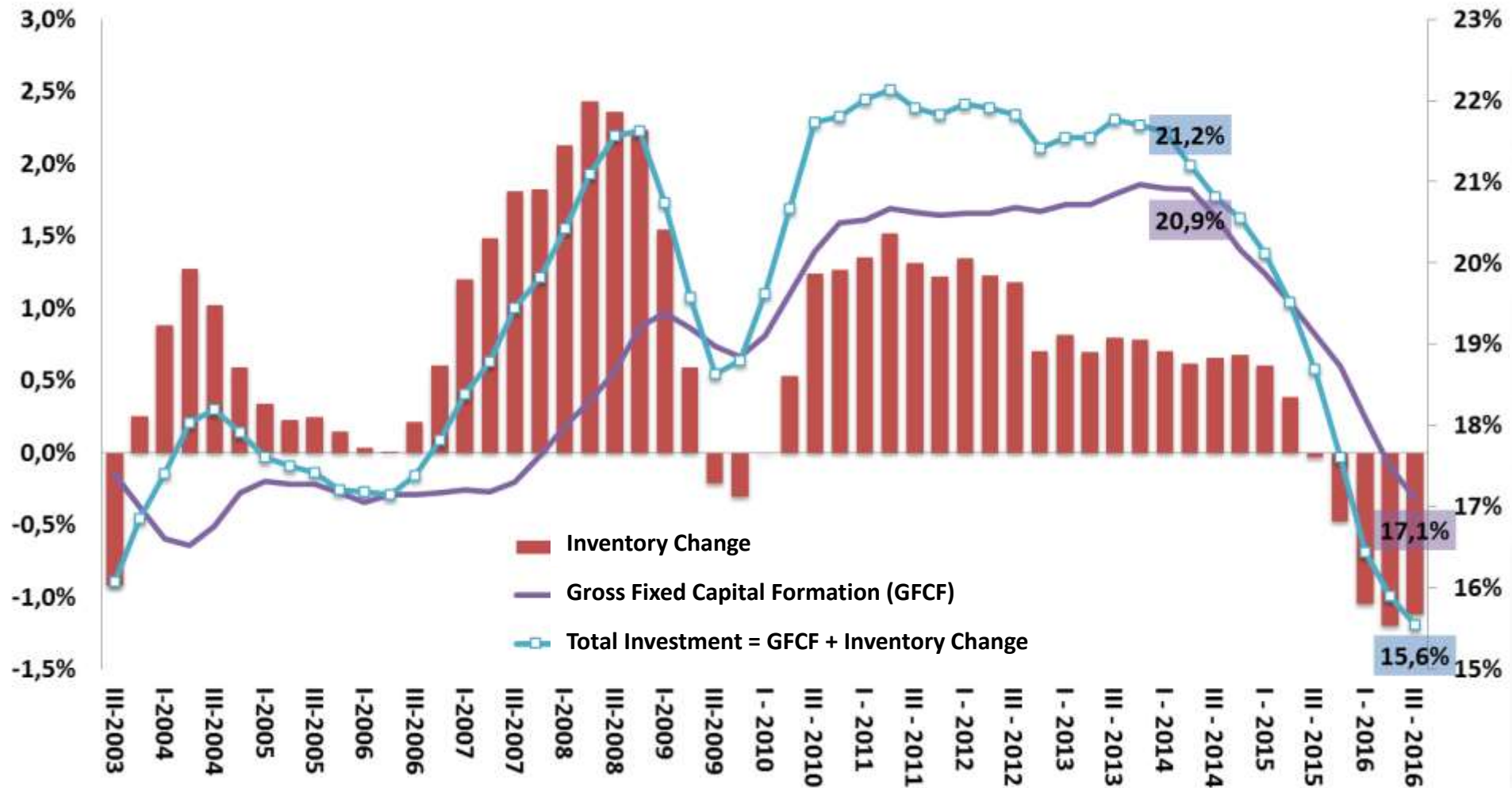


Source: IBGE, Quarterly National Accounts Series.

# Inventory Change and Gross Fixed Capital Formation

Inventory Change (% of GDP)  
Accumulated in 4 quarters

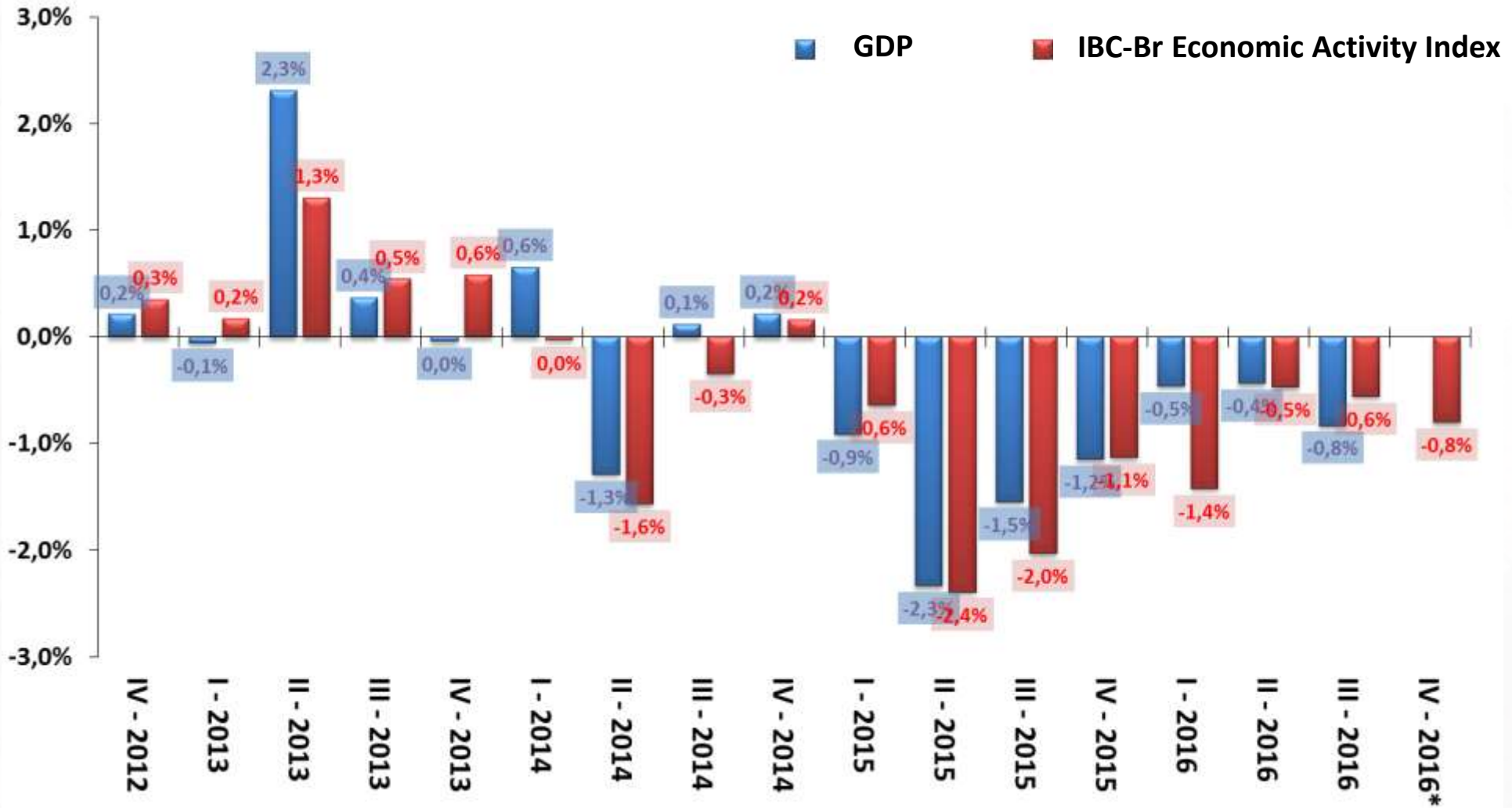
GFCF and Total Investment (% of GDP)  
Accumulated in 4 quarters



Source: IBGE, Quarterly National Accounts Series.

# Quarterly GDP Growth and IBC-Br Economic Activity Index

Quarterly % Change - Seasonally Adjusted Series



Sources: IBGE and Central Bank of Brazil. \* IBC-Br carry-over calculated using year to September data.

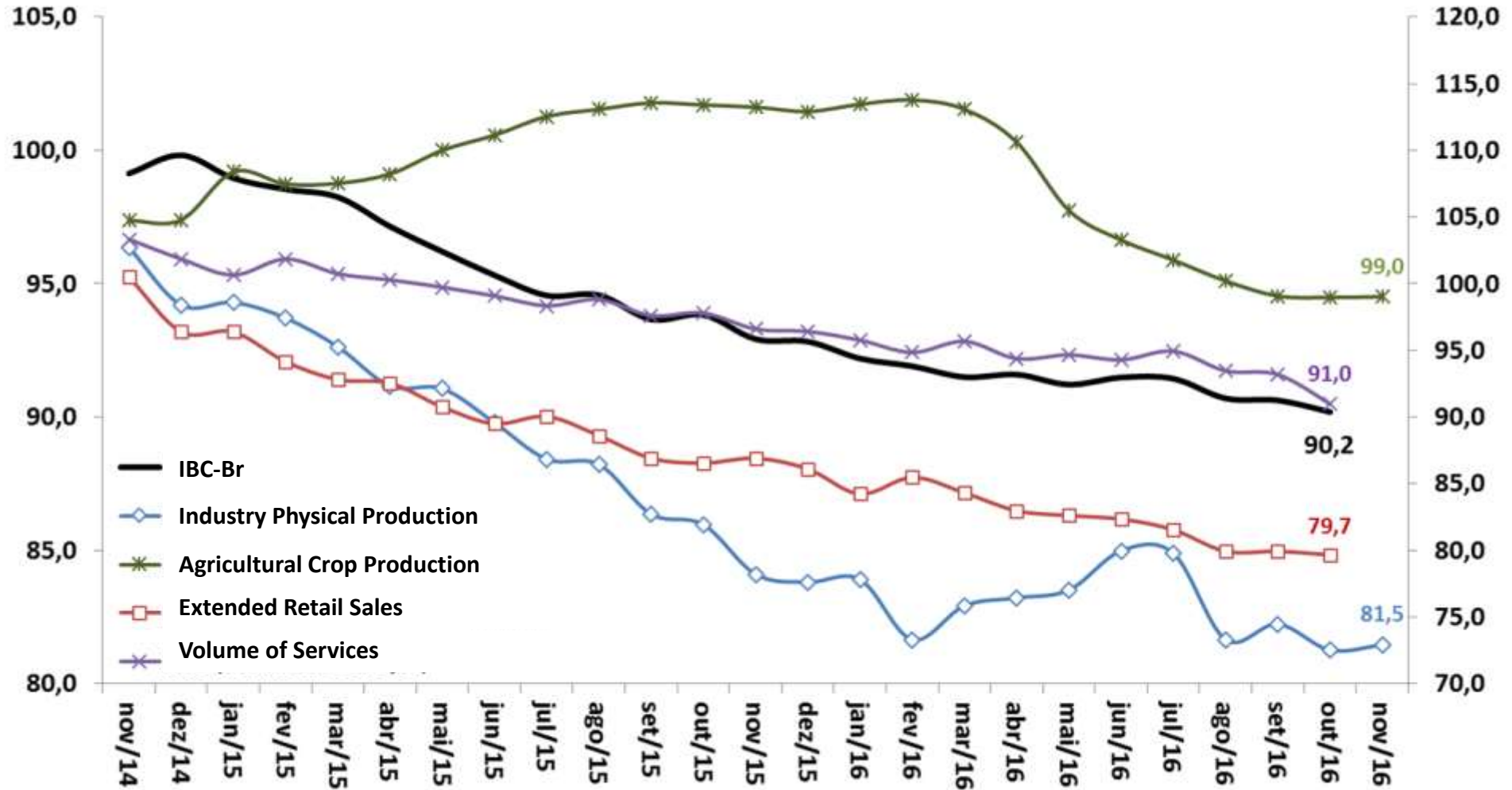
# Monthly Economic Activity

IBC-Br Economic Activity Index	October 2016 % change	2015	Sep/16 - Sep/15	Oct/16 - Oct/15	Sep/16 - Aug/16 (seasonally adjusted)	Oct/16 - Sep/16 (seasonally adjusted)	Year-To-Date	Sep/16 accum. in 12-months	Oct/16 accum. in 12-months	carry-over 2016
<b>IBC-Br Economic Activity Index</b>		<b>-4,3%</b>	<b>-3,4%</b>	<b>-5,3%</b>	<b>-0,1%</b>	<b>-0,5%</b>	<b>-4,8%</b>	<b>-5,2%</b>	<b>-5,1%</b>	<b>-4,7%</b>
Systematic Survey of Agricultural Production (IBGE)	November 2016 % change	2015	Oct/16 - Oct/15	Nov/16 - Nov/15	Oct/16 - Sep/16 (seasonally adjusted)	Nov/16 - Oct/16 (seasonally adjusted)	Year-To-Date	Oct/16 accum. in 12-months	Nov/16 accum. in 12-months	carry-over 2016
<b>Agricultural Crop Production</b>		<b>6,9%</b>	<b>-12,7%</b>	<b>-12,6%</b>	<b>-0,1%</b>	<b>0,1%</b>	<b>-4,9%</b>	<b>-2,2%</b>	<b>-3,9%</b>	<b>-5,5%</b>
Industry Physical Production (IBGE)	November 2016 % change	2015	Oct/16 - Oct/15	Nov/16 - Nov/15	Oct/16 - Sep/16 (seasonally adjusted)	Nov/16 - Oct/16 (seasonally adjusted)	Year-To-Date	Oct/16 accum. in 12-months	Nov/16 accum. in 12-months	carry-over 2016
<b>General Industry</b>		<b>-8,3%</b>	<b>-7,3%</b>	<b>-1,1%</b>	<b>-1,1%</b>	<b>0,2%</b>	<b>-7,1%</b>	<b>-8,4%</b>	<b>-7,5%</b>	<b>-7,1%</b>
Mining and Quarrying Industry (weight 11,2%)		3,9%	-8,6%	4,5%	-0,7%	1,5%	-10,8%	-11,9%	-10,9%	-10,0%
Manufacturing Industry (weight 88,8%)		-9,9%	-7,1%	-2,0%	-1,5%	-0,2%	-6,5%	-7,9%	-7,0%	-6,7%
Food (weight 13,9%)		-1,9%	-5,9%	-1,4%	-3,3%	-0,3%	0,9%	1,3%	1,1%	0,4%
Petroleum refinement and alcohol production (weight 10,3%)		-6,0%	-9,1%	-9,3%	1,8%	-3,3%	-8,4%	-8,5%	-8,3%	-8,5%
Motor vehicles (weight 10,1%)		-25,9%	-5,9%	13,4%	-3,7%	6,1%	-13,2%	-18,6%	-14,6%	-12,3%
Capital Goods		-25,3%	-10,2%	1,0%	-1,8%	2,5%	-13,2%	-17,5%	-14,7%	-12,7%
Intermediate Goods		-5,2%	-7,0%	-0,7%	-2,0%	0,5%	-6,8%	-8,0%	-7,2%	-6,8%
Consumer Durable Goods		-18,5%	-6,9%	9,0%	-0,9%	4,0%	-15,4%	-19,2%	-16,2%	-14,5%
Consumer Semi and Non-Durable Goods		-6,8%	-7,6%	-4,9%	-1,0%	-0,5%	-3,7%	-3,9%	-3,8%	-4,1%
Civil Construction Typical Inputs		-12,5%	-14,8%	-9,3%	0,8%	-3,2%	-32,5%	-13,2%	-12,6%	-11,3%
Retail Trade Sales (IBGE)	October 2016 % change	2015	Sep/16 - Sep/15	Oct/16 - Oct/15	Sep/16 - Aug/16 (seasonally adjusted)	Oct/16 - Sep/16 (seasonally adjusted)	Year-To-Date	Sep/16 accum. in 12-months	Oct/16 accum. in 12-months	carry-over 2016
<b>Retail Trade Sales</b>		<b>-4,3%</b>	<b>-5,7%</b>	<b>-8,2%</b>	<b>-1,0%</b>	<b>-0,8%</b>	<b>-6,7%</b>	<b>-6,6%</b>	<b>-6,8%</b>	<b>-6,9%</b>
<b>Extended Retail Trade Sales</b>		<b>-8,6%</b>	<b>-8,5%</b>	<b>-10,0%</b>	<b>0,0%</b>	<b>-0,3%</b>	<b>-9,3%</b>	<b>-10,0%</b>	<b>-9,8%</b>	<b>-9,1%</b>
Vehicles, Motorcycles, Parts and Accessories		-17,8%	-14,3%	-13,5%	2,9%	-0,3%	-14,5%	-17,0%	-16,1%	-14,2%
Construction Material		-8,4%	-10,7%	-13,8%	-3,1%	-4,0%	-12,2%	-12,5%	-12,3%	-12,2%
Fuel and Lubricants		-6,1%	-8,7%	-10,4%	-0,3%	-1,7%	-9,8%	-10,1%	-10,0%	-9,7%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco		-2,5%	-2,4%	-6,5%	-1,4%	-0,6%	-3,3%	-3,0%	-3,5%	-3,4%
Textiles, Apparel and Footwear		-8,6%	-10,3%	-12,1%	-0,7%	0,5%	-11,4%	-11,4%	-11,5%	-11,1%
Furniture and Household Appliances		-14,1%	-13,4%	-13,3%	-2,0%	0,0%	-13,6%	-14,6%	-14,3%	-13,4%
Volume of Services (IBGE)	October 2016 % change	2015	Sep/16 - Sep/15	Oct/16 - Oct/15	Sep/16 - Aug/16 (seasonally adjusted)	Oct/16 - Sep/16 (seasonally adjusted)	Year-To-Date	Sep/16 accum. in 12-months	Oct/16 accum. in 12-months	carry-over 2016
<b>Volume of Services</b>		<b>-3,6%</b>	<b>-4,9%</b>	<b>-7,6%</b>	<b>-0,3%</b>	<b>-2,4%</b>	<b>-5,0%</b>	<b>-5,0%</b>	<b>-5,1%</b>	<b>-5,4%</b>
Services Rendered to Families		-5,3%	-5,7%	-6,8%	-0,9%	0,1%	-4,5%	-4,8%	-5,0%	-4,7%
Information and Communication Services		0,0%	-1,9%	-4,4%	-0,8%	-3,1%	-2,8%	-2,6%	-2,7%	-2,9%
Professional, Administrative and Complementary Services		-4,3%	-3,7%	-5,7%	0,7%	-1,9%	-5,7%	-6,3%	-6,1%	-5,5%
Transportation, Support Activities for Transportation and Mailing Activities		-6,1%	-9,0%	-13,5%	0,4%	-7,0%	-7,6%	-7,1%	-7,7%	-8,8%
Other Services		-9,0%	-4,9%	-4,4%	-2,5%	-0,5%	-3,4%	-5,3%	-4,4%	-3,4%

# Major Monthly Economic Activity Indicators

IBC-Br, Agricultural Crop Production and Industry Physical Production  
Seasonally Adjusted Index (2003 = 100)

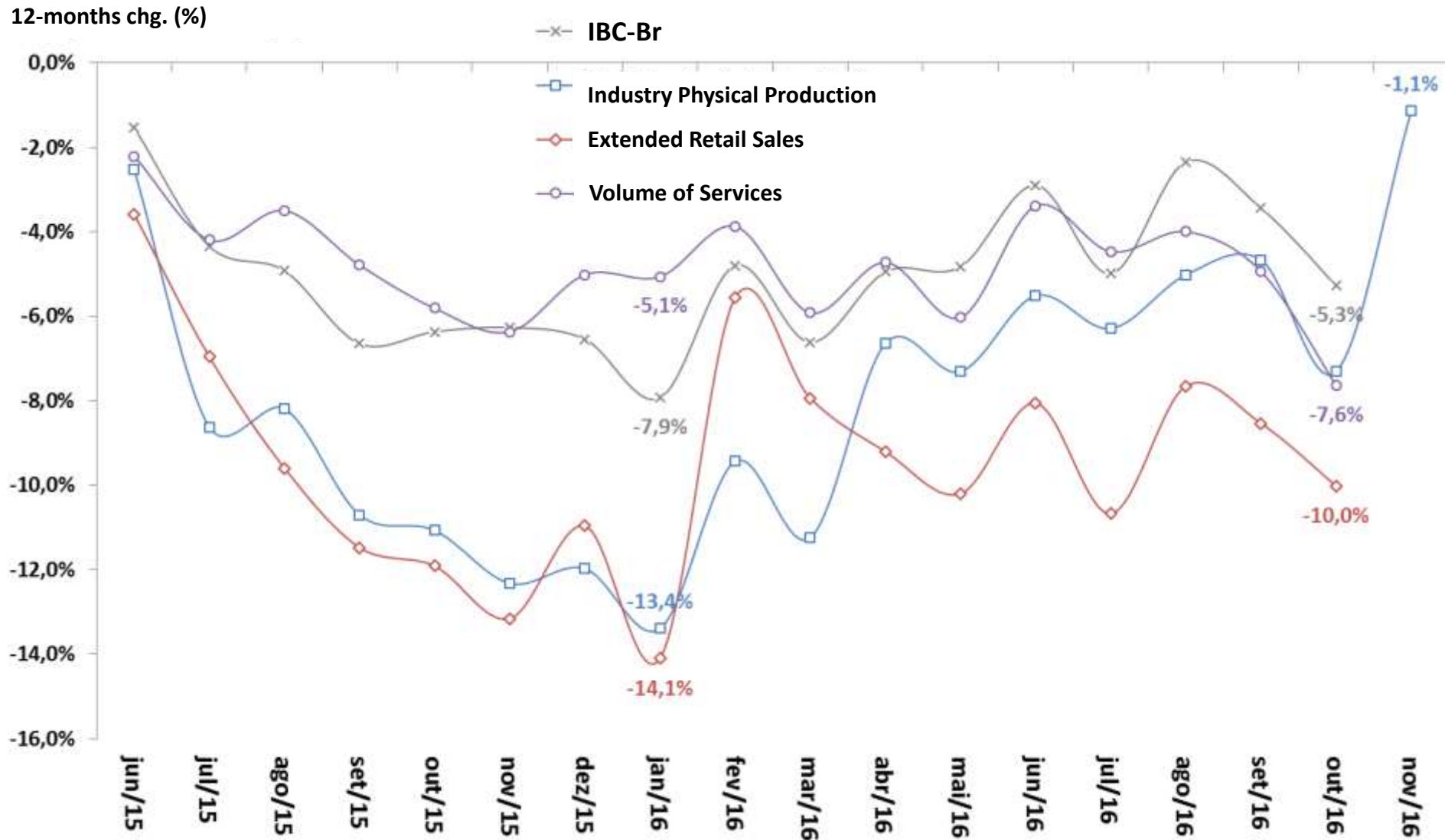
Extended Retail Trade Sales and Volume of Services  
Seasonally Adjusted Index (2003 = 100)



Sources: Central Bank of Brazil and IBGE: 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

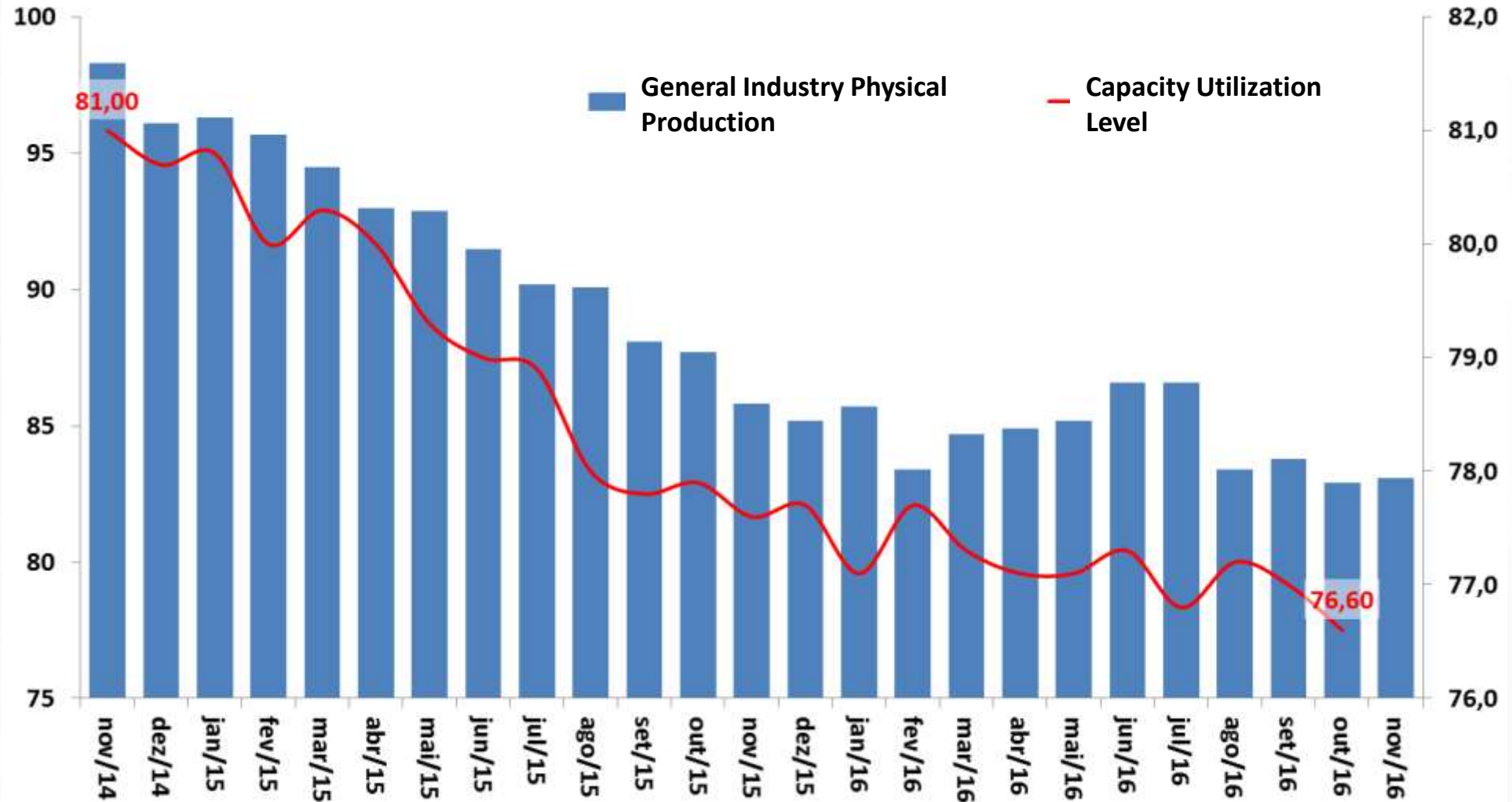


Sources: Central Bank of Brazil and IBGE: Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

# Industry: Physical Production and Capacity Utilization Rate

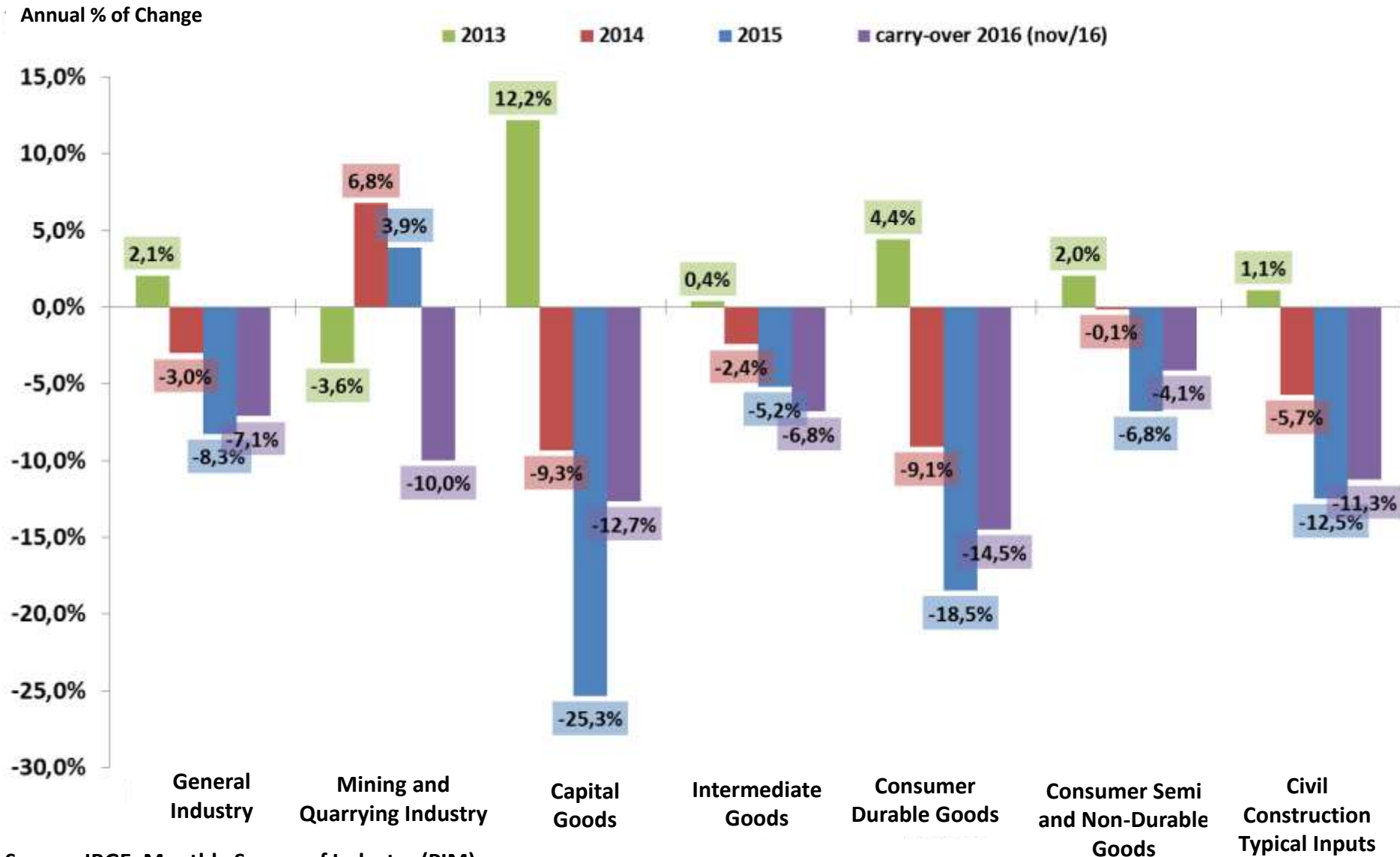
General Industry Physical Production  
Seasonally Adjusted Index (2003 = 100)

Capacity Utilization Rate in Industry  
Seasonally Adjusted - % of Total Capacity



Sources: IBGE and National Confederation of Industry (CNI).

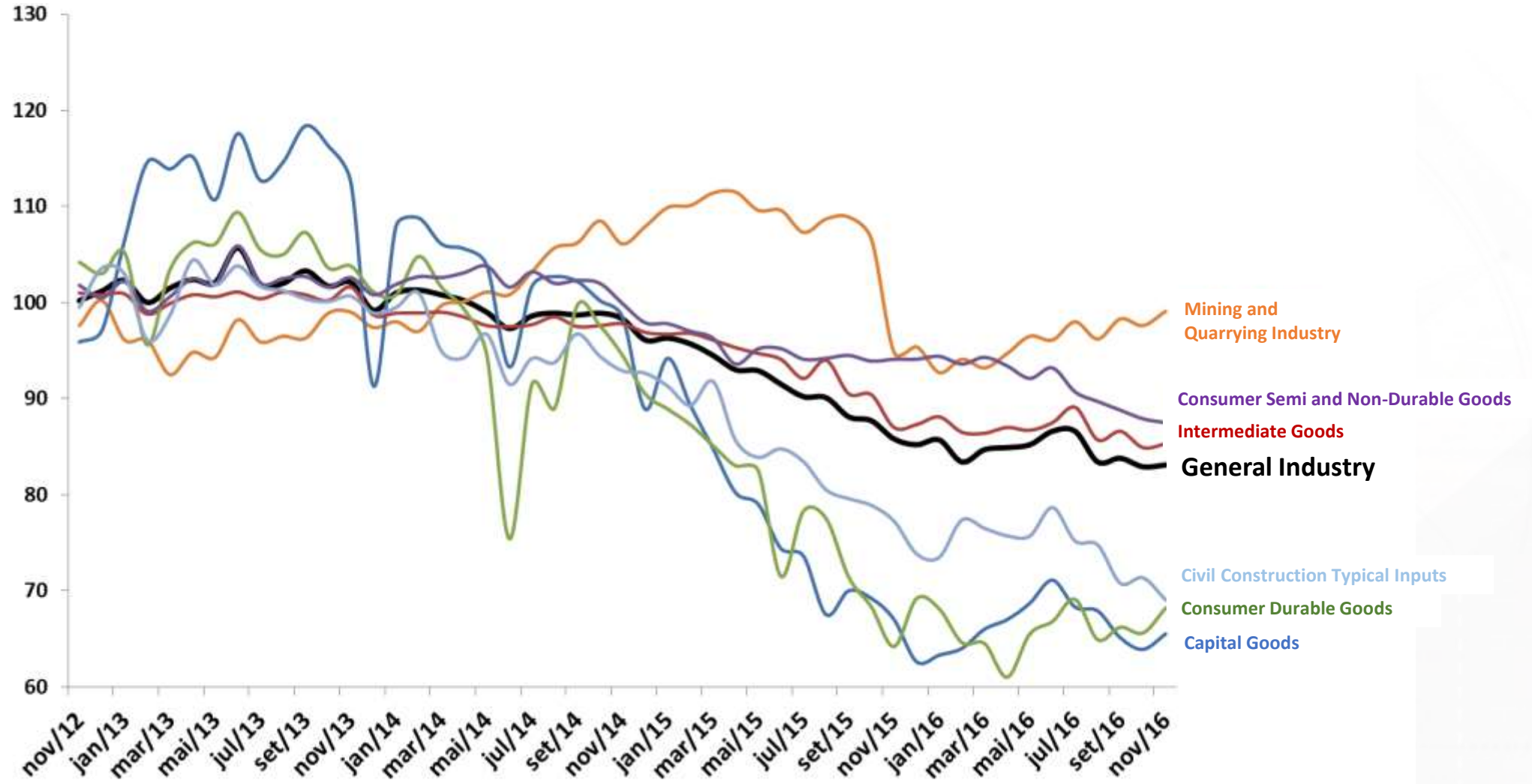
# Total Industrial Production and Economic Categories



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

# Total Industrial Production and Economic Categories

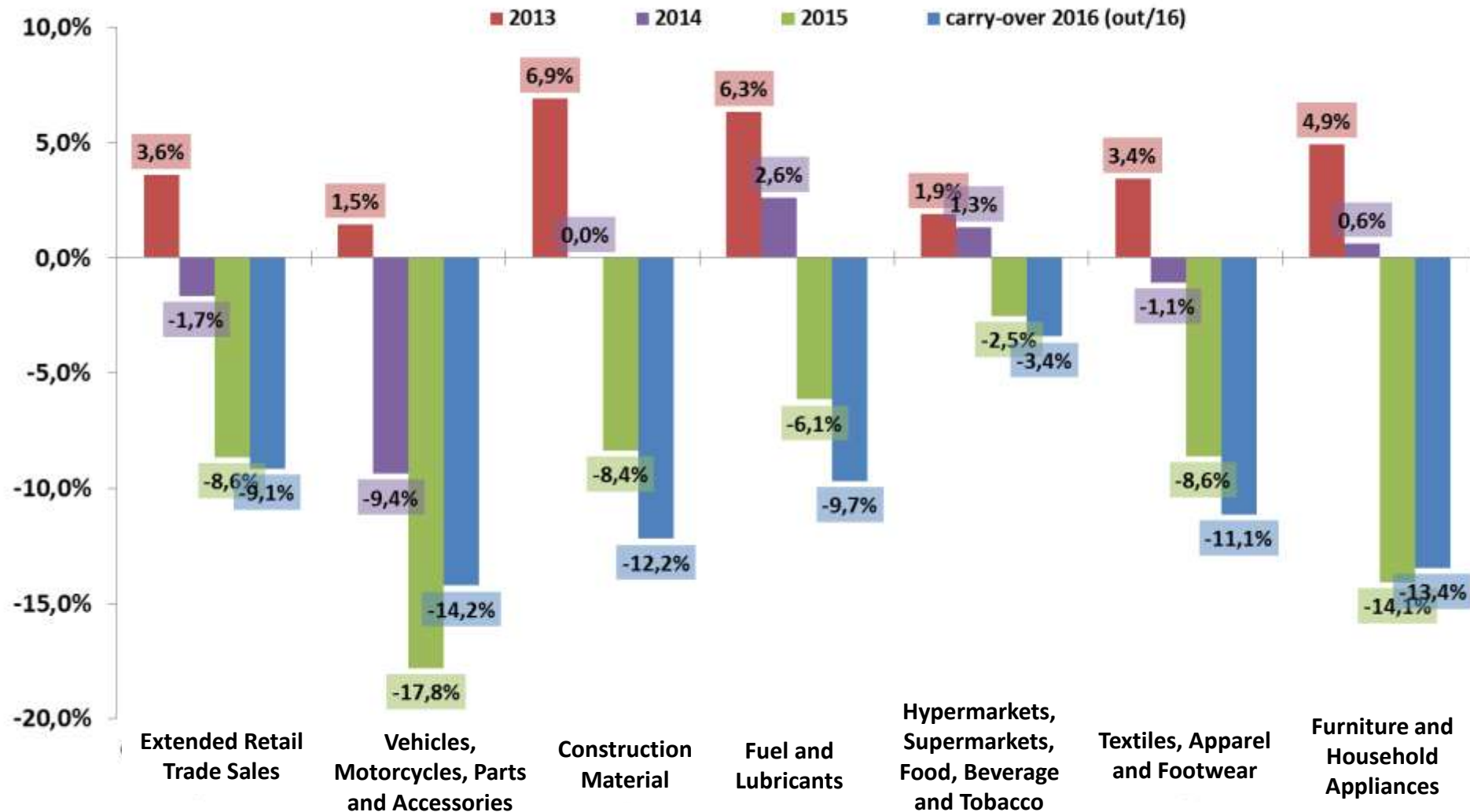
Industry Physical Production by Economic Category  
Seasonally Adjusted Index (2002 = 100)



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

# Total Retail Sales and Subsectors

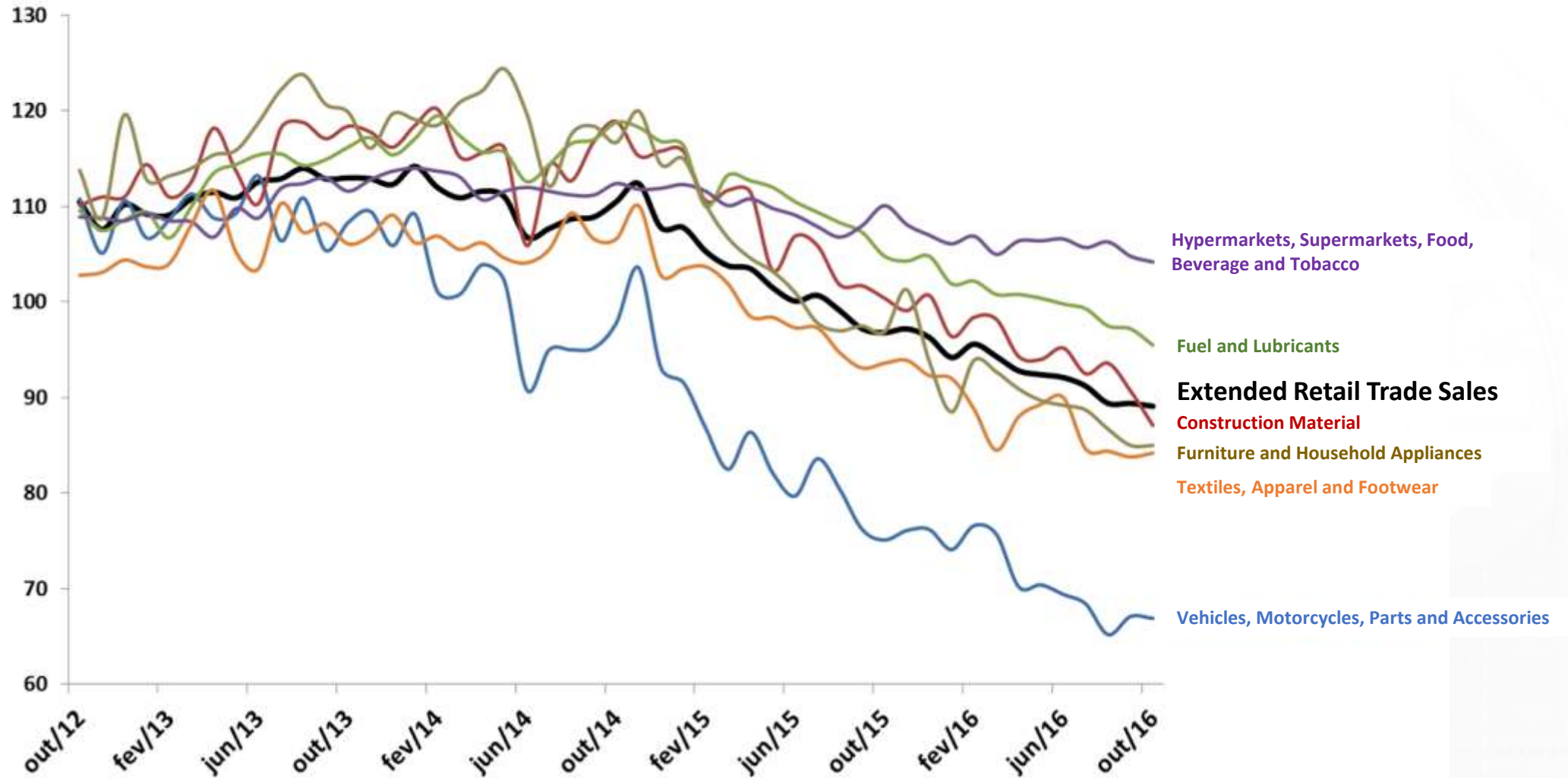
Annual % of Change



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

# Total Retail Sales and Subsectors

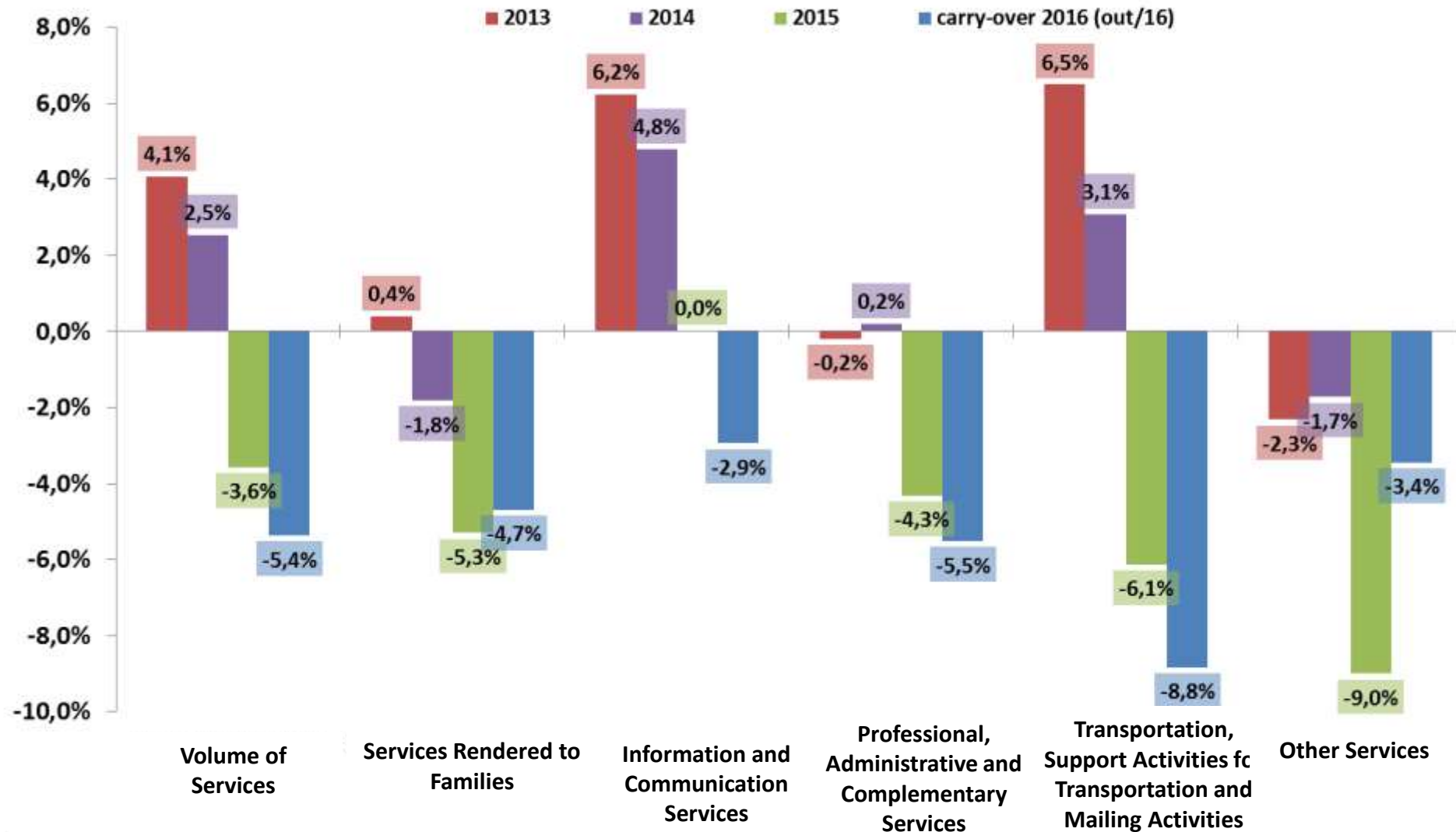
Retail Sales by Subsector  
Seasonally Adjusted Index (2002 = 100)



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

# Total Retail Sales and Subsectors

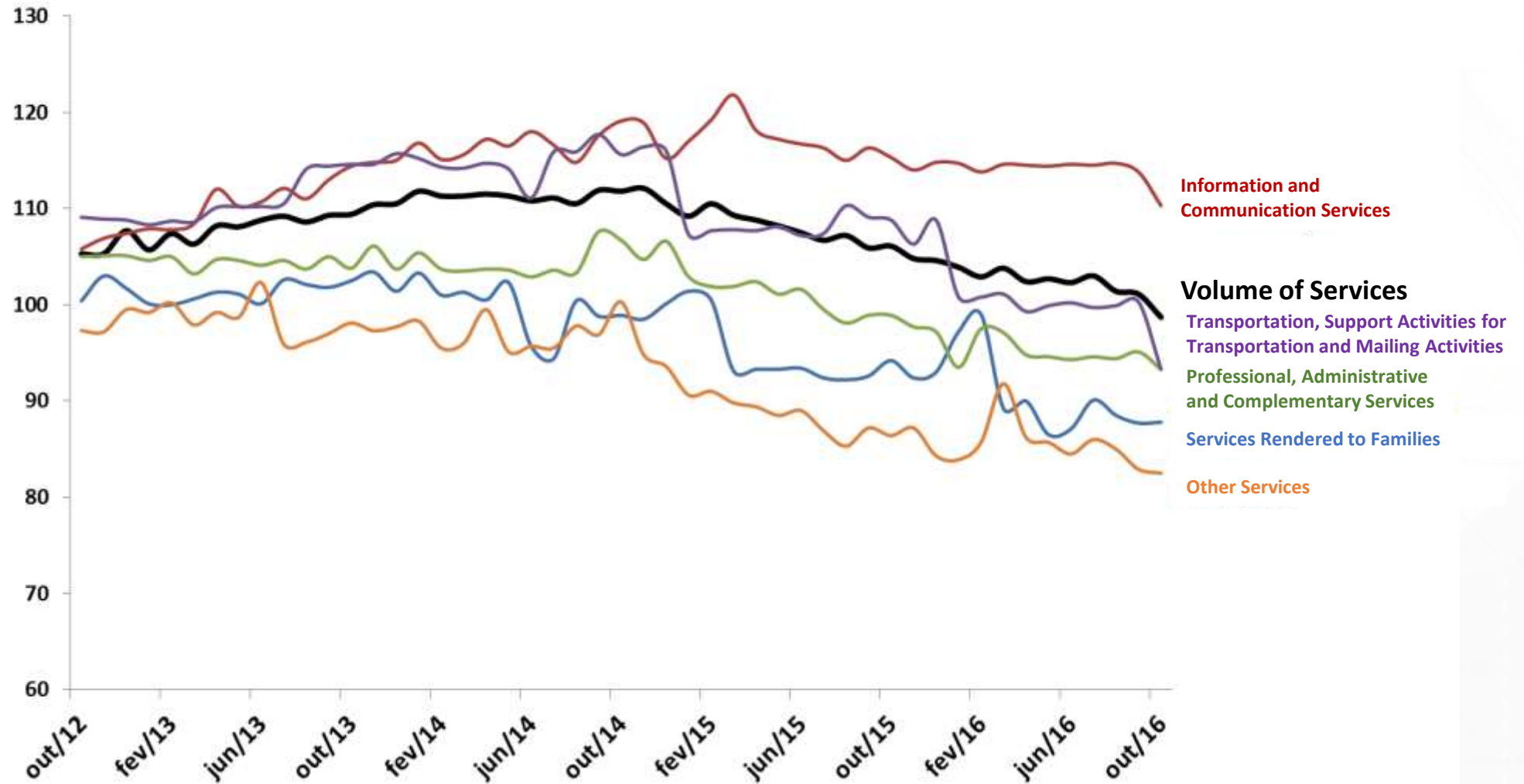
Annual % of Change



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

# Total Retail Sales and Subsectors

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



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



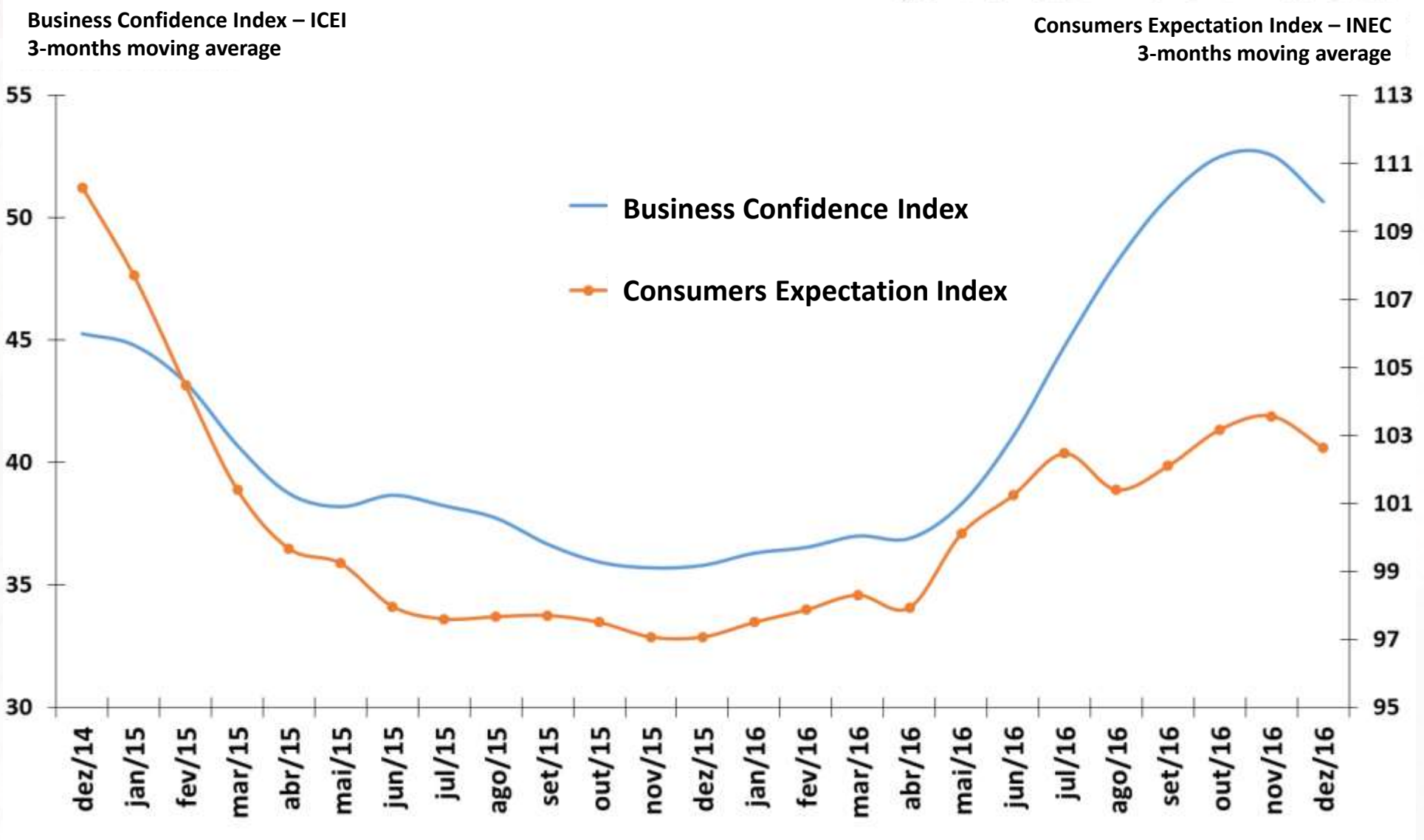
# Other Monthly Economic Activity Indicators

October 2016 % change		2015	Sep/16 - Sep/15	Oct/16 - Oct/15	Sep/16 - Aug/16 (seasonally adjusted)	Oct/16 - Sep/16 (seasonally adjusted)	Year-To-Date	Sep/16 accum. in 12-months	Oct/16 accum. in 12-months	carry-over 2016
<b>Industry Indicators (CNI)</b>										
Real Sales Revenue (CNI)		-8,9%	-16,2%	-18,0%	-0,3%	-3,3%	-13,1%	-13,1%	-13,3%	-12,9%
Working Hours in Production (CNI)		-10,1%	-5,8%	-8,0%	0,8%	-1,7%	-8,3%	-9,4%	-8,9%	-7,7%
Capacity Utilization Rate - UCI (CNI)	<b>month level: 77,9</b>	-2,9%	-0,8%	-1,6%	-0,3%	-0,5%	-2,6%	-3,1%	-2,9%	-2,4%

November 2016 % change		2015	Oct/16 - Oct/15	Nov/16 - Nov/15	Oct/16 - Sep/16 (seasonally adjusted)	Nov/16 - Oct/16 (seasonally adjusted)	Year-To-Date	Oct/16 accum. in 12-months	Nov/16 accum. in 12-months	carry-over 2016
Sao Paulo Industry Confidence Index - ICEI-SP (FIESP)	<b>month level: 51,1</b>	-21,2%	65,7%	58,7%	-3,2%	-1,2%	27,5%	15,5%	22,4%	30,5%
Industry Inventories (CNI) - Final Goods - planned x realized	<b>month level: 49,2</b>	1,9%	-2,7%	-4,3%	2,0%	-2,8%	-4,3%	-3,7%	-4,0%	-4,8%
Supermarket Sector Total Retail Sales (ABRAS)		-1,9%	0,7%	5,5%	4,8%	0,2%	1,5%	-0,1%	0,9%	2,2%
<b>Vehicles Production (ANFAVEA)</b>										
Car Production (ANFAVEA)		-22,8%	-15,0%	21,8%	2,3%	22,4%	-14,6%	-20,3%	-15,9%	-12,3%
Commercial Vehicles Production (ANFAVEA)		-19,4%	-11,0%	23,5%	6,6%	20,6%	-15,0%	-20,1%	-15,9%	-12,7%
		-47,1%	-31,8%	0,2%	-4,4%	15,7%	-21,1%	-27,8%	-21,6%	-18,5%
Corrugated Fiberboard Sales (ABPO)		-2,8%	-7,6%	-2,1%	2,1%	-1,0%	-2,2%	-2,2%	-2,0%	-1,9%
Natural Gas and Oil Production (ANP)		7,8%	9,1%	10,4%	1,4%	-3,5%	2,9%	1,9%	2,7%	2,1%
<b>Electric Energy Consumption - Total (EPE)</b>										
Industry Consumption (EPE)		-2,2%	-2,8%	-1,2%	-0,5%	1,5%	-1,1%	-1,6%	-1,3%	-0,5%
		-5,7%	-1,7%	0,1%	-0,9%	0,2%	-3,2%	-4,5%	-3,7%	-3,1%
Heavy Vehicles Road Traffic (ABCR)		-6,2%	-11,5%	-5,7%	-3,6%	2,9%	-6,2%	-6,3%	-6,1%	-6,5%

December 2016 % change		2015	Nov/16 - Nov/15	Dec/16 - Dec/15	Nov/16 - Oct/16 (seasonally adjusted)	Dec/16 - Nov/16 (seasonally adjusted)	Year-To-Date	Nov/16 accum. in 12-months	Dec/16 accum. in 12-months	carry-over 2016
Business Confidence Index - ICEI (CNI)	<b>month level: 48,0</b>	-21,2%	42,0%	33,3%	-1,1%	-7,2%	18,3%	13,3%	18,3%	18,7%
Consumer Expectations Index - INEC (CNI)	<b>month level: 100,3</b>	-9,9%	5,7%	4,2%	-1,1%	-2,8%	2,6%	1,1%	2,6%	2,9%
Consumer Confidence Index (FGV)	<b>month level: 75,60</b>	-22,4%	17,9%	12,7%	-4,0%	-7,3%	2,8%	-0,6%	2,8%	2,0%
Business Confidence Index (FGV)	<b>month level: 80,0</b>	-14,8%	15,0%	11,3%	0,5%	-2,5%	5,7%	3,6%	5,7%	6,2%
Electric Energy System Supply (ONS)		-0,6%	-1,3%	-0,2%	0,6%	1,6%	0,4%	0,6%	0,4%	0,7%

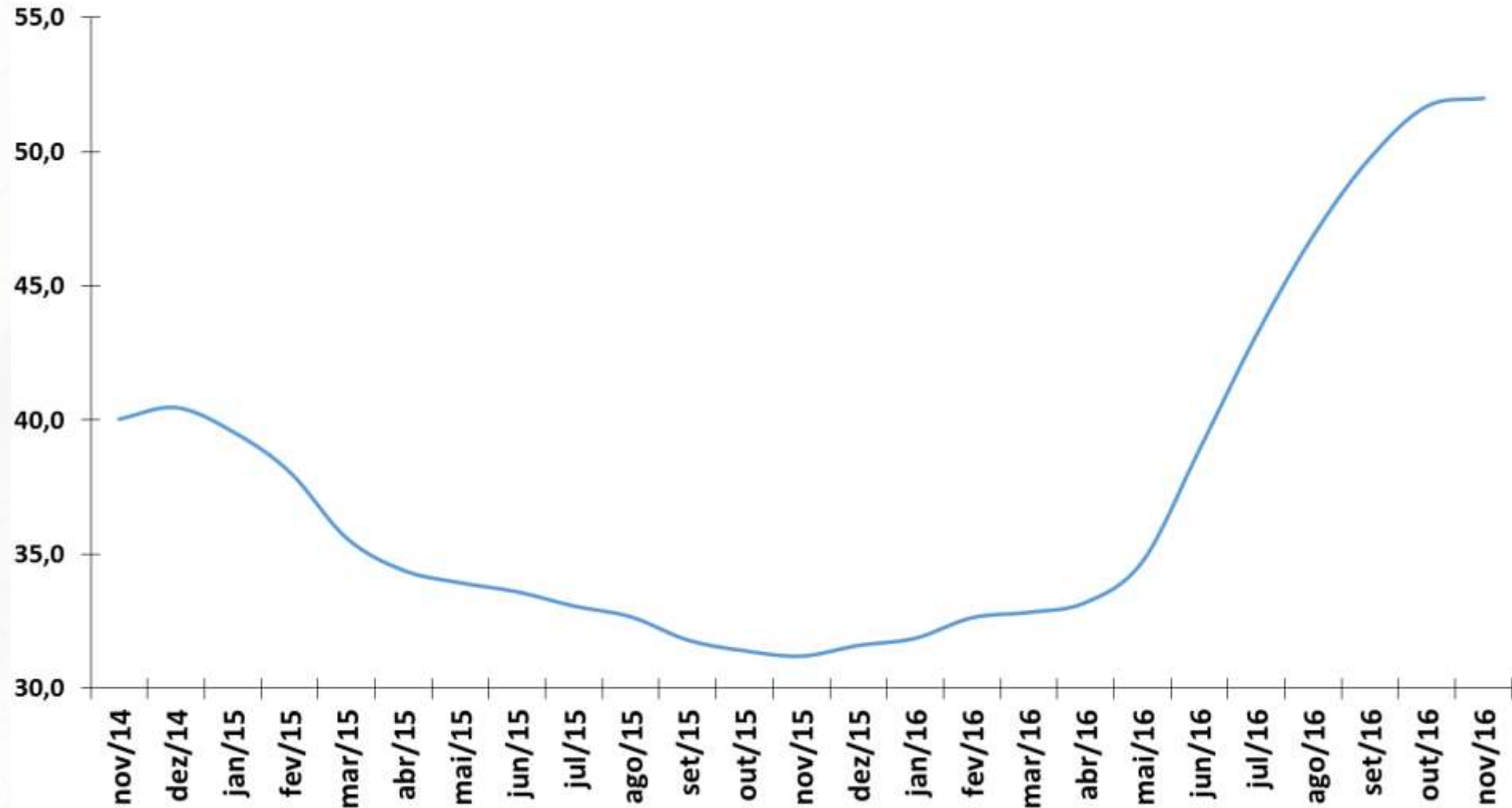
# CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

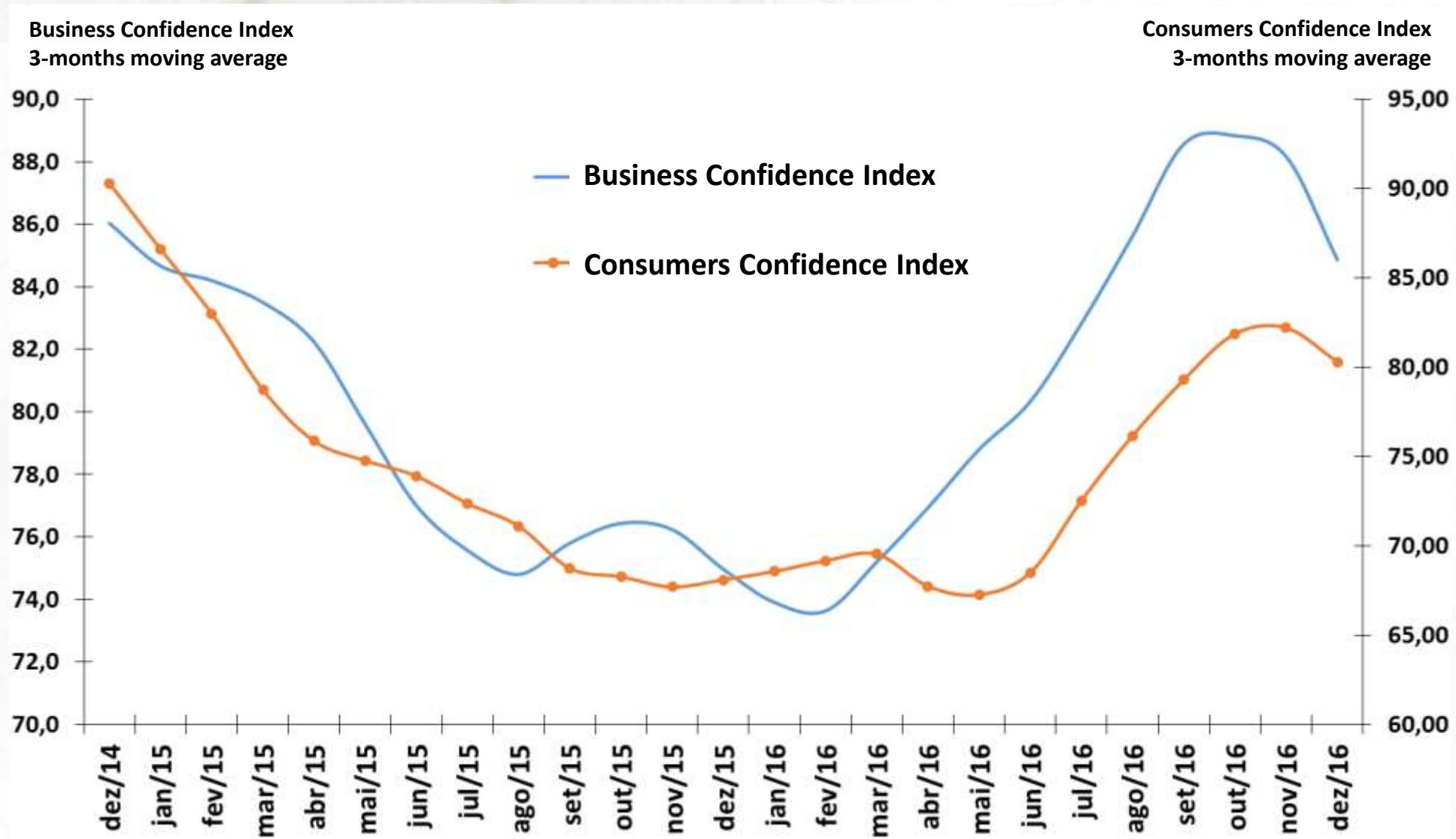
# FIESP: Industry Confidence Index

Sao Paulo Industry Confidence Index - ICEI-SP  
3-months moving average



Source: FIESP.

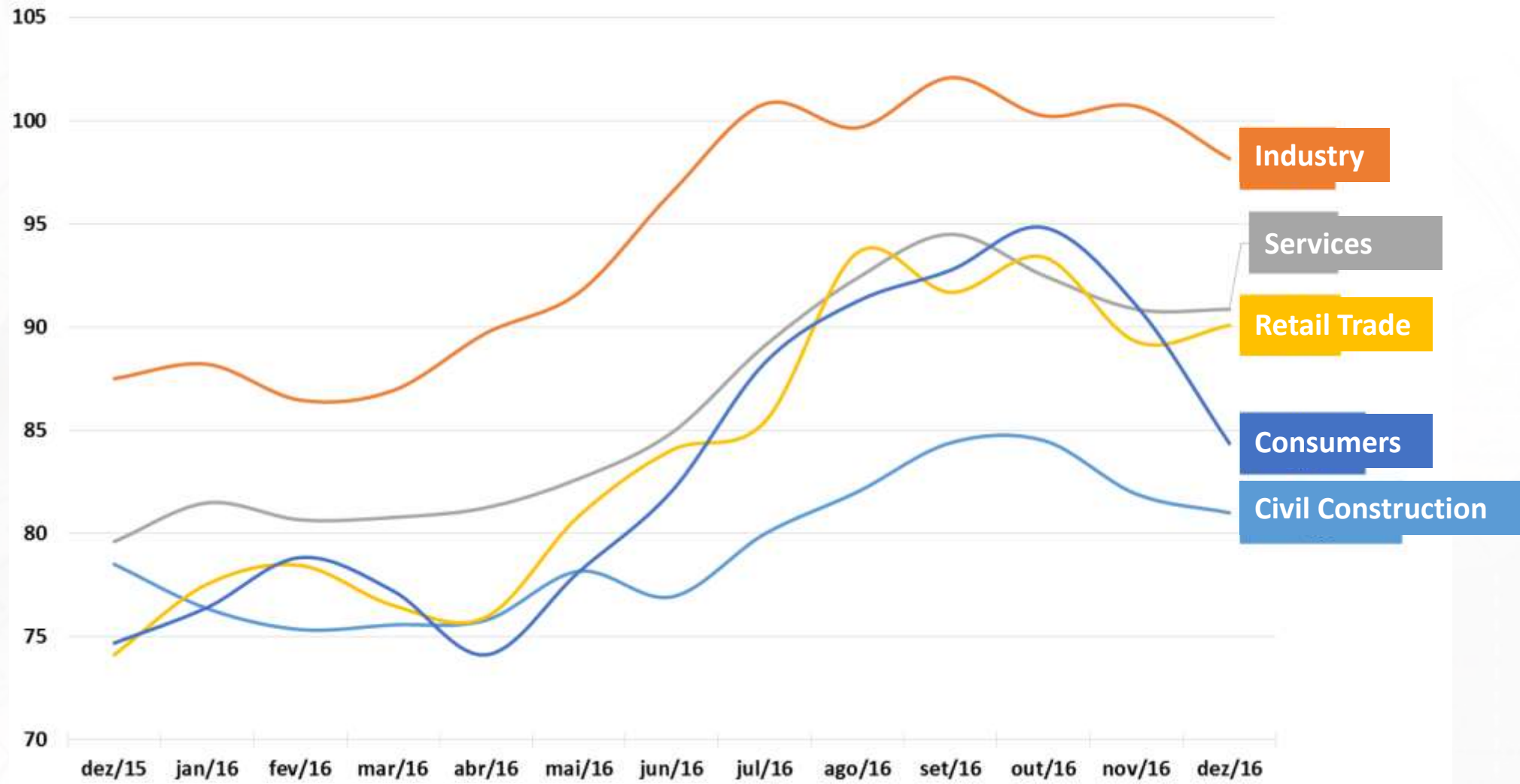
# FGV: Business and Consumer Confidence Indexes



Source: FGV.

# FGV: Economic Confidence Indicators

Economic Confidence Indicators – IBRE/FGV Surveys  
Index: Jul/2015=100

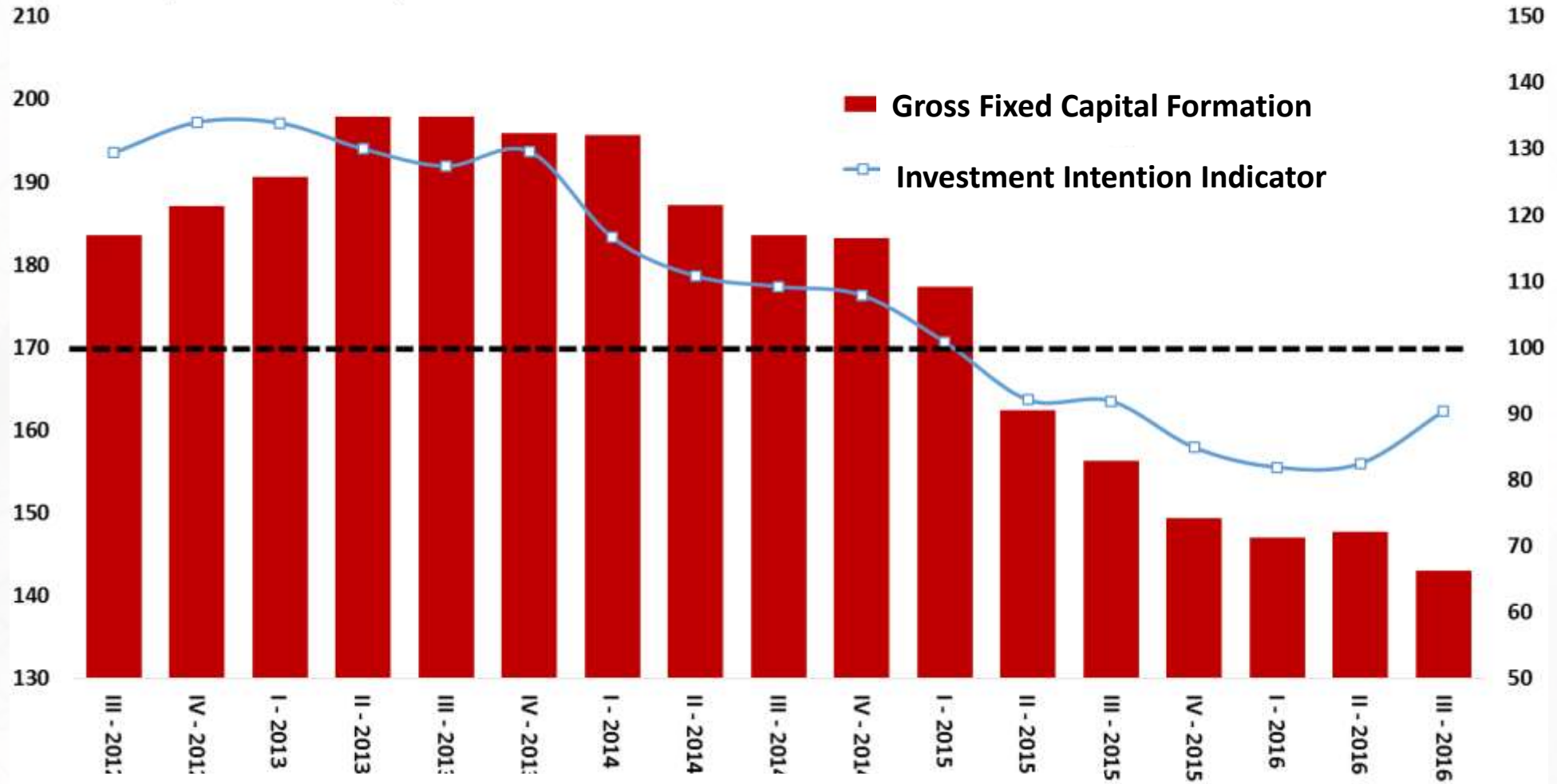


Source: IBRE/FGV.

# Gross Fixed Capital Formation and Investment Intention

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

Investment Intention Indicator\*  
IBRE/FGV Investments Survey

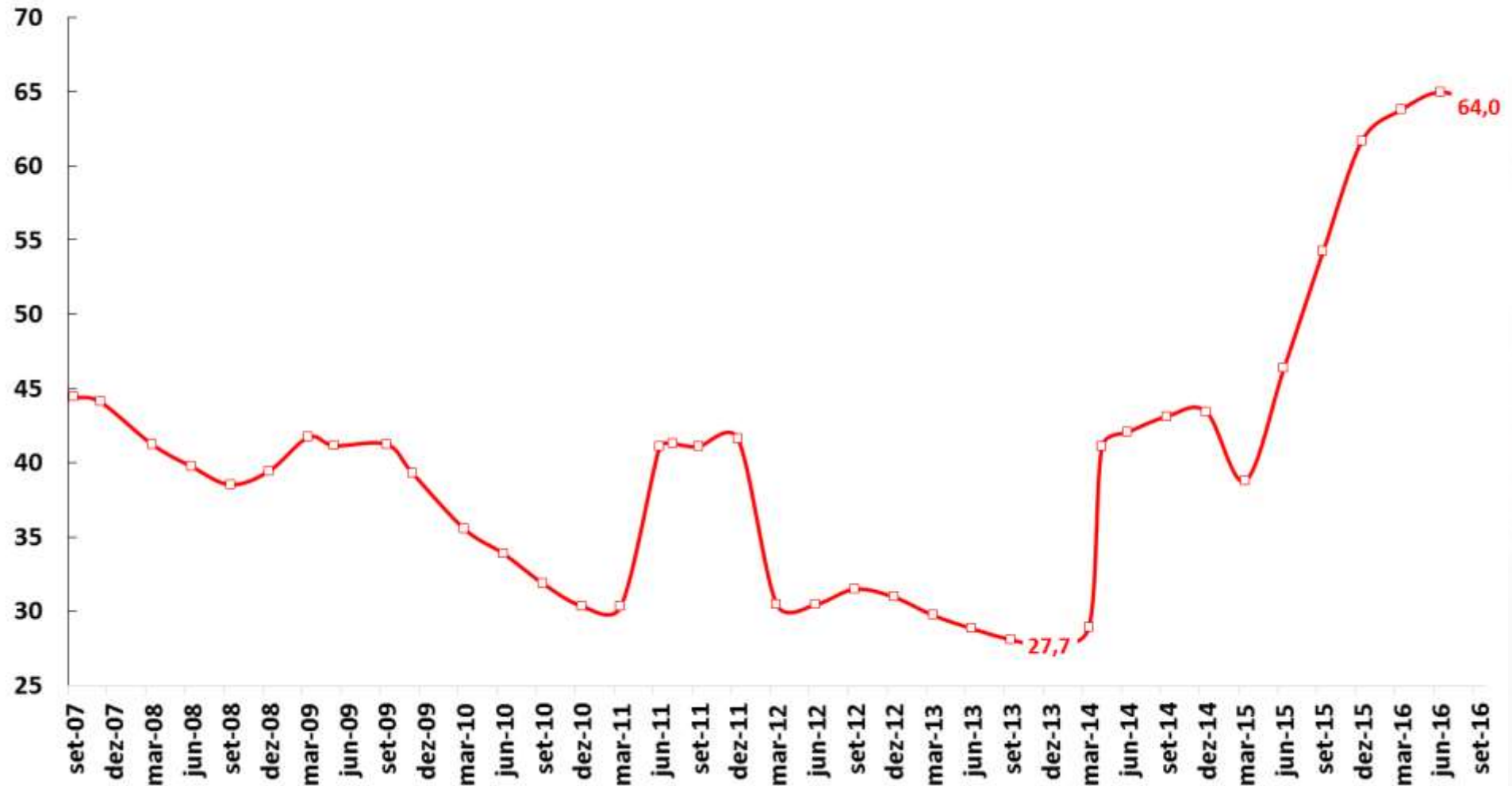


Source: IBRE/FGV.

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

# CNI: Fear of Unemployment Index

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

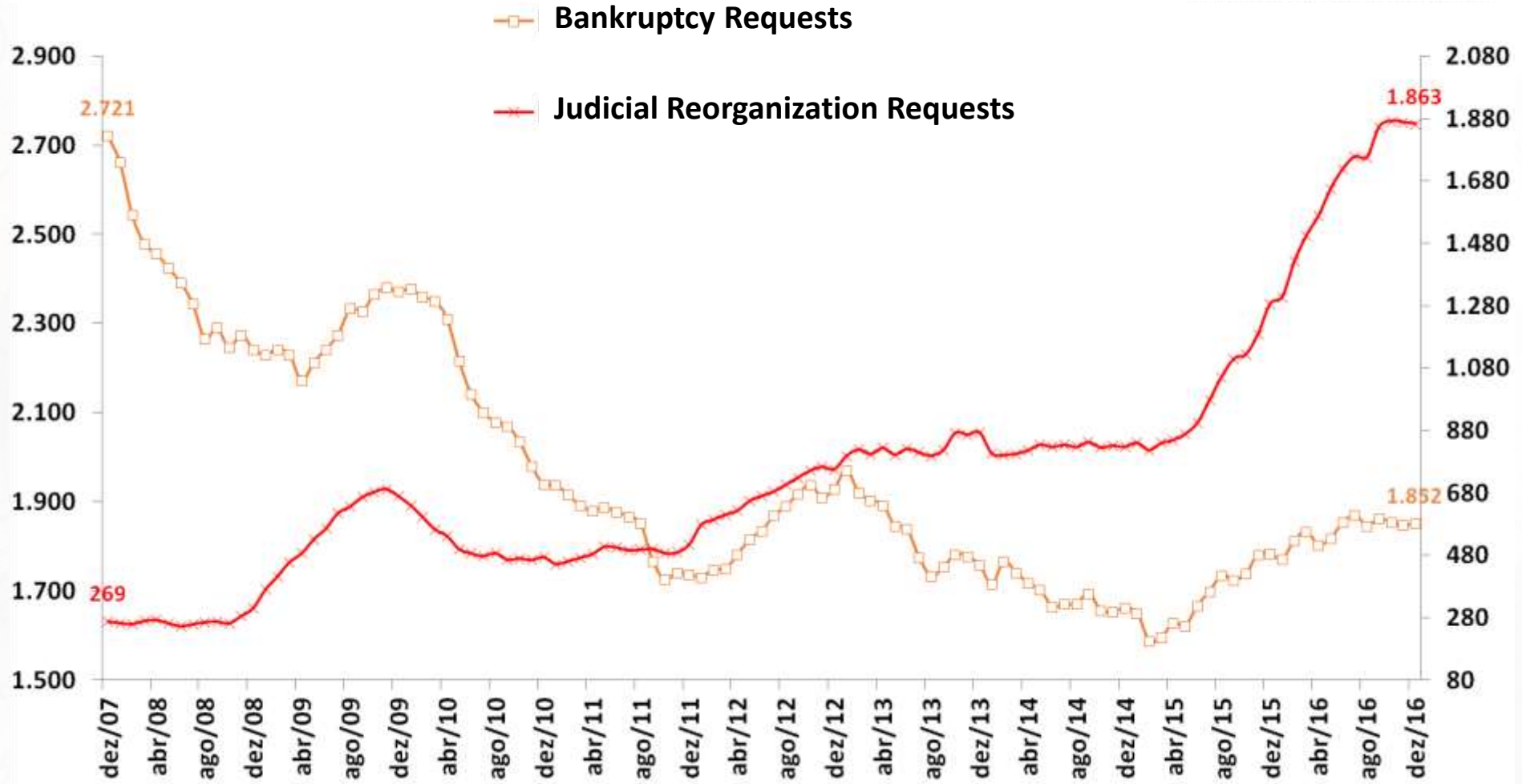


Source: CNI.

# Gross Fixed Capital Formation and Investment Intention

Number of Requests for Bankruptcy  
12-months Accumulated Figures

Number of Requests for Judicial Reorganization  
12-months Accumulated Figures

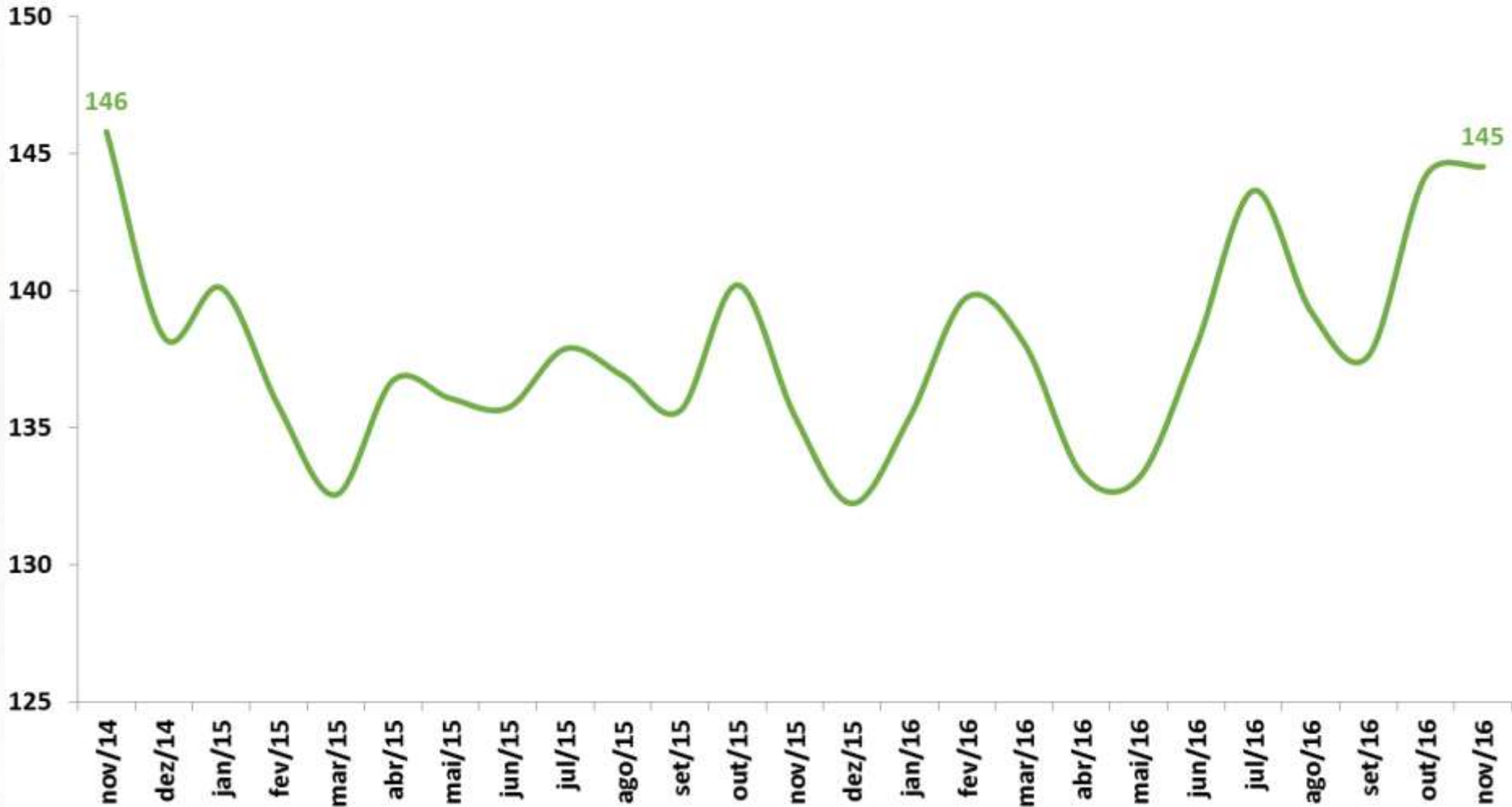


Source: Serasa-Experian.



# ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales  
Seasonally Adjusted Data

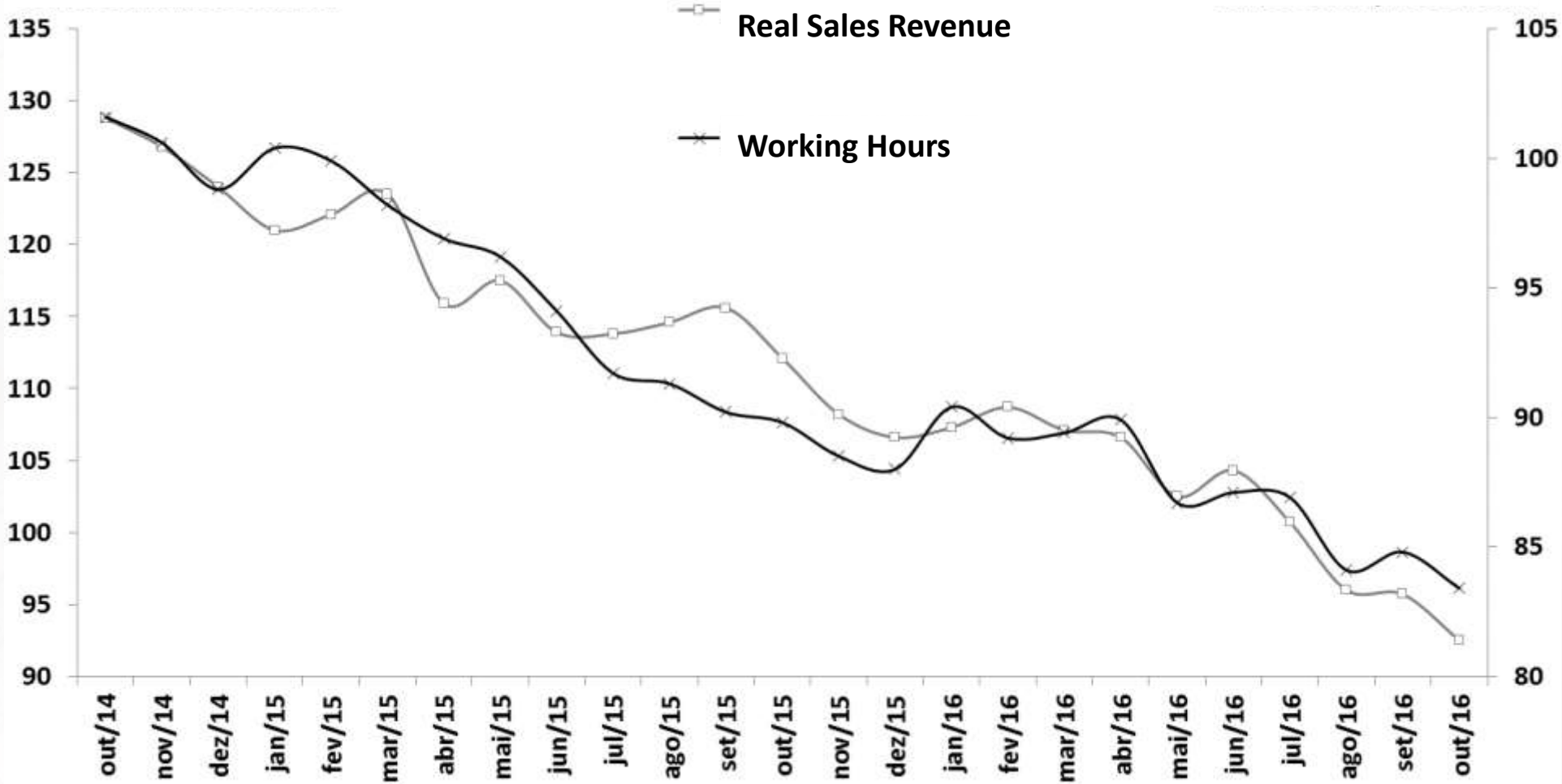


Source: ABRAS. \* Seasonally adjusted by SEPLAN/MP.

# CNI: Industry Real Sales Revenues and Working Hours

Real Sales Revenue  
Manufacturing Industry  
Seasonally Adjusted Data

Working Hours in Production  
Manufacturing Industry  
Seasonally Adjusted Data



Source: CNI.



# CNI: Industry Inventory Levels

General Industry Inventories Level  
Final Goods - planned x realized  
3-months moving average

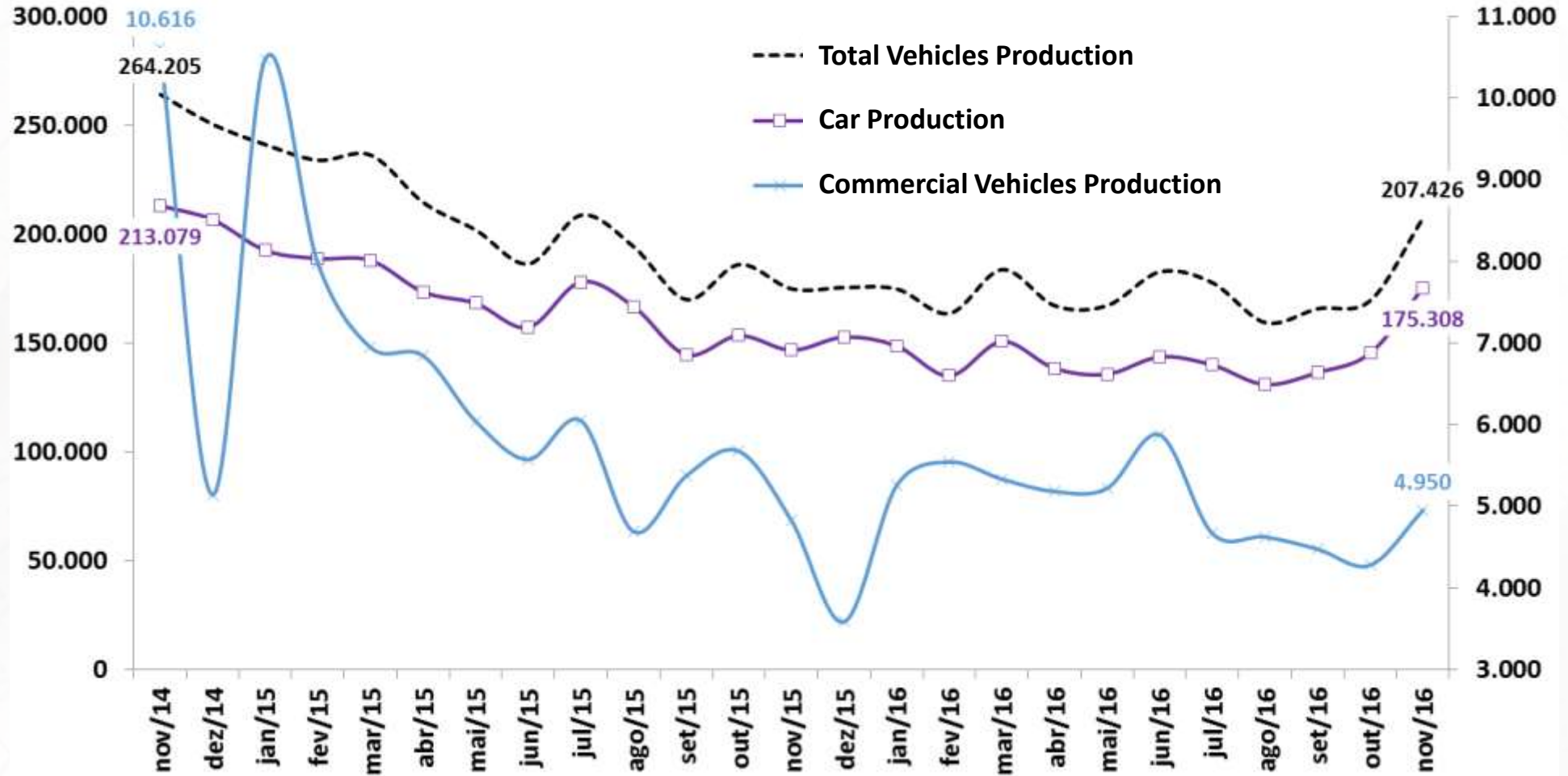


Source: CNI.

# Anfavea: Automotive Sector Production

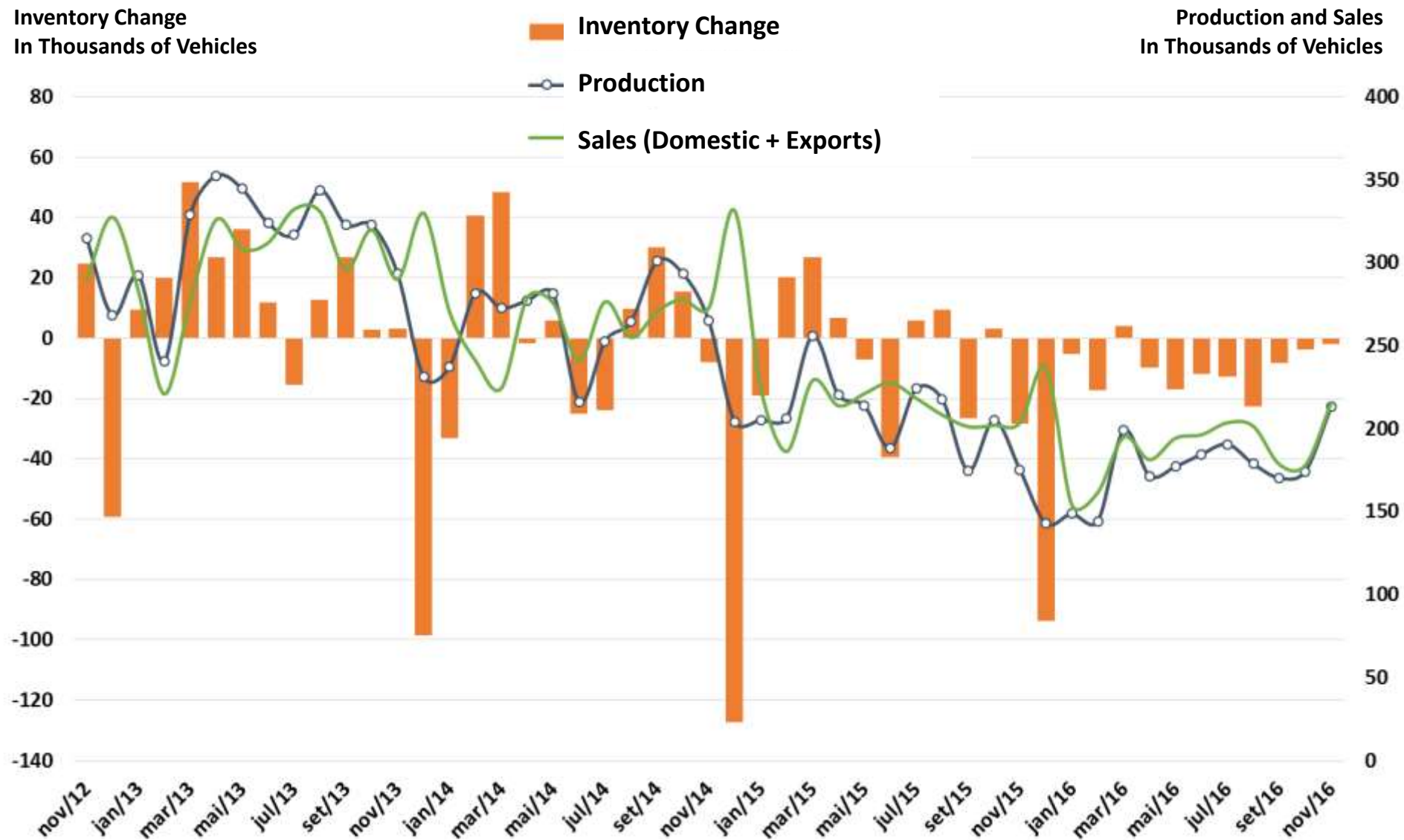
**Total Vehicles and Car Production**  
Amount of Vehicles Monthly Manufactured  
Seasonally Adjusted Data\*

**Commercial Vehicles Production**  
Amount of Vehicles Monthly Manufactured  
Seasonally Adjusted Data\*



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

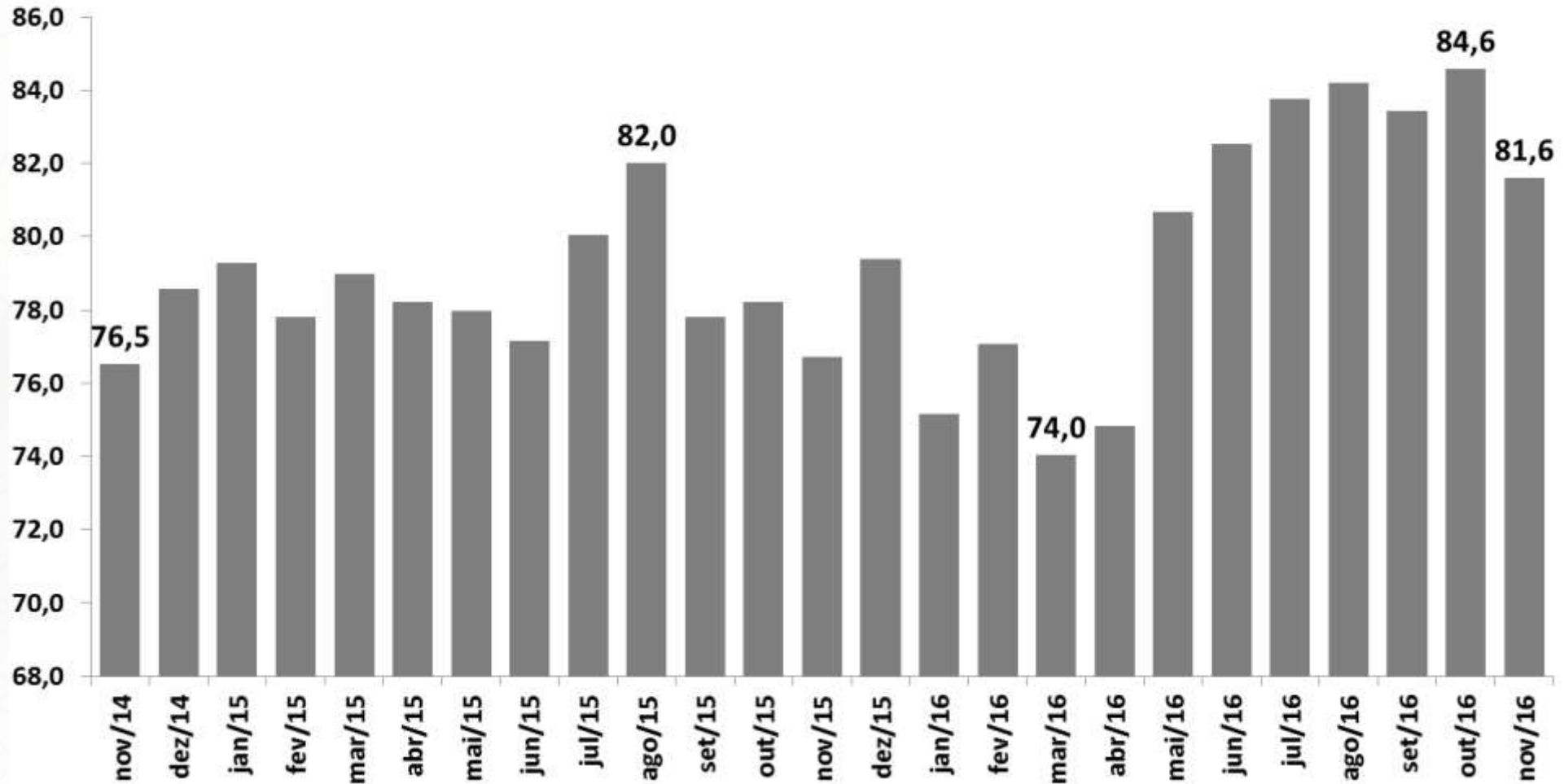
# Automotive Sector Production, Sales and Inventory Change



Source: ANFAVEA and FENABRAVE. \* Sales = Domestic Vehicles Registration + Exports.

# ANP: Natural Gas and Oil Production

Natural Gas and Oil National Production  
Millions of Barrels of Oil Equivalent (BOE) per Month  
Seasonally Adjusted Data\*

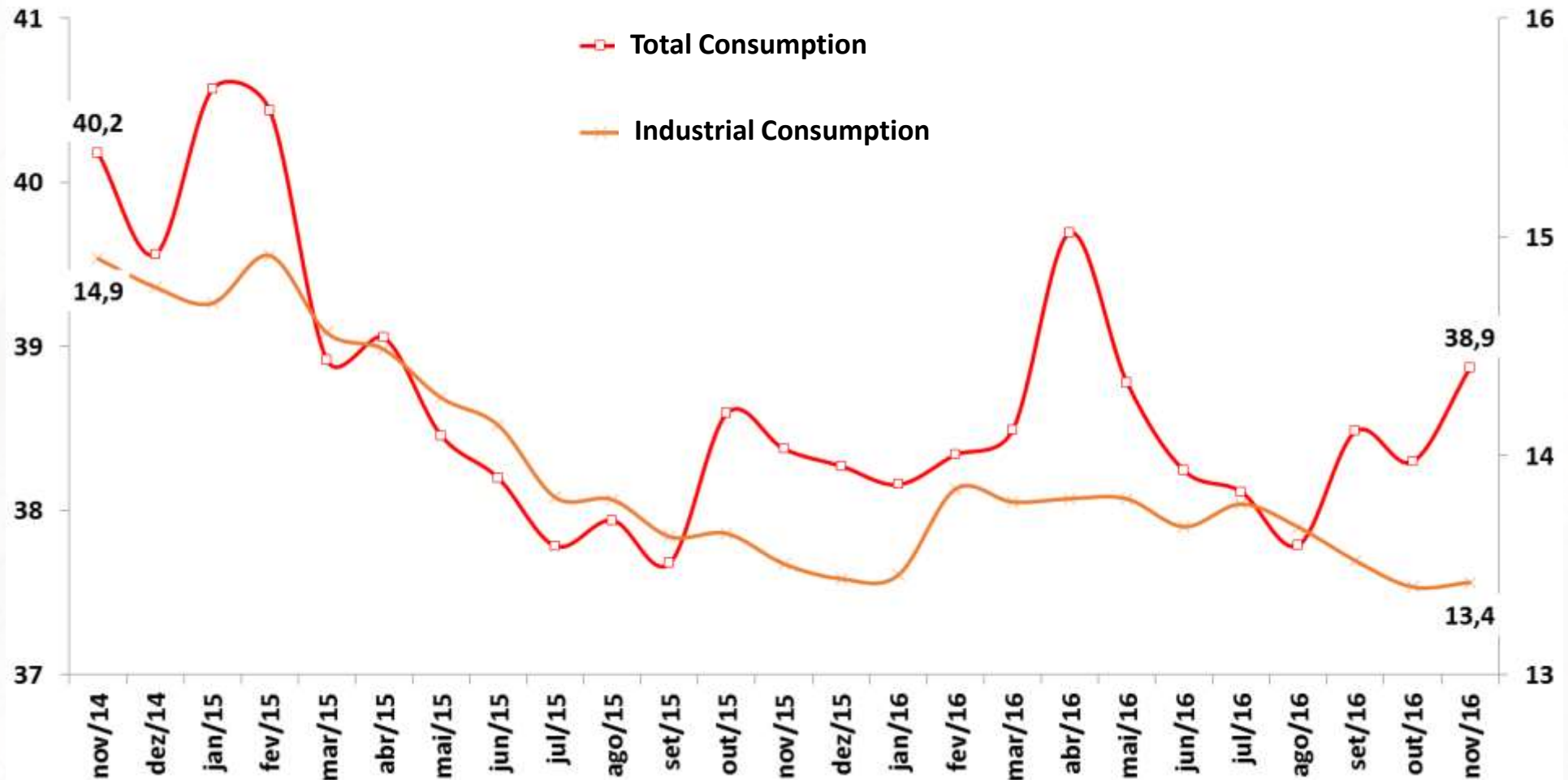


Source: ANP. \* Seasonally adjusted by SEPLAN/MP.

# ANEEL: Electric Energy Consumption

Total Electric Energy Consumption  
Millions of MWh  
Seasonally Adjusted Data\*

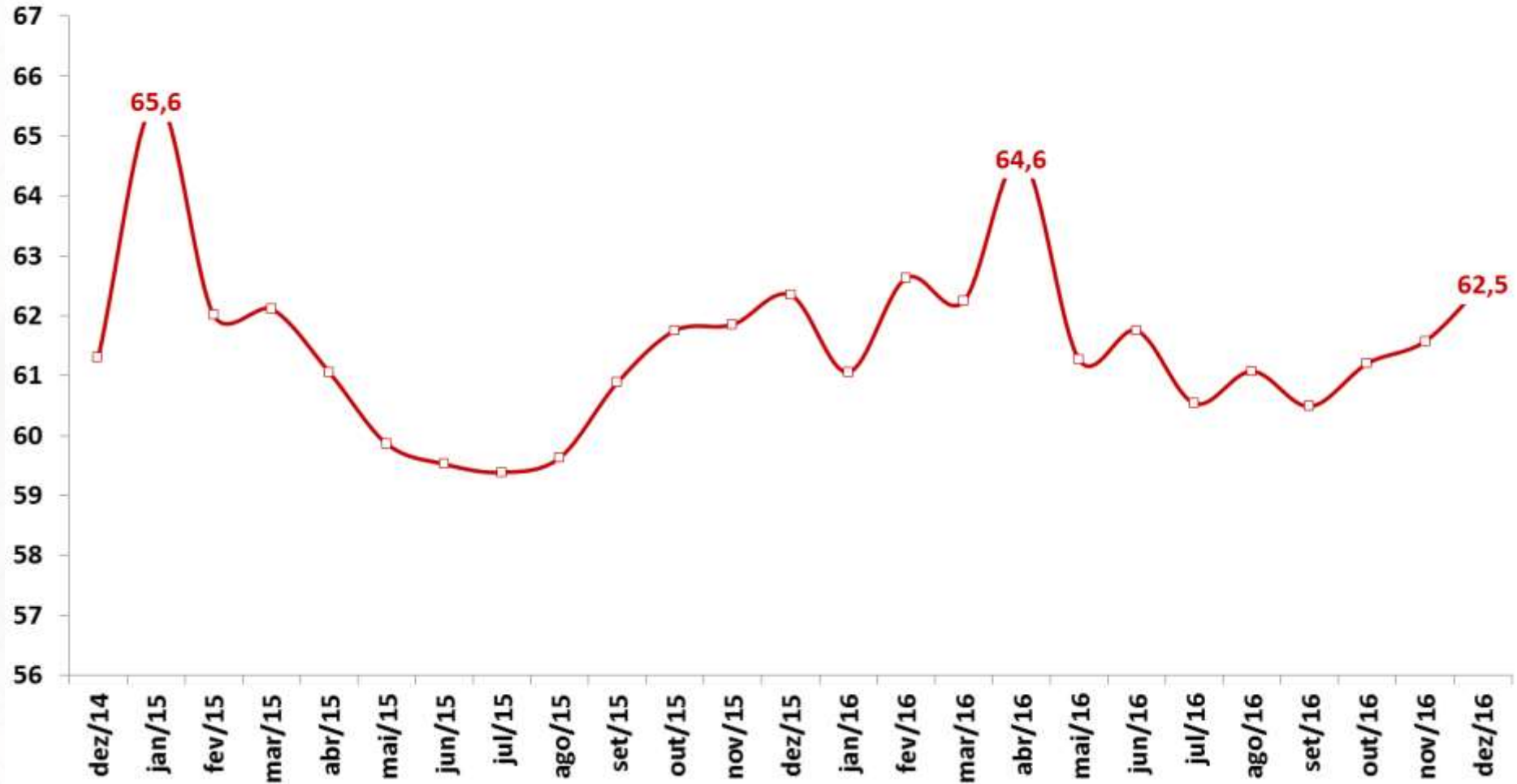
Electric Energy Industrial Consumption  
Millions of MWh  
Seasonally Adjusted Data\*



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

# ONS: Electric Energy System Supply

Electric Energy System Supply  
Millions of MWh  
Seasonally Adjusted Data\*

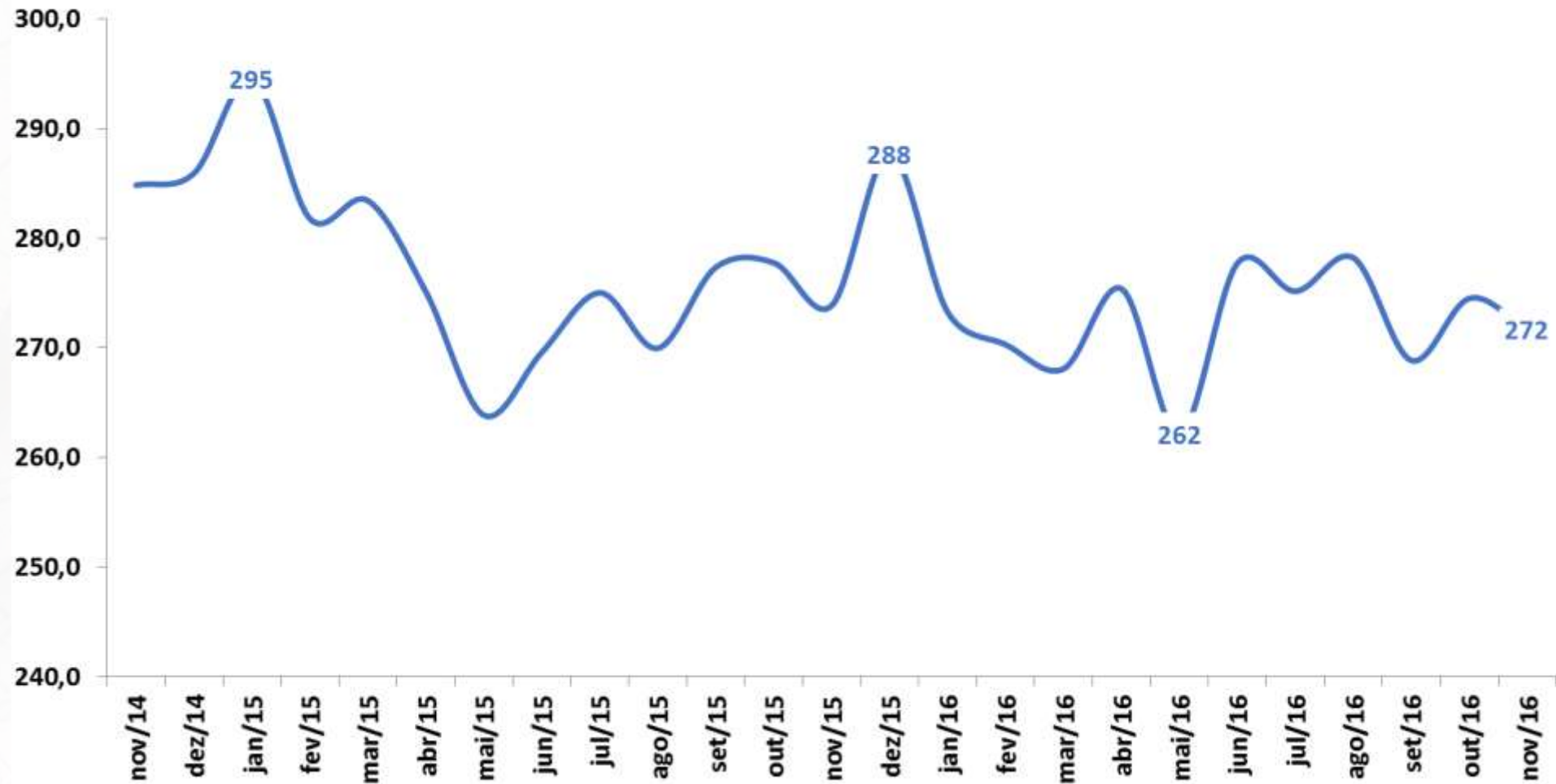


Source: ONS. \* Seasonally adjusted by SEPLAN/MP.



# ABPO: Corrugated Fiberboard Sales

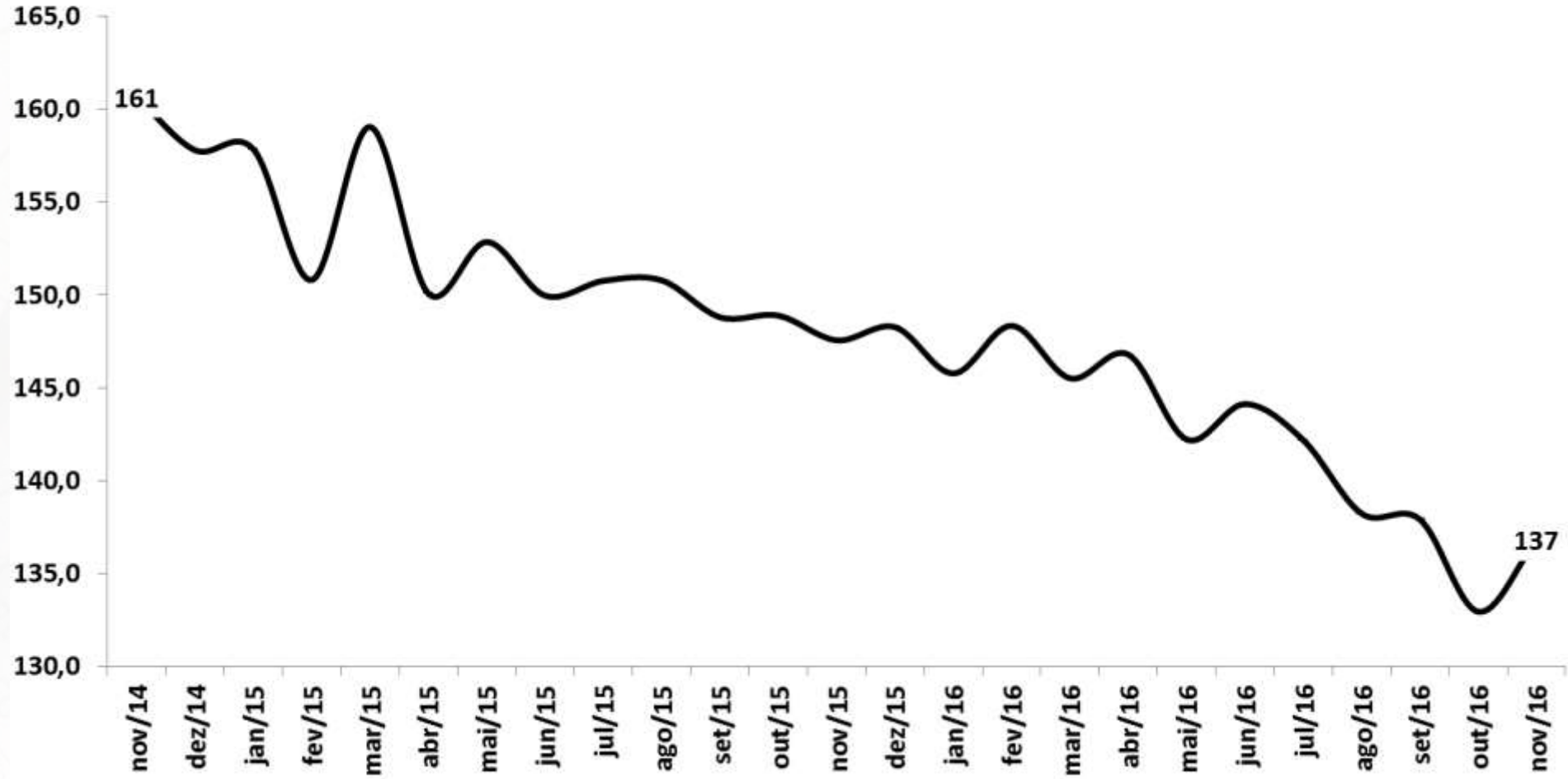
Corrugated Fiberboard Sales  
1.000 of Tons  
Seasonally Adjusted Data\*



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

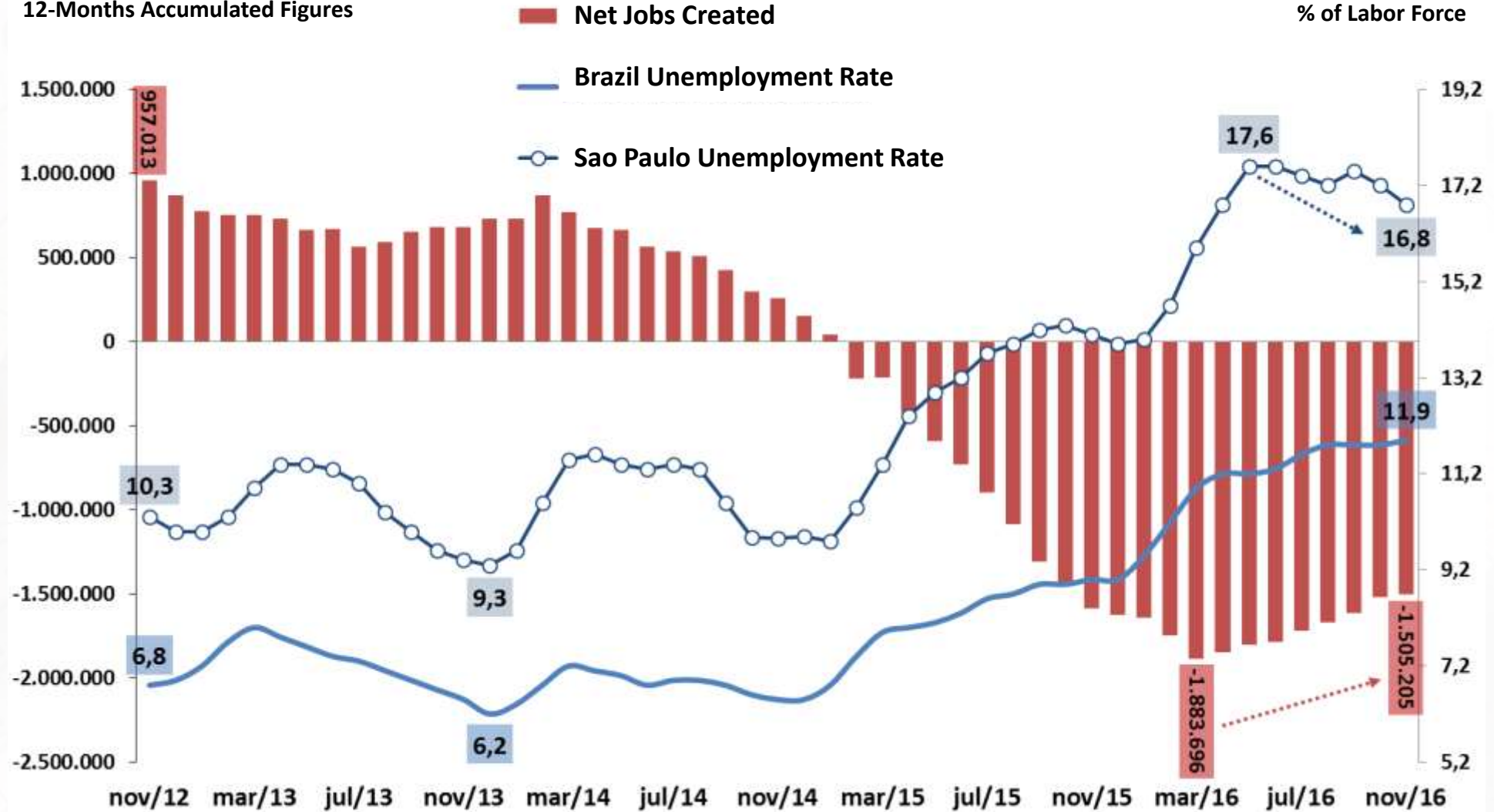
# Labor Market

Formal Jobs (CAGED, MTE)		November 2016								
em milhares de pessoas		2014	2015	Oct/16 accum. in 12-months	Nov/16 accum. in 12-months	Year-To- Date	Nov/16	chg.% 2015 / 2014	chg.% Nov/16 accum. 12- m / 2015	chg.% YTD 2016 / YTD 2015
<b>Net Formal Jobs Creation</b>		<b>153</b>	<b>-1.626</b>	<b>-1.519</b>	<b>-1.505</b>	<b>-909</b>	<b>-117</b>	<b>-1164,4%</b>	<b>-7,4%</b>	<b>88,3%</b>
Job Oppenings		20.661	16.862	14.295	14.220	13.303	1.104	-18,4%	-15,7%	83,4%
Job Separations		20.508	18.487	15.814	15.725	14.212	1.221	-9,9%	-14,9%	83,7%
Employment Indicators		November 2016								
Brasil (PNADC, IBGE)		2014 average	2015 average	Nov/16 (12-months moving average)	Nov/16	chg.% 2015 / 2014	chg.% Oct/16 / Oct/15	chg.% Nov/16 / Nov/15	chg.% YTD 2016 / YTD 2015	chg.% Nov/16 / 2015 average
<b>Unemployment Rate % Labor Force</b>		<b>6,8</b>	<b>8,3</b>	<b>10,5</b>	<b>11,9</b>	<b>1,5 pp</b>	<b>2,9 pp</b>	<b>2,9 pp</b>	<b>3,0 pp</b>	<b>3,6 pp</b>
Unemployed Population (in thousands)		6.700	8.358	10.722	12.132	24,7%	32,8%	33,1%	37,7%	45,1%
Employed Population (in thousands)		92.004	92.216	91.066	90.210	0,2%	-2,6%	-2,1%	-1,8%	-2,2%
Labor Force (in thousands)		98.704	100.575	101.788	102.342	1,9%	0,6%	1,1%	1,5%	1,8%
Working Age Population (in thousands)		161.804	164.197	165.667	166.828	1,5%	1,2%	1,2%	1,2%	1,6%
<b>São Paulo Unemployment Rate % (RMSP, PED-Seade)</b>		<b>10,7</b>	<b>12,9</b>	<b>15,9</b>	<b>16,8</b>	<b>2,1 pp</b>	<b>2,9 pp</b>	<b>2,7 pp</b>	<b>3,8 pp</b>	<b>3,9 pp</b>
Average Real Earnings (PNADC, IBGE)		November 2016								
real values (in R\$ of last month)		2014 average	2015 average	Nov/16 (12-months moving average)	Nov/16	chg.% 2015 / 2014	chg.% Oct/16 / Oct/15	chg.% Nov/16 / Nov/15	chg.% YTD 2016 / YTD 2015	chg.% Nov/16 / 2015 average
<b>Employed Population</b>		<b>2.074</b>	<b>2.076</b>	<b>2.028</b>	<b>2.032</b>	<b>0,1%</b>	<b>-1,4%</b>	<b>-0,4%</b>	<b>-2,7%</b>	<b>-2,1%</b>
Formal Contract		1.964	1.975	1.948	1.958	0,6%	-0,4%	0,3%	-1,5%	-0,9%
Informal Contract		1.203	1.188	1.201	1.181	-1,2%	-1,2%	-3,3%	0,8%	-0,6%
Self-employed		1.629	1.587	1.541	1.500	-2,6%	-2,1%	-2,2%	-3,5%	-5,5%
Public Sector		3.130	3.145	3.173	3.214	0,5%	1,7%	2,5%	1,3%	2,2%
Real Wage Bill (in R\$ millions of last month)		184.577	185.399	179.837	178.859	0,4%	-3,2%	-2,0%	-3,7%	-3,5%

# Unemployment Rate and Net Formal Job Creation

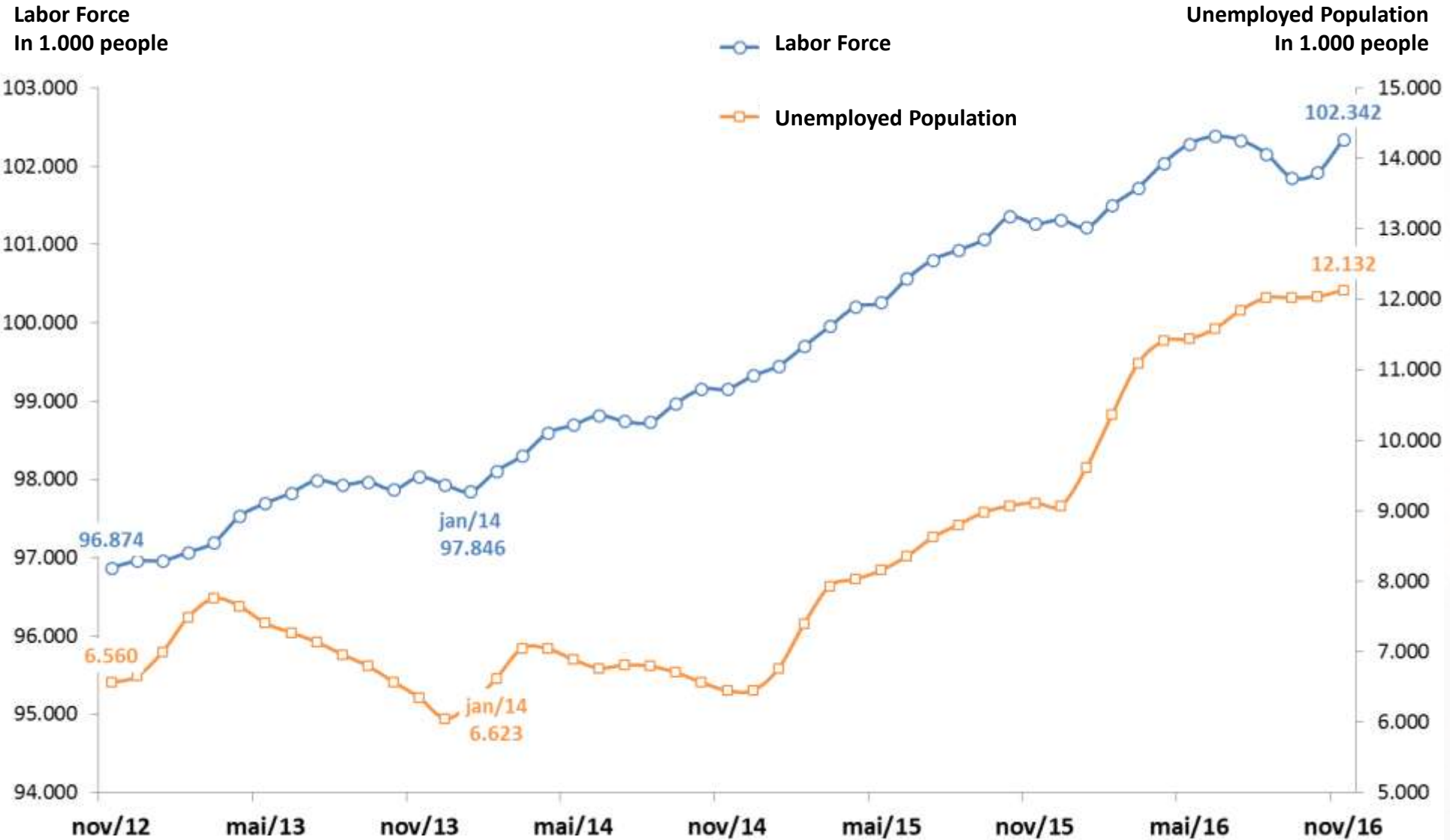
Net Formal Jobs Creation  
12-Months Accumulated Figures

Brazil and Sao Paulo Unemployment Rate  
% of Labor Force



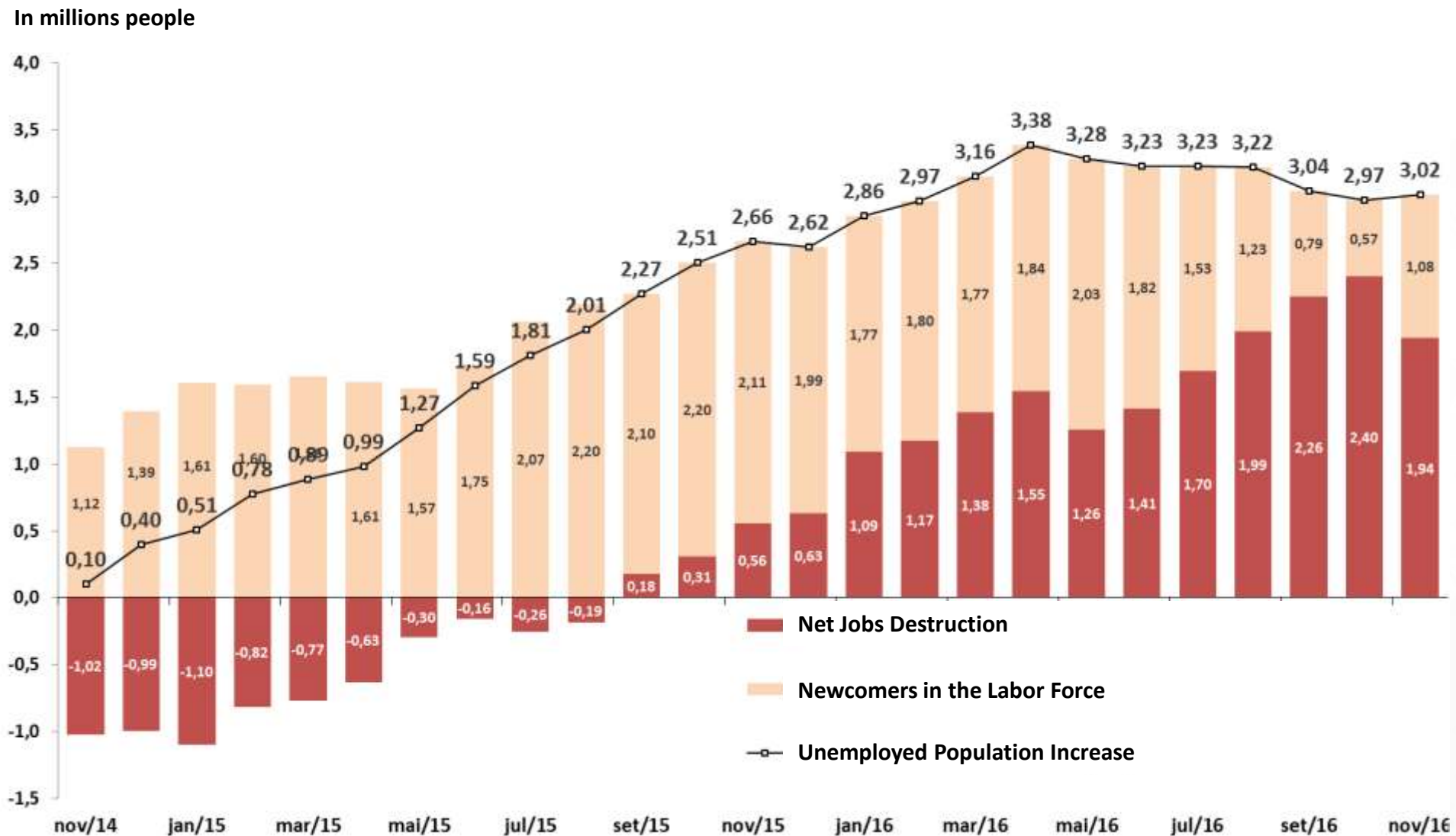
Sources: IBGE-PNADC, SEADE-PED and MTE-CAGED.

# Unemployed Population and Labor Force Evolution



Source: IBGE-PNADC.

# 12-Month Total Unemployment Increase Decomposition

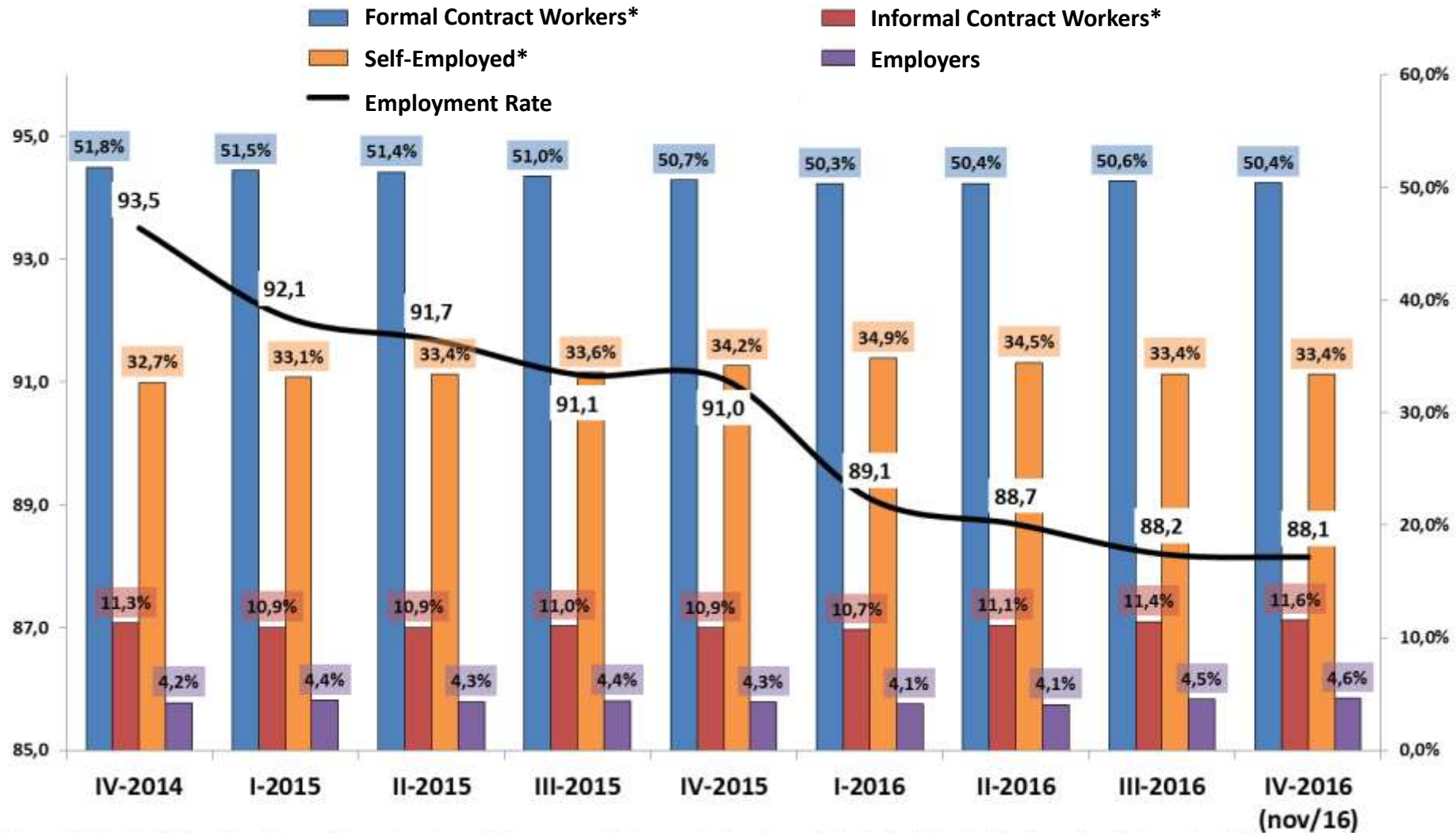


Source: IBGE-PNADC.

# Labor Market Evolution by Employment Type

Employment Rate  
(Employed Population / Labor Force)

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

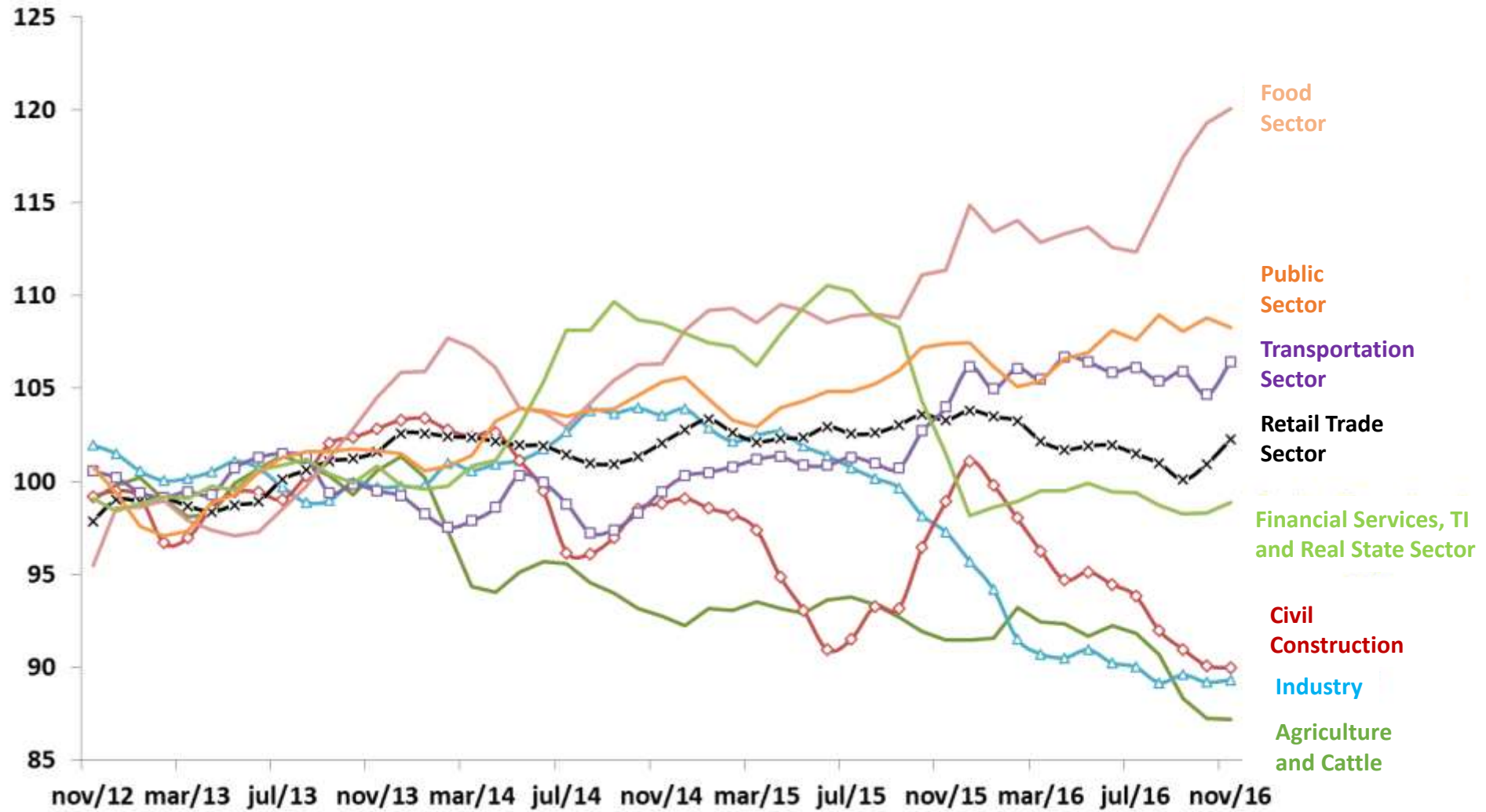


Source: IBGE-PNADC. Note: \*Formal contract includes both private and public sectors and Self-Employed includes home-workers and family-workers.



# Employment by Sector of Activity

Employed Population by Sectors of Activity  
Index: 2013 = 100



Source: IBGE-PNADC.

# Real Wage Bill and Average Real Earning



Source: IBGE-PNADC.

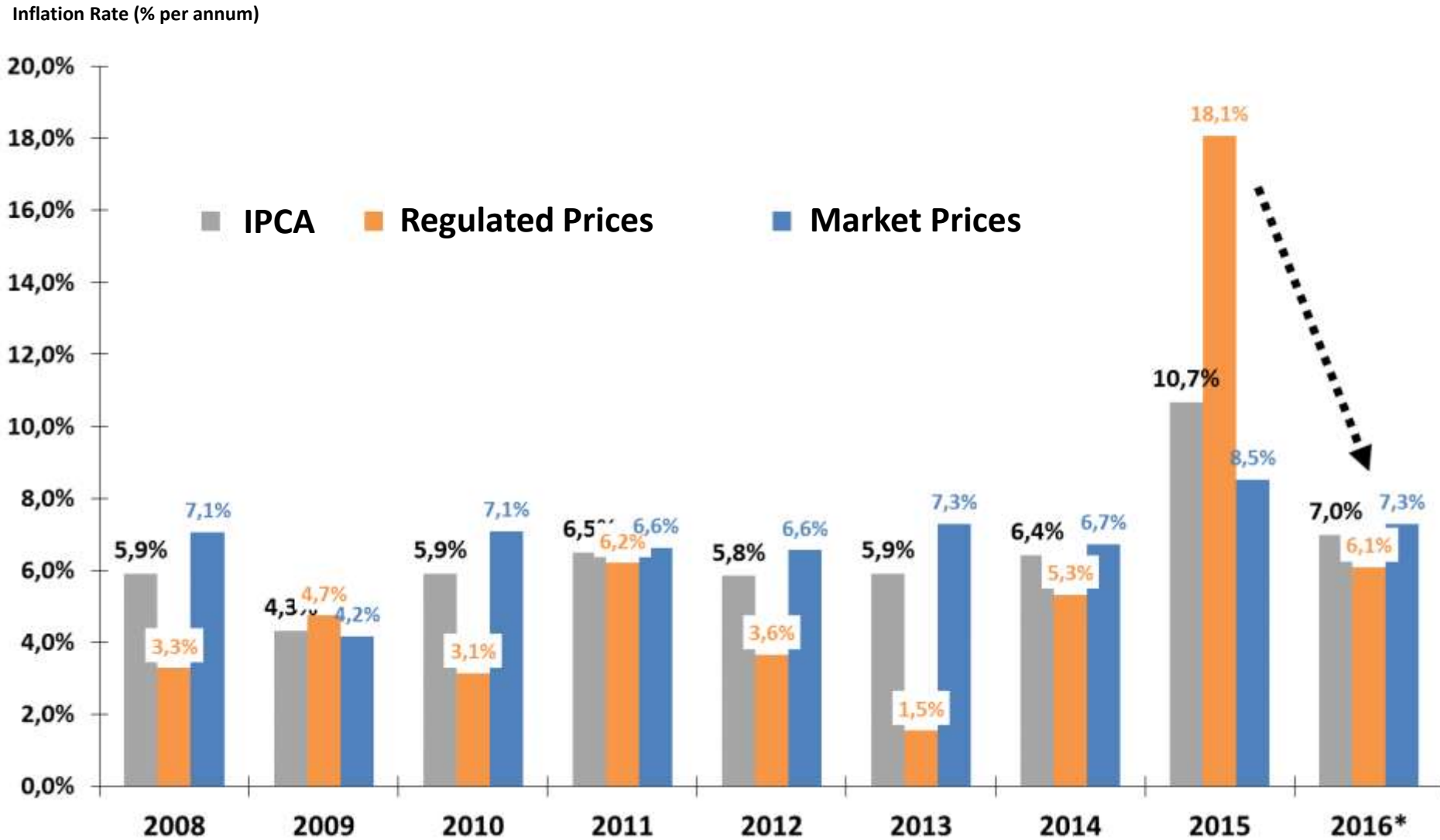
# PRICES AND INFLATION

# Prices and Inflation

BCB/Focus: December 30, 2016

Inflation Index	November 2016											2016	2017	2018	
	2014	2015	Accum. In 12- months	YTD 2015	YTD 2016	Sep/15	Oct/15	Nov/15	Sep/16	Oct/16	Nov/16				
<b>IPCA Inflation Target (CMN)</b>	<b>4,5%</b>	<b>4,5%</b>											<b>4,5%</b>	<b>4,5%</b>	<b>4,5%</b>
<b>Consumer Price Index IPCA (IBGE)</b>	<b>6,4%</b>	<b>10,7%</b>	<b>7,0%</b>	<b>9,6%</b>	<b>6,0%</b>	<b>0,54%</b>	<b>0,82%</b>	<b>1,01%</b>	<b>0,08%</b>	<b>0,26%</b>	<b>0,18%</b>		<b>6,4%</b>	<b>4,9%</b>	<b>4,5%</b>
IPCA core by Ex2 method	6,5%	9,5%	6,7%	8,6%	5,8%	0,6%	0,5%	0,5%	0,2%	0,3%	0,3%				
Food and Beverages	8,0%	12,0%	10,2%	10,4%	8,5%	0,2%	0,8%	1,8%	-0,3%	-0,1%	-0,2%				
Housing	8,8%	18,3%	4,0%	17,8%	3,5%	1,3%	0,8%	0,8%	0,6%	0,4%	0,3%				
Household Articles	5,5%	5,4%	4,2%	4,9%	3,7%	0,2%	0,4%	0,3%	-0,2%	-0,1%	-0,2%				
Wearing Apparel	3,6%	4,5%	4,4%	3,3%	3,2%	0,5%	0,7%	0,8%	0,4%	0,5%	0,2%				
Transportation	3,8%	10,2%	4,5%	8,7%	3,1%	0,7%	1,7%	1,1%	-0,1%	0,8%	0,3%				
Health and Personal Care	-1,5%	2,1%	1,7%	1,7%	1,3%	0,0%	0,4%	1,0%	0,2%	0,1%	0,3%				
Personal Expenses	7,0%	9,2%	11,3%	8,4%	10,5%	0,6%	0,6%	0,6%	0,3%	0,4%	0,6%				
Education	8,3%	9,5%	7,5%	8,9%	6,9%	0,3%	0,6%	0,5%	0,1%	0,0%	0,5%				
Communication	8,5%	9,2%	9,0%	9,0%	8,8%	0,3%	0,1%	0,2%	0,2%	0,0%	0,1%				
<b>Consumer Price Index INPC (IBGE)</b>	<b>6,2%</b>	<b>11,3%</b>	<b>7,4%</b>	<b>10,3%</b>	<b>6,4%</b>	<b>0,51%</b>	<b>0,77%</b>	<b>1,11%</b>	<b>0,08%</b>	<b>0,17%</b>	<b>0,07%</b>		<b>6,9%</b>	<b>5,0%</b>	<b>4,7%</b>
<b>São Paulo Cost-of-Living Index ICV SP (DIEESE)</b>	<b>6,7%</b>	<b>11,4%</b>	<b>6,9%</b>	<b>10,6%</b>	<b>6,0%</b>	<b>0,48%</b>	<b>0,78%</b>	<b>1,02%</b>	<b>0,03%</b>	<b>0,37%</b>	<b>0,28%</b>				
<b>General Price Index IGP-DI (FGV)</b>	<b>3,8%</b>	<b>10,7%</b>	<b>6,7%</b>	<b>10,2%</b>	<b>6,3%</b>	<b>1,42%</b>	<b>1,76%</b>	<b>1,19%</b>	<b>0,03%</b>	<b>0,13%</b>	<b>0,05%</b>		<b>6,8%</b>	<b>5,1%</b>	<b>4,9%</b>
<b>Consumer Price Subindex IPC/Br-DI</b>	<b>6,9%</b>	<b>10,5%</b>	<b>6,8%</b>	<b>9,6%</b>	<b>5,8%</b>	<b>0,4%</b>	<b>0,8%</b>	<b>1,0%</b>	<b>0,1%</b>	<b>0,3%</b>	<b>0,2%</b>				
<b>Civil Construction Cost Subindex INCC-DI</b>	<b>6,9%</b>	<b>7,5%</b>	<b>5,8%</b>	<b>7,4%</b>	<b>5,7%</b>	<b>0,2%</b>	<b>0,4%</b>	<b>0,3%</b>	<b>0,3%</b>	<b>0,2%</b>	<b>0,2%</b>				
<b>Wholesale Price Subindex IPA-DI</b>	<b>2,2%</b>	<b>11,3%</b>	<b>6,9%</b>	<b>11,0%</b>	<b>6,6%</b>	<b>2,0%</b>	<b>2,4%</b>	<b>1,4%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>		<b>7,1%</b>	<b>5,3%</b>	<b>5,0%</b>
IPA-OG-DI Industry	1,3%	9,6%	4,5%	9,8%	4,6%	1,5%	2,2%	1,0%	0,6%	0,2%	0,8%				
IPA-OG-DI Farming	4,4%	15,6%	12,9%	13,9%	11,2%	3,4%	2,8%	2,5%	-1,6%	-0,4%	-1,9%				
Inflation Index	December 2016											2016	2017	2018	
	2014	2015	Accum. In 12- months	YTD 2015	YTD 2016	Oct/15	Nov/15	Dec/15	Oct/16	Nov/16	Dec/16				
<b>General Price Index IGP-10 (FGV)</b>	<b>3,9%</b>	<b>10,5%</b>	<b>7,0%</b>	<b>10,5%</b>	<b>7,0%</b>	<b>1,88%</b>	<b>1,64%</b>	<b>0,81%</b>	<b>0,12%</b>	<b>0,06%</b>	<b>0,20%</b>				
<b>Consumer Price Index IPCA - 15 (IBGE)</b>	<b>6,5%</b>	<b>10,7%</b>	<b>6,6%</b>	<b>10,7%</b>	<b>6,6%</b>	<b>0,66%</b>	<b>0,85%</b>	<b>1,18%</b>	<b>0,19%</b>	<b>0,26%</b>	<b>0,19%</b>				
<b>General Price Index IGP-M (FGV)</b>	<b>3,7%</b>	<b>10,5%</b>	<b>7,2%</b>	<b>10,5%</b>	<b>7,2%</b>	<b>1,89%</b>	<b>1,52%</b>	<b>0,49%</b>	<b>0,16%</b>	<b>-0,03%</b>	<b>0,54%</b>		-	<b>5,1%</b>	<b>4,8%</b>
<b>São Paulo Consumer Price Index IPC RMSP (FIPE)</b>	<b>5,2%</b>	<b>11,1%</b>	<b>6,5%</b>	<b>11,1%</b>	<b>6,5%</b>	<b>0,88%</b>	<b>1,06%</b>	<b>0,82%</b>	<b>0,27%</b>	<b>0,15%</b>	<b>0,72%</b>		<b>6,3%</b>	<b>5,2%</b>	<b>4,5%</b>

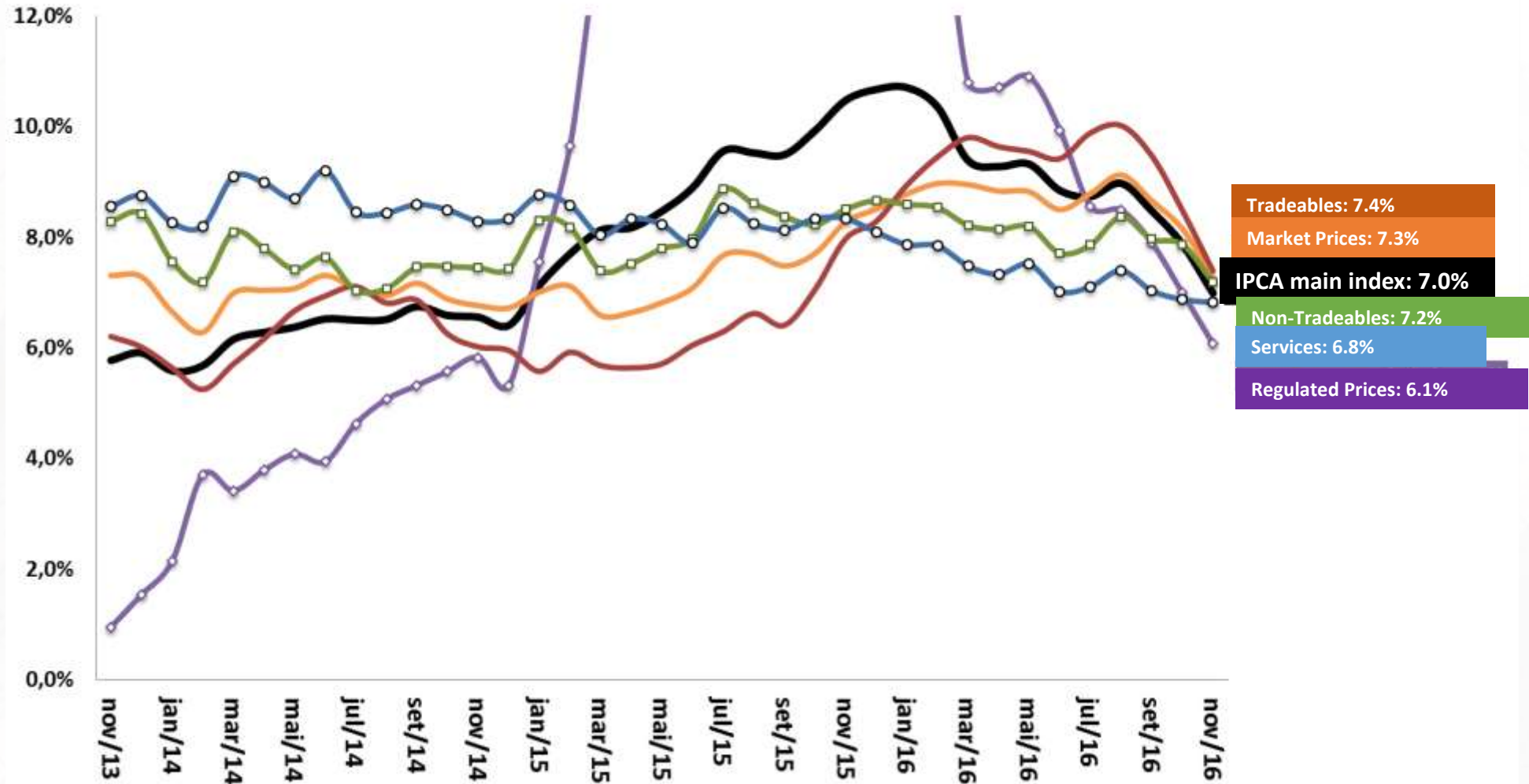
# Relative Prices Realignment in Consumer Price Index



Source: IBGE. Note: \* Oct/2016 12-month accumulated inflation rate.

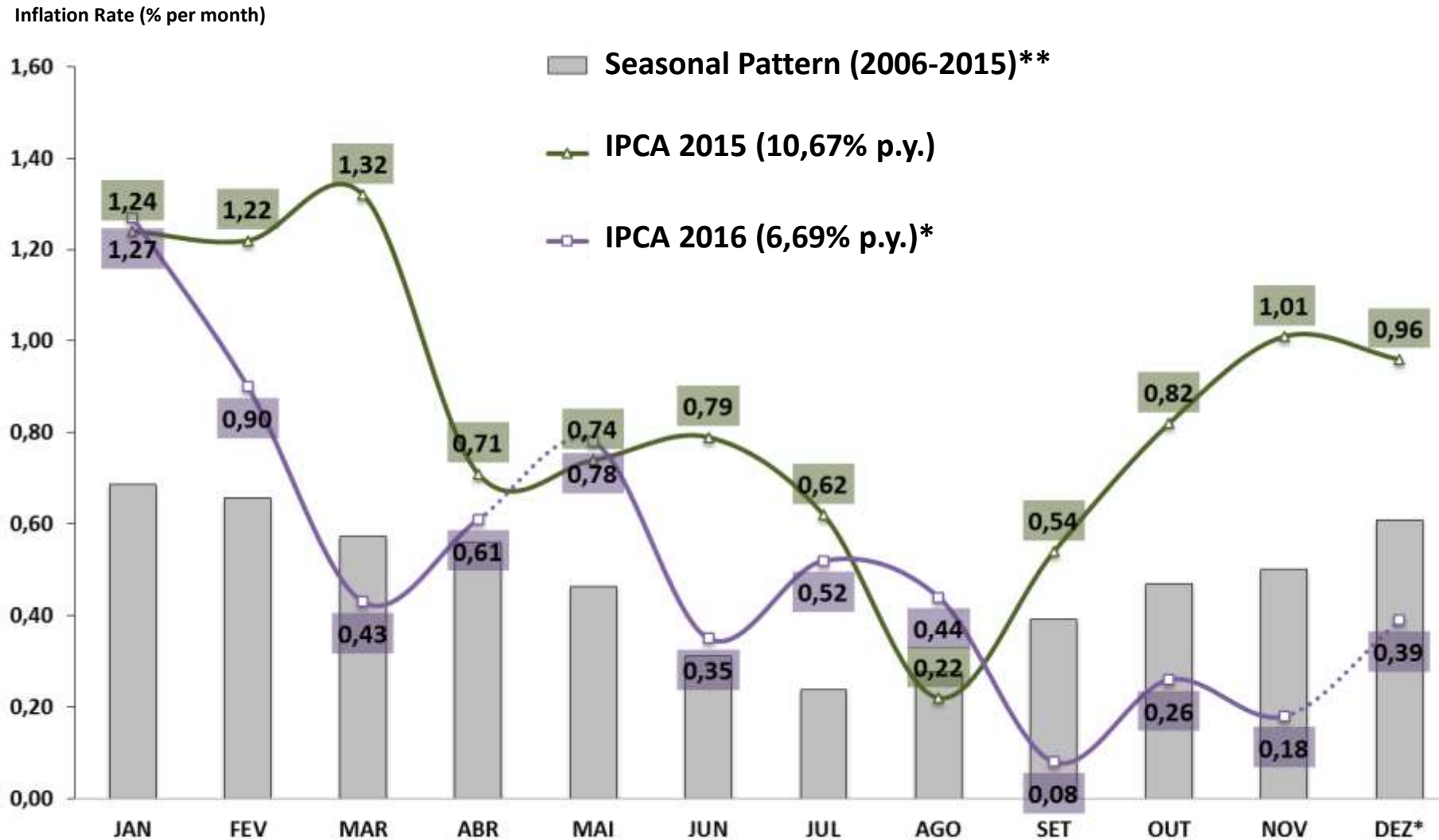
# Consumer Price Index (IPCA) and Subindexes

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



Source: IBGE.

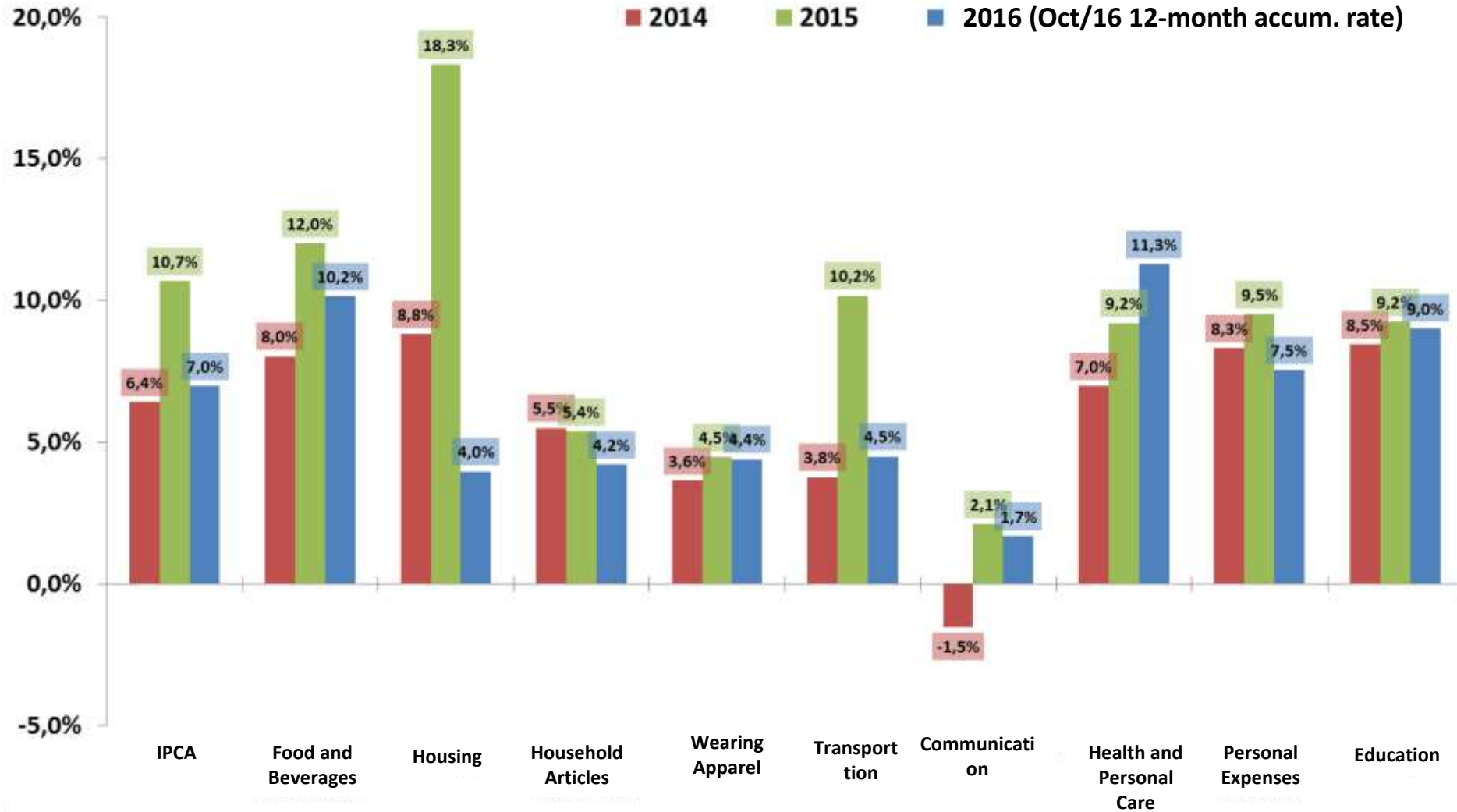
# Consumer Price Index (IPCA) and Seasonal Pattern



Sources: IBGE and Central Bank of Brazil. Notes: \*BCB-Focus Survey 30<sup>th</sup> Dec, median of market expectations. \*\*Seasonal pattern estimated by SEPLAN/MP.

# Consumer Price Index (IPCA) by Groups of Prices

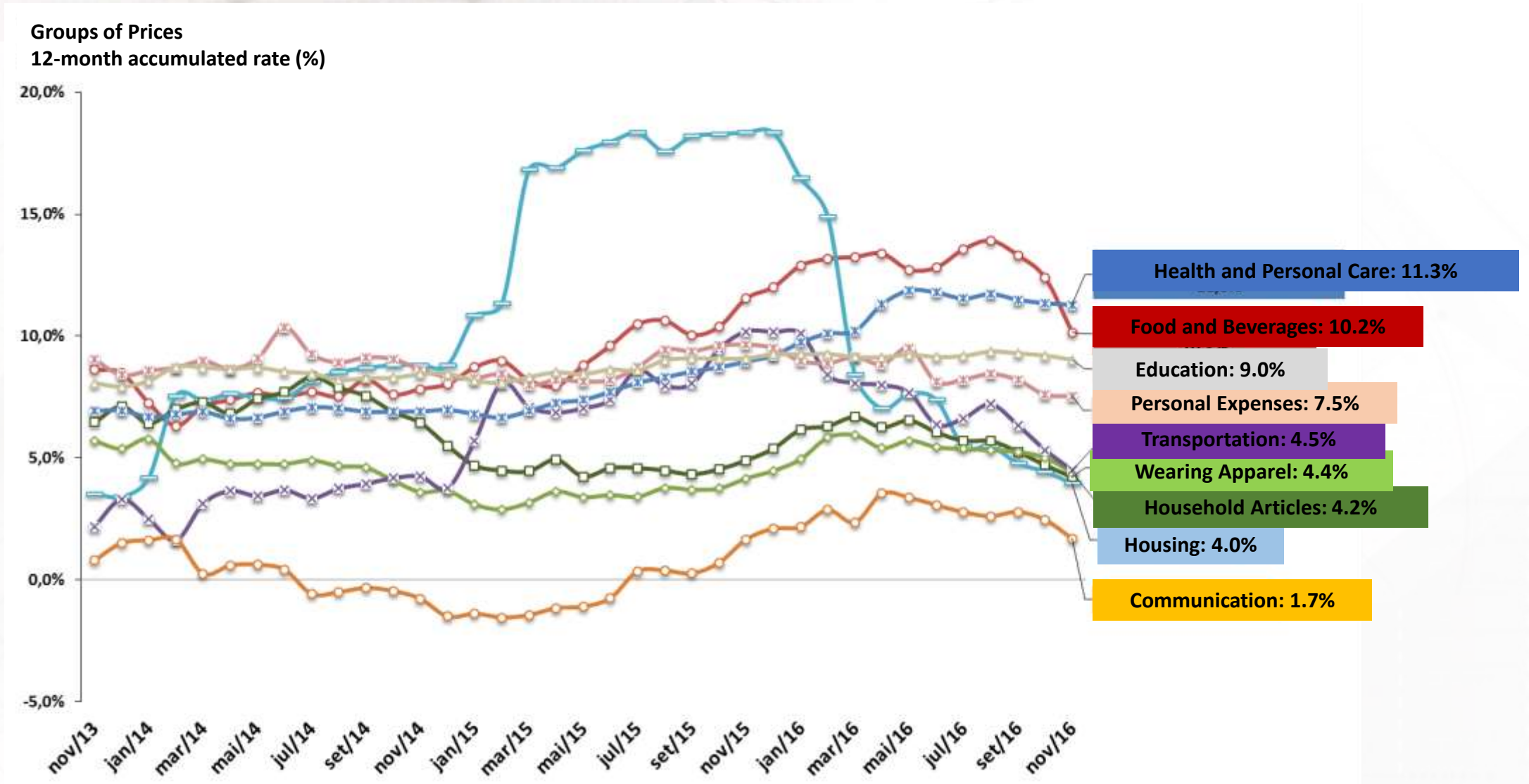
IPCA components – Groups of Prices  
Inflation Rate (%)



Source: IBGE.



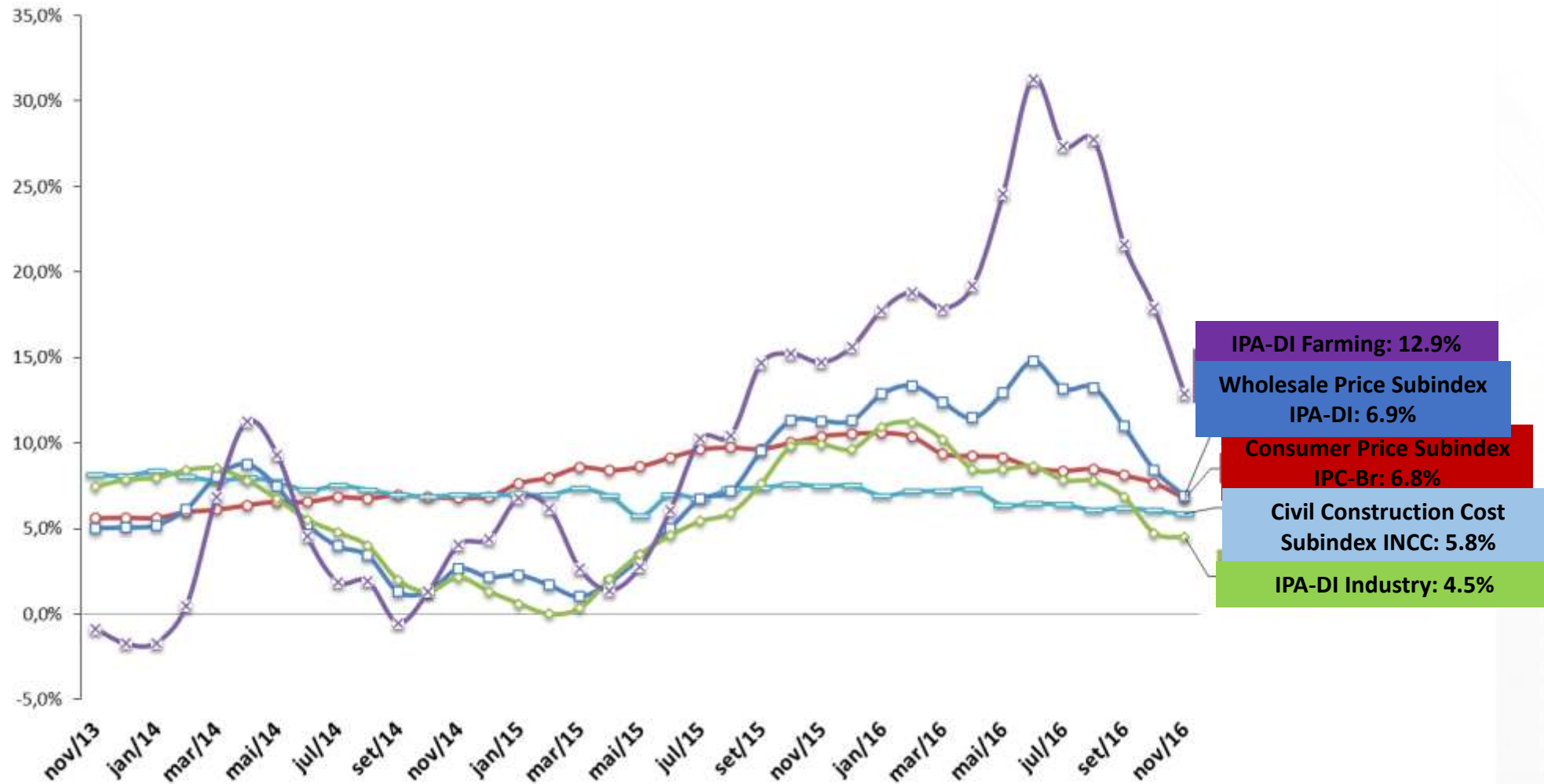
# Consumer Price Index (IPCA) by Groups of Prices



Source: IBGE.

# General Price Index (IGP-DI) by Subindexes

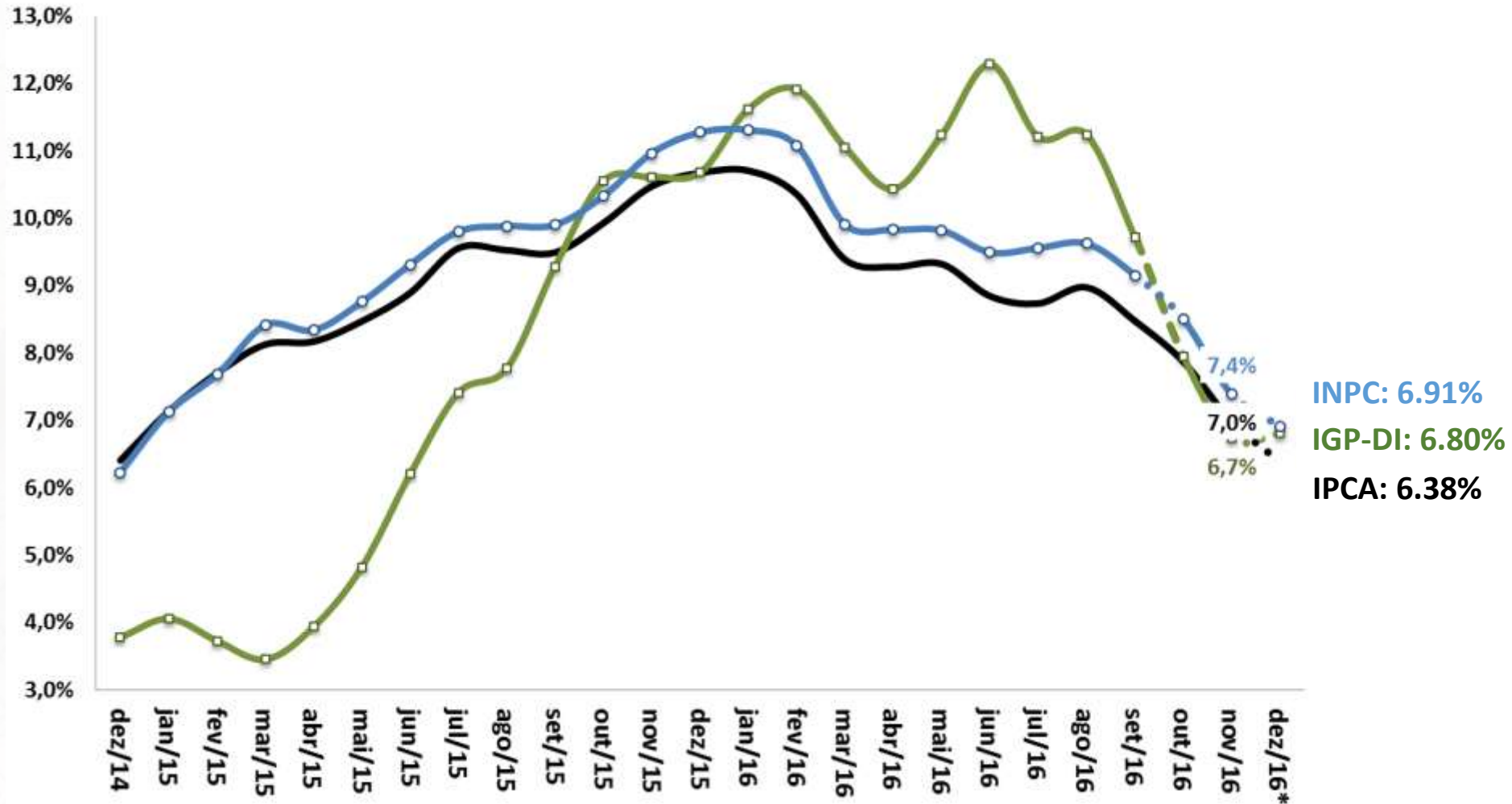
General Prices Subindexes  
12-month accumulated rate (%)



Source: FGV.

# Major Inflation Indexes: 12 Months Figures and Expectations.

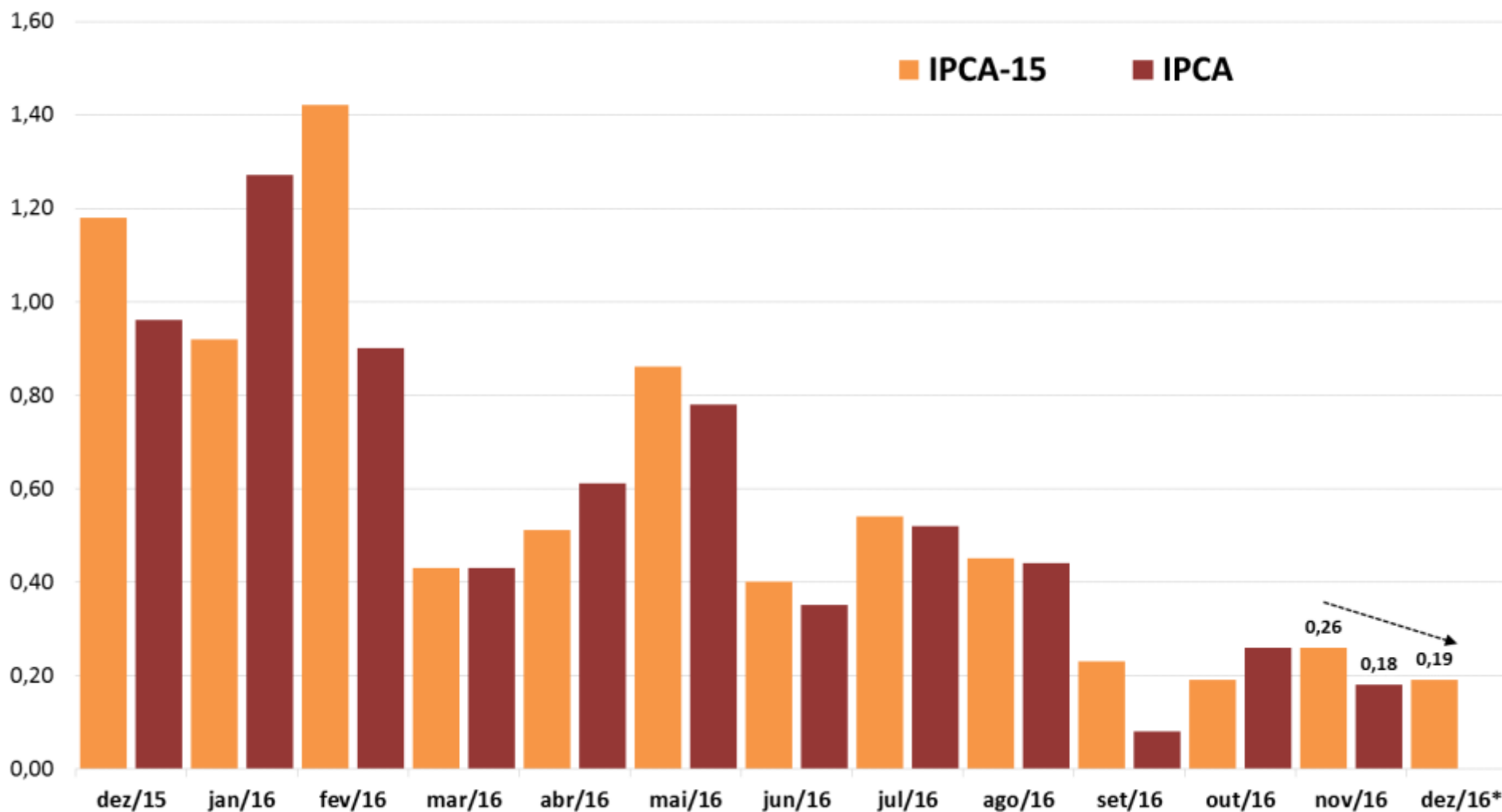
Major Inflation Indexes  
12-month accumulated rate (%)



Sources: IBGE and Central Bank of Brazil. Notes: \*BCB-Focus Survey 30<sup>th</sup> Dec, median of market expectations.

# Chained Series of Monthly Consumer Price Indexes

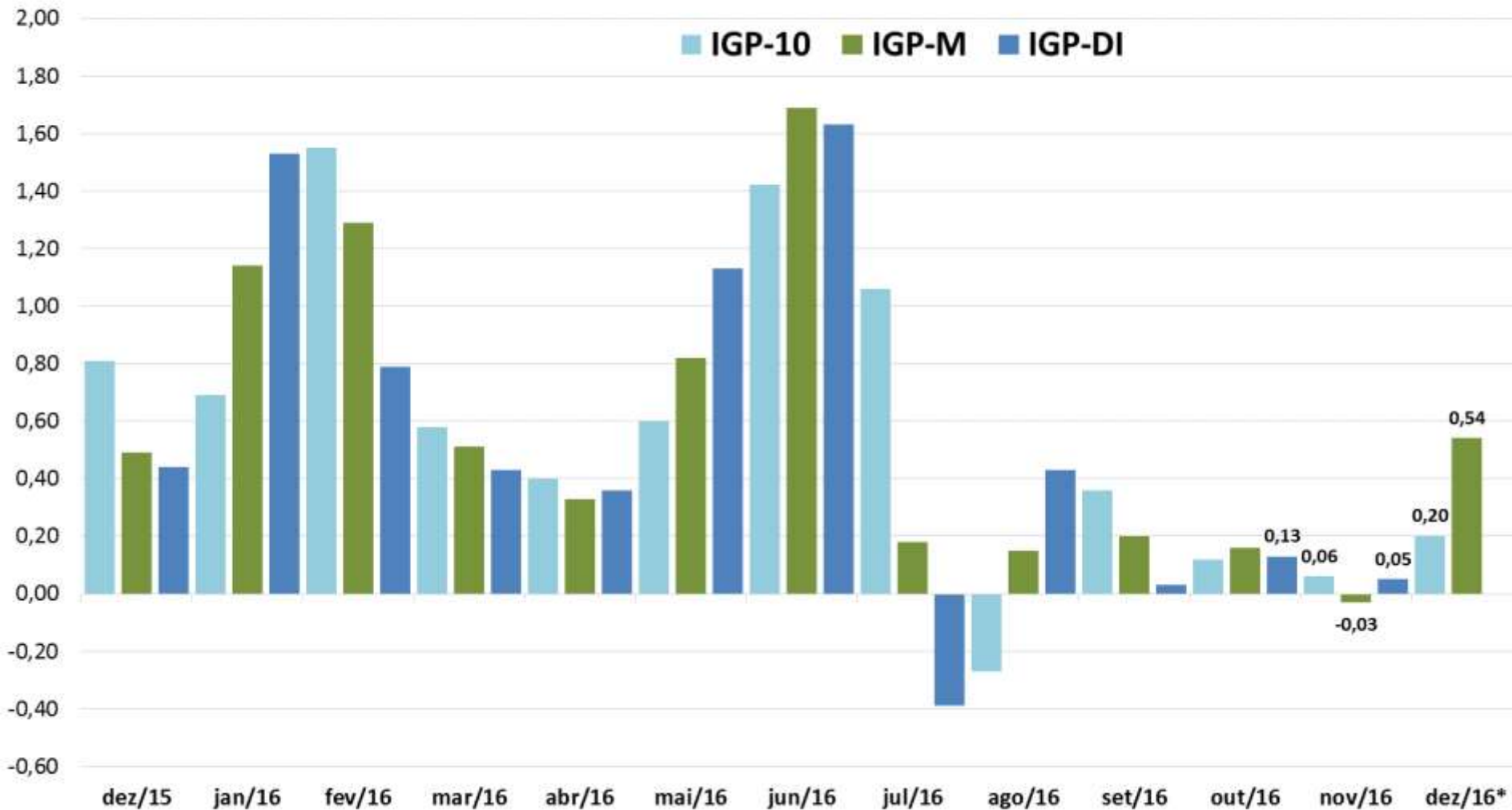
IPCA-15 and IPCA – Chained series of indexes by order of publication



Source: IBGE.

# Chained Series of Monthly General Price Indexes

IGP-10, IGP-M and IGP-DI – Chained series of indexes by order of publication

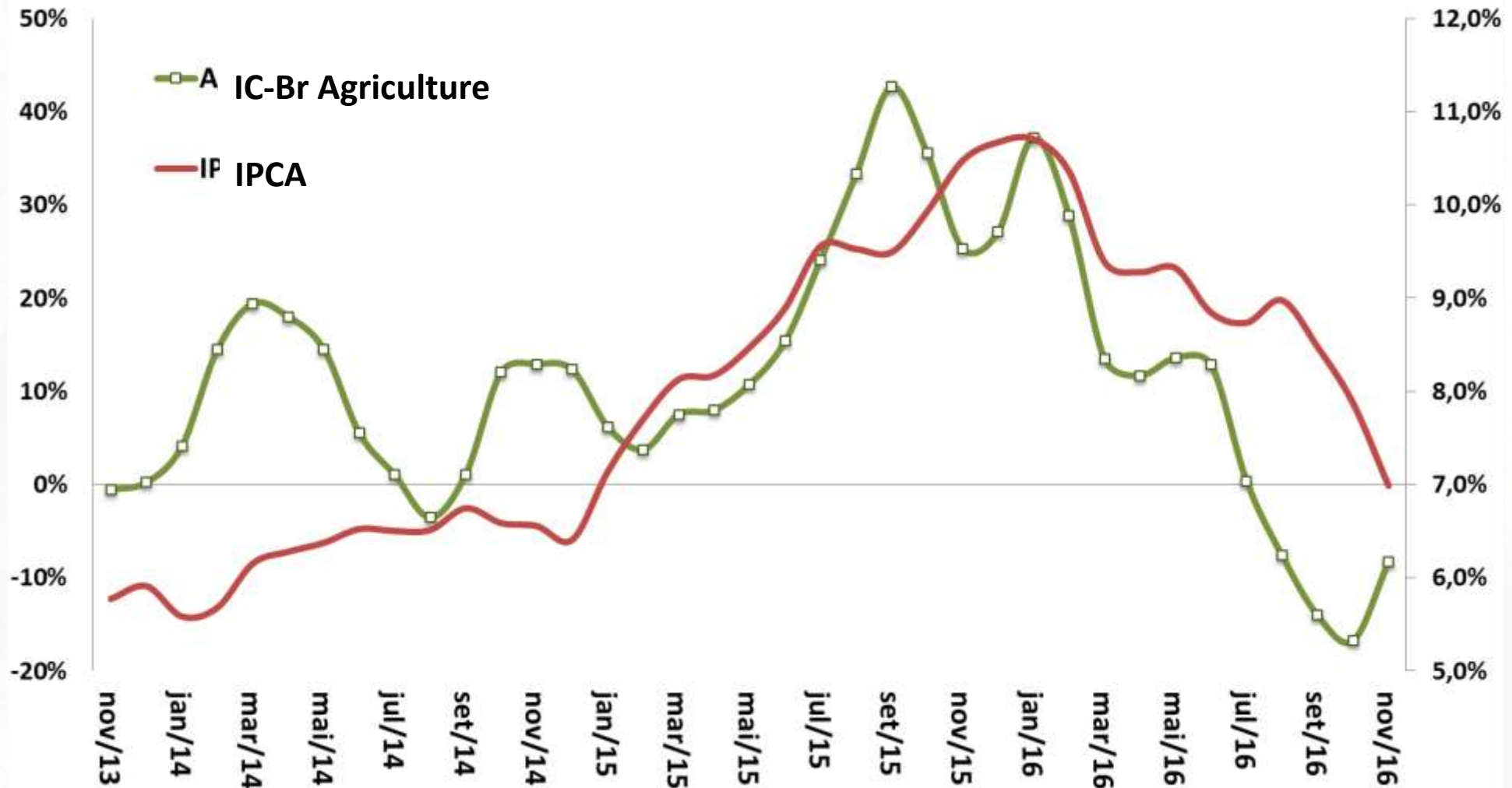


Source: FGV.

# Consumer Price Index and Food-Agricultural Commodities Index

Brazilian Agro Commodities Index – IC-Br Agro  
12-month accumulated change rate (%)

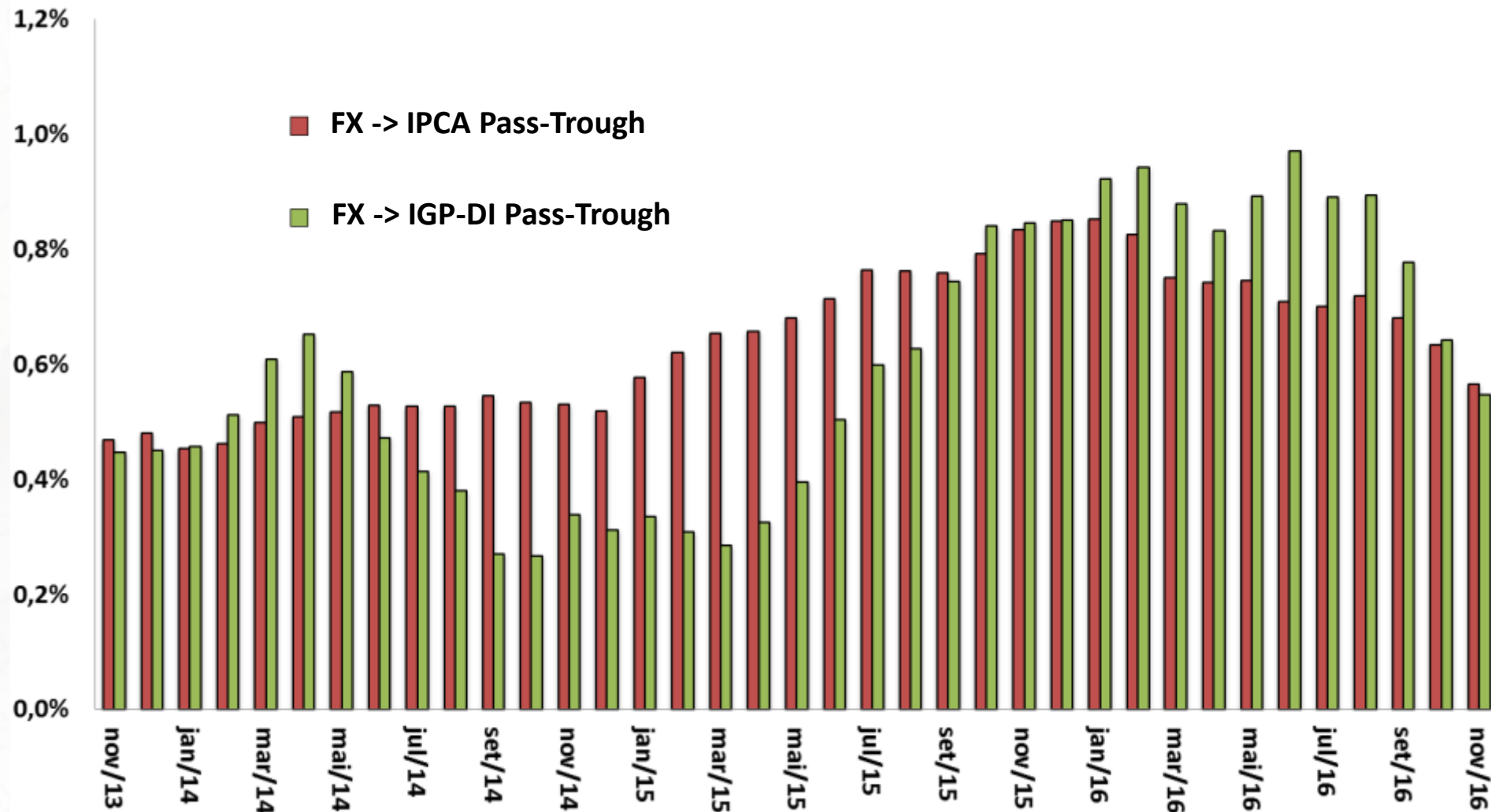
Consumers Inflation - IPCA  
12-month accumulated rate (%)



Sources: IBGE 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-month inflation

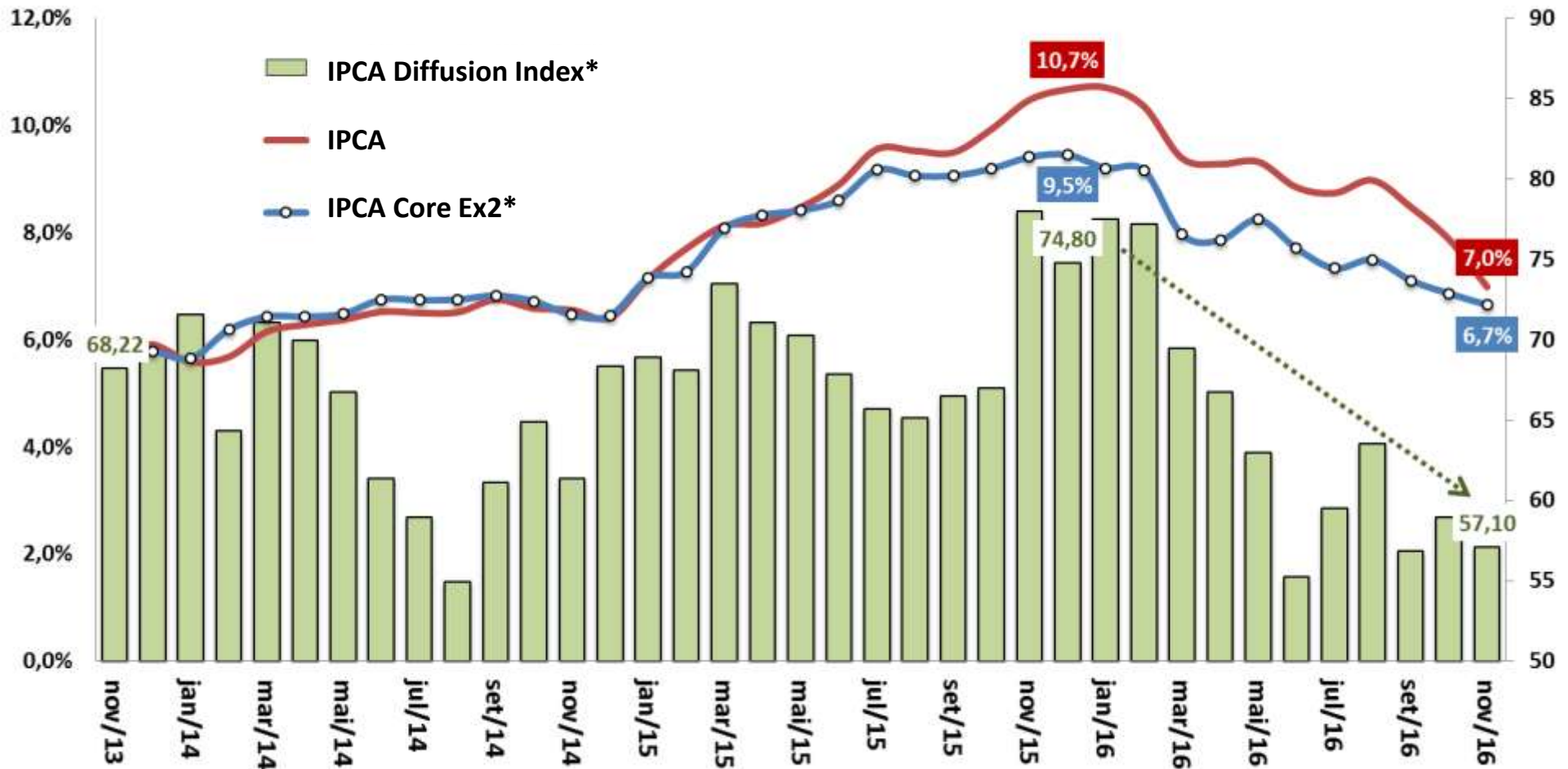


Sources: IBGE and FGV. Note: Pass-Trough series estimated by SEPLAN/MP.

# IPCA, Core Inflation (IPCA Ex2) and Diffusion Index

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

IPCA Diffusion Index  
% items with prices increase



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

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



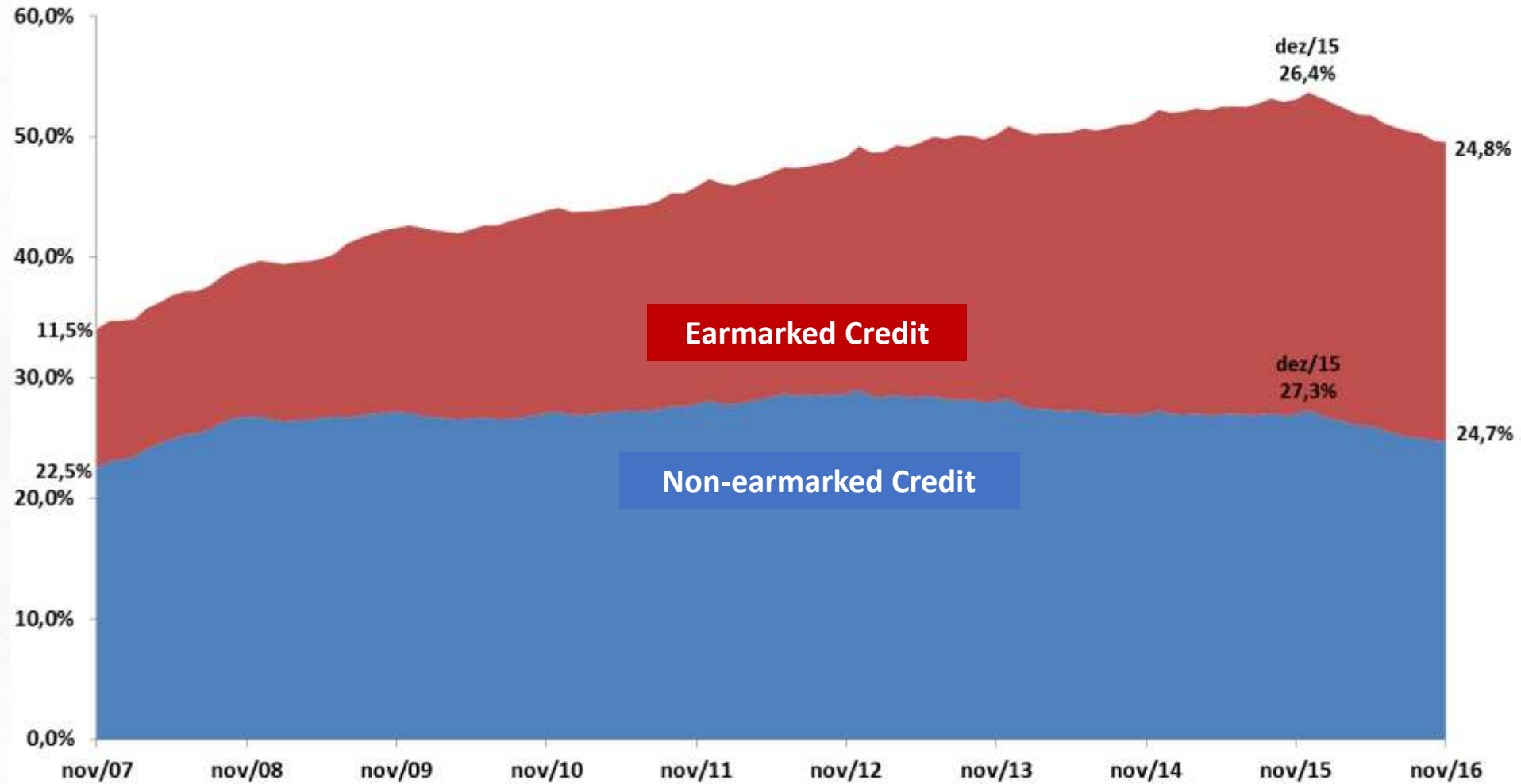
# CREDIT MARKET

# Credit Market

Credit Market (BCB)	November 2016			% of Total Credit Dec/14	% of Total Credit Dec/15	% of Total Credit Nov/16	chg.% Dec/15 / Dec/14	chg.% Nov/16 / Dec/15	% of GDP Dec/14	% of GDP Dec/15	% of GDP Nov/15
End-of-Period Outstanding Credit (in R\$ billions)	Dec/14	Dec/15	Nov/16								
<b>Total Credit in National Financial System</b>	<b>3.017,5</b>	<b>3.219,5</b>	<b>3.110,6</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>6,7%</b>	<b>-3,4%</b>	<b>52,2%</b>	<b>53,7%</b>	<b>49,5%</b>
<i>by type of borrower</i>											
<b>Public Sector (incl. State-Owned Enterprises)</b>	<b>206,8</b>	<b>261,1</b>	<b>253,0</b>	<b>6,9%</b>	<b>8,1%</b>	<b>8,1%</b>	<b>26,3%</b>	<b>-3,1%</b>	<b>3,6%</b>	<b>4,4%</b>	<b>4,0%</b>
<b>Private Sector</b>	<b>2.810,7</b>	<b>2.958,4</b>	<b>2.857,6</b>	<b>93,1%</b>	<b>91,9%</b>	<b>91,9%</b>	<b>5,3%</b>	<b>-3,4%</b>	<b>48,6%</b>	<b>49,3%</b>	<b>45,5%</b>
<b>Non-Financial Corporations</b>	<b>1.605,4</b>	<b>1.707,2</b>	<b>1.568,1</b>	<b>53,2%</b>	<b>53,0%</b>	<b>50,1%</b>	<b>6,3%</b>	<b>-8,1%</b>	<b>27,8%</b>	<b>28,5%</b>	<b>24,8%</b>
<b>Households</b>	<b>1.412,1</b>	<b>1.512,2</b>	<b>1.542,4</b>	<b>46,8%</b>	<b>47,0%</b>	<b>49,9%</b>	<b>7,1%</b>	<b>2,0%</b>	<b>24,4%</b>	<b>25,2%</b>	<b>24,7%</b>
<i>by type of lender</i>											
<b>Public Financial Institutions</b>	<b>1.623,1</b>	<b>1.796,7</b>	<b>1.757,5</b>	<b>53,8%</b>	<b>55,8%</b>	<b>56,2%</b>	<b>10,7%</b>	<b>-2,2%</b>	<b>28,1%</b>	<b>29,9%</b>	<b>27,8%</b>
<b>National Private Financial Institutions</b>	<b>953,2</b>	<b>948,0</b>	<b>964,4</b>	<b>31,6%</b>	<b>29,4%</b>	<b>31,2%</b>	<b>-0,5%</b>	<b>1,7%</b>	<b>16,5%</b>	<b>15,8%</b>	<b>15,4%</b>
<b>Foreign Private Financial Institutions</b>	<b>441,2</b>	<b>474,7</b>	<b>388,7</b>	<b>14,6%</b>	<b>14,7%</b>	<b>12,6%</b>	<b>7,6%</b>	<b>-18,1%</b>	<b>7,6%</b>	<b>7,9%</b>	<b>6,2%</b>
<i>by type of credit</i>											
<b>Earmarked Credit</b>	<b>1.441,2</b>	<b>1.582,2</b>	<b>1.563,0</b>	<b>47,8%</b>	<b>49,1%</b>	<b>50,1%</b>	<b>9,8%</b>	<b>-1,2%</b>	<b>24,9%</b>	<b>26,4%</b>	<b>24,8%</b>
Housing	497,8	572,3	600,8	16,5%	17,8%	19,4%	15,0%	5,0%	8,6%	9,5%	9,6%
Rural	220,4	231,1	236,1	7,3%	7,2%	7,6%	4,9%	2,1%	3,8%	3,9%	3,8%
BNDES Development Bank	638,4	679,4	625,2	21,2%	21,1%	19,9%	6,4%	-8,0%	11,0%	11,3%	9,9%
Others	84,6	99,3	101,0	2,8%	3,1%	3,3%	17,3%	1,7%	1,5%	1,7%	1,6%
Non-Financial Corporations	812,0	875,3	822,2	26,9%	27,2%	26,2%	7,8%	-6,1%	14,1%	14,6%	13,0%
Households	629,3	706,9	740,8	20,9%	22,0%	23,9%	12,3%	4,8%	10,9%	11,8%	11,8%
<b>Non-earmarked Credit</b>	<b>1.576,2</b>	<b>1.637,3</b>	<b>1.547,6</b>	<b>52,2%</b>	<b>50,9%</b>	<b>49,9%</b>	<b>3,9%</b>	<b>-5,5%</b>	<b>27,3%</b>	<b>27,3%</b>	<b>24,7%</b>
Non-Financial Corporations	793,4	832,0	746,0	26,3%	25,8%	23,8%	4,9%	-10,3%	13,7%	13,9%	11,8%
Households	782,8	805,3	801,6	25,9%	25,0%	26,1%	2,9%	-0,5%	13,5%	13,4%	12,9%
<b>Non-earmarked Credit (BCB)</b>	<b>November 2016</b>			<b>% of Total Credit Dec/14</b>	<b>% of Total Credit Dec/15</b>	<b>% of Total Credit Nov/16</b>	<b>chg.% Dec/15 / Dec/14</b>	<b>chg.% Nov/16 / Dec/15</b>	<b>% of GDP Dec/14</b>	<b>% of GDP Dec/15</b>	<b>% of GDP Nov/15</b>
<i>New Loans, Spread and Delinquency Rates</i>											
<b>New Loans (12-months accum. in R\$ billions)</b>	<b>3.242,3</b>	<b>3.218,7</b>	<b>3.055,4</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>-0,7%</b>	<b>-5,1%</b>	<b>56,1%</b>	<b>53,6%</b>	<b>56,8%</b>
Non-Financial Corporations	1.507,0	1.475,1	1.337,8	46,5%	45,8%	43,3%	-2,1%	-9,3%	26,1%	24,6%	24,6%
Households	1.735,3	1.743,6	1.717,6	53,5%	54,2%	56,7%	0,5%	-1,5%	30,0%	29,1%	32,2%
<b>Spread (in pp per year)</b>	<b>25,3</b>	<b>32,1</b>	<b>41,8</b>				<b>6,8 pp</b>	<b>9,8 pp</b>			
Non-Financial Corporations	12,6	15,0	18,2				2,5 pp	3,2 pp			
Households	37,3	48,0	61,3				10,7 pp	13,3 pp			
<b>Delinquency (% non-performed loans by 90 days or more)</b>	<b>4,3</b>	<b>5,3</b>	<b>5,8</b>				<b>1,0 pp</b>	<b>0,5 pp</b>			
Non-Financial Corporations	3,4	4,5	5,4				1,1 pp	1,0 pp			
Households	5,3	6,2	6,1				0,9 pp	-0,1 pp			

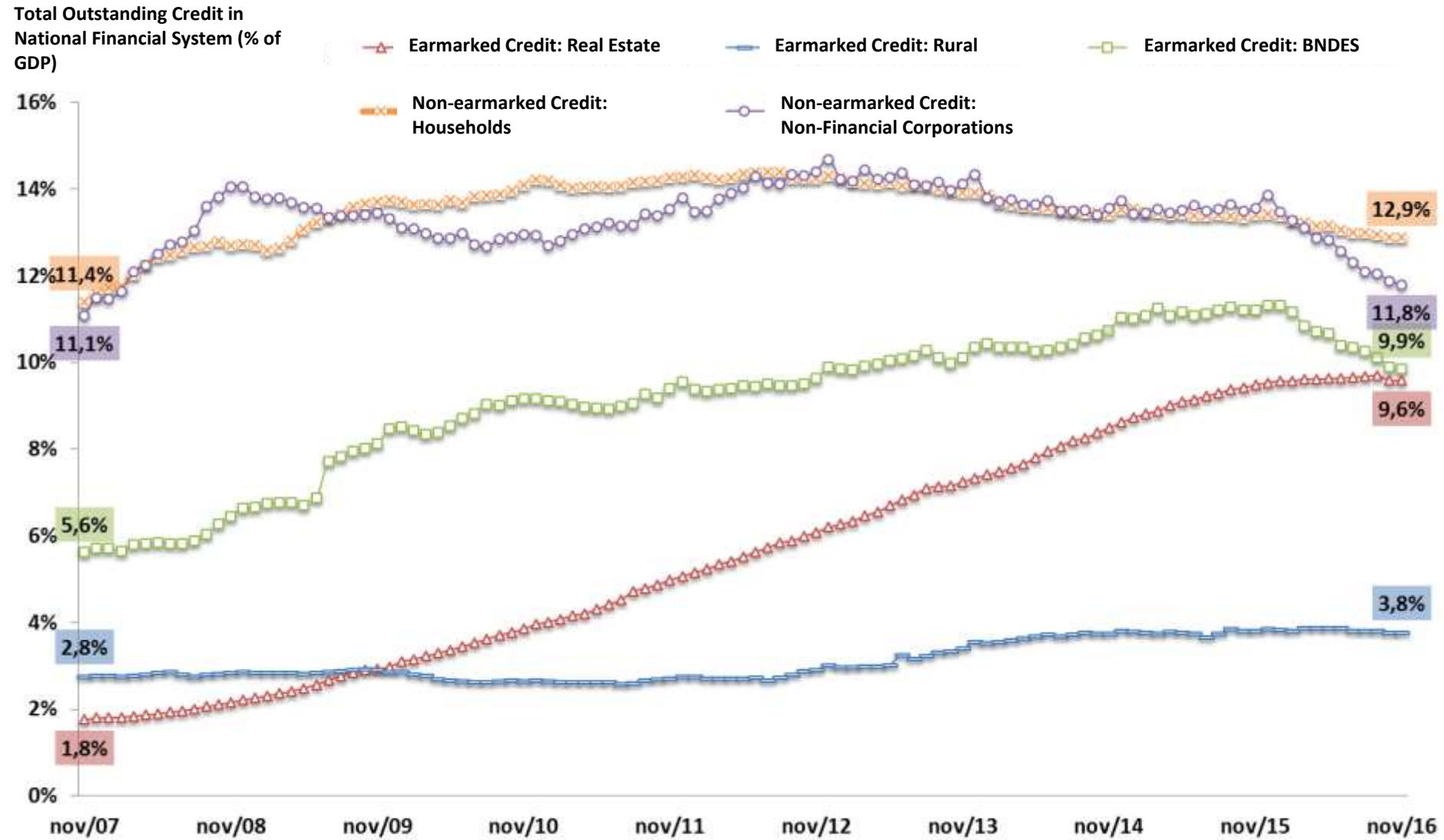
# Total Earmarked and Non-earmarked Credit

Total Outstanding Credit in National Financial System  
% of GDP



Source: Central Bank of Brazil.

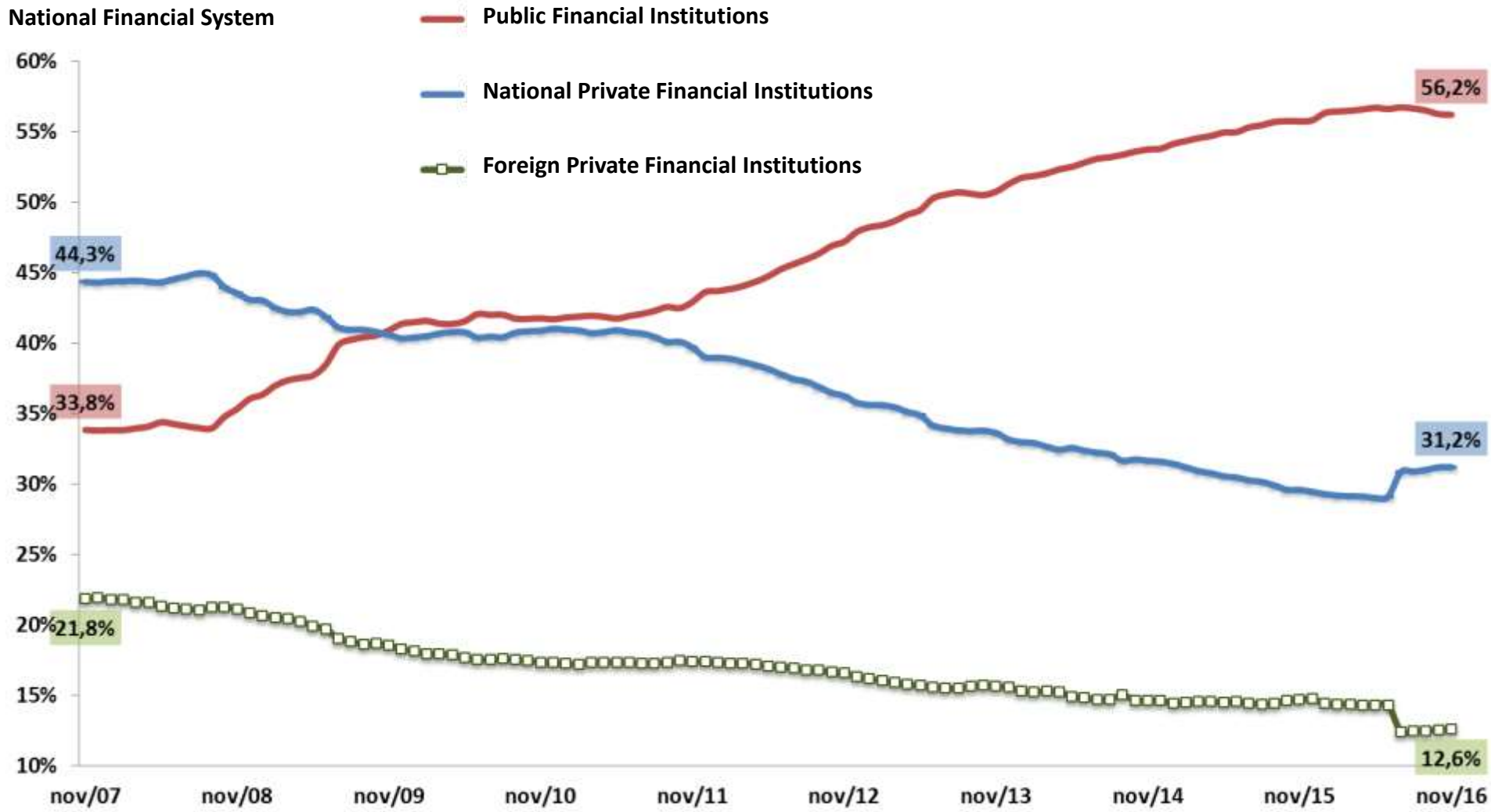
# Total Credit Evolution by Major Segments



Source: Central Bank of Brazil.

# Total Credit Evolution by Types of Financial Institutions

% of Total Outstanding Credit in National Financial System

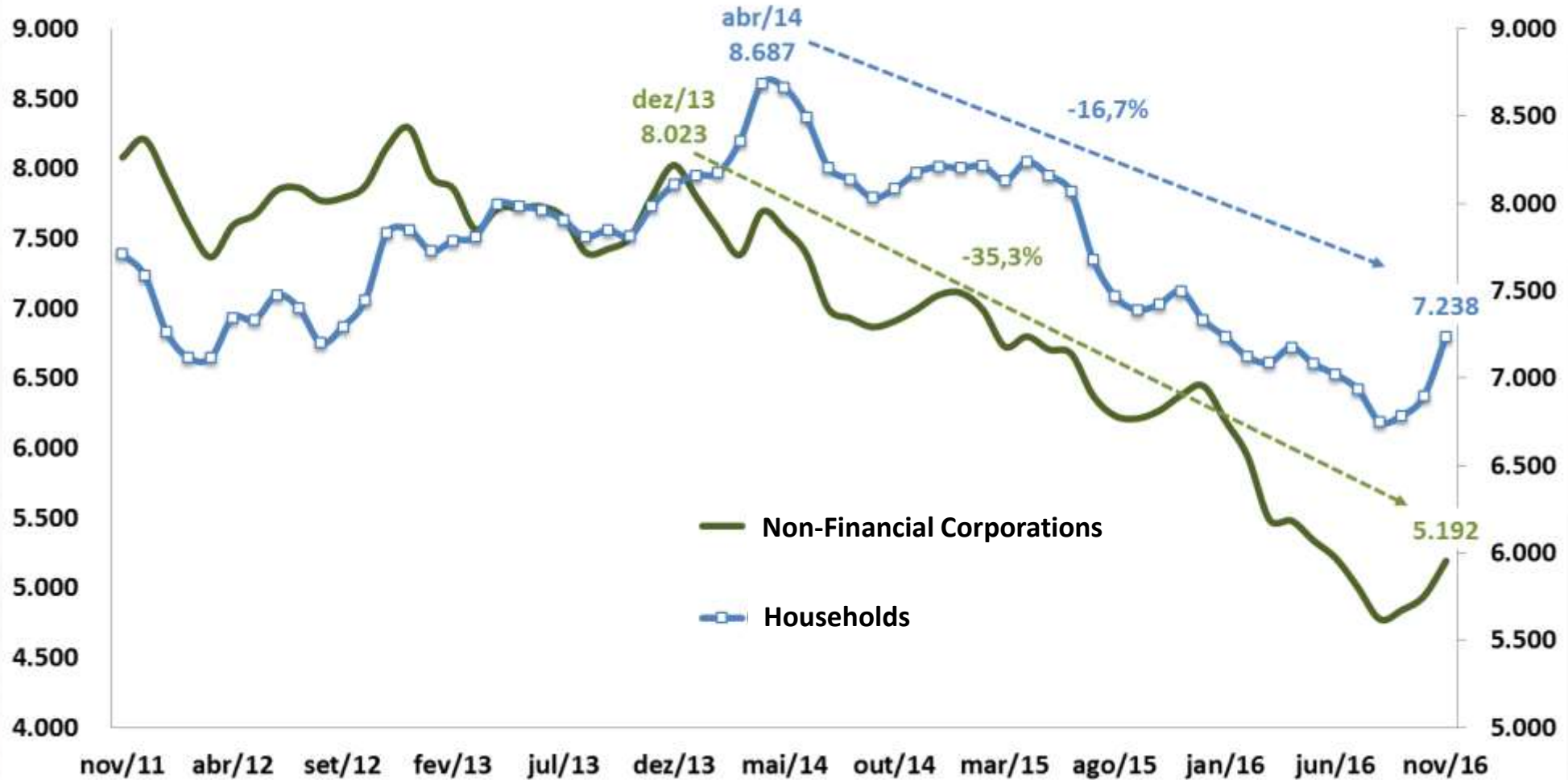


Source: Central Bank of Brazil.

# New Loans to Households and Non-Financial Corporations

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

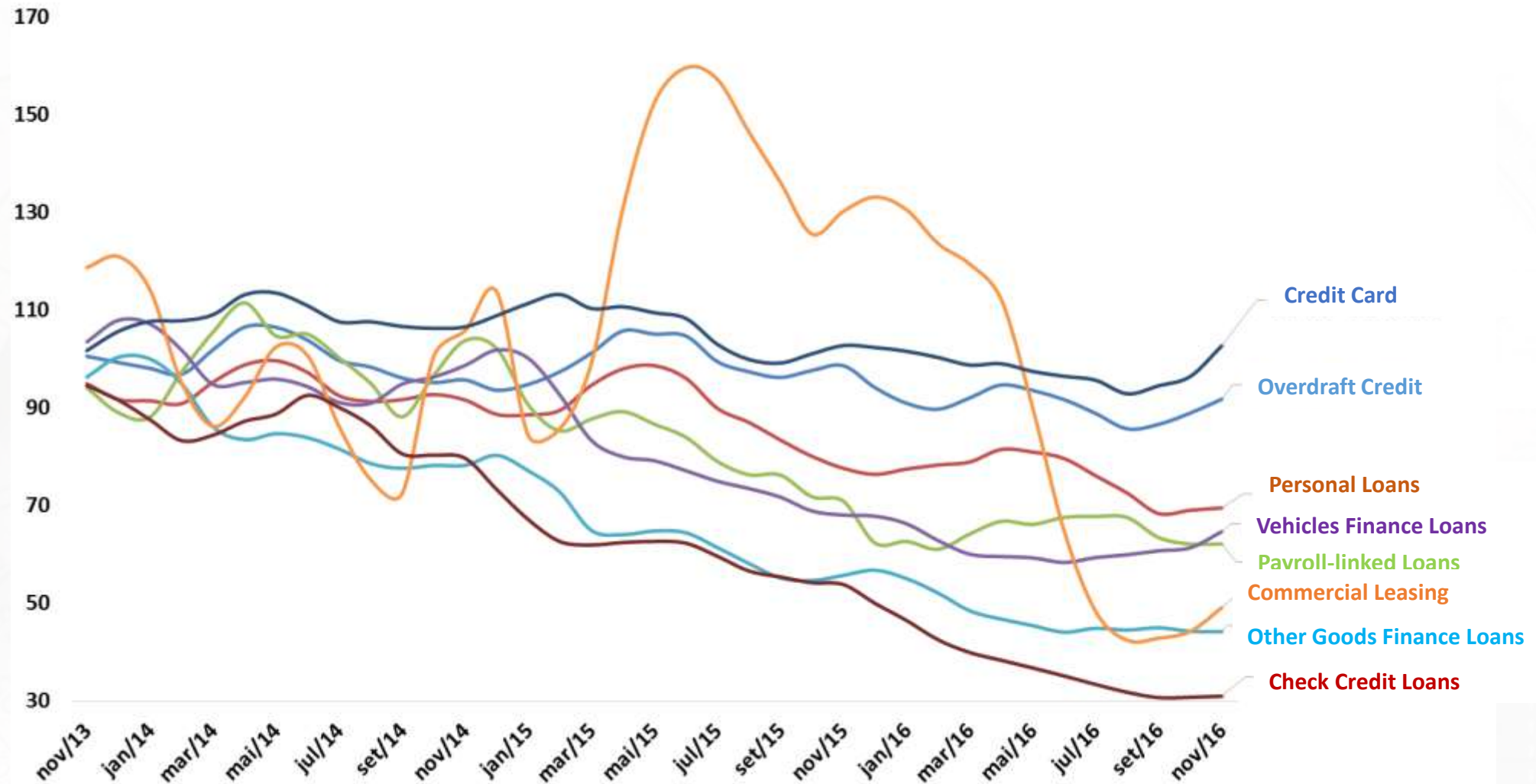
Daily Average of New Loans to Households  
R\$ millions of the last month  
3-Months Moving Average - Seasonally Adjusted\*



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

# New Loans to Households by Types of Credit Lines

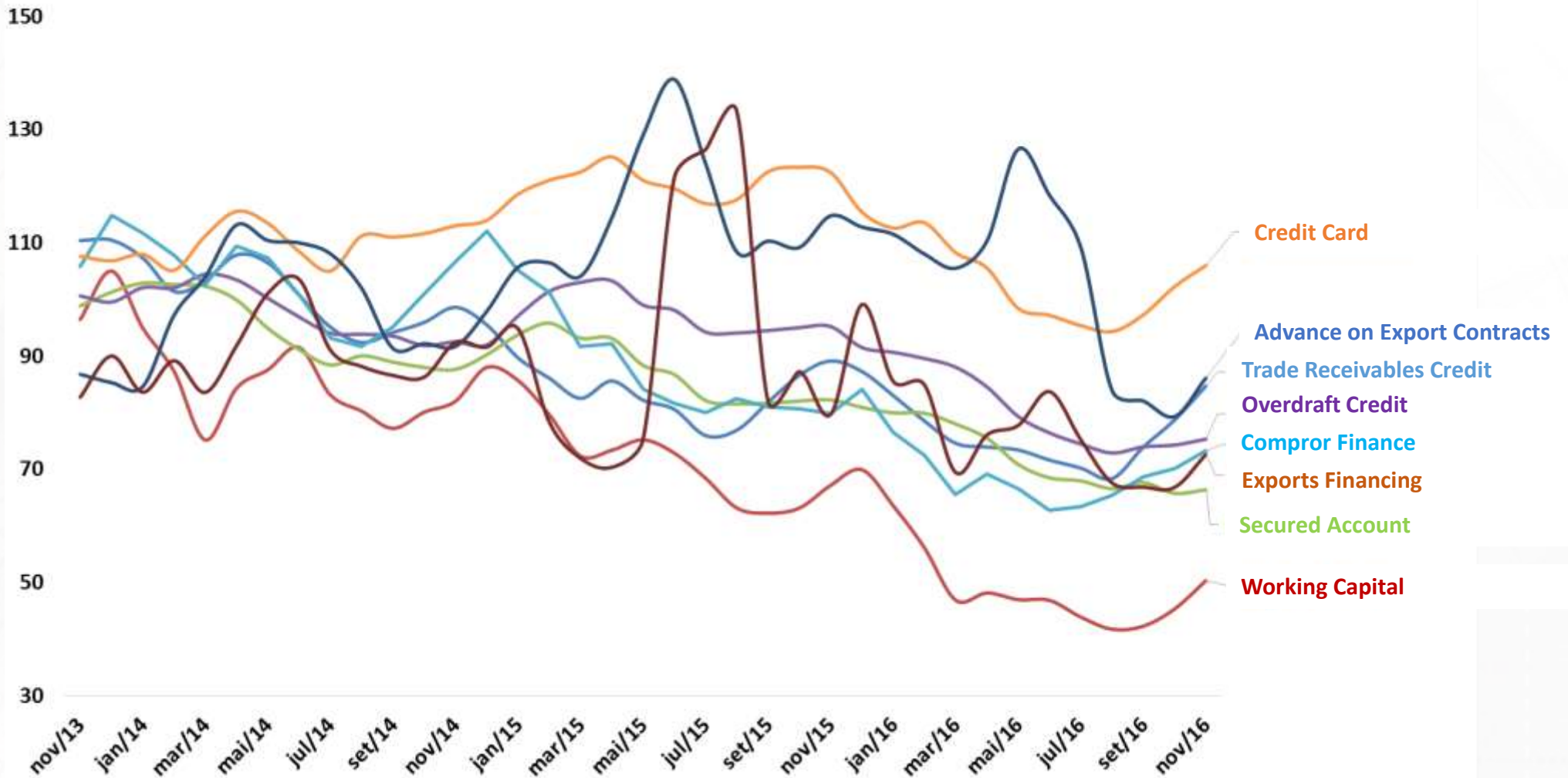
Daily Average of New Loans to Households – Real Last Month Values (IPCA)  
3-Months Moving Average - Seasonally Adjusted\* - Index: 2013=100



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

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

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



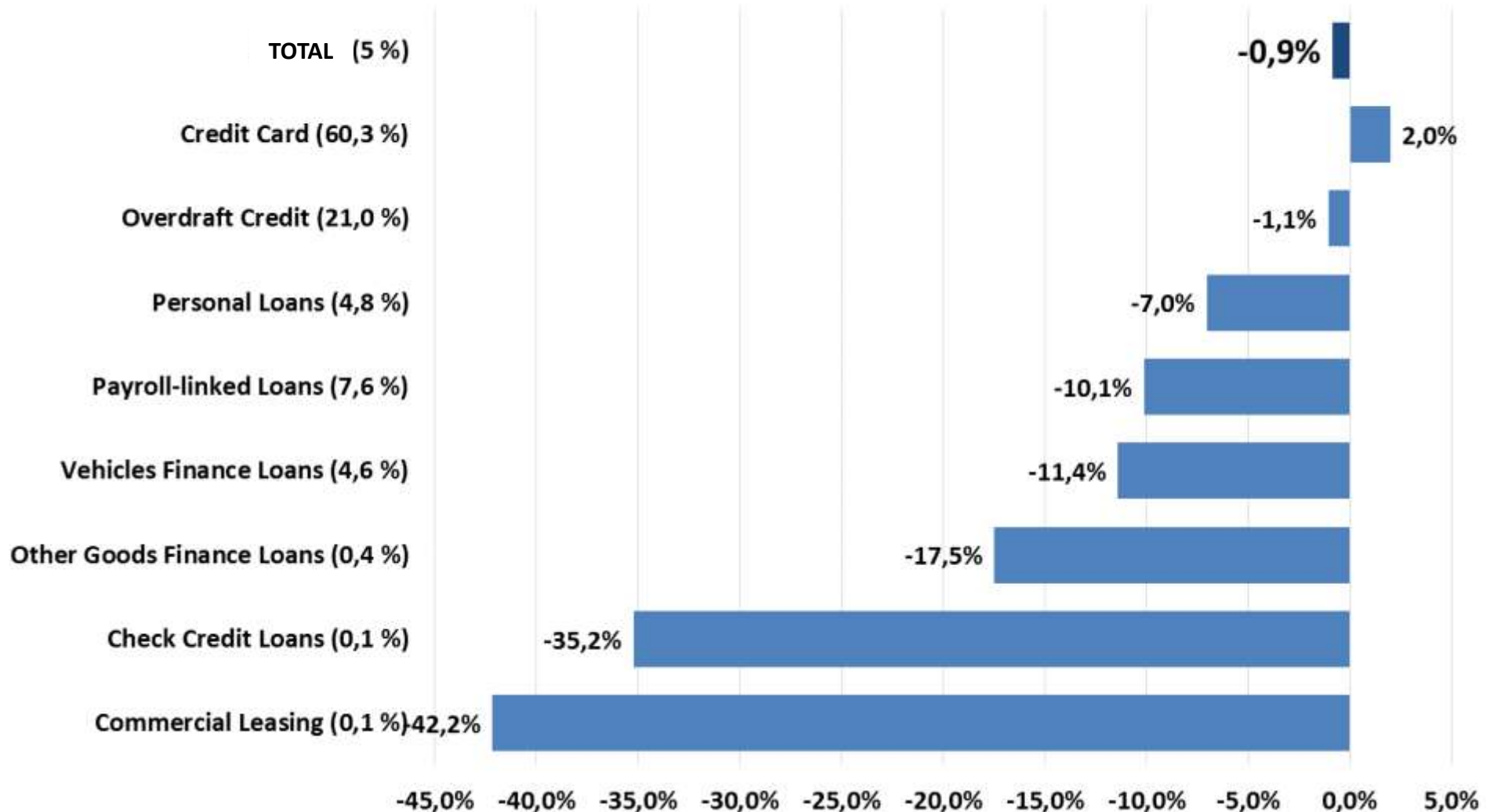
Source: Central Bank of Brazil. \* Seasonally adjusted by SEPLAN/MP.



# Non-earmarked Credit: New Loans to Households

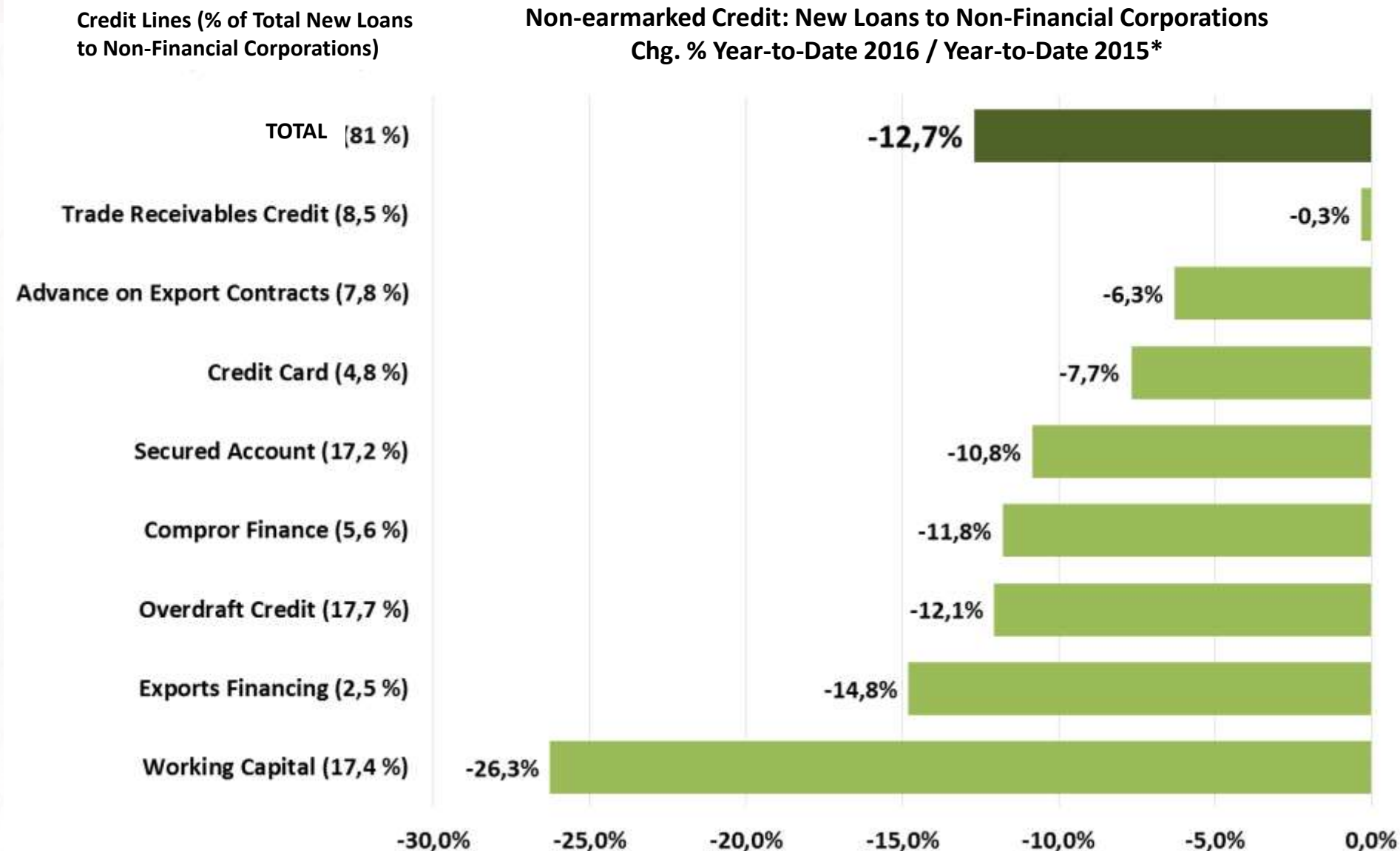
Credit Lines (% of Total New Loans to Households)

Non-earmarked Credit: New Loans to Households  
Chg. % Year-to-Date 2016 / Year-to-Date 2015\*



Source: Central Bank of Brazil. \*Nov/2016 data.

# Non-earmarked Credit: New Loans to Non-Financial Corp.

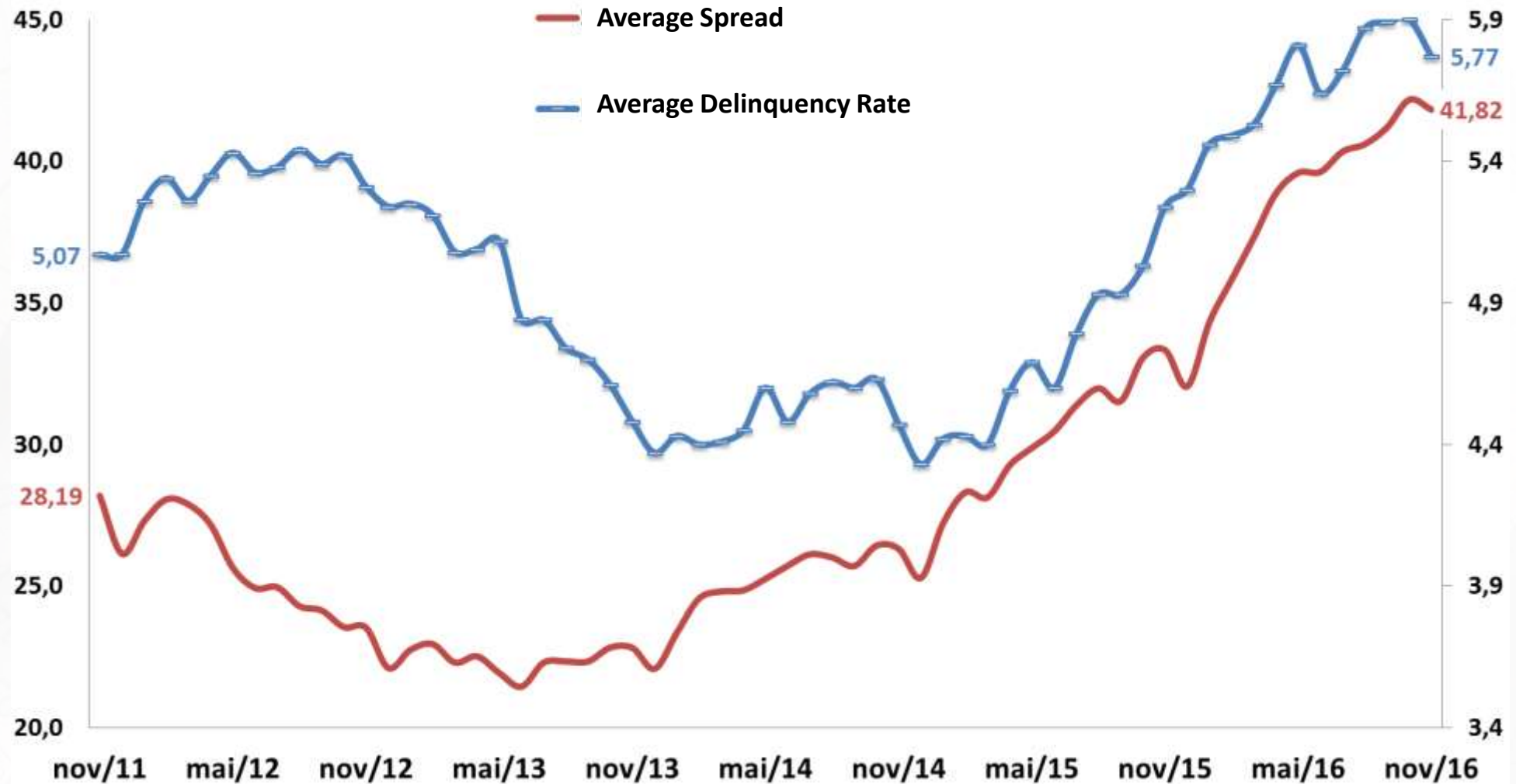


Source: Central Bank of Brazil. \*Nov/2016 data.

# Non-earmarked Credit: Spread and Delinquency Rates

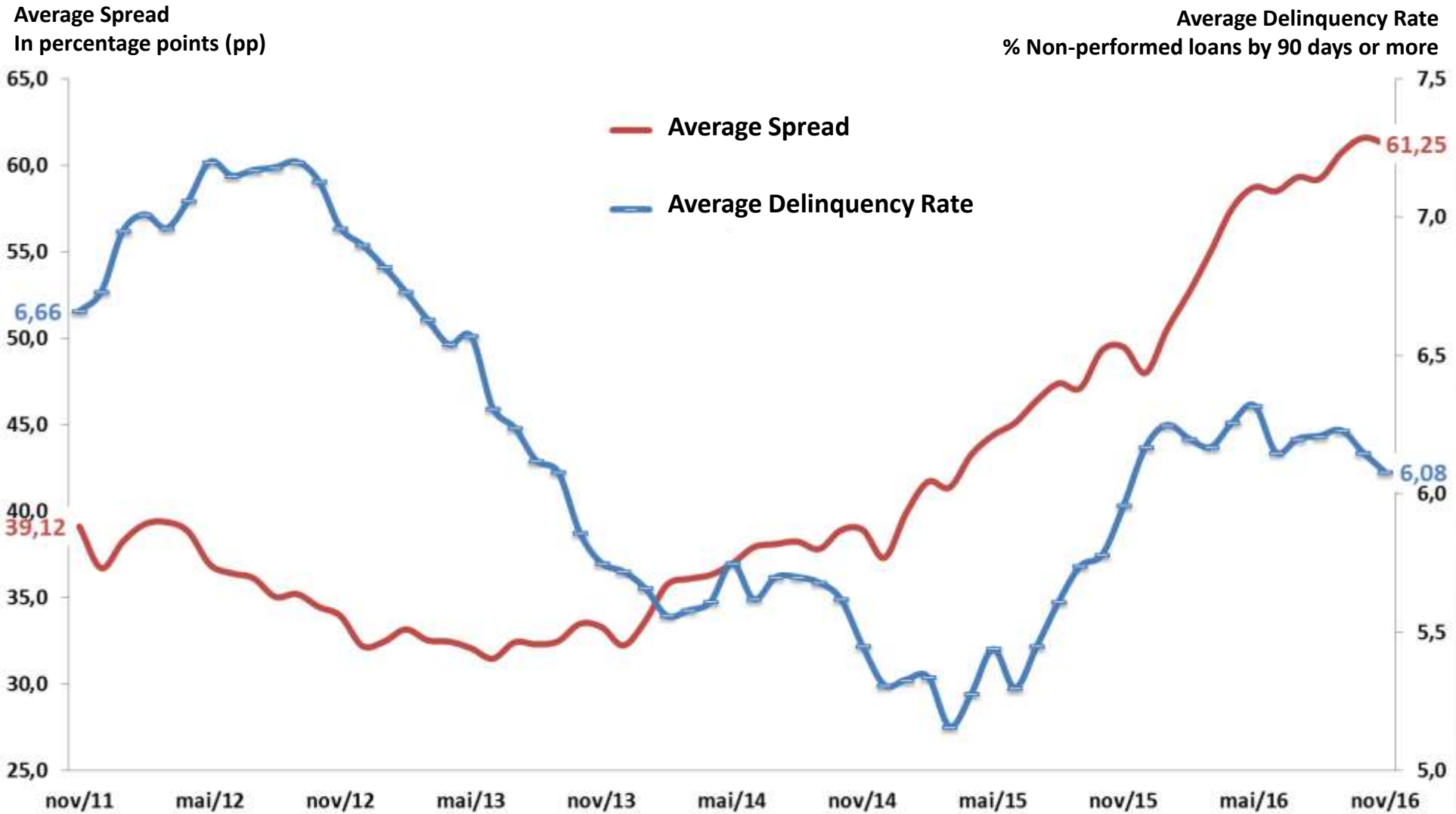
Average Spread  
In percentage points (pp)

Average Delinquency Rate  
% Non-performed loans by 90 days or more



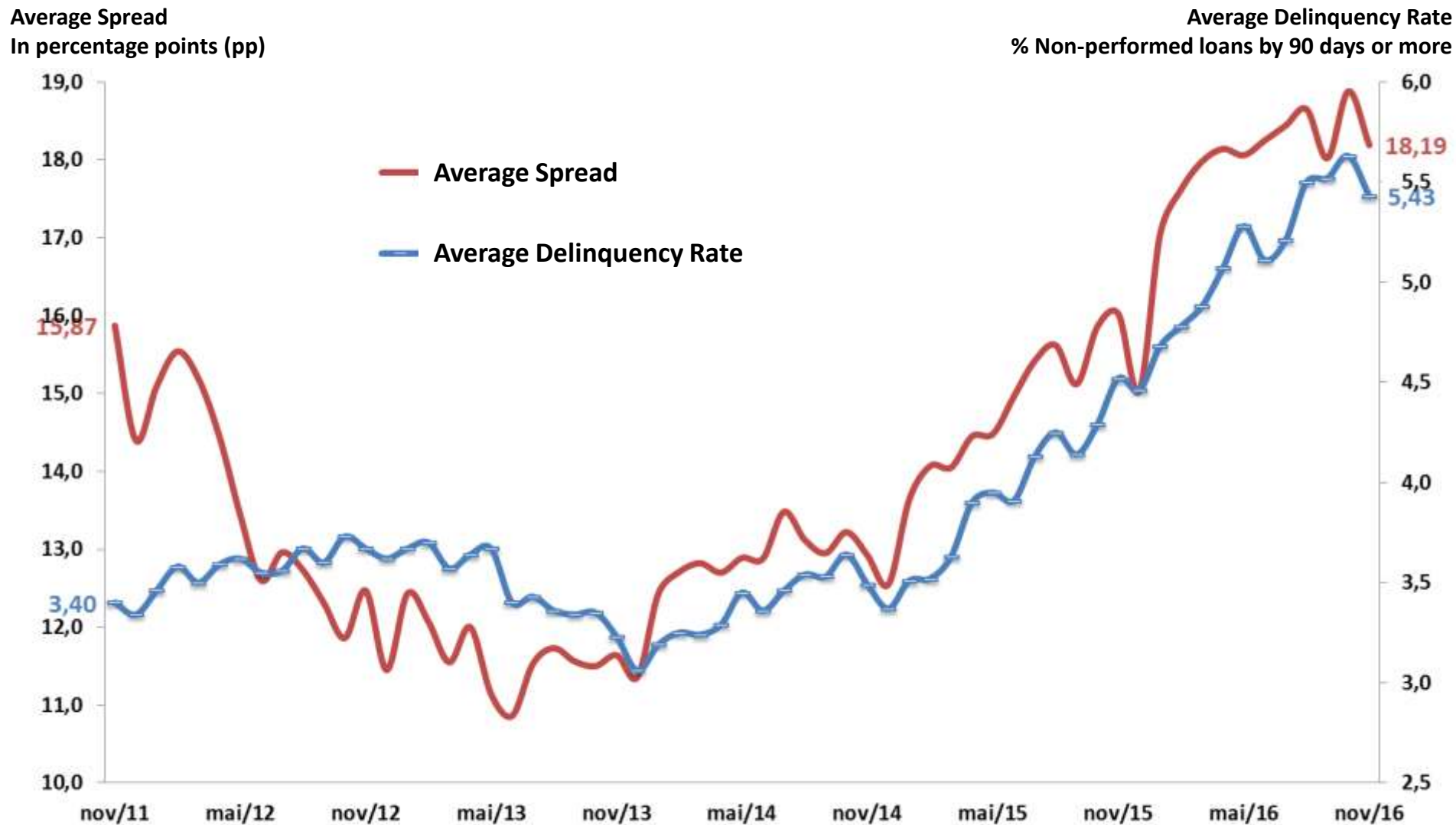
Source: Central Bank of Brazil.

# Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

# Non-Financial Corp. Loans: Spread and Delinquency Rates

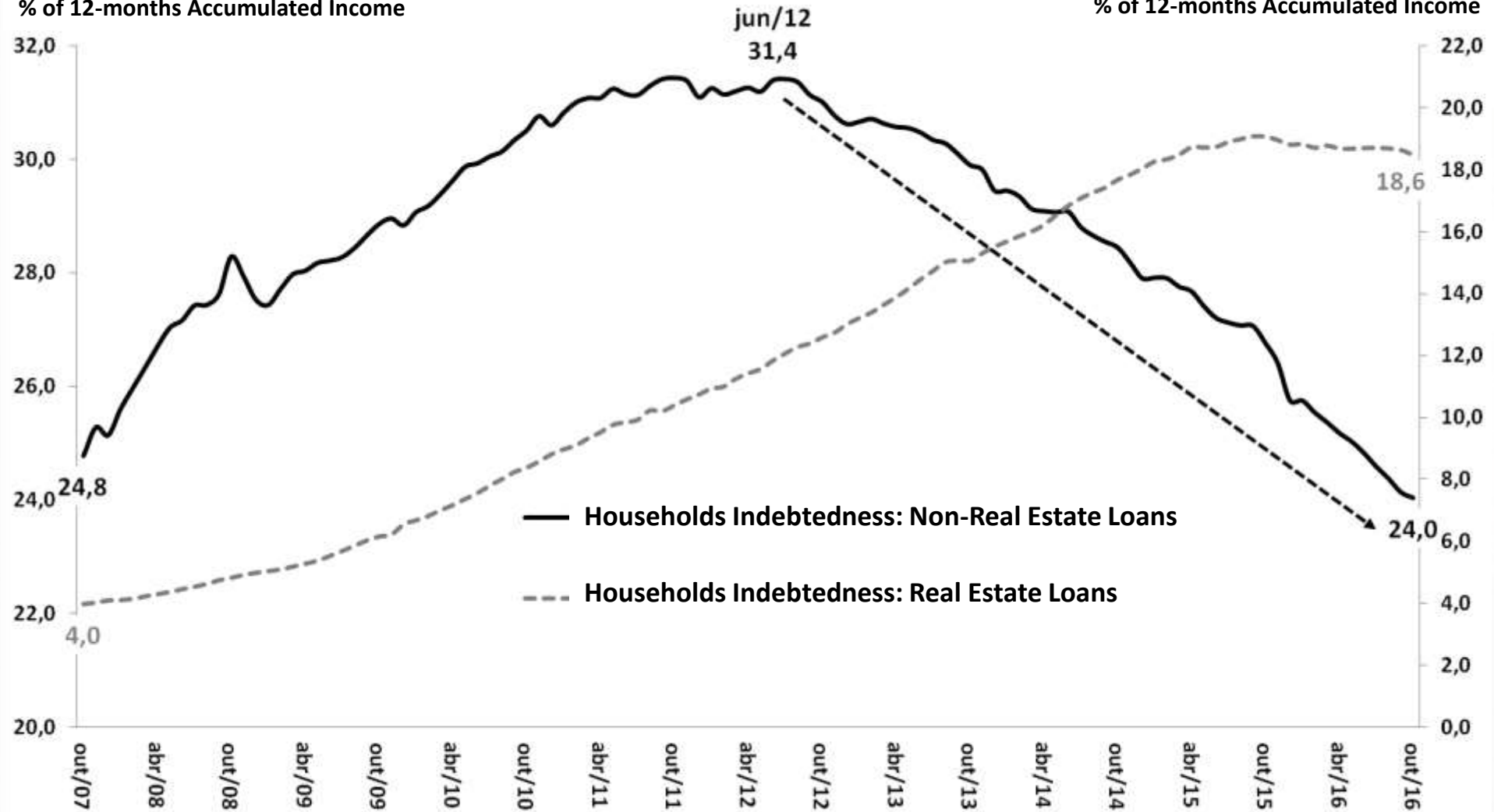


Source: Central Bank of Brazil.

# Households Indebtedness Rate

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

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



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

# FINANCIAL MARKETS

# Financial Markets

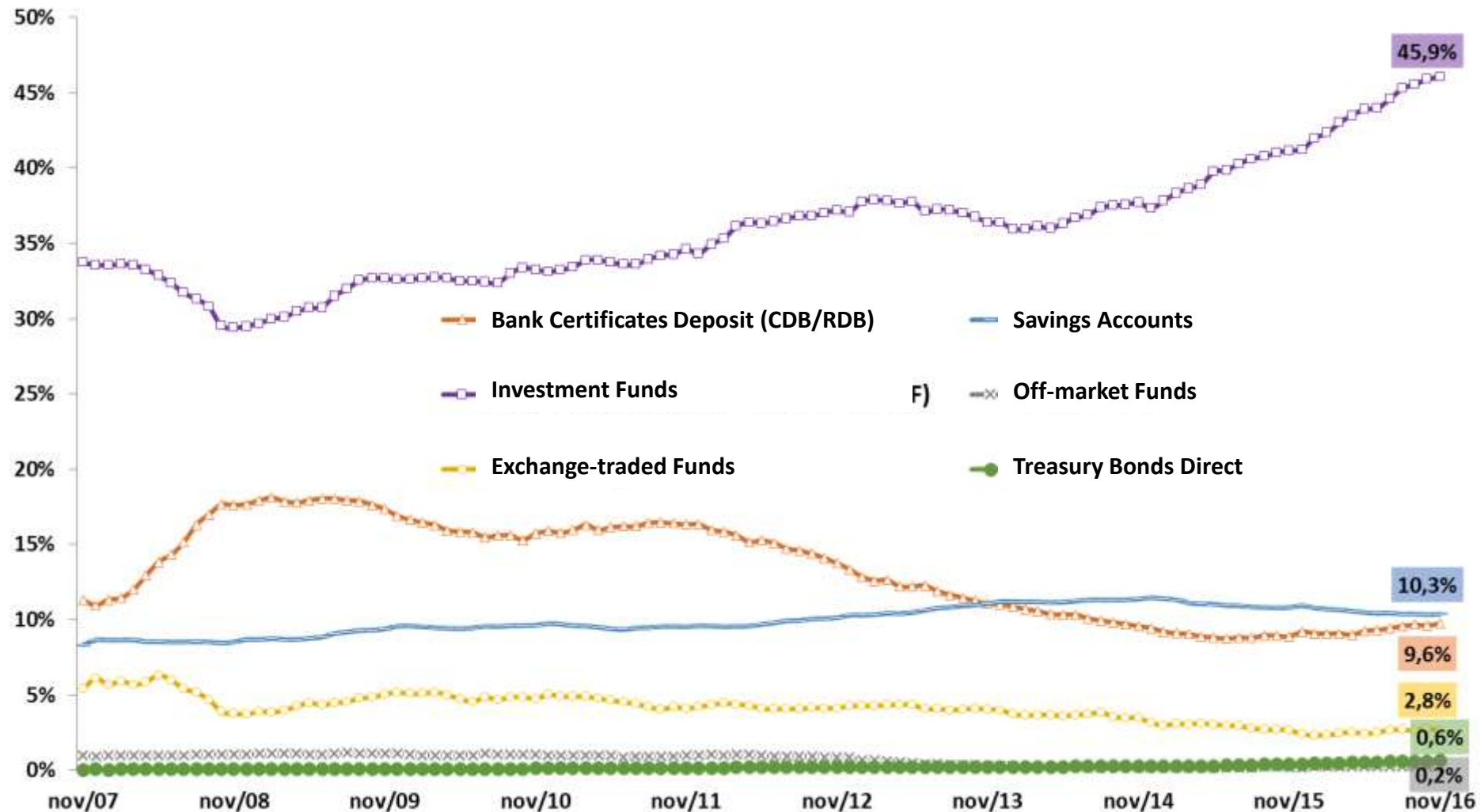
BCB/Focus: December 30, 2016

Financial Savings (BCB) November 2016		Dec/14	Dec/15	Nov/15	Nov/16	chg.% Dec/14 / Dec/13	chg.% Dec/15 / Dec/14	chg.% Nov/16 / Dec/15	chg.% Nov/16 / Nov/15			
Outstanding Positions - in R\$ billions												
Bank Certificates of Deposit (CDB/RDB)		546,3	552,1	532,4	611,0	-7,0%	1,1%	10,7%	14,8%			
Savings Accounts (Caderneta de Poupança)		662,7	656,6	647,6	650,3	10,8%	-0,9%	-1,0%	0,4%			
Investment Funds		2.156,9	2.473,0	2.465,5	2.887,2	11,2%	14,7%	16,7%	17,1%			
Off-market Funds (Fundos Extramercado)		10,0	11,9	11,1	15,2	-35,1%	19,7%	27,2%	36,9%			
Exchange-traded Funds		182,5	144,1	159,8	164,2	-14,5%	-21,0%	13,9%	2,8%			
Treasury Bonds Direct (Tesouro Direto)		15,3	25,6	24,0	39,6	34,2%	67,3%	54,7%	64,9%			
BM&F-Bovespa - listed companies value as % of GDP		38,8%	31,9%	33,9%	40,4%	-6,46 pp	-6,95 pp	9,44 pp	6,43 pp			
Capital Market (CVM) November 2016		Jul/05	Jul/05	YTD 2015	YTD 2016	chg.% 2014 / 2013	chg.% 2015 / 2014	chg.% YTD 2016 / 2015	chg.% YTD 2016 / YTD 2015			
New Public Offering - in R\$ billions												
Stocks		15,1	16,1	16,1	0,3	142,6%	6,7%	-98,3%	-98%			
Debentures		3,7	20,6	19,5	20,9	-66,4%	461,8%	1,2%	7,3%			
Promissory Notes		0,0	0,0	0,0	0,0	-	-	-	-			
Housing Credit-backed Securities (CRI)		2,3	3,9	3,8	6,7	-7,5%	70,0%	74,5%	77,6%			
Investment Funds - new shares		4,7	5,8	5,8	1,8	-55,2%	21,8%	-67,9%	-67,9%			
Monet Market (BCB) November 2016		Dec/14	Dec/15	Nov/15	Nov/16	chg.% Dec/14 / Dec/13	chg.% Dec/15 / Dec/14	chg.% Nov/16 / Dec/15	chg.% Nov/16 / Nov/15	2016	2017	2018
<b>Interest Rates</b>												
Selic target rate (% py)		11,75	14,25	14,25	14,00	1,8 pp	2,5 pp	-0,3 pp	-0,3 pp	-	10,25%	9,75%
Selic market rate (% py)		11,58	14,15	14,15	13,90	1,7 pp	2,6 pp	-0,3 pp	-0,3 pp			
TJLP (% py)		5,00	7,00	7,00	7,50	0,0 pp	2,0 pp	0,5 pp	0,5 pp			
CDI (% py)		11,51	14,14	14,14	13,88	1,7 pp	2,6 pp	-0,3 pp	-0,3 pp			
Swap DI-Pre 180 days (% py)		12,60	15,18	14,98	12,92	2,3 pp	2,6 pp	-2,3 pp	-2,1 pp			
Swap DI-Pre 360 days (% py)		12,96	15,86	15,71	12,17	2,4 pp	2,9 pp	-3,7 pp	-3,5 pp			
Brazil Sovereign Risk (BCB) December 2016		Dec/14	Dec/15	Dec/15	Dec/16	chg. pp Dec/14 / Dec/13	chg. pp Dec/15 / Dec/14	chg. pp Dec/16 / Dec/15	chg. pp Dec/16 / Dec/15			
Monthly Average (in basis points)												
5 years CDS		259	523	523	328	35,0 pp	264,0 pp	-195,0 pp	-195,0 pp			
10 years CDS		201	495	495	281	7,0 pp	294,2 pp	-214,2 pp	-214,2 pp			
EMBI+ (JPMorgan)		259	558	558	360	14,5 pp	298,8 pp	-198,7 pp	-198,7 pp			



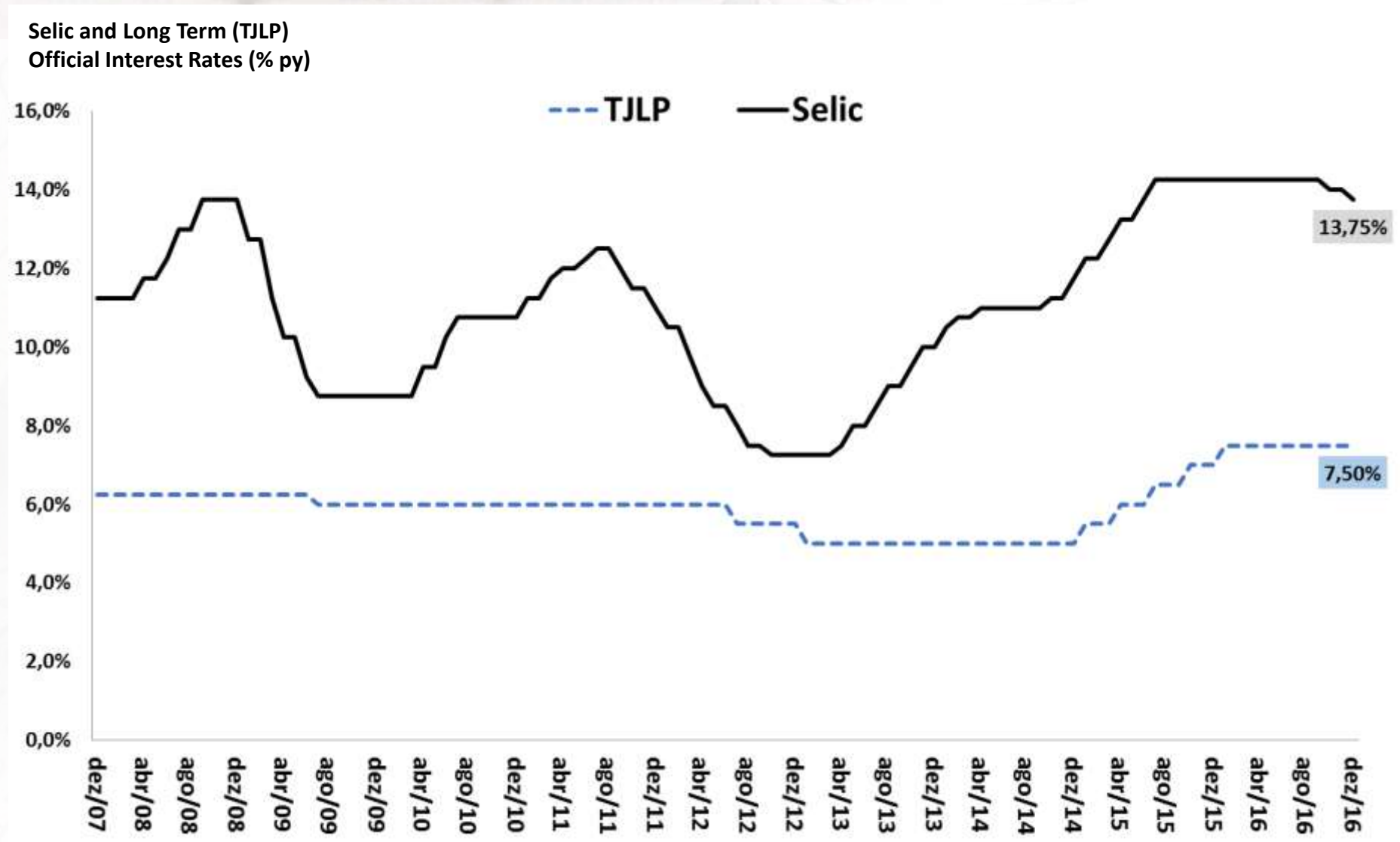
# Major Financial Savings Instruments Evolution

Outstanding Position as % of GDP



Source: Central Bank of Brazil.

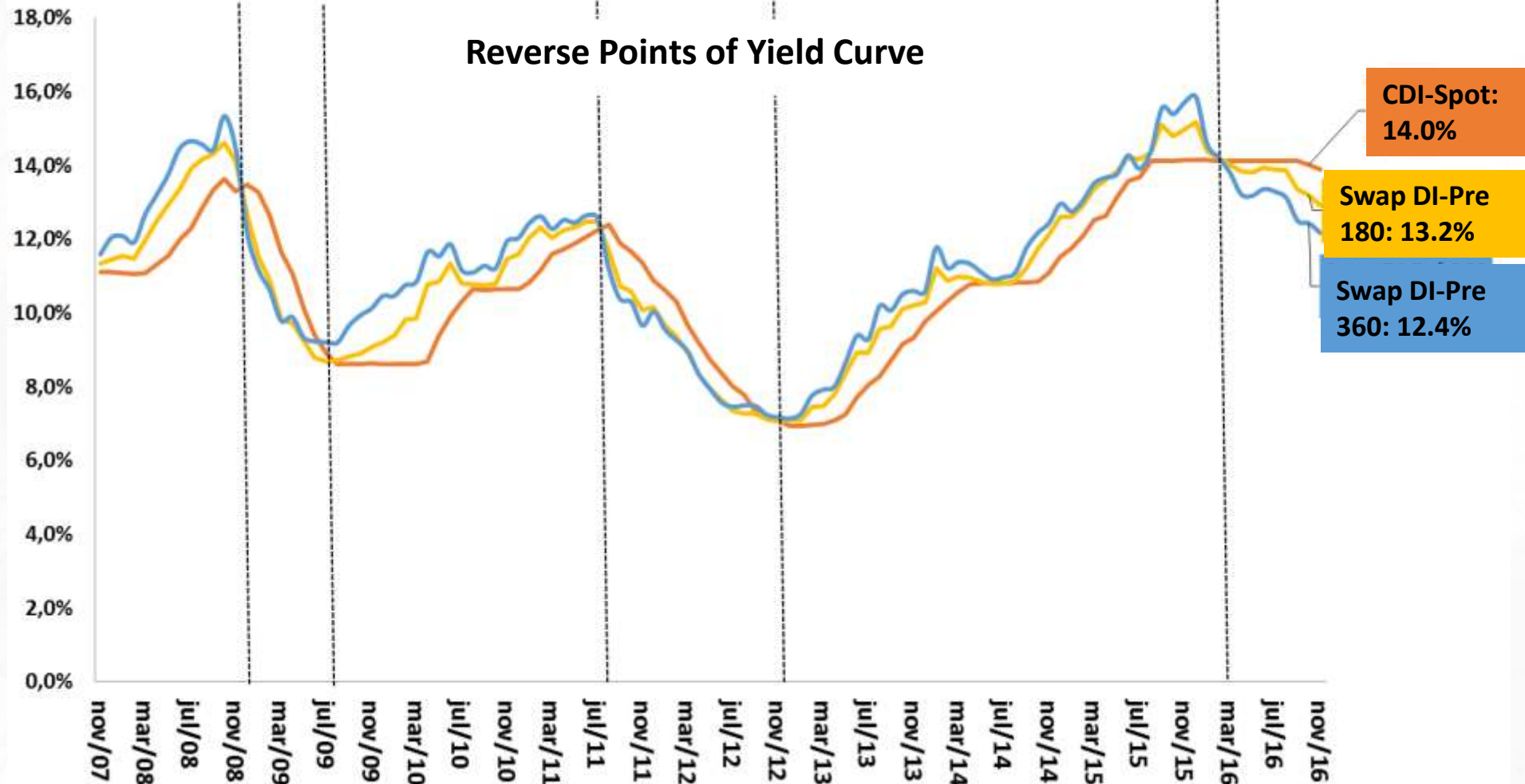
# Official Interest Rates Evolution (Target Selic and TJLP)



Source: Central Bank of Brazil.

# Term Structure of Interbank Interest Rate Evolution

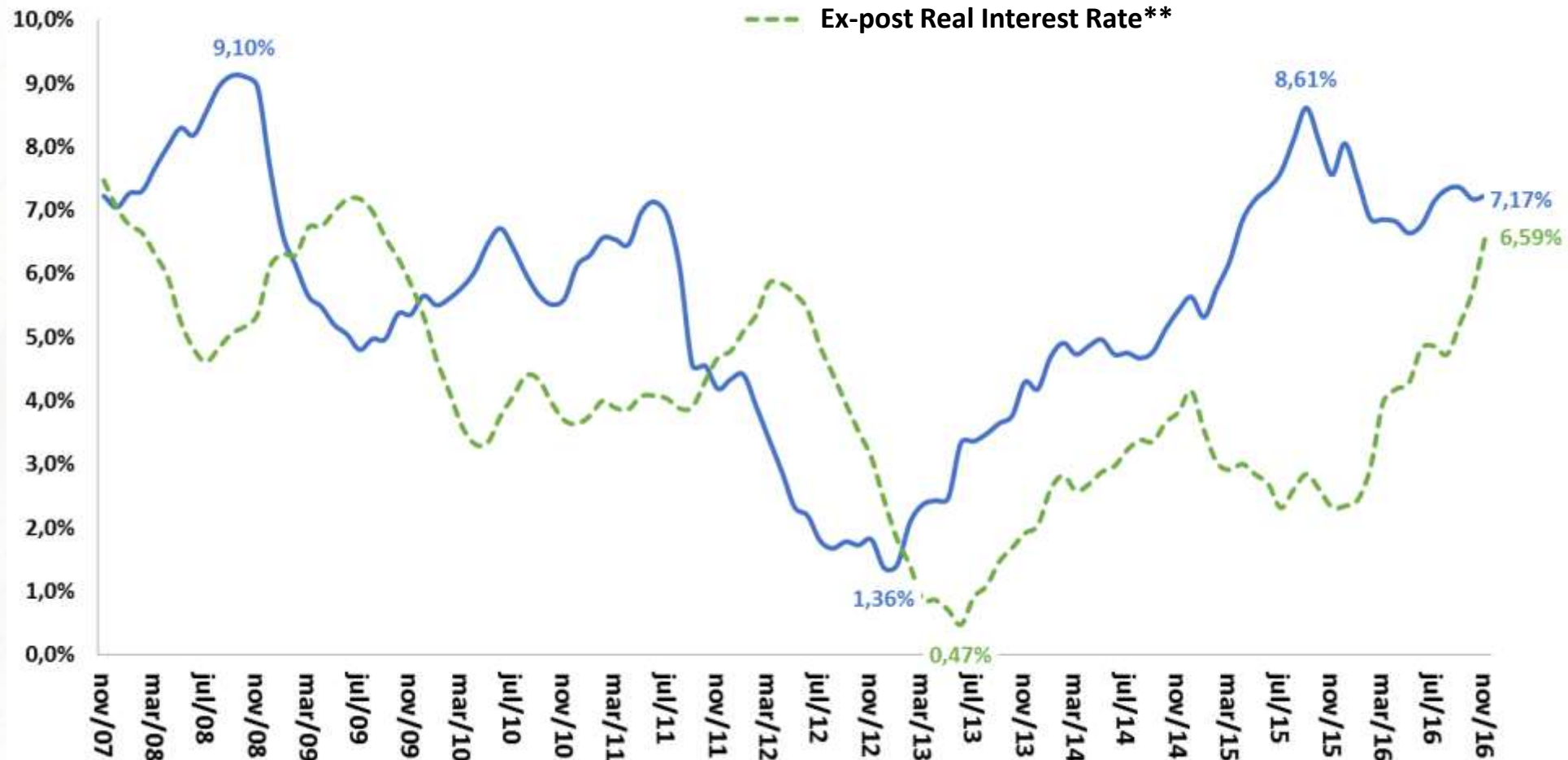
Interbank Spot, 180 and 360-days  
Interest Rate (% py)



Source: Central Bank of Brazil.

# Ex-ante and Ex-post Real Interest Rates Evolution

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



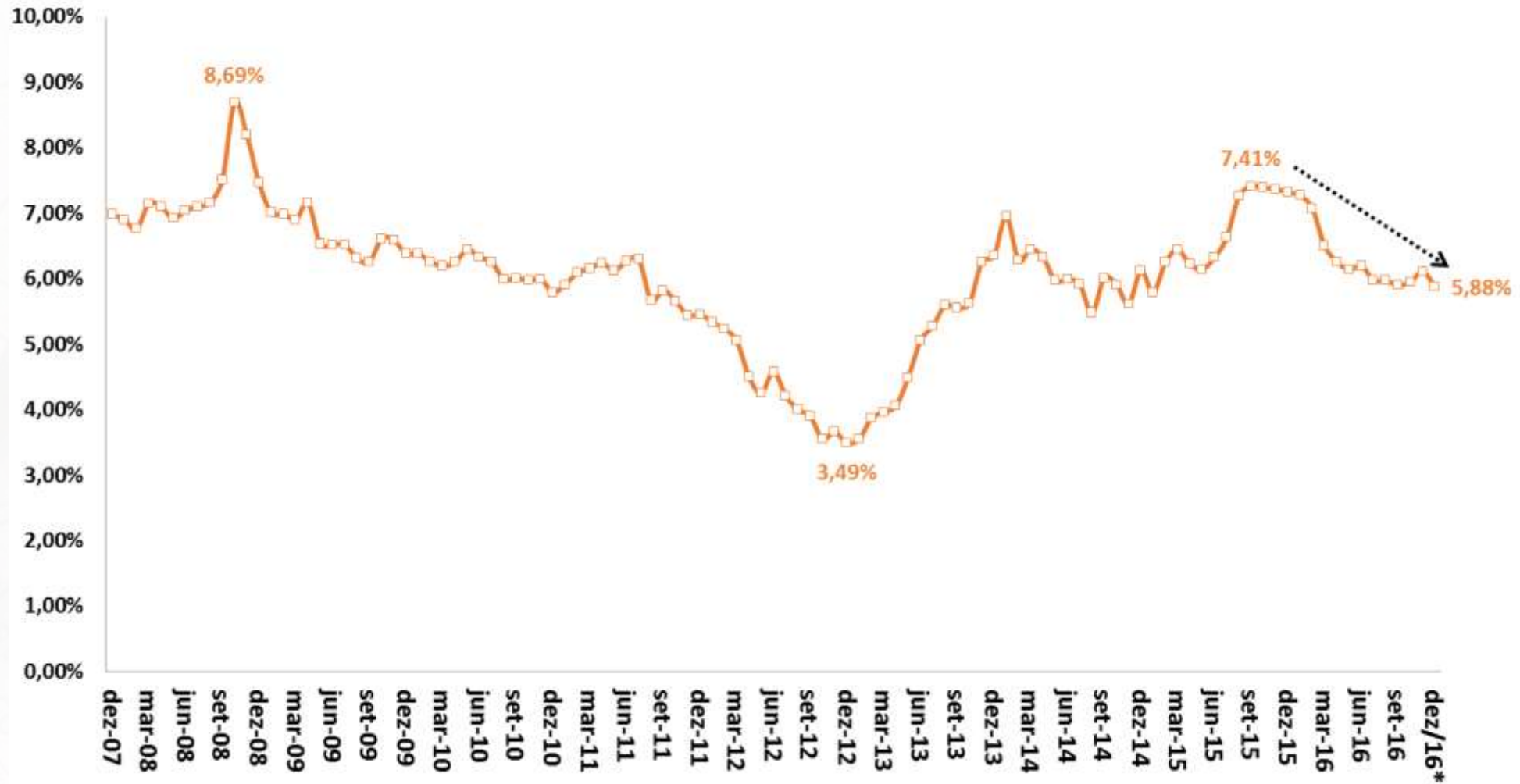
Source: Central Bank of Brazil.

\* 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.

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

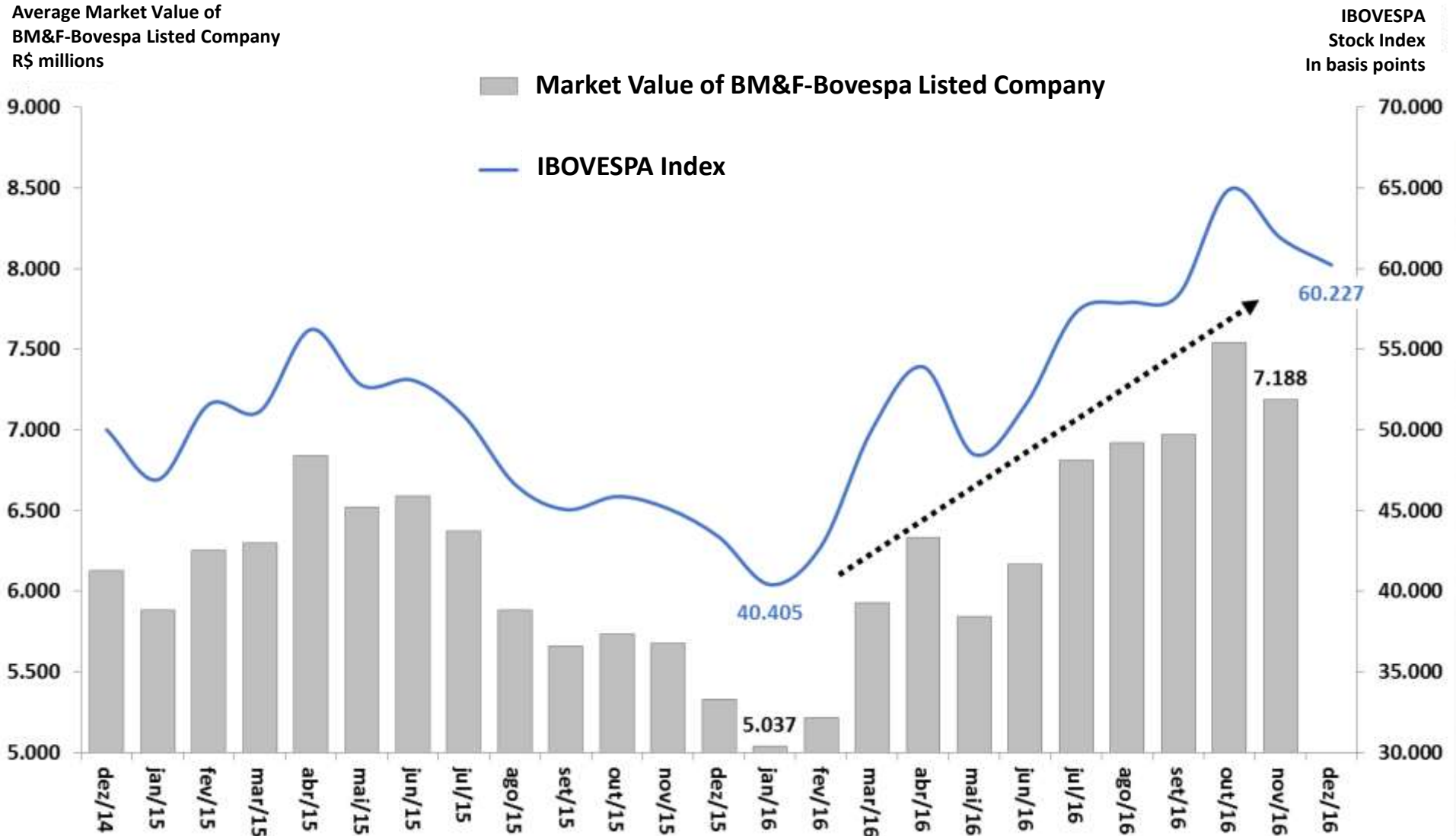
NTN-B 2024\*  
Real Interest Rate (% py)



Source: STN/MF. \*29<sup>th</sup> Dec-2016 buy-rate.

\* Interest rate paid by the NTN-B 2024 besides the IPCA inflation rate.

# Brazilian Stock Market Evolution

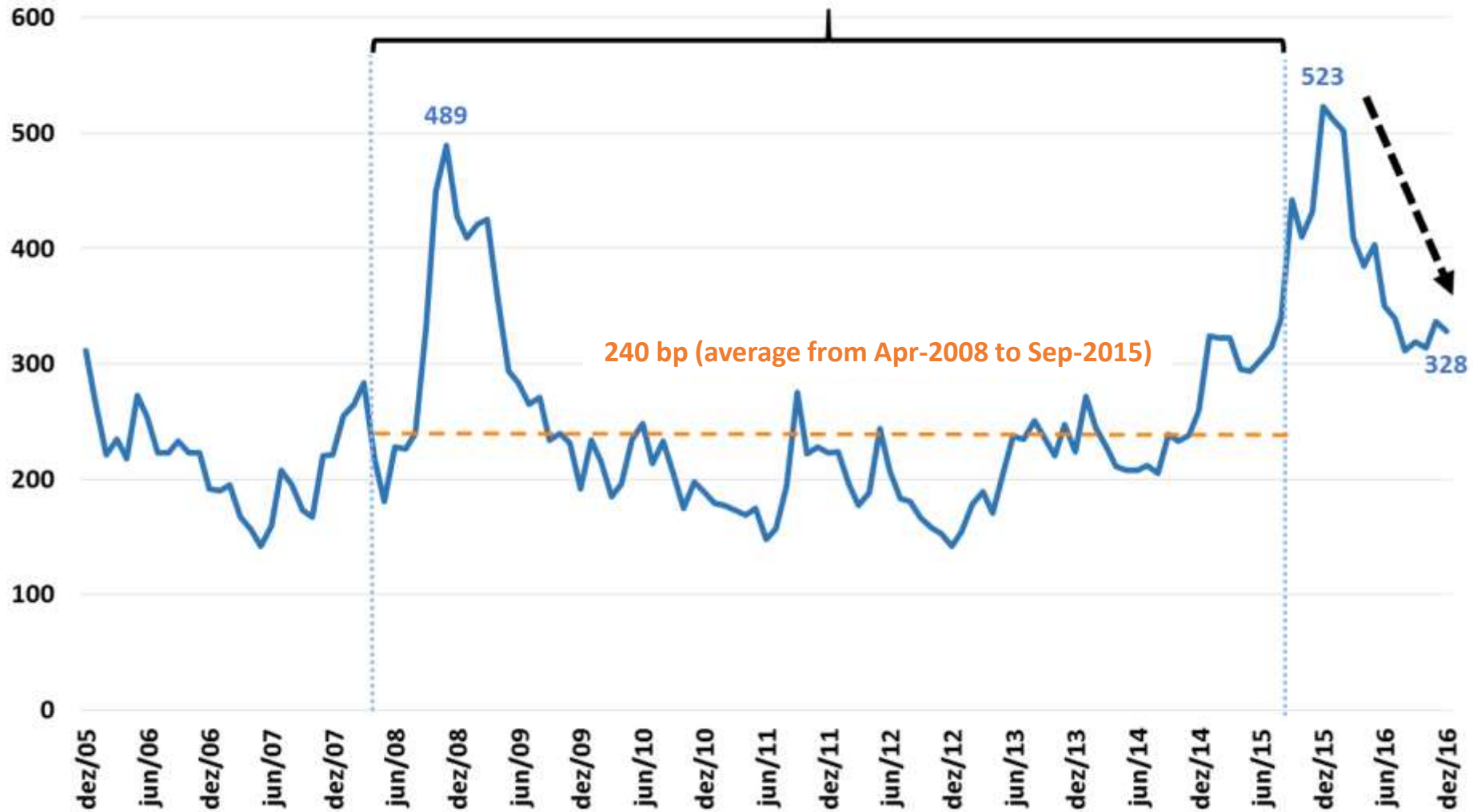


Source: Central Bank of Brazil.

# Sovereign Risk Perception Evolution

EMBI+ Brazil Spread  
In basis points

S&P and Fitch Investment Grade Period



Source: JPMorgan.

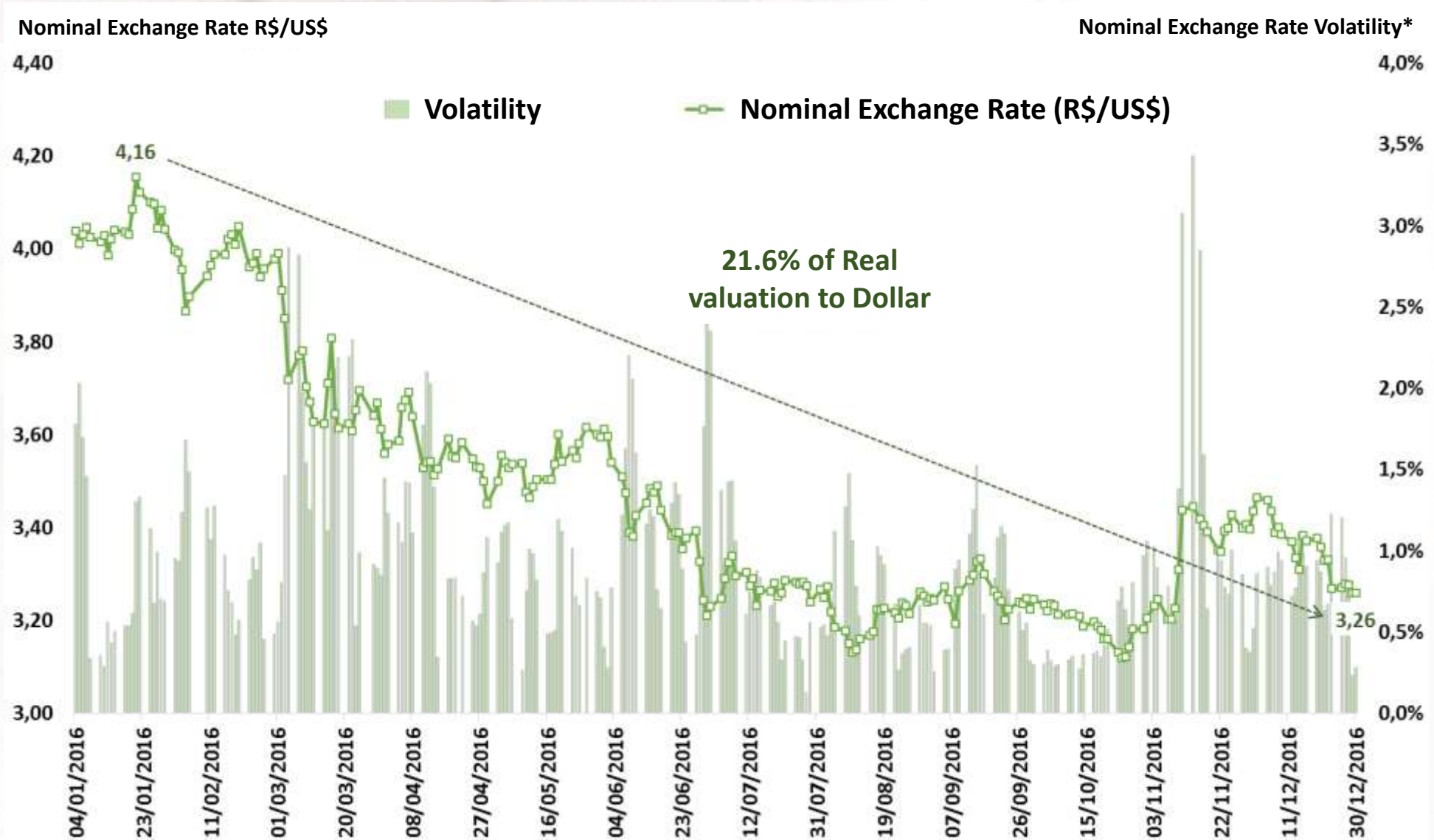
# FOREIGN TRADE



# Foreign Trade

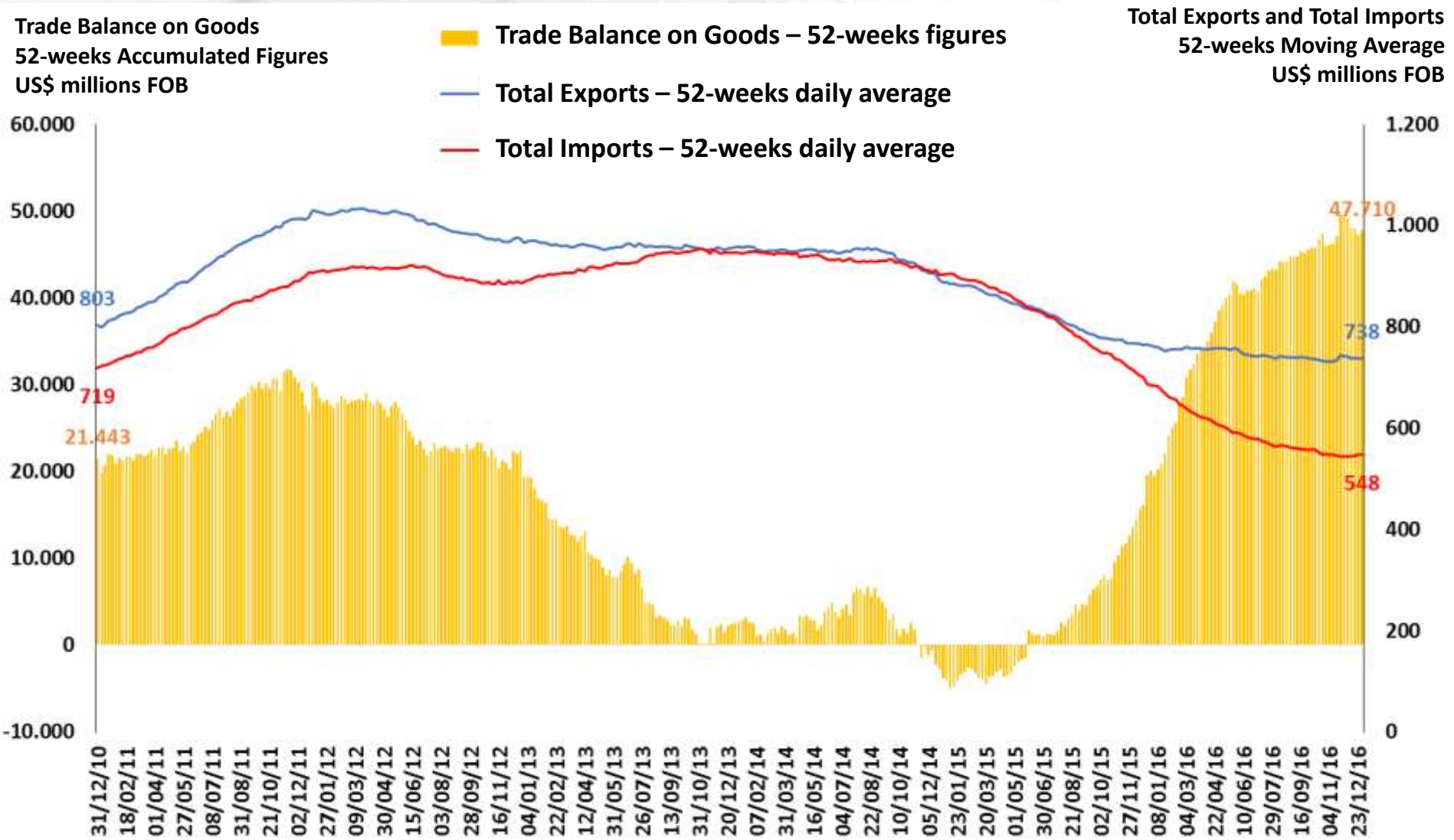
											BCB/Focus: December 30, 2016				
Exchange Rate Indicators (BCB)		November 2016			chg.%	chg.%	chg.%		Sep/16	Oct/16	Nov/16	Average	Average	Average	
FX % change rate: valuation (-) or devaluation (+) of Real		2014	2015	2016	Sep/16 / Sep/15	Oct/16 / Oct/15	Nov/16 / Nov/15	YTD 2016	accum. in 12-months	accum. in 12-months	accum. in 12-months	FX Rate 2016	FX Rate 2017	FX Rate 2018	
<b>Nominal Exchange Rate (R\$/US\$) - sell - end of period</b>		month value: 3,40		8,5%	43,5%	-18,3%	-17,6%	-11,8%	3,8%	17,7%	11,5%	6,7%	-	3,48	3,50
Real Effective Exchange Rate (IPCA)		1,4%	22,1%	-25,6%	-26,9%	-20,8%	-6,0%	5,6%	0,1%	-3,8%					
Exchange Rate / Wage Ratio adjusted by Labor Productivity		6,3%	26,8%	-32,0%	-31,8%	-25,8%	-16,1%	-4,3%	-9,9%	-13,6%					
Unitary Labor Cost in US\$		-0,6%	-21,7%	35,5%	37,7%	28,3%	3,0%	-8,9%	-3,7%	0,6%					
Foreign Trade of Goods (FUNCEX)		November 2016			chg.%	chg.%	chg.%		Sep/16	Oct/16	Nov/16				
Average Price and Quantum		2014	2015	2016	Sep/16 / Sep/15	Oct/16 / Oct/15	Nov/16 / Nov/15	YTD 2016	accum. in 12-months	accum. in 12-months	accum. in 12-months				
QUANTUM															
<b>Exports (X)</b>		-1,8%	8,3%	-3,5%	-17,5%	11,8%	5,5%	9,6%	6,9%	6,9%					
Basic Goods		6,4%	13,2%	-12,2%	-26,6%	-11,6%	-0,6%	6,9%	2,5%	0,6%					
Semi-Manufactured		-0,6%	8,5%	11,8%	-11,3%	8,1%	11,9%	14,6%	13,1%	13,0%					
Manufactured		-12,9%	2,3%	0,5%	-9,1%	38,4%	11,2%	11,4%	10,2%	12,5%					
		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%					
<b>Imports (M)</b>		-2,5%	-15,1%	-4,0%	-14,4%	-6,6%	-14,4%	-16,9%	-16,7%	-15,9%					
Capital Goods		-1,5%	-16,3%	5,1%	-2,0%	6,4%	-9,8%	-15,3%	-13,4%	-11,4%					
Intermediate Goods		-10,2%	-16,6%	-28,4%	-22,2%	-25,2%	-19,6%	-20,9%	-20,0%	-20,1%					
Consumer Durable Goods		-13,7%	-27,6%	-25,6%	-30,0%	-2,1%	-38,3%	-42,6%	-42,5%	-39,4%					
Consumer Semi and Non-Durable Goods		1,1%	-6,5%	-15,7%	-13,5%	4,1%	-14,5%	-17,6%	-17,0%	-15,8%					
Fuel and Lubricants		2,1%	-11,4%	-4,7%	-47,4%	-41,9%	-22,1%	-11,9%	-18,9%	-23,2%					
<b>Exports Profitability Index</b>		-1,4%	2,0%	-19,2%	-17,7%	-9,9%	-8,7%	-4,6%	-6,8%	-7,8%					
<b>Quantum Ratio = quantum X / quantum M</b>		0,6%	29,3%	0,5%	-3,6%	19,8%	22,7%	31,6%	27,9%	26,7%					
PRICE															
<b>Exports (X)</b>		-5,3%	-21,6%	1,7%	3,9%	5,3%	-8,0%	-13,9%	-11,7%	-9,4%					
Basic Goods		-8,9%	-29,7%	4,5%	5,9%	7,0%	-8,4%	-16,3%	-13,3%	-10,3%					
Semi-Manufactured		-4,2%	-16,1%	7,6%	7,3%	12,6%	-6,0%	-12,3%	-10,2%	-7,5%					
Manufactured		-1,0%	-11,3%	-3,3%	0,9%	2,8%	-7,8%	-11,3%	-9,9%	-8,4%					
		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%					
<b>Imports (M)</b>		-2,0%	-11,9%	-5,6%	-5,5%	-2,8%	-8,5%	-10,4%	-9,8%	-8,8%					
Capital Goods		-2,2%	-6,4%	-6,8%	-6,6%	-4,6%	-7,4%	-7,9%	-7,8%	-7,3%					
Intermediate Goods		0,4%	-5,3%	0,2%	-1,9%	3,7%	-1,6%	-3,0%	-2,8%	-1,6%					
Consumer Durable Goods		0,8%	-4,6%	0,1%	-2,4%	-2,3%	-5,1%	-5,9%	-5,6%	-5,6%					
Consumer Semi and Non-Durable Goods		-1,1%	-7,5%	10,0%	-1,4%	-5,7%	-1,7%	-2,1%	-1,8%	-1,6%					
Fuel and Lubricants		-4,4%	-37,9%	-20,0%	-14,7%	-8,6%	-28,5%	-34,5%	-32,9%	-30,2%					
<b>Terms of Trade = average price X / average price M</b>		-3,4%	-11,0%	7,7%	9,9%	8,3%	0,6%	-3,8%	-1,9%	-0,5%					

# Daily Nominal Exchange Rate R\$/US\$



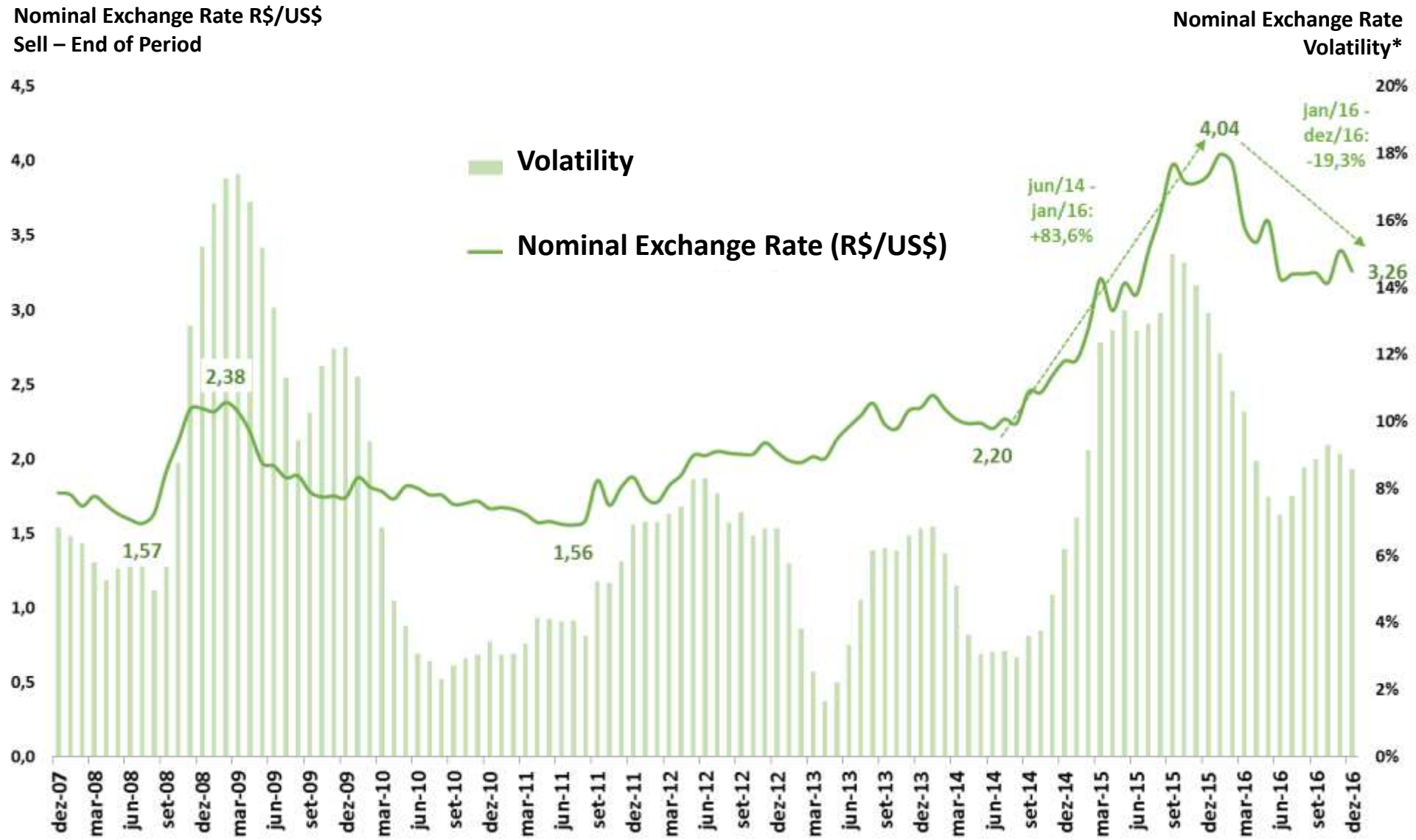
Source: Central Bank of Brazil. \*Volatility = 5-days Moving Coefficient of Variation.

# Daily Nominal Exchange Rate R\$/US\$



Source: SECEX/MDIC.

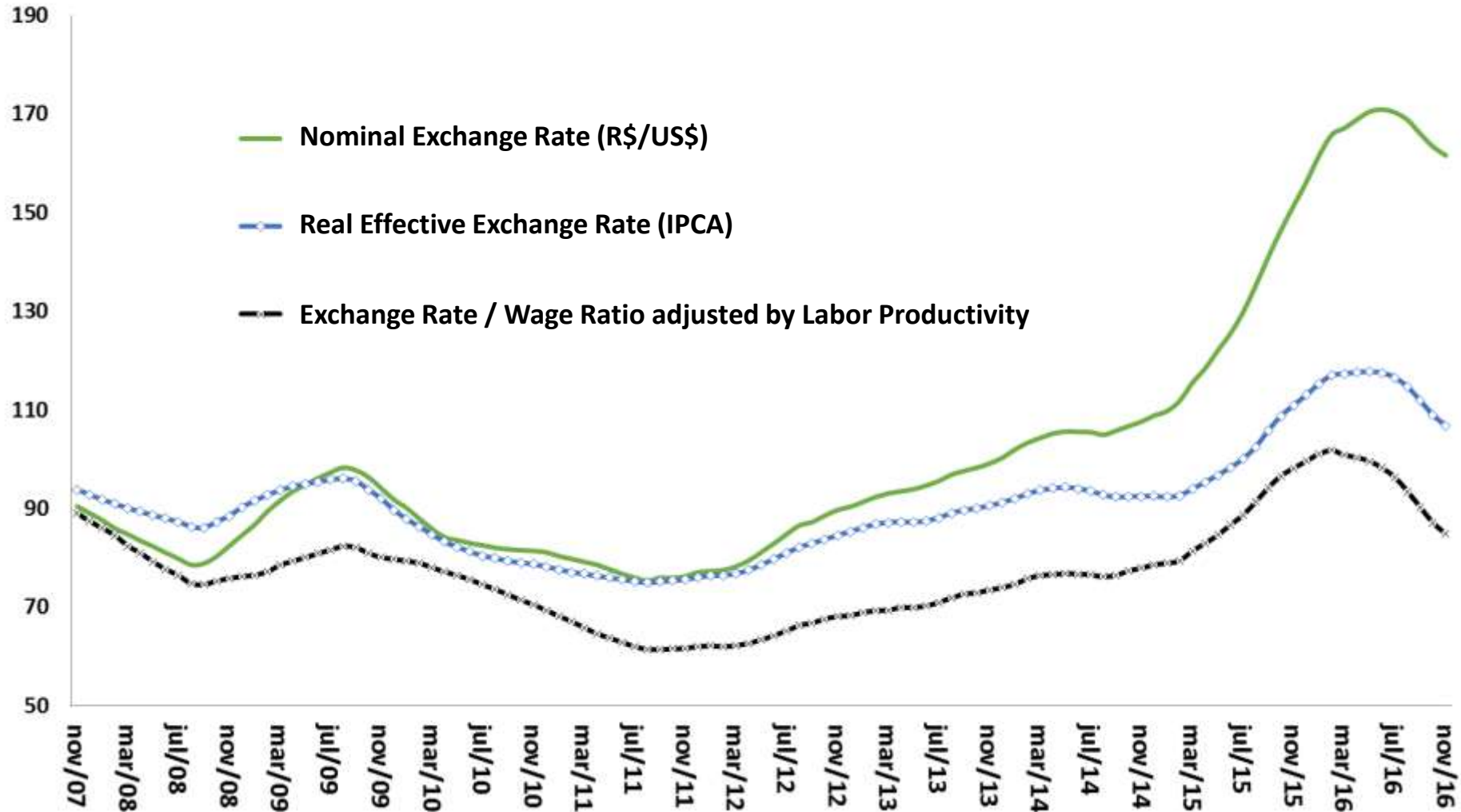
# Monthly Nominal Exchange Rate R\$/US\$



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

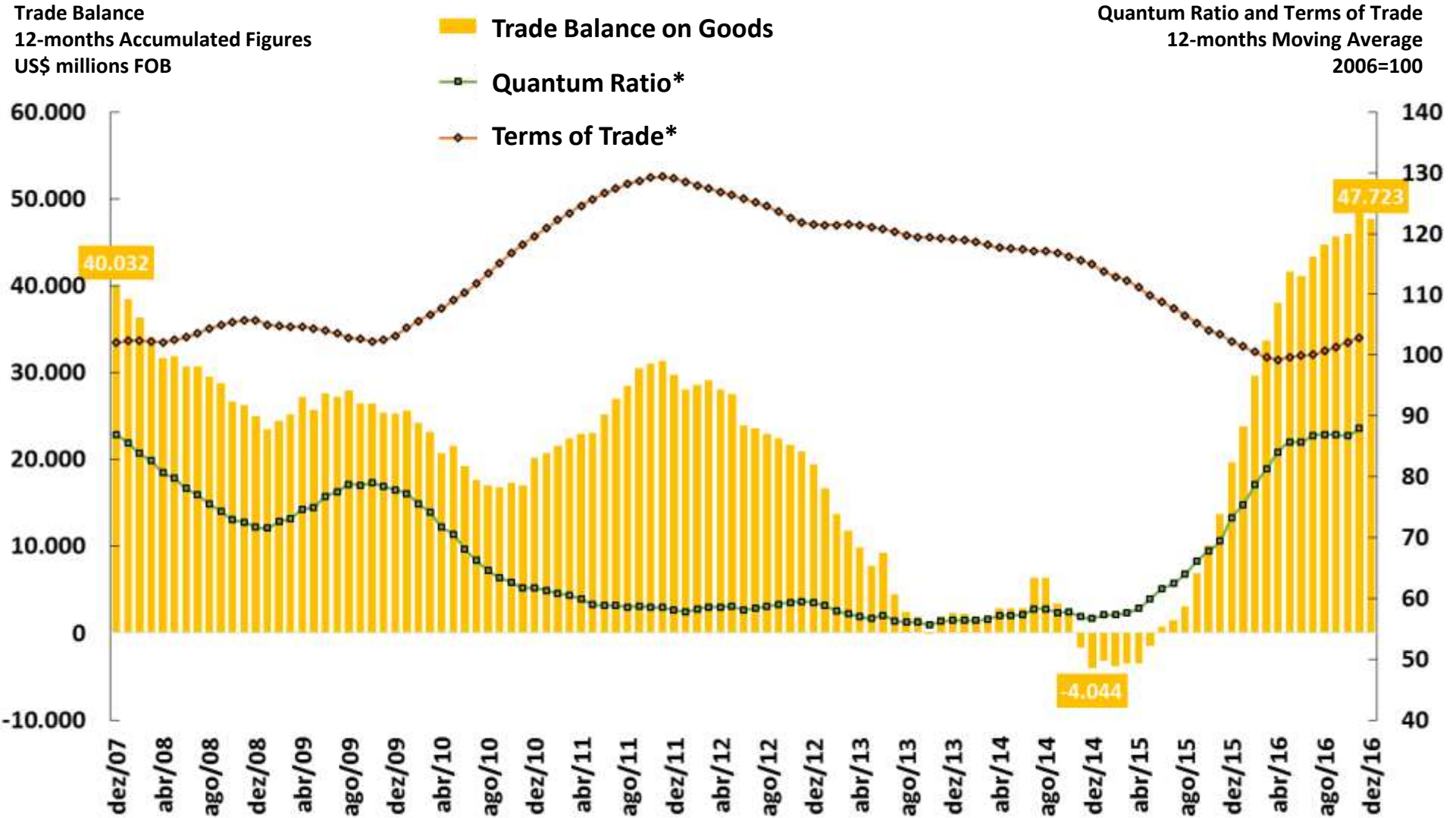
# Exchange Rate Indexes

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



Source: Central Bank of Brazil.

# Trade Balance, Quantum and Terms of Trade Ratios

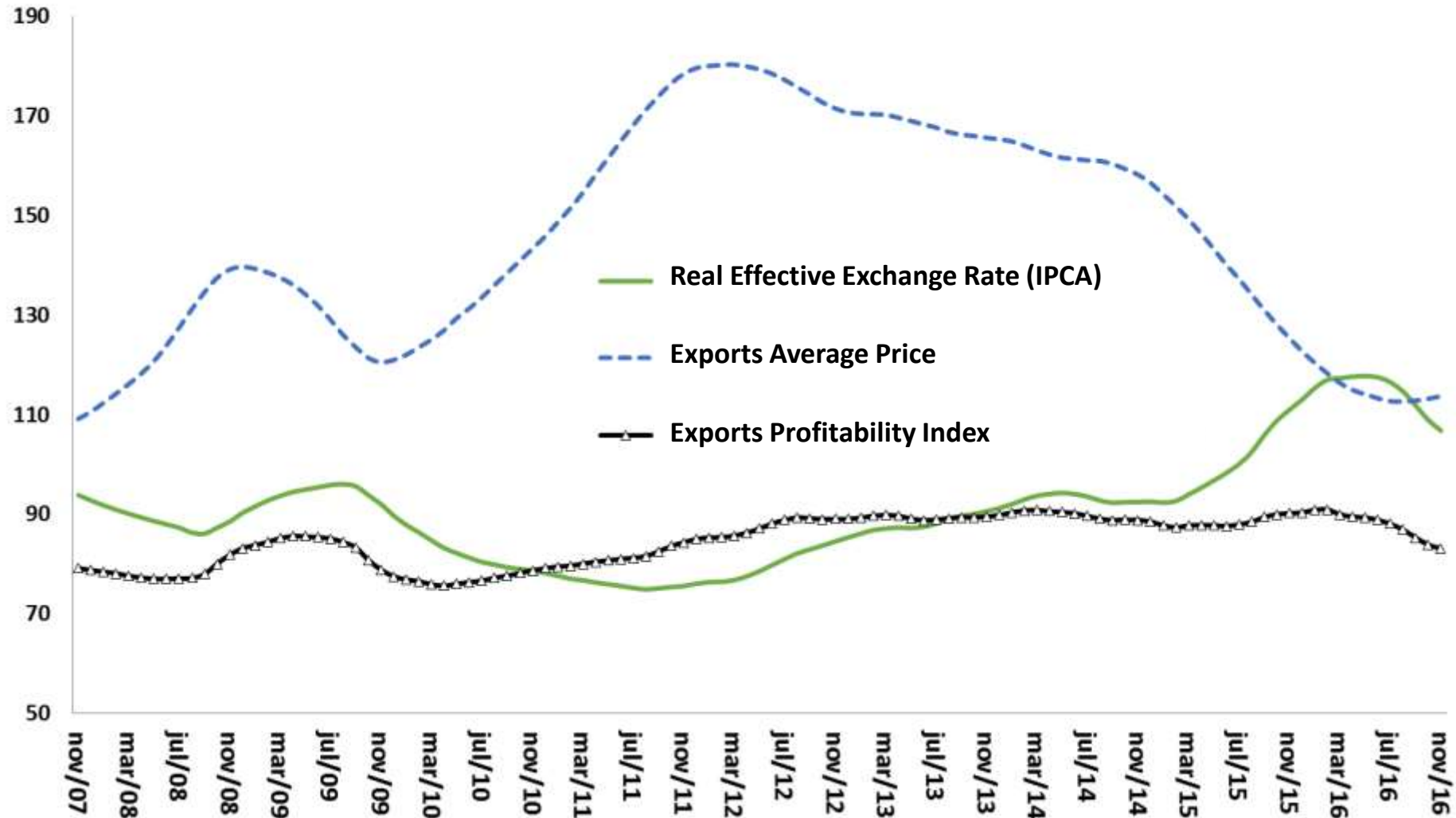


Sources: SECEX/MDIC and FUNCEX.

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

# Exports: Profitability, Quantum, Price and Real Exchange Rate

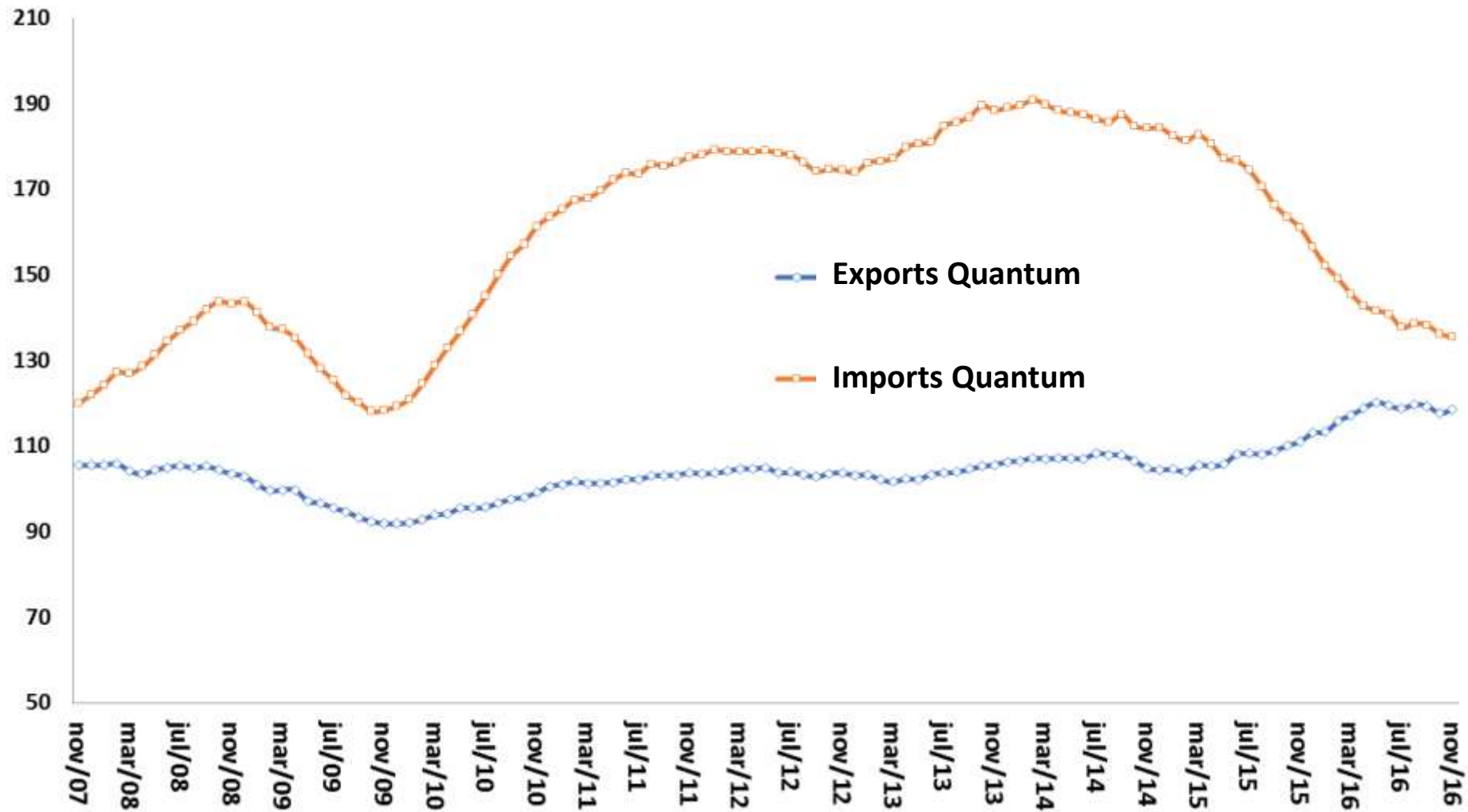
Real Effective Exchange Rate (IPCA), Exports Average Price and Exports Profitability Index  
12-months Moving Average (2006=100)



Sources: Central Bank of Brazil and FUNCEX.

# Quantum of Exports and Imports

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



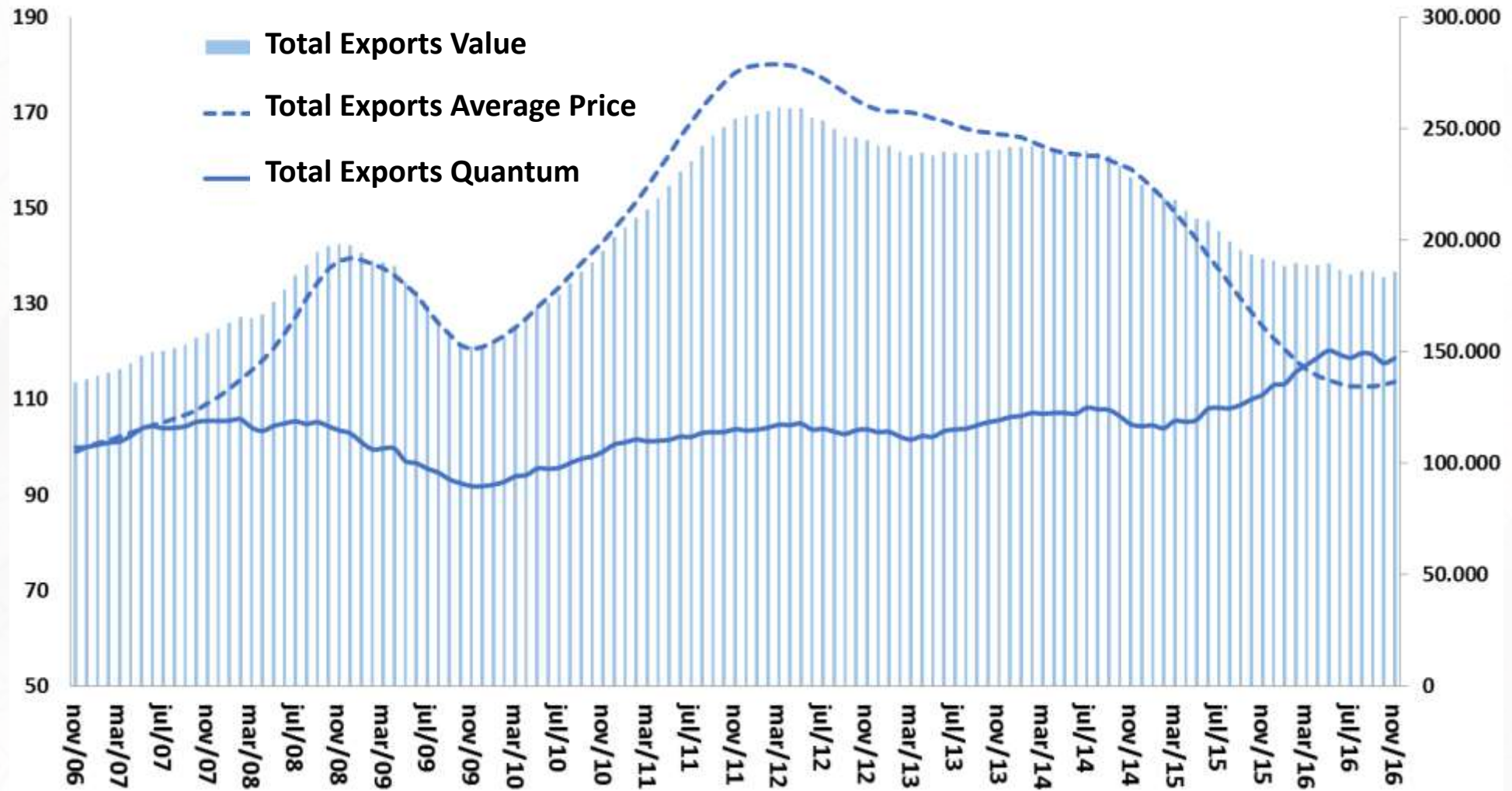
Source: FUNCEX.



# Total Exports: value, quantum and price

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

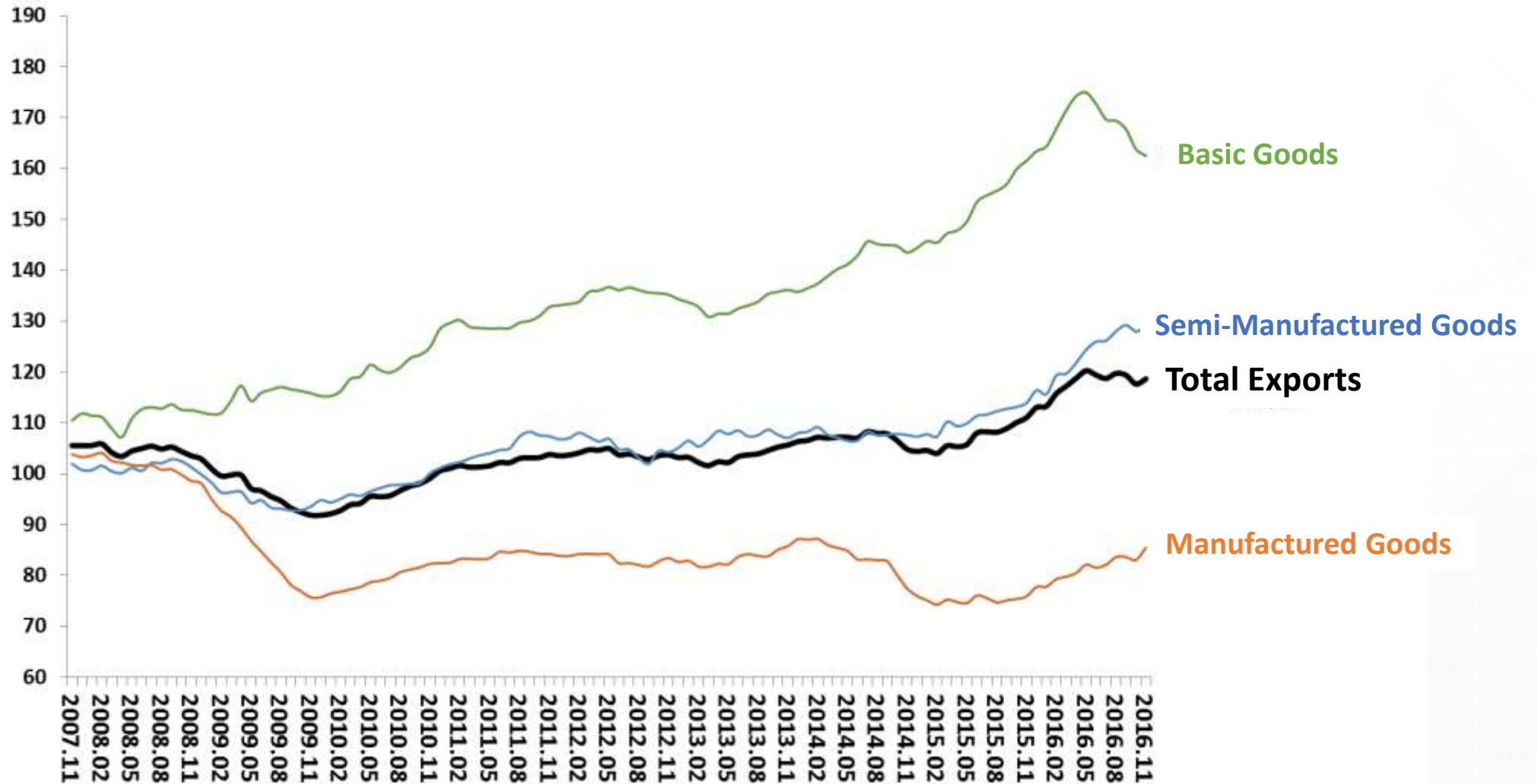
Exports Value  
12-months Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

# Quantum of Total Exports and by Class of Products

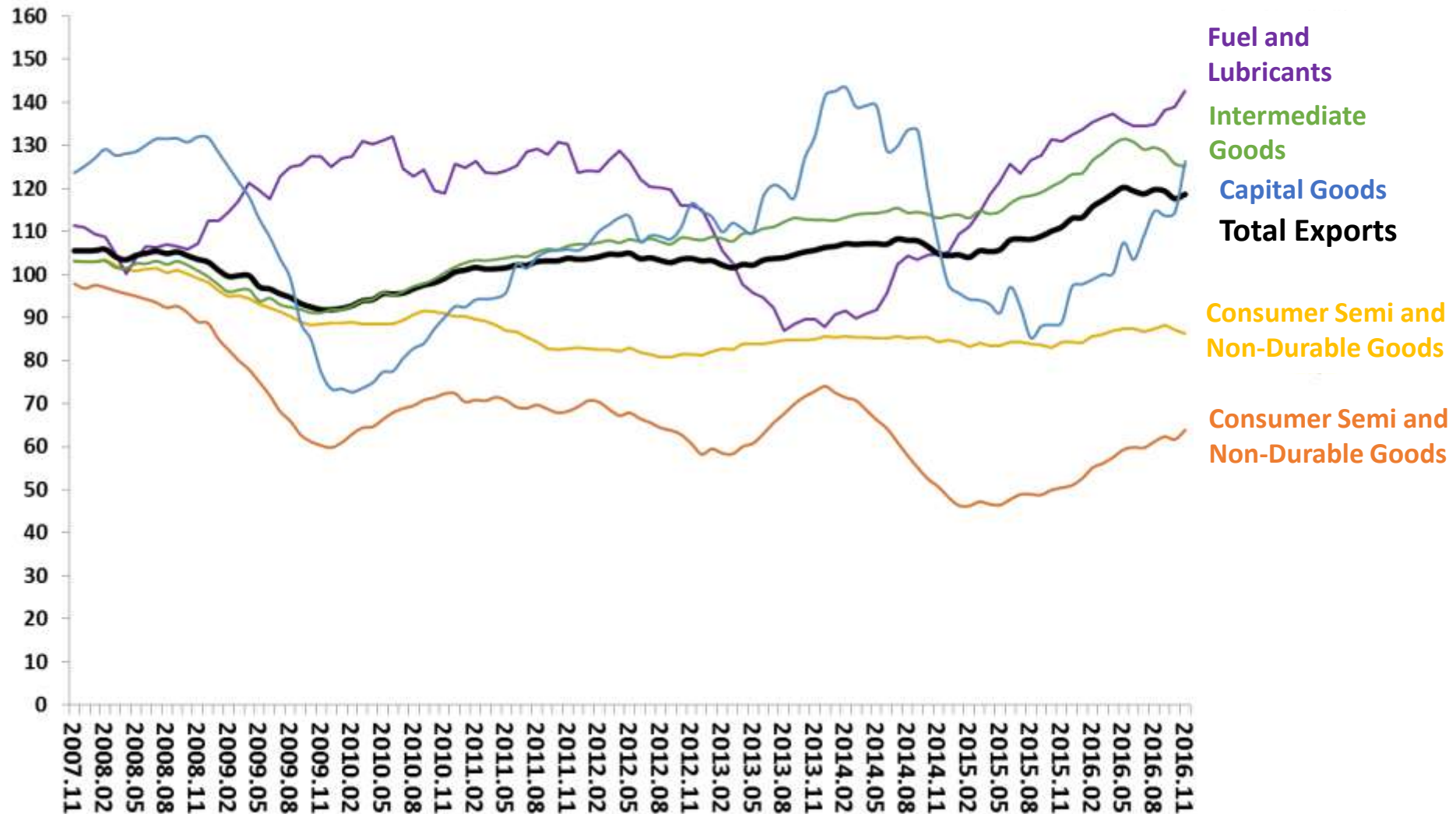
Exports Quantum and Class of Products  
12-months Moving Average (2006=100)



Source: FUNCEX.

# Quantum of Total Exports and by Economic Categories

Exports Quantum and Economic Categories  
12-months Moving Average (2006=100)

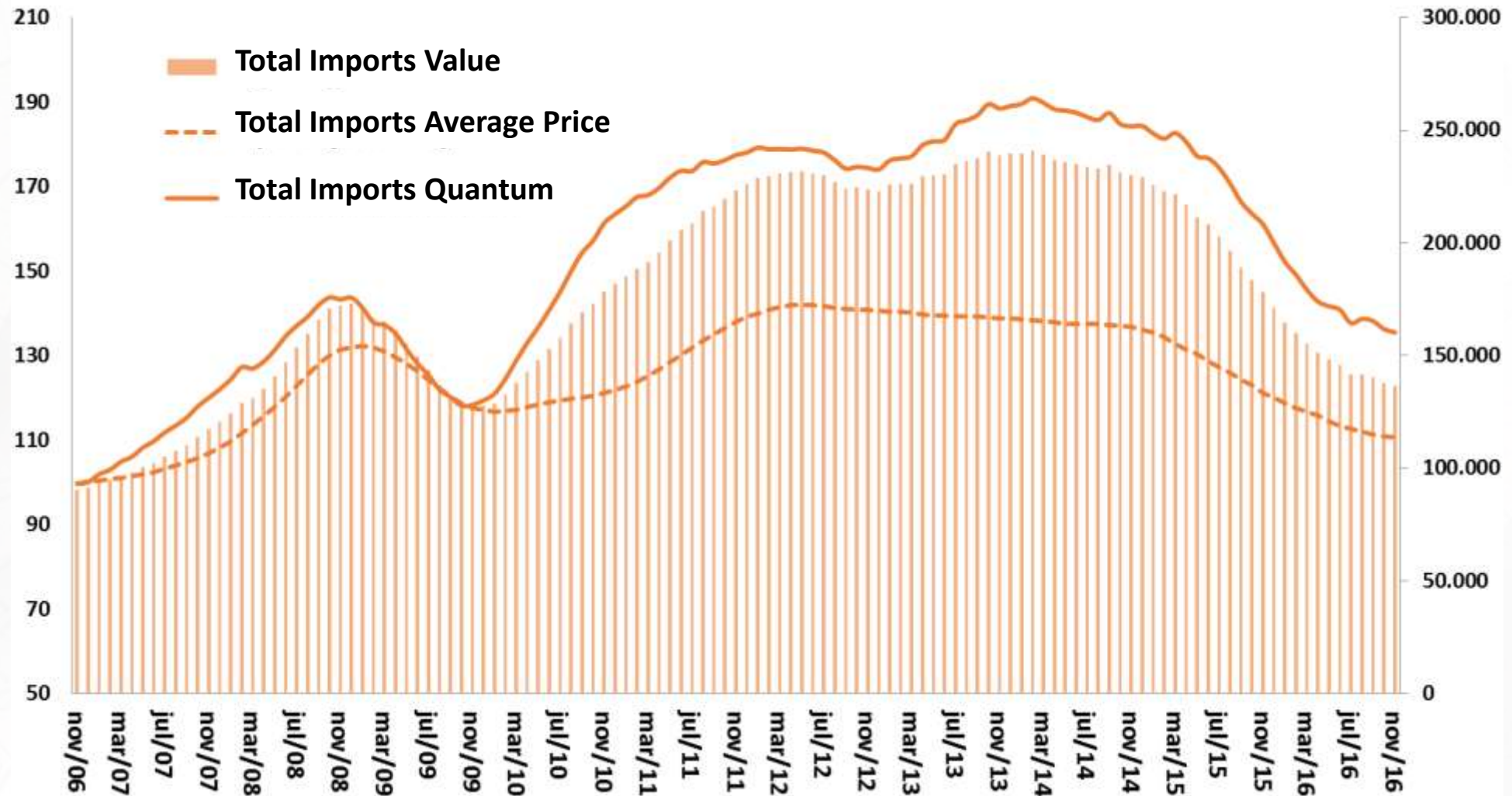


Source: FUNCEX.

# Total Imports: value, quantum and price

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

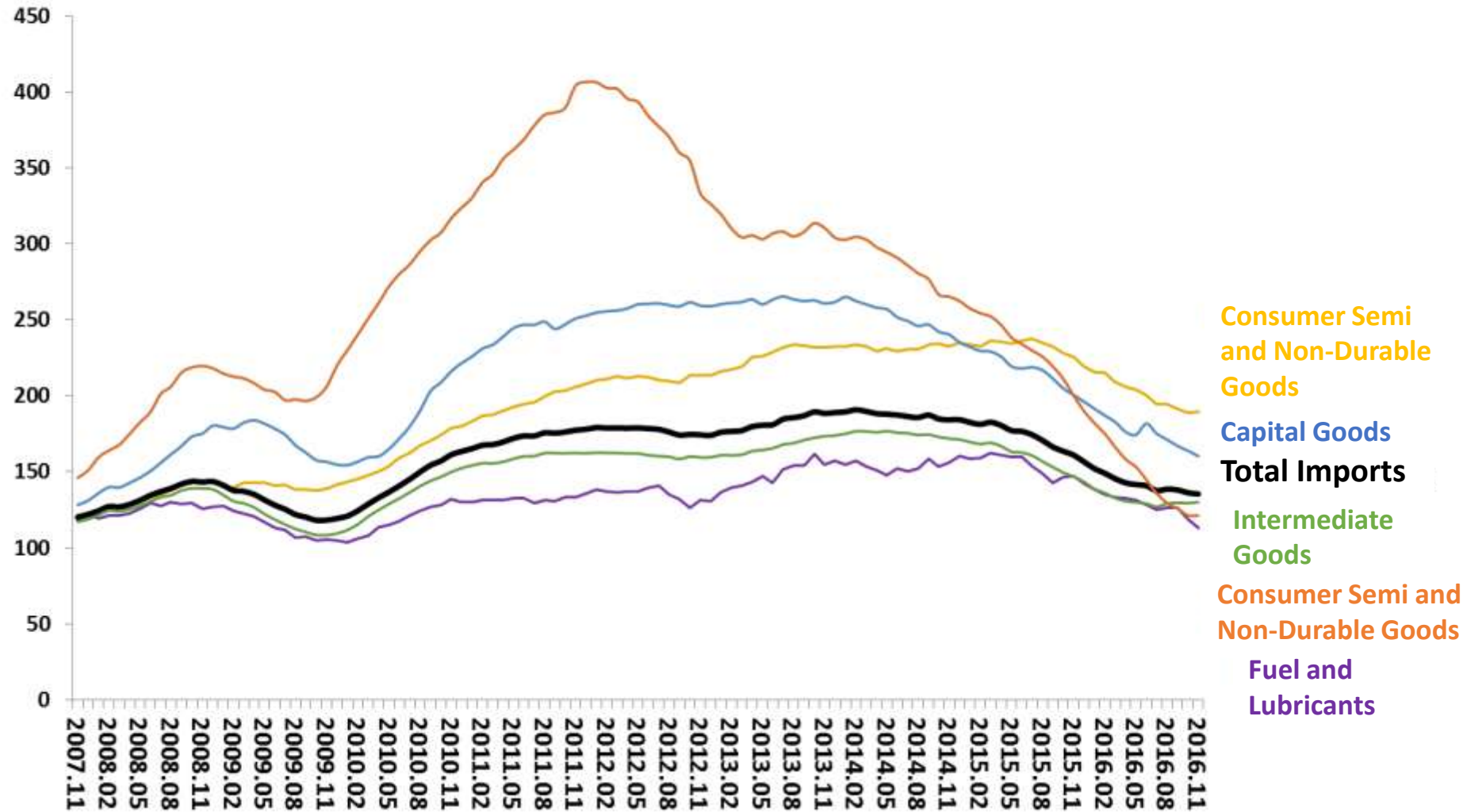
Imports Value  
12-months Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

# Quantum of Total Imports and by Economic Categories

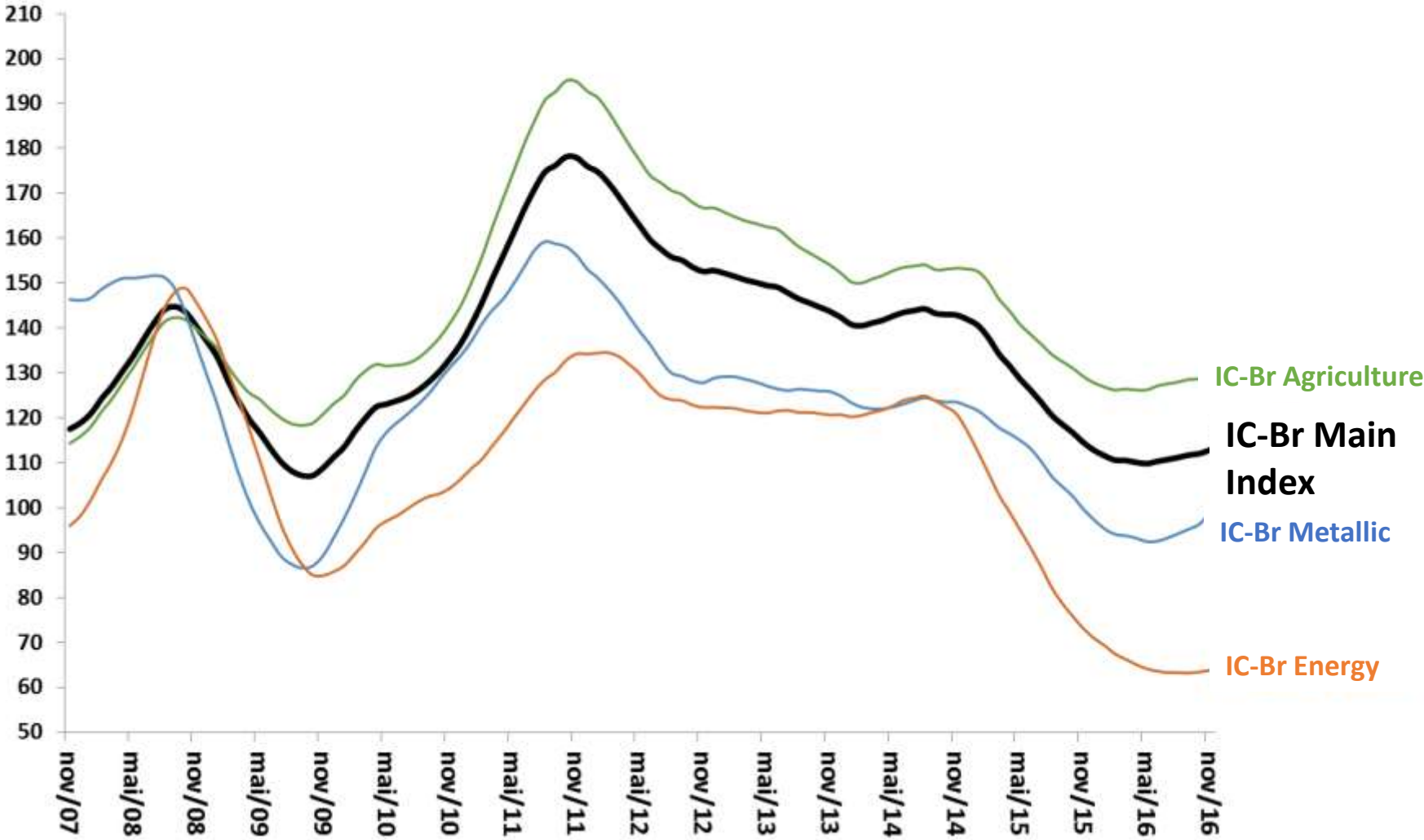
Imports Quantum and Economic Categories  
12-months Moving Average (2006=100)



Source: FUNCEX.

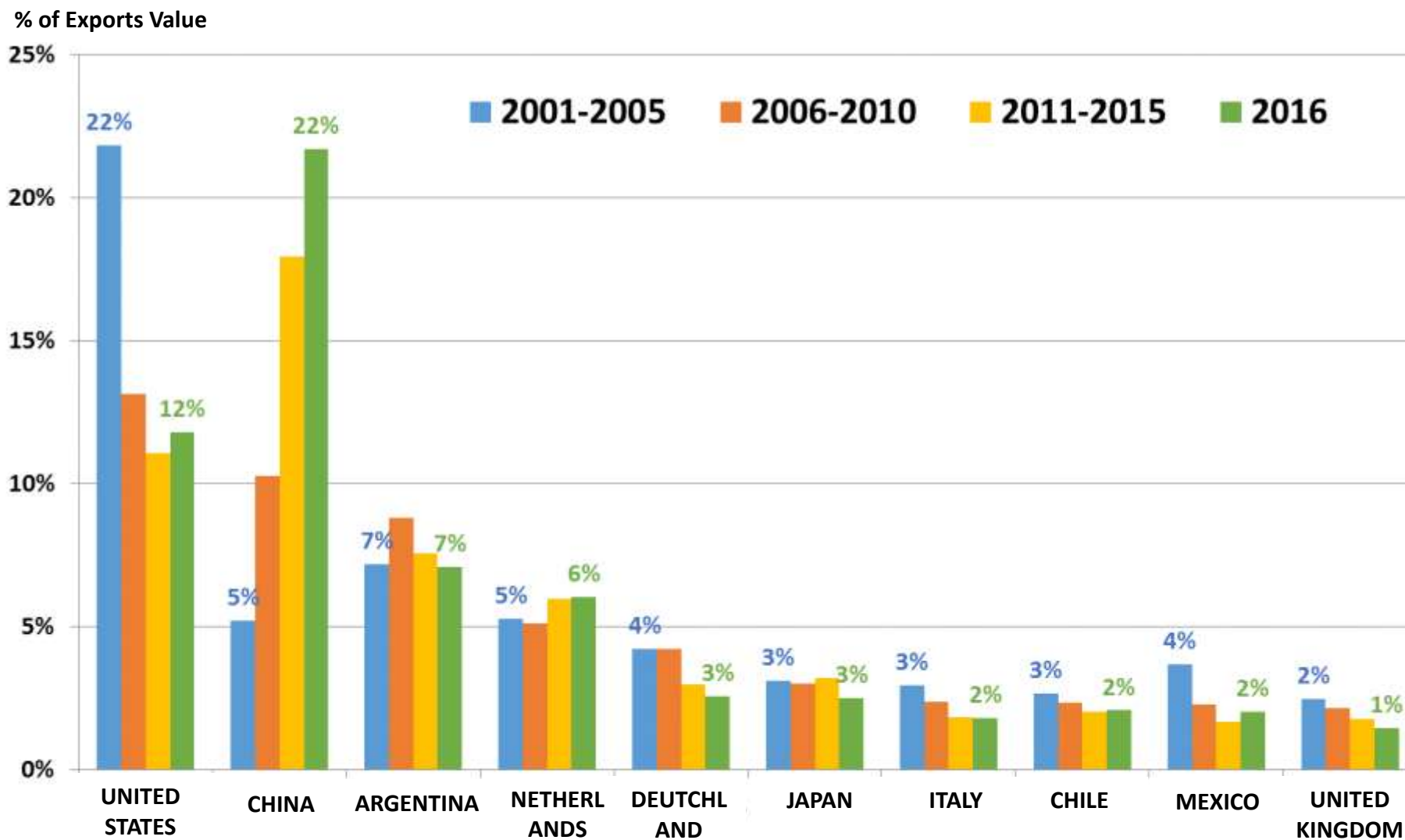
# Brazilian Commodities Price Indexes

Brazilian Commodities Index (IC-Br)  
12-months Moving Average (2006=100)



Source: Central Bank of Brazil.

# Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

# EXTERNAL SECTOR



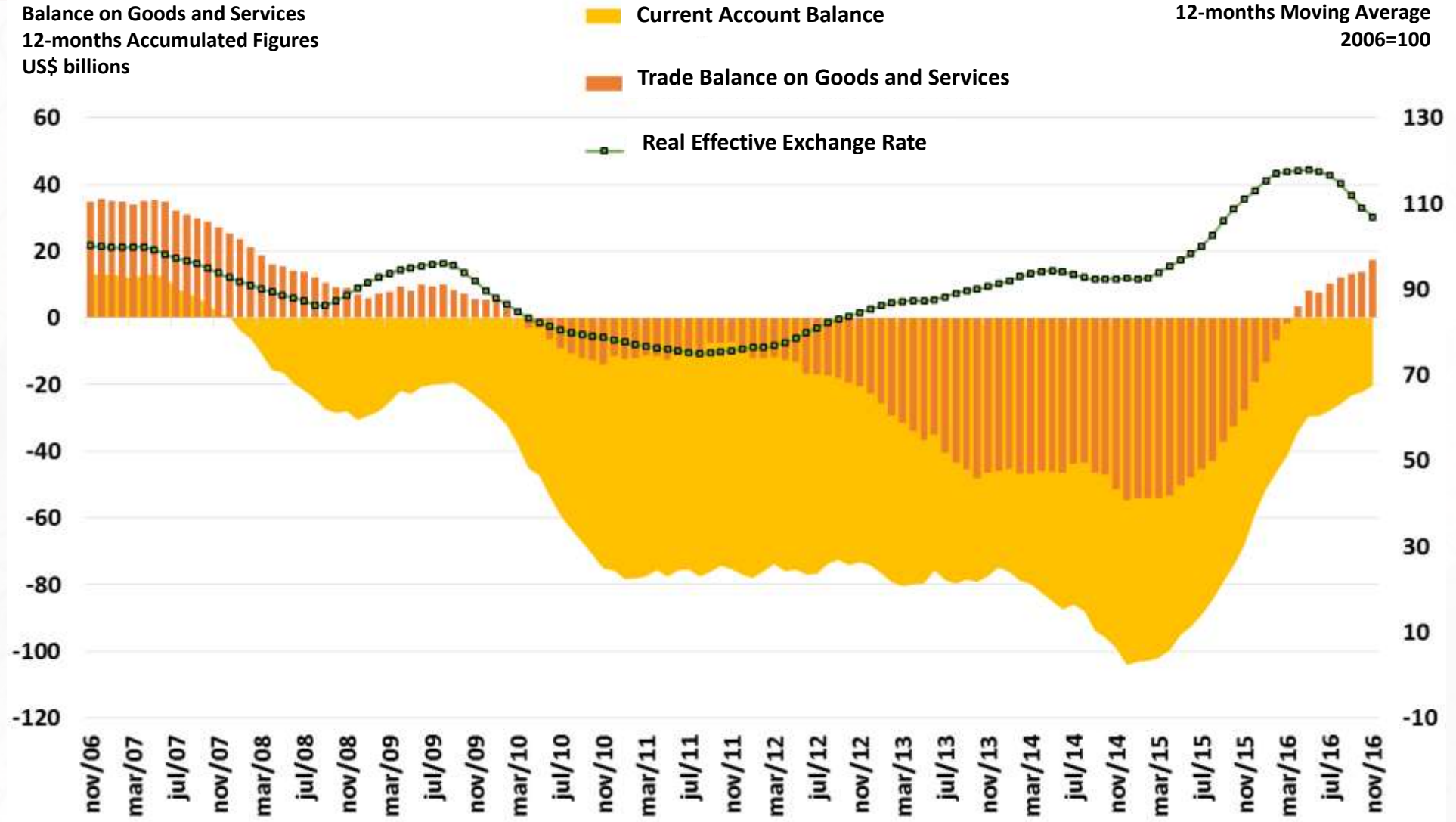
# External Sector

											BCB/Focus: December 30, 2016		
Balance of Payments (BCB)		November 2016											
In US\$ millions		2014	2015	Nov/16 accum. in 12-months	chg.% 2015 / 2014	chg.% Nov/16 accum. 12-m / 2015	chg.% Oct/16 / Oct/15	chg.% Nov/16 / Nov/15	chg.% Jan- Oct/16 / Jan- Oct/15	chg.% Jan- Nov/16 / Jan-Nov/15	2016	2017	2018
<b>Balance of Payments</b>		<b>3.351</b>	<b>3.708</b>	<b>8.077</b>	<b>10,6%</b>	<b>117,8%</b>	<b>-90,0%</b>	<b>-2557,3%</b>	<b>218,6%</b>	<b>230,6%</b>			
<b>Current Account Balance (CAB)</b>		<b>-104.181</b>	<b>-58.882</b>	<b>-22.349</b>	<b>-43,5%</b>	<b>-62,0%</b>	<b>-83,5%</b>	<b>-21,9%</b>	<b>-72,3%</b>	<b>-68,3%</b>	-20,4	-25,4	-34,0
<i>CAB as % of GDP</i>		<i>-4,3%</i>	<i>-3,3%</i>	<i>-1,3%</i>	<i>1,0 pp</i>	<i>2,1 pp</i>	<i>2,8 pp</i>	<i>2,7 pp</i>					
Balance on Goods		-6.629	17.670	43.321	-366,5%	145,2%	36,1%	21,8%	283,0%	240,6%	47,7	46,8	42,2
Exports		224.098	190.092	182.820	-15,2%	-3,8%	-1,8%	-14,3%	-3,5%	-4,6%	185,7	194,1	203,0
Imports		230.727	172.422	139.499	-25,3%	-19,1%	-9,3%	-18,7%	-22,4%	-22,1%	138,0	147,3	160,8
Balance on Services		-48.107	-36.919	-29.578	-23,3%	-19,9%	-10,7%	0,2%	-25,1%	-22,9%			
Primary Income		-52.170	-42.357	-39.145	-18,8%	-7,6%	-44,8%	-15,0%	-8,8%	-9,4%			
Secondary Income		2.725	2.724	3.053	-0,04%	12,1%	-30,0%	12,4%	16,5%	15,9%			
<b>Financial Account</b>		<b>232</b>	<b>440</b>	<b>366</b>	<b>90,1%</b>	<b>-16,9%</b>	<b>-48,0%</b>	<b>165,7%</b>	<b>-34,9%</b>	<b>-25,7%</b>			
<b>Conta Financeiras</b>		<b>100.598</b>	<b>54.734</b>	<b>14.113</b>	<b>-45,6%</b>	<b>-74,2%</b>	<b>-96,0%</b>	<b>-5,9%</b>	<b>-84,4%</b>	<b>-79,2%</b>			
Direct Investments		70.855	61.576	65.706	-13,1%	6,7%	-24,0%	9,8%	9,5%	9,6%			
Foreign Direct Investments (FDI)		96.895	75.075	75.056	-22,5%	0,0%	-12,6%	25,1%	-3,5%	0,0%	69,0	70,0	70,0
Portfolio Investments		38.708	22.048	-13.946	-43,0%	-163,3%	174,2%	-43,2%	-173,4%	-198,5%			
Stock Market		10.813	6.366	5.672	-41,1%	-10,9%	-152,9%	-1009,6%	-28,0%	-9,0%			
Bonds		29.079	11.919	-22.951	-59,0%	-292,6%	137,7%	-0,1%	-313,3%	-442,6%			
Others Investments and Capital Flows		-8.965	-28.890	-37.647	222,3%	30,3%	-77,3%	-1187,1%	62,9%	88,0%			
<b>International Reserves - liquidity concept</b>		<b>363.551</b>	<b>356.464</b>	<b>367.528</b>	<b>-1,9%</b>	<b>3,1%</b>	<b>2,5%</b>	<b>1,7%</b>					
<b>Gross External Debt (BCB)</b>		November 2016											
In US\$ millions		2014	2015	Nov/16	2014 % of total	Nov/16 % of total	chg. pp	2014 % of GDP	Nov/16 % of GDP	chg. pp			
<b>Total Externa Debt</b>		<b>712.655</b>	<b>665.101</b>	<b>688.423</b>	<b>100,0%</b>	<b>100,0%</b>	<b>-</b>	<b>29,0%</b>	<b>38,2%</b>	<b>9,2 pp</b>			
<b>Gross External Debt</b>		<b>352.821</b>	<b>334.745</b>	<b>333.799</b>	<b>49,5%</b>	<b>48,5%</b>	<b>-1,0 pp</b>	<b>14,4%</b>	<b>18,5%</b>	<b>4,2 pp</b>			
Public Sector		79.796	68.208	74.385	11,2%	10,8%	-0,4 pp	2,9%	4,1%	1,2 pp			
Private Sector and Public Financial Sector		273.025	266.537	259.414	38,3%	37,7%	-0,6 pp	11,4%	14,4%	3,0 pp			
Short Term		57.783	51.140	66.113	8,1%	9,6%	1,5 pp	2,2%	3,7%	1,5 pp			
Medium and Long Term		295.038	283.605	267.685	41,4%	38,9%	-2,5 pp	12,2%	14,9%	2,7 pp			
<b>Intercompany Loans</b>		<b>207.756</b>	<b>205.711</b>	<b>220.672</b>	<b>29,2%</b>	<b>32,1%</b>	<b>2,9 pp</b>	<b>8,8%</b>	<b>12,3%</b>	<b>3,4 pp</b>			
<b>Domestic Bonds with Foreign Investors</b>		<b>152.078</b>	<b>124.645</b>	<b>133.953</b>	<b>21,3%</b>	<b>19,5%</b>	<b>-1,9 pp</b>	<b>5,8%</b>	<b>7,4%</b>	<b>1,6 pp</b>			

# Brazil: Real Exchange Rate and External Sector Adjustment

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

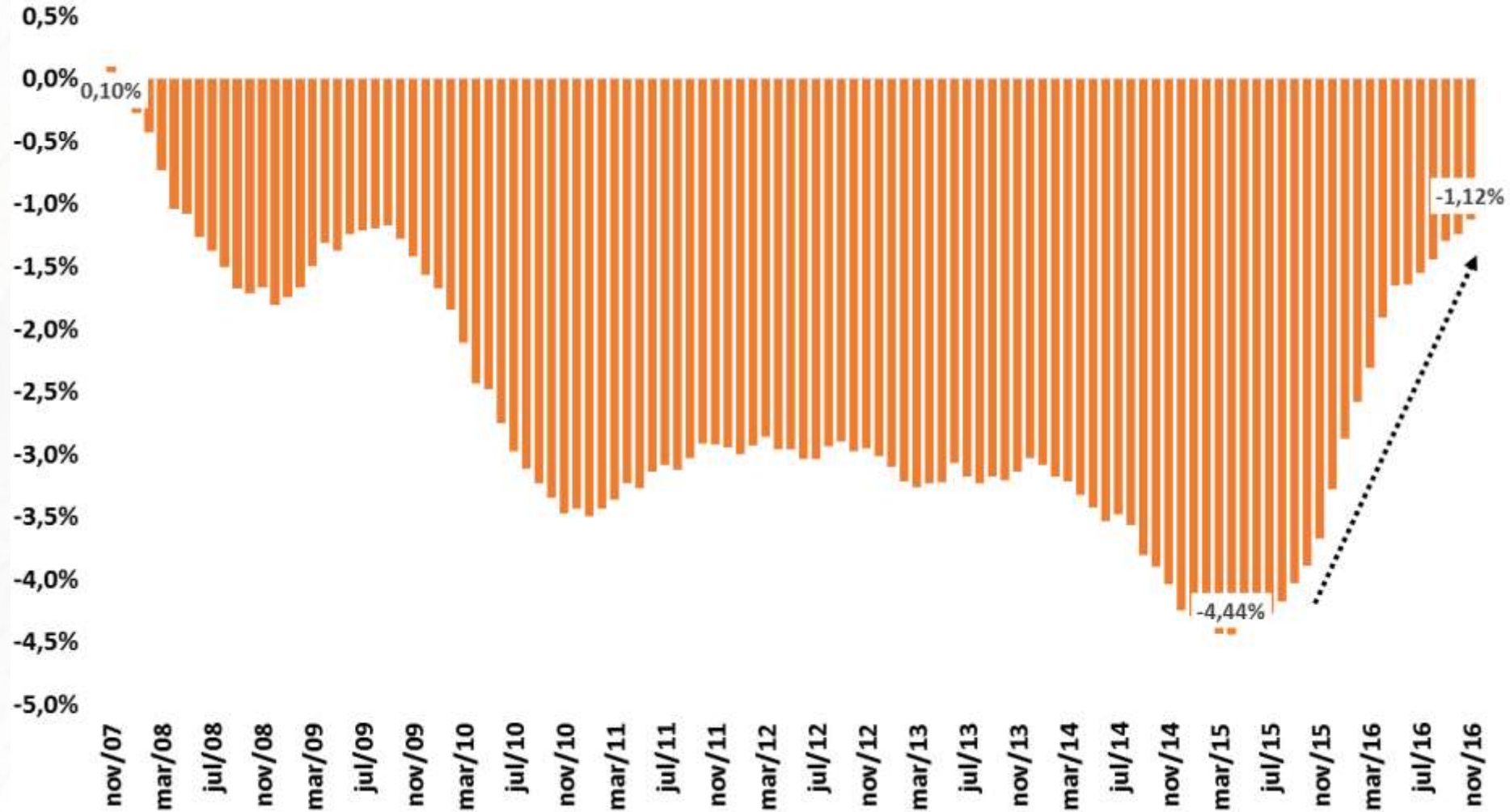
Real Effective Exchange Rate  
12-months Moving Average  
2006=100



Source: Central Bank of Brazil.

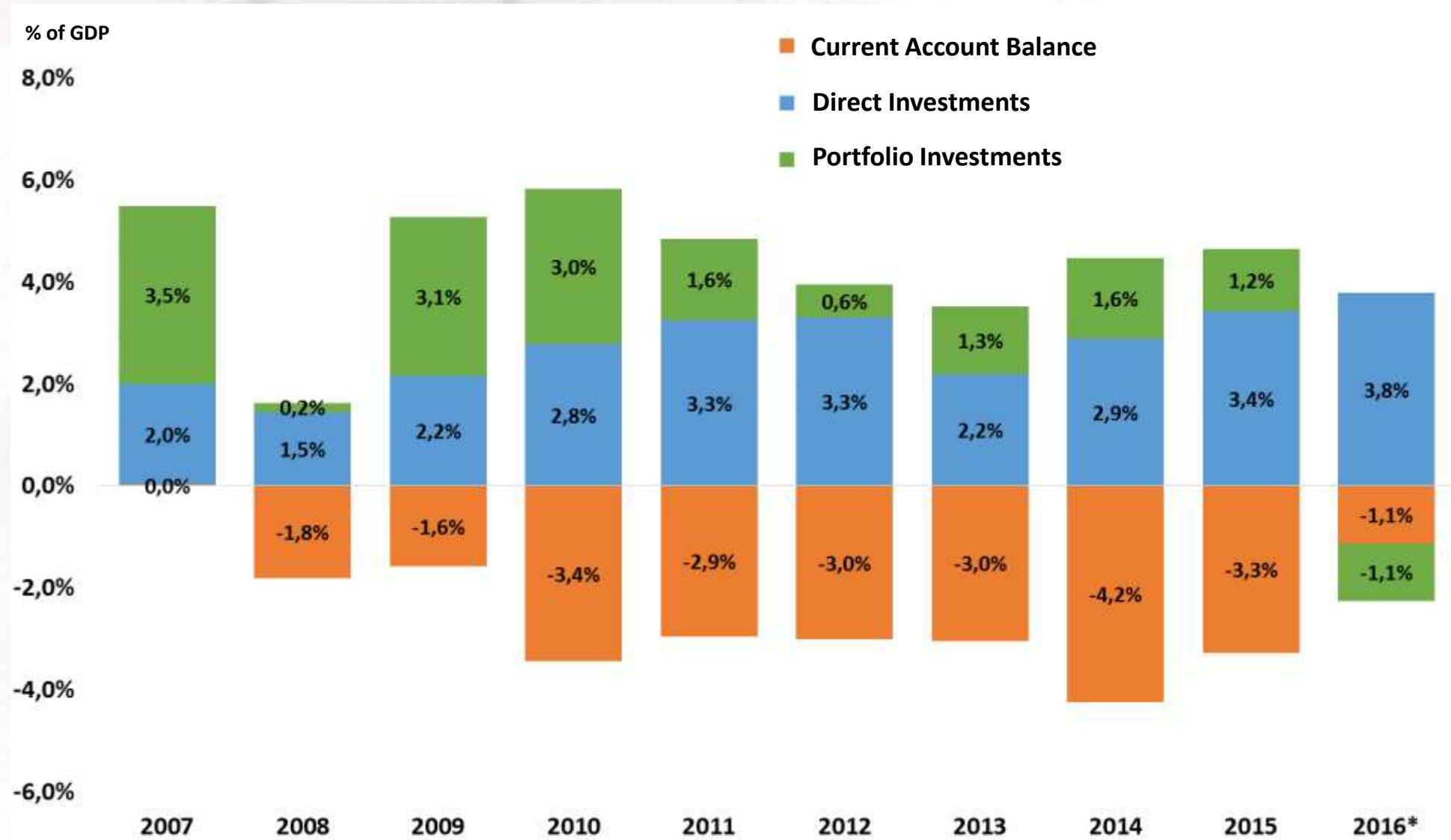
# Current Account Deficit as % of GDP

Current Account as % of GDP  
12-months Figures



Source: Central Bank of Brazil.

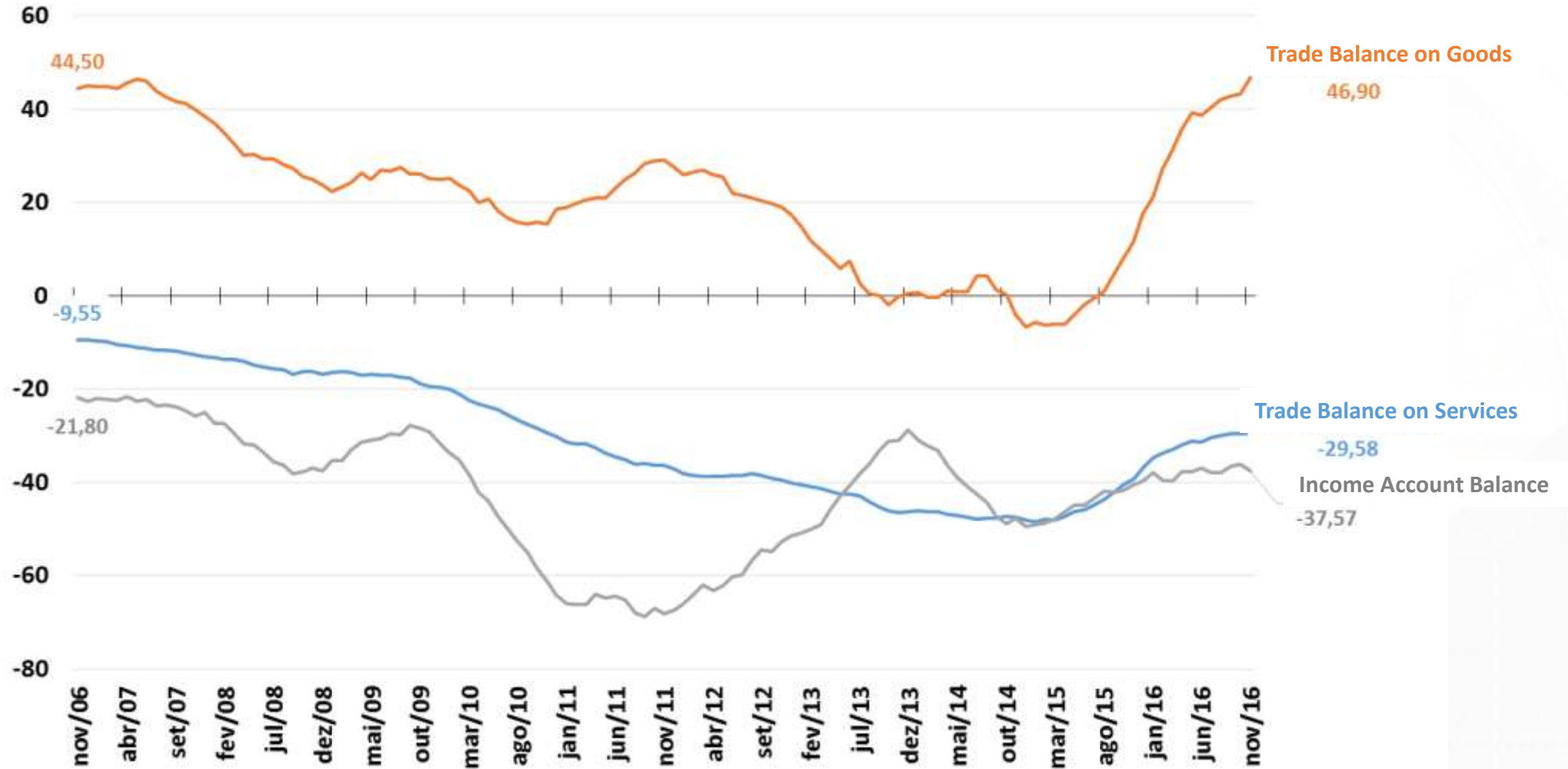
# Current Account Deficit Financing



Source: Central Bank of Brazil. \* Nov/2016 12-months accumulated figures.

# Current Account Balance Components

External Accounts Balance  
12-months Accumulated Figures - US\$ billions

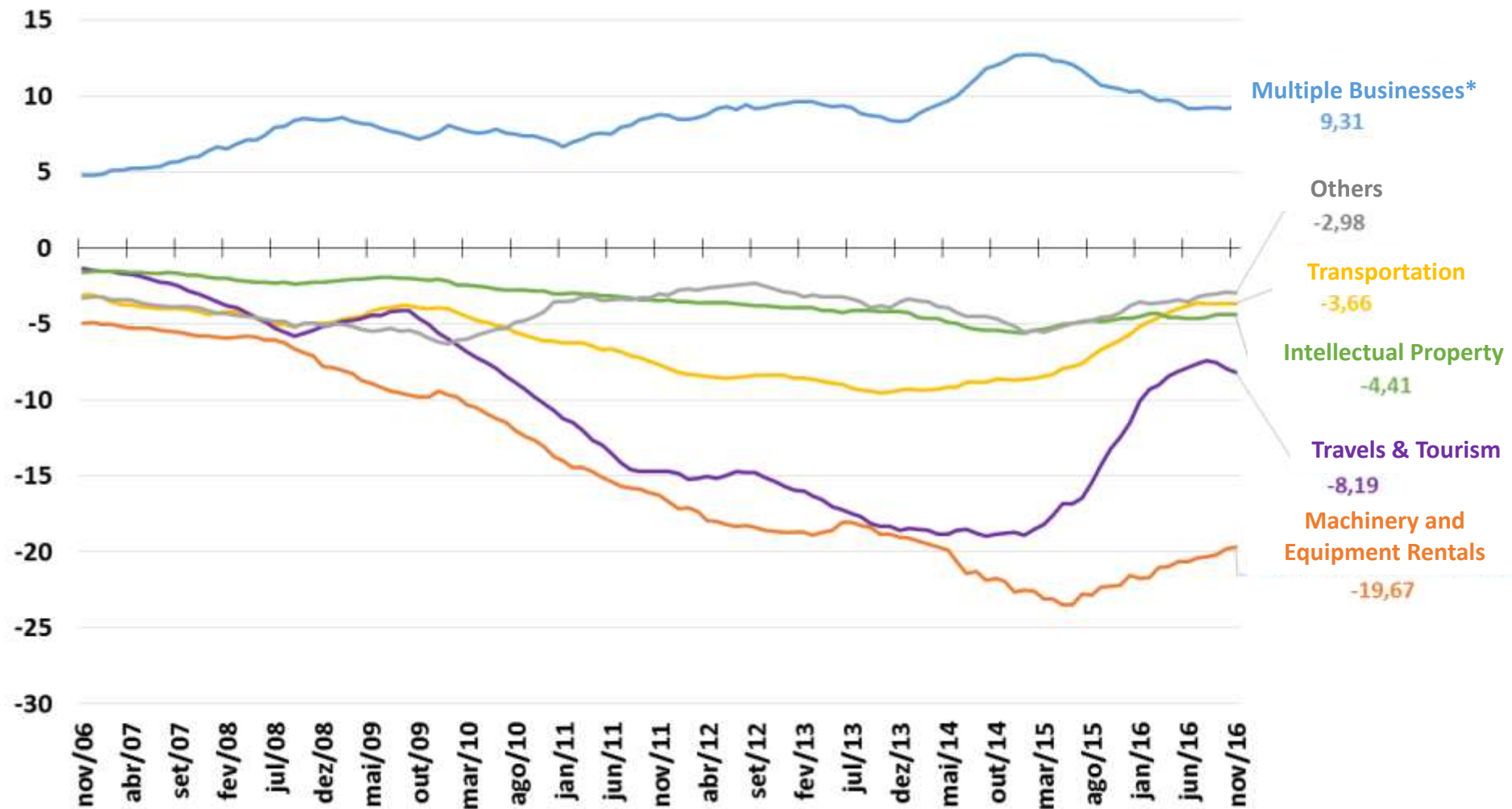


Source: Central Bank of Brazil.

# Service Account Balance and Components

## External Accounts Balance

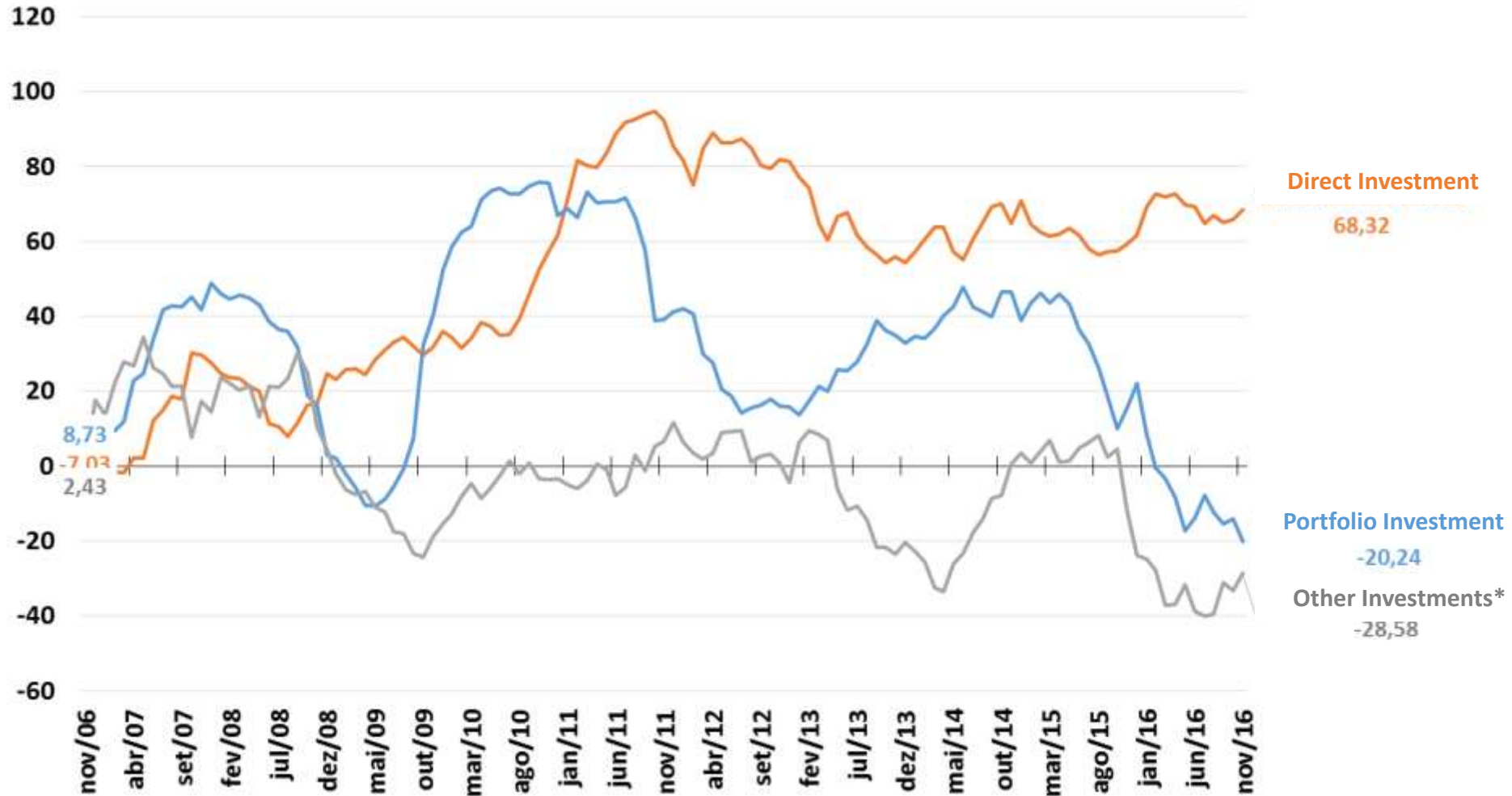
12-months Accumulated Figures - US\$ billions



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

# Financial Account Balance and Components

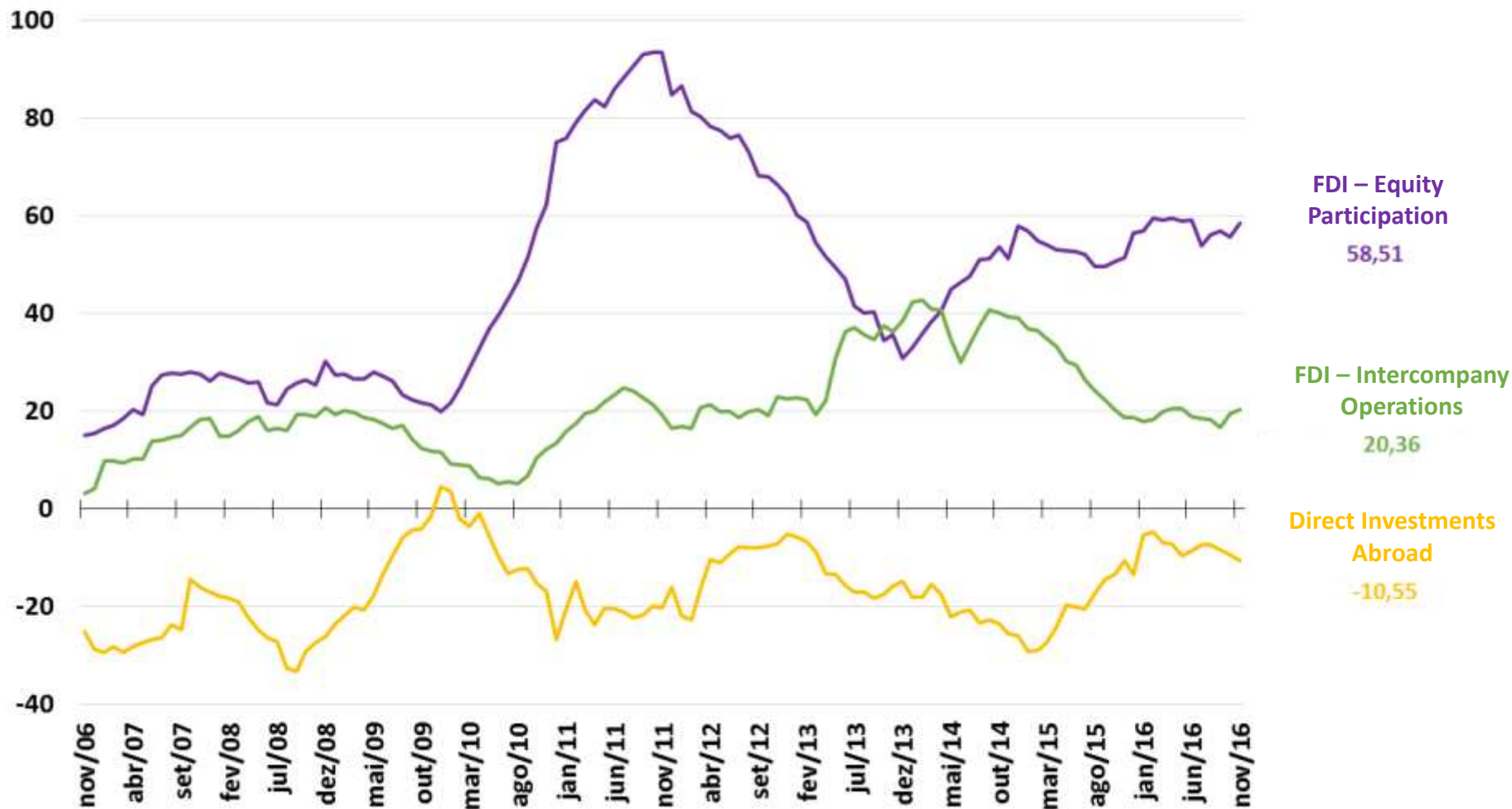
External Financial Flows  
 Net Inflow (+) and Net Outflow (-)  
 12-months Accumulated Figures - US\$ billions



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

# Direct Investments and Components

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

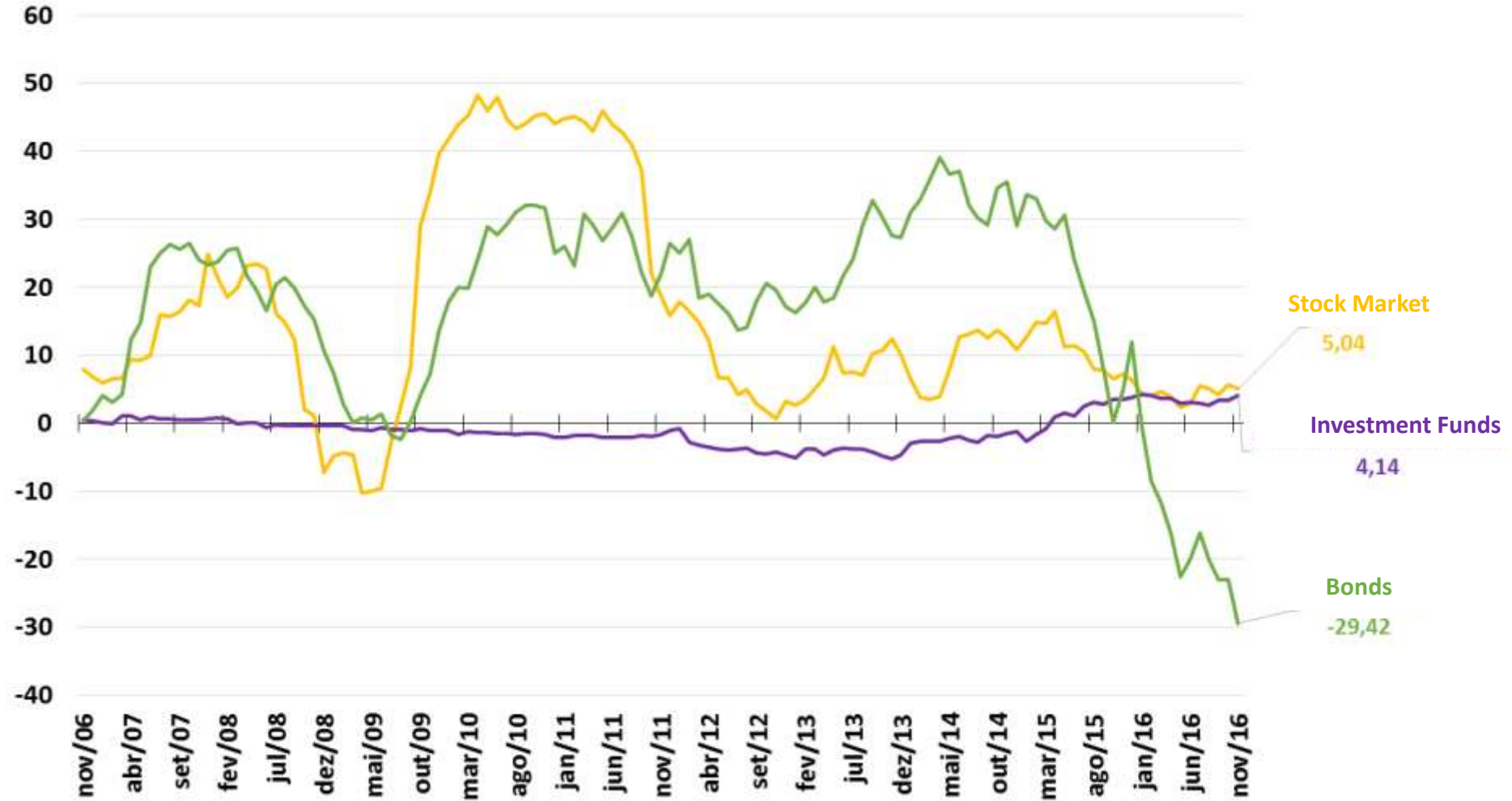


Source: Central Bank of Brazil.



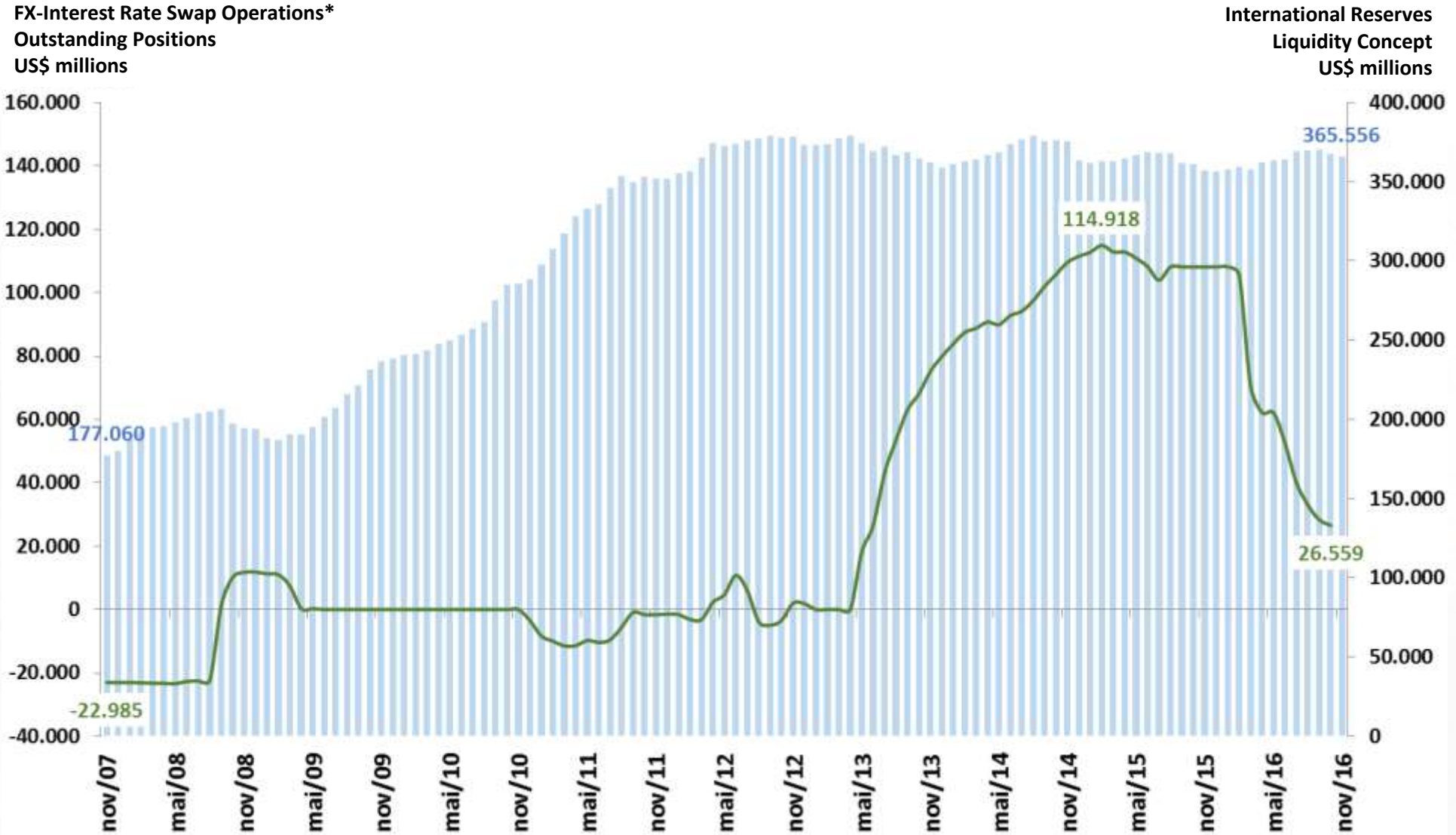
# Portfolio Investments and Components

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



Source: Central Bank of Brazil.

# Brazilian International Reserves Evolution



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

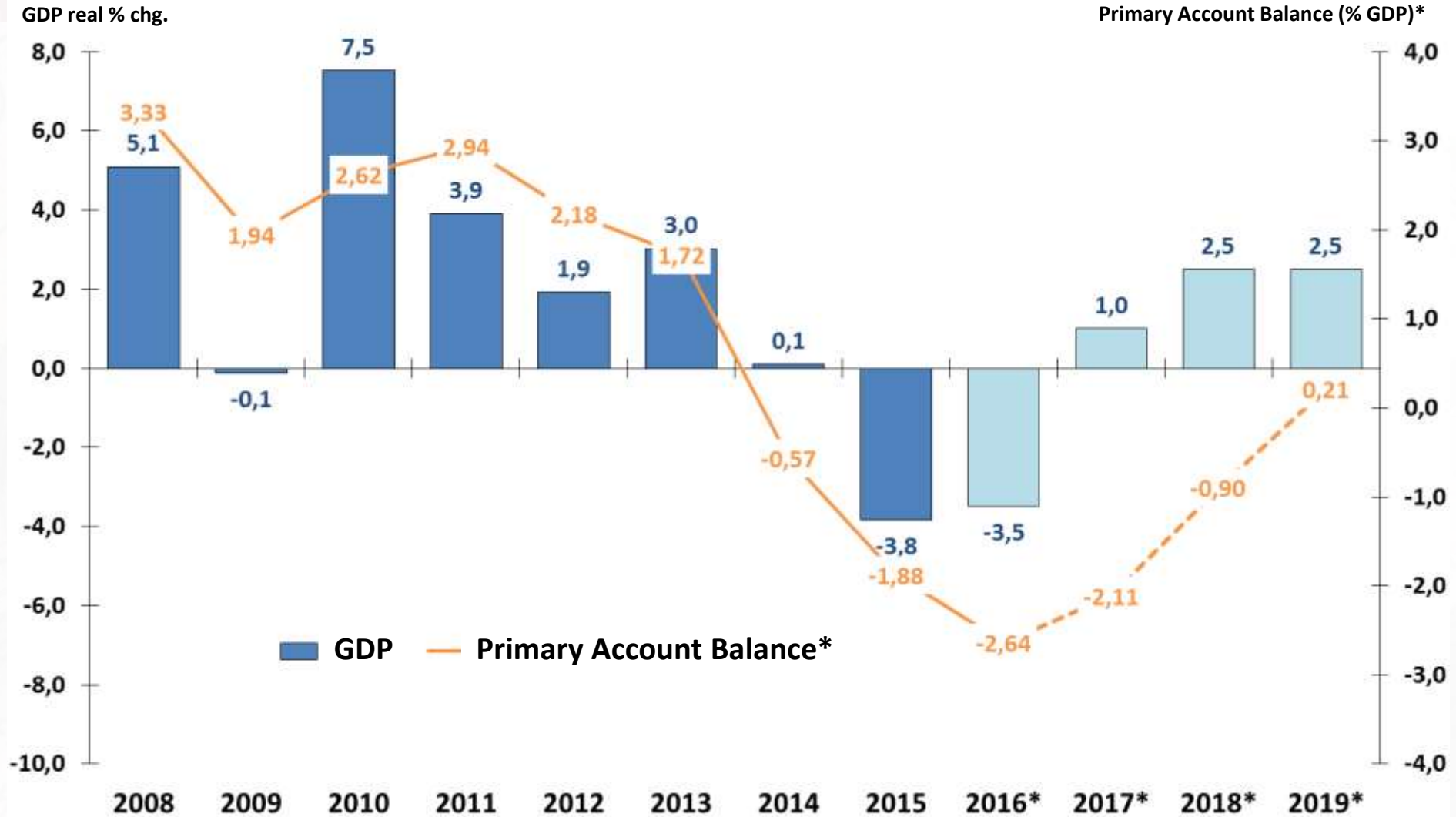
# PUBLIC ACCOUNTS

# Public Accounts

BCB/Focus: December 30, 2016

Federal Government Accounts	November 2016	12-month Accumulated Figures (in R\$ millions)					chg. %			2016	2017	2018	
		2011	2012	2013	2014	2015	Nov/16 accum. in 12- months	2015 / 2014	Nov/16 accum. 12- m / 2015				YTD 2016 / YTD 2015
Federal Budget (National Treasury/Ministry of Finance)													
<b>Total Primary Revenue (a)</b>		<b>988.270</b>	<b>1.059.889</b>	<b>1.178.983</b>	<b>1.221.474</b>	<b>1.247.789</b>	<b>1.316.145</b>	<b>2,2%</b>	<b>5,5%</b>	<b>6,1%</b>			
National Treasury		742.378	784.125	871.836	883.971	897.517	884.375	1,5%	-1,5%	-1,6%			
Social Security General System		245.892	275.765	307.147	337.503	350.272	360.023	3,8%	2,8%	3,2%			
<b>States and Municipalities Mandatory Transfers (b)</b>		<b>163.036</b>	<b>171.394</b>	<b>183.395</b>	<b>199.962</b>	<b>204.684</b>	<b>213.656</b>	<b>2,4%</b>	<b>4,4%</b>	<b>4,9%</b>			
<b>Net Primary Revenue (a-b)</b>		<b>825.234</b>	<b>888.495</b>	<b>995.588</b>	<b>1.021.513</b>	<b>1.043.105</b>	<b>1.102.489</b>	<b>2,1%</b>	<b>5,7%</b>	<b>6,4%</b>			
<b>Total Primary Expenditure</b>		<b>731.711</b>	<b>812.632</b>	<b>918.595</b>	<b>1.038.723</b>	<b>1.158.701</b>	<b>1.257.990</b>	<b>11,6%</b>	<b>8,6%</b>	<b>10,0%</b>			
National Treasury		450.273	496.043	561.592	644.522	722.611	692.784	12,1%	-4,1%	-5,0%			
Social Security General System		281.438	316.590	357.003	394.201	436.090	499.843	10,6%	14,6%	16,3%			
<b>Federal Government Accounts</b>	<b>November 2016</b>	<b>12-month Accumulated Figures (in R\$ millions)</b>					<b>% of GDP</b>			<b>2016</b>	<b>2017</b>	<b>2018</b>	
Federal Budget (National Treasury/Ministry of Finance)		2011	2012	2013	2014	2015	Nov/16 accum. in 12- months	2014	2015	Nov/16 accum. in 12-months			
<b>Primary Account Balance of Federal Government (STN/MF)</b>		<b>93.524</b>	<b>75.863</b>	<b>76.994</b>	<b>-17.211</b>	<b>-115.596</b>	<b>-117.144</b>	<b>-0,3%</b>	<b>-1,9%</b>	<b>-1,9%</b>			
National Treasury		129.070	116.687	126.850	39.487	-29.778	3.545	0,7%	-0,5%	0,1%			
Social Security General System		-35.546	-40.825	-49.856	-56.698	-85.818	-120.854	-1,0%	-1,4%	-1,9%			
<b>Consolidate Public Sector Accounts</b>	<b>November 2016</b>	<b>12-month Accumulated Figures (in R\$ millions)</b>					<b>% of GDP</b>			<b>2016</b>	<b>2017</b>	<b>2018</b>	
Public Sector Financial Need (Central Bank of Brazil - BCB)		2011	2012	2013	2014	2015	Nov/16 accum. in 12- months	2014	2015	Nov/16 accum. in 12-months			
<b>Primary Account Balance Target (% GDP)</b>											<b>-2,64%</b>	<b>-2,11%</b>	<b>-0,90%</b>
<b>Primary Account Balance</b>		<b>-128.710</b>	<b>-104.951</b>	<b>-91.306</b>	<b>32.536</b>	<b>111.249</b>	<b>156.782</b>	<b>0,6%</b>	<b>1,9%</b>	<b>2,5%</b>	<b>-2,5%</b>	<b>-2,2%</b>	<b>-1,6%</b>
Federal Government		-93.035	-86.086	-75.291	20.472	116.656	156.169	0,4%	1,9%	2,5%			
States and Municipalities		-32.963	-21.511	-16.337	7.790	-9.684	-921	0,1%	-0,2%	0,0%			
State Owned Companies (except Petrobrás and Eletrobrás)		-2.712	2.645	322	4.274	4.278	1.535	0,1%	0,1%	0,0%			
Net Financial Public Expenditure (Debt Interest Payments)		236.673	213.863	248.856	311.380	501.786	424.618	5,4%	8,4%	6,8%			
<b>Nominal Account Balance</b>		<b>107.963</b>	<b>108.912</b>	<b>157.550</b>	<b>343.916</b>	<b>613.035</b>	<b>581.400</b>	<b>6,0%</b>	<b>10,2%</b>	<b>9,3%</b>	<b>-9,2%</b>	<b>-9,1%</b>	<b>-8,0%</b>
<b>General Public Sector Debt (BCB)</b>	<b>November 2016</b>	<b>Debt Outstanding (in R\$ millions)</b>					<b>chg. %</b>			<b>2016</b>	<b>2017</b>	<b>2018</b>	
End of Period Debt Outstanding (in R\$ millions)		Dec/11	Dec/12	Dec/13	Dec/14	Dec/15	Nov/16	Dec/14 - Dec/13	Dec/15 - Dec/14	Nov/16 - Dec/15			
<b>Consolidated Public Sector</b>		<b>1.508.547</b>	<b>1.550.083</b>	<b>1.626.335</b>	<b>1.883.147</b>	<b>2.136.888</b>	<b>2.744.107</b>	<b>15,79%</b>	<b>13,47%</b>	<b>28,42%</b>			
Federal Government		1.009.192	1.002.205	1.025.358	1.200.680	1.312.962	1.928.828	17,1%	9,4%	46,9%			
States and Municipalities		474.345	519.423	569.794	643.066	771.635	760.498	12,9%	20,0%	-1,4%			
State Owned Companies (except Petrobrás and Eletrobrás)		25.010	28.456	31.183	39.402	52.292	54.781	26,4%	32,7%	4,8%			
Net Domestic Debt		2.047.015	2.169.502	2.341.011	2.669.547	3.289.112	3.750.934	14,0%	23,2%	14,0%			
Net External Debt		-538.468	-619.419	-714.676	-786.400	-1.152.224	-1.006.827	10,0%	46,5%	-12,6%			
<b>General Public Sector Net Debt (% GDP)</b>		<b>34,5%</b>	<b>32,2%</b>	<b>30,5%</b>	<b>32,6%</b>	<b>35,6%</b>	<b>43,8%</b>	<b>2,1 pp</b>	<b>3,0 pp</b>	<b>8,2 pp</b>	<b>45,2%</b>	<b>50,7%</b>	<b>54,5%</b>
<b>General Public Sector Gross Debt (% GDP)</b>		<b>51,3%</b>	<b>53,7%</b>	<b>51,5%</b>	<b>56,3%</b>	<b>65,5%</b>	<b>70,5%</b>	<b>4,7 pp</b>	<b>9,2 pp</b>	<b>5,0 pp</b>			

# Fiscal Adjustment and Economic Recovery



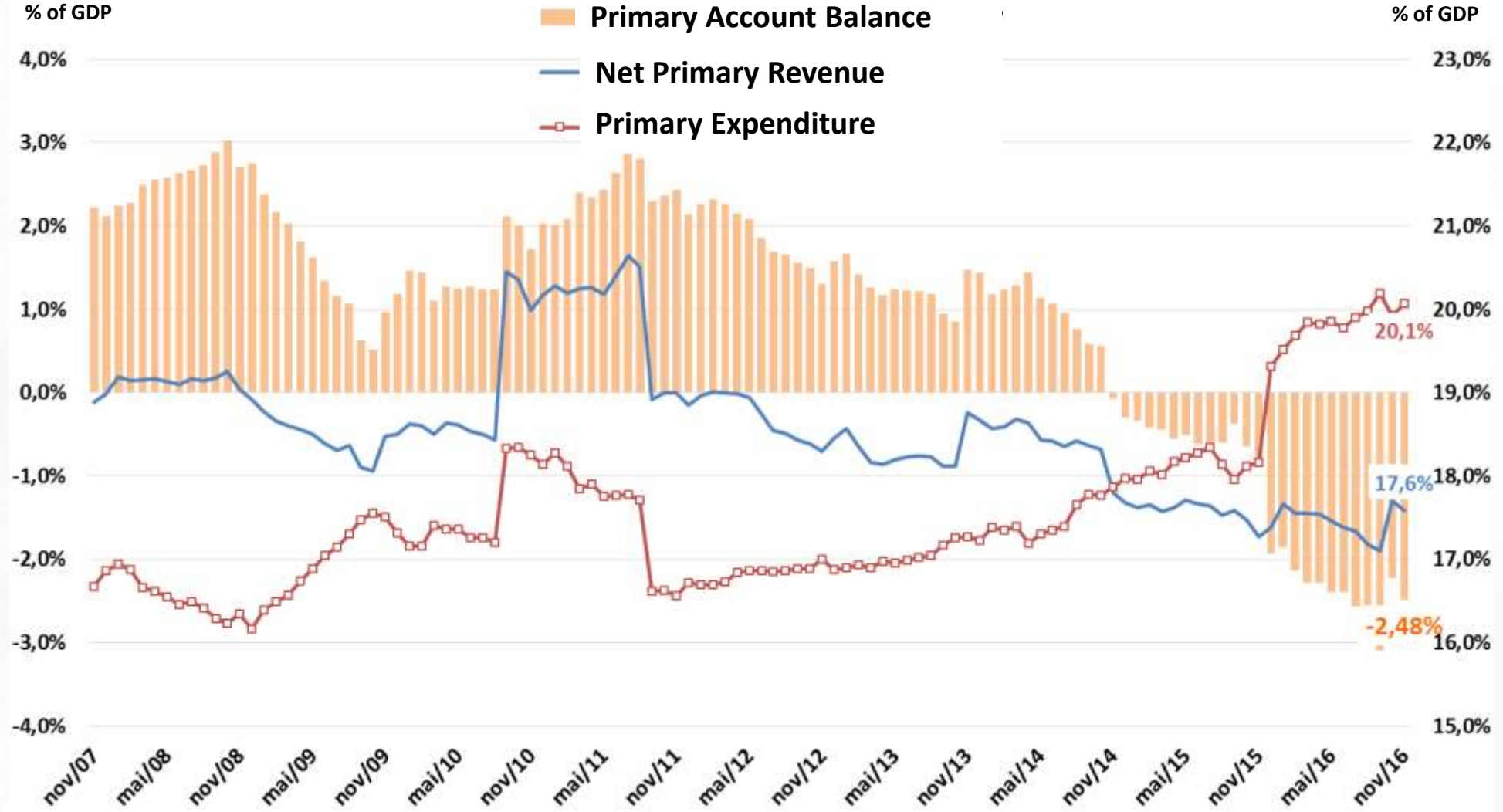
Sources: IBGE, MF and MP.

\* Annex IV-Fiscal Targets of 2017 Budgetary Guidelines Bill of Law (PLDO 2017) and Macroeconomic Projections for Budgetary Bill of Law (PLOA 2017).

# Primary Account Balance of Federal Government (as % GDP)

Primary Account Balance of Federal Government  
12-months Accumulated Figures  
% of GDP

Net Primary Revenue and Primary Expenditure  
12-months Accumulated Figures  
% of GDP

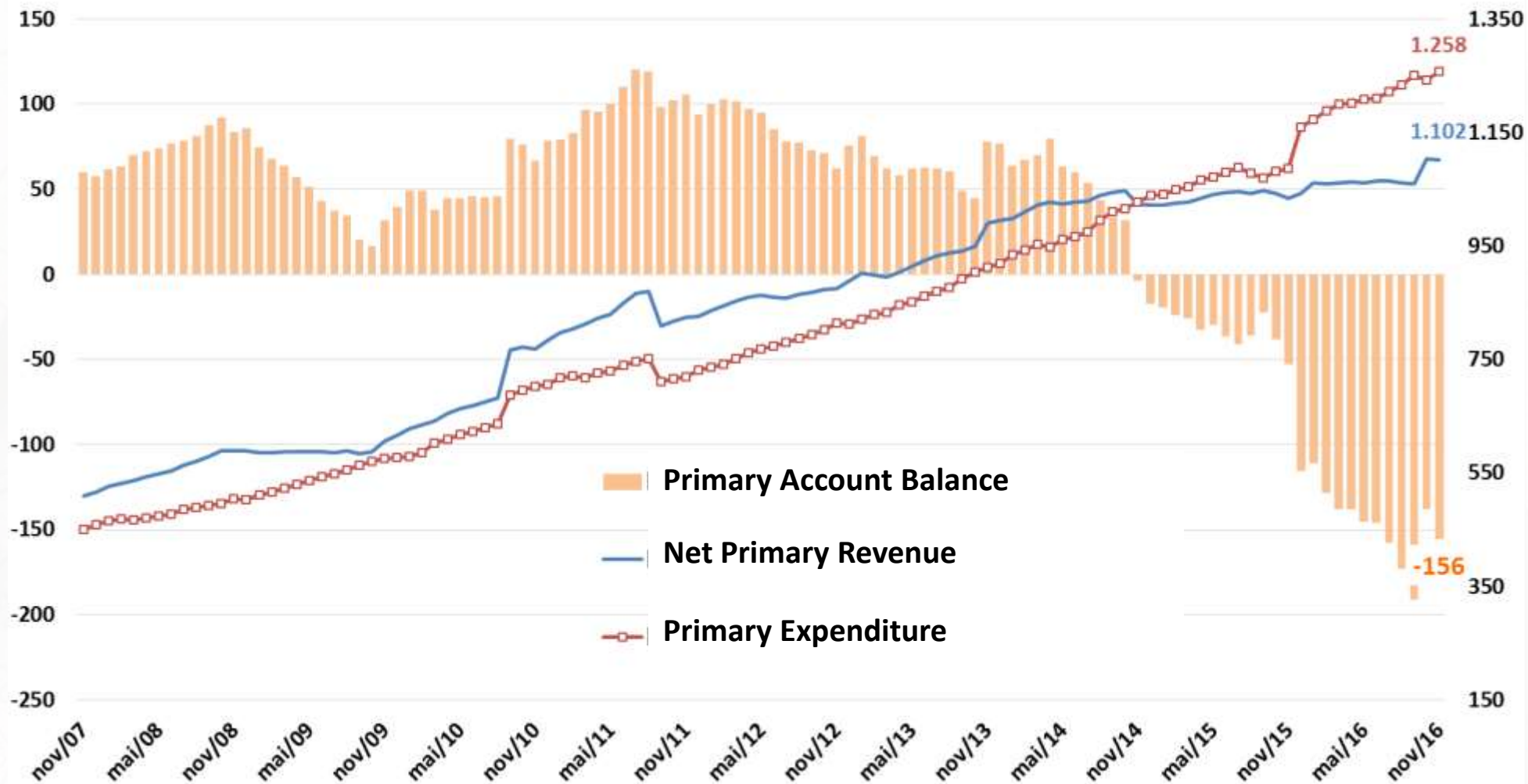


Sources: STN/MF.

# Primary Account Balance of Federal Government (nominal values)

Primary Account Balance of Federal Government  
12-months Accumulated Figures  
R\$ billions

Net Primary Revenue and Primary Expenditure  
12-months Accumulated Figures  
R\$ billions

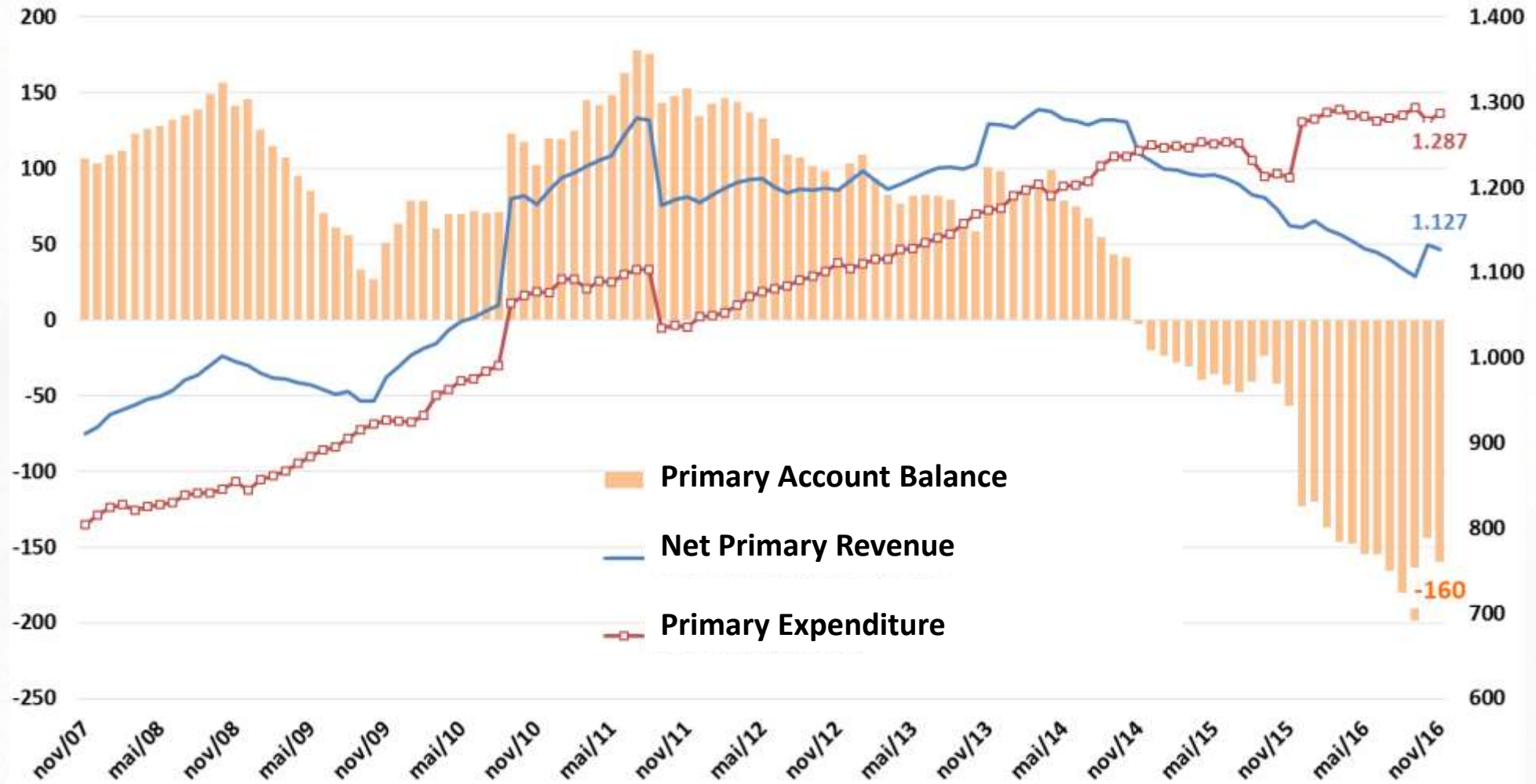


Source: STN/MF.

# Primary Account Balance of Federal Government (real values)

Primary Account Balance of Federal Government  
12-months Accumulated Figures  
R\$ billions of Oct/2016

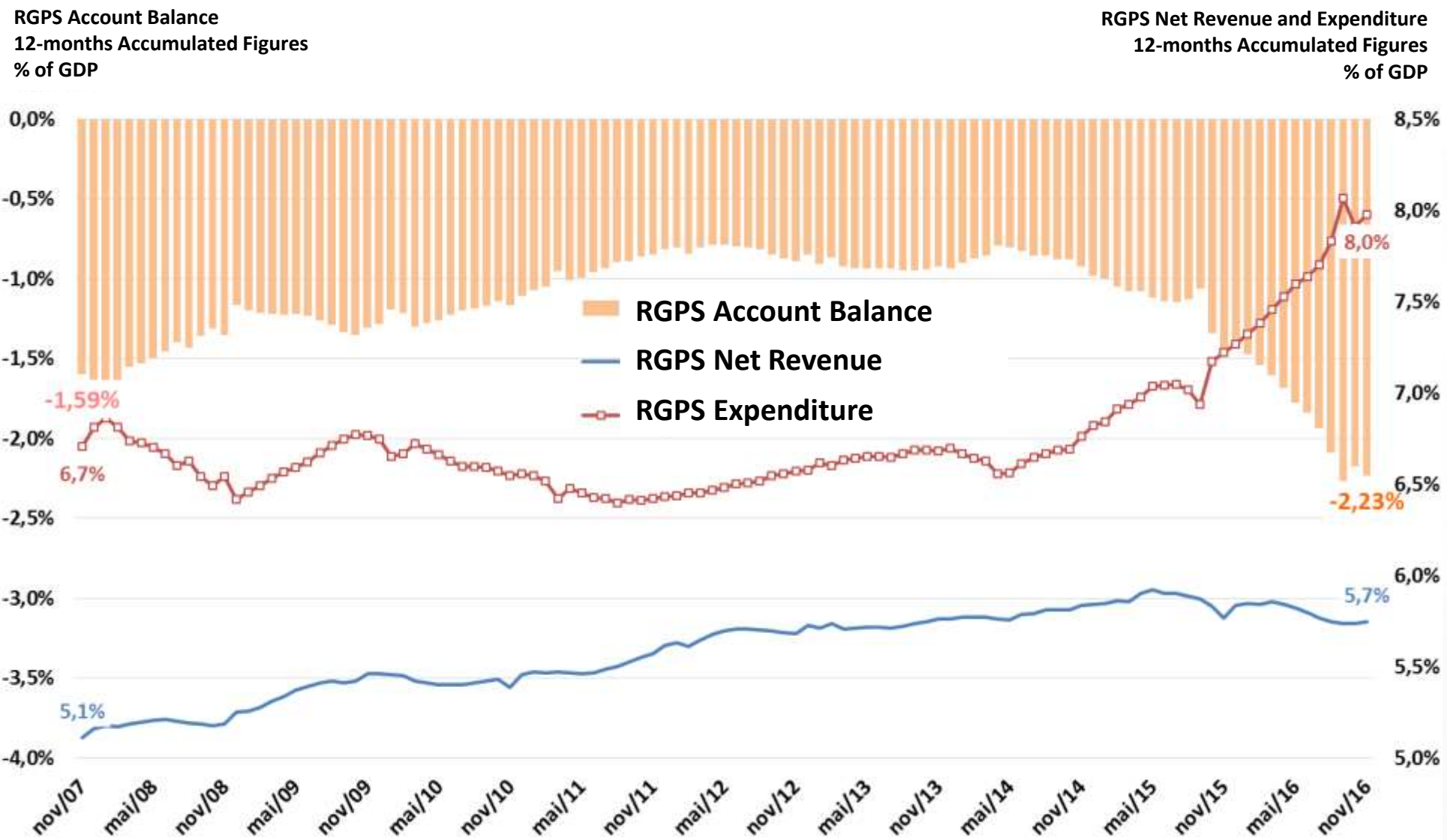
Net Primary Revenue and Primary Expenditure  
12-months Accumulated Figures  
R\$ billions of Oct/2016



Source: STN/MF.

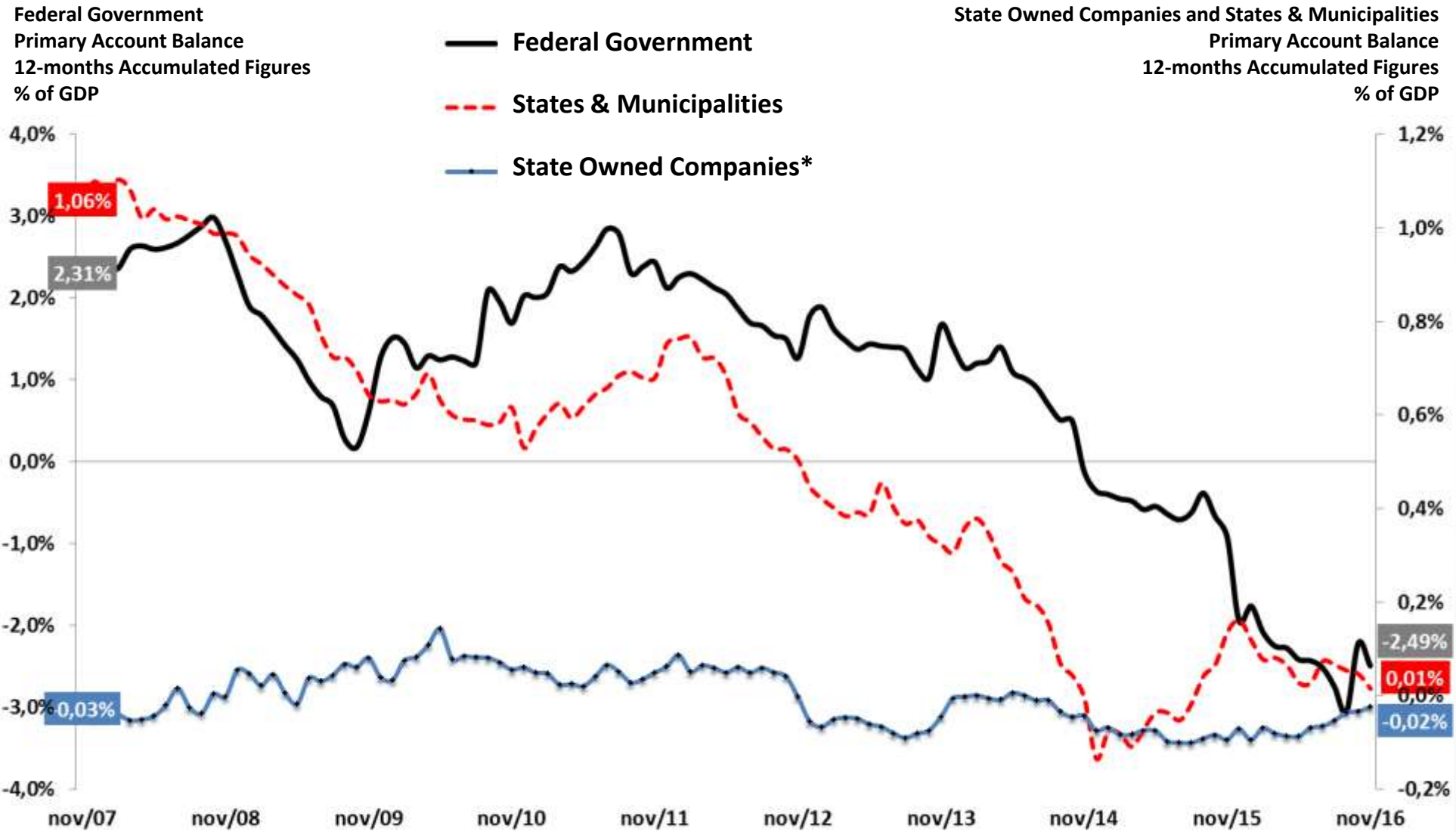


# General Social Security System (RGPS) Account Balance



Sources: STN/MF.

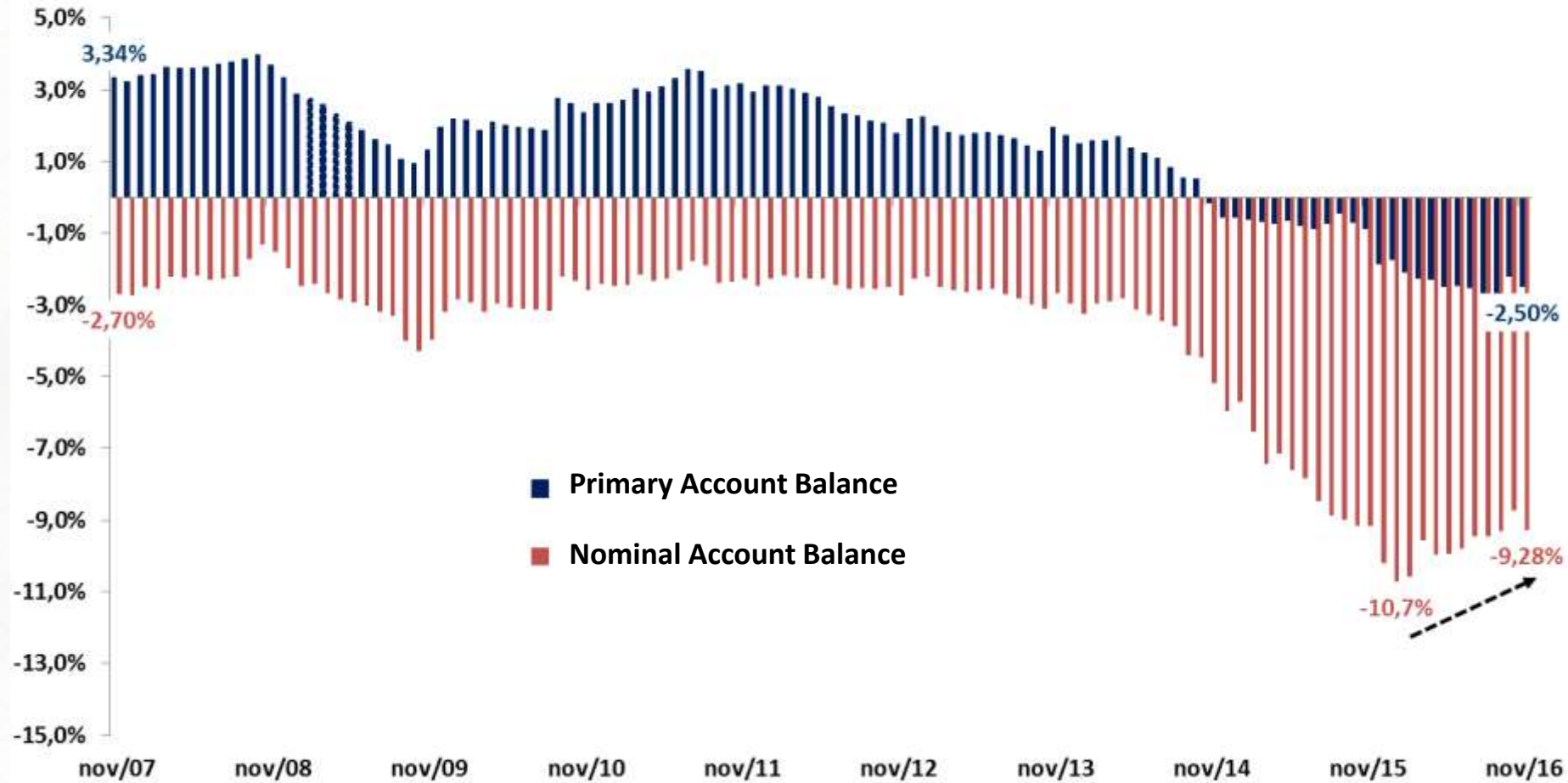
# General Public Sector Primary Account Balance (as % GDP)



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

# General Public Sector Primary and Nominal Account Balance

Consolidated Public Sector  
Primary and Nominal Account Balance  
12-months Accumulated Figures  
% of GDP

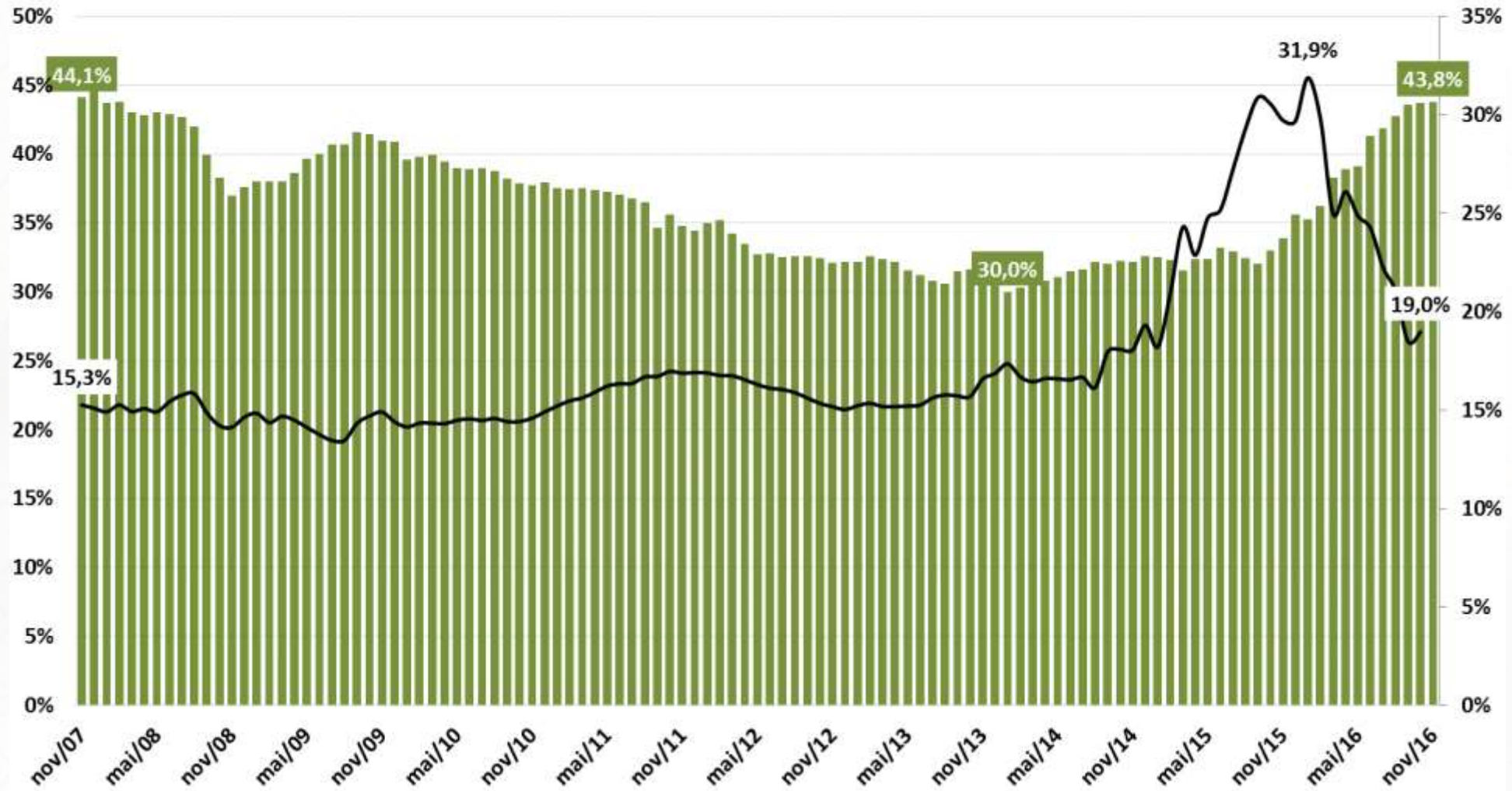


Sources: Central Bank of Brazil.

# General Public Sector Net Debt (as % GDP)

General Public Sector Net Debt (DSLSP)  
% of GDP

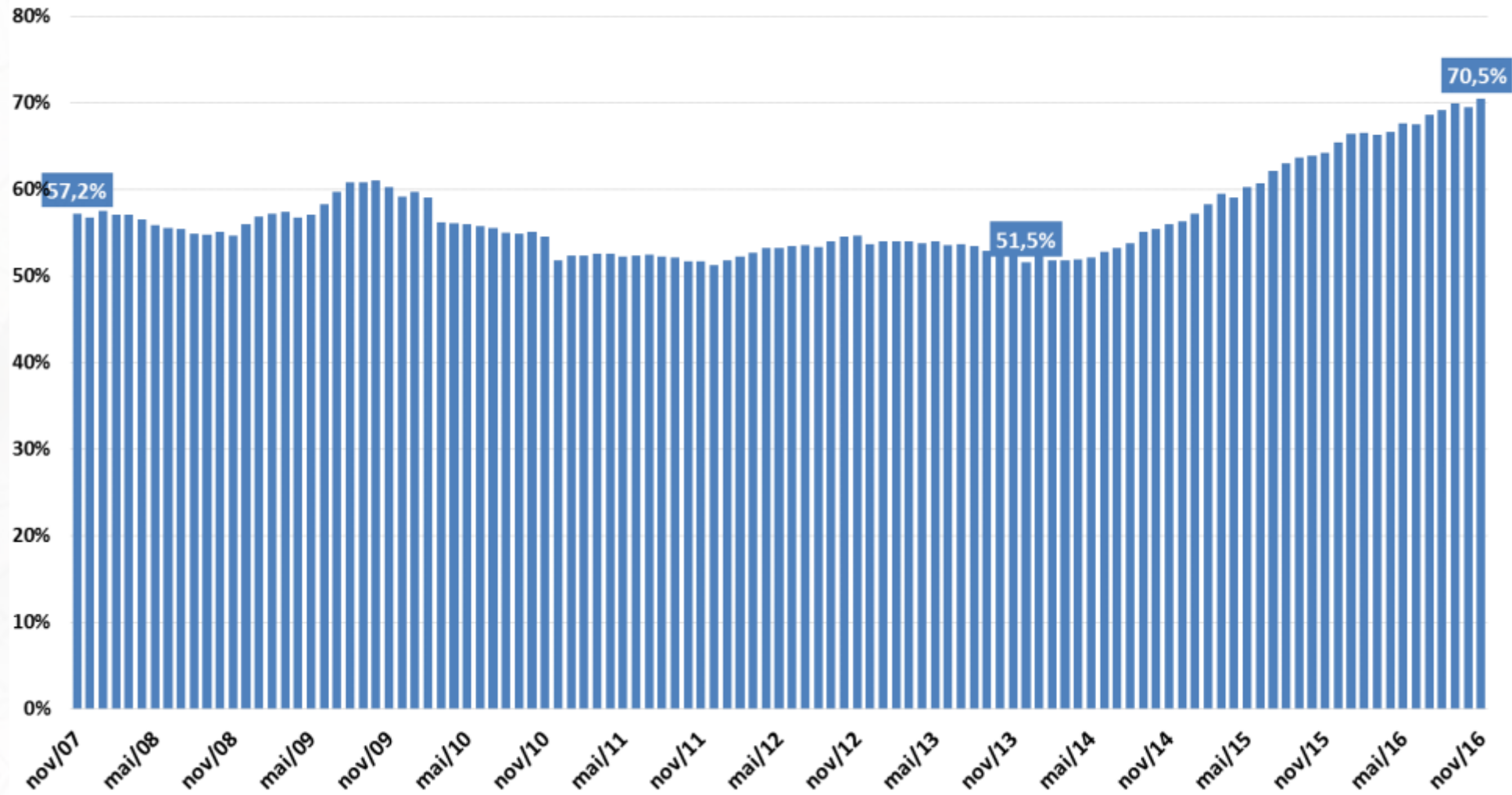
Implicit Interest Rate on DSLP  
12-months Figures (%)



Source: Central Bank of Brazil.

# General Public Sector Gross Debt (as % GDP)

General Public Sector Gross Debt  
% of GDP



Source: Central Bank of Brazil.

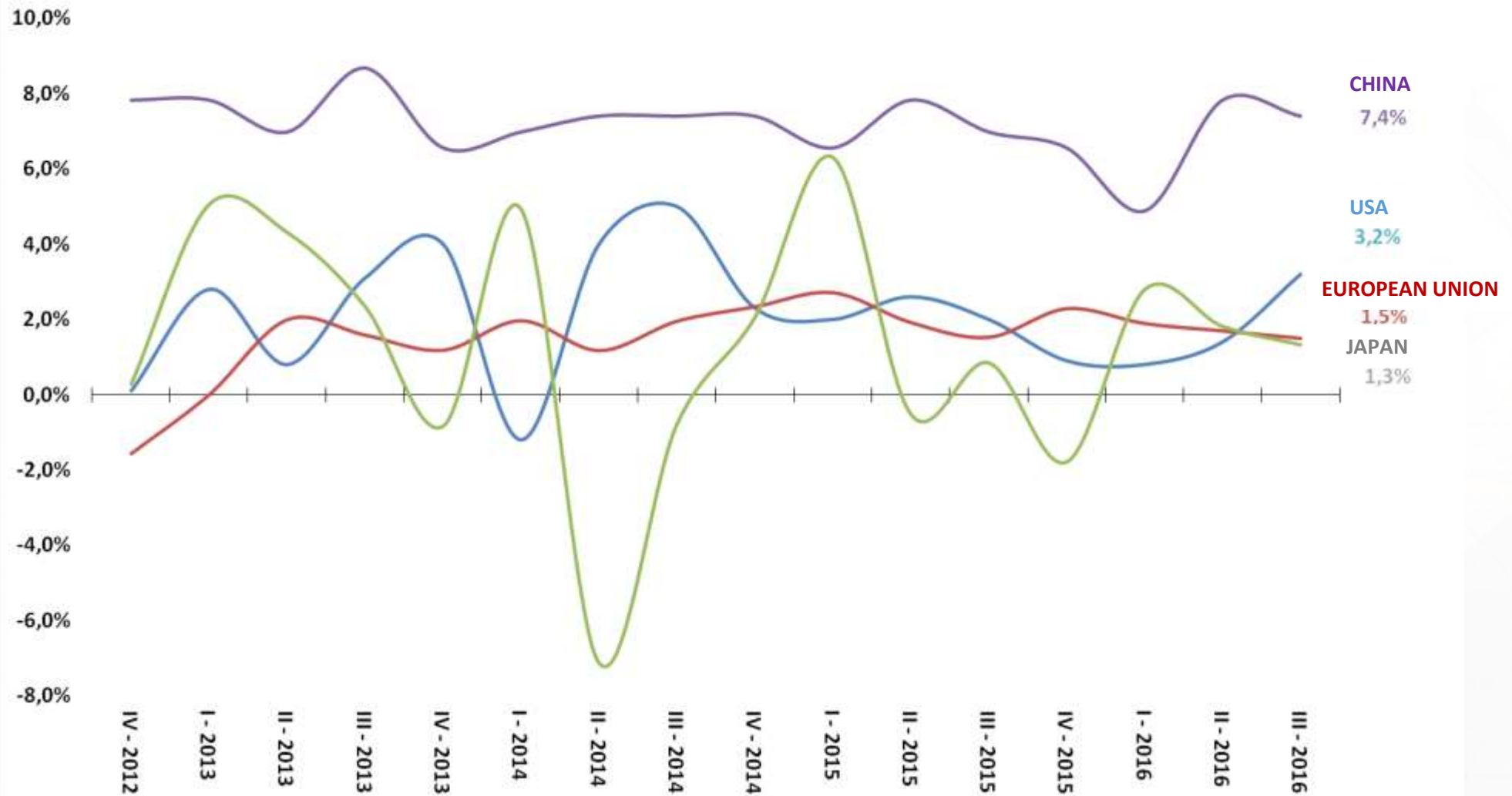
# WORLD ECONOMY

# World Economy

										IMF - WEO, October-2016.			
World	Q3 2016	2011	2012	2013	2014	2015	Q2-2016 / Q2-2015	Q3-2016 / Q3-2015	Q2-2016 accum. in 4-quarters	Q3-2016 accum. in 4-quarters	2016	2017	2018
<i>data from IMF and WTO</i>													
<b>World Output - GDP</b>		<b>4,2%</b>	<b>3,5%</b>	<b>3,3%</b>	<b>3,4%</b>	<b>3,2%</b>					<b>3,08%</b>	<b>3,44%</b>	<b>3,57%</b>
Advanced Economies		1,7%	1,2%	1,2%	1,9%	2,1%					1,57%	1,79%	1,82%
Emerging Market and Developing Economies		6,3%	5,3%	5,0%	4,6%	4,0%					4,17%	4,60%	4,76%
Latin America and the Caribbean		4,6%	3,0%	2,9%	1,0%	0,0%					-0,55%	1,60%	2,09%
<b>World Trade of Goods and Services</b>		<b>18,3%</b>	<b>1,4%</b>	<b>2,8%</b>	<b>1,7%</b>	<b>-11,4%</b>	<b>1,4%</b>	<b>-0,7%</b>	<b>1,1%</b>	<b>0,5%</b>	<b>-1,0%</b>	<b>-11,0%</b>	<b>-16,5%</b>
National Accounts	Q3 2016	2011	2012	2013	2014	2015	Q2-2016 / Q2-2015	Q3-2016 / Q3-2015	Q2-2016 accum. in 4-quarters	Q3-2016 accum. in 4-quarters	2016	2017	2018
<i>data from IMF, OECD, Eurostat, NBSC and METI</i>													
<b>USA - GDP</b>		<b>1,6%</b>	<b>2,2%</b>	<b>1,7%</b>	<b>2,4%</b>	<b>2,6%</b>	<b>1,3%</b>	<b>1,6%</b>	<b>2,3%</b>	<b>2,0%</b>	<b>1,58%</b>	<b>2,20%</b>	<b>2,08%</b>
Household Expenditure		2,3%	1,5%	1,5%	2,9%	3,2%	2,7%	2,7%	3,0%	2,8%			
Government Expenditure		-3,0%	-1,9%	-2,9%	-0,9%	1,8%	0,7%	0,3%	1,7%	1,7%			
Gross Fixed Capital Formation		5,2%	10,6%	6,1%	4,5%	5,0%	-2,9%	-2,9%	3,4%	1,8%			
Exports of Goods and Services		6,9%	3,4%	3,5%	4,3%	0,1%	-1,1%	2,0%	-0,1%	-0,6%	0,27%	5,85%	6,41%
Imports of Goods and Services (-)		5,5%	2,2%	1,1%	4,4%	4,6%	0,3%	0,6%	3,8%	2,7%	2,24%	7,18%	5,66%
<b>Industrial Production</b>		<b>2,9%</b>	<b>2,2%</b>	<b>3,7%</b>	<b>4,9%</b>	<b>-1,8%</b>	<b>-0,9%</b>	<b>-0,8%</b>	<b>-1,3%</b>	<b>-1,3%</b>			
<b>Unemployment (% of Labor Force)</b>		<b>8,9%</b>	<b>8,1%</b>	<b>7,4%</b>	<b>6,2%</b>	<b>5,3%</b>	<b>-0,5 pp</b>	<b>-0,3 pp</b>	<b>5,0%</b>	<b>4,9%</b>	<b>4,90%</b>	<b>4,77%</b>	<b>4,73%</b>
<b>Consumer Price Index</b>		<b>3,0%</b>	<b>1,7%</b>	<b>1,5%</b>	<b>0,8%</b>	<b>0,7%</b>	<b>1,0%</b>	<b>1,1%</b>	<b>1,0%</b>	<b>1,5%</b>	<b>1,82%</b>	<b>2,56%</b>	<b>2,66%</b>
<b>European Union - GDP</b>		<b>1,7%</b>	<b>-0,4%</b>	<b>0,3%</b>	<b>1,6%</b>	<b>2,3%</b>	<b>2,1%</b>	<b>1,7%</b>	<b>2,1%</b>	<b>2,0%</b>	<b>1,93%</b>	<b>1,69%</b>	<b>1,80%</b>
Household Expenditure		0,2%	-0,5%	-0,1%	1,0%	2,0%							
Government Expenditure		0,1%	0,0%	0,3%	0,8%	1,7%							
Gross Fixed Capital Formation		1,9%	-2,2%	-1,6%	2,8%	3,7%							
Exports of Goods and Services		7,0%	2,4%	1,6%	4,7%	6,0%							
Imports of Goods and Services (-)		3,5%	-0,8%	2,5%	5,0%	7,1%							
<b>Industrial Production</b>		<b>3,2%</b>	<b>-2,1%</b>	<b>-0,5%</b>	<b>1,2%</b>	<b>2,3%</b>	<b>1,4%</b>	<b>1,2%</b>	<b>1,8%</b>	<b>1,5%</b>			
<b>Unemployment (% of Labor Force)</b>		<b>9,6%</b>	<b>10,4%</b>	<b>10,8%</b>	<b>10,2%</b>	<b>9,4%</b>	<b>-0,9 pp</b>	<b>-0,8 pp</b>	<b>9,0%</b>	<b>8,8%</b>	<b>10,28%</b>	<b>9,91%</b>	<b>9,57%</b>
<b>Consumer Price Index</b>		<b>3,1%</b>	<b>2,4%</b>	<b>1,0%</b>	<b>0,0%</b>	<b>0,2%</b>	<b>0,1%</b>	<b>0,4%</b>	<b>0,1%</b>	<b>0,0%</b>	<b>0,68%</b>	<b>1,32%</b>	<b>1,58%</b>
<b>Japan - GDP</b>		<b>-0,5%</b>	<b>1,7%</b>	<b>1,4%</b>	<b>0,0%</b>	<b>0,5%</b>	<b>0,9%</b>	<b>1,0%</b>	<b>1,1%</b>	<b>0,8%</b>	<b>0,51%</b>	<b>0,56%</b>	<b>0,45%</b>
<b>Industrial Production</b>		<b>-3,5%</b>	<b>0,0%</b>	<b>-0,7%</b>	<b>2,1%</b>	<b>-0,9%</b>	<b>-1,8%</b>	<b>0,4%</b>	<b>-1,3%</b>	<b>-0,9%</b>			
<b>Unemployment (% of Labor Force)</b>		<b>4,6%</b>	<b>4,3%</b>	<b>4,0%</b>	<b>3,6%</b>	<b>3,4%</b>			<b>3,1%</b>	<b>3,0%</b>	<b>3,18%</b>	<b>3,20%</b>	<b>3,20%</b>
<b>Consumer Price Index</b>		<b>-0,3%</b>	<b>-0,2%</b>	<b>1,5%</b>	<b>2,5%</b>	<b>0,2%</b>			<b>-0,4%</b>	<b>-0,5%</b>	<b>-0,14%</b>	<b>0,65%</b>	<b>0,64%</b>
<b>China - GDP</b>		<b>9,5%</b>	<b>7,9%</b>	<b>7,8%</b>	<b>7,3%</b>	<b>6,9%</b>	<b>6,7%</b>	<b>6,7%</b>	<b>6,8%</b>	<b>6,7%</b>	<b>6,59%</b>	<b>6,17%</b>	<b>6,03%</b>
<b>Industrial Production</b>		<b>13,3%</b>	<b>10,1%</b>	<b>9,9%</b>	<b>7,9%</b>	<b>6,6%</b>	<b>6,0%</b>	<b>6,3%</b>	<b>6,0%</b>	<b>6,3%</b>			
<b>Unemployment (% of Labor Force)</b>		<b>4,1%</b>	<b>4,1%</b>	<b>4,1%</b>	<b>4,1%</b>	<b>4,1%</b>			<b>4,1%</b>	<b>4,0%</b>	<b>4,05%</b>	<b>4,05%</b>	<b>4,05%</b>
<b>Consumer Price Index</b>		<b>4,1%</b>	<b>2,5%</b>	<b>2,5%</b>	<b>1,5%</b>	<b>1,6%</b>					<b>2,30%</b>	<b>2,30%</b>	<b>2,40%</b>

# World Major Economies GDP

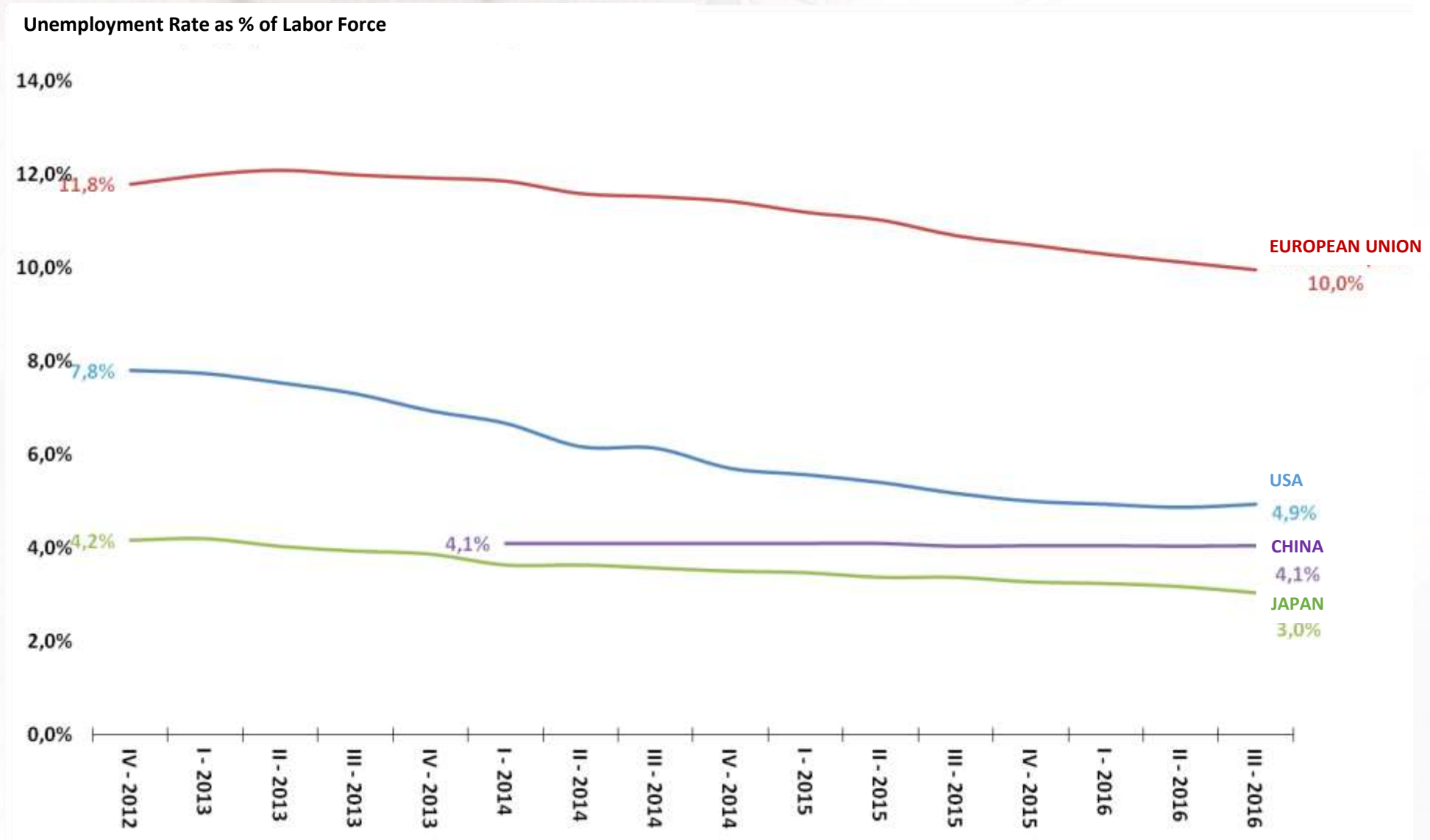
GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.



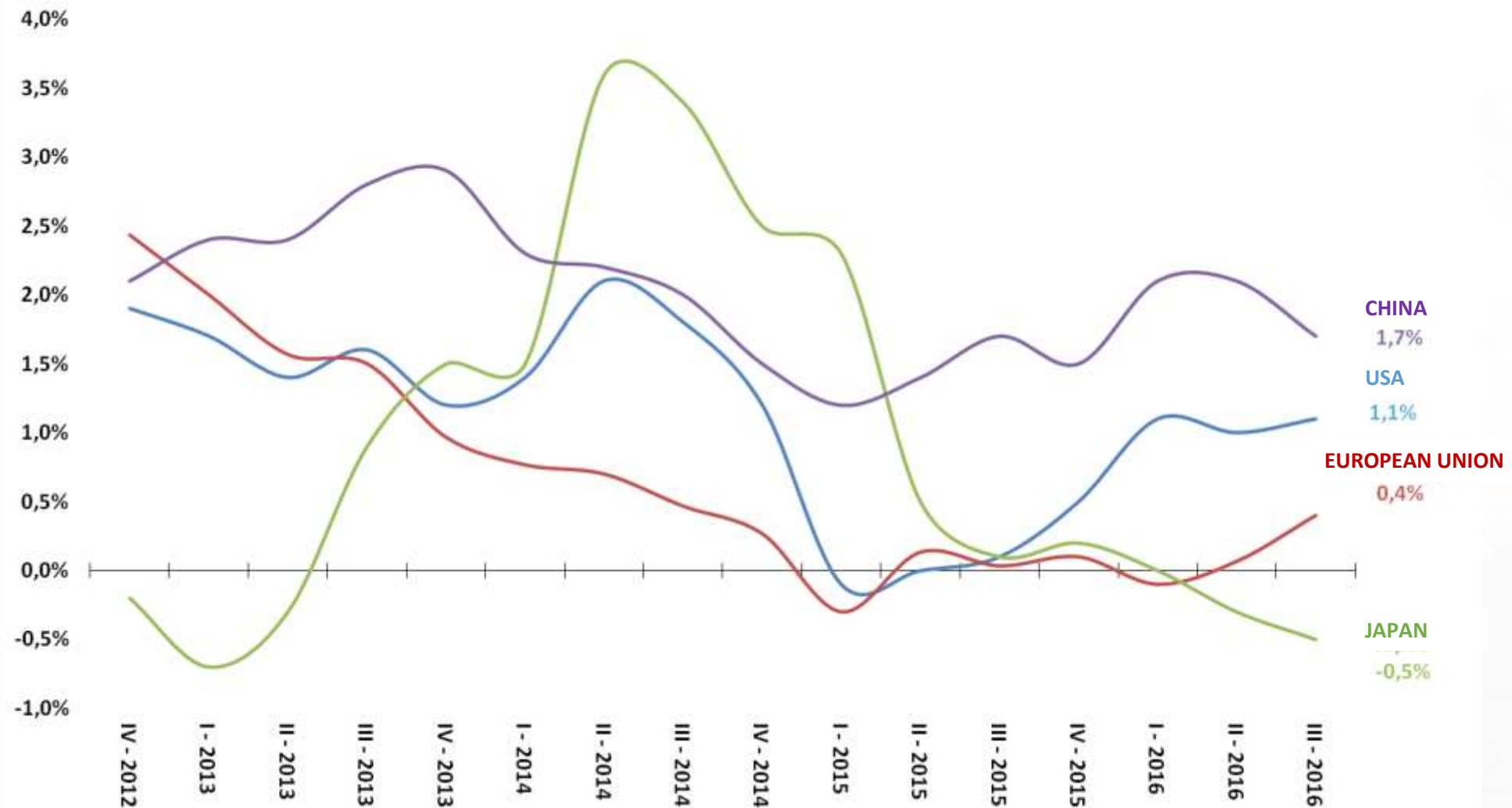
# World Major Economies Unemployment Rate



Source: OECD.

# World Major Economies Consumer Price Index

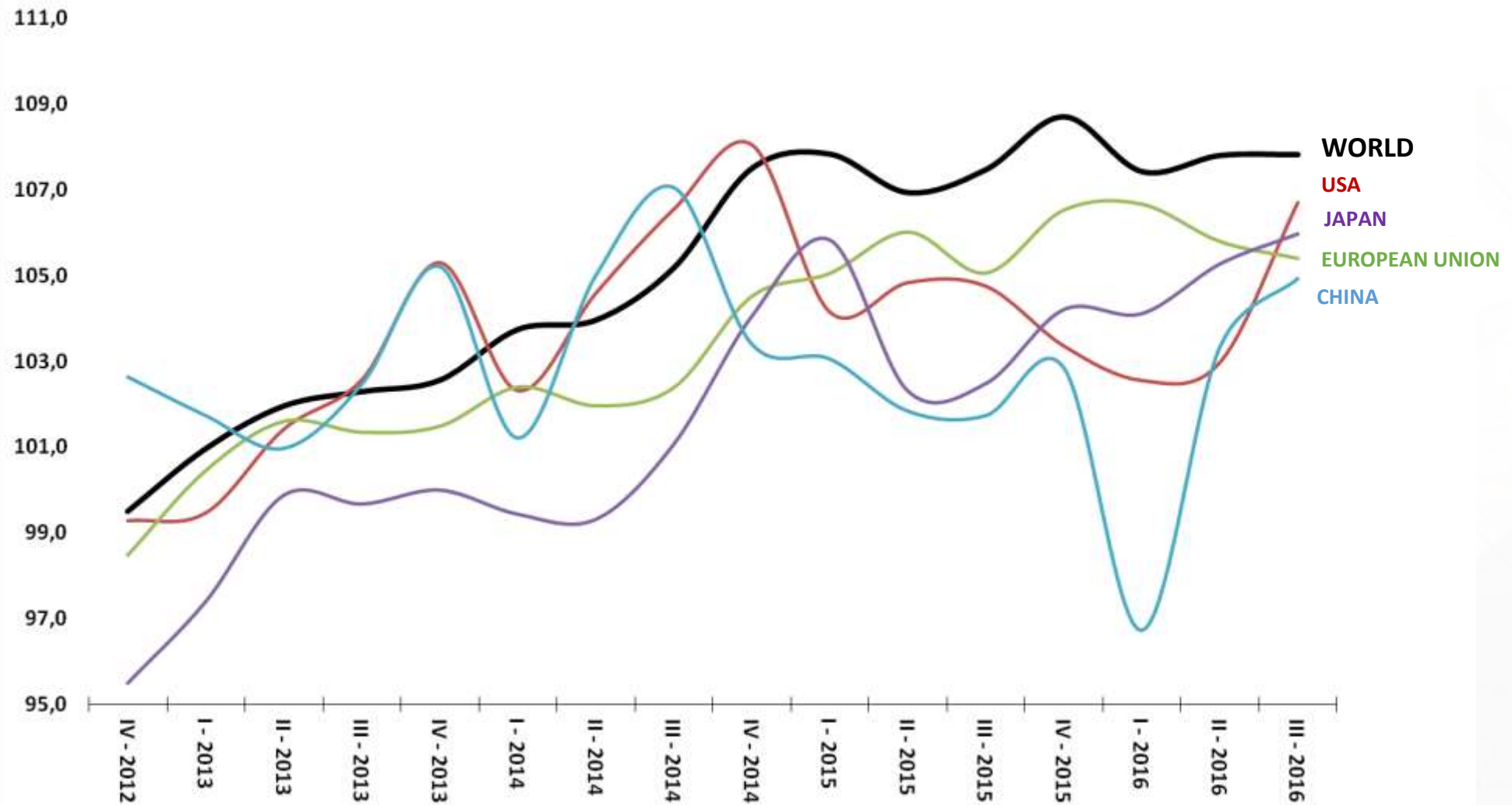
Consumer Price Indexes – annual chg. %



Source: OECD.

# World Major Economies Total Exports

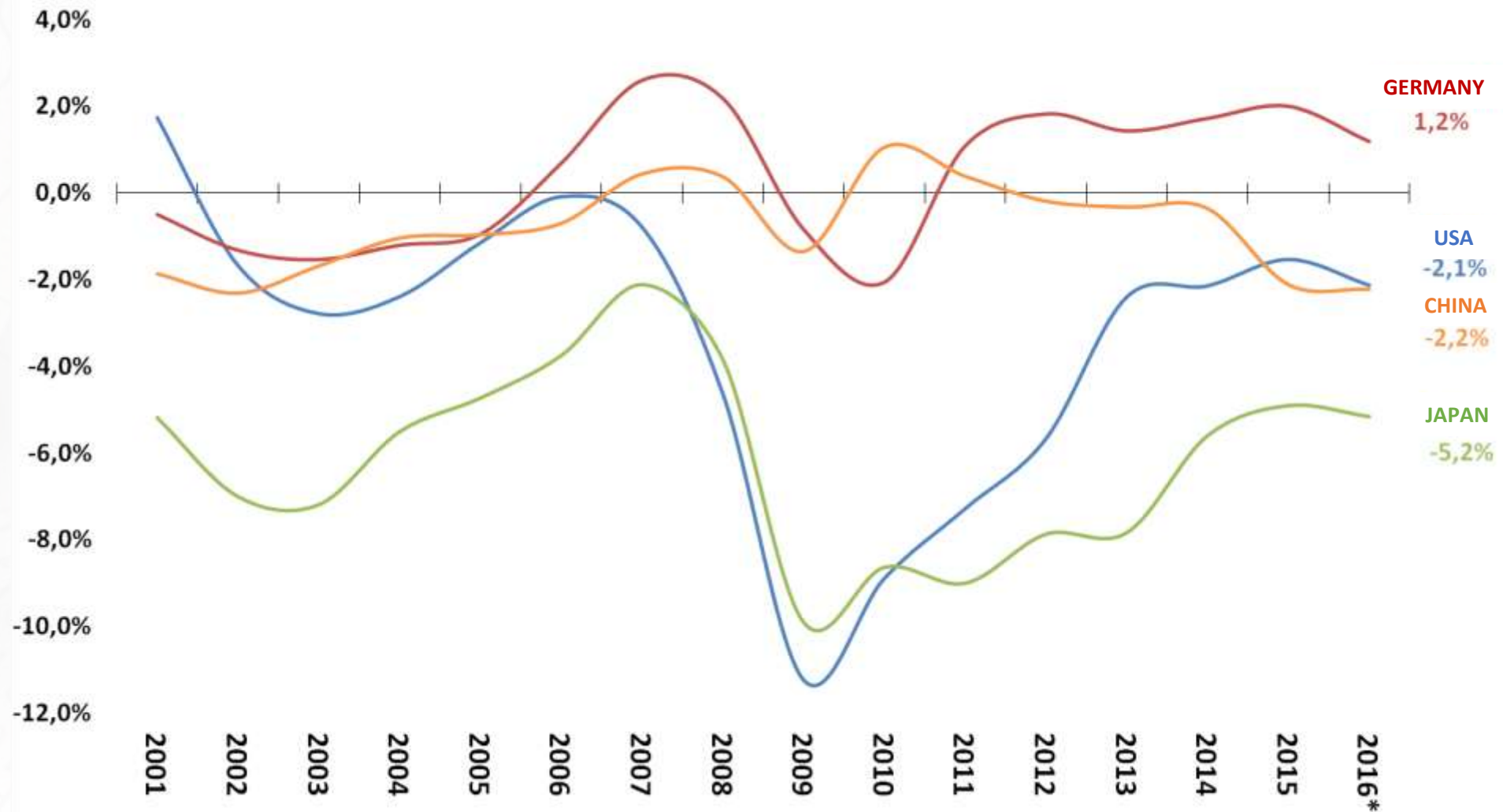
Total Exports Volume Index – Q3-2012 = 100



Source: OECD.

# World Major Economies Government Primary Surplus

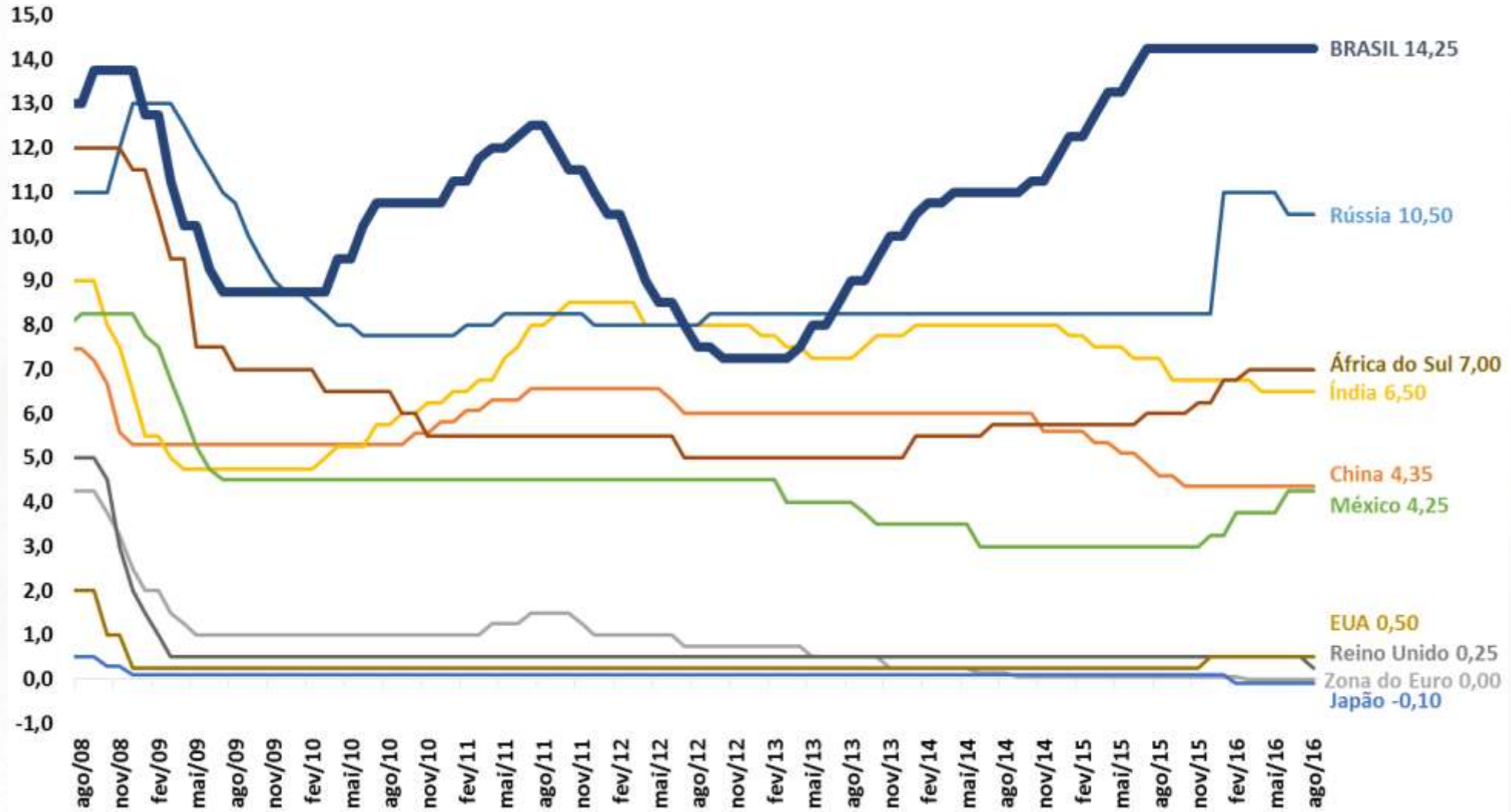
Central Government Primary Surplus as % of GDP



Source: IMF. \* Estimated values

# Selected Economies Official Interest Rate

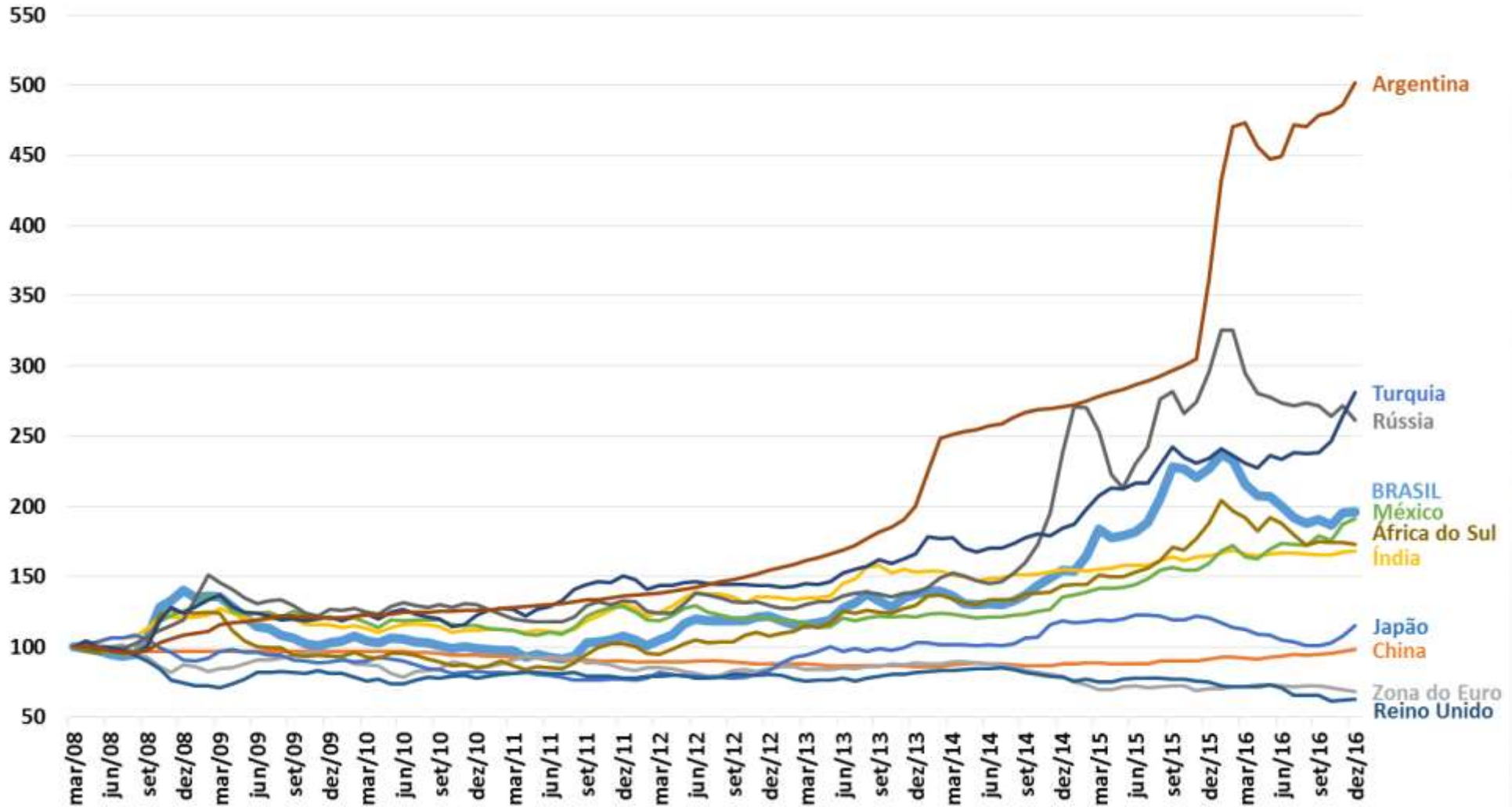
Official Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

# Selected Economies FX-dollar Rate Evolution

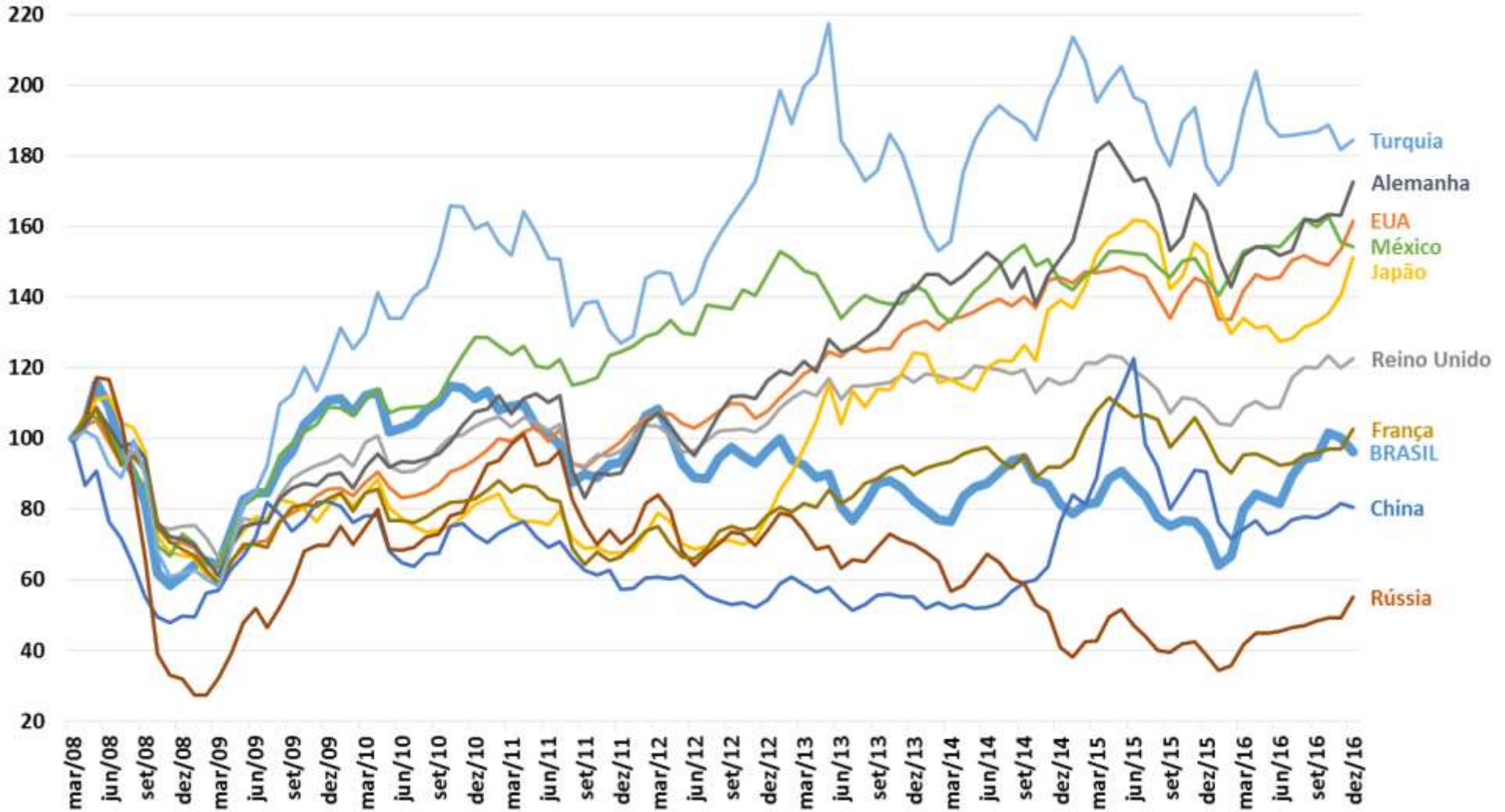
Selected Economies FX-rate Indexes – Mar/2008 = 100



Sources: Bloomberg.

# Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Mar/2008 = 100



Sources: Bloomberg.

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