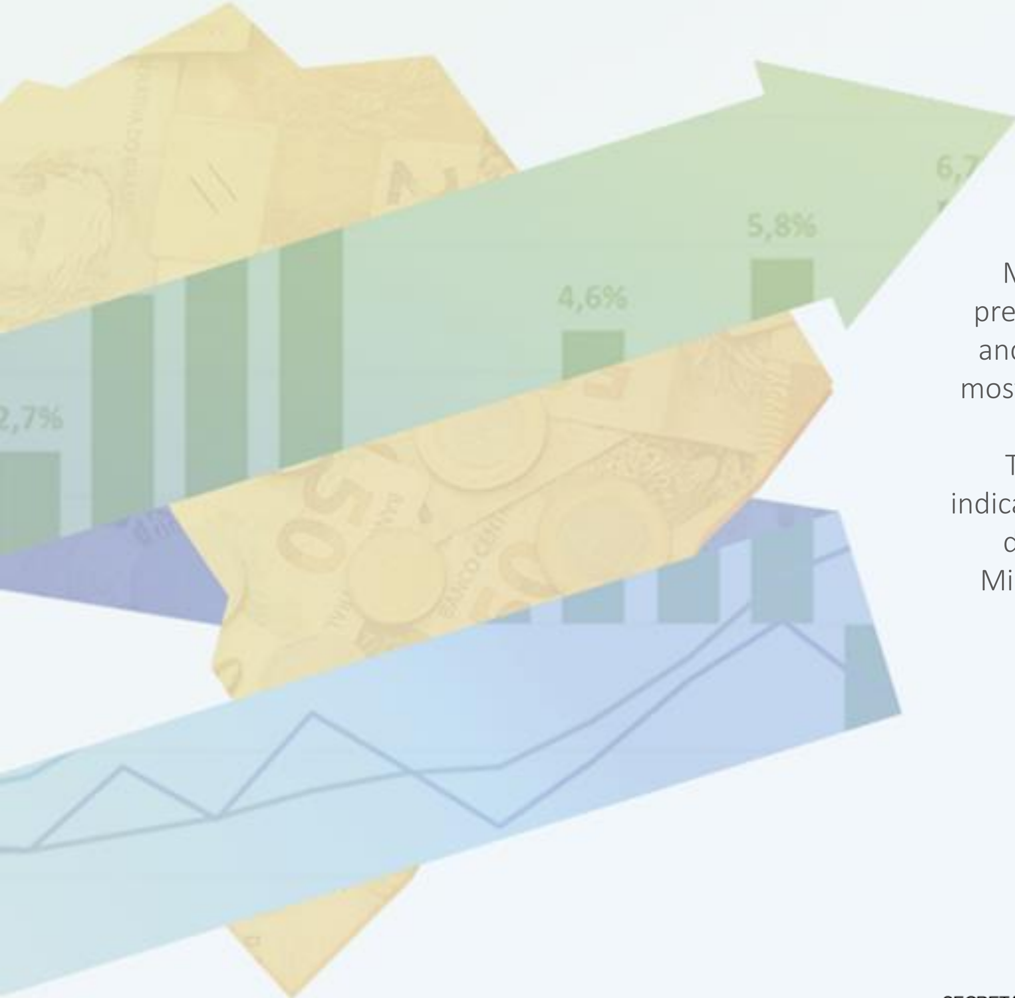
MACROECONOMIC OUTLOOK

August 2017

SECRETARIAT OF
PLANNING AND ECONOMIC AFFAIRS

MINISTRY OF
PLANNING, DEVELOPMENT AND MANAGEMENT

BRASIL
BRAZILIAN GOVERNMENT



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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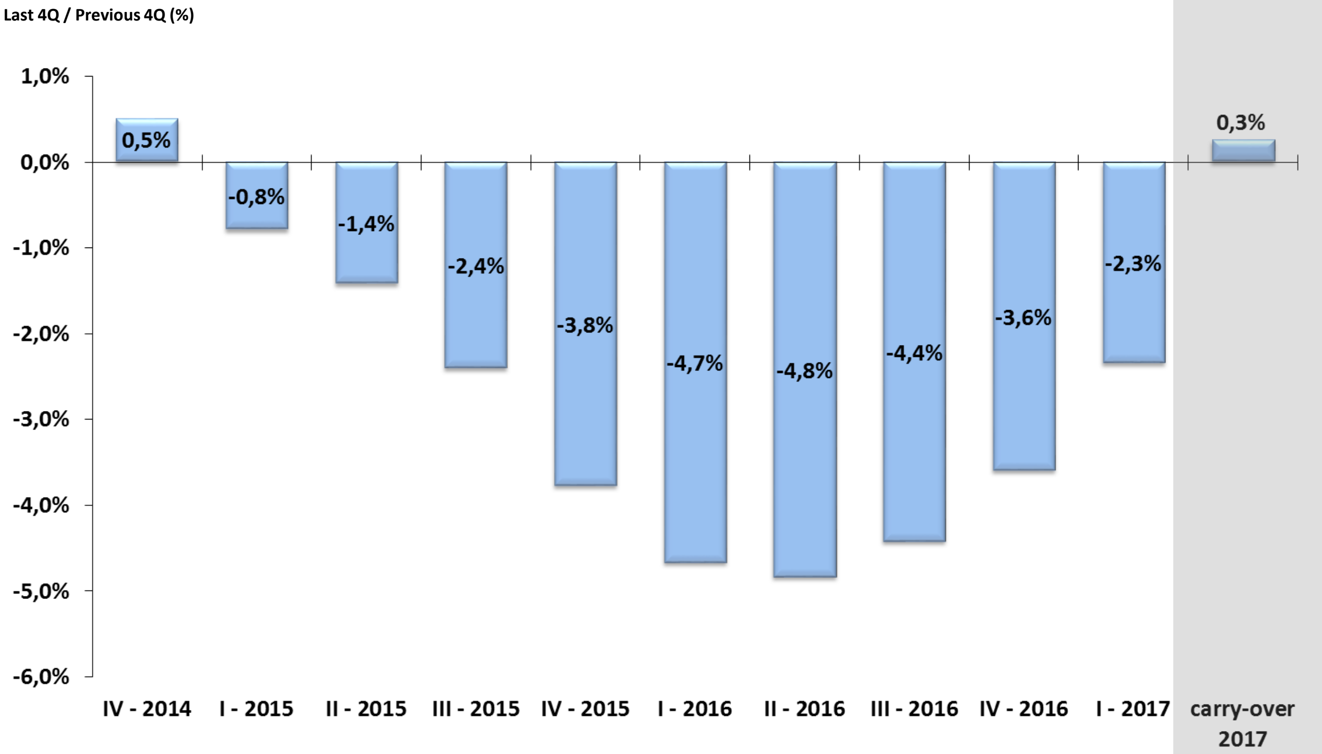
Contents

HIGHLIGHTS

Quarterly GDP



Source: IBGE/MP, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2017 1st quarter seasonally adjusted level compared to 2016 average.

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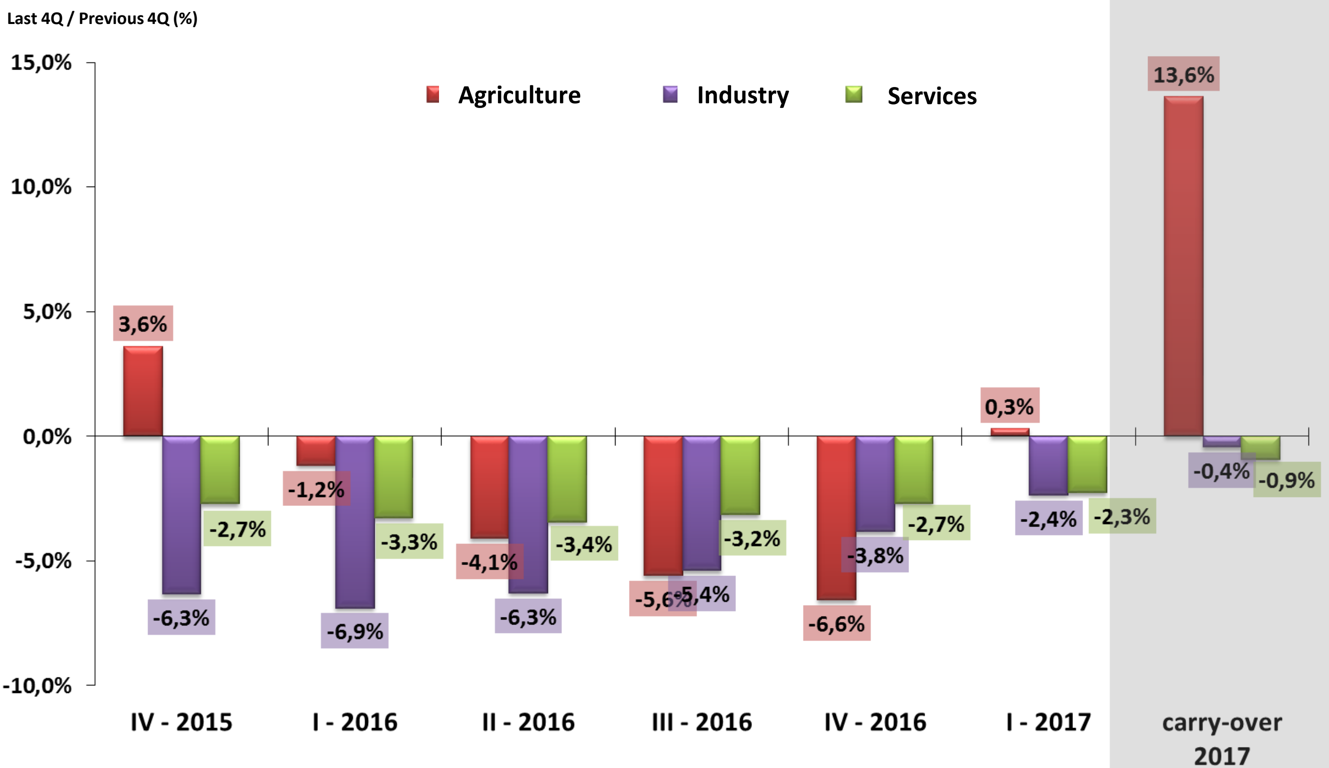
Quarterly GDP by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2017 1st quarter seasonally adjusted level compared to 2016 average.

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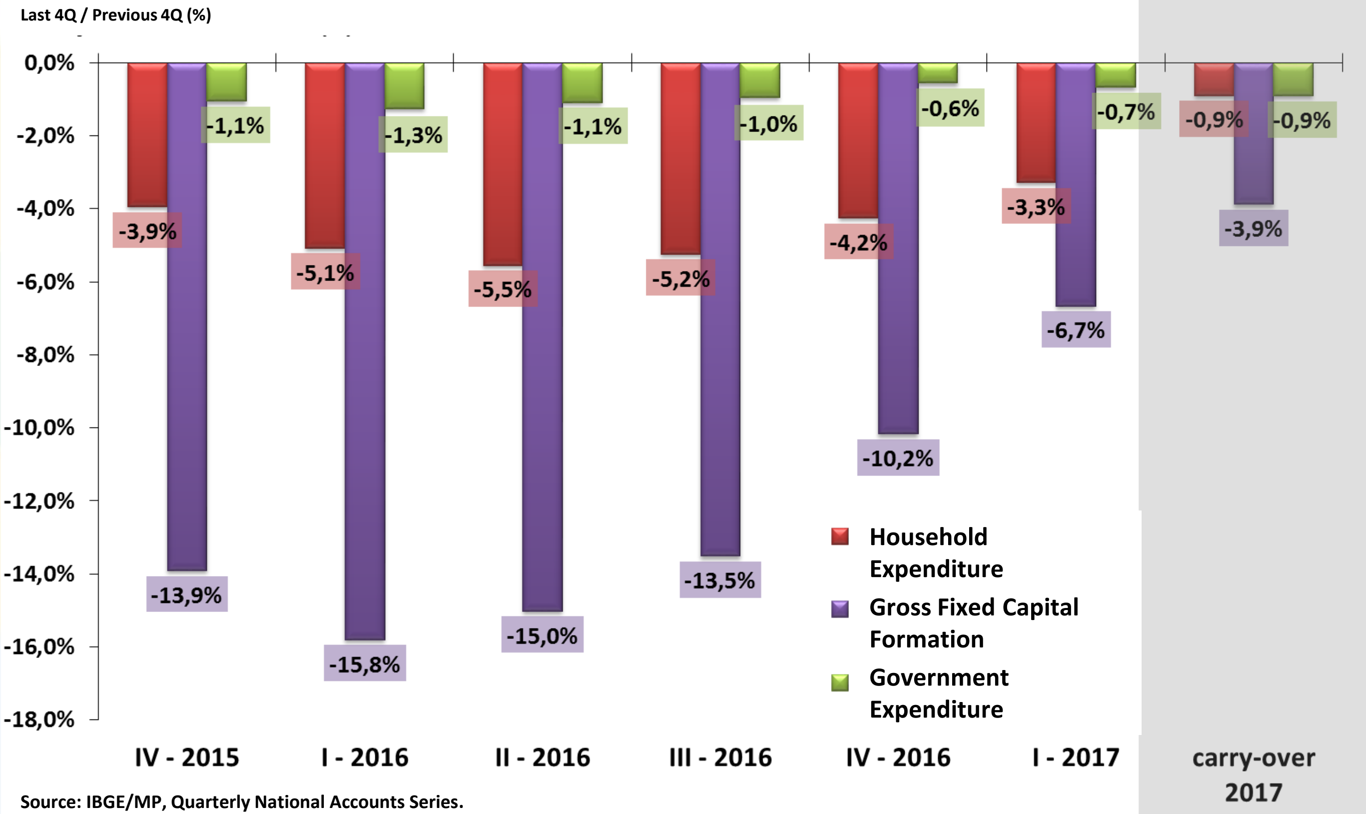
Quarterly GDP by Expenditure

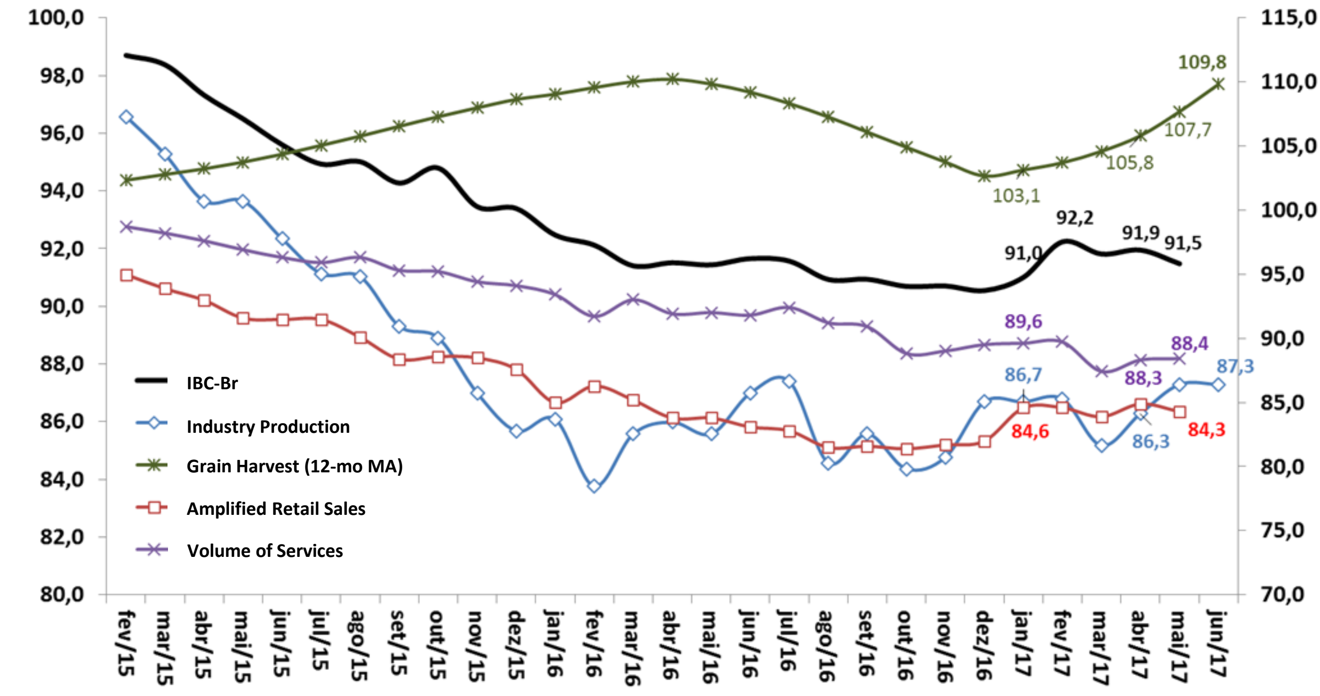


Source: IBGE/MP, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2017 1st quarter seasonally adjusted level compared to 2016 average.

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).

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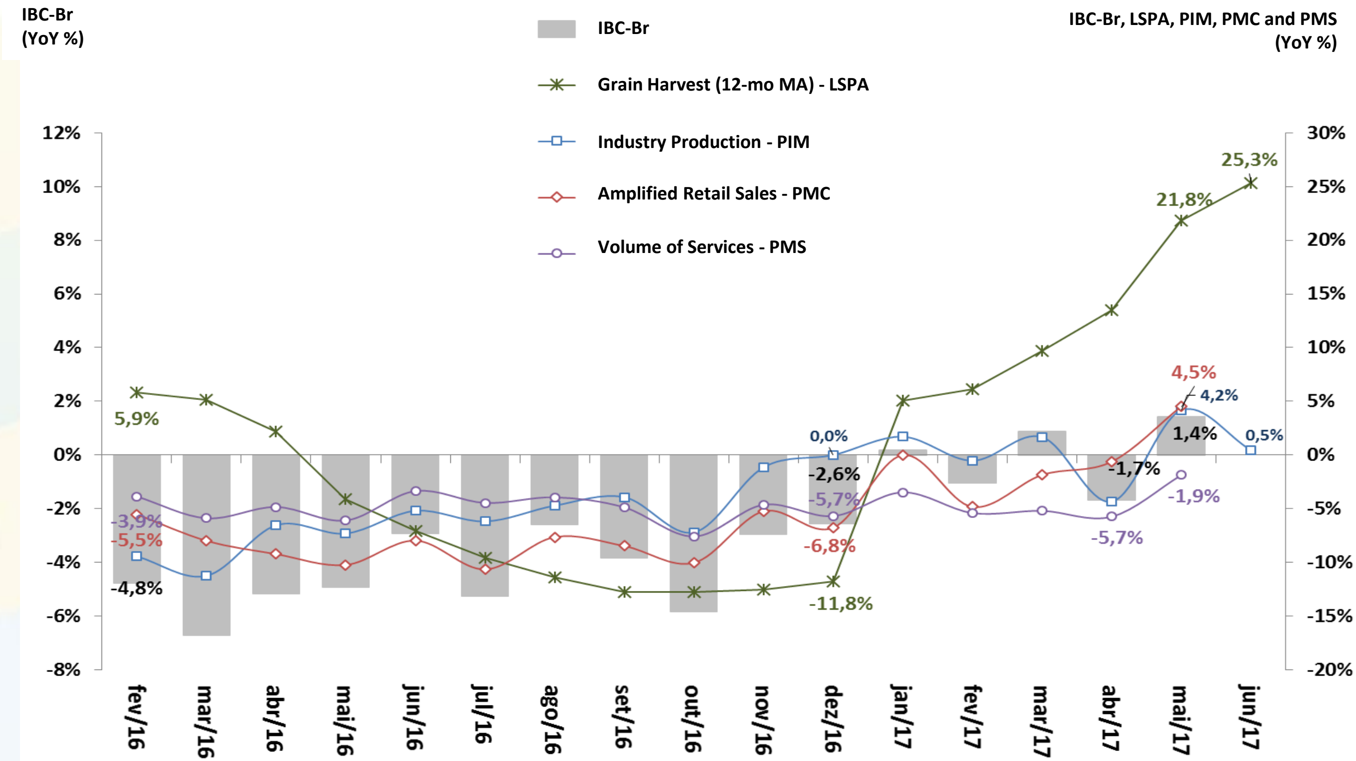
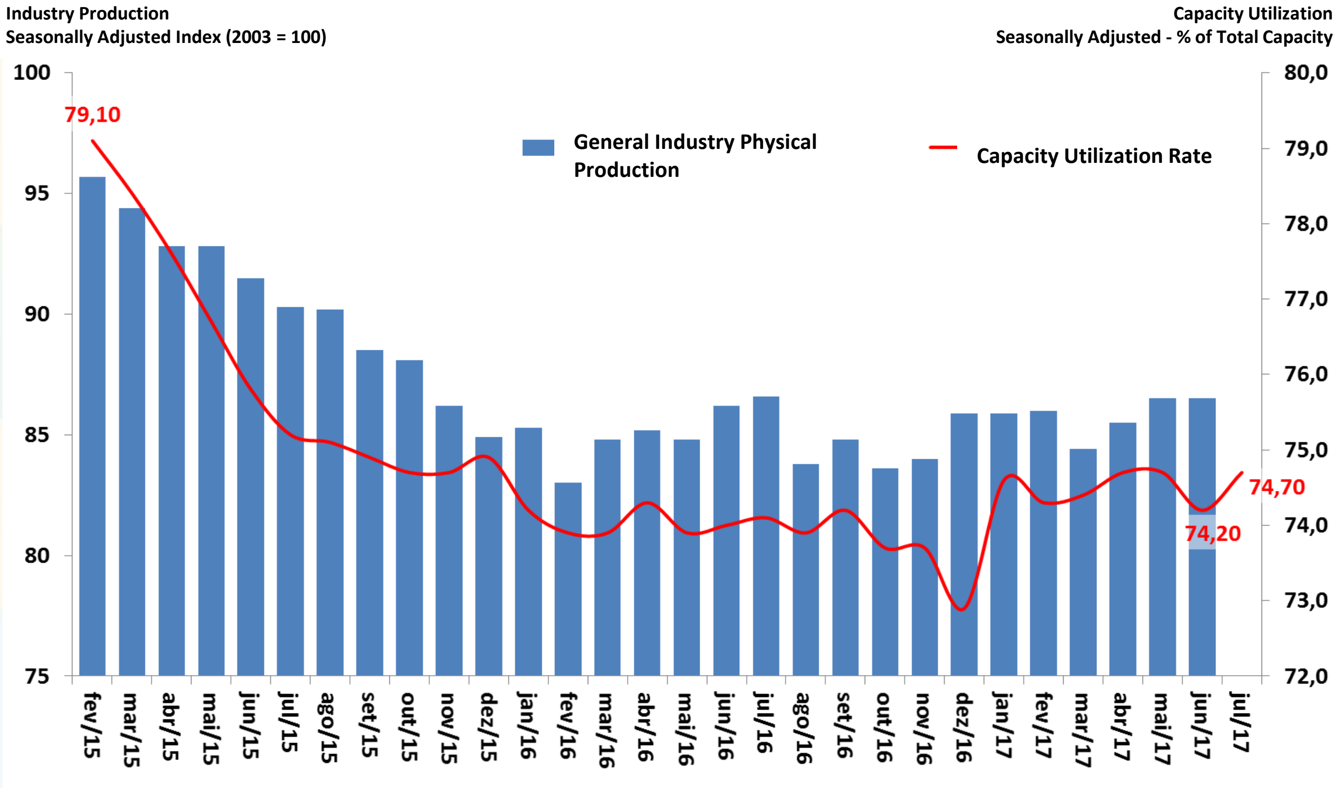
Major Monthly Economic Activity Indicators



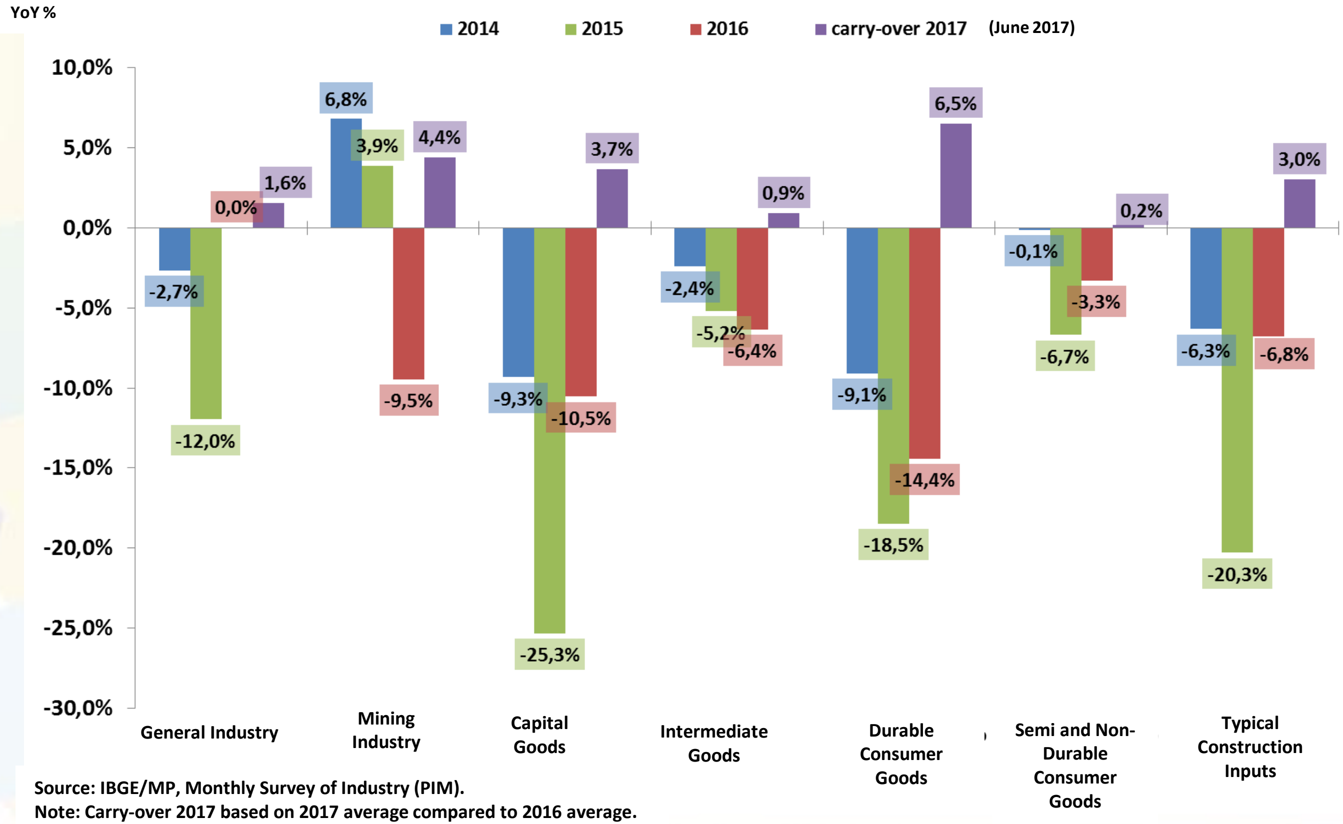
Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization



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.

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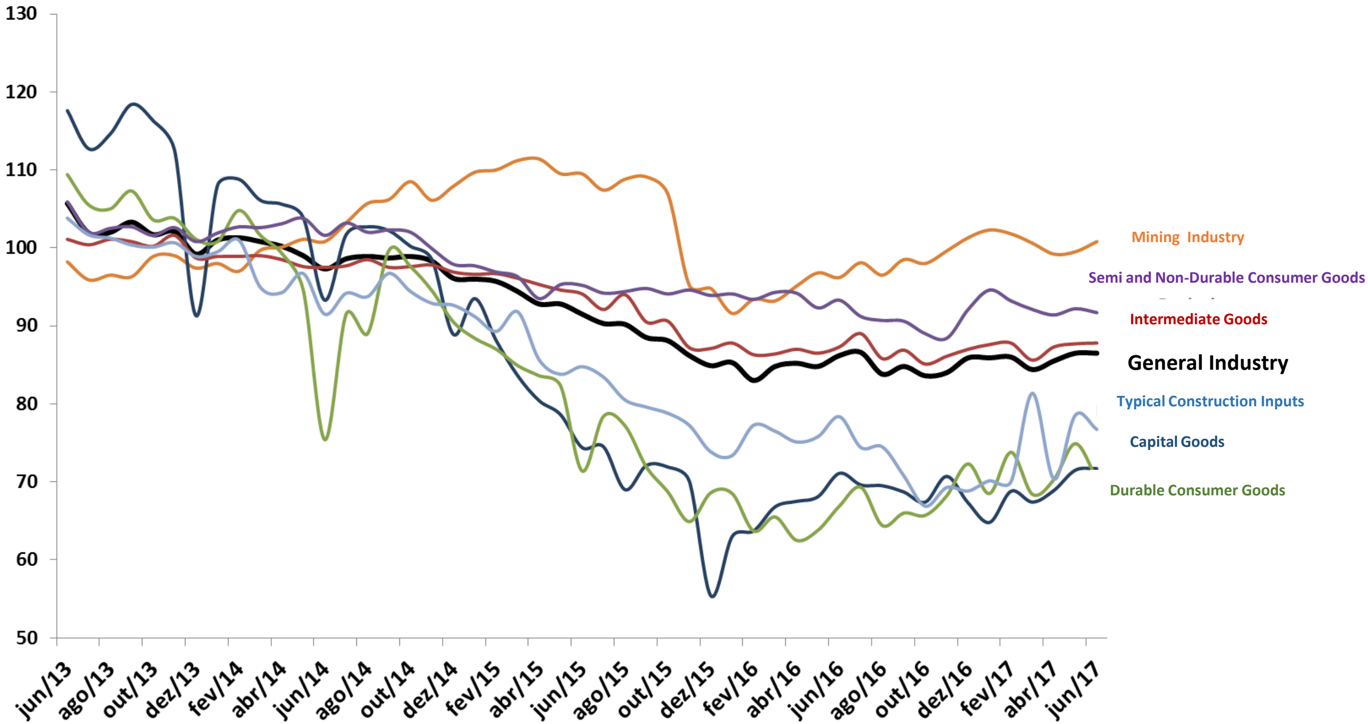
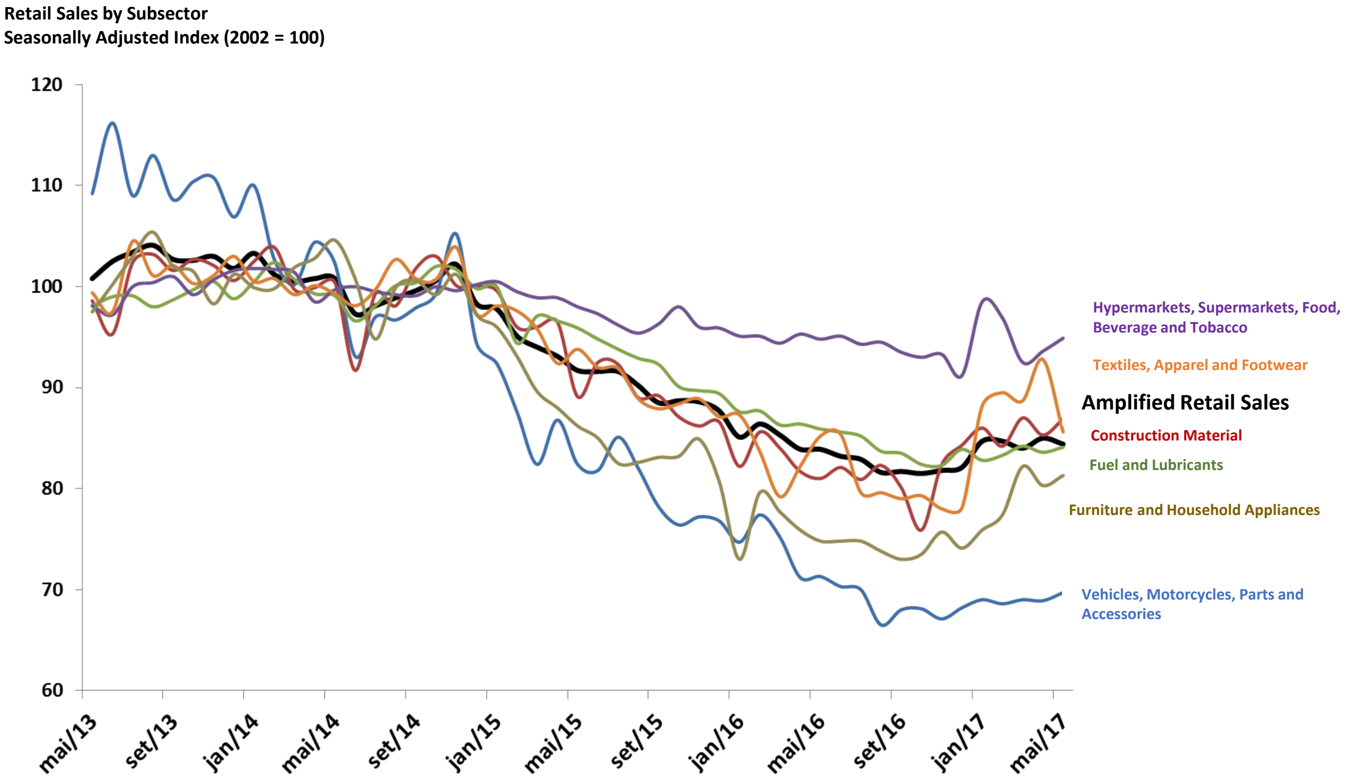
Total Industrial Production and Economic Categories

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



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

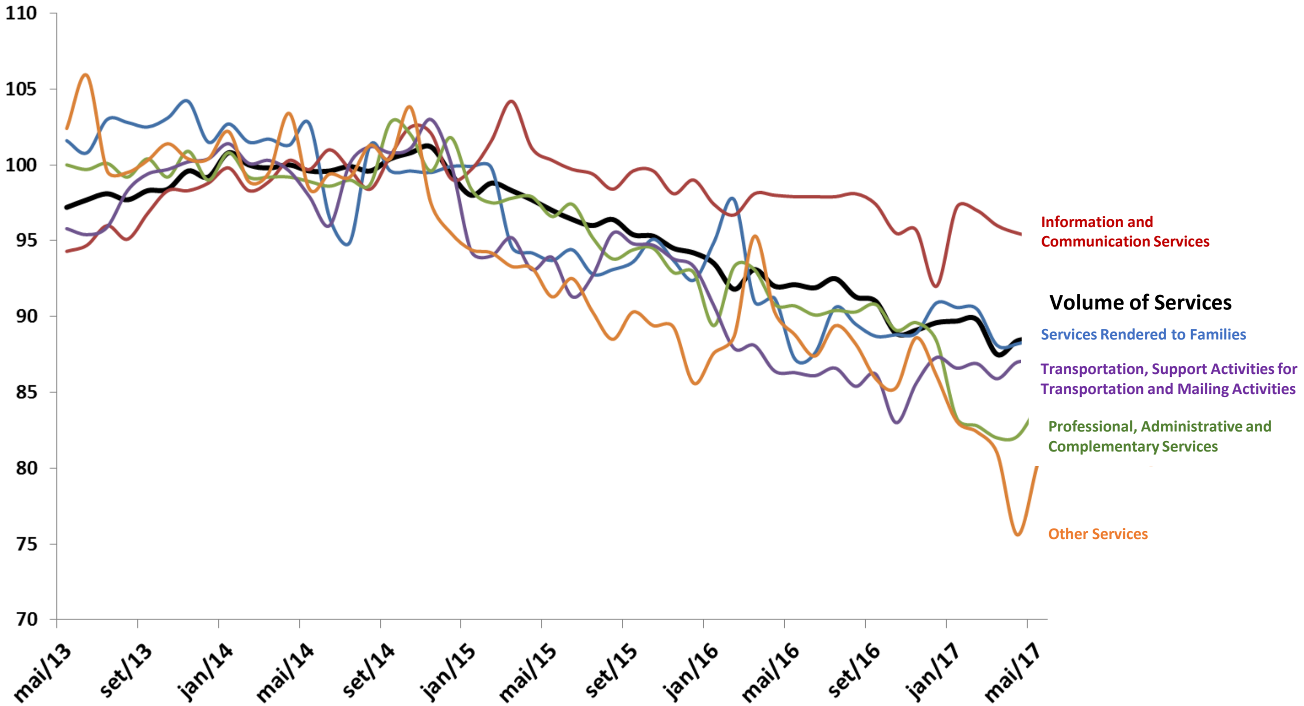
Total Retail Sales and Subsectors



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

Total Services and Subsectors

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



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

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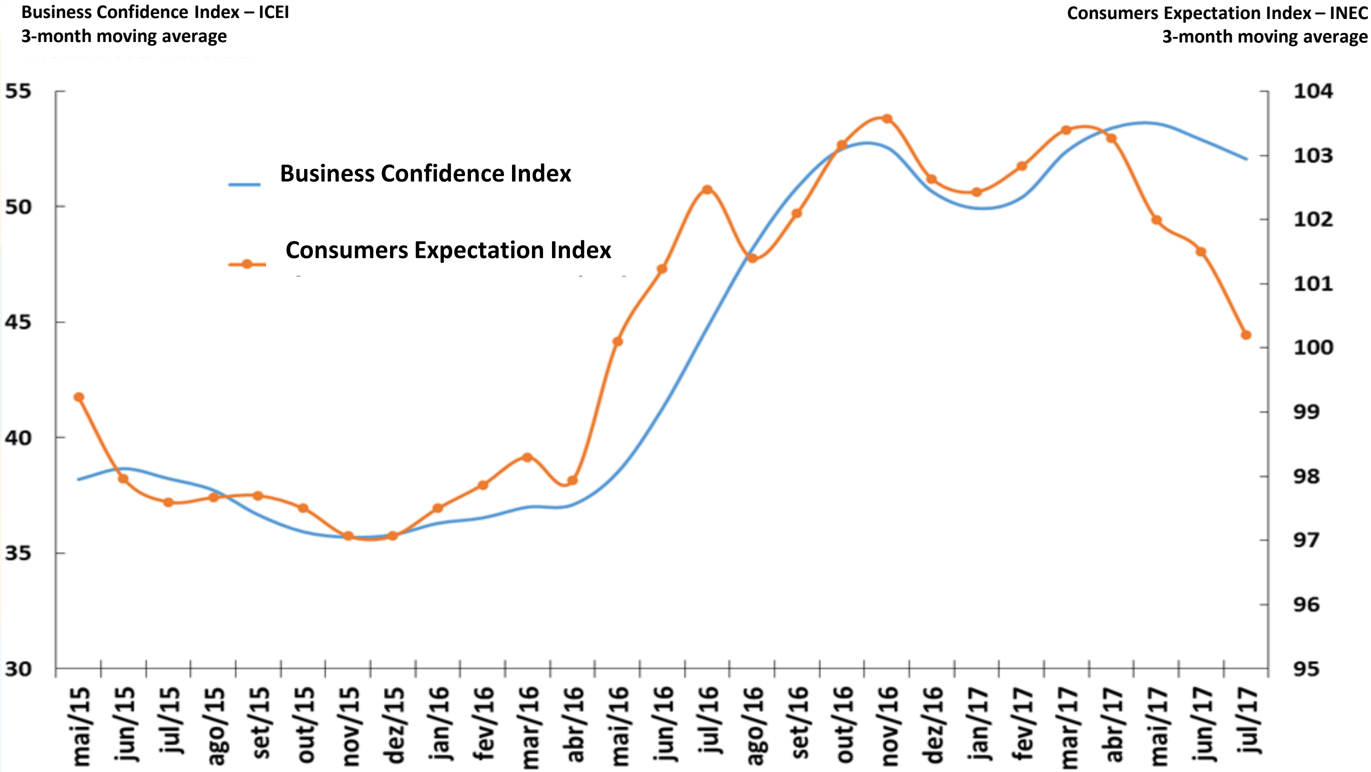
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

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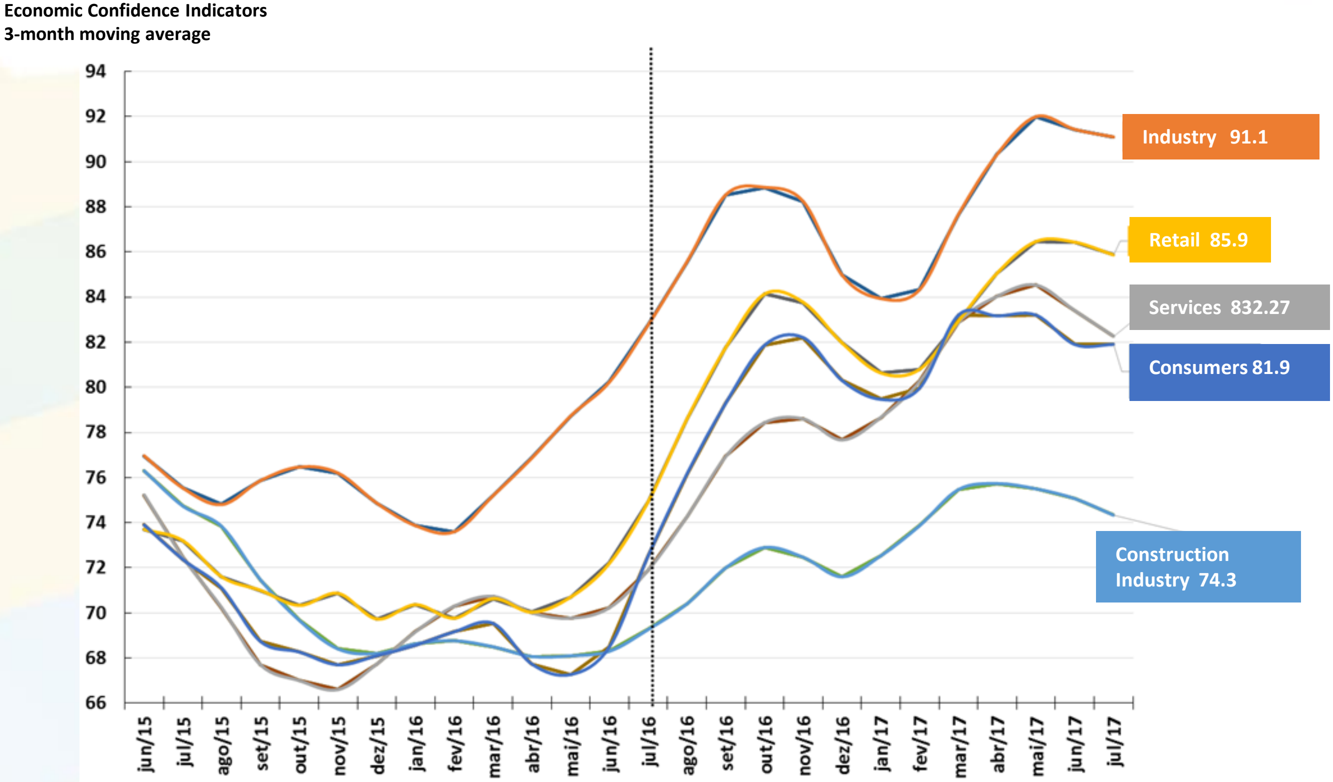
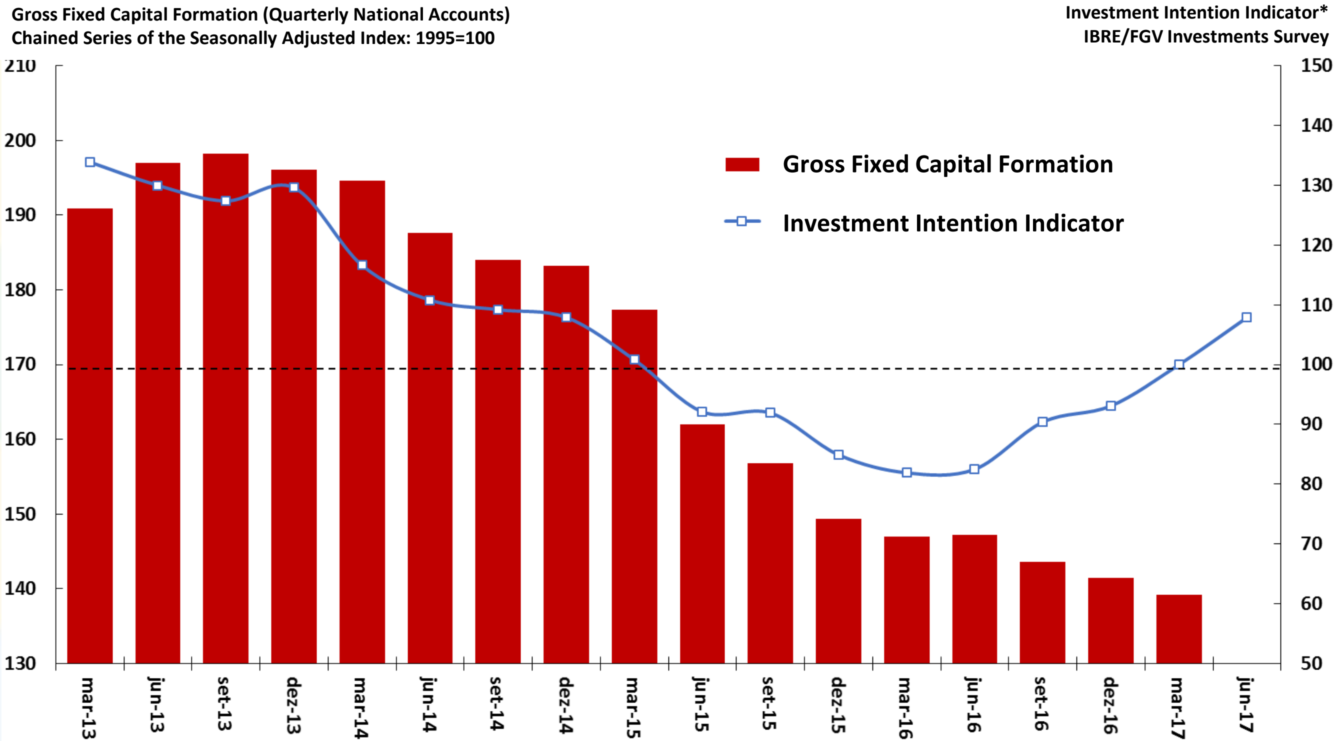
FGV: Economic Confidence Indicators



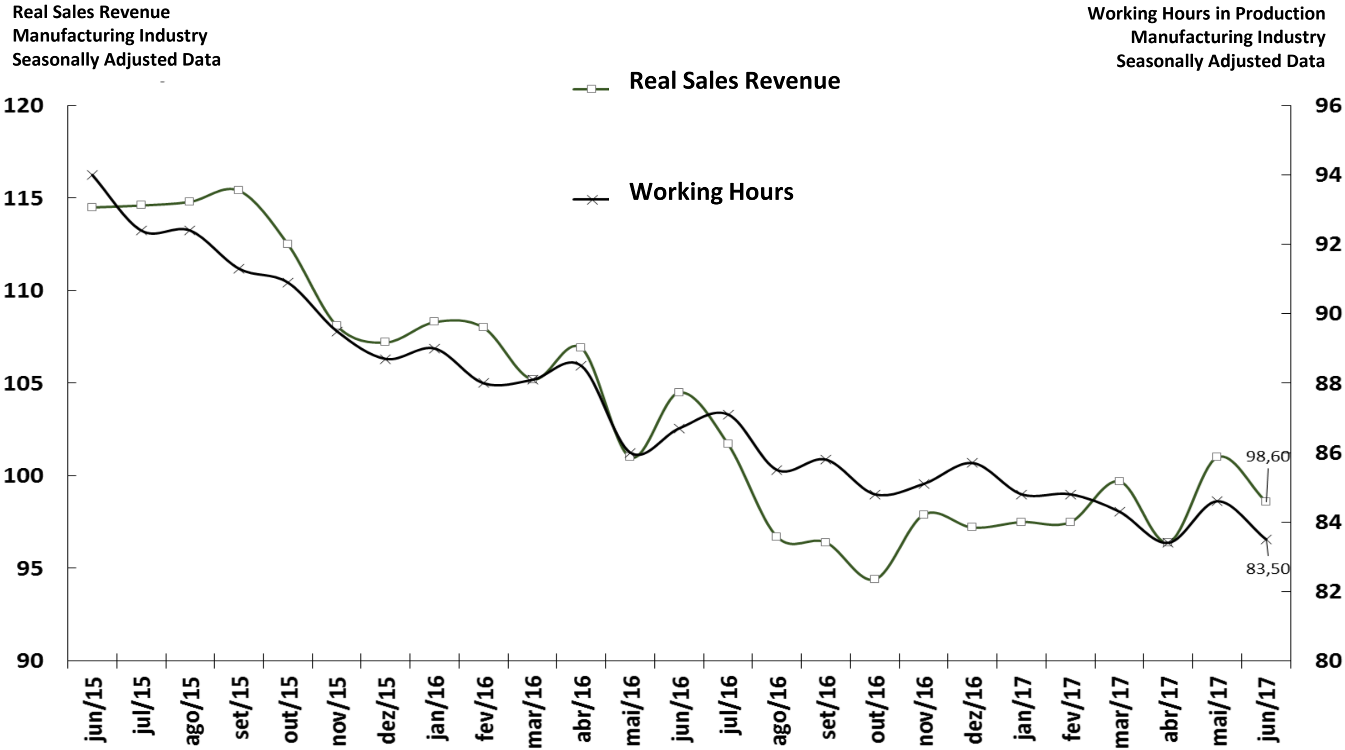
Source: IBRE/FGV.

Gross Fixed Capital Formation and Investment Intention



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.

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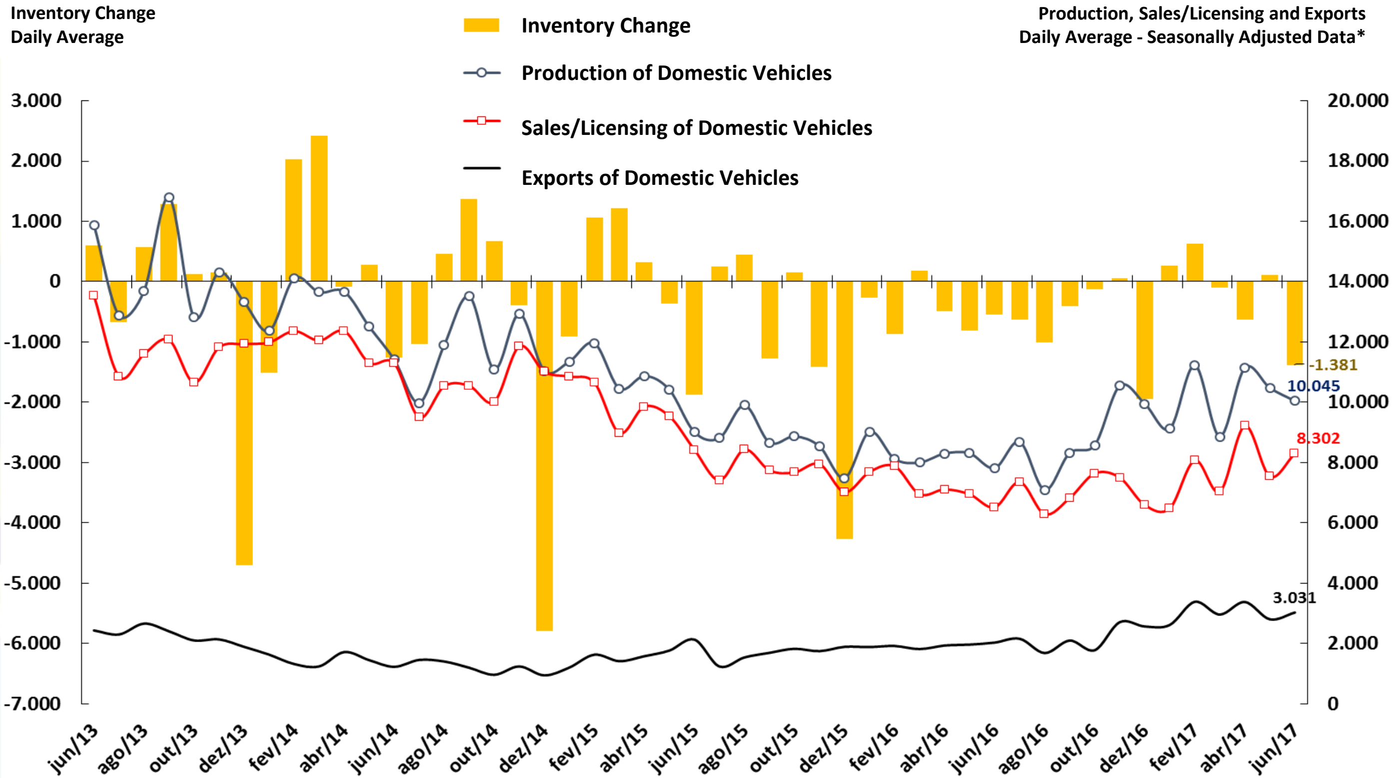
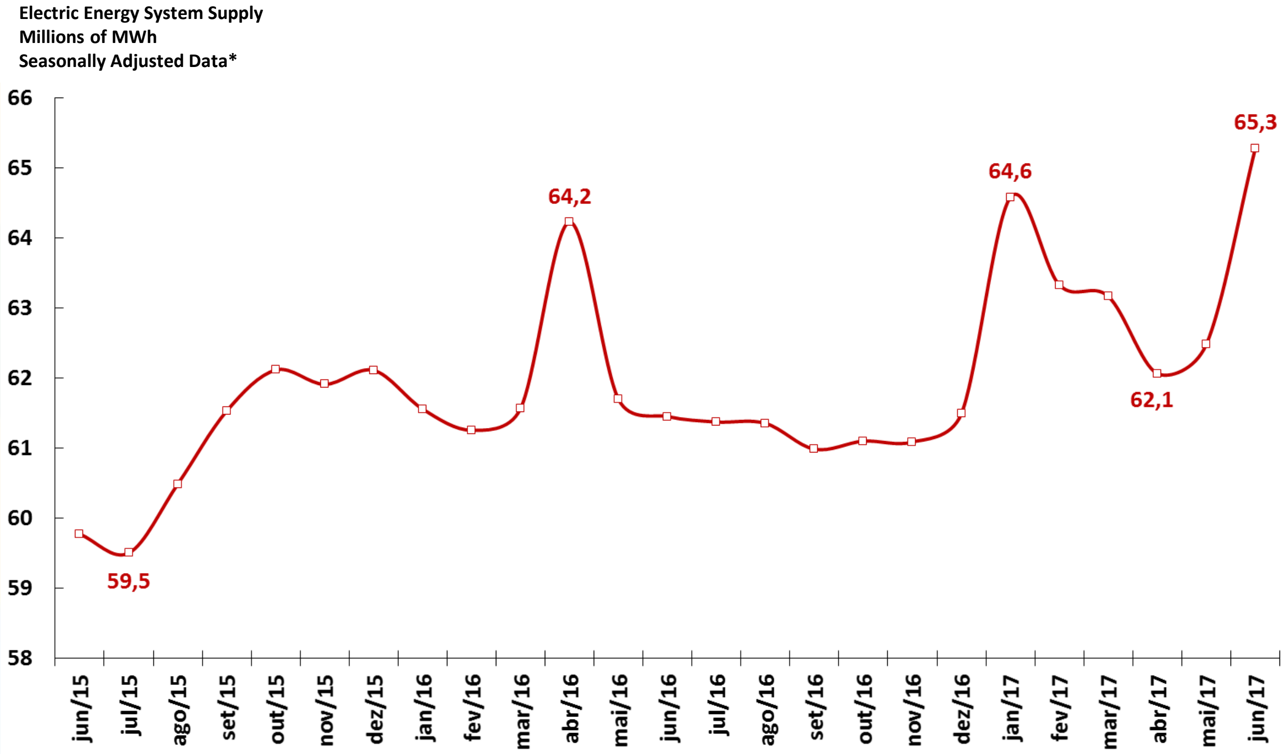
Automotive Sector Production, Sales and Inventory Change



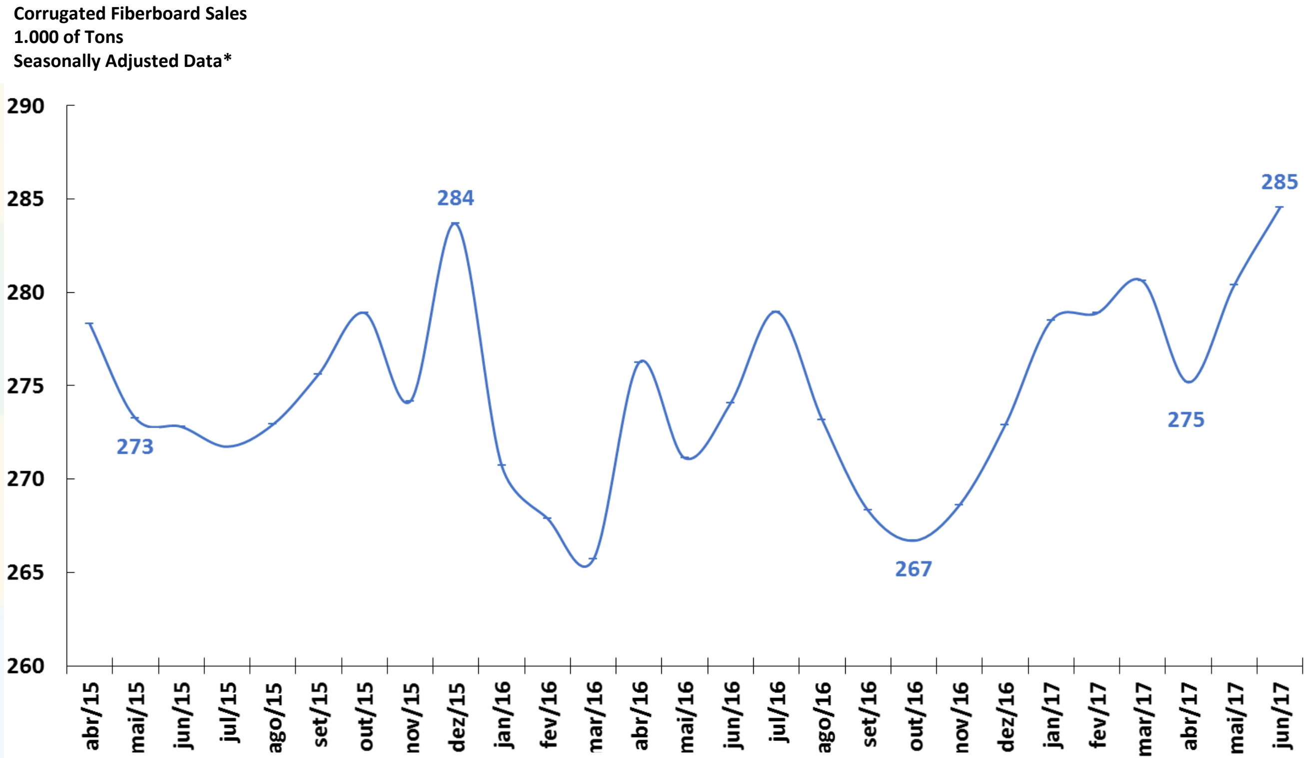
Source: ANFAVEA and FENABRAVE. * Seasonally adjusted by SEPLAN/MP.

ONS: Electric Energy System Supply



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

ABPO: Corrugated Fiberboard Sales

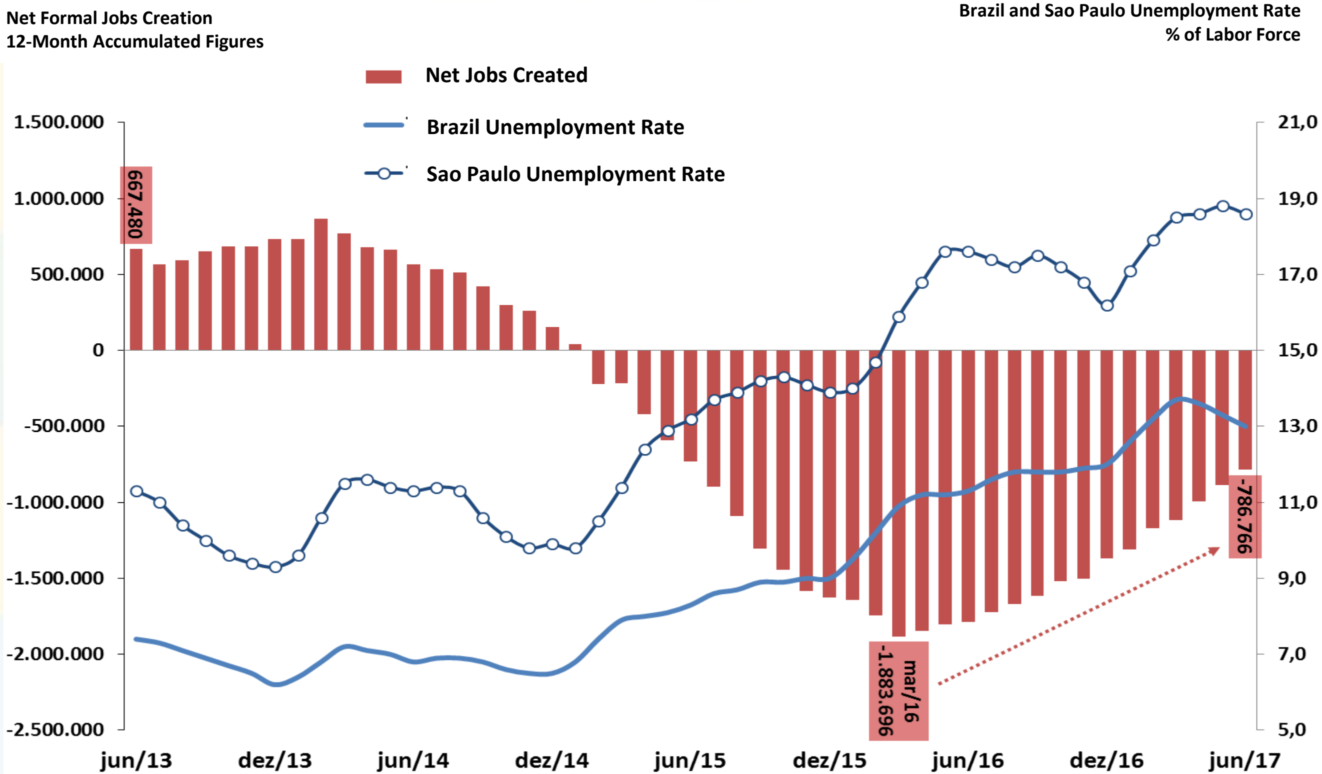


Source: ABPO. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Source: ABCR.

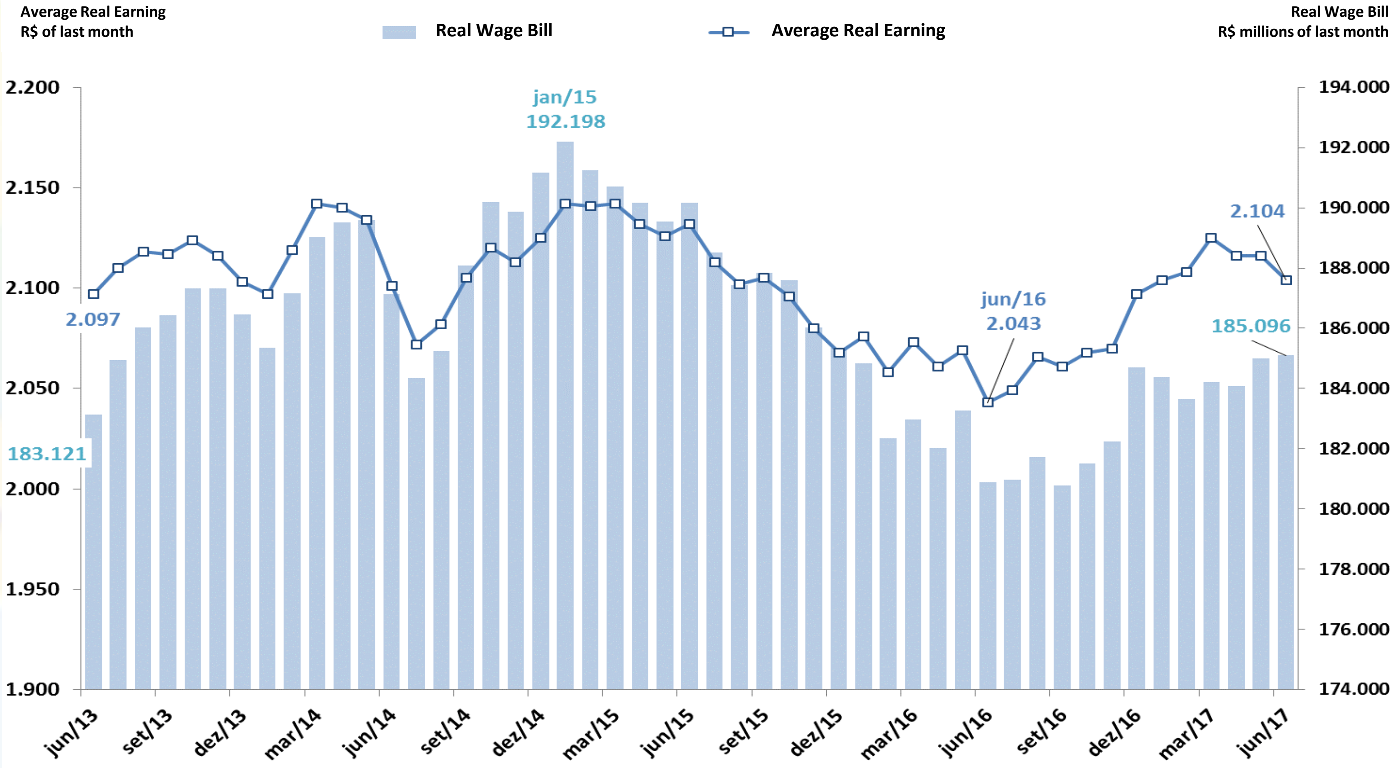
Unemployment Rate and Net Formal Job Creation



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

dos).

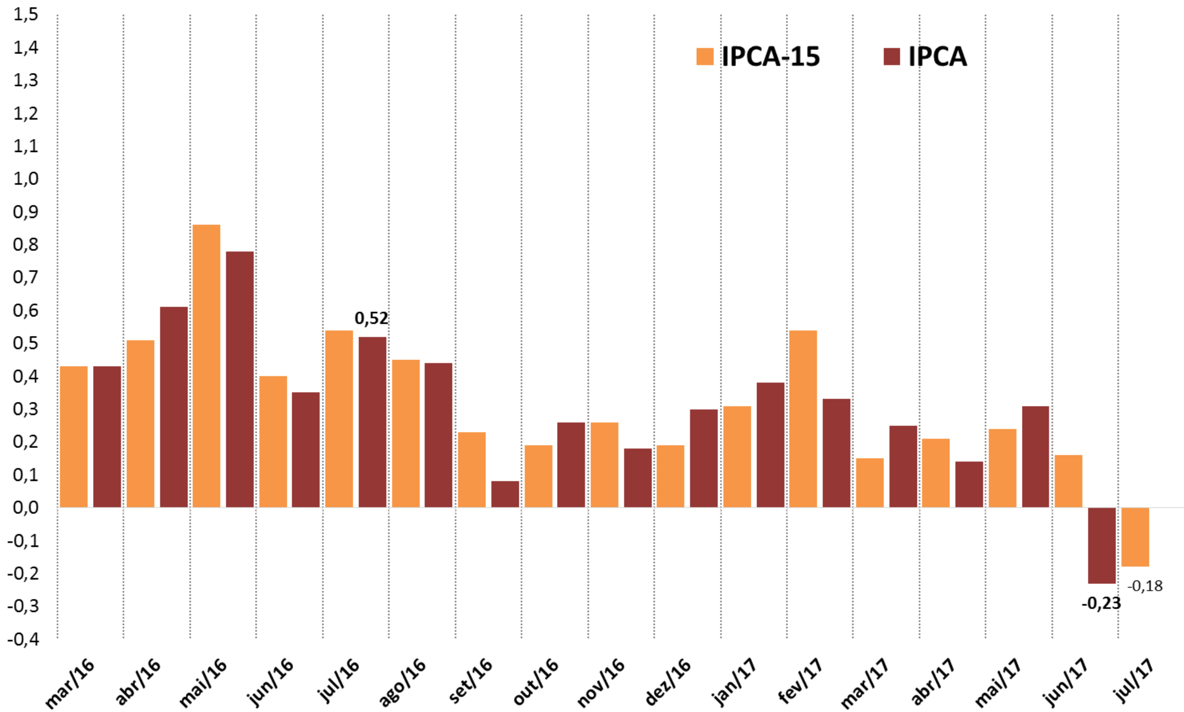
Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

IBGE: Monthly Consumer Price Indexes

IPCA-15 and IPCA
By release order



Source: IBGE.

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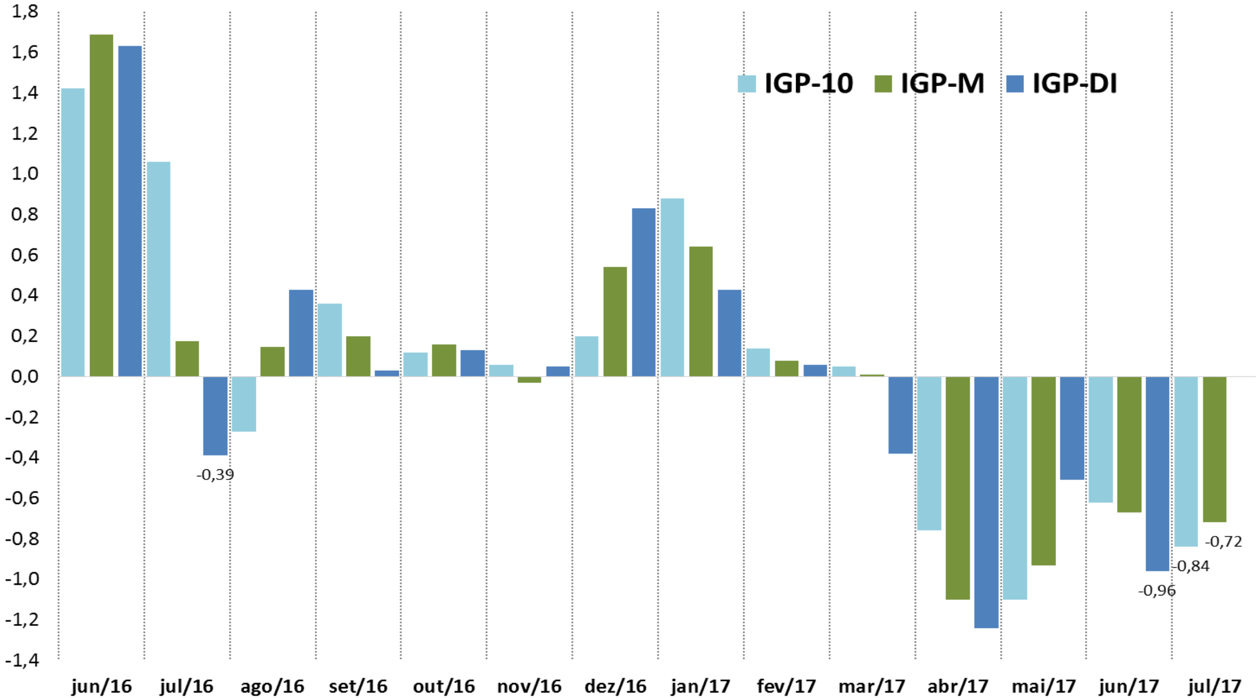
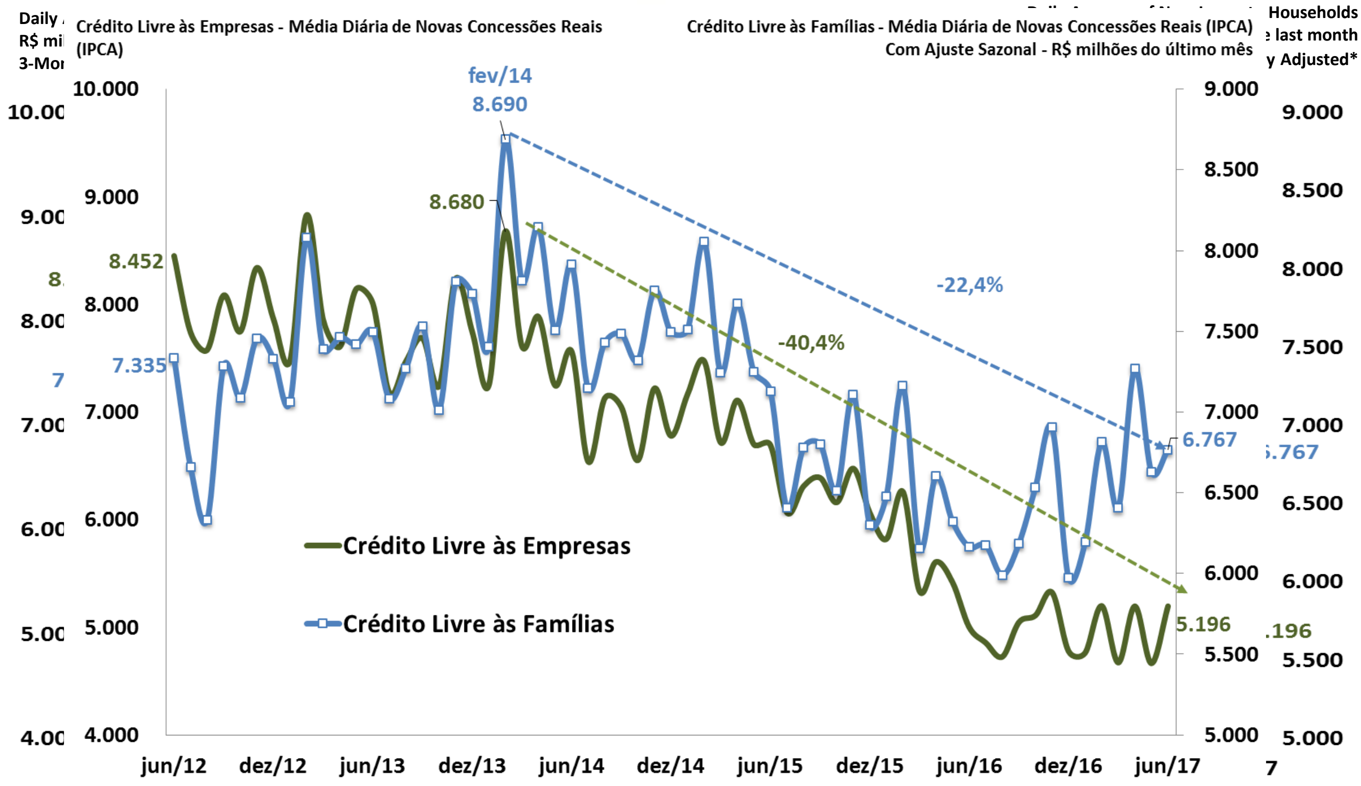
FGV: Monthly General Price Indexes

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



Source: FGV.

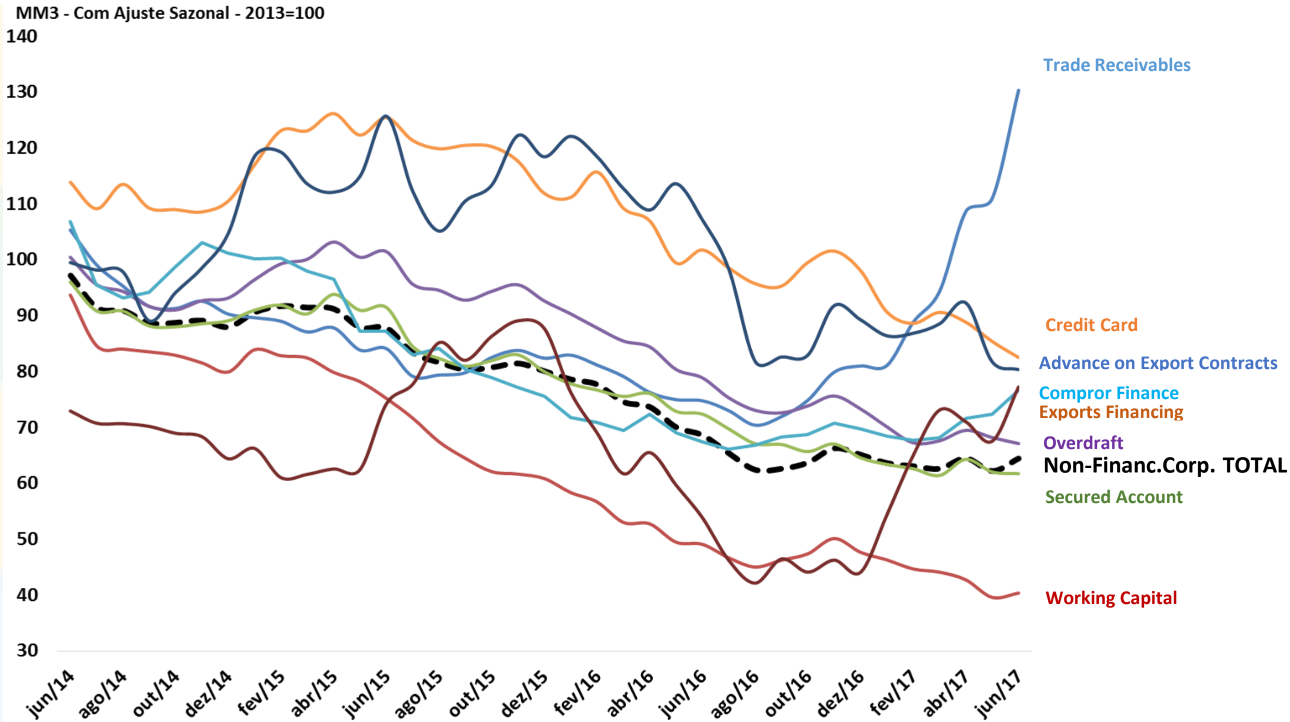
New Loans to Households and Non-Financial Corporations



Fonte: BCB. *Ajuste sazonal da série: SEPLAN-MP. Série dessazonalizada pelo X-13Arima-Seats/X12-Arima.

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.

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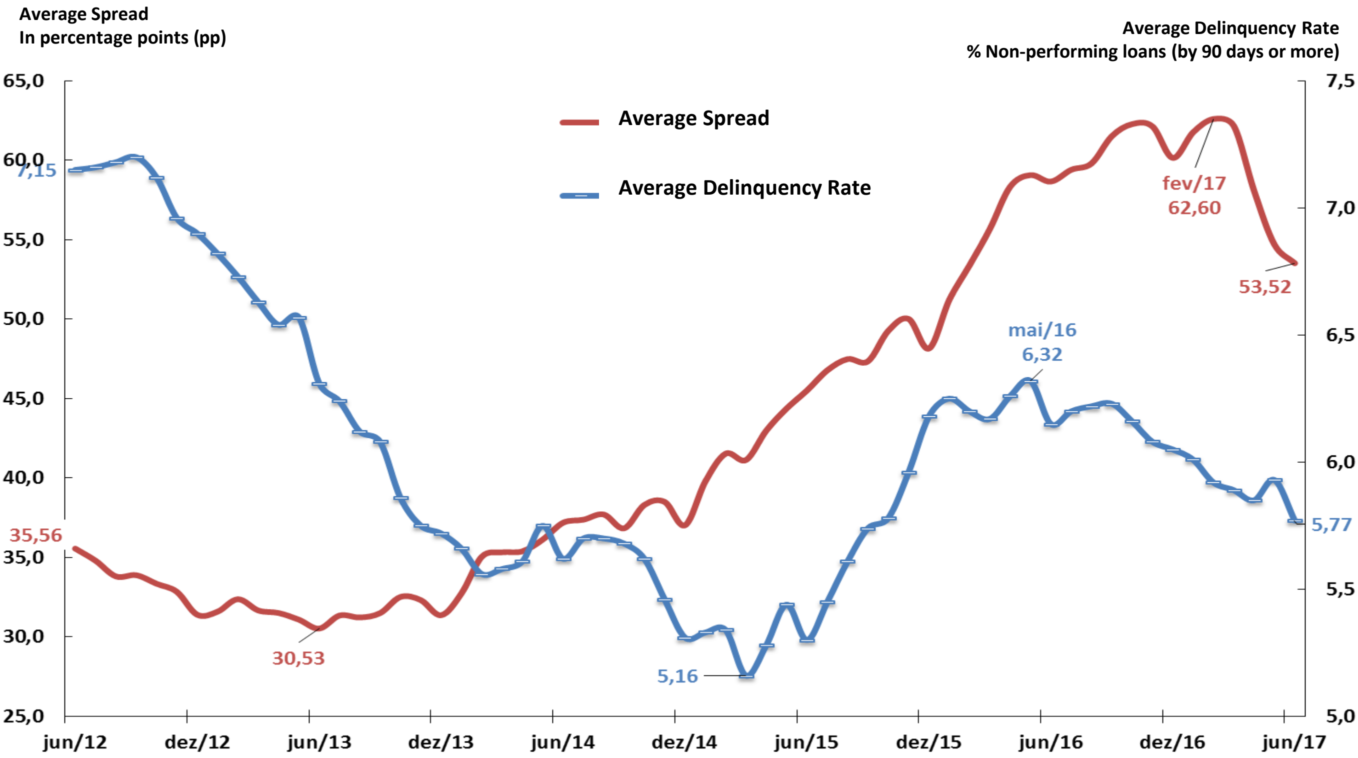
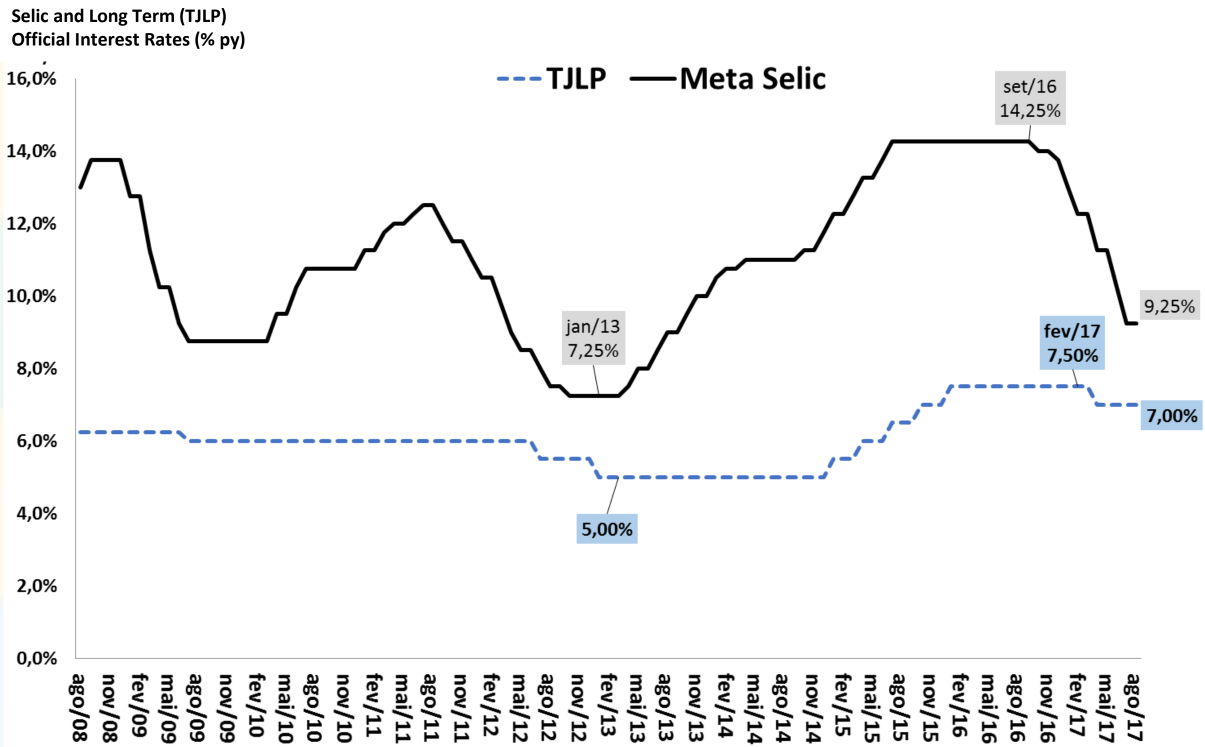
Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

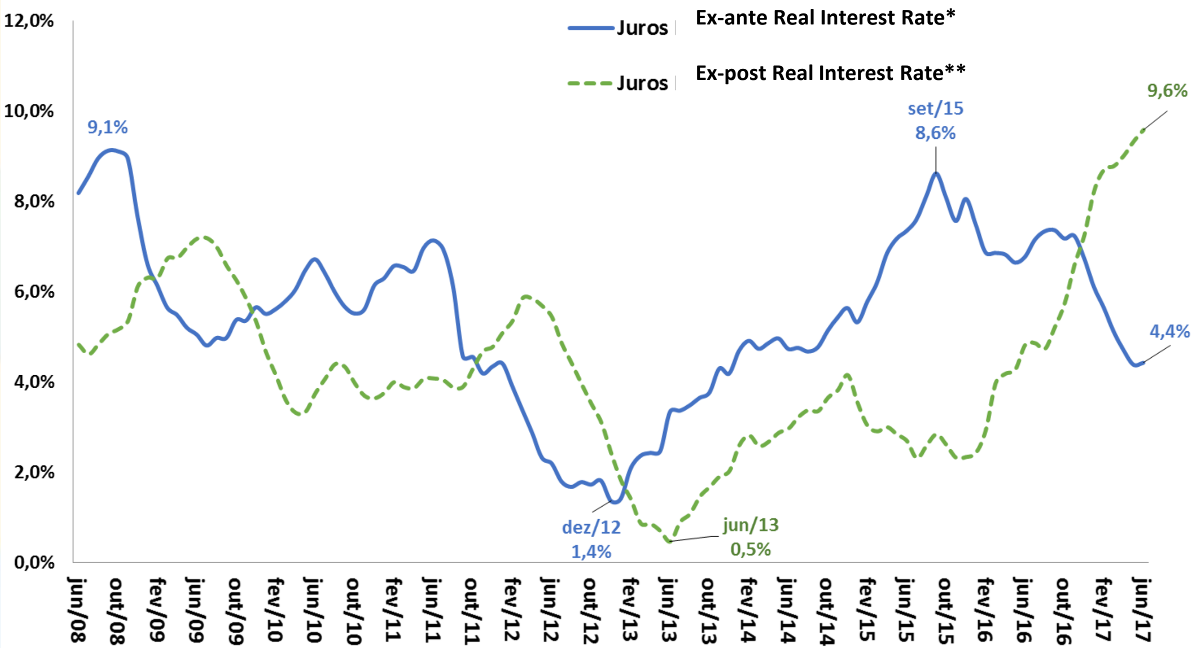
Official Interest Rates Evolution (Target Selic and TJLP)



Source: Central Bank of Brazil.

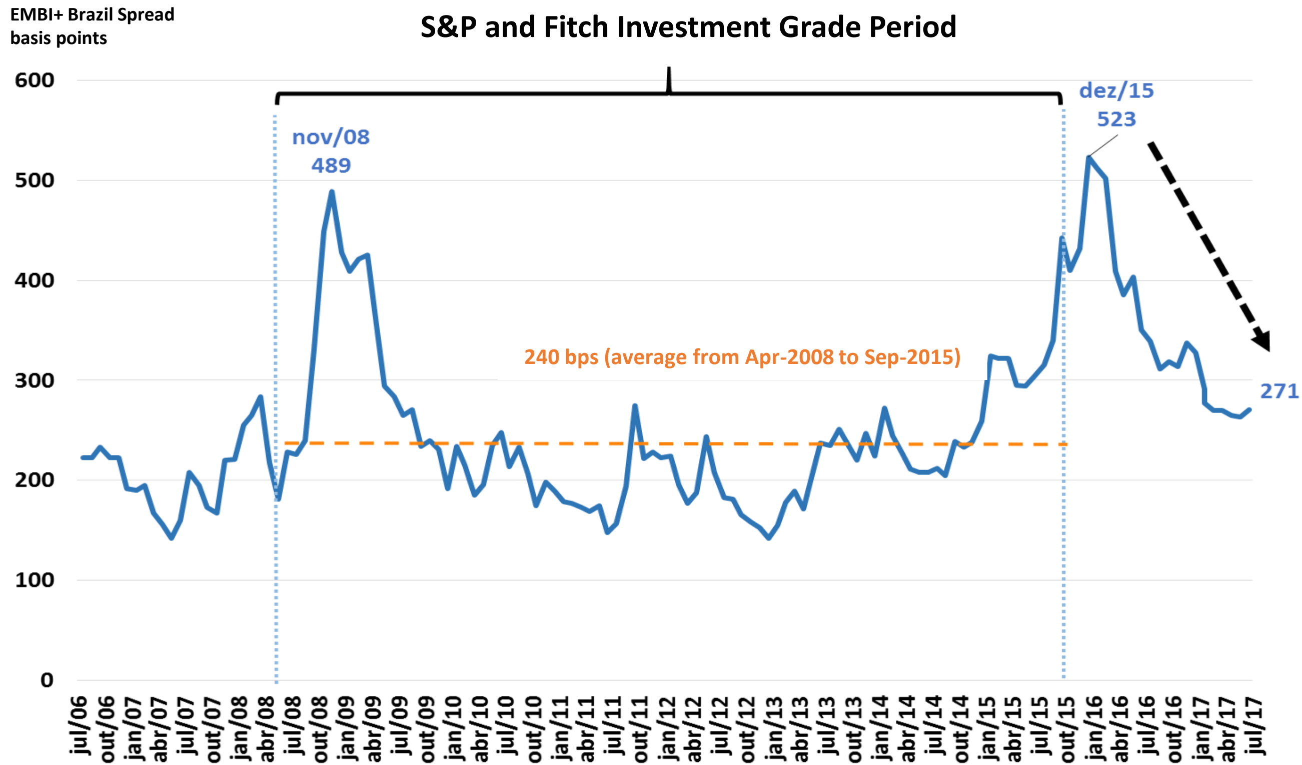
Ex-ante and Ex-post Real Interest Rates

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



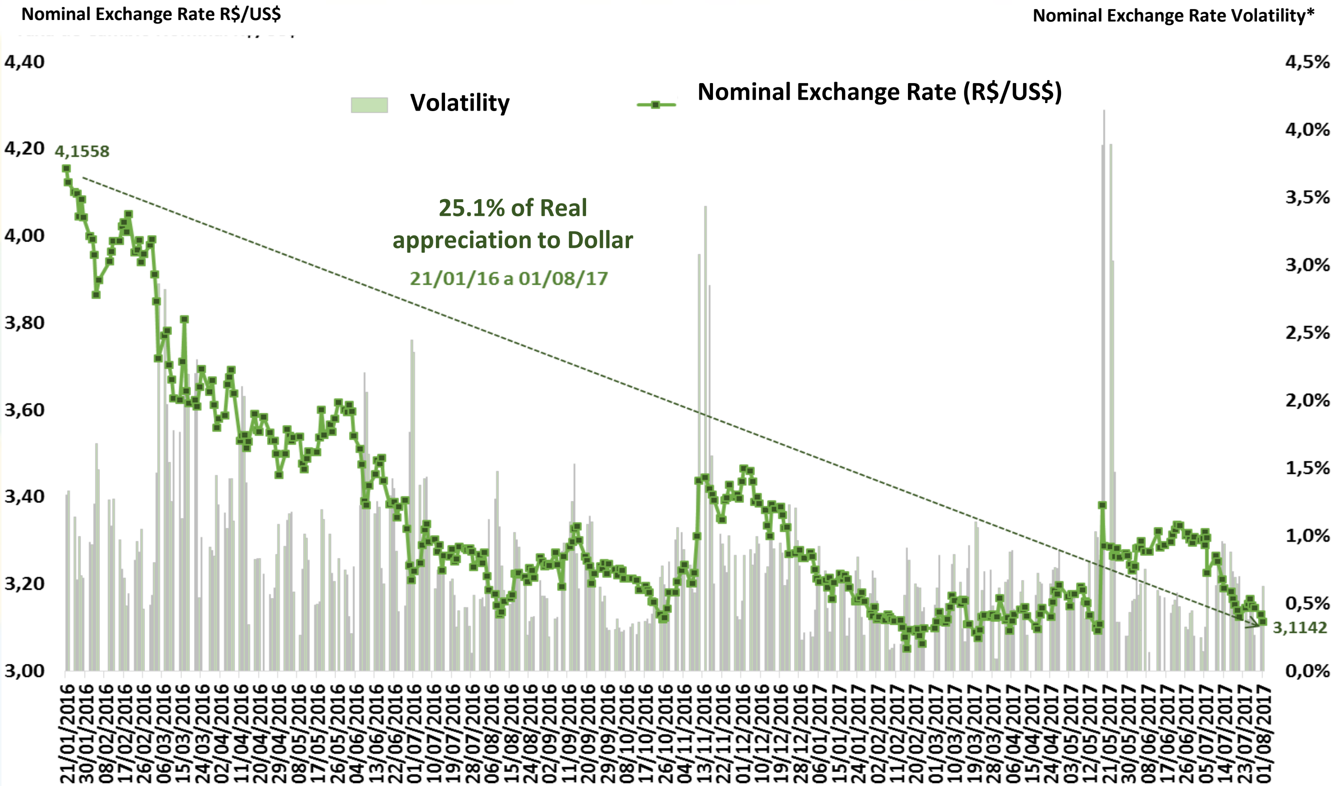
Source: Central Bank of Brazil.
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.
** Ex-post Real Interest Rate = Observed 12-months accumulated CDI/IPCA ratio.

Sovereign Risk (EMBI+ BR)



Source: JPMorgan. *30th June 2017 value.

Daily Nominal Exchange Rate R$/US$



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

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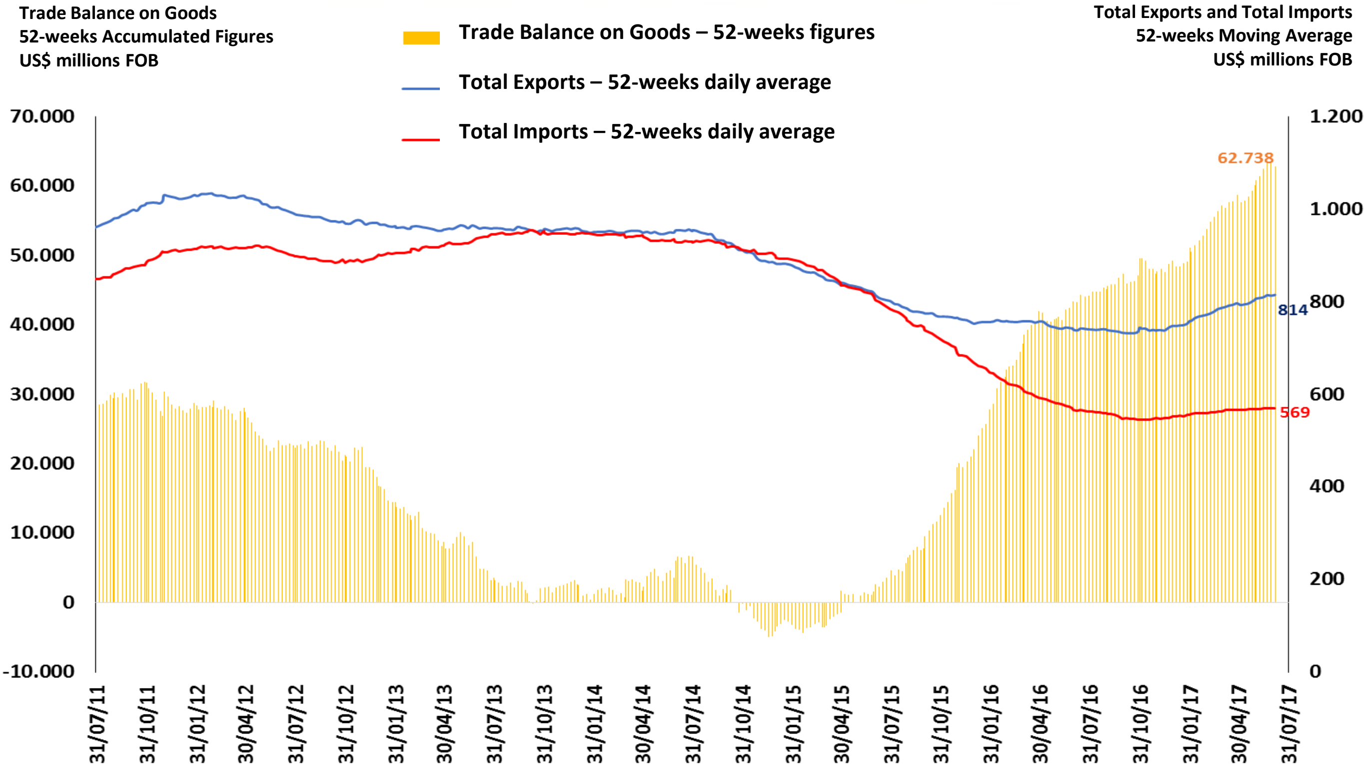
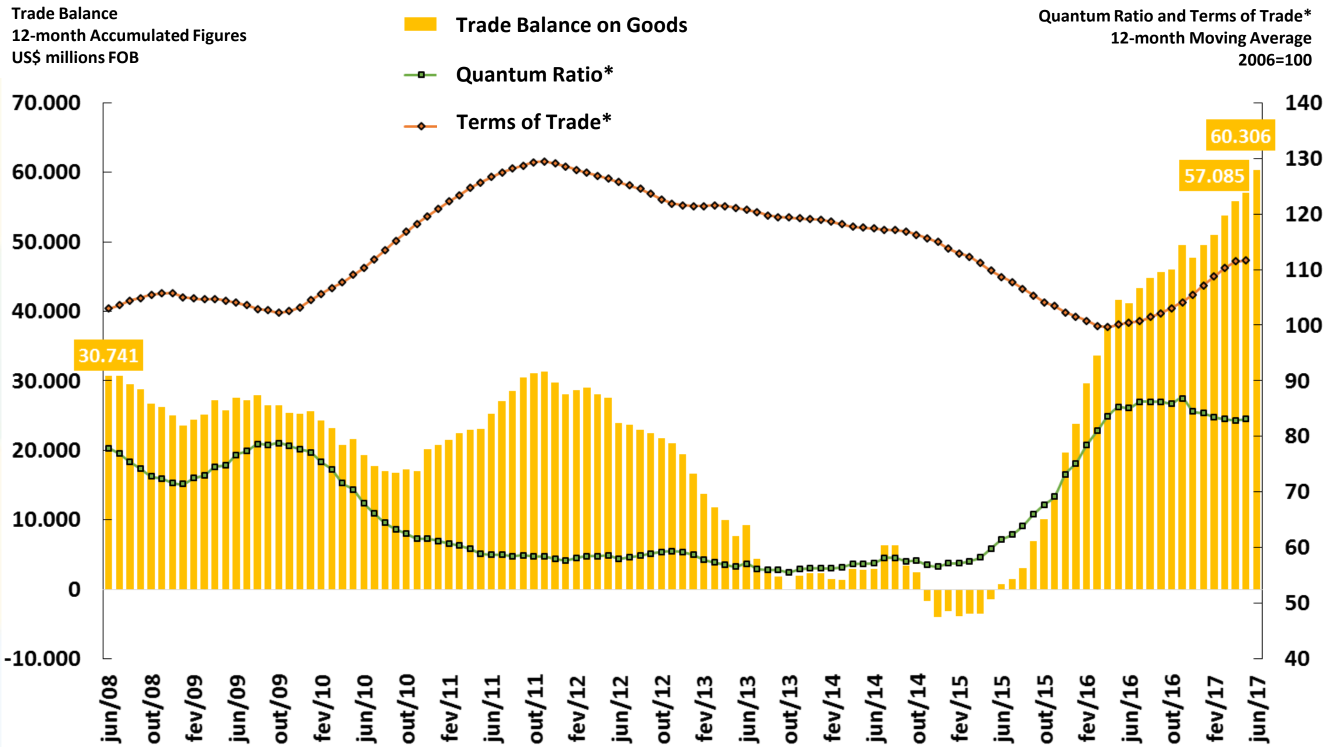
Trade Balance on Goods



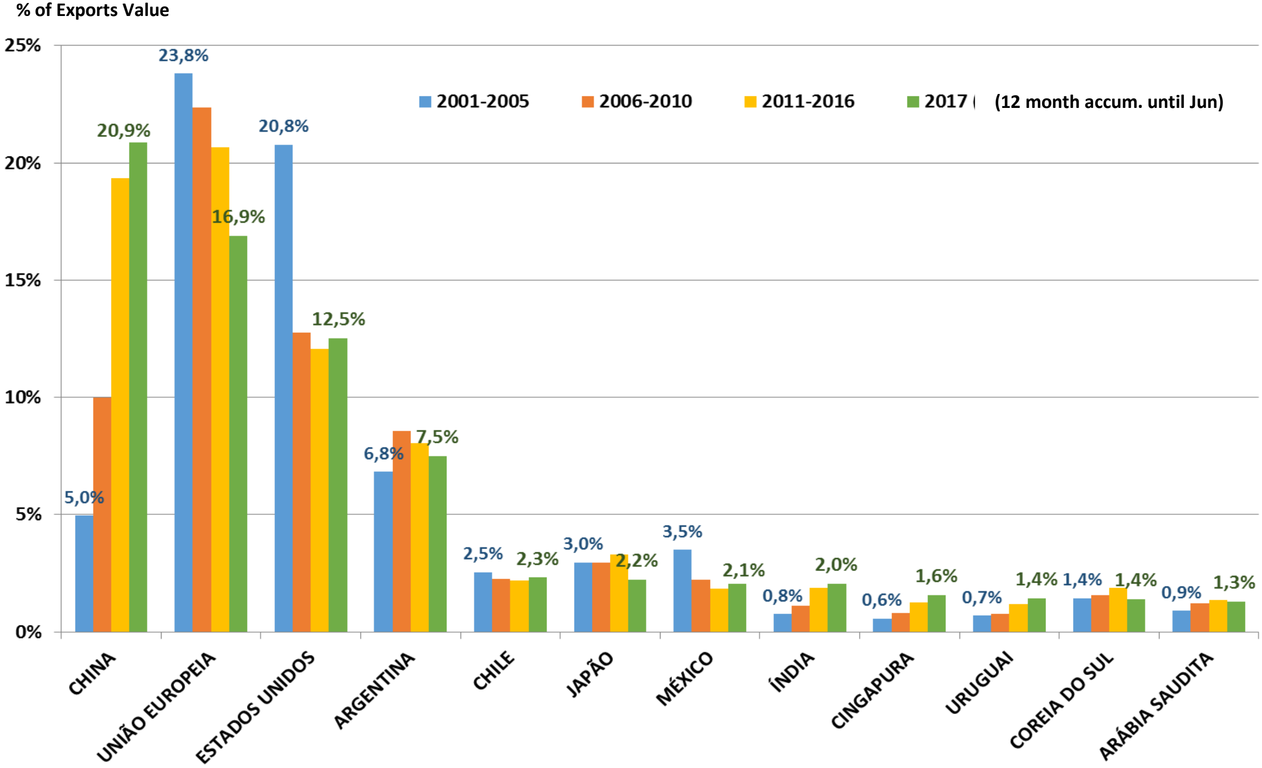
Source: SECEX/MDIC.

Trade Balance, Quantum and Terms of Trade Ratios



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



Source: MDIC/SECEX

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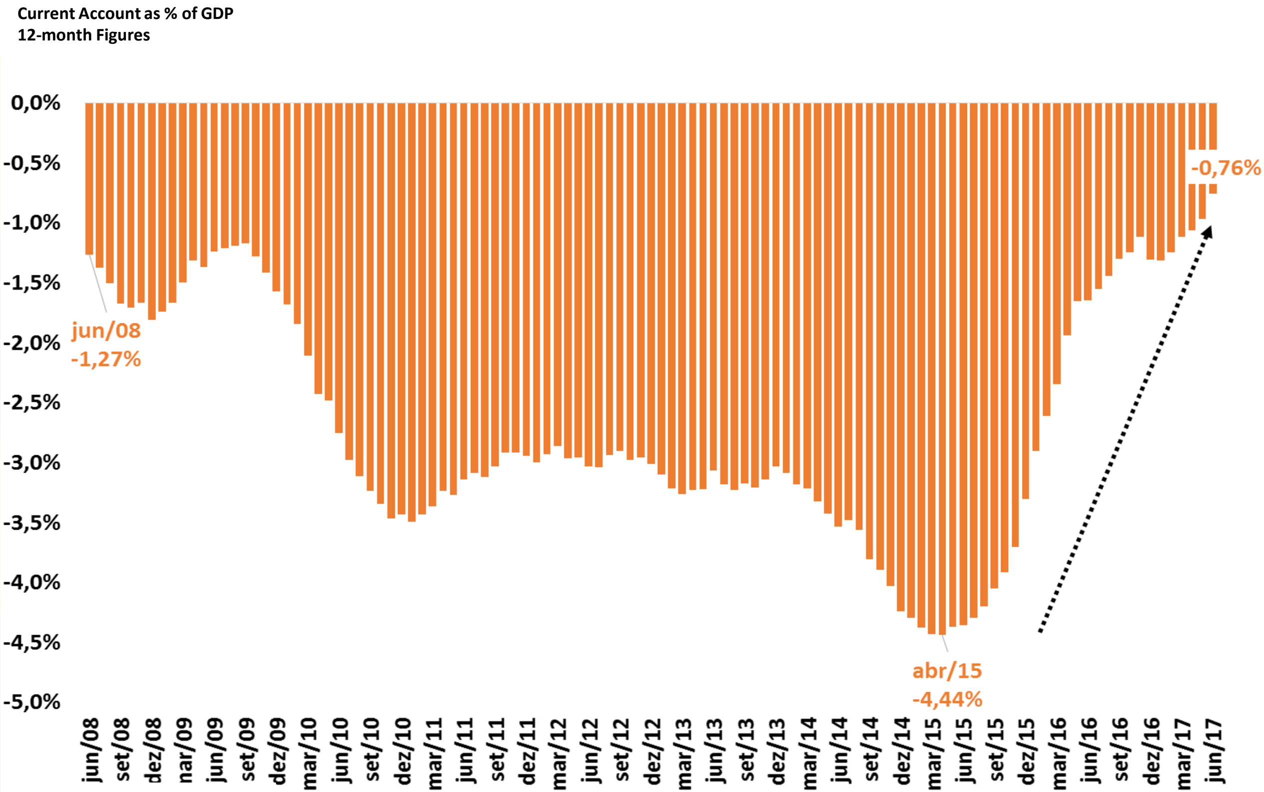
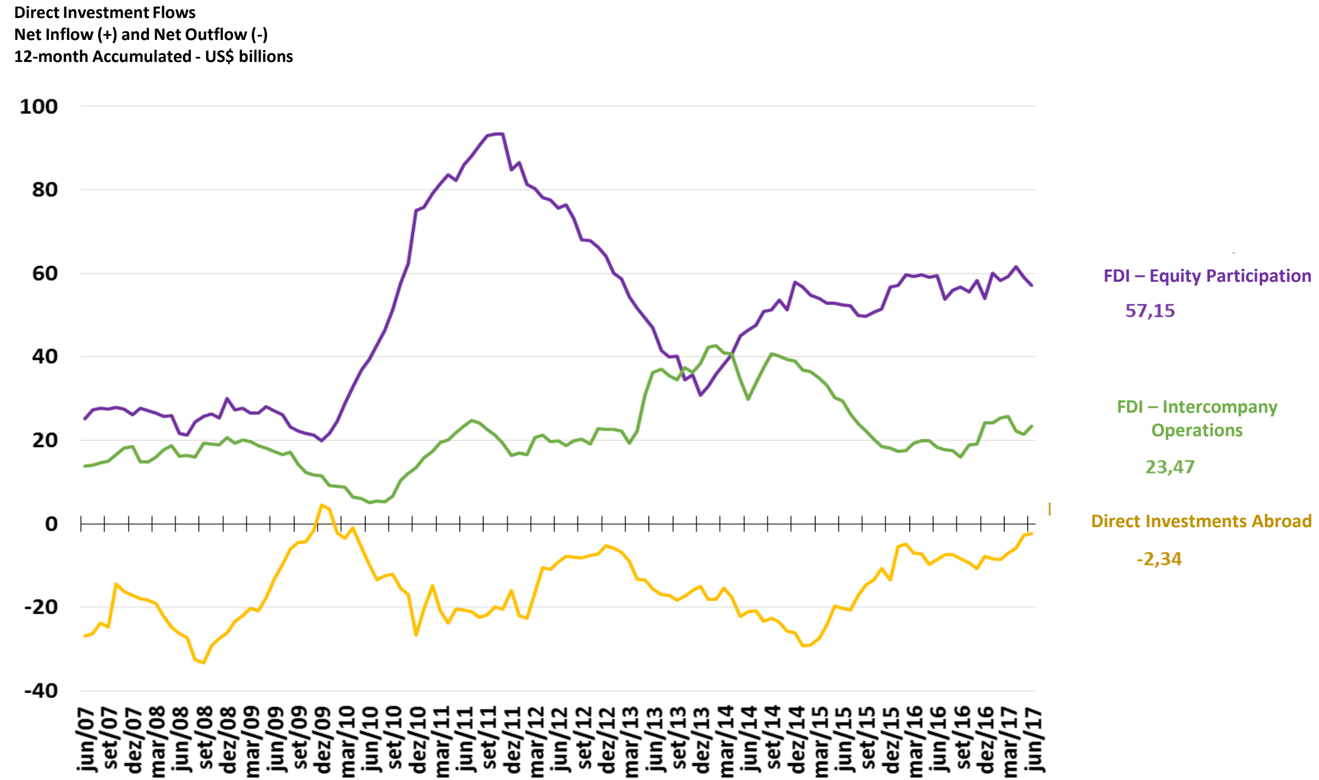
Current Account Deficit as % of GDP



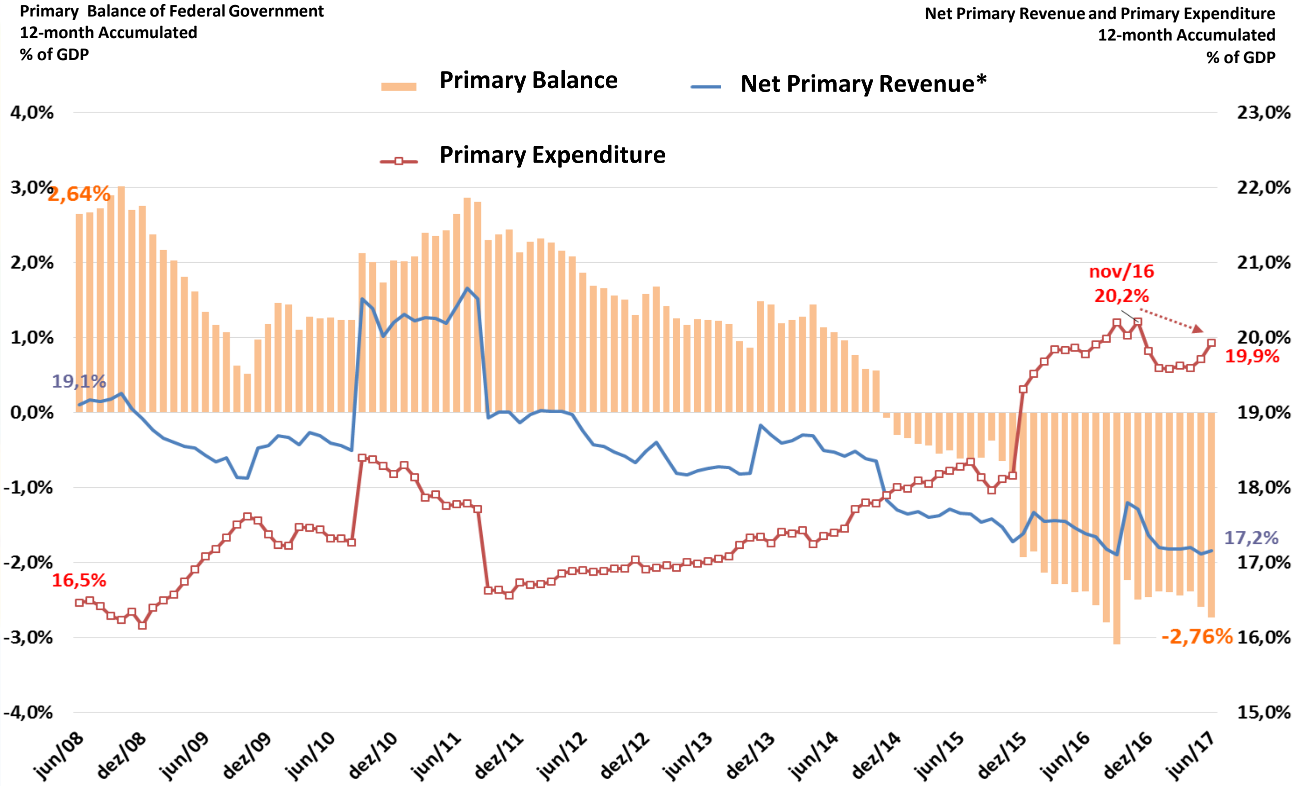
Source: Central Bank of Brazil.

Direct Investments and Components



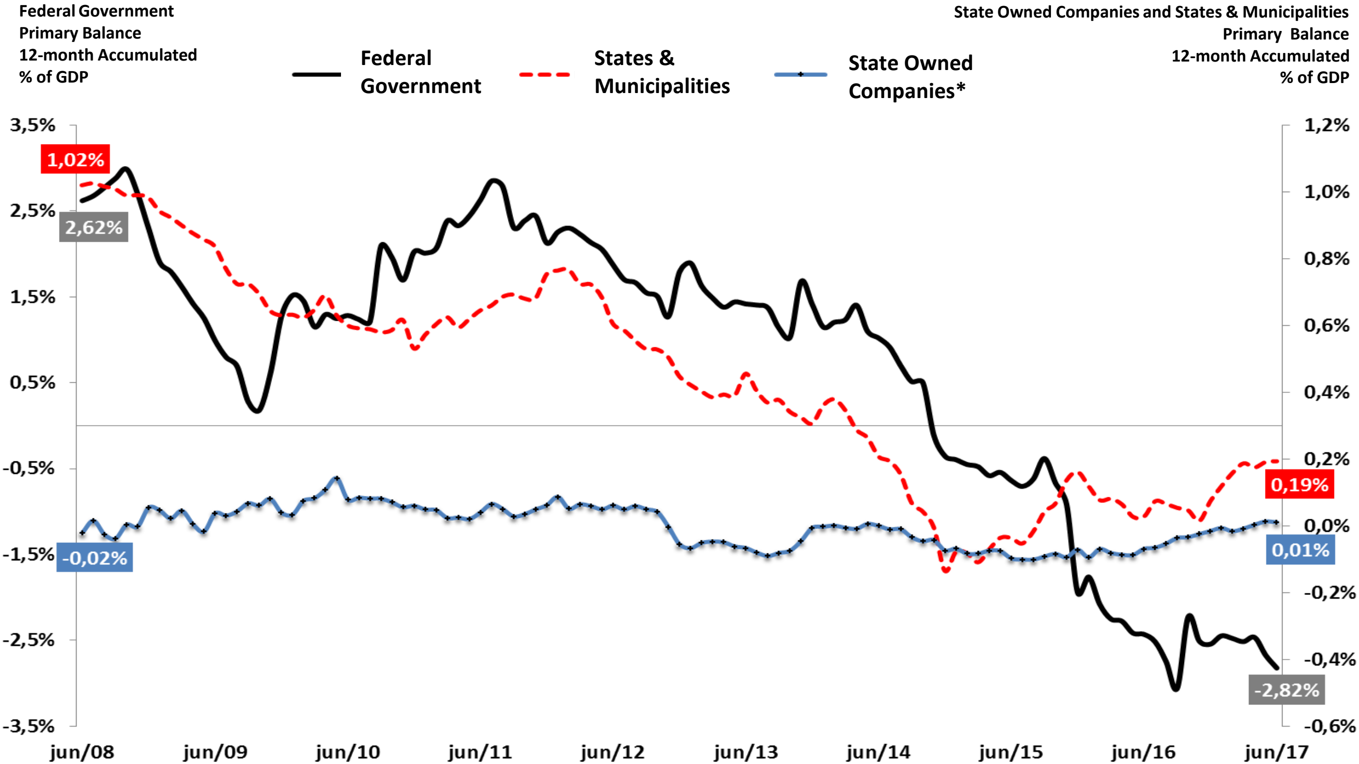
Source: Central Bank of Brazil.

Primary Balance of Federal Government (as % GDP)



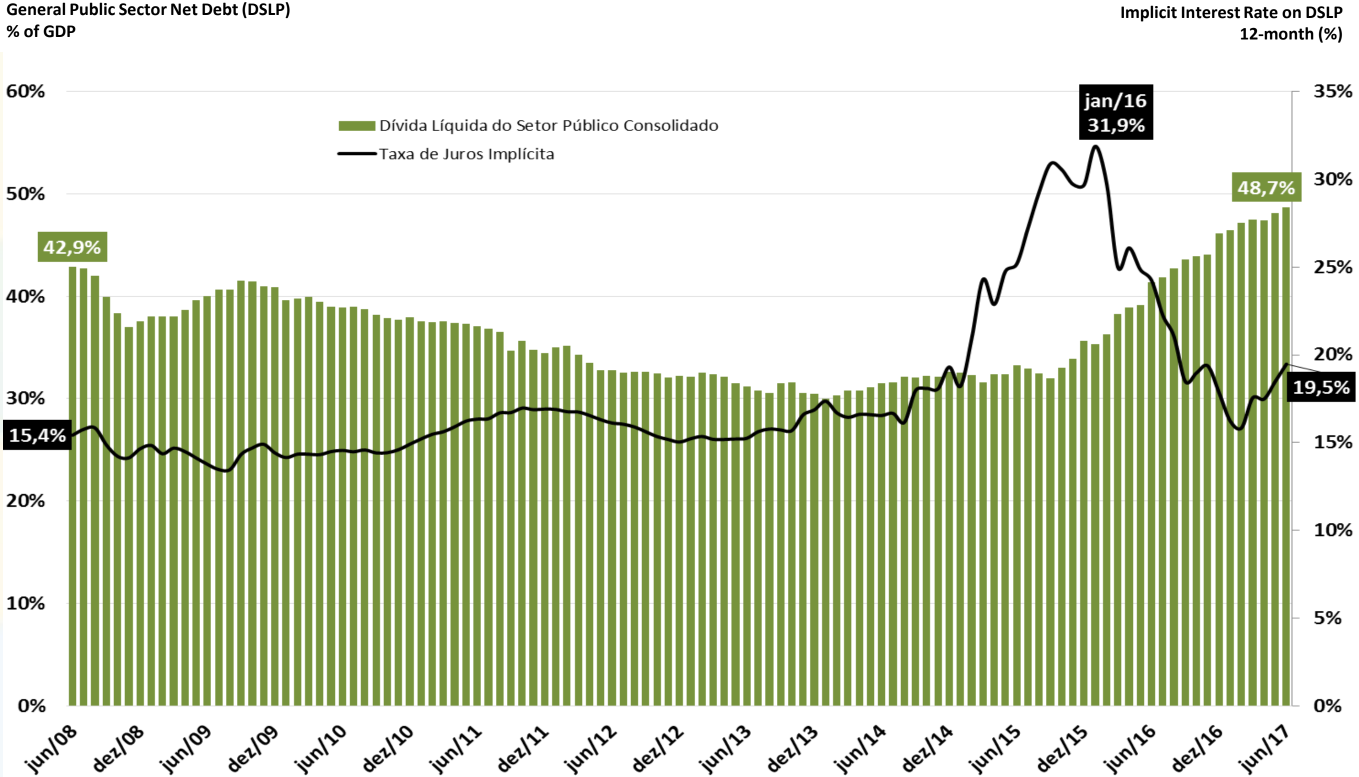
Sources: STN/MF.
*excludes compulsory tranfers to subnational entities

Public Sector Primary Balance (as % GDP)



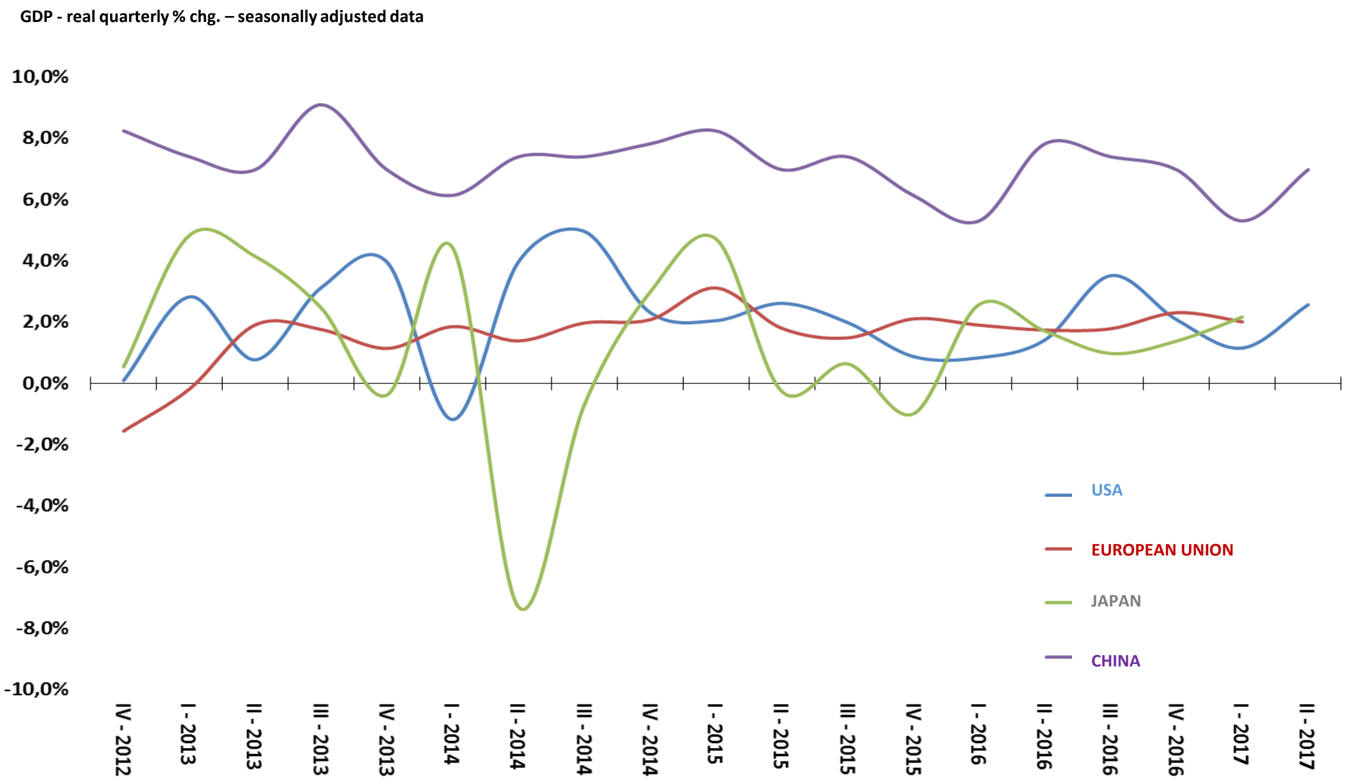
Sources: Central Bank of Brazil. *Exclude Petrobrás and Eletrobrás.

Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.

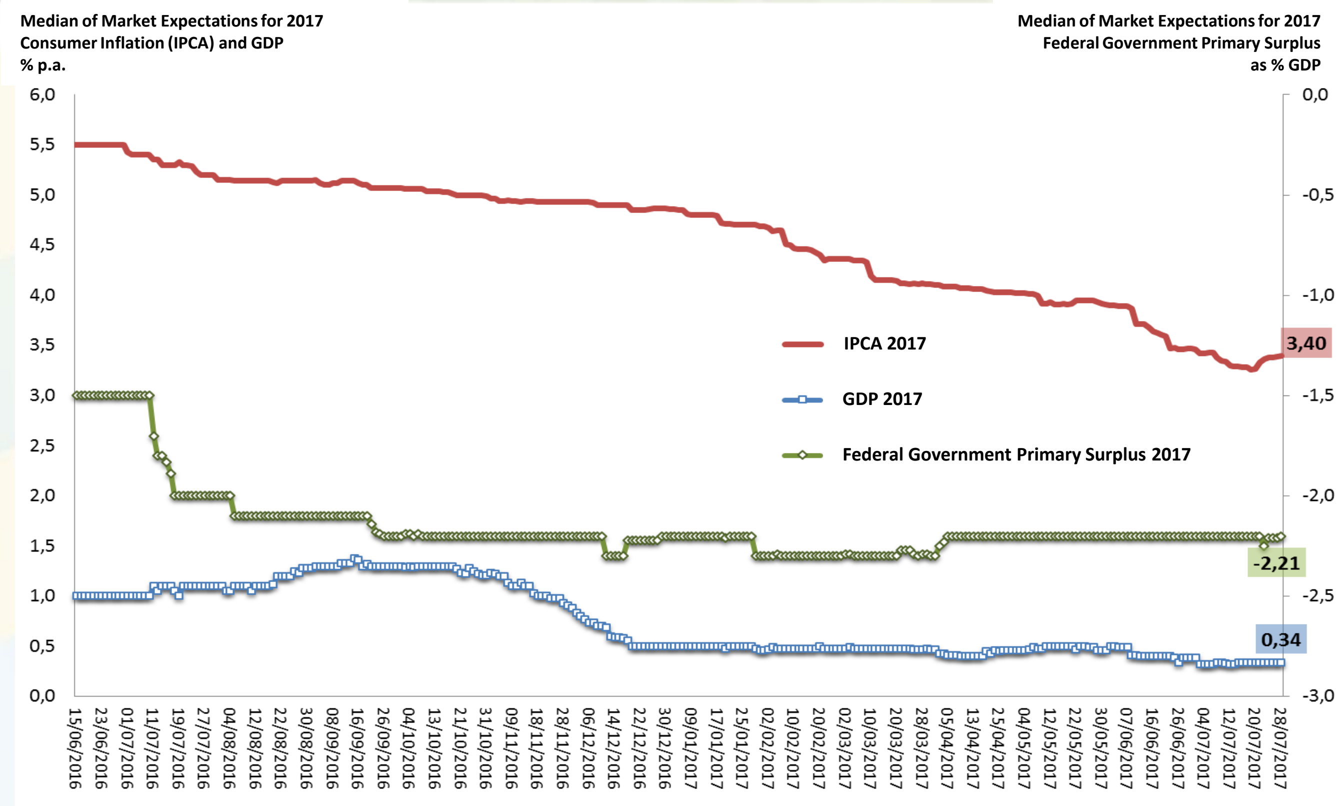
World Major Economies GDP



Source: OECD.

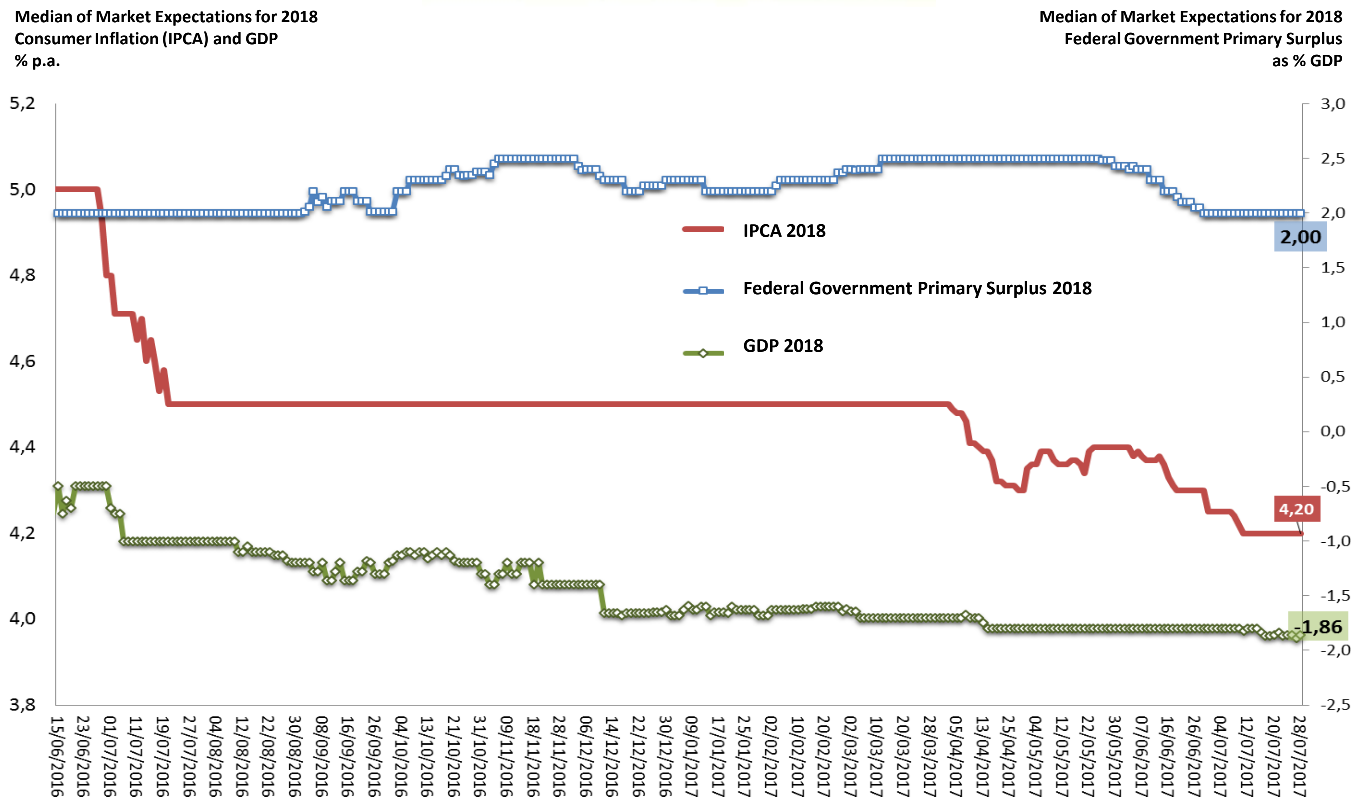
MARKET EXPECTATIONS

Market Expectations for 2017



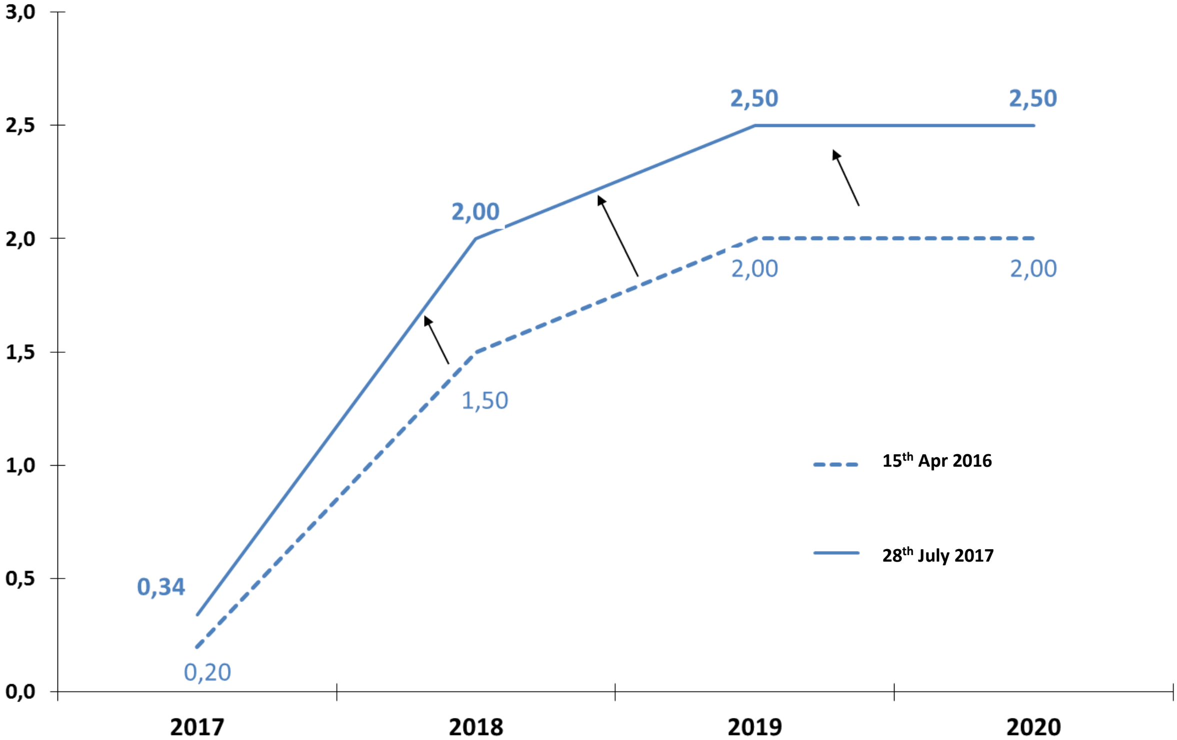
Source: Focus Survey, Central Bank of Brazil.

Market Expectations for 2018



Source: Focus Survey, Central Bank of Brazil.

GDP: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

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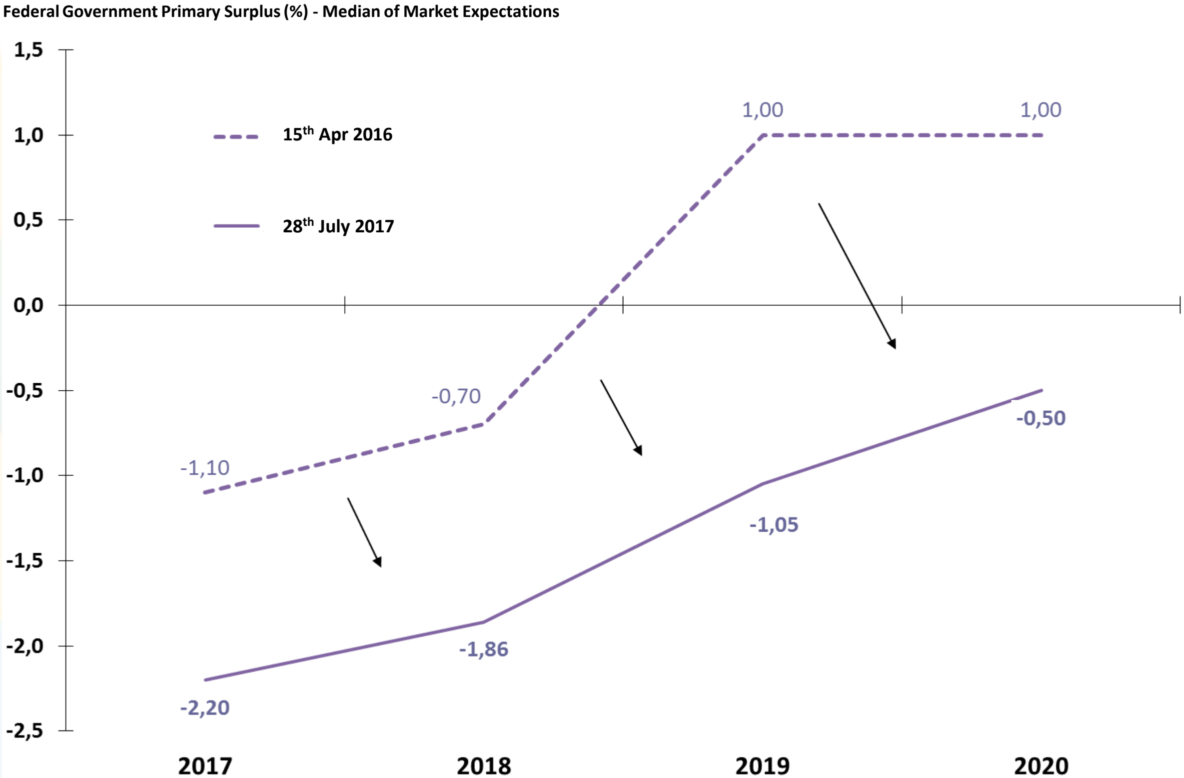
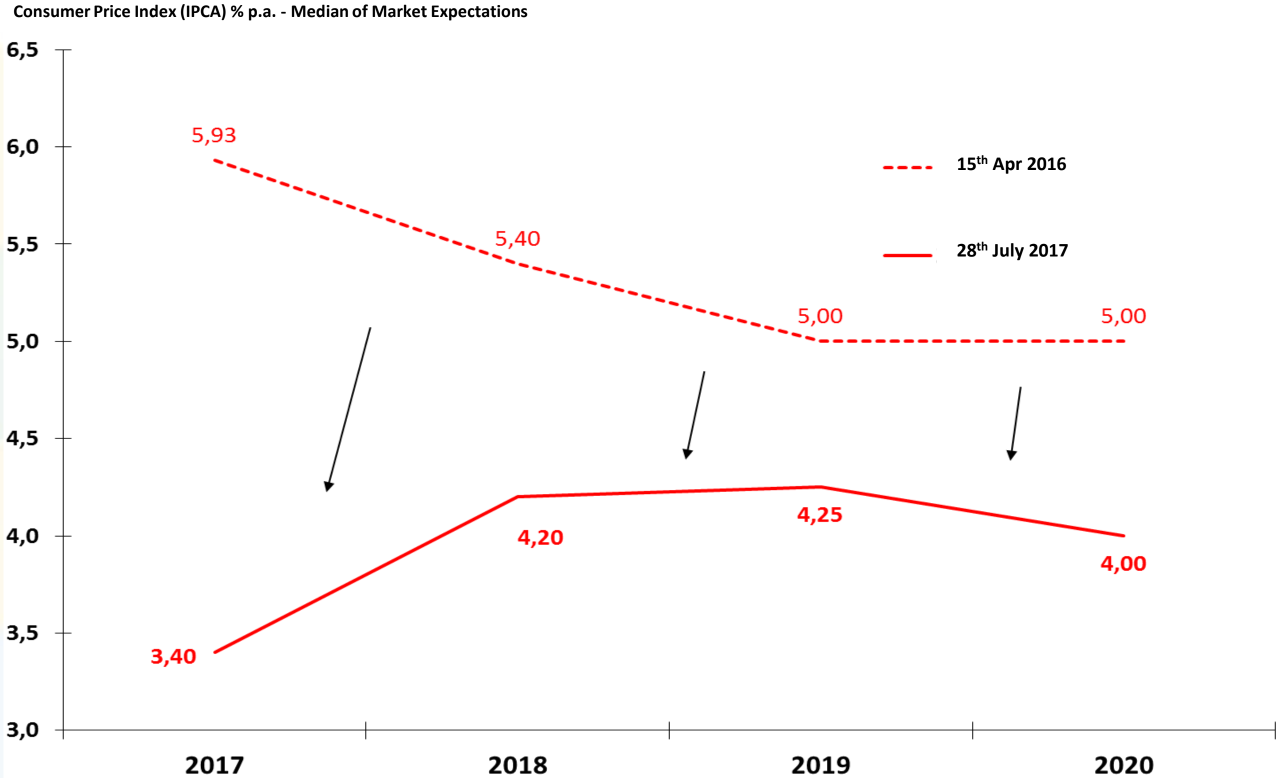
Primary Surplus: Median of Market Expectations



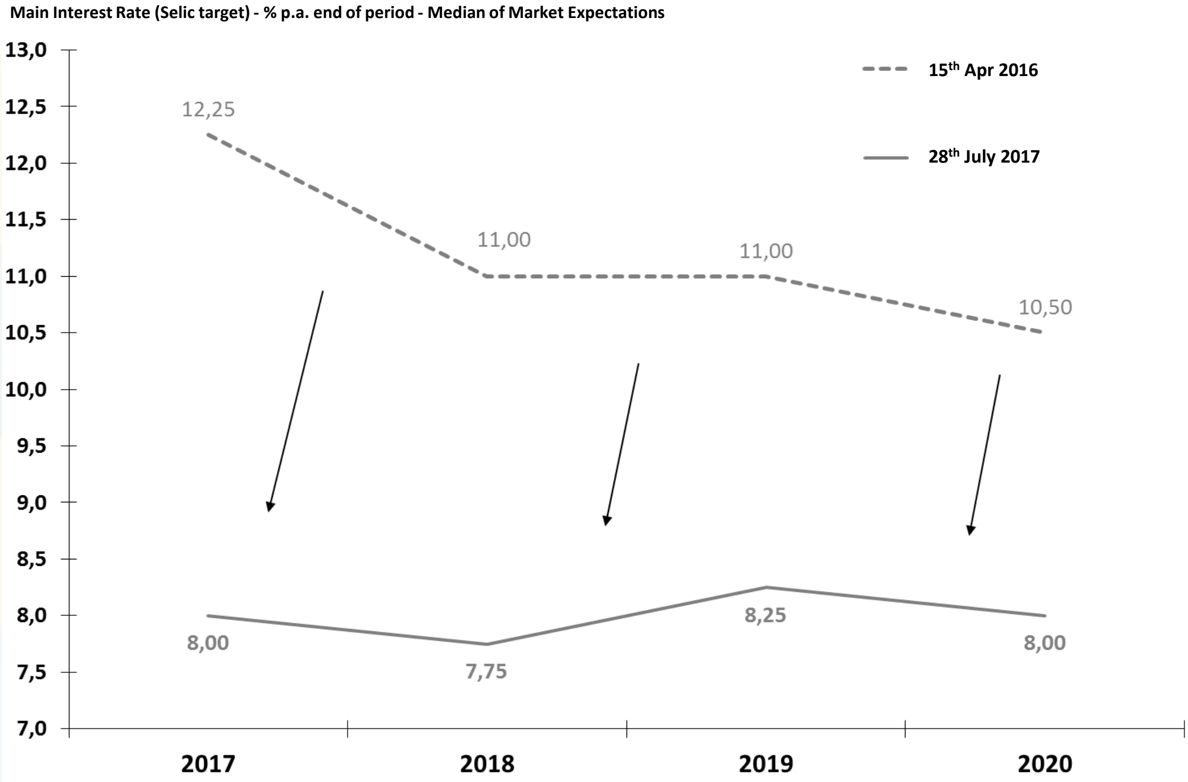
Source: Focus Survey, Central Bank of Brazil.

Consumer Price Index (IPCA): Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

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



Source: Focus Survey, Central Bank of Brazil.

Nominal Exchange Rate: Median of Market Expectations

Source: Focus Survey, Central Bank of Brazil.

ECONOMIC ACTIVITY

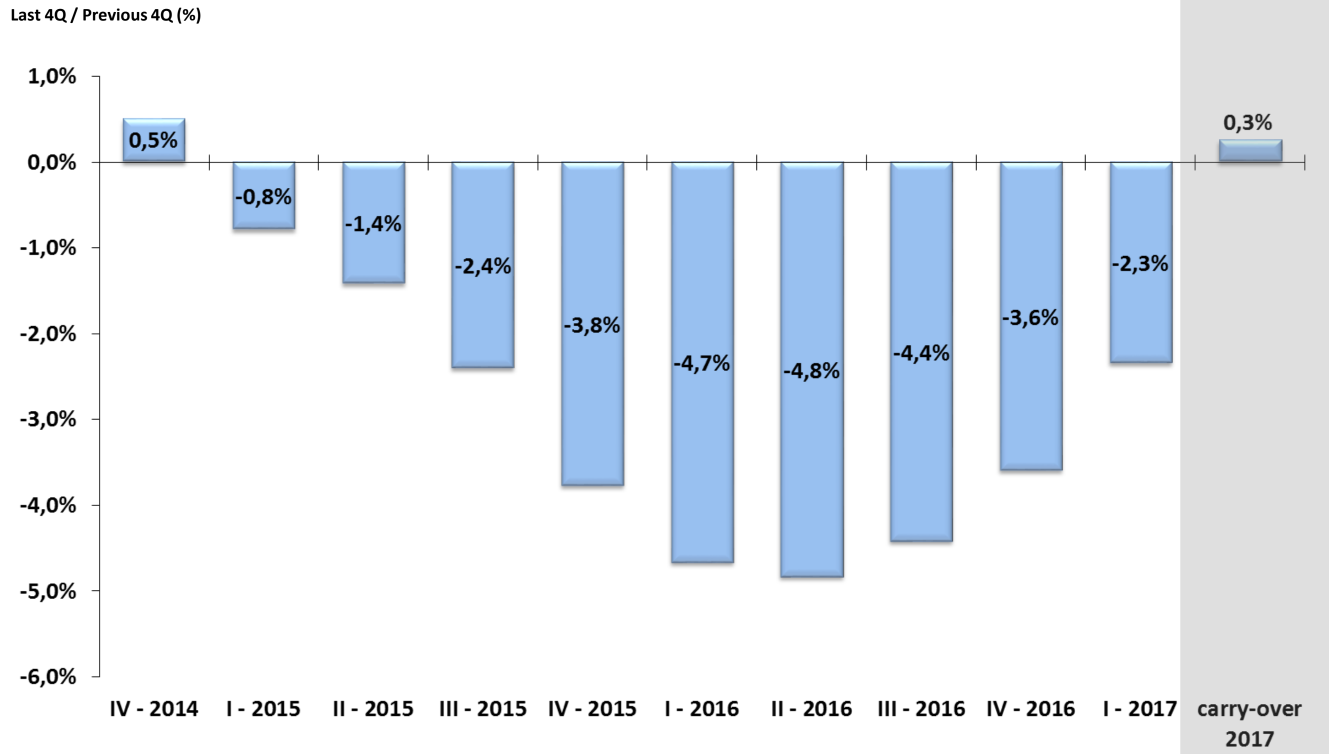
GDP and Quarterly Economic Activity

BCBFOCUS: 07/28/2017

Gross Domestic Product (IBGE) Q1 2017 %change	2016	Q4-2016 / Q4-2015	Q1-2017 / Q1-2016	Q4-2016 / Q3-2016 (seasonally adjusted)	Q1-2017 / Q4-2016 (seasonally adjusted)	Year-To-Date	Q4-2016 accum. in 4-quarters	Q1-2017 accum. in 4-quarters	carry-over 2017	2017	2018	2019
Agriculture	-6,6%	-5,0%	15,2%	-0,2%	13,4%	15,2%	-6,6%	0,3%	13,6%	9,00%	3,00%	3,40%
Industry	-3,8%	-2,5%	-1,1%	-0,9%	0,9%	-1,1%	-3,8%	-2,4%	-0,4%	0,37%	2,50%	2,50%
Services	-2,7%	-2,4%	-1,7%	-0,7%	0,0%	-1,7%	-2,7%	-2,3%	-0,9%	-0,38%	2,00%	2,30%
GDP (market prices)	**-3,6%**	**-2,5%**	**-0,4%**	**-0,5%**	**1,0%**	**-0,4%**	**-3,6%**	**-2,3%**	**0,3%**	**0,34%**	**2,00%**	**2,50%**
Household Expenditure	-4,2%	-2,9%	-1,9%	-0,5%	-0,1%	-1,9%	-4,2%	-3,3%	-0,9%			
Government Expenditure	-0,6%	-0,1%	-1,3%	0,0%	-0,6%	-1,3%	-0,6%	-0,7%	-0,9%			
Gross Fixed Capital Formation	-10,2%	-5,4%	-3,7%	-1,6%	-1,6%	-3,7%	-10,2%	-6,7%	-3,9%			
Exports of Goods and Services	1,9%	-7,6%	1,9%	-1,0%	4,8%	1,9%	1,9%	-0,4%	2,5%			
Imports of Goods and Services (-)	-10,3%	-1,1%	9,8%	3,5%	1,8%	9,8%	-10,3%	-2,7%	4,4%			

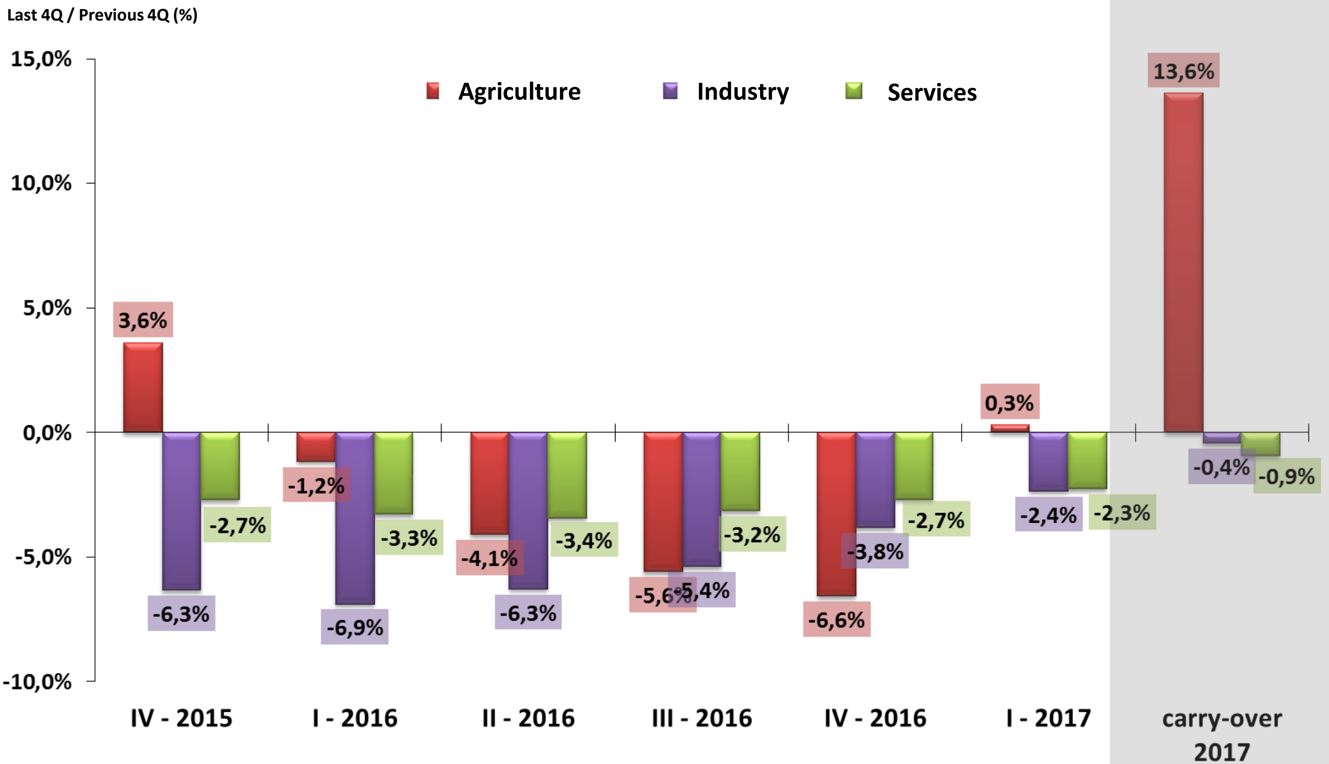
Economic Activity Indicators (BCB and IBGE) Q1 2017 %change	2016	Q4-2016 / Q4-2015	Q1-2017 / Q1-2016	Q4-2016 / Q3-2016 (seasonally adjusted)	Q1-2017 / Q4-2016 (seasonally adjusted)	Year-To-Date	Q4-2016 accum. in 4-quarters	Q1-2017 accum. in 4-quarters	carry-over 2017			
IBC-Br Economic Activity Index*	**-4,2%**	**-3,0%**	**0,3%**	**-0,2%**	**1,1%**	**0,3%**	**-4,2%**	**-2,6%**	**0,7%**			
LSPA: Grain Harvest	-12,4%	-12,4%	-6,7%	-1,2%	6,8%	-6,7%	-12,4%	-6,7%	1,0%			
PIM: Industrial Production	-4,9%	4,1%	13,1%	-1,3%	-0,1%	13,1%	-4,9%	0,8%	-1,0%			
PMC: Amplified Retail Sales	-10,9%	-15,8%	-1,0%	-0,6%	0,1%	-1,0%	-10,9%	-9,0%	-2,0%			
PMS: Volume of Services	-5,2%	-6,8%	0,7%	-1,3%	-0,9%	0,7%	-5,2%	-3,9%	-2,4%			

Quarterly GDP



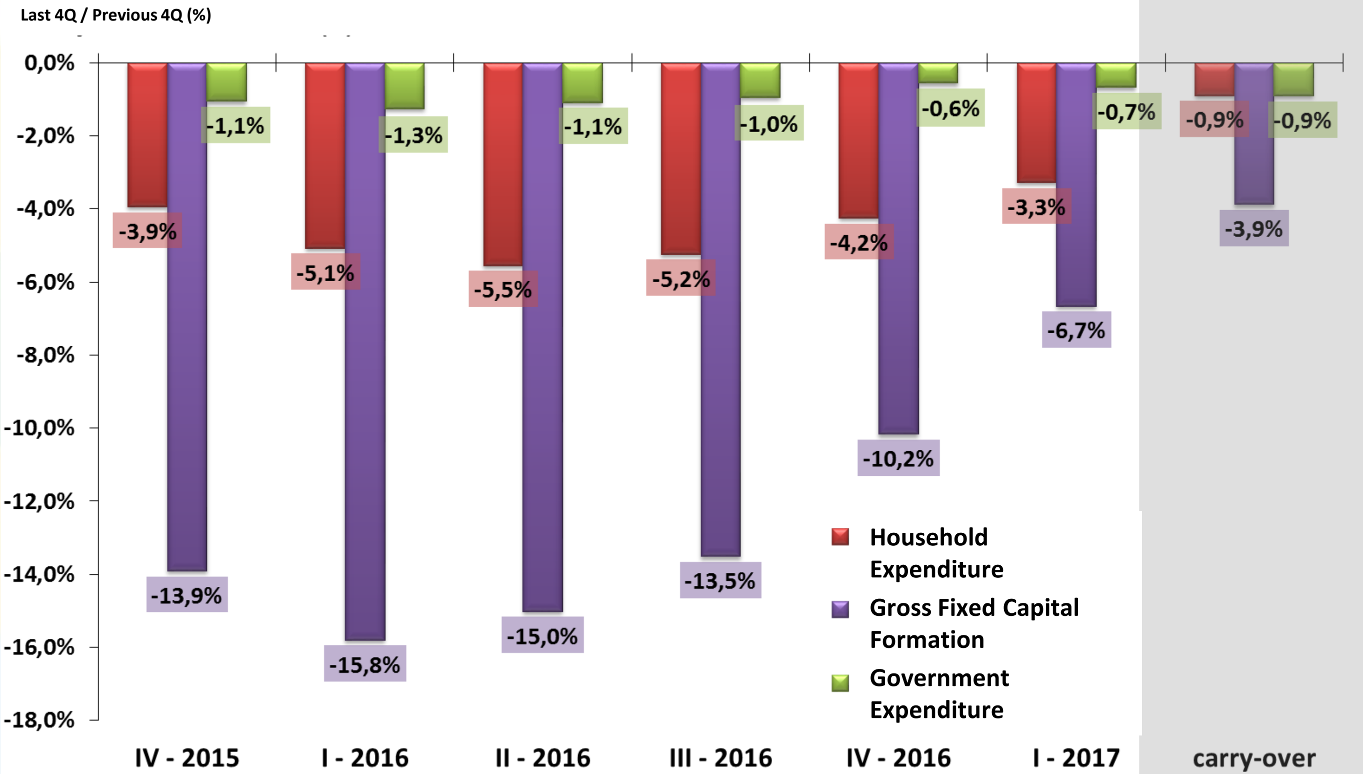
Source: IBGE/MP, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2017 1st quarter seasonally adjusted level compared to 2016 average.

Quarterly GDP by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2017 1st 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 1st quarter seasonally adjusted level compared to 2016 average.

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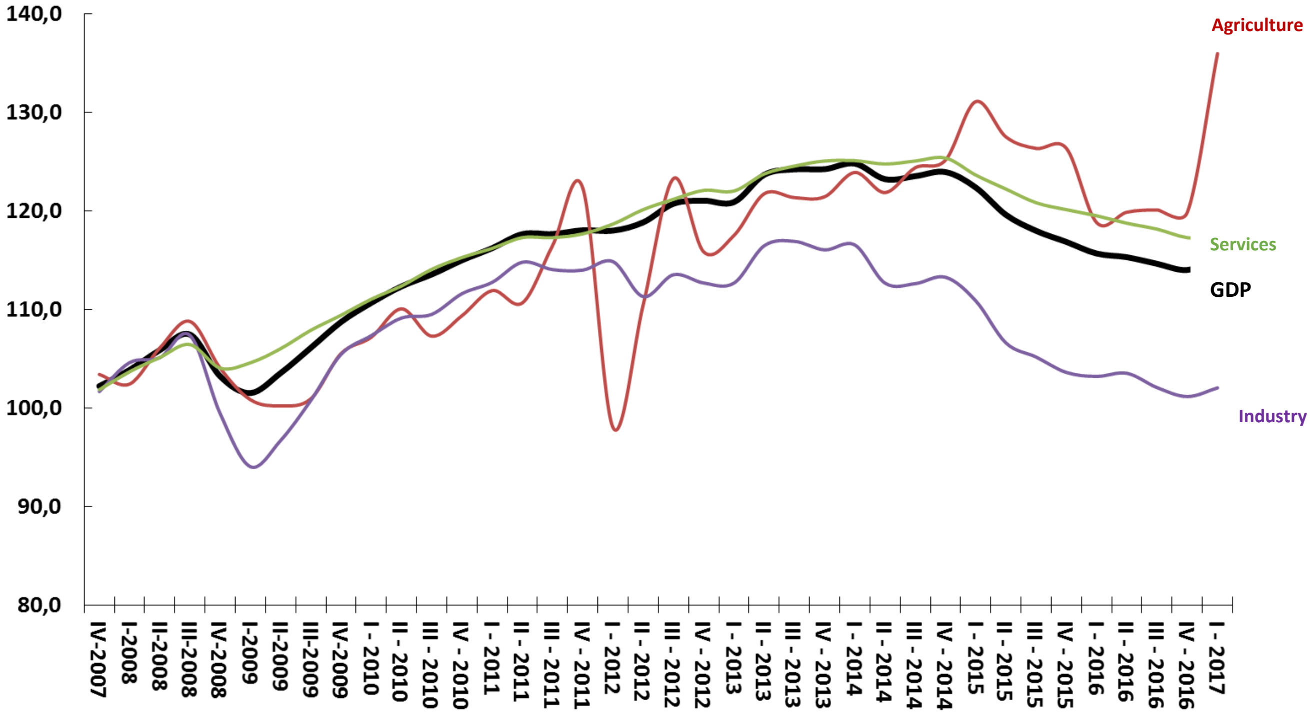
Quarterly GDP by Activity Sector

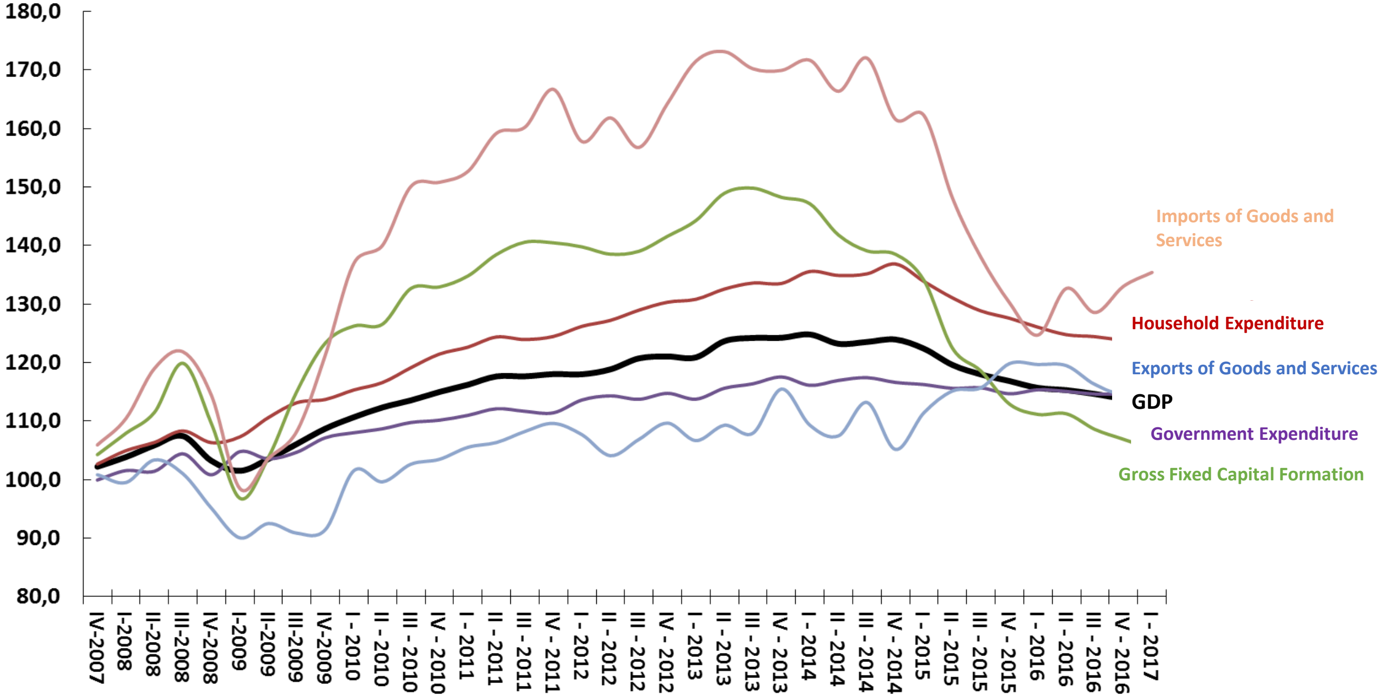
GDP and Economic Sectors Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



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.

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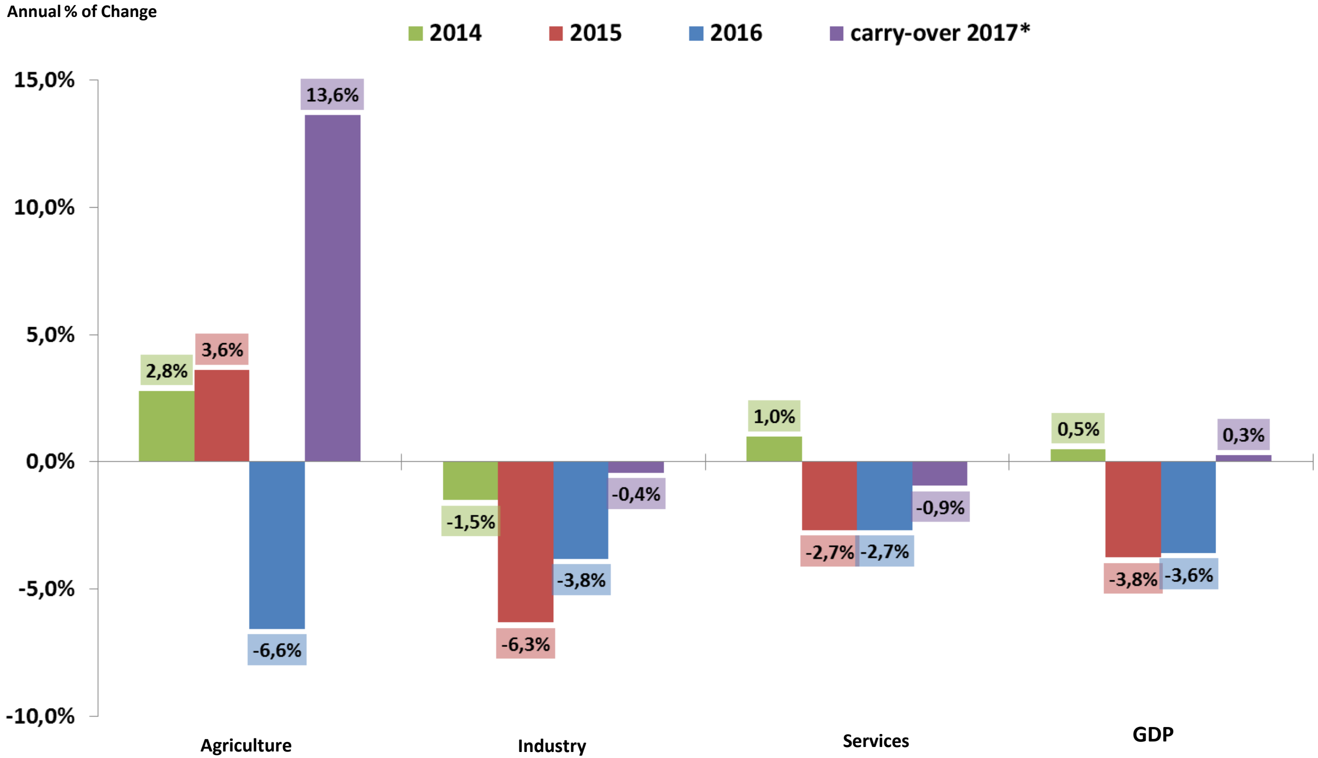
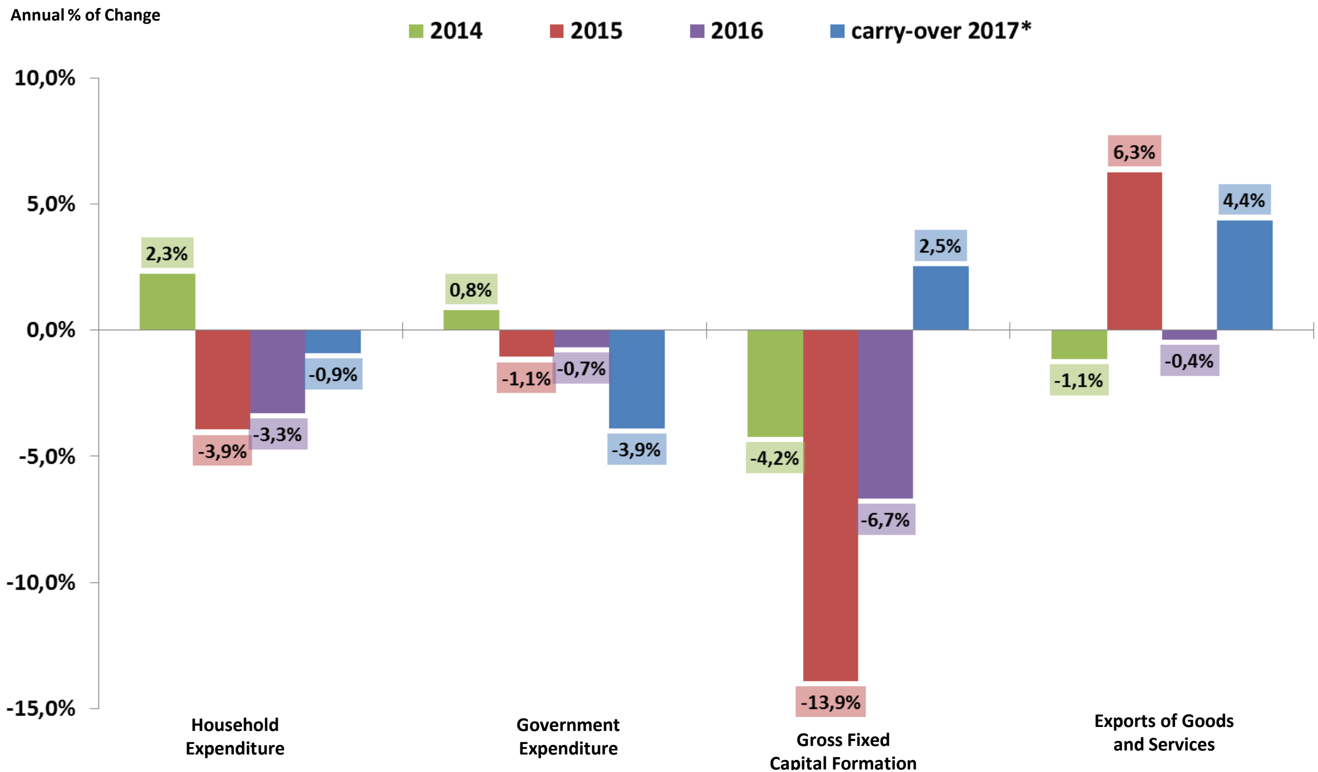
Annual GDP Real Growth by Activity Sector



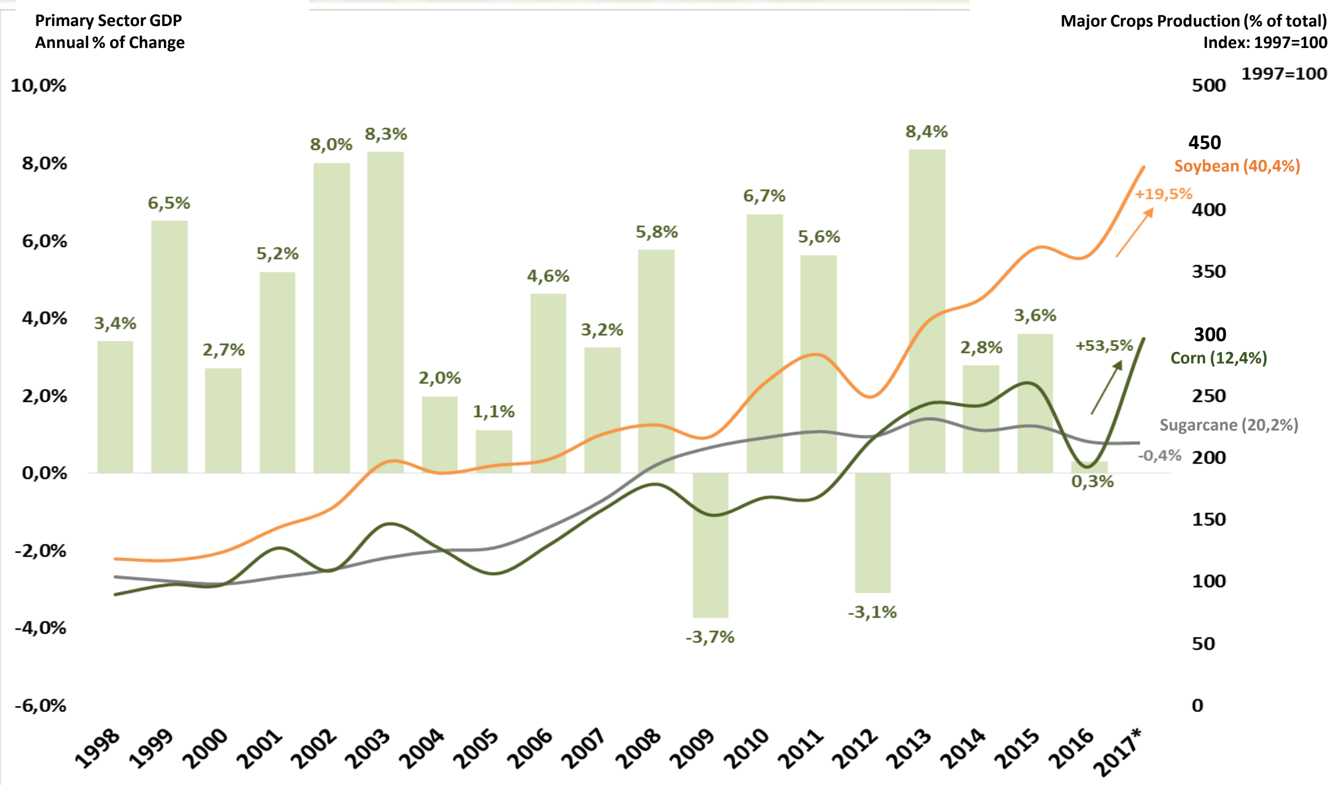
Source: IBGE/MP, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2017 1st quarter seasonally adjusted level compared to 2016 average.

Annual GDP Real Growth by Expenditure



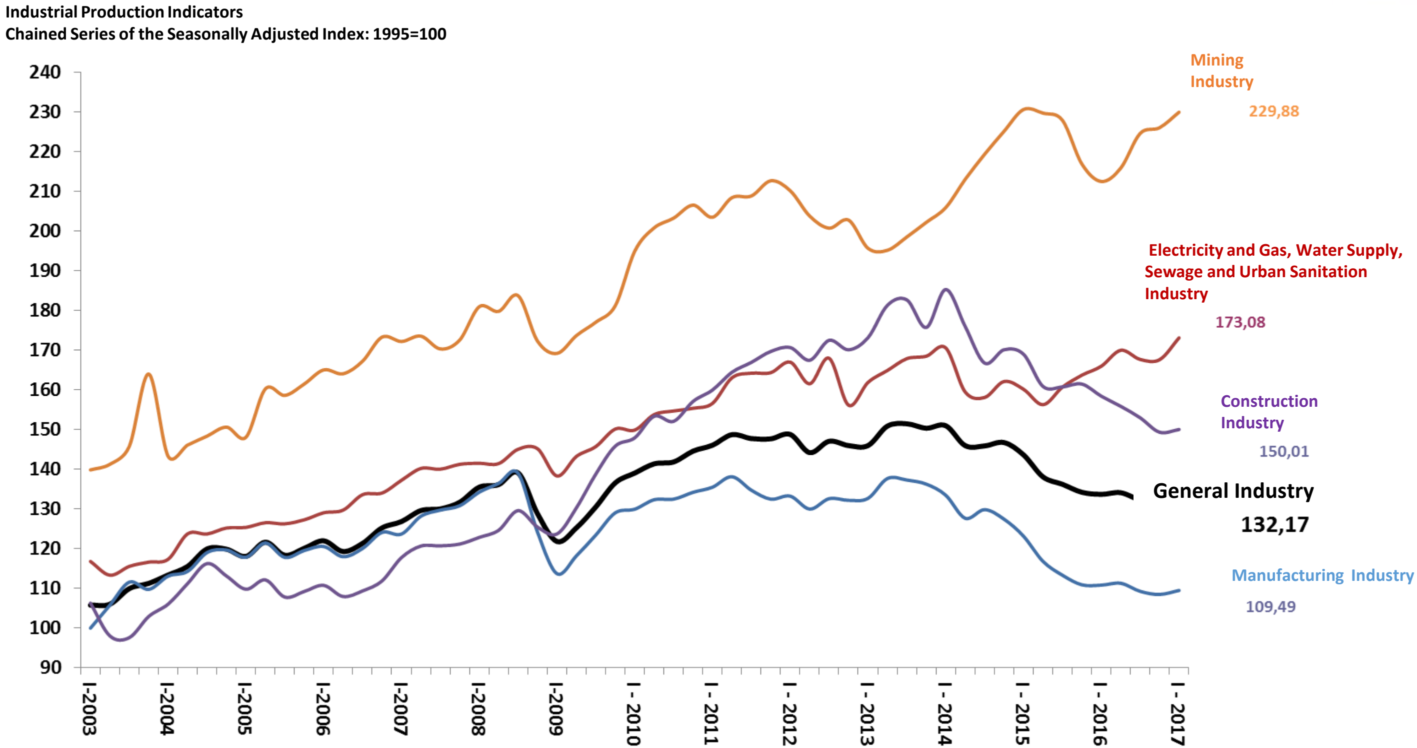
Source: IBGE/MP, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2017 1st quarter seasonally adjusted level compared to 2016 average.

Primary Sector Performance by Major Crops



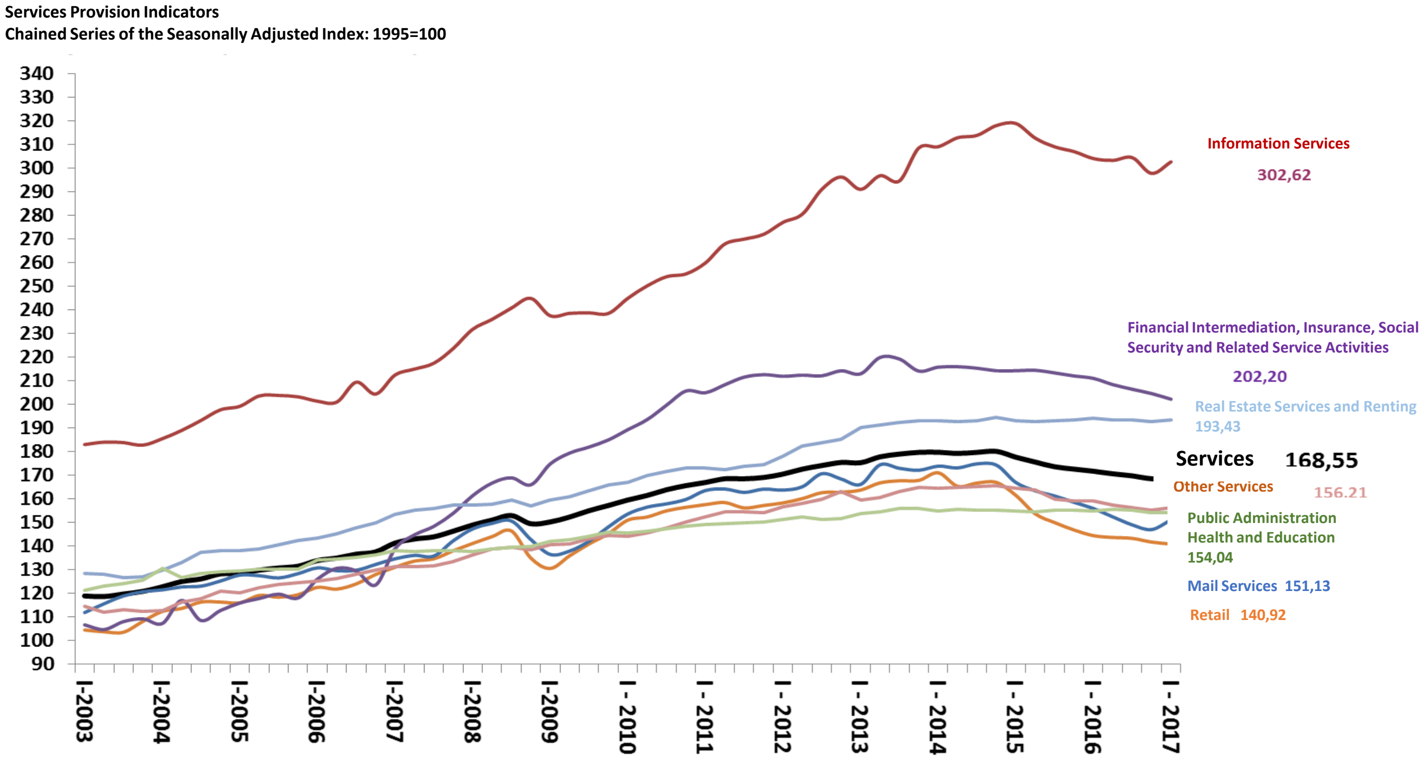
Source: IBGE/MP, Systematic Survey of Agricultural Production (LSPA) – June 2017.

Industry Performance by Subsectors



Source: IBGE/MP, Quarterly National Accounts Series.

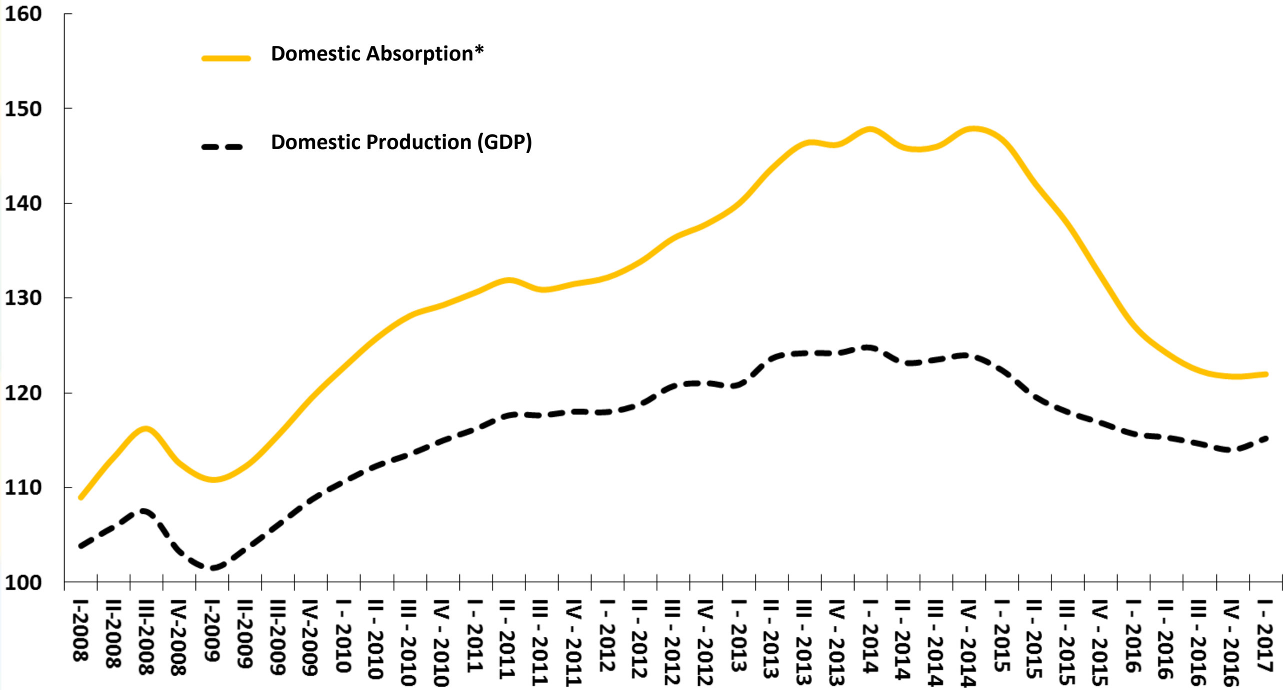
Services Performance by Subsectors



Source: IBGE/MP, Quarterly National Accounts Series.

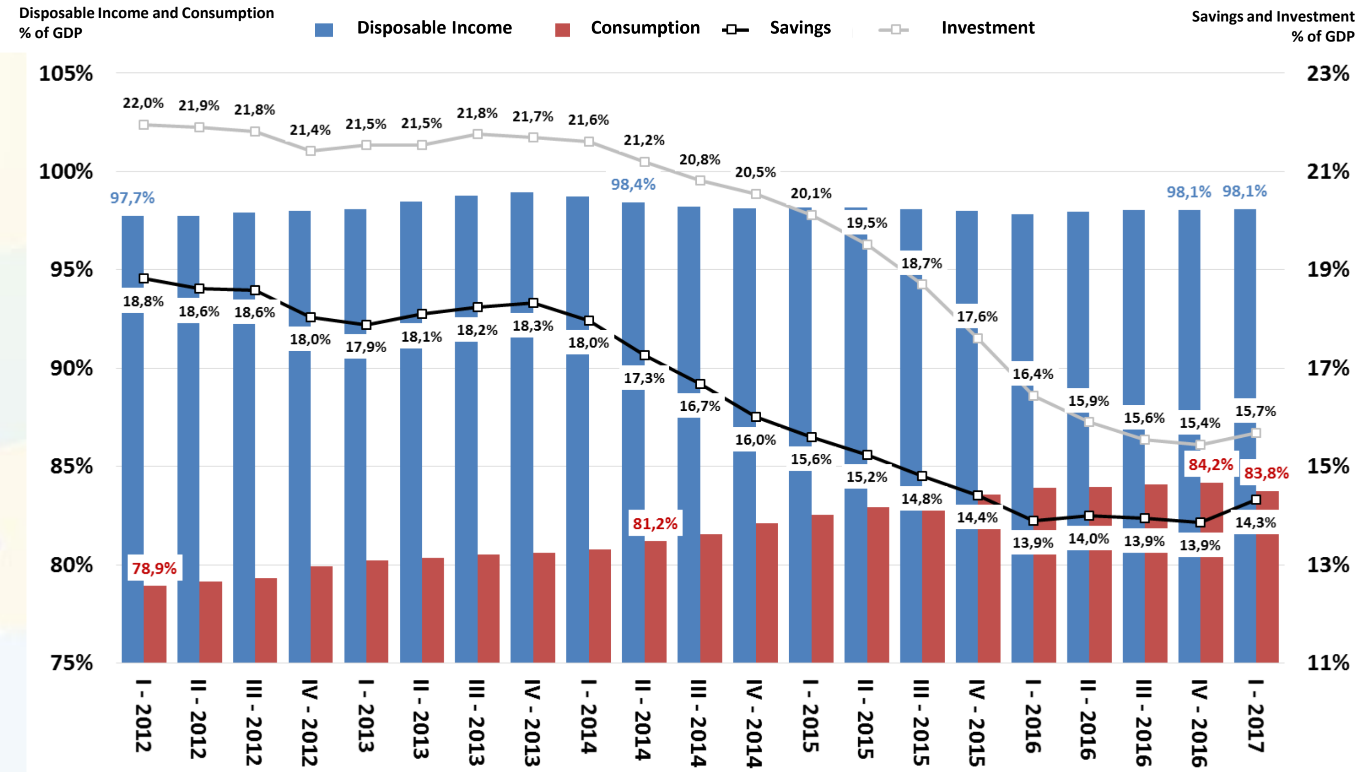
Domestic Production and Absorption

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.

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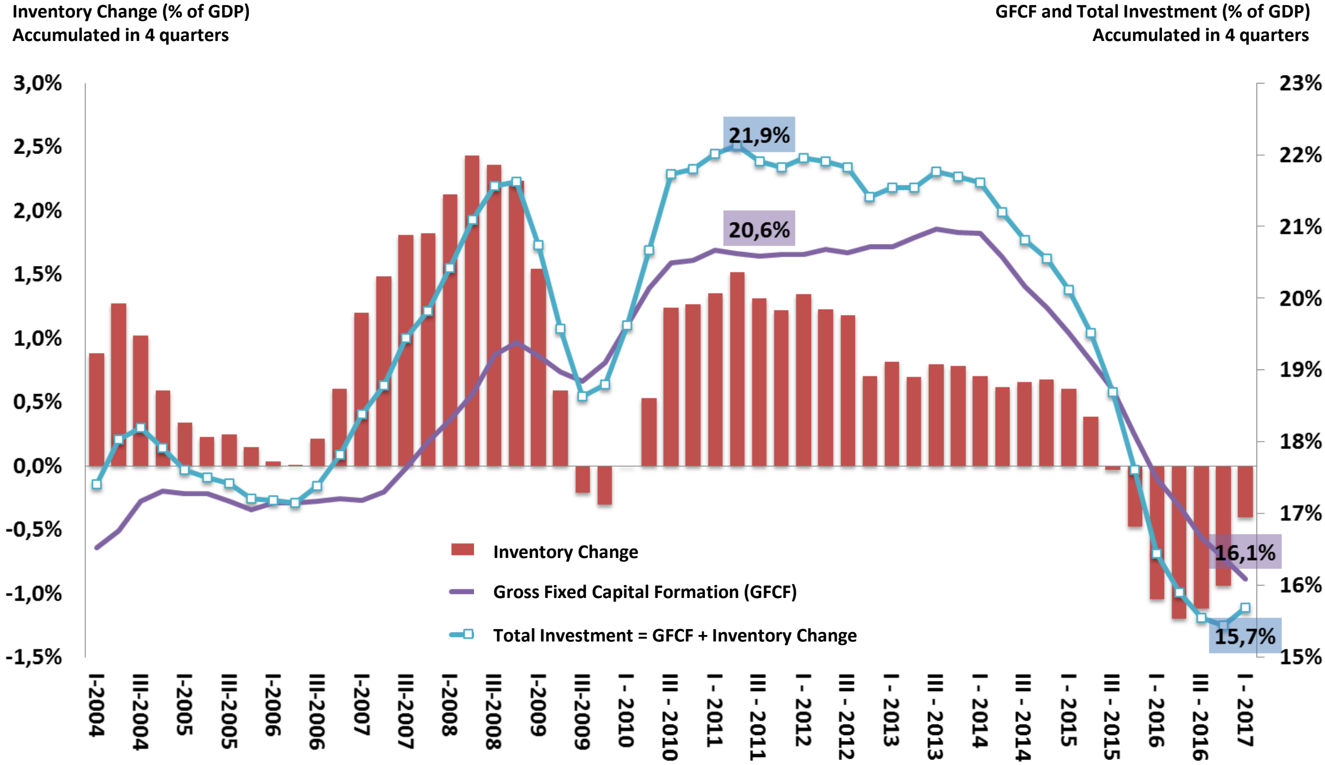
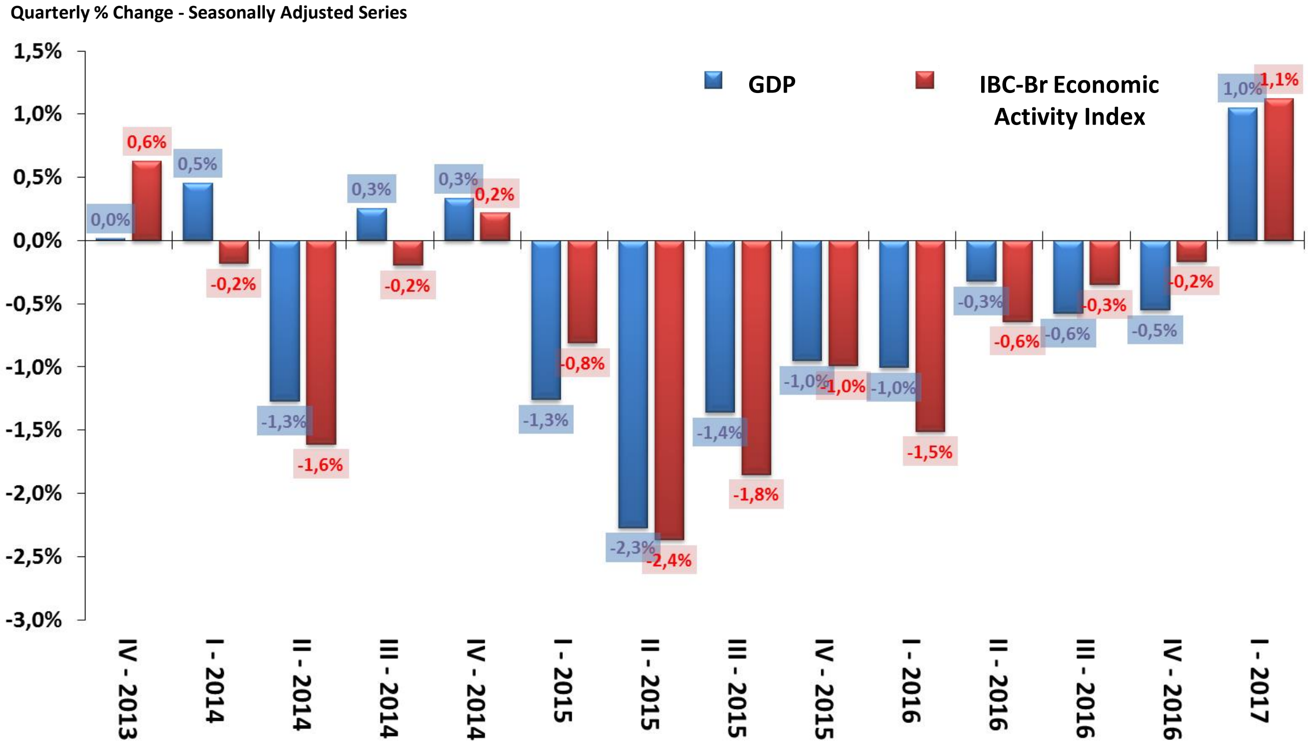
Inventory Change and Gross Fixed Capital Formation



Source: IBGE/MP, Quarterly National Accounts Series.

Quarterly GDP Growth and IBC-Br Economic Activity Index



Sources: IBGE/MP and Central Bank of Brazil.

Monthly Economic Activity

IBC-Br Economic Activity Index — May 2017 — % change	2015	2016	Apr/17 - Apr/16	May/17 - May/16	Apr/17 - Mar/17 (seasonally adjusted)	May/17 - Apr/17 (seasonally adjusted)	Year-To-Date	Apr/17 accum. in 12-months	May/17 accum. in 12-months	carry-over 2017
IBC-Br Economic Activity Index	**-4,2%**	**-4,6%**	**-1,7%**	**1,4%**	**0,1%**	**-0,5%**	**0,0%**	**-2,8%**	**-2,2%**	**0,3%**

Systematic Survey of Agricultural Production (IBGE) — June 2017 — % change	2015	2016	May/17 - May/16	jun/17 -Jun/16	May/17 - Apr/17 (seasonally adjusted)	Jun/17 - May/17 (seasonally adjusted)	Year-To-Date	May/17 accum. in 12-months	Jun/17 accum. in 12-months	carry-over 2017
Grain Harvest	**7,6%**	**-11,8%**	**21,8%**	**25,3%**	**2,4%**	**0,7%**	**30,1%**	**21,8%**	**25,3%**	**21,1%**

Industry Production (IBGE) — June 2017 — % change	2015	2016	May/17 - May/16	jun/17 -Jun/16	May/17 - Apr/17 (seasonally adjusted)	Jun/17 - May/17 (seasonally adjusted)	Year-To-Date	May/17 accum. in 12-months	Jun/17 accum. in 12-months	carry-over 2017
General Industry	**-8,2%**	**-6,4%**	**4,2%**	**0,5%**	**1,2%**	**0,0%**	**0,5%**	**-2,4%**	**-1,9%**	**1,6%**
Mining Industry (weight 11,2%)	3,9%	-9,5%	4,4%	2,9%	0,3%	1,3%	6,0%	-1,4%	0,1%	4,4%
Manufacturing Industry (weight 88,8%)	-9,8%	-6,0%	-5,6%	4,4%	1,6%	-0,2%	-0,3%	-2,5%	-2,2%	1,1%
Food (weight 13,9%)	-1,8%	1,0%	-16,7%	0,7%	3,1%	4,5%	-2,2%	-1,8%	-1,0%	2,2%
Petroleum refinement and alcohol production (weight 10,3%)	-5,9%	-8,5%	-7,9%	-4,2%	-2,3%	-1,7%	-7,6%	-10,1%	-9,5%	-5,6%
Motor vehicles (weight 10,1%)	-25,9%	-12,0%	1,2%	27,3%	8,7%	-3,9%	11,7%	4,3%	5,3%	11,1%
Capital Goods	-25,3%	-10,5%	-4,9%	8,1%	3,8%	0,3%	2,9%	0,9%	1,0%	3,7%
Intermediate Goods	-5,2%	-6,4%	-3,4%	2,9%	0,5%	0,1%	-0,1%	-2,8%	-2,1%	0,9%
Durable Consumer Goods	-18,5%	-14,4%	0,6%	20,7%	6,5%	-6,0%	10,0%	0,5%	1,5%	6,5%
Semi and Non-Durable Consumer Goods	-6,7%	-3,3%	-8,7%	1,7%	0,9%	-0,5%	-1,2%	-2,9%	-3,0%	0,2%
Typical Construction Inputs	-12,5%	-11,9%	-5,2%	-6,1%	11,7%	-2,3%	-6,8%	-8,8%	-8,7%	3,0%

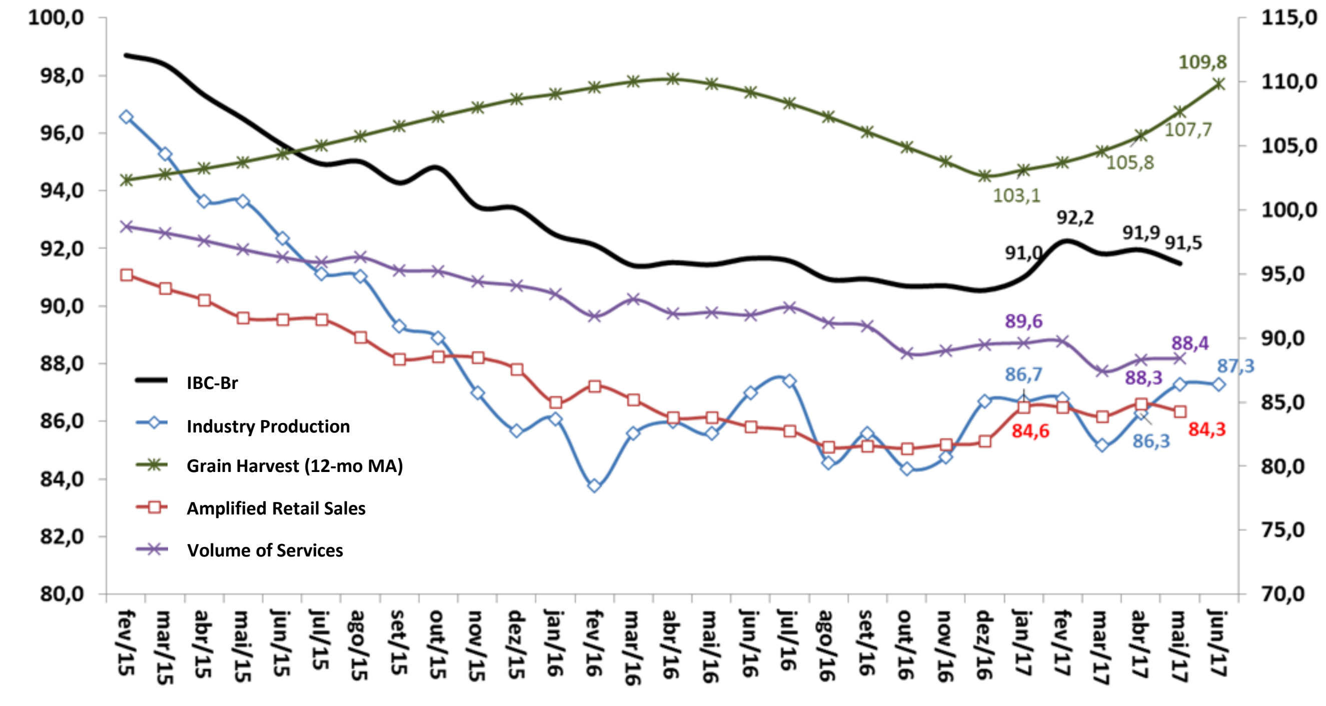
Retail Sales (IBGE) — May 2017 — % change	2015	2016	Apr/17 - Apr/16	May/17 - May/16	Apr/17 - Mar/17 (seasonally adjusted)	May/17 - Apr/17 (seasonally adjusted)	Year-To-Date	Apr/17 accum. in 12-months	May/17 accum. in 12-months	carry-over 2017
Retail Sales	**-4,3%**	**-6,3%**	**1,7%**	**2,4%**	**0,9%**	**-0,1%**	**-0,8%**	**-4,6%**	**-3,6%**	**1,6%**
Amplified Retail Sales	**-8,6%**	**-8,7%**	**-0,6%**	**4,5%**	**1,2%**	**-0,7%**	**-0,5%**	**-6,3%**	**-5,1%**	**1,4%**
Vehicles, Motorcycles, Parts and Accessories	-17,8%	-14,0%	-12,1%	4,6%	-0,1%	1,2%	-6,1%	-12,6%	-11,2%	-1,8%
Construction Material	-8,4%	-10,7%	-1,3%	9,3%	-2,0%	1,9%	4,2%	-5,2%	-3,6%	5,6%
Fuel and Lubricants	-6,2%	-9,2%	-4,2%	-0,8%	-0,7%	0,6%	-4,3%	-7,8%	-7,0%	-1,4%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco	-2,5%	-3,1%	3,0%	0,0%	1,2%	1,4%	-0,9%	-2,4%	-2,0%	1,0%
Textiles, Apparel and Footwear	-8,6%	-10,9%	10,9%	5,1%	4,6%	-7,8%	6,0%	-5,9%	-4,3%	6,9%
Furniture and Household Appliances	-14,1%	-12,6%	-0,1%	13,7%	-2,3%	1,2%	4,5%	-7,0%	-4,7%	7,3%

Volume of Services (IBGE) — May 2017 — % change	2015	2016	Apr/17 - Apr/16	May/17 - May/16	Apr/17 - Mar/17 (seasonally adjusted)	May/17 - Apr/17 (seasonally adjusted)	Year-To-Date	Apr/17 accum. in 12-months	May/17 accum. in 12-months	carry-over 2017
Volume of Services	**-3,6%**	**-5,0%**	**-5,7%**	**-1,9%**	**1,0%**	**0,1%**	**-4,3%**	**-5,0%**	**-4,7%**	**-3,0%**
Services Rendered to Families	-5,3%	-4,4%	-3,3%	1,1%	0,1%	0,5%	-3,3%	-4,8%	-4,1%	-1,9%
Information and Communication Services	0,0%	-3,2%	-2,6%	-2,9%	-0,5%	-0,3%	-1,1%	-2,3%	-2,2%	-1,3%
Professional, Administrative and Complementary Services	-4,3%	-5,5%	-11,4%	-5,6%	0,1%	2,4%	-9,9%	-6,1%	-6,6%	-7,6%
Transportation, Support Activities for Transportation and Mailing Activities	-6,1%	-7,6%	-1,5%	4,9%	1,3%	-0,2%	-2,8%	-7,2%	-6,8%	0,1%
Other Services	-9,0%	-2,8%	-16,6%	-6,2%	-6,7%	6,2%	-11,3%	-4,1%	-5,2%	-9,1%

Major Monthly Economic Activity Indicators

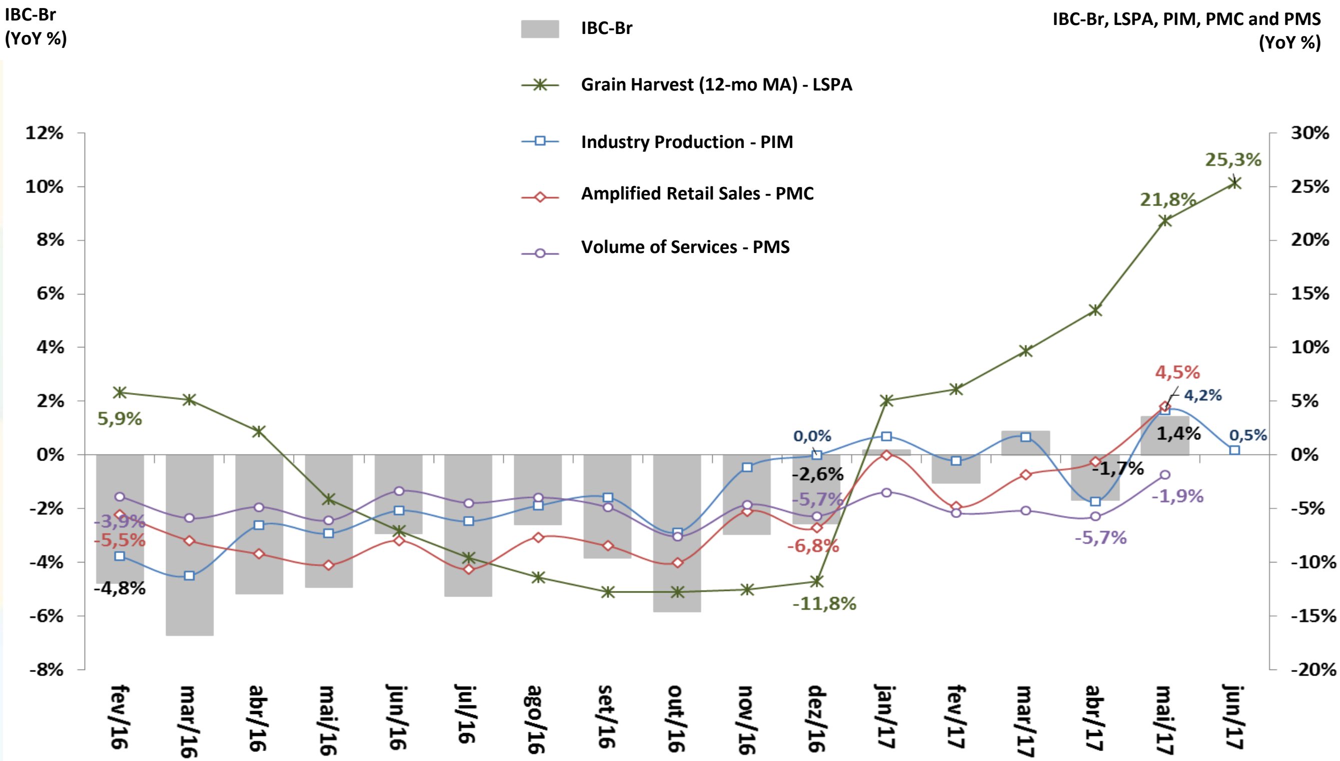
IBC-Br, Grain Harvest (12-mo MA) and Industry Production
Seasonally Adjusted Index (2003 = 100)

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).

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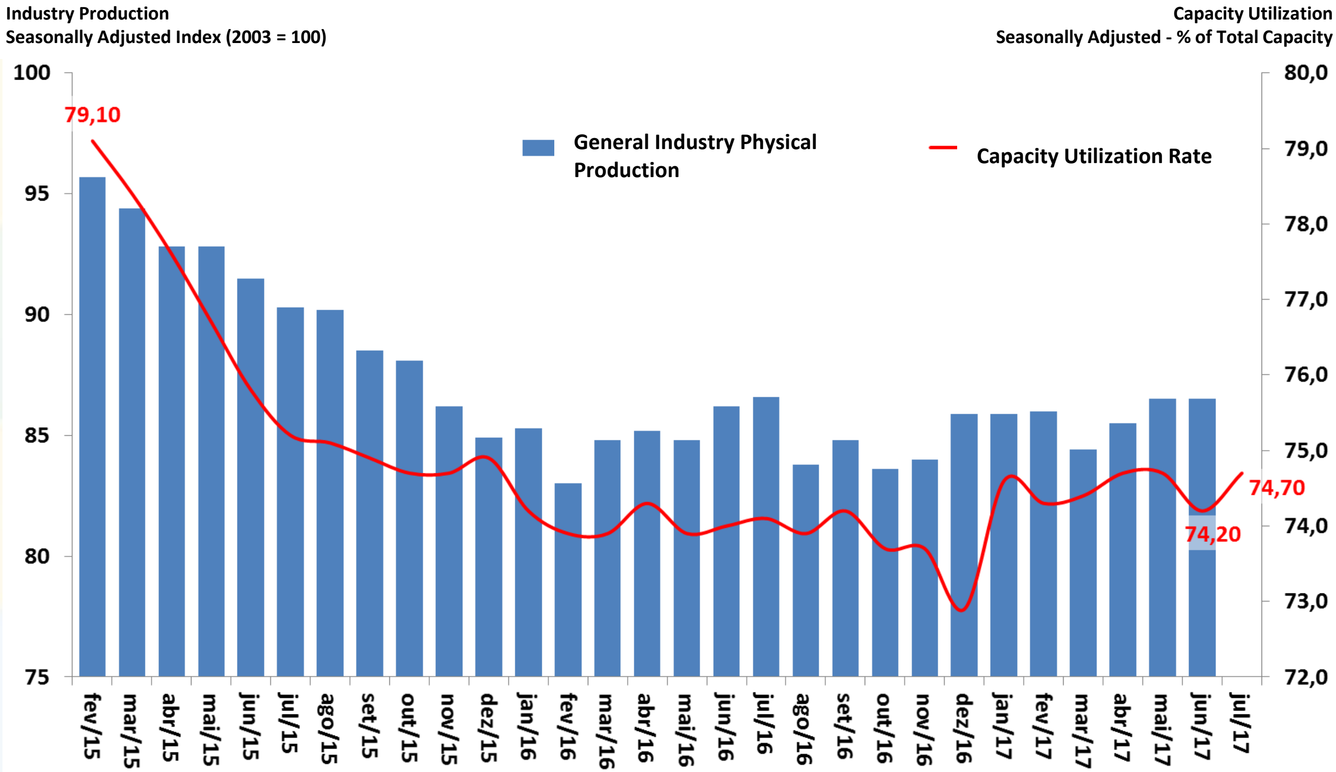
Industrial Production and Capacity Utilization



Sources: IBGE/MP and FGV.

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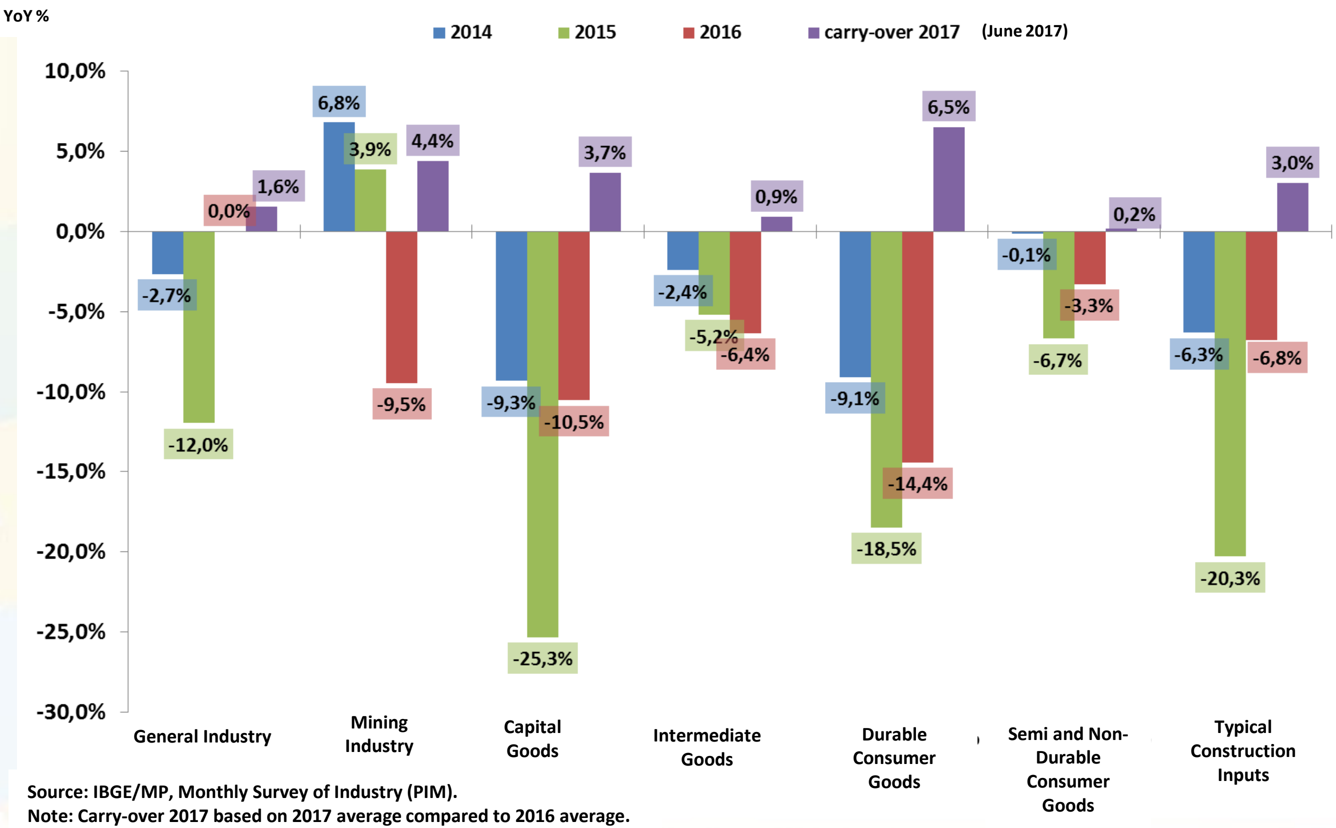
Total Industrial Production and Economic Categories



Source: IBGE/MP, Monthly Survey of Industry (PIM).
Note: Carry-over 2017 based on 2017 average compared to 2016 average.

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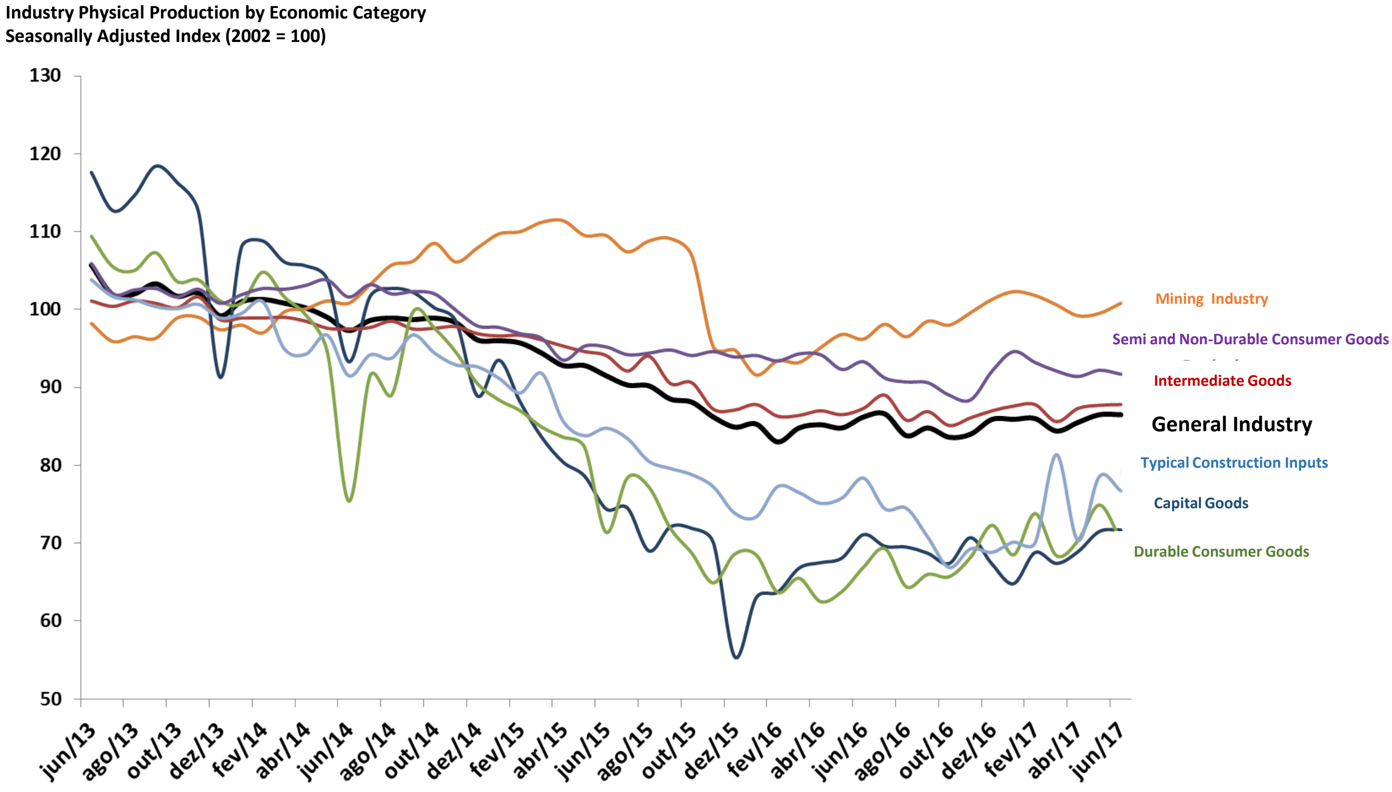
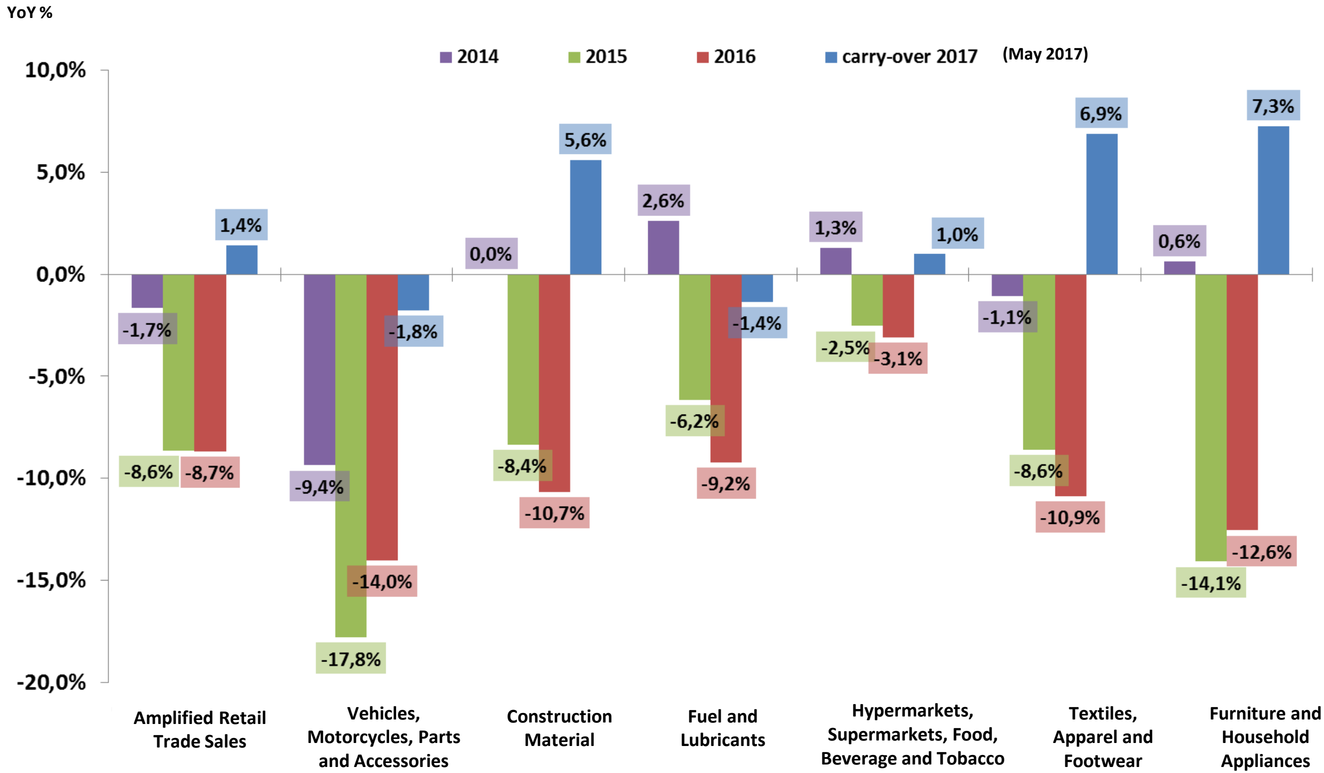
Total Industrial Production and Economic Categories



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

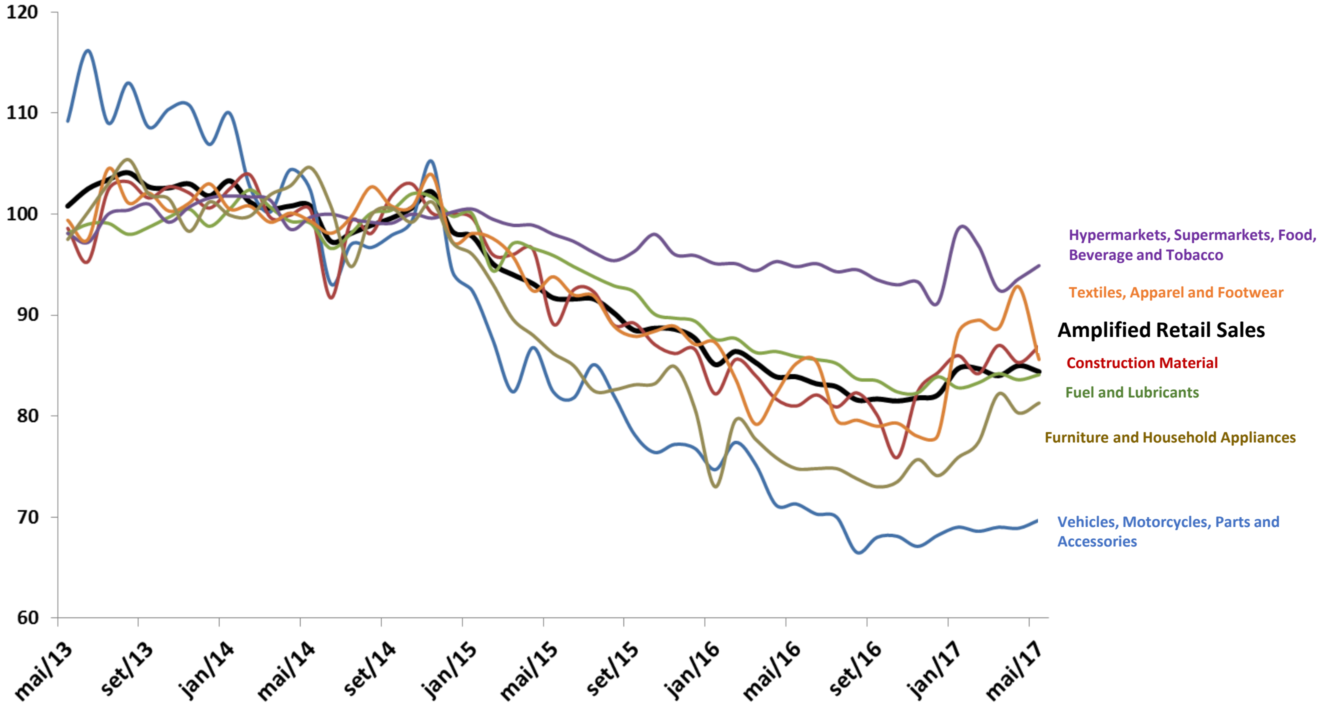
Total Retail Sales and Subsectors



Source: IBGE/MP, Monthly Survey of Trade (PMC).
Note: Carry-over 2017 based on 2017 average compared to 2016 average.

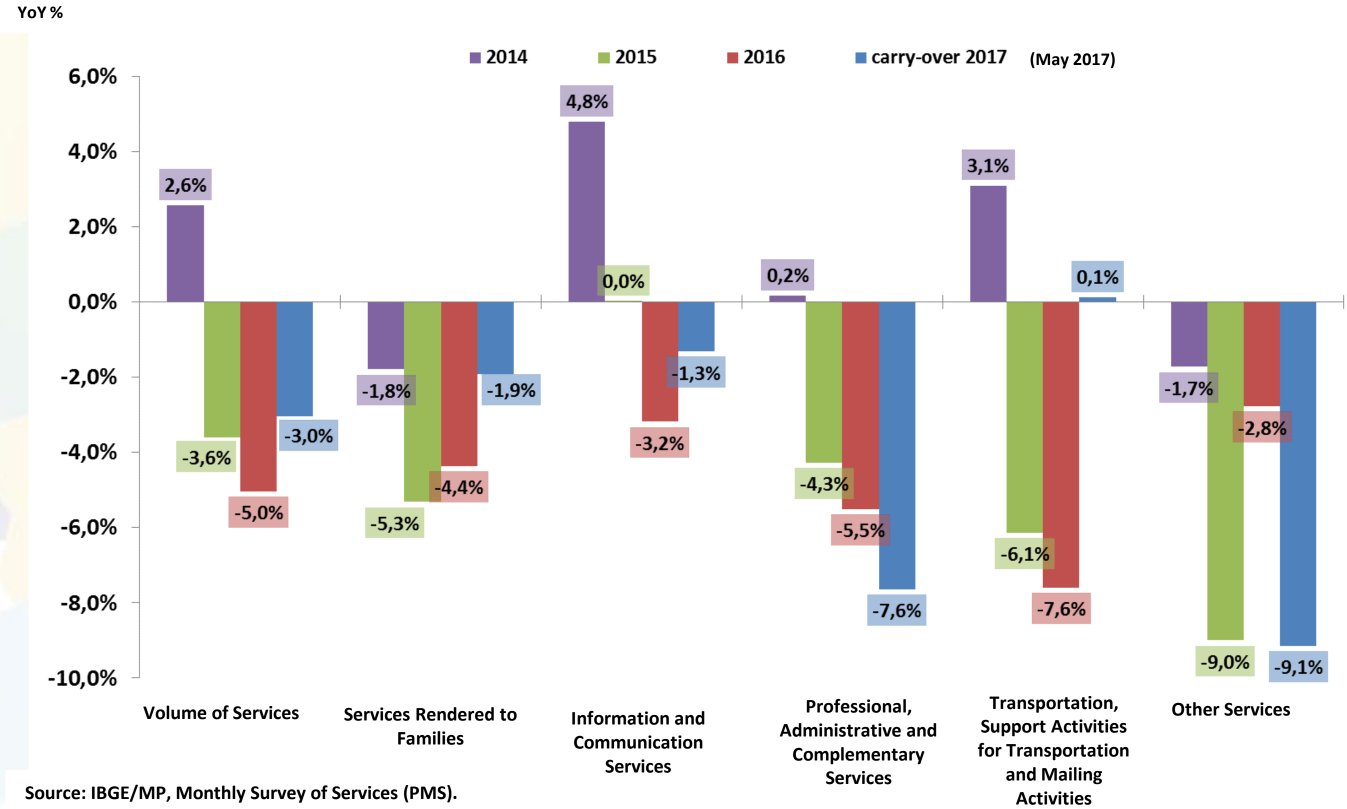
Total Retail Sales and Subsectors

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



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

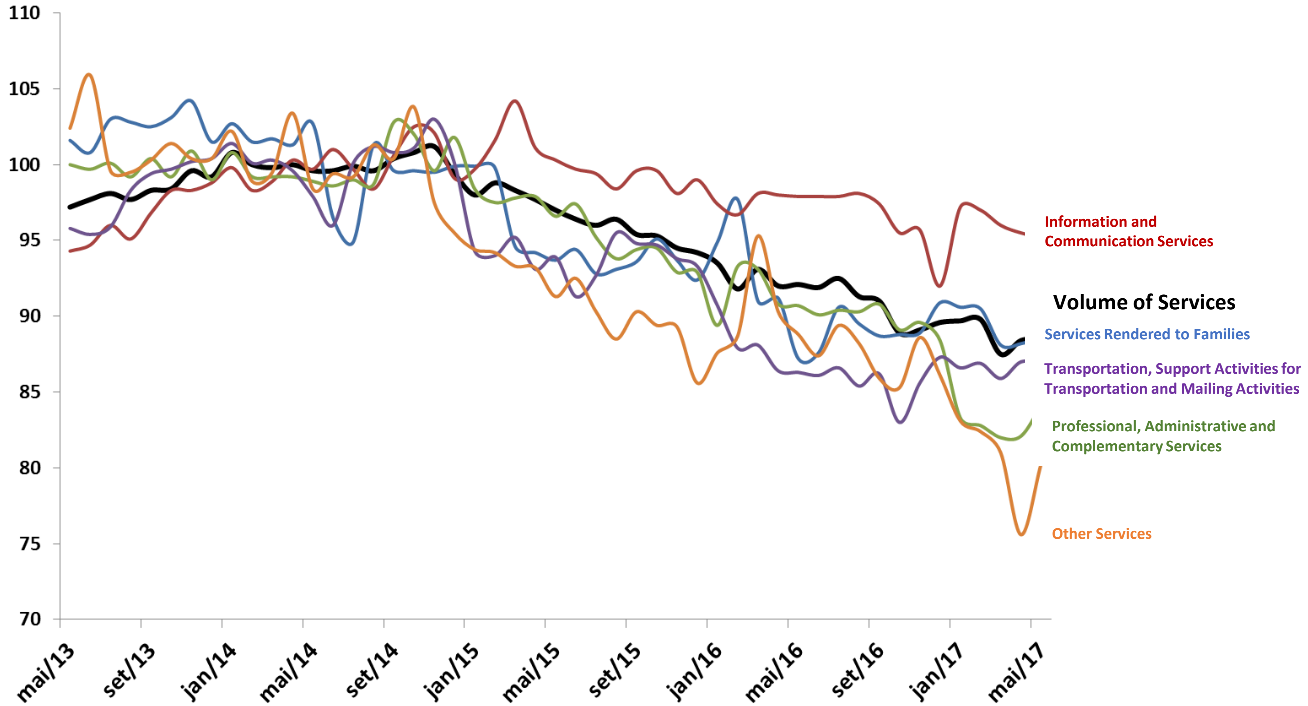
Volume of Services and Subsectors



Source: IBGE/MP, Monthly Survey of Services (PMS).
Note: Carry-over 2017 based on 2017 average compared to 2016 average.

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

May 2017 % change		2016	Apr/17 - Apr/16	May/17 - May/16	Apr/17 - Mar/17 (seasonally adjusted)	May/17 - Apr/17 (seasonally adjusted)	Year-To-Date	Apr/17 accum. in 12-months	May/17 accum. in 12-months	carry-over 2017
Natural Gas and Oil Production (ANP)		3,4%	11,3%	6,9%	0,1%	1,4%	11,4%	8,9%	9,2%	6,6%
Electric Energy Consumption - Total (EPE)		-0,9%	-2,3%	-1,4%	-1,3%	-0,9%	0,4%	0,3%	0,1%	0,3%
Industry Consumption (EPE)		-2,7%	0,2%	-2,4%	-0,4%	-1,6%	0,2%	-0,3%	-0,3%	-1,0%

June 2017 % change		2016	May/17 - May/16	Jun/17 - Jun/16	May/17 - Apr/17 (seasonally adjusted)	Jun/17 - May/17 (seasonally adjusted)	Year-To-Date	May/17 accum. in 12-months	Jun/17 accum. in 12-months	carry-over 2017
Total Vehicles Production (ANFAVEA)		-11,7%	35,2%	20,5%	-6,0%	-4,2%	23,8%	9,3%	11,6%	17,9%
Car Production		-12,2%	37,6%	23,4%	-6,4%	-4,2%	25,9%	8,2%	11,2%	18,2%
Commercial Vehicles Production		-19,0%	35,6%	27,8%	-11,8%	2,8%	16,0%	1,1%	3,4%	25,6%
Total Vehicles Exports (ANFAVEA)		23,7%	43,0%	47,6%	-16,9%	7,9%	59,2%	39,7%	45,4%	47,9%
Total Vehicles Sales/Licensing (FENABRAVE)		-20,5%	11,5%	18,9%	-17,2%	9,4%	3,7%	-9,4%	-6,0%	9,4%
Domestic Vehicles Sales/Licensing		-17,6%	14,9%	22,7%	-18,2%	10,0%	8,1%	-5,4%	-1,8%	13,1%
Imported Vehicles Sales/Licensing		-35,7%	-11,8%	-6,6%	-16,5%	6,1%	-23,1%	-31,8%	-29,8%	-13,1%
Corrugated Fiberboard Sales (ABPO)		-2,3%	5,8%	2,4%	1,9%	1,5%	3,2%	0,5%	0,4%	4,0%
Electric Energy System Supply (ONS)		0,4%	2,0%	5,2%	0,7%	4,5%	2,3%	1,0%	1,2%	4,5%
Heavy Vehicles Road Traffic (ABCR)		-6,0%	4,0%	-0,8%	3,1%	-0,7%	-2,1%	-4,9%	-4,7%	0,6%
Industry Indicators (CNI)		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Real Sales Revenue		-12,1%	2,5%	-5,1%	4,8%	-2,4%	-5,6%	-9,6%	-9,4%	-2,9%
Working Hours in Production		-7,6%	-0,5%	-3,5%	1,4%	-1,3%	-3,3%	-4,8%	-4,4%	-3,3%
Capacity Utilization - UCI	**effecitve level: 77,9**	-2,4%	0,6%	-0,4%	1,0%	-0,5%	-0,6%	-1,1%	-1,0%	0,1%
Industry Inventories (CNI) - Final Goods - planned x realized	**effecitve level: 49,8**	-4,1%	0,0%	3,2%	-2,4%	1,1%	1,3%	-2,1%	-1,3%	1,0%
Supermarket Sector Total Retail Sales (ABRAS)		1,6%	1,1%	2,7%	-1,0%	1,5%	1,0%	1,9%	2,0%	1,1%

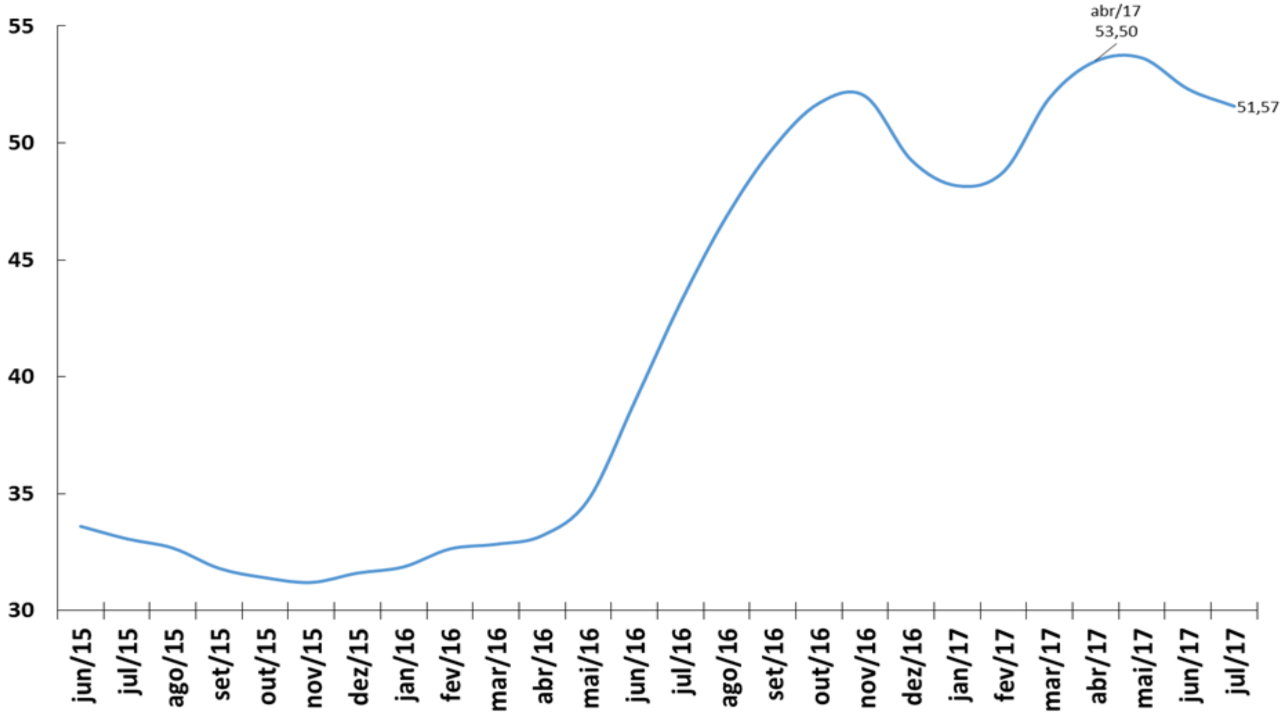
July 2017 % change		2016	Jun/17 - Jun/16	Jul/17 - Jul/16	Jun/17 - May/17 (seasonally adjusted)	Jul/17 - Jun/17 (seasonally adjusted)	Year-To-Date	Jun/17 accum. in 12-months	Jul/17 accum. in 12-months	carry-over 2017
Business Confidence - ICEI (CNI)	**effecitve level: 51,9**	18,4%	13,6%	7,0%	-5,5%	-1,7%	29,9%	37,2%	34,9%	15,5%
Sao Paulo Industry Confidence - ICEI-SP (FIESP)	**effecitve level: 50,5**	28,8%	13,5%	10,9%	-6,9%	-0,5%	39,3%	50,4%	46,8%	21,2%
Consumer Expectations - INEC (CNI)	**effecitve level: 100,5**	2,6%	-0,5%	-1,7%	0,9%	-2,0%	2,1%	3,9%	3,5%	0,4%
Industry Capacity Utilization - NUCI (FGV)	**effecitve level: 73,6**	-3,3%	0,3%	0,7%	-0,7%	0,7%	0,7%	-0,4%	-0,3%	0,9%
Industry Confidence (FGV)	**effecitve level: 89,2**	5,7%	9,0%	5,6%	-3,0%	1,5%	13,7%	15,2%	14,3%	10,1%
Consumer Confidence (FGV)	**effecitve level: 81,4**	2,8%	13,2%	6,6%	-2,3%	-0,4%	17,6%	18,1%	17,8%	12,8%
Retail Confidence (FGV)	**effecitve level: 85,1**	4,6%	13,9%	10,1%	-3,3%	-2,7%	17,3%	17,5%	17,5%	13,4%
Construction Confidence (FGV)	**effecitve level: 74,2**	-5,8%	8,3%	5,8%	0,3%	0,5%	9,4%	6,4%	7,2%	6,3%
Services Confidence (FGV)	**effecitve level: 80,7**	1,1%	13,5%	10,2%	-3,3%	1,2%	16,8%	16,1%	16,3%	12,6%

CNI: Business Confidence and Consumers Expectation Indexes

Source: CNI.

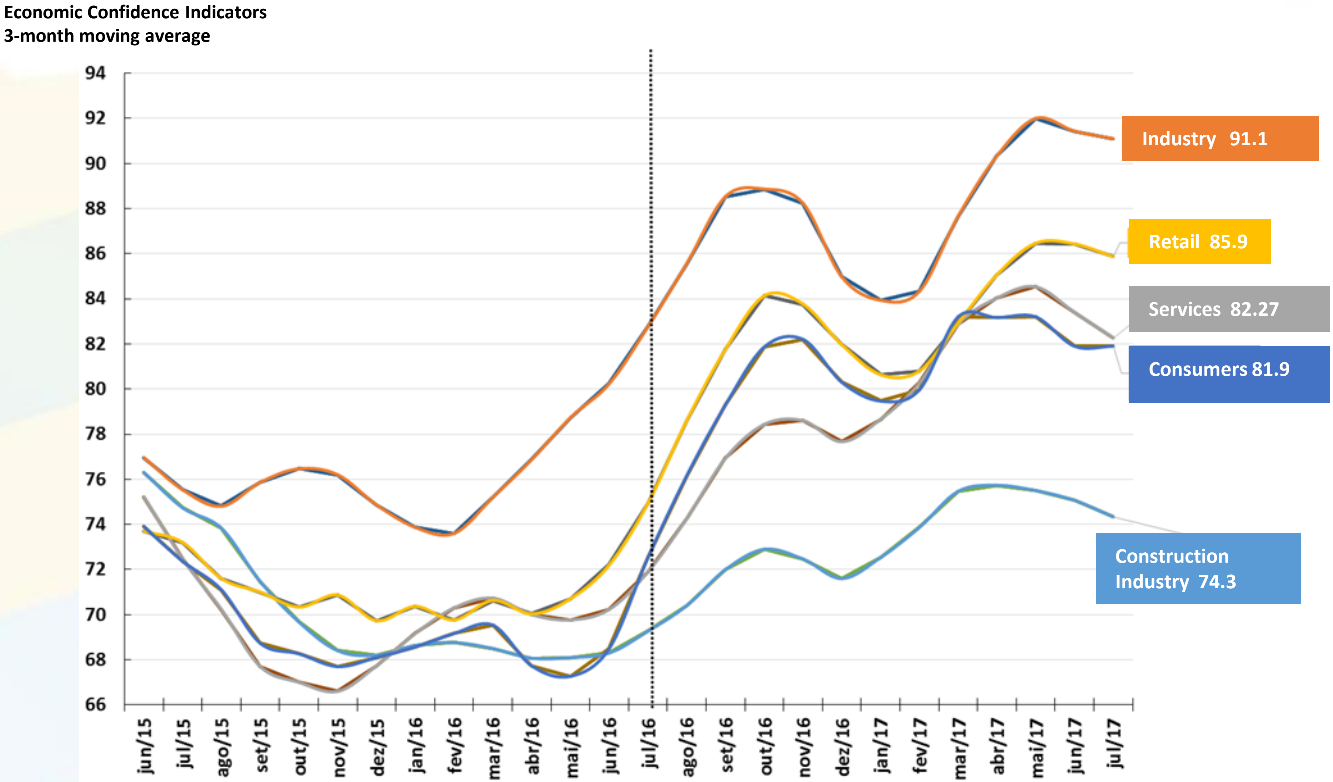
FIESP: Industry Confidence Index

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



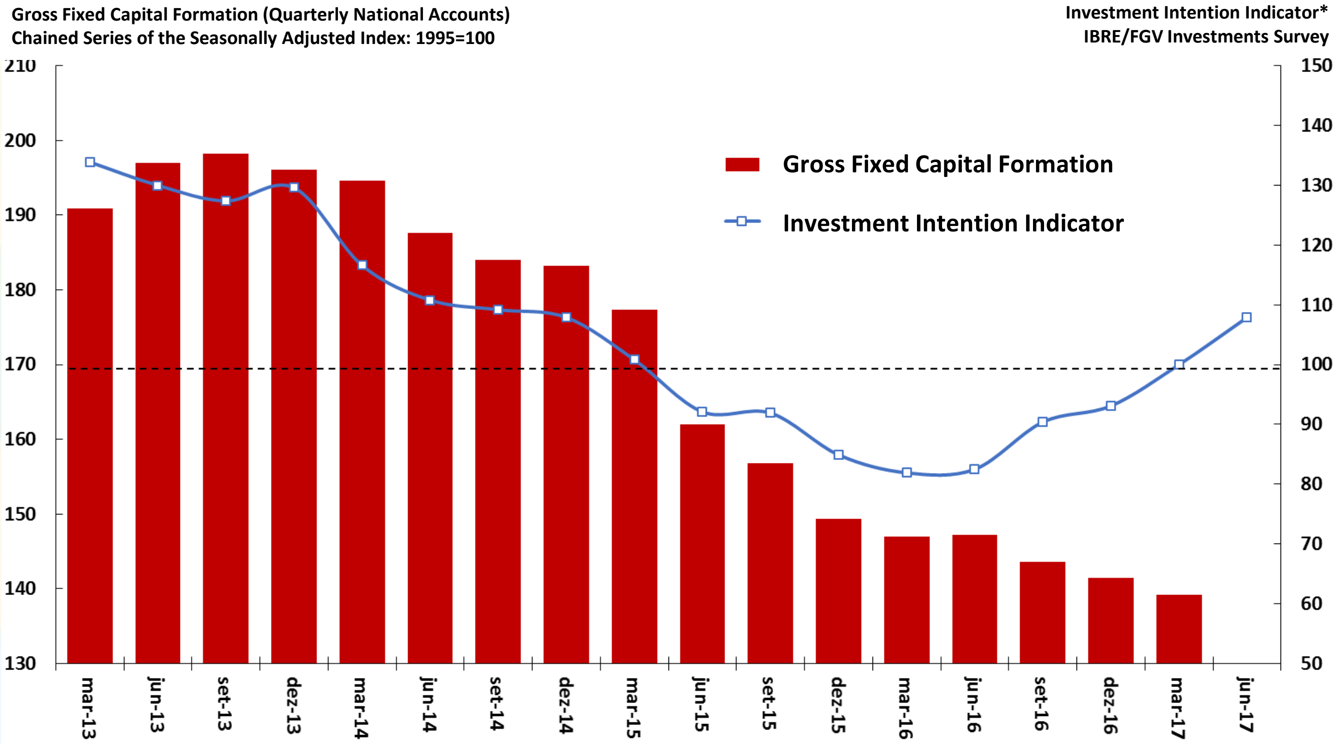
Source: FIESP.

FGV: Economic Confidence Indicators



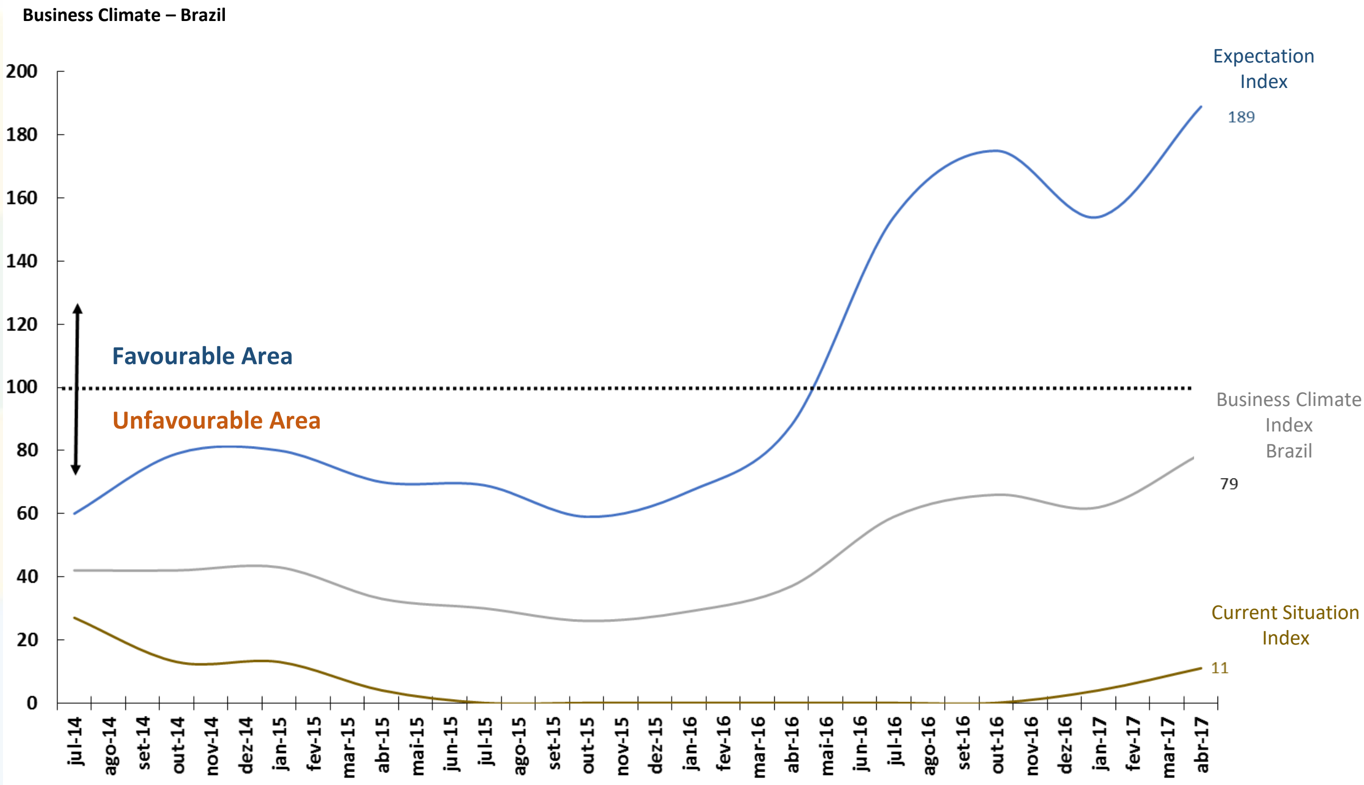
Source: IBRE/FGV.

Gross Fixed Capital Formation and Investment Intention



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.

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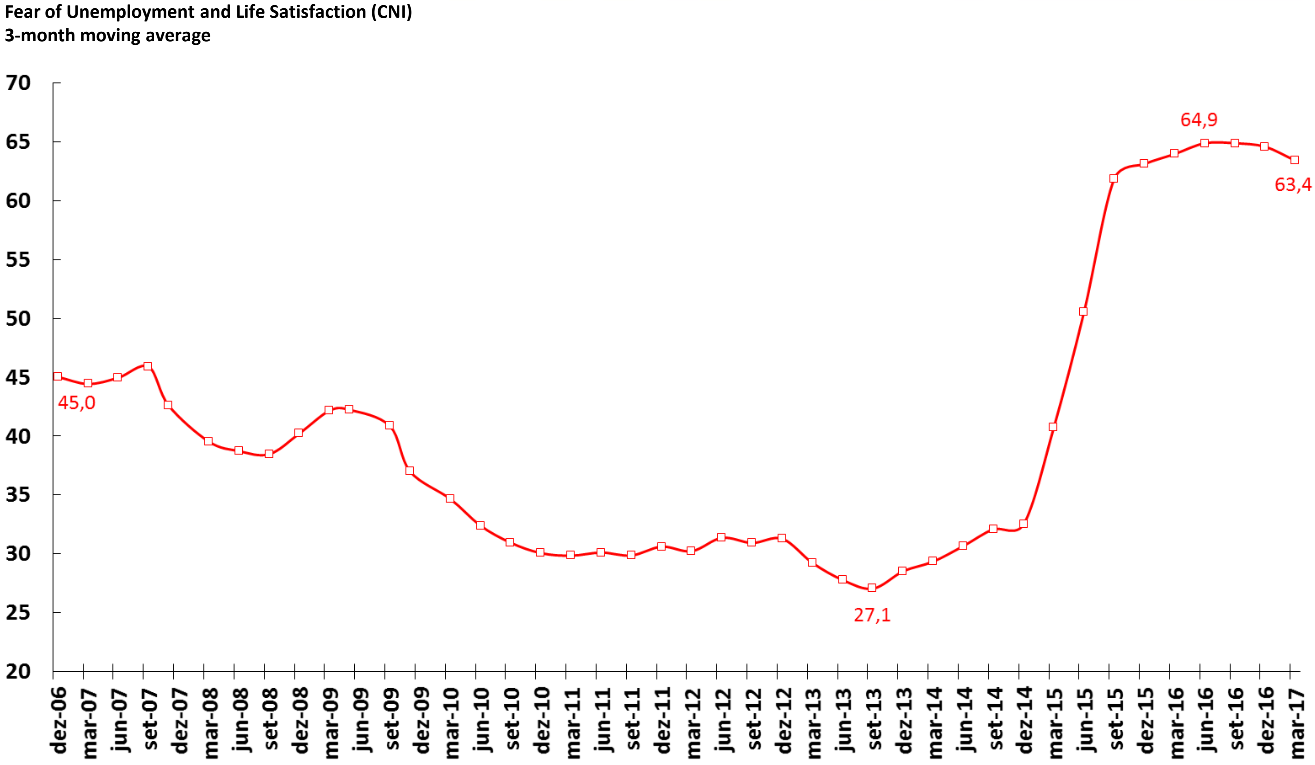
CNI: Fear of Unemployment Index



Source: CNI.

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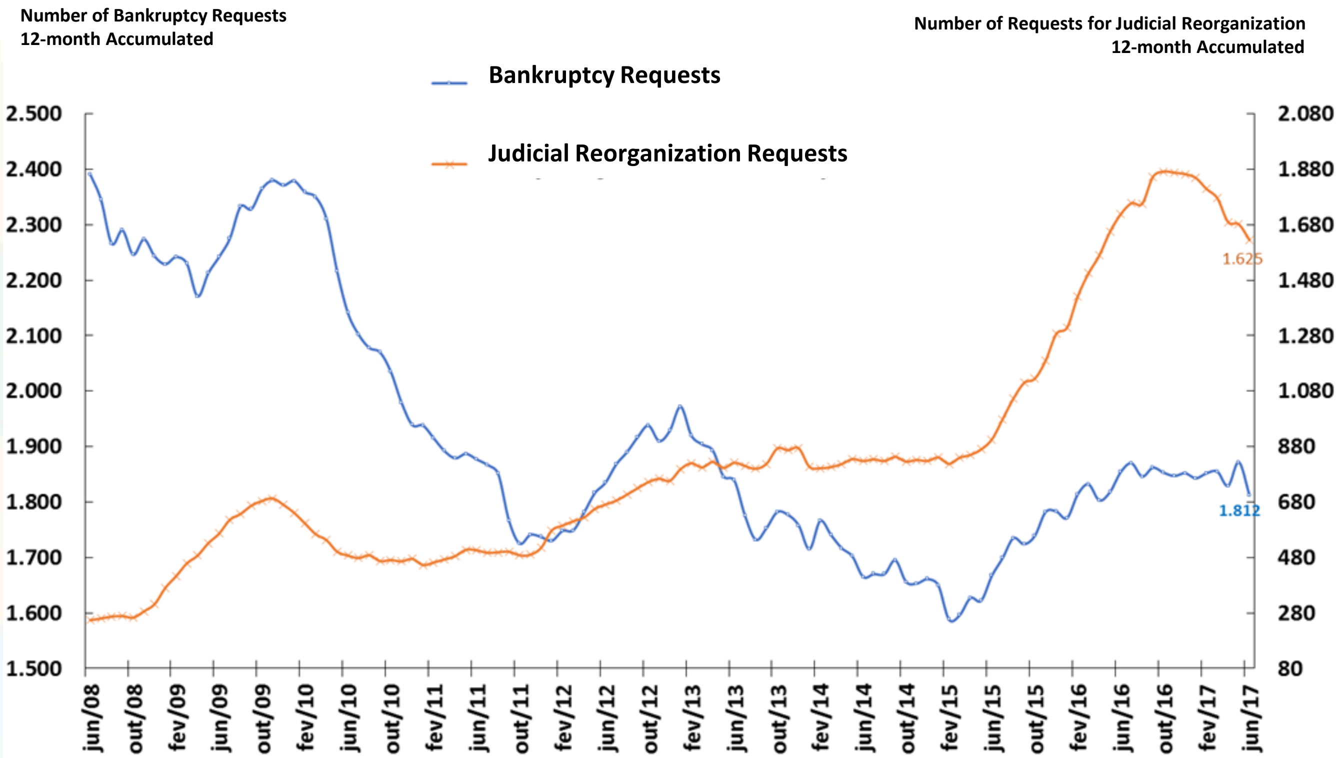
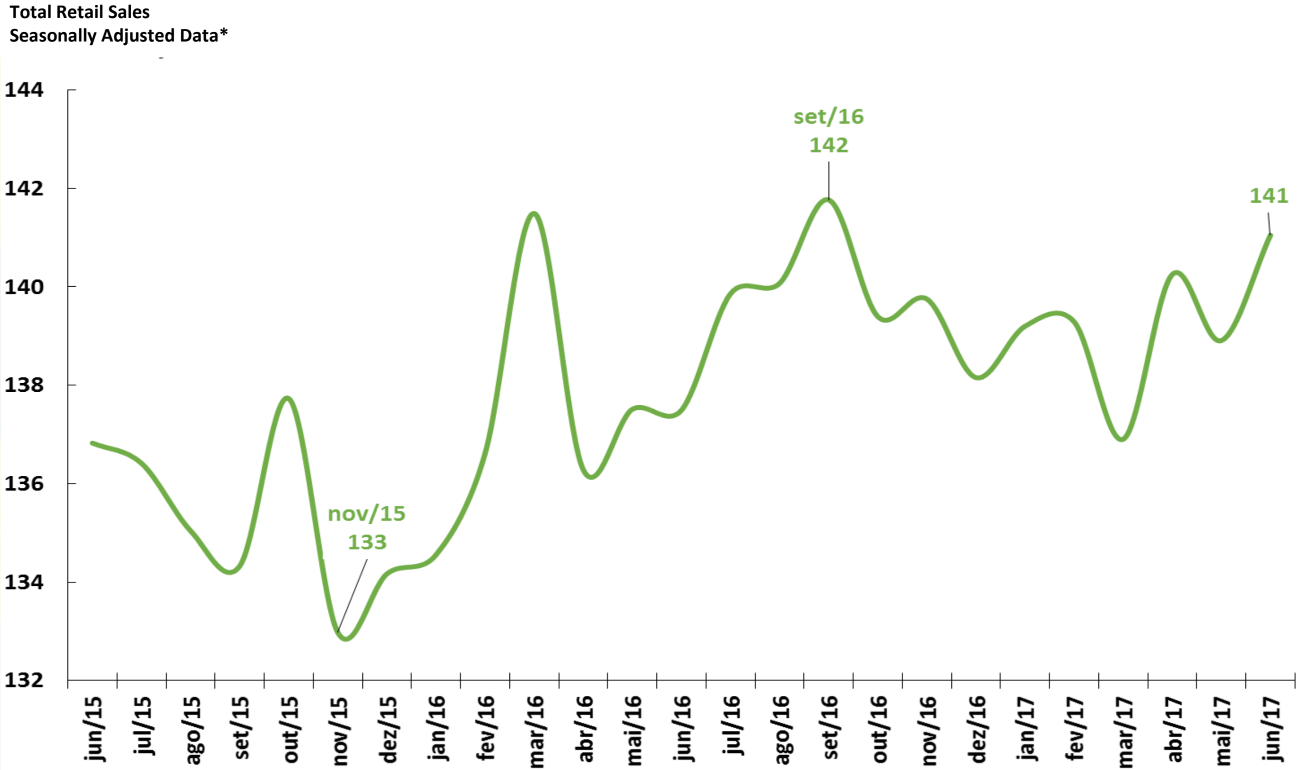
Bankruptcy and Judicial Reorganization Requests



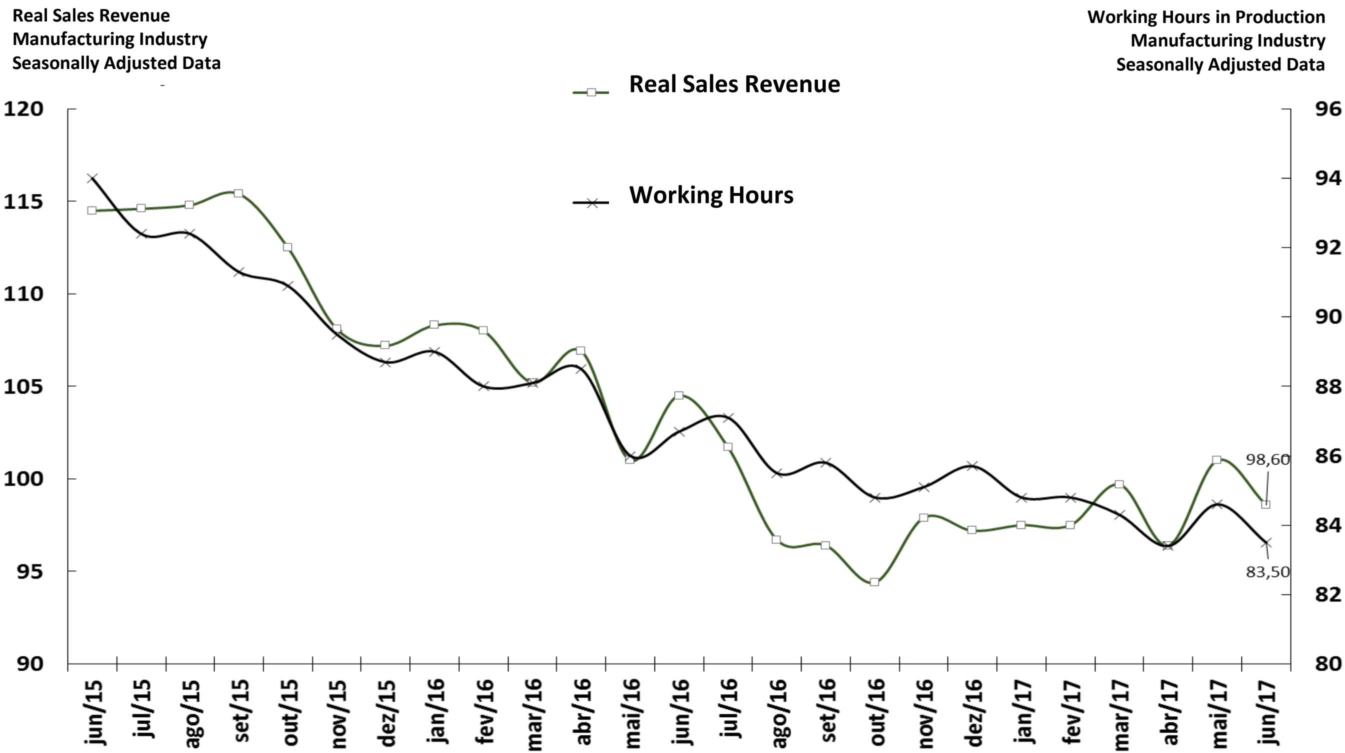
Source: Serasa-Experian.

ABRAS: Supermarket Sector Total Retail Sales



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

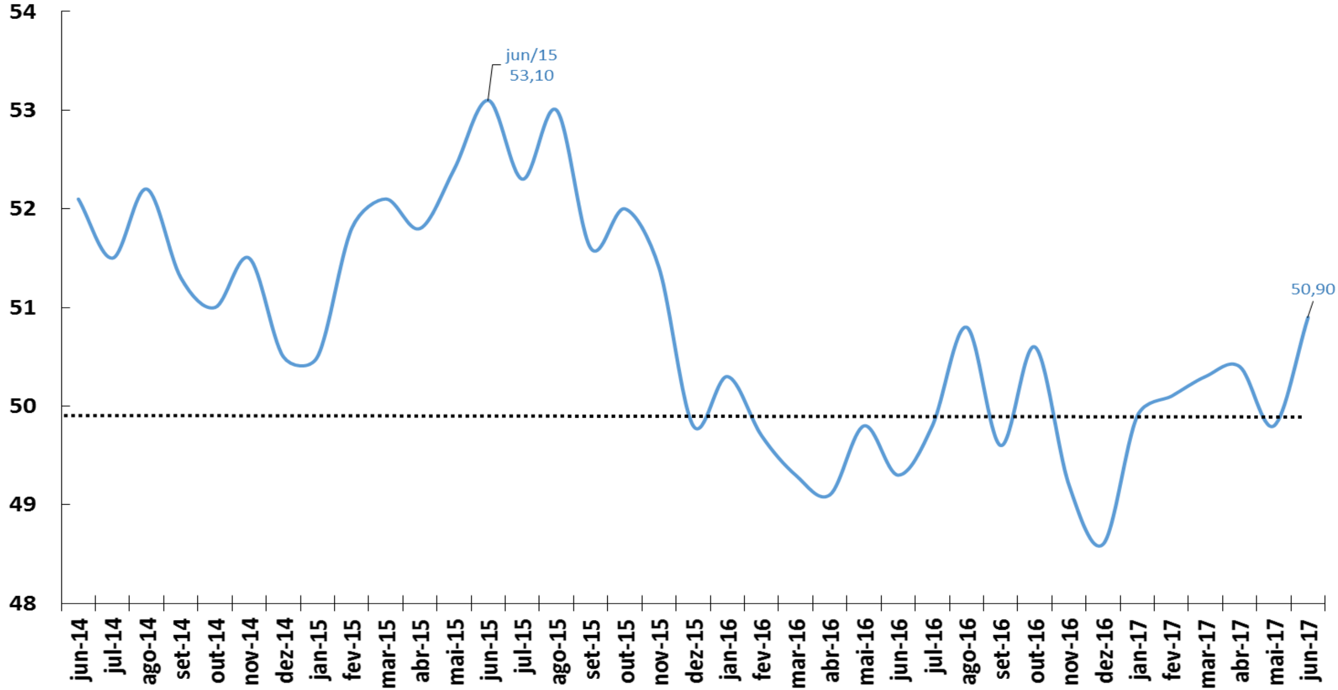
CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

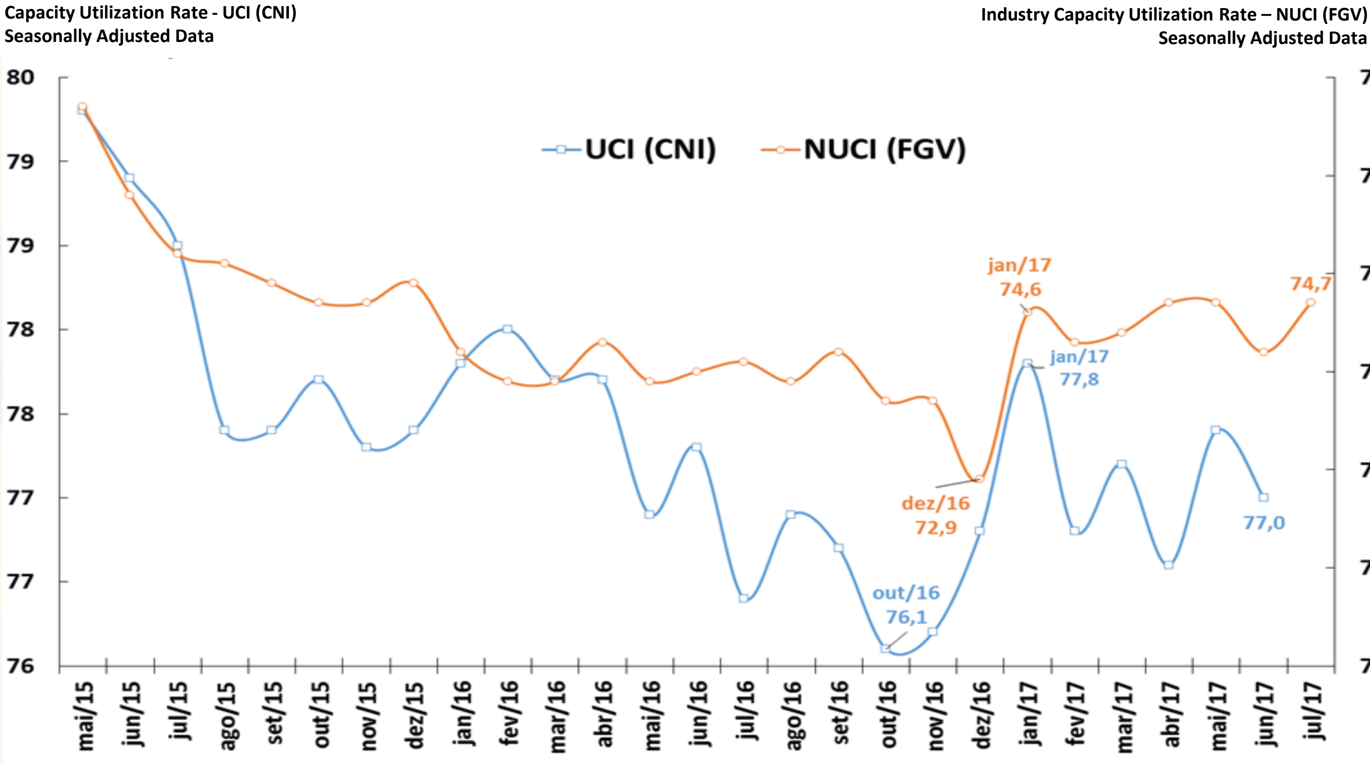
CNI: Industry Inventory

General Industry Inventories Level
Final Goods - planned x effective



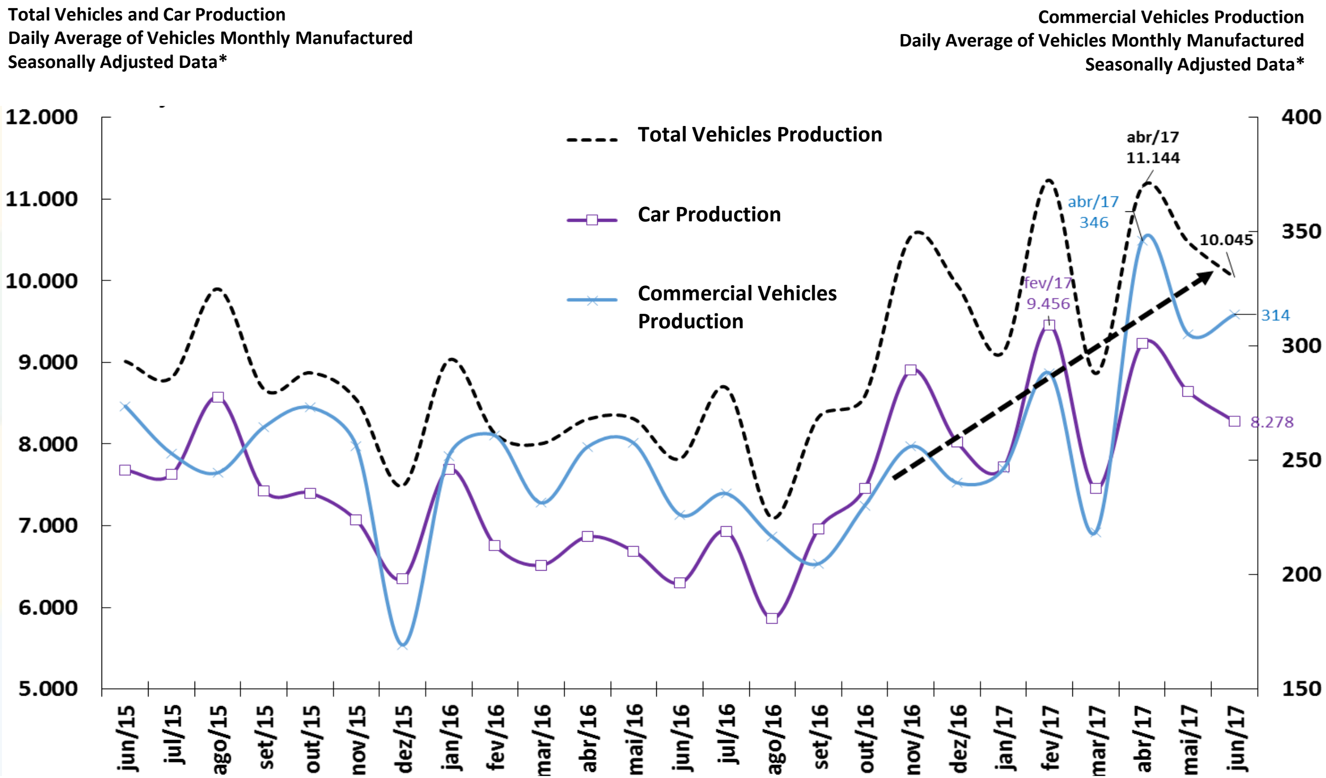
Source: CNI.

Capacity Utilization Rate



Source: CNI and FGV.

Anfavea: Automotive Sector Production



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

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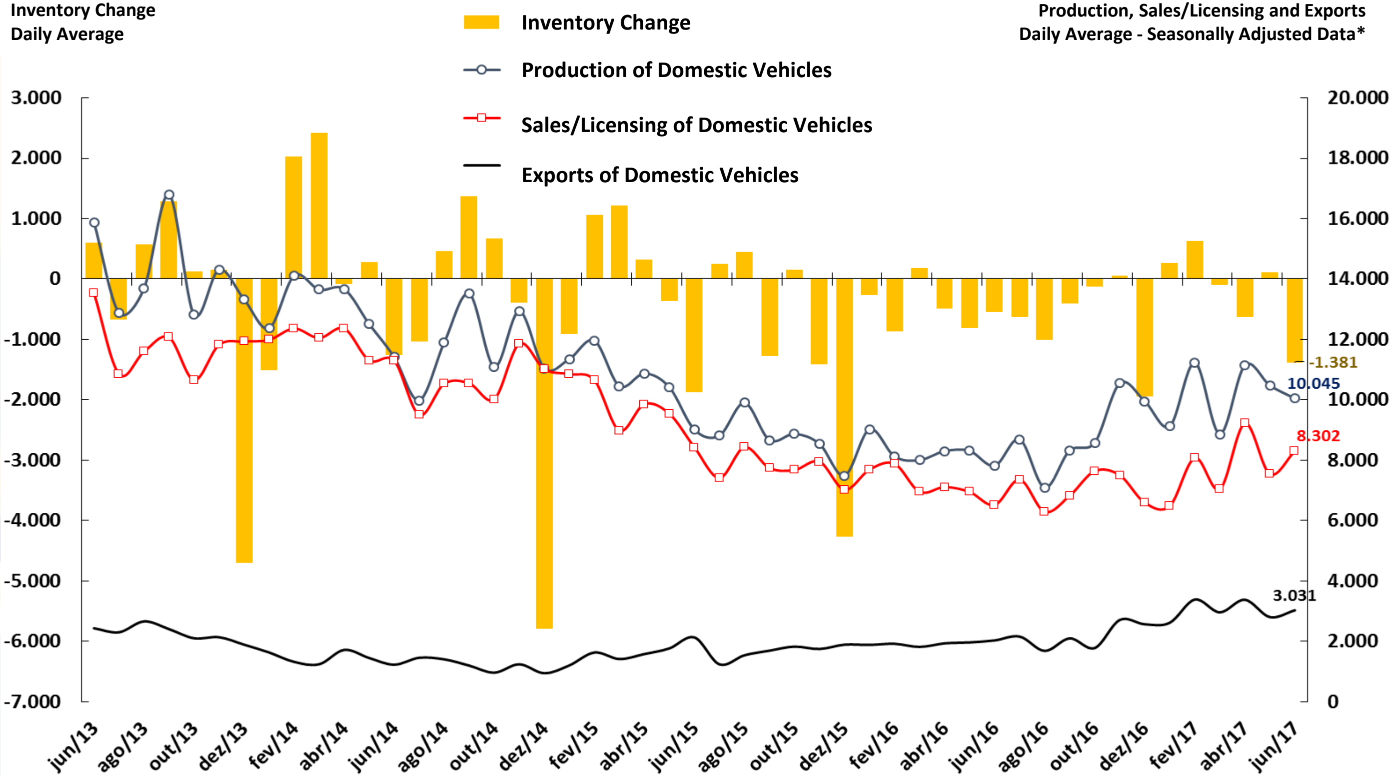
BRASIL BRAZILIAN GOVERNMENT

Automotive Sector Production, Sales and Inventory Change



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

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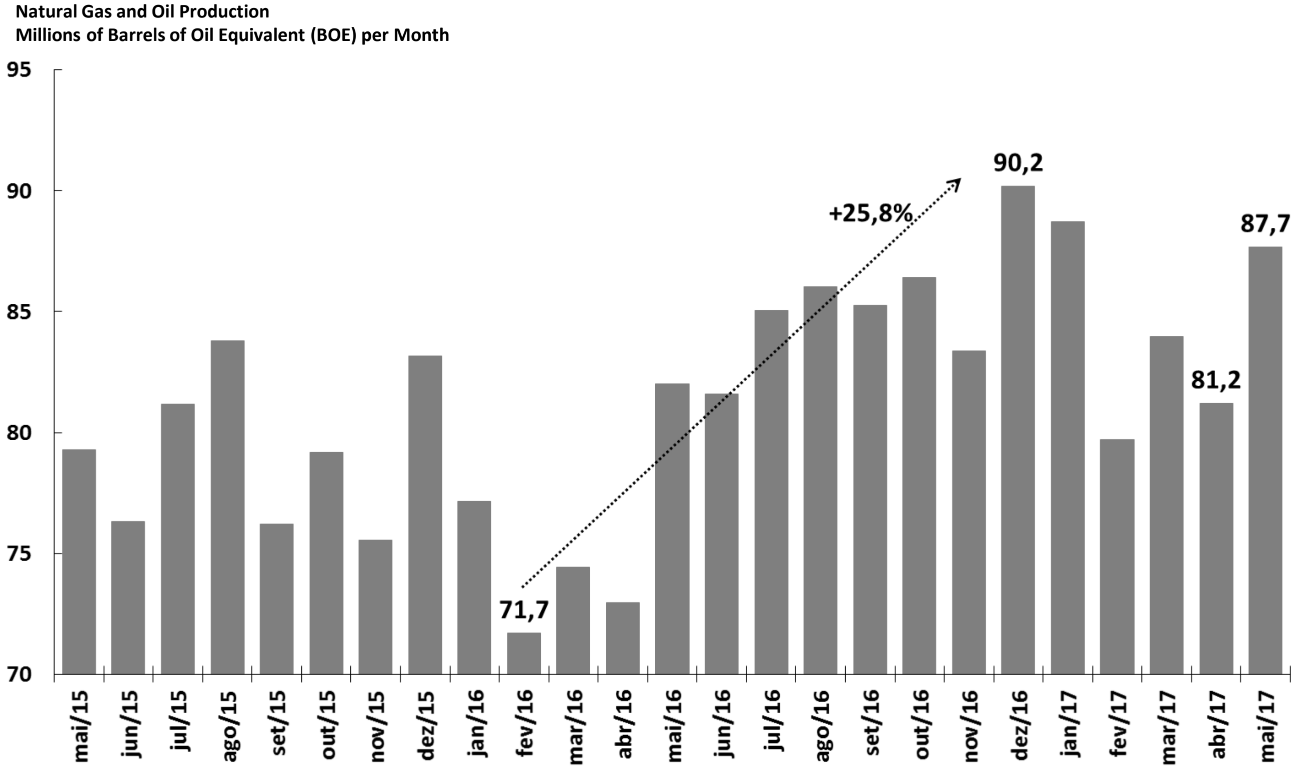
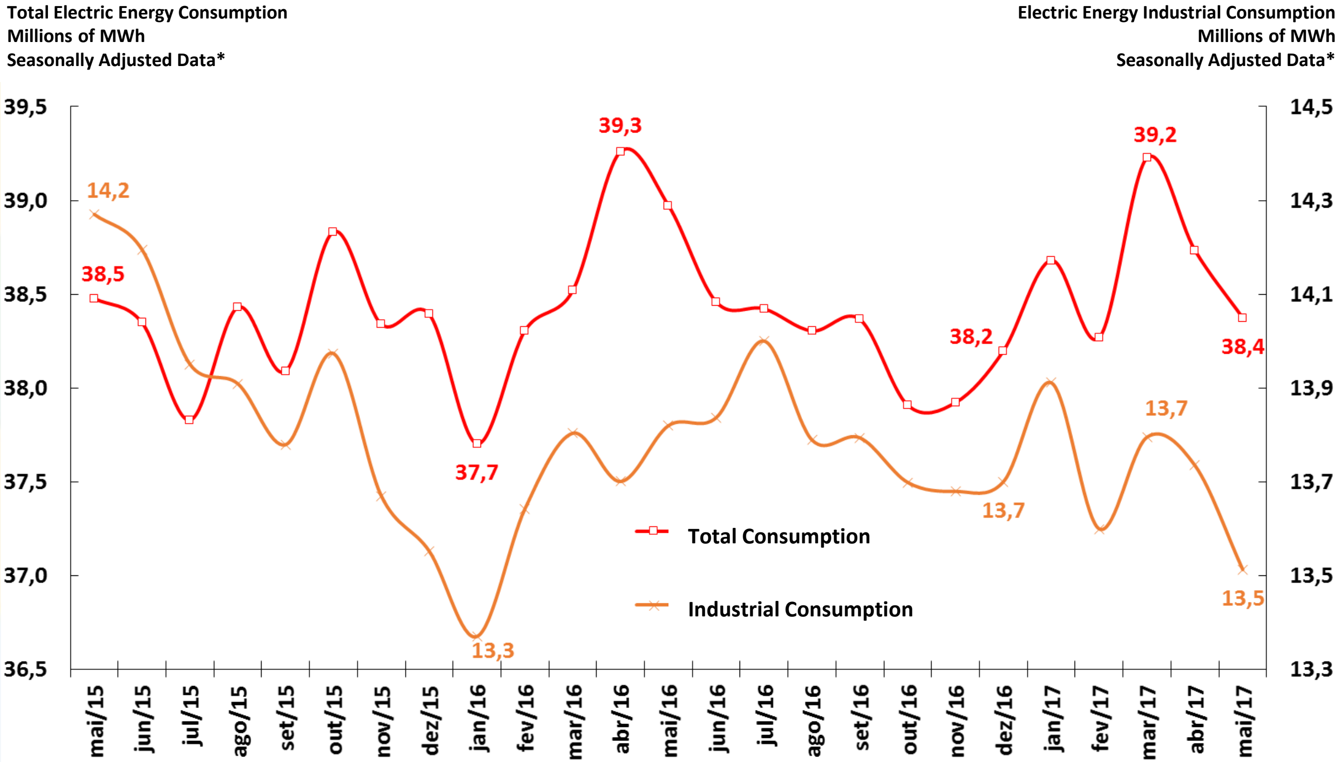
ANP: Natural Gas and Oil Production



Source: ANP.

ANEEL: Electrical Energy Consumption



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

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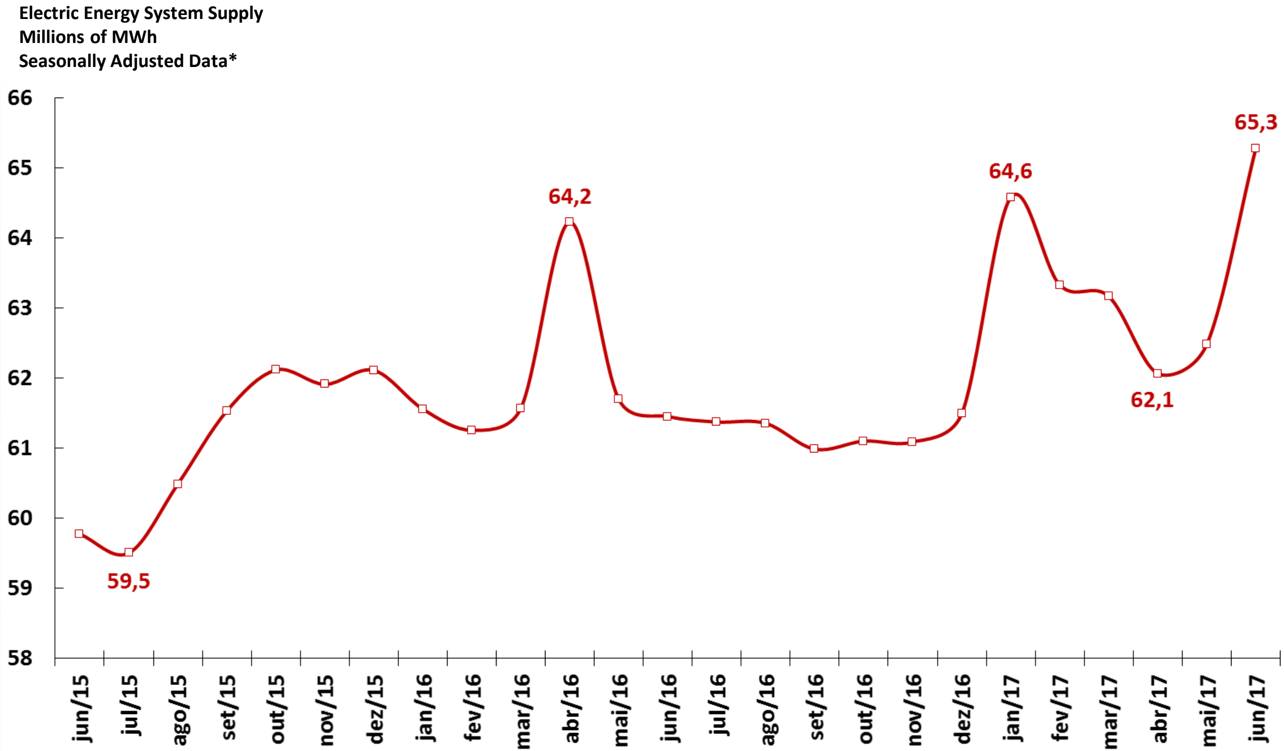
BRASIL BRAZILIAN GOVERNMENT

ONS: Electric Energy System Supply



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

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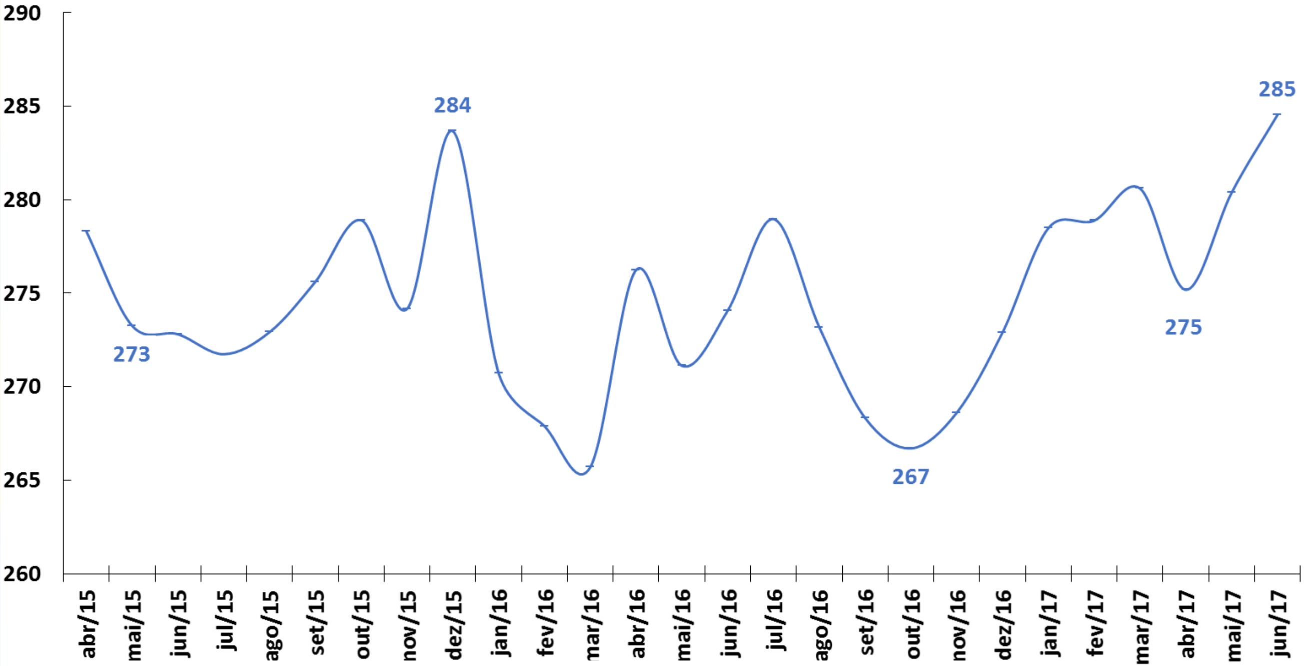
BRASIL BRAZILIAN GOVERNMENT

ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



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

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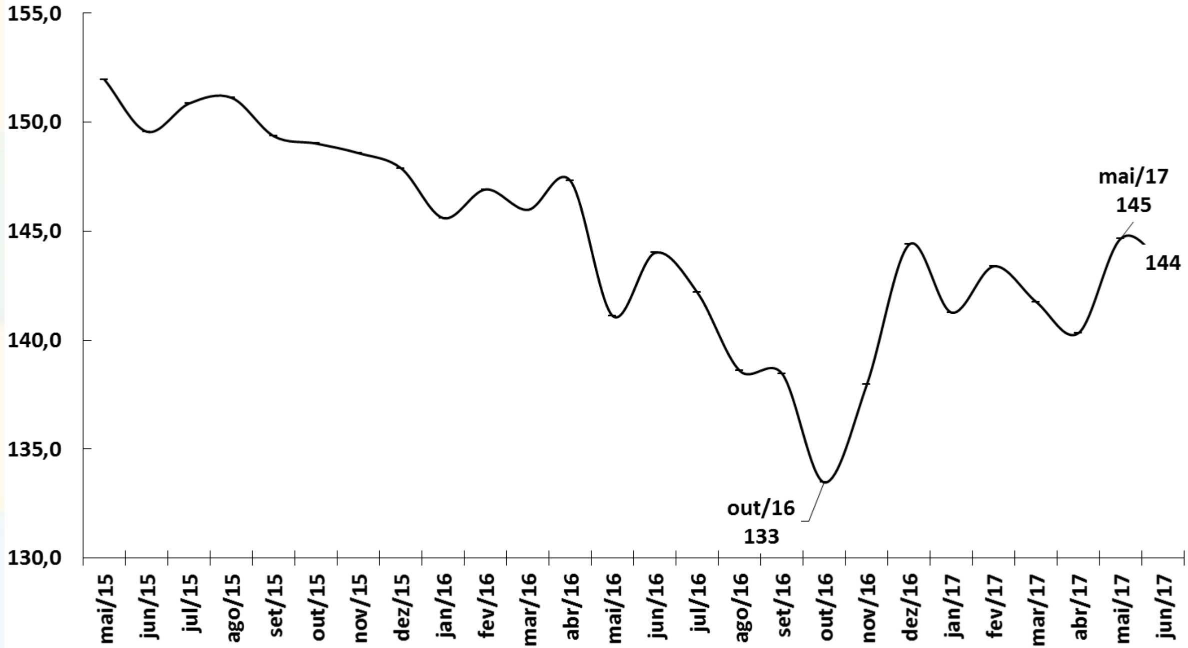
BRASIL BRAZILIAN GOVERNMENT

ABCR: Heavy Vehicles Road Traffic Index

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



Source: ABCR.

LABOR MARKET

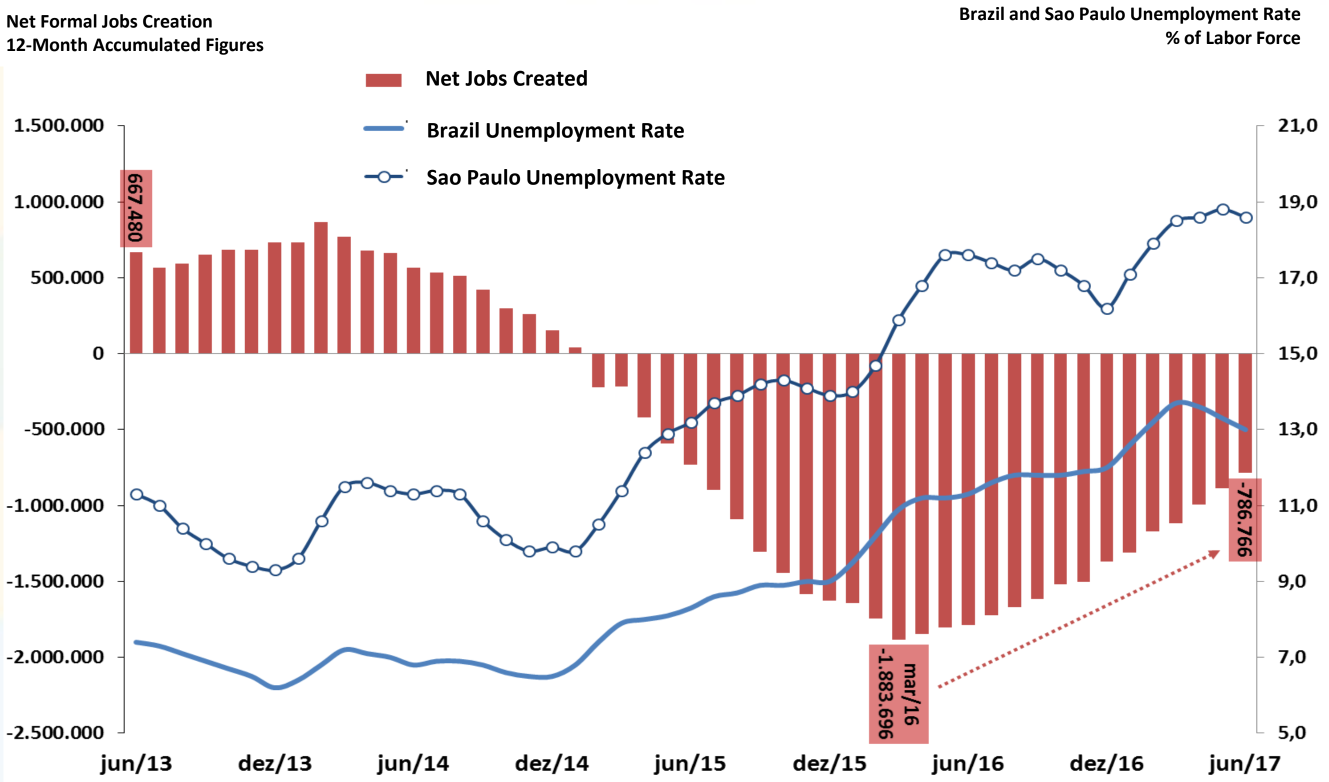
Labor Market

Formal Jobs (CAGED, MTE) June 2017 Million people	2015	2016	May/17 accum. in 12-months	Jun/17 accum. in 12-months	Year-To-Date	Jun/17	chg.% 2016 / 2015	chg.% Jun/17 accum. 12-m / 2016	chg.% YTD 2017 / YTD 2016
Net Formal Jobs Creation	**-1.626**	**-1.371**	**-888**	**-787**	**35**	**10**	**-15,6%**	**-42,6%**	**-6,4%**
Job Oppenings	16.862	14.172	13.969	13.946	7.304	1.182	-16,0%	-1,6%	97,0%
Job Separations	18.487	15.543	14.856	14.733	7.269	1.172	-15,9%	-5,2%	90,0%

Employment Indicators June 2017 Brasil (PNADC, IBGE)	2015 average	2016 average	Jun/17 (12-months moving average)	Jun/17	chg.% 2016 / 2015	chg.% May/17 / May/16	chg.% Jun/17 / Jun/16	chg.% YTD 2017 / YTD 2016	chg.% Jun17 / 2016 average
Unemployment Rate % Labor Force	**8,3**	**11,3**	**12,5**	**13,0**	**3,0 pp**	**2,1 pp**	**1,7 pp**	**2,5 pp**	**1,7 pp**
Unemployed Population (in thousands)	8.358	11.494	12.863	13.486	37,5%	20,4%	16,4%	25,1%	17,3%
Employed Population (in thousands)	92.216	90.539	89.844	90.236	-1,8%	-1,3%	-0,6%	-1,5%	-0,3%
Labor Force (in thousands)	100.575	102.033	102.707	103.722	1,4%	1,1%	1,3%	1,3%	1,7%
Working Age Population (in thousands)	164.197	166.189	167.170	168.136	1,2%	1,0%	1,1%	1,2%	1,2%
São Paulo Unemployment Rate % (RMSP, PED-Seade)	**12,9**	**16,6**	**17,7**	**18,6**	**3,7 pp**	**1,2 pp**	**1,0 pp**	**2,2 pp**	**2,0 pp**

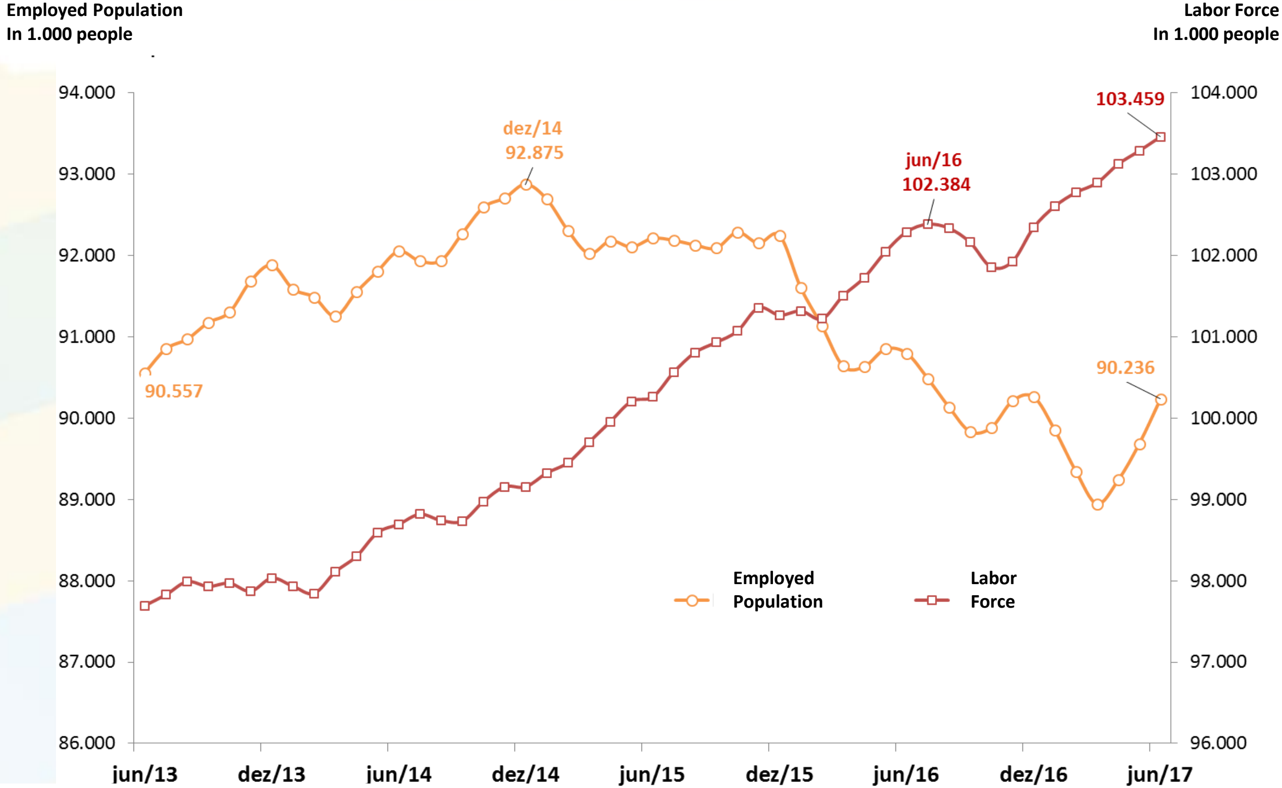
Average Real Earnings (PNADC, IBGE) June 2017 real values (in R$ of last month)	2015 average	2016 average	Jun/17 (12-months moving average)	Jun/17	chg.% 2016 / 2015	chg.% May/17 / May/16	chg.% Jun/17 / Jun/16	chg.% YTD 2017 / YTD 2016	chg.% Jun17 / 2016 average
Employed Population	**2.115**	**2.066**	**2.090**	**2.104**	**-2,3%**	**2,3%**	**3,0%**	**2,4%**	**1,8%**
Formal Contract	2.013	1.986	1.998	2.025	-1,3%	1,4%	3,6%	1,1%	1,9%
Informal Contract	1.210	1.215	1.222	1.204	0,4%	0,5%	-2,9%	1,3%	-0,9%
Self-employed	1.616	1.560	1.545	1.536	-3,5%	-1,0%	-1,2%	-1,8%	-1,5%
Public Sector	3.206	3.251	3.299	3.291	1,4%	1,8%	1,2%	3,0%	1,2%
Real Wage Bill (in R$ millions of last month)	188.897	182.355	183.196	185.096	-3,5%	0,9%	2,3%	0,9%	1,5%

Unemployment Rate and Net Formal Job Creation



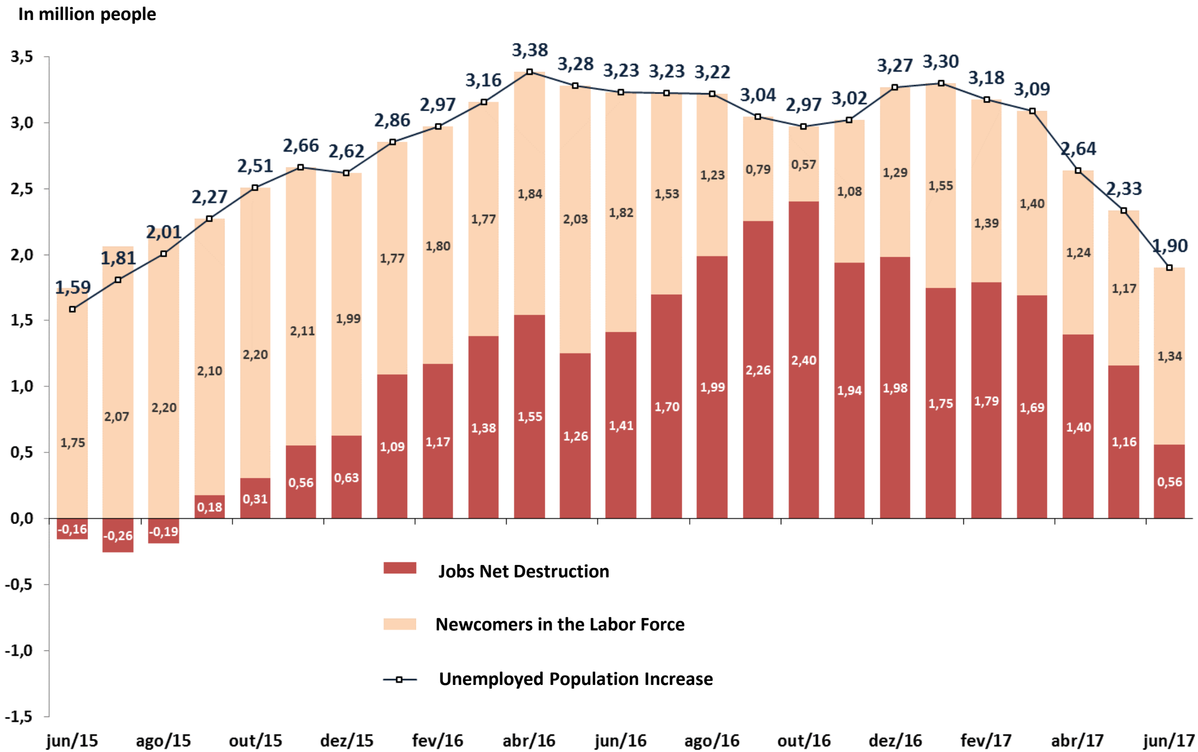
Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (non-adjusted data). dos).

Employed Population and Labor Force Evolution



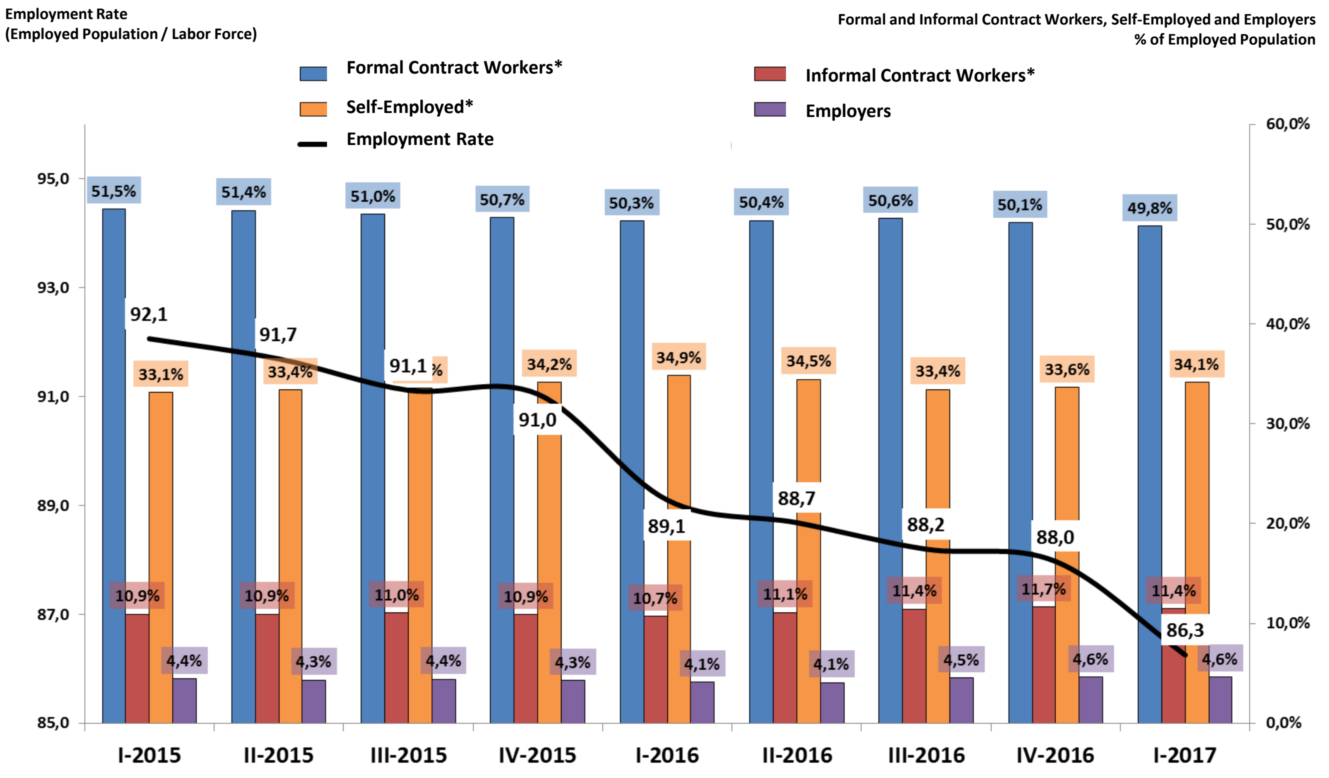
Source: IBGE/MP - PNADC.

12-Month Total Unemployment Increase Decomposition



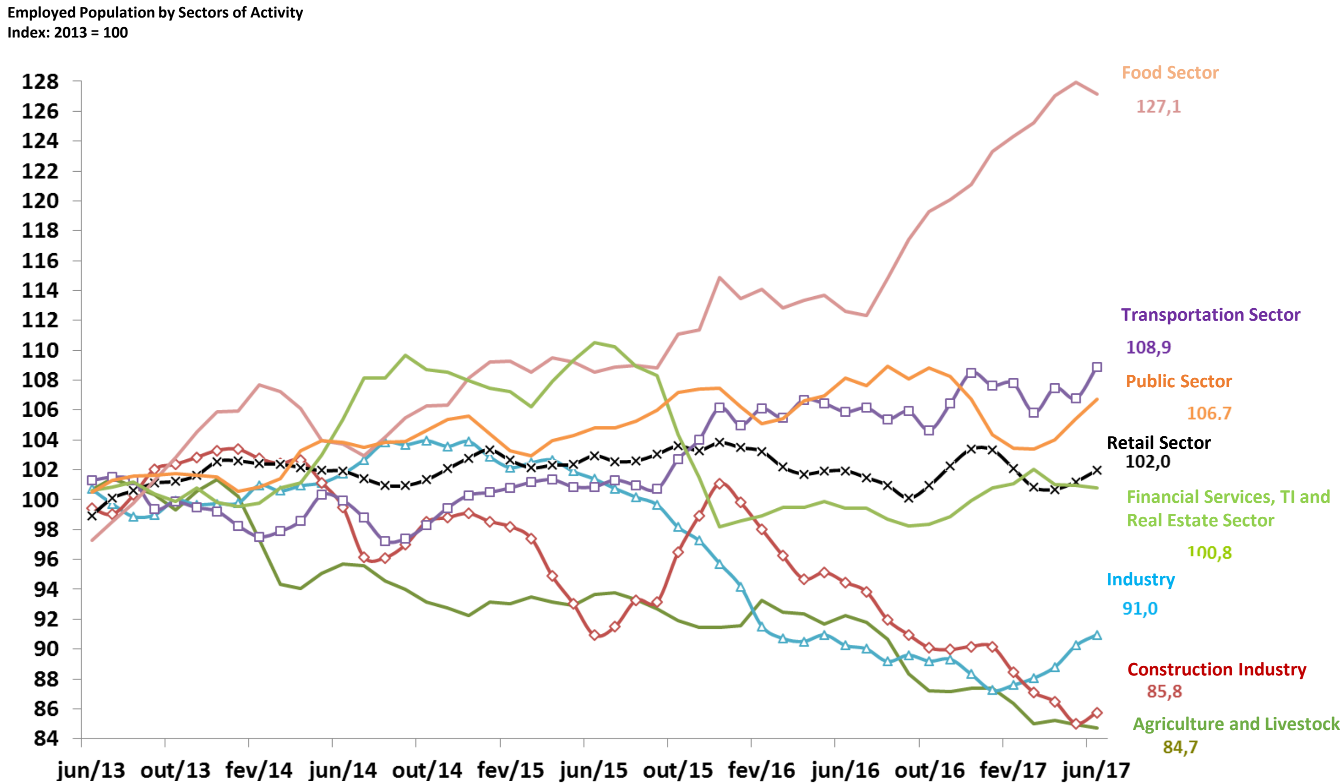
Source: IBGE/MP -- PNADC.

Labor Market Evolution by Employment Type



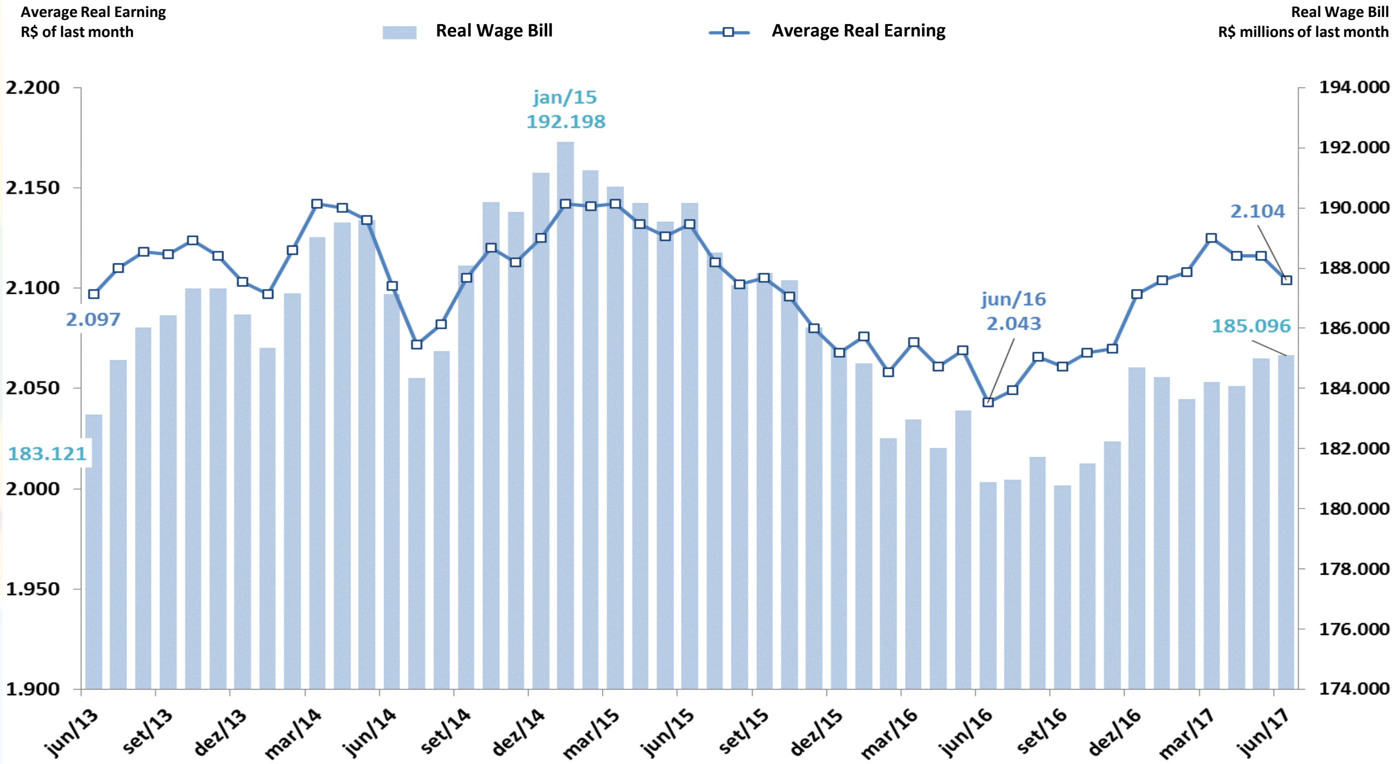
Source: IBGE/MP - PNADC. Note: *Formal contract includes both private and public sectors and Self-Employed includes home-workers and family-workers.

Employment by Sector of Activity



Source: IBGE/MP - PNADC.

Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

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INFLATION

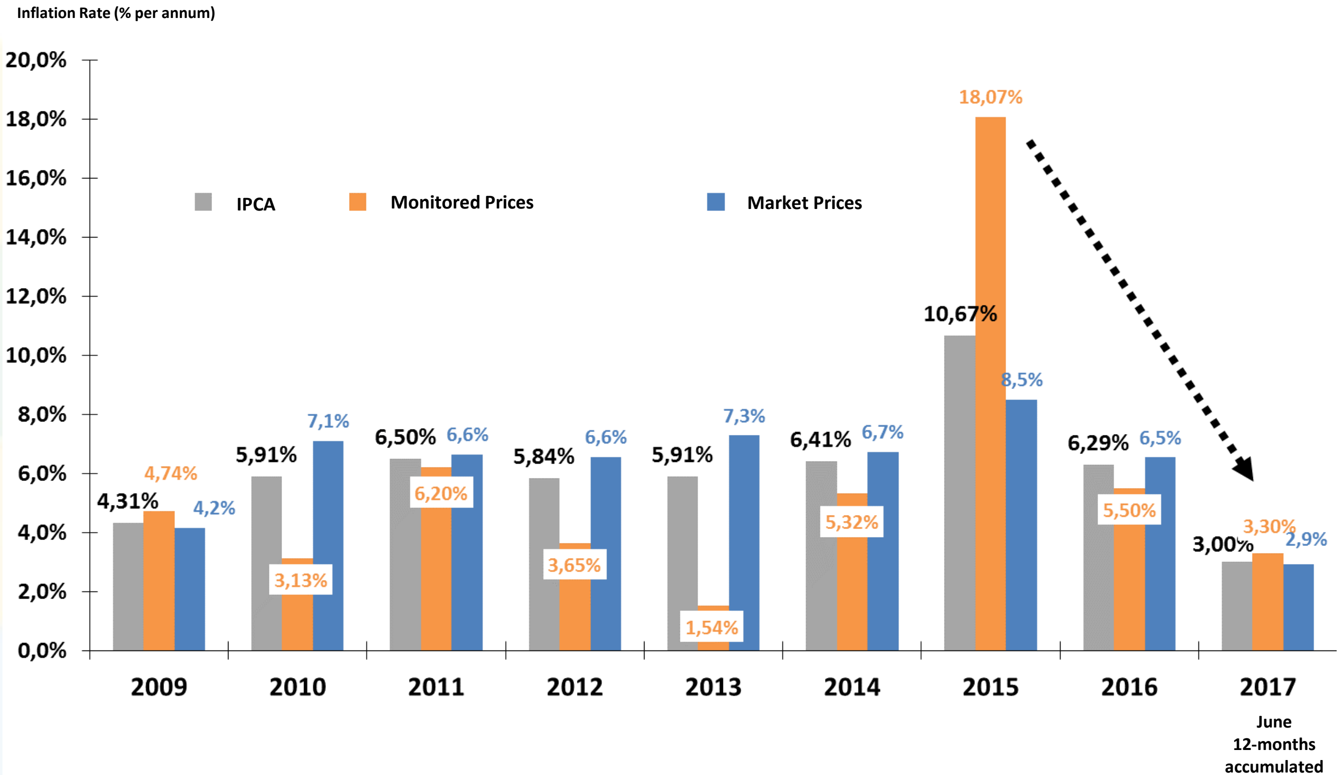
Inflation

BCB/FOCUS: 07/28/2017

Inflation Index June 2017	2015	2016	Accum. In 12-months	YTD 2016	YTD 2017	Apr/16	May/16	Jun/16	Mar/17	Apr/17	Jun/17	2017	2018	2019
IPCA Inflation Target (CMN)	**4,5%**	**4,5%**										**4,5%**	**4,5%**	**4,5%**
Consumer Price Index IPCA (IBGE)	**10,7%**	**6,3%**	**3,0%**	**4,4%**	**1,2%**	**0,61%**	**0,78%**	**0,35%**	**0,14%**	**0,31%**	**-0,23%**	**3,4%**	**4,2%**	**4,3%**
IPCA core (By exclusion food and energy - Ex2)	9,4%	6,2%	4,2%	4,1%	2,2%	0,7%	1,0%	0,4%	0,2%	0,5%	0,1%			
Food and Beverages	12,0%	8,6%	1,1%	7,4%	0,0%	1,1%	0,8%	0,7%	0,6%	-0,4%	-0,5%			
Housing	18,3%	2,8%	2,6%	2,1%	1,8%	-0,4%	1,8%	0,6%	-1,1%	2,1%	-0,8%			
Household Articles	5,4%	3,4%	-0,7%	3,4%	-0,8%	0,3%	0,6%	0,3%	-0,3%	-0,2%	-0,1%			
Apparel	4,5%	3,5%	2,2%	2,3%	1,1%	0,4%	0,9%	0,3%	0,5%	1,0%	0,2%			
Transportation	10,2%	4,2%	1,9%	1,5%	-0,9%	0,0%	-0,6%	-0,5%	-0,1%	-0,4%	-0,5%			
Health and Personal Care	2,1%	1,3%	1,9%	0,7%	1,4%	1,5%	0,0%	0,0%	0,6%	0,1%	0,1%			
Personal Expenses	9,2%	11,0%	7,4%	7,5%	4,0%	2,3%	1,6%	0,8%	1,0%	0,6%	0,5%			
Education	9,5%	8,0%	5,3%	4,6%	1,9%	0,2%	1,4%	0,4%	0,1%	0,2%	0,3%			
Communication	9,2%	8,9%	8,0%	7,4%	6,5%	0,2%	0,2%	0,1%	0,0%	0,1%	0,1%			
Consumer Price Index INPC (IBGE)	**11,3%**	**6,6%**	**2,6%**	**5,1%**	**1,1%**	**0,64%**	**0,98%**	**0,47%**	**0,08%**	**0,36%**	**-0,30%**	**3,5%**	**4,5%**	**4,3%**
São Paulo Cost-of-Living Index ICV SP (DIEESE)	**11,5%**	**6,2%**	**2,2%**	**4,7%**	**0,8%**	**0,57%**	**0,67%**	**0,45%**	**-0,18%**	**0,37%**	**-0,31%**			
General Price Index IGP-DI (FGV)	**10,7%**	**7,2%**	**-1,5%**	**6,0%**	**-2,6%**	**0,36%**	**1,13%**	**1,63%**	**-1,24%**	**-0,51%**	**-0,96%**	**-0,9%**	**4,5%**	**4,4%**
Consumer Price Subindex IPC/Br-DI	**10,5%**	**6,2%**	**3,4%**	**4,5%**	**1,8%**	**0,5%**	**0,6%**	**0,3%**	**0,1%**	**0,5%**	**-0,3%**			
Construction Cost Subindex INCC-DI	**7,5%**	**6,1%**	**4,7%**	**4,2%**	**2,8%**	**0,6%**	**0,1%**	**1,9%**	**0,0%**	**0,6%**	**0,9%**			
Wholesale Price Subindex IPA-DI	**11,3%**	**7,7%**	**-4,3%**	**6,9%**	**-5,1%**	**0,3%**	**1,5%**	**2,1%**	**-2,0%**	**-1,1%**	**-1,5%**	**-3,1%**	**5,0%**	**4,5%**
IPA-DI Industry	9,6%	6,7%	1,1%	3,0%	-2,5%	-0,1%	0,7%	0,7%	-1,2%	-1,2%	-1,1%			
IPA-DI Agriculture	15,6%	9,9%	-17,2%	16,9%	-11,9%	1,1%	3,3%	5,6%	-4,1%	-0,7%	-2,9%			

Inflation Index July 2017	2015	2016	Accum. In 12-months	YTD 2016	YTD 2017	May/16	Jun/16	Jul/16	May/17	Jun/17	Jul/17	2017	2018	2019
General Price Index IGP-10 (FGV)	**10,5%**	**7,0%**	**-1,8%**	**6,5%**	**-2,2%**	**0,60%**	**1,42%**	**1,06%**	**-1,10%**	**-0,62%**	**-0,84%**			
Consumer Price Index IPCA - 15 (IBGE)	**10,7%**	**6,6%**	**2,8%**	**5,2%**	**1,4%**	**0,86%**	**0,40%**	**0,54%**	**0,24%**	**0,16%**	**-0,18%**	**3,4%**	**4,2%**	**4,3%**
General Price Index IGP-M (FGV)	**10,5%**	**7,2%**	**-1,7%**	**6,1%**	**-2,7%**	**0,82%**	**1,69%**	**0,18%**	**-0,93%**	**-0,67%**	**-0,72%**	**-0,6%**	**4,5%**	**4,3%**
São Paulo Consumer Price Index IPC RMSP (FIPE)	**11,1%**	**6,5%**	**2,1%**	**5,4%**	**1,0%**	**0,57%**	**0,65%**	**0,35%**	**-0,05%**	**0,05%**	**-0,01%**	**3,4%**	**4,5%**	**4,2%**

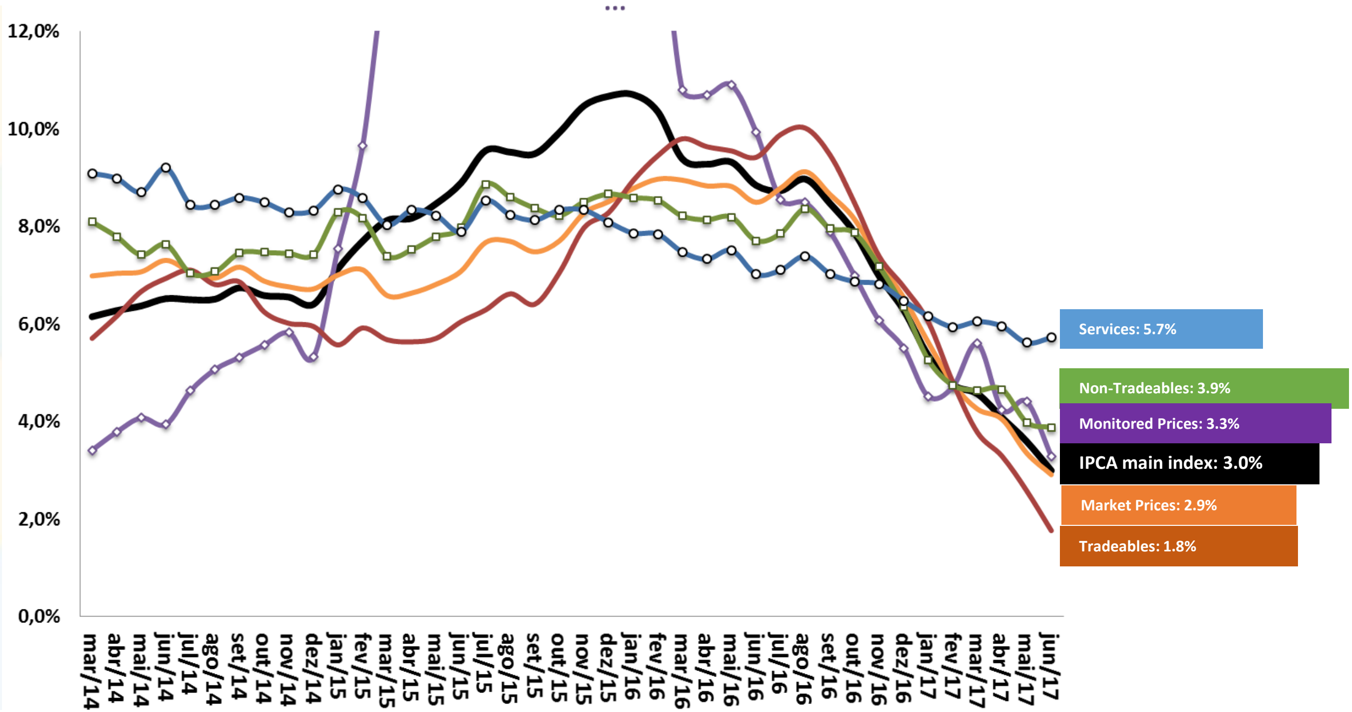
Relative Prices Convergence in the Consumer Price Index



Source: IBGE/MP.

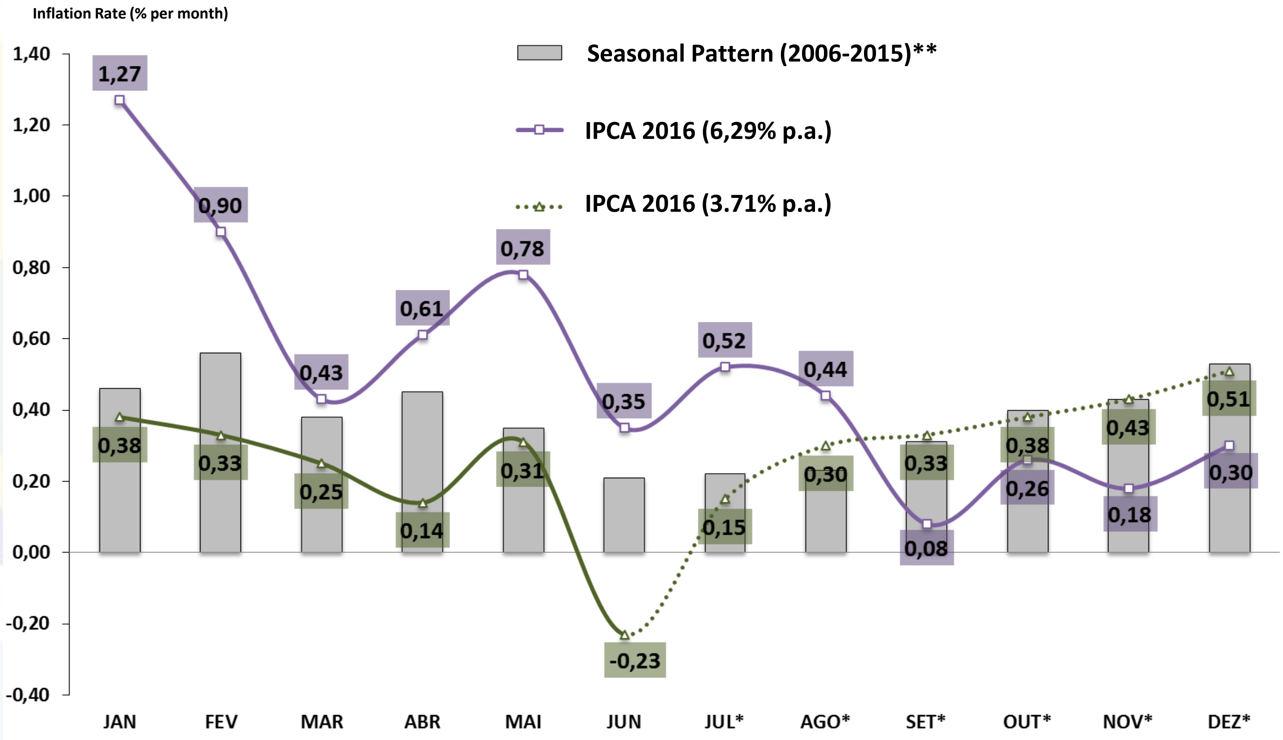
Consumer Price Index (IPCA) and Subindexes

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



Source: IBGE/MP.

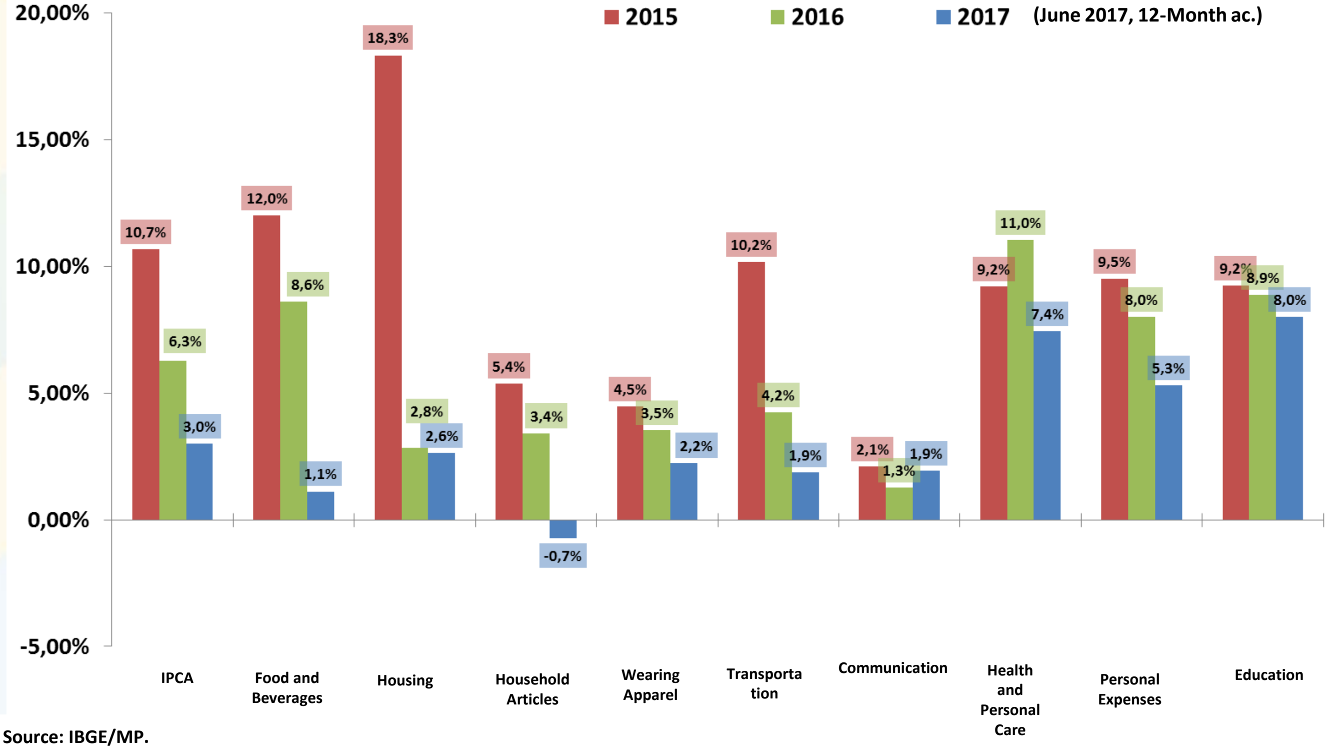
Consumer Price Index (IPCA) and Seasonal Pattern



Sources: IBGE/MP and Central Bank of Brazil. *BCB-Focus Survey July 28th, 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.

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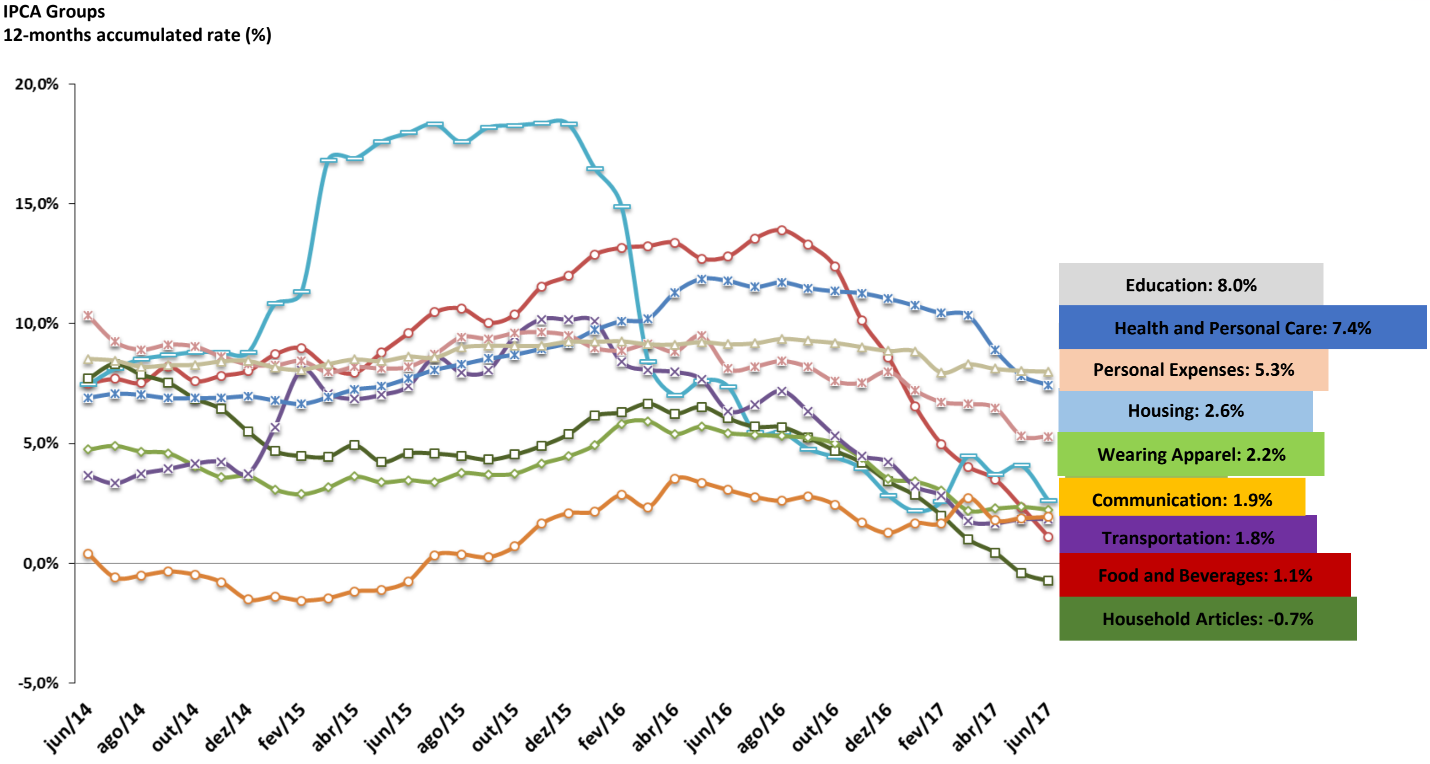
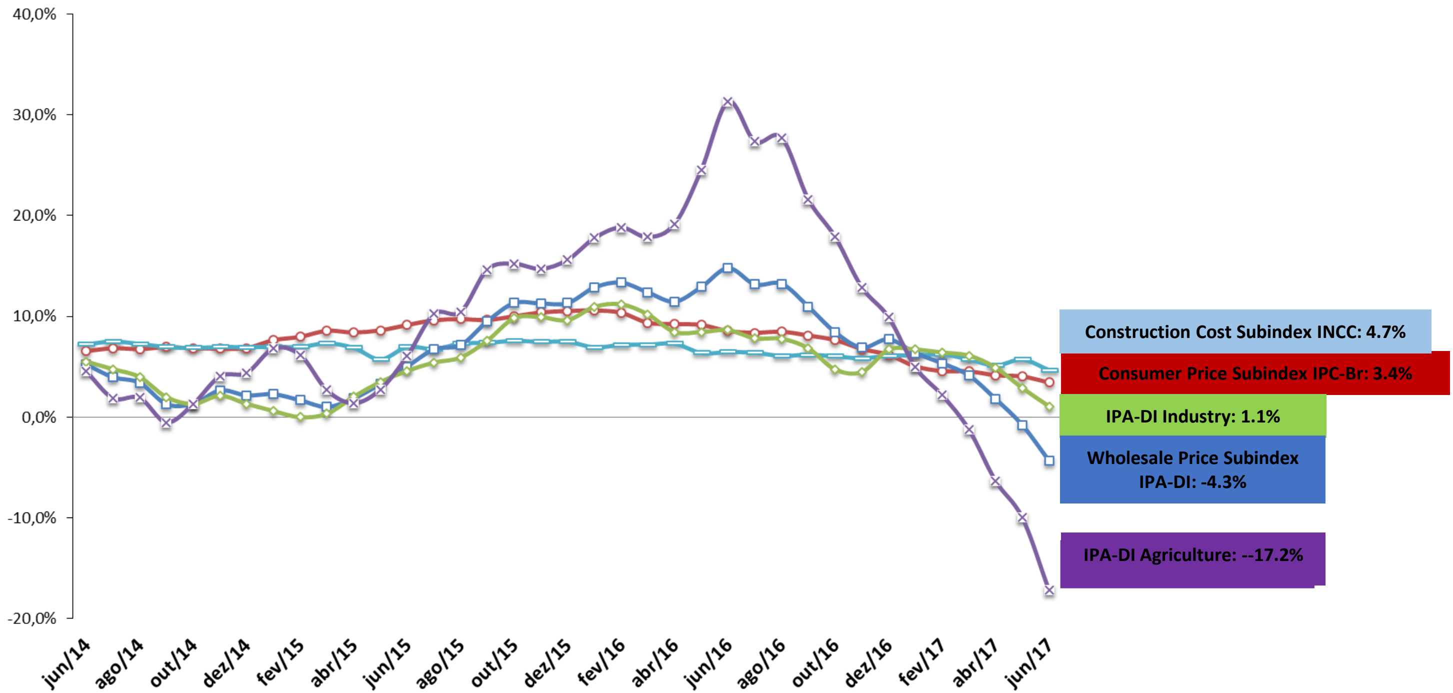
Consumer Price Index (IPCA) by Groups



Source: IBGE.

General Price Index (IGP-DI) by Subindexes

General Prices Subindexes
12-months accumulated rate (%)



Source: FGV.

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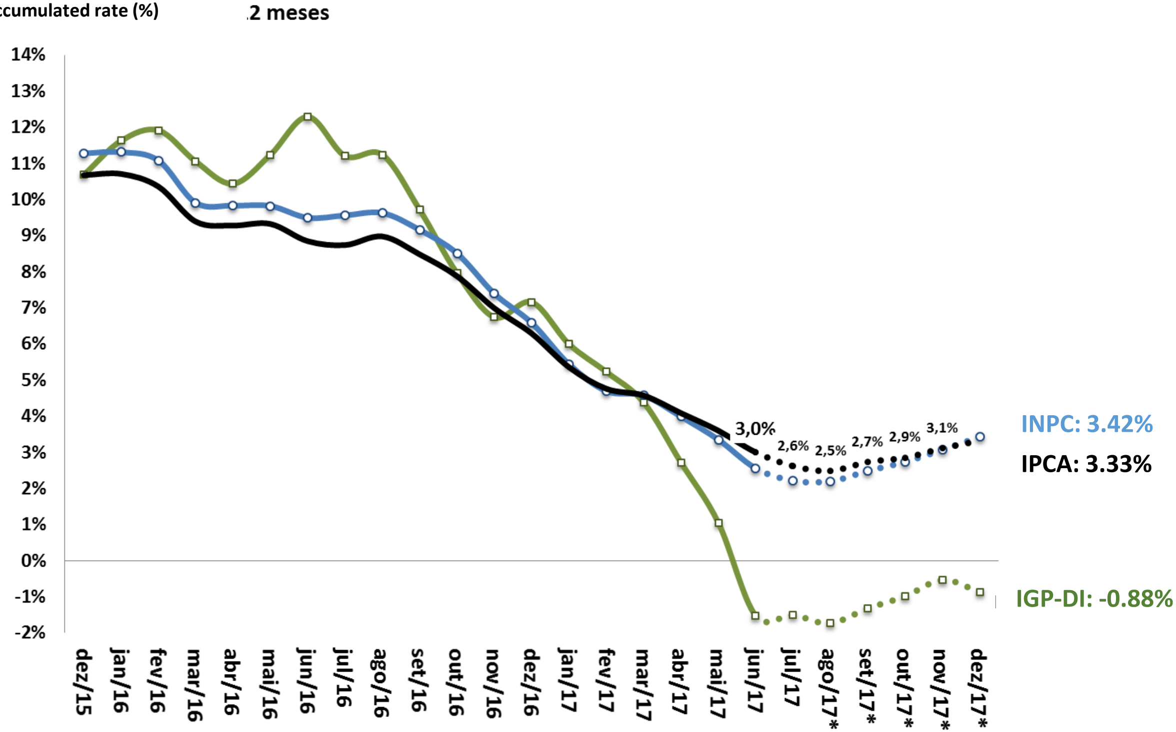
Major Inflation Indexes

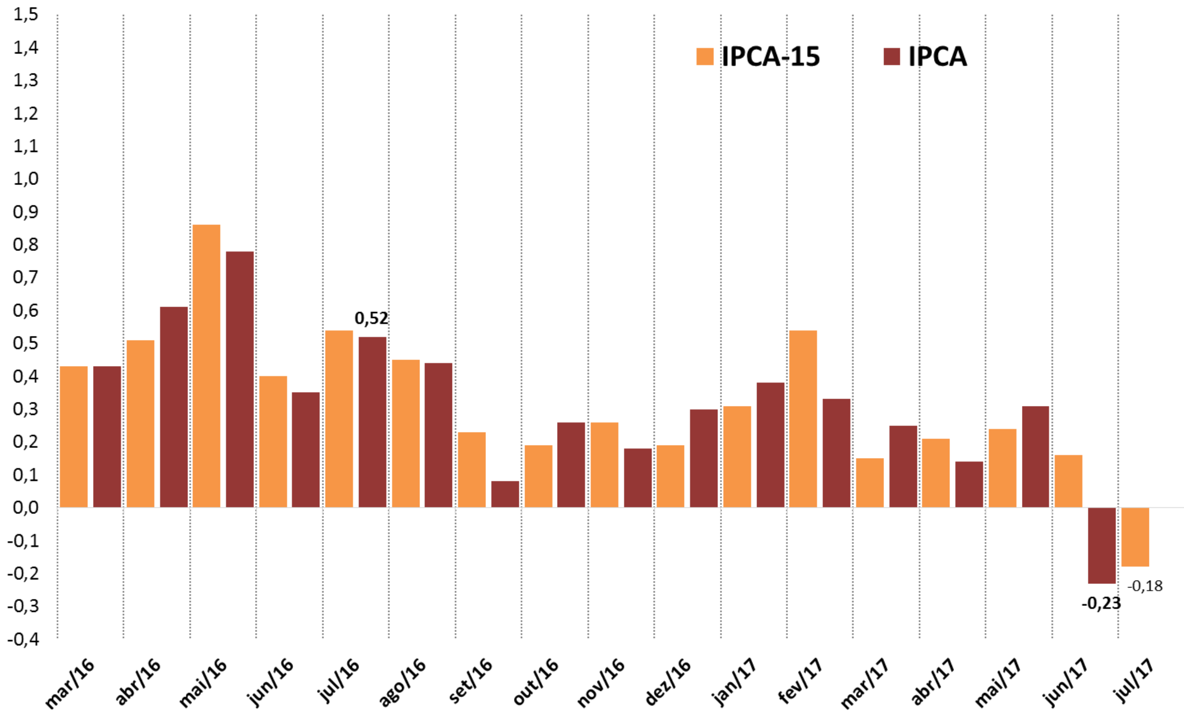
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *BCB-Focus Survey 30th June, median of market expectations.

IBGE: Monthly Consumer Price Indexes

IPCA-15 and IPCA
By release order



Source: IBGE.

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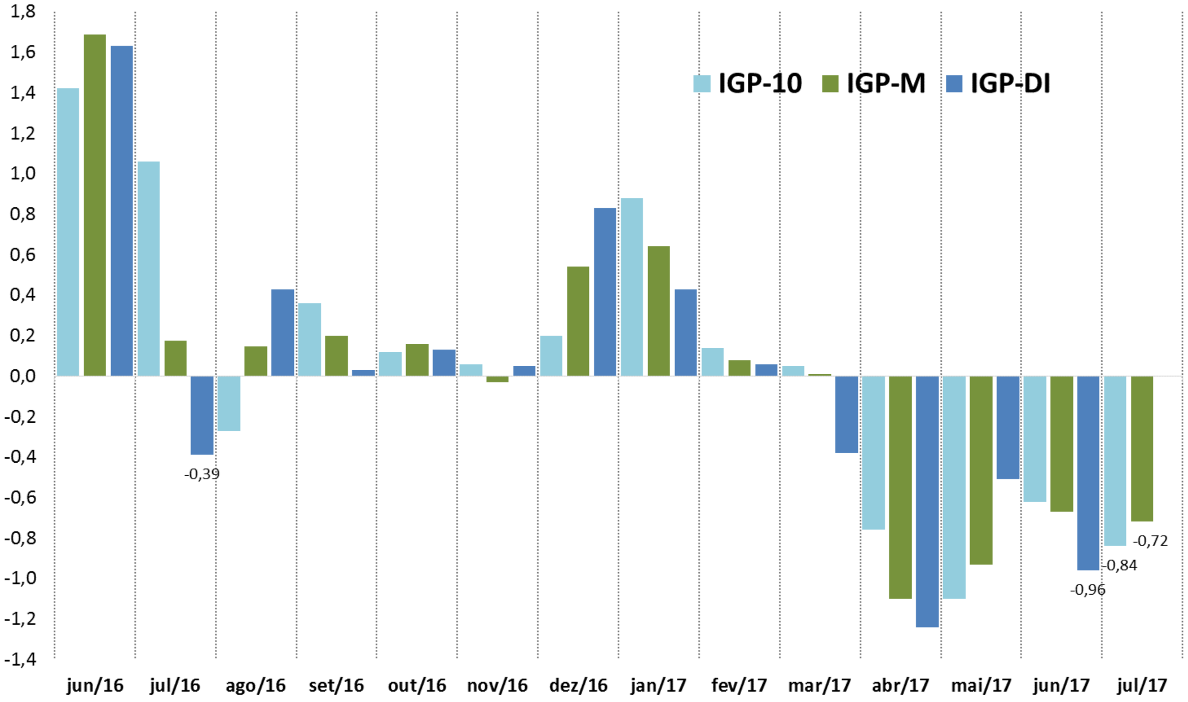
FGV: Monthly General Price Indexes

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



Source: FGV.

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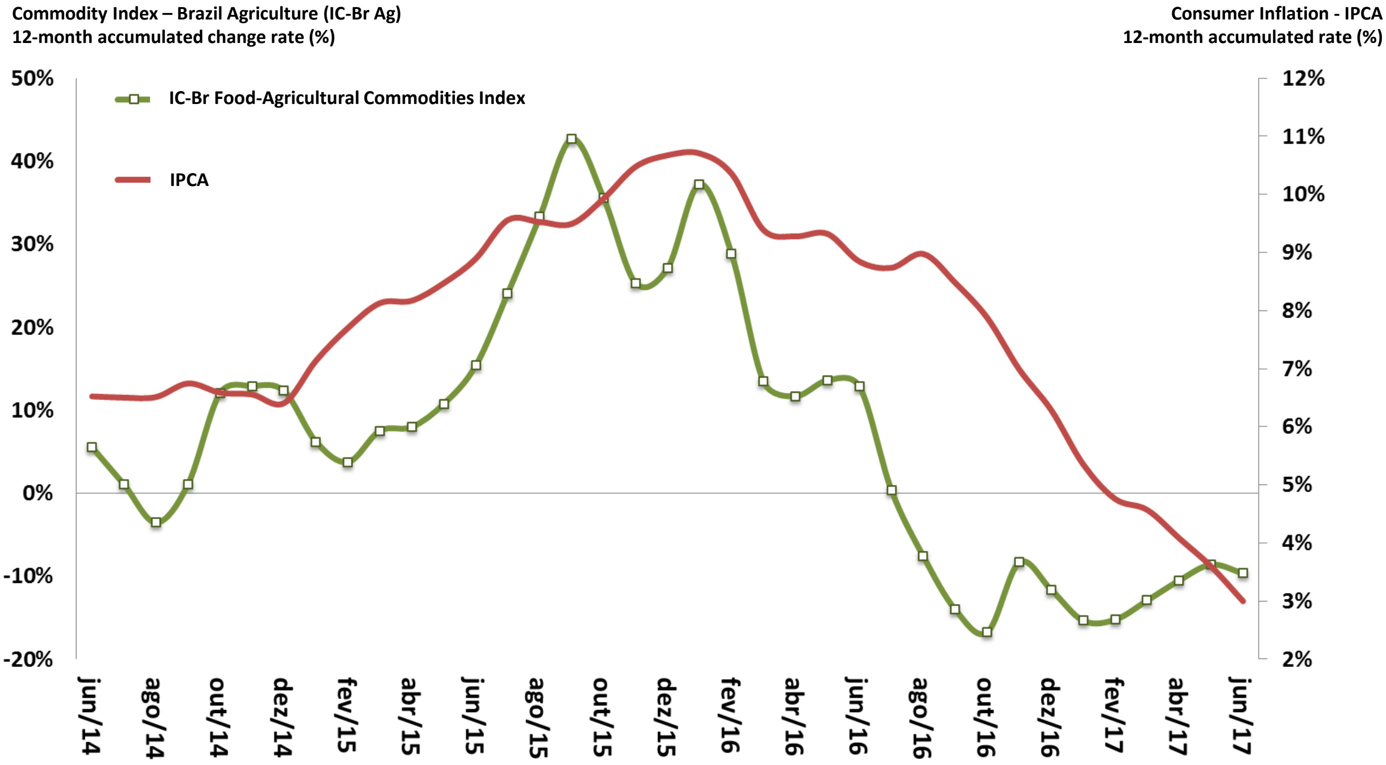
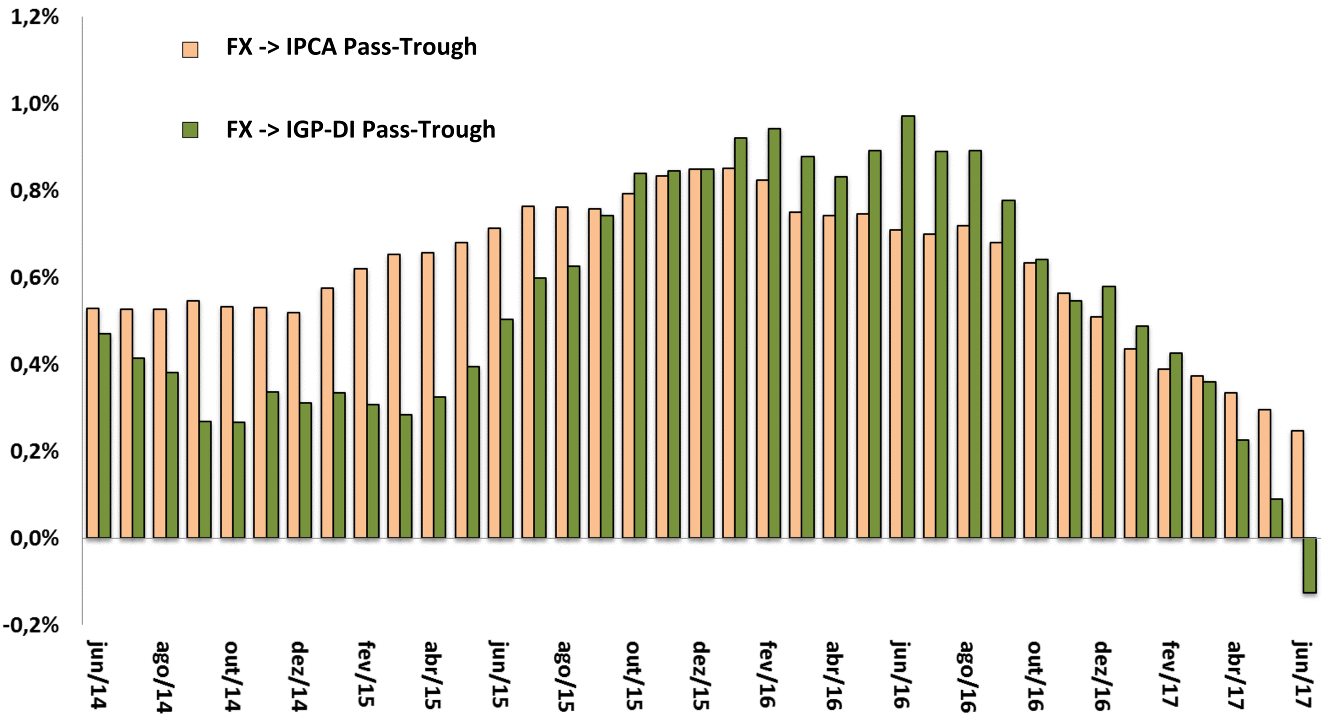
Consumer Price Index and Commodity Index (Brazil Agriculture)



Sources: IBGE/MP and Central Bank of Brazil.

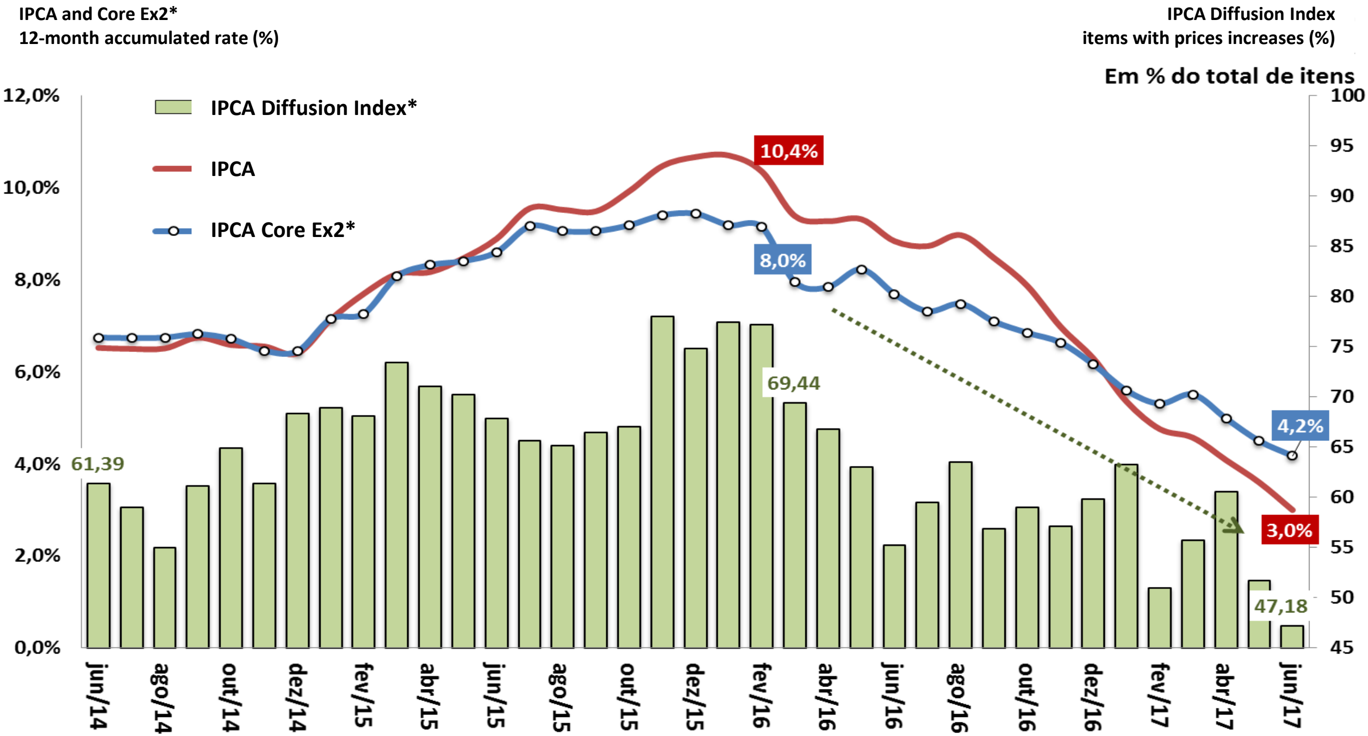
Exchange Rate Pass-Through in Consumer and General Price Indexes

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



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

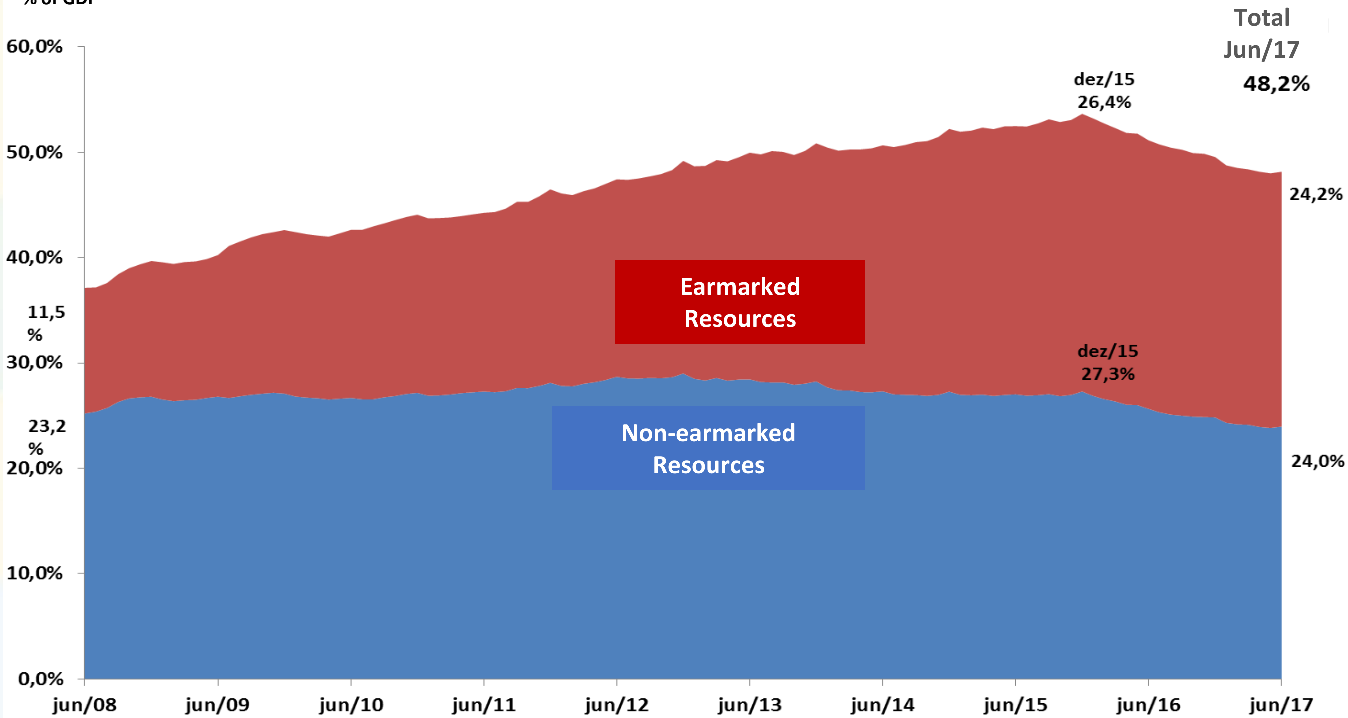
Credit Market

Credit Market (BCB) June 2017 End-of-Period Outstanding Credit (in R$ billions)	Dec/15	Dec/16	Jun/17	% of Total Credit Dec/15	% of Total Credit Dec/16	% of Total Credit Jun/17	chg.% Dec/16 / Dec/15	chg.% Jun/17 / Dec/16	% of GDP Dec/15	% of GDP Dec/16	% of GDP Jun/17
Total Credit to the National Financial System (NFS)	**3.219,3**	**3.105,5**	**3.066,4**	**100,0%**	**100,0%**	**100,0%**	**-3,5%**	**-1,3%**	**53,7%**	**49,6%**	**48,2%**
by type of borrower											
Public Sector (incl. State-Owned Enterprises)	**261,1**	**235,8**	**229,4**	**8,1%**	**7,6%**	**7,4%**	**-9,7%**	**-2,7%**	**4,4%**	**3,8%**	**3,6%**
Private Sector	**2.958,3**	**2.869,7**	**2.836,9**	**91,9%**	**92,4%**	**92,6%**	**-3,0%**	**-1,1%**	**49,3%**	**45,8%**	**44,6%**
Non-Financial Corporations	**1.707,2**	**1.544,9**	**1.478,8**	**53,0%**	**49,7%**	**48,2%**	**-9,5%**	**-4,3%**	**28,5%**	**24,7%**	**23,2%**
Households	**1.512,2**	**1.560,7**	**1.587,6**	**47,0%**	**50,3%**	**51,8%**	**3,2%**	**1,7%**	**25,2%**	**24,9%**	**25,0%**
by type of lender											
Public Financial Institutions	**1.796,7**	**1.729,7**	**1.719,2**	**55,8%**	**55,7%**	**55,8%**	**-3,7%**	**-0,6%**	**29,9%**	**27,6%**	**26,9%**
National Private Financial Institutions	**947,9**	**976,2**	**957,2**	**29,4%**	**31,4%**	**31,1%**	**3,0%**	**-1,9%**	**15,8%**	**15,6%**	**15,0%**
Foreign Private Financial Institutions	**474,7**	**399,6**	**401,8**	**14,7%**	**12,9%**	**13,1%**	**-15,8%**	**0,6%**	**7,9%**	**6,4%**	**6,3%**
by type of credit											
Earmarked Resources	**1.582,2**	**1.549,5**	**1.544,0**	**49,1%**	**49,9%**	**50,2%**	**-2,1%**	**-0,4%**	**26,4%**	**24,7%**	**24,2%**
Housing	572,3	605,7	616,0	17,8%	19,5%	20,1%	5,8%	1,7%	9,5%	9,7%	9,7%
Rural	231,1	241,6	249,6	7,2%	7,8%	8,2%	4,5%	3,3%	3,9%	3,9%	4,0%
BNDES Development Bank	679,4	601,0	579,6	21,1%	19,4%	18,7%	-11,5%	-3,6%	11,3%	9,6%	9,0%
Others	99,3	101,2	98,8	3,1%	3,3%	3,2%	1,9%	-2,4%	1,7%	1,6%	1,5%
Non-Financial Corporations	875,3	797,7	770,8	27,2%	25,7%	25,0%	-8,9%	-3,4%	14,6%	12,7%	12,0%
Households	706,9	751,8	773,2	22,0%	24,2%	25,2%	6,4%	2,8%	11,8%	12,0%	12,2%
Non-earmarked Resources	**1.637,1**	**1.556,0**	**1.522,4**	**50,9%**	**50,1%**	**49,8%**	**-5,0%**	**-2,2%**	**27,3%**	**24,8%**	**24,0%**
Non-Financial Corporations	831,9	747,1	707,9	25,8%	24,1%	23,2%	-10,2%	-5,3%	13,9%	11,9%	11,2%
Households	805,3	808,8	814,4	25,0%	26,0%	26,6%	0,4%	0,7%	13,4%	12,9%	12,8%

Non-earmarked Resources (BCB) June 2017 *New Loans, Spread and Delinquency Rates*	Dec/15	Dec/16	Jun/17	% of Total Credit Dec/15	% of Total Credit Dec/16	% of Total Credit Jun/17	chg.% Dec/16 / Dec/15	chg.% Jun/17 / Dec/16	% of GDP Dec/15	% of GDP Dec/16	% of GDP Jun/17
New Loans (12-months accum. in R$ billions)	**3.050,1**	**2.840,0**	**2.837,0**	**100,0%**	**100,0%**	**100,0%**	**-6,9%**	**-0,1%**	**50,8%**	**45,3%**	**48,5%**
Non-Financial Corporations	1.475,1	1.282,5	1.233,3	48,4%	45,2%	43,7%	-13,1%	-3,8%	24,6%	20,5%	21,2%
Households	1.575,0	1.557,6	1.603,6	51,6%	54,8%	56,3%	-1,1%	3,0%	26,2%	24,9%	27,3%
Spread (in pp per year)	**32,0**	**40,3**	**36,5**				**8,4 pp**	**-3,8 pp**			
Non-Financial Corporations	15,0	16,7	15,4				1,7 pp	-1,3 pp			
Households	48,2	60,2	53,5				12,0 pp	-6,6 pp			
Delinquency (% non-performing loans by 90 days or more)	**5,3**	**5,7**	**5,6**				**0,4 pp**	**-0,1 pp**			
Non-Financial Corporations	4,5	5,2	5,3				0,8 pp	0,1 pp			
Households	6,2	6,1	5,8				-0,1 pp	-0,3 pp			

Total Credit: Earmarked and Non-earmarkerd Resources

Total Outstanding Credit in National Financial System
% of GDP



Source: Central Bank of Brazil.

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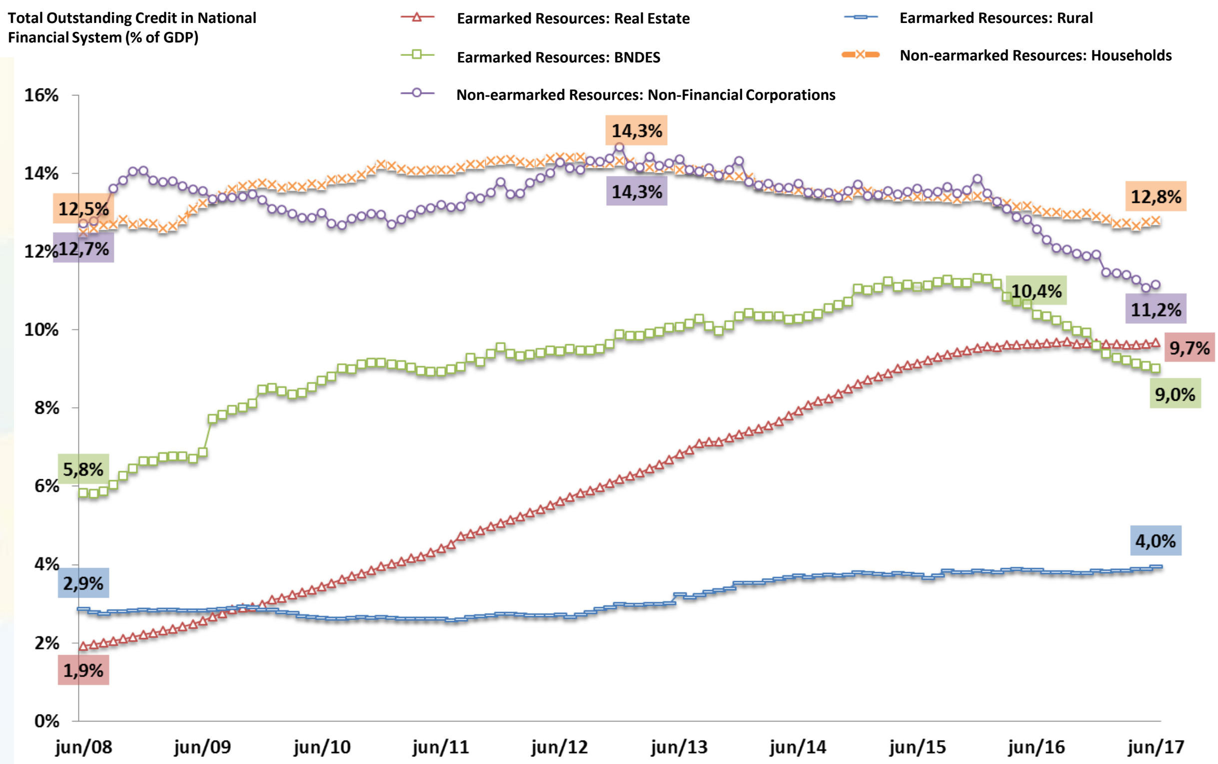
Total Credit Evolution by Major Segments



Source: Central Bank of Brazil.

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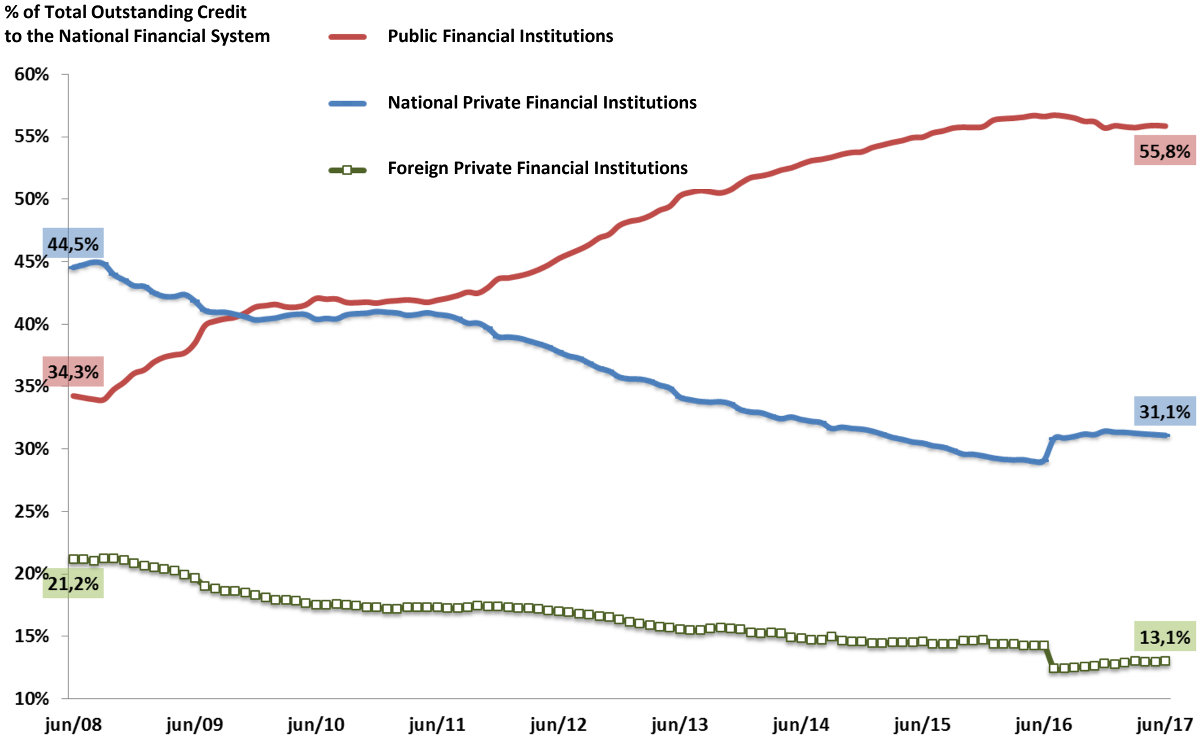
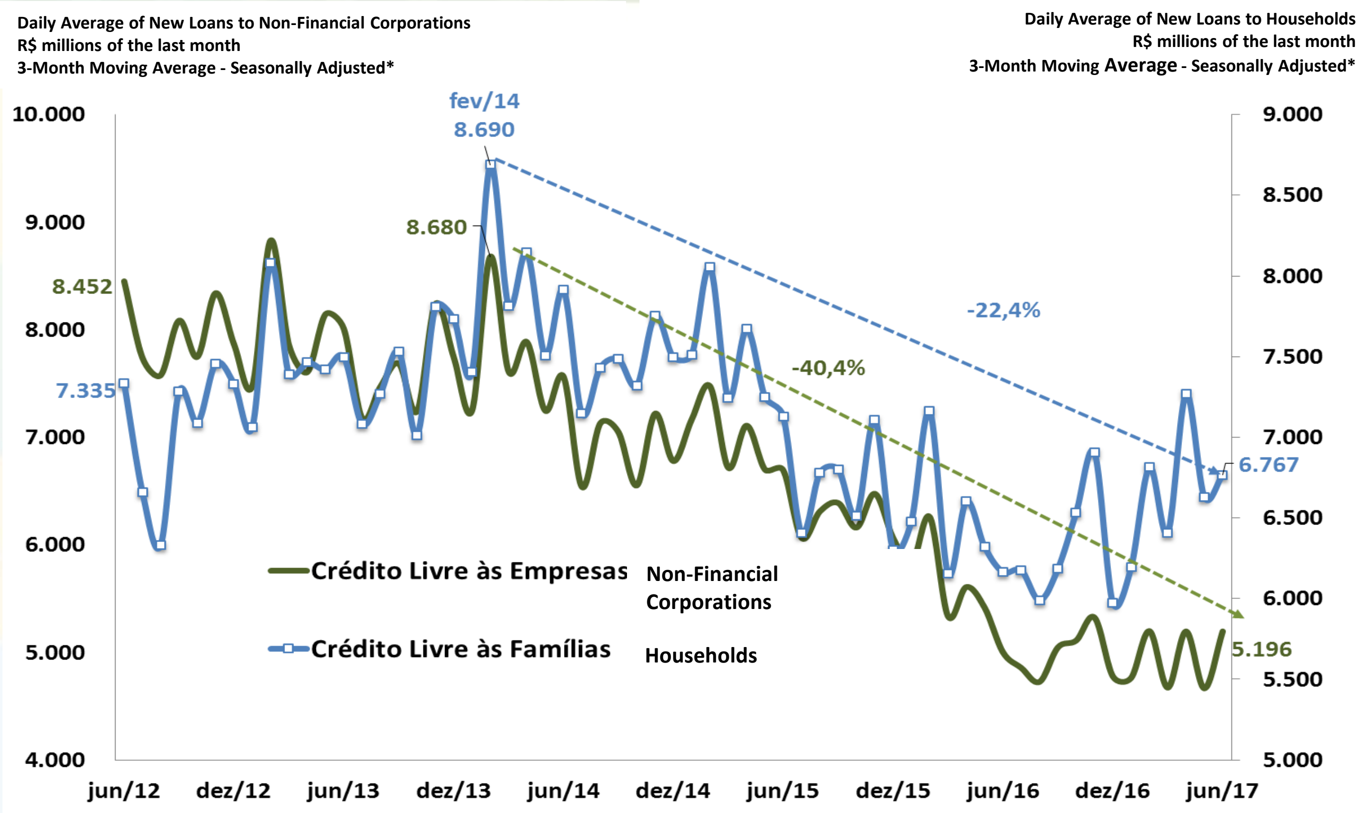
Total Credit by Types of Financial Institutions



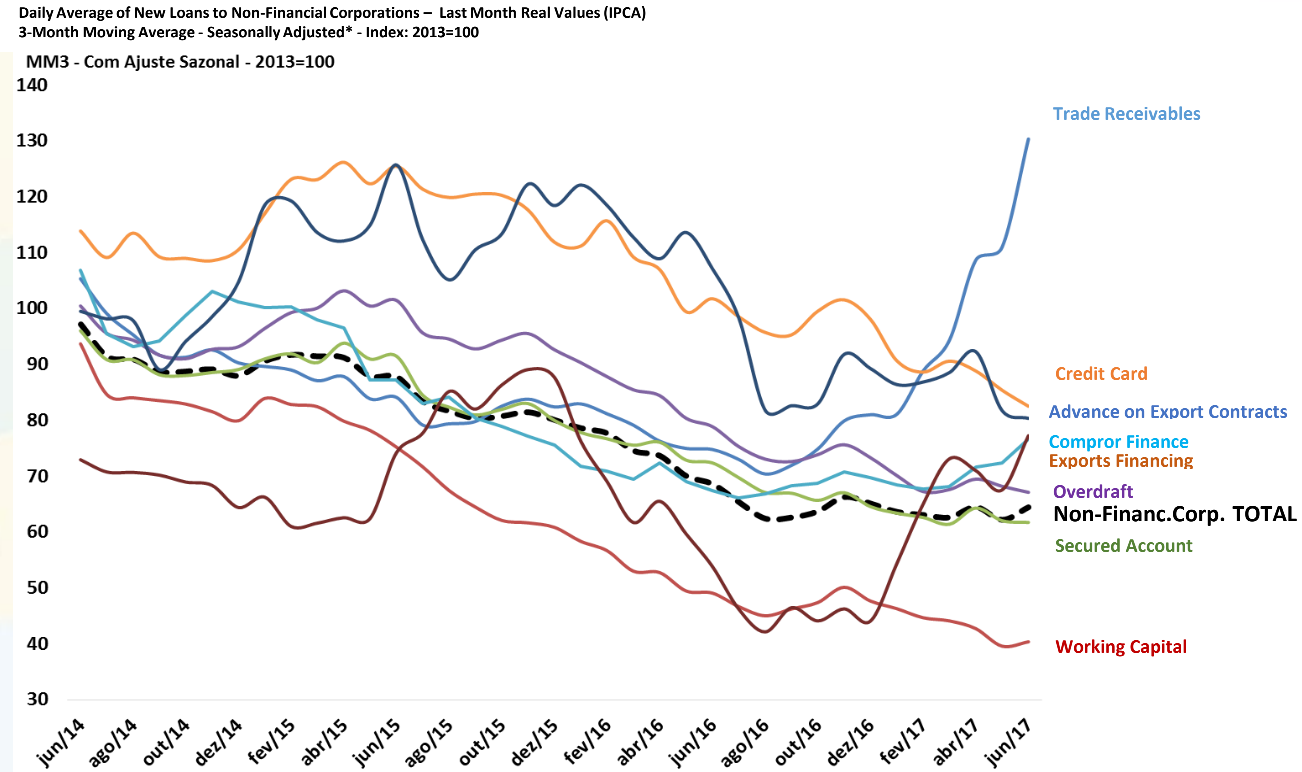
Source: Central Bank of Brazil.

New Loans to Households and Non-Financial Corporations



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

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



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

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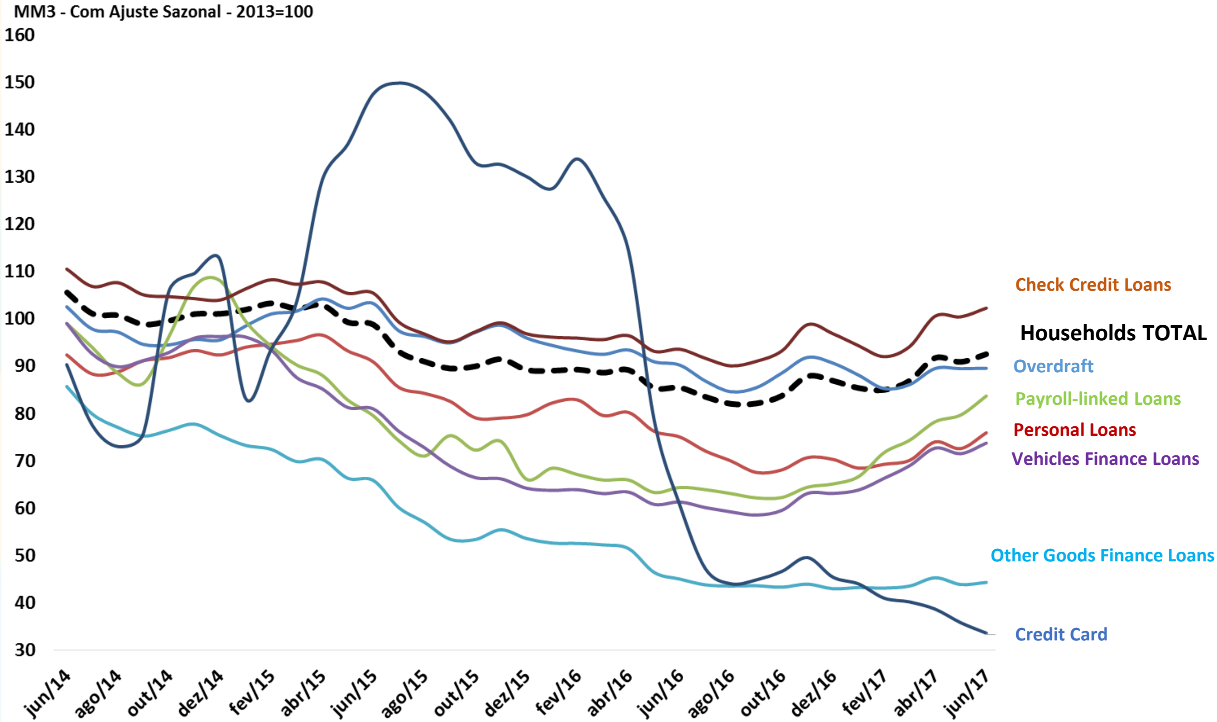
New Loans to Households by Type of Credit Lines

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.

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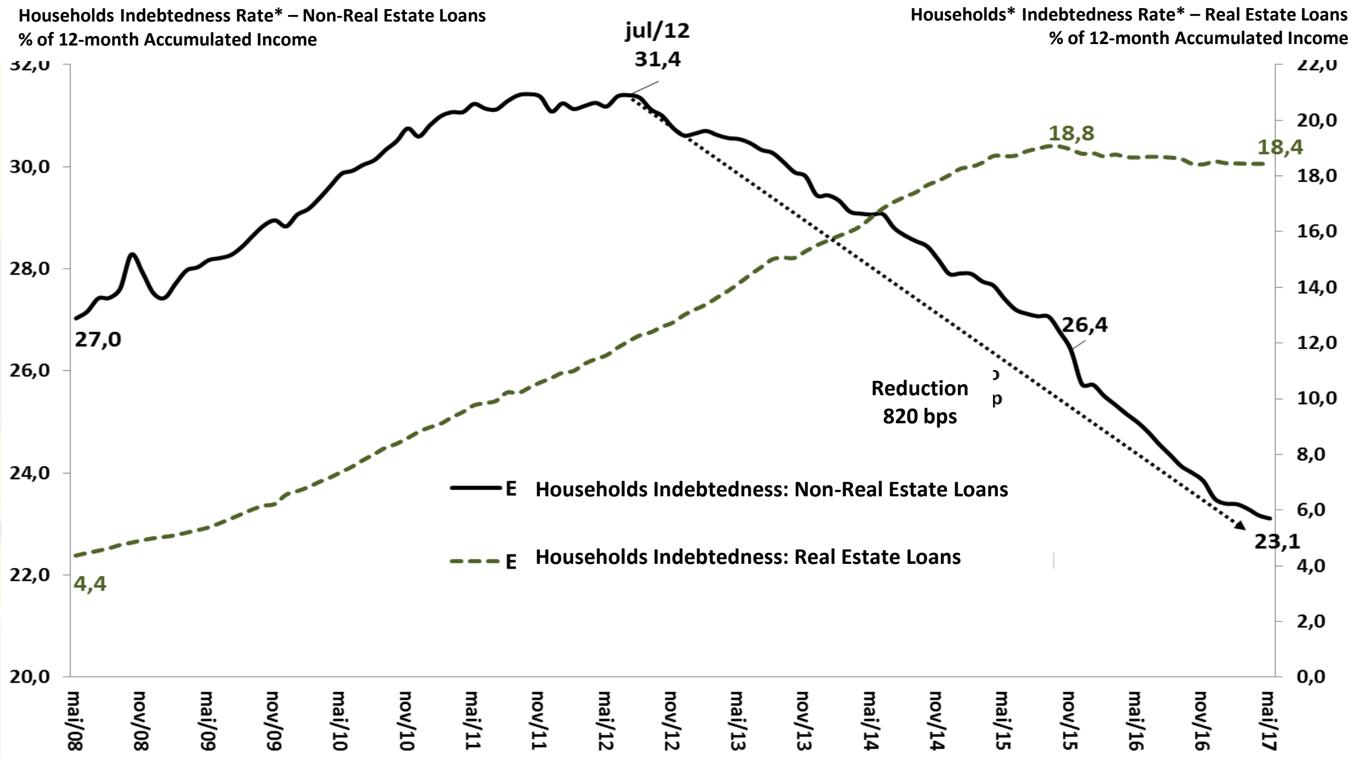
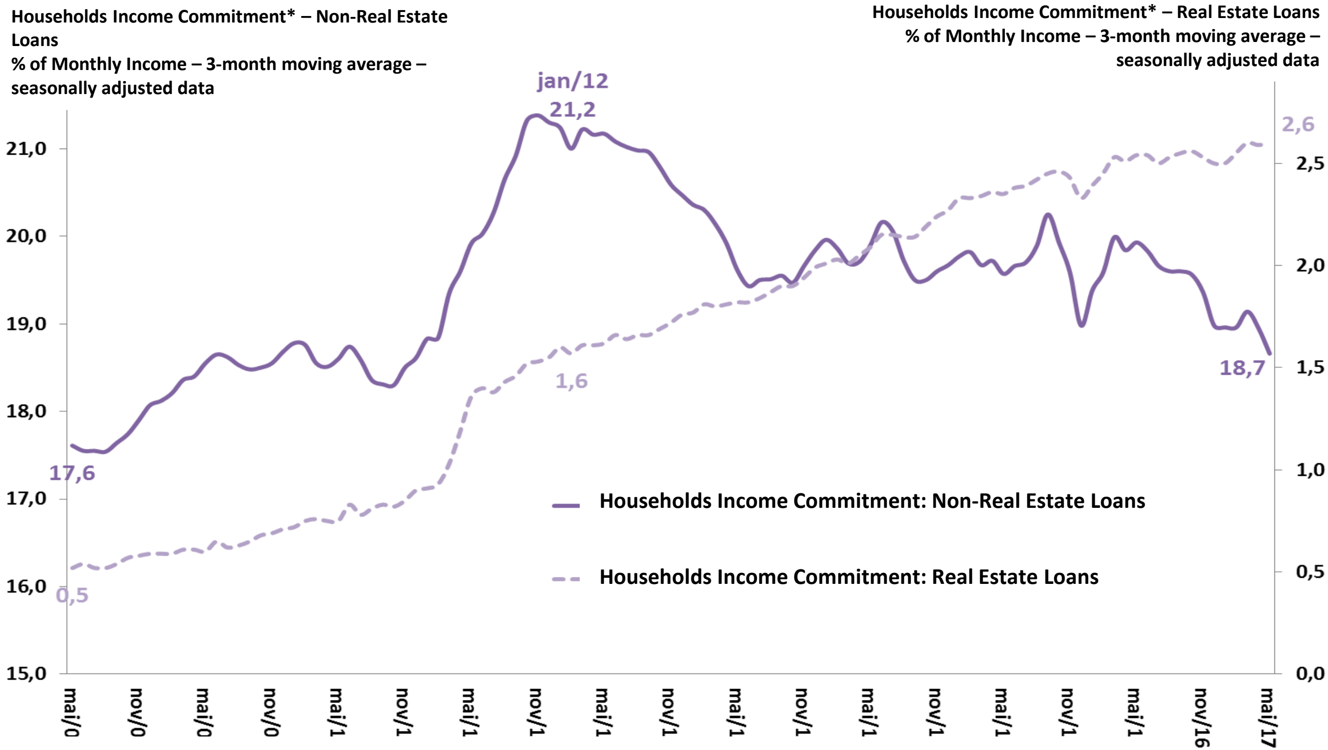
Households Indebtedness Rate



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

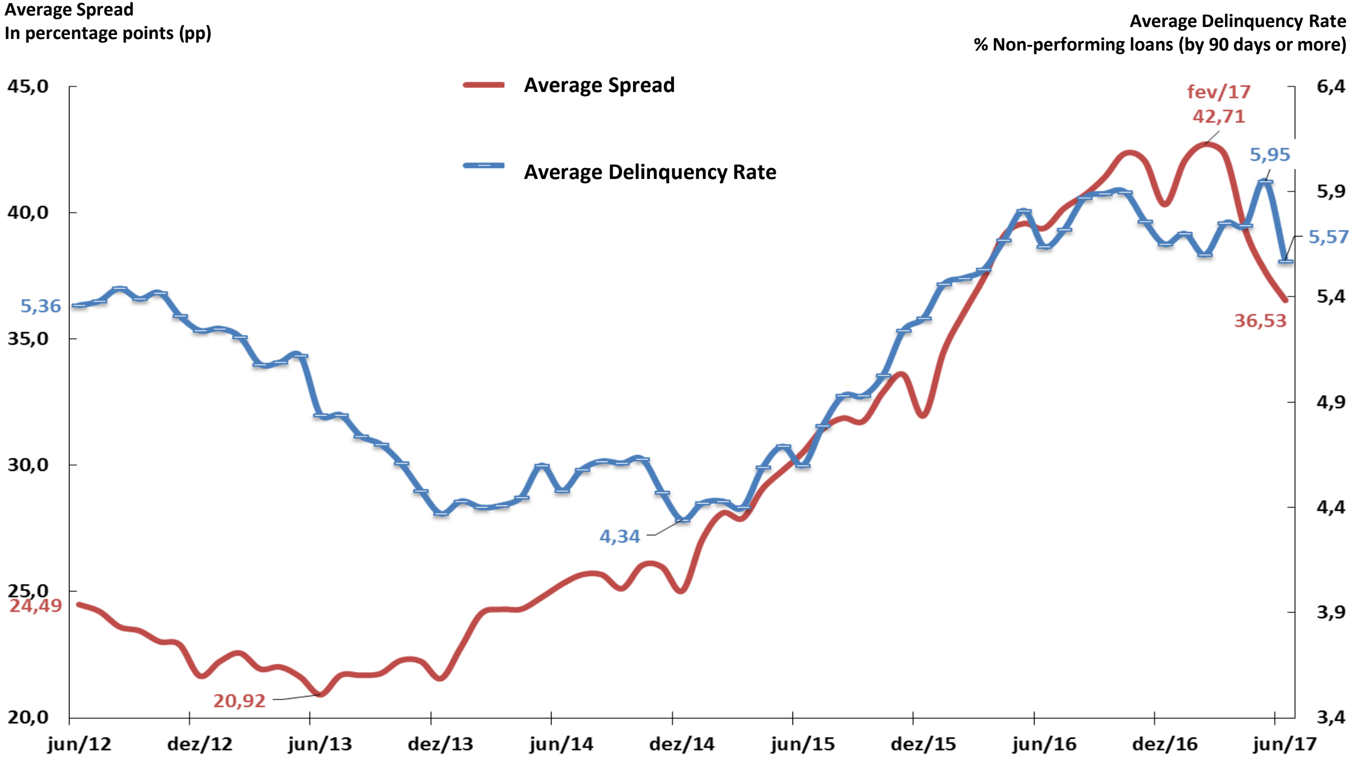
Households Income Commitment



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

dívida com o Sistema Financeiro Nacional e a renda mensal das famílias, em média móvel trimestral, ajustado sazonalmente.

Non-earmarked Resources: Spread and Delinquency Rates



Source: Central Bank of Brazil.

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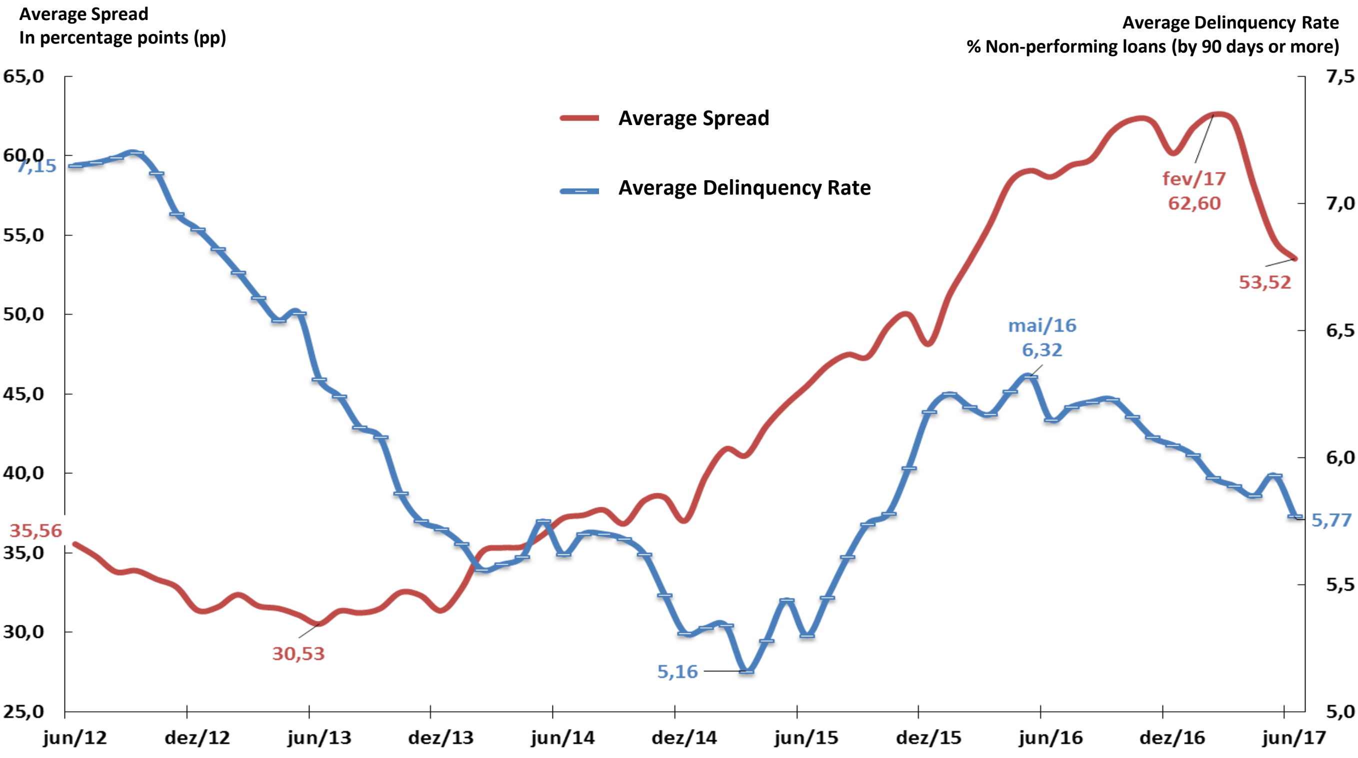
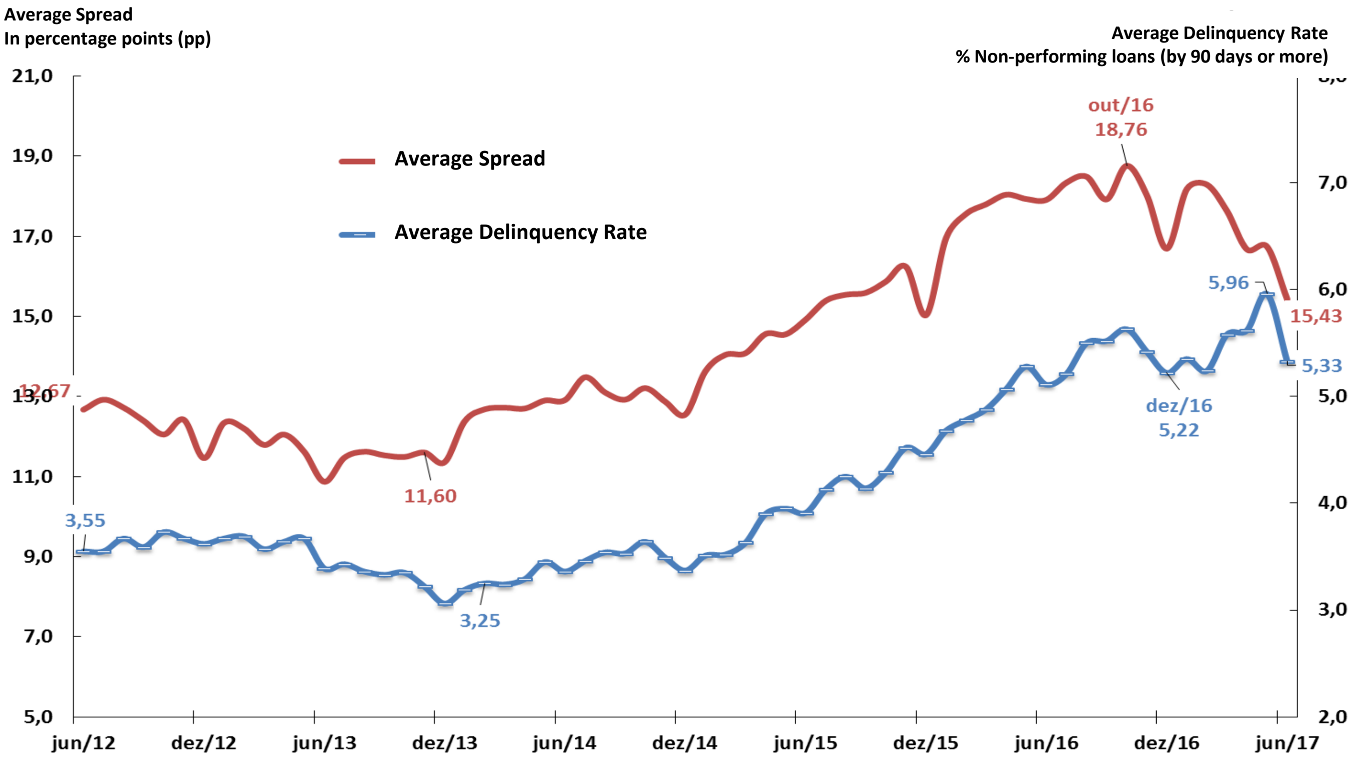
Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Non-Financial Corp. Loans: Spread and Delinquency Rates



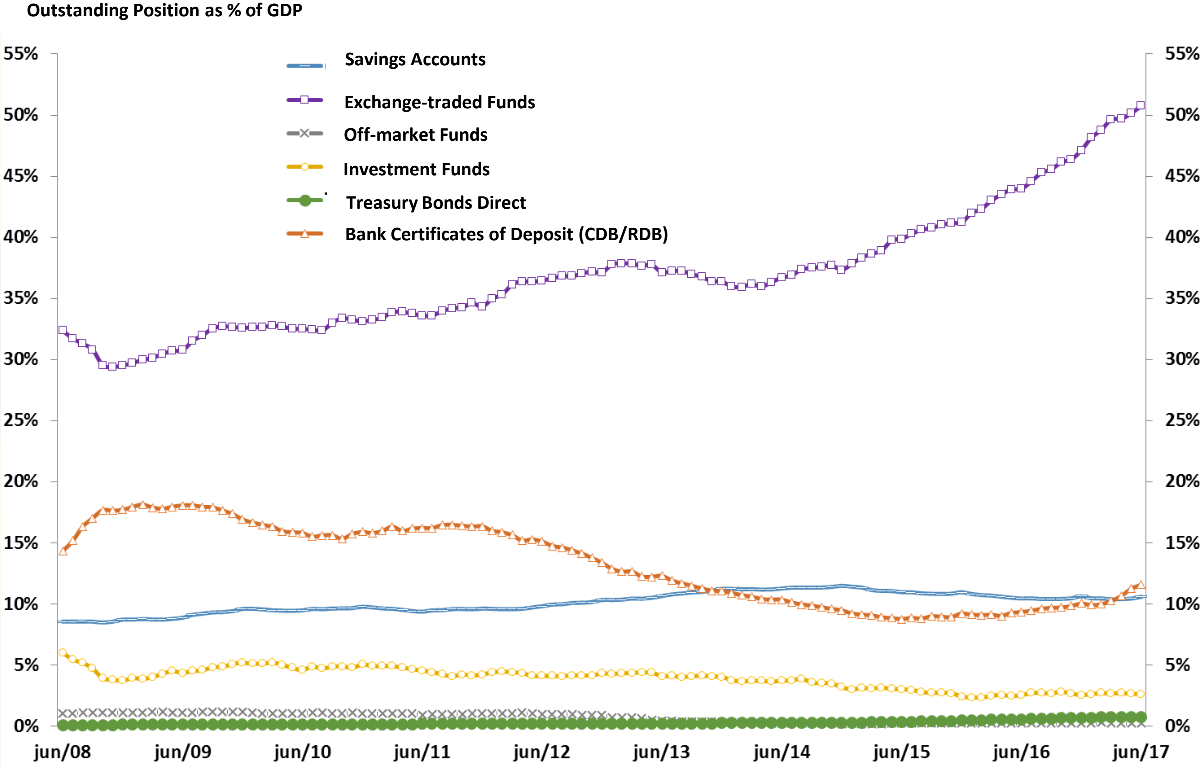
Source: Central Bank of Brazil.

FINANCIAL MARKETS

Financial Markets

									BCB/FOCUS: 07/28/2017		
Financial Savings (BCB) **June 2017** Outstanding Positions - R$ billions	**Dec/15**	**Dec/16**	**Jun/16**	**Jun/17**	**chg. % Dec/15 / Dec/14**	**chg. % Dec/16 / Dec/15**	**chg. % Jun/17 / Dec/16**	**chg. % Jun/17 / Jun/16**			
Bank Certificates of Deposit (CDB/RDB)	552,1	627,4	570,1	738,1	1,1%	13,6%	17,7%	29,5%			
Savings Accounts (Caderneta de Poupança)	656,6	665,0	638,2	675,3	-0,9%	1,3%	1,6%	5,8%			
Investment Funds	2.473,0	2.953,4	2.690,5	3.243,8	14,7%	19,4%	9,8%	20,6%			
Off-market Funds (Fundos Extramercado)	11,9	14,9	14,3	12,4	19,7%	25,0%	-16,9%	-13,1%			
Exchange-traded Funds	144,1	158,1	153,9	164,8	-21,0%	9,7%	4,2%	7,0%			
Treasury Bonds Direct (Tesouro Direto)	25,6	41,1	31,7	45,6	67,3%	60,5%	11,1%	44,0%			
BM&F-Bovespa - listed companies value as % of GDP	31,9%	39,4%	35,6%	40,3%	-6,95 pp	7,50 pp	0,96 pp	4,76 pp			
Capital Market (CVM) **June 2017** New Public Offering - R$ billions	**2015**	**2016**	**YTD 2016**	**YTD 2017**	**chg.% 2015 / 2014**	**chg.% 2016 / 2015**	**chg.% YTD 2017 / 2016**	**chg.% YTD 2017 / YTD 2016**			
Stocks	16,1	0,5	0,0	2,0	6,7%	-96,7%	281,0%	-			
Debentures	20,6	21,9	20,0	0,7	461,8%	5,9%	-96,7%	-96,3%			
Promissory Notes	0,0	0,0	0,0	0,0	-	-	-	-			
Housing Credit-backed Securities (CRI)	3,9	11,3	4,5	5,1	70,0%	191,9%	-54,5%	15,0%			
Investment Funds - new shares	5,8	2,1	0,5	3,3	21,8%	-63,5%	59,6%	578,0%			
Monet Market (BCB) **July 2017**	**Dec/15**	**Dec/16**	**Jul/16**	**Jul/17**	**chg. % Dec/15 / Dec/14**	**chg. % Dec/16 / Dec/15**	**chg. % Jul/17 / Dec/16**	**chg. % Jul/17 / Jul/16**	**2017**	**2018**	**2019**
Interest Rates											
Selic market rate (% py)	**14,15**	**13,65**	**14,15**	**10,01**	**2,6 pp**	**-0,5 pp**	**-3,6 pp**	**-4,1 pp**			
CDI (% py)	14,14	13,63	14,13	10,04	2,6 pp	-0,5 pp	-3,6 pp	-4,1 pp			
Swap DI-Pre 180 days (% py)	15,18	12,45	13,88	8,16	2,6 pp	-2,7 pp	-4,3 pp	-5,7 pp			
Swap DI-Pre 360 days (% py)	15,86	11,56	13,29	7,96	2,9 pp	-4,3 pp	-3,6 pp	-5,3 pp			
Monet Market (BCB) **August 2017**	**Dec/15**	**Dec/16**	**Ago/16**	**Ago/17**	**chg. % Dec/15 / Dec/14**	**chg. % Dec/16 / Dec/15**	**chg. % Ago/17 / Dec/16**	**chg. % Ago/17 / Ago/16**			
Selic target rate (% py)	**14,25**	**13,75**	**14,25**	**9,25**	**2,5 pp**	**-0,5 pp**	**-4,5 pp**	**-5,0 pp**	**8,00%**	**7,75%**	**8,25%**
TJLP (% py)	7,00	7,50	7,50	7,00	2,0 pp	0,5 pp	-0,5 pp	-0,5 pp			
Brazil Sovereign Risk (BCB) **July 2017** Monthly Average (in basis points)	**Dec/15**	**Dec/16**	**Jul/16**	**Jul/17**	**chg. pp Dec/15 / Dec/14**	**chg. pp Dec/16 / Dec/15**	**chg. pp Jul/17 / Dec/16**	**chg. pp Jul/17 / Jul/16**			
EMBI+ (JPMorgan)	523	328	339	271	264,0 pp	-195,0 pp	-57,0 pp	-68,0 pp			
5 years CDS	495	281	291	213	294,2 pp	-214,2 pp	-68,1 pp	-78,5 pp			
10 years CDS	558	360	370	324	298,8 pp	-198,7 pp	-35,7 pp	-46,2 pp			

Major Financial Savings Instruments



Source: Central Bank of Brazil.

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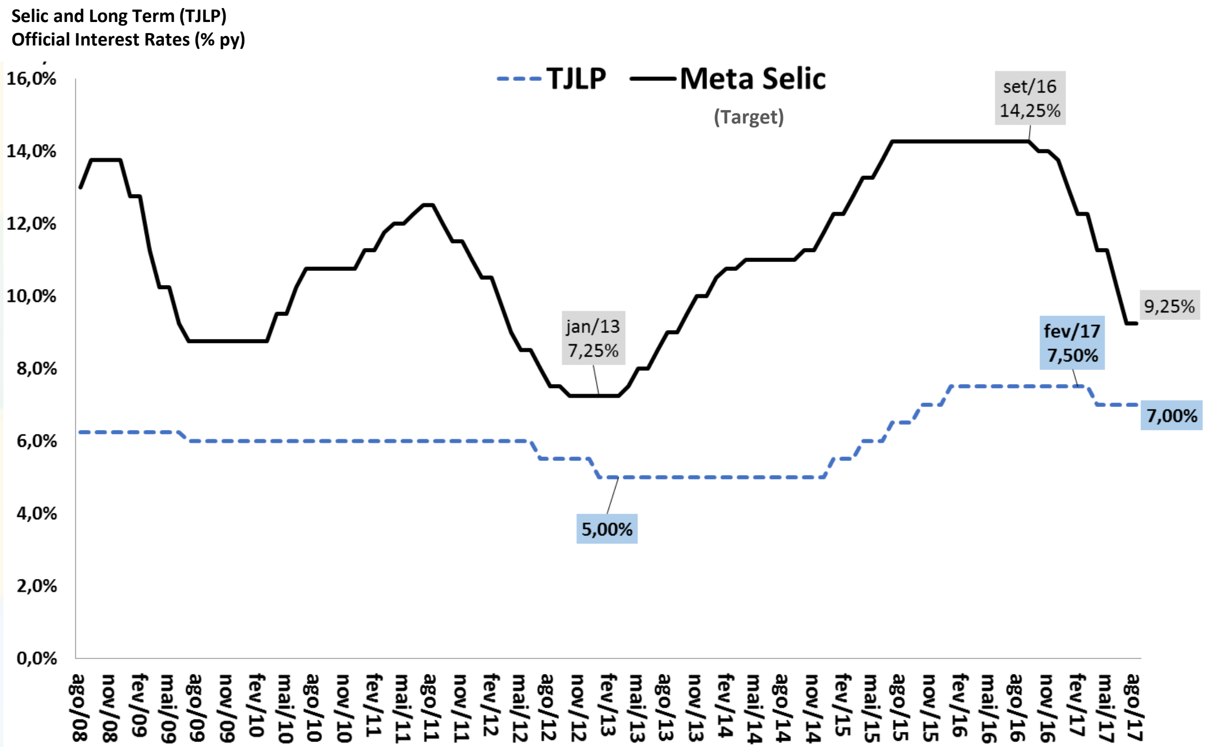
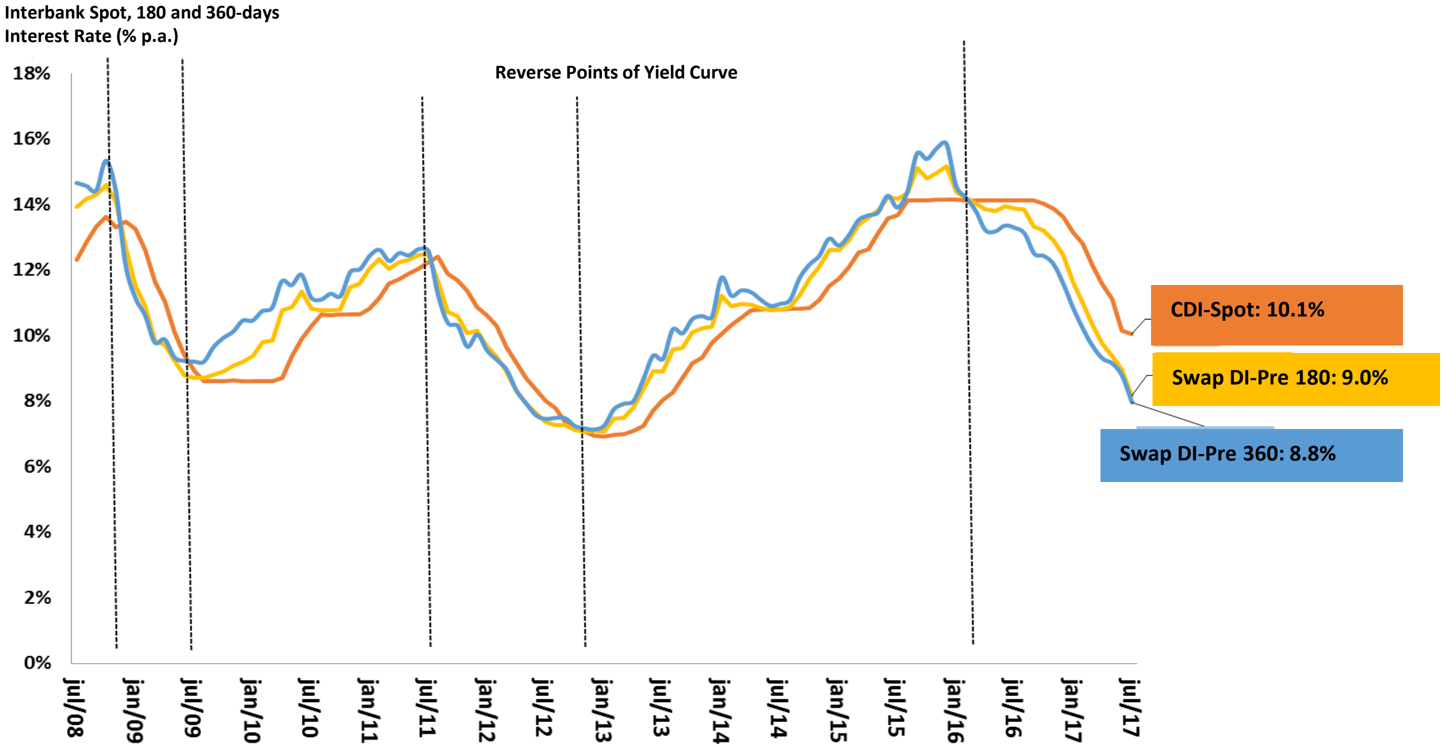
Official Interest Rates Evolution (Target Selic and TJLP)



Source: Central Bank of Brazil.

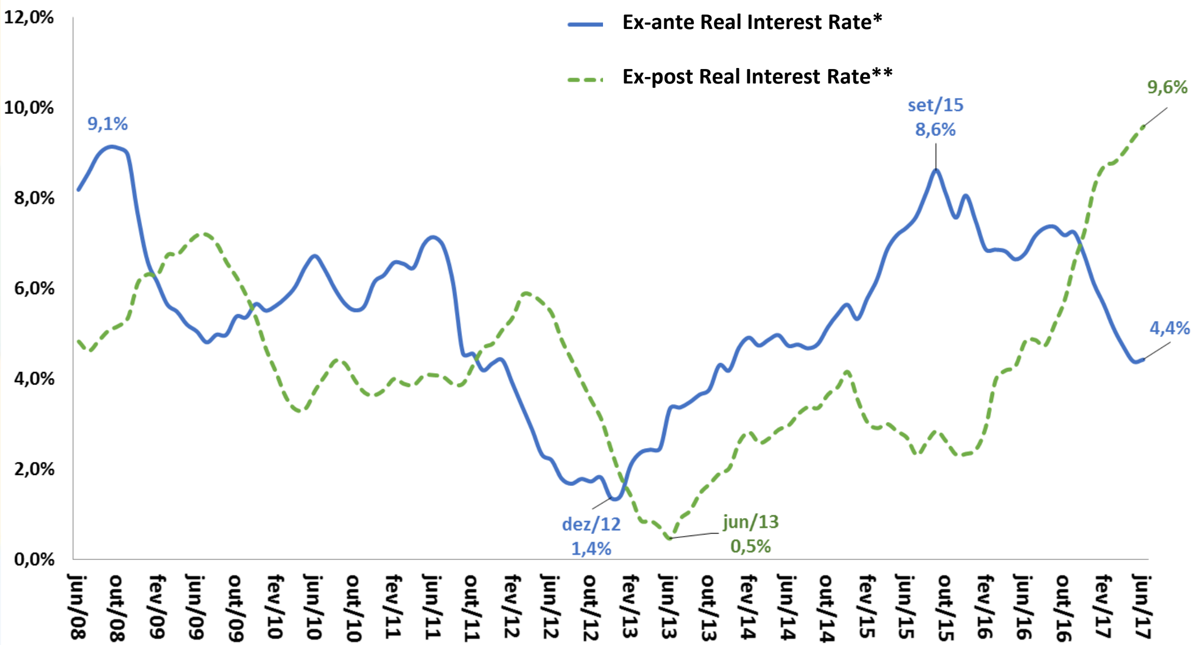
Term Structure of Interbank Interest Rate



Source: Central Bank of Brazil.

Ex-ante and Ex-post Real Interest Rates

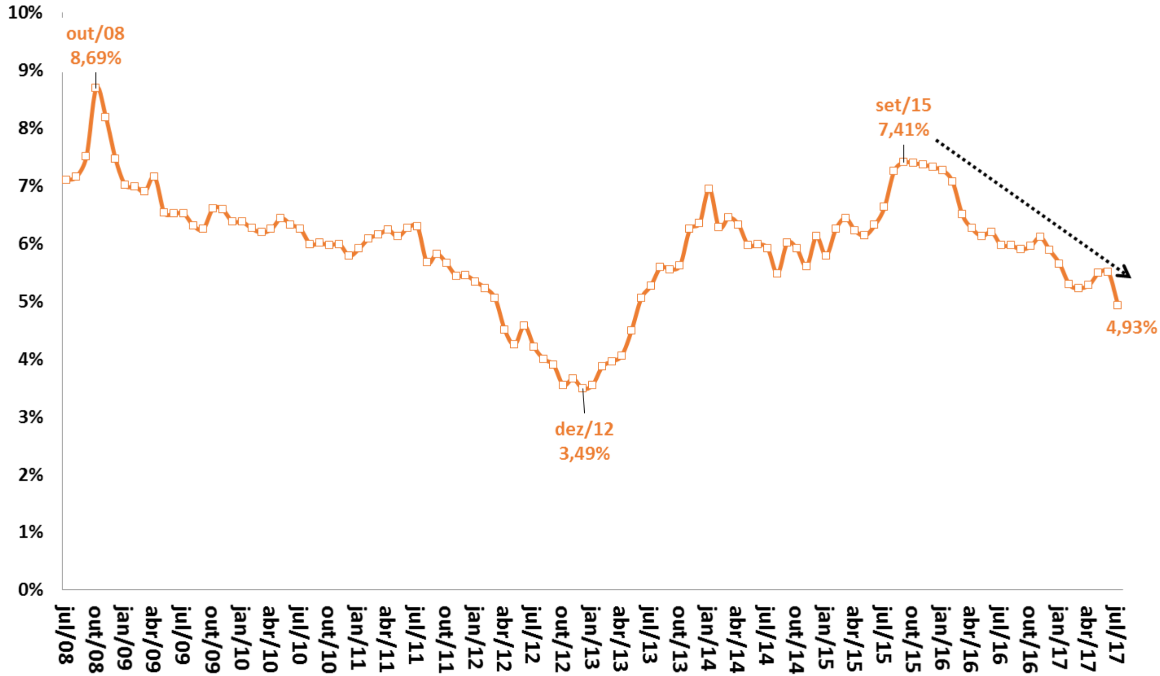
Ex-ante and Ex-post Real (Interbank CDI/IPCA) Interest Rates (% py)



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.

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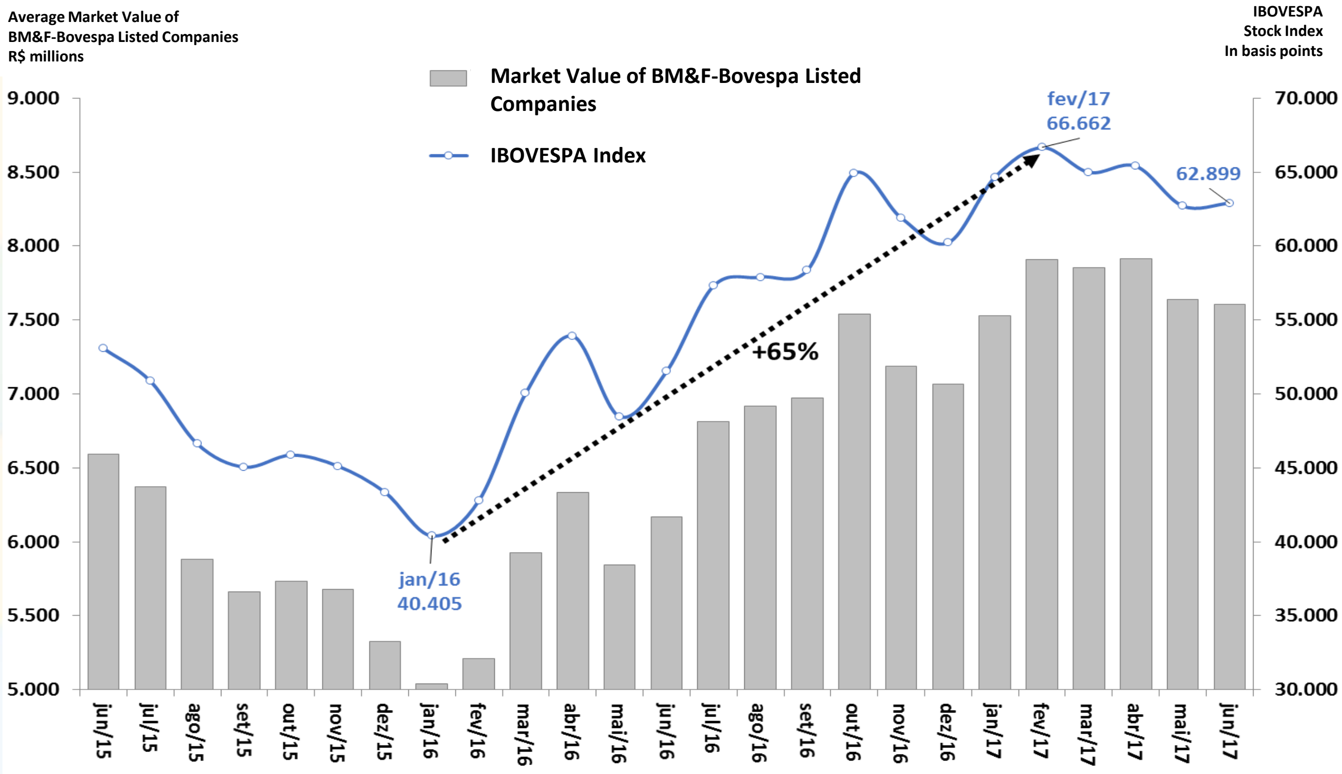
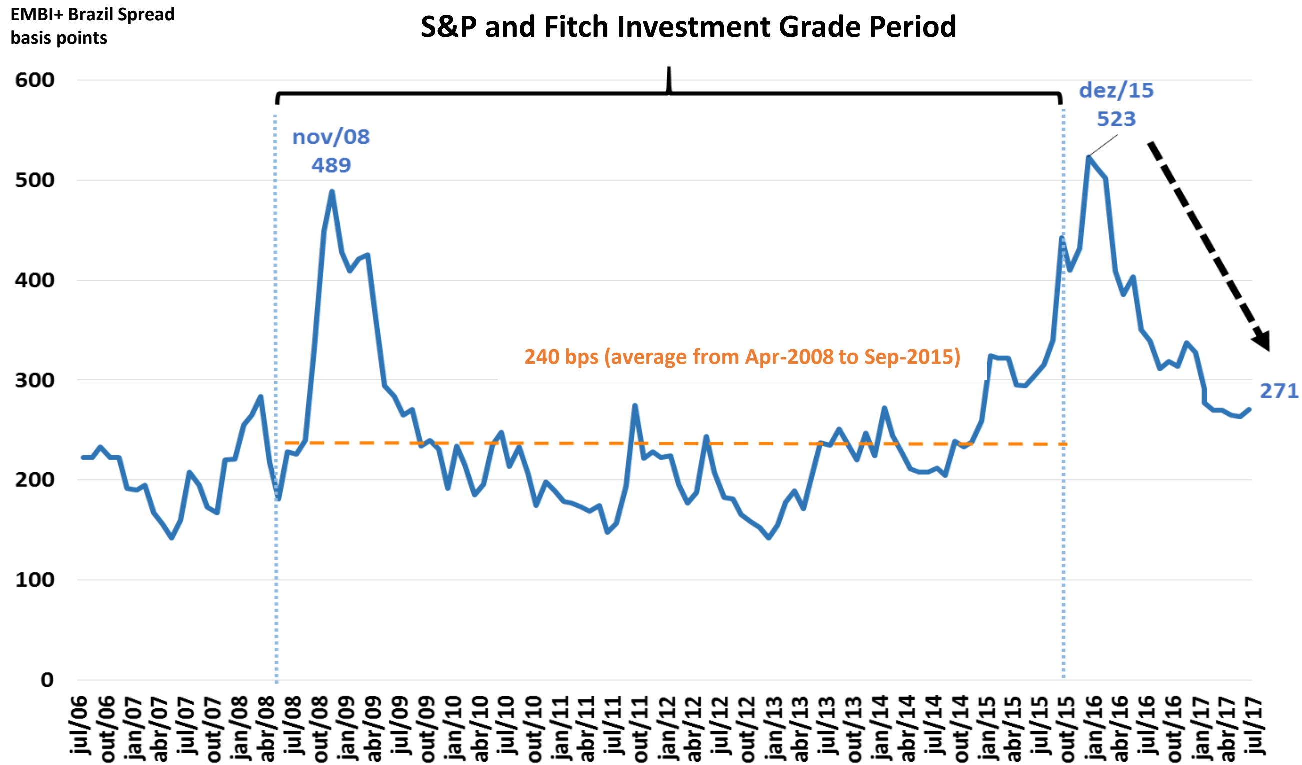
Brazilian Stock Market Evolution



Source: Central Bank of Brazil.

Sovereign Risk (EMBI+ BR)



Source: JPMorgan. *30th June 2017 value.

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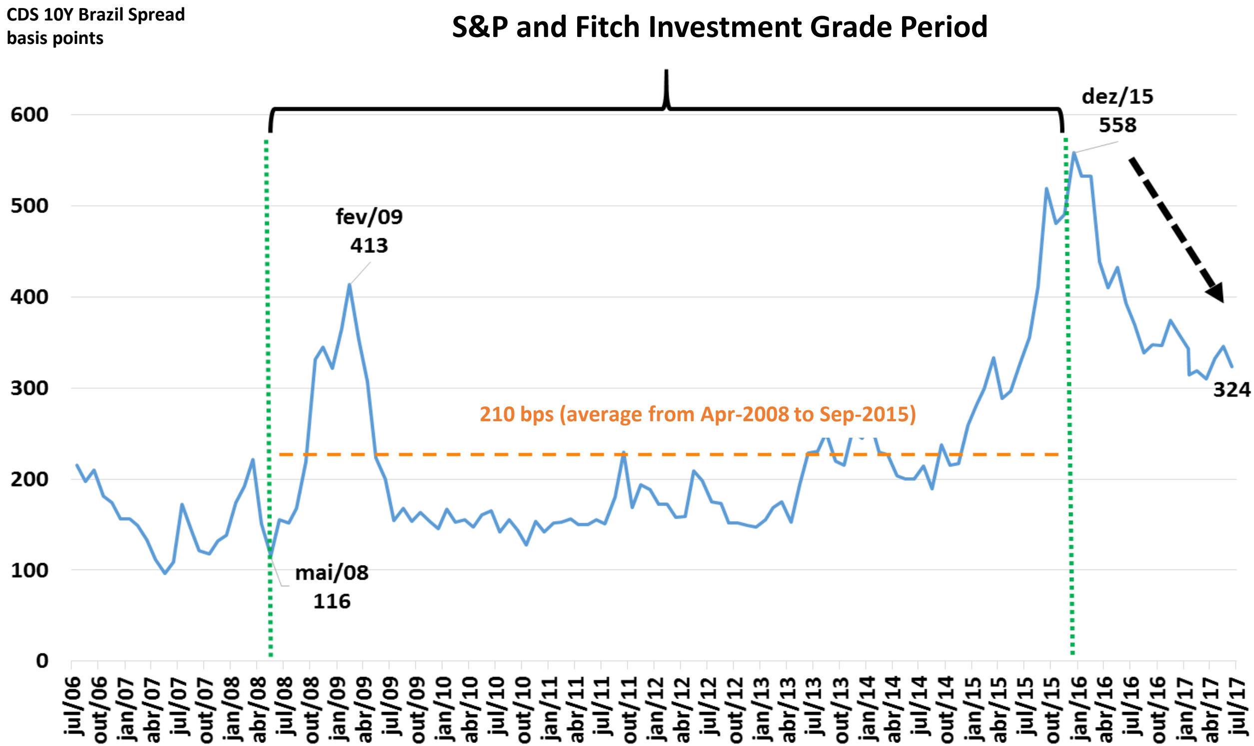
Sovereign Risk (CDS 10Y BR)



Source: Bloomberg.

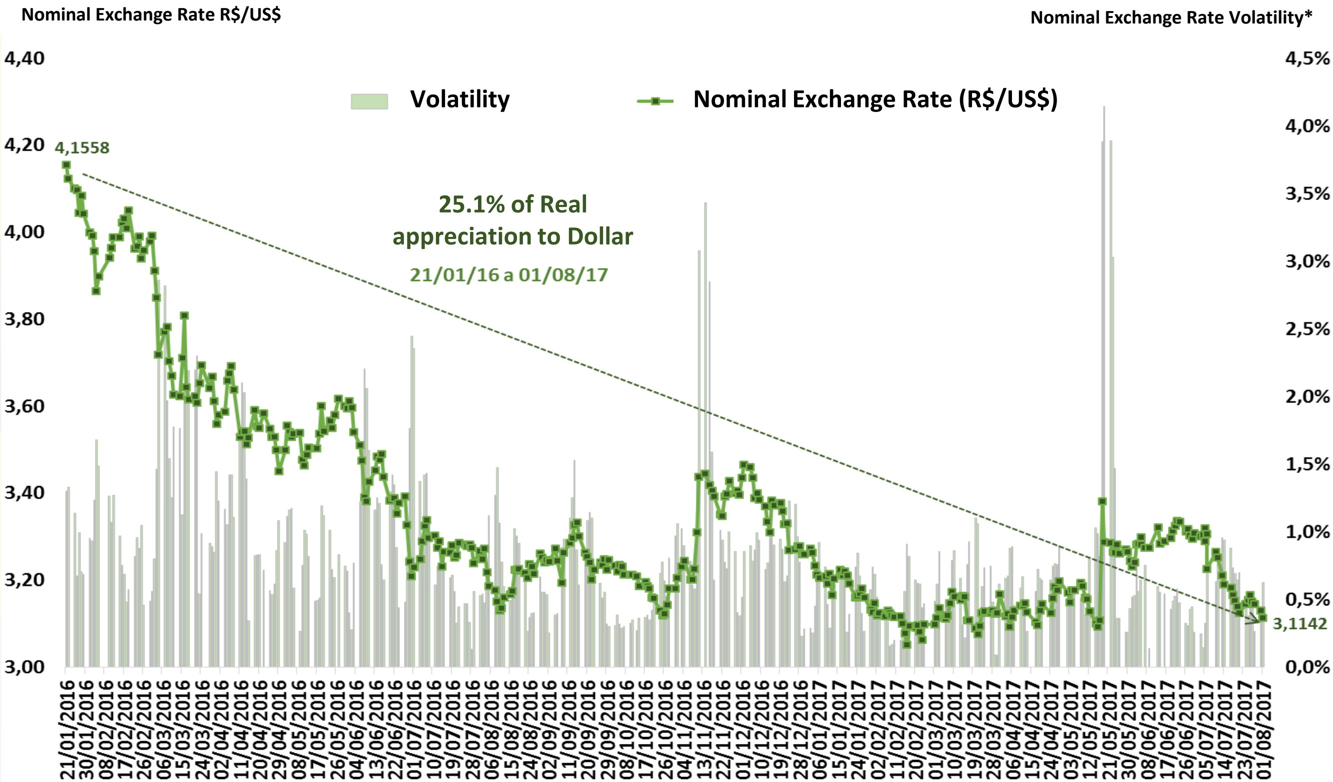
FOREIGN TRADE

Foreign Trade

BCB/FOCUS: 07/28/2017

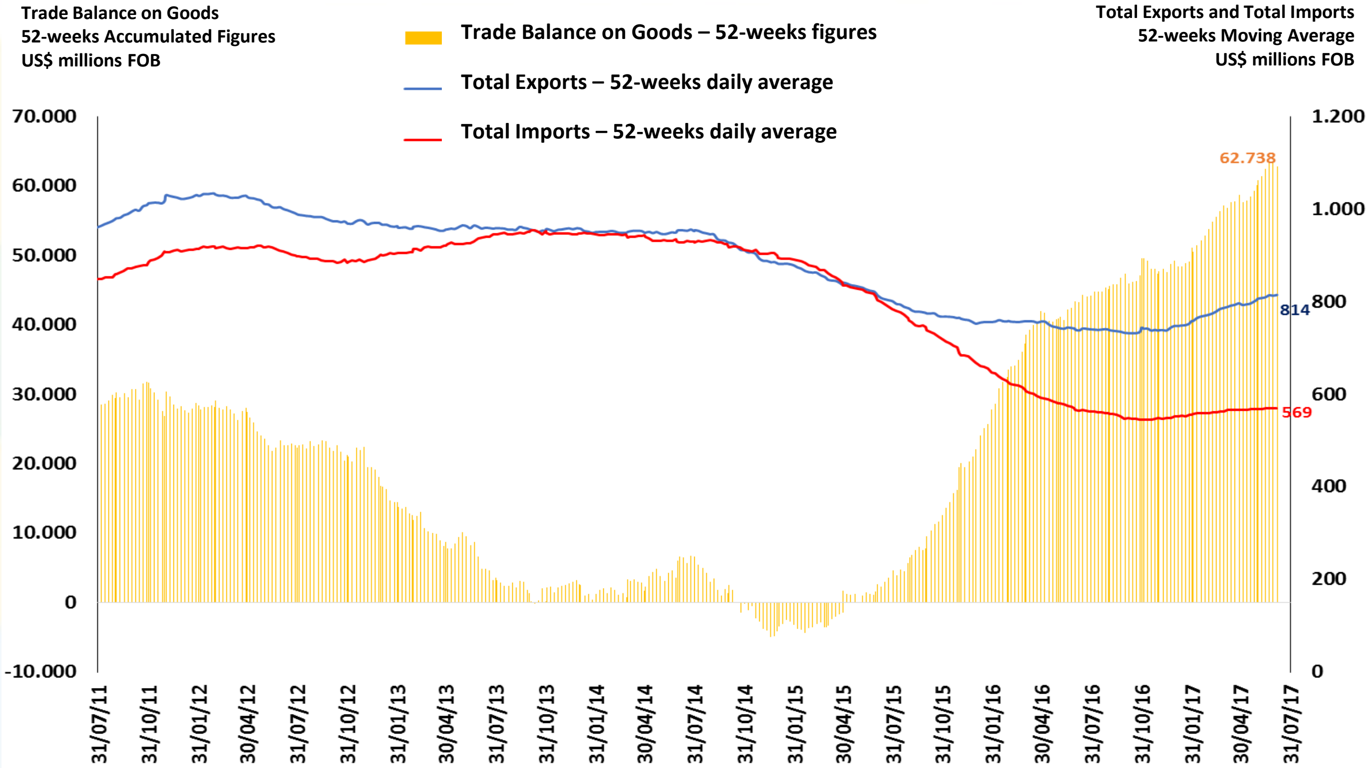
Exchange Rate Indicators (BCB) June 2017 FX % change rate: appreciation (-) or depreciation (+) of the Real	2015	2016	chg.% Apr/17 / Apr/16	chg.% May/17 / May/16	chg.% Jun/17 / Jun/16	YTD 2017	Apr/17 accum. in 12-months	May/17 accum. in 12-months	Jun/17 accum. in 12-months	Average FX Rate 2017	Average FX Rate 2018	Average FX Rate 2019
Nominal Exchange Rate (R$/US$) - sale - end of period month value: 3,13	**43,5%**	**1,8%**	**-7,3%**	**-9,8%**	**3,1%**	**-14,4%**	**-11,3%**	**-13,0%**	**-12,9%**	**3,30**	**3,43**	**3,50**
Real Effective Exchange Rate (IPCA)	22,4%	-5,3%	-15,3%	-12,0%	-5,4%	-18,0%	-16,3%	-17,5%	-17,9%			
Exchange Rate / Wage Ratio adjusted by Labor Productivity	27,9%	-15,4%	-9,0%	-5,1%	6,2%	-11,9%	-21,0%	-20,8%	-19,3%			
Unitary Labor Cost in US$	-21,7%	2,8%	19,8%	16,3%	1,3%	18,1%	16,4%	18,3%	18,9%			
Foreign Trade of Goods (FUNCEX) June 2017 Average Price and Quantum	**2015**	**2016**	**chg.% Apr/17 / Apr/16**	**chg.% May/17 / May/16**	**chg.% Jun/17 / Jun/16**	**YTD 2017**	**Apr/17 accum. in 12-months**	**May/17 accum. in 12-months**	**Jun/17 accum. in 12-months**			
QUANTUM												
Exports (X)	**8,3%**	**3,3%**	**-4,9%**	**1,6%**	**9,4%**	**2,9%**	**-1,8%**	**-2,9%**	**-1,4%**			
Basic Goods	13,2%	-2,7%	-9,2%	6,3%	18,2%	3,8%	-9,3%	-9,0%	-6,2%			
Semi-Manufactured	8,5%	9,9%	-7,6%	2,4%	5,6%	0,8%	3,5%	1,6%	0,9%			
Manufactured	2,3%	7,9%	2,5%	-3,9%	1,9%	3,2%	5,3%	2,8%	3,8%			
	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			
Imports (M)	**-15,1%**	**-11,9%**	**-2,9%**	**-0,2%**	**-8,0%**	**6,0%**	**-1,7%**	**-1,0%**	**-1,3%**			
Intermediate Goods	-16,3%	-7,4%	2,4%	1,4%	3,6%	13,8%	6,4%	7,1%	8,2%			
Capital Goods	-16,6%	-17,0%	-8,2%	-17,0%	-56,2%	-17,9%	-13,8%	-14,2%	-25,6%			
Durable Consumer Goods	-27,6%	-36,0%	-1,6%	16,3%	9,5%	4,9%	-23,6%	-20,0%	-14,7%			
Semi and Non-Durable Consumer Goods	-6,5%	-9,2%	-7,3%	20,5%	1,9%	4,8%	-3,7%	-1,4%	0,2%			
Fuel and Lubricants	-11,4%	-22,1%	-17,1%	-15,2%	17,9%	-4,6%	-18,6%	-19,3%	-15,9%			
Exports Profitability Index (Jan/2017)	**2,0%**	**-8,2%**	**2,1%**	**-2,4%**	**0,8%**	**-3,8%**	**-8,7%**	**-8,8%**	**-8,2%**			
Quantum Ratio = average quantum X / average quantum M (Jan/2017)	**29,3%**	**15,6%**	**-2,0%**	**2,0%**	**19,1%**	**-2,2%**	**-0,8%**	**-2,5%**	**-0,8%**			
PRICE												
Exports (X)	**-21,6%**	**-6,2%**	**20,8%**	**10,8%**	**8,0%**	**18,8%**	**6,9%**	**8,7%**	**10,1%**			
Basic Goods	-29,7%	-6,7%	28,5%	10,4%	4,2%	27,8%	11,8%	13,4%	14,4%			
Semi-Manufactured	-16,1%	-3,9%	23,8%	18,6%	15,5%	19,8%	8,9%	11,6%	13,5%			
Manufactured	-11,3%	-5,9%	10,0%	7,4%	8,5%	7,8%	0,8%	2,2%	3,8%			
	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			
Imports (M)	**-11,9%**	**-8,9%**	**5,1%**	**9,2%**	**7,2%**	**4,4%**	**-4,4%**	**-2,5%**	**-1,0%**			
Intermediate Goods	-6,4%	-7,7%	3,3%	5,3%	4,7%	1,9%	-4,9%	-3,7%	-2,5%			
Capital Goods	-5,3%	-5,0%	-7,2%	0,7%	8,3%	-0,1%	-3,9%	-2,6%	-1,0%			
Durable Consumer Goods	-4,6%	-3,9%	-0,2%	1,8%	2,4%	1,2%	-0,8%	0,0%	0,8%			
Semi and Non-Durable Consumer Goods	-7,5%	-2,8%	-0,9%	3,6%	-1,0%	-2,0%	-2,8%	-1,9%	-1,8%			
Fuel and Lubricants	-37,9%	-26,6%	40,6%	62,0%	32,5%	36,9%	-5,9%	1,3%	6,8%			
Terms of Trade = average price X / average price M	**-11,0%**	**3,1%**	**14,9%**	**1,5%**	**0,7%**	**13,7%**	**11,9%**	**11,5%**	**11,2%**			

Daily Nominal Exchange Rate R$/US$



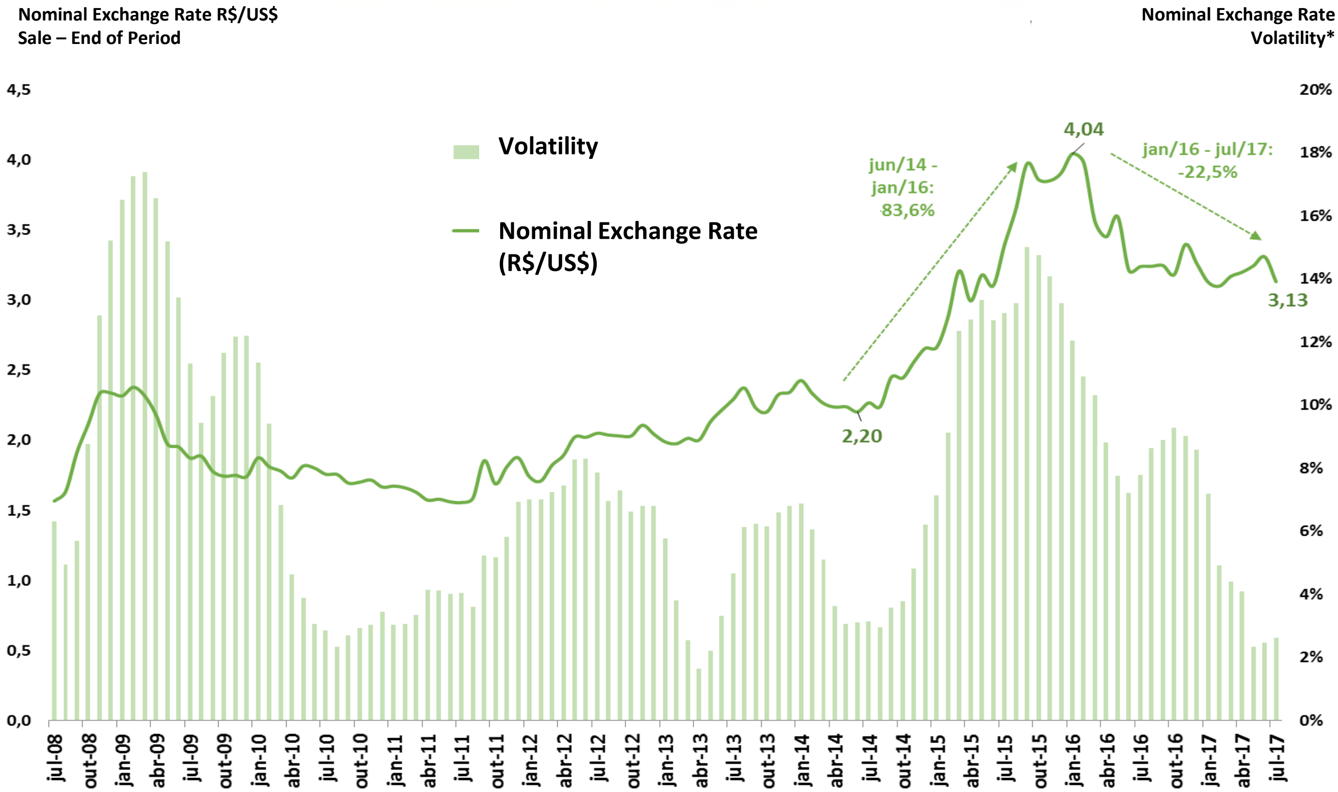
Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

Trade Balance on Goods



Source: SECEX/MDIC.

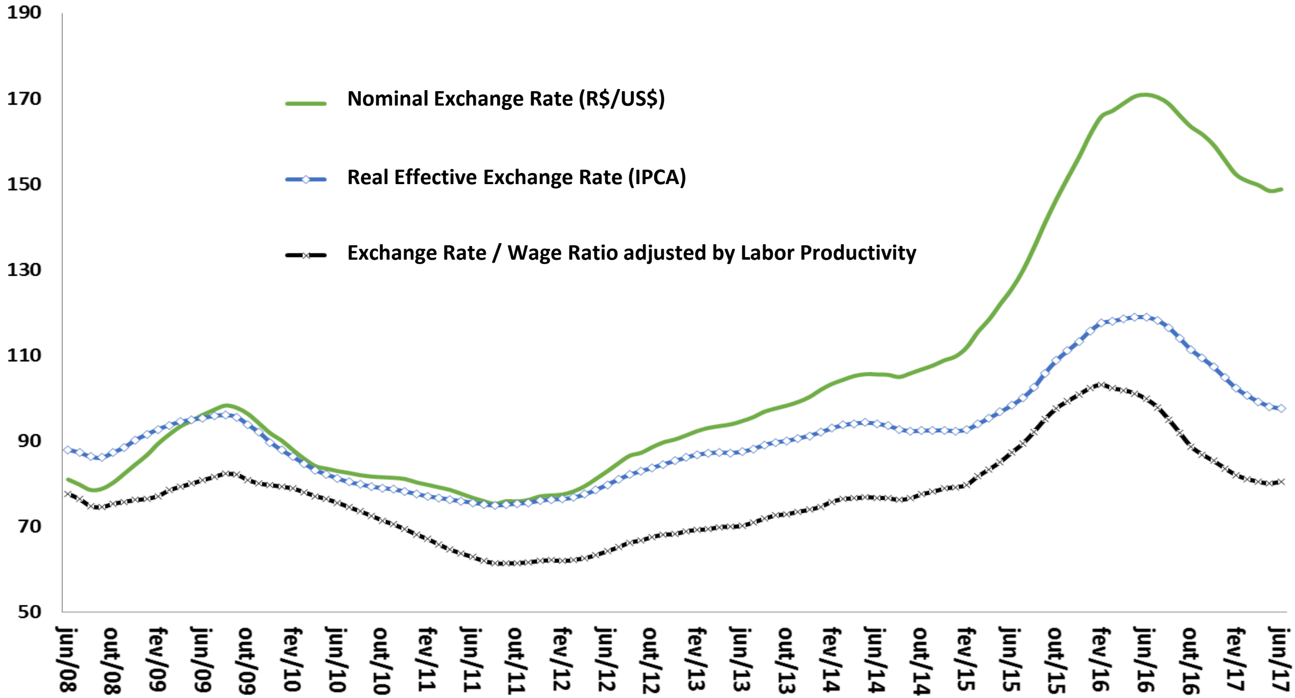
Nominal Exchange Rate R$/US$



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

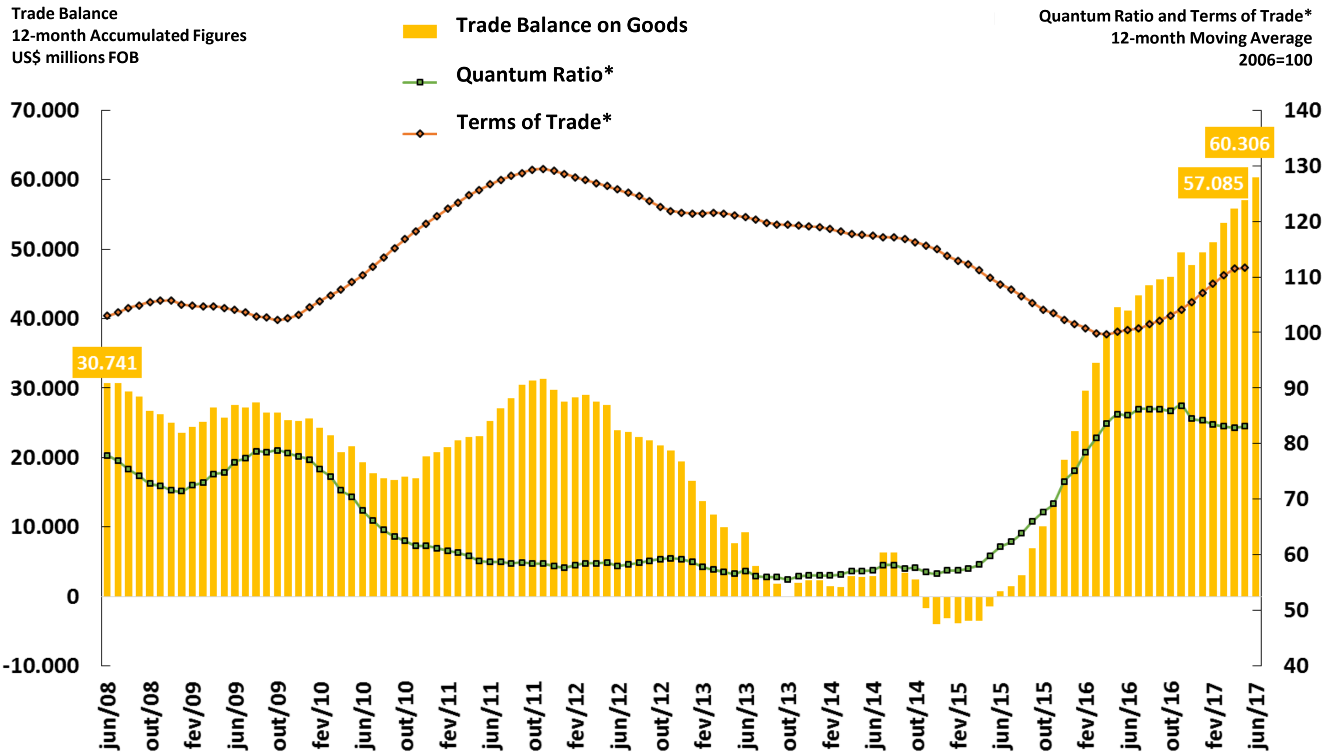
Exchange Rate Indexes

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



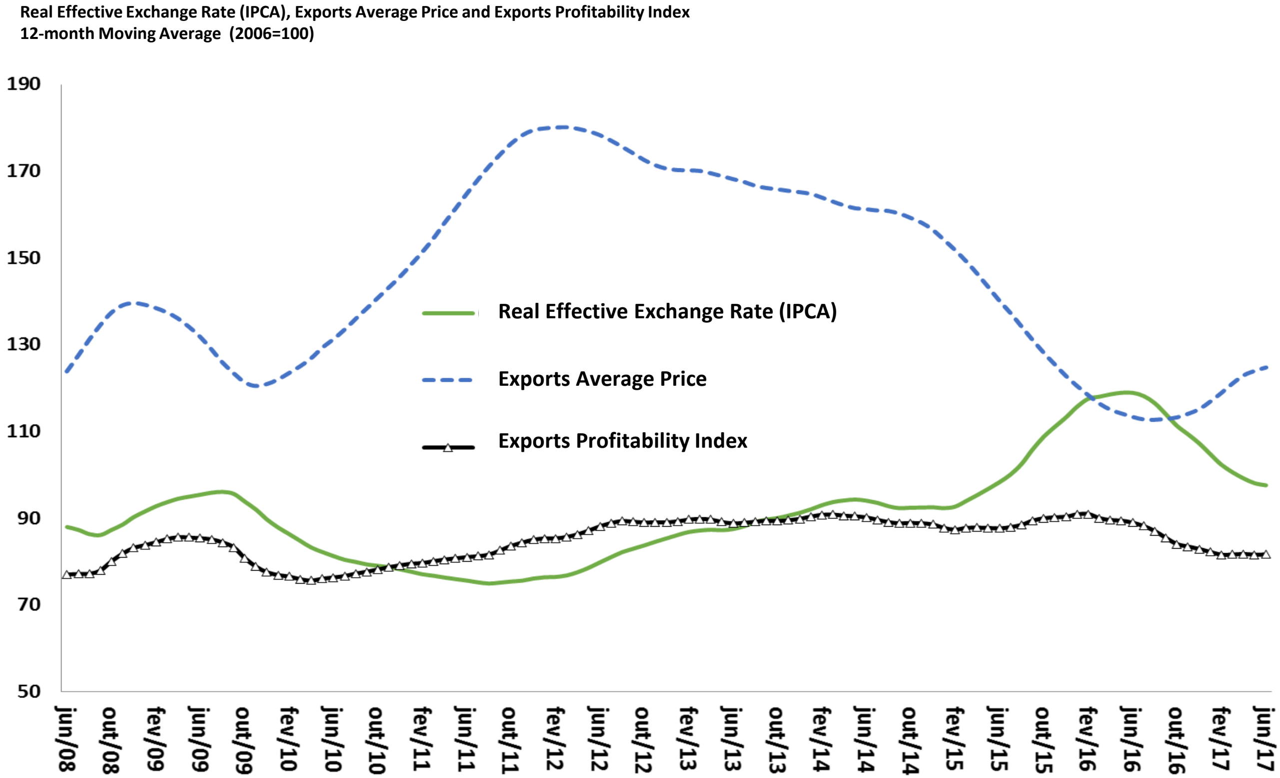
Source: Central Bank of Brazil.

Trade Balance, Quantum and Terms of Trade Ratios



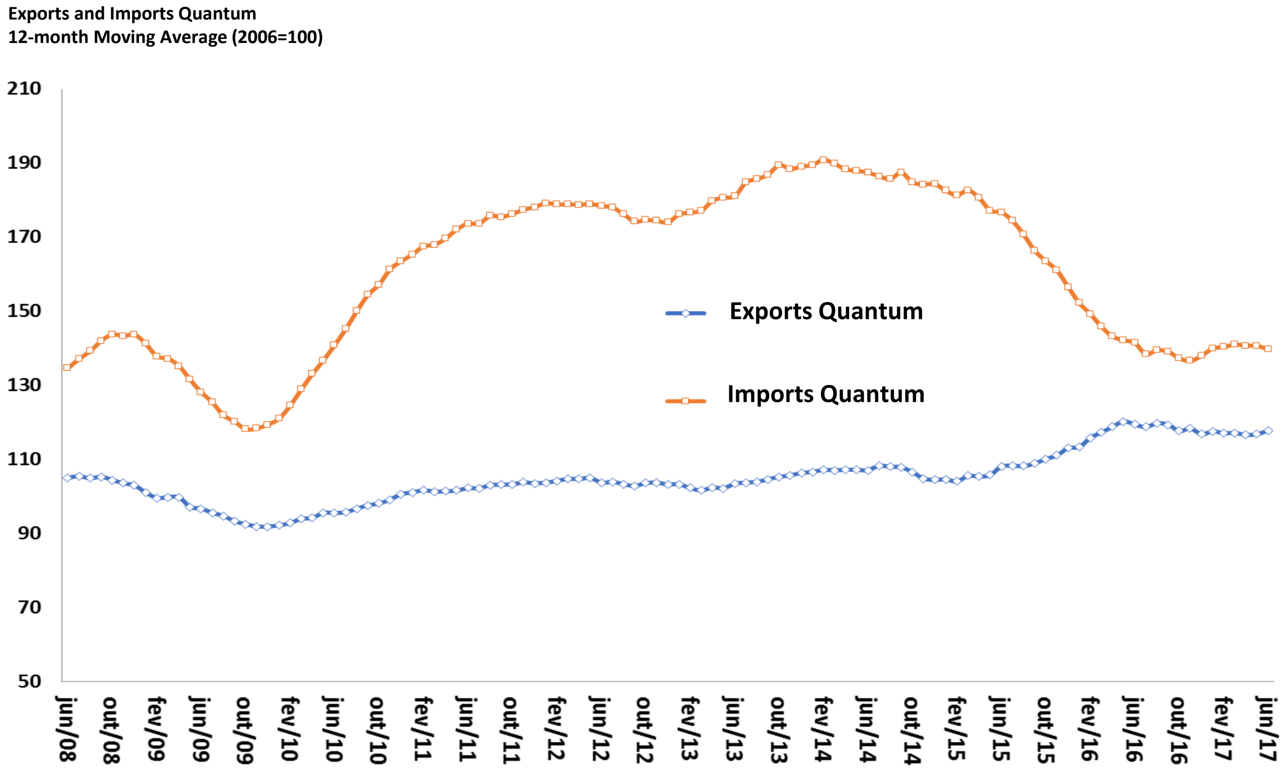
Sources: SECEX/MDIC and FUNCEX.
* Quantum Ratio = (average quantum Exports / average quantum Imports) and Terms of Trade = (average price Exports / average price Imports)

Exports: Profitability, Price and Real Exchange Rate



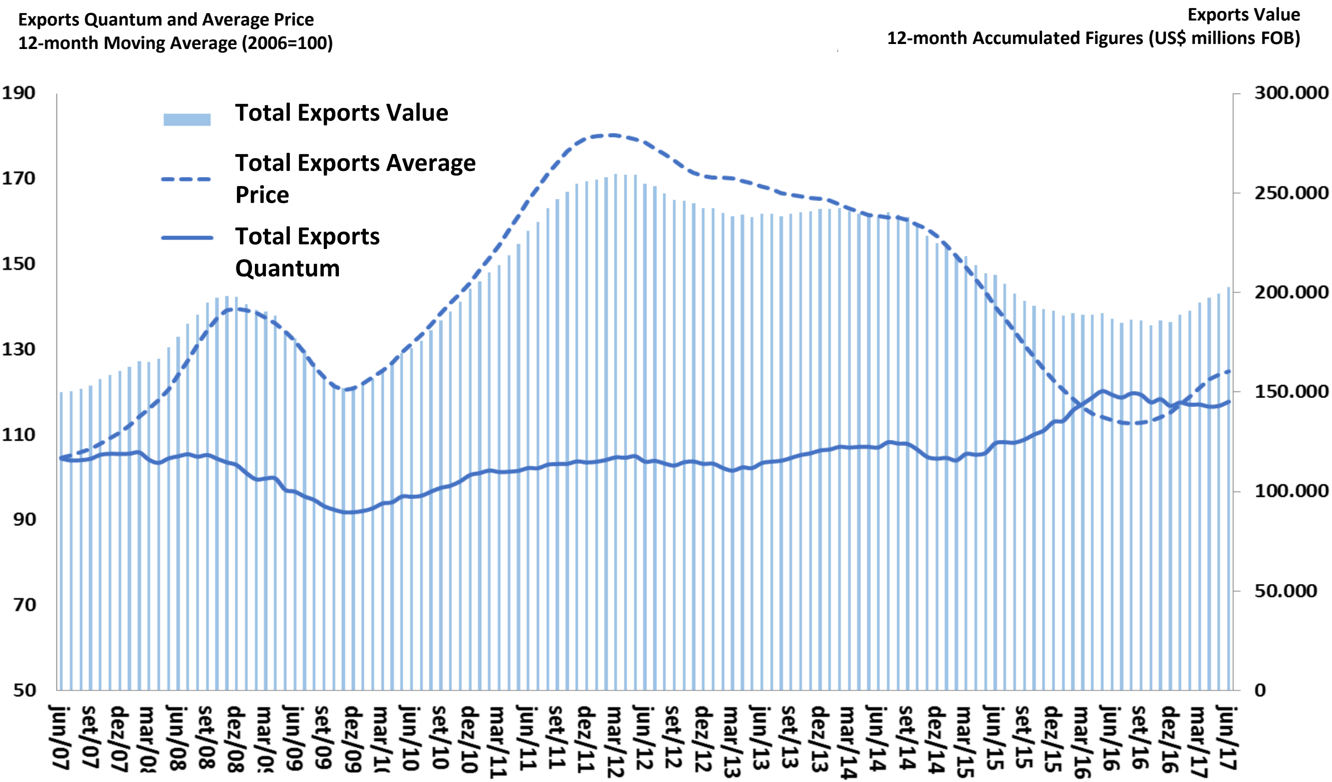
Sources: Central Bank of Brazil and FUNCEX.

Quantum of Exports and Imports



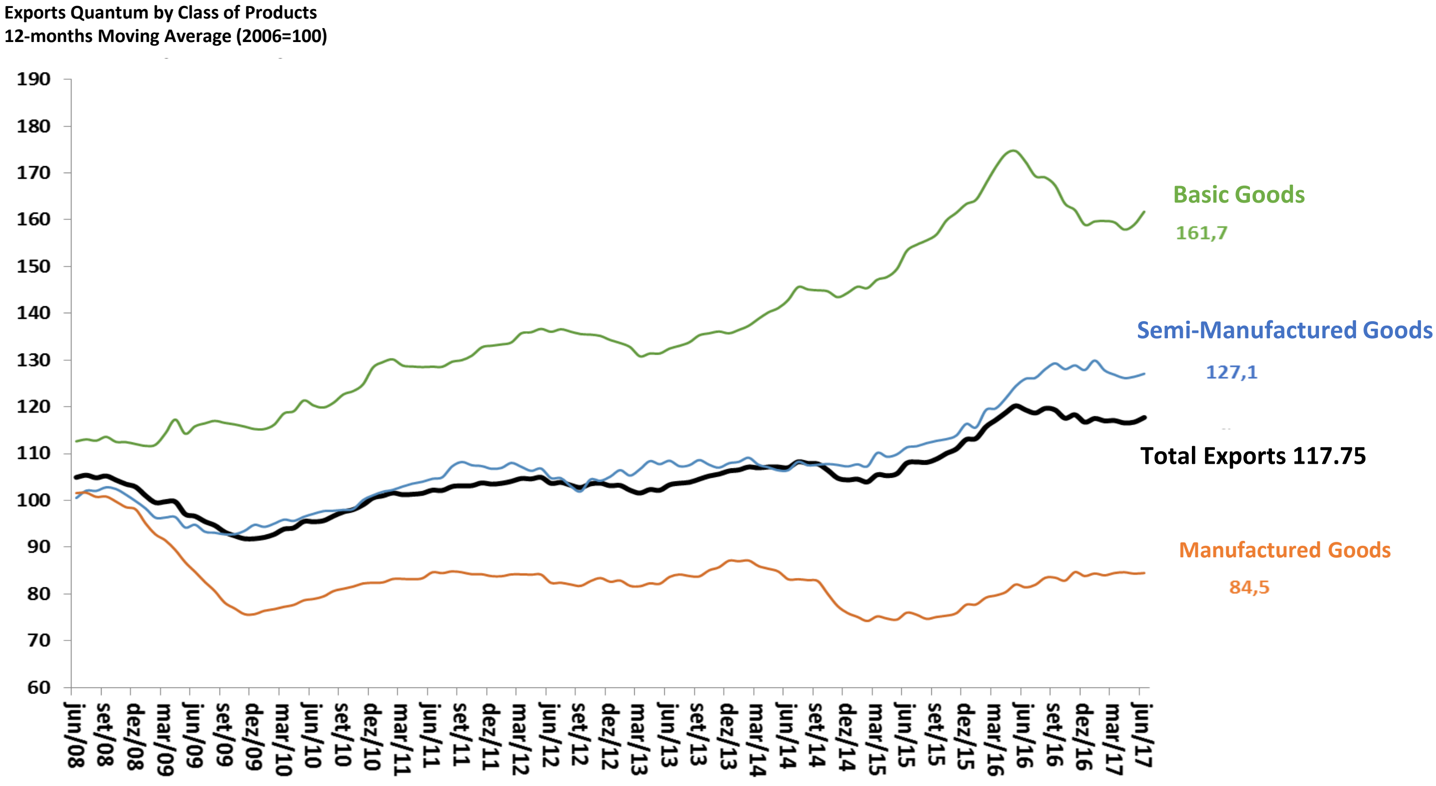
Source: FUNCEX.

Total Exports: value, quantum and price



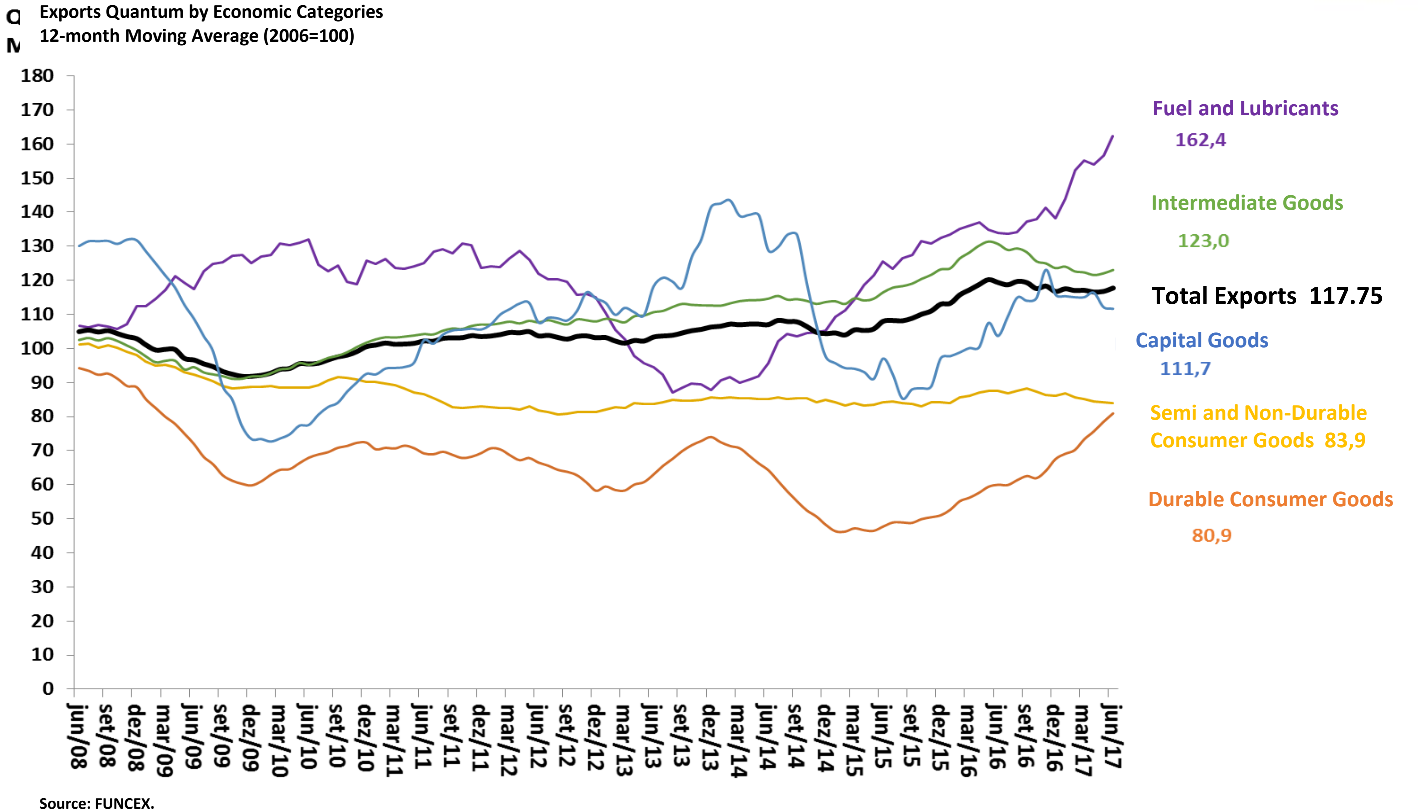
Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Exports by Class of Products



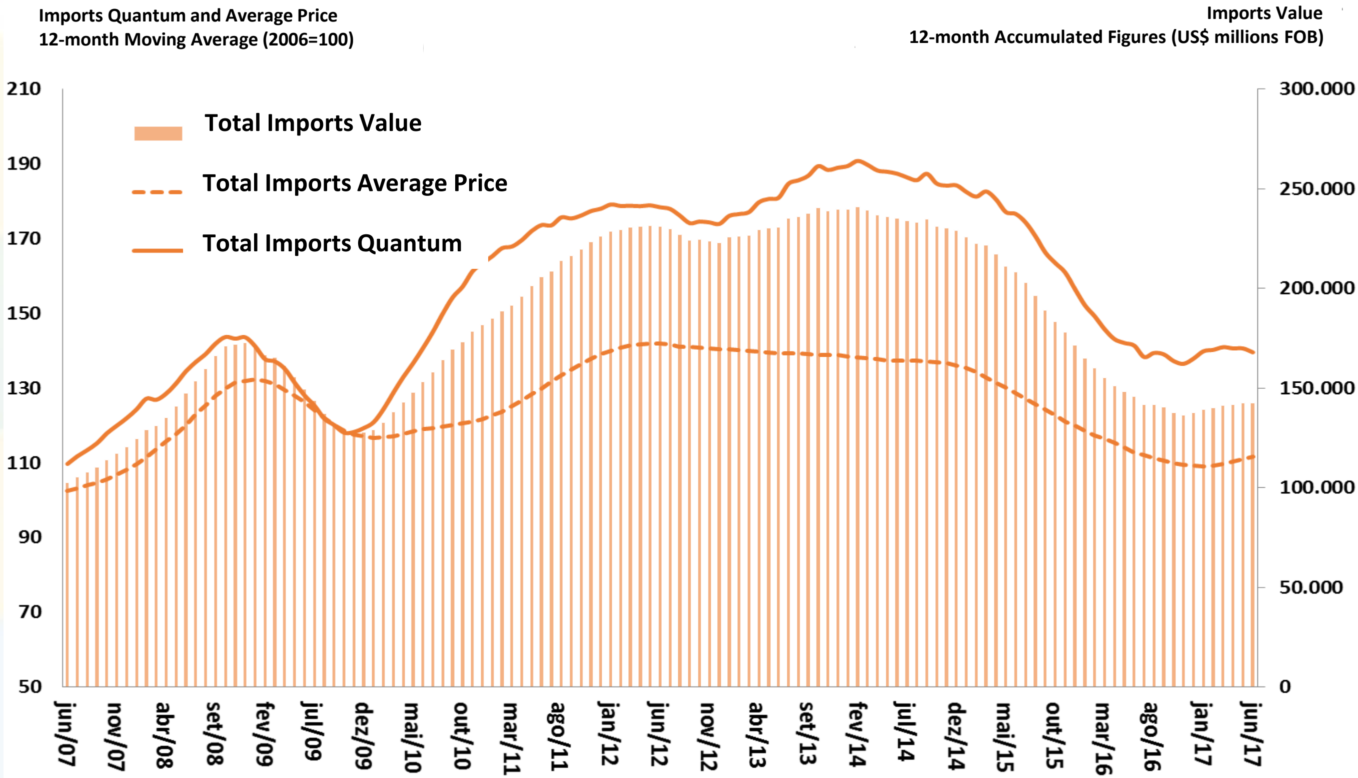
Source: FUNCEX.

Quantum of Total Exports by Economic Categories



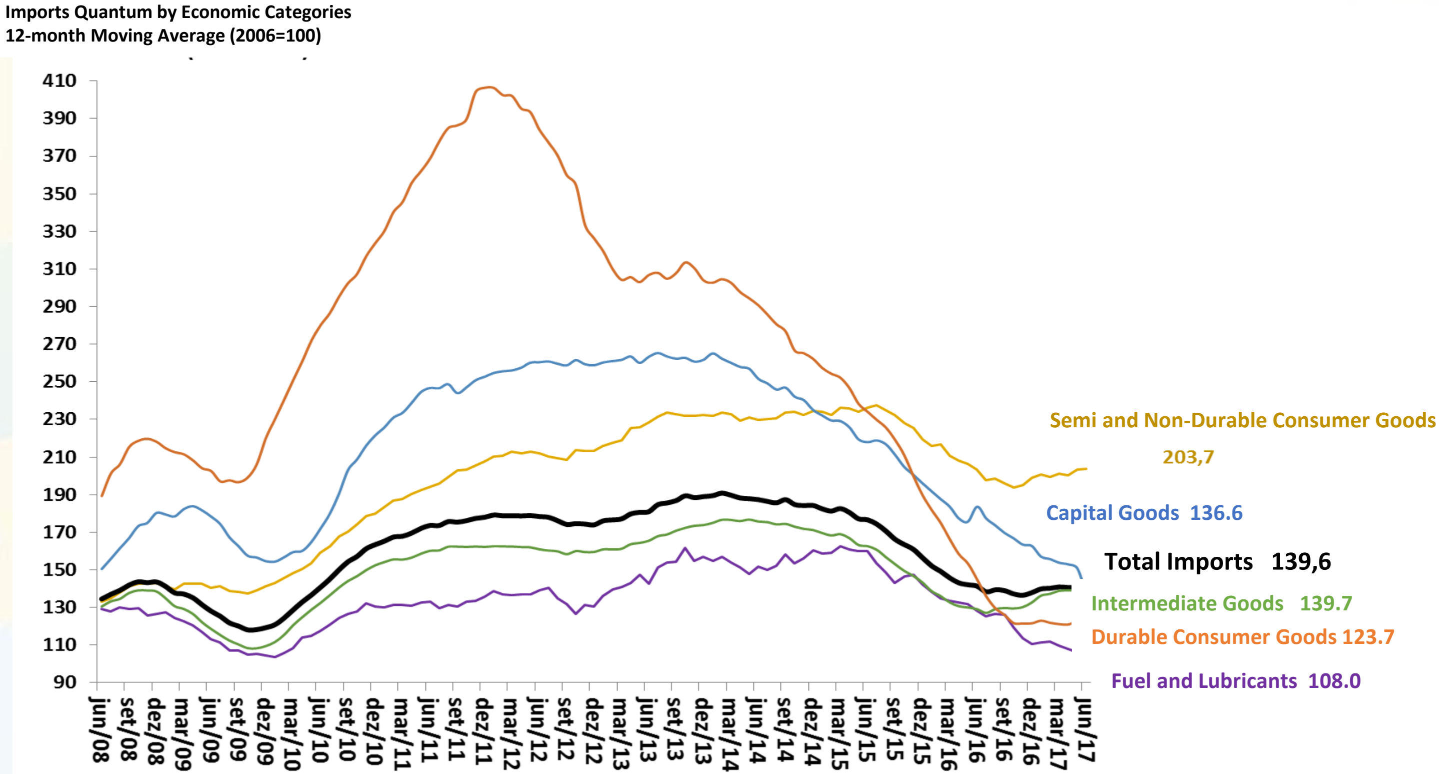
Source: FUNCEX.

Total Imports: value, quantum and price



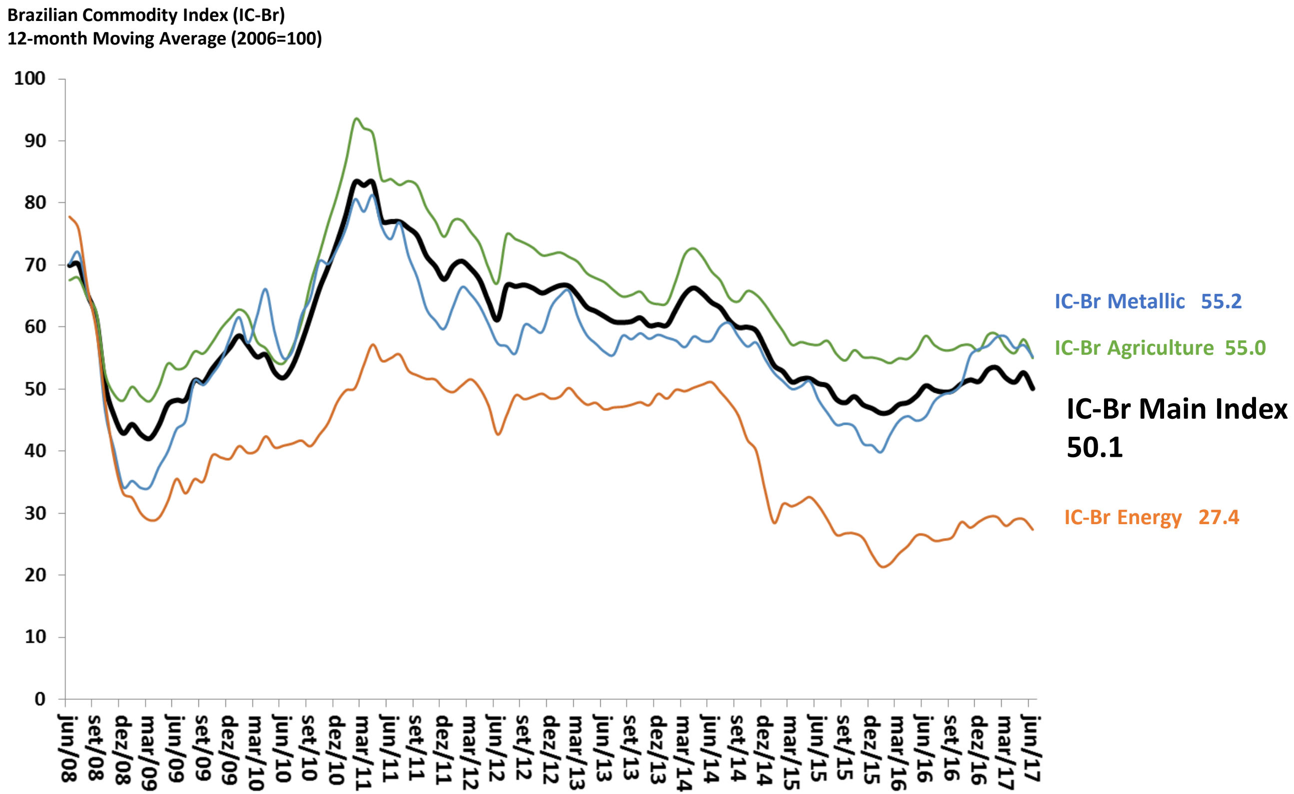
Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Imports and by Economic Categories



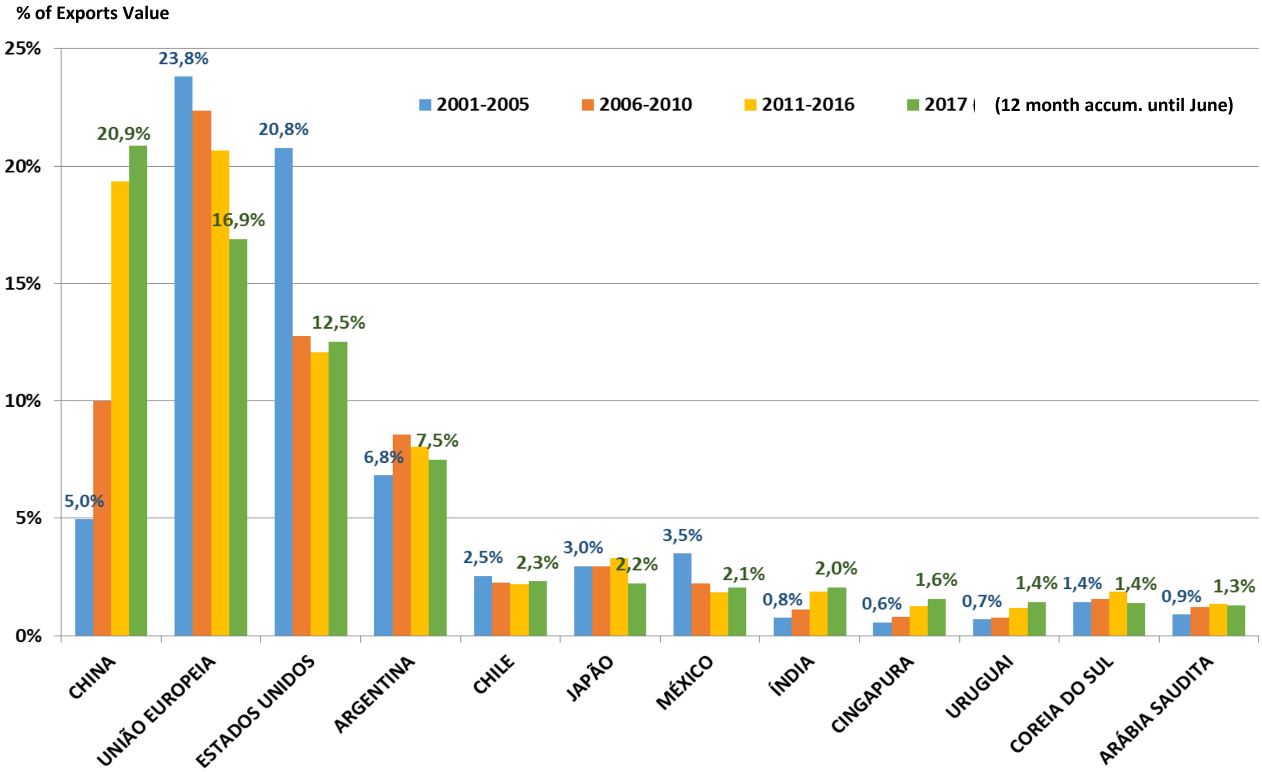
Source: FUNCEX.

Brazilian Commodity Price Indexes



Source: Central Bank of Brazil.

Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

EXTERNAL SECTOR

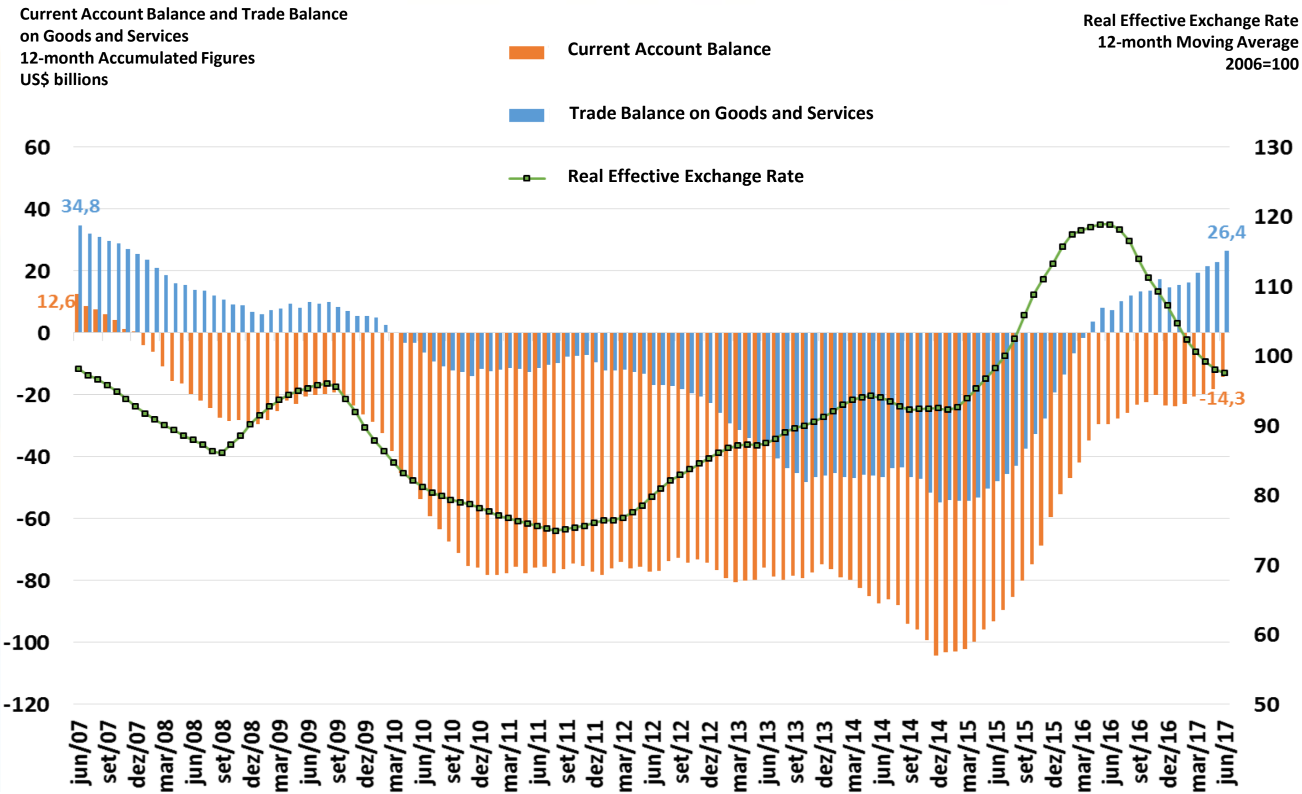
External Sector

BCB/FOCUS: 07/28/2017

Balance of Payments (BCB) June 2017 In US$ millions	2015	2016	Jun/17 accum. in 12-months	chg.% 2016 / 2015	chg.% Jun/17 accum. 12-m / 2016	chg.% Dec/16 / Dec/15	chg.% Jun/17 / Jun/16	chg.% Jan-May/17 / Jan-May/16	chg.% Jan-Jun/17 / Jan-Jun/16	2017	2018	2019
Balance of Payments	**3.818**	**6.862**	**4.685**	**79,7%**	**-31,7%**	**-226,6%**	**-82,5%**	**-48,5%**	**-60,9%**			
Current Account Balance (CAB)	**-59.434**	**-23.530**	**-14.328**	**-60,4%**	**-39,1%**	**143,2%**	**-153,5%**	**-89,7%**	**-108,4%**	-20,00	-33,10	-40,00
CAB as % of GDP	*-3,3%*	*-1,3%*	*-0,8%*	*2,0 pp*	*0,6 pp*	*0,7 pp*	*0,9 pp*					
Balance on Goods	17.670	45.037	57.621	154,9%	27,9%	19,2%	86,4%	50,3%	56,3%	60,9	50,3	40,0
Exports	190.092	184.453	202.082	-3,0%	9,6%	12,8%	18,6%	19,9%	19,6%	210,00	214,48	221,00
Imports	172.422	139.416	144.462	-19,1%	3,6%	9,3%	-1,0%	9,5%	7,5%	149,06	164,19	181,00
Balance on Services	-36.918	-30.447	-31.186	-17,5%	2,4%	-0,7%	-11,1%	10,2%	5,0%			
Primary Income	-42.909	-41.080	-43.292	-4,3%	5,4%	-19,6%	-7,7%	16,6%	12,6%			
Secondary Income	2.724	2.961	2.529	8,69%	-14,6%	-25,5%	-12,3%	-32,0%	-28,9%			
Capital Account	**461**	**274**	**342**	**-40,6%**	**124,8%**	**19,4%**	**166,4%**	**45,7%**	**60,5%**			
Financial Account	**55.155**	**16.394**	**10.662**	**-70,3%**	**-35,0%**	**25,1%**	**-189,2%**	**-133,0%**	**-154,1%**			
Direct Investments	61.175	70.367	-78.272	15,0%	11,2%	-0,3%	11,8%	31,3%	28,8%			
Foreign Direct Investments (FDI)	74.694	78.182	80.615	4,7%	3,1%	-52,8%	1,8%	7,9%	7,2%	75,00	75,00	80,00
Portfolio Investments	-22.269	19.217	18.980	-186,3%	-1,2%	-67,8%	-208,3%	-61,9%	-3,0%			
Stock Market	-6.366	-7.049	505	10,7%	-107,2%	-108,1%	-154,2%	-135,7%	-141,0%			
Bonds	-12.340	30.495	19.935	-347,1%	-34,6%	-56,9%	-268,4%	-89,7%	-72,4%			
Others Investments and Capital Flows	28.290	34.756	48.630	22,9%	39,9%	-1164,1%	-68,3%	166,7%	88,0%			
International Reserves - liquidity concept	**356.464**	**365.016**	**377.175**	**2,4%**	**3,3%**	**3,6%**	**3,6%**					

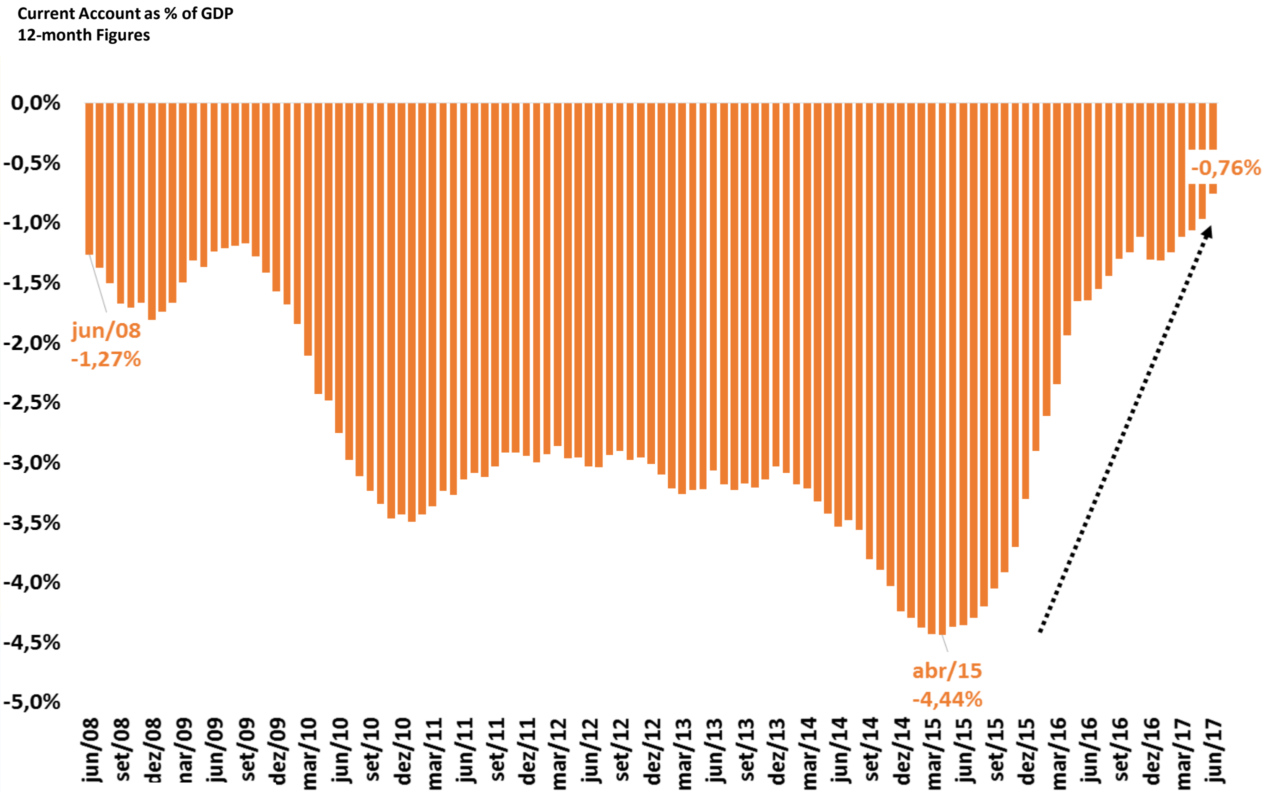
Gross External Debt (BCB) June 2017 In US$ millions	2015	2016	Jun/17	2015 % of total	Jun/17 % of total	chg. pp	2015 % of GDP	Jun/17 % of GDP	chg. pp			
Total External Debt	**665.101**	**671.647**	**666.944**	**100,0%**	**100,0%**	**-**	**37,0%**	**35,2%**	**-1,8 pp**			
Gross External Debt	**334.745**	**321.297**	**307.293**	**50,3%**	**46,1%**	**-4,3 pp**	**18,6%**	**16,2%**	**-2,4 pp**			
Public Sector	68.208	74.379	74.249	20,4%	24,2%	3,8 pp	3,8%	3,9%	0,1 pp			
Private Sector and Public Financial Sector	266.537	246.918	233.044	79,6%	75,8%	-3,8 pp	14,8%	12,3%	-2,5 pp			
Short Term	51.140	56.327	47.683	15,3%	15,5%	0,2 pp	2,8%	2,5%	-0,3 pp			
Medium and Long Term	283.605	264.970	259.611	84,7%	84,5%	-0,2 pp	15,8%	13,7%	-2,1 pp			
Intercompany Loans	**205.711**	**222.344**	**232.399**	**30,9%**	**34,8%**	**3,9 pp**	**11,4%**	**12,3%**	**0,8 pp**			
Domestic Bonds with Foreign Investors	**124.645**	**128.006**	**127.252**	**18,7%**	**19,1%**	**0,3 pp**	**6,9%**	**6,7%**	**-0,2 pp**			

Brazil: Real Exchange Rate and External Sector Adjustment



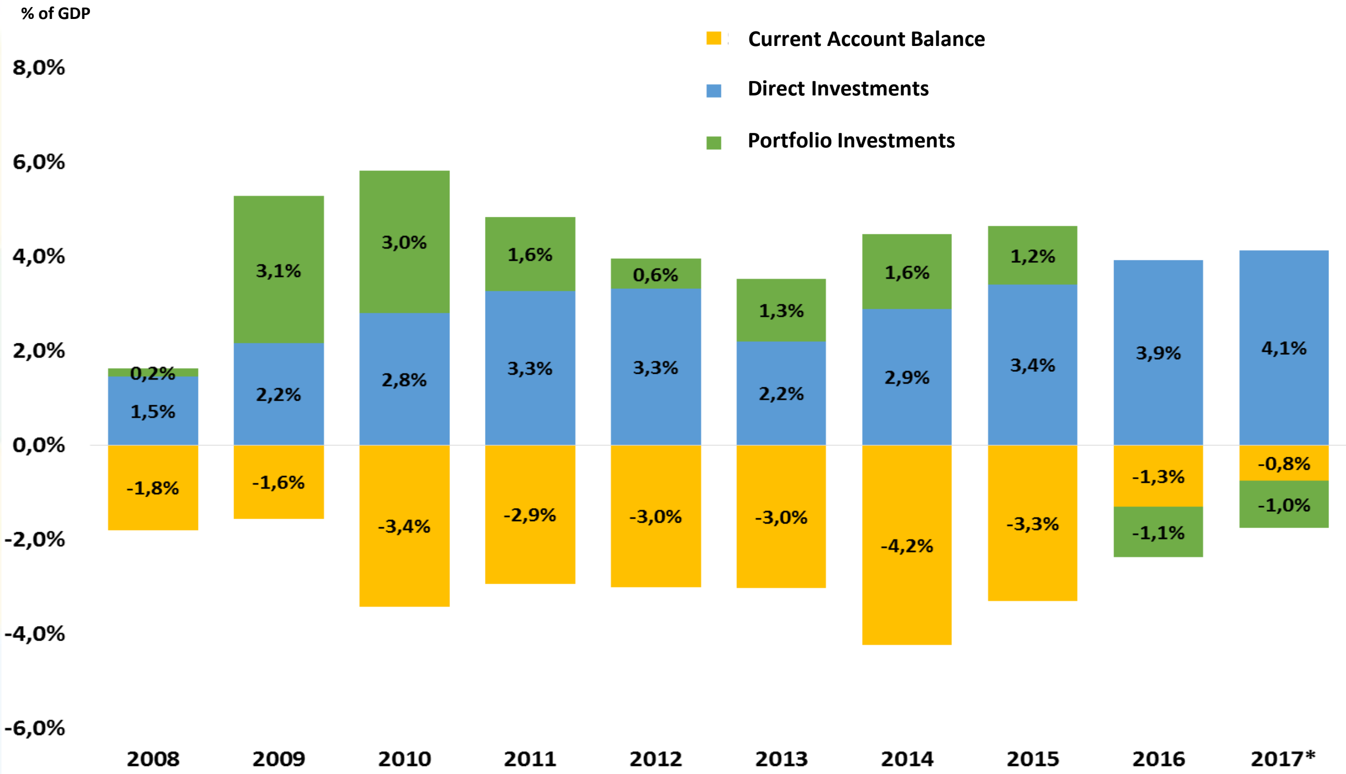
Source: Central Bank of Brazil.

Current Account Deficit as % of GDP



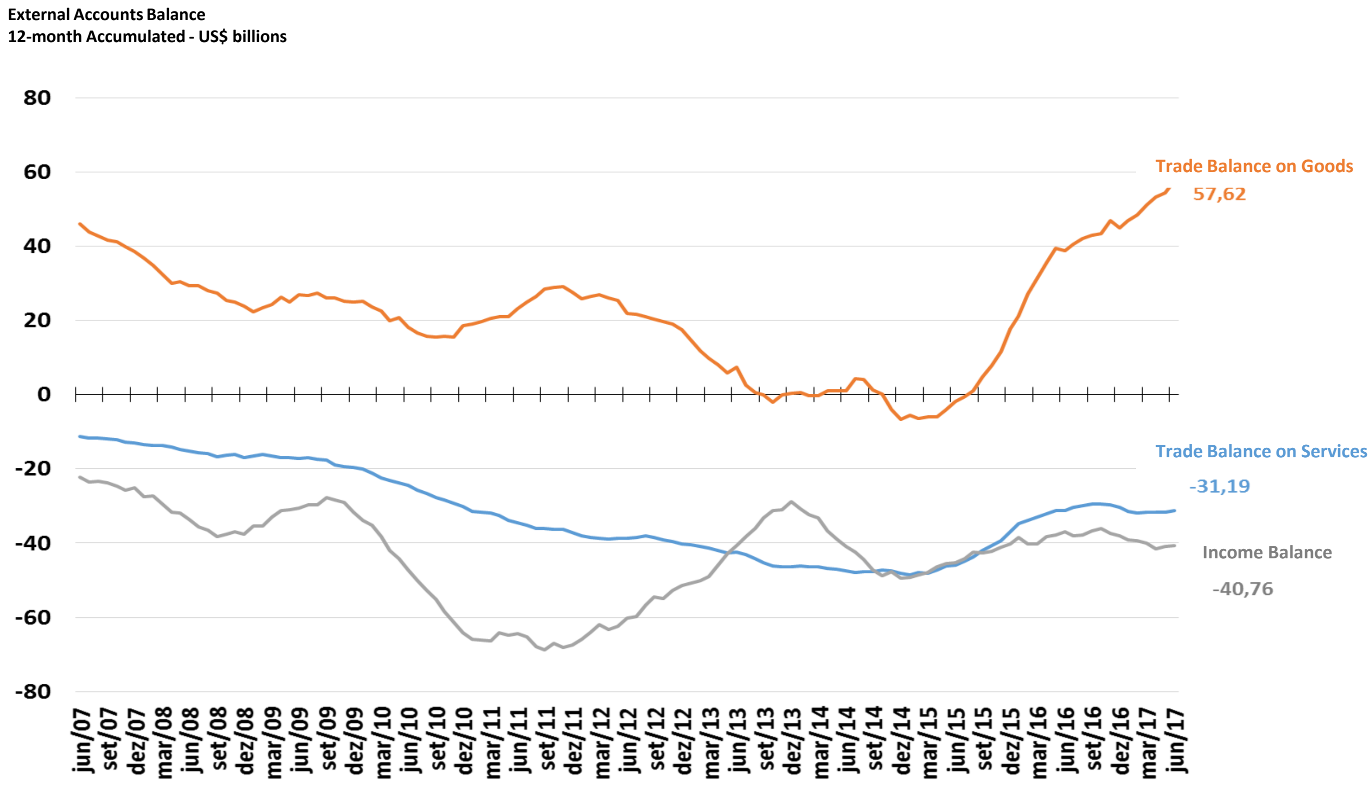
Source: Central Bank of Brazil.

Current Account Deficit Financing



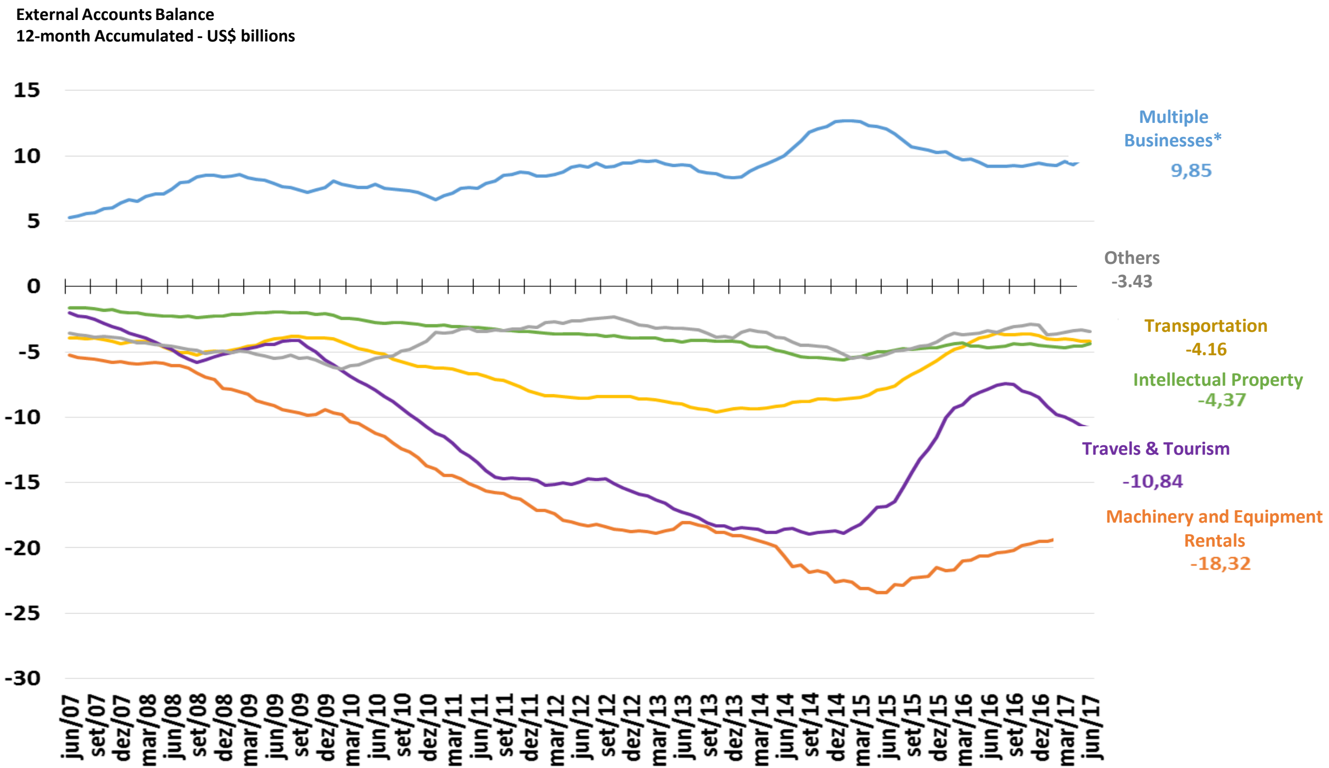
Source: Central Bank of Brazil. *12-month accumulated up to June/2017.

Current Account Balance Components



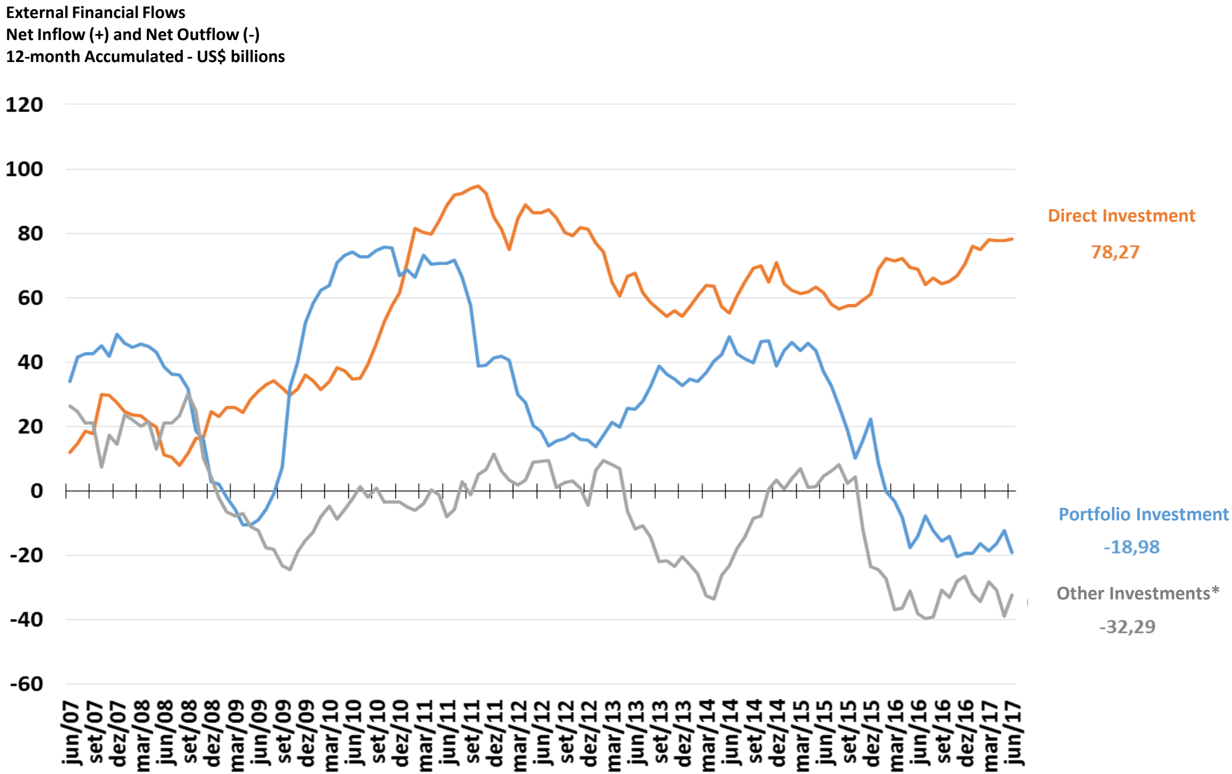
Source: Central Bank of Brazil.

Service Account Balance and Components



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

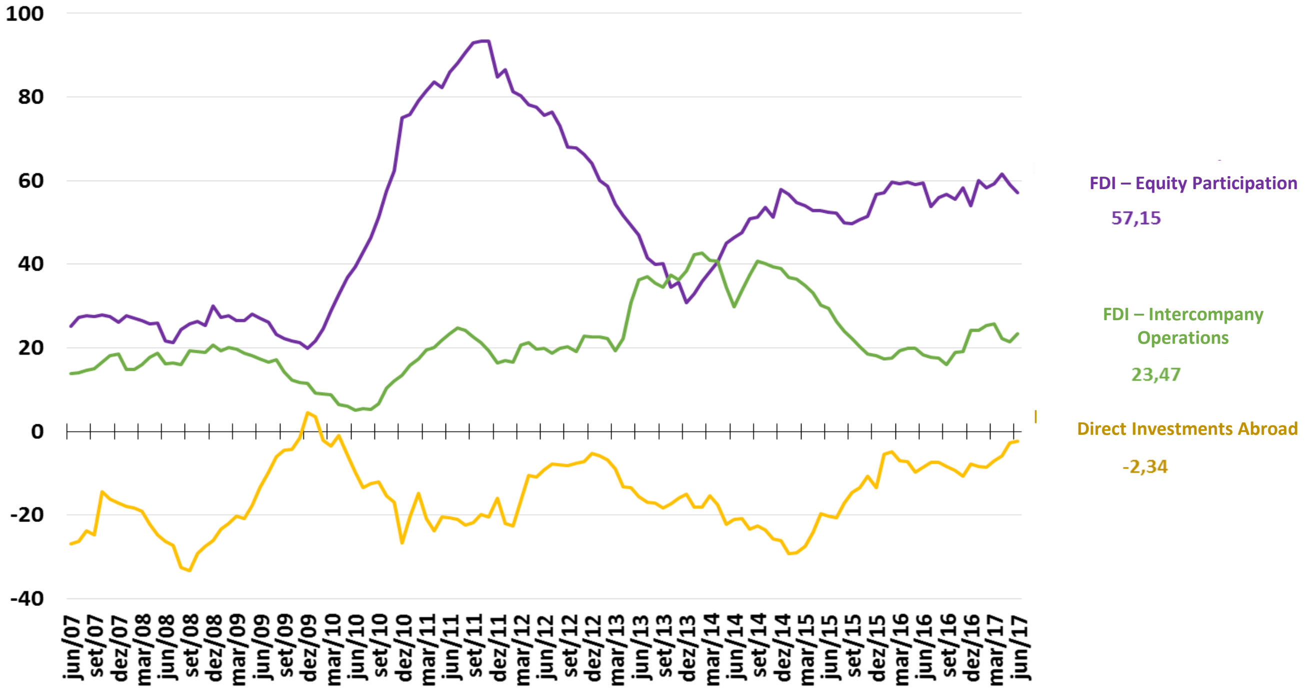
Financial Account Balance and Components



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

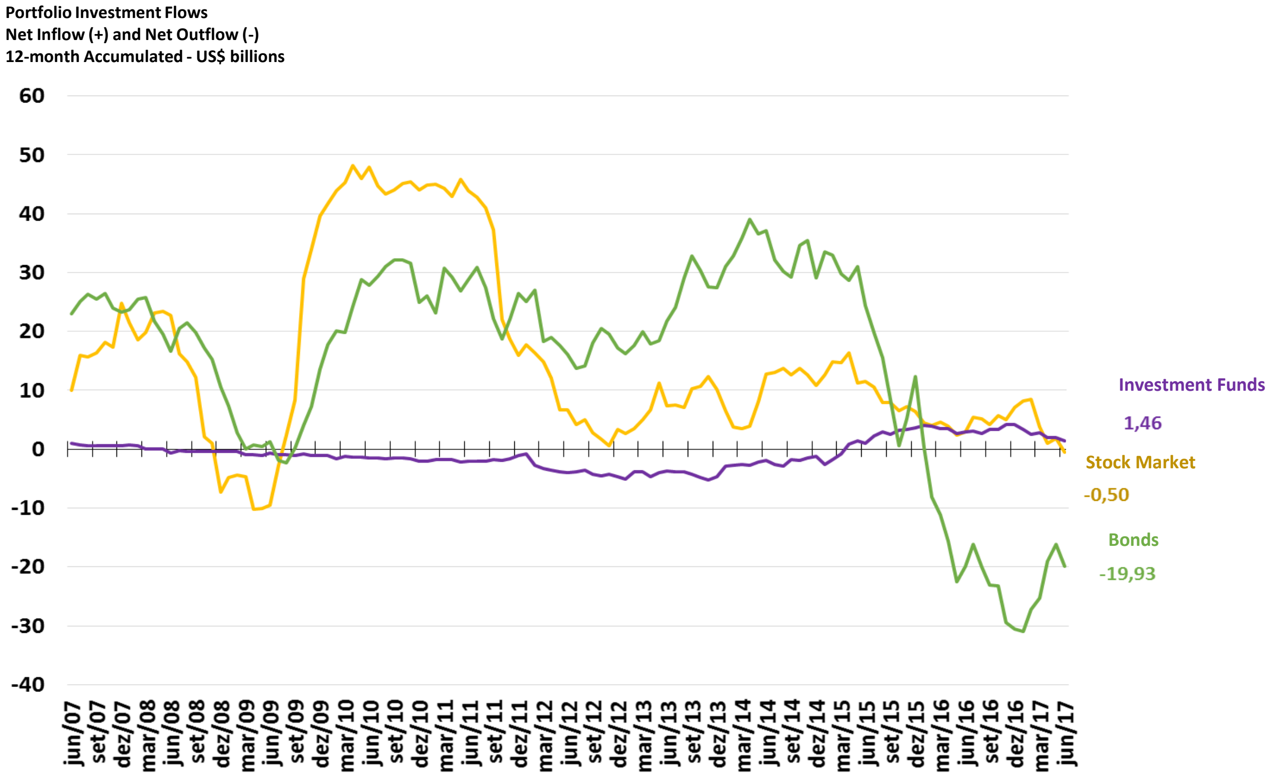
Direct Investments and Components

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



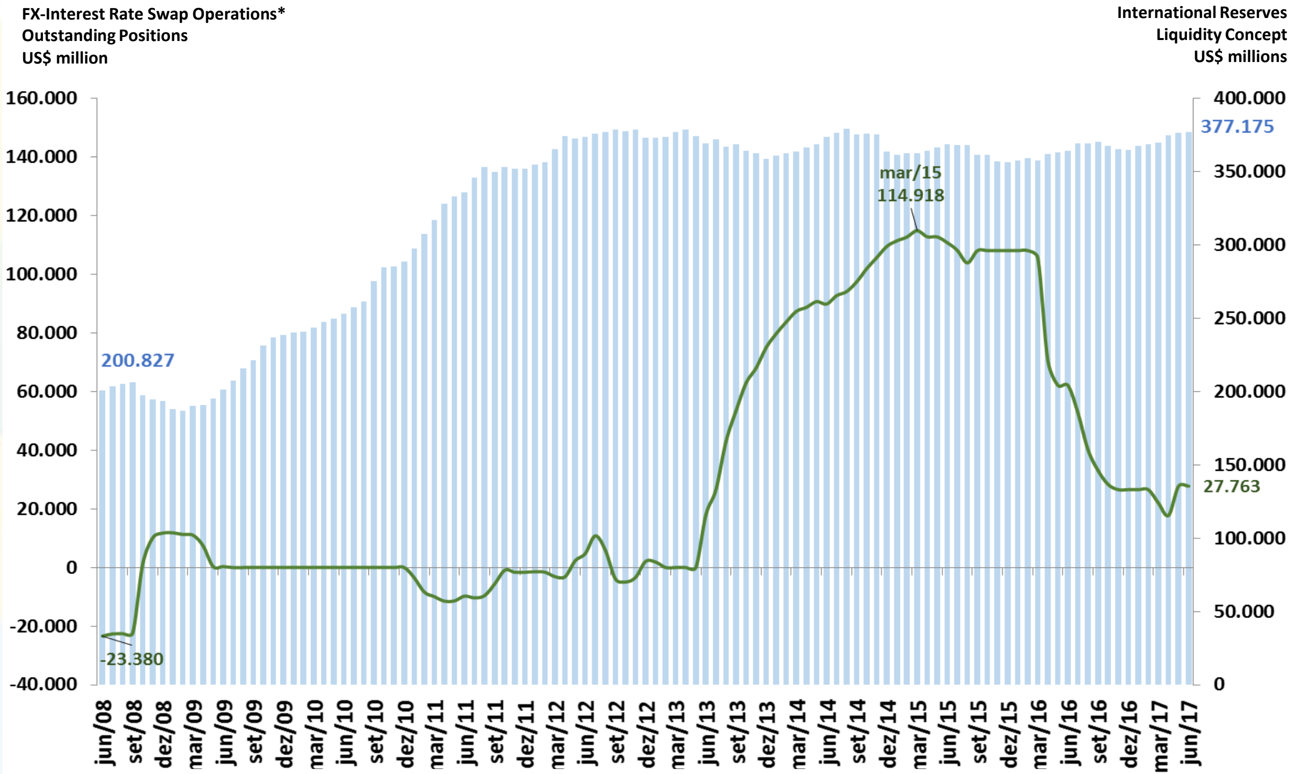
Source: Central Bank of Brazil.

Portfolio Investments and Components

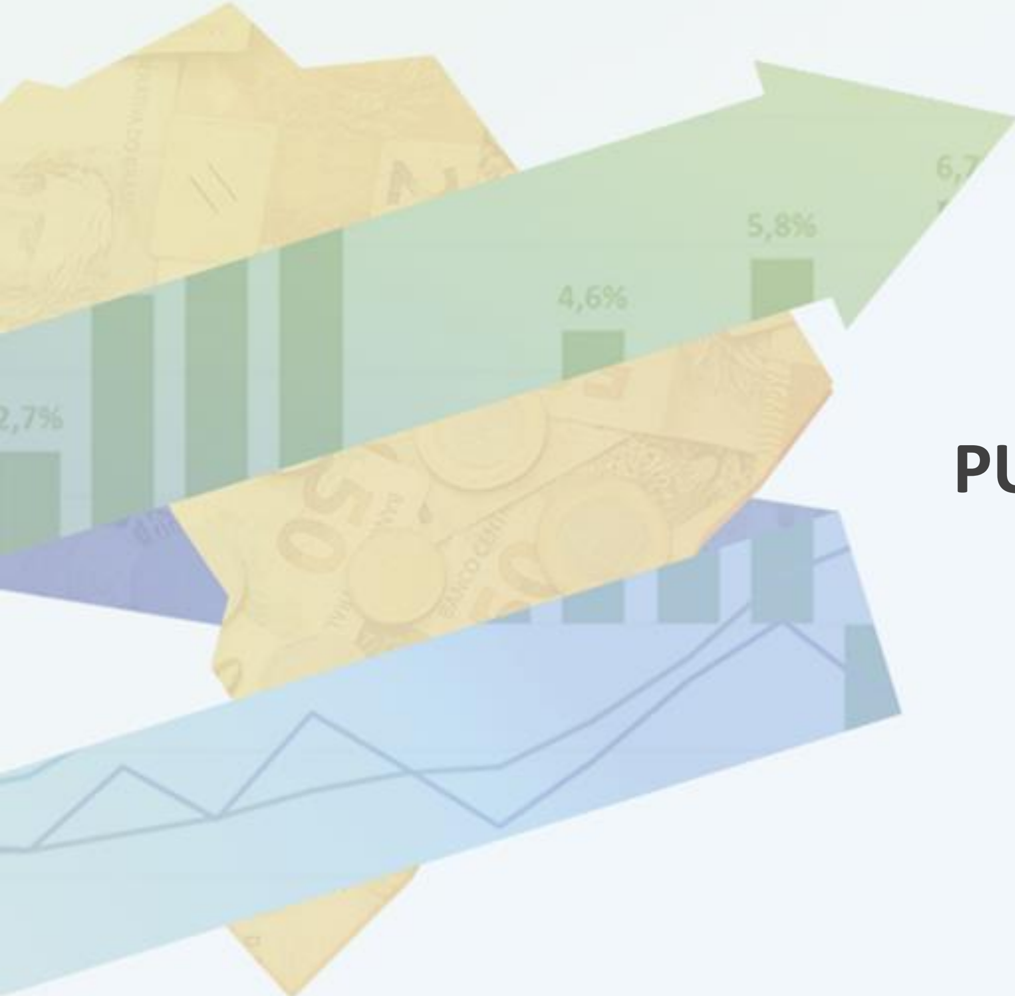


Source: Central Bank of Brazil.

Brazilian International Reserves



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



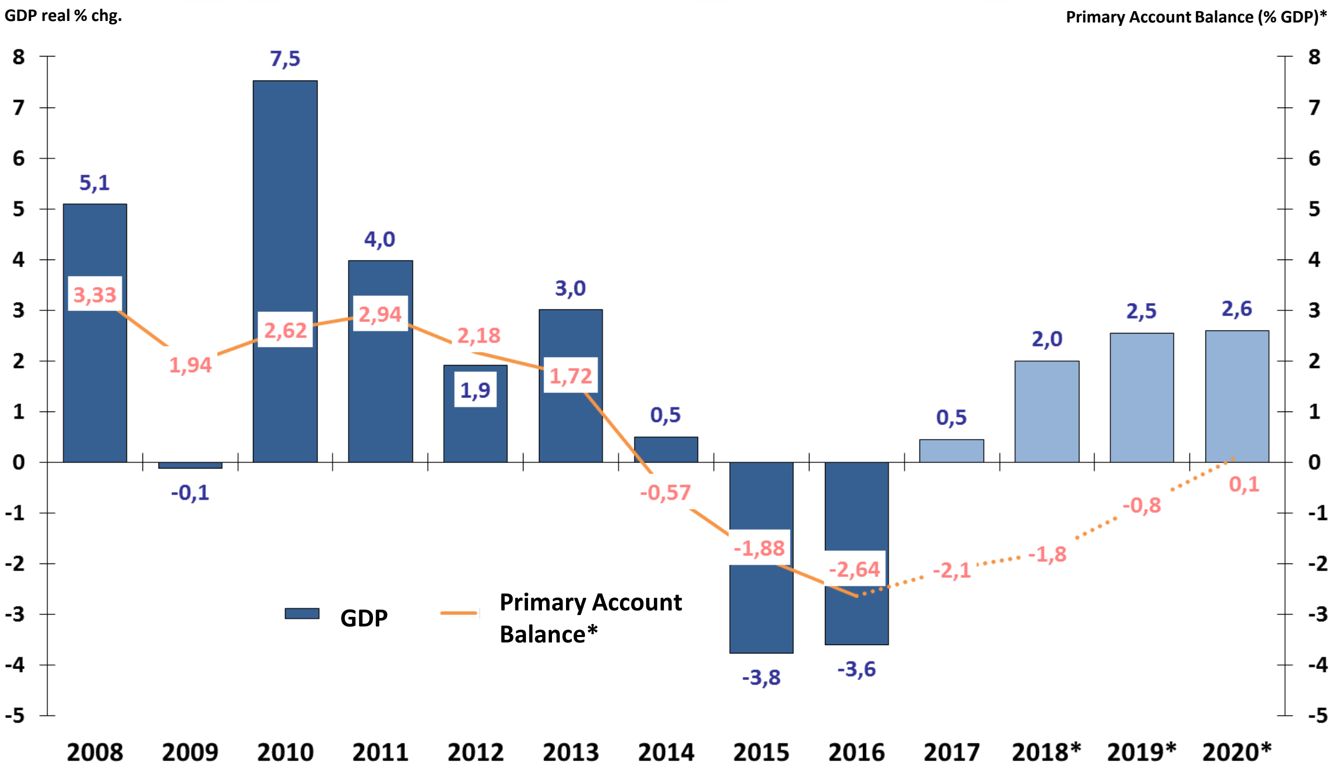
PUBLIC SECTOR ACCOUNTS

Public Sector Accounts

BCB/FOCUS: 07/28/2017

Federal Government Accounts June 2017	12-month Acummulated Figures (in R$ millions)						chg. %					
Federal Budget (National Treasury/Ministry of Finance)	2012	2013	2014	2015	2016	Jun/17 accum. in 12-months	2016 / 2015	Jun/17 accum. 12-m / 2016	YTD 2016 / YTD 2015			
Total Primary Revenue (a)	**1.059.889**	**1.178.983**	**1.221.474**	**1.247.789**	**1.314.953**	**1.334.450**	**5,4%**	**1,5%**	**3,0%**			
National Treasury	784.125	871.836	883.971	897.517	956.816	972.362	6,6%	1,6%	3,3%			
Social Security General System	275.765	307.147	337.503	350.272	358.137	362.088	2,2%	1,1%	2,3%			
States and Municipalities Mandatory Transfers (b)	**171.394**	**181.895**	**198.462**	**204.684**	**226.835**	**238.268**	**10,8%**	**5,0%**	**10,9%**			
Net Primary Revenue (a-b)	**888.495**	**997.088**	**1.023.013**	**1.043.105**	**1.088.118**	**1.096.181**	**4,3%**	**0,7%**	**1,5%**			
Total Primary Expenditure	**812.632**	**920.095**	**1.040.223**	**1.158.701**	**1.242.373**	**1.272.726**	**7,2%**	**2,4%**	**5,3%**			
National Treasury	496.043	563.092	646.022	722.611	734.502	738.480	1,6%	0,5%	1,2%			
Social Security General System	316.590	357.003	394.201	436.090	507.871	534.247	16,5%	5,2%	11,4%			
Federal Government Accounts June 2017	**12-month Acummulated Figures (in R$ millions)**						**% of GDP**					
Federal Budget (National Treasury/Ministry of Finance)	2012	2013	2014	2015	2016	Jun/17 accum. in 12-months	2015	2016	Jun/17 accum. in 12-months			
Primary Account Balance of Federal Government (STN/MF)	**75.863**	**76.994**	**-17.211**	**-115.596**	**-154.255**	**-176.545**	**-1,9%**	**-2,5%**	**-2,8%**			
National Treasury	116.687	126.850	39.487	-29.778	-4.521	-4.386	-0,5%	-0,1%	-0,1%			
Social Security General System	-40.825	-49.856	-56.698	-85.818	-149.734	-172.159	-1,4%	-2,4%	-2,7%			
Consolidate Public Sector Accounts June 2017	**12-month Acummulated Figures (in R$ millions)**						**% of GDP**					
Public Sector Financial Need (Central Bank of Brazil - BCB)	2012	2013	2014	2015	2016	Jun/17 accum. in 12-months	2015	2016	Jun/17 accum. in 12-months	2017	2018	2019
Primary Account Balance Target (% GDP)										**-2,10%**	**-1,80%**	**-0,80%**
Primary Account Balance	**-104.951**	**-91.306**	**32.536**	**111.249**	**155.791**	**167.198**	**1,9%**	**2,5%**	**2,6%**	**-2,2%**	**-1,9%**	**-1,1%**
Federal Government	-86.086	-75.291	20.472	116.656	159.473	180.247	1,9%	2,5%	2,8%			
States and Municipalities	-21.511	-16.337	7.790	-9.684	-4.666	-12.363	-0,2%	-0,1%	-0,2%			
State Owned Companies (except Petrobrás and Eletrobrás)	2.645	322	4.274	4.278	983	-686	0,1%	0,0%	0,0%			
Net Financial Public Expenditure (Debt Interest Payments)	213.863	248.856	311.380	501.786	407.024	440.297	8,4%	6,5%	6,9%			
Nominal Account Balance	**108.912**	**157.550**	**343.916**	**613.035**	**562.815**	**607.495**	**10,2%**	**9,0%**	**9,5%**	**8,5%**	**7,6%**	**6,9%**
General Public Sector Debt (BCB) June 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	Jun/17	Dec/15 - Dec/14	Dec/16 - Dec/15	Jun/17 - Dez/16	2017	2018	2019
Consolidated Public Sector	**1.550.083**	**1.626.335**	**1.883.147**	**2.136.888**	**2.892.913**	**3.112.892**	**13,47%**	**35,38%**	**7,60%**			
Federal Government	1.002.205	1.025.358	1.200.680	1.312.962	2.090.133	2.308.536	9,4%	59,2%	10,4%			
States and Municipalities	519.423	569.794	643.066	771.635	747.503	747.704	20,0%	-3,1%	0,0%			
State Owned Companies (except Petrobrás and Eletrobrás)	28.456	31.183	39.402	52.292	55.278	56.652	32,7%	5,7%	2,5%			
Net Domestic Debt	2.169.502	2.341.011	2.669.547	3.289.112	3.856.985	4.116.326	23,2%	17,3%	6,7%			
Net External Debt	-619.419	-714.676	-786.400	-1.152.224	-964.072	-1.003.434	46,5%	-16,3%	4,1%			
General Public Sector Net Debt (% GDP)	**32,2%**	**30,5%**	**32,6%**	**35,6%**	**46,2%**	**48,7%**	**3,0 pp**	**10,6 pp**	**2,5 pp**	**51,5%**	**55,2%**	**57,4%**
General Public Sector Gross Debt (% GDP)	**53,7%**	**51,5%**	**56,3%**	**65,5%**	**69,9%**	**73,1%**	**9,2 pp**	**4,4 pp**	**3,3 pp**			
General Public Sector Gross Debt (in R$ millions)	**2.583.946**	**2.747.997**	**3.252.449**	**3.927.523**	**4.378.486**	**4.674.599**	**20,76%**	**11,48%**	**6,76%**			

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 March-2017 Grade de Parâmetros SPE/MF.

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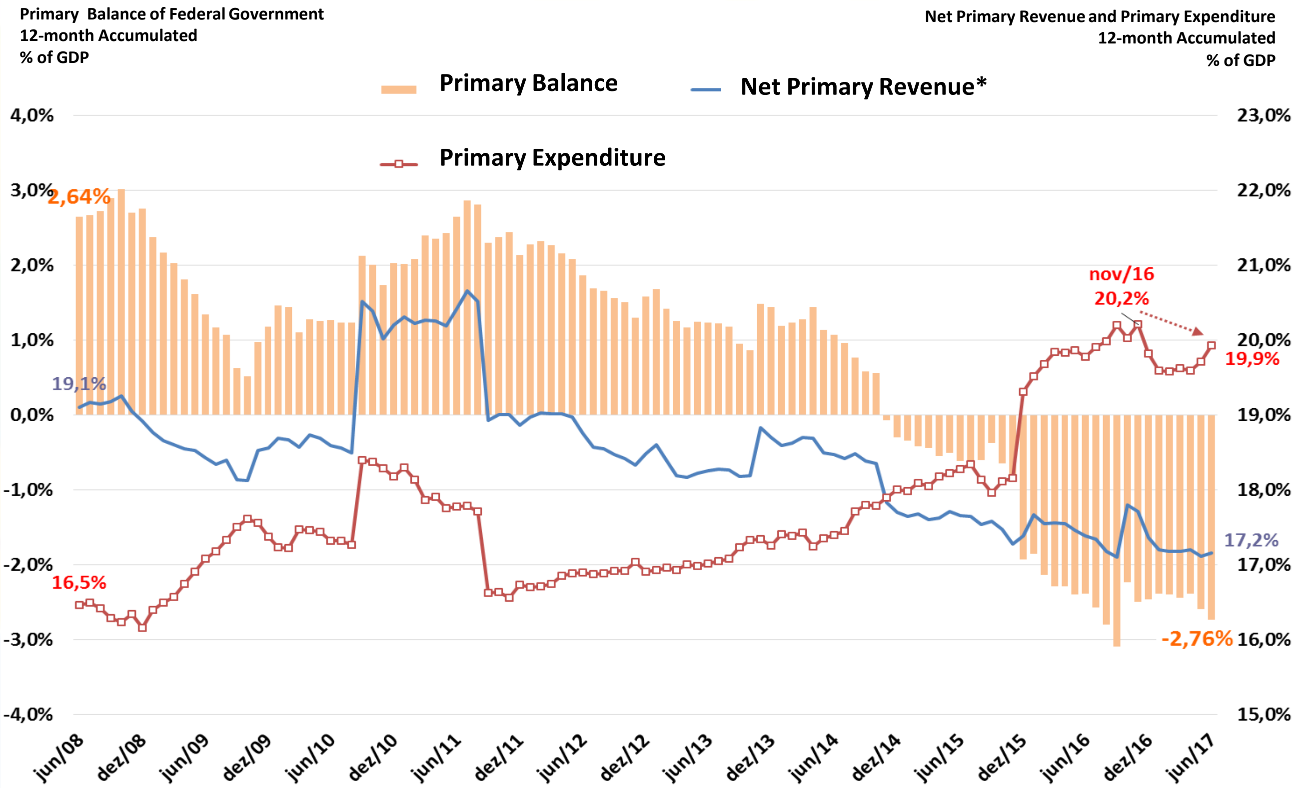
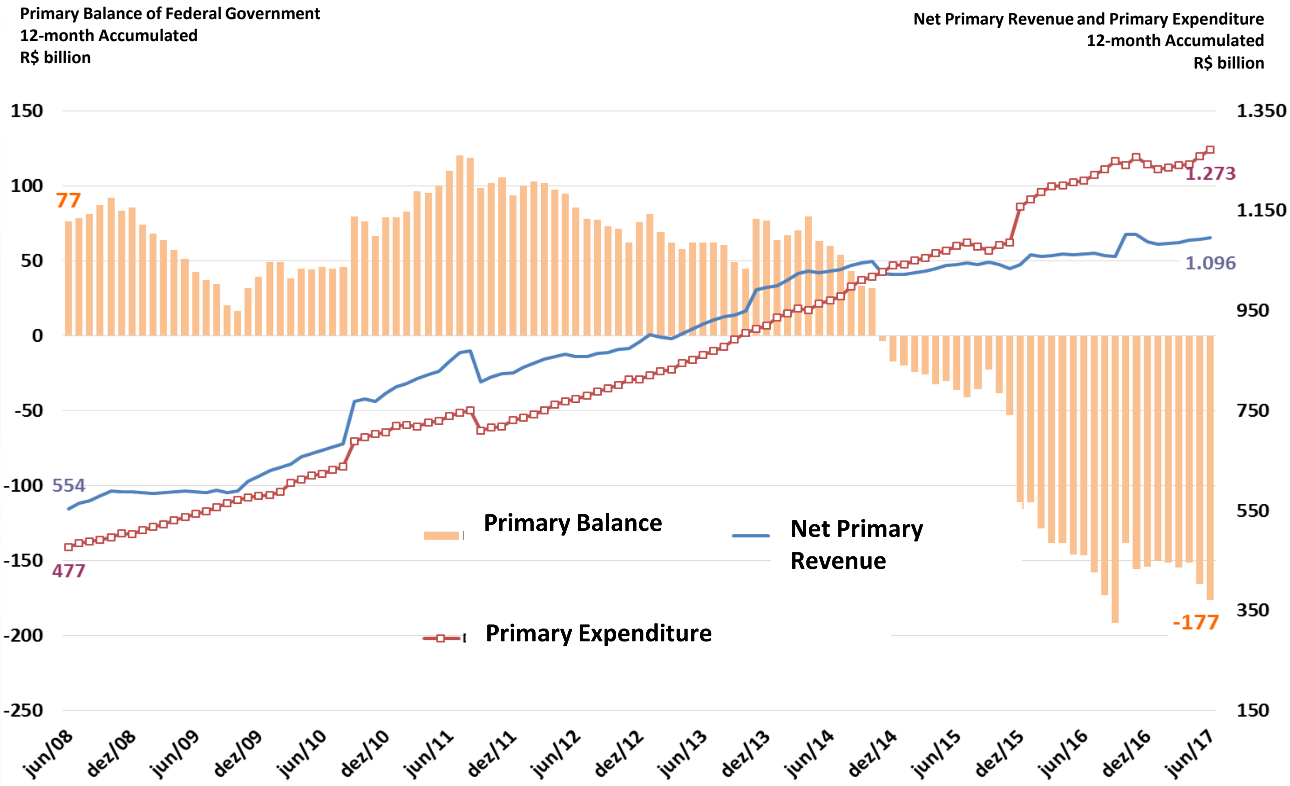
BRASIL BRAZILIAN GOVERNMENT

Primary Balance of Federal Government (as % GDP)



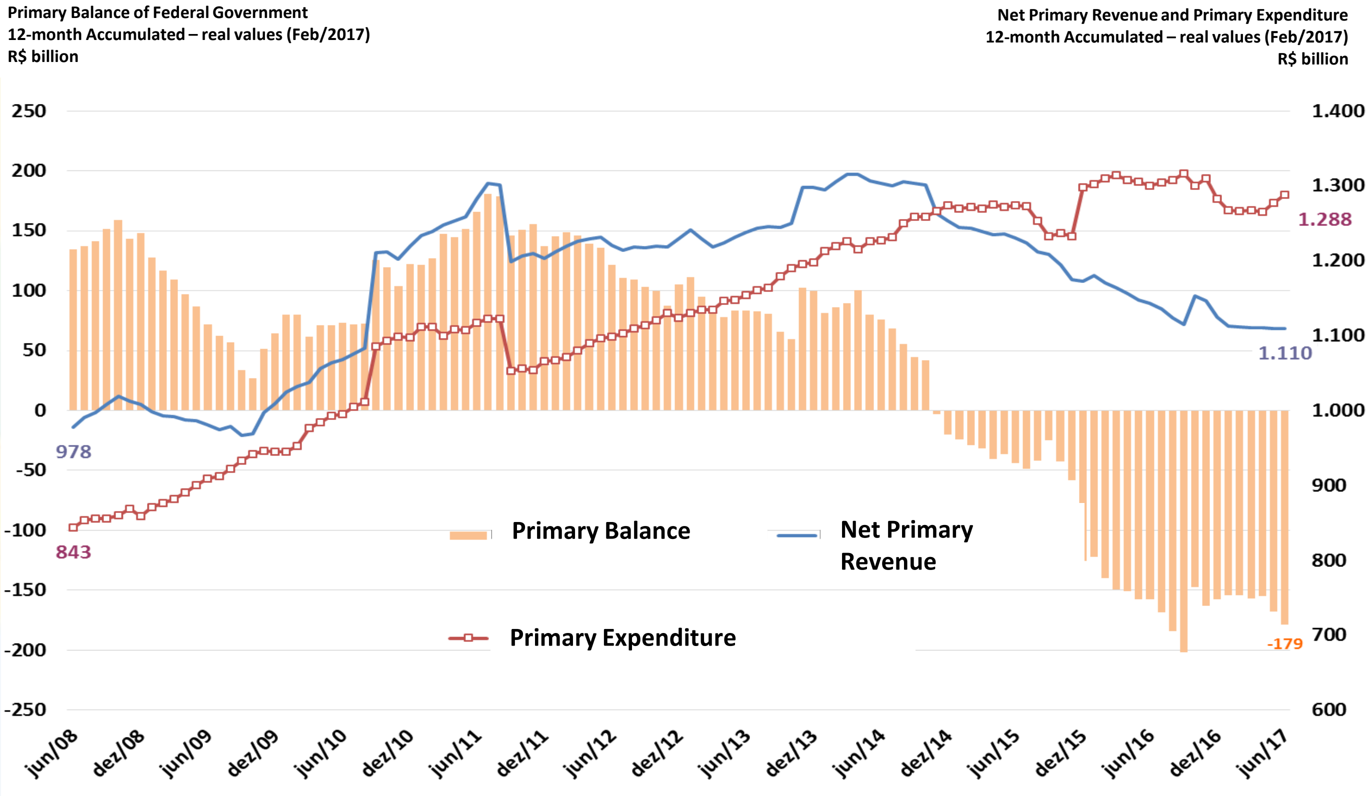
Sources: STN/MF.
*excludes compulsory tranfers to subnational entities

Primary Balance of Federal Government (nominal values)



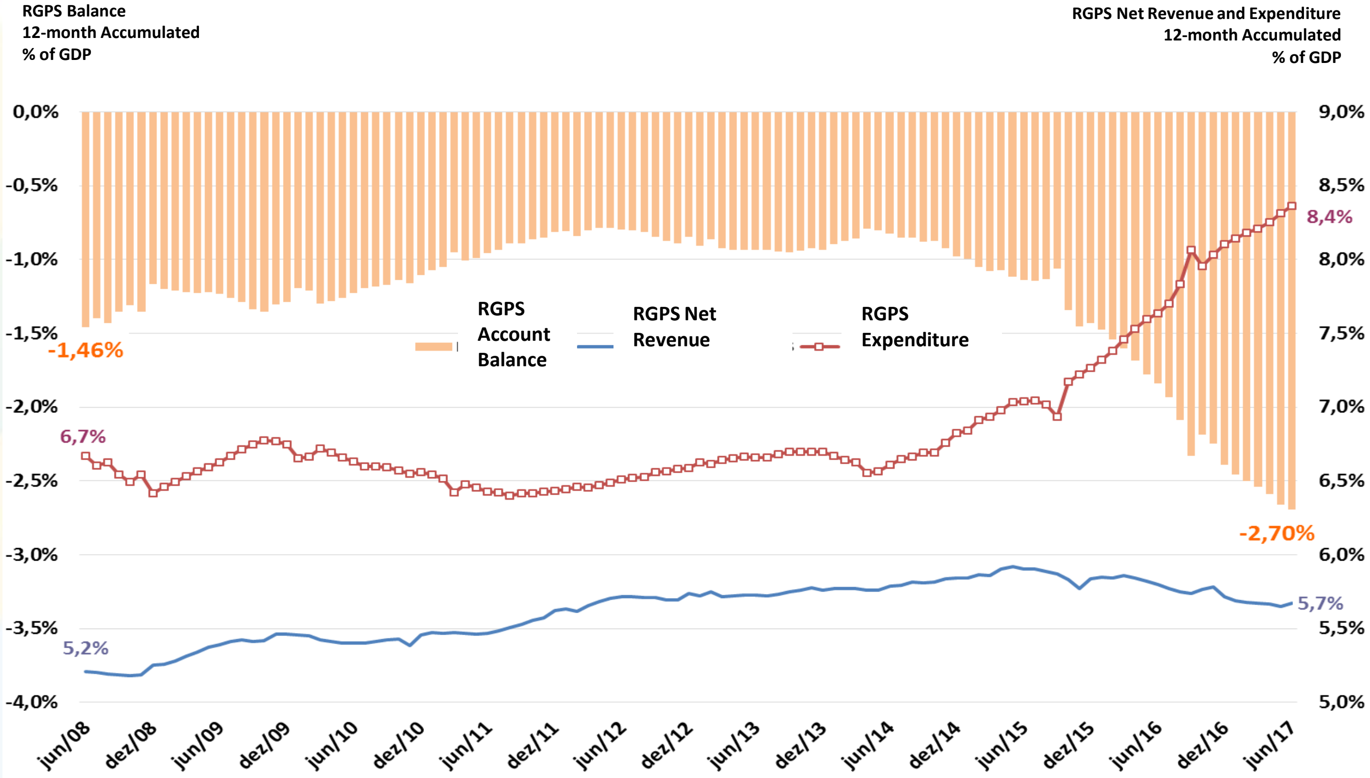
Source: STN/MF.

Primary Balance of Federal Government (real values)



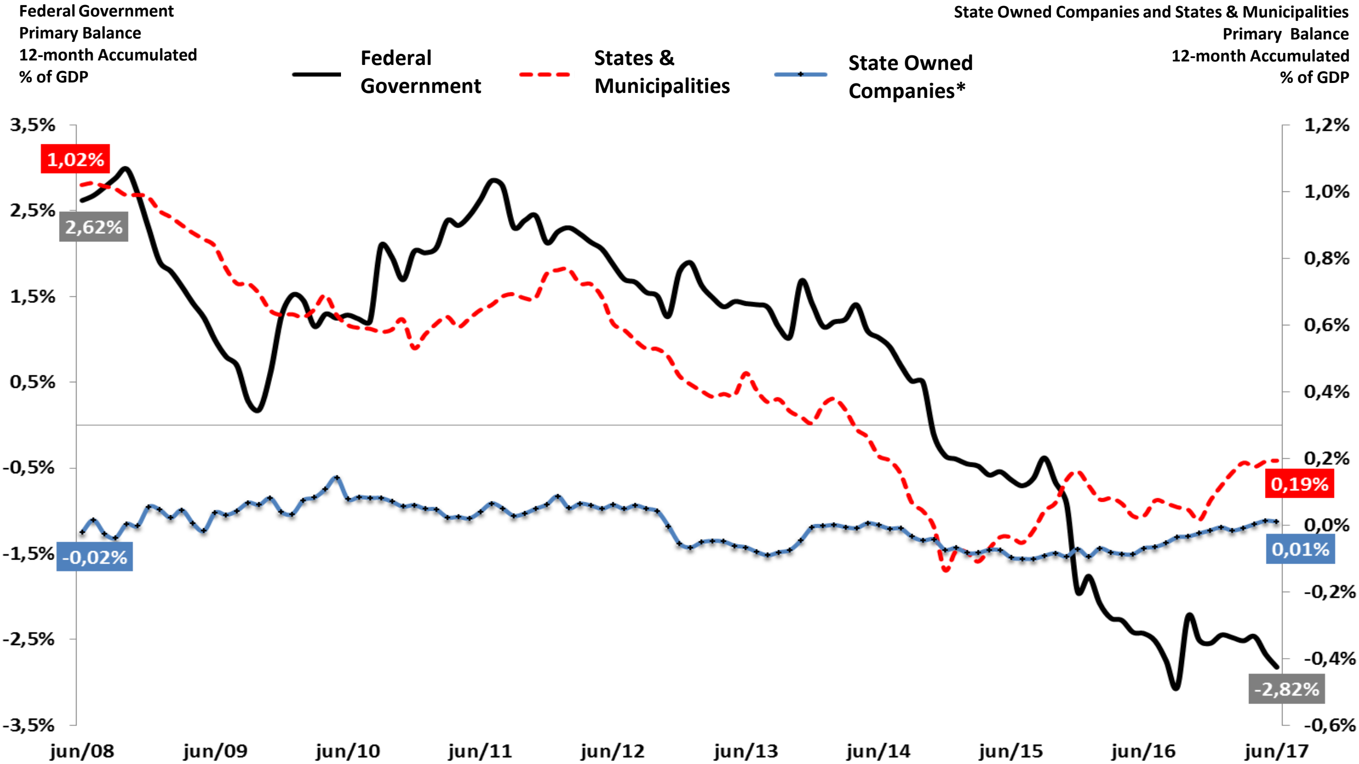
Source: STN/MF.

General Social Security System (RGPS) Balance



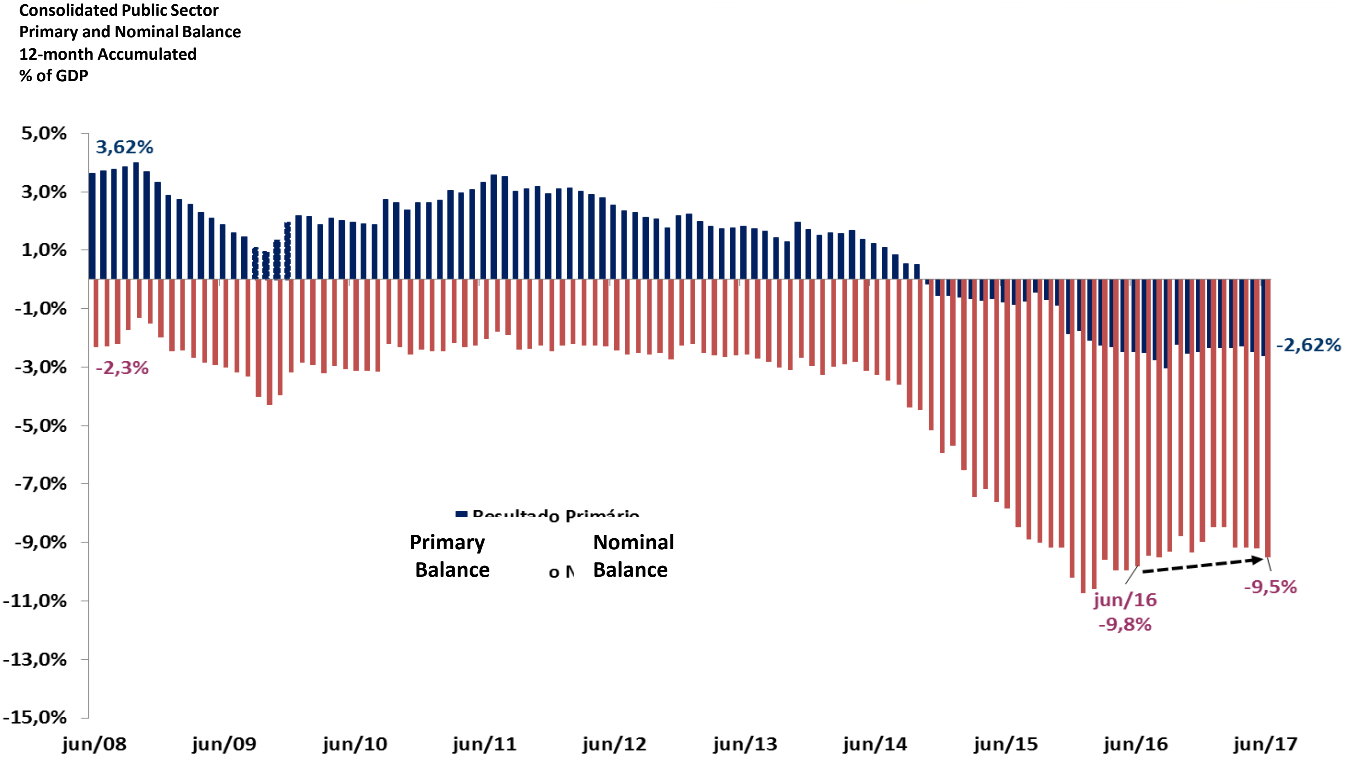
Sources: STN/MF.

Public Sector Primary Balance (as % GDP)



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

Public Sector Primary and Nominal Balance



Source: Central Bank of Brazil.

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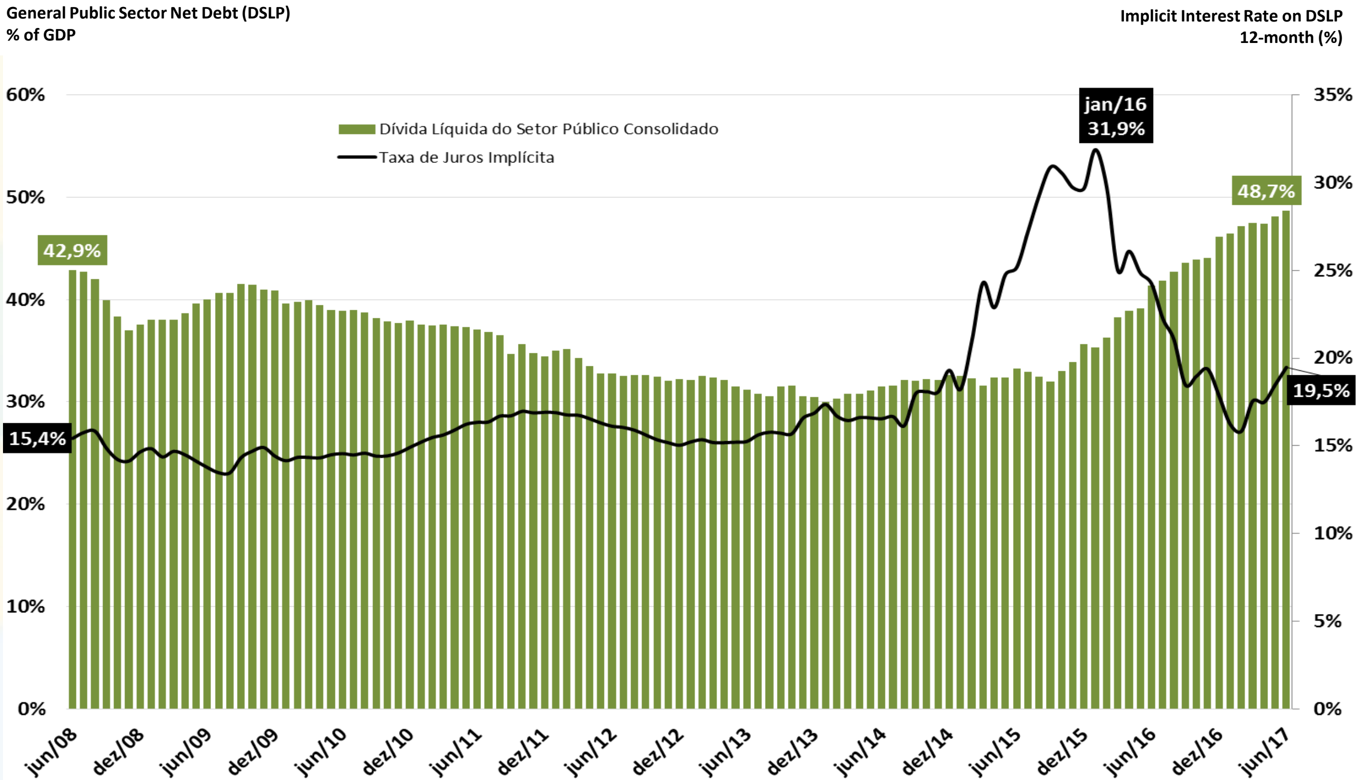
BRASIL BRAZILIAN GOVERNMENT

Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.

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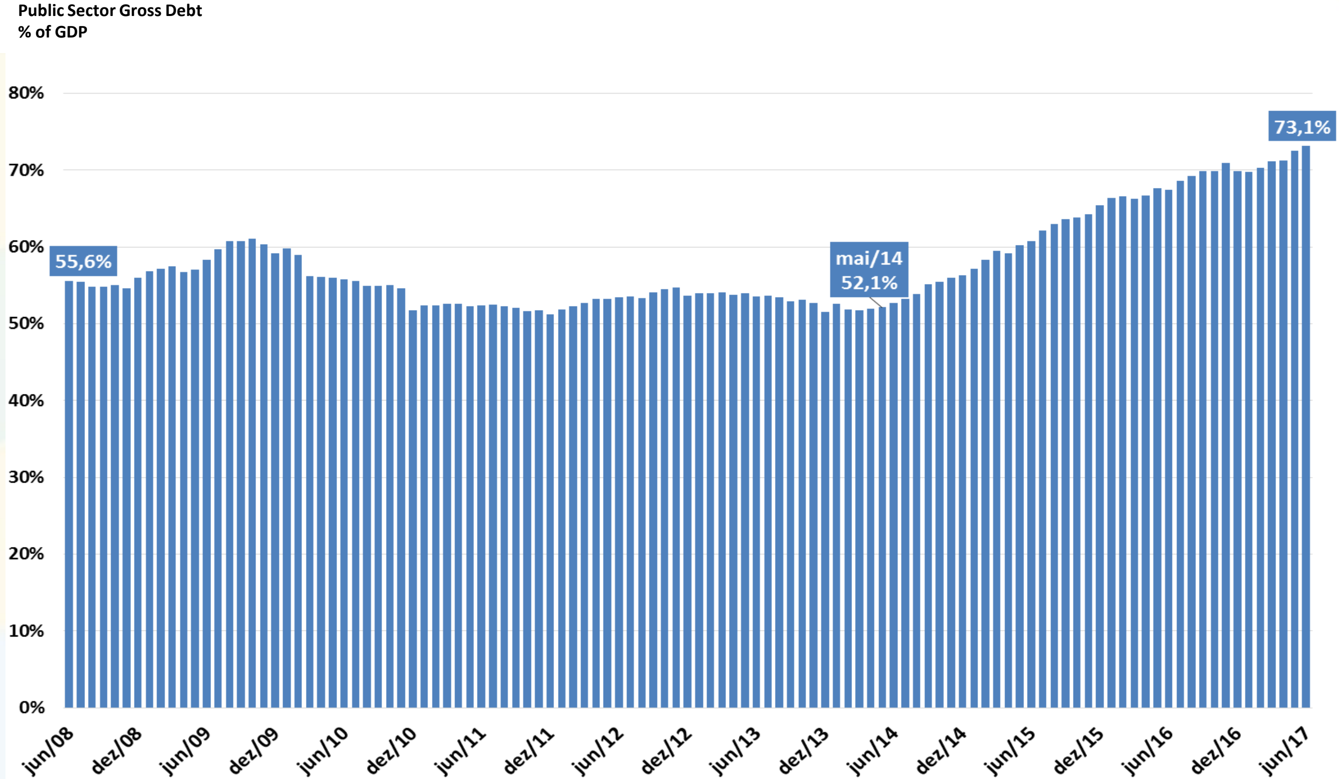
BRAZILIAN GOVERNMENT

Public Sector Gross Debt (as % GDP)



Source: Central Bank of Brazil.

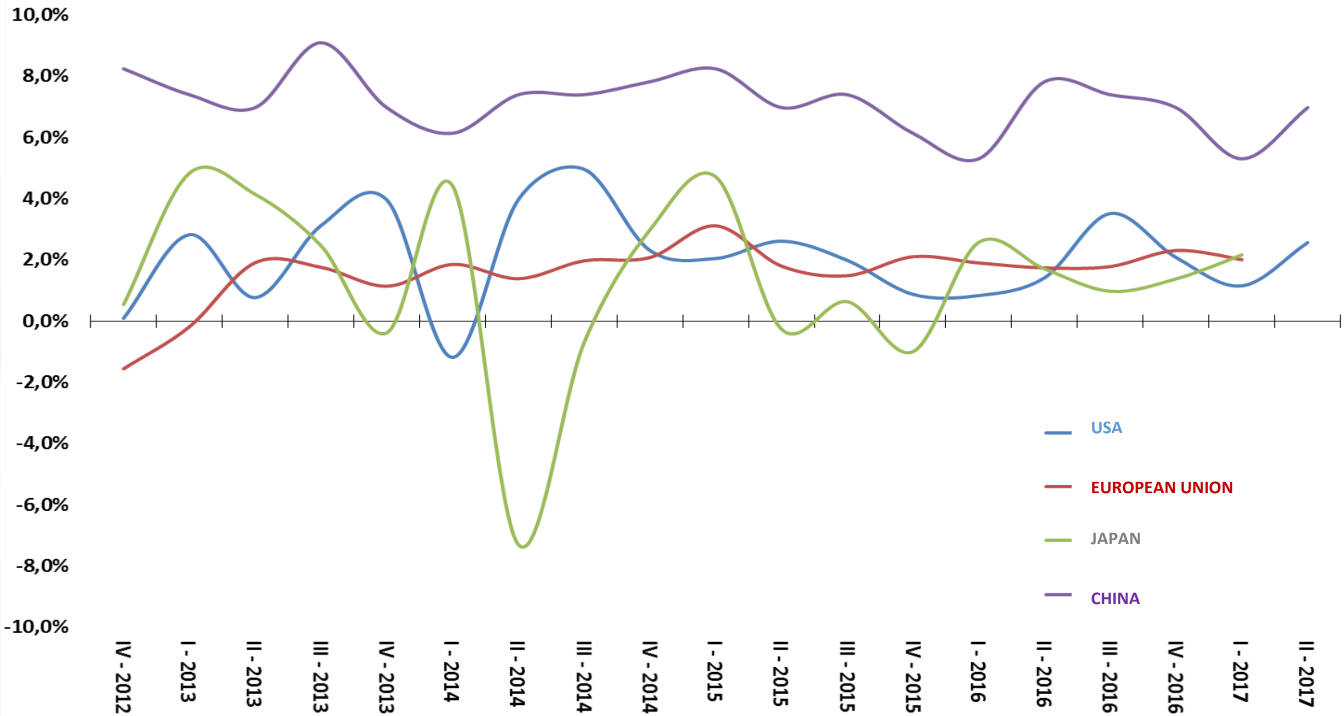
WORLD ECONOMY

World Economy

											IMF - WEO, July 2017.	
World Q4 2016 *data from IMF and WTO*	2012	2013	2014	2015	2016	Q4-2015 / Q4-2014	Q4-2016 / Q4-2015				2017	2018
World Output - GDP	**3,5%**	**3,3%**	**3,4%**	**3,4%**	**3,1%**	**3,2%**	**3,2%**				**3,50%**	**3,60%**
Advanced Economies	1,2%	1,2%	1,9%	2,1%	1,7%	1,8%	2,0%				2,00%	1,90%
Emerging Market and Developing Economies	5,3%	5,0%	4,6%	4,2%	4,1%	4,4%	4,4%				4,60%	4,80%
Latin America and the Caribbean	3,0%	2,9%	1,0%	0,1%	-1,0%	-1,1%	-1,1%				1,00%	1,90%
World Trade of Goods and Services	**1,4%**	**2,8%**	**1,7%**	**2,7%**	**2,2%**						**3,8%**	**3,9%**
National Accounts Q1 2017 *data from IMF, OECD, Eurostat, NBSC and METI*	2012	2013	2014	2015	2016	Q3-2016 / Q3-2015	Q4-2016 / Q4-2015	Q1-2017 / Q1-2016	Q1-2016 accum. in 4-quarters	Q1-2017 accum. in 4-quarters	2017	2018
USA - GDP	**2,2%**	**1,7%**	**2,4%**	**2,6%**	**1,6%**	**1,7%**	**2,0%**	**2,0%**	**2,2%**	**1,7%**	**2,10%**	**2,10%**
Household Expenditure	1,5%	1,5%	2,9%	3,2%	2,7%	2,8%	2,8%					
Government Expenditure	-1,9%	-2,9%	-0,9%	1,8%	0,8%	0,4%	0,5%					
Gross Fixed Capital Formation	10,6%	6,1%	4,5%	5,0%	-1,6%	-2,7%	0,4%					
Exports of Goods and Services	3,4%	3,5%	4,3%	0,1%	0,4%	2,0%	1,5%					
Imports of Goods and Services (-)	2,2%	1,1%	4,4%	4,6%	1,1%	0,6%	2,5%					
Industrial Production	2,2%	3,7%	4,9%	-1,8%	-1,0%	-0,4%	0,3%	0,6%				
Unemployment (% of Labor Force)	8,1%	7,4%	6,2%	5,3%	4,9%	-0,2 pp	-0,3 pp	-0,3 pp			4,70%	4,60%
Consumer Price Index	1,7%	1,5%	0,8%	0,7%	2,1%	1,1%	1,8%	2,5%			2,80%	2,40%
European Union - GDP	**-0,4%**	**0,3%**	**1,7%**	**2,4%**	**2,0%**	**1,9%**	**1,9%**	**2,0%**	**2,1%**	**1,9%**	**1,98%**	**1,80%**
Household Expenditure	-0,5%	-0,1%	1,0%	2,0%	1,8%	1,8%	1,6%					
Government Expenditure	0,0%	0,3%	0,8%	1,7%	2,0%	1,7%	2,0%					
Gross Fixed Capital Formation	-2,2%	-1,6%	2,8%	3,7%	2,5%	-2,1%	2,5%					
Exports of Goods and Services	2,4%	1,6%	4,7%	6,0%	2,3%	0,6%	3,0%					
Imports of Goods and Services (-)	-0,8%	2,5%	5,0%	7,1%	2,8%	-1,4%	4,0%					
Industrial Production	-2,1%	-0,5%	1,2%	2,3%	1,3%	1,0%	1,6%	1,1%				
Unemployment (% of Labor Force)	10,4%	10,8%	10,2%	9,4%	8,6%	-0,8 pp	-0,8 pp				9,40%	9,10%
Consumer Price Index	2,4%	1,0%	0,0%	0,2%	1,1%	0,3%	0,8%	1,8%			1,73%	1,80%
Japan - GDP	**1,5%**	**2,0%**	**0,3%**	**1,1%**	**1,0%**	**1,1%**	**1,7%**	**1,6%**	**1,3%**	**1,3%**	**1,30%**	**0,60%**
Industrial Production	0,0%	-0,7%	2,1%	-0,9%	-0,2%	0,8%	2,8%	4,0%				
Unemployment (% of Labor Force)	4,3%	4,0%	3,6%	3,4%	3,1%	-0,4 pp	-0,2 pp	-0,3 pp			3,10%	3,10%
Consumer Price Index	-0,2%	1,5%	2,5%	0,2%	-0,1%	-0,5%	0,3%	0,3%			1,00%	0,64%
China - GDP	**7,8%**	**7,8%**	**7,3%**	**6,9%**	**6,7%**	**6,7%**	**6,8%**	**6,9%**	**6,8%**	**6,8%**	**6,70%**	**6,40%**
Industrial Production	10,1%	9,9%	7,9%	6,6%	6,0%	6,1%	6,2%	6,6%				
Unemployment (% of Labor Force)	4,1%	4,1%	4,1%	4,1%	4,0%	-0,4 pp	-0,2 pp	-0,1 pp			4,00%	4,00%
Consumer Price Index	2,5%	2,5%	1,5%	1,6%	2,0%	1,7%	2,2%	1,4%			2,40%	2,30%

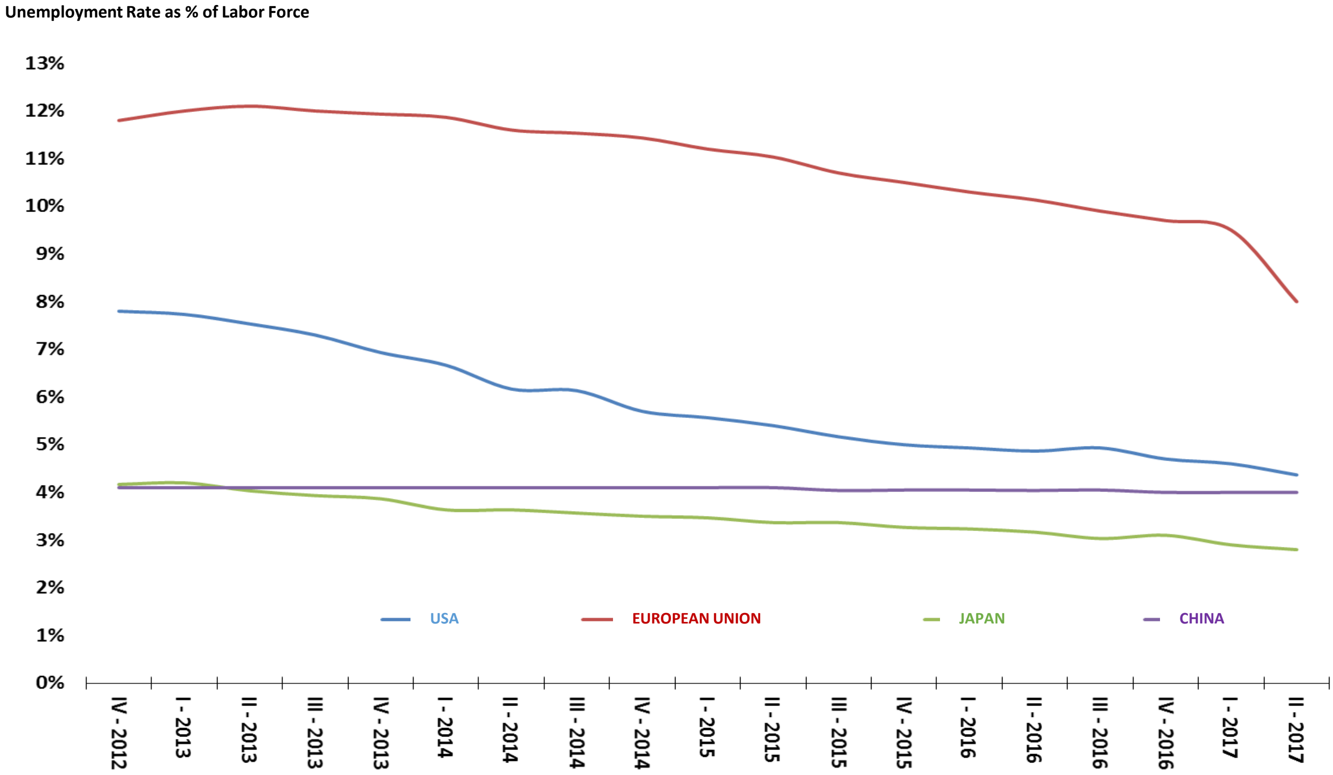
World Major Economies GDP

GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

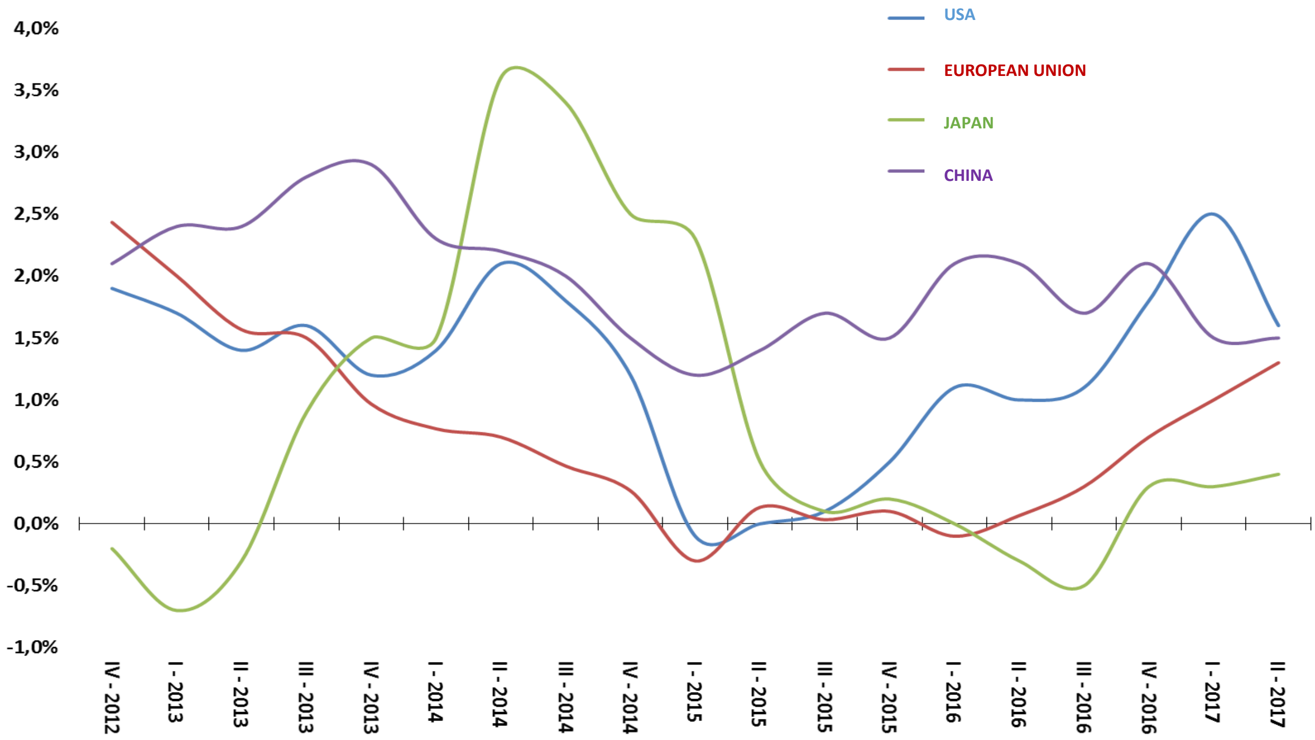
World Major Economies Unemployment Rate



Source: OECD.

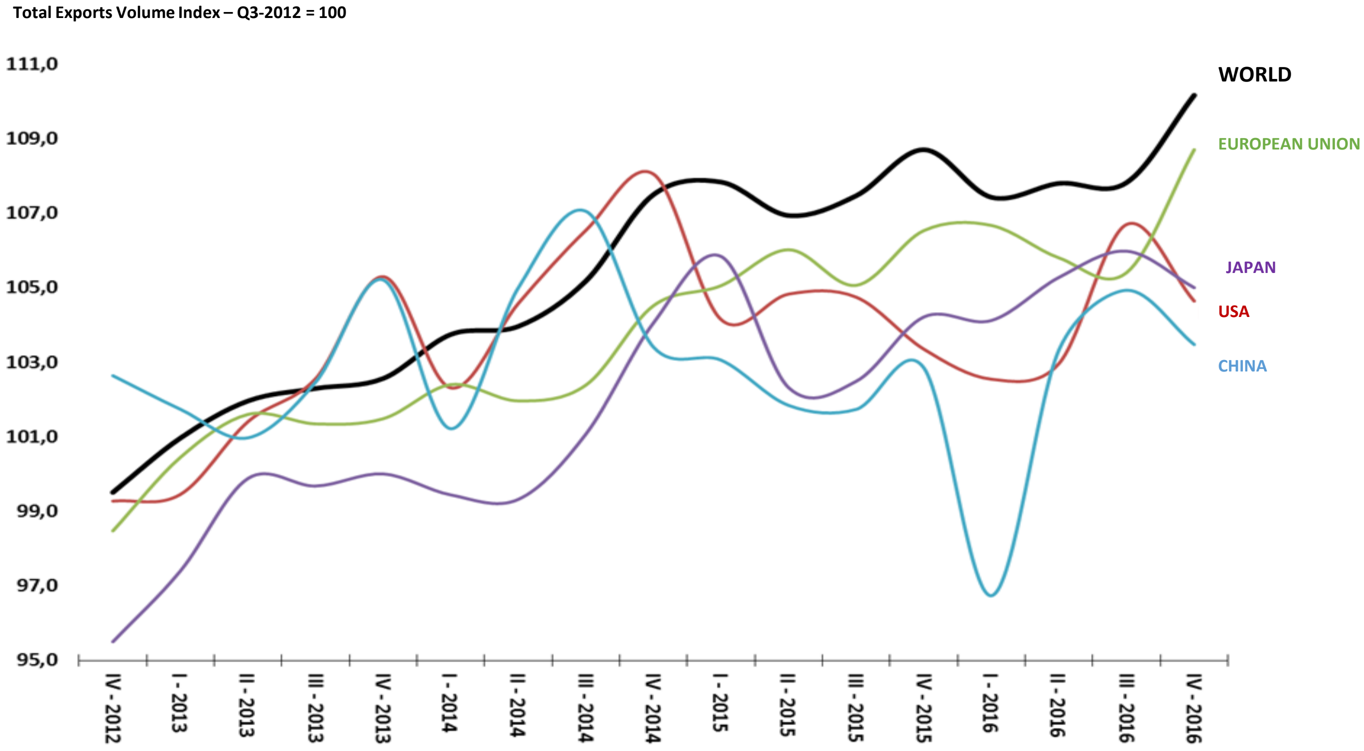
World Major Economies Consumer Price Index

Consumer Price Indexes – annual chg.%



Source: OECD.

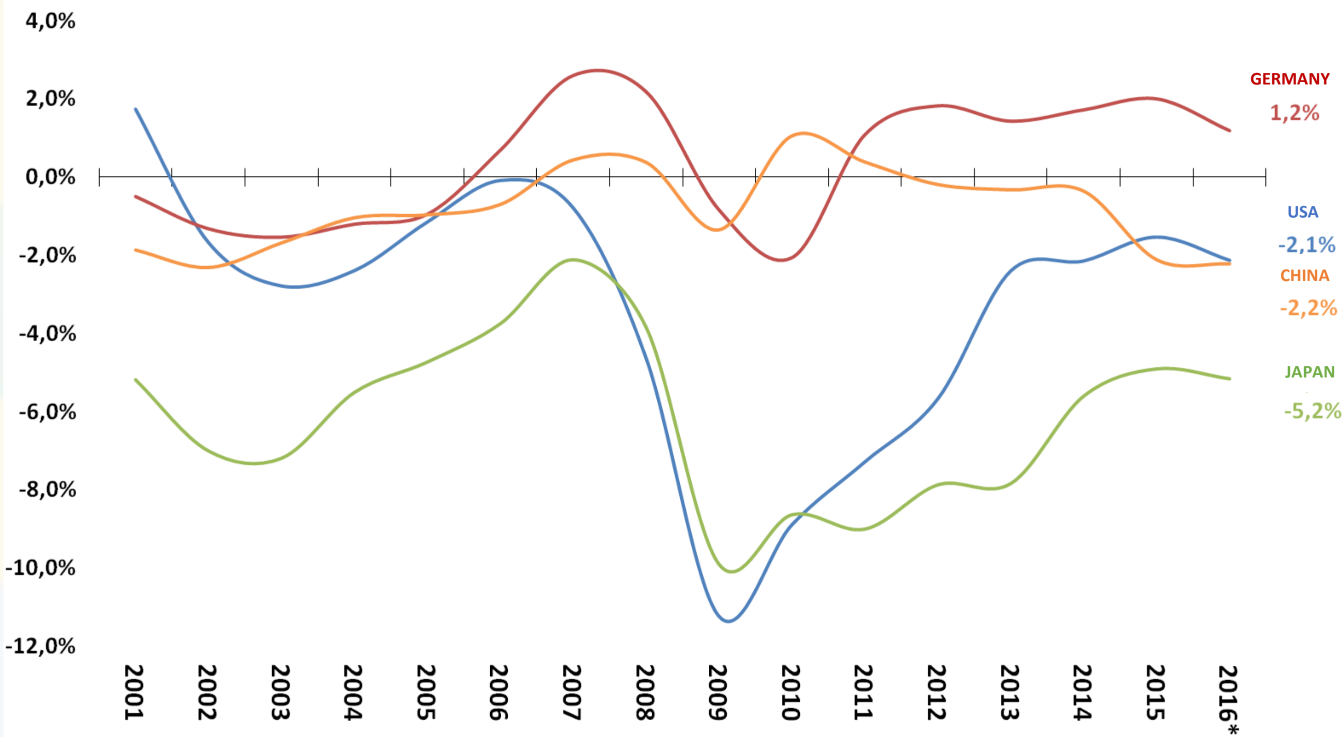
World Major Economies Total Exports



Source: OECD.

World Major Economies Government Primary Surplus

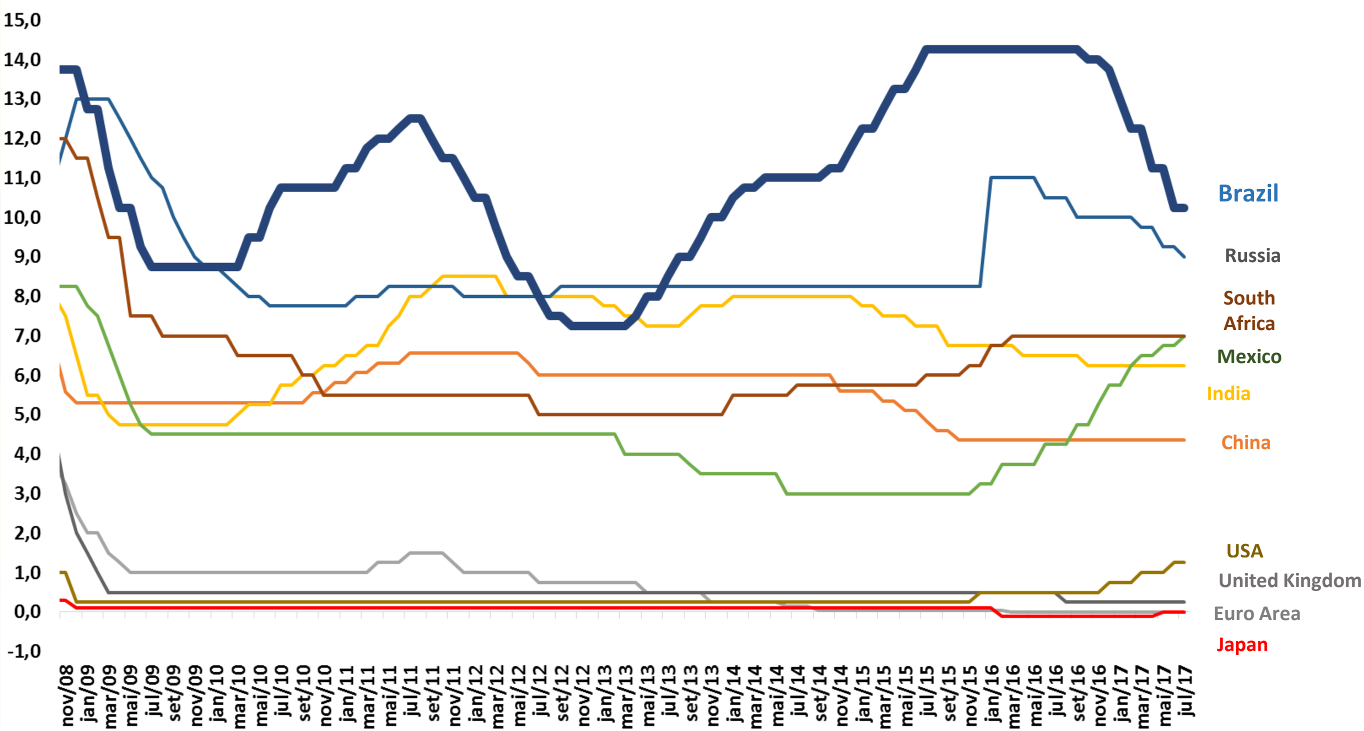
Central Government Primary Surplus as % of GDP



Source: IMF. * Estimated values

Selected Economies Main Interest Rate

Main Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

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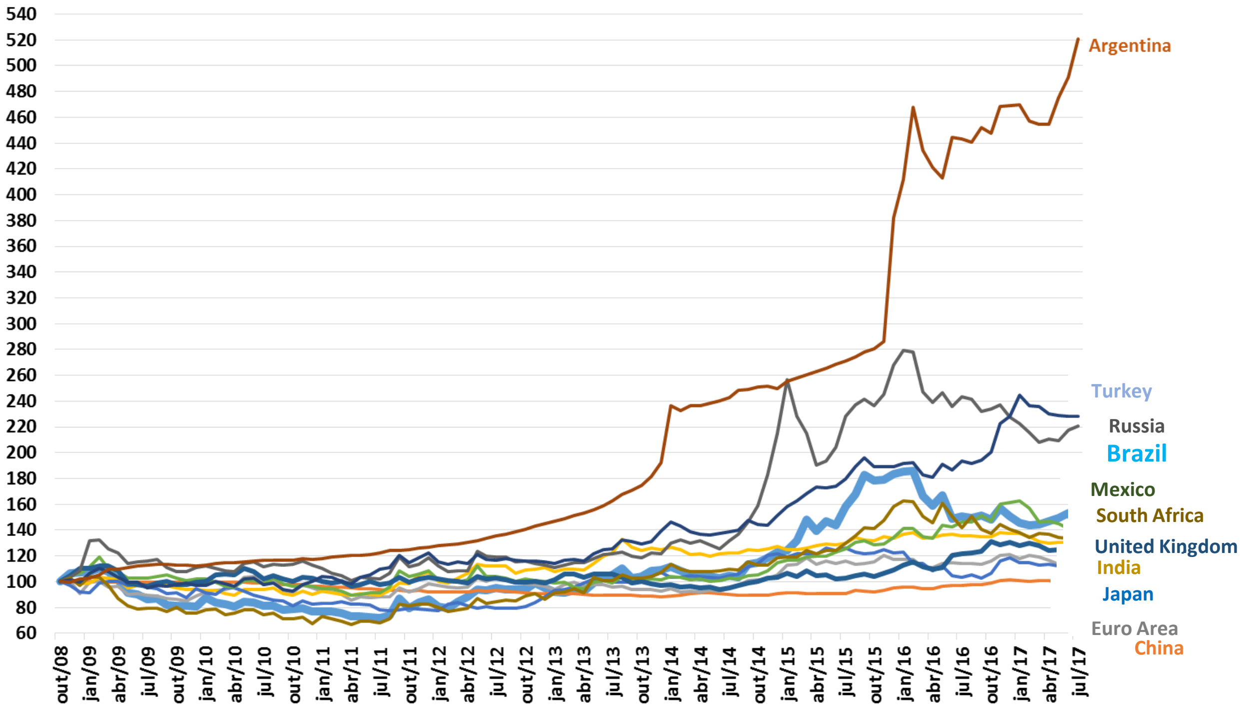
Selected Economies FX-dollar Rate Evolution

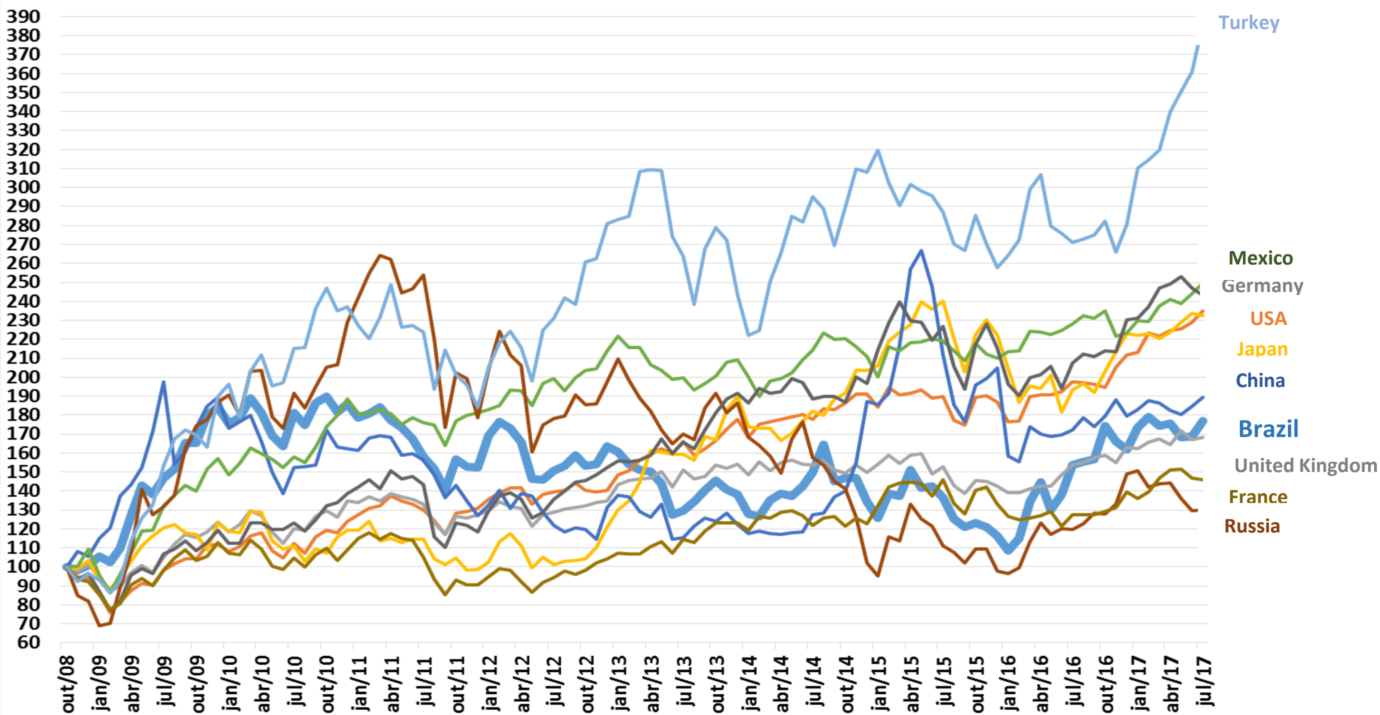
Selected Economies FX-rate Indexes – Sep/2008 = 100



Sources: Bloomberg.

Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Sep/2008 = 100



Sources: Bloomberg.

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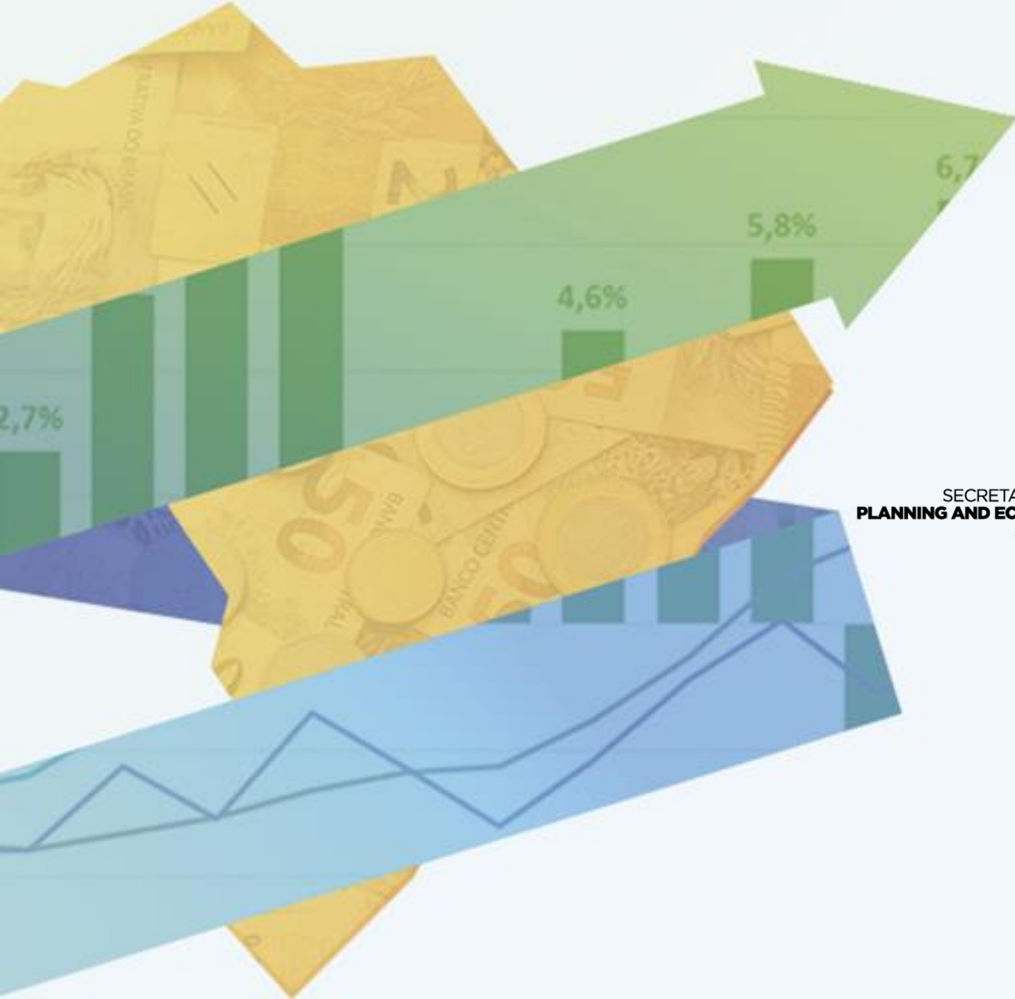

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