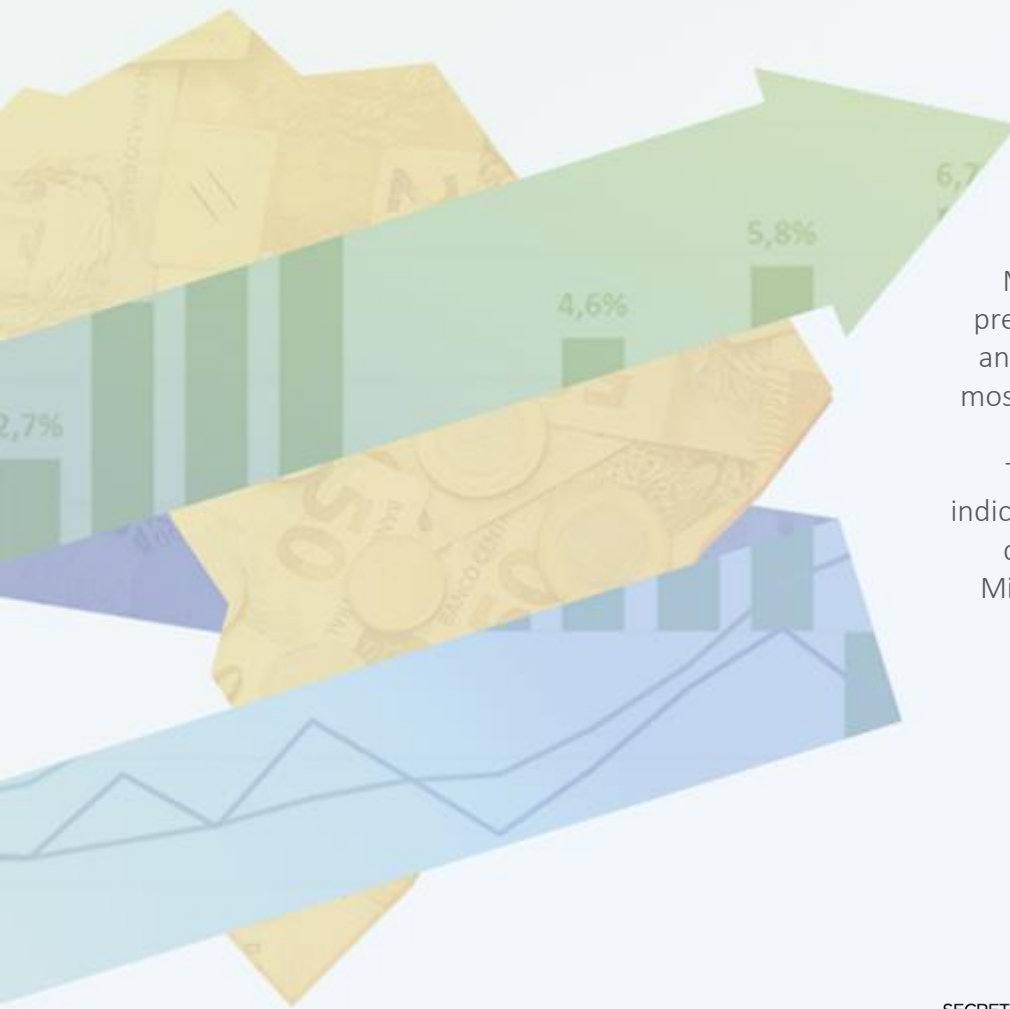




MACROECONOMIC OUTLOOK

June 2018



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

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

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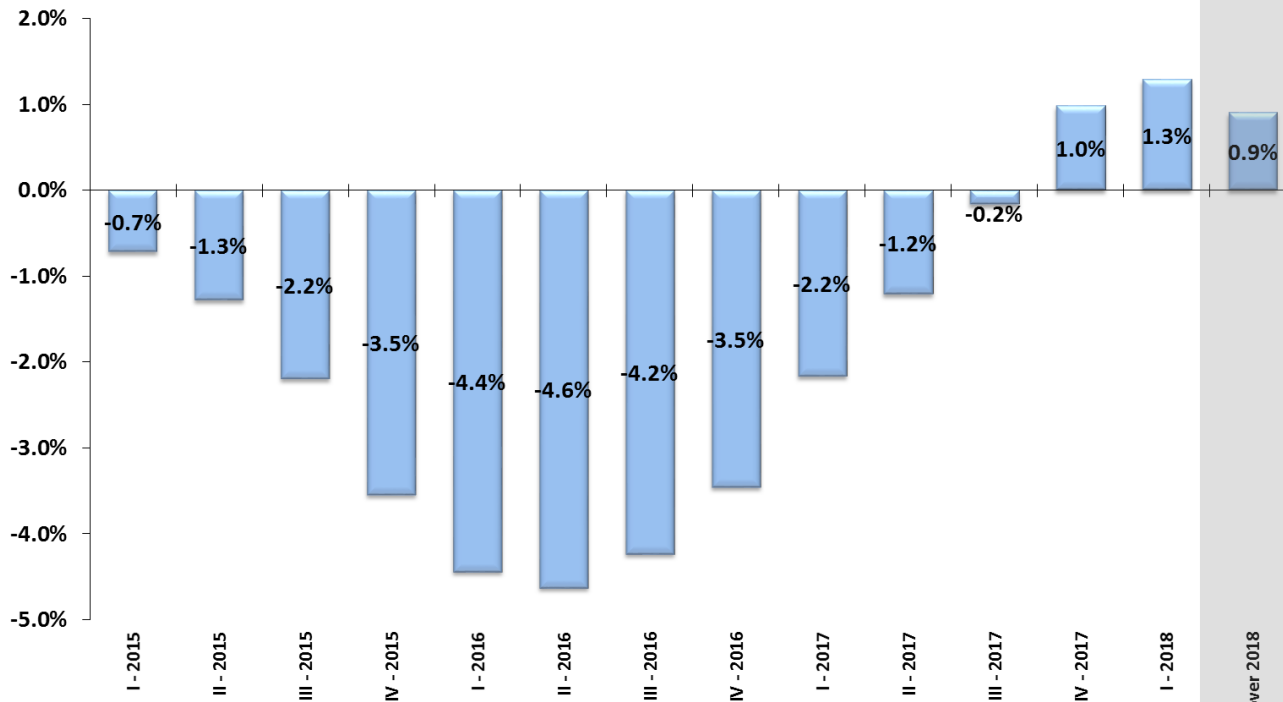
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HIGHLIGHTS

Quarterly GDP

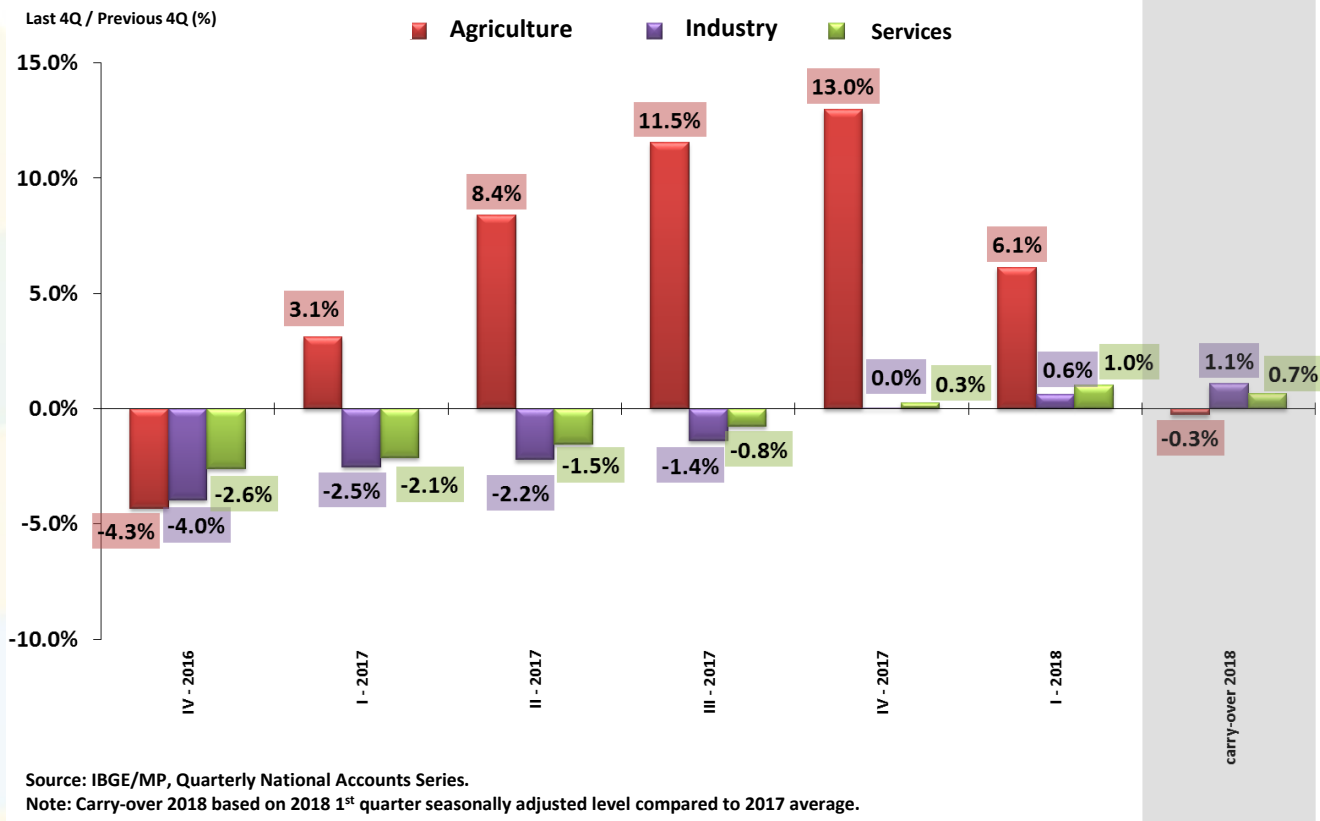
Last 4Q / Previous 4Q (%)



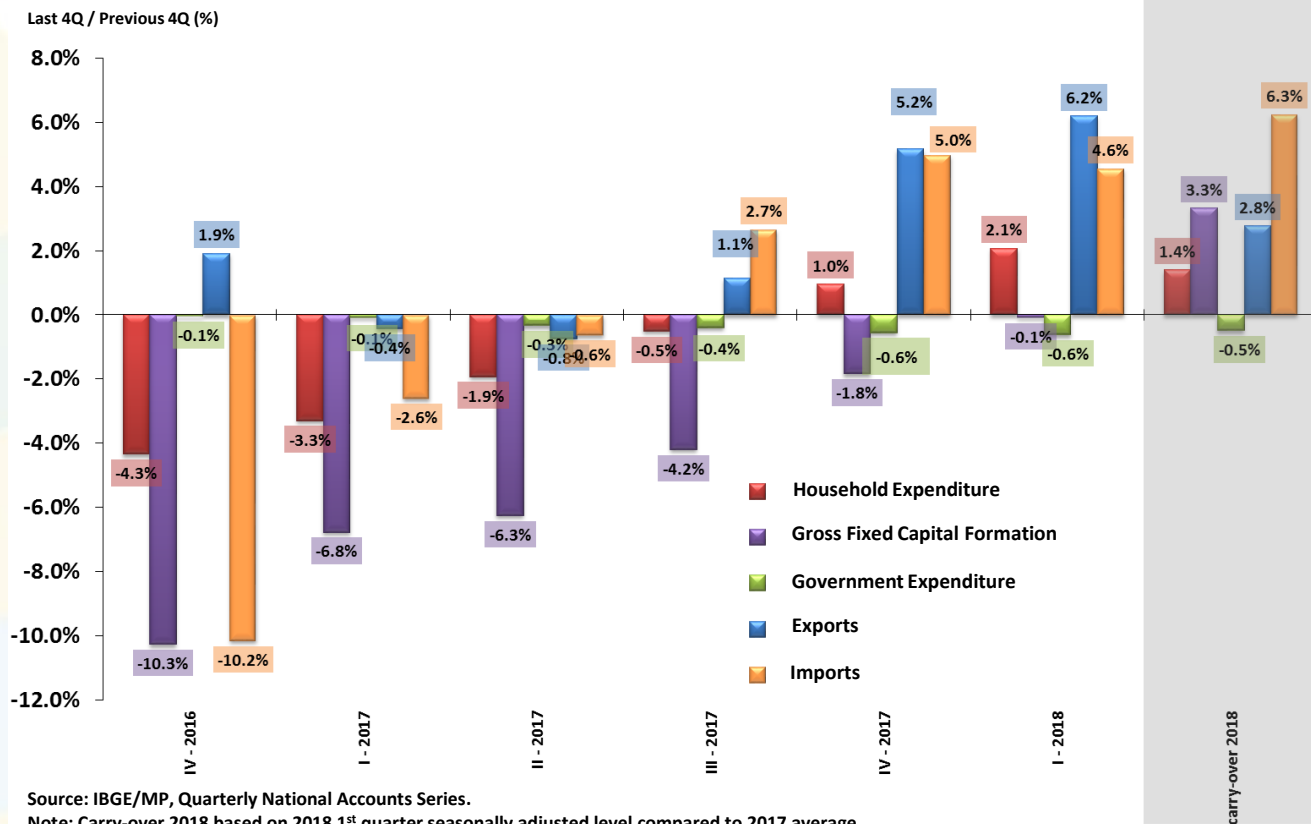
Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 1st quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Activity Sector



Quarterly GDP by Expenditure



Primary Sector Performance by Major Crops

Primary Sector GDP
Annual % of Change

14.0%

12.0%

10.0%

8.0%

6.0%

4.0%

2.0%

0.0%

-2.0%

-4.0%

-6.0%

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018*

3.4%

6.5%

2.7%

5.2%

8.0%

8.3%

2.0%

1.1%

4.6%

3.2%

5.8%

-3.7%

6.7%

5.6%

-3.1%

8.4%

2.8%

3.3%

-4.3%

13.0%

+0,6%

Major Crops Production (% of total)
Index: 1997=100

500

450

400

350

300

250

200

150

100

50

0

Soybean (40,4%)

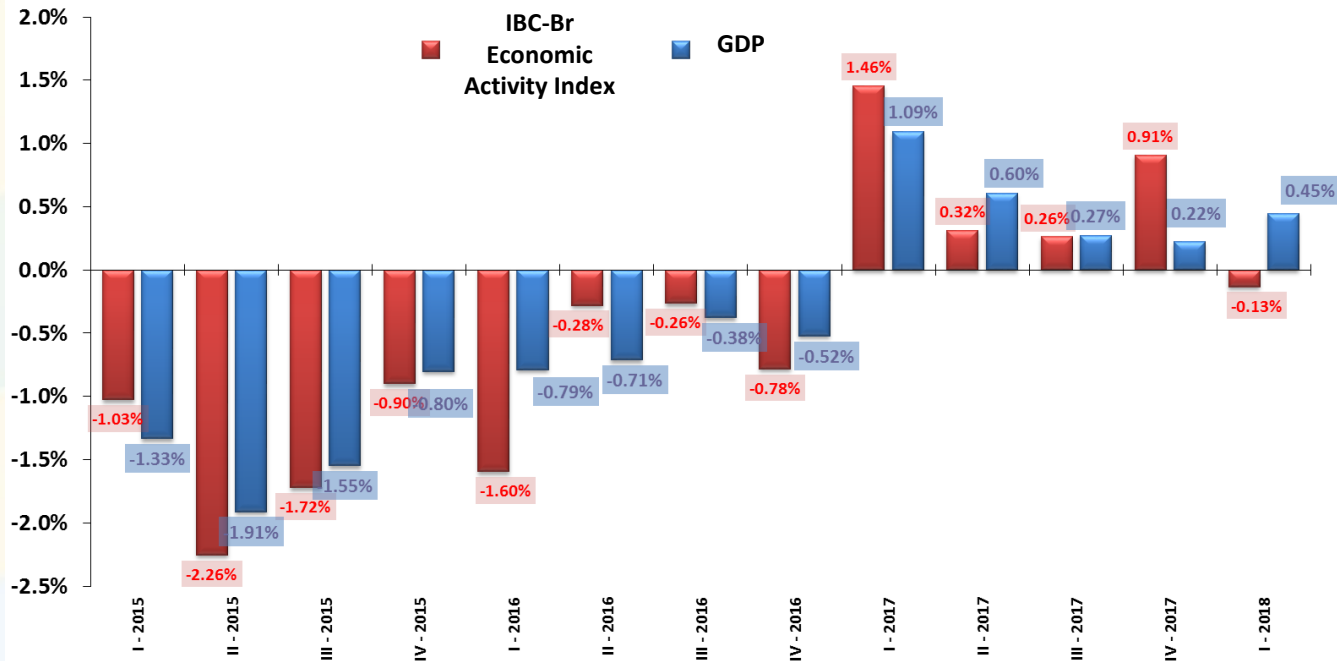
Corn (12,4%)

Sugarcane (20,2%)

Source: IBGE/MP, Systematic Survey of Agricultural Production (LSPA) – April 2018.

Quarterly GDP Growth and IBC-Br Economic Activity Index

Quarterly % Change - Seasonally Adjusted Series

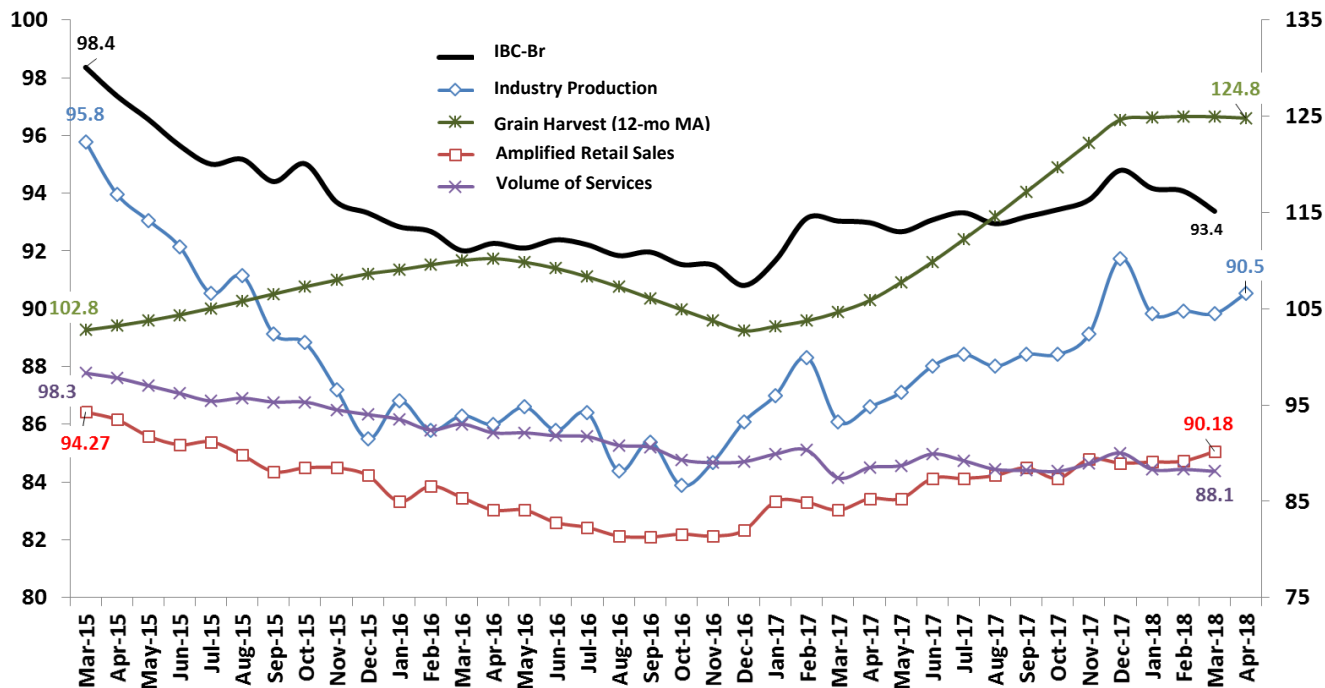


Sources: IBGE/MP and Central Bank of Brazil.

Major Monthly Economic Activity Indicators

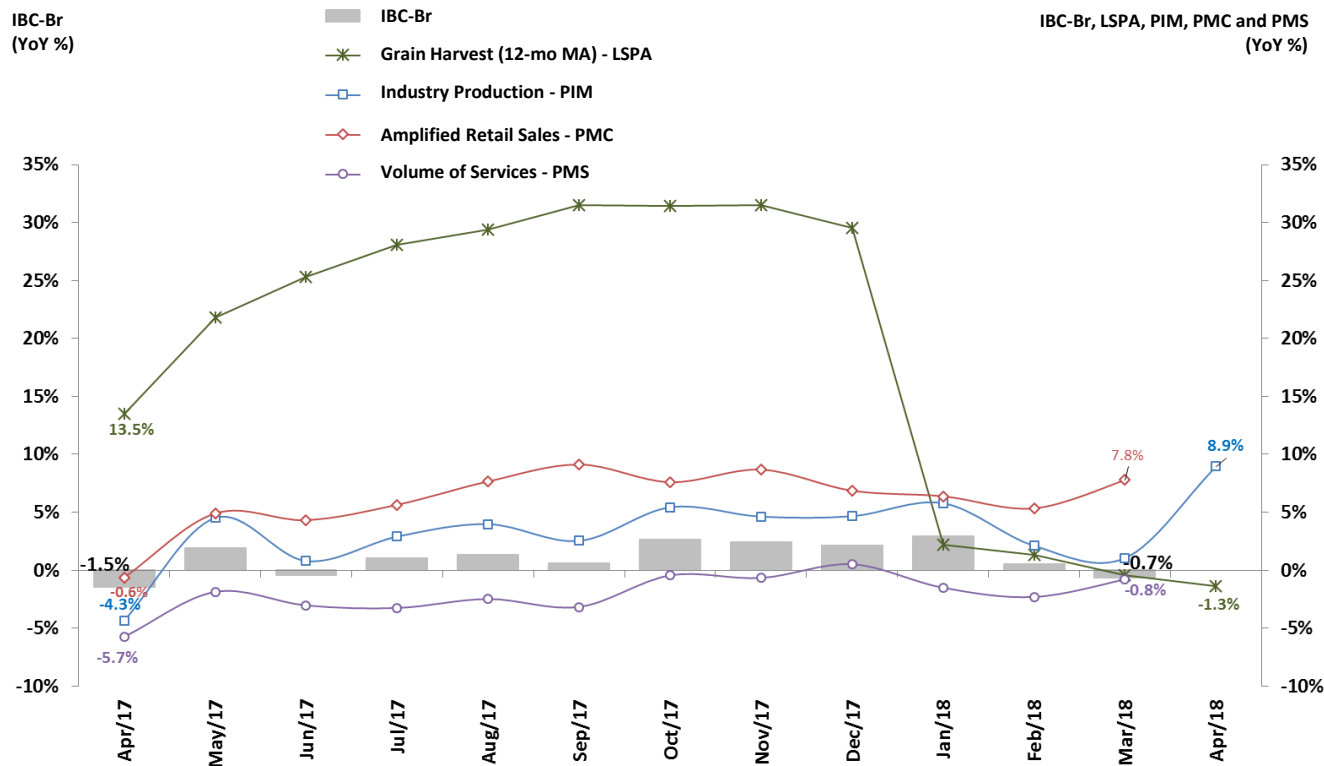
IBC-Br, Grain Harvest (12-mo MA) and Industry Production
Seasonally Adjusted Index (2003 = 100)

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



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

Major Monthly Economic Activity Indicators

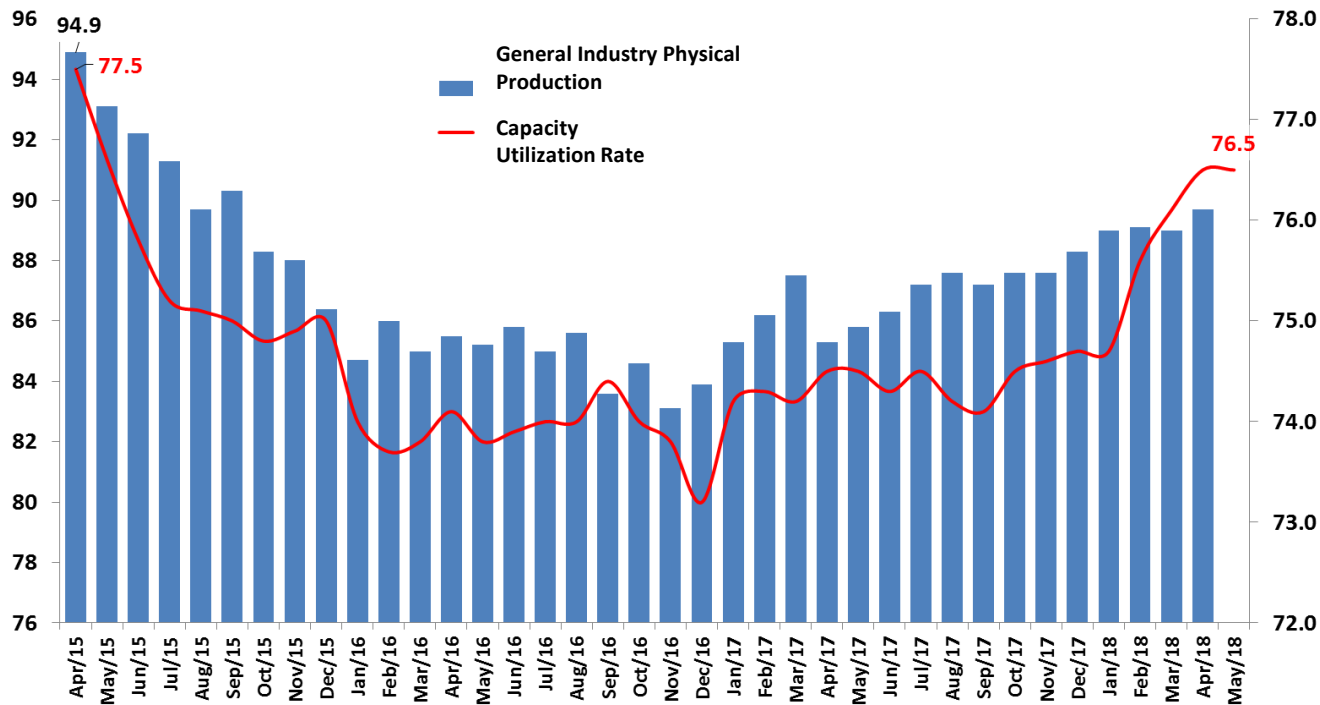


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

Industry Production
Seasonally Adjusted Index (2003 = 100)

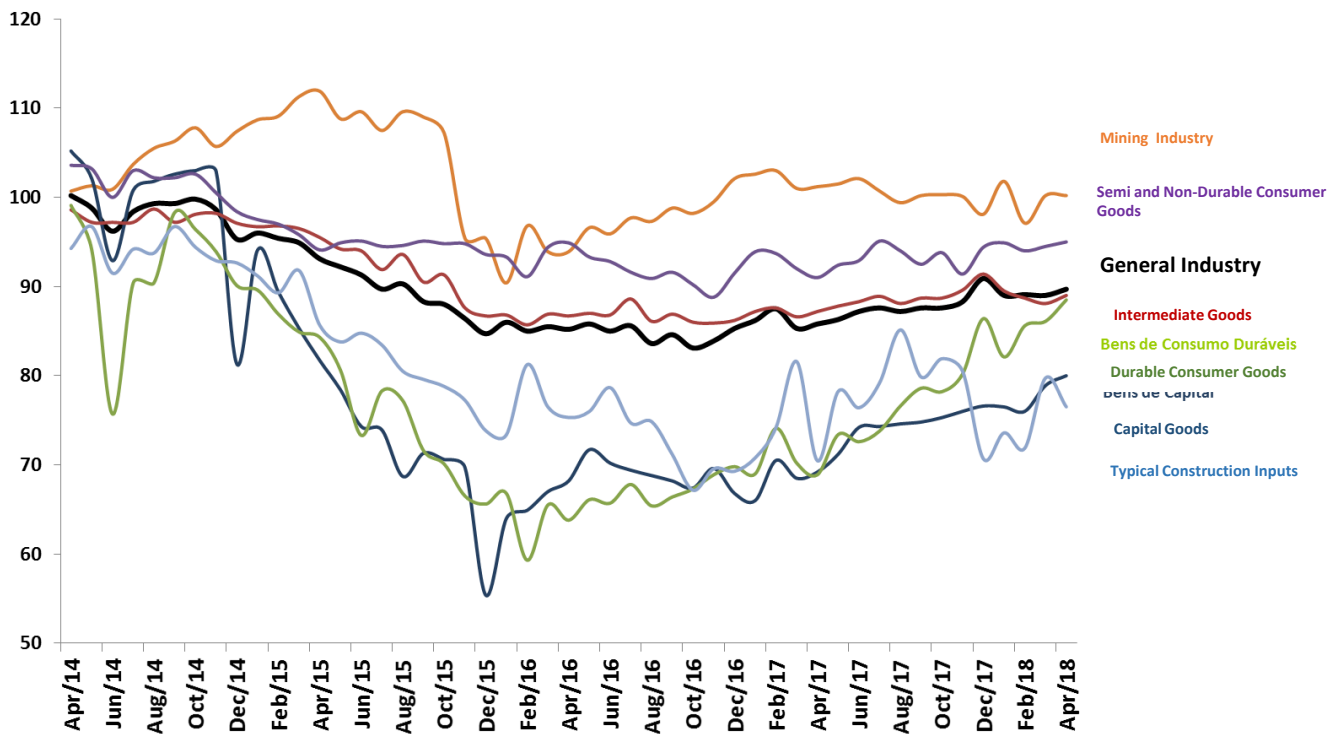
Capacity Utilization
Seasonally Adjusted - % of Total Capacity



Sources: IBGE/MP and FGV.

Total Industrial Production and Economic Categories

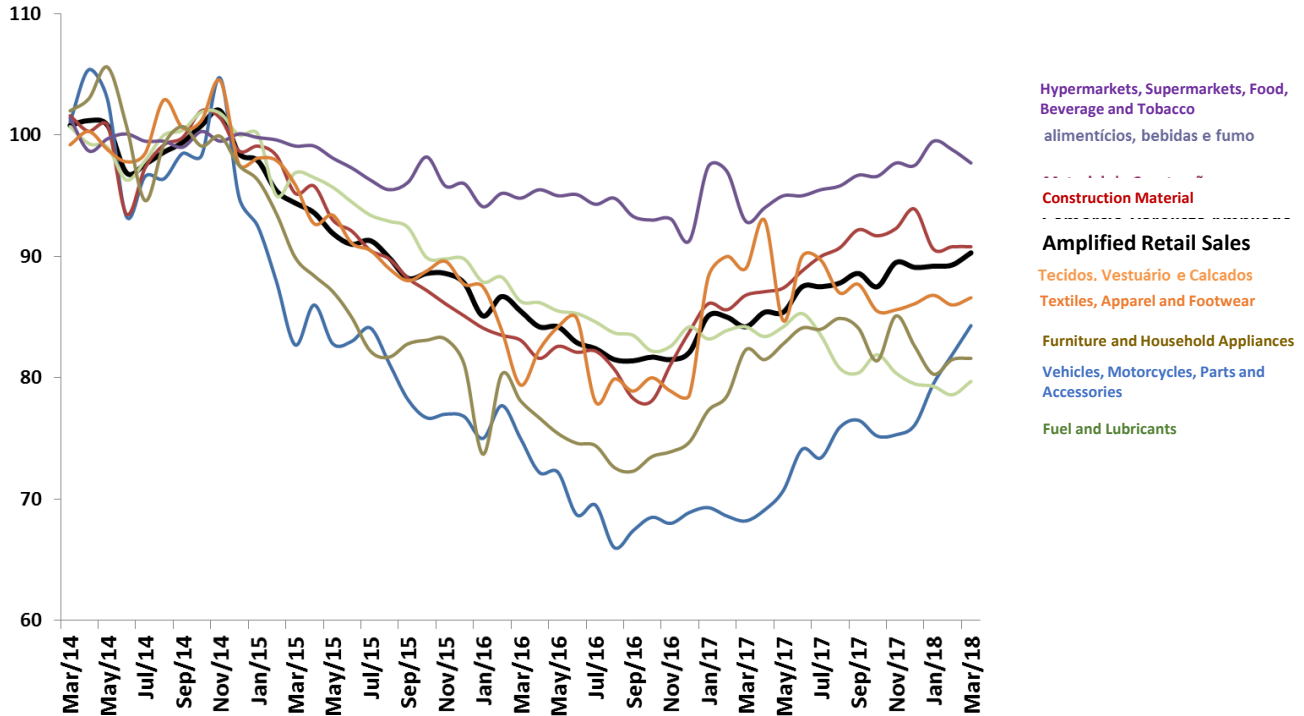
Industry Physical Production by Economic Category
Seasonally Adjusted Index (2002 = 100)



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

Total Retail Sales and Subsectors

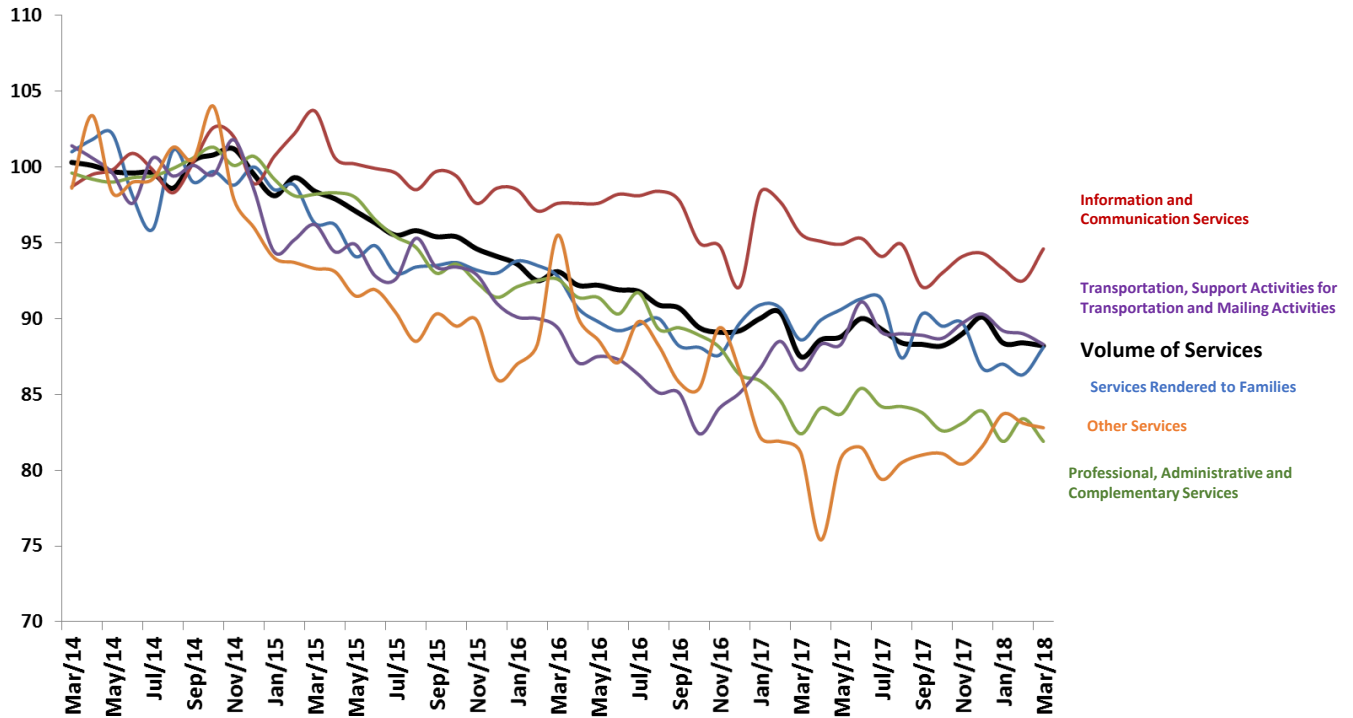
Retail Sales by Subsector
Seasonally Adjusted Index (2002 = 100)



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

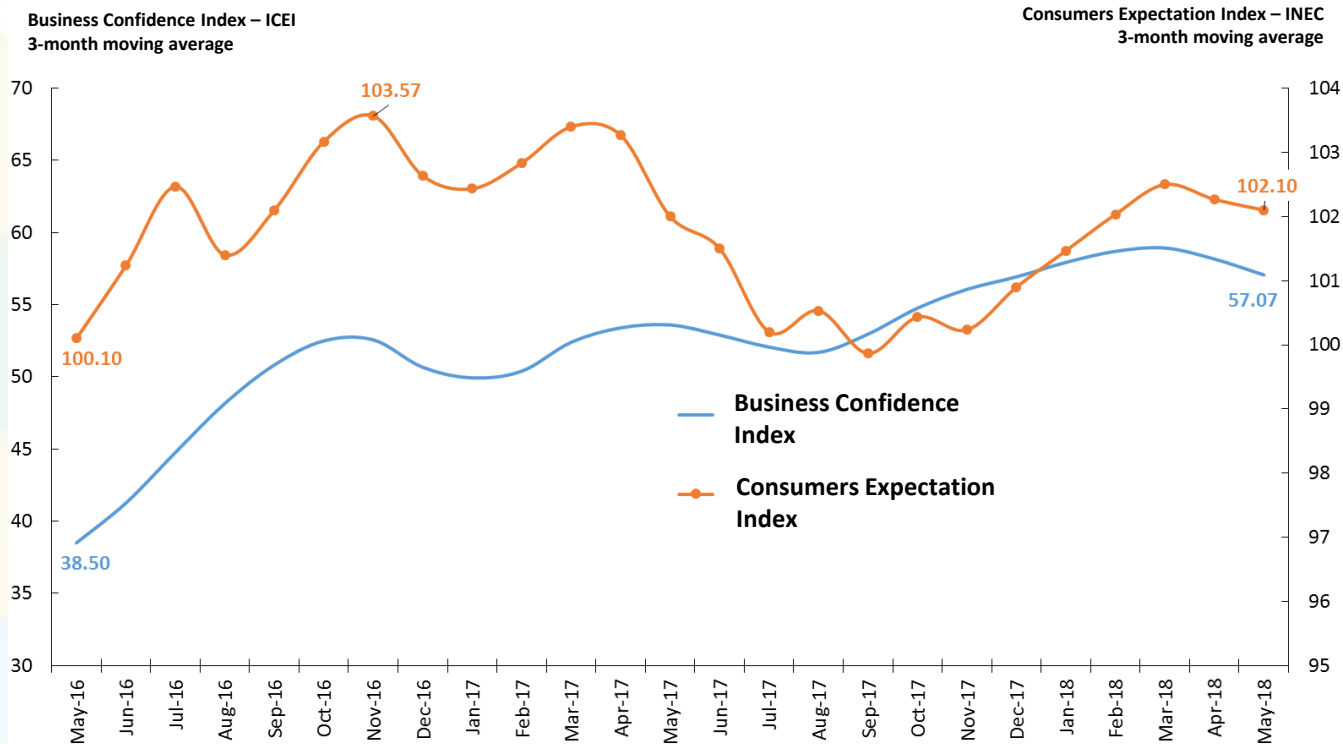
Total Services and Subsectors

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



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

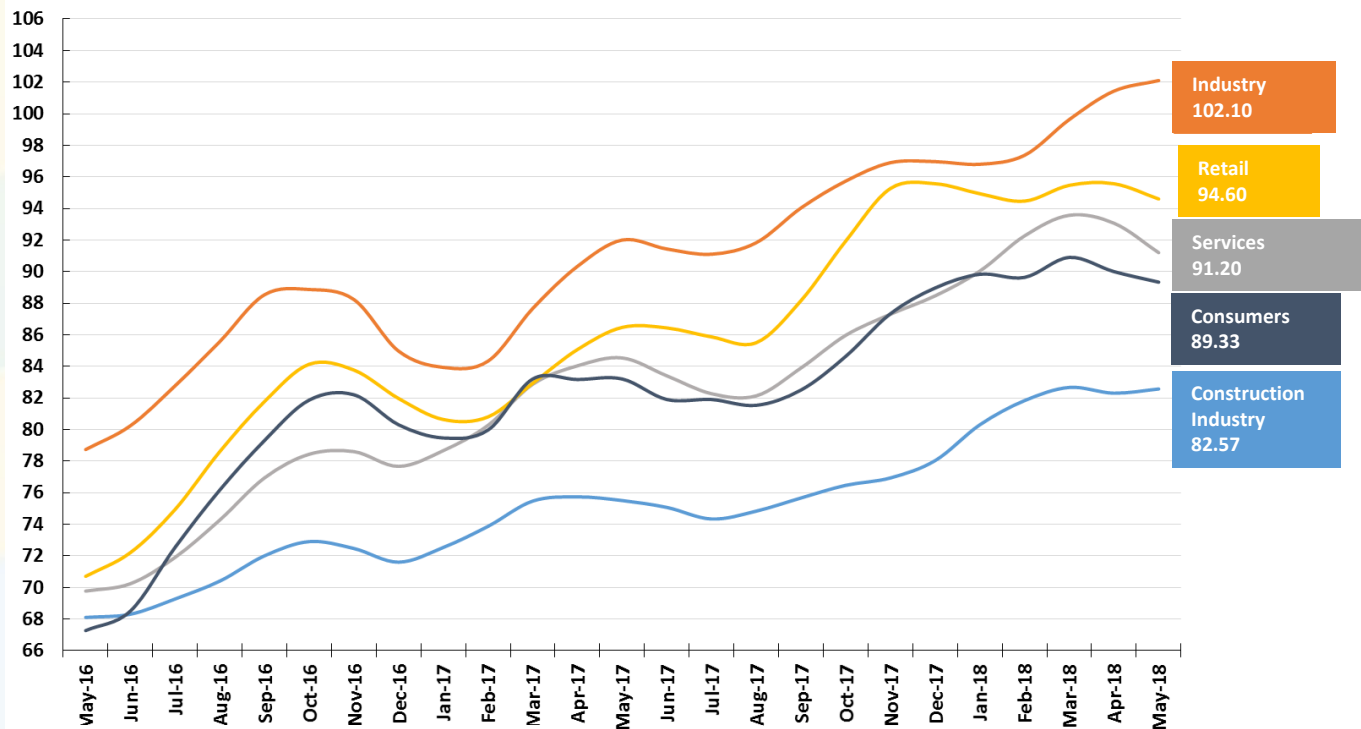
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

FGV: Economic Confidence Indicators

Economic Confidence Indicators
3-month moving average

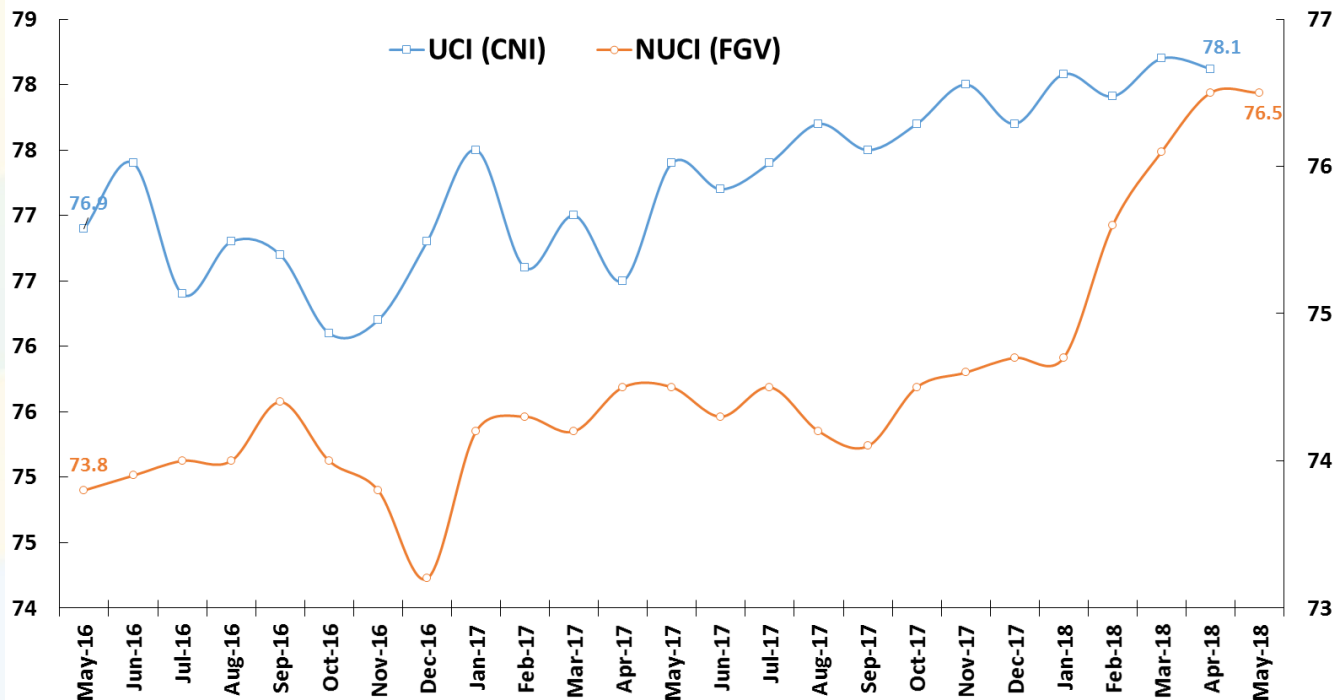


Source: IBRE/FGV.

Capacity Utilization Rate

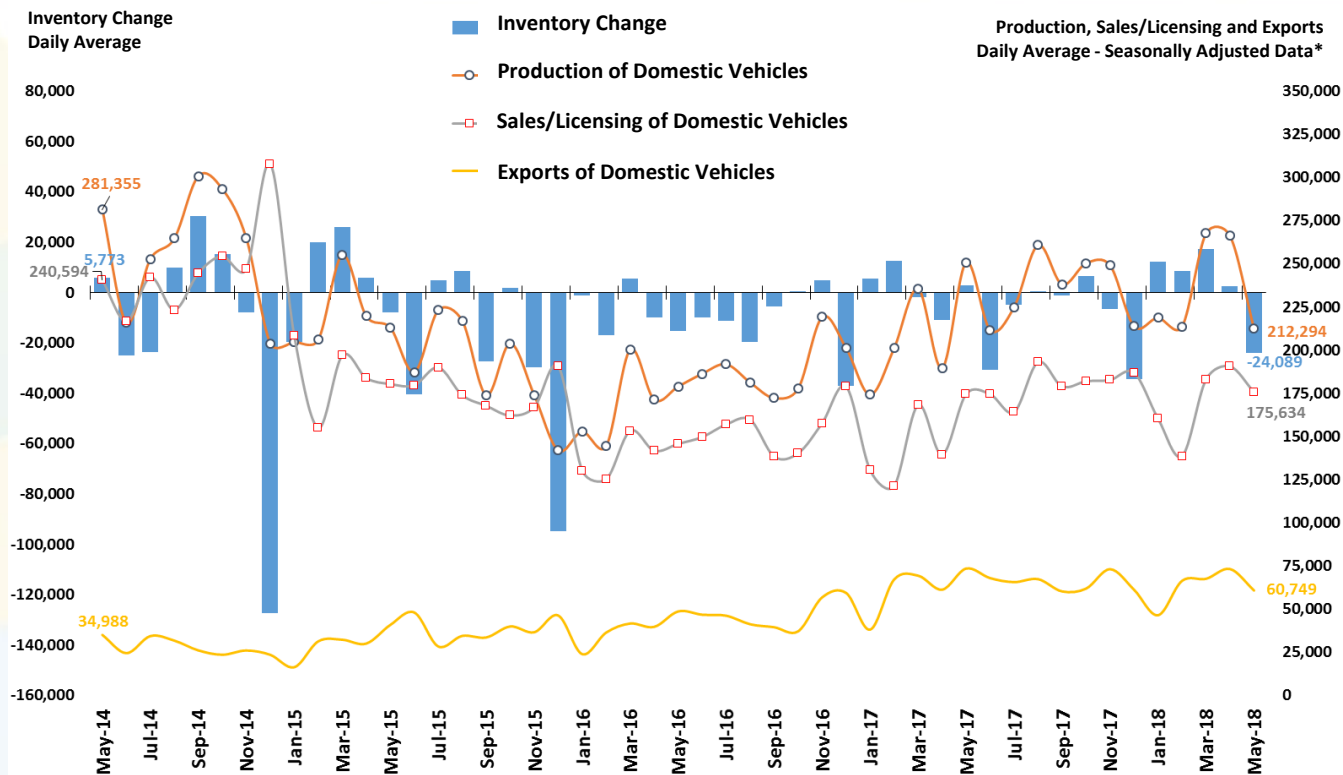
Capacity Utilization Rate - UCI (CNI)
Seasonally Adjusted Data

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



Source: CNI and FGV.

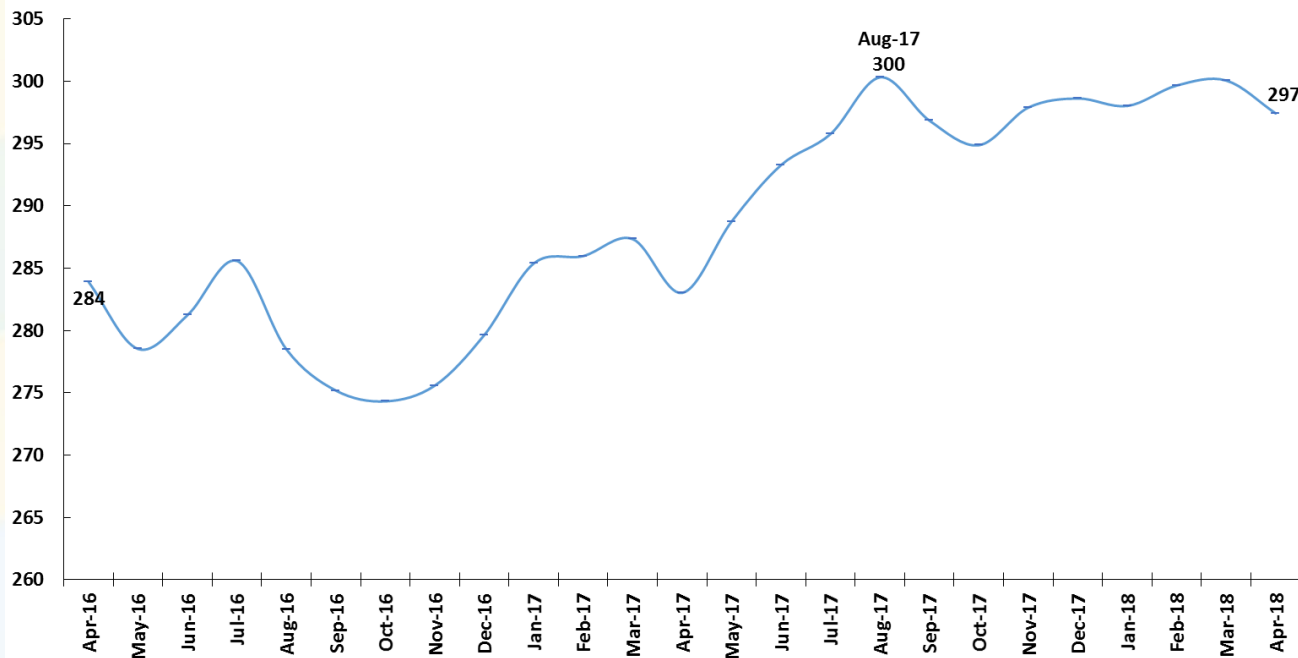
Automotive Sector Production, Sales and Inventory Change



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

ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



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

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

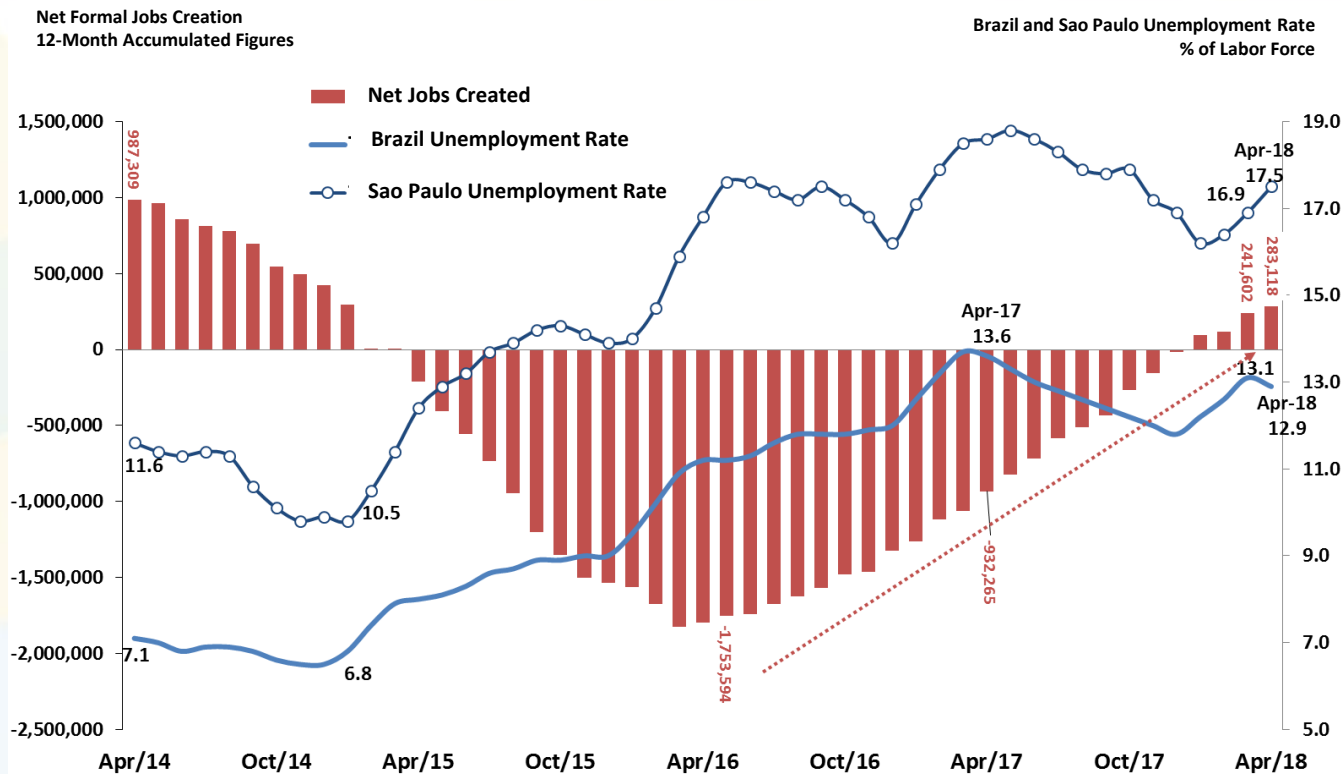
Index: 1999=100

Seasonally Adjusted Data



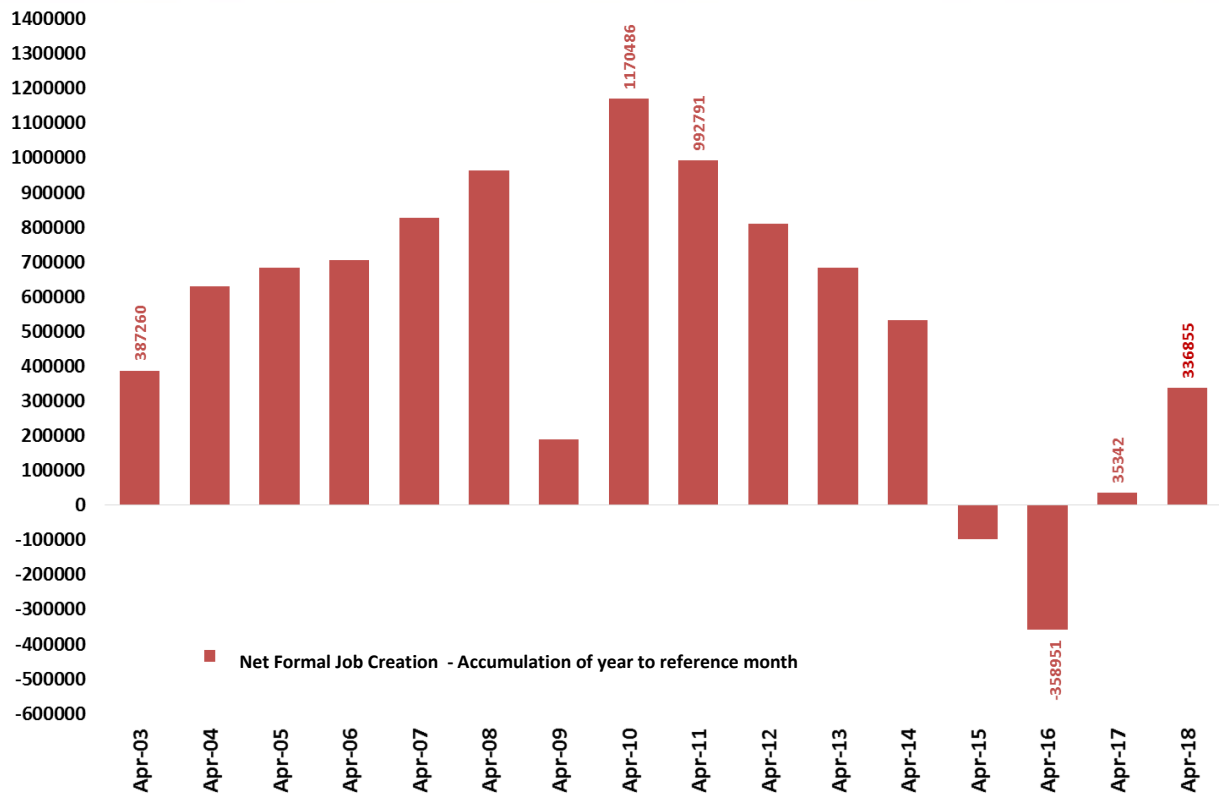
Source: ABCR.

Unemployment Rate and Net Formal Job Creation



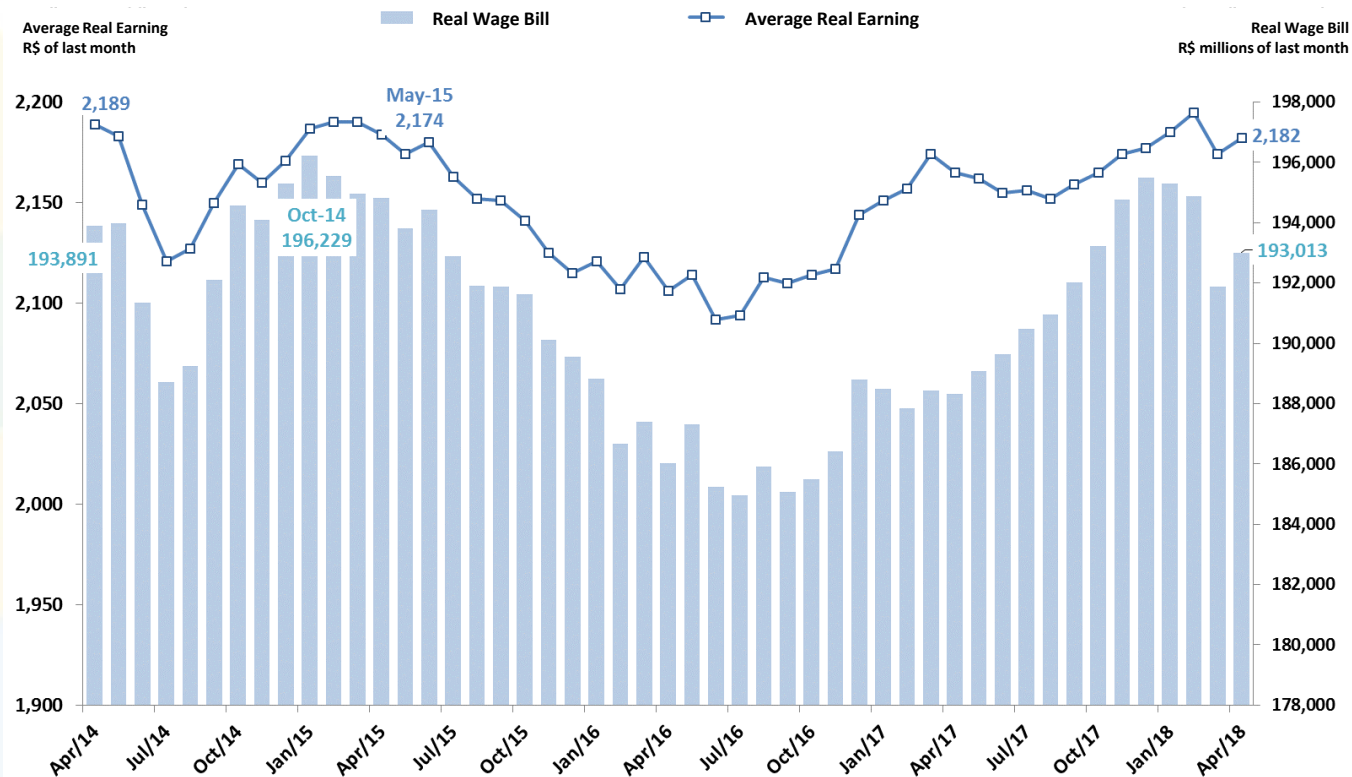
Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Net Formal Job Creation – Total Accumulation of Year



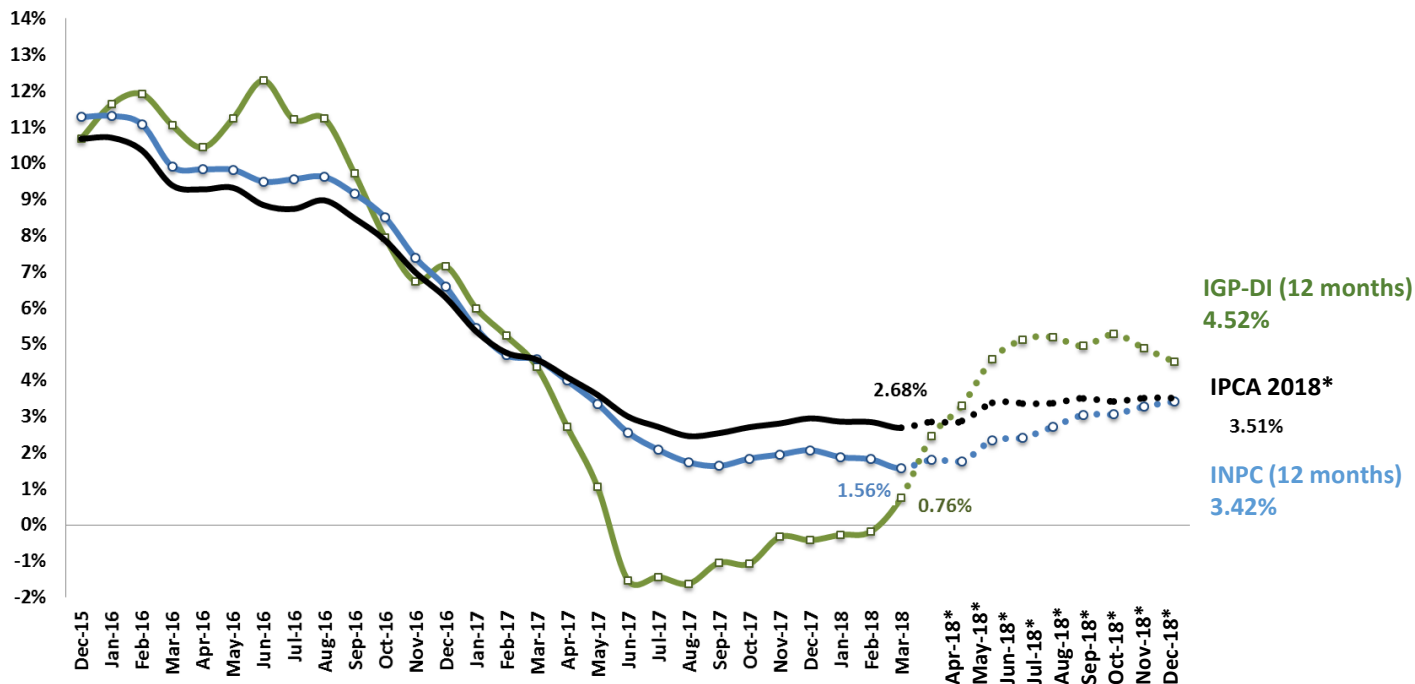
Source: MTE-CAGED (adjusted data).

Real Wage Bill and Average Real Earning



Major Inflation Indexes

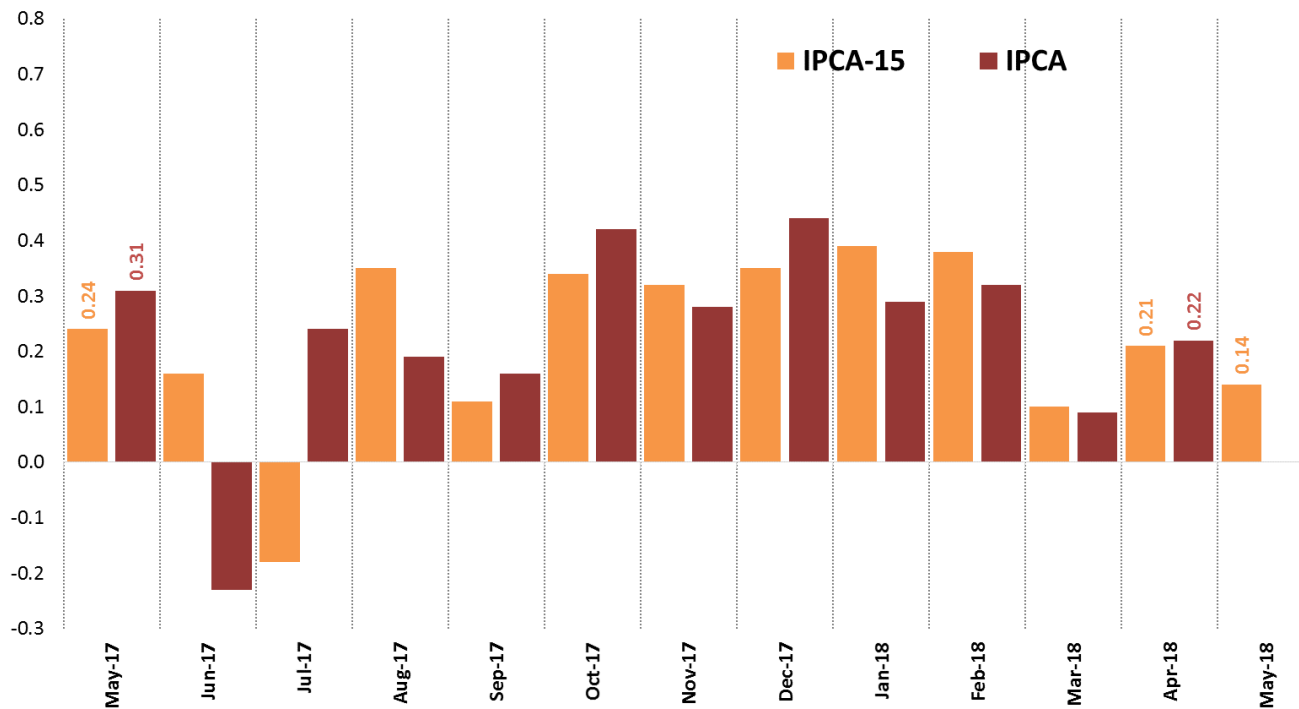
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 06/01/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

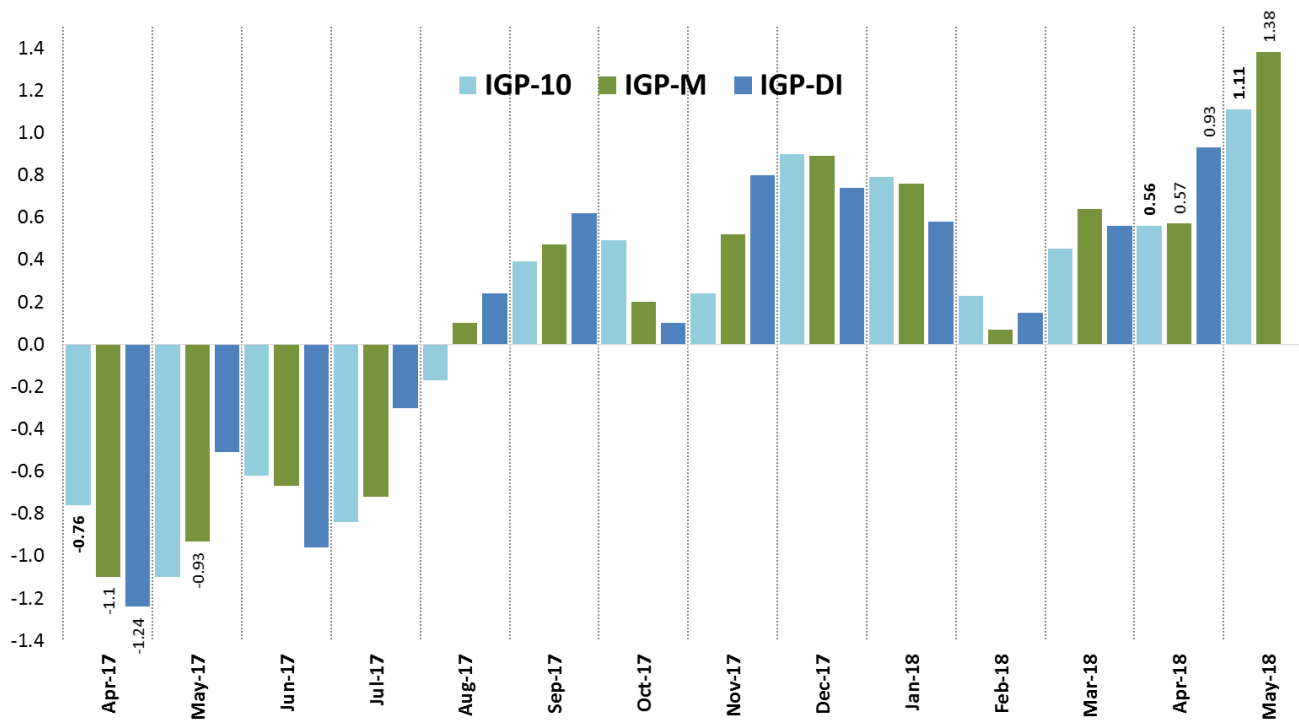
IPCA-15 and IPCA
By release order



Source: IBGE.

FGV: Monthly General Price Indexes

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

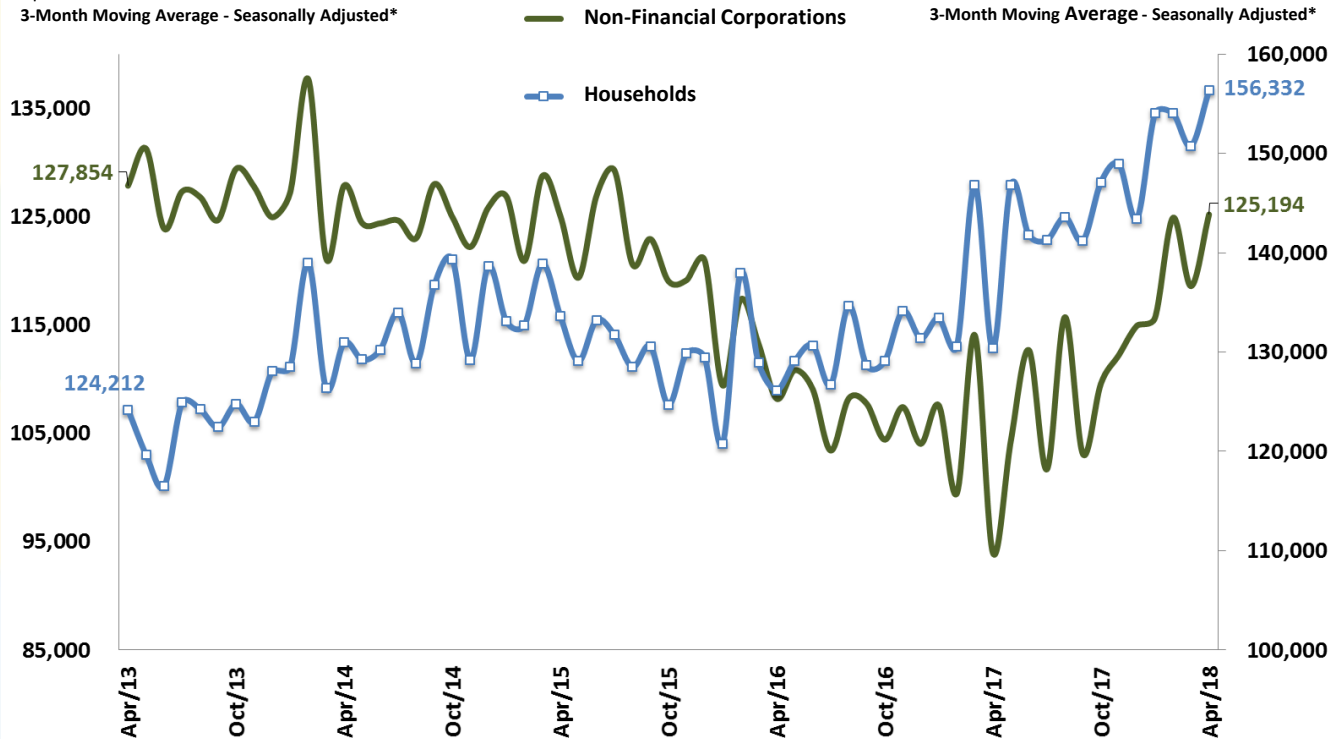


Source: FGV.

New Loans to Households and Non-Financial Corporations

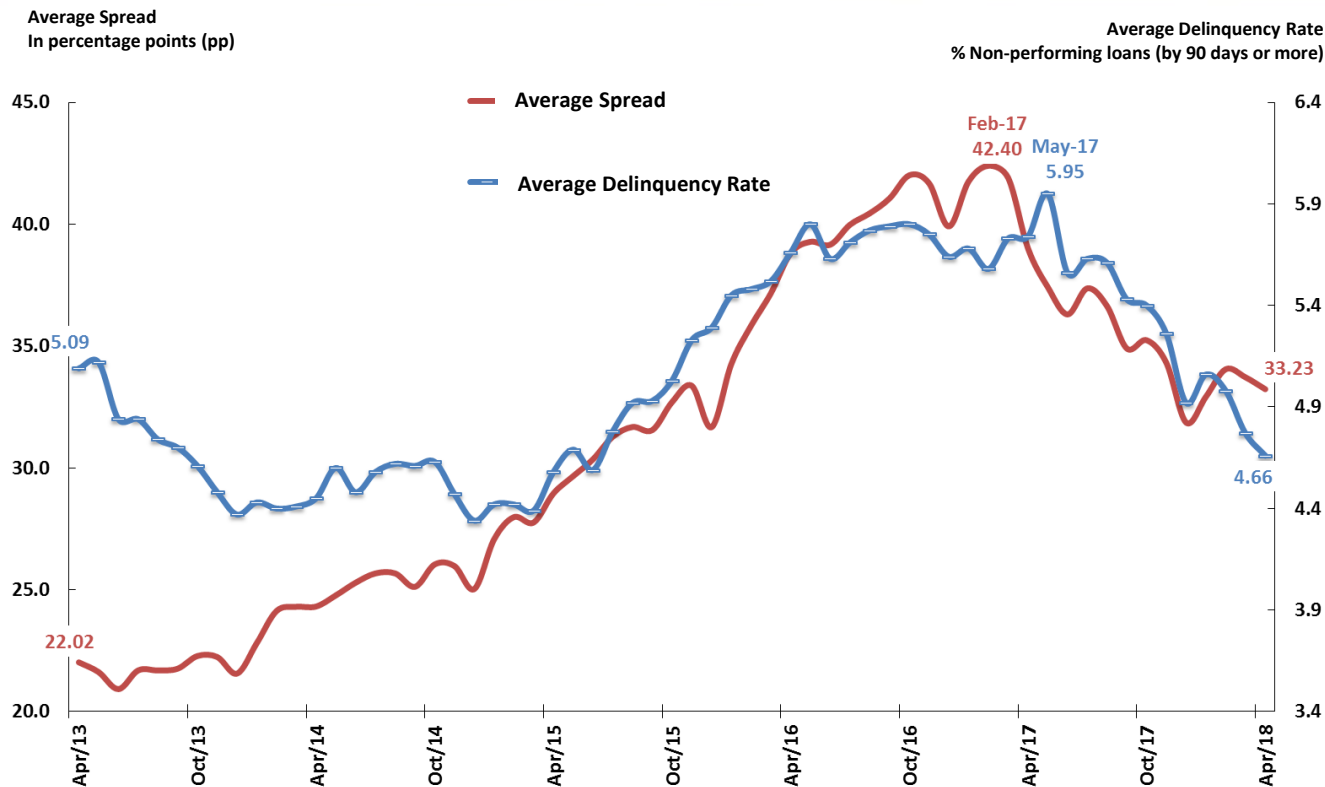
Daily Average of New Loans to Non-Financial Corporations
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*

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



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

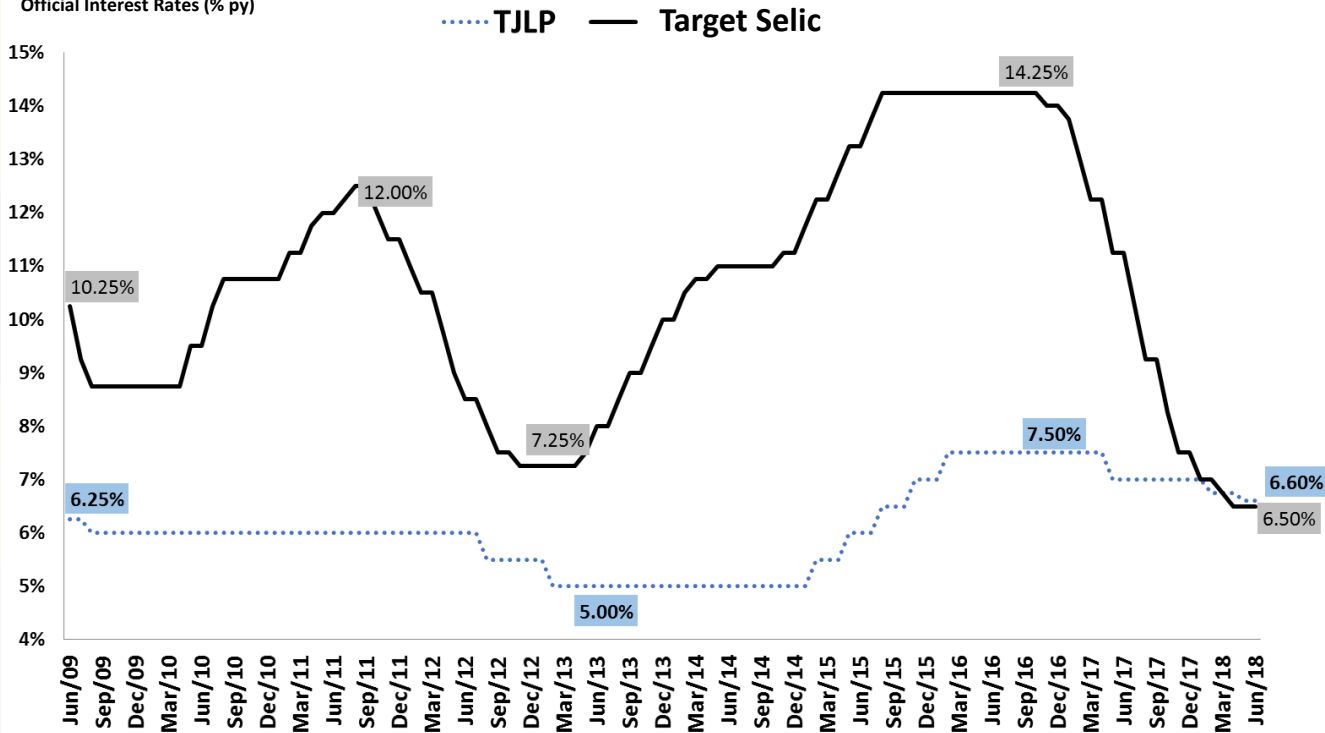
Non-earmarked Resources: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

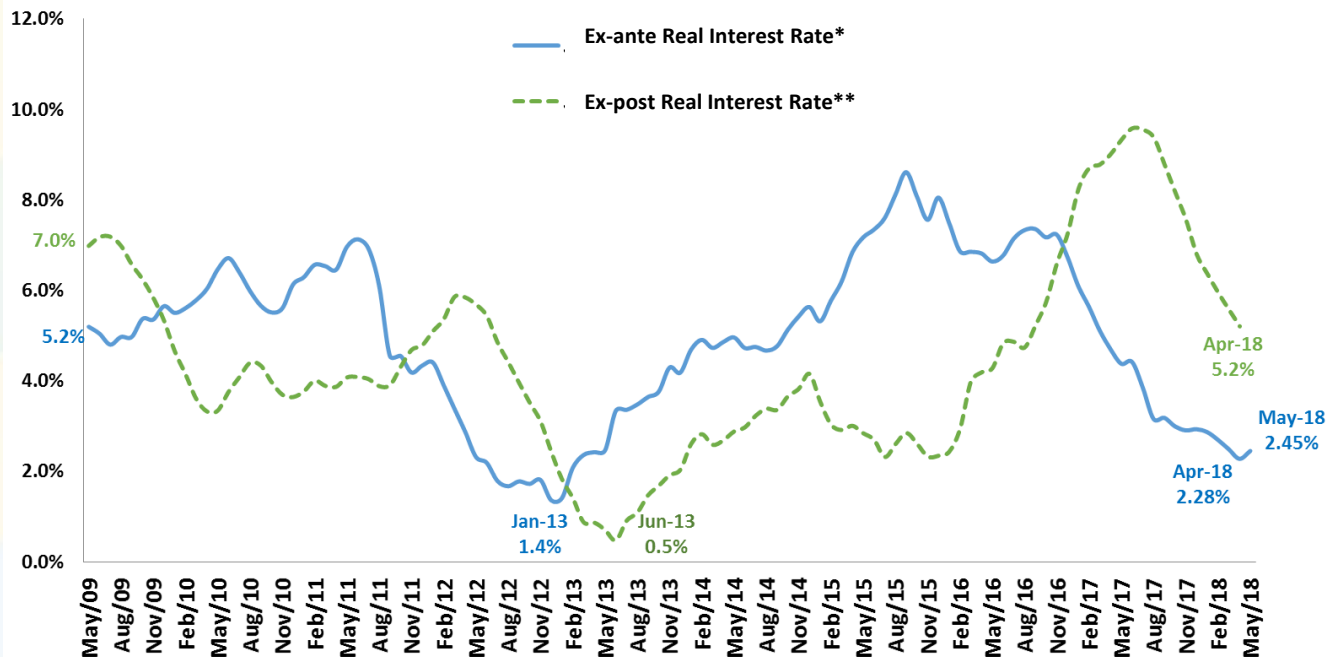
Selic and Long Term (TJLP)
Official Interest Rates (% py)



Source: Central Bank of Brazil.

Ex-ante and Ex-post Real Interest Rates

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



Source: Central Bank of Brazil.

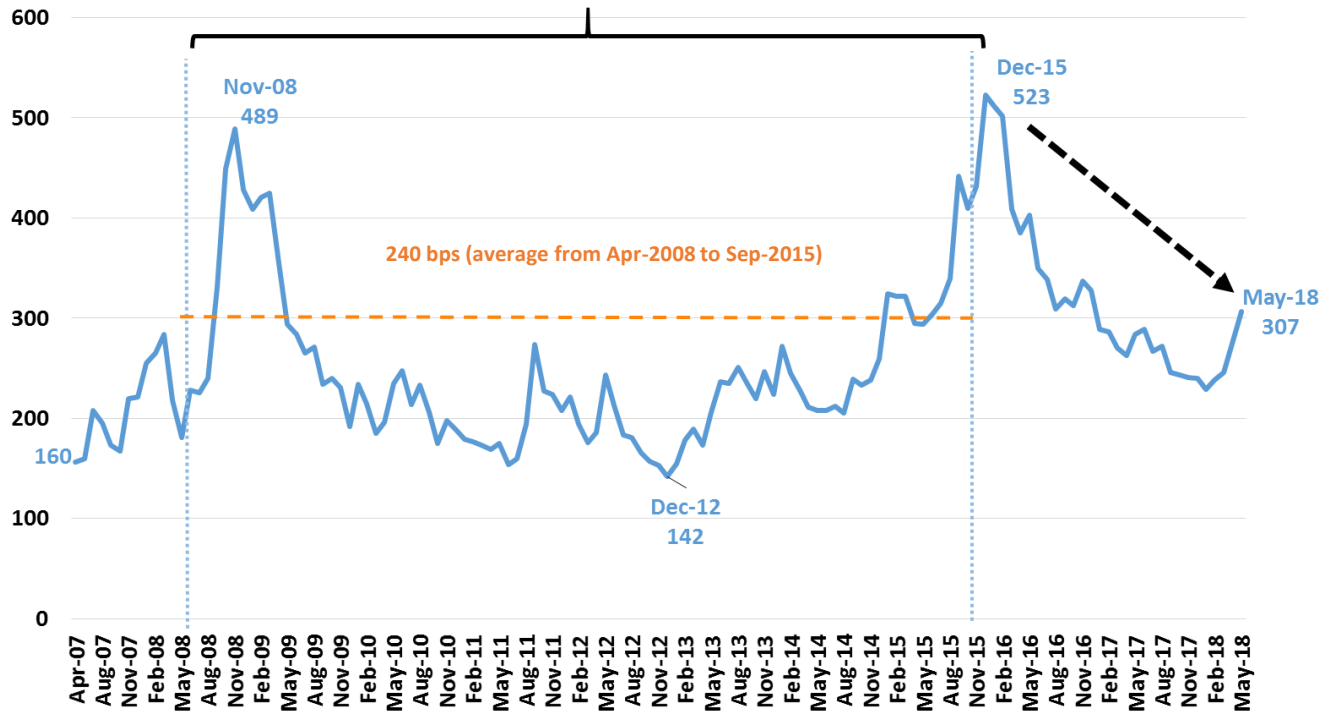
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

Sovereign Risk (EMBI+ BR)

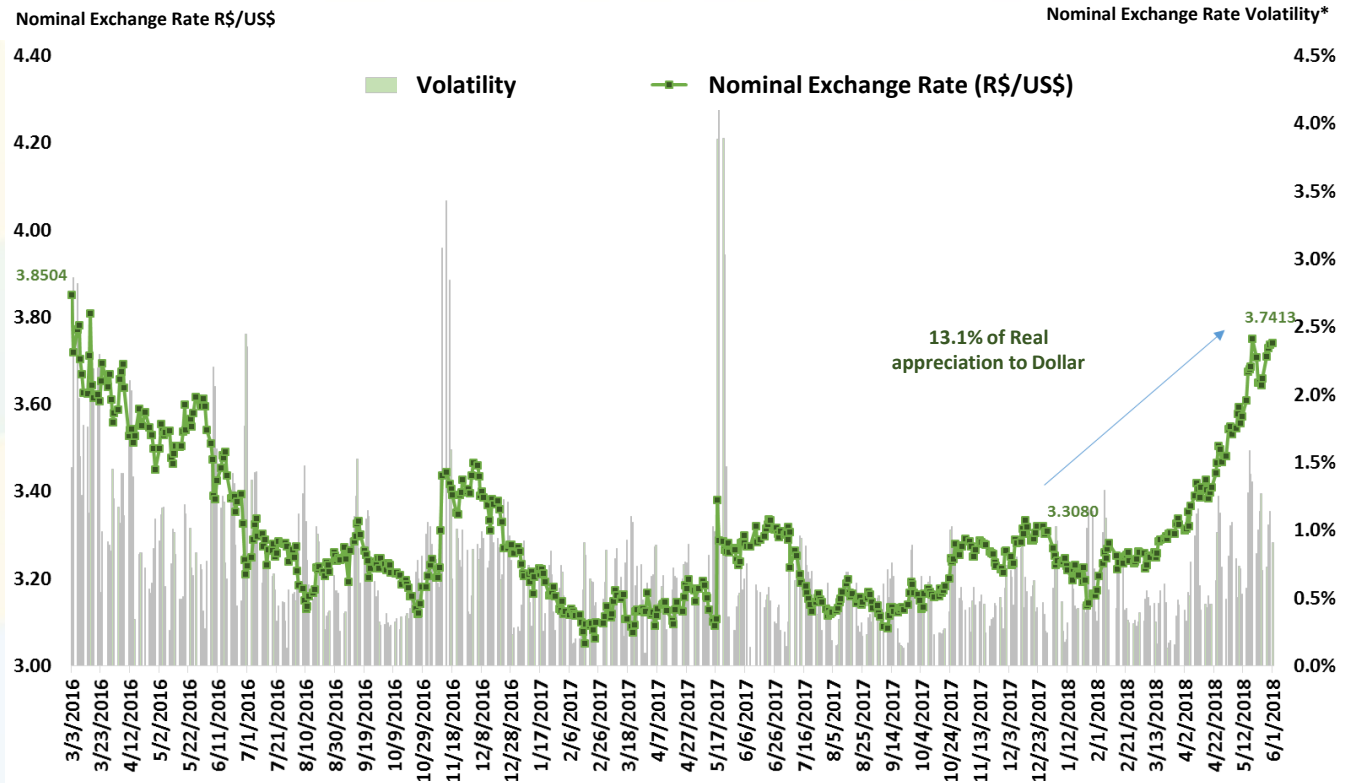
EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period

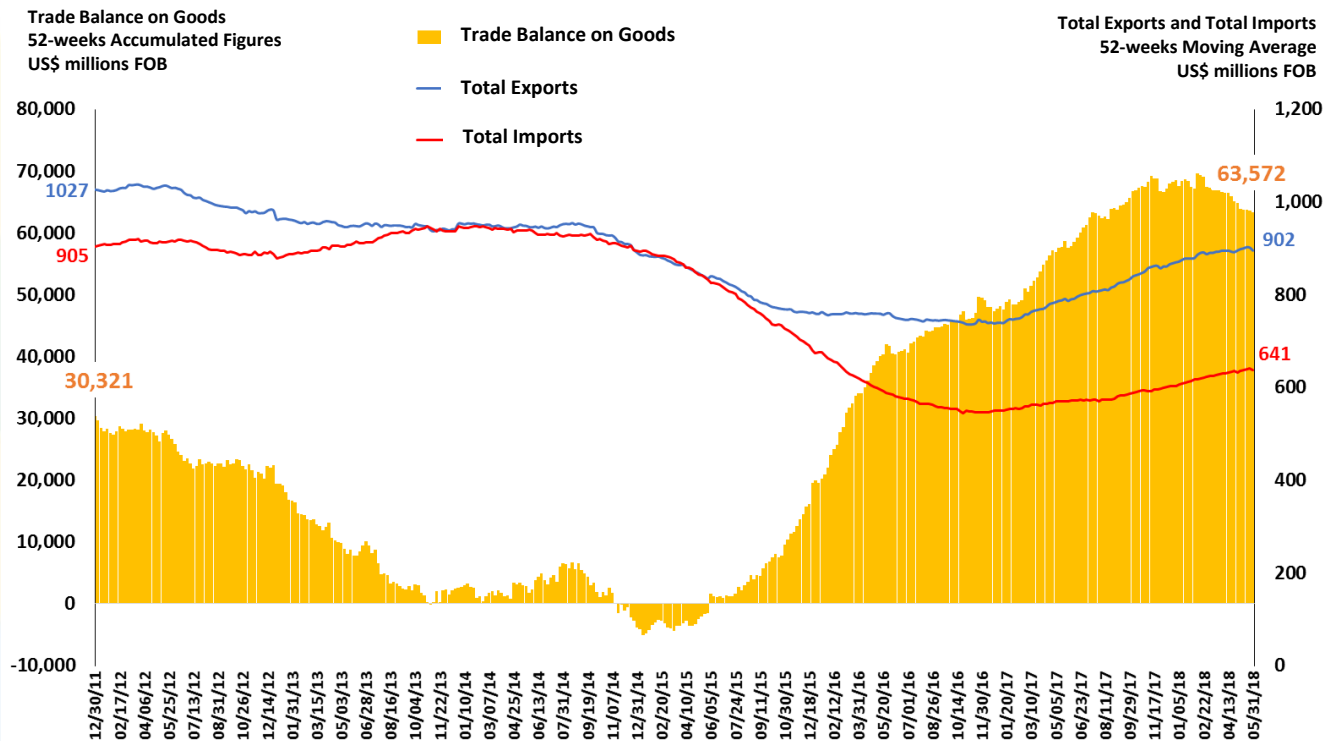


Source: JPMorgan.

Daily Nominal Exchange Rate R\$/US\$

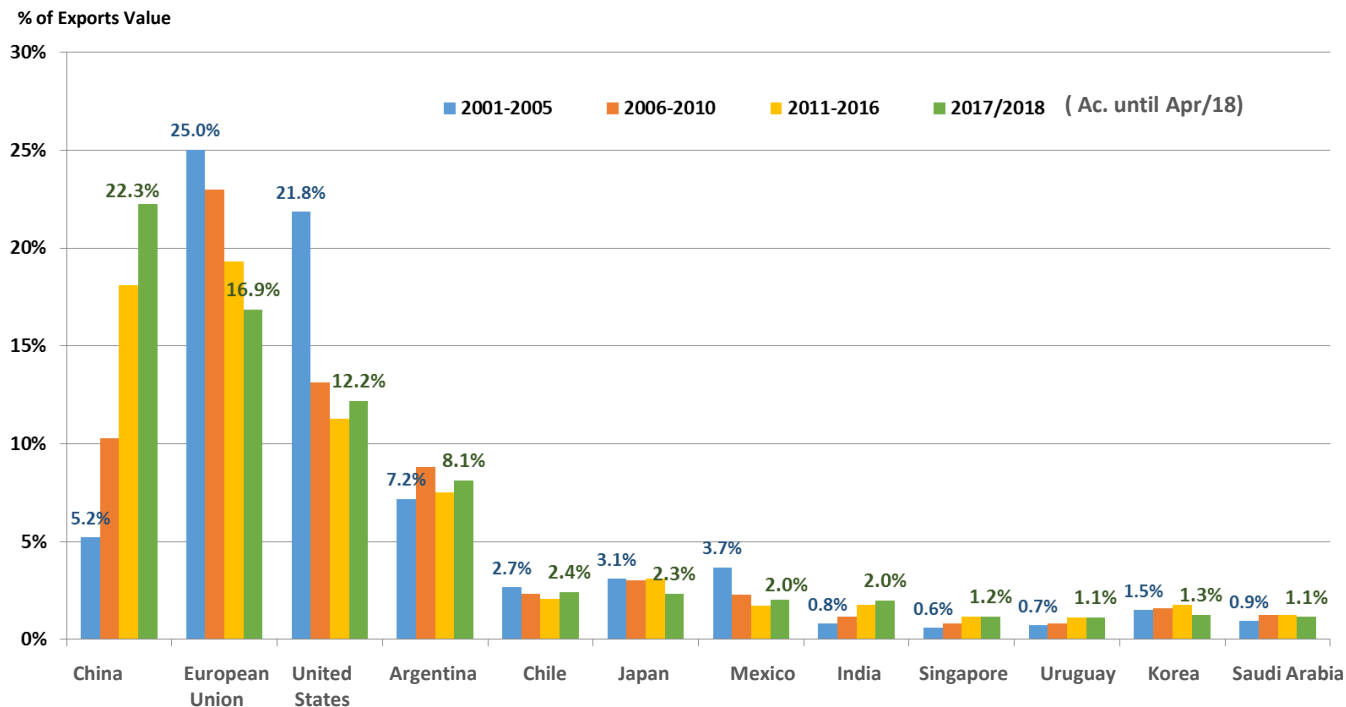


Trade Balance on Goods (52 weeks daily average)



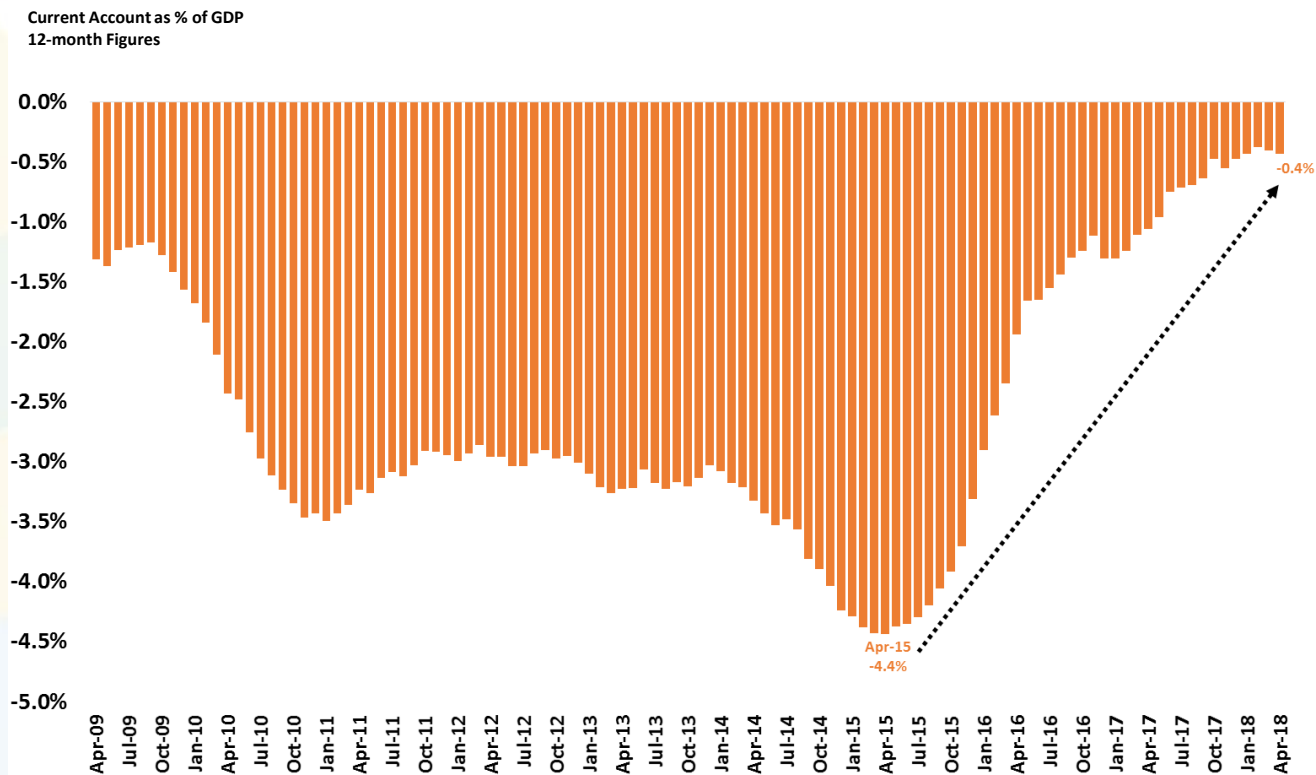
Source: SECEX/MDIC.

Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

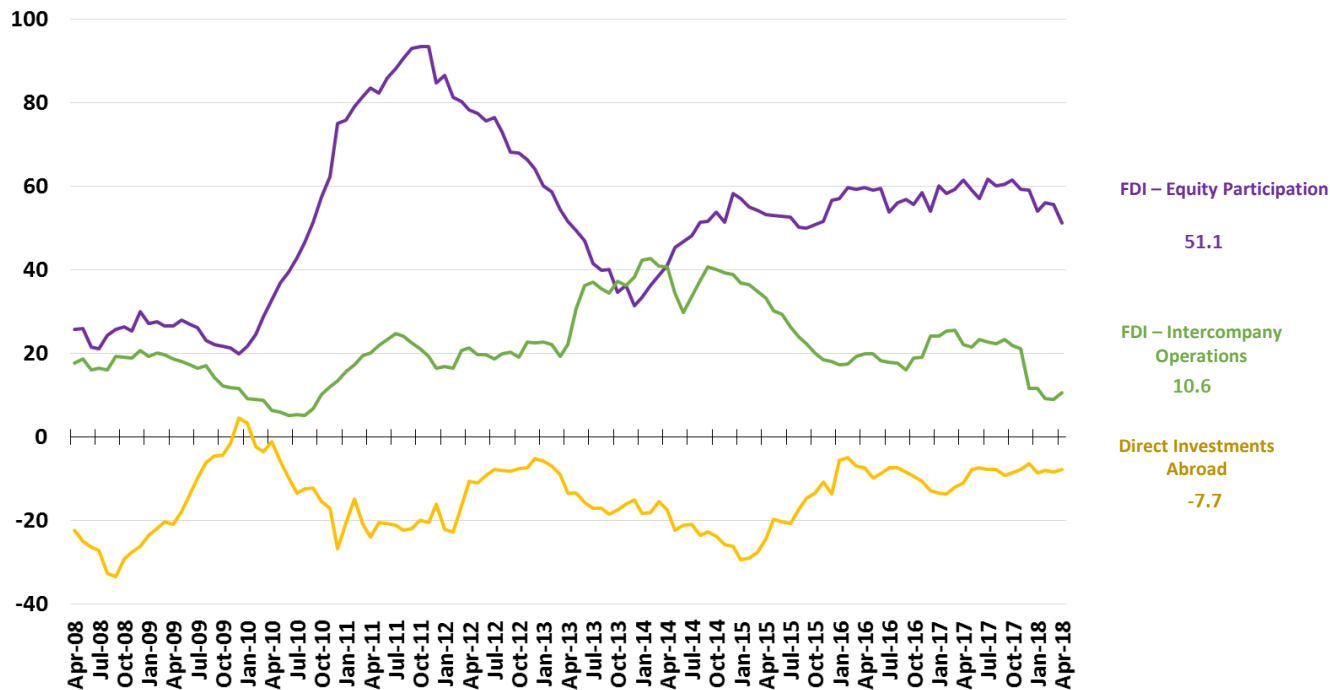
Current Account Deficit as % of GDP



Source: Central Bank of Brazil.

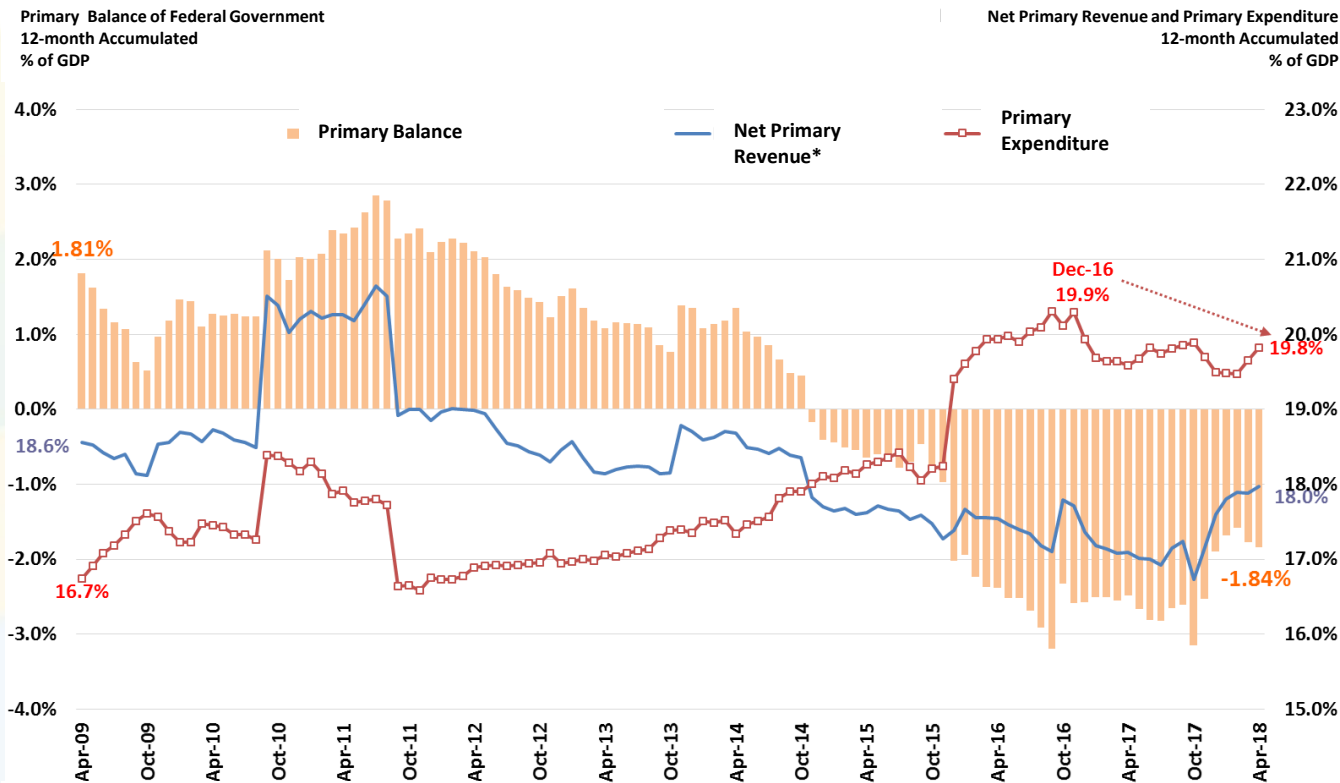
Direct Investments and Components

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



Source: Central Bank of Brazil.

Primary Balance of Federal Government (as % GDP)

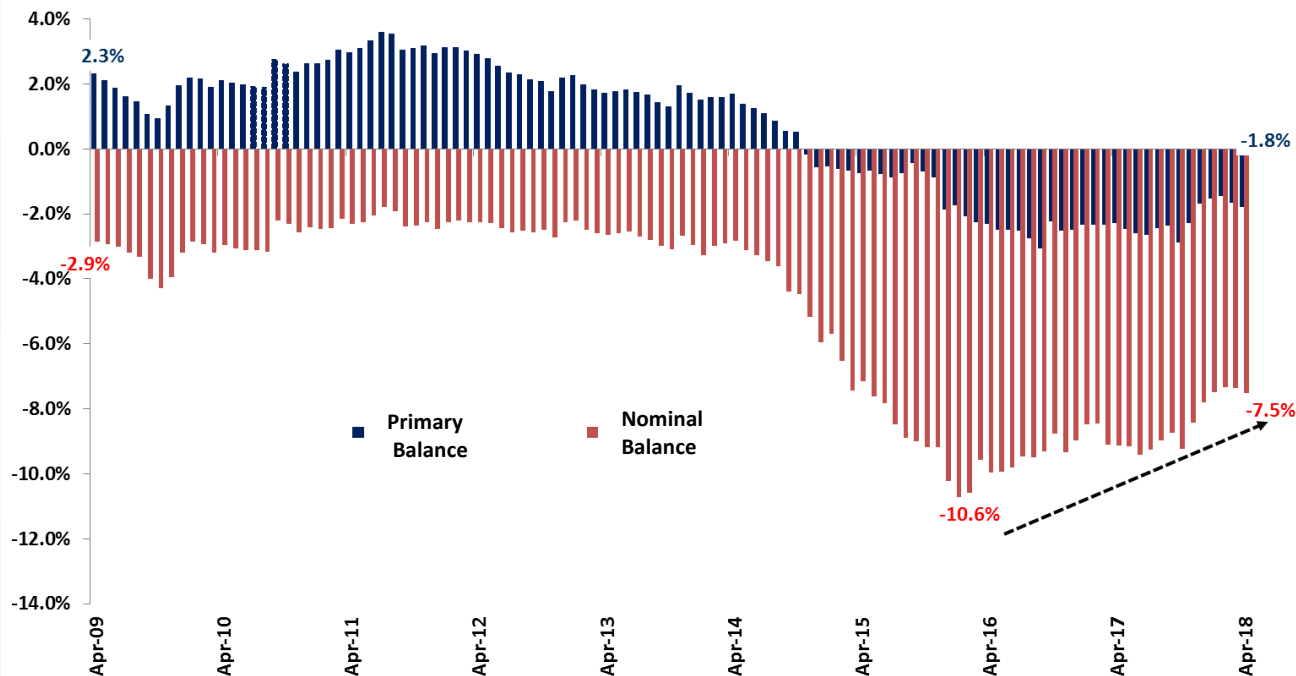


Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

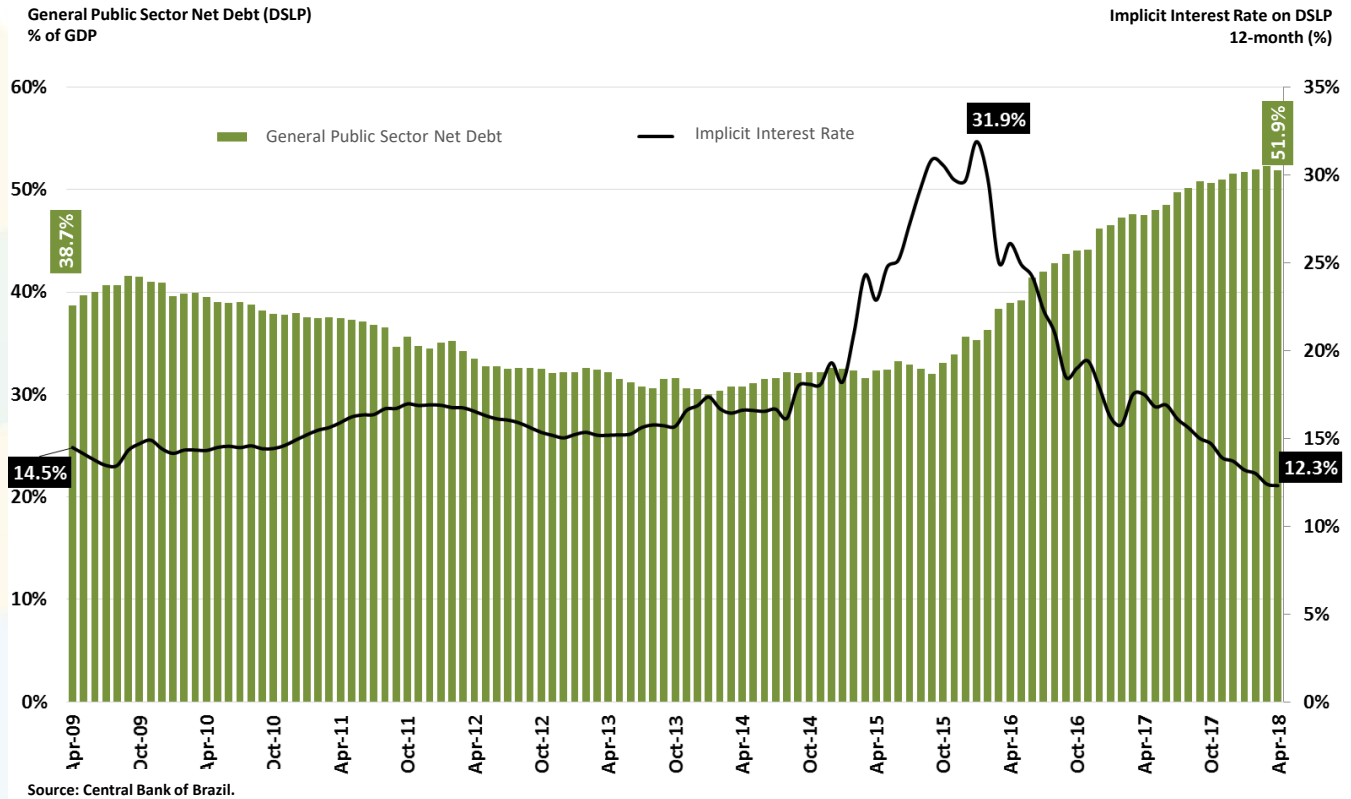
Public Sector Primary and Nominal Balance

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



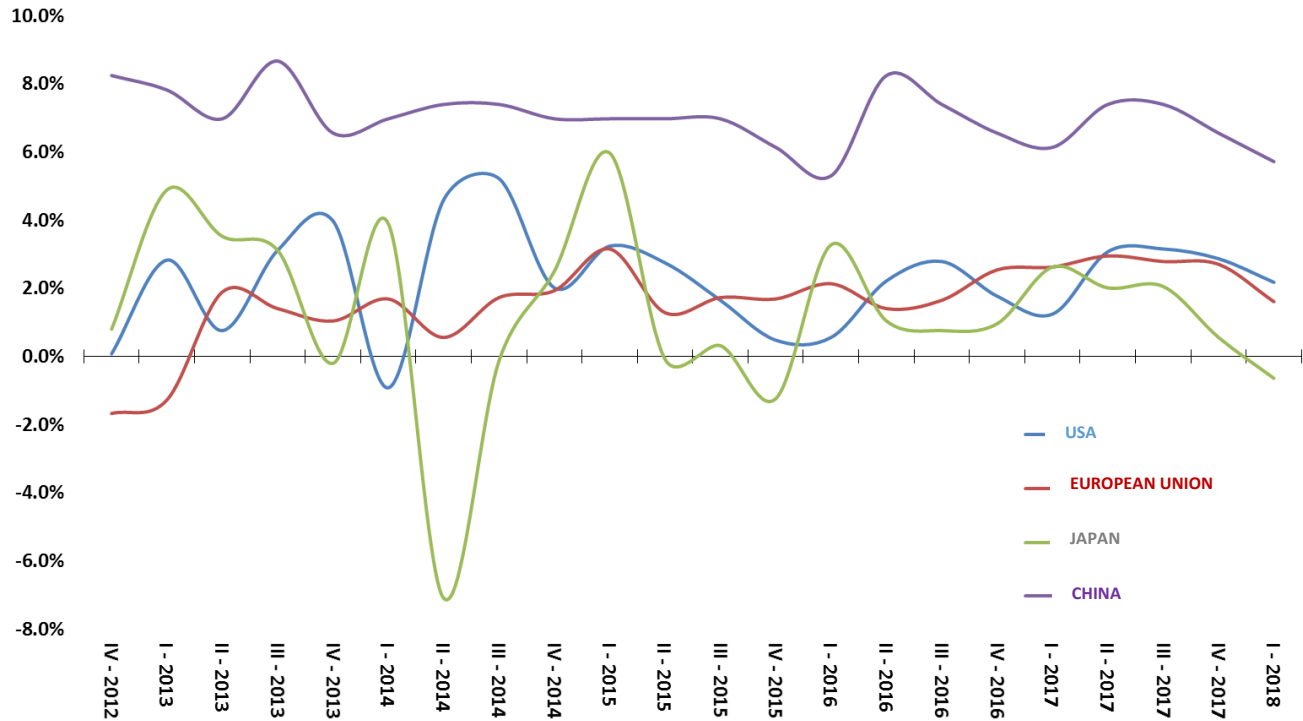
Source: Central Bank of Brazil.

Public Sector Net Debt (as % GDP)

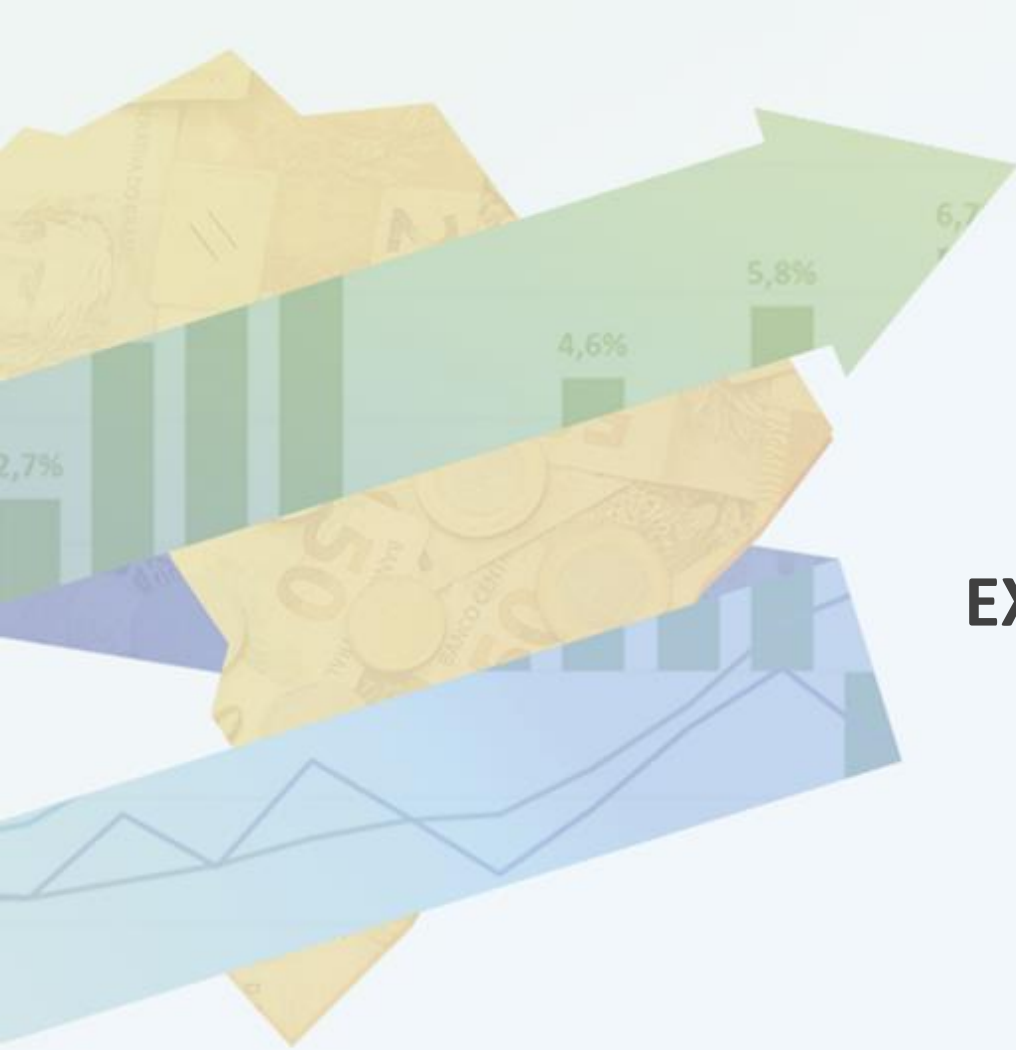


World Major Economies GDP

GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

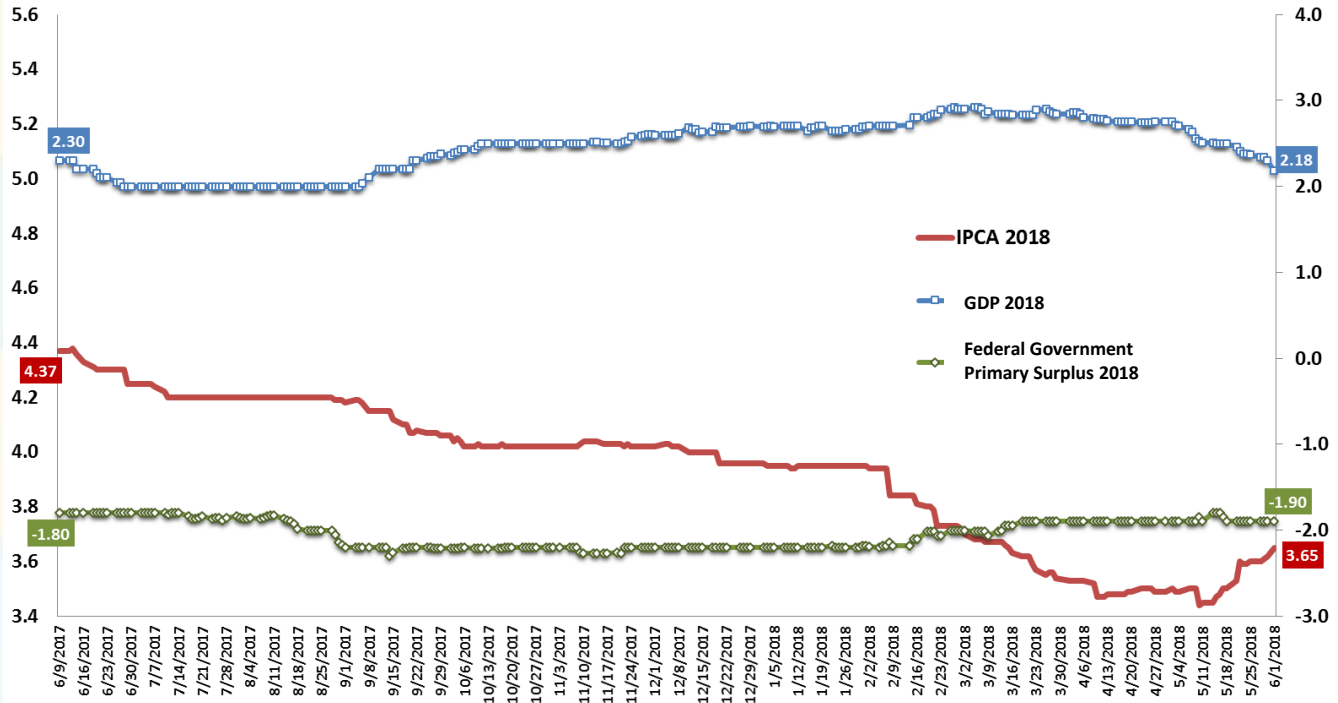


MARKET EXPECTATIONS

Market Expectations for 2018

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

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

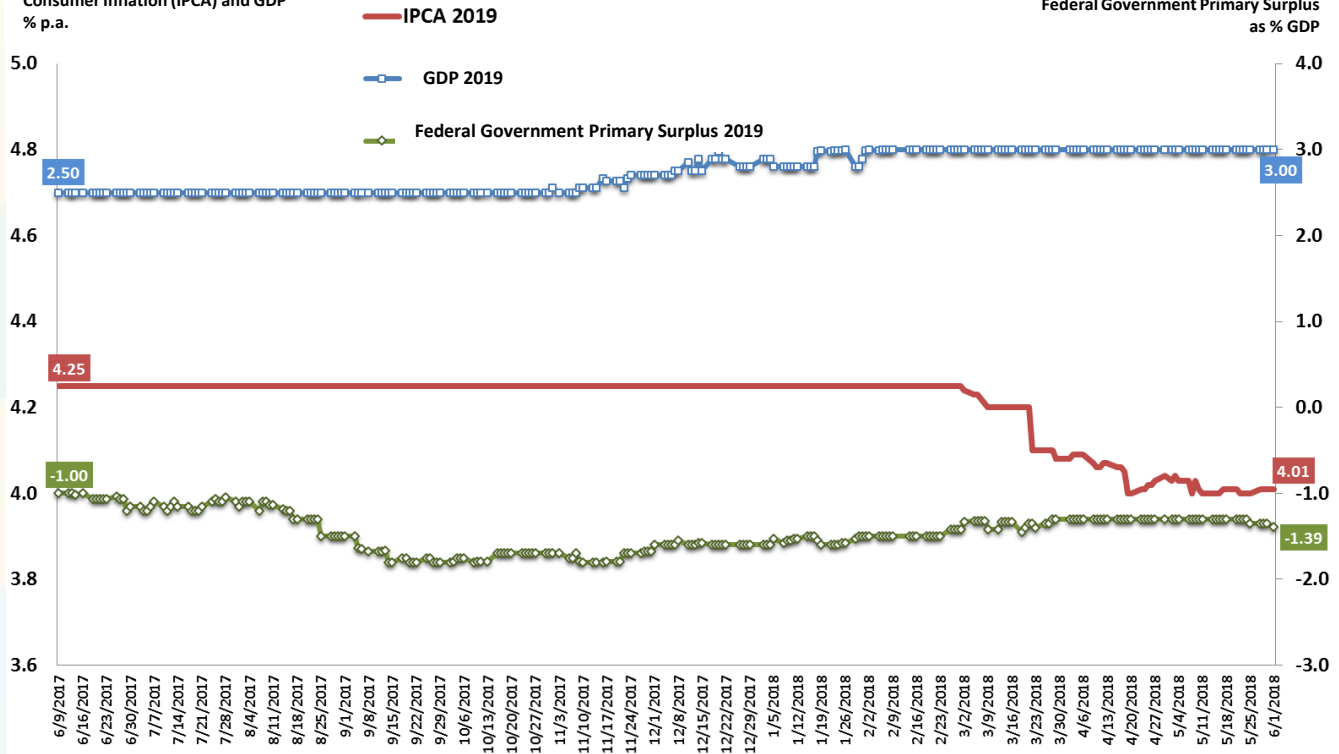


Source: Focus Survey, Central Bank of Brazil.

Market Expectations for 2019

Median of Market Expectations for 2019
Consumer Inflation (IPCA) and GDP
% p.a.

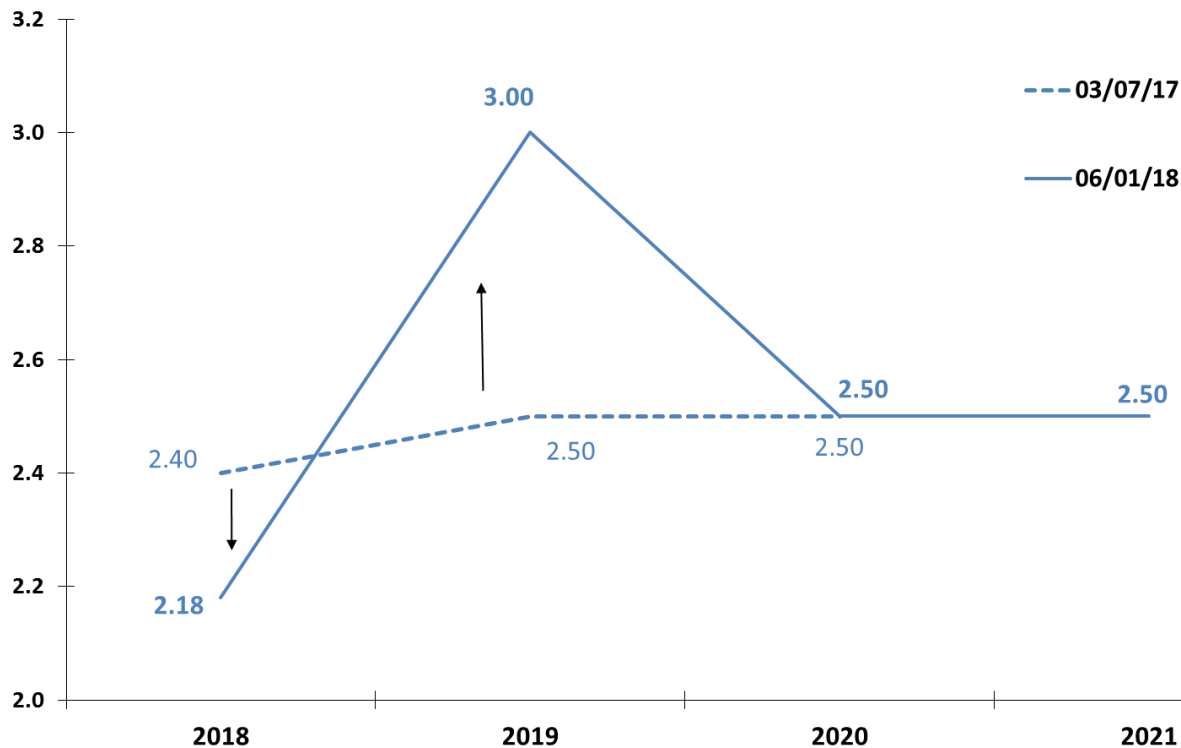
Median of Market Expectations for 2019
Federal Government Primary Surplus
as % GDP



Source: Focus Survey, Central Bank of Brazil.

GDP: Median of Market Expectations

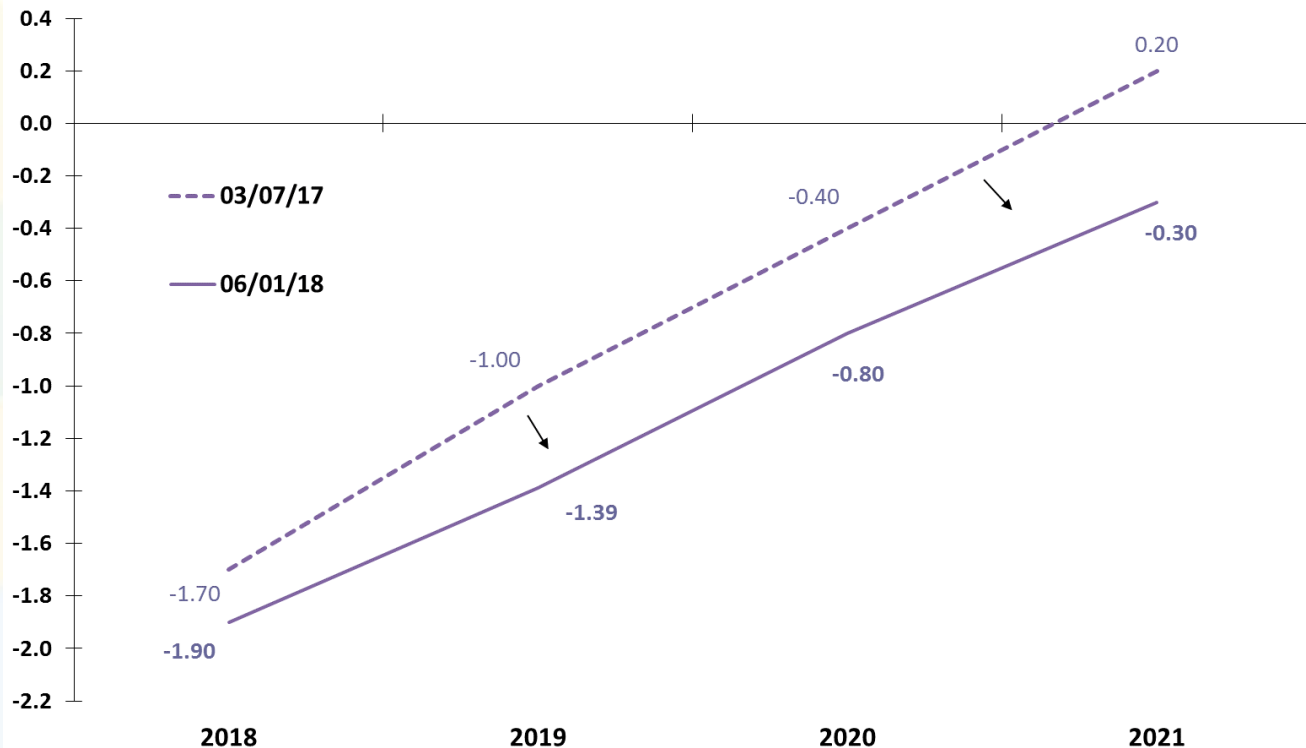
Real GDP chg. (%) - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

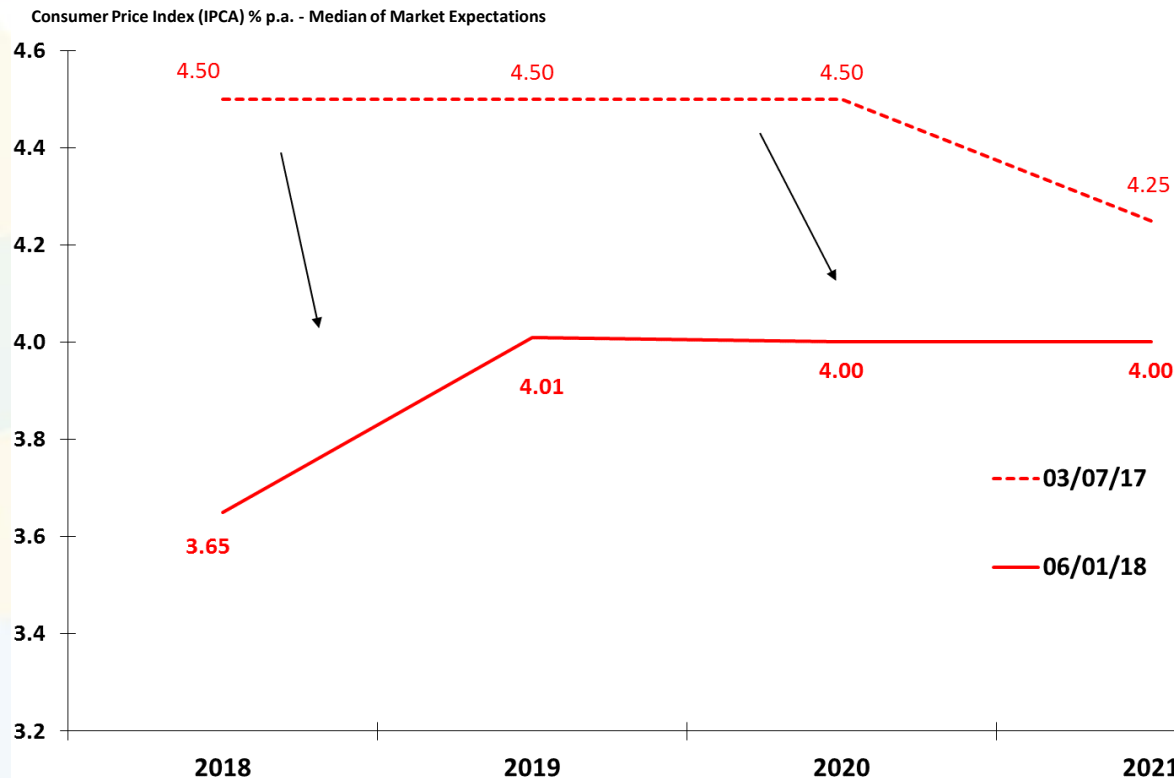
Primary Surplus: Median of Market Expectations

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



Source: Focus Survey, Central Bank of Brazil.

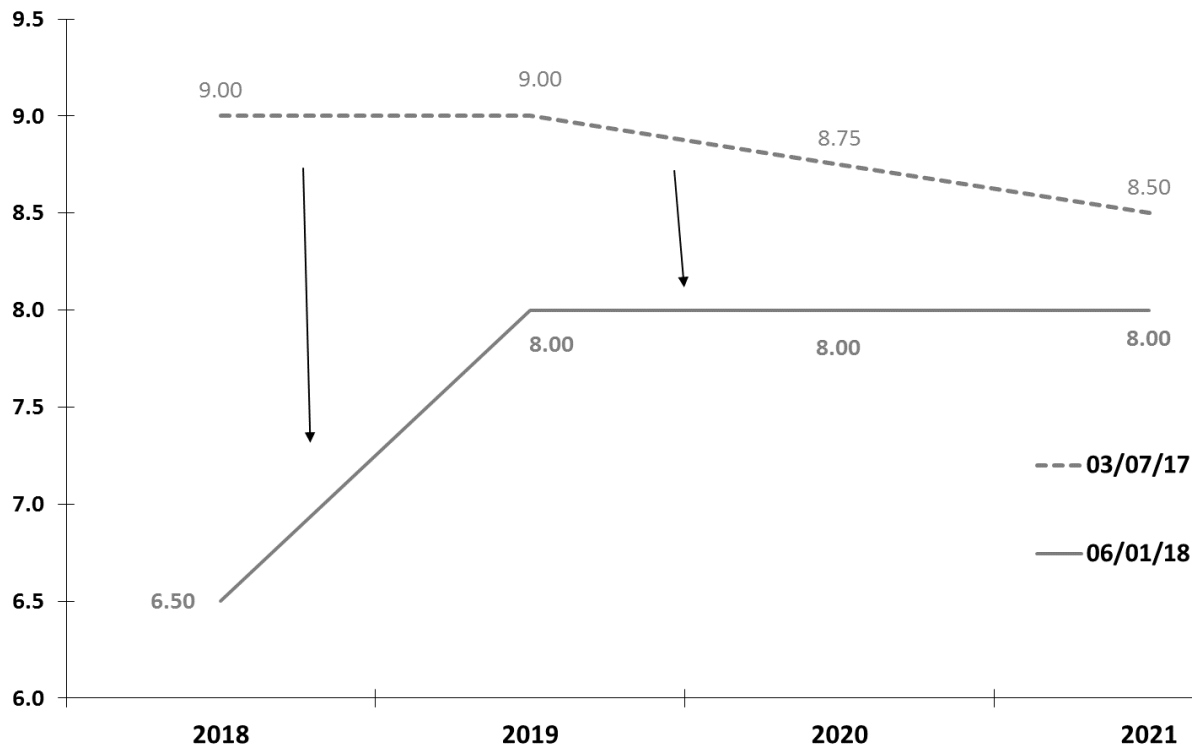
Consumer Price Index (IPCA): Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

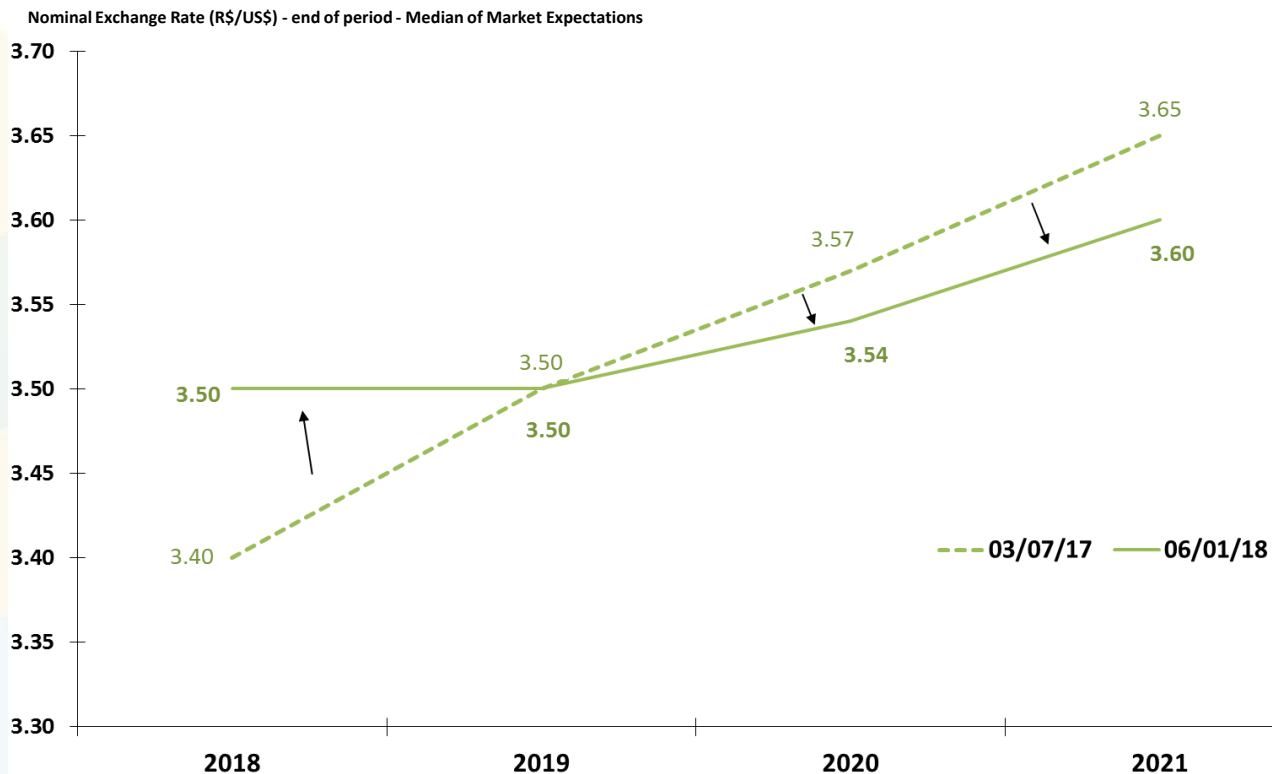
Main Interest Rate (Selic target): Median of Market Expectations

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



Source: Focus Survey, Central Bank of Brazil.

Nominal Exchange Rate: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.



ECONOMIC ACTIVITY

GDP and Quarterly Economic Activity

										BCB/Focus: 06/01/2018		
Gross Domestic Product (IBGE)	Q1 2018											
	2017	Q4-2017 / Q4-2016	Q1-2018 / Q1-2017	Q4-2017 / Q3-2017 (seasonally adjusted)	Q1-2018 / Q4-2017 (seasonally adjusted)	Year-To-Date	Q4-2017 accum. in 4-quarters	Q1-2018 accum. in 4-quarters	carry-over 2018	2018	2019	2020
%change												
Agriculture	13.0%	6.1%	-2.6%	-0.1%	1.4%	-2.6%	13.0%	6.1%	-0.3%	0.55%	3.00%	3.00%
Industry	0.0%	2.7%	1.6%	0.7%	0.1%	1.6%	0.0%	0.6%	1.1%	3.15%	3.00%	2.90%
Services	0.3%	1.7%	1.5%	0.1%	0.1%	1.5%	0.3%	1.0%	0.7%	2.16%	2.16%	2.16%
GDP (market prices)	1.0%	2.1%	1.2%	0.2%	0.4%	1.2%	1.0%	1.3%	0.9%	2.18%	3.00%	2.50%
Household Expenditure	1.0%	2.6%	2.8%	0.1%	0.5%	2.8%	1.0%	2.1%	1.4%			
Government Expenditure	-0.6%	-0.4%	-0.8%	0.1%	-0.4%	-0.8%	-0.6%	-0.6%	-0.5%			
Gross Fixed Capital Formation	-1.8%	3.8%	3.5%	2.1%	0.6%	3.5%	-1.8%	-0.1%	3.3%			
Exports of Goods and Services	5.2%	9.1%	6.0%	-0.8%	1.3%	6.0%	5.2%	6.2%	2.8%			
Imports of Goods and Services (-)	5.0%	8.1%	7.7%	1.6%	2.5%	7.7%	5.0%	4.6%	6.3%			
Economic Activity Indicators (BCB and IBGE)	Q1 2018											
	2017	Q4-2017 / Q4-2016	Q1-2018 / Q1-2017	Q4-2017 / Q3-2017 (seasonally adjusted)	Q1-2018 / Q4-2017 (seasonally adjusted)	Year-To-Date	Q4-2017 accum. in 4-quarters	Q1-2018 accum. in 4-quarters	carry-over 2018			
%change												
IBC-Br Economic Activity Index*	1.0%	2.4%	0.7%	0.9%	-0.1%	0.7%	1.0%	1.0%	0.8%			
LSPA: Grain Harvest	21.4%	30.8%	1.8%	-0.1%	-5.0%	1.8%	30.8%	1.8%	-3.0%			
PIM: Industrial Production	2.5%	4.9%	6.2%	1.7%	0.1%	6.2%	2.5%	3.6%	2.0%			
PMC: Amplified Retail Sales	4.0%	7.7%	18.8%	0.8%	1.0%	18.8%	4.0%	9.2%	3.1%			
PMS: Volume of Services	-2.8%	-0.2%	5.3%	0.5%	-0.9%	5.3%	-2.8%	-0.4%	-0.8%			

LSPA: Systematic Survey of Agricultural Production (IBGE)

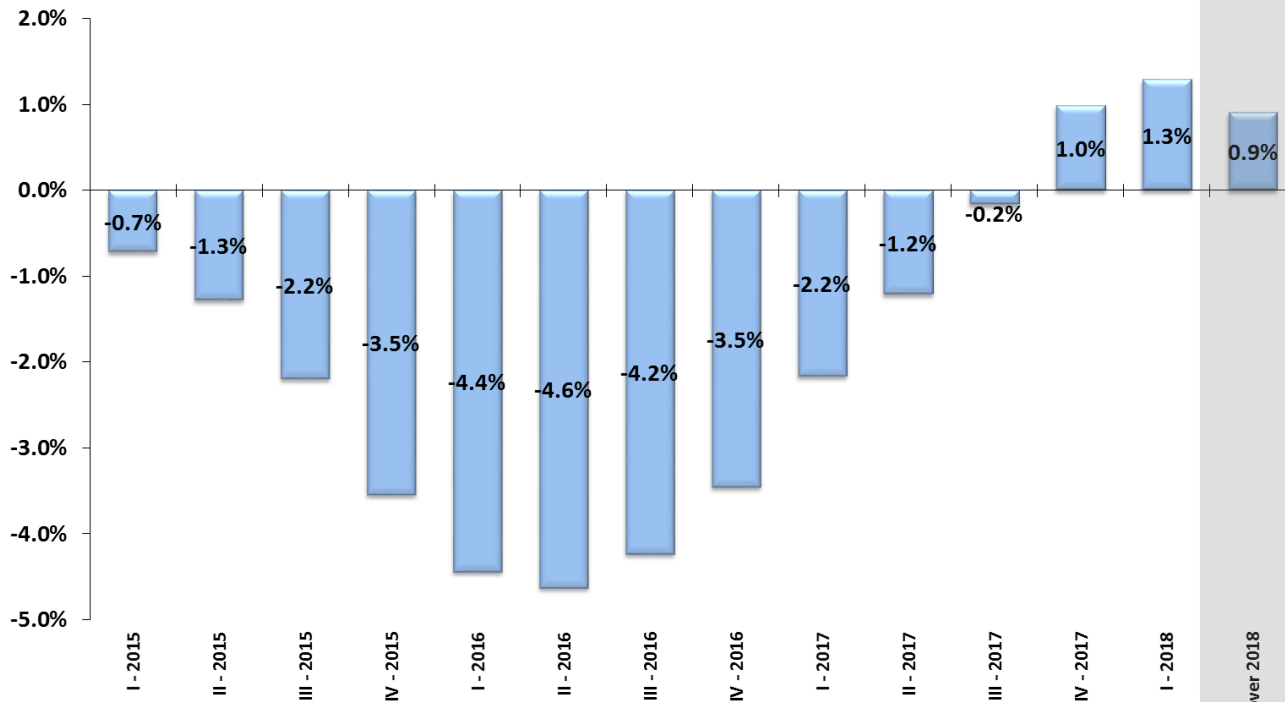
PIM: Monthly Survey of Industry (IBGE)

PMC: Monthly Survey of Trade (IBGE)

PMS: Monthly Survey of Services (IBGE)

Quarterly GDP

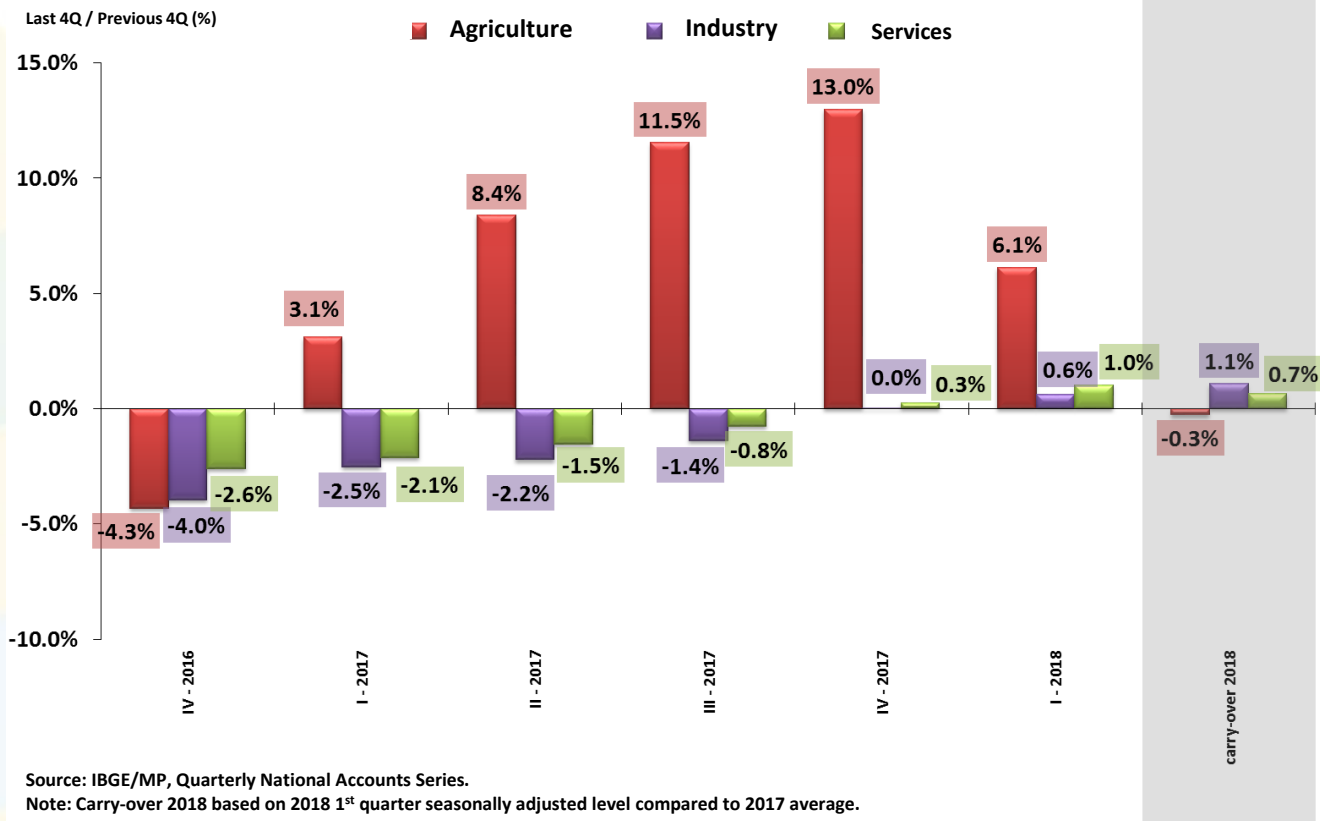
Last 4Q / Previous 4Q (%)



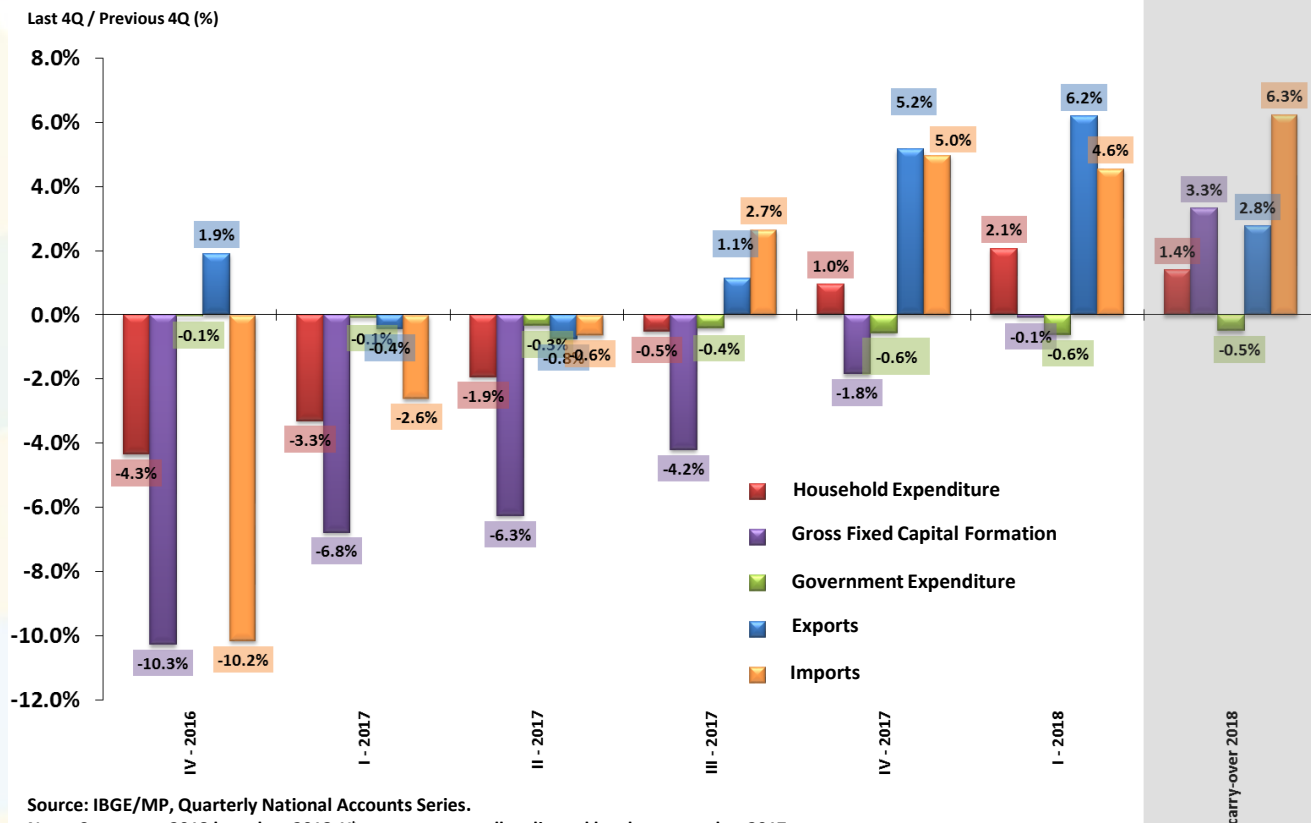
Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 1st quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Activity Sector

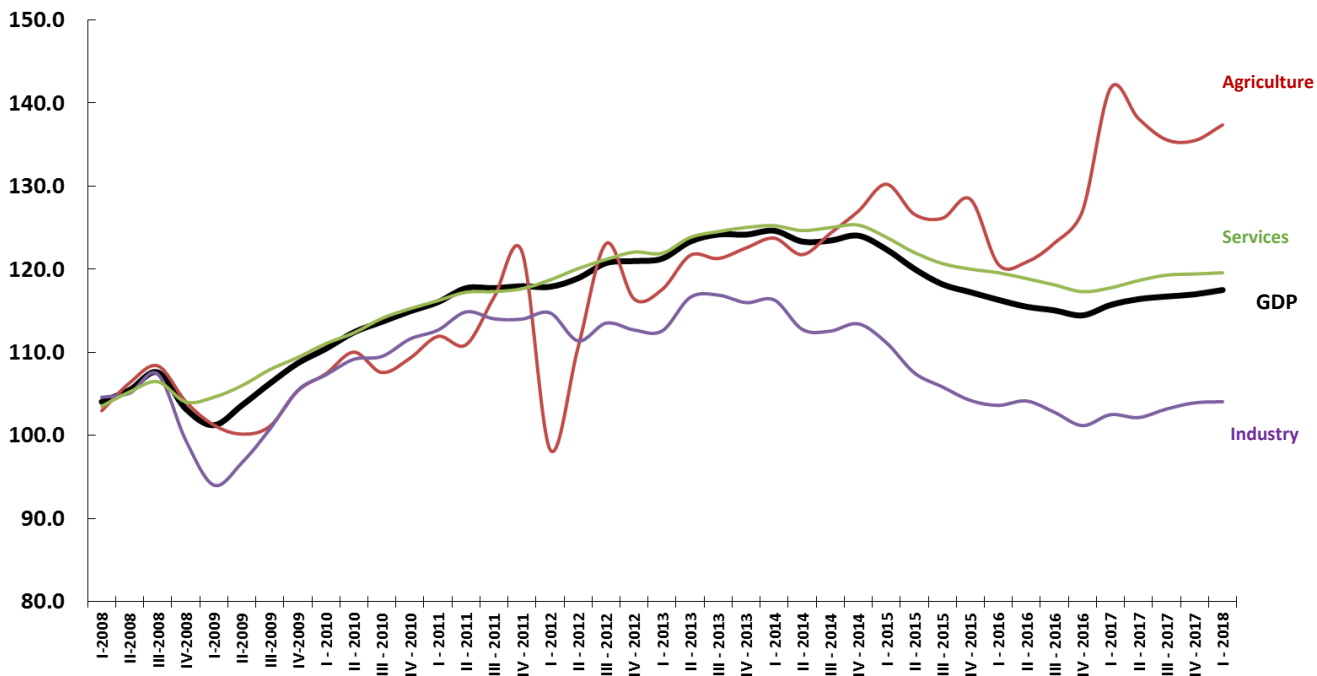


Quarterly GDP by Expenditure



Quarterly GDP by Activity Sector

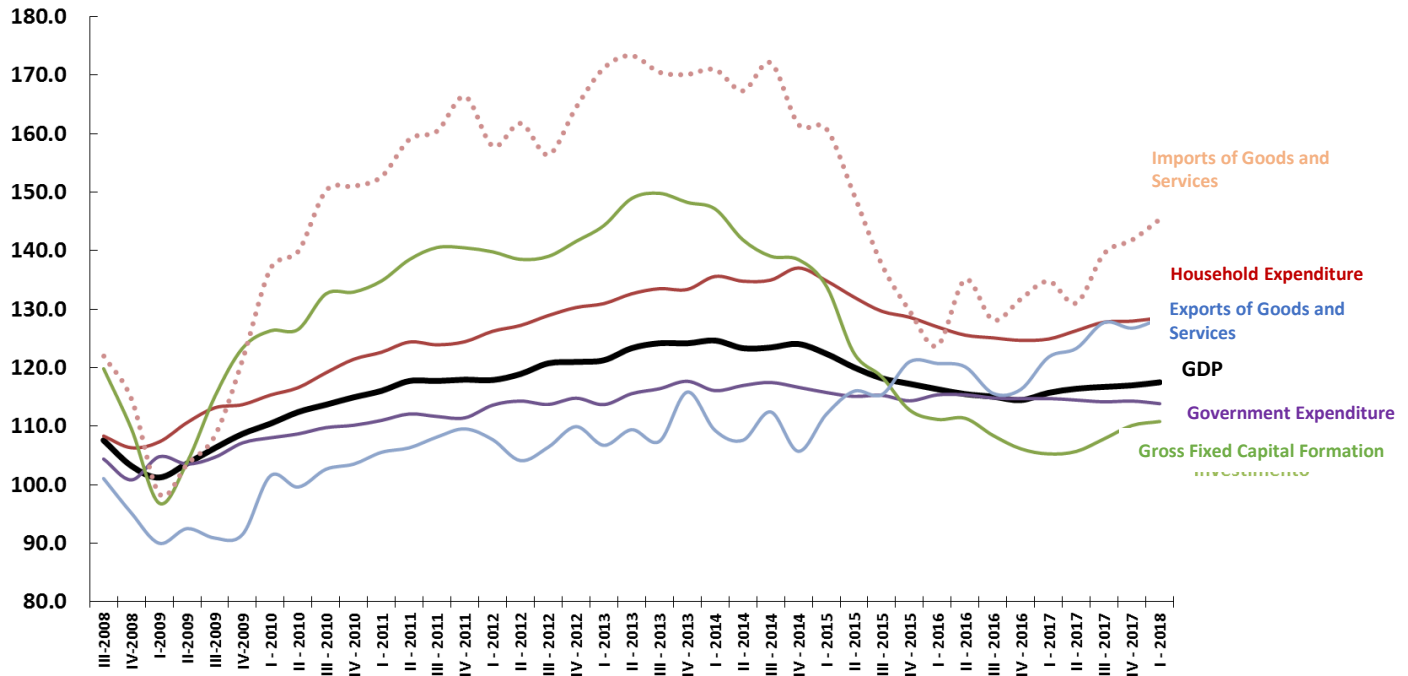
GDP and Economic Sectors Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

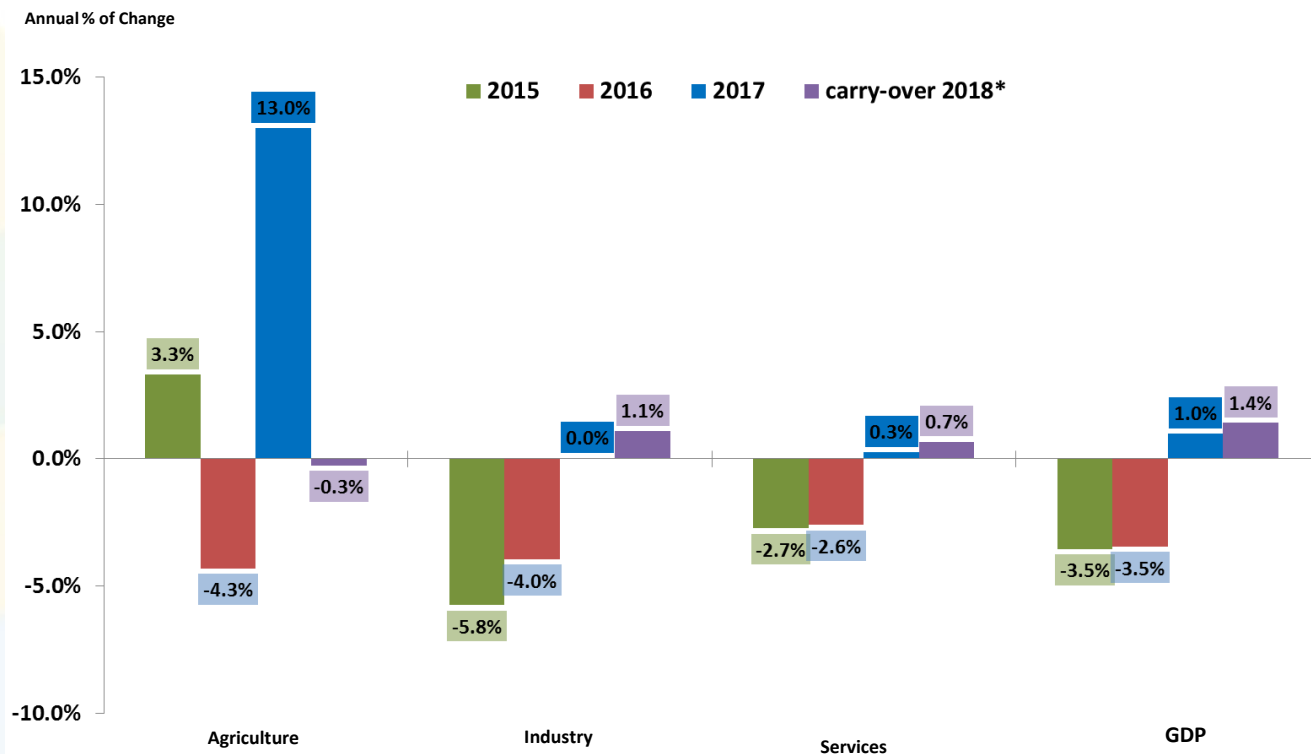
Quarterly GDP by Expenditure

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



Source: IBGE/MP, Quarterly National Accounts Series.

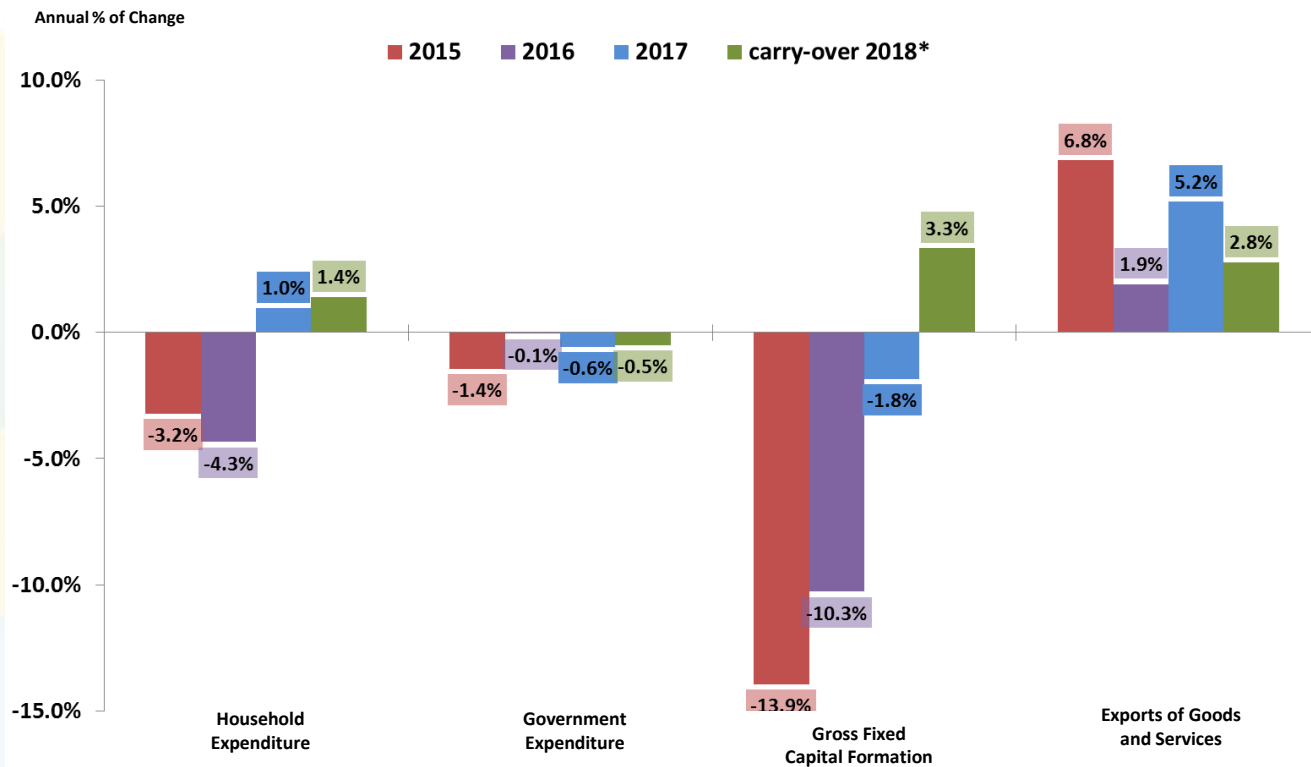
Annual GDP Real Growth by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 1st quarter seasonally adjusted level compared to 2017 average.

Annual GDP Real Growth by Expenditure



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 1st quarter seasonally adjusted level compared to 2017 average.

Primary Sector Performance by Major Crops

Primary Sector GDP
Annual % of Change

14.0%

12.0%

10.0%

8.0%

6.0%

4.0%

2.0%

0.0%

-2.0%

-4.0%

-6.0%

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018*

Major Crops Production (% of total)
Index: 1997=100

500

450

400

350

300

250

200

150

100

50

0

Soybean (40,4%)
+0,6%
+19,4%
-13,0%
+55,2%
-10,5%
+2,4%
0,0%

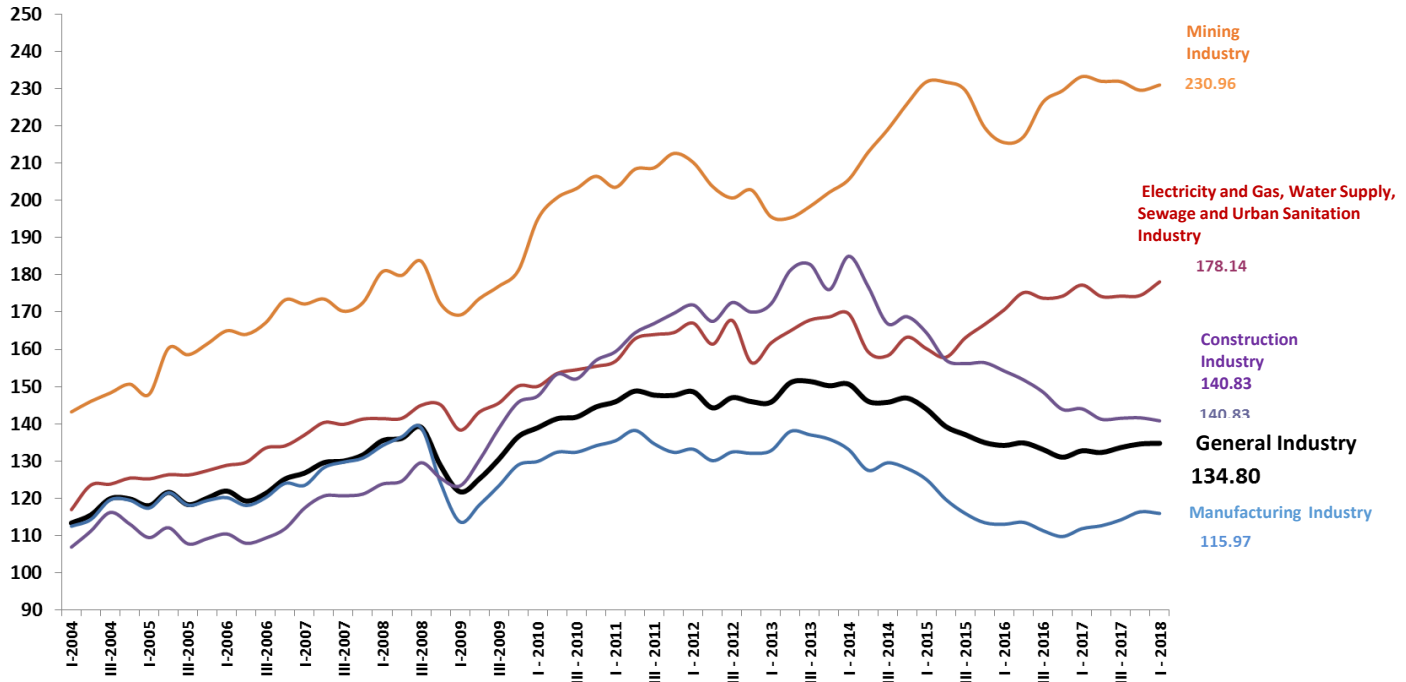
Corn (12,4%)

Sugarcane (20,2%)

Source: IBGE/MP, Systematic Survey of Agricultural Production (LSPA) – April 2018.

Industry Performance by Subsectors

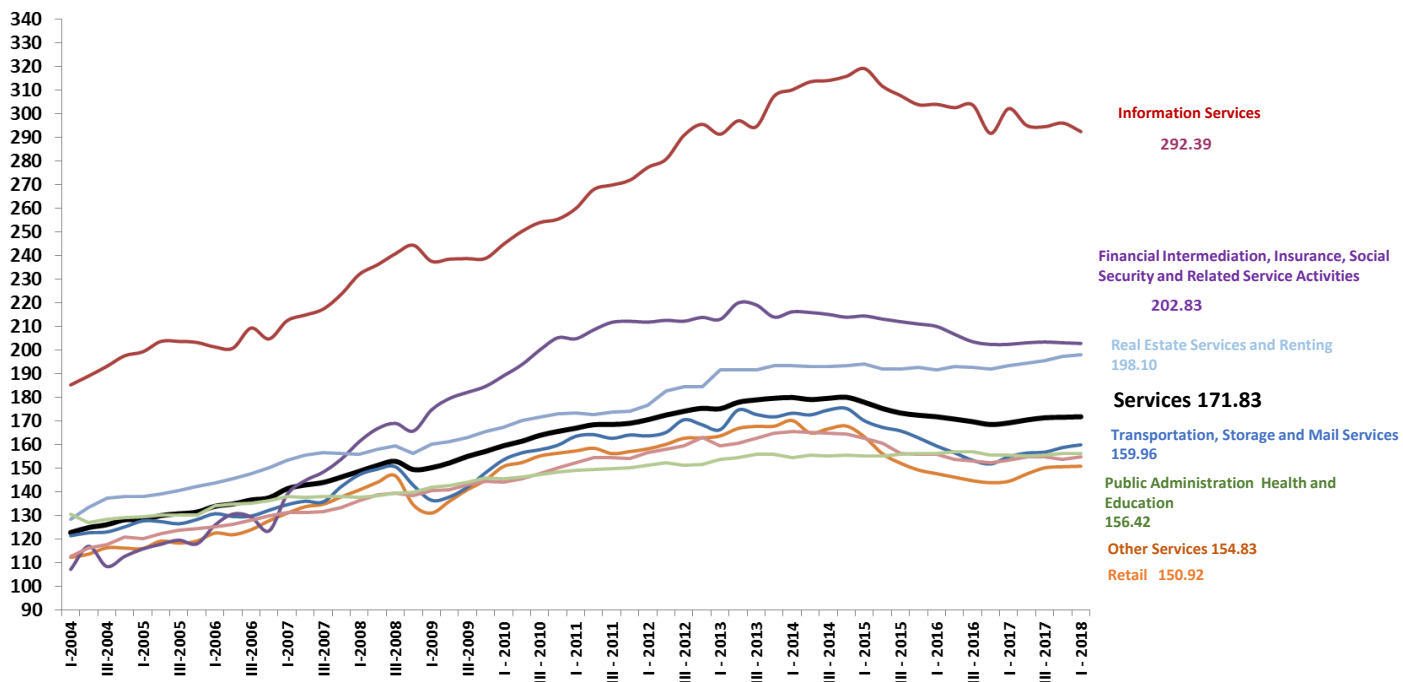
Industrial Production Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

Services Performance by Subsectors

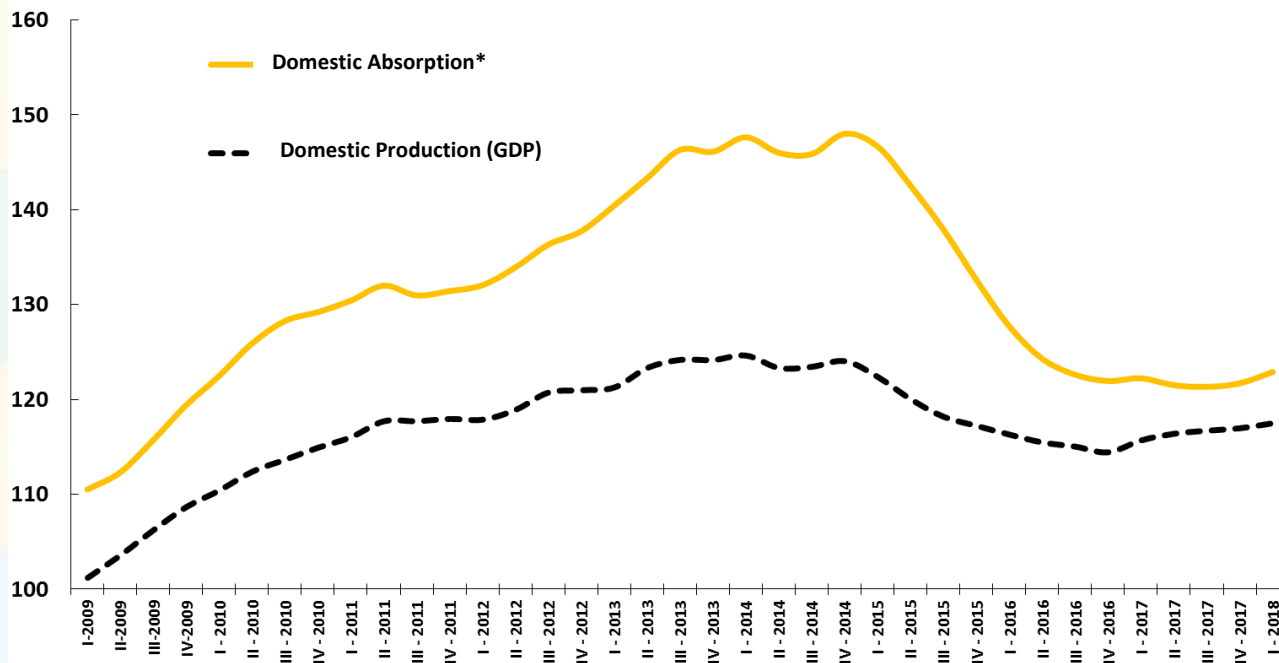
Services Provision Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

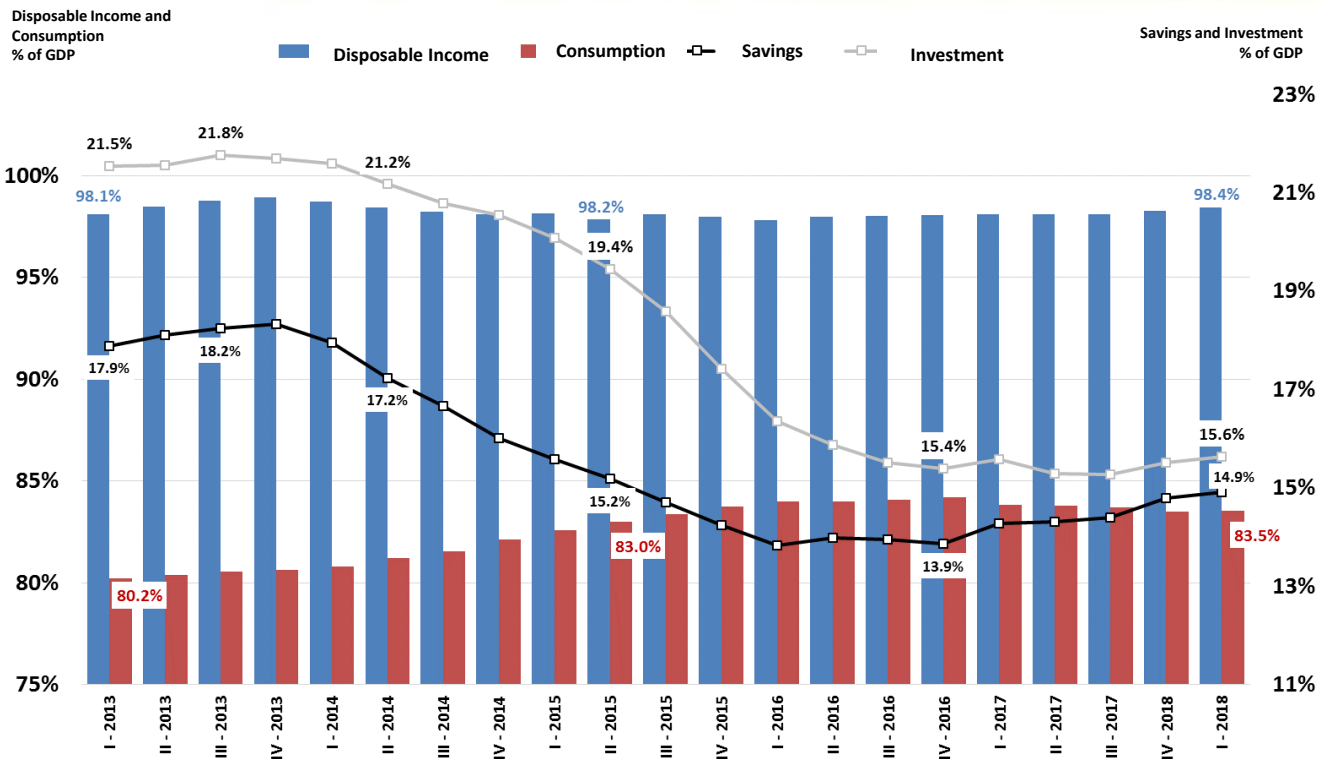
Domestic Production and Absorption

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



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

Disposable Income, Consumption, Savings and Investment

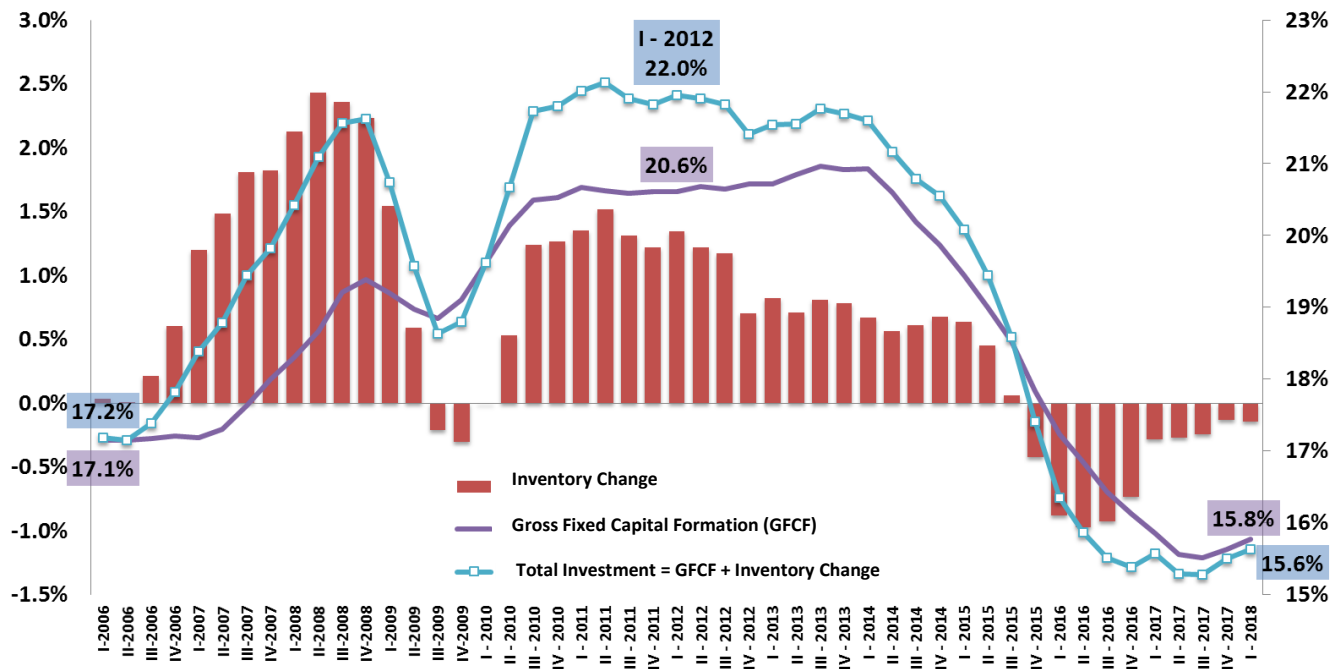


Source: IBGE/MP, Quarterly National Accounts Series.

Inventory Change and Gross Fixed Capital Formation

Inventory Change (% of GDP)
Accumulated in 4 quarters

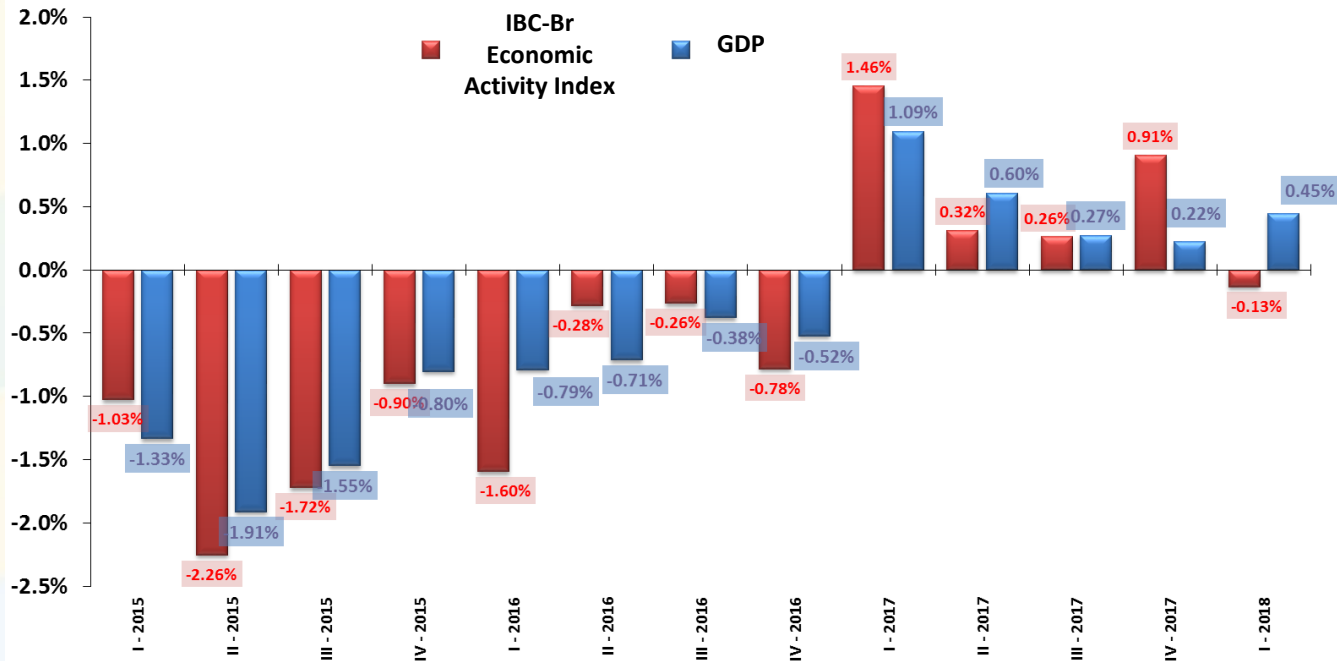
GFCF and Total Investment (% of GDP)
Accumulated in 4 quarters



Source: IBGE/MP, Quarterly National Accounts Series.

Quarterly GDP Growth and IBC-Br Economic Activity Index

Quarterly % Change - Seasonally Adjusted Series



Sources: IBGE/MP and Central Bank of Brazil.

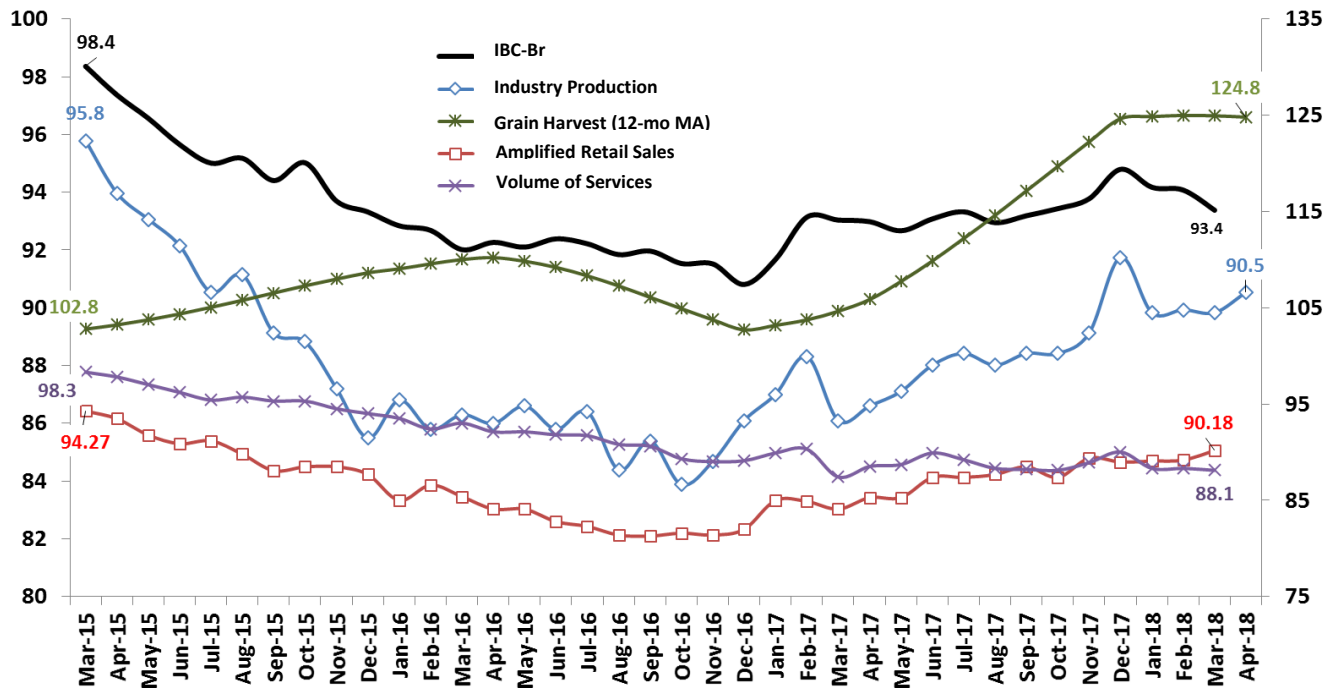
Monthly Economic Activity

IBC-Br Economic Activity Index	March-18 % change	2016	2017	fevlyy - fevlyy	marlyyy - marlyyy	fevlyy - janlyy (seasonally adjusted)	marlyyy - fevlyy (seasonally adjusted)	Year-To-Date	fevlyy accum. in 12-months	marlyyy accum. in 12-months	carry-over 2018
IBC-Br Economic Activity Index		-4.0%	0.98%	0.5%	-0.7%	-0.1%	-0.7%	0.9%	1.3%	1.1%	0.4%
Systematic Survey of Agricultural Production (IBGE)	April-18 % change	2016	2017	marlyyy - marlyyy	abrlyyy - abrlyyy	marlyyy - fevlyy (seasonally adjusted)	abrlyyy - marlyyy (seasonally adjusted)	Year-To-Date	marlyyy accum. in 12-months	abrlyyy accum. in 12-months	carry-over 2018
Grain Harvest		-11.3%	21.4%	-0.4%	-1.3%	0.9%	0.3%	-1.3%	-0.4%	-1.3%	-3.0%
Industry Production (IBGE)	April-18 % change	2016	2017	marlyyy - marlyyy	abrlyyy - abrlyyy	marlyyy - fevlyy (seasonally adjusted)	abrlyyy - marlyyy (seasonally adjusted)	Year-To-Date	marlyyy accum. in 12-months	abrlyyy accum. in 12-months	carry-over 2018
General Industry		-6.4%	2.5%	1.1%	8.9%	-0.1%	0.8%	4.4%	2.8%	3.9%	2.6%
Mining Industry (weight 11,2%)		-9.4%	4.1%	-2.0%	0.1%	3.2%	0.0%	-2.0%	1.2%	0.7%	-0.8%
Manufacturing Industry (weight 88,8%)		-6.0%	2.2%	1.7%	10.2%	0.3%	0.8%	5.5%	3.1%	4.4%	3.3%
Food (weight 13,9%)		0.5%	1.2%	-0.4%	11.9%	0.6%	1.4%	4.8%	2.0%	4.2%	1.3%
Petroleum refinement and alcohol production (weight 10,3%)		-8.5%	-4.2%	-5.8%	0.3%	0.8%	5.2%	-4.2%	-3.2%	-2.5%	-0.9%
Motor vehicles (weight 10,1%)		-12.1%	17.4%	17.9%	40.5%	1.8%	4.7%	25.2%	19.4%	22.5%	18.1%
Capital Goods		-10.2%	6.3%	8.9%	23.3%	3.8%	1.4%	14.1%	7.8%	10.1%	9.2%
Intermediate Goods		-6.5%	1.6%	-0.5%	4.6%	-0.7%	1.0%	2.4%	1.9%	2.5%	0.7%
Durable Consumer Goods		-14.4%	13.4%	15.8%	36.2%	0.6%	2.8%	21.6%	14.9%	17.7%	16.4%
Semi and Non-Durable Consumer Goods		-3.2%	0.9%	-1.5%	9.6%	0.5%	0.5%	2.8%	0.9%	2.4%	1.9%
Typical Construction Inputs		-11.6%	-3.2%	-2.2%	8.6%	11.0%	-4.1%	2.9%	-1.7%	0.1%	-1.6%
Retail Sales (IBGE)	March-18 % change	2016	2017	fevlyyy - fevlyyy	marlyyy - marlyyy	fevlyyy - janlyy (seasonally adjusted)	marlyyy - fevlyyy (seasonally adjusted)	Year-To-Date	fevlyyy accum. in 12-months	marlyyy accum. in 12-months	carry-over 2018
Retail Sales		-6.3%	2.1%	1.5%	6.5%	-0.2%	0.3%	3.8%	2.9%	3.7%	1.3%
Amplified Retail Sales		-8.7%	4.0%	5.3%	7.8%	0.1%	1.1%	5.9%	4.5%	5.3%	3.7%
Vehicles, Motorcycles, Parts and Accessories		-14.0%	2.7%	20.0%	15.9%	3.0%	2.9%	18.9%	4.5%	7.1%	15.1%
Construction Material		-10.7%	9.1%	5.8%	-1.6%	0.2%	0.0%	6.6%	9.4%	10.0%	1.6%
Fuel and Lubricants		-9.2%	-3.3%	-6.5%	-4.7%	-0.9%	1.4%	-5.3%	-3.1%	-2.9%	-3.6%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco		-3.1%	1.5%	2.0%	12.3%	-0.7%	-1.1%	2.5%	1.7%	2.0%	2.1%
Textiles, Apparel and Footwear		-10.9%	7.6%	-4.6%	-0.8%	-0.9%	0.7%	-2.0%	7.7%	7.1%	-1.7%
Furniture and Household Appliances		-12.6%	9.5%	3.7%	-3.2%	1.5%	0.1%	4.5%	9.6%	10.4%	-1.1%
Volume of Services (IBGE)	March-18 % change	2016	2017	fevlyyy - fevlyyy	marlyyy - marlyyy	fevlyyy - janlyy (seasonally adjusted)	marlyyy - fevlyyy (seasonally adjusted)	Year-To-Date	fevlyyy accum. in 12-months	marlyyy accum. in 12-months	carry-over 2018
Volume of Services		-5.0%	-2.8%	-2.3%	-0.8%	0.0%	-0.2%	-1.5%	-2.4%	-2.1%	-0.9%
Services Rendered to Families		-4.4%	-1.1%	-5.2%	1.0%	-0.8%	2.1%	-2.3%	-0.8%	-0.5%	-2.1%
Information and Communication Services		-3.2%	-2.0%	-5.3%	-0.9%	-0.9%	2.3%	-3.7%	-2.9%	-2.8%	-0.7%
Professional, Administrative and Complementary Services		-5.5%	-7.3%	-1.6%	-2.6%	1.8%	-1.8%	-2.6%	-6.3%	-5.7%	-2.3%
Transportation, Support Activities for Transportation and Mailing Activities		-7.6%	2.2%	0.6%	-0.4%	-0.2%	-0.8%	1.3%	3.2%	3.4%	-0.4%
Other Services		-2.8%	-8.9%	1.6%	2.1%	-0.7%	-0.4%	1.8%	-7.7%	-6.3%	2.9%

Major Monthly Economic Activity Indicators

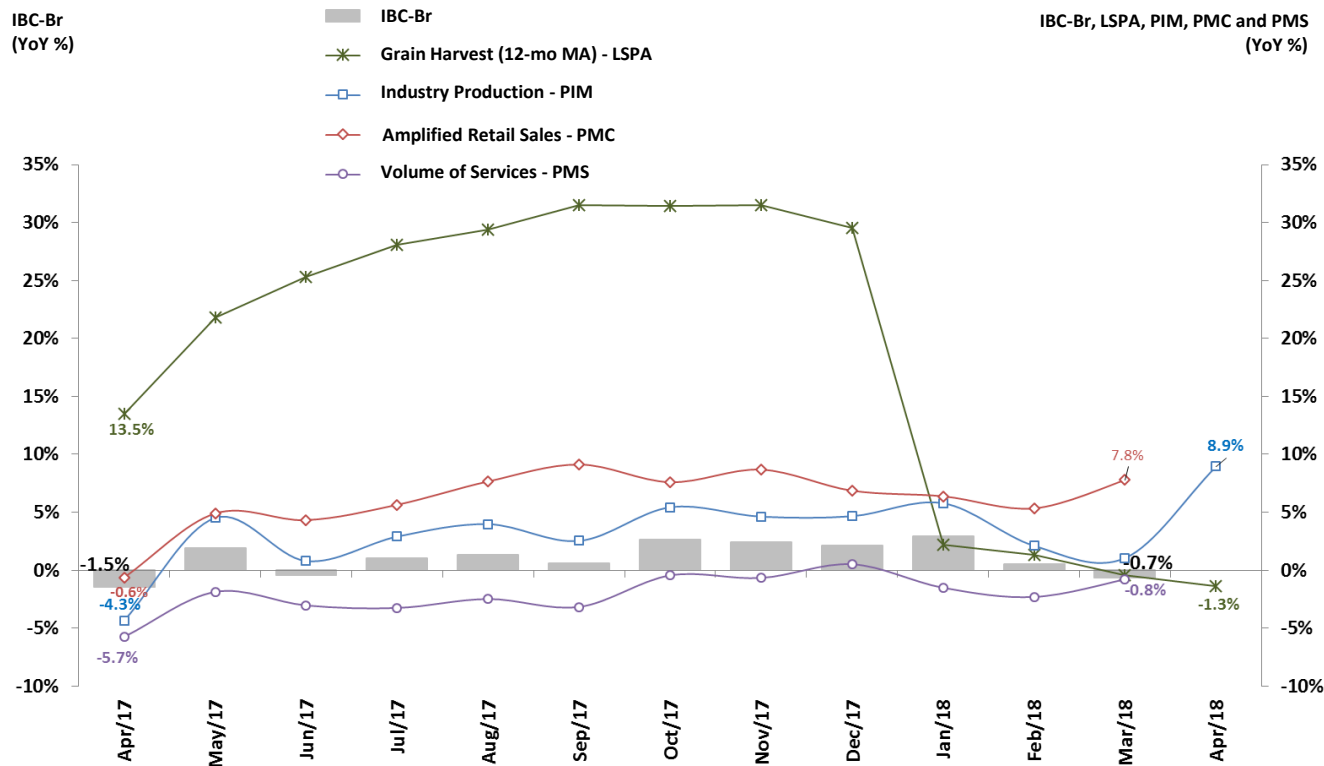
IBC-Br, Grain Harvest (12-mo MA) and Industry Production
Seasonally Adjusted Index (2003 = 100)

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



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

Major Monthly Economic Activity Indicators

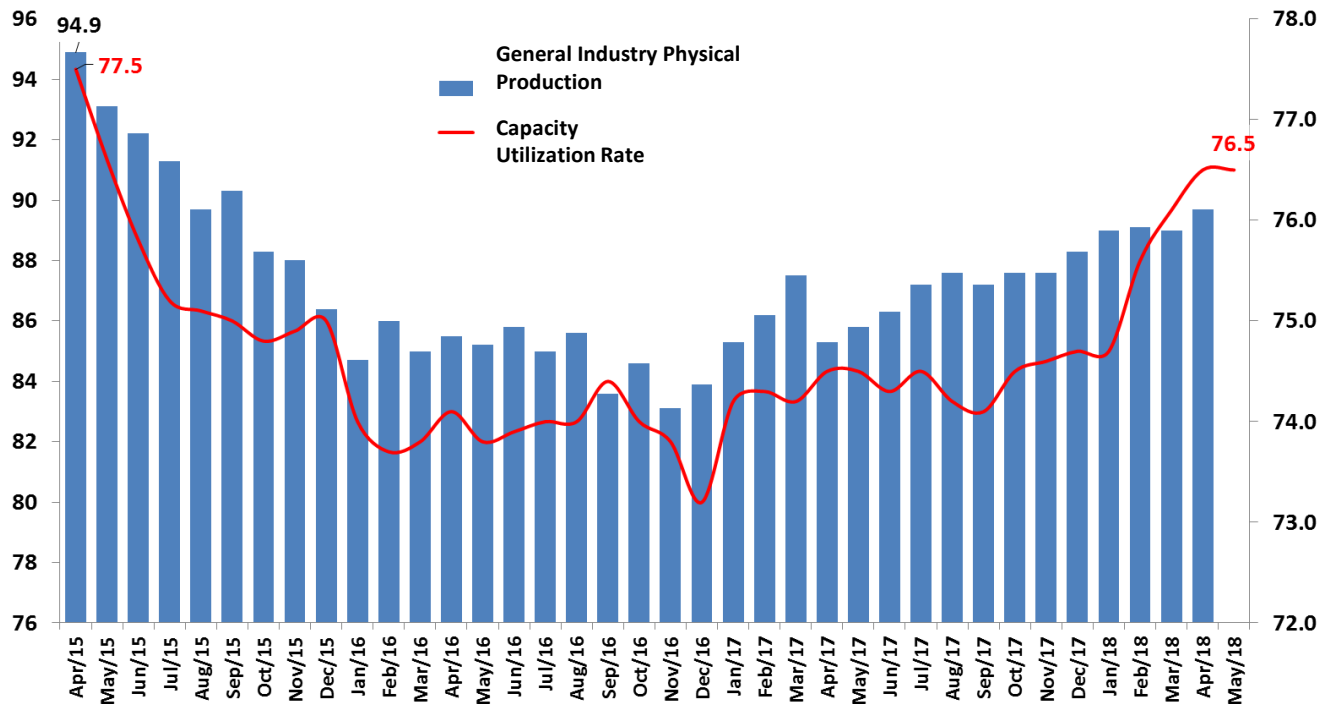


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

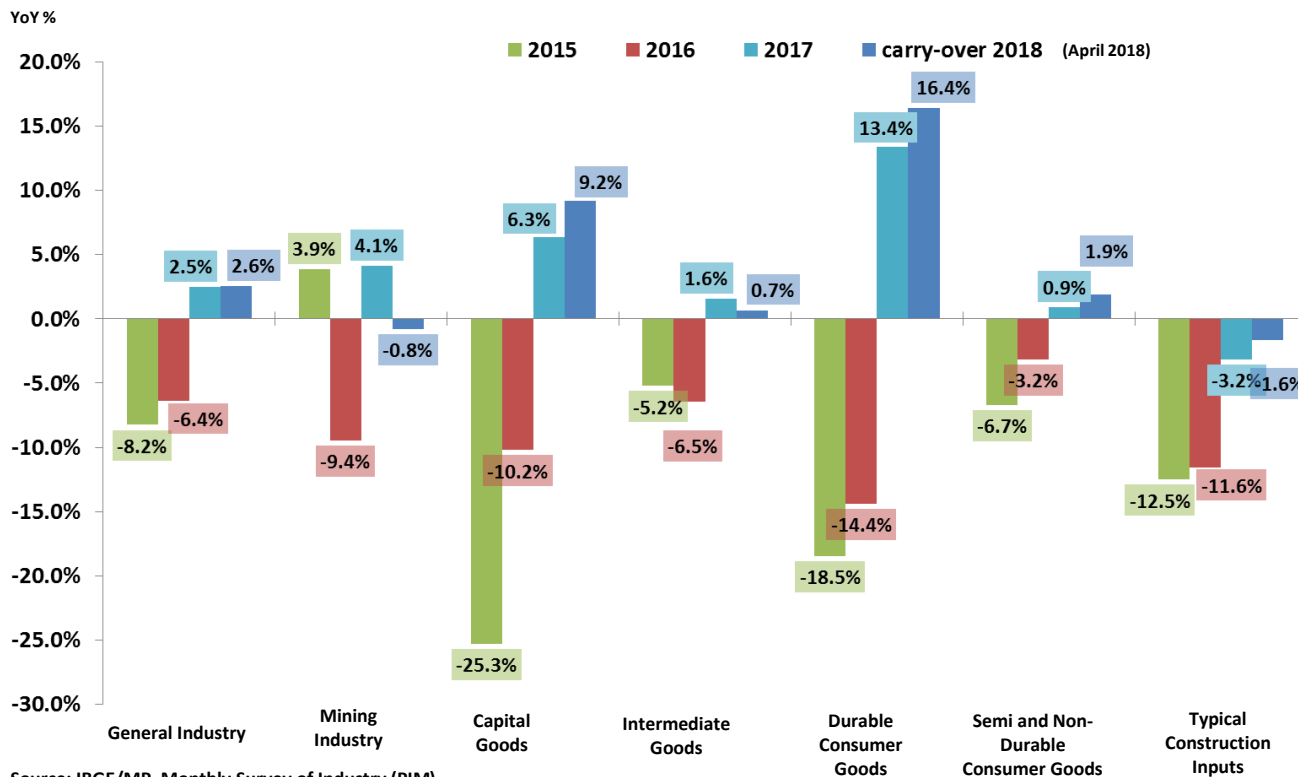
Industry Production
Seasonally Adjusted Index (2003 = 100)

Capacity Utilization
Seasonally Adjusted - % of Total Capacity



Sources: IBGE/MP and FGV.

Total Industrial Production and Economic Categories

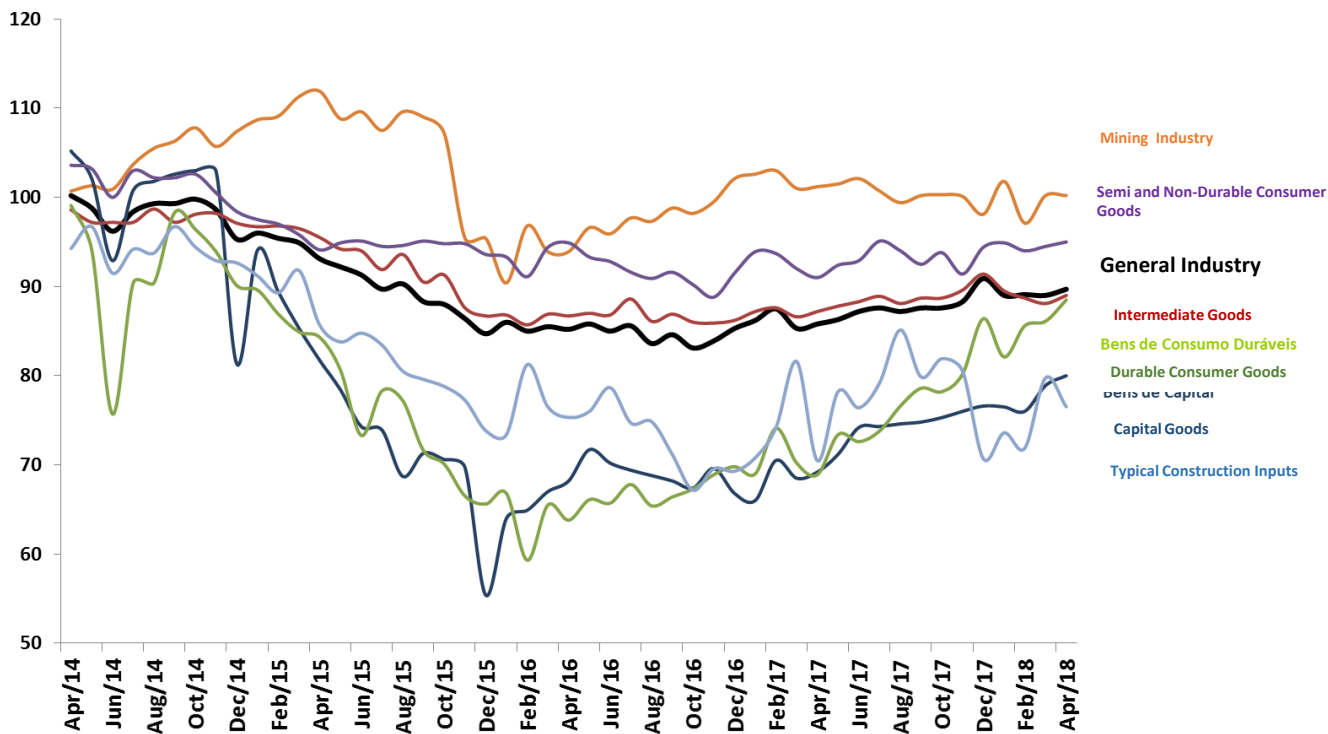


Source: IBGE/MP, Monthly Survey of Industry (PIM).

Note: Carry-over 2018 based on April-2018 compared to 2017 average.

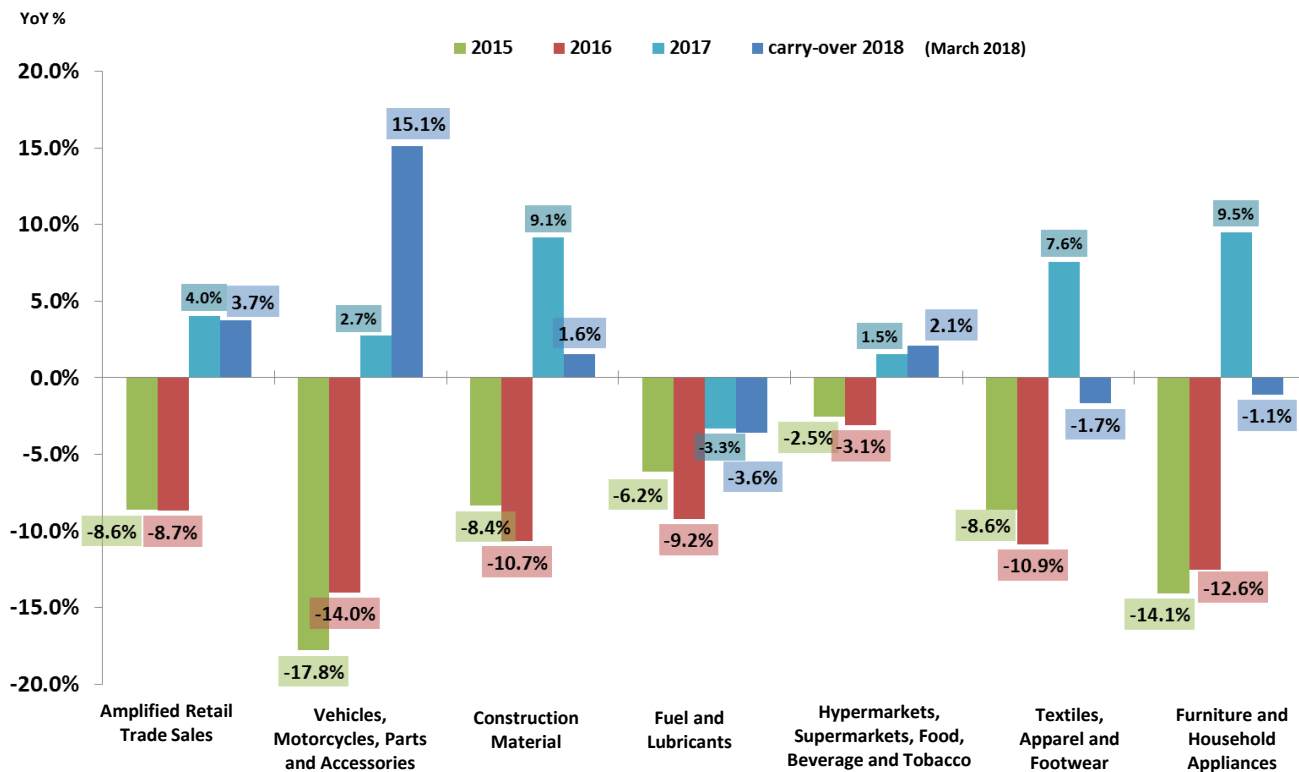
Total Industrial Production and Economic Categories

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



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

Total Retail Sales and Subsectors

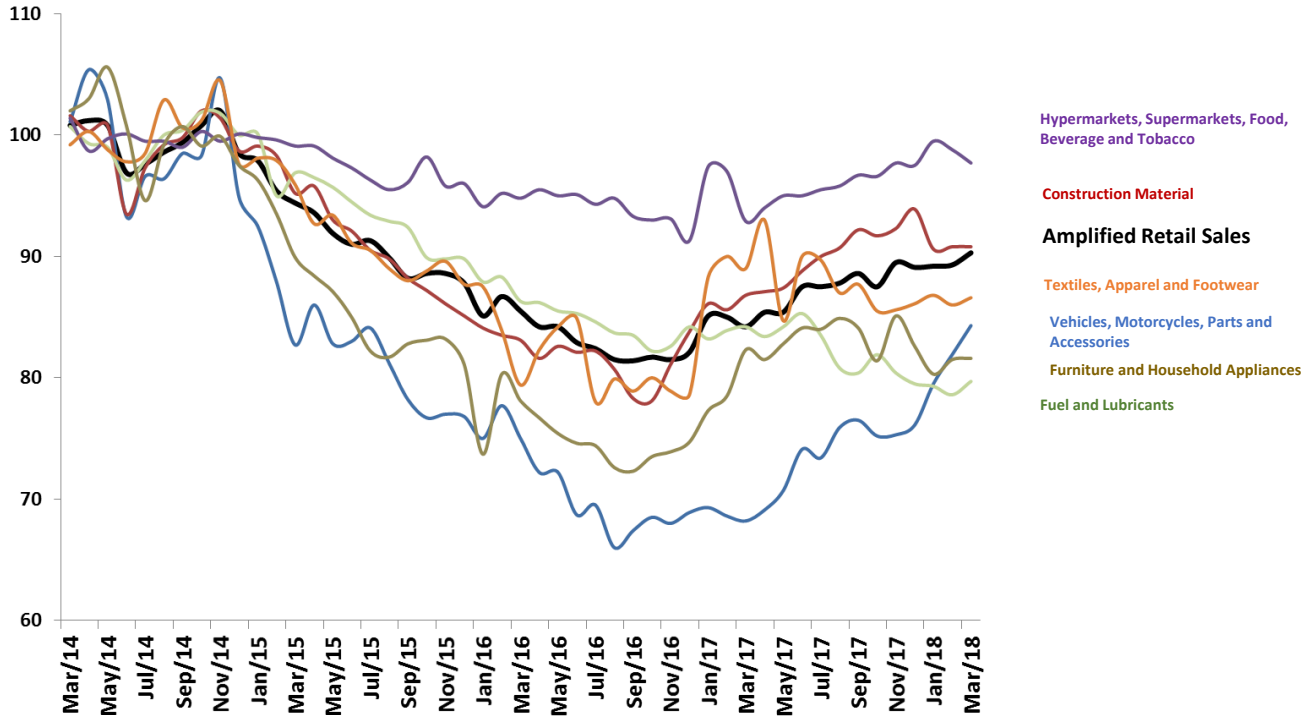


Source: IBGE/MP, Monthly Survey of Trade (PMC).

Note: Carry-over 2017 based on March-2018 compared to 2017 average.

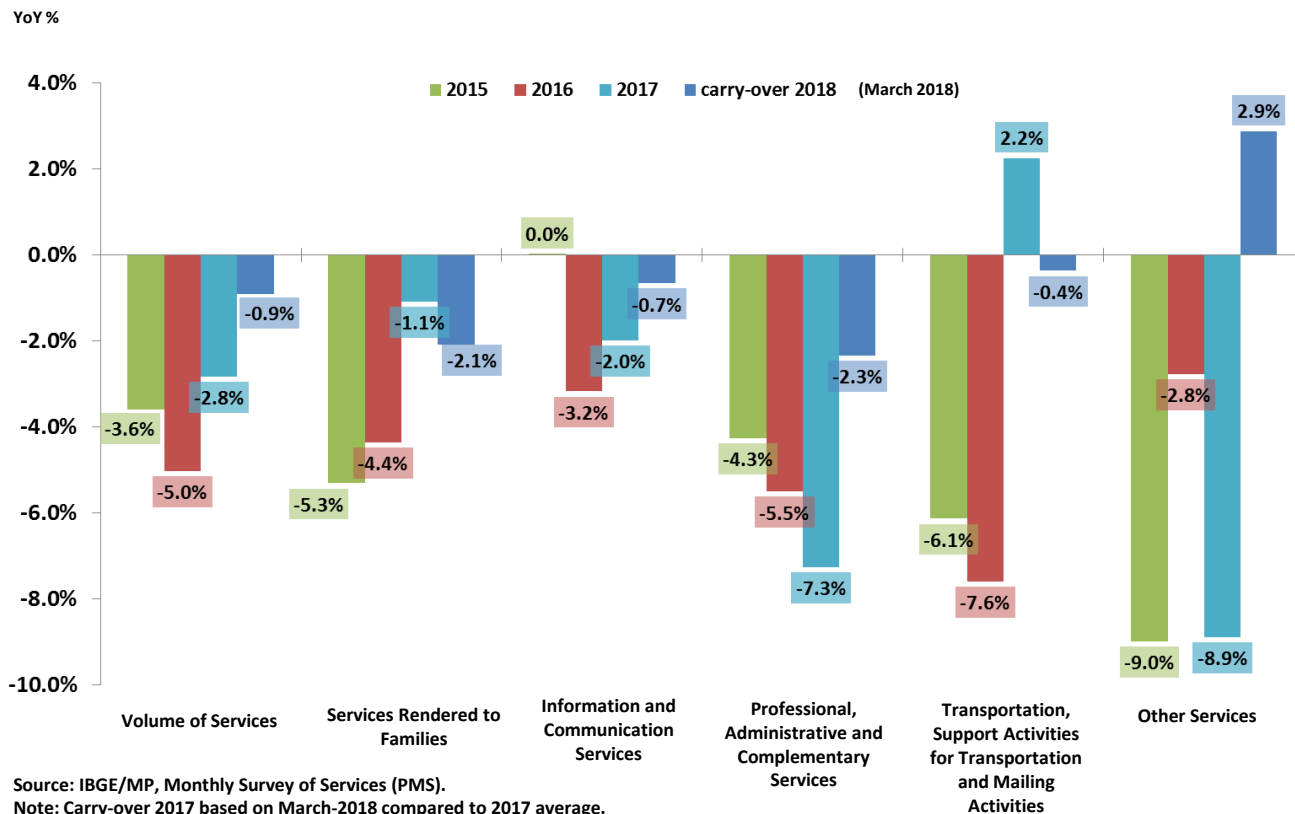
Total Retail Sales and Subsectors

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



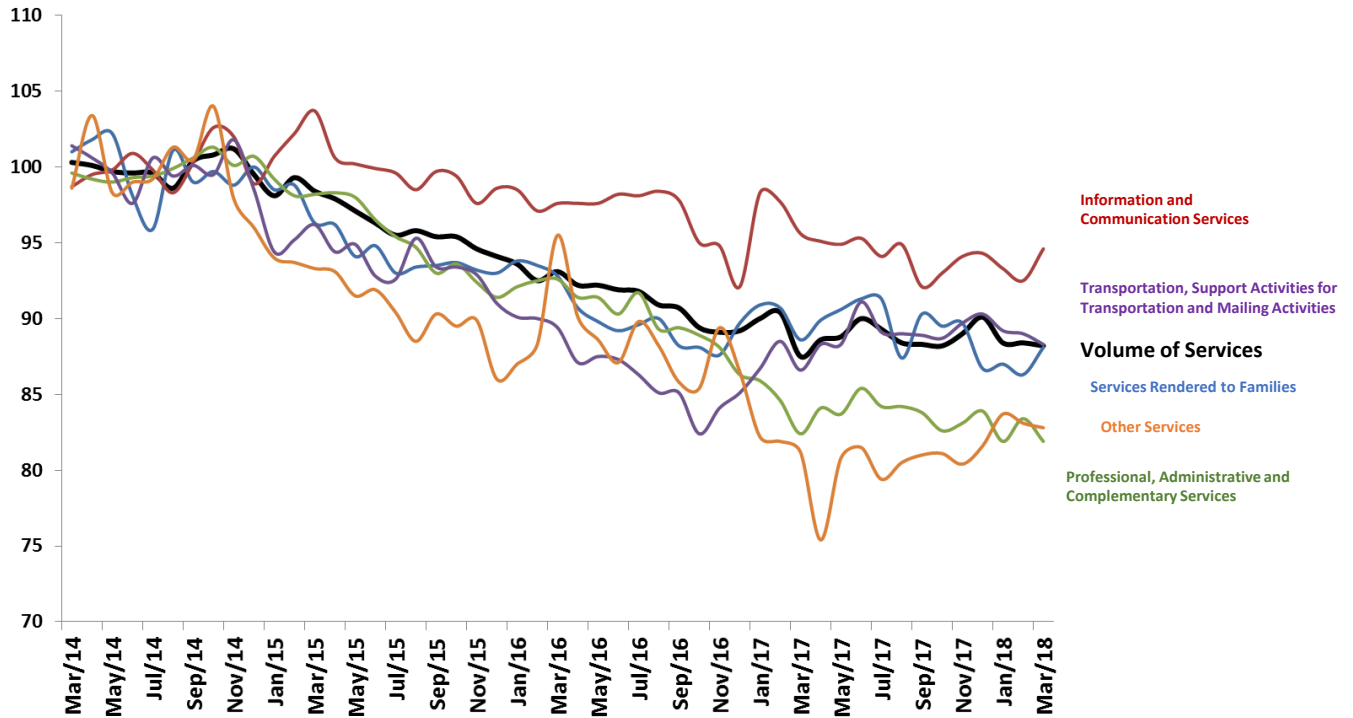
Source: IBGE/MP, Monthly Survey of Trade (PMC).

Volume of Services and Subsectors



Total Services and Subsectors

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

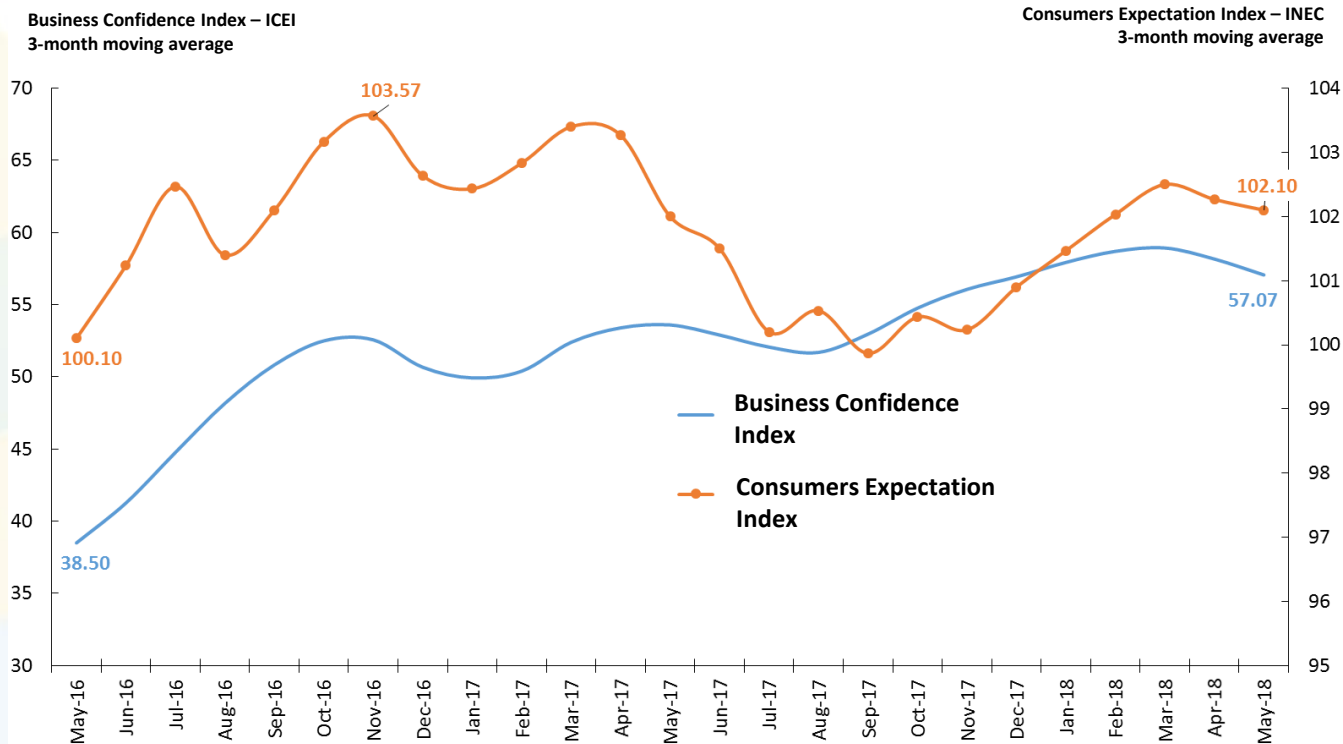


Source: IBGE, Monthly Survey of Services (PMS).

Other Monthly Economic Activity Indicators

	March-18									
	% change	2017	fev/yy- fev/yy	mar/yy- mar/yy	fev/yy - jan/yy (seasonally adjusted)	mar/yy - fev/yy (seasonally adjusted)	Year-To-Date	fev/yy accum. in 12-months	mar/yy accum. in 12-months	carry-over 2018
Supermarket Sector Total Retail Sales (ABRAS)		1.3%	-0.1%	12.1%	-1.7%	6.4%	4.9%	1.5%	2.8%	4.9%
Electric Energy System Supply (ONS)		1.5%	-2.0%	2.3%	-3.4%	4.5%	0.3%	0.7%	0.6%	1.9%
	April-18									
	% change	2017	mar/yy- mar/yy	abr/yy- abr/yy	mar/yy - fev/yy (seasonally adjusted)	abr/yy - mar/yy (seasonally adjusted)	Year-To-Date	mar/yy accum. in 12-months	abr/yy accum. in 12-months	carry-over 2018
Industry Indicators (CNI)										
Real Sales Revenue		1.6%	12.2%	-1.4%	1.5%	6.9%	2.8%	4.6%	4.4%	2.5%
Working Hours in Production		-0.7%	4.4%	-0.9%	2.2%	1.6%	-1.2%	-0.4%	2.1%	0.0%
Capacity Utilization - UCI effective level: 77.9		1.6%	2.1%	0.4%	-0.1%	1.6%	1.0%	1.3%	1.0%	1.1%
Industry Inventories (CNI) - Final Goods - planned x realized effective level: 50.4		0.6%	0.0%	1.3%	-0.1%	-0.4%	0.7%	0.5%	0.7%	0.8%
Total Vehicles Production (ANFAVEA)		25.1%	24.4%	20.4%	-7.9%	6.6%	18.7%	24.4%	24.1%	12.9%
Car Production		27.2%	19.3%	17.9%	-9.6%	9.4%	15.2%	24.9%	24.3%	11.4%
Commercial Vehicles Production		38.6%	83.0%	32.1%	-4.1%	4.5%	51.5%	53.5%	53.5%	26.1%
Total Vehicles Exports (ANFAVEA)		50.4%	6.7%	2.5%	-8.2%	11.8%	5.3%	34.2%	28.0%	12.7%
Total Vehicles Sales/Licensing (FENABRAVE)		10.3%	20.1%	18.7%	-6.2%	1.1%	19.3%	16.1%	17.1%	12.8%
Domestic Vehicles Sales/Licensing		13.4%	19.1%	17.2%	-6.5%	1.0%	18.2%	17.9%	18.5%	11.8%
Imported Vehicles Sales/Licensing		-9.9%	28.0%	31.1%	-4.9%	4.5%	28.2%	3.9%	7.2%	24.7%
Natural Gas and Oil Production (ANP)		4.4%	0.7%	2.4%	1.3%	0.3%	-0.4%	1.1%	0.4%	1.4%
Electric Energy Consumption - Total (EPE)		0.8%	-1.1%	3.6%	0.1%	0.8%	1.2%	0.5%	1.1%	1.4%
Industry Consumption (EPE)		1.2%	0.8%	3.8%	-1.2%	1.5%	3.1%	1.6%	1.8%	2.3%
Corrugated Fiberboard Sales (ABPO)		4.9%	2.0%	8.9%	-0.3%	-0.6%	4.9%	4.5%	5.6%	1.8%
Heavy Vehicles Road Traffic (ABCR)		1.1%	1.0%	10.4%	1.5%	-0.1%	4.8%	2.5%	4.0%	2.6%
	May-18									
	% change	2017	abr/yy- abr/yy	mai/yy- mai/yy	abr/yy - mar/yy (seasonally adjusted)	mai/yy - abr/yy (seasonally adjusted)	Year-To-Date	abr/yy accum. in 12-months	mai/yy accum. in 12-months	carry-over 2018
Business Confidence - ICEI (CNI) effective level: 55.5		19.7%	6.8%	3.4%	-2.3%	-3.2%	9.5%	11.1%	9.2%	6.5%
Consumer Expectations - INEC (CNI) effective level: 102.2		0.3%	-1.2%	1.6%	-0.7%	0.6%	-0.4%	-1.7%	-1.2%	1.1%
Sao Paulo Industry Confidence - ICEI-SP (FIESP) effective level: 54.1		26.1%	7.7%	1.5%	-2.2%	-5.6%	10.0%	13.8%	11.3%	5.3%
Industry Capacity Utilization - NUCI (FGV) effective level: 75.9		0.7%	2.9%	2.6%	0.5%	0.0%	2.0%	1.1%	1.2%	2.5%
Industry Confidence (FGV) effective level: 101.3		12.5%	9.7%	10.2%	-0.7%	0.1%	12.1%	11.3%	10.9%	9.2%
Consumer Confidence (FGV) effective level: 86.9		13.1%	7.7%	5.3%	-2.8%	-2.8%	8.2%	9.3%	8.2%	5.2%
Services Confidence (FGV) effective level: 88.7		14.6%	7.0%	5.6%	-0.2%	-2.6%	10.2%	12.2%	11.1%	6.2%
Construction Confidence (FGV) effective level: 82.9		8.5%	7.7%	11.1%	-0.1%	0.5%	9.5%	7.9%	8.2%	8.0%
Retail Confidence (FGV) effective level: 92.2		15.2%	9.2%	5.3%	-0.1%	-4.2%	11.9%	13.4%	12.2%	7.6%

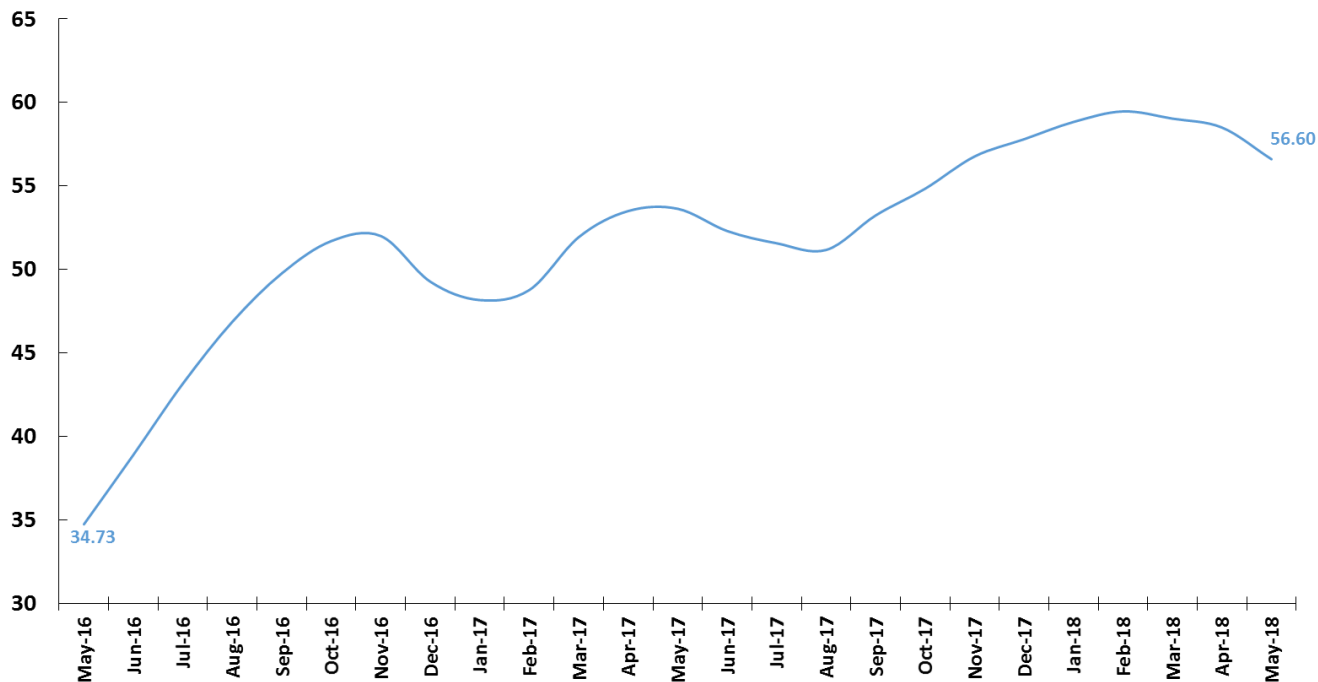
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

FIESP: Industry Confidence Index

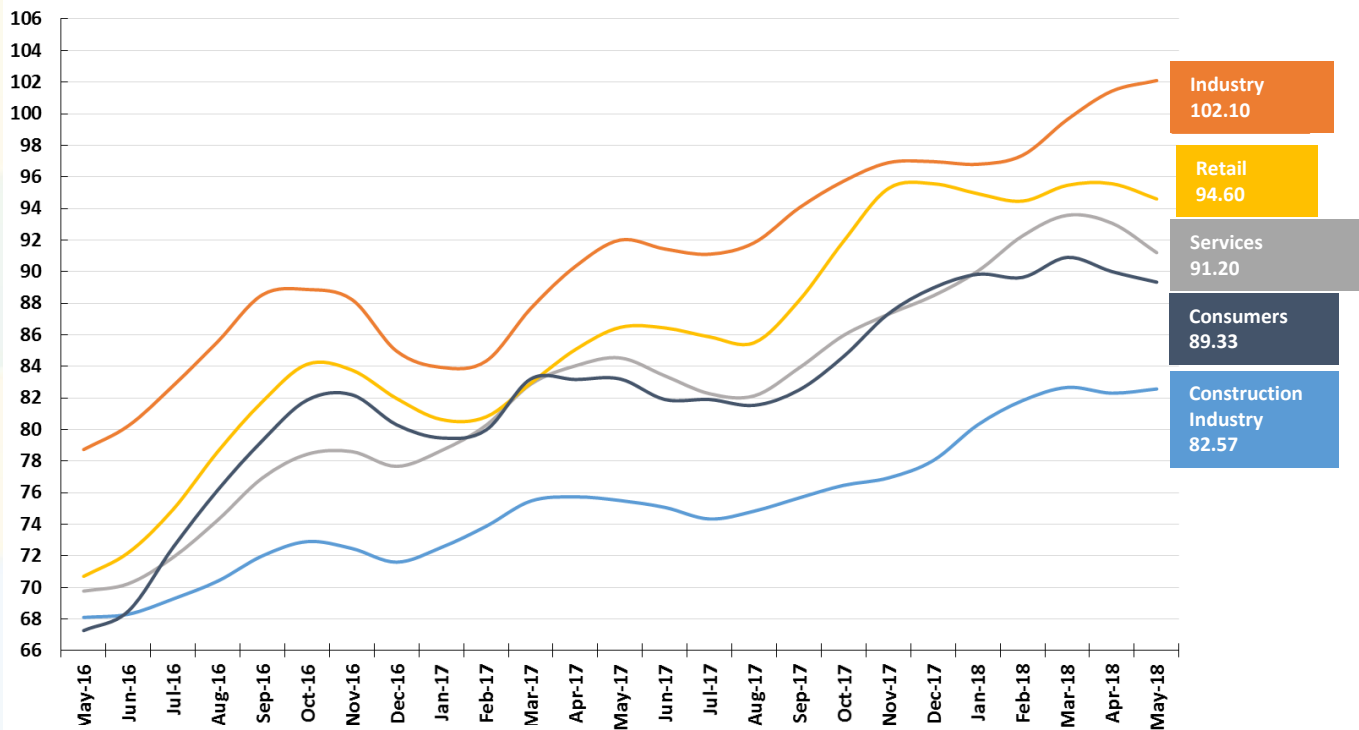
Sao Paulo Industry Confidence - ICEI-SP
3-month moving average



Source: FIESP.

FGV: Economic Confidence Indicators

Economic Confidence Indicators
3-month moving average

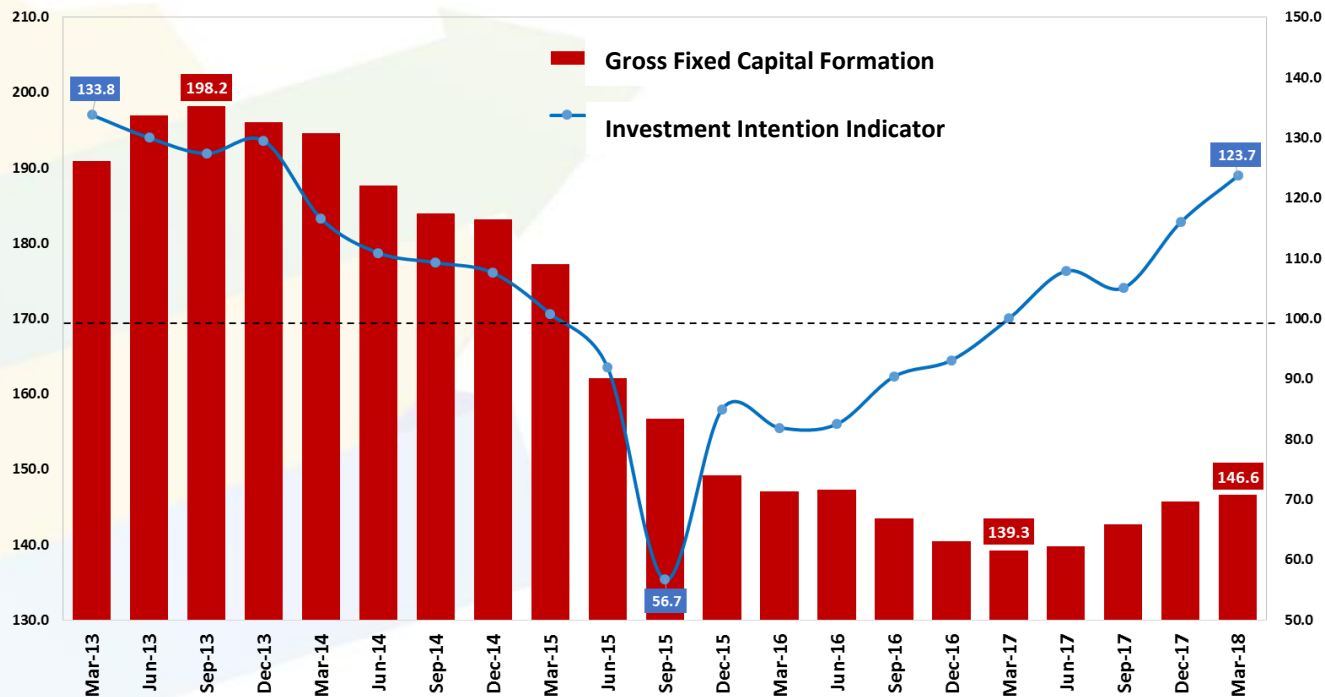


Source: IBRE/FGV.

Gross Fixed Capital Formation and Investment Intention

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

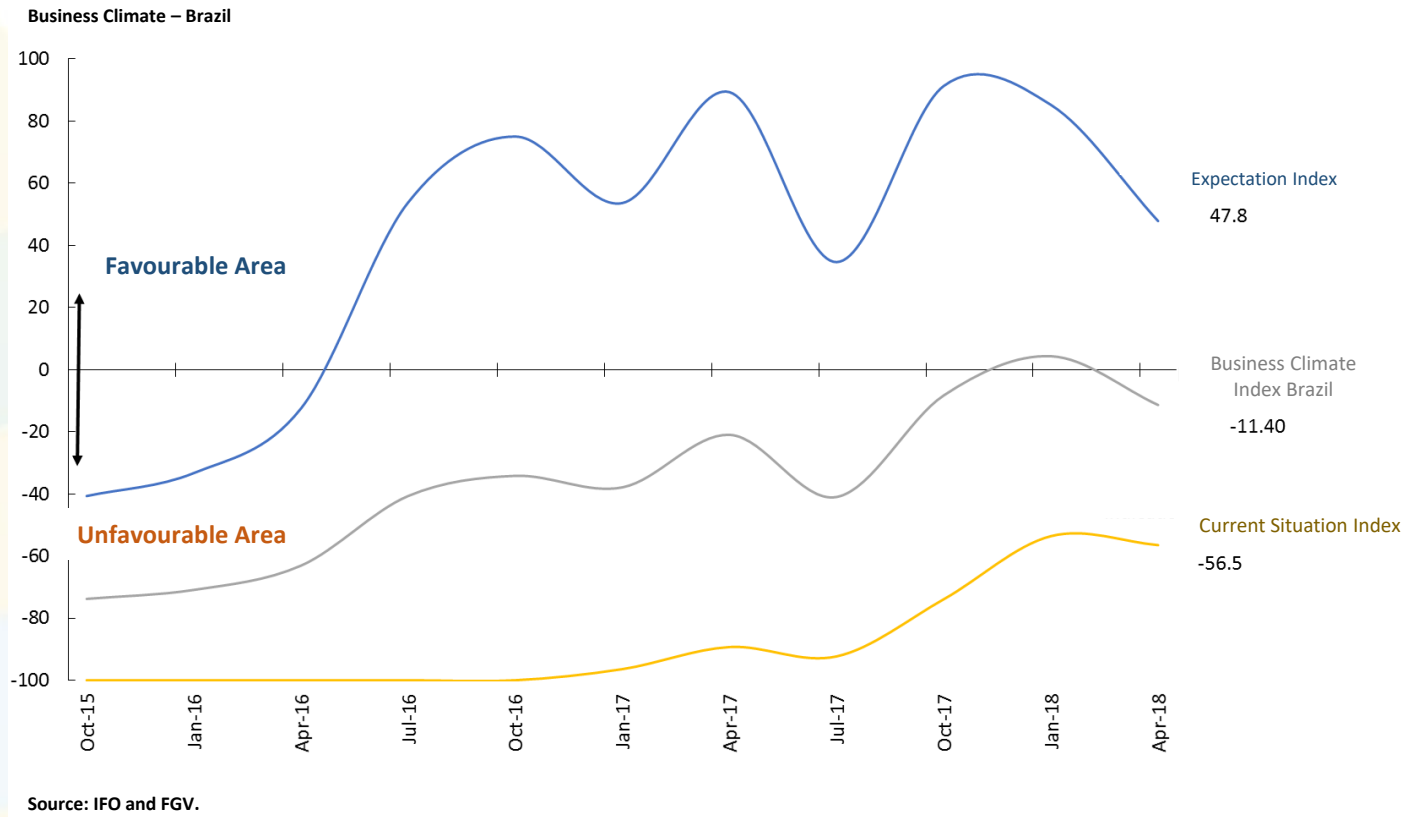
Investment Intention Indicator*
IBRE/FGV Investments Survey



Source: IBGE/MP e IBRE/FGV.

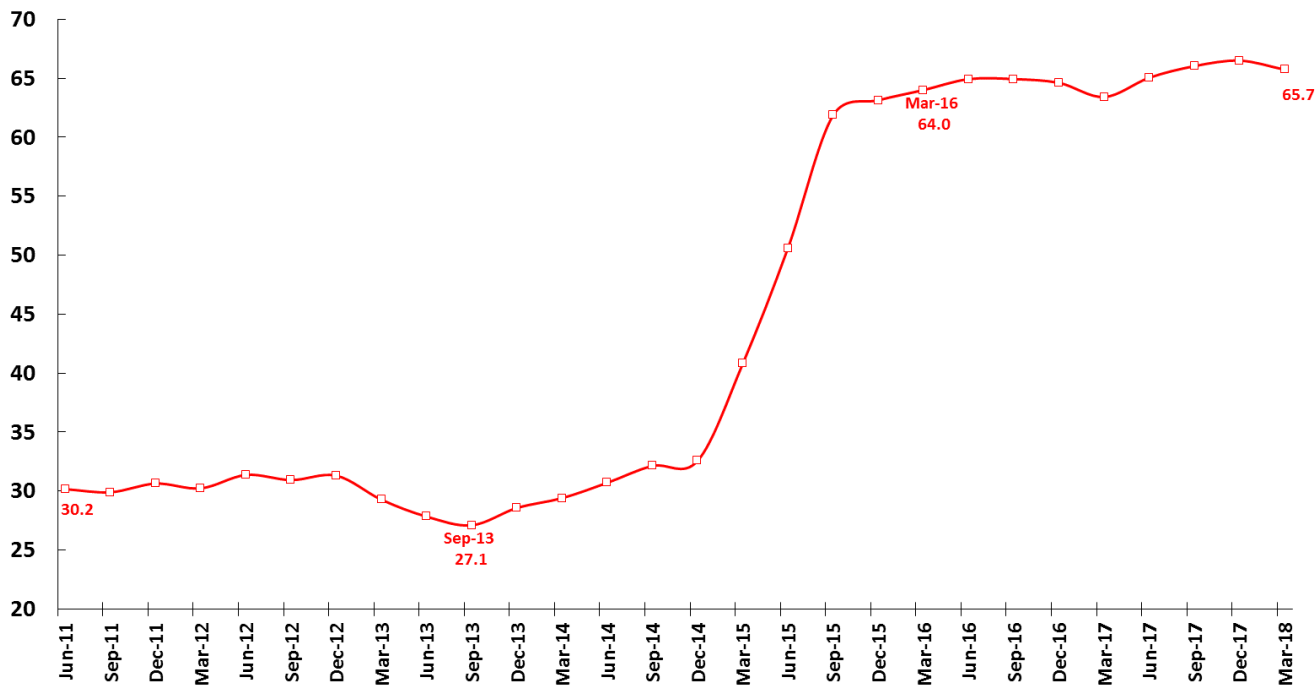
*Note: Measures the difference between positive and negative answers, plus 100.

IFO / FGV: Business Climate Index - Brazil



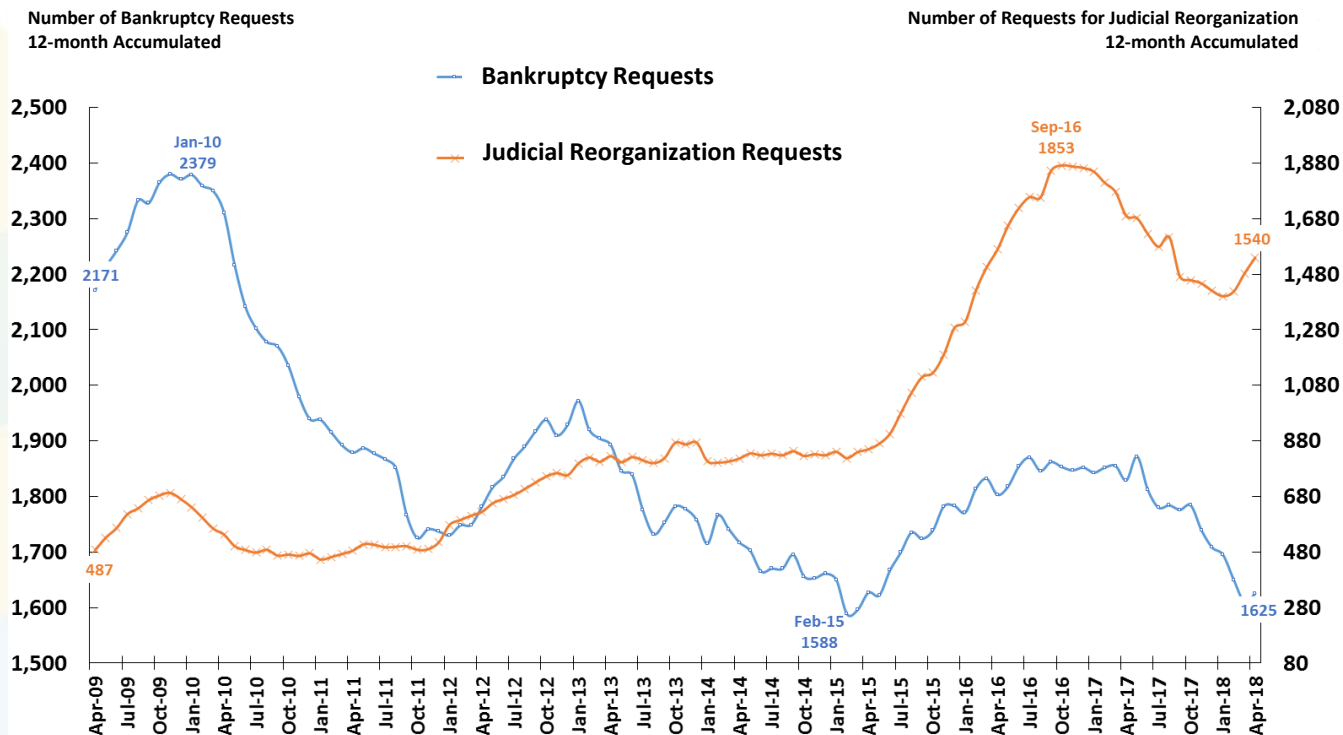
CNI: Fear of Unemployment Index

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



Source: CNI.

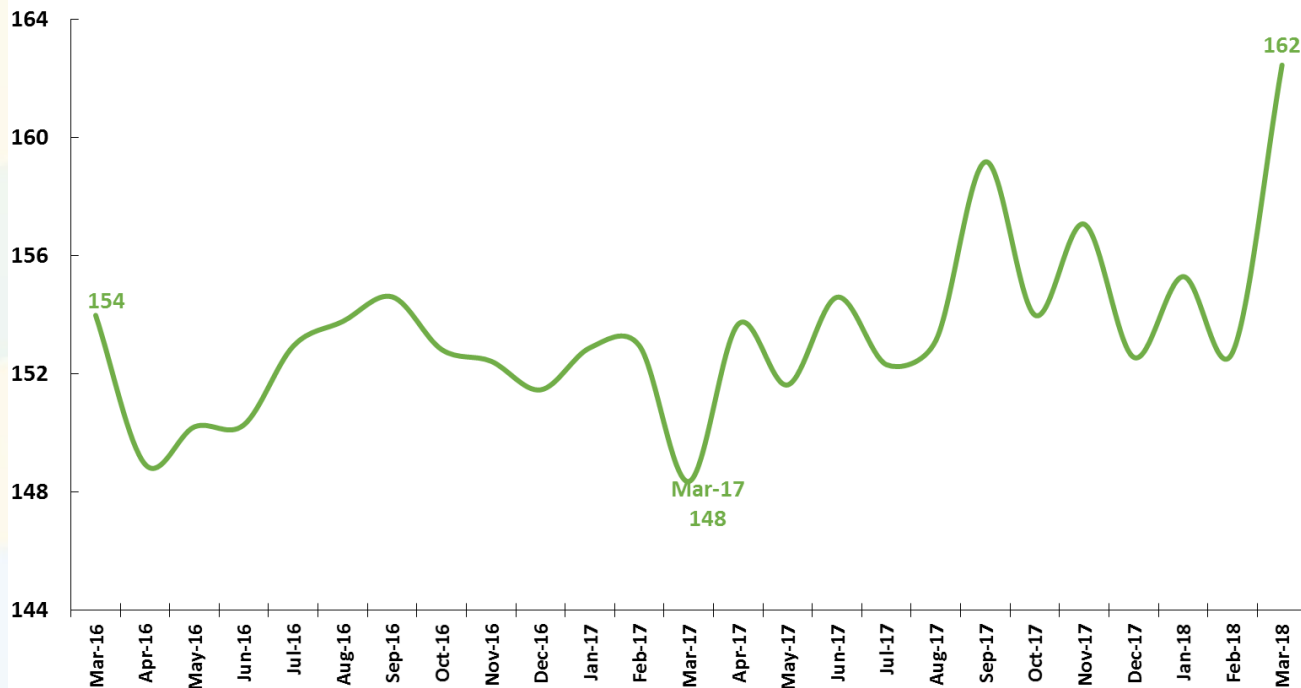
Bankruptcy and Judicial Reorganization Requests



Source: Serasa-Experian.

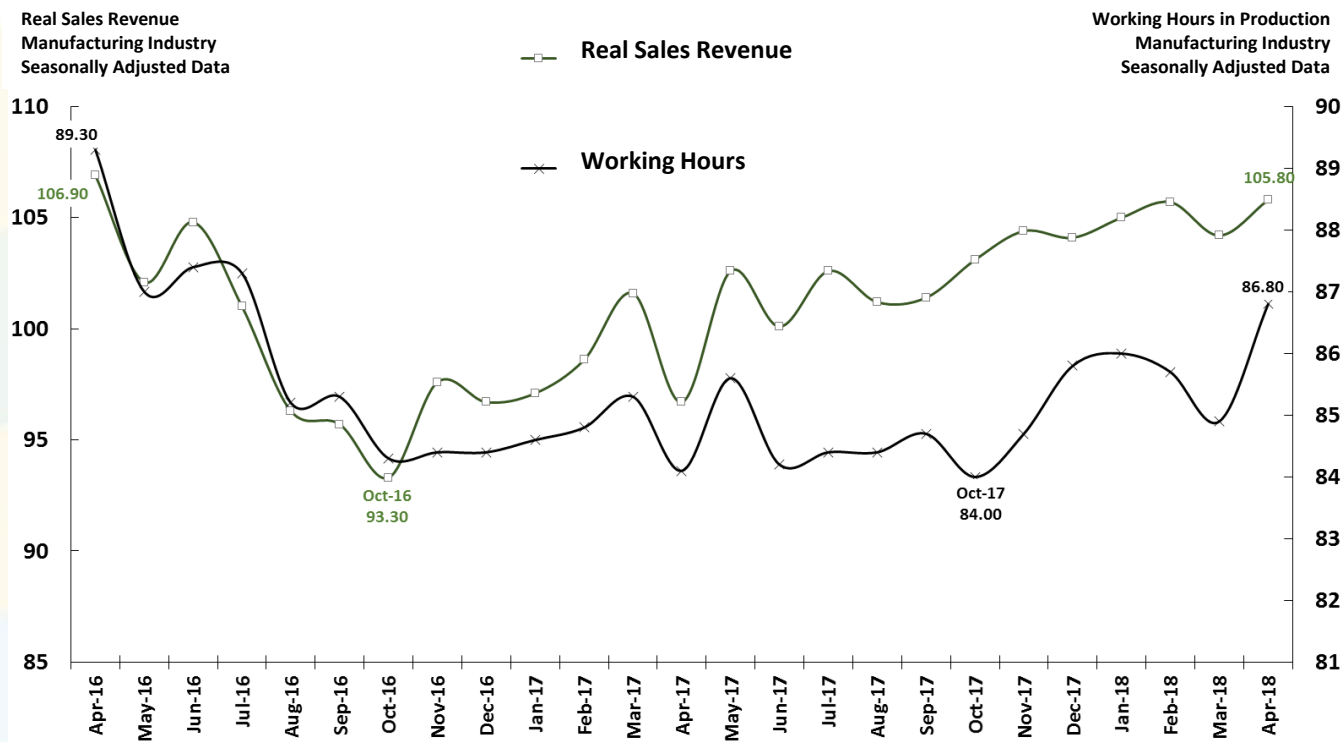
ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales
Seasonally Adjusted Data*



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

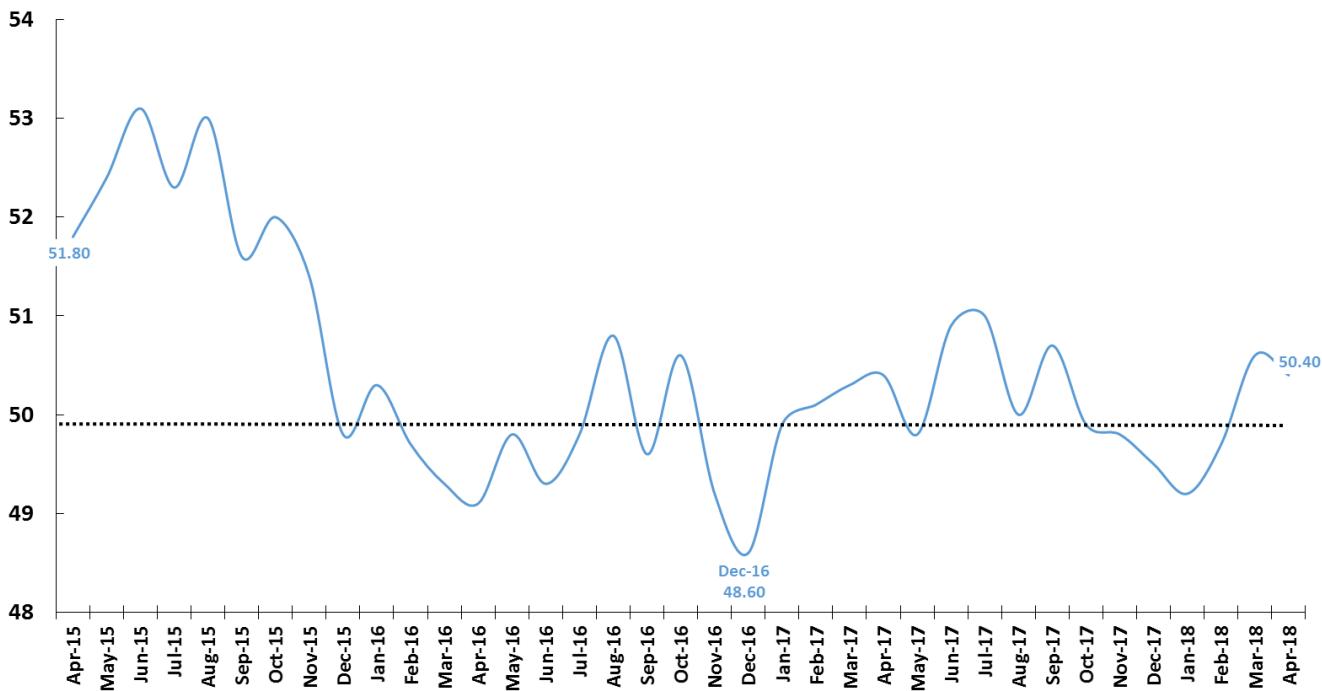
CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

CNI: Industry Inventory

General Industry Inventories Level
Final Goods - planned x effective

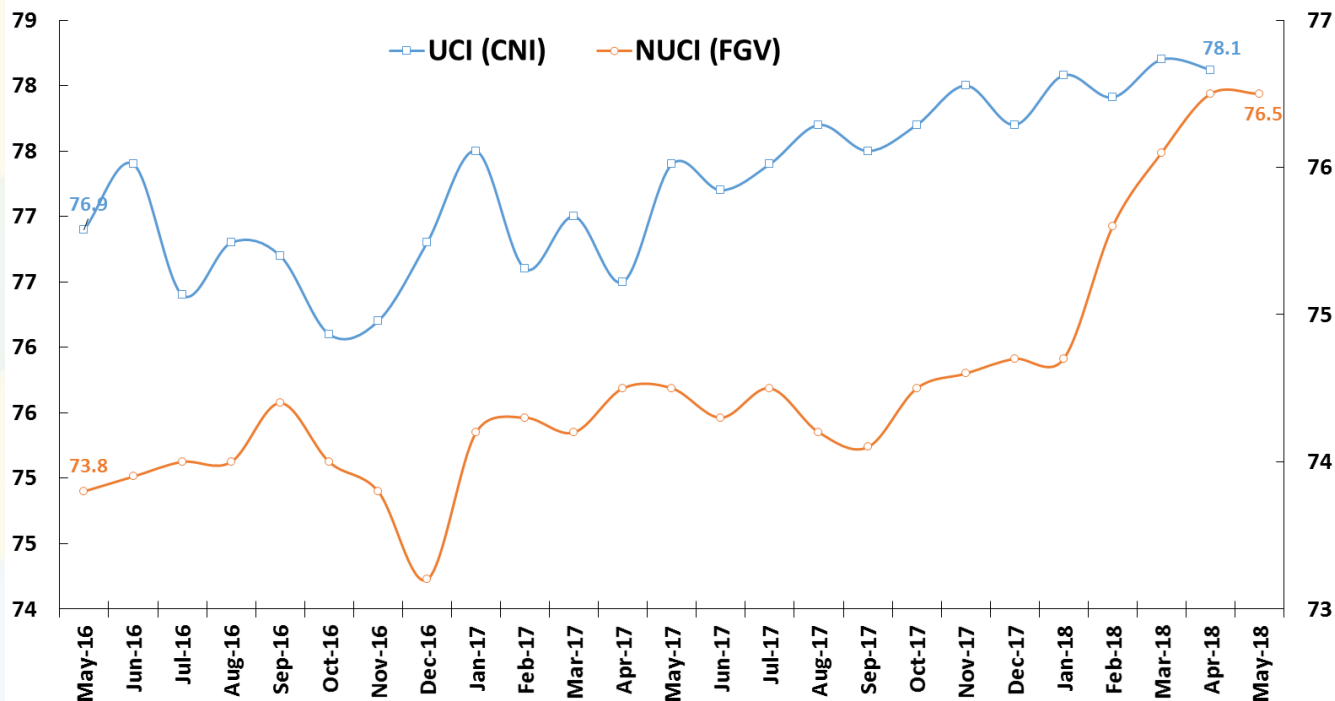


Source: CNI.

Capacity Utilization Rate

Capacity Utilization Rate - UCI (CNI)
Seasonally Adjusted Data

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

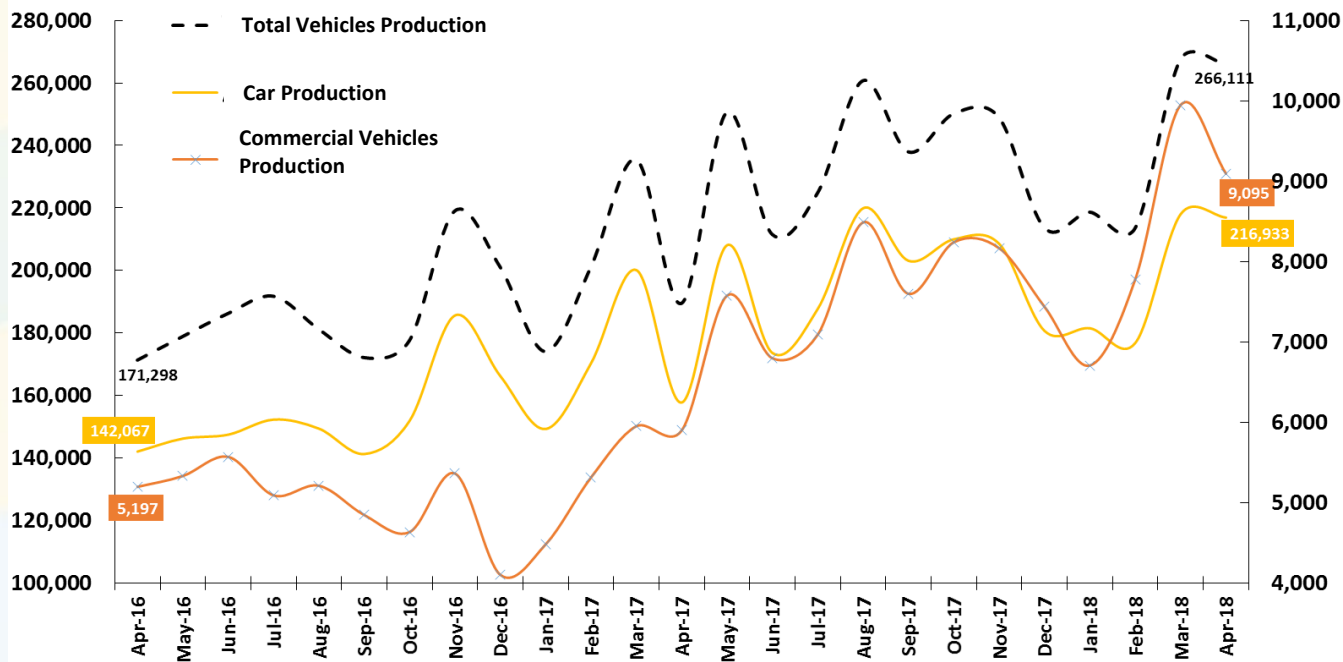


Source: CNI and FGV.

Anfavea: Automotive Sector Production

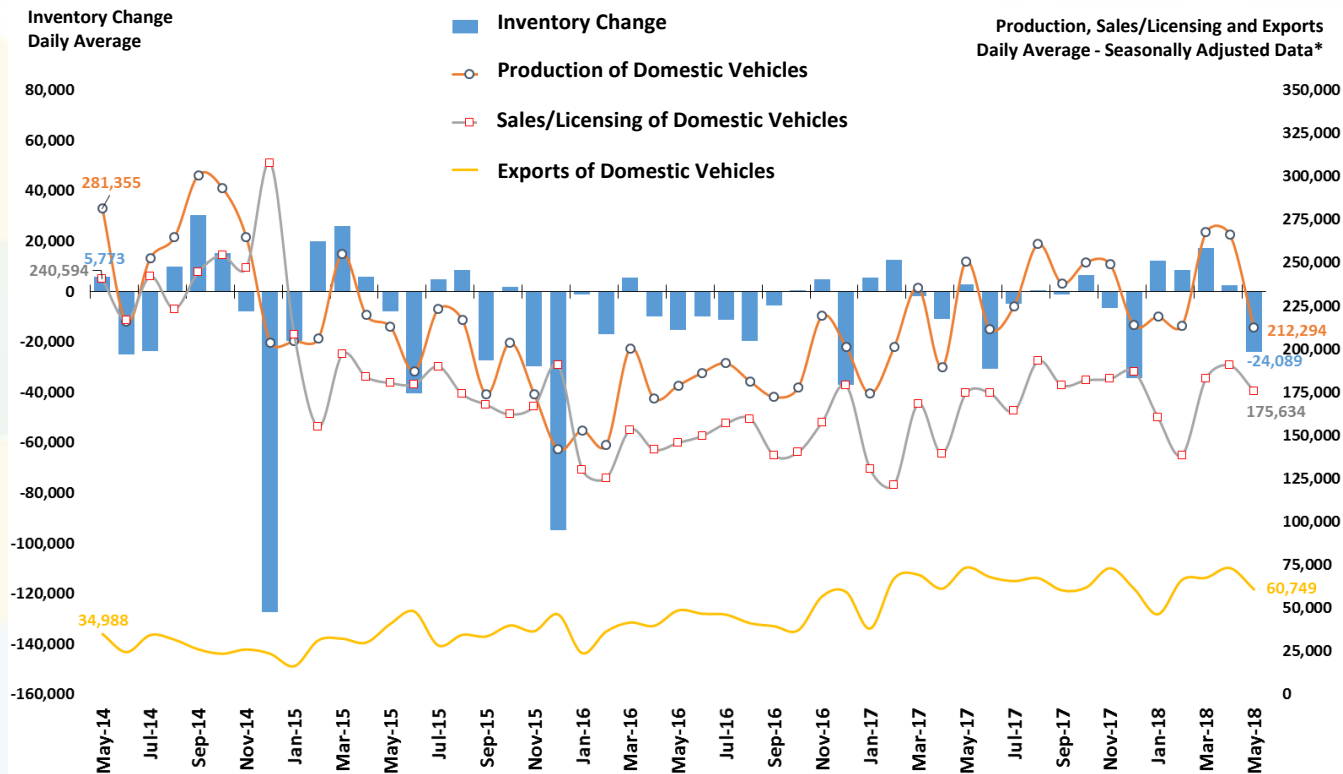
Total Vehicles and Car Production
Daily Average of Vehicles Monthly Manufactured
Seasonally Adjusted Data*

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



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

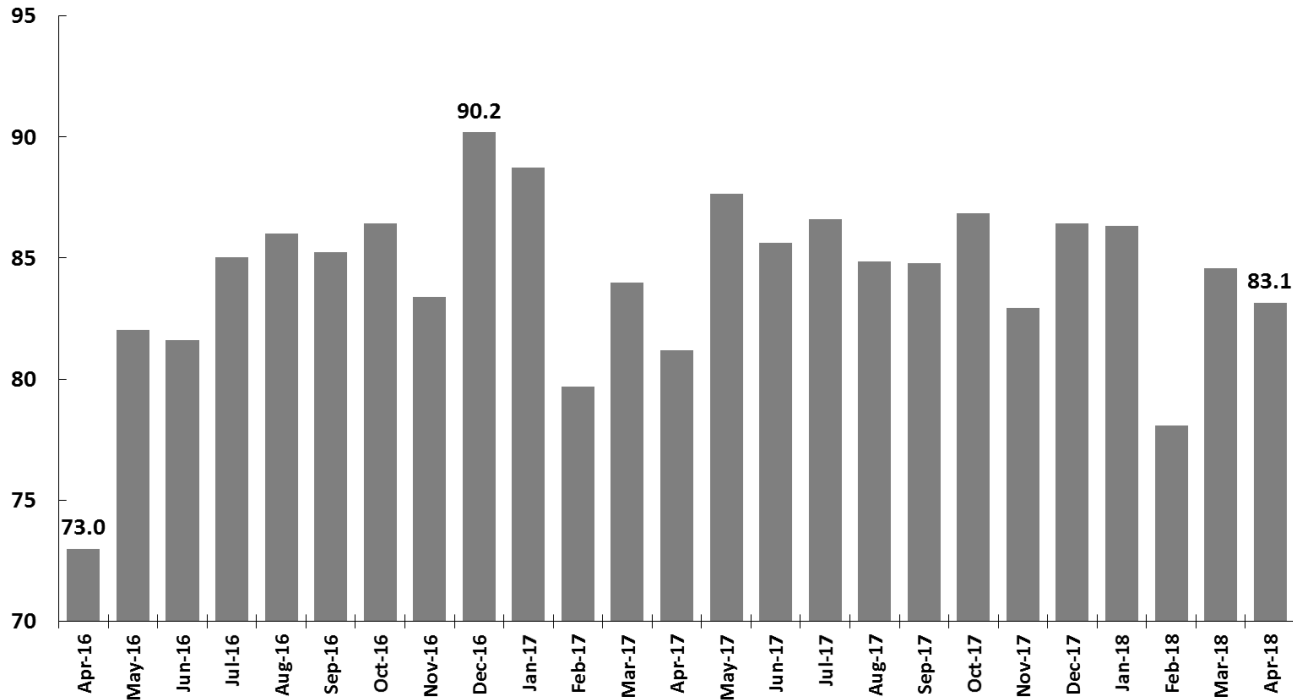
Automotive Sector Production, Sales and Inventory Change



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

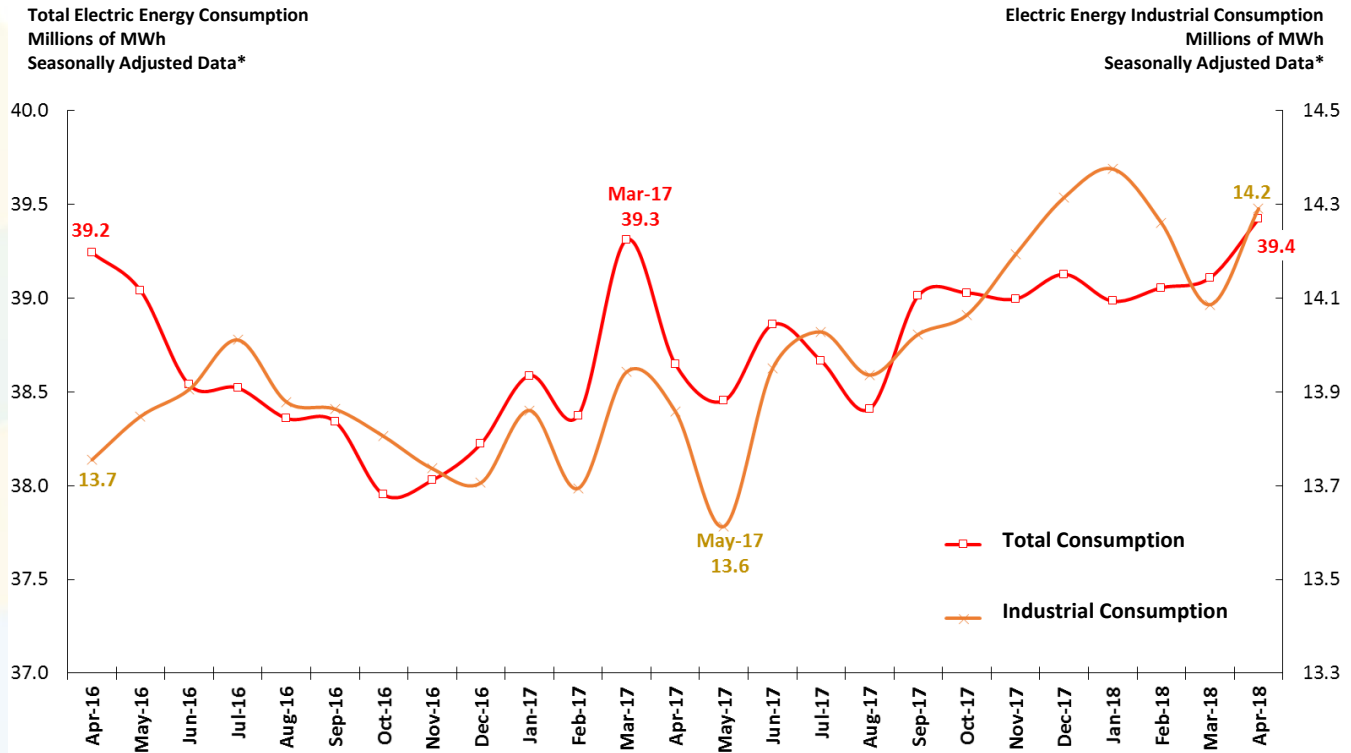
ANP: Natural Gas and Oil Production

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



Source: ANP.

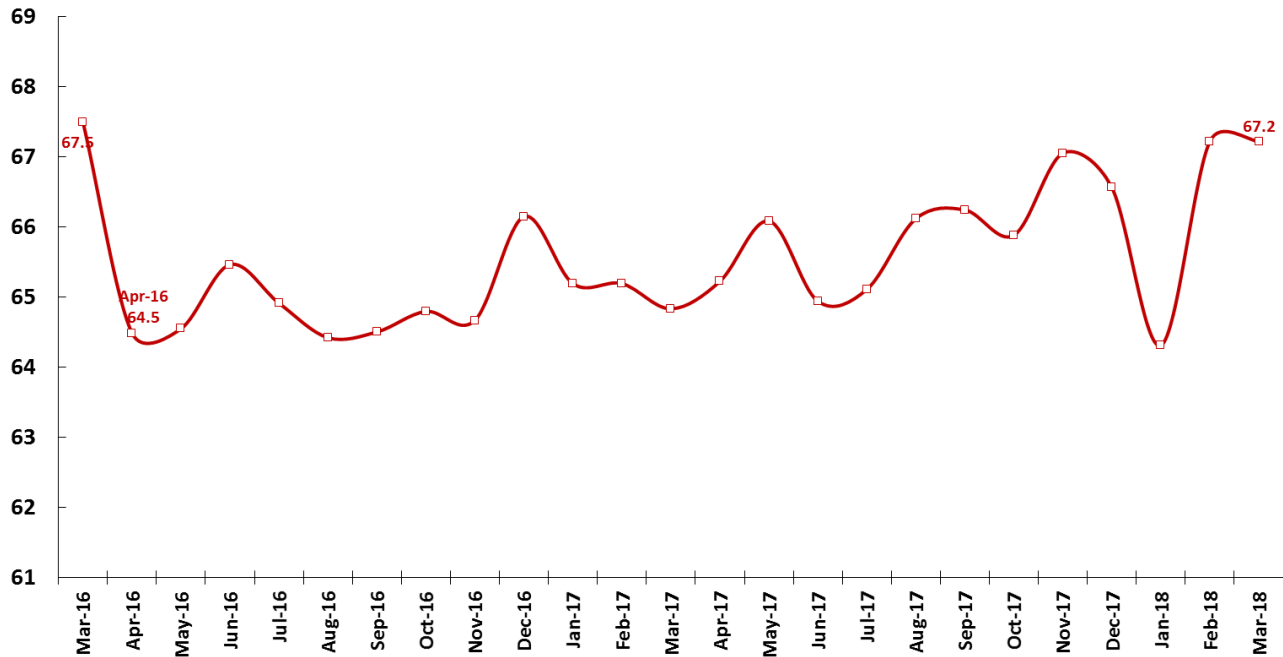
ANEEL: Electrical Energy Consumption



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

ONS: Electric Energy System Supply

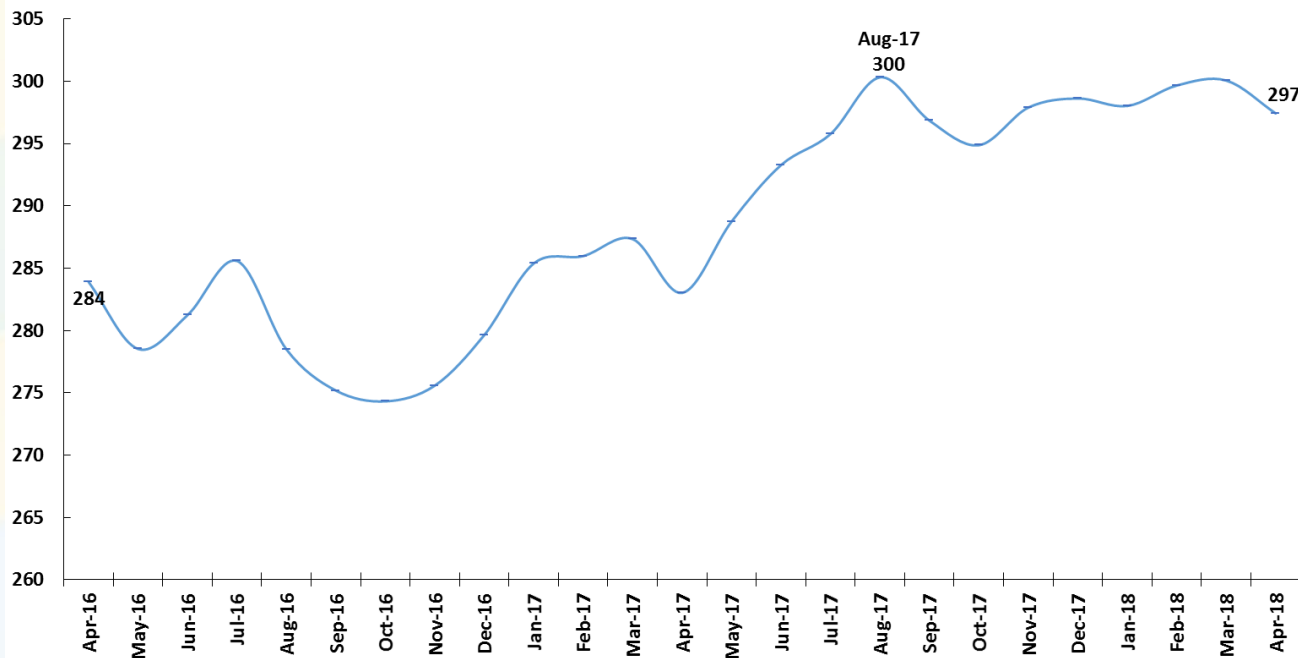
Electric Energy System Supply
Millions of MWh
Seasonally Adjusted Data*



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

ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



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

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

Index: 1999=100

Seasonally Adjusted Data



Source: ABCR.

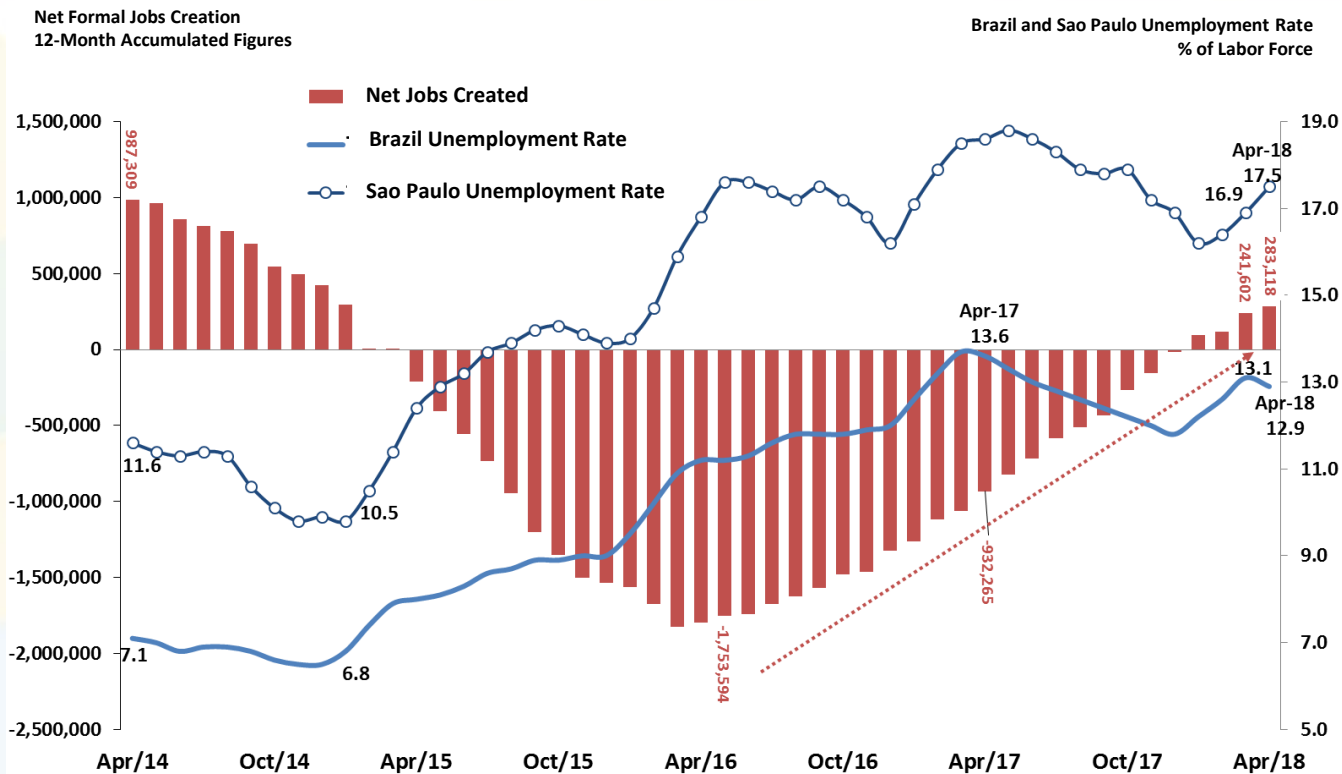


LABOR MARKET

Labor Market

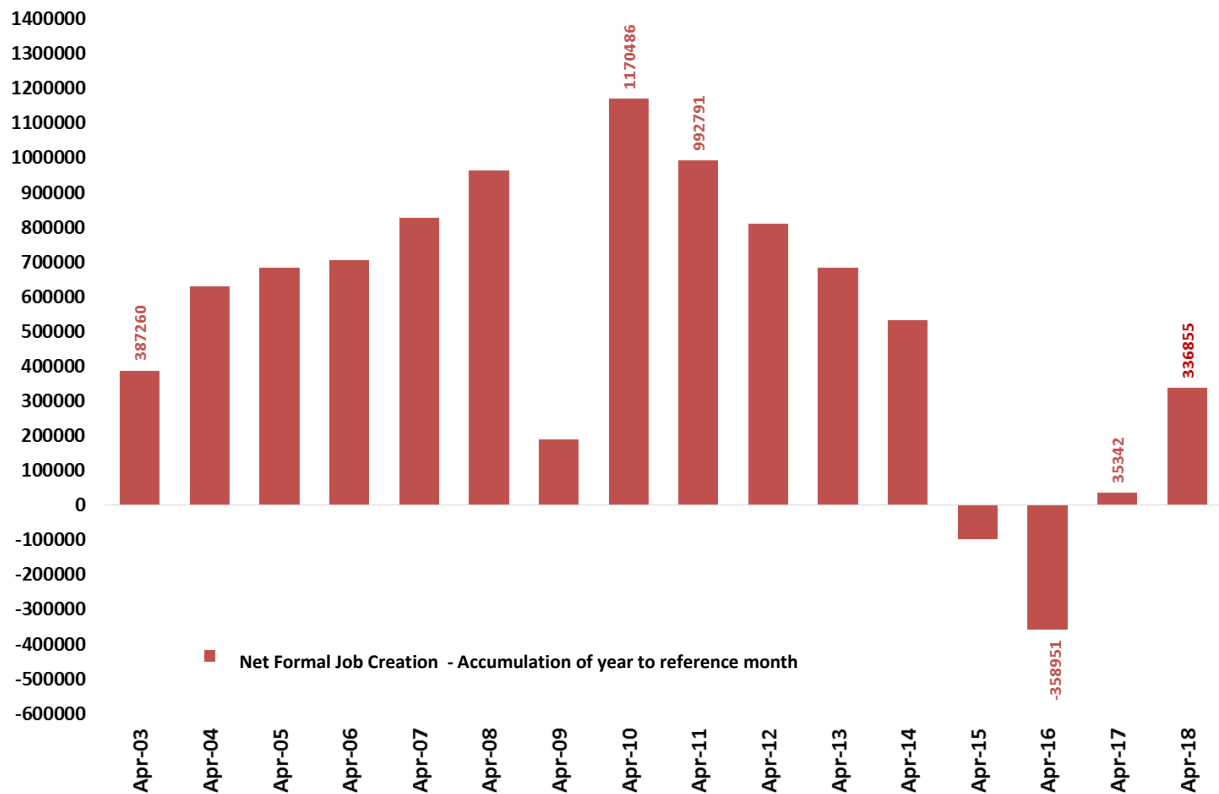
Employment Indicators	April-18	2016 average	2017 average	abr/yy (12-months moving average)	Apr-18	chg.% 2017 / 2016	chg.% mar/yy- mar/yy	chg.% abr/yy- abr/yy	chg.% YTD 2018 / YTD 2017	chg.% abr/yy - 2017 average
Brasil (PNADC, IBGE)										
Unemployment Rate % Labor Force		11.3	12.8	12.6	12.9	1.5 pp	-0.6 pp	-0.7 pp	-0.6 pp	0.1 pp
Unemployed Population (in thousands)		166,189	168,210	168,766	169,321	1.2%	1.0%	1.0%	1.0%	0.7%
Employed Population (in thousands)		102,033	103,743	104,155	104,146	1.7%	1.1%	0.8%	1.2%	0.4%
Labor Force (in thousands)		90,539	90,495	91,056	90,733	0.0%	1.8%	1.7%	1.9%	0.3%
Working Age Population (in thousands)		11,494	13,248	13,099	13,413	15.3%	-3.4%	-4.5%	-3.3%	1.2%
São Paulo Unemployment Rate % (RMSP, PED-Seade)		16.6	18.0	17.6	17.5	1.4 pp	-1.6 pp	-1.1 pp	-1.3 pp	-0.5 pp
Average Real Earnings (PNADC, IBGE)	April-18			abr/yy (12-months moving average)	Apr-18	chg.% 2017 / 2016	chg.% mar/yy- mar/yy	chg.% abr/yy- abr/yy	chg.% YTD 2018 / YTD 2017	chg.% abr/yy - 2017 average
real values (in R\$ of last month)										
Employed Population		2,113	2,162	2,170	2,182	2.3%	0.0%	0.8%	1.0%	0.9%
Formal Contract		2,034	2,075	2,089	2,090	2.0%	0.6%	1.3%	2.0%	0.7%
Informal Contract		1,241	1,248	1,238	1,258	0.6%	-4.1%	0.2%	-2.4%	0.8%
Self-employed		1,595	1,578	1,582	1,587	-1.0%	0.1%	0.1%	0.7%	0.6%
Public Sector		3,320	3,377	3,391	3,477	1.7%	1.5%	2.9%	1.2%	3.0%
Real Wage Bill (in R\$ millions of last months)		186,503	190,735	192,565	193,013	2.3%	1.8%	2.5%	2.9%	1.2%
Percentage of the Minimum Wage to Purchase the Basic Food Basket (Dieese)		46.3%	44.2%	43.7%	43.2%	1.0 pp	0.0 pp	0.0 pp	0.7%	-3.2%
Formal Jobs (CAGED, MTE)	April-18			mar/yy accum. in 12- months	abr/yy accum. in 12-months	Year-To- Date	Apr-18	chg.% 2017 / 2016	chg.% abr/yy accum. 12-m / 2017	chg.% YTD 2018 / YTD 2017
Million people		2016	2017							
Net Formal Jobs Creation		-1,326.6	-18.4	241.6	283.1	336.9	115.9	-98.6%	-1639.1%	953.1%
Job Openings		14,847	14,738	14,858	14,952	5,332.54	1,305.23	-0.7%	1.5%	104.2%
Job Separations		16,174	14,756	14,617	14,669	4,995.69	1,189.33	-8.8%	-0.6%	98.3%

Unemployment Rate and Net Formal Job Creation



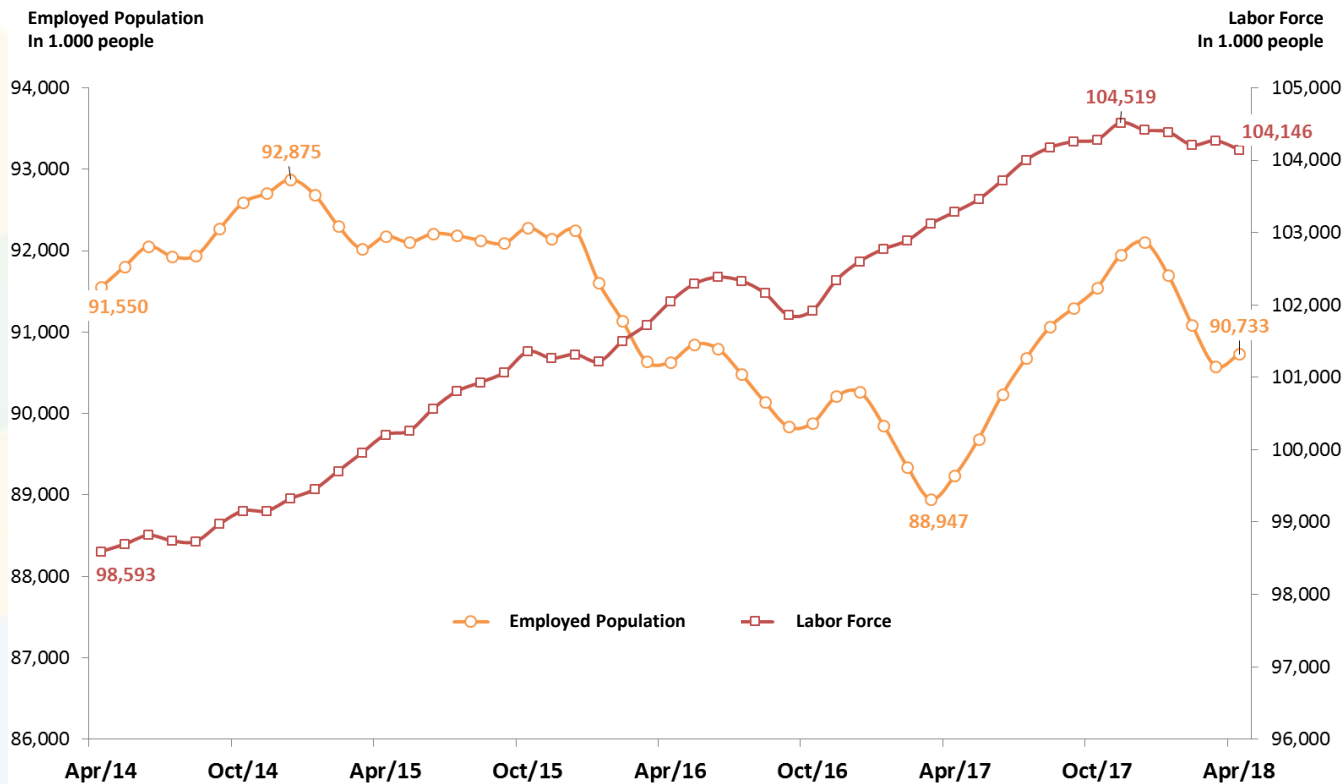
Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Net Formal Job Creation – Total Accumulation of Year



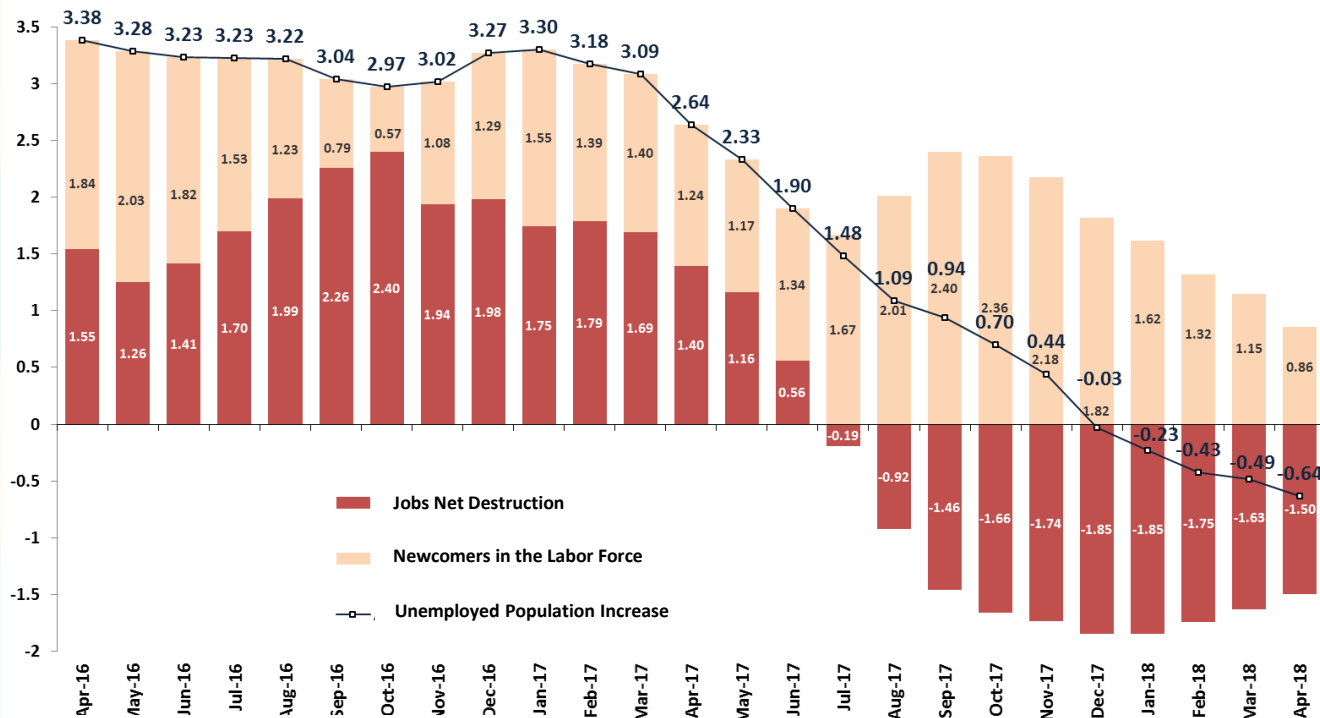
Source: MTE-CAGED (adjusted data).

Employed Population and Labor Force Evolution



12-Month Total Unemployment Increase Decomposition

In million people

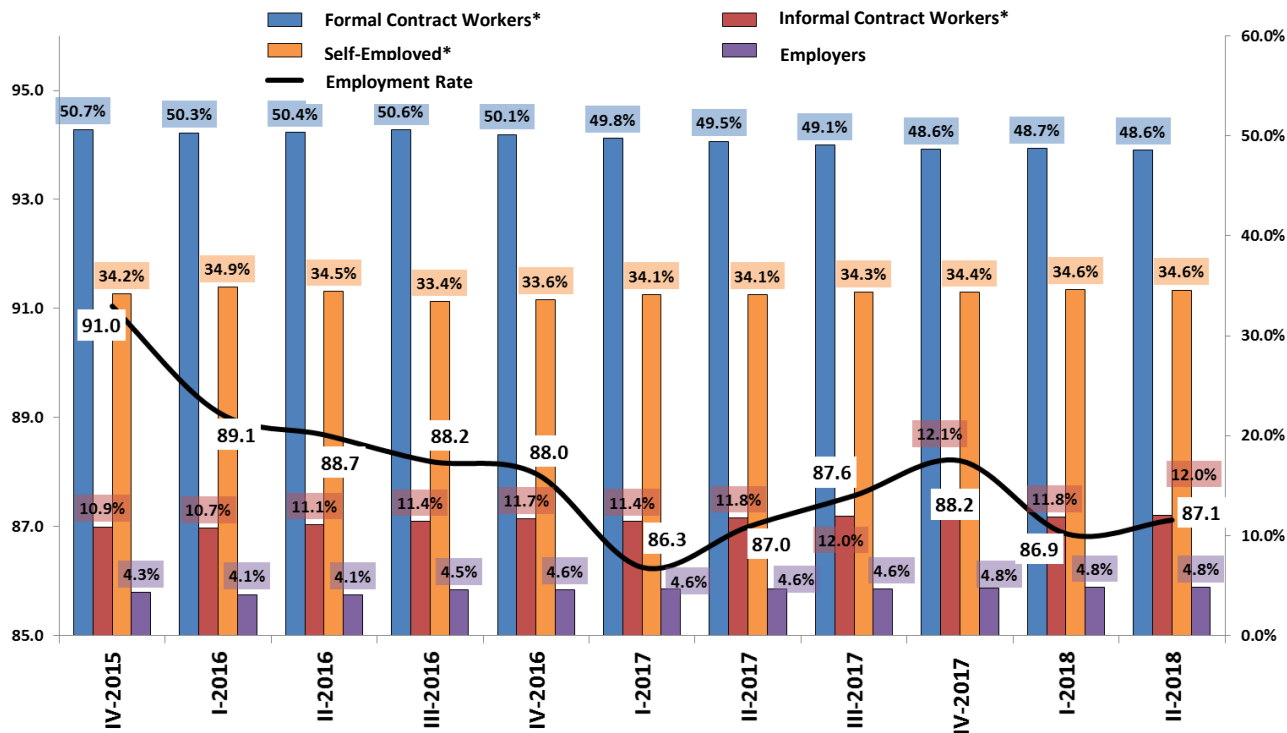


Source: IBGE/MP -- PNADC.

Labor Market Evolution by Employment Type

Employment Rate
(Employed Population / Labor Force)

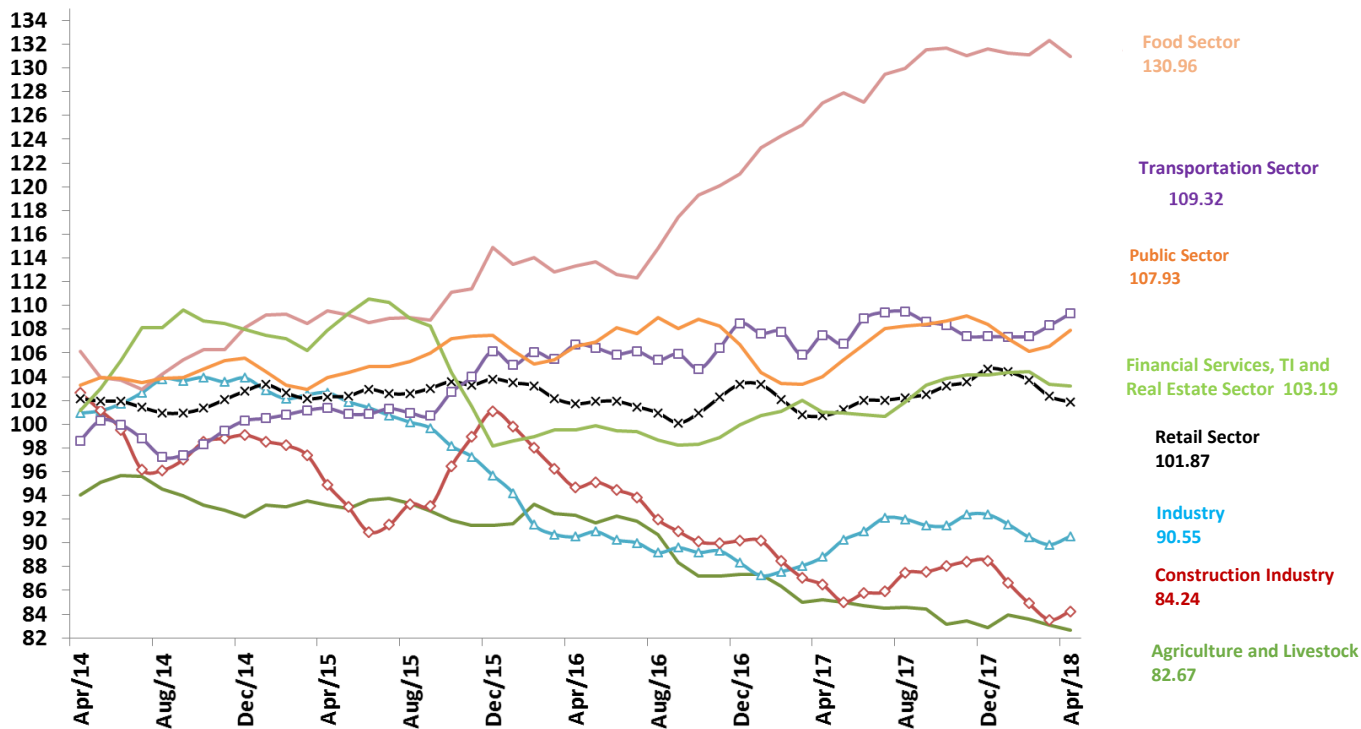
Formal and Informal Contract Workers, Self-Employed and Employers
% of Employed Population



Source: IBGE/MP - PNADC. Note: *Formal contract includes both private and public sectors and Self-Employed includes home-workers and family-workers. II-2018 = April.

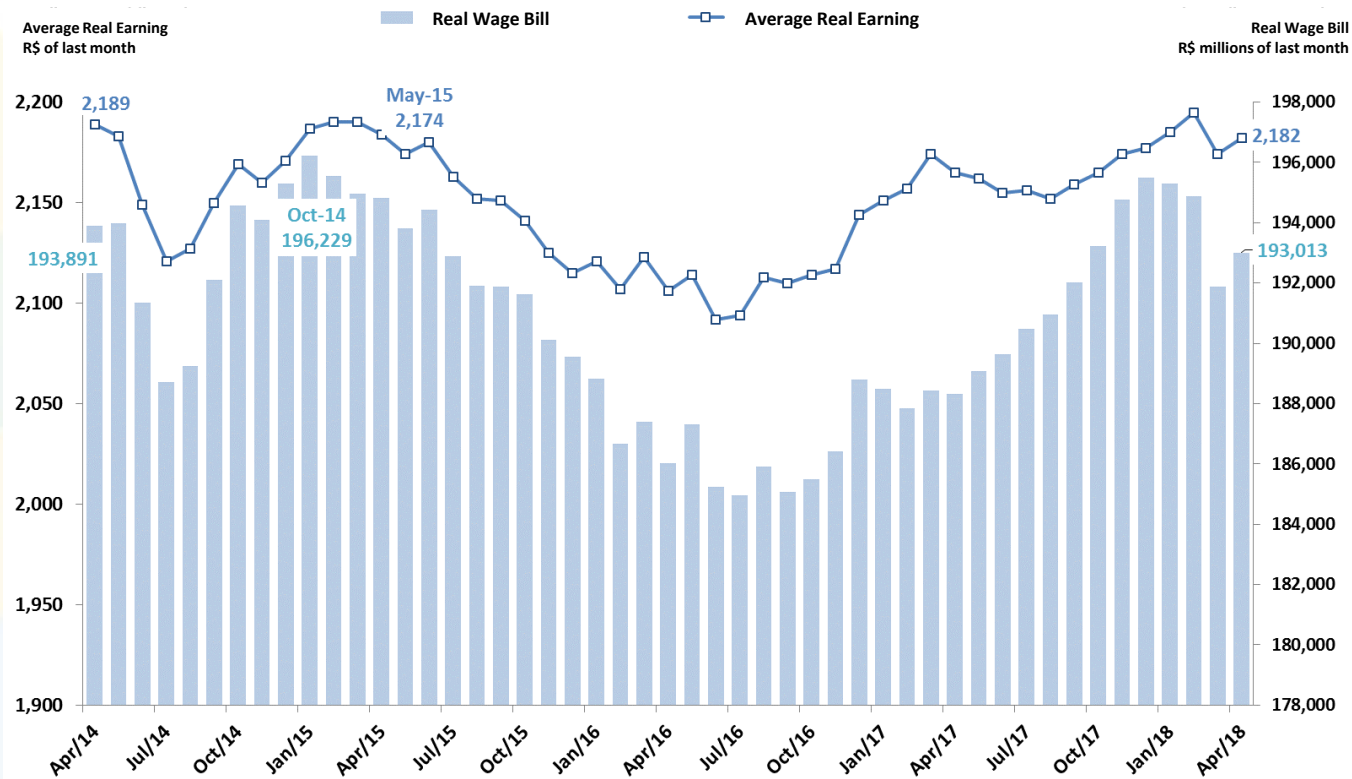
Employment by Sector of Activity

Employed Population by Sectors of Activity
Index: 2013 = 100

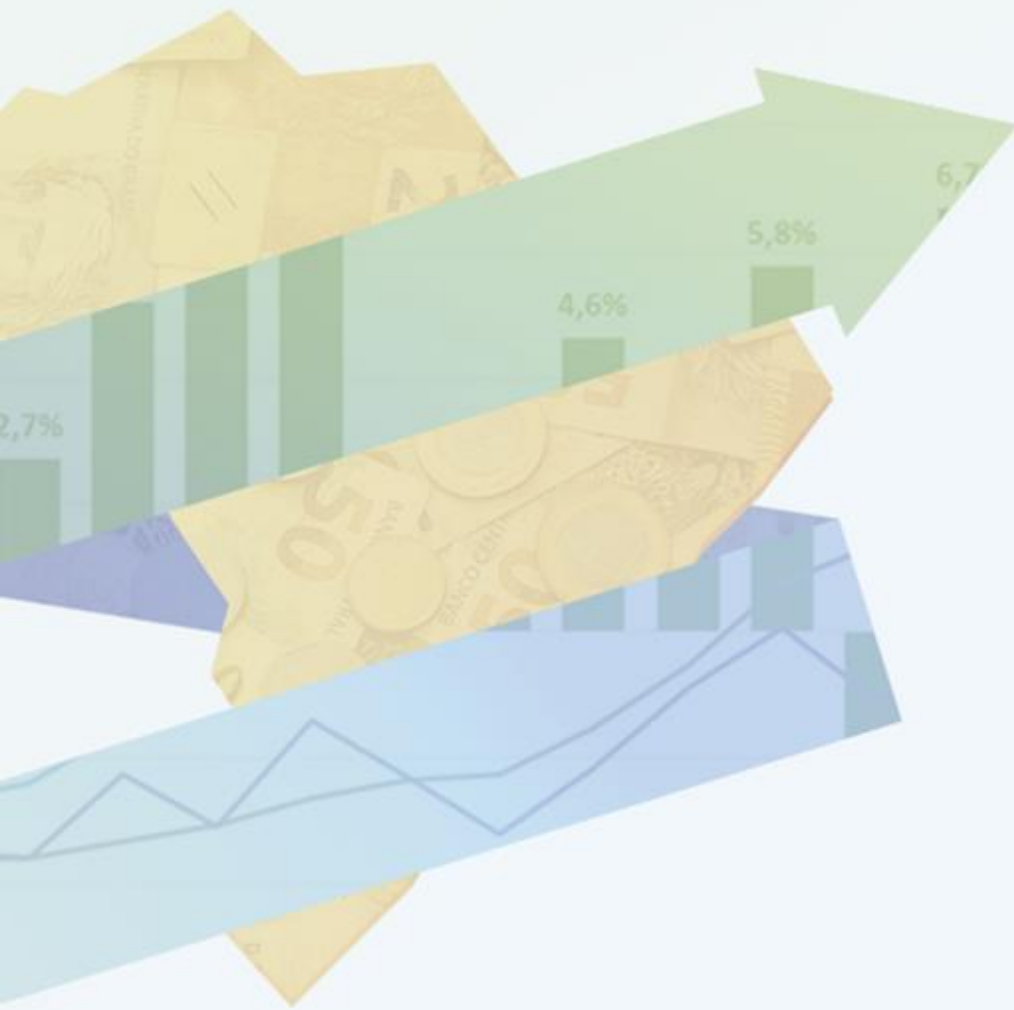


Source: IBGE/MP - PNADC.

Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

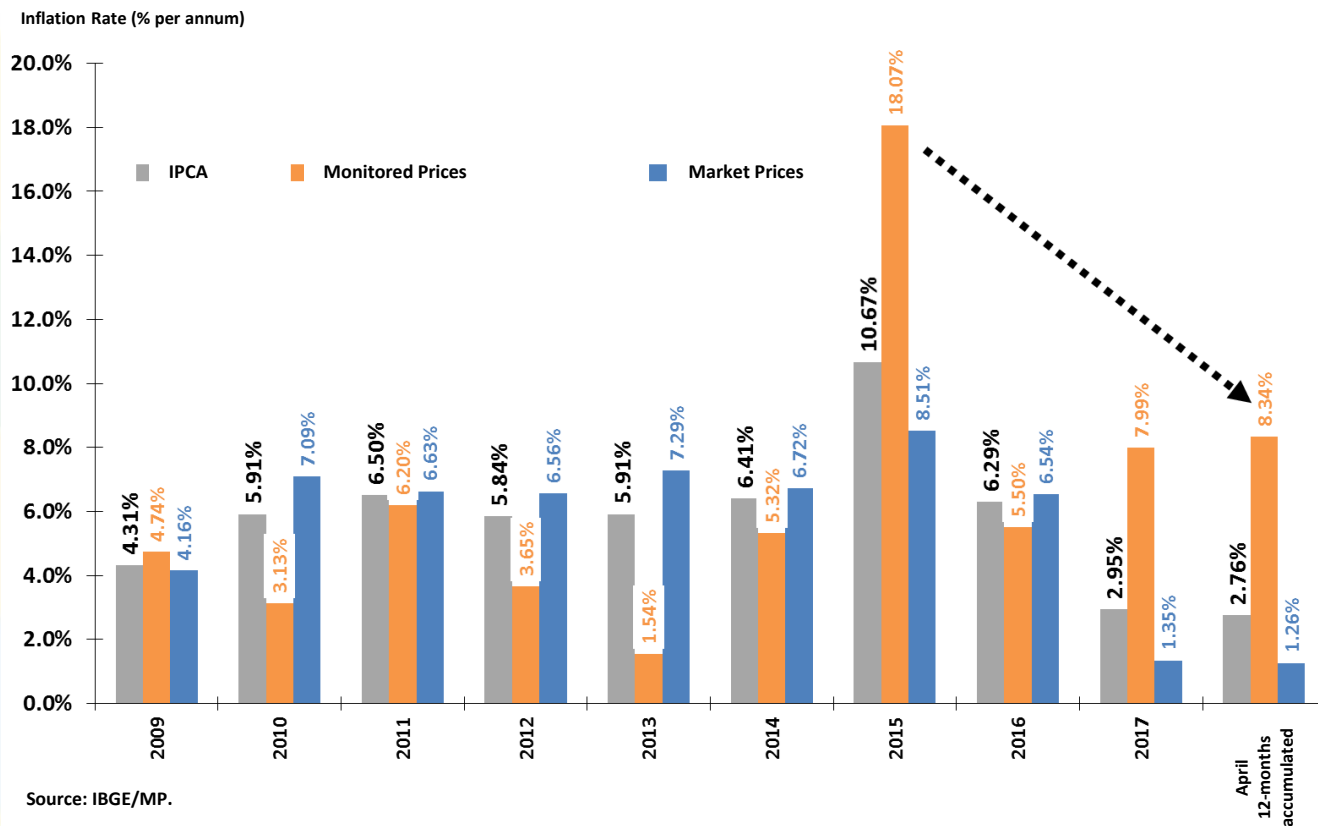


INFLATION

Inflation

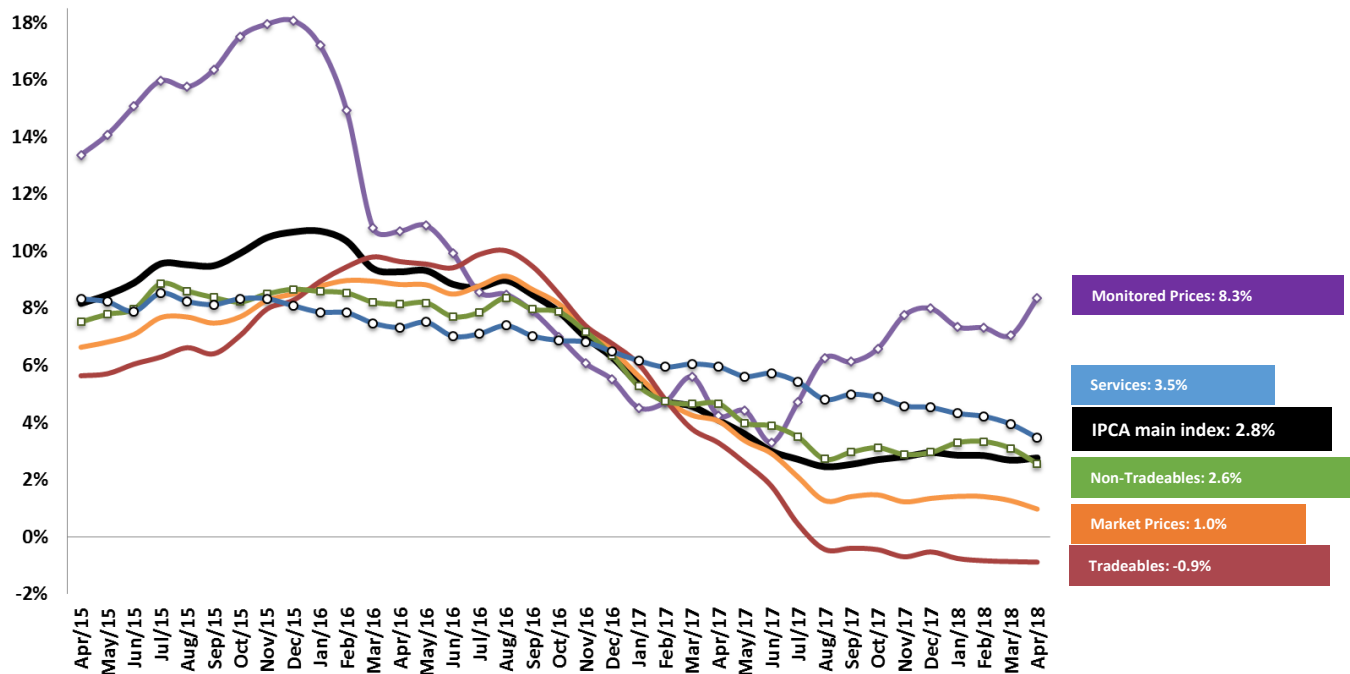
													BCB/Focus: 6/1/2018		
Inflation Index	April-18														
	2016	2017	Accum. In 12-months	YTD 2017	YTD 2018	Feb-17	Mar-17	Apr-17	Feb-18	Mar-18	Apr-18	2018	2019	2020	
IPCA Inflation Target (CMN)	4.5%	4.5%										4.50%	4.25%	4.00%	
Consumer Price Index IPCA (IBGE)	6.29%	2.95%	2.76%	1.10%	0.92%	0.33%	0.25%	0.14%	0.32%	0.09%	0.22%	3.65%	4.01%	4.00%	
IPCA core (By exclusion food and energy - Ex2)	6.2%	3.8%	2.9%	1.4%	0.5%	0.4%	0.6%	0.4%	0.0%	0.4%	0.1%				
Food and Beverages	8.6%	-1.9%	-2.1%	0.8%	0.6%	-0.5%	0.3%	0.6%	-0.3%	0.1%	0.1%				
Housing	2.8%	6.3%	5.5%	0.5%	-0.3%	0.2%	1.2%	-1.1%	0.2%	0.2%	0.2%				
Household Articles	3.4%	-1.5%	-0.5%	-0.5%	0.5%	0.2%	-0.3%	-0.3%	0.0%	0.1%	0.2%				
Apparel	3.5%	2.9%	2.6%	-0.1%	-0.4%	-0.1%	0.5%	-0.1%	-0.4%	0.3%	0.6%				
Transportation	4.2%	4.1%	5.7%	0.1%	1.6%	0.2%	-0.9%	-0.1%	0.7%	-0.3%	0.0%				
Health and Personal Care	11.0%	6.5%	5.8%	2.9%	2.2%	0.7%	0.7%	1.0%	0.4%	0.5%	0.9%				
Personal Expenses	8.0%	4.4%	3.5%	1.4%	0.6%	0.3%	0.5%	0.1%	0.2%	0.1%	0.1%				
Education	8.9%	7.1%	5.2%	6.4%	4.5%	5.0%	1.0%	0.0%	3.9%	0.3%	0.1%				
Communication	1.3%	1.8%	0.3%	1.2%	-0.2%	0.7%	-0.6%	0.6%	0.1%	-0.3%	-0.1%				
Consumer Price Index INPC (IBGE)	6.6%	2.1%	1.7%	1.1%	0.7%	0.24%	0.32%	0.08%	0.18%	0.07%	0.21%	3.2%	4.05%	4.0%	
São Paulo Cost-of-Living Index ICV SP (DIEESE)	6.15%	2.44%	2.80%	0.73%	1.08%	-0.14%	0.01%	-0.18%	0.05%	0.03%	0.04%				
São Paulo Basic Food Basket (DIEESE)	R\$ 434.80	4.96%	-3.31%	-0.69%	0.87%	-2.57%	-2.22%	2.14%	2.51%	-0.43%	0.12%	-0.69%			
National Average Basic Food Basket (DIEESE)	R\$ 378.80	10.38%	-7.45%	3.39%	0.34%	3.39%	-2.40%	1.08%	2.97%	-1.04%	-0.48%	-0.87%			
General Price Index IGP-DI (FGV)	7.15%	-0.42%	2.97%	-1.13%	2.24%	0.06%	-0.38%	-0.51%	0.15%	0.56%	0.93%	5.8%	4.3%	4.0%	
Consumer Price Subindex IPC/Br-DI	6.19%	3.22%	3.00%	1.60%	1.38%	0.31%	0.47%	0.52%	0.17%	0.17%	0.34%				
Construction Cost Subindex INCC-DI	6.10%	4.25%	4.01%	1.20%	0.97%	0.65%	0.16%	0.63%	0.13%	0.24%	0.29%				
Wholesale Price Subindex IPA-DI	7.73%	-2.52%	2.78%	-2.51%	2.79%	-0.12%	-0.78%	-1.10%	0.15%	0.77%	1.26%	6.8%	4.5%	4.5%	
IPA-DI Industry	6.71%	1.22%	3.26%	-0.18%	1.83%	0.08%	-0.30%	-1.24%	0.01%	-0.09%	0.96%				
IPA-DI Agriculture	9.92%	-12.34%	1.44%	-8.65%	5.71%	-0.67%	-2.09%	-0.72%	0.59%	3.39%	2.18%				
Inflation Index	May-18														
	2016	2017	Accum. In 12-months	YTD 2017	YTD 2018	Mar-17	Apr-17	May-17	Mar-18	Apr-18	May-18	2018	2019	2020	
General Price Index IGP-10 (FGV)	6.97%	-0.42%	1.30%	-0.80%	3.18%	0.05%	-0.76%	-1.10%	0.45%	0.56%	1.11%				
Consumer Price Index IPCA - 15 (IBGE)	6.58%	2.94%	2.56%	1.46%	1.08%	0.15%	0.21%	0.24%	0.10%	0.21%	0.14%	3.6%	4.2%	4.0%	
General Price Index IGP-M (FGV)	7.19%	-0.53%	2.27%	-1.30%	3.46%	0.01%	-1.10%	-0.93%	0.64%	0.57%	1.38%	6.1%	4.5%	4.0%	
São Paulo Consumer Price Index IPC RMSP (FIPE)	6.55%	2.28%	1.33%	0.94%	0.01%	0.14%	0.61%	-0.05%	0.00%	-0.03%	0.19%	2.5%	4.1%	4.0%	

Relative Prices Convergence in the Consumer Price Index



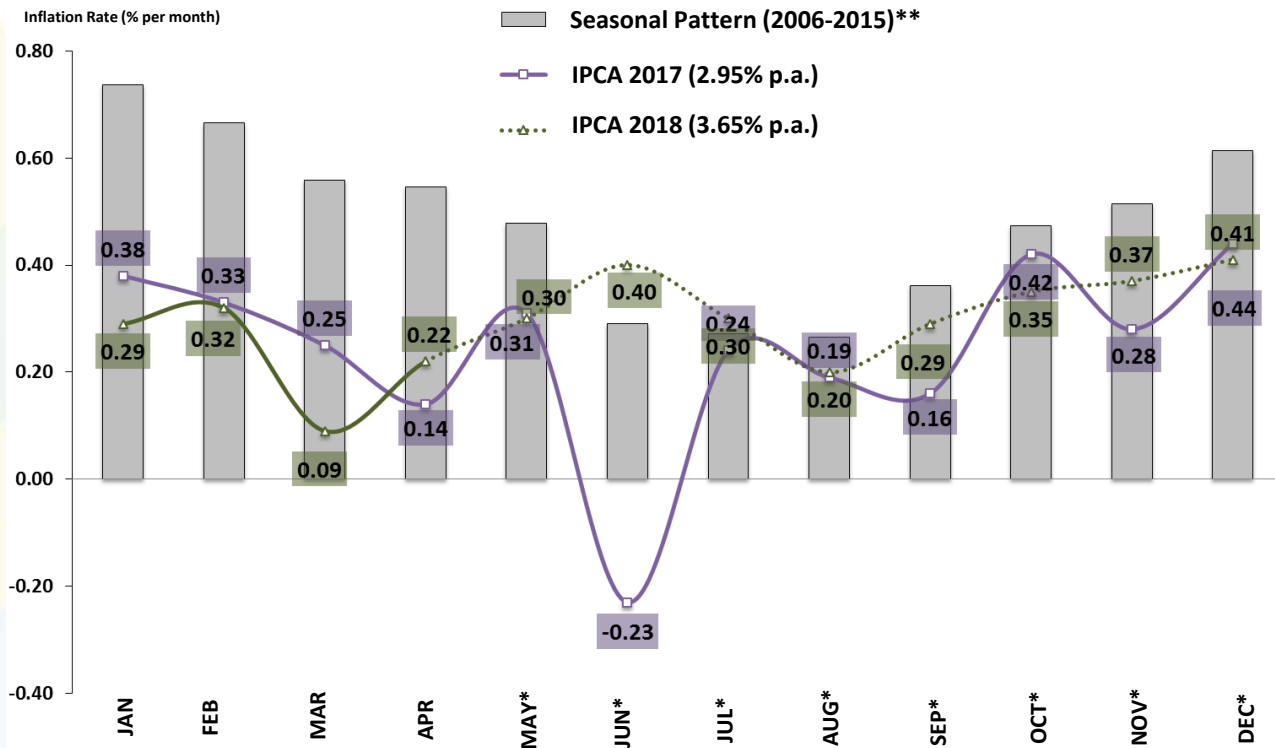
Consumer Price Index (IPCA) and Subindexes

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



Source: IBGE/MP.

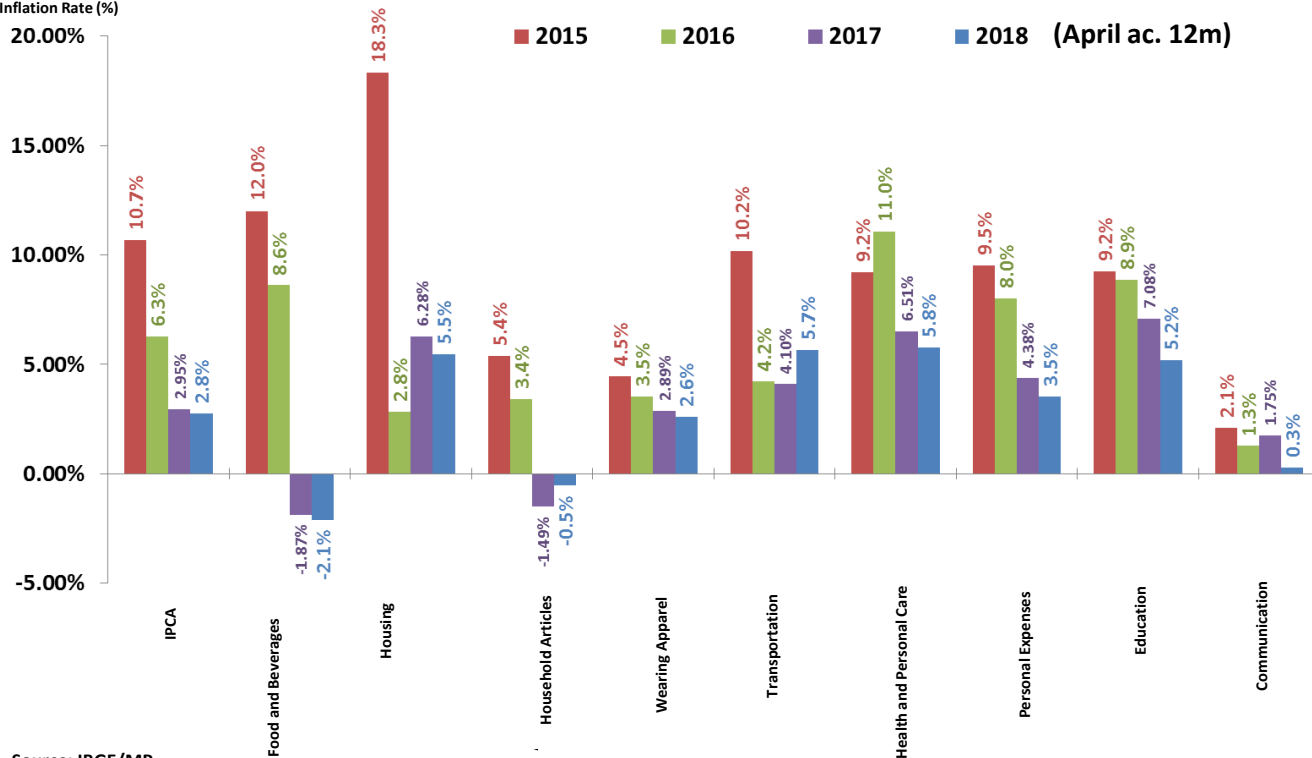
Consumer Price Index (IPCA) and Seasonal Pattern



Sources: IBGE/MP and Central Bank of Brazil. *BCB-Focus Survey of 06/01/2018, median of market expectations. **Seasonal pattern estimated by SEPLAN/MP.

Consumer Price Index (IPCA) by Groups

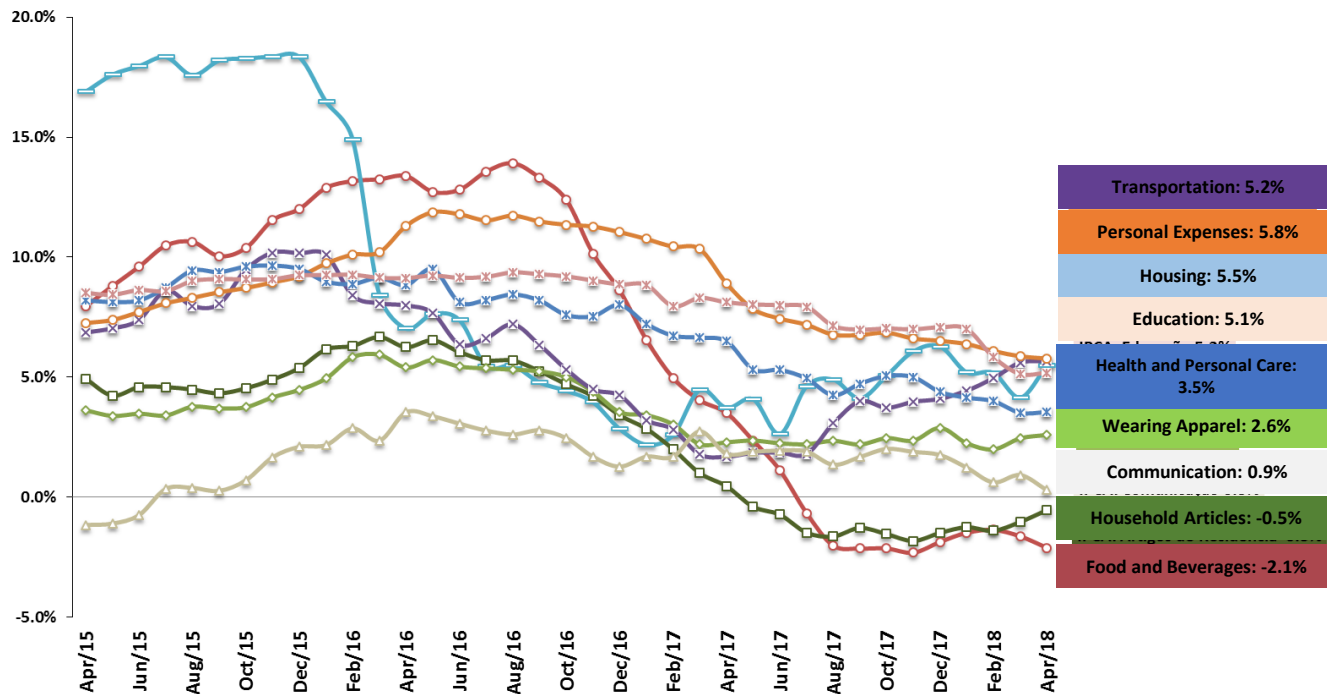
IPCA and components – by Groups
Inflation Rate (%)



Source: IBGE/MP.

Consumer Price Index (IPCA) by Groups

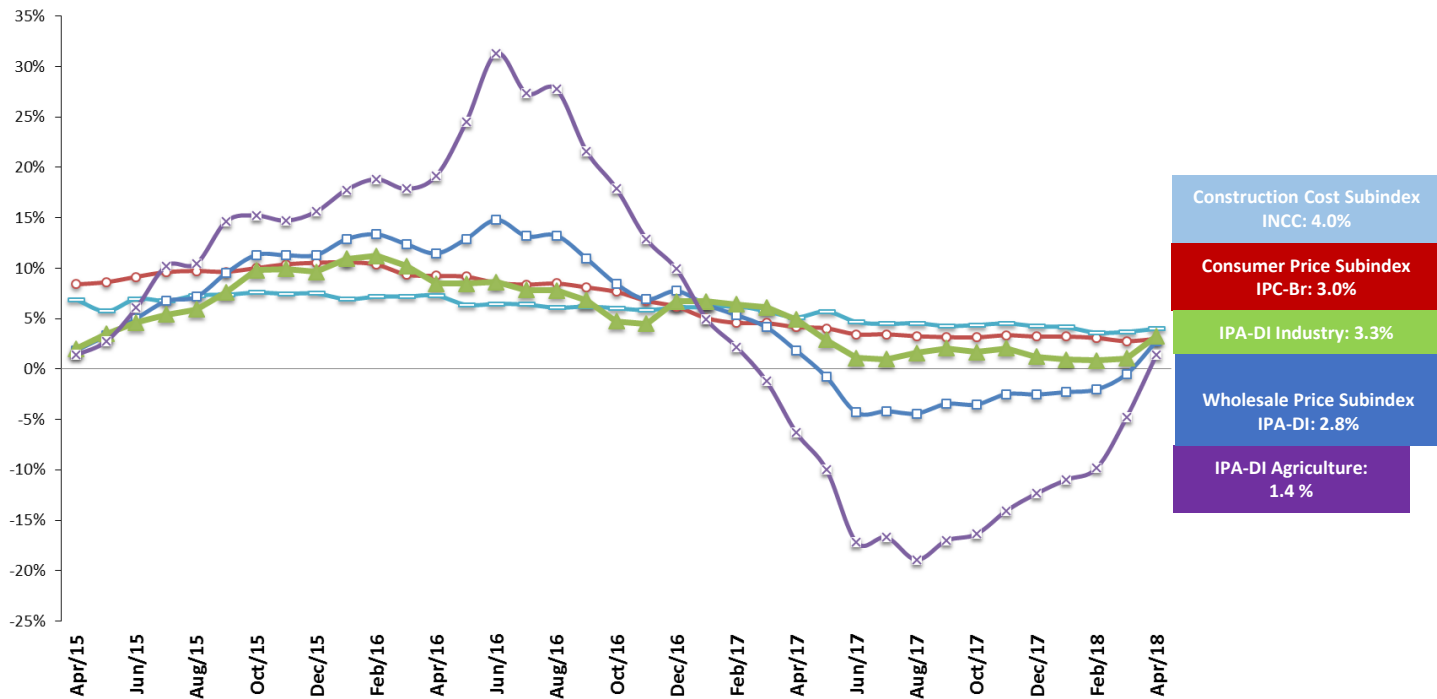
IPCA Groups
12-months accumulated rate (%)



Source: IBGE.

General Price Index (IGP-DI) by Subindexes

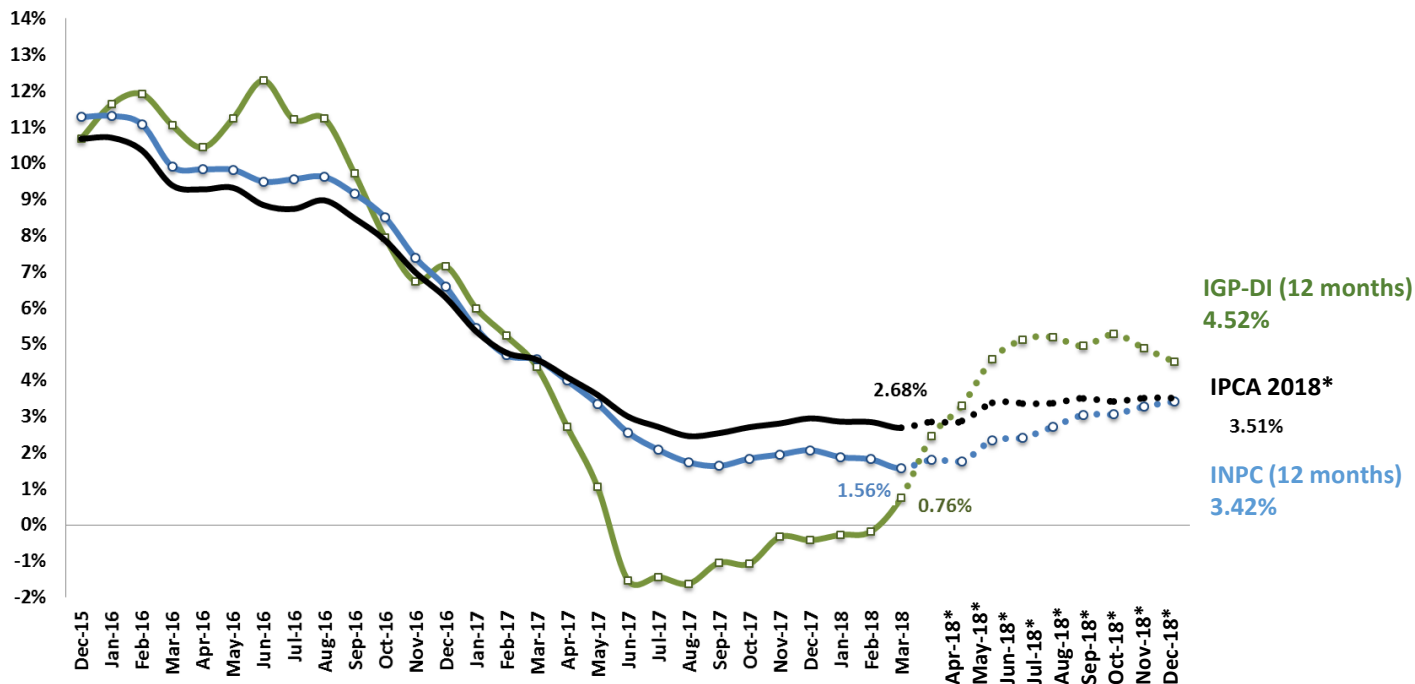
General Prices Subindexes
12-months accumulated rate (%)



Source: FGV.

Major Inflation Indexes

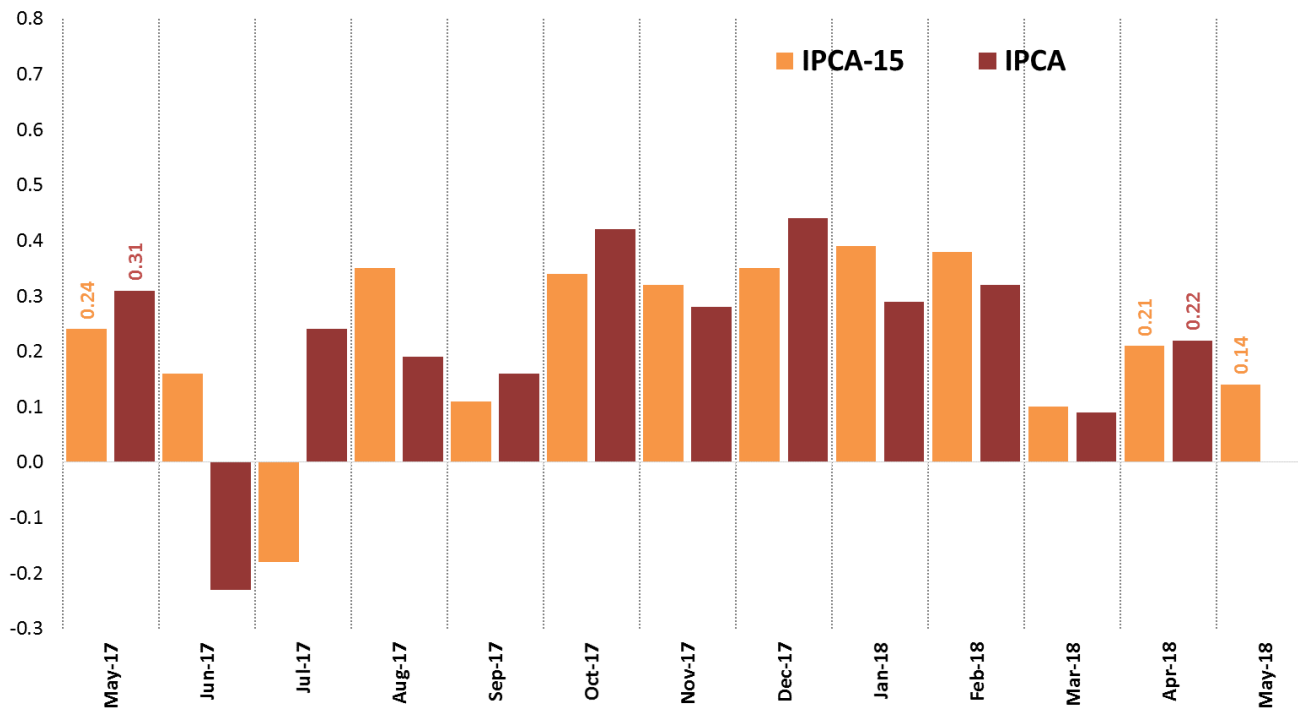
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 06/01/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

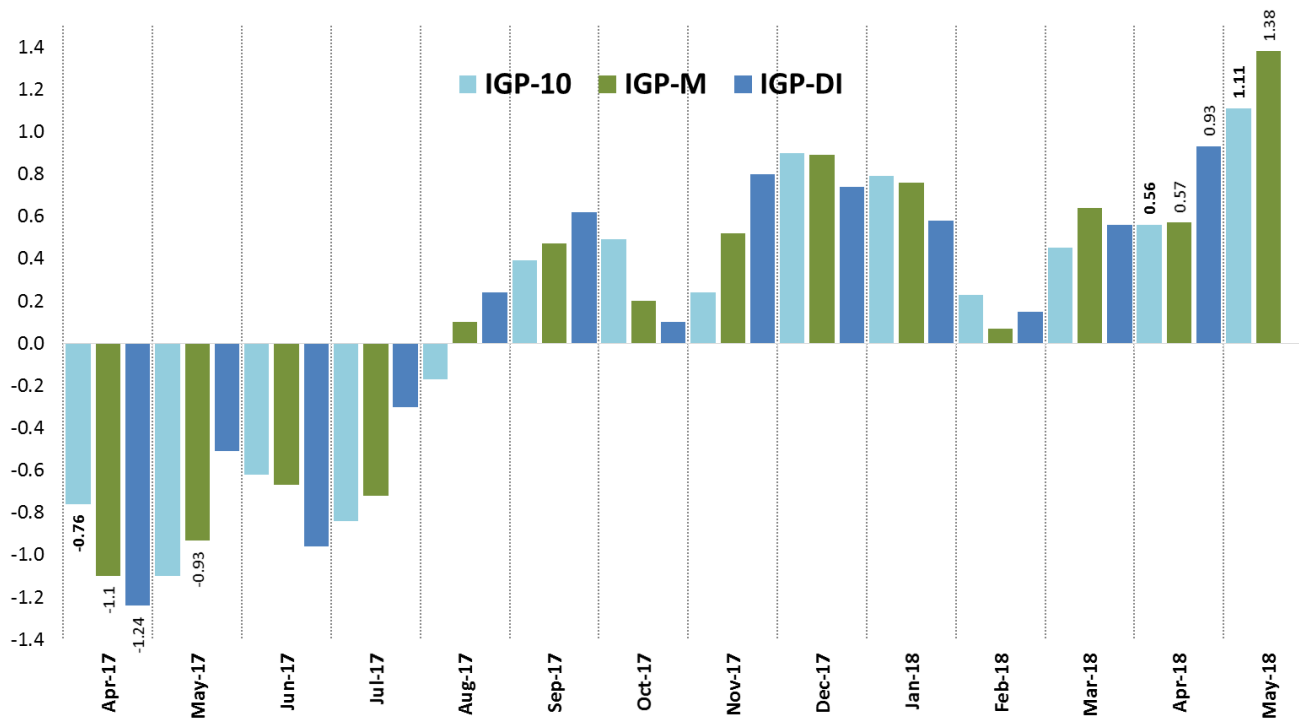
IPCA-15 and IPCA
By release order



Source: IBGE.

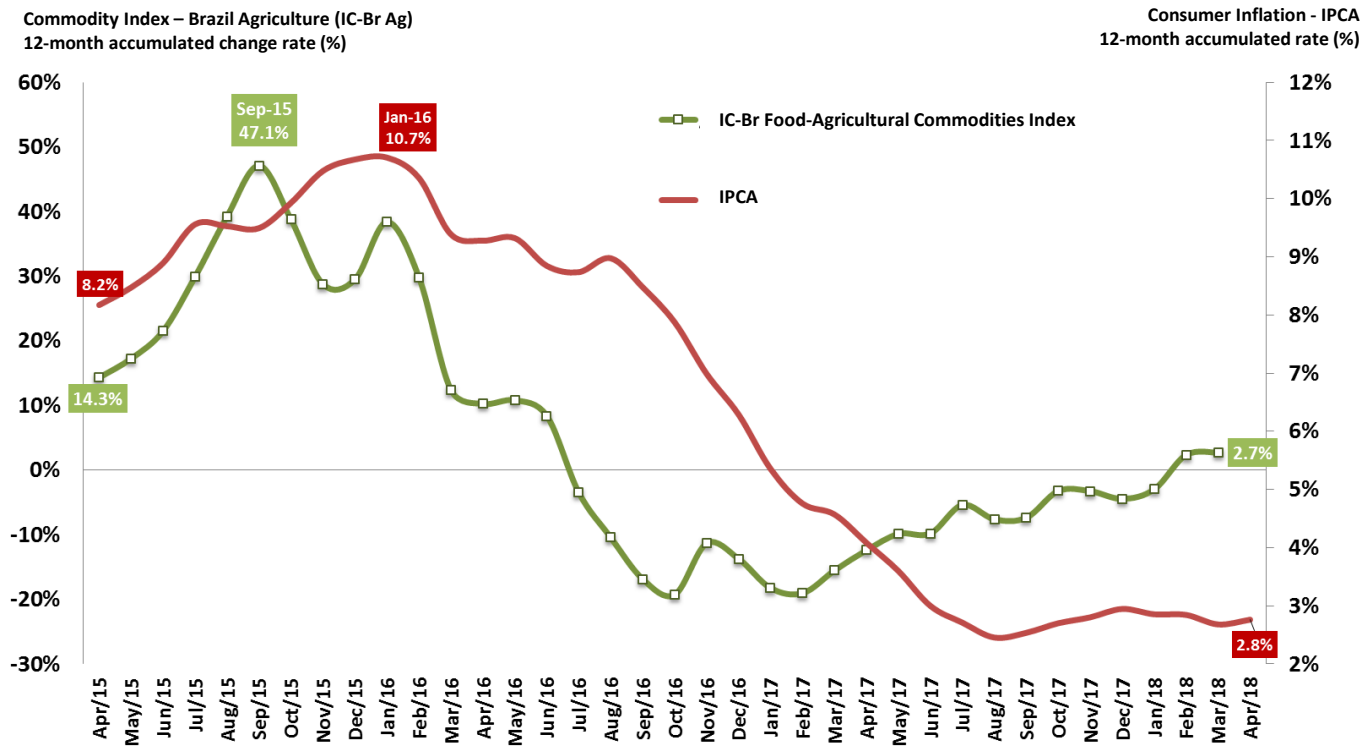
FGV: Monthly General Price Indexes

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



Source: FGV.

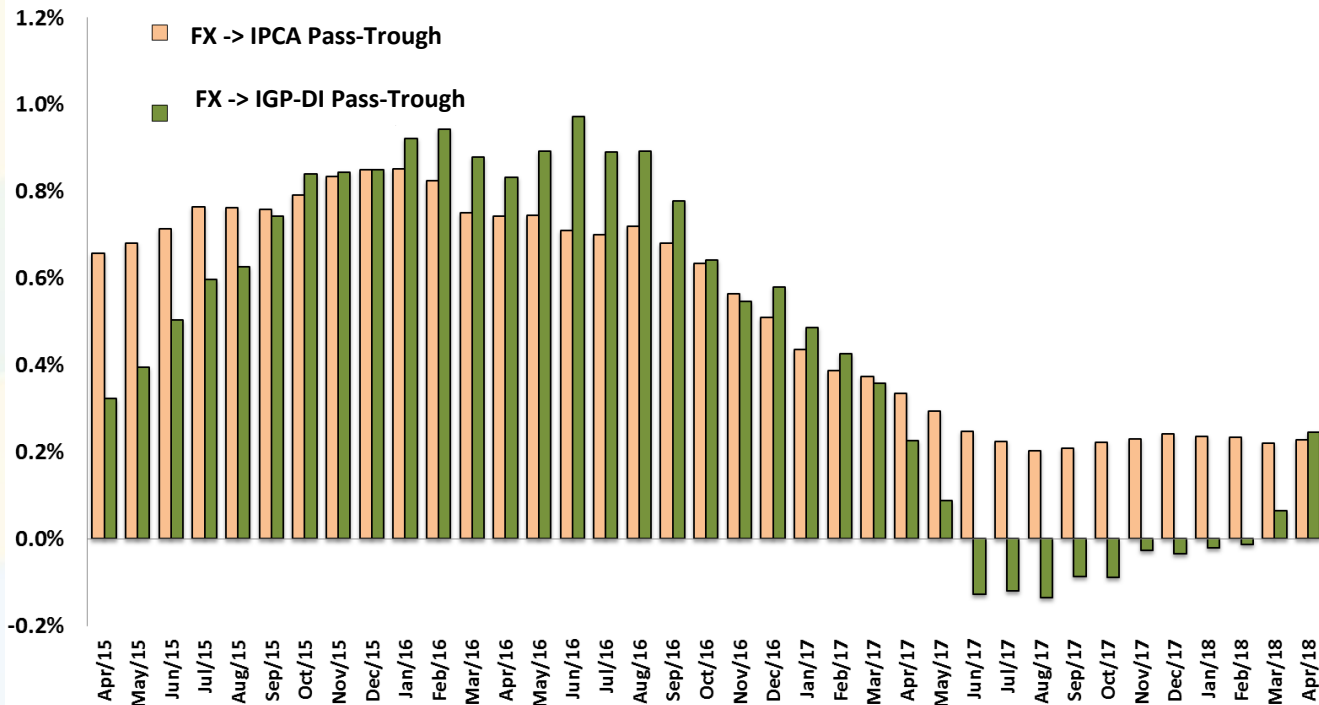
Consumer Price Index and Commodity Index (Brazil Agriculture)



Sources: IBGE/MP and Central Bank of Brazil.

Exchange Rate Pass-Through in Consumer and General Price Indexes

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



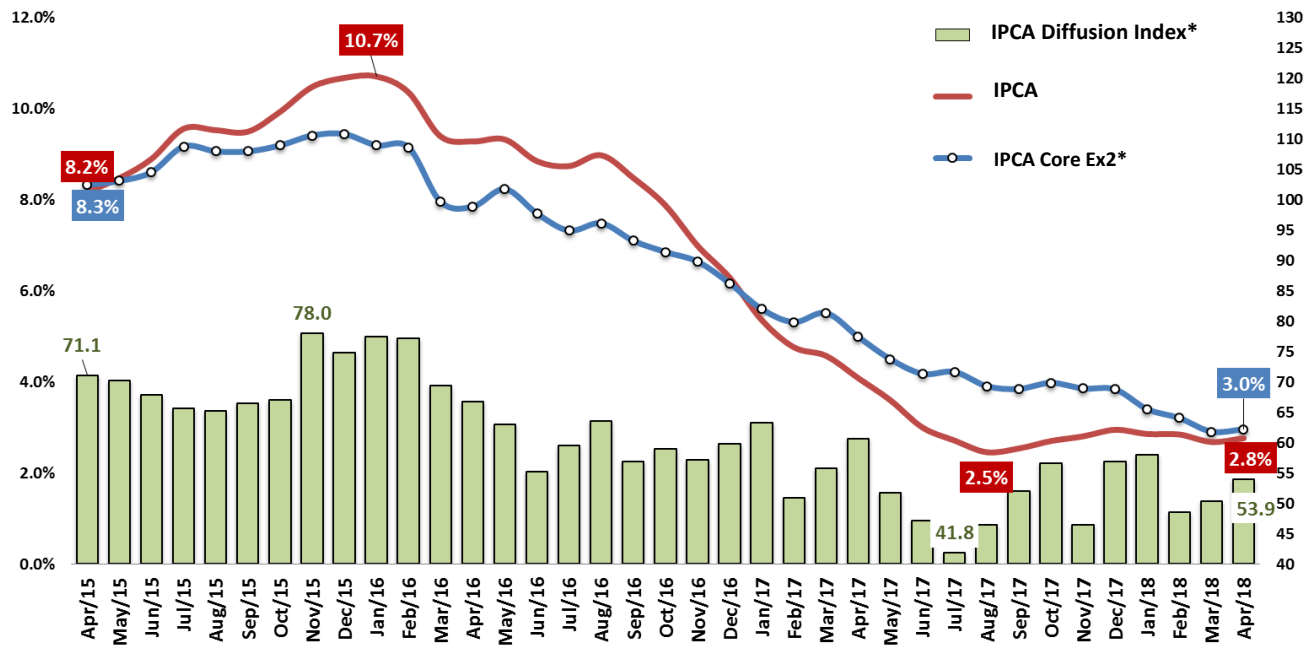
Sources: IBGE/MP and FGV. Note: Pass-Through series estimated by SEPLAN/MP.

IPCA, Core Inflation (IPCA Ex2) and Diffusion Index

IPCA and Core Ex2*

12-month accumulated rate (%)

IPCA Diffusion Index
items with prices increases (%)



Source: IBGE/MP.

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

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



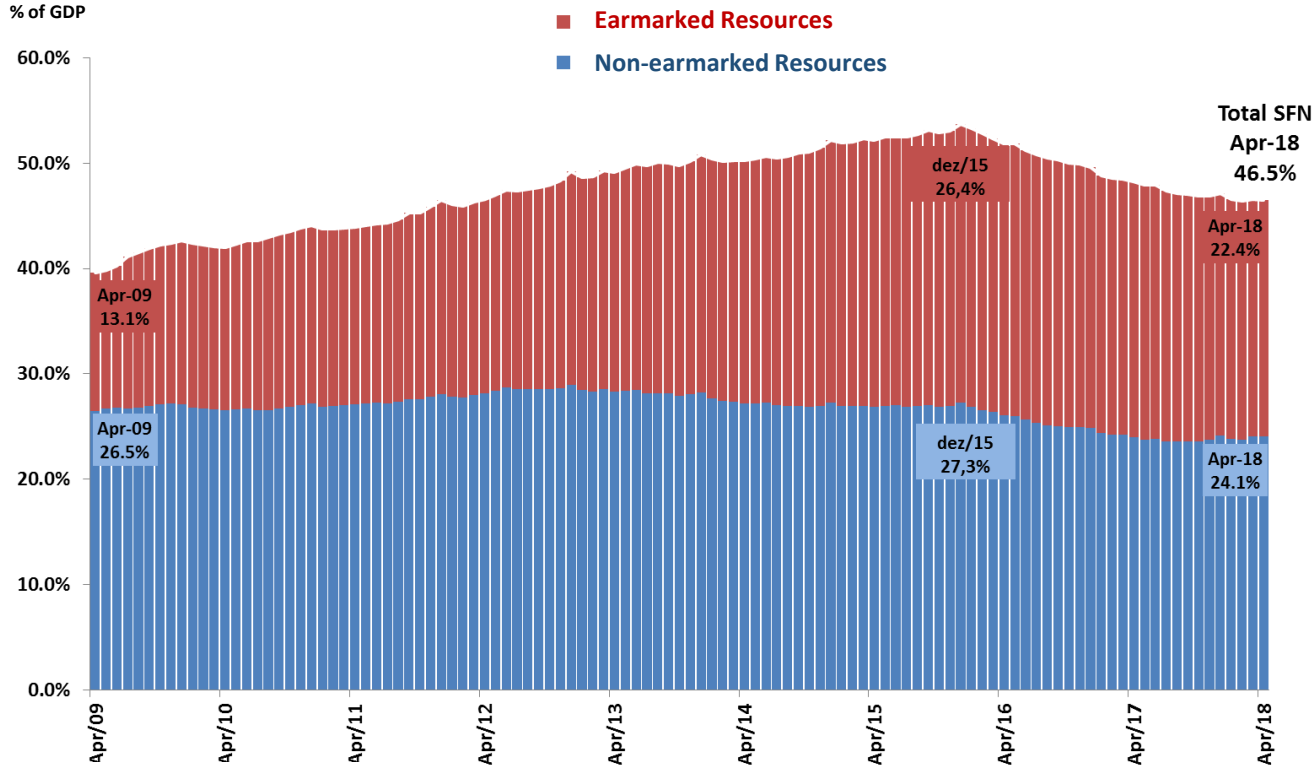
CREDIT MARKET

Credit Market

Credit Market (BCB)	April-18	Dec-16	Dec-17	Apr-18	% of Total Credit Dec/16	% of Total Credit Dec/17	% of Total Credit abr/yy	chg.% Dec/17-Dec/16	chg.% abr/yy-dez/yy	% of GDP Dec/16	% of GDP Dec/17	% of GDP abr/yy
End-of-Period Outstanding Credit (in R\$ billions)												
Total Credit to the National Financial System (NFS)		3,106.2	3,091.5	3,090.3	100.0%	100.0%	100.0%	-0.5%	0.0%	49.6%	47.1%	46.5%
<i>by type of borrower</i>												
Public Sector (incl. State-Owned Enterprises)		235.9	221.3	218.9	7.6%	7.2%	7.1%	-6.2%	-1.1%	3.8%	3.4%	3.3%
Private Sector		2,870.3	2,870.3	2,871.4	92.4%	92.8%	92.9%	0.0%	0.0%	45.9%	43.8%	43.2%
Non-Financial Corporations		1,545.2	1,442.0	1,411.8	49.7%	46.6%	45.7%	-6.7%	-2.1%	24.7%	22.0%	21.2%
Households		1,560.9	1,649.5	1,678.5	50.3%	53.4%	54.3%	5.7%	1.8%	24.9%	25.1%	25.3%
<i>by type of lender</i>												
Public Financial Institutions		1,729.7	1,672.3	1,651.1	55.7%	54.1%	53.4%	-3.3%	-1.3%	27.6%	25.5%	24.8%
National Private Financial Institutions		976.8	994.8	1,004.7	31.4%	32.2%	32.5%	1.8%	1.0%	15.6%	15.2%	15.1%
Foreign Private Financial Institutions		399.6	424.5	434.5	12.9%	13.7%	14.1%	6.2%	2.4%	6.4%	6.5%	6.5%
<i>by type of credit</i>												
Earmarked Resources		1,549.5	1,506.9	1,489.1	49.9%	48.7%	48.2%	-2.8%	-1.2%	24.8%	23.0%	22.4%
Housing		241.6	245.9	253.0	7.8%	8.0%	8.2%	1.8%	2.9%	3.9%	3.7%	3.8%
Rural		605.7	624.8	626.1	19.5%	20.2%	20.3%	3.2%	0.2%	9.7%	9.5%	9.4%
BNDES Development Bank		601.0	538.6	514.3	19.3%	17.4%	16.6%	-10.4%	-4.5%	9.6%	8.2%	7.7%
Others		101.2	97.5	95.7	3.3%	3.2%	3.1%	-3.7%	-1.8%	1.6%	1.5%	1.4%
Non-Financial Corporations		797.7	708.8	680.4	25.7%	22.9%	22.0%	-11.1%	-4.0%	12.7%	10.8%	10.2%
Households		751.8	798.0	808.7	24.2%	25.8%	26.2%	6.1%	1.3%	12.0%	12.2%	12.2%
Non-earmarked Resources		1,556.6	1,584.7	1,601.2	50.1%	51.3%	51.8%	1.8%	1.0%	24.9%	24.2%	24.1%
Non-Financial Corporations		747.5	733.2	731.4	24.1%	23.7%	23.7%	-1.9%	-0.2%	11.9%	11.2%	11.0%
Households		809.1	851.5	869.8	26.0%	27.5%	28.1%	5.2%	2.2%	12.9%	13.0%	13.1%
Non-earmarked Resources (BCB)	April-18	Dec-16	Dec-17	Apr-18	% of Total Credit dez/yy	% of Total Credit dez/yy	% of Total Credit abr/yy	chg.% dez/yy-dez/yy	chg.% abr/yy-dez/yy	% of GDP dez/yy	% of GDP dez/yy	% of GDP abr/yy
<i>New Loans, Spread and Delinquency Rates</i>												
New Loans (12-months accum. in R\$ billions)		2,859.5	2,990.1	3,125.6	100.0%	100.0%	100.0%	4.6%	4.5%	45.7%	45.6%	47.0%
Non-Financial Corporations		1,301.9	1,292.9	1,357.6	45.5%	43.2%	43.2%	-0.7%	5.0%	20.8%	19.7%	20.4%
Households		1,557.6	1,697.2	1,768.1	54.5%	56.8%	56.8%	9.0%	4.2%	24.9%	25.9%	26.6%
Spread (in pp per year)		39.9	31.9	33.2				-8.1 pp	1.4 pp			
Non-Financial Corporations		16.5	13.7	13.6				-2.8 pp	-0.1 pp			
Households		60.2	46.2	48.6				-14.0 pp	2.5 pp			
Delinquency (% non-performing loans by 90 days or more)		5.6	4.9	4.7				-0.7 pp	-0.3 pp			
Non-Financial Corporations		5.2	4.5	4.2				0.8 pp	-0.4 pp			
Households		6.1	5.3	5.1				-0.1 pp	-0.2 pp			

Total Credit: Earmarked and Non-earmarked Resources

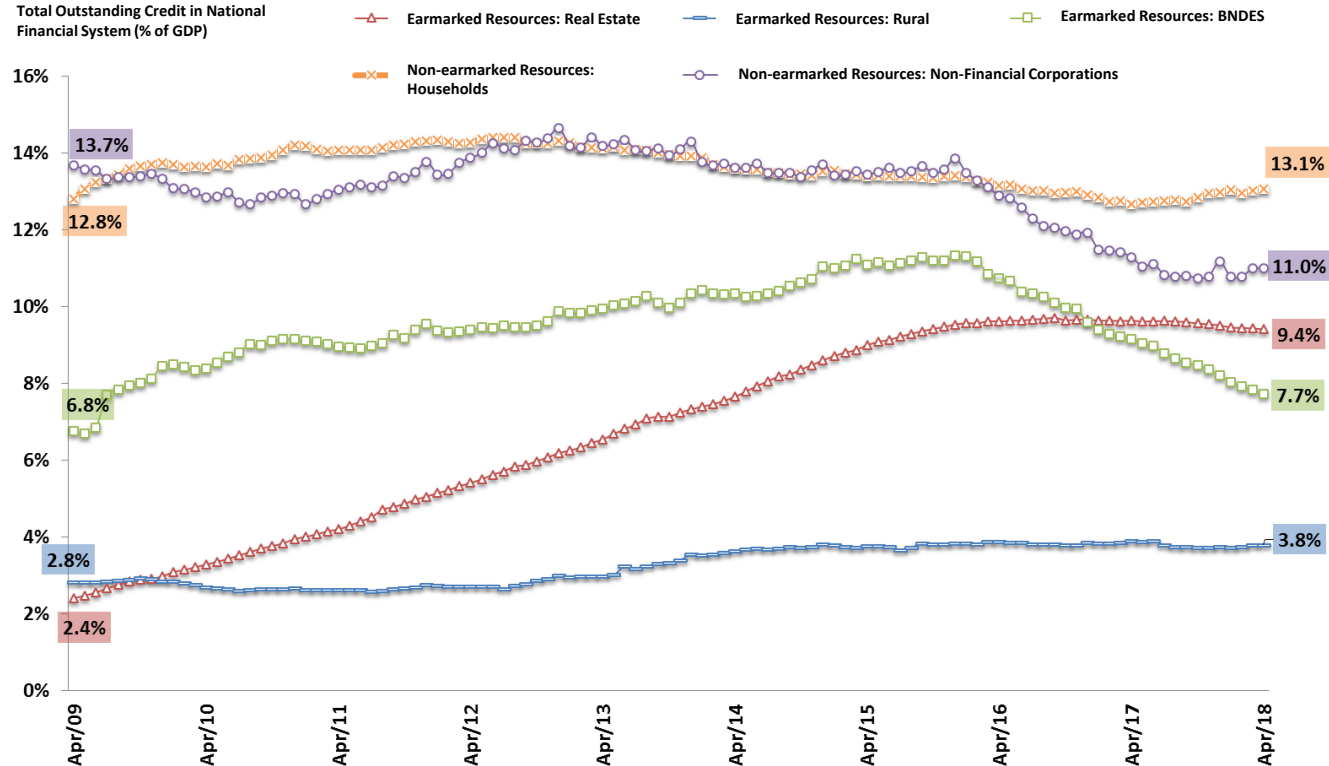
Total Outstanding Credit in National Financial System (SFN)
% of GDP



Source: Central Bank of Brazil.

Total Credit Evolution by Major Segments

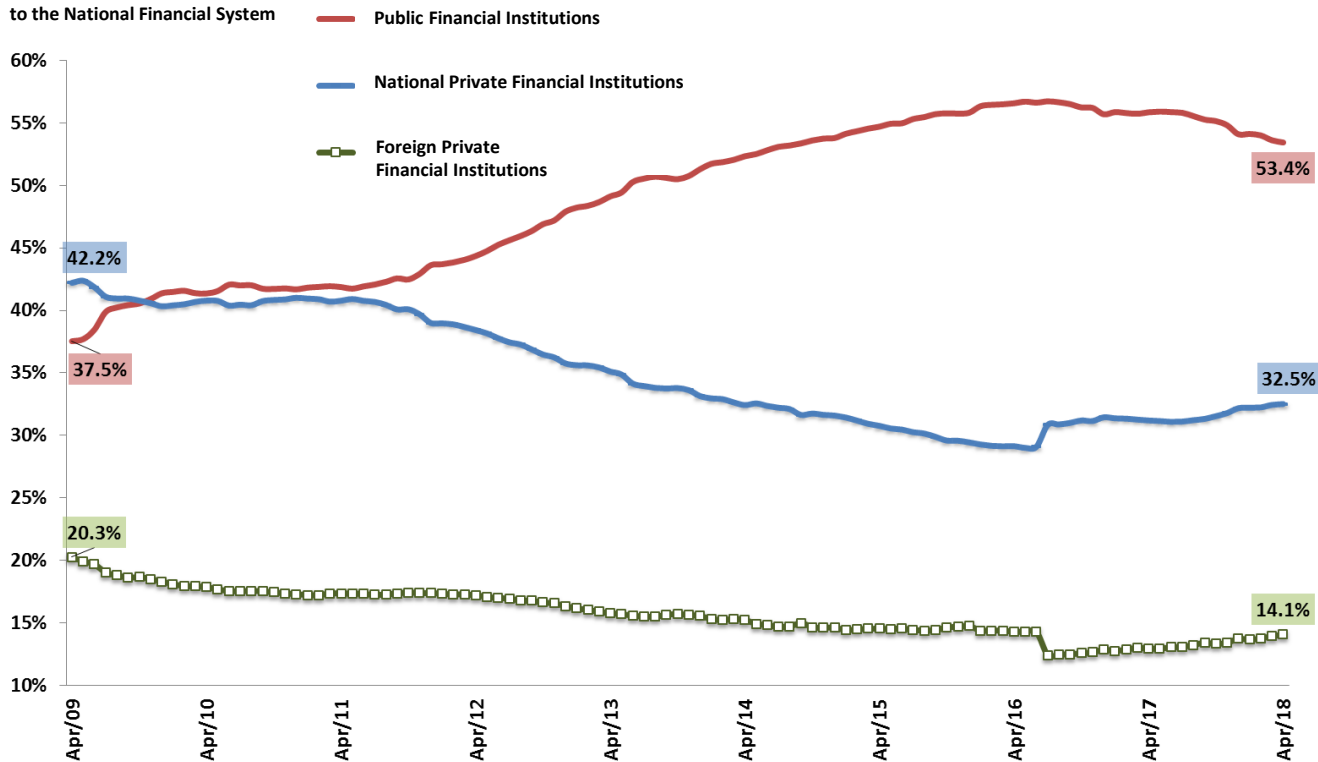
Total Outstanding Credit in National Financial System (% of GDP)



Source: Central Bank of Brazil.

Total Credit by Types of Financial Institutions

% of Total Outstanding Credit
to the National Financial System

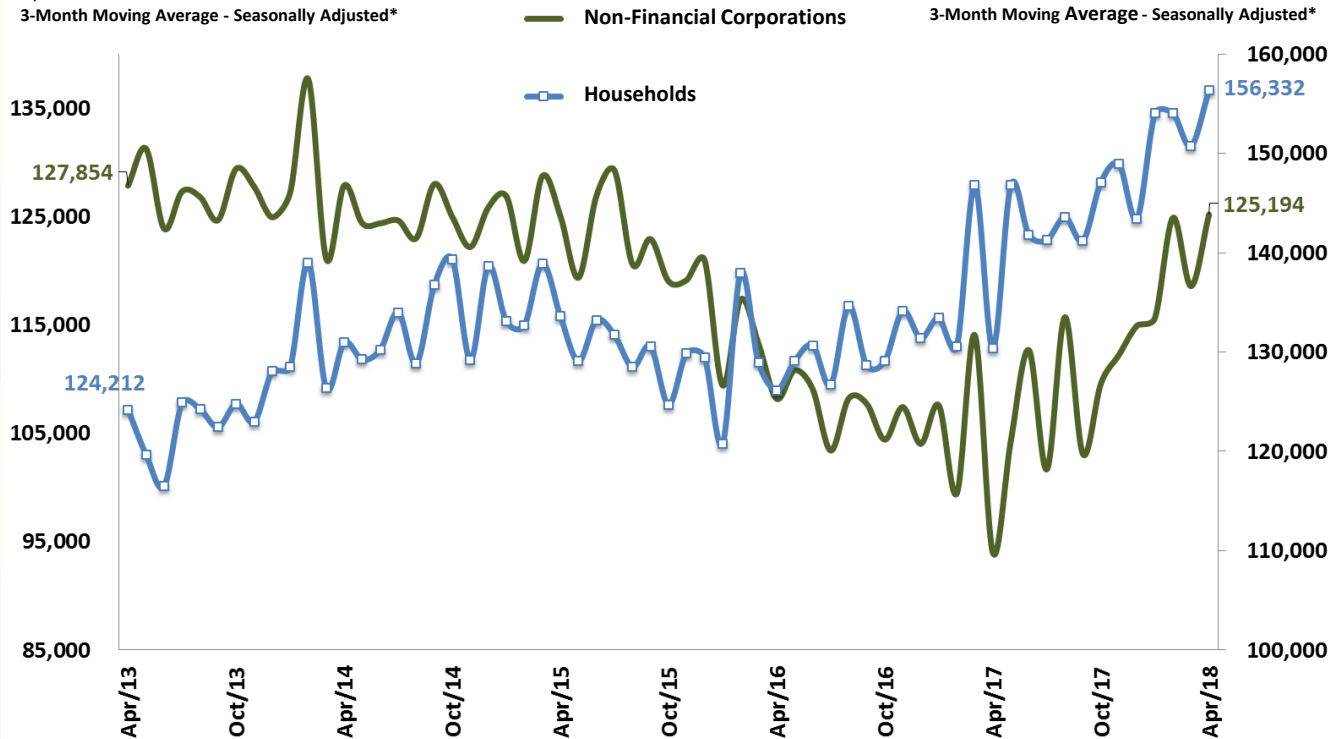


Source: Central Bank of Brazil.

New Loans to Households and Non-Financial Corporations

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

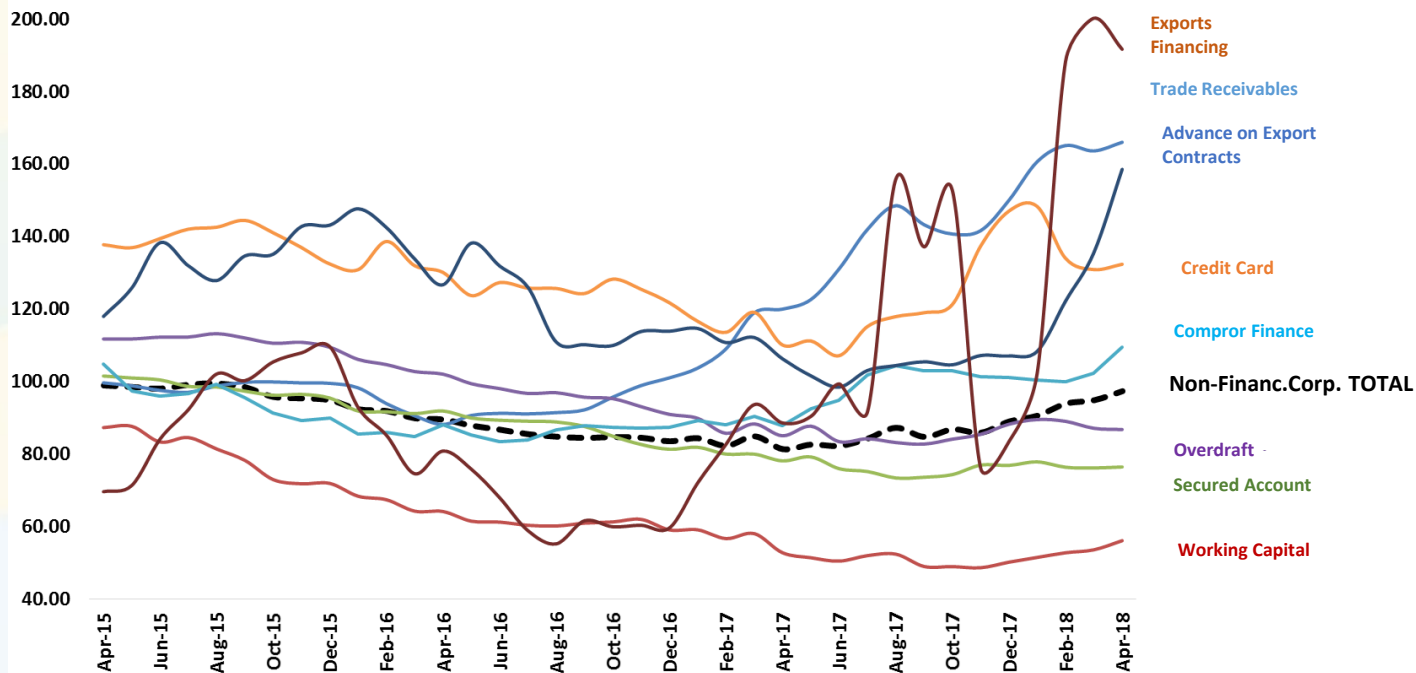
Daily Average of New Loans to Households
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*



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

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

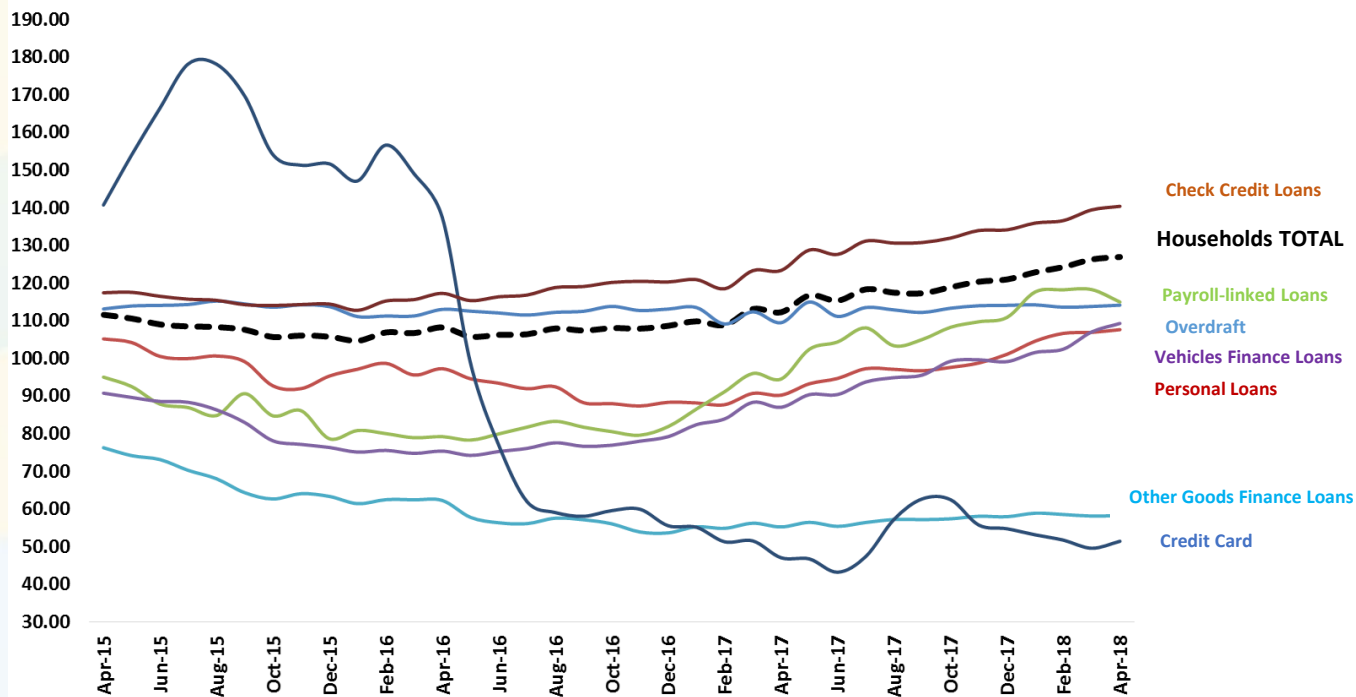
Daily Average of New Loans to Non-Financial Corporations – Last Month Real Values (IPCA)
3-Month Moving Average - Seasonally Adjusted* - Index: 2013=100



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

New Loans to Households by Type of Credit Lines

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

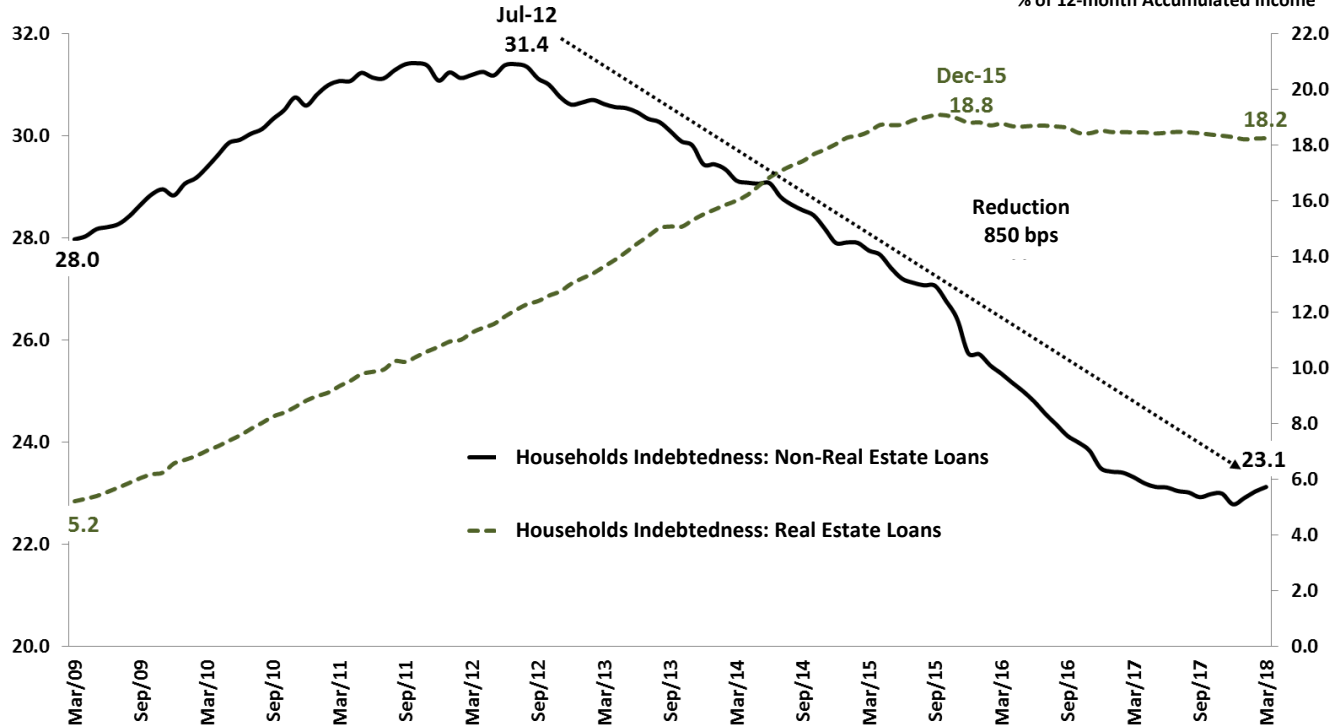


Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Households Indebtedness Rate

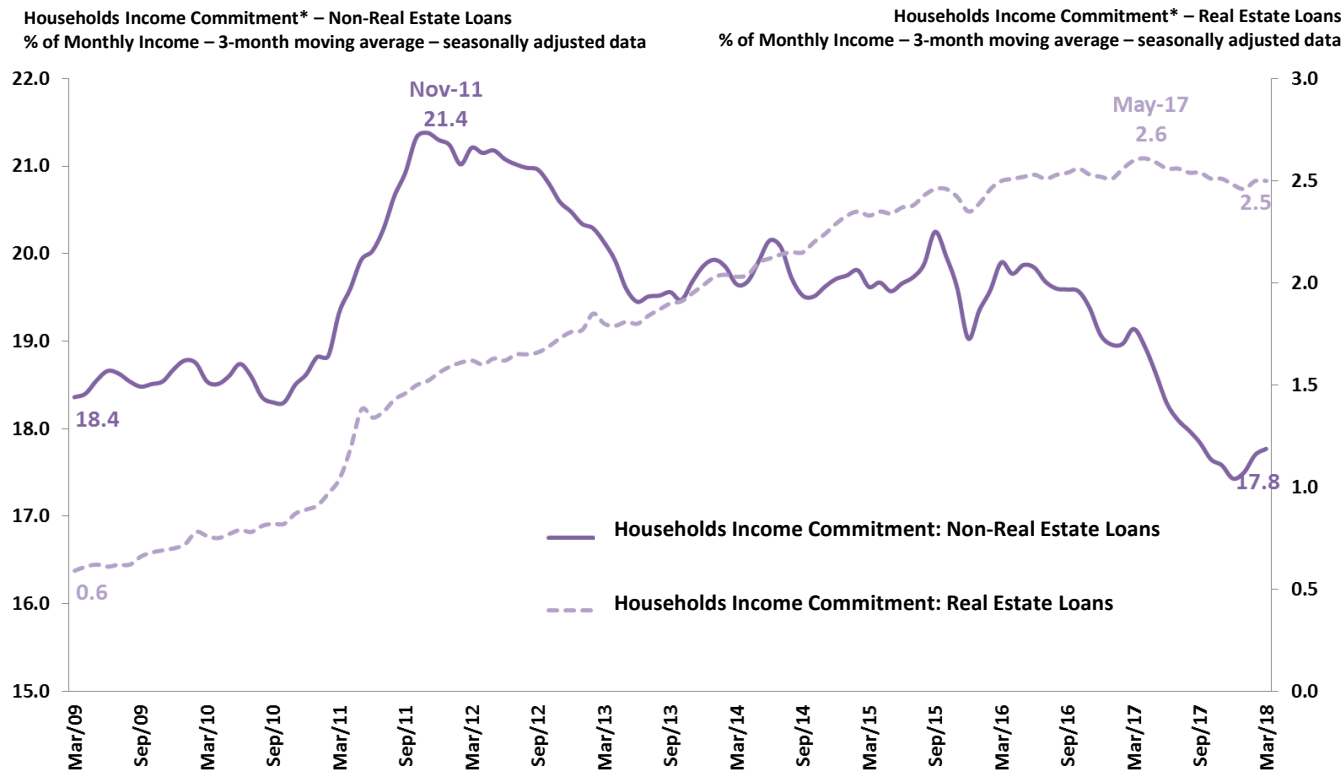
Households Indebtedness Rate* – Non-Real Estate Loans
% of 12-month Accumulated Income

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



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

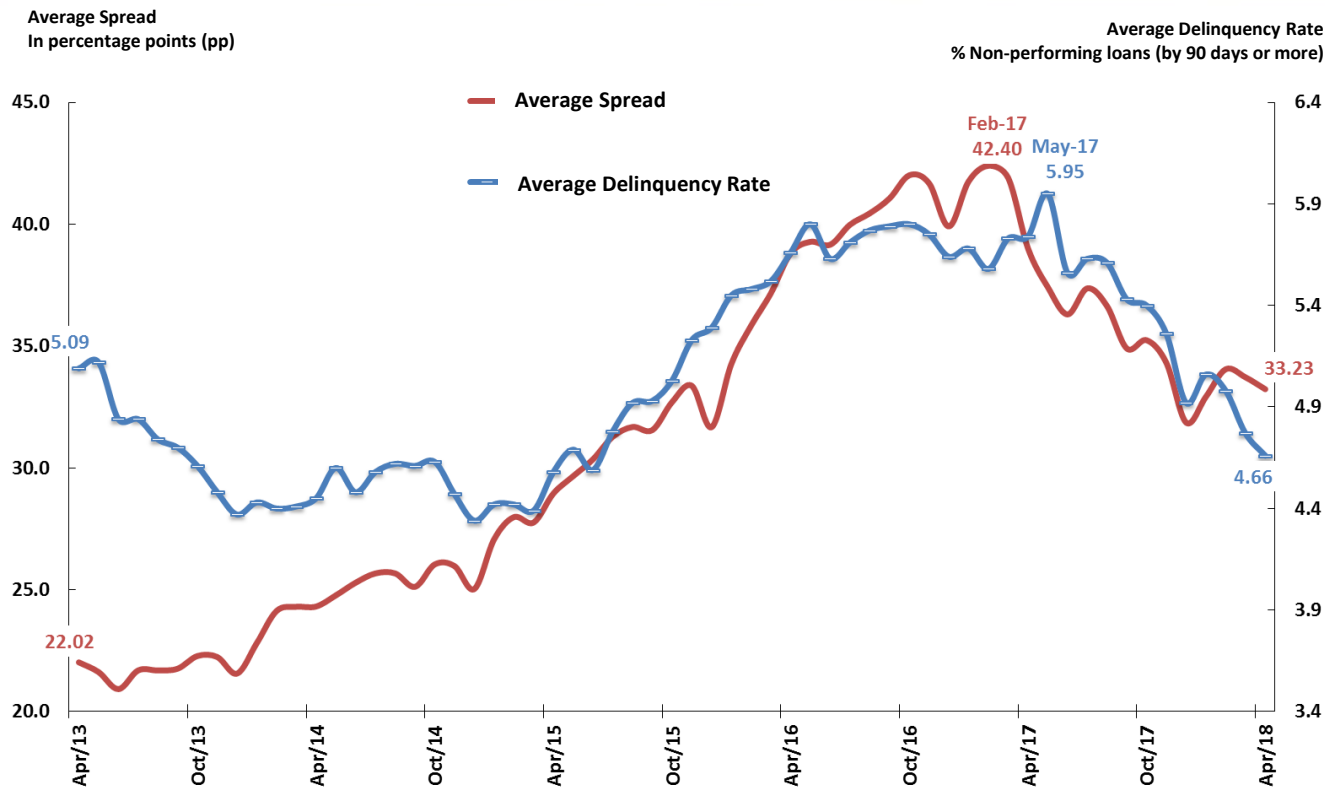
Households Income Commitment



Source: Central Bank of Brazil.

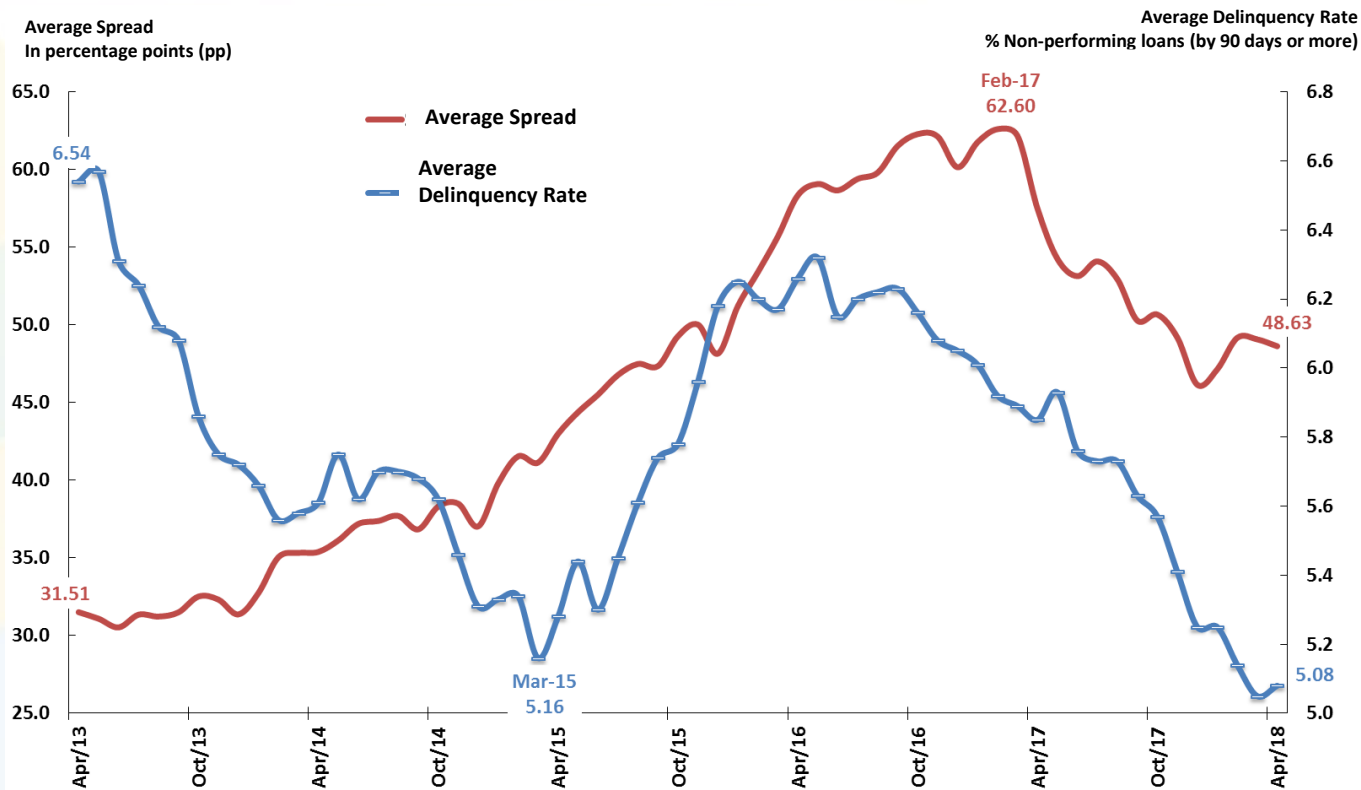
* Households Income Commitment = Loans Service Monthly Expenditure / Monthly Income.

Non-earmarked Resources: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Households Loans: Spread and Delinquency Rates

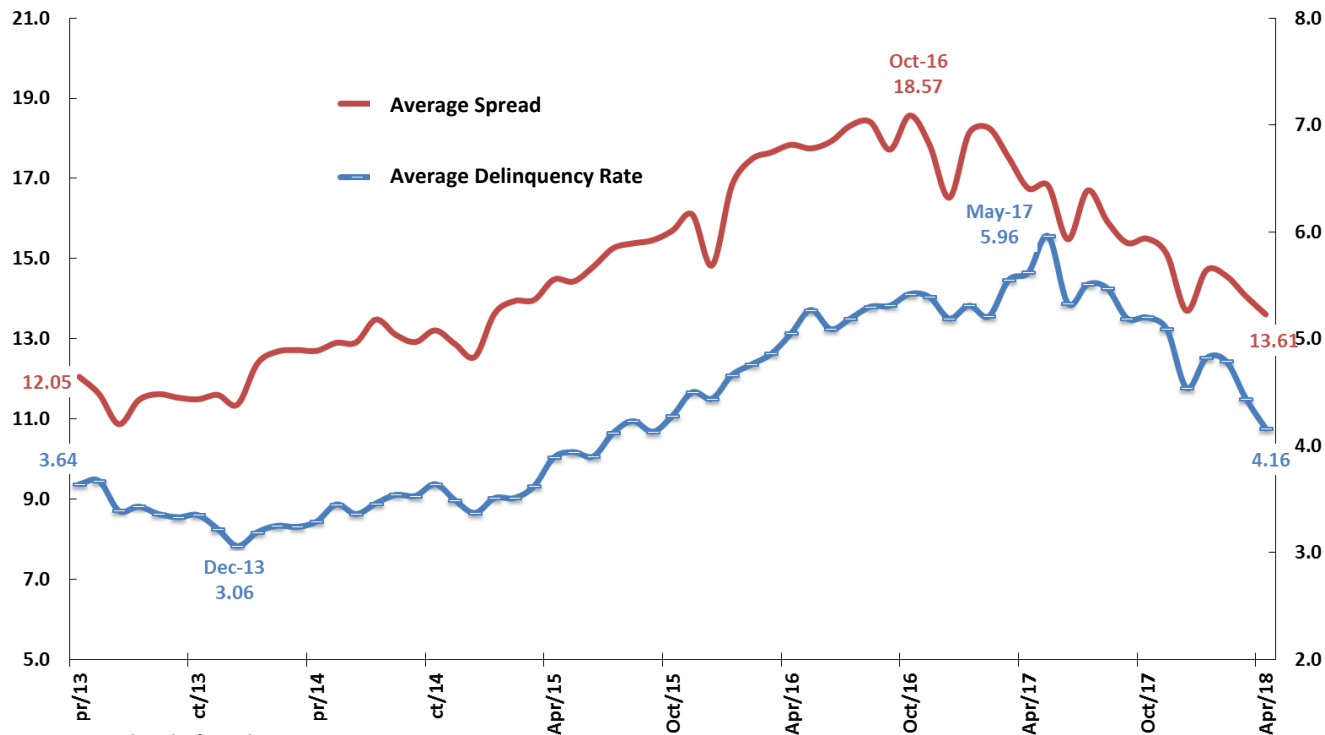


Source: Central Bank of Brazil.

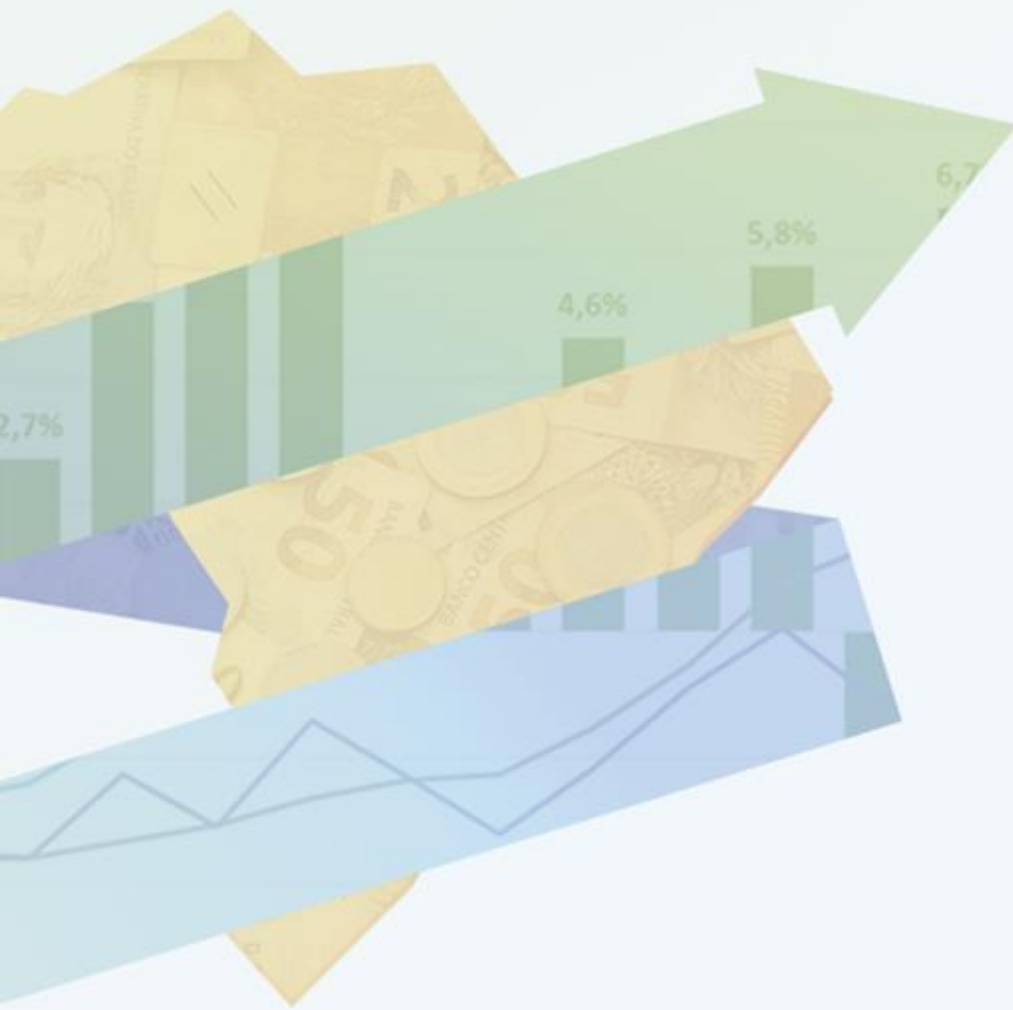
Non-Financial Corp. Loans: Spread and Delinquency Rates

Average Spread
In percentage points (pp)

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



Source: Central Bank of Brazil.



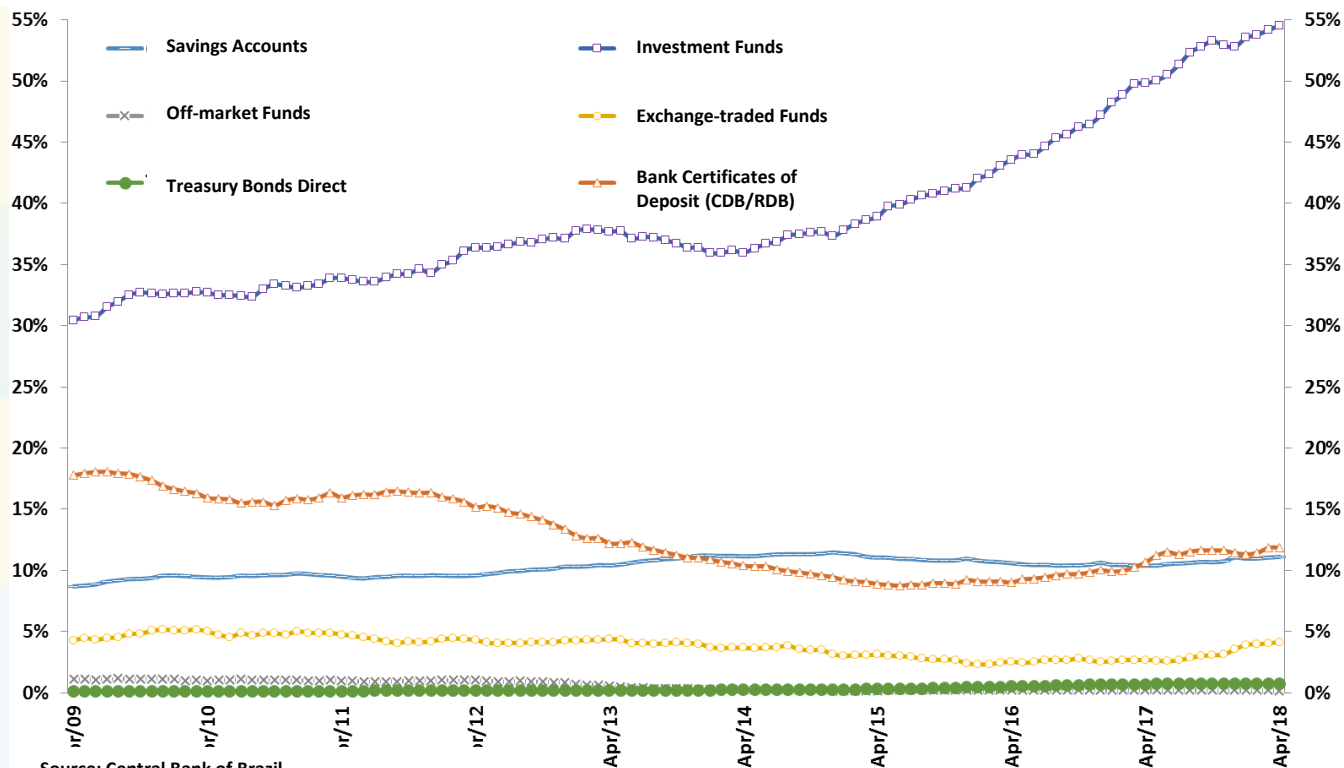
FINANCIAL MARKETS

Financial Markets

									BCB/Focus: 6/1/2018		
Financial Savings (BCB)	April-18										
	Dec-16	Dec-17	Apr-17	Apr-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % abr/yy- Dec/17	chg. % abr/yy- abr/yy			
Outstanding Positions - R\$ billions											
Bank Certificates of Deposit (CDB/RDB)	627.4	749.1	677.7	786.2	13.6%	19.4%	5.0%	16.0%			
Savings Accounts (Cademeta de Poupança)	665.0	724.6	661.9	735.4	1.3%	9.0%	1.5%	11.1%			
Investment Funds	2,953.4	3,462.6	3,169.4	3,610.3	19.4%	17.2%	4.3%	13.9%			
Off-market Funds (Fundos Extramercado)	14.9	13.5	13.7	11.8	25.0%	-9.1%	-12.7%	-13.4%			
Exchange-traded Funds	158.1	232.5	171.1	274.9	9.7%	47.0%	18.2%	60.6%			
Treasury Bonds Direct (Tesouro Direto)	41.1	48.5	44.6	47.3	60.5%	18.1%	-2.4%	6.2%			
BM&F-Bovespa - listed companies value as % of GDP	39.4%	48.2%	42.2%	53.9%	7.52 pp	8.77 pp	5.75 pp	11.77 pp			
Capital Market (CVM)	April-18										
	Dec-16	Dec-17	Apr-17	Apr-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % abr/yy- Dec/17	chg. % abr/yy- abr/yy			
New Public Offering - R\$ billions											
Stocks	0.5	8.4	2.0	3.4	-96.7%	1462.8%	286.0%	159%			
Debentures	21.9	6.4	0.7	0.8	5.9%	-70.9%	-	22.5%			
Housing Credit-backed Securities (CRI)	11.3	12.0	3.6	1.5	191.9%	5.9%	-100.0%	-100.0%			
Investment Funds - new shares	2.1	5.2	2.5	7.9	-63.5%	150.0%	-29.9%	-53.4%			
Monet Market (BCB)	May-18										
	Dec-16	Dec-17	May-17	May-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % mai/yy- Dec/17	chg. % mai/yy- mai/yy			
Interest Rates											
Selic market rate (% py)	13.65	7.00	11.15	6.40	-0.5 pp	-6.7 pp	-0.6 pp	-4.8 pp			
CDI (% py)	13.63	6.99	11.13	6.39	-0.5 pp	-6.6 pp	-0.6 pp	-4.7 pp			
Swap DI-Pre 180 days (% py)	12.45	6.67	9.39	6.73	-2.7 pp	-5.8 pp	0.1 pp	-2.7 pp			
Swap DI-Pre 360 days (% py)	11.56	6.86	9.15	7.22	-4.3 pp	-4.7 pp	0.4 pp	-1.9 pp			
Monet Market (BCB)	May-18										
	Dec-16	Dec-17	May-17	May-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % mai/yy- Dec/17	chg. % mai/yy- mai/yy	2018	2019	2020
Selic target rate (% py)	13.75	7.00	11.25	6.50	-0.5 pp	-6.75 pp	-0.5 pp	-4.8 pp	6.50%	8.00%	8.00%
TJLP (% py)	7.50	7.00	7.00	6.60	0.5 pp	-0.5 pp	-0.40 pp				
Brazil Sovereign Risk (BCB)	May-18										
	Dec-16	Dec-17	May-17	May-18	chg. pp Dec/16 / Dec/15	chg. pp Dec/17 / Dec/16	chg. % mai/yy- Dec/17	chg. % mai/yy- mai/yy			
Monthly Average (in basis points)											
EMBI+ (JPMorgan)	328	240	284	307	-195 pp	-88 pp	67 pp	23 pp			
5 years CDS	281	162	236	227	-214 pp	-119 pp	65 pp	-9 pp			
10 years CDS	360	259	333	336	-199 pp	-100 pp	76 pp	3 pp			

Major Financial Savings Instruments

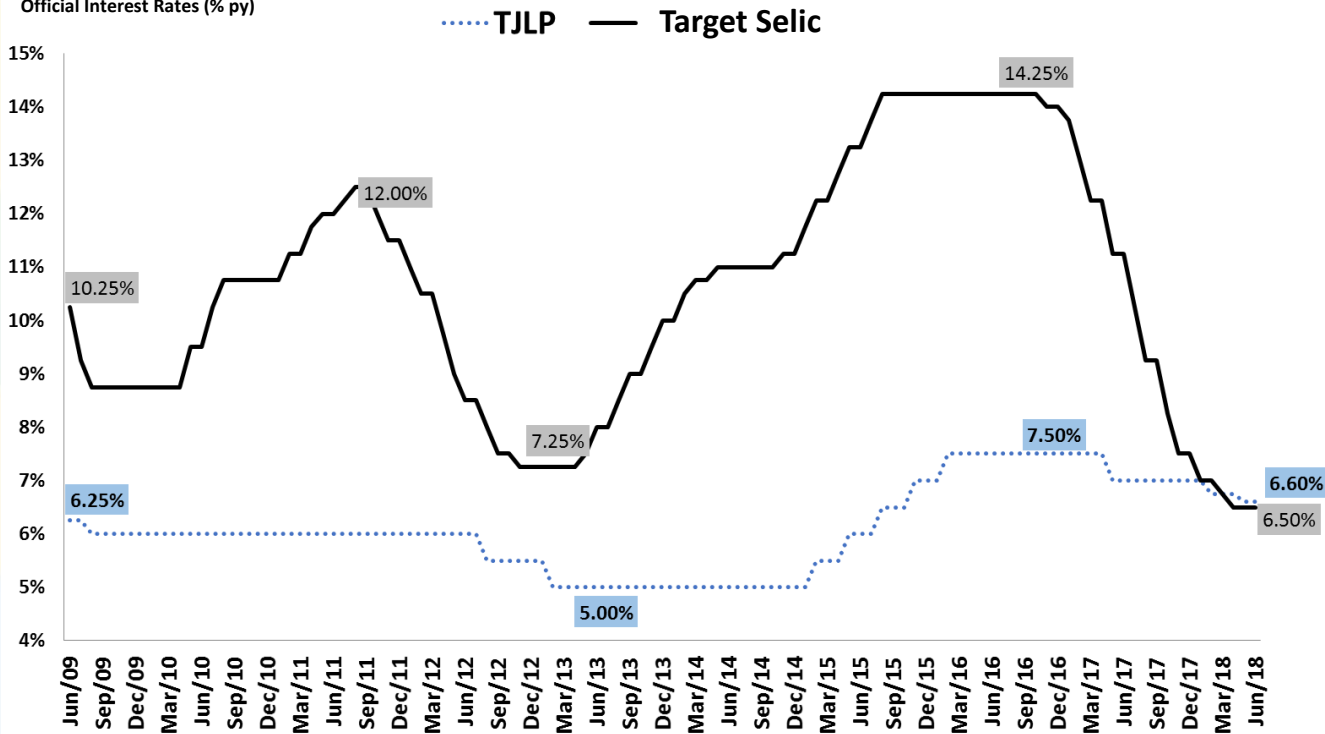
Outstanding Position as % of GDP



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

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

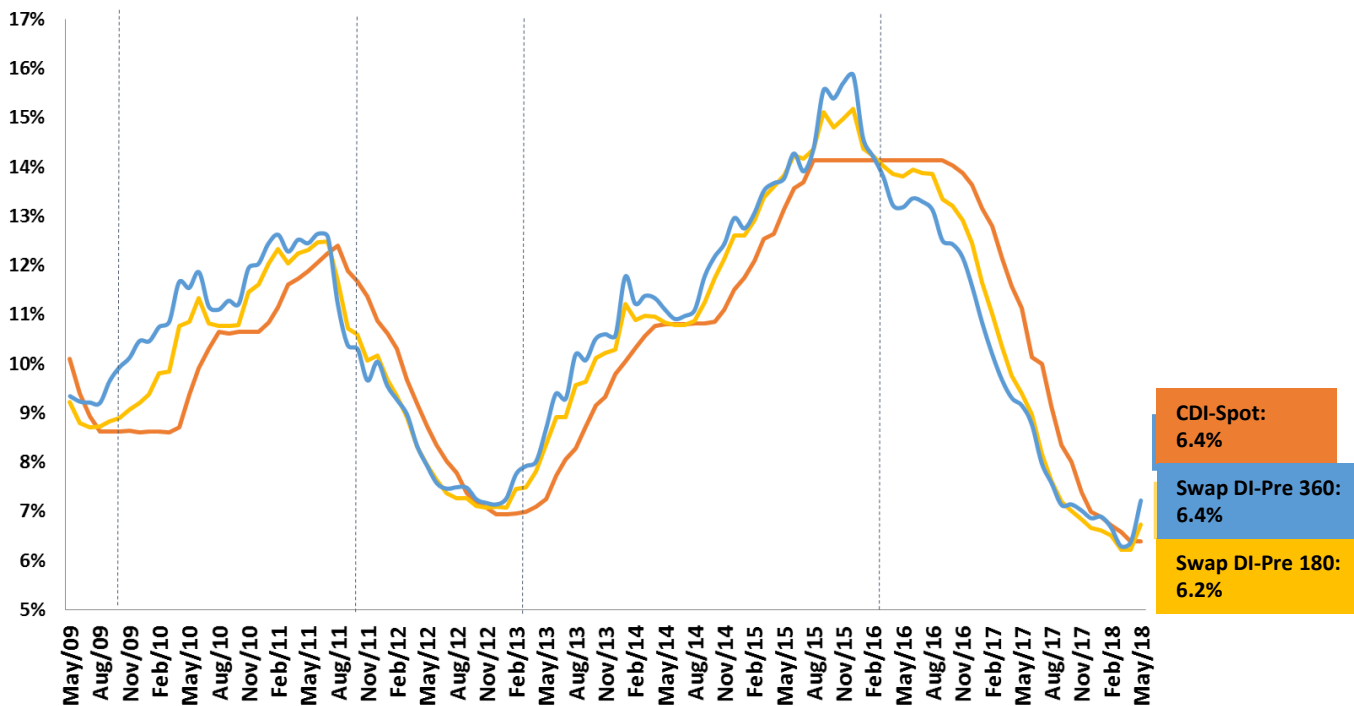


Source: Central Bank of Brazil.

Term Structure of Interbank Interest Rate

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

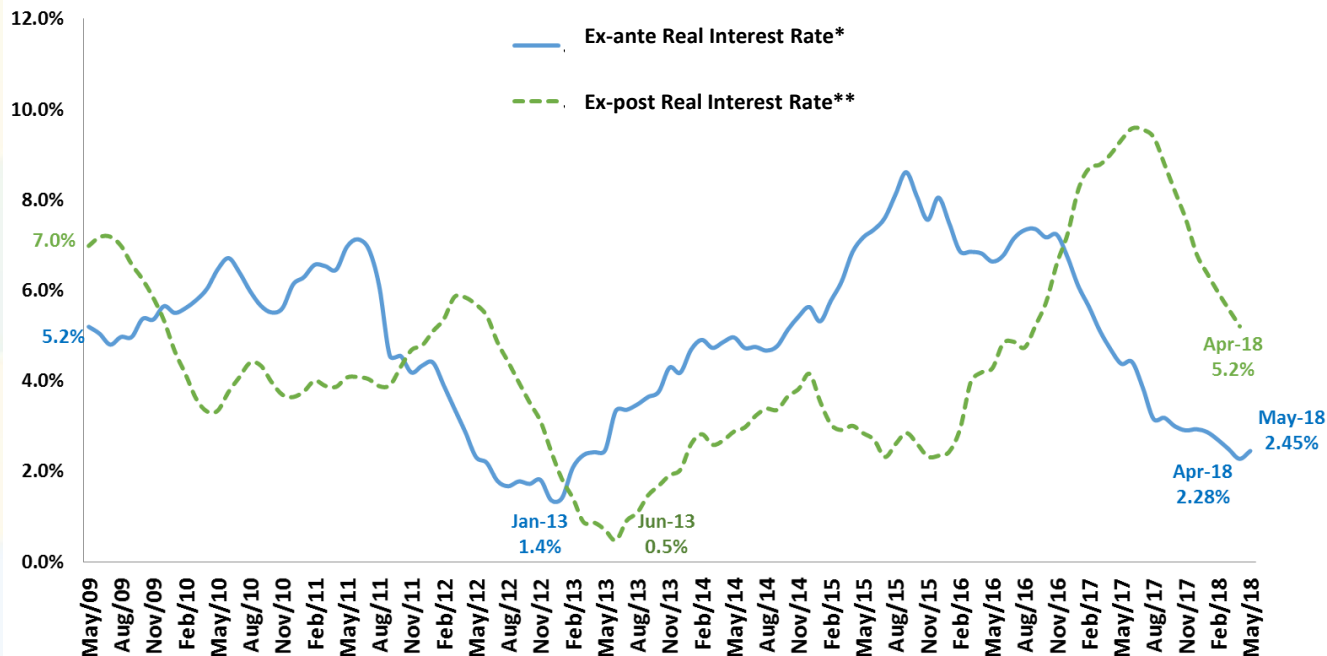
Reverse Points of Yield Curve



Source: Central Bank of Brazil.

Ex-ante and Ex-post Real Interest Rates

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



Source: Central Bank of Brazil.

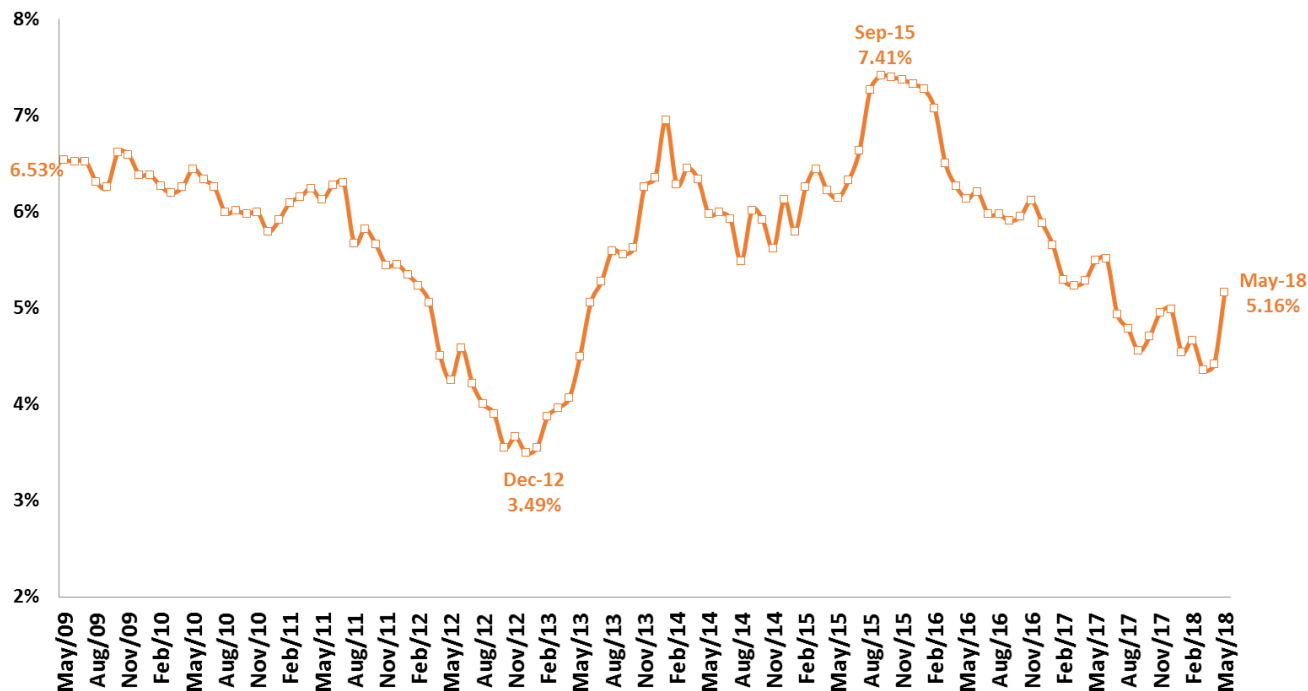
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

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

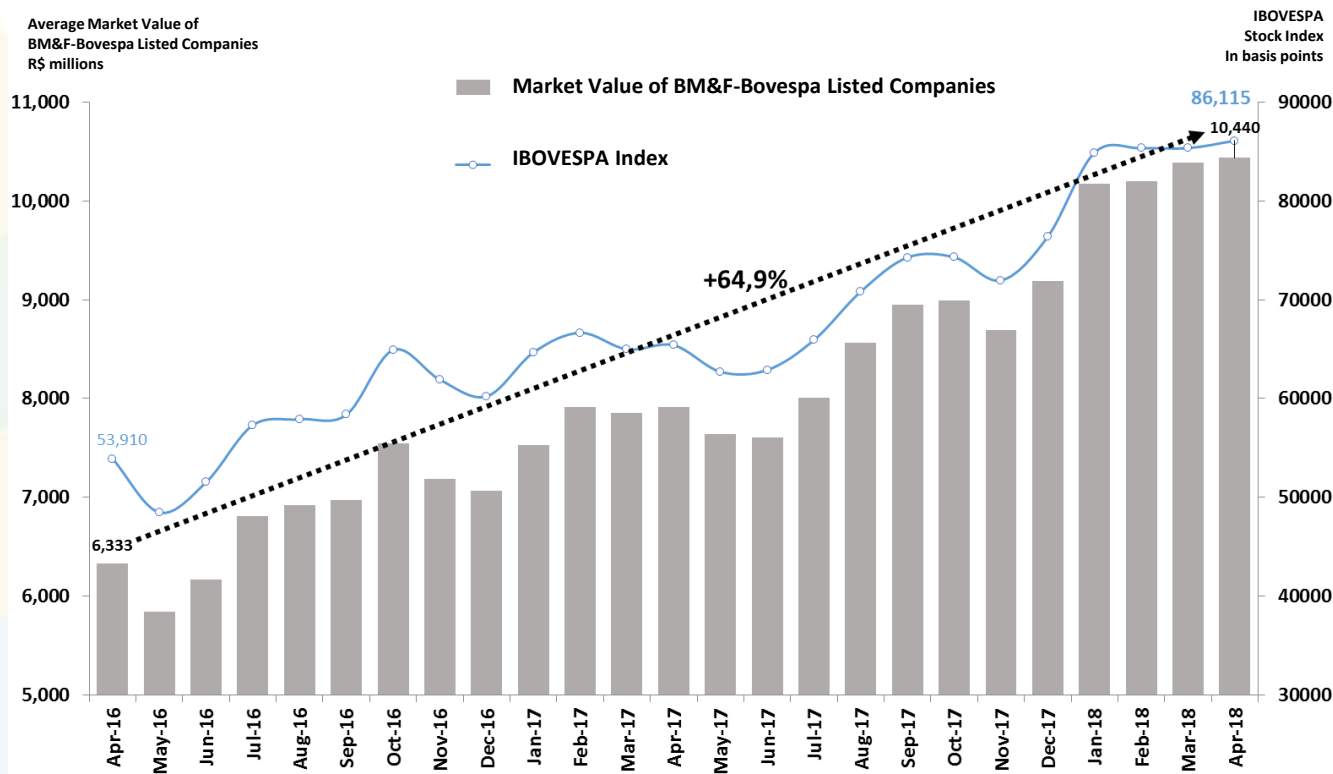
NTN-B 2024*

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



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

Brazilian Stock Market Evolution

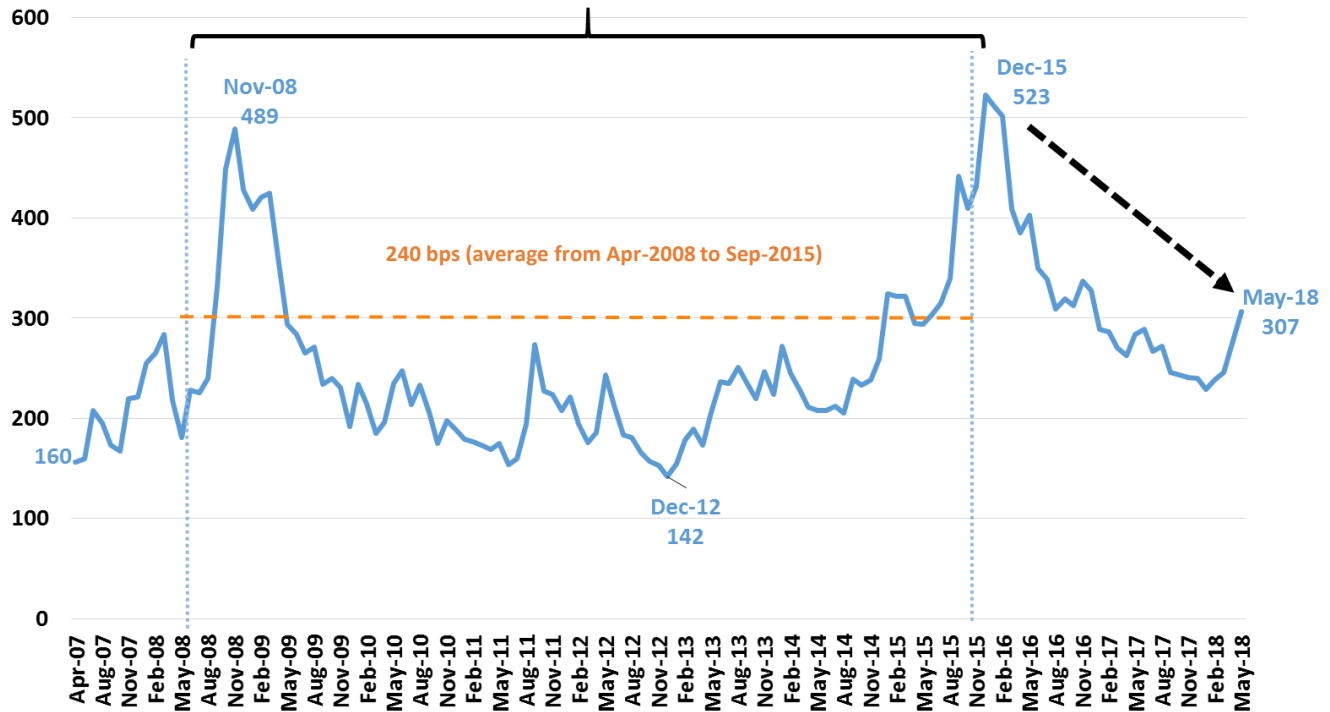


Source: Central Bank of Brazil.

Sovereign Risk (EMBI+ BR)

EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period

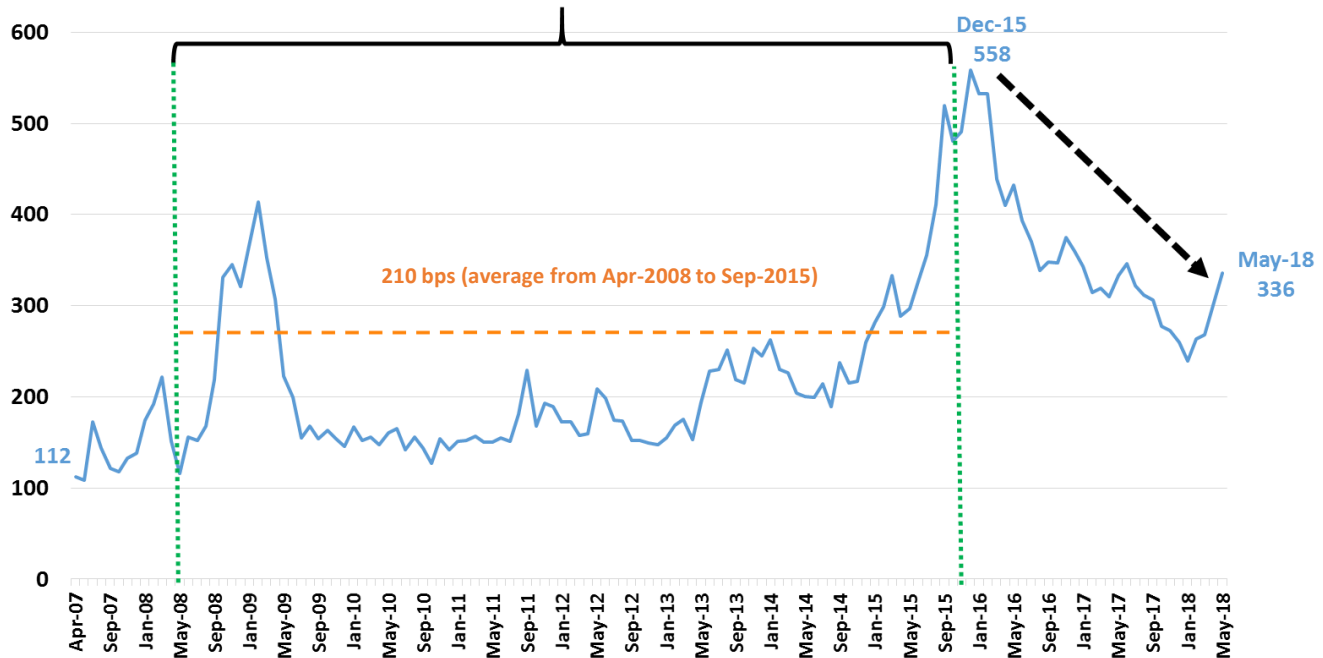


Source: JPMorgan.

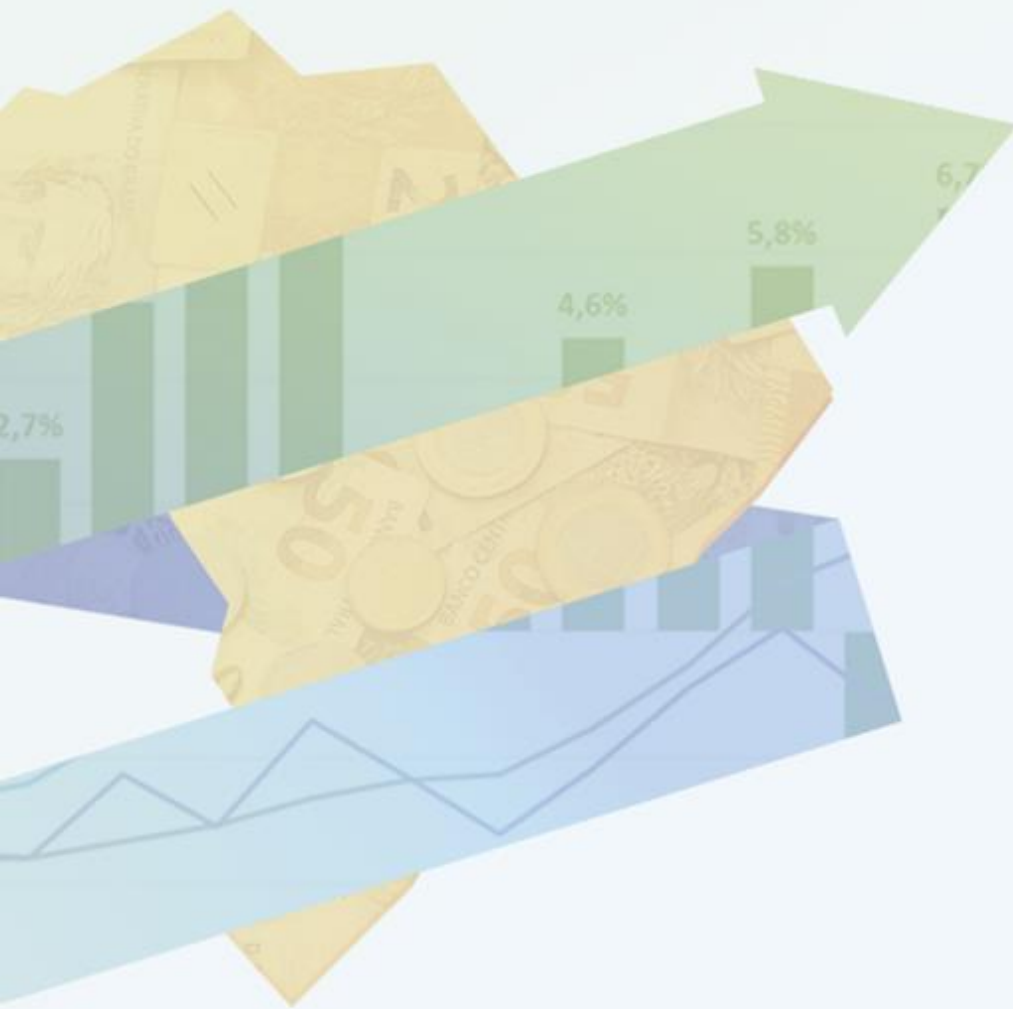
Sovereign Risk (CDS 10Y BR)

CDS 10Y Brazil Spread
basis points

S&P and Fitch Investment Grade Period



Source: Bloomberg.

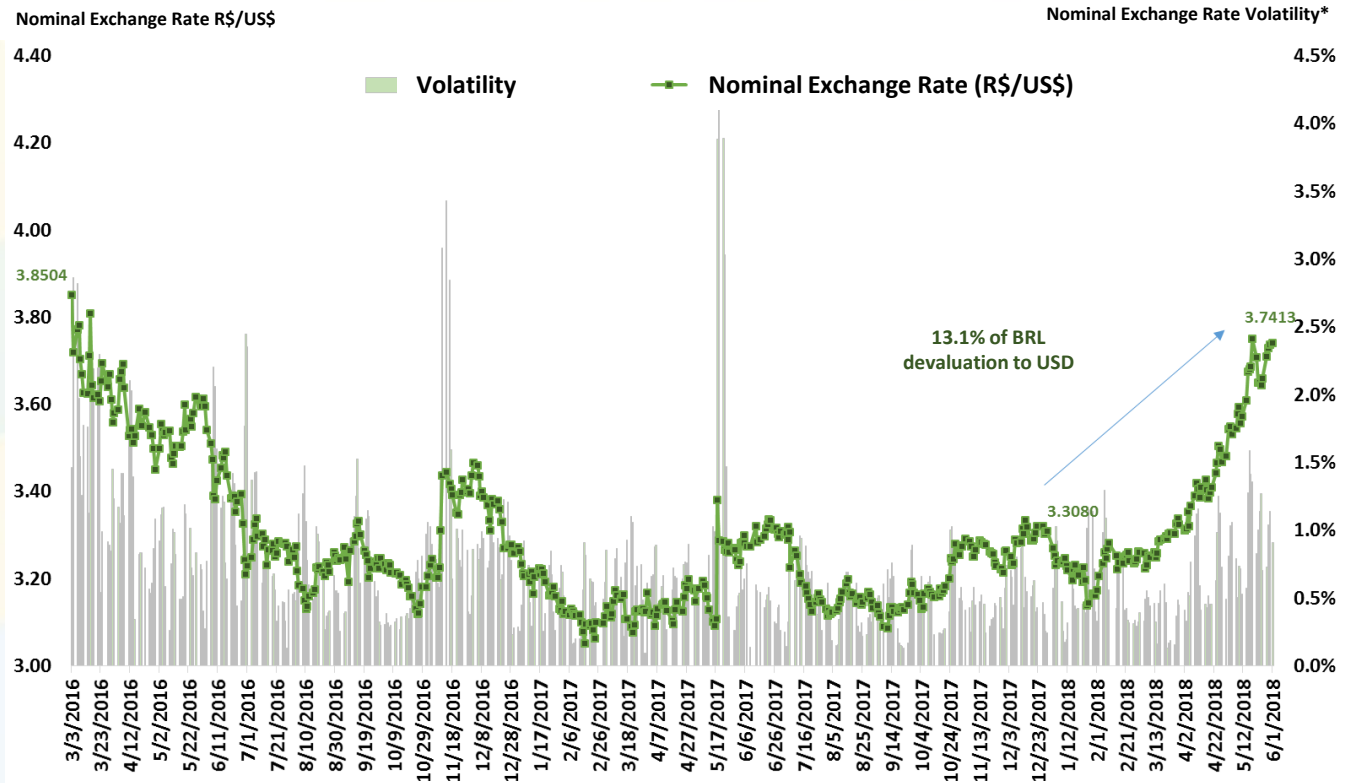


FOREIGN TRADE

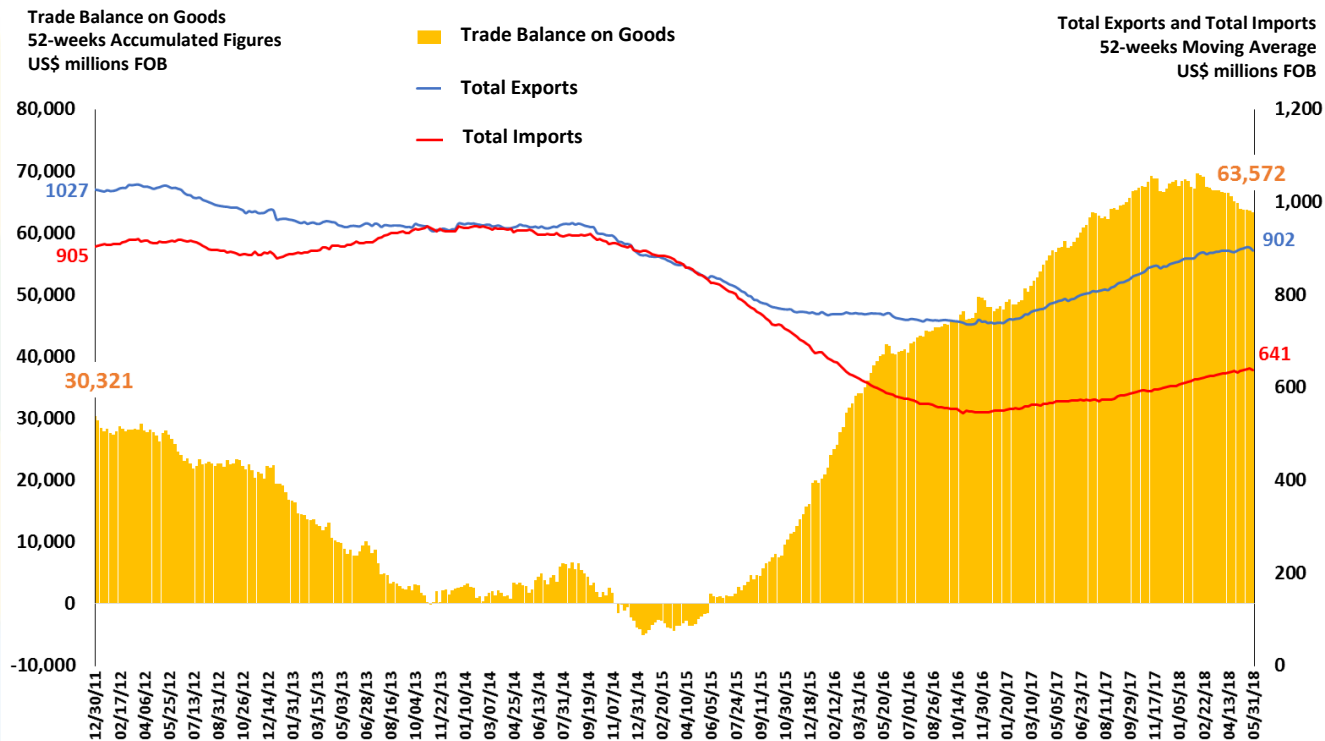
Foreign Trade

											BCB/Focus: 6/1/2018		
Exchange Rate Indicators (BCB)	May-18												
FX % change rate: appreciation (-) or depreciation (+) of the Real		2016	2017	chg.% mar/yy- mar/yy	chg.% abr/yy- abr/yy	chg.% mai/yy- mai/yy	YTD 2017	mar/yy accum. in 12-months	abr/yy accum. in 12-months	mai/yy accum. in 12-months	Average FX Rate 2018	Average FX Rate 2019	Average FX Rate 2020
Nominal Exchange Rate (R\$/US\$) - sale - end of period; month value:	3.737	6.7%	-8.7%	1.1%	4.7%	4.9%	3.0%	-5.0%	-2.5%	-1.1%	3.49	3.45	3.54
Exchange Rate Indicators (BCB)	April-18												
FX % change rate: appreciation (-) or depreciation (+) of the Real		2016	2017	chg.% mar/yy- fev/yy	chg.% mar/yy- mar/yy	chg.% abr/yy- abr/yy	YTD 2017	fev/yy accum. in 12-months	mar/yy accum. in 12-months	abr/yy accum. in 12-months			
Real Effective Exchange Rate (IPCA)		-1.6%	-10.9%	7.1%	11.4%	11.3%	8.3%	-6.1%	-3.1%	-0.5%			
Exchange Rate / Wage Ratio adjusted by Labor Productivity		-12.1%	-3.2%	9.4%	10.4%	9.7%	9.4%	1.8%	4.4%	6.3%			
Unitary Labor Cost in US\$		-0.5%	8.5%	-4.2%	-3.1%	-1.9%	-2.7%	5.3%	3.1%	1.6%			
Foreign Trade of Goods (FUNCEX)	April-18												
Average Price and Quantum		2016	2017	chg.% fev/yy- fev/yy	chg.% mar/yy- mar/yy	chg.% abr/yy- abr/yy	YTD 2017	fev/yy accum. in 12-months	mar/yy accum. in 12-months	abr/yy accum. in 12-months			
QUANTUM													
Exports (X)		3.3%	6.8%	11.4%	0.1%	7.3%	7.3%	8.3%	8.2%	9.3%			
Basic Goods		-2.7%	13.2%	-5.7%	-0.8%	7.2%	3.4%	13.2%	13.3%	15.2%			
Semi-Manufactured		9.9%	0.6%	-1.3%	4.3%	8.8%	1.3%	0.2%	1.3%	2.4%			
Manufactured		7.9%	2.7%	38.2%	-0.3%	7.1%	14.9%	6.5%	5.9%	6.3%			
Imports (M)		-11.9%	5.3%	7.8%	1.2%	20.2%	9.2%	4.9%	4.5%	6.1%			
Intermediate Goods		-7.4%	7.0%	5.5%	-3.7%	15.6%	3.6%	3.9%	2.4%	3.4%			
Capital Goods		-17.0%	-9.1%	29.9%	13.3%	48.7%	24.2%	-2.8%	-0.8%	2.9%			
Durable Consumer Goods		-36.0%	8.5%	68.9%	33.6%	46.3%	44.4%	14.8%	18.5%	22.5%			
Semi and Non-Durable Consumer Goods		-9.2%	8.2%	3.3%	-5.5%	20.4%	6.7%	8.7%	6.8%	8.5%			
Fuel and Lubricants		-22.1%	9.4%	-7.8%	21.4%	7.9%	19.5%	12.5%	16.5%	19.0%			
Exports Profitability Index (Jan/2017)		-8.2%	-1.3%	5.2%	3.3%	4.0%	3.2%	0.8%	1.1%	1.2%			
Quantum Ratio = average quantum X / average quantum M		15.6%	1.5%	3.4%	-1.1%	-10.7%	-2.0%	3.4%	3.8%	3.1%			
PRICE													
Exports (X)		-6.2%	10.1%	1.0%	0.7%	4.5%	1.9%	6.8%	4.9%	3.8%			
Basic Goods		-6.7%	12.8%	-1.7%	-0.2%	4.6%	0.0%	6.6%	3.8%	2.2%			
Semi-Manufactured		-3.9%	11.7%	3.5%	2.3%	4.2%	4.0%	9.8%	8.1%	6.7%			
Manufactured		-5.9%	5.7%	3.2%	1.0%	4.4%	3.1%	5.2%	4.5%	4.1%			
Imports (M)		-8.9%	4.1%	5.5%	5.4%	7.1%	6.1%	5.0%	5.0%	5.3%			
Intermediate Goods		-7.7%	3.0%	5.8%	6.5%	7.3%	6.6%	4.3%	4.7%	5.1%			
Capital Goods		-5.0%	-3.2%	-4.3%	-3.0%	6.8%	0.0%	-3.0%	-3.8%	-2.4%			
Durable Consumer Goods		-3.9%	2.0%	5.8%	2.8%	3.4%	4.4%	2.6%	2.9%	3.2%			
Semi and Non-Durable Consumer Goods		-2.8%	-1.8%	6.0%	3.5%	2.1%	2.7%	-0.7%	0.0%	0.3%			
Fuel and Lubricants		-26.6%	29.5%	16.3%	9.8%	14.6%	14.3%	28.3%	24.8%	22.7%			
Terms of Trade = average price X / average price M		3.1%	5.8%	-4.3%	-4.5%	-2.4%	-4.0%	1.7%	-0.1%	-1.4%			

Daily Nominal Exchange Rate R\$/US\$

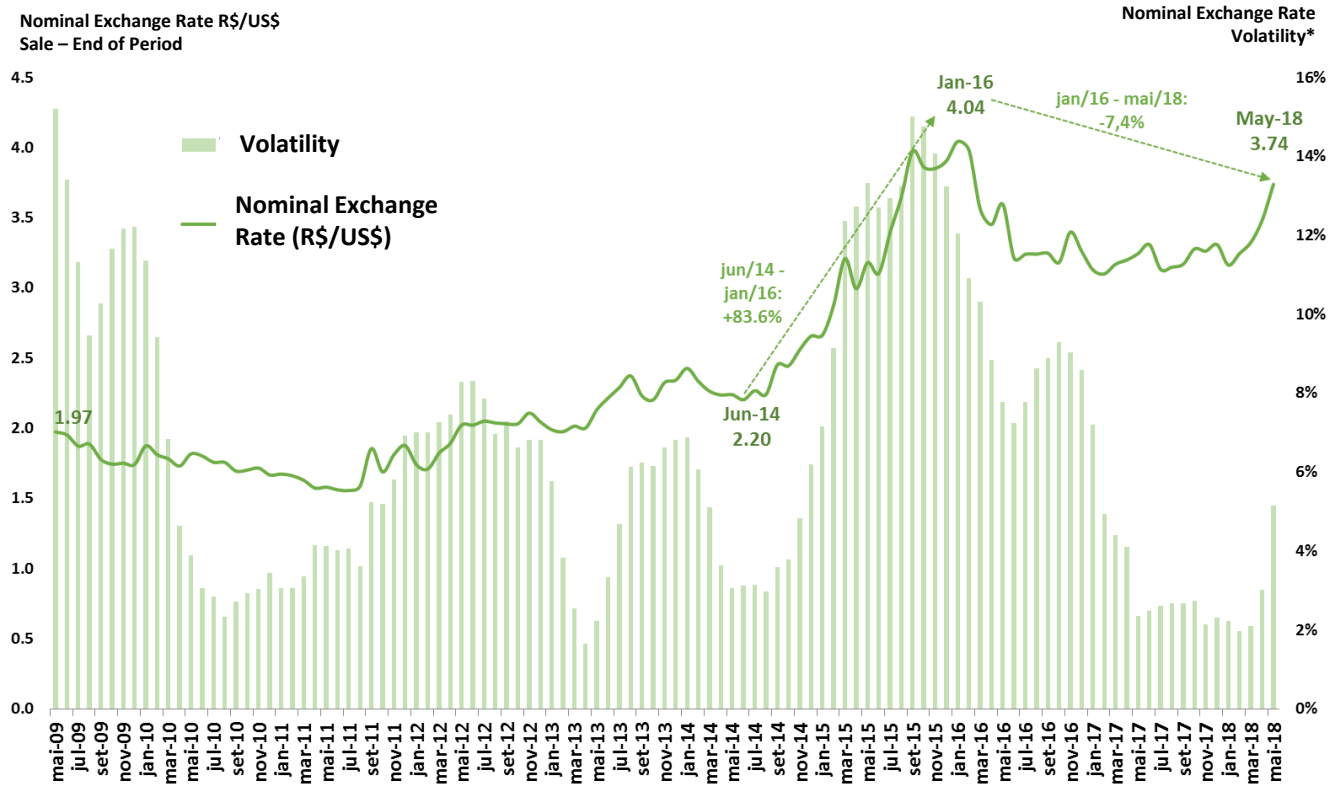


Trade Balance on Goods (52 weeks daily average)



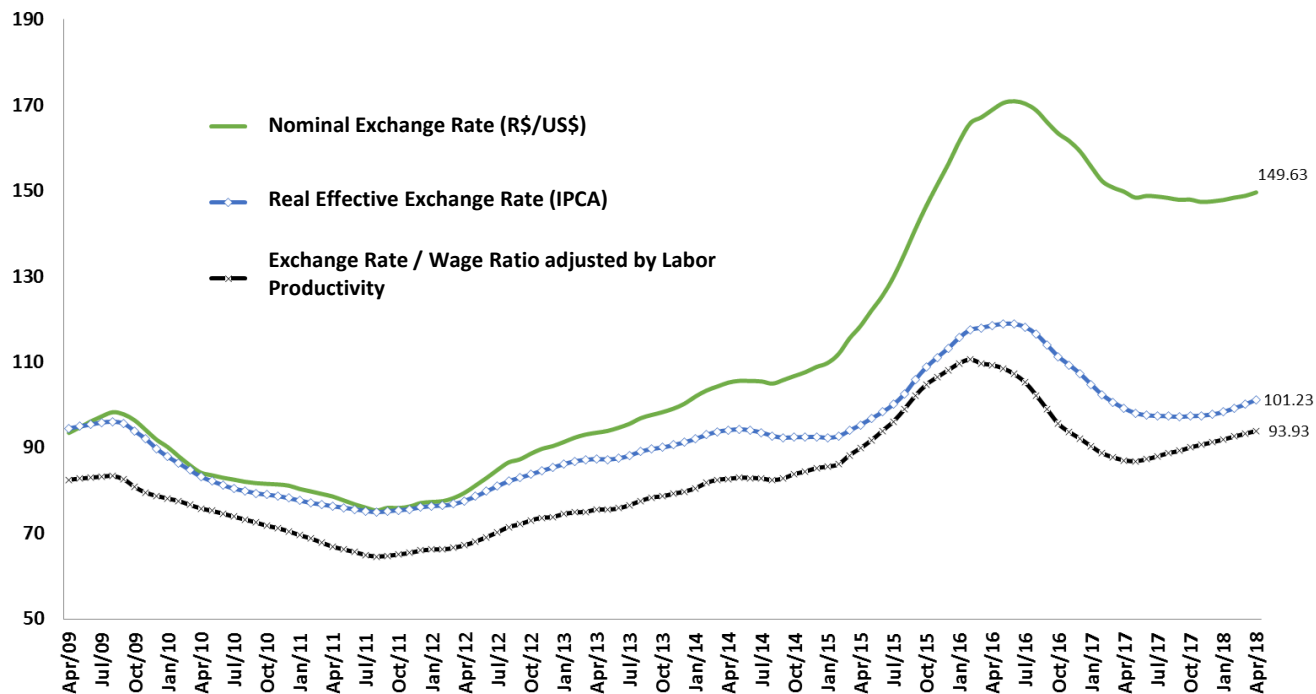
Source: SECEX/MDIC.

Nominal Exchange Rate R\$/US\$



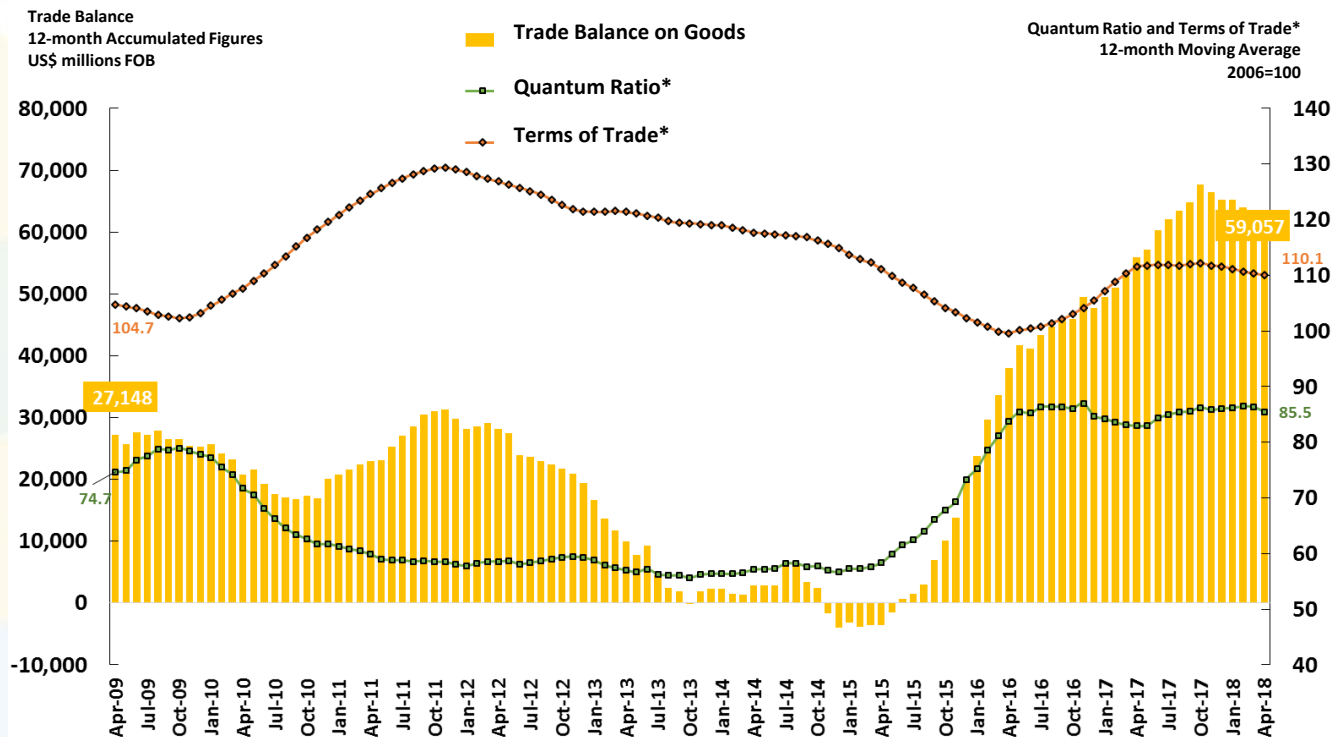
Exchange Rate Indexes

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



Source: Central Bank of Brazil.

Trade Balance, Quantum and Terms of Trade Ratios



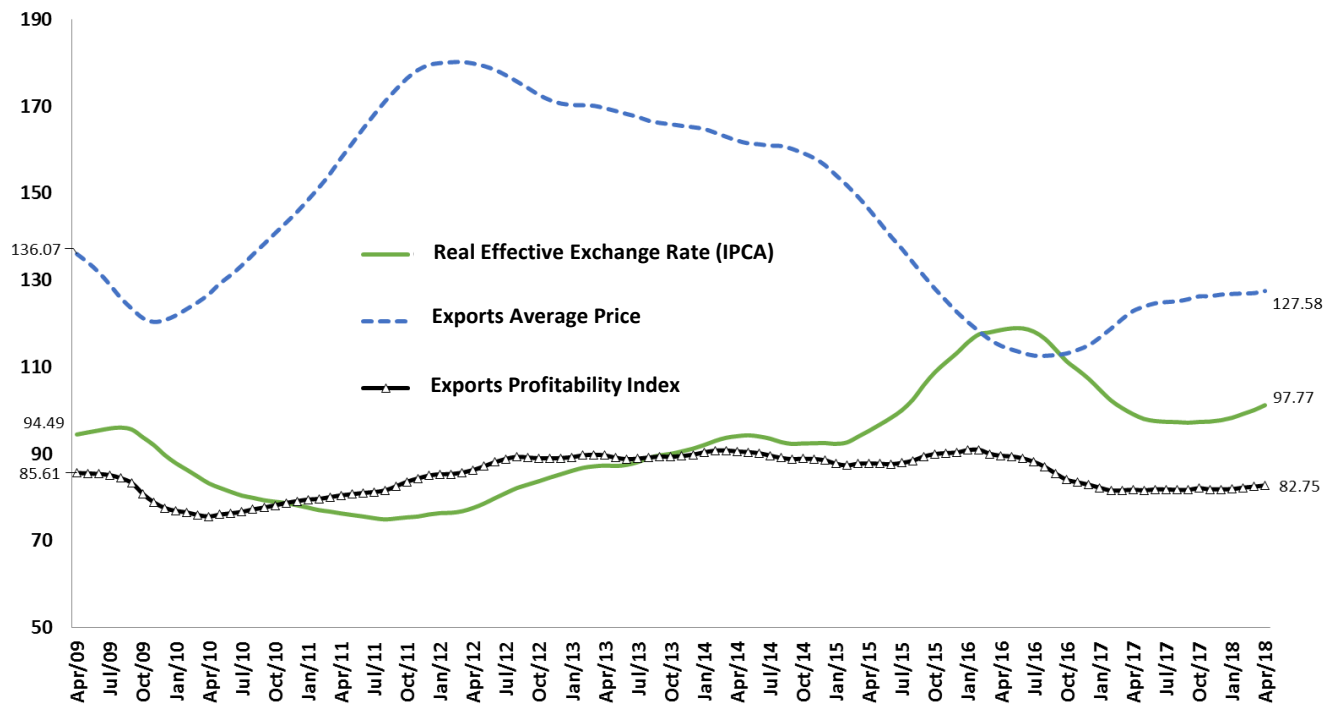
Sources: SECEX/MDIC and FUNCEX.

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

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

Exports: Profitability, Price and Real Exchange Rate

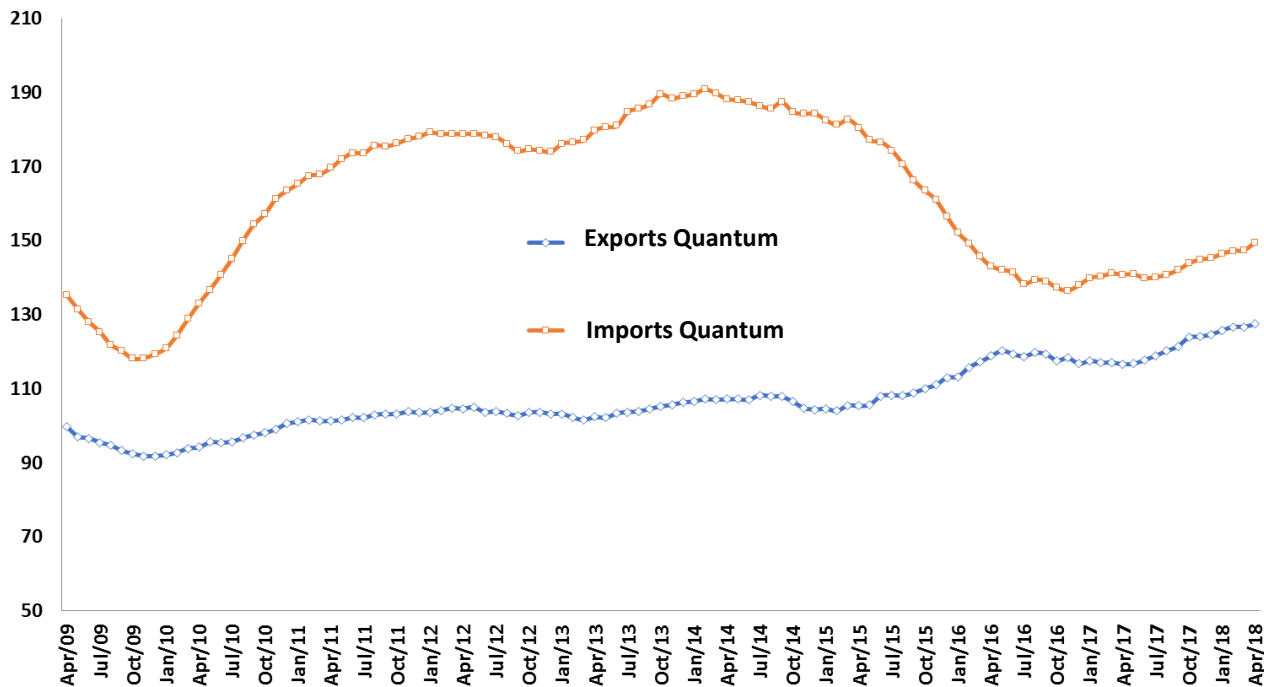
Real Effective Exchange Rate (IPCA), Exports Average Price and Exports Profitability Index
12-month Moving Average (2006=100)



Sources: Central Bank of Brazil and FUNCEX.

Quantum of Exports and Imports

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

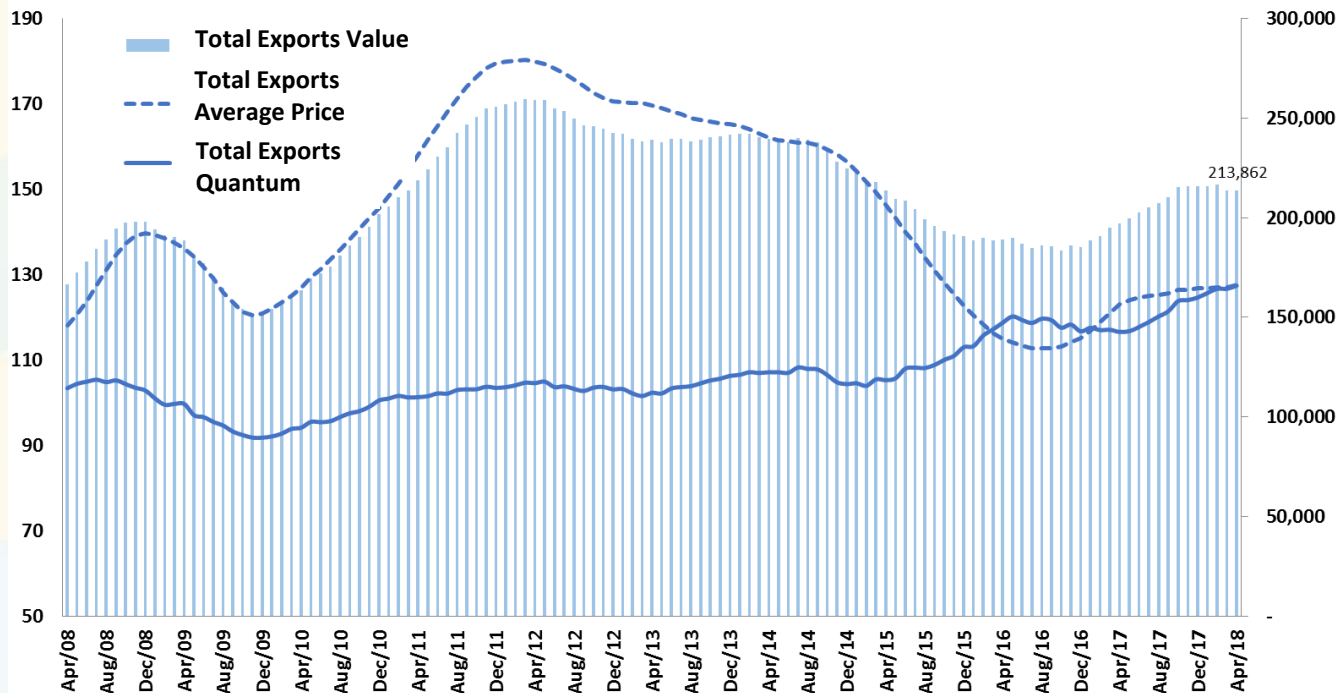


Source: FUNCEX.

Total Exports: value, quantum and price

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

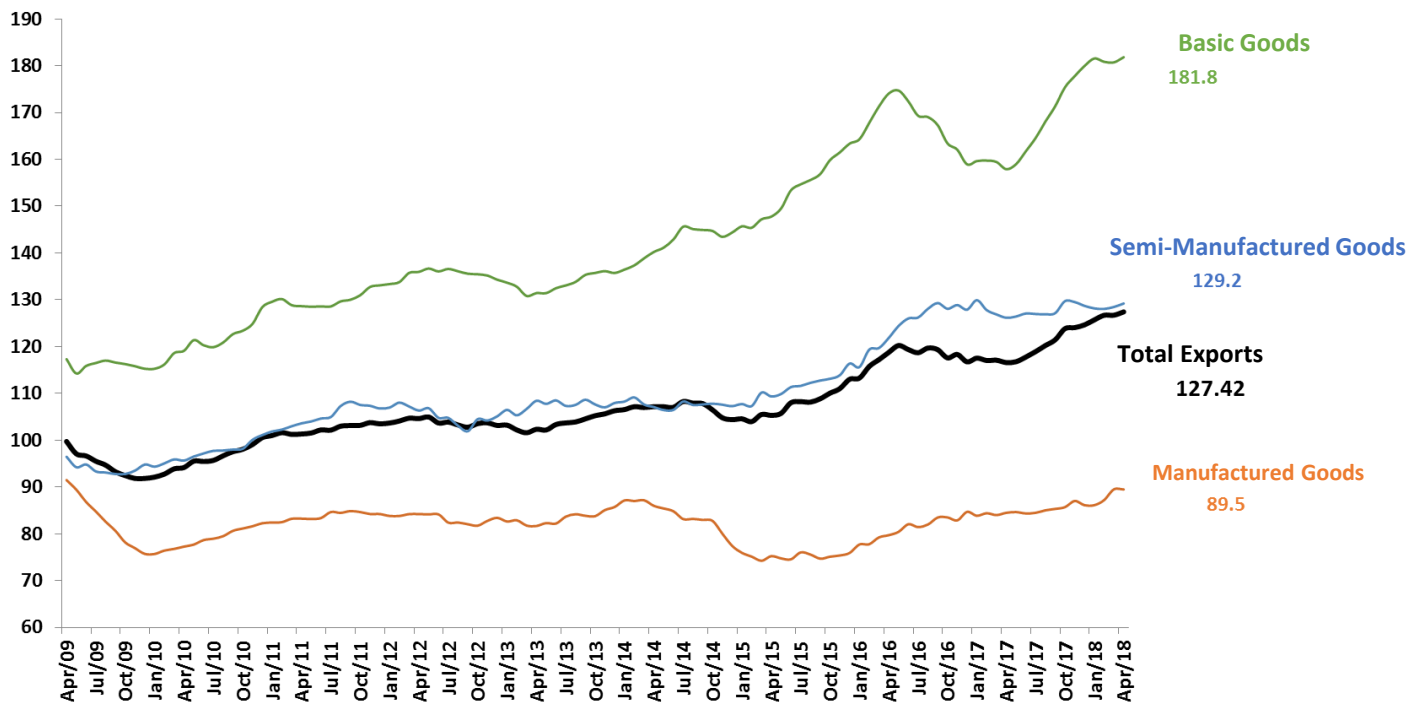
Exports Value
12-month Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Exports by Class of Products

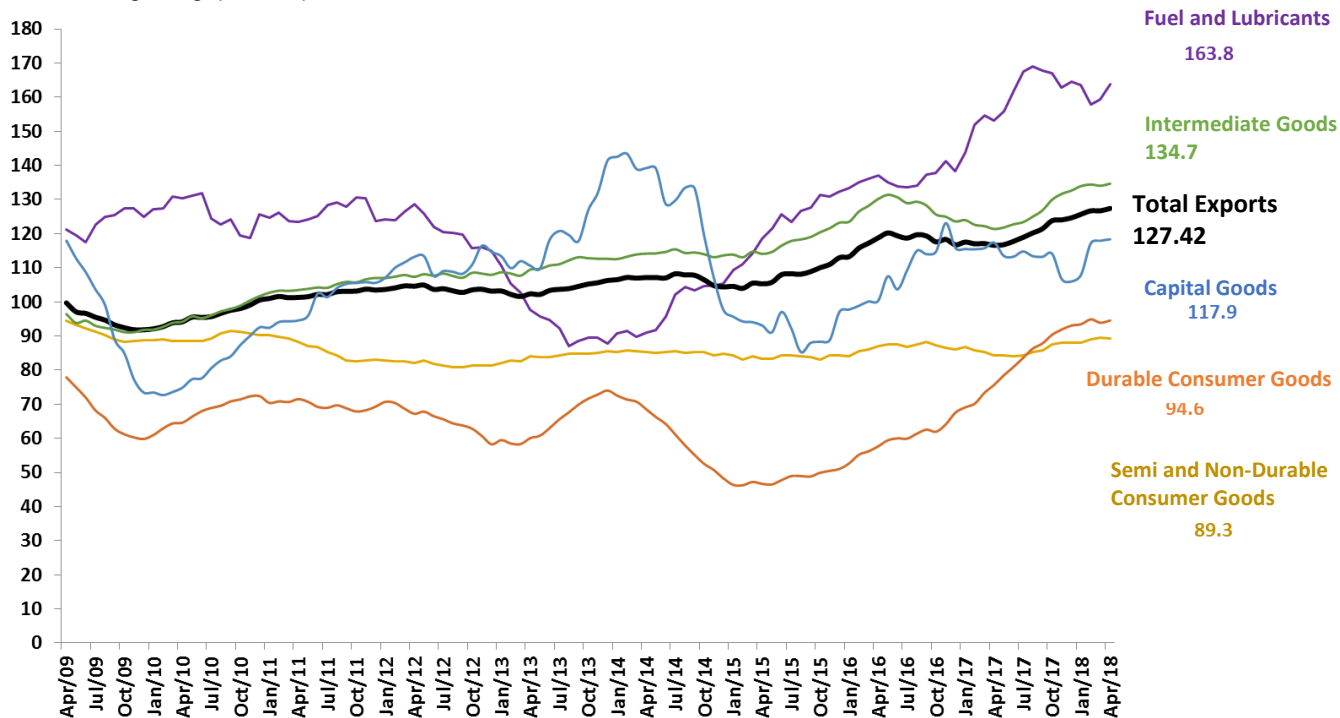
Exports Quantum by Class of Products
12-months Moving Average (2006=100)



Source: FUNCEX.

Quantum of Total Exports by Economic Categories

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

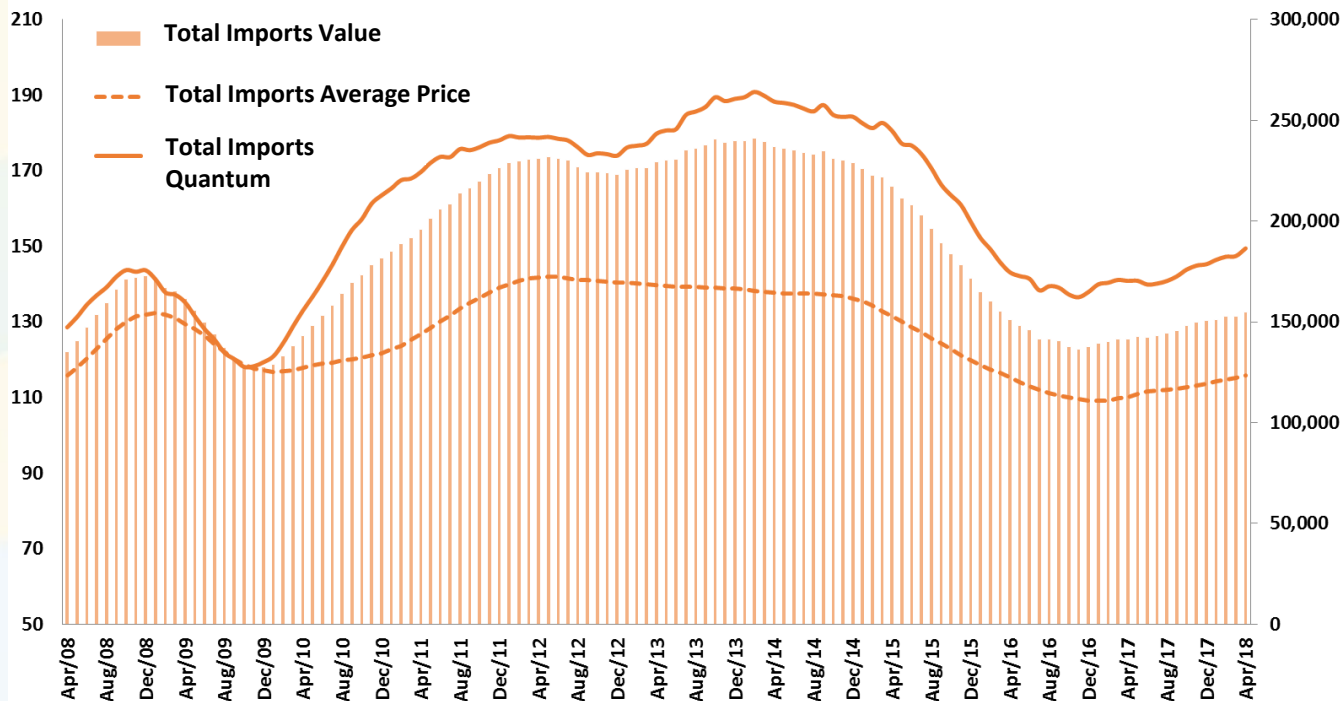


Source: FUNCEX.

Total Imports: value, quantum and price

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

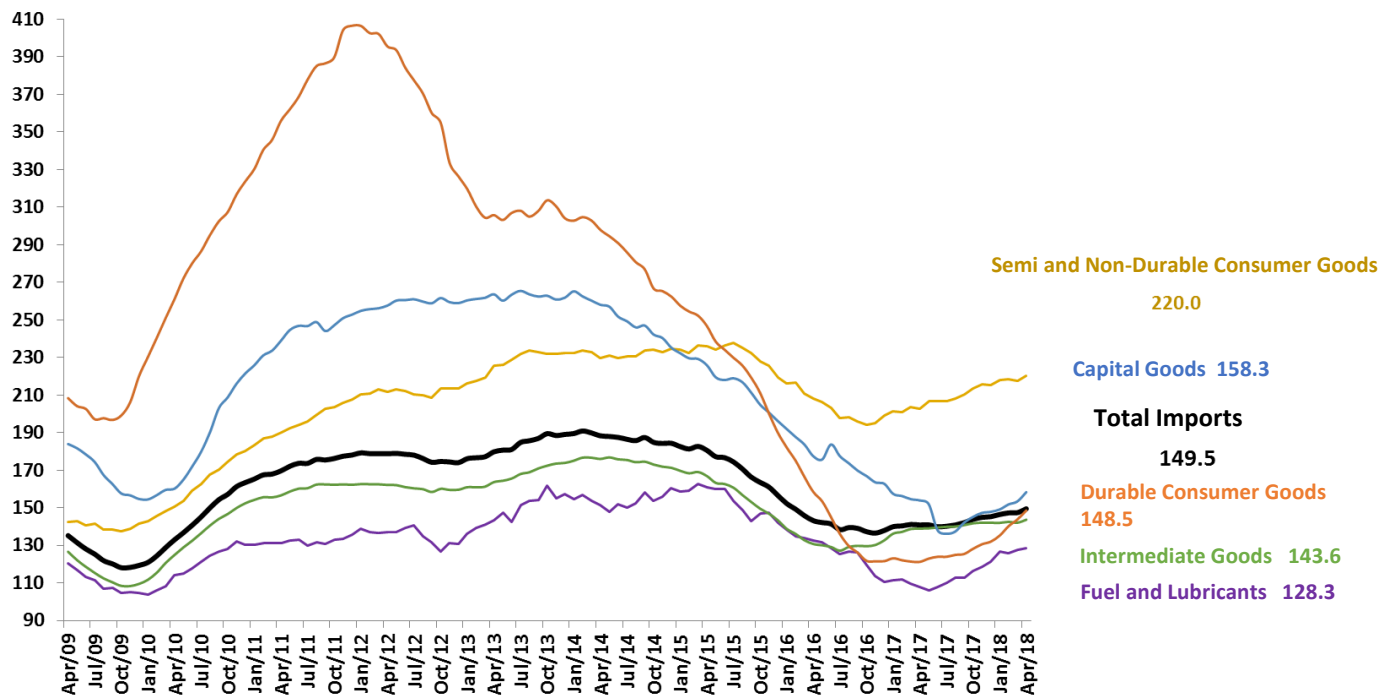
Imports Value
12-month Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Imports and by Economic Categories

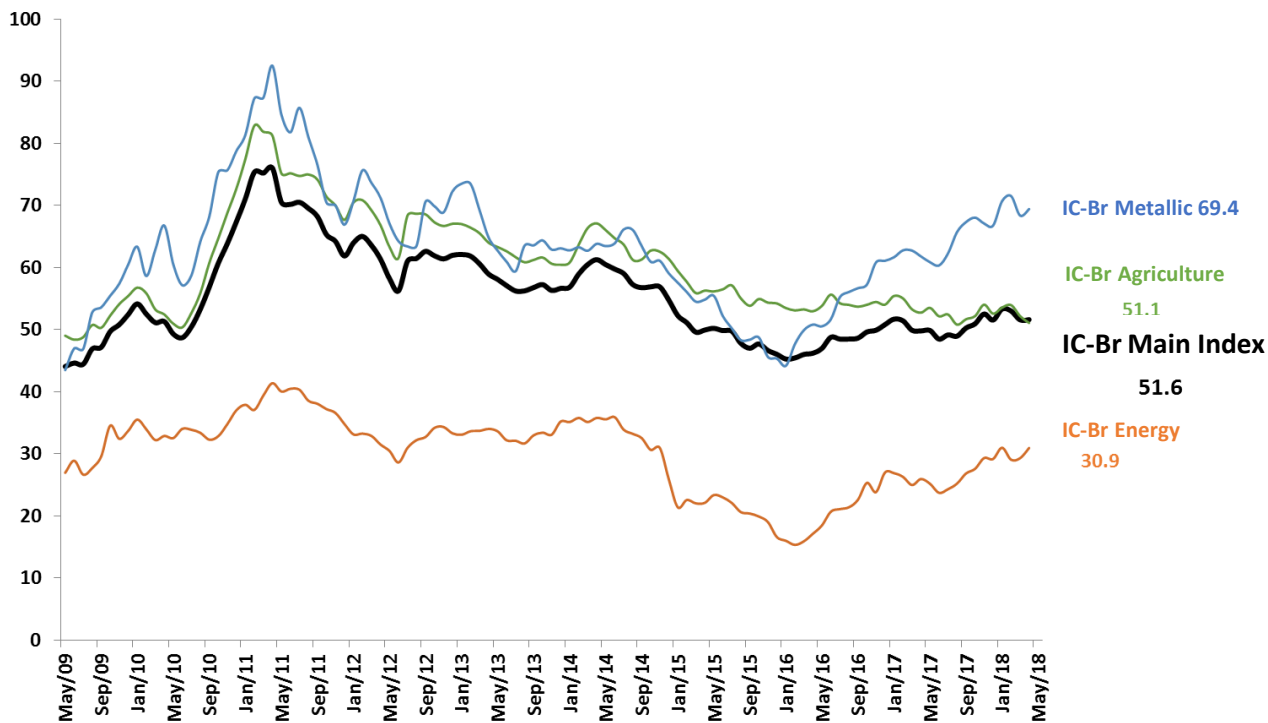
Imports Quantum by Economic Categories
12-month Moving Average (2006=100)



Source: FUNCEX.

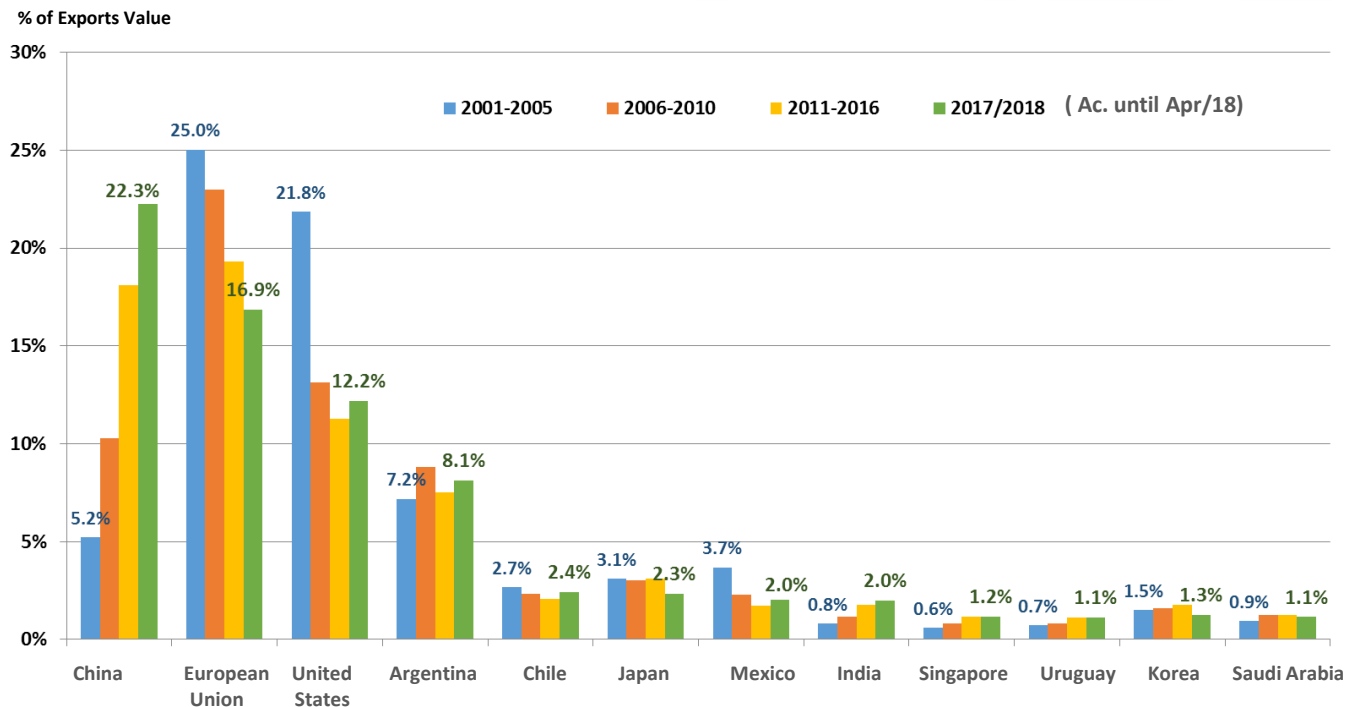
Brazilian Commodity Price Indexes

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

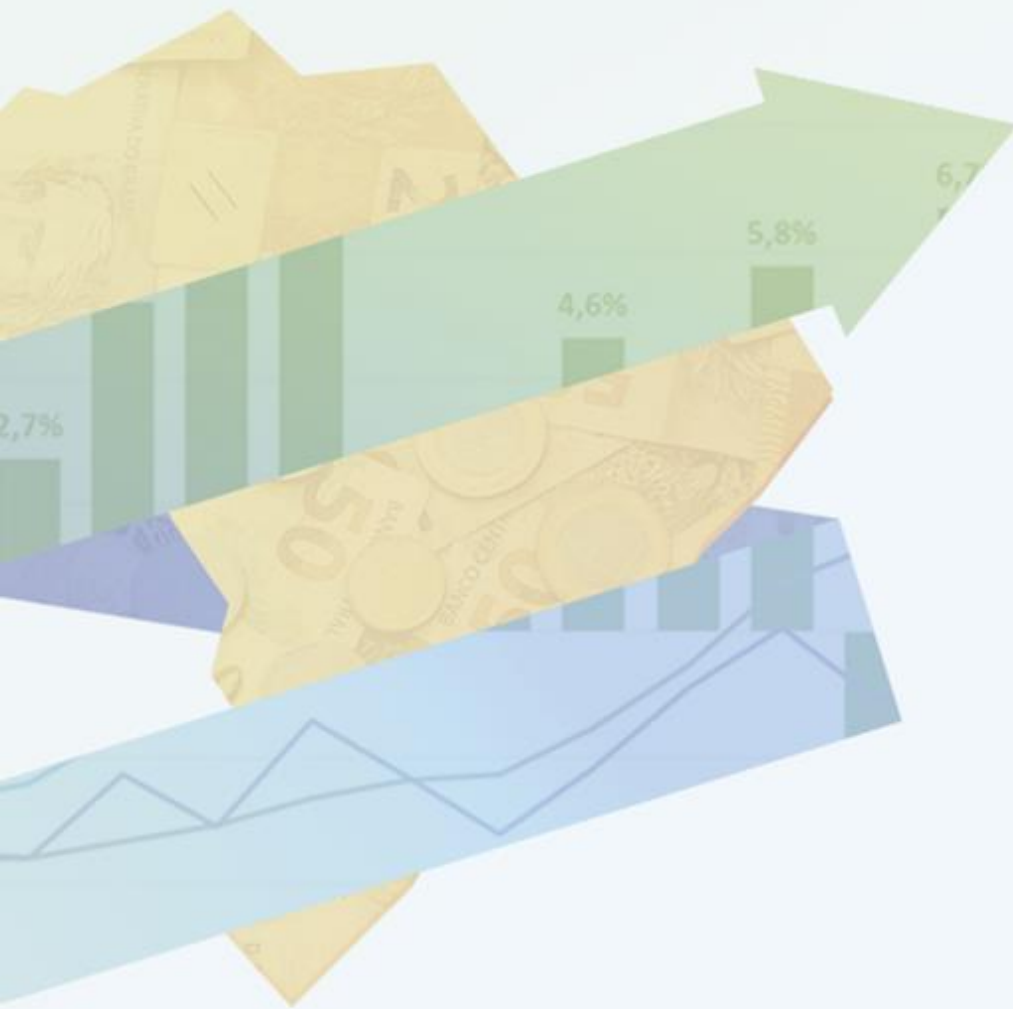


Source: Central Bank of Brazil.

Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

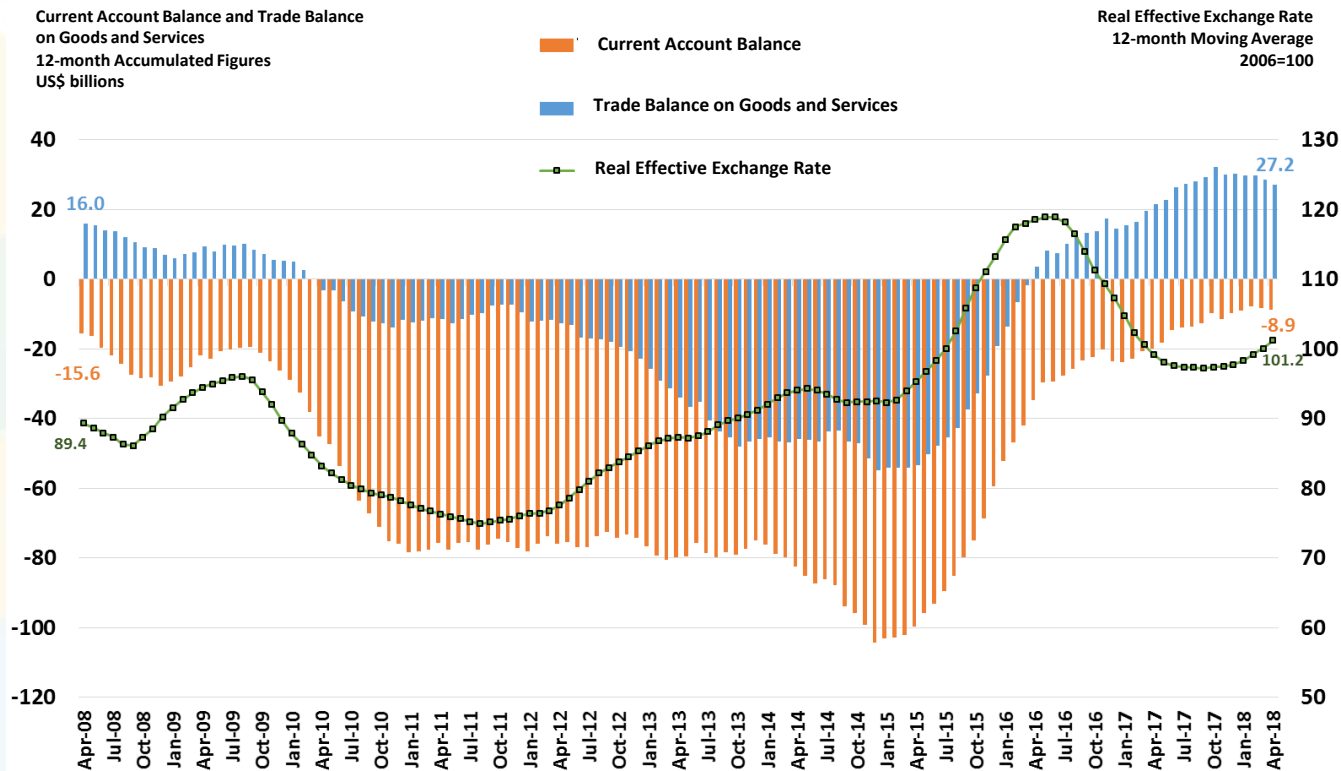


EXTERNAL SECTOR

External Sector

										BCB/Focus: 6/1/2018		
Balance of Payments (BCB)	April-18											
In US\$ millions	2016	2017	abr/yy accum. in 12-months	chg.% 2017 / 2016	chg.% abr/yy accum. 12-m / 2017	chg.% mar/yy - mar/yy	chg.% abr/yy - abr/yy	chg.% - Jan mar/yy - Jan- mar/yy	chg.% - Jan abr/yy - Jan- abr/yy	2018	2019	2020
Balance of Payments	6,857	3,251	4,300	-52.6%	32.2%	-132.9%	31.4%	-54.0%	100.2%			
Current Account Balance (CAB)	-23,546	-9,762	-8,870	-58.5%	-9.1%	-42.8%	-46.1%	-51.3%	-25.5%	-23.5	-38.6	-46.0
CAB as % of GDP	-1.3%	-0.5%	-0.4%	0.8 pp	0.0 pp	0.7 pp	0.6 pp					
Balance on Goods	45,037	64,028	61,964	42.2%	-3.2%	-13.9%	-18.5%	65.8%	-10.0%	59.4	49.0	42.3
Exports	184,453	217,243	223,412	17.8%	2.8%	0.1%	12.7%	22.1%	9.1%	229.6	239.0	247.1
Imports	139,416	153,215	161,447	9.9%	5.4%	7.5%	32.1%	9.6%	17.4%	170.3	190.0	204.8
Balance on Services	-30,447	-33,850	-34,768	11.2%	2.7%	10.3%	7.3%	13.2%	9.3%			
Primary Income	-41,080	-42,572	-38,850	3.6%	-8.7%	-19.4%	-25.0%	25.2%	-25.1%			
Secondary Income	2,944	2,632	2,784	-10.60%	5.8%	7.5%	65.1%	-33.2%	23.0%			
Capital Account	274	379	399	38.6%	5.2%	50.6%	274.8%	48.6%	15.0%			
Financial Account	-16,415	-6,131	-4,171	-62.7%	-32.0%	37.8%	-23.4%	-52.0%	-84.6%			
Direct Investments	-65,432	-64,417	-53,989	-1.6%	-16.2%	-12.1%	-42.8%	35.0%	-36.5%			
Foreign Direct Investments (FDI)	78,249	70,685	61,703	-9.7%	-12.7%	-7.4%	-53.0%	23.1%	-30.6%	75.0	80.0	81.8
Portfolio Investments	19,217	13,445	3,585	-30.0%	-73.3%	380.0%	56.0%	-55.7%	-412.0%			
Stock Market	-7,049	-2,482	-5,449	-64.8%	119.5%	42.6%	-672.4%	-130.8%	-207.7%			
Bonds	30,495	9,116	1,530	-70.1%	-83.2%	-484.3%	-30.3%	-105.8%	1223.7%			
Others Investments and Capital Flows	29,801	44,841	46,233	50.5%	3.1%	-120.2%	-7.1%	118.2%	5.8%			
International Reserves - liquidity concept	365,016	373,972	379,979	2.5%	1.6%	2.6%	1.3%					
Gross External Debt (BCB)	April-18											
In US\$ millions	2016	2017	Apr-18	2016 % of total	abr/yy % of total	chg. pp	2016 % of GDP	abr/yy % of GDP	chg. pp			
Total External Debt	675,841	667,103	668,631	100.0%	100.0%	-	38.6%	33.8%	-4.7 pp			
Gross External Debt	326,297	317,305	315,746	48.3%	47.2%	-1.1 pp	18.6%	16.0%	-2.6 pp			
Public Sector	74,379	75,791	76,223	22.8%	24.1%	1.3 pp	4.2%	3.9%	-0.4 pp			
Private Sector and Public Financial Sector	251,918	241,514	239,523	77.2%	75.9%	-1.3 pp	14.4%	12.1%	-2.3 pp			
Short Term	56,327	51,287	55,157	17.3%	17.5%	0.2 pp	3.2%	2.8%	-0.4 pp			
Medium and Long Term	269,970	266,018	260,588	82.7%	82.5%	-0.2 pp	15.4%	13.2%	-2.2 pp			
Intercompany Loans	222,344	227,841	232,298	32.9%	34.7%	1.8 pp	12.7%	11.8%	-0.9 pp			
Domestic Bonds with Foreign Investors	127,199	121,956	120,587	18.8%	18.0%	-0.8 pp	7.3%	6.1%	-1.2 pp			

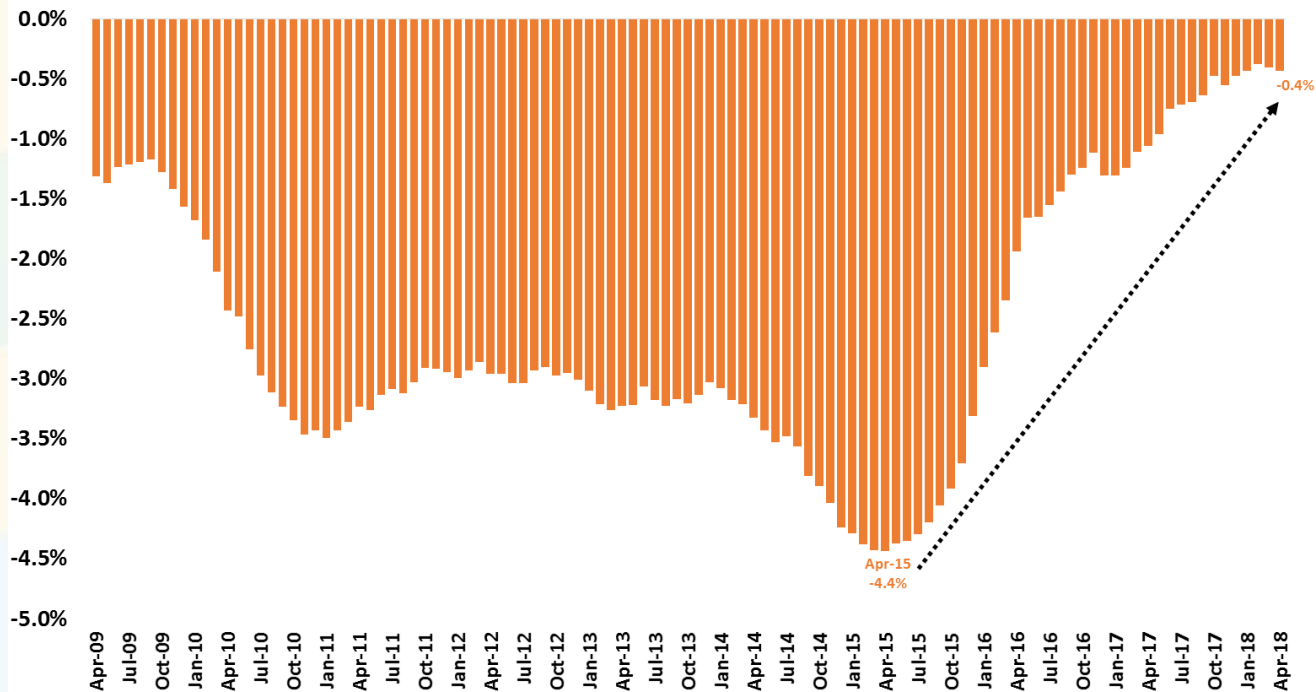
Brazil: Real Exchange Rate and External Sector Adjustment



Source: Central Bank of Brazil.

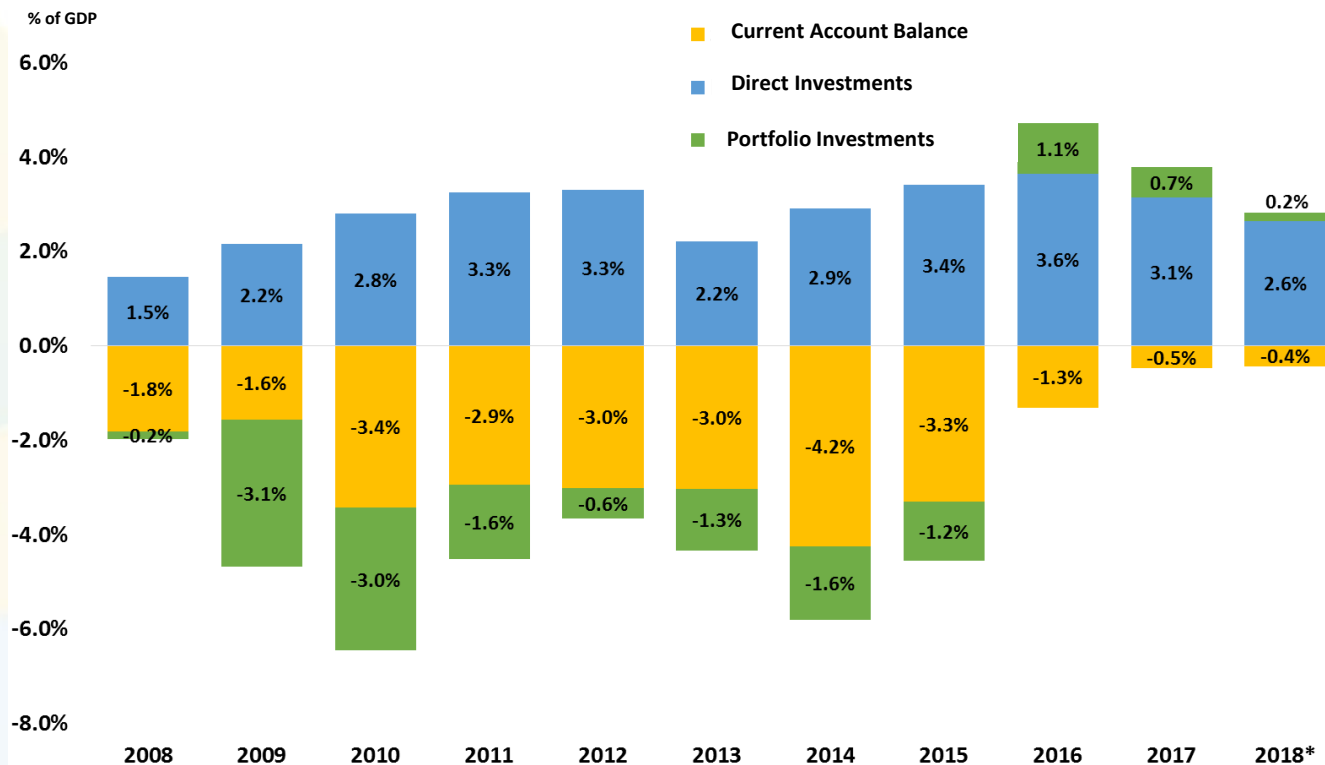
Current Account Deficit as % of GDP

Current Account as % of GDP
12-month Figures



Source: Central Bank of Brazil.

Current Account Deficit Financing

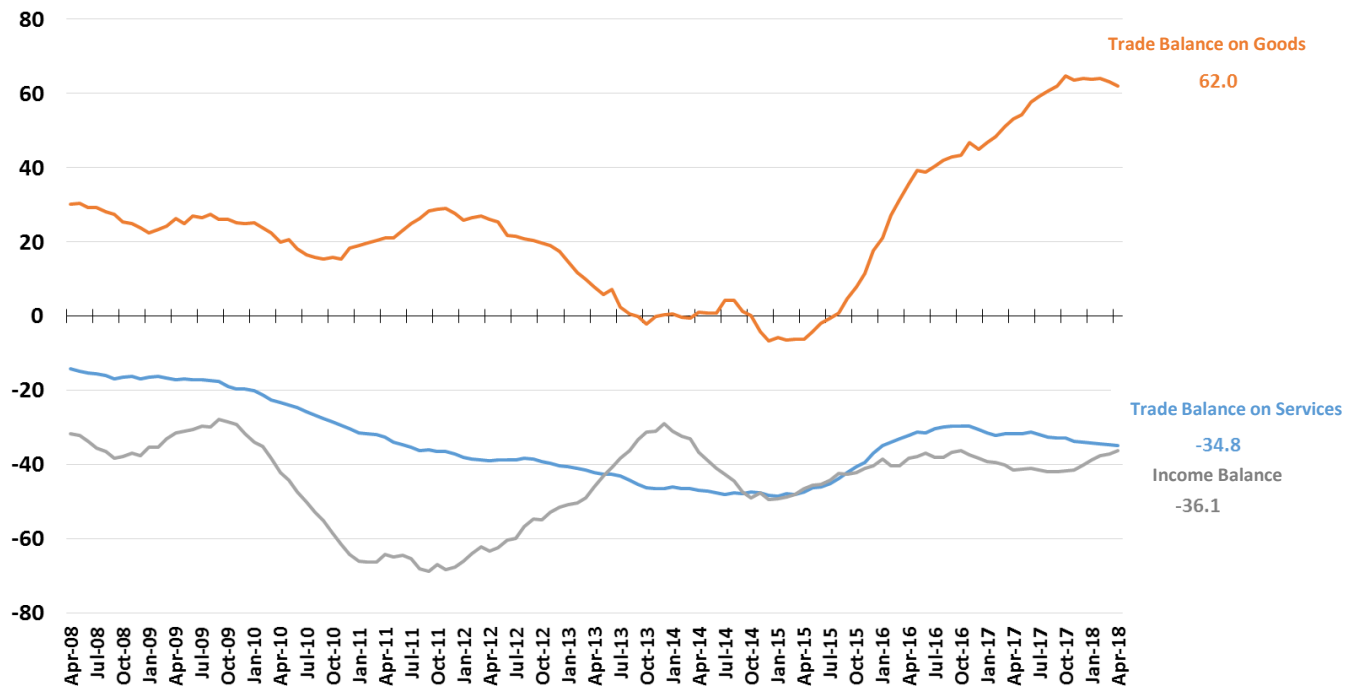


Source: Central Bank of Brazil.

2018* = 12 months ac. until Mar/18.

Current Account Balance Components

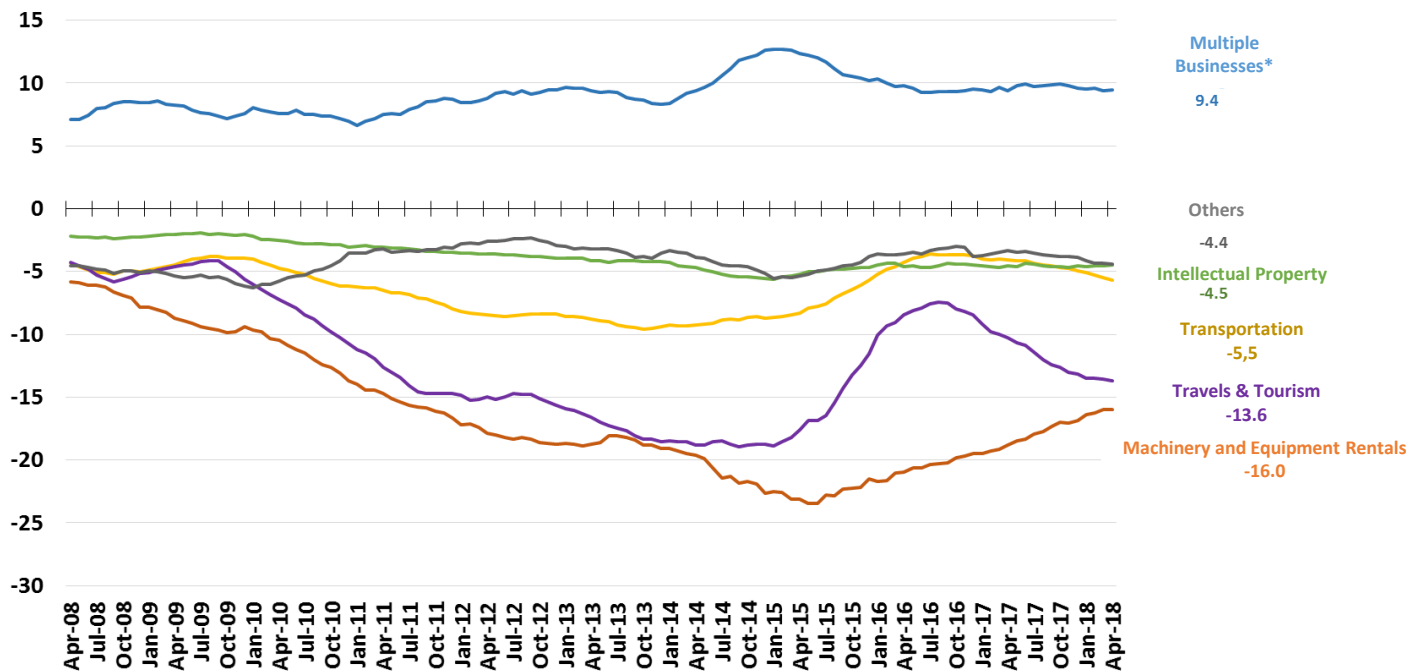
External Accounts Balance
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

Service Account Balance and Components

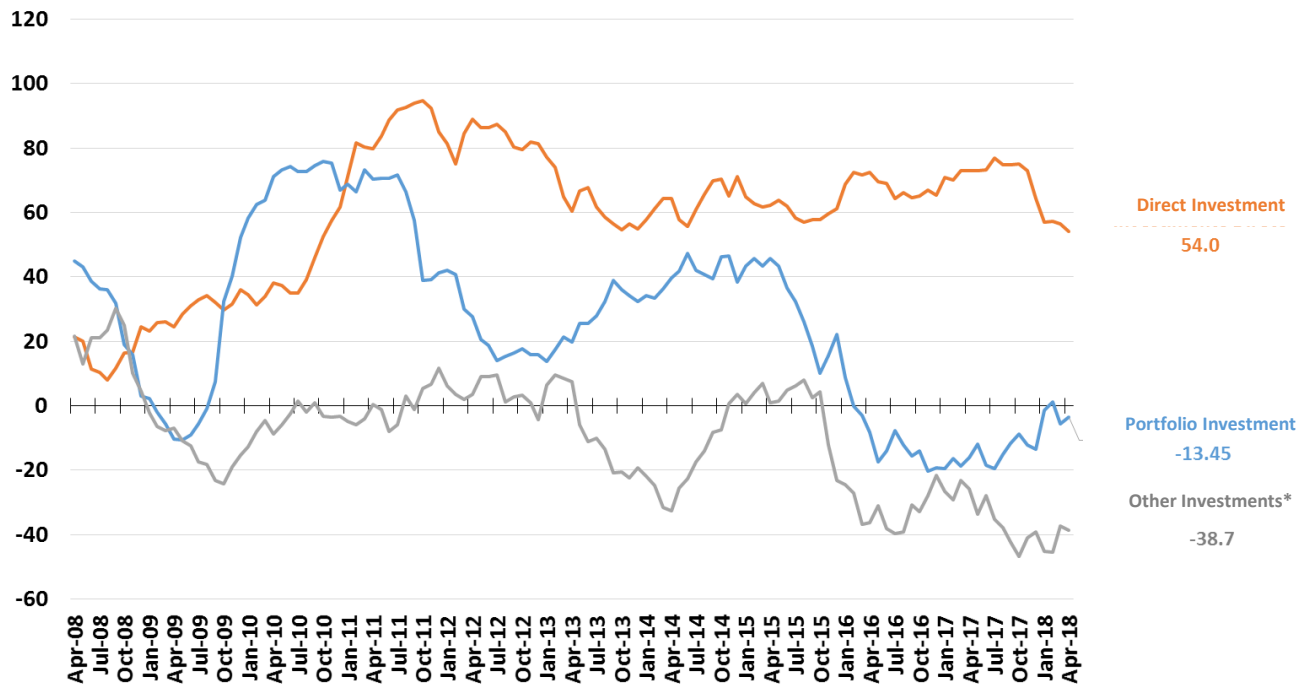
External Accounts Balance
12-month Accumulated - US\$ billions



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

Financial Account Balance and Components

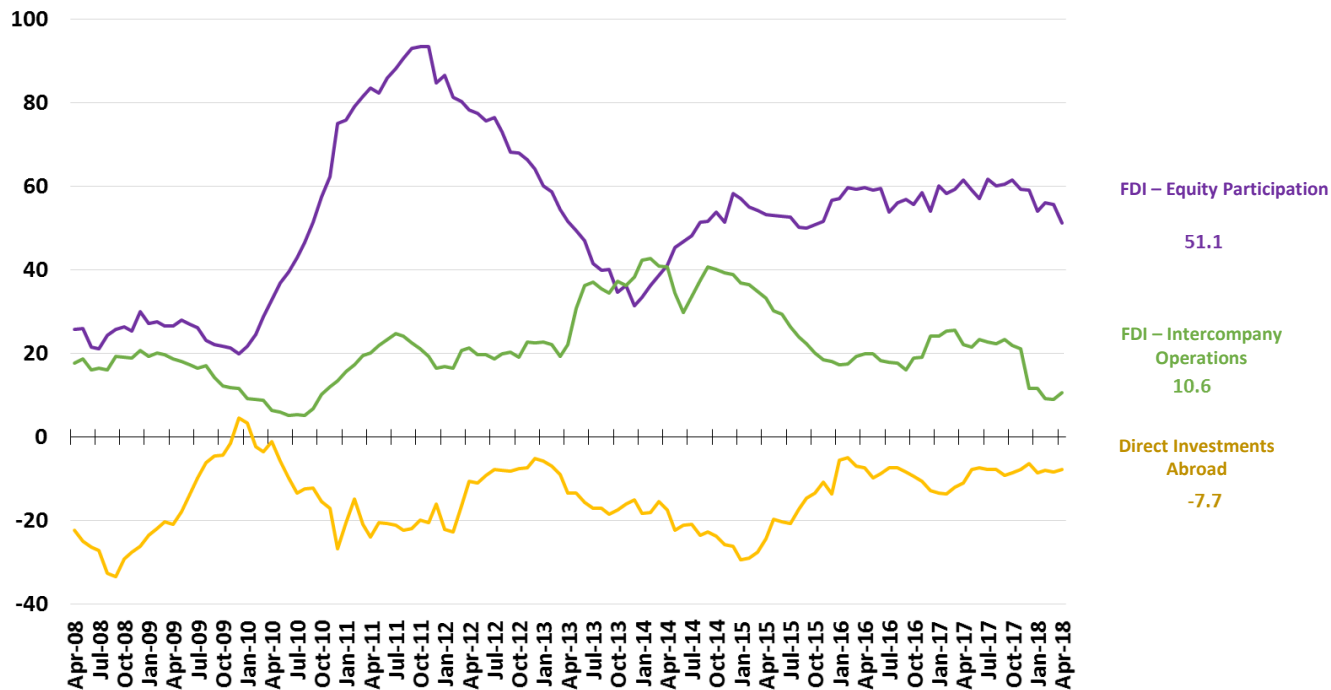
External Financial Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



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

Direct Investments and Components

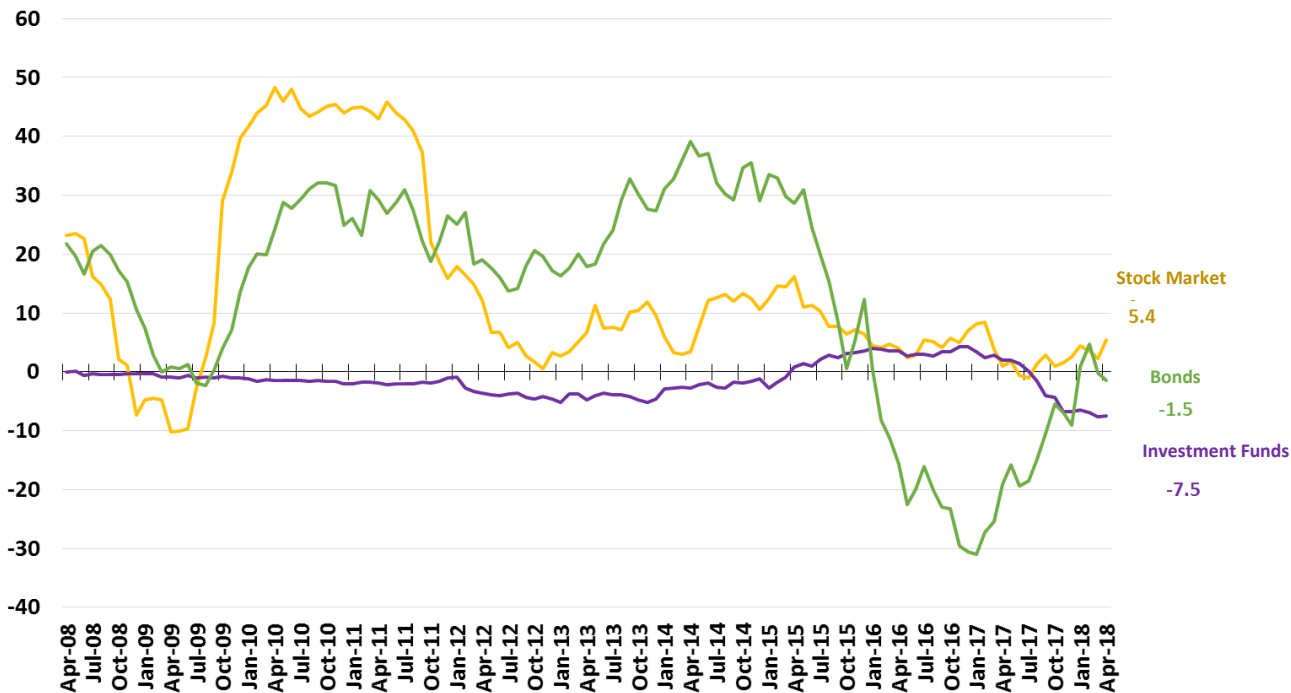
Direct Investment Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

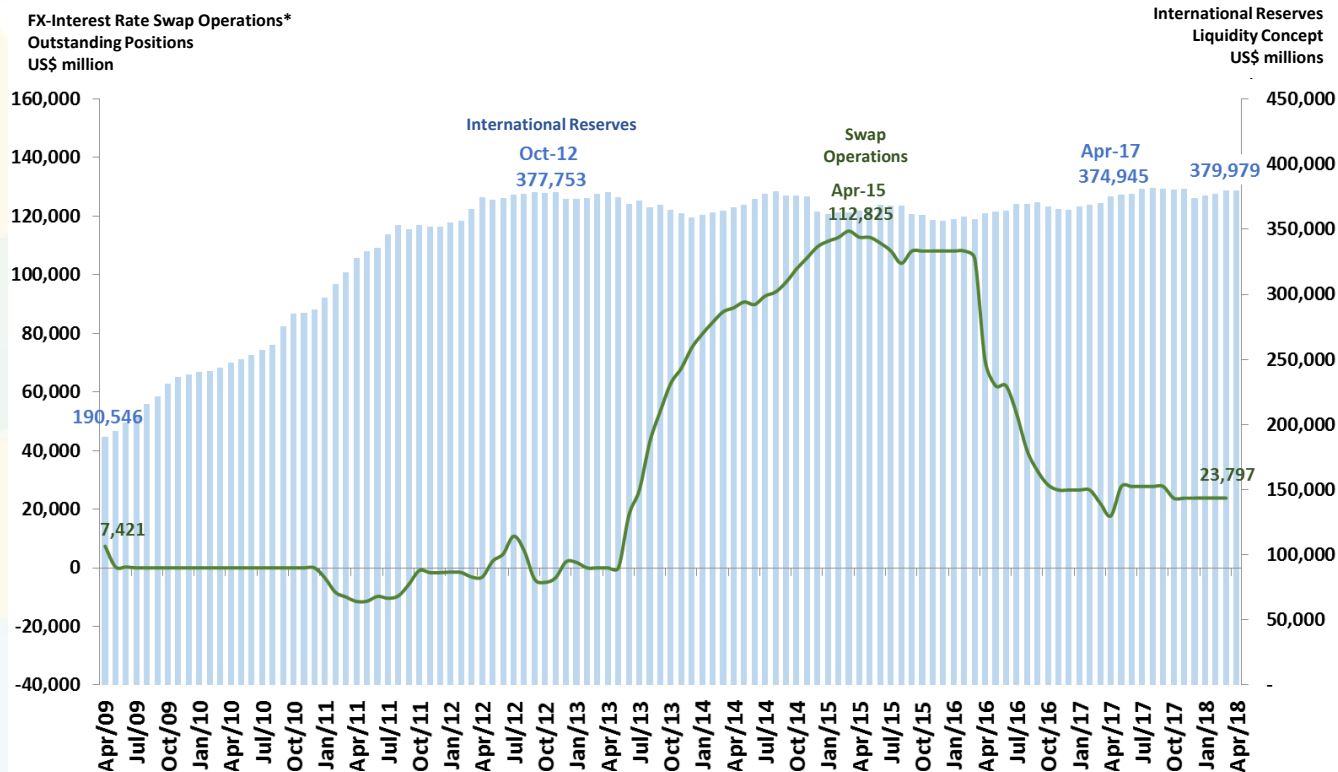
Portfolio Investments and Components

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



Source: Central Bank of Brazil.

Brazilian International Reserves



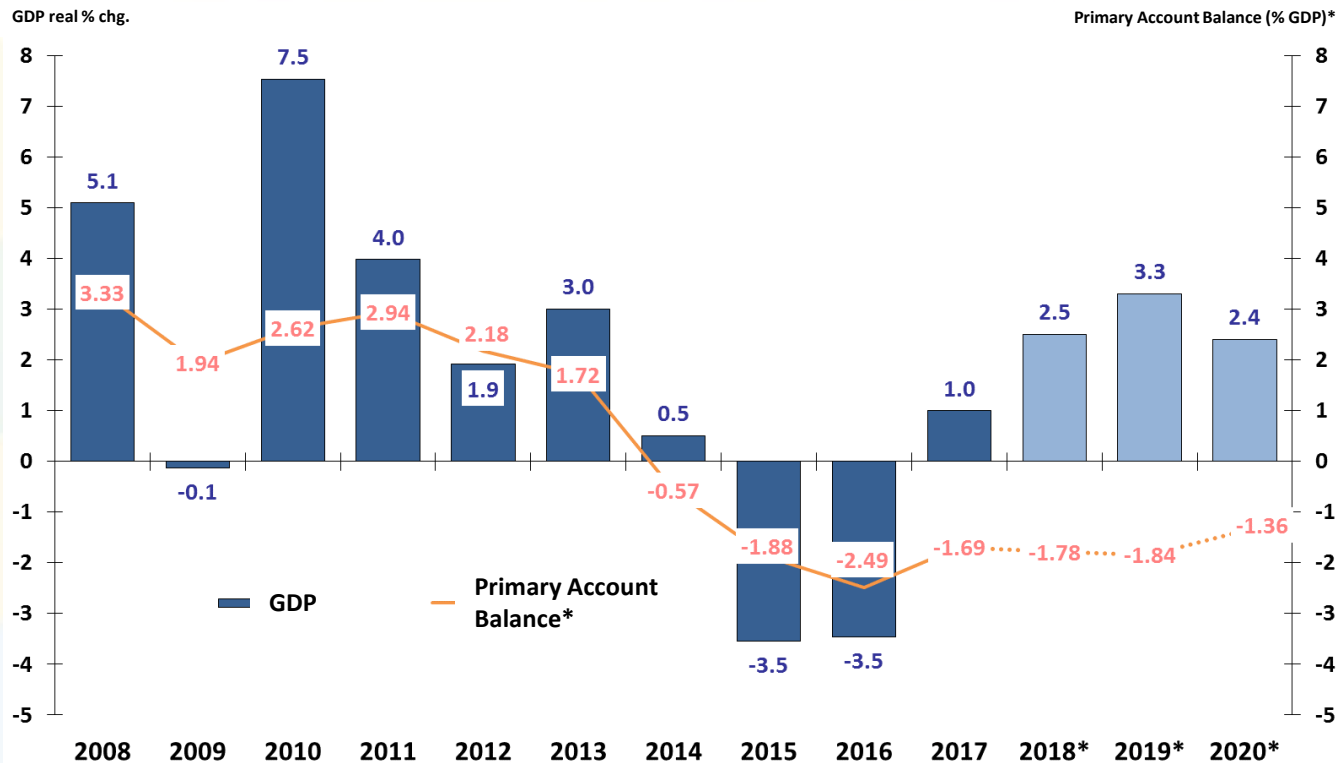


PUBLIC SECTOR ACCOUNTS

Public Sector Accounts

										SCB/Focus:		6/1/2018			
Federal Government Accounts		April-18		12-month Accumulated Figures (in R\$ millions)						chg. %					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	abr/yy accum. in 12-months	2016 / 2015	Dec/17 accum. 12-m / 2016	YTD 2018 / YTD 2017					
Total Primary Revenue (a)		1,178,983	1,221,474	1,247,789	1,314,953	1,383,082	1,430,375	5.2%	3.4%	10.3%					
National Treasury		871,836	883,971	897,517	956,816	1,008,297	1,049,923	5.4%	4.1%	12.1%					
Social Security General System		307,147	337,503	350,272	358,137	374,785	380,451	4.6%	1.5%	4.9%					
States and Municipalities Mandatory Transfers (b)		181,895	198,462	204,684	226,835	228,335	235,439	0.7%	3.1%	9.2%					
Net Primary Revenue (a-b)		997,088	1,023,013	1,043,105	1,088,118	1,154,746	1,194,935	6.1%	3.5%	10.5%					
Total Primary Expenditure		920,095	1,040,223	1,159,535	1,249,393	1,279,008	1,317,398	2.4%	3.0%	9.8%					
National Treasury		563,092	646,022	723,445	741,522	721,773	745,286	-2.7%	3.3%	10.5%					
Social Security General System		357,003	394,201	436,090	507,871	557,235	572,112	9.7%	2.7%	8.9%					
Federal Government Accounts		April-18		12-month Accumulated Figures (in R\$ millions)						% of GDP					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	abr/yy accum. in 12-months	2016	2017	abr/yy accum. in 12-months					
Primary Account Balance of Federal Government (STN/MF)		76,994	-17,211	-116,430	-161,276	-124,261	-122,463	-2.6%	-1.9%	-1.8%					
National Treasury		126,850	39,487	-30,612	-11,542	58,189	69,198	-0.2%	0.9%	1.0%					
Social Security General System		-49,856	-56,698	-85,818	-149,734	-182,450	-191,660	-2.4%	-2.8%	-2.9%					
Consolidate Public Sector Accounts		April-18		12-month Accumulated Figures (in R\$ millions)						% of GDP			2018	2019	2020
Public Sector Financial Need (Central Bank of Brazil - BCB)		2013	2014	2015	2016	2017	abr/yy accum. in 12-months	2015	2016	abr/yy accum. in 12-months					
Primary Account Balance Target (% GDP)											-1.78%	-1.84%	-1.36%		
Primary Account Balance		-91,306	32,536	111,249	155,791	110,583	118,397	2.5%	1.7%	1.8%	-1.9%	-1.4%	-0.8%		
Federal Government		-75,291	20,472	116,656	159,473	118,442	118,377	2.5%	1.8%	1.8%					
States and Municipalities		-16,337	7,790	-9,684	-4,666	-7,498	-267	-0.1%	-0.1%	0.0%					
State Owned Companies (except Petrobrás and Eletrobrás)		322	4,274	4,278	983	-362	287	0.0%	0.0%	0.0%					
Net Financial Public Expenditure (Debt Interest Payments)		248,856	311,380	501,786	407,024	400,826	380,858	6.5%	6.1%	5.7%					
Nominal Account Balance		157,550	343,916	613,035	562,815	511,408	499,255	9.0%	7.8%	7.5%	-7.2%	-6.7%	-6.4%		
General Public Sector Debt (BCB)		April-18		Debt Outstanding (in R\$ millions)						chg. %			2018	2019	2020
End of Period Debt Outstanding (in R\$ millions)		Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Apr-18	dez/yy - dez/yy	dez/yy - dez/yy	abr/yy - dez/yy					
Consolidated Public Sector		1,626,335	1,883,147	2,136,888	2,892,913	3,382,942	3,448,113	35.38%	16.94%	1.93%					
Federal Government		1,025,358	1,200,680	1,312,962	2,090,133	2,534,119	2,580,417	59.2%	21.2%	1.8%					
States and Municipalities		569,794	643,066	771,635	747,503	789,403	805,141	-3.1%	5.6%	2.0%					
State Owned Companies (except Petrobrás and Eletrobrás)		31,183	39,402	52,292	55,278	59,420	62,555	5.7%	7.5%	5.3%					
Net Domestic Debt		2,341,011	2,669,547	3,289,112	3,856,985	4,393,145	4,506,065	17.3%	13.9%	2.6%					
Net External Debt		-714,676	-786,400	-1,152,224	-964,072	-1,010,203	-1,057,952	-16.3%	4.8%	4.7%					
General Public Sector Net Debt (% GDP)		30.5%	32.6%	35.6%	46.2%	51.6%	51.9%	10.6 pp	5.4 pp	0.3 pp	55.0%	57.0%	59.2%		
General Public Sector Gross Debt (% GDP)		51.5%	56.3%	65.5%	70.0%	74.0%	75.9%	4.5 pp	4.1 pp	1.9 pp					
General Public Sector Gross Debt (in R\$ millions)		3,177,361	3,560,826	4,300,759	4,853,850	5,449,151	5,645,608	12.86%	12.26%	3.61%					

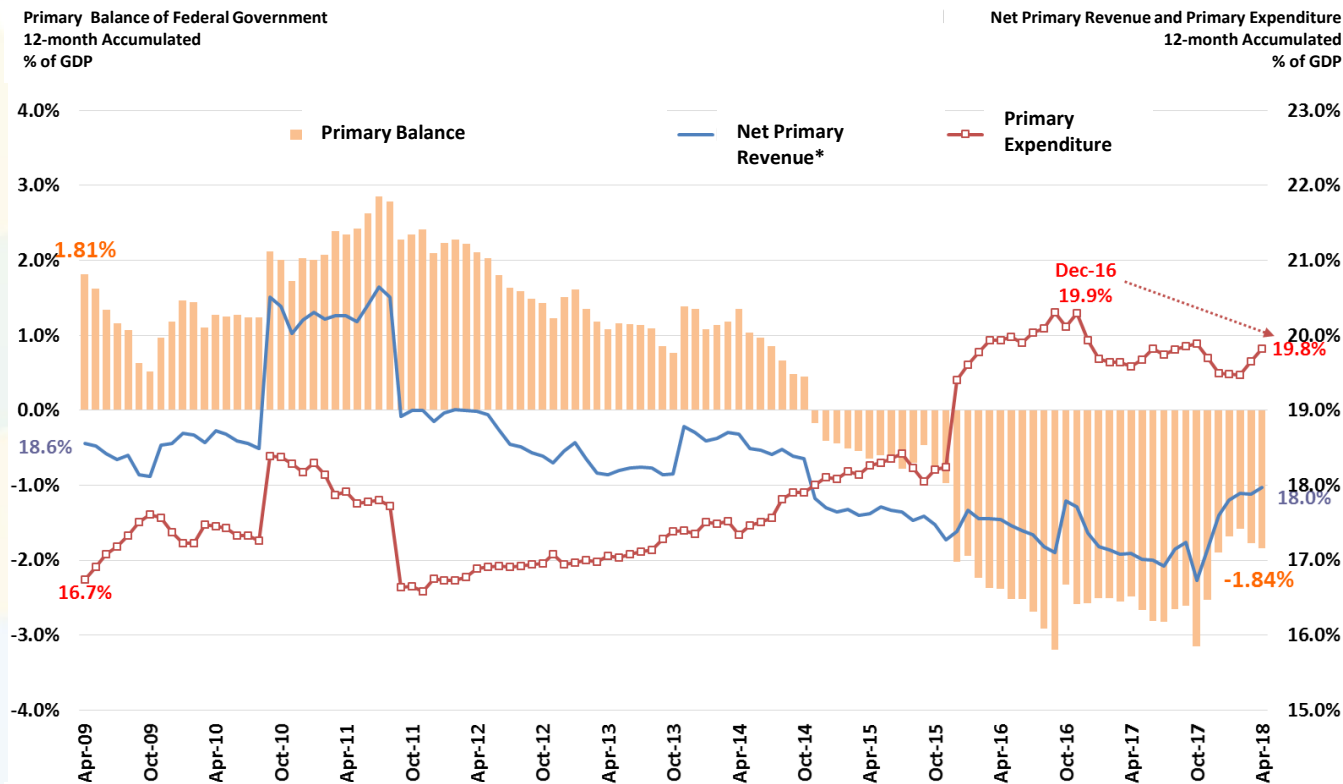
Fiscal Adjustment and Economic Recovery



Sources: IBGE, MF and MP.

* Annex IV-Fiscal Targets of 2017 Budgetary Guidelines Bill of Law (LDO 2018) and Macroeconomic Projections from May-2018 - SPE/MF.

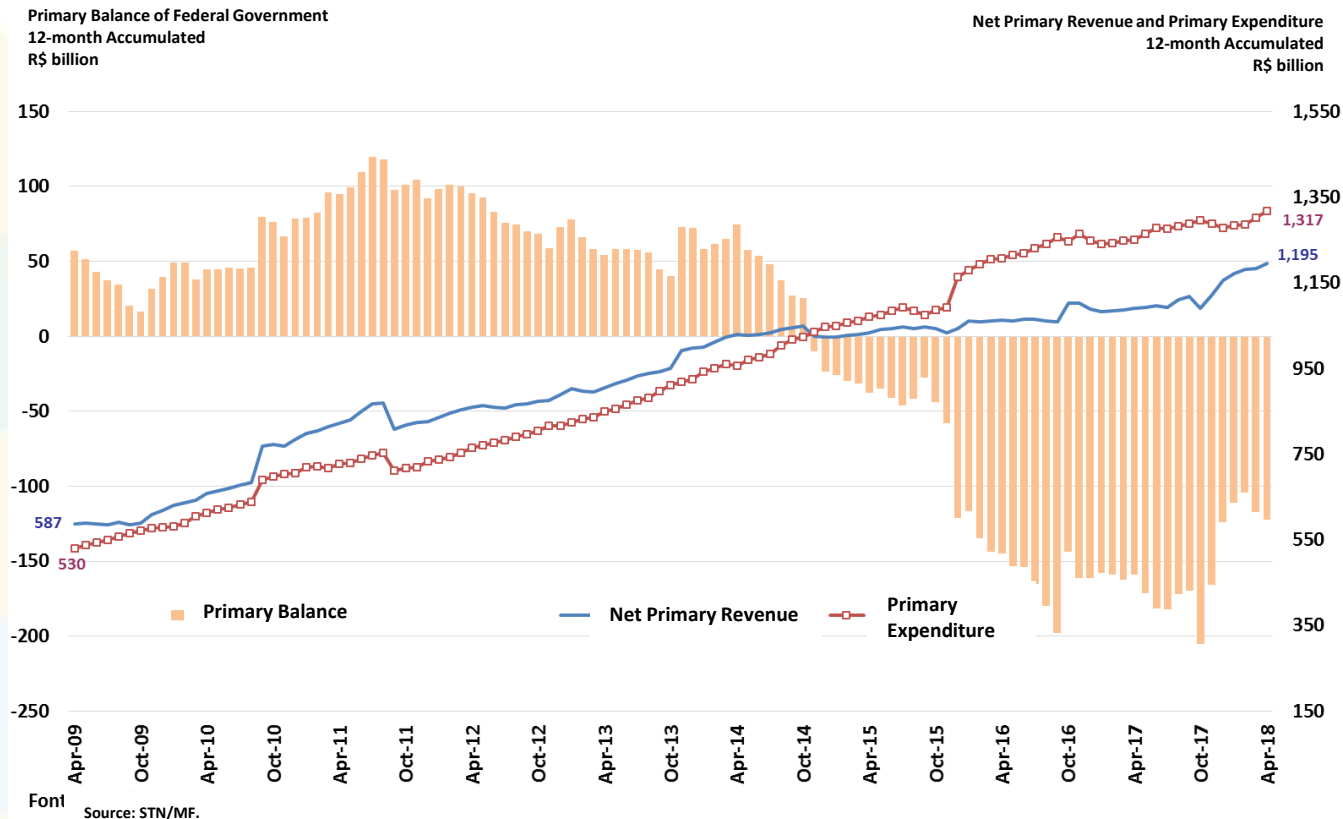
Primary Balance of Federal Government (as % GDP)



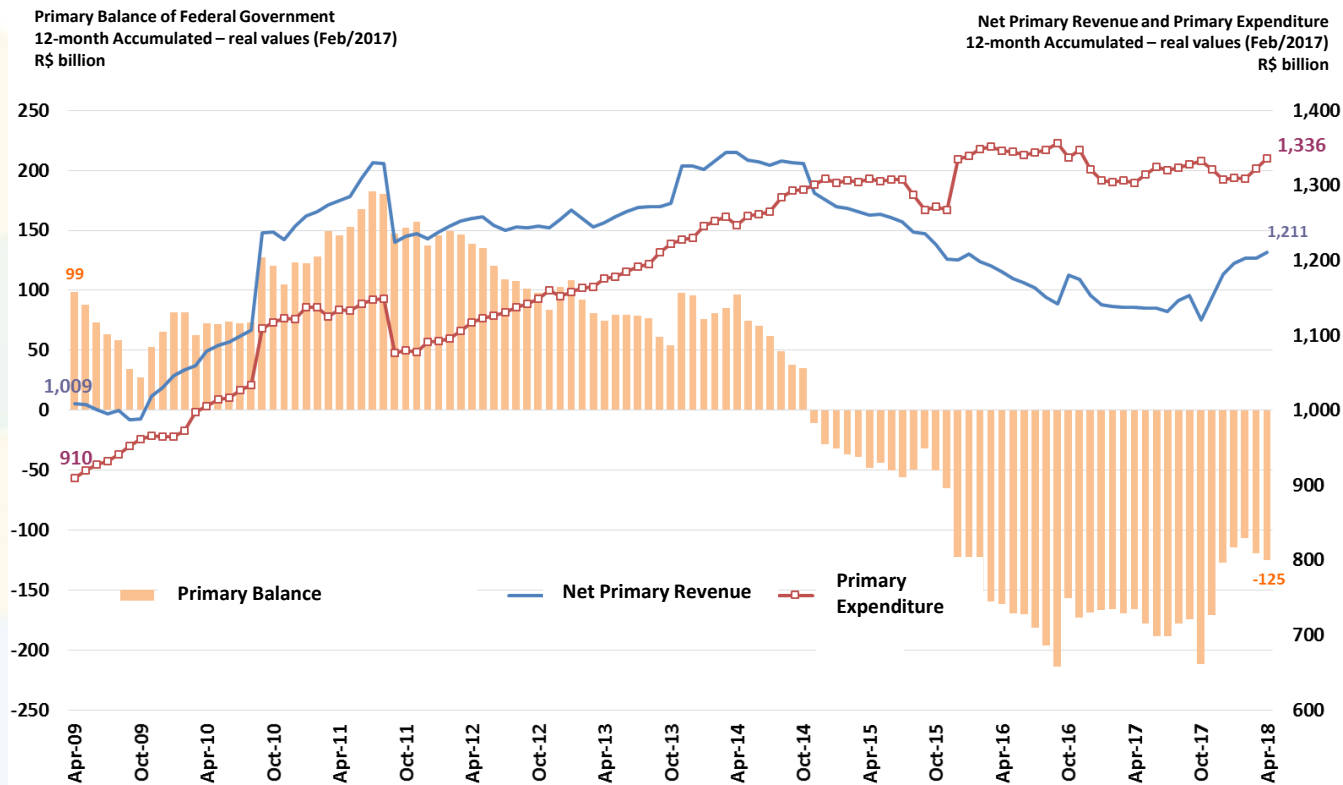
Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

Primary Balance of Federal Government (nominal values)

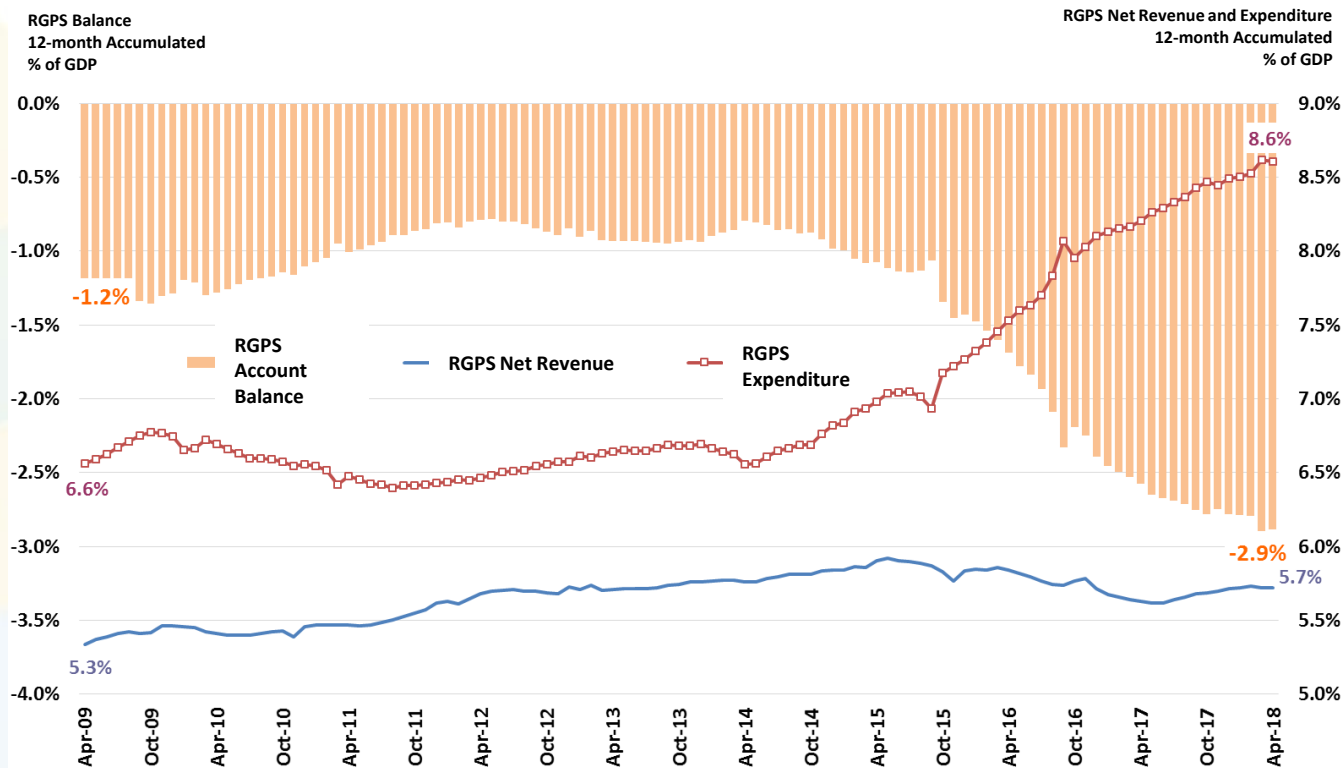


Primary Balance of Federal Government (real values)



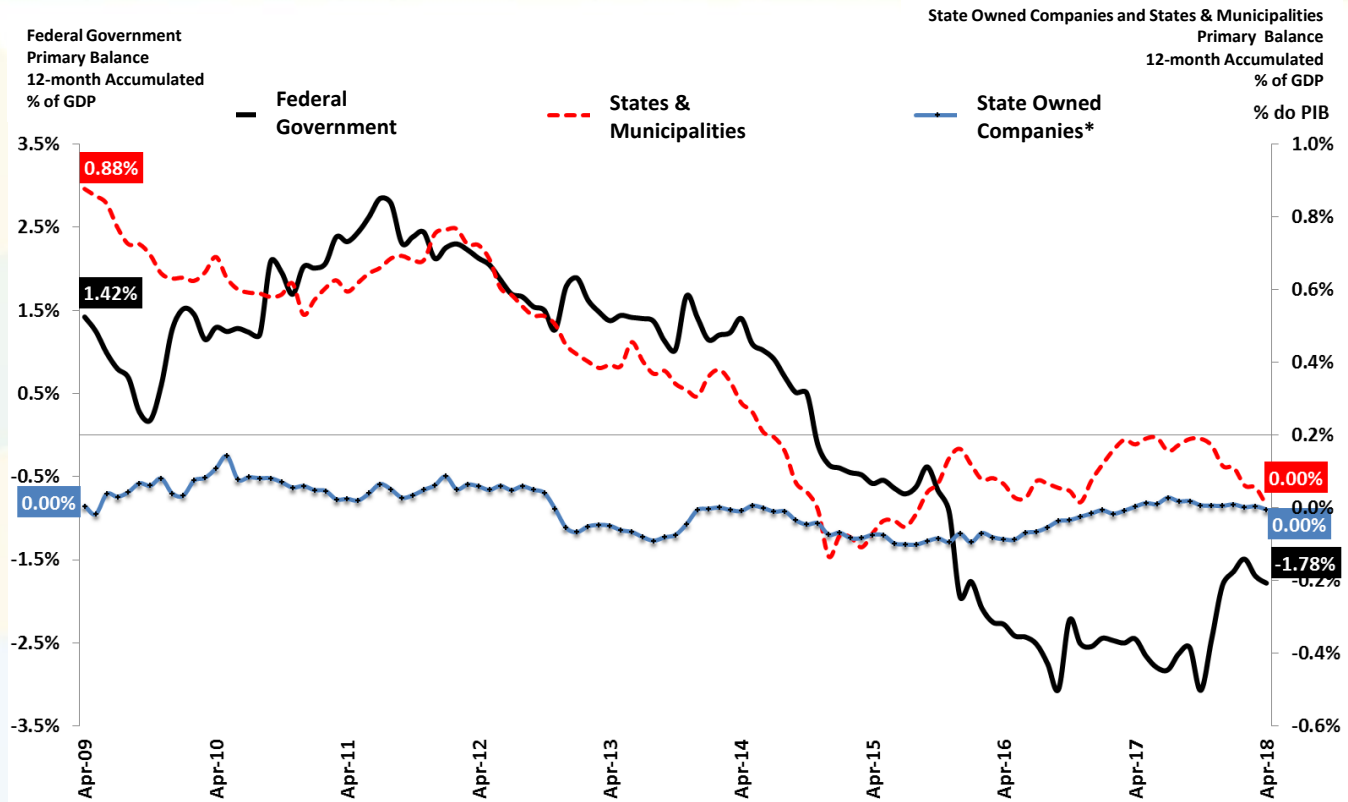
Source: STN/MF.

General Social Security System (RGPS) Balance



Sources: STN/MF.

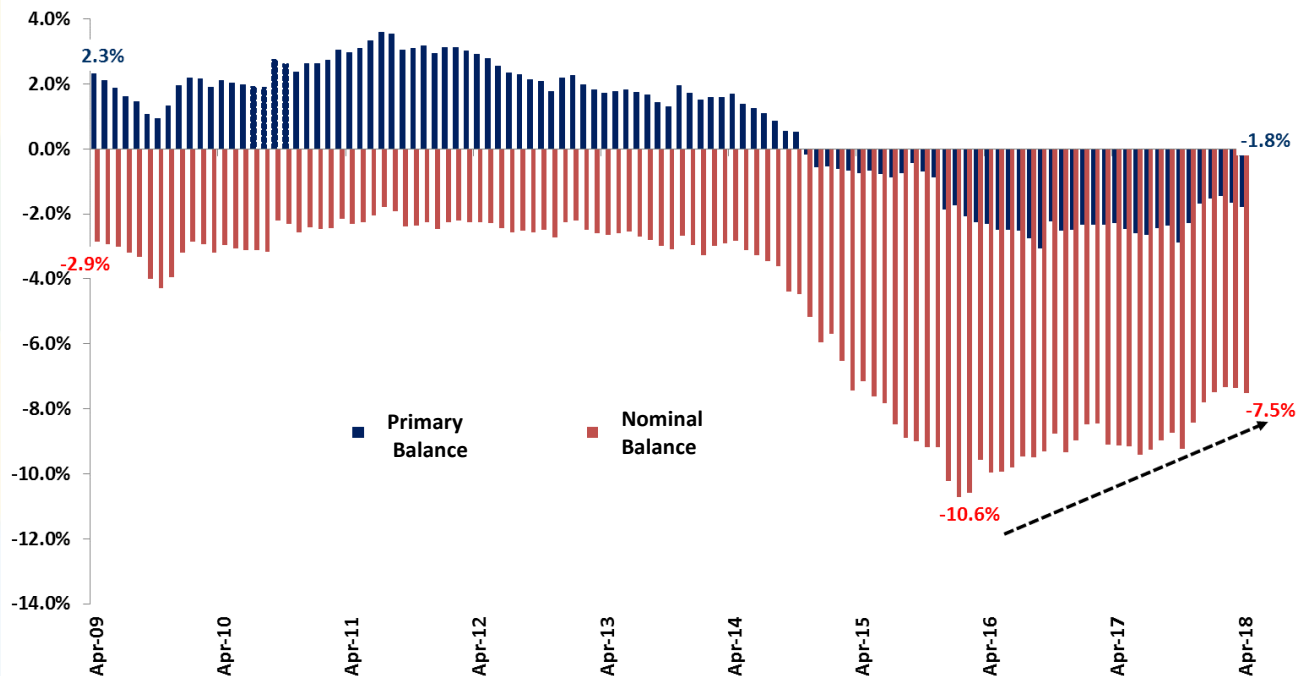
Public Sector Primary Balance (as % GDP)



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

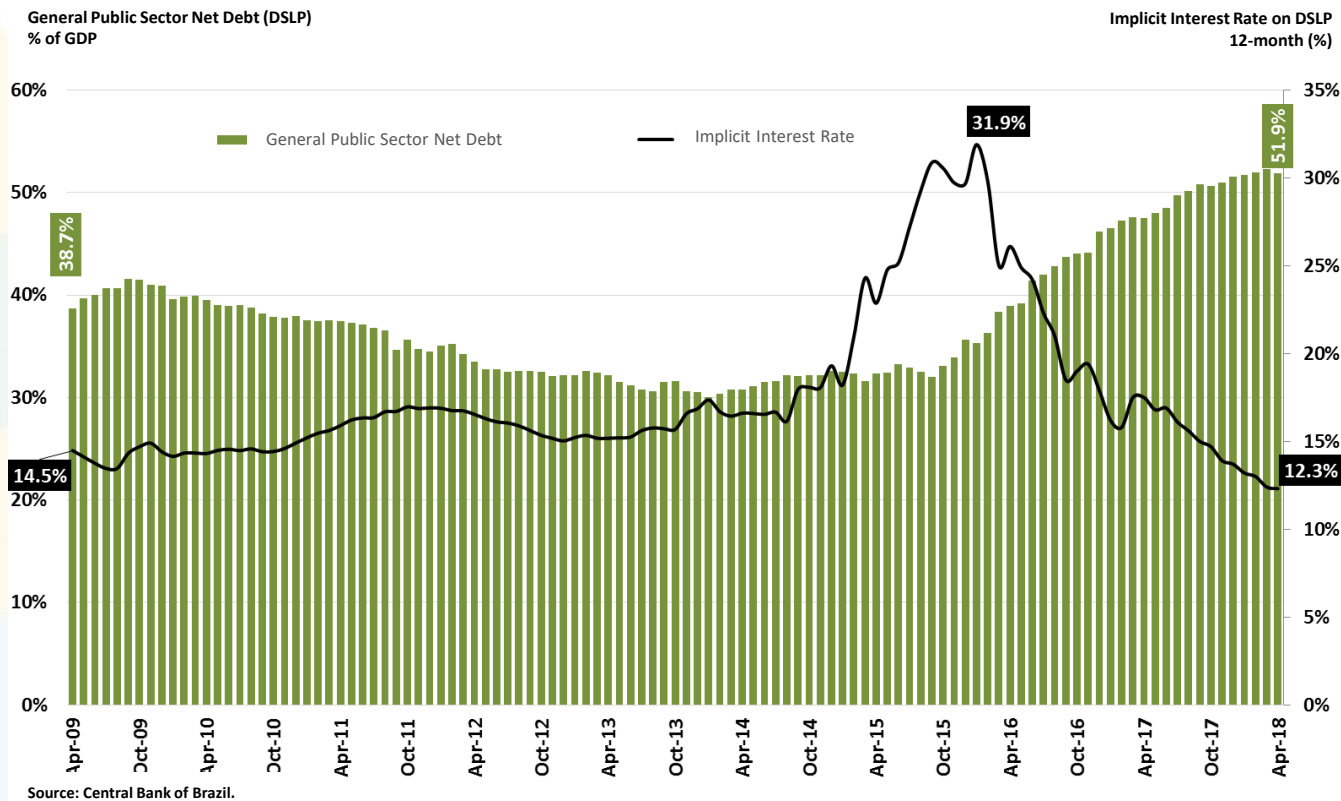
Public Sector Primary and Nominal Balance

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

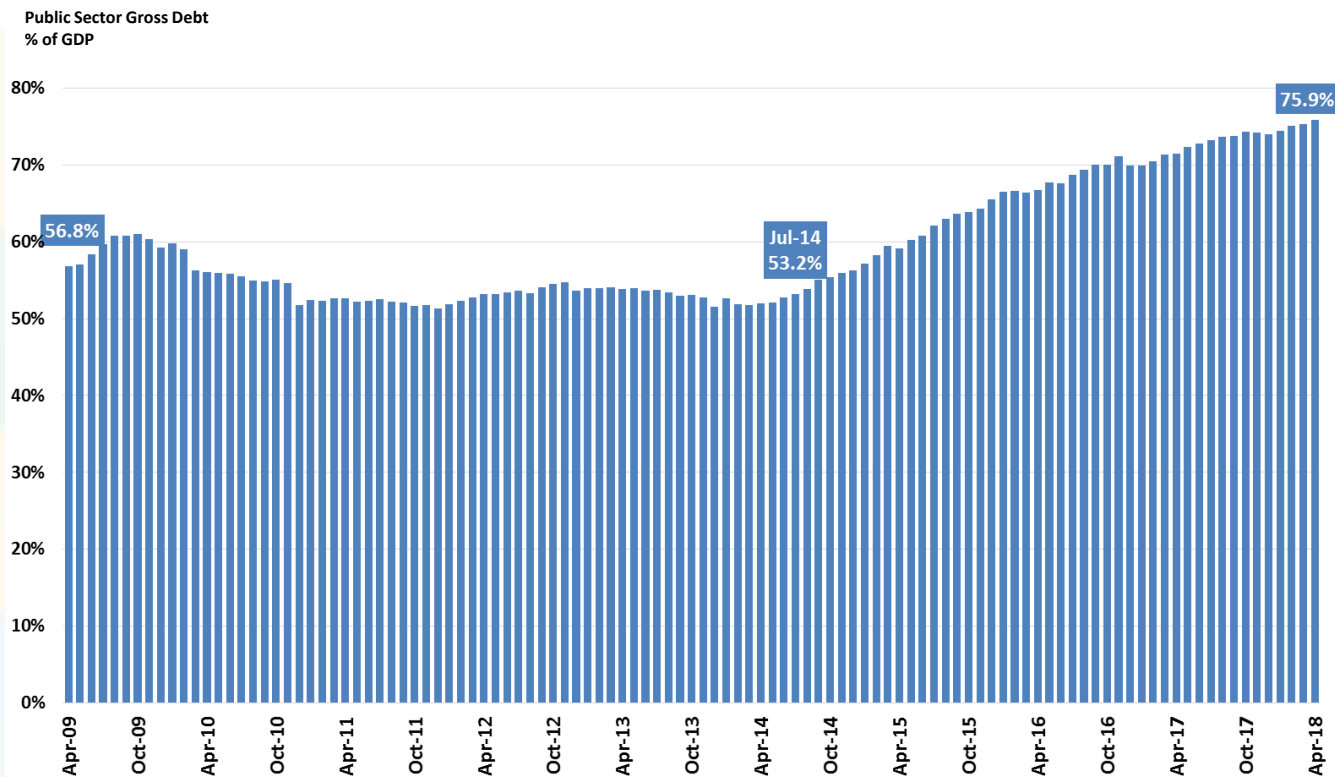


Source: Central Bank of Brazil.

Public Sector Net Debt (as % GDP)



Public Sector Gross Debt (as % GDP)



Source: Central Bank of Brazil.



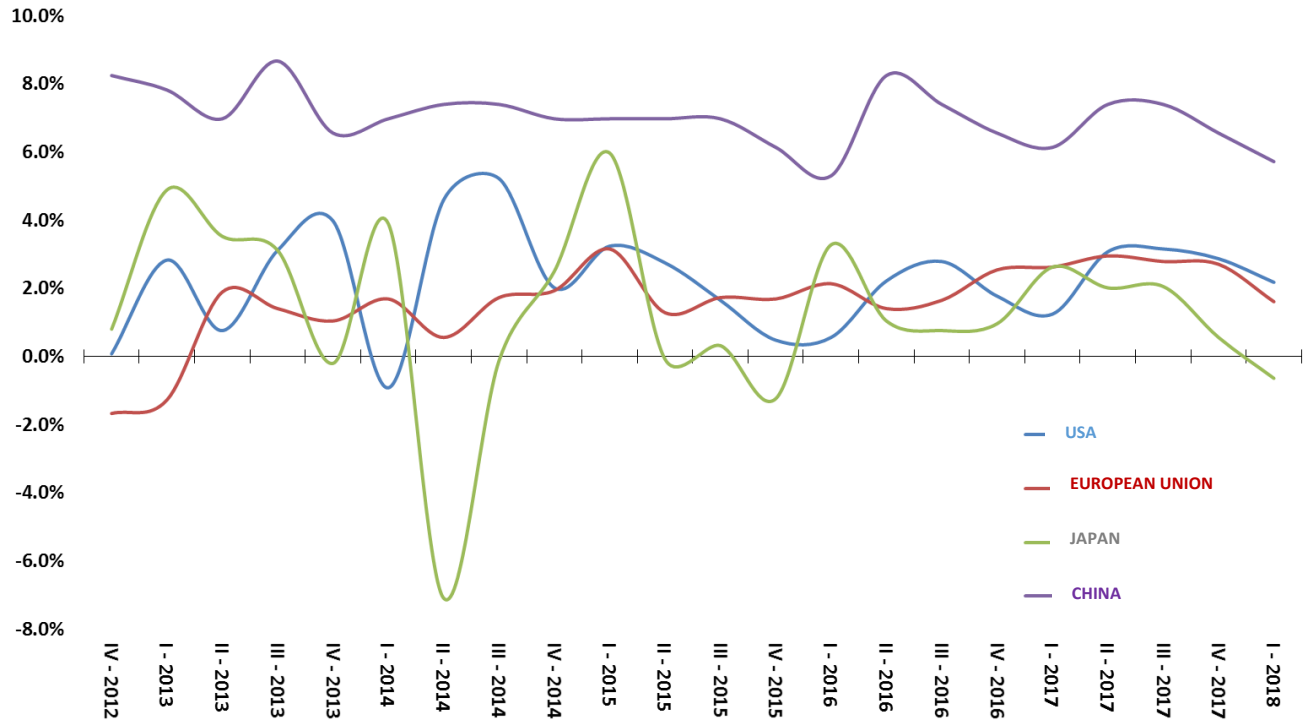
WORLD ECONOMY

World Economy

												IMF - WEO, April 2018.	
World	Q4 2017	2013	2014	2015	2016	2017	Q4-2015 / Q4-2014	Q4-2016 / Q4-2015	Q4-2017 / Q4-2016			2018	2019
data from IMF and WTO													
World Output - GDP		3.5%	3.6%	3.5%	3.2%	3.8%	3.2%	3.2%	3.8%			3.9%	3.9%
Advanced Economies		1.3%	2.1%	2.3%	1.7%	2.3%	1.8%	2.0%	2.3%			2.5%	2.2%
Emerging Market and Developing Economies		5.1%	4.7%	4.3%	4.4%	4.8%	4.4%	4.4%	4.8%			4.9%	5.1%
Latin America and the Caribbean		2.9%	1.3%	0.3%	-0.6%	1.3%	-1.1%	-1.1%	1.3%			2.0%	2.8%
World Trade of Goods and Services		3.5%	3.8%	2.7%	2.3%	4.9%	1.4%	0.9%	4.9%			5.1%	4.7%
National Accounts	Q1 2018	2013	2014	2015	2016	2017	Q4-2017 / Q4-2016	Q1-2018 / Q1-2017	Q3-2017 accum. in 4- quarters	Q4-2017 accum. in 4- quarters	Q1-2018 accum. in 4- quarters	2018	2019
data from IMF, OECD, Eurostat, NBSC and METI													
USA - GDP		1.7%	2.6%	2.9%	1.5%	2.3%	2.6%	2.8%	2.1%	2.3%	2.5%	2.9%	2.7%
Household Expenditure		1.5%	2.9%	3.6%	2.7%	2.7%	2.8%	2.6%	2.8%	2.7%	2.7%		
Government Expenditure		-2.9%	-0.6%	1.4%	0.8%	0.1%	0.7%	1.1%	0.1%	0.1%	0.5%		
Gross Fixed Capital Formation		6.1%	5.5%	5.2%	-1.6%	3.2%	3.6%	5.8%	2.6%	3.2%	4.3%		
Exports of Goods and Services		3.5%	4.3%	0.4%	-0.3%	3.4%	5.0%	4.2%	2.3%	3.4%	3.7%		
Imports of Goods and Services (-)		1.1%	4.5%	5.0%	1.3%	3.9%	4.7%	4.3%	3.5%	3.9%	4.1%		
Industrial Production		3.7%	4.9%	-1.8%	-1.0%	3.6%	-0.1%	1.0%	-0.5%	-0.1%	1.0%		
Unemployment (% of Labor Force)		7.4%	6.2%	5.3%	4.9%	4.3%	-0.60 pp	-0.4 pp	4.4%	4.3%	4.2%	4.1%	4.2%
Consumer Price Index		1.5%	0.8%	0.7%	2.1%	2.1%	2.1%	2.4%	2.1%	2.1%	2.1%	2.1%	2.6%
European Union - GDP		0.3%	1.8%	2.4%	2.0%	2.7%	2.5%	2.8%	2.6%	2.5%	2.5%	2.5%	2.1%
Household Expenditure		-0.1%	1.0%	2.0%	1.8%								
Government Expenditure		0.3%	0.8%	1.7%	2.0%								
Gross Fixed Capital Formation		-1.6%	2.8%	3.7%	2.5%								
Exports of Goods and Services		1.6%	4.7%	6.0%	2.3%								
Imports of Goods and Services (-)		2.5%	5.0%	7.1%	2.8%								
Industrial Production		-0.5%	1.2%	2.3%	1.3%	4.7%	4.7%	3.0%	4.3%	4.7%	3.0%		
Unemployment (% of Labor Force)		10.8%	10.2%	9.4%	8.7%	7.6%	-0.9 pp	-0.8 pp	7.8%	7.6%	7.4%	7.6%	7.6%
Consumer Price Index		1.0%	0.0%	0.2%	0.9%	1.7%	1.7%	1.5%	1.5%	1.7%	1.6%	1.9%	1.9%
Japan - GDP		2.0%	0.4%	1.4%	0.9%	0.7%	1.6%	1.9%	1.6%	1.6%	1.6%	1.2%	0.9%
Industrial Production		-0.7%	2.1%	-0.9%	-0.2%	4.5%	4.5%	2.4%	2.5%	4.5%	2.4%		
Unemployment (% of Labor Force)		4.0%	3.6%	3.4%	3.1%	2.8%	-0.4 pp	-0.3 pp	2.9%	2.8%	2.7%	2.9%	2.9%
Consumer Price Index		1.5%	2.5%	0.2%	-0.1%	0.6%	1.0%	1.1%	0.4%	0.6%	0.8%	0.5%	1.1%
China - GDP		7.8%	7.3%	6.9%	6.7%	6.9%	6.9%	6.8%	6.8%	6.6%	6.9%	6.6%	6.4%
Industrial Production		9.9%	7.9%	6.6%	6.0%	6.1%	6.1%	7.2%	6.0%	6.1%	7.2%		
Unemployment (% of Labor Force)		4.1%	4.1%	4.1%	4.0%	4.0%	-0.1 pp	-0.2 pp	4.0%	4.0%	3.9%	4.0%	4.0%
Consumer Price Index		2.5%	1.5%	1.6%	2.0%	1.5%	1.8%	2.1%	1.5%	1.5%	1.8%	2.4%	2.5%

World Major Economies GDP

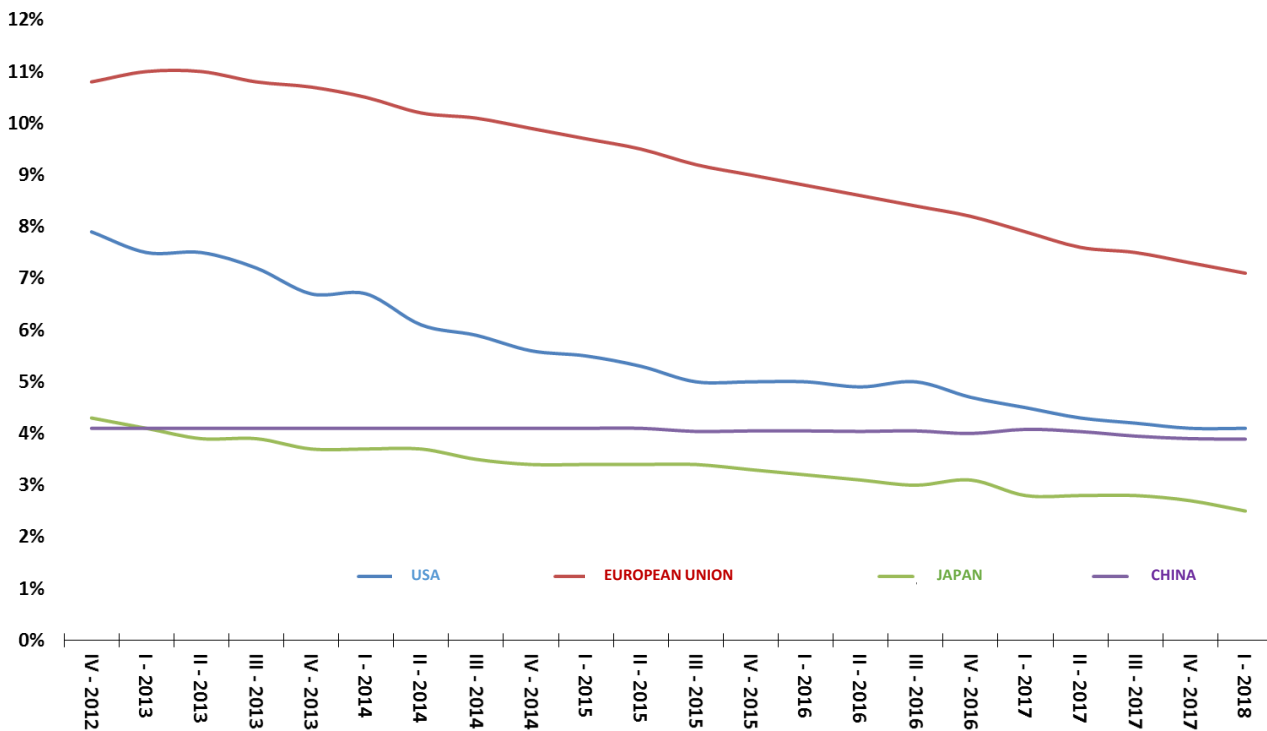
GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

World Major Economies Unemployment Rate

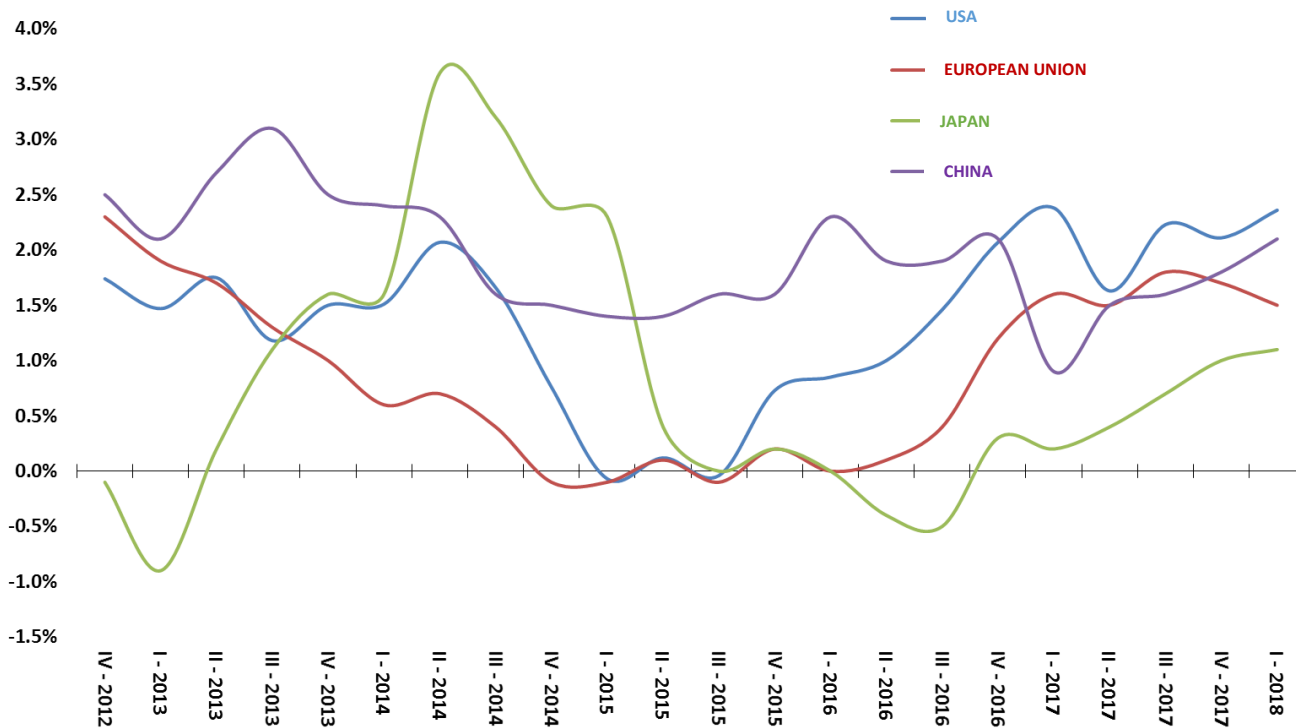
Unemployment Rate as % of Labor Force



Source: OECD.

World Major Economies Consumer Price Index

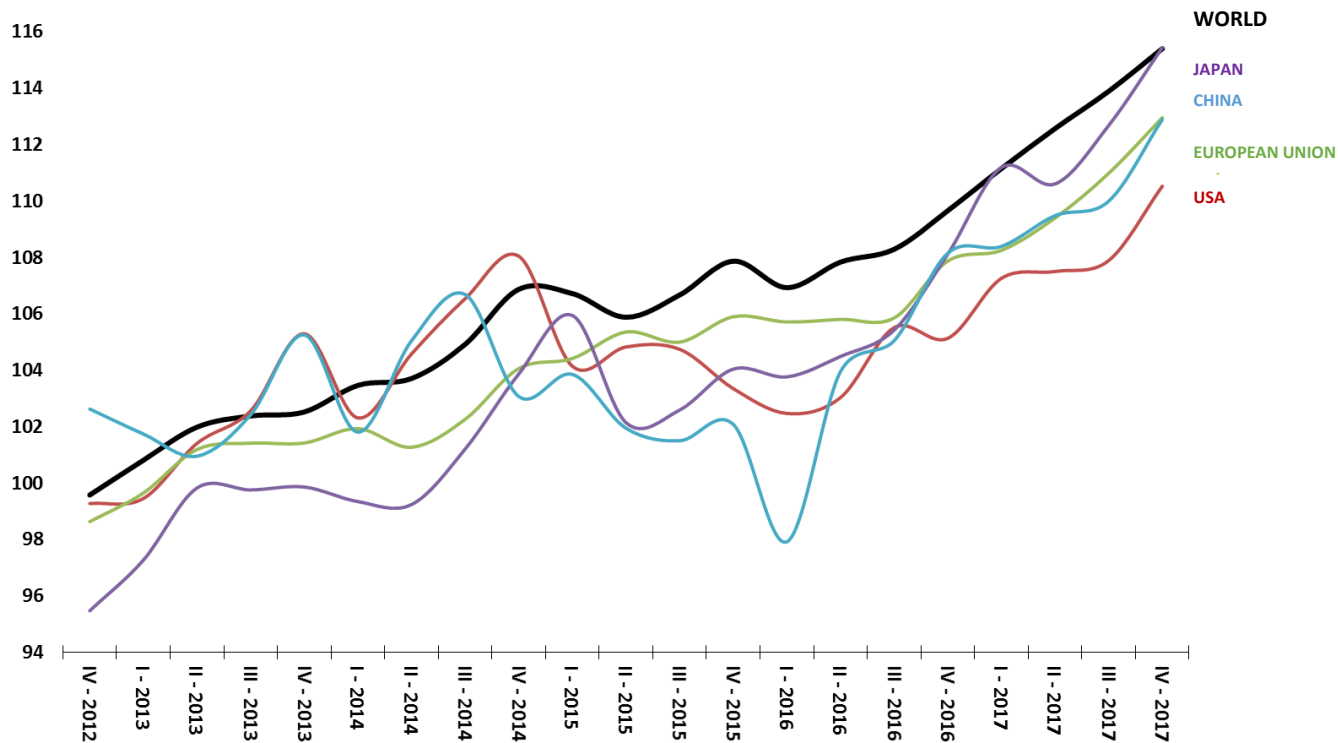
Consumer Price Indexes – annual chg. %



Source: OECD.

World Major Economies Total Exports

Total Exports Volume Index – Q3-2012 = 100

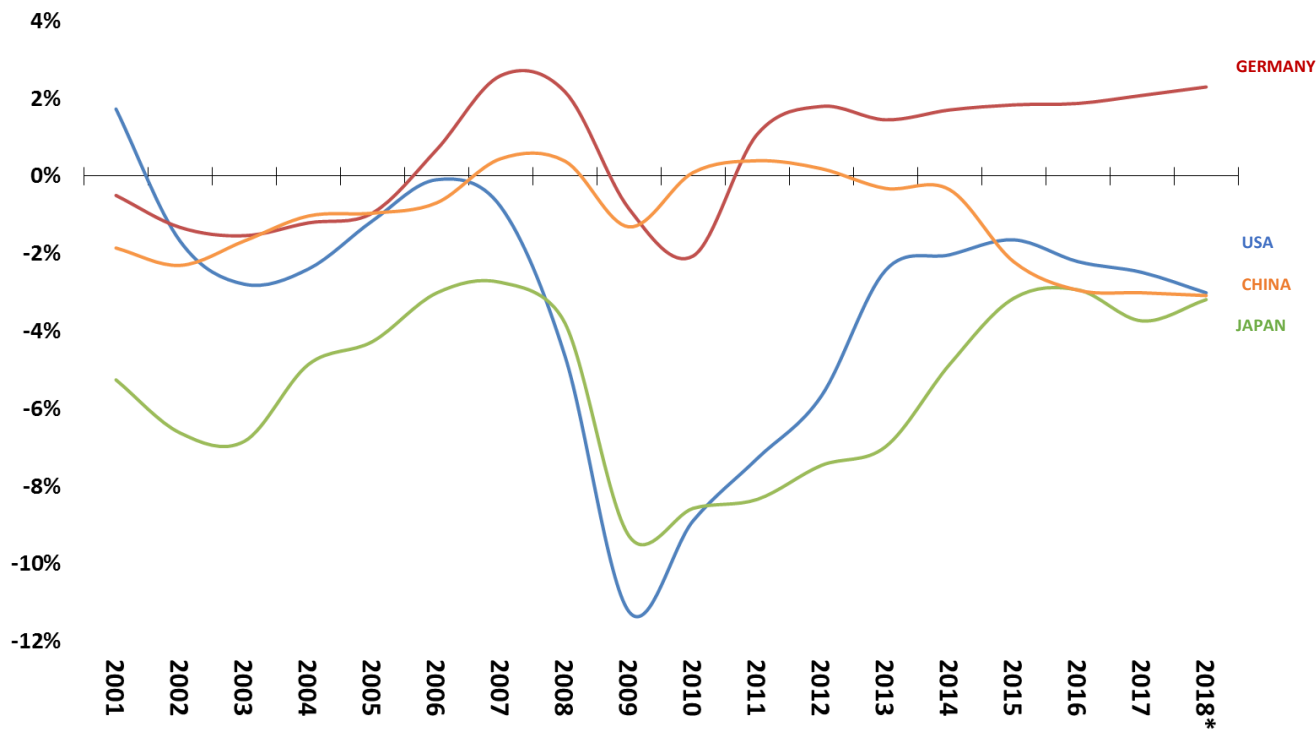


Source: OECD.

*Estimated values IMF

World Major Economies Government Primary Surplus

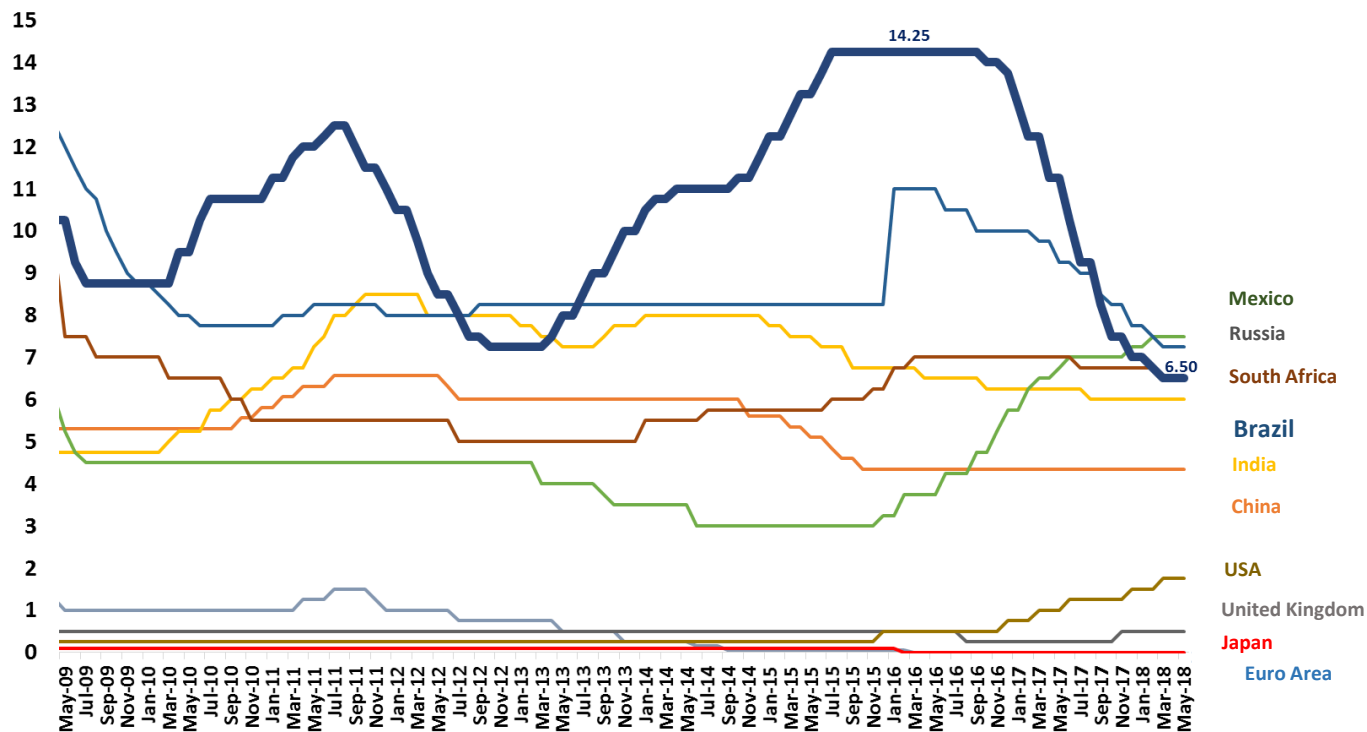
Central Government Primary Surplus as % of GDP



Source: IMF. * Estimated values

Selected Economies Main Interest Rate

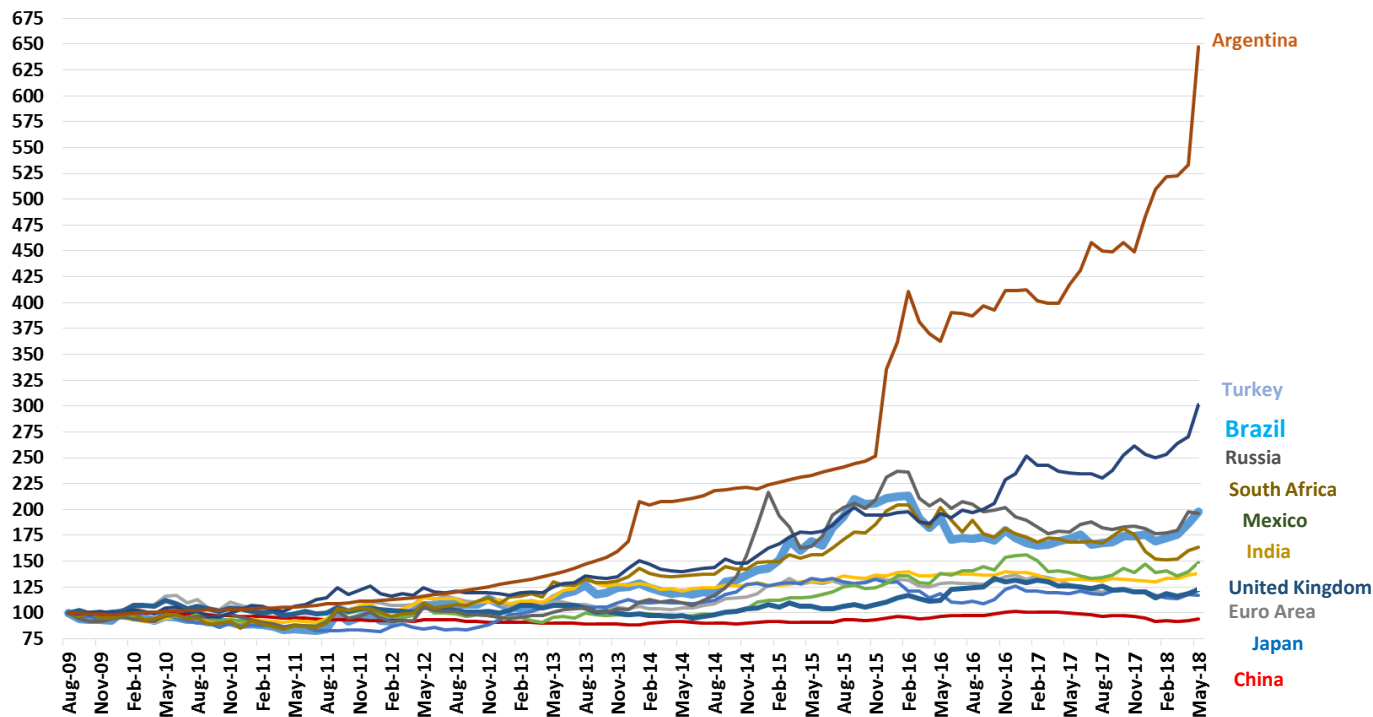
Main Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

Selected Economies FX-dollar Rate Evolution

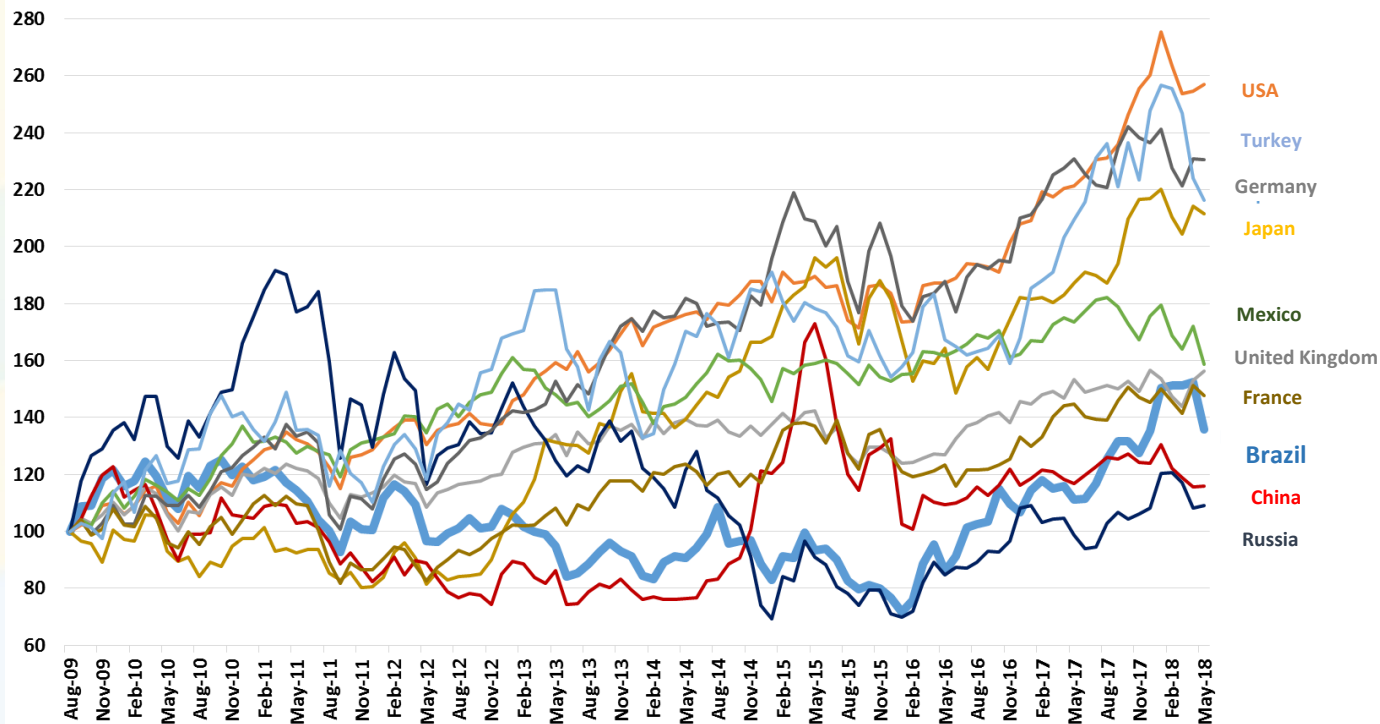
Selected Economies FX-rate Indexes – Dec/2008 = 100



Sources: Bloomberg.

Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Dec/2008 = 100



Sources: Bloomberg.

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DIEGO COTA PACHECO

ELDER LINTON ALVES DE ARAÚJO

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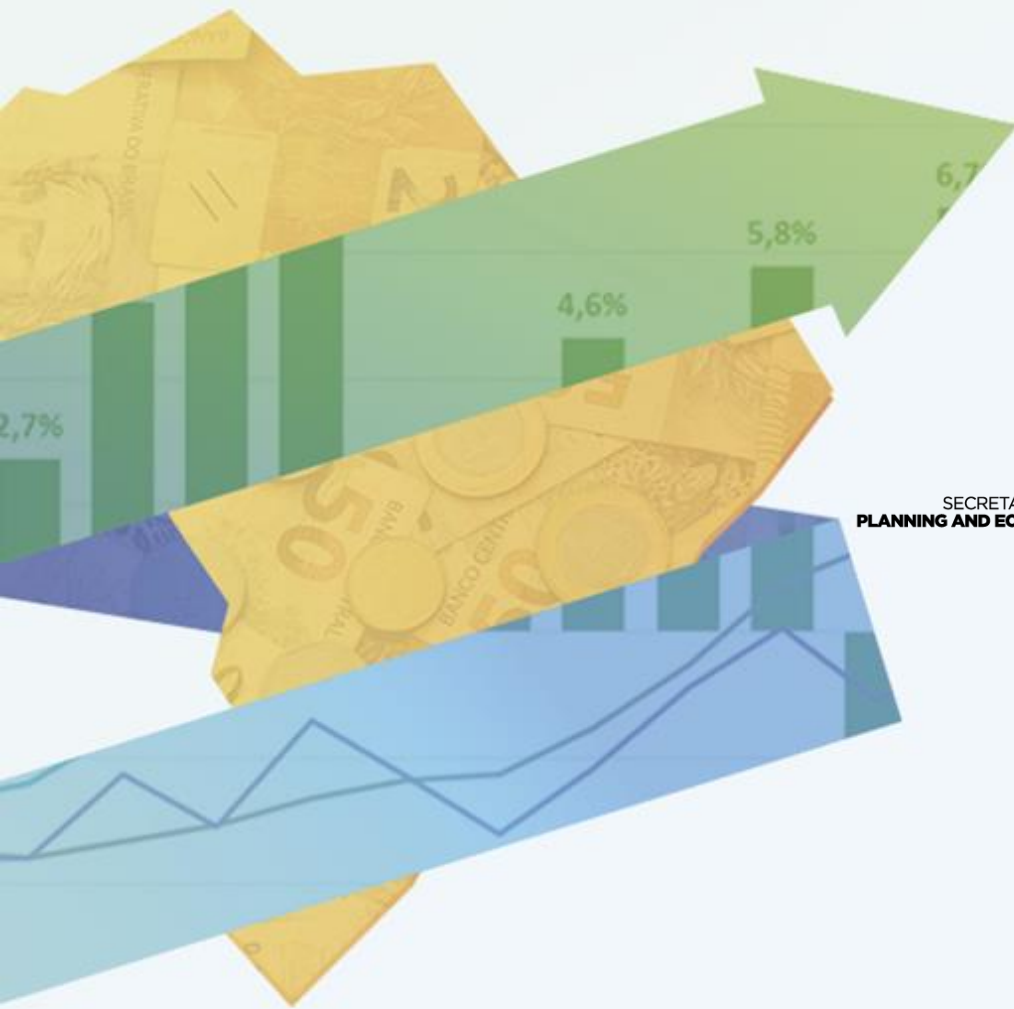
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