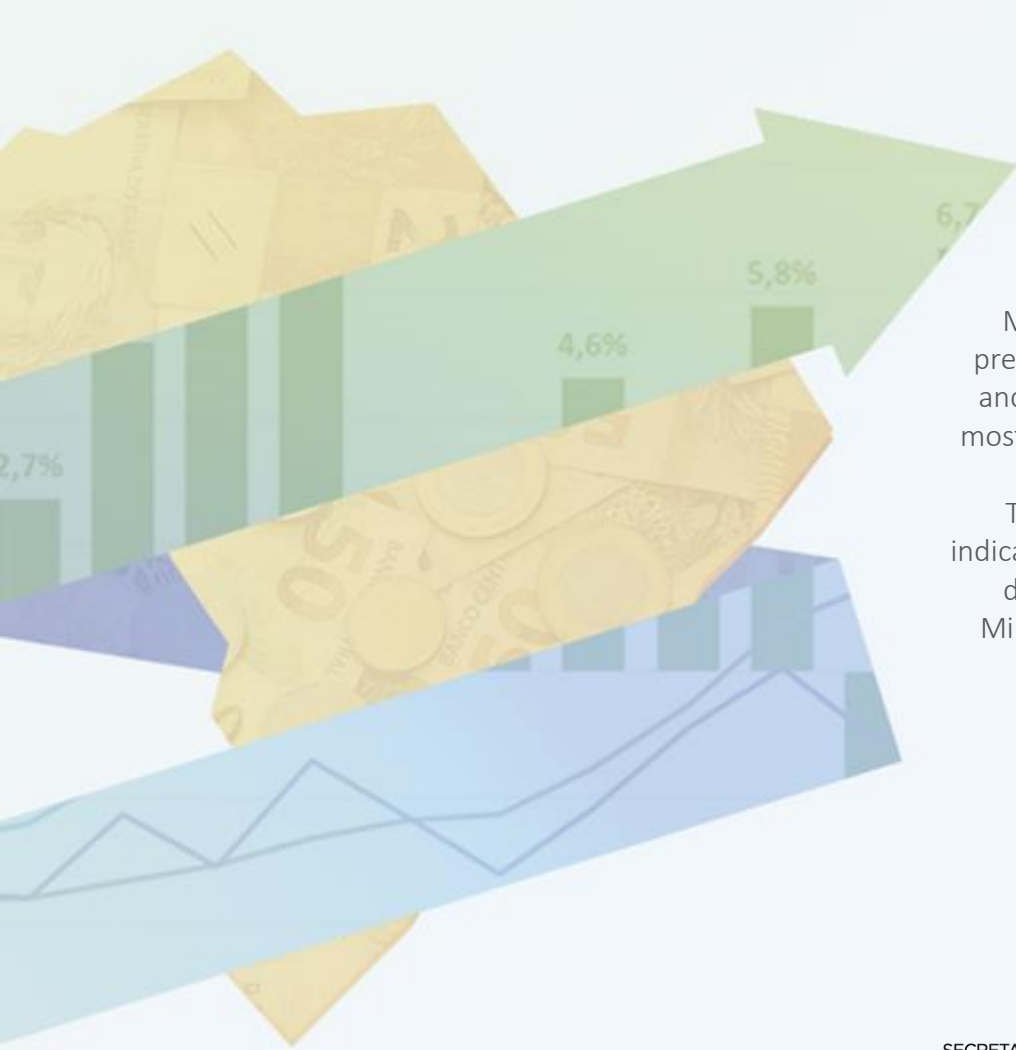




MACROECONOMIC OUTLOOK

December 2018

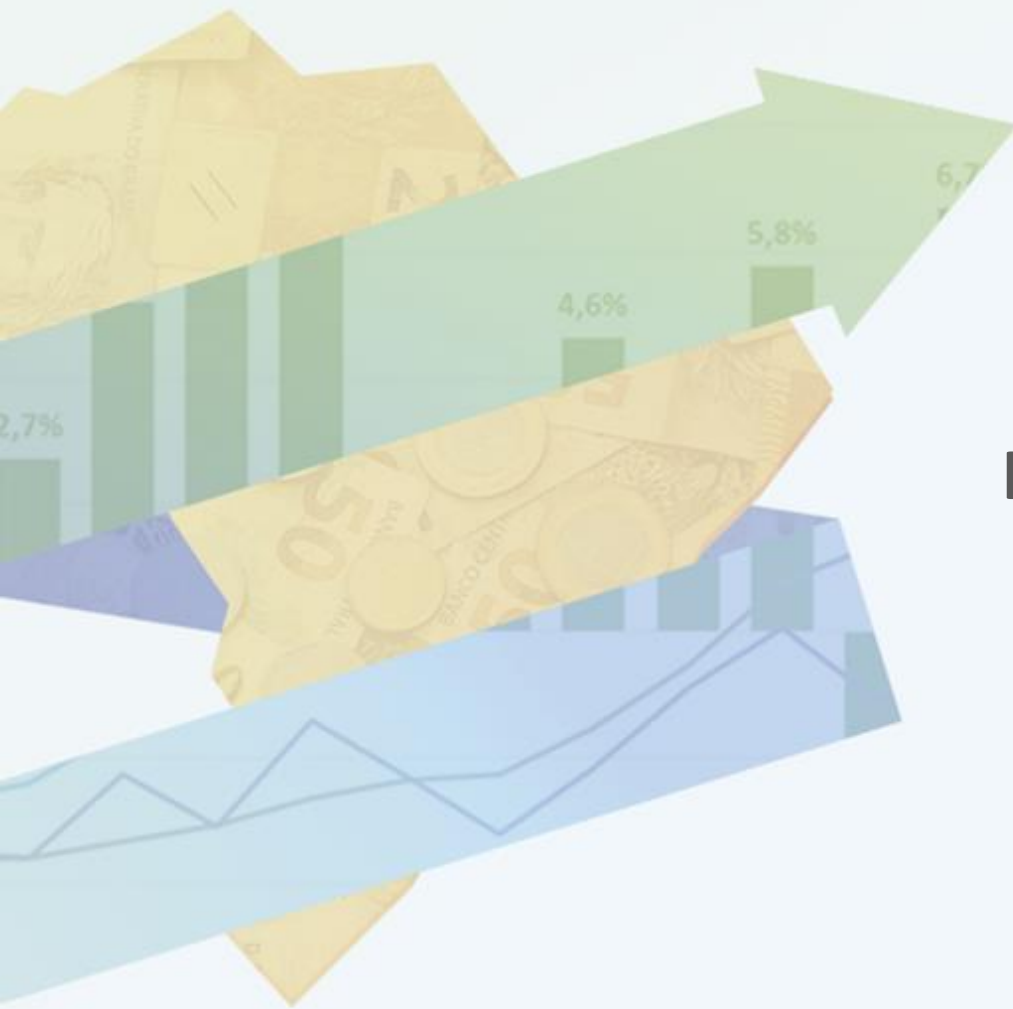


Macroeconomic Outlook is a report prepared by the Secretariat for Planning and Economic Issues (SEPLAN) with the most relevant economic data about Brazil.

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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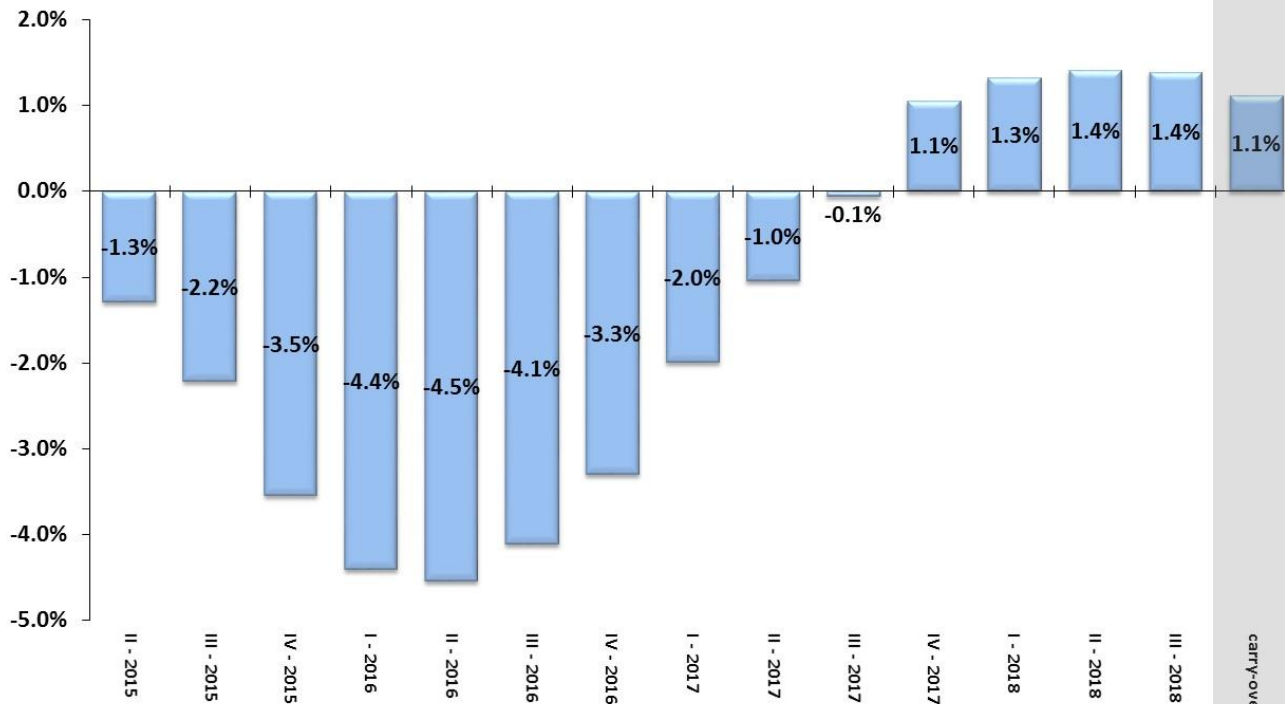
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HIGHLIGHTS

Quarterly GDP

Last 4Q / Previous 4Q (%)

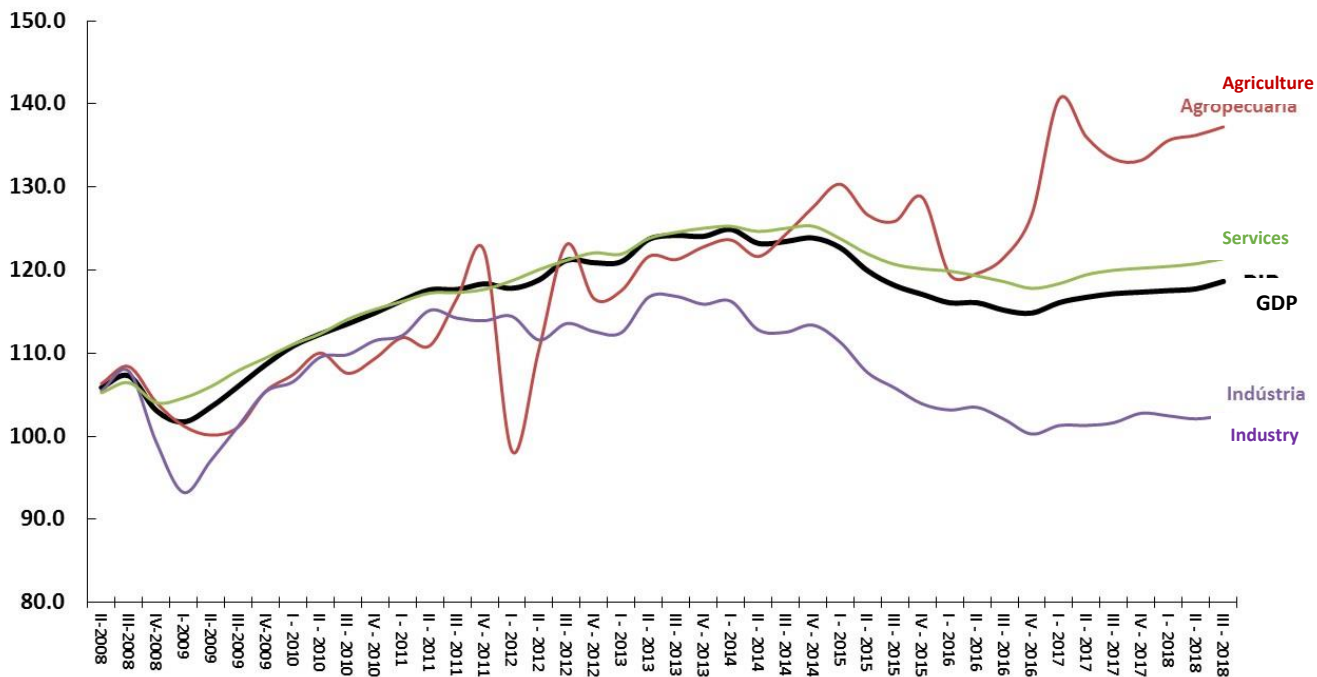


Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 3rd quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Activity Sector

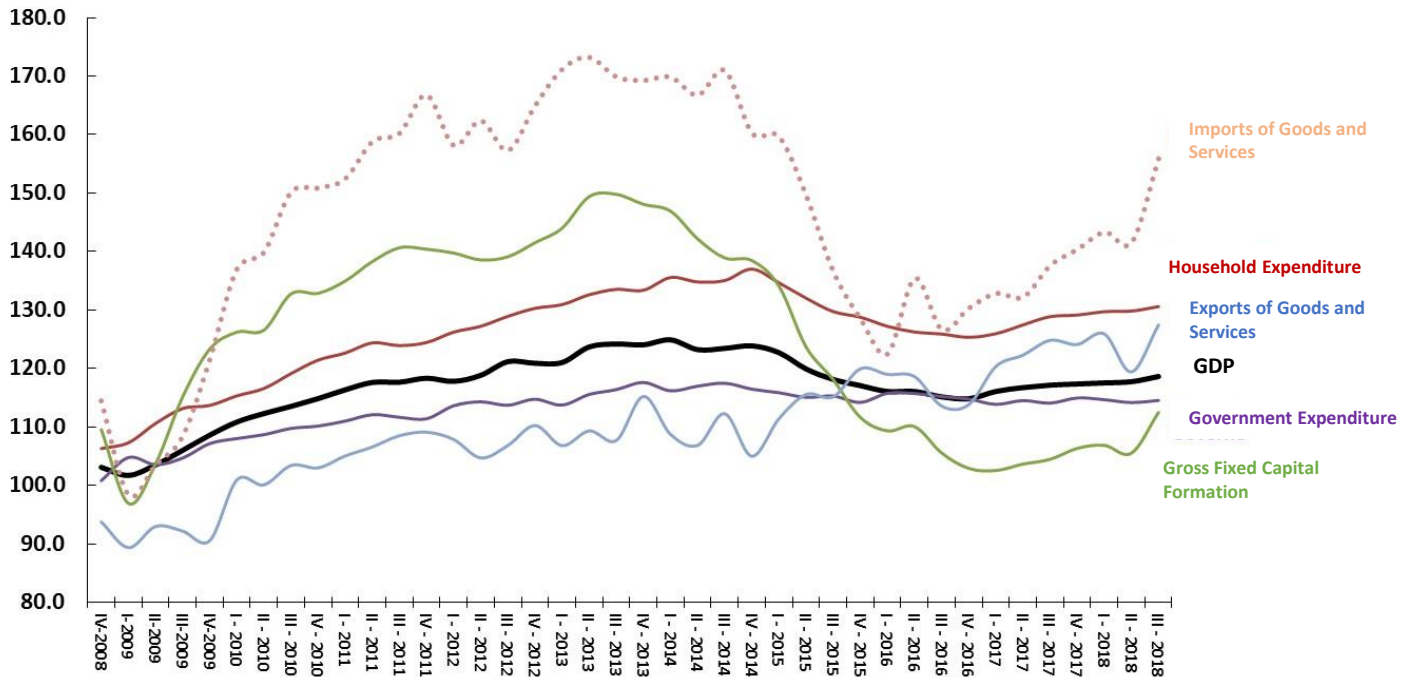
GDP and Economic Sectors Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

Quarterly GDP by Expenditure

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



Source: IBGE/MP, Quarterly National Accounts Series.

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%

-8.0%

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

500

450

400

350

300

250

200

150

100

50

0

500

450

400

350

300

250

200

150

100

50

0

500

450

400

350

300

250

200

150

100

50

0

500

450

400

350

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500

450

400

350

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200

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500

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400

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100

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250

200

150

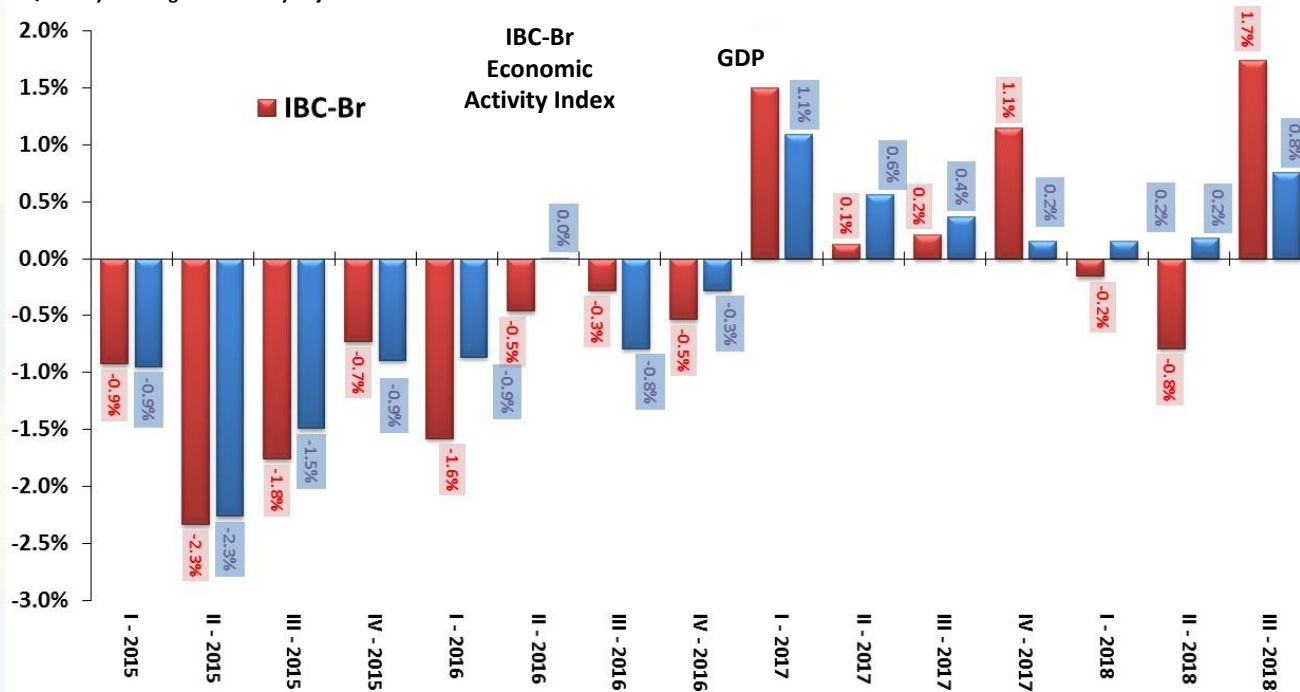
100

50

0

Quarterly GDP Growth and IBC-Br Economic Activity Index

Quarterly % Change - Seasonally Adjusted Series

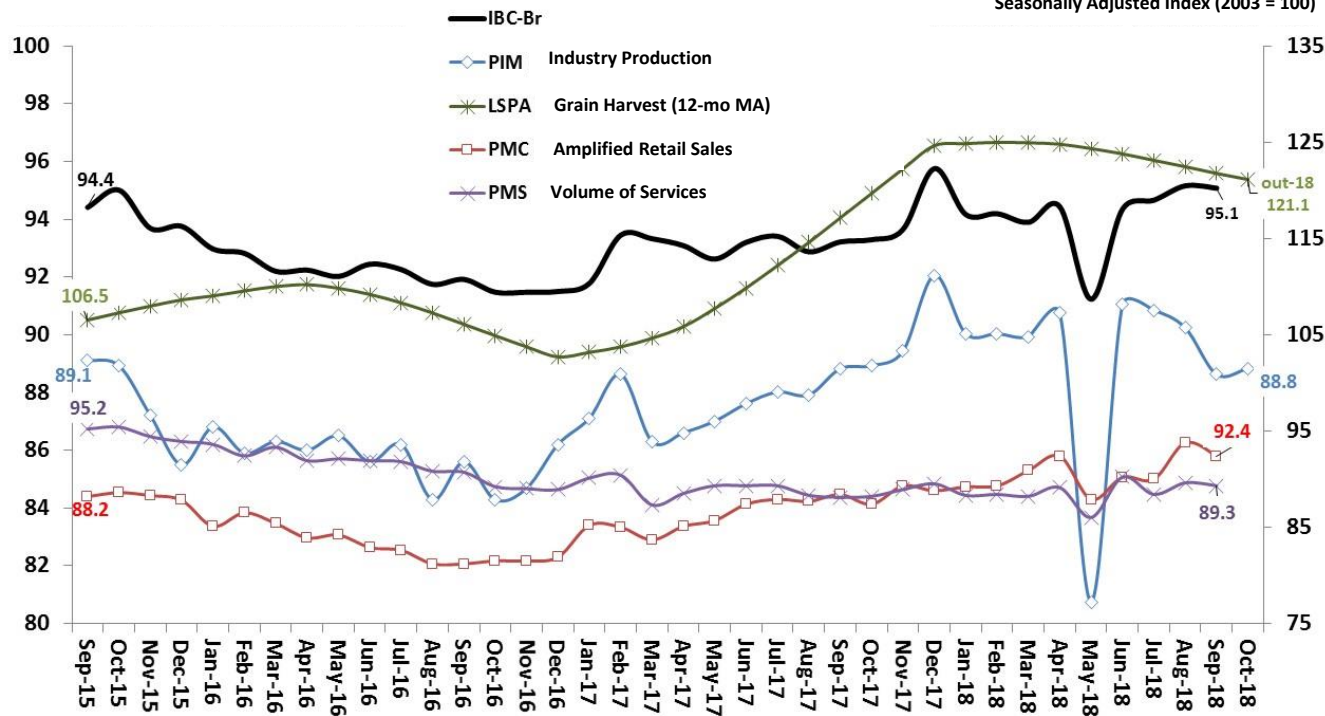


Sources: IBGE/MP and Central Bank of Brazil.

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)

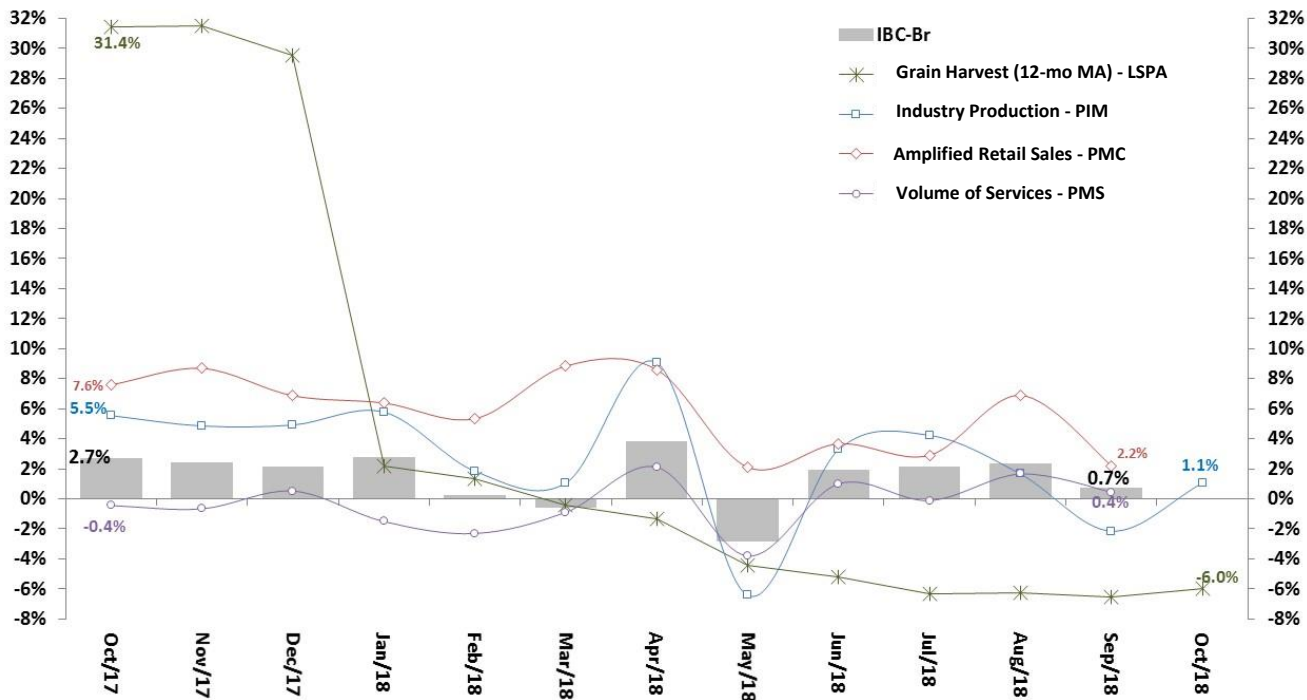


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators

IBC-Br
(YoY %)

IBC-Br, LSPA, PIM, PMC and PMS
(YoY %)

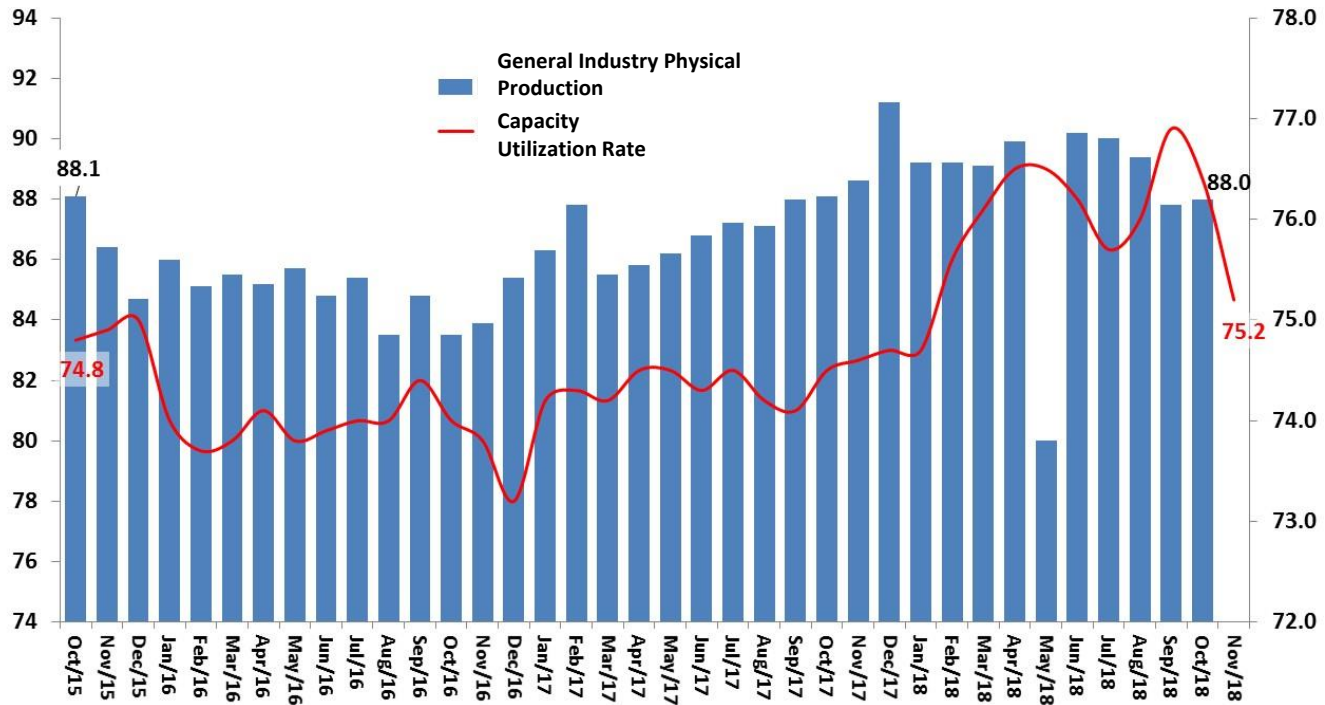


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

Industry Production
Seasonally Adjusted Index (2003 = 100)

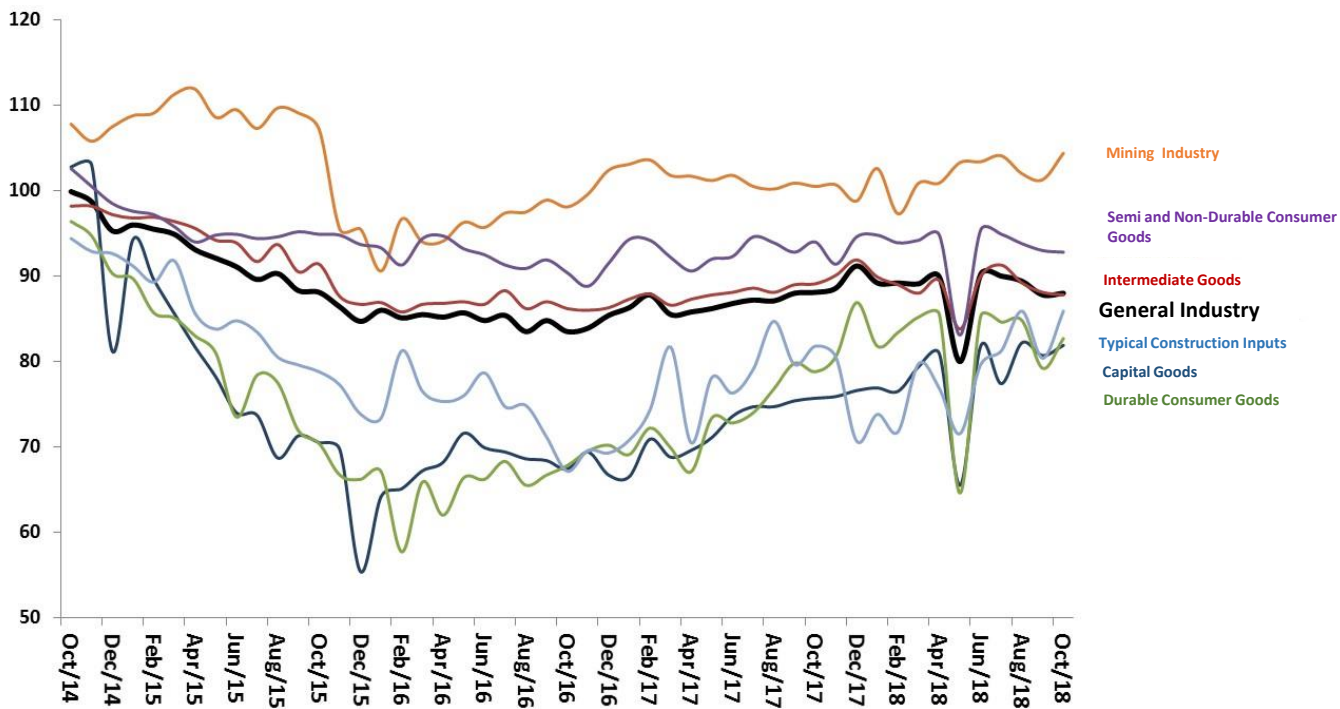
Capacity Utilization
Seasonally Adjusted - % of Total Capacity



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

Total Industrial Production and Economic Categories

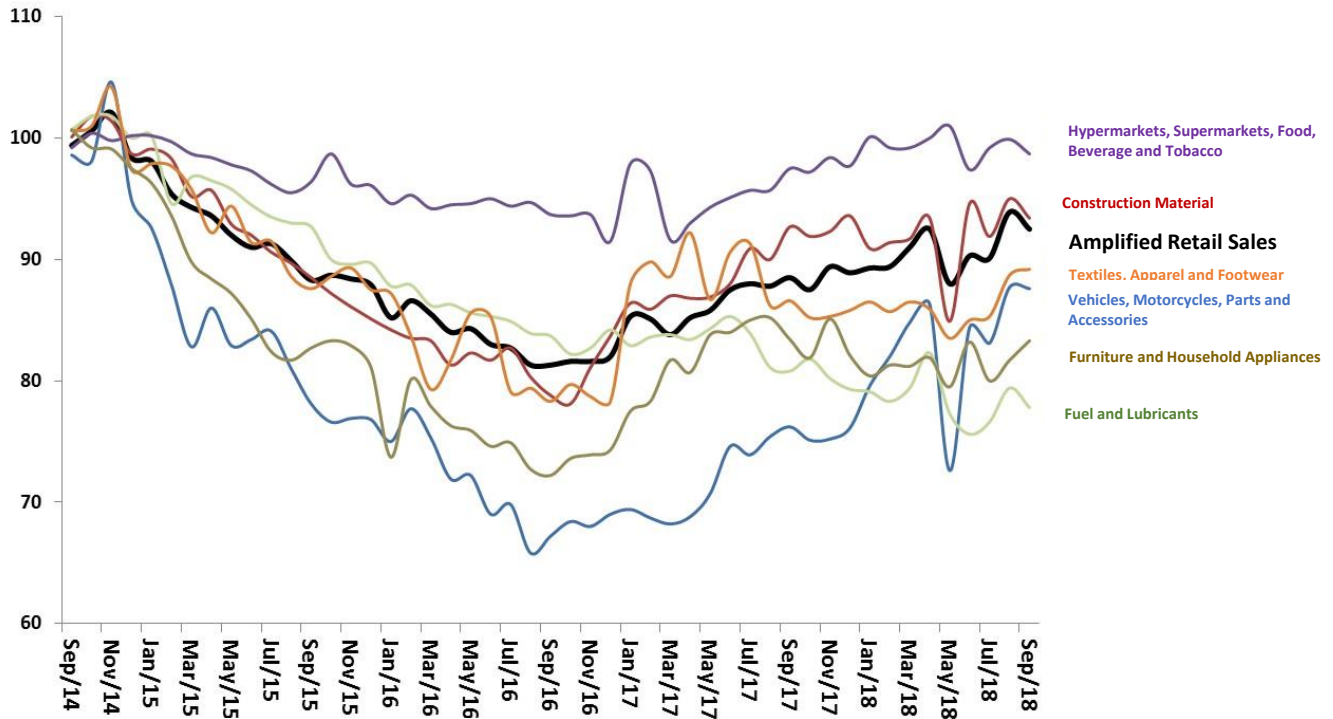
Industry Physical Production by Economic Category
Seasonally Adjusted Index (2002 = 100)



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

Total Retail Sales and Subsectors

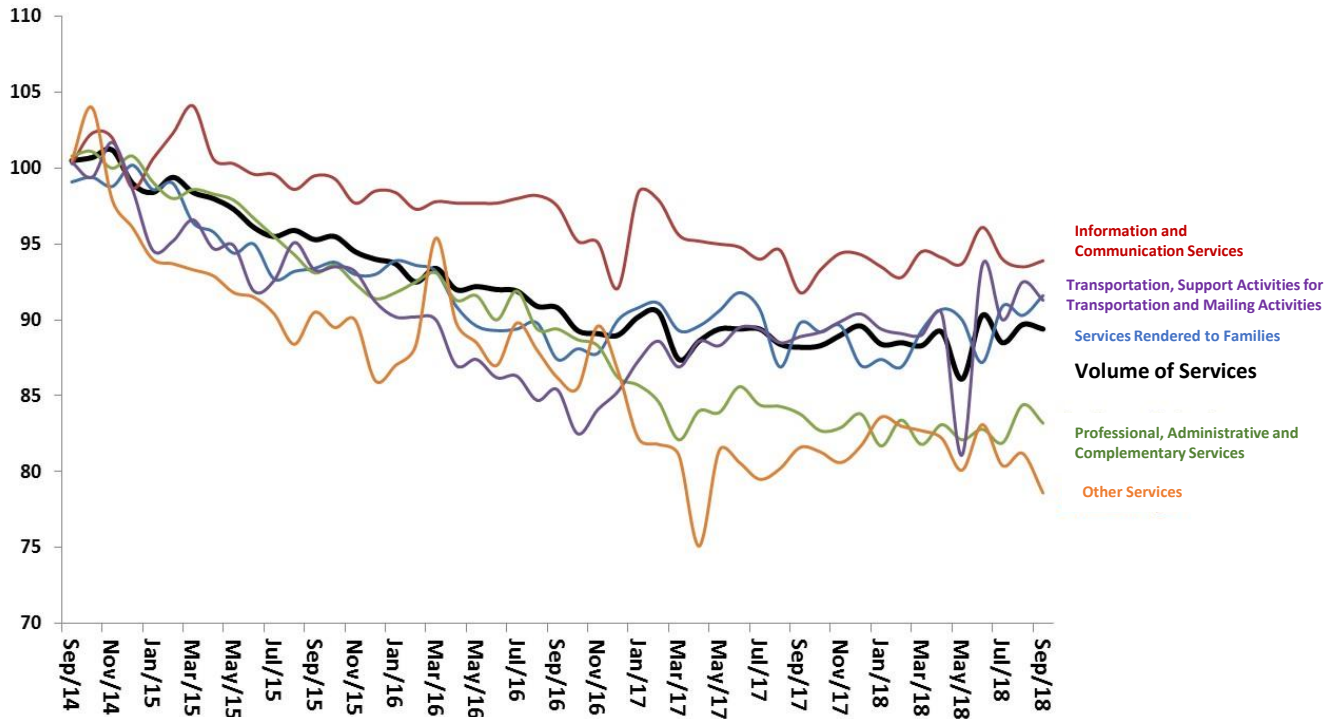
Retail Sales by Subsector
Seasonally Adjusted Index (2002 = 100)



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

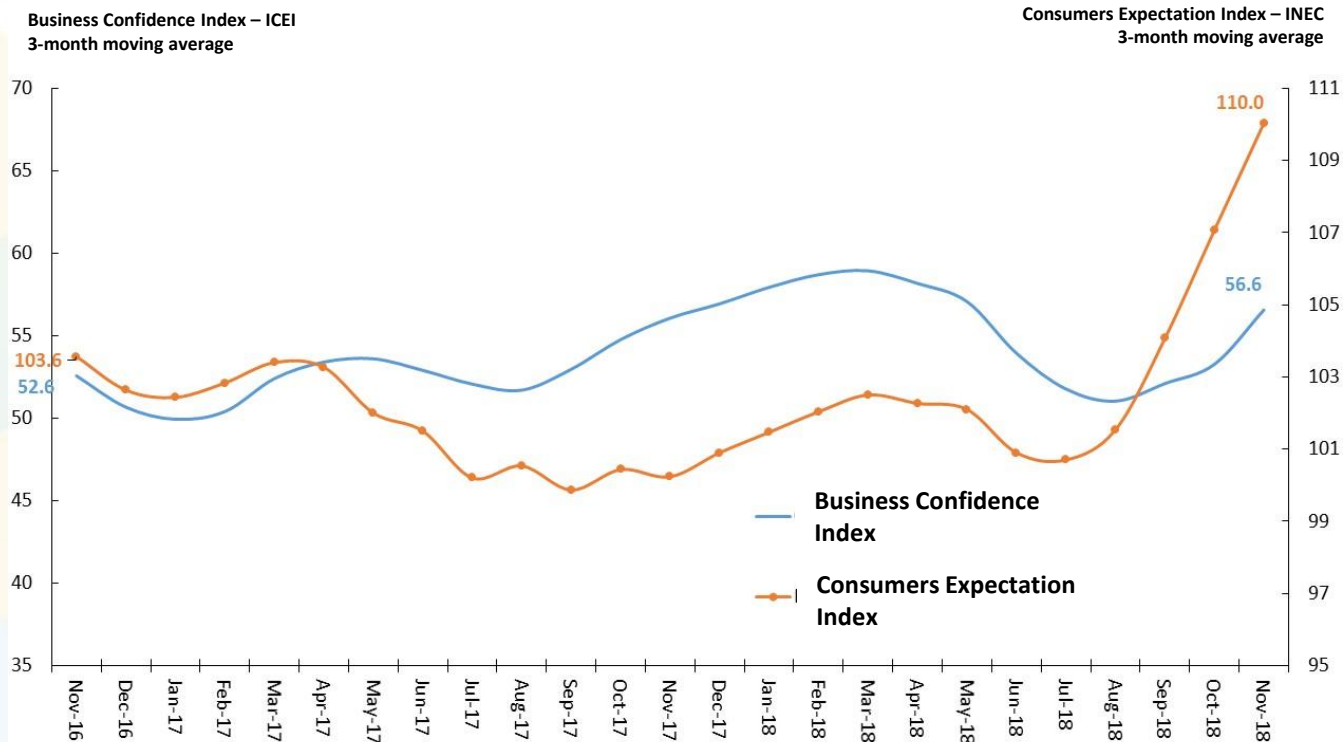
Total Services and Subsectors

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



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

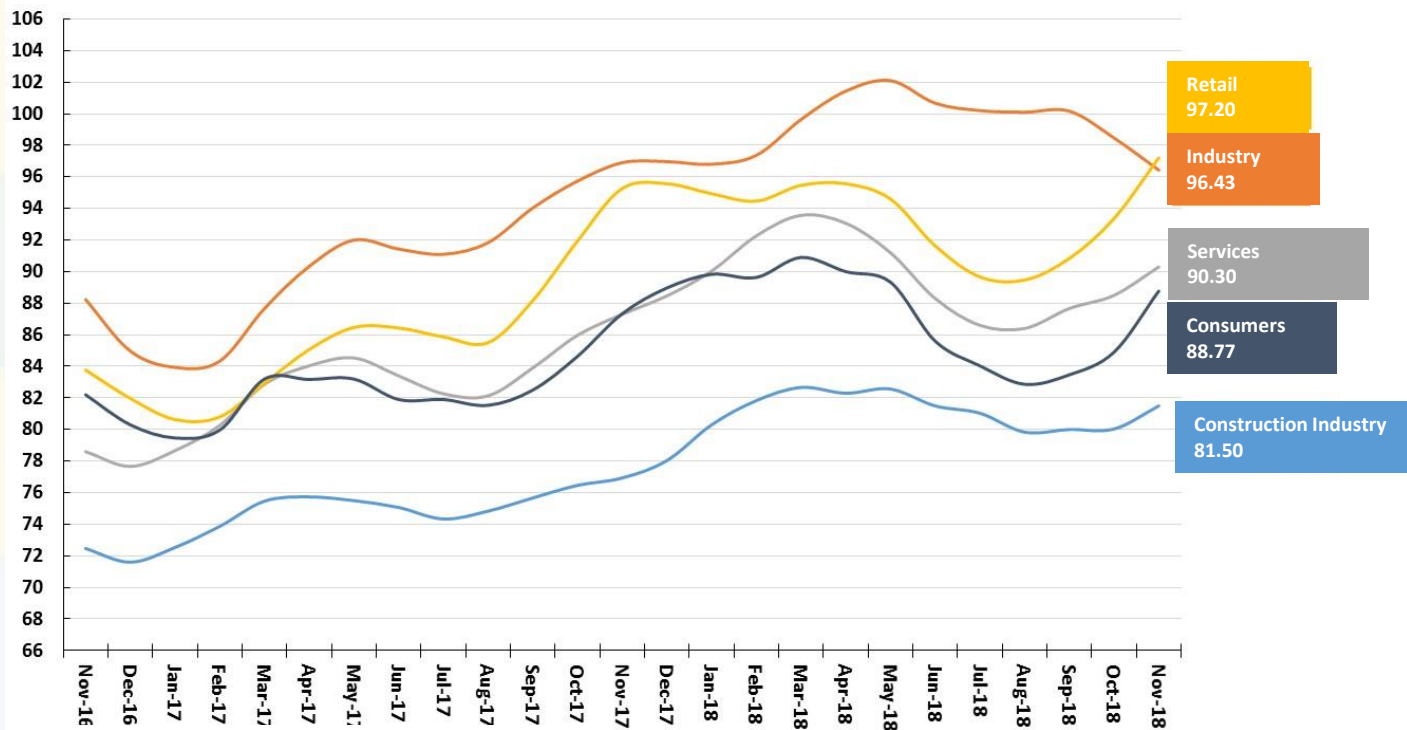
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

FGV: Economic Confidence Indicators

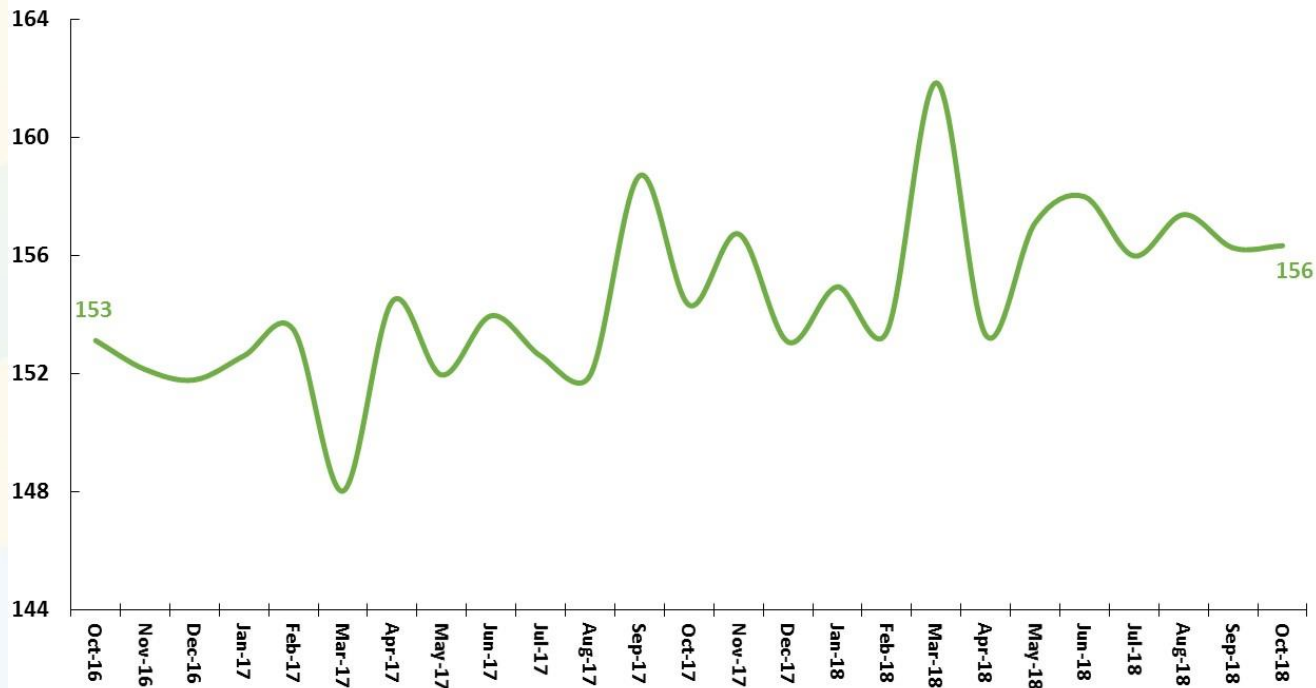
Economic Confidence Indicators
3-month moving average



Source: IBRE/FGV.

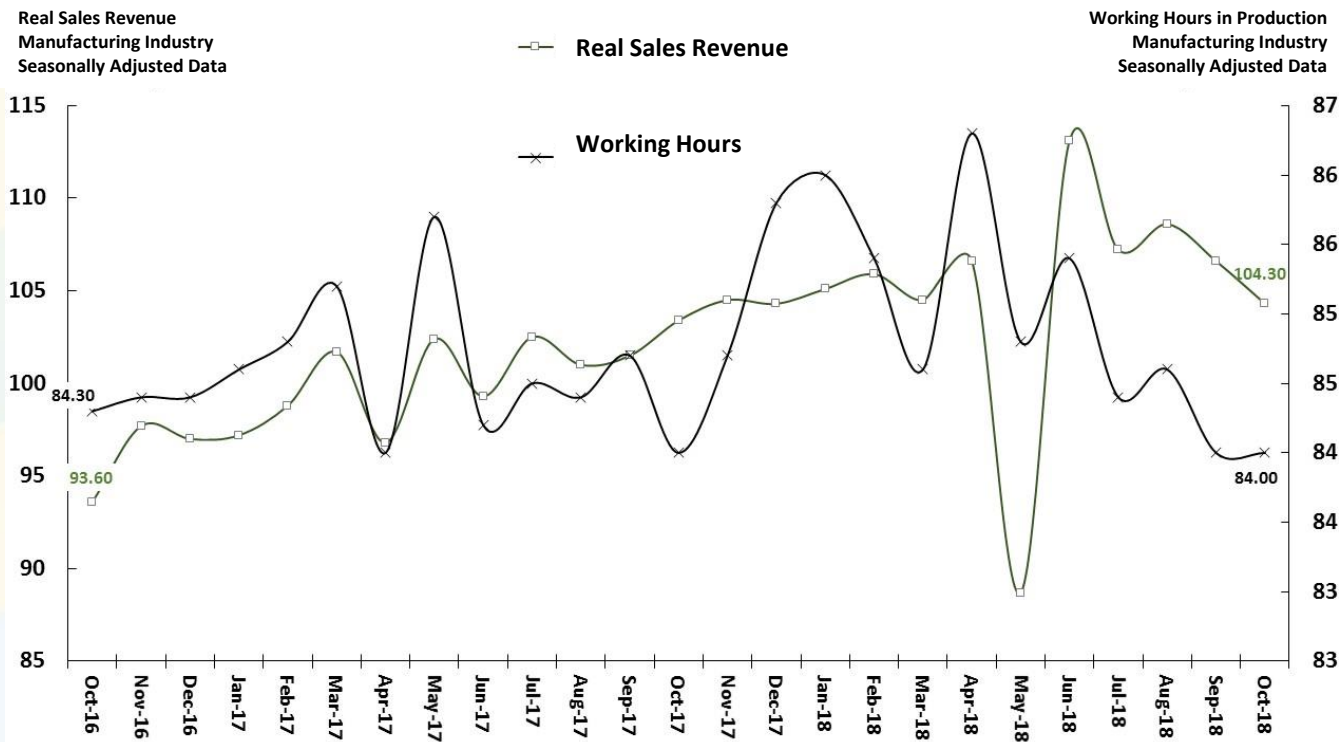
ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales
Seasonally Adjusted Data*



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

CNI: Industry Real Sales Revenues and Working Hours

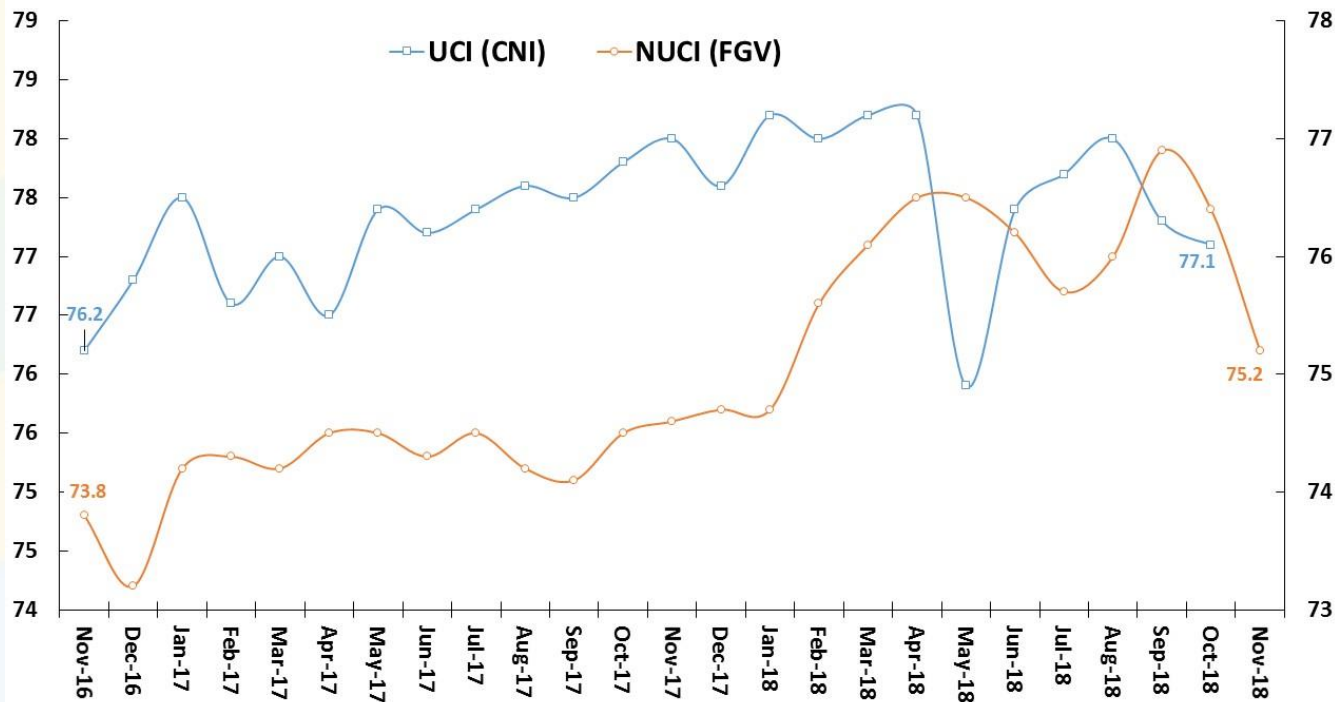


Source: CNI.

Capacity Utilization Rate

Capacity Utilization Rate - UCI (CNI)
Seasonally Adjusted Data

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

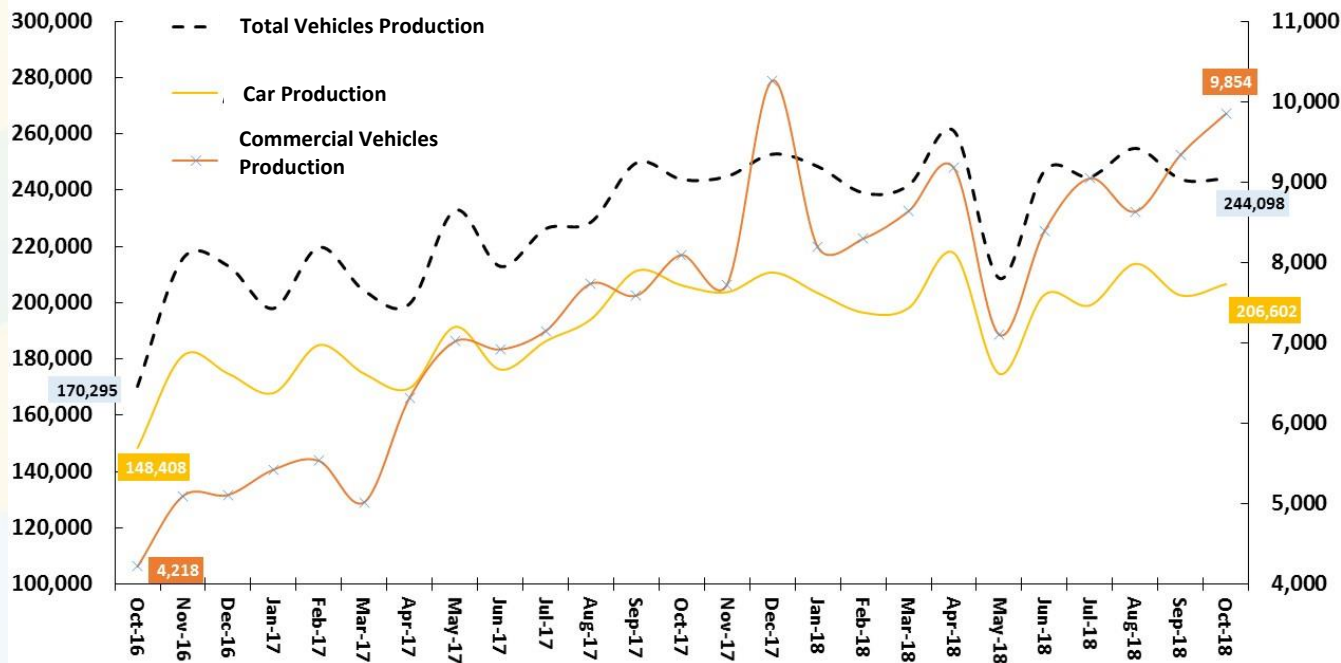


Source: CNI and FGV.

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*



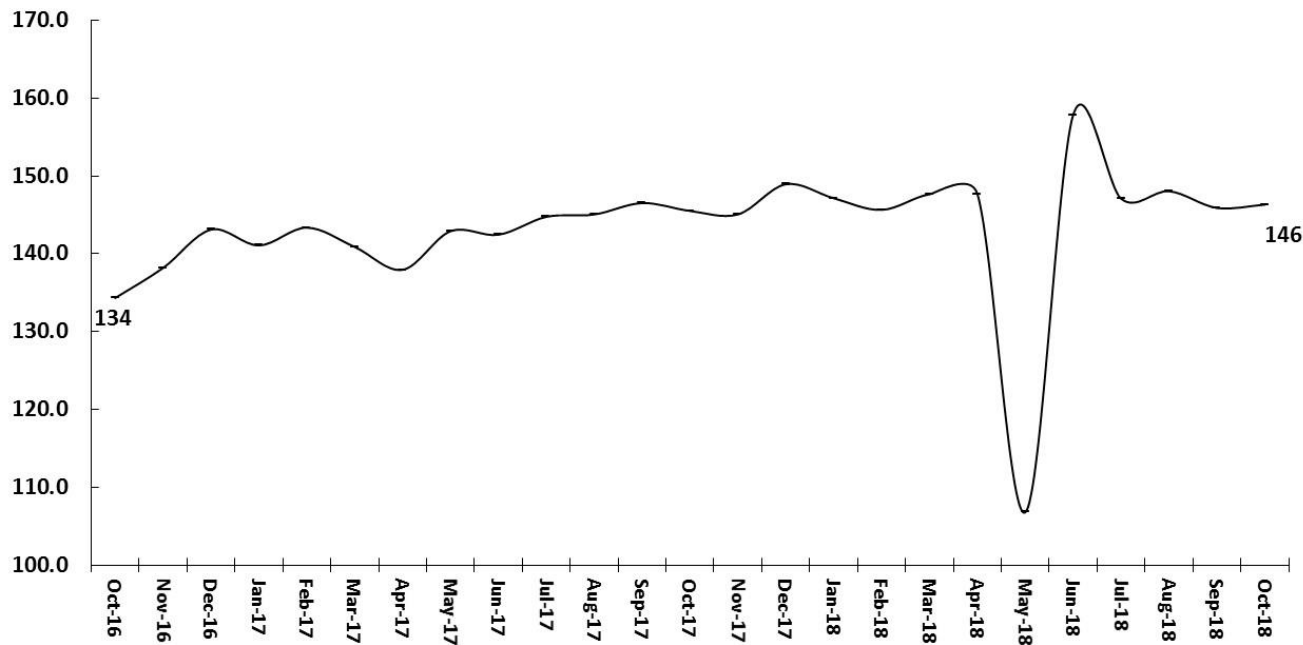
Source: ANFAVEA. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

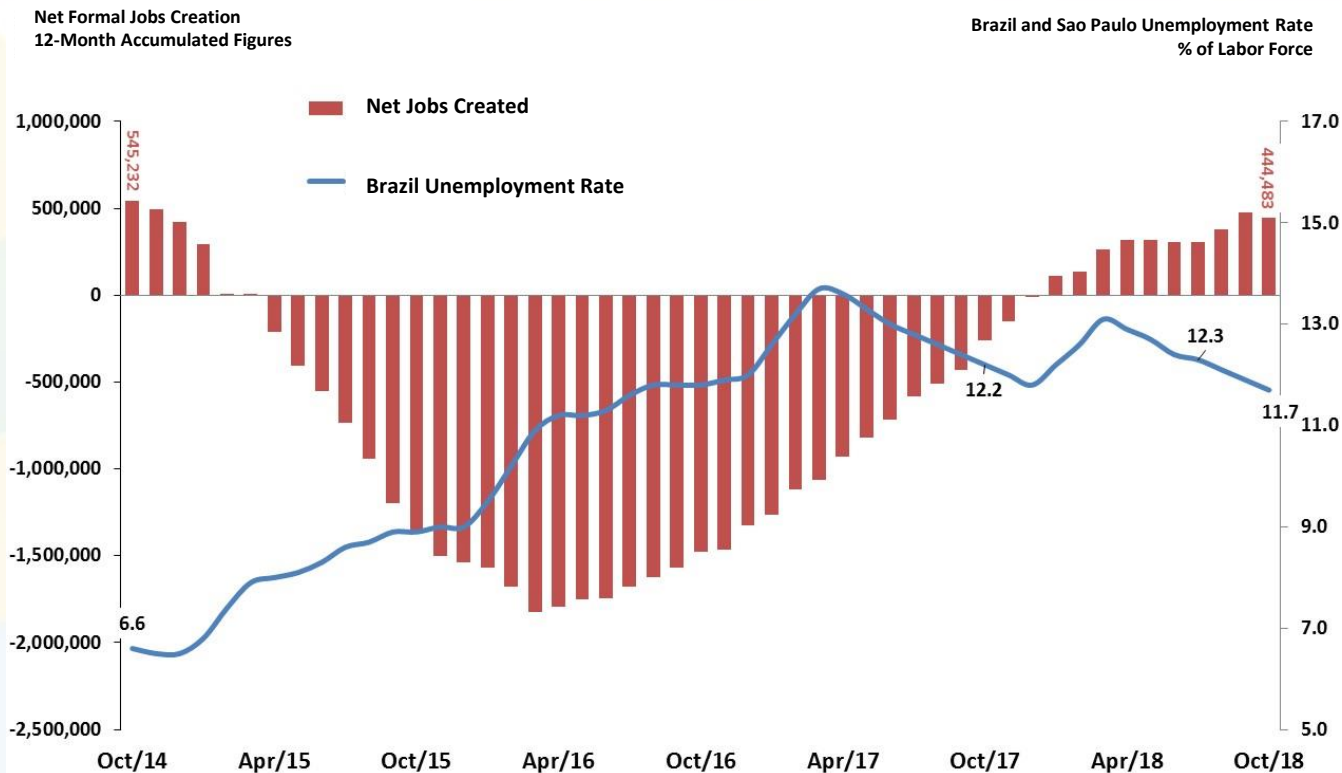
Index: 1999=100

Seasonally Adjusted Data



Source: ABCR.

Unemployment Rate and Net Formal Job Creation

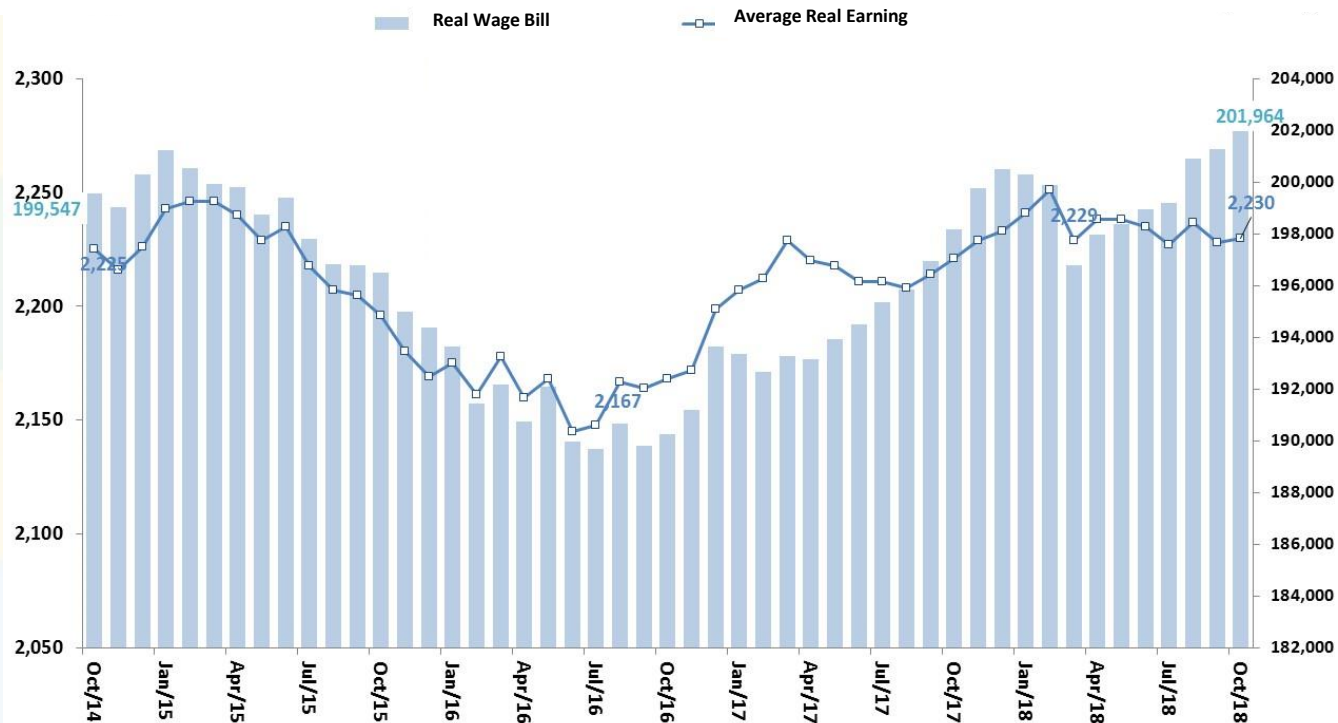


Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Real Wage Bill and Average Real Earning

Average Real Earning
R\$ of last month

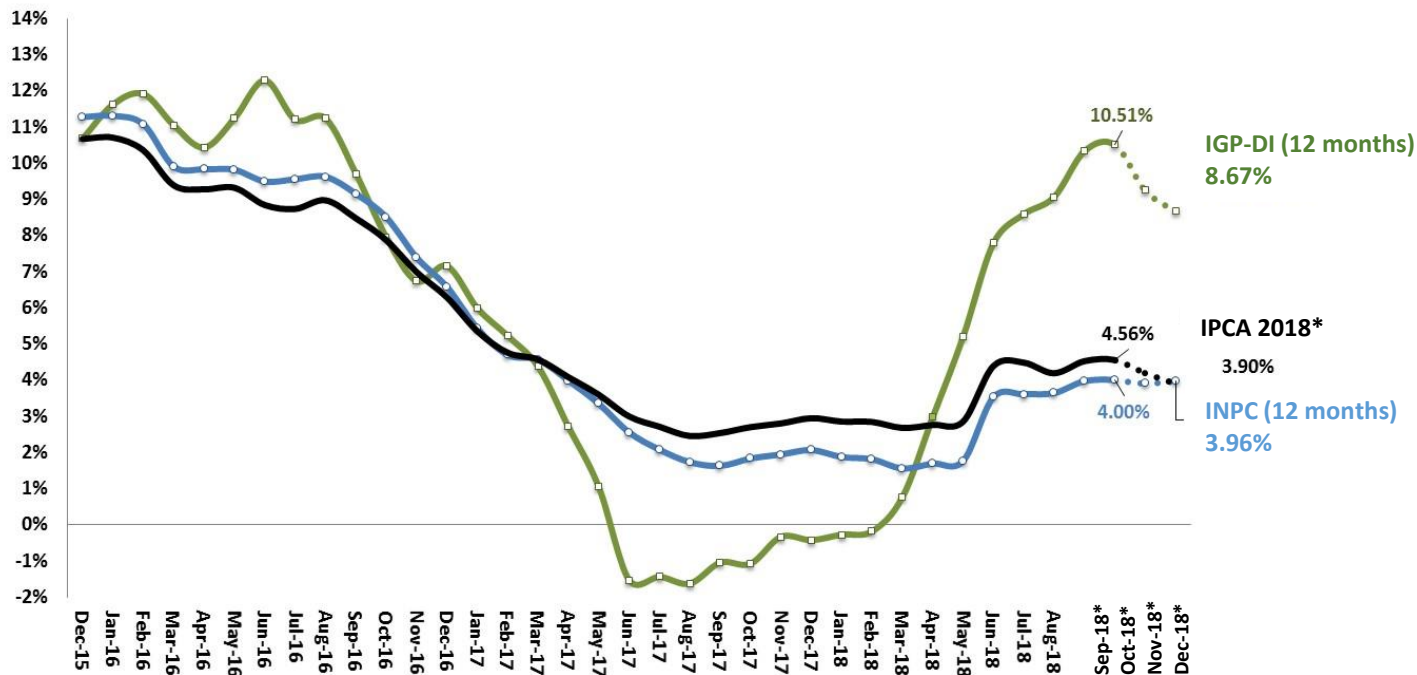
Real Wage Bill
R\$ millions of last month



Source: IBGE/MP - PNADC.

Major Inflation Indexes

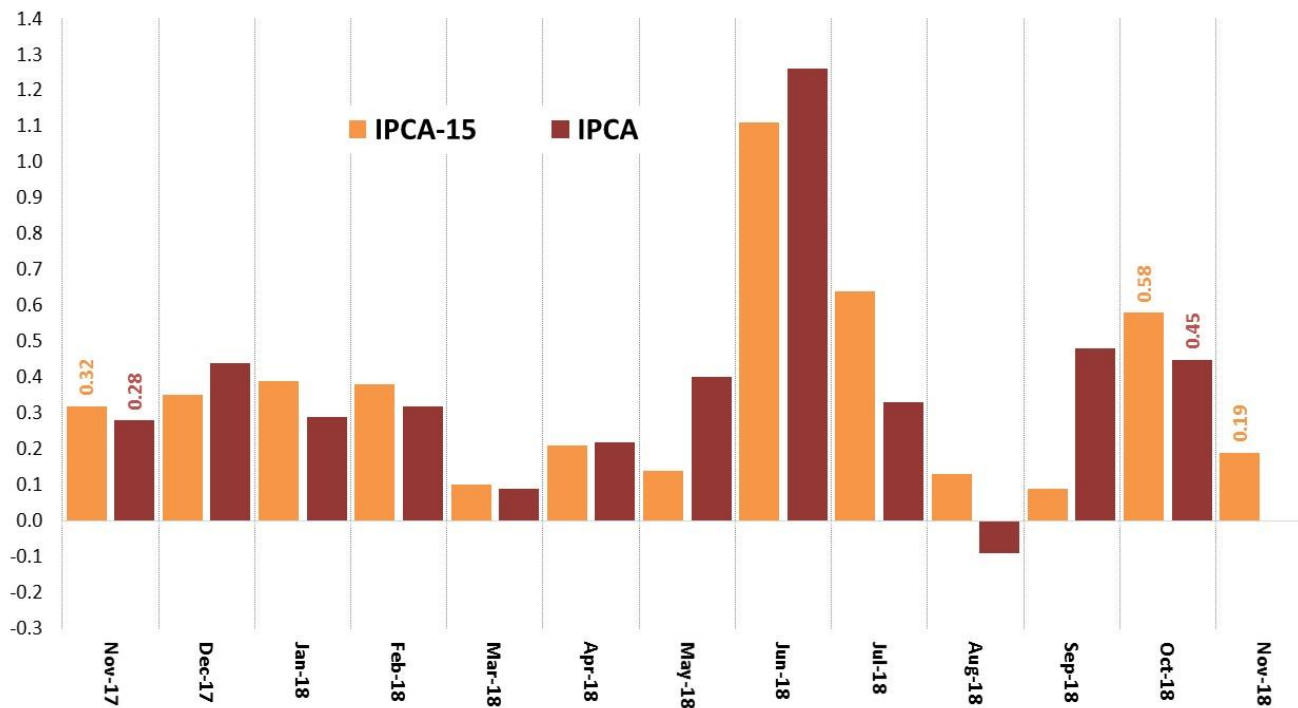
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 11/30/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

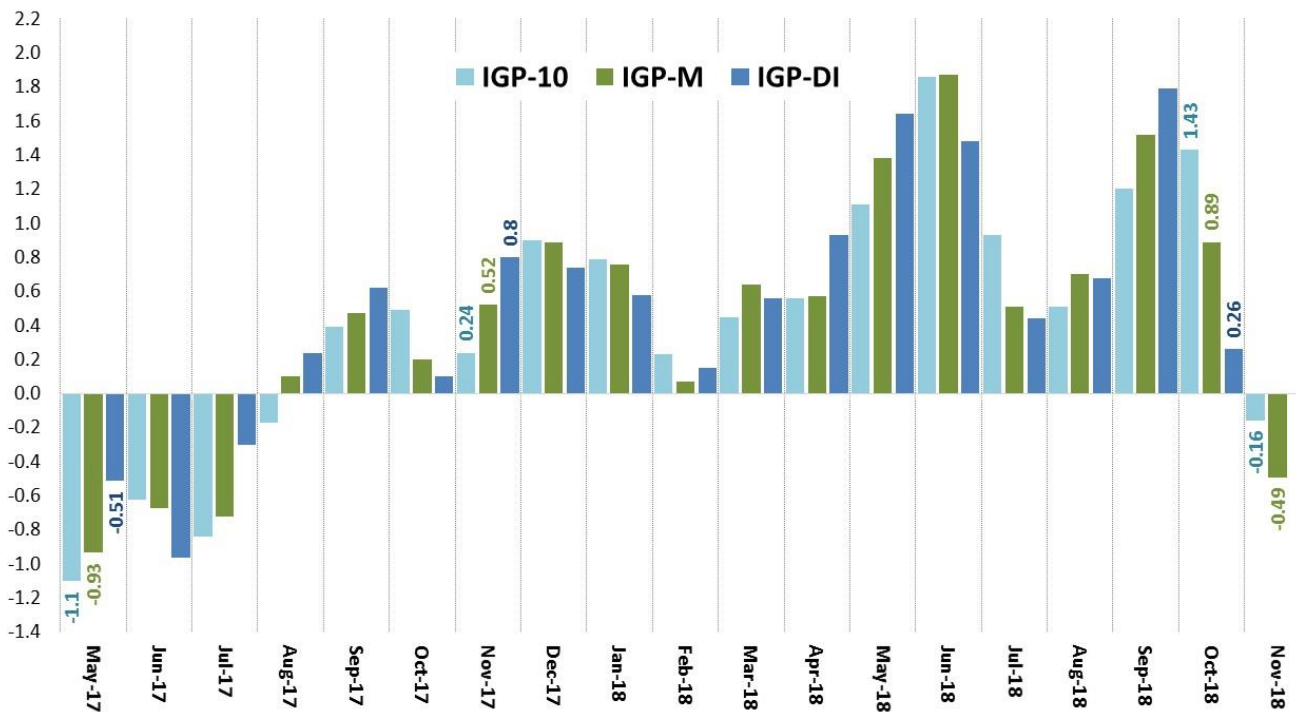
IPCA-15 and IPCA
By release order



Source: IBGE.

FGV: Monthly General Price Indexes

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

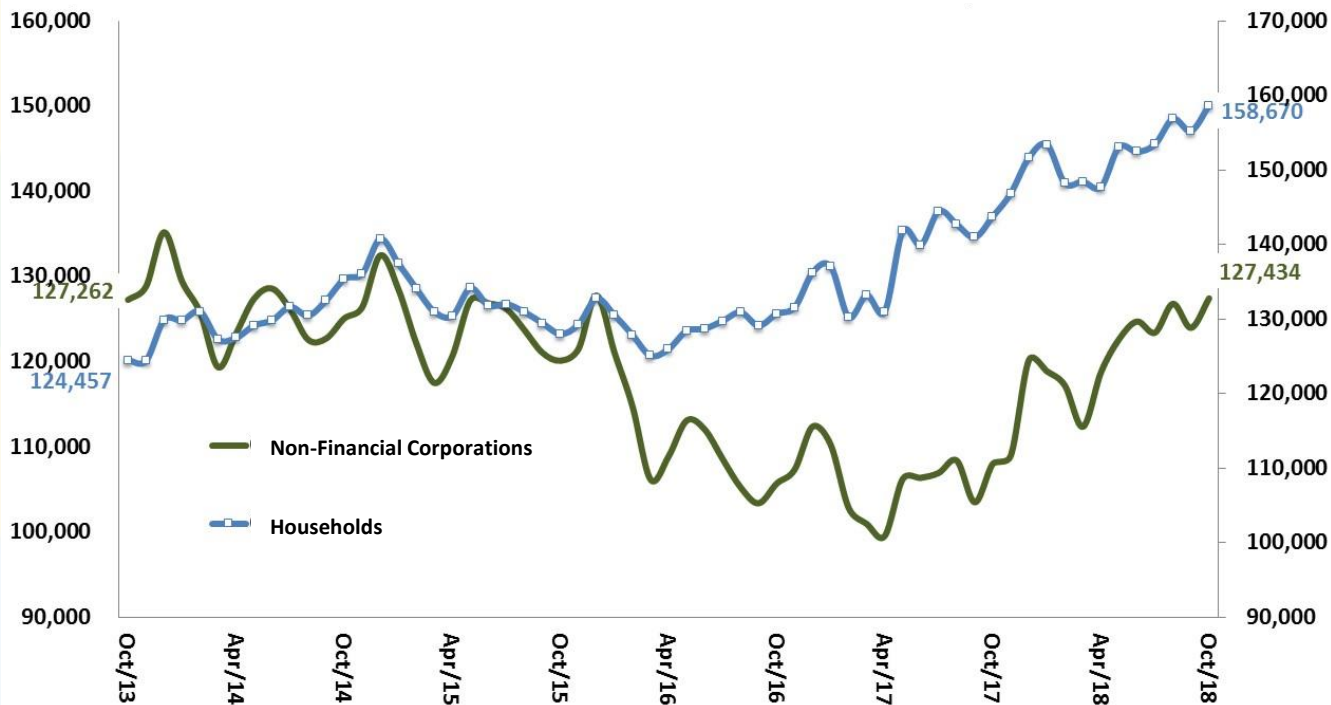


Source: FGV.

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*

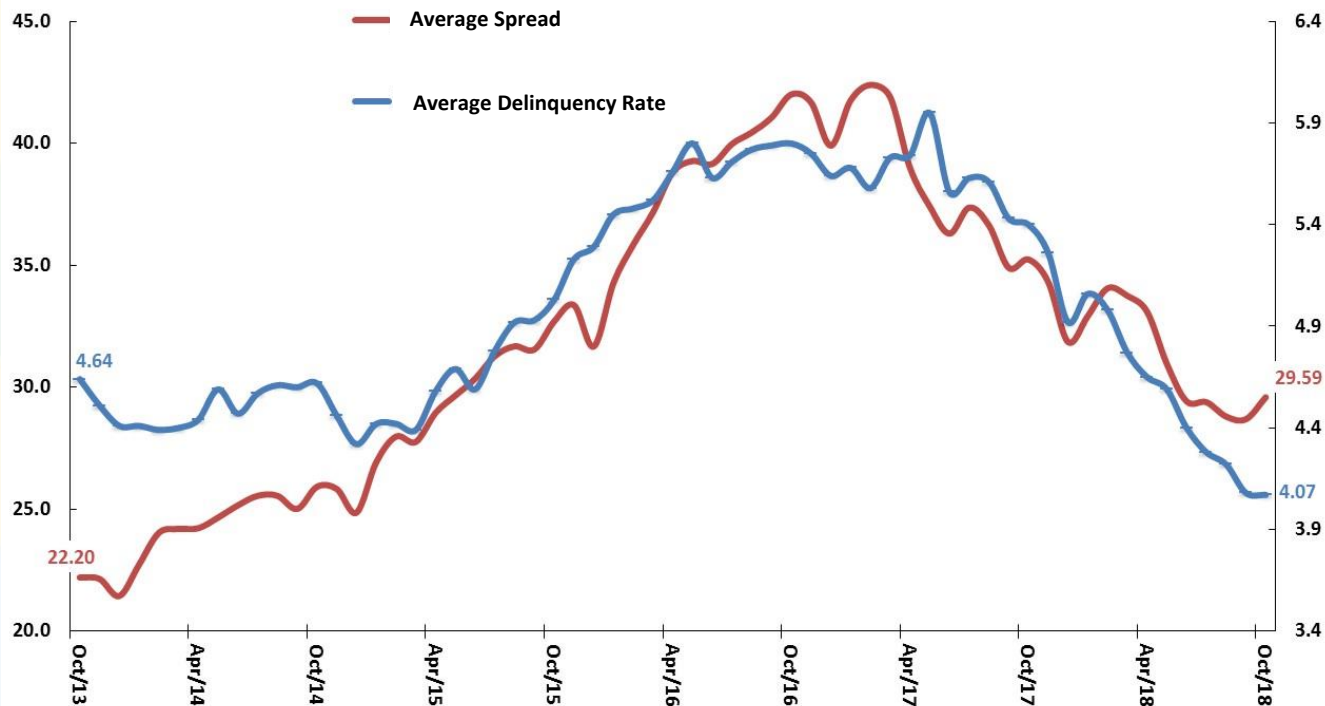


Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP.

Non-earmarked Resources: Spread and Delinquency Rates

Average Spread
In percentage points (pp)

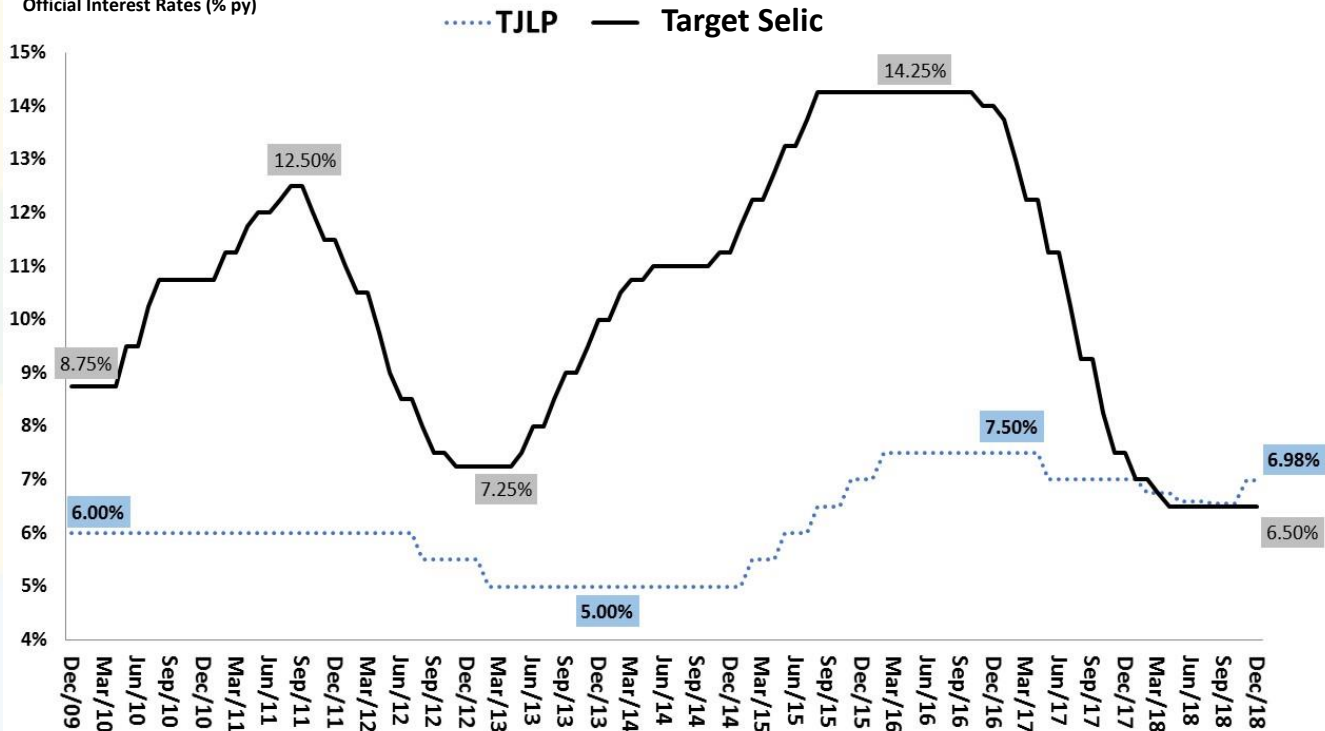
Average Delinquency Rate
% Non-performing loans (by 90 days or more)



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

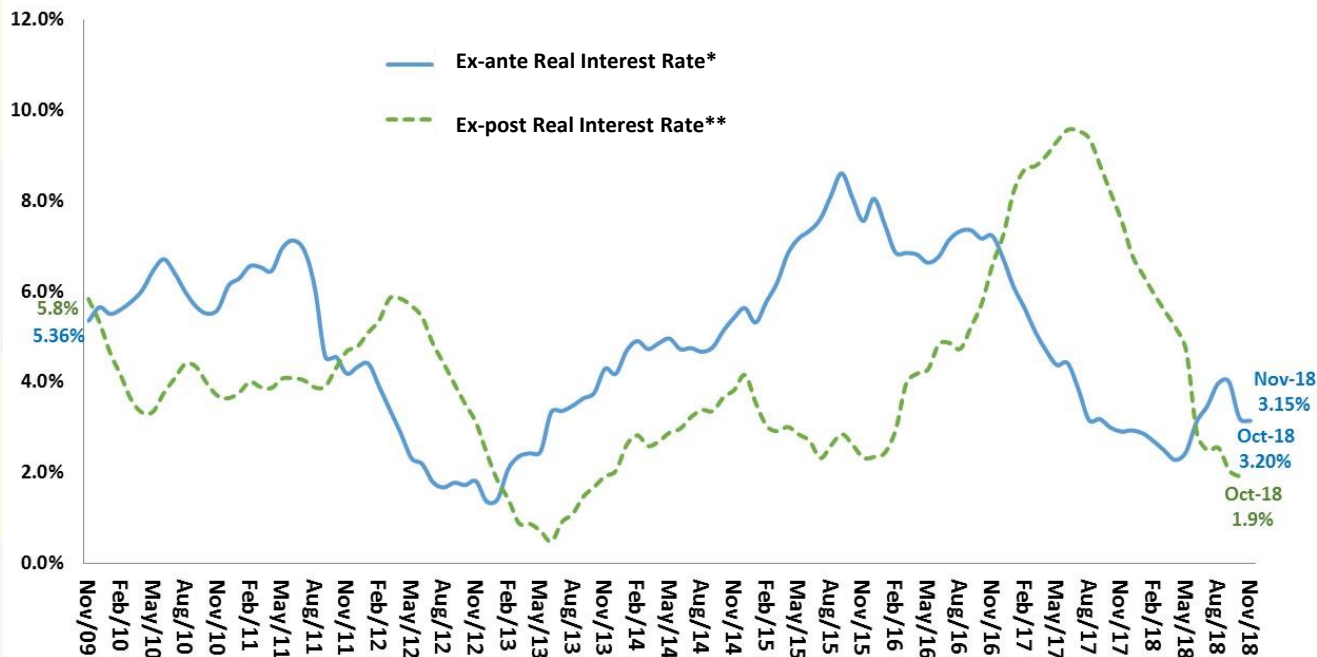
Selic and Long Term (TJLP)
Official Interest Rates (% py)



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.

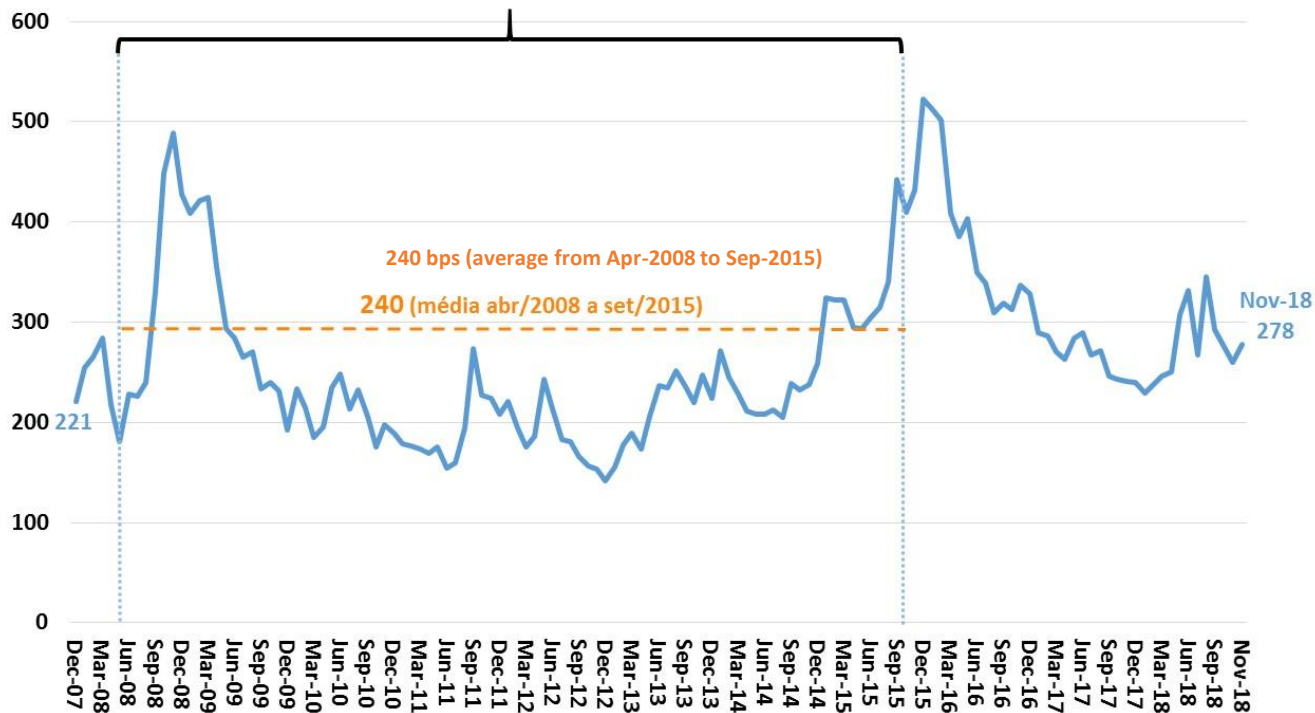
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

Sovereign Risk (EMBI+ BR)

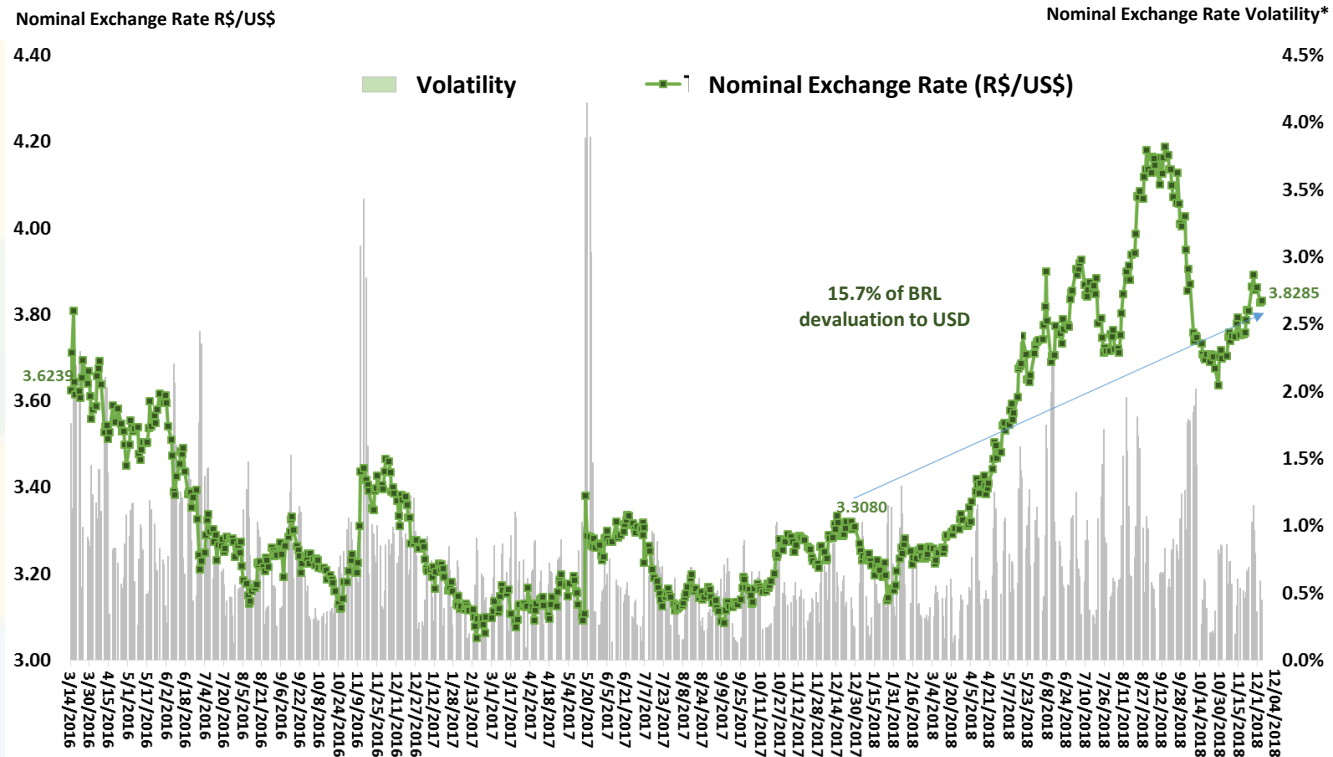
EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period



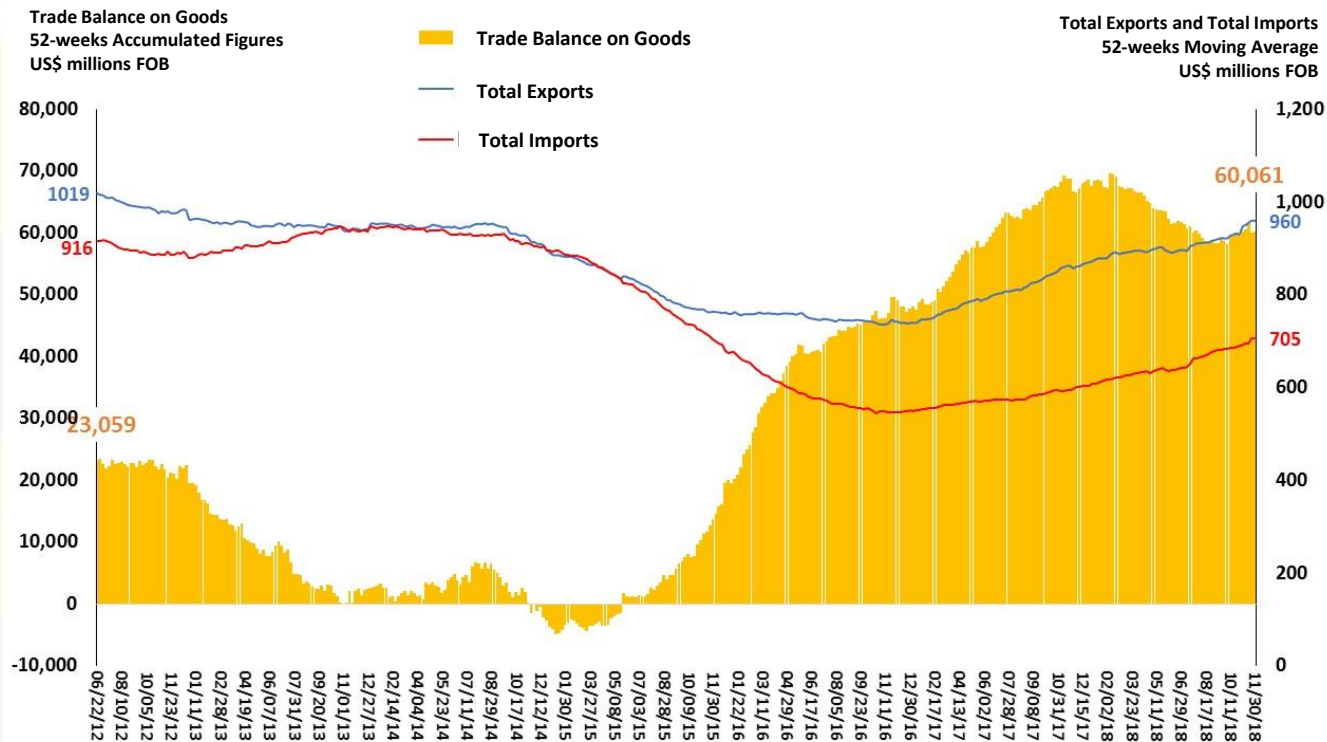
Source: JPMorgan.

Daily Nominal Exchange Rate R\$/US\$



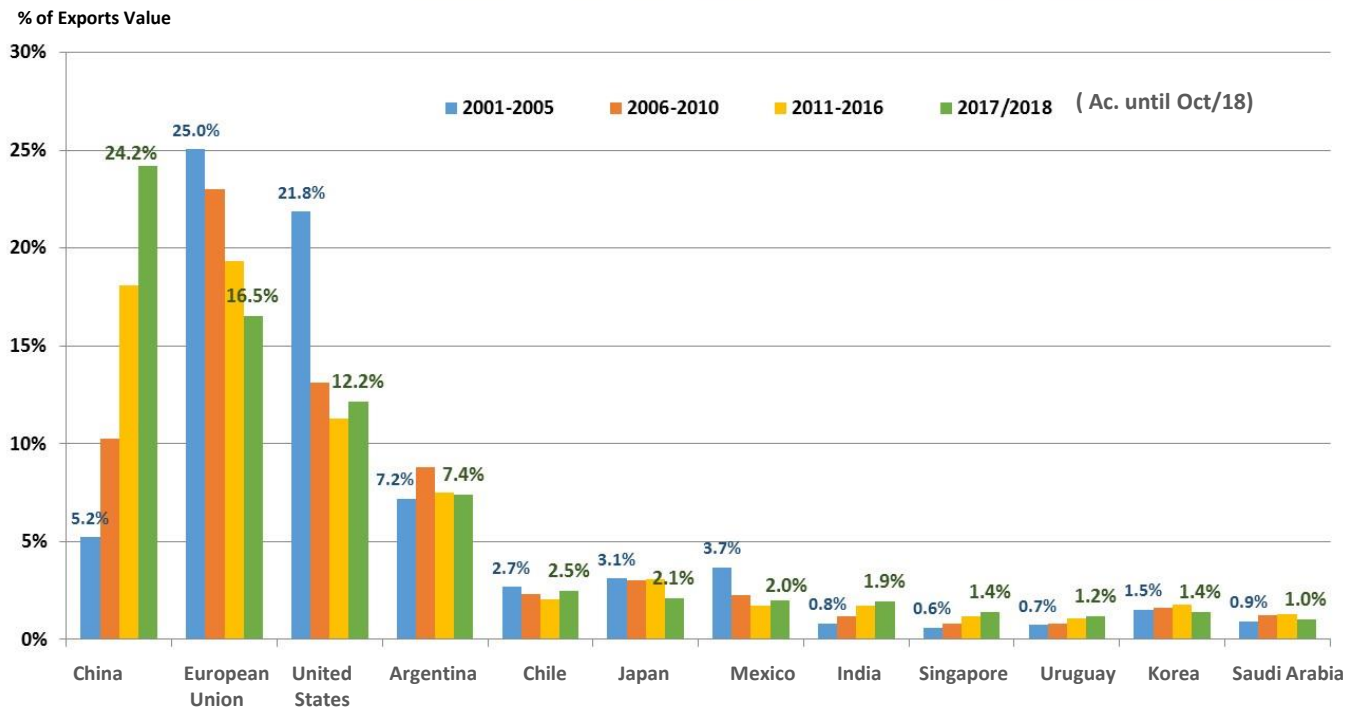
Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

Trade Balance on Goods (52 weeks daily average)



Source: SECEX/MDIC.

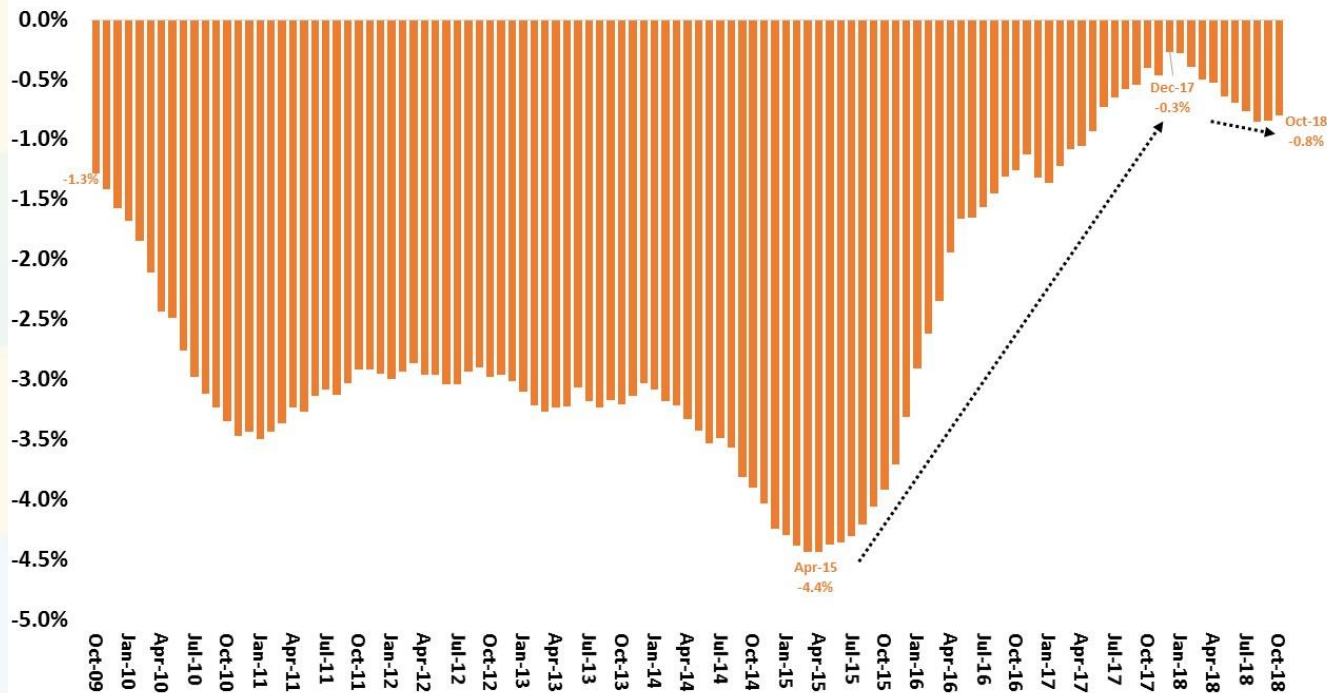
Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

Current Account Deficit as % of GDP

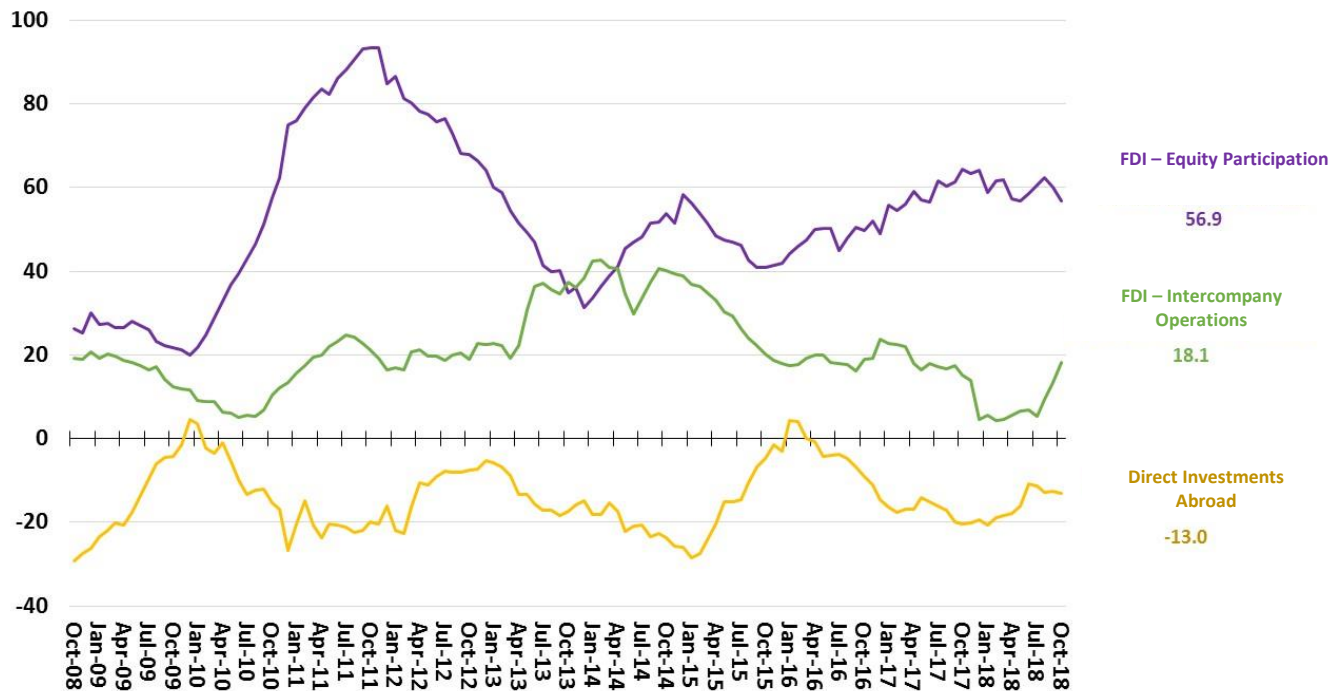
Current Account as % of GDP
12-month Figures



Source: Central Bank of Brazil.

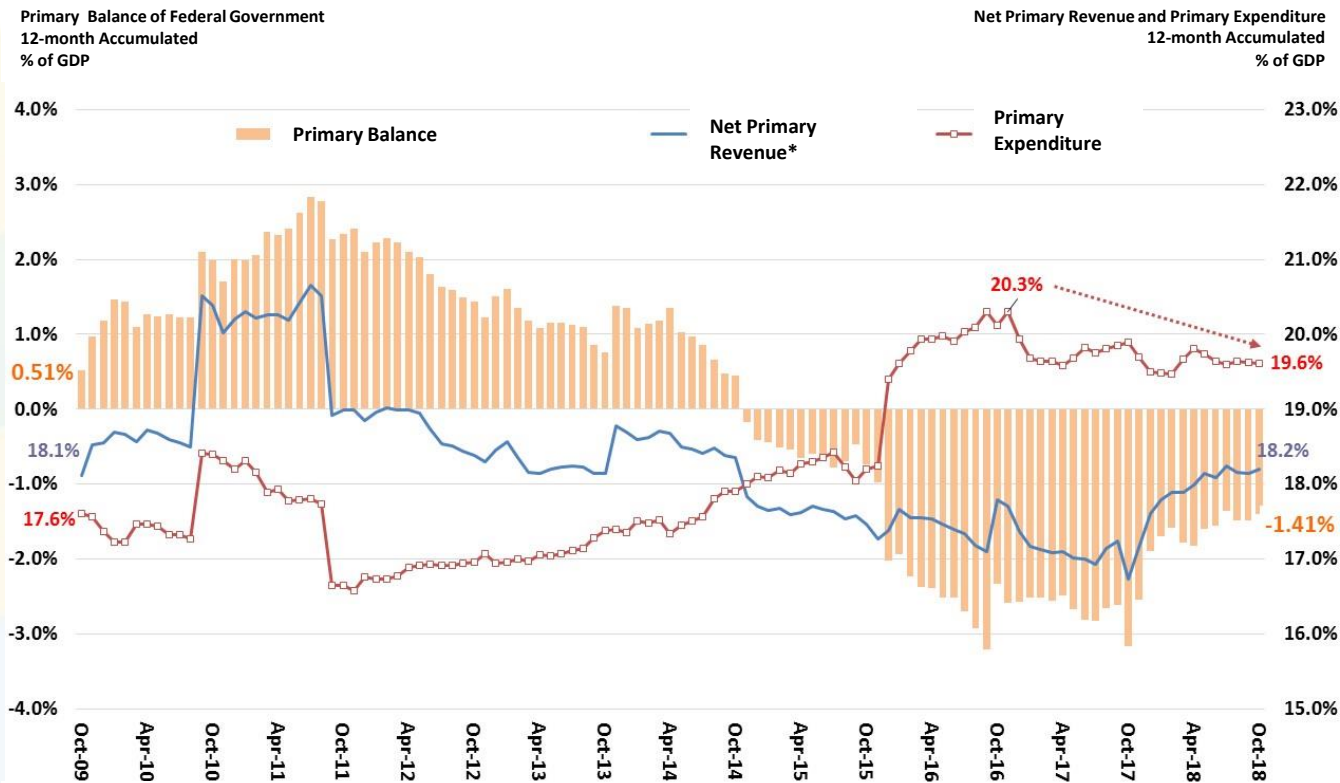
Direct Investments and Components

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



Source: Central Bank of Brazil.

Primary Balance of Federal Government (as % GDP)

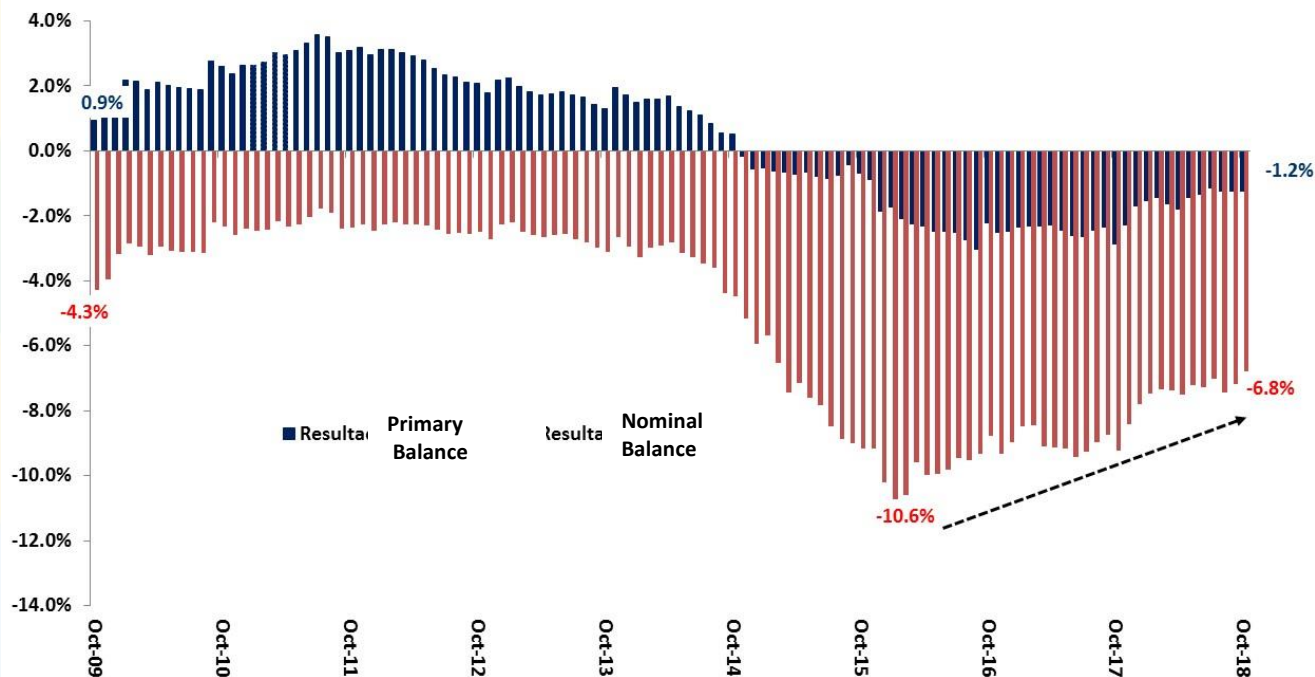


Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

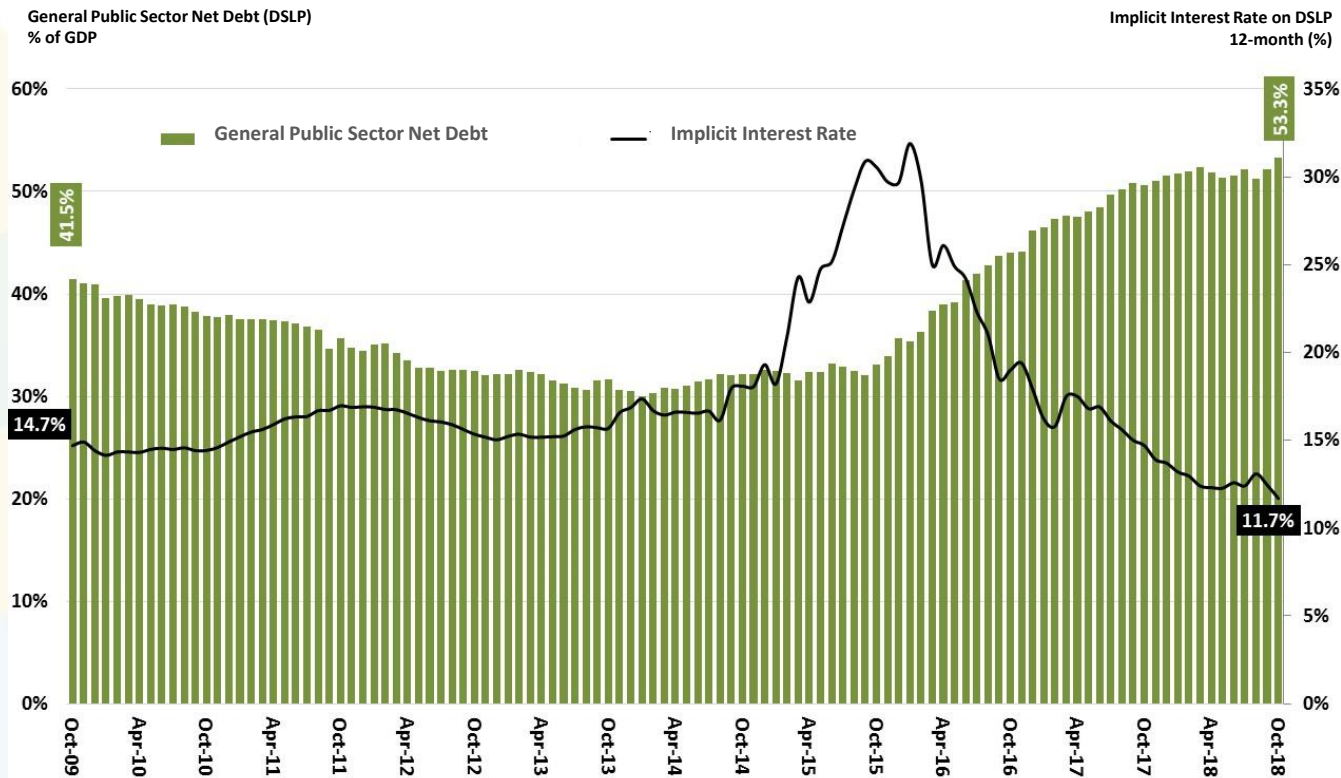
Public Sector Primary and Nominal Balance

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



Source: Central Bank of Brazil.

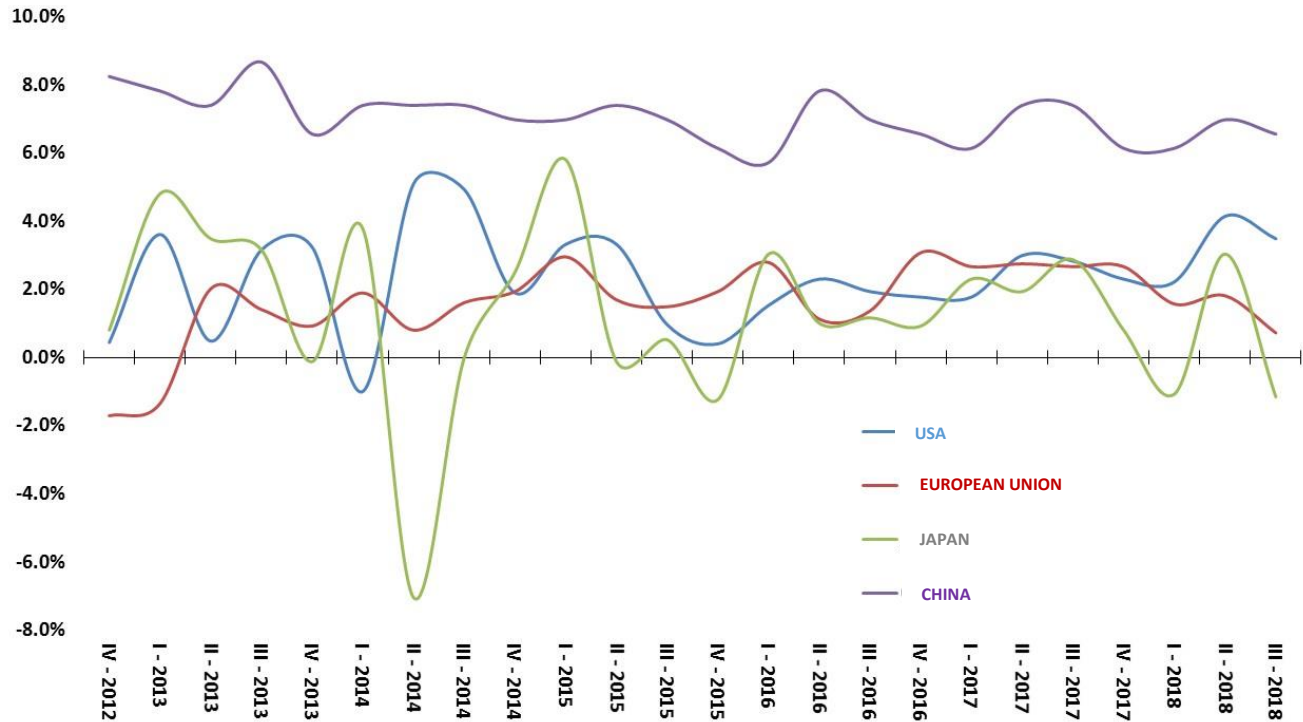
Public Sector Net Debt (as % GDP)



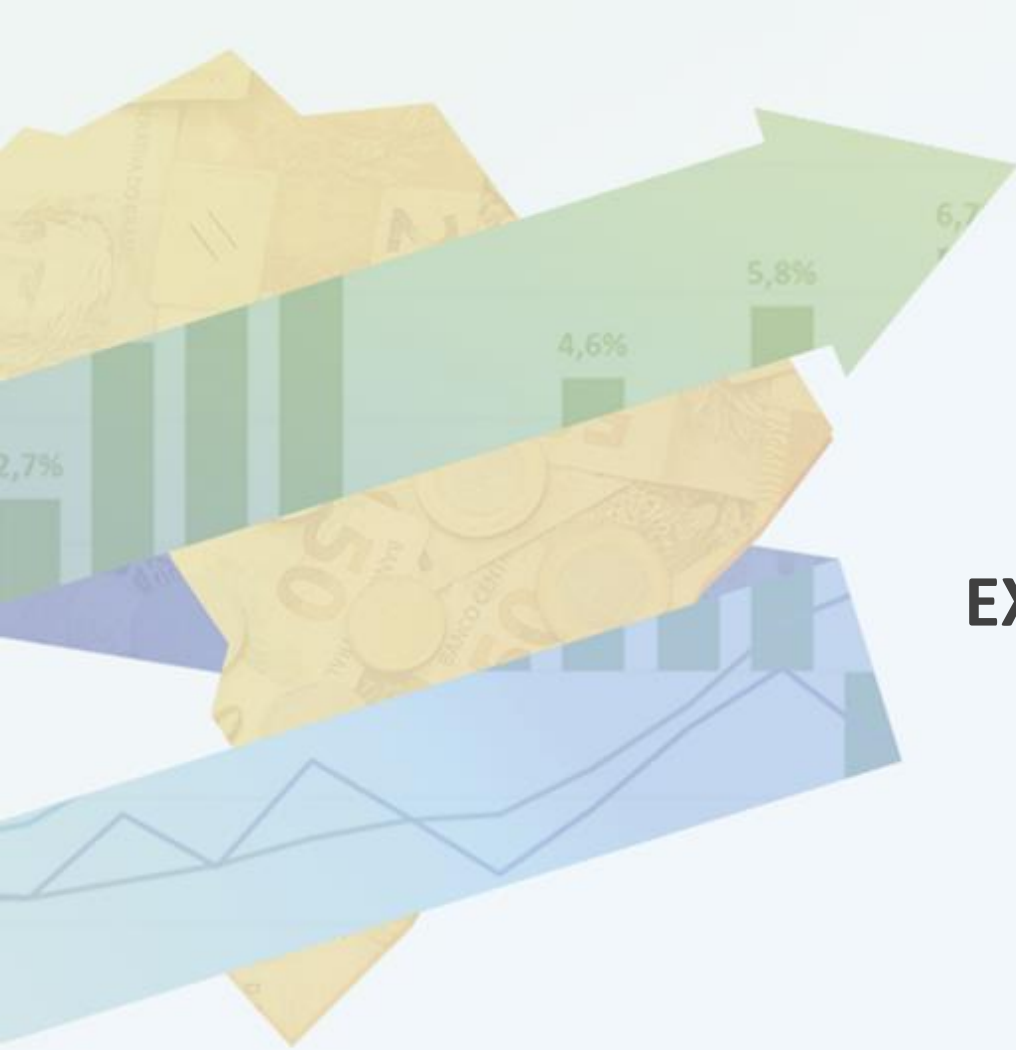
Source: Central Bank of Brazil.

World Major Economies GDP

GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

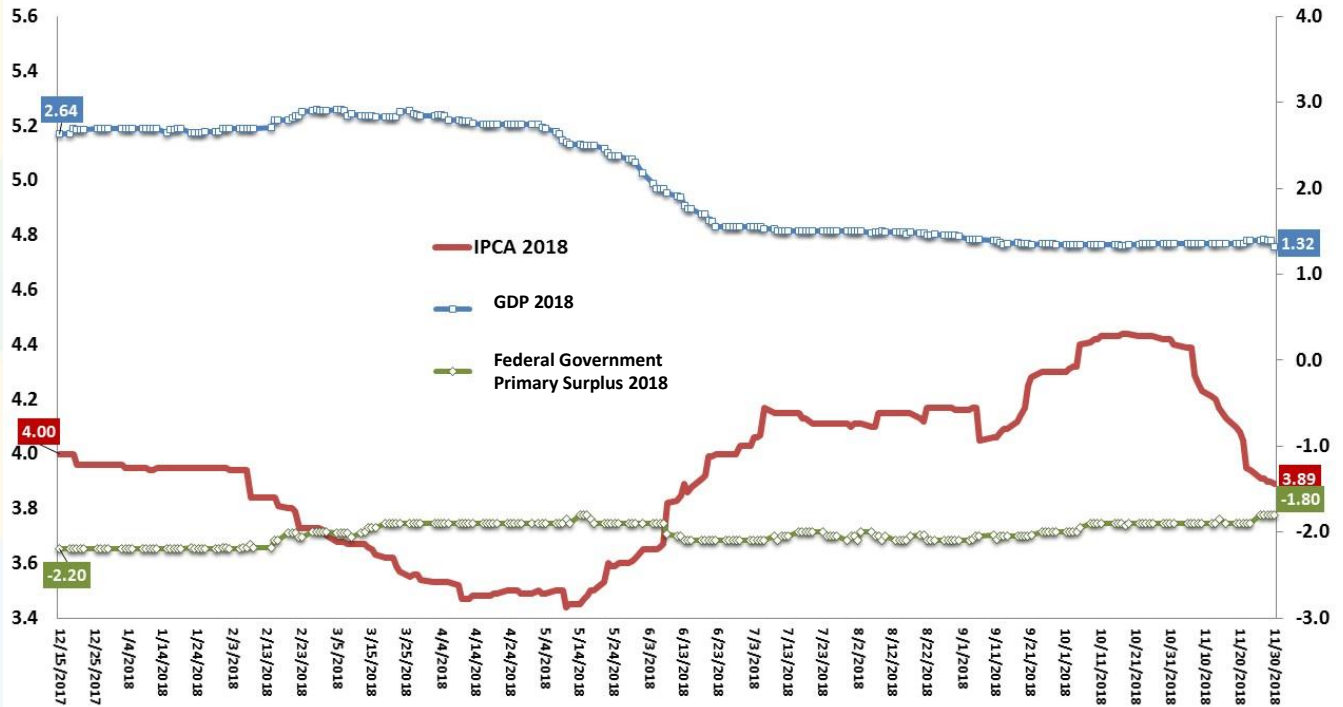


MARKET EXPECTATIONS

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

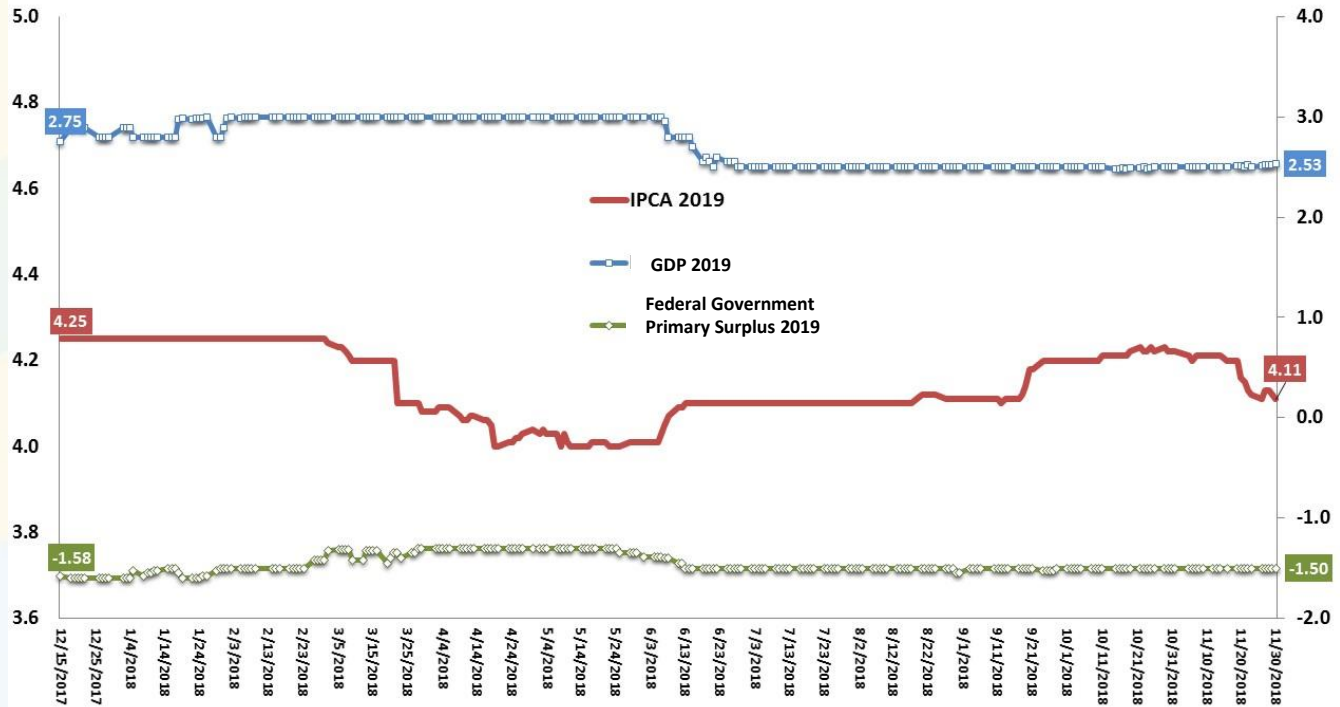


Source: Focus Survey, Central Bank of Brazil.

Market Expectations for 2019

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

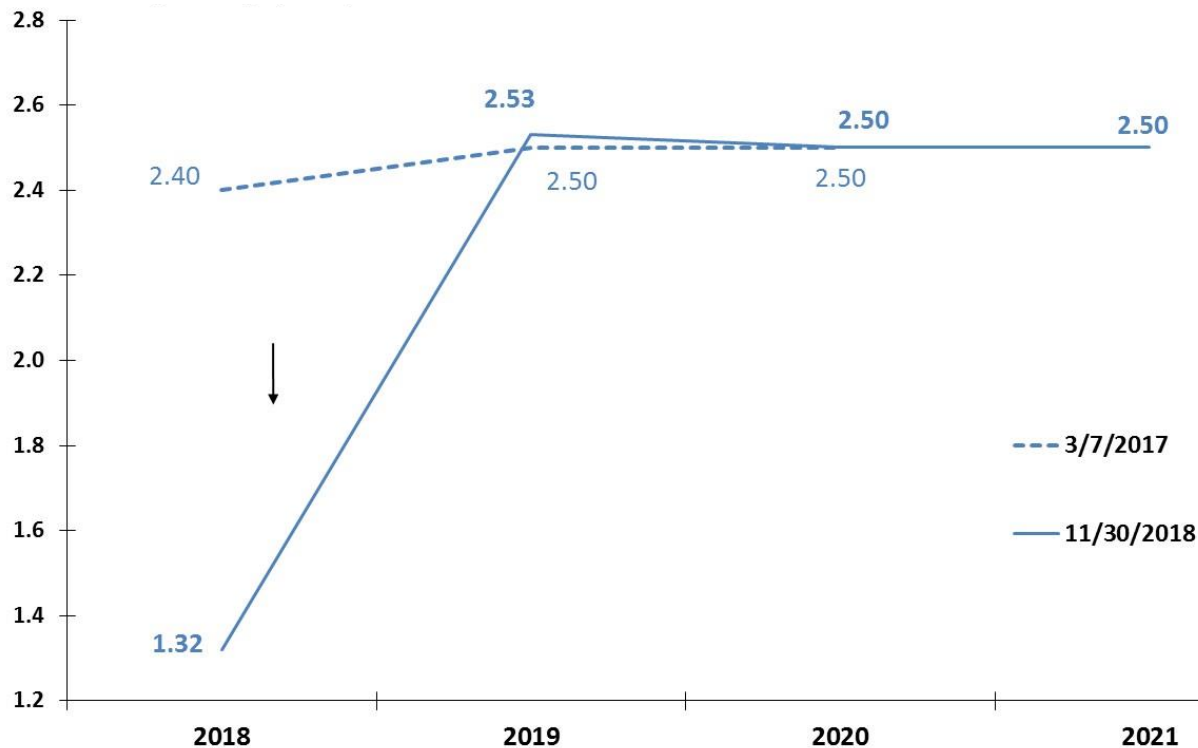
Median of Market Expectations for 2019
Federal Government Primary Surplus
as % GDP



Source: Focus Survey, Central Bank of Brazil.

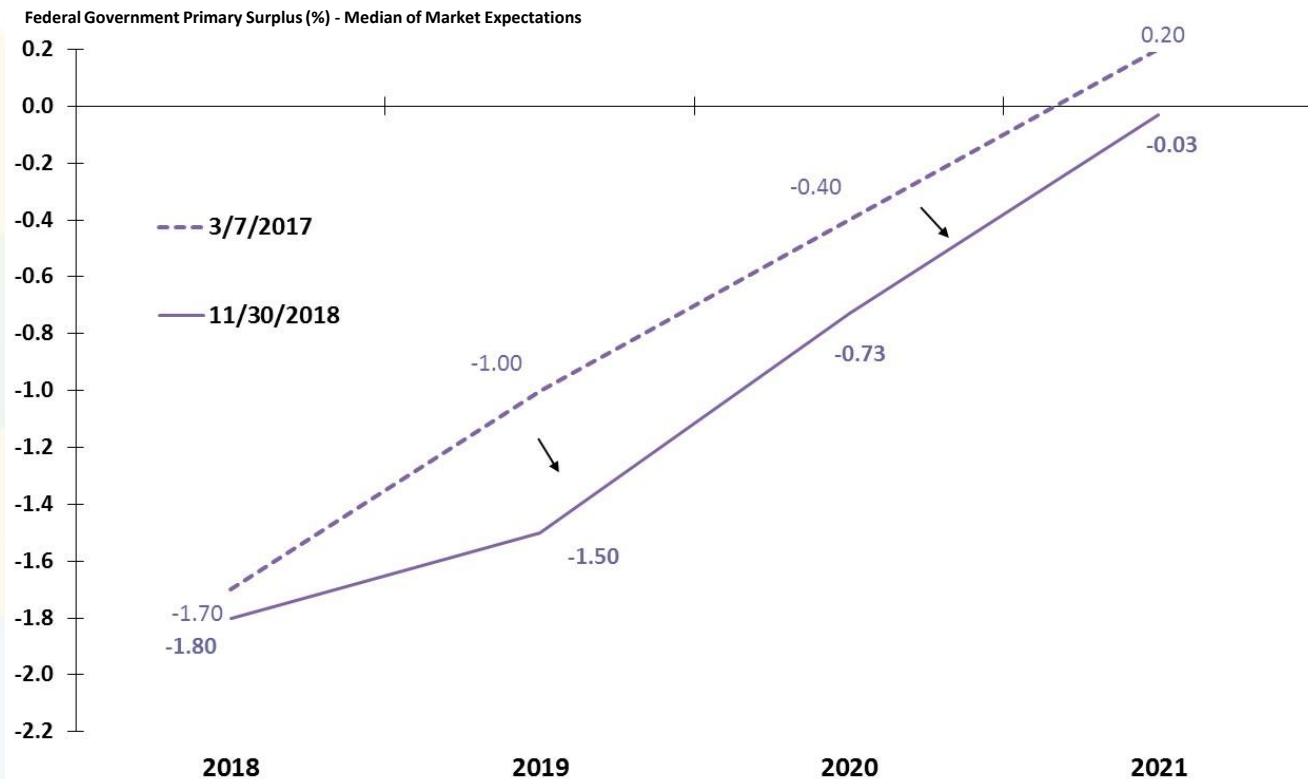
GDP: Median of Market Expectations

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



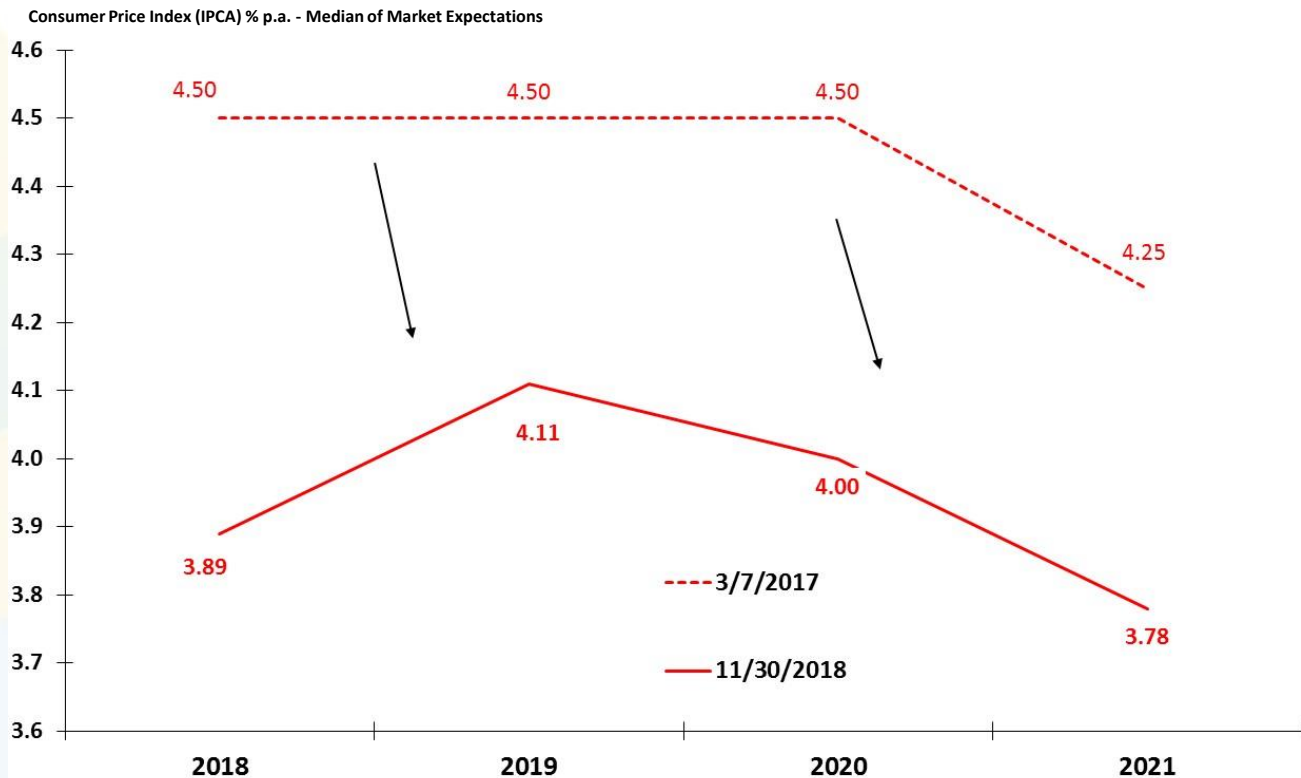
Source: Focus Survey, Central Bank of Brazil.

Primary Surplus: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

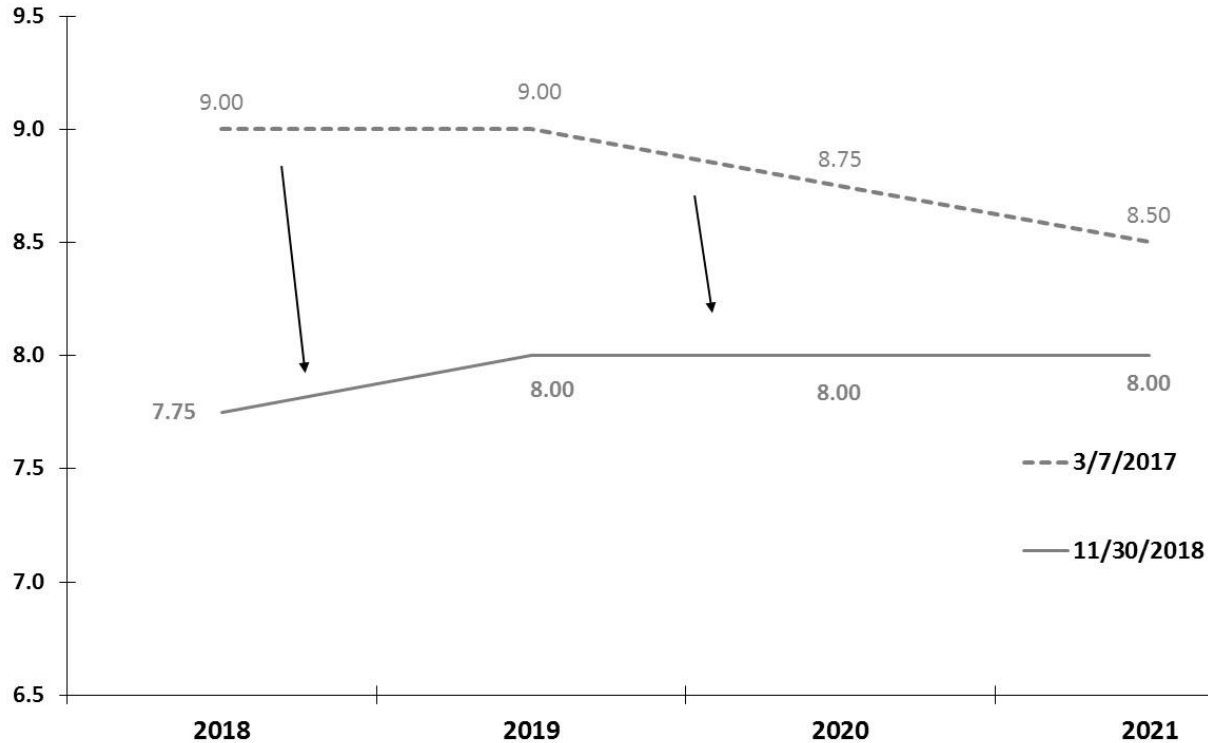
Consumer Price Index (IPCA): Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

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

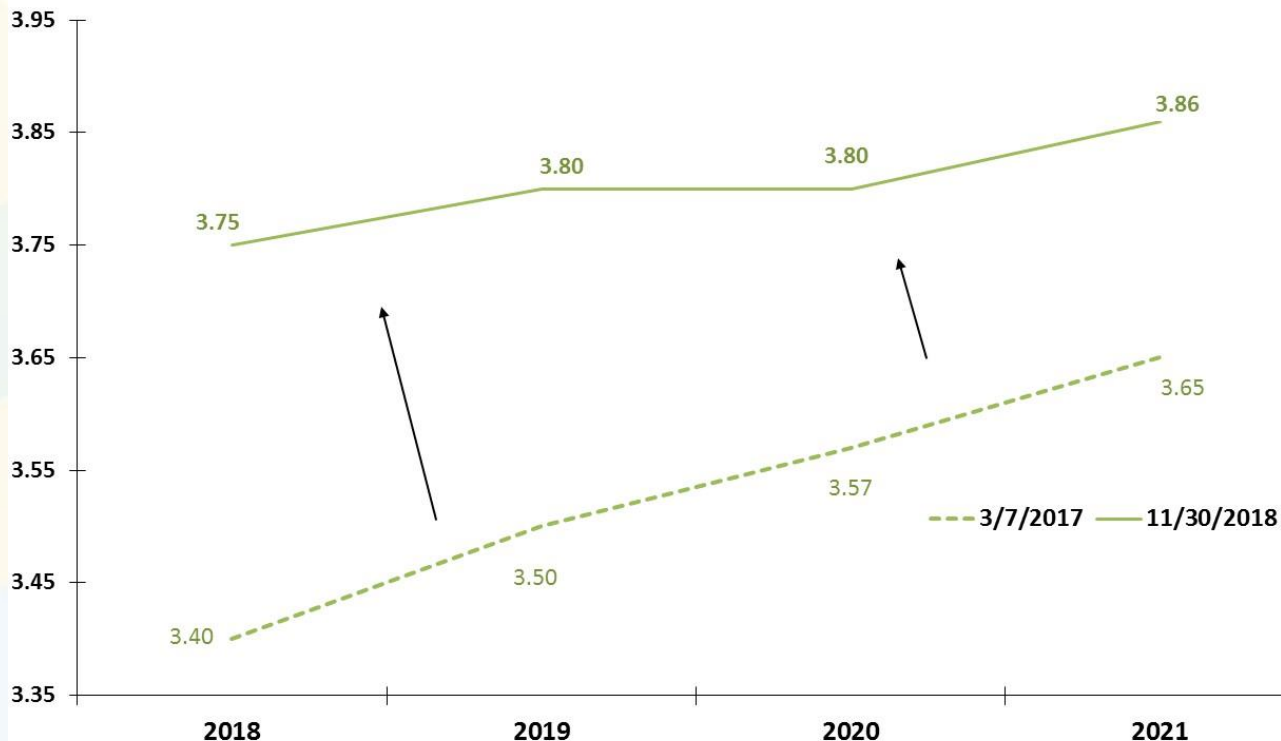
Main Interest Rate (Selic target) - % p.a. end of period - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

Nominal Exchange Rate: Median of Market Expectations

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



Source: Focus Survey, Central Bank of Brazil.



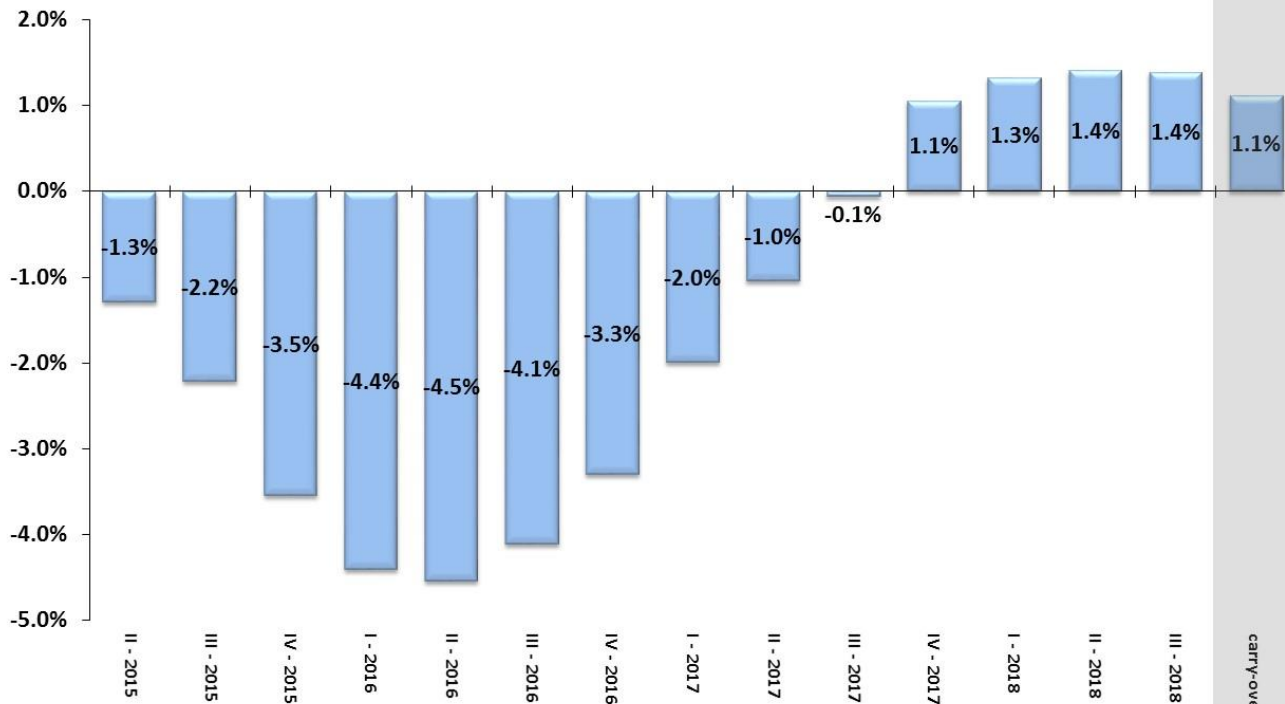
ECONOMIC ACTIVITY

GDP and Quarterly Economic Activity

										BCB/Focus: 11/30/2018		
Gross Domestic Product (IBGE)	Q3 2018											
	2017	Q2-2018 / Q2-2017	Q3-2018 / Q3-2017	Q2-2018 / Q1-2018 (seasonally adjusted)	Q3-2018 / Q2-2018 (seasonally adjusted)	Year-To-Date	Q2-2018 accum. in 4-quarters	Q3-2018 accum. in 4-quarters	carry-over 2018	2018	2019	2020
% change												
Agriculture	12.5%	0.3%	2.5%	0.5%	0.7%	-0.3%	1.8%	0.4%	0.6%	0.16%	2.55%	3.00%
Industry	-0.5%	0.8%	0.8%	-0.3%	0.4%	0.9%	1.0%	1.3%	0.6%	1.25%	2.80%	2.75%
Services	0.5%	1.1%	1.2%	0.3%	0.5%	1.4%	1.5%	1.5%	1.2%	1.39%	1.39%	1.39%
GDP (market prices)	1.1%	0.9%	1.3%	0.2%	0.8%	1.1%	1.4%	1.4%	1.1%	1.32%	2.53%	2.50%
Household Expenditure	1.4%	1.8%	1.4%	0.1%	0.6%	2.0%	2.6%	2.3%	1.8%			
Government Expenditure	-0.9%	-0.3%	0.3%	-0.4%	0.3%	0.3%	-0.1%	0.2%	0.1%			
Gross Fixed Capital Formation	-2.5%	3.0%	7.8%	-1.3%	6.6%	4.5%	2.0%	4.3%	4.9%			
Exports of Goods and Services	5.2%	-2.9%	2.6%	-5.1%	6.7%	1.5%	4.6%	3.3%	1.8%			
Imports of Goods and Services (-)	5.0%	6.5%	13.5%	-1.2%	10.2%	9.4%	7.0%	9.1%	9.9%			
Economic Activity Indicators (BCB and IBGE)	Q3 2018											
	2017	Q2-2018 / Q2-2017	Q3-2018 / Q3-2017	Q2-2018 / Q1-2018 (seasonally adjusted)	Q3-2018 / Q2-2018 (seasonally adjusted)	Year-To-Date	Q2-2018 accum. in 4-quarters	Q3-2018 accum. in 4-quarters	carry-over 2018			
% change												
IBC-Br Economic Activity Index*	1.0%	0.9%	1.7%	-0.8%	1.7%	1.1%	1.3%	1.4%	1.1%			
LSPA: Grain Harvest	21.4%	1.0%	-3.7%	-5.7%	0.5%	-5.3%	1.0%	-3.7%	-3.9%			
PIM: Industrial Production	2.6%	1.7%	1.2%	-2.8%	2.7%	1.9%	3.2%	2.7%	1.3%			
PMC: Amplified Retail Sales	4.0%	4.7%	4.0%	0.4%	2.1%	5.2%	6.7%	5.8%	4.9%			
PMS: Volume of Services	-2.8%	-3.0%	0.7%	0.3%	0.6%	-1.3%	-1.9%	-1.0%	-0.2%			

Quarterly GDP

Last 4Q / Previous 4Q (%)

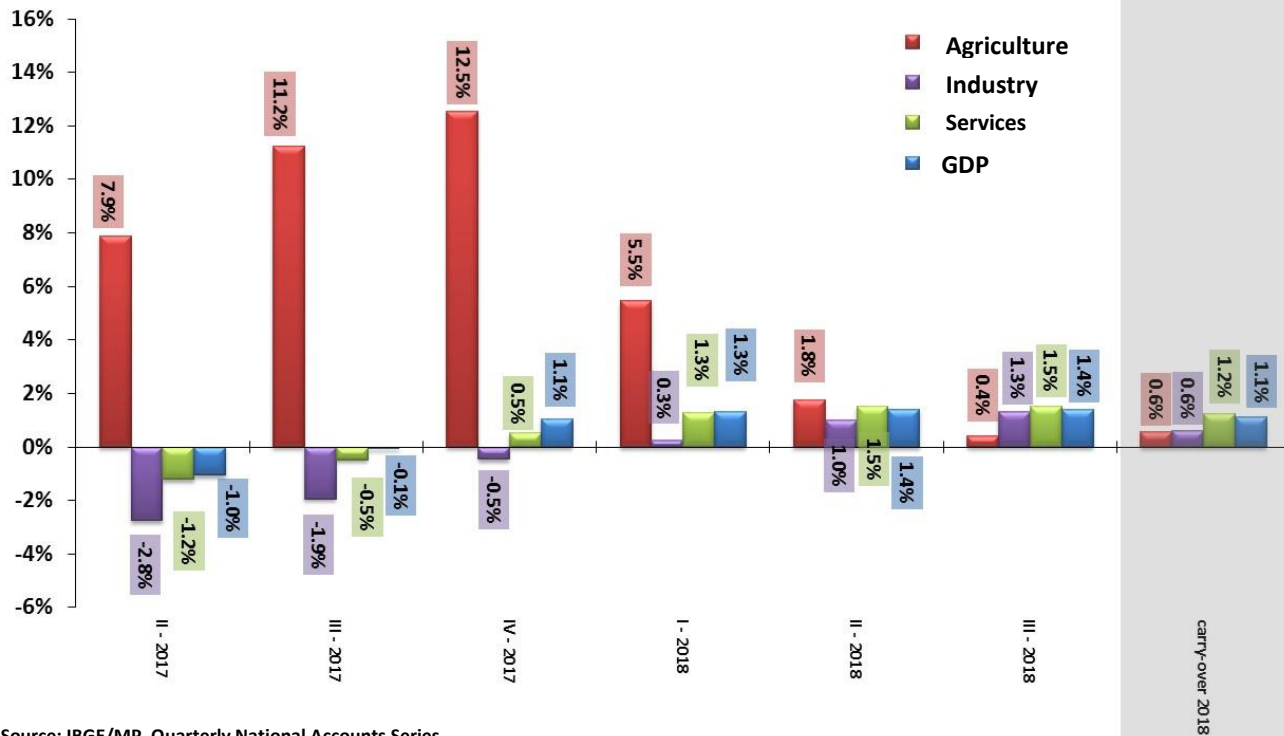


Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 3rd quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Activity Sector

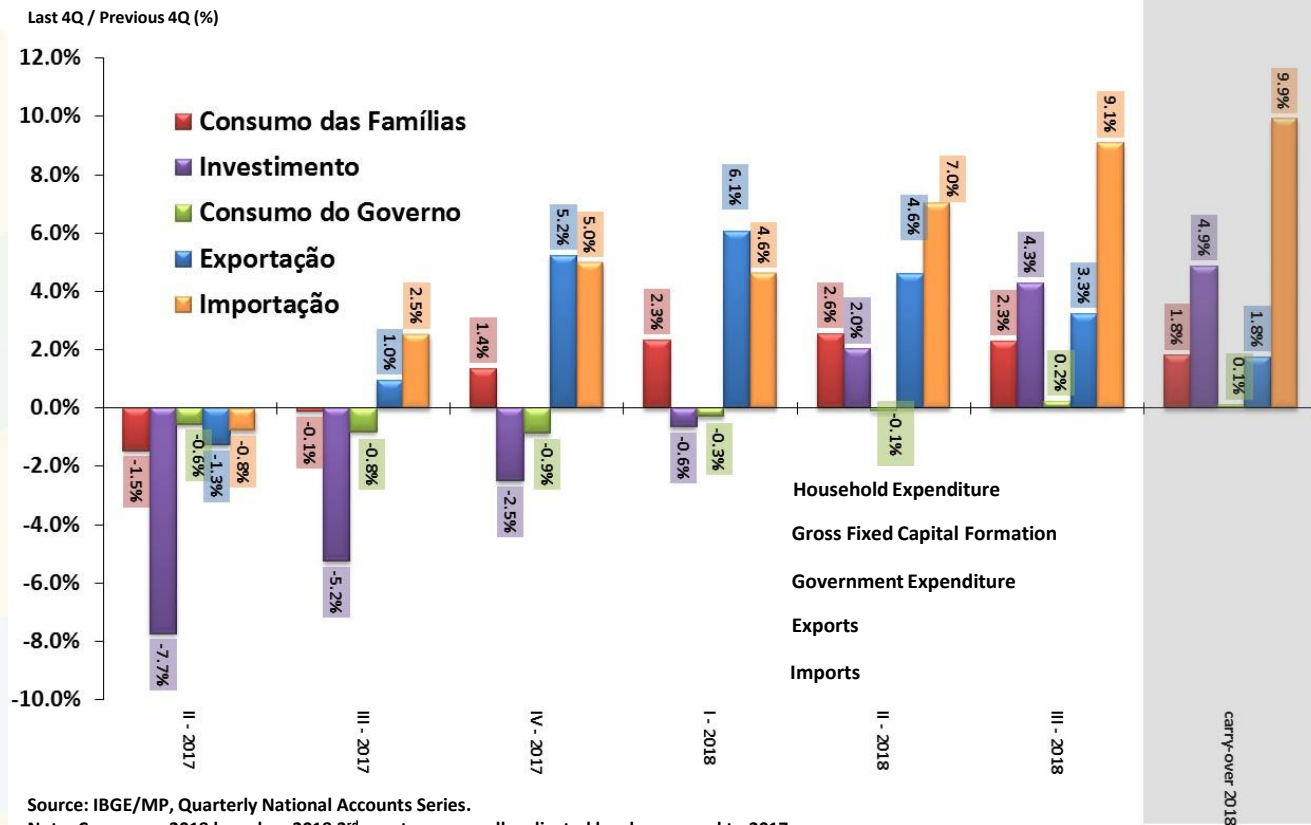
Last 4Q / Previous 4Q (%)



Source: IBGE/MP, Quarterly National Accounts Series.

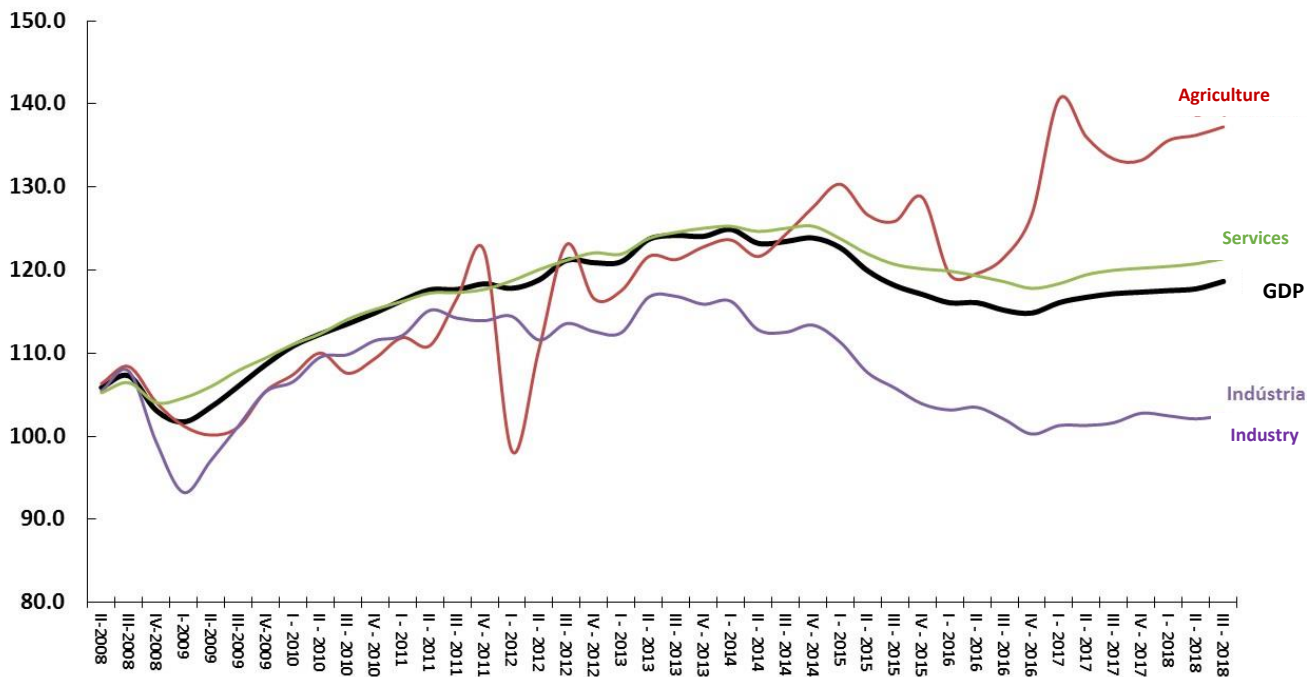
Note: Carry-over 2018 based on 2018 3rd quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Expenditure



Quarterly GDP by Activity Sector

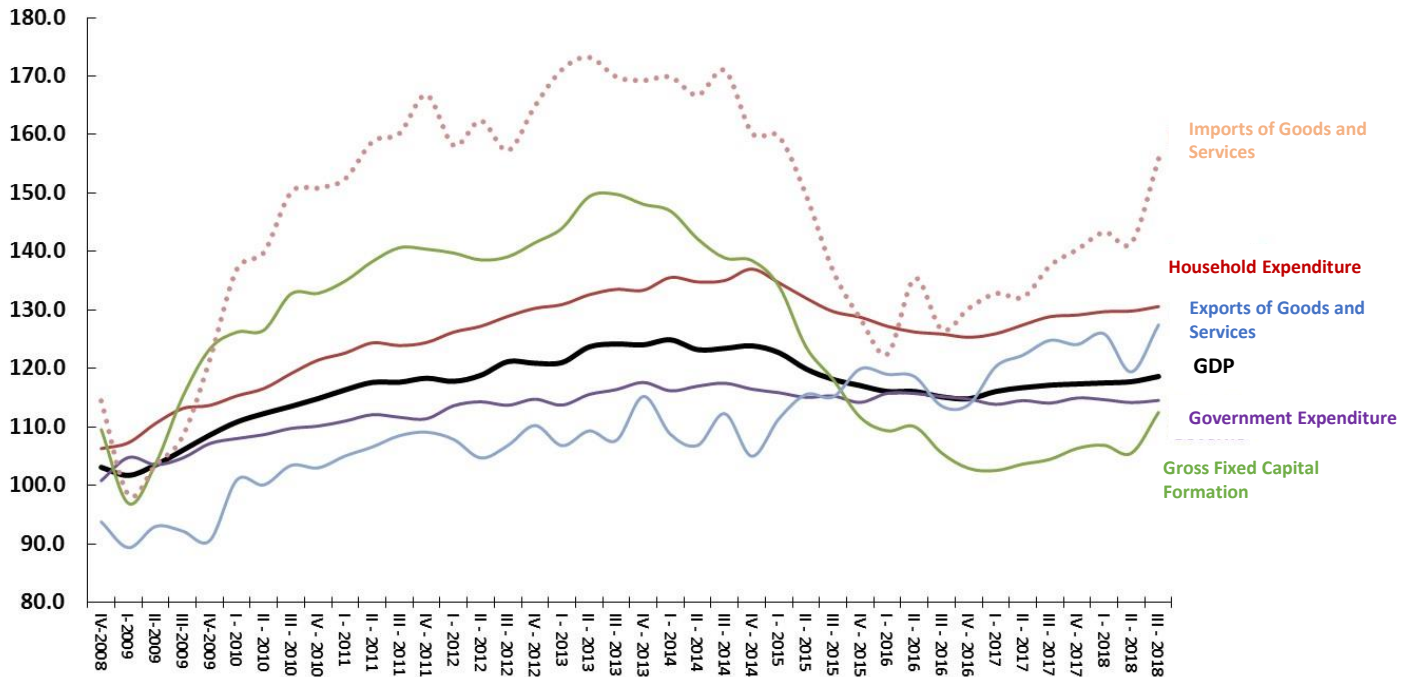
GDP and Economic Sectors Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

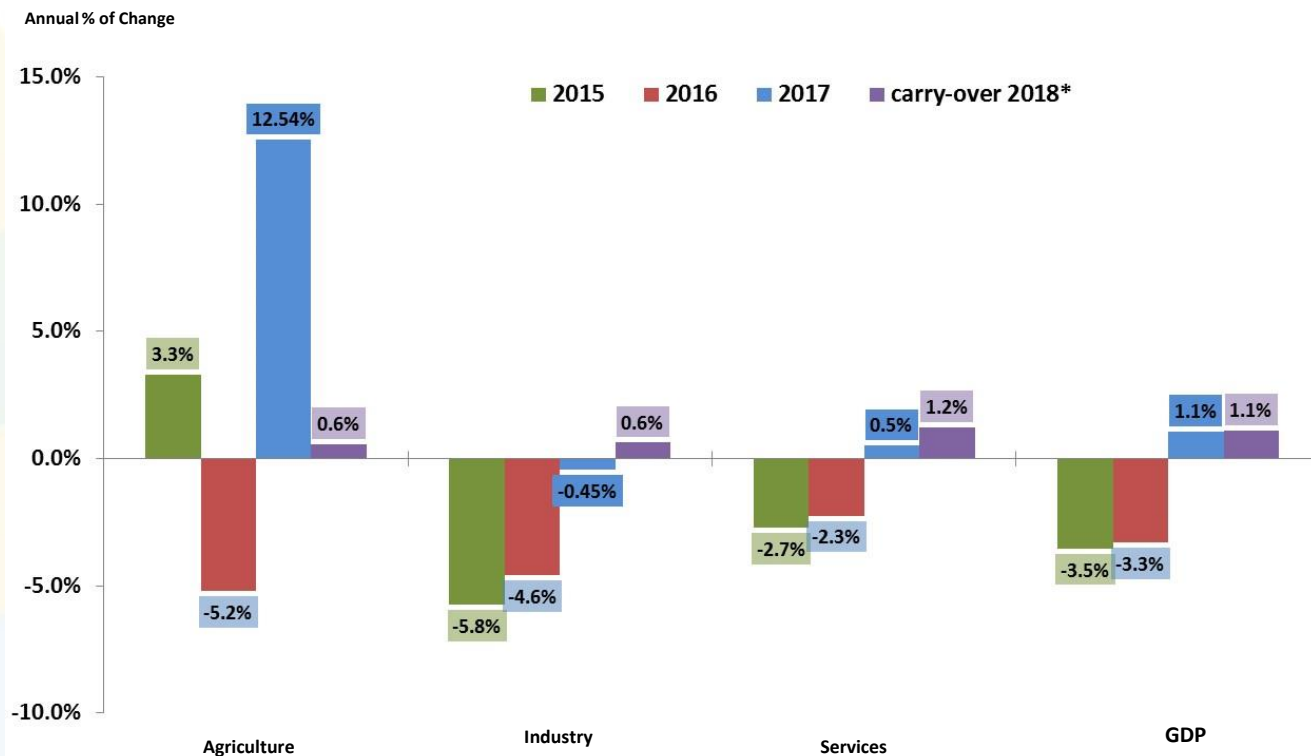
Quarterly GDP by Expenditure

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



Source: IBGE/MP, Quarterly National Accounts Series.

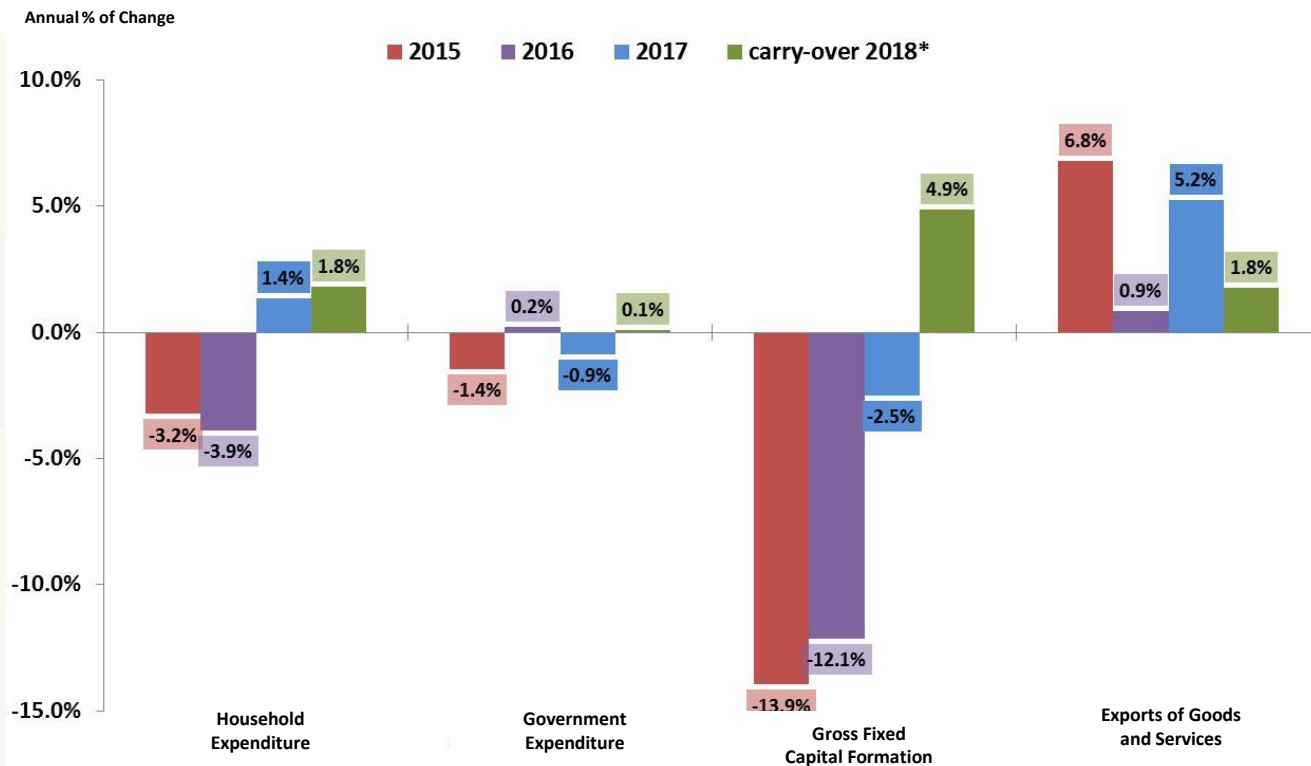
Annual GDP Real Growth by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 3rd 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 3rd 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%
-8.0%

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%

-5.2%

12.5%

+55.2%

-10.5%

-2.2%

-17.9%

+19.4%

+2.4%

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

500
450
400
350
300
250
200
150
100
50
0

Soybean (40,4%)

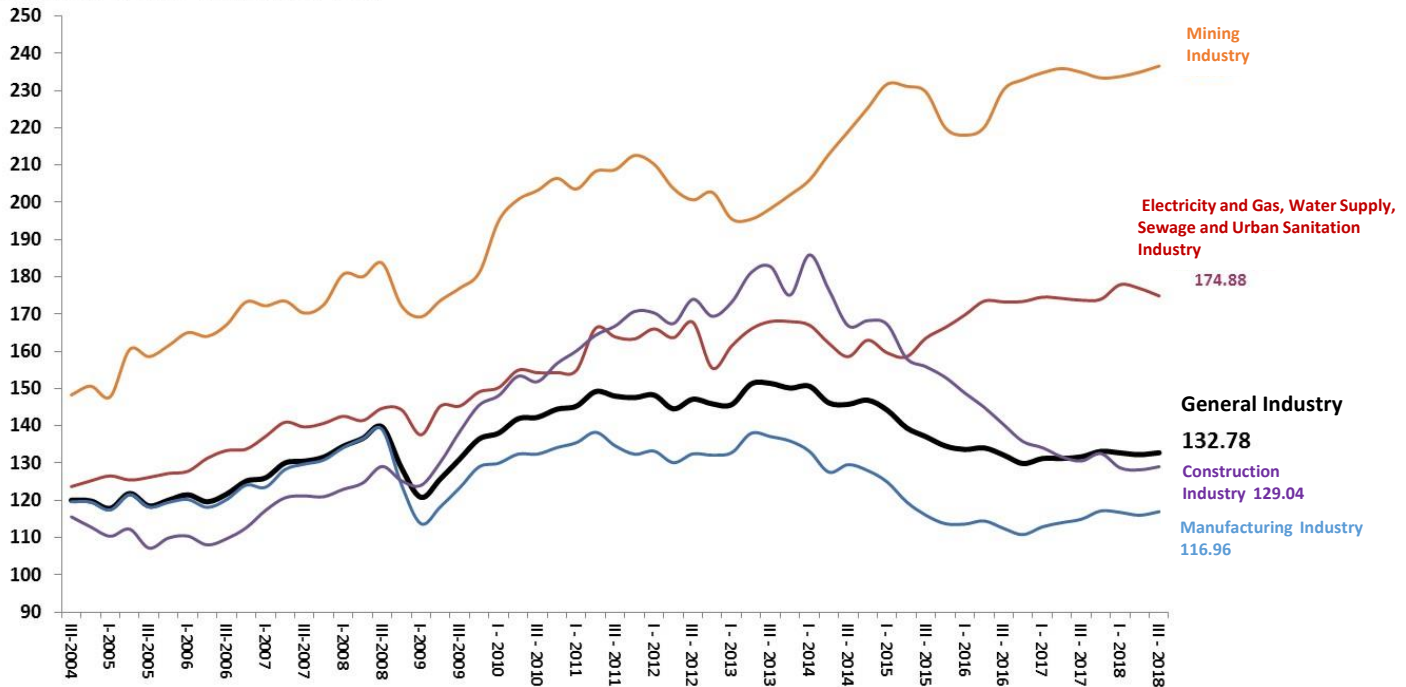
Corn (12,4%)

Sugarcane (20,2%)

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

Industry Performance by Subsectors

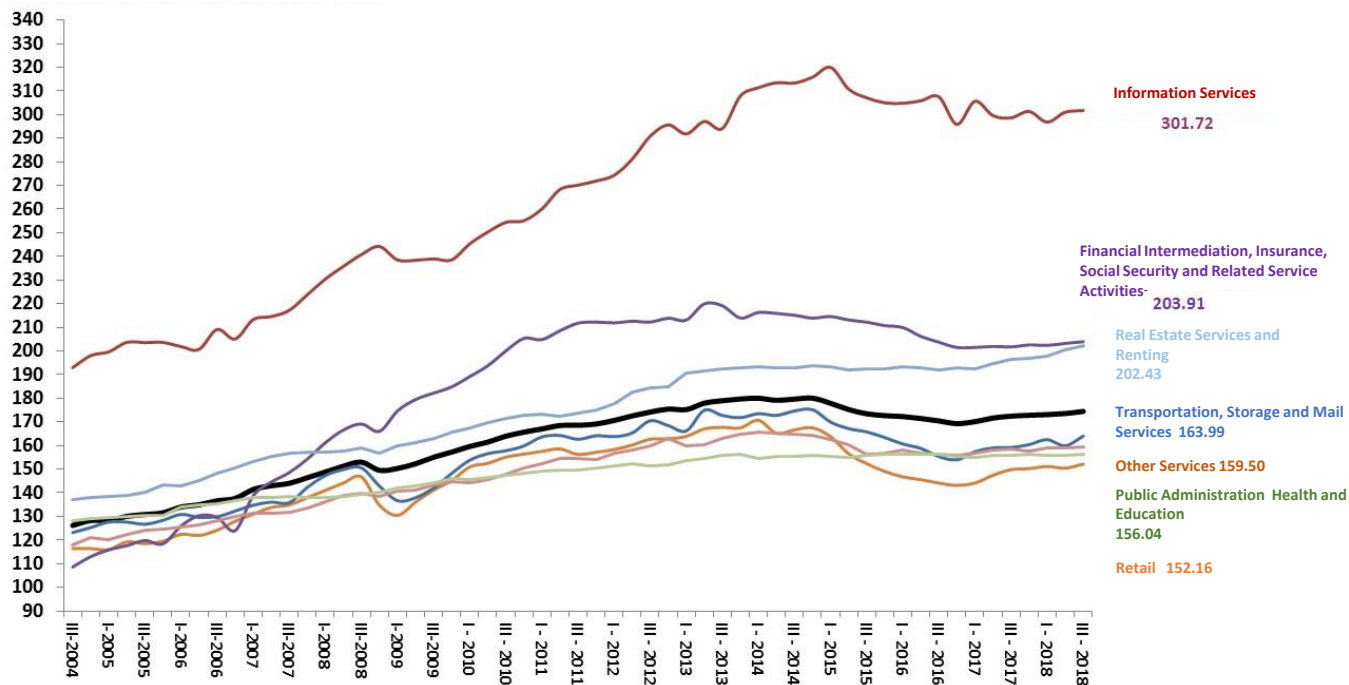
Industrial Production Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

Services Performance by Subsectors

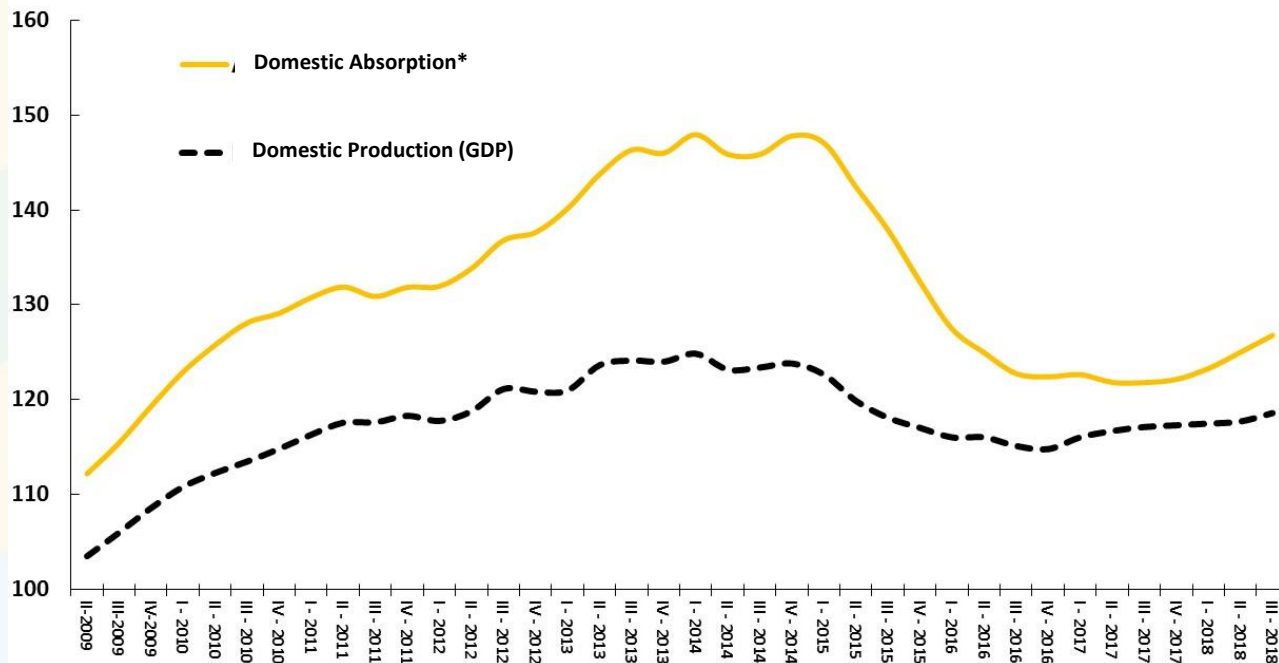
Services Provision Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

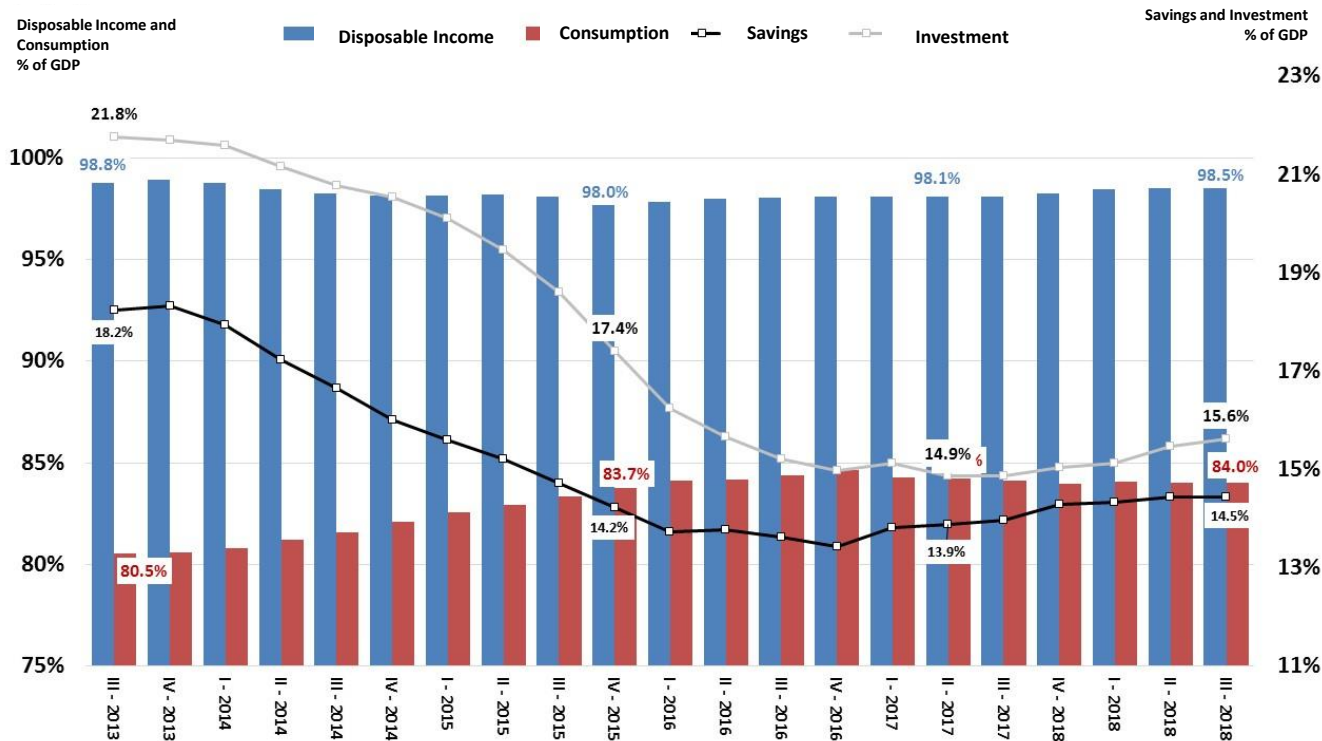
Domestic Production and Absorption

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

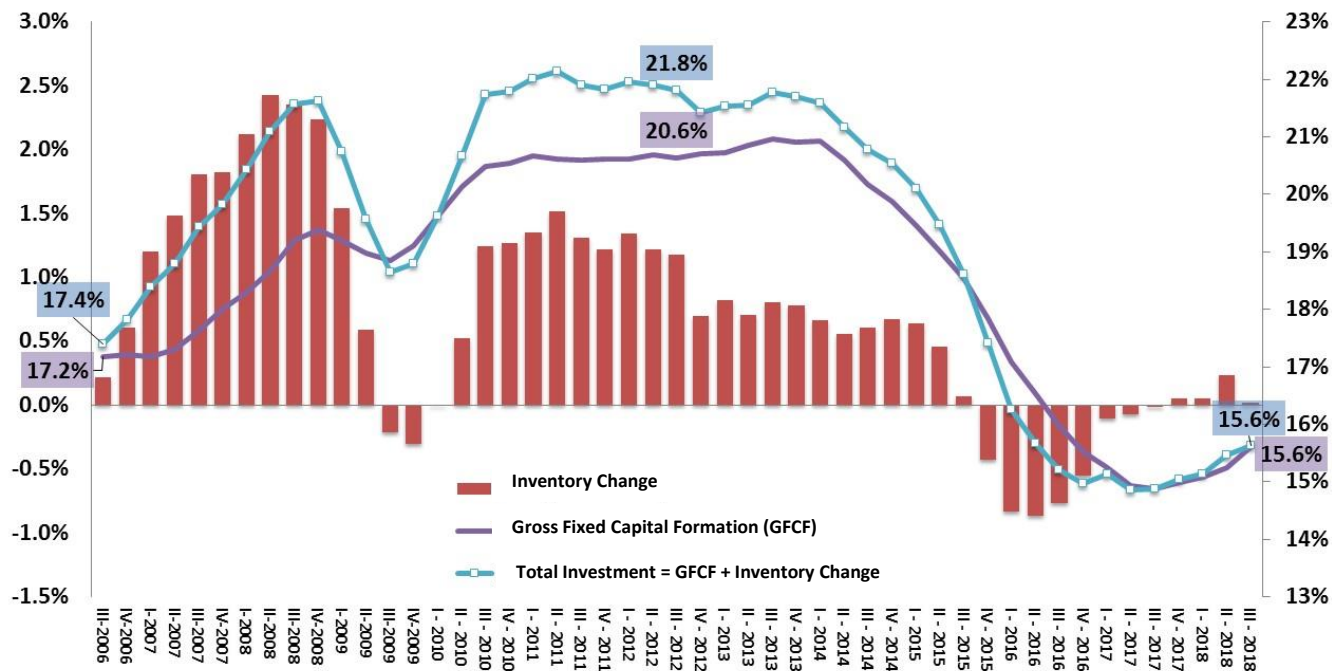


Source: IBGE/MP, Quarterly National Accounts Series.

Inventory Change and Gross Fixed Capital Formation

Inventory Change (% of GDP)
Accumulated in 4 quarters

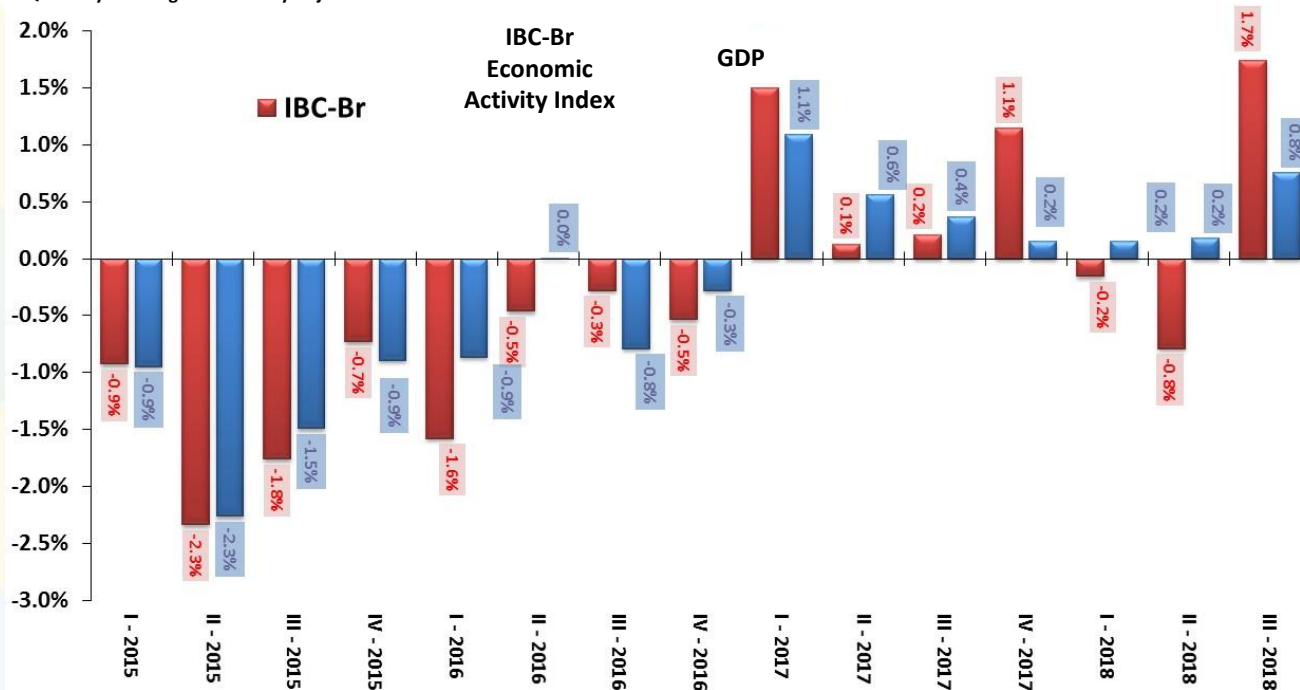
GFCF and Total Investment (% of GDP)
Accumulated in 4 quarters



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.

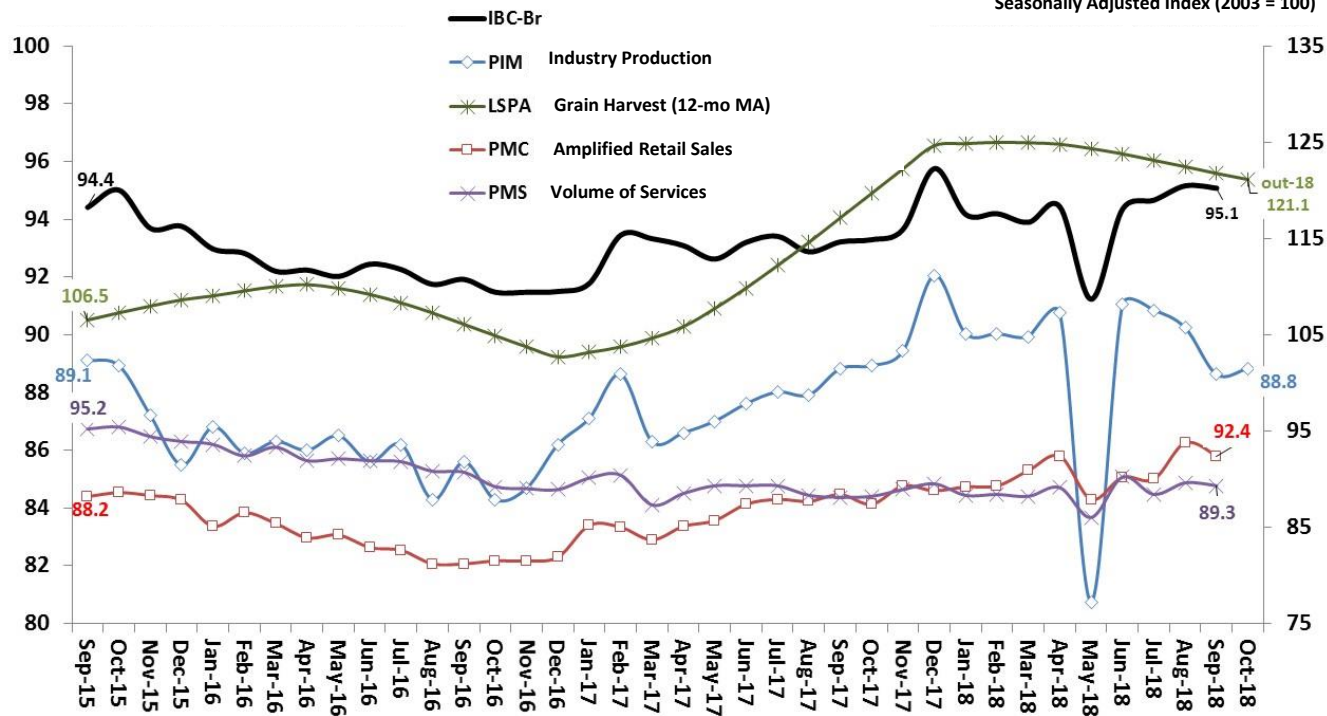
Monthly Economic Activity

IBC-Br Economic Activity Index	September-18 % change	2016	2017	ago/yy - ago/yy	set/yy - set/yy	ago/yy - jul/yy (seasonally adjusted)	set/yy - ago/yy (seasonally adjusted)	Year-To-Date	ago/yy accum. in 12-months	set/yy accum. in 12-months	carry-over 2018
IBC-Br Economic Activity Index		-4.0%	1.03%	2.3%	0.7%	0.5%	-0.1%	1.1%	1.4%	1.4%	1.1%
Systematic Survey of Agricultural Production (IBGE)	October-18 % change	2016	2017	set/yy - set/yy	out/yy - out/yy	set/yy - ago/yy (seasonally adjusted)	out/yy - set/yy (seasonally adjusted)	Year-To-Date	set/yy accum. in 12-months	out/yy accum. in 12-months	carry-over 2018
Grain Harvest		-11.3%	21.4%	-6.5%	-6.0%	0.2%	0.4%	-5.6%	-6.5%	-6.0%	-3.8%
Industry Production (IBGE)	October-18 % change	2016	2017	set/yy - set/yy	out/yy - out/yy	set/yy - ago/yy (seasonally adjusted)	out/yy - set/yy (seasonally adjusted)	Year-To-Date	set/yy accum. in 12-months	out/yy accum. in 12-months	carry-over 2018
General Industry		-6.4%	2.6%	-2.2%	1.1%	-1.8%	0.2%	1.8%	2.7%	2.3%	1.0%
Mining Industry (weight 11,2%)		-9.4%	4.5%	1.4%	0.2%	-0.7%	3.1%	0.2%	0.3%	0.1%	1.2%
Manufacturing Industry (weight 88,8%)		-6.0%	2.3%	1.7%	-2.6%	-1.6%	0.0%	2.1%	3.6%	3.1%	1.2%
Food (weight 13,9%)		0.5%	1.2%	-6.6%	-12.2%	-1.5%	-2.0%	-4.1%	-0.8%	-2.4%	-5.8%
Petroleum refinement and alcohol production (weight 10,3%)		-8.5%	-4.2%	3.8%	-4.5%	-1.7%	-1.2%	1.9%	2.2%	1.4%	0.9%
Motor vehicles (weight 10,1%)		-12.1%	17.8%	14.5%	2.9%	-5.2%	3.0%	16.3%	19.9%	18.2%	13.9%
Capital Goods		-10.2%	6.6%	9.1%	3.6%	-1.8%	1.5%	8.4%	9.5%	9.1%	8.4%
Intermediate Goods		-6.5%	1.7%	0.9%	-2.6%	-1.2%	-0.3%	1.0%	2.2%	1.8%	0.0%
Durable Consumer Goods		-14.4%	13.2%	9.7%	-4.5%	-6.6%	4.4%	11.6%	15.0%	13.1%	9.0%
Semi and Non-Durable Consumer Goods		-3.2%	0.9%	-0.7%	-1.8%	-0.9%	-0.2%	0.0%	0.9%	0.8%	-0.1%
Typical Construction Inputs		-11.6%	-3.2%	1.4%	0.9%	-6.4%	6.8%	1.4%	2.0%	2.1%	3.3%
Retail Sales (IBGE)	September-18 % change	2016	2017	ago/yy - ago/yy	set/yy - set/yy	ago/yy - jul/yy (seasonally adjusted)	set/yy - ago/yy (seasonally adjusted)	Year-To-Date	ago/yy accum. in 12-months	set/yy accum. in 12-months	carry-over 2018
Retail Sales		-6.3%	2.1%	4.1%	0.1%	2.0%	-1.3%	2.3%	3.3%	2.8%	2.1%
Amplified Retail Sales		-8.7%	4.0%	6.9%	2.2%	4.2%	-1.5%	5.2%	6.4%	5.8%	5.0%
Vehicles, Motorcycles, Parts and Accessories		-14.0%	2.7%	15.8%	11.1%	5.5%	-0.1%	15.7%	14.1%	14.1%	15.9%
Construction Material		-10.7%	9.1%	5.9%	-1.6%	3.4%	-1.7%	3.9%	7.8%	6.3%	3.3%
Fuel and Lubricants		-9.2%	-3.3%	-1.9%	-4.9%	1.3%	-4.9%	-5.8%	-5.1%	-5.2%	-5.2%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco		-3.1%	1.5%	5.5%	0.4%	1.8%	-3.9%	4.4%	4.8%	4.4%	3.4%
Textiles, Apparel and Footwear		-10.9%	7.6%	2.9%	1.2%	0.4%	-9.0%	-3.0%	0.7%	0.0%	-1.2%
Furniture and Household Appliances		-12.6%	9.5%	-3.1%	-2.2%	-3.8%	-4.9%	-1.0%	3.6%	2.3%	-0.6%
Volume of Services (IBGE)	September-18 % change	2016	2017	ago/yy - ago/yy	set/yy - set/yy	ago/yy - jul/yy (seasonally adjusted)	set/yy - ago/yy (seasonally adjusted)	Year-To-Date	ago/yy accum. in 12-months	set/yy accum. in 12-months	carry-over 2018
Volume of Services		-5.0%	-2.8%	1.7%	0.4%	1.4%	-0.3%	-0.4%	-0.6%	-0.3%	-0.2%
Services Rendered to Families		-4.4%	-1.1%	4.9%	0.5%	-0.7%	1.4%	-0.9%	-1.2%	-0.4%	0.3%
Information and Communication Services		-3.2%	-2.0%	-1.1%	2.3%	-0.5%	0.4%	-1.6%	-1.8%	-1.6%	-1.0%
Professional, Administrative and Complementary Services		-5.5%	-7.3%	0.6%	-2.4%	3.1%	-1.4%	-1.8%	-3.8%	-3.2%	-1.4%
Transportation, Support Activities for Transportation and Mailing Activities		-7.6%	2.2%	4.4%	1.5%	2.8%	-1.3%	1.3%	2.8%	2.8%	1.4%
Other Services		-2.8%	-8.9%	1.2%	-4.0%	1.0%	-3.2%	2.3%	-1.8%	-0.9%	0.4%

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)

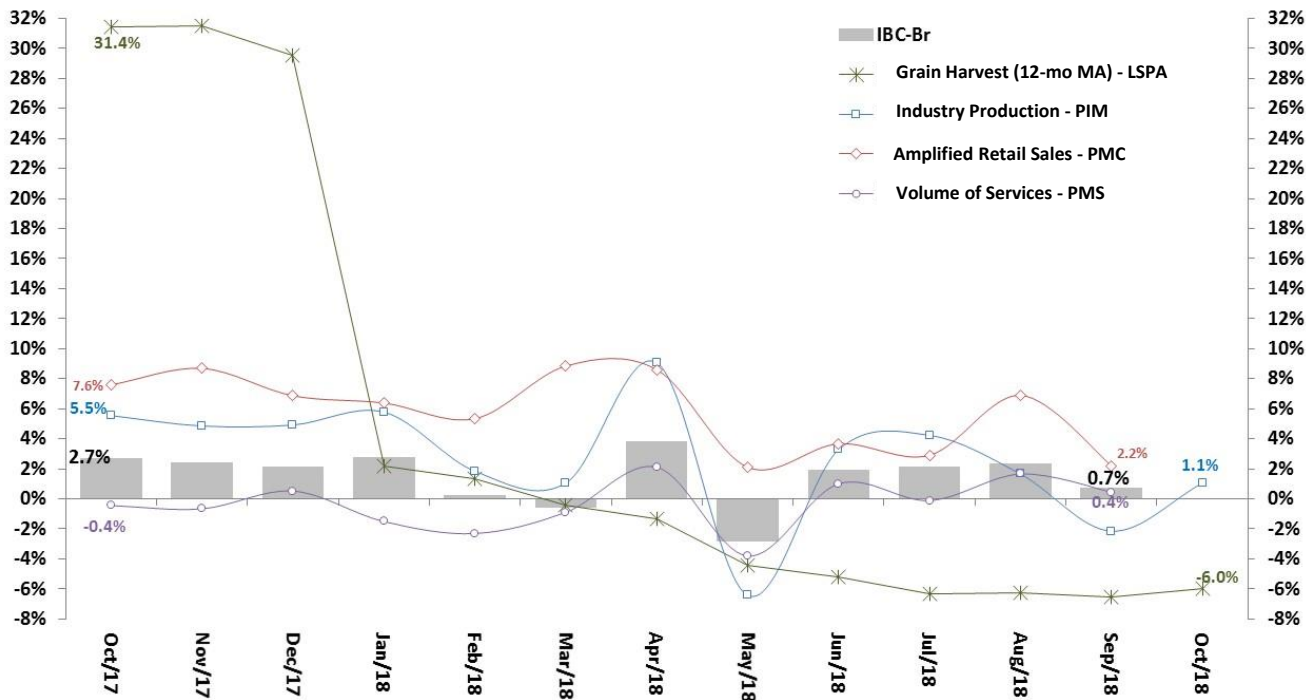


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators

IBC-Br
(YoY %)

IBC-Br, LSPA, PIM, PMC and PMS
(YoY %)

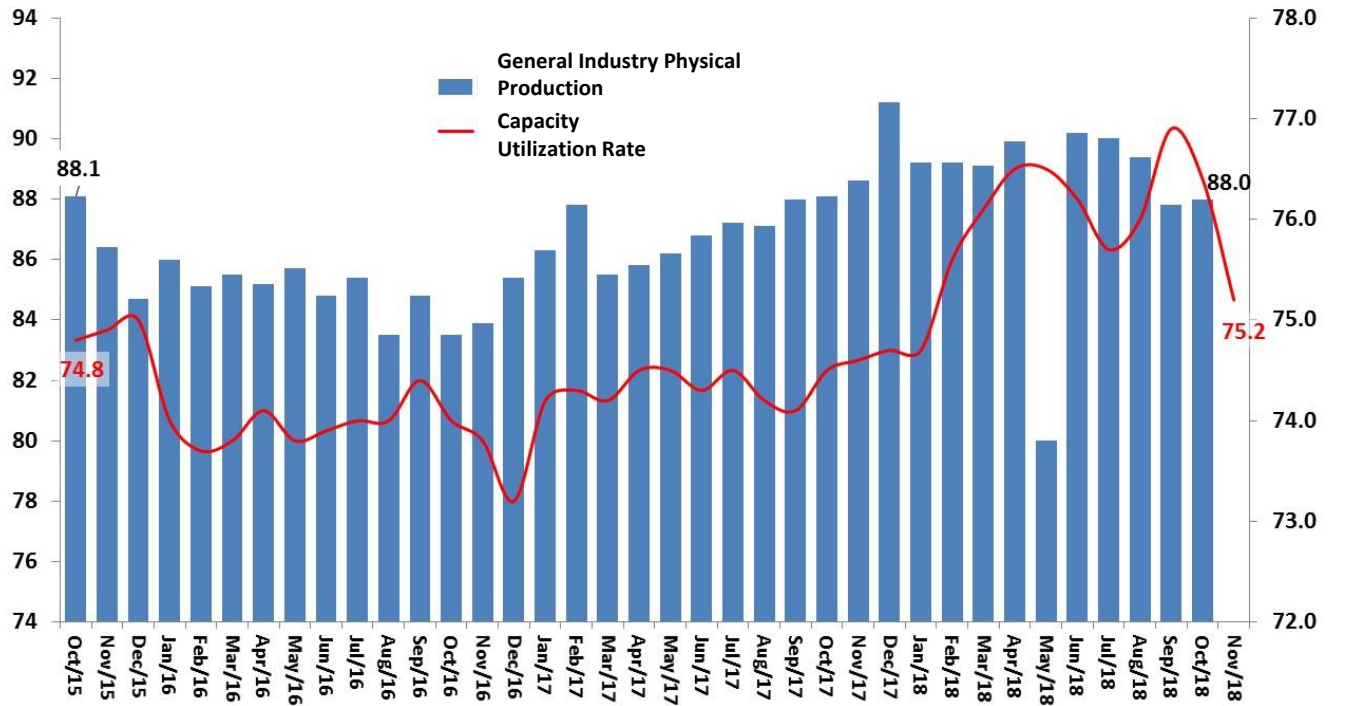


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

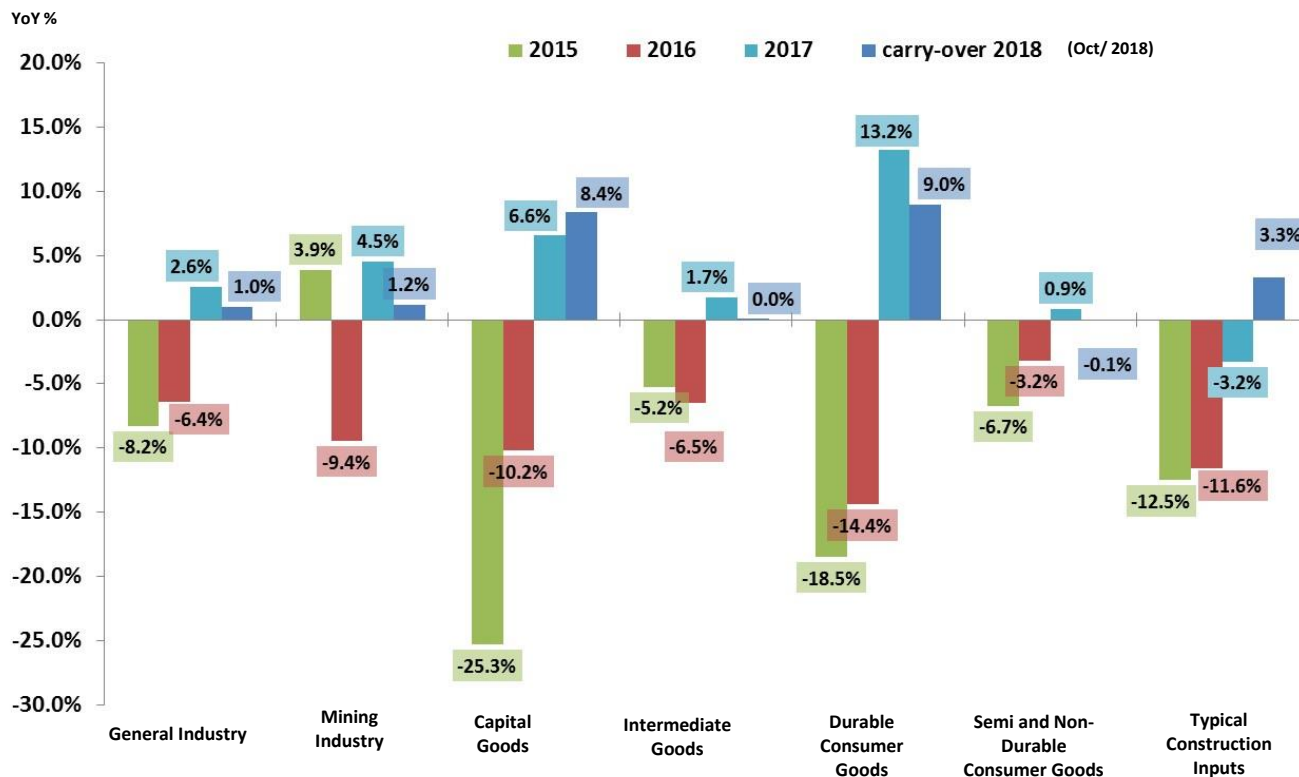
Industry Production

Seasonally Adjusted Index (2003 = 100)



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

Total Industrial Production and Economic Categories

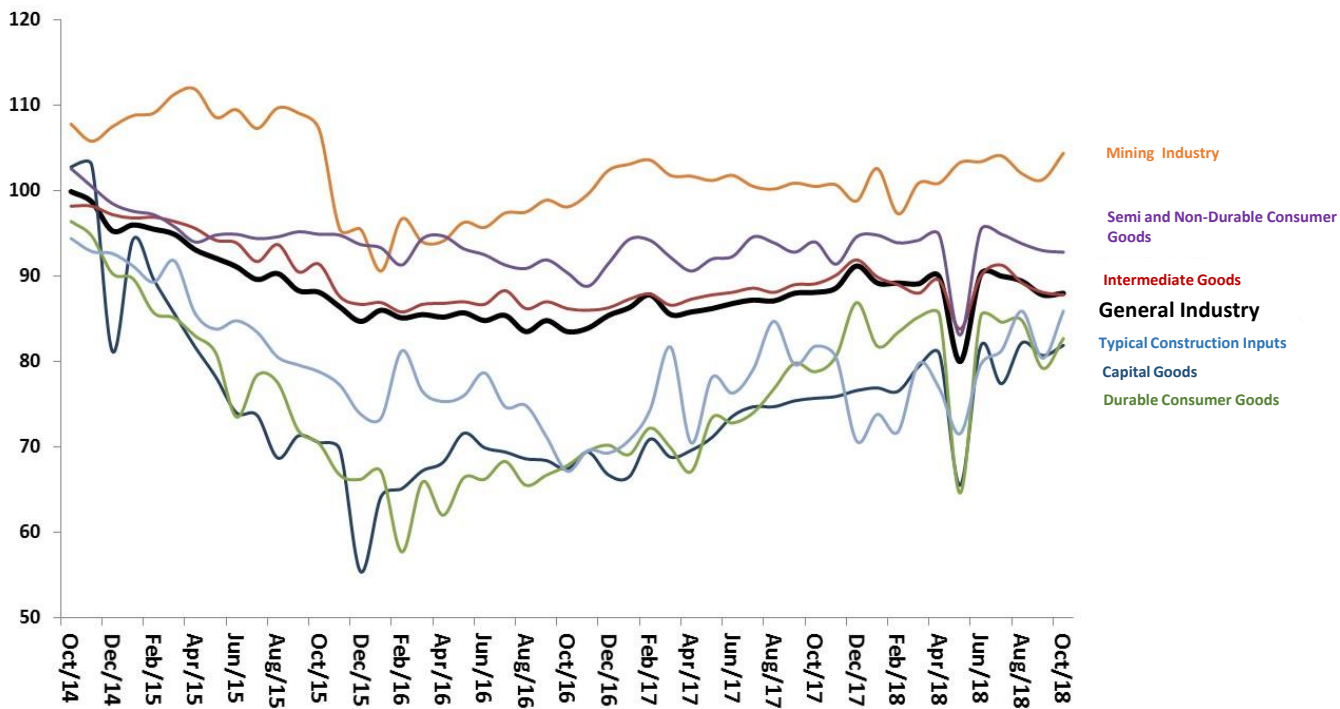


Source: IBGE/MP, Monthly Survey of Industry (PIM).

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

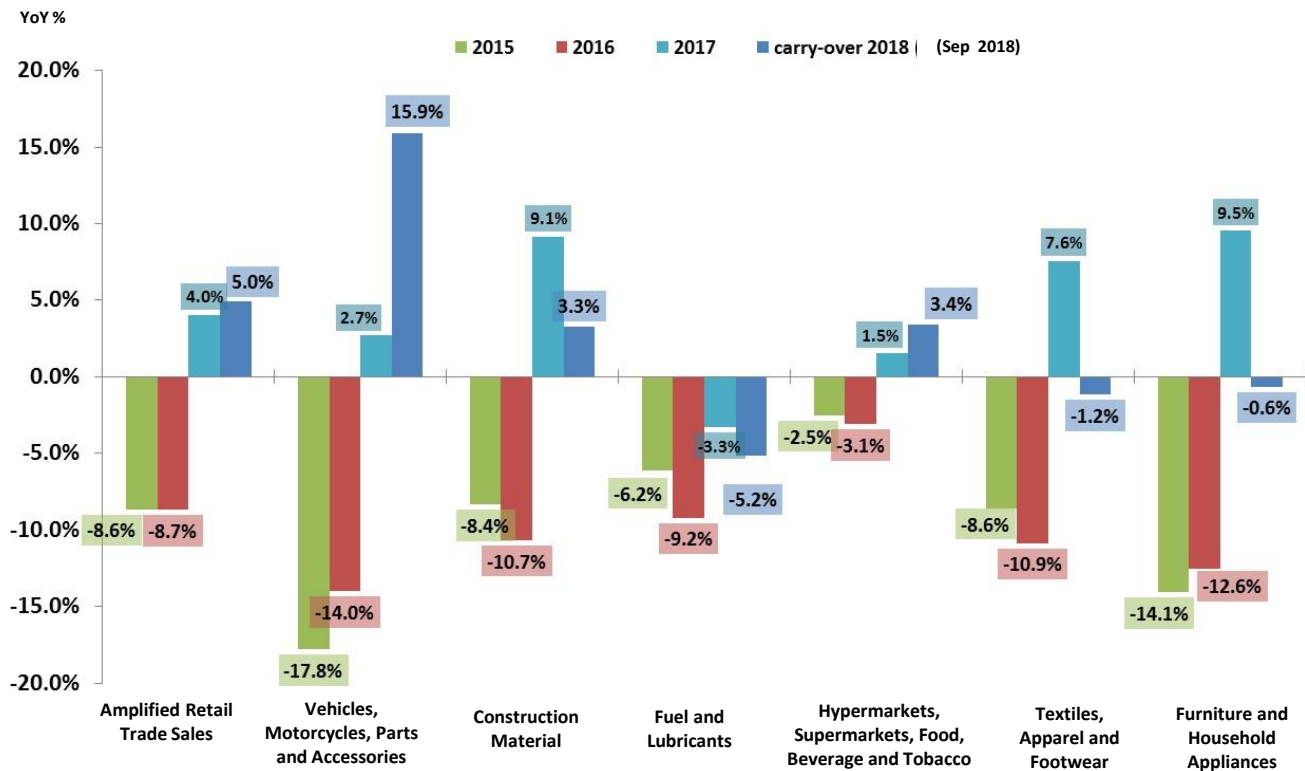
Total Industrial Production and Economic Categories

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



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

Total Retail Sales and Subsectors

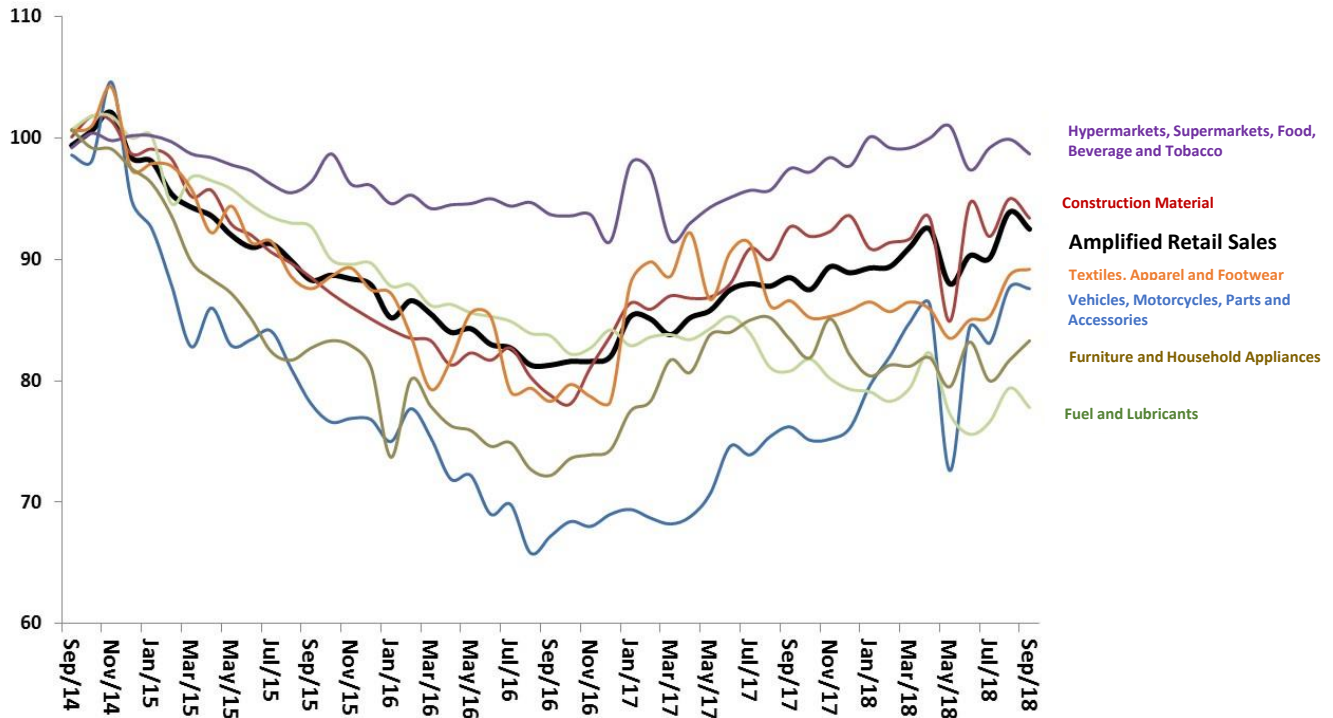


Source: IBGE/MP, Monthly Survey of Trade (PMC).

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

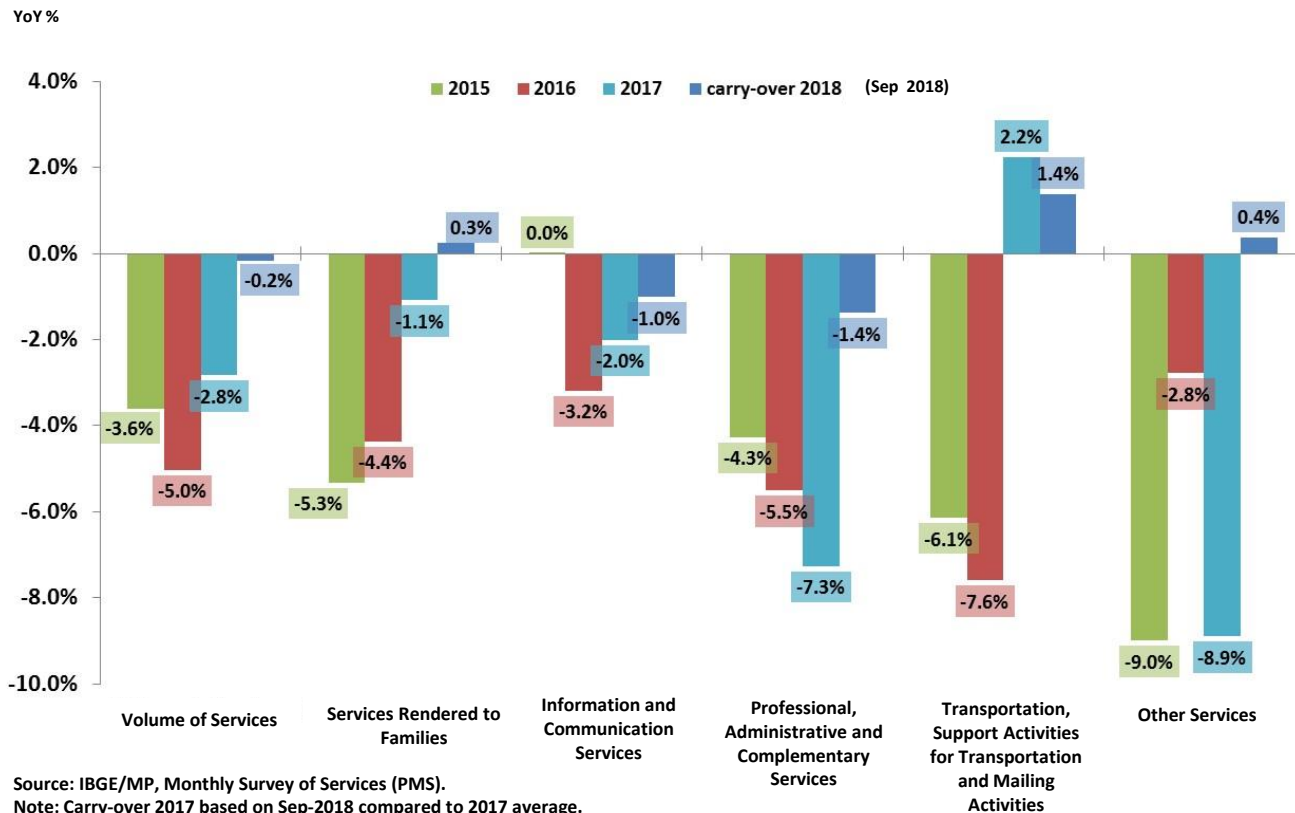
Total Retail Sales and Subsectors

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



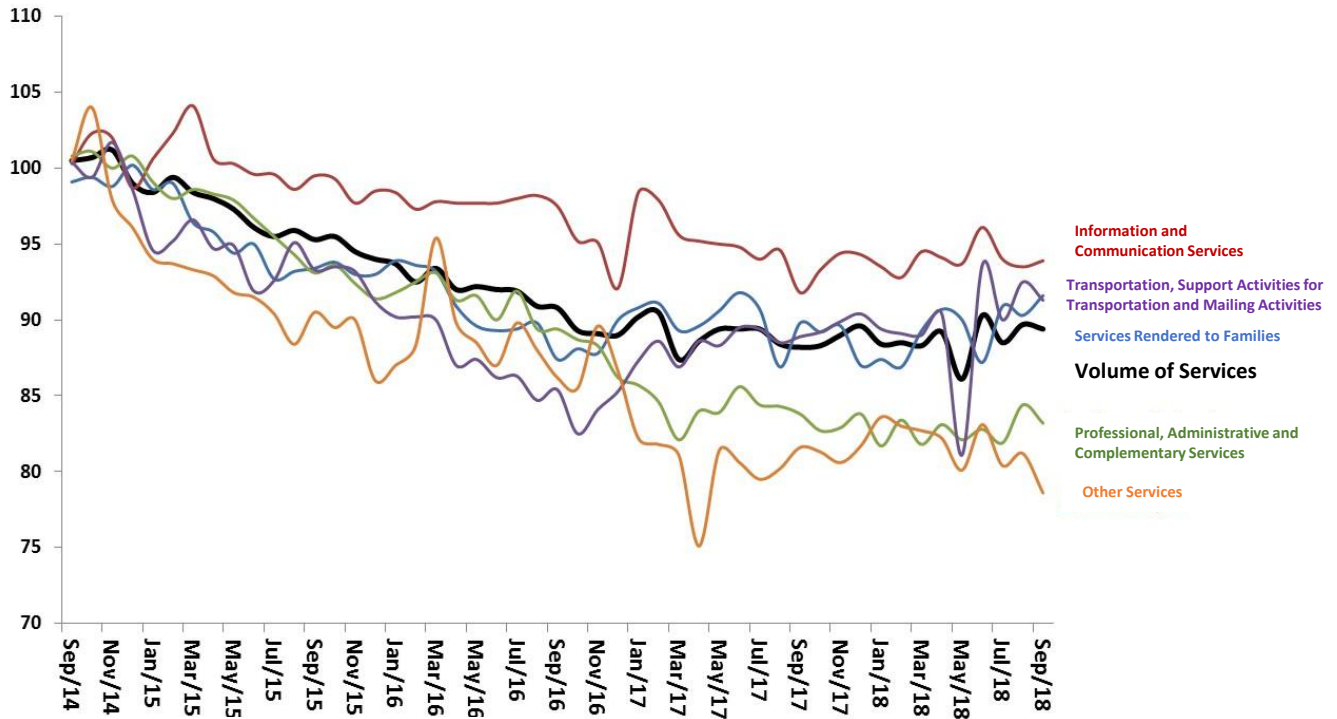
Source: IBGE/MP, Monthly Survey of Trade (PMC).

Volume of Services and Subsectors



Total Services and Subsectors

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

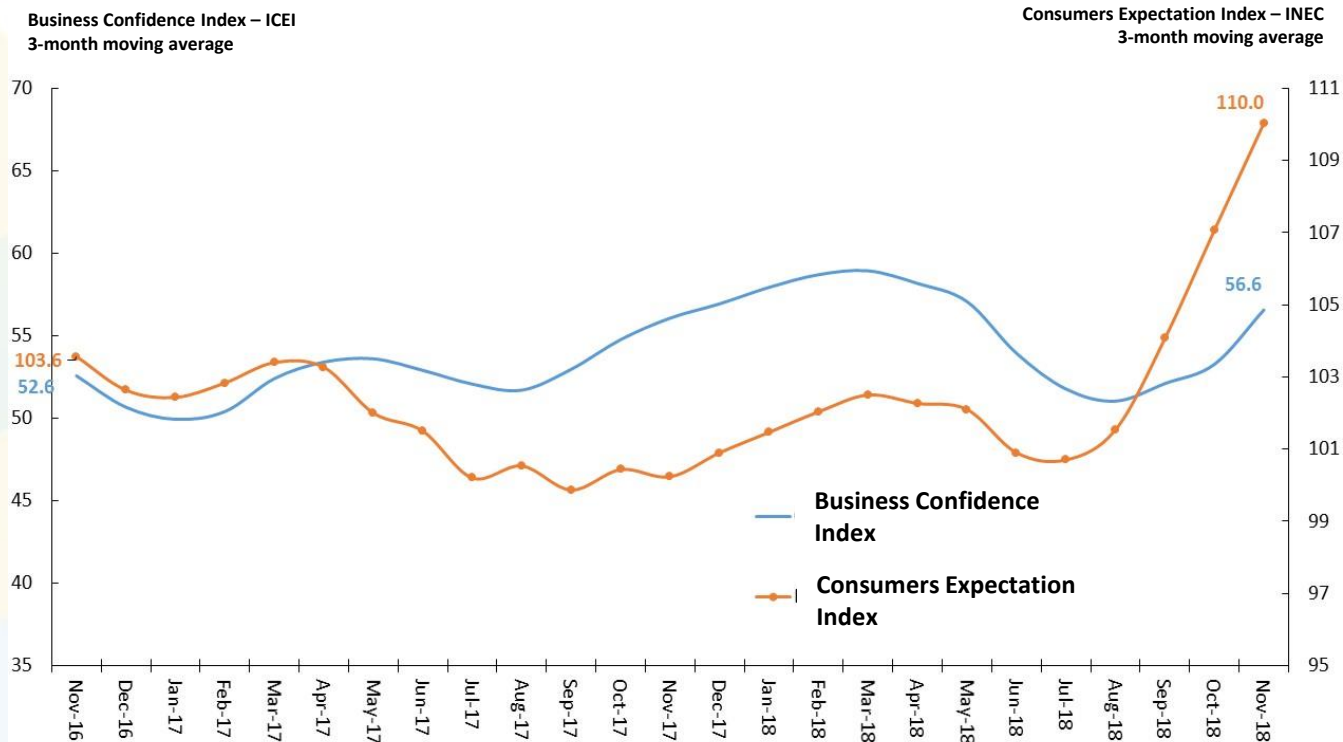


Source: IBGE, Monthly Survey of Services (PMS).

Other Monthly Economic Activity Indicators

October-18		2017	set/yy- set/yy	out/yy- out/yy	set/yy - age/yy (seasonally adjusted)	out/yy - set/yy (seasonally adjusted)	Year-To-Date	set/yy accum. in 12-months	out/yy accum. in 12-months	carry-over 2018
% change										
Industry Indicators (CNI)										
Real Sales Revenue		-0.1%	6.9%	3.0%	1.3%	-1.8%	5.0%	5.7%	5.6%	3.8%
Working Hours in Production		-2.1%	0.2%	-1.9%	0.2%	-0.7%	0.4%	0.4%	0.4%	0.1%
Capacity Utilization - UCI	effective level: 78.5	0.4%	0.5%	-0.3%	0.4%	-0.9%	0.6%	1.0%	0.9%	0.2%
Industry Inventories (CNI) - Final Goods - planned x realized	effective level: 50.8	1.0%	2.4%	1.0%	-0.2%	1.2%	0.8%	0.8%	0.7%	0.8%
Supermarket Sector Total Retail Sales (ABRAS)		1.3%	0.5%	1.6%	-0.7%	0.0%	2.2%	2.1%	2.3%	1.9%
Total Vehicles Production (ANFAVEA)		24.0%	-6.1%	5.2%	-4.3%	0.1%	9.9%	12.5%	10.0%	7.7%
Car Production		26.1%	-8.0%	5.4%	-5.3%	2.0%	8.2%	10.9%	8.6%	6.6%
Commercial Vehicles Production		37.3%	19.9%	31.8%	8.2%	5.5%	30.6%	37.9%	34.9%	25.5%
Total Vehicles Exports (ANFAVEA)		48.3%	-34.5%	-37.3%	-17.3%	-8.4%	-10.9%	-0.4%	-6.8%	-14.3%
Total Vehicles Sales/Licensing (FENABRAVE)		9.2%	7.1%	25.6%	4.7%	1.5%	15.3%	14.1%	14.2%	16.5%
Domestic Vehicles Sales/Licensing		12.3%	4.5%	24.1%	4.4%	1.7%	13.4%	13.0%	12.8%	14.9%
Imported Vehicles Sales/Licensing		-10.7%	29.7%	38.7%	6.6%	-0.9%	30.2%	22.8%	25.0%	30.4%
Natural Gas and Oil Production (ANP)		4.4%	-6.7%	-0.8%	-2.4%	6.0%	-1.8%	-1.8%	-1.9%	-1.3%
Electric Energy Consumption - Total (EPE)		1.2%	0.3%	1.1%	0.6%	0.2%	1.1%	1.5%	1.3%	1.1%
Industry Consumption (EPE)		1.3%	1.2%	0.8%	0.3%	-0.4%	1.5%	2.0%	1.9%	1.2%
Electric Energy System Supply (ONS)		1.5%	1.9%	-0.1%	-0.6%	0.3%	1.3%	1.8%	1.6%	1.1%
Corrugated Fiberboard Sales (ABPO)		4.9%	-0.3%	4.6%	-1.2%	0.6%	2.3%	3.2%	2.9%	2.2%
Heavy Vehicles Road Traffic (ABCR)		0.8%	-1.5%	1.8%	-1.5%	0.3%	0.8%	1.9%	1.3%	0.5%
November-18		2017	out/yy- out/yy	nov/yy- nov/yy	out/yy - set/yy (seasonally adjusted)	nov/yy - out/yy (seasonally adjusted)	Year-To-Date	out/yy accum. in 12-months	nov/yy accum. in 12-months	carry-over 2018
% change										
Business Confidence - ICEI (CNI)	effective level: 63.2	19.7%	-5.2%	-4.1%	-0.6%	2.8%	3.4%	6.2%	5.2%	4.6%
Consumer Expectations - INEC (CNI)	effective level: 113.6	0.3%	7.5%	9.3%	2.1%	2.4%	1.7%	0.2%	1.3%	3.4%
Sao Paulo Industry Confidence - ICEI-SP (FIESP)	effective level: 64.9	26.1%	-8.8%	12.1%	3.6%	25.8%	2.4%	4.6%	4.6%	2.9%
Industry Capacity Utilization - NUCI (FGV)	effective level: 77.3	0.7%	2.5%	0.9%	-0.7%	-1.6%	2.2%	2.2%	2.2%	2.1%
Industry Confidence (FGV)	effective level: 94.9	12.5%	-1.6%	-2.8%	-2.1%	0.2%	7.7%	9.9%	8.5%	6.6%
Consumer Confidence (FGV)	effective level: 95.0	13.1%	-0.6%	6.1%	4.9%	8.2%	4.6%	6.0%	5.6%	4.9%
Services Confidence (FGV)	effective level: 93.5	14.6%	0.7%	6.7%	1.0%	5.8%	7.0%	8.2%	7.8%	6.6%
Construction Confidence (FGV)	effective level: 83.7	8.5%	5.7%	8.0%	1.9%	3.5%	7.7%	8.2%	8.2%	7.4%
Retail Confidence (FGV)	effective level: 103.1	15.2%	-1.0%	0.1%	-1.3%	4.3%	7.1%	10.0%	8.7%	7.6%

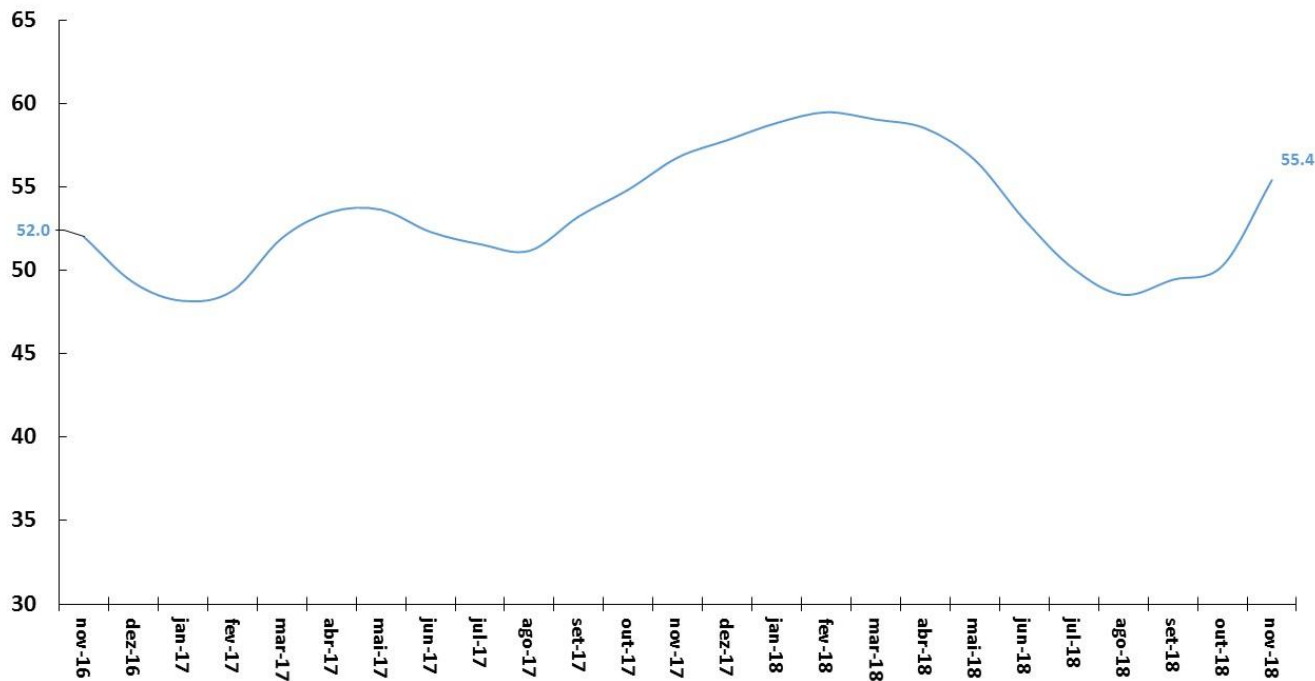
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

FIESP: Industry Confidence Index

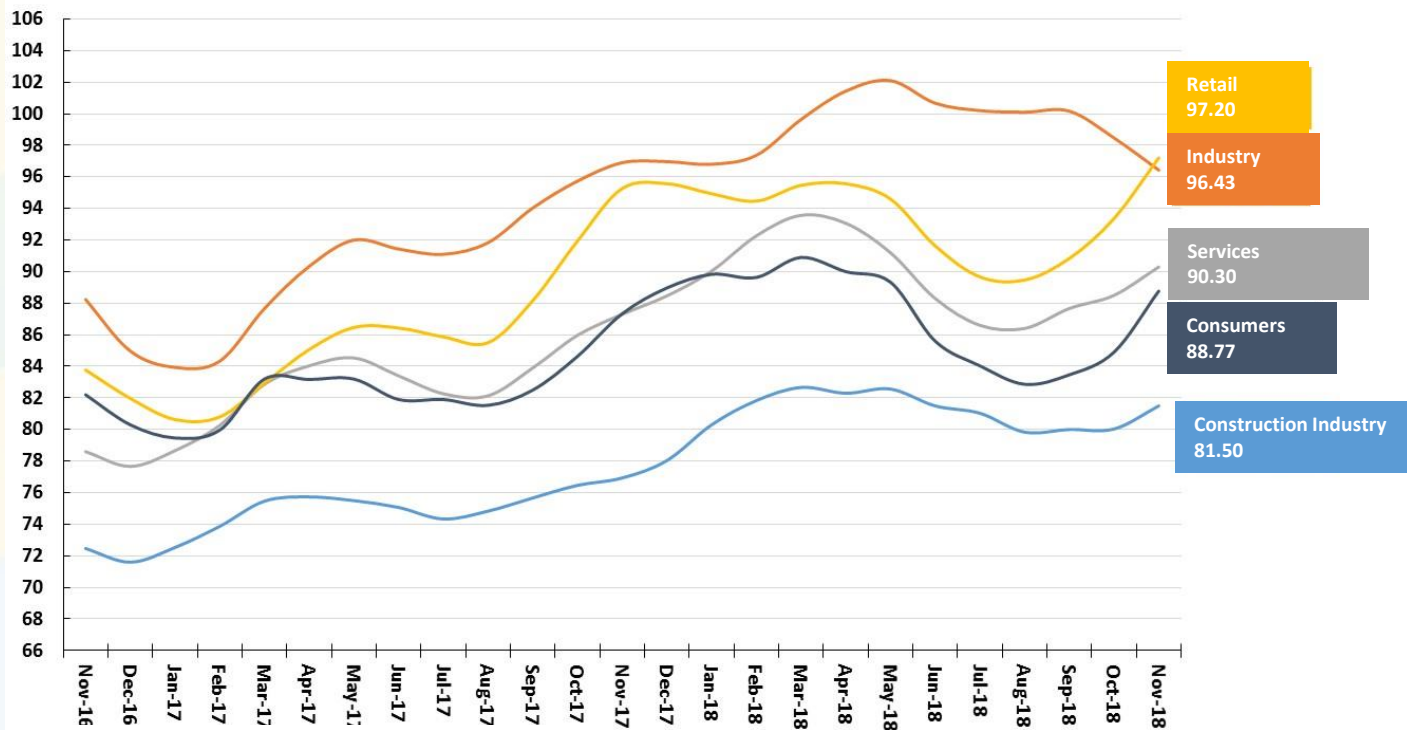
Sao Paulo Industry Confidence - ICEI-SP
3-month moving average



Source: FIESP.

FGV: Economic Confidence Indicators

Economic Confidence Indicators
3-month moving average

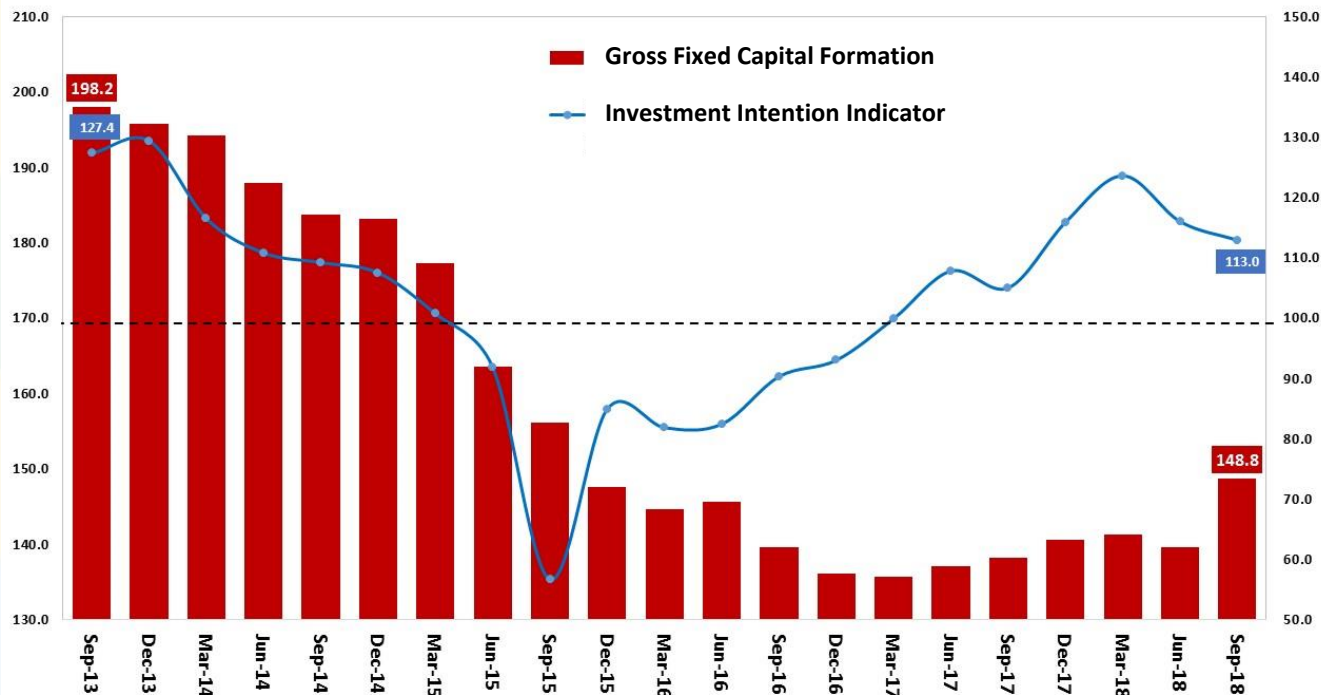


Source: IBRE/FGV.

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

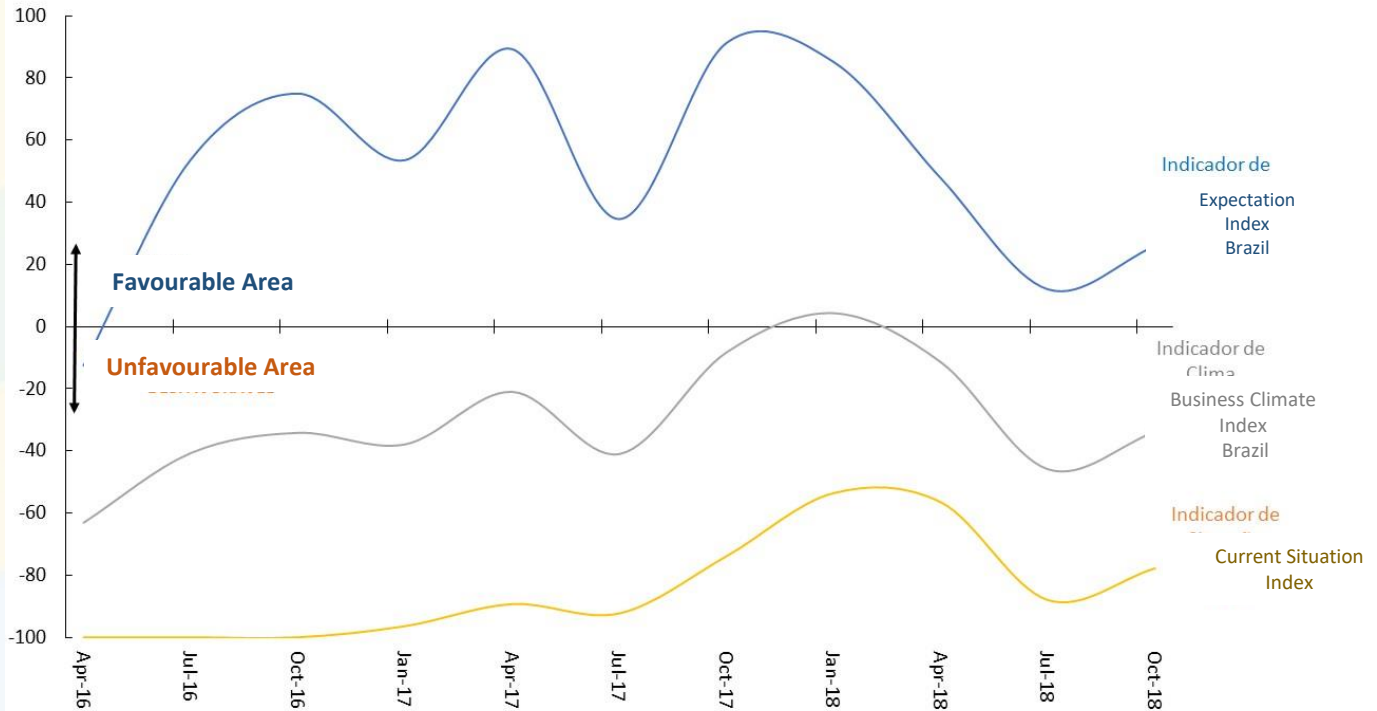


Source: IBGE/MP e IBRE/FGV.

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

IFO / FGV: Business Climate Index - Brazil

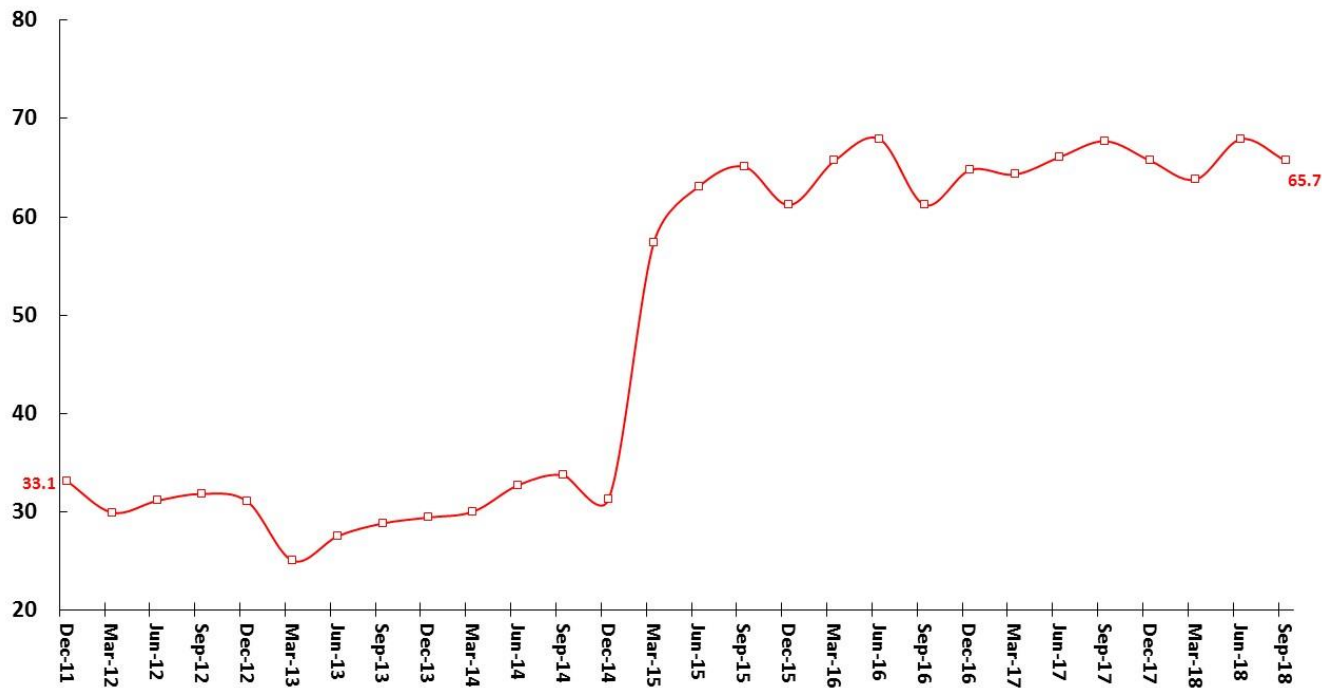
Business Climate – Brazil



Source: IFO and FGV.

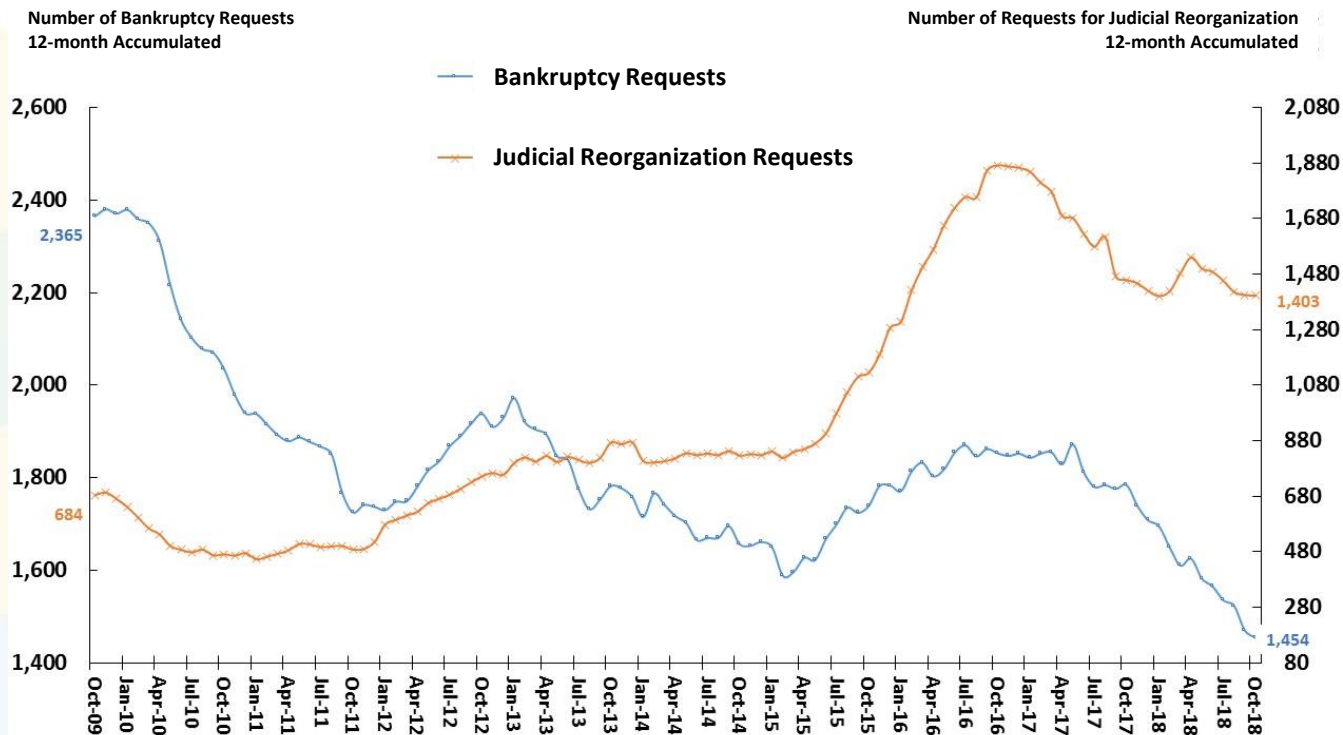
CNI: Fear of Unemployment Index

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



Source: CNI.

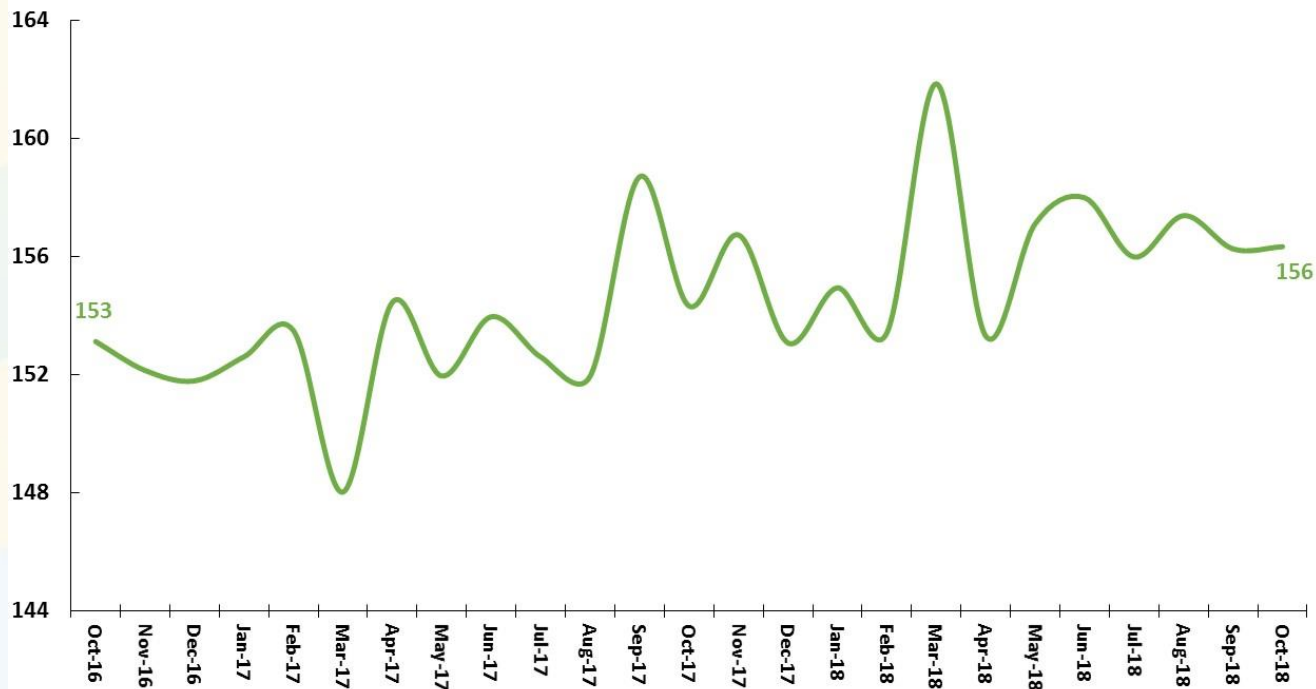
Bankruptcy and Judicial Reorganization Requests



Source: Serasa-Experian.

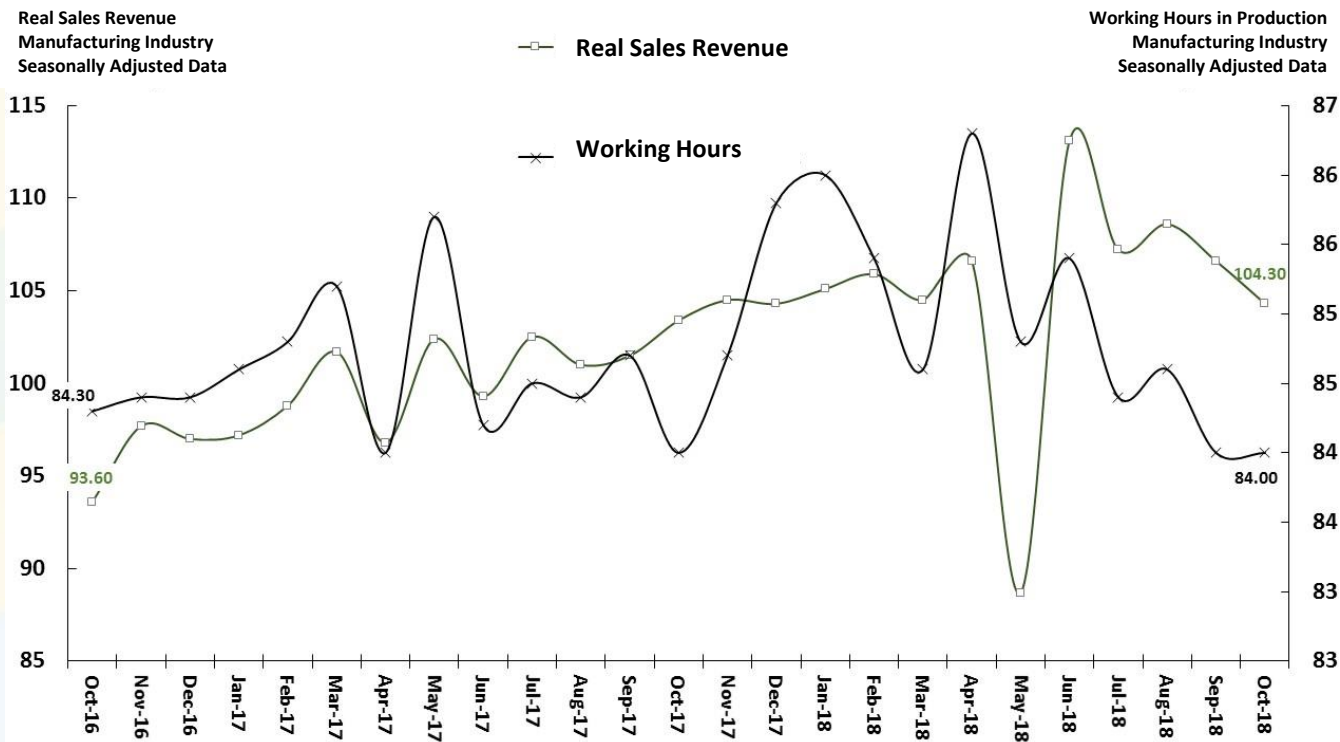
ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales
Seasonally Adjusted Data*



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

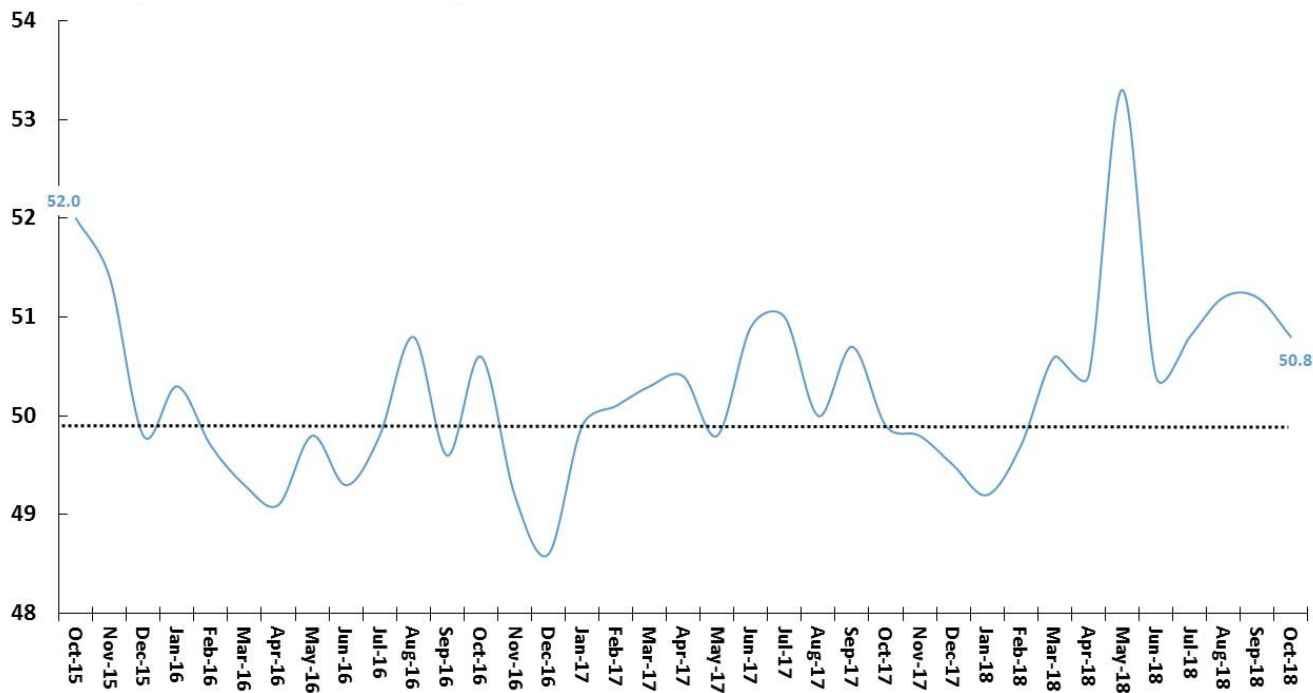
CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

CNI: Industry Inventory

General Industry Inventories Level
Final Goods - planned x effective

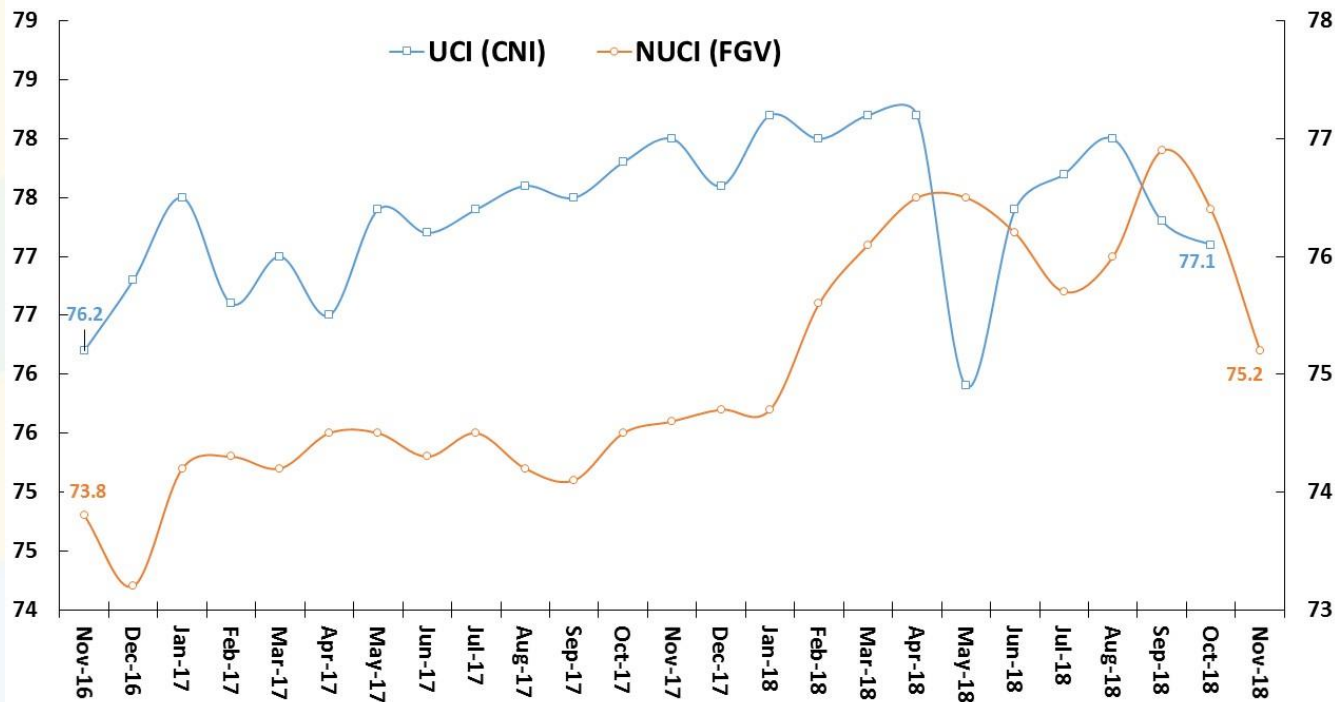


Source: CNI.

Capacity Utilization Rate

Capacity Utilization Rate - UCI (CNI)
Seasonally Adjusted Data

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

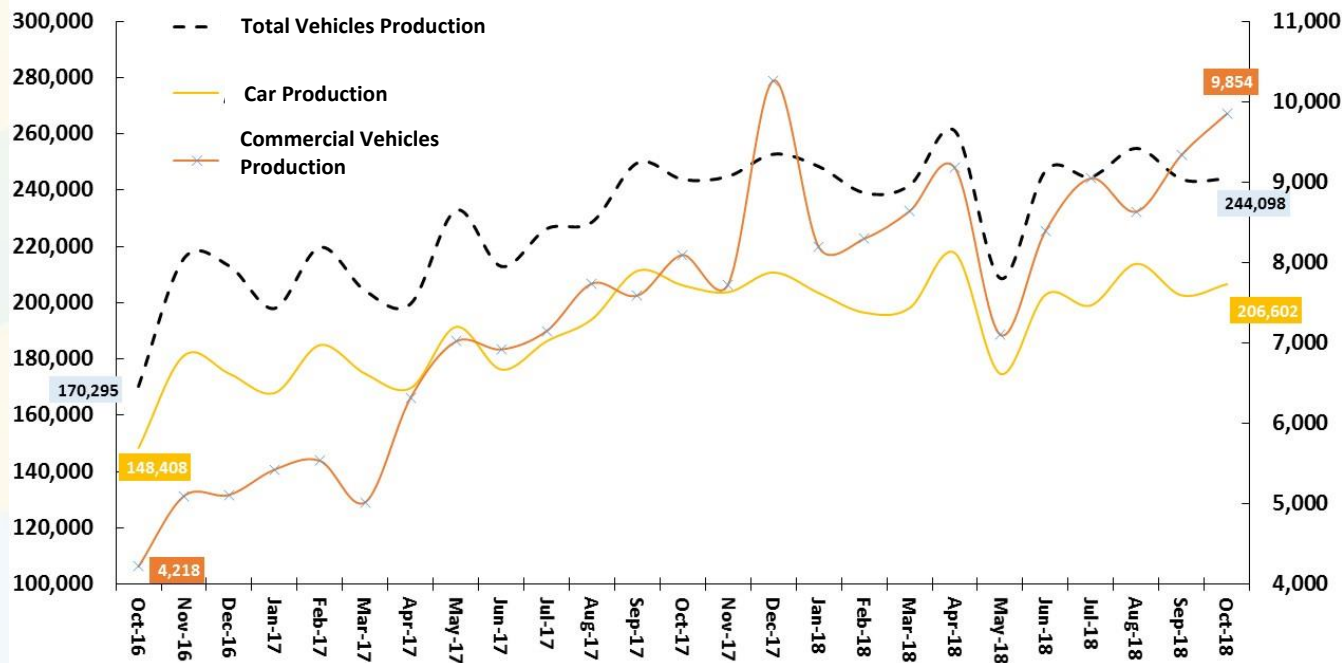


Source: CNI and FGV.

Anfavea: Automotive Sector Production

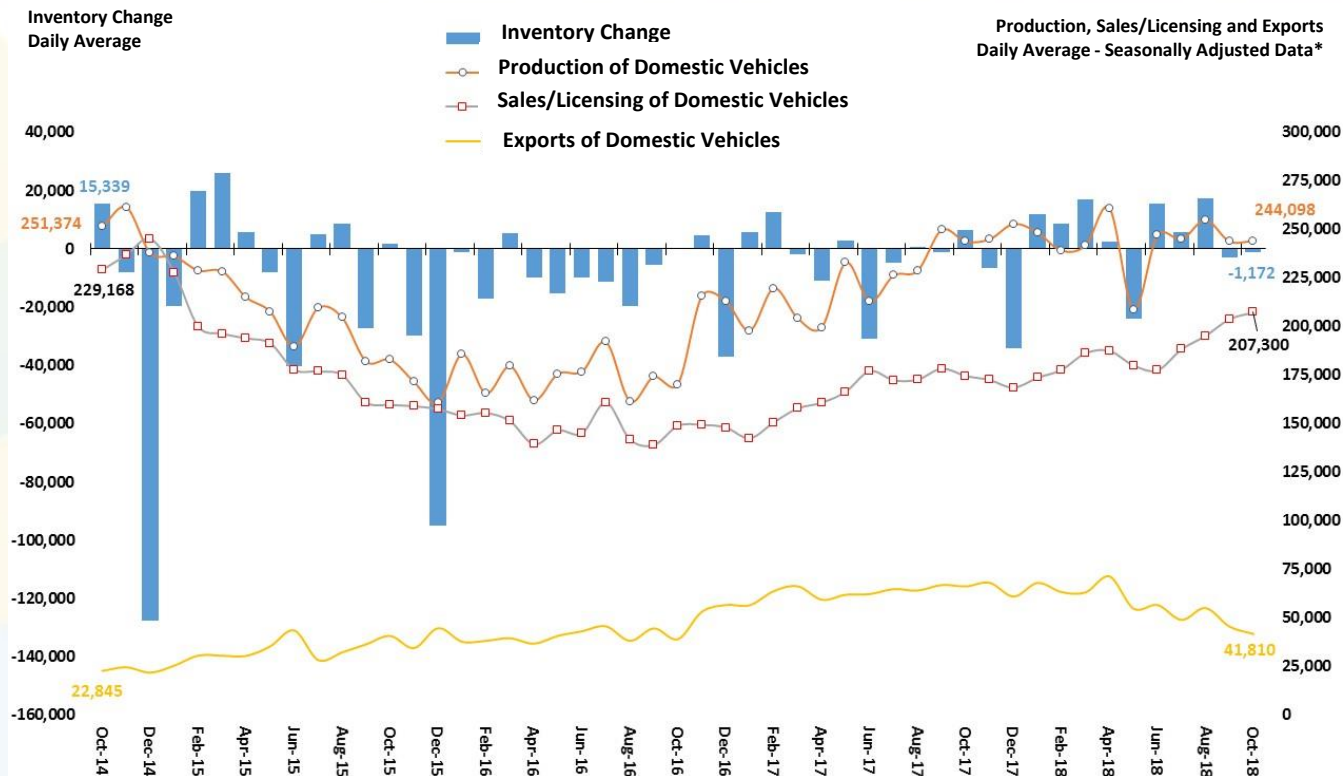
Total Vehicles and Car Production
Daily Average of Vehicles Monthly Manufactured
Seasonally Adjusted Data*

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



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

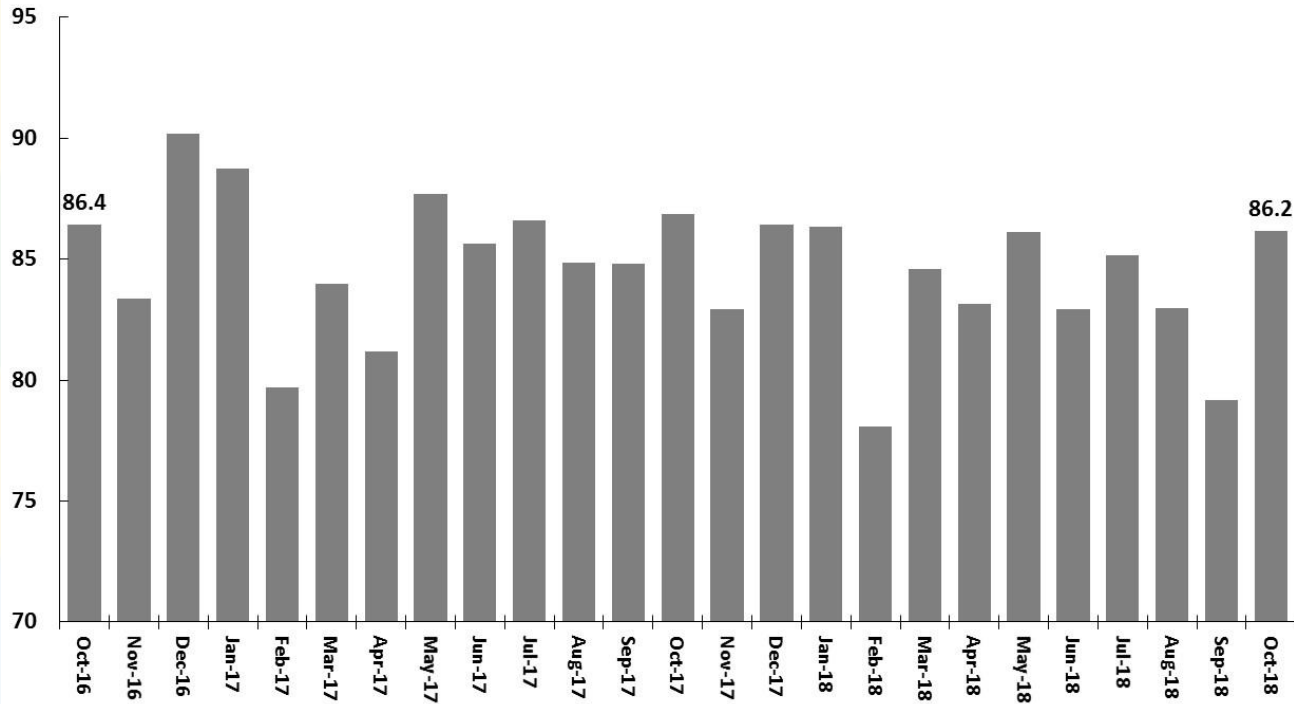
Automotive Sector Production, Sales and Inventory Change



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

ANP: Natural Gas and Oil Production

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

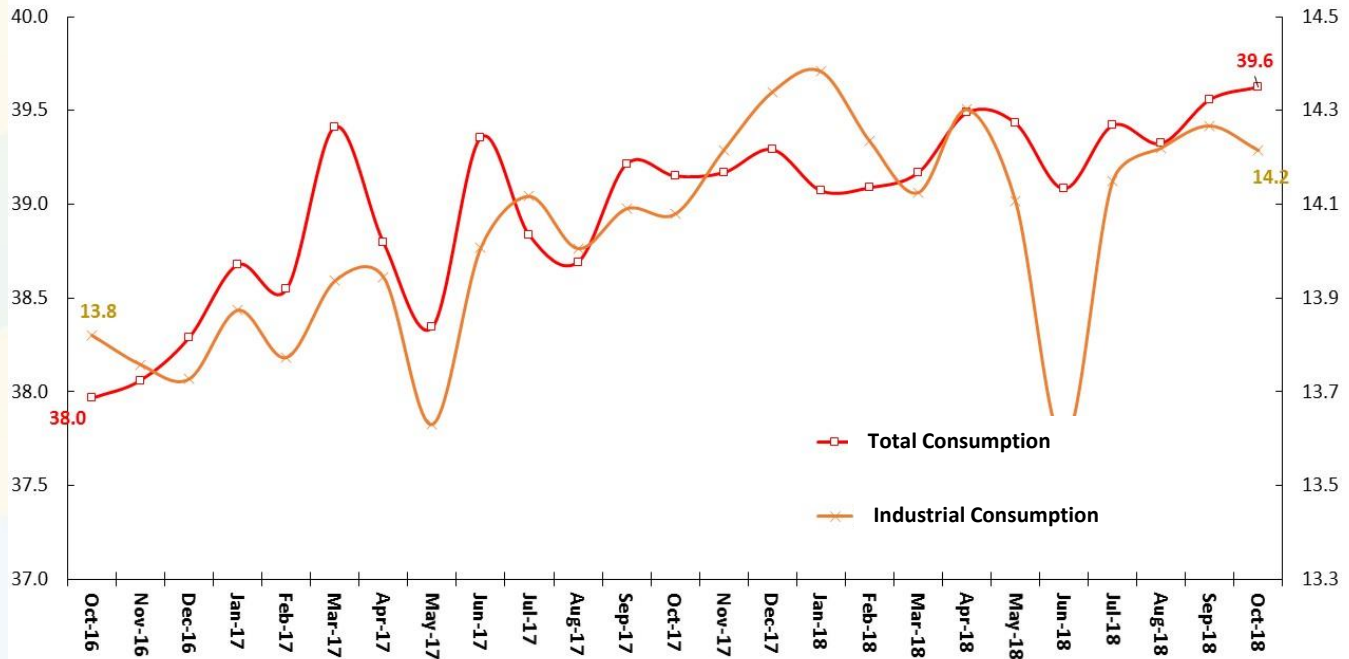


Source: ANP.

ANEEL: Electrical Energy Consumption

Total Electric Energy Consumption
Millions of MWh
Seasonally Adjusted Data*

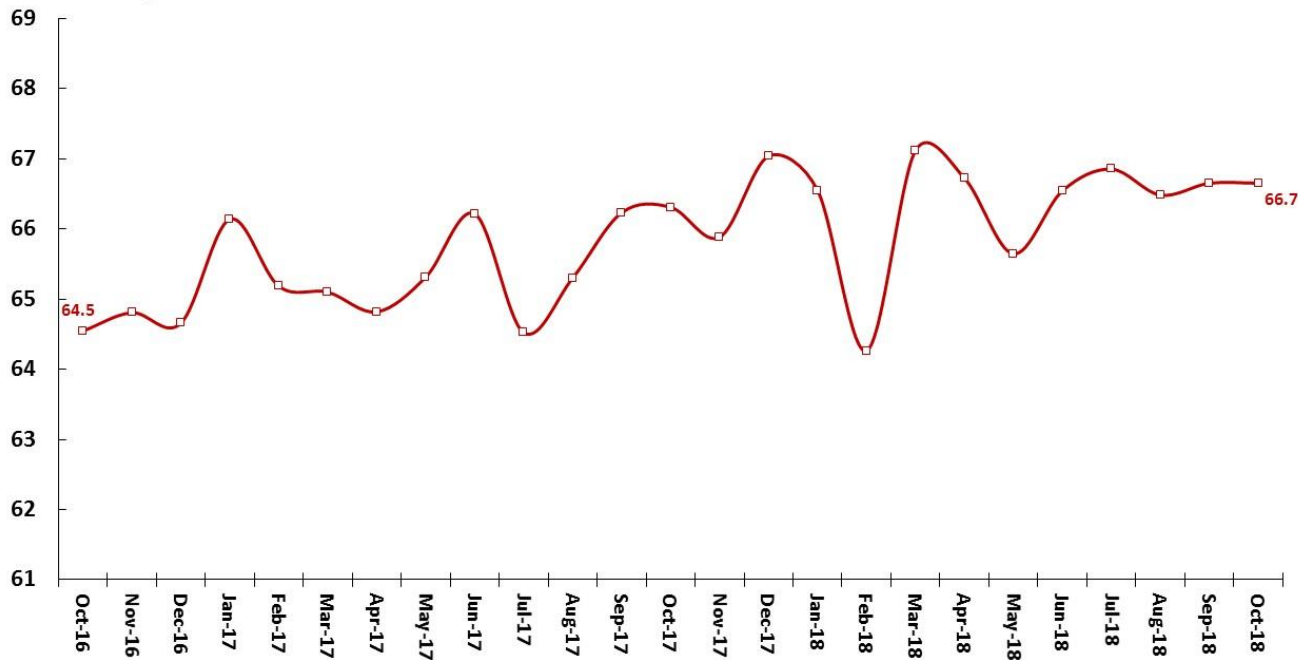
Electric Energy Industrial Consumption
Millions of MWh
Seasonally Adjusted Data*



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

ONS: Electric Energy System Supply

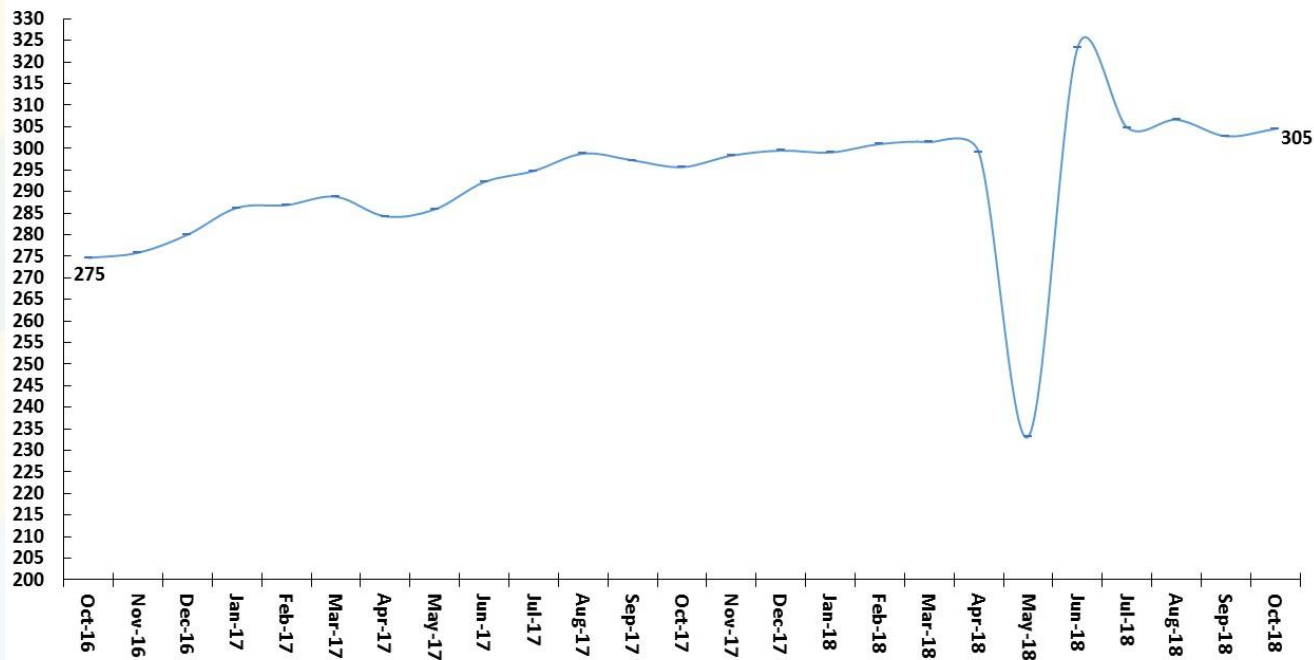
Electric Energy System Supply
Millions of MWh
Seasonally Adjusted Data*



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

ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



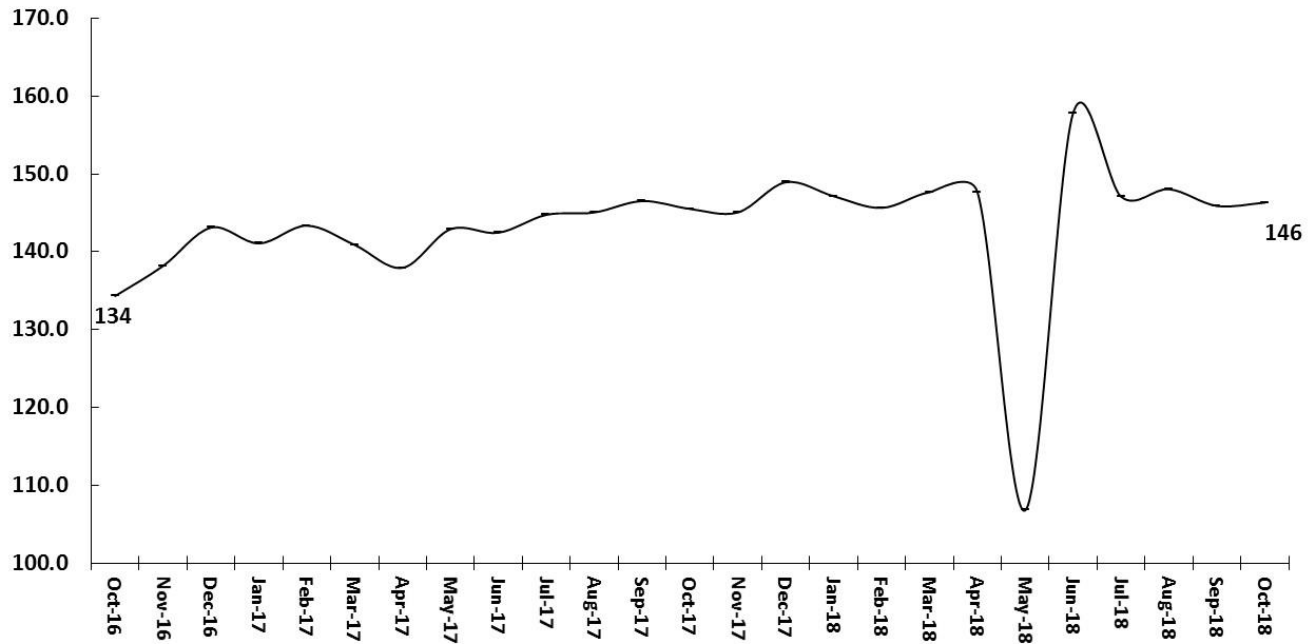
Source ABPO. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

Index: 1999=100

Seasonally Adjusted Data



Source: ABCR.

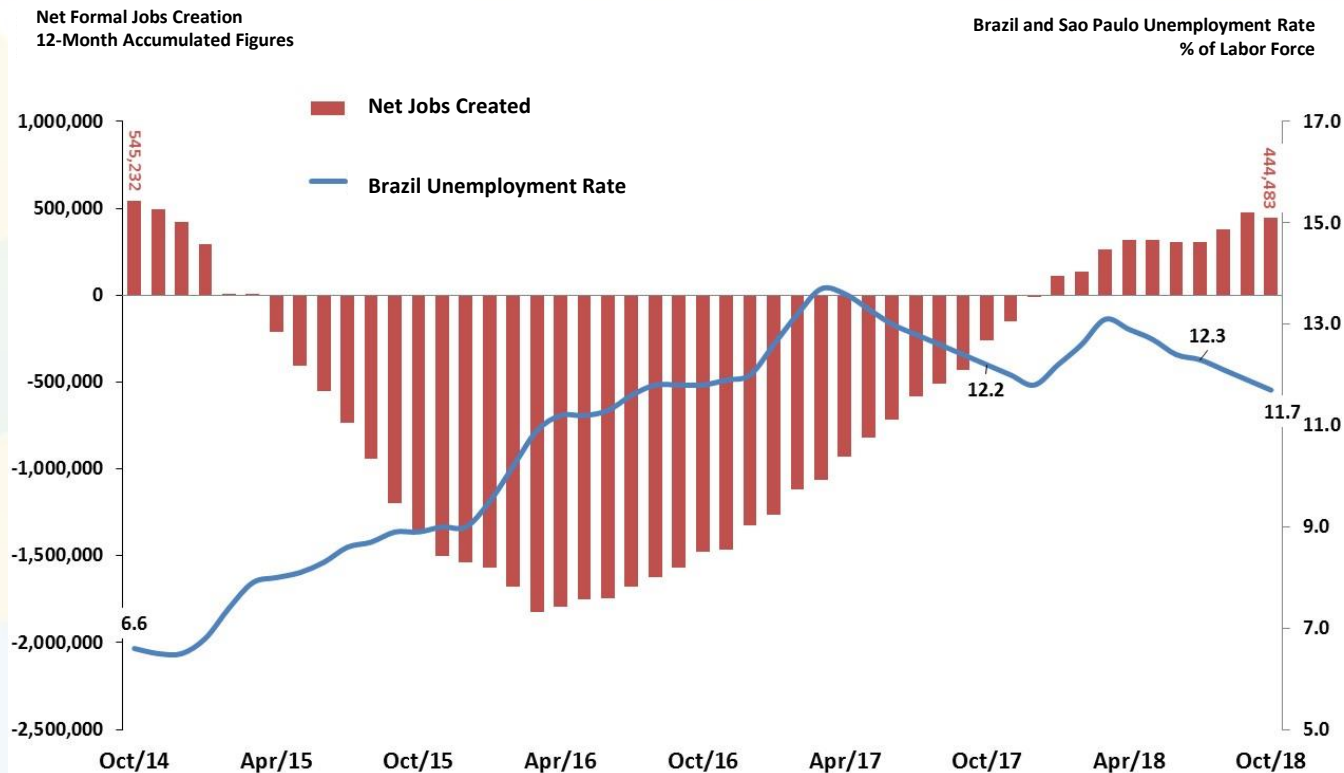


LABOR MARKET

Labor Market

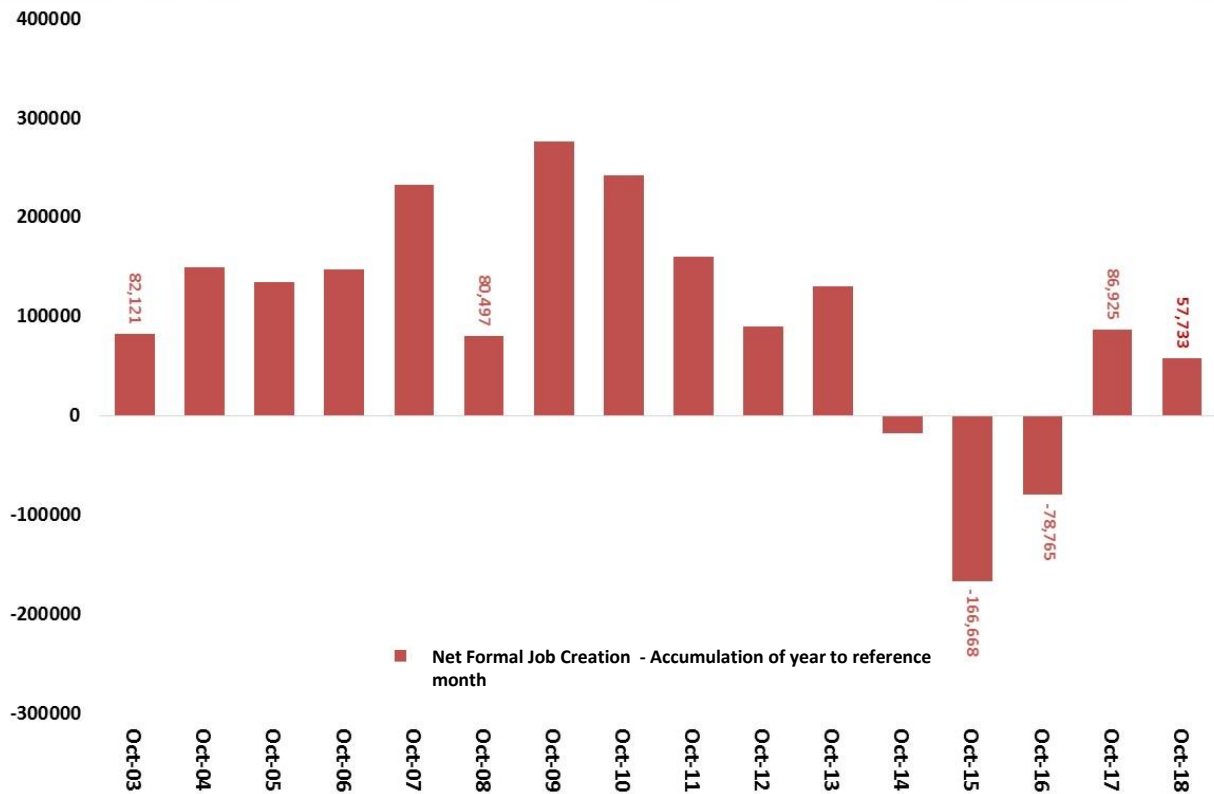
Employment Indicators	October-18	2016 average	2017 average	Oct/18 (12-months moving average)	Oct-18	chg.% 2017 / 2016	chg.% Sep/18- Sep/17	chg.% Oct/18- Oct/17	chg.% YTD 2018 / YTD 2017	chg.% Oct/18 - 2017 average
Brasil (PNADC, IBGE)										
Unemployment Rate % Labor Force		11.3	12.8	12.5	11.7	1.5 pp	-0.5 pp	-0.5 pp	1.5 pp	1.5 pp
Unemployed Population (in thousands)		166,189	168,210	169,581	170,360	1.2%	0.9%	0.9%	1.2%	1.2%
Labor Force (in thousands)		102,033	103,743	104,497	105,252	1.7%	0.8%	0.9%	1.7%	1.7%
Employed Population (in thousands)		90,539	90,495	91,629	92,901	0.0%	1.5%	1.5%	0.0%	0.0%
Working Age Population (in thousands)		11,494	13,248	12,868	12,351	15.3%	-3.6%	-3.1%	15.3%	15.3%
São Paulo Unemployment Rate % (RMSP, PED-Seade)		16.6	18.0	17.4	11.7	1.4 pp	-1.4 pp	-1.6 pp	-1.4 pp	-1.0 pp
Average Real Earnings (PNADC, IBGE)	October-18	2016 average	2017 average	Oct/18 (12-months moving average)	Oct-18	chg.% 2017 / 2016	chg.% Sep/18- Sep/17	chg.% Oct/18- Oct/17	chg.% YTD 2018 / YTD 2017	chg.% Oct/18 - 2017 average
real values (in R\$ of last month)										
Employed Population		2,167	2,218	2,235	2,230	2.3%	0.6%	0.4%	2.3%	2.3%
Formal Contract		2,087	2,129	2,145	2,132	2.0%	0.3%	-0.4%	2.0%	2.0%
Informal Contract		1,272	1,279	1,292	1,341	0.6%	1.4%	2.6%	0.6%	0.6%
Self-employed		1,635	1,618	1,627	1,606	-1.0%	-0.2%	-0.1%	-1.0%	-1.0%
Public Sector		3,402	3,460	3,524	3,528	1.7%	3.1%	3.0%	1.7%	1.7%
Real Wage Bill (in R\$ millions of last months)		191,276	195,621	199,651	201,964	2.3%	2.2%	1.9%	2.3%	2.3%
Percentage of the Minimum Wage to Purchase the Basic Food Basket (Dieese)		46.3%	44.2%	43.2%	42.3%	1.0 pp	0.0 pp	0.0 pp	-0.2%	-3.0%
Formal Jobs (CAGED, MTE)	October-18	2016	2017	Sep/18 accum. in 12 months	Oct/18 accum. in 12-months	Year-To- Date	Oct-18	chg.% 2017 / 2016	chg.% Oct/18 accum. 12-m / 2017	chg.% YTD 2018 / YTD 2017
Million people										
Net Formal Jobs Creation		-1,327	-13	474	444	791	58	-99.0%	-3619.8%	237.1%
Job Openings		14,847	14,762	15,232	15,274	13,152	1,280	-0.6%	3.5%	104.0%
Job Separations		16,174	14,775	14,758	14,829	12,362	1,222	-8.7%	0.4%	100.4%

Unemployment Rate and Net Formal Job Creation



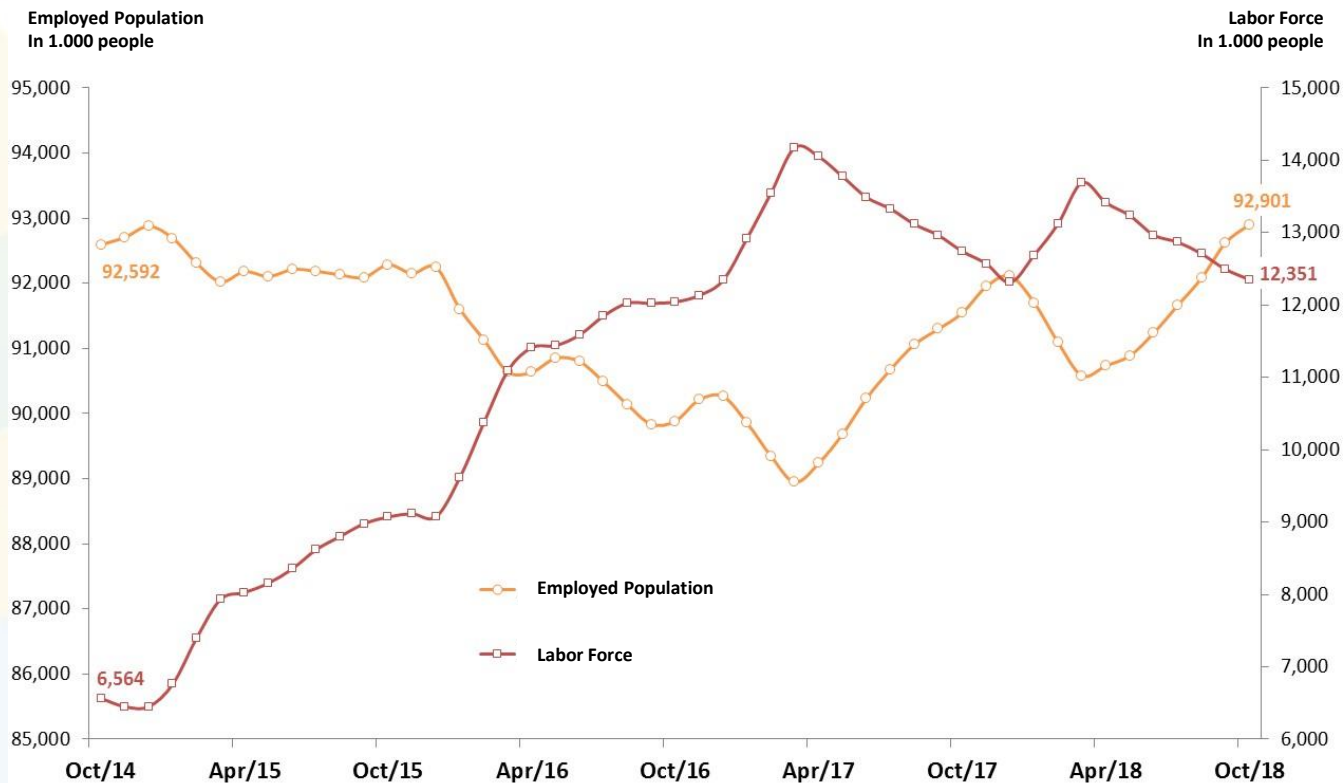
Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Net Formal Job Creation – Total Accumulation of Year



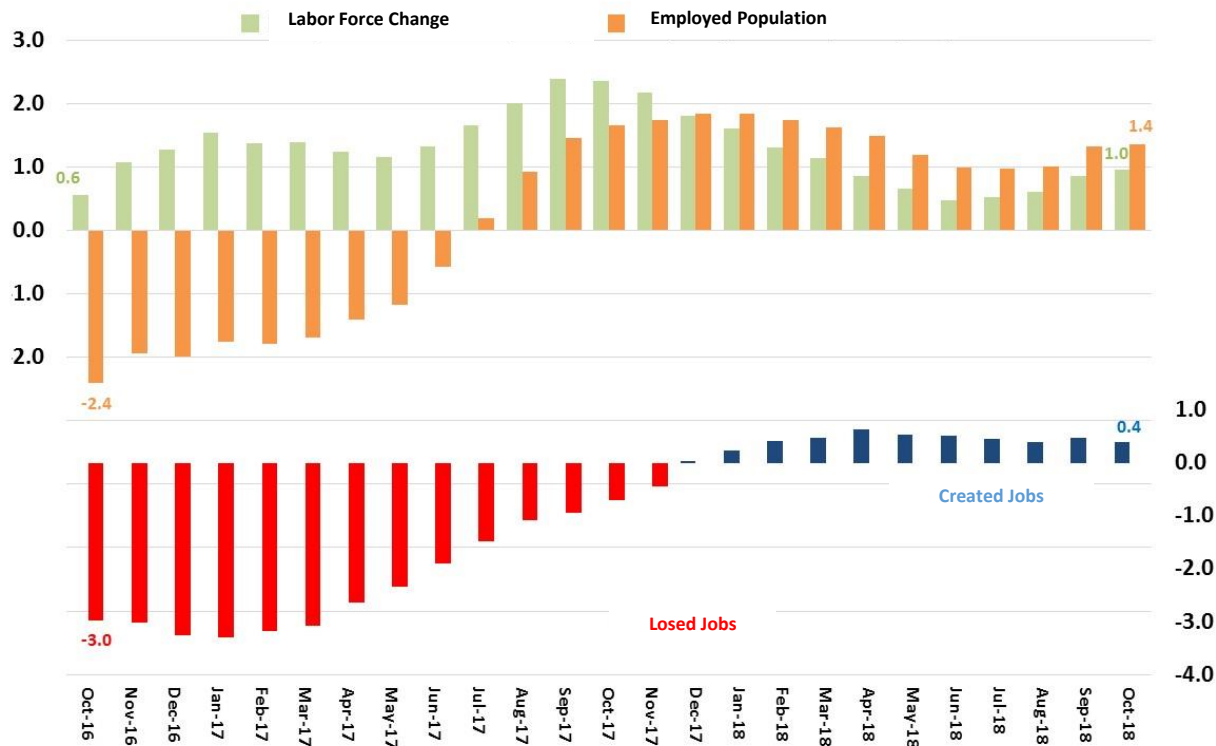
Source: MTE-CAGED (adjusted data).

Employed Population and Labor Force Evolution



Source: IBGE/MP - PNADC.

12-Month Total Unemployment Increase Decomposition

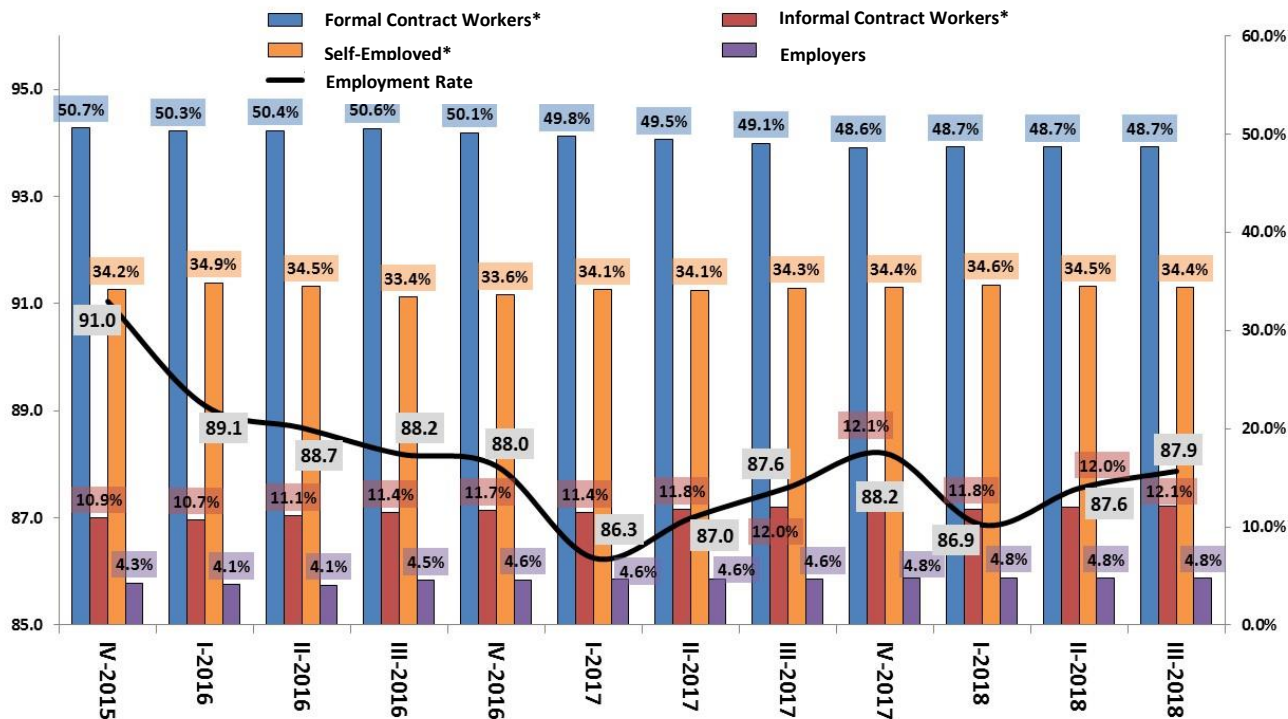


Source: IBGE/MP -- PNADC.

Labor Market Evolution by Employment Type

Employment Rate
(Employed Population / Labor Force)

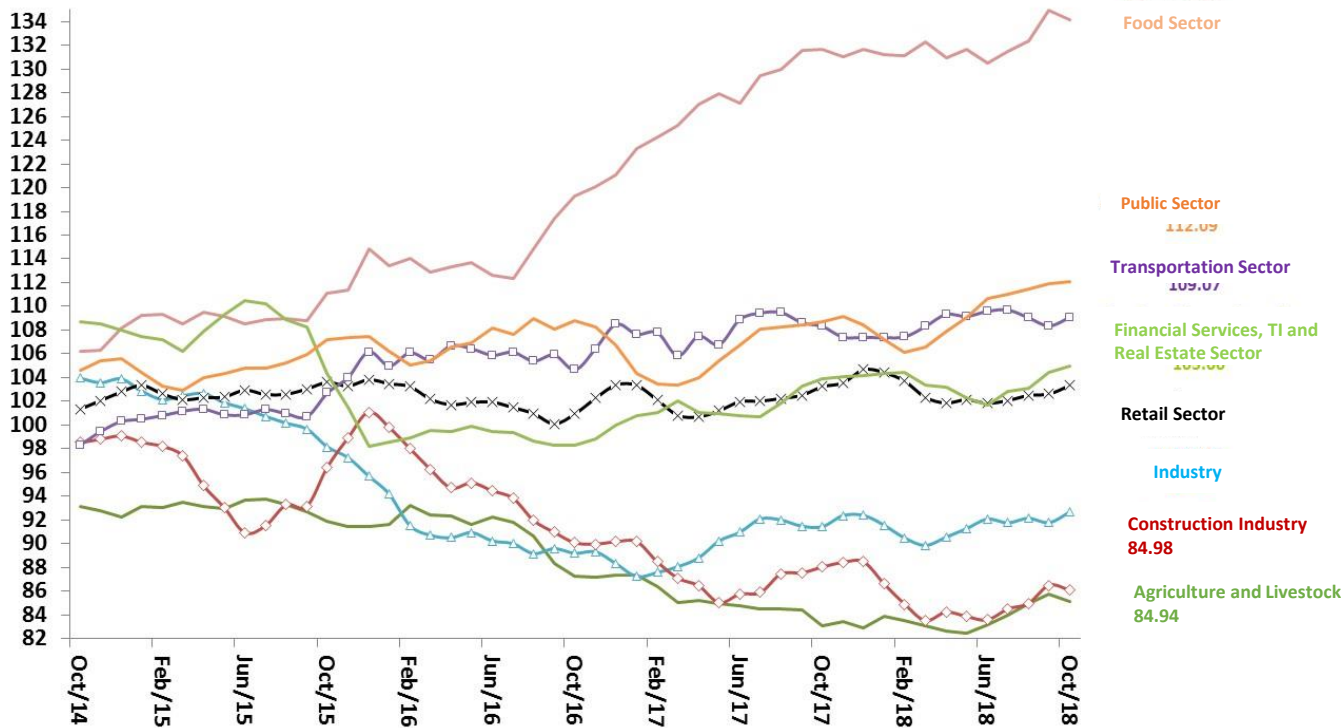
Formal and Informal Contract Workers, Self-Employed and Employers
% of Employed Population



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

Employment by Sector of Activity

Employed Population by Sectors of Activity
Index: 2013 = 100

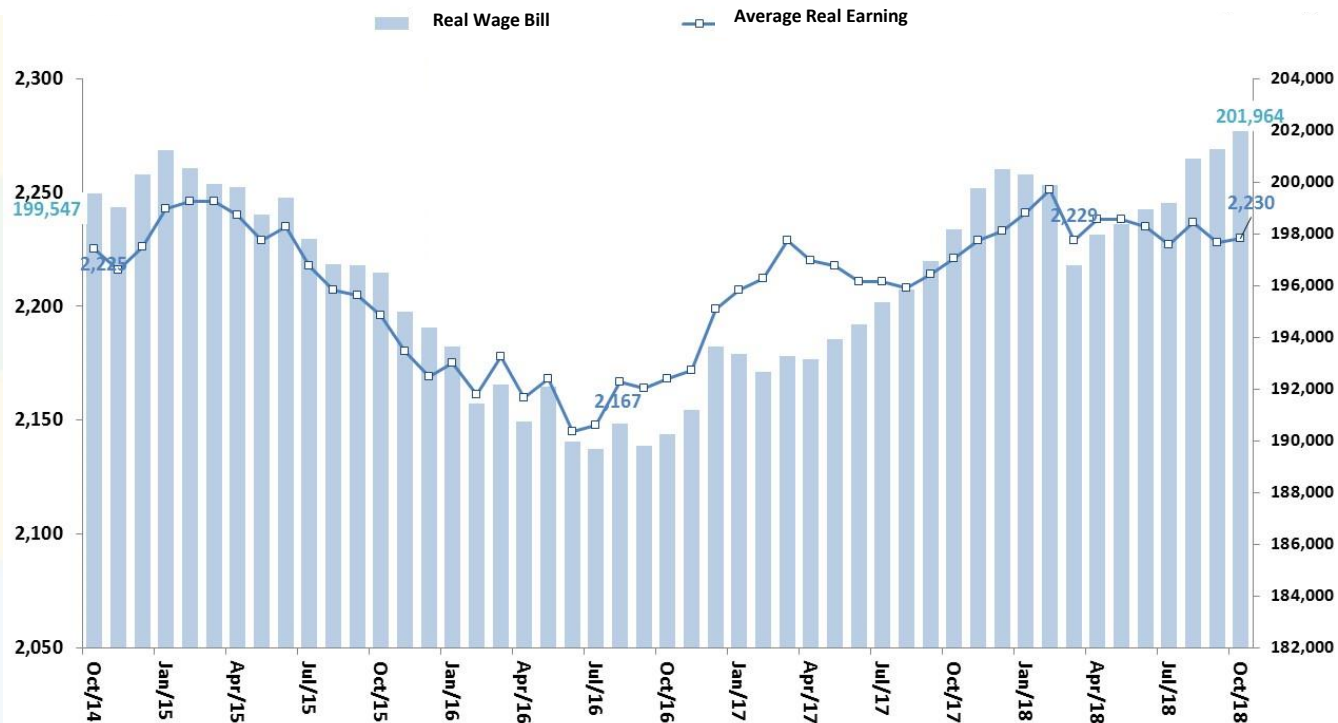


Source: IBGE/MP - PNADC.

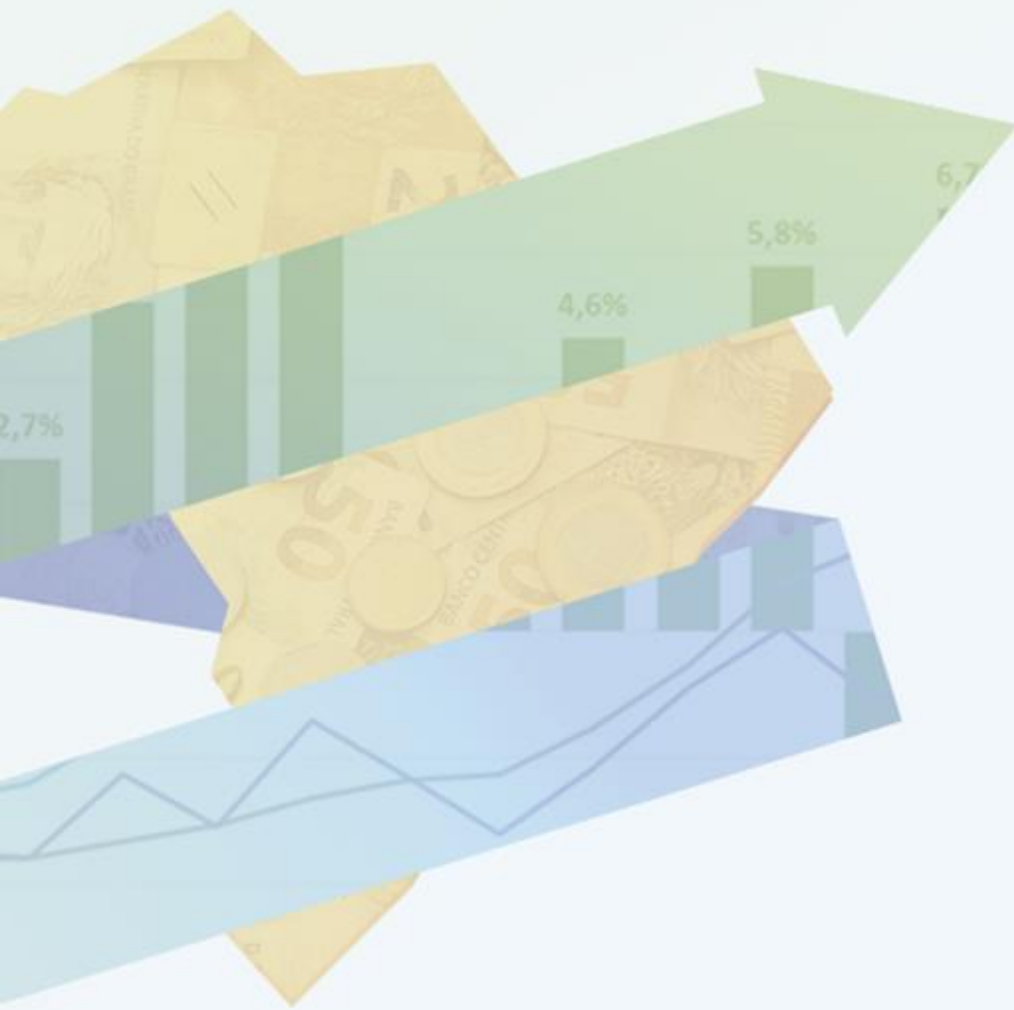
Real Wage Bill and Average Real Earning

Average Real Earning
R\$ of last month

Real Wage Bill
R\$ millions of last month



Source: IBGE/MP - PNADC.

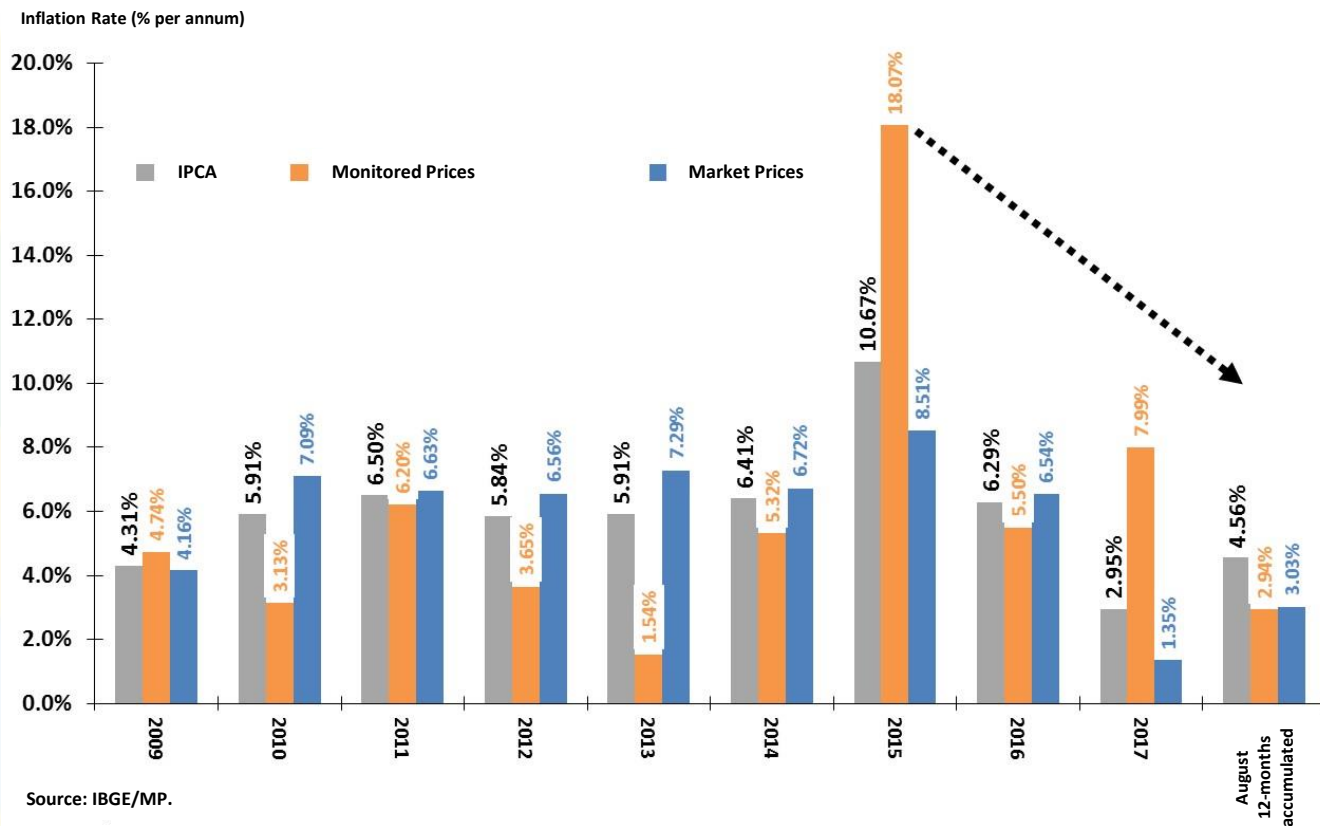


INFLATION

Inflation

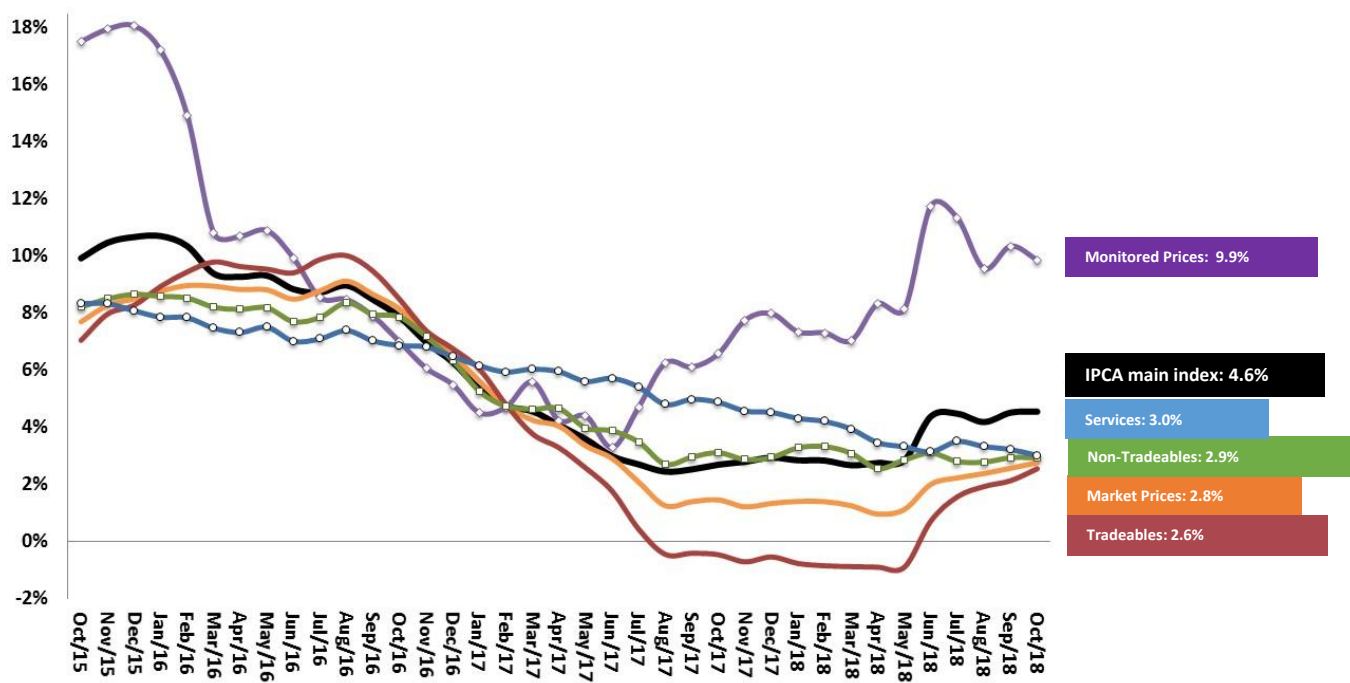
													BCB/Focus: 11/30/2018		
Inflation Index	October-18			YTD 2017	YTD 2018	Aug-17	Sep-17	Oct-17	Aug-18	Sep-18	Oct-18		2018	2019	2020
	2016	2017	Accum. In 12-months												
IPCA Inflation Target (CMN)	4.5%	4.5%	4.5%										4.50%	4.25%	4.00%
Consumer Price Index IPCA (IBGE)	6.29%	2.95%	4.56%	2.21%	3.81%	0.19%	0.16%	0.42%	-0.09%	0.48%	0.45%		3.89%	4.11%	4.00%
IPCA core (By exclusion food and energy - Ex2)	6.2%	3.8%	3.6%	3.3%	3.0%	0.5%	0.1%	0.4%	0.3%	0.6%	0.7%				
Food and Beverages	8.6%	-1.9%	3.3%	-2.0%	3.2%	-0.5%	-1.1%	-0.4%	-0.1%	-0.3%	0.1%				
Housing	2.8%	6.3%	6.5%	5.4%	5.6%	1.6%	0.6%	-0.1%	1.5%	0.4%	0.4%				
Household Articles	3.4%	-1.5%	2.2%	-1.1%	2.7%	-0.2%	0.2%	0.1%	0.5%	0.6%	0.1%				
Apparel	3.5%	2.9%	0.8%	1.9%	-0.1%	-0.4%	0.3%	0.3%	-0.6%	0.2%	0.0%				
Transportation	4.2%	4.1%	7.4%	2.3%	5.5%	0.3%	1.5%	0.8%	0.5%	-1.2%	1.7%				
Health and Personal Care	11.0%	6.5%	5.1%	5.7%	4.4%	0.4%	0.4%	0.3%	0.1%	0.5%	0.3%				
Personal Expenses	8.0%	4.4%	3.2%	3.5%	2.3%	0.4%	0.3%	0.6%	0.3%	0.4%	0.4%				
Education	8.9%	7.1%	5.2%	6.9%	5.0%	0.0%	0.2%	0.0%	-0.1%	0.3%	0.2%				
Communication	1.3%	1.8%	0.0%	1.7%	0.0%	0.0%	-0.6%	0.5%	0.1%	0.0%	-0.1%				
Consumer Price Index INPC (IBGE)	6.58%	2.07%	4.00%	1.62%	3.55%	0.17%	-0.03%	-0.02%	0.25%	0.00%	0.30%		3.94%	4.23%	4.00%
São Paulo Cost-of-Living Index ICV SP (DIEESE)	6.15%	2.44%	4.21%	2.01%	3.76%	0.13%	-0.01%	0.20%	0.14%	-0.09%	0.55%				
São Paulo Consumer Price Index IPC RMSP (FIPE)	6.55%	2.28%	4.55%	1.43%	3.68%	-0.01%	0.10%	0.02%	0.23%	0.41%	0.39%		3.40%	4.05%	4.00%
General Price Index IGP-DI (FGV)	7.15%	-0.42%	10.51%	-1.94%	8.83%	-0.30%	0.24%	0.62%	0.44%	0.68%	1.79%		8.59%	4.44%	4.10%
Consumer Price Subindex IPC/Br-DI	6.19%	3.22%	4.81%	2.64%	4.21%	0.38%	0.13%	-0.02%	0.17%	0.07%	0.45%				
Construction Cost Subindex INCC-DI	6.10%	4.25%	3.96%	3.85%	3.56%	0.30%	0.36%	0.06%	0.61%	0.15%	0.23%				
Wholesale Price Subindex IPA-DI	7.73%	-2.52%	13.91%	-4.56%	11.53%	-0.67%	0.26%	0.97%	0.52%	0.99%	2.54%		11.60%	4.20%	4.50%
IPA-DI Industry	6.71%	1.22%	14.31%	-1.05%	11.74%	-0.41%	0.96%	1.05%	0.93%	0.69%	2.69%				
IPA-DI Agriculture	9.92%	-12.34%	12.83%	-13.78%	10.98%	-1.42%	-1.81%	0.75%	-0.69%	1.90%	2.11%				
Inflation Index	November-18			YTD 2017	YTD 2018	Sep-17	Oct-17	Nov-17	Sep-18	Oct-18	Nov-18		2018	2019	2020
	2016	2017	Accum. In 12-months												
Consumer Price Index IPCA - 15 (IBGE)	6.58%	2.94%	4.39%	2.58%	4.03%	0.11%	0.34%	0.32%	0.09%	0.58%	0.19%		4.23%	4.20%	4.00%
General Price Index IGP-10 (FGV)	6.97%	-0.42%	10.25%	-1.31%	9.26%	0.39%	0.49%	0.24%	1.20%	1.43%	-0.16%				
General Price Index IGP-M (FGV)	7.19%	-0.53%	10.23%	-1.41%	9.26%	0.47%	0.20%	0.52%	1.52%	0.89%	-0.49%		8.91%	4.48%	4.00%

Relative Prices Convergence in the Consumer Price Index



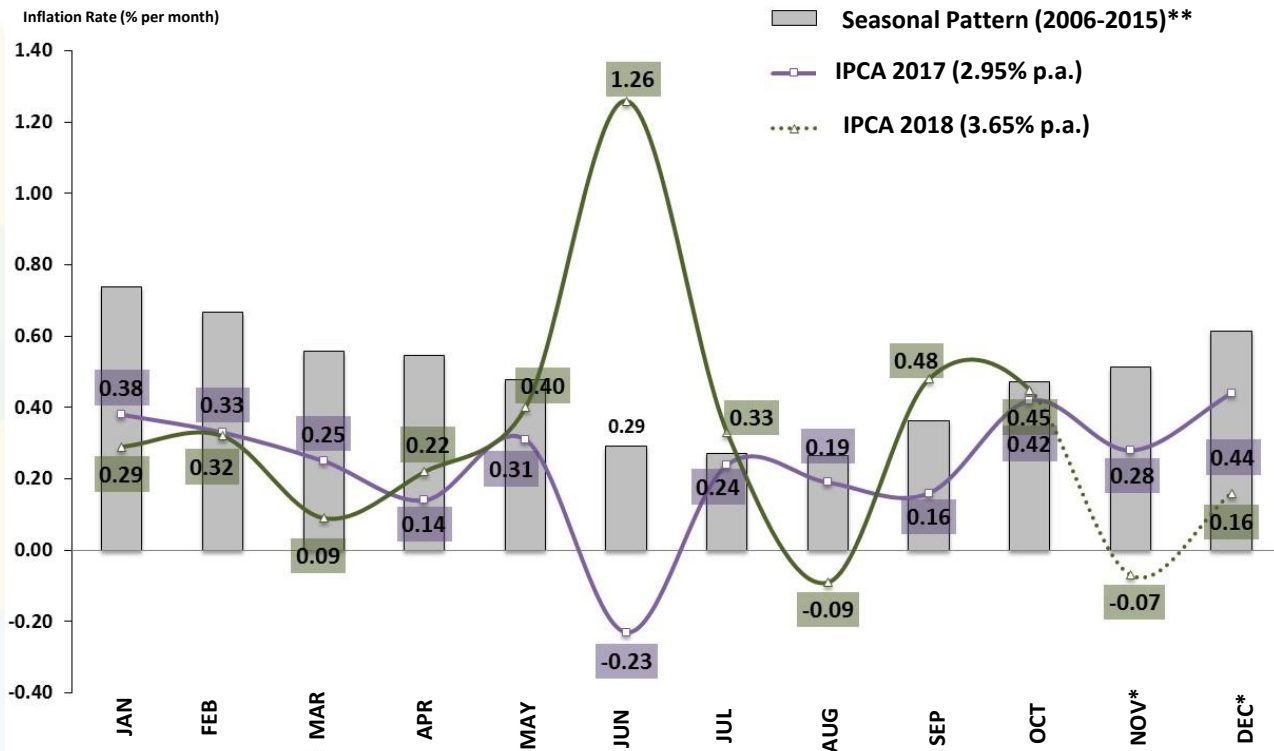
Consumer Price Index (IPCA) and Subindexes

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



Source: IBGE/MP.

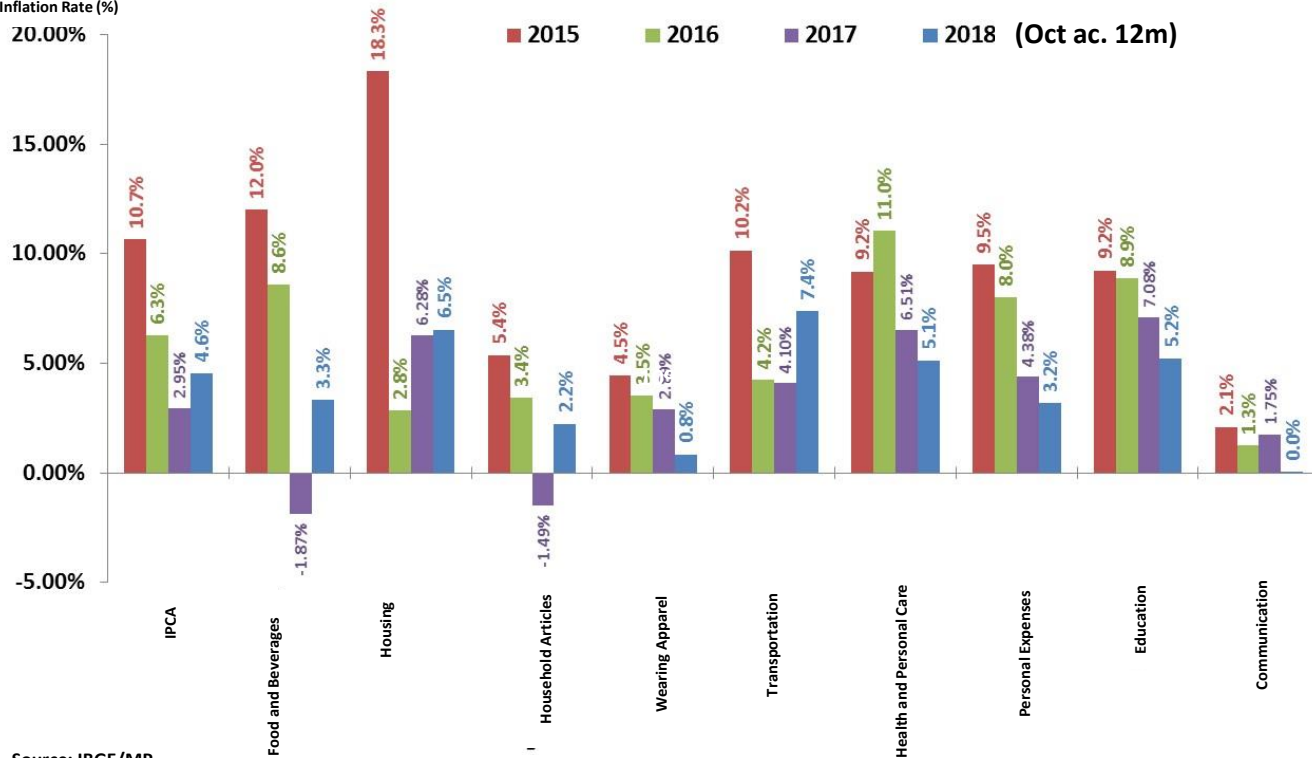
Consumer Price Index (IPCA) and Seasonal Pattern



Sources: IBGE/MP and Central Bank of Brazil. *BCB-Focus Survey of 11/30/2018, median of market expectations. **Seasonal pattern estimated by SEPLAN/MP.

Consumer Price Index (IPCA) by Groups

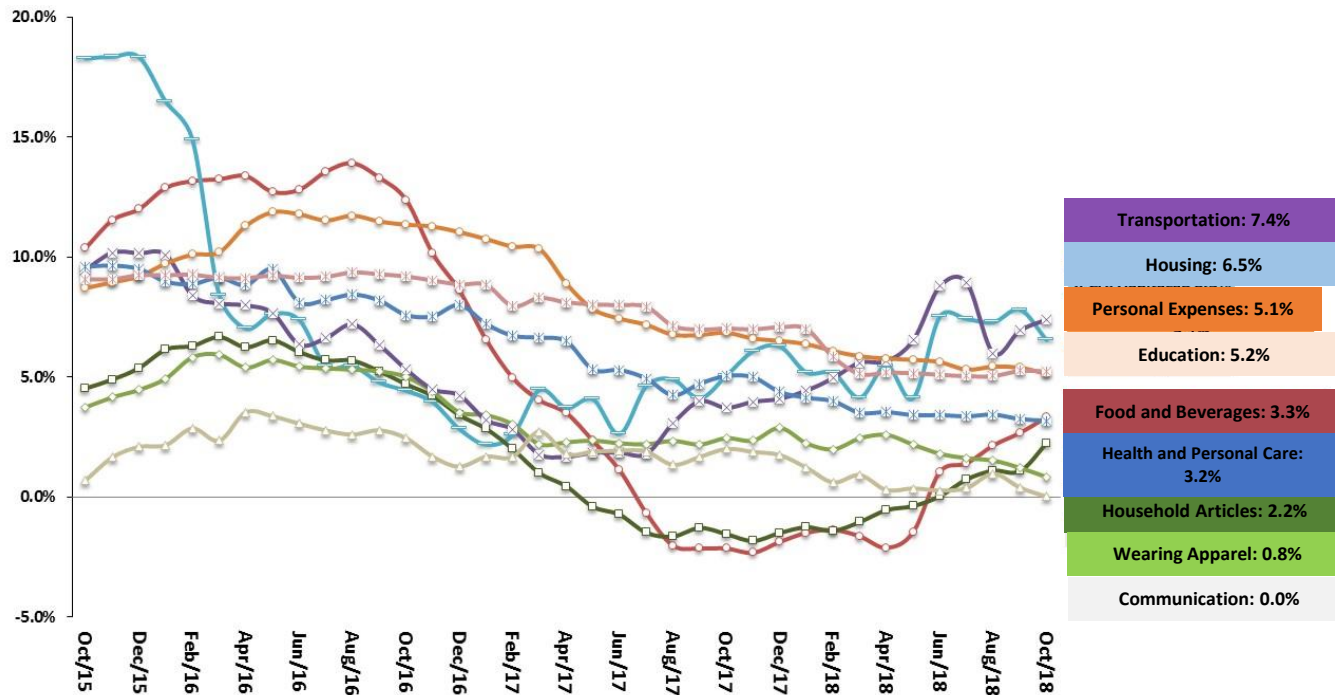
IPCA and components – by Groups
Inflation Rate (%)



Source: IBGE/MP.

Consumer Price Index (IPCA) by Groups

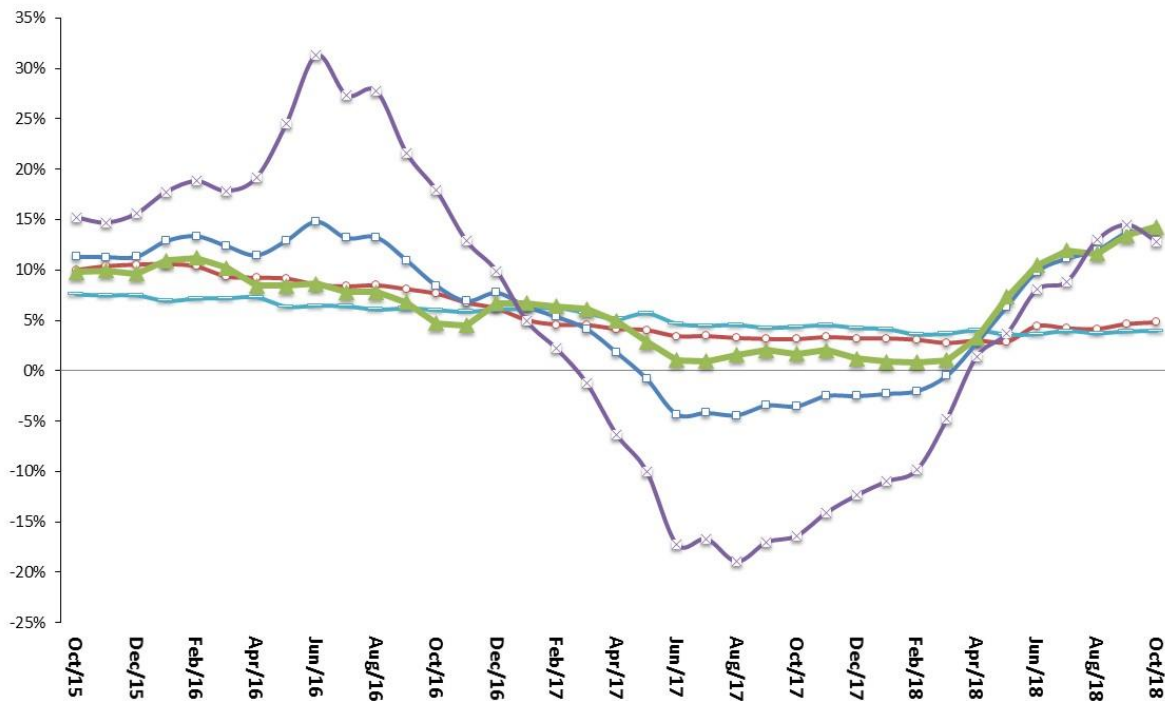
IPCA Groups
12-months accumulated rate (%)



Source: IBGE.

General Price Index (IGP-DI) by Subindexes

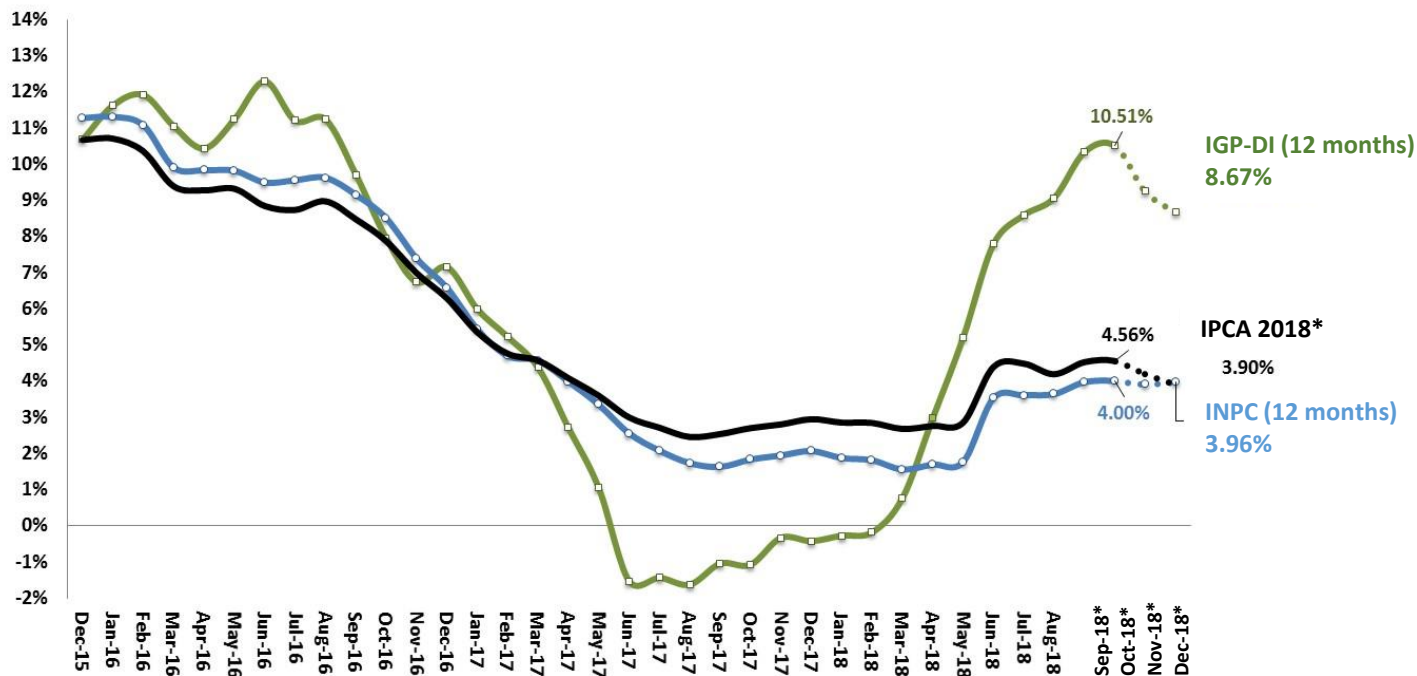
General Prices Subindexes
12-months accumulated rate (%)



Source: FGV.

Major Inflation Indexes

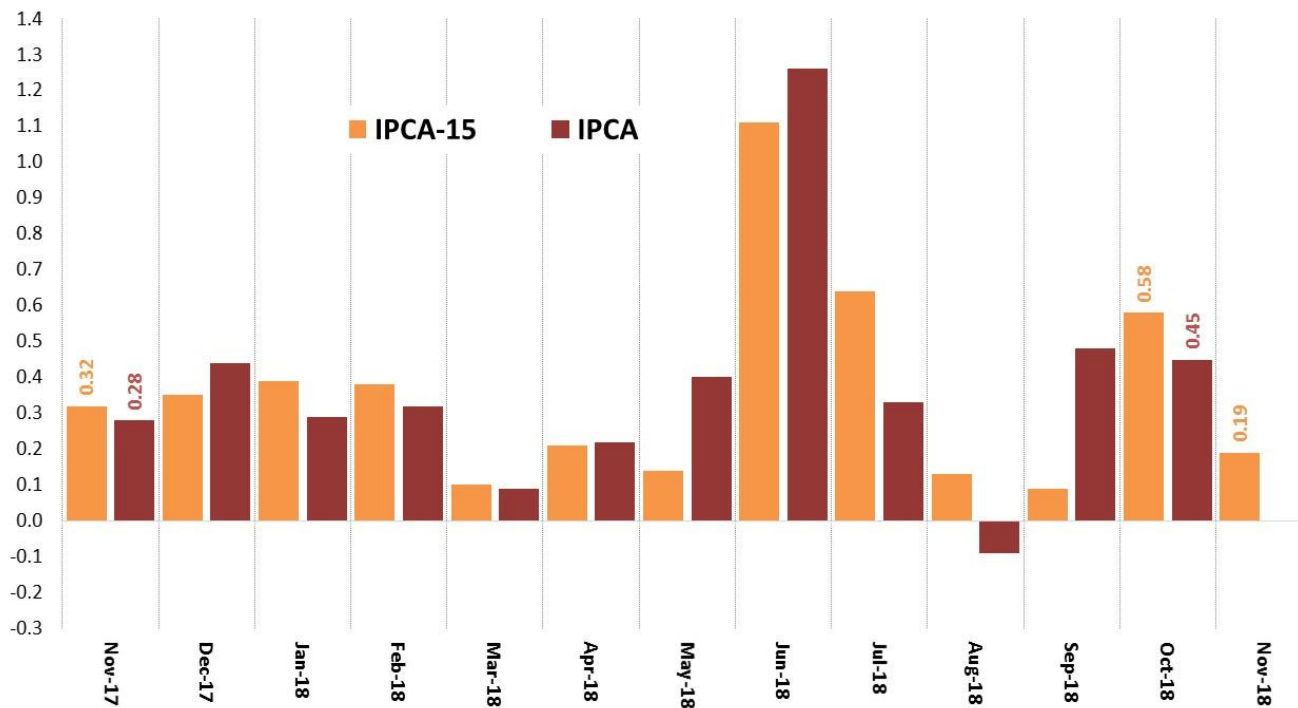
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 11/30/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

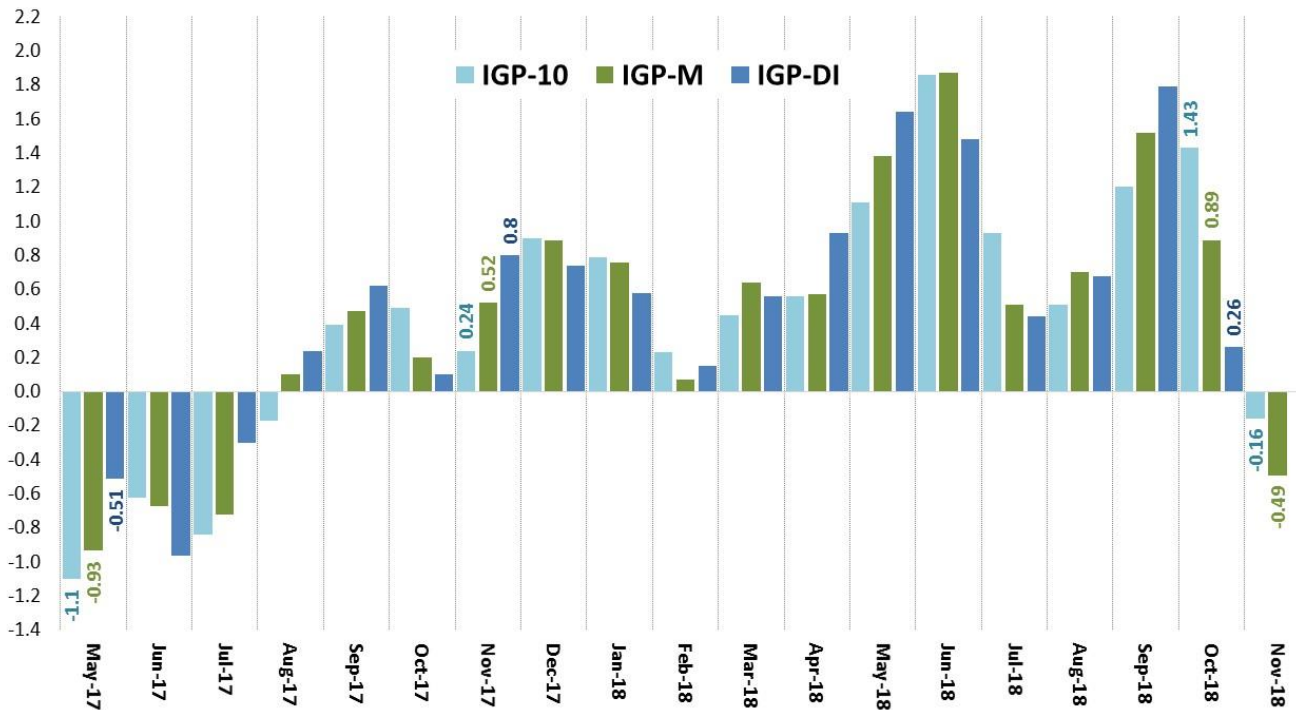
IPCA-15 and IPCA
By release order



Source: IBGE.

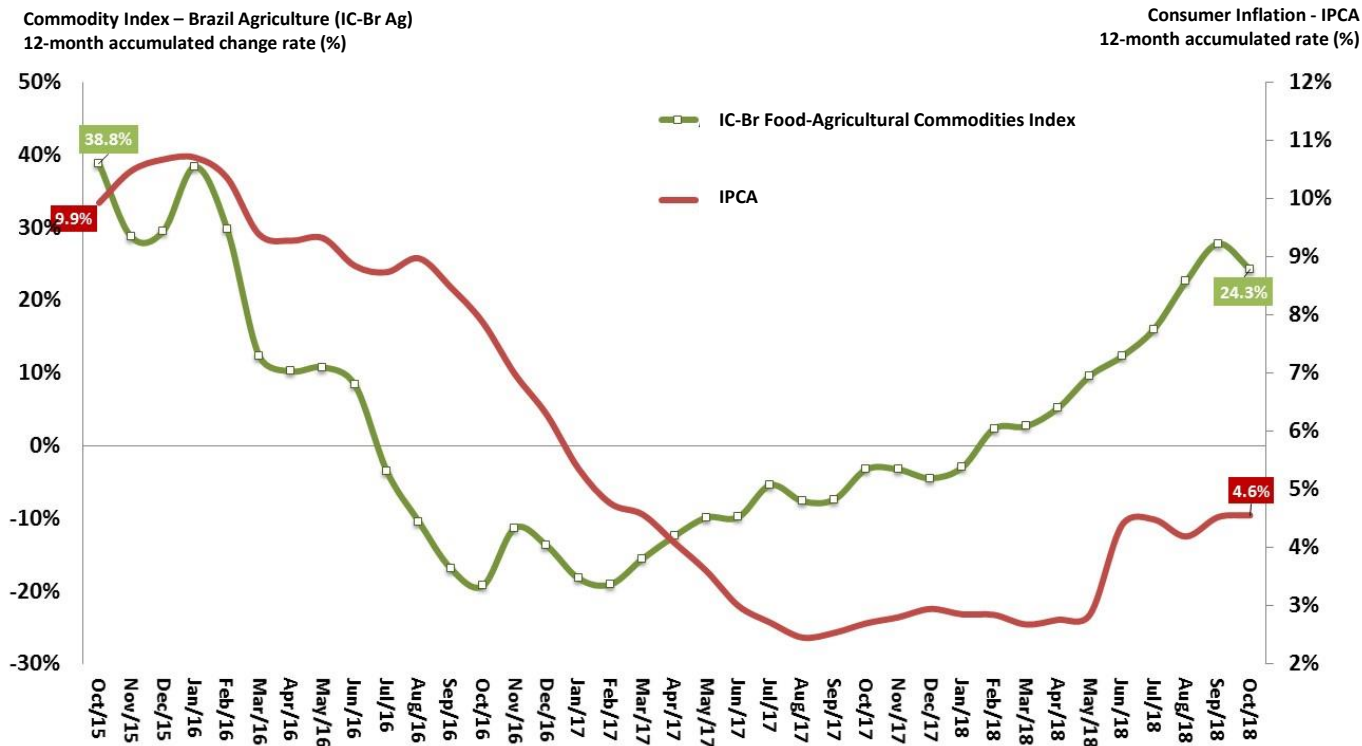
FGV: Monthly General Price Indexes

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



Source: FGV.

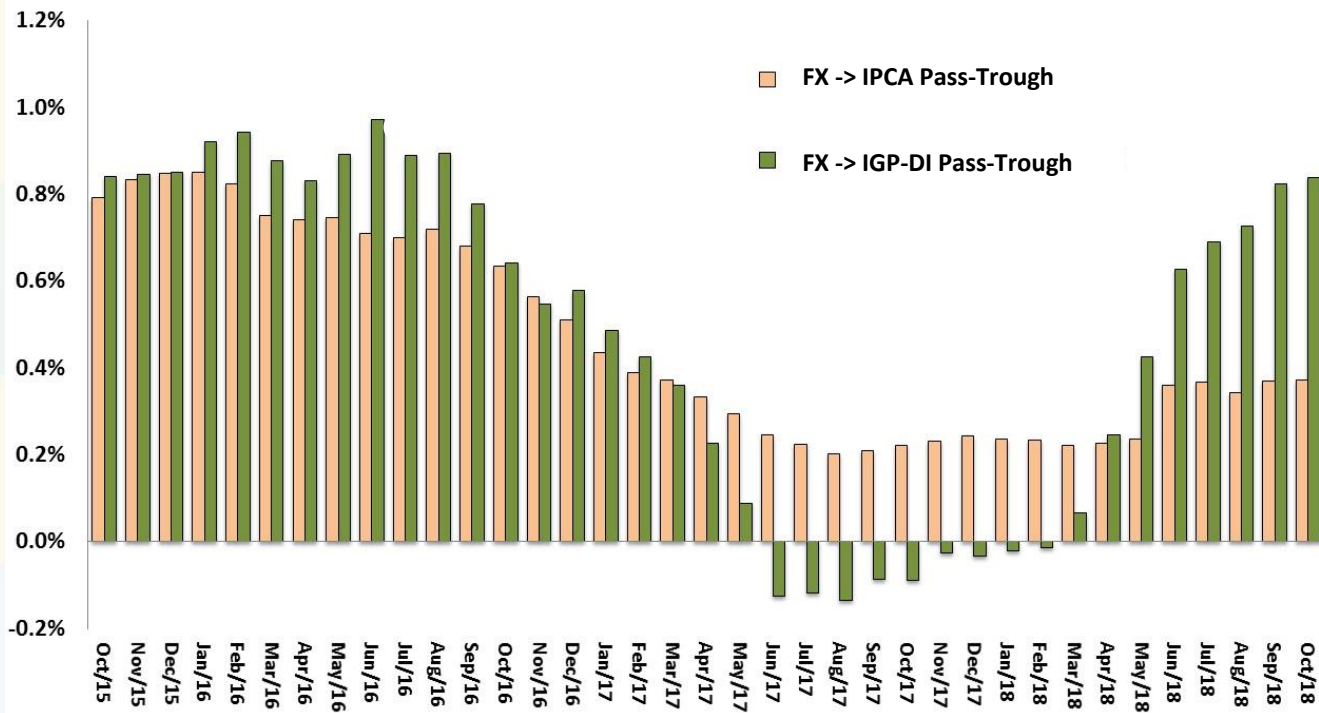
Consumer Price Index and Commodity Index (Brazil Agriculture)



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



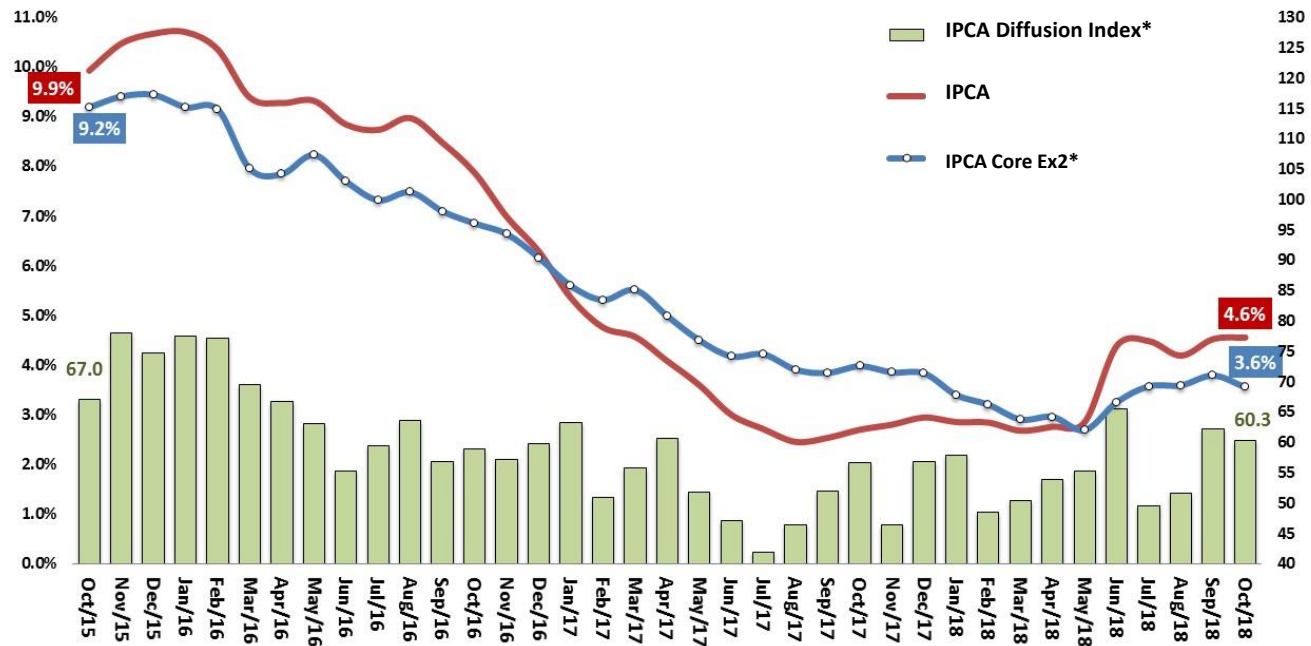
Sources: IBGE/MP and FGV. Note: Pass-Through series estimated by SEPLAN/MP.

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.



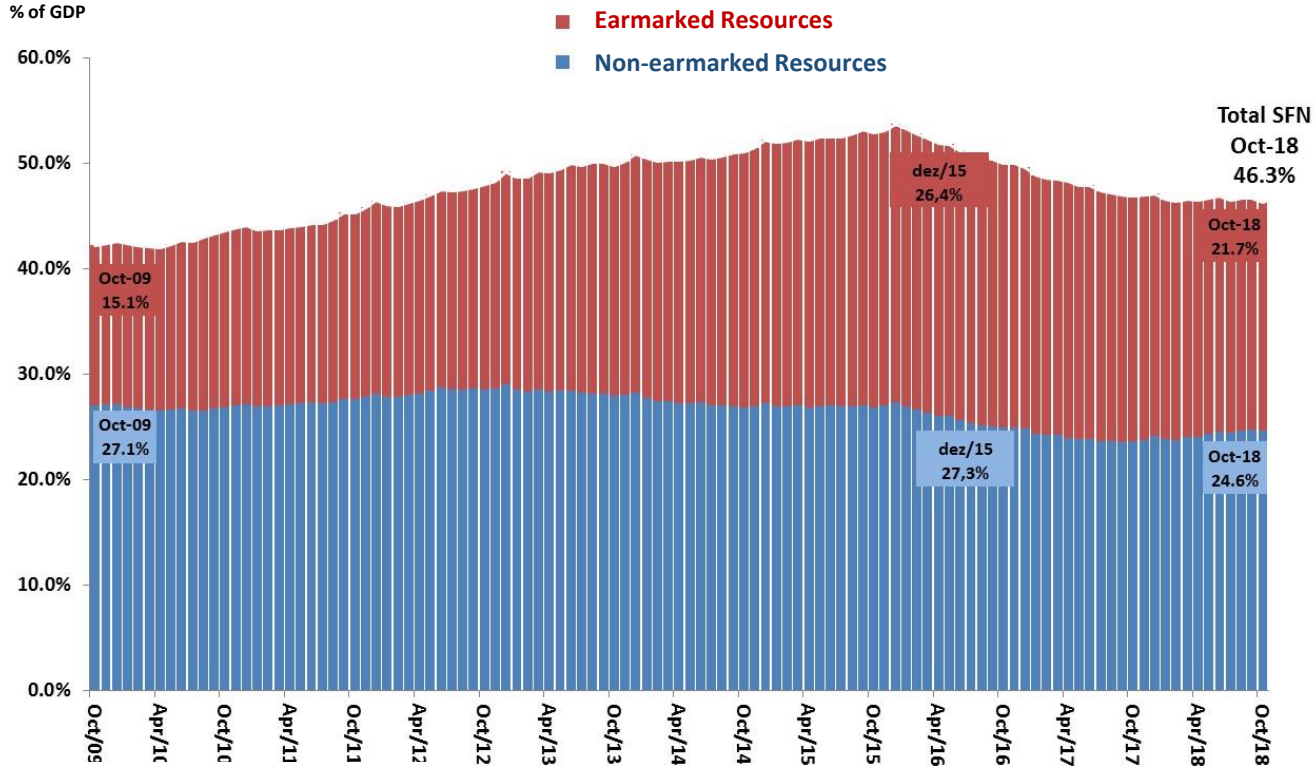
CREDIT MARKET

Credit Market

Credit Market (BCB)	October-18										
End-of-Period Outstanding Credit (in R\$ billions)	Dec-16	Dec-17	Oct-18	% of Total Credit dez/yy	% of Total Credit dez/yy	% of Total Credit out/yy	chg.% dez/yy-dez/yy	chg.% out/yy-dez/yy	% of GDP dez/yy	% of GDP dez/yy	% of GDP out/yy
Total Credit to the National Financial System (NFS)	3,106.2	3,091.5	3,164.6	100.0%	100.0%	100.0%	-0.5%	2.4%	49.6%	47.1%	46.3%
<i>by type of borrower</i>											
Public Sector (incl. State-Owned Enterprises)	235.9	221.3	217.4	7.6%	7.2%	6.9%	-6.2%	-1.7%	3.8%	3.4%	3.2%
Private Sector	2,870.3	2,870.3	2,947.2	92.4%	92.8%	93.1%	0.0%	2.7%	45.9%	43.8%	43.1%
Non-Financial Corporations	1,545.2	1,442.0	1,418.4	49.7%	46.6%	44.8%	-6.7%	-1.6%	24.7%	22.0%	20.7%
Households	1,560.9	1,649.5	1,746.2	50.3%	53.4%	55.2%	5.7%	5.9%	24.9%	25.1%	25.5%
<i>by type of lender</i>											
Public Financial Institutions	1,729.7	1,672.3	1,648.5	55.7%	54.1%	52.1%	-3.3%	-1.4%	27.6%	25.5%	24.1%
National Private Financial Institutions	976.8	994.8	1,052.9	31.4%	32.2%	33.3%	1.8%	5.8%	15.6%	15.2%	15.4%
Foreign Private Financial Institutions	399.6	424.5	463.2	12.9%	13.7%	14.6%	6.2%	9.1%	6.4%	6.5%	6.8%
<i>by type of credit</i>											
Earmarked Resources	1,549.5	1,506.9	1,482.2	49.9%	48.7%	46.8%	-2.8%	-1.6%	24.8%	23.0%	21.7%
Housing	241.6	245.9	257.5	7.8%	8.0%	8.1%	1.8%	4.7%	3.9%	3.7%	3.8%
Rural	605.7	624.8	635.2	19.5%	20.2%	20.1%	1.7%	1.7%	9.7%	9.5%	9.3%
BNDES Development Bank	601.0	538.6	493.7	19.3%	17.4%	15.6%	-10.4%	-8.3%	9.6%	8.2%	7.2%
Others	101.2	97.5	95.8	3.3%	3.2%	3.0%	-3.7%	-1.7%	1.6%	1.5%	1.4%
Non-Financial Corporations	797.7	708.8	652.8	25.7%	22.9%	20.6%	-11.1%	-7.9%	12.7%	10.8%	9.5%
Households	751.8	798.0	829.3	24.2%	25.8%	26.2%	6.1%	3.9%	12.0%	12.2%	12.1%
Non-earmarked Resources	1,556.6	1,584.7	1,682.4	50.1%	51.3%	53.2%	1.8%	6.2%	24.9%	24.2%	24.6%
Non-Financial Corporations	747.5	733.2	765.6	24.1%	23.7%	24.2%	-1.9%	4.4%	11.9%	11.2%	11.2%
Households	809.1	851.5	916.8	26.0%	27.5%	29.0%	5.2%	7.7%	12.9%	13.0%	13.4%
Non-earmarked Resources (BCB)	October-18										
	Dec-16	Dec-17	Oct-18	% of Total Credit dez/yy	% of Total Credit dez/yy	% of Total Credit out/yy	chg.% dez/yy-dez/yy	chg.% out/yy-dez/yy	% of GDP dez/yy	% of GDP dez/yy	% of GDP out/yy
<i>New Loans, Spread and Delinquency Rates</i>											
New Loans (12-months accum. in R\$ billions)	2,859.5	2,990.1	3,305.1	100.0%	100.0%	100.0%	4.6%	10.5%	45.7%	45.6%	48.3%
Non-Financial Corporations	1,301.9	1,292.9	1,465.4	45.5%	43.2%	44.3%	-0.7%	13.3%	20.8%	19.7%	21.4%
Households	1,557.6	1,697.2	1,823.4	54.5%	56.8%	55.8%	9.0%	7.4%	24.9%	25.9%	26.8%
Spread (in pp per year)	39.9	31.9	28.7				-8.1 pp	-3.2 pp			
Non-Financial Corporations	16.5	13.7	12.1				-2.8 pp	-1.6 pp			
Households	60.2	46.1	42.0				-14.0 pp	-4.1 pp			
Delinquency (% non-performing loans by 90 days or more)	5.6	4.9	4.2				-0.7 pp	-0.7 pp			
Non-Financial Corporations	5.2	4.5	3.3				0.8 pp	-1.2 pp			
Households	6.1	5.3	5.0				-0.1 pp	-0.3 pp			

Total Credit: Earmarked and Non-earmarked Resources

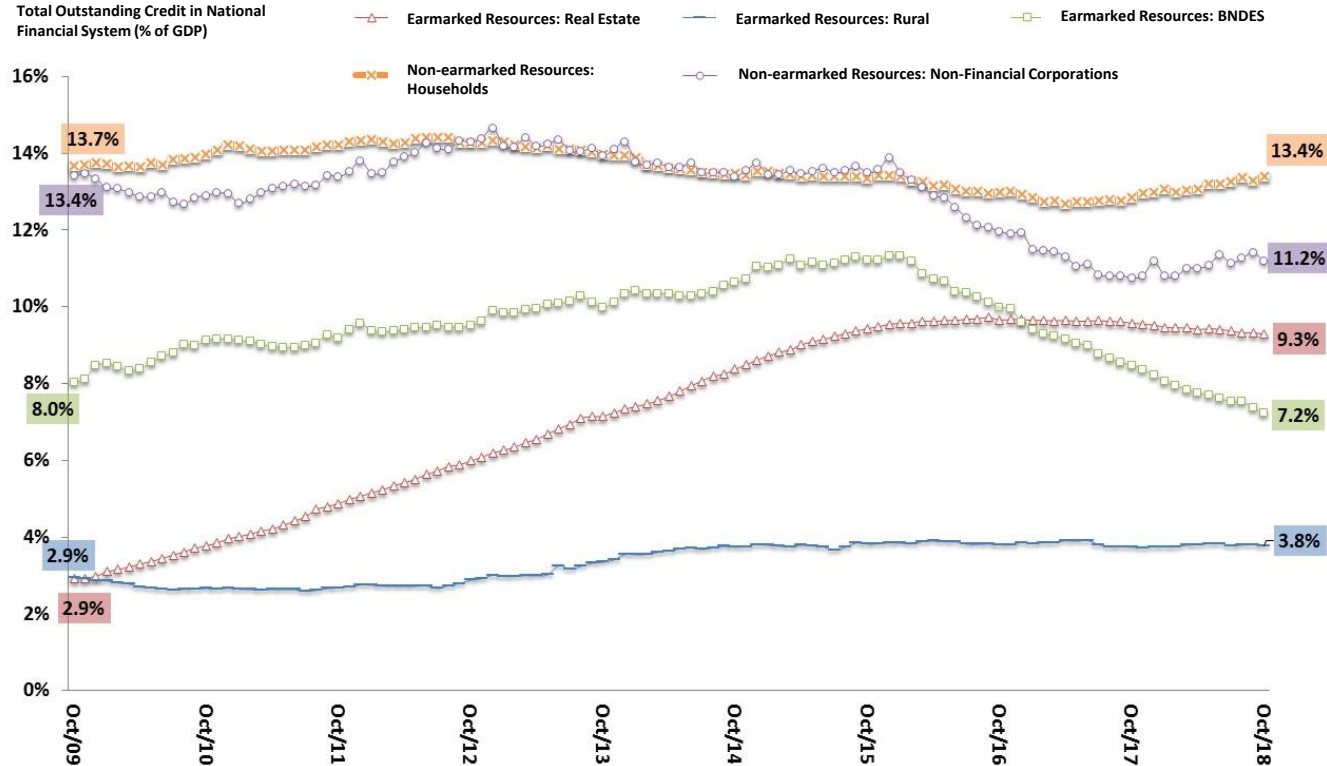
Total Outstanding Credit in National Financial System (SFN)
% of GDP



Source: Central Bank of Brazil.

Total Credit Evolution by Major Segments

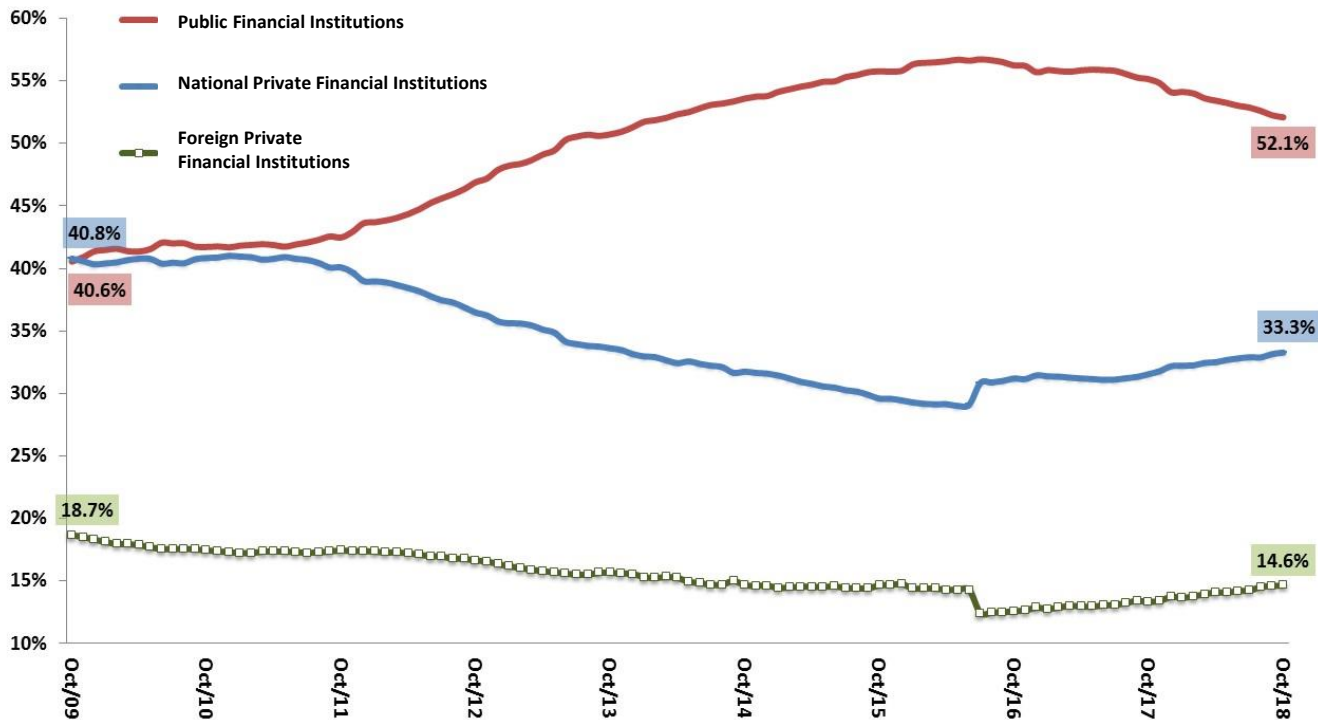
Total Outstanding Credit in National Financial System (% of GDP)



Source: Central Bank of Brazil.

Total Credit by Types of Financial Institutions

% of Total Outstanding Credit
to the National Financial System

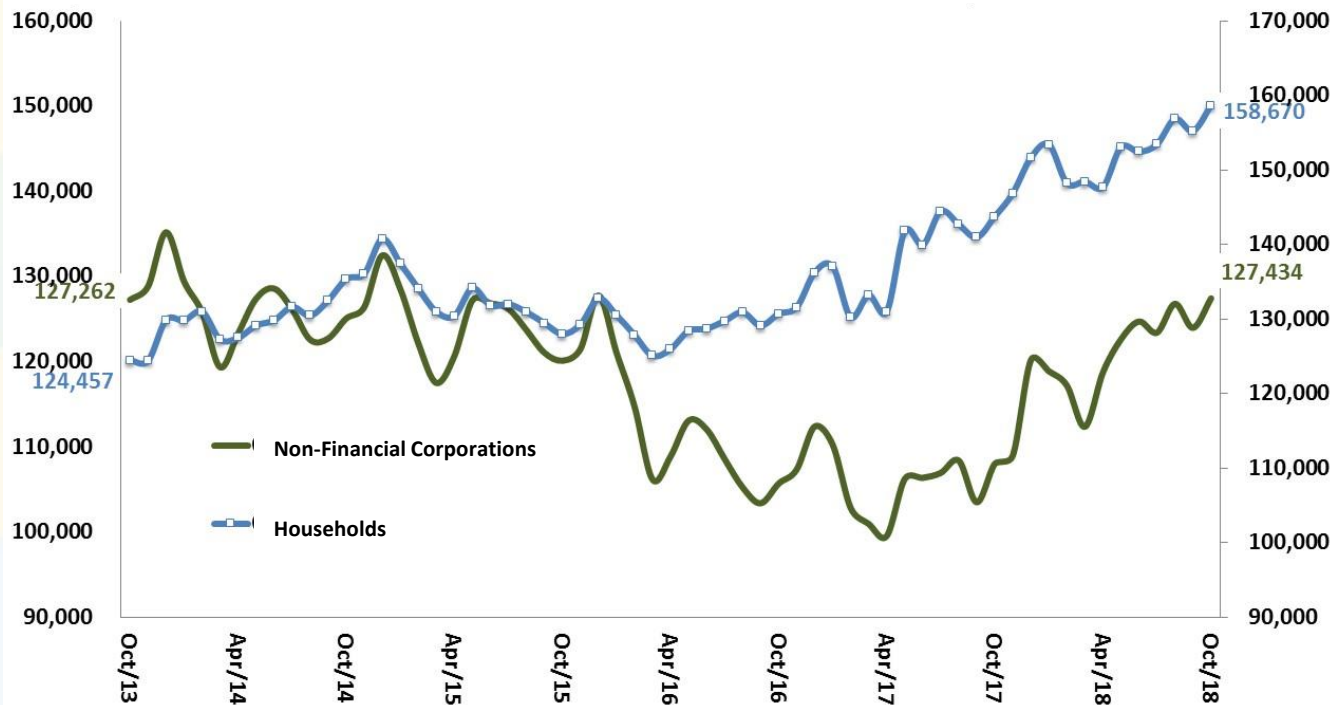


Source: Central Bank of Brazil.

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*

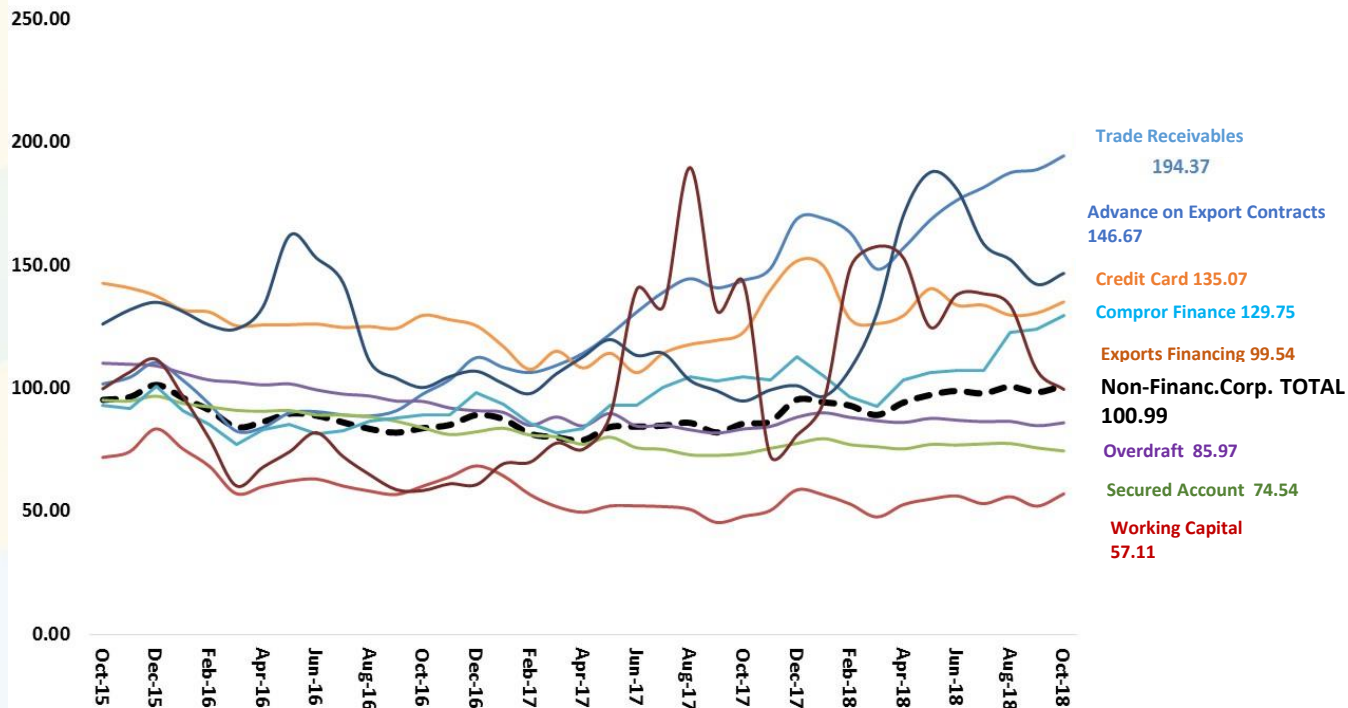
Daily Average of New Loans to Households
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*



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

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

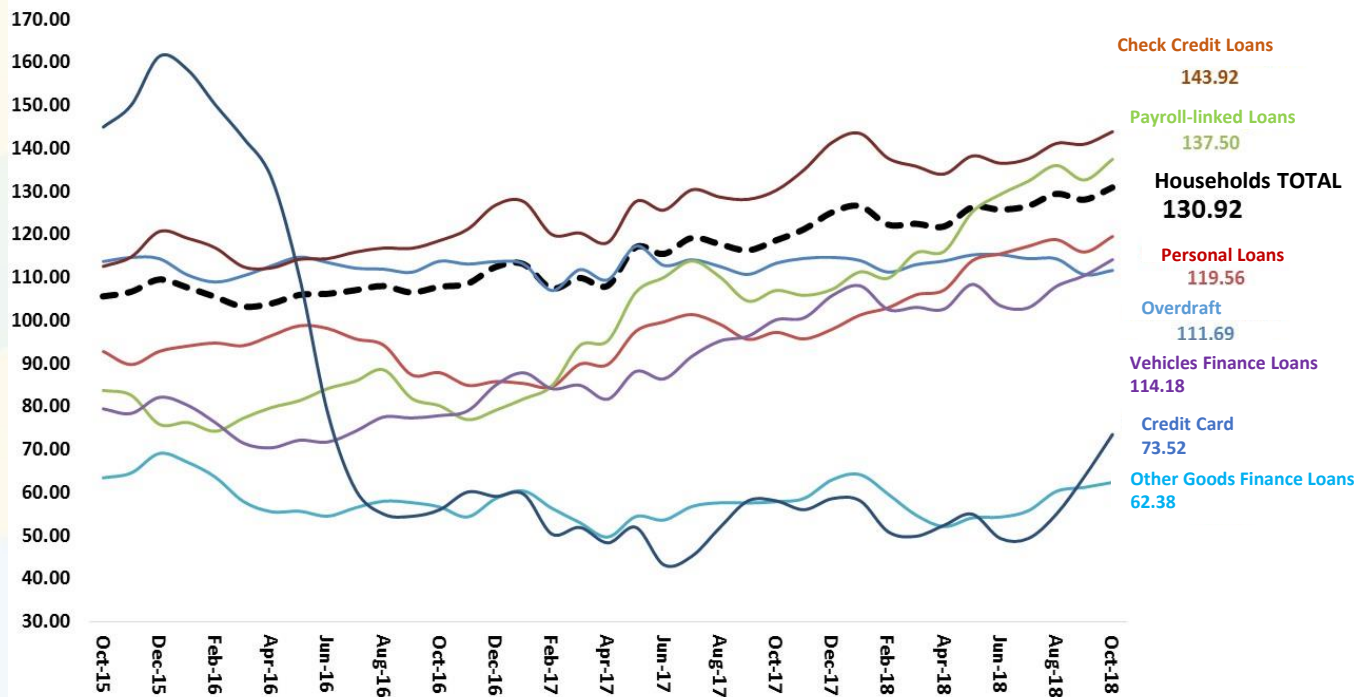
Daily Average of New Loans to Non-Financial Corporations – Last Month Real Values (IPCA)
3-Month Moving Average - Seasonally Adjusted* - Index: 2013=100



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

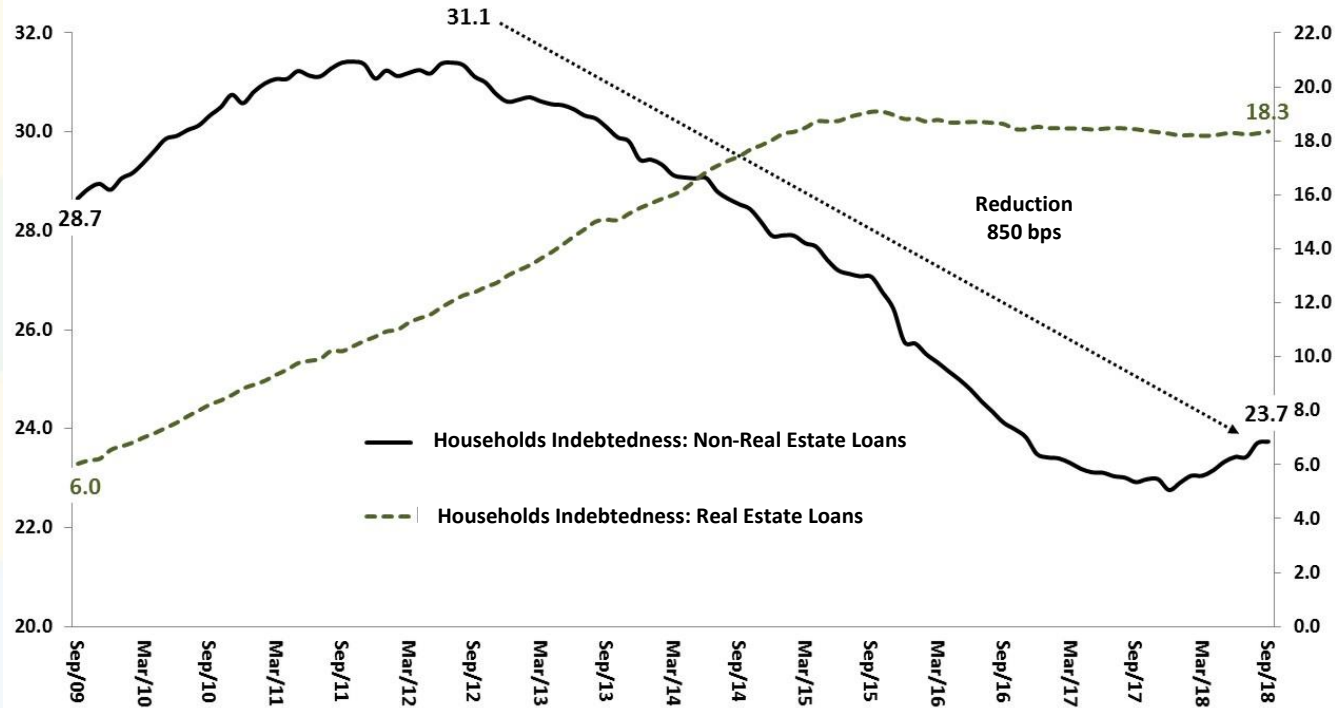


Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Households Indebtedness Rate

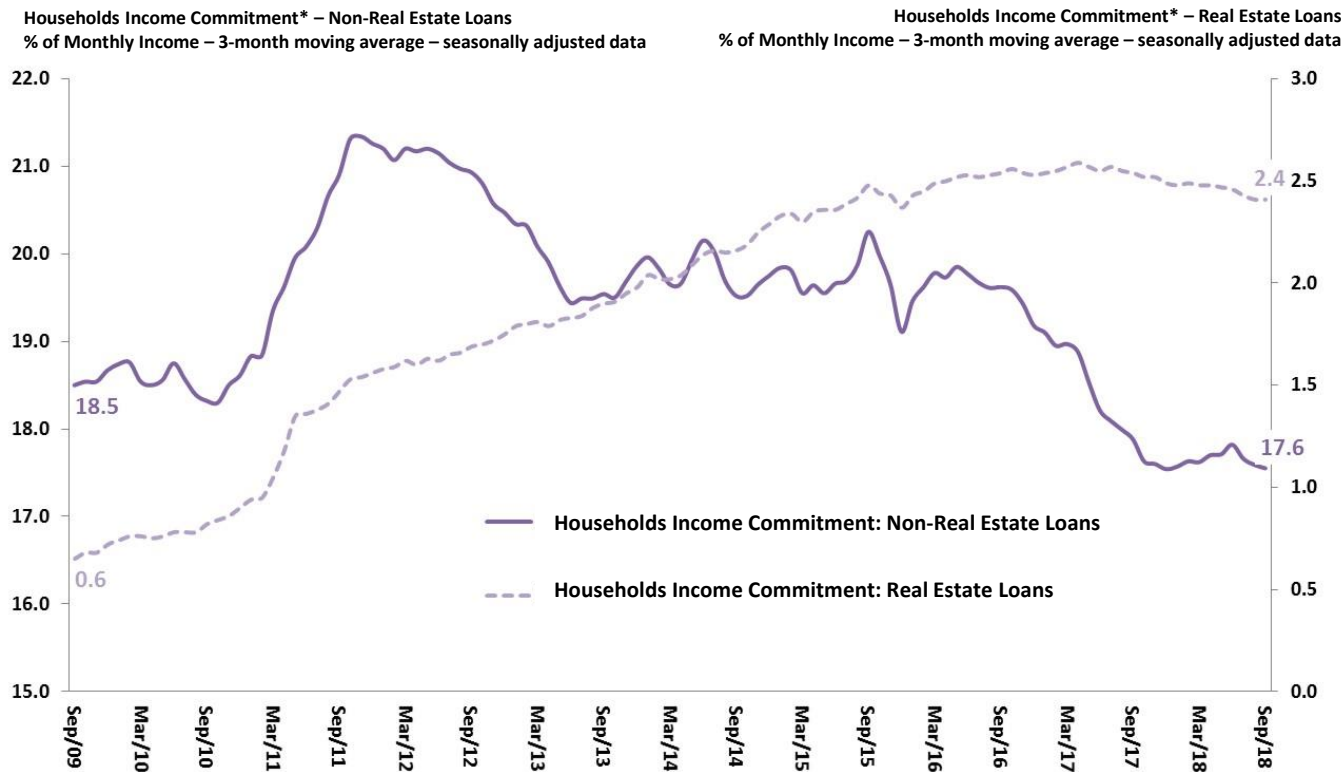
Households Indebtedness Rate* – Non-Real Estate Loans
% of 12-month Accumulated Income

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



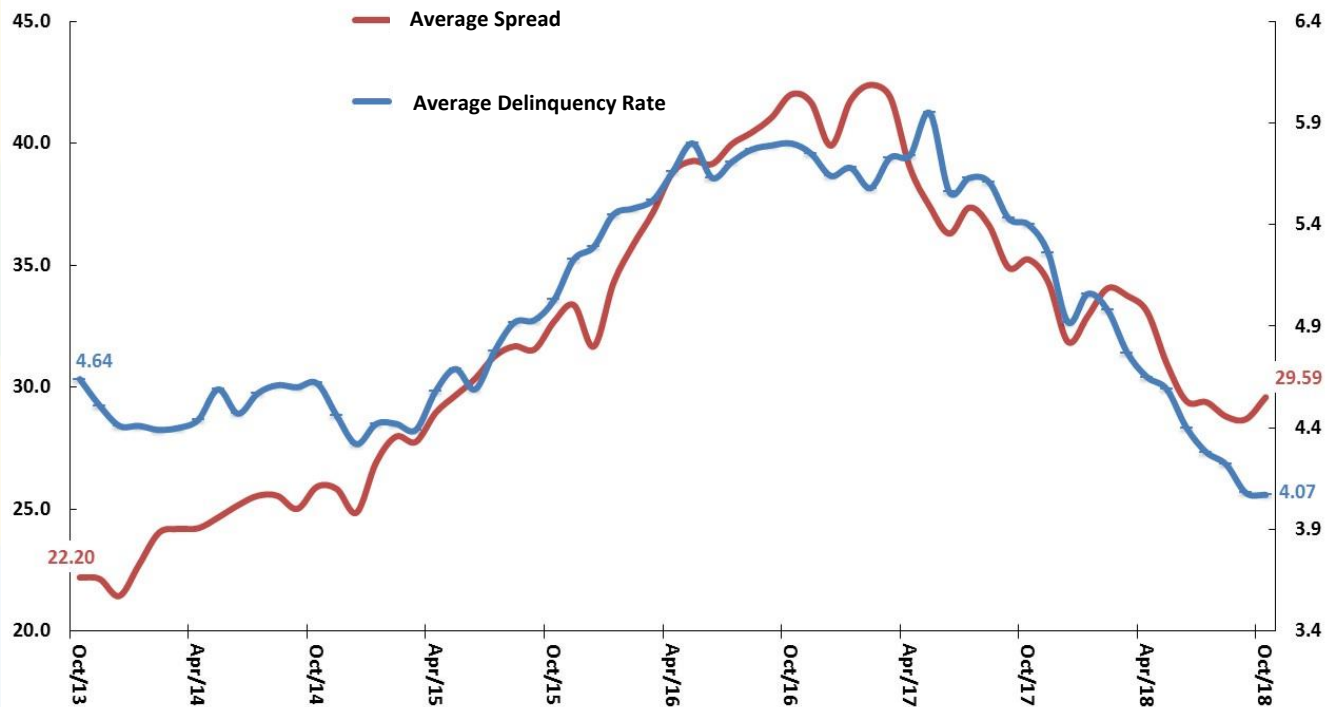
Source: Central Bank of Brazil.

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

Non-earmarked Resources: Spread and Delinquency Rates

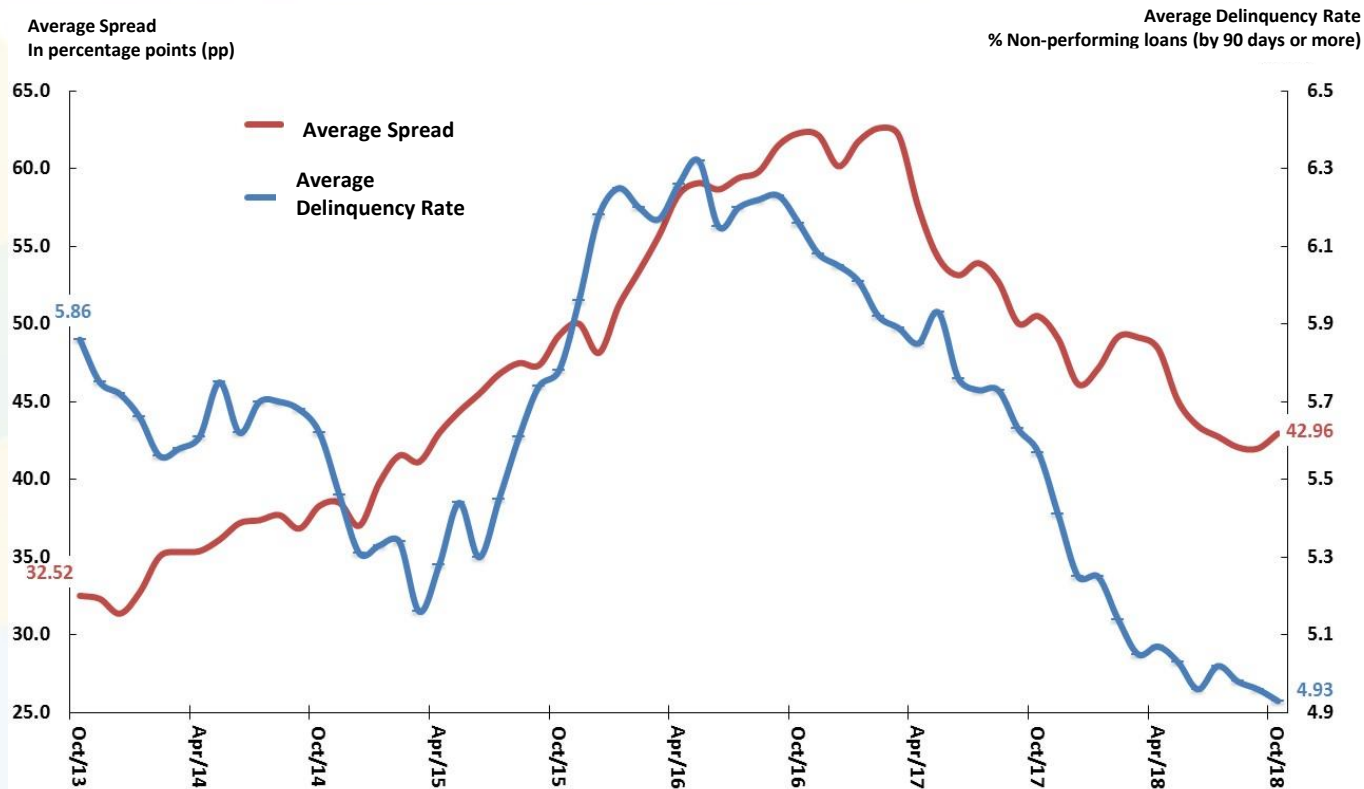
Average Spread
In percentage points (pp)

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



Source: Central Bank of Brazil.

Households Loans: Spread and Delinquency Rates

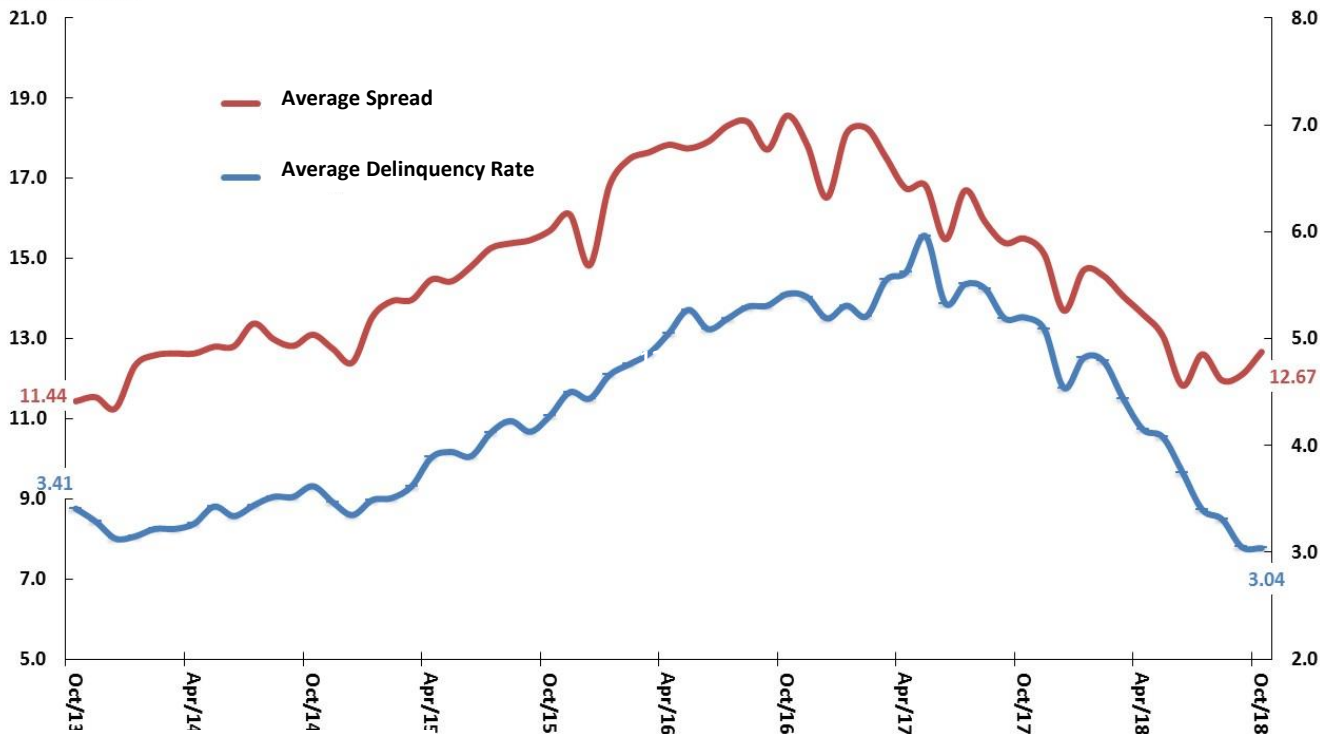


Source: Central Bank of Brazil.

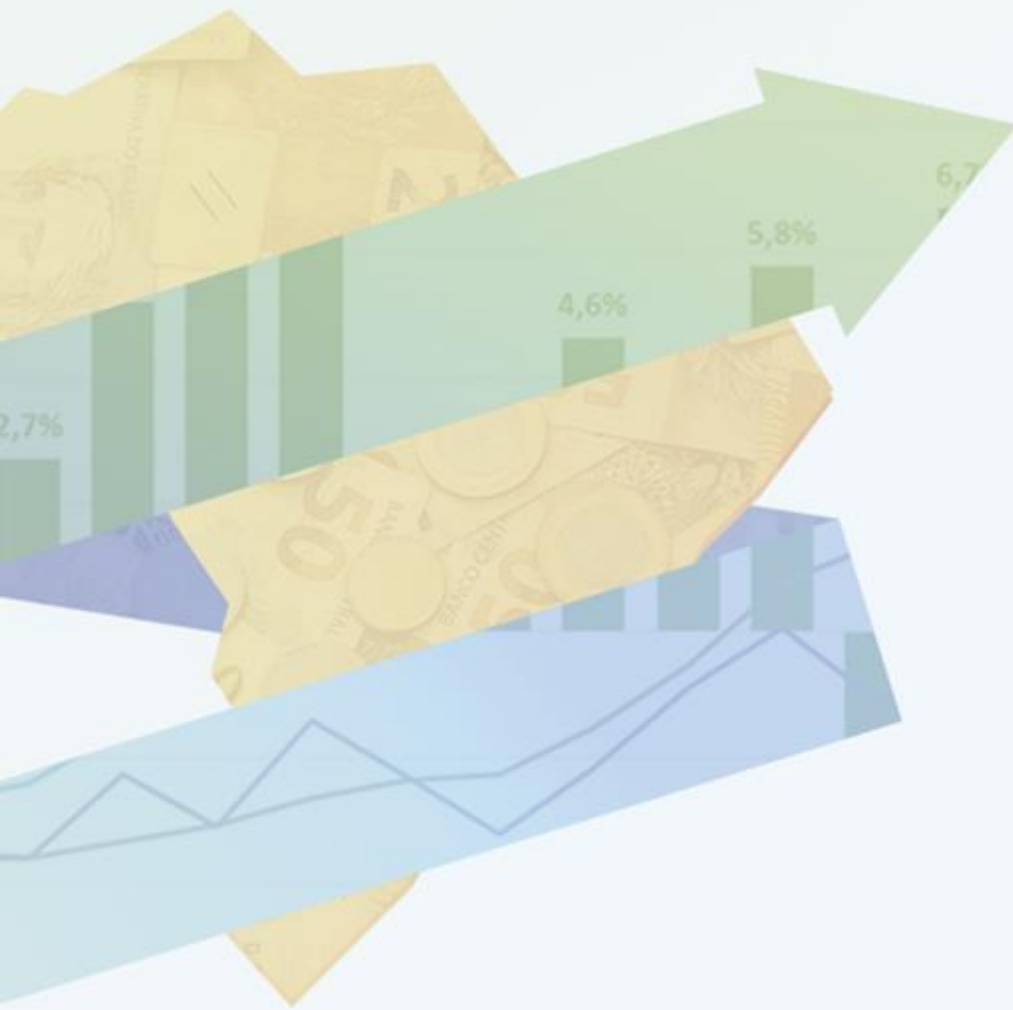
Non-Financial Corp. Loans: Spread and Delinquency Rates

Average Spread
In percentage points (pp)

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



Source: Central Bank of Brazil.



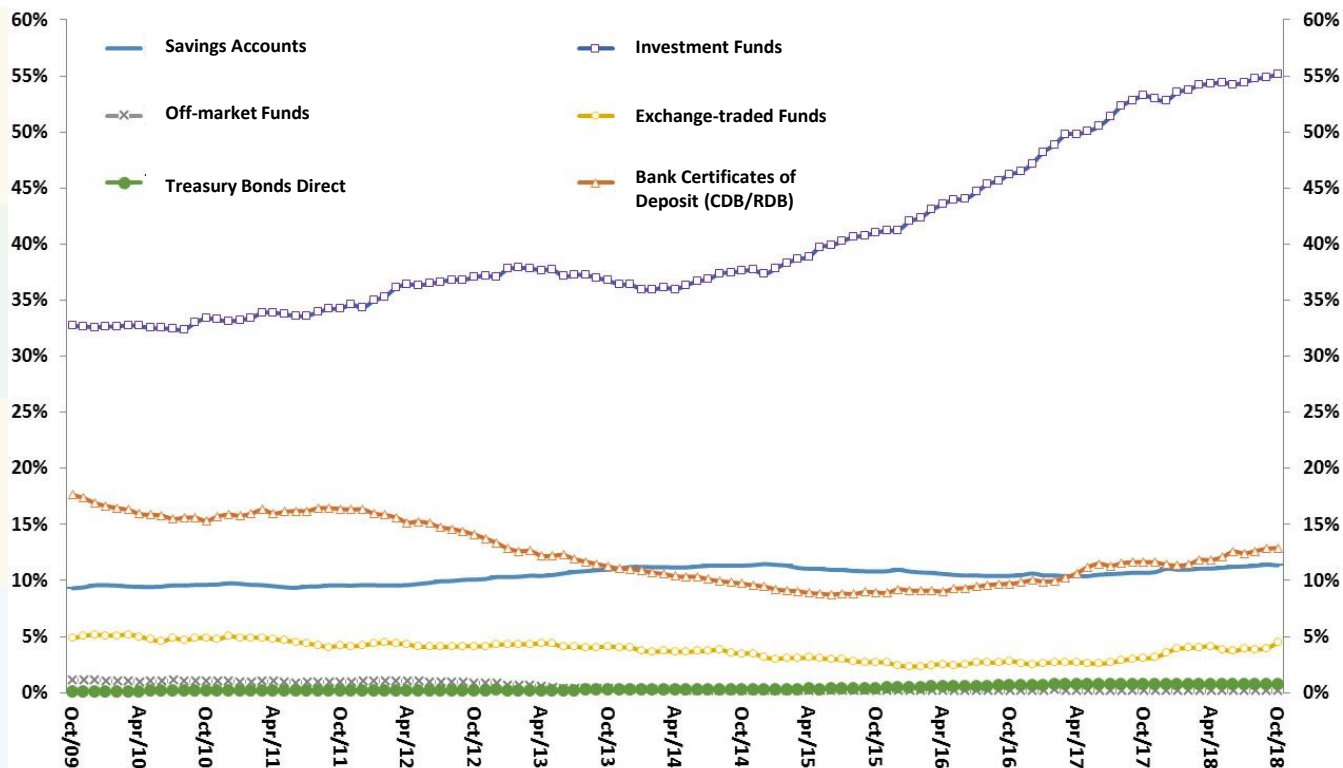
FINANCIAL MARKETS

Financial Markets

										BCB/Focus: 11/30/2018		
Financial Savings (BCB)	October-18											
Outstanding Positions - R\$ billions	Dec-16	Dec-17	Oct-17	Oct-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % out/yy- Dec/17	chg. % out/yy- out/yy				
Bank Certificates of Deposit (CDB/RDB)	627.4	749.1	757.5	882.3	13.6%	19.4%	17.8%	16.5%				
Savings Accounts (Cademeta de Poupança)	665.0	724.6	695.2	776.2	1.3%	9.0%	7.1%	11.6%				
Investment Funds	2,953.4	3,462.6	3,468.6	3,771.9	19.4%	17.2%	8.9%	8.7%				
Off-market Funds (Fundos Extramercado)	14.9	13.5	13.6	13.8	25.0%	-9.1%	2.1%	1.9%				
Exchange-traded Funds	158.1	232.5	199.7	304.9	9.7%	47.0%	31.1%	52.7%				
Treasury Bonds Direct (Tesouro Direto)	41.1	48.5	47.8	47.3	60.5%	18.1%	-2.4%	-1.1%				
BM&F-Bovespa - listed companies value as % of GDP	39.4%	48.2%	47.5%	51.6%	7.52 pp	8.77 pp	3.45 pp	4.11 pp				
Capital Market (CVM)	October-18											
New Public Offering - R\$ billions	Dec-16	Dec-17	Oct-17	Oct-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % out/yy- Dec/17	chg. % out/yy- out/yy				
Stocks	0.5	8.4	7.5	3.4	-96.7%	1462.8%	-100.0%	-100%				
Debentures	21.9	6.4	6.4	2.7	5.9%	-70.9%	-	-84.6%				
Housing Credit-backed Securities (CRI)	11.3	12.0	10.4	4.6	191.9%	5.9%	-63.2%	-81.5%				
Investment Funds - new shares	2.1	5.2	4.1	14.6	-63.5%	150.0%	28.8%	119.2%				
Monet Market (BCB)	November-18											
	Dec-16	Dec-17	Nov-17	Nov-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % nov/yy- Dec/17	chg. % nov/yy- nov/yy				
Interest Rates												
Selic market rate (% py)	13.65	7.00	7.40	6.40	-0.5 pp	-6.7 pp	-0.6 pp	-1.0 pp				
CDI (% py)	13.63	6.99	7.39	6.40	-0.5 pp	-6.6 pp	-0.6 pp	-1.0 pp				
Swap DI-Pre 180 days (% py)	12.45	6.67	6.84	6.54	-2.7 pp	-5.8 pp	-0.1 pp	-0.3 pp				
Swap DI-Pre 360 days (% py)	11.56	6.86	7.02	6.91	-4.3 pp	-4.7 pp	0.0 pp	-0.1 pp				
Monet Market (BCB)	December-18											
	Dec-16	Dec-17	Dec-17	Dec-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % dez/yy- Dec/17	chg. % dez/yy- dez/yy	2018	2019	2020	
Selic target rate (% py)	13.75	7.00	7.00	6.50	-0.5 pp	-6.75 pp	-0.5 pp	-0.5 pp	7.75%	8.00%	8.00%	
TJLP (% py)	7.50	7.00	7.00	6.98	0.5 pp	-0.5 pp	-0.02 pp	-0.02 pp				
Brazil Sovereign Risk (BCB)	November-18											
Monthly Average (in basis points)	Dec-16	Dec-17	Nov-17	Nov-18	chg. pp Dec/16 / Dec/15	chg. pp Dec/17 / Dec/16	chg. % nov/yy- Dec/17	chg. % nov/yy- nov/yy				
EMBI+ (JPMorgan)	328	240	241	278	-195 pp	-88 pp	38 pp	37 pp				
5 years CDS	281	162	171	210	-214 pp	-119 pp	48 pp	40 pp				
10 years CDS	360	259	272	290	-199 pp	-100 pp	31 pp	18 pp				

Major Financial Savings Instruments

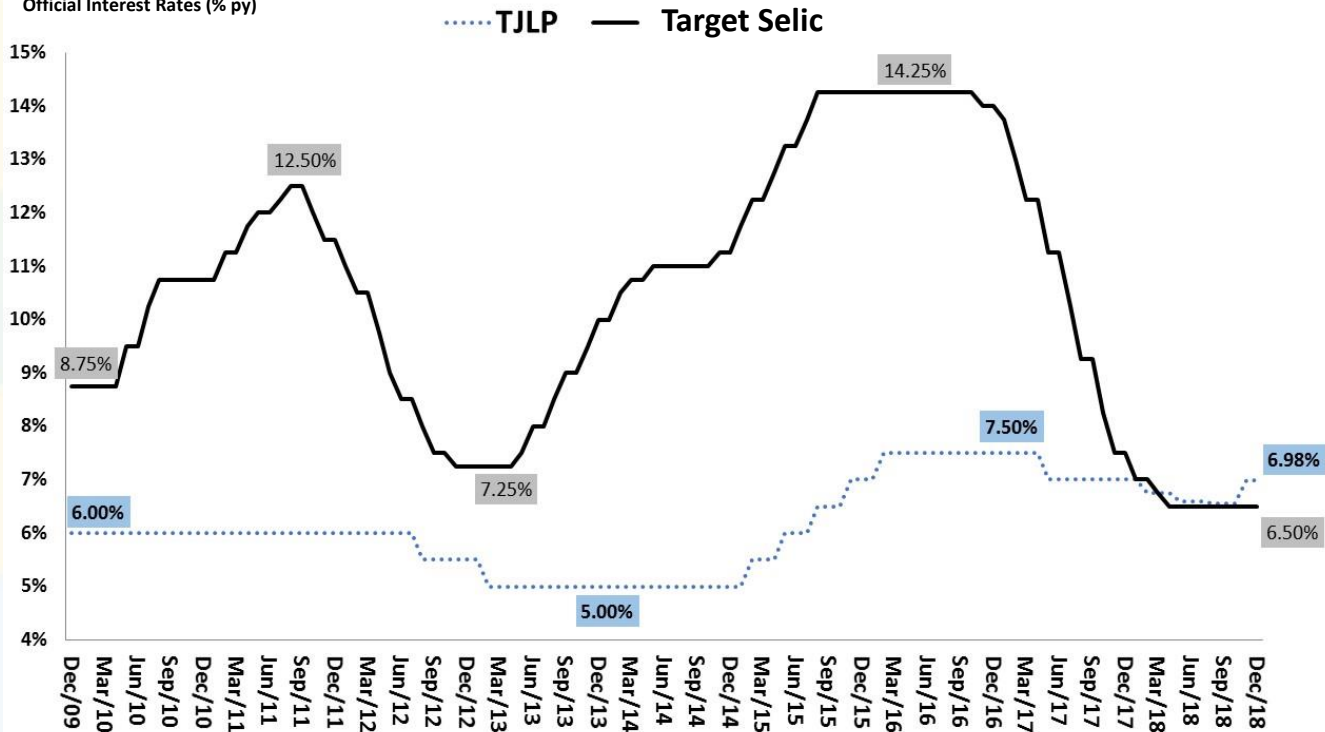
Outstanding Position as % of GDP



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

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

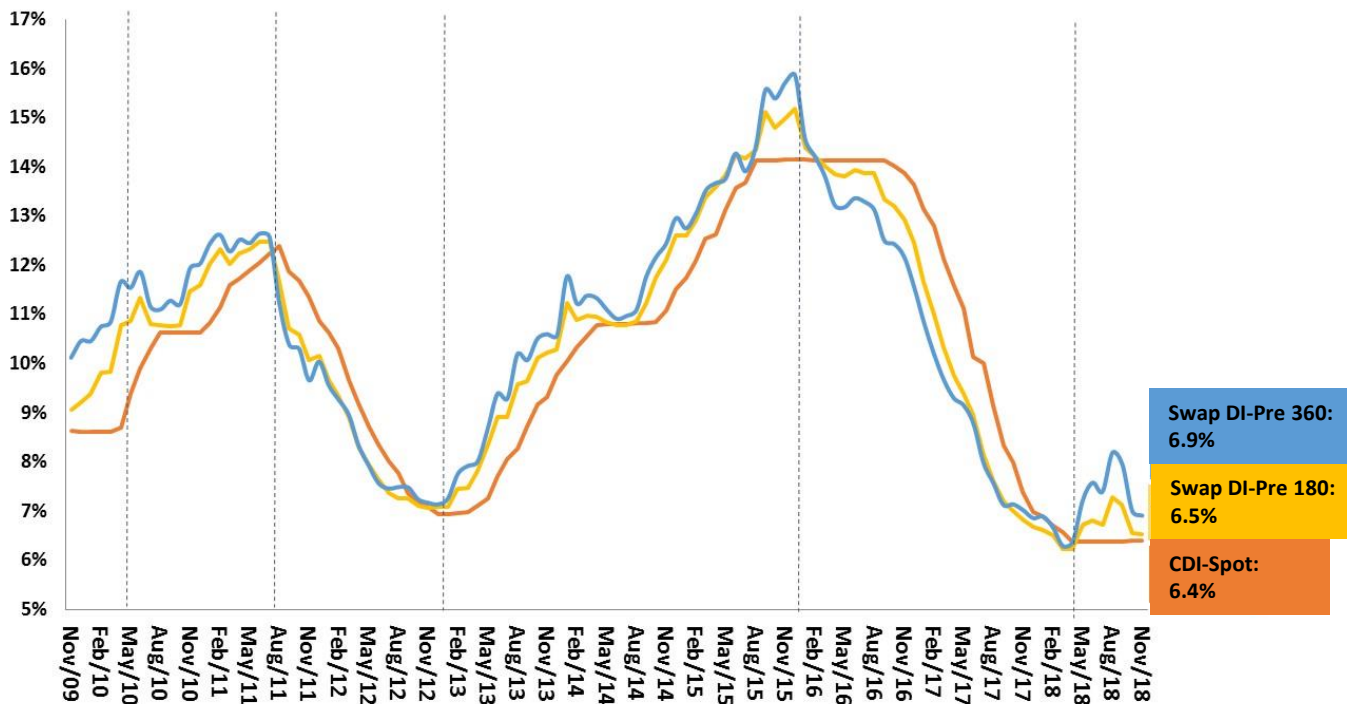


Source: Central Bank of Brazil.

Term Structure of Interbank Interest Rate

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

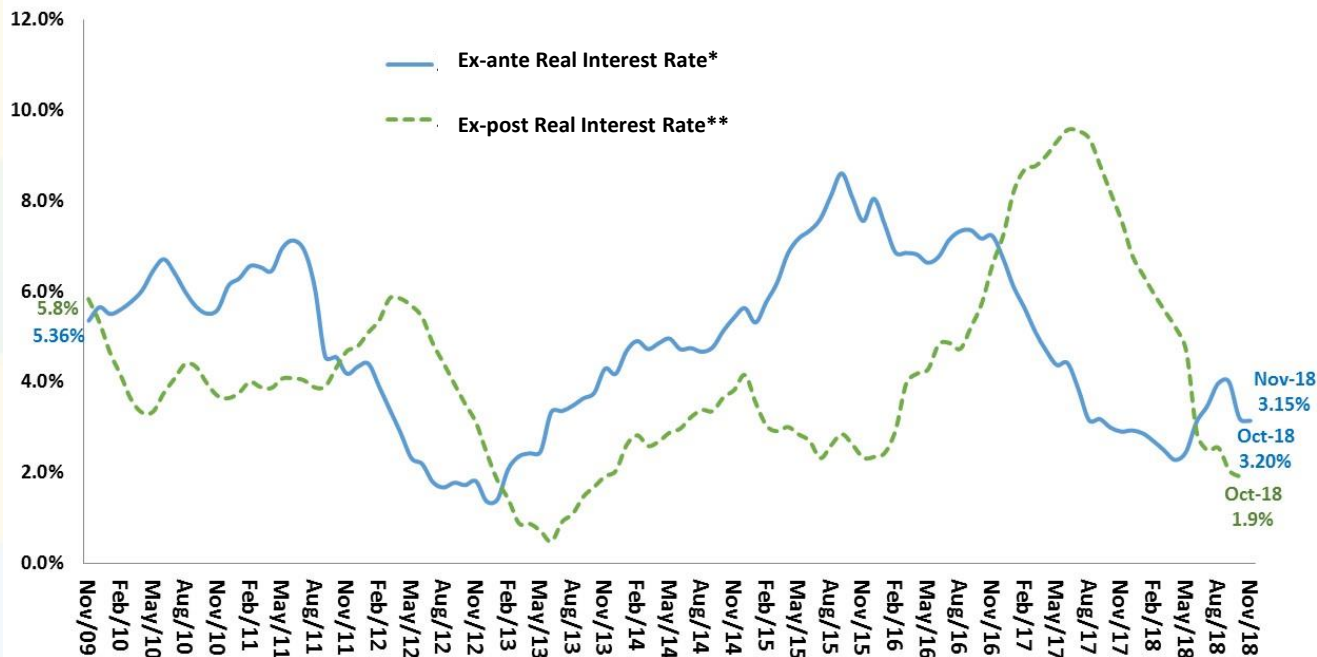
Reverse Points of Yield Curve



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.

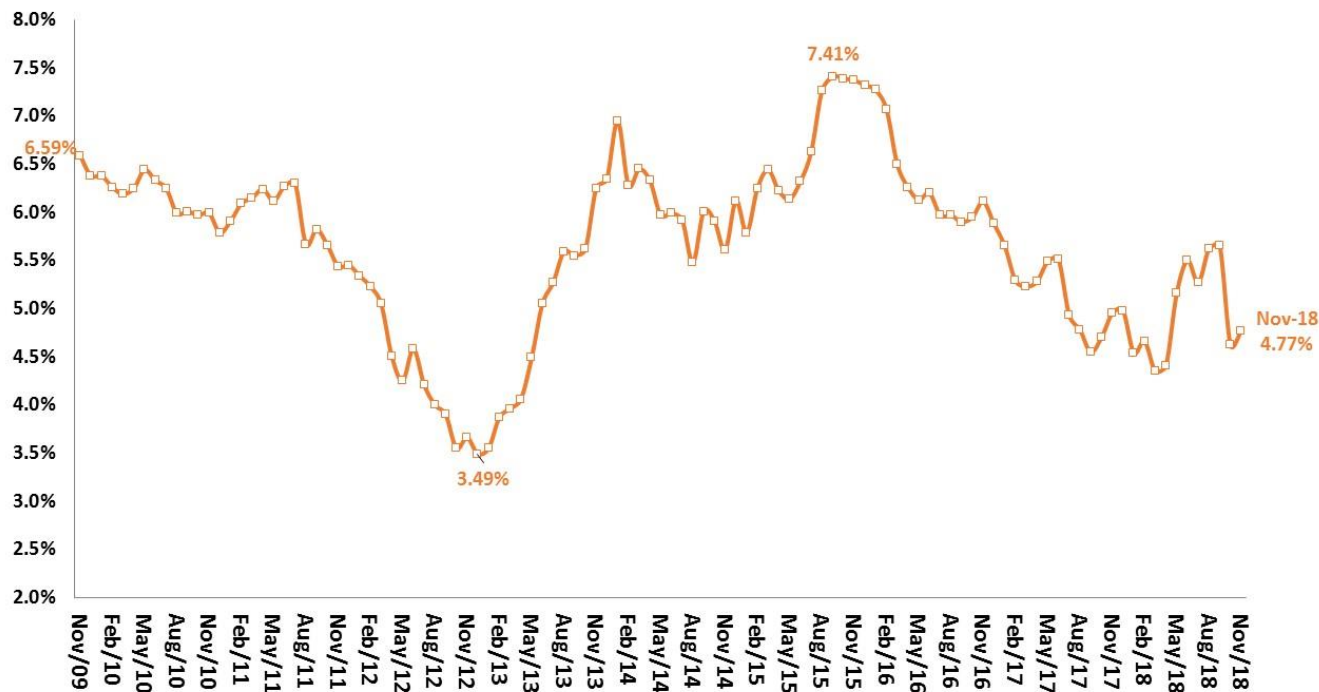
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

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

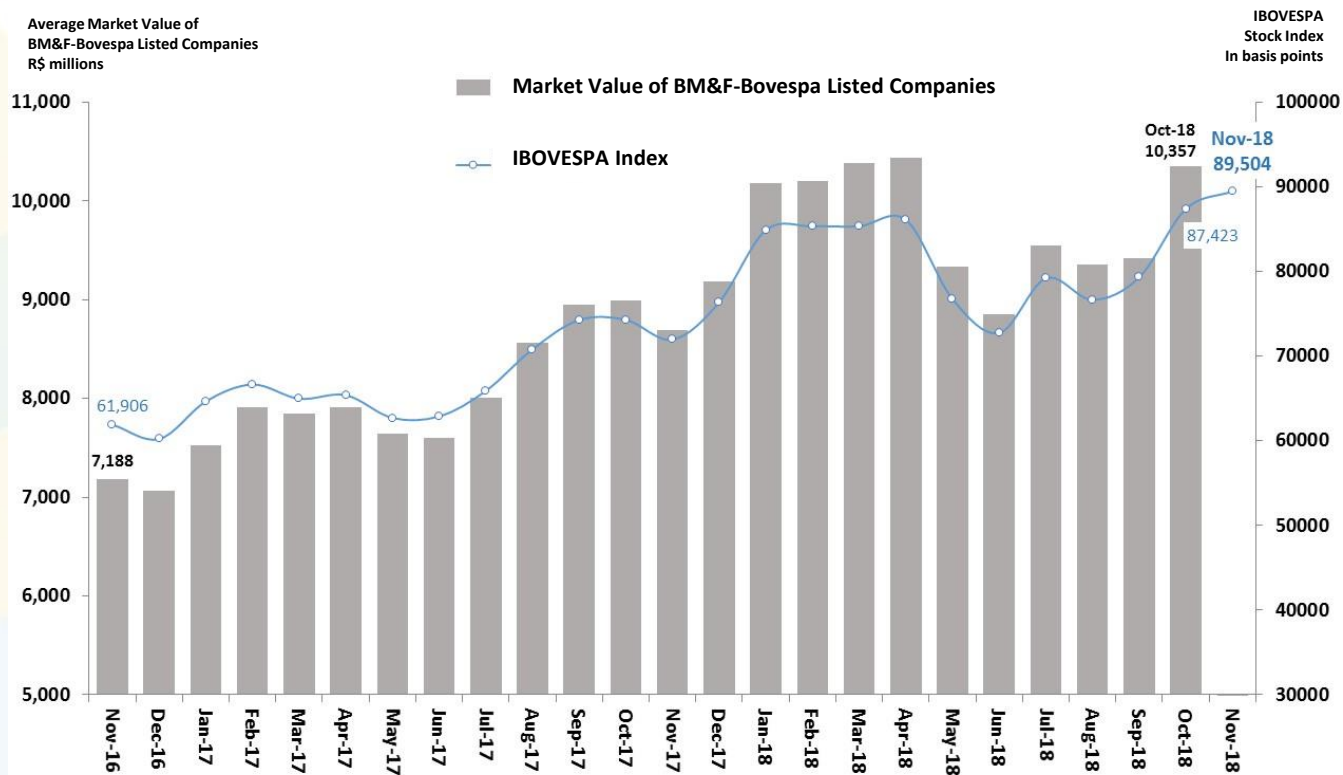
NTN-B 2024*

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

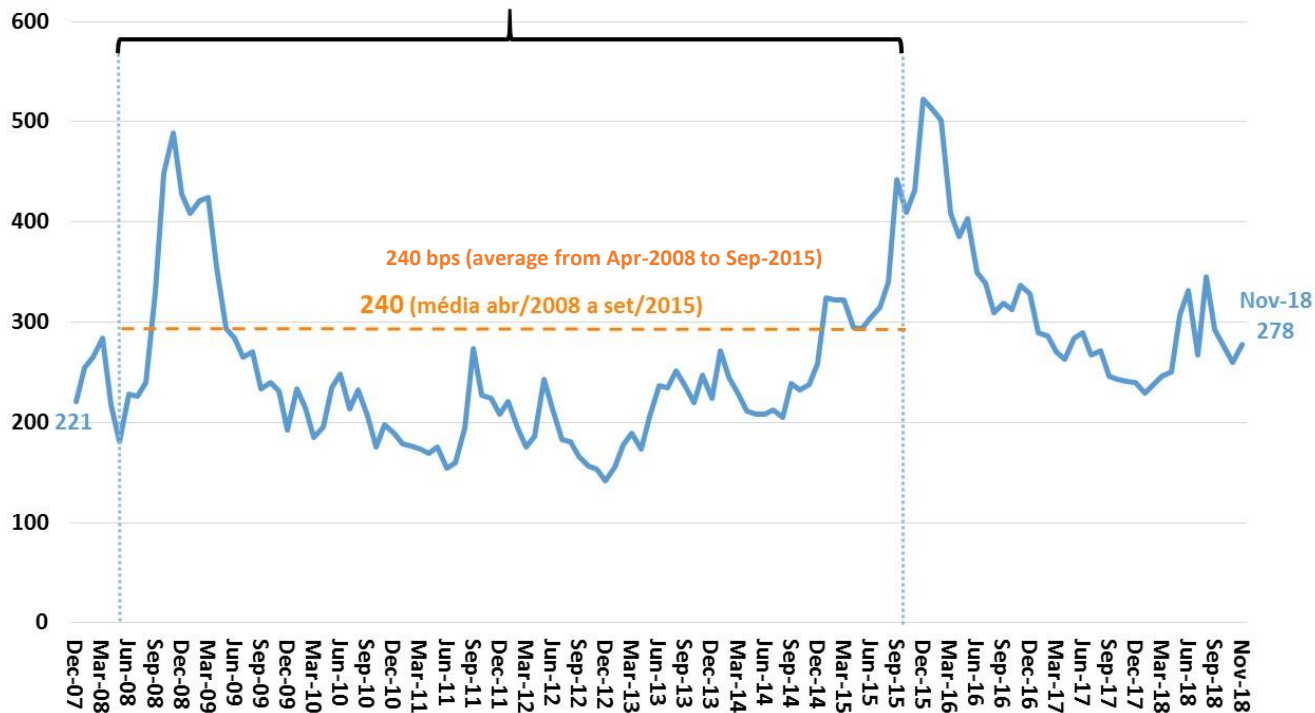


Source: Central Bank of Brazil.

Sovereign Risk (EMBI+ BR)

EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period

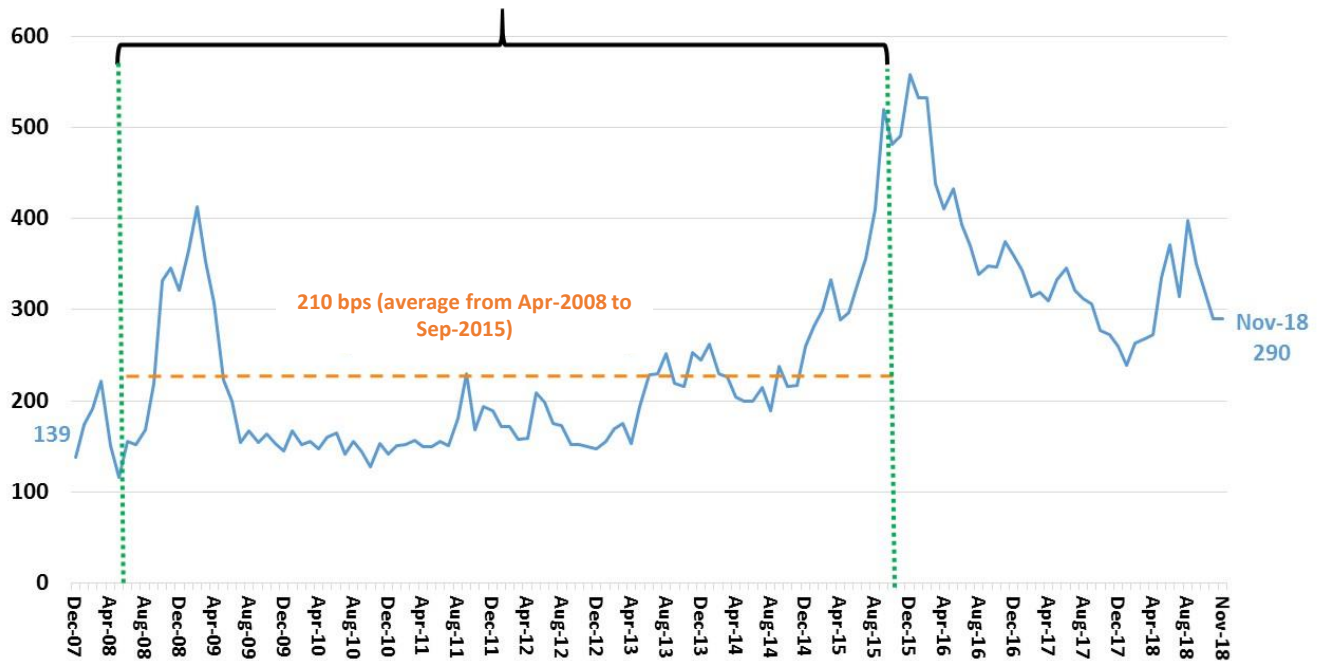


Source: JPMorgan.

Sovereign Risk (CDS 10Y BR)

CDS 10Y Brazil Spread
basis points

S&P and Fitch Investment Grade Period



Source: Bloomberg.

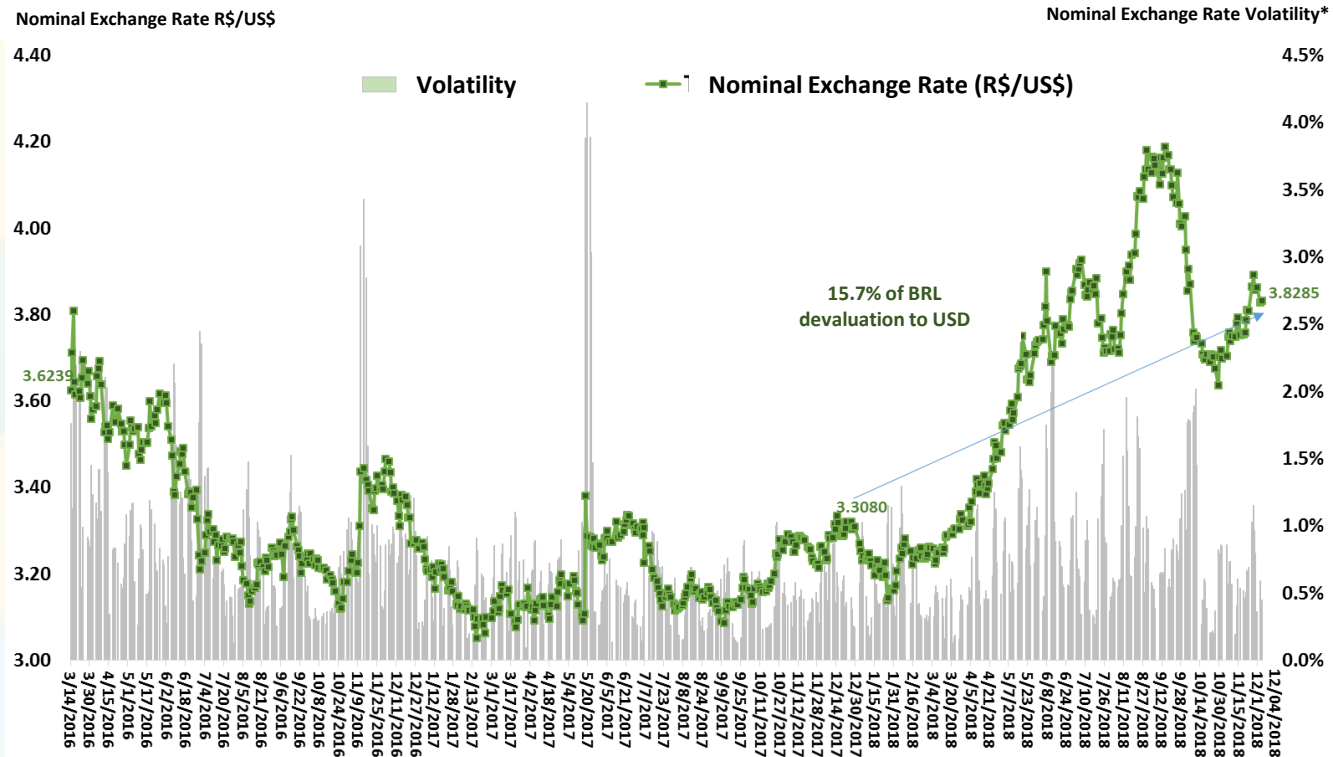


FOREIGN TRADE

Foreign Trade

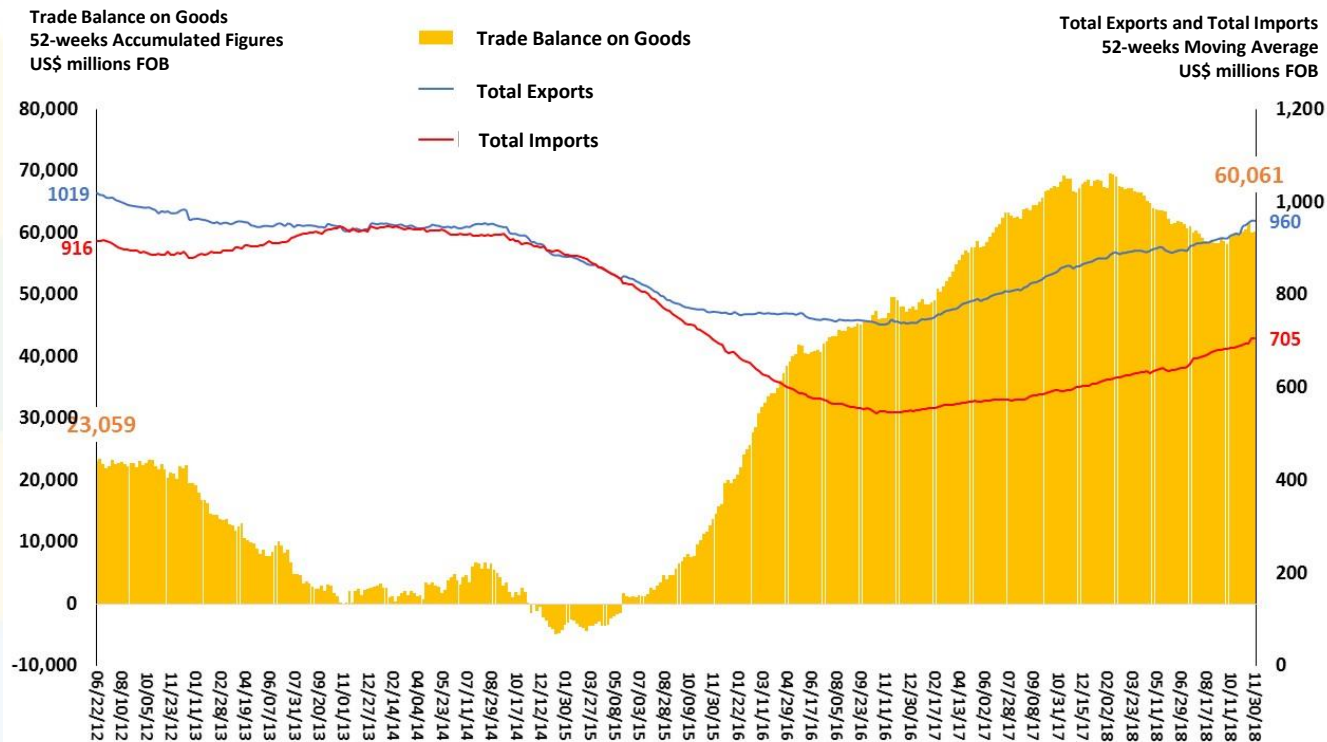
											BCB/Focus: 11/30/2018		
Exchange Rate Indicators (BCB)	November-18			chg.% set/yy- set/yy	chg.% out/yy- out/yy	chg.% nov/yy- nov/yy	YTD 2017	set/yy accum. in 12-months	out/yy accum. in 12-months	nov/yy accum. in 12-months	Average FX Rate 2018	Average FX Rate 2019	Average FX Rate 2020
FX % change rate: appreciation (-) or depreciation (+) of the Real													
Nominal Exchange Rate (R\$/US\$) - sale - end of period; month value:	3.8633	1.8%	-7.2%	26.4%	13.5%	18.4%	14.7%	10.7%	11.6%	13.5%	3.67	3.76	3.74
Exchange Rate Indicators (BCB)	October-18			chg.% ago/yy- ago/yy	chg.% set/yy- set/yy	chg.% out/yy- out/yy	YTD 2017	ago/yy accum. in 12-months	set/yy accum. in 12-months	out/yy accum. in 12-months			
FX % change rate: appreciation (-) or depreciation (+) of the Real													
Real Effective Exchange Rate (IPCA)		-5.3%	-8.8%	16.9%	19.3%	8.6%	13.1%	8.9%	10.7%	11.3%			
Exchange Rate / Wage Ratio adjusted by Labor Productivity		-15.2%	-1.2%	15.8%	17.6%	6.4%	11.4%	10.4%	11.3%	10.9%			
Unitary Labor Cost in US\$		2.5%	7.4%	-21.9%	-20.7%	-11.9%	-12.0%	-7.9%	-9.7%	-10.4%			
Foreign Trade of Goods (FUNCEX)	October-18			chg.% ago/yy- ago/yy	chg.% set/yy- set/yy	chg.% out/yy- out/yy	YTD 2017	ago/yy accum. in 12-months	set/yy accum. in 12-months	out/yy accum. in 12-months			
Average Price and Quantum													
QUANTUM													
Exports (X)		3.3%	6.8%	2.3%	-1.5%	12.2%	0.8%	5.5%	4.3%	3.3%			
Basic Goods		-2.7%	13.2%	2.7%	6.1%	26.0%	3.4%	10.2%	8.6%	8.3%			
Semi-Manufactured		9.9%	0.6%	-25.4%	-1.2%	-3.3%	-5.8%	-3.3%	-3.6%	-5.8%			
Manufactured		7.9%	2.7%	13.9%	-11.7%	4.0%	0.1%	3.8%	2.3%	1.1%			
Imports (M)		-11.9%	5.3%	26.4%	-3.3%	11.5%	13.9%	14.2%	12.9%	12.6%			
Intermediate Goods		-7.4%	7.0%	8.5%	-3.1%	10.7%	6.7%	5.9%	5.0%	5.2%			
Capital Goods		-17.0%	-9.1%	178.4%	-4.7%	18.7%	76.1%	73.4%	67.0%	65.4%			
Durable Consumer Goods		-36.0%	8.5%	64.1%	32.2%	19.8%	35.2%	32.5%	34.8%	33.9%			
Semi and Non-Durable Consumer Goods		-9.2%	8.2%	2.0%	-8.6%	12.4%	5.6%	8.3%	6.3%	5.9%			
Fuel and Lubricants		-22.1%	9.4%	16.1%	-10.2%	4.1%	1.4%	10.9%	10.2%	7.0%			
Exports Profitability Index		-8.2%	-1.3%	18.1%	19.9%	7.0%	10.8%	6.7%	8.3%	8.4%			
Quantum Ratio = average quantum X / average quantum M		15.6%	1.5%	-14.2%	2.4%	0.6%	-10.1%	-6.3%	-6.3%	-7.0%			
PRICE													
Exports (X)		-6.2%	10.1%	8.4%	5.0%	3.9%	5.1%	4.6%	4.7%	4.4%			
Basic Goods		-6.7%	12.8%	14.8%	10.9%	4.7%	7.3%	5.6%	6.2%	5.9%			
Semi-Manufactured		-3.9%	11.7%	1.4%	-1.6%	2.3%	2.2%	3.7%	3.3%	3.1%			
Manufactured		-5.9%	5.7%	5.5%	3.0%	6.8%	4.4%	3.8%	3.5%	3.7%			
Imports (M)		-8.9%	4.1%	7.1%	8.3%	5.6%	6.1%	5.7%	6.2%	6.3%			
Intermediate Goods		-7.7%	3.0%	7.2%	8.0%	5.4%	6.2%	5.8%	6.2%	6.3%			
Capital Goods		-5.0%	-3.2%	-7.3%	5.5%	-2.1%	-0.5%	-1.9%	-0.6%	-0.7%			
Durable Consumer Goods		-3.9%	2.0%	1.8%	-3.8%	-10.6%	0.4%	3.2%	2.4%	0.7%			
Semi and Non-Durable Consumer Goods		-2.8%	-1.8%	-2.7%	-4.5%	1.1%	1.0%	0.7%	0.6%	1.5%			
Fuel and Lubricants		-26.6%	29.5%	33.5%	31.6%	24.6%	20.7%	20.8%	21.5%	21.9%			
Terms of Trade = average price X / average price M		3.1%	5.8%	1.2%	-3.1%	-1.6%	-0.9%	-1.0%	-1.5%	-1.8%			

Daily Nominal Exchange Rate R\$/US\$



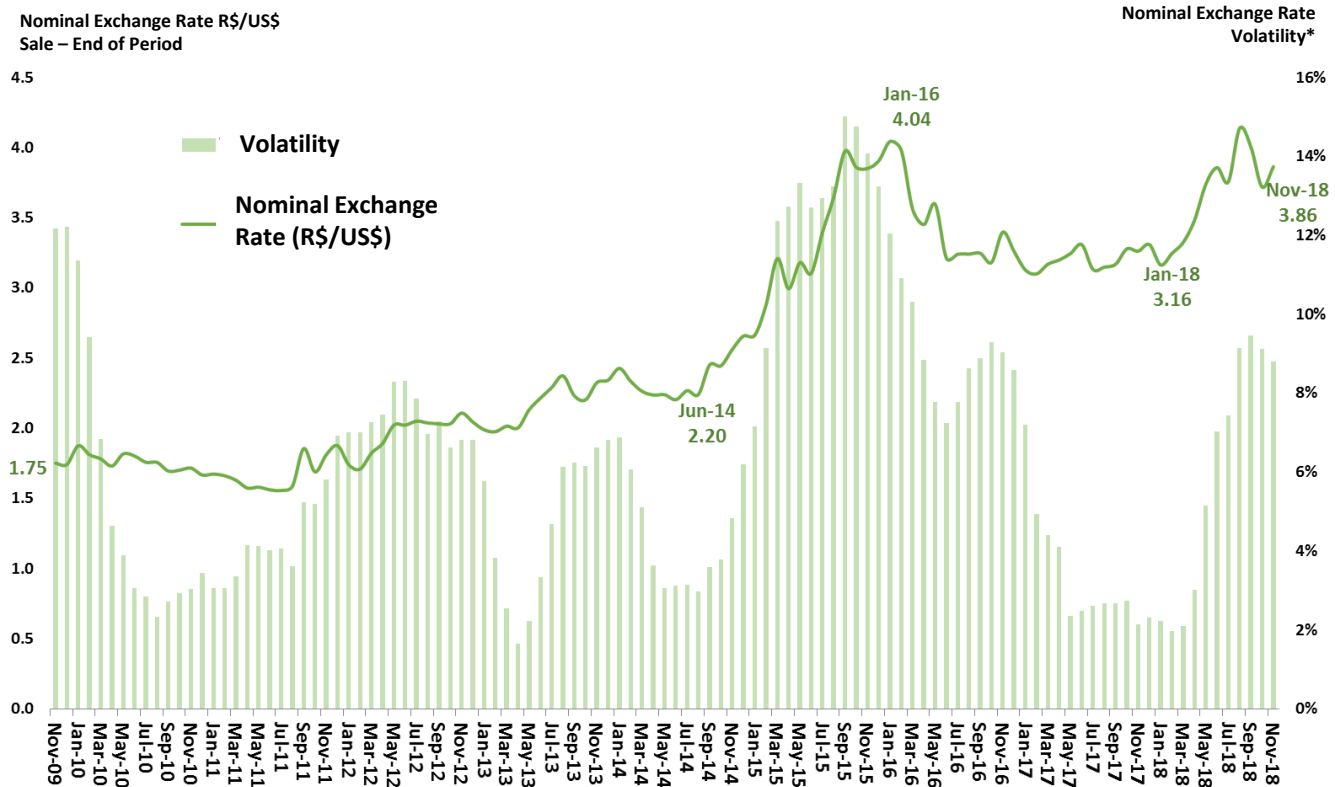
Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

Trade Balance on Goods (52 weeks daily average)



Source: SECEX/MDIC.

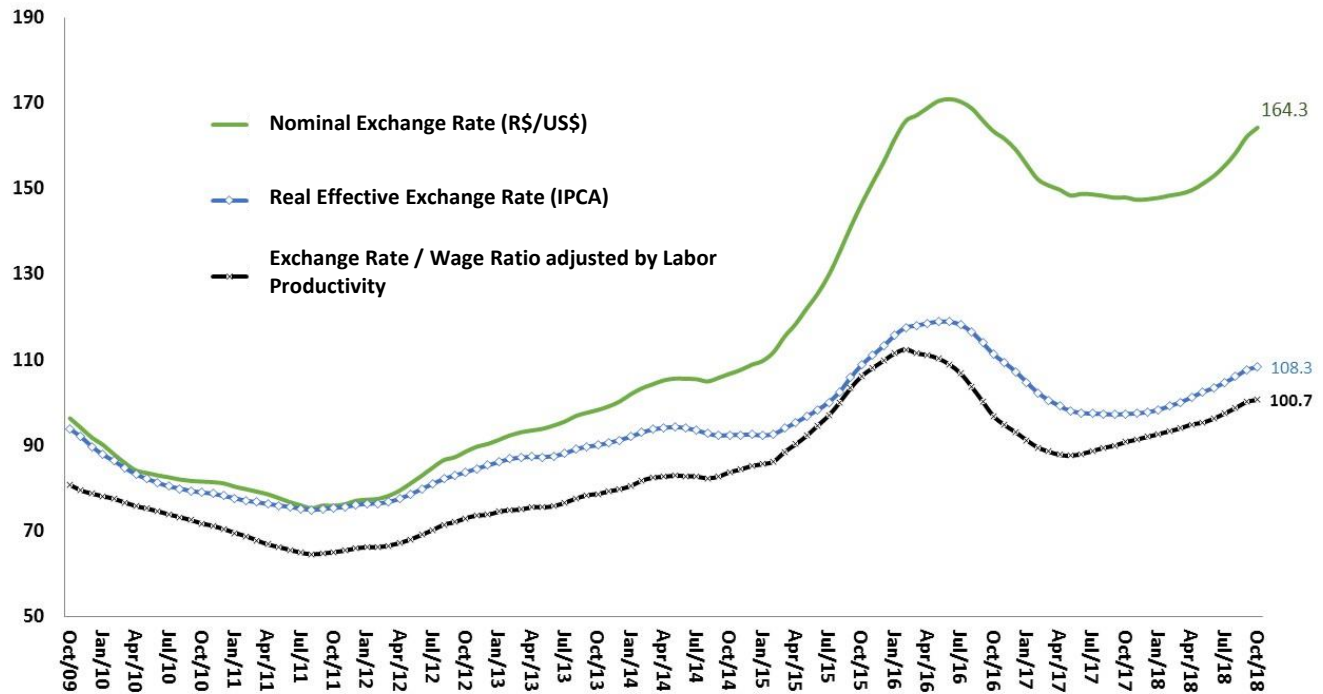
Nominal Exchange Rate R\$/US\$



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

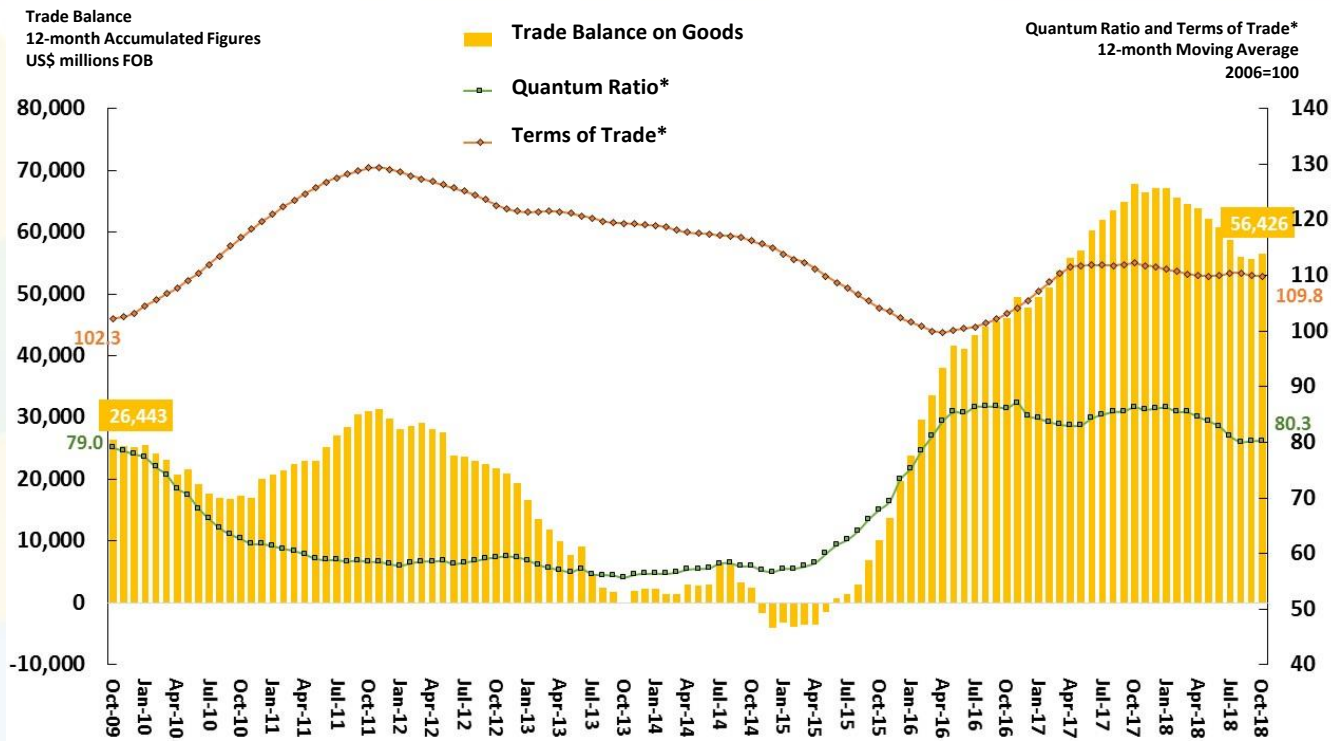
Exchange Rate Indexes

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



Source: Central Bank of Brazil.

Trade Balance, Quantum and Terms of Trade Ratios



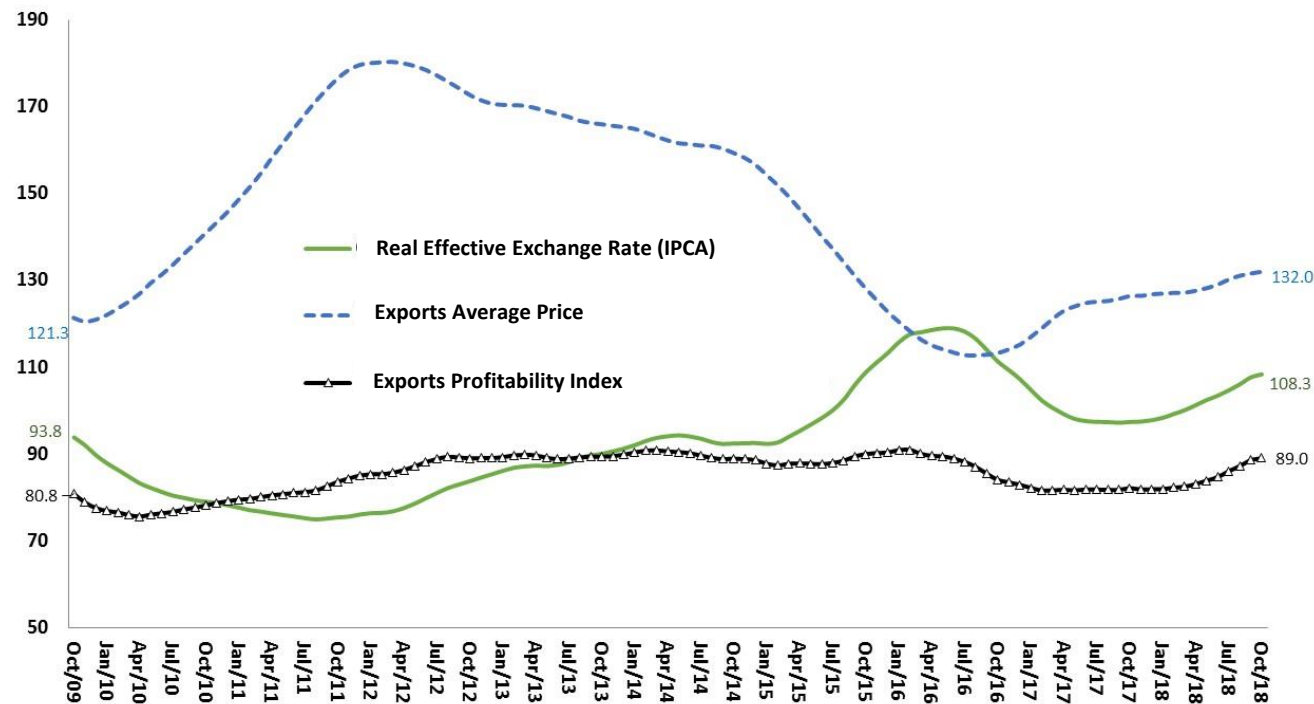
Sources: SECEX/MDIC and FUNCEX.

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

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

Exports: Profitability, Price and Real Exchange Rate

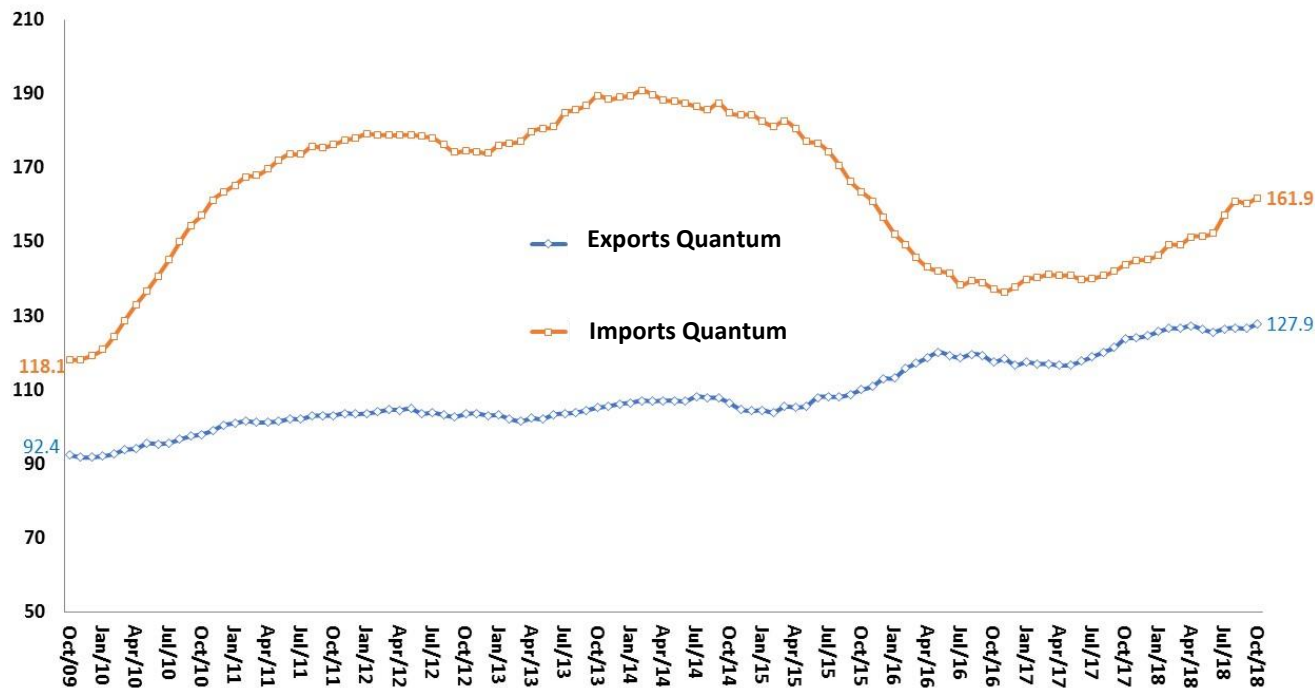
Real Effective Exchange Rate (IPCA), Exports Average Price and Exports Profitability Index
12-month Moving Average (2006=100)



Sources: Central Bank of Brazil and FUNCEX.

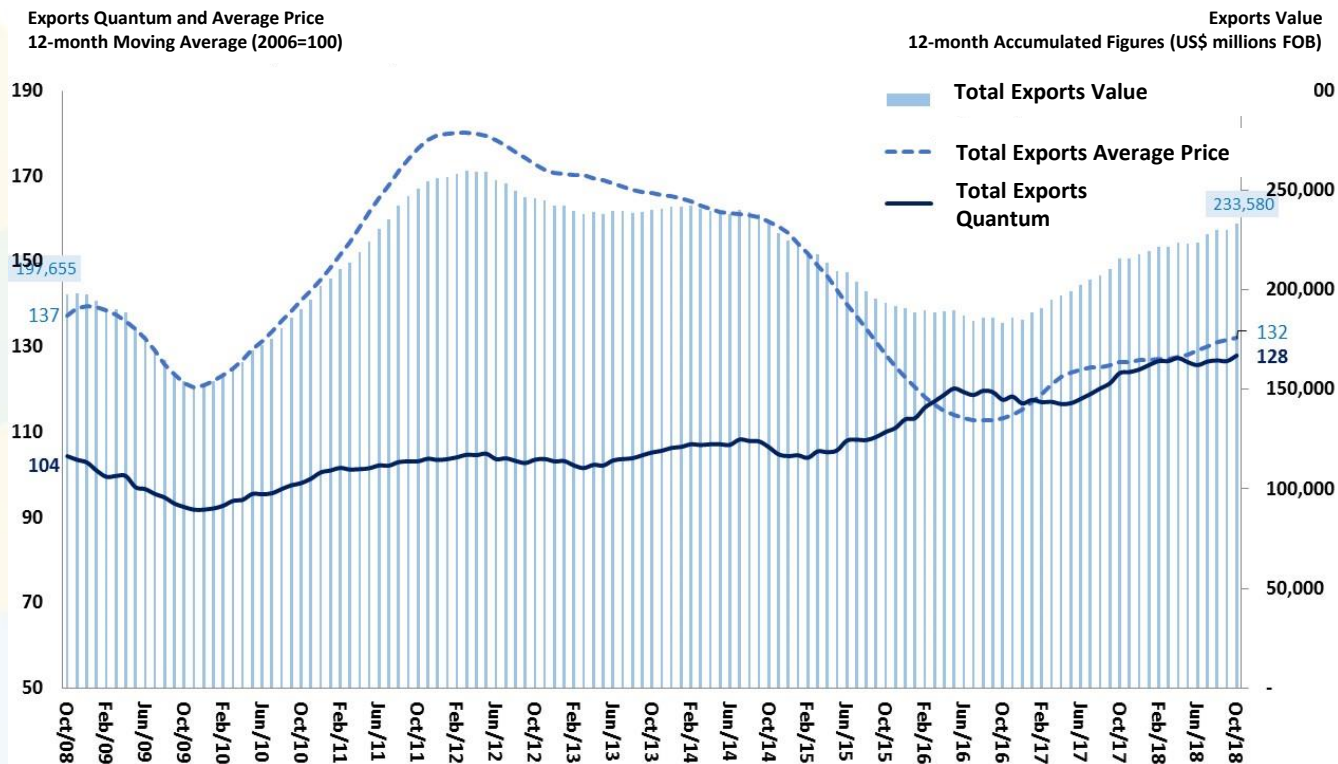
Quantum of Exports and Imports

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



Source: FUNCEX.

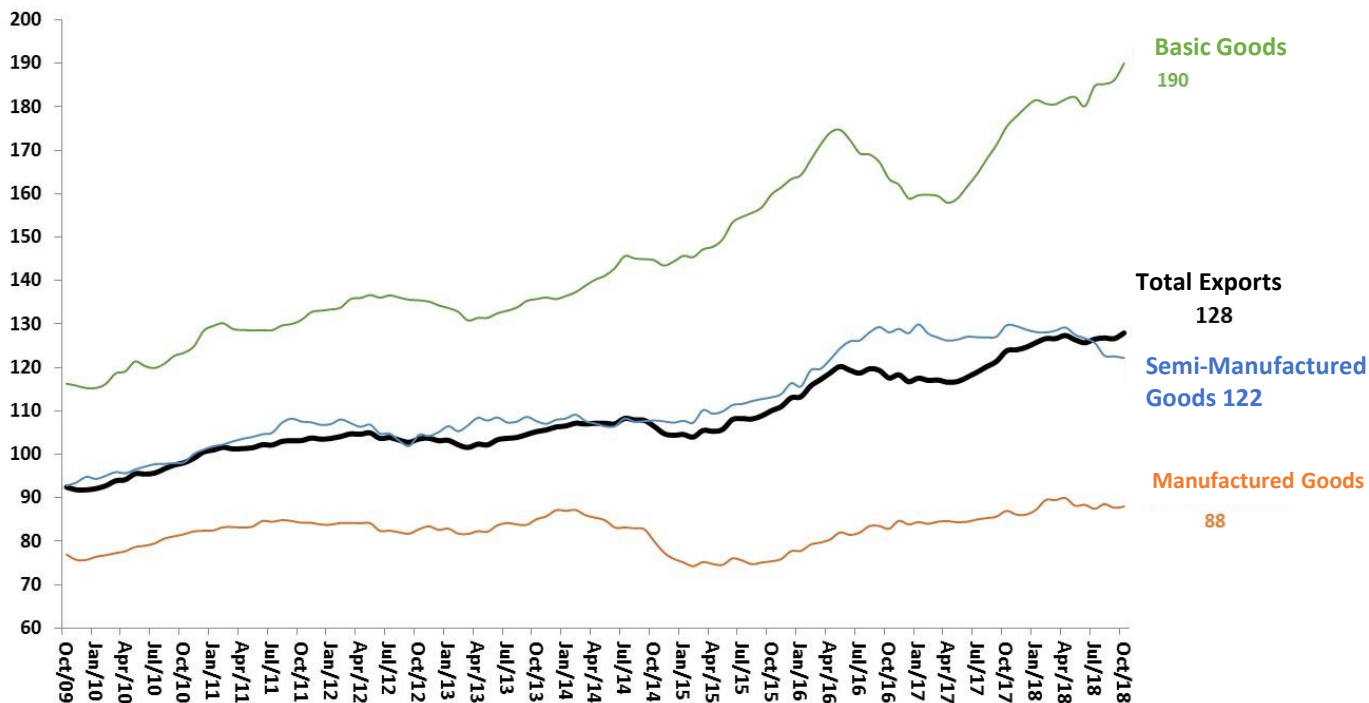
Total Exports: value, quantum and price



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Exports by Class of Products

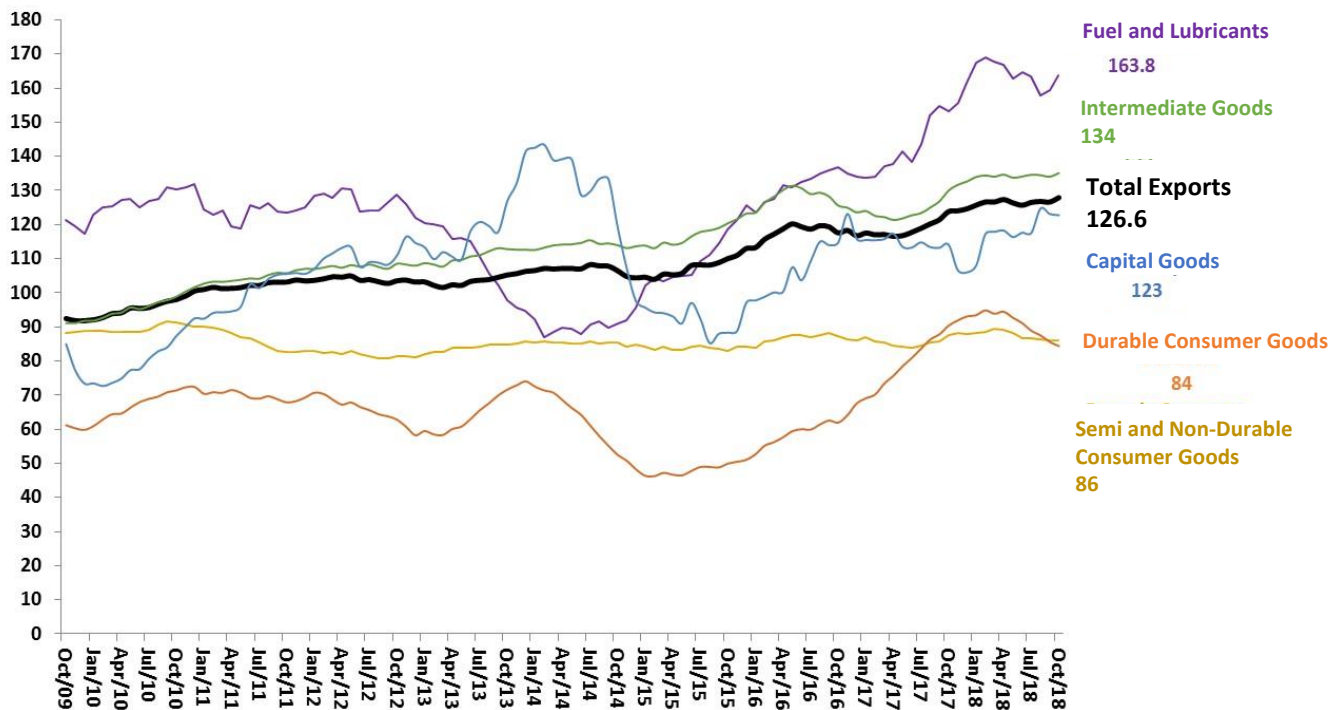
Exports Quantum by Class of Products
12-months Moving Average (2006=100)



Source: FUNCEX.

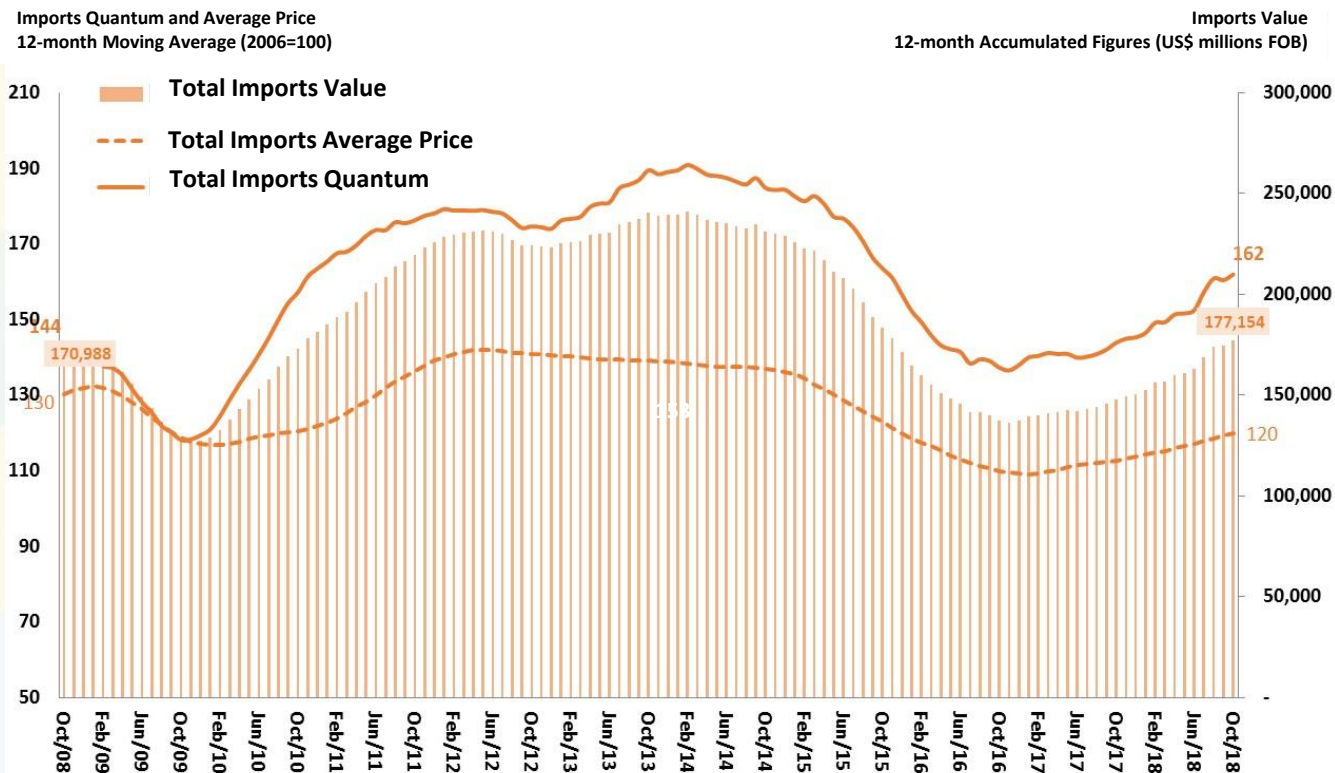
Quantum of Total Exports by Economic Categories

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



Source: FUNCEX.

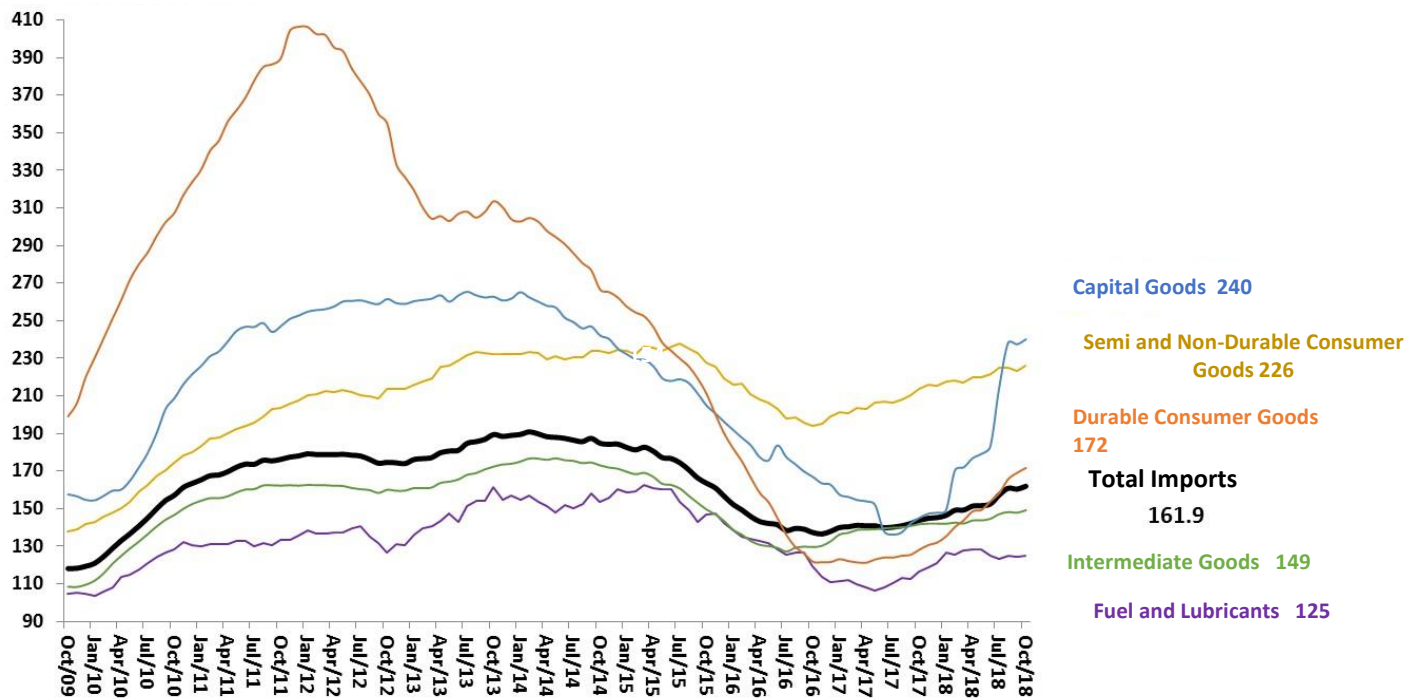
Total Imports: value, quantum and price



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Imports and by Economic Categories

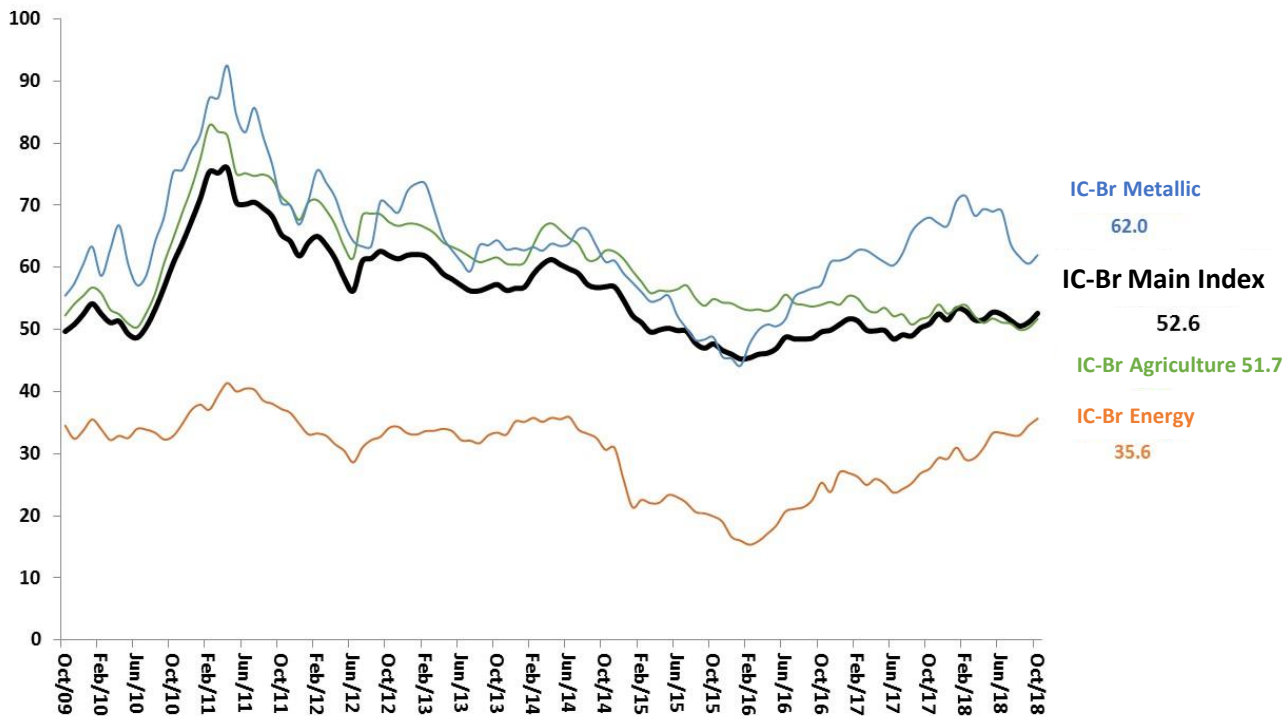
Imports Quantum by Economic Categories
12-month Moving Average (2006=100)



Source: FUNCEX.

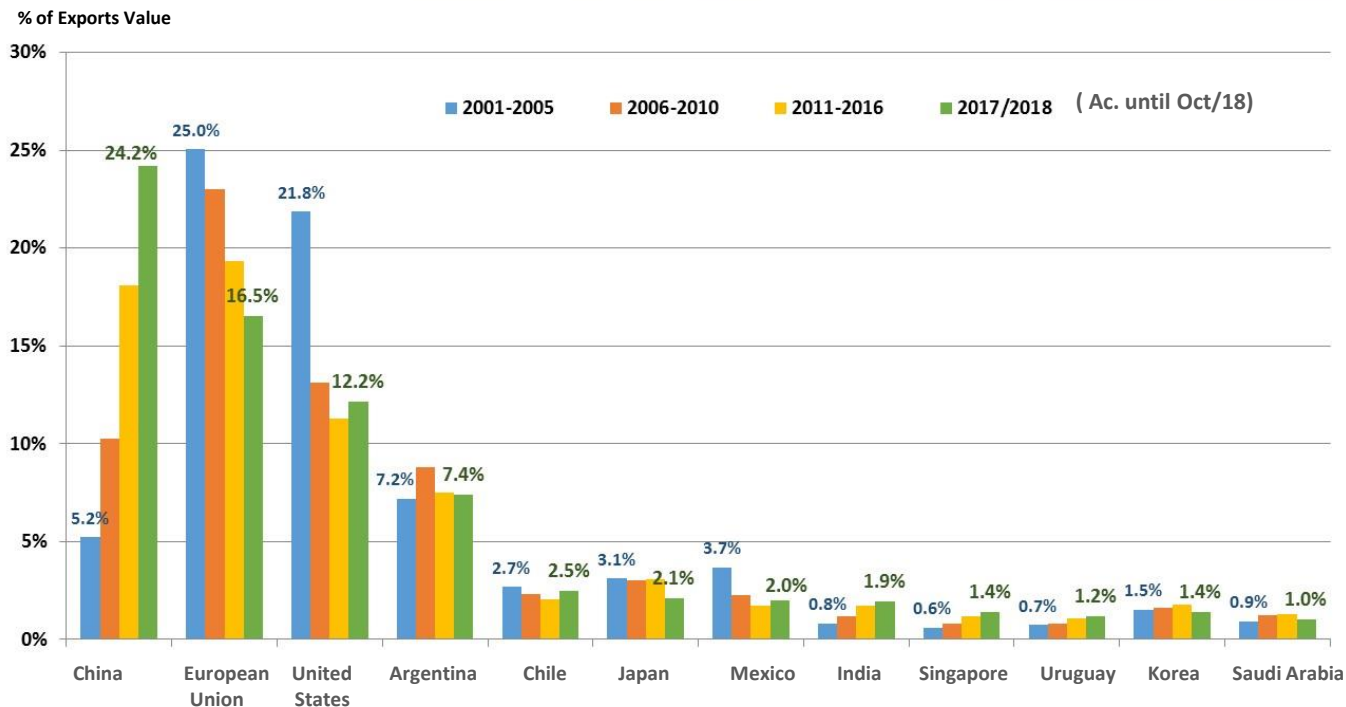
Brazilian Commodity Price Indexes

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

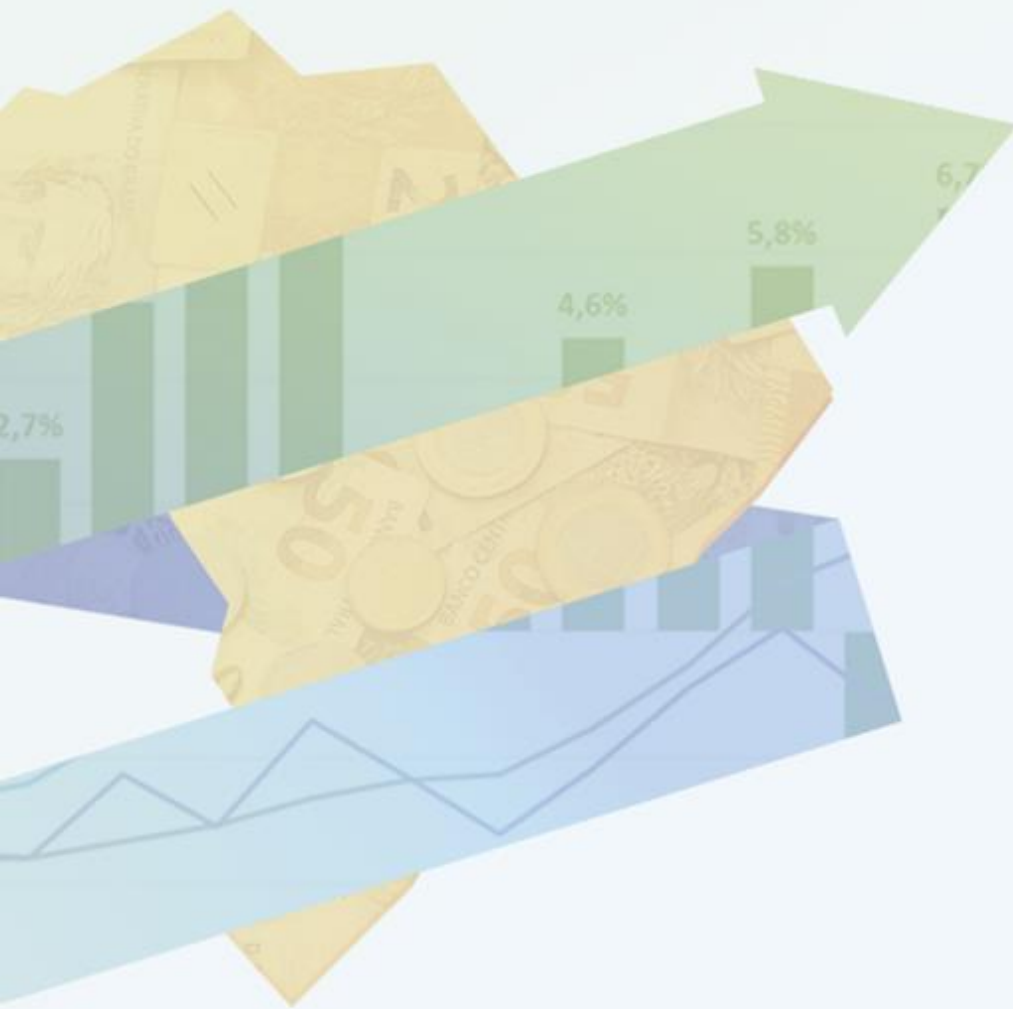


Source: Central Bank of Brazil.

Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX



EXTERNAL SECTOR

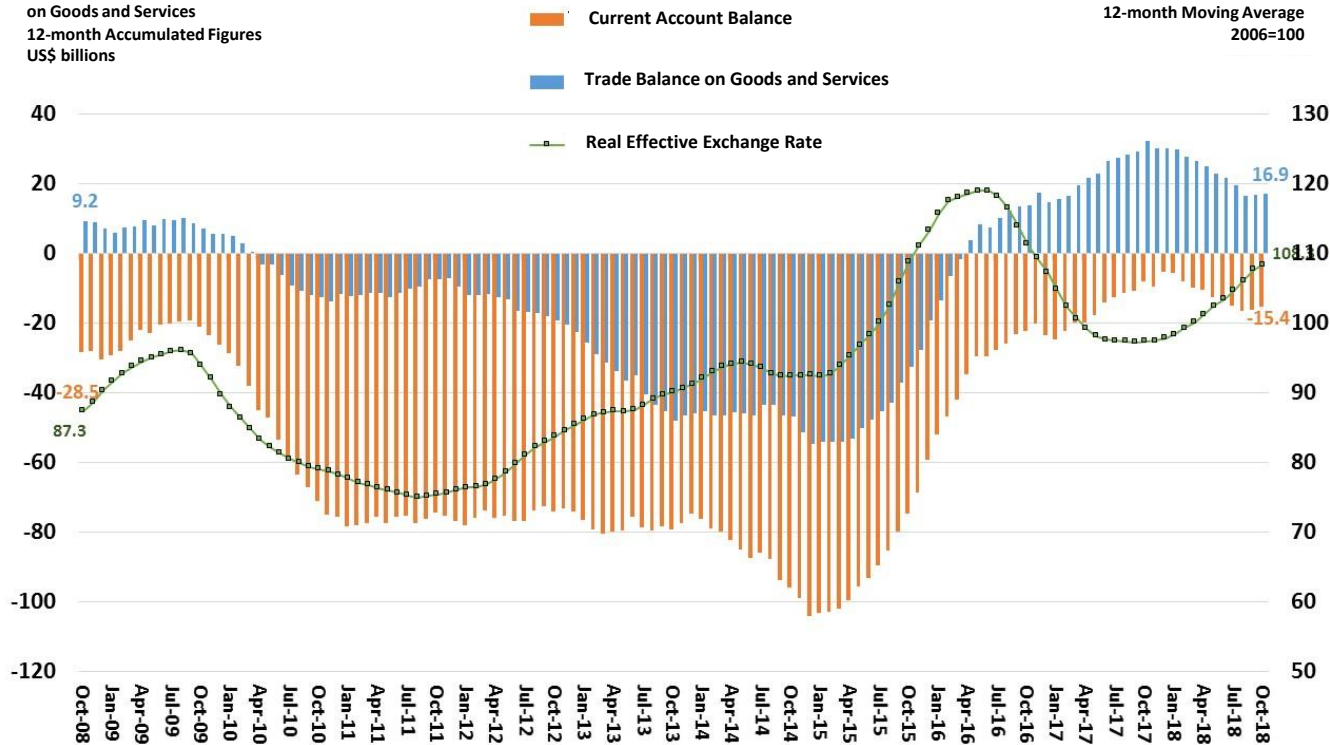
External Sector

										BCB/Focus: 11/30/2018		
Balance of Payments (BCB)	October-18											
In US\$ millions	2016	2017	out/yy accum. in 12-months	chg.% 2017 / 2016	chg.% out/yy accum. 12-m / 2017	chg.% set/yy - set/yy	chg.% out/yy - out/yy	chg.% - Jan- set/yy - Jan- set/yy	chg.% - Jan- out/yy - Jan- out/yy	2018	2019	2020
Balance of Payments	13,476	6,413	6,378	-52.4%	-0.5%	-51.3%	537.0%	-45.8%	-0.6%			
Current Account Balance (CAB)	-23,684	-5,487	-15,402	-76.8%	180.7%	186.4%	-148.0%	-91.7%	698.8%	-15.1	-27.2	-38.0
<i>CAB as % of GDP</i>	-1.3%	-0.3%	-0.8%	1.1 pp	-0.5 pp	-0.3 pp	-0.4 pp					
Balance on Goods	45,037	64,028	51,687	42.2%	-19.3%	-7.3%	10.9%	54.6%	-22.0%	56.6	53.0	44.1
Exports	184,453	217,243	232,873	17.8%	7.2%	2.0%	16.6%	20.1%	8.5%	235.0	243.0	253.1
Imports	139,416	153,215	181,187	9.9%	18.3%	-22.4%	16.2%	9.4%	3.4%	178.4	190.0	209.0
Balance on Services	-30,447	-33,850	-34,762	11.2%	2.7%	-22.4%	16.2%	9.4%	3.4%			
Primary Income	-41,219	-38,297	-35,149	-7.1%	-8.2%	-6.4%	-26.5%	4.6%	-9.7%			
Secondary Income	2,944	2,632	2,823	-10.60%	7.2%	-63.0%	45.1%	-19.2%	9.8%			
Capital Account	274	379	408	38.6%	7.6%	-26.1%	-53.2%	55.0%	7.7%			
Financial Account	-9,407	1,305	-8,615	-113.9%	-760.1%	-31.5%	-168.9%	-154.8%	-221.1%			
Direct Investments	-57,832	-49,157	-62,001	-15.0%	26.1%	41.1%	16.2%	3.2%	27.8%			
Foreign Direct Investments (FDI)	72,525	68,510	75,004	-5.5%	9.5%	24.5%	17.6%	13.0%	10.6%	70.0	76.0	83.5
Portfolio Investments	18,993	14,042	6,417	-26.1%	-54.3%	104.8%	-172.2%	-53.7%	-92.3%			
Stock Market	-7,503	-2,482	-1,679	-66.9%	-32.3%	-269.9%	-93.5%	-87.3%	-85.2%			
Bonds	30,726	9,713	3,710	-68.4%	-61.8%	29.1%	-82.9%	-89.6%	-210.9%			
Others Investments and Capital Flows	29,433	36,421	46,969	23.7%	29.0%	-10.5%	15.1%	125.9%	24.8%			
International Reserves - liquidity concept	365,016	373,972	380,738	2.5%	1.8%	-0.1%	-0.1%					
Gross External Debt (BCB)	October-18											
In US\$ millions	2016	2017	Oct-18	2016 % of total	out/yy % of total	chg. pp	2016 % of GDP	out/yy % of GDP	chg. pp			
Total External Debt	675,841	667,103	653,802	100.0%	100.0%	-	37.6%	34.0%	-3.6 pp			
Gross External Debt	326,297	317,305	297,344	48.3%	45.5%	-2.8 pp	18.2%	15.5%	-2.7 pp			
Public Sector	74,379	75,791	73,875	22.8%	24.8%	2.1 pp	4.1%	3.8%	-0.3 pp			
Private Sector and Public Financial Sector	251,918	241,514	223,469	77.2%	75.2%	-2.1 pp	14.0%	11.6%	-2.4 pp			
Short Term	56,327	51,287	58,107	17.3%	19.5%	2.3 pp	3.1%	3.0%	-0.1 pp			
Medium and Long Term	269,970	266,018	239,237	82.7%	80.5%	-2.3 pp	15.0%	12.4%	-2.6 pp			
Intercompany Loans	222,344	227,841	229,259	32.9%	35.1%	2.2 pp	12.4%	11.9%	-0.5 pp			
Domestic Bonds with Foreign Investors	127,199	121,956	127,199	18.8%	19.5%	0.6 pp	7.1%	6.6%	-0.5 pp			

Brazil: Real Exchange Rate and External Sector Adjustment

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

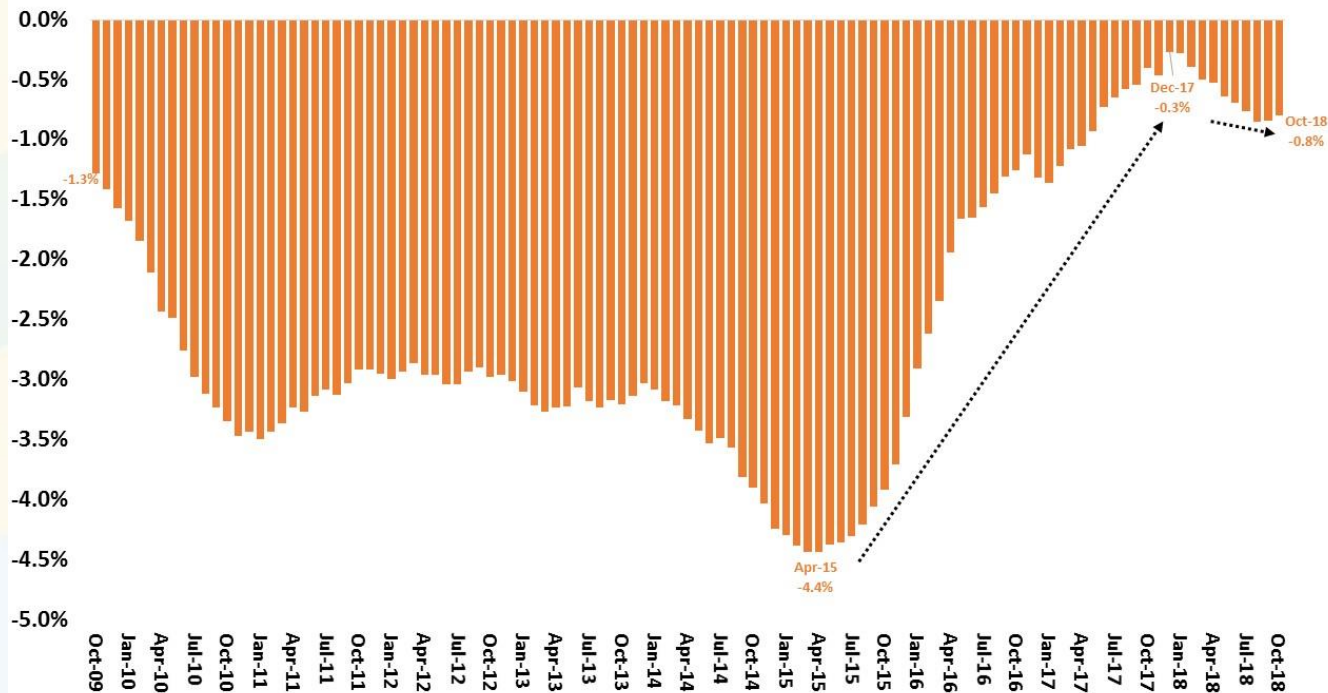
Real Effective Exchange Rate
12-month Moving Average
2006=100



Source: Central Bank of Brazil.

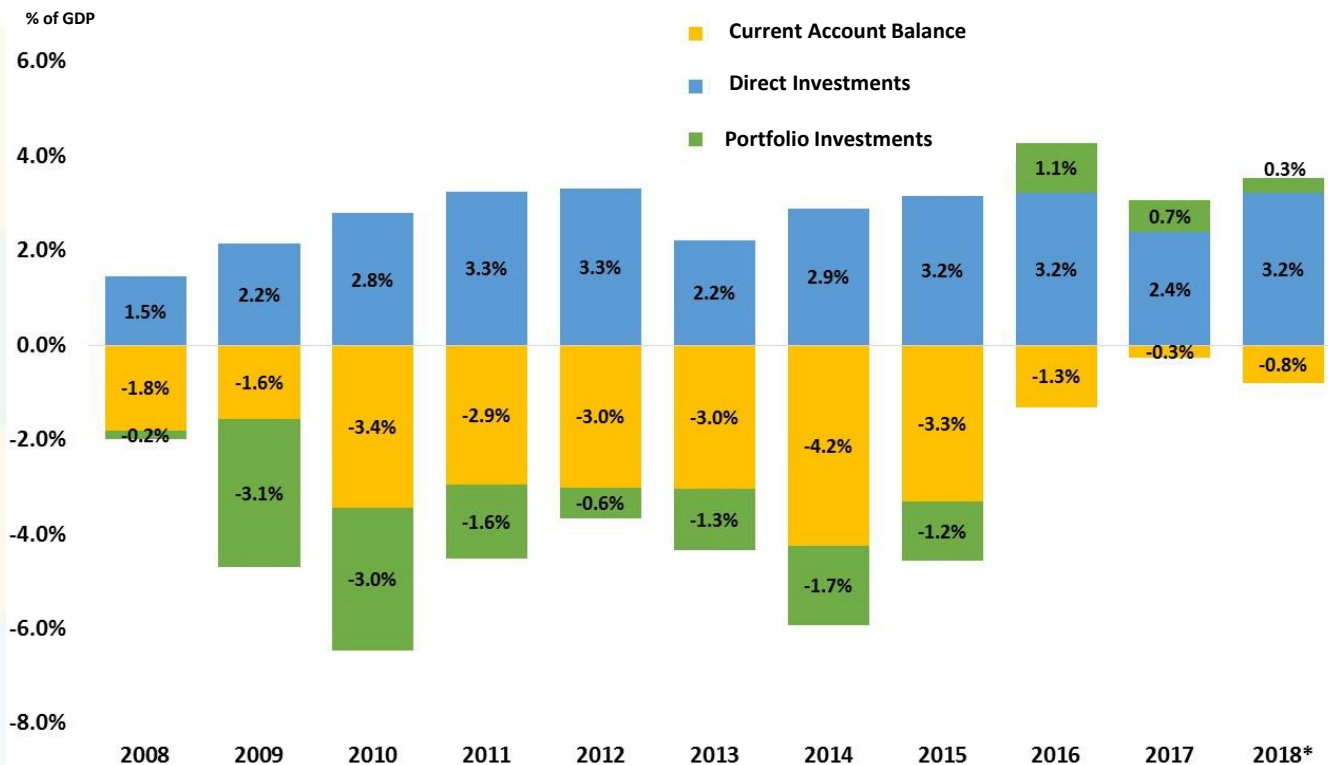
Current Account Deficit as % of GDP

Current Account as % of GDP
12-month Figures



Source: Central Bank of Brazil.

Current Account Deficit Financing

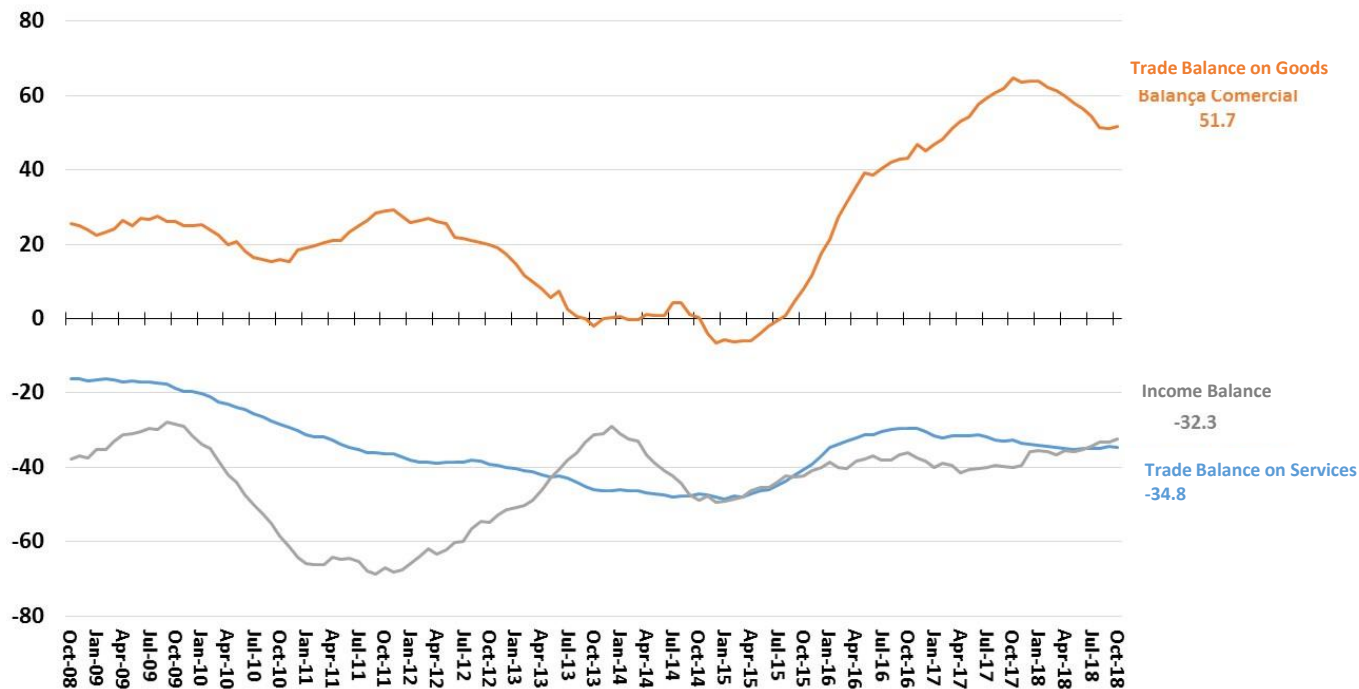


Source: Central Bank of Brazil.

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

Current Account Balance Components

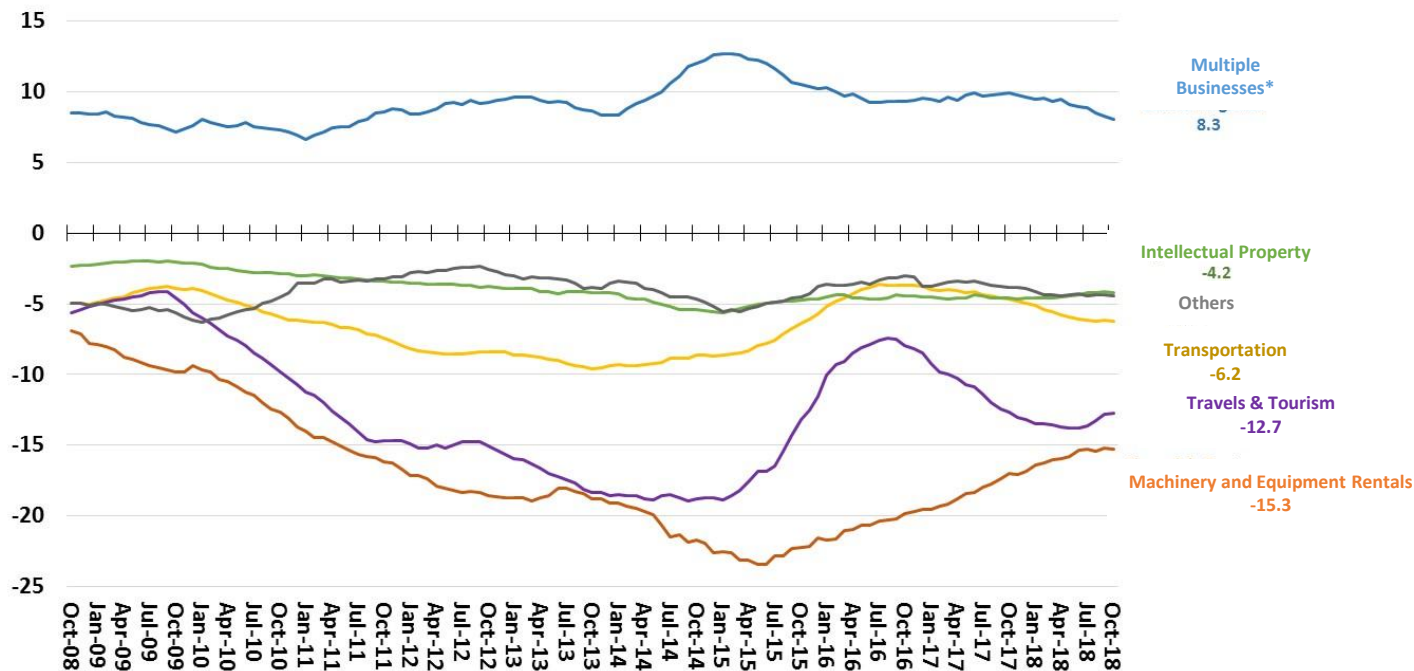
External Accounts Balance
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

Service Account Balance and Components

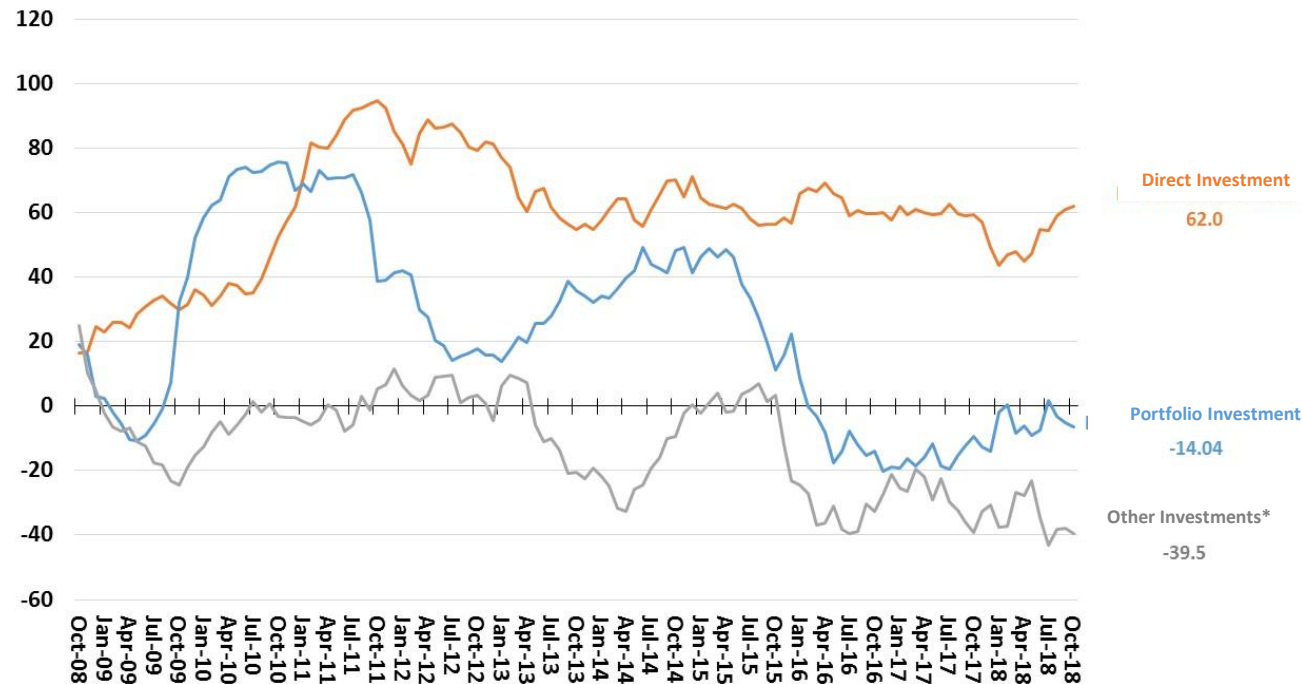
External Accounts Balance
12-month Accumulated - US\$ billions



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

Financial Account Balance and Components

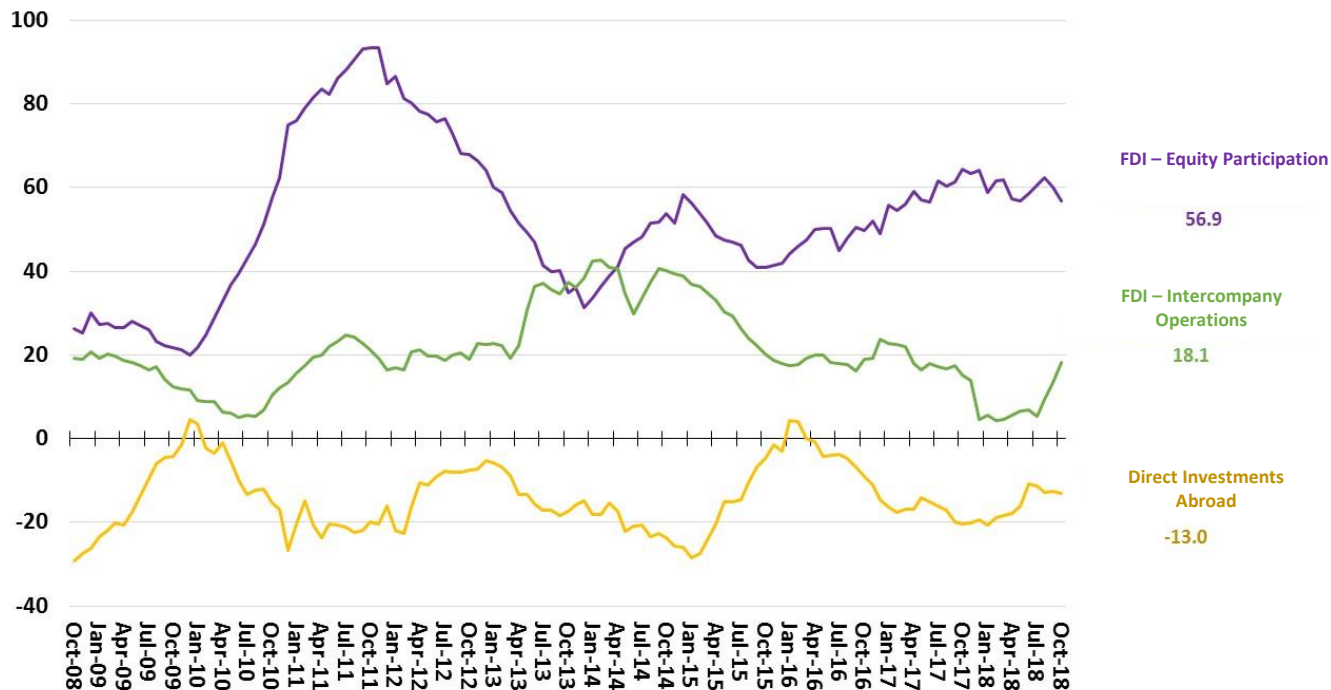
External Financial Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



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

Direct Investments and Components

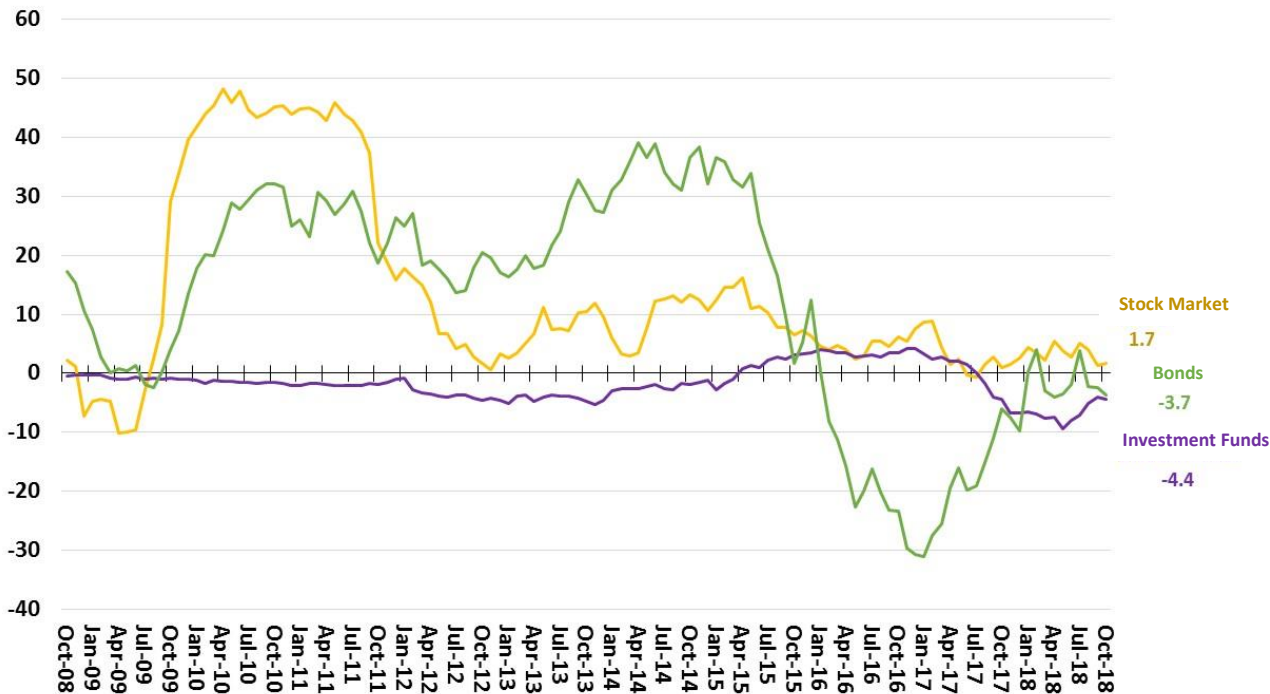
Direct Investment Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

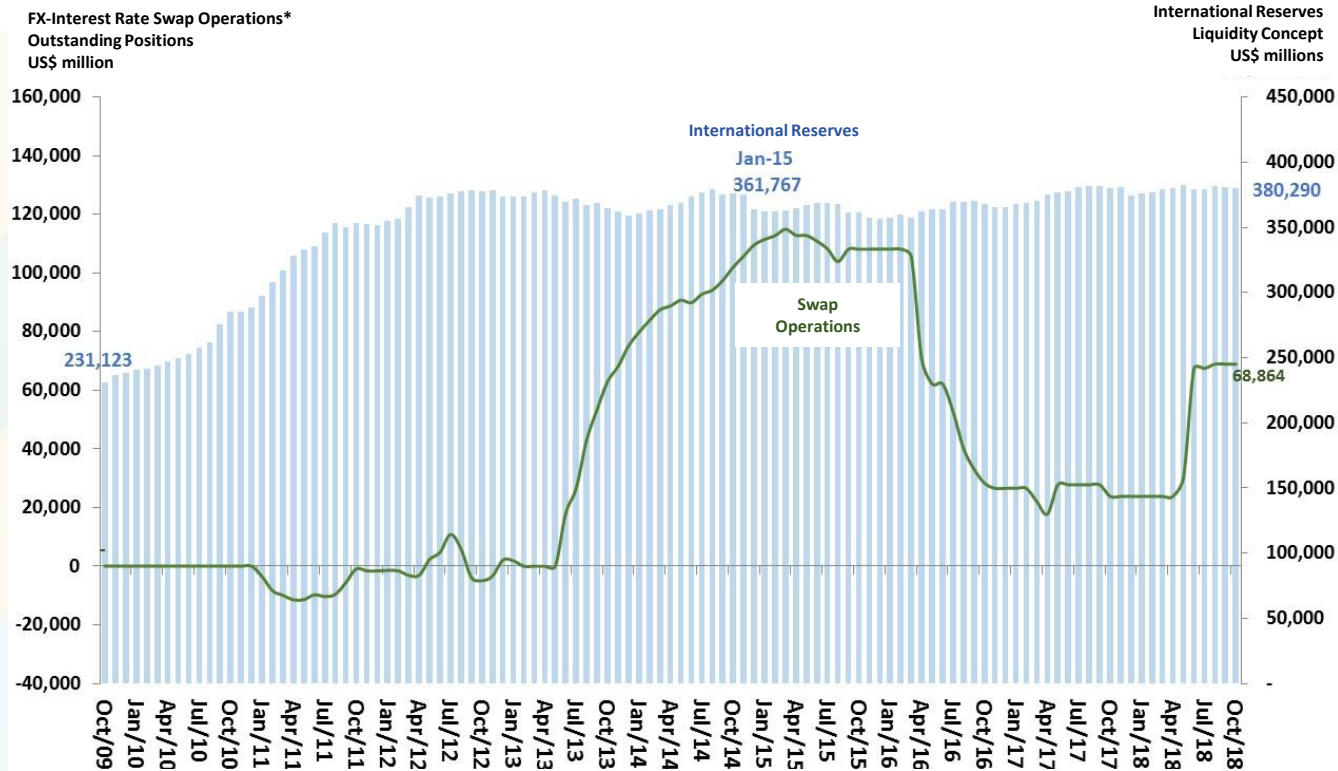
Portfolio Investments and Components

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



Source: Central Bank of Brazil.

Brazilian International Reserves



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

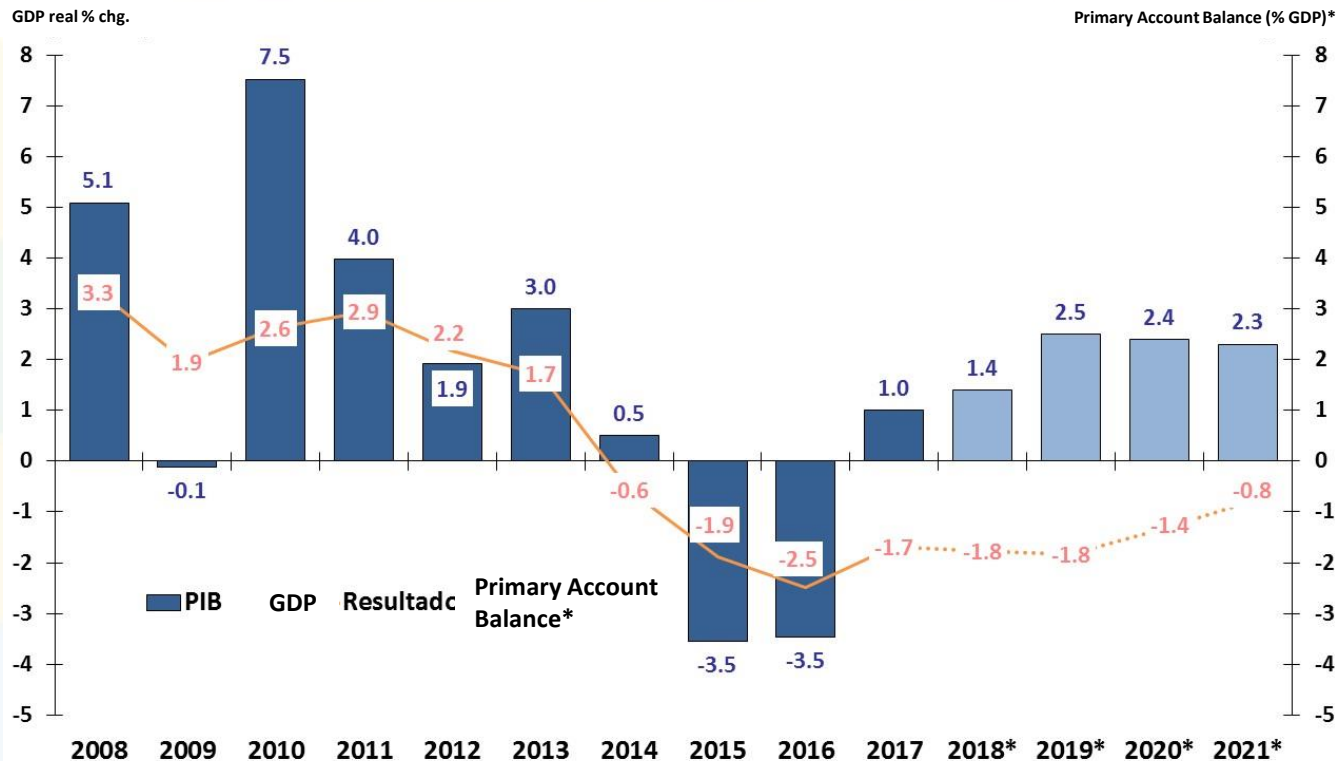


PUBLIC SECTOR ACCOUNTS

Public Sector Accounts

										BCB/Focus: 11/30/2018		
Federal Government Accounts		October-18 12-month Accumulated Figures (in R\$ millions)					chg. %					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	out/yy accum. in 12-months	2016 / 2015	Dec/17 accum. 12-m / 2016	YTD 2018 / YTD 2017		
Total Primary Revenue (a)		157,550	1,221,474	1,247,789	1,314,953	1,383,082	1,491,842	5.2%	7.9%	9.8%		
National Treasury		871,836	883,971	897,517	956,816	1,008,297	1,106,321	5.4%	9.7%	12.1%		
Social Security General System		307,147	337,503	350,272	358,137	374,785	385,521	4.6%	2.9%	3.6%		
States and Municipalities Mandatory Transfers (b)		181,895	198,462	204,684	226,835	228,335	247,003	0.7%	8.2%	10.1%		
Net Primary Revenue (a-b)		997,088	1,023,013	1,043,105	1,088,118	1,154,746	1,244,839	6.1%	7.8%	9.8%		
Total Primary Expenditure		920,095	1,040,223	1,159,535	1,249,393	1,279,008	19,217	2.4%	4.8%	6.0%		
National Treasury		563,092	646,022	723,445	741,522	721,773	759,866	-2.7%	5.3%	6.6%		
Social Security General System		357,003	394,201	436,090	507,871	557,235	581,086	9.7%	4.3%	5.3%		
Federal Government Accounts		October-18 12-month Accumulated Figures (in R\$ millions)					% of GDP					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	out/yy accum. in 12-months	2016	2017	out/yy accum. in 12-months		
Primary Account Balance of Federal Government (STN/MF)		76,994	-17,211	-116,430	-161,276	-124,261	-96,113	-2.6%	-1.9%	-1.4%		
National Treasury		126,850	39,487	-30,612	-11,542	58,189	99,453	-0.2%	0.9%	1.5%		
Social Security General System		-49,856	-56,698	-85,818	-149,734	-182,450	-195,565	-2.4%	-2.8%	-2.9%		
Consolidate Public Sector Accounts		October-18 12-month Accumulated Figures (in R\$ millions)					% of GDP					
Public Sector Financial Need (Central Bank of Brazil - BCB)		2013	2014	2015	2016	2017	out/yy accum. in 12-months	2015	2016	out/yy accum. in 12-months	2018	2019
Primary Account Balance Target (% GDP)												
Primary Account Balance		-91,306	32,536	111,249	155,791	110,583	84,754	2.5%	1.7%	1.2%	-1.78%	-1.84%
Federal Government		-75,291	20,472	116,656	159,473	-3,361	88,874	2.5%	1.8%	1.3%	-1.8%	-1.5%
States and Municipalities		-16,337	7,790	-9,684	-4,666	-7,498	-392	-0.1%	-0.1%	0.0%	-1.5%	-1.5%
State Owned Companies (except Petrobrás and Eletrobrás)		322	4,274	4,278	983	-362	-3,729	0.0%	0.0%	-0.1%	-1.5%	-1.5%
Net Financial Public Expenditure (Debt Interest Payments)		248,856	311,380	501,786	407,024	400,826	379,694	6.5%	6.1%	5.6%	-6.1%	-6.1%
Nominal Account Balance		157,550	343,916	613,035	562,815	511,408	464,448	9.0%	7.8%	6.8%	-7.1%	-6.5%
General Public Sector Debt (BCB)		October-18 Debt Outstanding (in R\$ millions)					chg. %					
End of Period Debt Outstanding (in R\$ millions)		Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Oct-18	dez/yy - dez/yy	dez/yy - dez/yy	out/yy - dez/yy	2018	2019
Consolidated Public Sector		1,626,335	1,883,147	2,136,888	2,892,913	3,382,942	3,642,499	35.38%	16.94%	7.67%		
Federal Government		1,025,358	1,200,680	1,312,962	2,090,133	2,534,119	2,739,822	59.2%	21.2%	8.1%		
States and Municipalities		569,794	643,066	771,635	747,503	789,403	842,321	-3.1%	5.6%	6.7%		
State Owned Companies (except Petrobrás and Eletrobrás)		31,183	39,402	52,292	55,278	59,420	60,356	5.7%	7.5%	1.6%		
Net Domestic Debt		2,341,011	674,096	3,289,112	3,856,985	4,393,145	4,768,587	17.3%	13.9%	8.5%		
Net External Debt		-714,676	-786,400	-1,152,224	-964,072	-1,010,203	-1,126,087	-16.3%	-4.8%	11.5%		
General Public Sector Net Debt (% GDP)		30.5%	32.6%	35.6%	46.2%	51.6%	53.3%	10.6 pp	5.4 pp	1.7 pp	54.0%	57.0%
General Public Sector Gross Debt (% GDP)		51.5%	56.3%	65.5%	70.0%	74.0%	76.5%	4.5 pp	4.1 pp	2.5 pp		
General Public Sector Gross Debt (in R\$ millions)		3,177,361	3,560,826	4,300,759	4,853,850	5,449,151	5,830,453	12.88%	12.26%	7.00%		

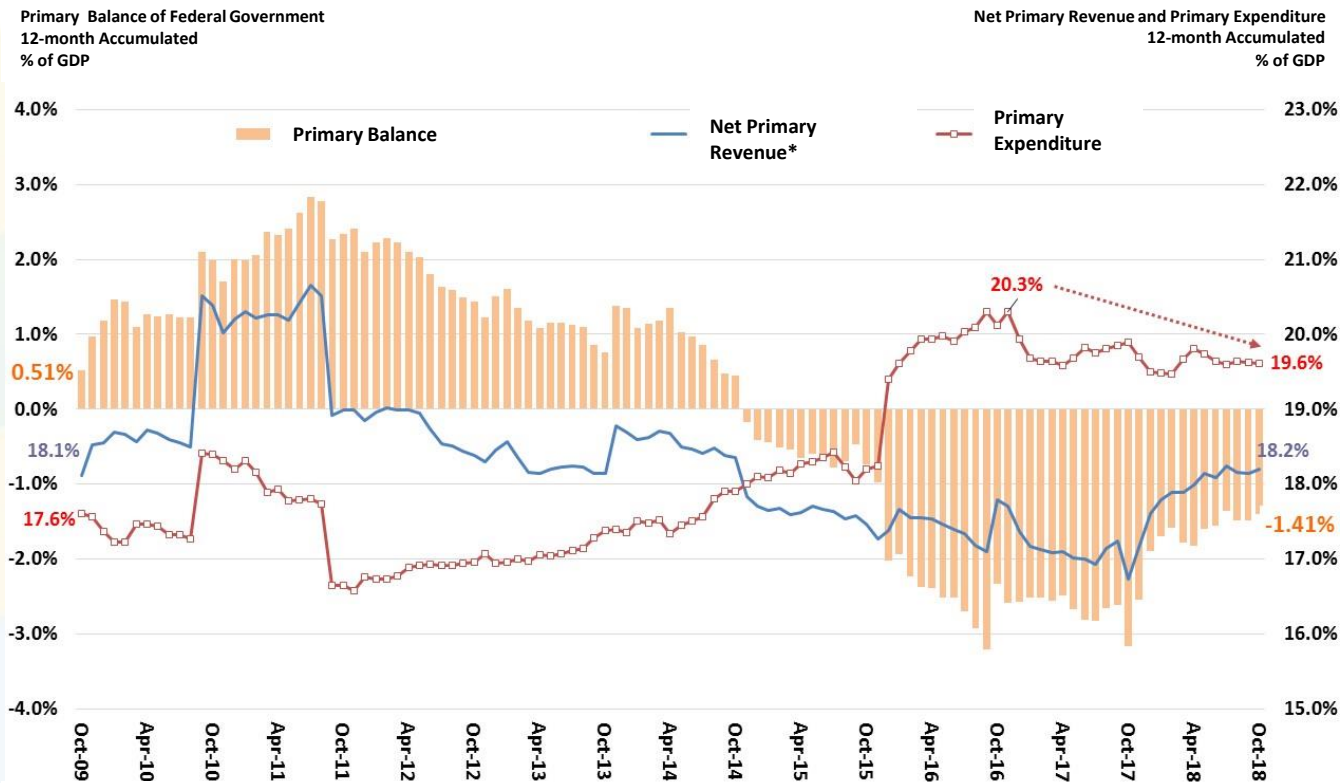
Fiscal Adjustment and Economic Recovery



Sources: IBGE, MF and MP.

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

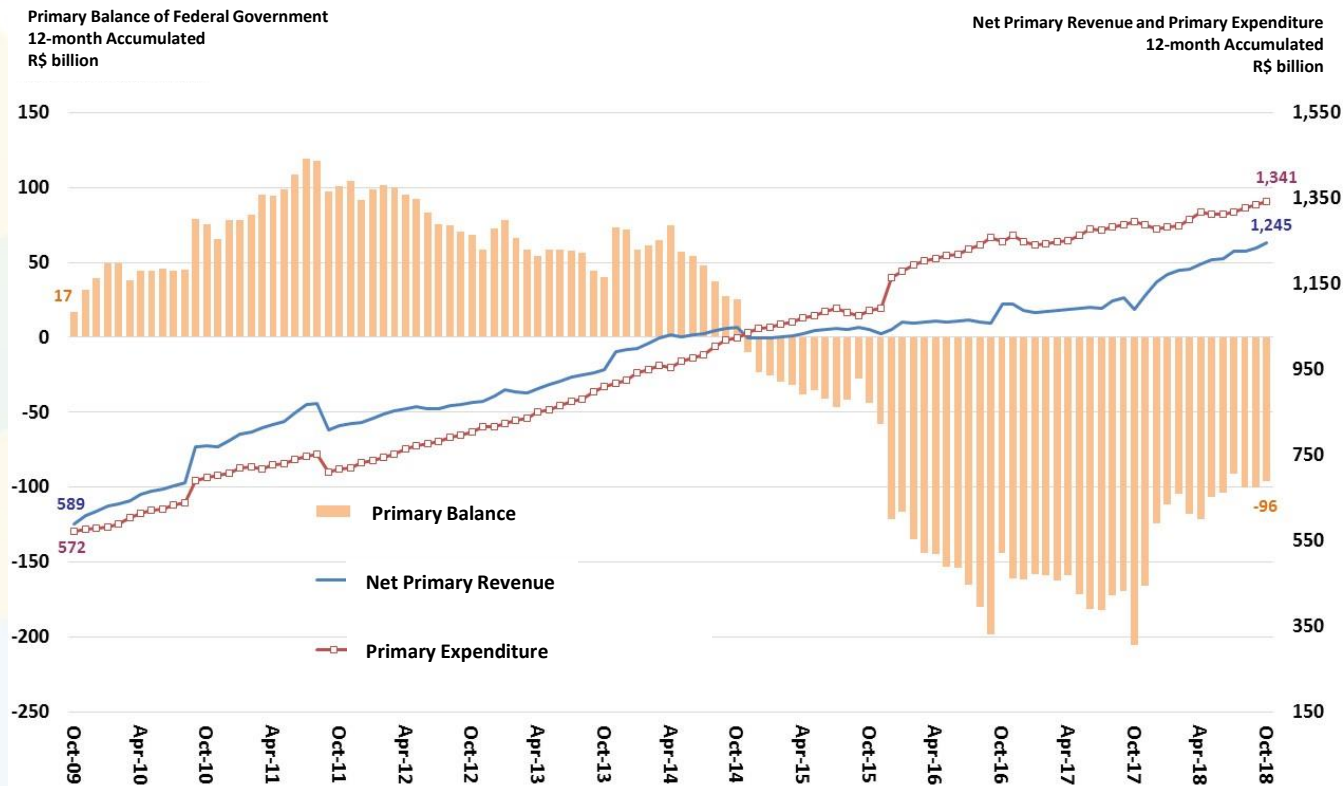
Primary Balance of Federal Government (as % GDP)



Sources: STN/MF.

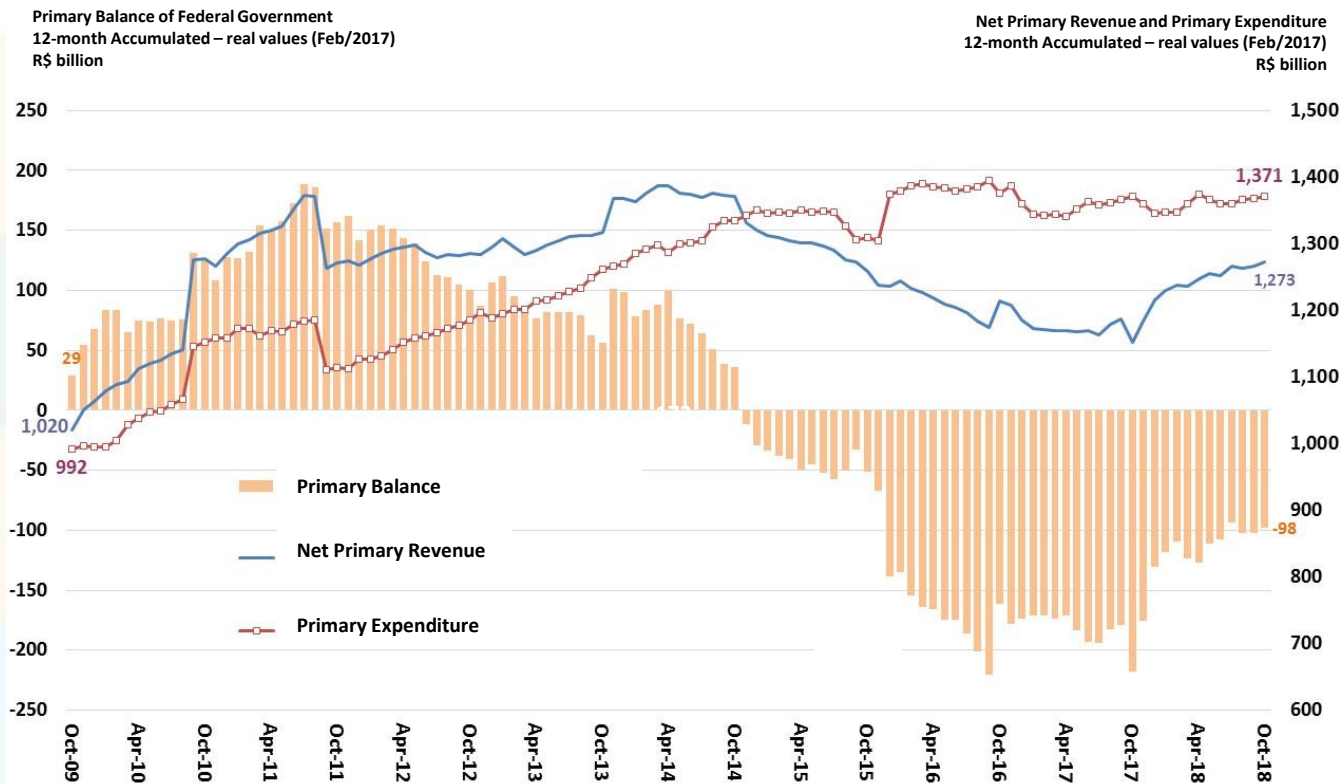
*Excludes compulsory transfers to subnational entities

Primary Balance of Federal Government (nominal values)



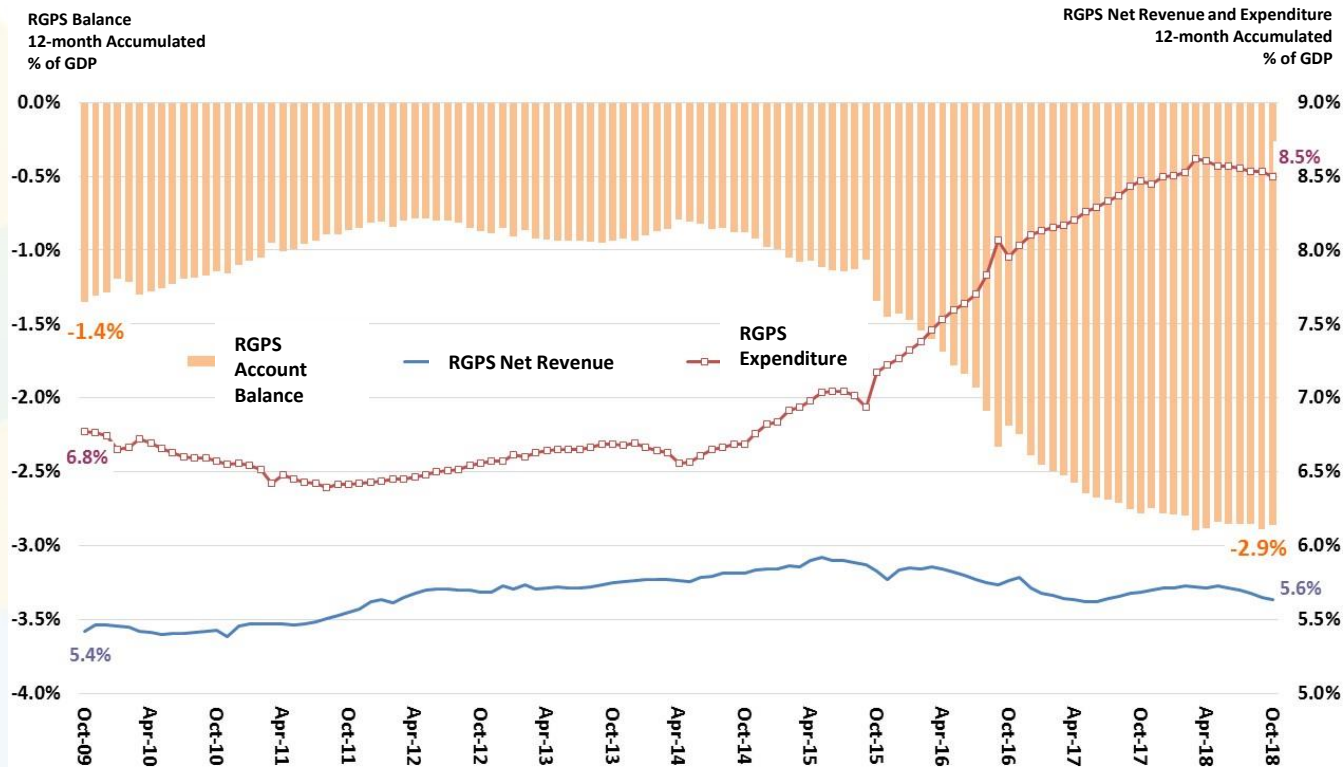
Source: STN/MF.

Primary Balance of Federal Government (real values)



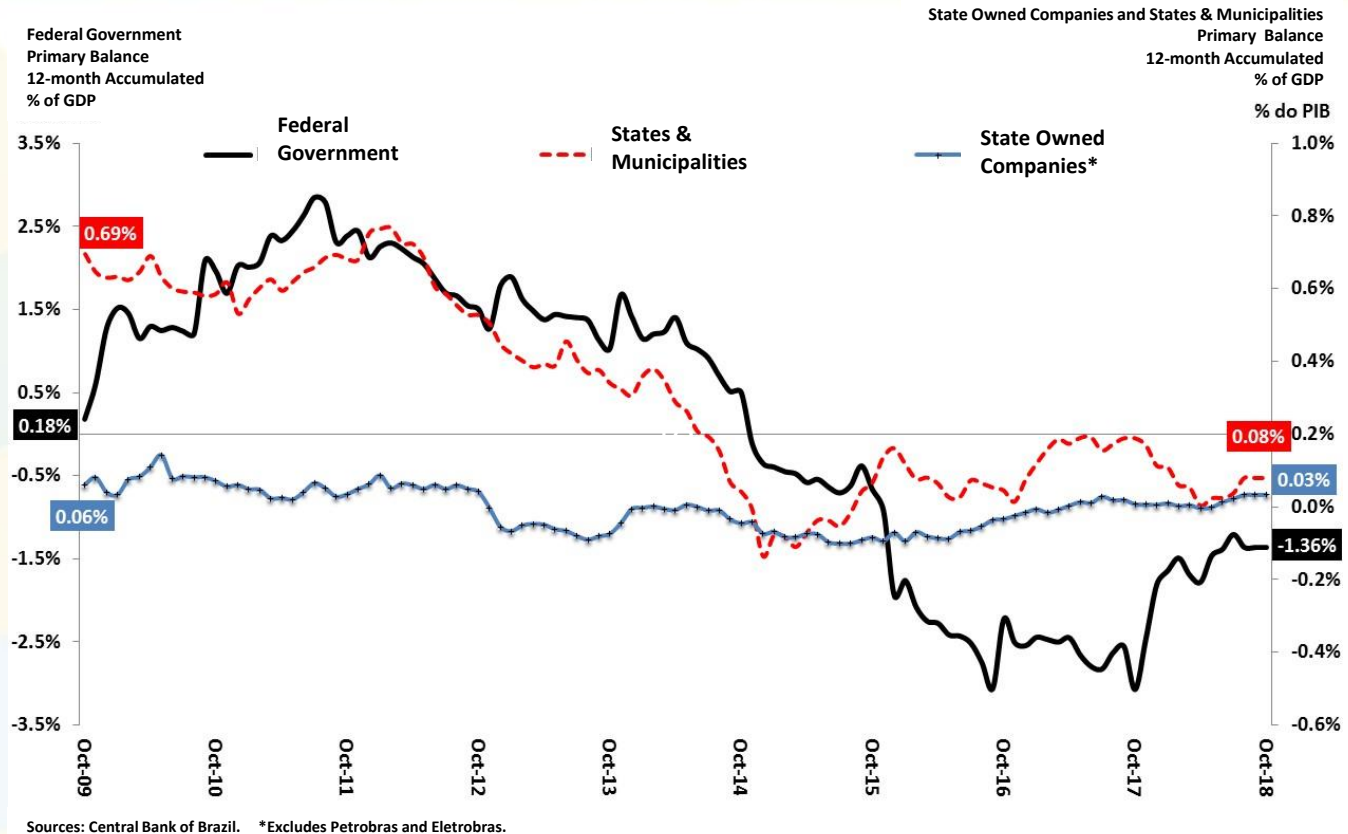
Source: STN/MF.

General Social Security System (RGPS) Balance



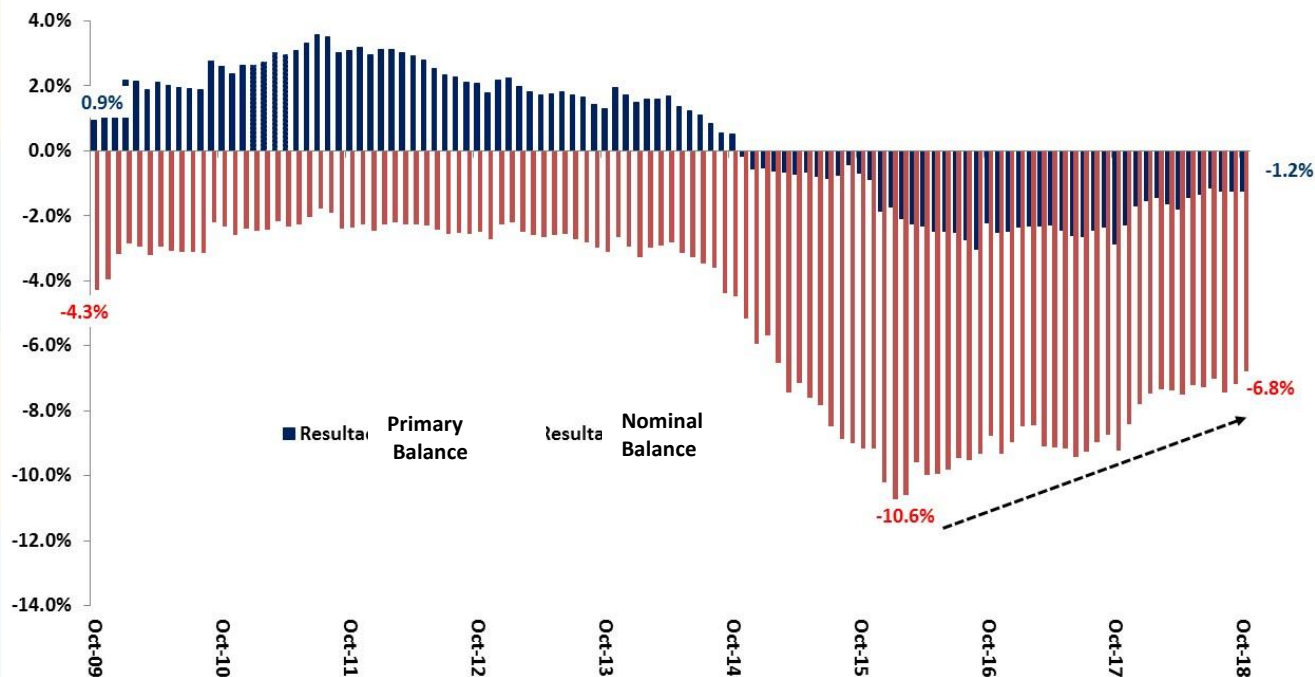
Sources: STN/MF.

Public Sector Primary Balance (as % GDP)



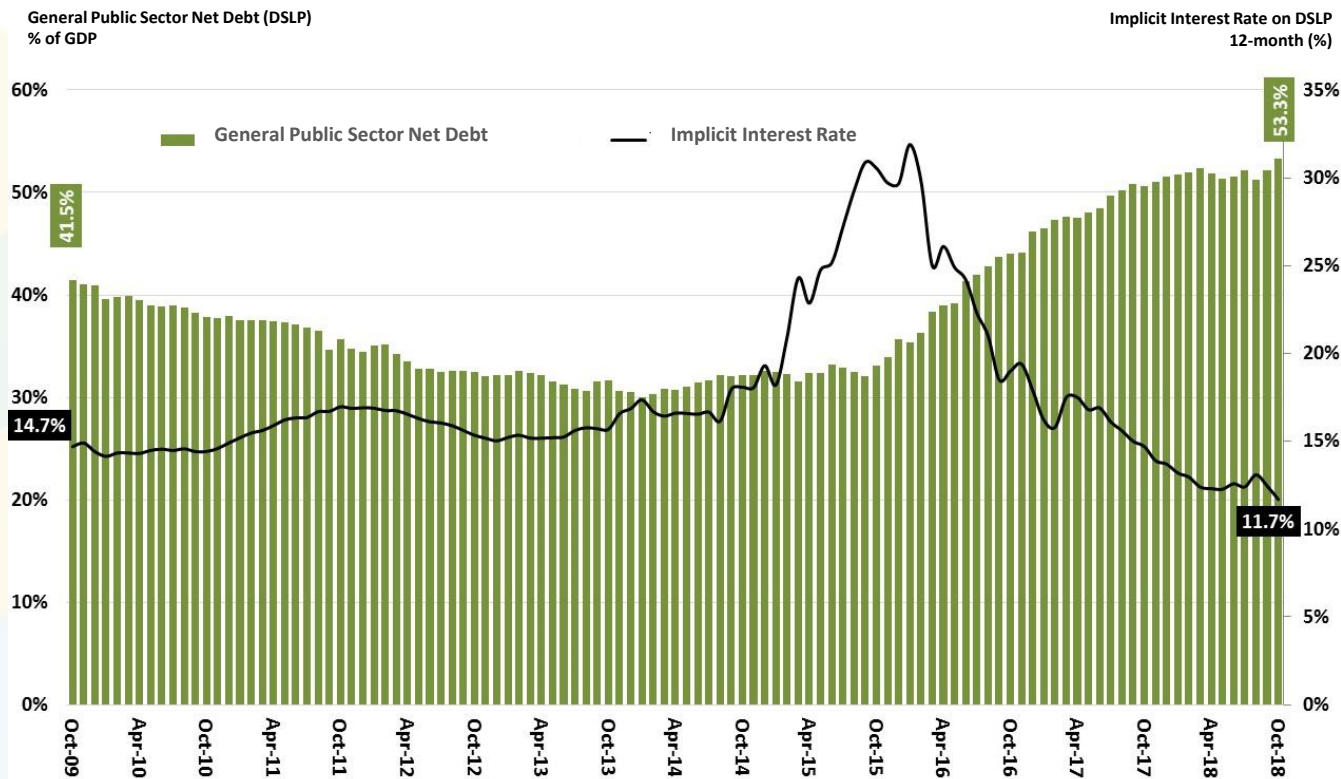
Public Sector Primary and Nominal Balance

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



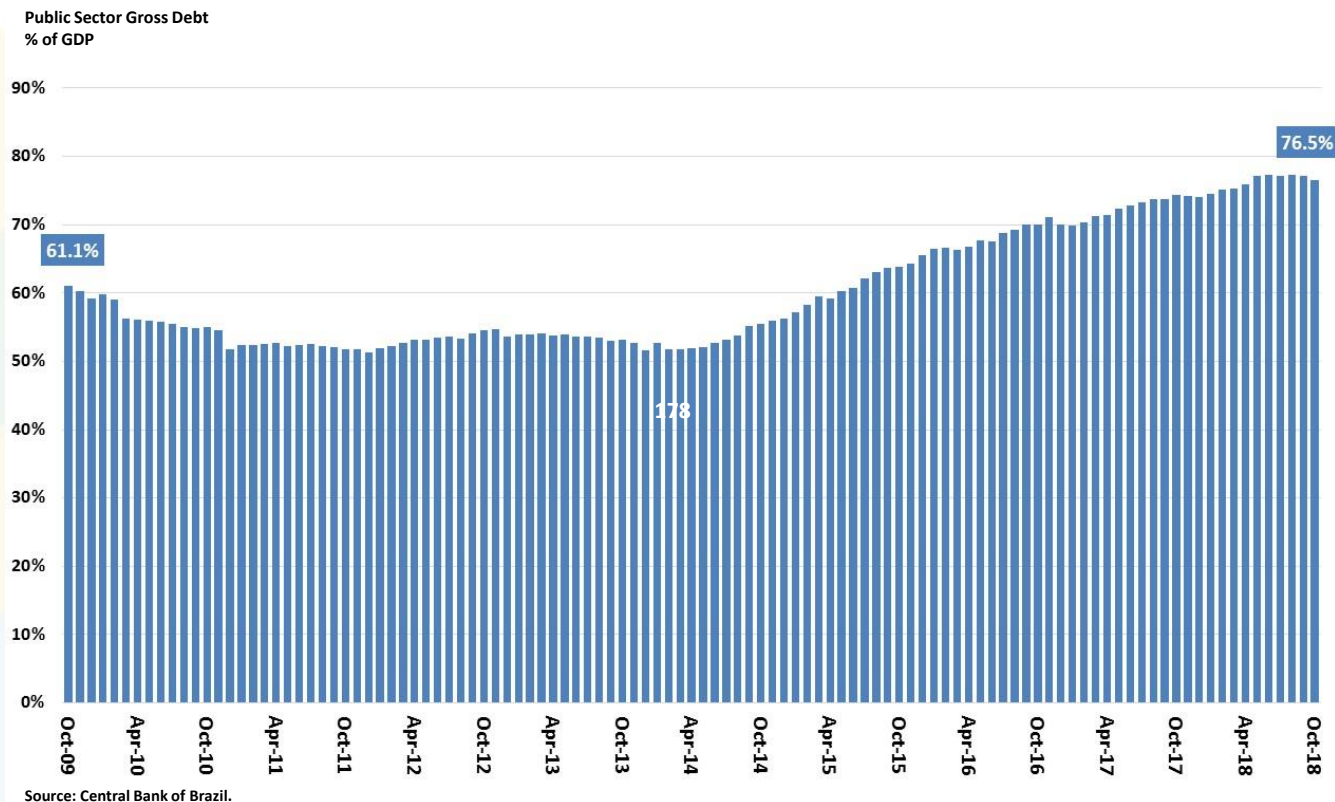
Source: Central Bank of Brazil.

Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.

Public Sector Gross Debt (as % GDP)





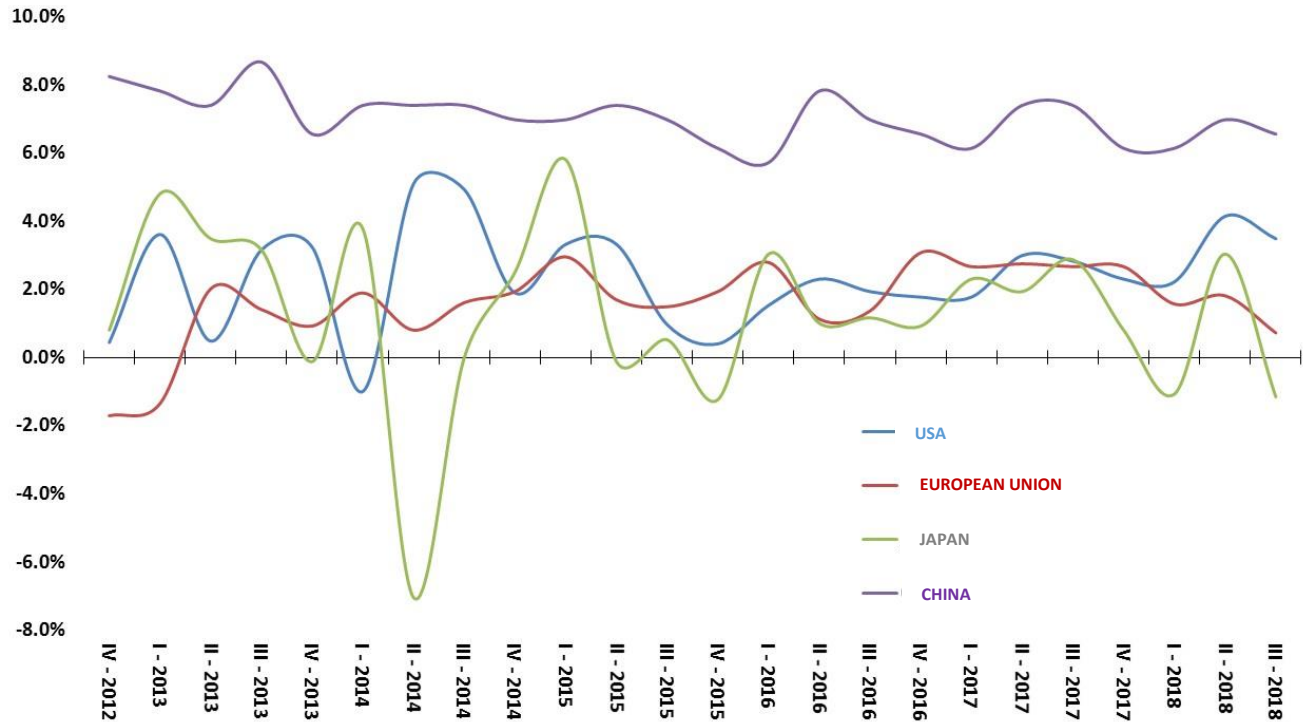
WORLD ECONOMY

World Economy

IMF - WEO, October 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%	3.7%	3.2%	3.2%	3.7%			3.7%	3.7%
Advanced Economies		1.3%	2.1%	2.3%	1.7%	2.4%	1.8%	2.0%	2.3%			2.4%	2.1%
Emerging Market and Developing Economies		5.1%	4.7%	4.3%	4.4%	4.7%	4.4%	4.4%	4.8%			4.7%	4.7%
Latin America and the Caribbean		2.9%	1.3%	0.3%	-0.6%	1.3%	-1.1%	-1.1%	1.3%			1.2%	2.2%
World Trade of Goods and Services		3.6%	3.8%	2.8%	2.2%	5.2%	1.4%	0.9%	4.9%			4.2%	4.0%
National Accounts	Q3 2018	2013	2014	2015	2016	2017	Q2-2018 / Q2-2017	Q3-2018 / Q3-2017	Q1-2018 accum. in 4-quarters	Q2-2018 accum. in 4-quarters	Q3-2018 accum. in 4-quarters	2018	2019
data from IMF, OECD, Eurostat, NBSC and METI													
USA - GDP		1.8%	2.5%	2.9%	1.6%	2.2%	2.9%	3.0%	2.4%	2.6%	2.7%	2.9%	2.5%
Household Expenditure		1.5%	2.9%	3.7%	2.7%	2.5%	2.6%		2.5%	2.5%			
Government Expenditure		-2.4%	-0.9%	1.9%	1.4%	-0.1%	1.3%		0.1%	0.4%			
Gross Fixed Capital Formation		6.9%	5.4%	4.8%	-1.3%	4.8%	4.8%		5.6%	5.7%			
Exports of Goods and Services		3.6%	4.3%	0.6%	-0.1%	3.0%	5.7%		3.5%	4.2%			
Imports of Goods and Services (-)		1.5%	5.1%	5.5%	1.9%	4.6%	4.2%		4.8%	4.7%			
Industrial Production		3.7%	4.9%	-1.8%	-1.0%	3.6%	3.6%		1.0%	3.2%			
Unemployment (% of Labor Force)		7.4%	6.2%	5.3%	4.9%	4.3%	-0.30 pp	-0.1 pp	4.2%	4.1%	4.0%	4.1%	4.2%
Consumer Price Index		1.5%	0.8%	0.7%	2.1%	2.1%	2.9%	2.6%	2.1%	2.4%	2.4%	2.3%	2.1%
European Union - GDP		0.3%	1.8%	2.4%	2.0%	2.5%	2.2%	1.9%	2.6%	2.5%	2.2%	2.2%	2.0%
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%	1.5%		3.0%	3.4%			
Unemployment (% of Labor Force)		10.8%	10.2%	9.4%	8.7%	7.6%	-0.6 pp	-0.2 pp	7.4%	7.2%	7.0%	7.6%	7.6%
Consumer Price Index		1.0%	0.0%	0.2%	0.9%	1.7%	2.0%	2.2%	1.6%	1.8%	1.8%	1.9%	1.9%
Japan - GDP		2.0%	0.4%	1.4%	0.9%	1.7%	1.4%	0.4%	1.7%	1.6%	1.2%	1.1%	0.9%
Industrial Production		-0.7%	2.1%	-0.9%	-0.2%	4.5%	2.0%		2.4%	3.8%			
Unemployment (% of Labor Force)		4.0%	3.6%	3.4%	3.1%	2.8%	-0.4 pp		2.7%	2.6%	2.6%	2.9%	2.9%
Consumer Price Index		1.5%	2.5%	0.2%	-0.1%	1.0%	0.7%	1.1%	0.8%	0.9%	0.9%	0.8%	1.5%
China - GDP		7.8%	7.3%	6.9%	6.7%	6.9%	6.7%	6.5%	6.8%	6.8%	6.7%	6.6%	6.2%
Industrial Production		9.9%	7.9%	6.6%	6.0%	6.1%	6.6%		7.2%	7.9%			
Unemployment (% of Labor Force)		4.1%	4.1%	4.1%	4.0%	4.0%	-0.2 pp		3.9%	3.9%		4.0%	4.0%
Consumer Price Index		2.5%	1.5%	1.6%	2.0%	1.8%	1.9%	2.3%	1.8%	1.9%	2.0%	2.2%	2.4%

World Major Economies GDP

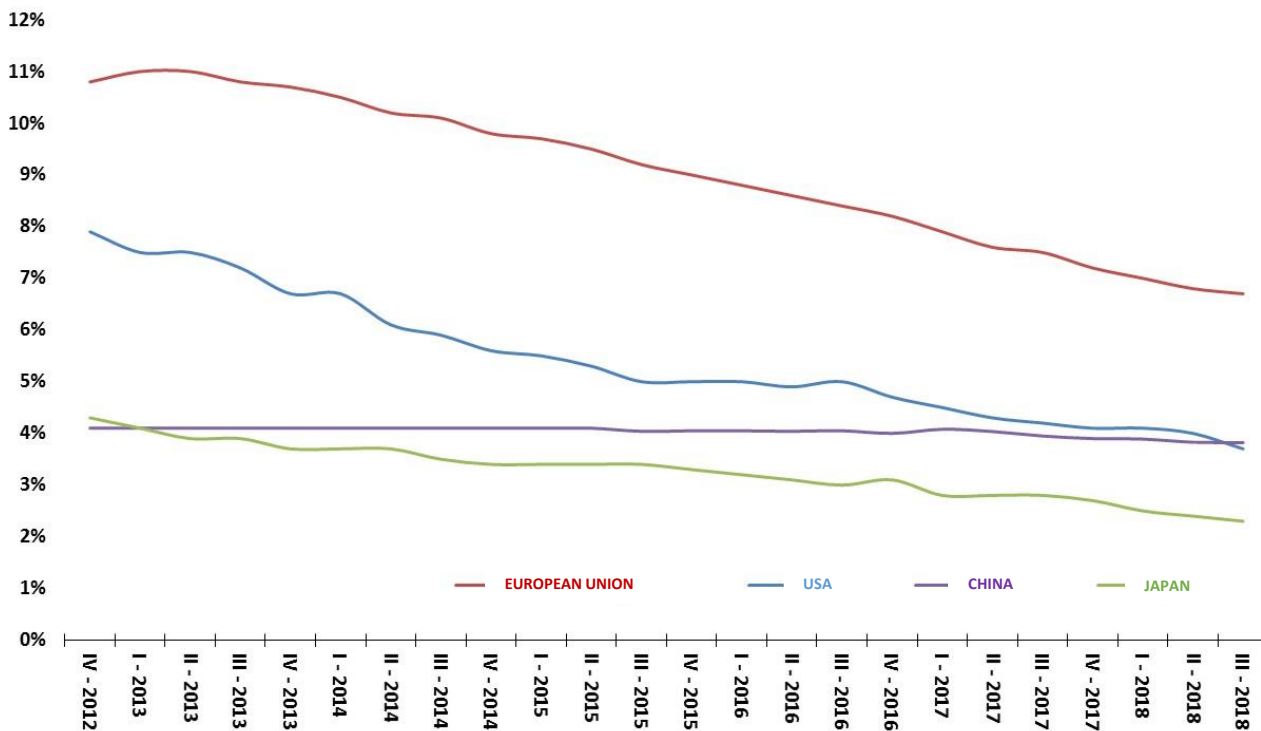
GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

World Major Economies Unemployment Rate

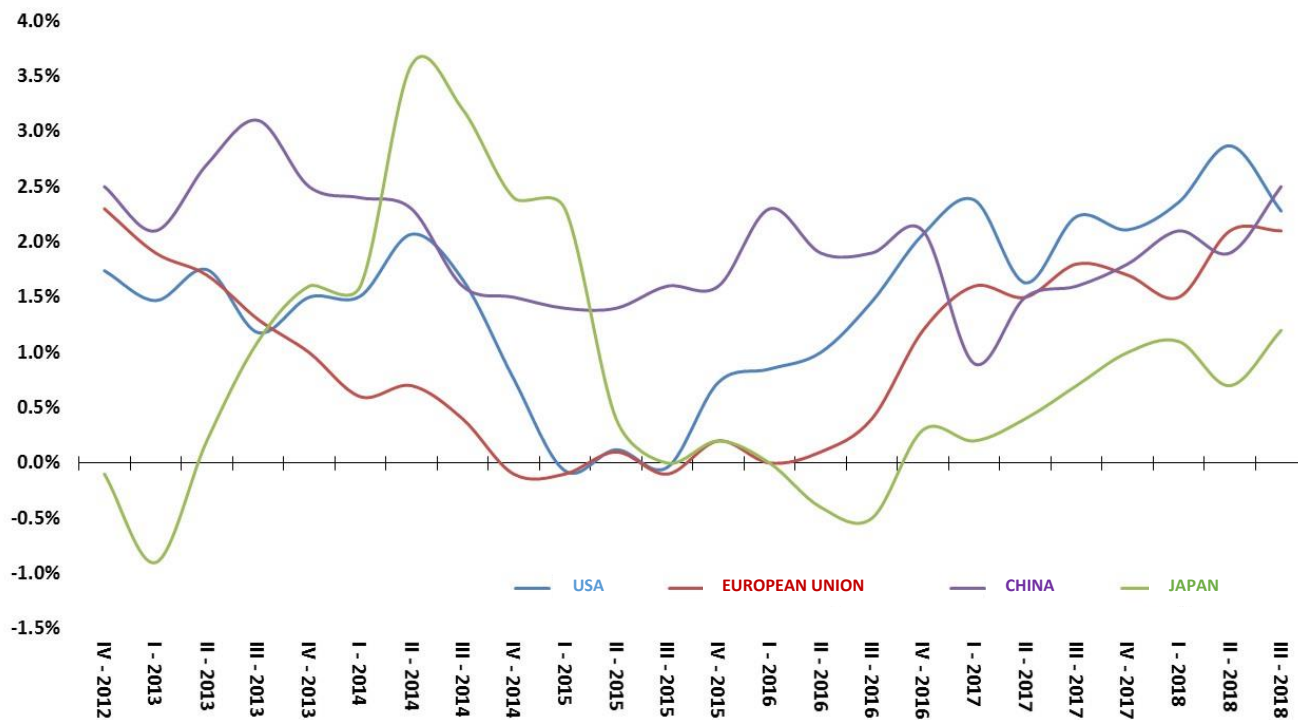
Unemployment Rate as % of Labor Force



Source: OECD.

World Major Economies Consumer Price Index

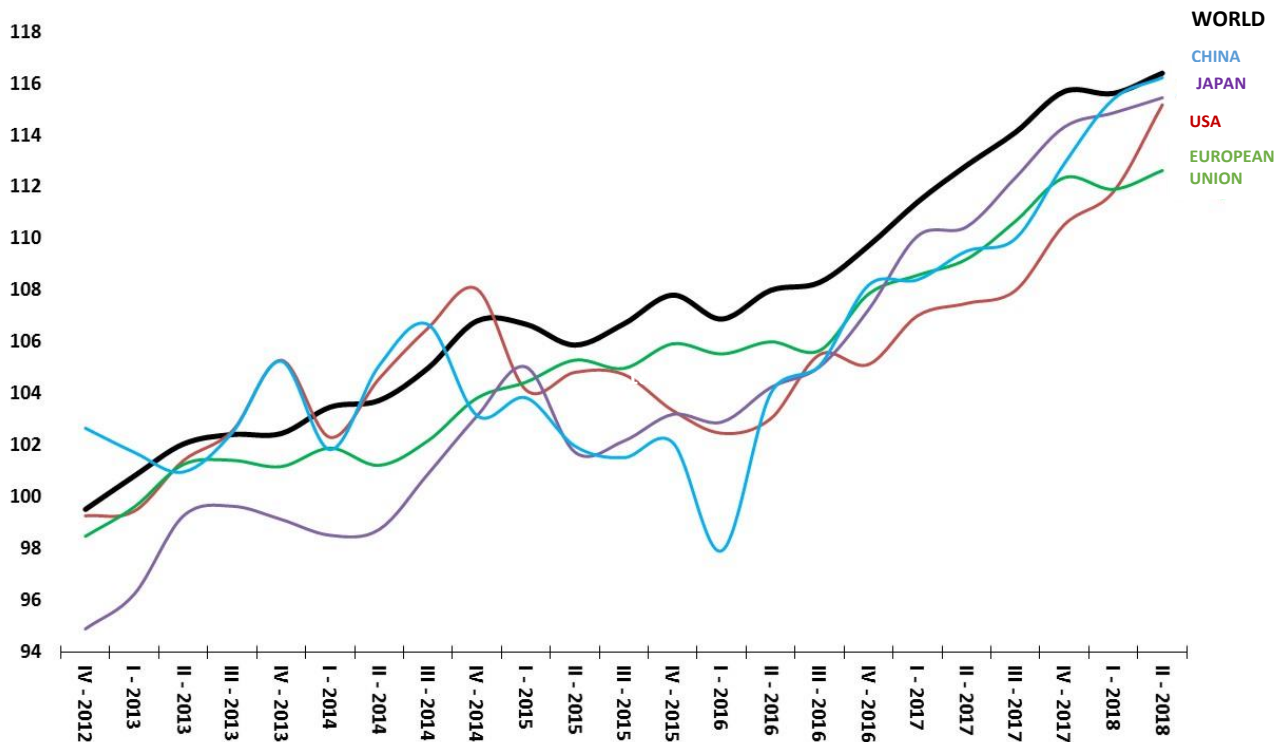
Consumer Price Indexes – annual chg. %



Source: OECD.

World Major Economies Total Exports

Total Exports Volume Index – Q3-2012 = 100

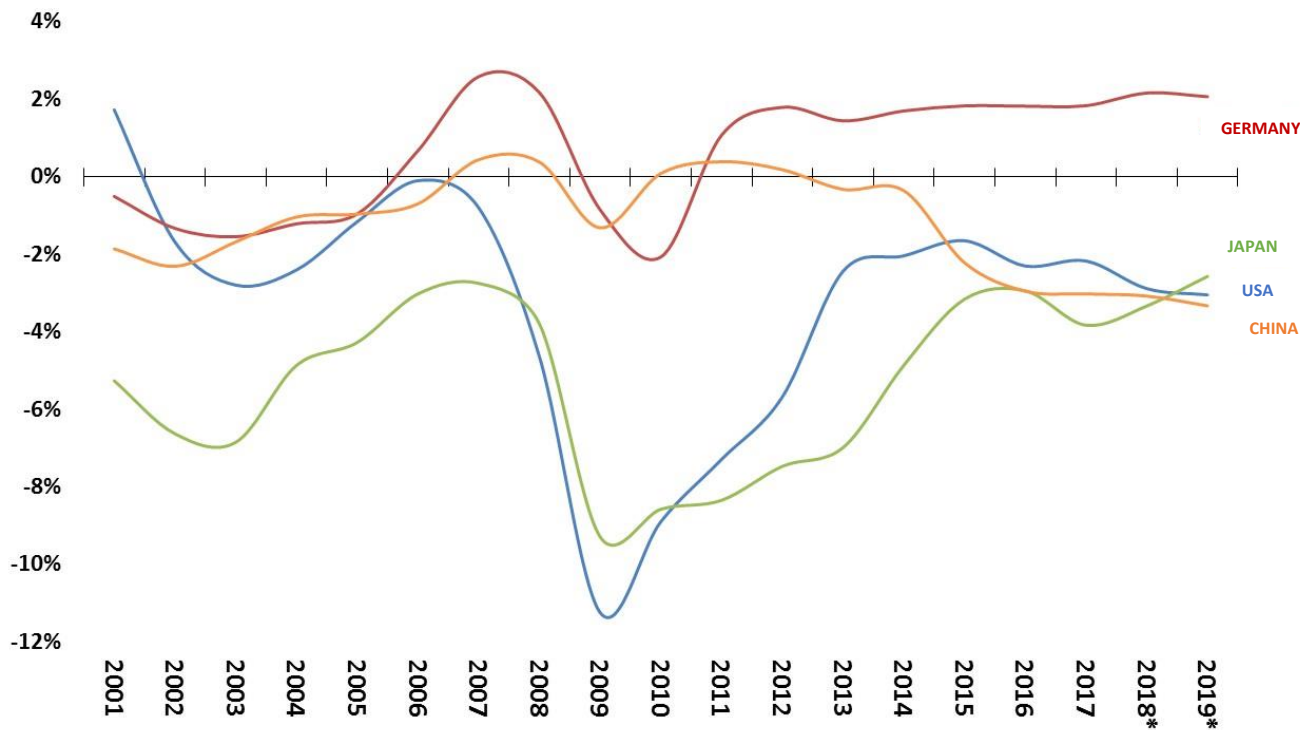


Source: OECD.

*Estimated values IMF

World Major Economies Government Primary Surplus

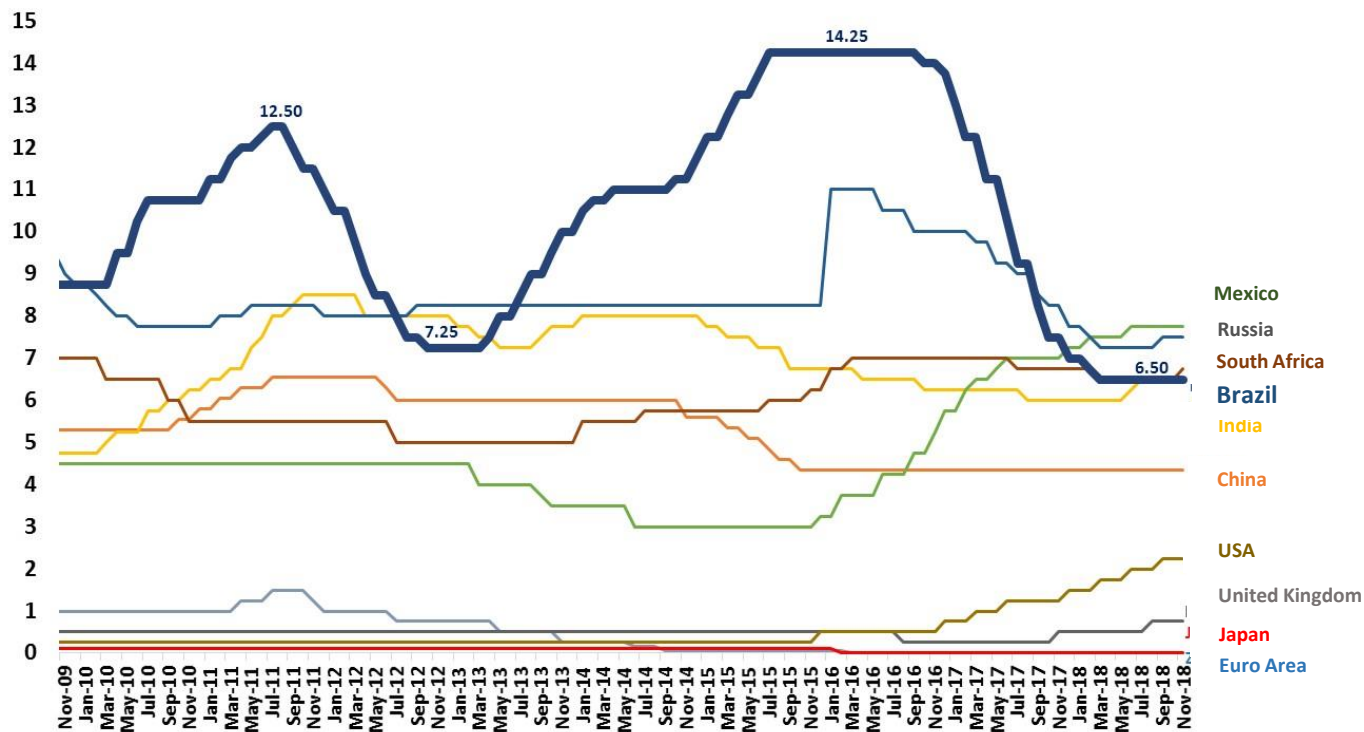
Central Government Primary Surplus as % of GDP



Source: IMF. * Estimated values

Selected Economies Main Interest Rate

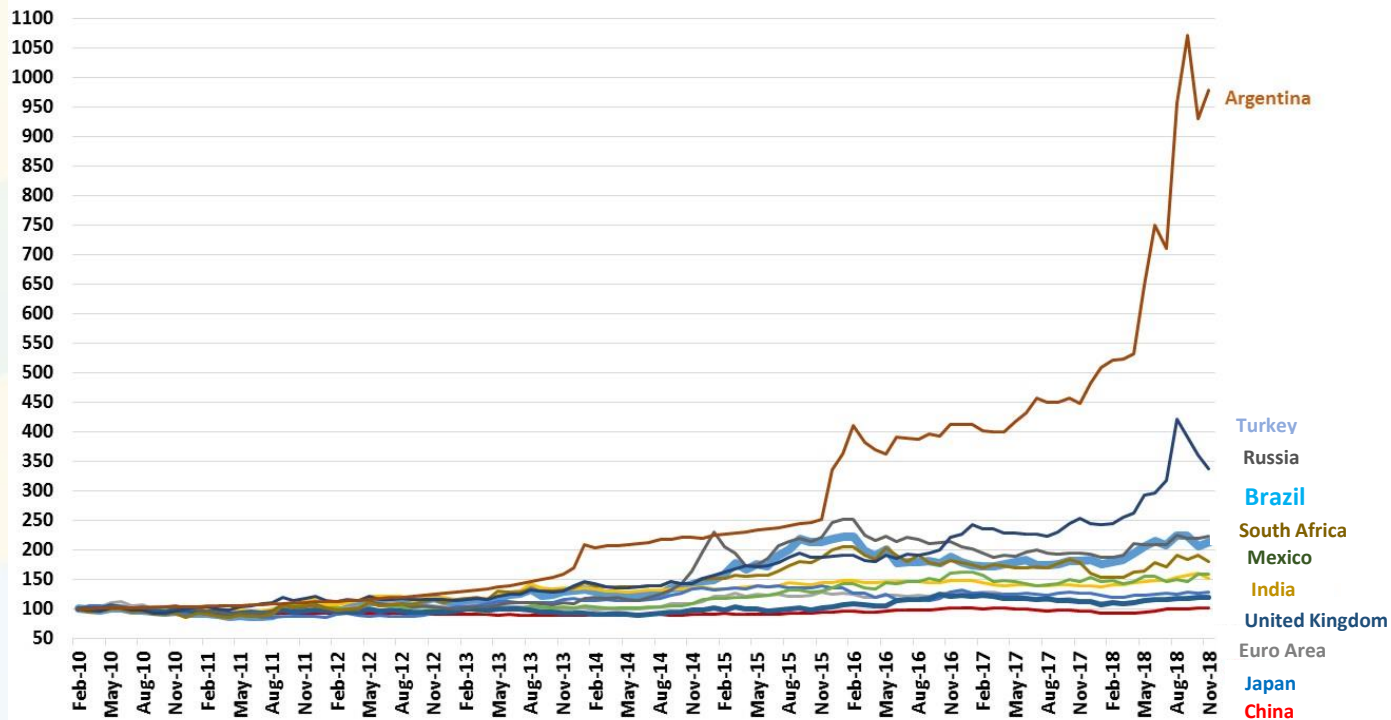
Main Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

Selected Economies FX-dollar Rate Evolution

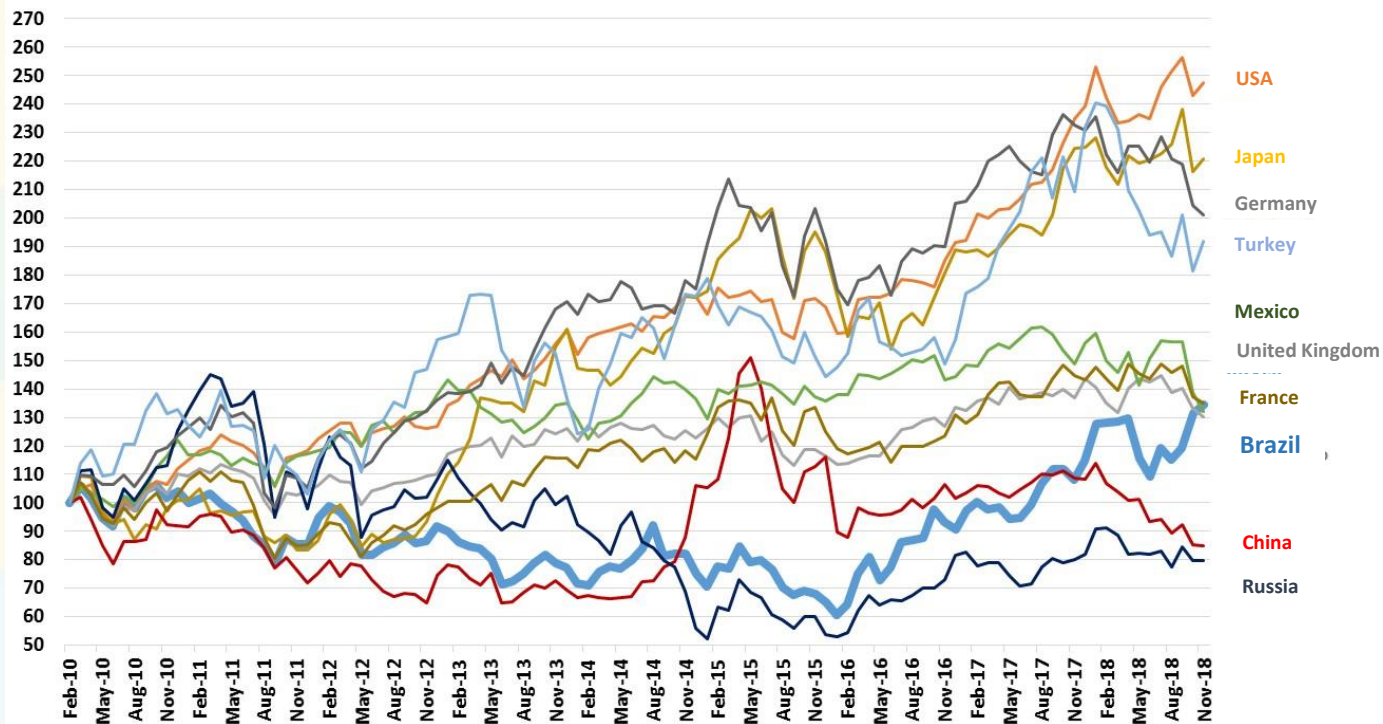
Selected Economies FX-rate Indexes – Dec/2008 = 100



Sources: Bloomberg.

Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Dec/2008 = 100



Sources: Bloomberg.

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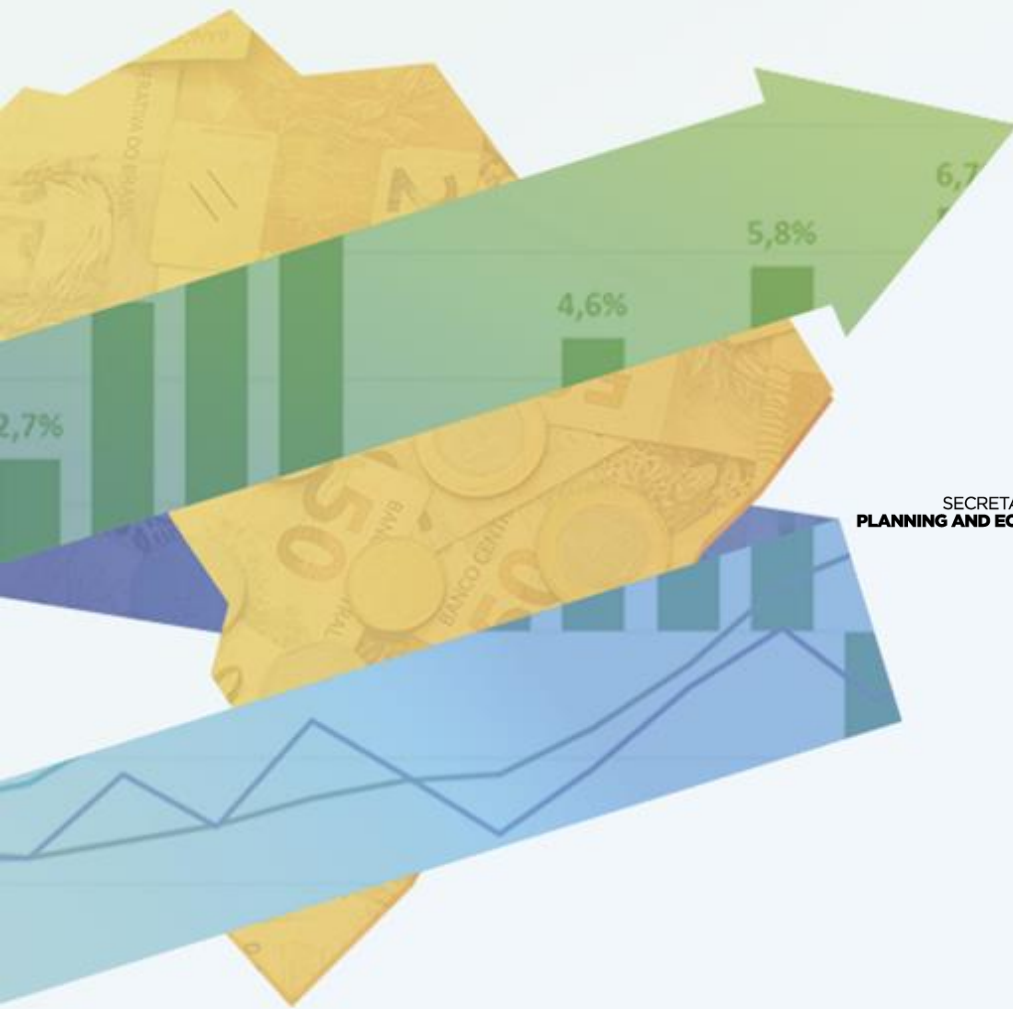
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