




MACROECONOMIC OUTLOOK


November 2018



SECRETARIAT OF
PLANNING AND ECONOMIC
AFFAIRS

MINISTRY OF
PLANNING, DEVELOPMENT
AND MANAGEMENT

BRAZILIAN
GOVERNMENT



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


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

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HIGHLIGHTS



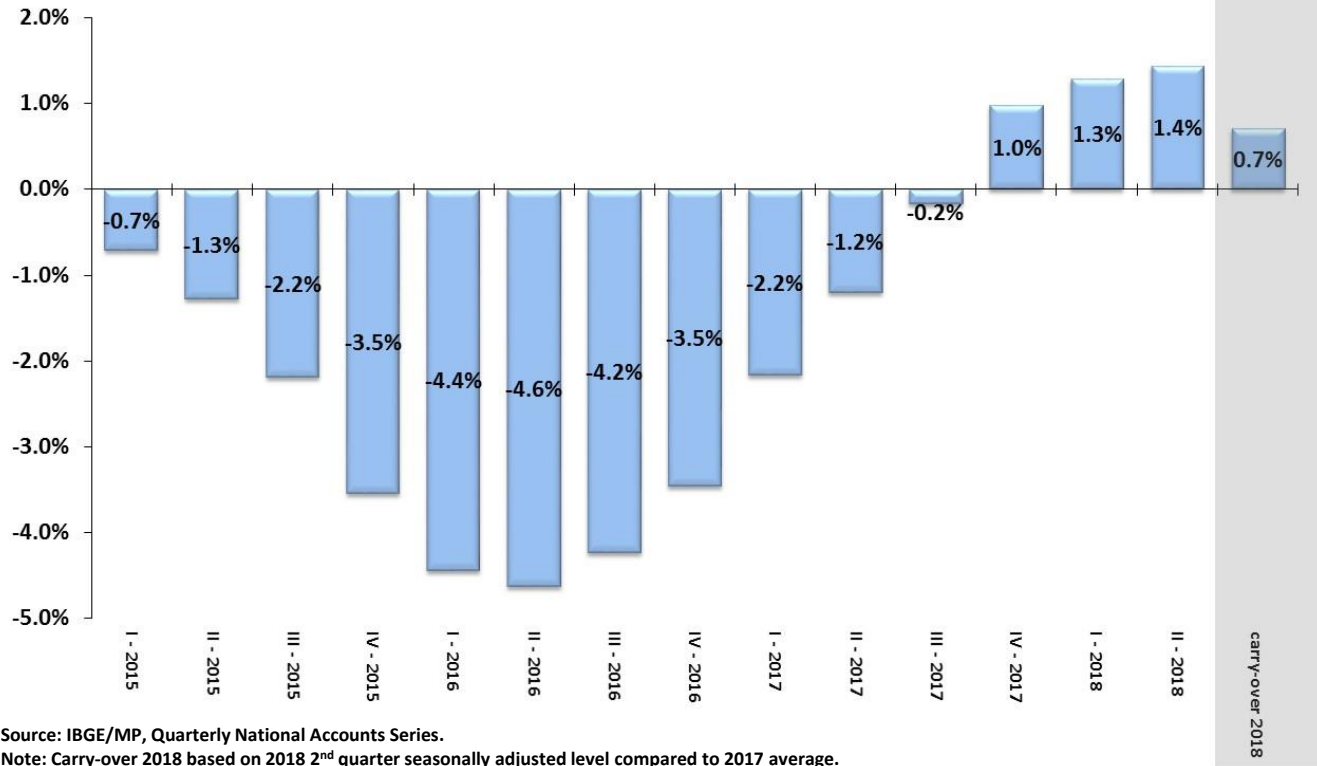
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Quarterly GDP

Last 4Q / Previous 4Q (%)

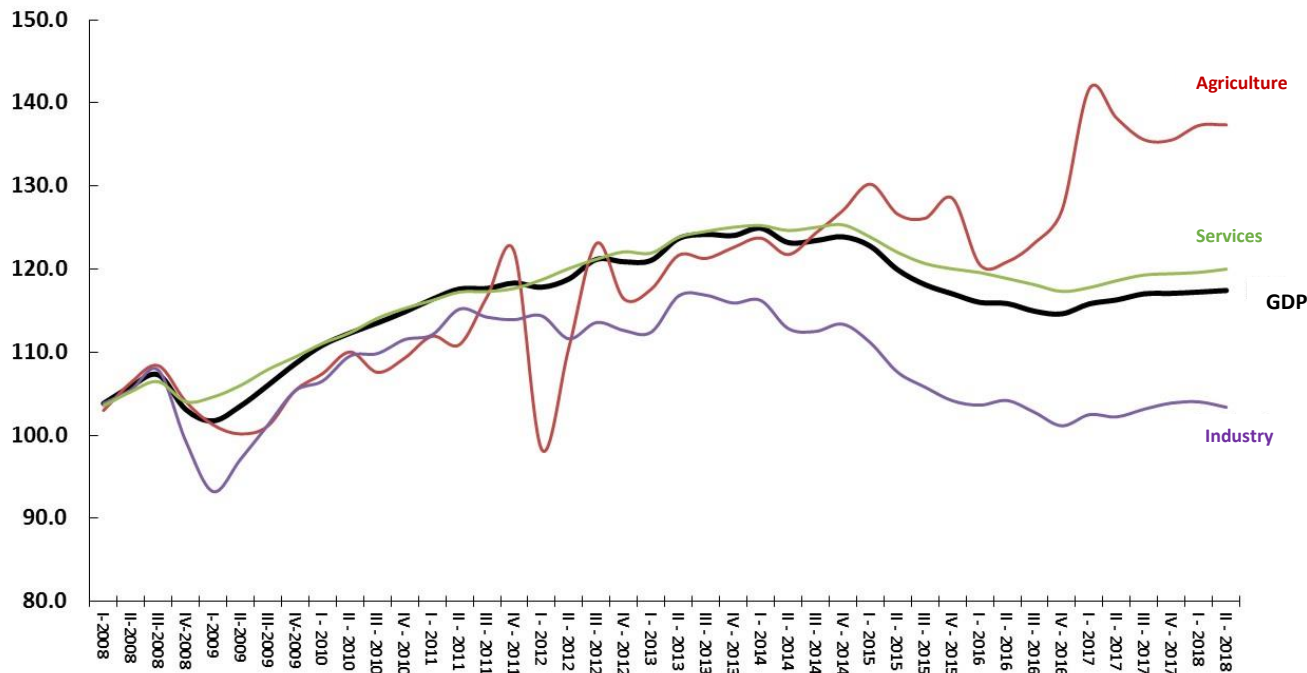


Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 2nd quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Activity Sector

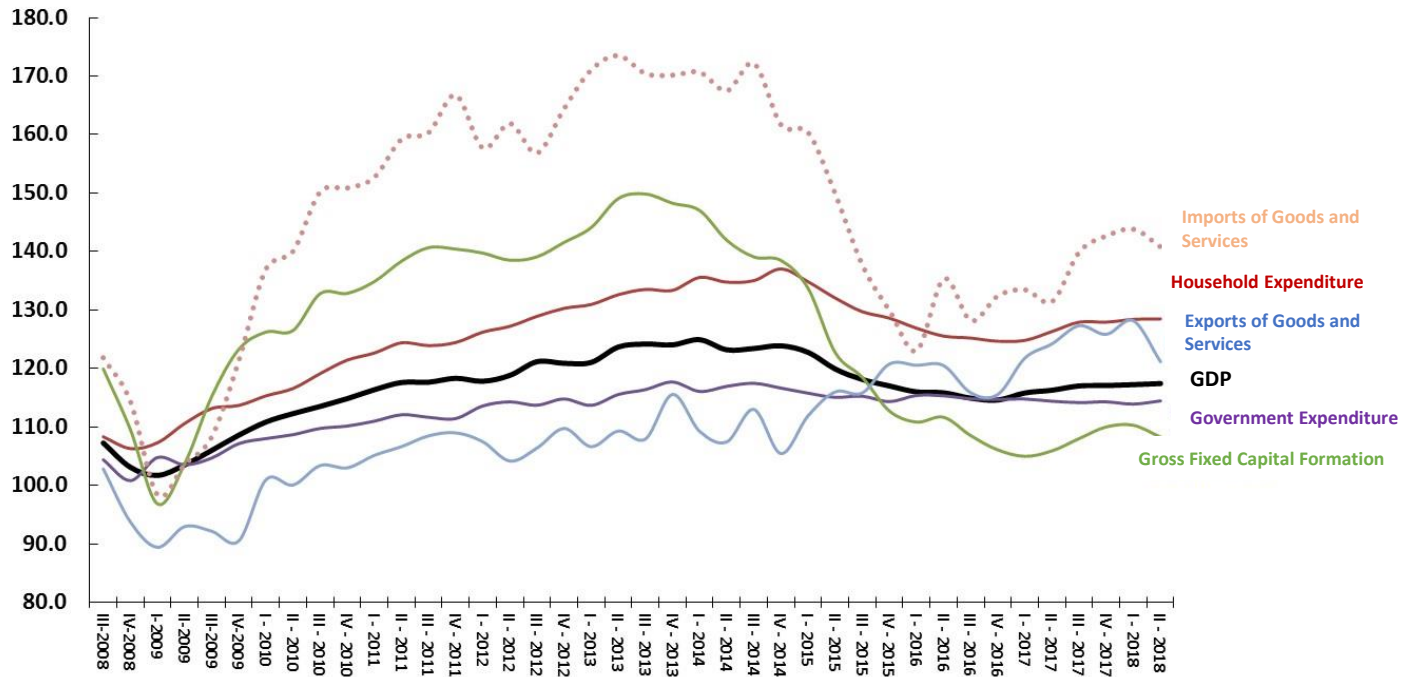
GDP and Economic Sectors Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

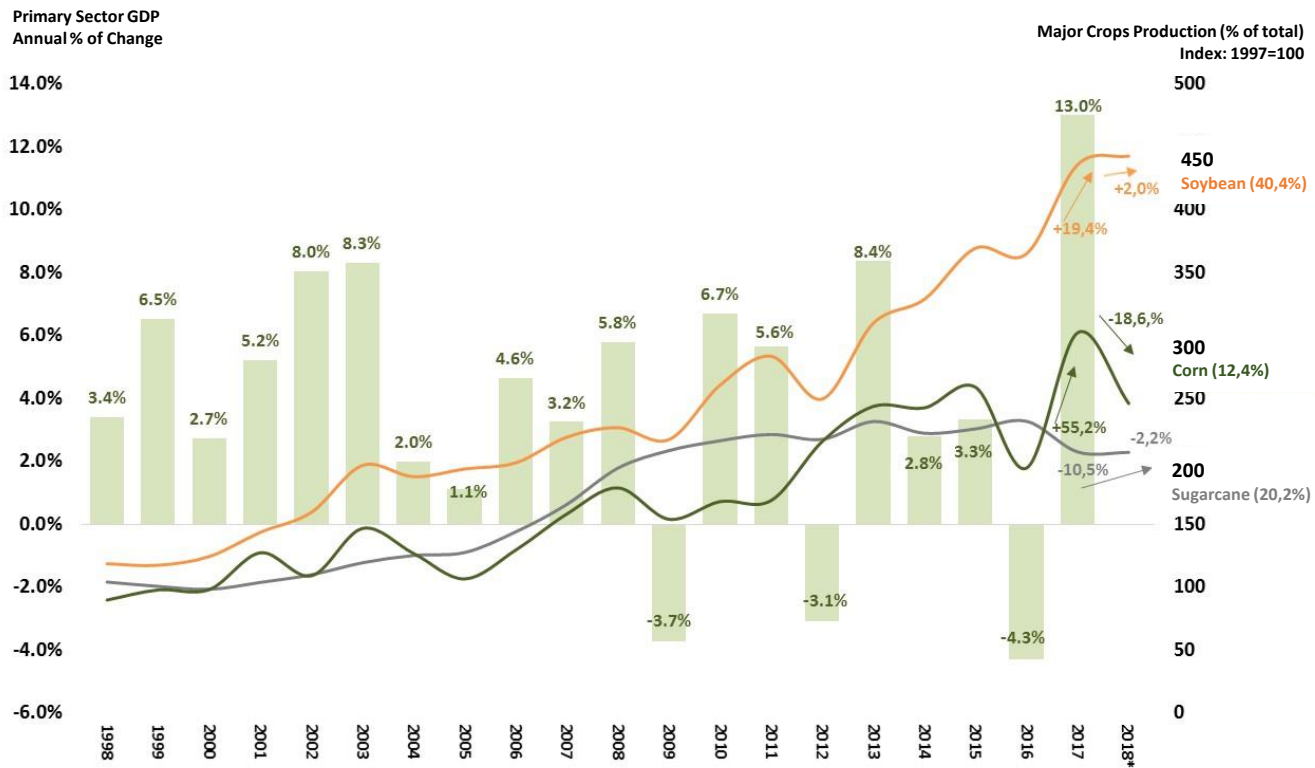
Quarterly GDP by Expenditure

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



Source: IBGE/MP, Quarterly National Accounts Series.

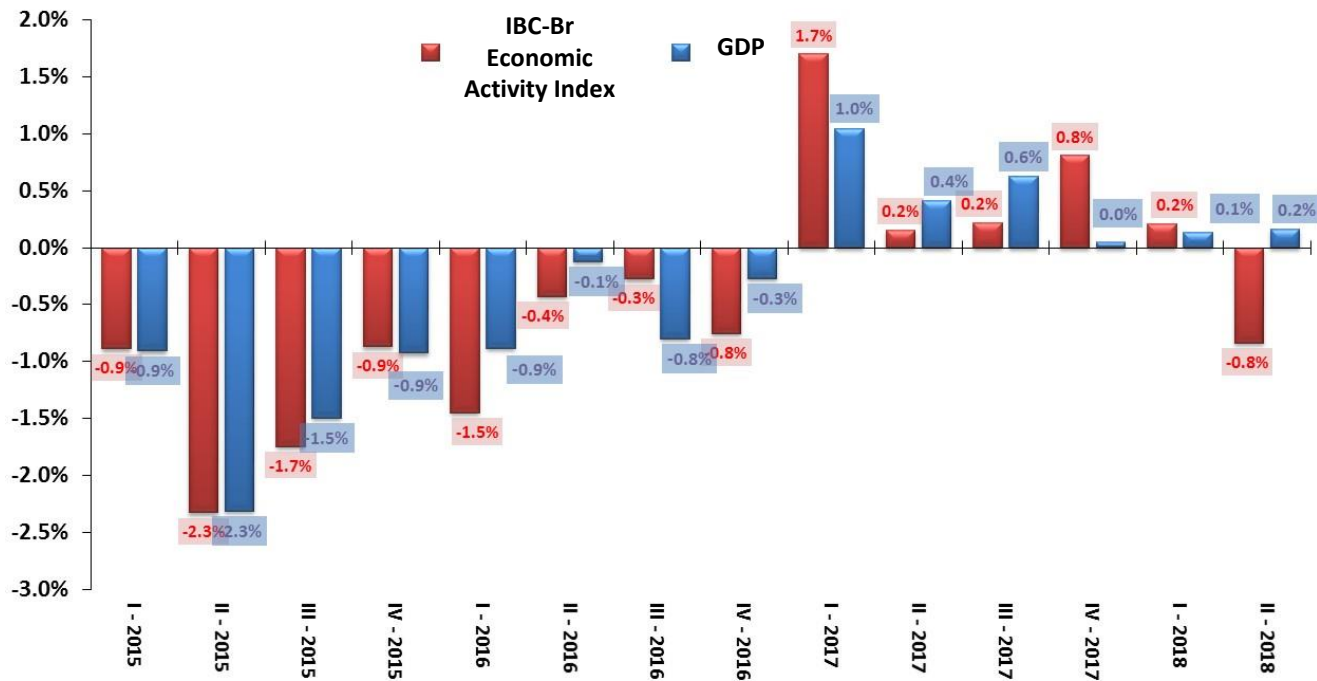
Primary Sector Performance by Major Crops



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

Quarterly GDP Growth and IBC-Br Economic Activity Index

Taxa de Variação Trimestral (%) com Ajuste Sazonal

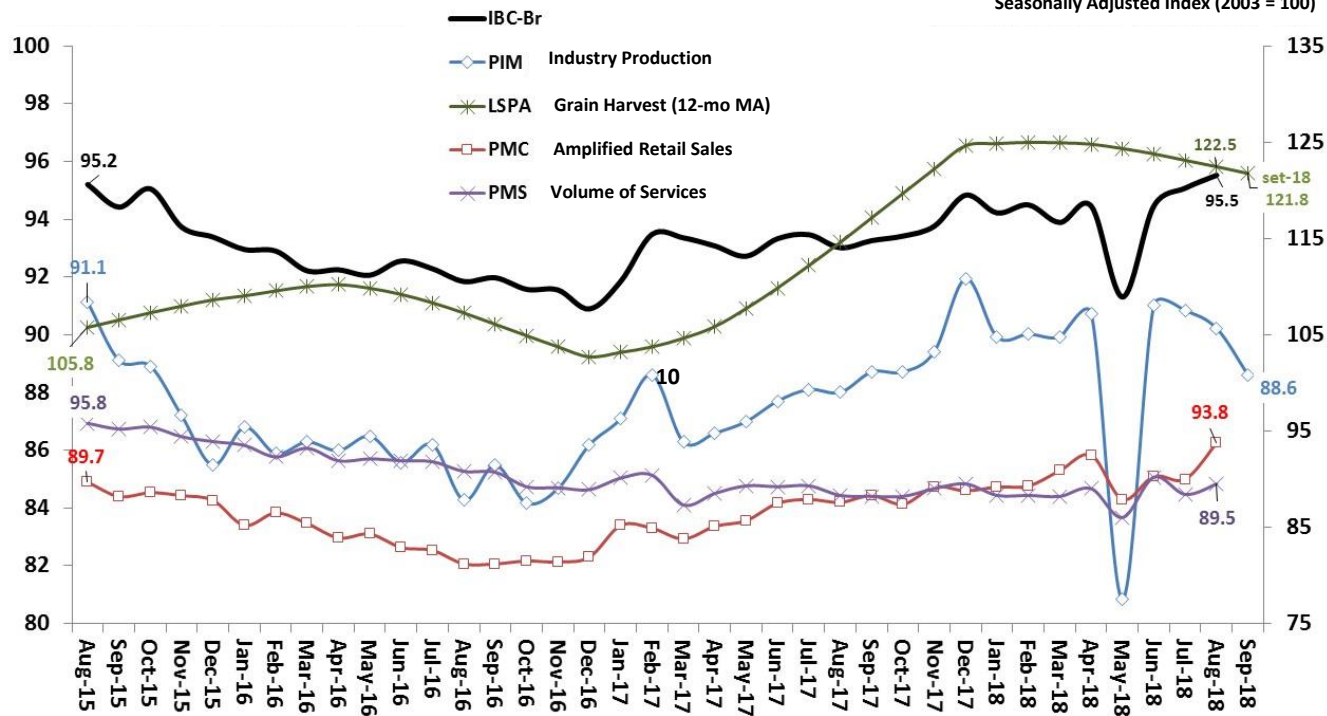


Sources: IBGE/MP and Central Bank of Brazil.

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)

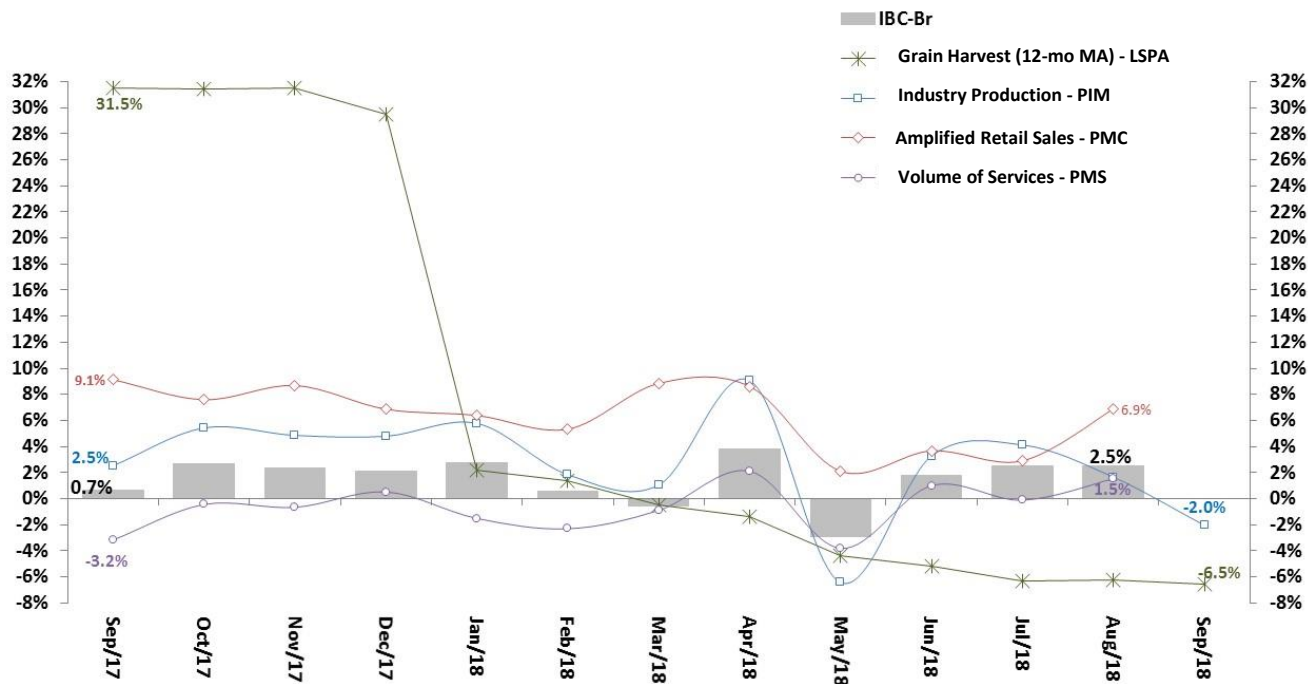


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators

IBC-Br
(YoY %)

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

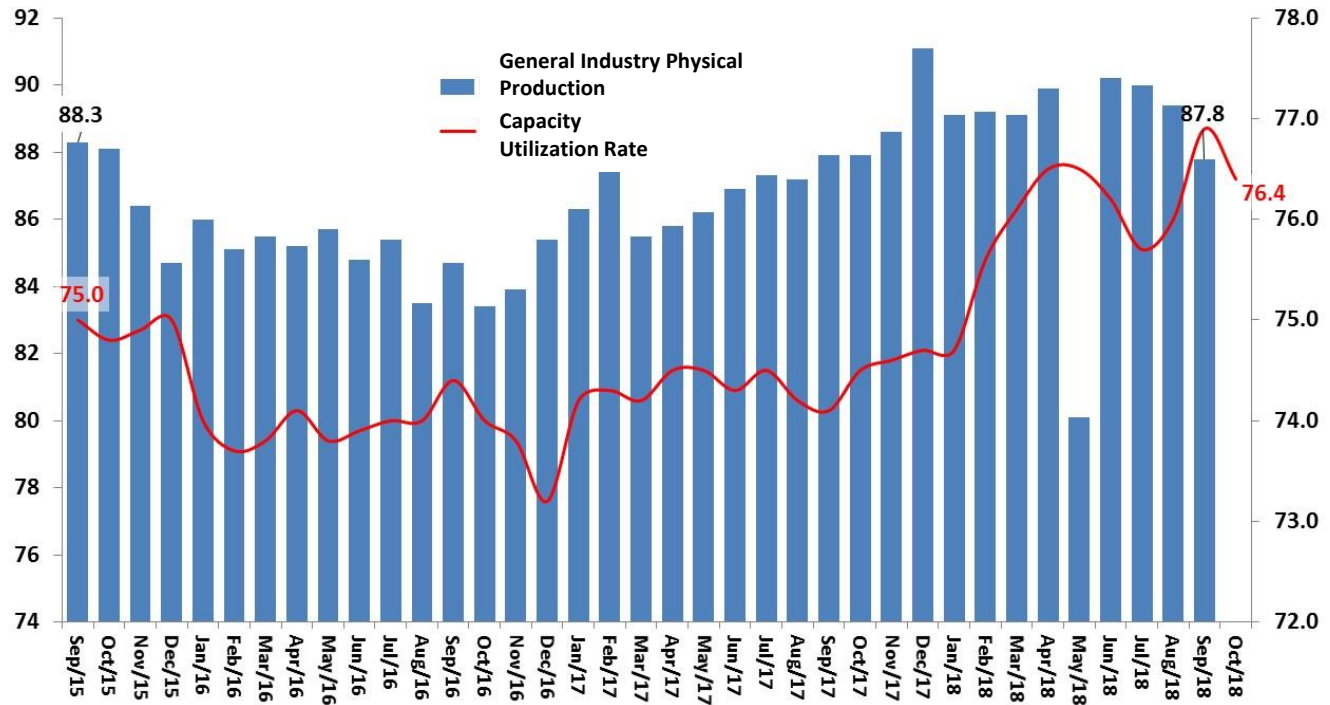


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

Industry Production
Seasonally Adjusted Index (2003 = 100)

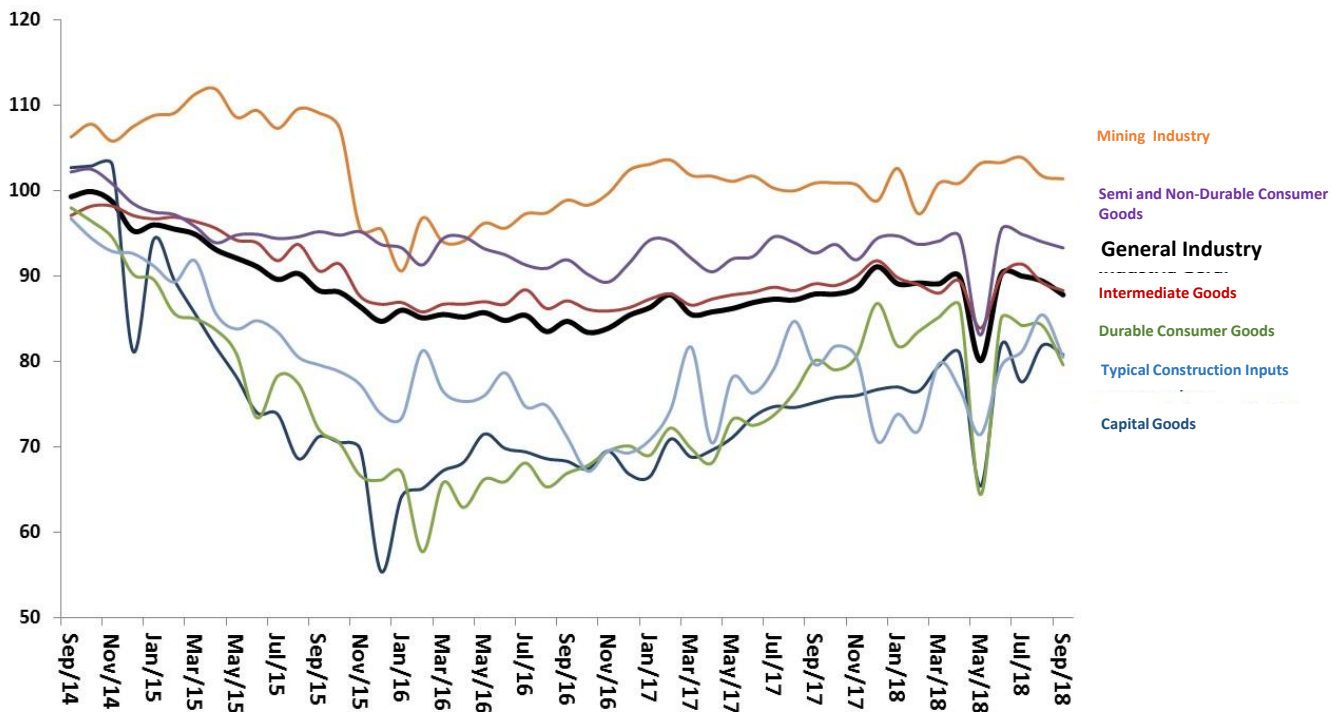
Capacity Utilization
Seasonally Adjusted - % of Total Capacity



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

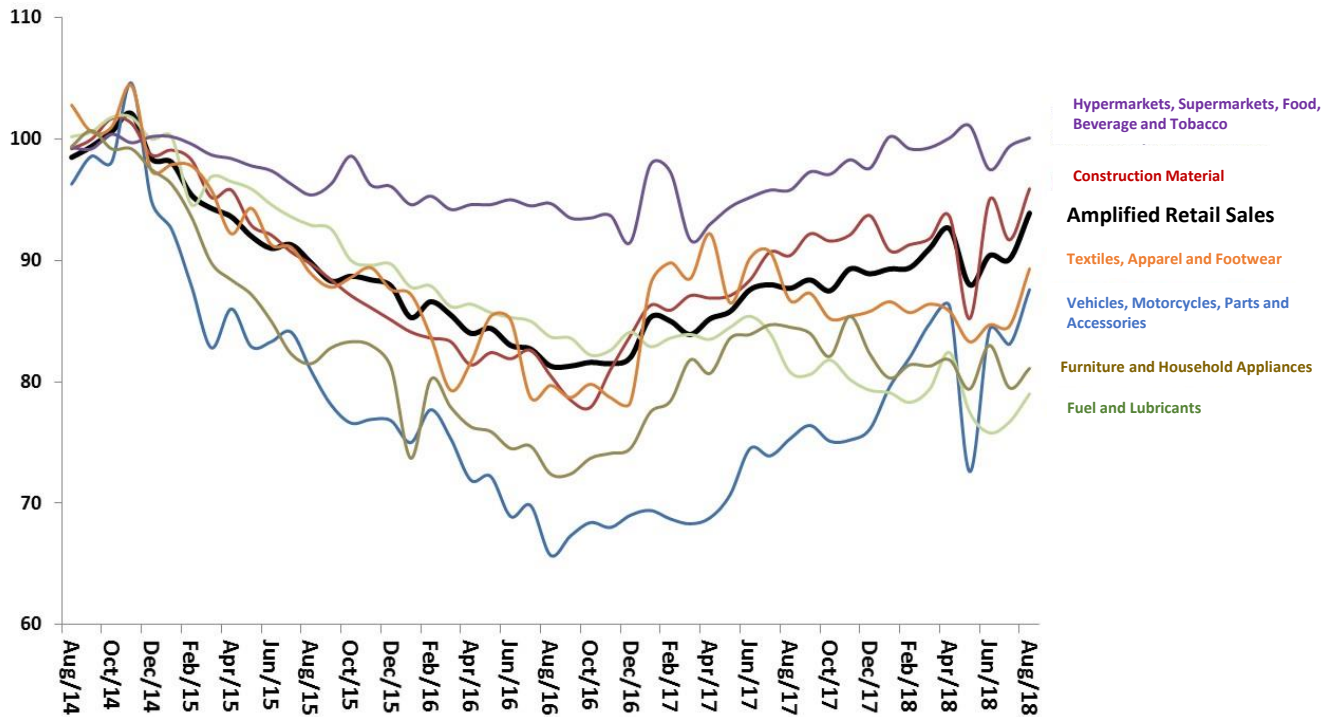
Industry Physical Production by Economic Category
Seasonally Adjusted Index (2002 = 100)



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

Total Retail Sales and Subsectors

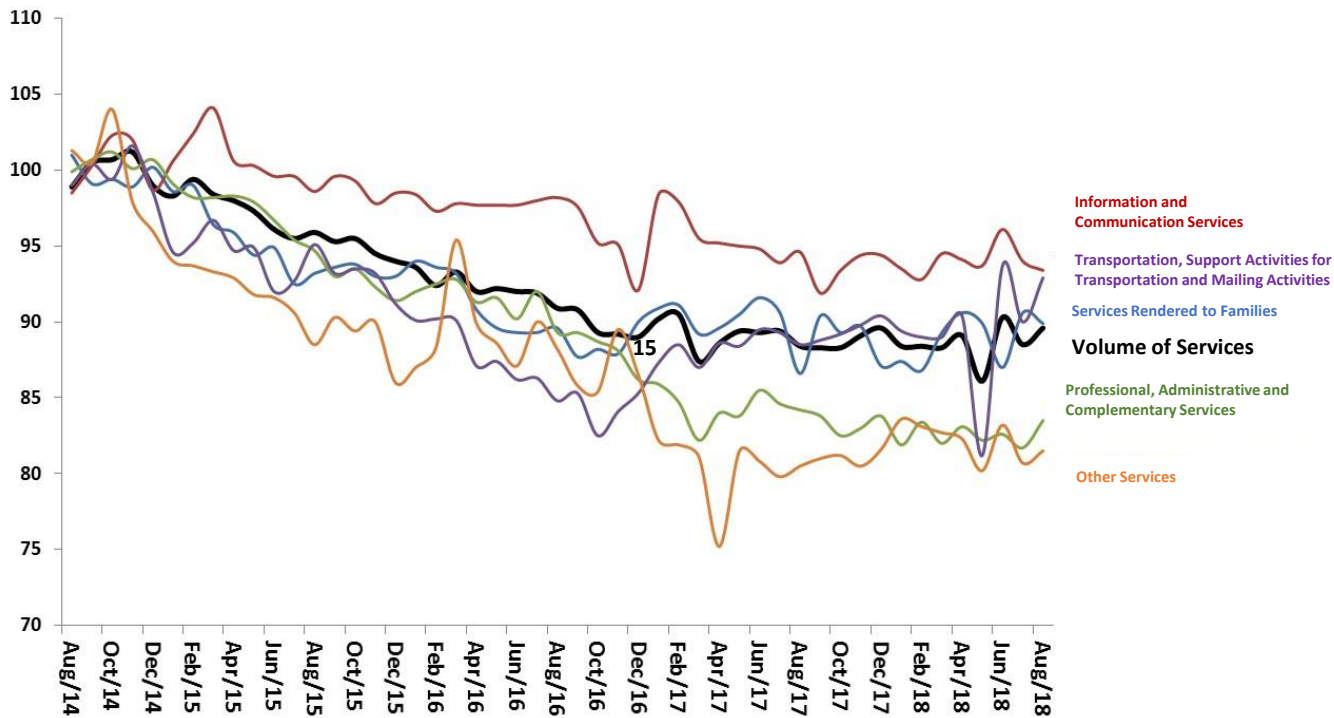
Retail Sales by Subsector
Seasonally Adjusted Index (2002 = 100)



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

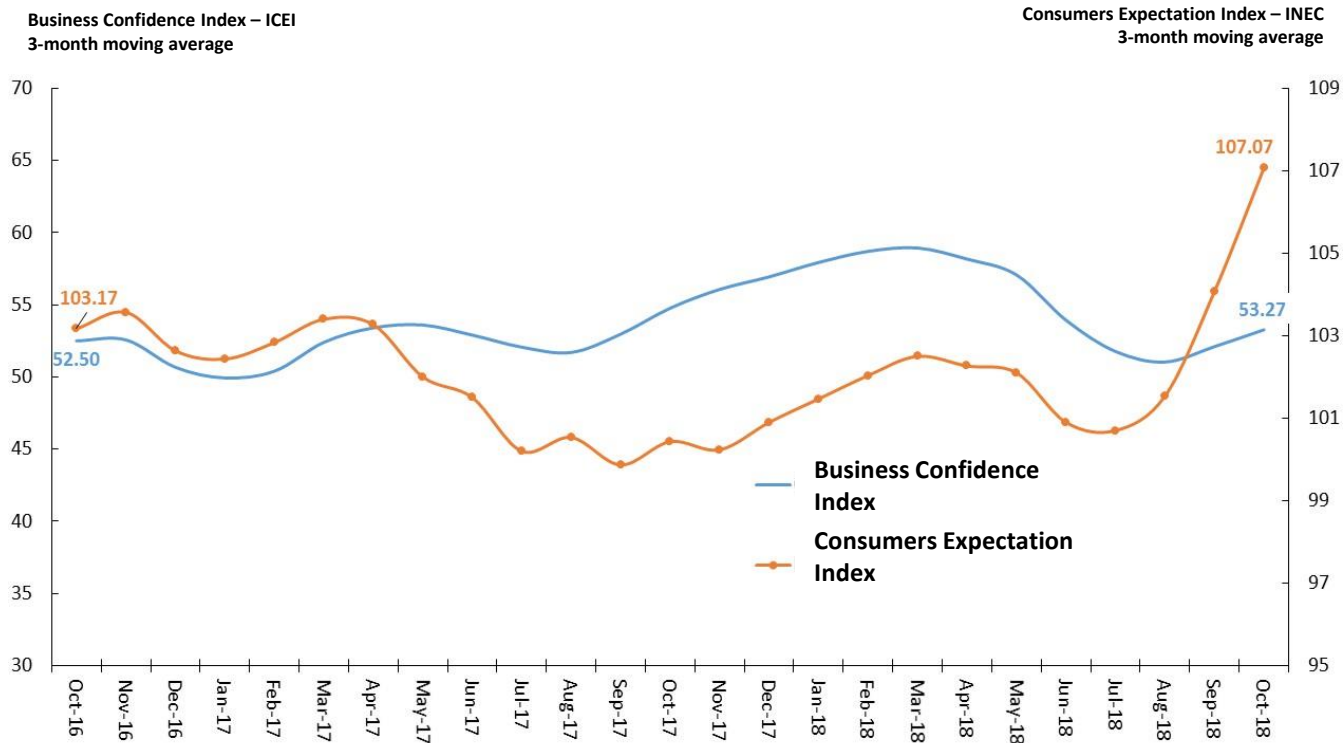
Total Services and Subsectors

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



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

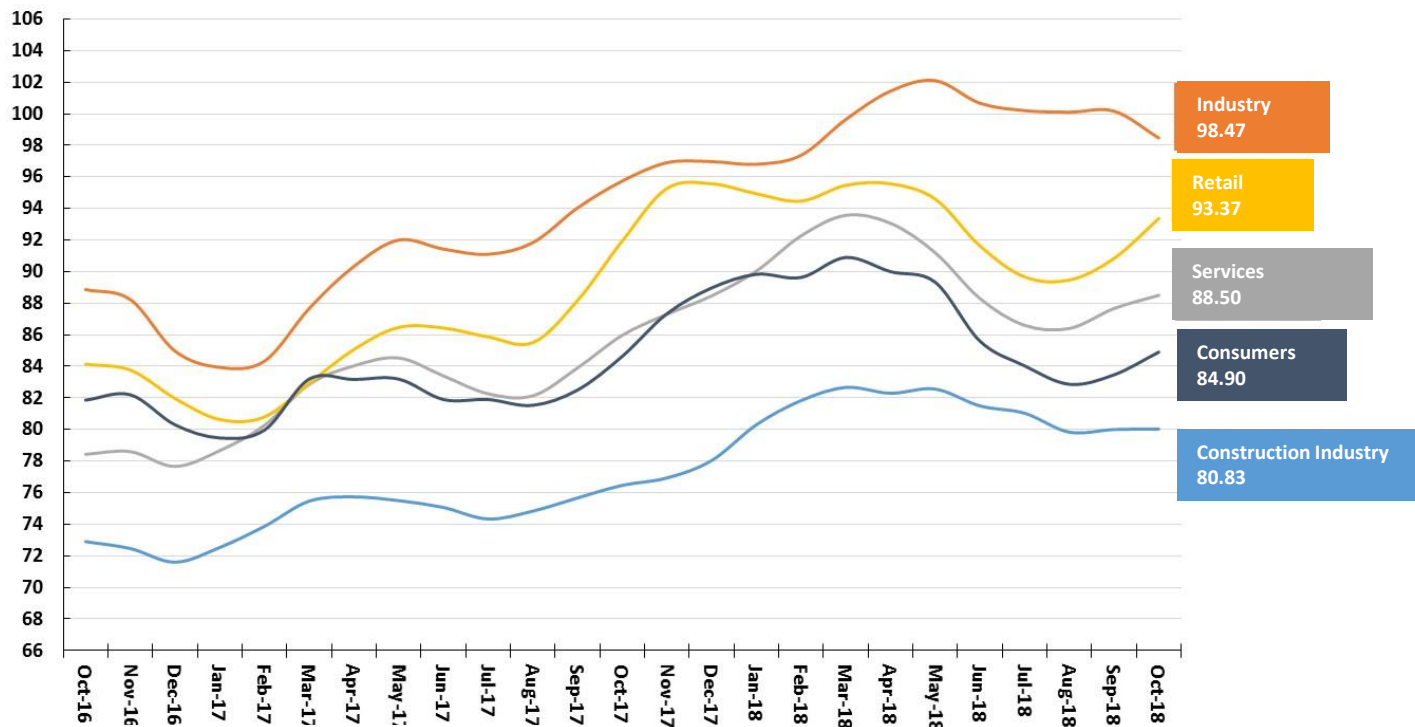
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

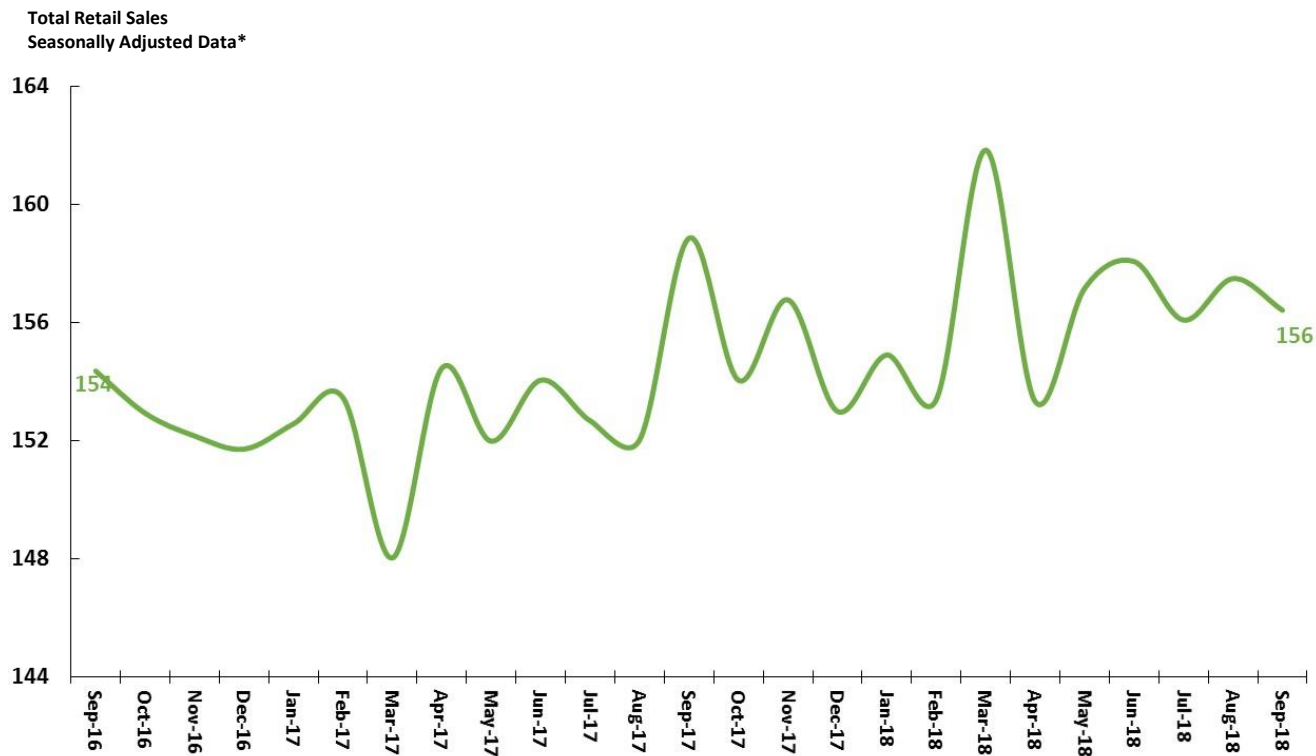
FGV: Economic Confidence Indicators

Economic Confidence Indicators
3-month moving average



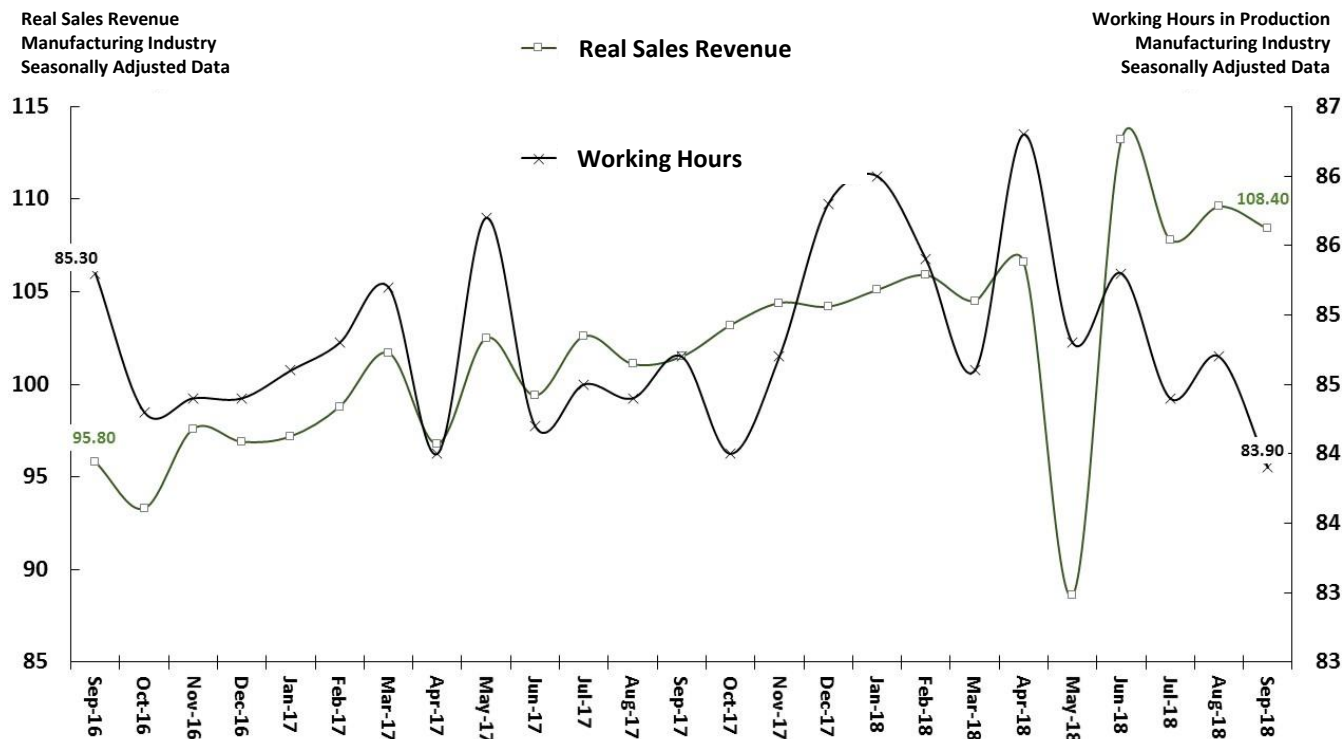
Source: IBRE/FGV.

ABRAS: Supermarket Sector Total Retail Sales



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

CNI: Industry Real Sales Revenues and Working Hours

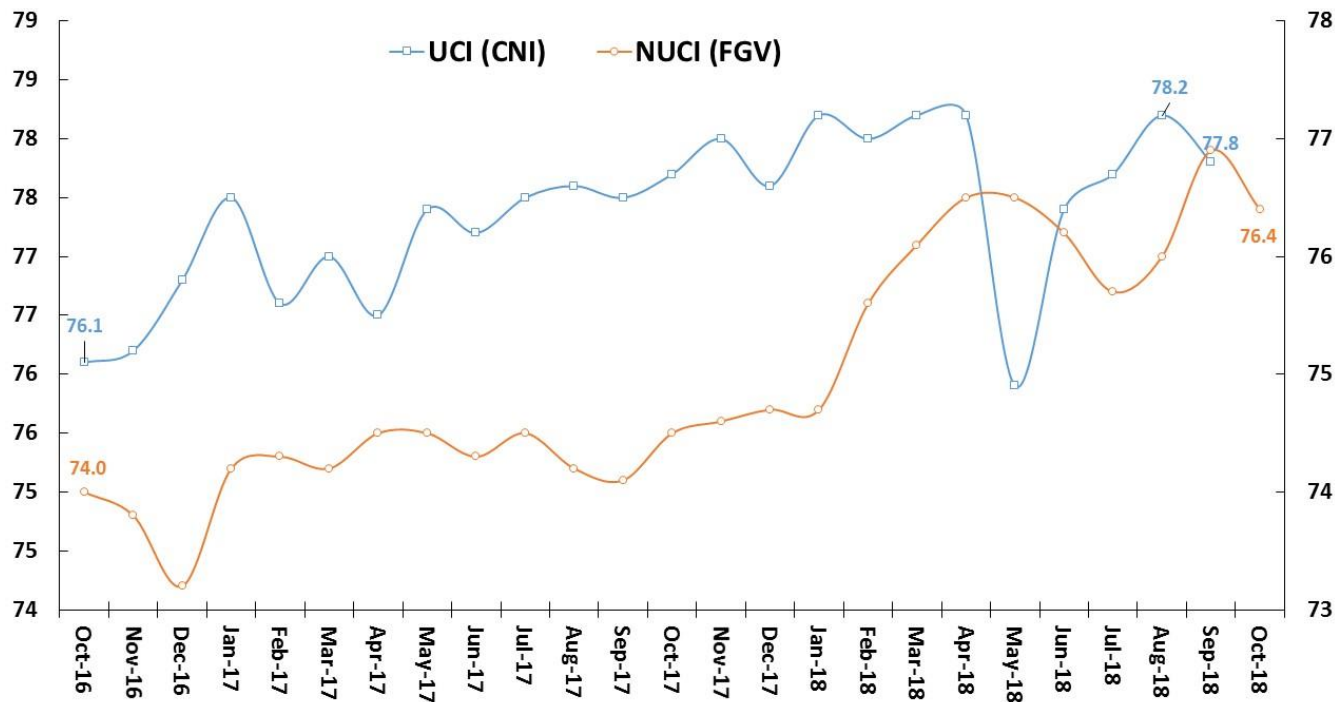


Source: CNI.

Capacity Utilization Rate

Capacity Utilization Rate - UCI (CNI)
Seasonally Adjusted Data

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

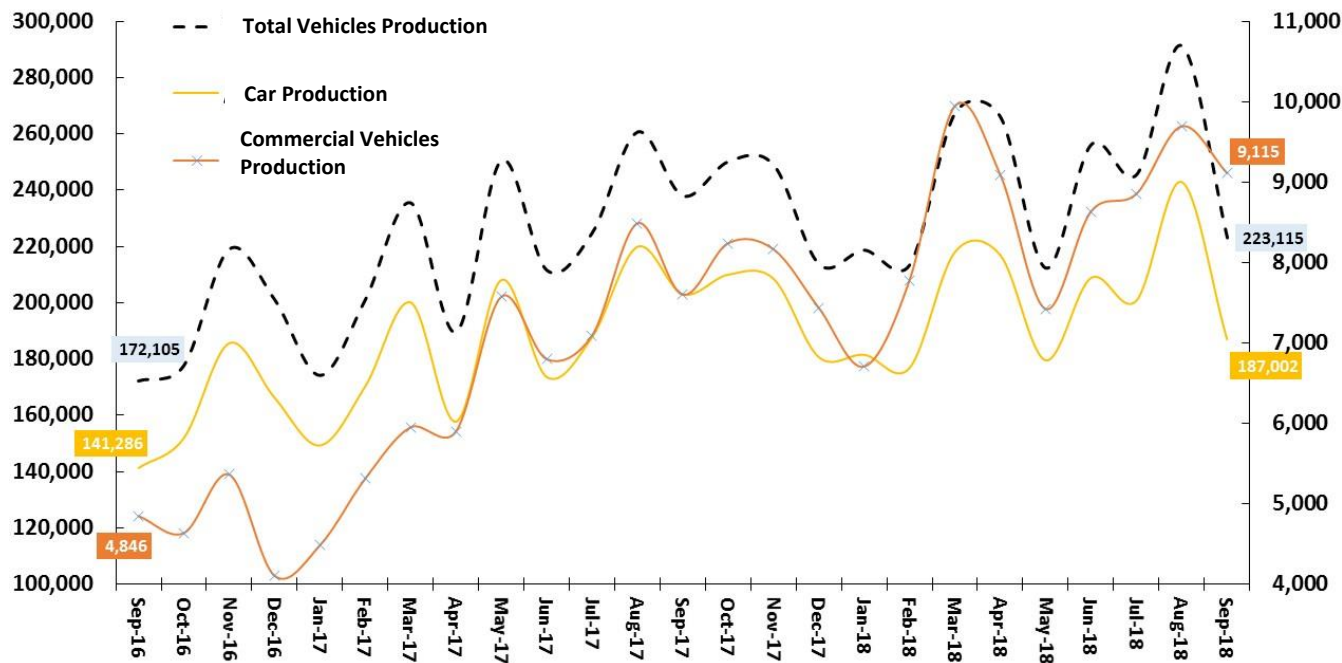


Source: CNI and FGV.

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*



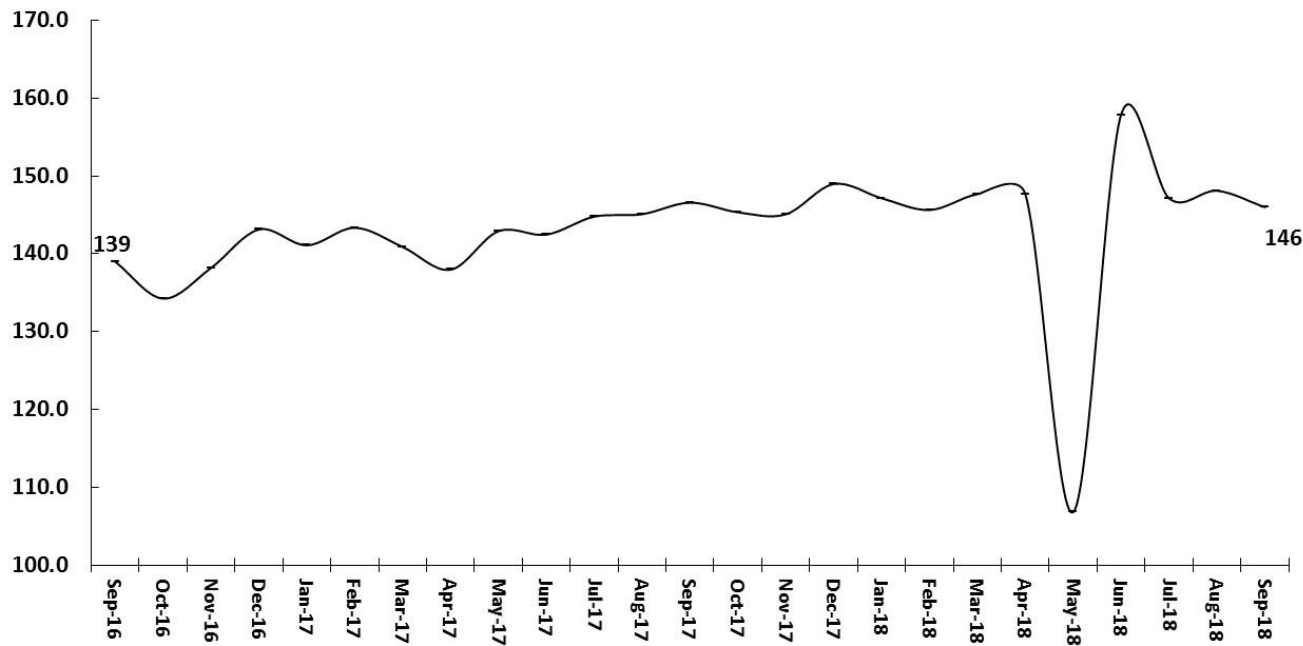
Source: ANFAVEA. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

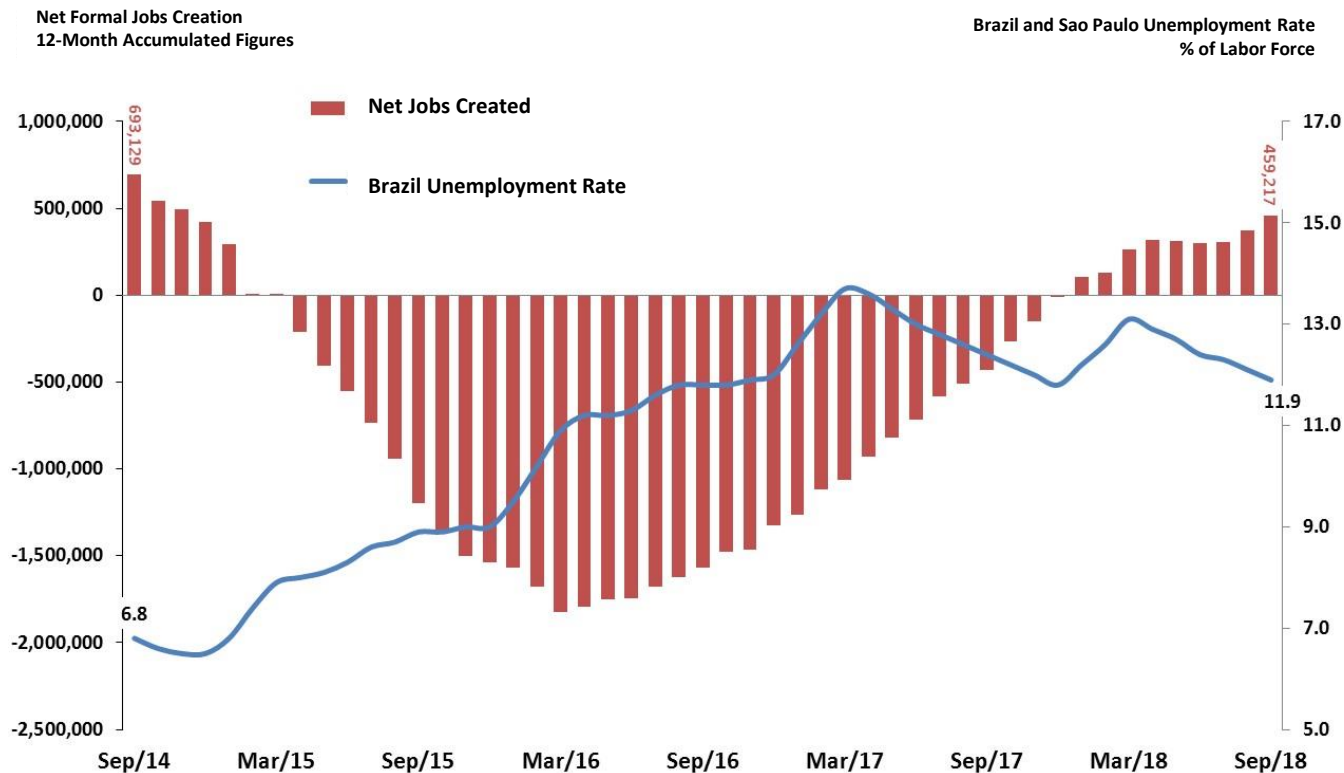
Index: 1999=100

Seasonally Adjusted Data



Source: ABCR.

Unemployment Rate and Net Formal Job Creation

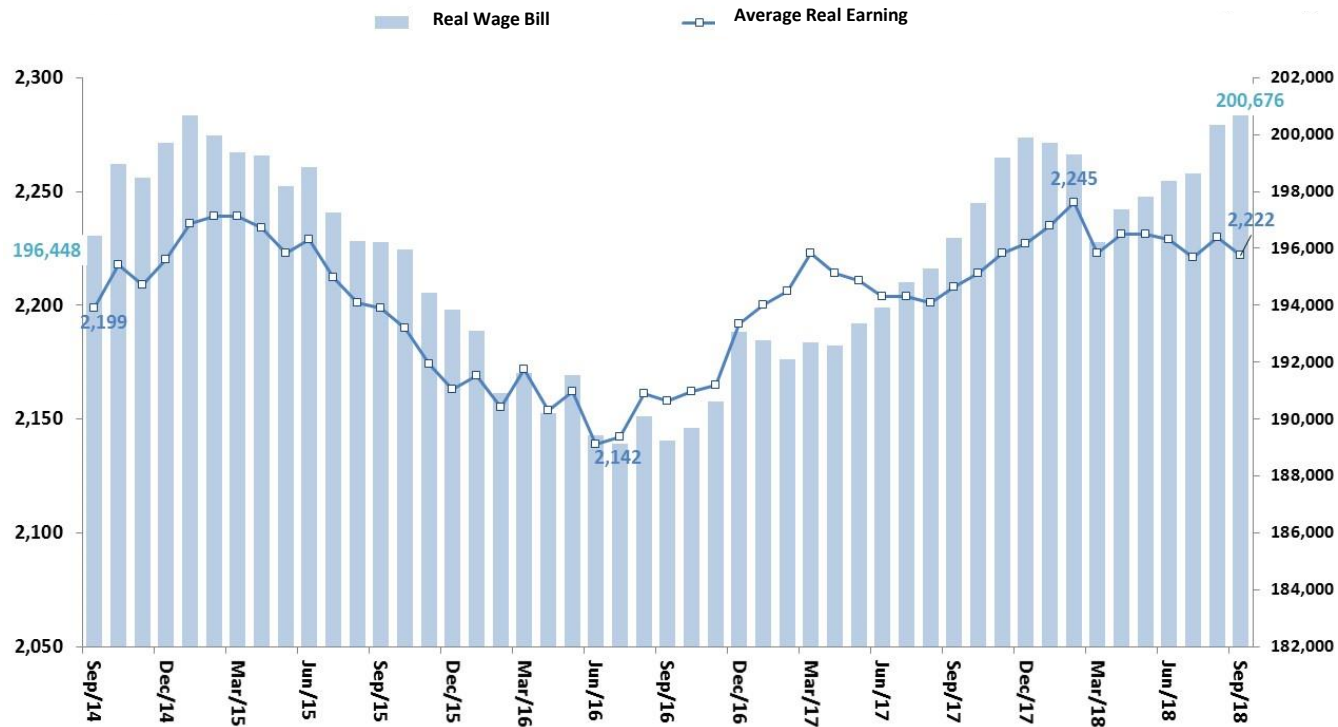


Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Real Wage Bill and Average Real Earning

Average Real Earning
R\$ of last month

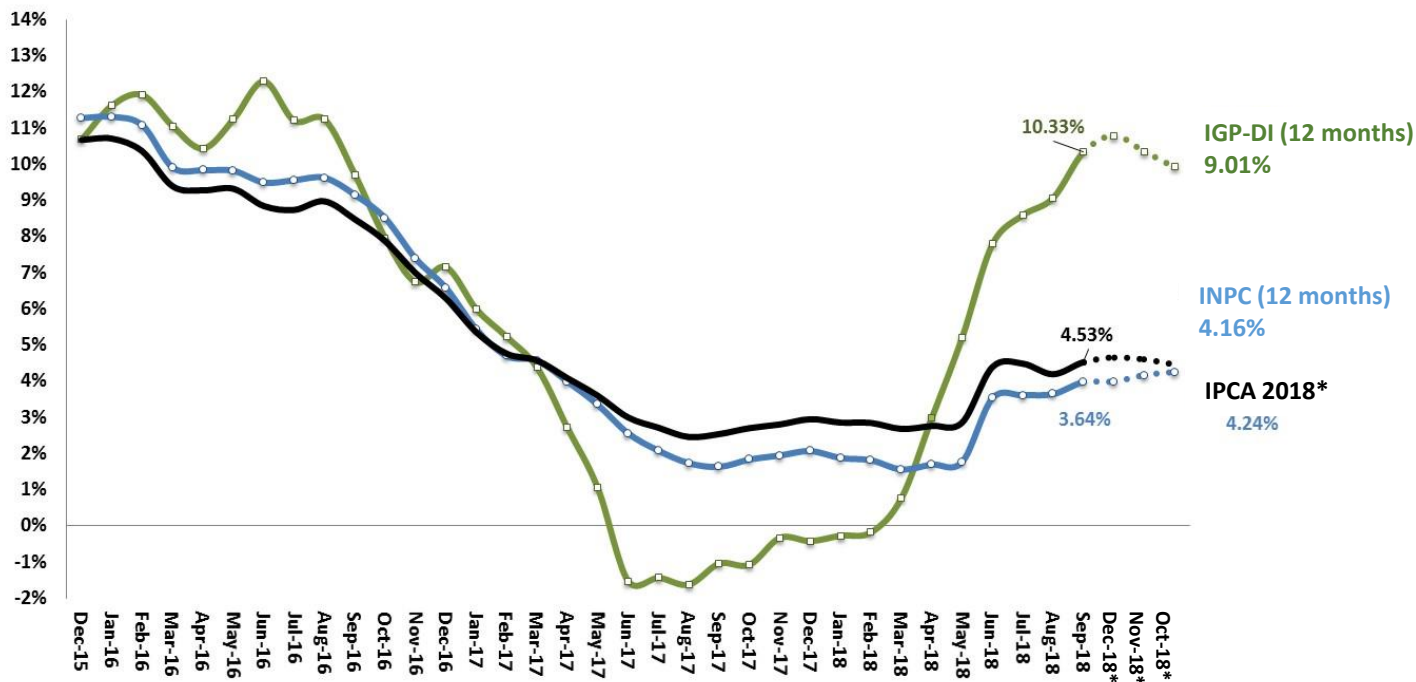
Real Wage Bill
R\$ millions of last month



Source: IBGE/MP - PNADC.

Major Inflation Indexes

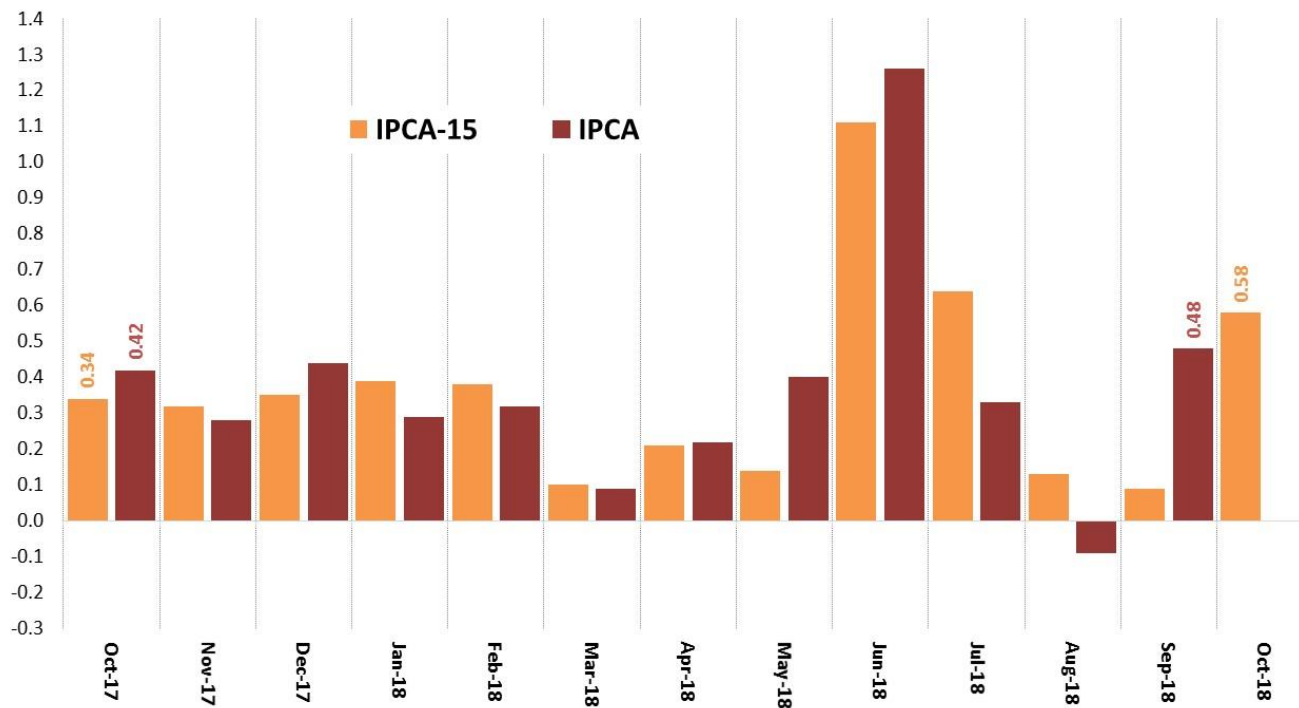
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 10/26/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

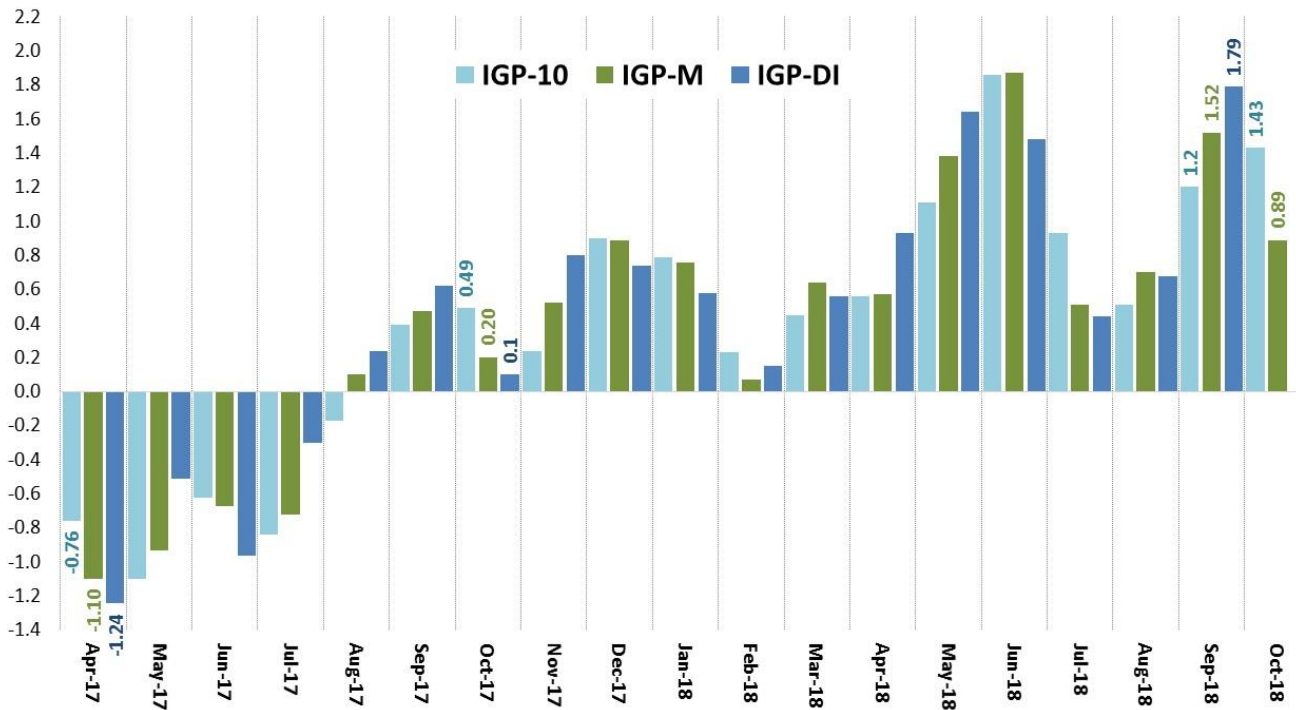
IPCA-15 and IPCA
By release order



Source: IBGE.

FGV: Monthly General Price Indexes

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

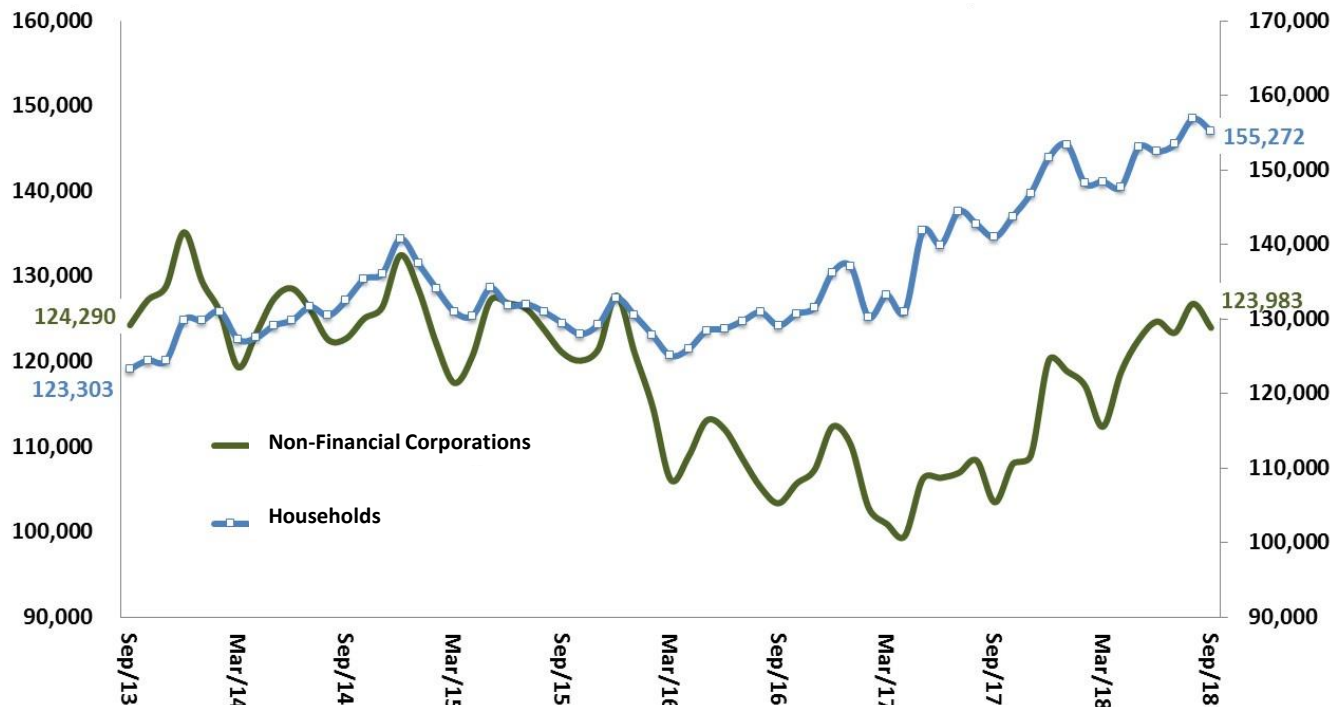


Source: FGV.

New Loans to Households and Non-Financial Corporations

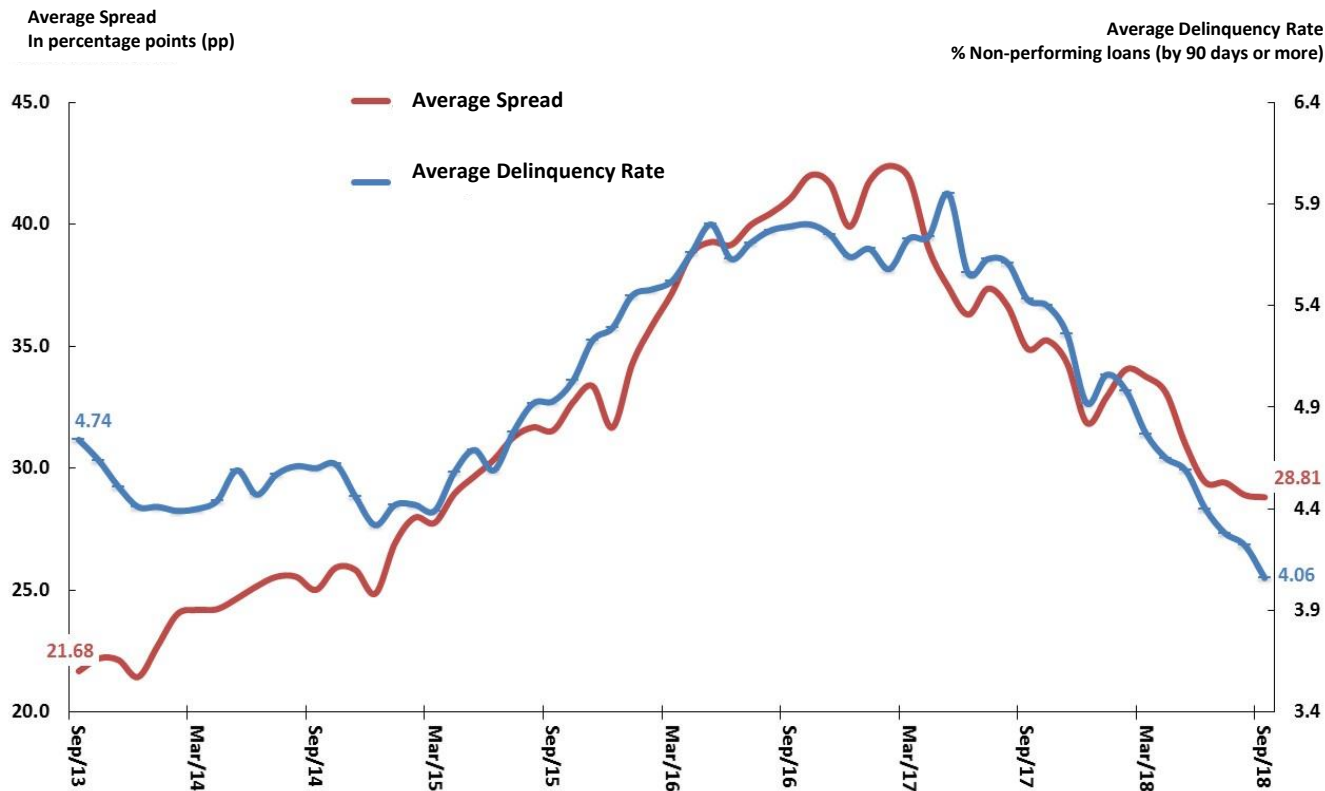
Daily Average of New Loans to Non-Financial Corporations
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*

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



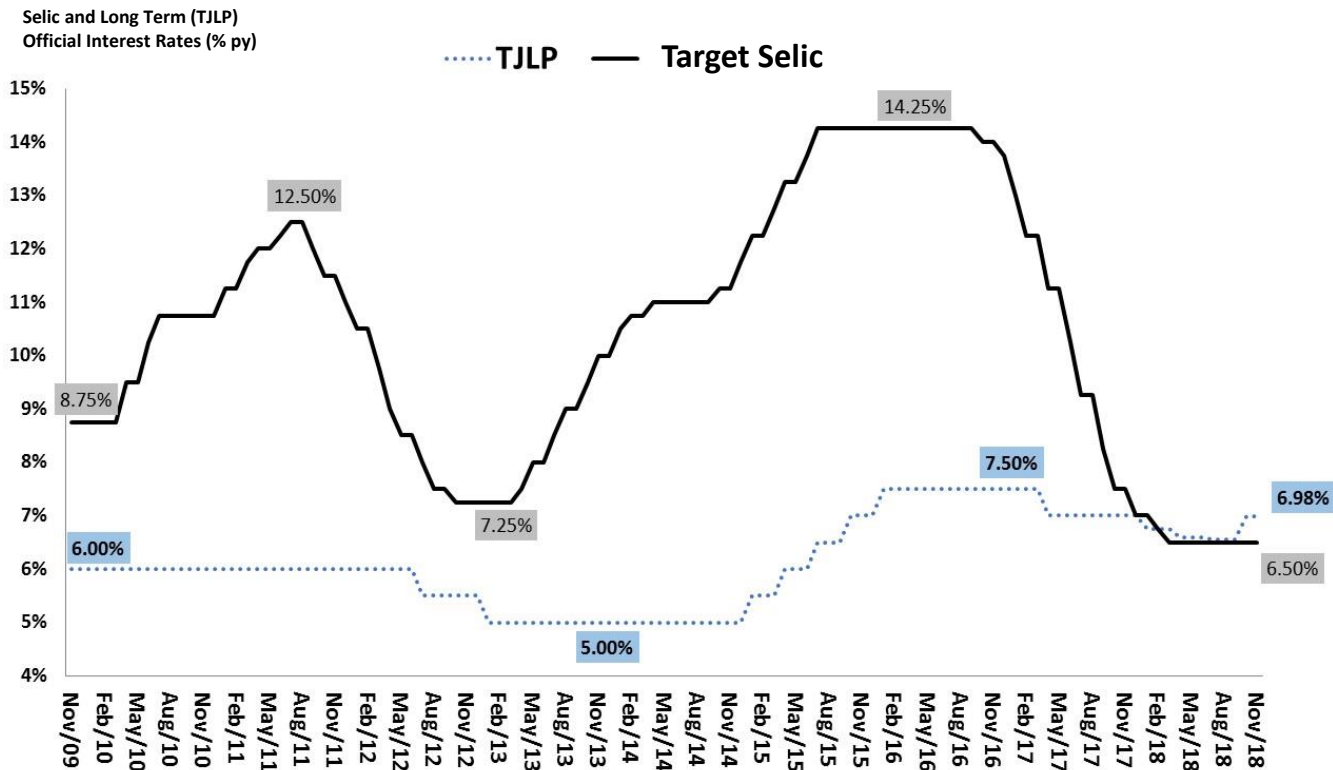
Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP.

Non-earmarked Resources: Spread and Delinquency Rates



Source: Central Bank of Brazil.

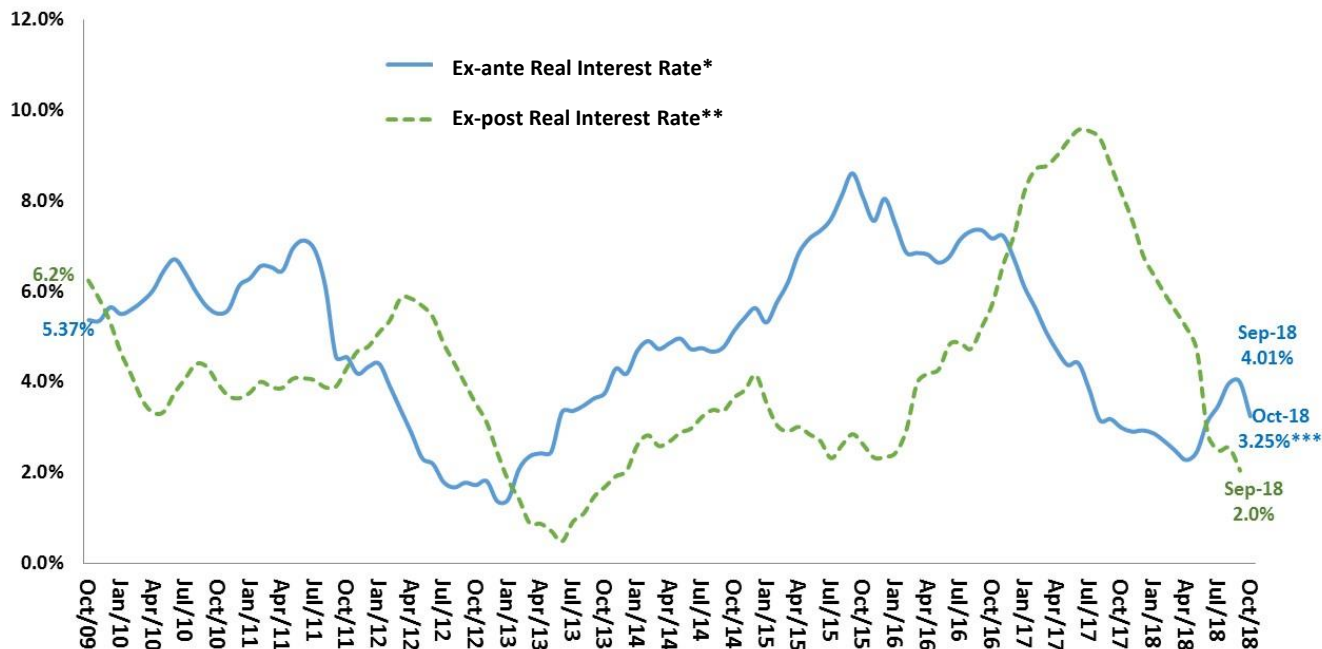
Official Interest Rates Evolution (Target Selic and TJLP)



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.

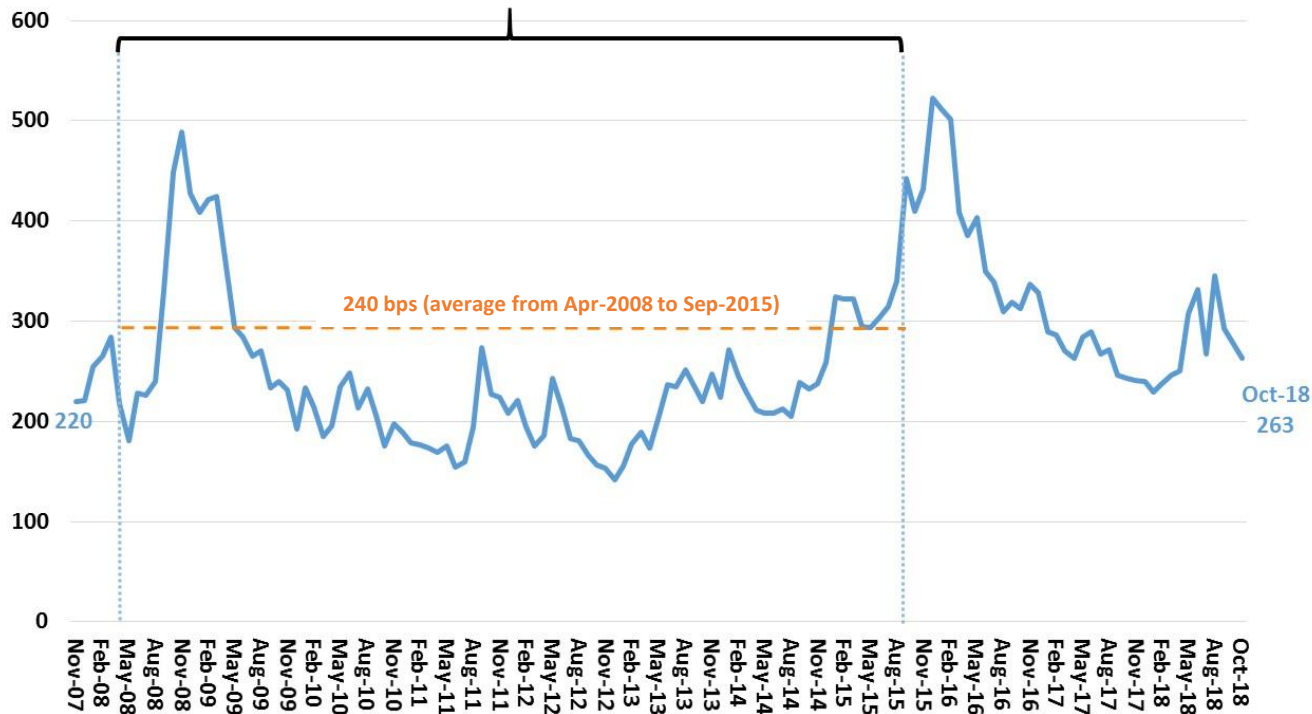
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

Sovereign Risk (EMBI+ BR)

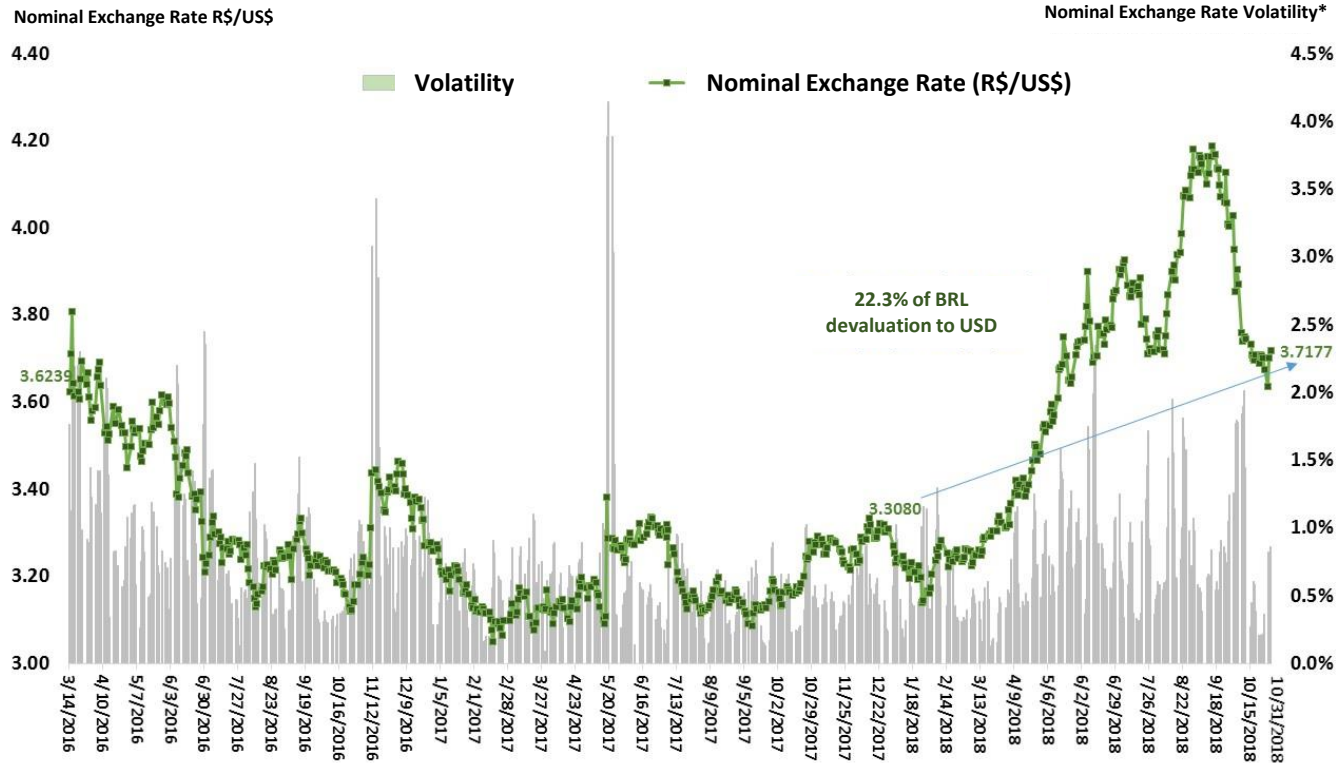
EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period

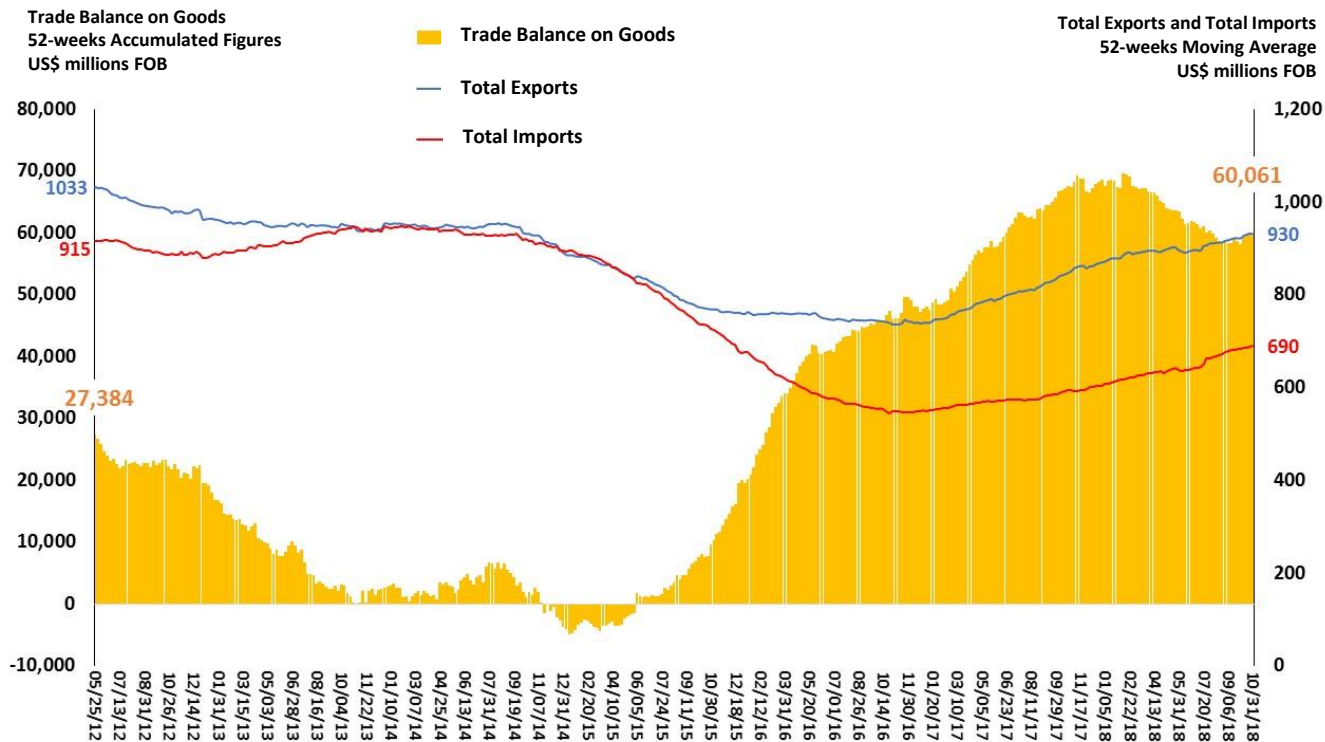


Source: JPMorgan.

Daily Nominal Exchange Rate R\$/US\$

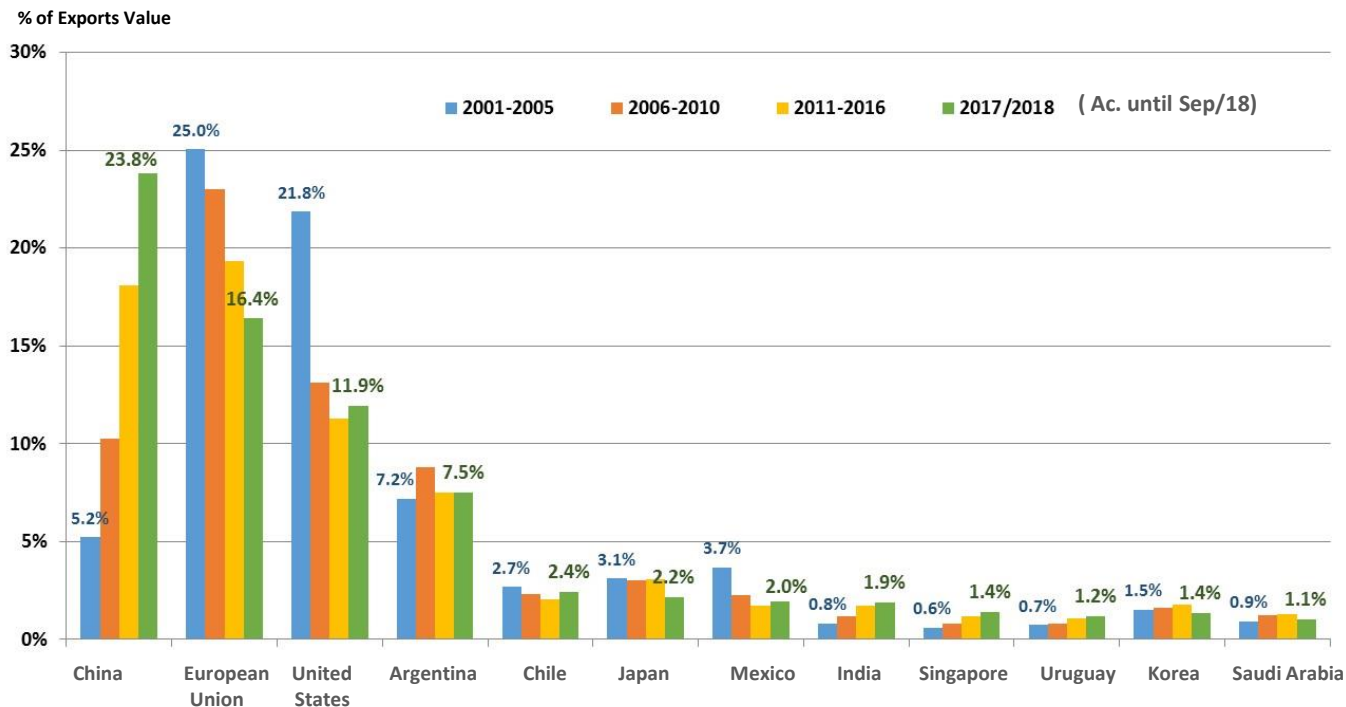


Trade Balance on Goods (52 weeks daily average)



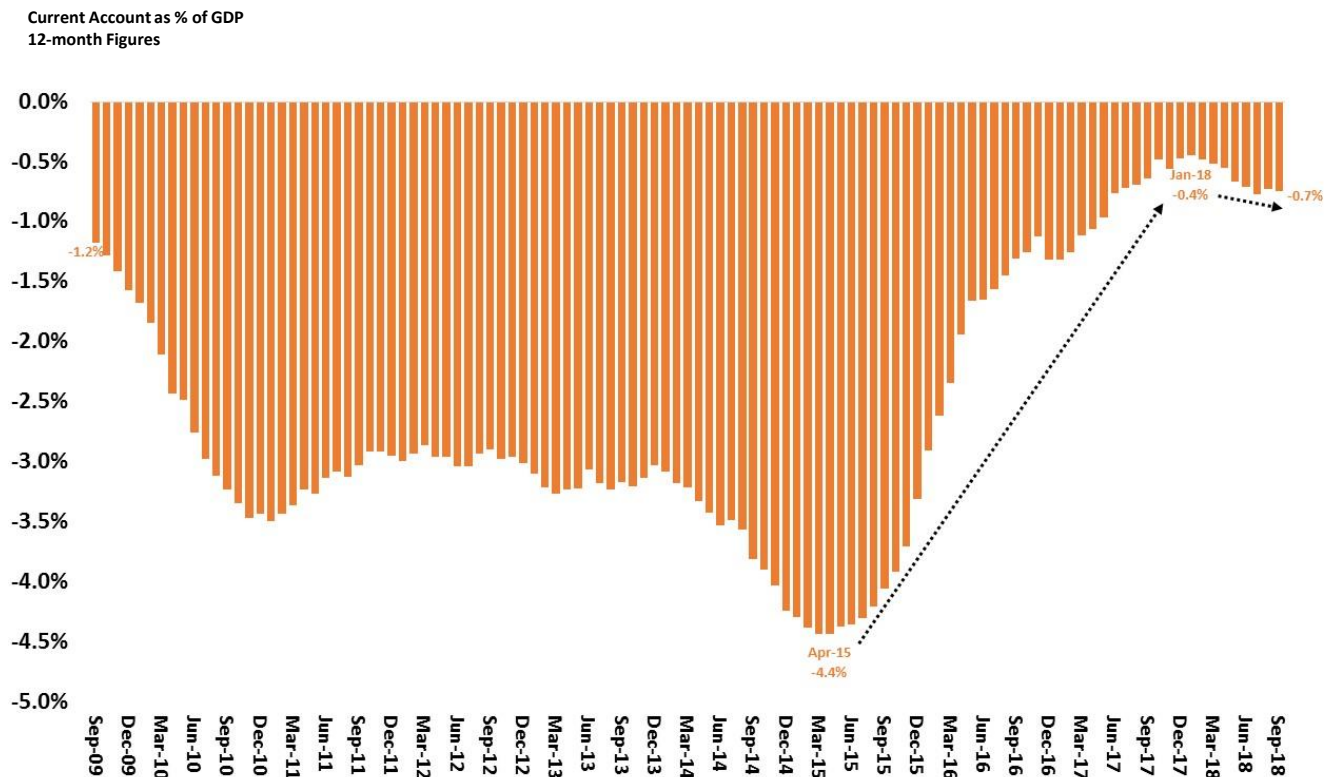
Source: SECEX/MDIC.

Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

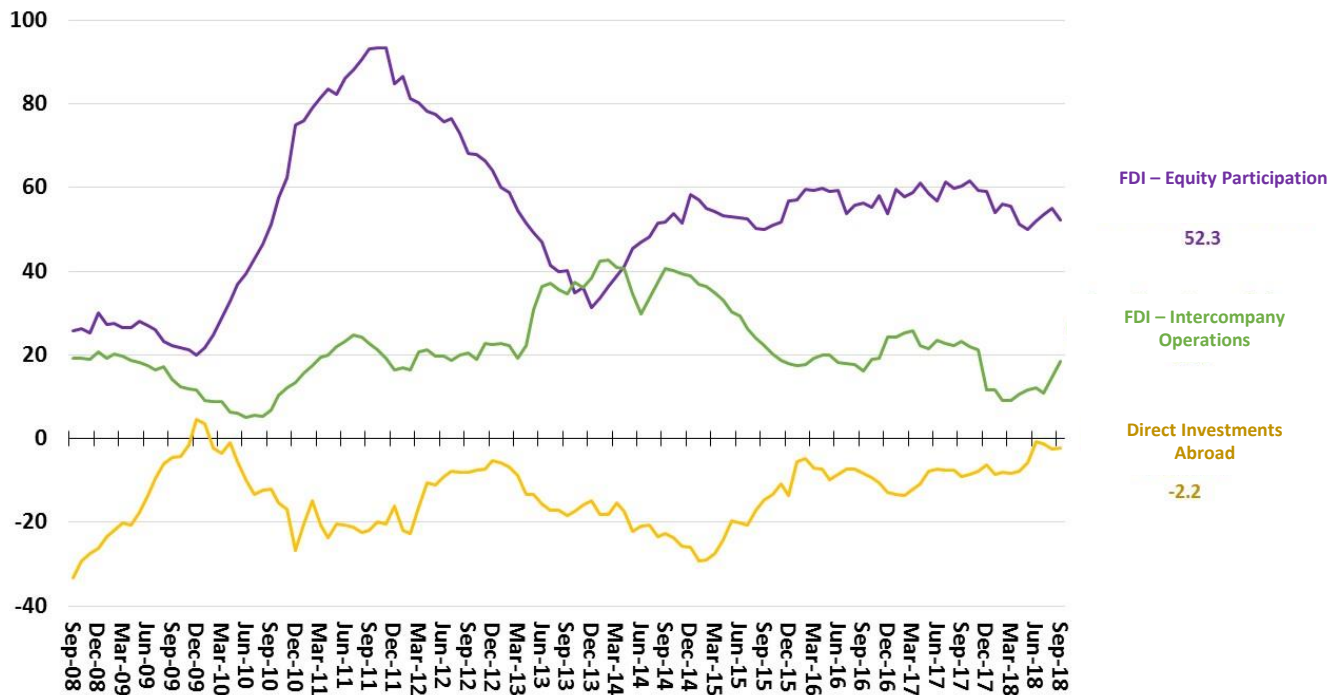
Current Account Deficit as % of GDP



Source: Central Bank of Brazil.

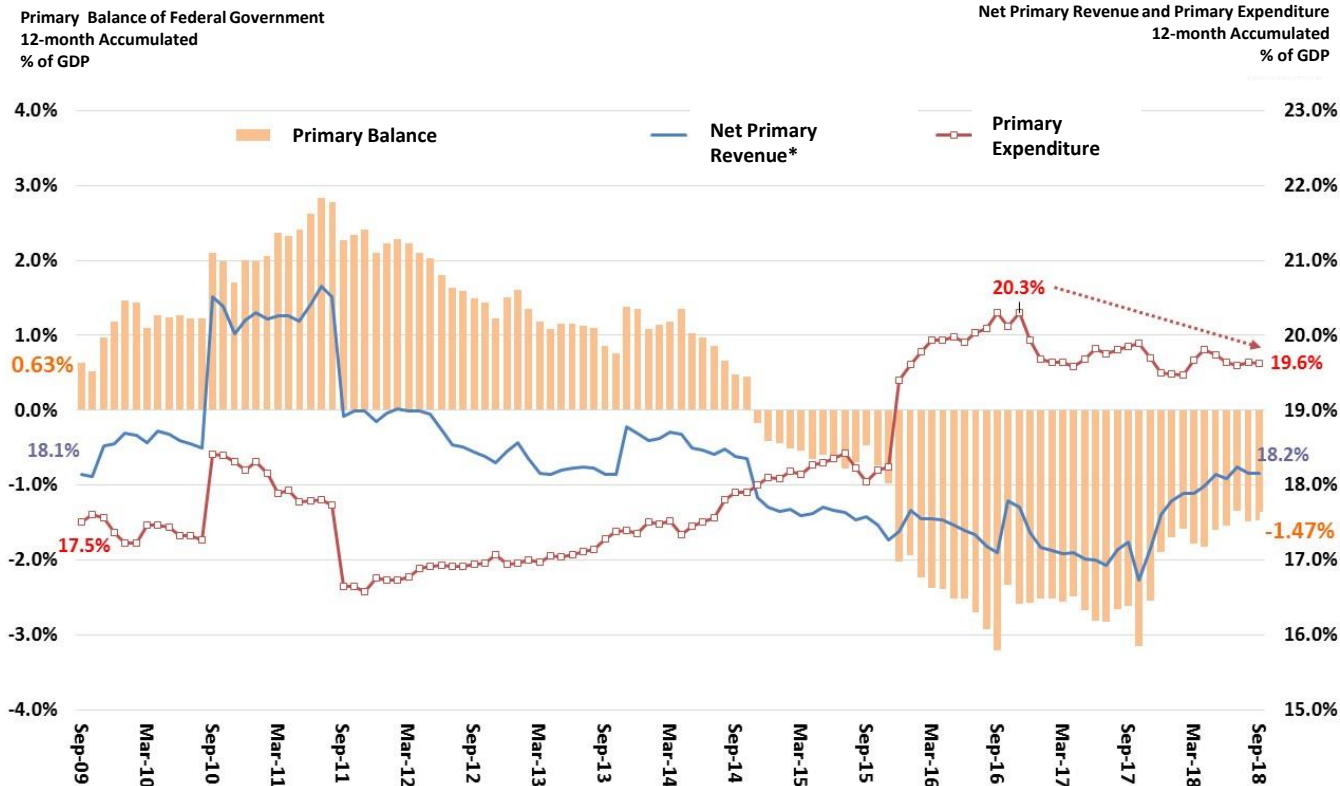
Direct Investments and Components

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)

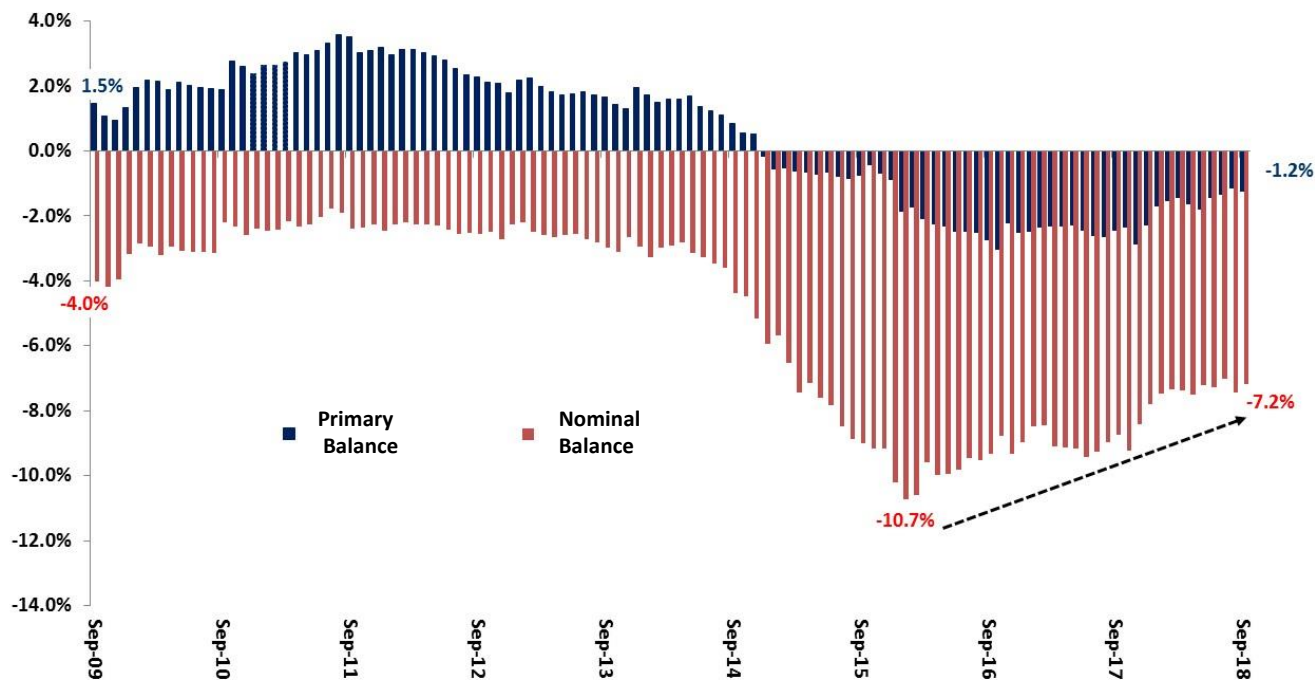


Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

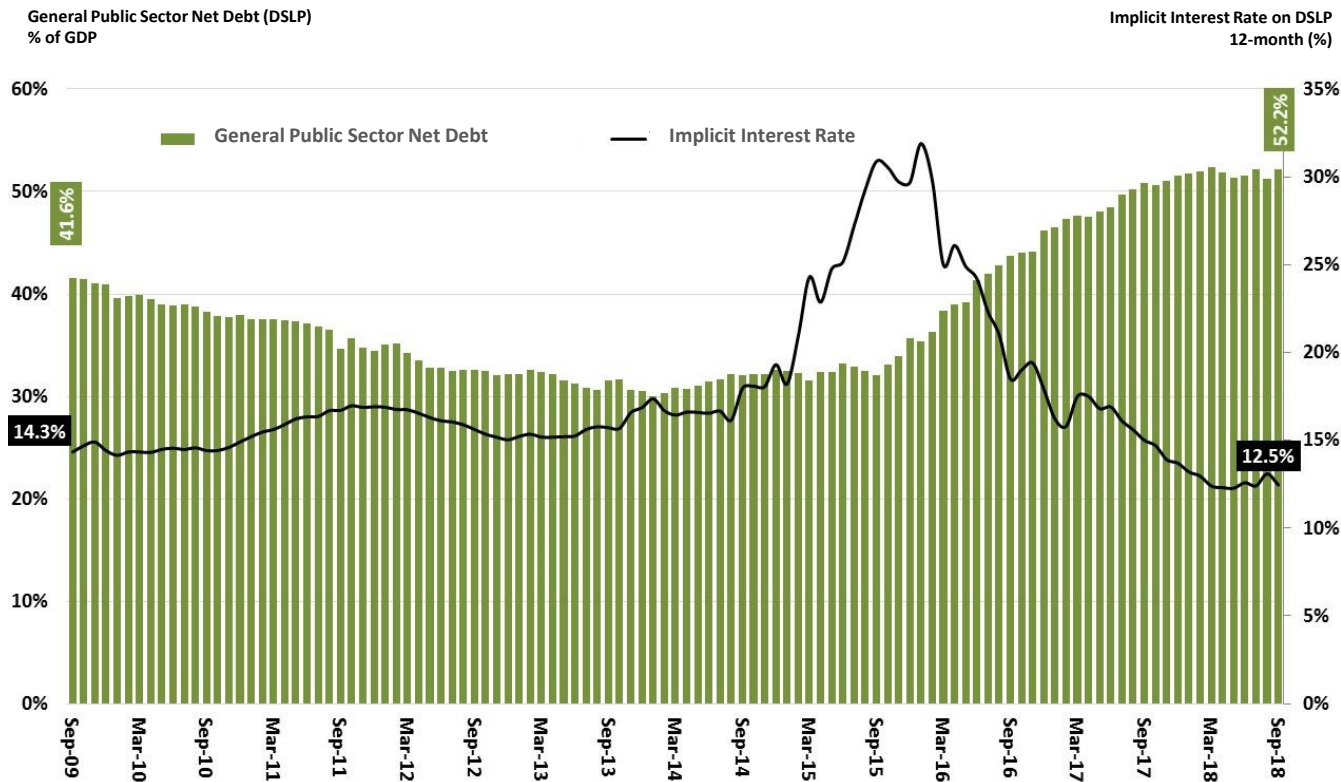
Public Sector Primary and Nominal Balance

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



Source: Central Bank of Brazil.
Elaboration: FCB.

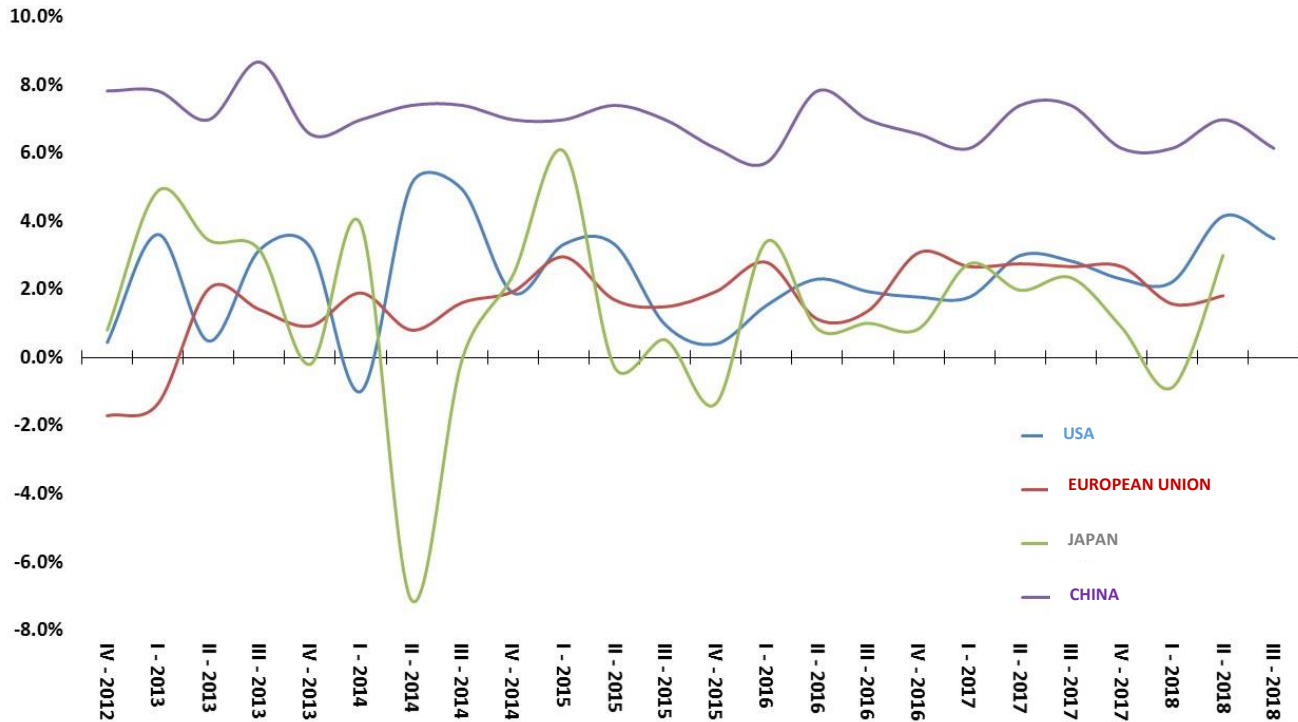
Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.

World Major Economies GDP


GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.



MARKET EXPECTATIONS



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Market Expectations for 2018

Mediana das Expectativas de Mercado

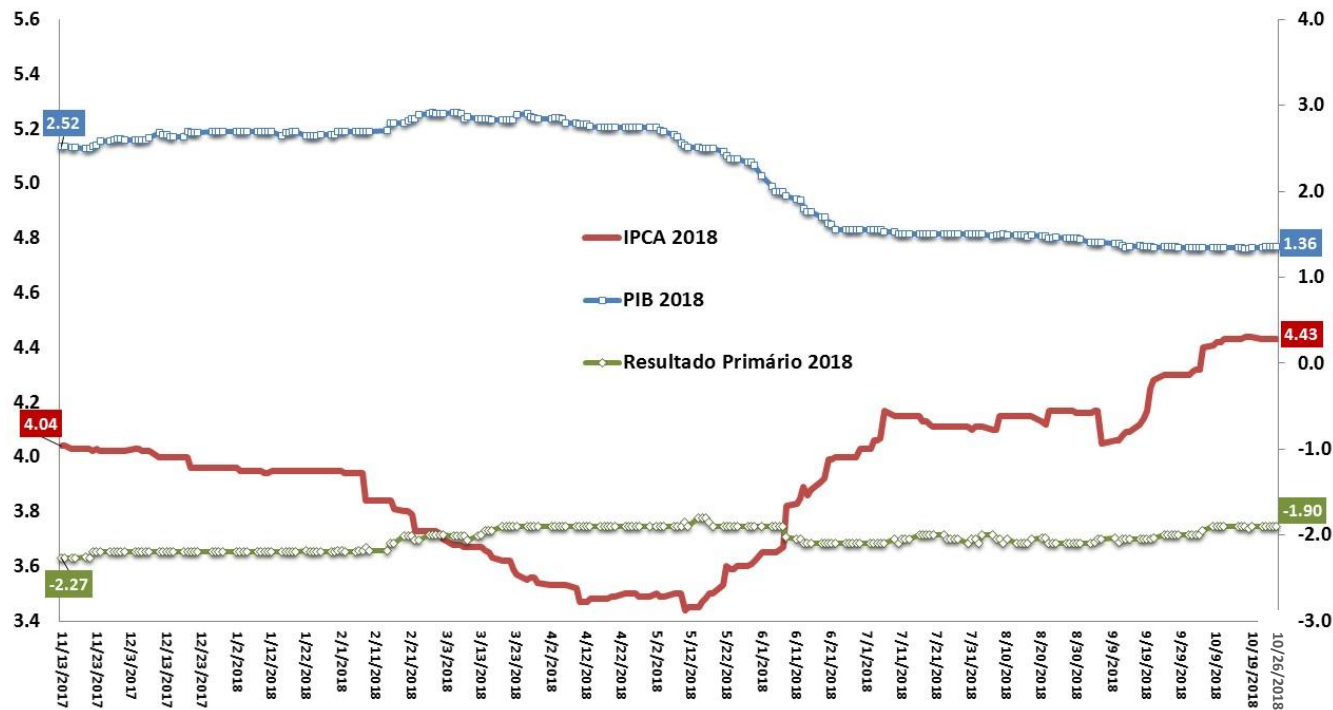
IPCA de 2018

% a.a.

Mediana das Expectativas de Mercado

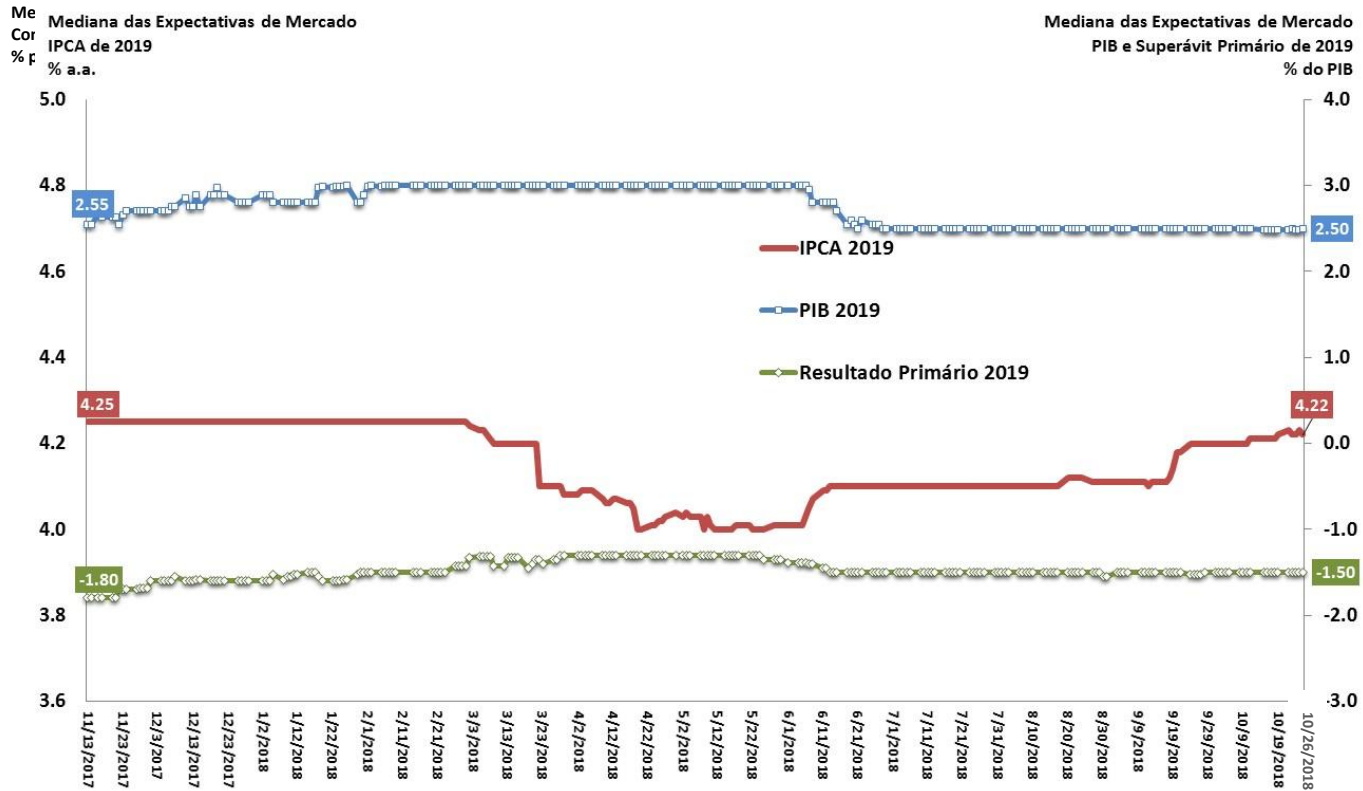
PIB e Superávit Primário de 2018

% do PIB



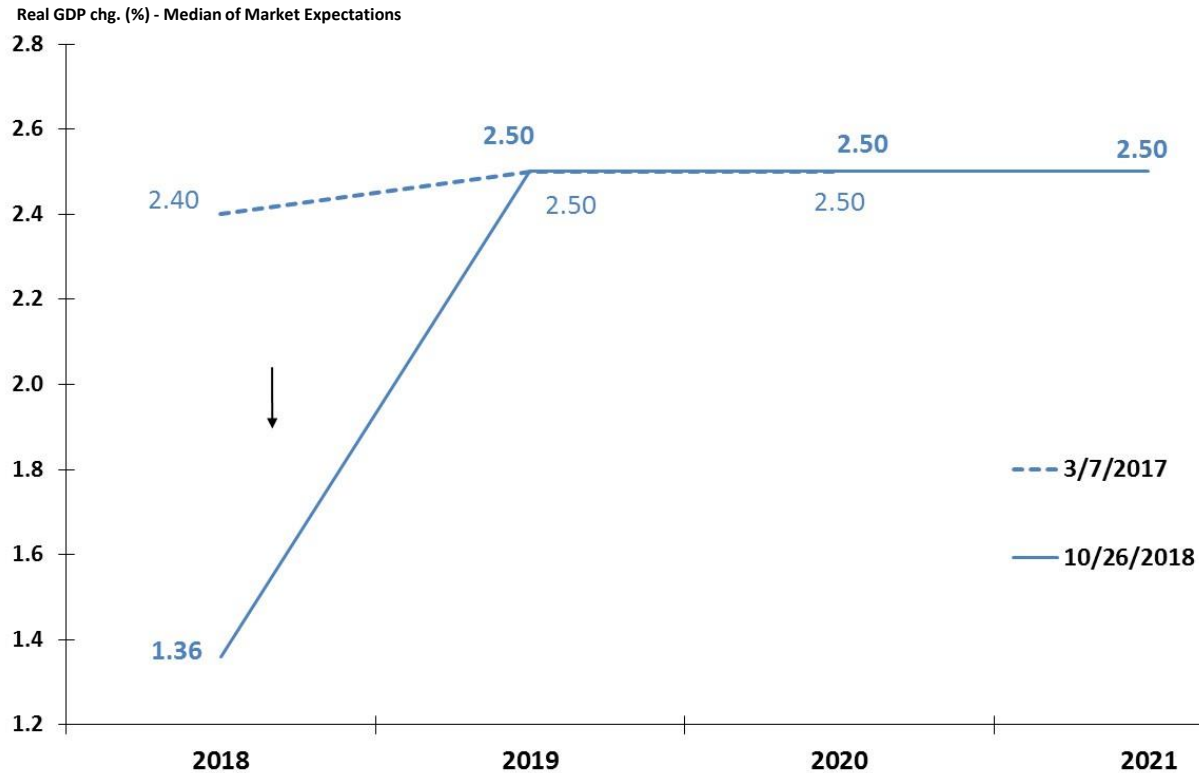
Fonte: BCB - Focus.

Market Expectations for 2019



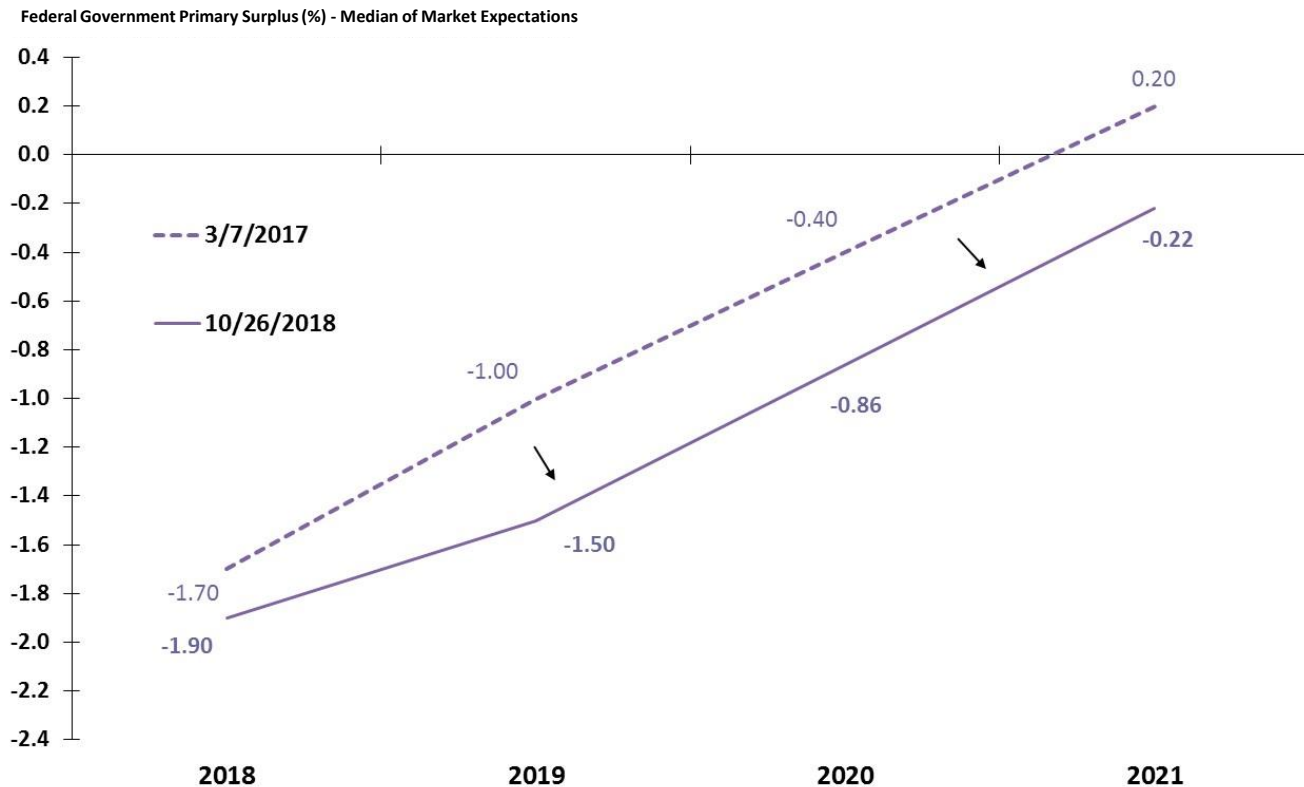
Fonte: BCB - Focus.

GDP: Median of Market Expectations



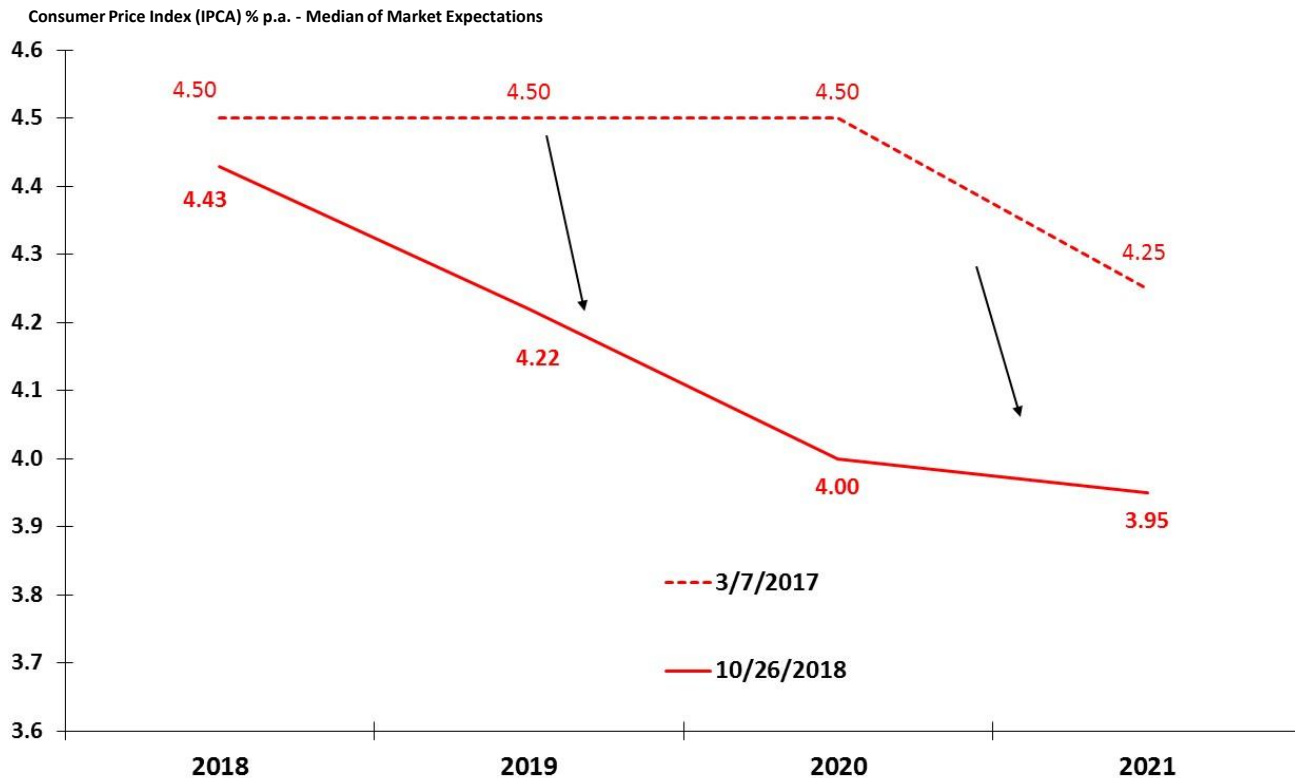
Source: Focus Survey, Central Bank of Brazil.

Primary Surplus: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

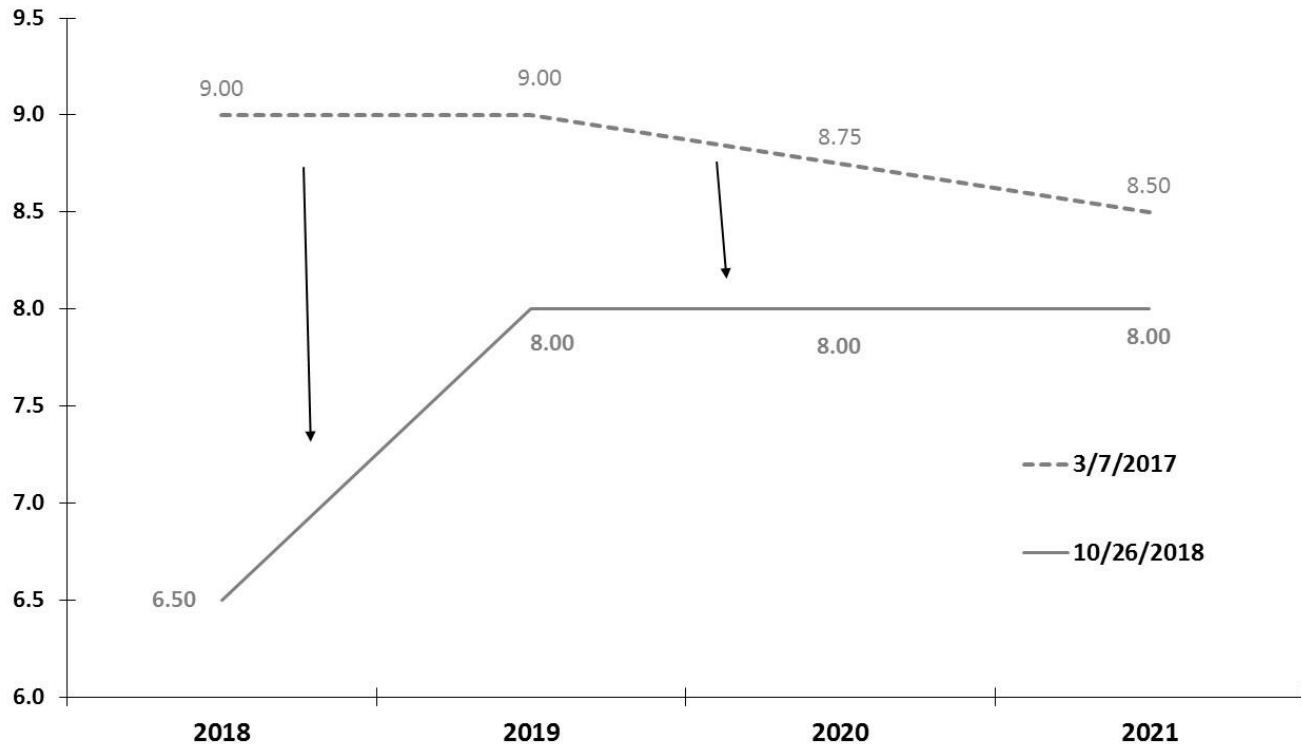
Consumer Price Index (IPCA): Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

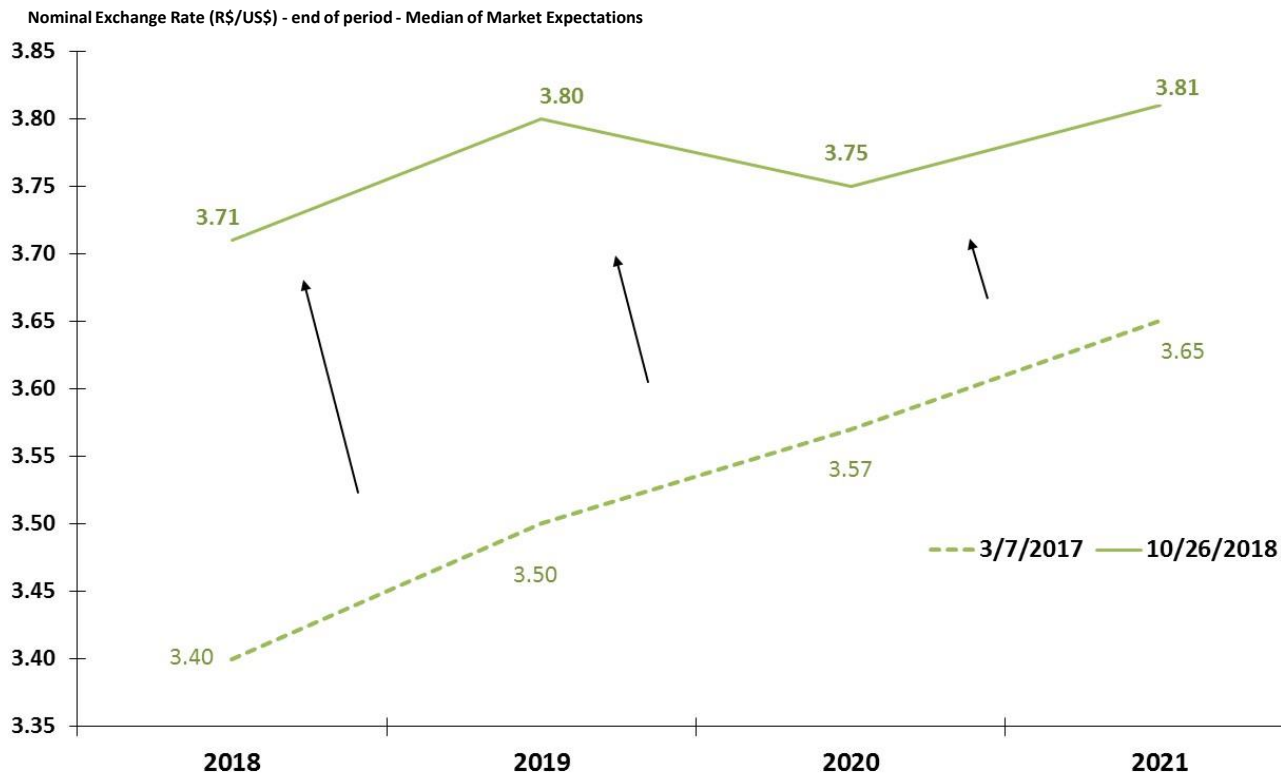
Main Interest Rate (Selic target): Median of Market Expectations

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



Source: Focus Survey, Central Bank of Brazil.



ECONOMIC ACTIVITY



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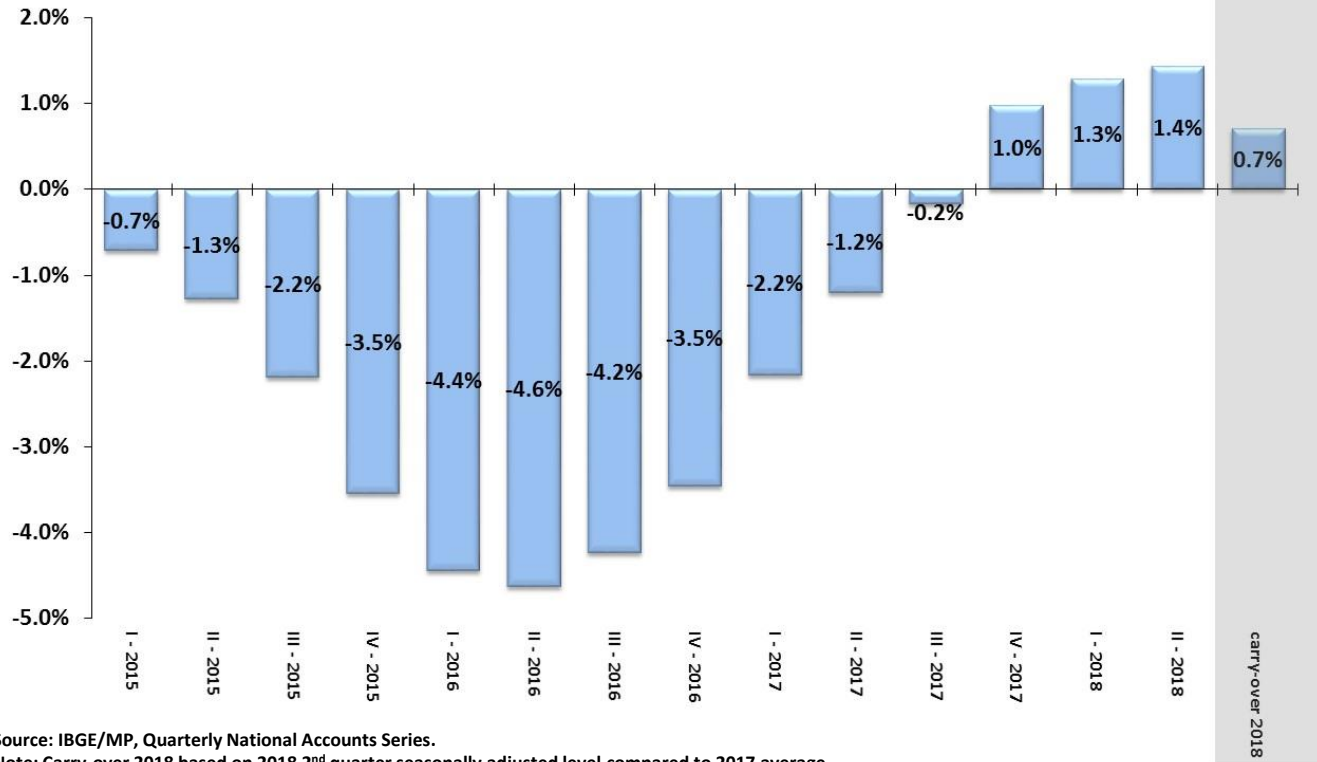
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GDP and Quarterly Economic Activity

										BCB/Focus: 10/26/2018		
Gross Domestic Product (IBGE)	Q2 2018			51								
	2017	Q1-2018 / Q1-2017	Q2-2018 / Q2-2017	Q1-2018 / Q4-2017 (seasonally adjusted)	Q2-2018 / Q1-2018 (seasonally adjusted)	Year-To-Date	Q1-2018 accum. in 4-quarters	Q2-2018 accum. in 4-quarters	carry-over 2018	2018	2019	2020
% change												
Agriculture	13.0%	-2.6%	-0.4%	1.3%	0.0%	-1.6%	6.1%	2.0%	-0.3%	0.03%	2.60%	2.70%
Industry	0.0%	1.6%	1.2%	0.1%	-0.6%	1.4%	0.6%	1.4%	0.6%	1.64%	2.67%	2.70%
Services	0.3%	1.5%	1.2%	0.1%	0.3%	1.4%	1.0%	1.4%	0.9%	1.31%	1.31%	1.31%
GDP (market prices)	1.0%	1.2%	1.0%	0.1%	0.2%	1.1%	1.3%	1.4%	0.7%	1.36%	2.50%	2.50%
Household Expenditure	1.0%	2.8%	1.7%	0.4%	0.2%	2.3%	2.1%	2.4%	1.4%			
Government Expenditure	-0.6%	-0.8%	0.1%	-0.3%	0.5%	-0.3%	-0.6%	-0.4%	-0.1%			
Gross Fixed Capital Formation	-1.8%	3.5%	3.7%	0.3%	-1.8%	3.6%	-0.1%	2.6%	1.4%			
Exports of Goods and Services	5.2%	6.0%	-2.9%	1.8%	-5.5%	1.3%	6.2%	4.7%	-1.5%			
Imports of Goods and Services (-)	5.0%	7.7%	6.8%	0.8%	-2.1%	7.3%	4.6%	7.1%	3.4%			
Economic Activity Indicators (BCB and IBGE)	Q2 2018											
	2017	Q1-2018 / Q1-2017	Q2-2018 / Q2-2017	Q1-2018 / Q4-2017 (seasonally adjusted)	Q2-2018 / Q1-2018 (seasonally adjusted)	Year-To-Date	Q1-2018 accum. in 4-quarters	Q2-2018 accum. in 4-quarters	carry-over 2018			
% change												
IBC-Br Economic Activity Index*	1.0%	0.9%	0.8%	0.2%	-1.0%	0.9%	1.1%	1.3%	0.2%			
LSPA: Grain Harvest	21.4%	1.0%	-3.7%	-5.7%	0.5%	-5.3%	1.0%	-3.7%	-3.8%			
PIM: Industrial Production	2.5%	3.0%	1.7%	0.3%	-2.5%	2.3%	2.9%	3.2%	0.2%			
PMC: Amplified Retail Sales	4.0%	6.9%	4.7%	1.4%	0.2%	5.8%	6.3%	6.7%	3.6%			
PMS: Volume of Services	-2.8%	-1.6%	-3.0%	-0.5%	0.3%	-2.3%	-2.1%	-1.9%	-0.3%			

Quarterly GDP

Last 4Q / Previous 4Q (%)

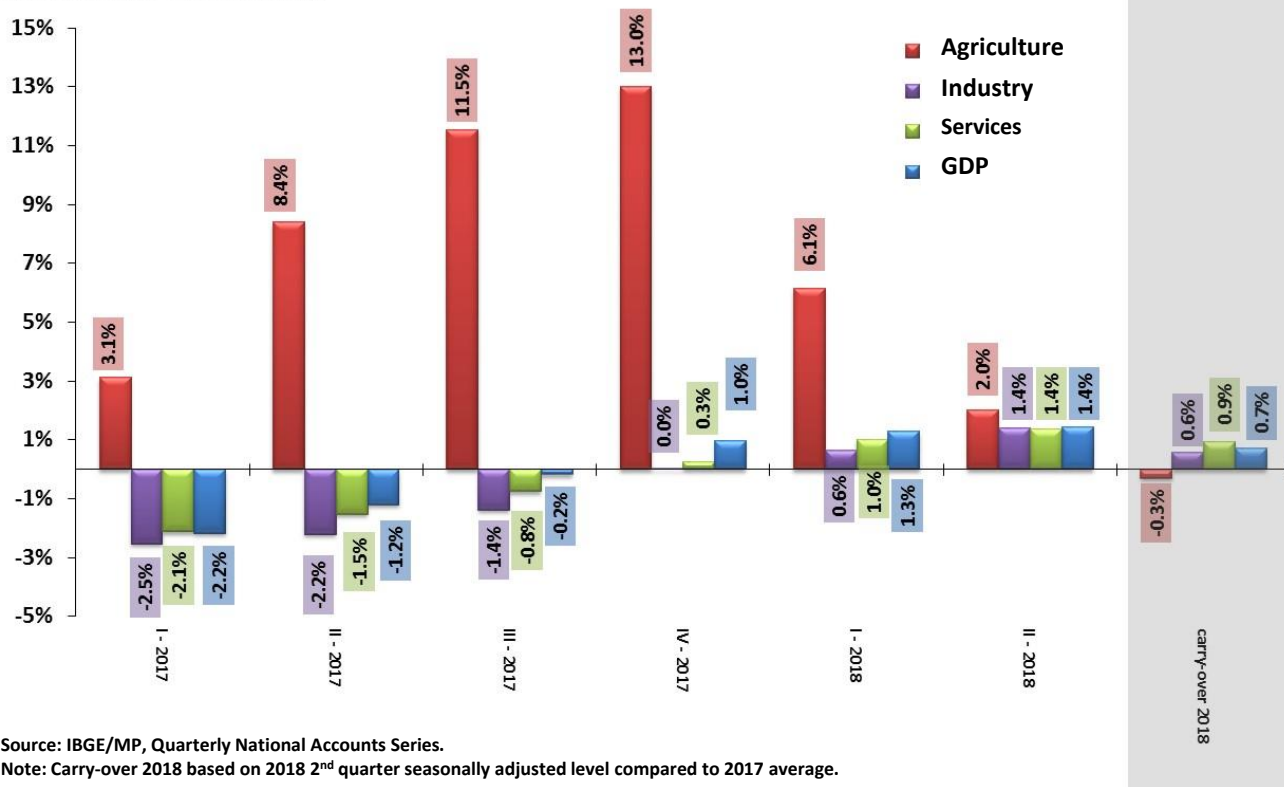


Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 2nd quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Activity Sector

Variação acum. 4 trimestres (%)

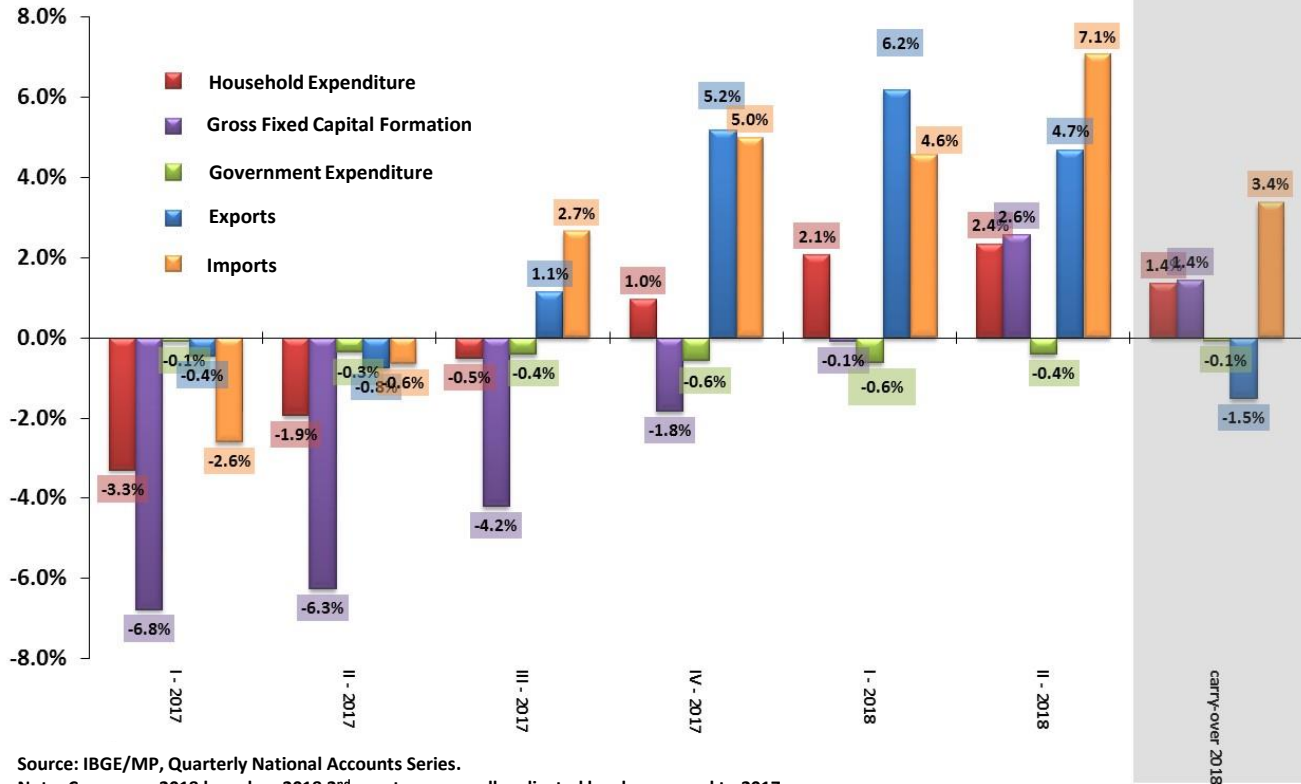


Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 2nd quarter seasonally adjusted level compared to 2017 average.

Quarterly GDP by Expenditure

Varição acum. 4 trimestres (%)

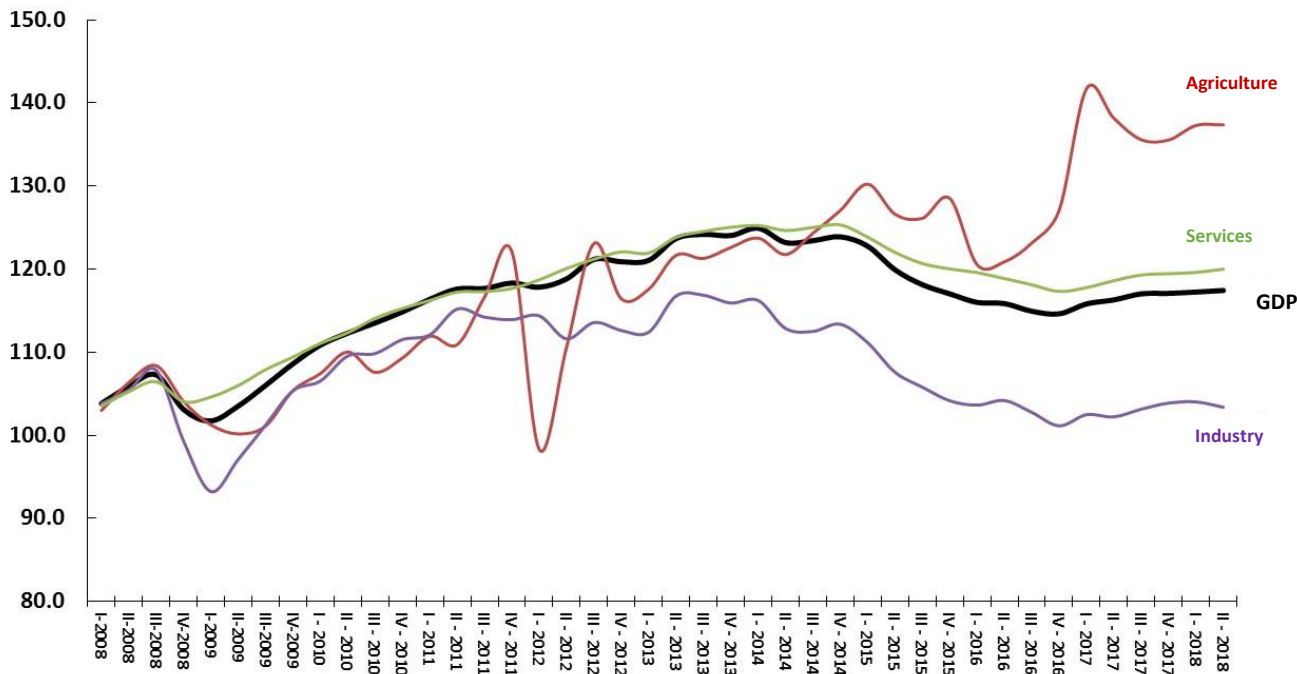


Source: IBGE/MP, Quarterly National Accounts Series.

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Quarterly GDP by Activity Sector

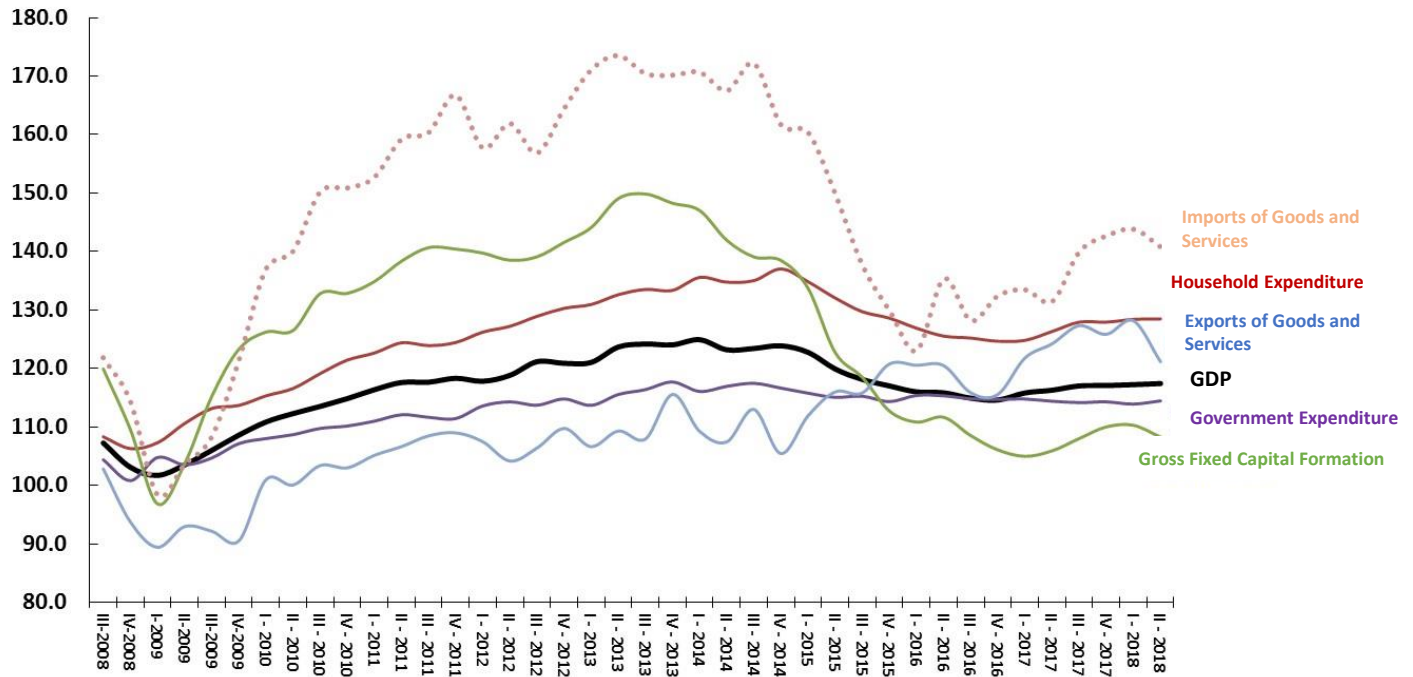
GDP and Economic Sectors Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

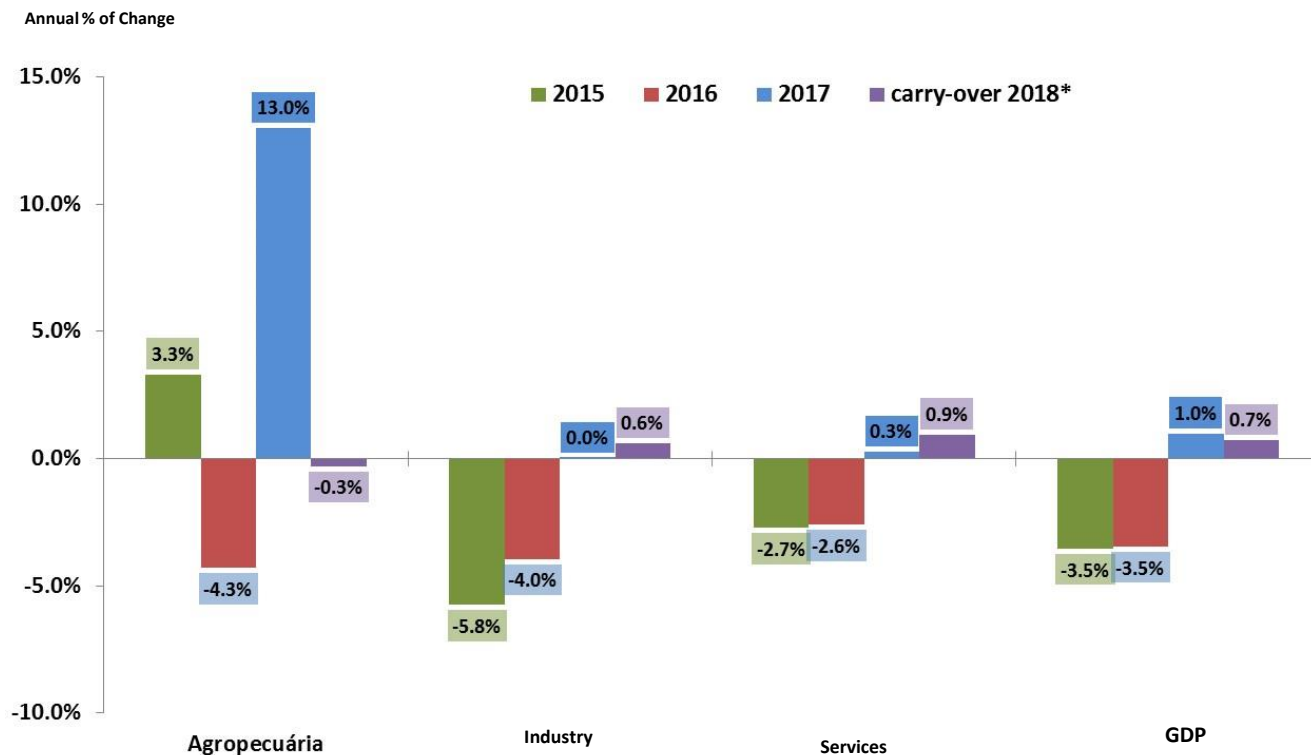
Quarterly GDP by Expenditure

GDP and Demand Categories Quarterly Volume Indicator
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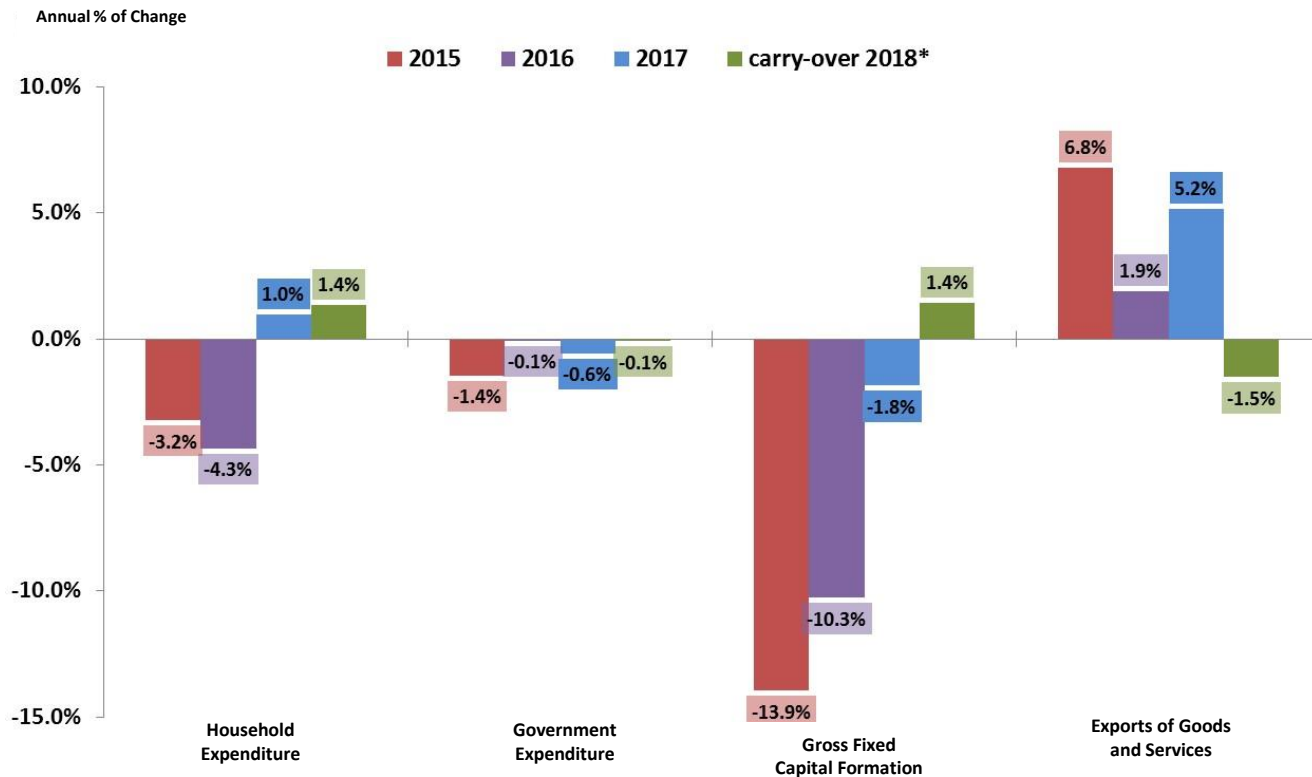
Annual GDP Real Growth by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 2nd quarter seasonally adjusted level compared to 2017 average.

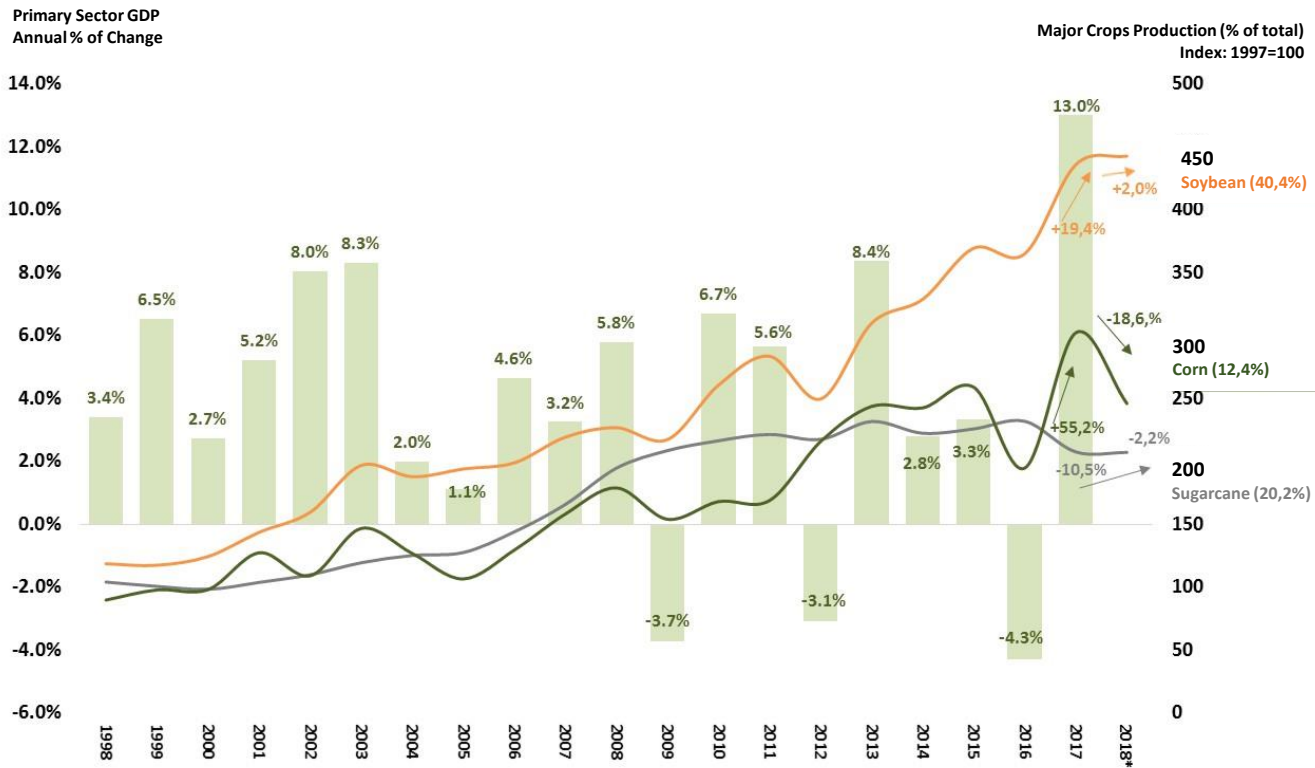
Annual GDP Real Growth by Expenditure



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2018 based on 2018 2nd quarter seasonally adjusted level compared to 2017 average.

Primary Sector Performance by Major Crops

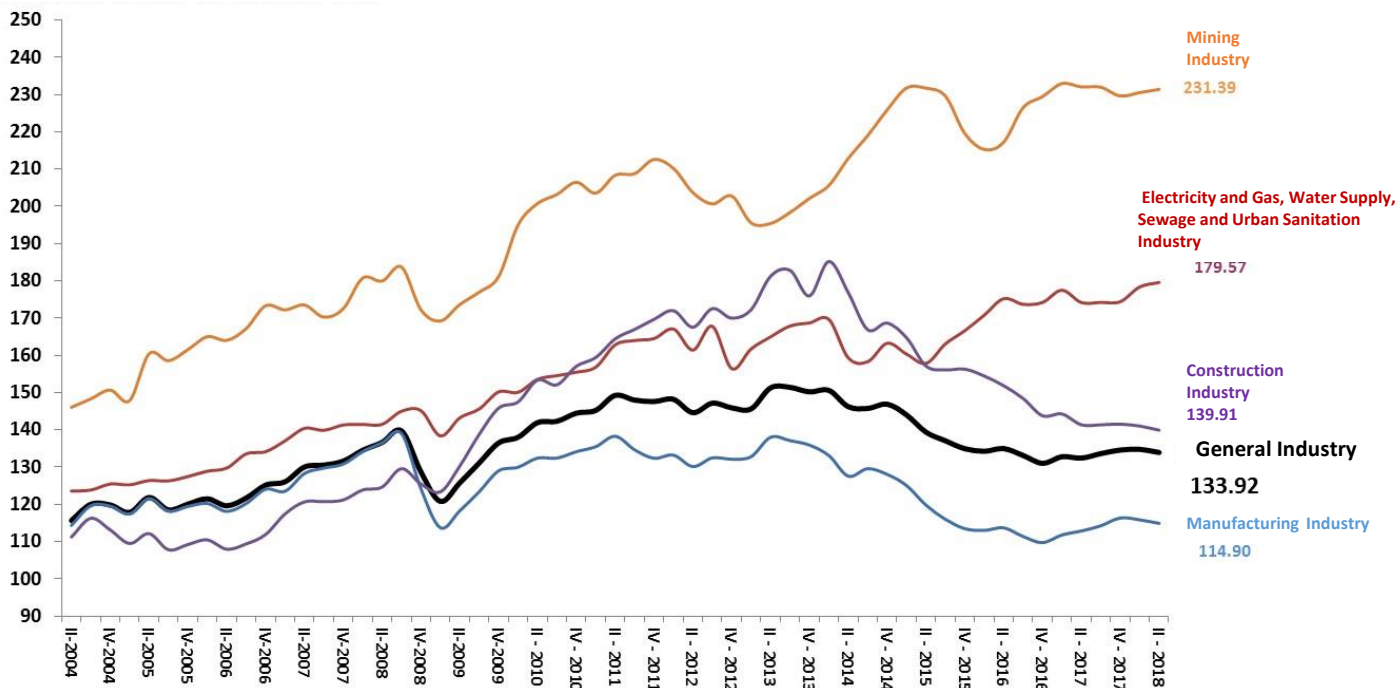


Source: IBGE/MP, Systematic Survey of Agricultural Production (LSPA) – September 2018.

Industry Performance by Subsectors

Industrial Production Indicators

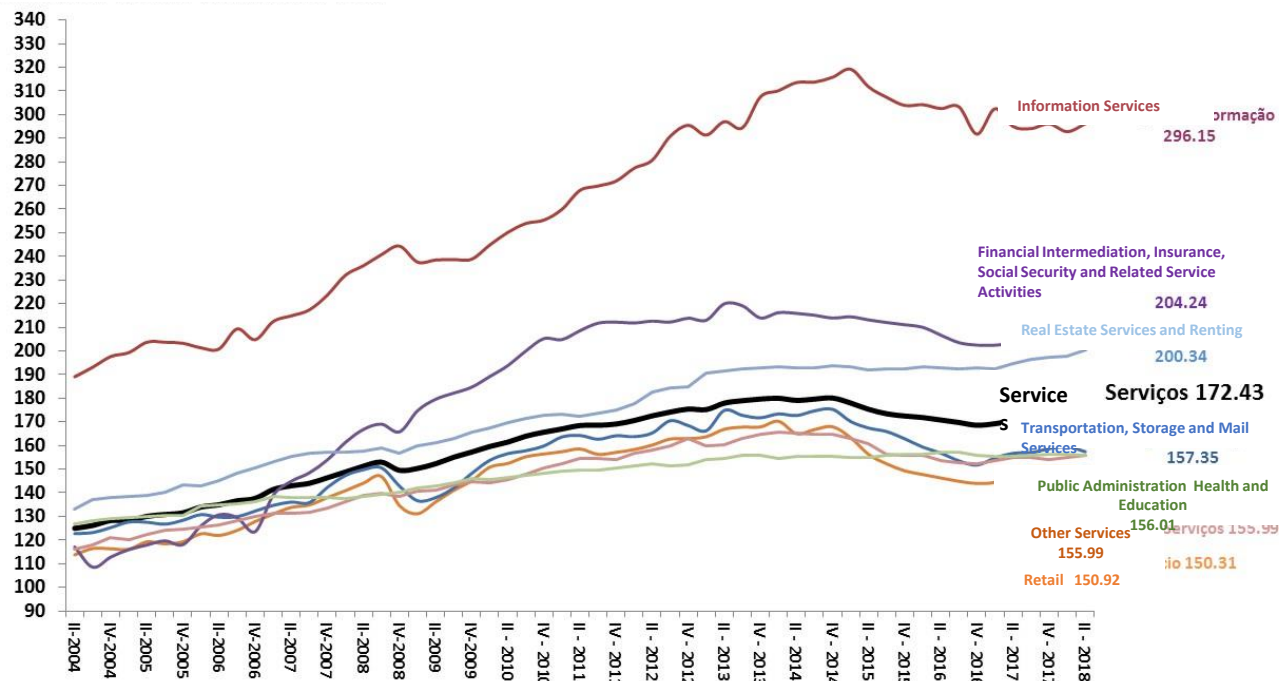
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

Services Performance by Subsectors

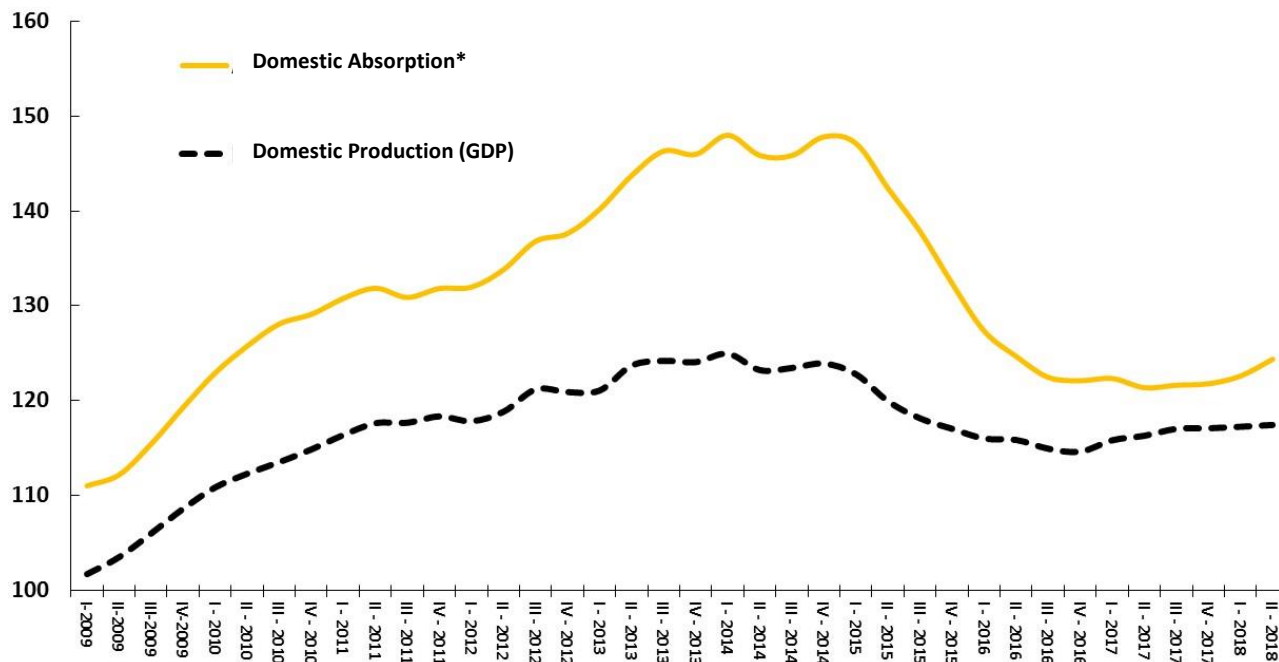
Services Provision Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



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



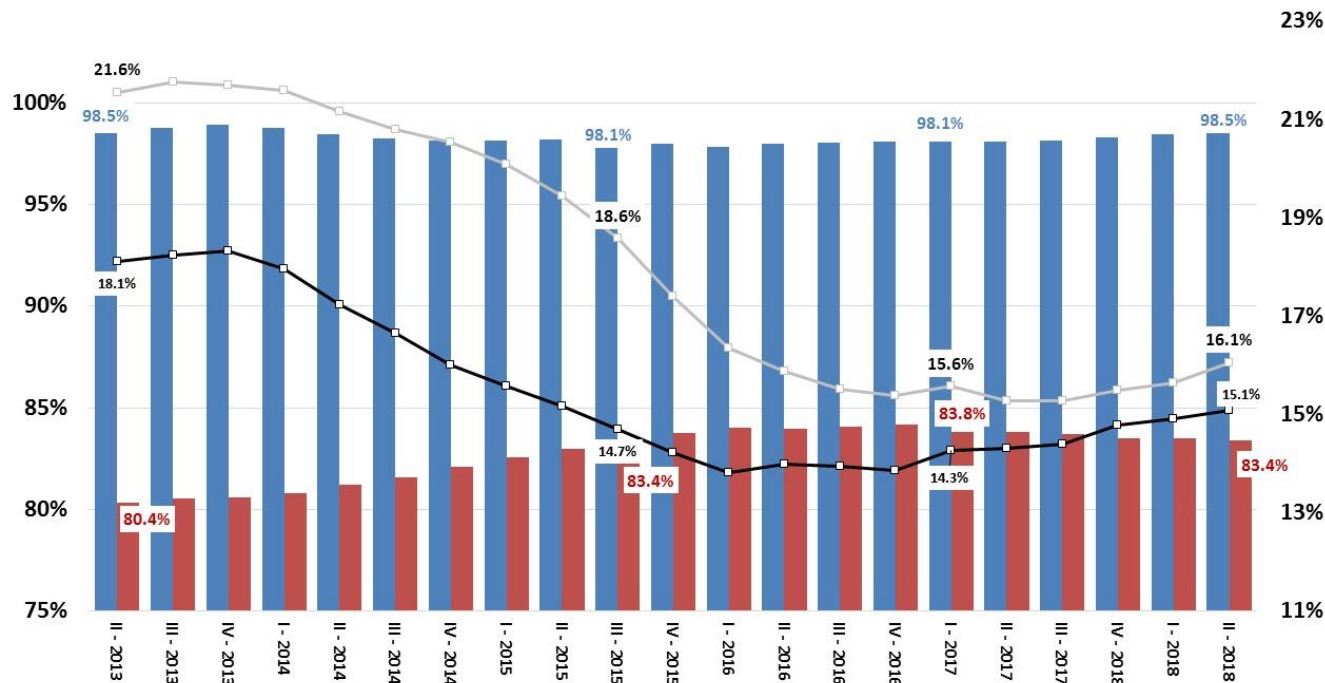
Source: IBGE/MP, Quarterly National Accounts Series. * Domestic Absorption = GDP – Exports of Goods and Services + Imports of Goods and Services.

Disposable Income, Consumption, Savings and Investment

Disposable Income and Consumption
% of GDP

■ Disposable Income ■ Consumption — Savings — Investment

Savings and Investment
% of GDP

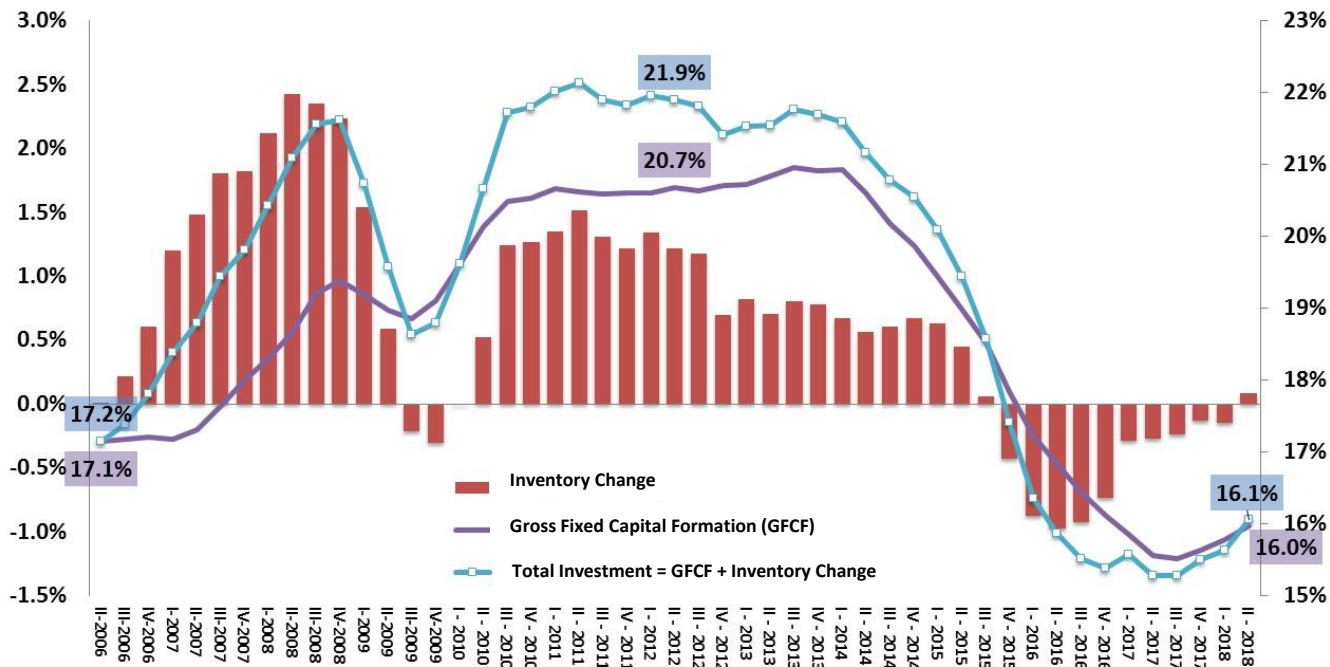


Source: IBGE/MP, Quarterly National Accounts Series.

Inventory Change and Gross Fixed Capital Formation

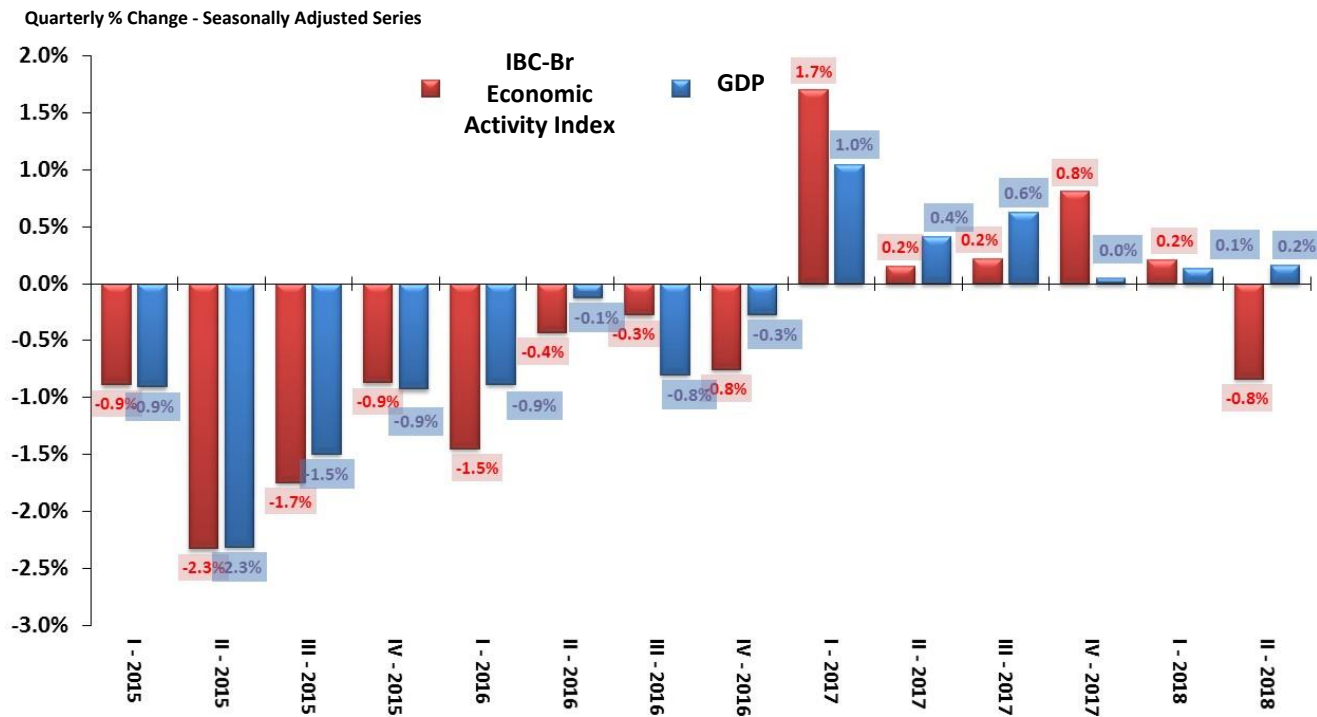
Inventory Change (% of GDP)
Accumulated in 4 quarters

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



Sources: IBGE/MP and Central Bank of Brazil.

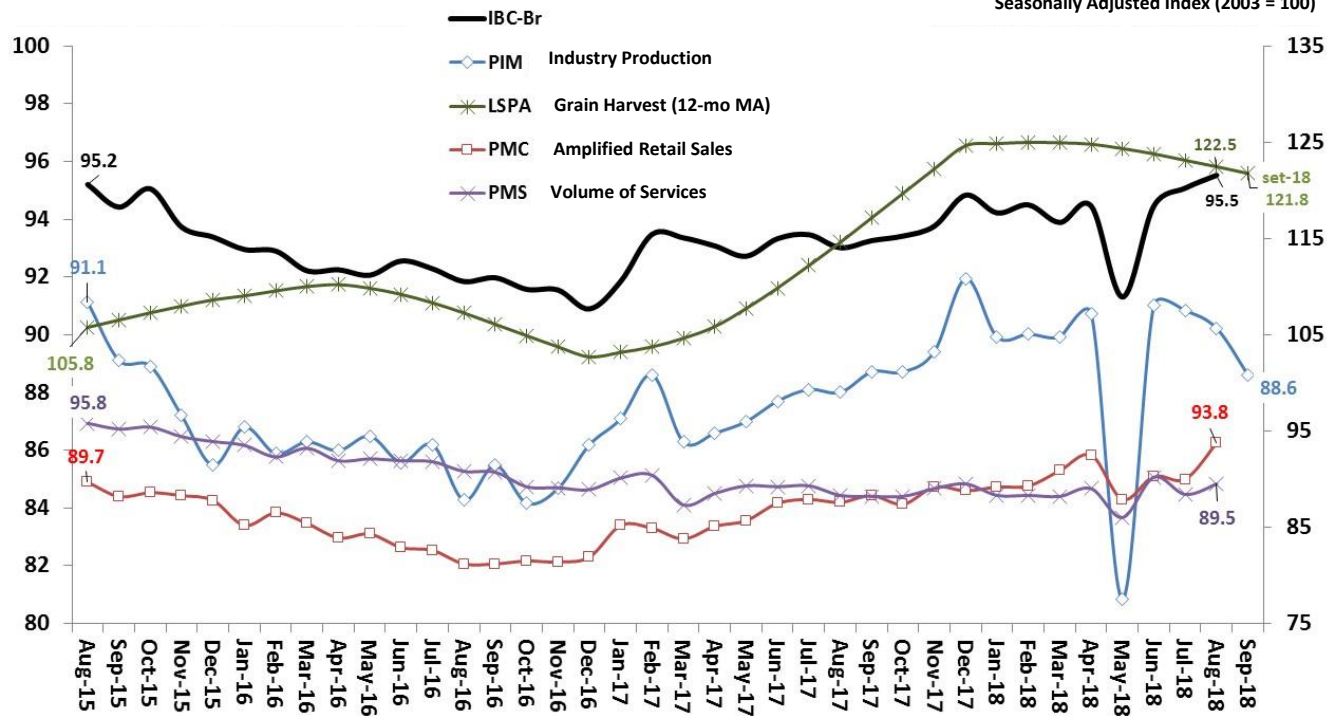
Monthly Economic Activity

IBC-Br Economic Activity Index	August-18 % change	2016	2017	july/yy - july/yy	ago/yy - ago/yy	july/yy - jun/yy (seasonally adjusted)	ago/yy - july/yy (seasonally adjusted)	Year-To-Date	july/yy accum. in 12-months	ago/yy accum. in 12-months	carry-over 2018
IBC-Br Economic Activity Index		-4.0%	1.04%	2.5%	2.5%	0.7%	0.5%	1.3%	1.4%	1.5%	1.4%
Systematic Survey of Agricultural Production (IBGE)	September-18 % change	2016	2017	ago/yy - ago/yy	set/yy - set/yy	ago/yy - july/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
Grain Harvest		-11.3%	21.4%	-6.3%	-6.5%	-0.4%	0.2%	-6.0%	-6.3%	-6.5%	-3.9%
Industry Production (IBGE)	September-18 % change	2016	2017	ago/yy - ago/yy	set/yy - set/yy	ago/yy - july/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
General Industry		-6.4%	2.5%	1.7%	-2.0%	-0.7%	-1.8%	1.9%	3.1%	2.7%	0.9%
Mining Industry (weight 11,2%)		-9.4%	4.5%	1.4%	0.3%	-2.1%	-0.3%	0.2%	0.3%	0.2%	0.4%
Manufacturing Industry (weight 88,8%)		-6.0%	2.3%	1.7%	-2.3%	-0.6%	-1.4%	2.2%	3.5%	3.1%	1.3%
Food (weight 13,9%)		0.5%	1.2%	-6.4%	-11.8%	-2.7%	-1.3%	-4.0%	-0.8%	-2.4%	-4.7%
Petroleum refinement and alcohol production (weight 10,3%)		-8.5%	-4.2%	3.8%	-4.5%	-6.6%	-1.5%	1.9%	2.2%	1.4%	1.3%
Motor vehicles (weight 10,1%)		-12.1%	17.6%	14.8%	3.7%	2.2%	-5.1%	16.5%	19.9%	18.2%	13.2%
Capital Goods		-10.2%	6.6%	8.8%	4.0%	5.5%	-1.3%	8.5%	9.5%	9.2%	8.1%
Intermediate Goods		-6.5%	1.7%	0.8%	-2.6%	-2.4%	-1.0%	1.0%	2.2%	1.7%	0.2%
Durable Consumer Goods		-14.4%	13.2%	9.8%	-4.5%	0.0%	-5.5%	11.6%	15.0%	13.1%	8.0%
Semi and Non-Durable Consumer Goods		-3.2%	0.8%	-0.6%	-1.4%	-0.9%	-0.7%	0.1%	0.9%	0.8%	0.1%
Typical Construction Inputs		-11.6%	-3.2%	0.9%	1.1%	5.3%	-5.8%	1.3%	1.9%	2.1%	1.5%
Retail Sales (IBGE)	August-18 % change	2016	2017	july/yy - july/yy	ago/yy - ago/yy	july/yy - jun/yy (seasonally adjusted)	ago/yy - july/yy (seasonally adjusted)	Year-To-Date	july/yy accum. in 12-months	ago/yy accum. in 12-months	carry-over 2018
Retail Sales		-6.3%	2.1%	-1.0%	4.1%	-0.1%	1.3%	2.6%	3.2%	3.3%	2.4%
Amplified Retail Sales		-8.7%	4.0%	2.9%	6.9%	-0.3%	4.2%	5.6%	6.5%	6.4%	5.5%
Vehicles, Motorcycles, Parts and Accessories		-14.0%	2.7%	16.5%	16.0%	-1.4%	5.4%	16.3%	14.0%	14.2%	15.8%
Construction Material		-10.7%	9.1%	2.1%	6.0%	-3.5%	4.6%	4.7%	8.4%	7.8%	4.3%
Fuel and Lubricants		-9.2%	-3.3%	-8.8%	-2.0%	4.6%	5.4%	-5.9%	-5.2%	-5.1%	-4.7%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco		-3.1%	1.5%	1.4%	5.5%	1.0%	5.7%	4.9%	4.0%	4.8%	4.0%
Textiles, Apparel and Footwear		-10.9%	7.6%	-8.4%	2.9%	-0.1%	5.6%	-3.4%	1.2%	0.7%	-1.2%
Furniture and Household Appliances		-12.6%	9.5%	-6.9%	-2.5%	-4.2%	2.0%	-0.8%	5.2%	3.7%	-1.7%
Volume of Services (IBGE)	August-18 % change	2016	2017	july/yy - july/yy	ago/yy - ago/yy	july/yy - jun/yy (seasonally adjusted)	ago/yy - july/yy (seasonally adjusted)	Year-To-Date	july/yy accum. in 12-months	ago/yy accum. in 12-months	carry-over 2018
Volume of Services		-5.0%	-2.8%	-0.1%	1.5%	-2.0%	1.2%	-0.5%	-1.0%	-0.6%	-0.1%
Services Rendered to Families		-4.4%	-1.1%	-0.1%	5.1%	4.1%	-0.8%	-0.9%	-1.2%	-0.4%	-0.5%
Information and Communication Services		-3.2%	-2.0%	0.1%	-1.2%	-2.2%	-0.6%	-1.7%	-1.8%	-1.6%	-1.2%
Professional, Administrative and Complementary Services		-5.5%	-7.3%	-2.8%	-0.2%	-1.1%	2.2%	-2.0%	-3.8%	-3.2%	-1.3%
Transportation, Support Activities for Transportation and Mailing Activities		-7.6%	2.2%	1.3%	4.6%	-3.9%	3.2%	1.3%	2.8%	2.8%	2.1%
Other Services		-2.8%	-8.9%	1.0%	1.2%	-3.0%	1.0%	2.3%	-1.8%	-0.9%	1.7%

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)

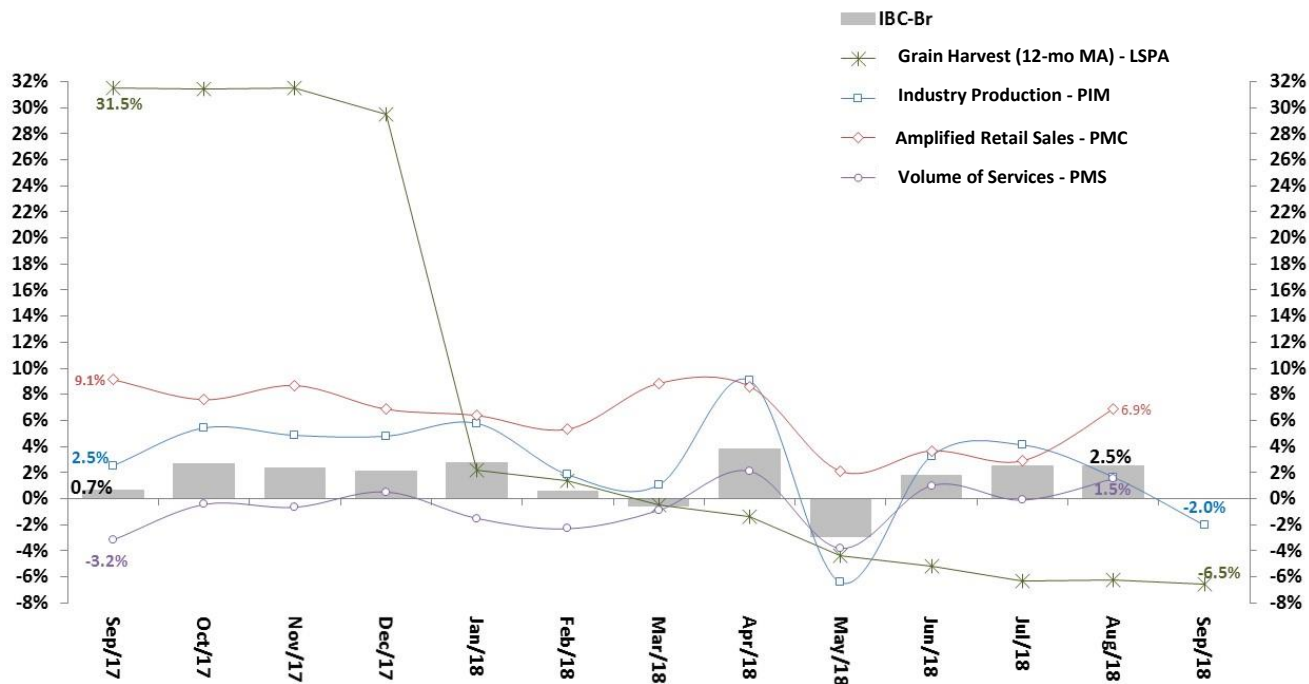


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators

IBC-Br
(YoY %)

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

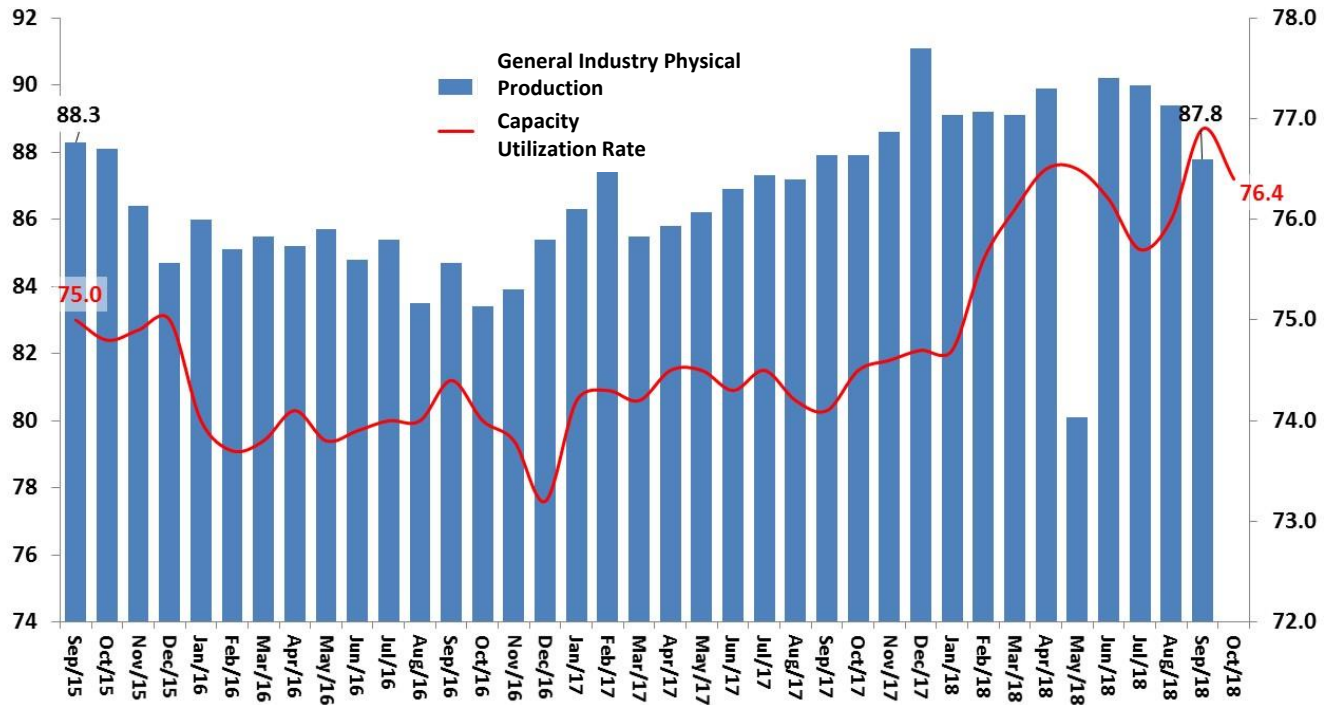


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

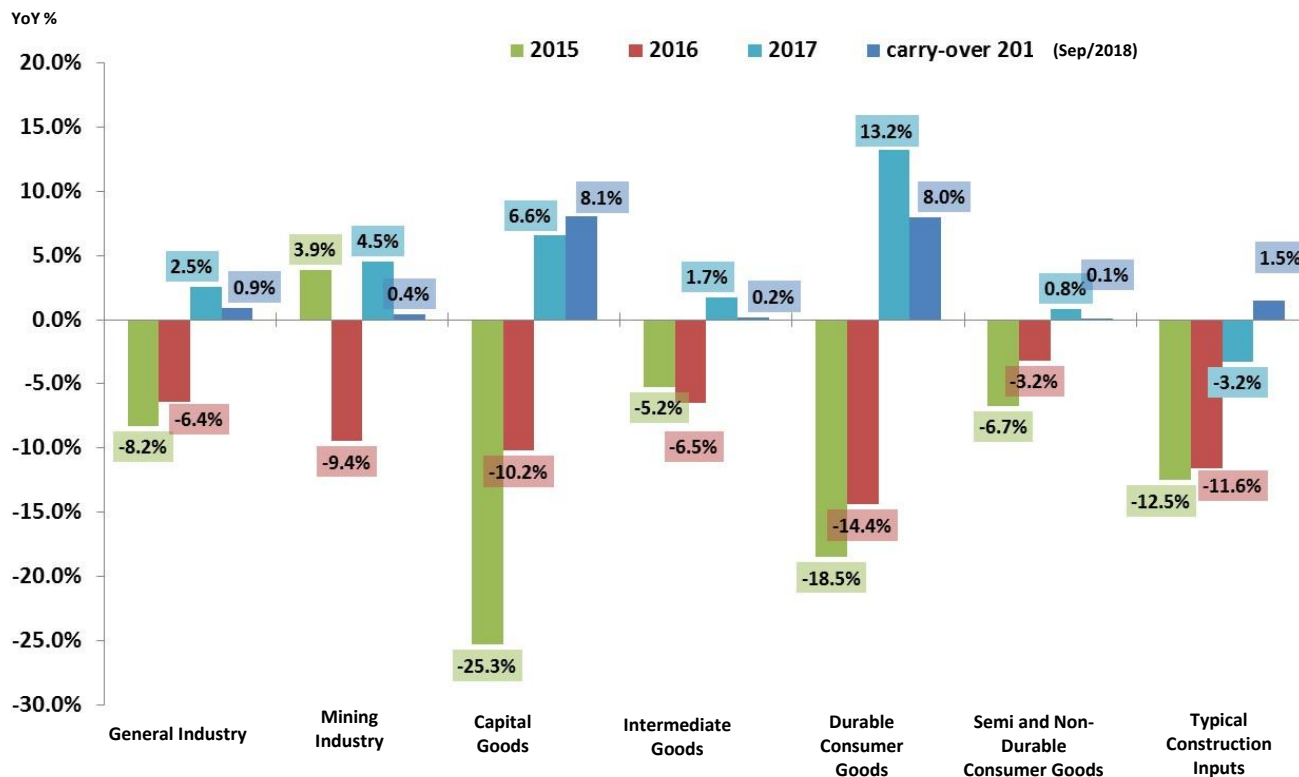
Industry Production
Seasonally Adjusted Index (2003 = 100)

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

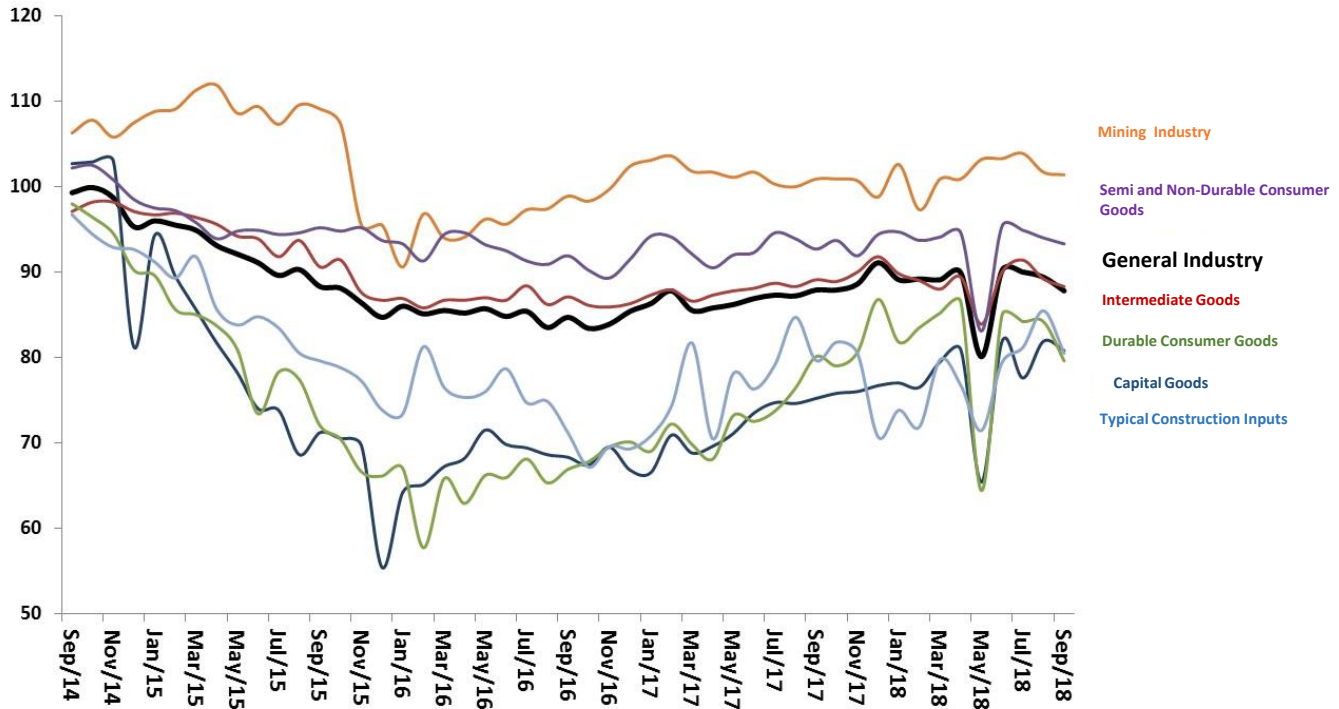


Source: IBGE/MP, Monthly Survey of Industry (PIM).

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

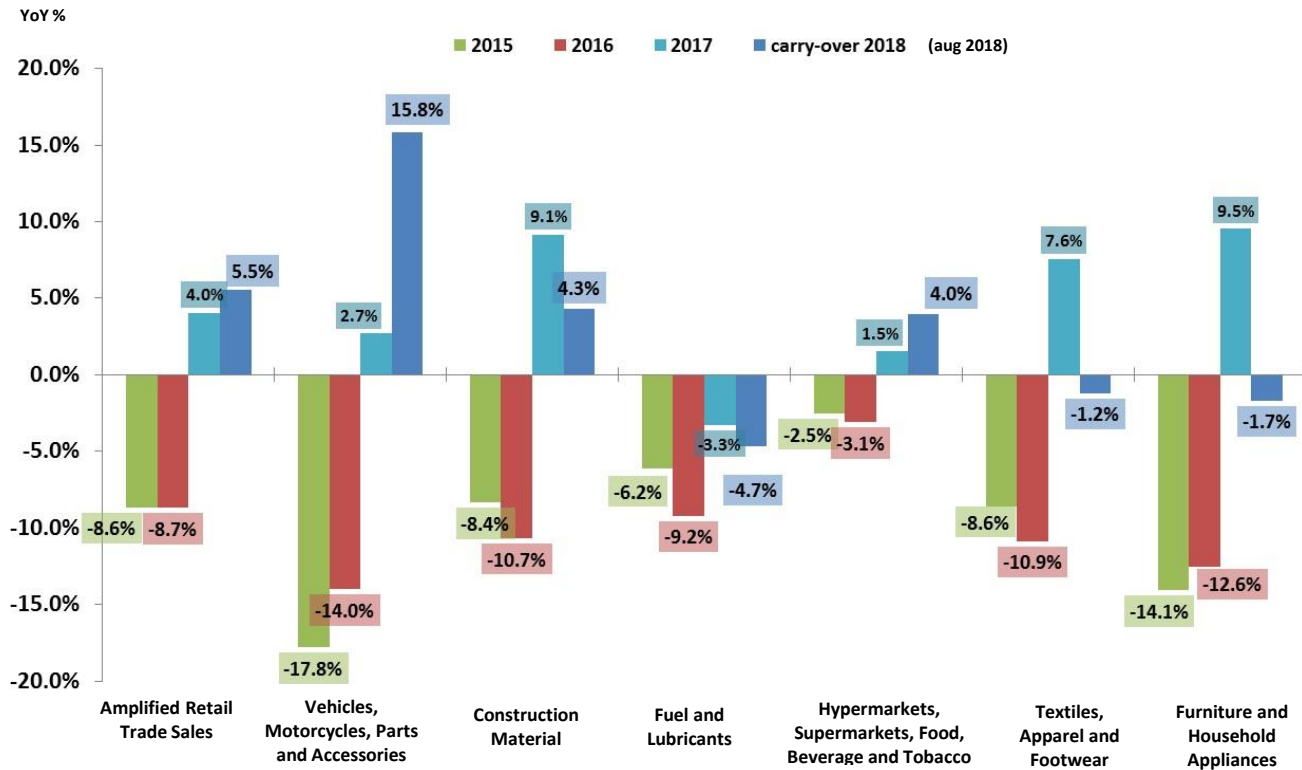
Total Industrial Production and Economic Categories

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



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

Total Retail Sales and Subsectors

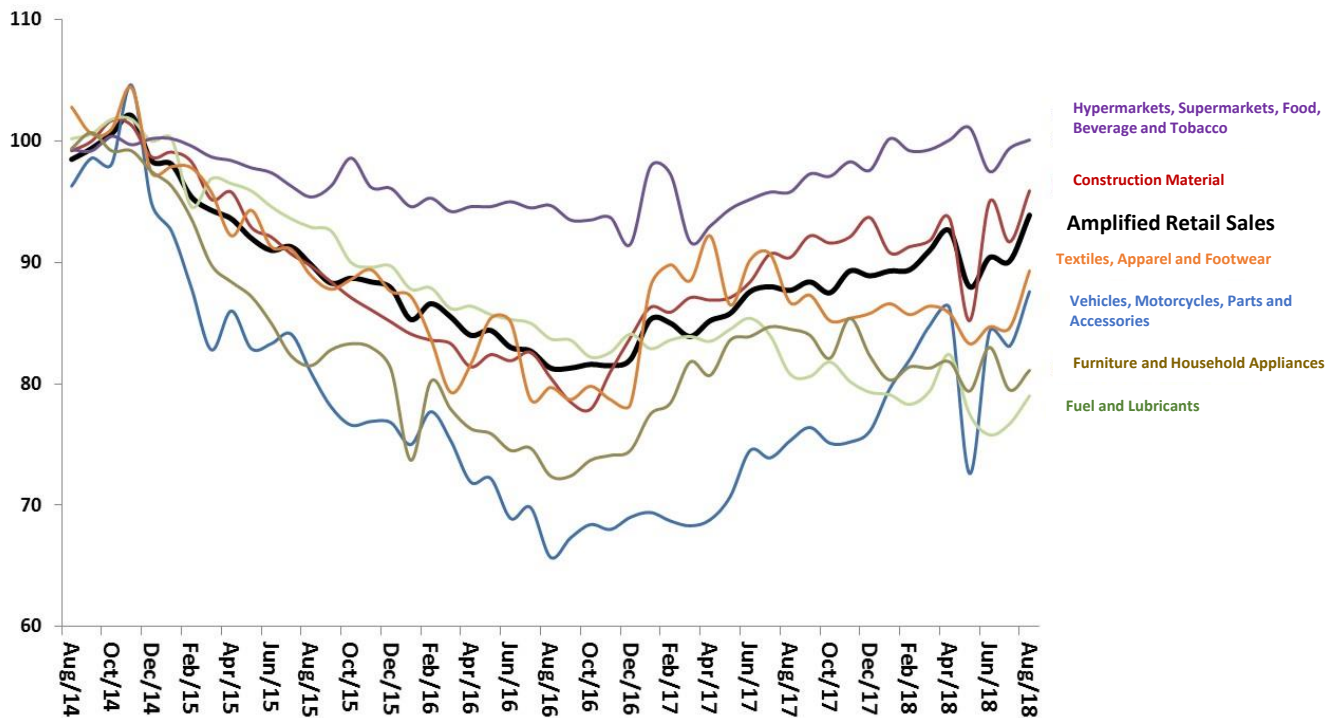


Source: IBGE/MP, Monthly Survey of Trade (PMC).

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

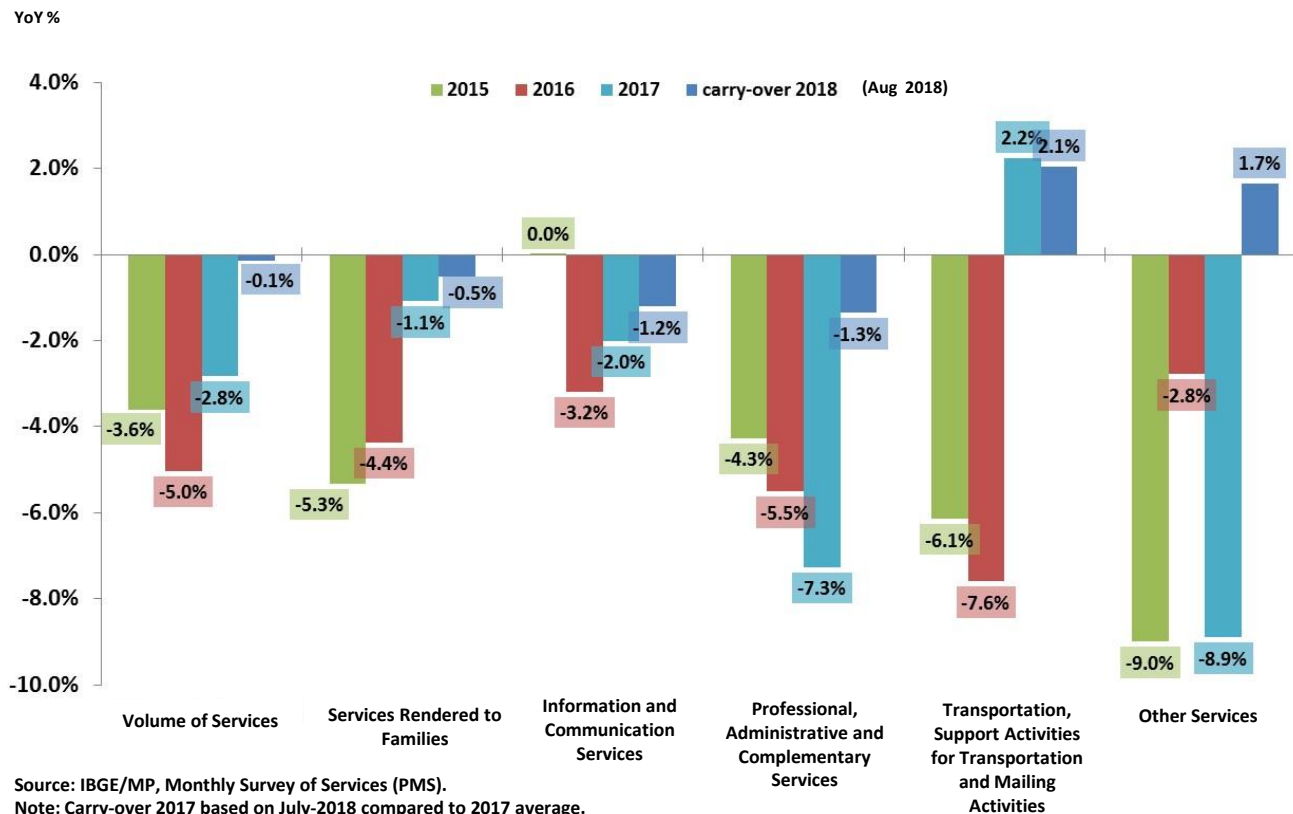
Total Retail Sales and Subsectors

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



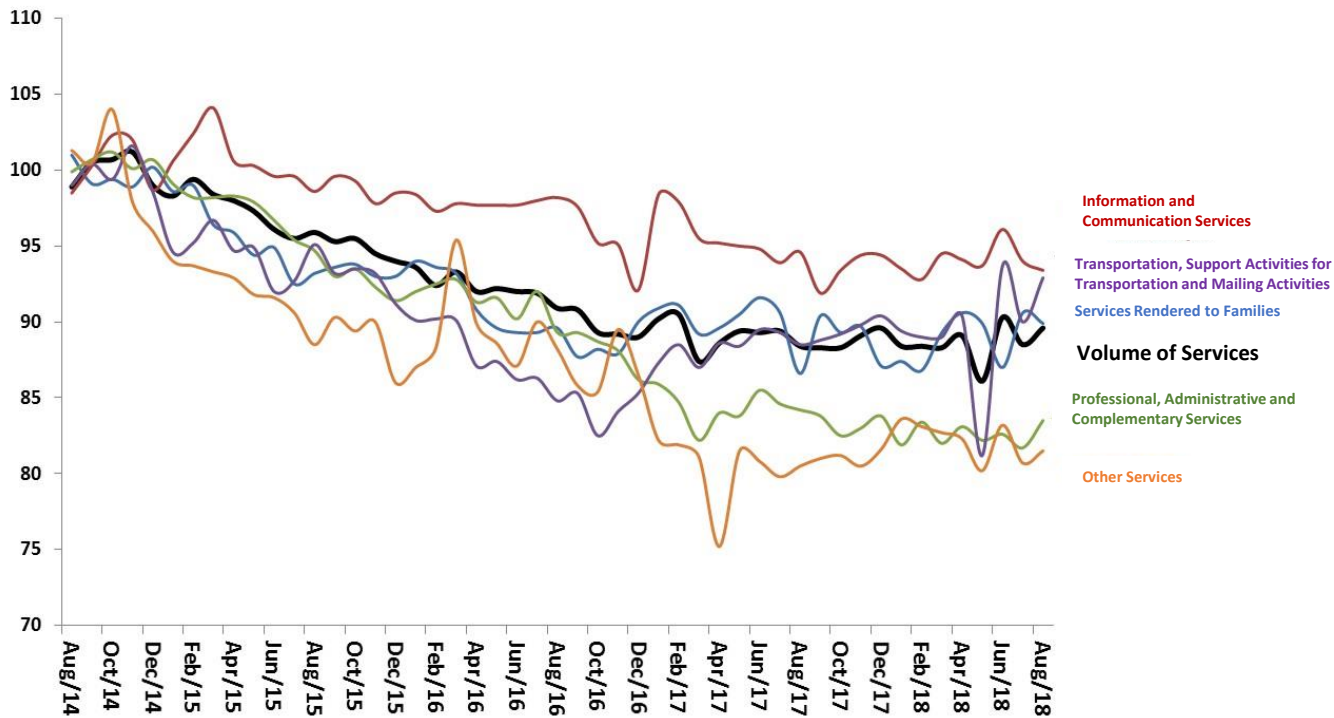
Source: IBGE/MP, Monthly Survey of Trade (PMC).

Volume of Services and Subsectors



Total Services and Subsectors

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

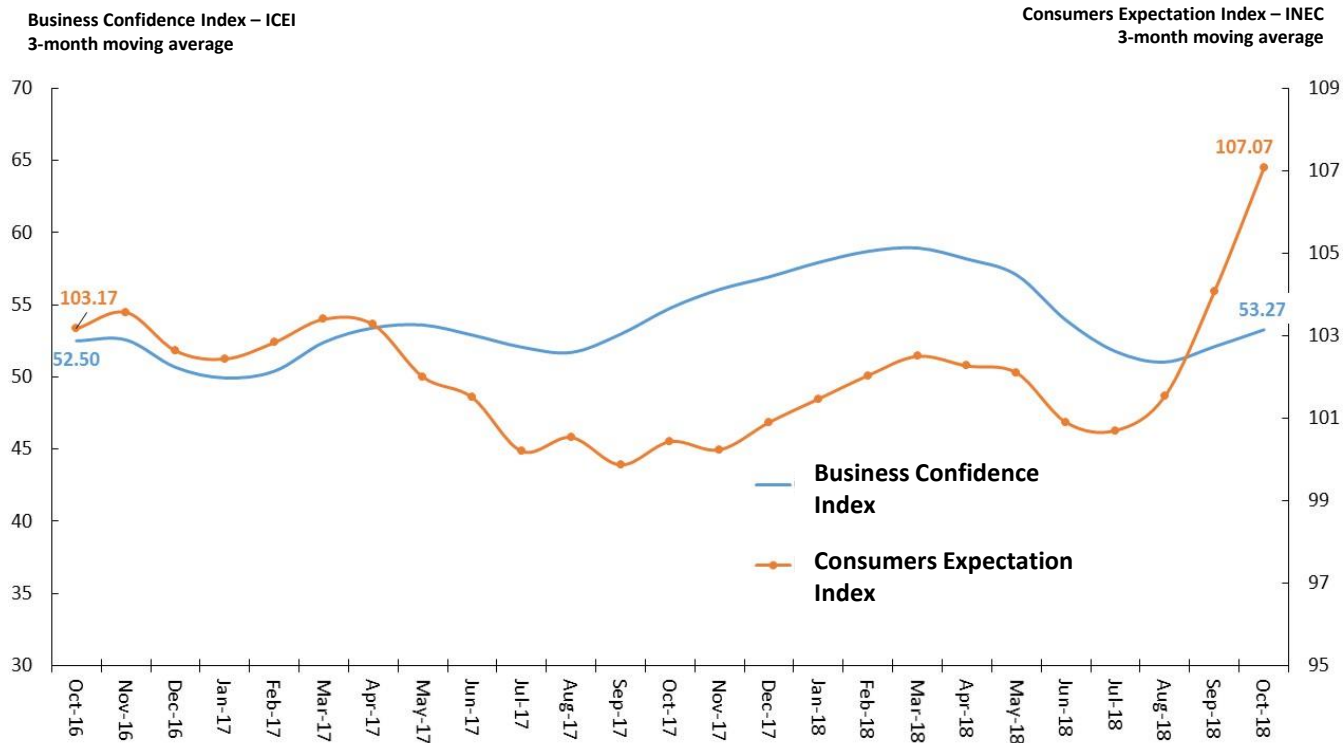


Source: IBGE, Monthly Survey of Services (PMS).

Other Monthly Economic Activity Indicators

August-18 % change	2017	ago/yy - jul/yy	ago/yy - ago/yy	jul/yy - jun/yy (seasonally adjusted)	ago/yy - jul/yy (seasonally adjusted)	Year-To-Date	jul/yy accum. in 12-months	ago/yy accum. in 12-months	carry-over 2018
Natural Gas and Oil Production (ANP)	4.4%	-1.7%	-2.2%	0.3%	-2.0%	-1.3%	-1.2%	-1.3%	-2.1%
Electric Energy Consumption - Total (EPE)	1.2%	1.4%	2.0%	0.9%	-0.3%	1.2%	1.5%	1.6%	0.7%
Industry Consumption (EPE)	1.3%	0.5%	1.5%	4.2%	0.5%	1.6%	2.0%	2.0%	1.1%
Electric Energy System Supply (ONS)	1.5%	3.9%	1.9%	0.5%	-0.6%	1.4%	1.6%	1.8%	1.0%
September-18 % change	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
Industry Indicators (CNI)									
Real Sales Revenue	-0.1%	7.7%	4.6%	1.7%	-1.1%	5.4%	5.8%	5.9%	5.1%
Working Hours in Production	-2.1%	0.4%	-2.1%	0.4%	-0.9%	0.4%	0.4%	0.4%	0.0%
Capacity Utilization - UCI	0.4%	0.8%	0.4%	0.6%	-0.5%	0.7%	1.0%	1.0%	0.5%
Industry Inventories (CNI) - Final Goods - planned x realized	effective level: 51.2	1.0%	2.4%	1.0%	-0.2%	1.2%	0.8%	0.7%	1.0%
Sao Paulo Industry Confidence - ICEI-SP (FIESP)	effective level: 50.5	26.1%	-5.0%	-10.9%	-1.3%	-1.5%	2.6%	7.7%	6.1%
Supermarket Sector Total Retail Sales (ABRAS)	1.3%	3.6%	0.5%	0.9%	-0.7%	2.3%	2.5%	2.1%	2.0%
Total Vehicles Production (ANFAVEA)	24.0%	11.8%	-6.3%	4.1%	-4.4%	10.5%	16.1%	12.5%	7.6%
Car Production	26.1%	10.5%	-7.9%	7.2%	-5.2%	8.5%	14.9%	10.9%	6.0%
Commercial Vehicles Production	37.3%	14.2%	19.9%	-4.8%	8.0%	30.5%	41.2%	37.9%	23.2%
Total Vehicles Exports (ANFAVEA)	48.3%	-16.6%	-34.5%	13.1%	-17.6%	-8.0%	5.5%	-0.4%	-11.8%
Total Vehicles Sales/Licensing (FENABRAVE)	9.2%	14.8%	7.1%	3.2%	4.6%	14.0%	15.5%	14.1%	15.7%
Domestic Vehicles Sales/Licensing	12.3%	13.0%	4.5%	3.5%	4.2%	12.1%	15.0%	13.0%	13.9%
Imported Vehicles Sales/Licensing	-10.7%	29.6%	29.7%	2.0%	6.8%	29.2%	19.6%	22.8%	31.0%
Corrugated Fiberboard Sales (ABPO)	4.9%	2.9%	-0.3%	0.5%	-1.4%	2.0%	3.8%	3.2%	2.0%
Heavy Vehicles Road Traffic (ABCR)	0.8%	1.8%	-1.5%	0.7%	-1.4%	0.7%	2.3%	1.9%	0.4%
October-18 % change	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
Business Confidence - ICEI (CNI)	effective level: 53.7	19.7%	-5.2%	-4.1%	-1.7%	3.4%	6.2%	5.2%	1.6%
Consumer Expectations - INEC (CNI)	effective level: 110.6	0.3%	7.5%	9.3%	2.0%	1.7%	0.2%	1.3%	2.8%
Industry Capacity Utilization - NUCI (FGV)	effective level: 77.9	0.7%	3.7%	2.5%	1.2%	-0.7%	2.0%	2.2%	2.3%
Industry Confidence (FGV)	effective level: 98.7	12.5%	3.0%	-1.6%	-3.6%	-2.1%	11.0%	9.9%	6.5%
Consumer Confidence (FGV)	effective level: 83.6	13.1%	-0.8%	-0.6%	-2.0%	4.9%	4.4%	6.0%	3.4%
Services Confidence (FGV)	effective level: 88.5	14.6%	2.9%	0.7%	-1.8%	1.0%	7.0%	9.2%	5.6%

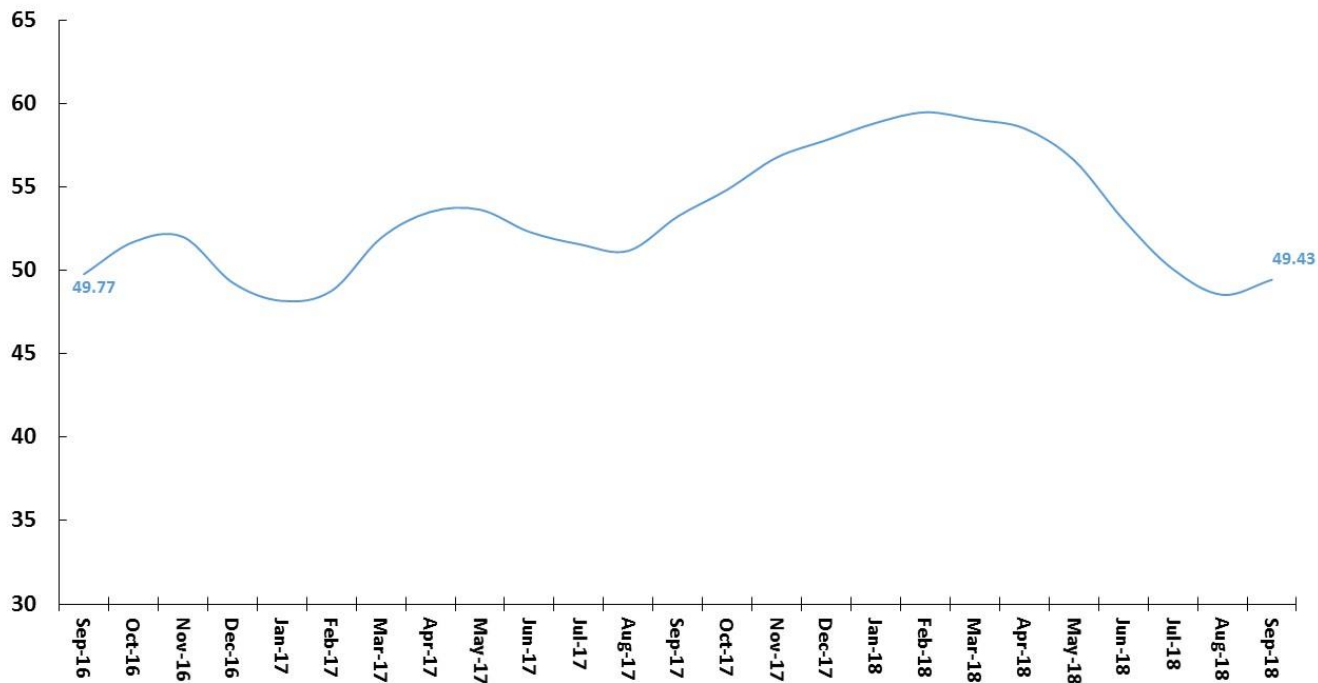
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

FIESP: Industry Confidence Index

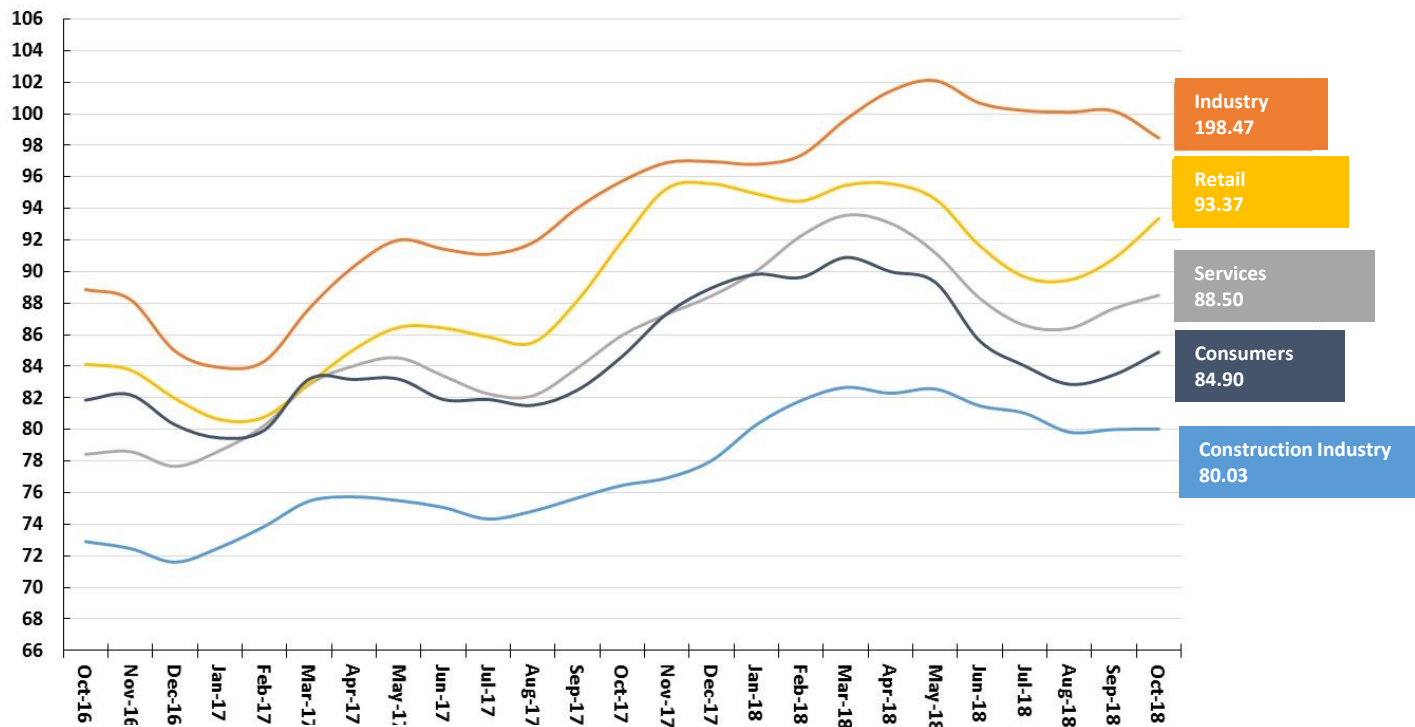
Sao Paulo Industry Confidence - ICEI-SP
3-month moving average



Source: FIESP.

FGV: Economic Confidence Indicators

Economic Confidence Indicators
3-month moving average

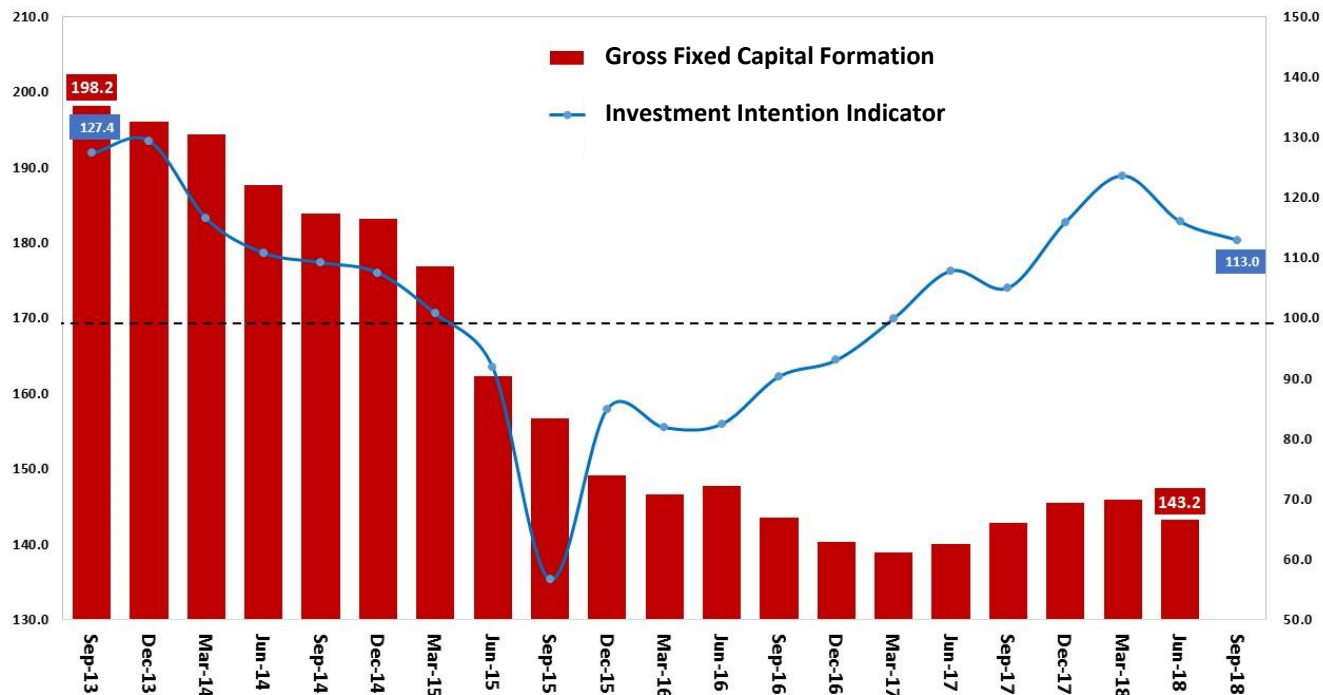


Source: IBRE/FGV.

Gross Fixed Capital Formation and Investment Intention

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

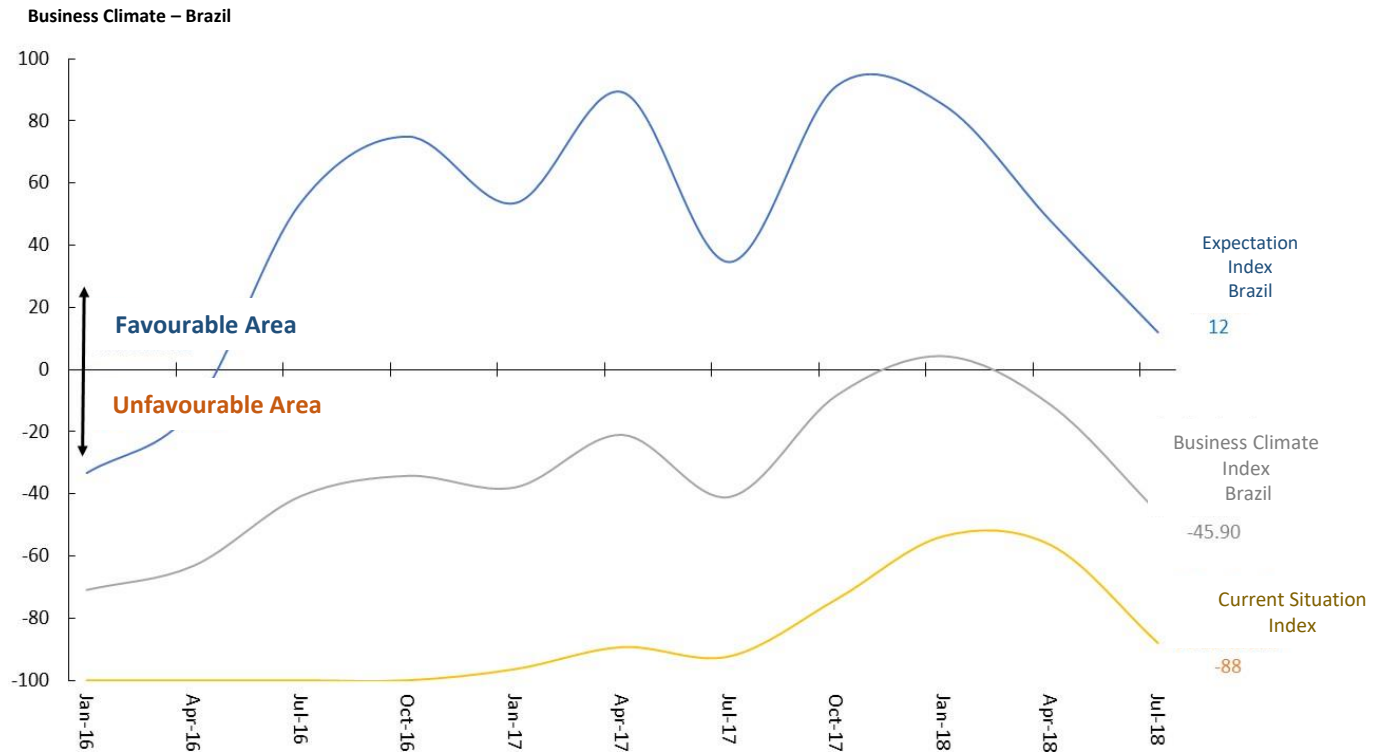
Investment Intention Indicator*
IBRE/FGV Investments Survey



Source: IBGE/MP e IBRE/FGV.

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

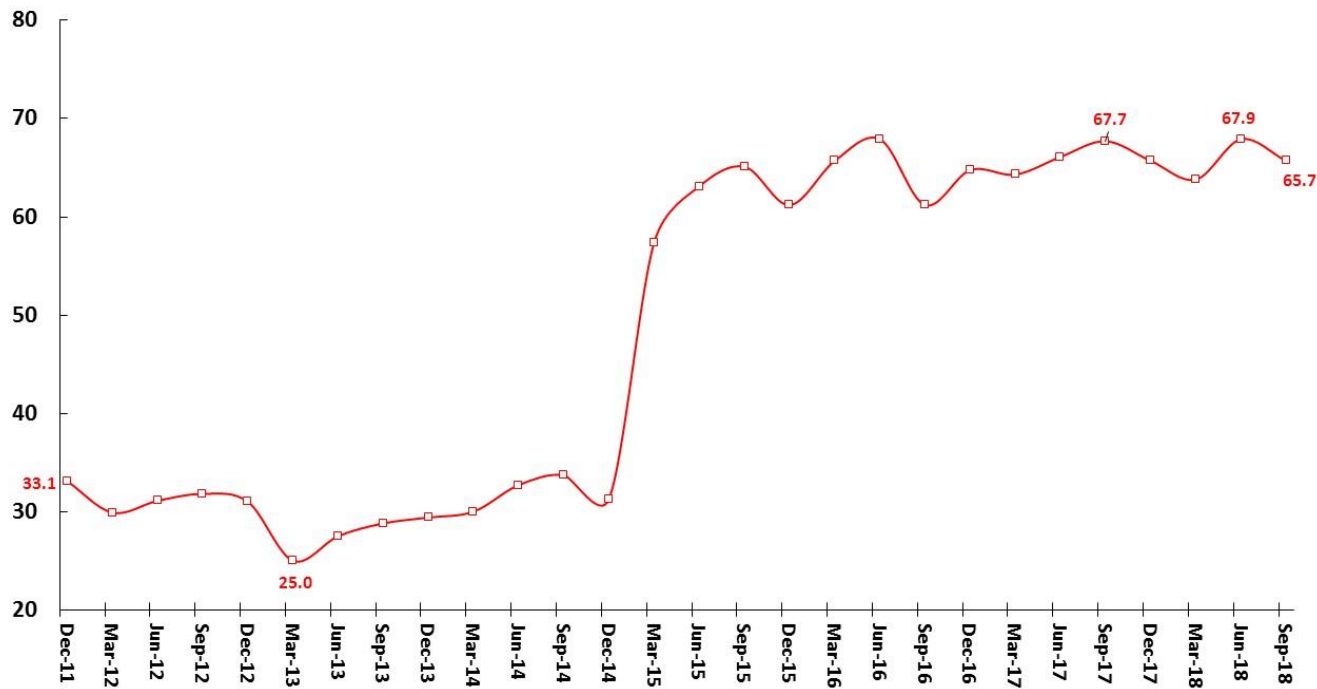
IFO / FGV: Business Climate Index - Brazil



Source: IFO and FGV.

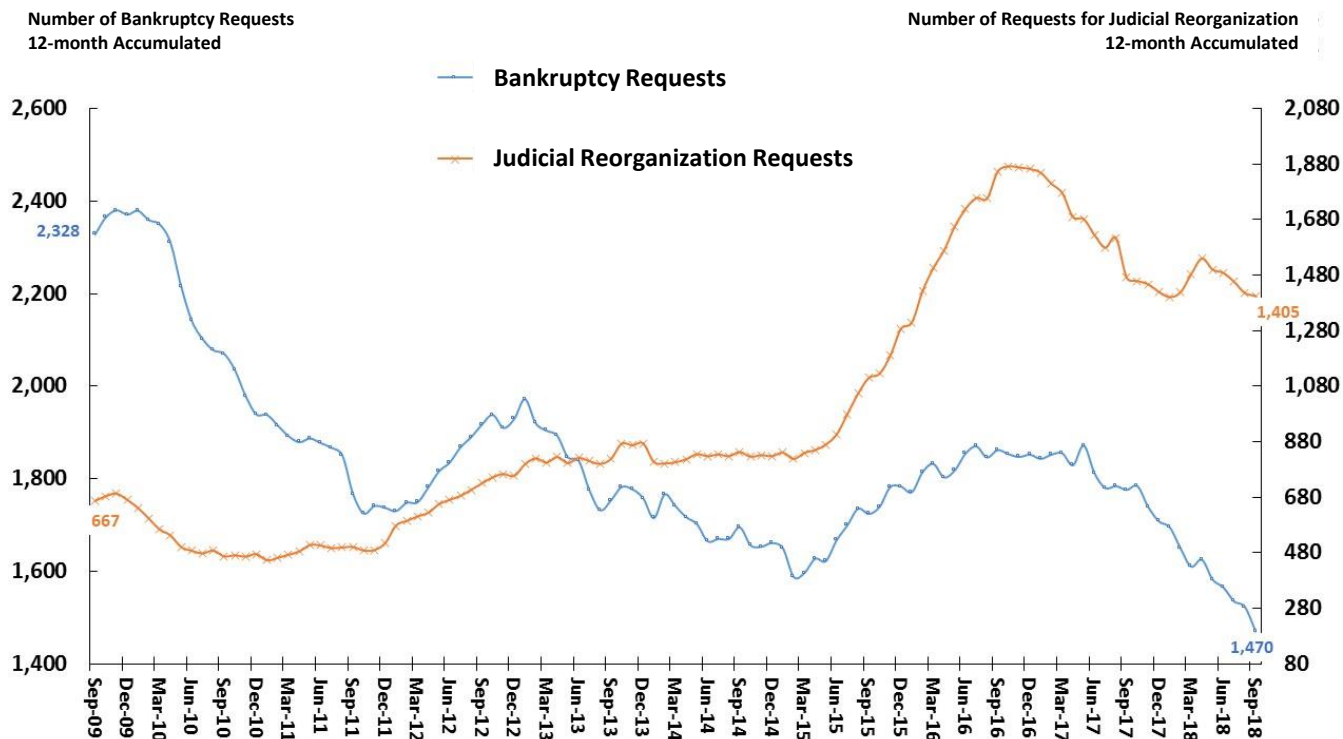
CNI: Fear of Unemployment Index

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



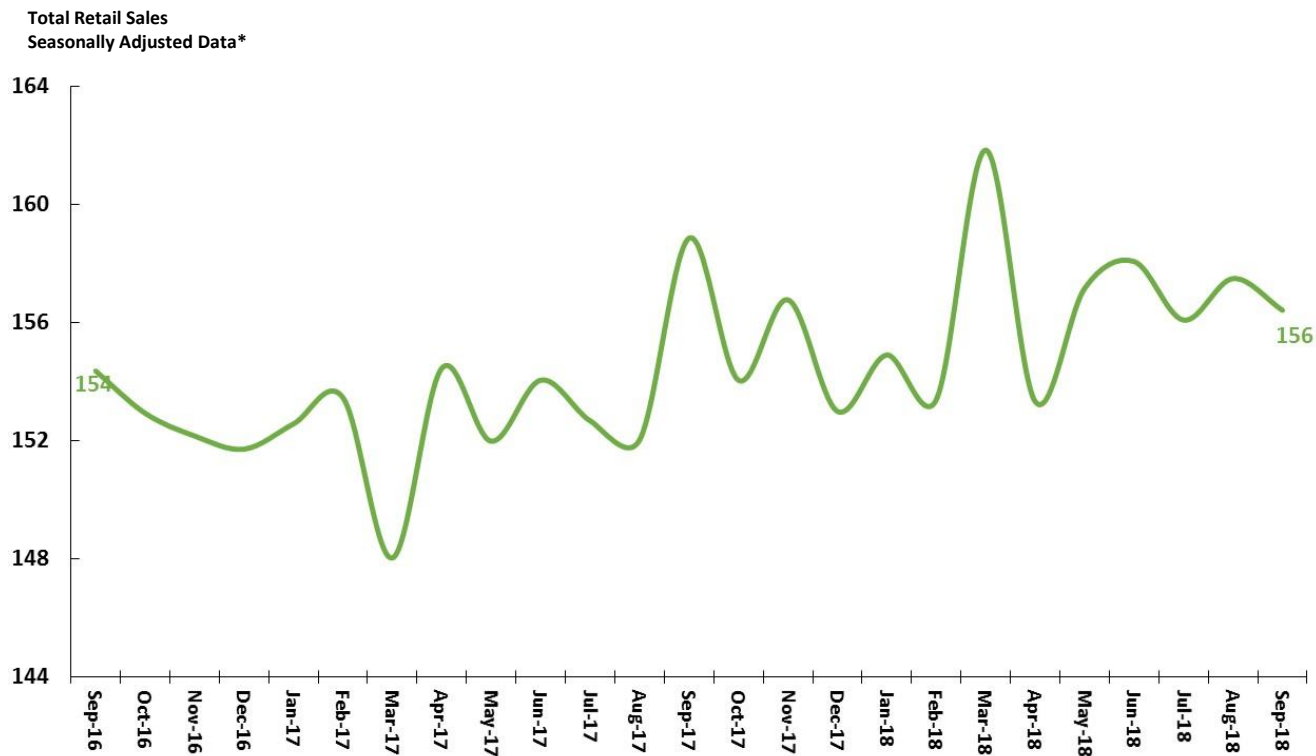
Source: CNI.

Bankruptcy and Judicial Reorganization Requests



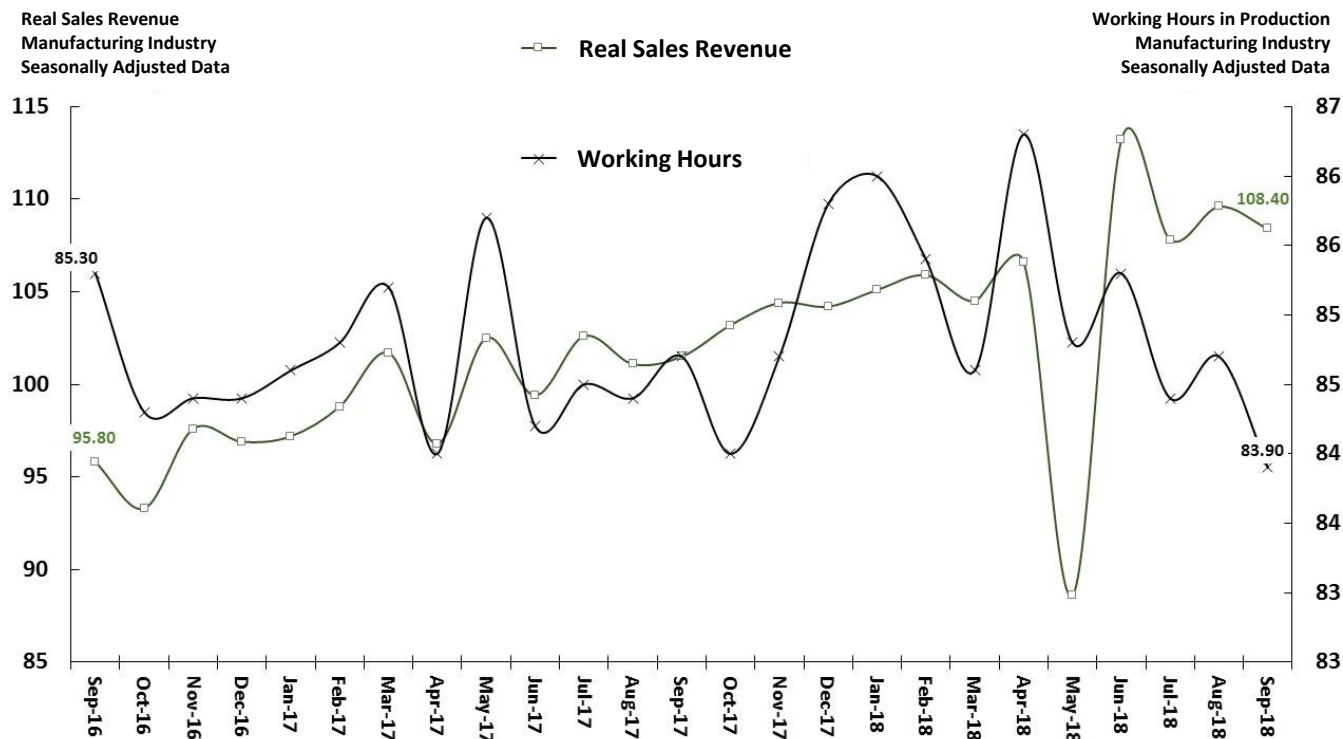
Source: Serasa-Experian.

ABRAS: Supermarket Sector Total Retail Sales



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

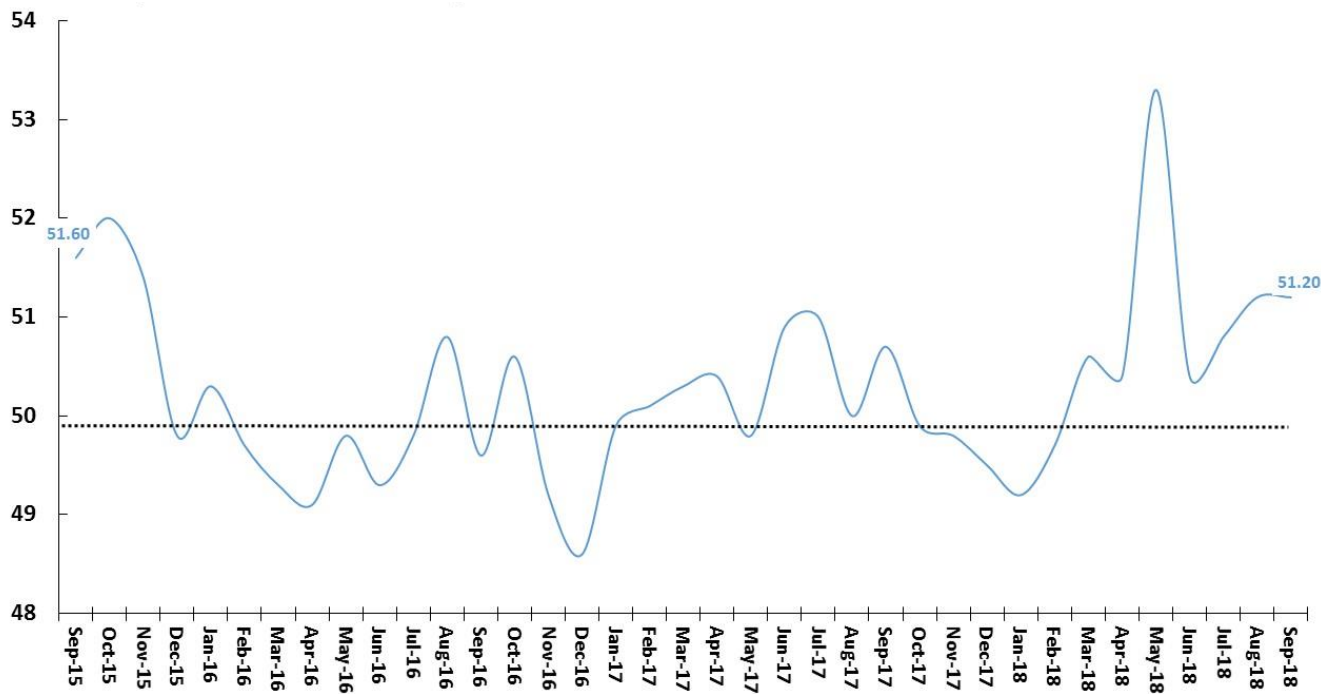
CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

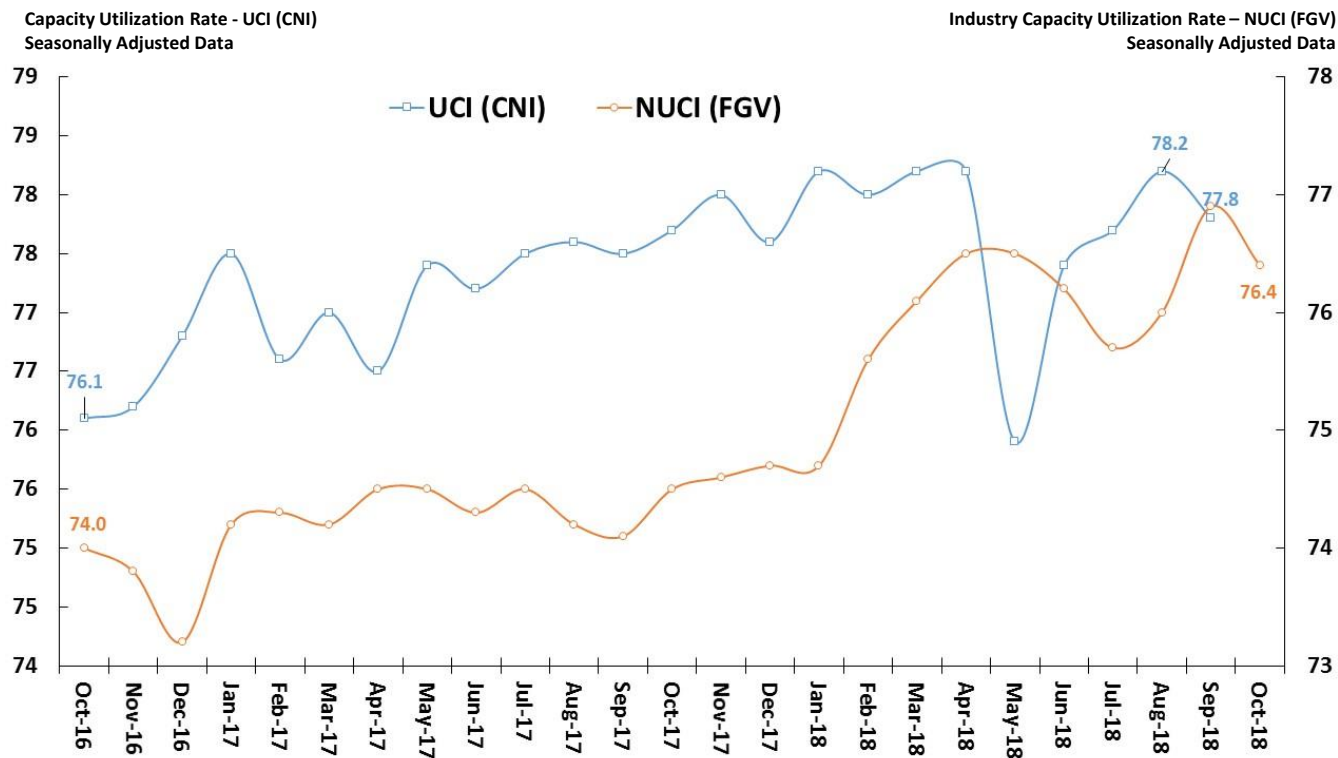
CNI: Industry Inventory

General Industry Inventories Level
Final Goods - planned x effective



Source: CNI.

Capacity Utilization Rate

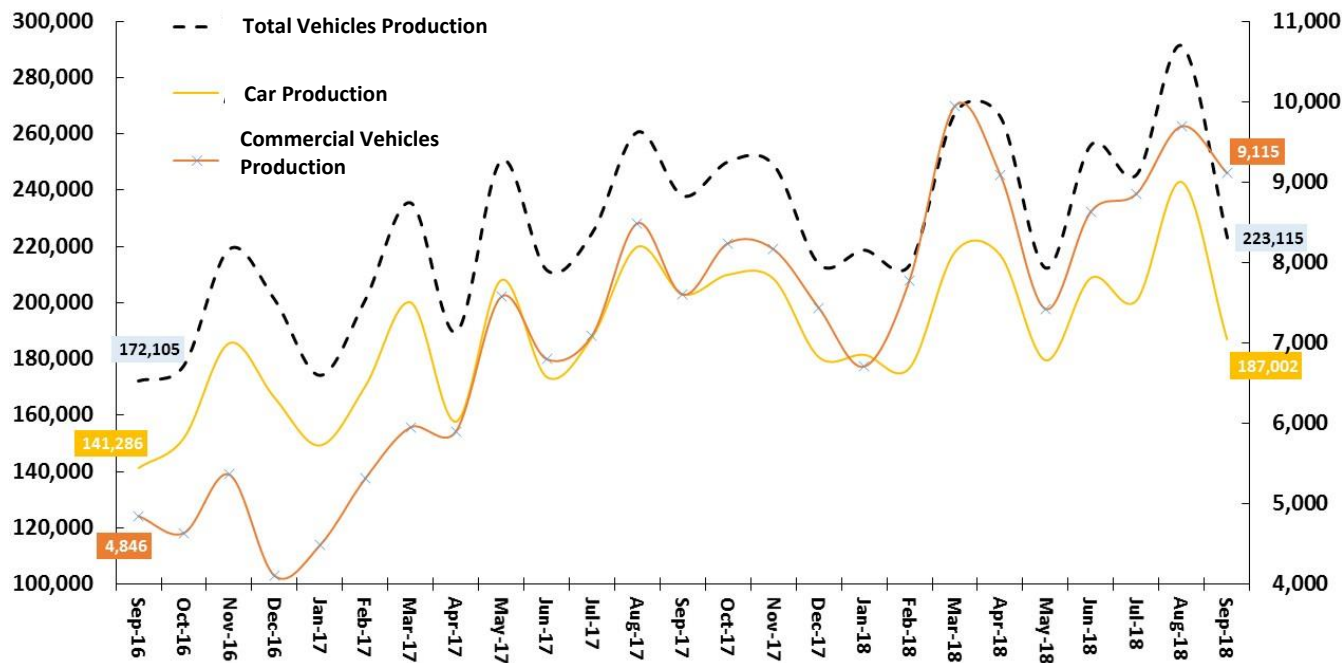


Source: CNI and FGV.

Anfavea: Automotive Sector Production

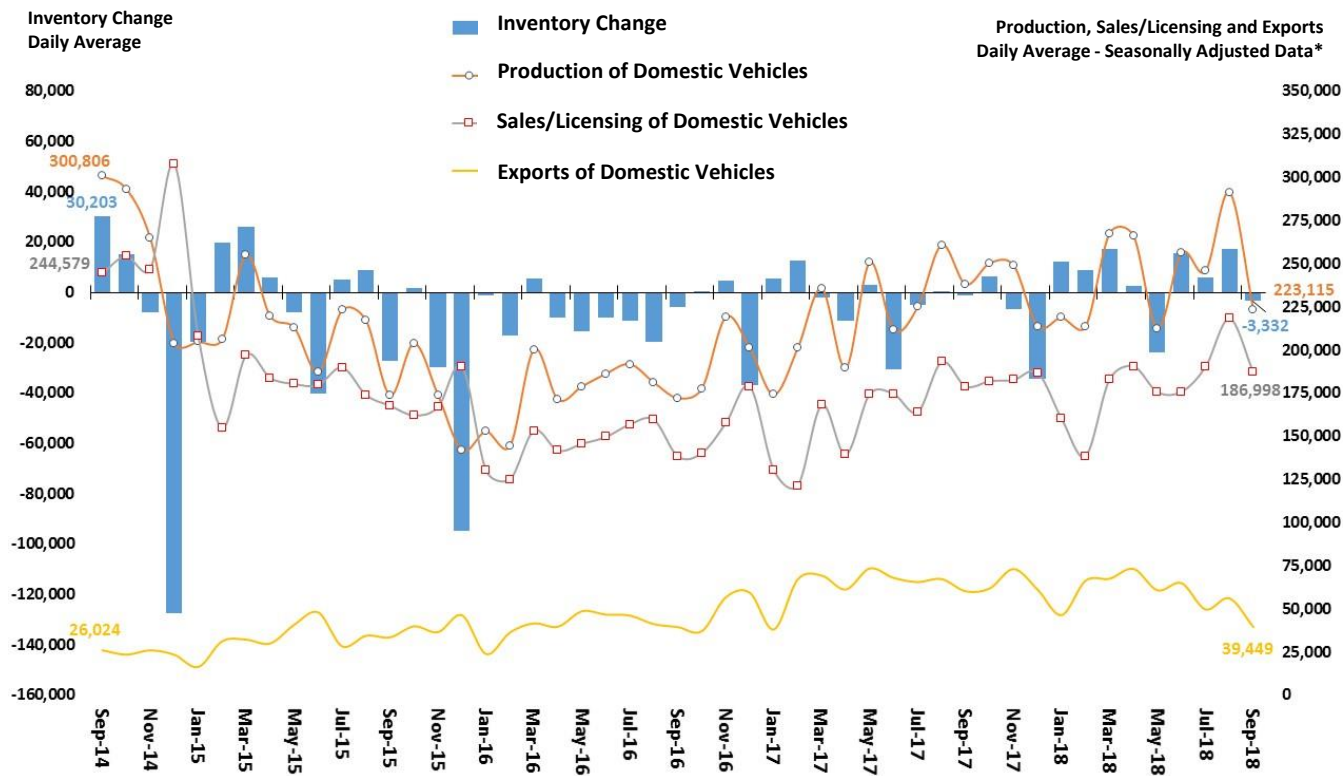
Total Vehicles and Car Production
Daily Average of Vehicles Monthly Manufactured
Seasonally Adjusted Data*

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



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

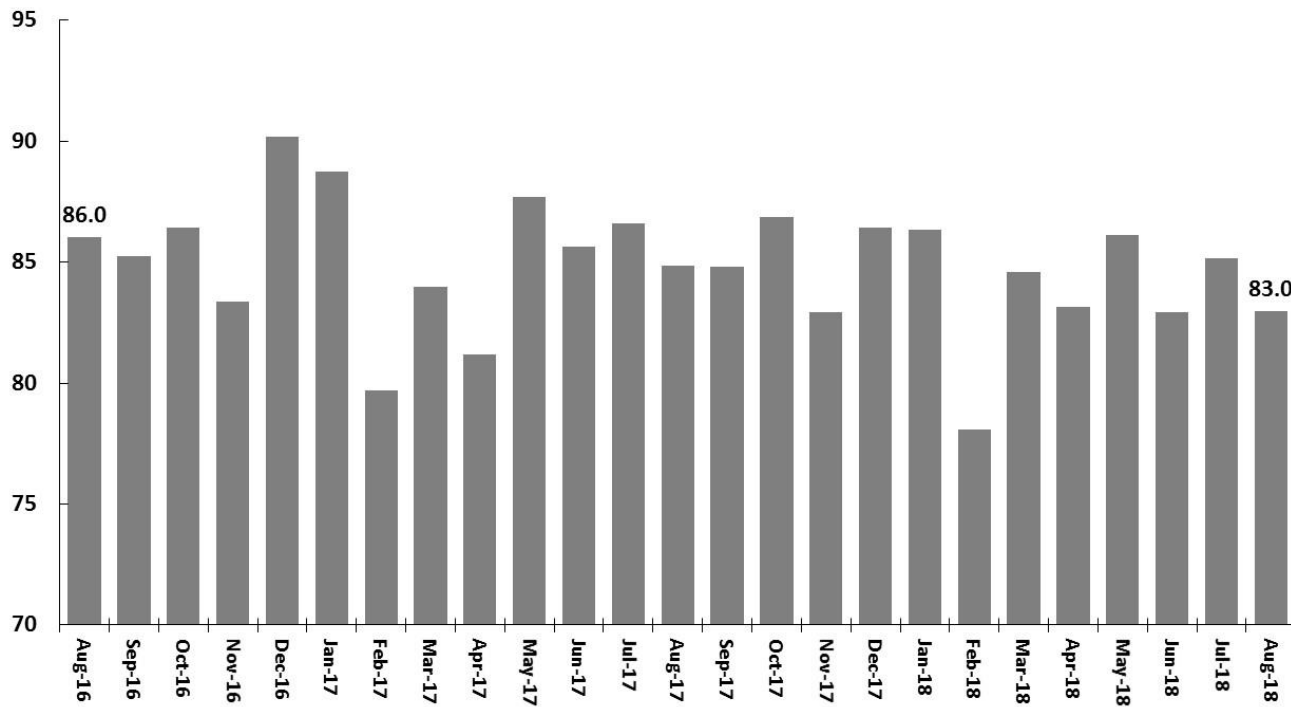
Automotive Sector Production, Sales and Inventory Change



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

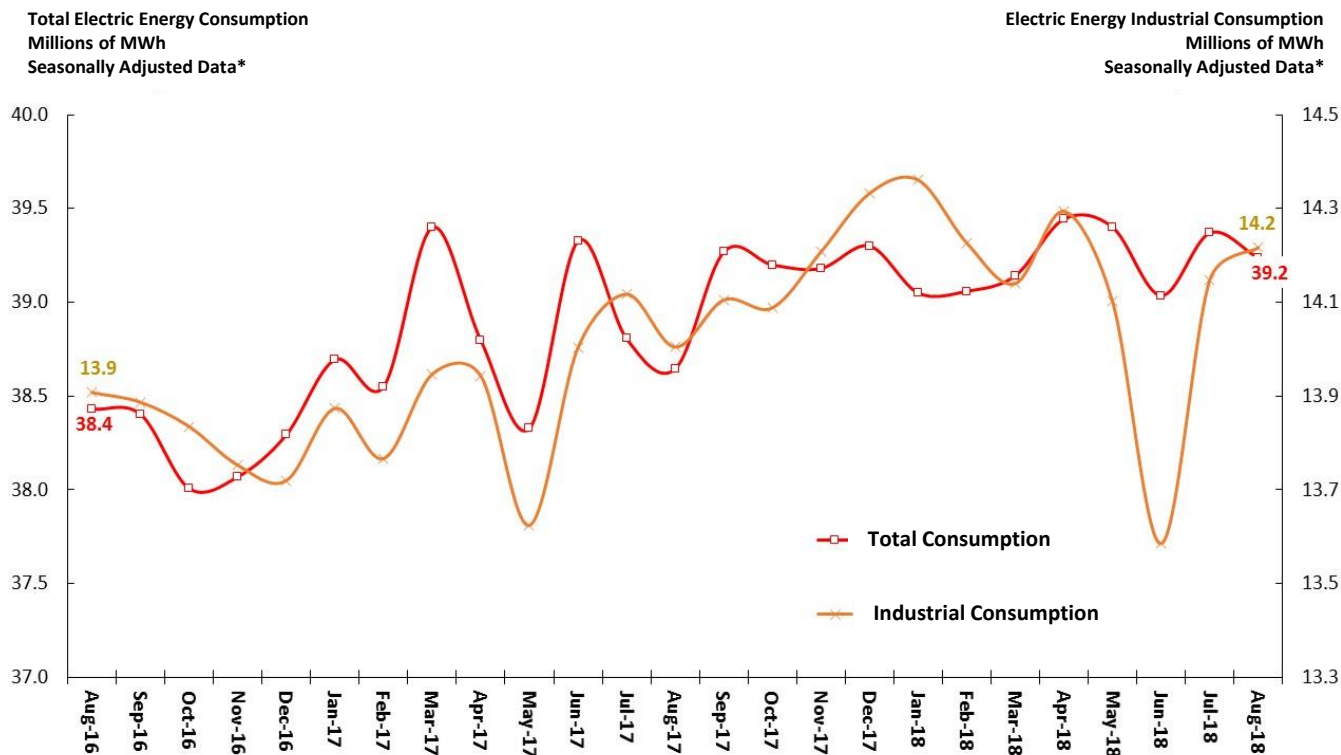
ANP: Natural Gas and Oil Production

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



Source: ANP.

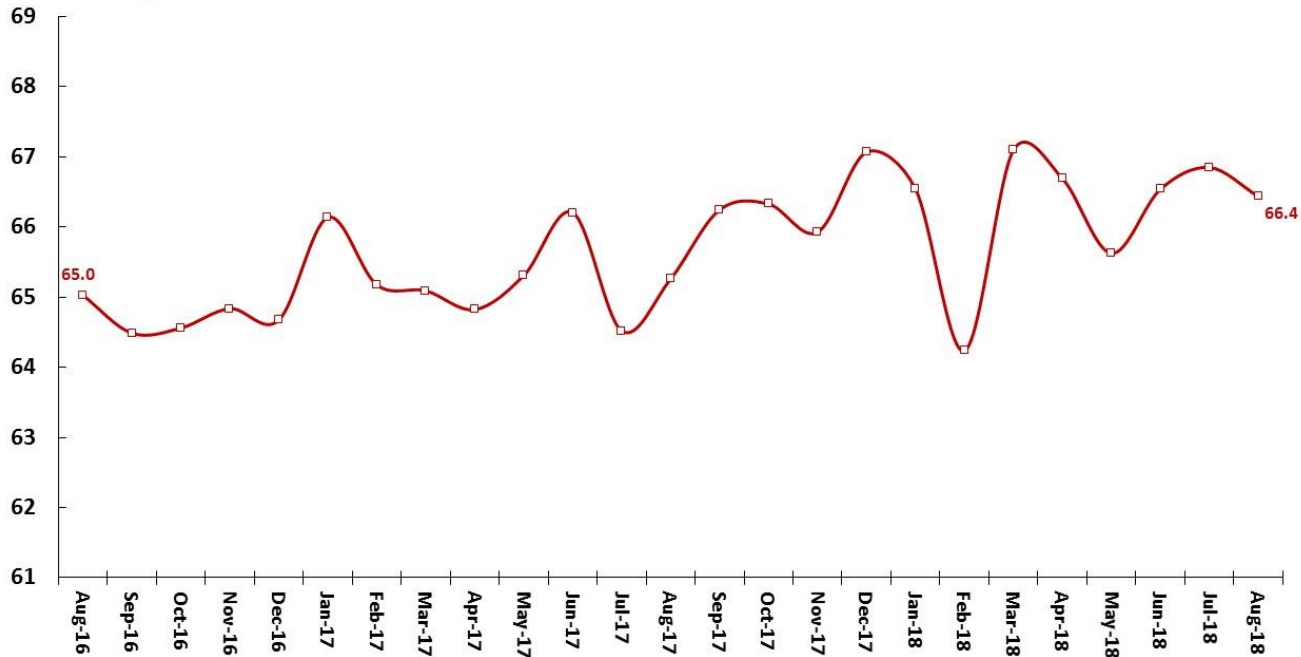
ANEEL: Electrical Energy Consumption



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

ONS: Electric Energy System Supply

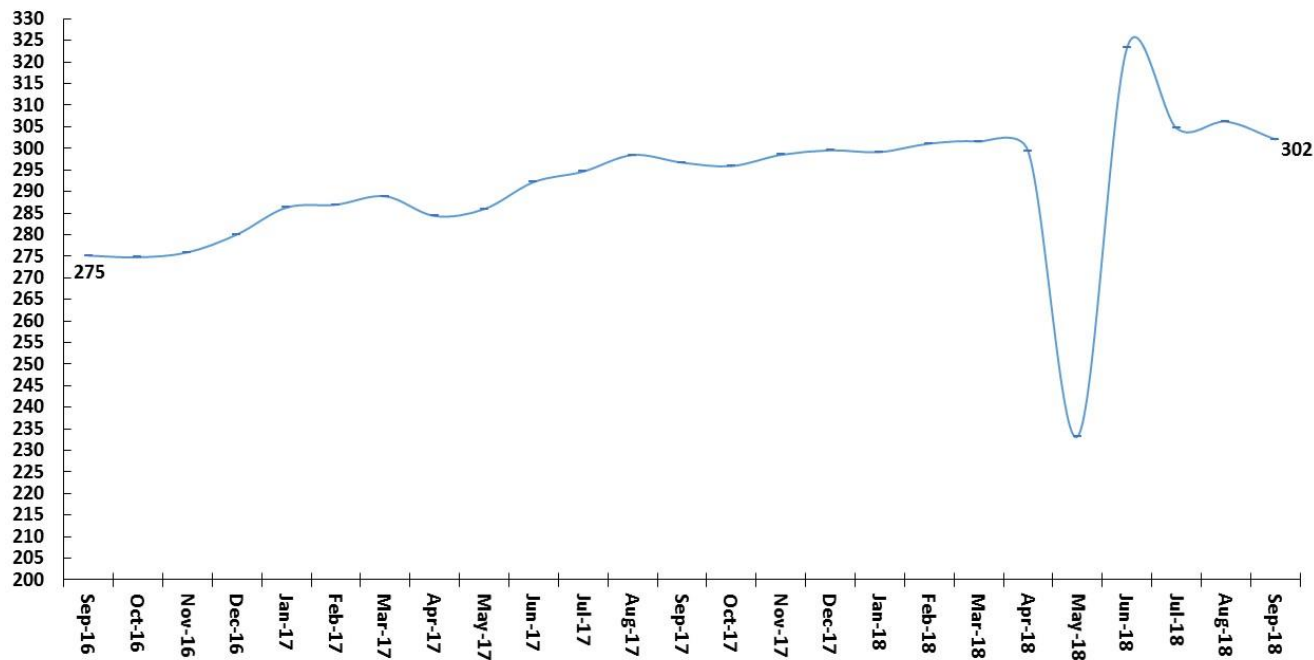
Electric Energy System Supply
Millions of MWh
Seasonally Adjusted Data*



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

ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



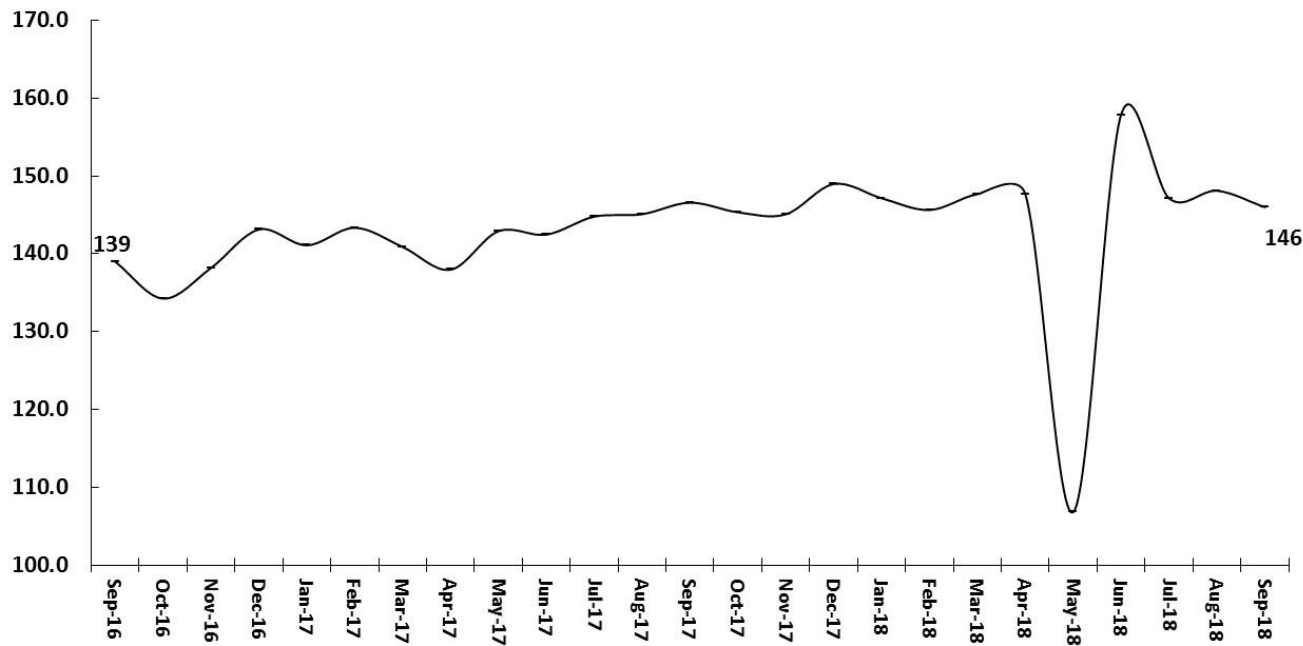
Source ABPO. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

Index: 1999=100


Seasonally Adjusted Data



Source: ABCR.



LABOR MARKET



SECRETARIAT OF
PLANNING AND ECONOMIC
AFFAIRS

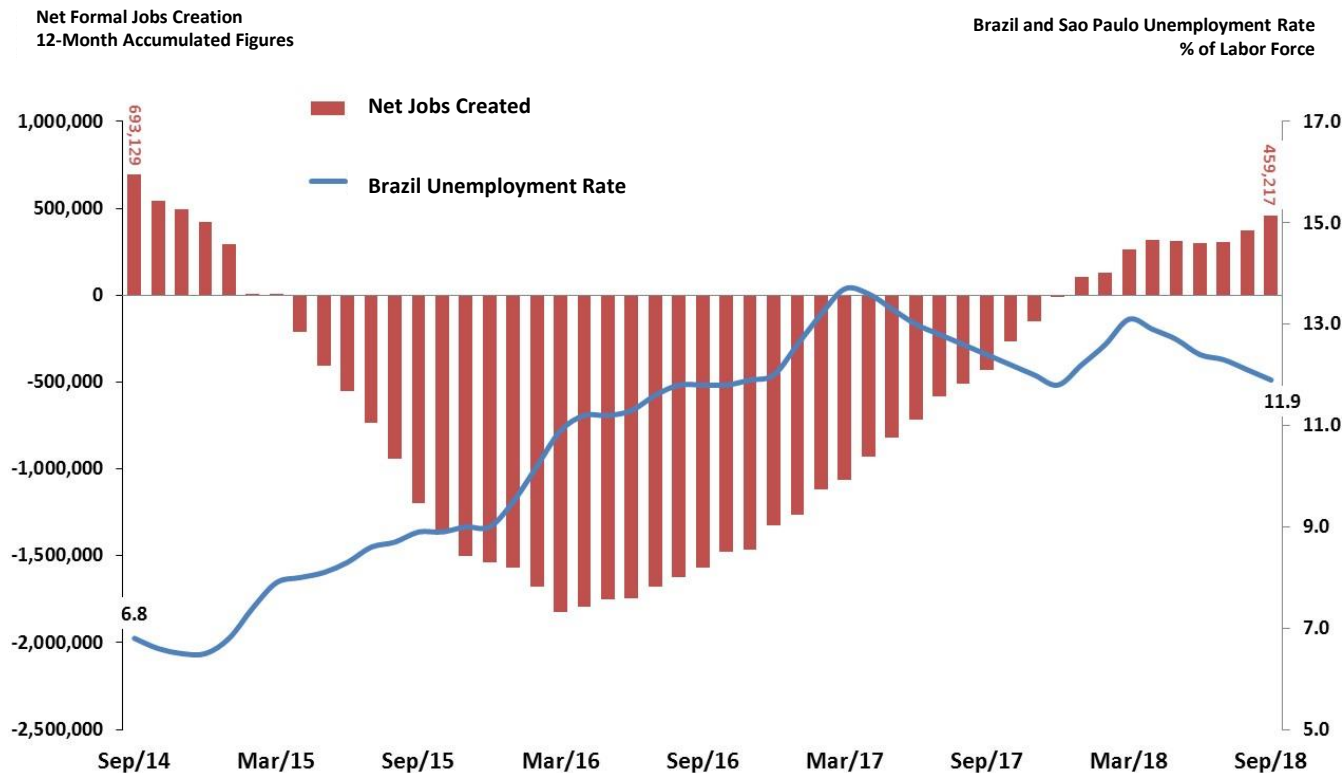
MINISTRY OF
PLANNING, DEVELOPMENT
AND MANAGEMENT

BRAZILIAN
GOVERNMENT

Labor Market

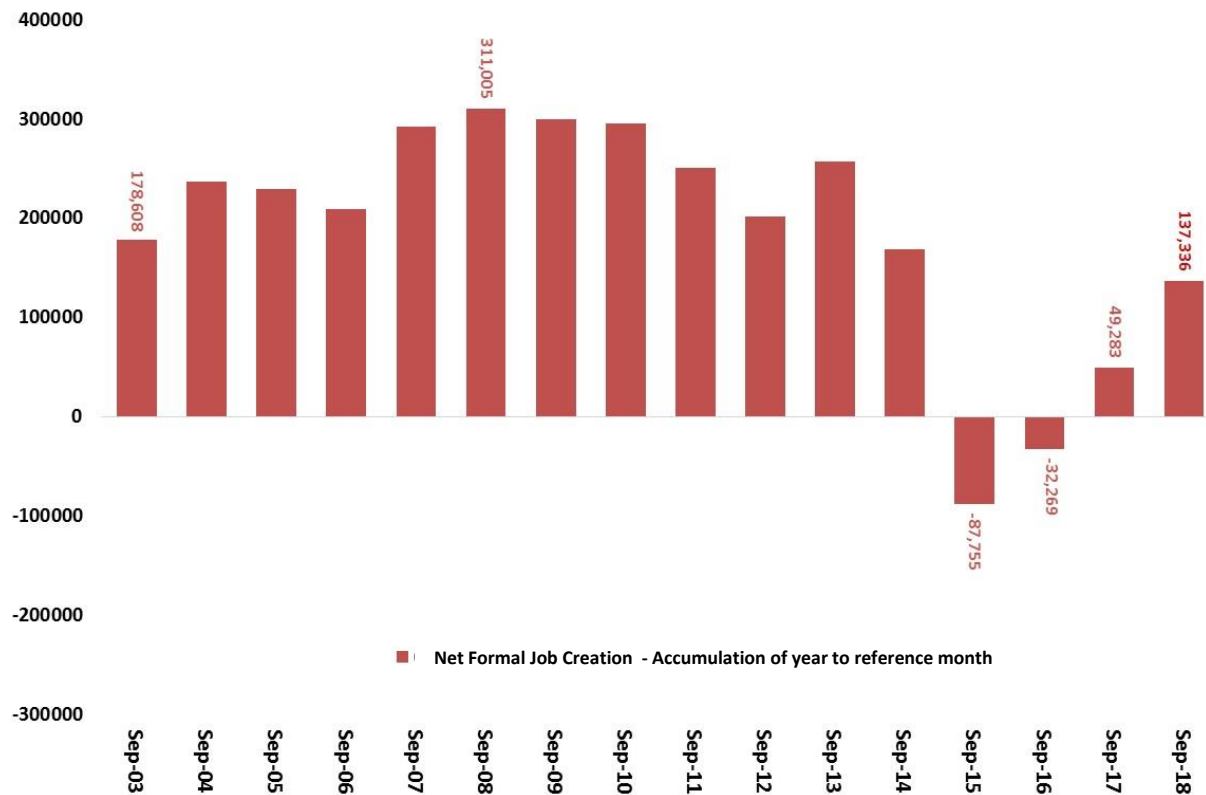
Brasil (PNADC, IBGE)	average	average	moving average)	Sep-18	/ 2016	ago/yy-ago/yy	set/yy-set/yy	2017 YTD 2017	2017 average
Unemployment Rate % Labor Force	11.3	12.8	12.5	11.9	1.5 pp	-0.5 pp	-0.5 pp	1.5 pp	1.5 pp
Unemployed Population (in thousands)	166,189	168,210	168,905	170,311	1.2%	1.0%	0.9%	1.2%	1.2%
Labor Force (in thousands)	102,033	103,743	104,210	105,114	1.7%	0.6%	0.8%	1.7%	1.7%
Employed Population (in thousands)	90,539	90,495	91,156	92,622	0.0%	1.1%	1.5%	0.0%	0.0%
Working Age Population (in thousands)	11,494	13,248	13,055	12,492	15.3%	-3.1%	-3.6%	15.3%	15.3%
São Paulo Unemployment Rate % (RMSD, PED-Seade)	16.6	18.0	17.4	11.9	1.4 pp	-1.4 pp	-1.6 pp	-1.4 pp	-1.0 pp
Average Real Earnings (PNADC, IBGE) September-18	2016 average	2017 average	set/yy (12-months moving average)	Sep-18	chg.% 2017 / 2016	chg.% ago/yy-ago/yy	chg.% set/yy-set/yy	chg.% YTD 2018 / YTD 2017	chg.% set/yy - 2017 average
real values (in R\$ of last month)									
Employed Population	2,161	2,211	2,221	2,222	2.3%	1.3%	0.6%	2.3%	2.3%
Formal Contract	2,081	2,123	2,139	2,134	2.0%	-0.1%	0.3%	2.0%	2.0%
Informal Contract	1,269	1,276	1,267	1,328	0.6%	5.5%	1.4%	0.6%	0.6%
Self-employed	1,630	1,614	1,617	1,602	-1.0%	1.6%	-0.2%	-1.0%	-1.0%
Public Sector	3,393	3,451	3,474	3,514	1.7%	2.8%	3.1%	1.7%	1.7%
Real Wage Bill (in R\$ millions of last months)	190,727	195,056	197,295	200,676	2.3%	2.6%	2.2%	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) September-18	2016	2017	ago/yy accum. in 12-months	set/yy accum. in 12-months	Year-To-Date	Sep-18	chg.% 2017 / 2016	chg.% set/yy accum.12-m / 2017	chg.% YTD 2018 / YTD 2017
Million people									
Net Formal Jobs Creation	-1,327	-13	371	459	719	137	-99.0%	-3545.2%	291.7%
Job Openings	14,847	14,760	15,160	15,184	11,827	1,235	-0.6%	2.9%	103.7%
Job Separations	16,174	14,774	14,789	14,725	11,108	1,097	-8.7%	-0.3%	99.6%

Unemployment Rate and Net Formal Job Creation



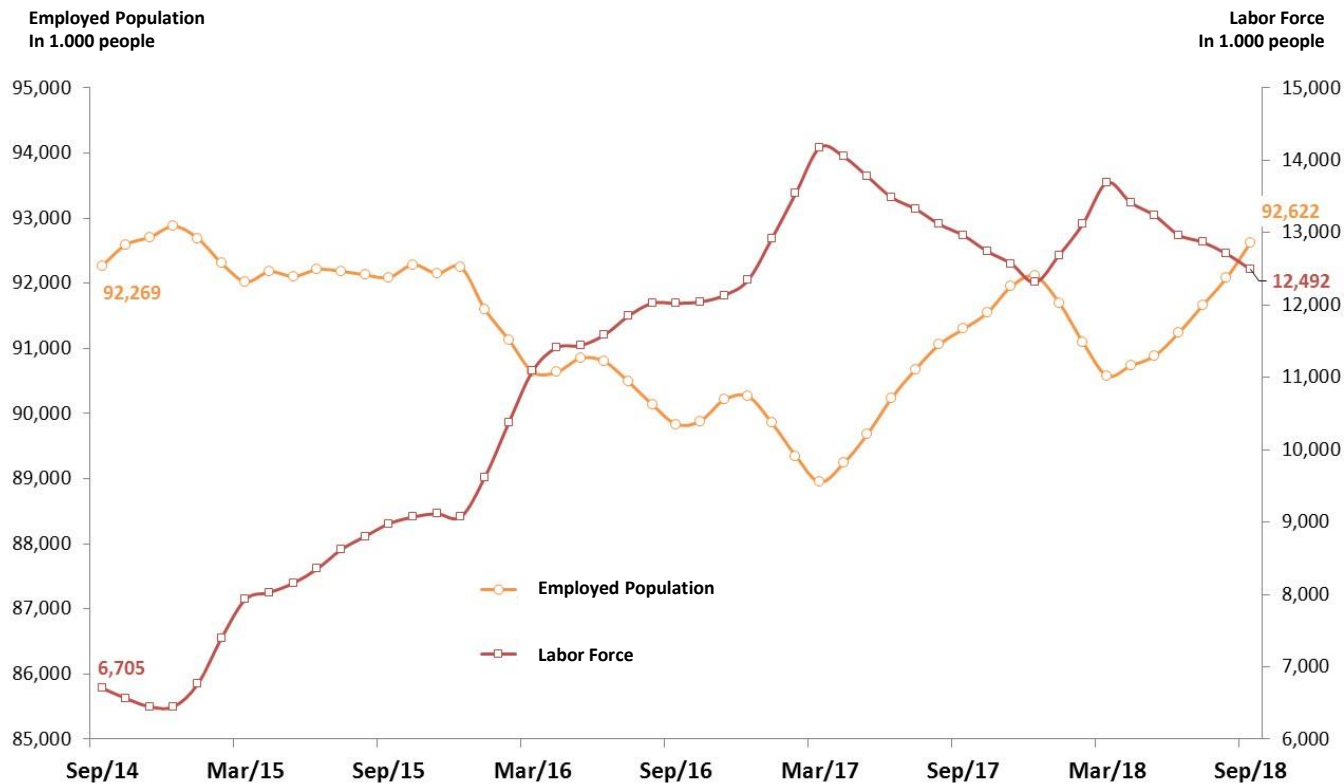
Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Net Formal Job Creation – Total Accumulation of Year



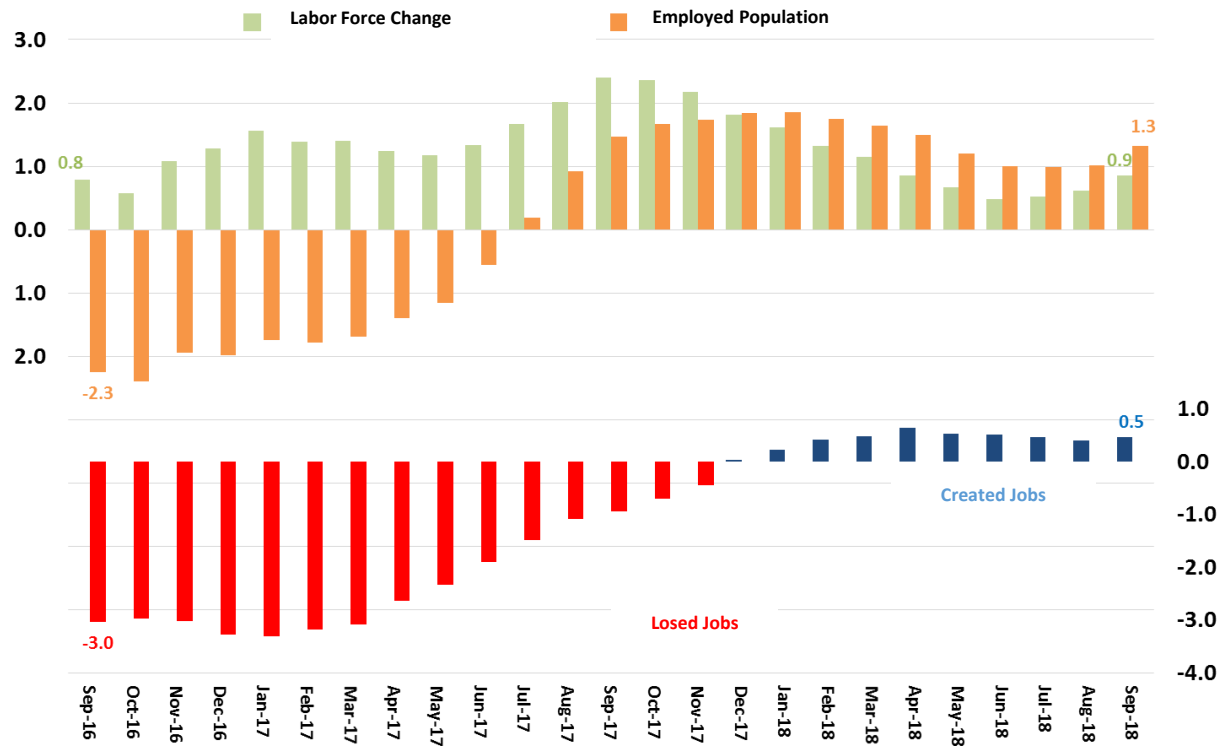
Source: MTE-CAGED (adjusted data).

Employed Population and Labor Force Evolution



Source: IBGE/MP - PNADC.

12-Month Total Unemployment Increase Decomposition

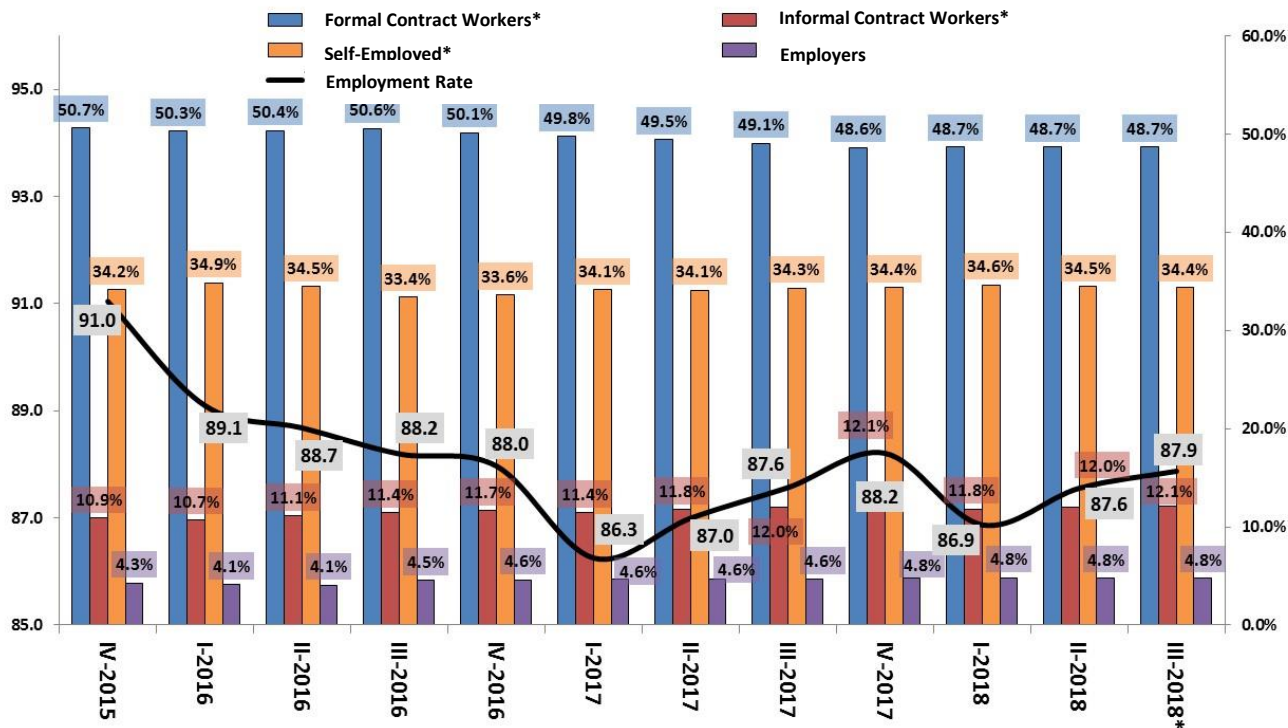


Source: IBGE/MP -- PNADC.

Labor Market Evolution by Employment Type

Employment Rate
(Employed Population / Labor Force)

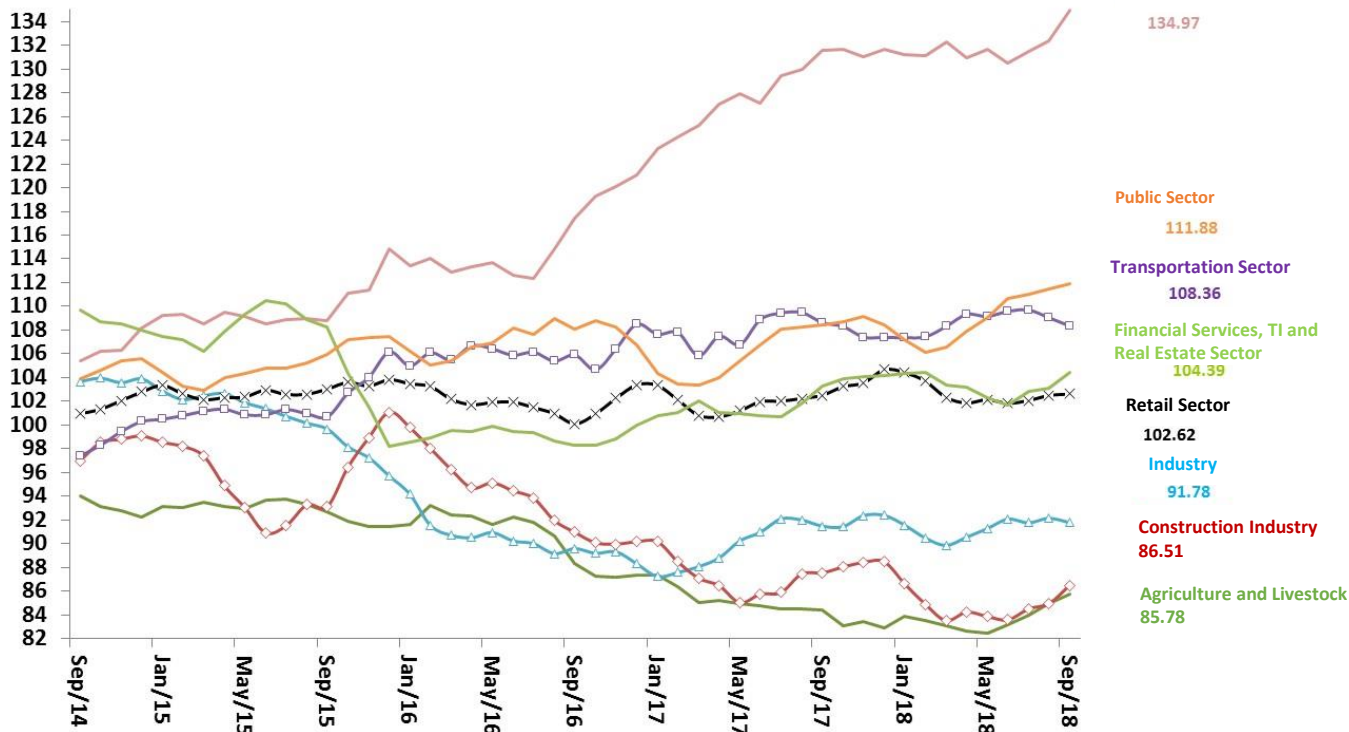
Formal and Informal Contract Workers, Self-Employed and Employers
% of Employed Population



Source: IBGE/MP - PNADC. Note: *Formal contract includes both private and public sectors and Self-Employed includes home-workers and family-workers. III-2018 = sep18.

Employment by Sector of Activity

Employed Population by Sectors of Activity
Index: 2013 = 100

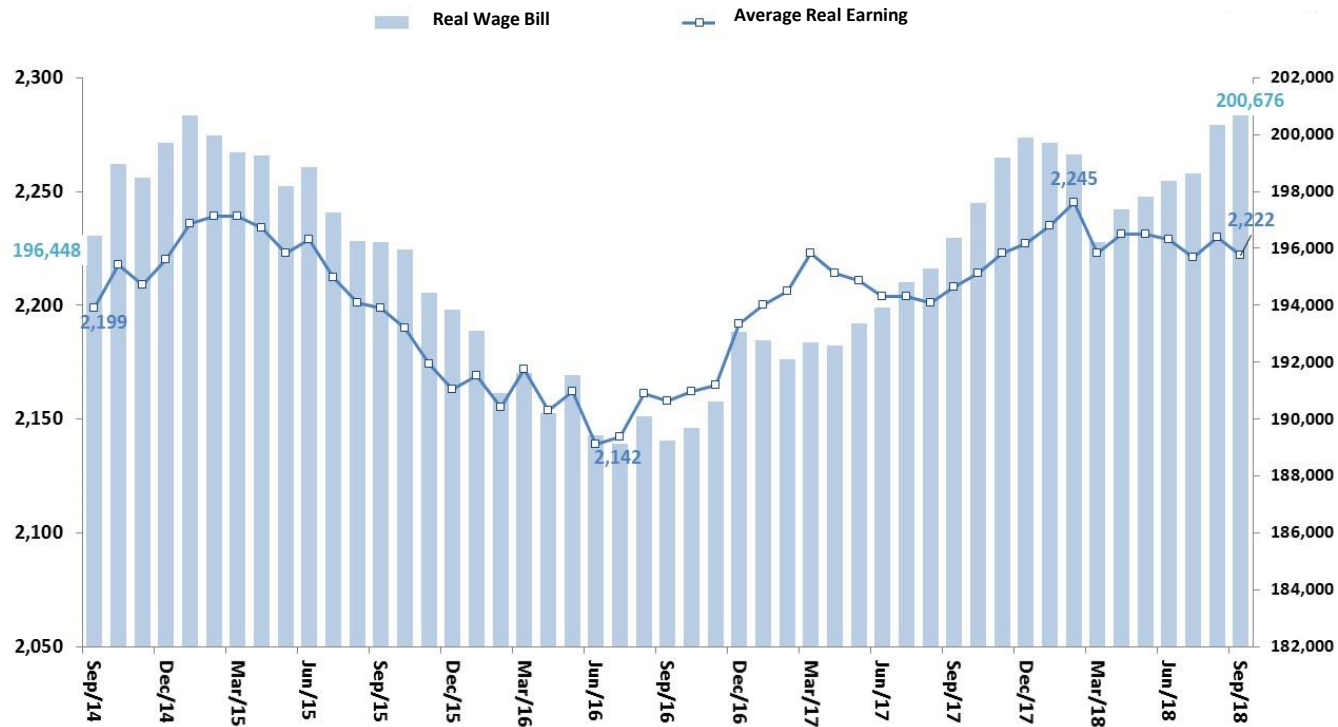


Source: IBGE/MP - PNADC.

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



SECRETARIAT OF
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AFFAIRS

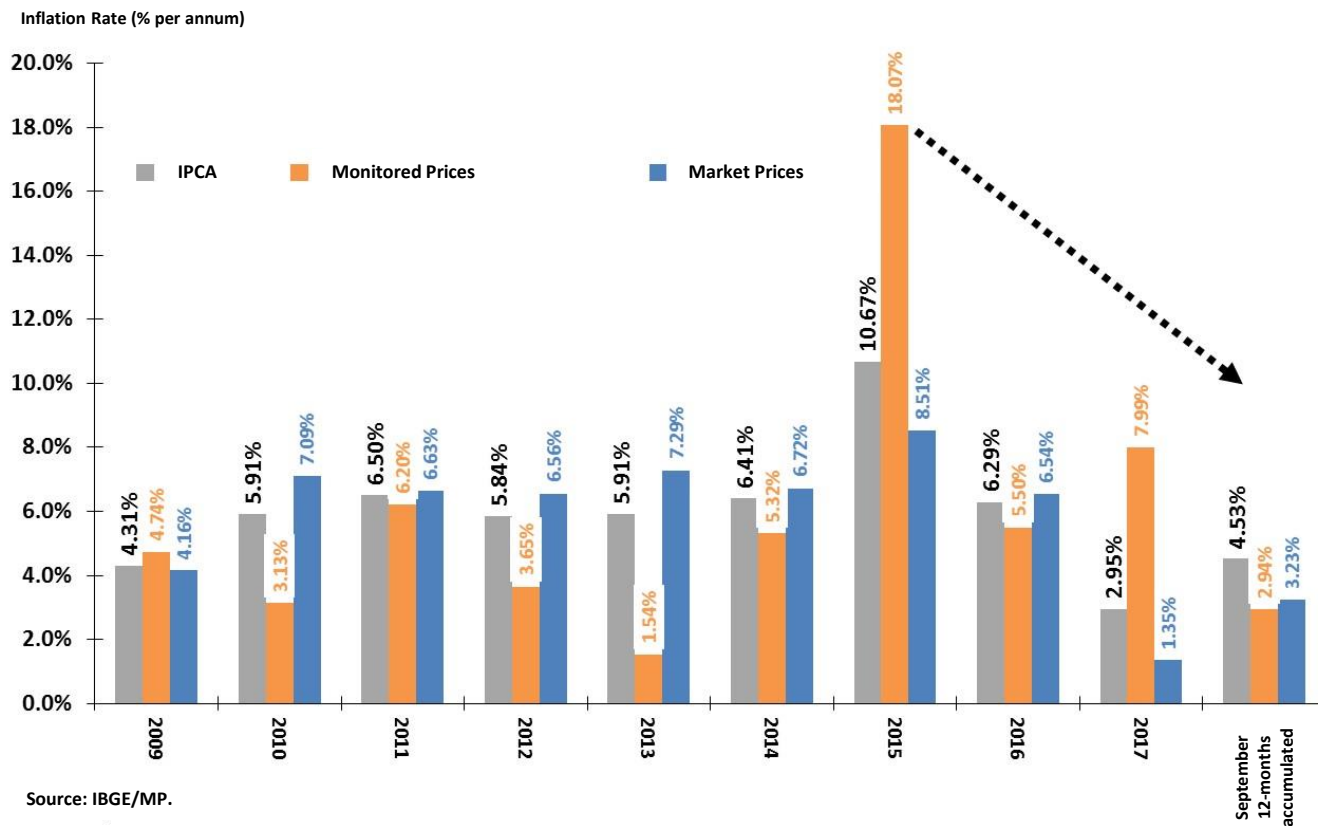
MINISTRY OF
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AND MANAGEMENT

BRAZILIAN
GOVERNMENT

Inflation

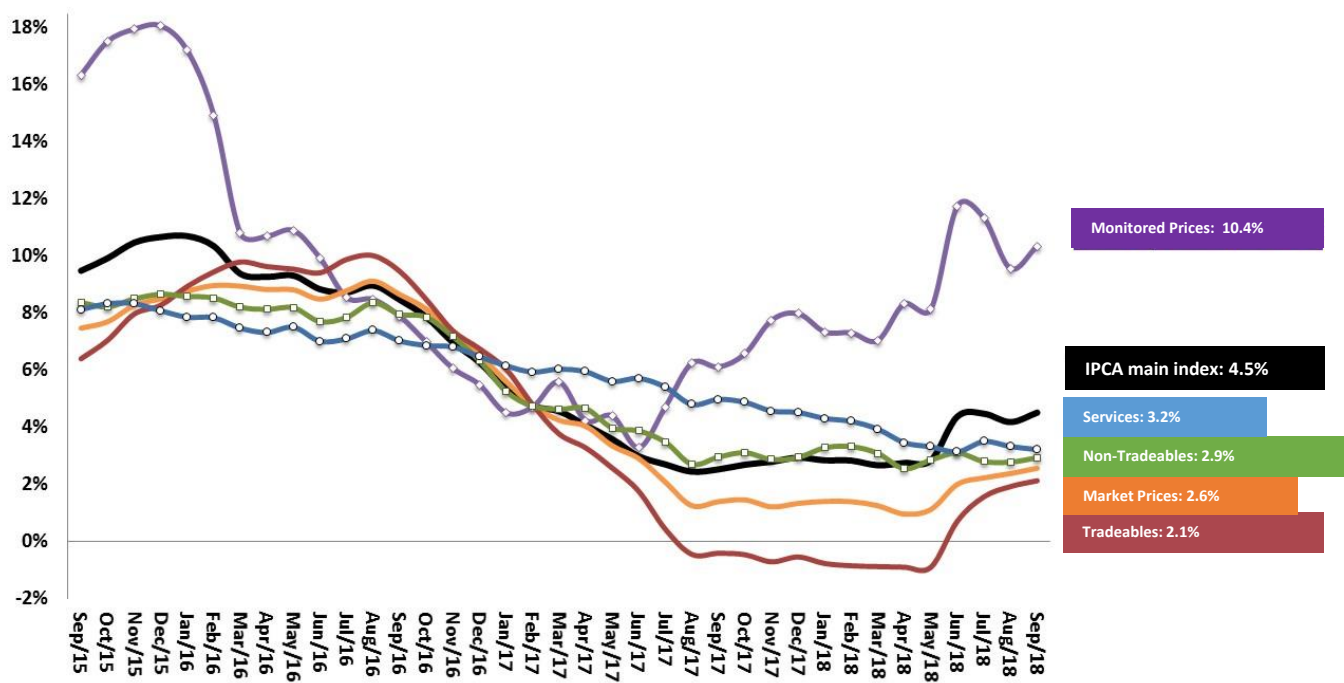
													BCB/Focus: 10/26/2018		
Inflation Index	September-18			Accum. In 12-months	YTD 2017	YTD 2018	Jul-17	Aug-17	Sep-17	Jul-18	Aug-18	Sep-18	2018	2019	2020
	2016	2017													
IPCA Inflation Target (CMN)	4.5%	4.5%	4.5%										4.50%	4.25%	4.00%
Consumer Price Index IPCA (IBGE)	6.29%	2.95%	4.53%	1.78%	3.34%	0.24%	0.19%	0.16%	0.33%	-0.09%	0.48%		4.43%	4.22%	4.00%
IPCA core (By exclusion food and energy - Ex2)	6.2%	3.8%	3.8%	2.9%	2.8%	0.5%	0.1%	0.4%	0.3%	0.6%	0.7%				
Food and Beverages	8.6%	-1.9%	2.7%	-2.0%	2.6%	-0.5%	-1.1%	-0.4%	-0.1%	-0.3%	0.1%				
Housing	2.8%	6.3%	7.8%	4.0%	5.5%	1.6%	0.6%	-0.1%	1.5%	0.4%	0.4%				
Household Articles	3.4%	-1.5%	1.1%	-0.7%	1.9%	-0.2%	0.2%	0.1%	0.5%	0.6%	0.1%				
Apparel	3.5%	2.9%	1.2%	1.2%	-0.4%	-0.4%	0.3%	0.3%	-0.6%	0.2%	0.0%				
Transportation	4.2%	4.1%	6.9%	1.8%	4.6%	0.3%	1.5%	0.8%	0.5%	-1.2%	1.7%				
Health and Personal Care	11.0%	6.5%	5.4%	5.2%	4.1%	0.4%	0.4%	0.3%	0.1%	0.5%	0.3%				
Personal Expenses	8.0%	4.4%	3.3%	3.2%	2.1%	0.4%	0.3%	0.6%	0.3%	0.4%	0.4%				
Education	8.9%	7.1%	5.3%	6.8%	5.0%	0.0%	0.2%	0.0%	-0.1%	0.3%	0.2%				
Communication	1.3%	1.8%	0.4%	1.3%	0.0%	0.0%	-0.6%	0.5%	0.1%	0.0%	-0.1%				
Consumer Price Index INPC (IBGE)	6.58%	2.07%	3.97%	1.24%	3.14%	0.17%	-0.03%	-0.02%	0.25%	0.00%	0.30%		4.2%	4.1%	4.0%
São Paulo Cost-of-Living Index ICV SP (DIEESE)	6.15%	2.44%	4.52%	1.12%	3.16%	0.13%	-0.01%	0.20%	0.14%	-0.09%	0.55%				
São Paulo Consumer Price Index IPC RMSP (FIPE)	6.55%	2.28%	3.45%	1.10%	2.26%	-0.01%	0.10%	0.02%	0.23%	0.41%	0.39%		3.56%	4.03%	4.00%
General Price Index IGP-DI (FGV)	7.15%	-0.42%	10.33%	-2.04%	8.54%	-0.30%	0.24%	0.62%	0.44%	0.68%	1.79%		9.90%	4.47%	4.10%
Consumer Price Subindex IPC/Br-DI	6.19%	3.22%	4.65%	2.30%	3.72%	0.38%	0.13%	-0.02%	0.17%	0.07%	0.45%				
Construction Cost Subindex INCC-DI	6.10%	4.25%	3.92%	3.53%	3.20%	0.30%	0.36%	0.06%	0.61%	0.15%	0.23%				
Wholesale Price Subindex IPA-DI	7.73%	-2.52%	13.69%	-4.53%	11.34%	-0.67%	0.26%	0.97%	0.52%	0.99%	2.54%		12.70%	4.28%	4.50%
IPA-DI Industry	6.71%	1.22%	13.46%	-0.90%	11.08%	-0.41%	0.96%	1.05%	0.93%	0.69%	2.69%				
IPA-DI Agriculture	9.92%	-12.34%	14.49%	-14.10%	12.20%	-1.42%	-1.81%	0.75%	-0.69%	1.90%	2.11%				
Inflation Index	October-18			Accum. In 12-months	YTD 2017	YTD 2018	Aug-17	Sep-17	Oct-17	Aug-18	Sep-18	Oct-18	2018	2019	2020
	2016	2017													
General Price Index IGP-10 (FGV)	6.97%	-0.42%	10.69%	-1.55%	9.44%	-0.17%	0.39%	0.49%	0.51%	1.20%	1.43%				
General Price Index IGP-M (FGV)	7.19%	-0.53%	10.81%	-1.92%	9.26%	0.10%	0.47%	0.20%	0.70%	1.52%	0.89%		9.92%	4.50%	4.00%
Consumer Price Index IPCA - 15 (IBGE)	6.58%	2.94%	4.53%	2.25%	3.83%	0.35%	0.11%	0.34%	0.13%	0.09%	0.58%		4.53%	4.25%	4.00%

Relative Prices Convergence in the Consumer Price Index



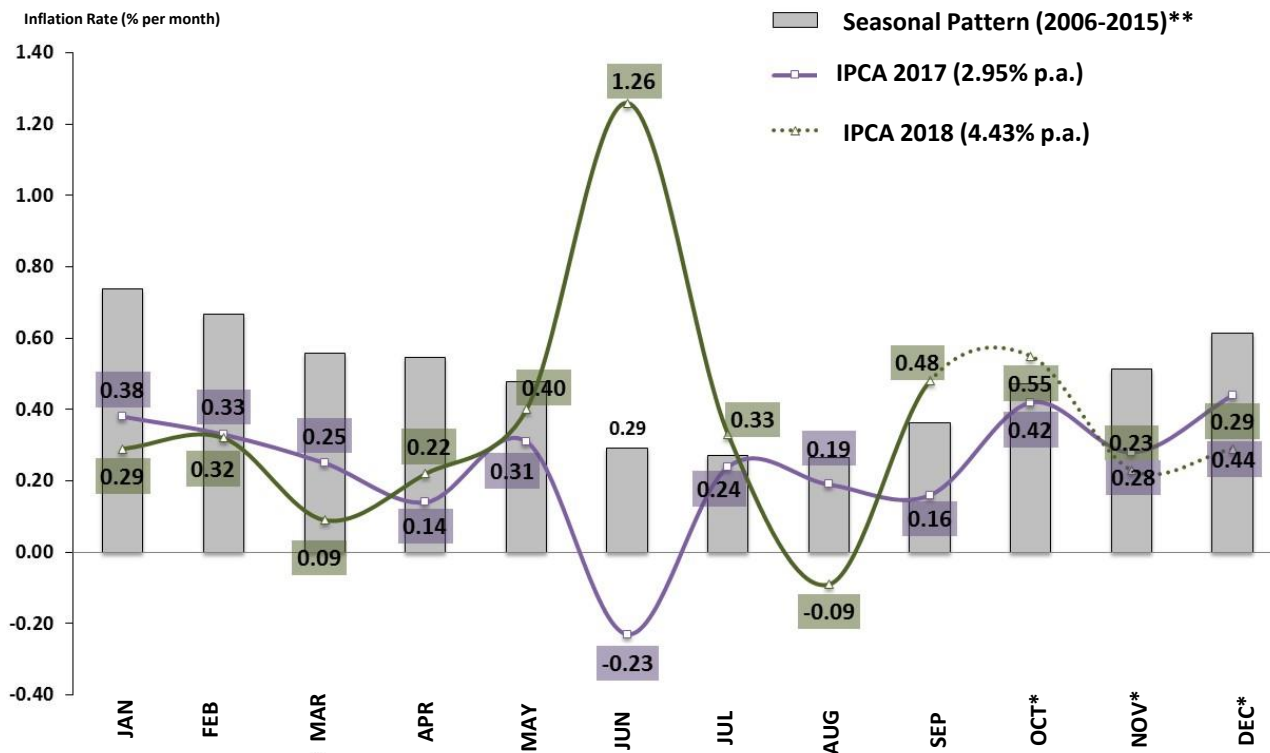
Consumer Price Index (IPCA) and Subindexes

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



Source: IBGE/MP.

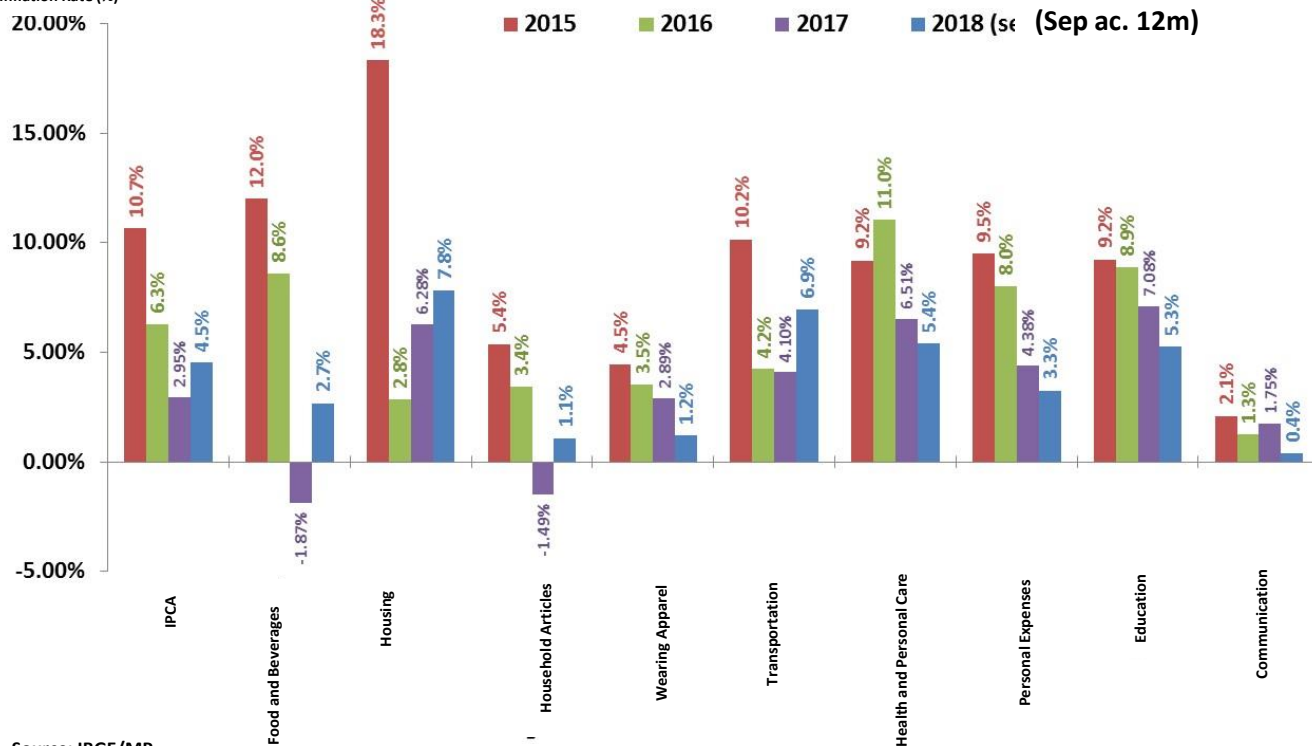
Consumer Price Index (IPCA) and Seasonal Pattern



Sources: IBGE/MP and Central Bank of Brazil. *BCB-Focus Survey of 10/26/2018, median of market expectations. **Seasonal pattern estimated by SEPLAN/MP.

Consumer Price Index (IPCA) by Groups

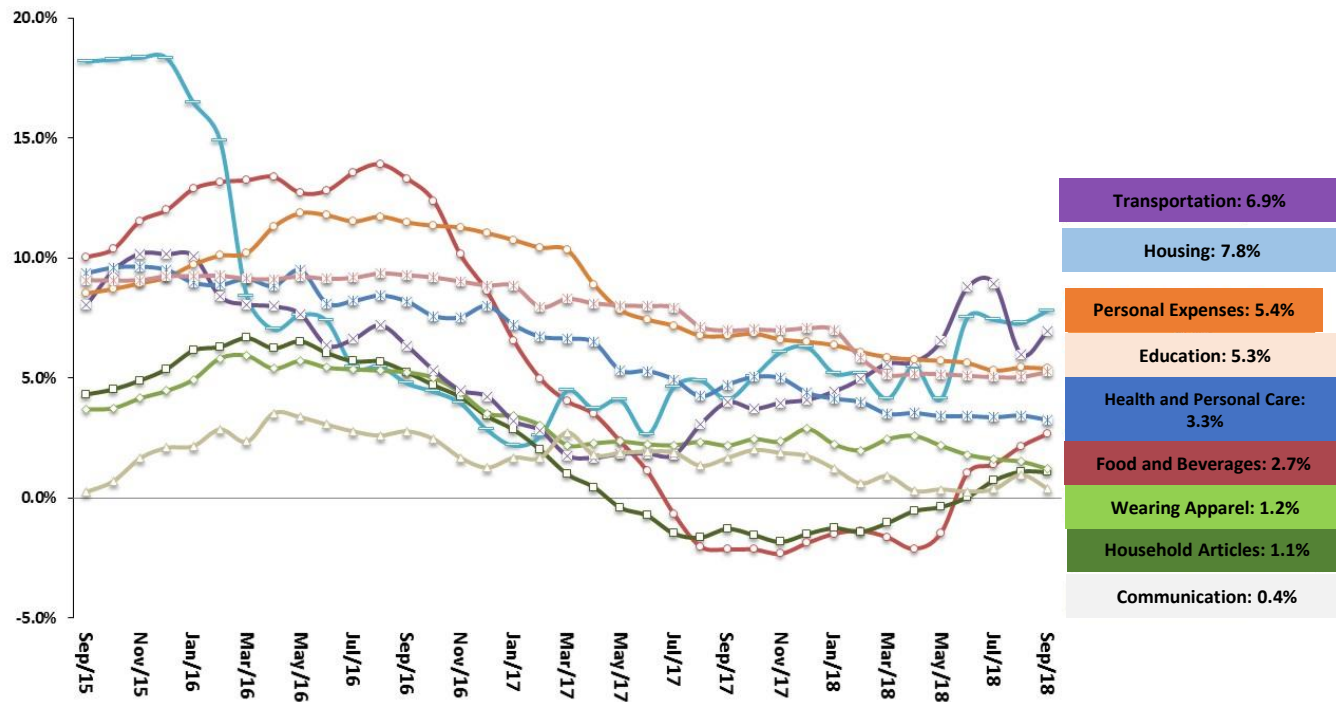
IPCA and components – by Groups
Inflation Rate (%)



Source: IBGE/MP.

Consumer Price Index (IPCA) by Groups

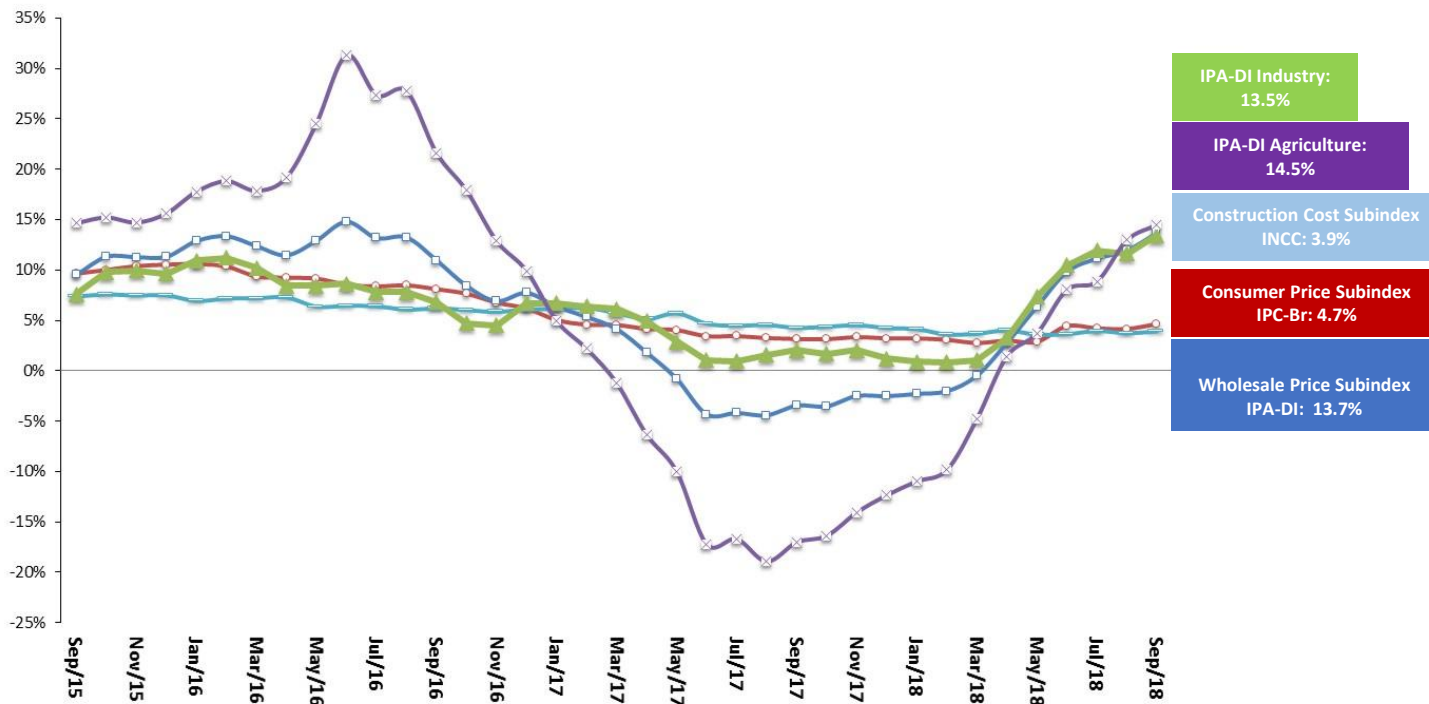
IPCA Groups
12-months accumulated rate (%)



Source: IBGE.

General Price Index (IGP-DI) by Subindexes

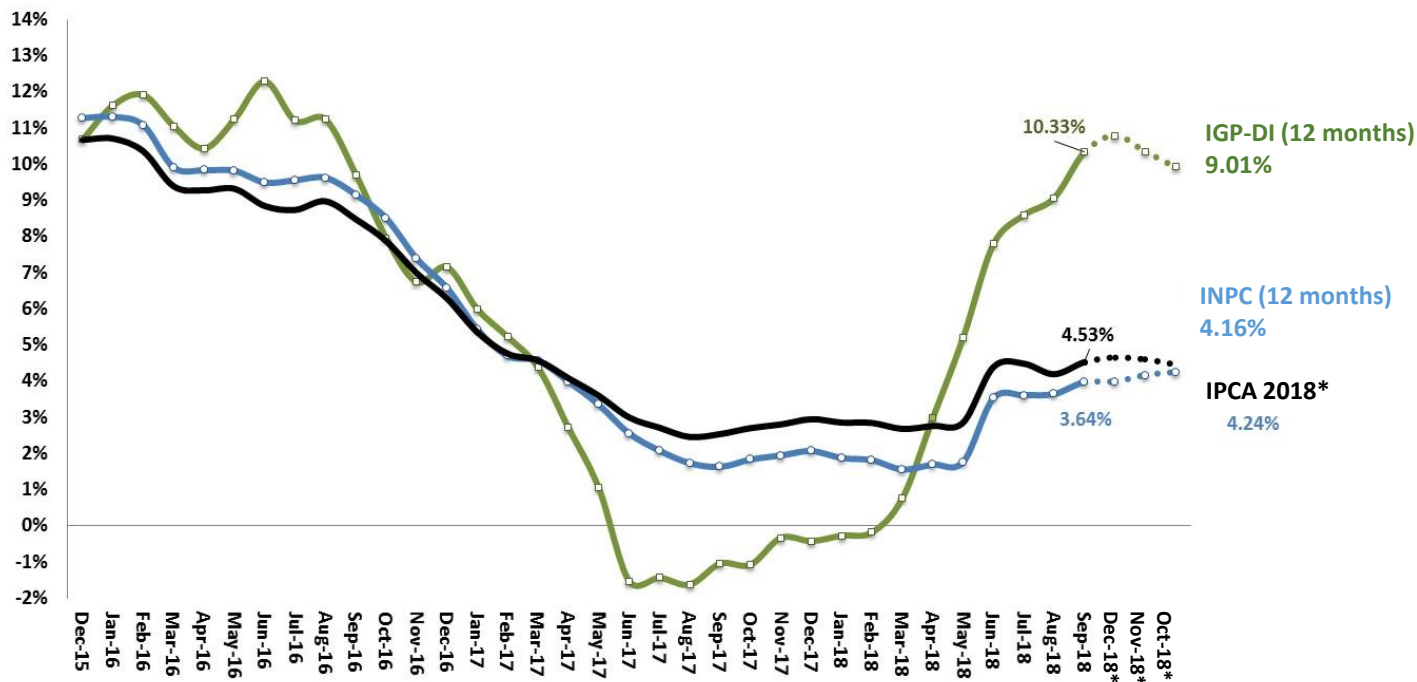
General Prices Subindexes
12-months accumulated rate (%)



Source: FGV.

Major Inflation Indexes

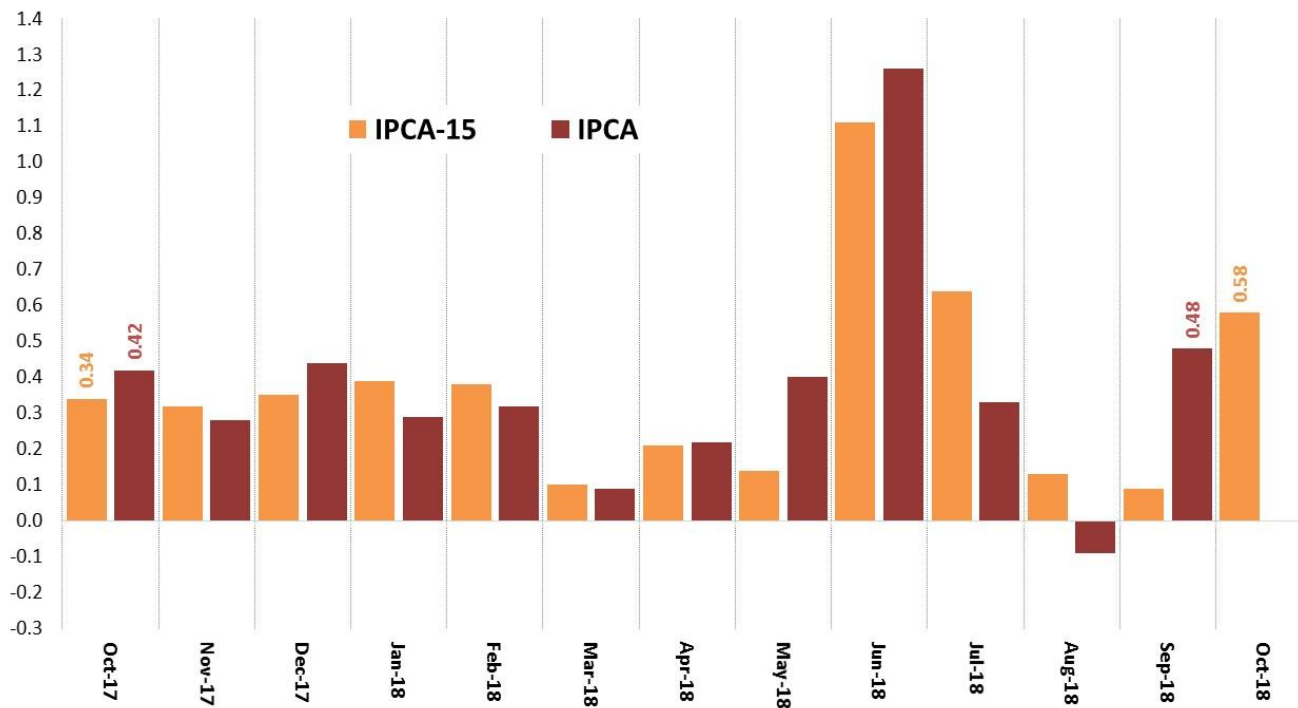
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 10/26/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

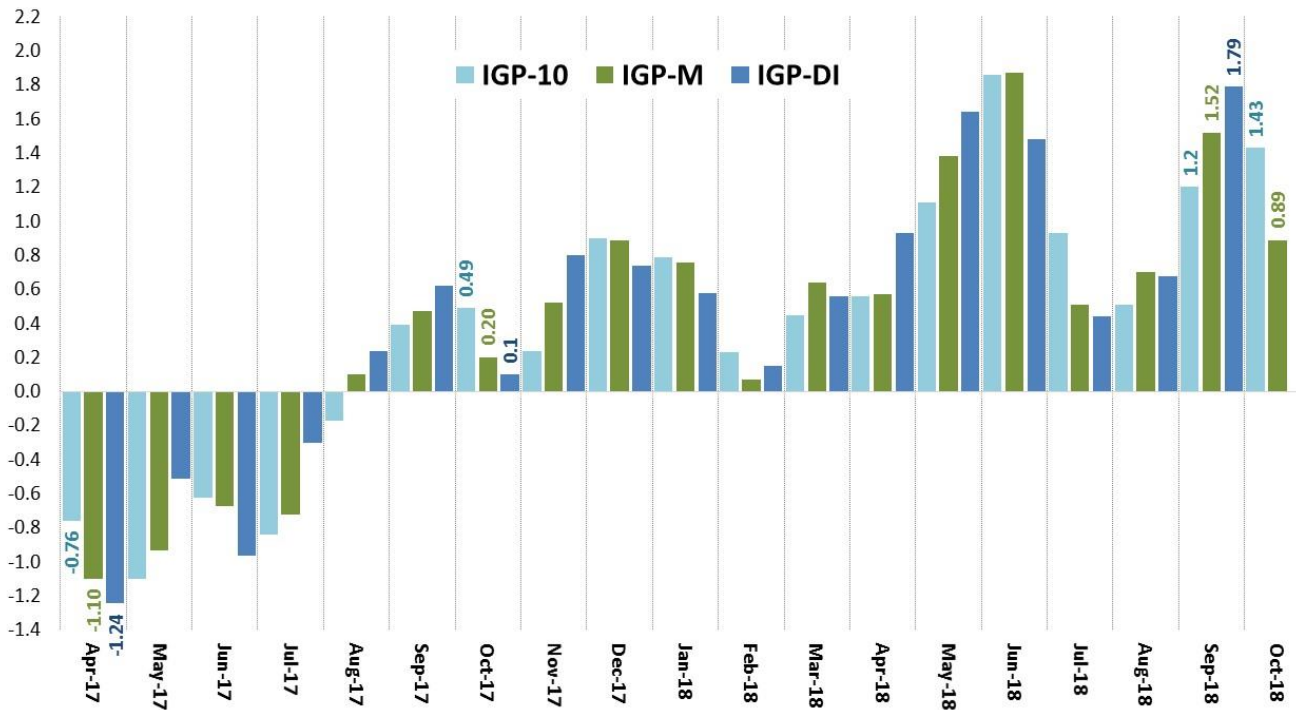
IPCA-15 and IPCA
By release order



Source: IBGE.

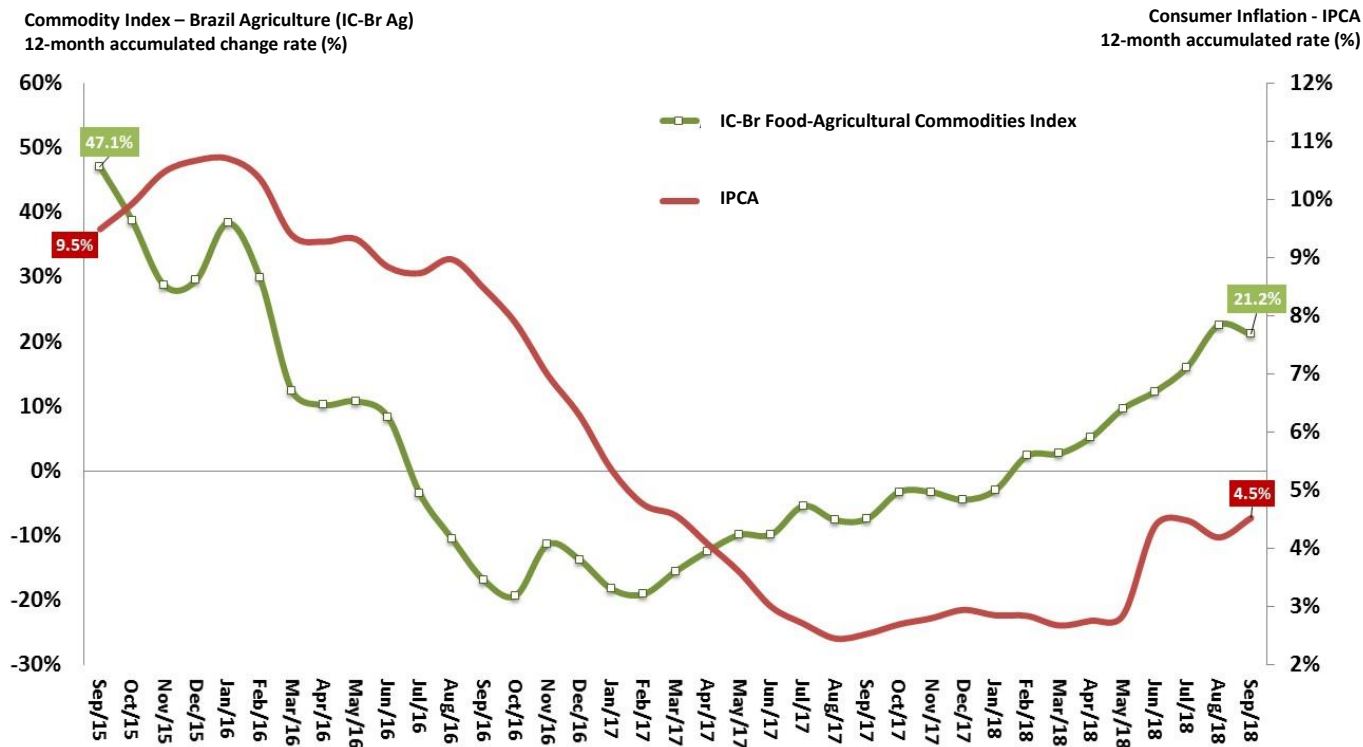
FGV: Monthly General Price Indexes

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



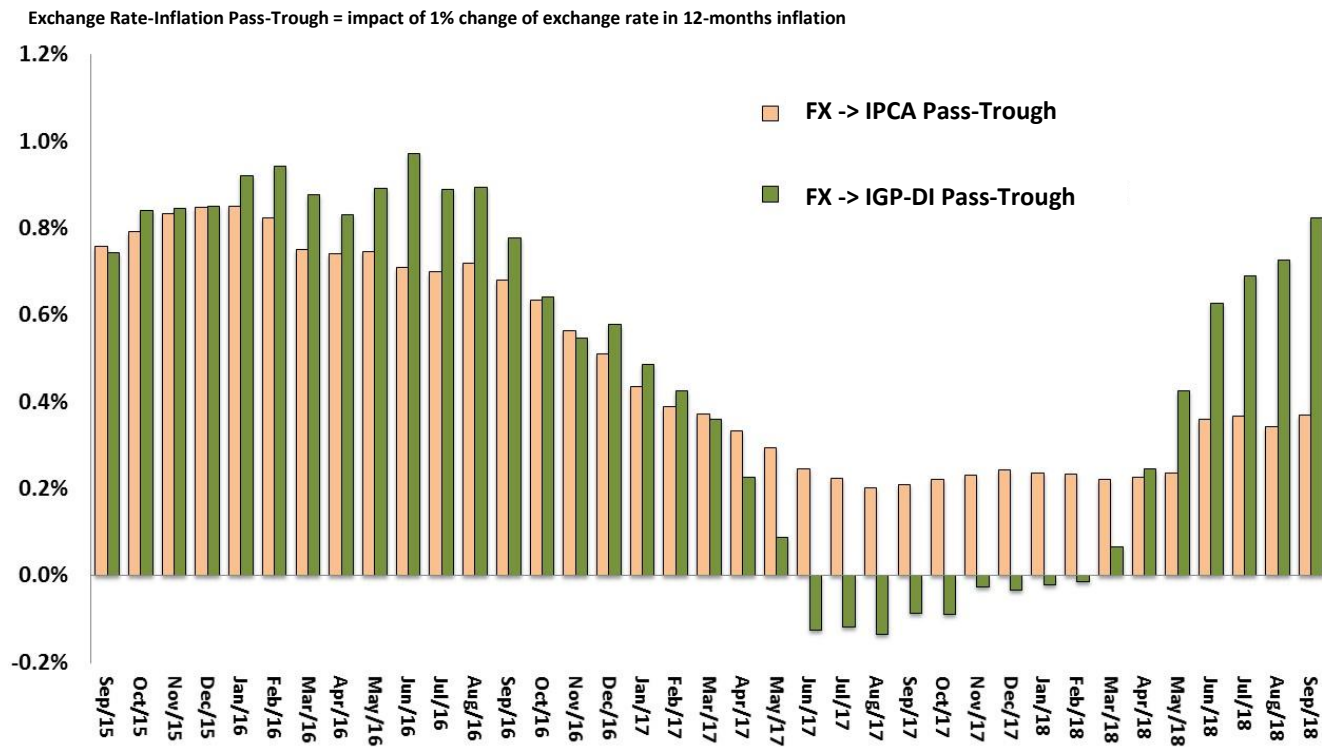
Source: FGV.

Consumer Price Index and Commodity Index (Brazil Agriculture)



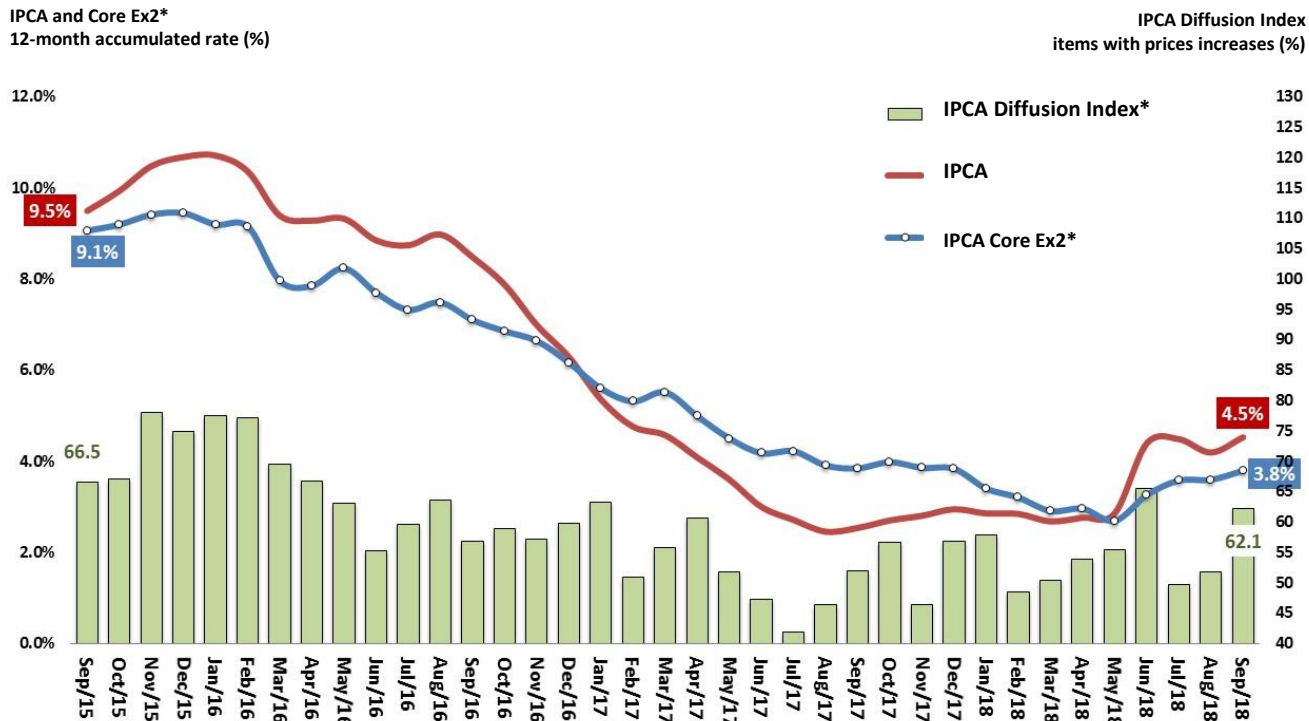
Sources: IBGE/MP and Central Bank of Brazil.

Exchange Rate Pass-Through in Consumer and General Price Indexes



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

IPCA, Core Inflation (IPCA Ex2) and Diffusion Index




Source: IBGE/MP.

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

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



CREDIT MARKET



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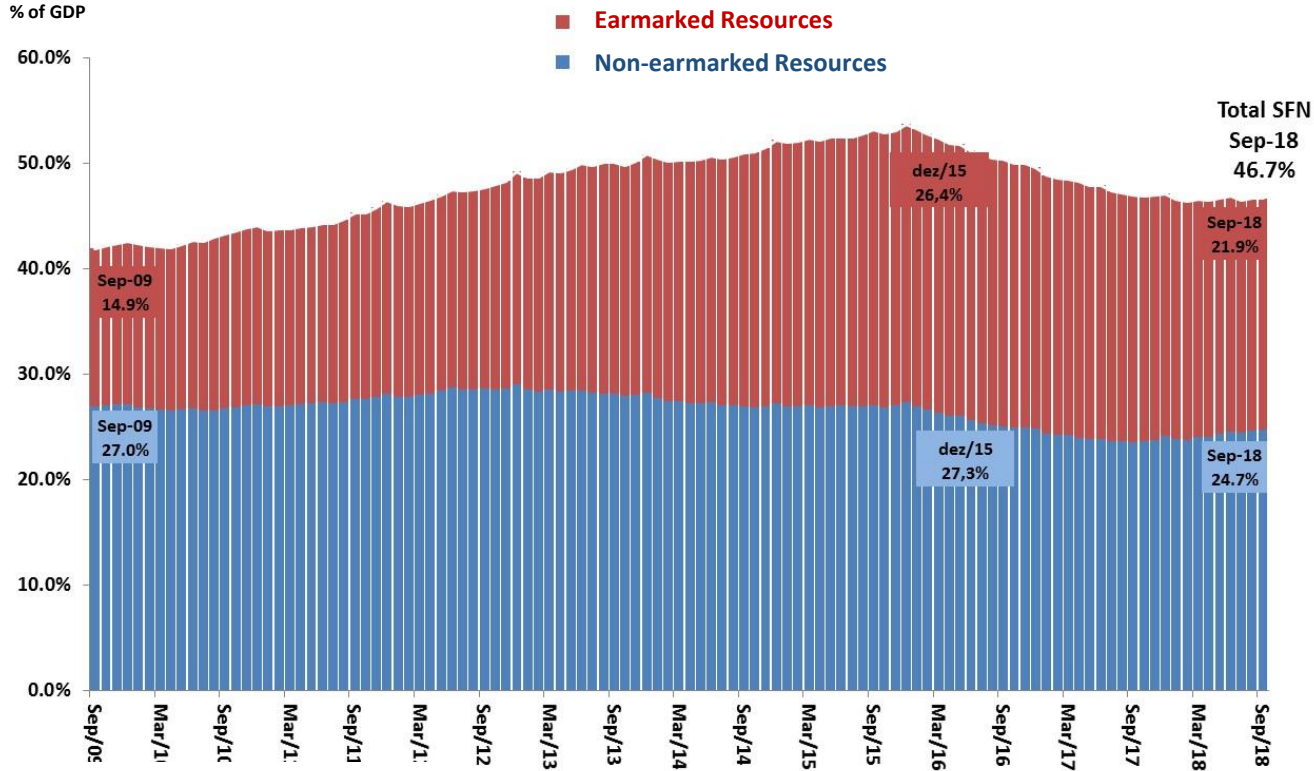
BRAZILIAN
GOVERNMENT

Credit Market

Credit Market (BCB)	September-18	Dec-16	Dec-17	Sep-18	% of Total Credit dez/yy	% of Total Credit dez/yy	% of Total Credit set/yy	chg.% dez/yy-dez/yy	chg.% set/yy-dez/yy	% of GDP dez/yy	% of GDP dez/yy	% of GDP set/yy
End-of-Period Outstanding Credit (in R\$ billions)												
Total Credit to the National Financial System (NFS)		3,106.2	3,091.5	3,168.9	100.0%	100.0%	100.0%	-0.5%	2.5%	49.6%	47.1%	46.6%
<i>by type of borrower</i>												
Public Sector (incl. State-Owned Enterprises)		235.9	221.3	221.9	7.6%	7.2%	7.0%	-6.2%	0.3%	3.8%	3.4%	3.3%
Private Sector		2,870.3	2,870.3	2,947.0	92.4%	92.8%	93.0%	0.0%	2.7%	45.9%	43.8%	43.4%
Non-Financial Corporations		1,545.2	1,442.0	1,440.8	49.7%	46.6%	45.5%	-6.7%	-0.1%	24.7%	22.0%	21.2%
Households		1,560.9	1,649.5	1,728.1	50.3%	53.4%	54.5%	5.7%	4.8%	24.9%	25.1%	25.4%
<i>by type of lender</i>												
Public Financial Institutions		1,729.7	1,672.3	1,655.9	55.7%	54.1%	52.3%	-3.3%	-1.0%	27.6%	25.5%	24.4%
National Private Financial Institutions		976.8	994.8	1,050.2	31.4%	32.2%	33.1%	1.8%	5.6%	15.6%	15.2%	15.5%
Foreign Private Financial Institutions		399.6	424.5	462.8	12.9%	13.7%	14.6%	6.2%	9.0%	6.4%	6.5%	6.8%
<i>by type of credit</i>												
Earmarked Resources		1,549.5	1,506.9	1,491.0	49.9%	48.7%	47.1%	-2.8%	-1.1%	24.8%	23.0%	21.9%
Housing		241.6	245.9	259.2	7.8%	8.0%	8.2%	1.8%	5.4%	3.9%	3.7%	3.8%
Rural		605.7	624.8	633.8	19.5%	20.2%	20.0%	3.2%	1.4%	9.7%	9.5%	9.3%
BNDES Development Bank		601.0	538.6	501.2	19.3%	17.4%	15.8%	-10.4%	-6.9%	9.6%	8.2%	7.4%
Others		101.2	97.5	96.8	3.3%	3.2%	3.1%	-3.7%	-0.7%	1.6%	1.5%	1.4%
Non-Financial Corporations		797.7	708.8	666.4	25.7%	22.9%	21.0%	-11.1%	-6.0%	12.7%	10.8%	9.8%
Households		751.8	798.0	824.6	24.2%	25.8%	26.0%	6.1%	3.3%	12.0%	12.2%	12.1%
Non-earmarked Resources		1,556.6	1,584.7	1,677.9	50.1%	51.3%	52.9%	1.8%	5.9%	24.9%	24.2%	24.7%
Non-Financial Corporations		747.5	733.2	774.4	24.1%	23.7%	24.4%	-1.9%	5.6%	11.9%	11.2%	11.4%
Households		809.1	851.5	903.6	26.0%	27.5%	28.5%	5.2%	6.1%	12.9%	13.0%	13.3%
Non-earmarked Resources (BCB)	September-18	Dec-16	Dec-17	Sep-18	% of Total Credit dez/yy	% of Total Credit dez/yy	% of Total Credit set/yy	chg.% dez/yy-dez/yy	chg.% set/yy-dez/yy	% of GDP dez/yy	% of GDP dez/yy	% of GDP set/yy
<i>New Loans, Spread and Delinquency Rates</i>												
New Loans (12-months accum. in R\$ billions)		2,859.5	2,990.1	3,267.1	100.0%	100.0%	100.0%	4.6%	9.3%	45.7%	45.6%	48.1%
Non-Financial Corporations		1,301.9	1,292.9	1,443.7	45.5%	43.2%	44.2%	-0.7%	11.7%	20.8%	19.7%	21.2%
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	28.8				-8.1 pp	-3.1 pp			
Non-Financial Corporations		16.5	13.7	12.1				-2.8 pp	-1.6 pp			
Households		60.2	46.1	42.2				-14.0 pp	-4.0 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			

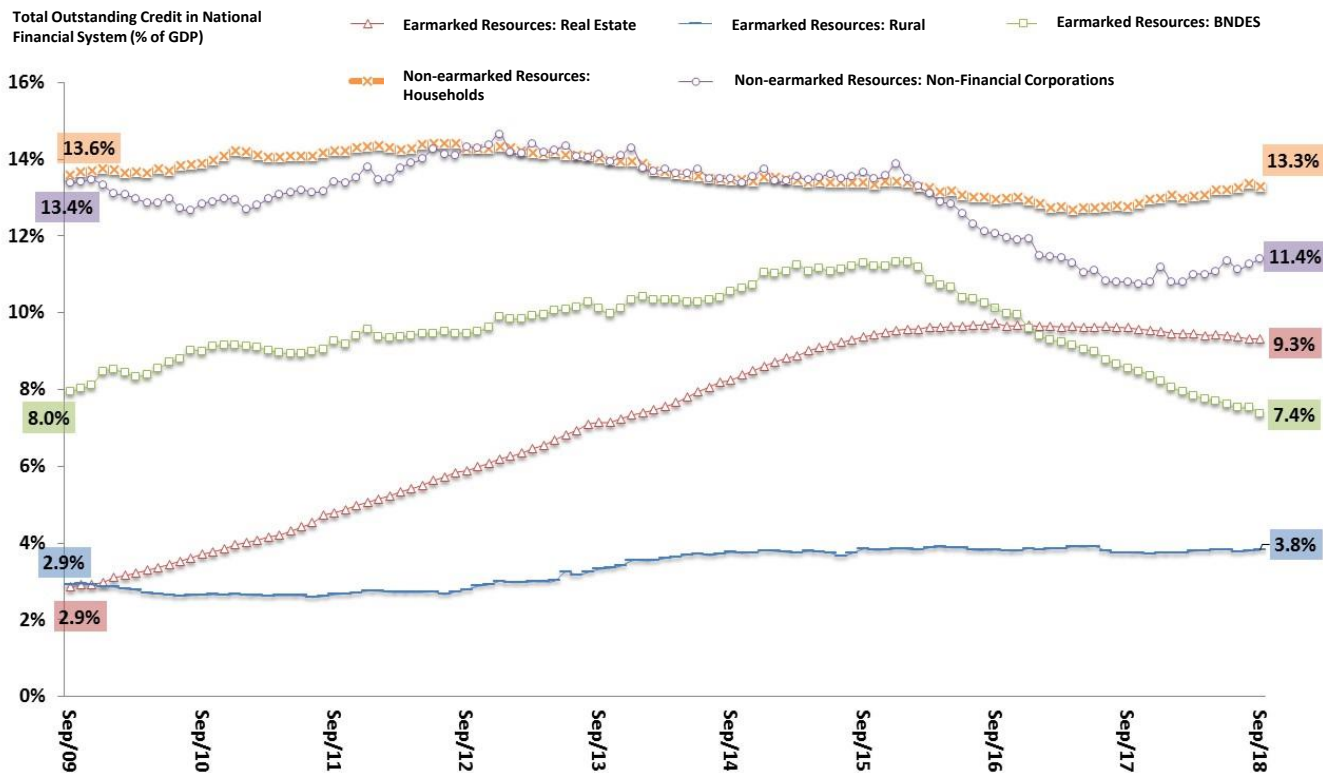
Total Credit: Earmarked and Non-earmarked Resources

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



Source: Central Bank of Brazil.

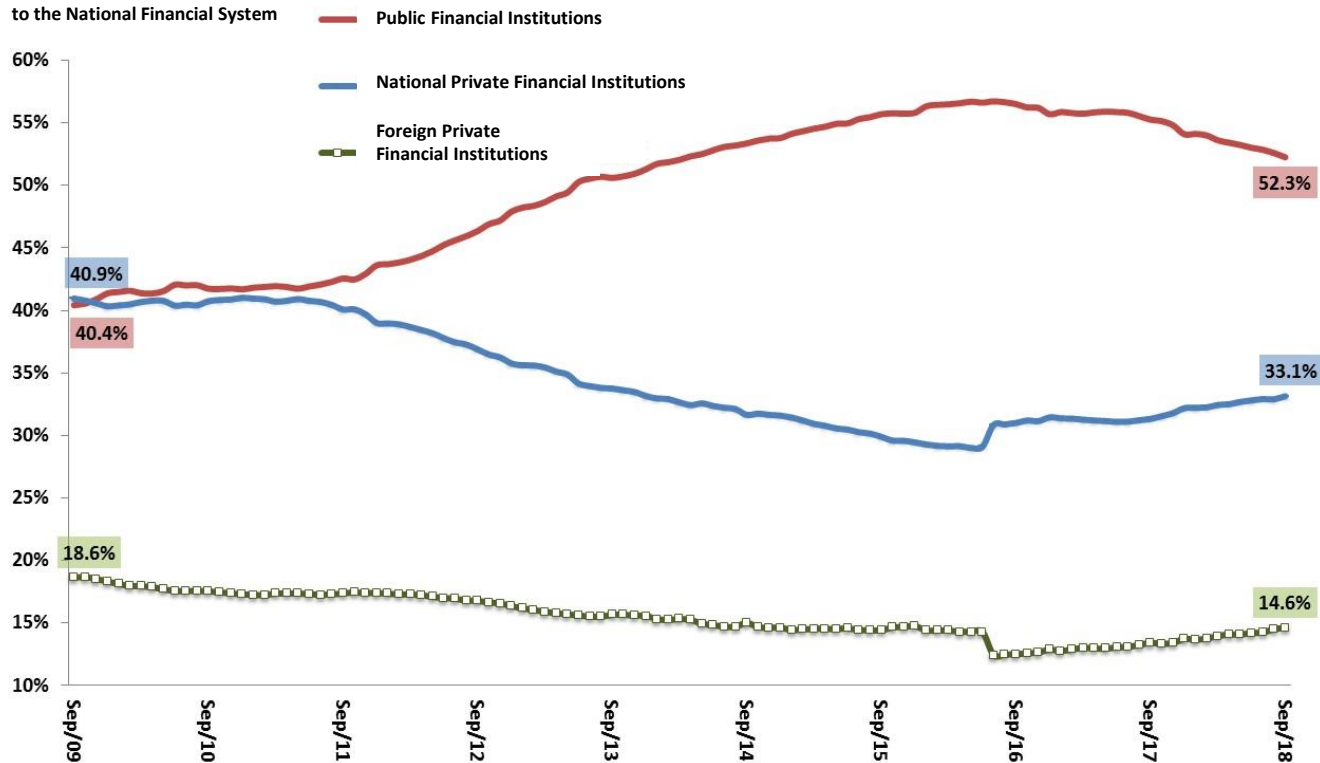
Total Credit Evolution by Major Segments



Source: Central Bank of Brazil.

Total Credit by Types of Financial Institutions

% of Total Outstanding Credit
to the National Financial System

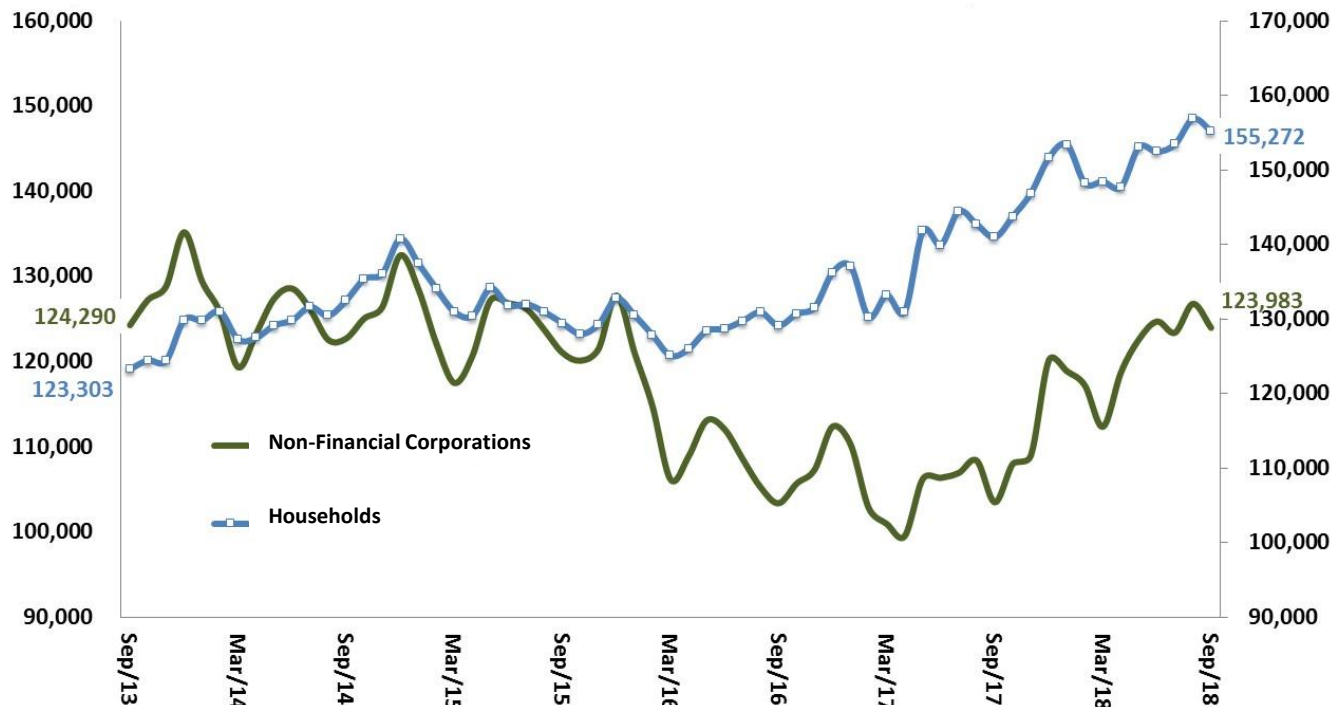


Source: Central Bank of Brazil.

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*

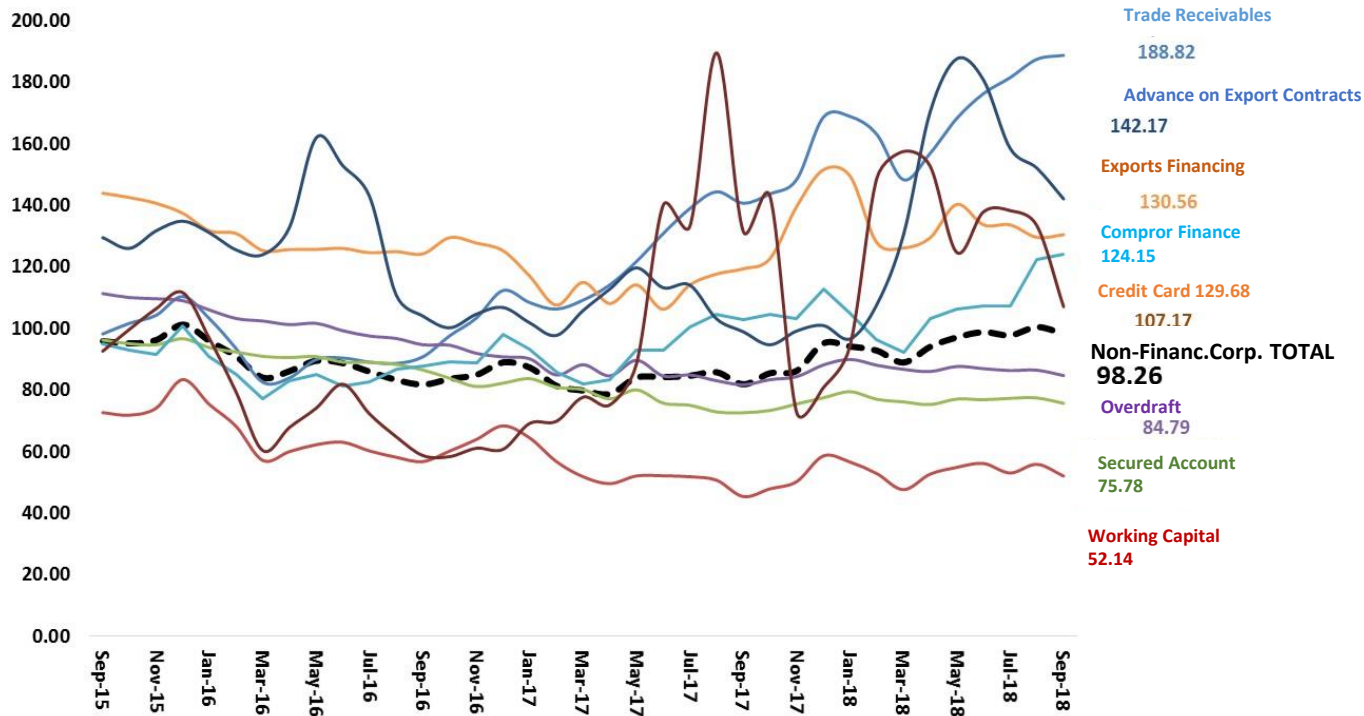
Daily Average of New Loans to Households
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*



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

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

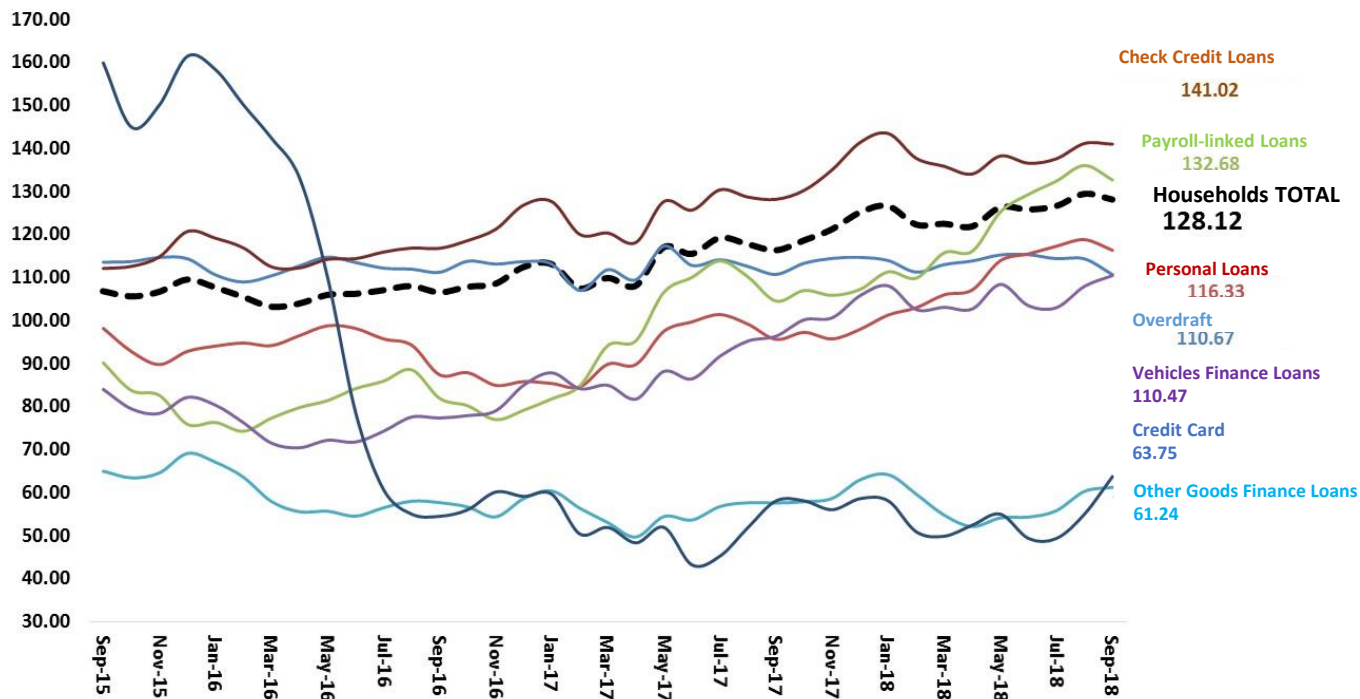
Daily Average of New Loans to Non-Financial Corporations – Last Month Real Values (IPCA)
3-Month Moving Average - Seasonally Adjusted* - Index: 2013=100



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

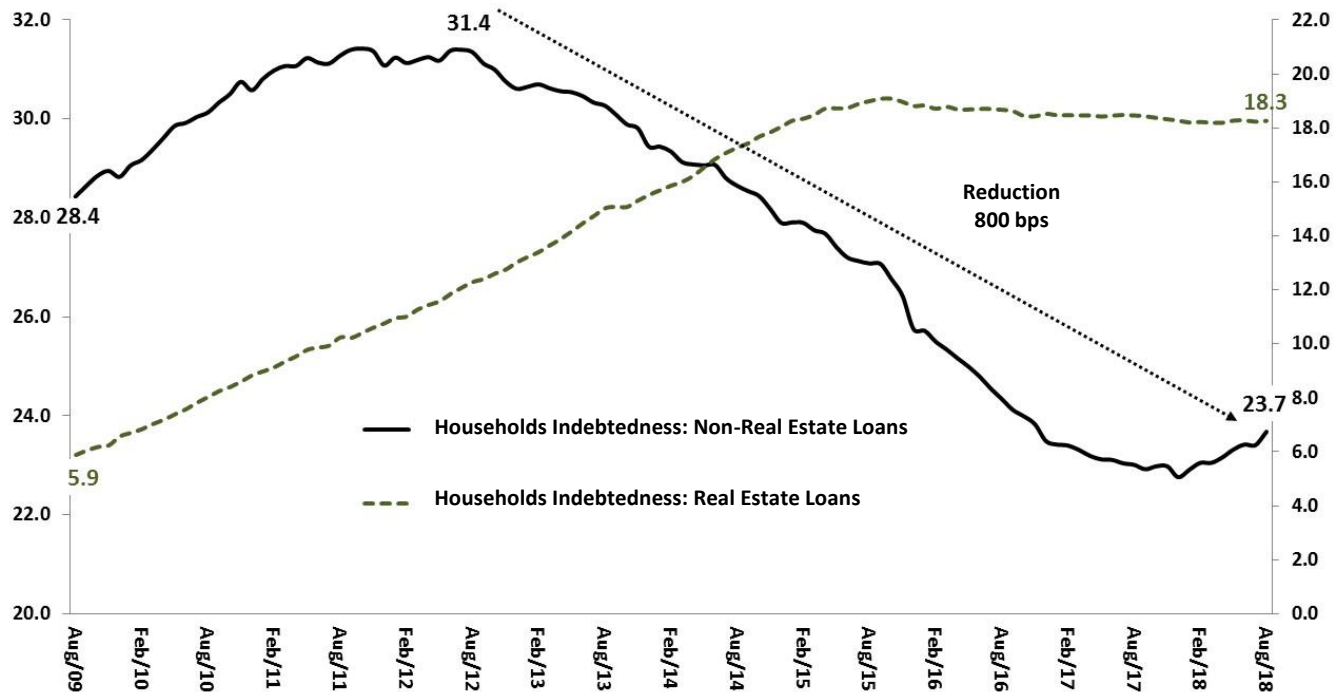


Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Households Indebtedness Rate

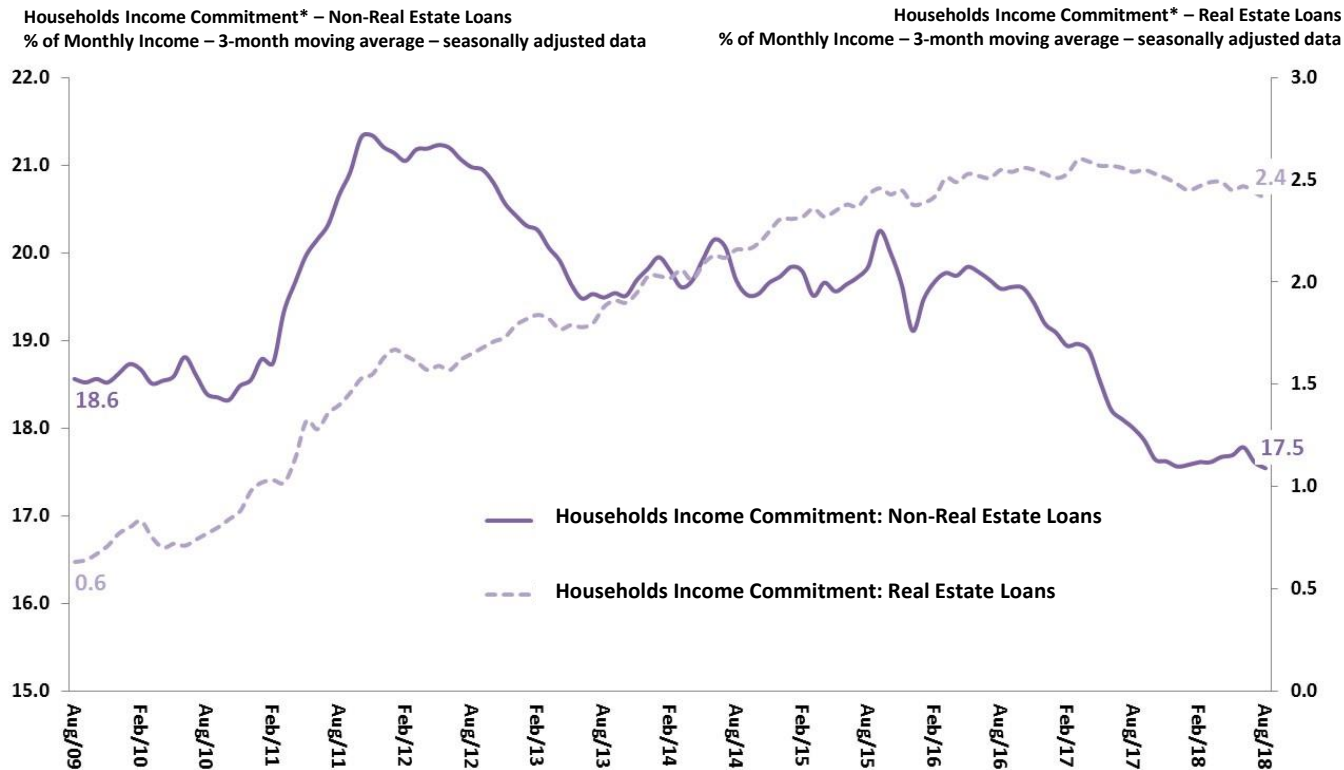
Households Indebtedness Rate* – Non-Real Estate Loans
% of 12-month Accumulated Income

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



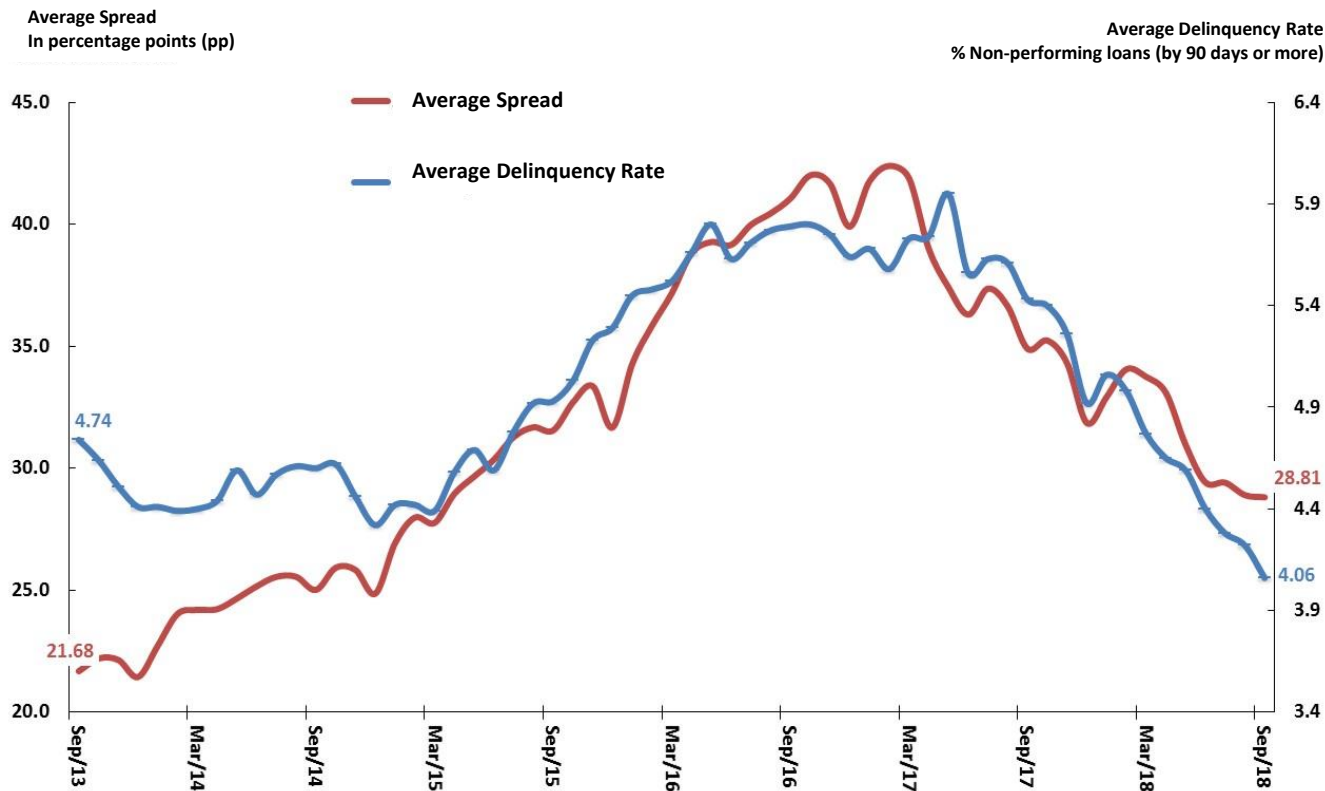
Source: Central Bank of Brazil. * Indebtedness rate = total outstanding debt / 12-months accumulated income.

Households Income Commitment



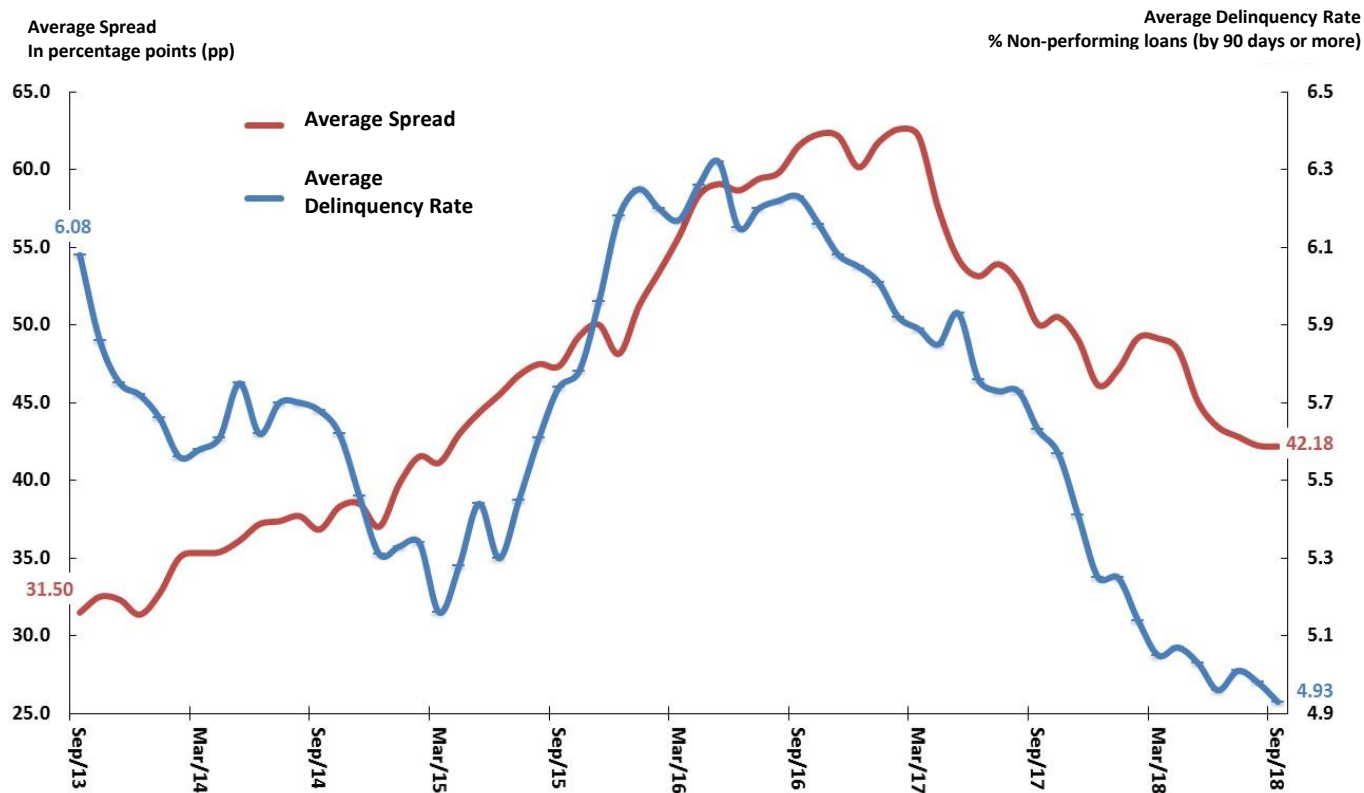
Source: Central Bank of Brazil. * Households Income Commitment = Loans Service Monthly Expenditure / Monthly Income.

Non-earmarked Resources: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Households Loans: Spread and Delinquency Rates

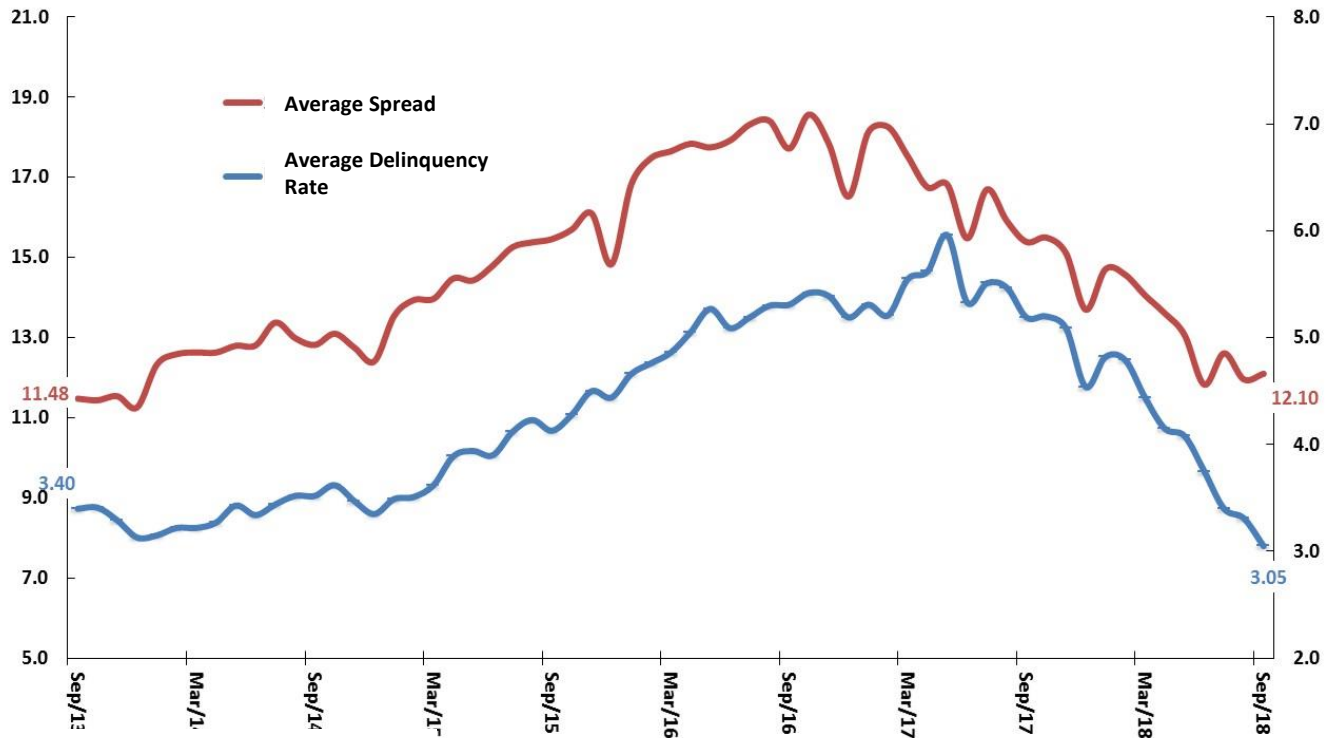


Source: Central Bank of Brazil.

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



SECRETARIAT OF
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AND MANAGEMENT

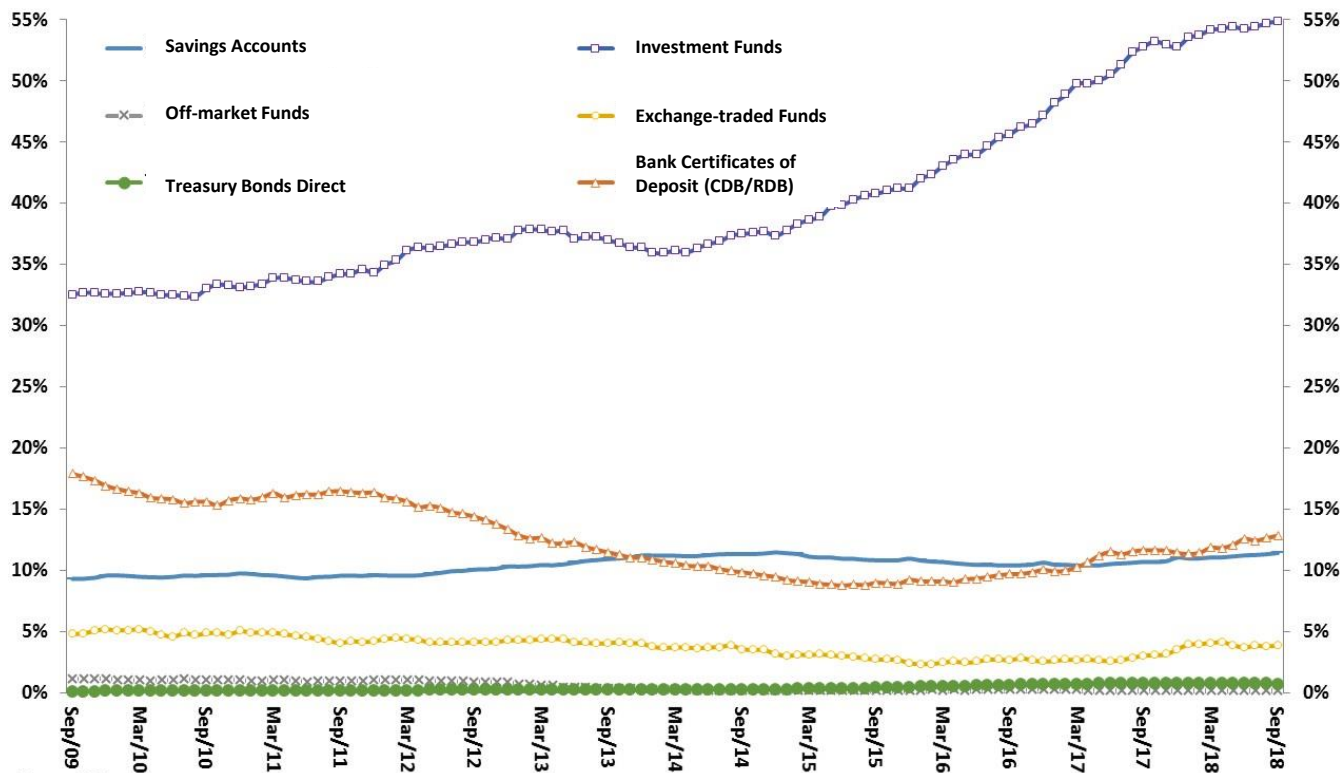
BRAZILIAN
GOVERNMENT

Financial Markets

									BCB/Focus: 10/26/2018		
Financial Savings (BCB)	September-18										
	Dec-16	Dec-17	Sep-17	Sep-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % set/yy- Dec/17	chg. % set/yy- set/yy			
Outstanding Positions - R\$ billions											
Bank Certificates of Deposit (CDB/RDB)	627.4	749.1	755.4	872.1	13.6%	19.4%	16.4%	15.4%			
Savings Accounts (Cademeta de Poupança)	665.0	724.6	694.0	775.8	1.3%	9.0%	7.1%	11.8%			
Investment Funds	2,953.4	3,462.6	3,426.9	3,728.8	19.4%	17.2%	7.7%	8.8%			
Off-market Funds (Fundos Extramercado)	14.9	13.5	13.9	13.6	25.0%	-9.1%	0.3%	-2.1%			
Exchange-traded Funds	158.1	232.5	195.7	262.7	9.7%	47.0%	13.0%	34.2%			
Treasury Bonds Direct (Tesouro Direto)	41.1	48.5	47.6	47.3	60.5%	18.1%	-2.4%	-0.6%			
BM&F-Bovespa - listed companies value as % of GDP	39.4%	48.2%	47.3%	47.6%	7.52 pp	8.77 pp	-0.63 pp	0.25 pp			
Capital Market (CVM)	September-18										
	Dec-16	Dec-17	Sep-17	Sep-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % set/yy- Dec/17	chg. % set/yy- set/yy			
New Public Offering - R\$ billions											
Stocks	0.5	8.4	6.1	3.4	-96.7%	1462.8%	-100.0%	-			
Debentures	21.9	6.4	1.8	2.0	5.9%	-70.9%	-	-			
Housing Credit-backed Securities (CRI)	11.3	12.0	7.6	4.1	191.9%	5.9%	-71.6%	-16.7%			
Investment Funds - new shares	2.1	5.2	3.6	13.6	-63.5%	150.0%	-49.1%	-			
Monet Market (BCB)	September-18										
	Dec-16	Dec-17	Sep-17	Sep-18	chg. % Dec/16 / Dec/15	chg. % Dec/17 / Dec/16	chg. % set/yy- Dec/17	chg. % set/yy- set/yy			
Interest Rates											
Selic market rate (% py)	13.65	7.00	8.35	6.40	-0.5 pp	-6.7 pp	-0.6 pp	-2.0 pp			
CDI (% py)	13.63	6.99	8.34	6.39	-0.5 pp	-6.6 pp	-0.6 pp	-2.0 pp			
Swap DI-Pre 180 days (% py)	12.45	6.67	7.19	7.13	-2.7 pp	-5.8 pp	0.5 pp	-0.1 pp			
Swap DI-Pre 360 days (% py)	11.56	6.86	7.13	7.95	-4.3 pp	-4.7 pp	1.1 pp	0.8 pp			
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	2018	2019	2020
Selic target rate (% py)	13.75	7.00	7.50	6.50	-0.5 pp	-6.75 pp	-0.5 pp	-1.0 pp	6.50%	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)	October-18										
	Dec-16	Dec-17	Oct-17	Oct-18	chg. pp Dec/16 / Dec/15	chg. pp Dec/17 / Dec/16	chg. % out/yy- Dec/17	chg. % out/yy- out/yy			
Monthly Average (in basis points)											
EMBI+ (JPMorgan)	328	240	243	263	-195 pp	-88 pp	23 pp	20 pp			
5 years CDS	281	162	172	204	-214 pp	-119 pp	42 pp	33 pp			
10 years CDS	360	259	278	290	-199 pp	-100 pp	30 pp	12 pp			

Major Financial Savings Instruments

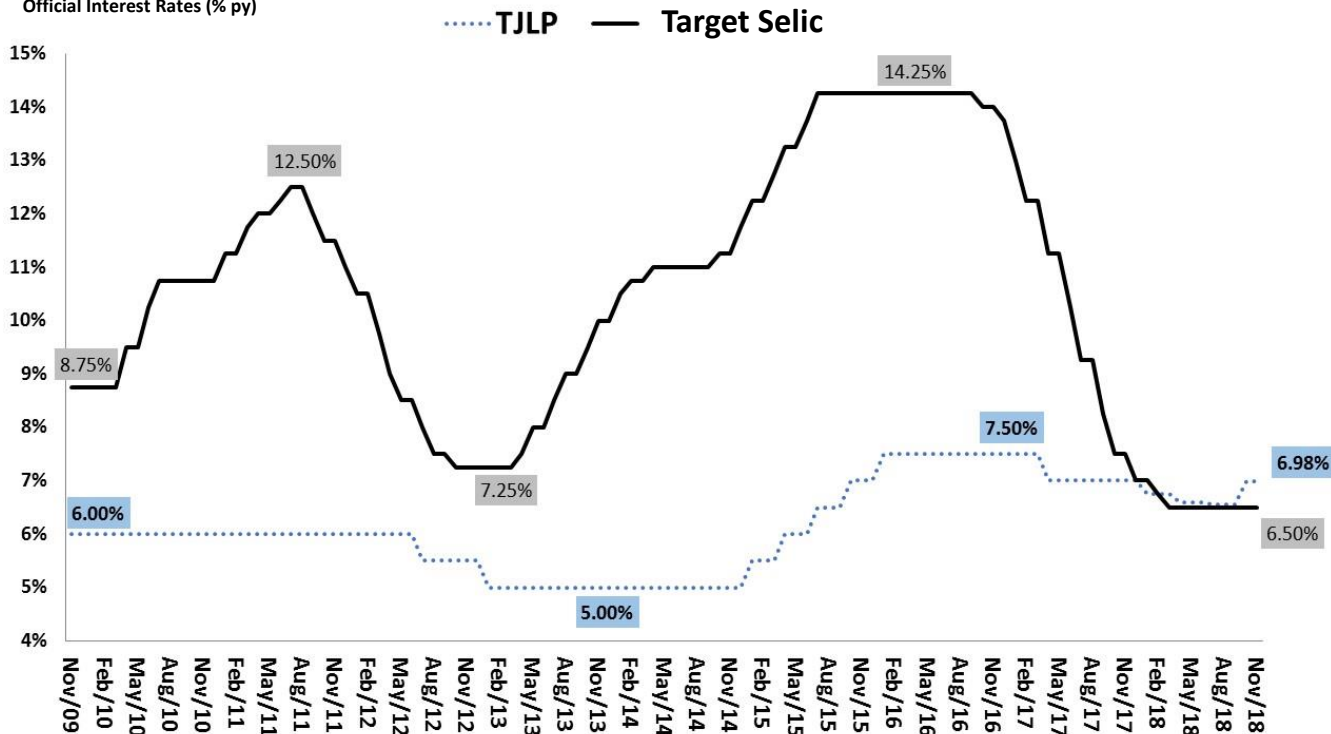
Outstanding Position as % of GDP



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

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

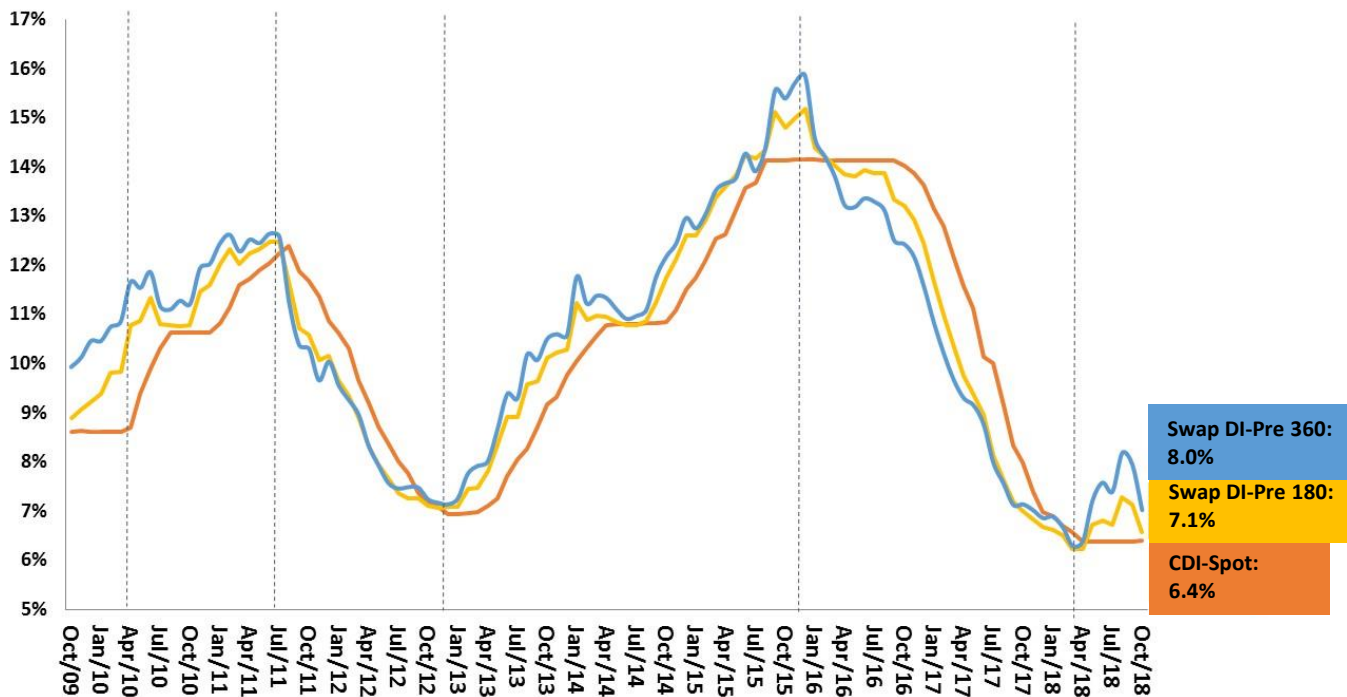


Source: Central Bank of Brazil.

Term Structure of Interbank Interest Rate

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

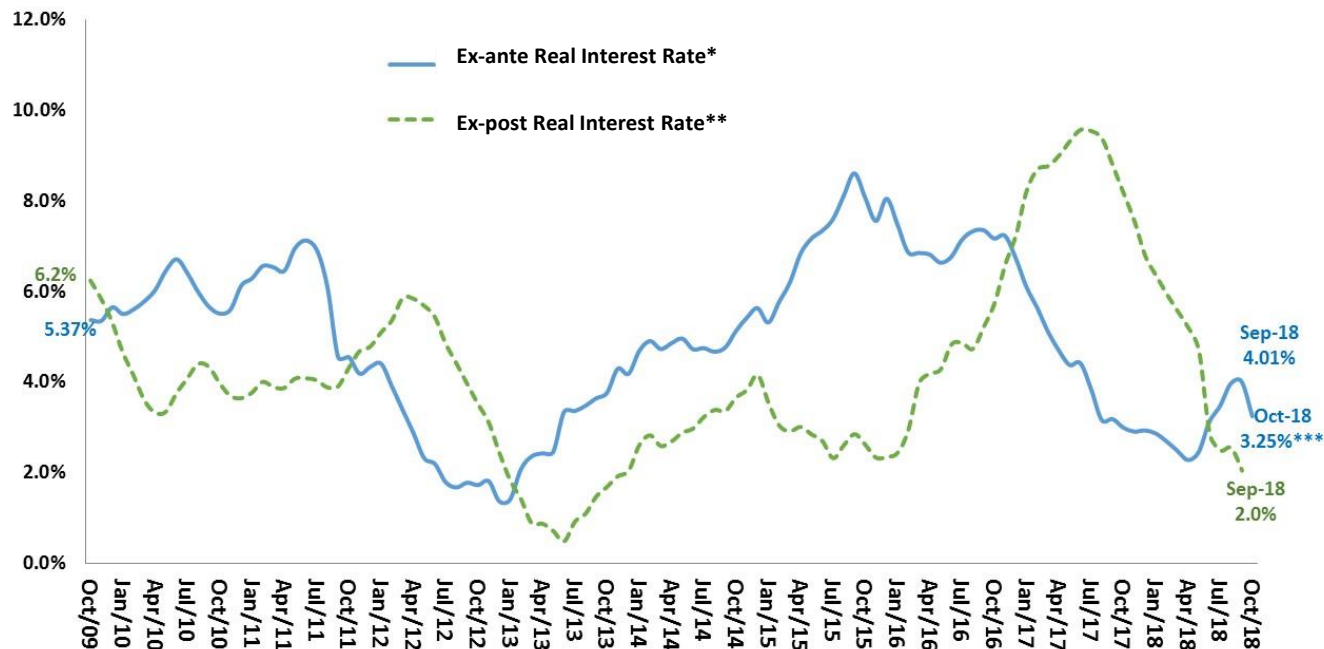
Reverse Points of Yield Curve



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.

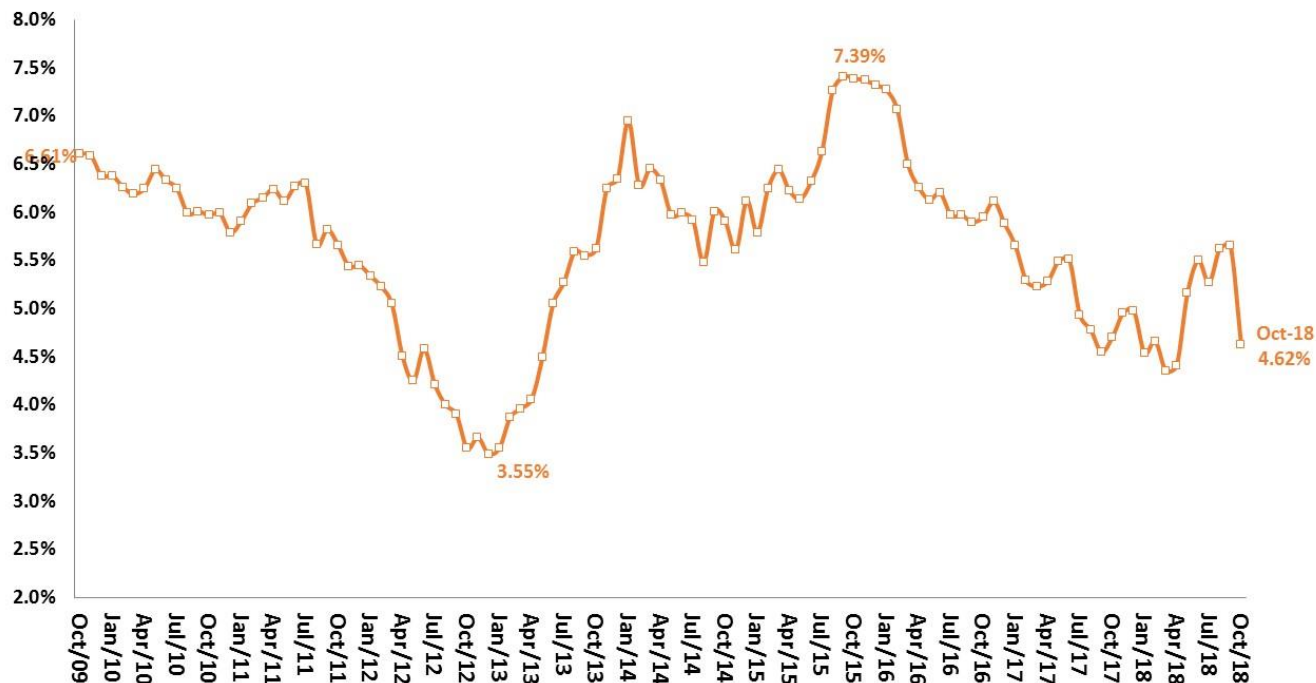
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

** Ex-post Real Interest Rate = Observed 12-months accumulated CDI/IPCA ratio. Oct-18*** = until 10/26/18.

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

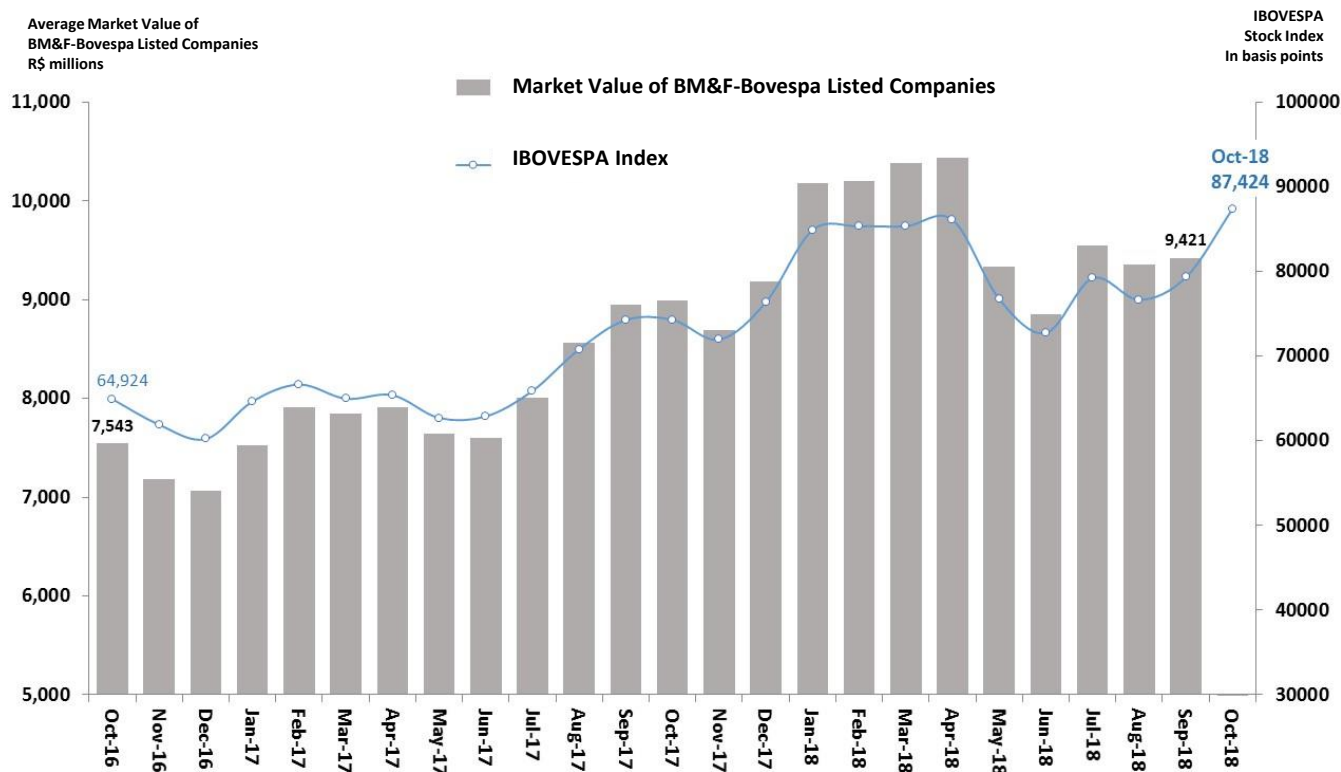
NTN-B 2024*

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

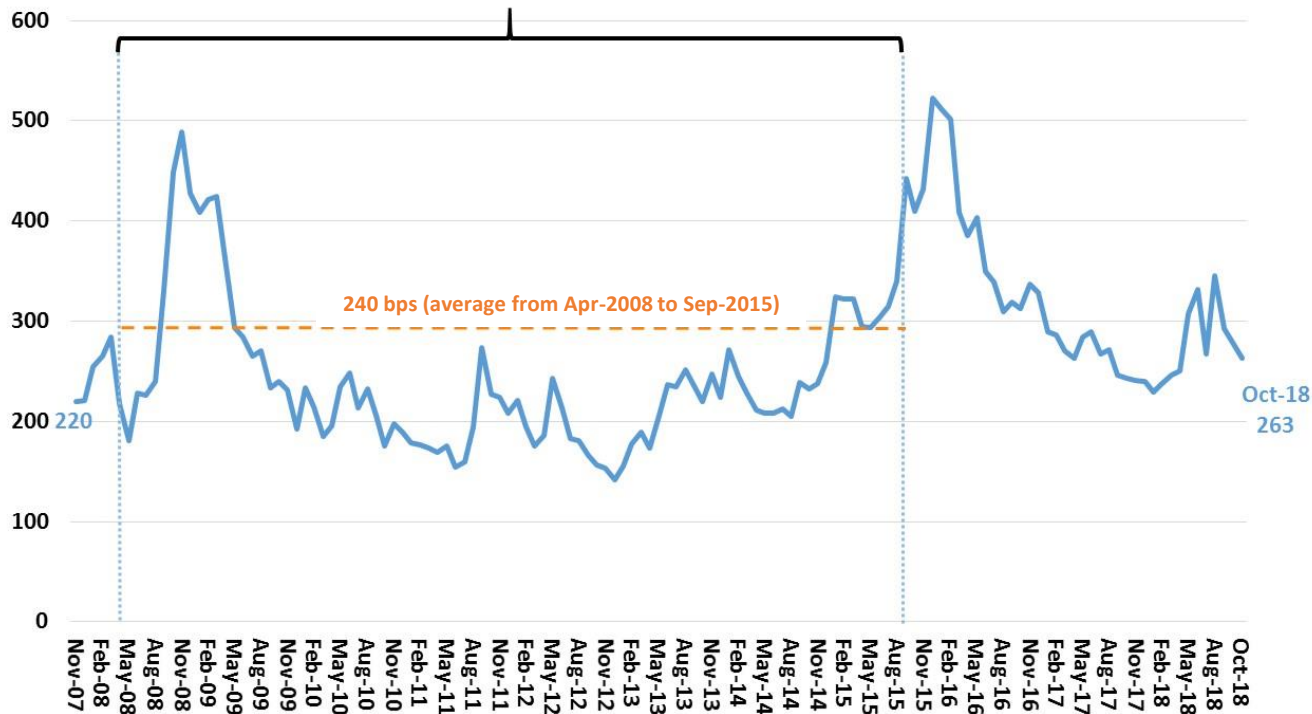


Source: Central Bank of Brazil.

Sovereign Risk (EMBI+ BR)

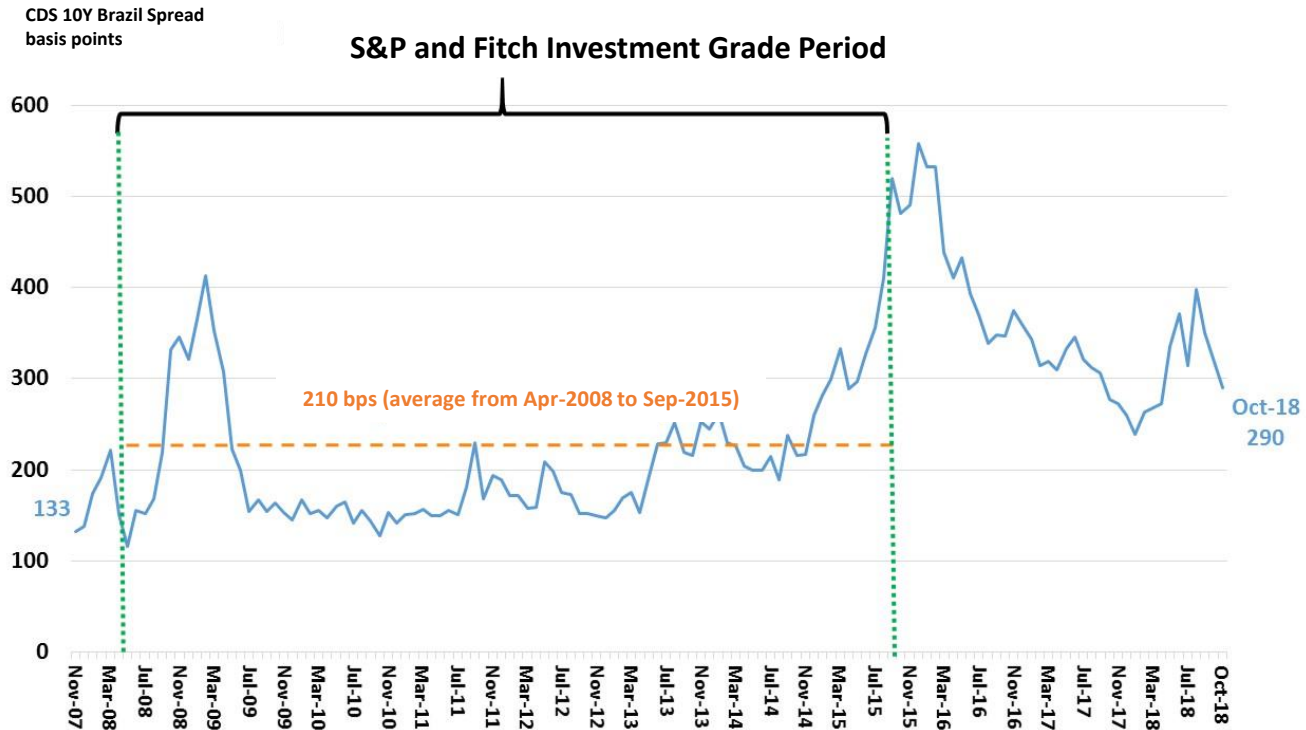
EMBI+ Brazil Spread
basis points

Pe| S&P and Fitch Investment Grade Period



Source: JPMorgan.


Sovereign Risk (CDS 10Y BR)



Source: Bloomberg.



FOREIGN TRADE



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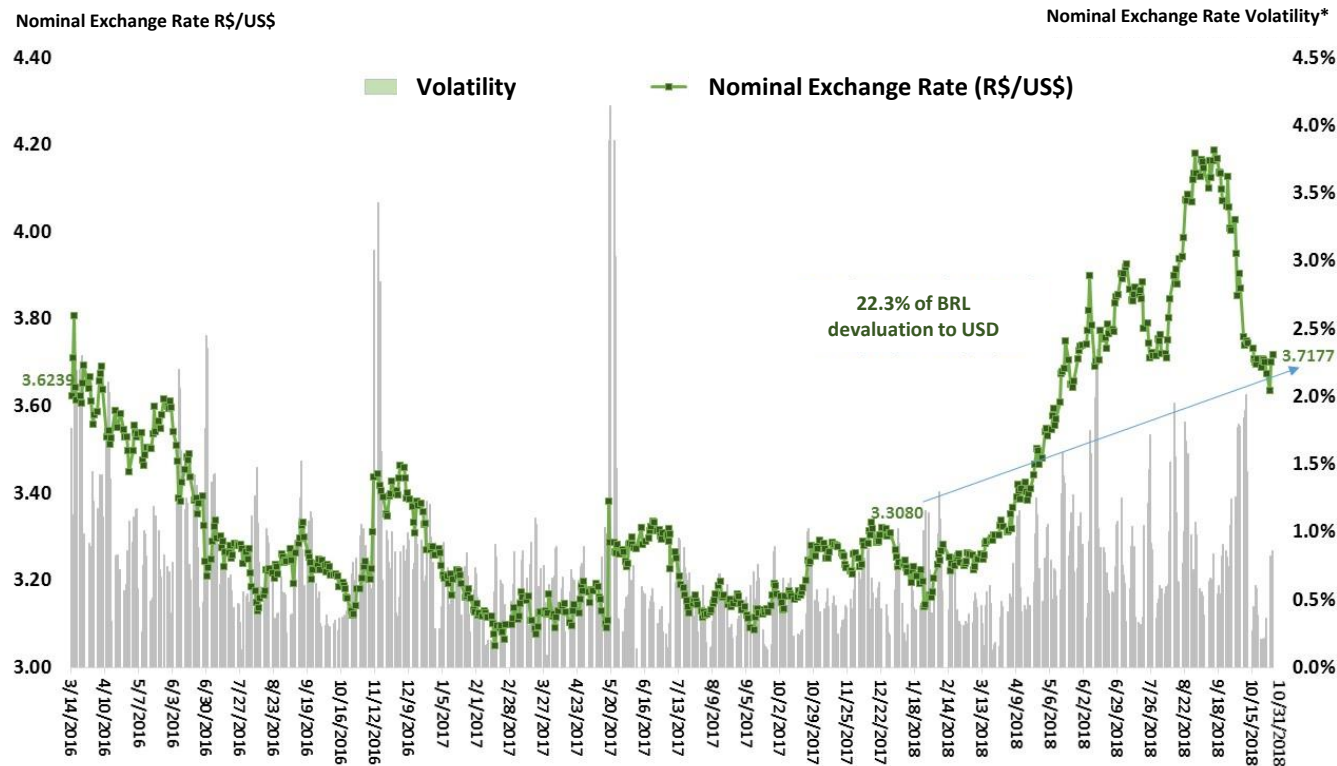
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AND MANAGEMENT

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GOVERNMENT

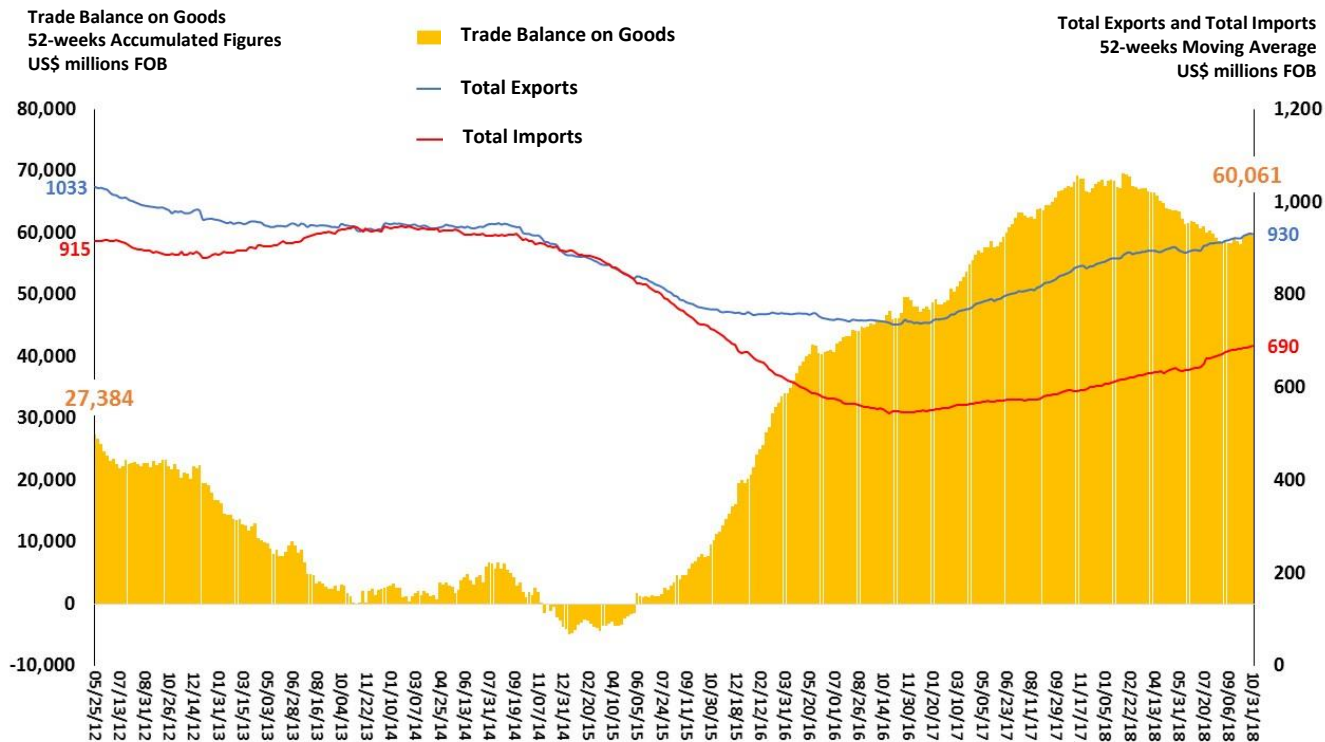
Foreign Trade

											BCB/Focus: 10/26/2018		
Exchange Rate Indicators (BCB)	October-18	2016	2017	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 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:	3.7177	1.8%	-7.2%	31.4%	26.4%	13.5%	14.3%	8.3%	10.7%	11.6%	3.66	3.76	3.73
Exchange Rate Indicators (BCB)	September-18	2016	2017	chg.% jul/yy- jul/yy	chg.% ago/yy- ago/yy	chg.% set/yy- set/yy	YTD 2017	jul/yy accum. in 12-months	ago/yy accum. in 12-months	set/yy accum. in 12-months			
FX % change rate: appreciation (-) or depreciation (+) of the Real													
Real Effective Exchange Rate (IPCA)		-5.3%	-8.8%	14.8%	16.9%	19.3%	13.6%	7.4%	8.9%	10.7%			
Exchange Rate / Wage Ratio adjusted by Labor Productivity		-15.2%	-1.2%	15.2%	15.6%	18.8%	12.2%	9.9%	10.4%	11.4%			
Unitary Labor Cost in US\$		2.5%	7.4%	-19.0%	-22.3%	-26.3%	-12.7%	-6.0%	-8.0%	-10.2%			
Foreign Trade of Goods (FUNCEX)	September-18	2016	2017	chg.% jul/yy- jul/yy	chg.% ago/yy- ago/yy	chg.% set/yy- set/yy	YTD 2017	jul/yy accum. in 12-months	ago/yy accum. in 12-months	set/yy accum. in 12-months			
Average Price and Quantum													
QUANTUM													
Exports (X)		3.3%	6.8%	7.8%	15.5%	-1.0%	3.9%	6.5%	6.8%	5.7%			
Basic Goods		-2.7%	13.2%	29.5%	29.7%	6.9%	8.0%	12.5%	13.1%	11.6%			
Semi-Manufactured		9.9%	0.6%	-9.6%	-25.3%	-0.8%	-6.3%	-1.0%	-3.3%	-3.6%			
Manufactured		7.9%	2.7%	-11.2%	13.8%	-11.5%	2.5%	2.9%	3.8%	2.3%			
Imports (M)		-11.9%	5.3%	40.0%	26.4%	-3.3%	14.0%	12.2%	14.2%	12.9%			
Intermediate Goods		-7.4%	7.0%	20.6%	8.6%	-3.1%	5.4%	5.2%	5.9%	5.0%			
Capital Goods		-17.0%	-9.1%	246.1%	178.4%	-4.7%	83.8%	57.5%	73.4%	67.0%			
Durable Consumer Goods		-36.0%	8.5%	44.0%	64.1%	32.2%	39.9%	27.7%	32.5%	34.8%			
Semi and Non-Durable Consumer Goods		-9.2%	8.2%	19.2%	2.0%	-8.6%	5.1%	8.8%	8.3%	6.3%			
Fuel and Lubricants		-22.1%	9.4%	-16.1%	16.1%	-10.2%	3.5%	12.0%	10.9%	10.2%			
Exports Profitability Index		-8.2%	-1.3%	20.2%	18.1%	19.9%	11.0%	5.1%	6.7%	8.3%			
Quantum Ratio = average quantum X / average quantum M		15.6%	1.5%	-22.5%	-14.2%	2.4%	-8.9%	-4.6%	-6.3%	-6.3%			
PRICE													
Exports (X)		-6.2%	10.1%	12.2%	7.8%	3.2%	4.8%	4.1%	4.6%	4.4%			
Basic Goods		-6.7%	12.8%	19.0%	13.6%	7.3%	6.3%	4.3%	5.4%	5.8%			
Semi-Manufactured		-3.9%	11.7%	2.0%	1.4%	-1.5%	2.7%	3.9%	3.7%	3.3%			
Manufactured		-5.9%	5.7%	9.6%	5.5%	2.7%	4.1%	3.7%	3.8%	3.5%			
Imports (M)		-8.9%	4.1%	6.8%	7.1%	8.3%	6.6%	5.3%	5.7%	6.2%			
Intermediate Goods		-7.7%	3.0%	6.5%	7.2%	8.0%	6.7%	5.6%	5.8%	6.3%			
Capital Goods		-5.0%	-3.2%	2.8%	-7.3%	5.4%	0.1%	-1.6%	-1.9%	-0.6%			
Durable Consumer Goods		-3.9%	2.0%	2.8%	1.8%	-3.8%	2.2%	3.0%	3.2%	2.4%			
Semi and Non-Durable Consumer Goods		-2.8%	-1.8%	-0.8%	-2.7%	-4.5%	1.0%	0.2%	0.7%	0.6%			
Fuel and Lubricants		-26.6%	29.5%	25.1%	33.5%	31.6%	21.2%	19.6%	20.8%	21.5%			
Terms of Trade = average price X / average price M		3.1%	5.8%	5.1%	0.6%	-4.7%	-1.8%	-1.2%	-1.1%	-1.7%			

Daily Nominal Exchange Rate R\$/US\$



Trade Balance on Goods (52 weeks daily average)

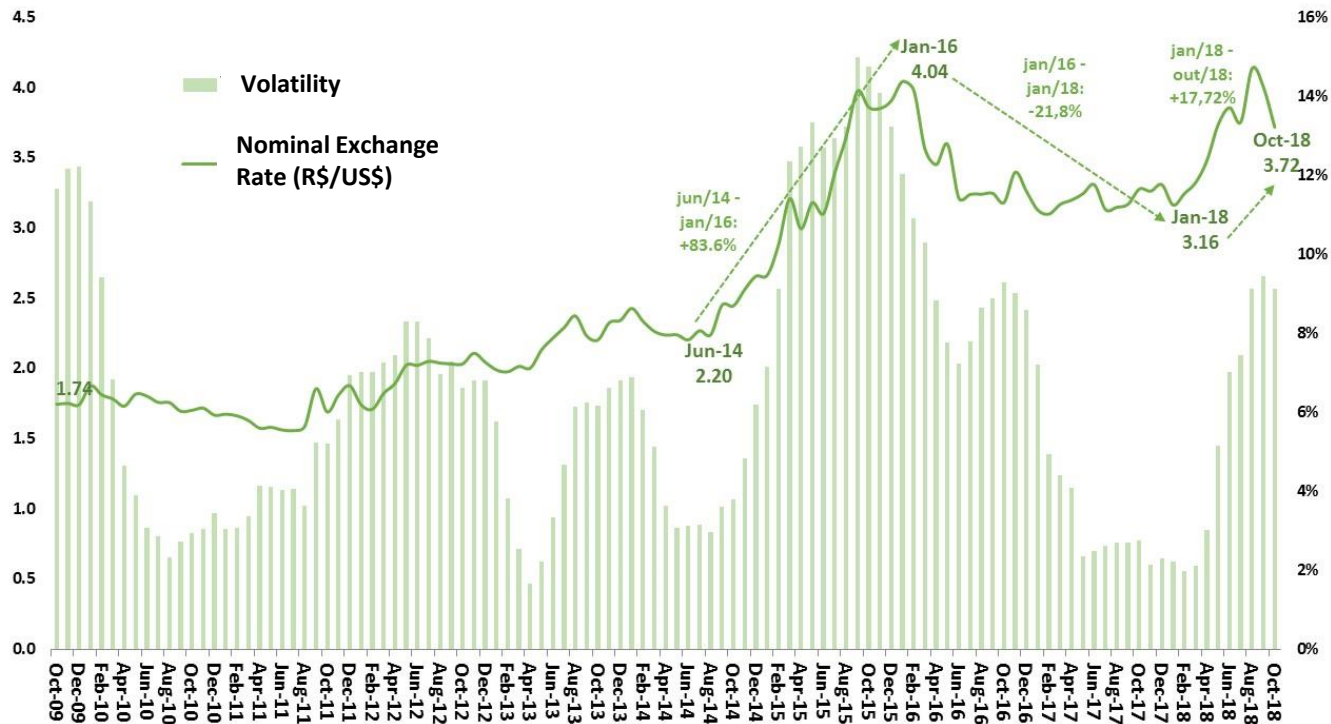


Source: SECEX/MDIC.

Nominal Exchange Rate R\$/US\$

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

Nominal Exchange Rate
Volatility*

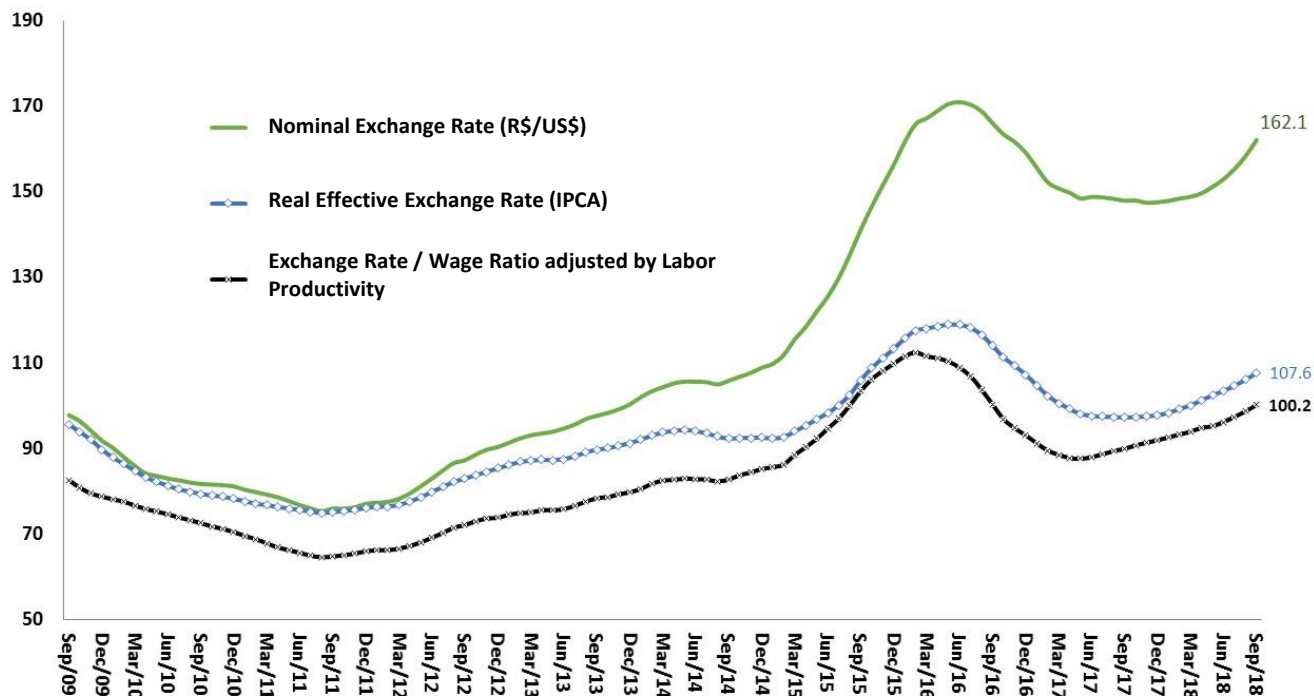


Source: Central Bank of Brazil. *Volatility = 12-months Moving Coefficient of Variation.

Exchange Rate Indexes

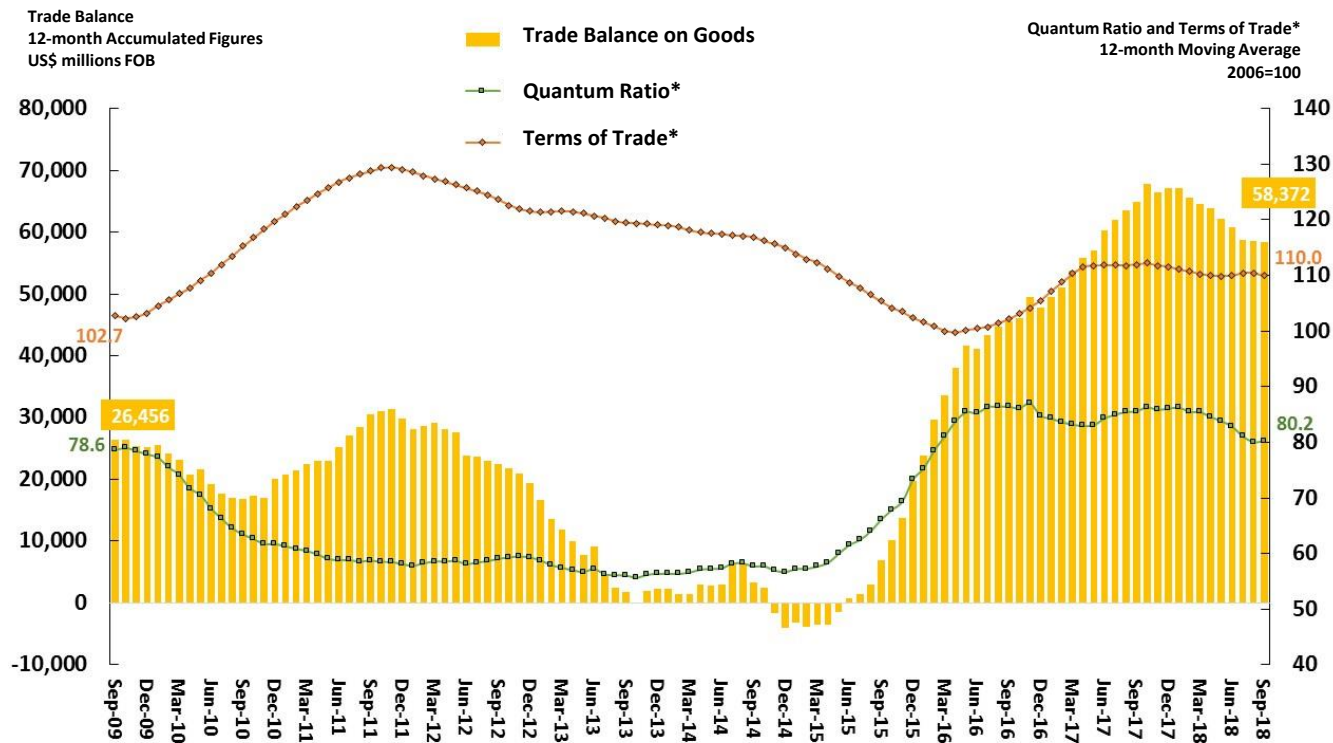
Exchange Rate Indexes (2006=100)

12-month Moving Average



Source: Central Bank of Brazil.

Trade Balance, Quantum and Terms of Trade Ratios



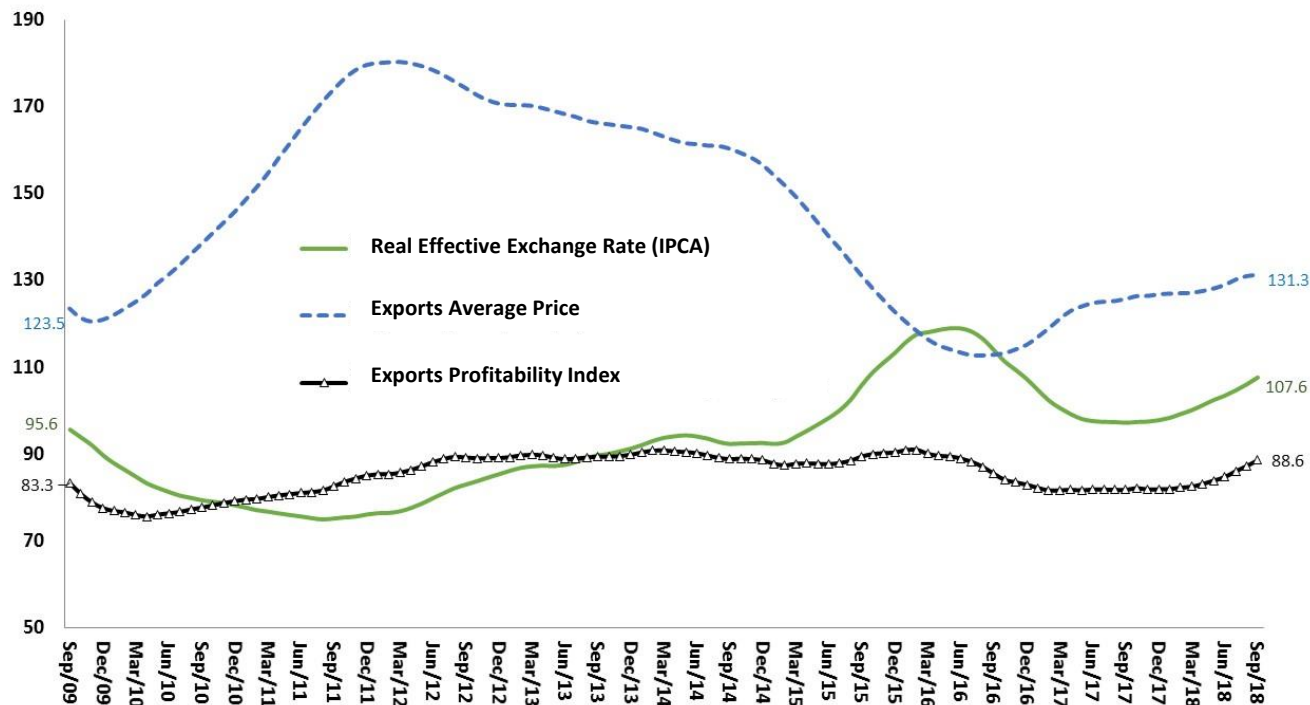
Sources: SECEX/MDIC and FUNCEX.

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

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

Exports: Profitability, Price and Real Exchange Rate

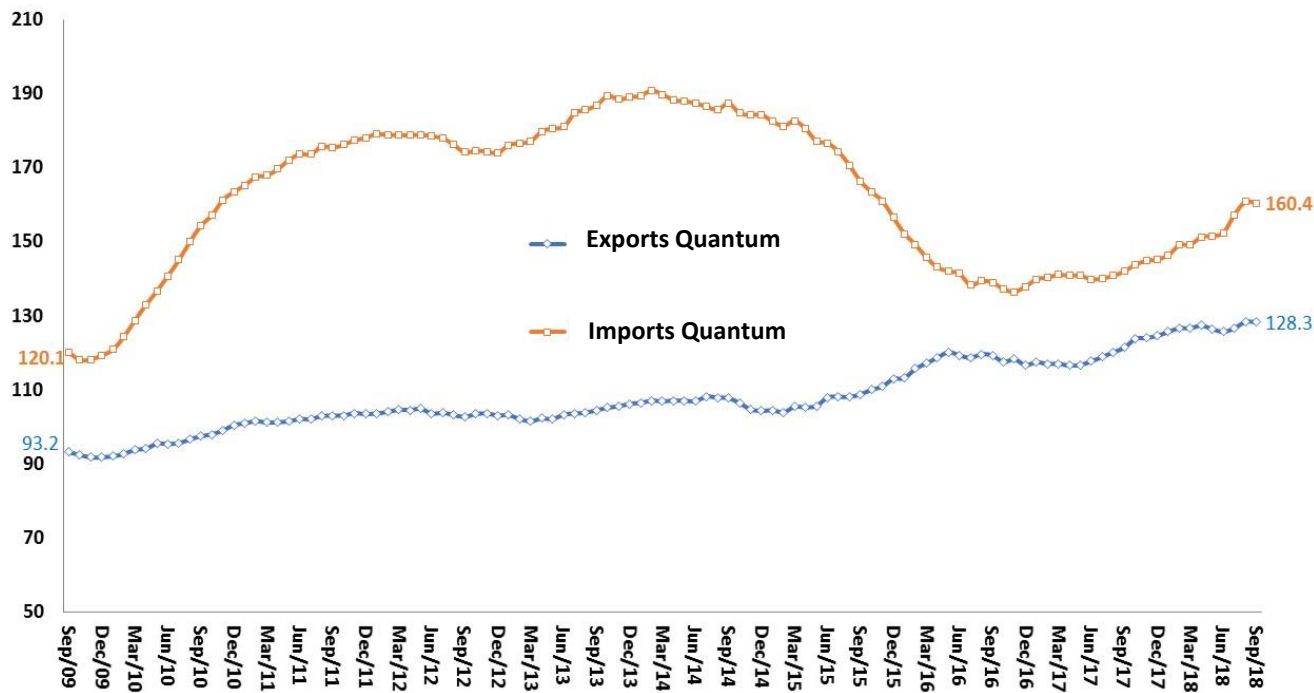
Real Effective Exchange Rate (IPCA), Exports Average Price and Exports Profitability Index
12-month Moving Average (2006=100)



Sources: Central Bank of Brazil and FUNCEX.

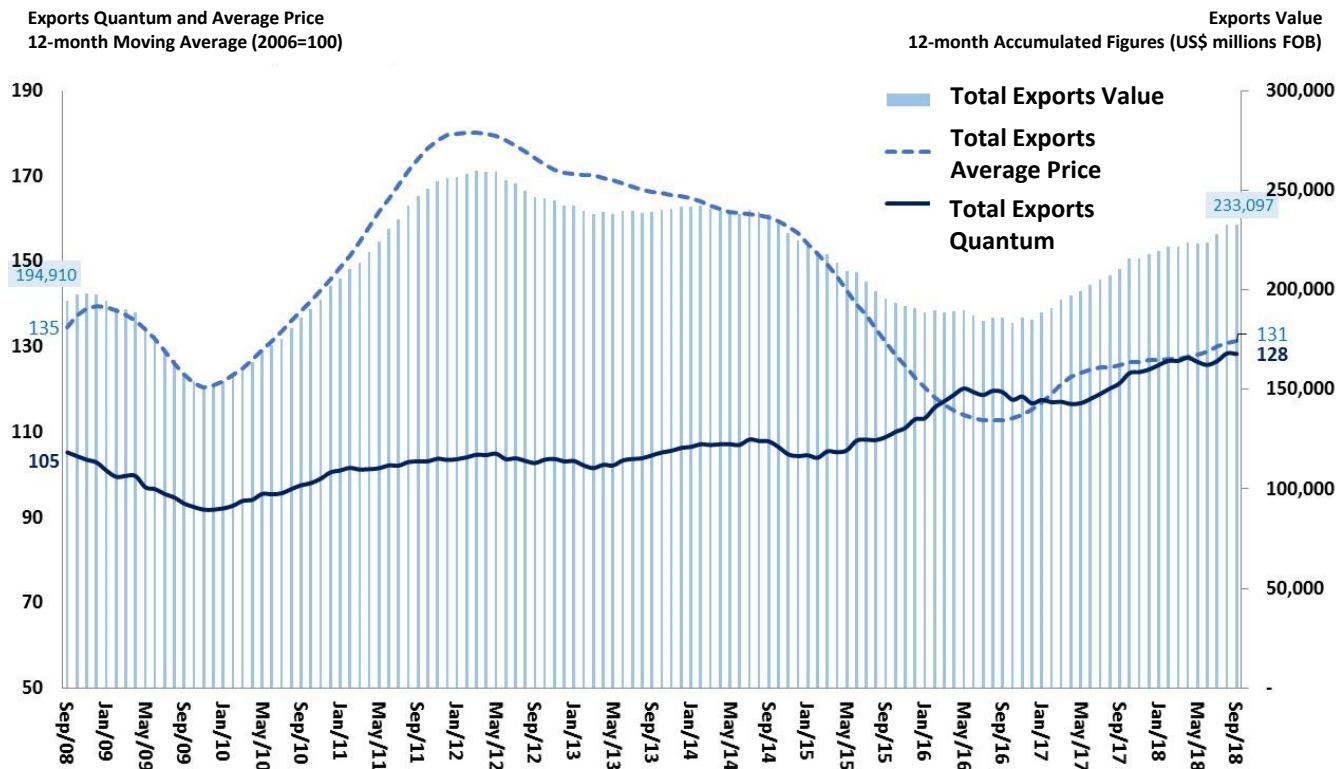
Quantum of Exports and Imports

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



Source: FUNCEX.

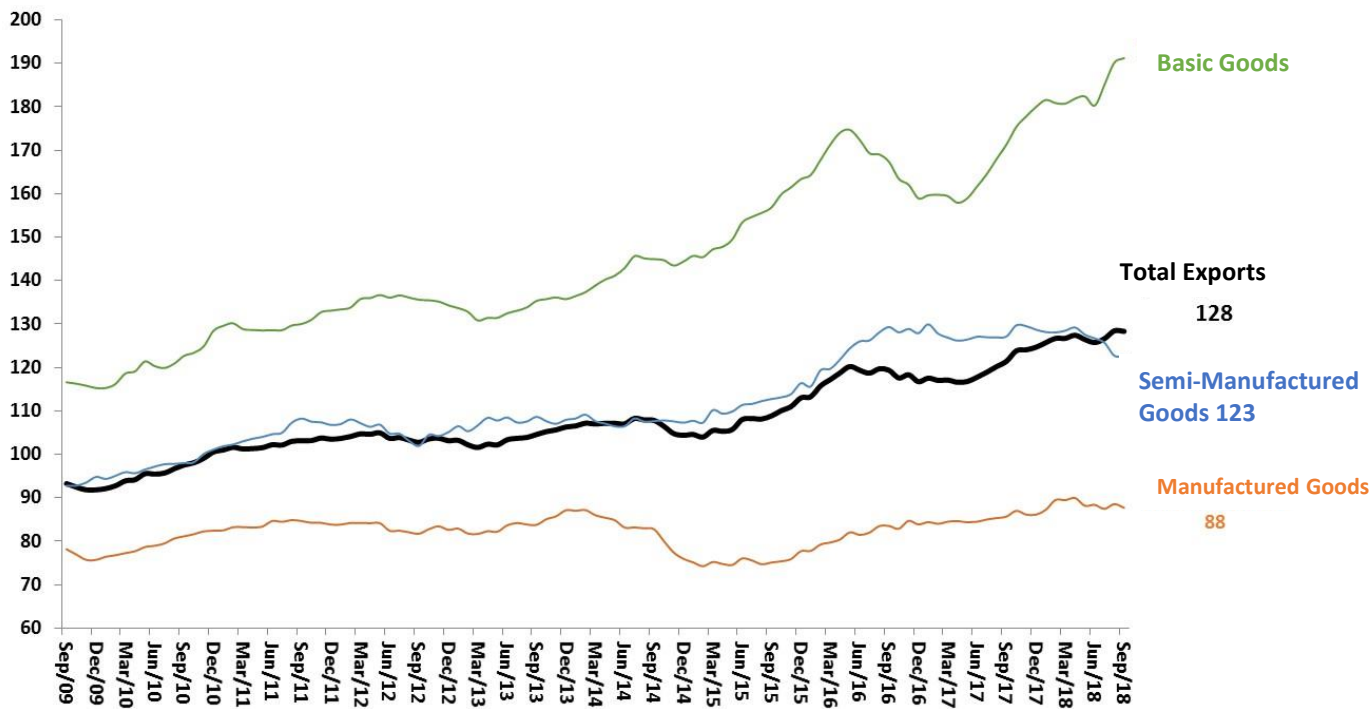
Total Exports: value, quantum and price



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Exports by Class of Products

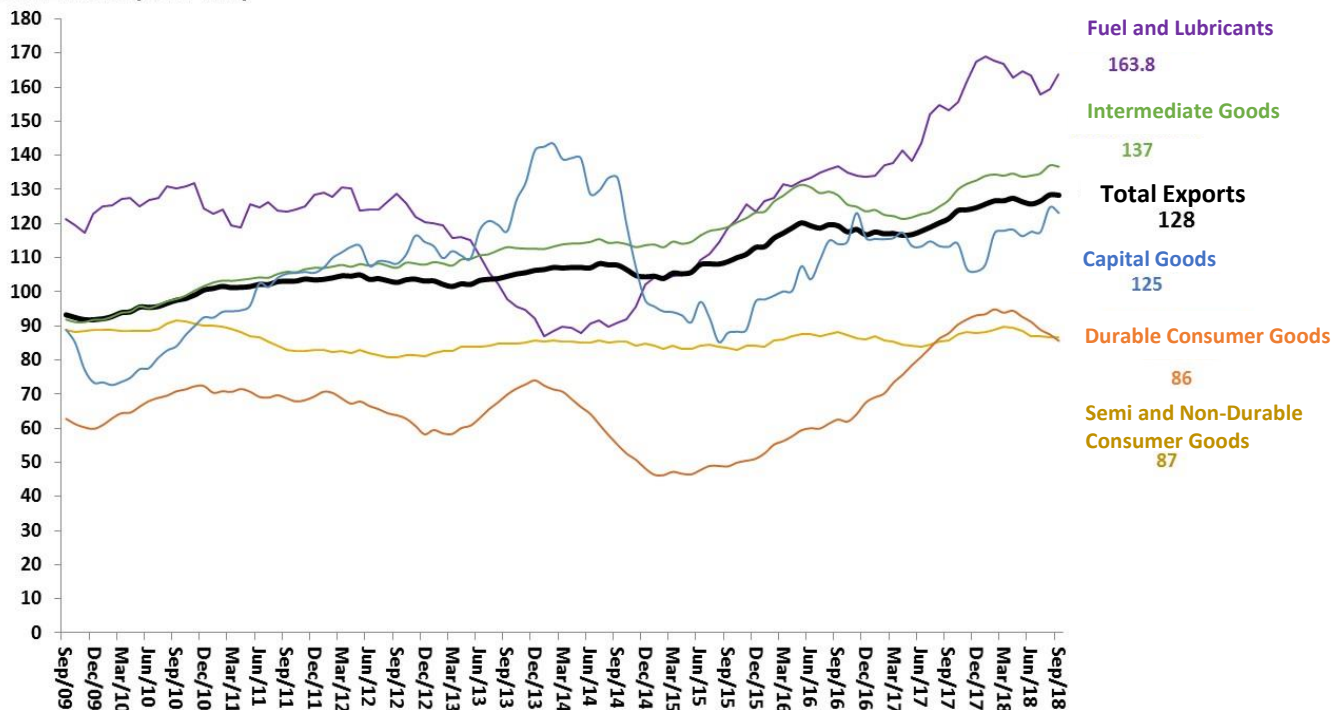
Exports Quantum by Class of Products
12-months Moving Average (2006=100)



Source: FUNCEX.

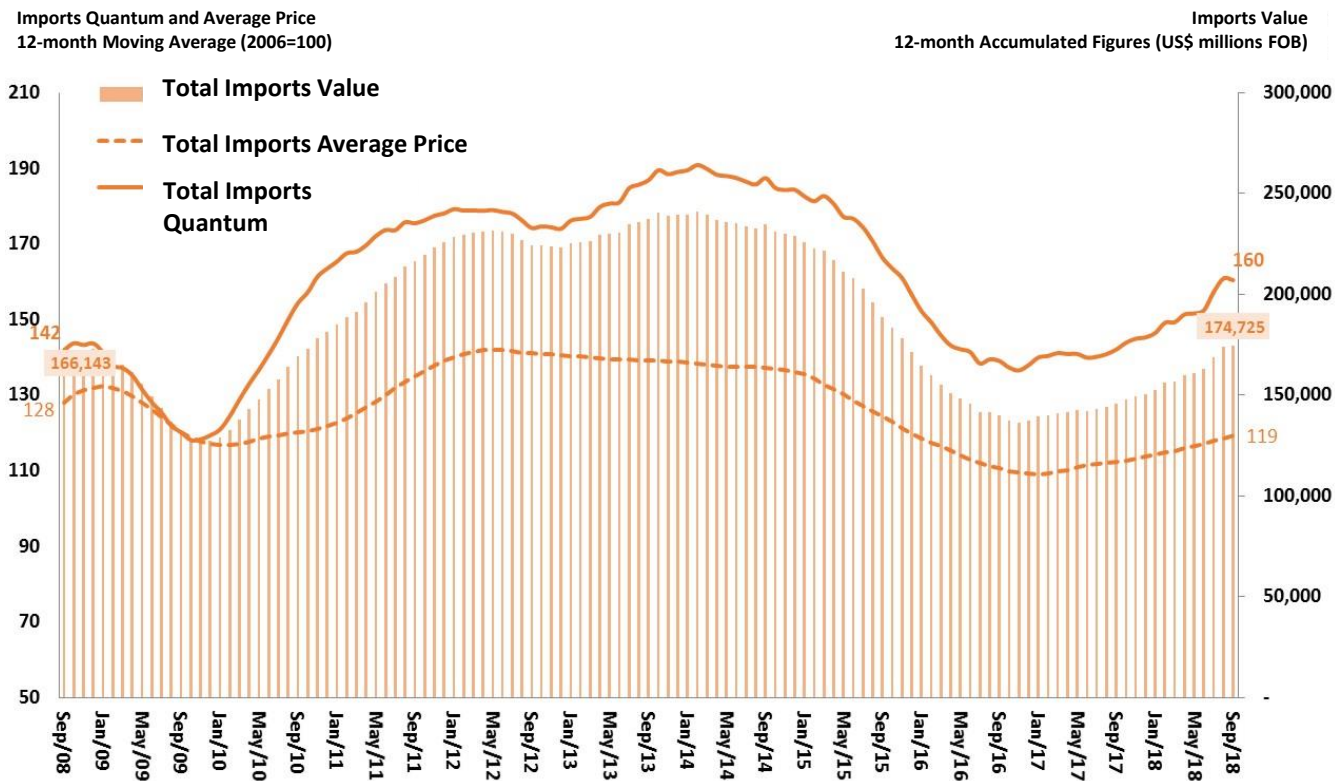
Quantum of Total Exports by Economic Categories

Quantum Exportado
MM 12 meses (2006=100)



Source: FUNCEX.

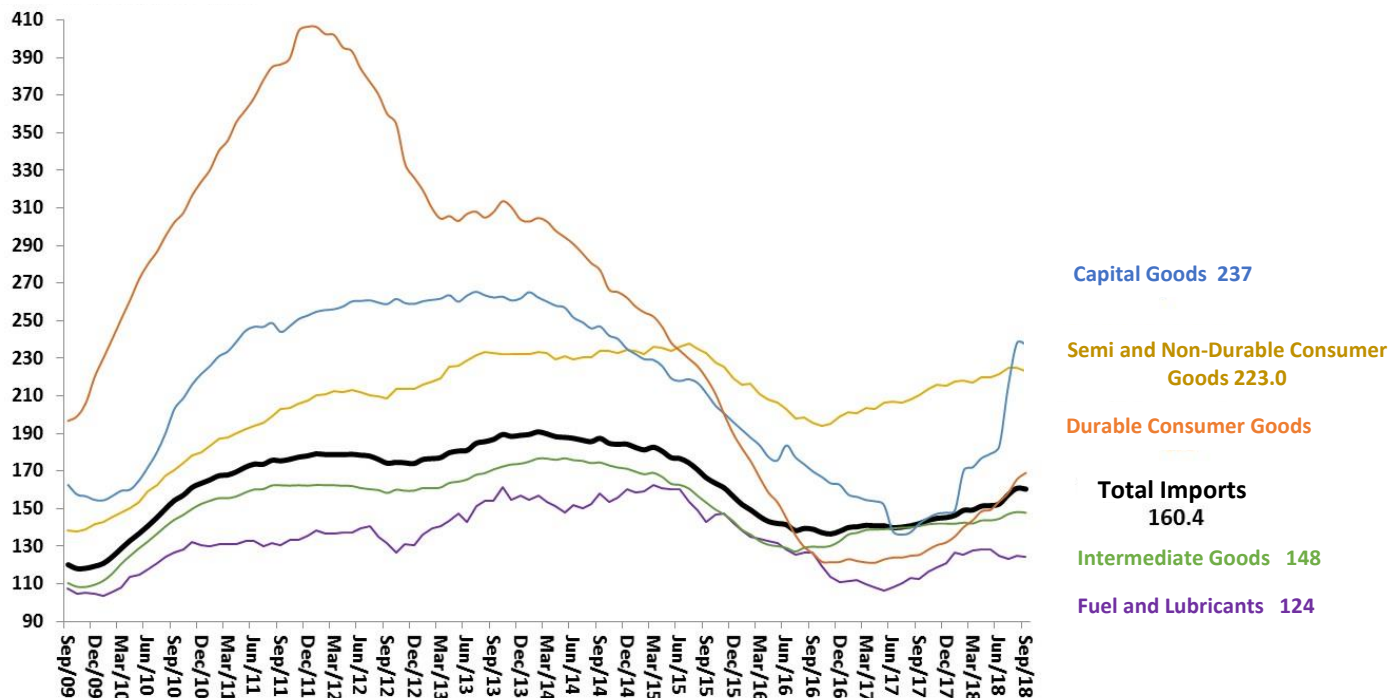
Total Imports: value, quantum and price



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Imports and by Economic Categories

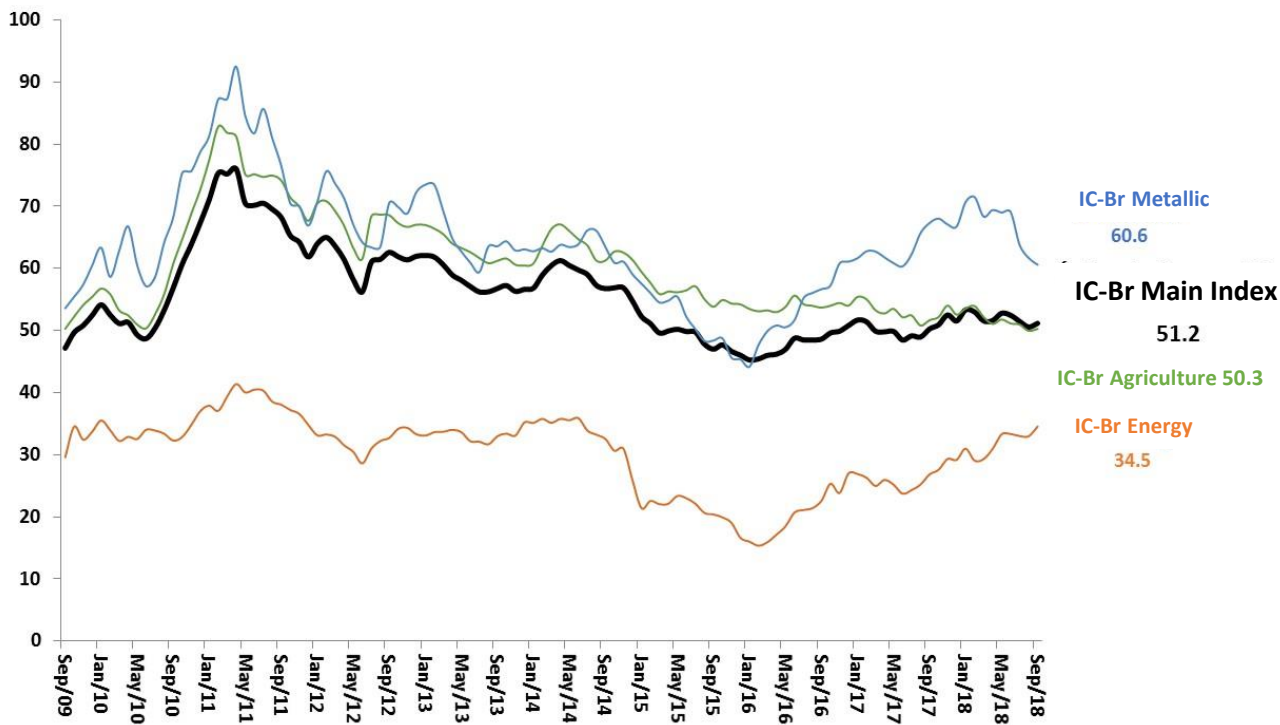
Imports Quantum by Economic Categories
12-month Moving Average (2006=100)



Source: FUNCEX.

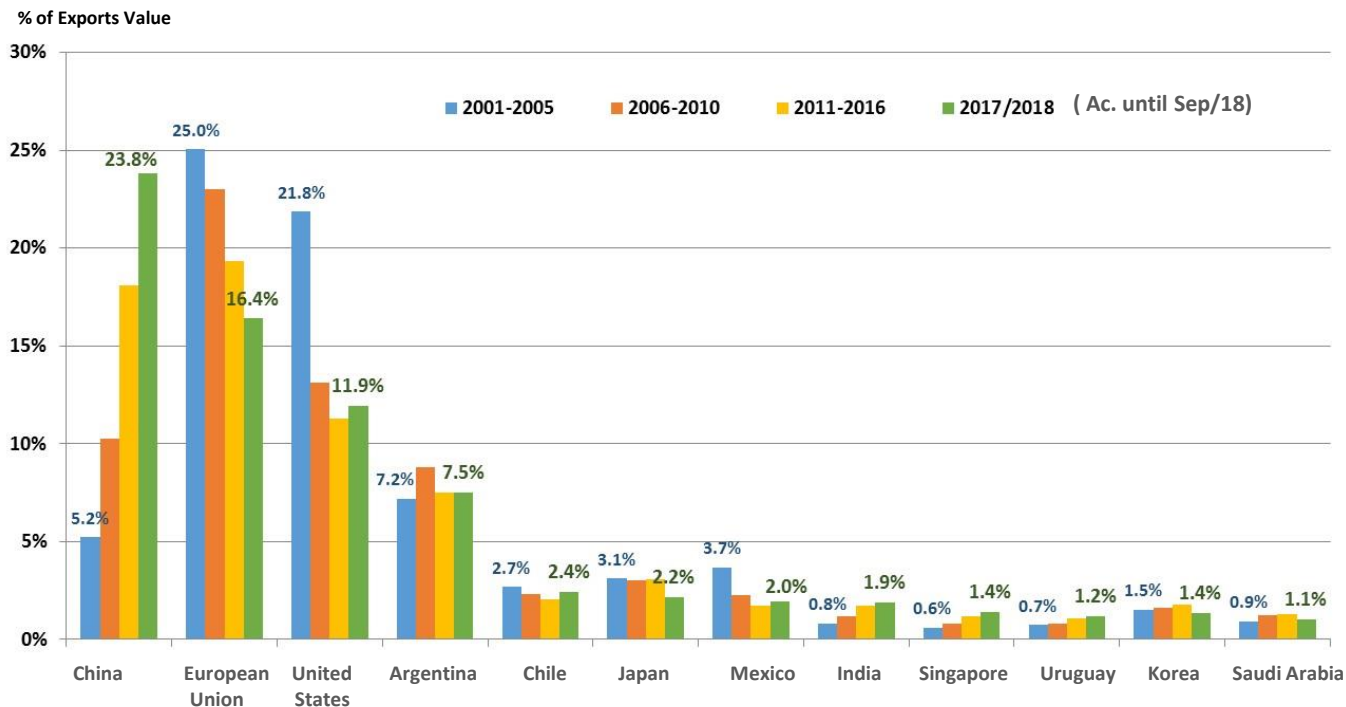
Brazilian Commodity Price Indexes

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



SECRETARIAT OF
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BRAZILIAN
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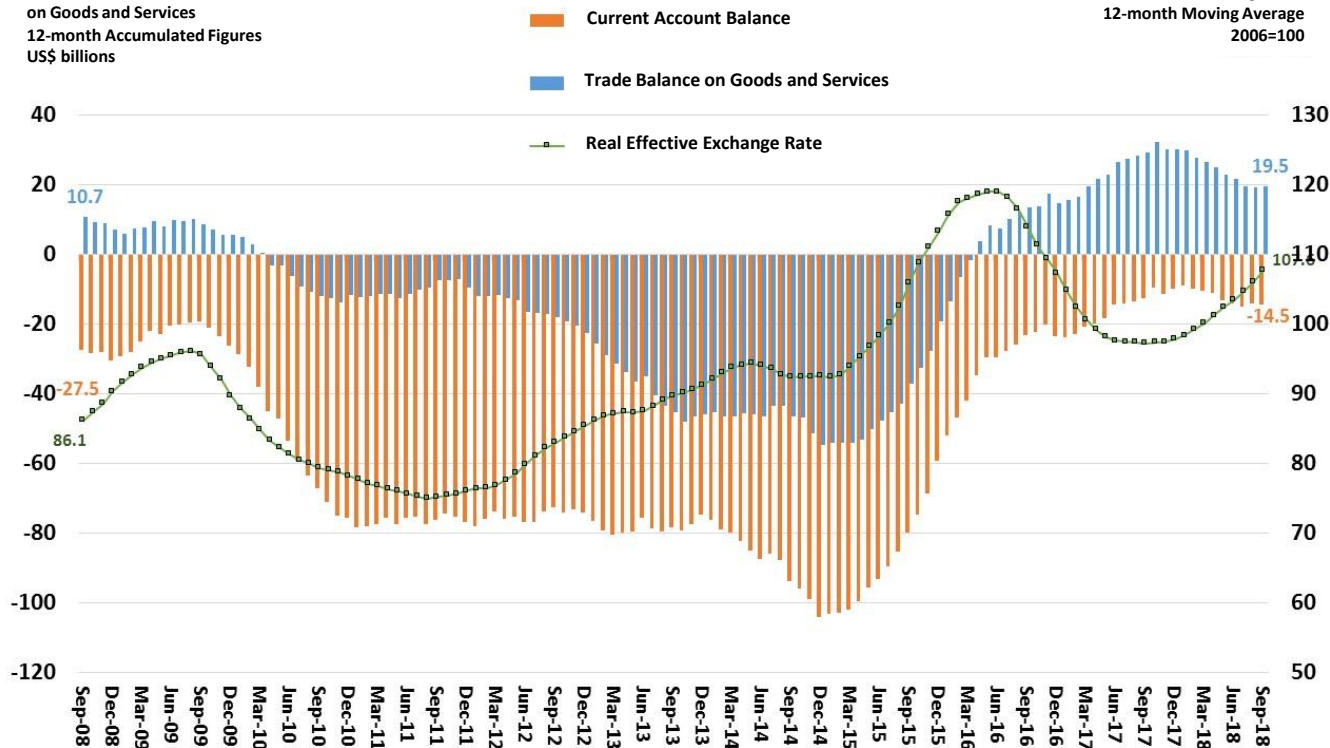
External Sector

										BCB/Focus: 10/26/2018		
Balance of Payments (BCB)	September-18											
In US\$ millions	2016	2017	set/yy accum. in 12-months	chg.% 2017 / 2016	chg.% set/yy accum. 12-m / 2017	chg.% ago/yy - ago/yy	chg.% set/yy - set/yy	chg.% - Jan ago/yy - Jan ago/yy	chg.% - Jan set/yy - Jan set/yy	2018	2019	2020
Balance of Payments	6,857	3,251	5,700	-52.6%	75.3%	98.0%	-39.0%	-40.0%	68.3%			
Current Account Balance (CAB)	-23,684	-9,805	-14,495	-58.6%	47.8%	-324.3%	-92.5%	-80.0%	162.2%	-17.0	-30.0	-39.3
<i>CAB as % of GDP</i>	-1.3%	-0.5%	-0.7%	0.8 pp	-0.3 pp	0.0 pp	-0.1 pp					
Balance on Goods	45,037	64,028	54,161	42.2%	-15.4%			51.3%	-11.1%	55.8	47.7	41.5
Exports	184,453	217,243	232,030	17.8%	6.8%	21.9%	24.5%	18.4%	27.1%	230.8	237.5	248.0
Imports	139,416	153,215	177,869	9.9%	16.1%	0.1%	1.6%	11.0%	21.6%	175.0	189.9	206.5
Balance on Services	-30,447	-33,850	-34,955	11.2%	3.3%	0.1%	1.6%	11.0%	21.6%			
Primary Income	-41,219	-42,615	-36,283	3.4%	-14.9%	-15.4%	-42.9%	11.3%	-13.0%			
Secondary Income	2,944	2,632	2,974	-10.60%	13.0%	43.4%	73.6%	-30.1%	41.4%			
Capital Account	274	379	445	38.6%	17.2%	107.6%	-1.4%	55.5%	50.7%			
Financial Account	-16,553	-6,175	-8,362	-62.7%	35.4%	842.2%	-54.6%	-115.5%	-187.2%			
Direct Investments	-64,978	-64,417	-68,565	-0.9%	6.4%	84.0%	26.8%	24.6%	8.4%			
Foreign Direct Investments (FDI)	77,795	70,685	70,767	-9.1%	0.1%	105.9%	16.9%	12.9%	0.2%	67.0	70.0	76.0
Portfolio Investments	18,993	14,042	5,695	-26.1%	-59.4%	404.9%	104.8%	-43.1%	-93.6%			
Stock Market	-7,503	-2,482	-1,290	-66.9%	-48.0%	-113.4%	-269.9%	-77.6%	-87.8%			
Bonds	30,726	9,713	2,909	-68.4%	-70.0%	1032.0%	29.1%	-82.1%	-157.8%			
Others Investments and Capital Flows	29,432	44,200	54,508	50.2%	23.3%	-3.7%	-24.4%	154.5%	24.9%			
International Reserves - liquidity concept	365,016	373,972	380,738	2.5%	1.8%	-0.1%	-0.1%					
Gross External Debt (BCB)	September-18											
In US\$ millions	2016	2017	Sep-18	2016 % of total	set/yy % of total	chg. pp	2016 % of GDP	set/yy % of GDP	chg. pp			
Total External Debt	675,841	667,103	652,275	100.0%	100.0%	-	37.6%	33.2%	-4.4 pp			
Gross External Debt	326,297	317,305	303,540	48.3%	46.5%	-1.7 pp	18.2%	15.5%	-2.7 pp			
Public Sector	74,379	75,791	72,876	22.8%	24.0%	1.2 pp	4.1%	3.7%	-0.4 pp			
Private Sector and Public Financial Sector	251,918	241,514	230,664	77.2%	76.0%	-1.2 pp	14.0%	11.7%	-2.3 pp			
Short Term	56,327	51,287	59,015	17.3%	19.4%	2.2 pp	3.1%	3.0%	-0.1 pp			
Medium and Long Term	269,970	266,018	244,525	82.7%	80.6%	-2.2 pp	15.0%	12.5%	-2.6 pp			
Intercompany Loans	222,344	227,841	243,971	32.9%	37.4%	4.5 pp	12.4%	12.4%	0.1 pp			
Domestic Bonds with Foreign Investors	127,199	121,956	104,764	18.8%	16.1%	-2.8 pp	7.1%	5.3%	-1.7 pp			

Brazil: Real Exchange Rate and External Sector Adjustment

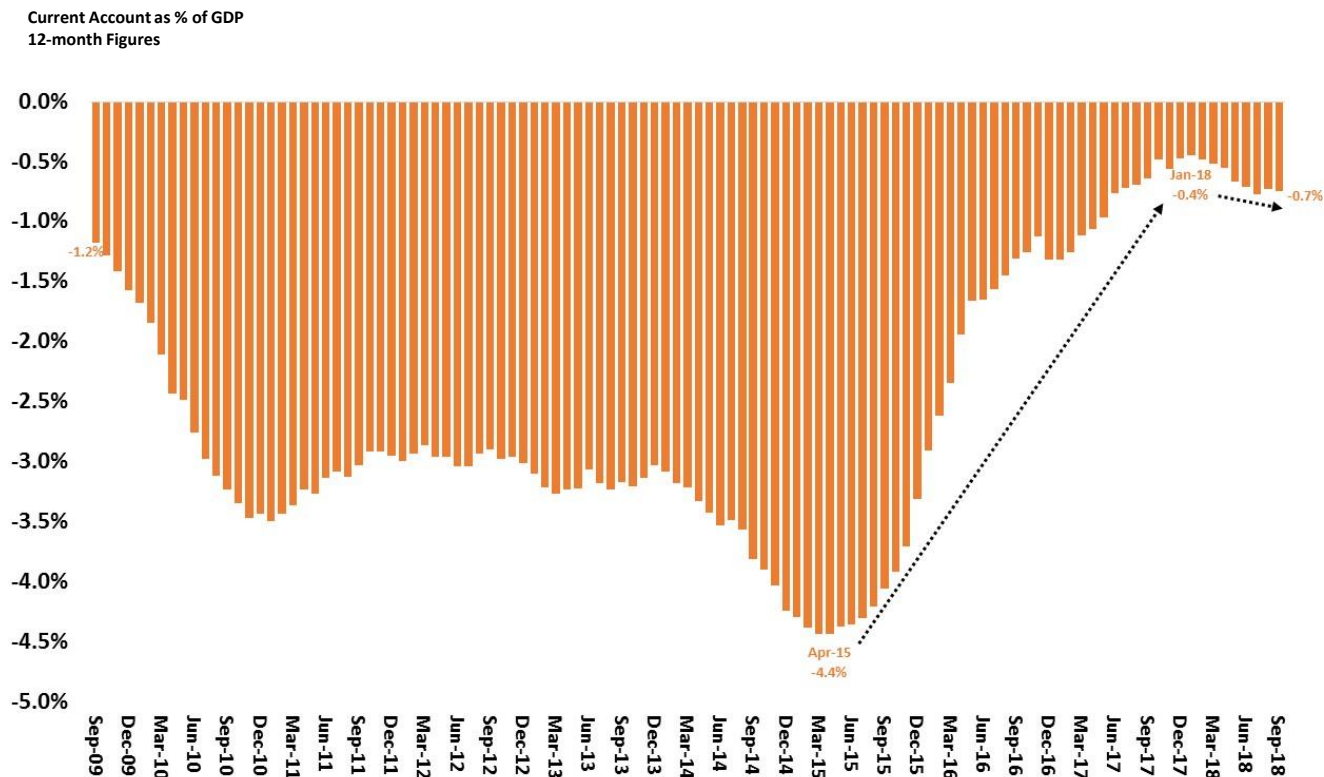
Current Account Balance and Trade Balance
on Goods and Services
12-month Accumulated Figures
US\$ billions

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



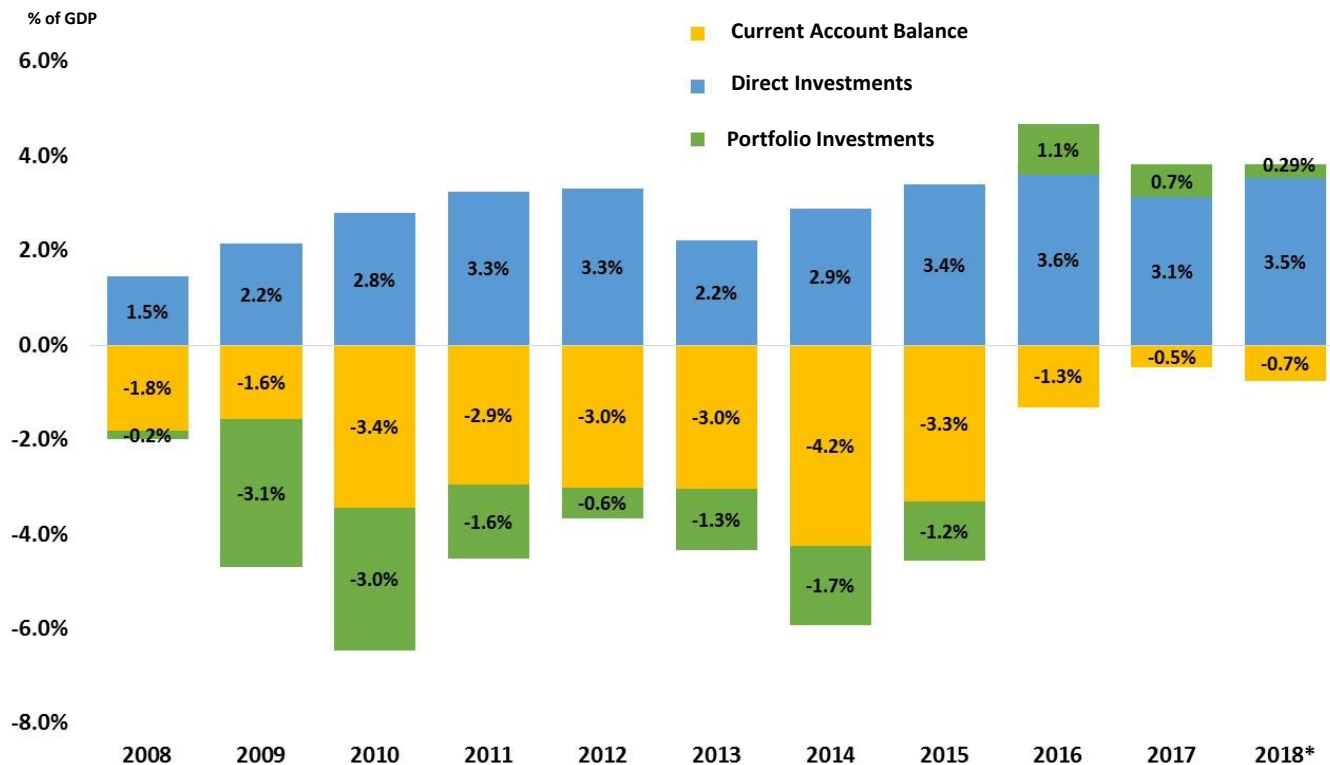
Source: Central Bank of Brazil.

Current Account Deficit as % of GDP



Source: Central Bank of Brazil.

Current Account Deficit Financing

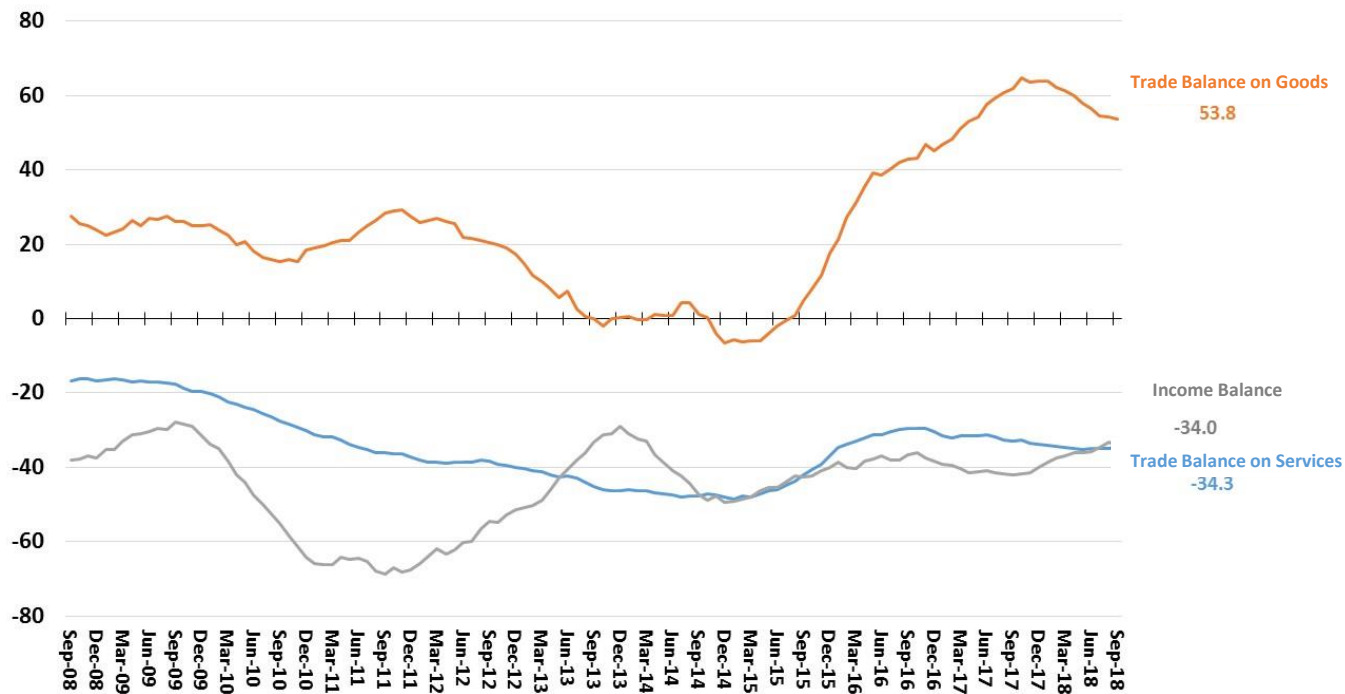


Source: Central Bank of Brazil.

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

Current Account Balance Components

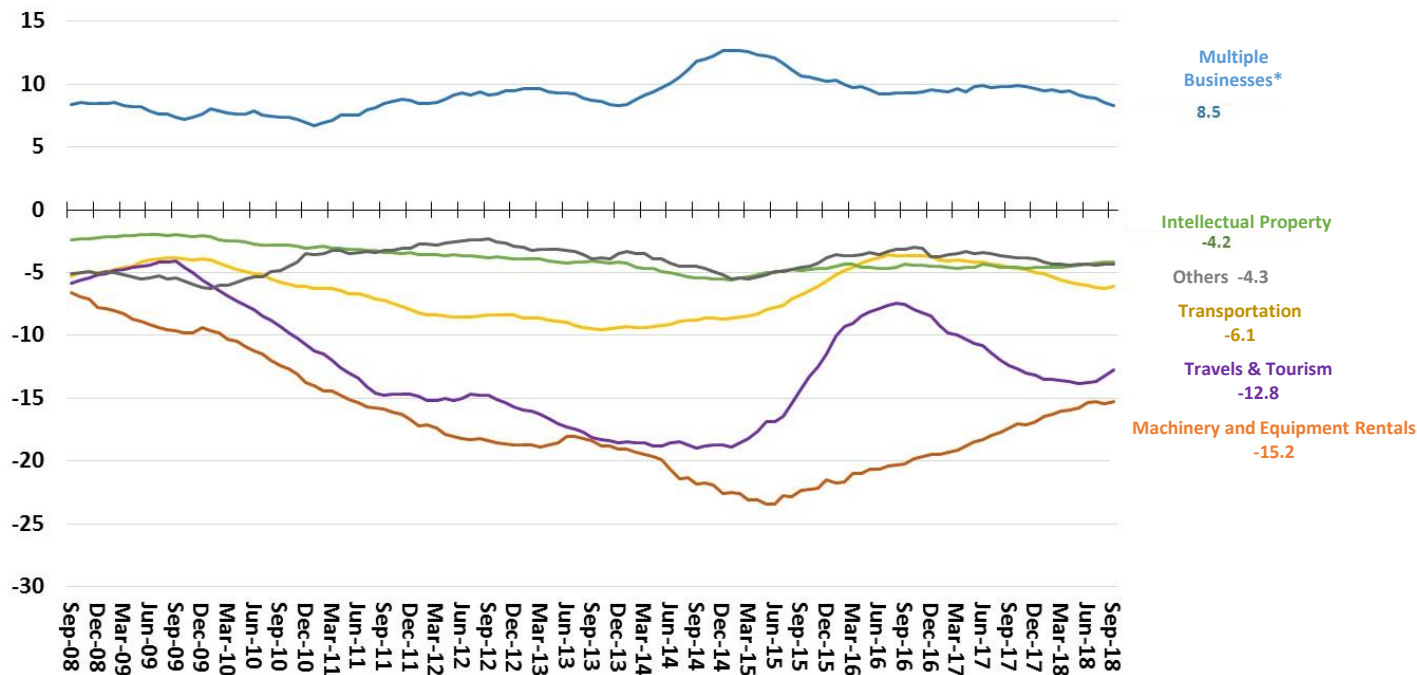
External Accounts Balance
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

Service Account Balance and Components

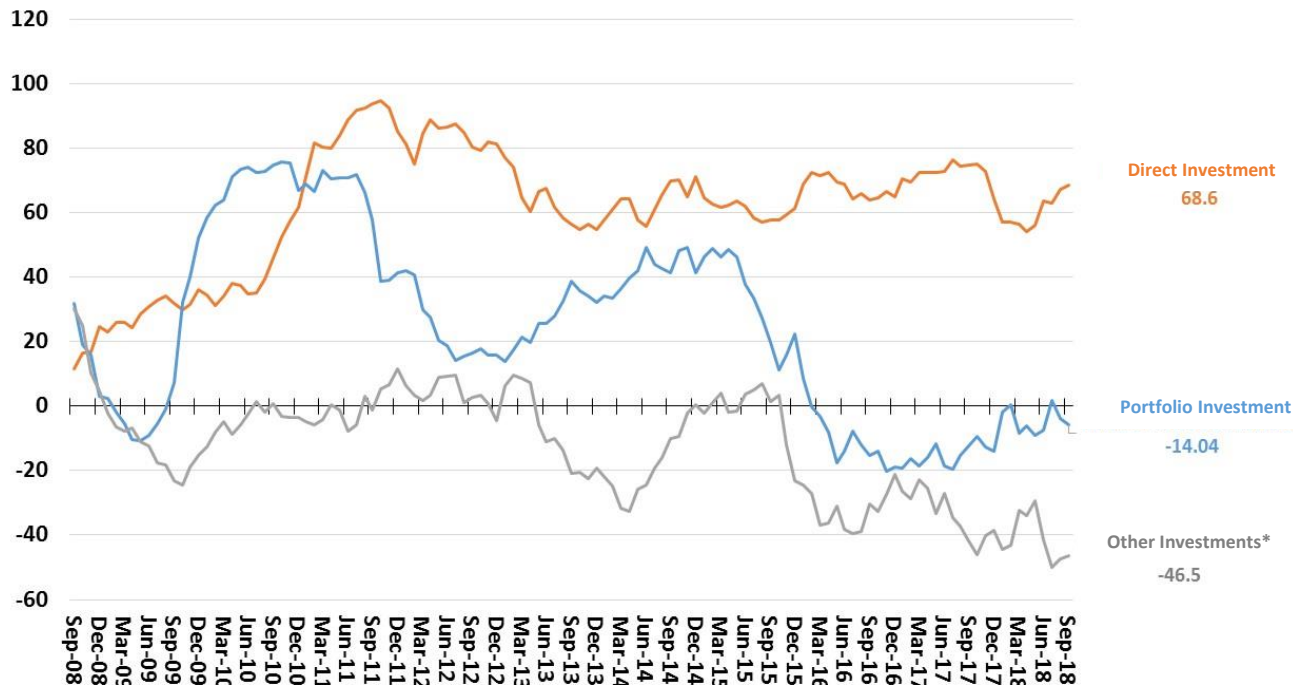
External Accounts Balance
12-month Accumulated - US\$ billions



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

Financial Account Balance and Components

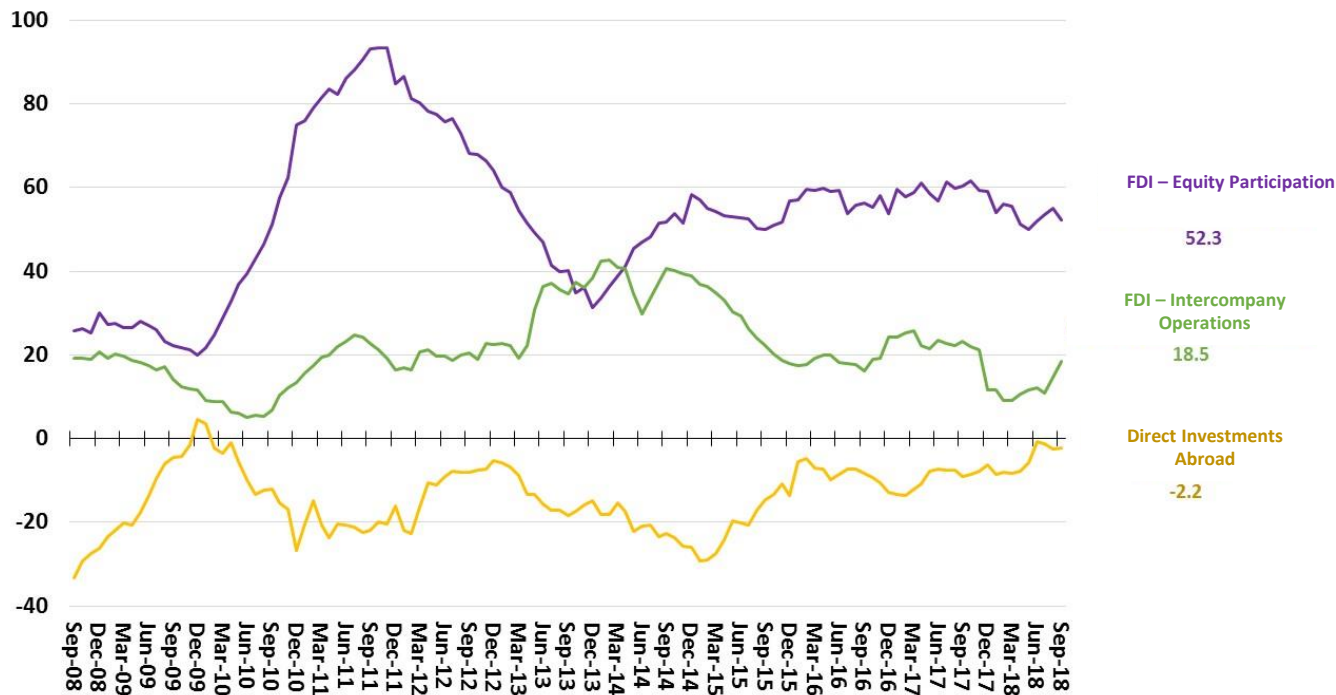
External Financial Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



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

Direct Investments and Components

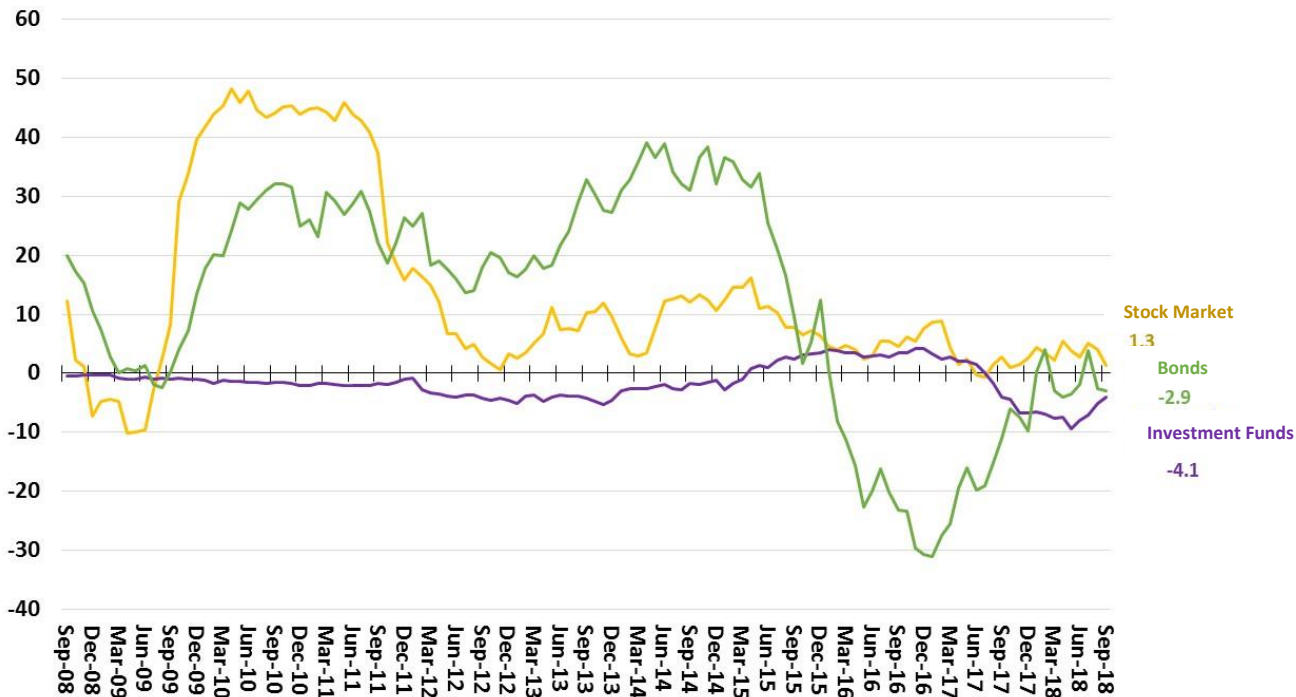
Direct Investment Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

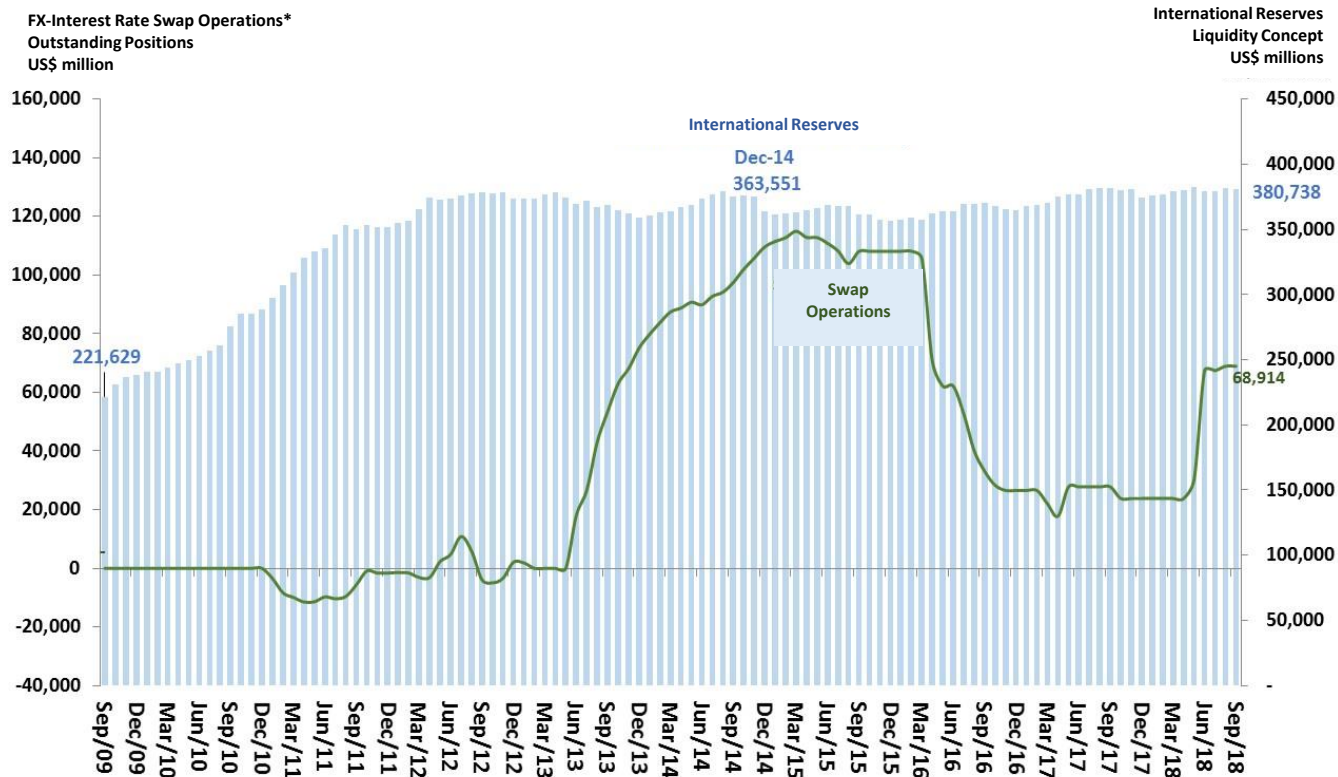
Portfolio Investments and Components

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



**SECRETARIAT OF
PLANNING AND ECONOMIC
AFFAIRS**

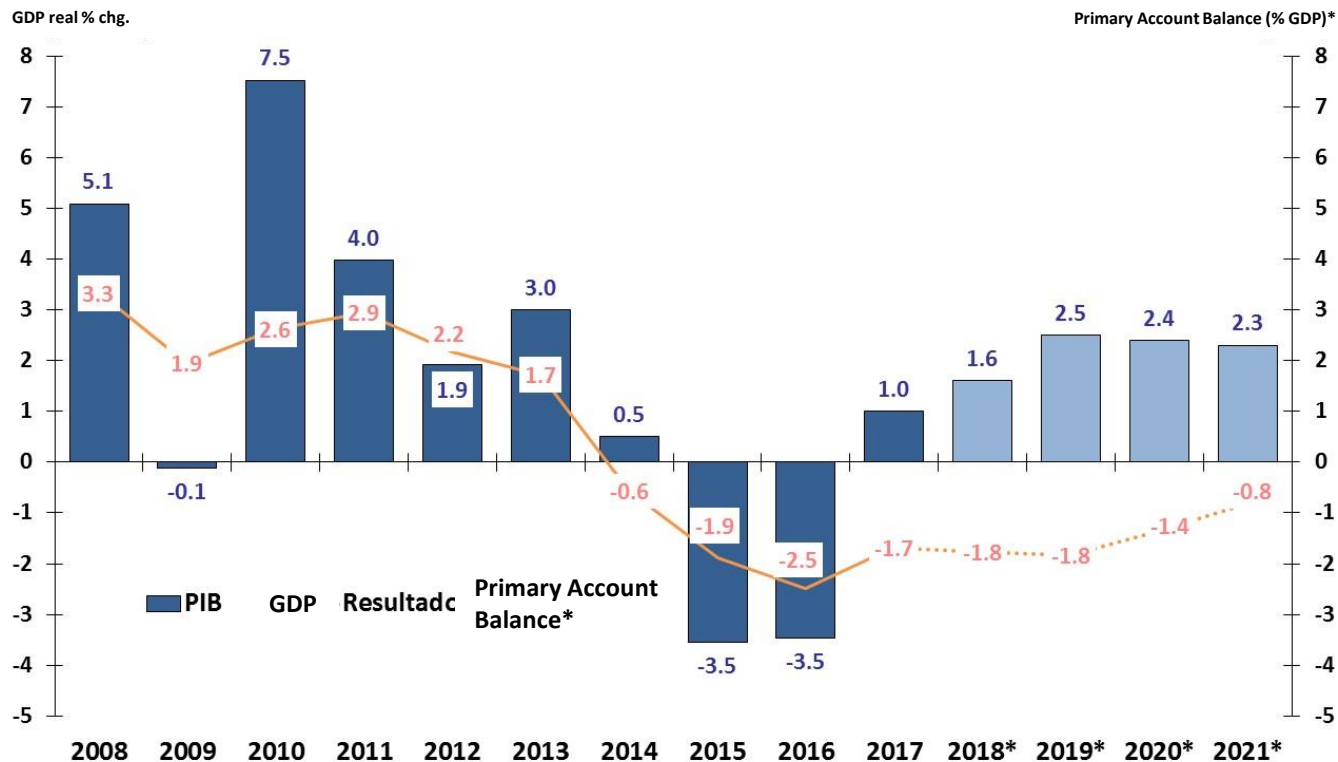
**MINISTRY OF
PLANNING, DEVELOPMENT
AND MANAGEMENT**

**BRAZILIAN
GOVERNMENT**

Public Sector Accounts

										BCB/Focus: 10/26/2018		
Federal Government Accounts		September-18 12-month Accumulated Figures (in R\$ millions)					chg. %					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	set/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	1,480,305	5.2%	7.0%	9.9%		
National Treasury		871,836	883,971	897,517	956,816	1,008,297	1,096,375	5.4%	8.7%	12.2%		
Social Security General System		307,147	337,503	350,272	358,137	374,785	383,930	4.6%	2.4%	3.5%		
States and Municipalities Mandatory Transfers (b)		181,895	198,462	204,684	226,835	228,335	246,740	0.7%	8.1%	10.9%		
Net Primary Revenue (a-b)		997,088	1,023,013	1,043,105	1,088,118	1,154,746	1,233,565	6.1%	6.8%	9.6%		
Total Primary Expenditure		920,095	1,040,223	1,159,535	1,249,393	1,279,008	19,217	2.4%	4.3%	5.9%		
National Treasury		563,092	646,022	723,445	741,522	721,773	753,839	-2.7%	4.4%	6.2%		
Social Security General System		357,003	394,201	436,090	507,871	557,235	579,816	9.7%	4.1%	5.6%		
Federal Government Accounts		September-18 12-month Accumulated Figures (in R\$ millions)					% of GDP					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	set/yy accum. in 12-months	2016	2017	set/yy accum. in 12-months		
Primary Account Balance of Federal Government (STN/MF)		76,994	-17,211	-116,430	-161,276	-124,261	-100,091	-2.6%	-1.9%	-1.5%		
National Treasury		126,850	39,487	-30,612	-11,542	58,189	95,796	-0.2%	0.9%	1.4%		
Social Security General System		-49,856	-56,698	-85,818	-149,734	-182,450	-195,887	-2.4%	-2.8%	-2.9%		
Consolidate Public Sector Accounts		September-18 12-month Accumulated Figures (in R\$ millions)					% of GDP					
Public Sector Financial Need (Central Bank of Brazil - BCB)		2013	2014	2015	2016	2017	set/yy accum. in 12-months	2015	2016	set/yy accum. in 12-months		
Primary Account Balance Target (% GDP)											-1.78%	-1.84%
Primary Account Balance		-91,306	32,536	111,249	155,791	110,583	87,794	2.5%	1.7%	1.3%	-1.9%	-1.5%
Federal Government		-75,291	20,472	116,656	159,473	-3,361	94,104	2.5%	1.8%	1.4%		
States and Municipalities		-16,337	7,790	-9,684	-4,666	-7,498	-3,832	-0.1%	-0.1%	-0.1%		
State Owned Companies (except Petrobrás and Eletrobrás)		322	4,274	4,278	983	-362	-2,478	0.0%	0.0%	0.0%		
Net Financial Public Expenditure (Debt Interest Payments)		248,856	311,380	501,786	407,024	400,826	401,040	6.5%	6.1%	5.9%		
Nominal Account Balance		157,550	343,916	613,035	562,815	511,408	488,835	9.0%	7.8%	7.2%	-7.2%	-6.8%
General Public Sector Debt (BCB)		September-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	Sep-18	dez/yy - dez/yy	dez/yy - dez/yy	set/yy - dez/yy		
Consolidated Public Sector		1,626,335	1,883,147	2,136,888	2,892,913	3,382,942	3,543,585	35.38%	16.94%	4.75%		
Federal Government		1,025,358	1,200,680	1,312,962	2,090,133	2,534,119	2,635,319	59.2%	21.2%	4.0%		
States and Municipalities		569,794	643,066	771,635	747,503	789,403	846,473	-3.1%	5.6%	7.2%		
State Owned Companies (except Petrobrás and Eletrobrás)		31,183	39,402	52,292	55,278	59,420	61,793	5.7%	7.5%	4.0%		
Net Domestic Debt		2,341,011	674,096	3,289,112	3,856,985	4,393,145	4,759,722	17.3%	13.9%	8.3%		
Net External Debt		-714,676	-786,400	-1,152,224	-964,072	-1,010,203	-1,216,137	-16.3%	-4.8%	20.4%		
General Public Sector Net Debt (% GDP)		30.5%	32.6%	35.6%	46.2%	51.6%	52.2%	10.6 pp	5.4 pp	0.6 pp	54.0%	56.8%
General Public Sector Gross Debt (% GDP)		51.5%	56.3%	65.5%	70.0%	74.0%	77.2%	4.5 pp	4.1 pp	3.2 pp		
General Public Sector Gross Debt (in R\$ millions)		3,177,361	3,560,826	4,300,759	4,853,850	5,449,151	5,804,033	12.88%	12.26%	6.51%		

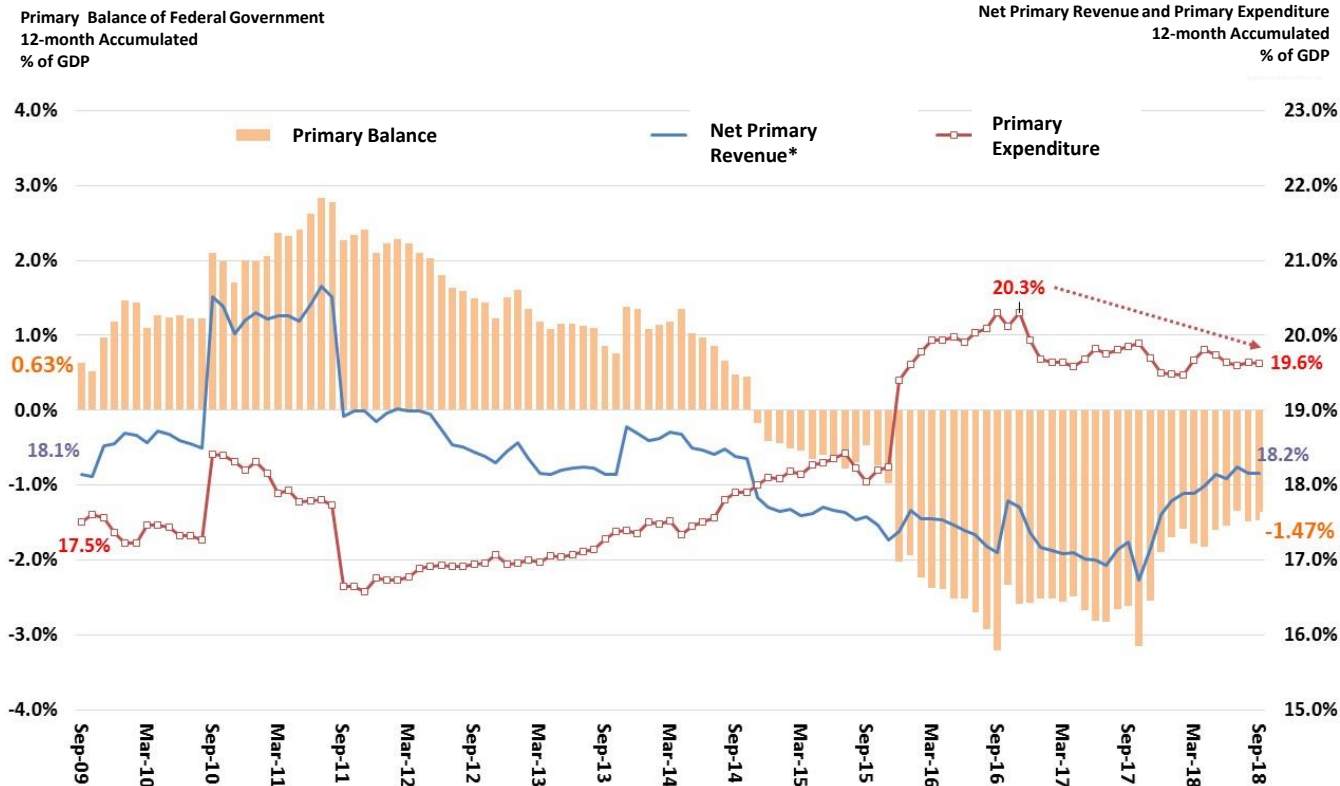
Fiscal Adjustment and Economic Recovery



Sources: IBGE, MF and MP.

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

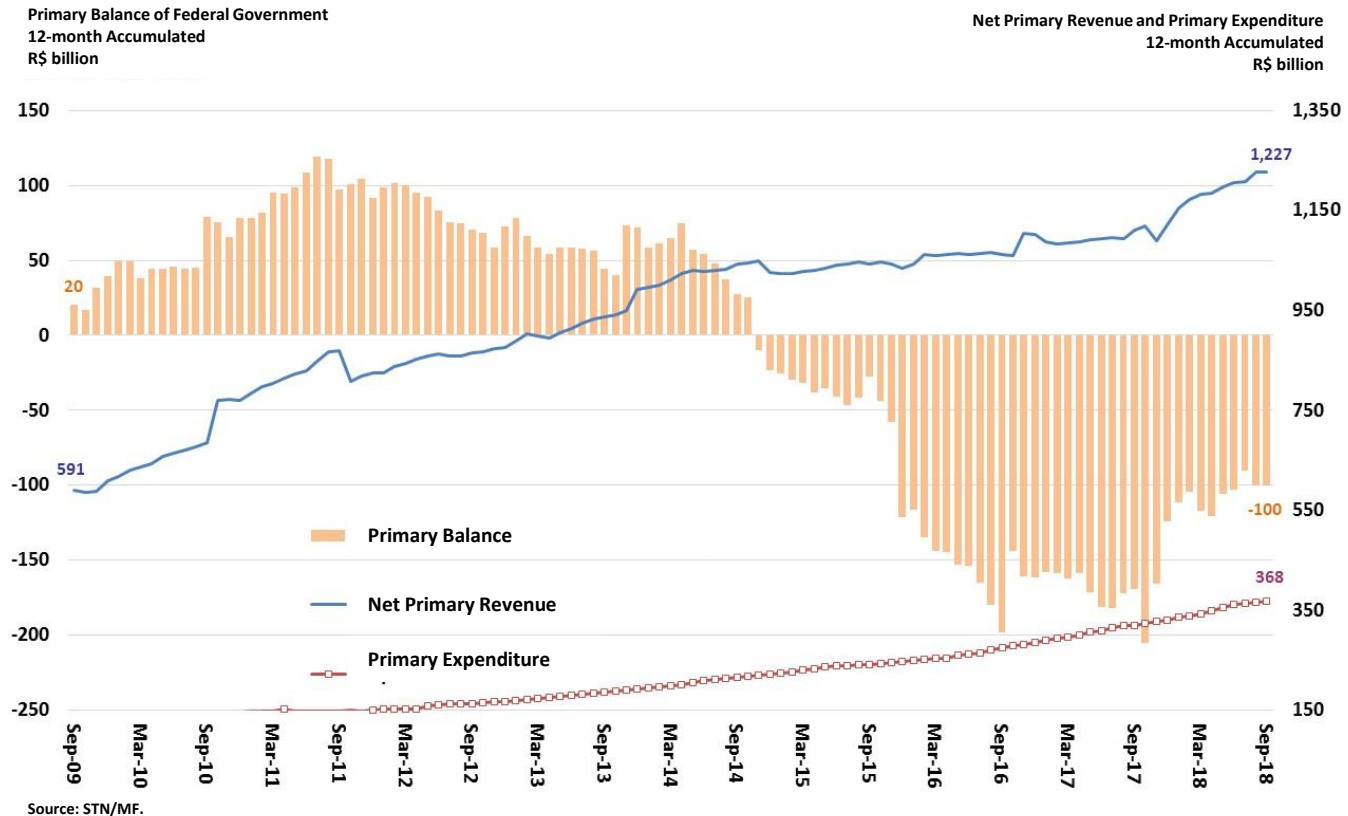
Primary Balance of Federal Government (as % GDP)



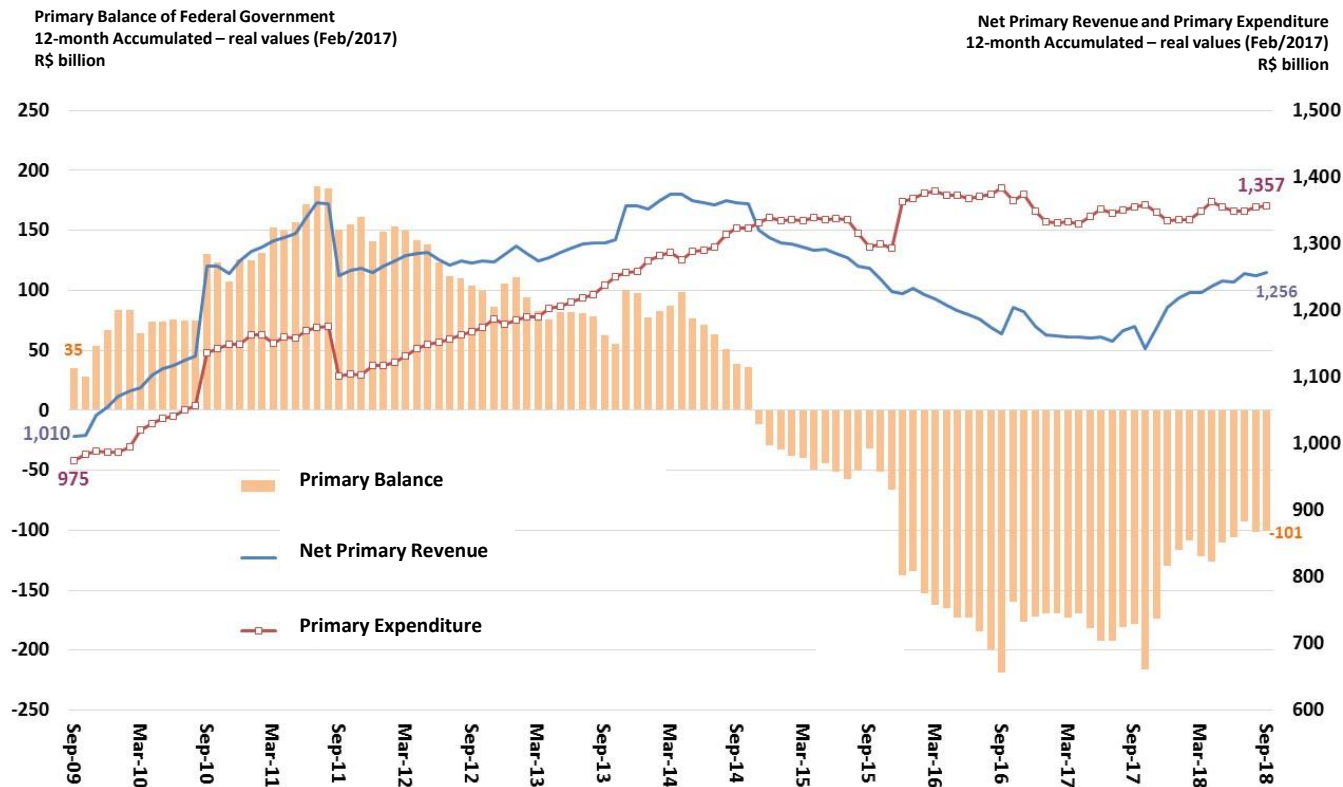
Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

Primary Balance of Federal Government (nominal values)

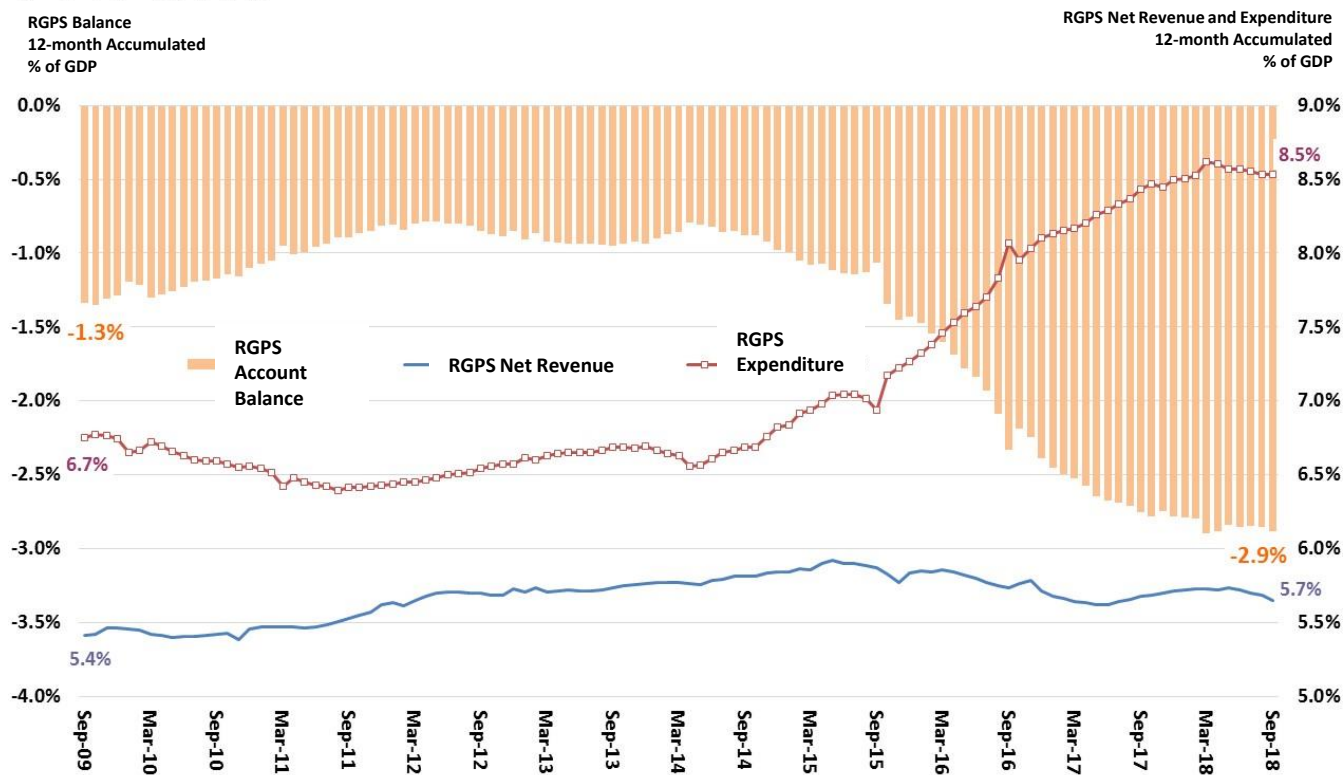


Primary Balance of Federal Government (real values)



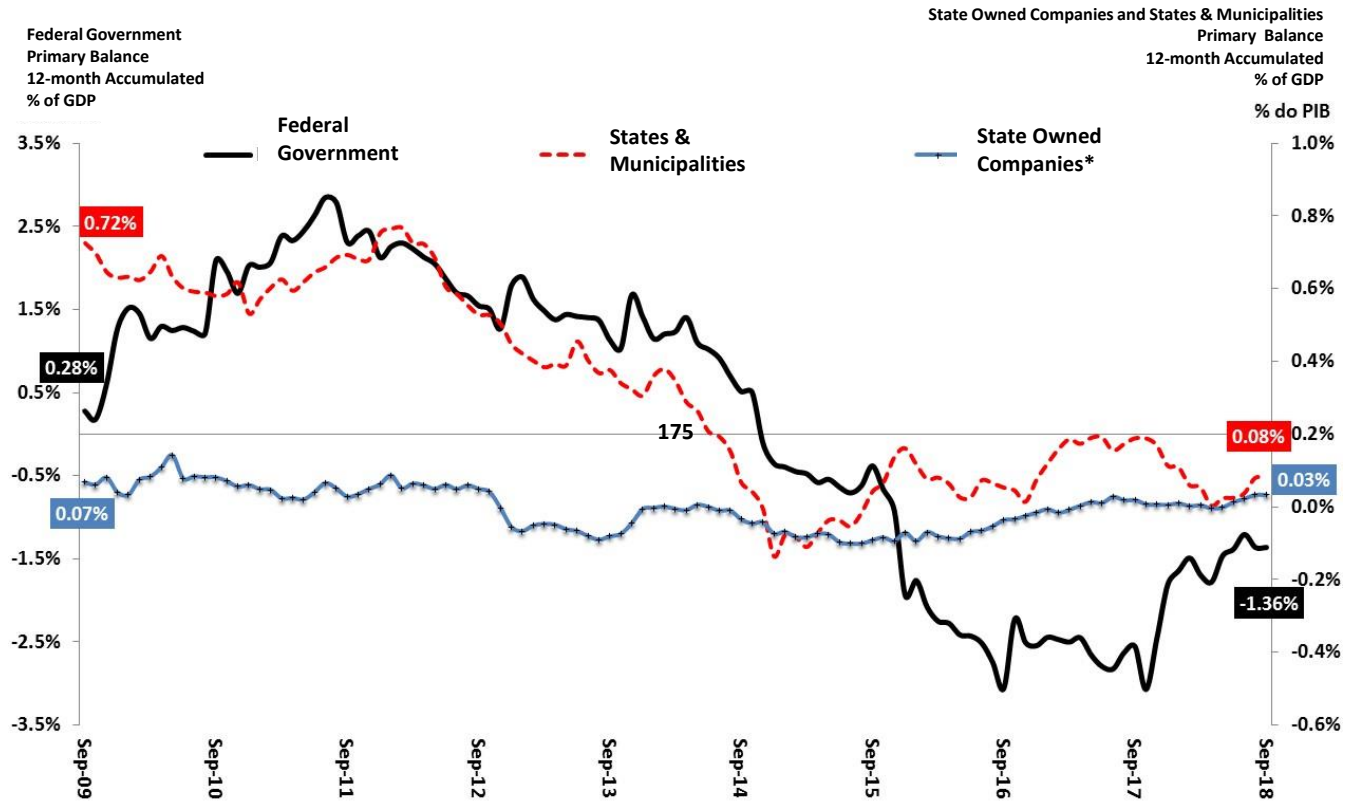
Source: STN/MF.

General Social Security System (RGPS) Balance



Sources: STN/MF.

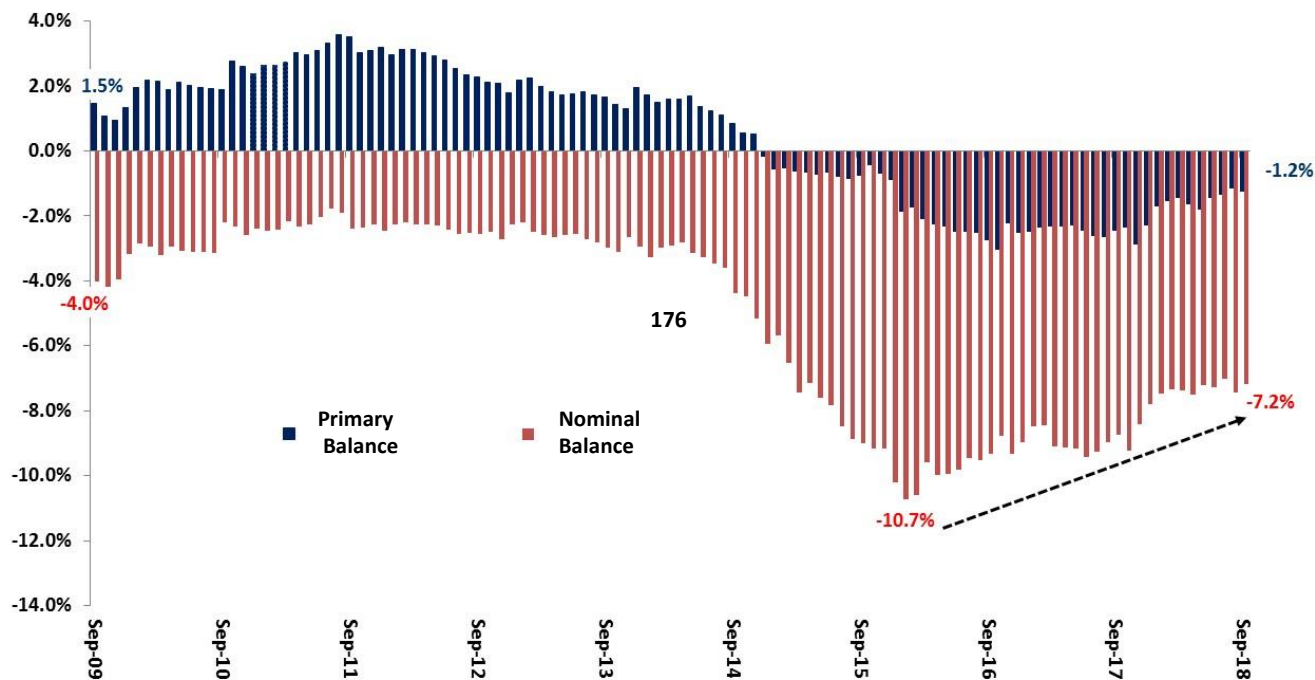
Public Sector Primary Balance (as % GDP)



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

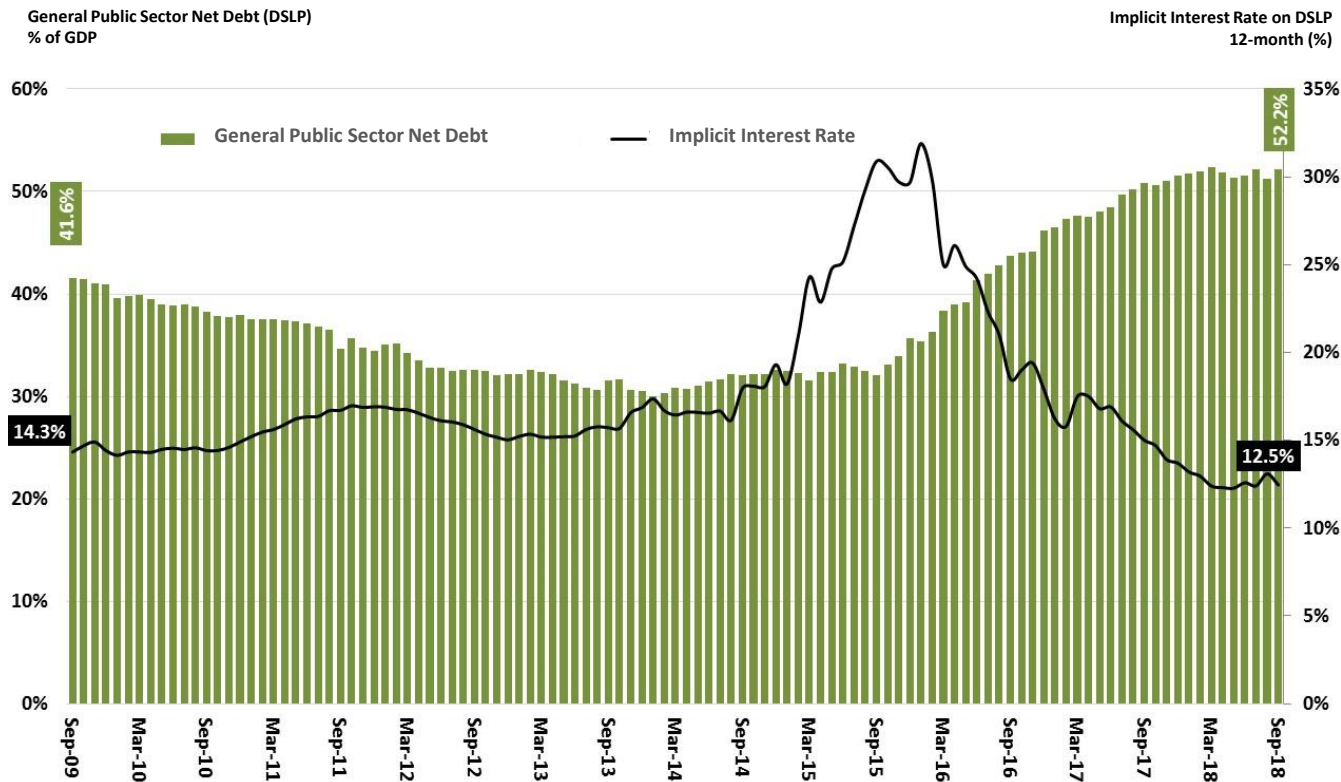
Public Sector Primary and Nominal Balance

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



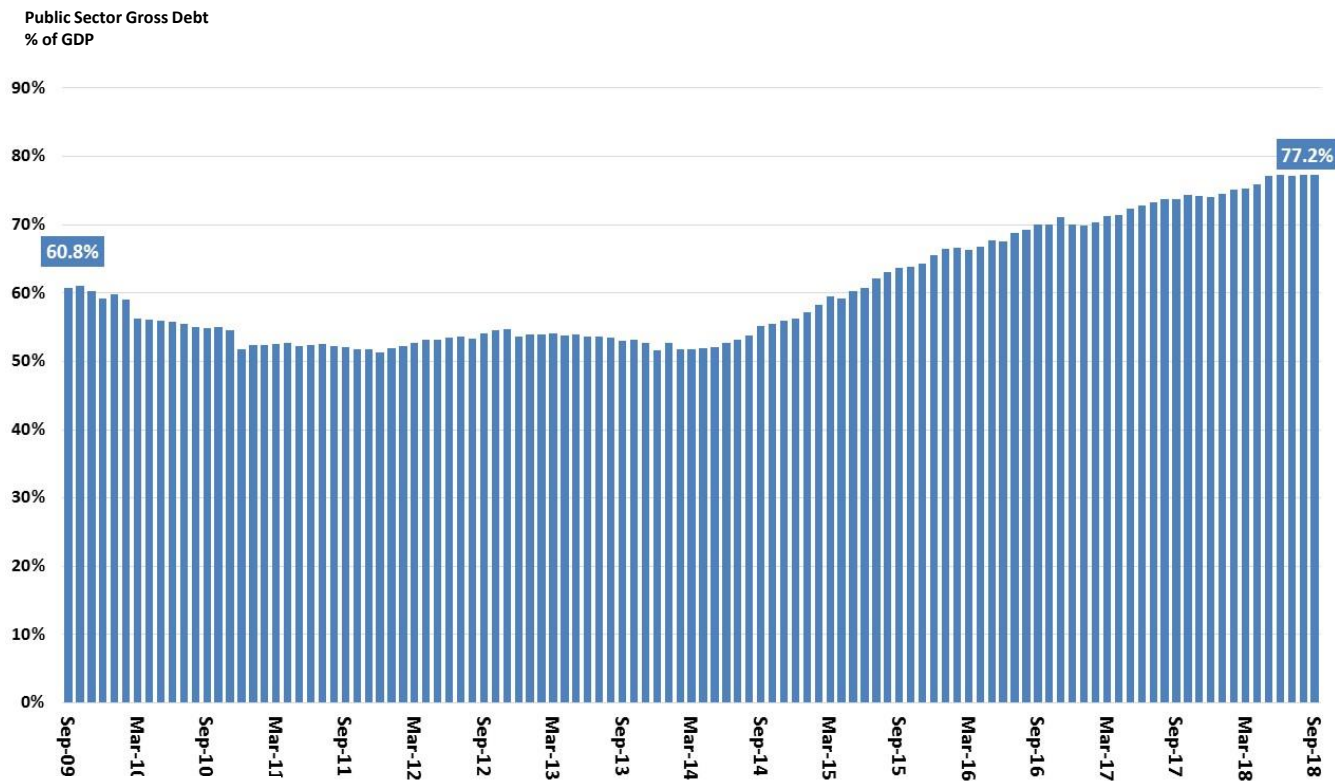
Source: Central Bank of Brazil.

Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.


Public Sector Gross Debt (as % GDP)



Source: Central Bank of Brazil.



WORLD ECONOMY



**SECRETARIAT OF
PLANNING AND ECONOMIC
AFFAIRS**

**MINISTRY OF
PLANNING, DEVELOPMENT
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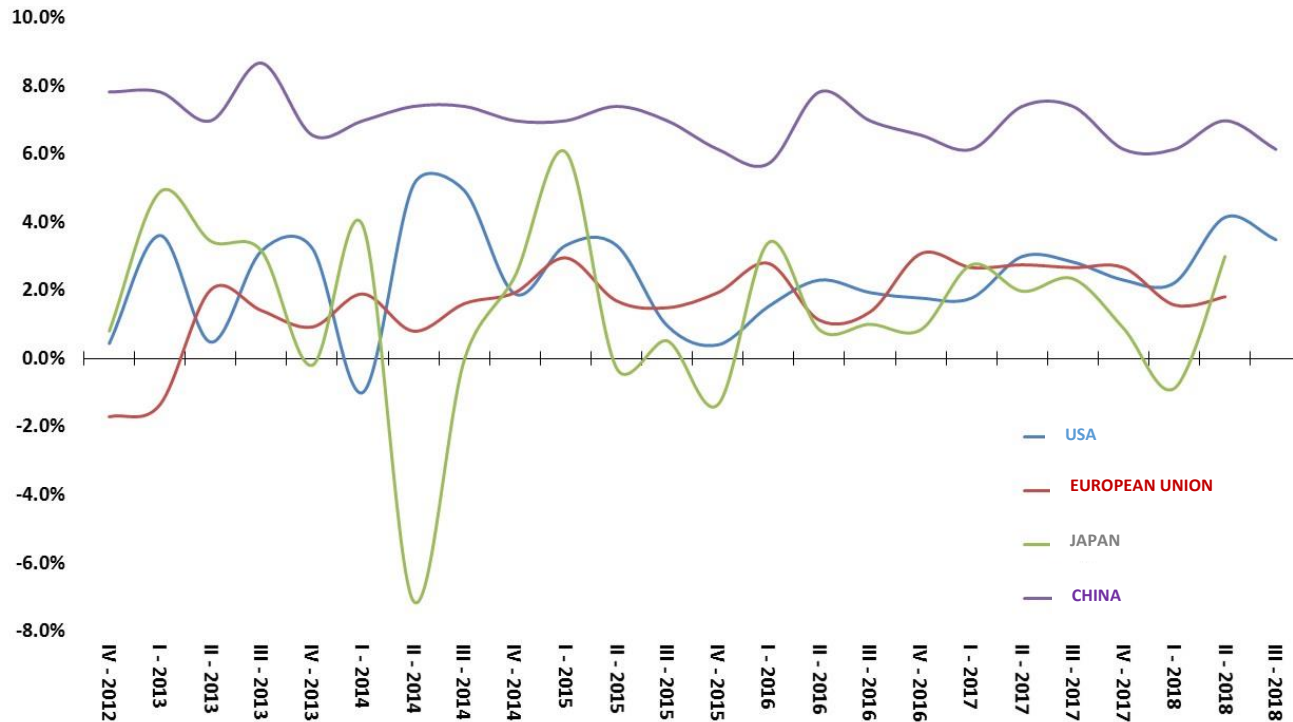
**BRAZILIAN
GOVERNMENT**

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	Q2 2018	2013	2014	2015	2016	2017	Q1-2018 / Q1-2017	Q2-2018 / Q2-2017	Q4-2017 accum. in 4- quarters	Q1-2018 accum. in 4- quarters	Q2-2018 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%	2.6%	2.9%	2.2%	2.4%	2.6%	2.9%	2.5%
Household Expenditure		1.5%	2.9%	3.7%	2.7%	2.5%	2.4%	2.6%	2.5%	2.5%	2.5%		
Government Expenditure		-2.4%	-0.9%	1.9%	1.4%	-0.1%	0.7%	1.3%	-0.1%	0.1%	0.4%		
Gross Fixed Capital Formation		6.9%	5.4%	4.8%	-1.3%	4.8%	6.2%	4.8%	4.8%	5.6%	5.7%		
Exports of Goods and Services		3.6%	4.3%	0.6%	-0.1%	3.0%	4.3%	5.7%	3.0%	3.5%	4.2%		
Imports of Goods and Services (-)		1.5%	5.1%	5.5%	1.9%	4.6%	5.0%	4.2%	4.6%	4.8%	4.7%		
Industrial Production		3.7%	4.9%	-1.8%	-1.0%	3.6%	1.0%	3.6%	3.6%	1.0%	3.2%		
Unemployment (% of Labor Force)		7.4%	6.2%	5.3%	4.9%	4.3%	-0.40 pp	-0.3 pp	4.3%	4.2%	4.1%	4.1%	4.2%
Consumer Price Index		1.5%	0.8%	0.7%	2.1%	2.1%	2.4%	2.9%	2.1%	2.1%	2.4%	2.3%	2.1%
European Union - GDP		0.3%	1.8%	2.4%	2.0%	2.5%	2.4%	2.2%	2.5%	2.6%	2.5%	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%	3.0%	1.5%	4.7%	3.0%	3.4%		
Unemployment (% of Labor Force)		10.8%	10.2%	9.4%	8.7%	7.6%	-0.8 pp	-0.6 pp	7.6%	7.4%	7.2%	7.6%	7.6%
Consumer Price Index		1.0%	0.0%	0.2%	0.9%	1.7%	1.5%	2.0%	1.7%	1.6%	1.8%	1.9%	1.9%
Japan - GDP		2.0%	0.4%	1.4%	0.9%	1.7%	1.1%	1.0%	1.7%	1.7%	1.5%	1.1%	0.9%
Industrial Production		-0.7%	2.1%	-0.9%	-0.2%	4.5%	2.4%	2.0%	4.5%	2.4%	3.8%		
Unemployment (% of Labor Force)		4.0%	3.6%	3.4%	3.1%	2.8%	-0.3 pp	-0.4 pp	2.8%	2.7%	2.6%	2.9%	2.9%
Consumer Price Index		1.5%	2.5%	0.2%	-0.1%	1.0%	1.1%	0.7%	0.6%	0.8%	0.9%	0.8%	1.5%
China - GDP		7.8%	7.3%	6.9%	6.7%	6.9%	6.8%	6.7%	6.9%	6.8%	6.8%	6.6%	6.2%
Industrial Production		9.9%	7.9%	6.6%	6.0%	6.1%	7.2%	6.6%	6.1%	7.2%	7.9%		
Unemployment (% of Labor Force)		4.1%	4.1%	4.1%	4.0%	4.0%	-0.2 pp	-0.2 pp	4.0%	3.9%	3.9%	4.0%	4.0%
Consumer Price Index		2.5%	1.5%	1.6%	2.0%	1.8%	2.1%	1.9%	1.5%	1.8%	1.9%	2.2%	2.4%

World Major Economies GDP

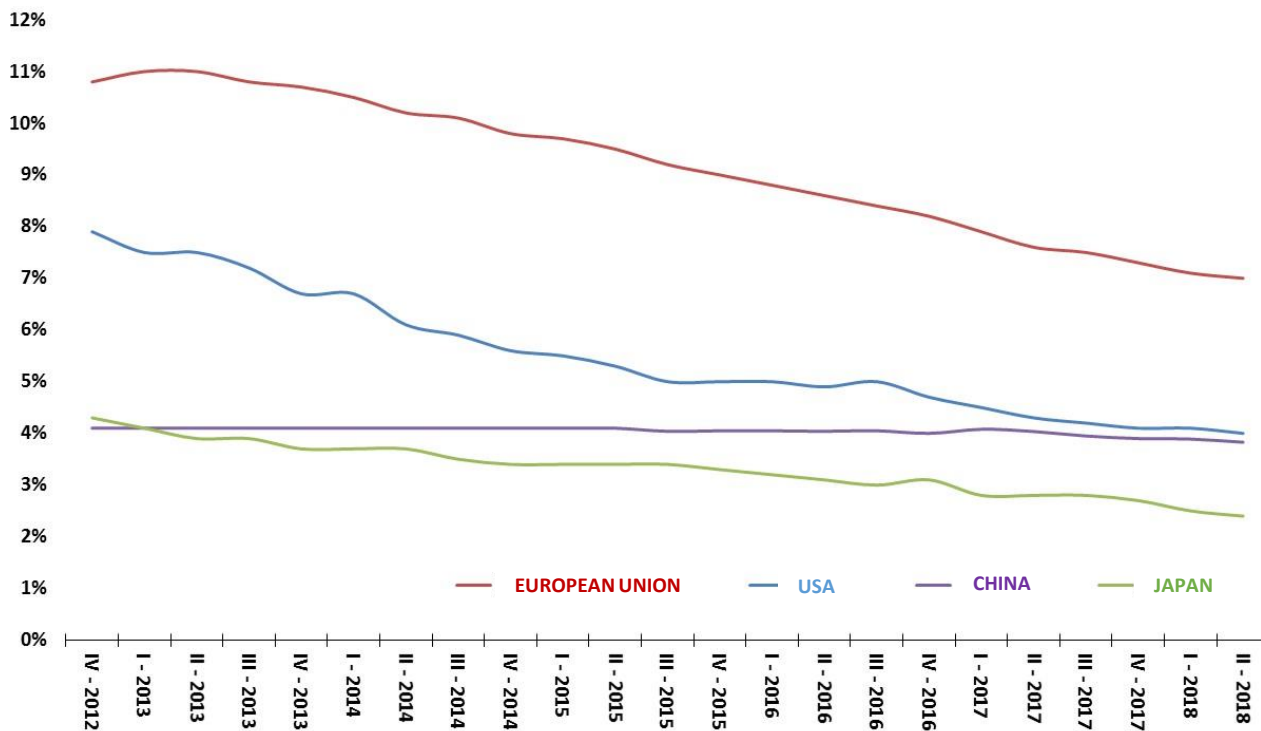
GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

World Major Economies Unemployment Rate

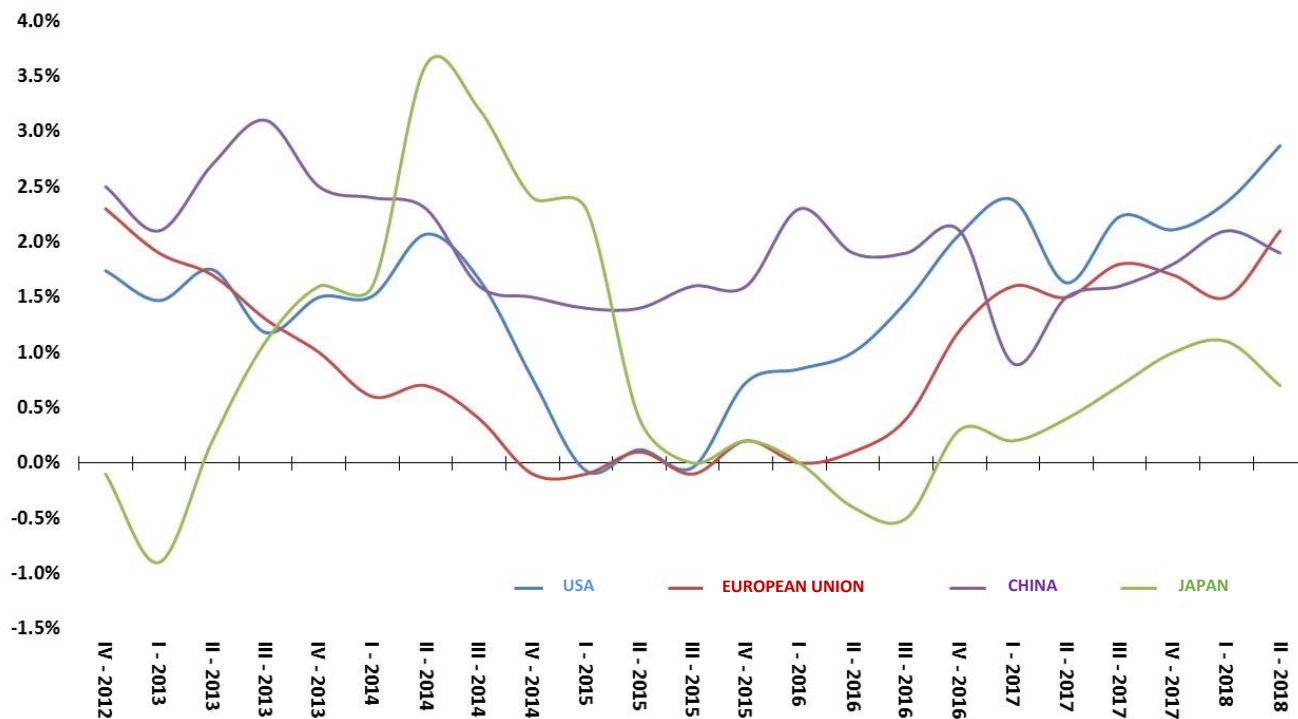
Unemployment Rate as % of Labor Force



Source: OECD.

World Major Economies Consumer Price Index

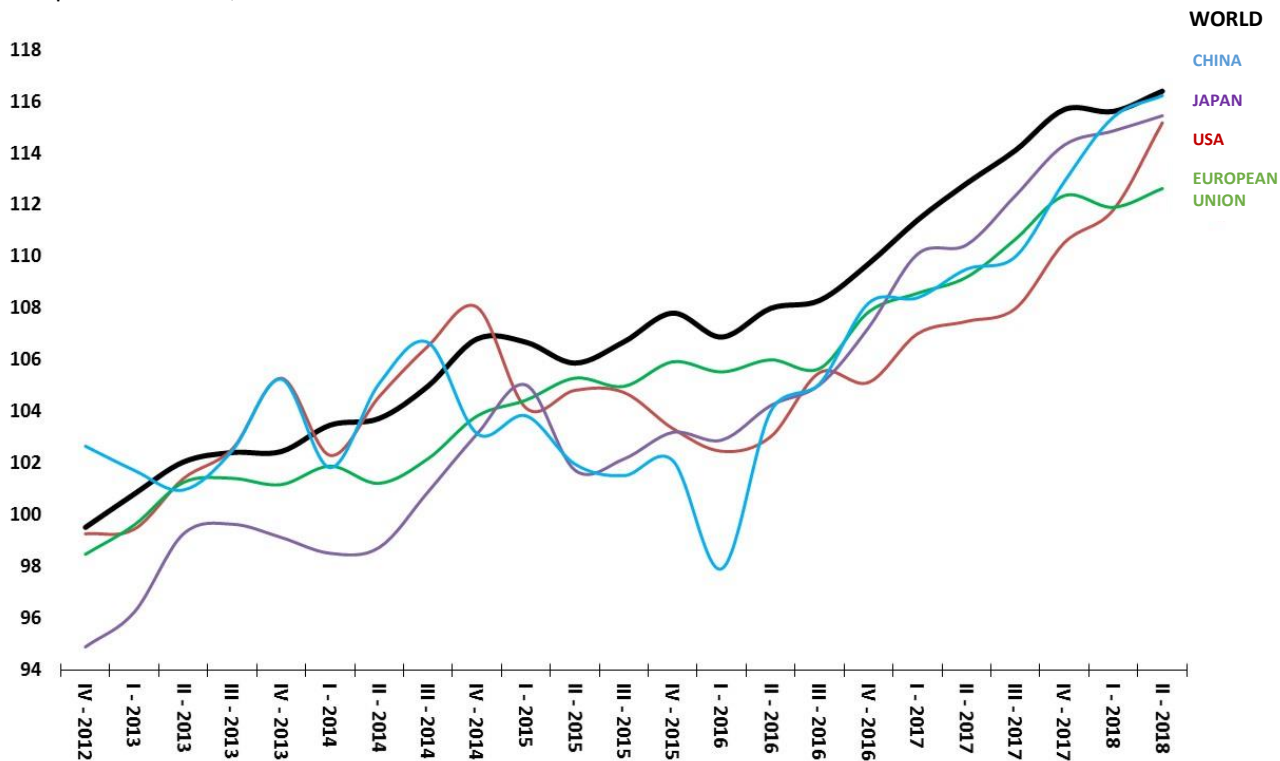
Consumer Price Indexes – annual chg. %



Source: OECD.

World Major Economies Total Exports

Total Exports Volume Index – Q3-2012 = 100

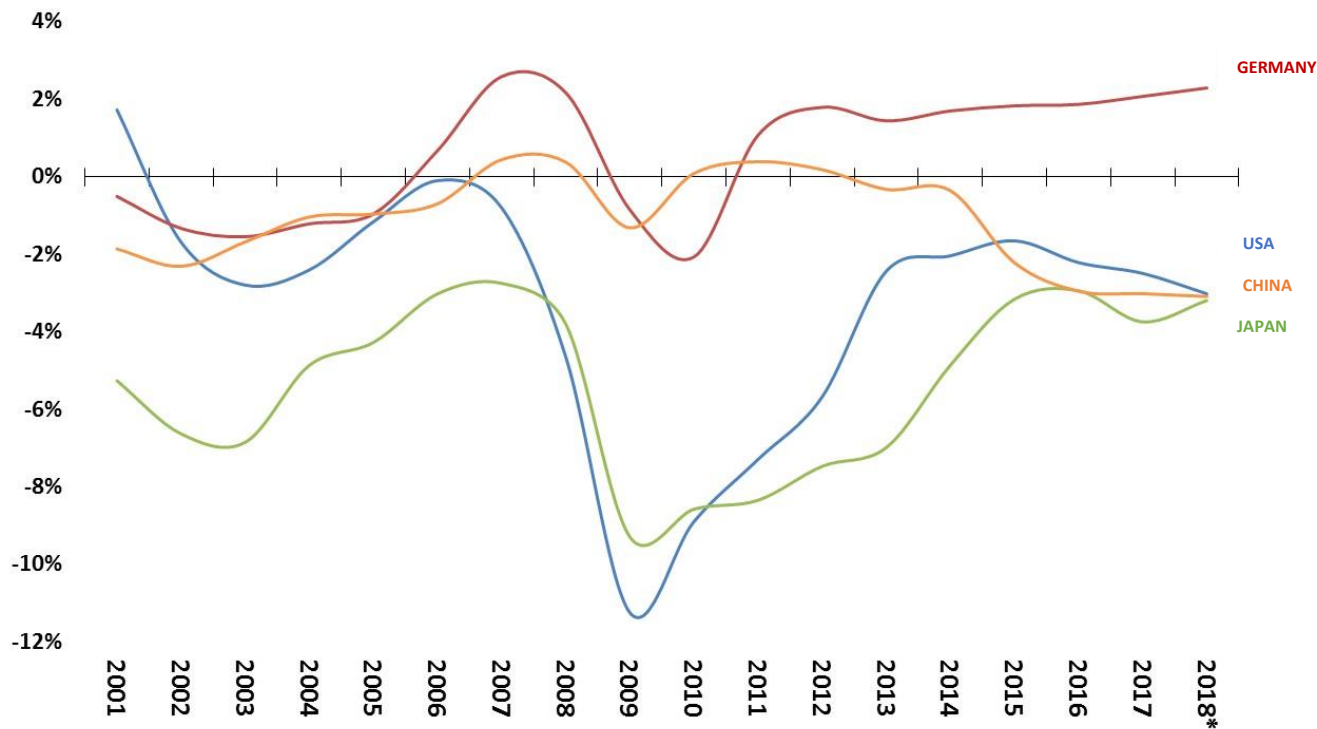


Source: OECD.

*Estimated values IMF

World Major Economies Government Primary Surplus

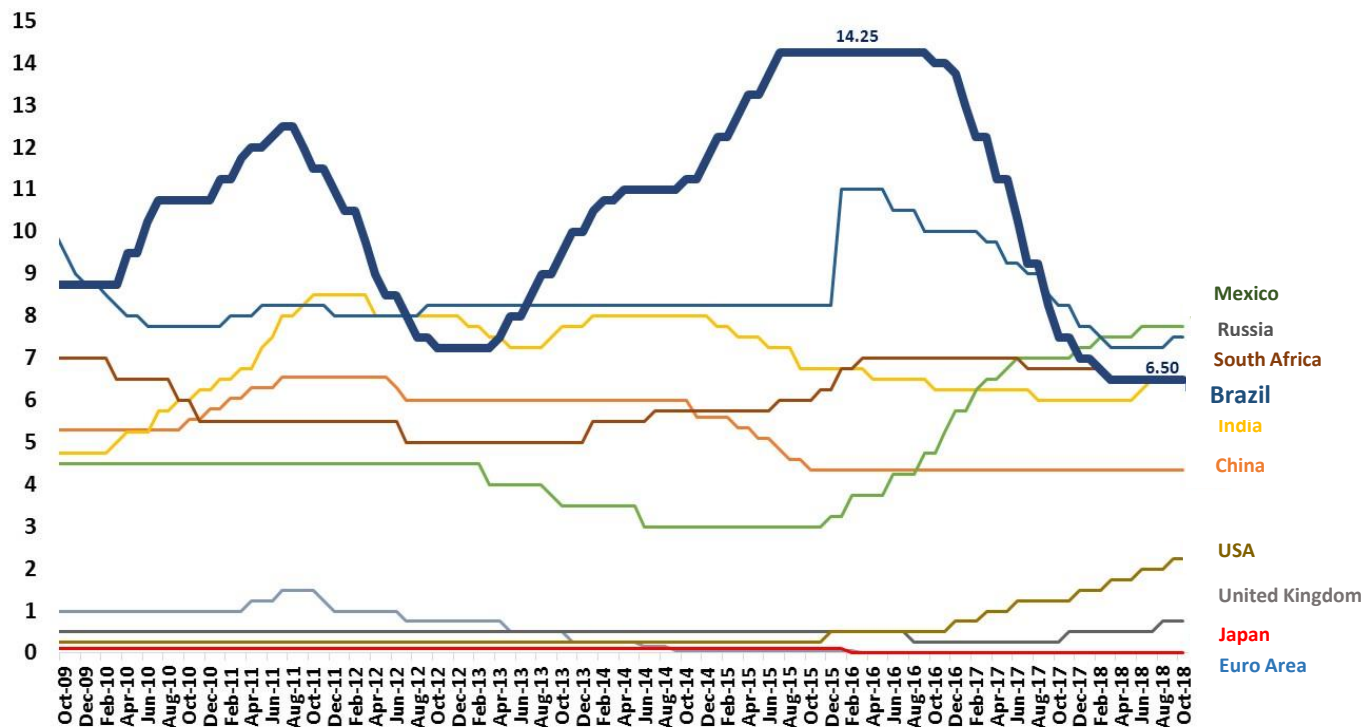
Central Government Primary Surplus as % of GDP



Source: IMF. * Estimated values

Selected Economies Main Interest Rate

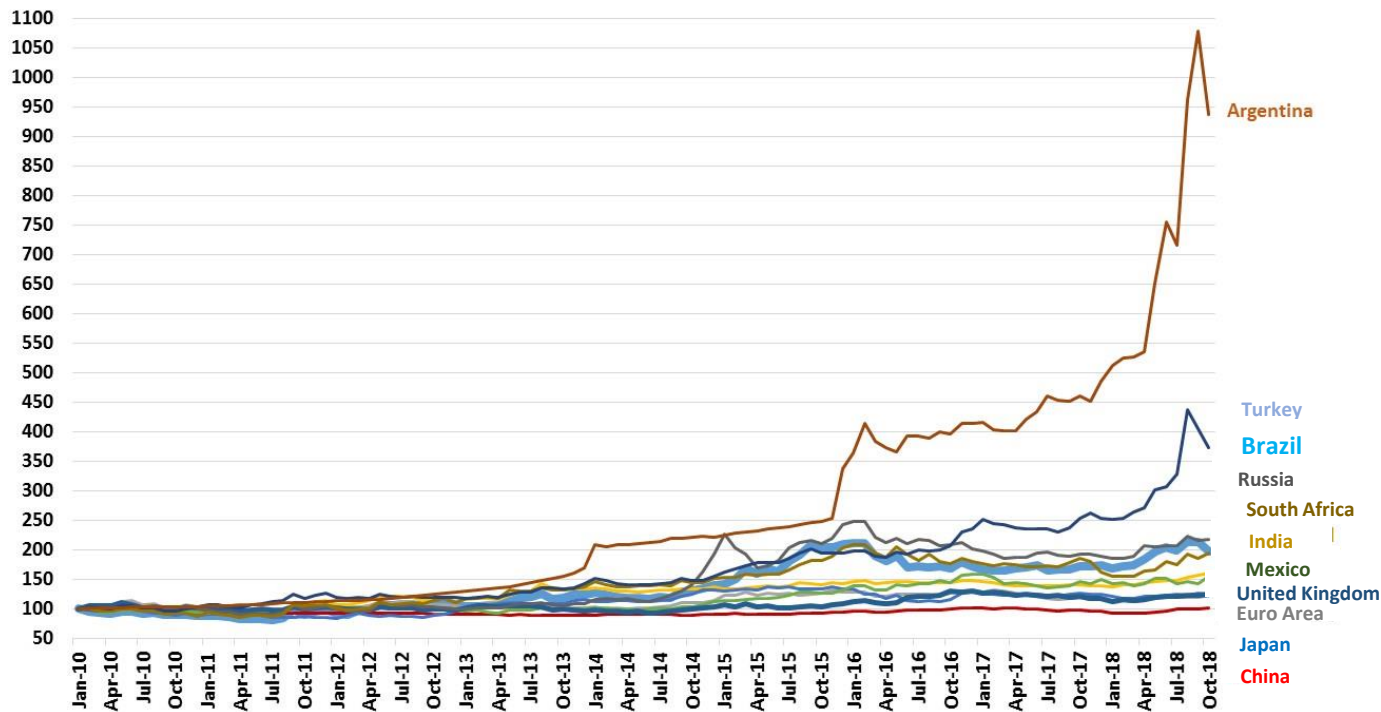
Main Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

Selected Economies FX-dollar Rate Evolution

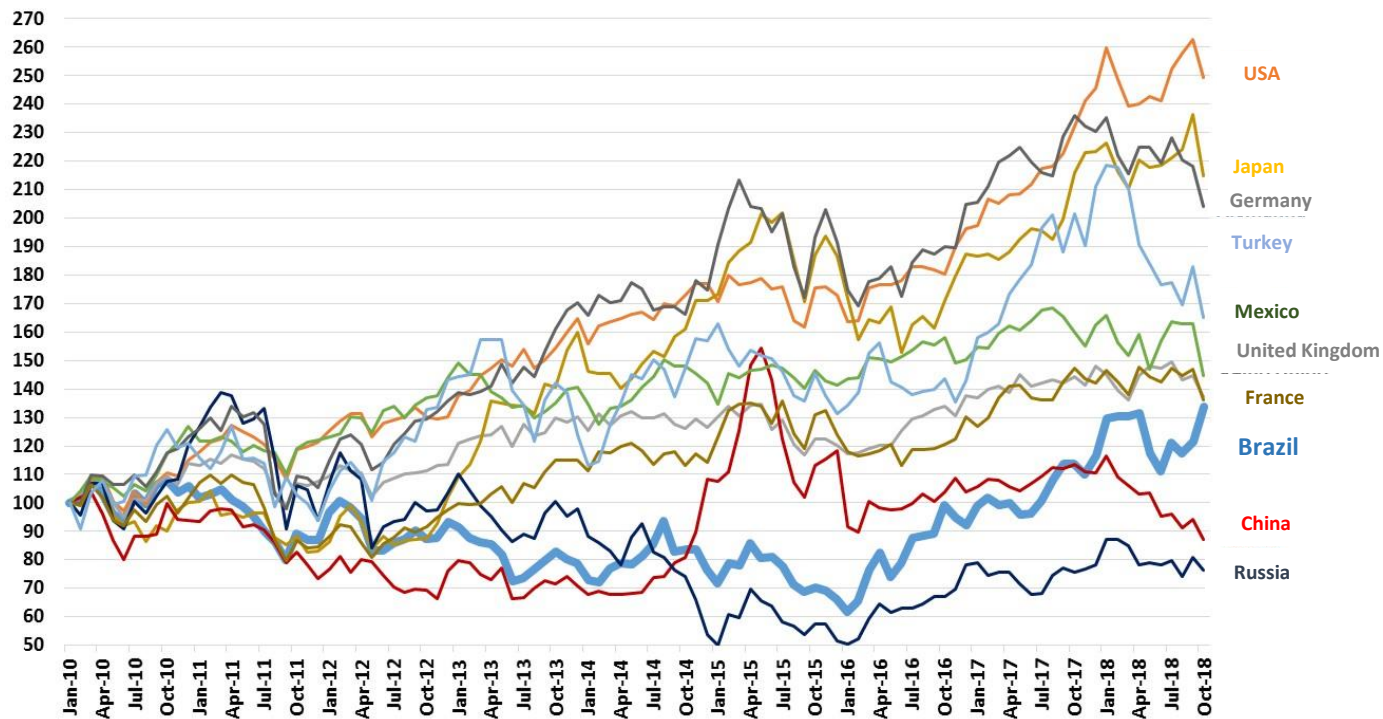
Selected Economies FX-rate Indexes – Dec/2008 = 100



Sources: Bloomberg.

Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Dec/2008 = 100



Sources: Bloomberg.

MINISTER OF PLANNING, DEVELOPMENT AND MANAGEMENT - **ESTEVES PEDRO COLNAGO JÚNIOR**
EXECUTIVE SECRETARY - **GLEISSON CARDOSO RUBIN**

SECRETARY FOR PLANNING AND ECONOMIC AFFAIRS (SEPLAN) - **JÚLIO ALEXANDRE MENEZES DA SILVA**

SEPLAN DEPUTY SECRETARY – **MIGUEL RAGONE DE MATTOS**

SEPLAN CHIEF OF STAFF - **ELISE SUELI PEREIRA GONÇALVES**

DIRECTOR OF MACROECONOMIC AND FISCAL AFFAIRS (DEMAF) - **FABIO RIBEIRO SERVO**

DIRECTOR OF MICROECONOMIC AFFAIRS (DEMIR) – **CLAUDIO EVANGELISTA DE CARVALHO**

DIRECTOR OF FINANCIAL AFFAIRS (DEFIN) – **SÉRGIO RICARDO ROSA CALDERINI**

DIRECTOR OF PLANNING AND EVALUATION (DEPAS) – **PRISCILLA ROSA PIMENTEL SGANZERLA**

MACROECONOMIC OUTLOOK TECHNICAL TEAM (DEMAC):

FABIO RIBEIRO SERVO

FAUSTO JOSÉ ARAUJO VIEIRA

DIEGO COTA PACHECO

ELDER LINTON ALVES DE ARAÚJO

JONATHAS DELDUQUE JÚNIOR

PRISCILLA BELLE OLIVEIRA PINTO

SILAS FRANCO DE TOLEDO

SÉRGIO ROSA FERRÃO

SURIPONGSE CHIMPLIGANOND

SOCIAL COMMUNICATION SPECIAL ADVISORY:

SEVERINO GOES

THAISIS SOUZA

CARLA SIMÕES

MELISSA FREITAS SILVA

DAVID TELES FERREIRA

CONTACT: demac@planejamento.gov.br

INTERNET LINK: <http://www.planejamento.gov.br/publicacoes/estudos-economicos>



**SECRETARIAT OF
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**MINISTRY OF
PLANNING, DEVELOPMENT
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**BRAZILIAN
GOVERNMENT**

