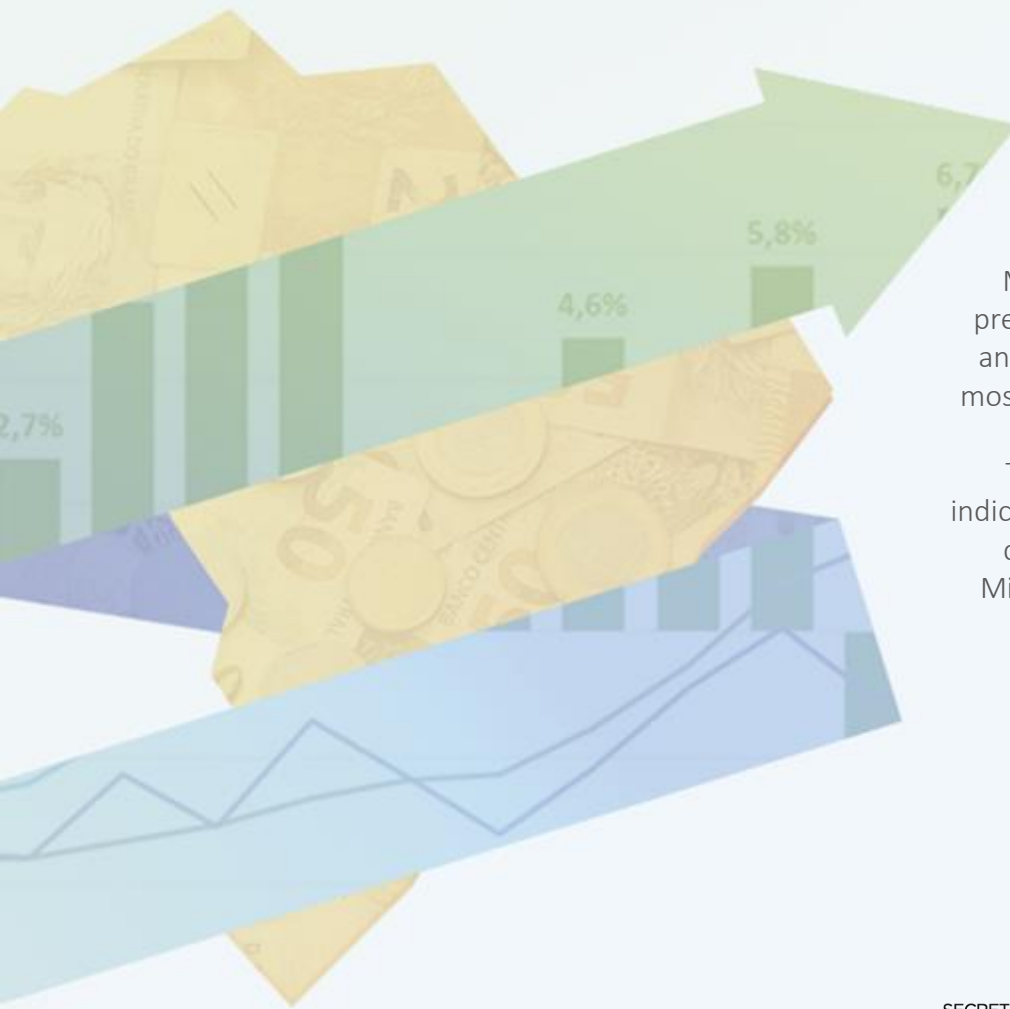




# MACROECONOMIC OUTLOOK

February 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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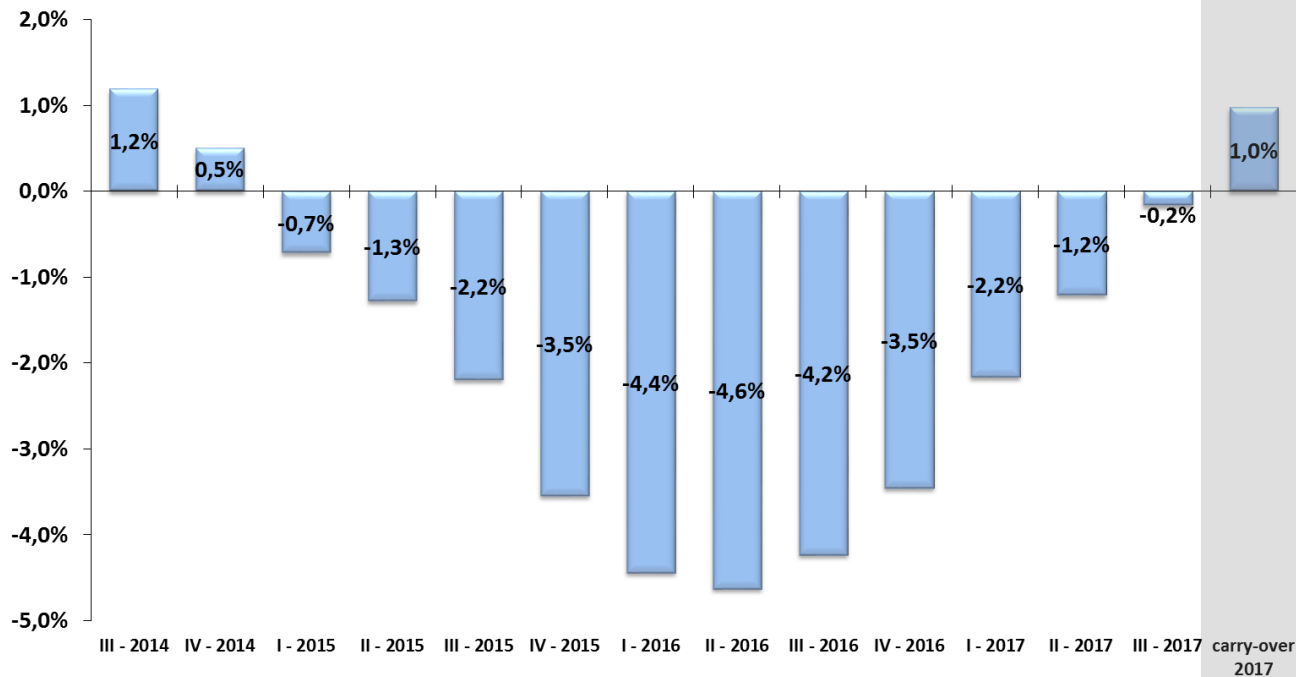


## HIGHLIGHTS



# Quarterly GDP

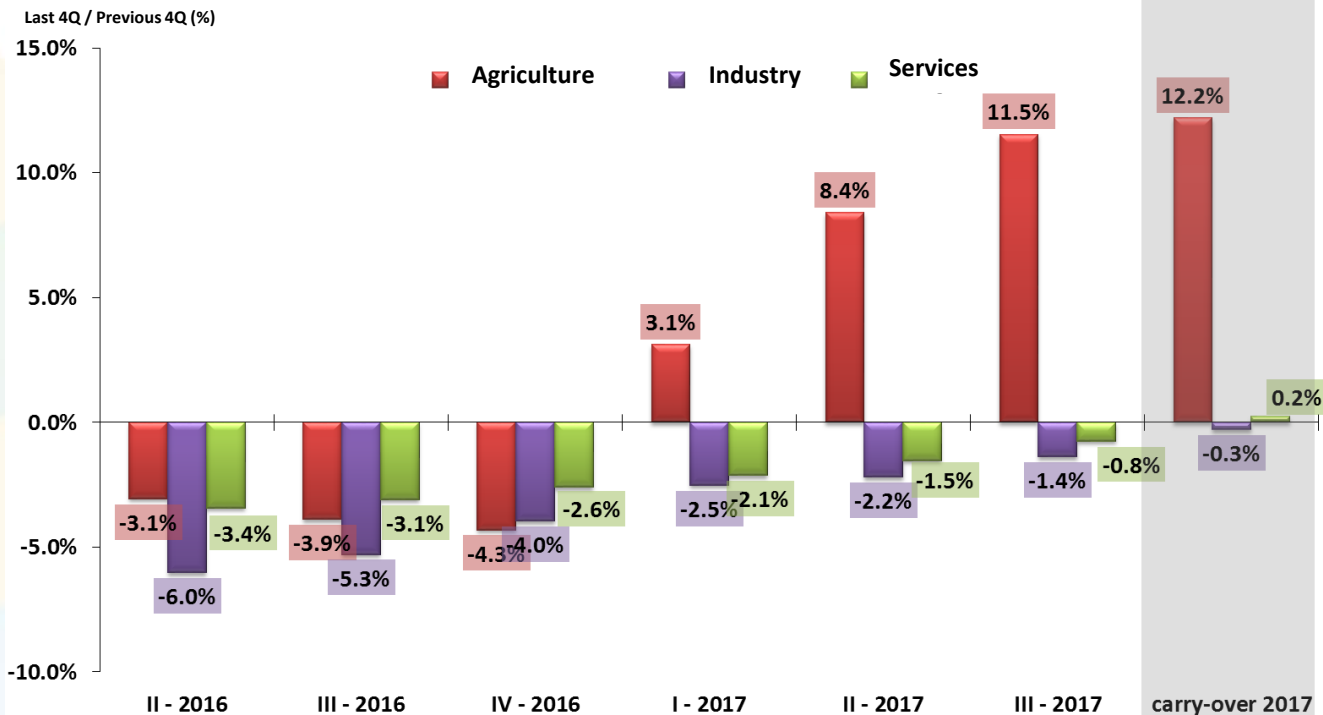
Last 4Q / Previous 4Q (%)



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 3<sup>rd</sup> quarter seasonally adjusted level compared to 2016 average.

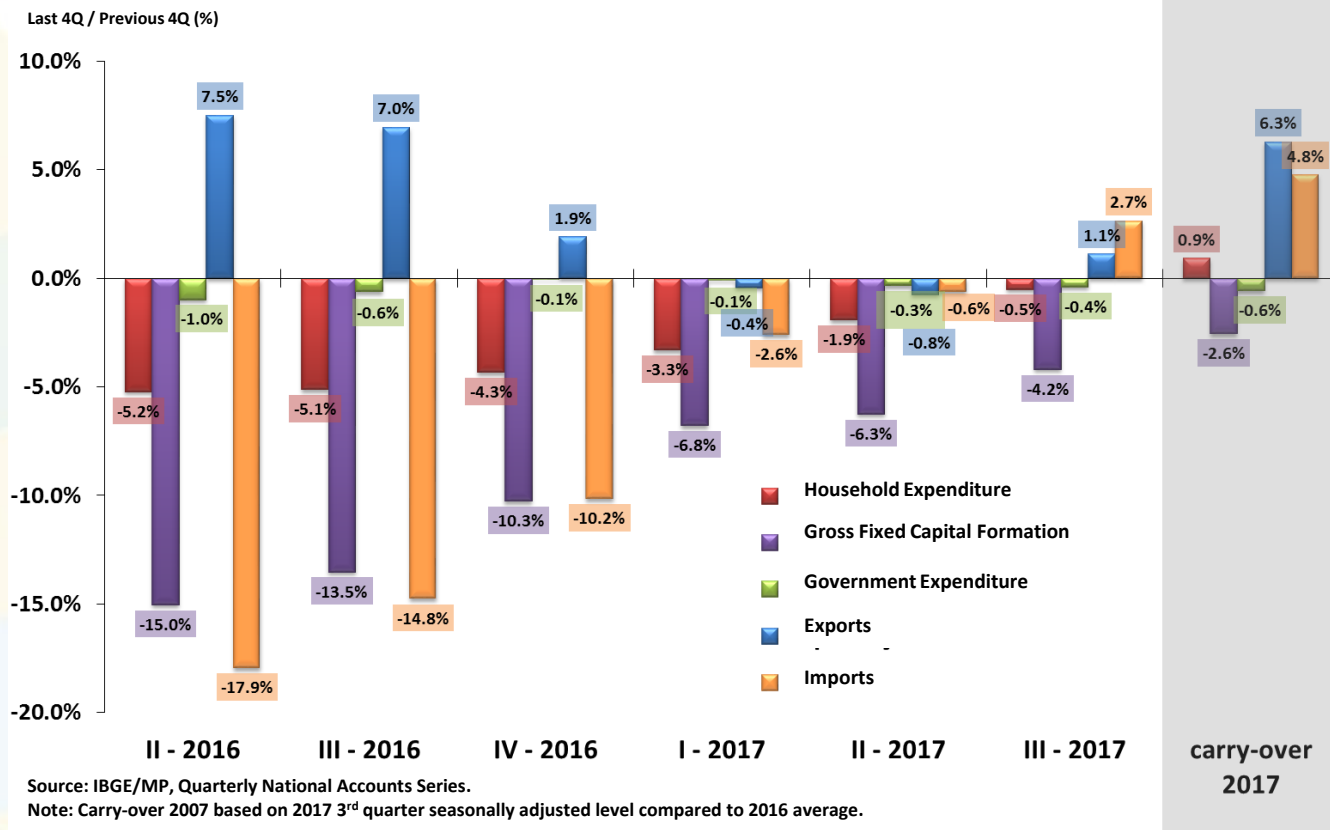
# Quarterly GDP by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 3<sup>rd</sup> quarter seasonally adjusted level compared to 2016 average.

# Quarterly GDP by Expenditure



# Primary Sector Performance by Major Crops

Primary Sector GDP  
Annual % of Change

14.0%

12.0%

10.0%

8.0%

6.0%

4.0%

2.0%

0.0%

-2.0%

-4.0%

-6.0%

1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

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

500

450

Soybean (40,4%)

+19,4%

350

Corn (12,4%)

300

Sugarcane (20,2%)

250

200

150

100

50

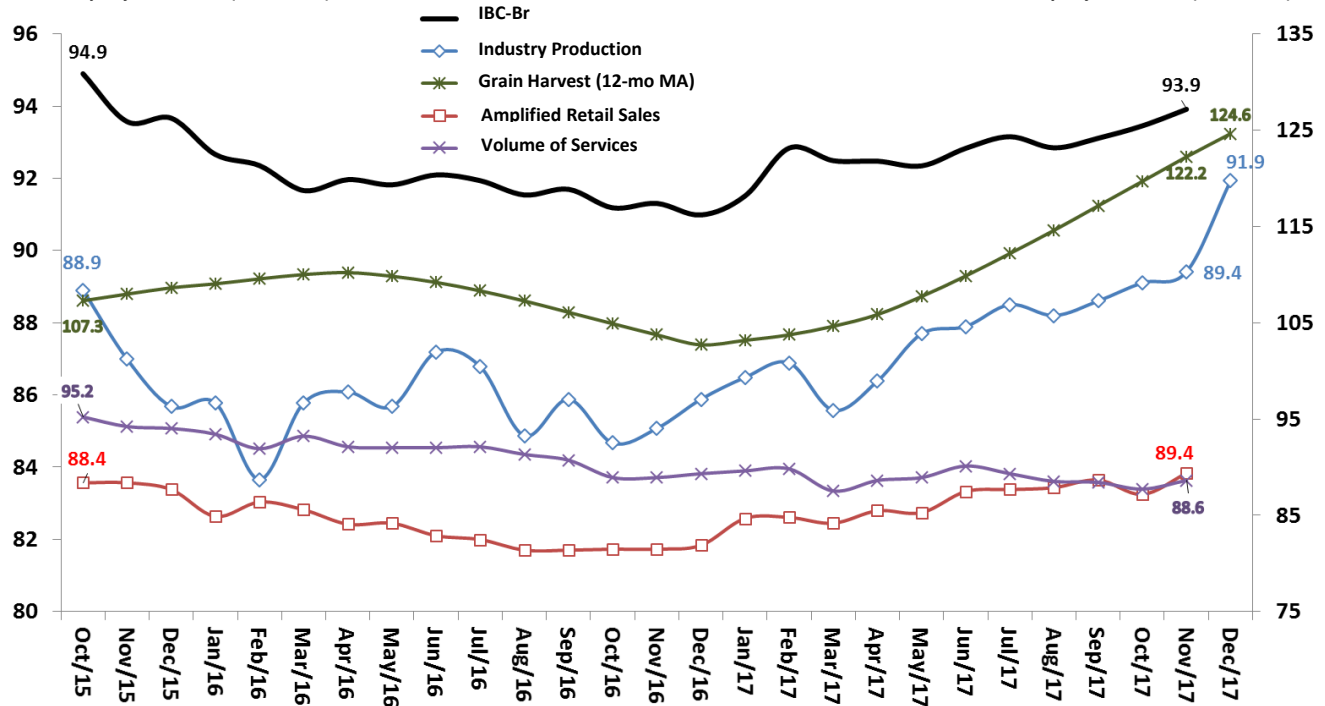
0

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

# 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)

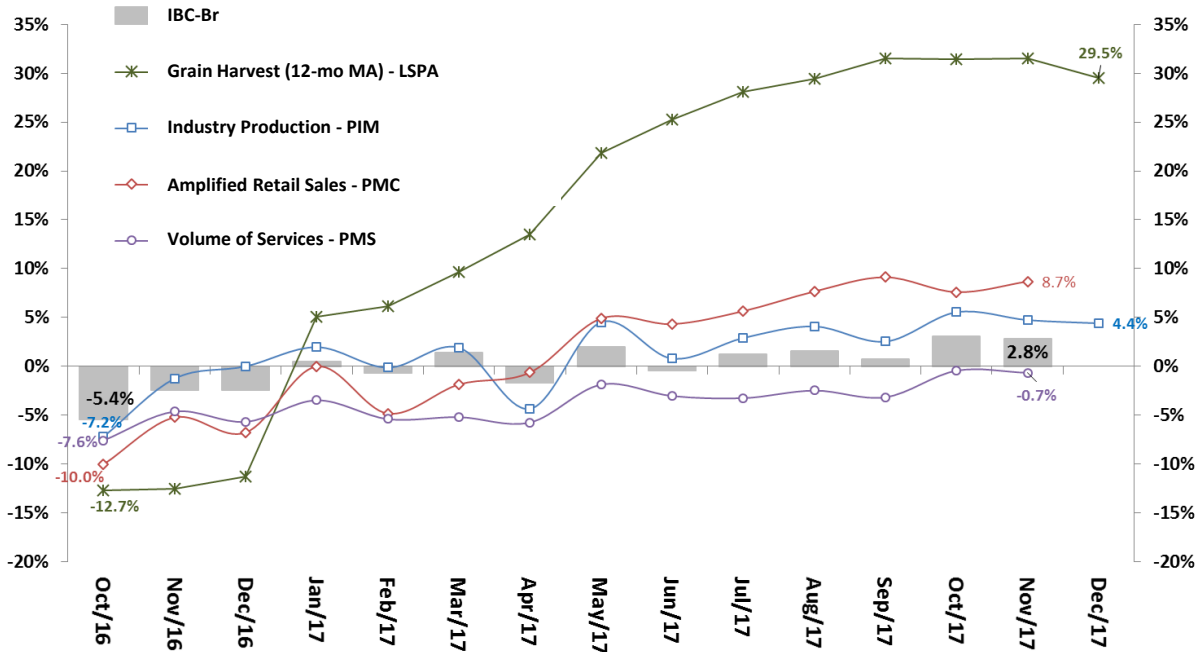


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

# Major Monthly Economic Activity Indicators

IBC-Br  
(YoY %)

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

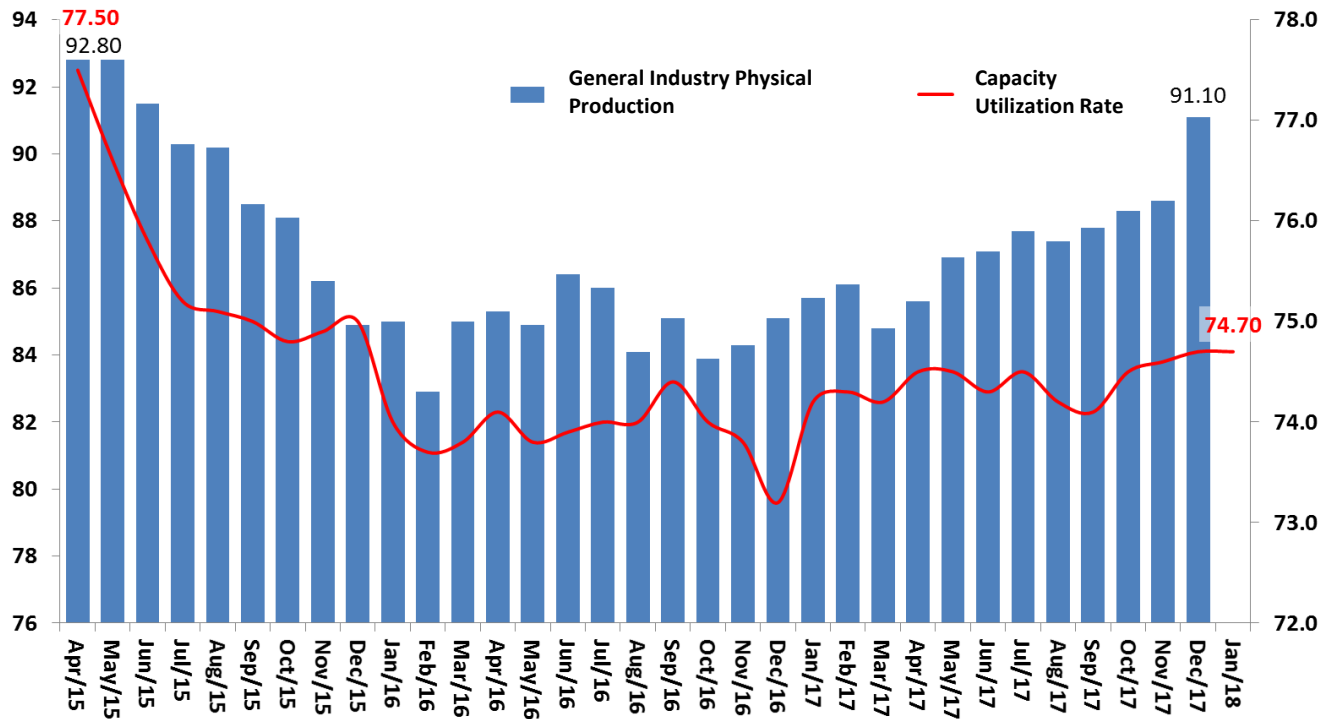


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

# Industrial Production and Capacity Utilization

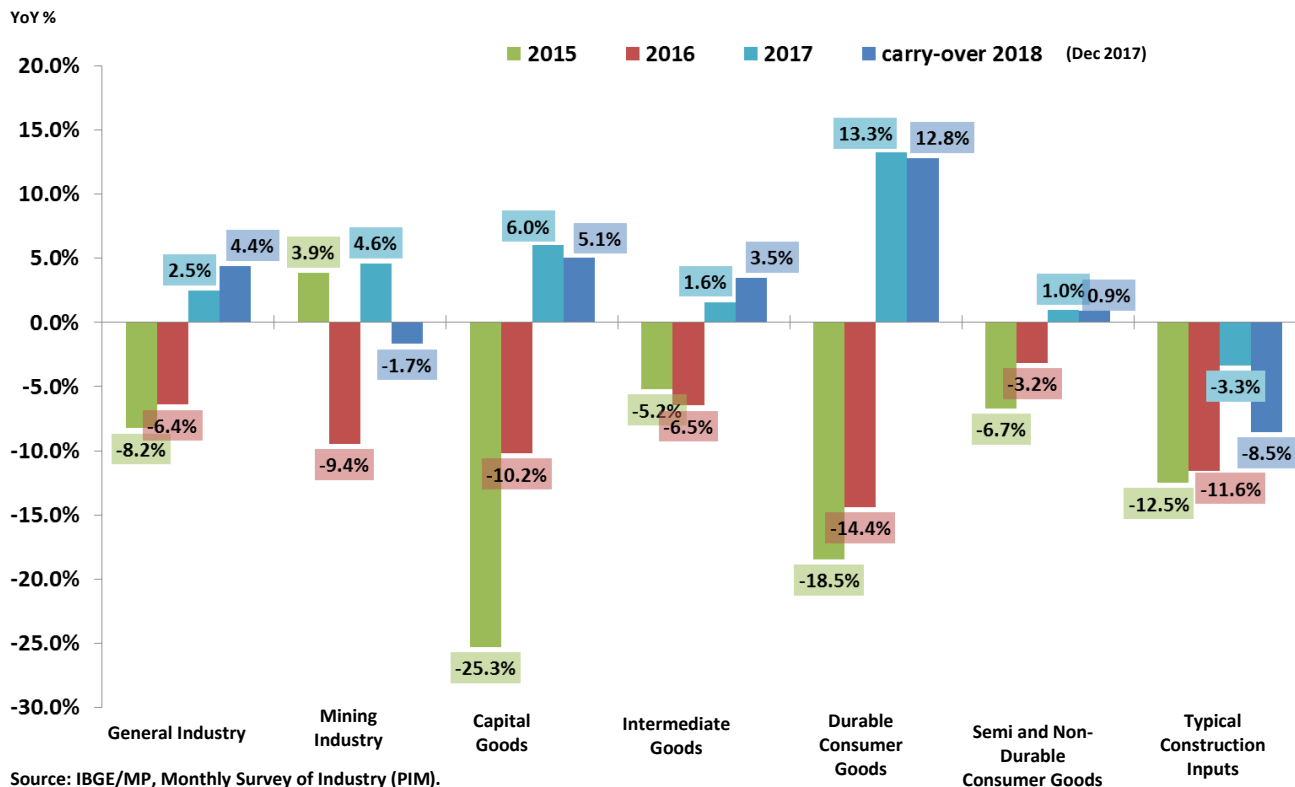
Industry Production  
Seasonally Adjusted Index (2003 = 100)

Capacity Utilization  
Seasonally Adjusted - % of Total Capacity



Sources: IBGE/MP and FGV.

# Total Industrial Production and Economic Categories



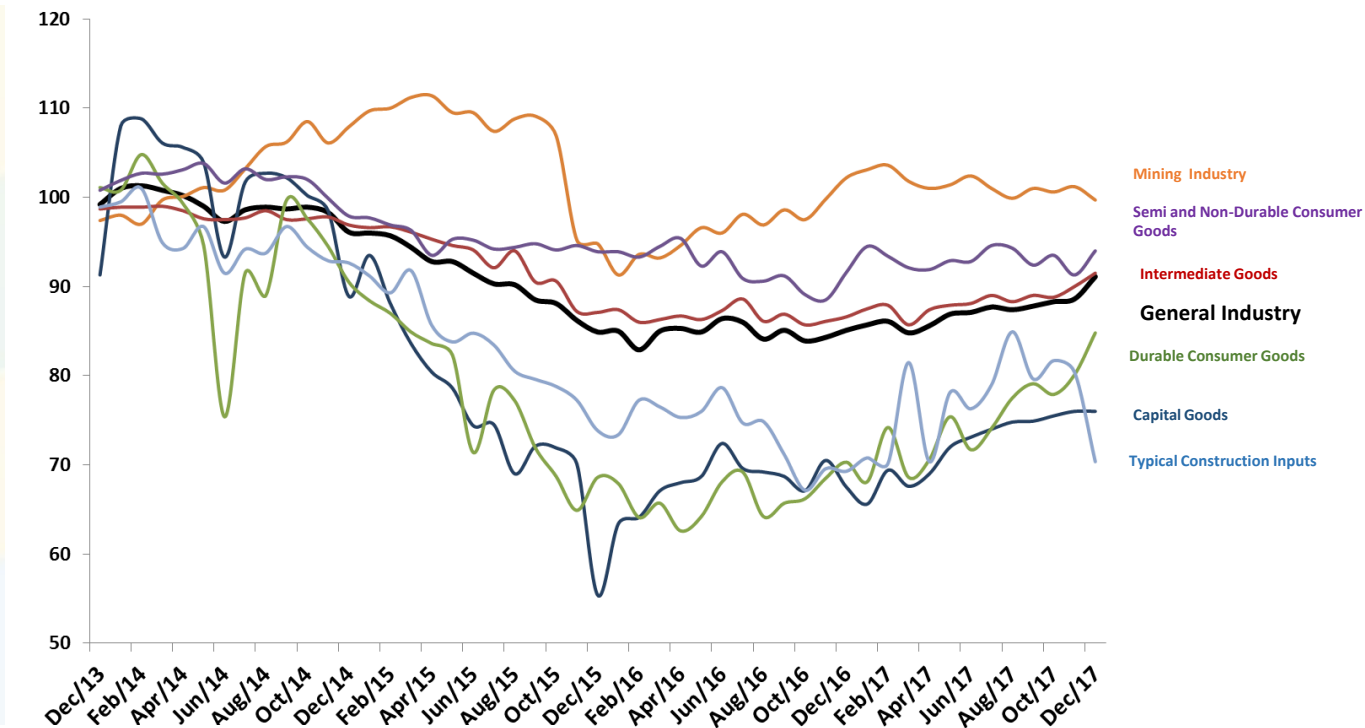
Source: IBGE/MP, Monthly Survey of Industry (PIM).

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



# Total Industrial Production and Economic Categories

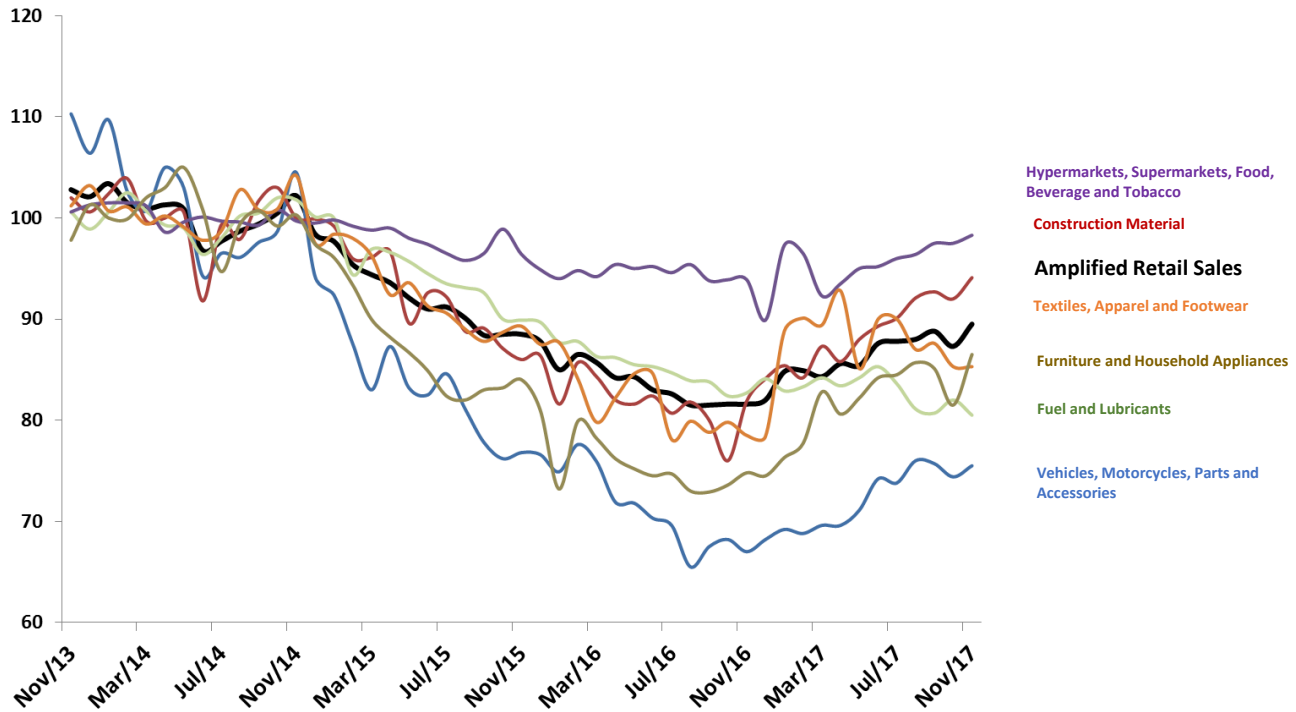
Industry Physical Production by Economic Category  
Seasonally Adjusted Index (2002 = 100)



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

# Total Retail Sales and Subsectors

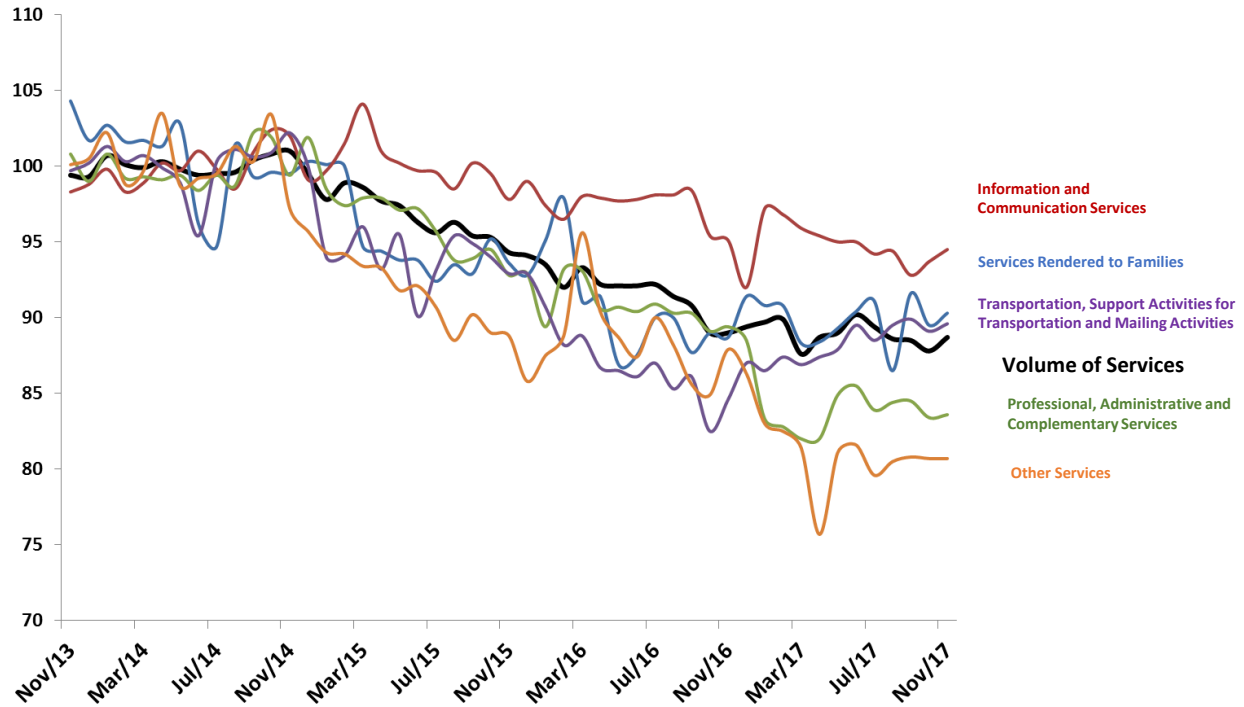
Retail Sales by Subsector  
Seasonally Adjusted Index (2002 = 100)



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

# Total Services and Subsectors

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

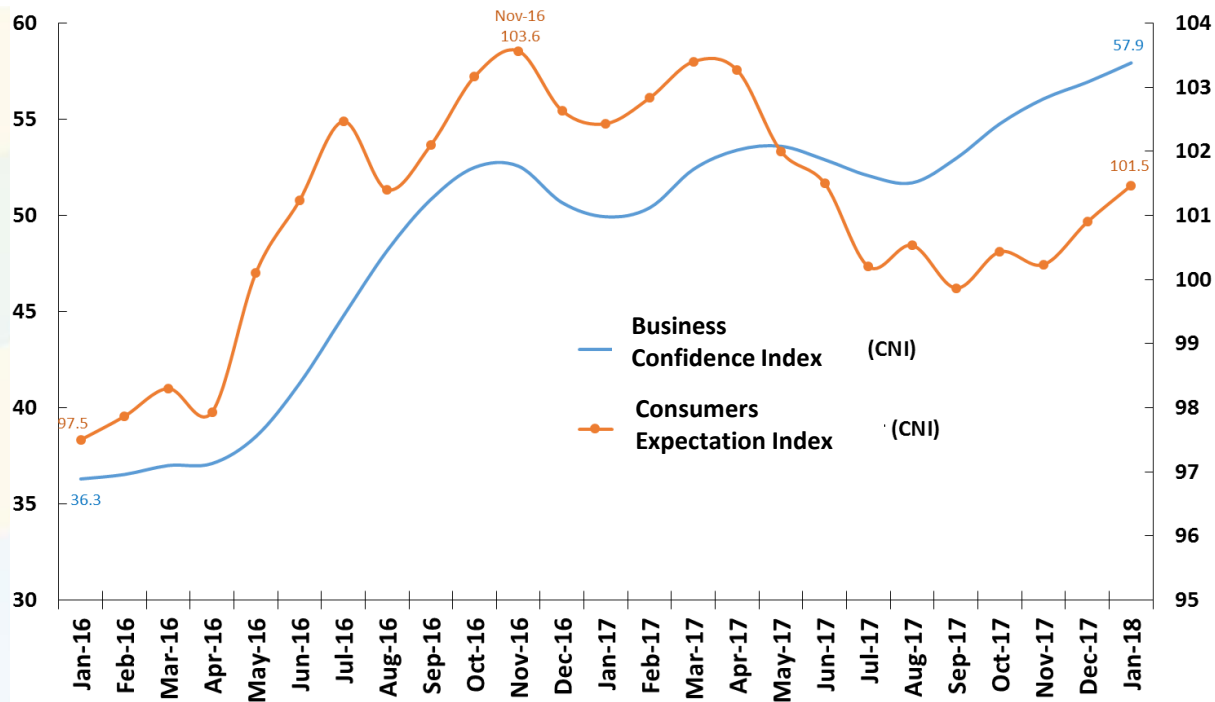


Source: IBGE, Monthly Survey of Services (PMS).

# CNI: Business Confidence and Consumers Expectation Indexes

Business Confidence Index – ICEI  
3-month moving average

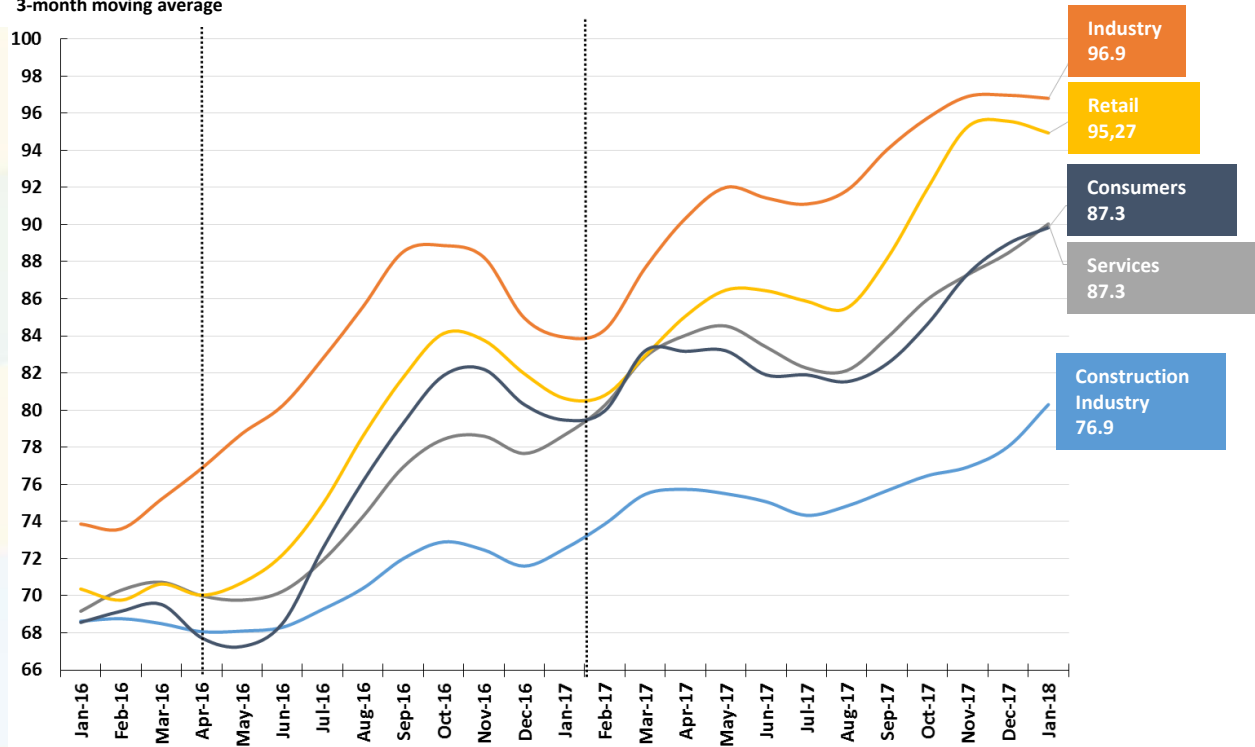
Consumers Expectation Index – INEC  
3-month moving average



Source: CNI.

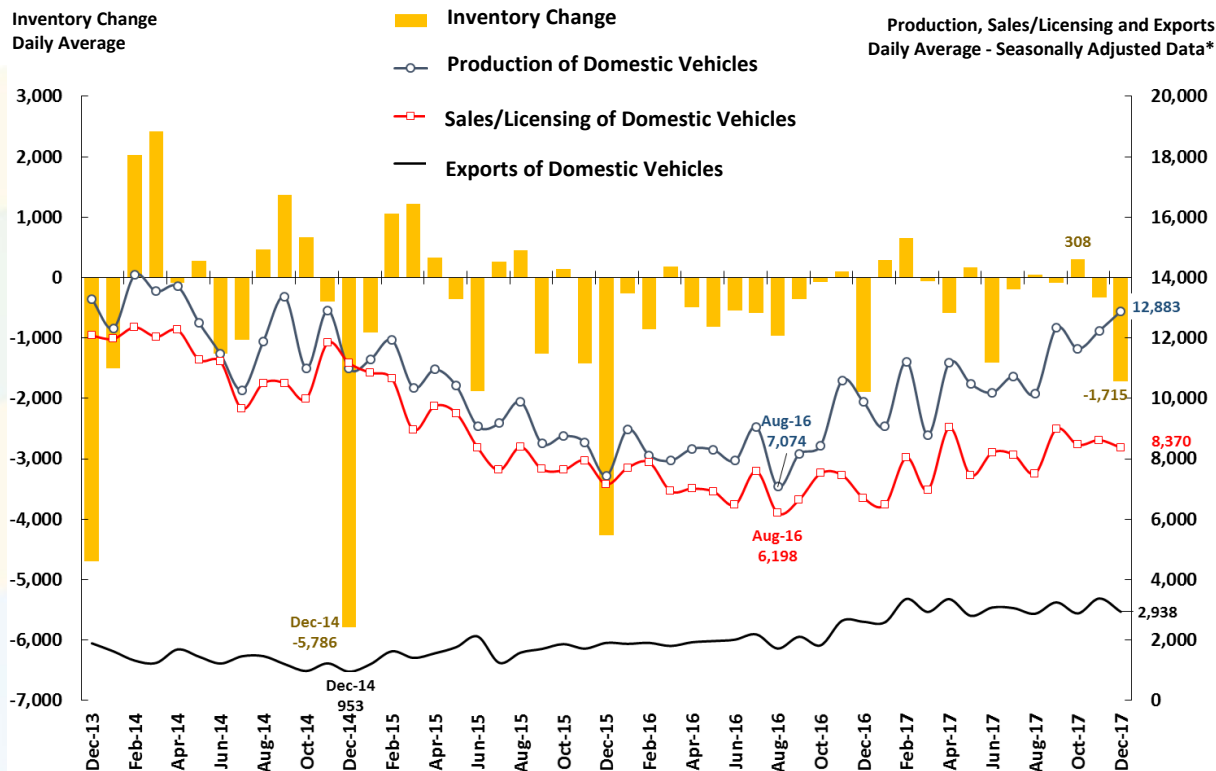
# FGV: Economic Confidence Indicators

Economic Confidence Indicators  
3-month moving average



Source: IBRE/FGV.

# Automotive Sector Production, Sales and Inventory Change

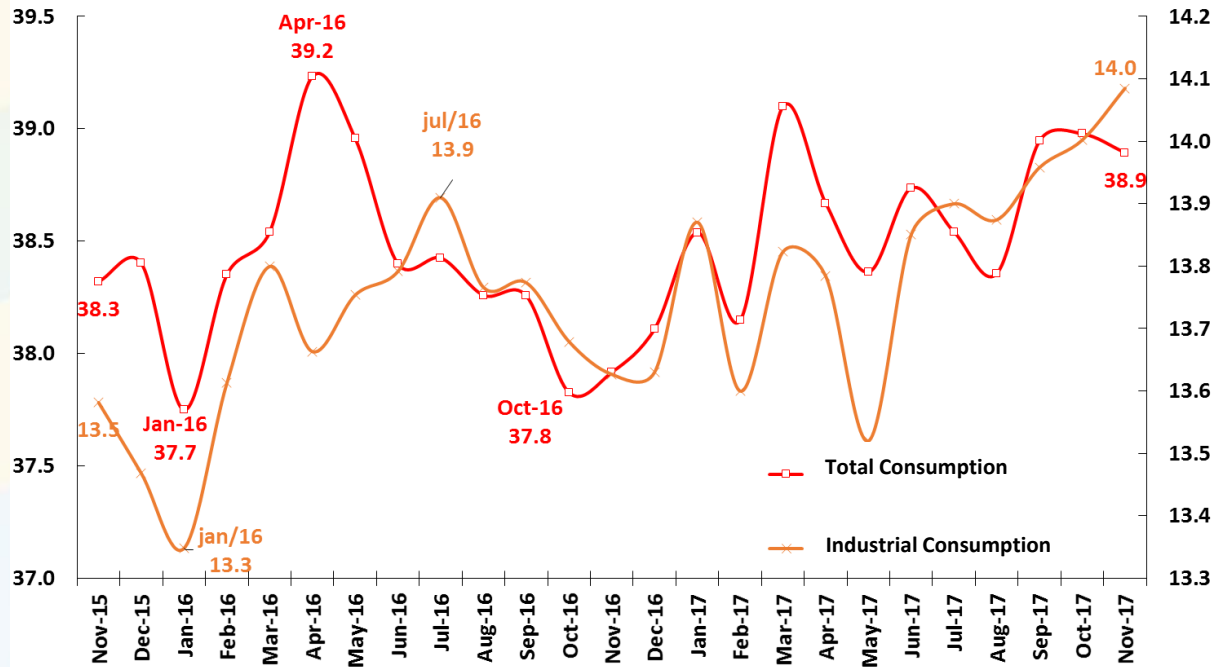


Source: ANFAVEA and FENABRAVE. \* Seasonally adjusted by SEPLAN/MP.

# ANEEL: Electrical Energy Consumption

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

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



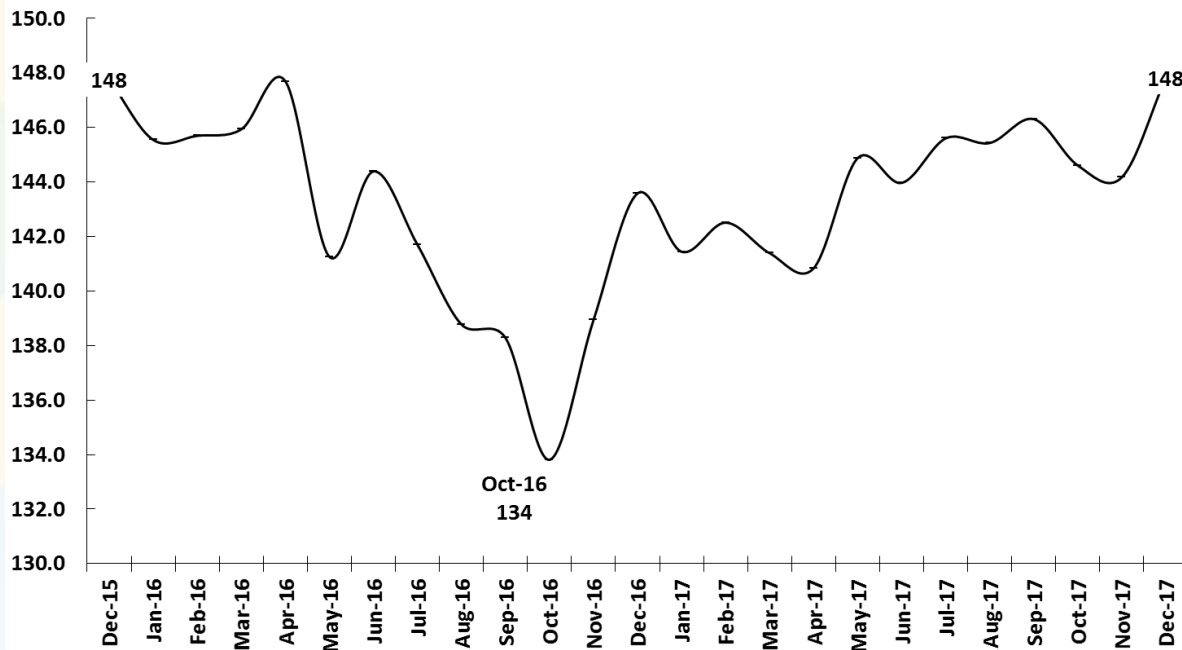
Source: ANEEL. \* Seasonally adjusted by SEPLAN/MP.

# ABCR: Heavy Vehicles Road Traffic Index

Fluxo de Veículos Pesados

Índice: 1999=100

Dados Com Ajuste Sazonal



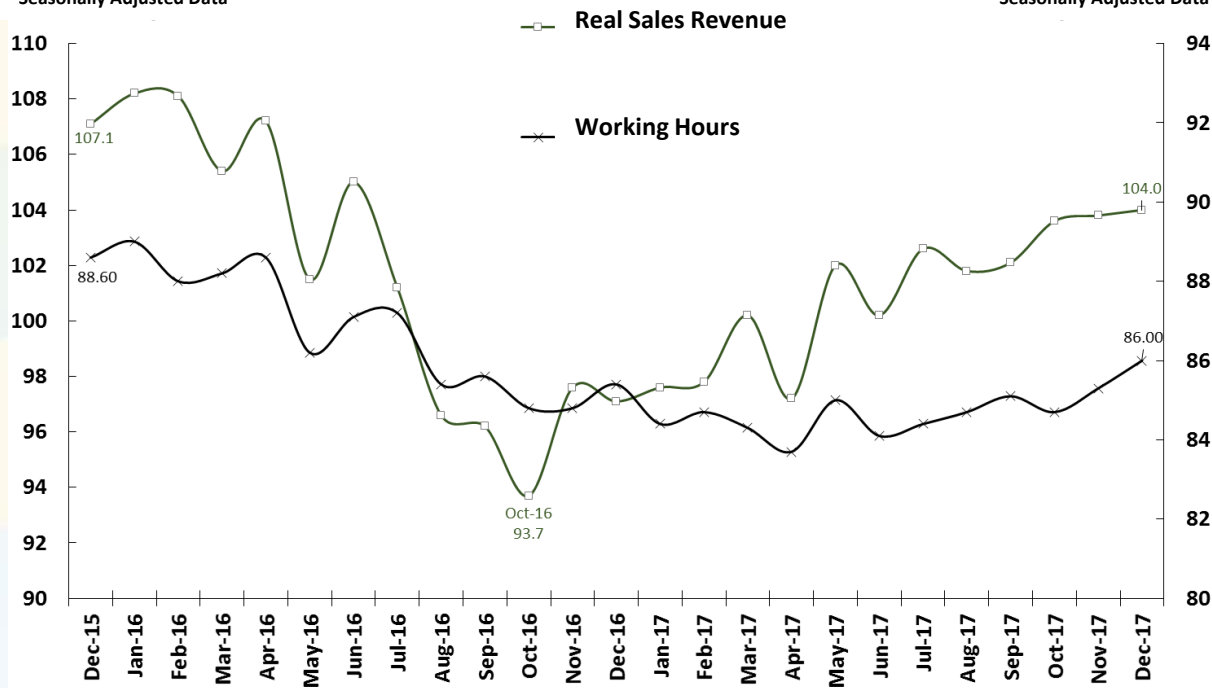
Fonte: ABCR.



# CNI: Industry Real Sales Revenues and Working Hours

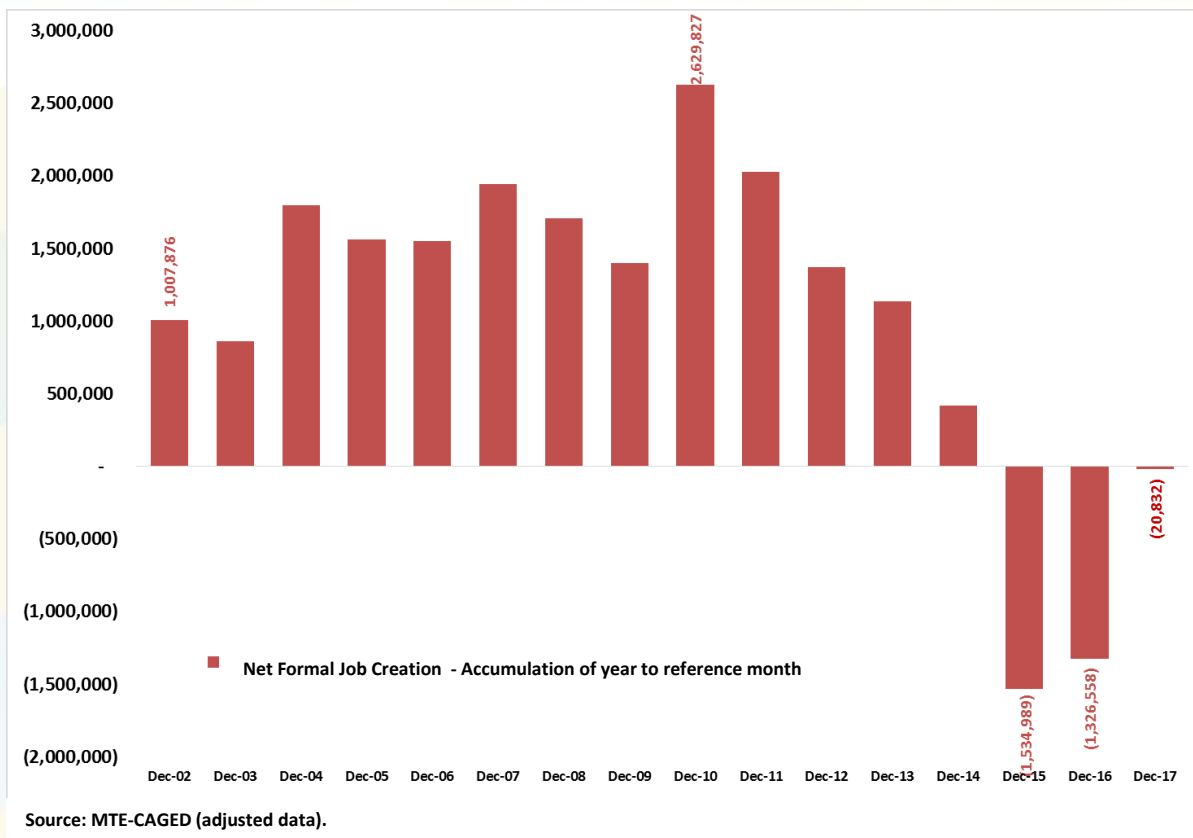
Real Sales Revenue  
Manufacturing Industry  
Seasonally Adjusted Data

Working Hours in Production  
Manufacturing Industry  
Seasonally Adjusted Data

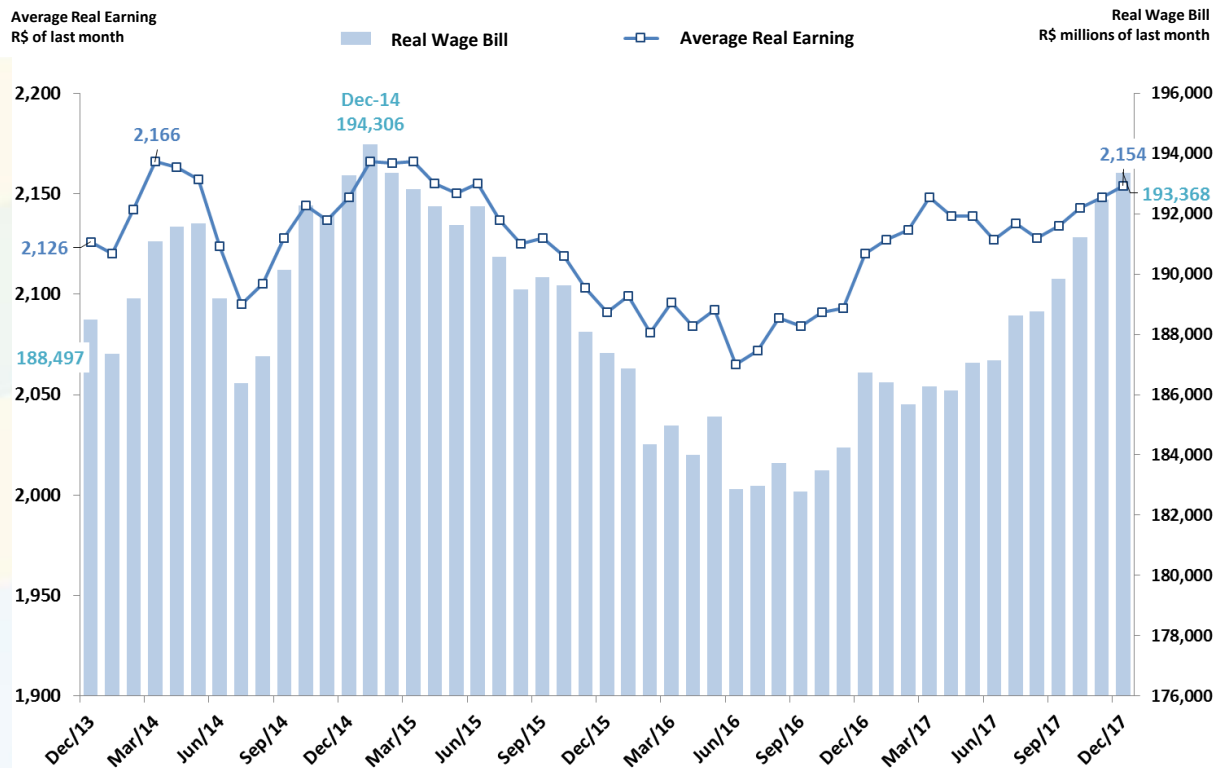


Source: CNI.

# Net Formal Job Creation – Total Accumulation of Year



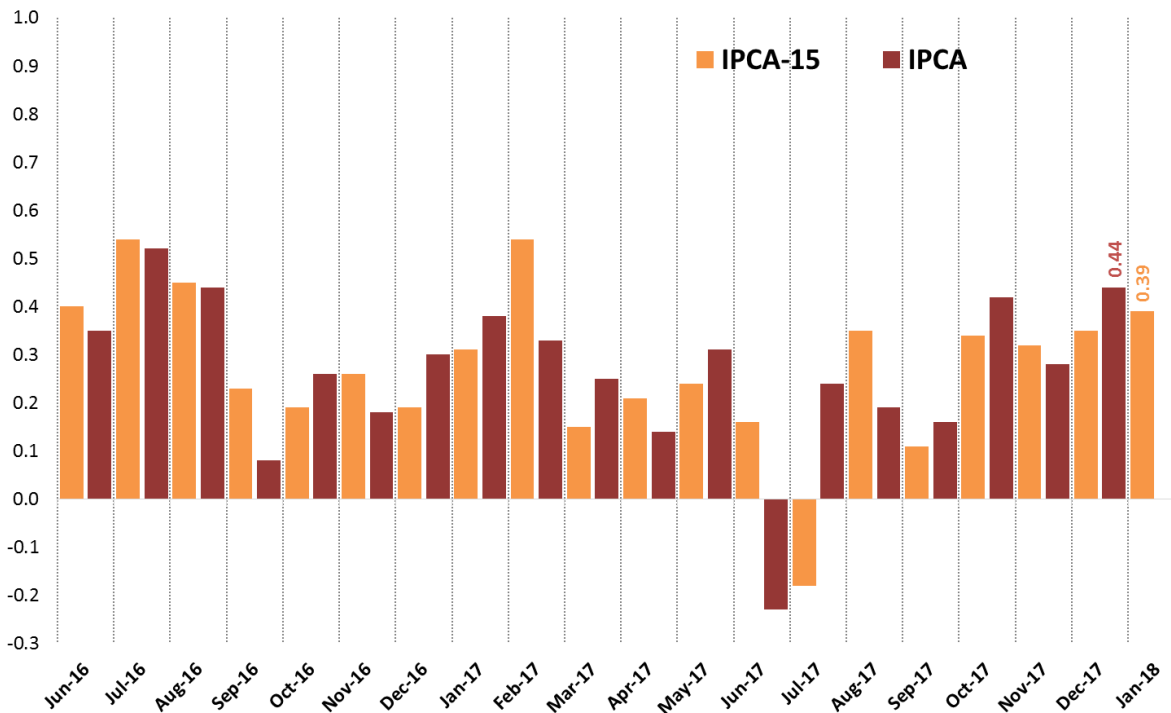
# Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

# IBGE: Monthly Consumer Price Indexes

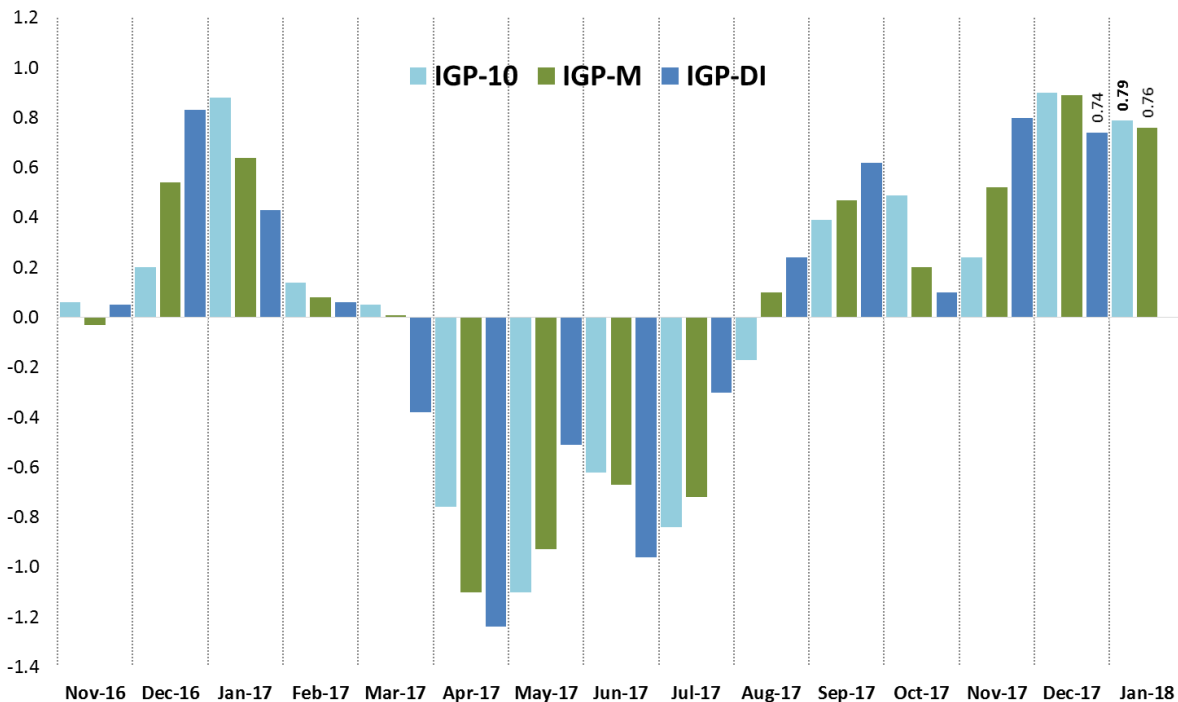
IPCA-15 and IPCA  
By release order



Source: IBGE.

# FGV: Monthly General Price Indexes

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

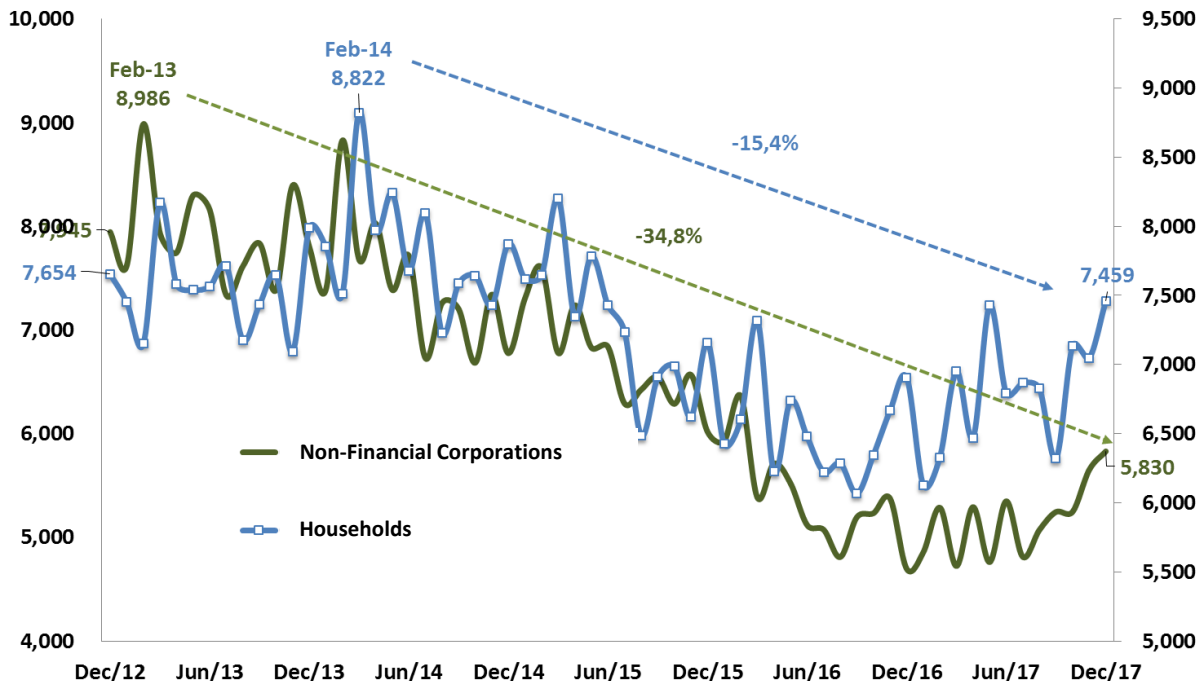


Source: FGV.

# New Loans to Households and Non-Financial Corporations

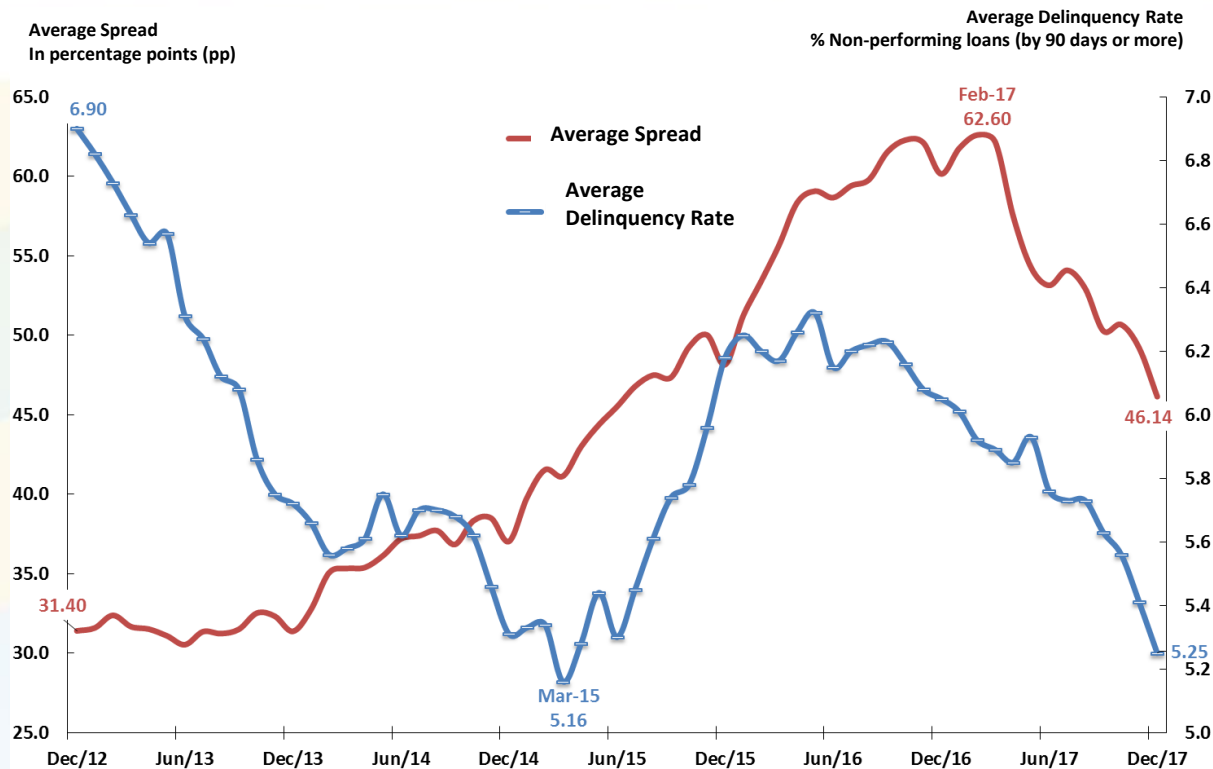
Daily Average of New Loans to Non-Financial Corporations  
R\$ millions of the last month  
3-Month Moving Average - Seasonally Adjusted\*

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.

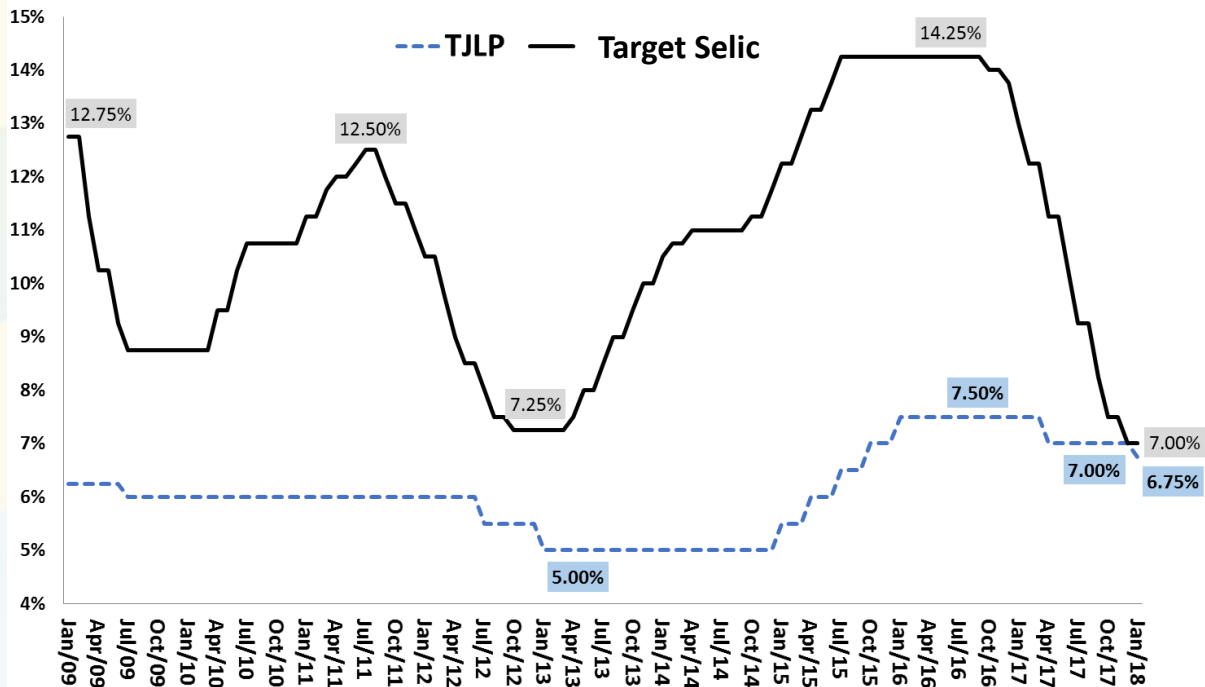
# Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

# Official Interest Rates Evolution (Target Selic and TJLP)

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

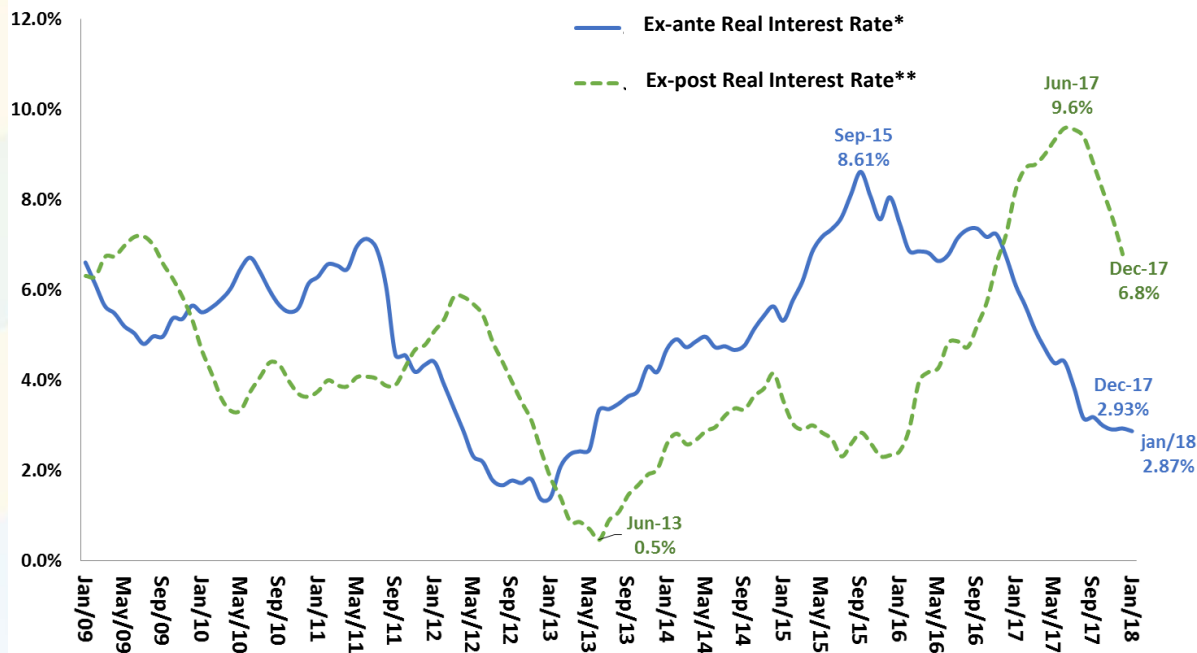


Source: Central Bank of Brazil.



# Ex-ante and Ex-post Real Interest Rates

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



Source: Central Bank of Brazil.

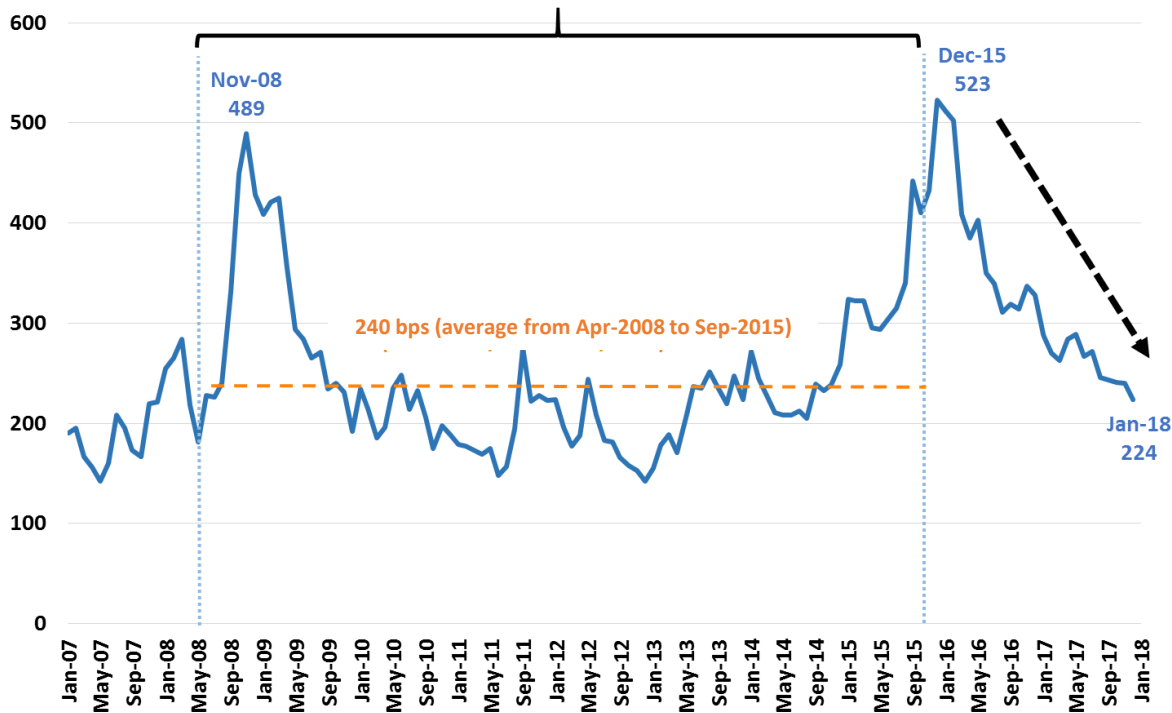
\* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

# Sovereign Risk (EMBI+ BR)

EMBI+ Brazil Spread  
basis points

S&P and Fitch Investment Grade Period



Source: JPMorgan.



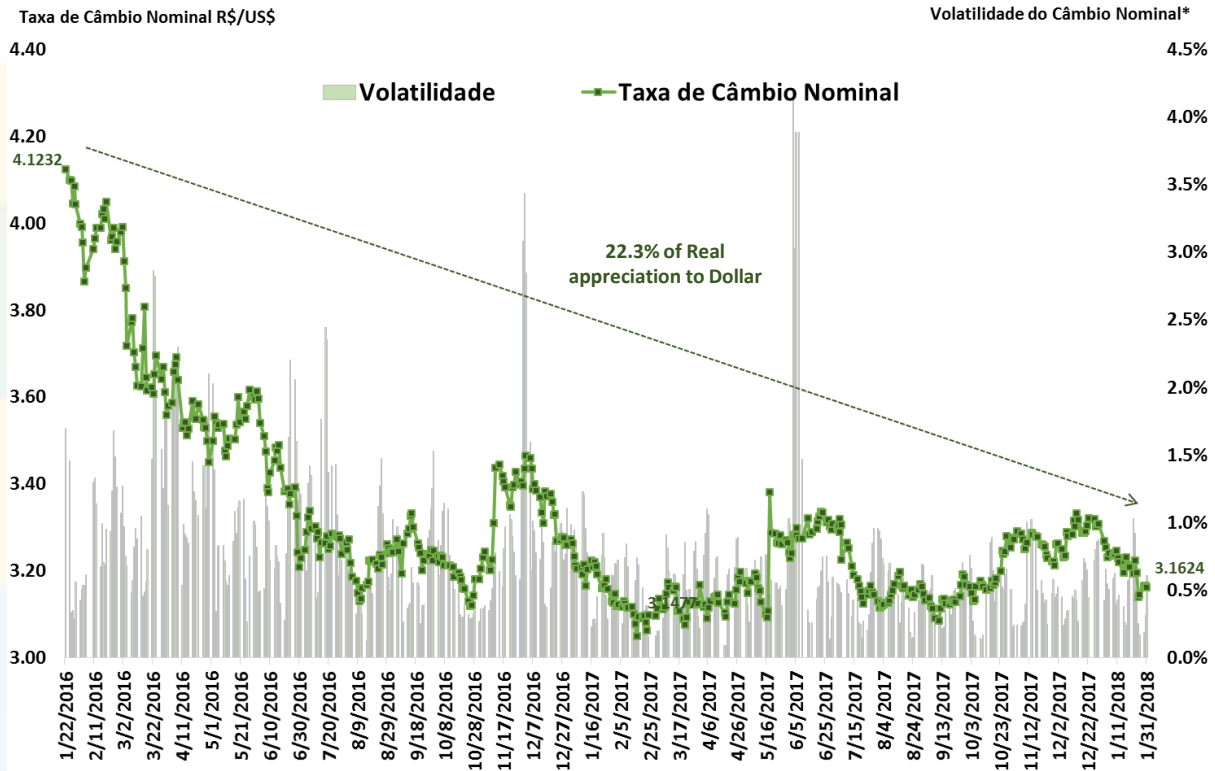
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PLANNING, DEVELOPMENT  
AND MANAGEMENT



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



Fonte: BCB. \*Volatilidade = Coeficiente de Variação Móvel de 5 dias.

# Trade Balance on Goods (52 weeks daily average)

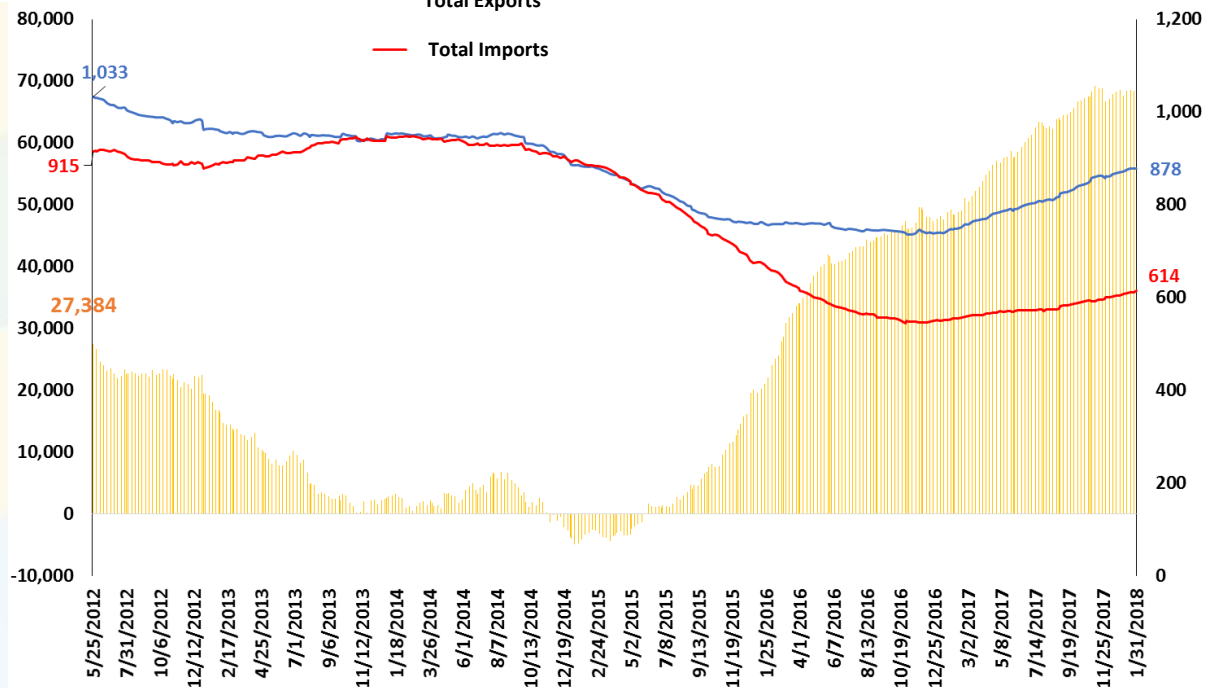
Trade Balance on Goods  
52-weeks Accumulated Figures  
US\$ millions FOB

Trade Balance on Goods

Total Exports

Total Imports

Total Exports and Total Imports  
52-weeks Moving Average  
US\$ millions FOB

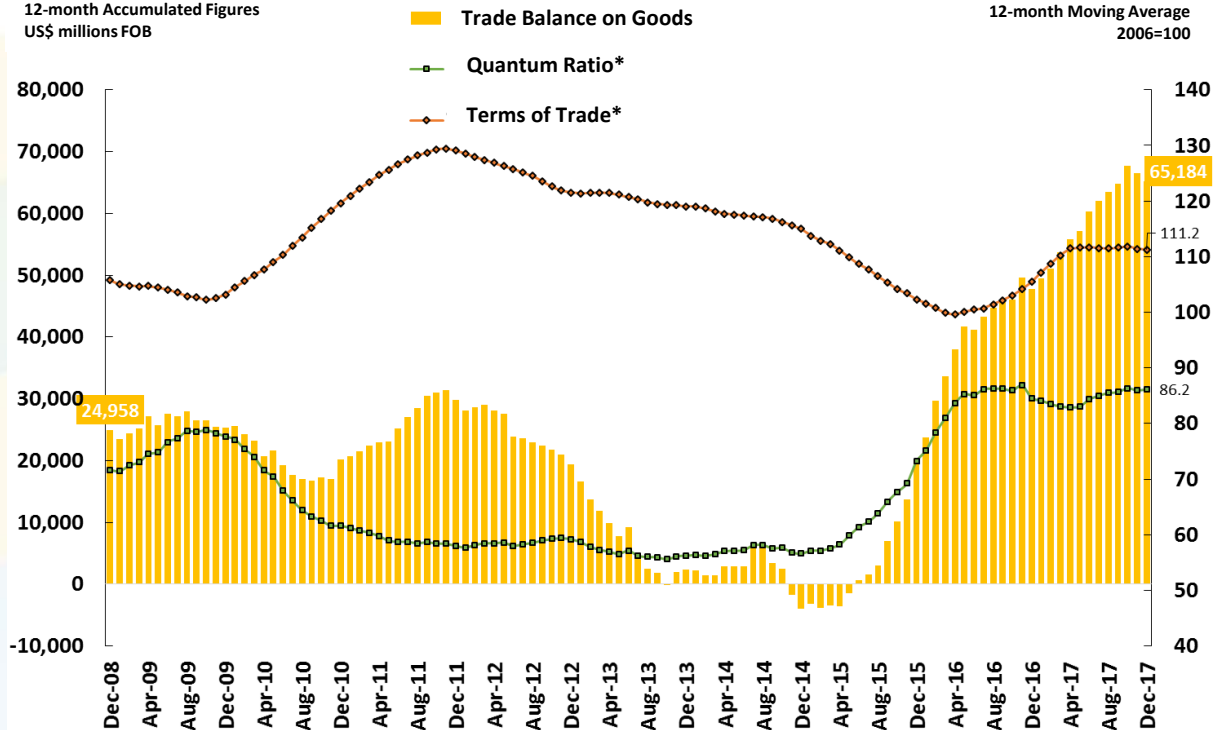


Source: SECEX/MDIC.

# Trade Balance, Quantum and Terms of Trade Ratios

Trade Balance  
12-month Accumulated Figures  
US\$ millions FOB

Quantum Ratio and Terms of Trade\*  
12-month Moving Average  
2006=100

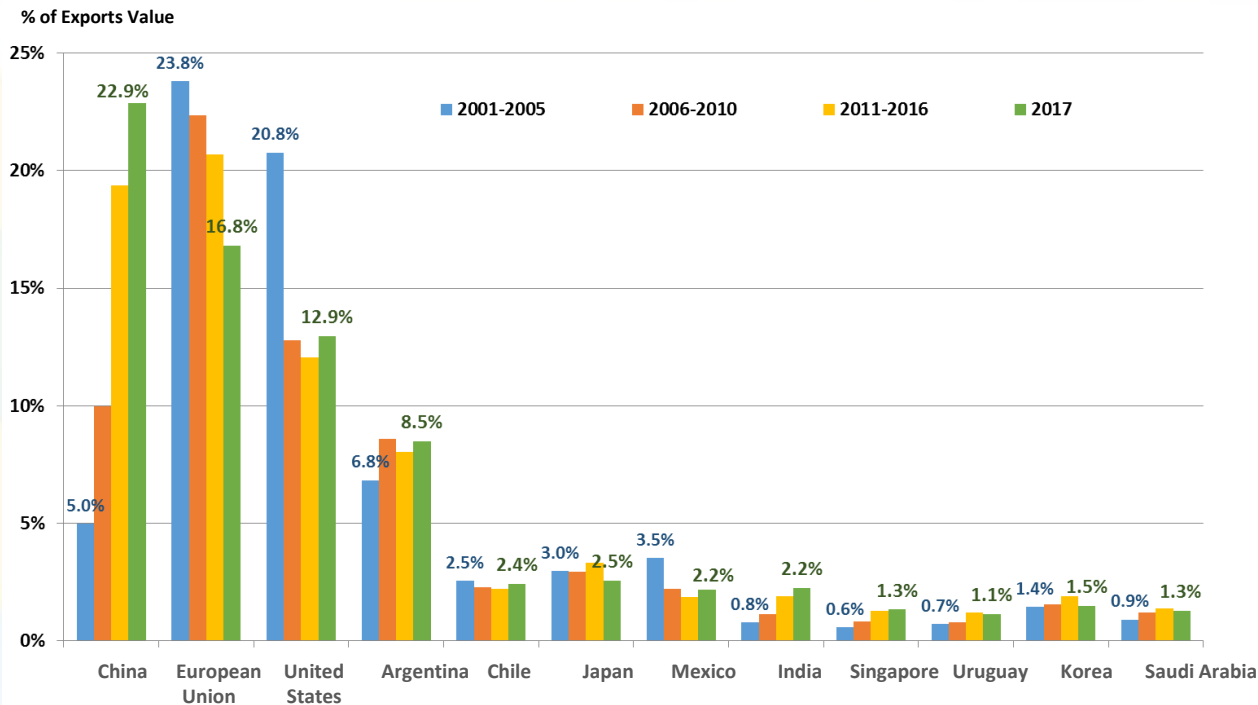


Sources: SECEX/MDIC and FUNCEX.

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

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

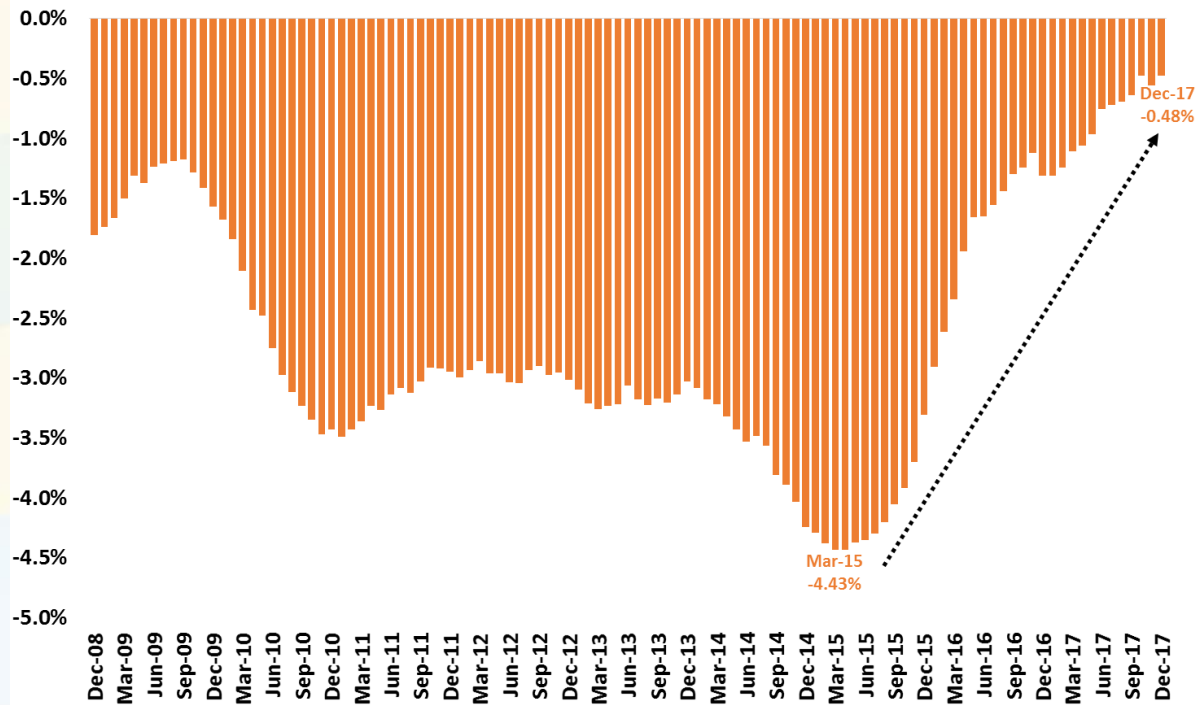
# Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

# Current Account Deficit as % of GDP

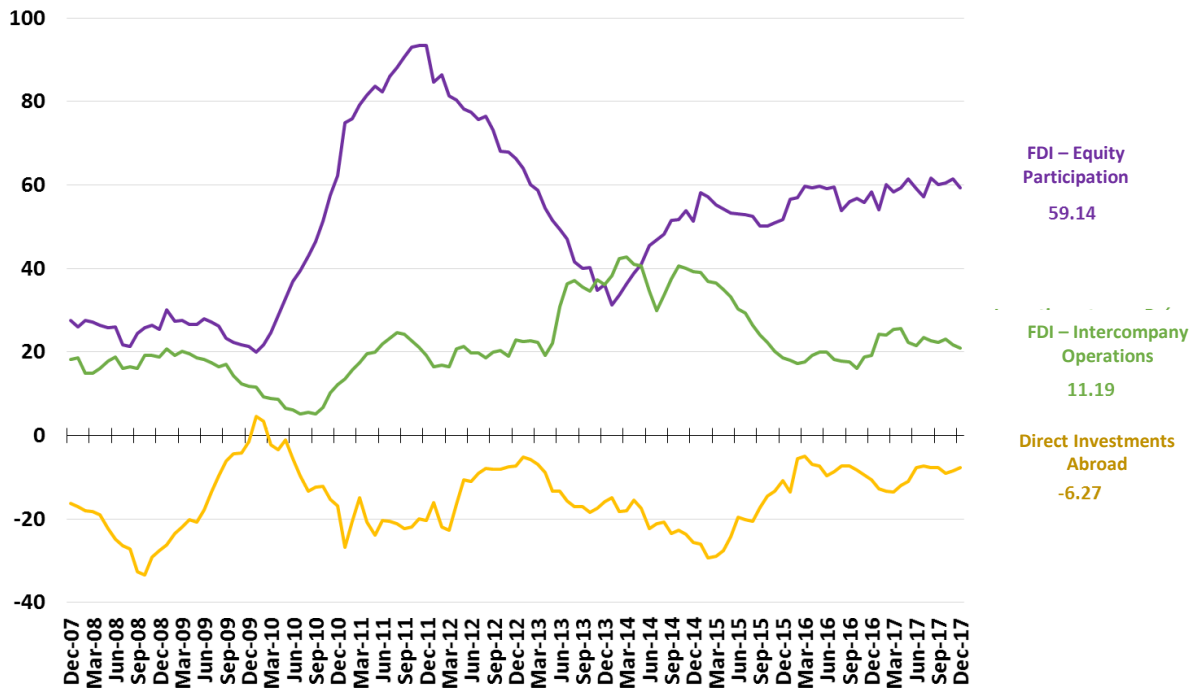
Current Account as % of GDP  
12-month Figures



Source: Central Bank of Brazil.

# Direct Investments and Components

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



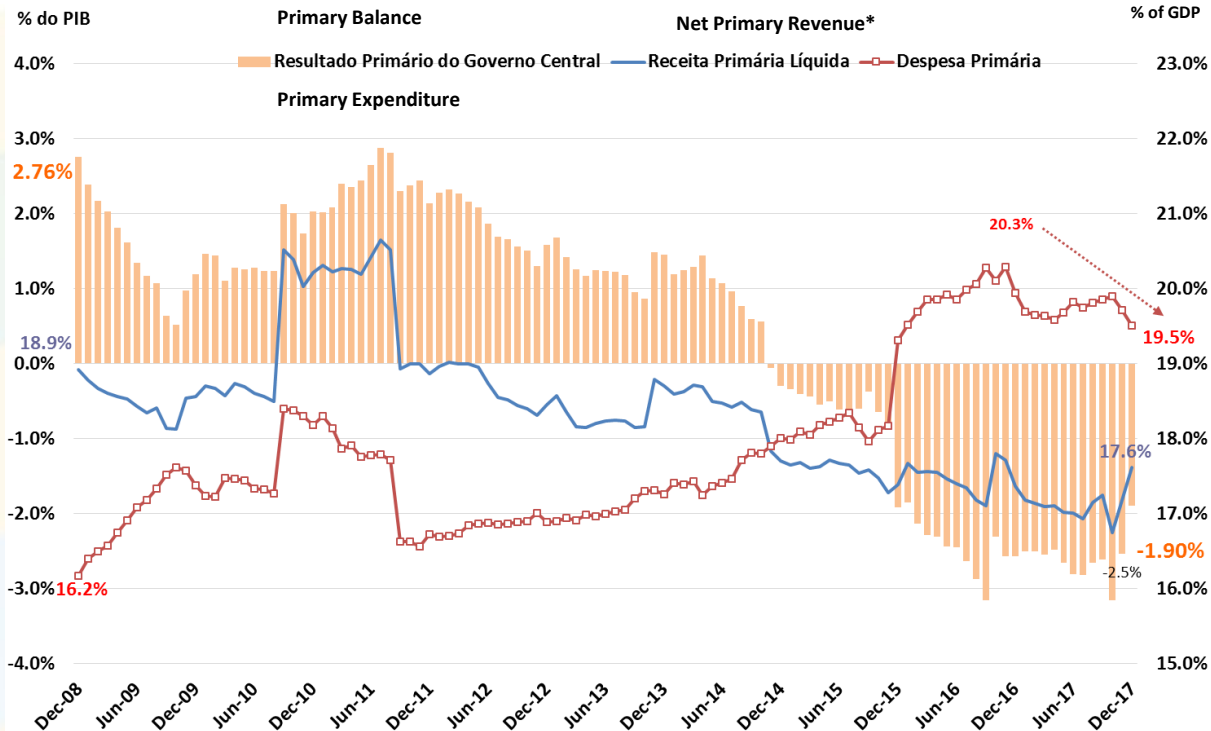
Source: Central Bank of Brazil.



# Primary Balance of Federal Government (as % GDP)

Primary Balance of Federal Government  
12-month Accumulated  
% of GDP

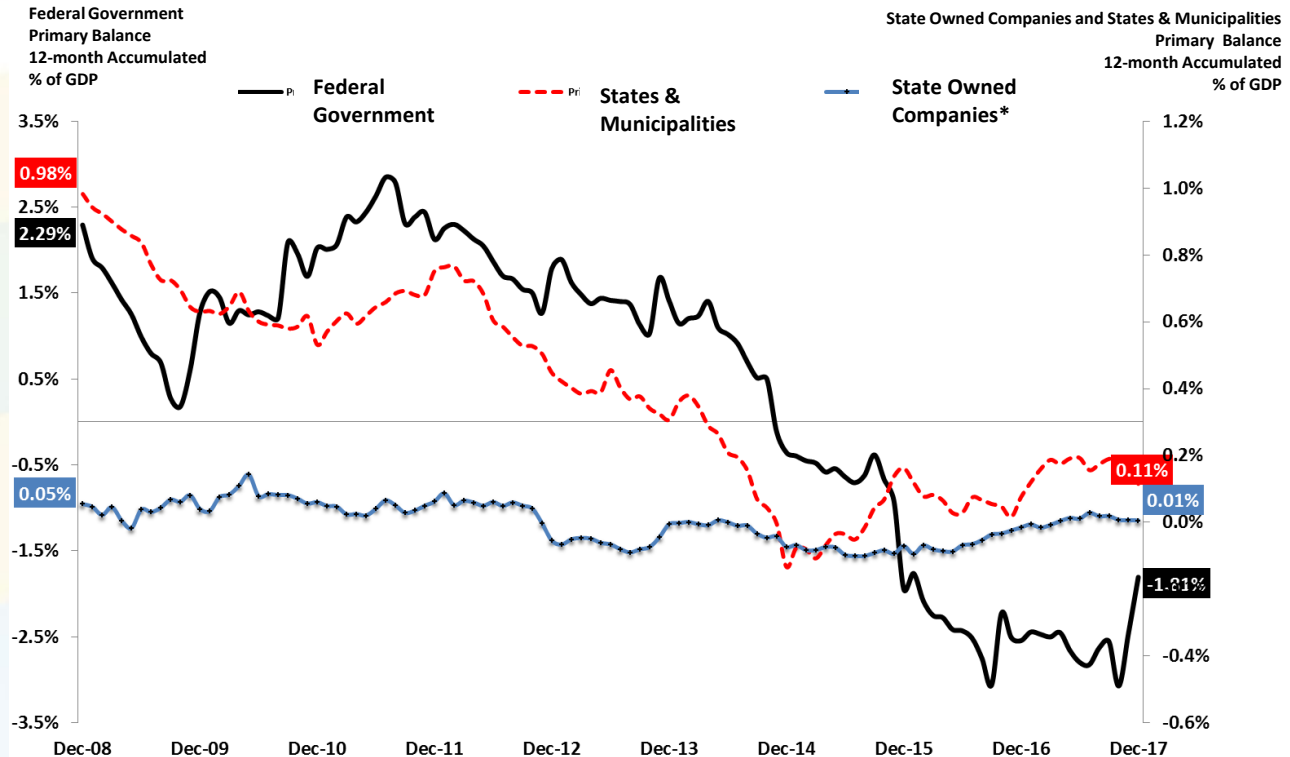
Net Primary Revenue and Primary Expenditure  
12-month Accumulated  
% of GDP



Sources: STN/MF.

\*Excludes compulsory transfers to subnational entities

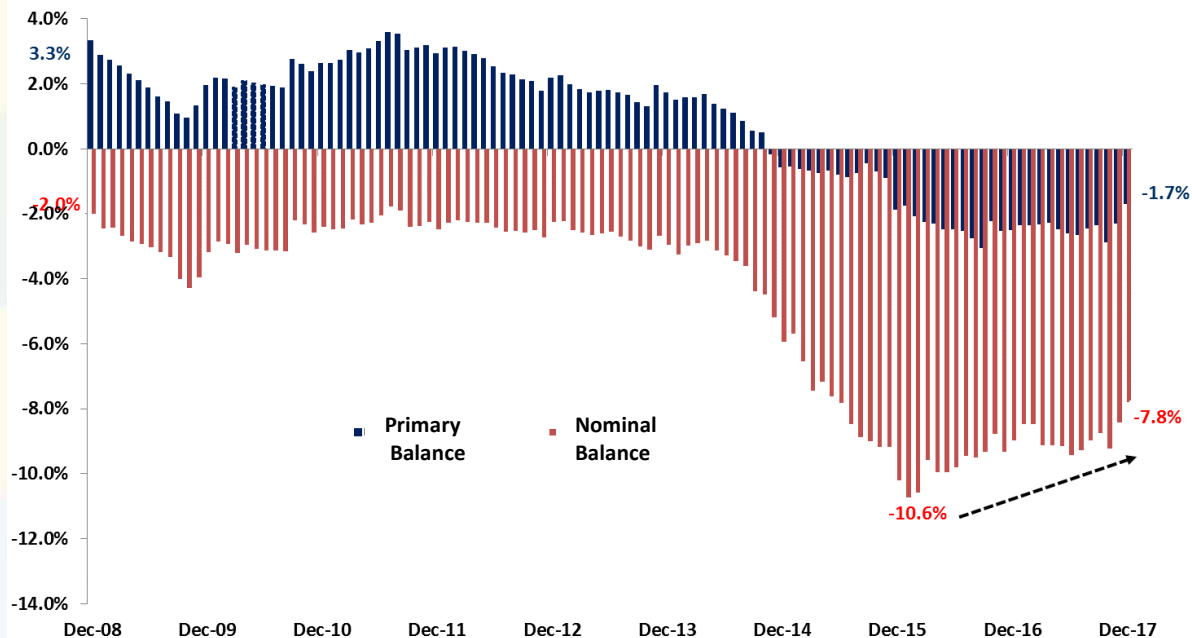
# Public Sector Primary Balance (as % GDP)



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.



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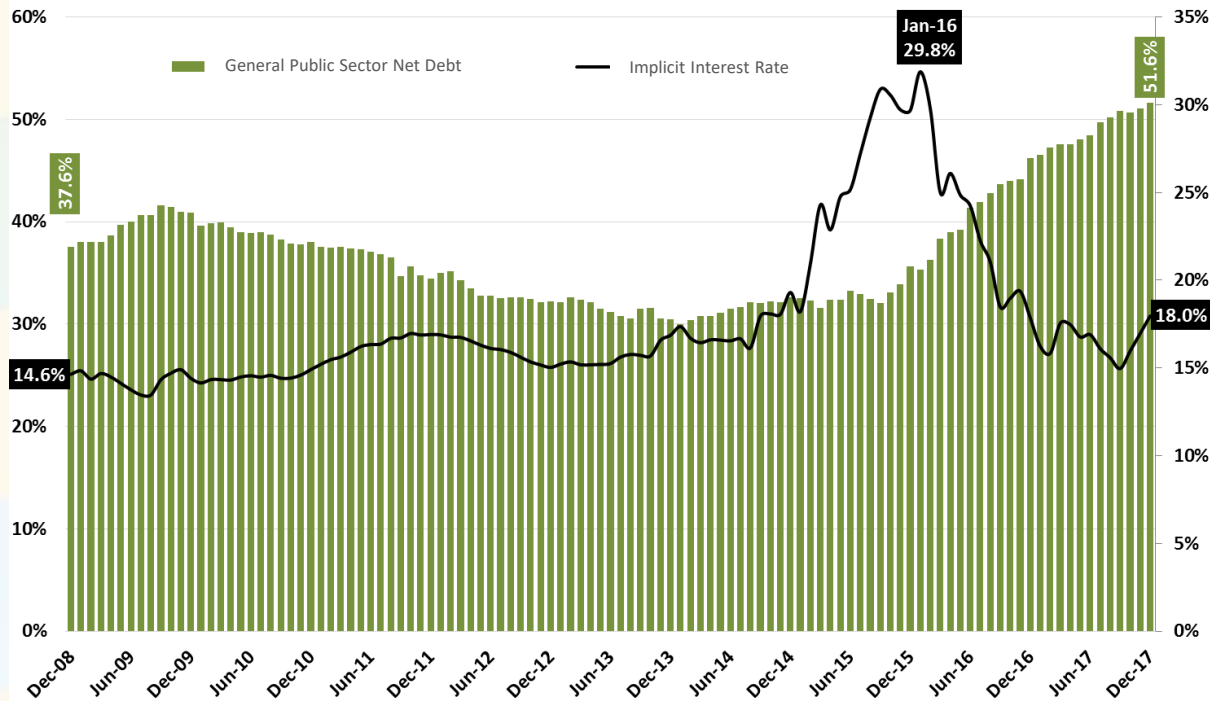
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AND MANAGEMENT



# Public Sector Net Debt (as % GDP)

General Public Sector Net Debt (DSLPI)  
% of GDP

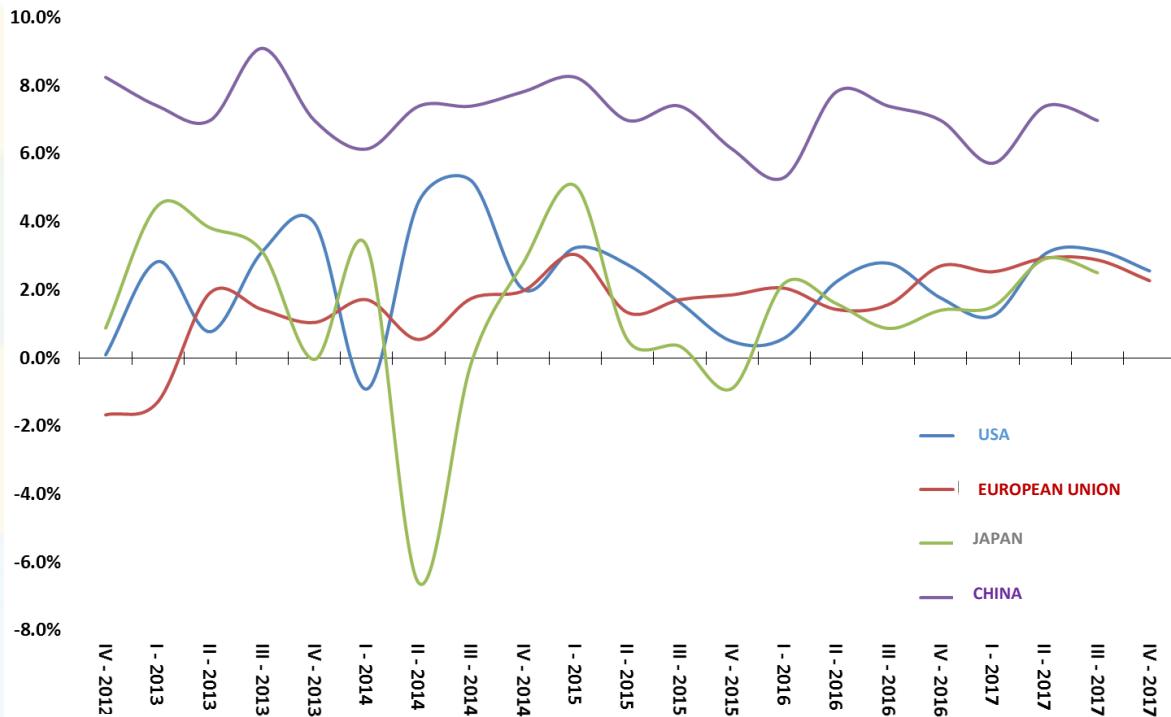
Implicit Interest Rate on DSLPI  
12-month (%)



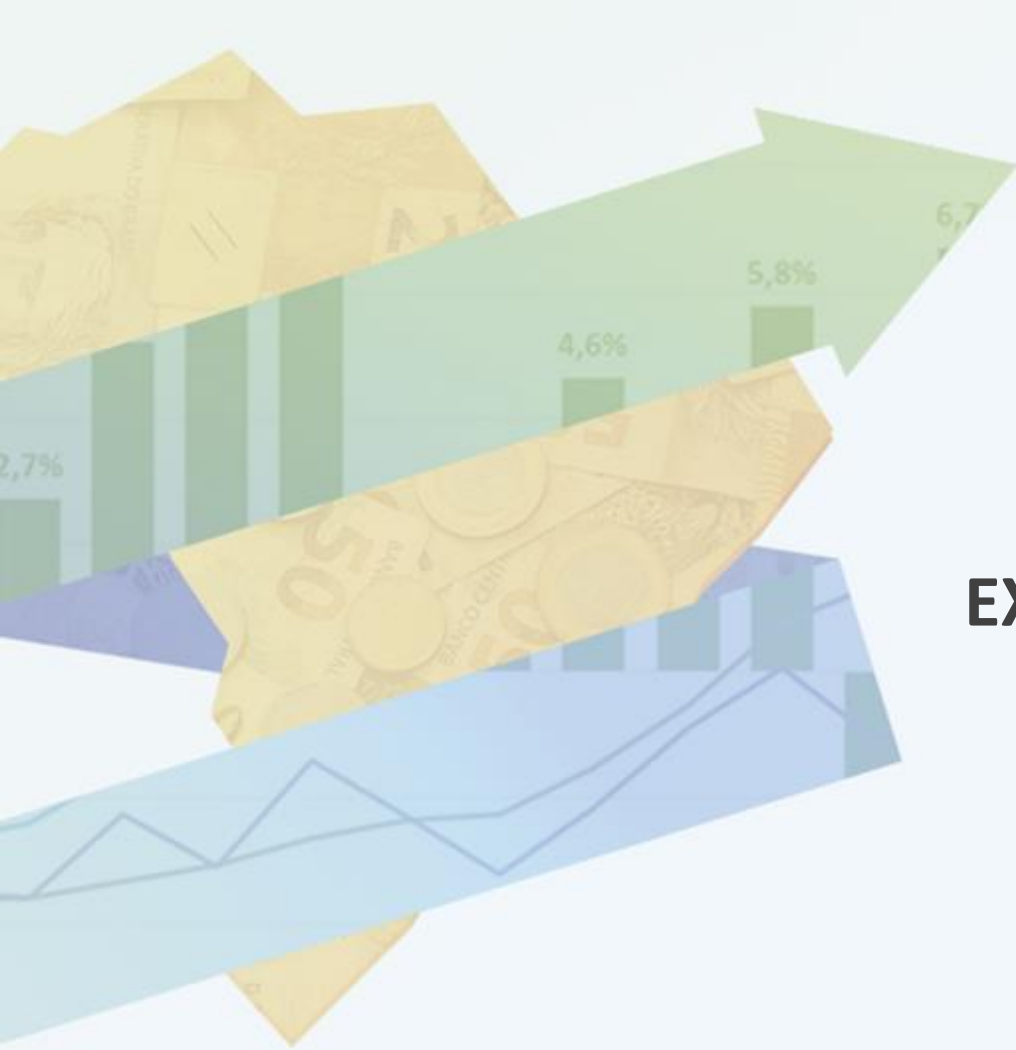
Source: Central Bank of Brazil.

# World Major Economies GDP

GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

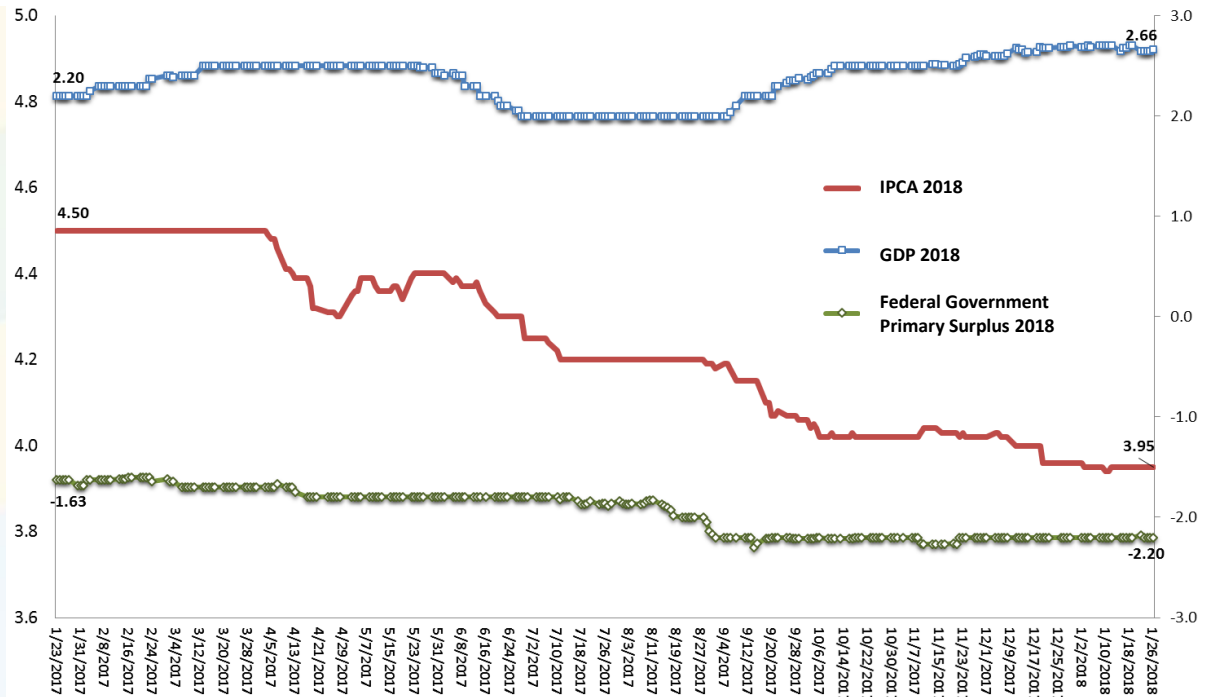


# **MARKET EXPECTATIONS**

# 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

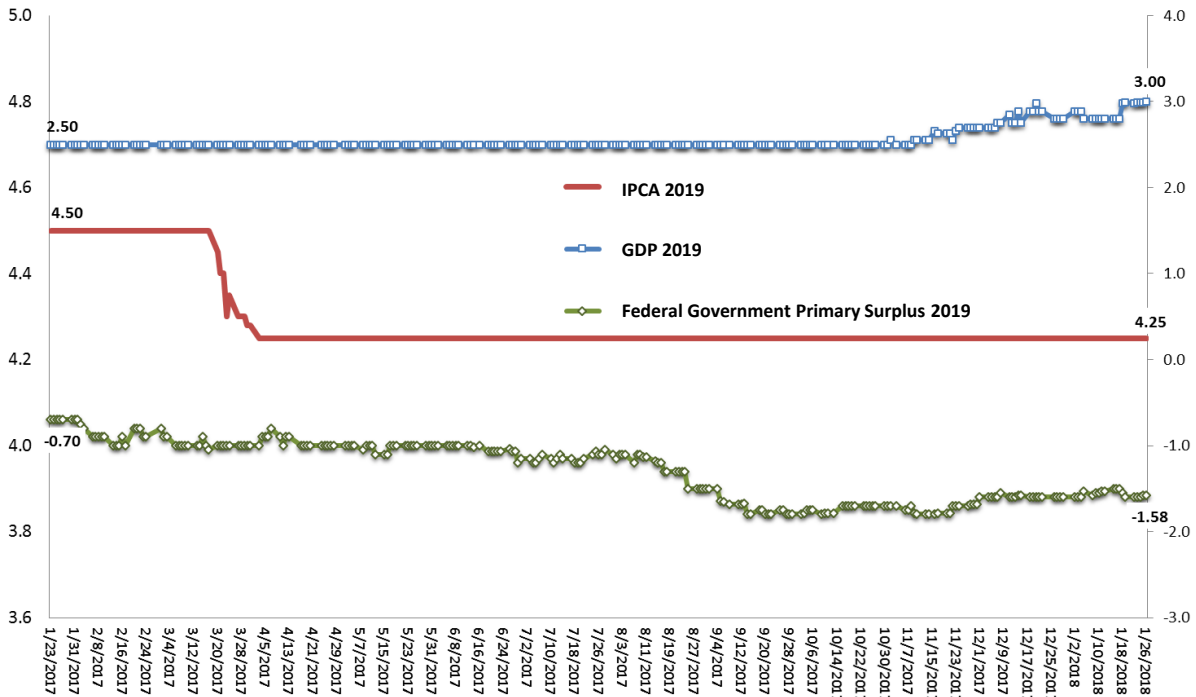


Source: Focus Survey, Central Bank of Brazil.

# 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

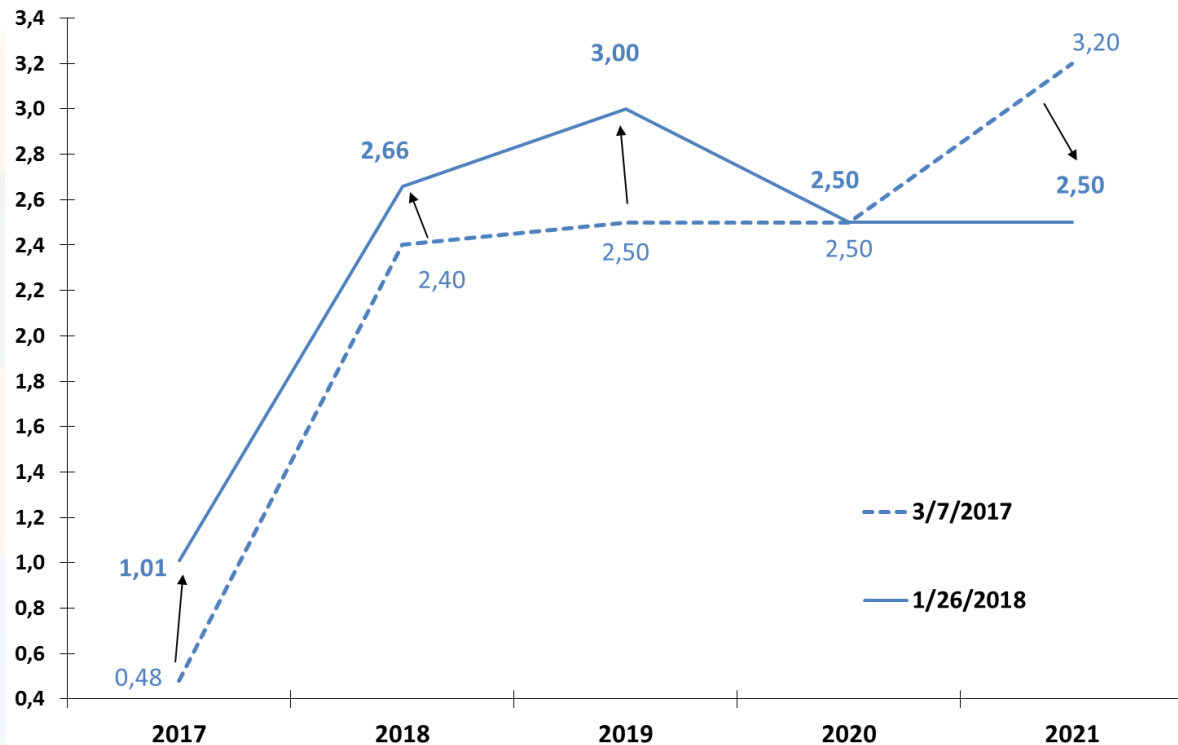


Source: Focus Survey, Central Bank of Brazil.



# GDP: Median of Market Expectations

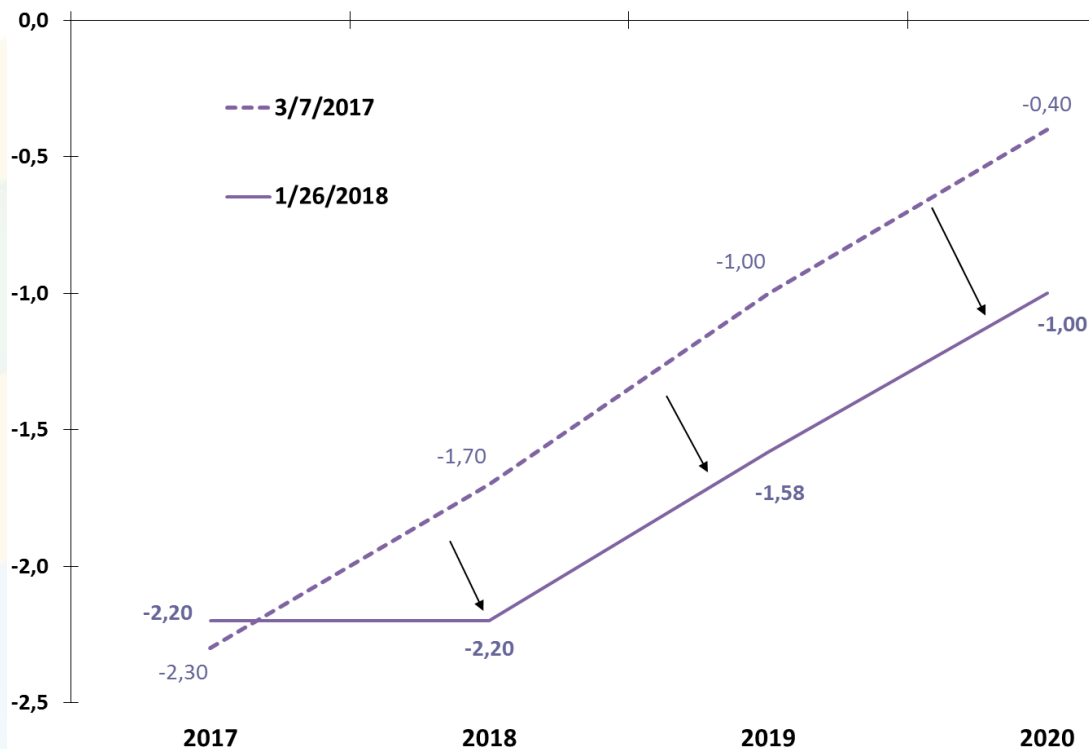
Real GDP chg. (%) - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

# Primary Surplus: Median of Market Expectations

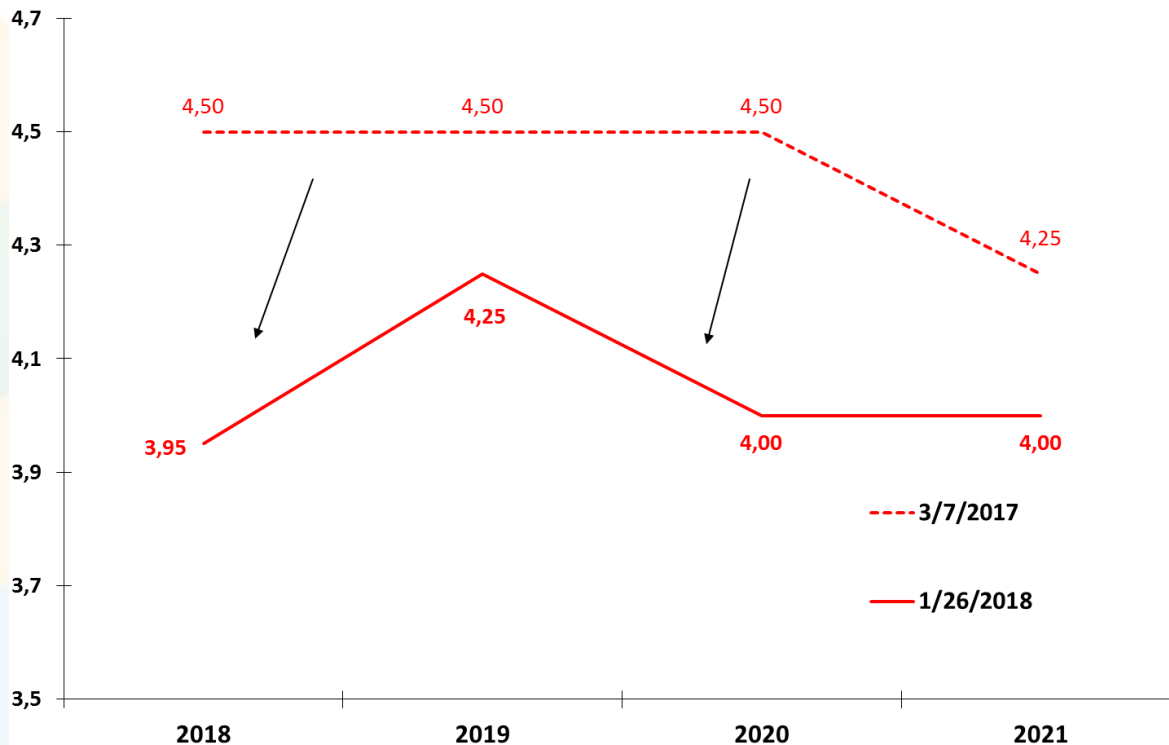
Federal Government Primary Surplus (%) - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

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

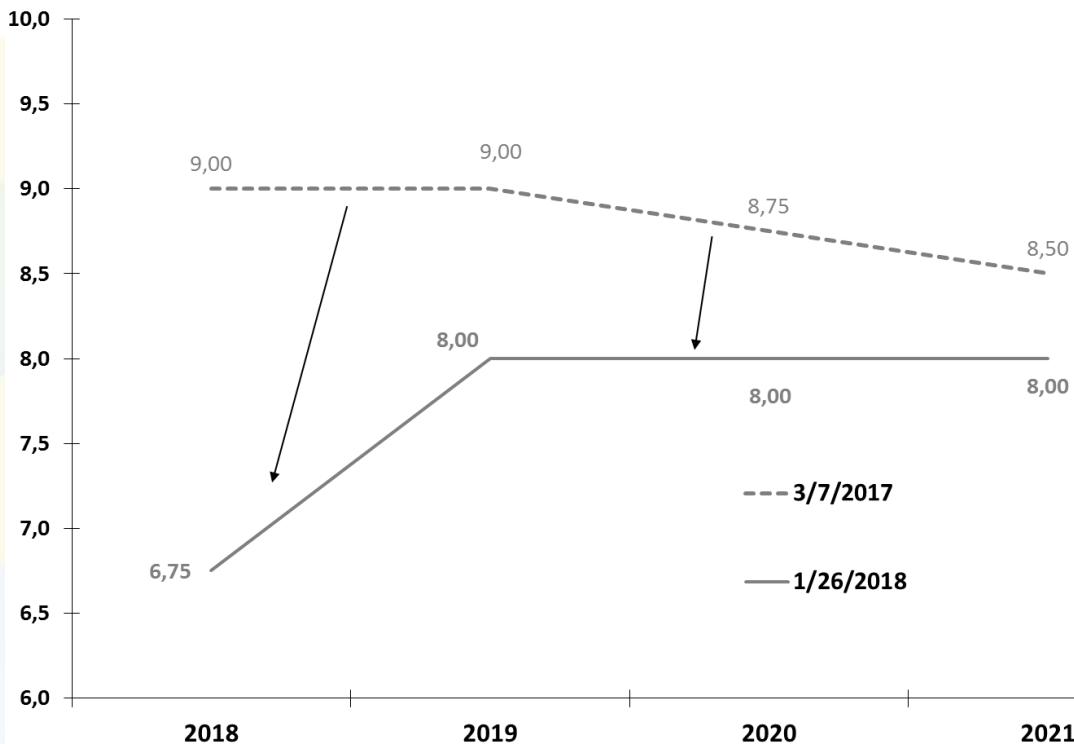
Consumer Price Index (IPCA) % p.a. - Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

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

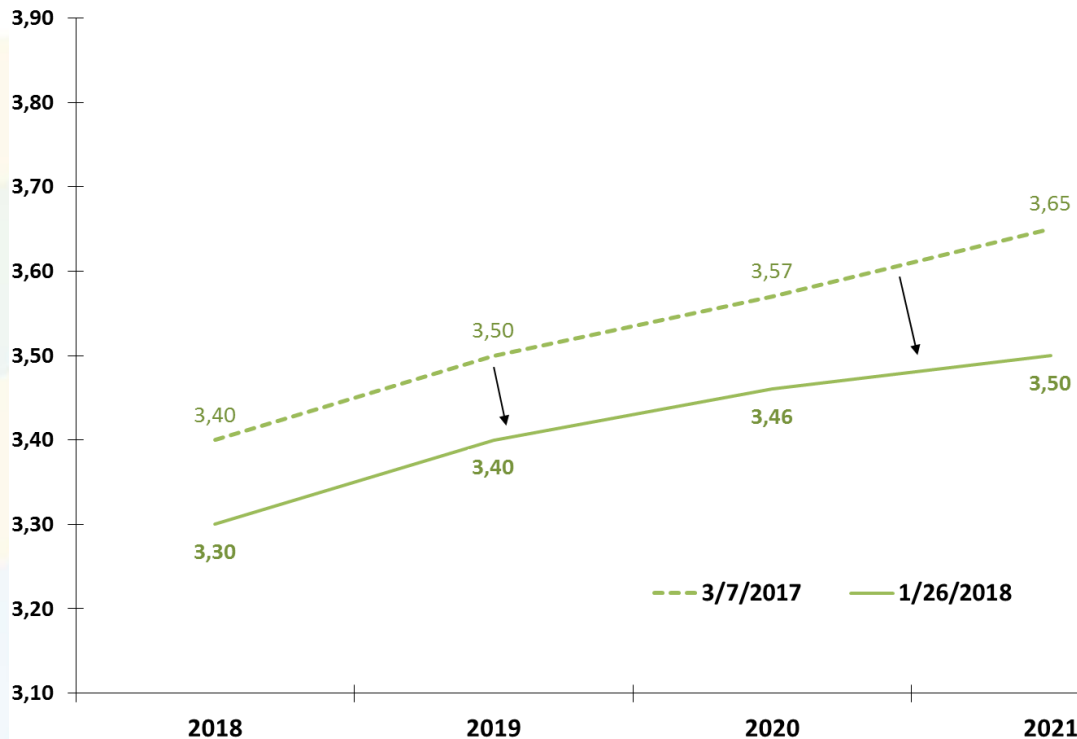
Main Interest Rate (Selic target) - % p.a. end of period - Median of Market Expectations



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: 01/26/2018

Gross Domestic Product (IBGE)	Q3 2017												
	% change	2016	Q1-2017 / Q1-2016	Q2-2017 / Q2-2016	Q1-2017 / Q4-2016 (seasonally adjusted)	Q2-2017 / Q1-2017 (seasonally adjusted)	Year-To-Date	Q1-2017 accum. in 4-quarters	Q2-2017 accum. in 4-quarters	carry-over 2017	2018	2019	2020
Agriculture		-4.3%	14.8%	9.1%	12.9%	-2.3%	14.5%	8.4%	11.5%	12.2%	12.4%	-0.6%	3.0%
Industry		-4.0%	-1.9%	0.4%	1.2%	-0.4%	-0.8%	-2.2%	-1.4%	-0.3%	-0.1%	3.3%	2.5%
Services		-2.6%	-0.2%	1.0%	0.3%	0.8%	-0.2%	-1.5%	-0.8%	0.2%	0.3%	2.4%	2.5%
<b>GDP (market prices)</b>		<b>-3.5%</b>	<b>0.4%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>-1.2%</b>	<b>-0.2%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>2.7%</b>	<b>3.0%</b>
Household Expenditure		-4.3%	0.6%	2.2%	0.2%	1.2%	0.4%	-1.9%	-0.5%	0.9%			
Government Expenditure		-0.1%	-0.8%	-0.6%	-0.1%	-0.1%	-0.6%	-0.3%	-0.4%	-0.6%			
Gross Fixed Capital Formation		-10.3%	-6.7%	-0.5%	-0.6%	0.0%	-3.6%	-6.3%	-4.2%	-2.6%			
Exports of Goods and Services		1.9%	2.5%	7.6%	5.7%	1.2%	4.0%	-0.8%	1.1%	6.3%			
Imports of Goods and Services (-)		-10.2%	-3.2%	5.7%	1.9%	-3.4%	3.9%	-0.6%	2.7%	4.8%			
Economic Activity Indicators (BCB and IBGE)	Q3 2017												
	% change	2016	Q1-2017 / Q1-2016	Q2-2017 / Q2-2016	Q1-2017 / Q4-2016 (seasonally adjusted)	Q2-2017 / Q1-2017 (seasonally adjusted)	Year-To-Date	Q1-2017 accum. in 4-quarters	Q2-2017 accum. in 4-quarters	carry-over 2017			
<b>IBC-Br Economic Activity Index*</b>		<b>-4.6%</b>	<b>-0.2%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>-2.0%</b>	<b>-1.0%</b>	<b>1.0%</b>			
LSPA: Grain Harvest		-12.2%	20.1%	29.7%	5.4%	1.8%	31.0%	20.1%	29.7%	21.4%			
PIM: Industrial Production		-6.4%	0.3%	-1.0%	1.1%	0.9%	0.1%	-1.8%	-0.7%	2.2%			
PMC: Amplified Retail Sales		-8.7%	2.9%	5.6%	1.9%	2.3%	2.1%	-4.1%	-0.6%	4.3%			
PMS: Volume of Services		-5.0%	-3.5%	-3.2%	0.2%	-0.6%	-3.8%	-4.7%	-4.4%	-2.6%			

LSPA: Systematic Survey of Agricultural Production (IBGE)

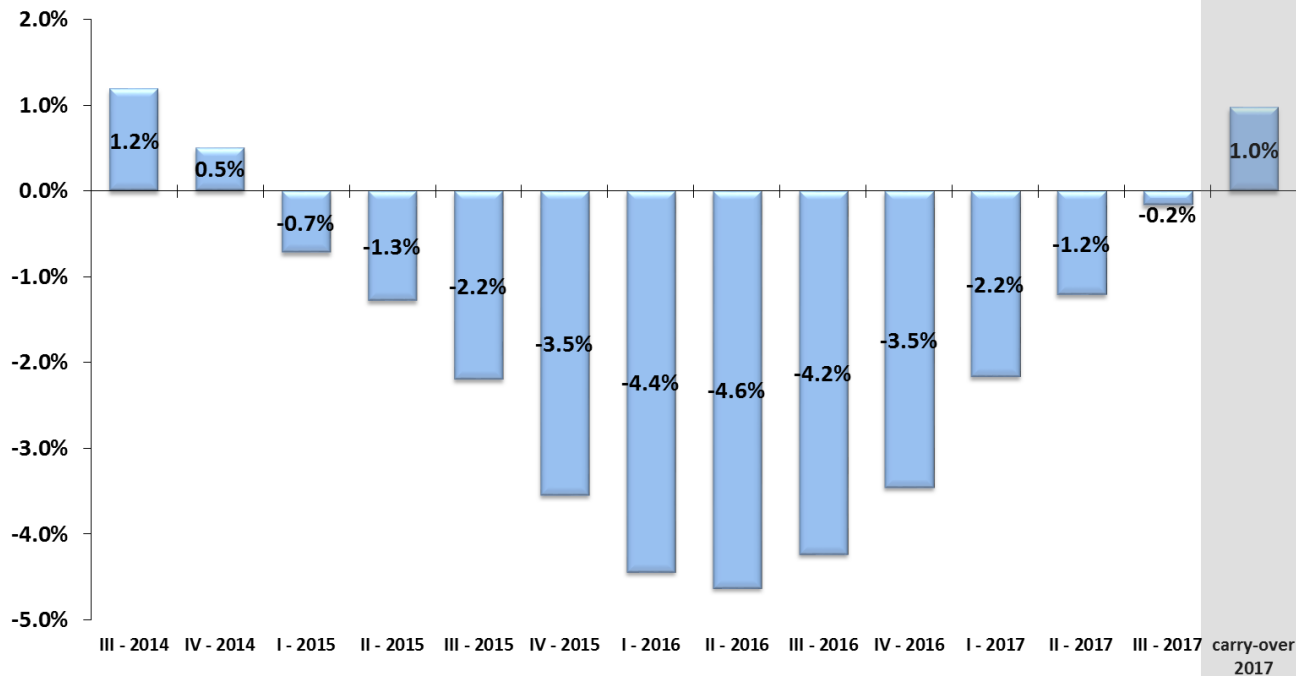
PIM: Monthly Survey of Industry (IBGE)

PMC: Monthly Survey of Trade (IBGE)

PMS: Monthly Survey of Services (IBGE)

# Quarterly GDP

Last 4Q / Previous 4Q (%)

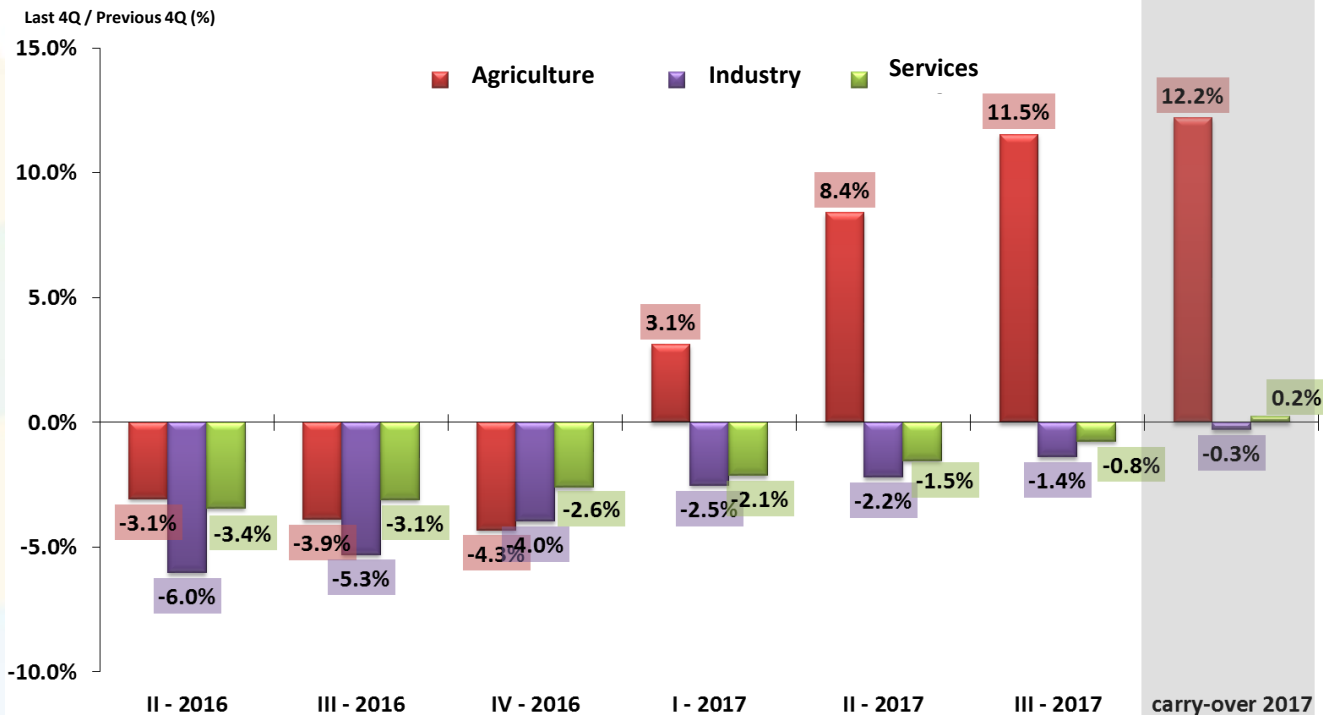


Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 3<sup>rd</sup> quarter seasonally adjusted level compared to 2016 average.



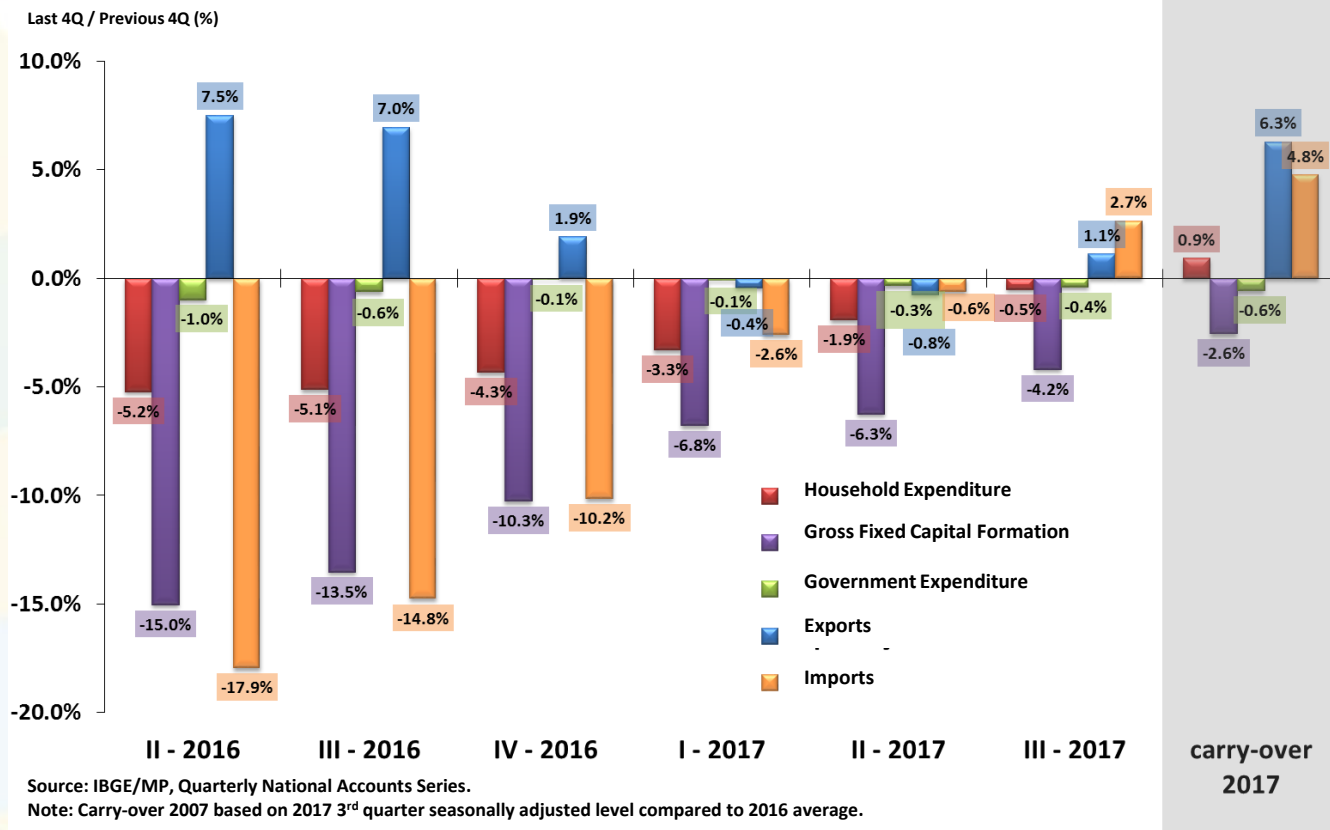
# Quarterly GDP by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

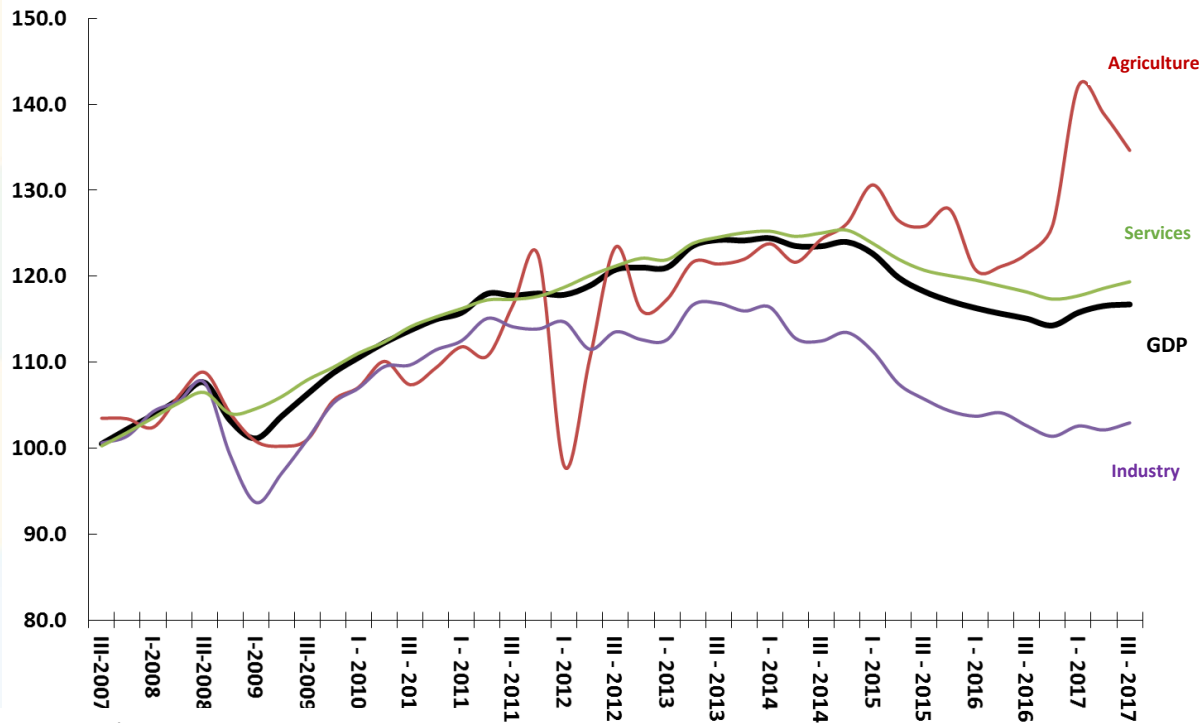
Note: Carry-over 2017 based on 2017 3<sup>rd</sup> quarter seasonally adjusted level compared to 2016 average.

# Quarterly GDP by Expenditure



# Quarterly GDP by Activity Sector

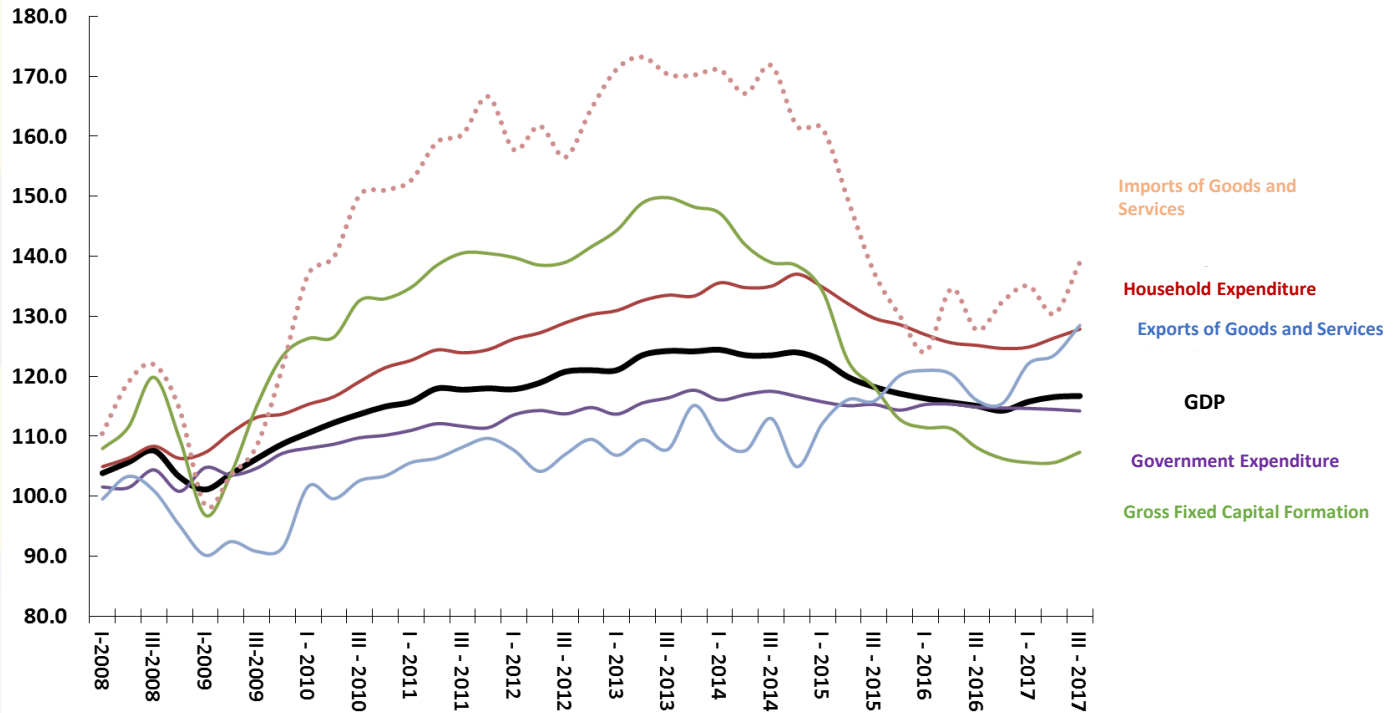
GDP and Economic Sectors Quarterly Volume Indicator  
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

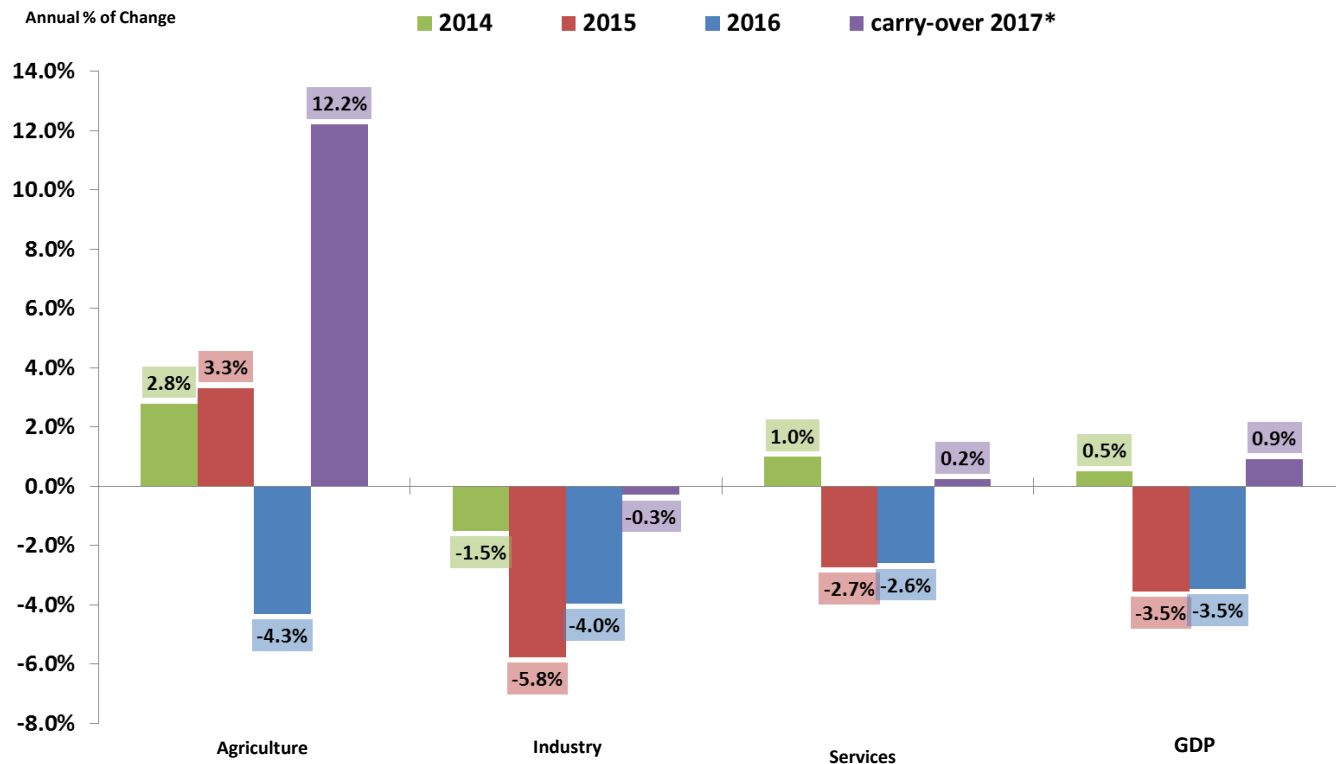
# Quarterly GDP by Expenditure

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



Source: IBGE/MP, Quarterly National Accounts Series.

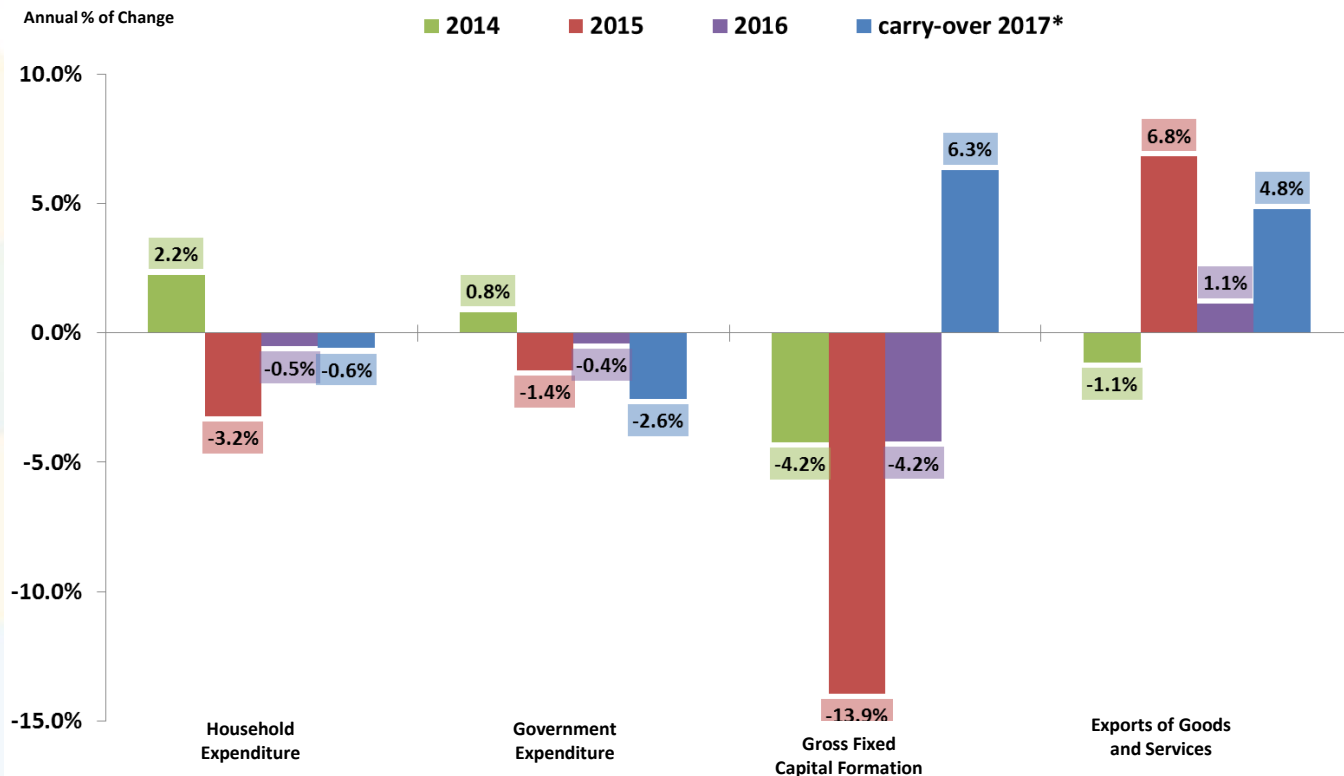
# Annual GDP Real Growth by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 3<sup>rd</sup> quarter seasonally adjusted level compared to 2016 average.

# Annual GDP Real Growth by Expenditure



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2017 based on 2017 3<sup>rd</sup> quarter seasonally adjusted level compared to 2016 average.

# Primary Sector Performance by Major Crops

Primary Sector GDP  
Annual % of Change

14.0%

12.0%

10.0%

8.0%

6.0%

4.0%

2.0%

0.0%

-2.0%

-4.0%

-6.0%

1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

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

500

450

Soybean (40,4%)

+19,4%

350

Corn (12,4%)

300

Sugarcane (20,2%)

250

200

150

100

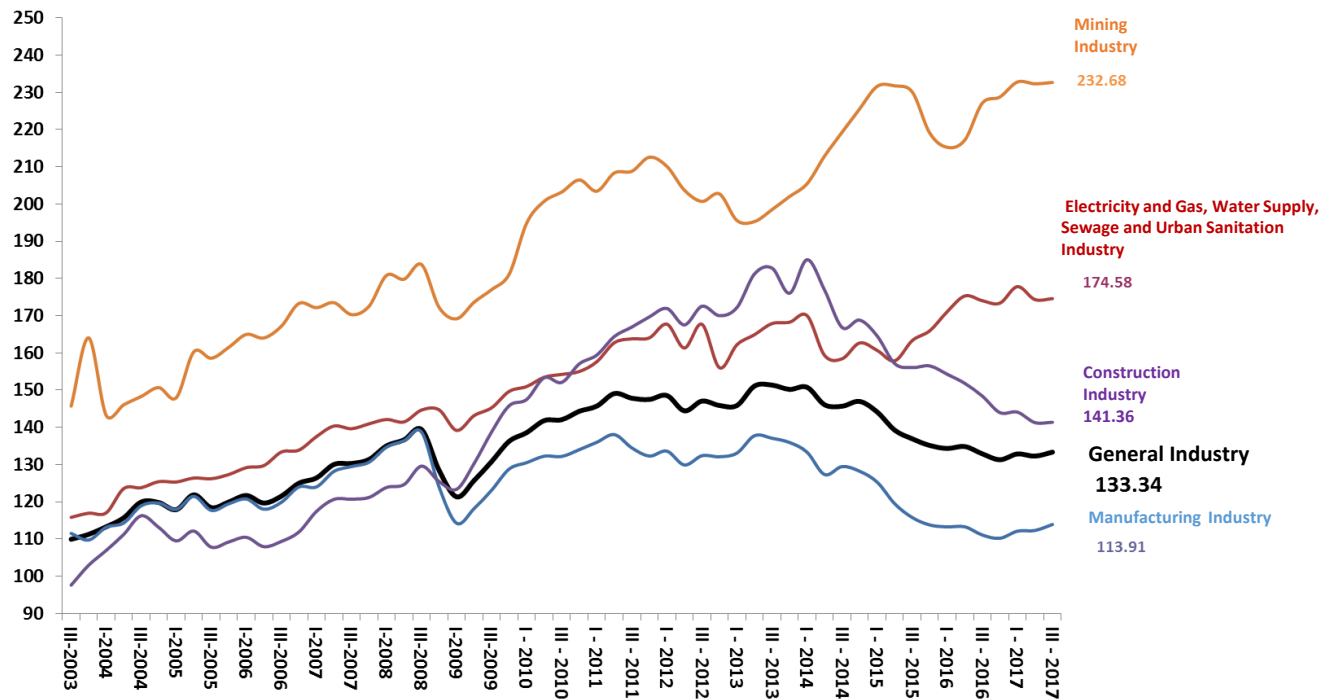
50

0

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

# Industry Performance by Subsectors

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



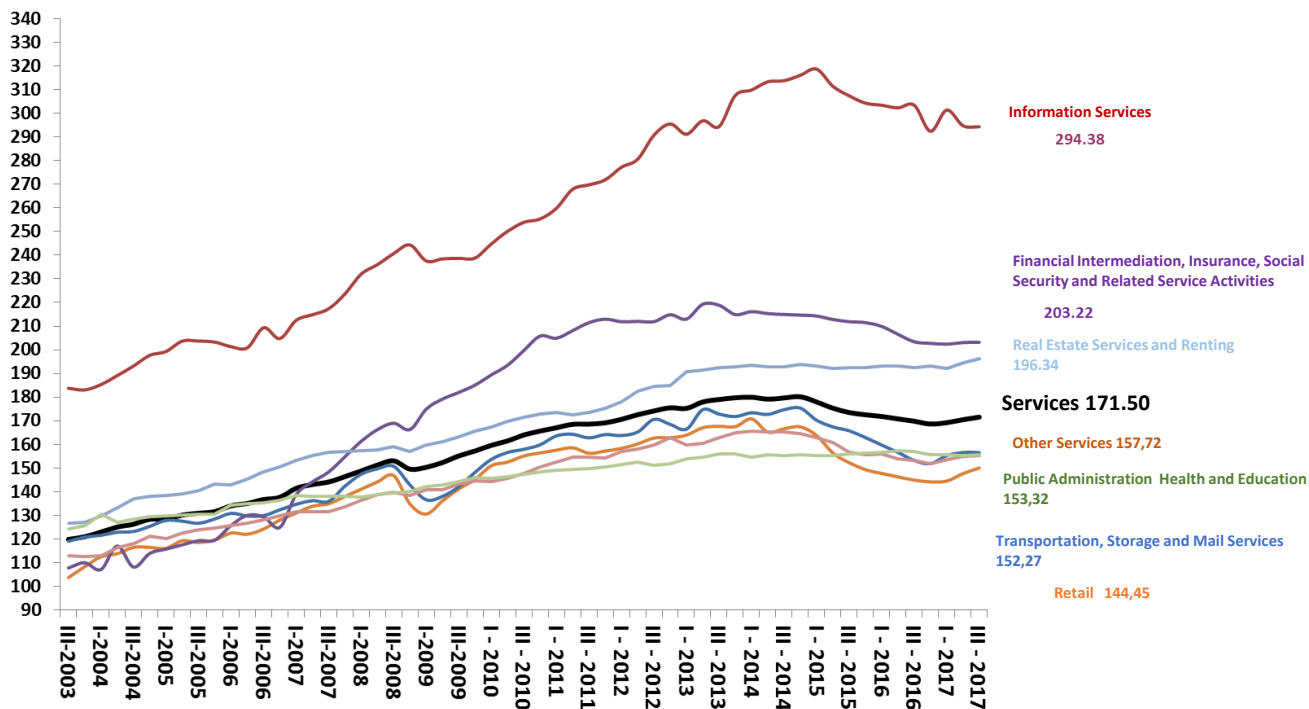
Source: IBGE/MP, Quarterly National Accounts Series.



# Services Performance by Subsectors

Services Provision Indicators

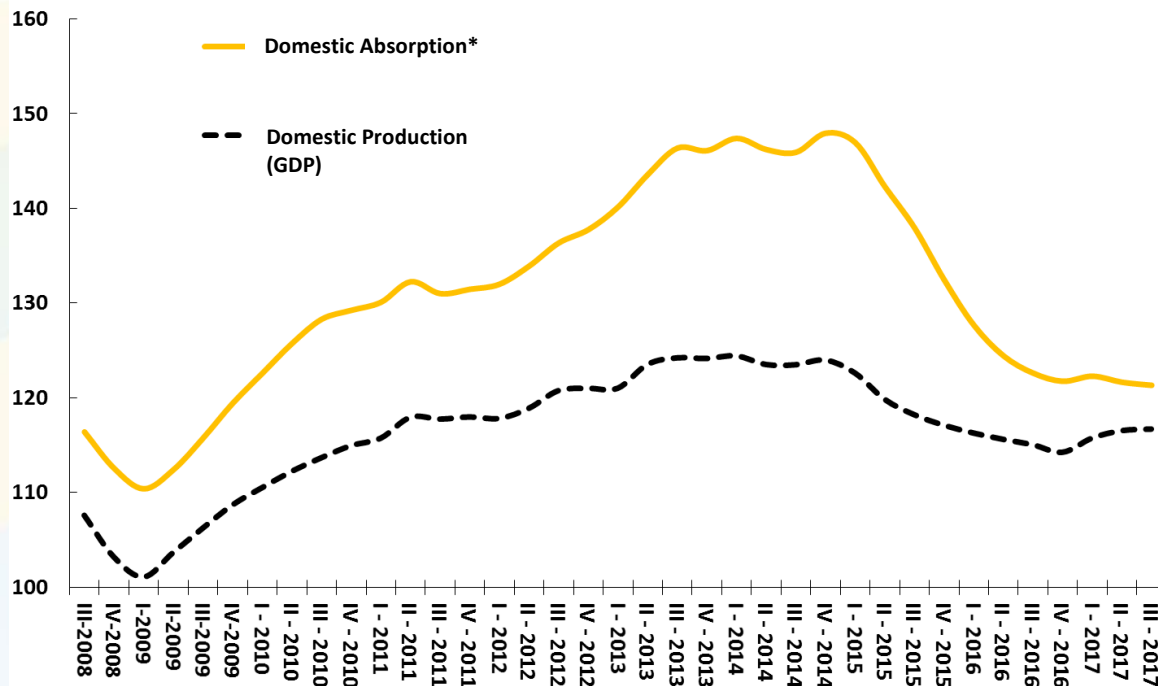
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

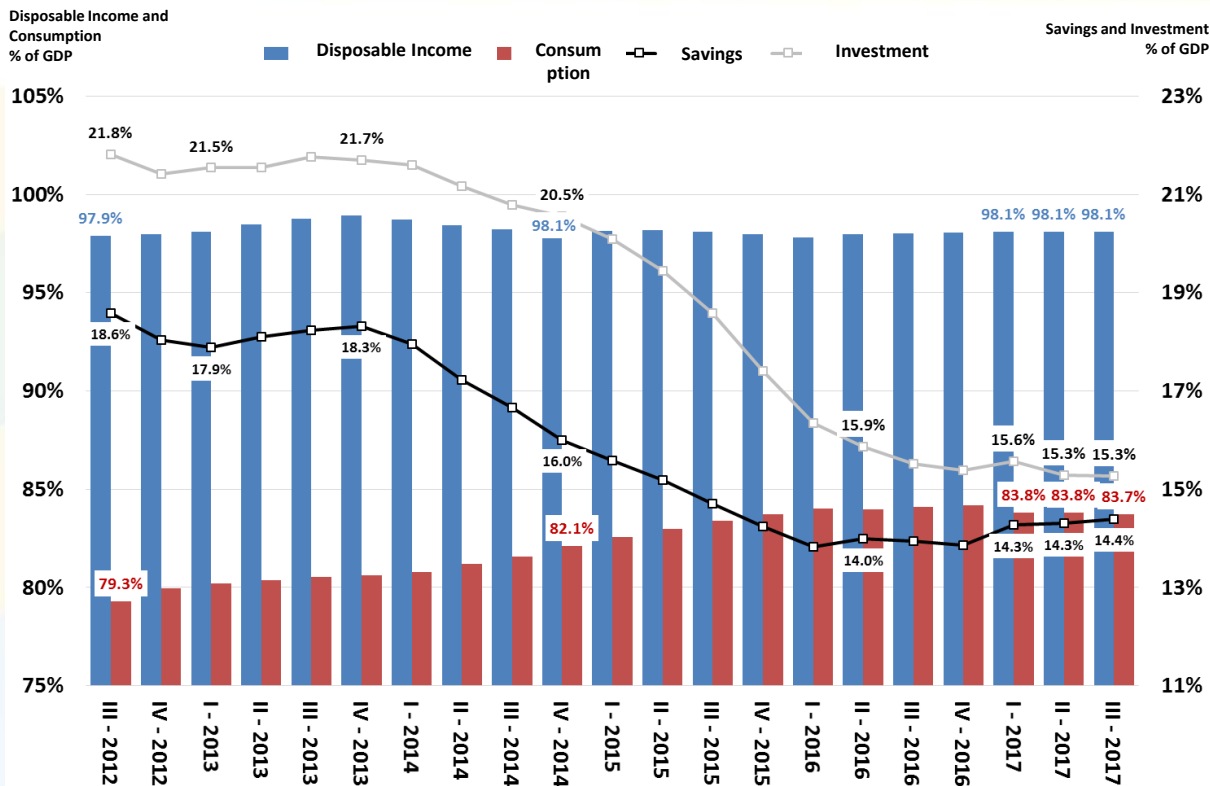
# Domestic Production and Absorption

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

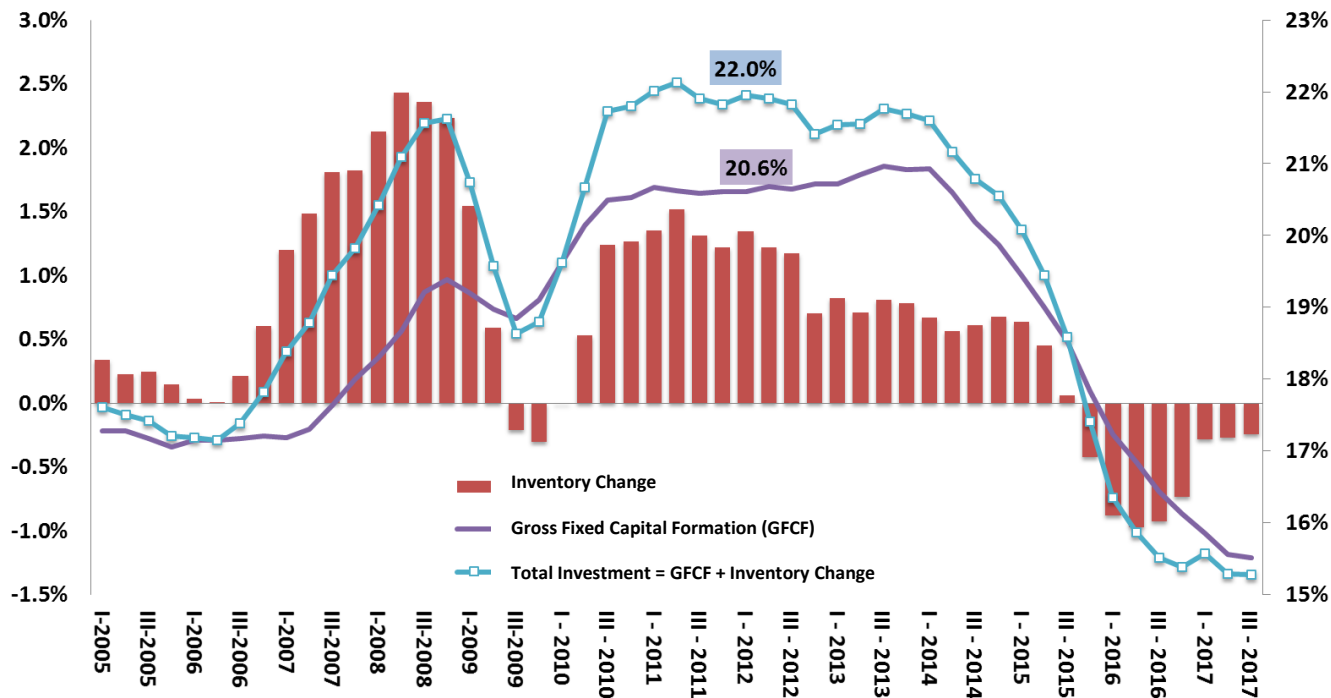


Source: IBGE/MP, Quarterly National Accounts Series.

# Inventory Change and Gross Fixed Capital Formation

Inventory Change (% of GDP)  
Accumulated in 4 quarters

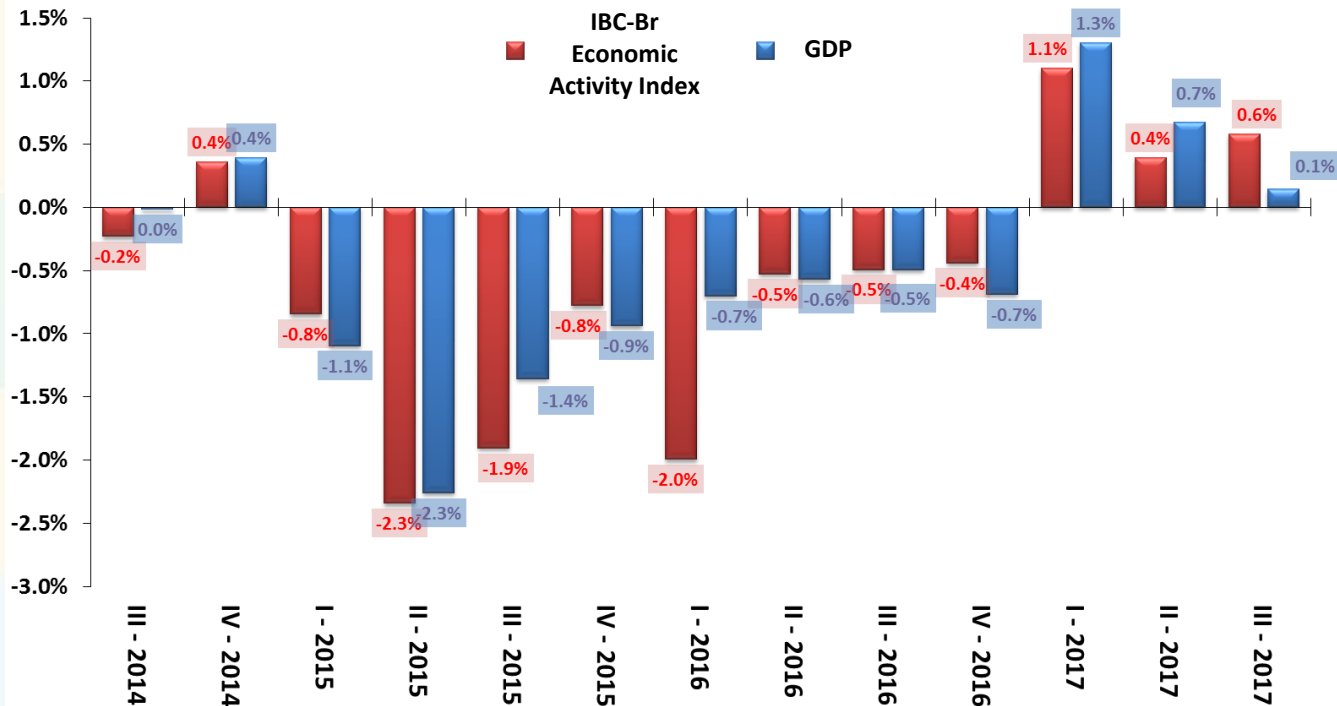
GFCF and Total Investment (% of GDP)  
Accumulated in 4 quarters



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.

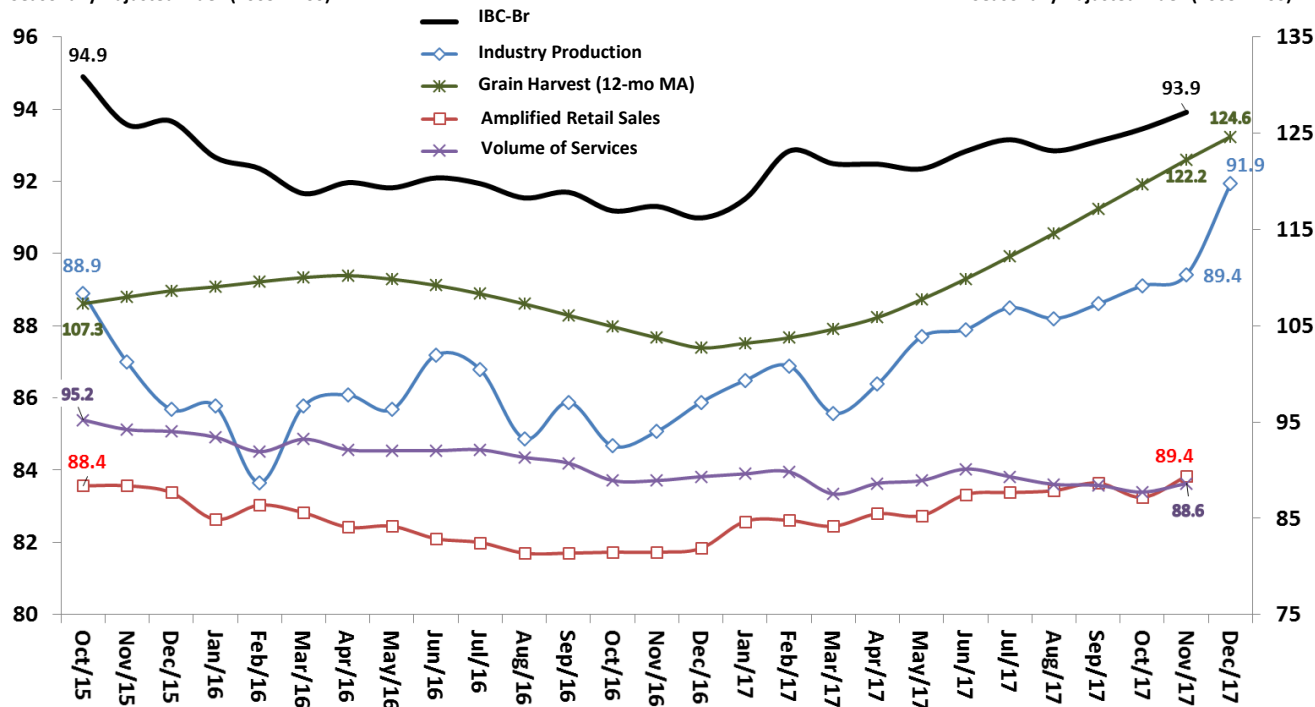
# Monthly Economic Activity

<b>IBC-Br Economic Activity Index</b>	<b>November-17</b> % change	2015	2016	Oct/17- Oct/16	Nov/17- Nov/16	Oct/17 - Sep/17 (seasonally adjusted)	Nov/17 - Oct/17 (seasonally adjusted)	Year-To-Date	Oct/17 accum. in 12 months	Nov/17 accum. in 12 months	carry-over 2017
<b>IBC-Br Economic Activity Index</b>		<b>-4.2%</b>	<b>-4.3%</b>	<b>3.1%</b>	<b>2.8%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.2%</b>	<b>0.7%</b>	<b>1.2%</b>
<b>Systematic Survey of Agricultural Production (IBGE)</b>	<b>December-17</b> % change	2015	2016	Nov/17- Nov/16	Dec/17- Dec/16	Nov/17 - Oct/17 (seasonally adjusted)	Dec/17 - Nov/17 (seasonally adjusted)	Year-To-Date	Nov/17 accum. in 12 months	Dec/17 accum. in 12 months	carry-over 2018
<b>Grain Harvest</b>		<b>7.6%</b>	<b>-11.3%</b>	<b>31.5%</b>	<b>29.5%</b>	<b>0.1%</b>	<b>-0.5%</b>	<b>29.5%</b>	<b>31.5%</b>	<b>29.5%</b>	<b>21.4%</b>
<b>Industry Production (IBGE)</b>	<b>December-17</b> % change	2015	2016	Nov/17- Nov/16	Dec/17- Dec/16	Nov/17 - Oct/17 (seasonally adjusted)	Dec/17 - Nov/17 (seasonally adjusted)	Year-To-Date	Nov/17 accum. in 12 months	Dec/17 accum. in 12 months	carry-over 2018
<b>General Industry</b>		<b>-8.2%</b>	<b>-6.4%</b>	<b>4.7%</b>	<b>4.4%</b>	<b>0.3%</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.1%</b>	<b>2.5%</b>	<b>4.4%</b>
Mining Industry (weight 11,2%)		3.9%	-9.4%	1.5%	-3.0%	0.6%	-1.5%	4.6%	5.5%	4.6%	-1.7%
Manufacturing Industry (weight 88,8%)		-9.8%	-6.0%	5.3%	5.7%	-0.2%	3.1%	2.2%	1.7%	2.2%	4.7%
Food (weight 13,9%)		-1.8%	0.5%	2.0%	2.9%	1.0%	3.3%	1.1%	0.7%	1.1%	2.2%
Petroleum refinement and alcohol production (weight 10,3%)		-5.9%	-8.5%	1.1%	0.0%	0.0%	-2.1%	-4.1%	-5.2%	-4.1%	-1.6%
Motor vehicles (weight 10,1%)		-25.9%	-12.1%	18.8%	25.0%	-0.8%	7.4%	17.2%	16.7%	17.2%	15.7%
Capital Goods		-25.3%	-10.2%	8.5%	8.8%	0.7%	0.0%	6.0%	6.5%	6.0%	5.1%
Intermediate Goods		-5.2%	-6.5%	4.2%	4.2%	1.4%	1.7%	1.6%	1.2%	1.6%	3.5%
Durable Consumer Goods		-18.5%	-14.4%	15.2%	20.7%	2.8%	5.9%	13.3%	12.2%	13.3%	12.8%
Semi and Non-Durable Consumer Goods		-6.7%	-3.2%	2.9%	0.2%	-2.4%	3.0%	1.0%	0.7%	1.0%	0.9%
Typical Construction Inputs		-12.5%	-11.6%	1.7%	4.1%	-1.6%	-12.5%	-4.1%	-5.4%	-4.3%	-8.5%
<b>Retail Sales (IBGE)</b>	<b>November-17</b> % change	2015	2016	Oct/17- Oct/16	Nov/17- Nov/16	Oct/17 - Sep/17 (seasonally adjusted)	Nov/17 - Oct/17 (seasonally adjusted)	Year-To-Date	Oct/17 accum. in 12 months	Nov/17 accum. in 12 months	carry-over 2017
<b>Retail Sales</b>		<b>-4.3%</b>	<b>-6.3%</b>	<b>2.6%</b>	<b>5.9%</b>	<b>-0.7%</b>	<b>0.7%</b>	<b>1.9%</b>	<b>0.3%</b>	<b>1.1%</b>	<b>2.6%</b>
<b>Amplified Retail Sales</b>		<b>-8.6%</b>	<b>-8.7%</b>	<b>7.6%</b>	<b>8.7%</b>	<b>-1.7%</b>	<b>2.5%</b>	<b>3.7%</b>	<b>1.4%</b>	<b>2.6%</b>	<b>4.4%</b>
Vehicles, Motorcycles, Parts and Accessories		-17.8%	-14.0%	13.7%	9.3%	-1.7%	1.5%	2.4%	-0.8%	0.8%	2.9%
Construction Material		-8.4%	-10.7%	18.5%	14.8%	-0.8%	2.3%	9.2%	6.6%	8.3%	9.5%
Fuel and Lubricants		-6.2%	-9.2%	-0.9%	-2.4%	1.6%	-1.8%	-2.9%	-3.6%	-3.2%	-2.8%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco		-2.5%	-3.1%	1.5%	5.2%	0.0%	0.8%	1.0%	0.0%	0.6%	2.1%
Textiles, Apparel and Footwear		-8.6%	-10.9%	4.9%	9.1%	-2.6%	0.0%	7.7%	3.3%	4.9%	8.2%
Furniture and Household Appliances		-14.1%	-12.6%	10.0%	15.6%	-4.2%	6.1%	9.7%	5.2%	7.5%	10.3%
<b>Volume of Services (IBGE)</b>	<b>November-17</b> % change	2015	2016	Oct/17- Oct/16	Nov/17- Nov/16	Oct/17 - Sep/17 (seasonally adjusted)	Nov/17 - Oct/17 (seasonally adjusted)	Year-To-Date	Oct/17 accum. in 12 months	Nov/17 accum. in 12 months	carry-over 2017
<b>Volume of Services</b>		<b>-3.6%</b>	<b>-5.0%</b>	<b>-0.4%</b>	<b>-0.7%</b>	<b>-0.8%</b>	<b>1.0%</b>	<b>-3.2%</b>	<b>-3.7%</b>	<b>-3.4%</b>	<b>-2.8%</b>
Services Rendered to Families		-5.3%	-4.4%	0.3%	1.5%	-2.3%	0.9%	-0.8%	-1.5%	-0.9%	-0.9%
Information and Communication Services		0.0%	-3.2%	-2.2%	-0.7%	1.0%	0.9%	-2.4%	-3.0%	-2.8%	-2.0%
Professional, Administrative and Complementary Services		-4.3%	-5.5%	-6.4%	-6.4%	-1.3%	0.2%	-7.7%	-7.2%	-7.4%	-7.6%
Transportation, Support Activities for Transportation and Mailing Activities		-6.1%	-7.6%	8.5%	6.5%	-0.9%	0.6%	2.0%	0.0%	1.2%	2.1%
Other Services		-9.0%	-2.8%	-5.0%	-7.8%	-0.1%	0.0%	-9.0%	-7.5%	-8.2%	-8.8%

# 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)

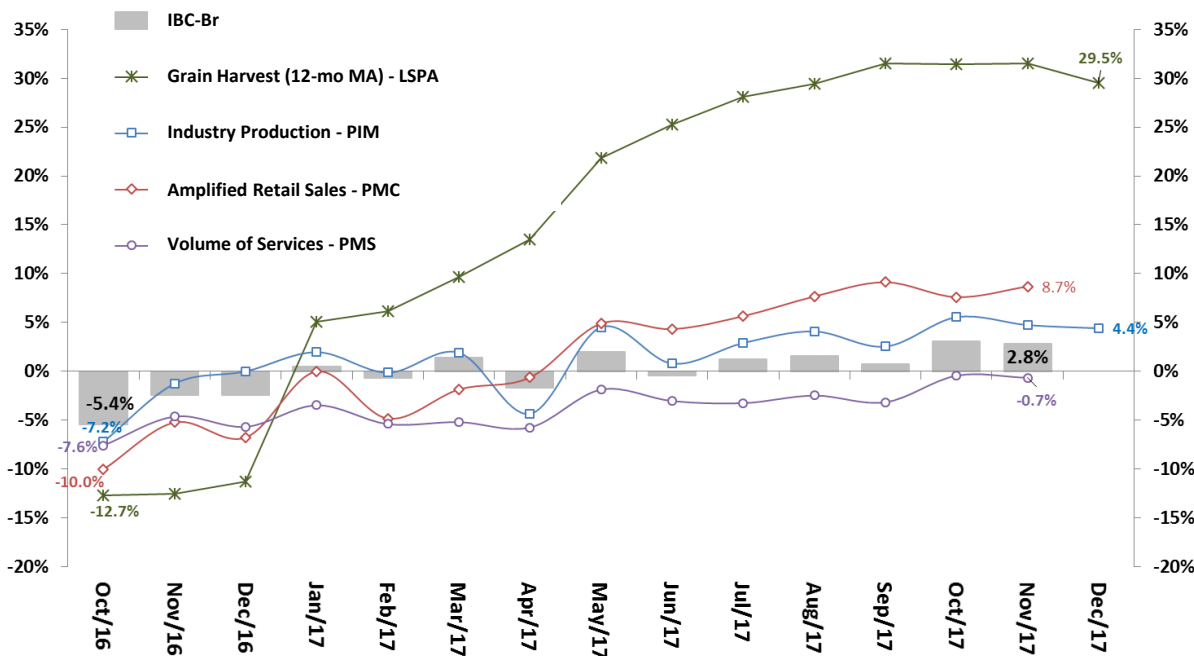


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

# Major Monthly Economic Activity Indicators

IBC-Br  
(YoY %)

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



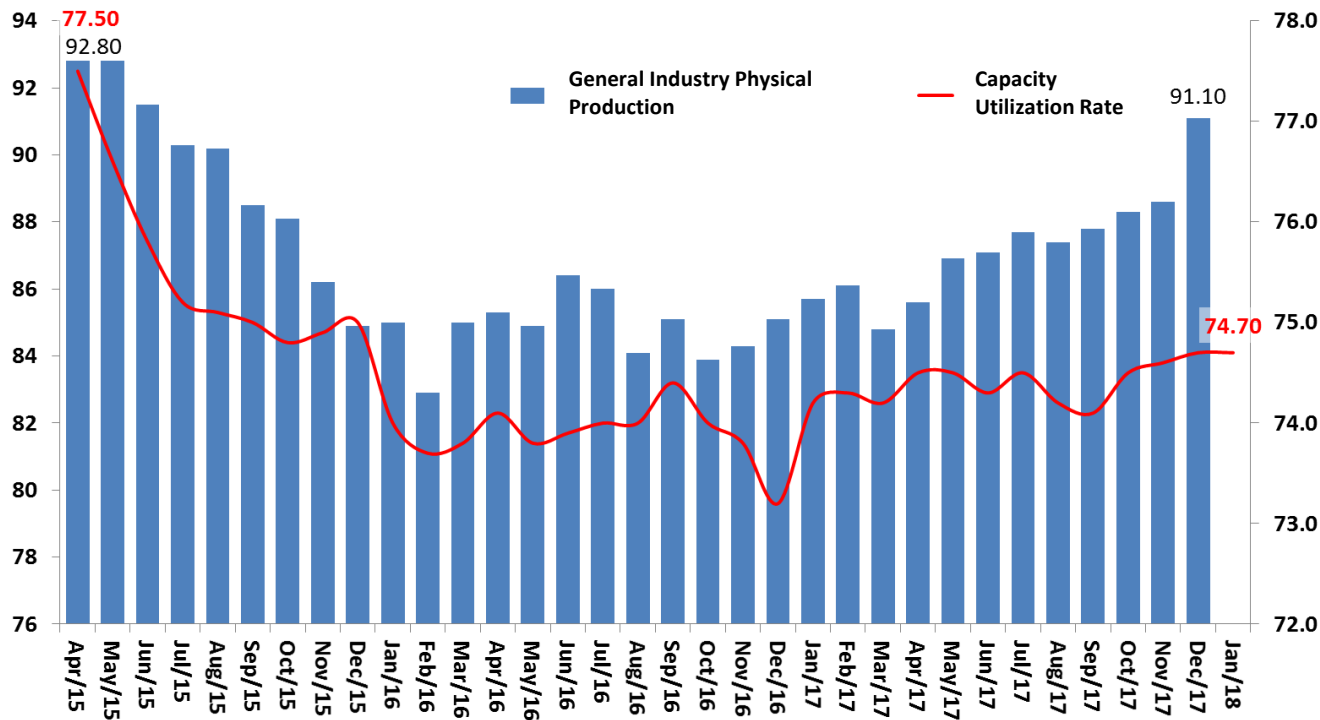
Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).



# Industrial Production and Capacity Utilization

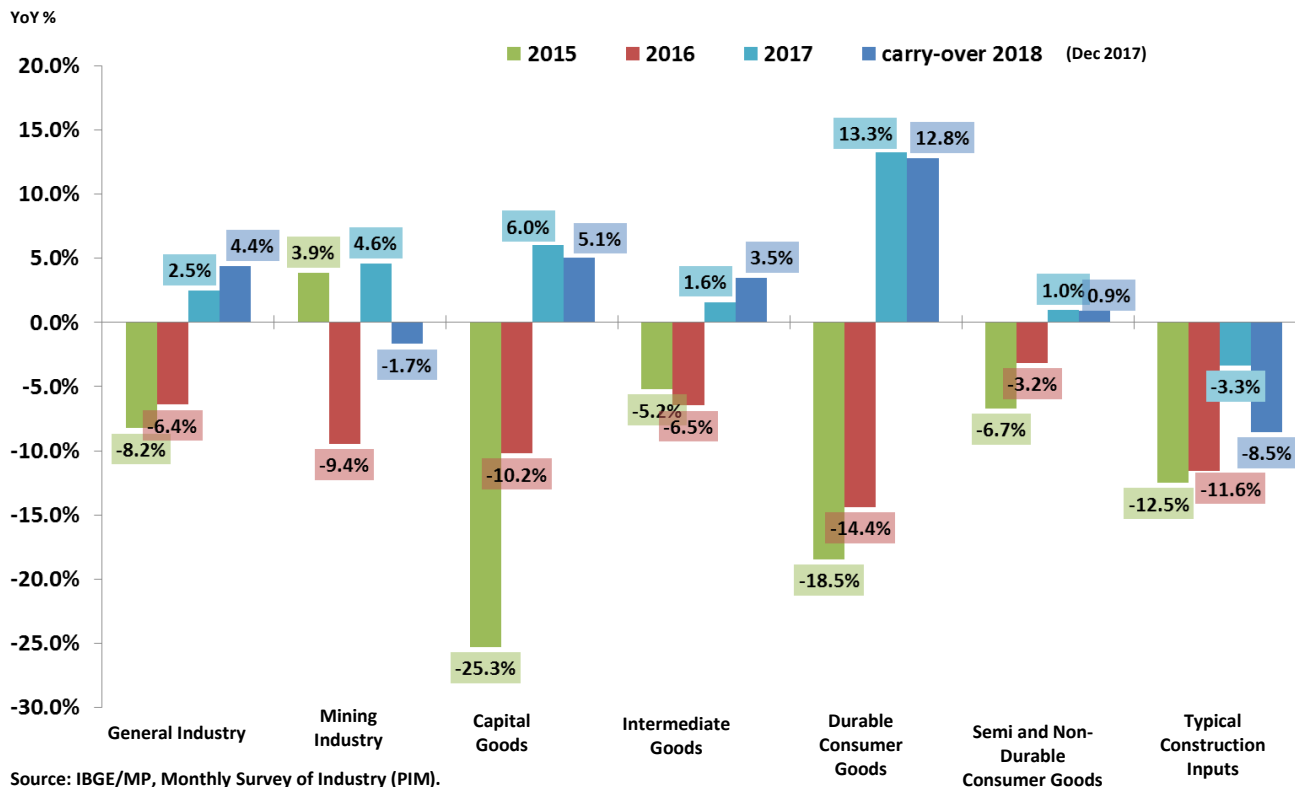
Industry Production  
Seasonally Adjusted Index (2003 = 100)

Capacity Utilization  
Seasonally Adjusted - % of Total Capacity



Sources: IBGE/MP and FGV.

# Total Industrial Production and Economic Categories

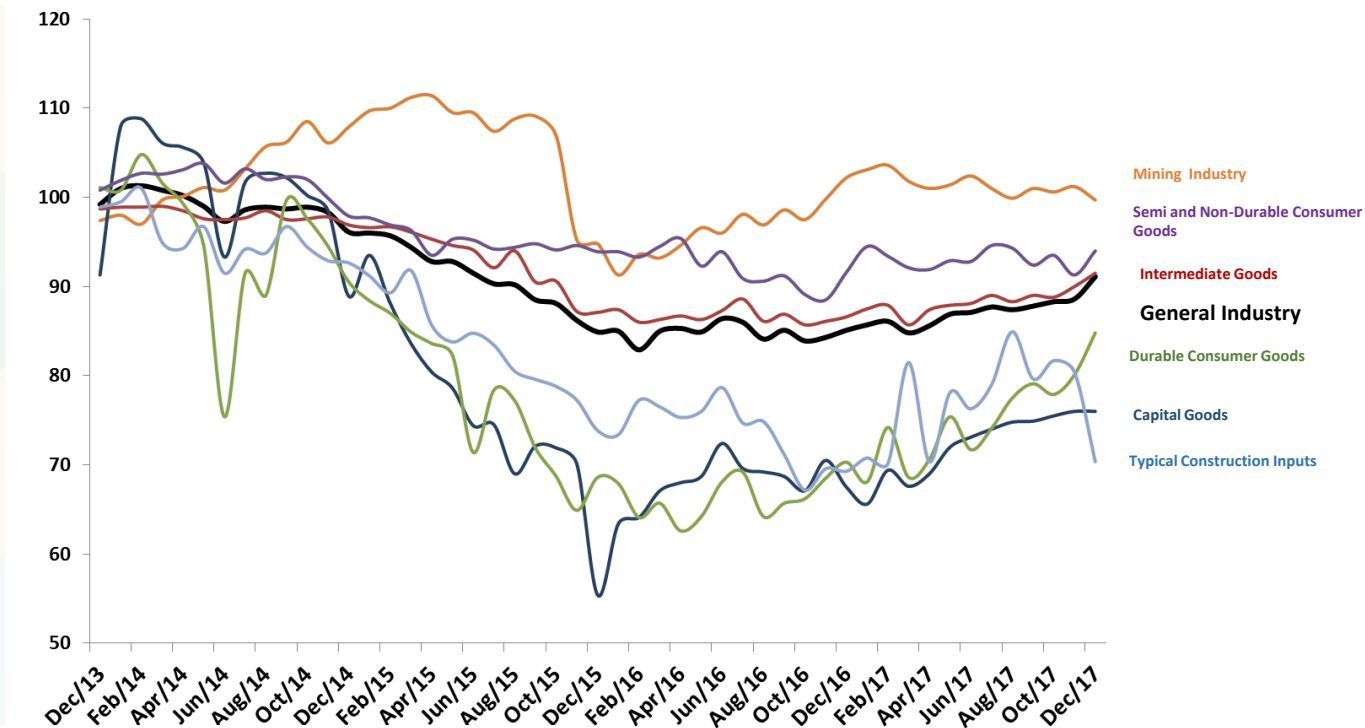


Source: IBGE/MP, Monthly Survey of Industry (PIM).

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

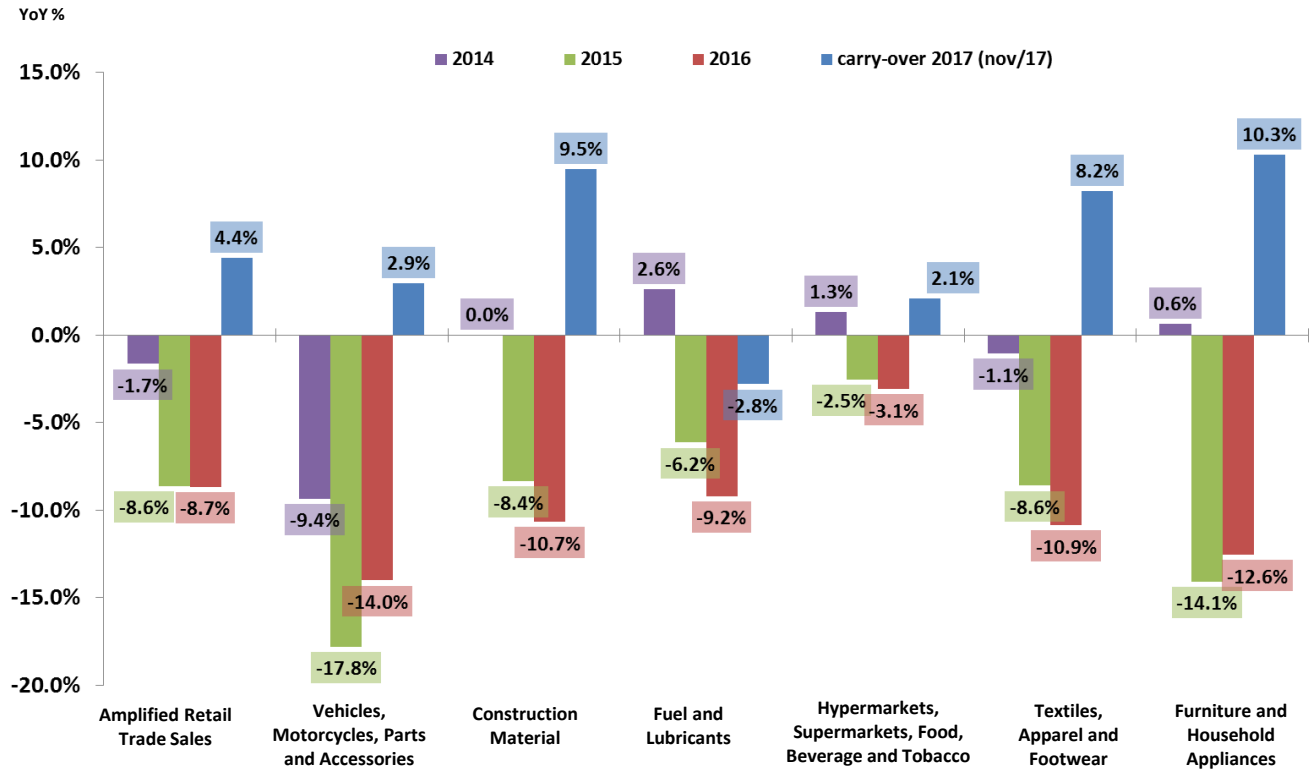
# Total Industrial Production and Economic Categories

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



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

# Total Retail Sales and Subsectors

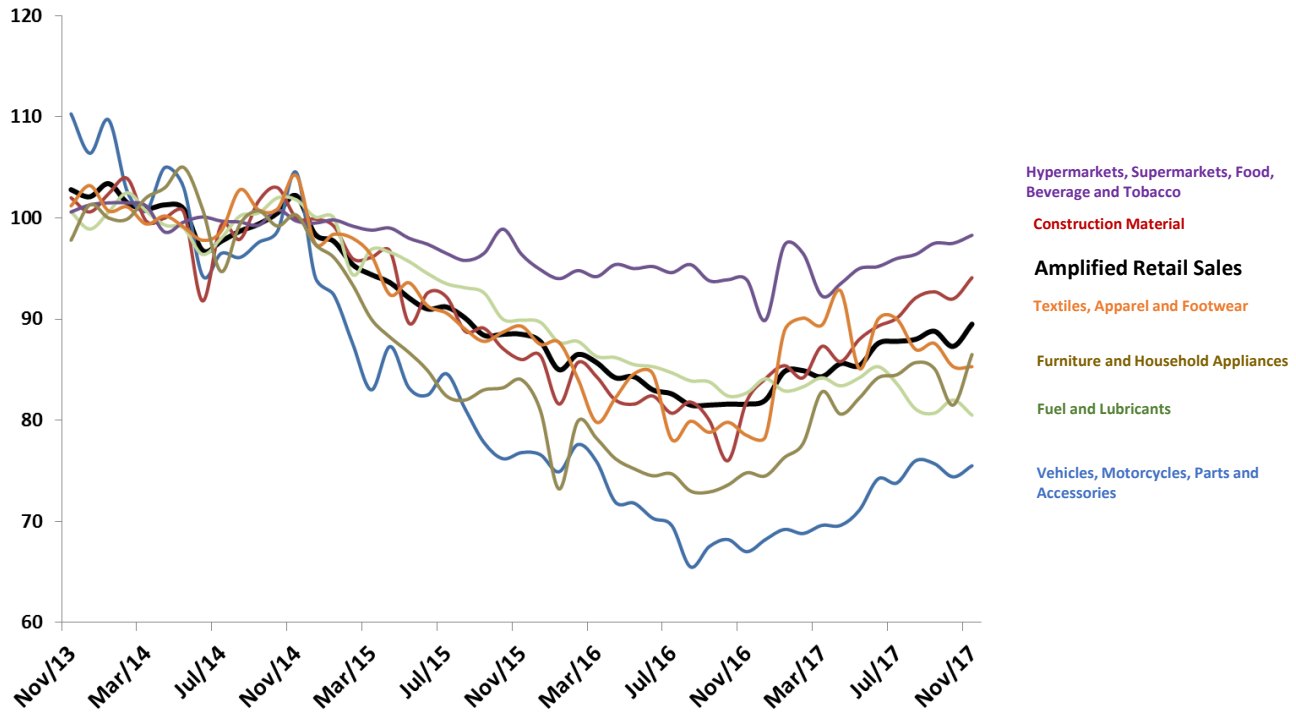


Source: IBGE/MP, Monthly Survey of Trade (PMC).

Note: Carry-over 2017 based on 2017 average compared to 2016 average.

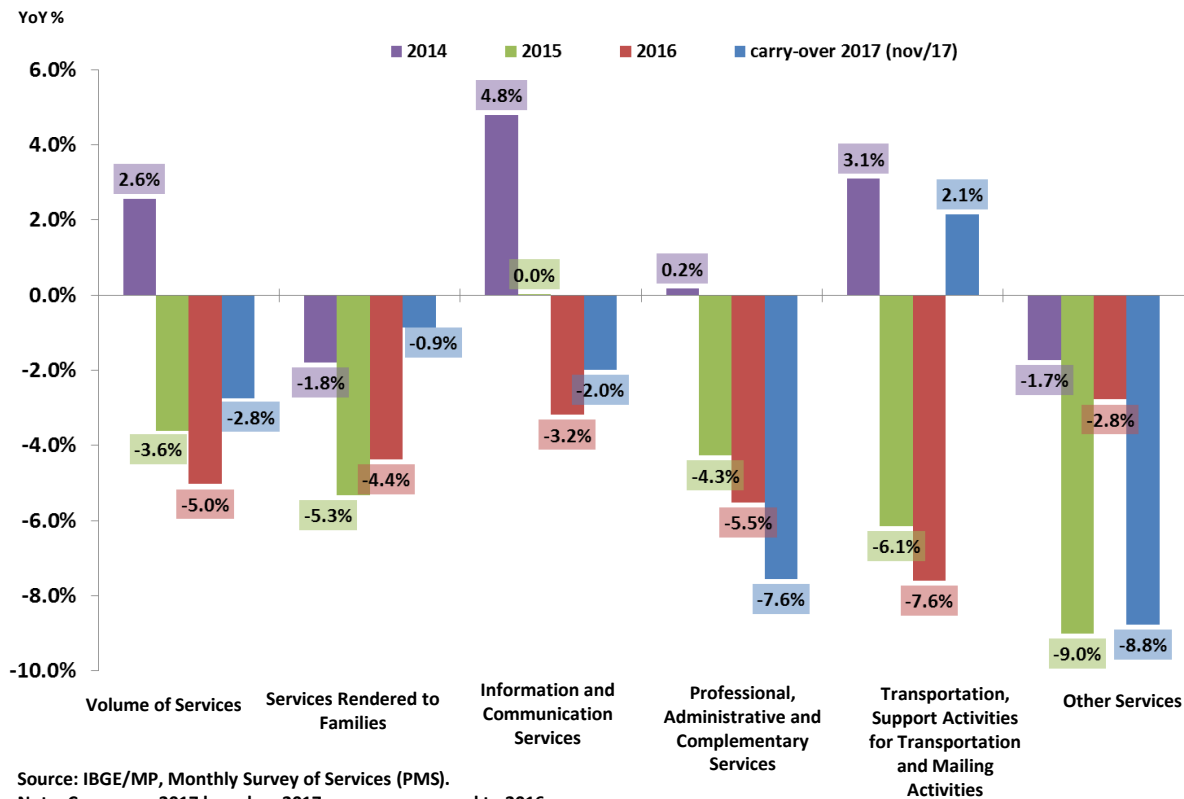
# Total Retail Sales and Subsectors

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



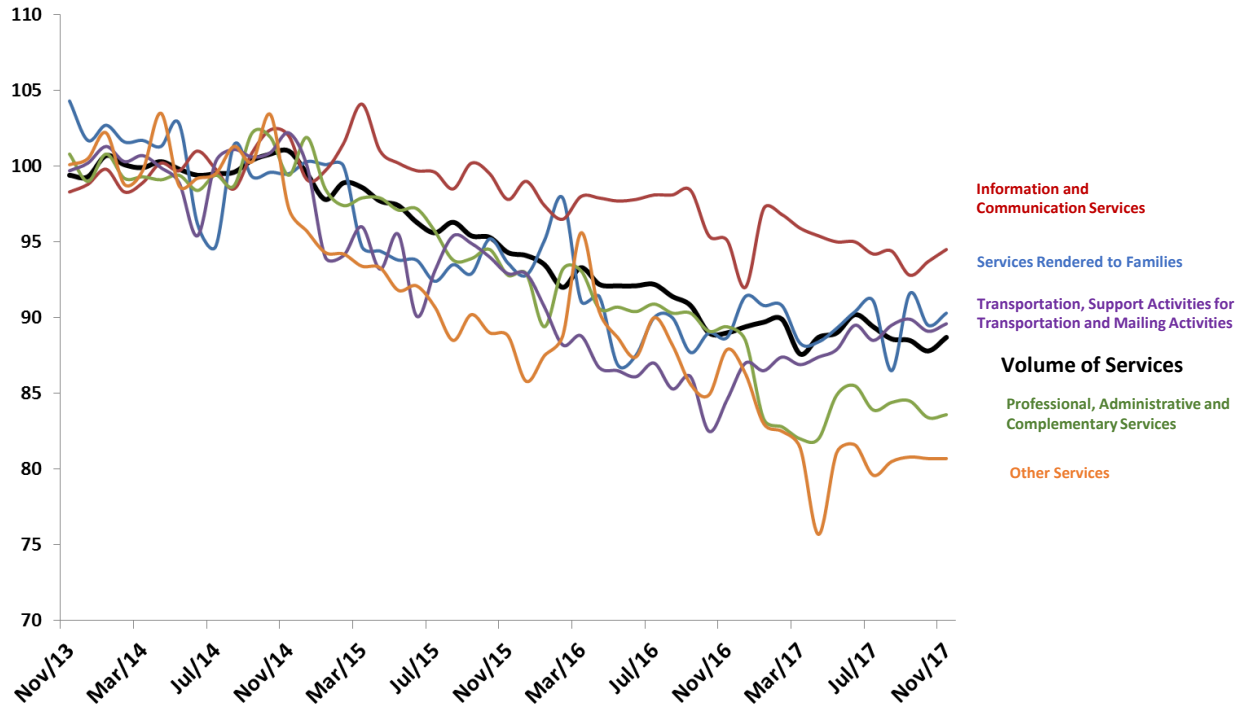
Source: IBGE/MP, Monthly Survey of Trade (PMC).

# Volume of Services and Subsectors



# 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

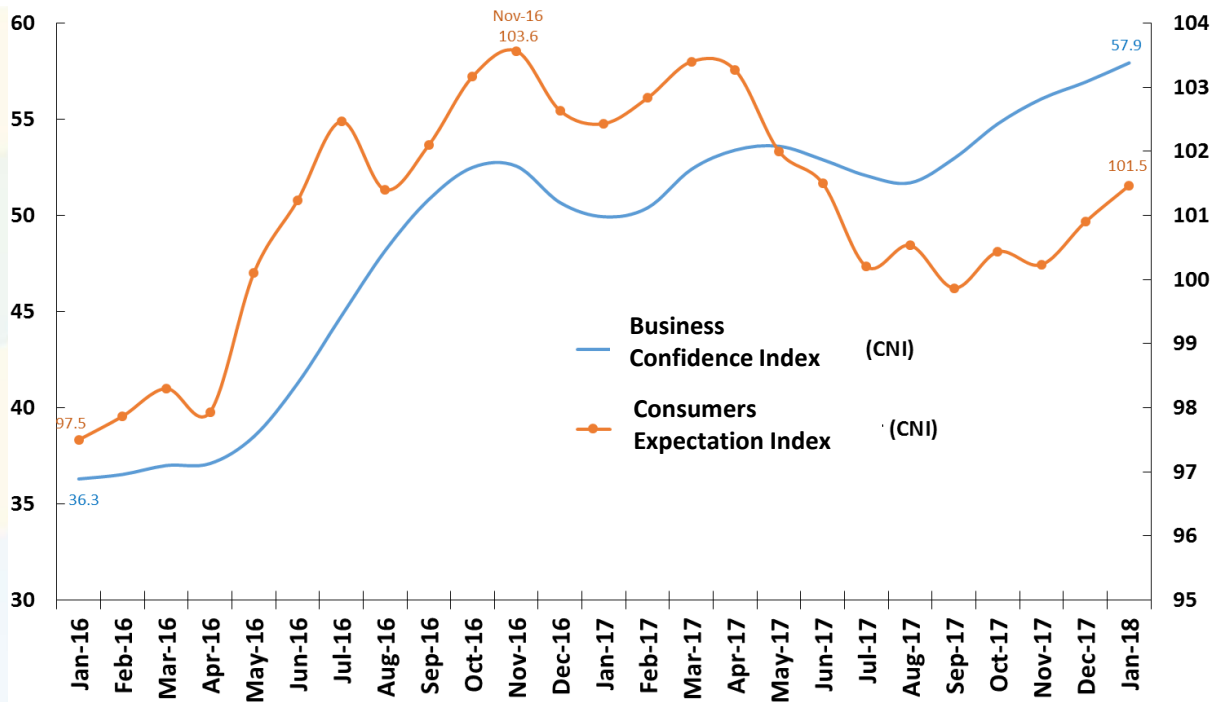
November-17 % change		2016	Oct/17- Oct/16	Nov/17- Nov/16	Oct/17 - Sep/17 (seasonally adjusted)	Nov/17 - Oct/17 (seasonally adjusted)	Year-To-Date	Oct/17 accum. in 12-months	Nov/17 accum. in 12-months	carry-over 2017
<b>Natural Gas and Oil Production (ANP)</b>		3.4%	1.9%	-4.0%	0.6%	-0.5%	5.3%	6.5%	5.6%	5.0%
<b>Electric Energy Consumption - Total (EPE)</b>		-0.9%	2.4%	3.9%	0.1%	-0.2%	0.8%	0.4%	0.7%	0.9%
Industry Consumption (EPE)		-2.5%	1.5%	3.1%	0.3%	0.6%	1.0%	0.7%	1.0%	1.2%
<b>Electric Energy System Supply (ONS)</b>		0.0%	4.3%	2.4%	0.0%	-0.5%	1.4%	1.1%	1.3%	1.4%
December-17 % change		2016	Nov/17- Nov/16	Dec/17- Dec/16	Nov/17 - Oct/17 (seasonally adjusted)	Dec/17 - Nov/17 (seasonally adjusted)	Year-To-Date	Nov/17 accum. in 12-months	Dec/17 accum. in 12-months	carry-over 2018
<b>Supermarket Sector Total Retail Sales (ABRAS)</b>		1.6%	3.0%	2.6%	2.1%	-2.9%	1.3%	1.2%	1.3%	1.3%
<b>Total Vehicles Production (ANFAVEA)</b>		-11.7%	15.2%	17.6%	5.2%	5.3%	26.3%	28.0%	26.3%	27.4%
Car Production		-12.2%	14.0%	20.3%	3.6%	3.3%	28.7%	29.7%	28.7%	29.3%
Commercial Vehicles Production		-19.0%	52.3%	99.4%	-4.6%	29.2%	38.3%	35.2%	38.3%	42.9%
<b>Total Vehicles Exports (ANFAVEA)</b>		23.7%	28.8%	7.1%	17.1%	-13.0%	48.7%	52.5%	48.7%	48.4%
<b>Total Vehicles Sales/Licensing (FENABRAVE)</b>		-20.5%	14.6%	14.5%	2.2%	-2.8%	10.3%	7.7%	10.3%	10.0%
Domestic Vehicles Sales/Licensing		-17.9%	15.8%	14.9%	1.8%	-2.9%	13.4%	11.3%	13.4%	13.2%
Imported Vehicles Sales/Licensing		-34.2%	5.2%	11.1%	4.6%	0.8%	-9.9%	-14.4%	-9.9%	-10.4%
<b>Industry Inventories (CNI) - Final Goods - planned x realized</b>		<b>effective level: 49.5</b>	-4.1%	1.2%	1.9%	0.3%	1.1%	1.0%	0.7%	1.0%
<b>Heavy Vehicles Road Traffic (ABCR)</b>		4.2%	1.5%	-0.3%	2.5%	1.1%	0.7%	1.1%	1.4%	1.4%
<b>Corrugated Fiberboard Sales (ABPO)</b>		-2.5%	7.9%	3.9%	1.1%	0.3%	4.9%	4.4%	4.9%	5.2%
<b>Industry Indicators (CNI)</b>										
Real Sales Revenue		-12.1%	6.4%	3.4%	0.2%	0.2%	-0.2%	-1.0%	-0.2%	-0.4%
Working Hours in Production		-7.6%	0.4%	-1.1%	0.7%	0.8%	-2.2%	-2.2%	-2.2%	-2.3%
Capacity Utilization - UCI		<b>effective level: 76.2</b>	-2.4%	2.2%	1.7%	0.3%	0.5%	0.2%	0.5%	0.5%
January-18 % change		2017	Dec/17- Dec/16	Jan/18- Jan/17	Dec/17 - Nov/17 (seasonally adjusted)	Jan/18 - Dec/17 (seasonally adjusted)	Year-To-Date	Dec/17 accum. in 12-months	Jan/18 accum. in 12-months	carry-over 2018
<b>Business Confidence - ICEI (CNI)</b>		<b>effective level: 59.0</b>	19.7%	21.5%	17.8%	3.5%	2.8%	17.8%	19.7%	18.4%
<b>Consumer Expectations - INEC (CNI)</b>		<b>effective level: 102.9</b>	0.3%	0.2%	-0.9%	0.6%	1.3%	-0.9%	0.3%	-0.2%
<b>Sao Paulo Industry Confidence - ICEI-SP (FIESP)</b>		<b>effective level: 58.8</b>	26.1%	17.0%	21.5%	5.3%	1.3%	21.5%	26.1%	24.1%
<b>Industry Capacity Utilization - NUCI (FGV)</b>		<b>effective level: 73.3</b>	0.7%	-0.4%	0.1%	0.1%	0.0%	0.1%	0.7%	0.6%
<b>Industry Confidence (FGV)</b>		<b>effective level: 96.8</b>	12.5%	18.7%	13.6%	1.9%	0.0%	13.6%	12.5%	12.5%
<b>Consumer Confidence (FGV)</b>		<b>effective level: 90.8</b>	13.1%	18.0%	10.9%	1.0%	0.5%	10.9%	13.1%	12.6%
<b>Services Confidence (FGV)</b>		<b>effective level: 93.0</b>	14.6%	17.3%	13.4%	1.9%	2.7%	13.4%	14.6%	14.5%
<b>Construction Confidence (FGV)</b>		<b>effective level: 83.4</b>	8.5%	13.2%	10.3%	3.2%	1.8%	10.3%	8.5%	8.5%
<b>Retail Confidence (FGV)</b>		<b>effective level: 94.3</b>	15.2%	19.3%	17.6%	2.5%	0.2%	17.6%	15.2%	15.5%



# CNI: Business Confidence and Consumers Expectation Indexes

Business Confidence Index – ICEI  
3-month moving average

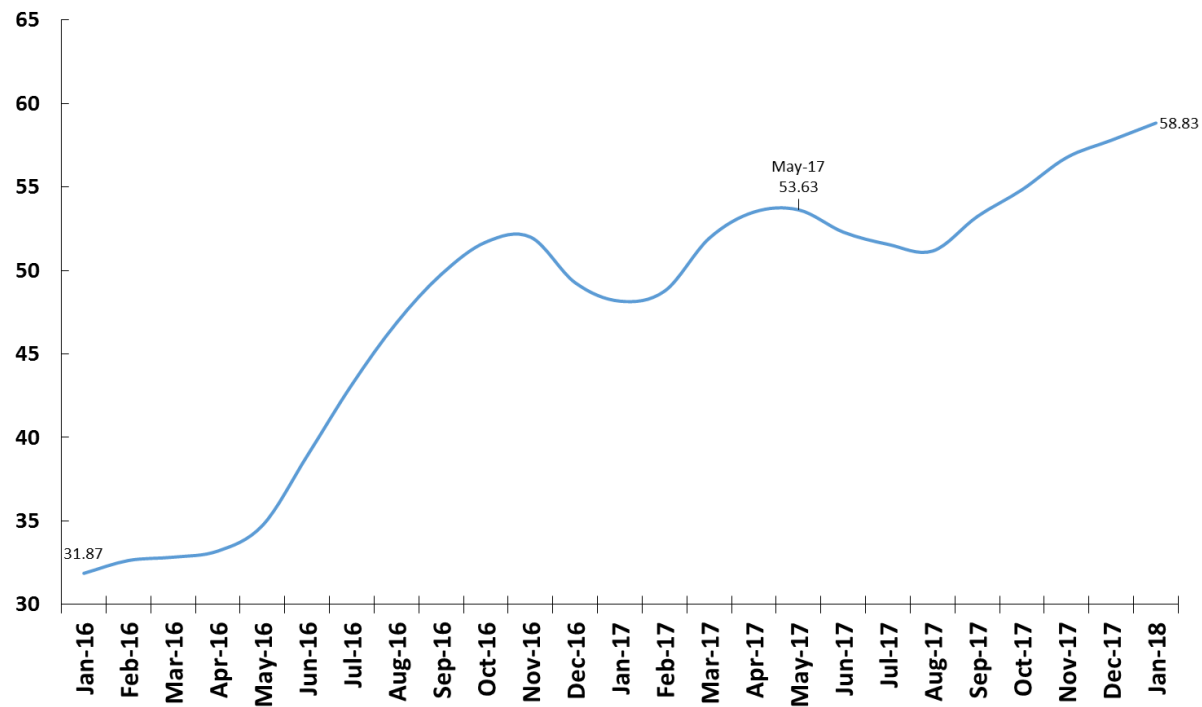
Consumers Expectation Index – INEC  
3-month moving average



Source: CNI.

# FIESP: Industry Confidence Index

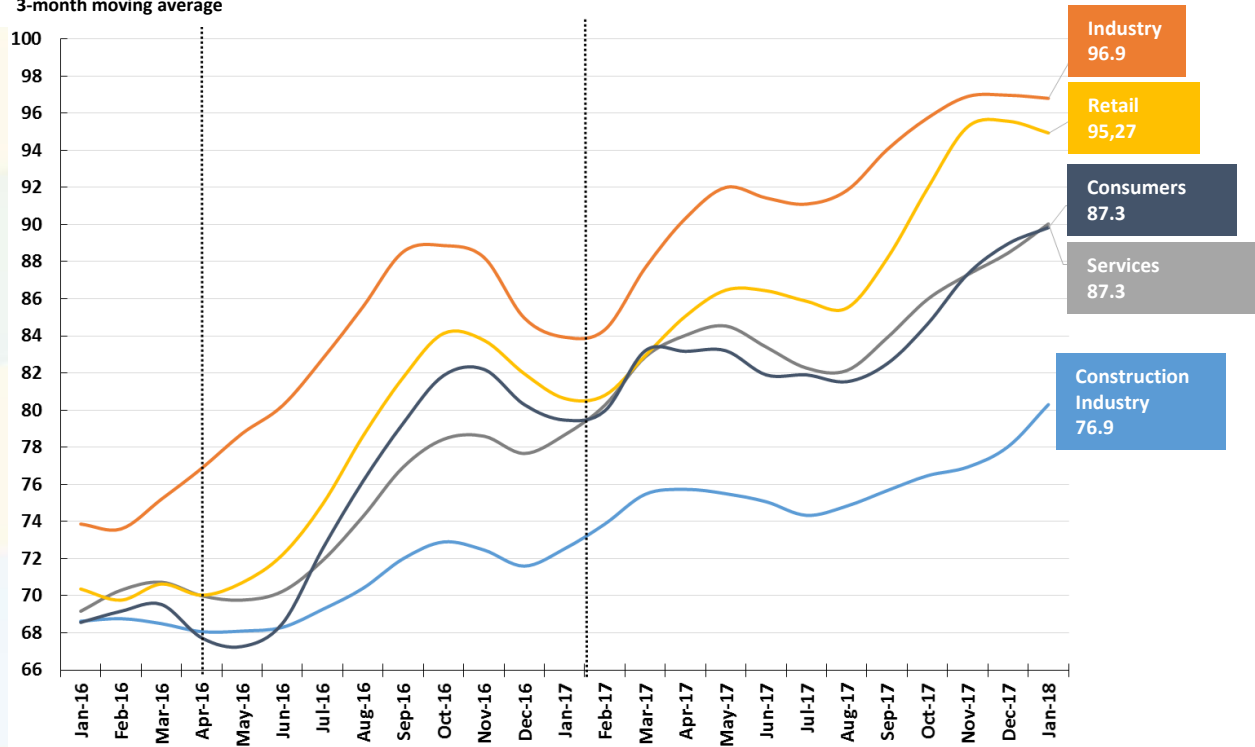
Índice de Confiança do Empresário Industrial  
(FIESP) - Média Móvel Trimestral



Source: FIESP.

# FGV: Economic Confidence Indicators

Economic Confidence Indicators  
3-month moving average

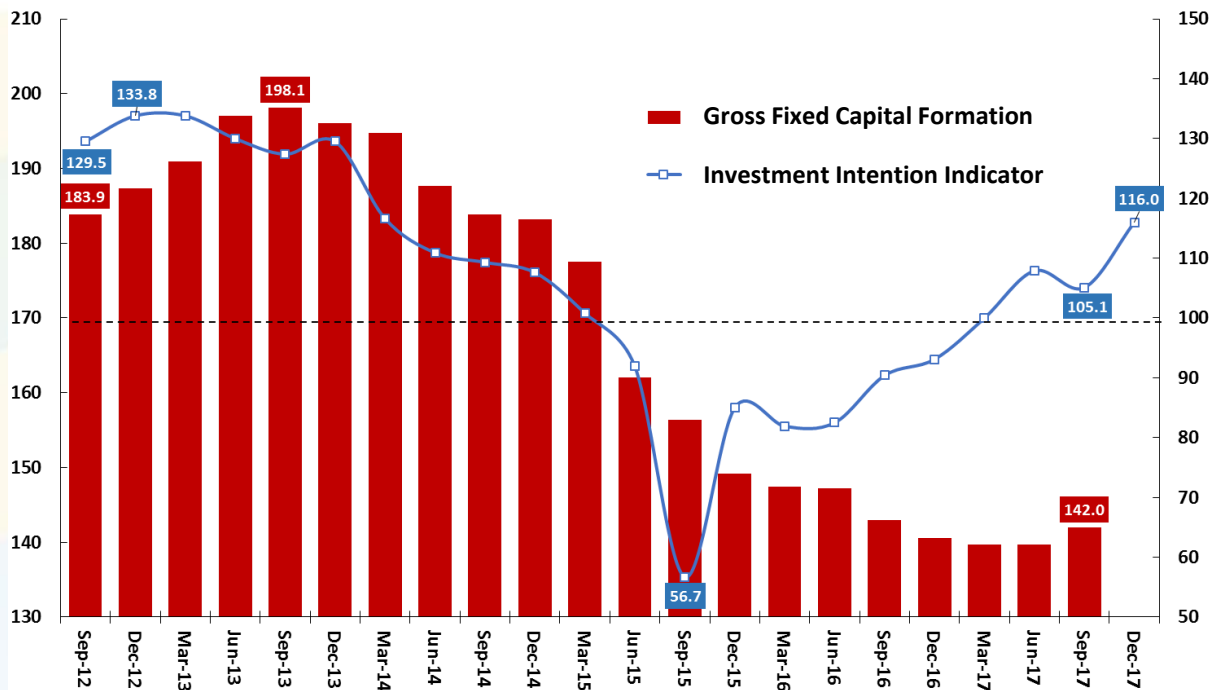


Source: IBRE/FGV.

# 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

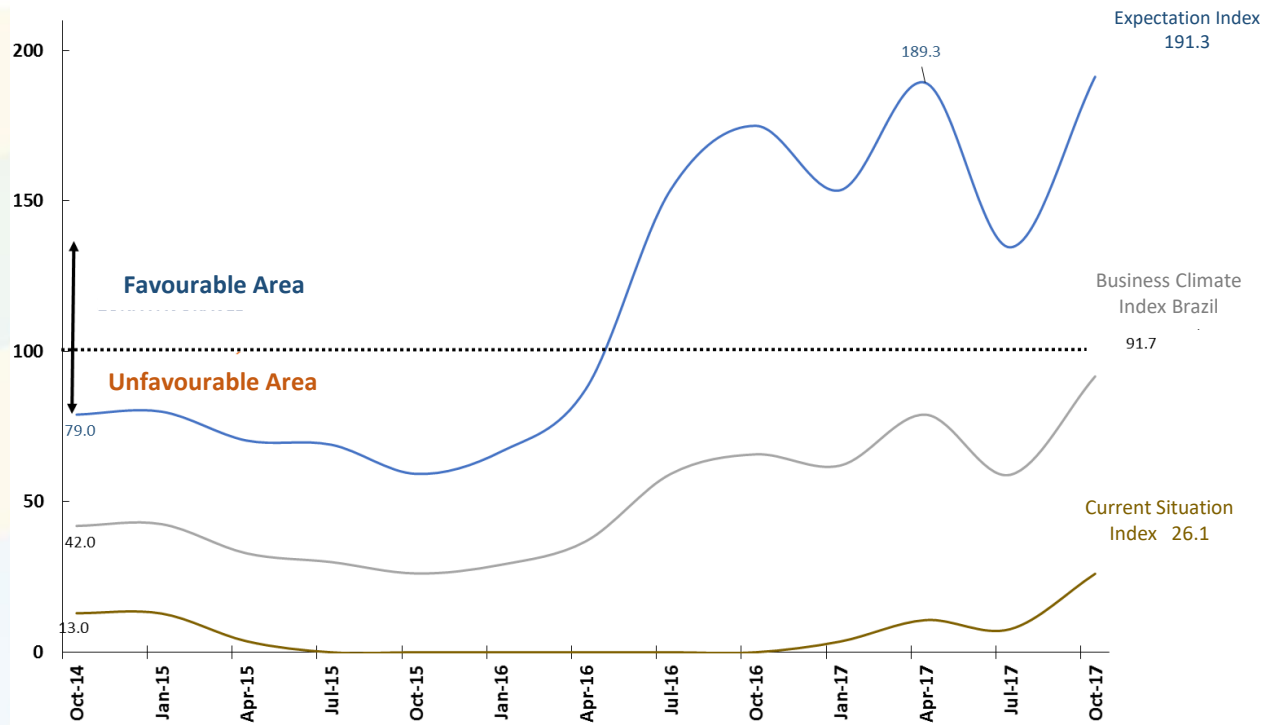


Source: IBGE/MP e IBRE/FGV.

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

# IFO / FGV: Business Climate Index - Brazil

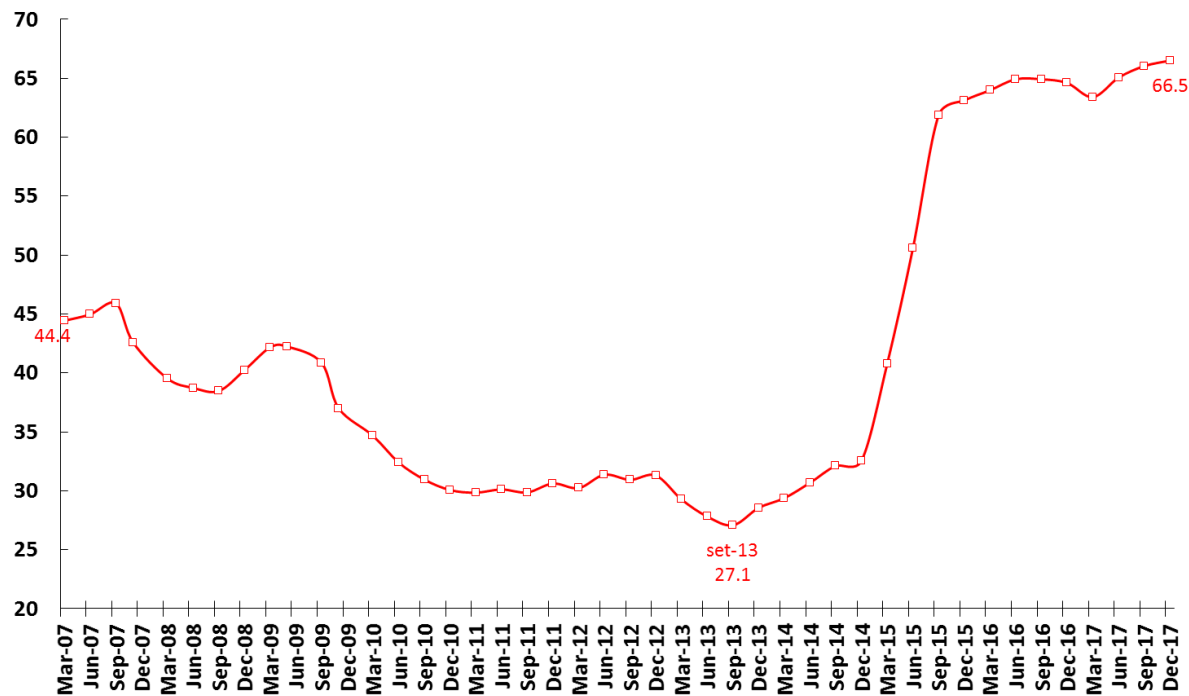
Business Climate – Brazil



Source: IFO and FGV.

# CNI: Fear of Unemployment Index

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

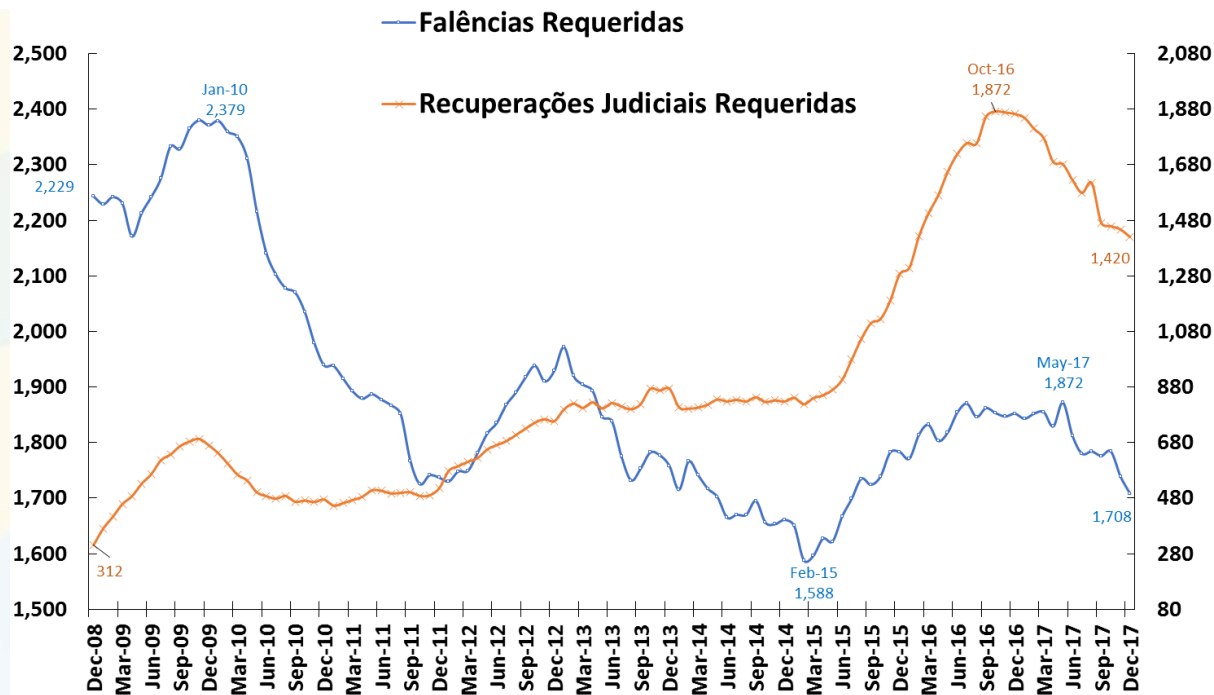


Source: CNI.

# Bankruptcy and Judicial Reorganization Requests

Falências Requeridas  
Acumulado em 12 Meses

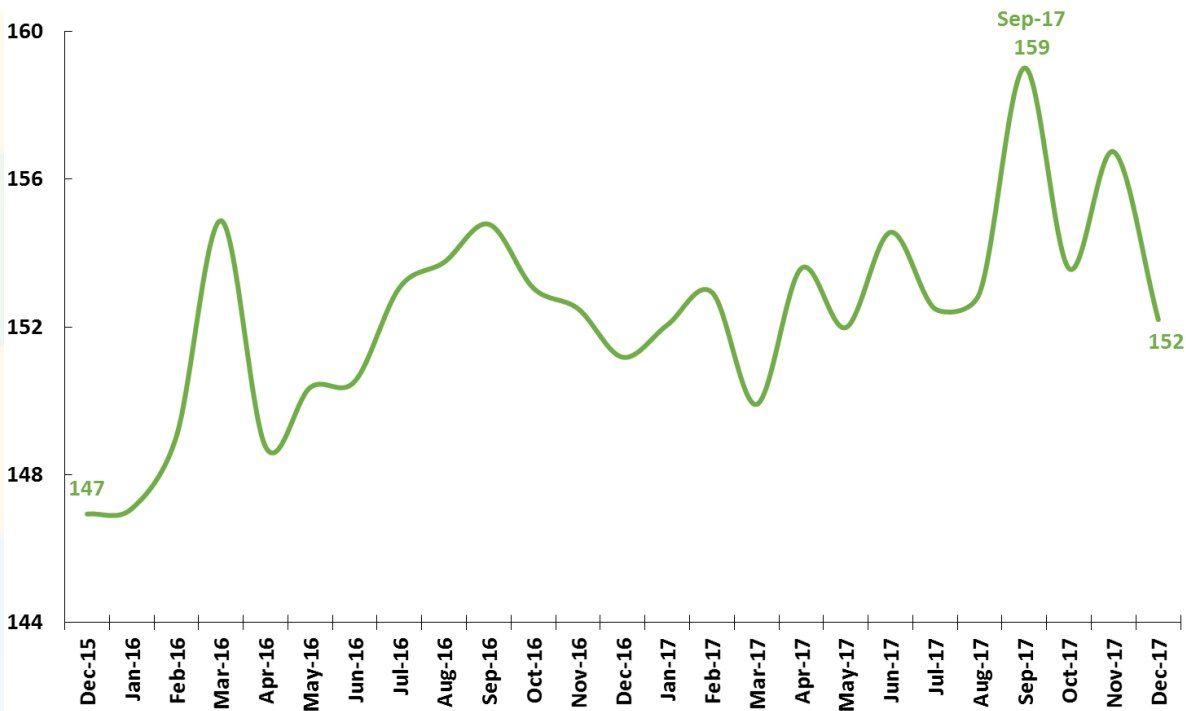
Recuperações Judiciais Requeridas  
Acumulado em 12 Meses



Fonte: Serasa-Experian.

# ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales  
Seasonally Adjusted Data\*



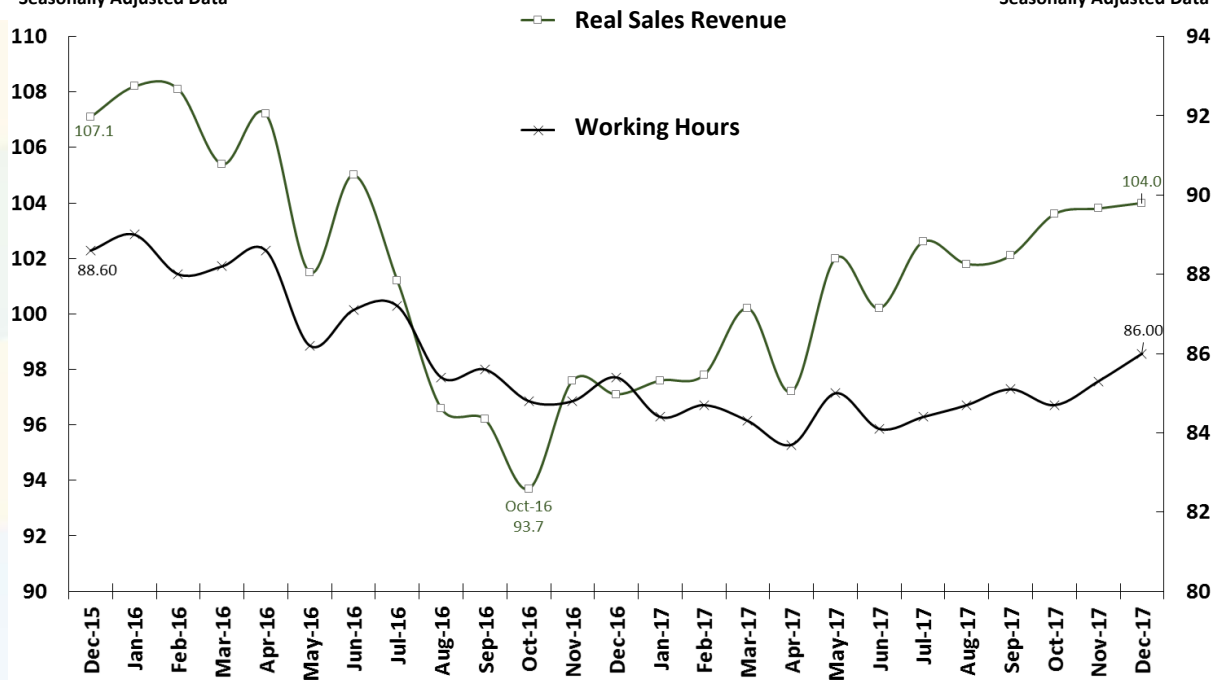
Source: ABRAS. \* Seasonally adjusted by SEPLAN/MP.



# CNI: Industry Real Sales Revenues and Working Hours

Real Sales Revenue  
Manufacturing Industry  
Seasonally Adjusted Data

Working Hours in Production  
Manufacturing Industry  
Seasonally Adjusted Data

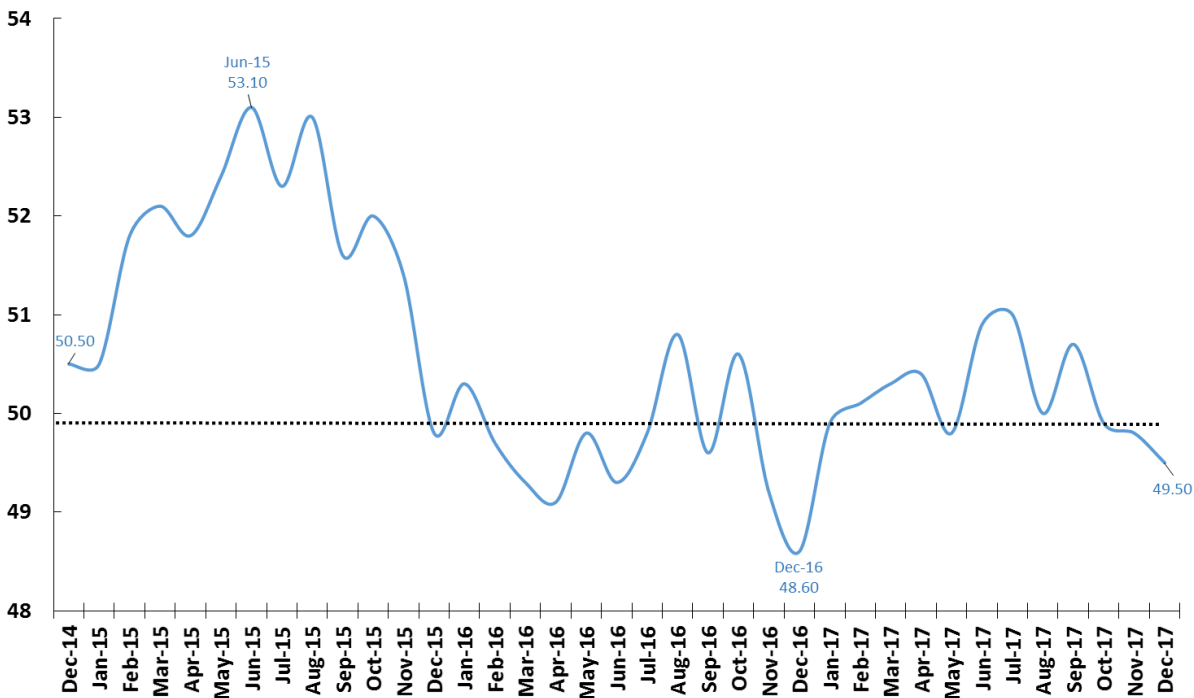


Source: CNI.

# CNI: Industry Inventory

Indústria Geral

Índice de Estoques de Produtos Finais Efetivo-Planejado

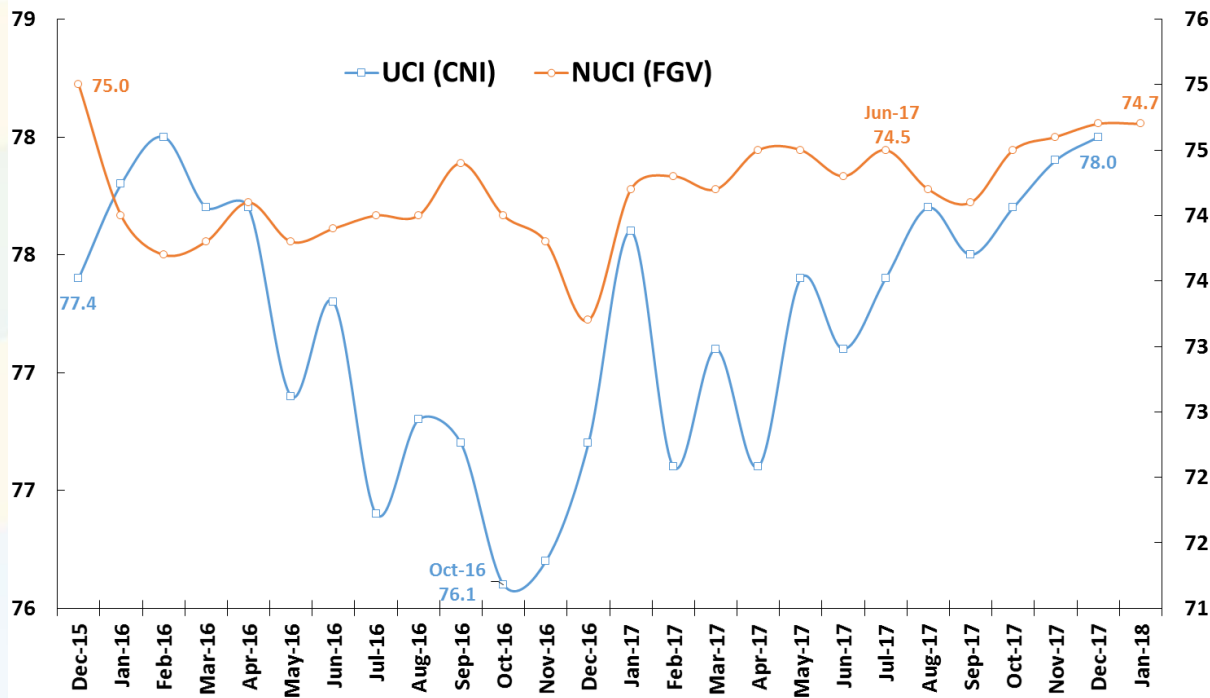


Fonte: CNI.

# Capacity Utilization Rate

Capacity Utilization Rate - UCI (CNI)  
Seasonally Adjusted Data

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

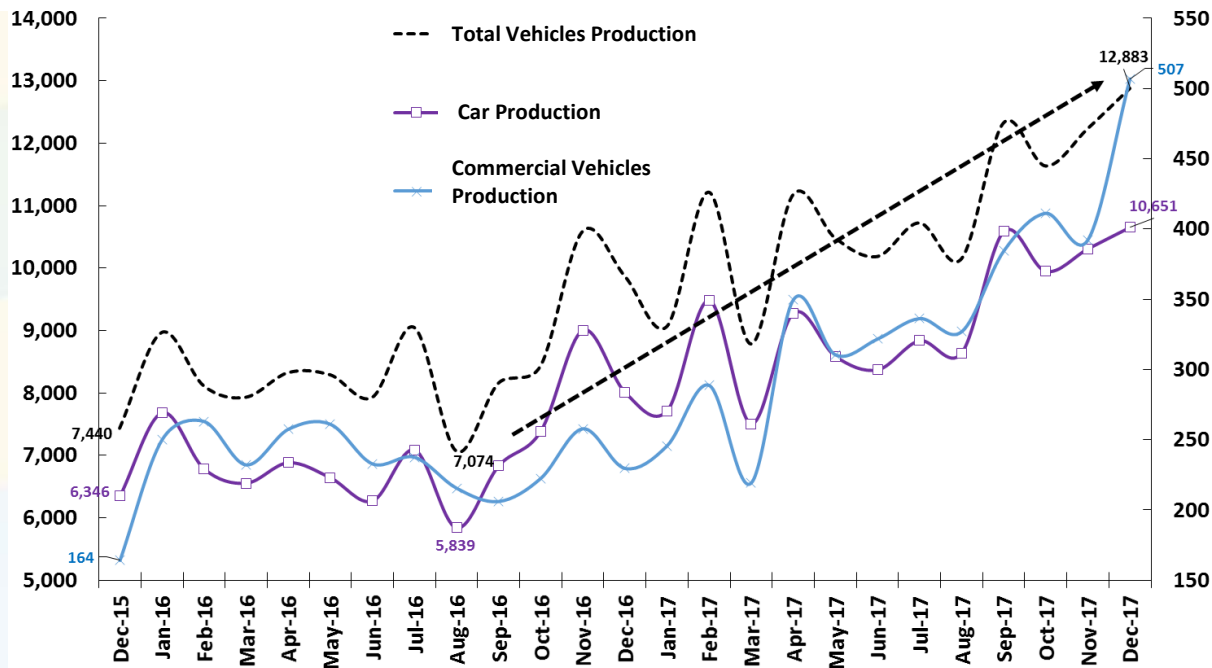


Source: CNI and FGV.

# Anfavea: Automotive Sector Production

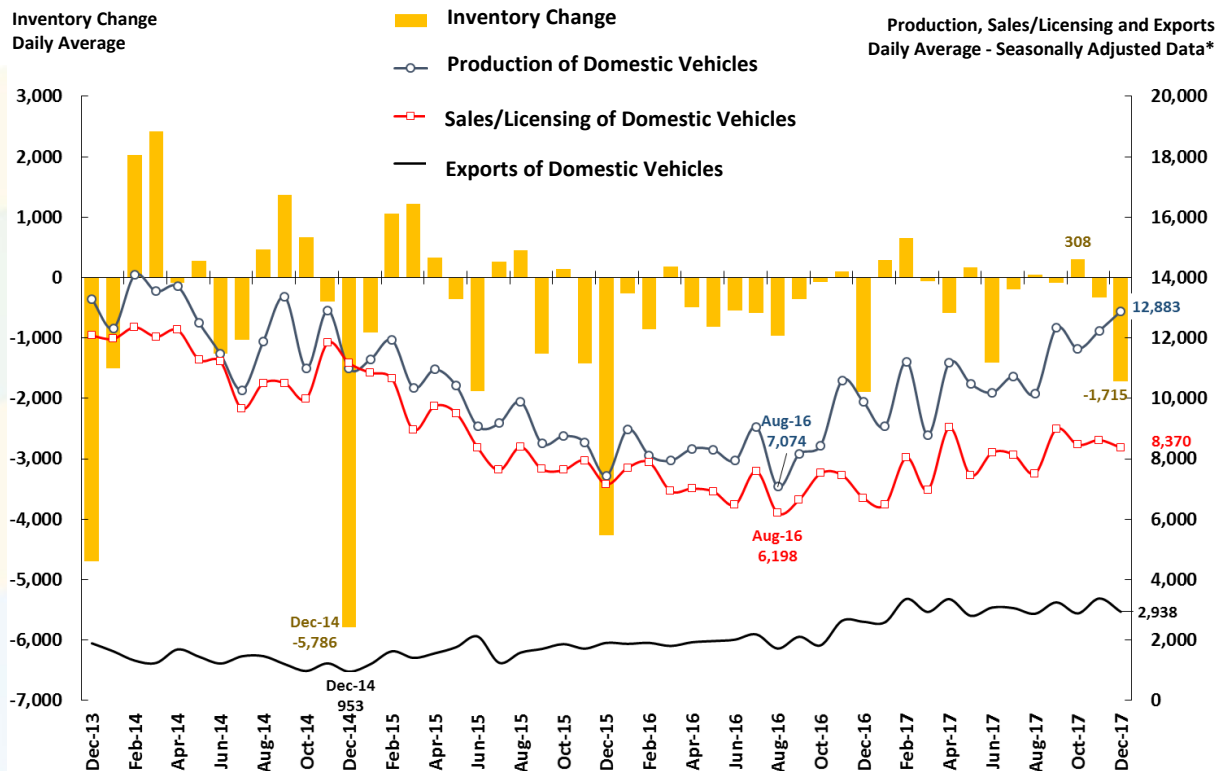
Total Vehicles and Car Production  
Daily Average of Vehicles Monthly Manufactured  
Seasonally Adjusted Data\*

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



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

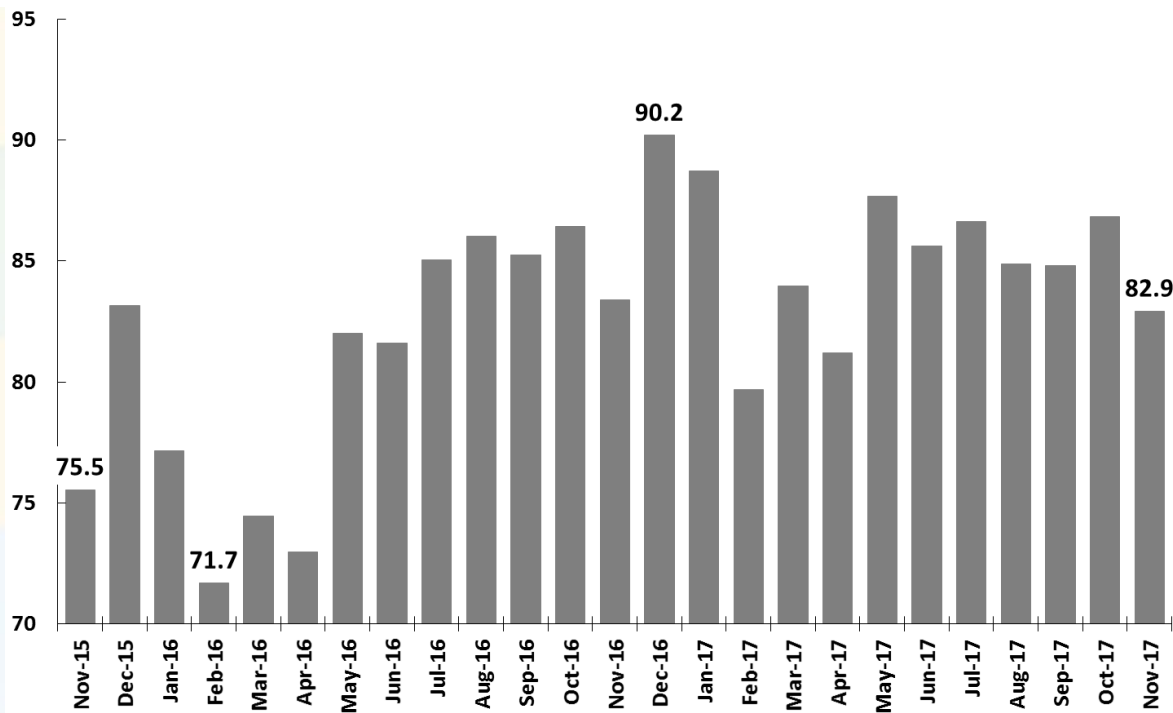
# Automotive Sector Production, Sales and Inventory Change



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

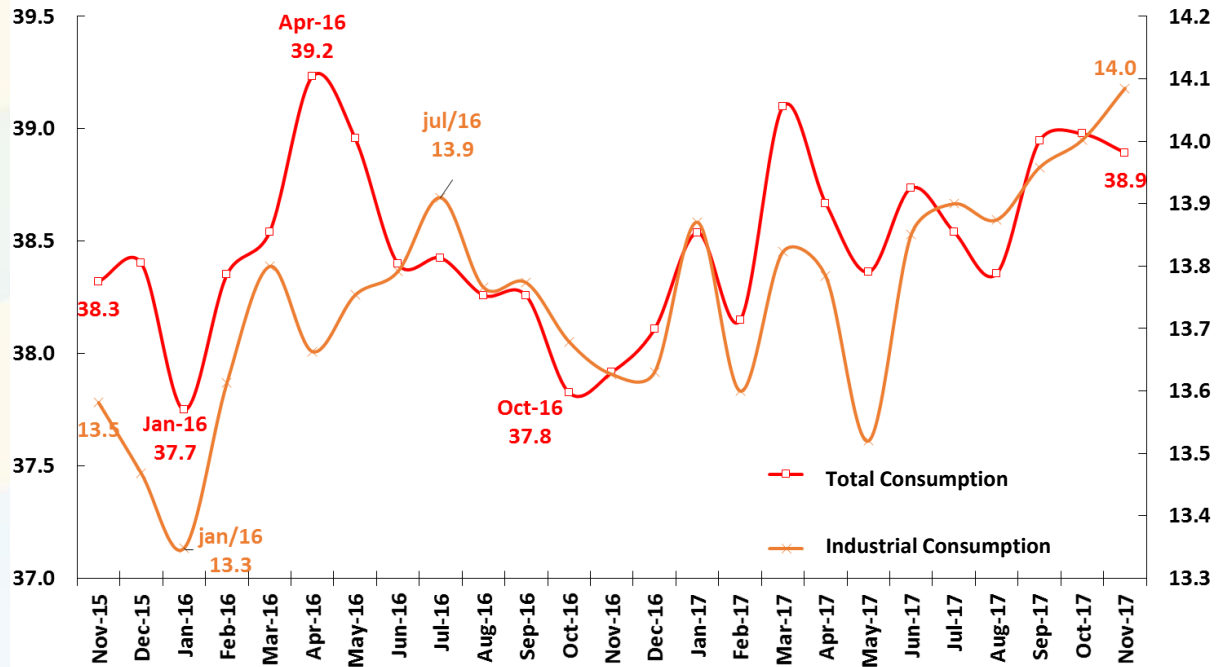


Source: ANP.

# ANEEL: Electrical Energy Consumption

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

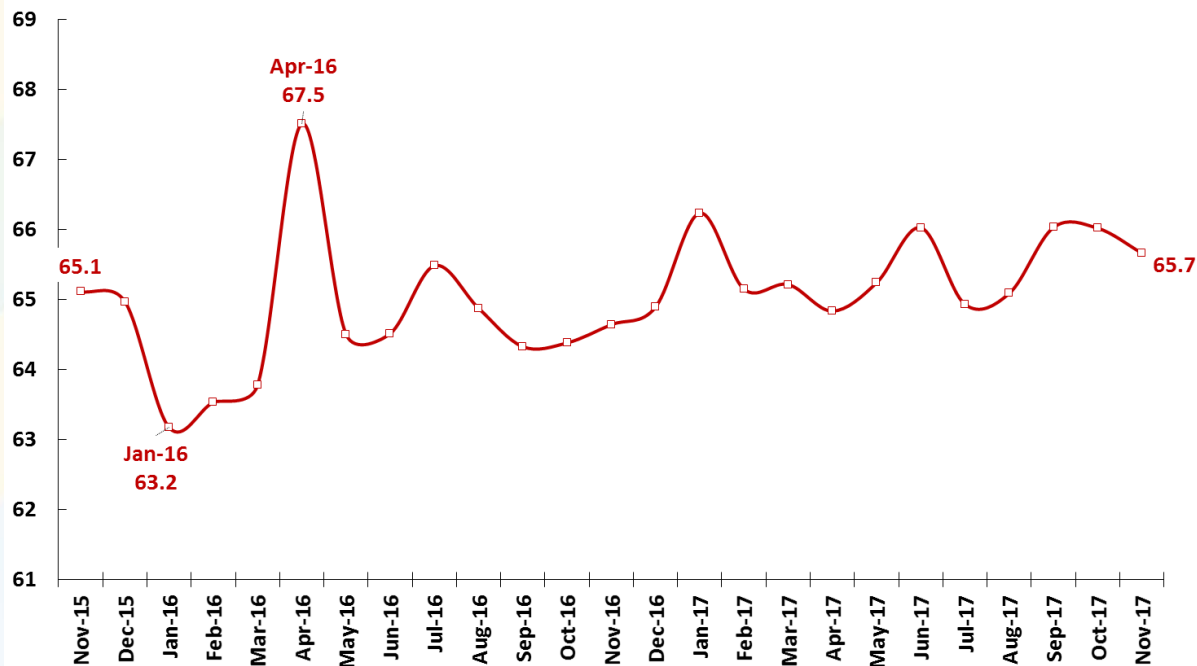
**Electric Energy Industrial Consumption**  
Millions of MWh  
Seasonally Adjusted Data\*



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

# ONS: Electric Energy System Supply

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

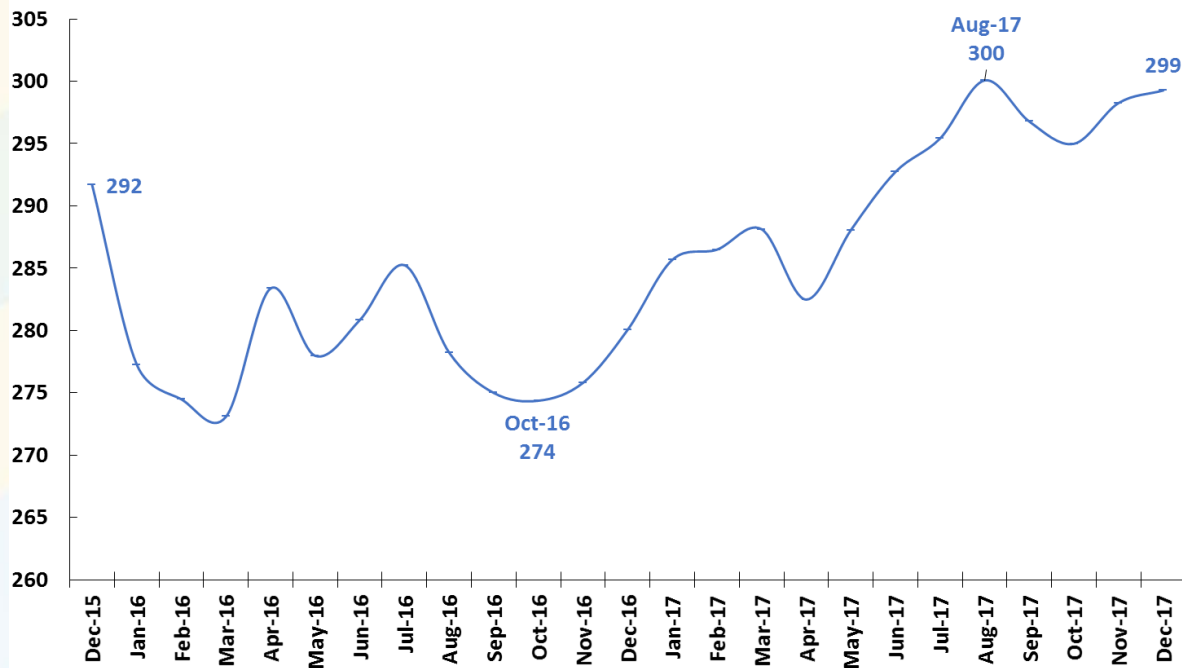


Source: ONS. \* Seasonally adjusted by SEPLAN/MP.



# ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales  
1.000 of Tons  
Seasonally Adjusted Data\*



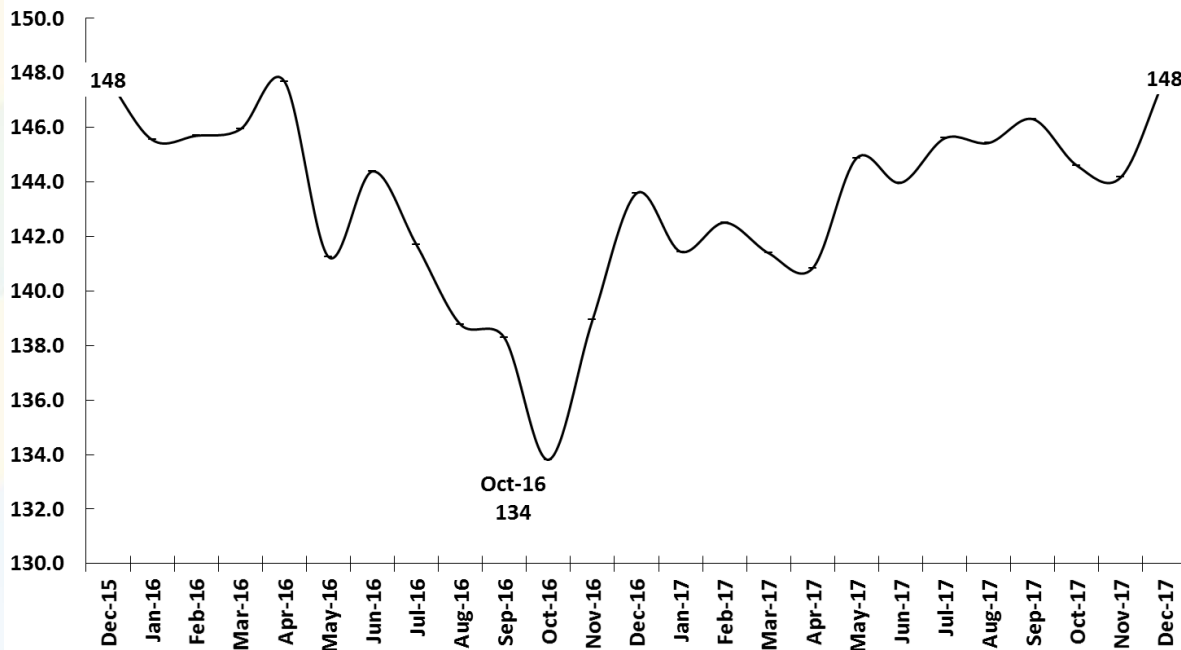
Source: ABPO. \* Seasonally adjusted by SEPLAN/MP.

# ABCR: Heavy Vehicles Road Traffic Index

Fluxo de Veículos Pesados

Índice: 1999=100

Dados Com Ajuste Sazonal



Fonte: ABCR.



# **LABOR MARKET**

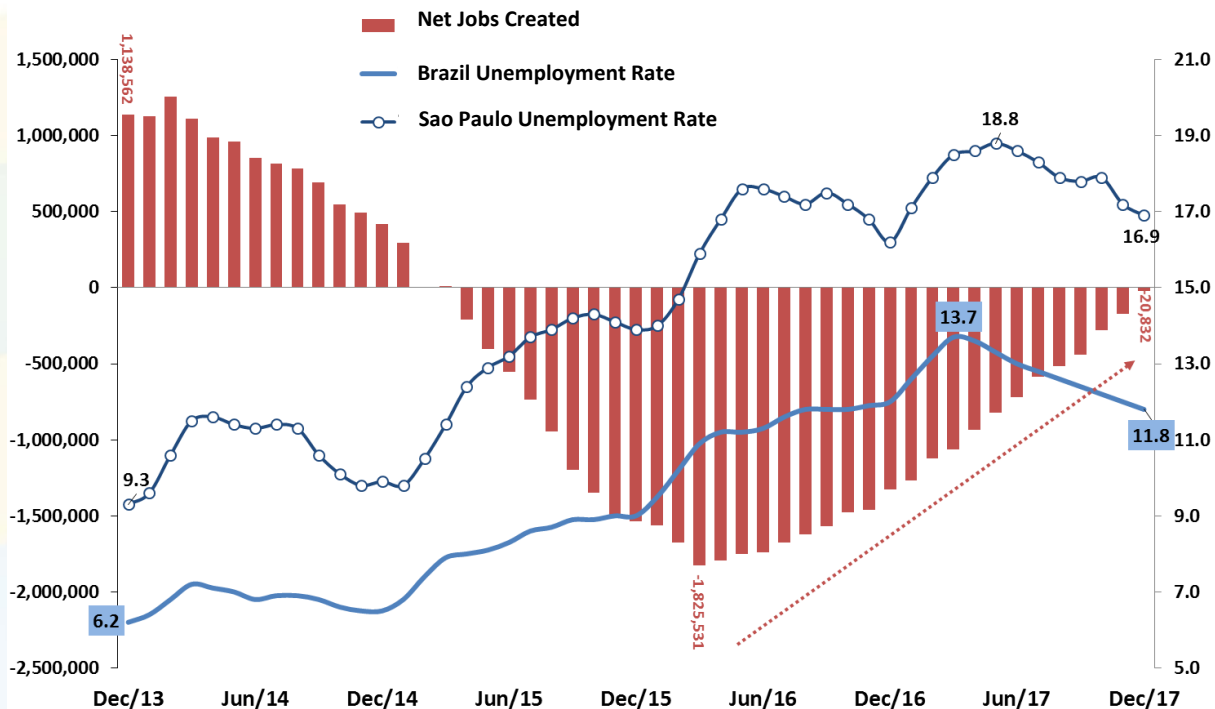
# Labor Market

Employment Indicators	December-17	2015 average	2016 average	Dec/17 (12-months moving average)	Dec-17	chg.% 2016 / 2015	chg.% Nov/17- Nov/16	chg.% Dec/17- Dec/16	chg.% YTD 2017 / YTD 2016	chg.% Dec/17 - 2016 average
<b>Brasil (PNADC, IBGE)</b>										
<b>Unemployment Rate % Labor Force</b>		<b>8.3</b>	<b>11.3</b>	<b>12.8</b>	<b>11.8</b>	<b>3.0 pp</b>	<b>0.1 pp</b>	<b>-0.2 pp</b>	<b>1.5 pp</b>	<b>0.5 pp</b>
Unemployed Population (in thousands)		164,197	166,189	168,210	169,054	1.2%	1.3%	1.1%	1.2%	1.7%
Employed Population (in thousands)		100,575	102,033	103,743	104,419	1.4%	2.1%	1.8%	1.7%	2.3%
Labor Force (in thousands)		92,216	90,539	90,495	92,108	-1.8%	1.9%	2.0%	0.0%	1.7%
Working Age Population (in thousands)		8,358	11,494	13,248	12,311	37.5%	3.6%	-0.3%	15.3%	7.1%
<b>São Paulo Unemployment Rate % (RMSP, PED-Seade)</b>		<b>12.9</b>	<b>16.6</b>	<b>18.0</b>	<b>16.9</b>	<b>3.7 pp</b>	<b>0.4 pp</b>	<b>0.7 pp</b>	<b>1.4 pp</b>	<b>0.3 pp</b>
<b>Average Real Earnings (PNADC, IBGE)</b>	December-17	2015 average	2016 average	Dec/17 (12-months moving average)	Dec-17	chg.% 2016 / 2015	chg.% Nov/17- Nov/16	chg.% Dec/17- Dec/16	chg.% YTD 2017 / YTD 2016	chg.% Dec/17 - 2016 average
real values (in R\$ of last month)										
<b>Employed Population</b>		<b>2,138</b>	<b>2,089</b>	<b>2,138</b>	<b>2,154</b>	<b>-2.3%</b>	<b>2.6%</b>	<b>1.6%</b>	<b>2.3%</b>	<b>3.1%</b>
Formal Contract		2,036	2,010	2,051	2,090	-1.3%	3.0%	3.5%	2.1%	4.0%
Informal Contract		1,223	1,228	1,234	1,179	0.4%	2.1%	-1.8%	0.5%	-4.0%
Self-employed		1,633	1,576	1,560	1,567	-3.5%	0.7%	1.3%	-1.0%	-0.6%
Public Sector		3,238	3,284	3,341	3,335	1.4%	0.7%	-0.1%	1.7%	1.6%
<b>Real Wage Bill (in R\$ millions of last months)</b>		<b>190,971</b>	<b>184,358</b>	<b>188,581</b>	<b>193,368</b>	<b>-3.5%</b>	<b>4.5%</b>	<b>3.5%</b>	<b>2.3%</b>	<b>4.9%</b>
<b>Percentage of the Minimum Wage to Purchase the Basic Food Basket (Dieese)</b>		<b>39.3%</b>	<b>46.3%</b>	<b>44.2%</b>	<b>42.5%</b>	<b>7.0 pp</b>	<b>-4.3 pp</b>	<b>0.0 pp</b>	<b>-3.4%</b>	<b>-3.8%</b>
<b>Formal Jobs (CAGED, MTE)</b>	December-17	2015	2016	Nov/17 accum. in 12- months	Dec/17 accum. in 12-months	Year-To- Date	Dec-17	chg.% 2016 / 2015	chg.% Dec/17 accum. 12-m / 2016	chg.% YTD 2017 / YTD 2016
Million people										
<b>Net Formal Jobs Creation</b>		<b>-1,535.0</b>	<b>-1,326.6</b>	<b>-170.4</b>	<b>-20.8</b>	<b>-20.8</b>	<b>-328.5</b>	<b>-13.6%</b>	<b>-98.4%</b>	<b>1.6%</b>
Job Openings		17,838	14,847	14,636	14,636	14,635.90	910.59	-16.8%	-1.4%	98.6%
Job Separations		19,373	16,174	14,806	14,657	14,656.73	1,239.13	-16.5%	-9.4%	90.6%

# Unemployment Rate and Net Formal Job Creation

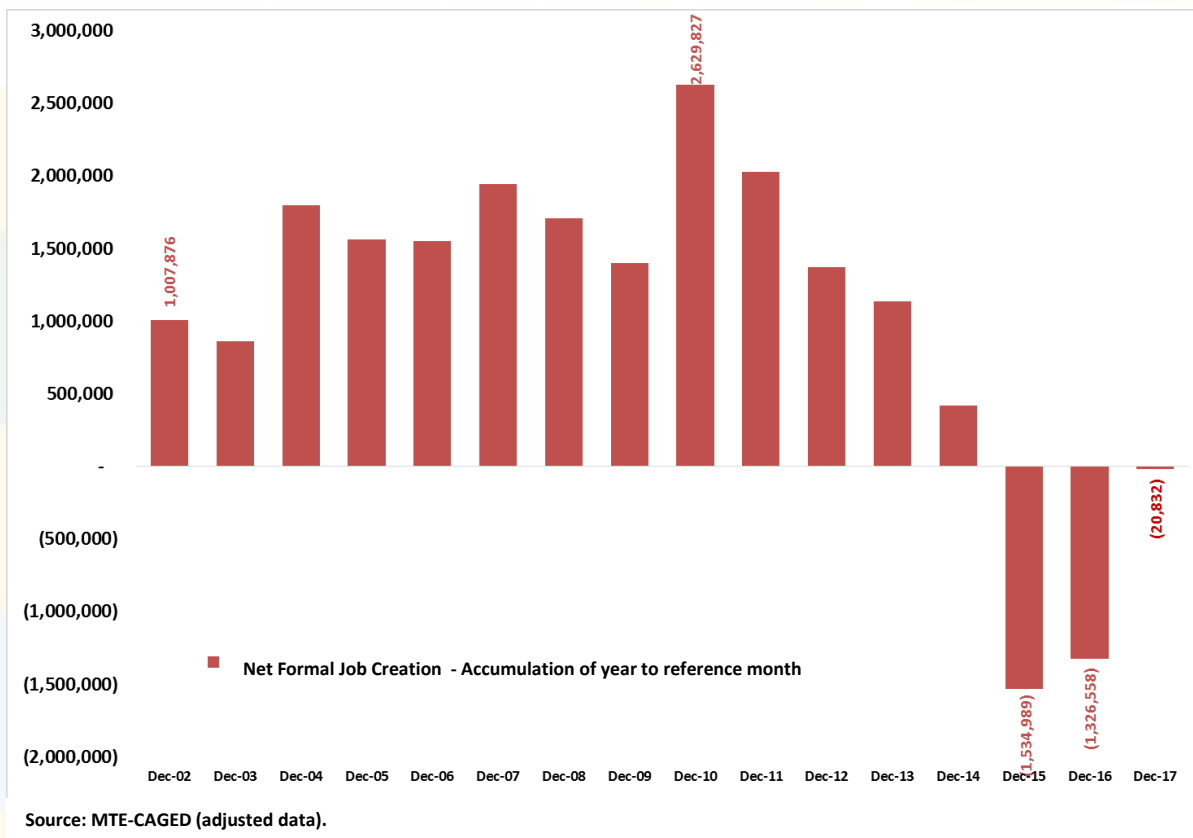
Net Formal Jobs Creation  
12-Month Accumulated Figures

Brazil and Sao Paulo Unemployment Rate  
% of Labor Force



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

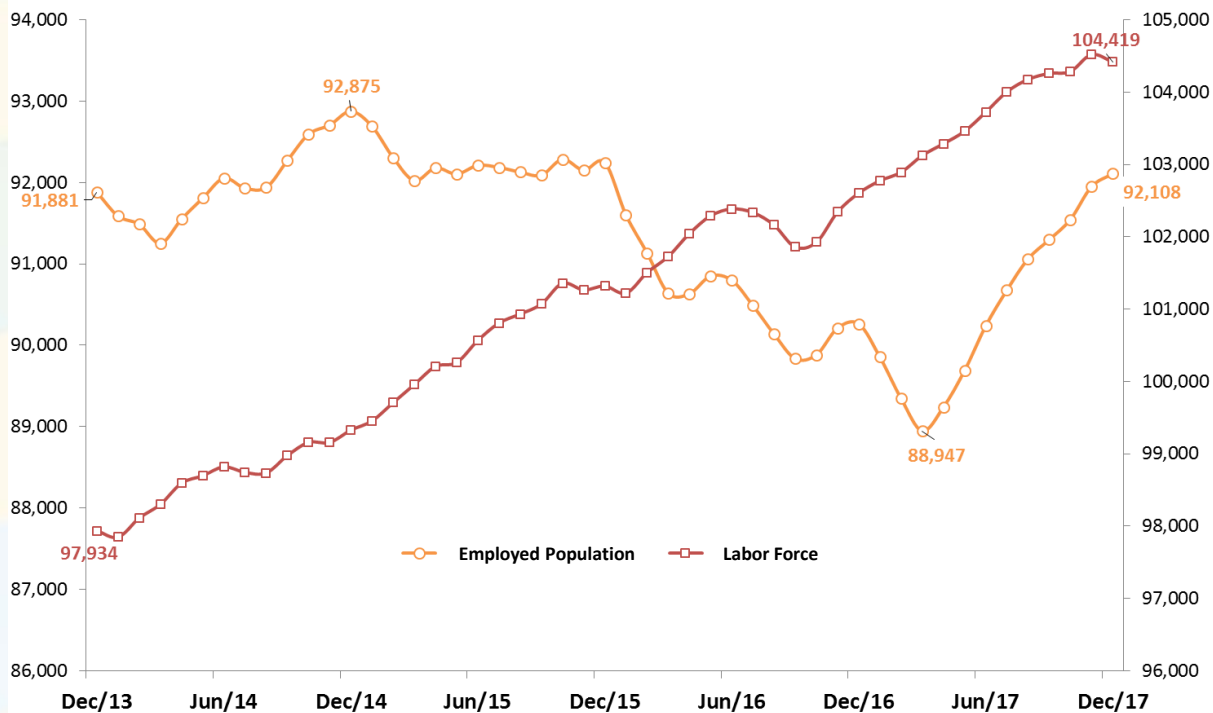
# Net Formal Job Creation – Total Accumulation of Year



# Employed Population and Labor Force Evolution

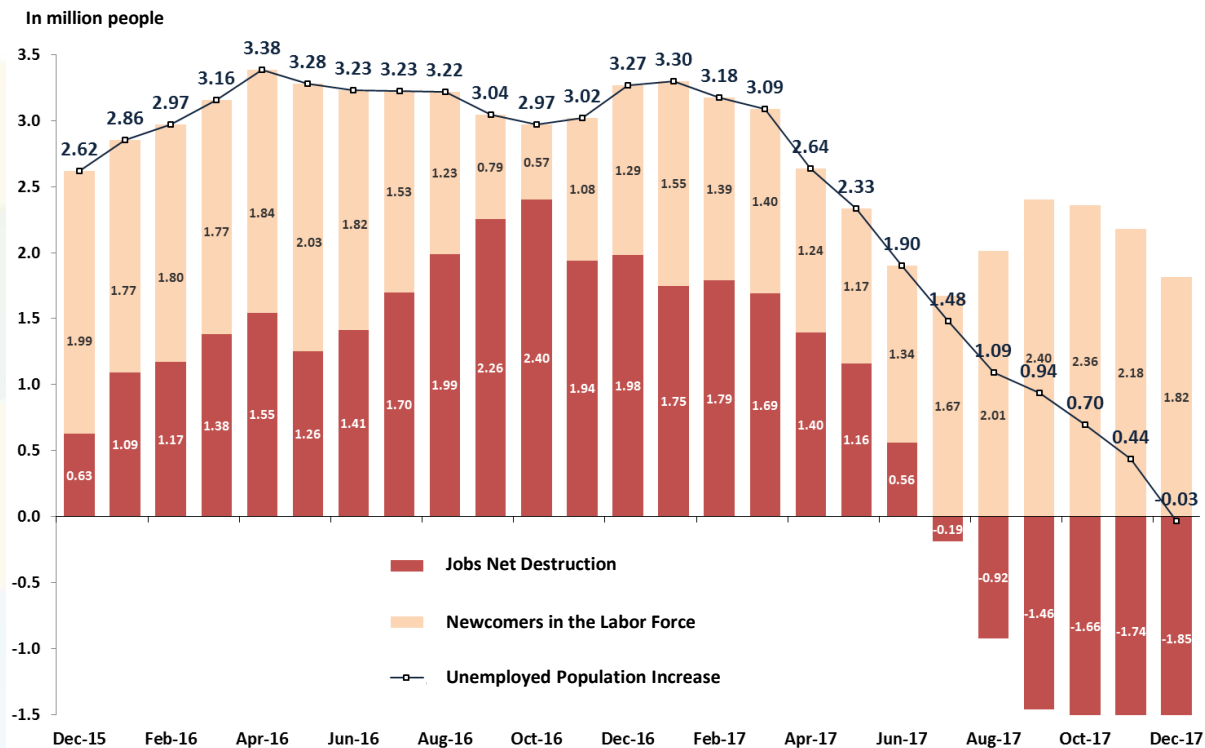
**Employed Population**  
In 1.000 people

**Labor Force**  
In 1.000 people



Source: IBGE/MP - PNADC.

# 12-Month Total Unemployment Increase Decomposition



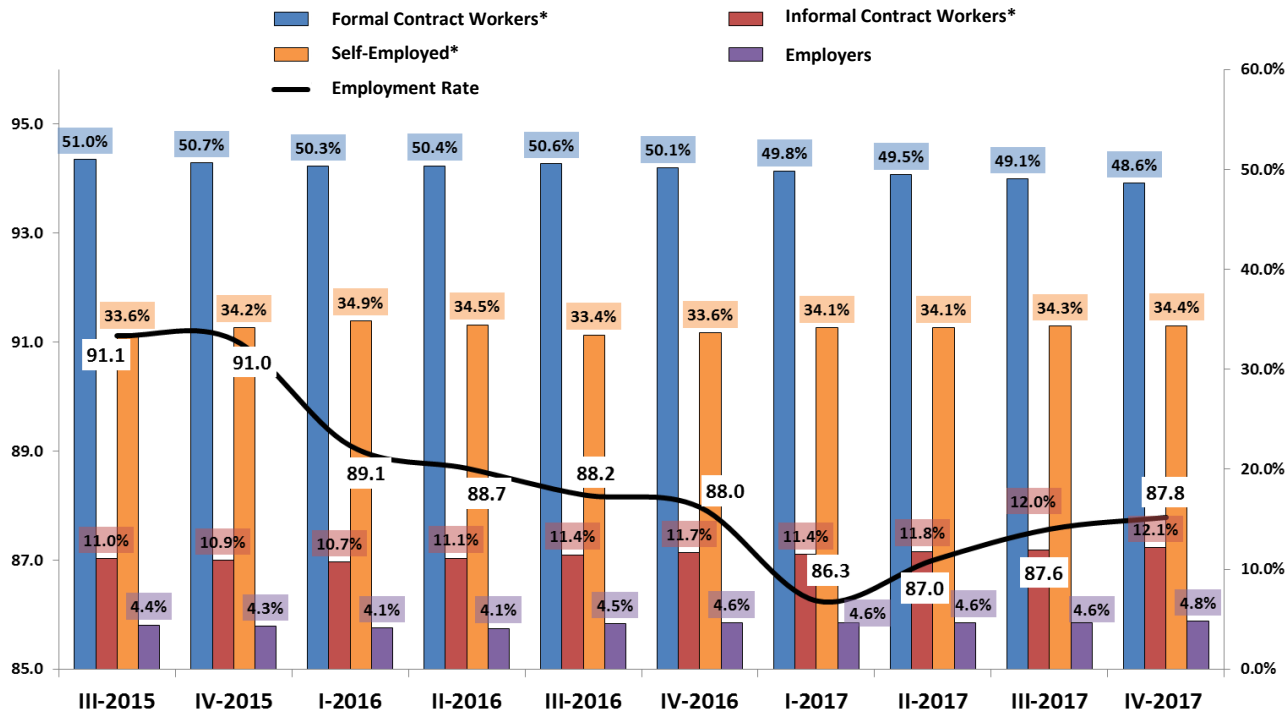
Source: IBGE/MP -- PNADC.



# Labor Market Evolution by Employment Type

Employment Rate  
(Employed Population / Labor Force)

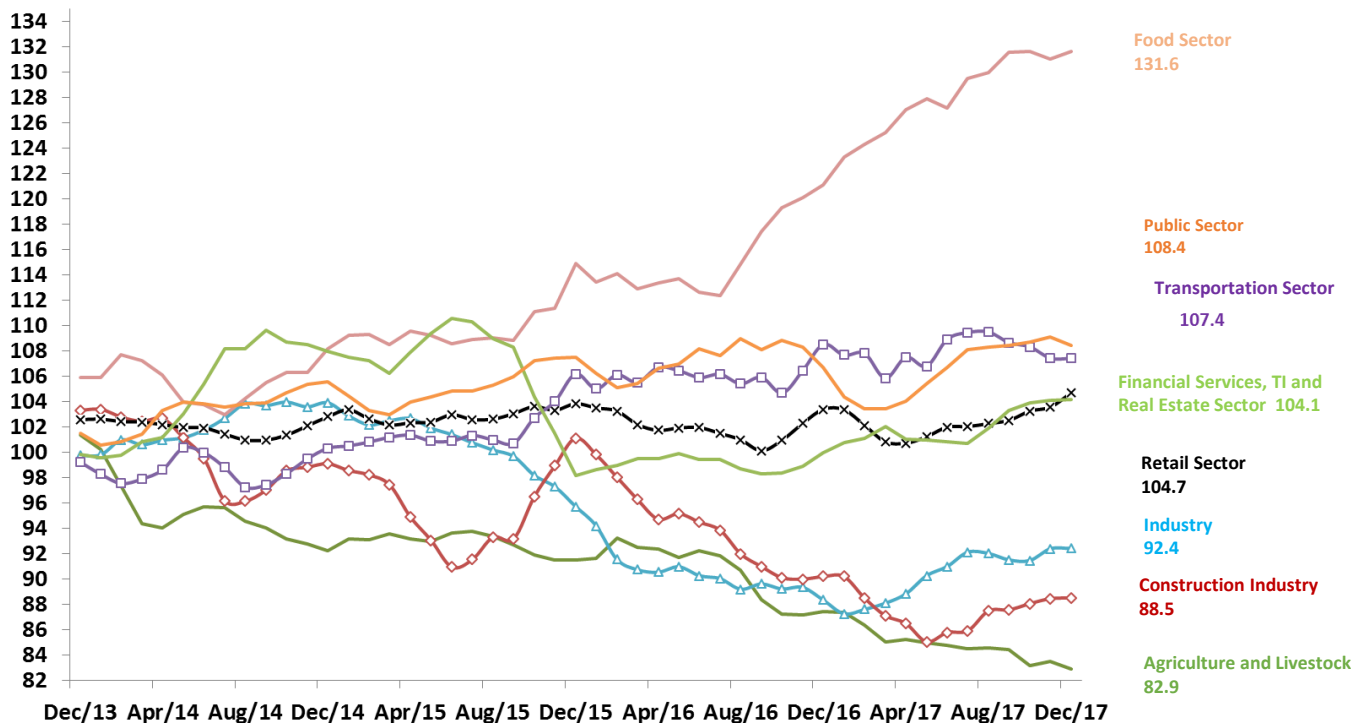
Formal and Informal Contract Workers, Self-Employed and Employers  
% of Employed Population



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

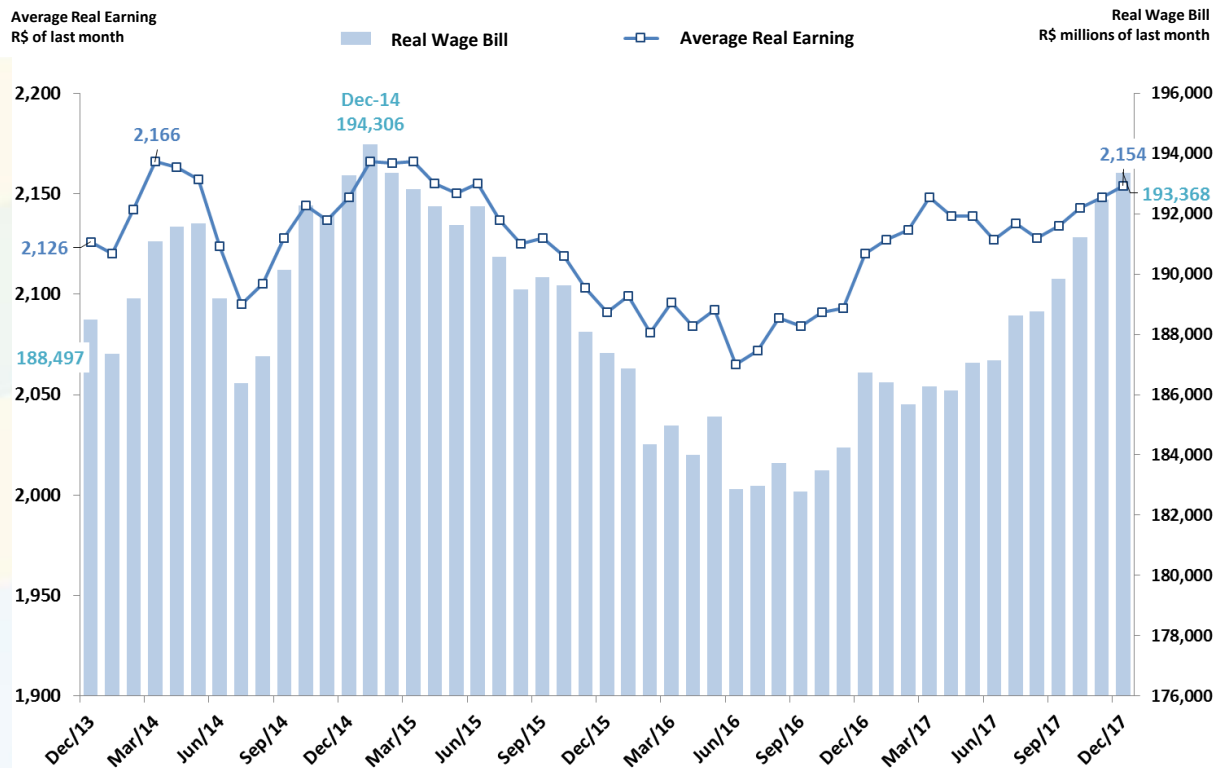
# Employment by Sector of Activity

Employed Population by Sectors of Activity  
Index: 2013 = 100

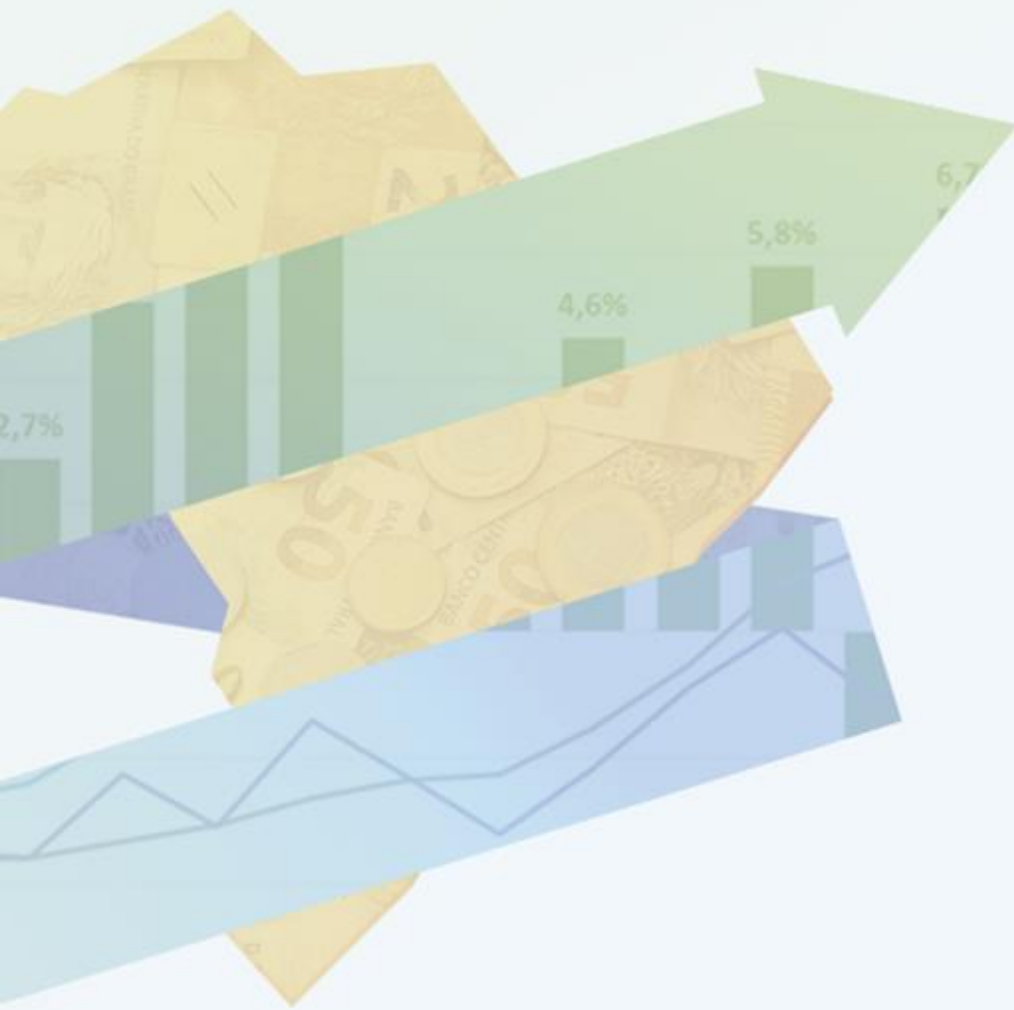


Source: IBGE/MP - PNADC.

# Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

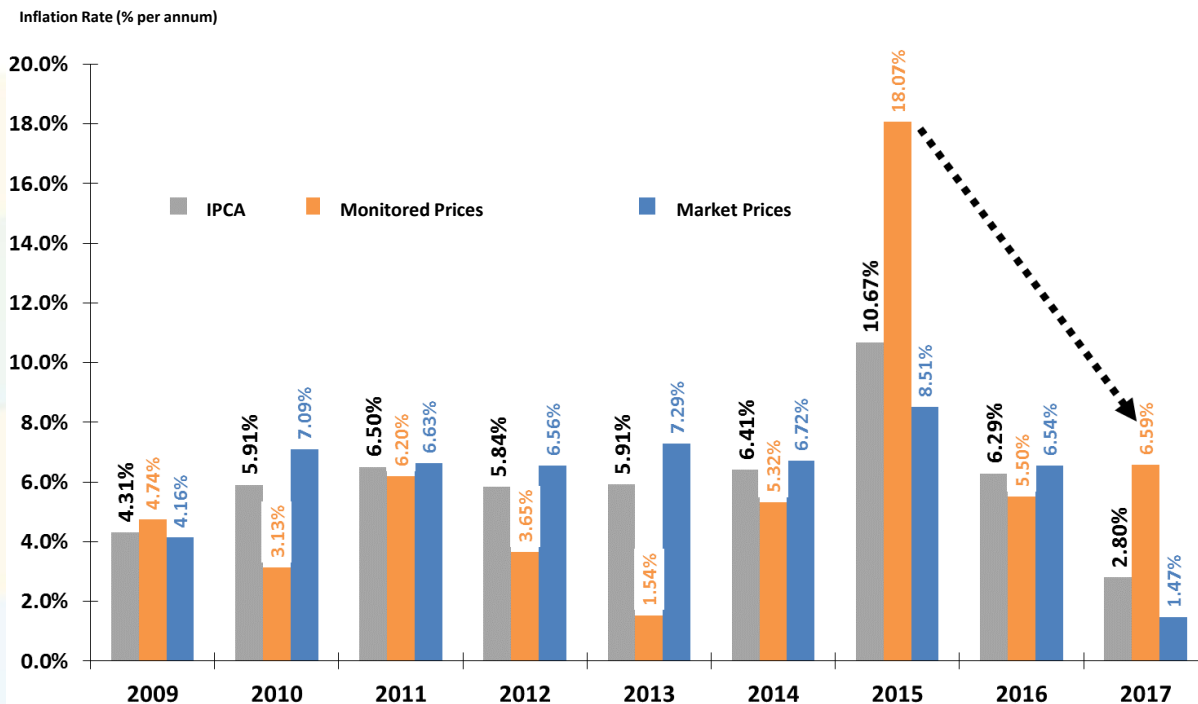


# INFLATION

# Inflation

													BCB/Focus: 01/26/2018		
Inflation Index	December-17	2015	2016	Accum. In 12-months	YTD 2016	YTD 2017	Oct-16	Nov-16	Dec-16	Oct-17	Nov-17	Dec-17	2018	2019	2020
<b>IPCA Inflation Target (CMN)</b>		<b>4.5%</b>	<b>4.5%</b>										<b>4.5%</b>	<b>4.25%</b>	<b>4.0%</b>
<b>Consumer Price Index IPCA (IBGE)</b>		<b>10.7%</b>	<b>6.3%</b>	<b>2.9%</b>	<b>6.3%</b>	<b>2.9%</b>	<b>0.26%</b>	<b>0.18%</b>	<b>0.30%</b>	<b>0.42%</b>	<b>0.28%</b>	<b>0.44%</b>	<b>4.0%</b>	<b>4.25%</b>	<b>4.0%</b>
<b>IPCA core (By exclusion food and energy - Ex2)</b>		<b>9.4%</b>	<b>6.2%</b>	<b>3.8%</b>	<b>6.2%</b>	<b>3.8%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.3%</b>			
Food and Beverages		12.0%	8.6%	-1.9%	8.6%	-1.9%	-0.1%	-0.2%	0.1%	-0.1%	-0.4%	0.5%			
Housing		18.3%	2.8%	6.3%	2.8%	6.3%	0.4%	0.3%	-0.6%	1.3%	1.3%	-0.4%			
Household Articles		5.4%	3.4%	-1.5%	3.4%	-1.5%	-0.1%	-0.2%	-0.3%	-0.4%	-0.5%	0.0%			
Apparel		4.5%	3.5%	2.9%	3.5%	2.9%	0.5%	0.2%	0.3%	0.7%	0.1%	0.8%			
Transportation		10.2%	4.2%	4.1%	4.2%	4.1%	0.8%	0.3%	1.1%	0.5%	0.5%	1.2%			
Health and Personal Care		2.1%	1.3%	1.8%	1.3%	1.8%	0.1%	0.3%	0.0%	0.4%	0.2%	-0.1%			
Personal Expenses		9.2%	11.0%	6.5%	11.0%	6.5%	0.4%	0.6%	0.5%	0.5%	0.3%	0.4%			
Education		9.5%	8.0%	4.4%	8.0%	4.4%	0.0%	0.5%	1.0%	0.3%	0.4%	0.4%			
Communication		9.2%	8.9%	7.1%	8.9%	7.1%	0.0%	0.1%	0.1%	0.1%	0.0%	0.2%			
<b>Consumer Price Index INPC (IBGE)</b>		<b>11.3%</b>	<b>6.6%</b>	<b>2.1%</b>	<b>6.6%</b>	<b>2.1%</b>	<b>0.17%</b>	<b>0.07%</b>	<b>0.14%</b>	<b>0.37%</b>	<b>0.18%</b>	<b>0.26%</b>	<b>4.0%</b>	<b>4.25%</b>	<b>4.0%</b>
<b>General Price Index IGP-DI (FGV)</b>		<b>10.7%</b>	<b>7.2%</b>	<b>-0.4%</b>	<b>7.2%</b>	<b>-0.4%</b>	<b>0.13%</b>	<b>0.05%</b>	<b>0.83%</b>	<b>0.10%</b>	<b>0.80%</b>	<b>0.74%</b>	<b>4.5%</b>	<b>4.3%</b>	<b>4.0%</b>
<b>Consumer Price Subindex IPC/Br-DI</b>		<b>10.5%</b>	<b>6.2%</b>	<b>3.2%</b>	<b>6.2%</b>	<b>3.2%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.2%</b>			
<b>Construction Cost Subindex INCC-DI</b>		<b>7.5%</b>	<b>6.1%</b>	<b>4.2%</b>	<b>6.1%</b>	<b>4.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.1%</b>			
<b>Wholesale Price Subindex IPA-DI</b>		<b>11.3%</b>	<b>7.7%</b>	<b>-2.5%</b>	<b>7.7%</b>	<b>-2.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.1%</b>	<b>0.0%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>4.7%</b>	<b>4.2%</b>	<b>4.0%</b>
IPA-DI Industry		9.6%	6.7%	1.2%	6.7%	1.2%	0.2%	0.8%	2.0%	-0.2%	1.1%	1.2%			
IPA-DI Agriculture		15.6%	9.9%	-12.3%	9.9%	-12.3%	-0.4%	-1.9%	-1.2%	0.4%	0.9%	0.8%			
<b>São Paulo Consumer Price Index IPC RMSP (FIPE)</b>		<b>11.1%</b>	<b>6.5%</b>	<b>2.3%</b>	<b>6.5%</b>	<b>2.3%</b>	<b>0.27%</b>	<b>0.15%</b>	<b>0.72%</b>	<b>0.32%</b>	<b>0.29%</b>	<b>0.55%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.0%</b>
<b>São Paulo Cost-of-Living Index ICV SP (DIEESE)</b>		<b>11.5%</b>	<b>6.2%</b>	<b>2.4%</b>	<b>6.2%</b>	<b>2.4%</b>	<b>0.37%</b>	<b>0.28%</b>	<b>0.12%</b>	<b>0.88%</b>	<b>0.15%</b>	<b>0.28%</b>			
<b>São Paulo Basic Food Basket (DIEESE)</b>		<b>16.4%</b>	<b>5.0%</b>	<b>-3.3%</b>	<b>5.0%</b>	<b>-3.3%</b>	<b>-0.43%</b>	<b>-4.08%</b>	<b>-2.55%</b>	<b>1.69%</b>	<b>-1.14%</b>	<b>0.27%</b>			
<b>National Average Basic Food Basket (DIEESE)</b>		<b>17.3%</b>	<b>10.4%</b>	<b>-7.4%</b>	<b>10.4%</b>	<b>-7.4%</b>	<b>0.24%</b>	<b>-2.73%</b>	<b>-1.94%</b>	<b>0.37%</b>	<b>-0.97%</b>	<b>0.08%</b>			
Inflation Index	January-18	2015	2016	Accum. In 12-months	YTD 2017	YTD 2018	Nov-16	Dec-16	Jan-17	Nov-17	Dec-17	Jan-18	2018	2019	2020
<b>Consumer Price Index IPCA - 15 (IBGE)</b>		<b>6.3%</b>	<b>2.9%</b>	<b>3.0%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.18%</b>	<b>0.30%</b>	<b>0.38%</b>	<b>0.28%</b>	<b>0.44%</b>	<b>0.40%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.0%</b>
<b>General Price Index IGP-M (FGV)</b>		<b>7.2%</b>	<b>-0.5%</b>	<b>-0.4%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>-0.03%</b>	<b>0.54%</b>	<b>0.64%</b>	<b>0.52%</b>	<b>0.89%</b>	<b>0.76%</b>	<b>4.5%</b>	<b>4.3%</b>	<b>4.0%</b>
<b>General Price Index IGP-10 (FGV)</b>		<b>7.0%</b>	<b>-0.4%</b>	<b>-0.5%</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.06%</b>	<b>0.20%</b>	<b>0.88%</b>	<b>0.24%</b>	<b>0.90%</b>	<b>0.79%</b>			

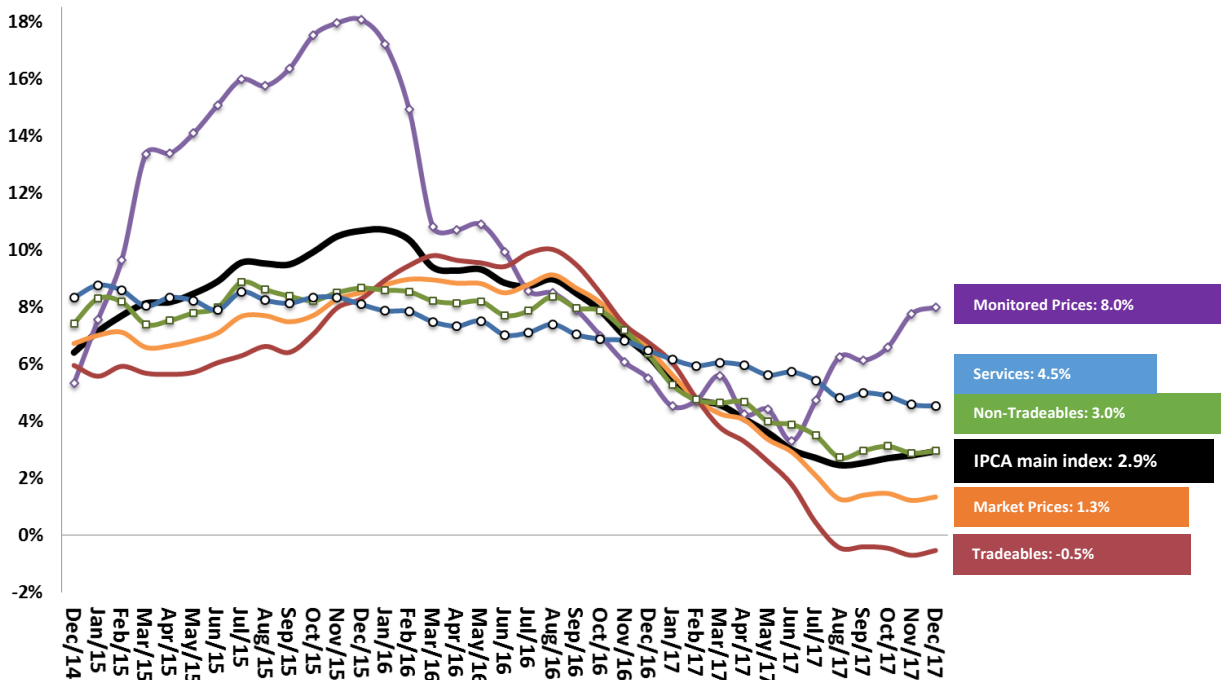
# Relative Prices Convergence in the Consumer Price Index



Source: IBGE/MP.

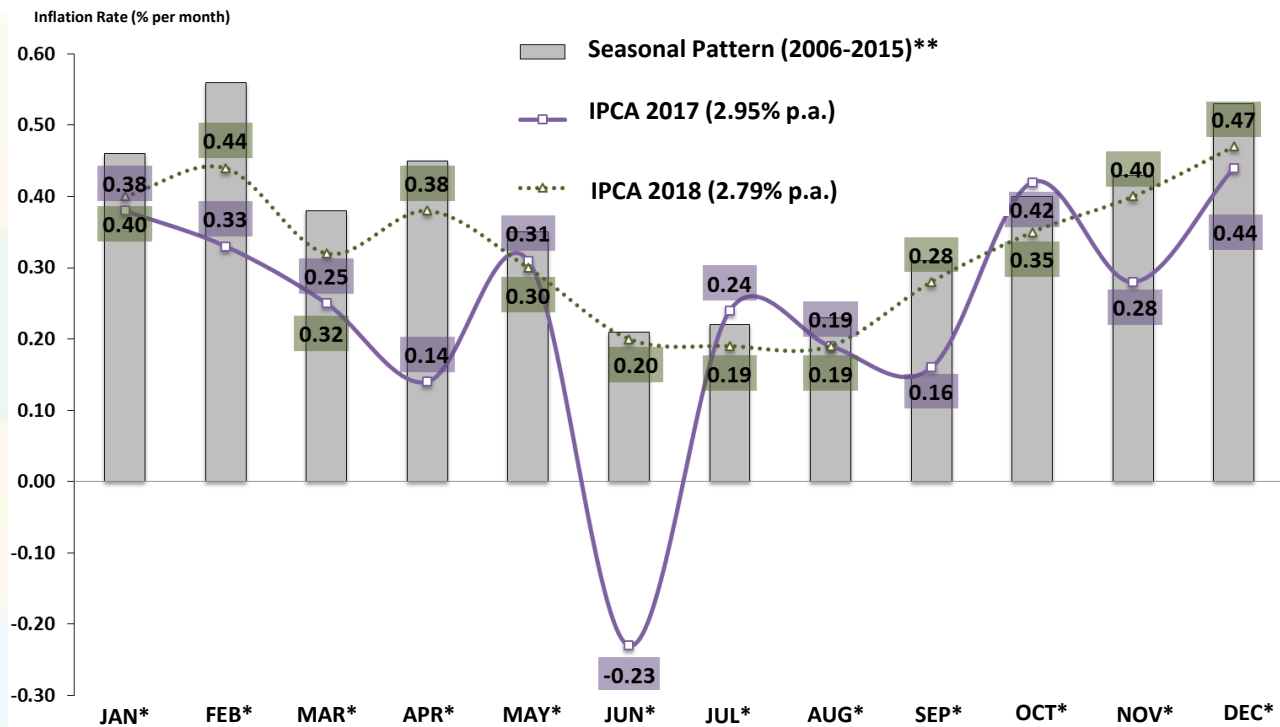
# Consumer Price Index (IPCA) and Subindexes

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



Source: IBGE/MP.

# Consumer Price Index (IPCA) and Seasonal Pattern

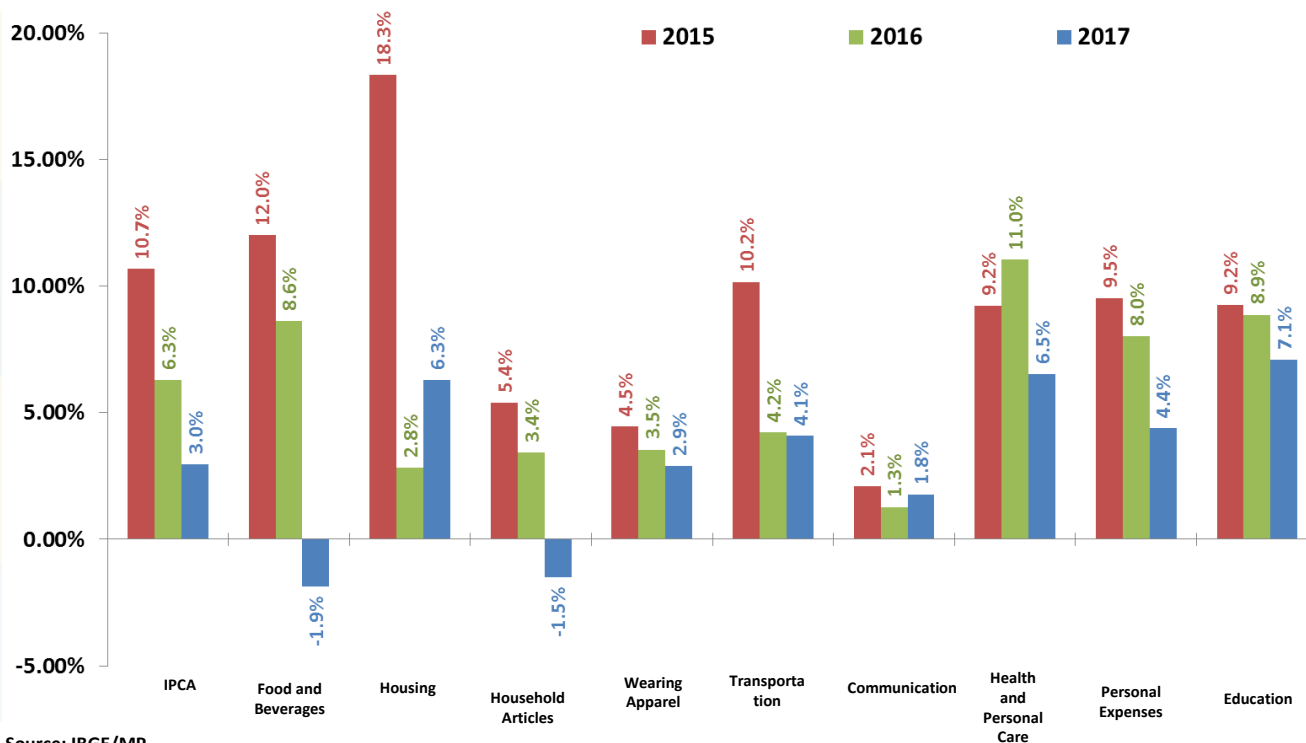


Sources: IBGE/MP and Central Bank of Brazil. \*BCB-Focus Survey of 01/26/2018, median of market expectations. \*\*Seasonal pattern estimated by SEPLAN/MP.



# Consumer Price Index (IPCA) by Groups

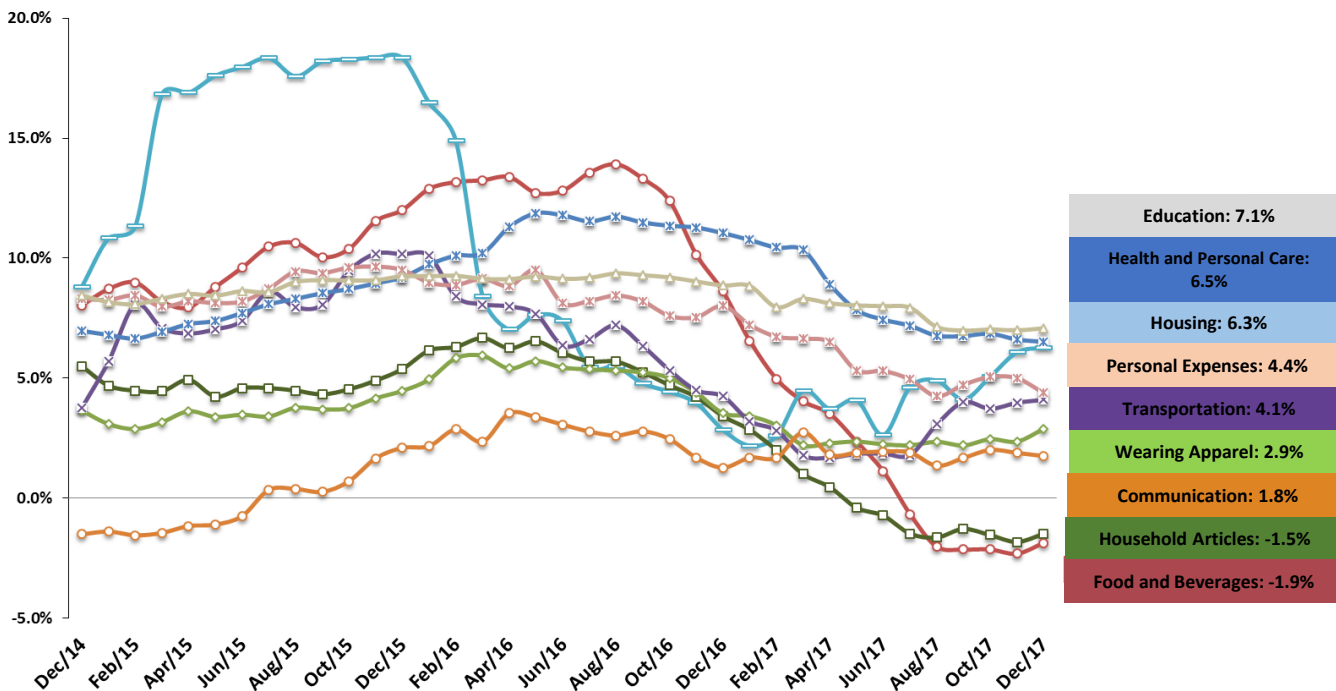
IPCA and components – by Groups  
Inflation Rate (%)



Source: IBGE/MP.

# Consumer Price Index (IPCA) by Groups

IPCA Groups  
12-months accumulated rate (%)



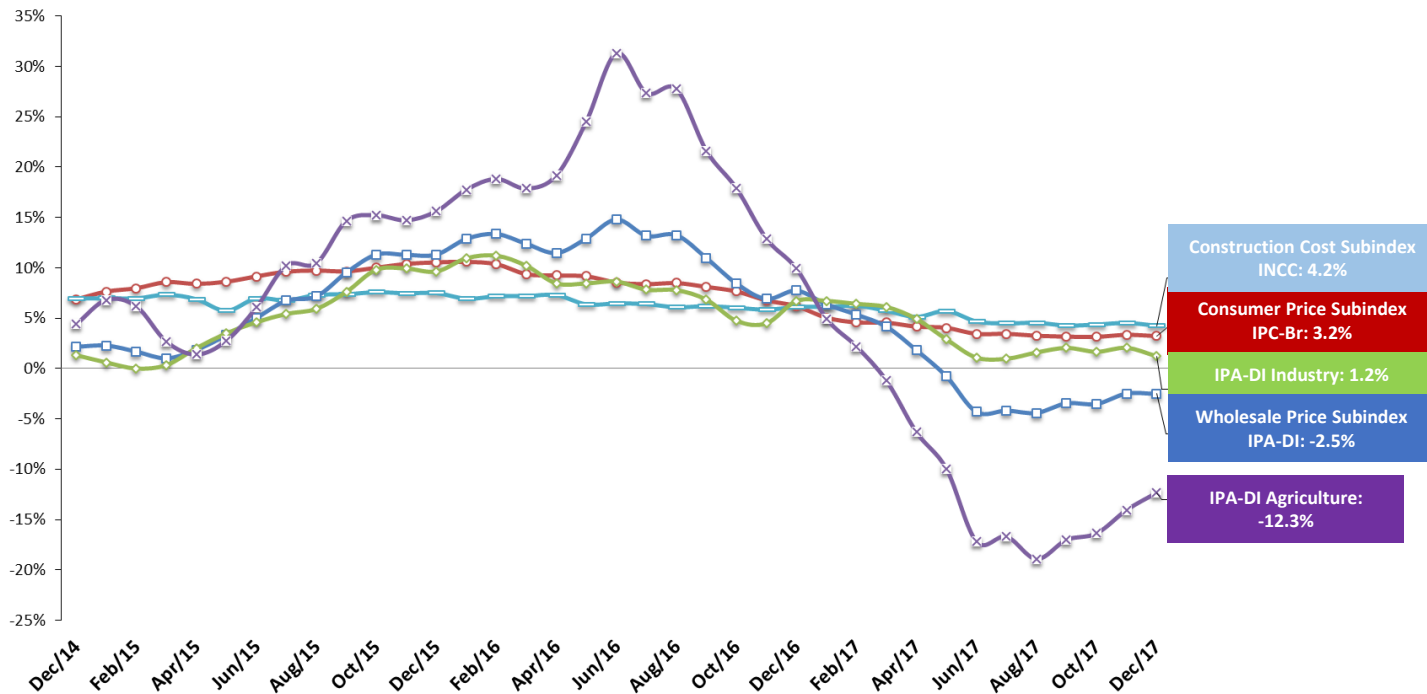
Source: IBGE.

# General Price Index (IGP-DI) by Subindexes

## General Prices Subindexes

12-months accumulated rate (%)

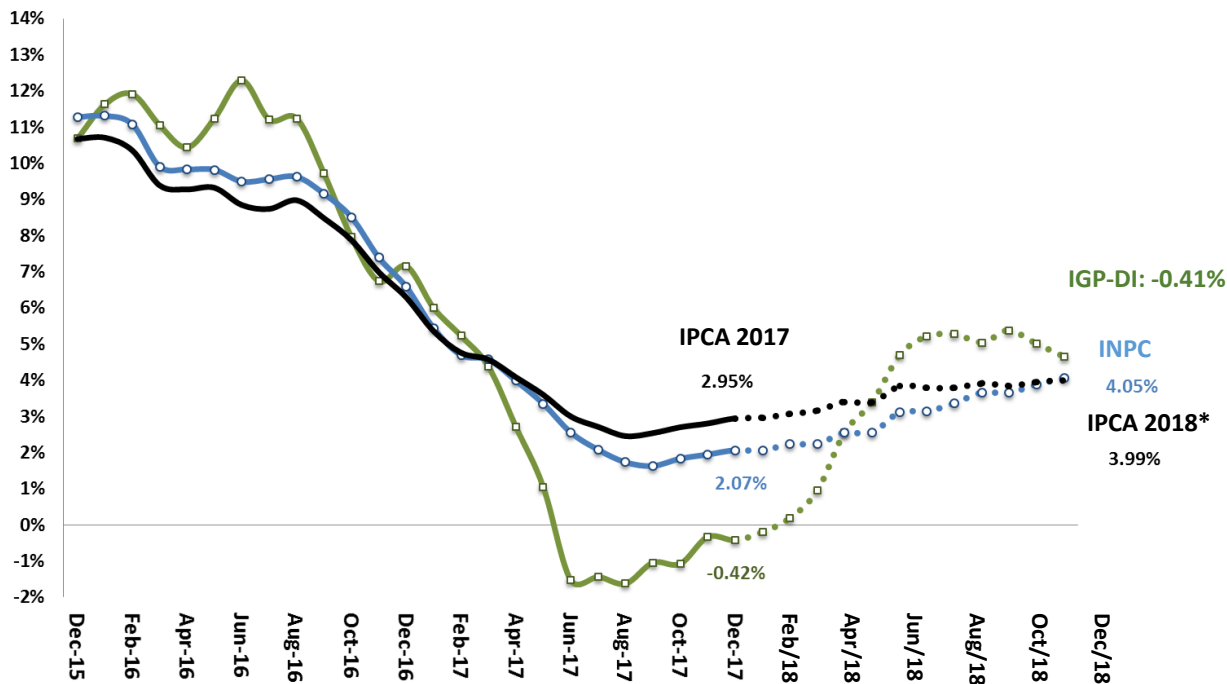
Em % - acumulado em 12 meses



Source: FGV.

# Major Inflation Indexes

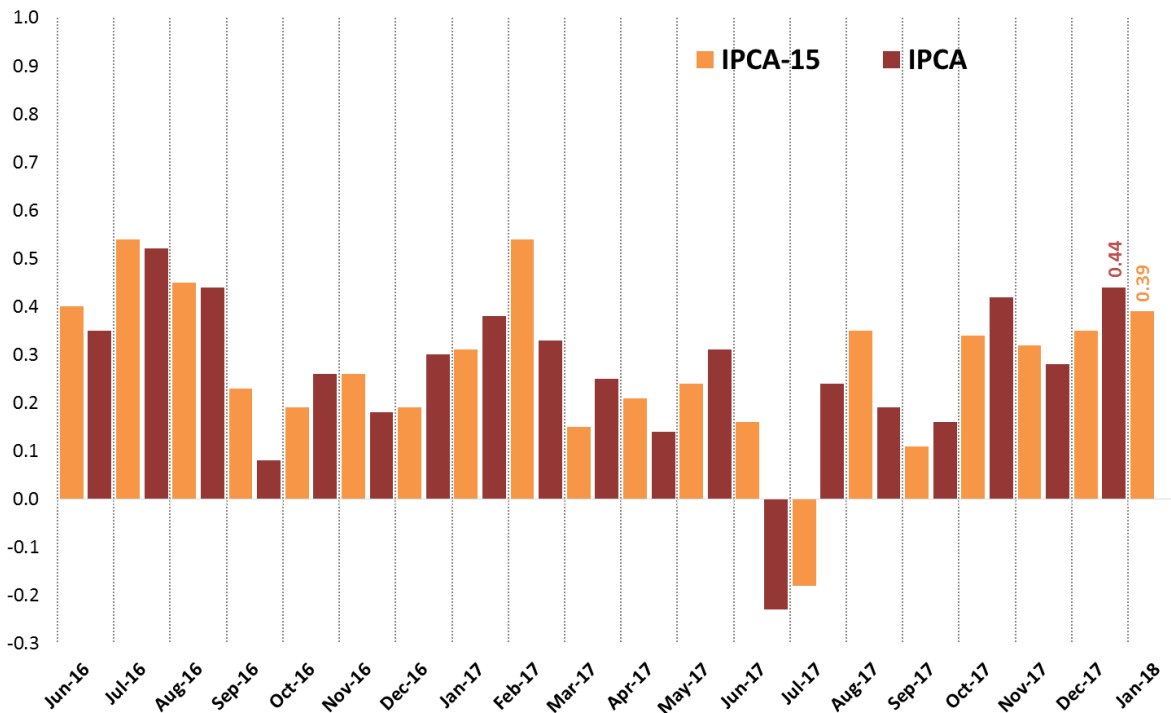
Major Inflation Indexes  
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. \*2018 = BCB-Focus Survey of 01/26/2018, median of market expectations (monthly).

# IBGE: Monthly Consumer Price Indexes

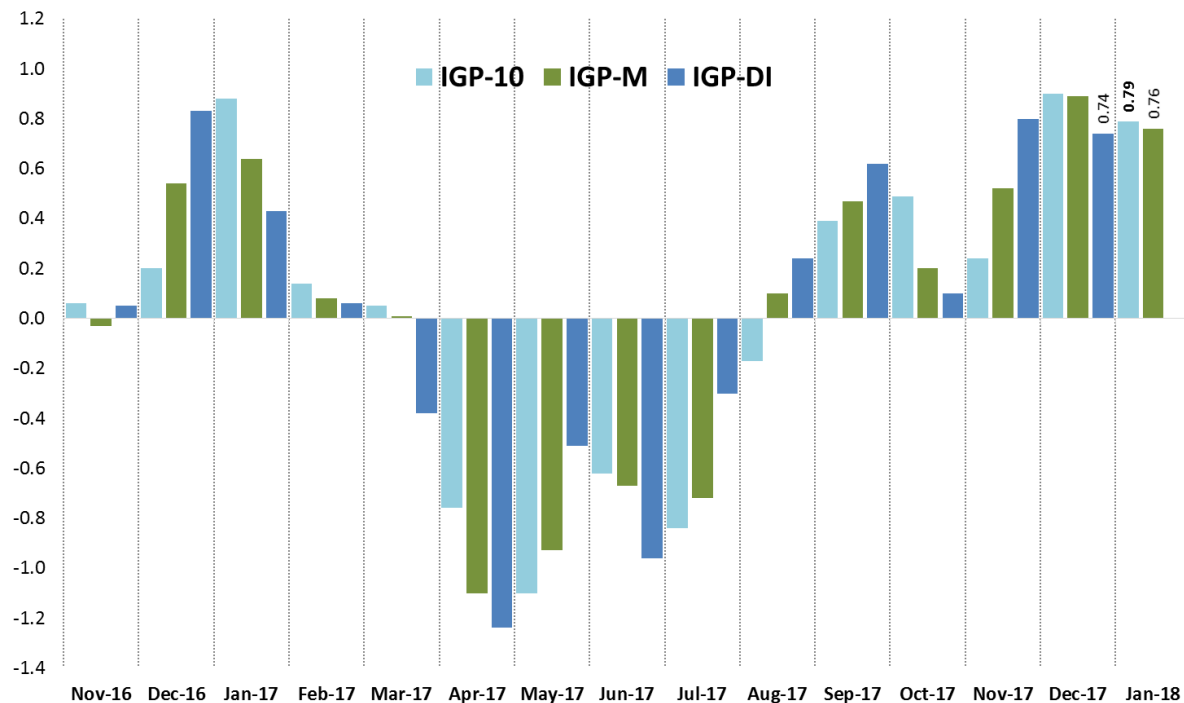
IPCA-15 and IPCA  
By release order



Source: IBGE.

# FGV: Monthly General Price Indexes

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

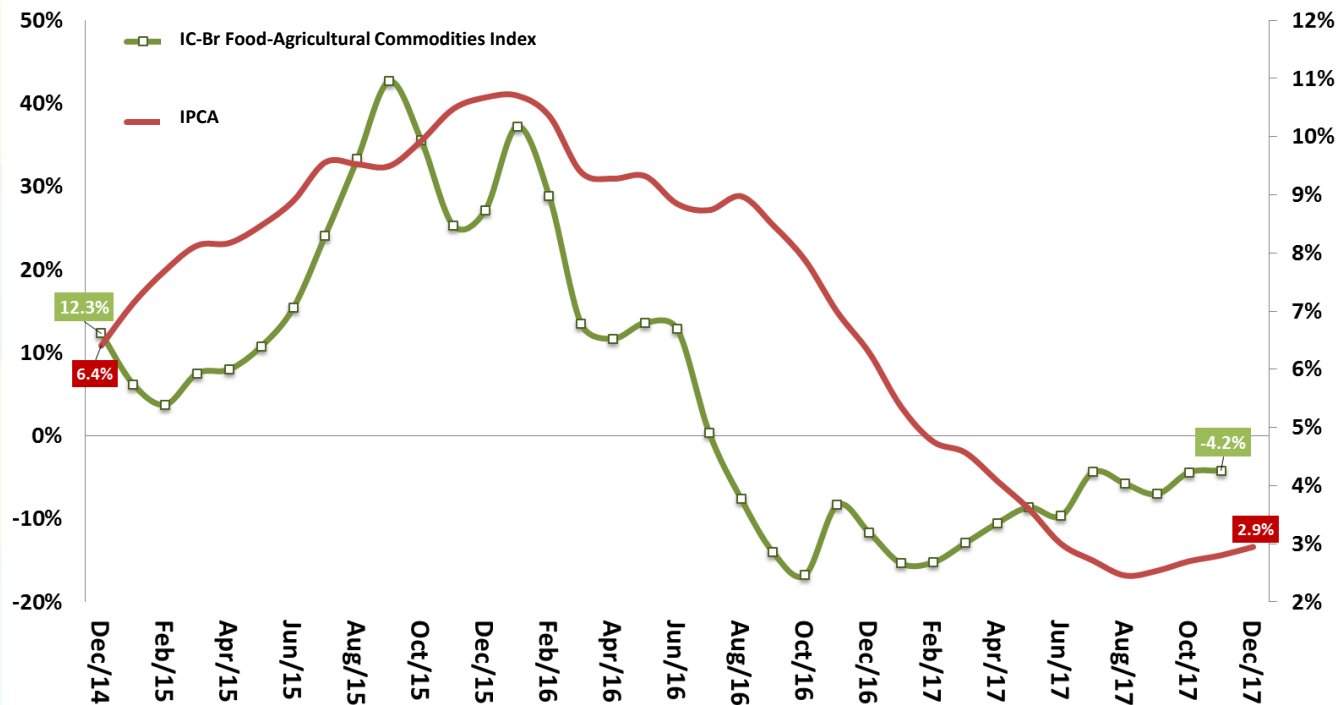


Source: FGV.

# Consumer Price Index and Commodity Index (Brazil Agriculture)

Commodity Index – Brazil Agriculture (IC-Br Ag)  
12-month accumulated change rate (%)

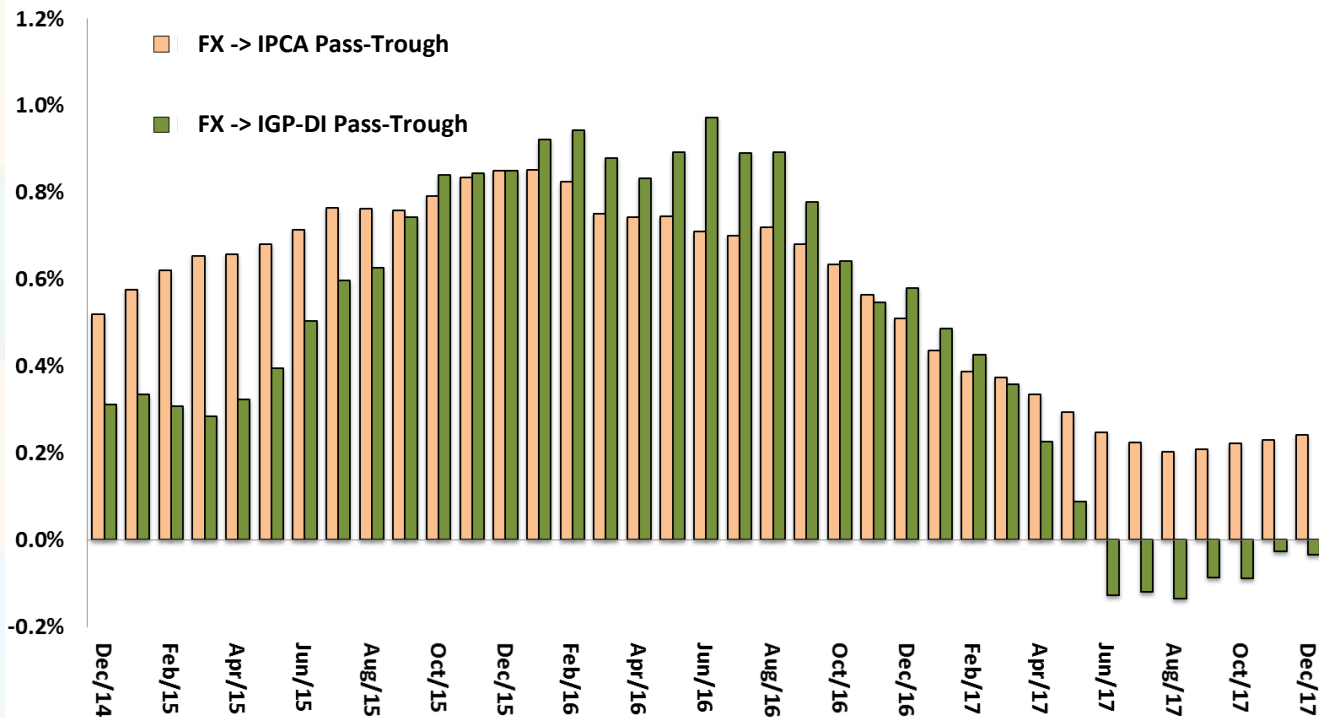
Consumer Inflation - IPCA  
12-month accumulated rate (%)



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



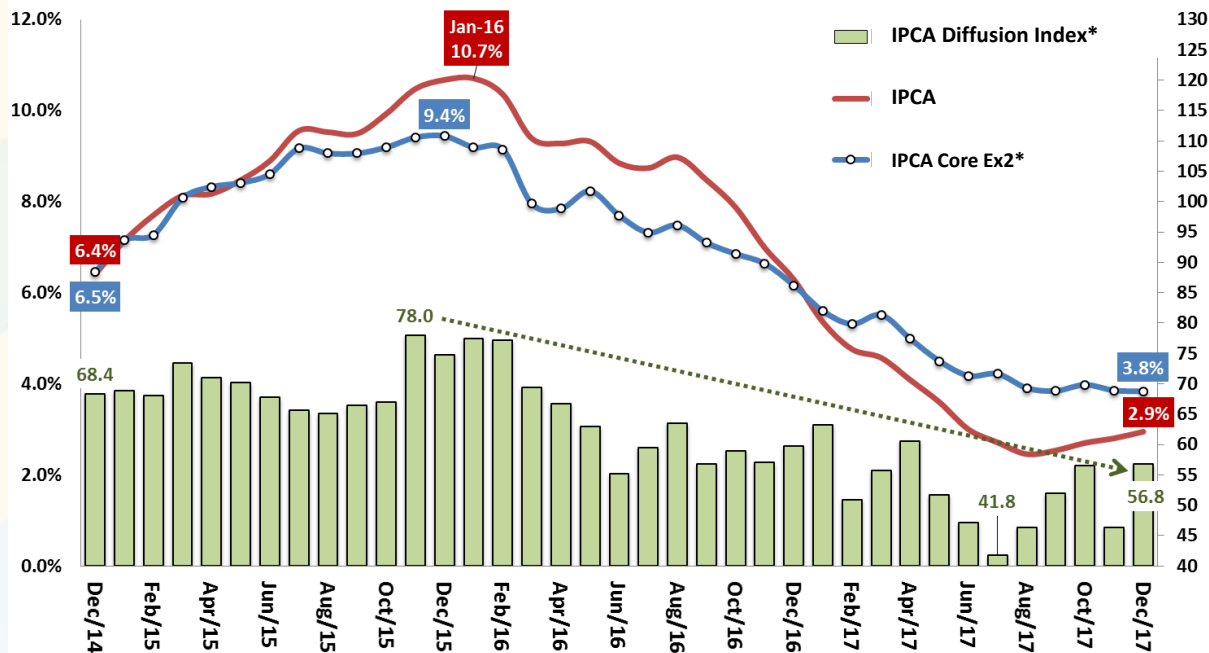
Sources: IBGE/MP and FGV. Note: Pass-Through series estimated by SEPLAN/MP.



# 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.



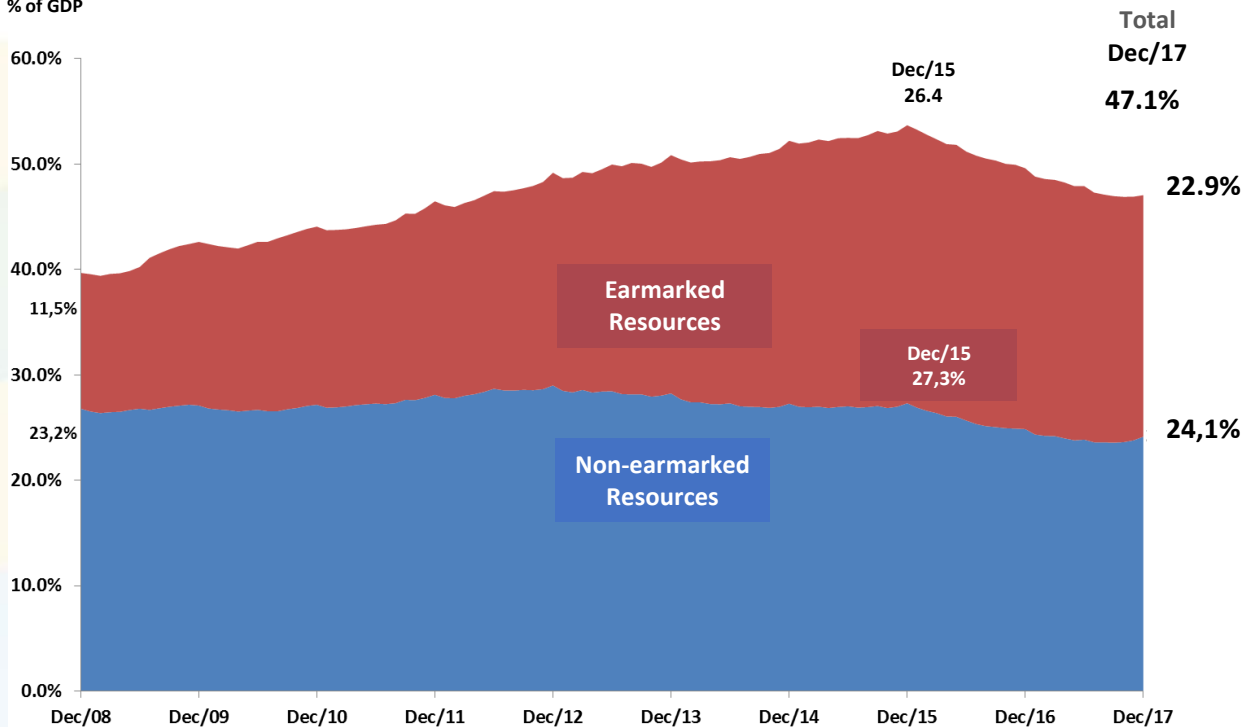
# **CREDIT MARKET**

# Credit Market

Credit Market (BCB)	December-17			% of Total Credit Dec/15	% of Total Credit Dec/16	% of Total Credit Dec/17	chg.% Dec/16-Dec/15	chg.% Dec/17-Dec/16	% of GDP Dec/15	% of GDP Dec/16	% of GDP Dec/17
End-of-Period Outstanding Credit (in R\$ billions)	Dec-15	Dec-16	Dec-17								
<b>Total Credit to the National Financial System (NFS)</b>	<b>3,219.3</b>	<b>3,105.5</b>	<b>3,085.6</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-3.5%</b>	<b>-0.6%</b>	<b>53.7%</b>	<b>49.6%</b>	<b>47.1%</b>
<i>by type of borrower</i>											
<b>Public Sector (incl. State-Owned Enterprises)</b>	<b>261.1</b>	<b>235.8</b>	<b>220.5</b>	<b>8.1%</b>	<b>7.6%</b>	<b>7.1%</b>	<b>-9.7%</b>	<b>-6.5%</b>	<b>4.4%</b>	<b>3.8%</b>	<b>3.4%</b>
<b>Private Sector</b>	<b>2,958.3</b>	<b>2,869.7</b>	<b>2,865.1</b>	<b>91.9%</b>	<b>92.4%</b>	<b>92.9%</b>	<b>-3.0%</b>	<b>-0.2%</b>	<b>49.3%</b>	<b>45.8%</b>	<b>43.7%</b>
<b>Non-Financial Corporations</b>	<b>1,707.2</b>	<b>1,544.9</b>	<b>1,437.0</b>	<b>53.0%</b>	<b>49.7%</b>	<b>46.6%</b>	<b>-9.5%</b>	<b>-7.0%</b>	<b>28.5%</b>	<b>24.7%</b>	<b>21.9%</b>
<b>Households</b>	<b>1,512.2</b>	<b>1,560.7</b>	<b>1,648.6</b>	<b>47.0%</b>	<b>50.3%</b>	<b>53.4%</b>	<b>3.2%</b>	<b>5.6%</b>	<b>25.2%</b>	<b>24.9%</b>	<b>25.1%</b>
<i>by type of lender</i>											
<b>Public Financial Institutions</b>	<b>1,796.7</b>	<b>1,729.7</b>	<b>1,672.3</b>	<b>55.8%</b>	<b>55.7%</b>	<b>54.2%</b>	<b>-3.7%</b>	<b>-3.3%</b>	<b>30.0%</b>	<b>27.6%</b>	<b>25.5%</b>
<b>National Private Financial Institutions</b>	<b>947.9</b>	<b>976.2</b>	<b>988.9</b>	<b>29.4%</b>	<b>31.4%</b>	<b>32.0%</b>	<b>3.0%</b>	<b>1.3%</b>	<b>15.8%</b>	<b>15.6%</b>	<b>15.1%</b>
<b>Foreign Private Financial Institutions</b>	<b>474.7</b>	<b>399.6</b>	<b>424.5</b>	<b>14.7%</b>	<b>12.9%</b>	<b>13.8%</b>	<b>-15.8%</b>	<b>6.2%</b>	<b>7.9%</b>	<b>6.4%</b>	<b>6.5%</b>
<i>by type of credit</i>											
<b>Earmarked Resources</b>	<b>1,582.2</b>	<b>1,549.5</b>	<b>1,503.0</b>	<b>49.1%</b>	<b>49.9%</b>	<b>48.7%</b>	<b>-2.1%</b>	<b>-3.0%</b>	<b>26.4%</b>	<b>24.8%</b>	<b>22.9%</b>
Housing	231.1	241.6	241.8	7.2%	7.8%	7.8%	4.5%	0.1%	3.9%	3.9%	3.7%
Rural	572.3	605.7	624.9	17.8%	19.5%	20.3%	5.8%	3.2%	9.5%	9.7%	9.5%
BNDES Development Bank	679.4	601.0	538.7	21.1%	19.4%	17.5%	-11.5%	-10.4%	11.3%	9.6%	8.2%
Others	99.3	101.2	97.5	3.1%	3.3%	3.2%	1.9%	-3.7%	1.7%	1.6%	1.5%
Non-Financial Corporations	875.3	797.7	704.9	27.2%	25.7%	22.8%	-8.9%	-11.6%	14.6%	12.7%	10.7%
Households	706.9	751.8	798.1	22.0%	24.2%	25.9%	6.4%	6.2%	11.8%	12.0%	12.2%
<b>Non-earmarked Resources</b>	<b>1,637.1</b>	<b>1,556.0</b>	<b>1,582.7</b>	<b>50.9%</b>	<b>50.1%</b>	<b>51.3%</b>	<b>-5.0%</b>	<b>1.7%</b>	<b>27.3%</b>	<b>24.9%</b>	<b>24.1%</b>
Non-Financial Corporations	831.9	747.1	732.1	25.8%	24.1%	23.7%	-10.2%	-2.0%	13.9%	11.9%	11.2%
Households	805.3	808.8	850.5	25.0%	26.0%	27.6%	0.4%	5.2%	13.4%	12.9%	13.0%
<b>Non-earmarked Resources (BCB)</b>	<b>December-17</b>			% of Total Credit Dec/15	% of Total Credit Dec/16	% of Total Credit Dec/17	chg.% Dec/16-Dec/15	chg.% Dec/17-Dec/16	% of GDP Dec/15	% of GDP Dec/16	% of GDP Dec/17
<i>New Loans, Spread and Delinquency Rates</i>	Dec-15	Dec-16	Dec-17								
<b>New Loans (12-months accum. in R\$ billions)</b>	<b>3,050.1</b>	<b>2,840.0</b>	<b>2,974.6</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-6.9%</b>	<b>4.7%</b>	<b>50.9%</b>	<b>45.4%</b>	<b>45.4%</b>
Non-Financial Corporations	1,475.1	1,282.5	1,277.6	48.4%	45.2%	42.9%	-13.1%	-0.4%	24.6%	20.5%	19.5%
Households	1,575.0	1,557.6	1,697.0	51.6%	54.8%	57.1%	-1.1%	9.0%	26.3%	24.9%	25.9%
<b>Spread (in pp per year)</b>	<b>32.0</b>	<b>40.3</b>	<b>31.8</b>				<b>8.4 pp</b>	<b>-8.5 pp</b>			
Non-Financial Corporations	15.0	16.7	13.6				1.7 pp	-3.1 pp			
Households	48.2	60.2	46.1				12.0 pp	-14.0 pp			
<b>Delinquency (% non-performing loans by 90 days or more)</b>	<b>5.3</b>	<b>5.7</b>	<b>4.9</b>				<b>0.4 pp</b>	<b>-0.7 pp</b>			
Non-Financial Corporations	4.5	5.2	4.5				0.8 pp	-0.7 pp			
Households	6.2	6.1	5.3				-0.1 pp	-0.8 pp			

# Total Credit: Earmarked and Non-earmarked Resources

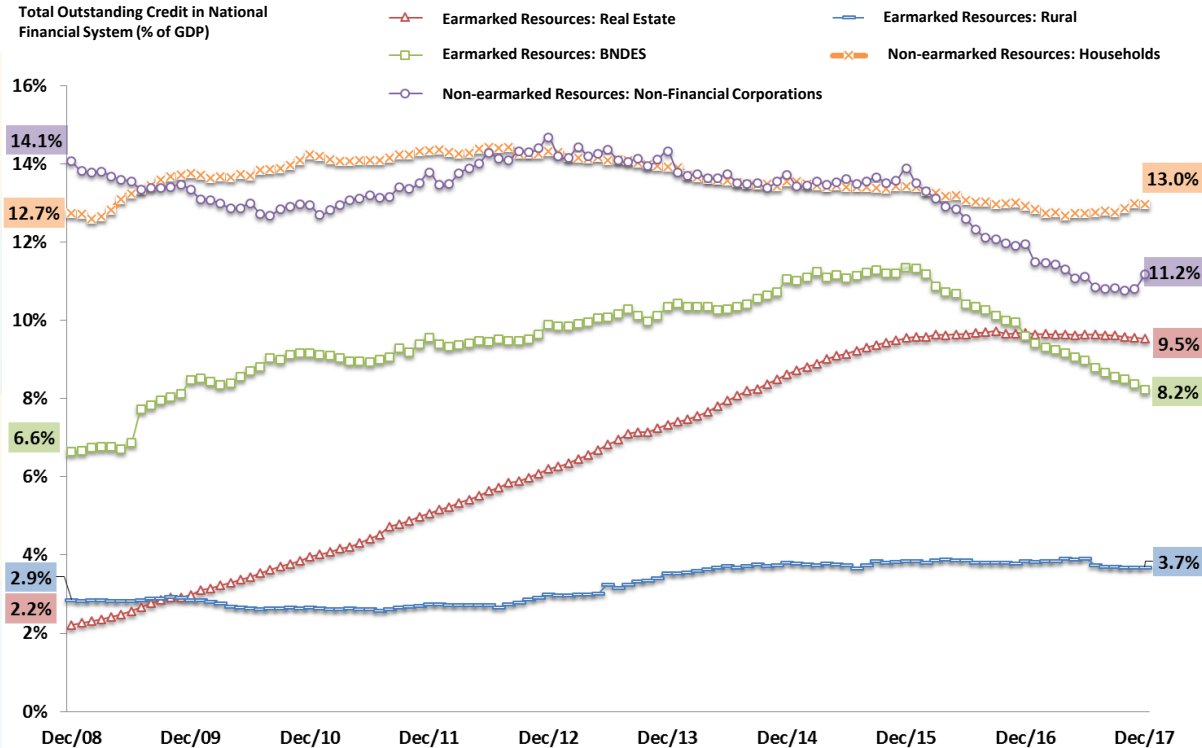
Total Outstanding Credit in National Financial System  
% of GDP



Source: Central Bank of Brazil.

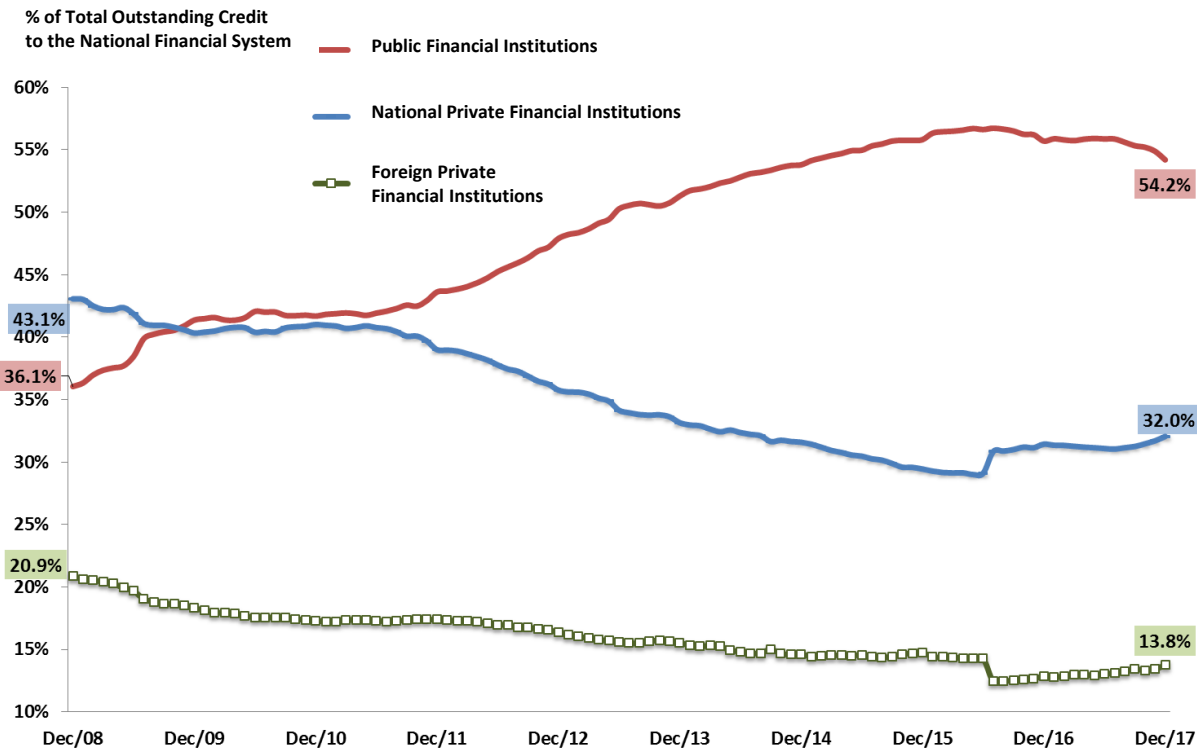
# Total Credit Evolution by Major Segments

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



Source: Central Bank of Brazil.

# Total Credit by Types of Financial Institutions

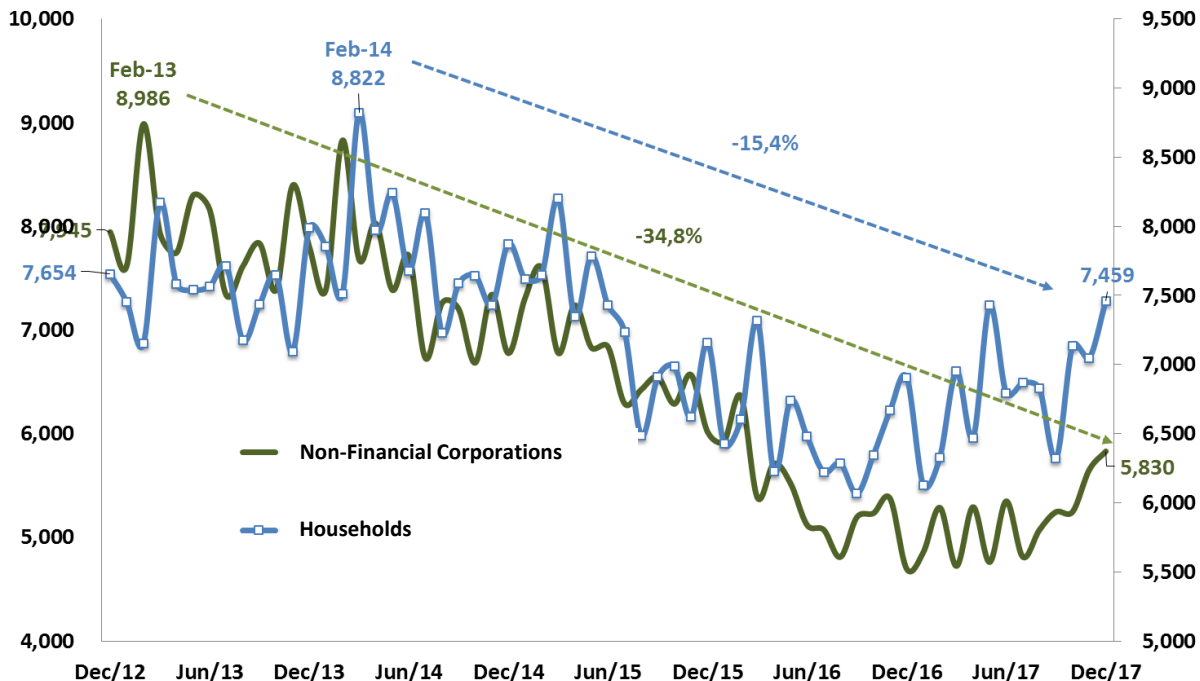


Source: Central Bank of Brazil.

# 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\*

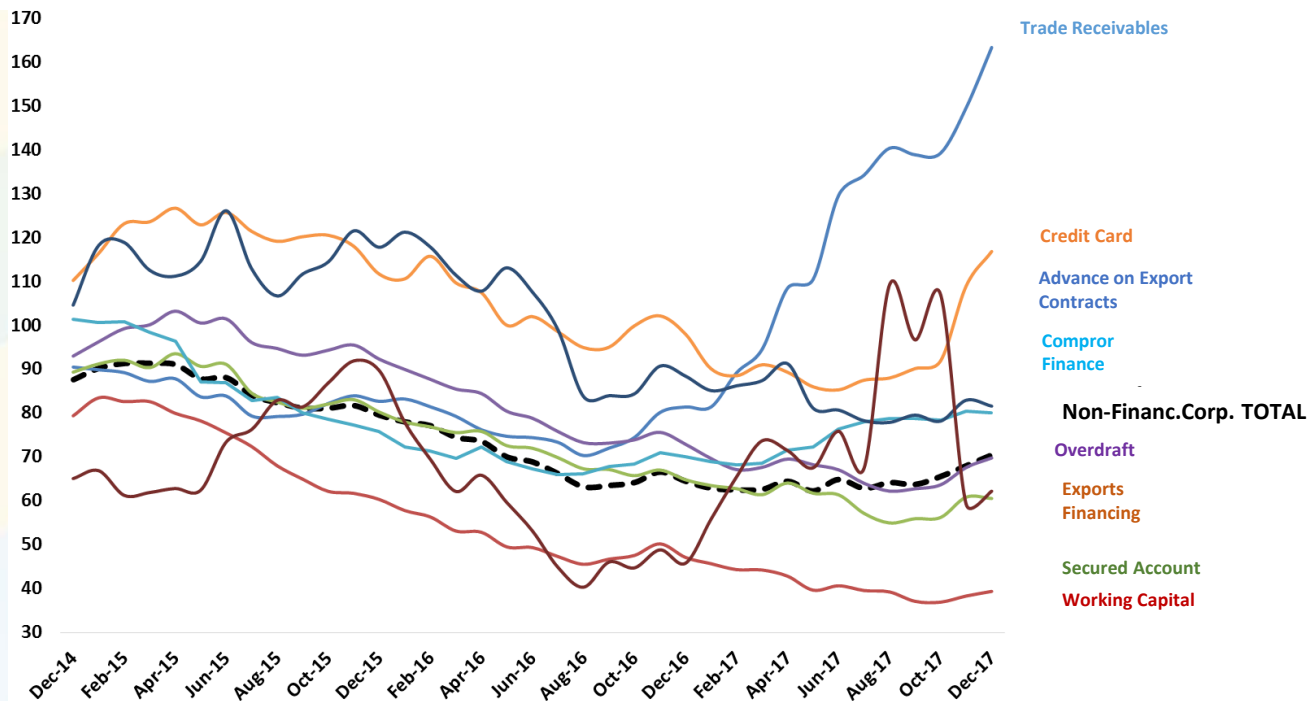


Source: Central Bank of Brazil. \* Seasonally adjusted by SEPLAN/MP.

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

Crédito às Empresas - Média Diária de Novas Concessões Pesq

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

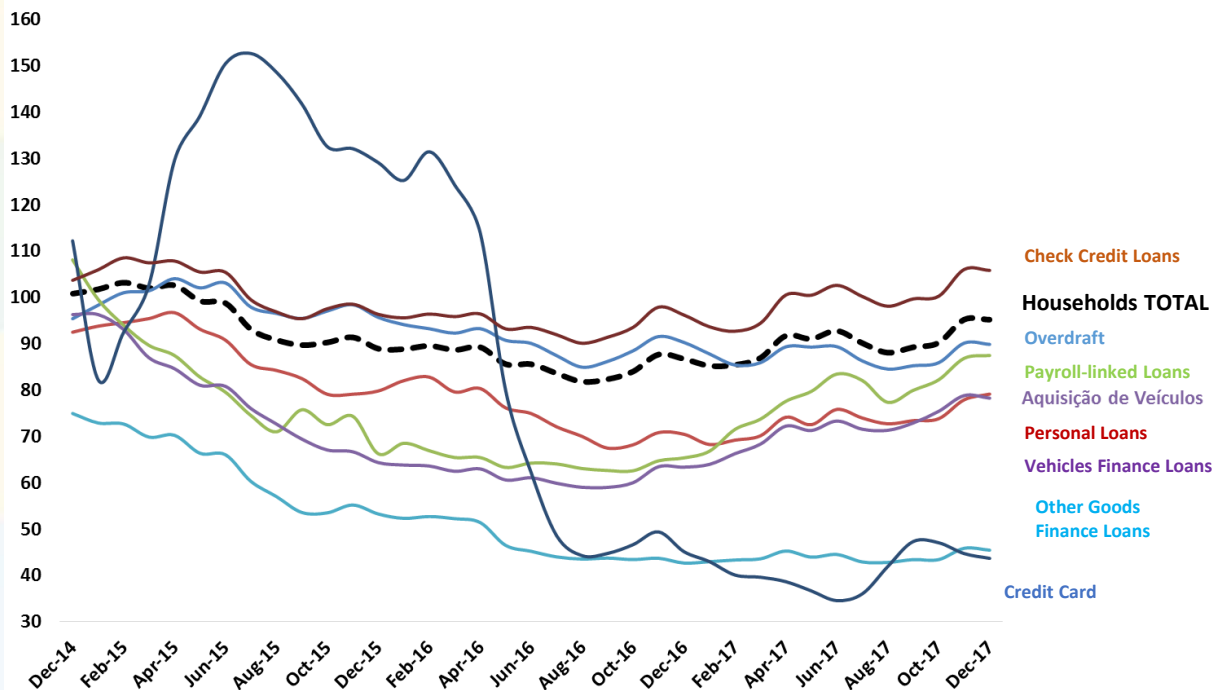


Source: Central Bank of Brazil. \* Seasonally adjusted by SEPLAN/MP.



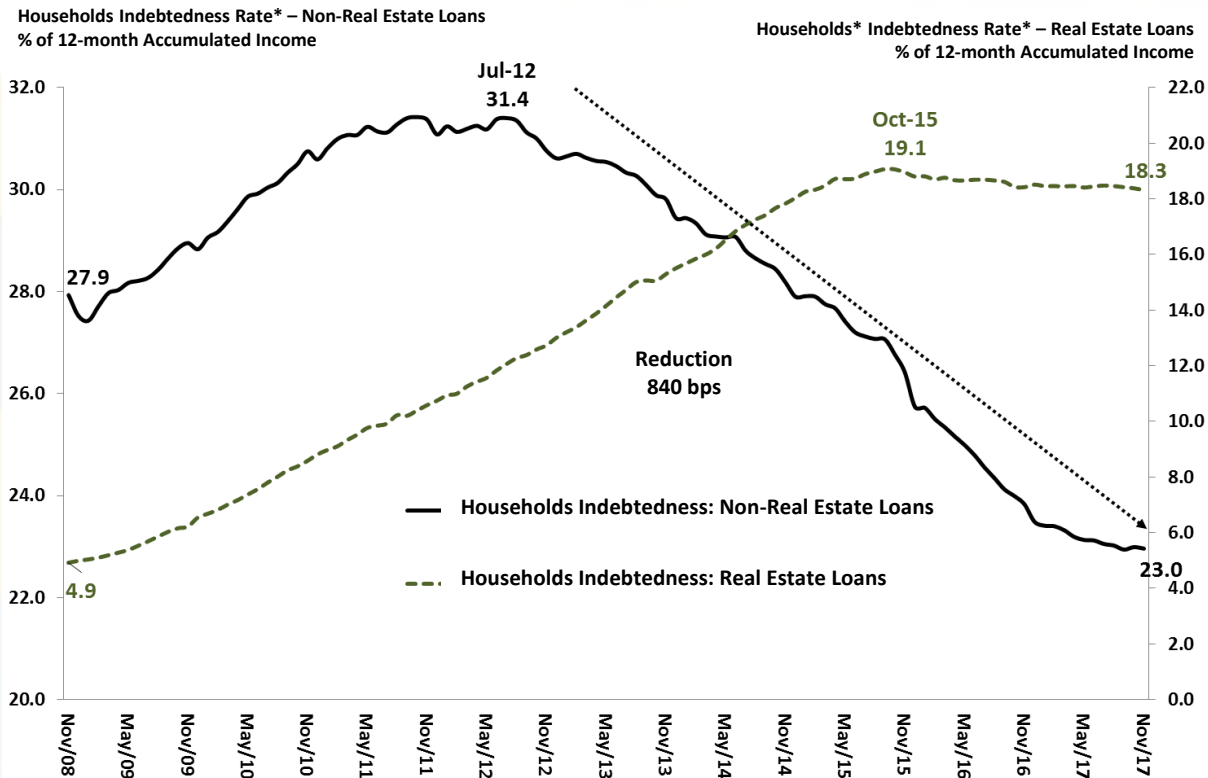
# New Loans to Households by Type of Credit Lines

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

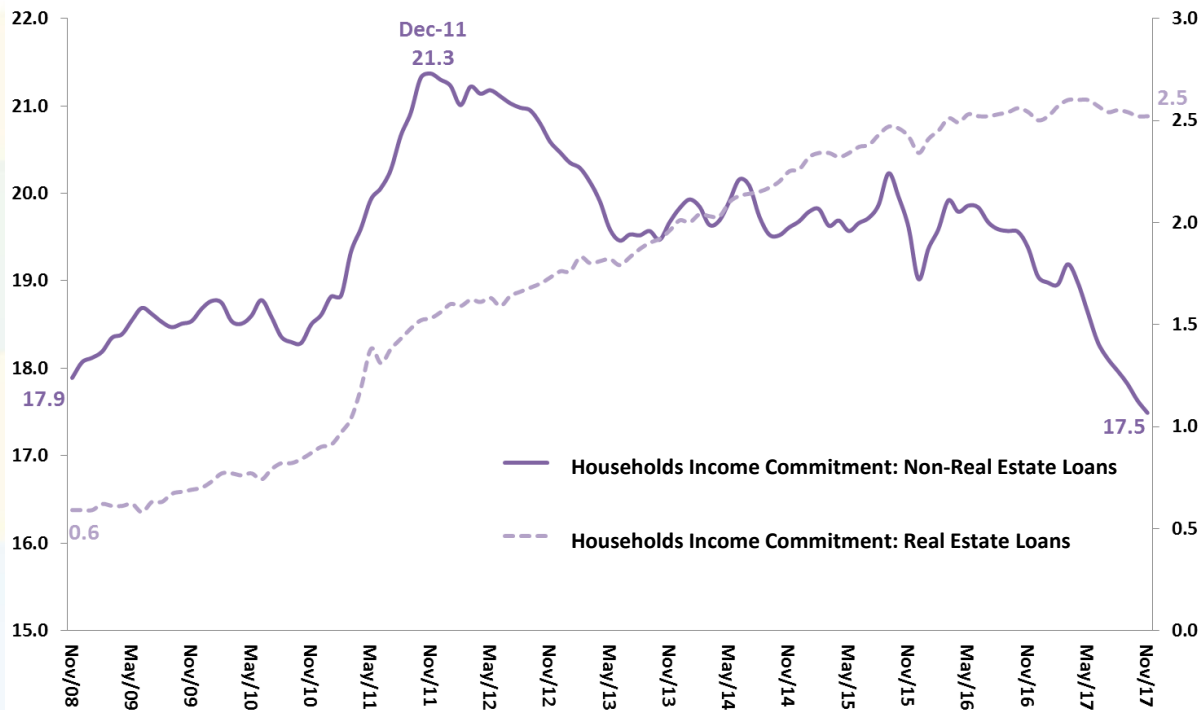


Source: Central Bank of Brazil. \* Indebtedness rate = total outstanding debt / 12-months accumulated income.

# Households Income Commitment

Households Income Commitment\* – Non-Real Estate Loans  
% of Monthly Income – 3-month moving average – seasonal

Households Income Commitment\* – Real Estate Loans  
% of Monthly Income – 3-month moving average – seasonally adjusted data

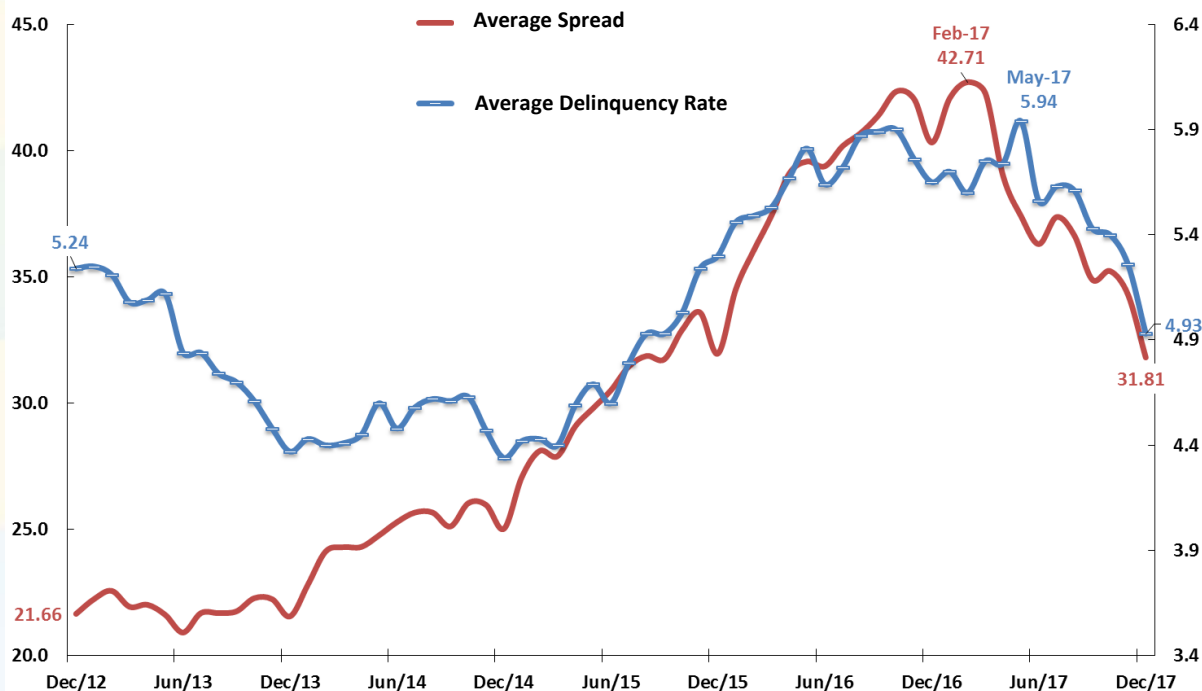


Source: Central Bank of Brazil. \* Households Income Commitment = Loans Service Monthly Expenditure / Monthly Income.

# Non-earmarked Resources: Spread and Delinquency Rates

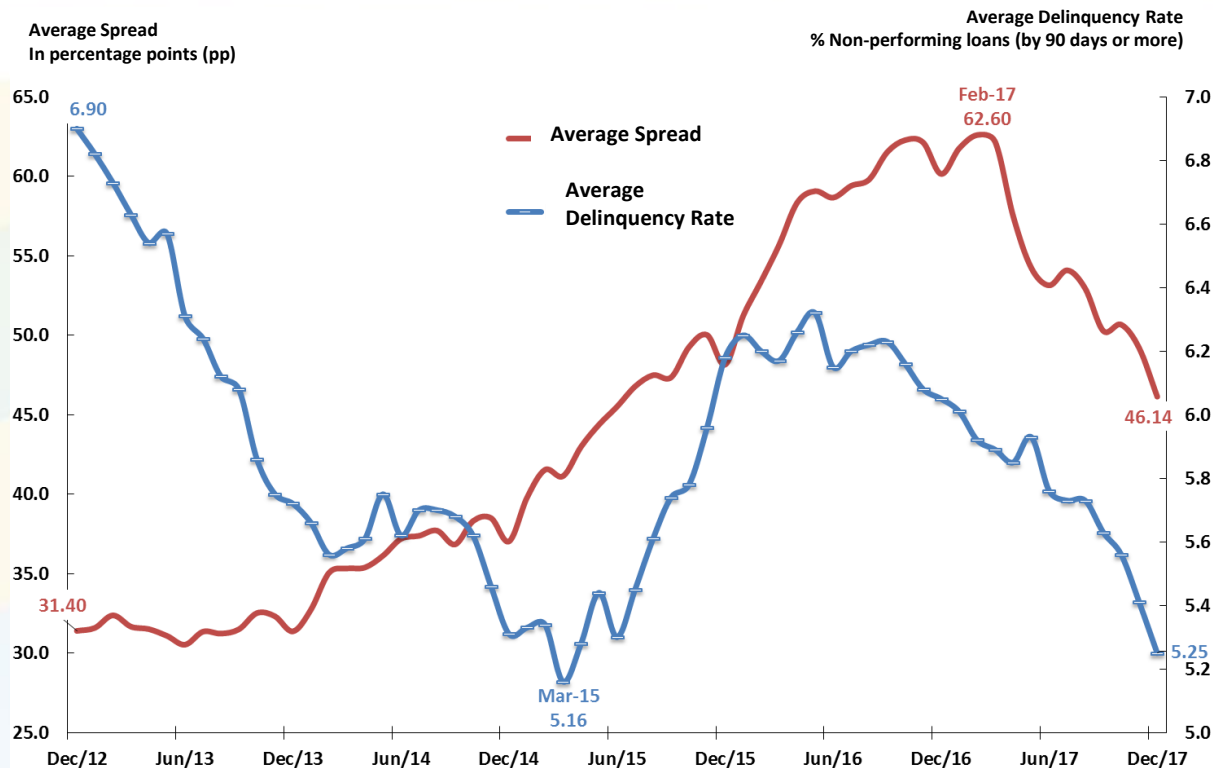
Average Spread  
In percentage points (pp)

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



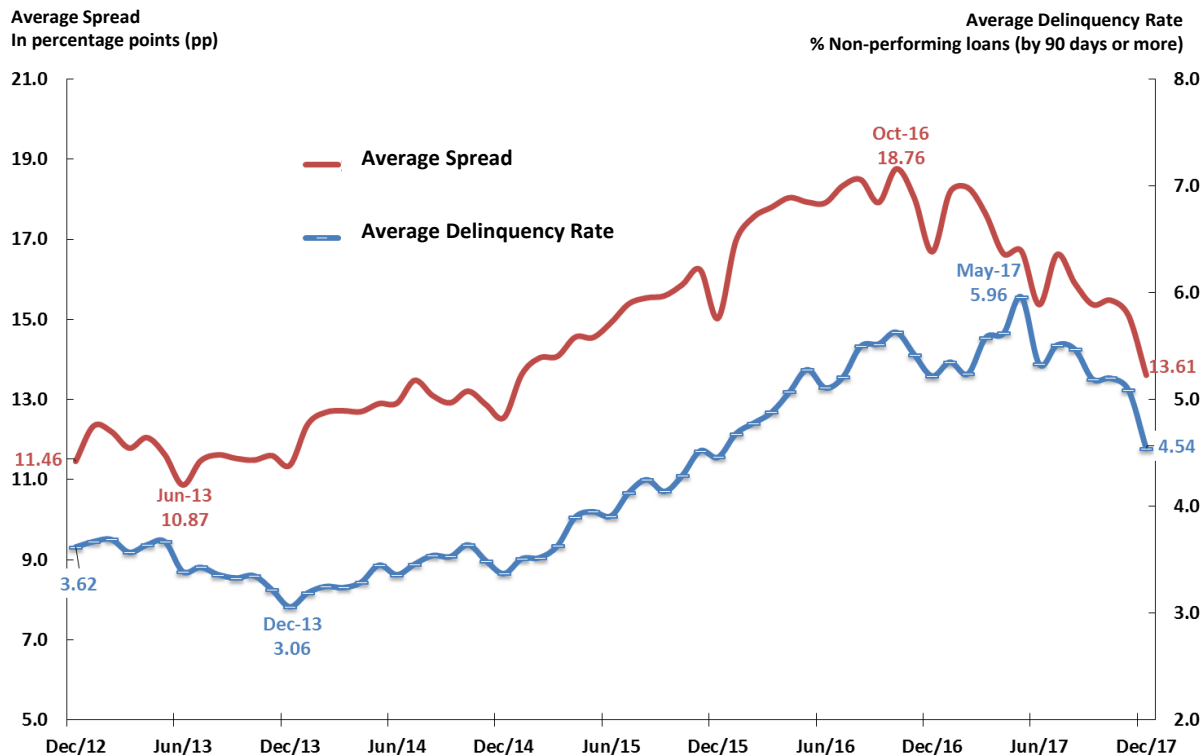
Source: Central Bank of Brazil.

# Households Loans: Spread and Delinquency Rates

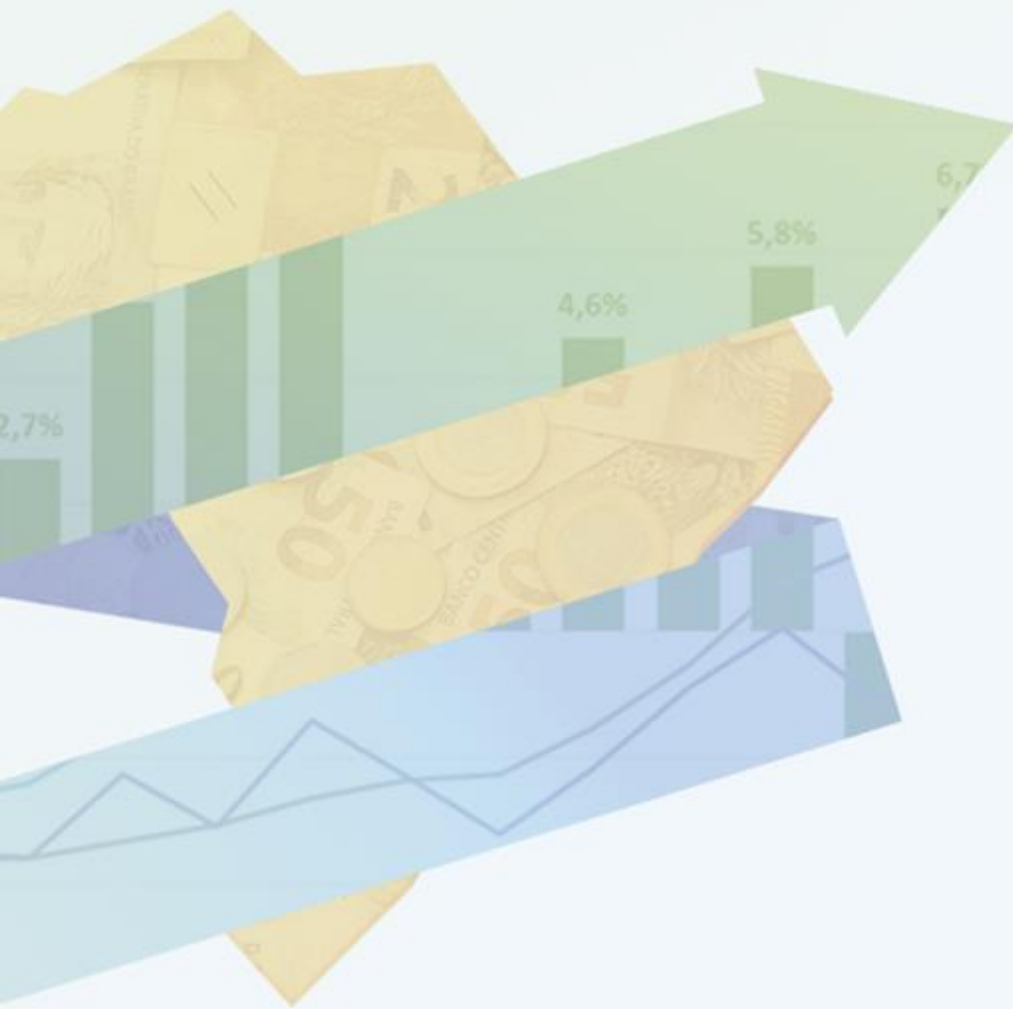


Source: Central Bank of Brazil.

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



Source: Central Bank of Brazil.



# **FINANCIAL MARKETS**

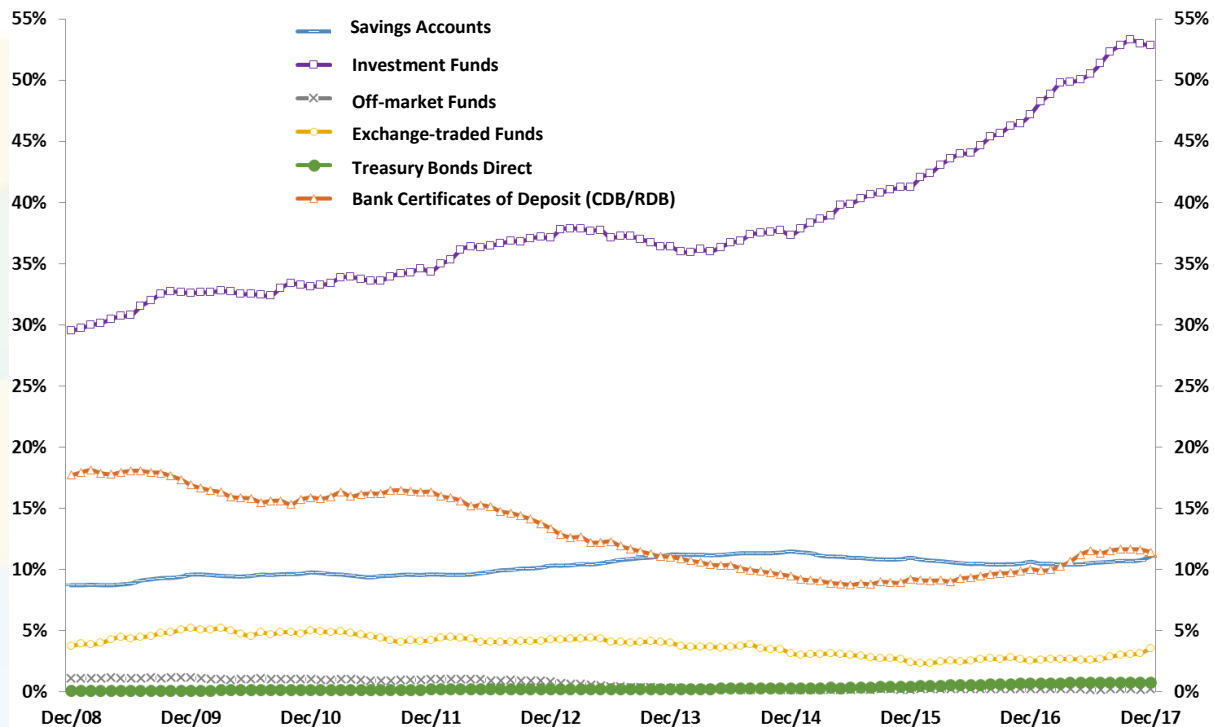
# Financial Markets

										BCB/Focus:		01/26/2018	
Financial Savings (BCB)	December-17					chg. %	chg. %	chg. %	chg. %				
		Dec-14	Dec-15	Dec-16	Dec-17	Dec/14 / Dec/13	Dec/15 / Dec/14	Dec/16 / Dec/15	Dec/17 / Dec/16				
Outstanding Positions - R\$ billions													
Bank Certificates of Deposit (CDB/RDB)		546.3	552.1	627.4	749.1	-7.0%	1.1%	13.6%	19.4%				
Savings Accounts (Caderneta de Poupança)		662.7	656.6	665.0	724.6	10.8%	-0.9%	1.3%	9.0%				
Investment Funds		2,156.9	2,473.0	2,953.4	3,462.6	11.2%	14.7%	19.4%	17.2%				
Off-market Funds (Fundos Extramercado)		10.0	11.9	14.9	13.5	-35.1%	19.7%	25.0%	-9.1%				
Exchange-traded Funds		182.5	144.1	158.1	232.5	-14.5%	-21.0%	9.7%	47.0%				
Treasury Bonds Direct (Tesouro Direto)		15.3	25.6	41.1	48.5	34.2%	67.3%	60.5%	18.1%				
BM&F-Bovespa - listed companies value as % of GDP		38.8%	31.9%	39.4%	48.2%	-6.46 pp	-6.93 pp	7.52 pp	8.79 pp				
Capital Market (CVM)	December-17					chg. %	chg. %	chg. %	chg. %				
		Dec-14	Dec-15	Dec-16	Dec-17	Dec/14 / Dec/13	Dec/15 / Dec/14	Dec/16 / Dec/15	Dec/17 / Dec/16				
New Public Offering - R\$ billions													
Stocks		15.1	16.1	0.5	8.4	142.6%	6.7%	-96.7%	1463%				
Debentures		3.7	20.6	21.9	6.4	-66.4%	461.8%	5.9%	-70.9%				
Housing Credit-backed Securities (CRI)		2.3	3.9	11.3	12.0	-7.5%	70.0%	191.9%	5.9%				
Investment Funds - new shares		4.7	5.8	2.1	5.2	-55.2%	21.8%	-63.5%	150.0%				
Monet Market (BCB)	January-18					chg. %	chg. %	chg. %	chg. %				
		Dec-16	Dec-17	Jan-17	Jan-18	Dec/16 / Dec/15	Dec/17 / Dec/16	Jan/18- Dec/17	Jan/18- Jan/17				
Interest Rates													
Selic market rate (% py)		13.65	7.00	13.17	6.90	-0.5 pp	-6.7 pp	-0.1 pp	-6.3 pp				
CDI (% py)		13.63	6.99	13.63	6.89	-0.5 pp	-6.6 pp	-0.1 pp	-6.7 pp				
Swap DI-Pre 180 days (% py)		12.45	6.67	12.45	6.62	-2.7 pp	-5.8 pp	0.0 pp	-5.8 pp				
Swap DI-Pre 360 days (% py)		11.56	6.86	12.17	6.89	-4.3 pp	-4.7 pp	0.0 pp	-5.3 pp				
Monet Market (BCB)	January-18					chg. %	chg. %	chg. %	chg. %				
		Dec-16	Dec-17	Jan-17	Jan-18	Dec/16 / Dec/15	Dec/17 / Dec/16	Jan/18- Dec/17	Jan/18- Jan/17	2018	2019	2020	
Selic target rate (% py)		13.75	7.00	13.00	7.00	-0.5 pp	-6.8 pp	0.0 pp	-6.0 pp	6.75%	8.00%	8.00%	
TJLP (% py)		7.50	7.00	7.50	6.75	0.5 pp	-0.5 pp	-0.3 pp	-0.8 pp				
Brazil Sovereign Risk (BCB)	January-18					chg. pp	chg. pp	chg. pp	chg. %				
		Dec-16	Dec-17	Jan-17	Jan-18	Dec/16 / Dec/15	Dec/17 / Dec/16	Jan/18- Dec/17	Jan/18- Jan/17				
Monthly Average (in basis points)													
EMBI+ (JPMorgan)		328	240	289	224	-195 pp	-88 pp	-16 pp	-65 pp				
5 years CDS		281	162	251	144	-214 pp	-119 pp	-17 pp	-106 pp				
10 years CDS		360	259	343	239	-199 pp	-100 pp	-20 pp	-104 pp				



# Major Financial Savings Instruments

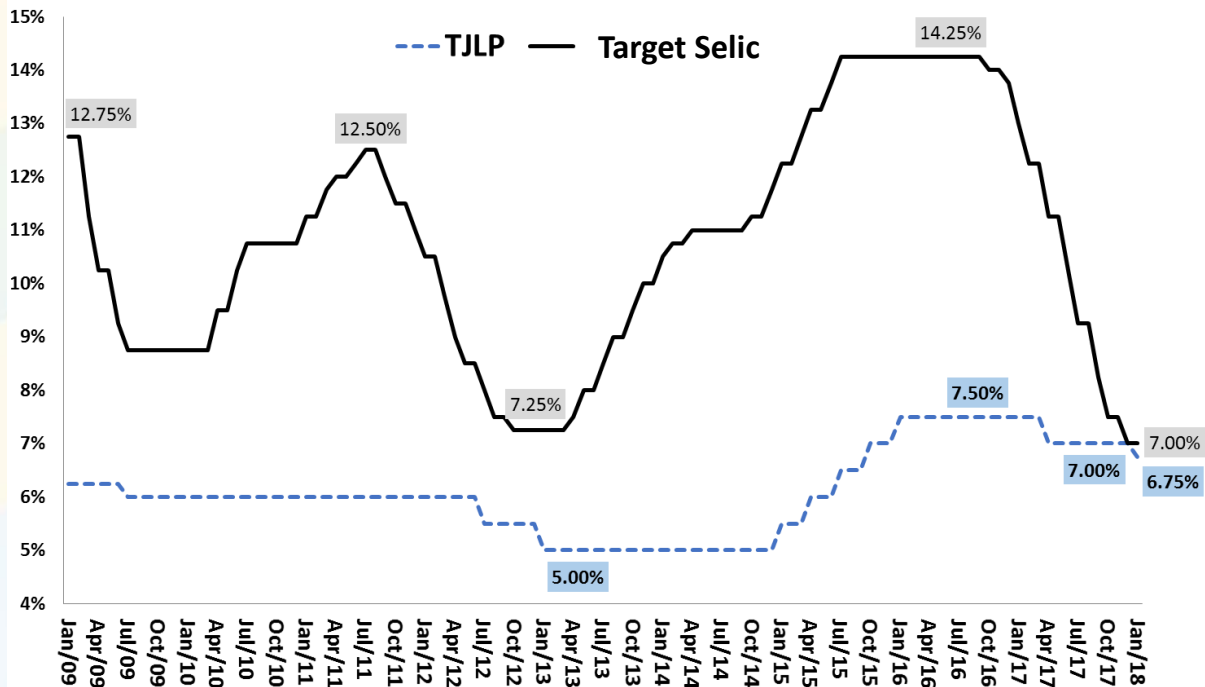
Outstanding Position as % of GDP



Source: Central Bank of Brazil.

# Official Interest Rates Evolution (Target Selic and TJLP)

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

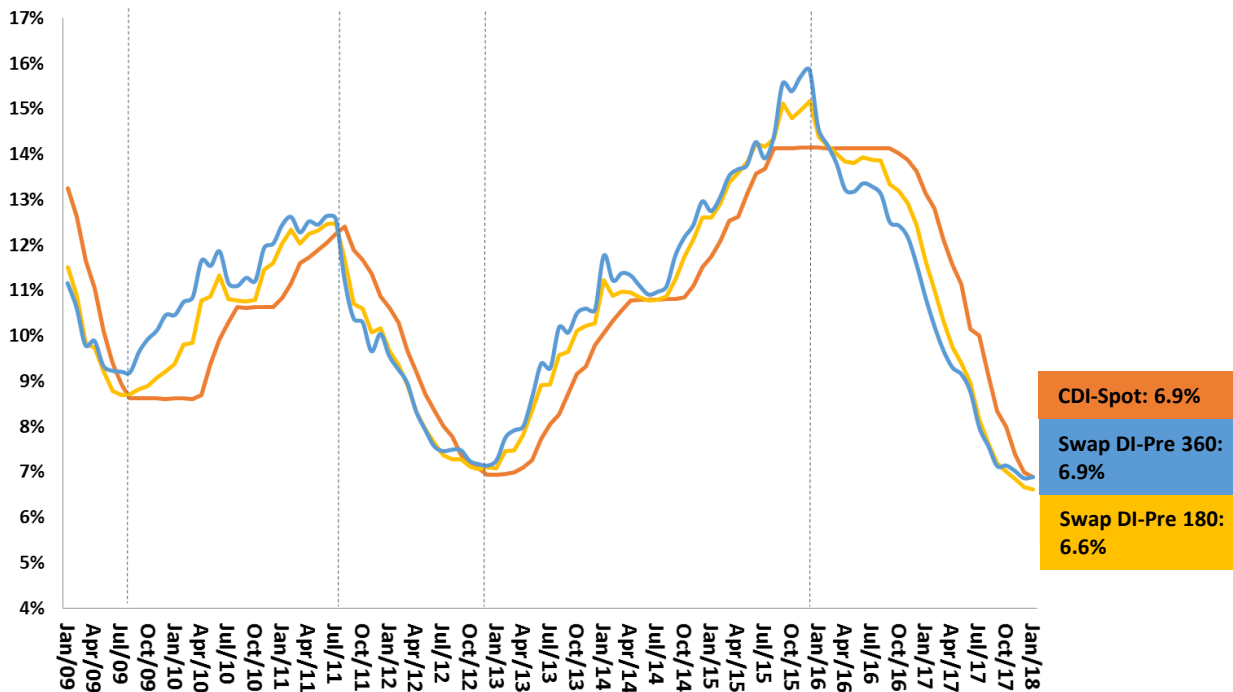


Source: Central Bank of Brazil.

# Term Structure of Interbank Interest Rate

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

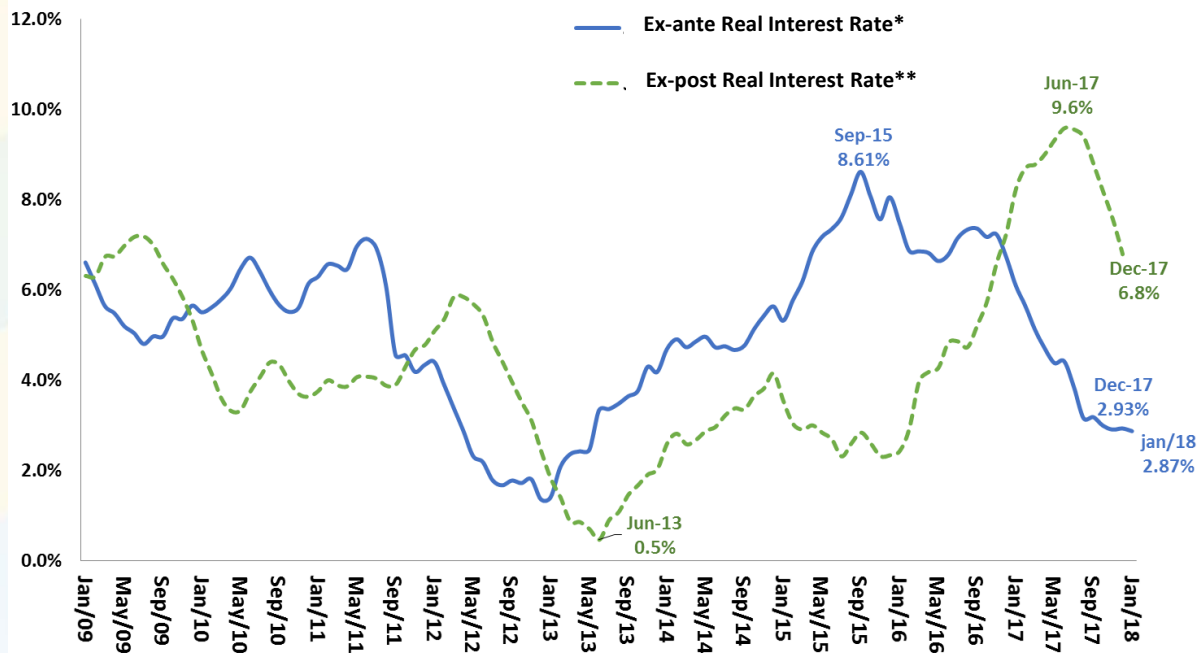
Reverse Points of Yield Curve



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

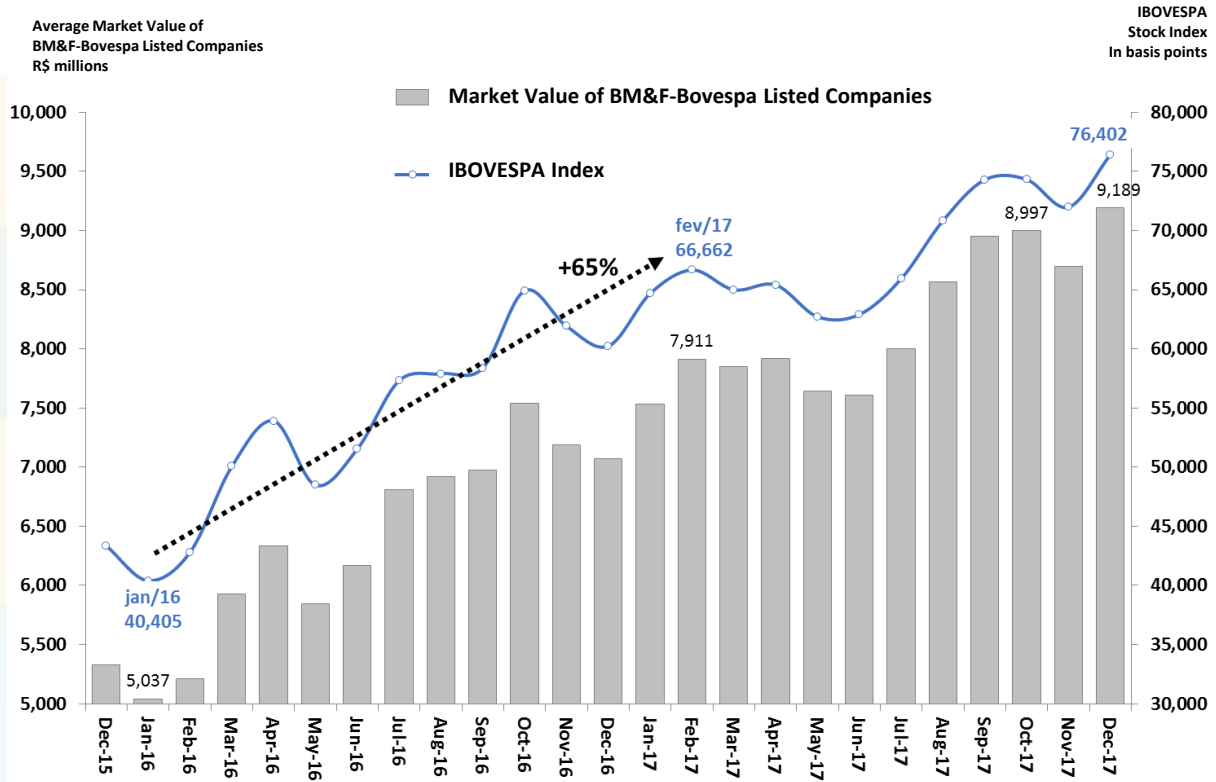
NTN-B 2024\*

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

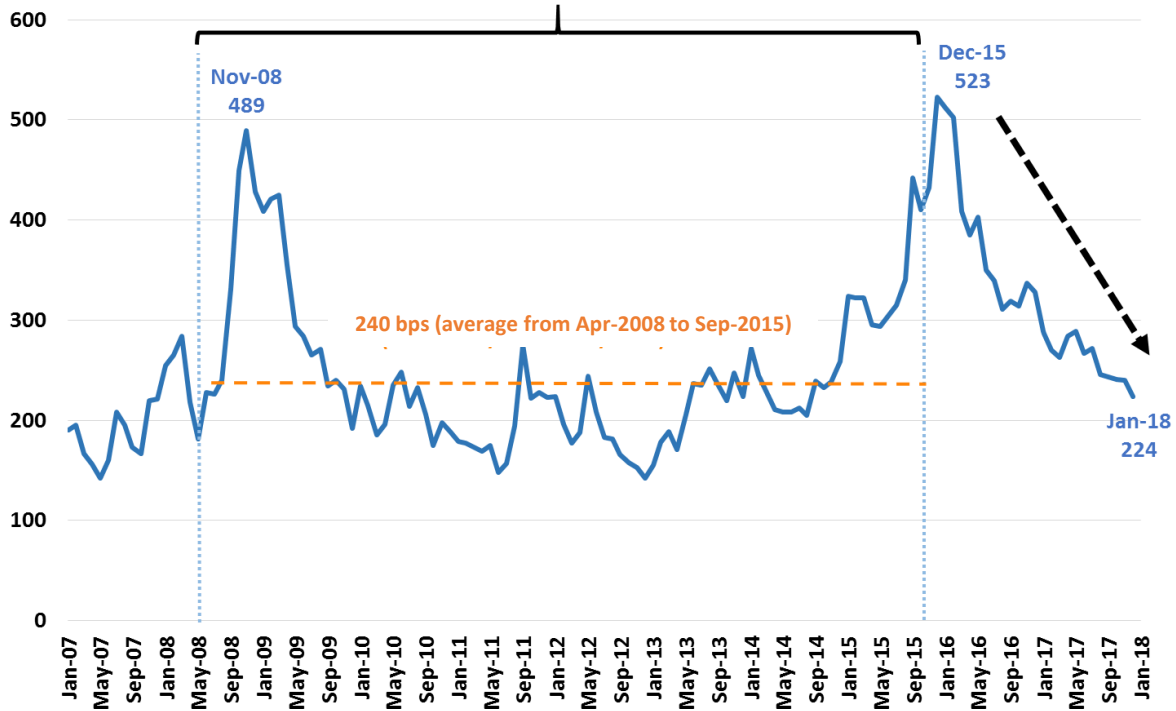


Source: Central Bank of Brazil.

# Sovereign Risk (EMBI+ BR)

EMBI+ Brazil Spread  
basis points

S&P and Fitch Investment Grade Period

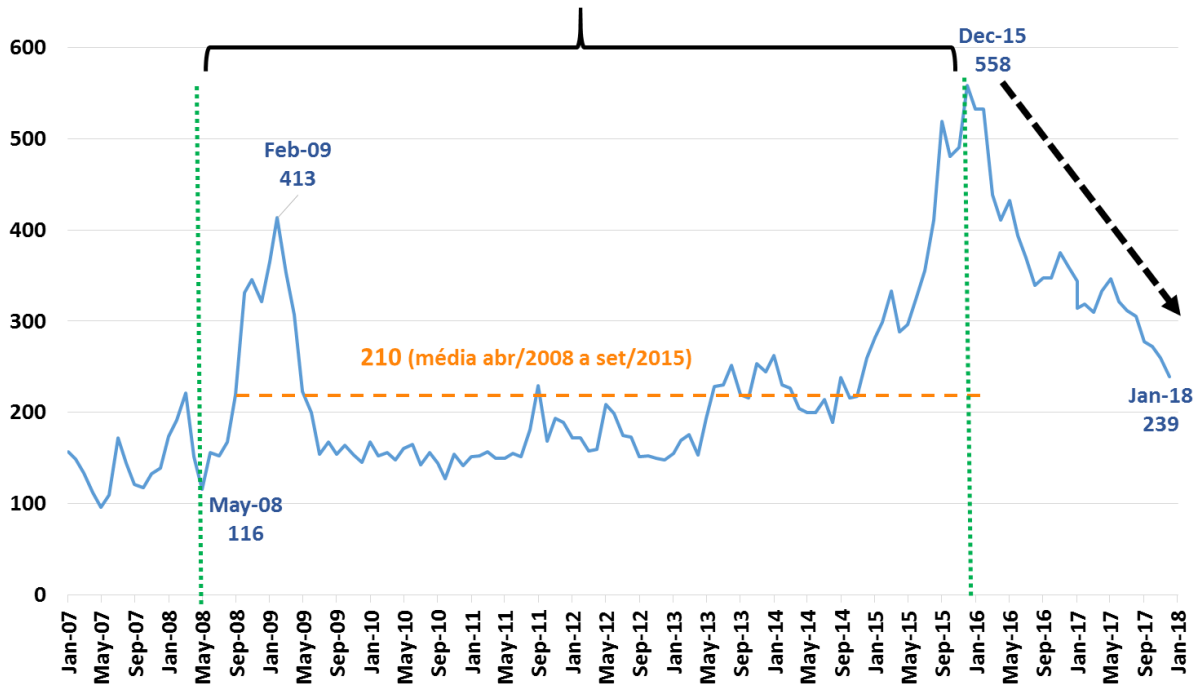


Source: JPMorgan.

# Sovereign Risk (CDS 10Y BR)

CDS 10 anos (p.b.)

Período de Investment Grade S&P e Fitch



Source: Bloomberg.



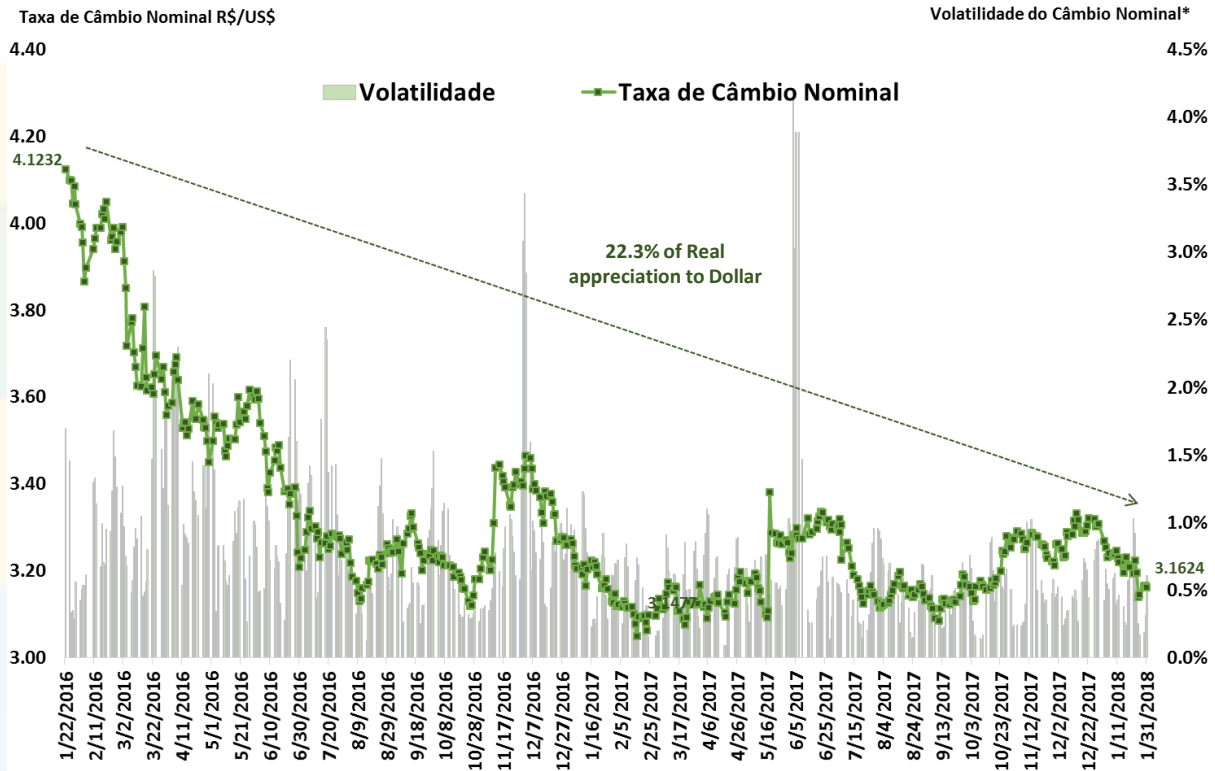


# FOREIGN TRADE

# Foreign Trade

											BCB/Focus: 01/26/2018		
Exchange Rate Indicators (BCB)	January-18			chg.% Nov/17- Nov/16	chg.% Dec/17- Dec/16	chg.% Jan/18- Jan/17	YTD 2017	Nov/17 accum. in 12-months	Dec/17 accum. in 12-months	Jan/18 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													
<b>Nominal Exchange Rate (R\$/US\$) - sale - end of period; month value:</b>	<b>3.1624</b>	<b>1.8%</b>	<b>-7.2%</b>	<b>-4.0%</b>	<b>1.5%</b>	<b>1.1%</b>	<b>-1.3%</b>	<b>-8.7%</b>	<b>-7.2%</b>	<b>-5.0%</b>	<b>3.30</b>	<b>3.40</b>	<b>3.46</b>
Exchange Rate Indicators (BCB)	December-17			chg.% Oct/17- Oct/16	chg.% Nov/17- Nov/16	chg.% Dec/17- Dec/16	YTD 2017	Oct/17 accum. in 12-months	Nov/17 accum. in 12-months	Dec/17 accum. in 12-months			
FX % change rate: appreciation (-) or depreciation (+) of the Real													
Real Effective Exchange Rate (IPCA)	22.4%	-5.3%	2.0%	1.0%	2.8%	-8.9%	-12.5%	-10.9%	-8.9%				
Exchange Rate / Wage Ratio adjusted by Labor Productivity	38.5%	-15.4%	11.2%	8.4%	7.5%	-1.0%	-6.0%	-3.3%	-1.0%				
Unitary Labor Cost in US\$	-21.7%	2.8%	-4.1%	-0.6%	-0.5%	7.3%	9.6%	8.3%	7.3%				
Foreign Trade of Goods (FUNCEX)	December-17			chg.% Oct/17- Oct/16	chg.% Nov/17- Nov/16	chg.% Dec/17- Dec/16	YTD 2017	Oct/17 accum. in 12-months	Nov/17 accum. in 12-months	Dec/17 accum. in 12-months			
Average Price and Quantum	2015	2016											
<b>QUANTUM</b>													
<b>Exports (X)</b>	<b>8.3%</b>	<b>3.3%</b>	<b>29.0%</b>	<b>2.5%</b>	<b>6.4%</b>	<b>6.8%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>6.8%</b>				
Basic Goods	13.2%	-2.7%	38.2%	23.5%	20.8%	13.2%	7.3%	9.7%	13.2%				
Semi-Manufactured	8.5%	9.9%	26.5%	-1.9%	-7.1%	0.6%	1.3%	0.5%	0.6%				
Manufactured	2.3%	7.9%	21.4%	-11.0%	0.0%	2.7%	5.0%	1.7%	2.7%				
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
<b>Imports (M)</b>	<b>-15.1%</b>	<b>-11.9%</b>	<b>15.8%</b>	<b>9.2%</b>	<b>3.2%</b>	<b>5.2%</b>	<b>4.7%</b>	<b>6.0%</b>	<b>5.2%</b>				
Intermediate Goods	-16.3%	-7.4%	8.4%	2.8%	-0.3%	7.2%	9.6%	9.3%	7.2%				
Capital Goods	-16.6%	-17.0%	26.8%	19.5%	4.4%	-9.7%	-13.6%	-10.5%	-9.7%				
Durable Consumer Goods	-27.6%	-36.0%	26.6%	20.7%	13.3%	8.4%	5.1%	7.3%	8.4%				
Semi and Non-Durable Consumer Goods	-6.5%	-9.2%	19.3%	14.3%	-2.5%	6.9%	8.7%	9.3%	6.9%				
Fuel and Lubricants	-11.4%	-22.1%	48.9%	27.6%	28.9%	9.5%	-2.3%	4.6%	9.5%				
<b>Exports Profitability Index (Jan/2017)</b>	<b>2.0%</b>	<b>-8.2%</b>	<b>5.6%</b>	<b>-2.8%</b>	<b>-1.2%</b>	<b>-1.3%</b>	<b>-2.3%</b>	<b>-1.9%</b>	<b>-1.3%</b>				
<b>Quantum Ratio = average quantum X / average quantum M</b>	<b>29.3%</b>	<b>15.6%</b>	<b>11.6%</b>	<b>-5.9%</b>	<b>3.3%</b>	<b>1.9%</b>	<b>0.5%</b>	<b>-1.0%</b>	<b>1.9%</b>				
<b>PRICE</b>													
<b>Exports (X)</b>	<b>-21.6%</b>	<b>-6.2%</b>	<b>6.6%</b>	<b>0.4%</b>	<b>3.7%</b>	<b>10.1%</b>	<b>11.6%</b>	<b>10.8%</b>	<b>10.1%</b>				
Basic Goods	-29.7%	-6.7%	8.4%	2.7%	2.3%	12.8%	14.6%	14.2%	12.8%				
Semi-Manufactured	-16.1%	-3.9%	4.4%	4.9%	6.3%	11.7%	13.4%	12.6%	11.7%				
Manufactured	-11.3%	-5.9%	4.4%	-3.7%	4.0%	5.7%	7.0%	5.7%	5.7%				
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
<b>Imports (M)</b>	<b>-11.9%</b>	<b>-8.9%</b>	<b>3.8%</b>	<b>5.0%</b>	<b>5.9%</b>	<b>4.2%</b>	<b>2.6%</b>	<b>3.3%</b>	<b>4.2%</b>				
Intermediate Goods	-6.4%	-7.7%	4.6%	3.9%	6.3%	3.1%	1.3%	2.0%	3.1%				
Capital Goods	-5.3%	-5.0%	-1.1%	-6.8%	0.4%	-2.5%	-2.9%	-3.5%	-2.5%				
Durable Consumer Goods	-4.6%	-3.9%	9.3%	0.8%	-0.6%	2.0%	2.6%	2.8%	2.0%				
Semi and Non-Durable Consumer Goods	-7.5%	-2.8%	-8.9%	4.5%	3.3%	-1.8%	-3.5%	-2.6%	-1.8%				
Fuel and Lubricants	-37.9%	-26.6%	19.9%	34.0%	15.1%	29.2%	25.2%	29.4%	29.2%				
<b>Terms of Trade = average price X / average price M</b>	<b>-11.0%</b>	<b>3.1%</b>	<b>2.7%</b>	<b>-4.4%</b>	<b>-2.1%</b>	<b>5.7%</b>	<b>8.7%</b>	<b>7.2%</b>	<b>5.7%</b>				

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



Fonte: BCB. \*Volatilidade = Coeficiente de Variação Móvel de 5 dias.

# Trade Balance on Goods (52 weeks daily average)

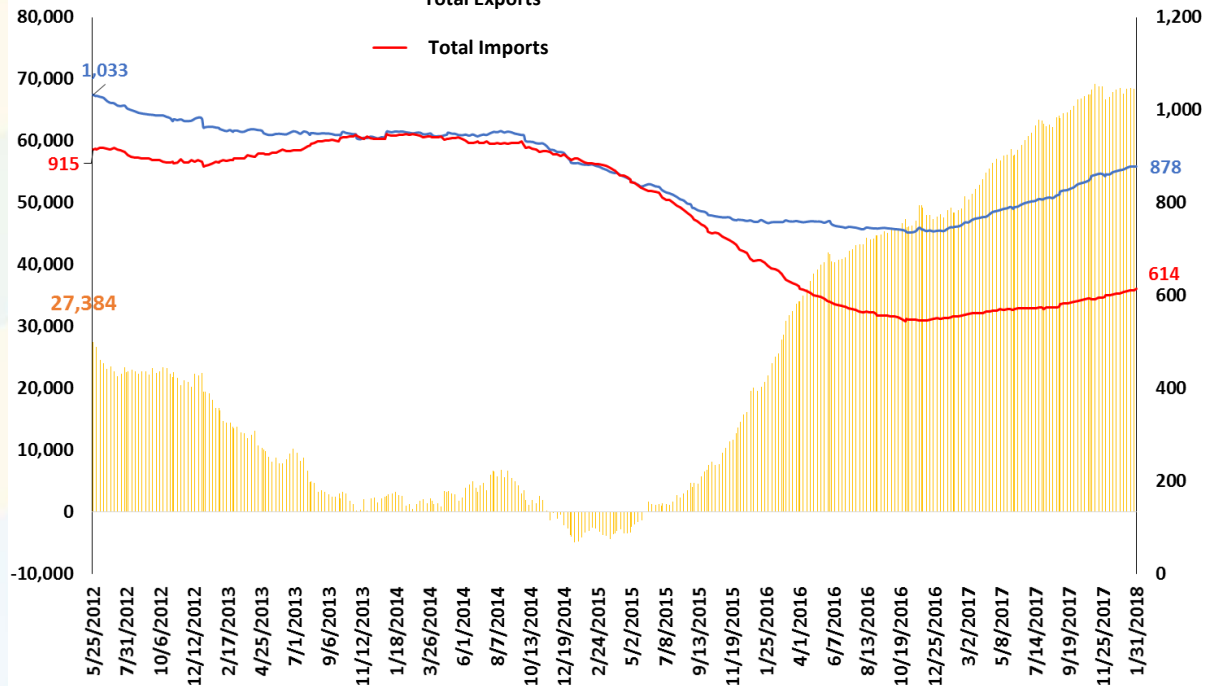
Trade Balance on Goods  
52-weeks Accumulated Figures  
US\$ millions FOB

Trade Balance on Goods

Total Exports

Total Imports

Total Exports and Total Imports  
52-weeks Moving Average  
US\$ millions FOB



Source: SECEX/MDIC.



**SEPLAN**

SECRETARIAT OF PLANNING  
AND ECONOMIC AFFAIRS

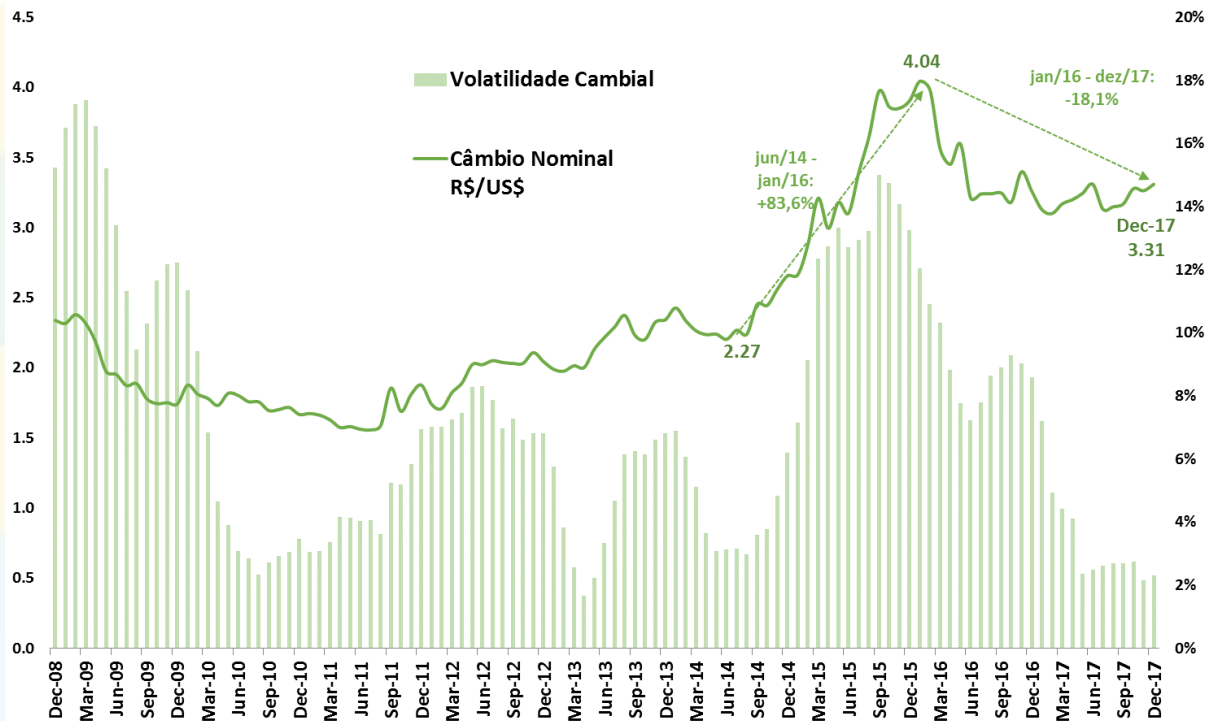
MINISTRY OF  
PLANNING, DEVELOPMENT  
AND MANAGEMENT



# Nominal Exchange Rate R\$/US\$

Taxa Nominal de Câmbio R\$/US\$  
Venda - Fim de Período

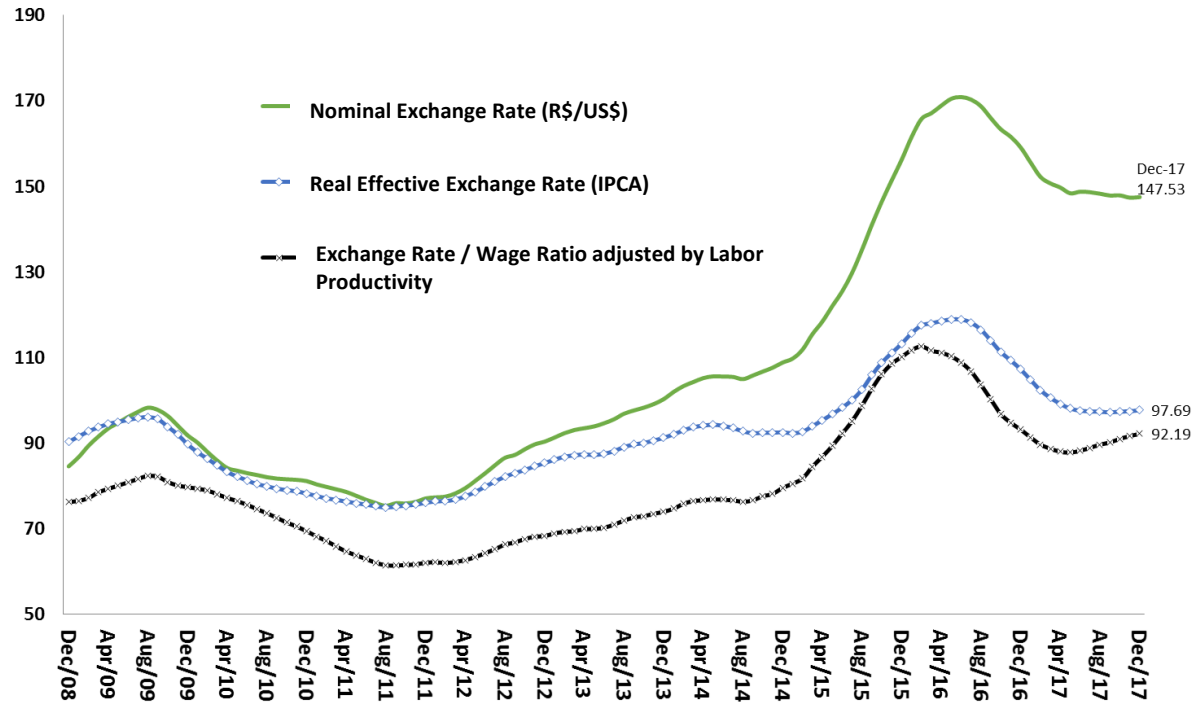
Volatilidade\* do Câmbio Nominal  
cálculo em 12 meses móveis



Fonte: BCB. \*Volatilidade = Coeficiente de Variação Móvel de 12 meses.

# Exchange Rate Indexes

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

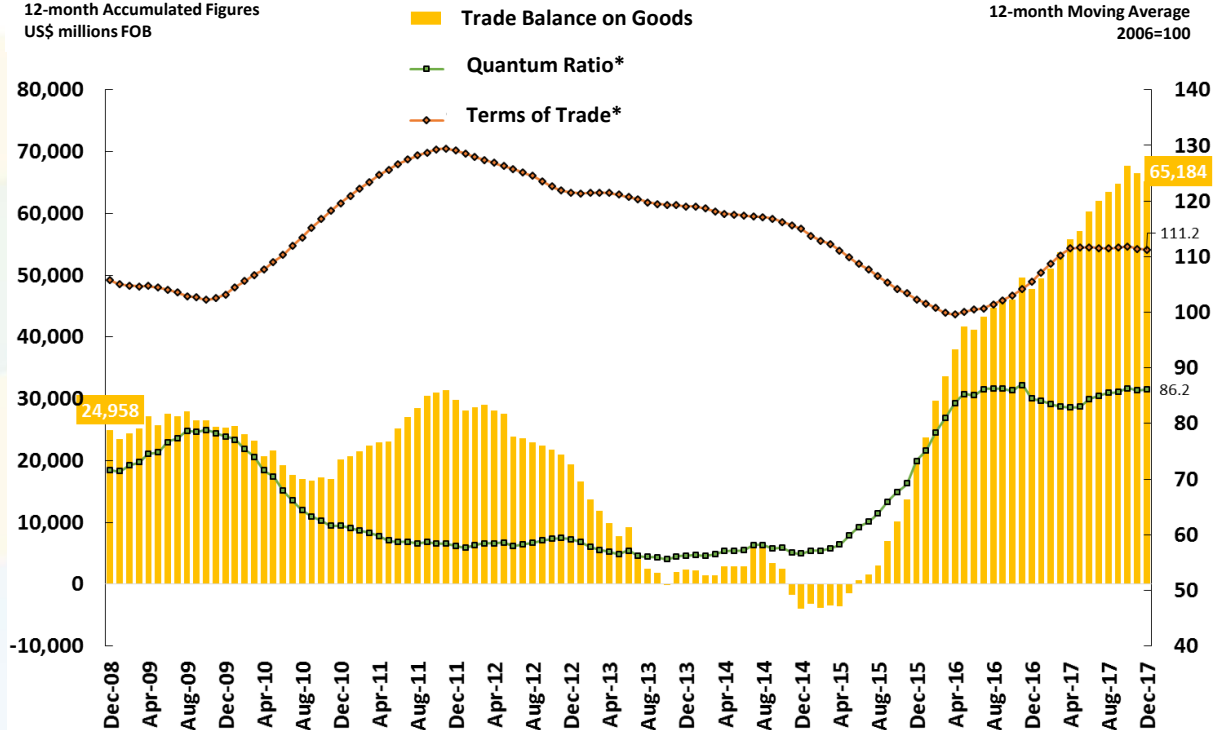


Source: Central Bank of Brazil.

# Trade Balance, Quantum and Terms of Trade Ratios

Trade Balance  
12-month Accumulated Figures  
US\$ millions FOB

Quantum Ratio and Terms of Trade\*  
12-month Moving Average  
2006=100



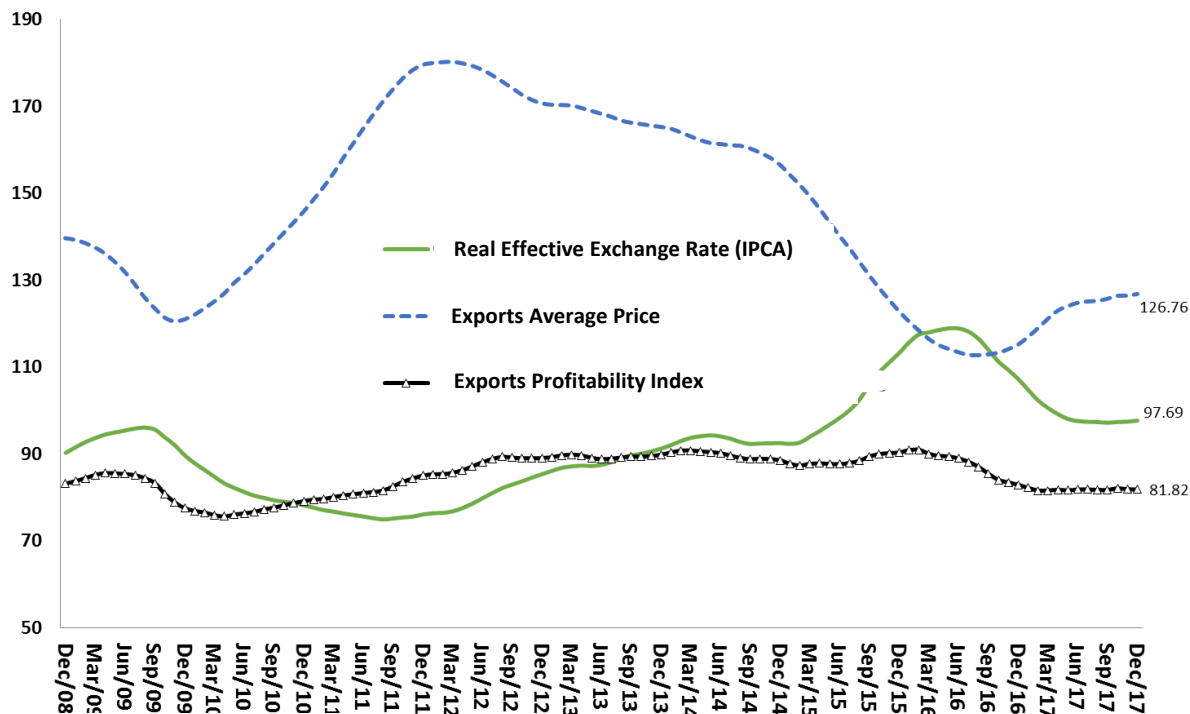
Sources: SECEX/MDIC and FUNCEX.

\* 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)

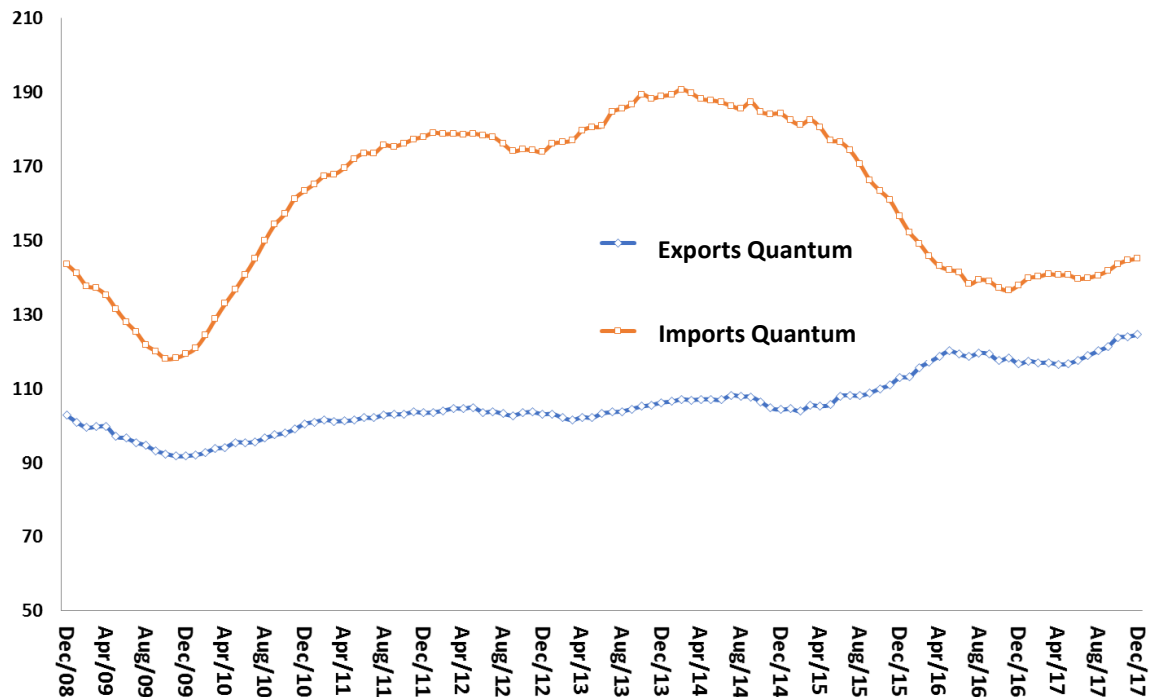


Sources: Central Bank of Brazil and FUNCEX.



# Quantum of Exports and Imports

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

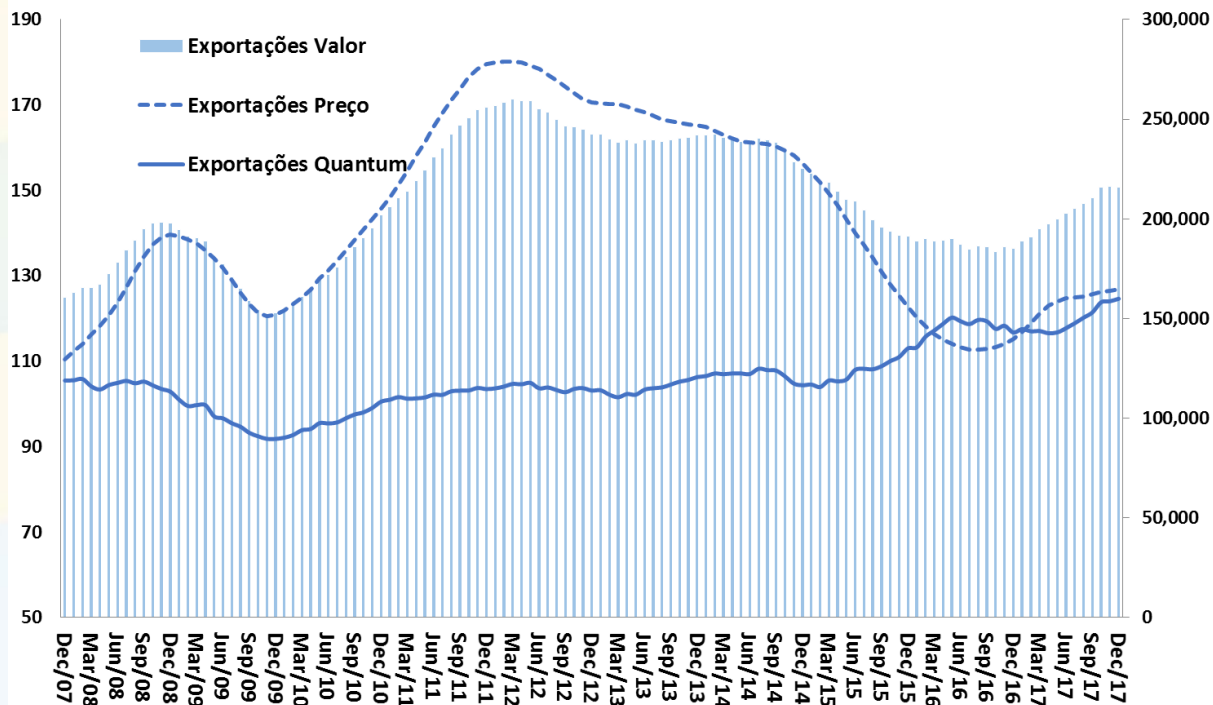


Source: FUNCEX.

# Total Exports: value, quantum and price

Exportações Quantum e Preço  
Média Móvel 12 meses (2006 = 100)

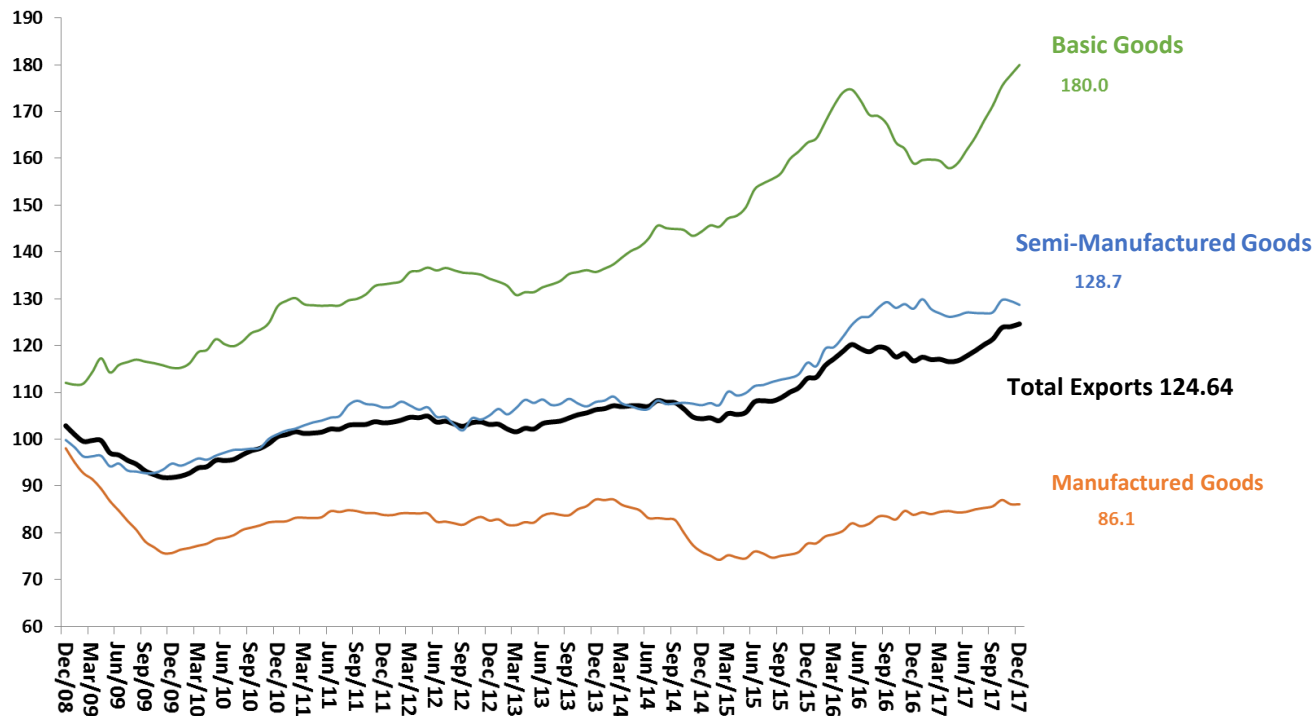
Exportações Valor  
Acumulado em 12 meses (US\$ milhões FOB)



Fonte: MDIC e FUNCEX.

# Quantum of Total Exports by Class of Products

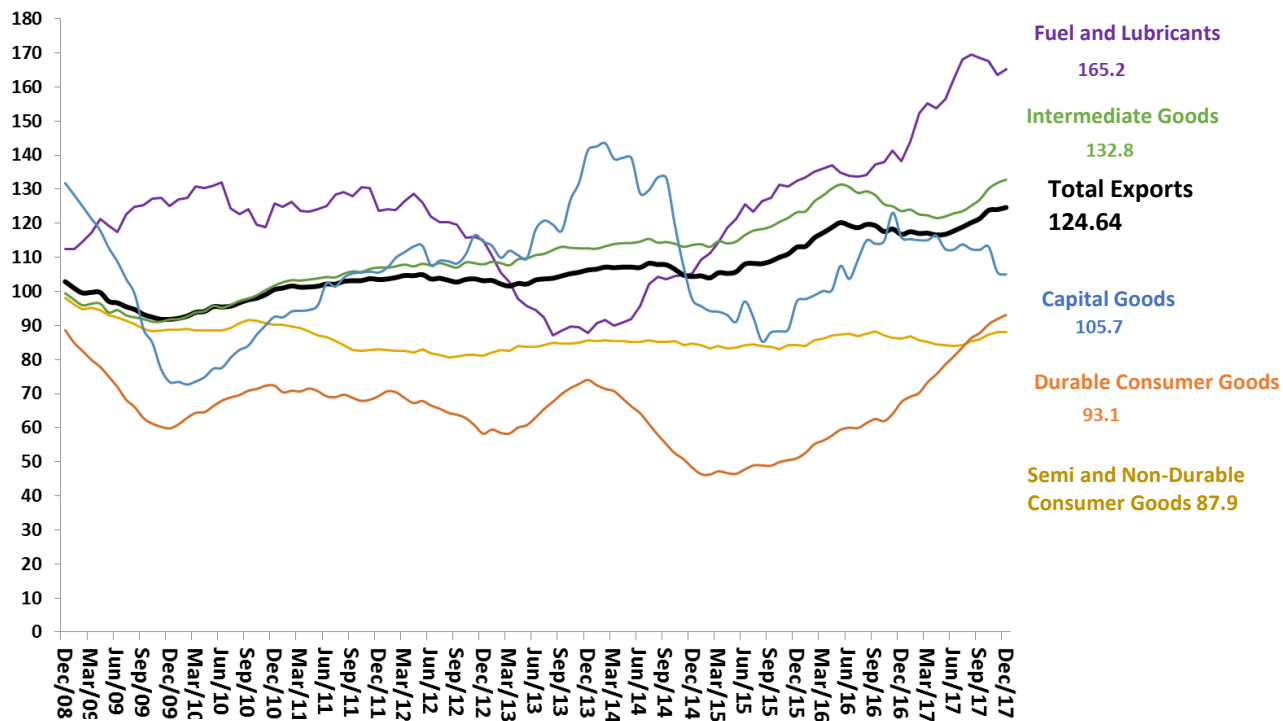
Exports Quantum by Class of Products  
12-months Moving Average (2006=100)



Source: FUNCEX.

# Quantum of Total Exports by Economic Categories

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

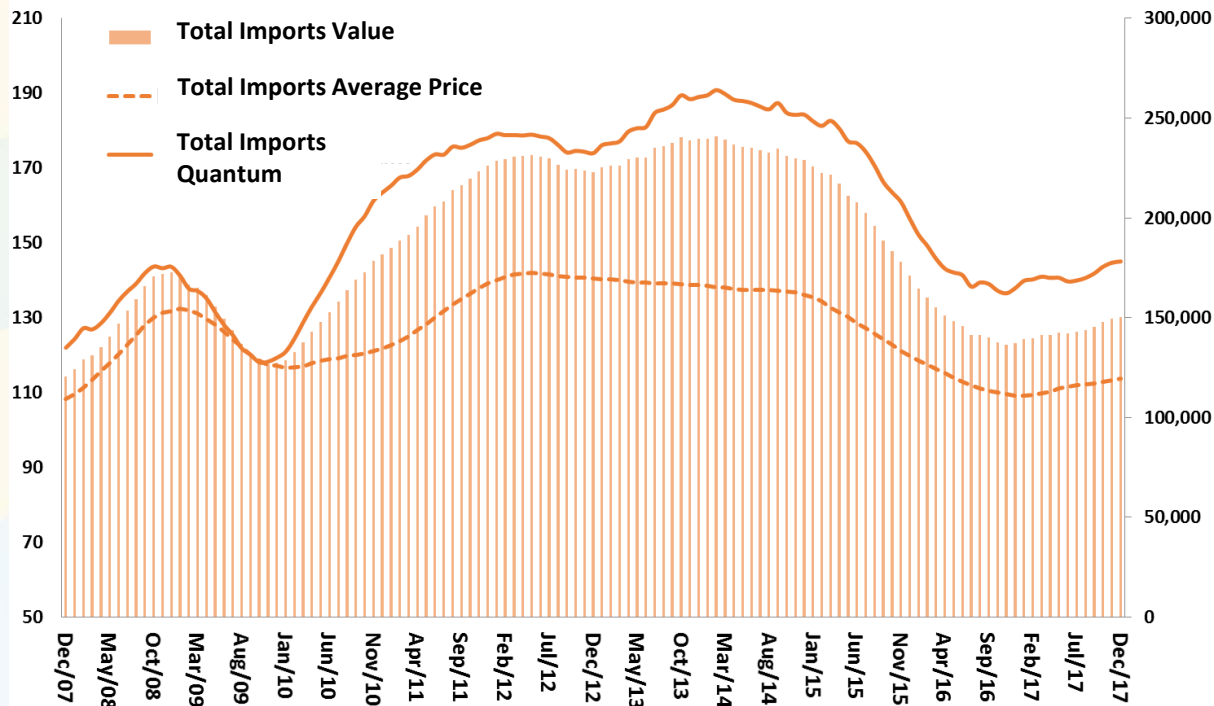


Source: FUNCEX.

# Total Imports: value, quantum and price

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

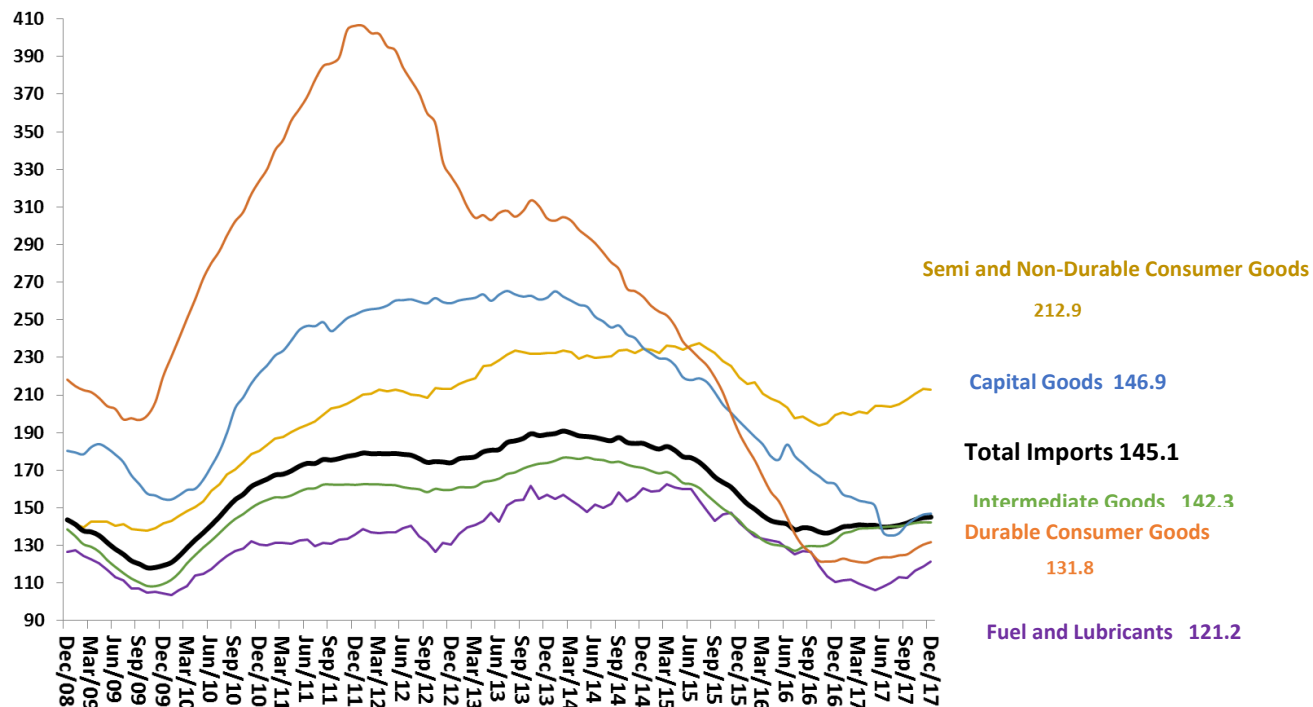
Imports Value  
12-month Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

# Quantum of Total Imports and by Economic Categories

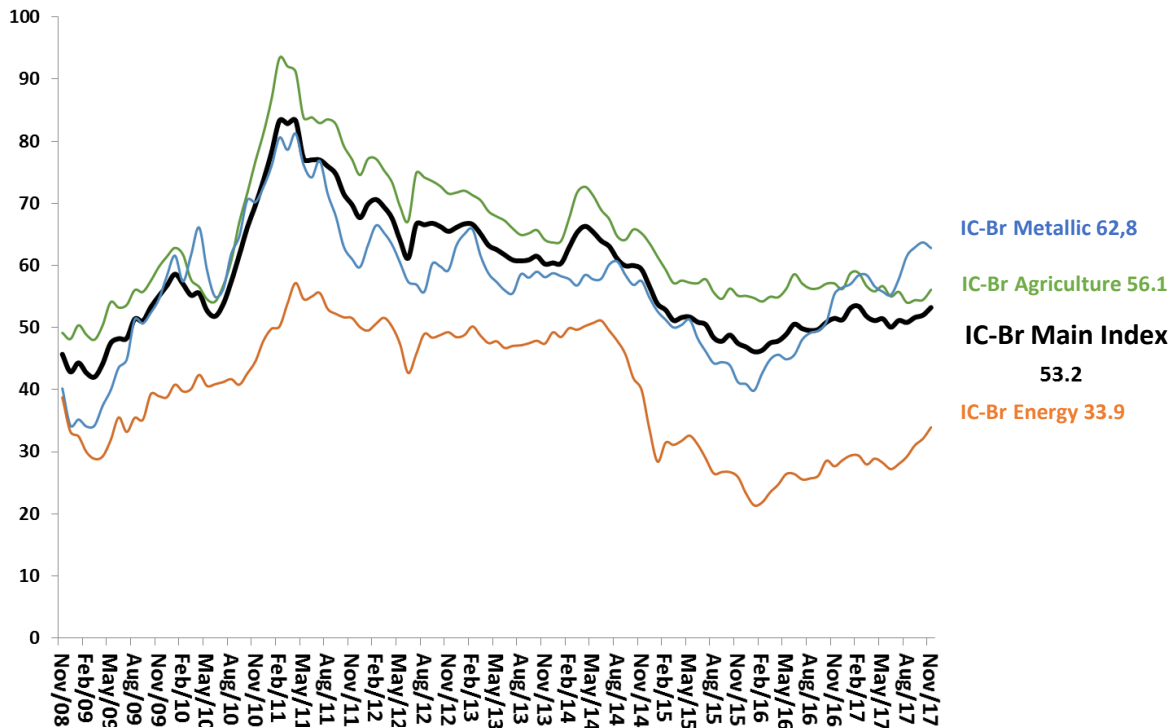
Imports Quantum by Economic Categories  
12-month Moving Average (2006=100)



Source: FUNCEX.

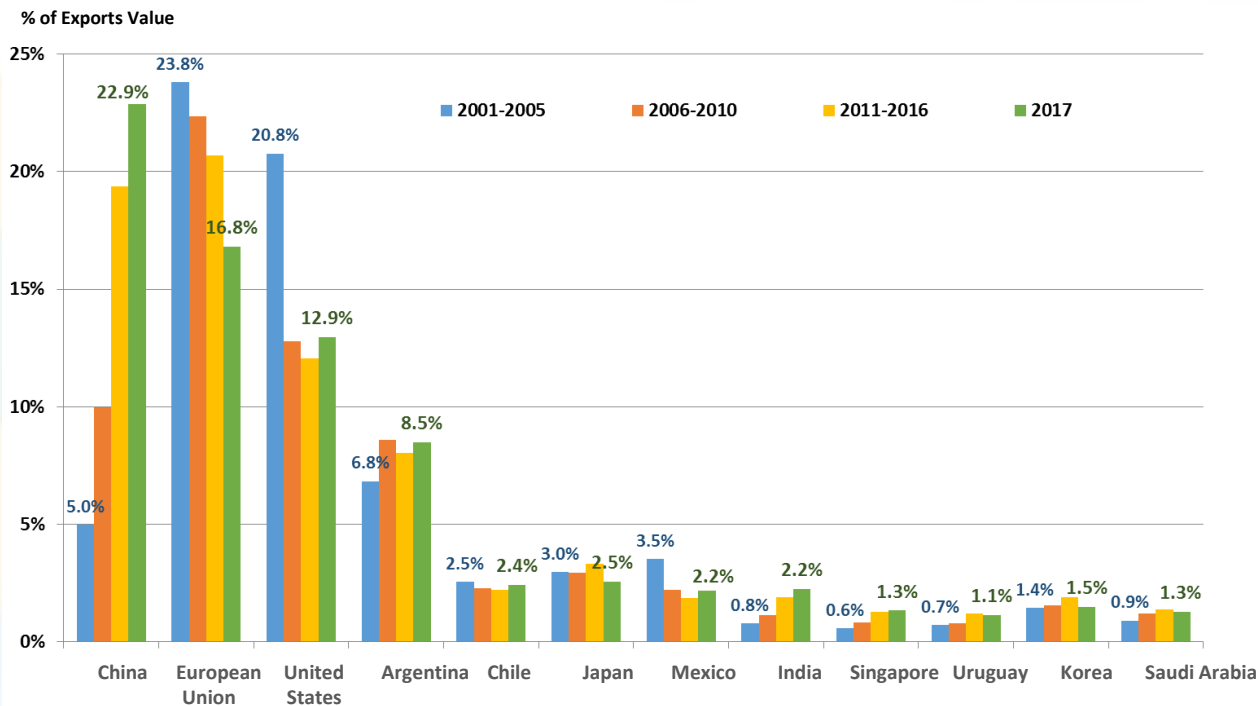
# Brazilian Commodity Price Indexes

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



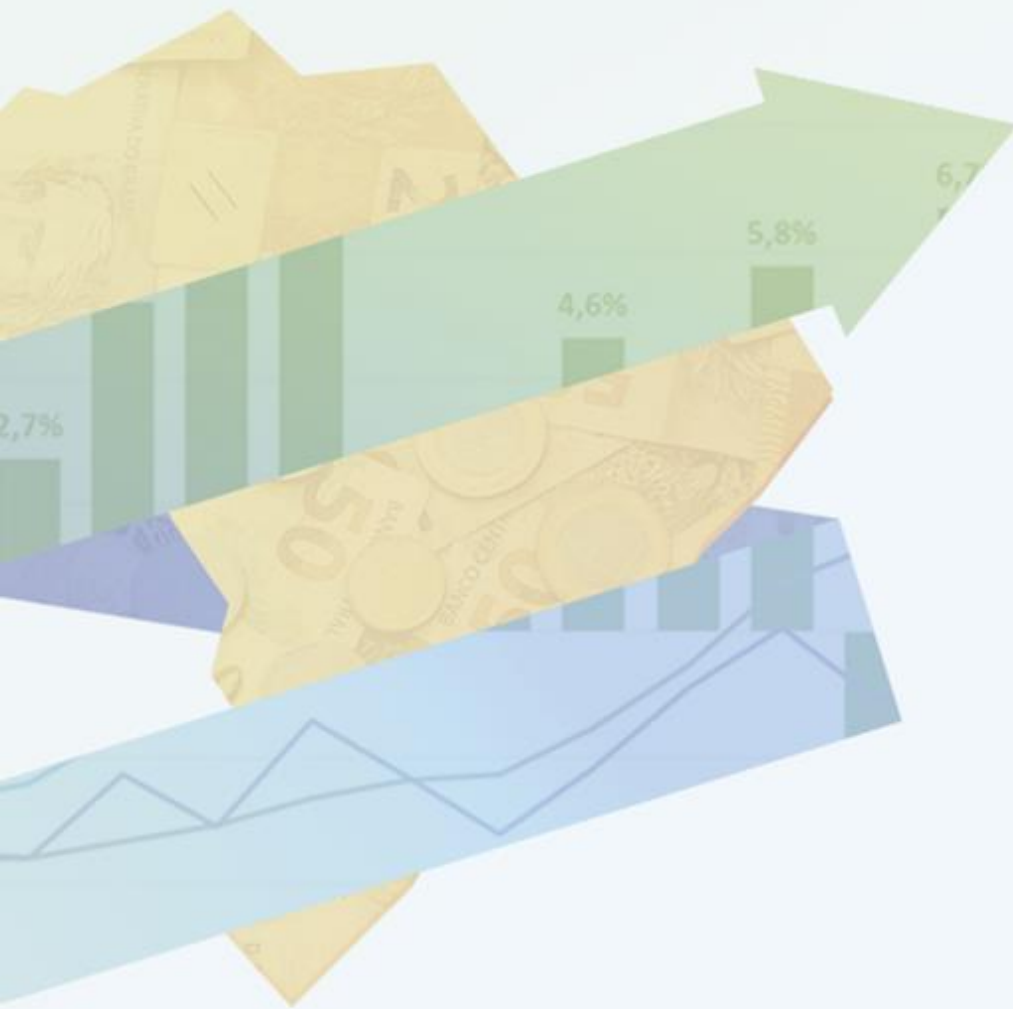
Source: Central Bank of Brazil.

# Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX



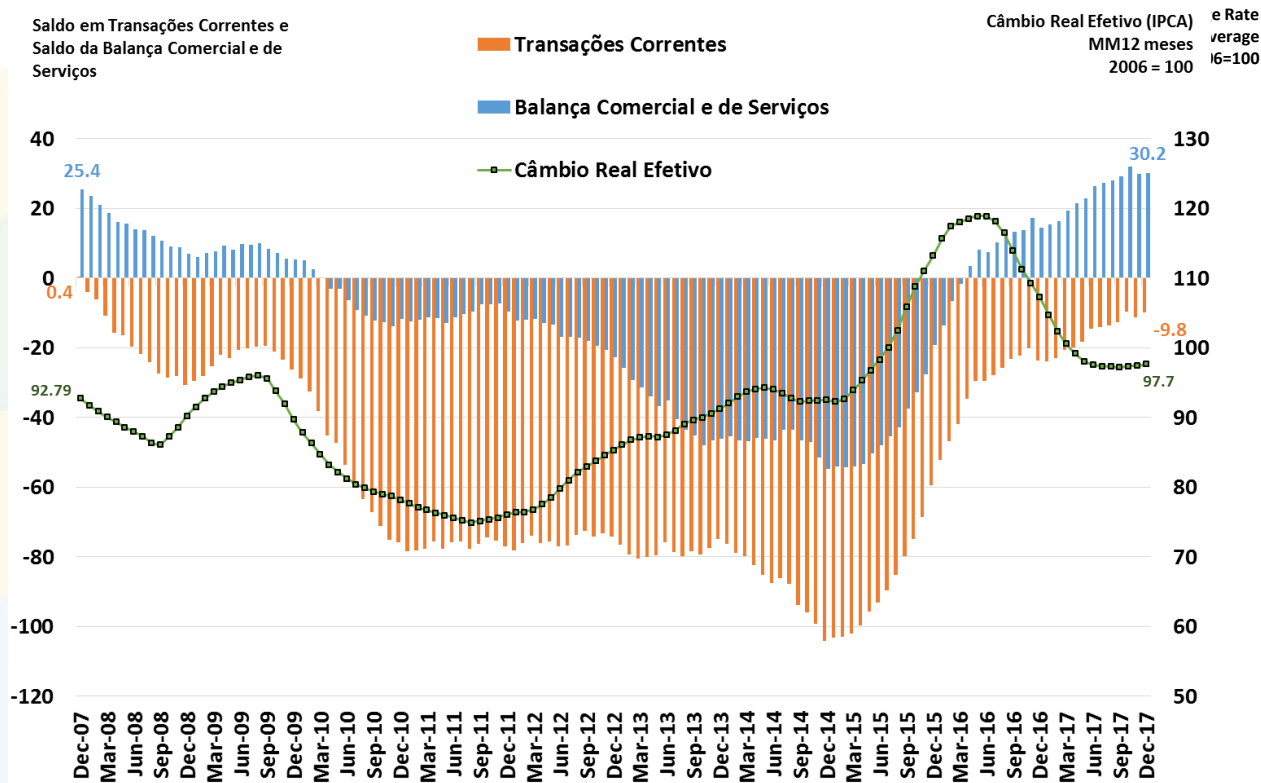


## **EXTERNAL SECTOR**

# External Sector

										BCB/Focus: 01/26/2018		
Balance of Payments (BCB)	December-17											
In US\$ millions	2015	2016	Dec/17 accum. in 12-months	chg.% 2016 / 2015	chg.% Dec/17 accum. 12-m / 2016	chg.% Nov/17 - Nov/16	chg.% Dec/17 - Dec/16	chg.% - Jan Nov/17 - Jan-Nov/16	chg.% - Jan Dec/17 - Jan-Dec/16	2017	2018	2019
<b>Balance of Payments</b>	<b>3,828</b>	<b>6,857</b>	<b>4,152</b>	<b>79.1%</b>	<b>-39.4%</b>	<b>29.5%</b>	<b>-204.9%</b>	<b>-43.4%</b>	<b>-39.4%</b>			
<b>Current Account Balance (CAB)</b>	<b>-59,434</b>	<b>-23,546</b>	<b>-9,762</b>	<b>-60.4%</b>	<b>-58.5%</b>	<b>-28.3%</b>	<b>-26.6%</b>	<b>-69.2%</b>	<b>-58.5%</b>	-27.2	-40.0	-46.9
CAB as % of GDP	-3.3%	-1.3%	-0.5%	2.0 pp	0.8 pp	0.6 pp	0.8 pp					
Balance on Goods	17,670	45,037	64,028	154.9%	42.2%	53.6%	10.4%	45.4%	42.2%		47.5	46.1
Exports	190,092	184,453	217,243	-3.0%	17.8%	21.8%	10.4%	18.5%	17.8%		229.0	239.1
Imports	172,422	139,416	153,215	-19.1%	9.9%	16.0%	10.4%	9.8%	9.9%		181.5	193.0
Balance on Services	-36,946	-30,447	-33,851	-17.6%	11.2%	12.4%	8.7%	11.5%	11.2%			
Primary Income	-42,909	-41,080	-42,572	-4.3%	3.6%	-12.5%	-16.0%	7.6%	3.6%			
Secondary Income	2,751	2,944	2,632	7.02%	-10.6%	-65.8%	118.5%	-23.1%	-10.6%			
<b>Capital Account</b>	<b>461</b>	<b>274</b>	<b>379</b>	<b>-40.6%</b>	<b>38.6%</b>	<b>-97.9%</b>	<b>-34.8%</b>	<b>41.1%</b>	<b>38.6%</b>			
<b>Financial Account</b>	<b>-55,145</b>	<b>-16,415</b>	<b>-5,230</b>	<b>-70.2%</b>	<b>-68.1%</b>	<b>640.2%</b>	<b>-31.5%</b>	<b>-89.5%</b>	<b>-68.1%</b>			
Direct Investments	-61,200	-65,432	-64,064	6.9%	-2.1%	-28.0%	-80.8%	12.8%	-2.1%			
Foreign Direct Investments (FDI)	74,718	78,249	70,332	4.7%	-10.1%	-37.0%	-64.6%	3.1%	-10.1%	80.0	80.0	80.0
Portfolio Investments	-22,246	19,217	15,137	-186.4%	-21.2%	67651.1%	262.6%	-39.7%	-21.2%			
Stock Market	-6,384	-7,049	-2,482	10.4%	-64.8%	-233.9%	328.3%	-81.7%	-64.8%			
Bonds	-12,341	30,495	10,808	-347.1%	-64.6%	143.1%	169.5%	-84.0%	-64.6%			
Others Investments and Capital Flows	28,300	29,801	43,696	5.3%	46.6%	-92.2%	-301.4%	88.2%	46.6%			
<b>International Reserves - liquidity concept</b>	<b>356,464</b>	<b>365,016</b>	<b>373,972</b>	<b>2.4%</b>	<b>2.5%</b>	<b>4.2%</b>	<b>2.5%</b>					
<b>Gross External Debt (BCB)</b>	December-17											
In US\$ millions	2015	2016	Dec-17	2015 % of total	Dec/17 % of total	chg. pp	2015 % of GDP	Dec/17 % of GDP	chg. pp			
<b>Total External Debt</b>	<b>665,101</b>	<b>676,647</b>	<b>671,783</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>37.0%</b>	<b>34.7%</b>	<b>-2.3 pp</b>			
<b>Gross External Debt</b>	<b>334,745</b>	<b>326,297</b>	<b>309,507</b>	<b>50.3%</b>	<b>46.1%</b>	<b>-4.3 pp</b>	<b>18.6%</b>	<b>16.0%</b>	<b>-2.6 pp</b>			
Public Sector	68,208	74,379	76,650	20.4%	24.8%	4.4 pp	3.8%	4.0%	0.2 pp			
Private Sector and Public Financial Sector	266,537	251,918	233,857	79.6%	75.6%	-4.1 pp	14.8%	12.0%	-2.8 pp			
Short Term	51,140	56,327	51,144	15.3%	16.5%	1.2 pp	2.8%	2.6%	-0.2 pp			
Medium and Long Term	283,605	269,970	258,363	84.7%	83.5%	-1.2 pp	15.8%	13.3%	-2.4 pp			
<b>Intercompany Loans</b>	<b>205,711</b>	<b>222,344</b>	<b>241,268</b>	<b>30.9%</b>	<b>35.9%</b>	<b>5.0 pp</b>	<b>11.4%</b>	<b>12.5%</b>	<b>1.0 pp</b>			
<b>Domestic Bonds with Foreign Investors</b>	<b>124,645</b>	<b>128,006</b>	<b>121,007</b>	<b>18.7%</b>	<b>18.0%</b>	<b>-0.7 pp</b>	<b>6.9%</b>	<b>6.2%</b>	<b>-0.7 pp</b>			

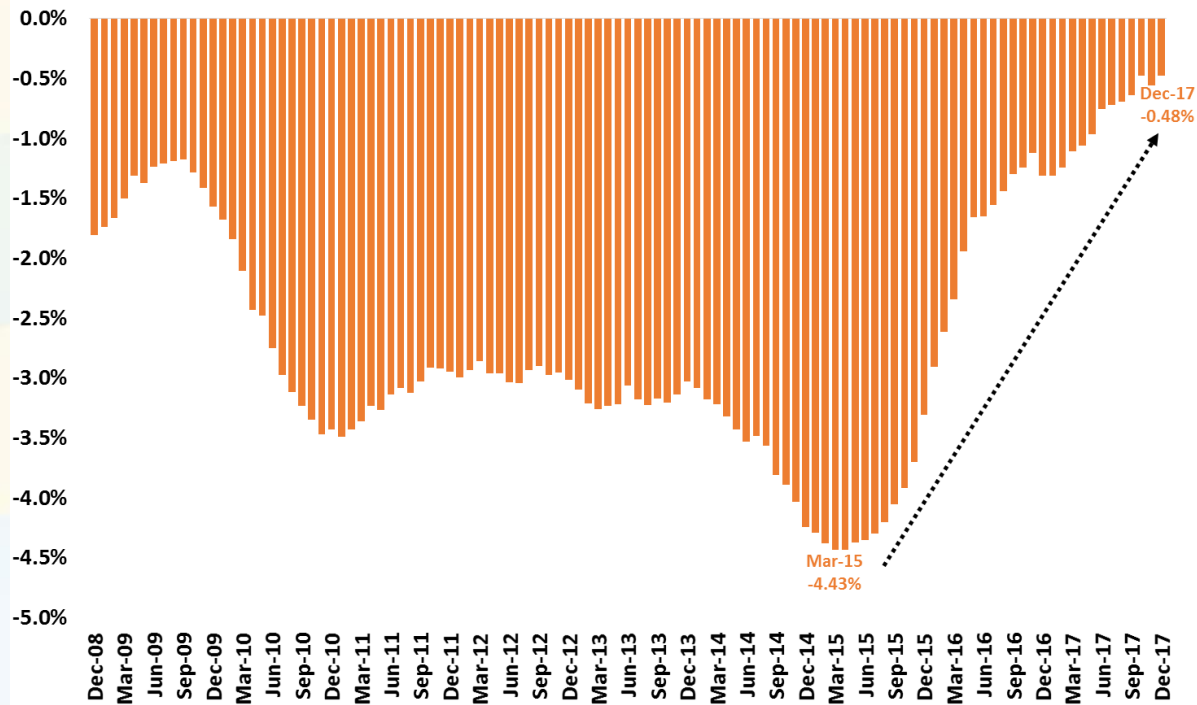
# Brazil: Real Exchange Rate and External Sector Adjustment



Fonte: BCB.

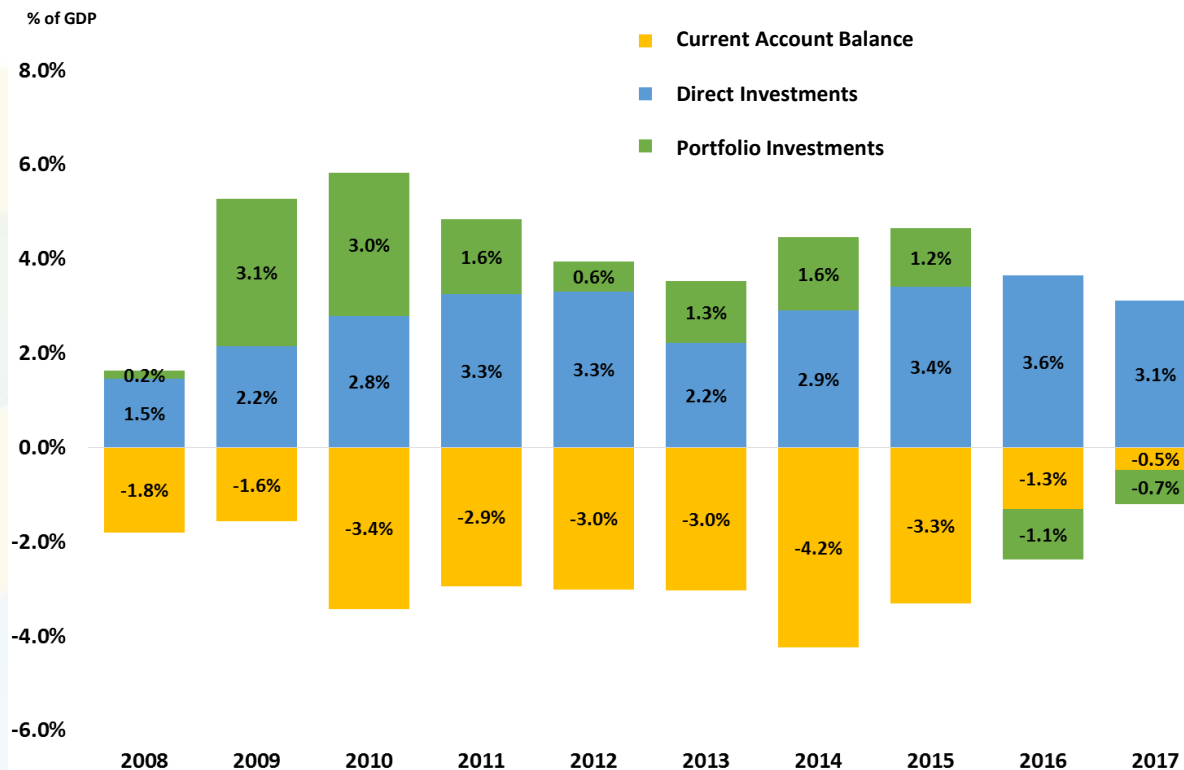
# Current Account Deficit as % of GDP

Current Account as % of GDP  
12-month Figures



Source: Central Bank of Brazil.

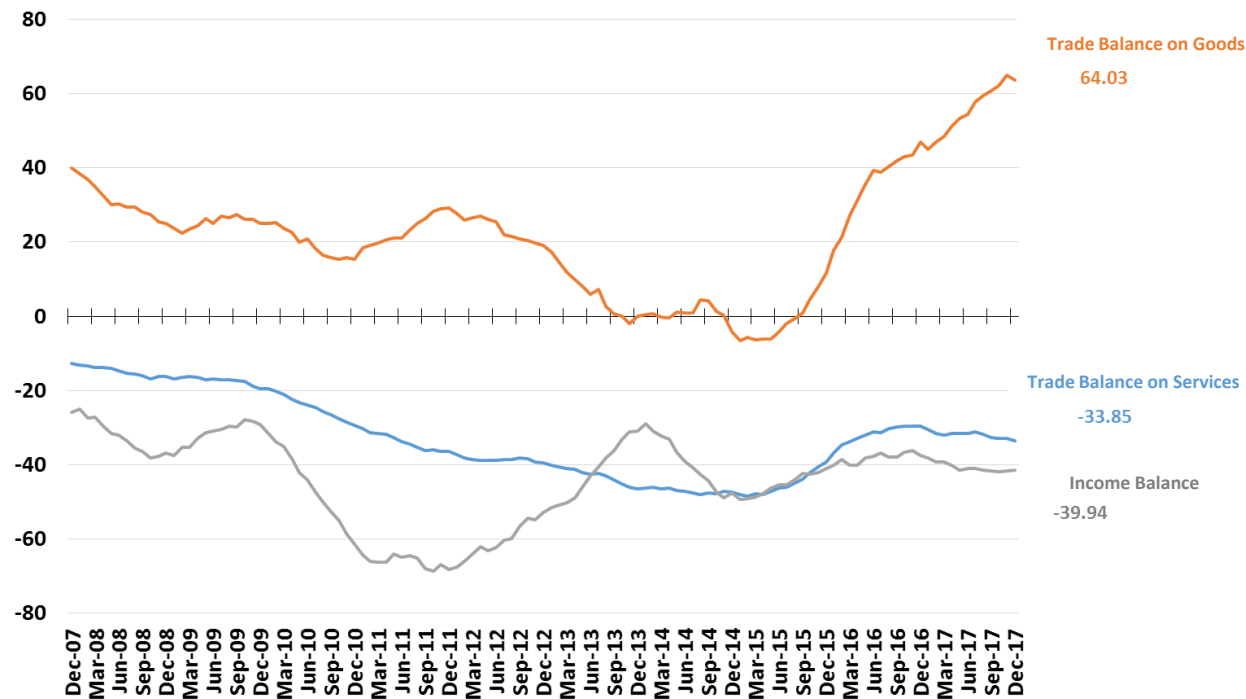
# Current Account Deficit Financing



Source: Central Bank of Brazil.

# Current Account Balance Components

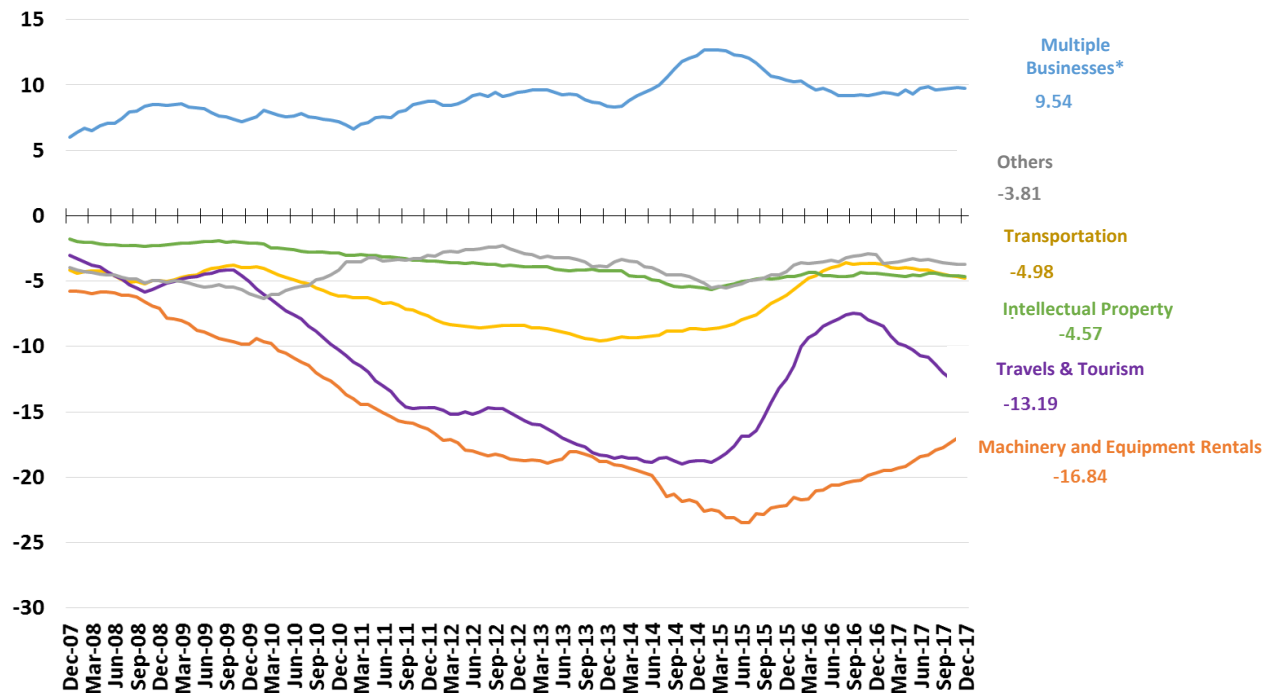
External Accounts Balance  
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

# Service Account Balance and Components

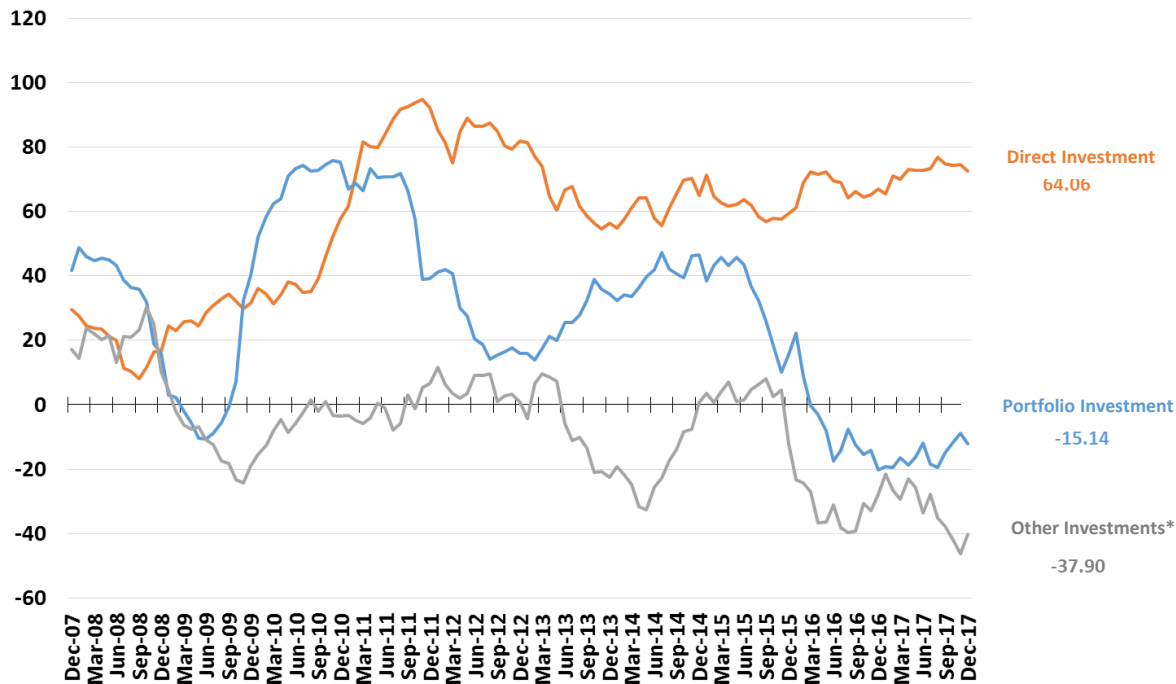
External Accounts Balance  
12-month Accumulated - US\$ billions



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

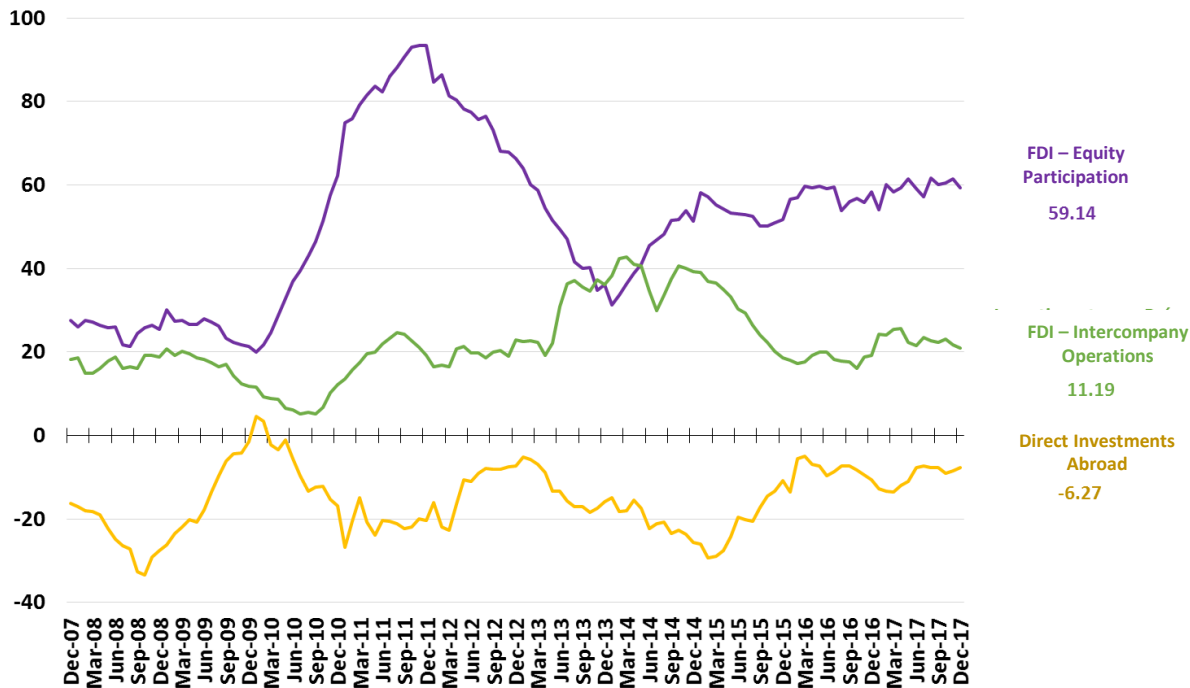


Source: Central Bank of Brazil. \*Commercial Credit and Loans.



# Direct Investments and Components

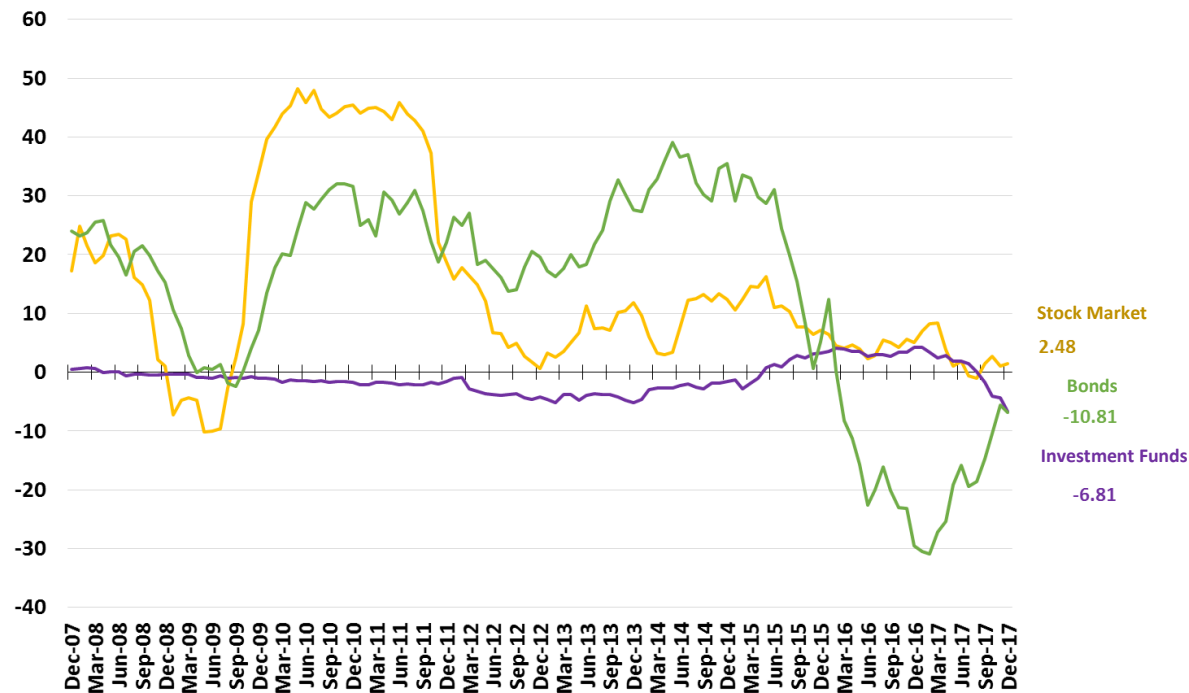
Direct Investment Flows  
Net Inflow (+) and Net Outflow (-)  
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

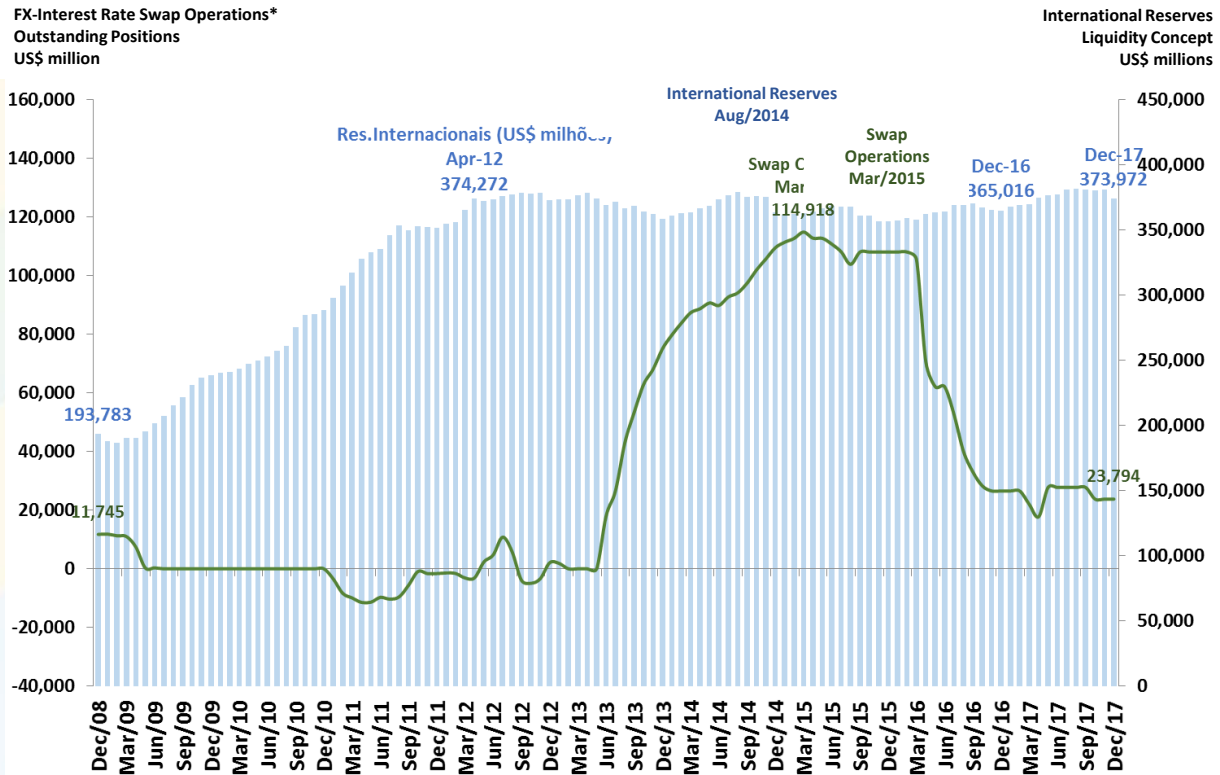
# Portfolio Investments and Components

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.



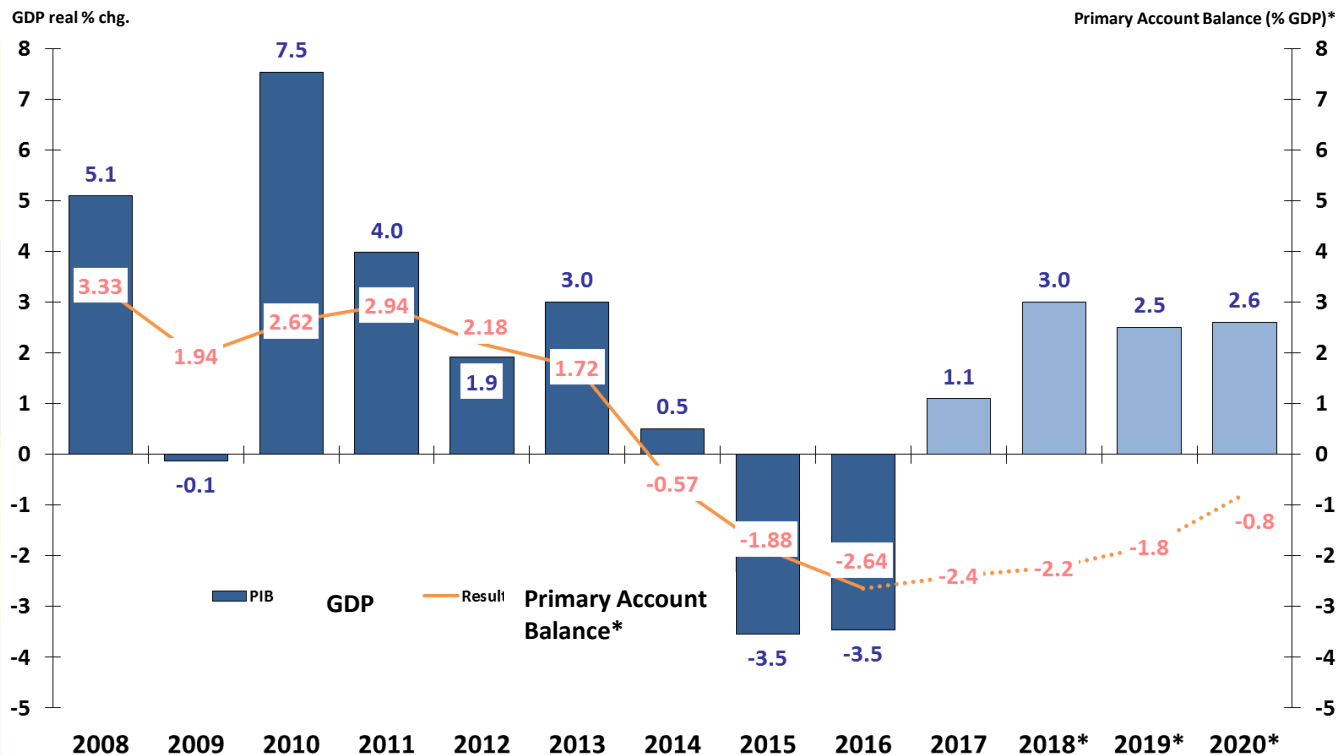
# **PUBLIC SECTOR ACCOUNTS**

# Public Sector Accounts

BCB/Focus: 01/26/2018

Federal Government Accounts		December-17	12-month Accumulated Figures (in R\$ millions)					chg. %					
Federal Budget (National Treasury/Ministry of Finance)		2012	2013	2014	2015	2016	Dec/17 accum. in 12- months	2016 / 2015	Dec/17 accum. 12- m/ 2016	YTD 2017 / YTD 2016			
Total Primary Revenue (a)		1,059,889	1,178,983	1,221,474	1,247,789	1,314,953	1,383,082	5.4%	5.2%	5.2%			
National Treasury		784,125	871,836	883,971	897,517	956,816	1,008,297	6.6%	5.4%	5.4%			
Social Security General System		275,765	307,147	337,503	350,272	358,137	374,785	2.2%	4.6%	4.6%			
States and Municipalities Mandatory Transfers (b)		171,394	181,895	198,462	204,684	226,835	228,475	10.8%	0.7%	0.7%			
Net Primary Revenue (a-b)		888,495	997,088	1,023,013	1,043,105	1,088,118	1,154,607	4.3%	6.1%	6.1%			
Total Primary Expenditure		812,632	920,095	1,040,223	1,158,701	1,249,393	1,279,008	7.8%	2.4%	2.4%			
National Treasury		496,043	563,092	646,022	722,611	741,522	721,773	2.6%	-2.7%	-2.7%			
Social Security General System		316,590	357,003	394,201	436,090	507,871	557,235	16.5%	9.7%	9.7%			
Federal Government Accounts		December-17	12-month Accumulated Figures (in R\$ millions)					% of GDP					
Federal Budget (National Treasury/Ministry of Finance)		2012	2013	2014	2015	2016	Dec/17 accum. in 12- months	2015	2016	Dec/17 accum. in 12-months			
Primary Account Balance of Federal Government (STN/MF)		75,863	76,994	-17,211	-115,596	-161,276	-124,401	-1.9%	-2.6%	-22.9%			
National Treasury		116,687	126,850	39,487	-29,778	-11,542	58,049	-0.5%	-0.2%	-603.0%			
Social Security General System		-40,825	-49,856	-56,698	-85,818	-149,734	-182,450	-1.4%	-2.4%	21.8%			
Consolidate Public Sector Accounts		December-17	12-month Accumulated Figures (in R\$ millions)					% of GDP					
Public Sector Financial Need (Central Bank of Brazil - BCB)		2012	2013	2014	2015	2016	Dec/17 accum. in 12- months	2015	2016	Dec/17 accum. in 12-months	2017	2018	2019
Primary Account Balance Target (% GDP)											-2.23%	-1.81%	-0.78%
Primary Account Balance		-104,951	-91,306	32,536	111,249	155,791	110,583	1.9%	2.5%	-29.0%	-2.2%	-1.6%	-1.0%
Federal Government		-86,086	-75,291	20,472	116,656	159,473	118,442	1.9%	2.5%	-25.7%			
States and Municipalities		-21,511	-16,337	7,790	-9,684	-4,666	-7,498	-0.2%	-0.1%	60.7%			
State Owned Companies (except Petrobrás and Eletrobrás)		2,645	322	4,274	4,278	983	-362	0.1%	0.0%	-136.8%			
Net Financial Public Expenditure (Debt Interest Payments)		213,863	248,856	311,380	501,786	407,024	400,826	8.4%	6.5%	-1.5%			
Nominal Account Balance		108,912	157,550	343,916	613,035	562,815	511,408	10.2%	9.0%	-9.1%	7.3%	7.0%	6.7%
General Public Sector Debt (BCB)		December-17	Debt Outstanding (in R\$ millions)					chg. %					
End of Period Debt Outstanding (in R\$ millions)		Dec/12	Dec/13	Dec/14	Dec/15	Dec/16	Dec-17	Dec/15 - Dec/14	Dec/16 - Dec/15	Dec/17 - Dec/16	2017	2018	2019
Consolidated Public Sector		1,550,083	1,626,335	1,883,147	2,136,888	2,892,913	3,382,942	13.47%	35.38%	16.94%			
Federal Government		1,002,205	1,025,358	1,200,680	1,312,962	2,090,133	2,534,119	9.4%	59.2%	21.2%			
States and Municipalities		519,423	569,794	643,066	771,635	747,503	789,403	20.0%	-3.1%	5.6%			
State Owned Companies (except Petrobrás and Eletrobrás)		28,456	31,183	39,402	52,292	55,278	59,420	32.7%	5.7%	7.5%			
Net Domestic Debt		2,169,502	2,341,011	2,669,547	3,289,112	3,856,985	4,393,145	23.2%	17.3%	13.9%			
Net External Debt		-619,419	-714,676	-786,400	-1,152,224	-964,072	-1,010,203	46.5%	-16.3%	4.8%			
General Public Sector Net Debt (% GDP)		32.2%	30.5%	32.6%	35.6%	46.2%	51.6%	3.1 pp	10.6 pp	5.4 pp	55.4%	58.0%	60.0%
General Public Sector Gross Debt (% GDP)		53.7%	51.5%	56.3%	65.5%	70.0%	74.0%	9.2 pp	4.5 pp	4.1 pp			
General Public Sector Gross Debt (in R\$ millions)		2,583,946	2,747,997	3,252,449	3,927,523	4,378,486	4,854,679	20.76%	11.48%	10.88%			

# Fiscal Adjustment and Economic Recovery



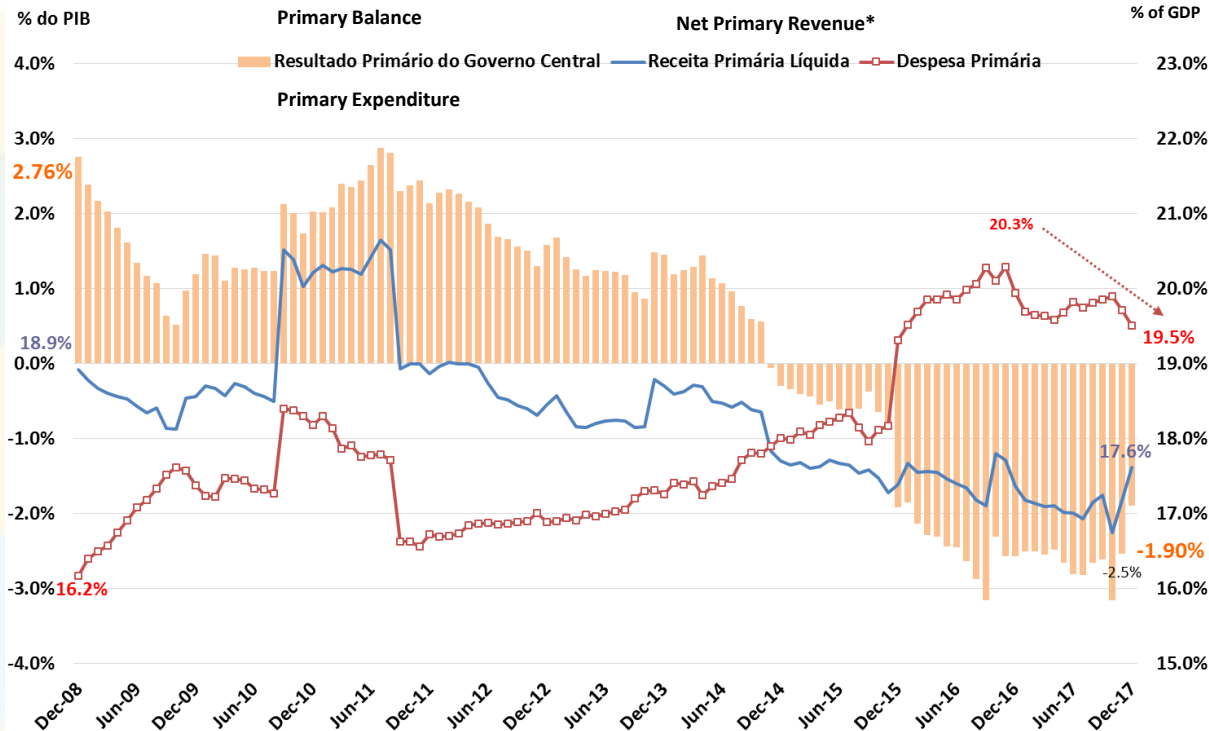
Sources: IBGE, MF and MP.

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

# Primary Balance of Federal Government (as % GDP)

Primary Balance of Federal Government  
12-month Accumulated  
% of GDP

Net Primary Revenue and Primary Expenditure  
12-month Accumulated  
% of GDP



Sources: STN/MF.

\*Excludes compulsory transfers to subnational entities



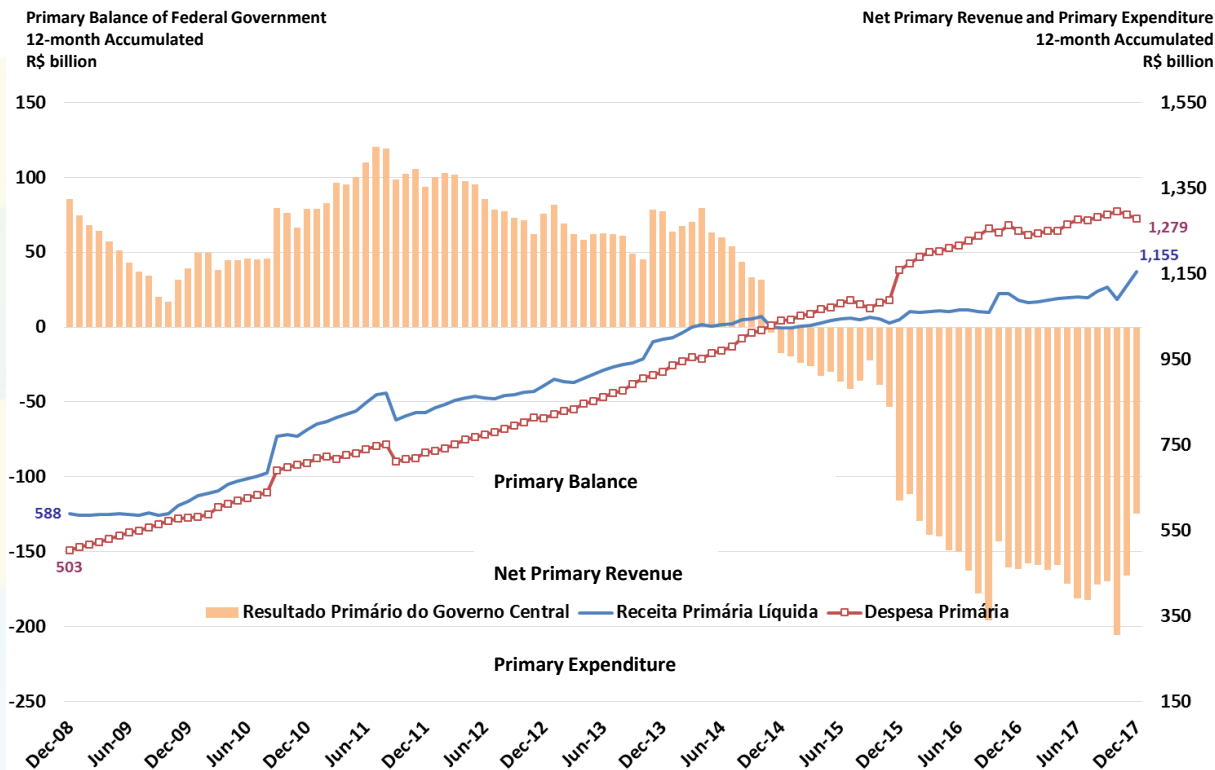
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AND MANAGEMENT



# Primary Balance of Federal Government (nominal values)



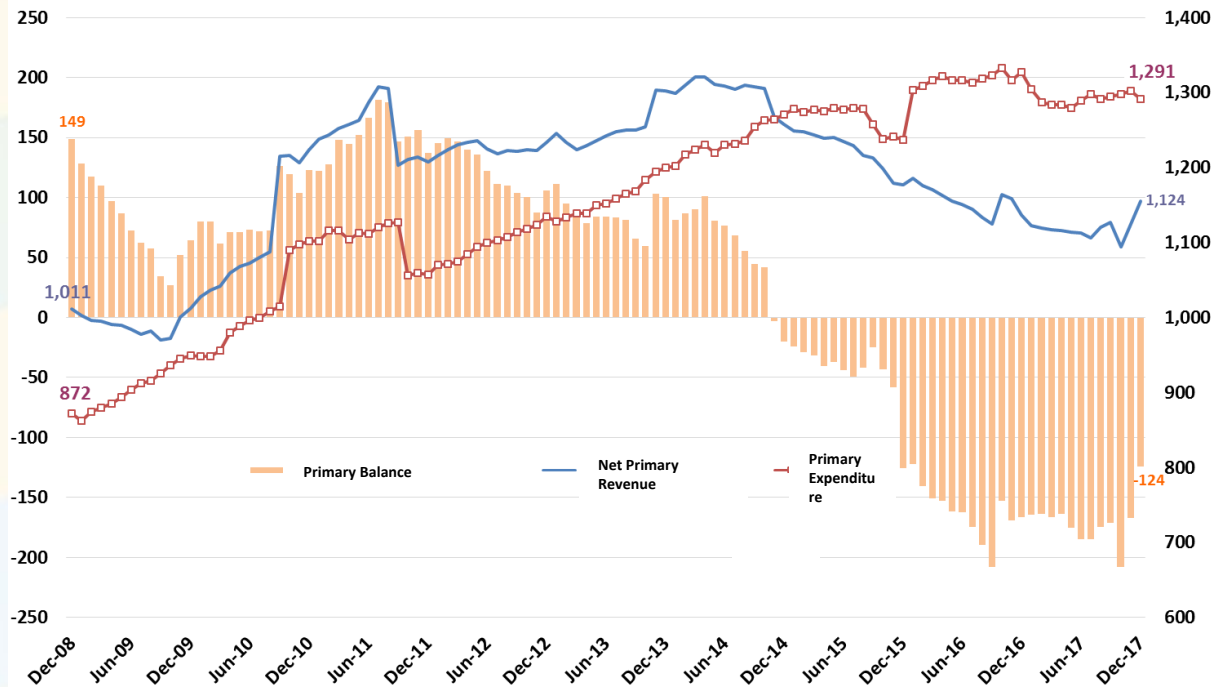
Source: STN/MF.



# Primary Balance of Federal Government (real values)

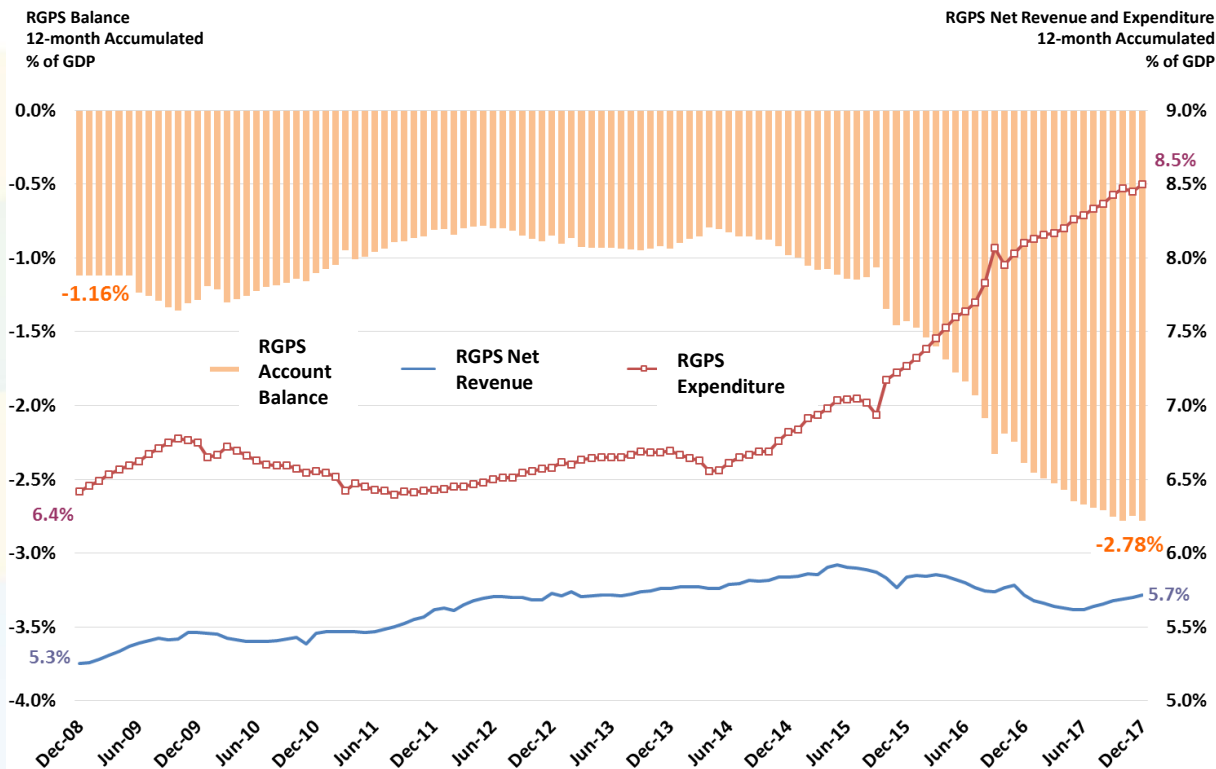
Primary Balance of Federal Government  
12-month Accumulated – real values (Feb/2017)  
R\$ billion

Net Primary Revenue and Primary Expenditure  
12-month Accumulated – real values (Feb/2017)  
R\$ billion



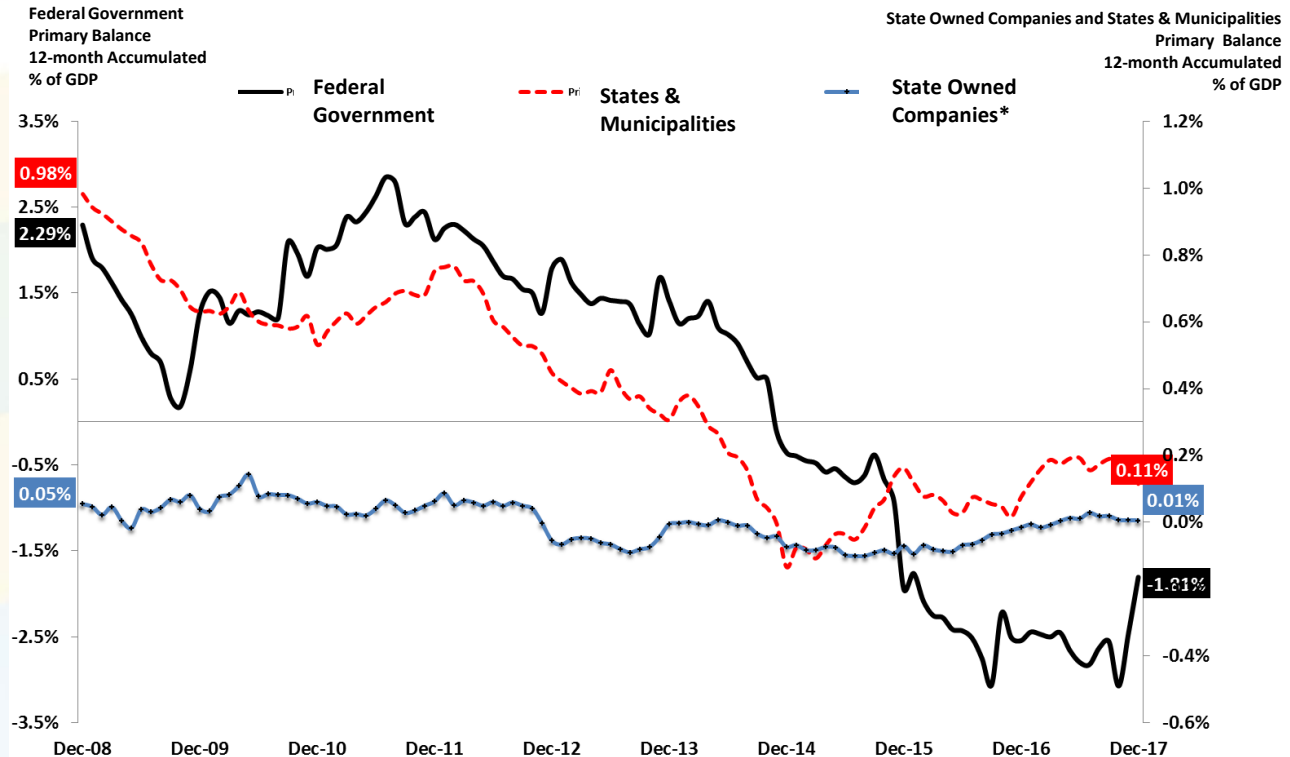
Source: STN/MF.

# General Social Security System (RGPS) Balance



Sources: STN/MF.

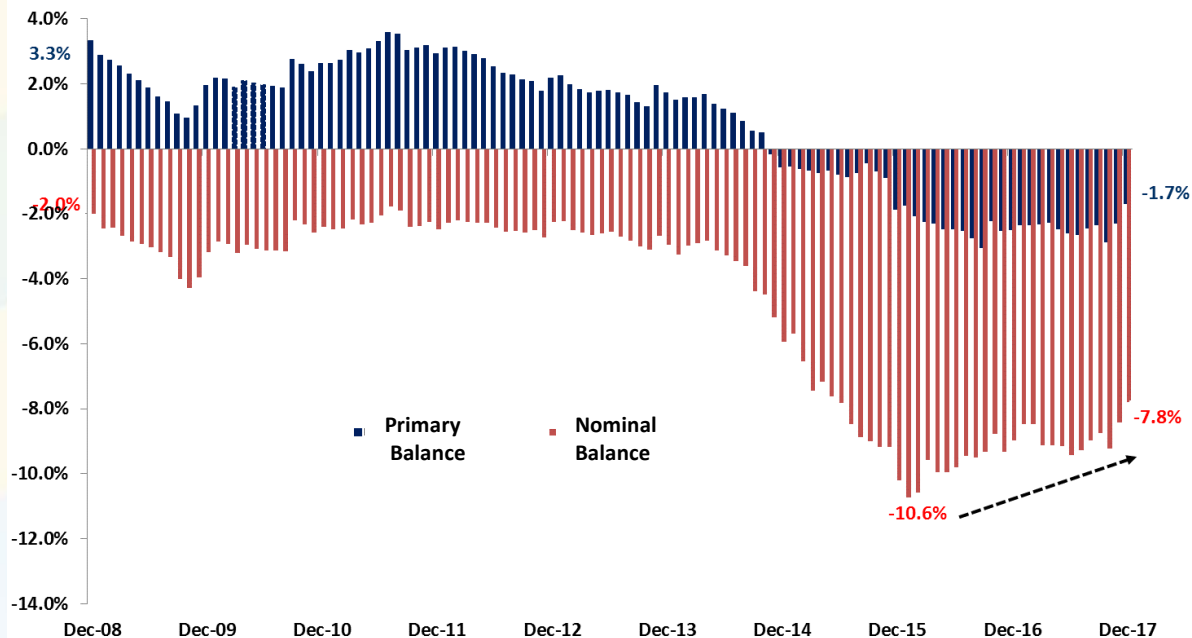
# Public Sector Primary Balance (as % GDP)



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

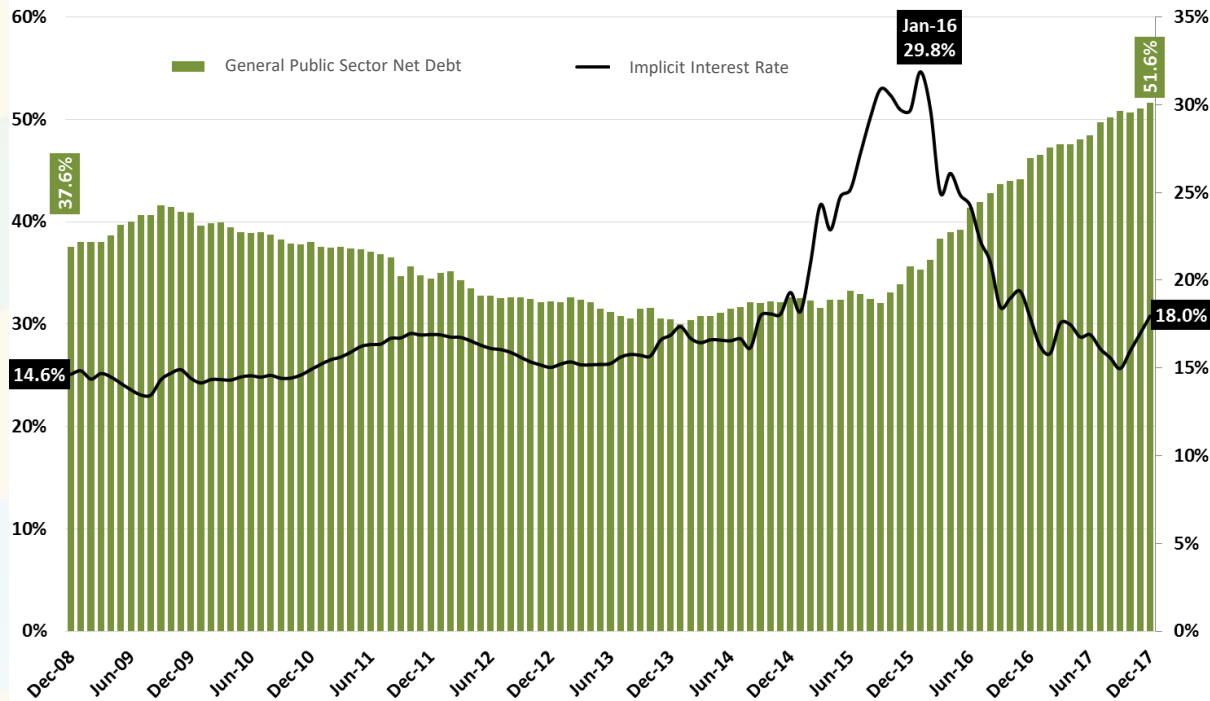


Source: Central Bank of Brazil.

# Public Sector Net Debt (as % GDP)

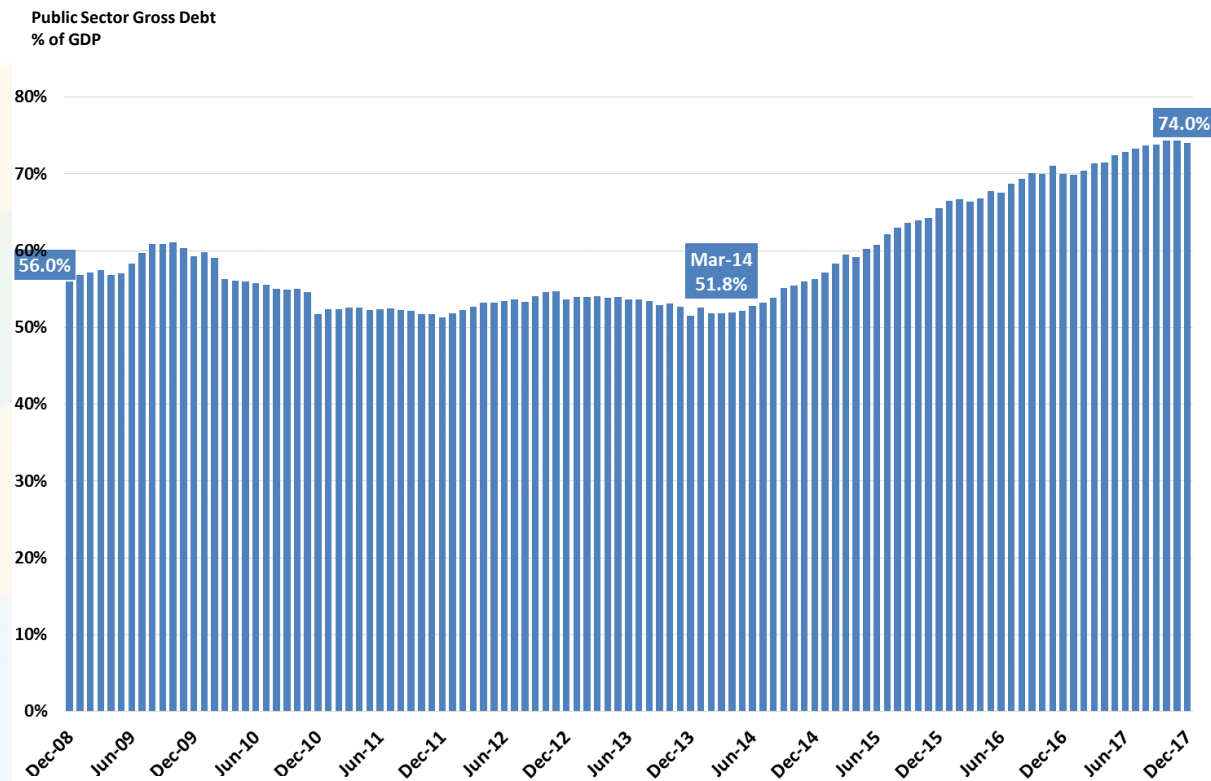
General Public Sector Net Debt (DSLPI)  
% of GDP

Implicit Interest Rate on DSLPI  
12-month (%)



Source: Central Bank of Brazil.

# Public Sector Gross Debt (as % GDP)



Source: Central Bank of Brazil.



# **WORLD ECONOMY**

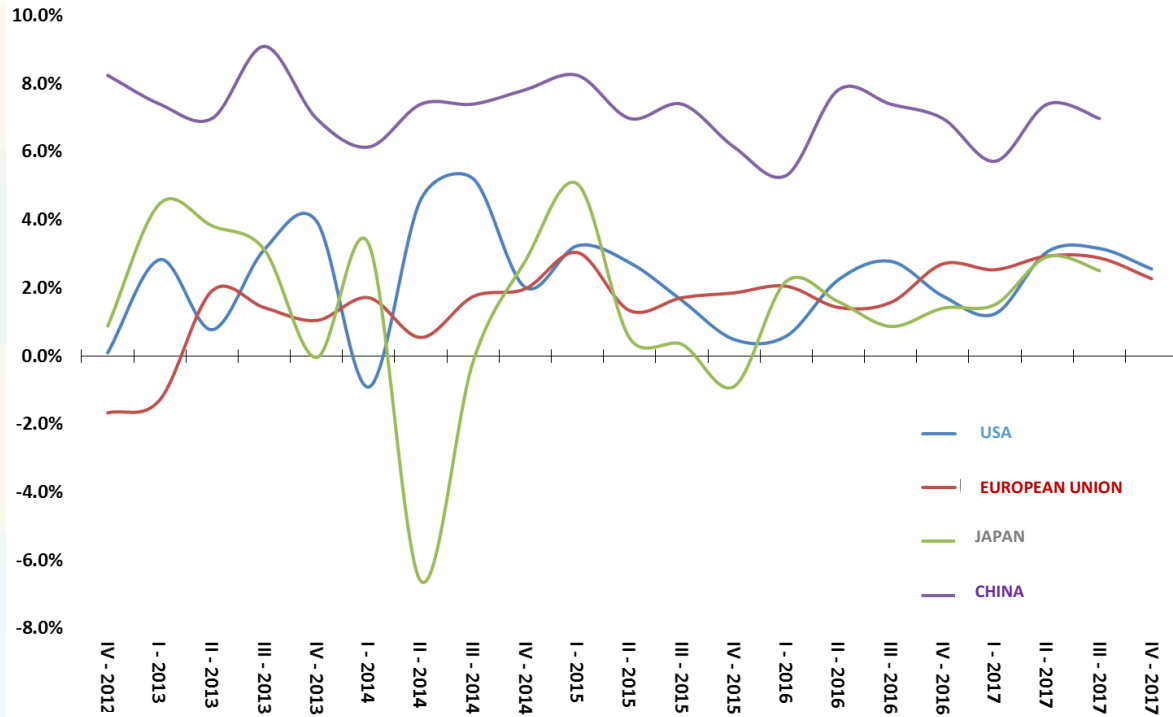
# World Economy

											IMF - WEO, October 2017.	
World	Q4 2016											
<i>data from IMF and WTO</i>												
<b>World Output - GDP</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.2%</b>				<b>3.6%</b>	<b>3.7%</b>
Advanced Economies	1.2%	1.2%	1.9%	2.1%	1.7%	1.8%	2.0%				2.2%	2.0%
Emerging Market and Developing Economies	5.3%	5.0%	4.6%	4.2%	4.3%	4.4%	4.4%				4.6%	4.9%
Latin America and the Caribbean	3.0%	2.9%	1.0%	0.1%	-0.9%	-1.1%	-1.1%				1.2%	1.9%
<b>World Trade of Goods and Services</b>	<b>1.4%</b>	<b>2.8%</b>	<b>1.7%</b>	<b>2.7%</b>	<b>2.4%</b>						<b>4.2%</b>	<b>4.0%</b>
National Accounts	Q3 2017											
<i>data from IMF, OECD, Eurostat, NBSC and METI</i>												
<b>USA - GDP</b>	<b>2.2%</b>	<b>1.7%</b>	<b>2.6%</b>	<b>2.9%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>1.5%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>2.3%</b>
Household Expenditure	1.5%	1.5%	2.9%	3.6%	2.7%	2.9%	2.7%	2.6%				
Government Expenditure	-1.9%	-2.9%	-0.6%	1.4%	0.8%	-0.2%	0.0%	-0.1%				
Gross Fixed Capital Formation	10.6%	6.1%	5.5%	5.2%	-1.6%	1.7%	3.3%	4.6%				
Exports of Goods and Services	3.4%	3.5%	4.3%	0.4%	-0.3%	3.1%	3.2%	2.2%				
Imports of Goods and Services (-)	2.2%	1.1%	4.5%	5.0%	1.3%	3.8%	4.1%	3.1%				
<b>Industrial Production</b>	<b>2.2%</b>	<b>3.7%</b>	<b>4.9%</b>	<b>-1.8%</b>	<b>-1.0%</b>	<b>0.6%</b>	<b>2.1%</b>	<b>1.8%</b>				
<b>Unemployment (% of Labor Force)</b>	<b>8.1%</b>	<b>7.4%</b>	<b>6.2%</b>	<b>5.3%</b>	<b>4.9%</b>	<b>-0.1 pp</b>	<b>-0.4 pp</b>	<b>0.1 pp</b>			<b>4.7%</b>	<b>4.6%</b>
<b>Consumer Price Index</b>	<b>1.7%</b>	<b>1.5%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>2.1%</b>	<b>2.5%</b>	<b>1.9%</b>	<b>2.1%</b>			<b>2.8%</b>	<b>2.4%</b>
<b>European Union - GDP</b>	<b>-0.4%</b>	<b>0.3%</b>	<b>1.7%</b>	<b>2.4%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>2.5%</b>	<b>1.8%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.2%</b>
Household Expenditure	-0.5%	-0.1%	1.0%	2.0%	1.8%	0.0%	0.0%					
Government Expenditure	0.0%	0.3%	0.8%	1.7%	2.0%	0.0%	0.0%					
Gross Fixed Capital Formation	-2.2%	-1.6%	2.8%	3.7%	2.5%	0.0%	0.0%					
Exports of Goods and Services	2.4%	1.6%	4.7%	6.0%	2.3%	0.0%	0.0%					
Imports of Goods and Services (-)	-0.8%	2.5%	5.0%	7.1%	2.8%	0.0%	0.0%					
<b>Industrial Production</b>	<b>-2.1%</b>	<b>-0.5%</b>	<b>1.2%</b>	<b>2.3%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>2.6%</b>	<b>3.7%</b>				
<b>Unemployment (% of Labor Force)</b>	<b>10.4%</b>	<b>10.8%</b>	<b>10.2%</b>	<b>9.4%</b>	<b>8.7%</b>	<b>-1.7 pp</b>	<b>-0.3 pp</b>				<b>7.9%</b>	<b>7.6%</b>
<b>Consumer Price Index</b>	<b>2.4%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.9%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.0%</b>			<b>2.5%</b>	<b>2.4%</b>
<b>Japan - GDP</b>	<b>1.5%</b>	<b>2.0%</b>	<b>0.3%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>1.0%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>0.7%</b>
<b>Industrial Production</b>	<b>0.0%</b>	<b>-0.7%</b>	<b>2.1%</b>	<b>-0.9%</b>	<b>-0.2%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>4.2%</b>				
<b>Unemployment (% of Labor Force)</b>	<b>4.3%</b>	<b>4.0%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>-0.2 pp</b>	<b>0.0 pp</b>	<b>-1.0 pp</b>			<b>2.9%</b>	<b>2.9%</b>
<b>Consumer Price Index</b>	<b>-0.2%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>0.2%</b>	<b>-0.1%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.4%</b>			<b>0.4%</b>	<b>0.5%</b>
<b>China - GDP</b>	<b>7.8%</b>	<b>7.8%</b>	<b>7.3%</b>	<b>6.9%</b>	<b>6.7%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.8%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.8%</b>	<b>6.5%</b>
<b>Industrial Production</b>	<b>10.1%</b>	<b>9.9%</b>	<b>7.9%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>6.6%</b>	<b>7.0%</b>	<b>6.7%</b>				
<b>Unemployment (% of Labor Force)</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.0%</b>	<b>0.1 pp</b>	<b>0.0 pp</b>	<b>-0.1 pp</b>			<b>4.0%</b>	<b>4.0%</b>
<b>Consumer Price Index</b>	<b>2.5%</b>	<b>2.5%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>2.0%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.7%</b>			<b>1.6%</b>	<b>2.4%</b>



# World Major Economies GDP

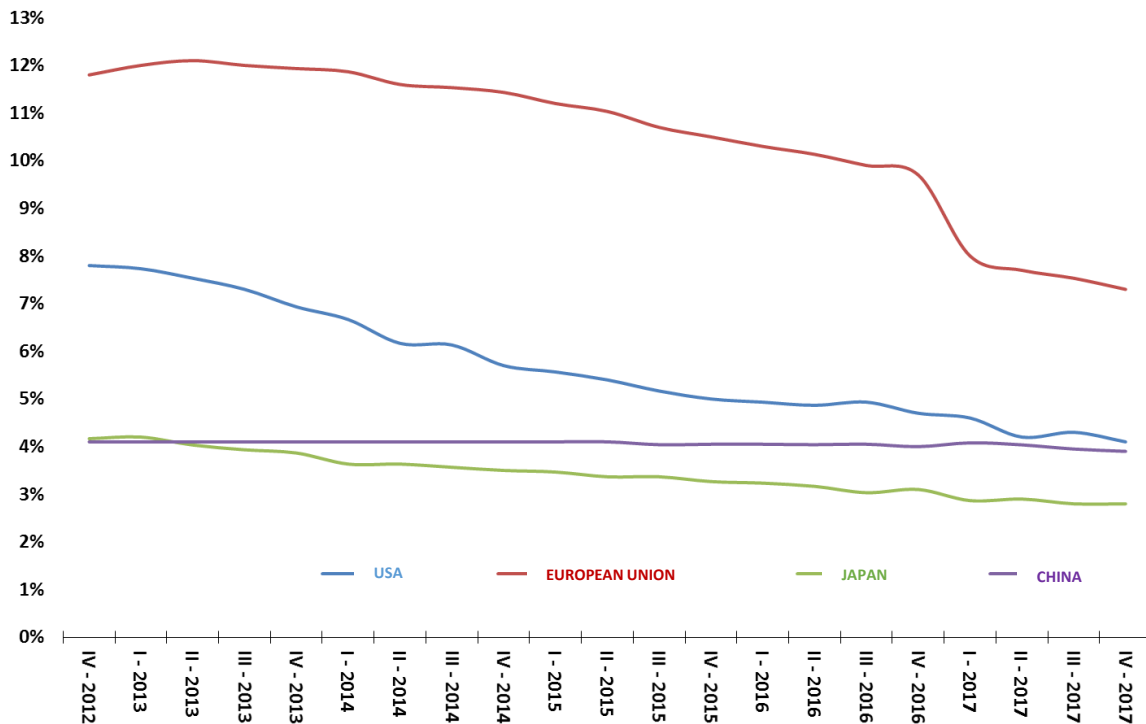
GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

# World Major Economies Unemployment Rate

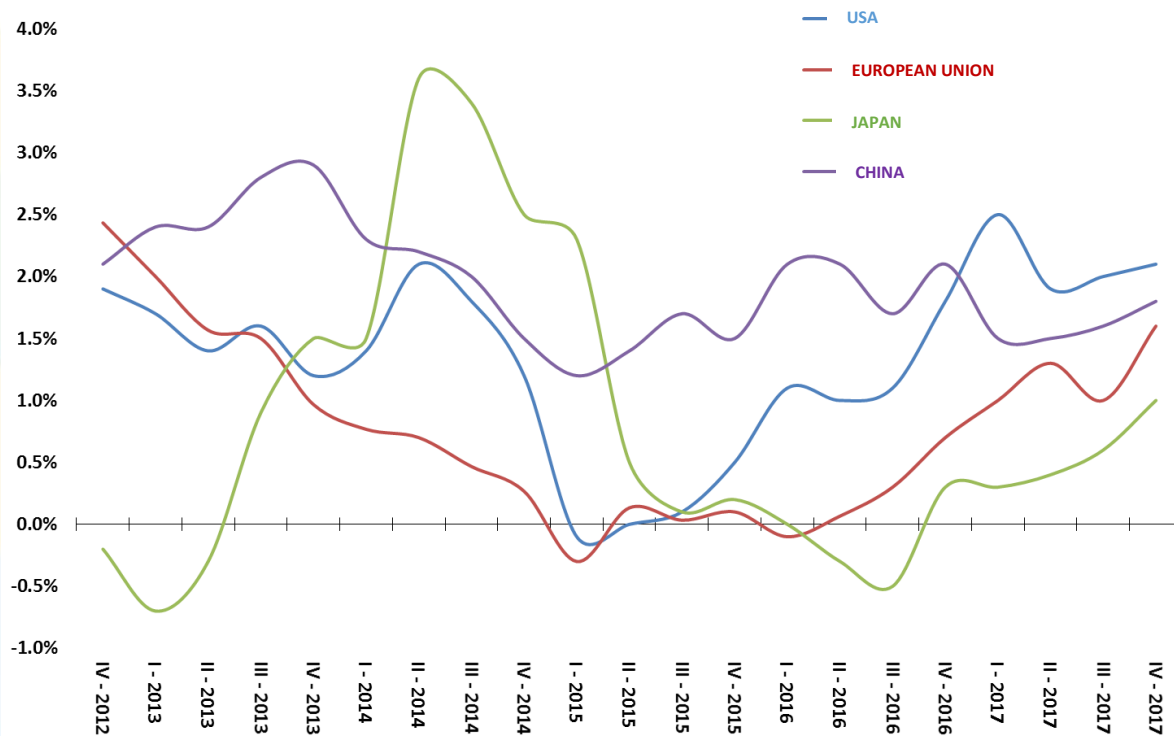
Unemployment Rate as % of Labor Force



Source: OECD.

# World Major Economies Consumer Price Index

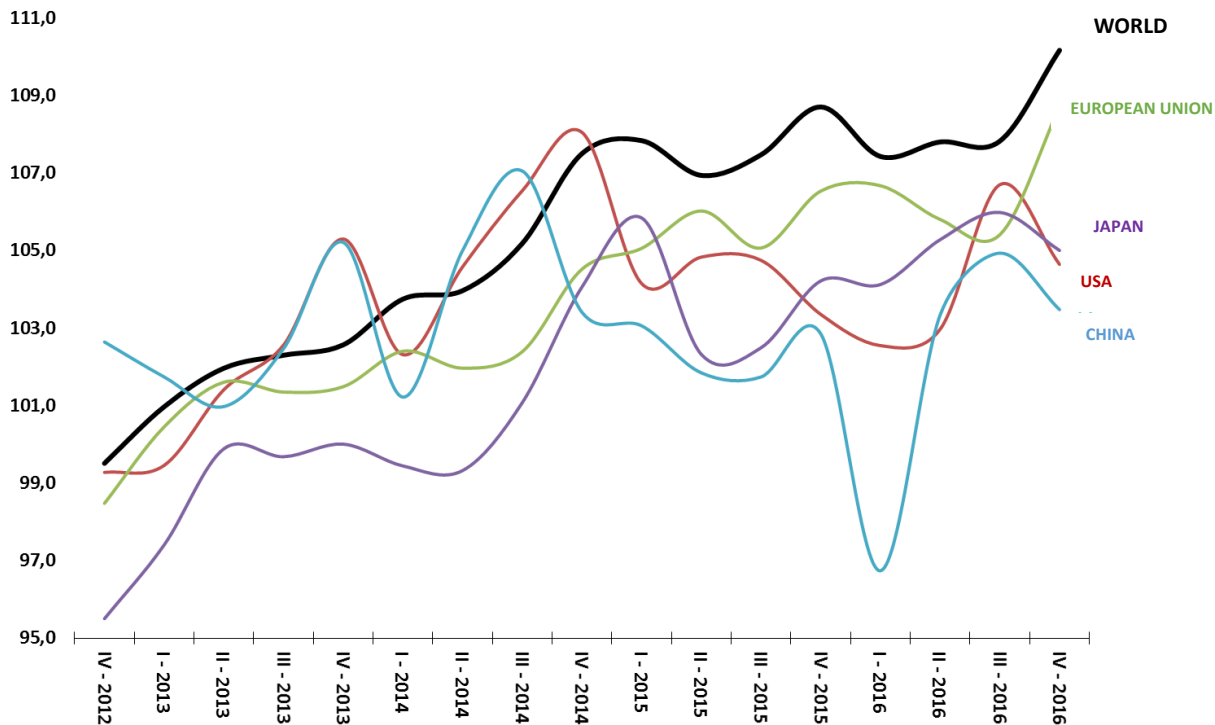
Consumer Price Indexes – annual chg. %



Source: OECD.

# World Major Economies Total Exports

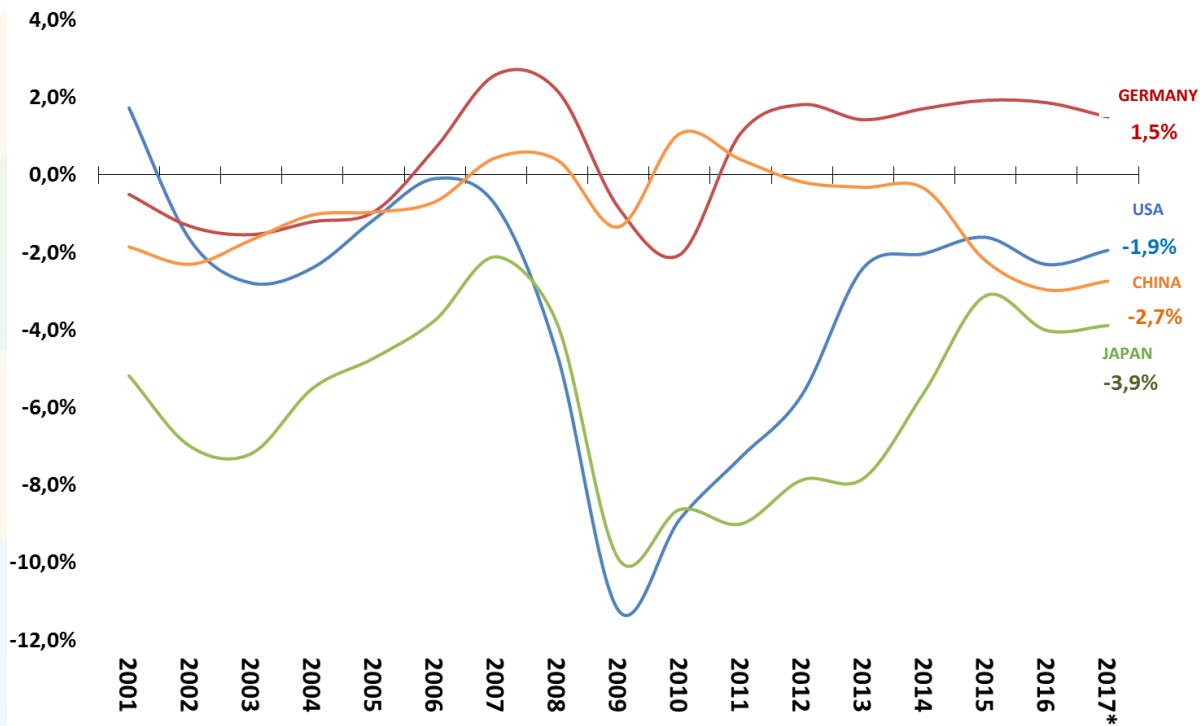
Total Exports Volume Index – Q3-2012 = 100



Source: OECD.

# World Major Economies Government Primary Surplus

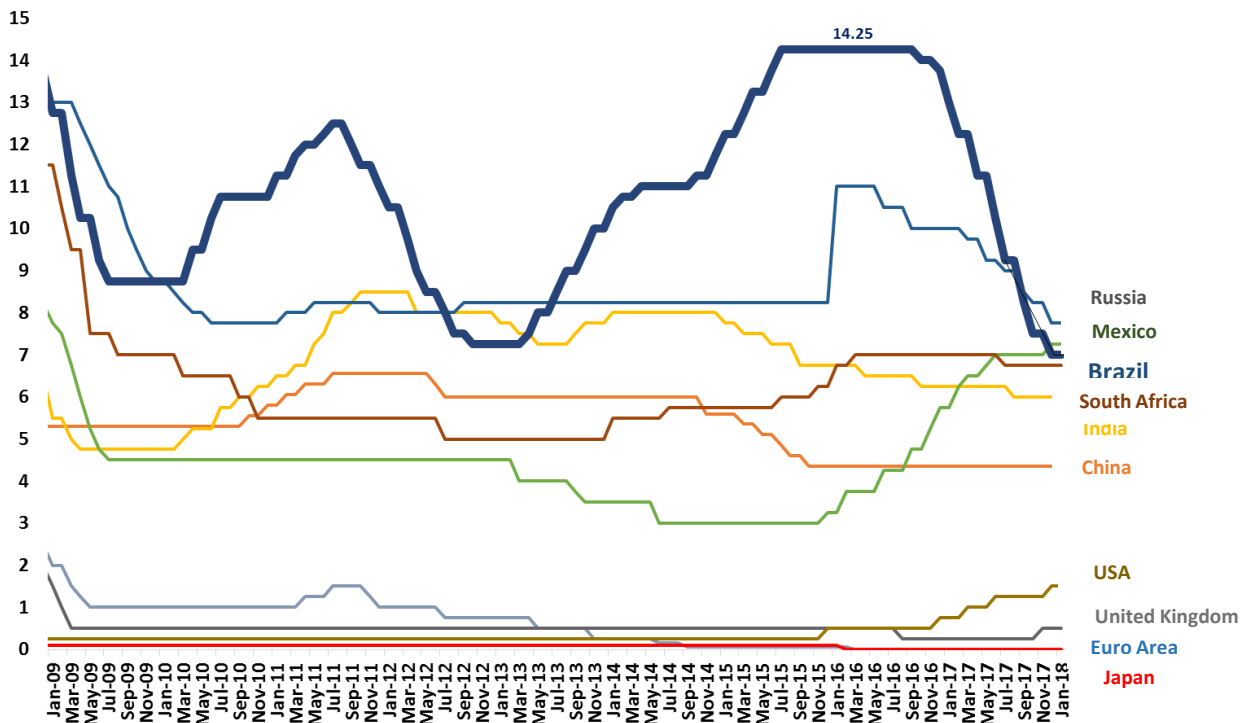
Central Government Primary Surplus as % of GDP



Source: IMF. \* Estimated values

# Selected Economies Main Interest Rate

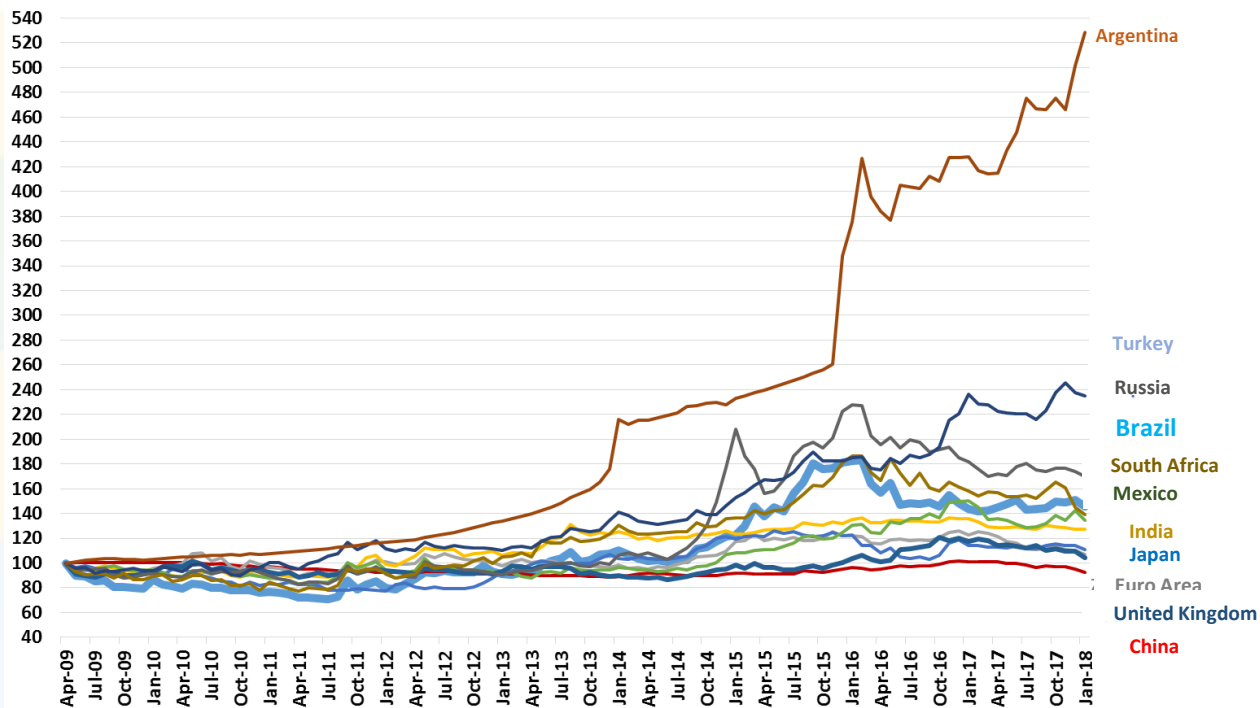
Main Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

# Selected Economies FX-dollar Rate Evolution

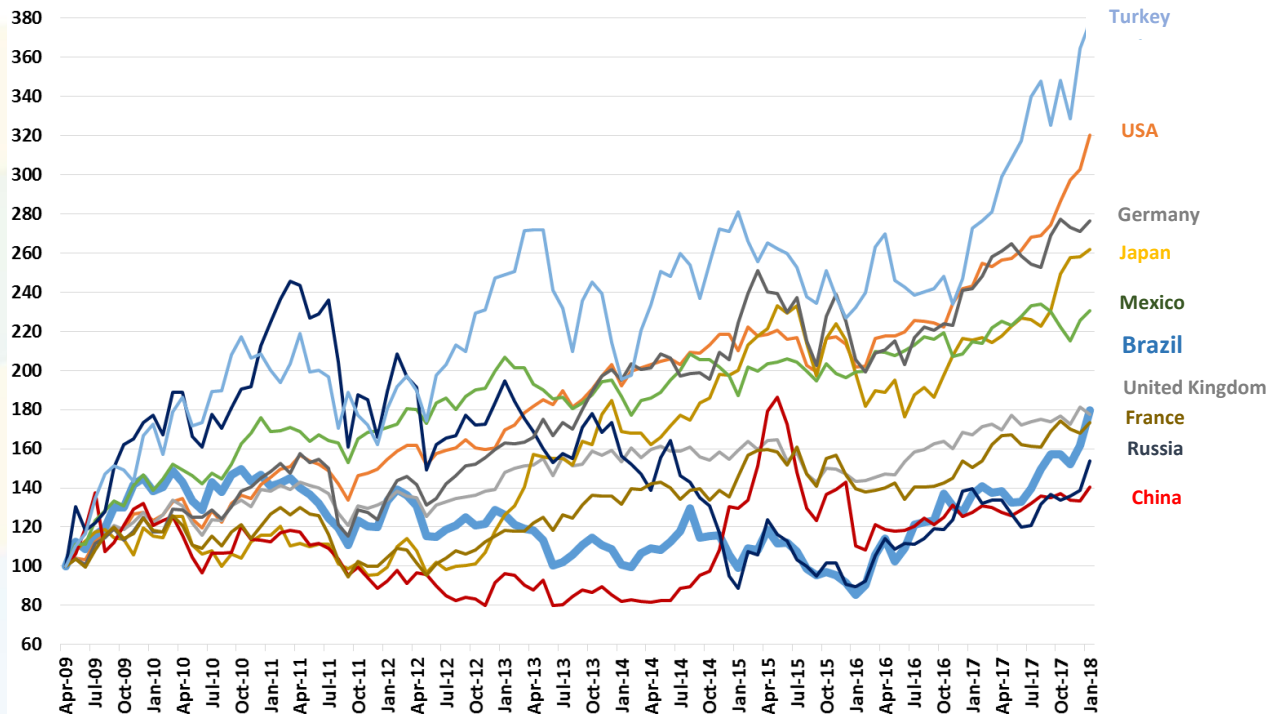
Selected Economies FX-rate Indexes – Dec/2008 = 100



Sources: Bloomberg.

# Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Dec/2008 = 100



Sources: Bloomberg.



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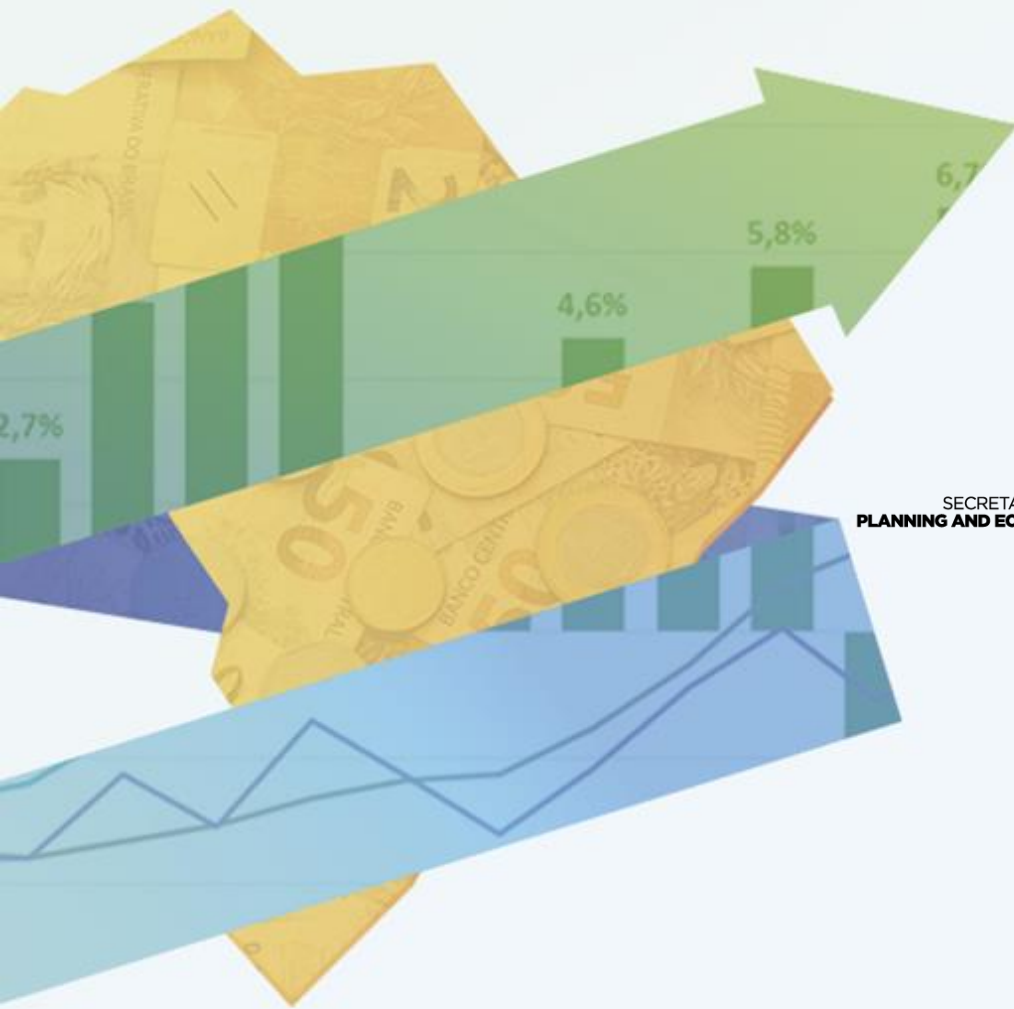
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