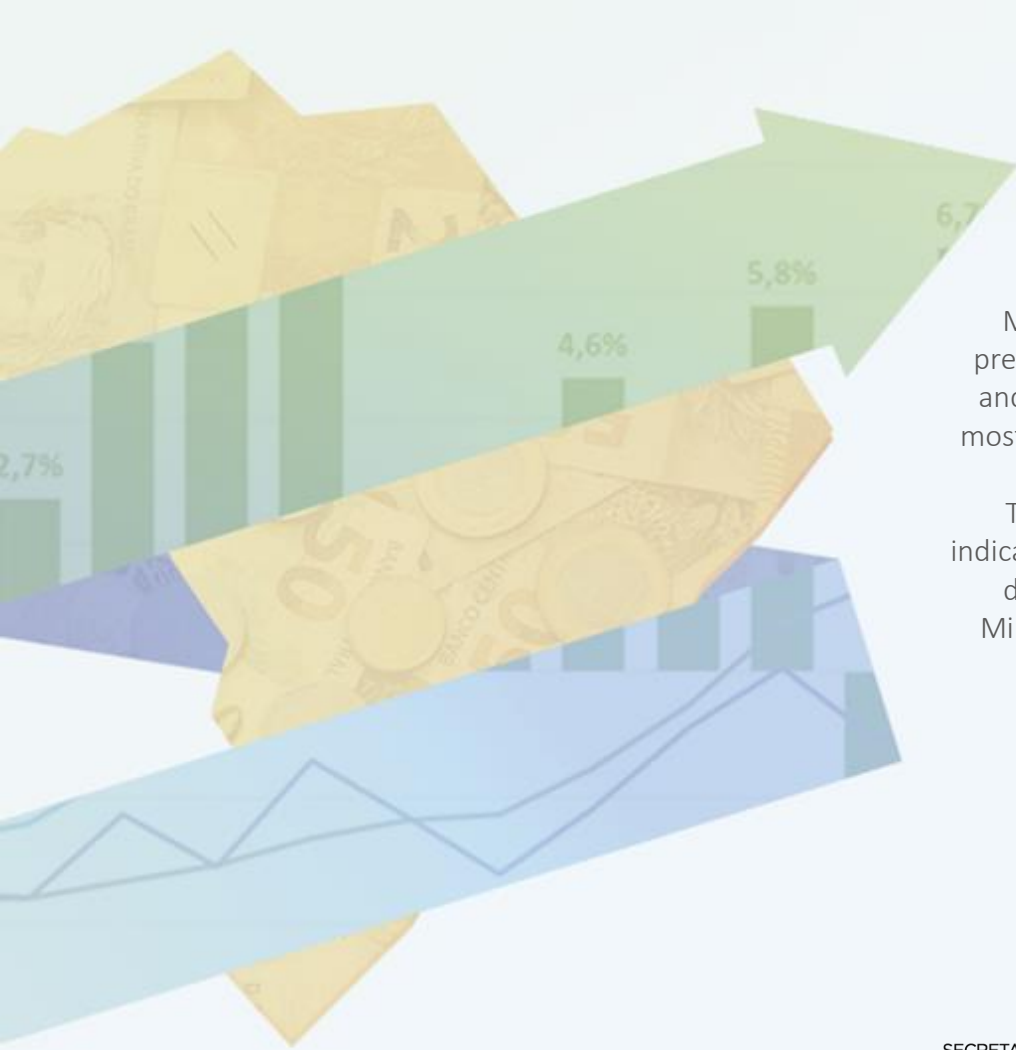




MACROECONOMIC OUTLOOK

March 2018

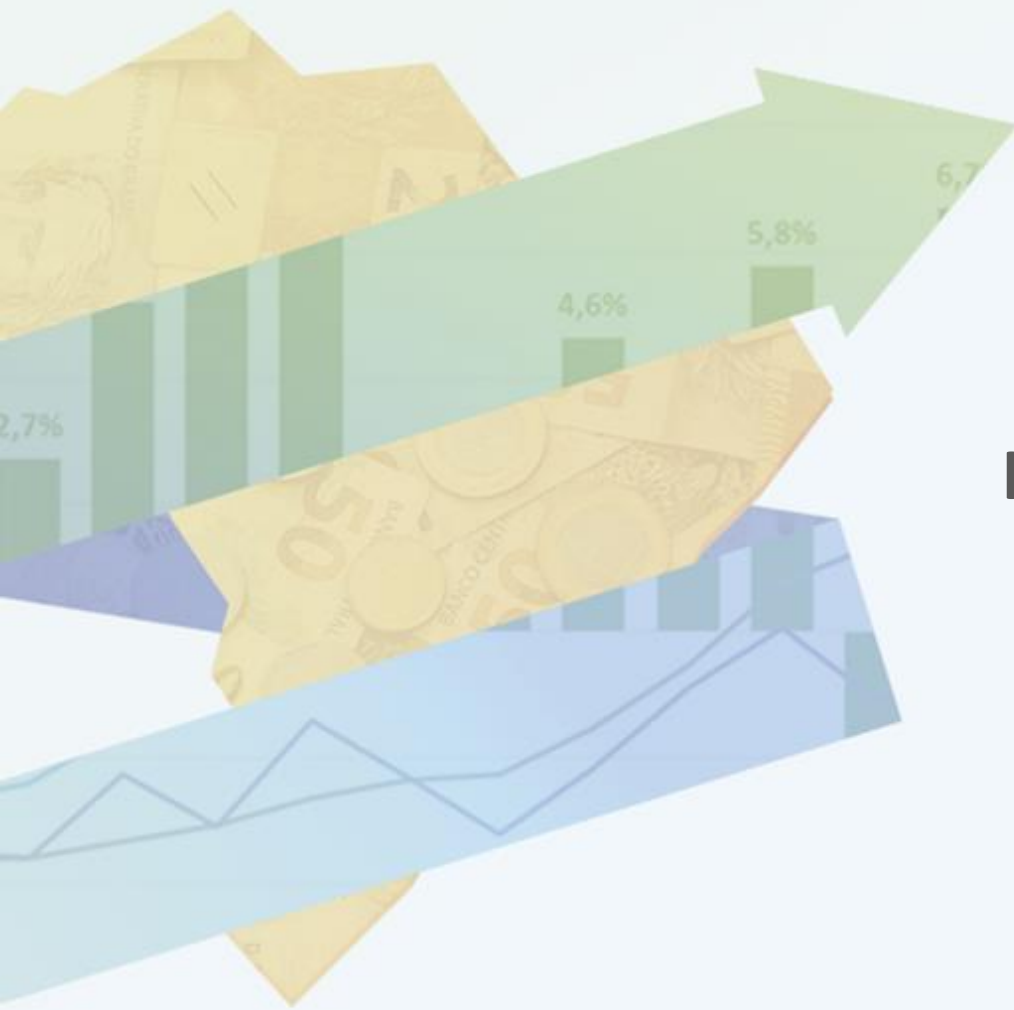


Macroeconomic Outlook is a report prepared by the Secretariat for Planning and Economic Issues (SEPLAN) with the most relevant economic data about Brazil.

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

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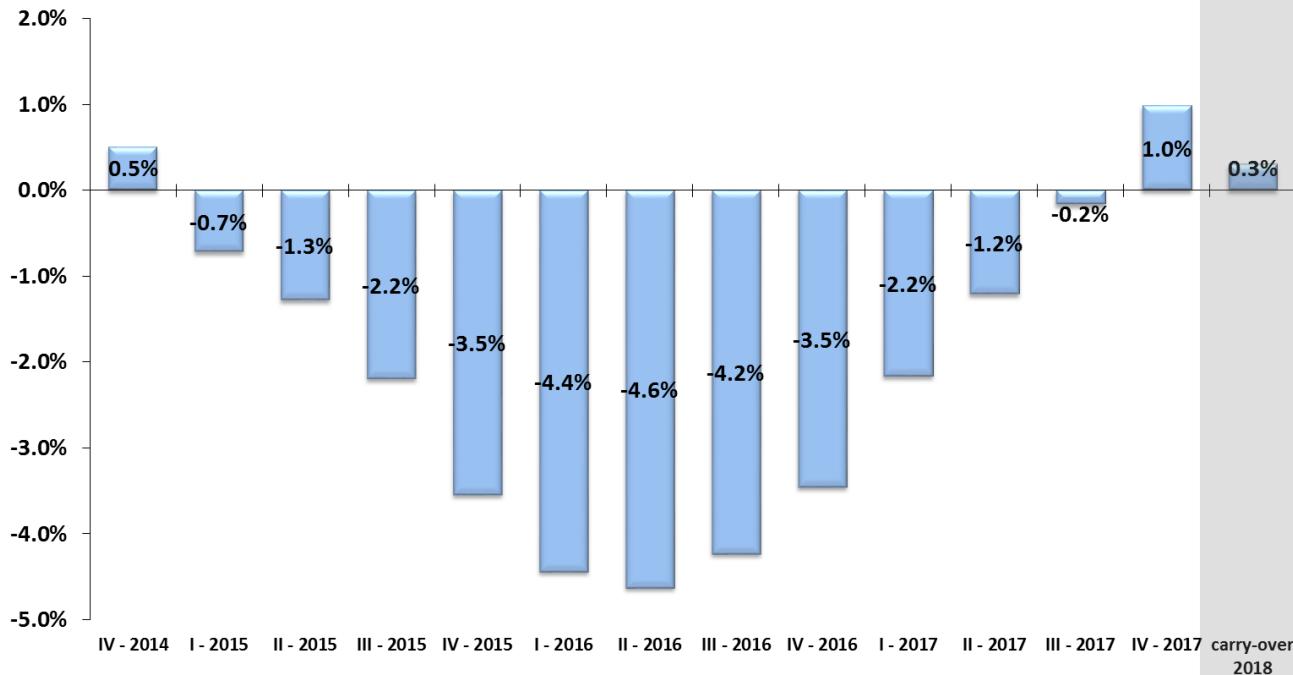
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HIGHLIGHTS

Quarterly GDP

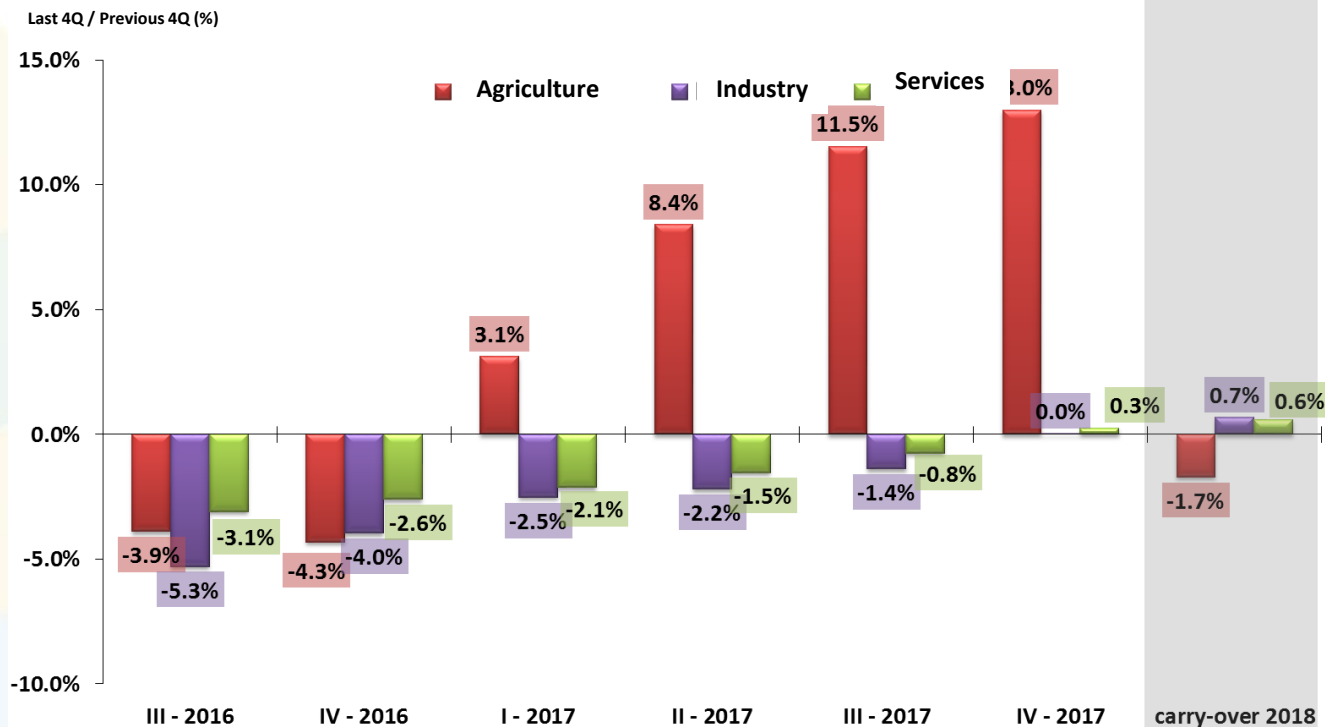
Last 4Q / Previous 4Q (%)



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2007 based on 2017 3rd quarter seasonally adjusted level compared to 2016 average.

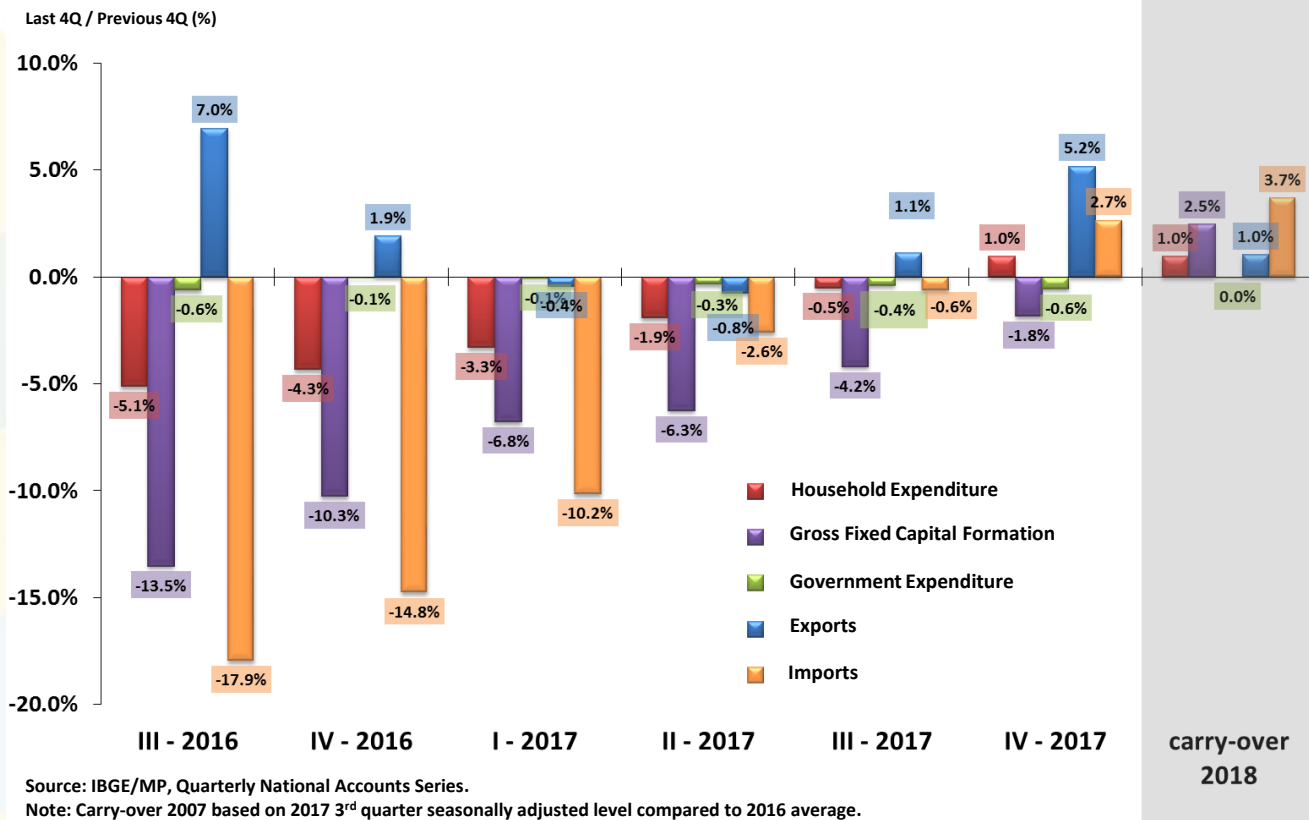
Quarterly GDP by Activity Sector



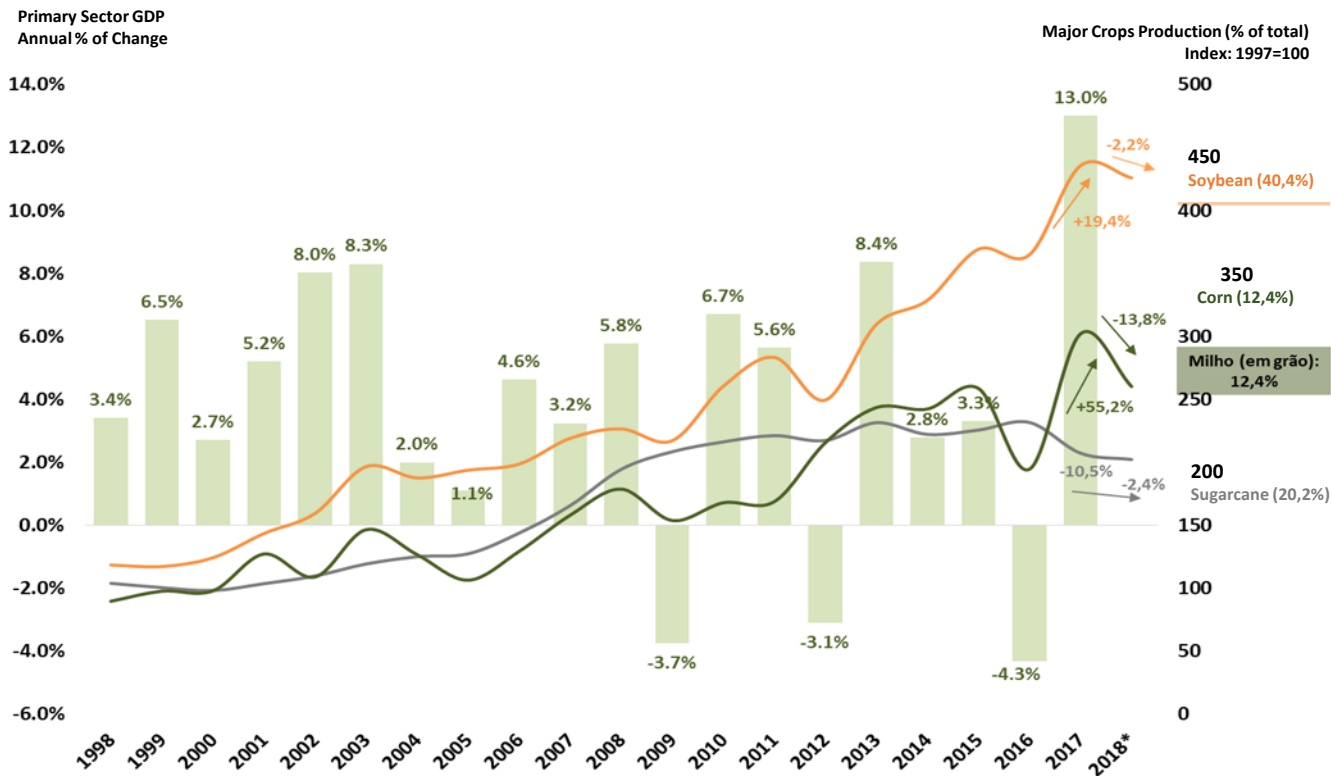
Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2007 based on 2017 3rd quarter seasonally adjusted level compared to 2016 average.

Quarterly GDP by Expenditure

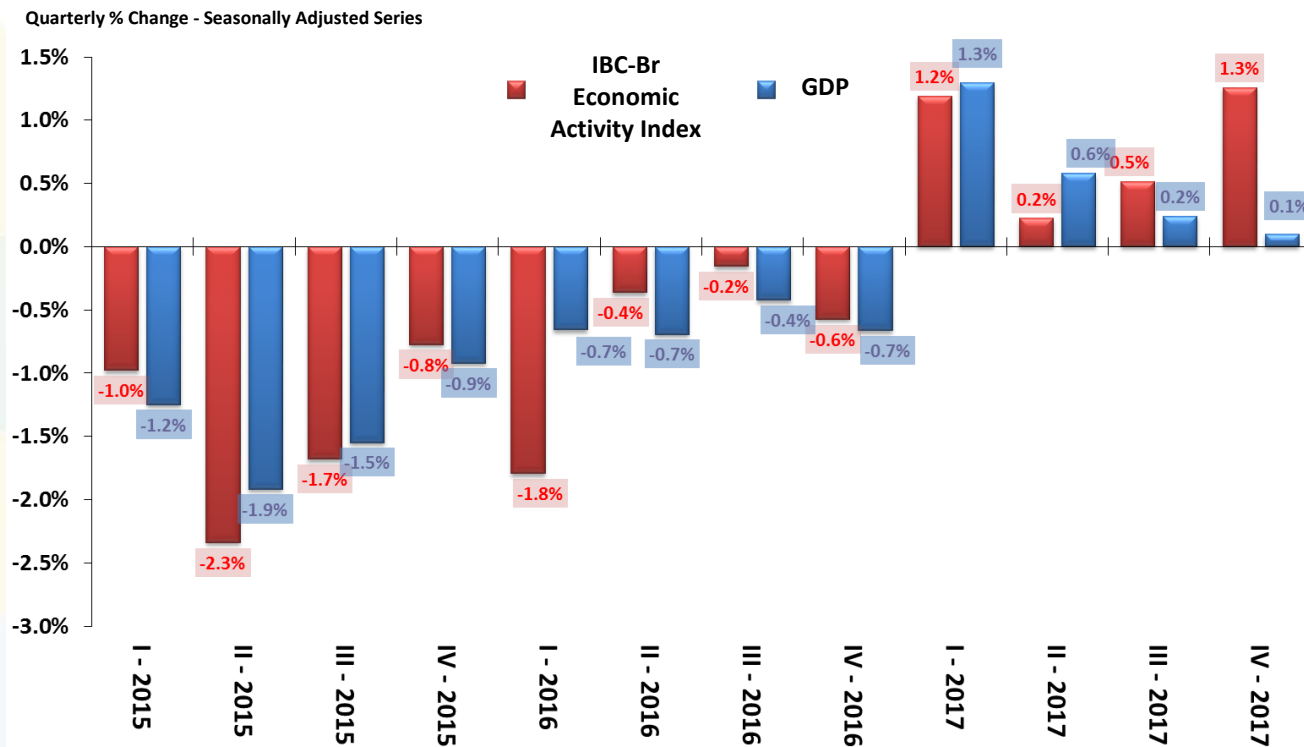


Primary Sector Performance by Major Crops



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

Quarterly GDP Growth and IBC-Br Economic Activity Index

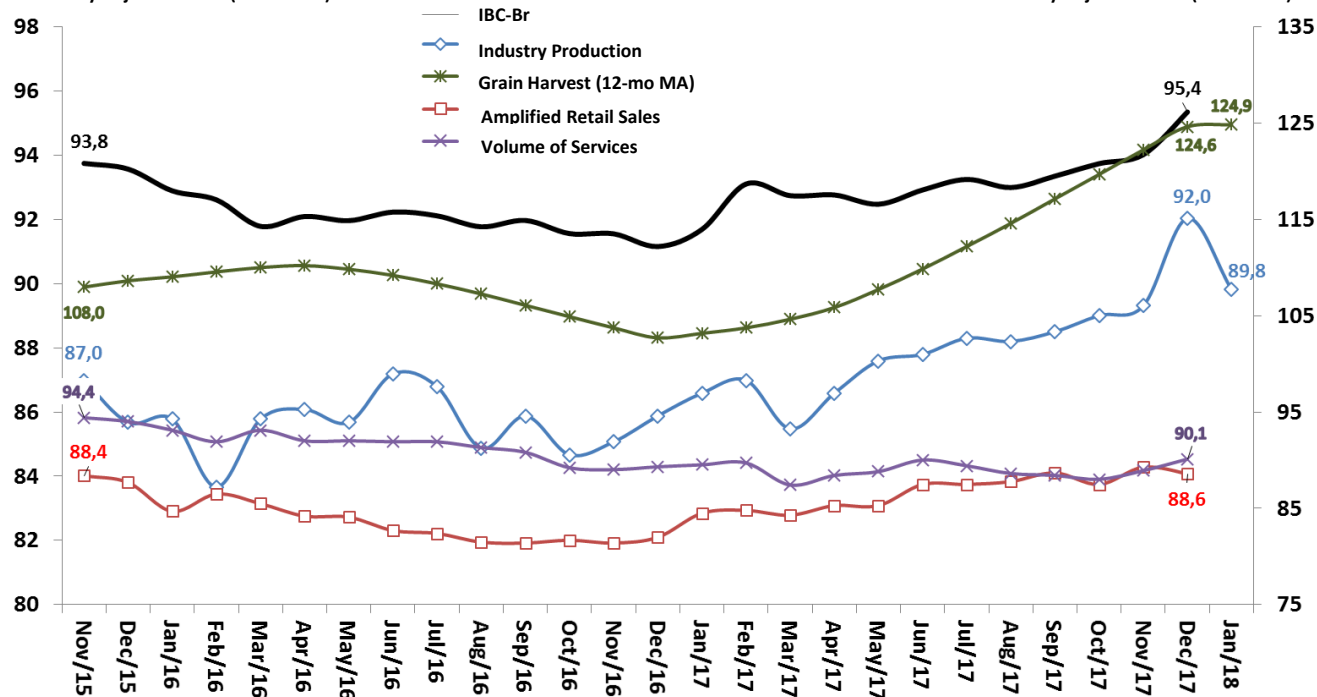


Sources: IBGE/MP and Central Bank of Brazil.

Major Monthly Economic Activity Indicators

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

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

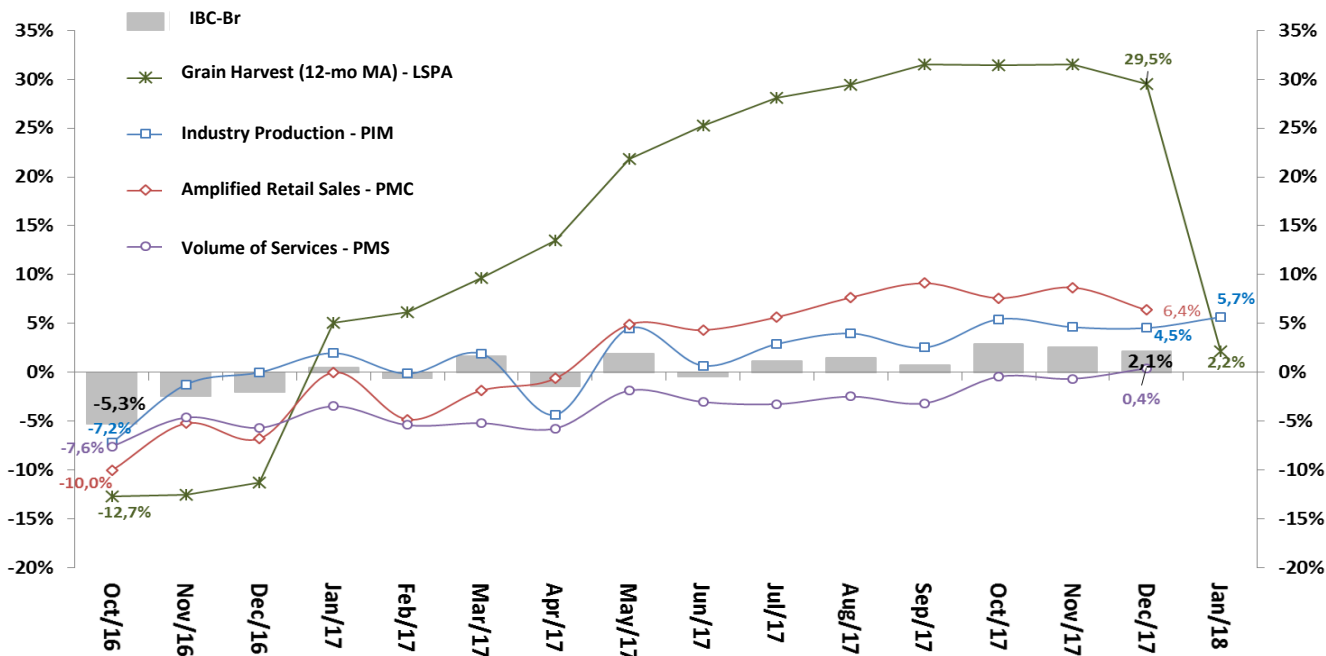


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators

IBC-Br
(YoY %)

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

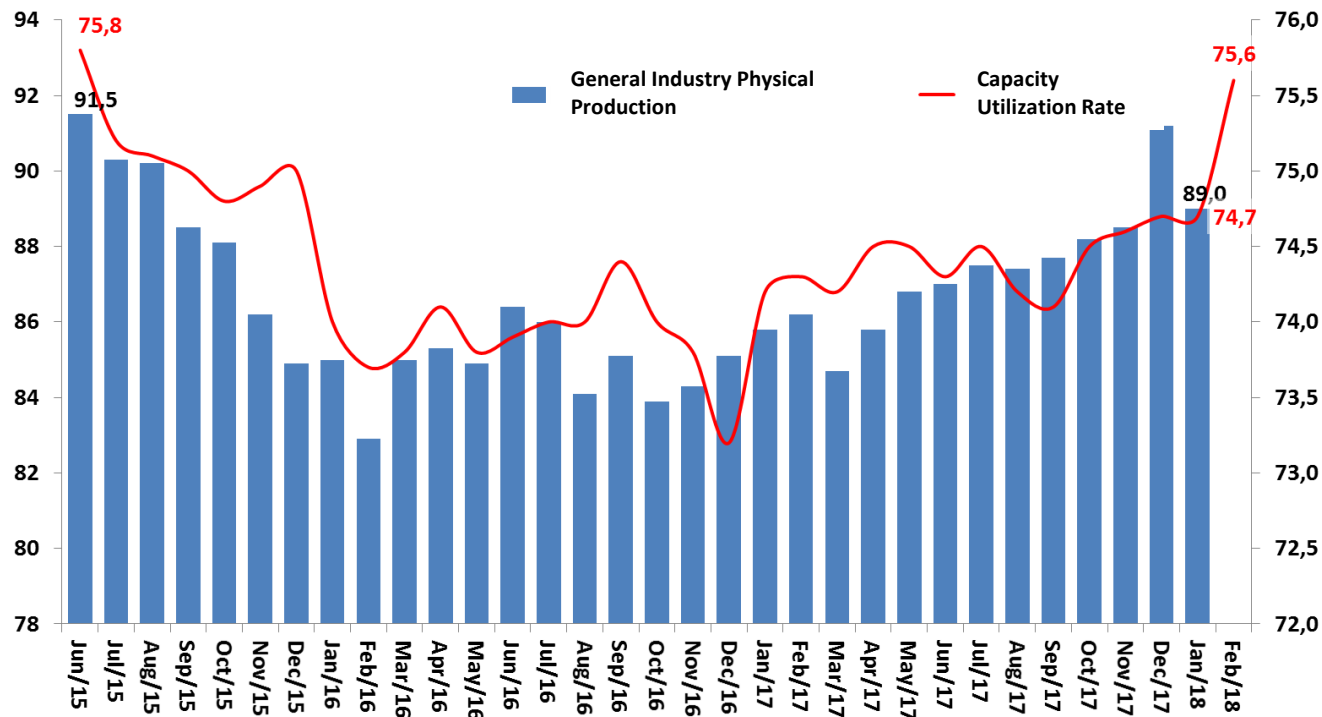


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

Industry Production
Seasonally Adjusted Index (2003 = 100)

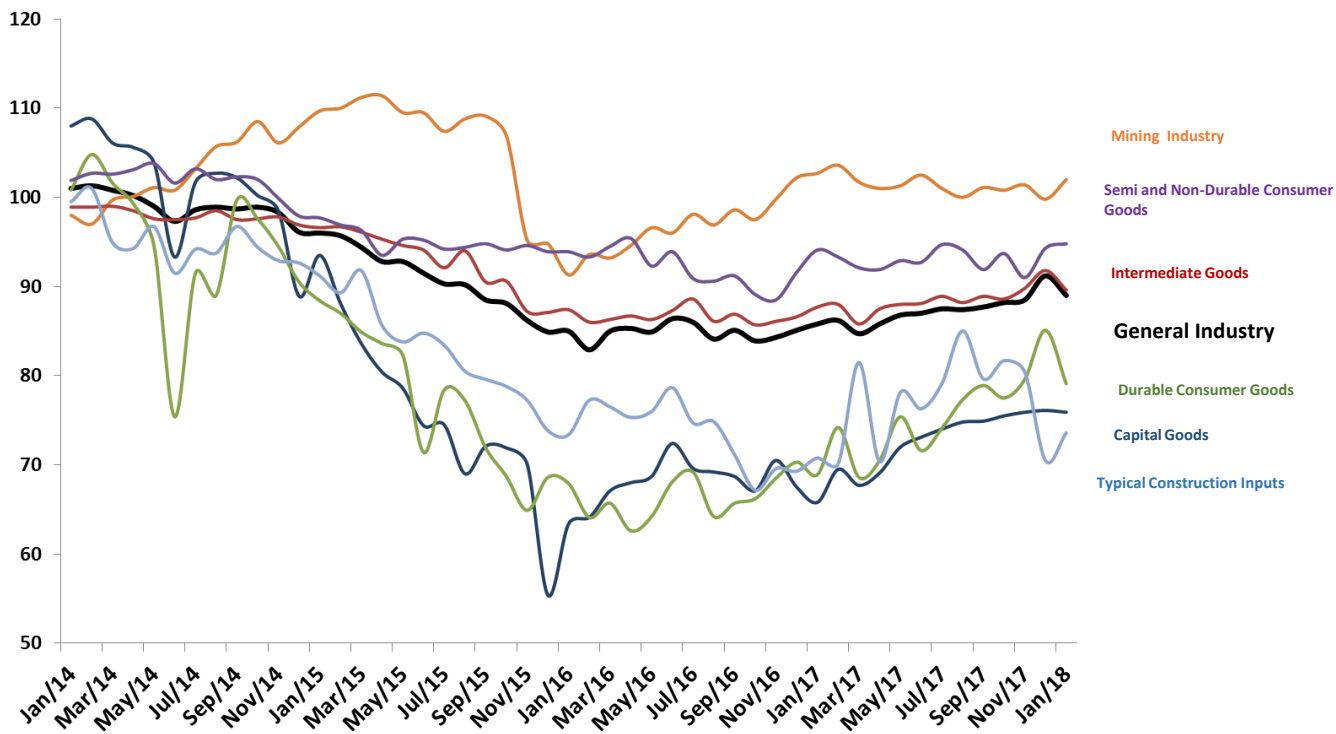
Capacity Utilization
Seasonally Adjusted - % of Total Capacity



Sources: IBGE/MP and FGV.

Total Industrial Production and Economic Categories

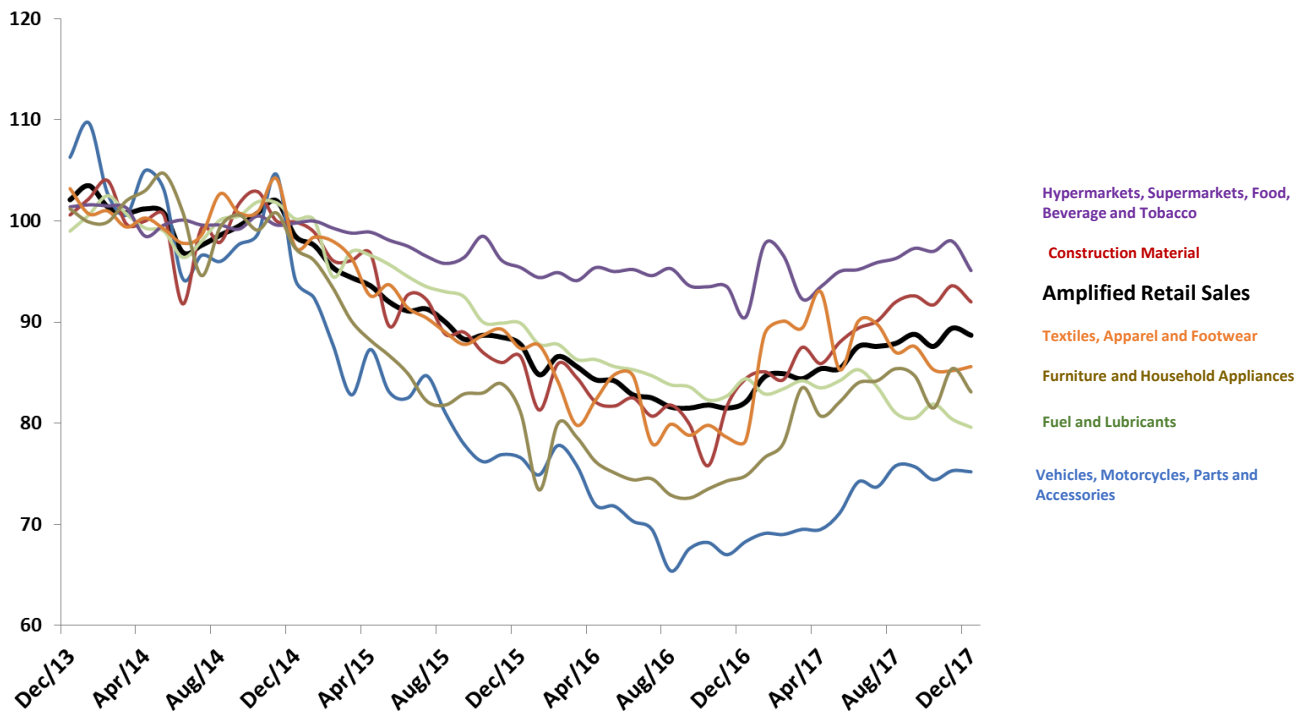
Industry Physical Production by Economic Category
Seasonally Adjusted Index (2002 = 100)



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

Total Retail Sales and Subsectors

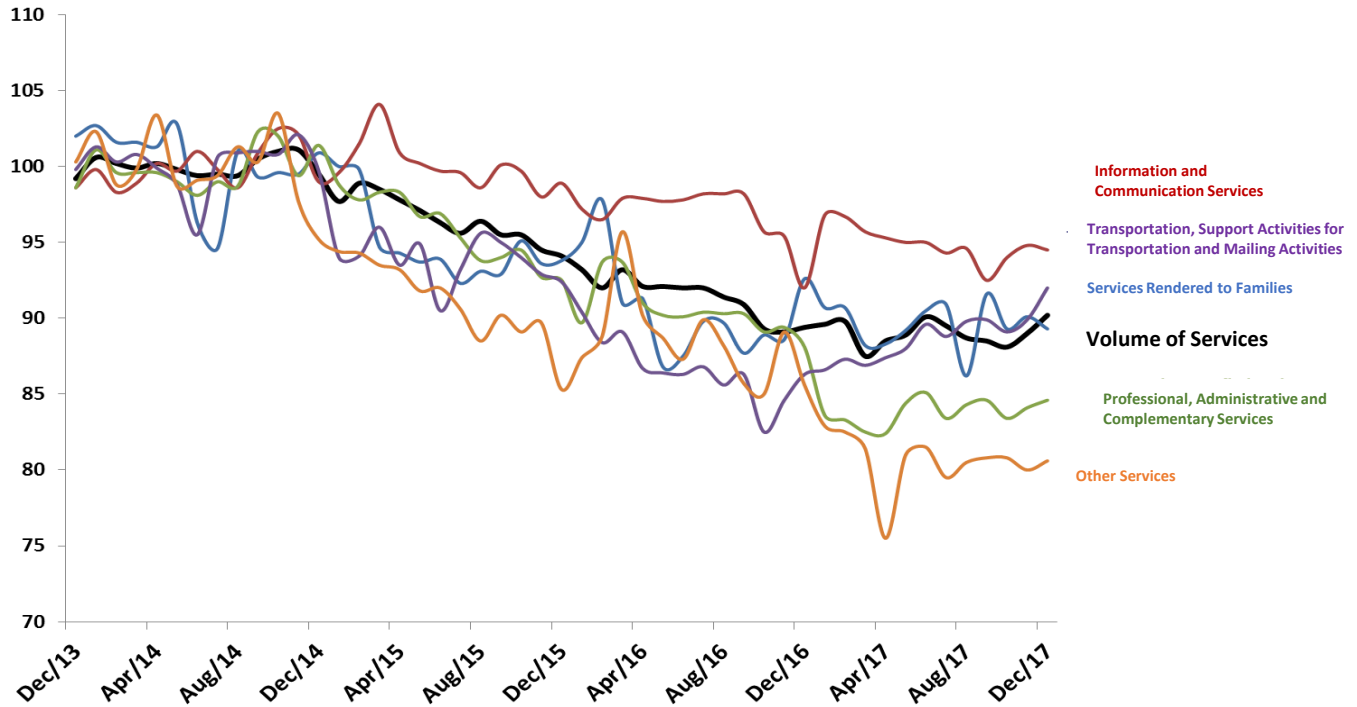
Retail Sales by Subsector
Seasonally Adjusted Index (2002 = 100)



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

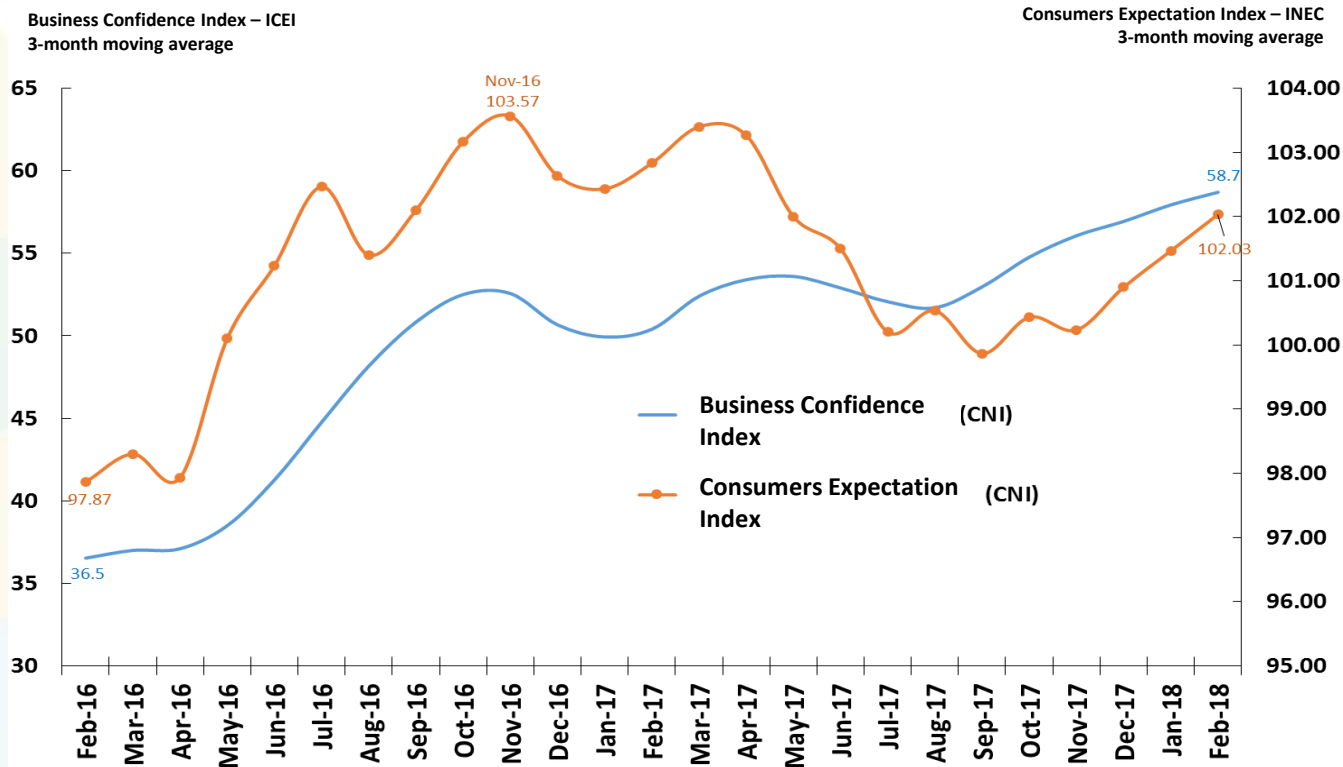
Total Services and Subsectors

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



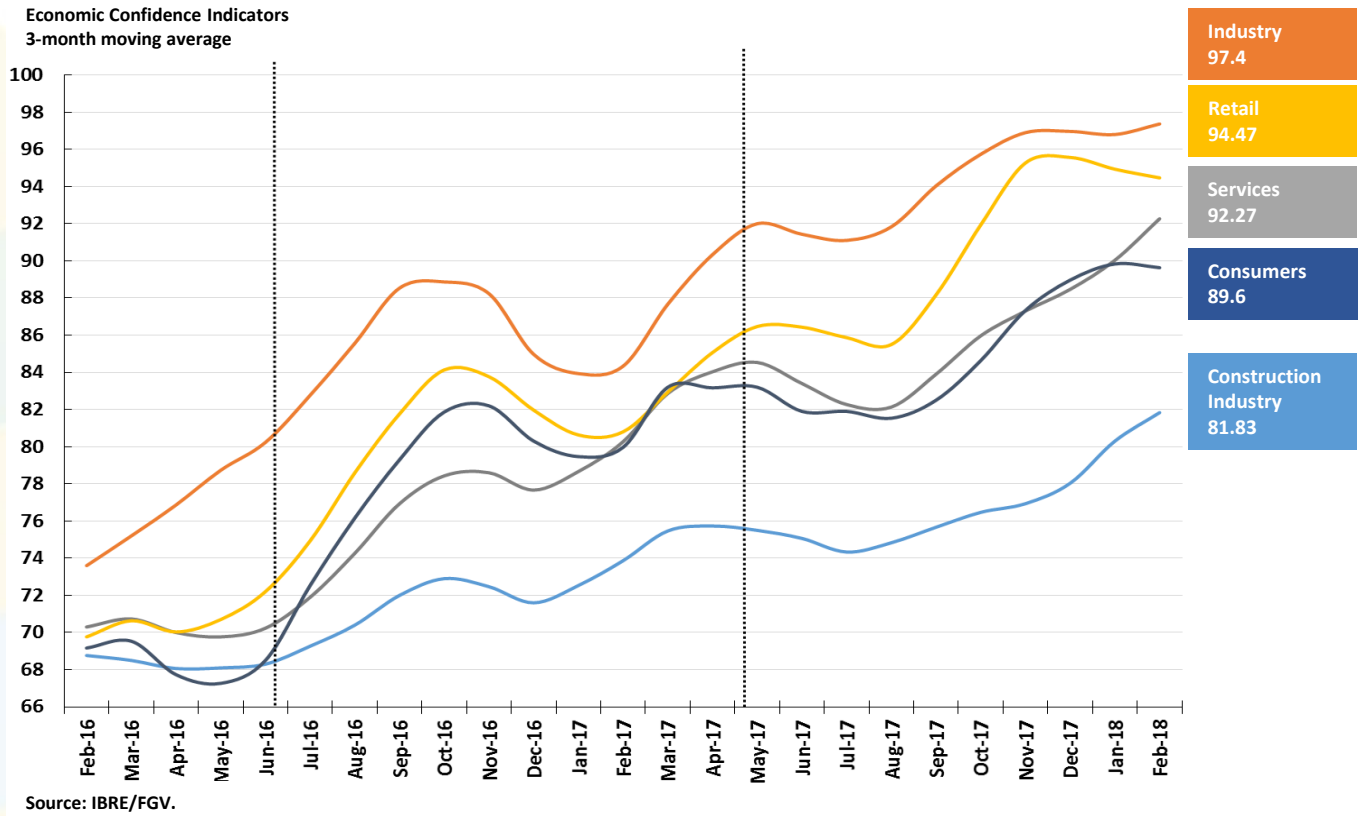
Source: IBGE, Monthly Survey of Services (PMS).

CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

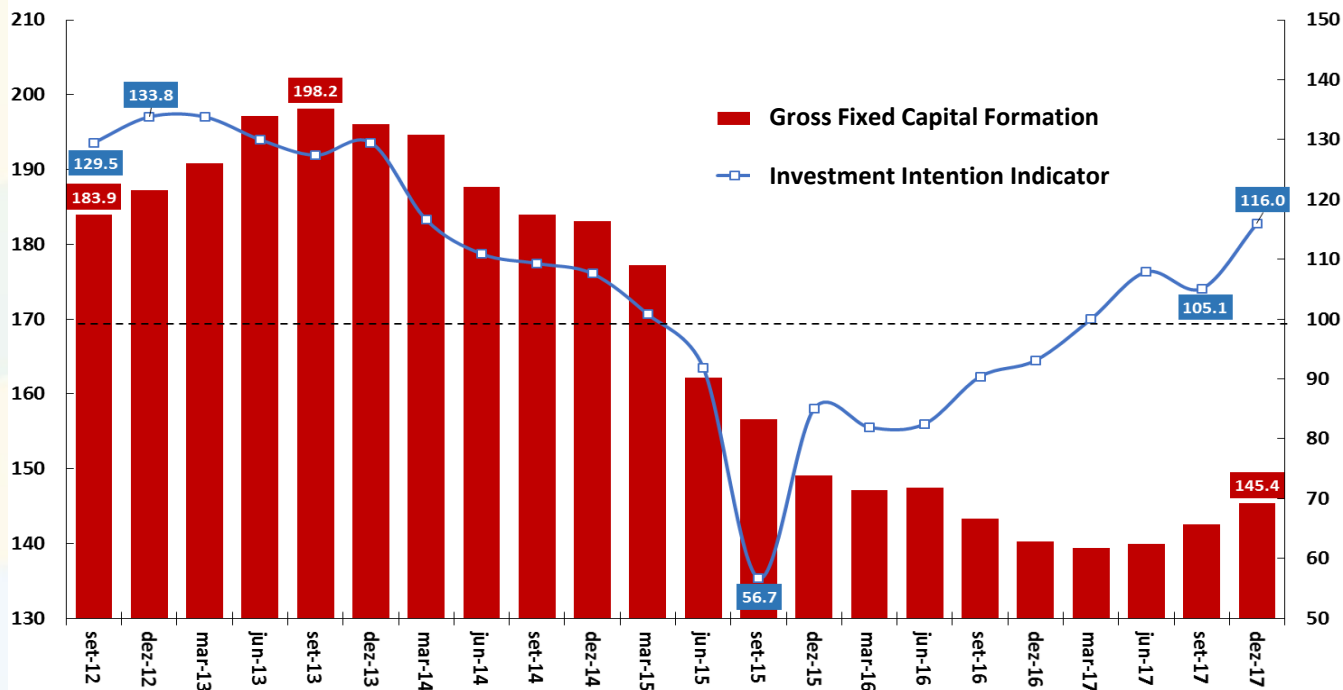
FGV: Economic Confidence Indicators



Gross Fixed Capital Formation and Investment Intention

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

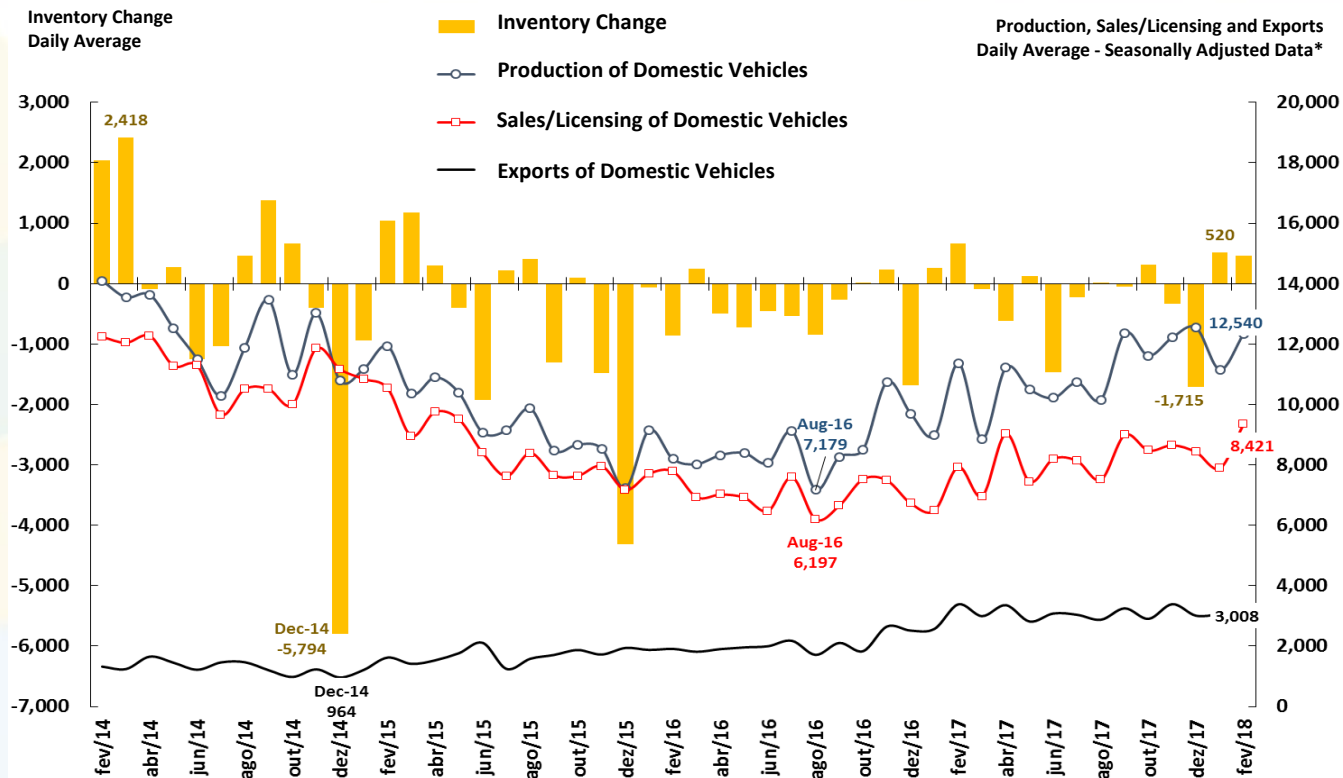
Investment Intention Indicator*
IBRE/FGV Investments Survey



Source: IBGE/MP e IBRE/FGV.

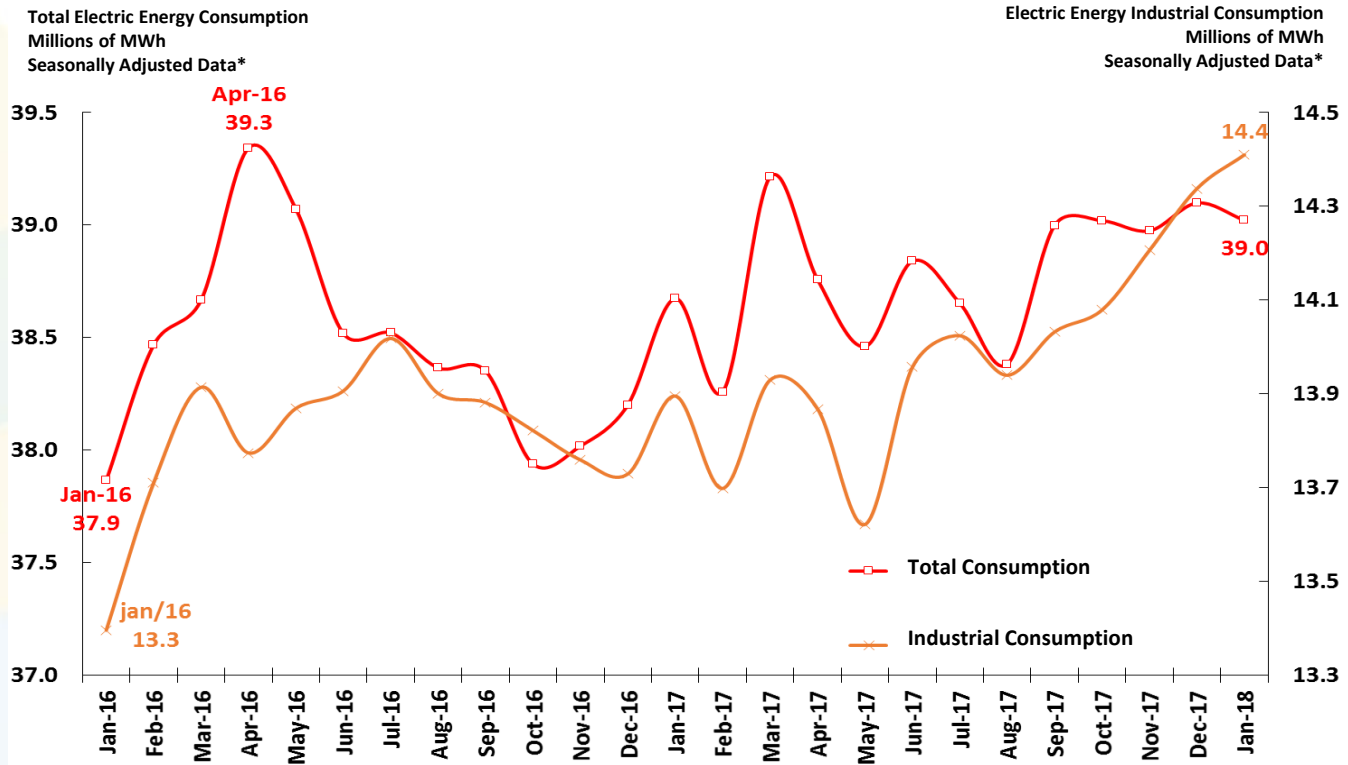
*Note: Measures the difference between positive and negative answers, plus 100.

Automotive Sector Production, Sales and Inventory Change



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

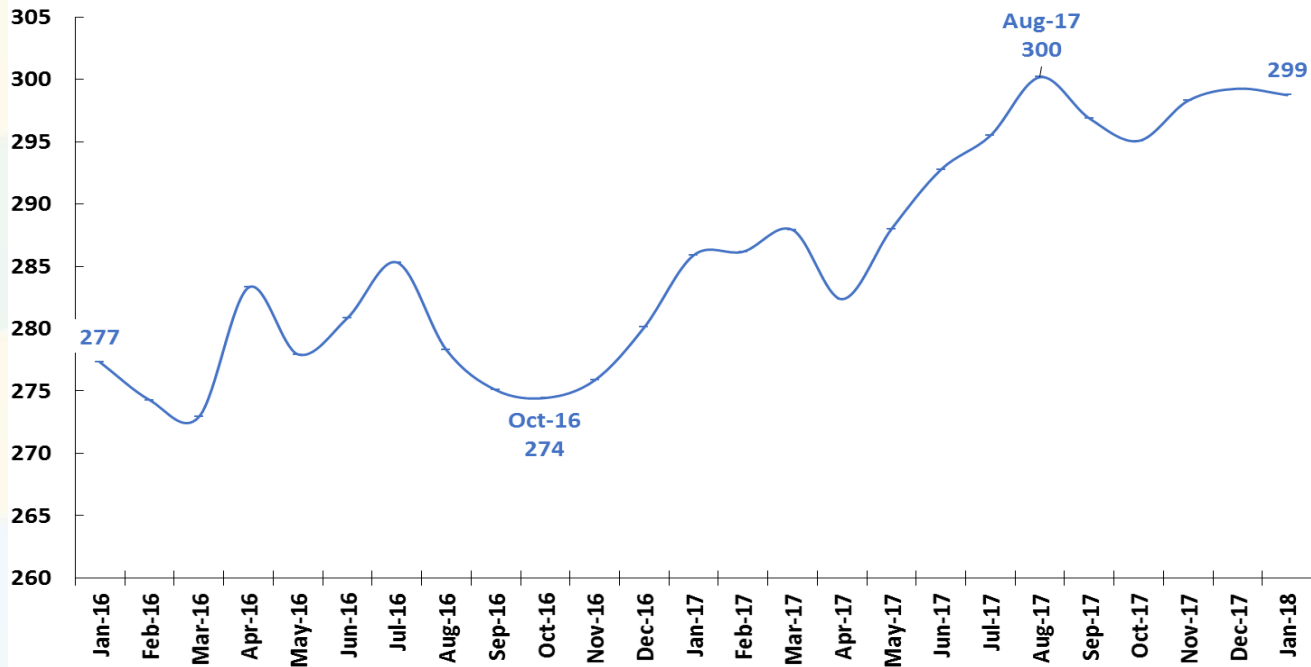
ANEEL: Electrical Energy Consumption



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

ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



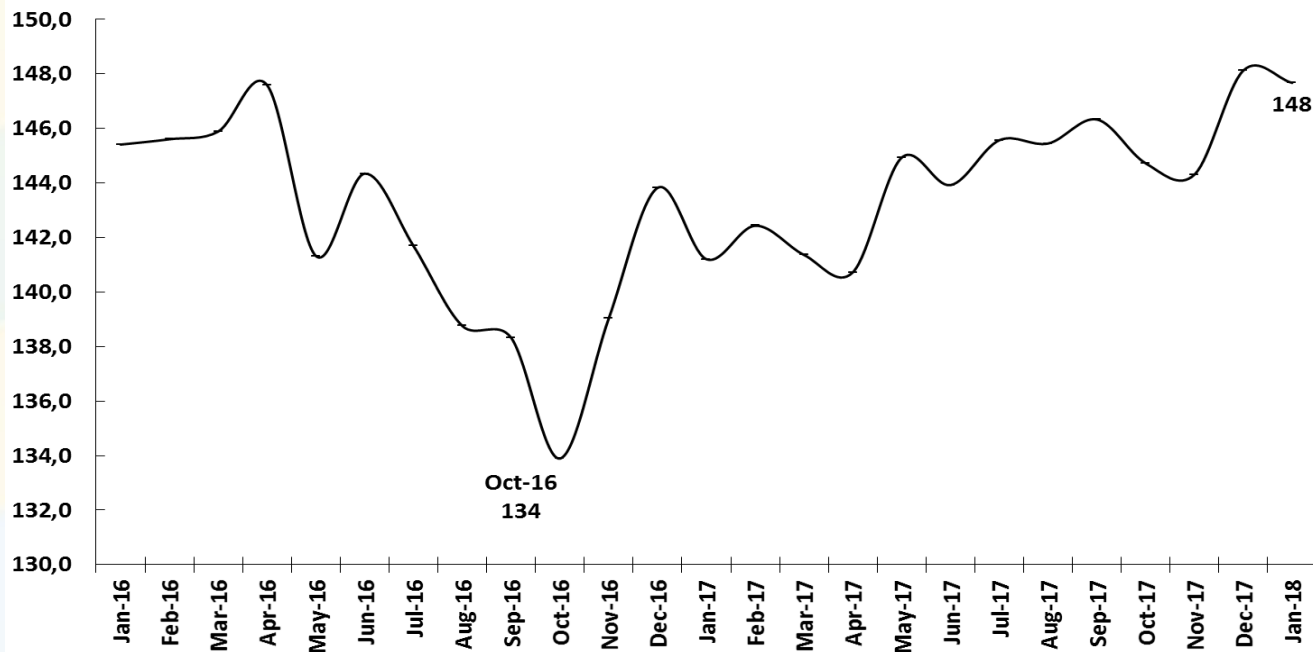
Source: ABPO. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

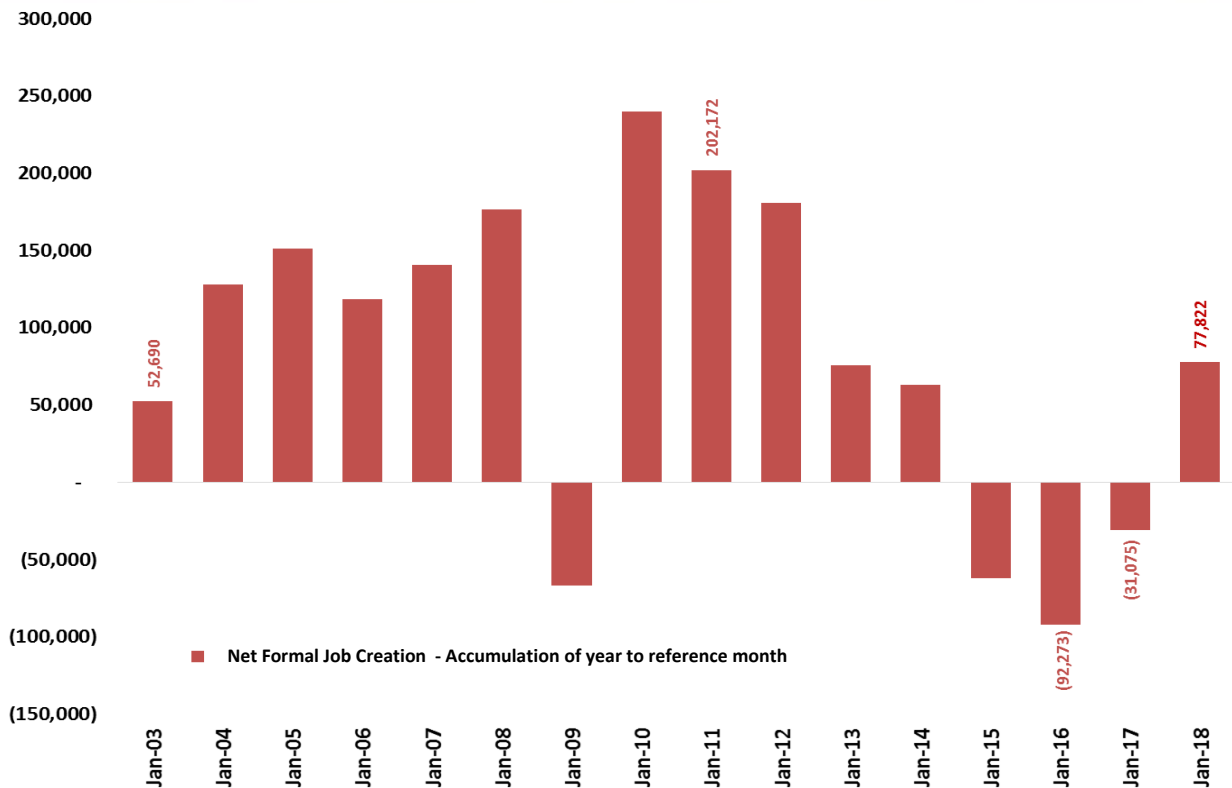
Index: 1999=100

Seasonally Adjusted Data



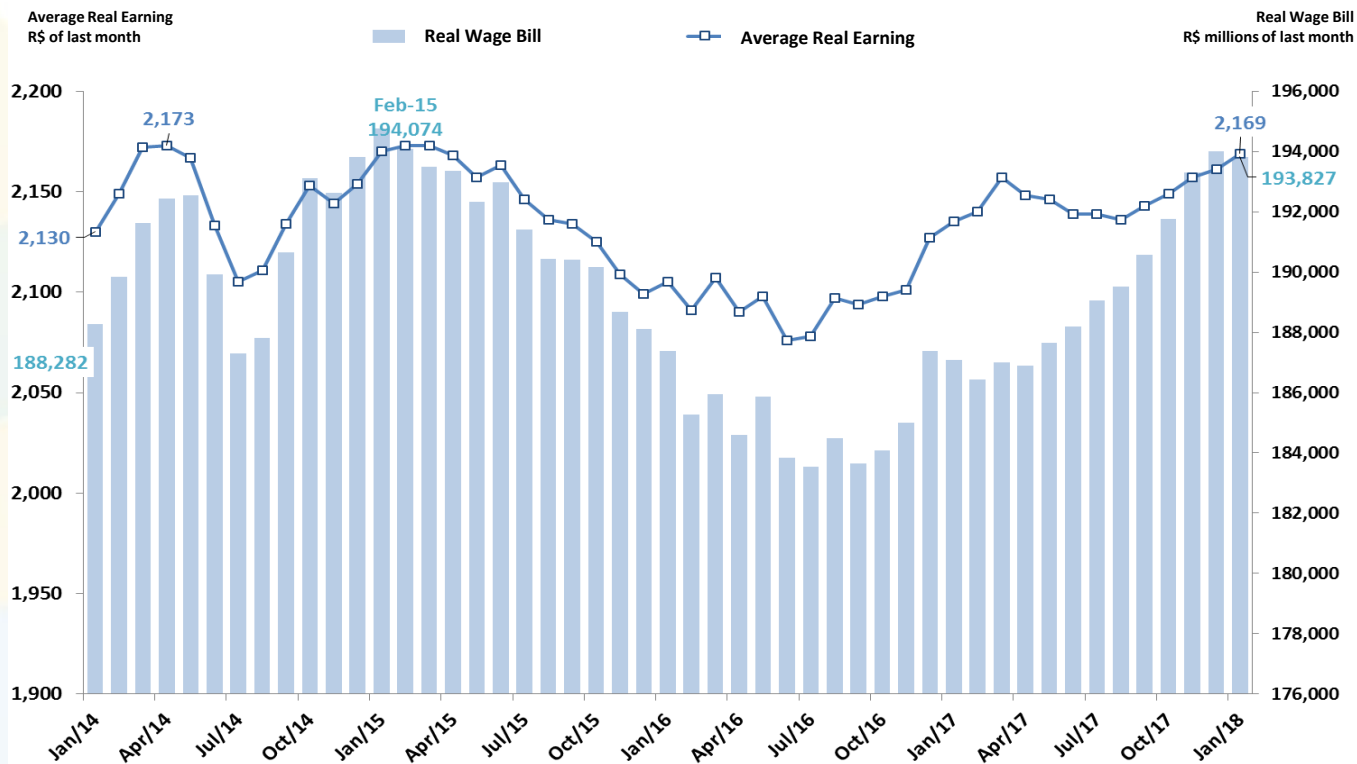
Source: ABCR.

Net Formal Job Creation – Total Accumulation of Year



Fonte: Source: MTE-CAGED (adjusted data).

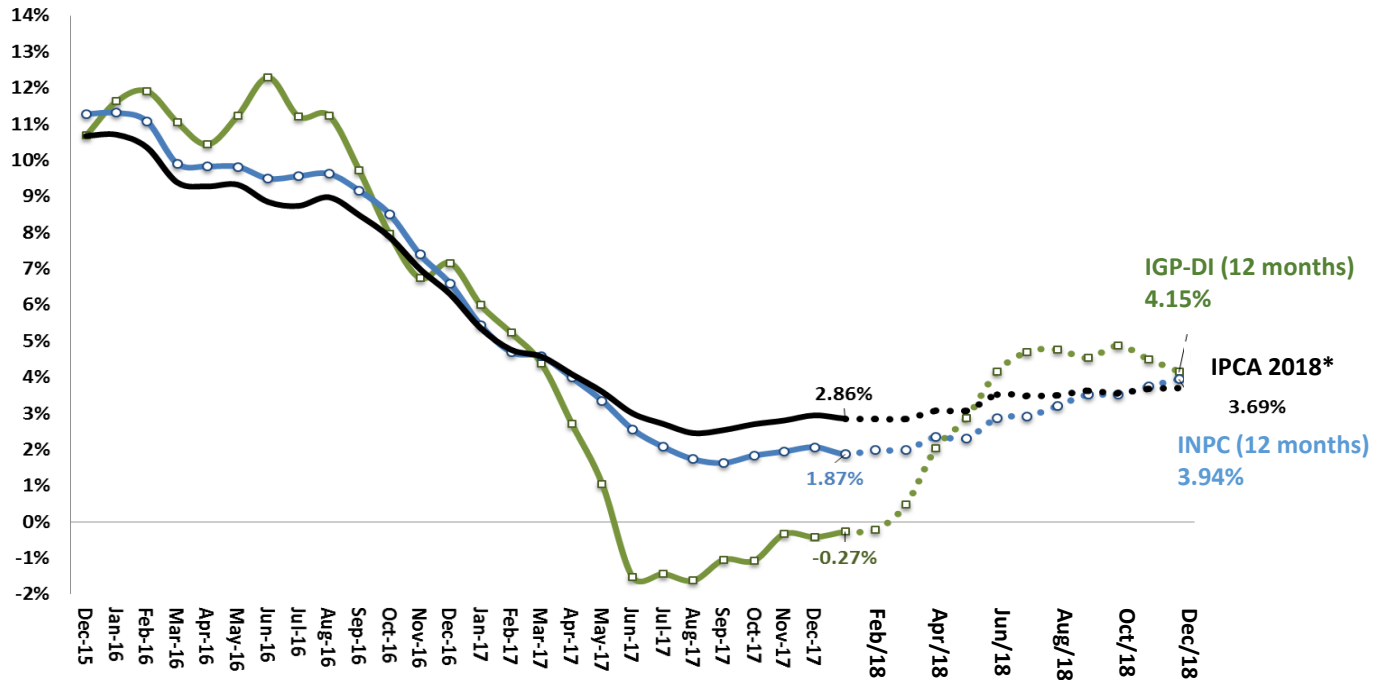
Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

Major Inflation Indexes

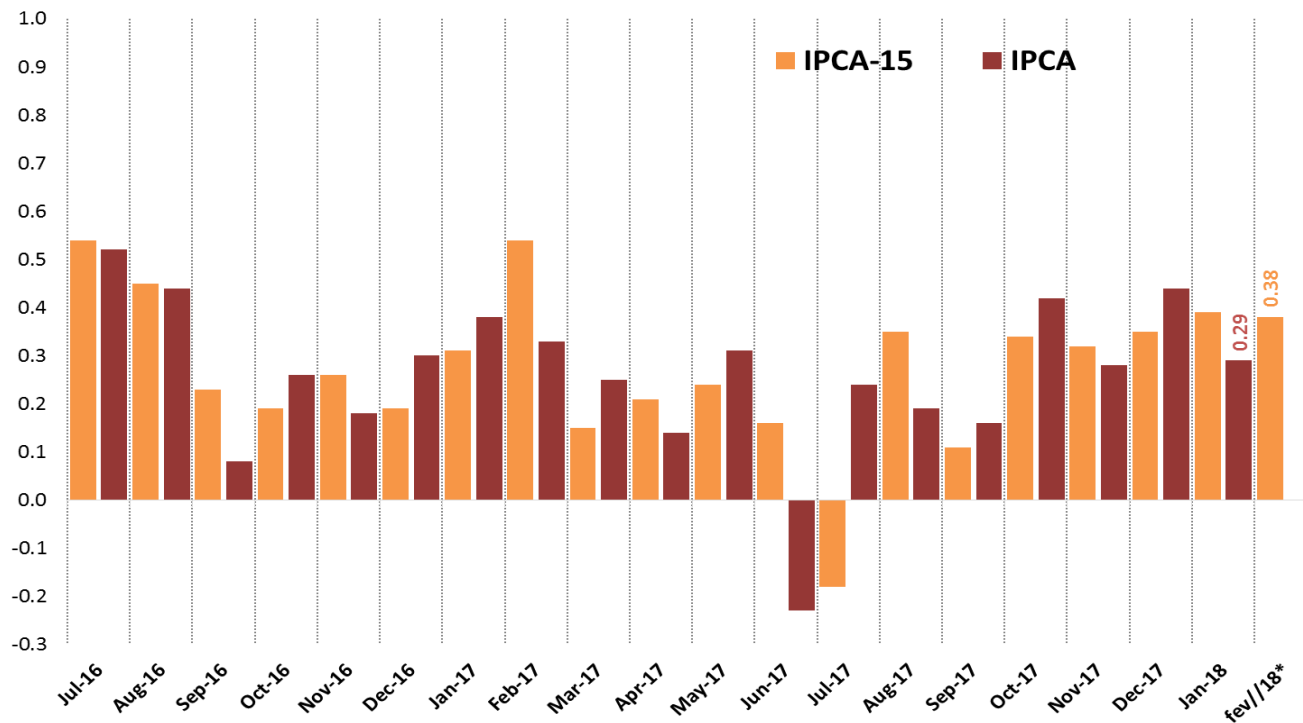
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 03/02/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

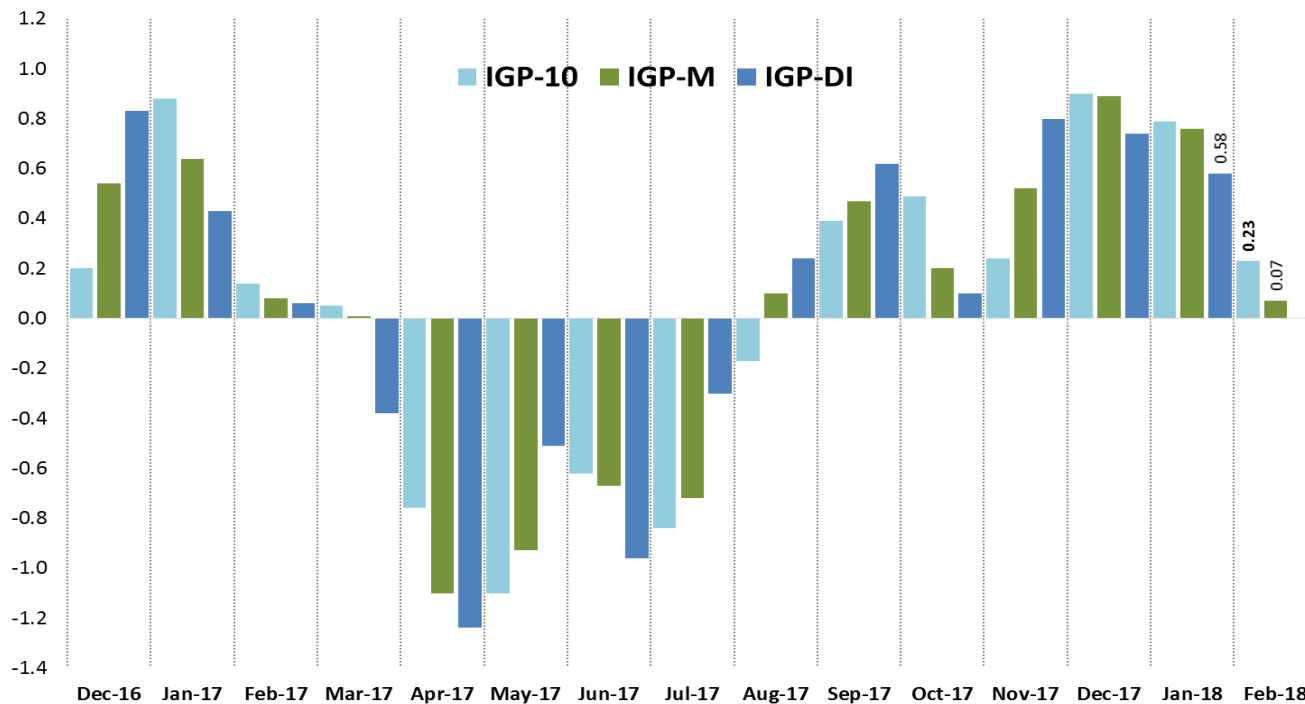
IPCA-15 and IPCA
By release order



Fonte Source: IBGE.

FGV: Monthly General Price Indexes

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

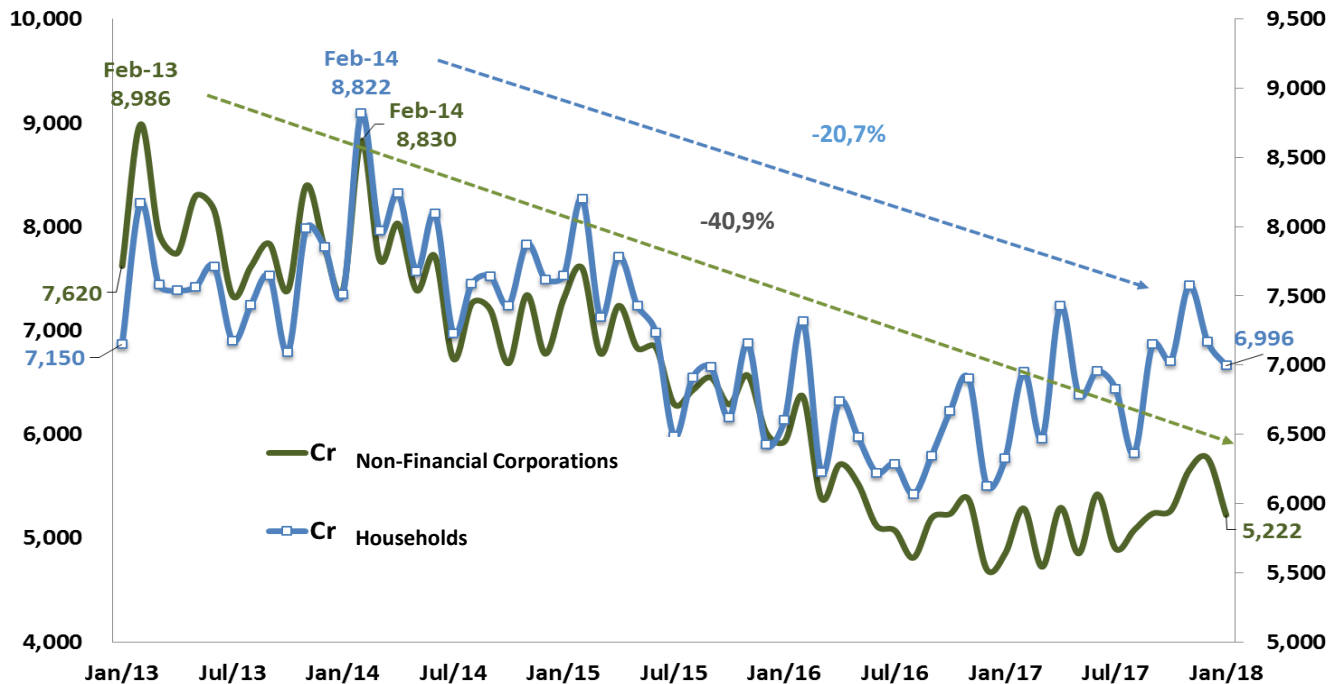


Source: FGV.

New Loans to Households and Non-Financial Corporations

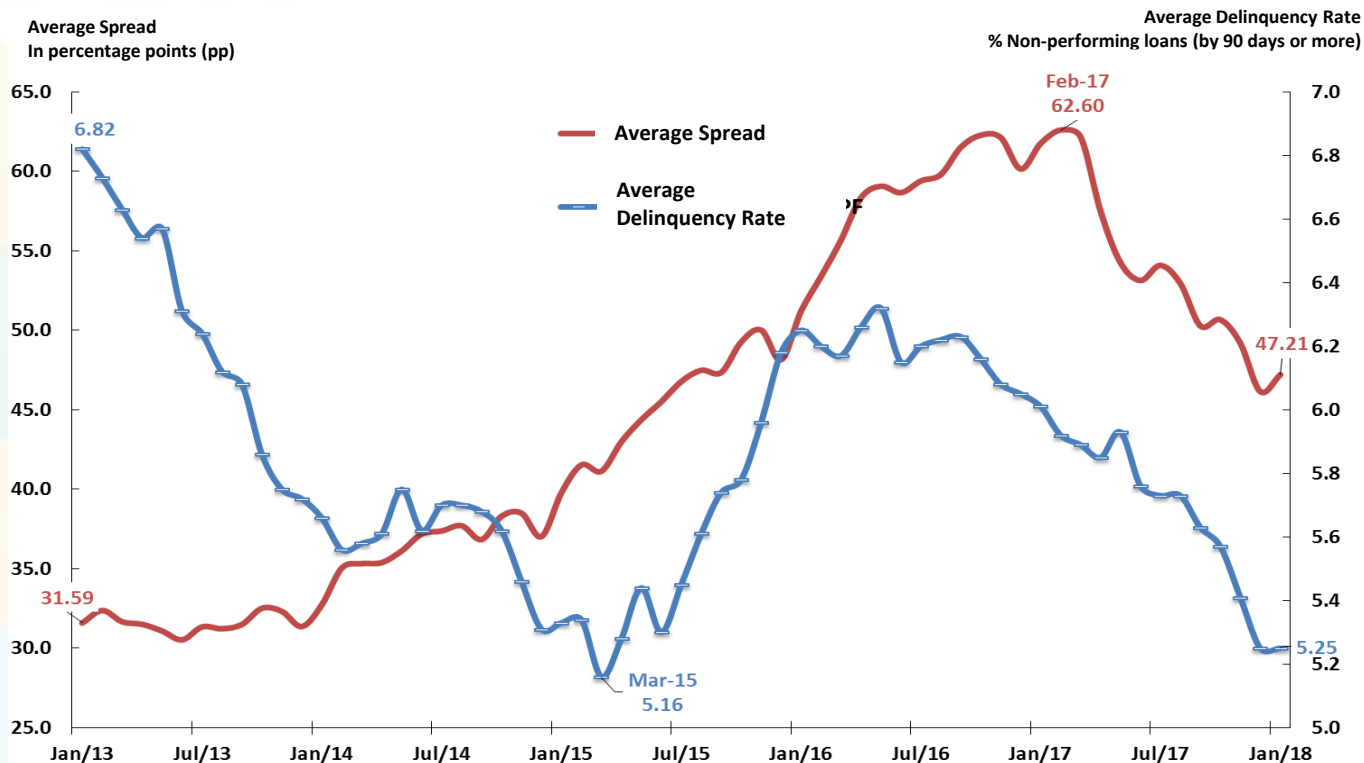
Daily Average of New Loans to Non-Financial Corporations
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*

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.

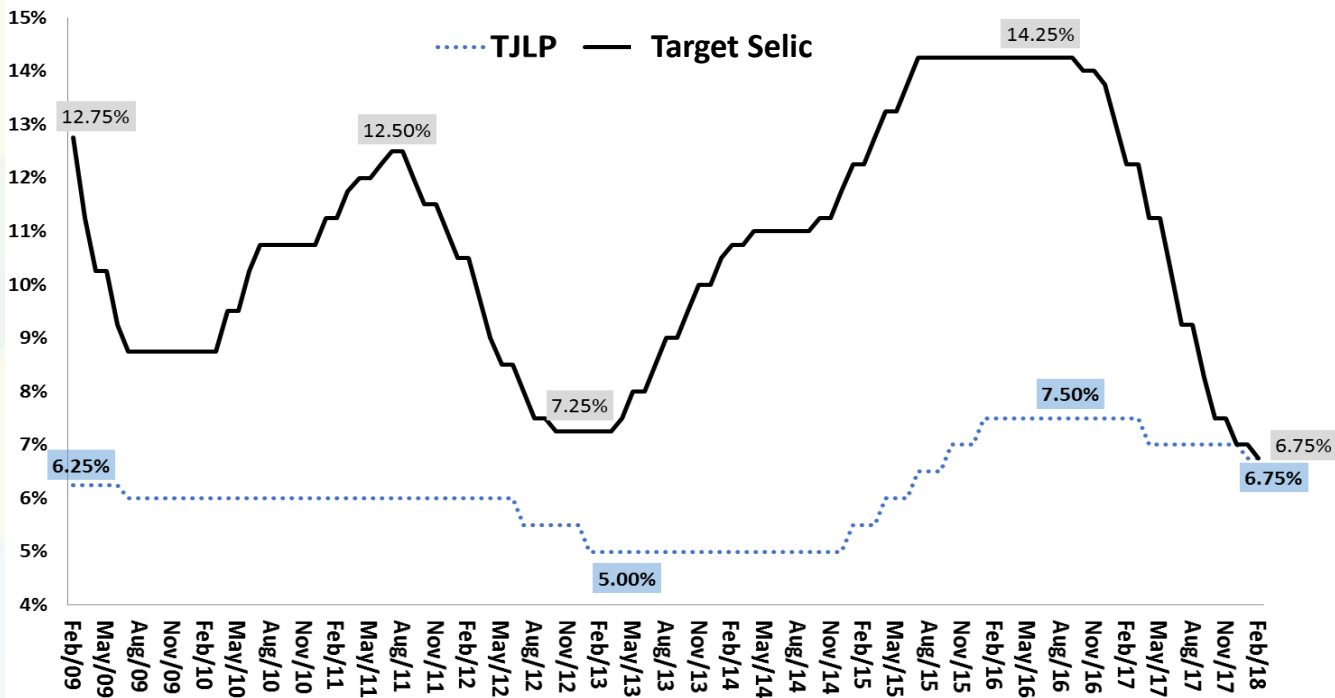
Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

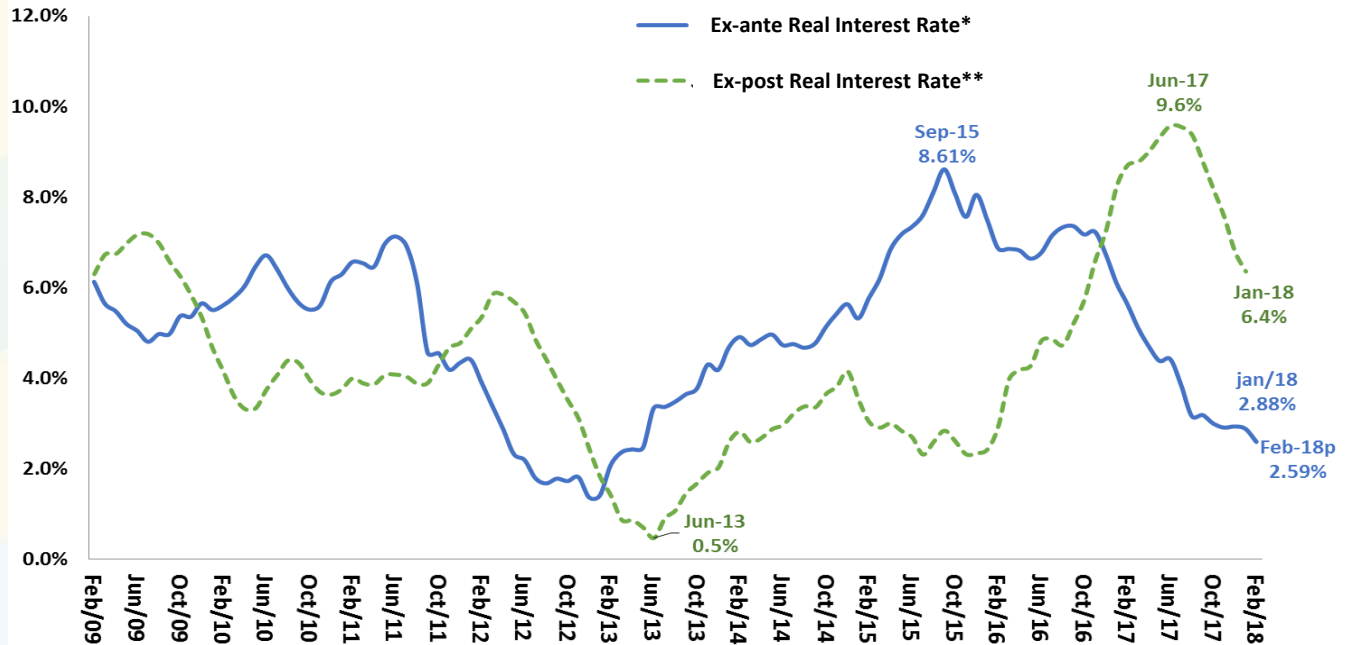
Selic and Long Term (TJLP)
Official Interest Rates (% py)



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.

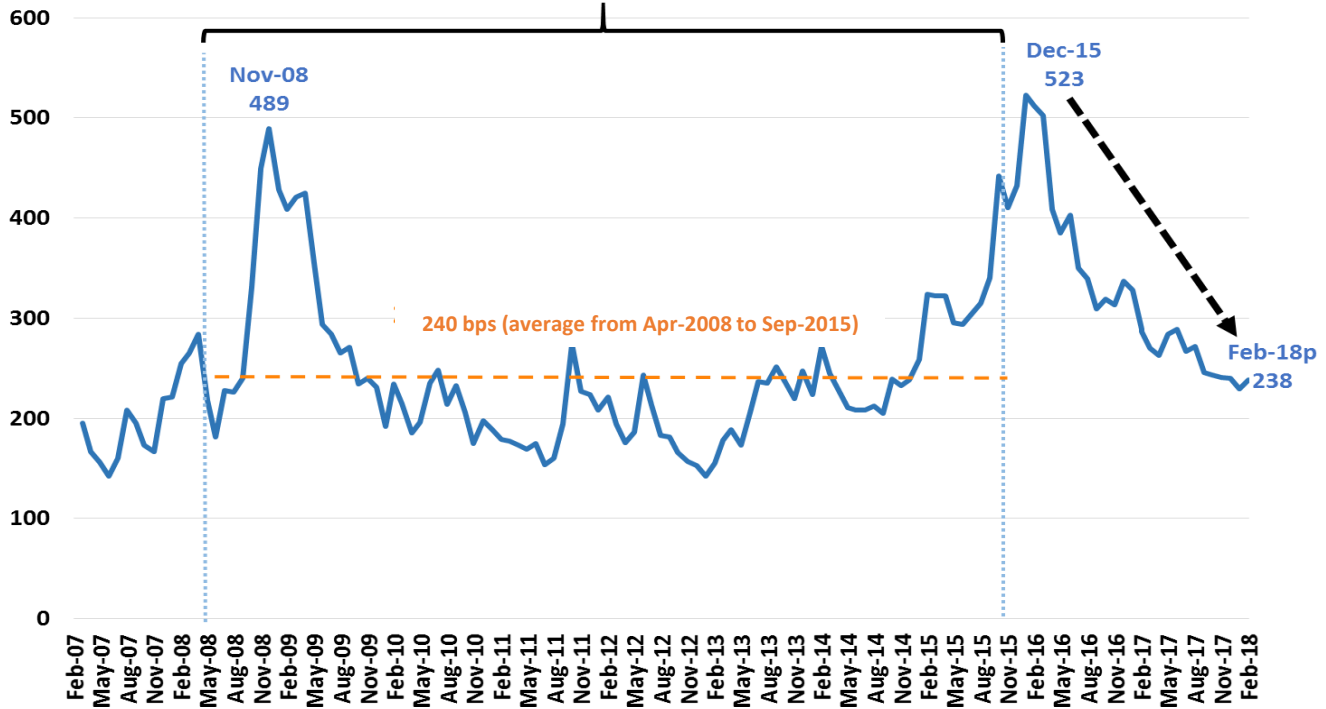
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

Sovereign Risk (EMBI+ BR)

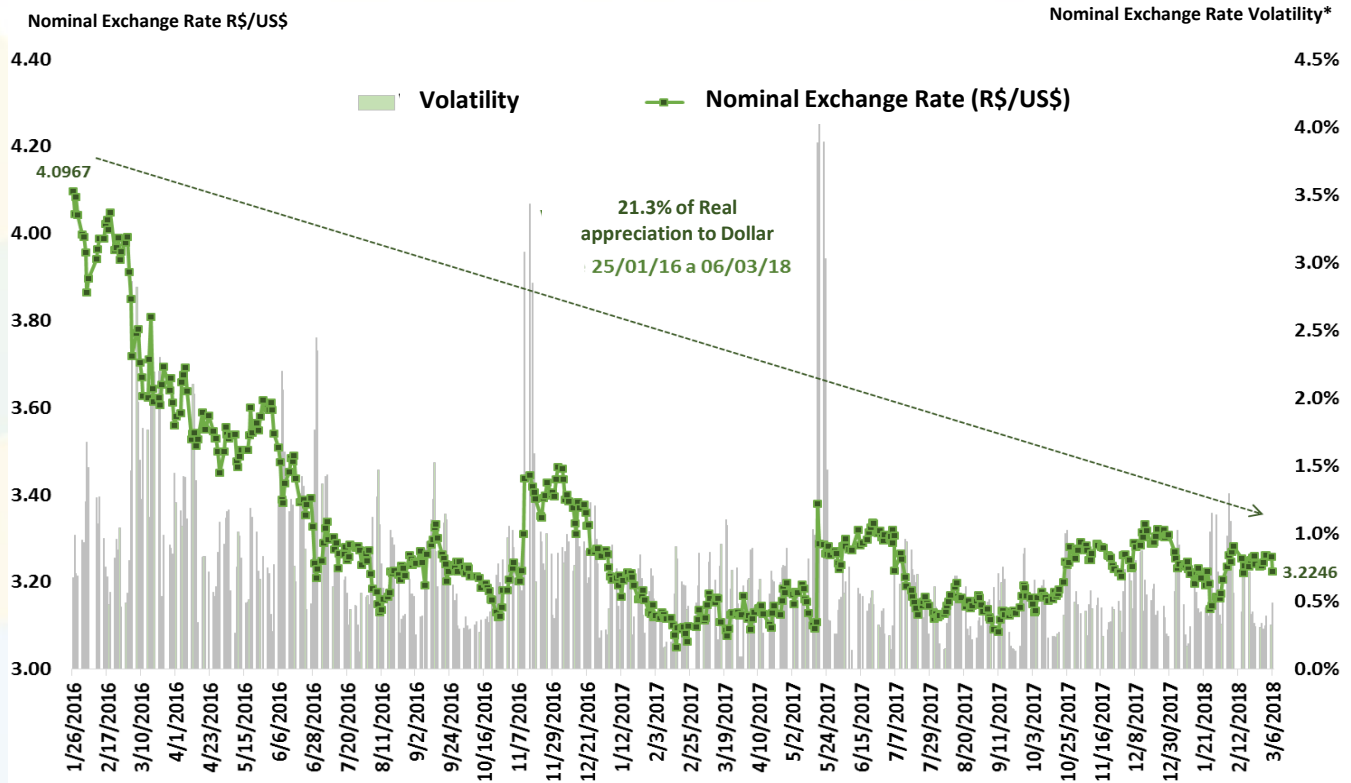
EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period



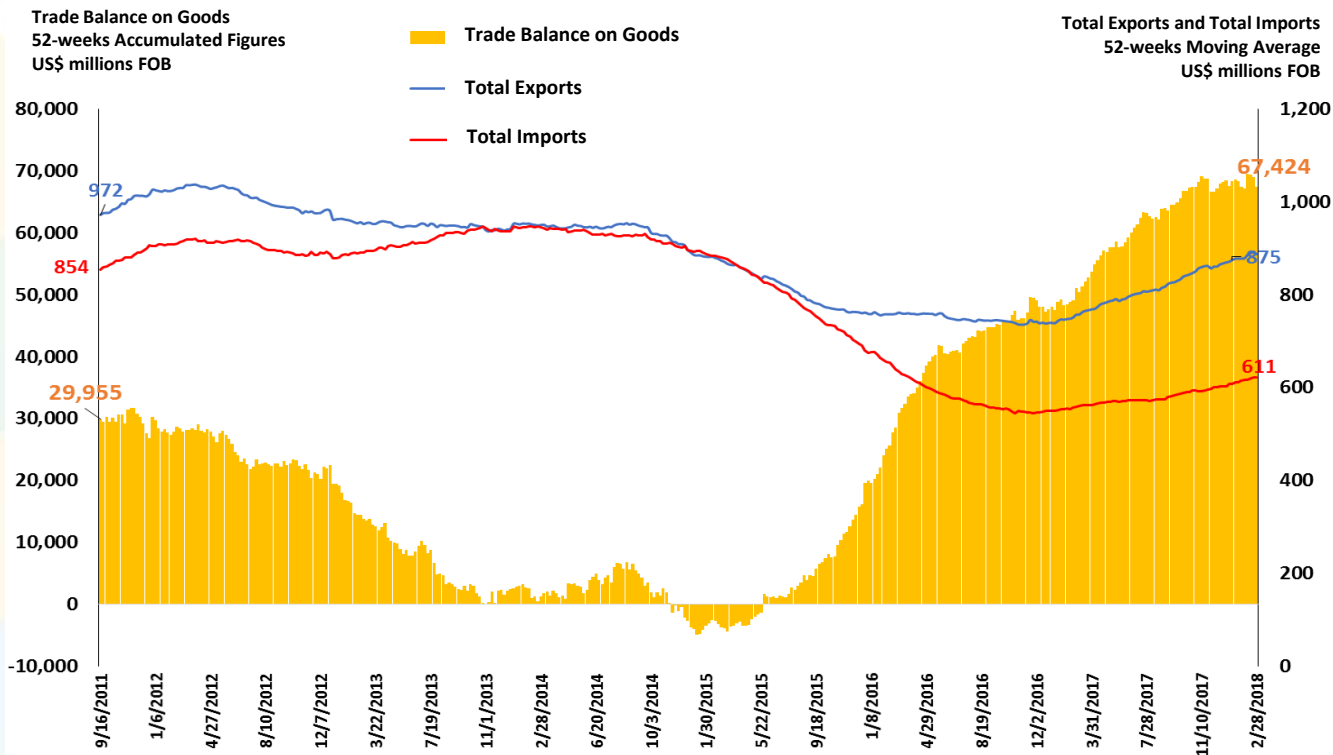
Source: JPMorgan.

Daily Nominal Exchange Rate R\$/US\$



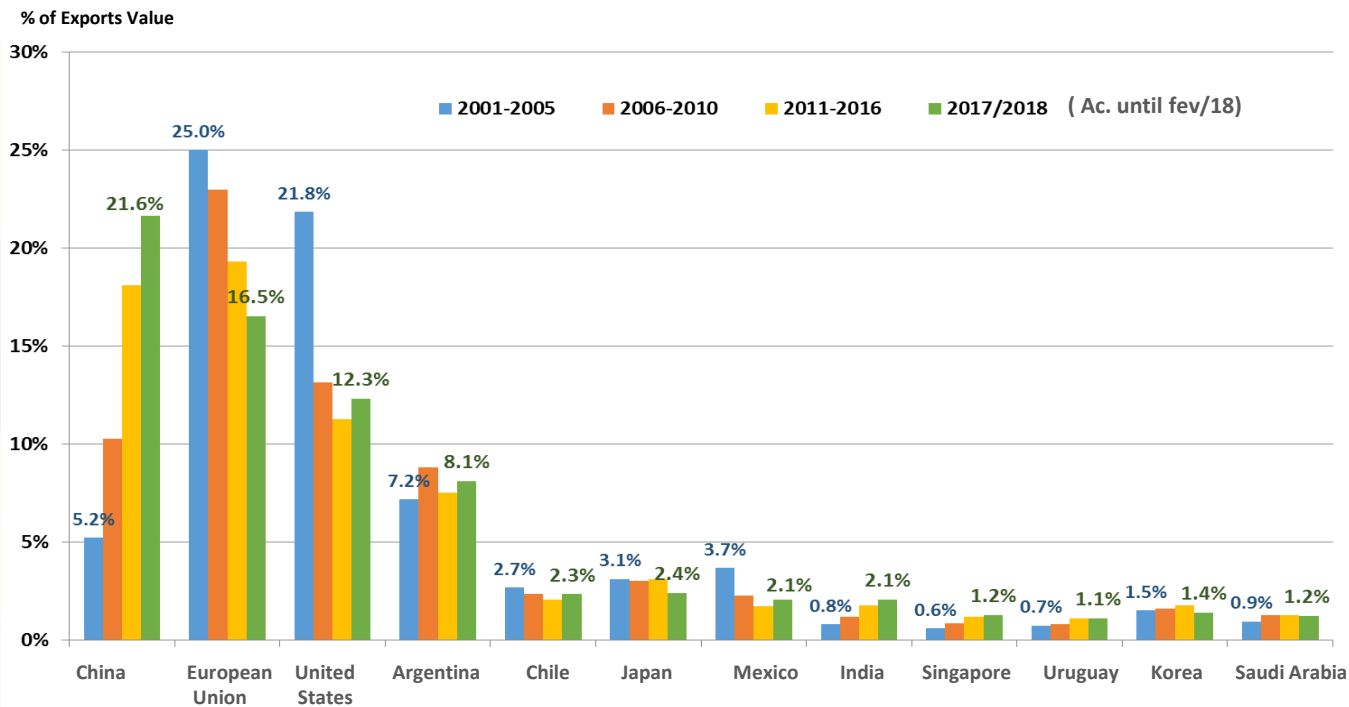
Fonte: Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

Trade Balance on Goods (52 weeks daily average)



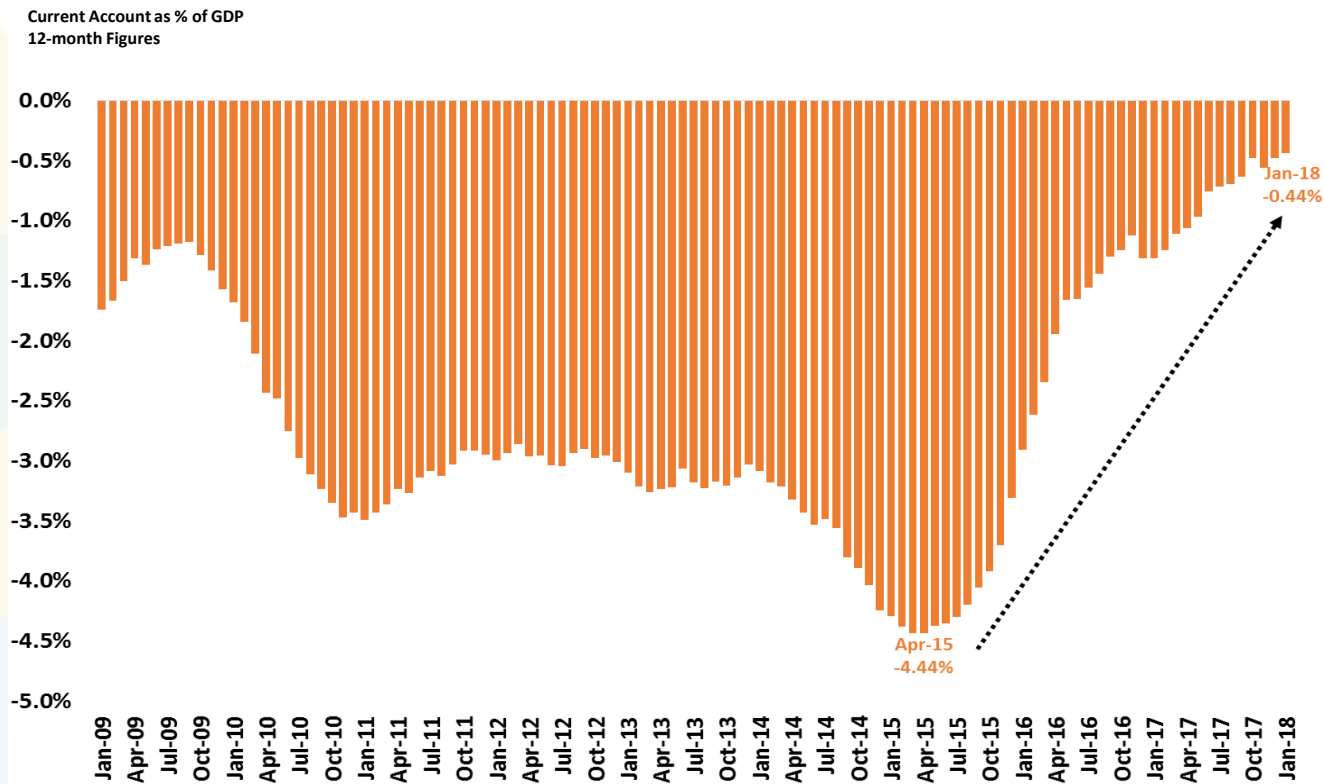
Source: SECEX/MDIC.

Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

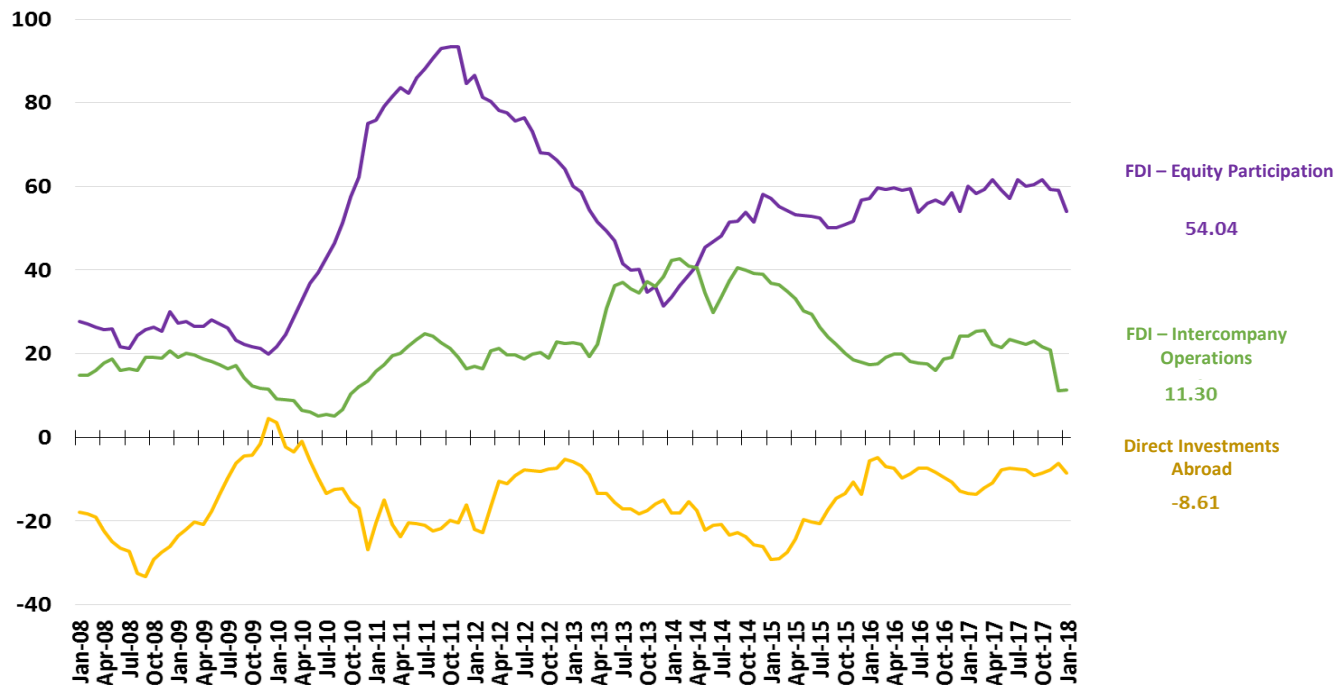
Current Account Deficit as % of GDP



Source: Central Bank of Brazil.

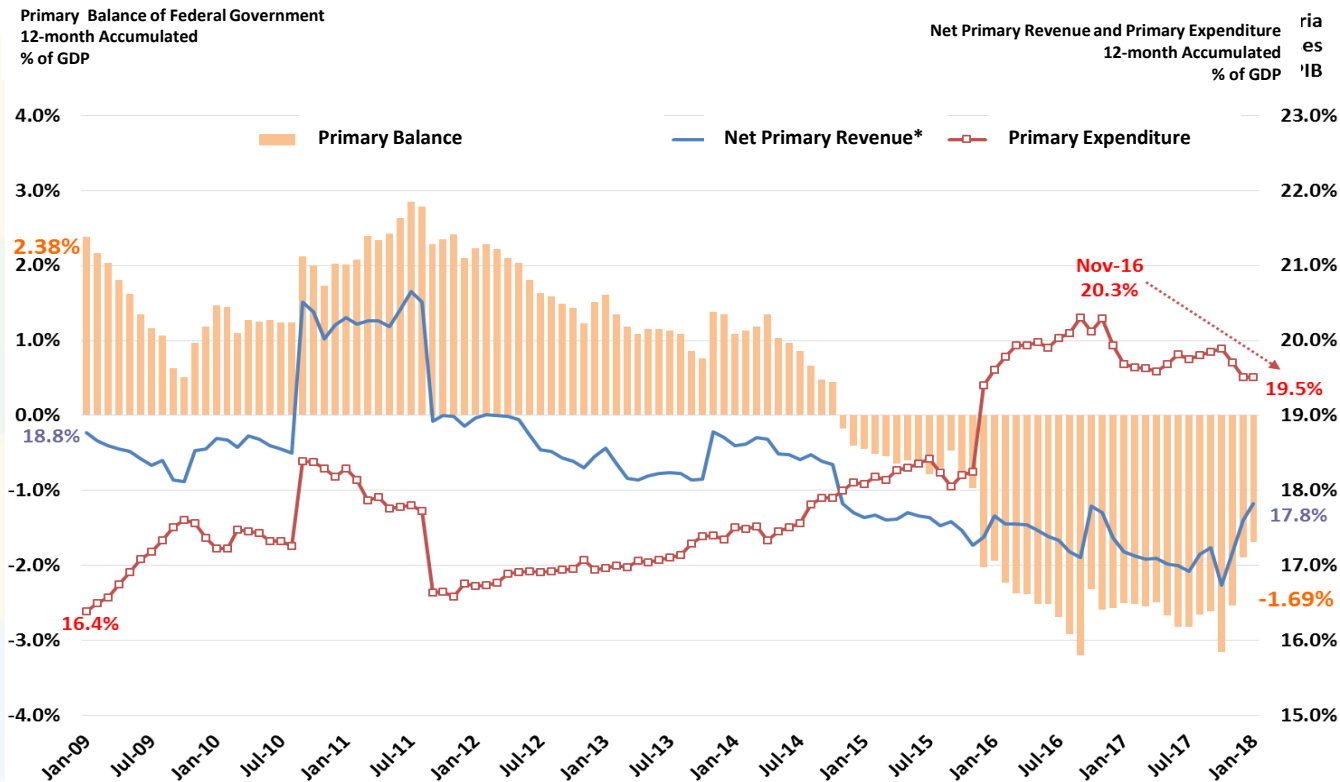
Direct Investments and Components

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



Source: Central Bank of Brazil.

Primary Balance of Federal Government (as % GDP)

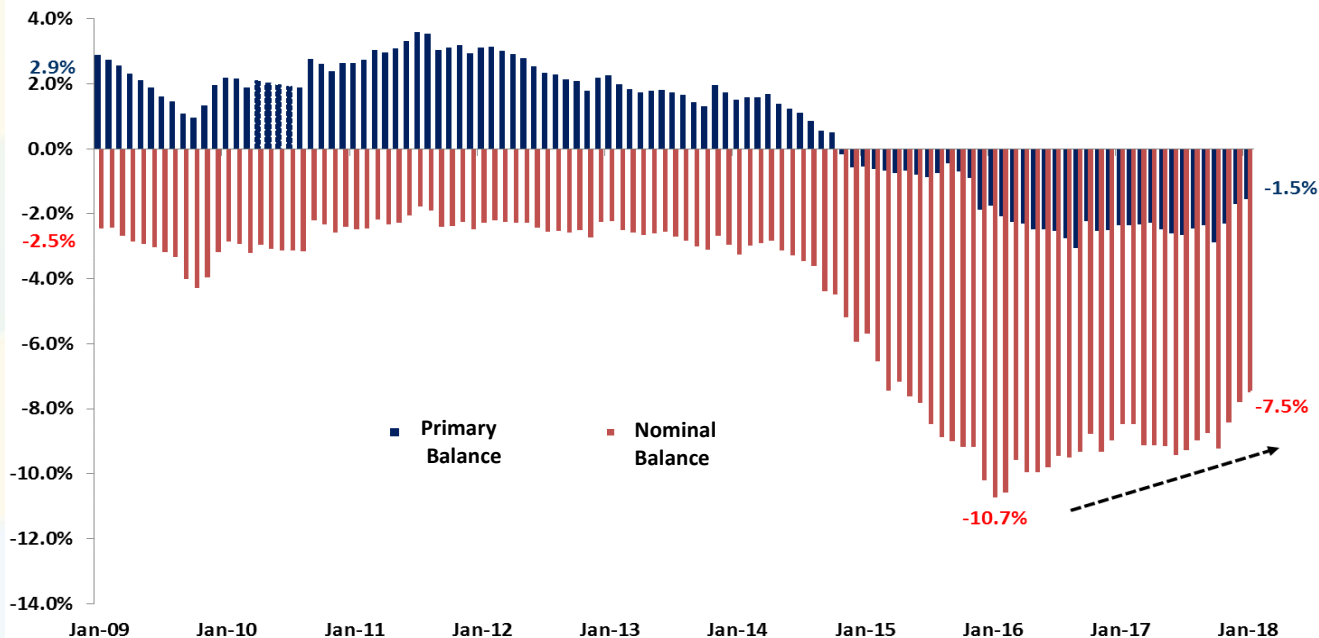


Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

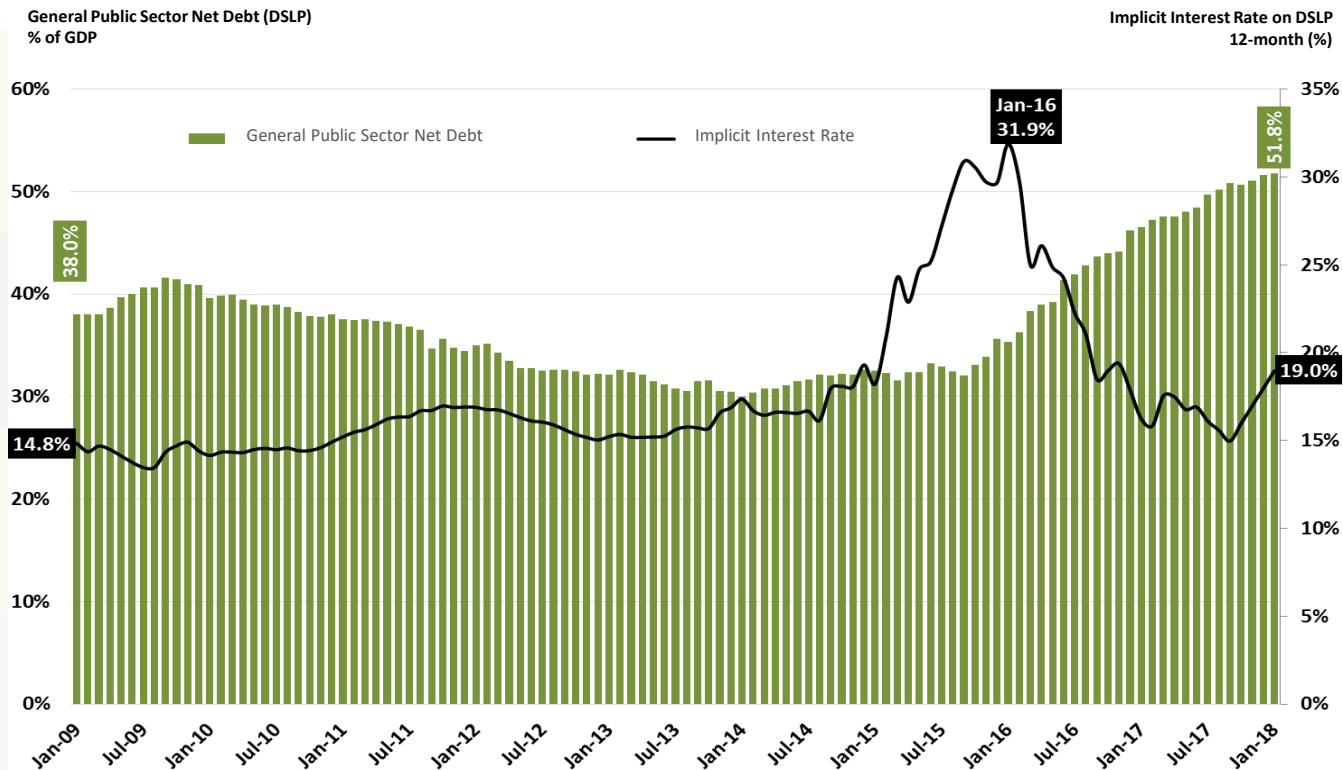
Public Sector Primary and Nominal Balance

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



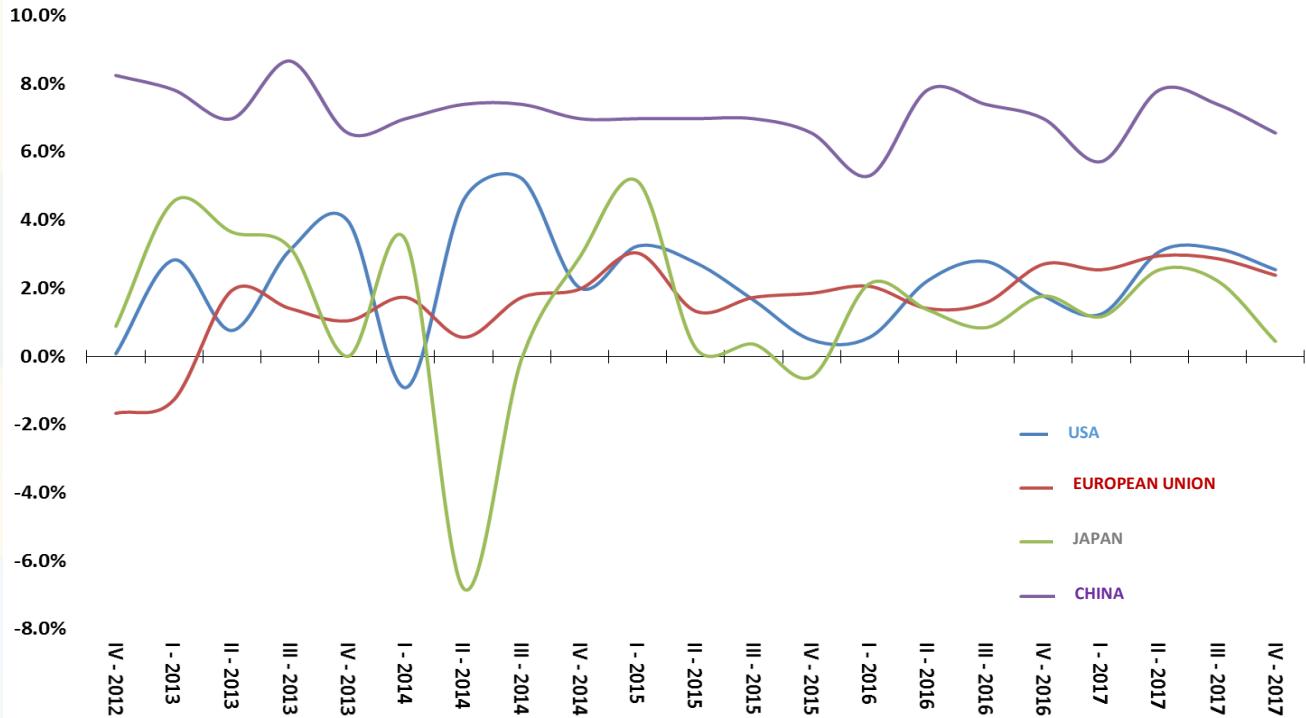
Source: Central Bank of Brazil.

Public Sector Net Debt (as % GDP)

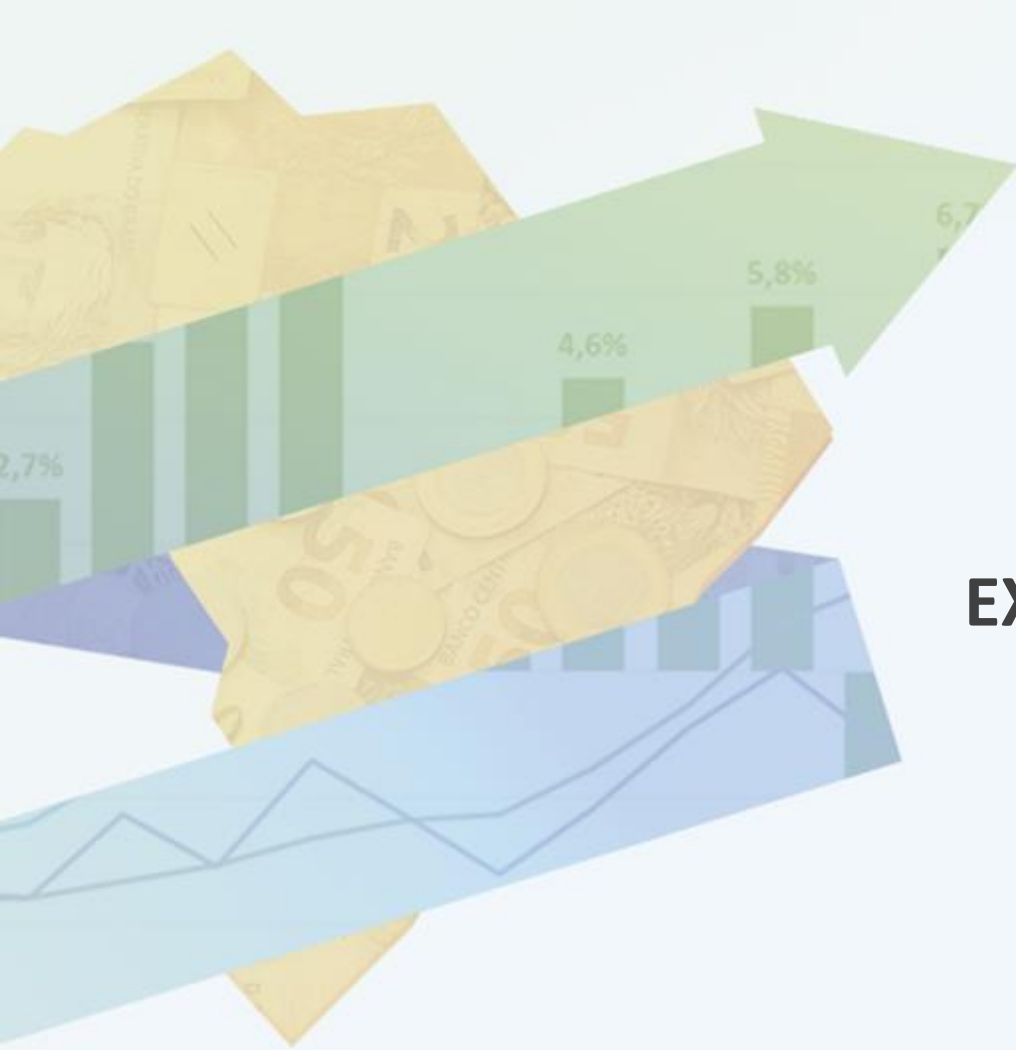


World Major Economies GDP

GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

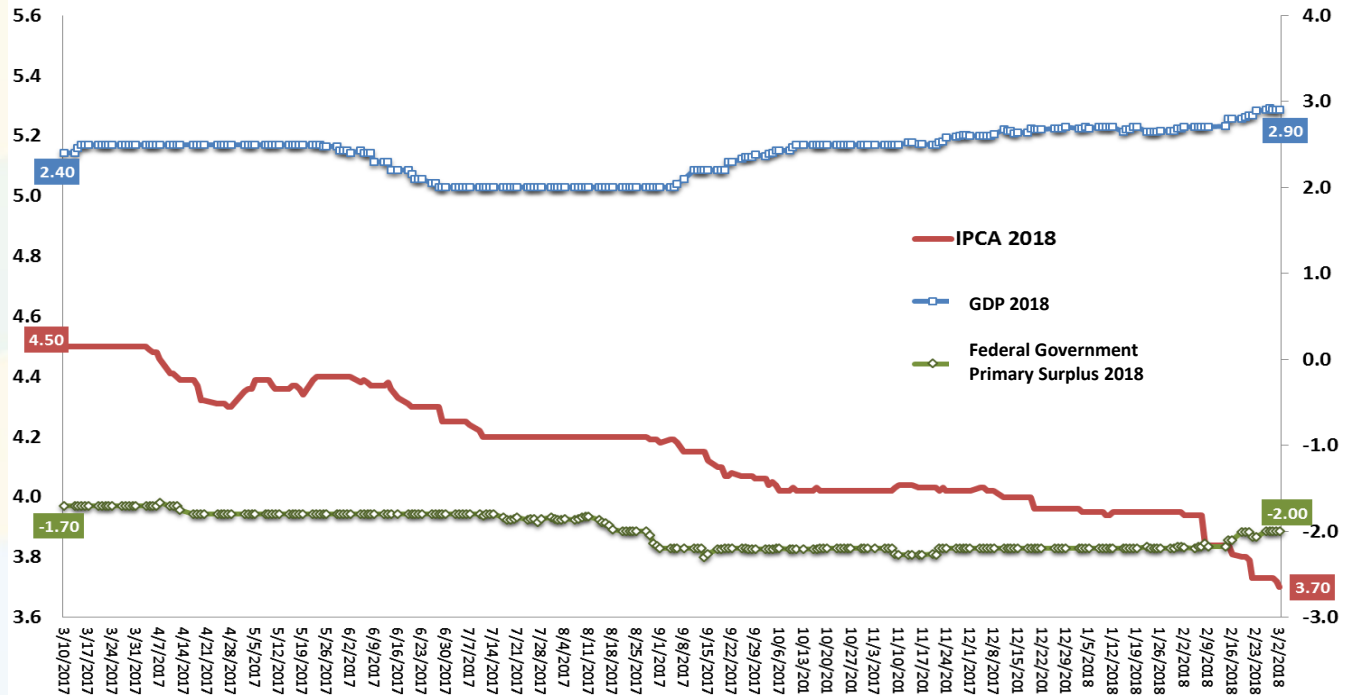


MARKET EXPECTATIONS

Market Expectations for 2018

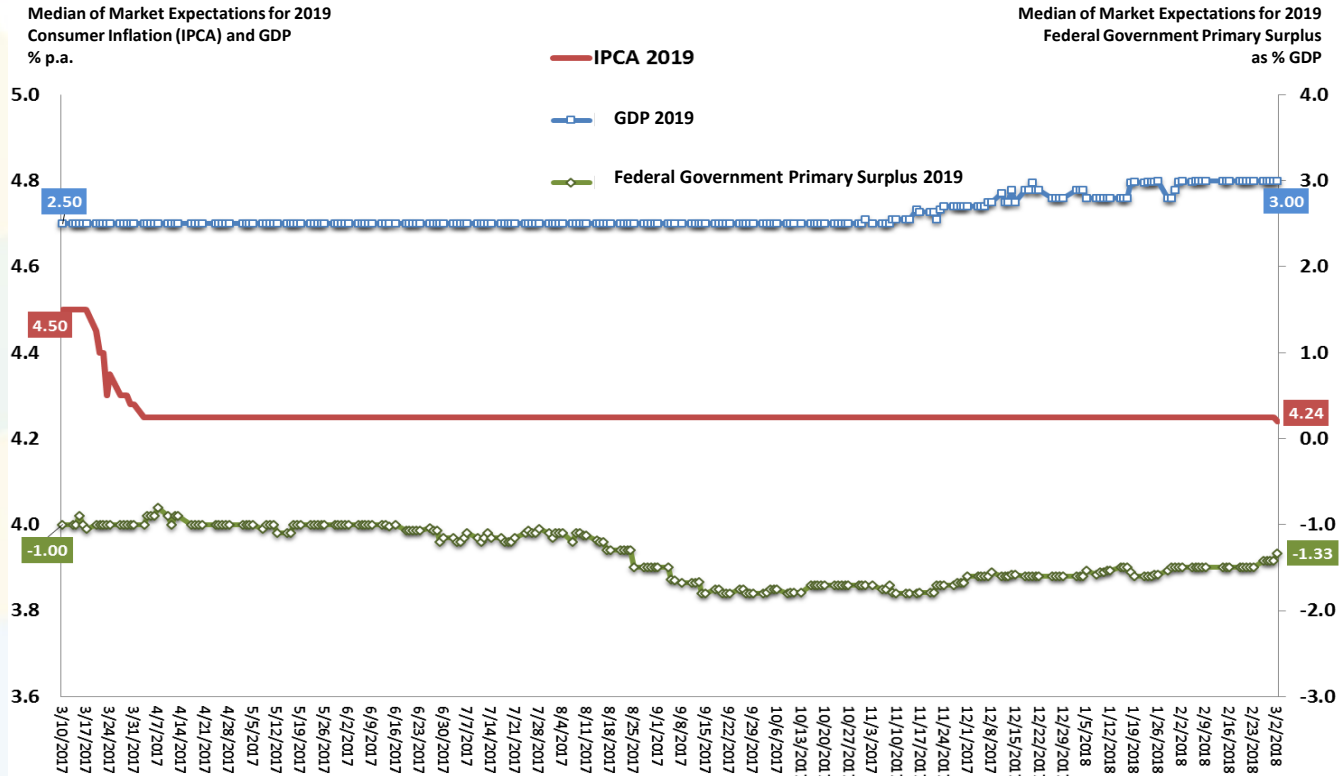
Median of Market Expectations for 2018
Consumer Inflation (IPCA) and GDP
% p.a.

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



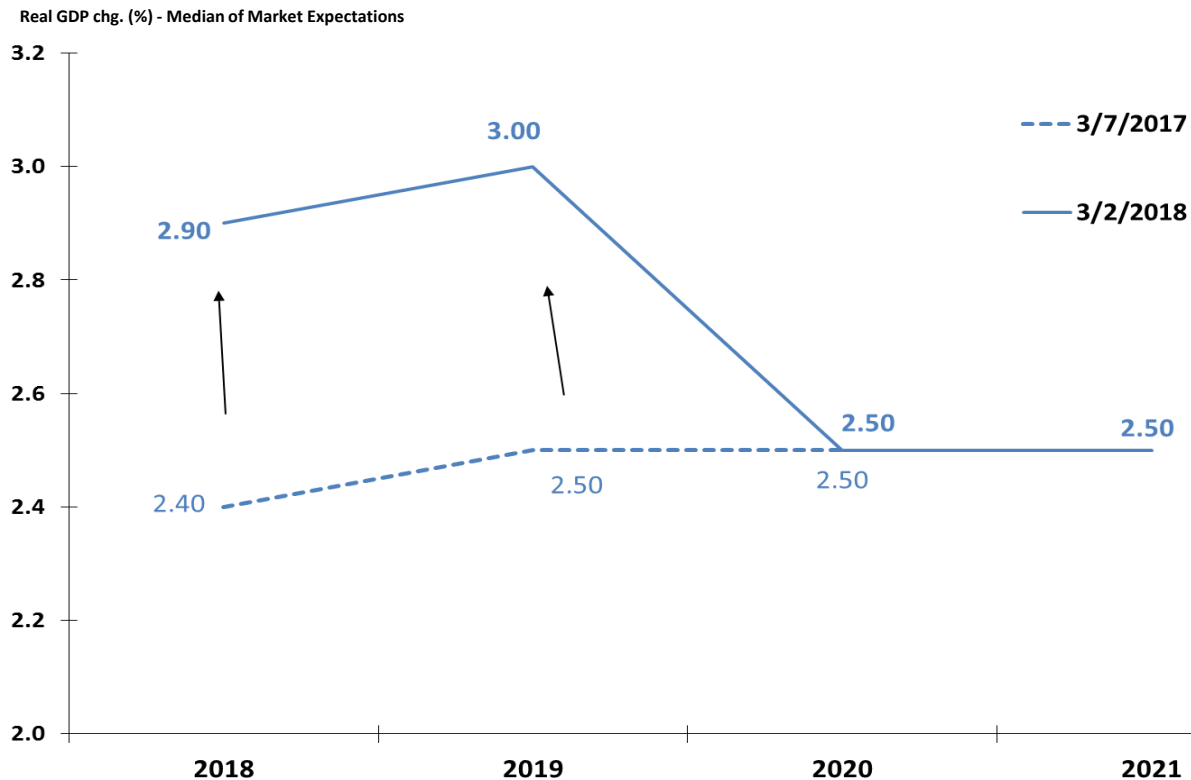
Source: Focus Survey, Central Bank of Brazil.

Market Expectations for 2019



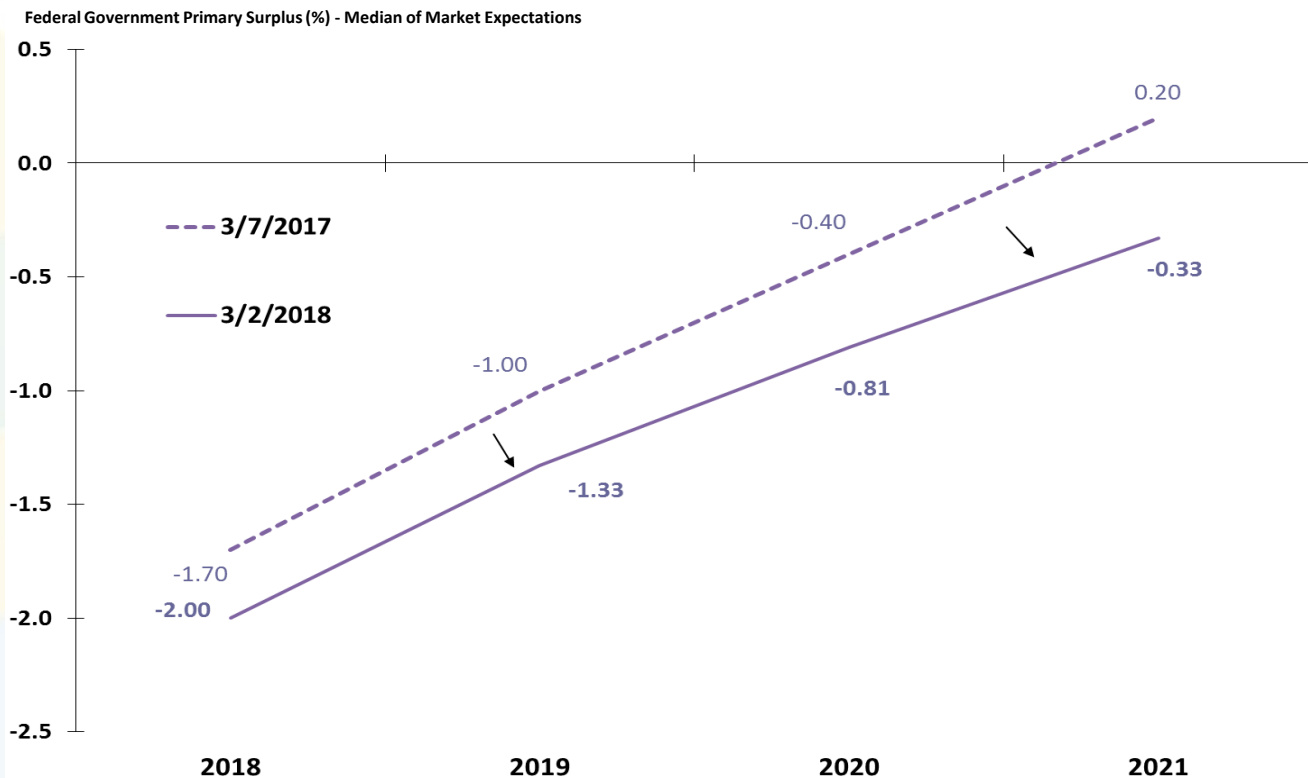
Source: Focus Survey, Central Bank of Brazil.

GDP: Median of Market Expectations



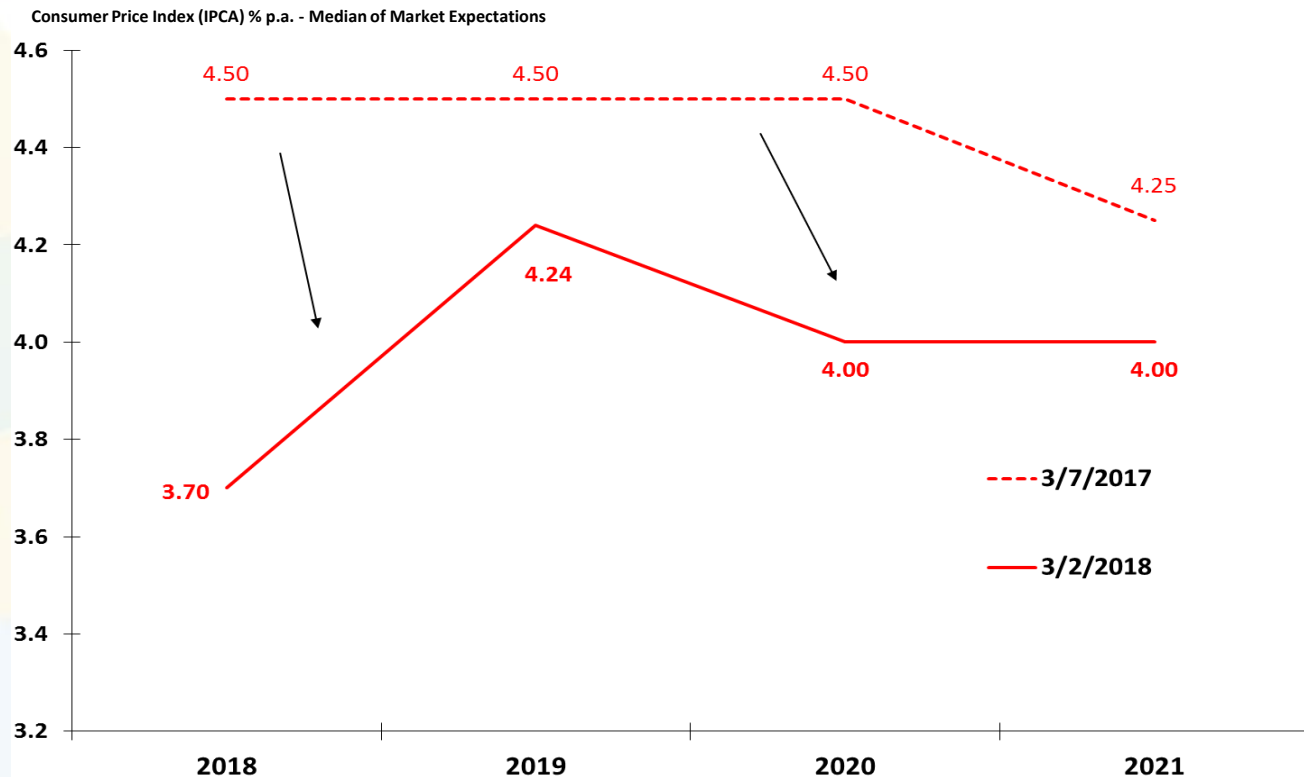
Source: Focus Survey, Central Bank of Brazil.

Primary Surplus: Median of Market Expectations



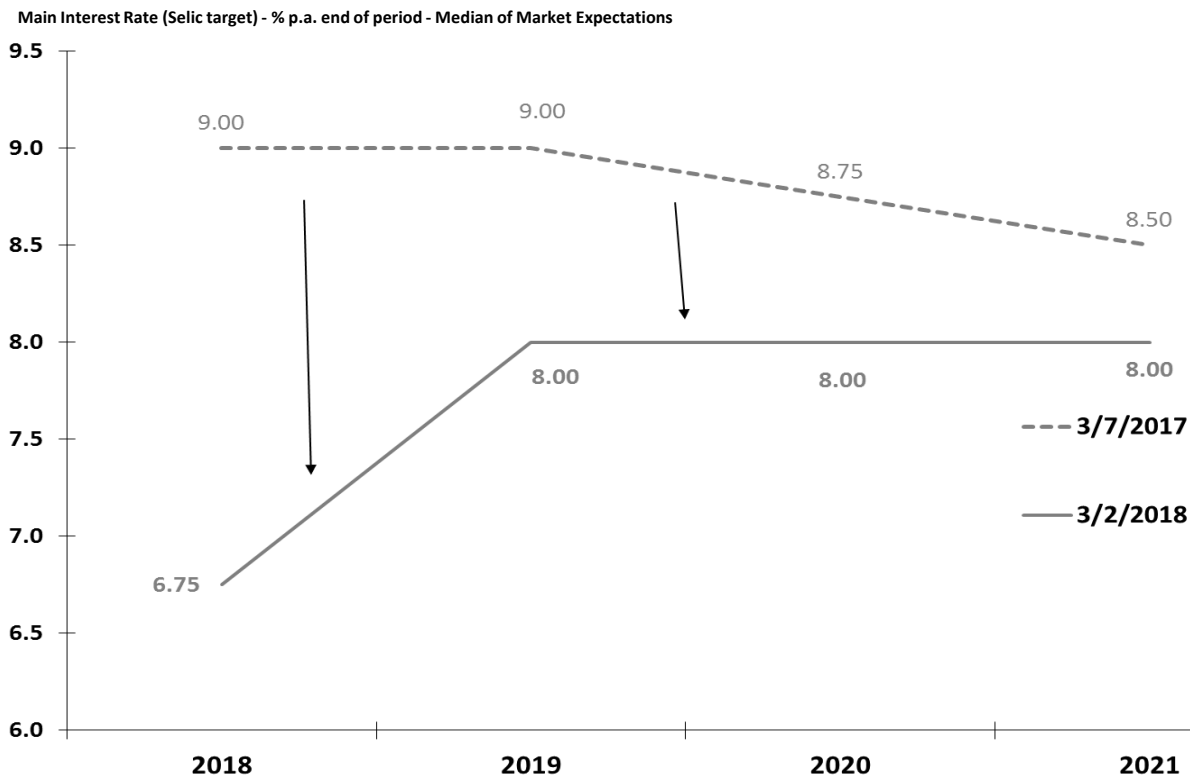
Source: Focus Survey, Central Bank of Brazil.

Consumer Price Index (IPCA): Median of Market Expectations



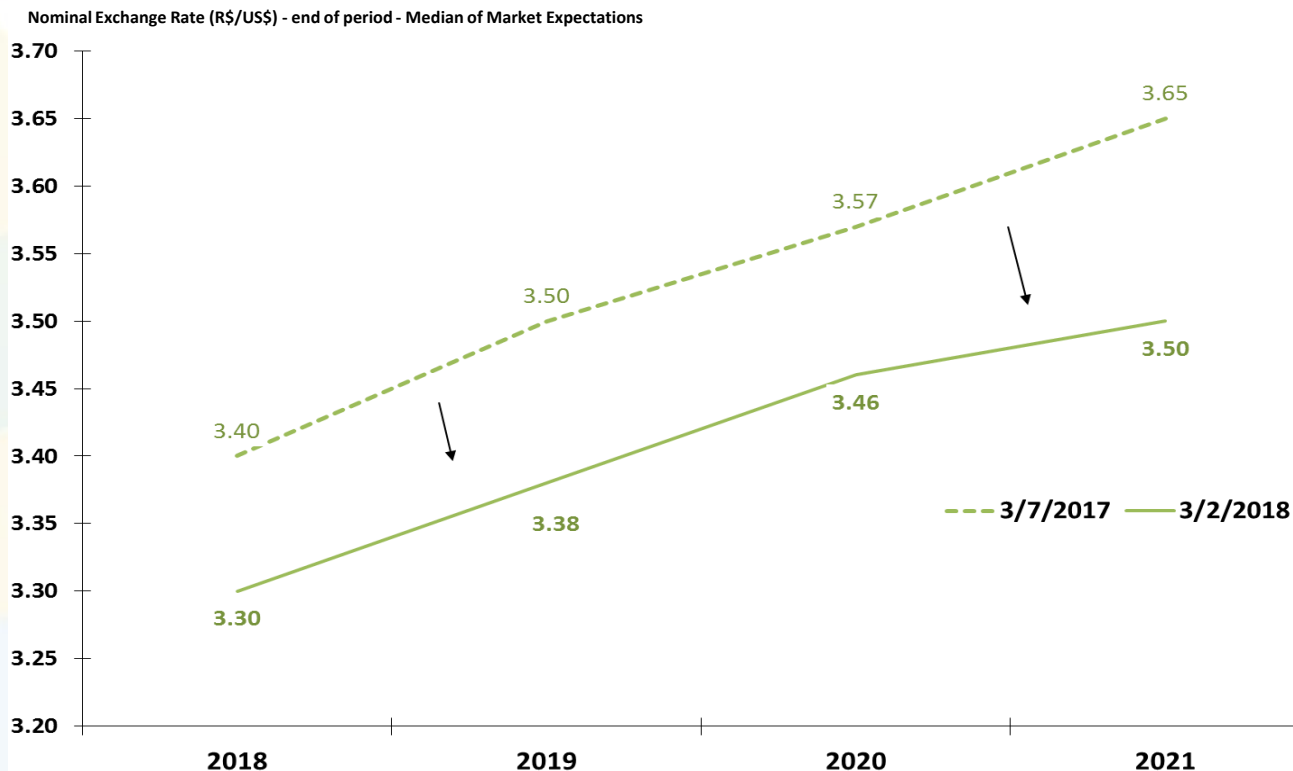
Source: Focus Survey, Central Bank of Brazil.

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



Source: Focus Survey, Central Bank of Brazil.

Nominal Exchange Rate: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.



ECONOMIC ACTIVITY

GDP and Quarterly Economic Activity

											BCB/Focus: 03/02/2018		
Gross Domestic Product (IBGE)	Q4 2017												
	2017	Q3-2017 / Q3-2016	Q4-2017 / Q4-2016	Q3-2017 / Q2-2017 (seasonally adjusted)	Q4-2017 / Q3-2017 (seasonally adjusted)	Year-To-Date	Q3-2017 accum. in 4-quarters	Q4-2017 accum. in 4-quarters	carry-over 2018	2018	2019	2020	
%change													
Agriculture	13.0%	9.1%	6.1%	-2.0%	0.0%	13.0%	11.5%	13.0%	-1.7%	-0.2%	3.0%	3.4%	
Industry	0.0%	0.4%	2.7%	1.0%	0.5%	0.0%	-1.4%	0.0%	0.7%	3.5%	3.0%	3.0%	
Services	0.3%	1.0%	1.7%	0.6%	0.2%	0.3%	-0.8%	0.3%	0.6%	2.4%	2.5%	2.5%	
GDP (market prices)	1.0%	1.4%	2.1%	1.1%	0.1%	1.0%	-0.2%	1.0%	0.3%	2.90%	3.00%	2.50%	
Household Expenditure	1.0%	2.2%	2.6%	-0.3%	0.2%	1.0%	-0.5%	1.0%	1.0%				
Government Expenditure	-0.6%	-0.6%	-0.4%	1.8%	2.0%	-0.6%	-0.4%	-0.6%	0.0%				
Gross Fixed Capital Formation	-1.8%	-0.5%	3.8%	3.3%	-0.9%	-1.8%	-4.2%	-1.8%	2.5%				
Exports of Goods and Services	5.2%	7.6%	9.1%	6.5%	1.6%	5.2%	1.1%	5.2%	1.0%				
Imports of Goods and Services (-)	5.0%	5.7%	8.1%	0.0%	0.0%	5.0%	2.7%	5.0%	3.7%				
Economic Activity Indicators (BCB and IBGE)	Q4 2017												
	2017	Q3-2017 / Q3-2016	Q4-2017 / Q4-2016	Q3-2017 / Q2-2017 (seasonally adjusted)	Q4-2017 / Q3-2017 (seasonally adjusted)	Year-To-Date	Q3-2017 accum. in 4-quarters	Q4-2017 accum. in 4-quarters	carry-over 2018				
%change													
IBC-Br Economic Activity Index*	1.0%	1.1%	2.6%	0.5%	1.3%	1.0%	-0.4%	1.0%	1.3%				
LSPA: Grain Harvest	21.4%	29.7%	30.8%	1.8%	-0.1%	30.8%	29.7%	30.8%	-4.3%				
PIM: Industrial Production	2.5%	0.4%	3.2%	1.3%	1.9%	1.7%	-1.7%	0.4%	2.4%				
PMC: Amplified Retail Sales	4.0%	2.9%	7.5%	2.3%	0.5%	2.7%	-4.1%	-0.1%	2.0%				
PMS: Volume of Services	-2.8%	-3.5%	-3.0%	-0.3%	0.2%	-3.7%	-4.7%	-4.3%	0.1%				

LSPA: Systematic Survey of Agricultural Production (IBGE)

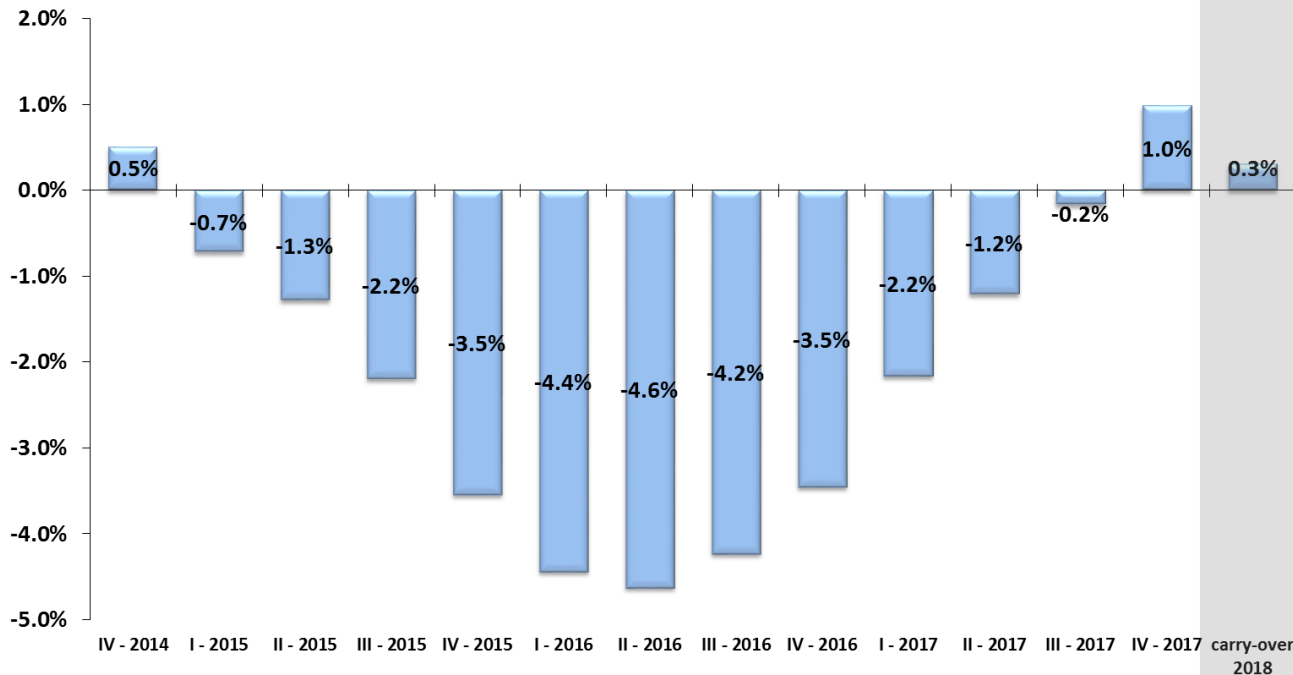
PIM: Monthly Survey of Industry (IBGE)

PMC: Monthly Survey of Trade (IBGE)

PMS: Monthly Survey of Services (IBGE)

Quarterly GDP

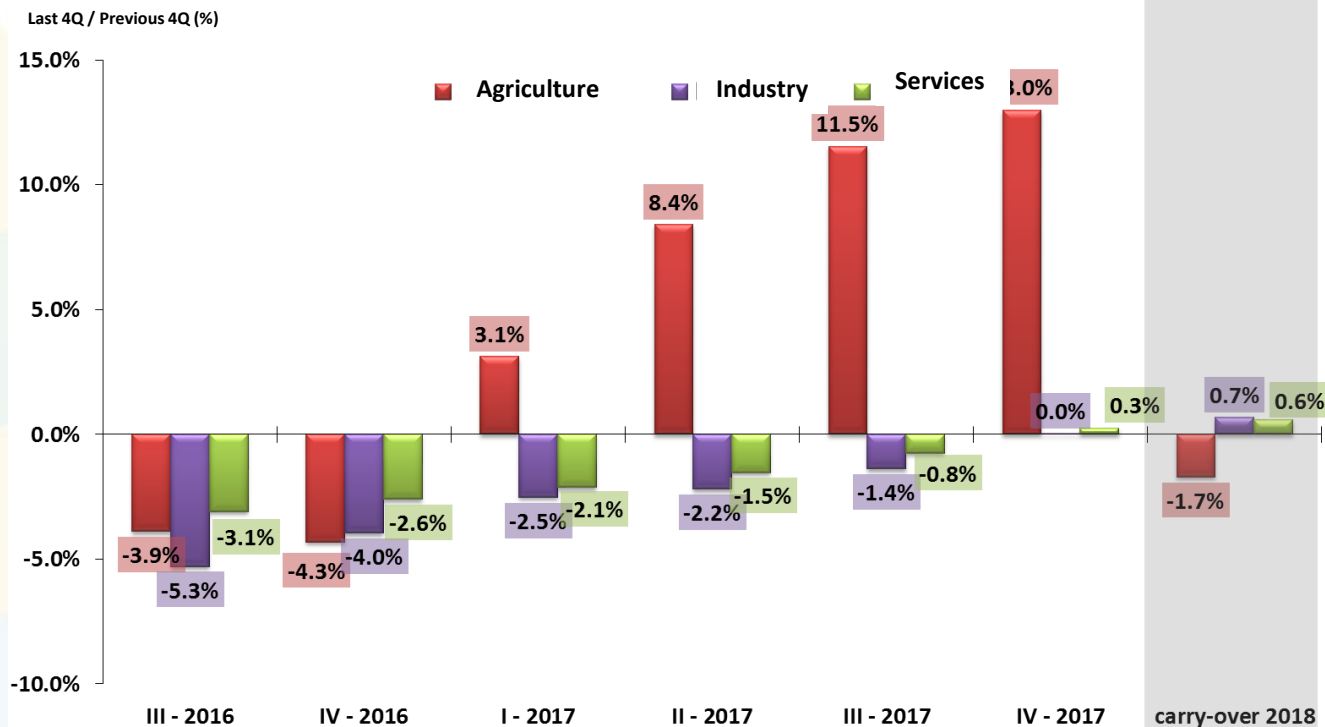
Last 4Q / Previous 4Q (%)



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2007 based on 2017 3rd quarter seasonally adjusted level compared to 2016 average.

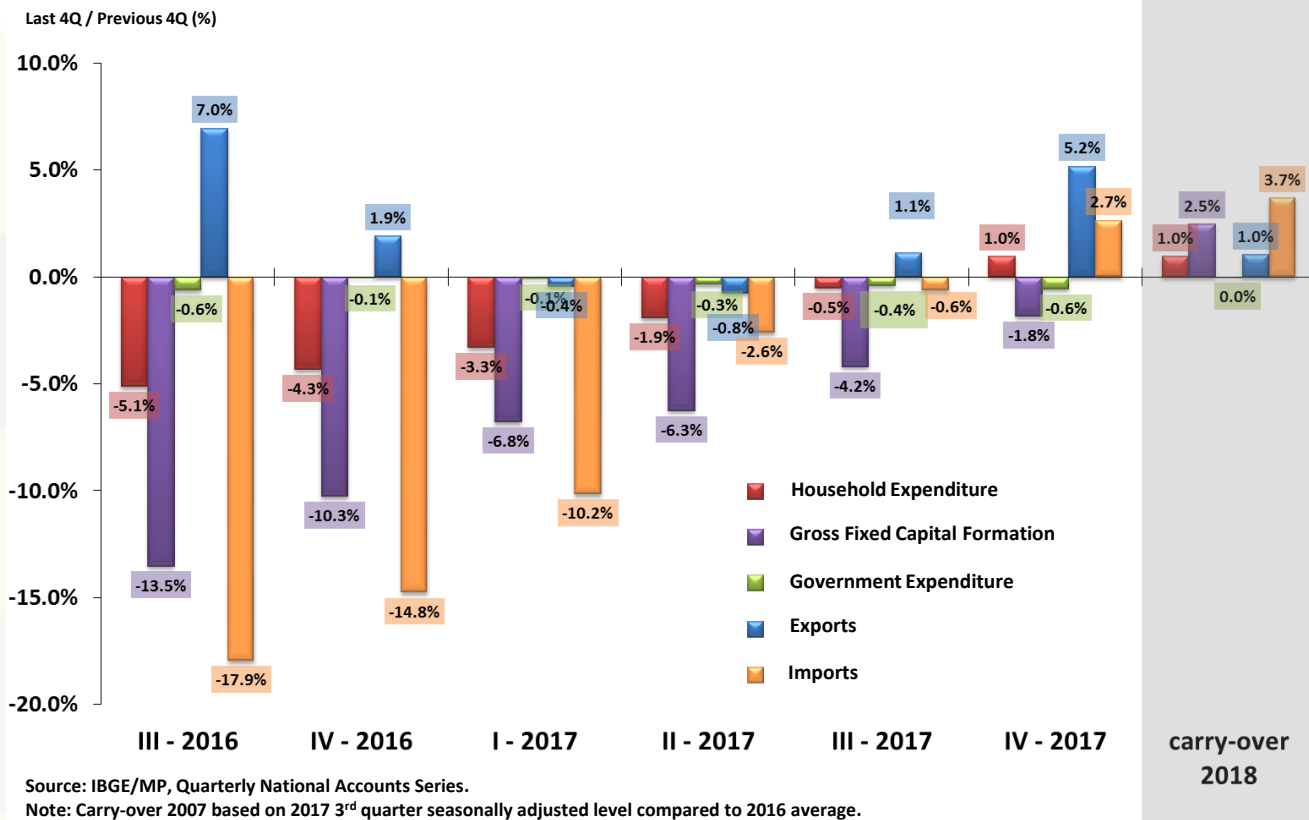
Quarterly GDP by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

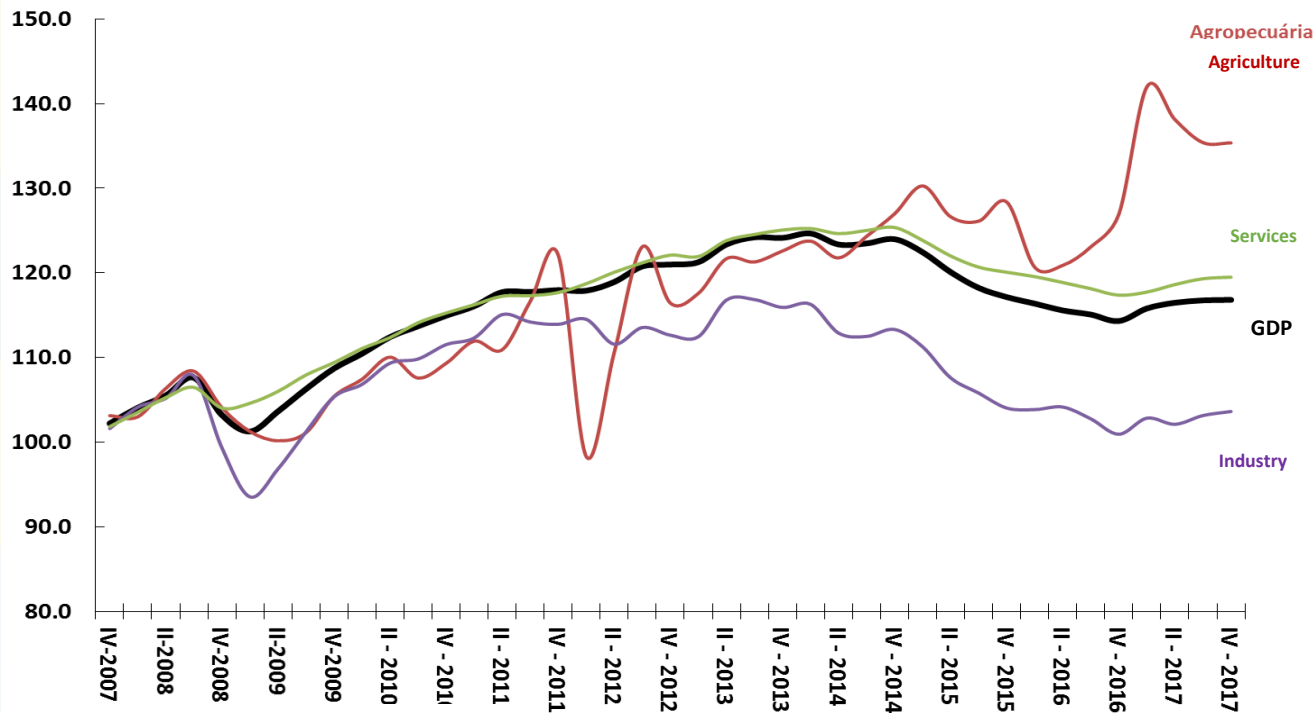
Note: Carry-over 2007 based on 2017 3rd quarter seasonally adjusted level compared to 2016 average.

Quarterly GDP by Expenditure



Quarterly GDP by Activity Sector

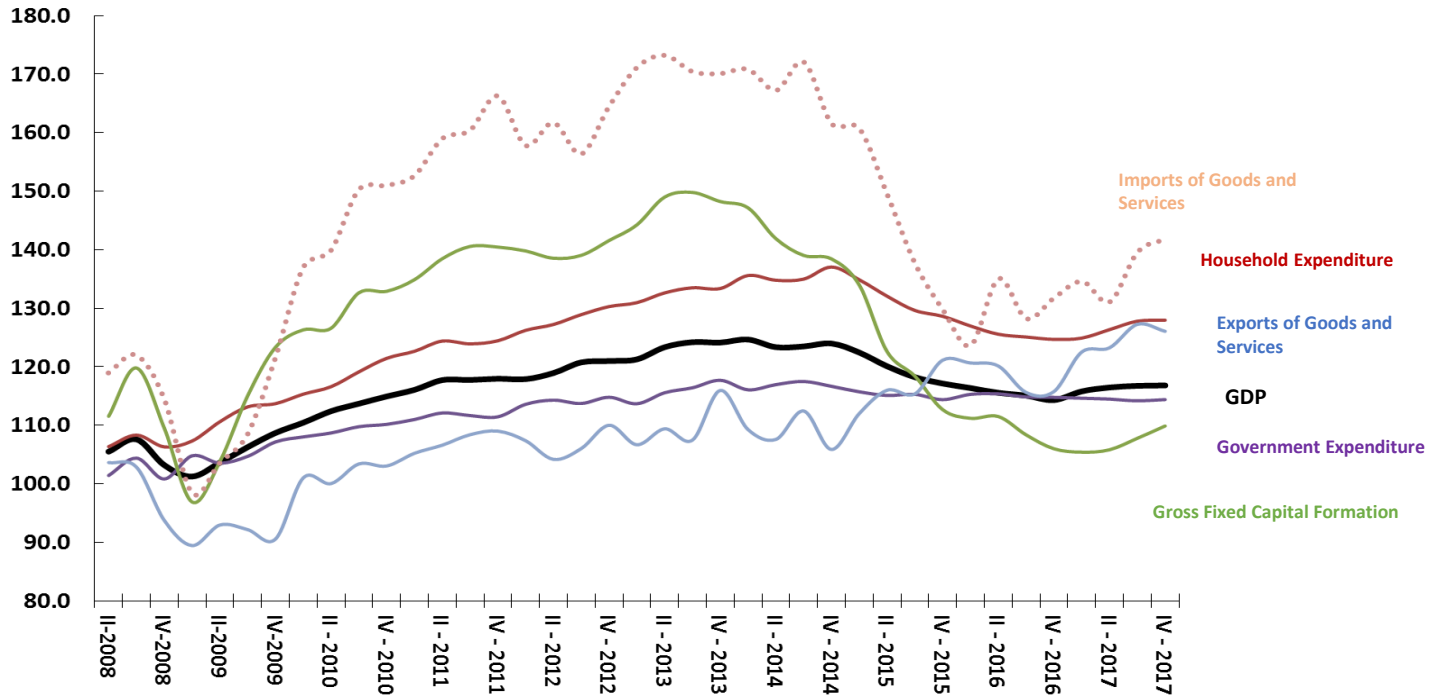
GDP and Economic Sectors Quarterly Volume Indicator
Chained Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE/MP, Quarterly National Accounts Series.

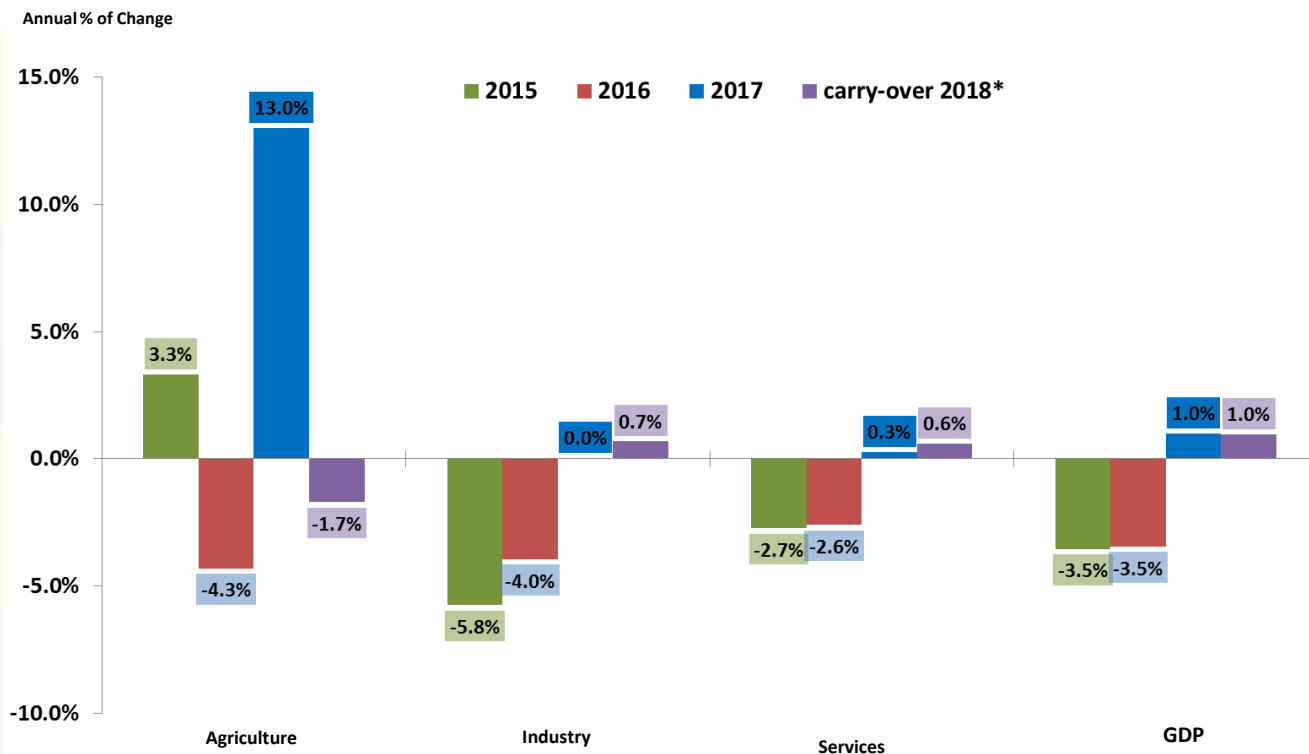
Quarterly GDP by Expenditure

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



Source: IBGE/MP, Quarterly National Accounts Series.

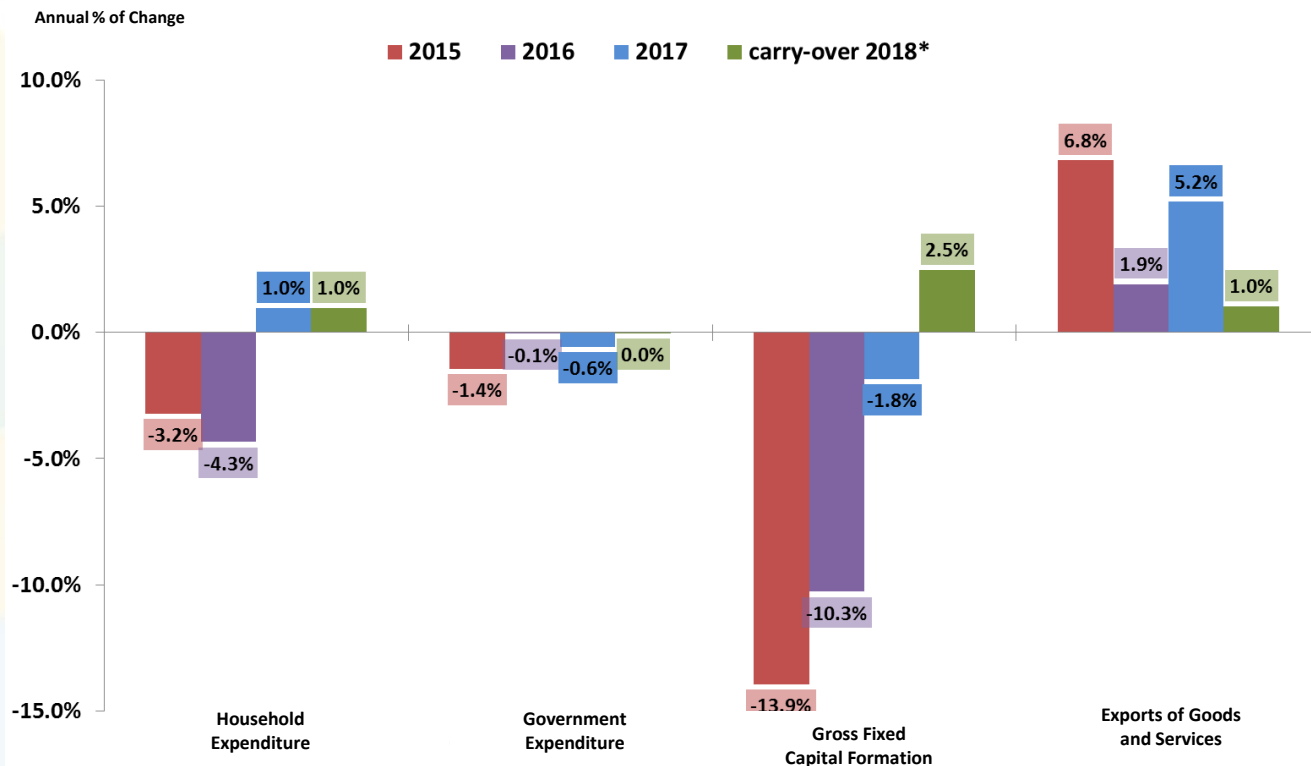
Annual GDP Real Growth by Activity Sector



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2007 based on 2017 3rd quarter seasonally adjusted level compared to 2016 average.

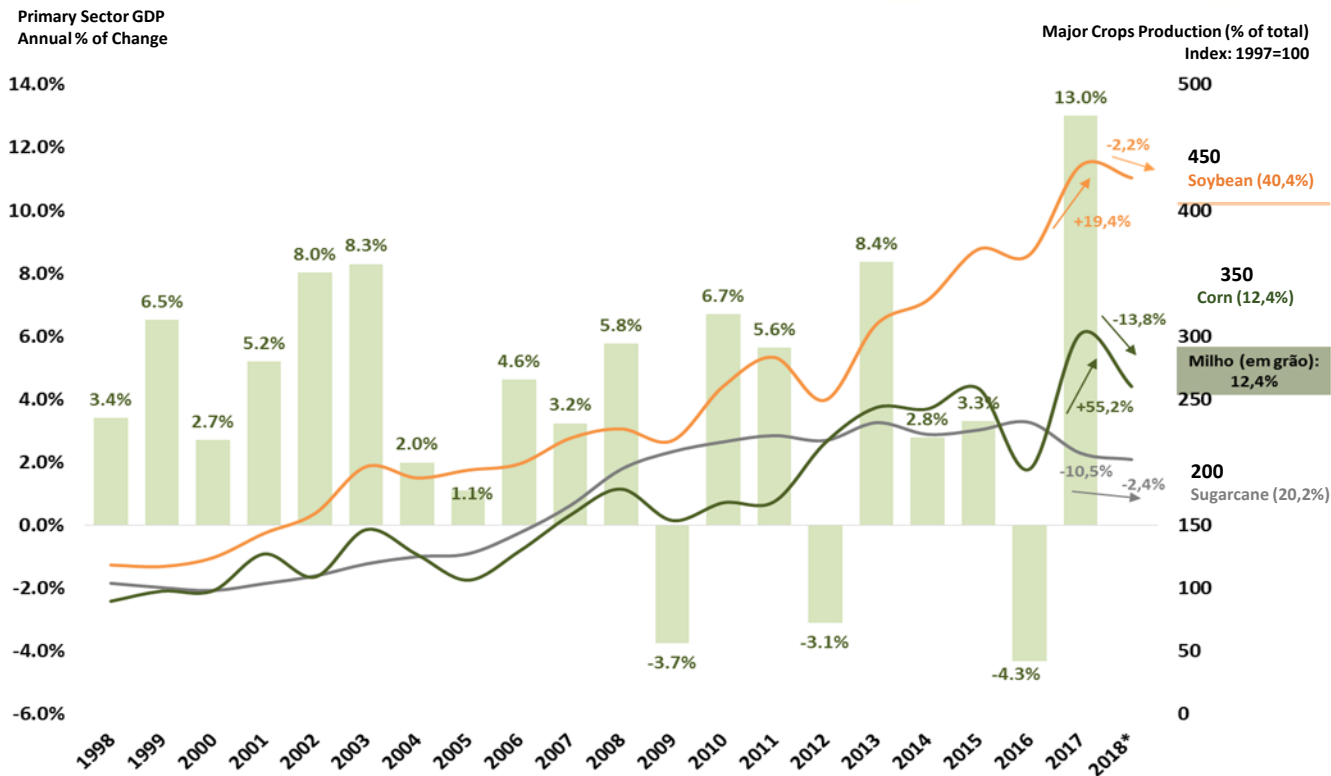
Annual GDP Real Growth by Expenditure



Source: IBGE/MP, Quarterly National Accounts Series.

Note: Carry-over 2007 based on 2017 3rd quarter seasonally adjusted level compared to 2016 average.

Primary Sector Performance by Major Crops

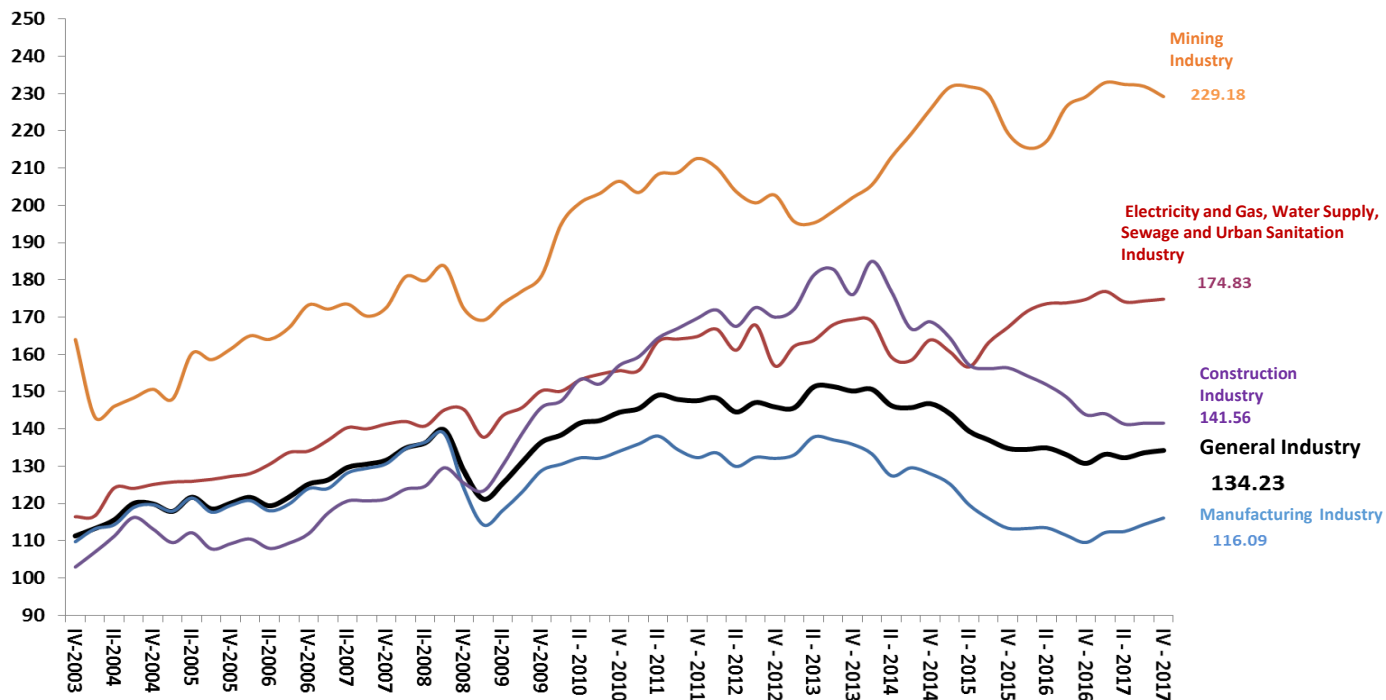


Source: IBGE/MP, Systematic Survey of Agricultural Production (LSPA) – December 2017.

Industry Performance by Subsectors

Industrial Production Indicators

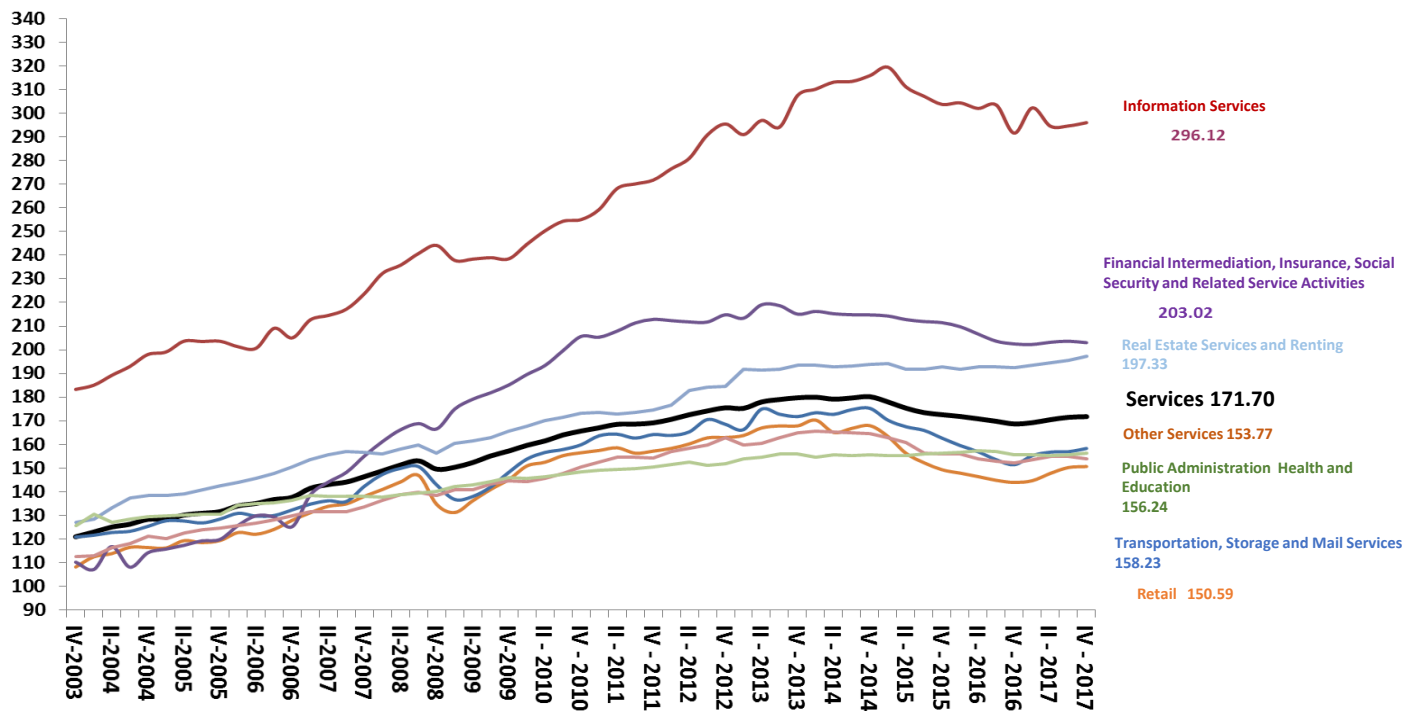
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

Services Performance by Subsectors

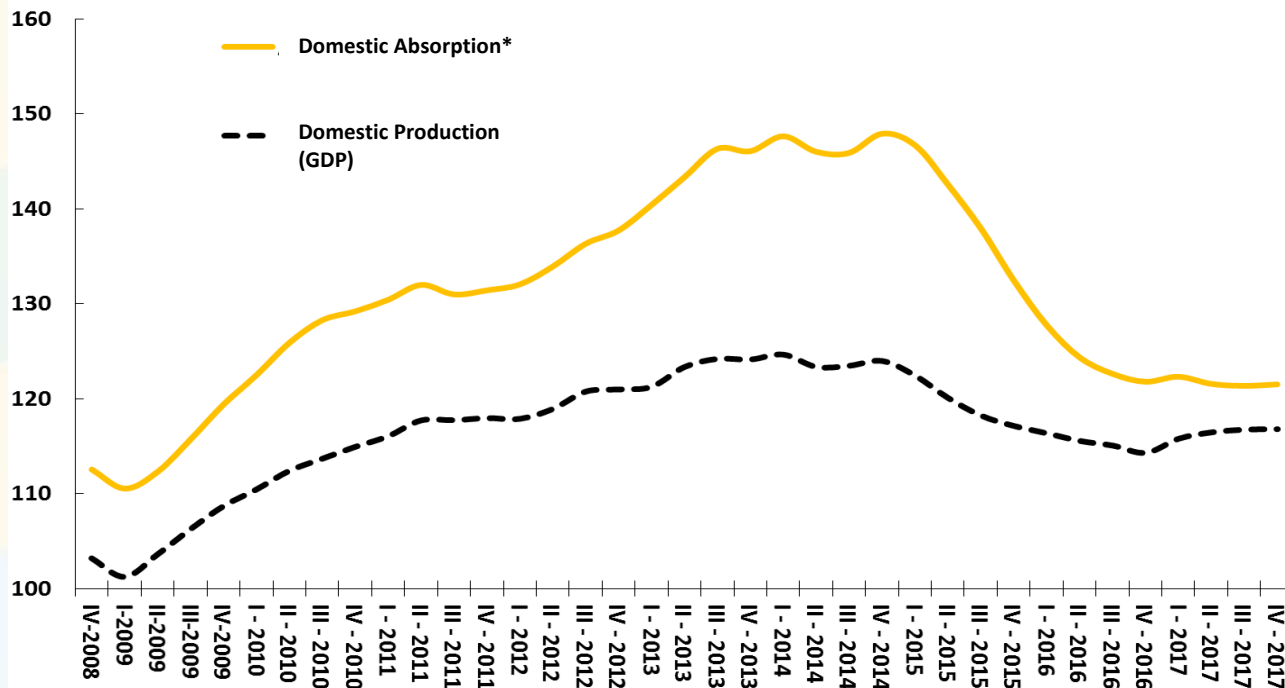
Services Provision Indicators
Chained Series of the Seasonally Adjusted Index: 1995=100



Source: IBGE/MP, Quarterly National Accounts Series.

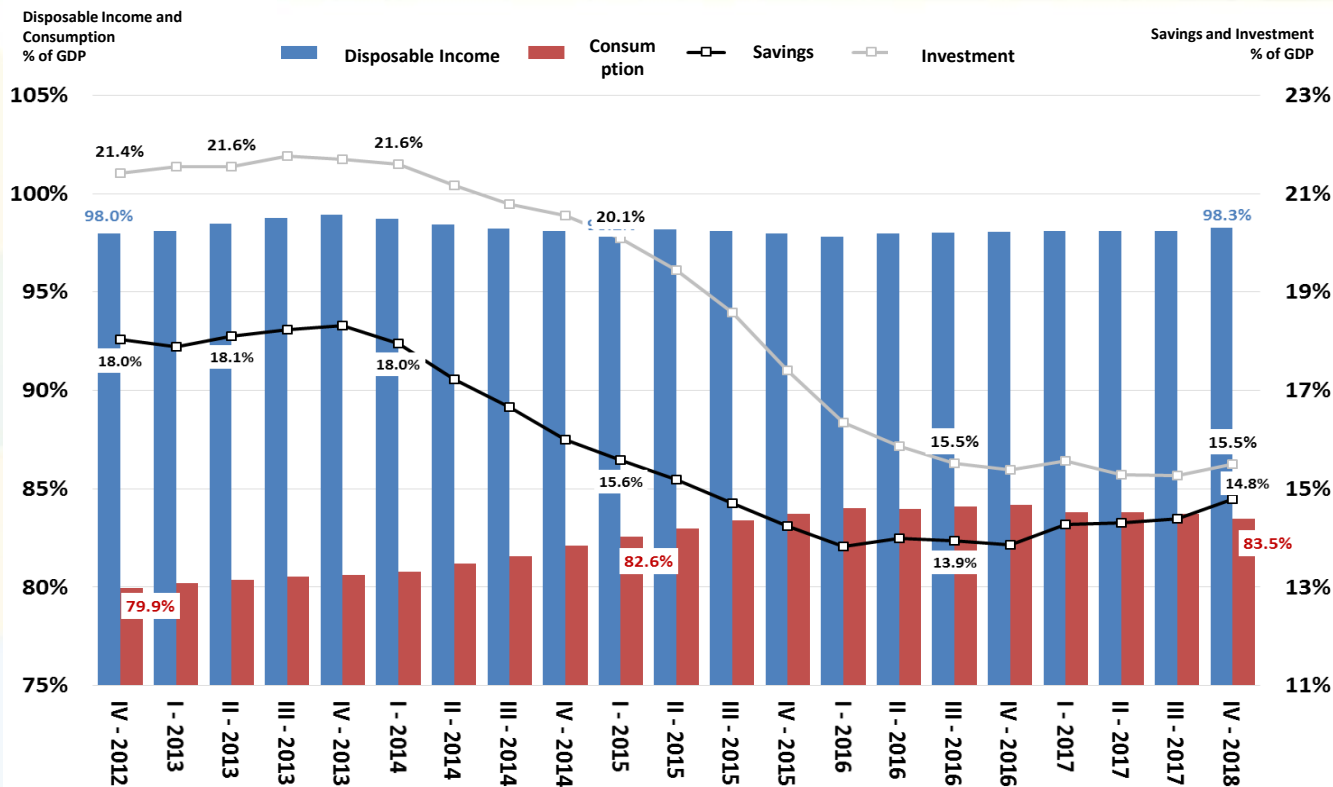
Domestic Production and Absorption

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

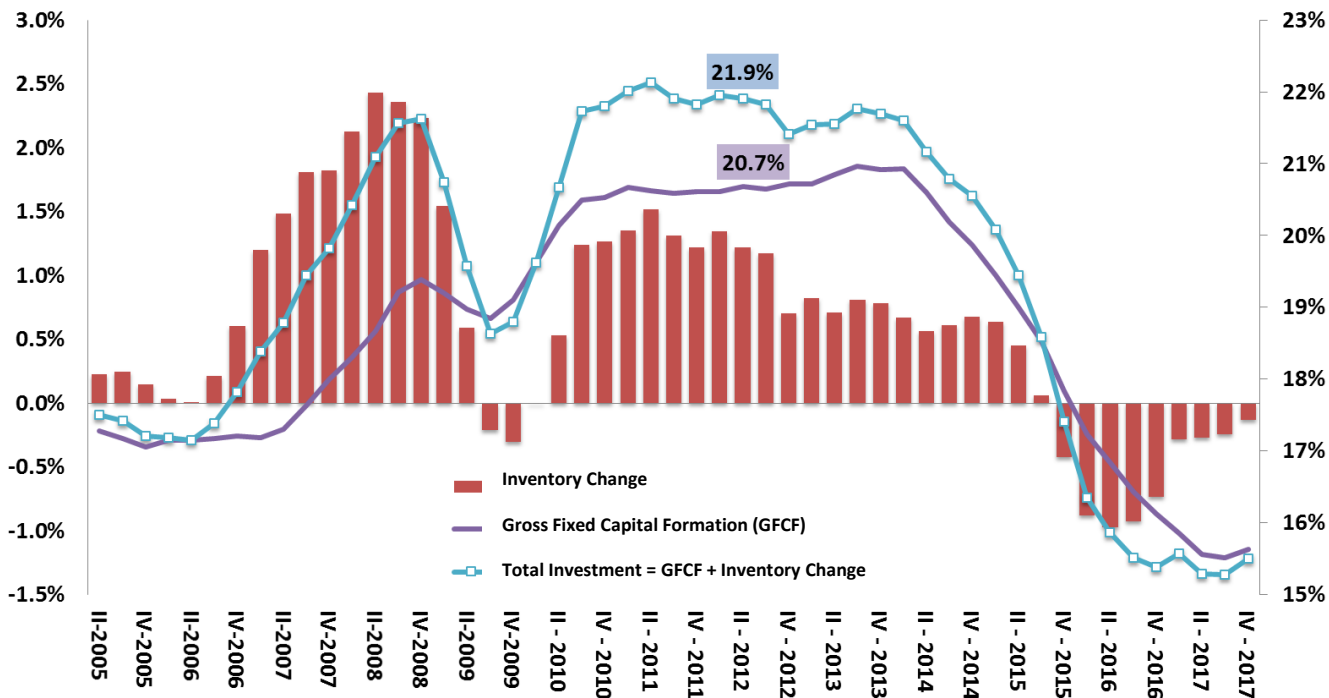


Source: IBGE/MP, Quarterly National Accounts Series.

Inventory Change and Gross Fixed Capital Formation

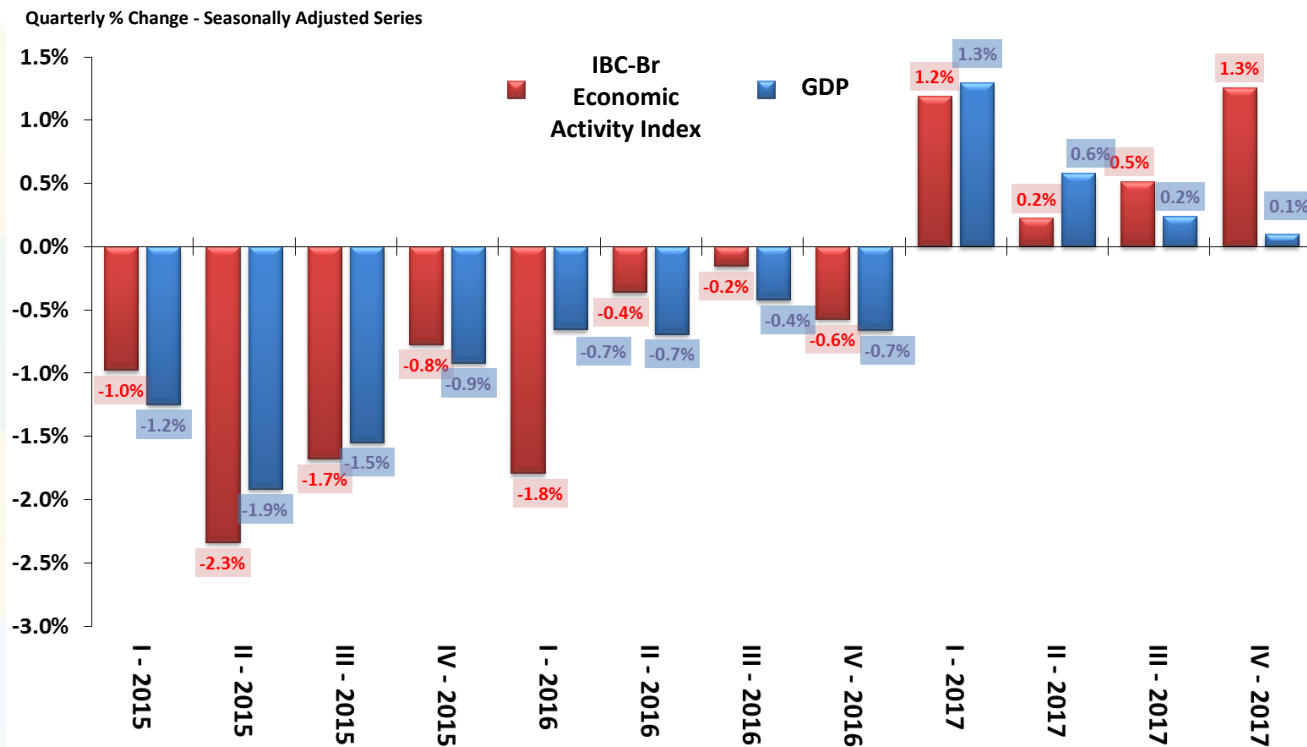
Inventory Change (% of GDP)
Accumulated in 4 quarters

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



Sources: IBGE/MP and Central Bank of Brazil.

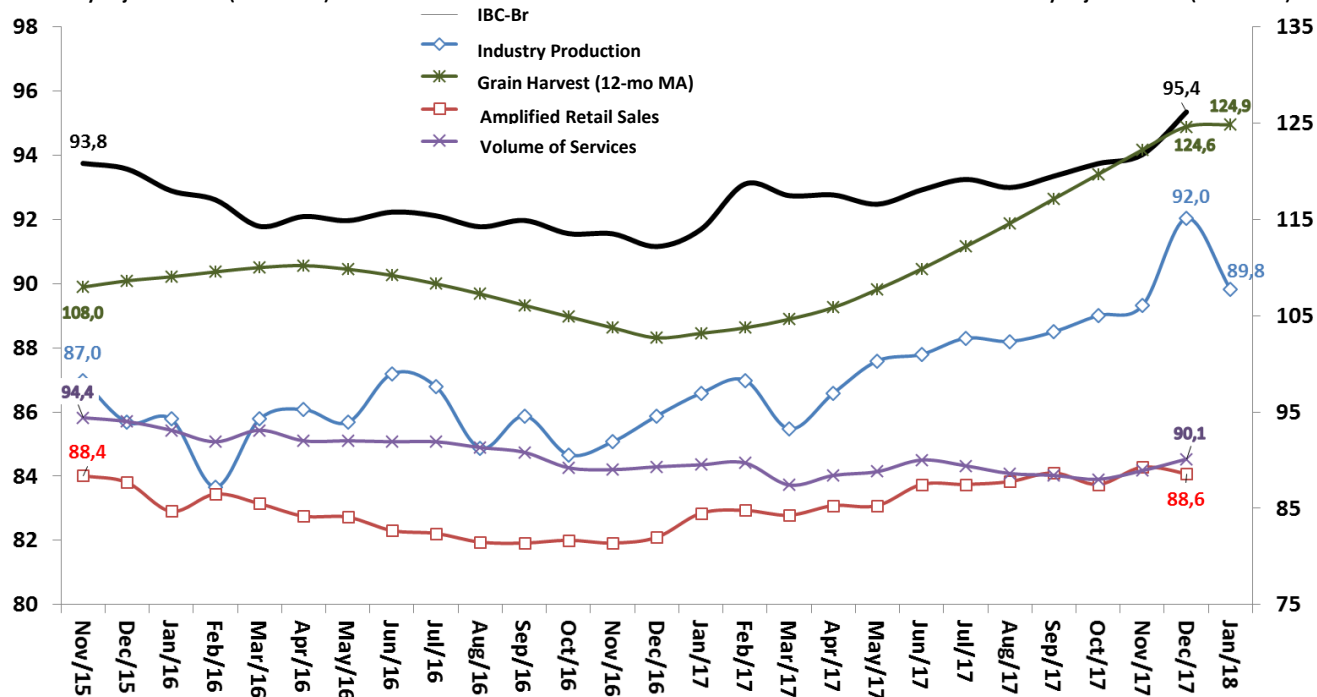
Monthly Economic Activity

IBC-Br Economic Activity Index	December-17 % change	2016	2017	Nov17- Nov16	Dec17- Dec16	Nov17 - Oct17 (seasonally adjusted)	Dec17 - Nov17 (seasonally adjusted)	Year-To-Date	Nov17 accum. in 12-months	Dec17 accum. in 12-months	carry-over 2018
IBC-Br Economic Activity Index		-4.0%	1.04%	2.6%	2.1%	0.3%	1.4%	1.0%	0.7%	1.0%	2.3%
Systematic Survey of Agricultural Production (IBGE)	January-18 % change	2016	2017	Dec17- Dec16	jan17- jan16	dez17 - nov17 (seasonally adjusted)	jan17 - dez17 (seasonally adjusted)	Year-To-Date	dez17 accum. in 12-months	jan17 accum. in 12-months	carry-over 2018
Grain Harvest		-11.3%	21.4%	29.5%	2.2%	-0.5%	-6.0%	2.2%	29.5%	2.2%	-6.9%
Industry Production (IBGE)	January-18 % change	2016	2017	Dec17- Dec16	Jan18- Jan17	Dec17 - Nov17 (seasonally adjusted)	Jan18 - Dec17 (seasonally adjusted)	Year-To-Date	Dec17 accum. in 12-months	Jan18 accum. in 12-months	carry-over 2018
General Industry		-6.4%	2.4%	4.5%	5.7%	3.1%	-2.4%	5.7%	2.4%	2.7%	2.0%
Mining Industry (weight 11,2%)		-9.4%	4.6%	-3.0%	0.0%	-1.6%	2.2%	4.6%	5.5%	4.6%	0.6%
Manufacturing Industry (weight 88,8%)		-6.0%	2.2%	6.0%	6.7%	3.7%	-2.8%	2.2%	1.6%	2.2%	2.4%
Food (weight 13,9%)		0.5%	1.1%	2.9%	4.5%	3.3%	-1.1%	1.1%	0.7%	1.1%	1.2%
Petroleum refinement and alcohol production (weight 10,3%)		-8.5%	-4.1%	-0.1%	-5.2%	-2.2%	-1.6%	-4.1%	-5.2%	-4.1%	-3.5%
Motor vehicles (weight 10,1%)		-12.1%	17.2%	25.4%	27.4%	9.1%	-7.6%	17.2%	16.7%	17.2%	7.5%
Capital Goods		-10.2%	6.1%	9.1%	18.2%	0.3%	-0.3%	6.1%	6.5%	6.1%	4.9%
Intermediate Goods		-6.5%	1.6%	4.5%	4.3%	2.2%	-2.4%	1.6%	1.2%	1.6%	1.3%
Durable Consumer Goods		-14.4%	13.3%	21.1%	19.9%	6.9%	-7.1%	13.3%	12.2%	13.3%	5.3%
Semi and Non-Durable Consumer Goods		-3.2%	0.9%	0.5%	3.1%	3.6%	0.5%	0.9%	0.6%	0.9%	1.9%
Typical Construction Inputs		-11.6%	-3.3%	7.4%	4.0%	-12.3%	4.4%	-3.3%	-4.3%	-3.3%	-4.4%
Retail Sales (IBGE)	December-17 % change	2016	2017	Nov17- Nov16	Dec17- Dec16	Nov17 - Oct17 (seasonally adjusted)	Dec17 - Nov17 (seasonally adjusted)	Year-To-Date	Nov17 accum. in 12-months	Dec17 accum. in 12-months	carry-over 2018
Retail Sales		-6.3%	2.0%	6.0%	3.2%	1.0%	-1.5%	2.0%	1.1%	2.0%	-0.7%
Amplified Retail Sales		-8.7%	4.0%	8.7%	6.4%	2.1%	-0.8%	4.0%	2.6%	4.0%	2.1%
Vehicles, Motorcycles, Parts and Accessories		-14.0%	2.7%	8.8%	6.4%	1.2%	-0.1%	2.7%	0.8%	2.7%	3.4%
Construction Material		-10.7%	9.2%	14.6%	9.1%	2.1%	-1.7%	9.2%	8.2%	9.2%	3.0%
Fuel and Lubricants		-9.2%	-3.3%	-2.4%	-7.2%	-1.8%	-1.0%	-3.3%	-3.2%	-3.3%	-3.6%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco		-3.1%	1.4%	5.6%	4.6%	1.0%	-3.0%	1.4%	0.6%	1.4%	-0.8%
Textiles, Apparel and Footwear		-10.9%	7.6%	8.9%	7.0%	-0.1%	0.5%	7.6%	4.9%	7.6%	-2.8%
Furniture and Household Appliances		-12.6%	9.5%	15.6%	8.3%	4.8%	-2.7%	9.5%	7.5%	9.5%	0.8%
Volume of Services (IBGE)	December-17 % change	2016	2017	Nov17- Nov16	Dec17- Dec16	Nov17 - Oct17 (seasonally adjusted)	Dec17 - Nov17 (seasonally adjusted)	Year-To-Date	Nov17 accum. in 12-months	Dec17 accum. in 12-months	carry-over 2018
Volume of Services		-5.0%	-2.8%	-0.7%	0.4%	1.0%	1.3%	-2.8%	-3.4%	-2.8%	1.3%
Services Rendered to Families		-4.4%	-1.1%	1.5%	-3.7%	0.9%	-0.9%	-1.1%	-0.9%	-1.1%	-0.3%
Information and Communication Services		-3.2%	-2.0%	-0.8%	2.3%	0.9%	-0.3%	-2.0%	-2.8%	-2.0%	-0.5%
Professional, Administrative and Complementary Services		-5.5%	-7.3%	-5.9%	-3.9%	0.8%	0.6%	-7.3%	-7.4%	-7.3%	0.9%
Transportation, Support Activities for Transportation and Mailing Activities		-7.6%	2.2%	6.6%	4.8%	0.9%	2.3%	2.2%	1.2%	2.2%	3.6%
Other Services		-2.8%	-8.9%	-10.0%	-5.7%	-1.0%	0.7%	-8.9%	-8.3%	-8.9%	0.0%

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)

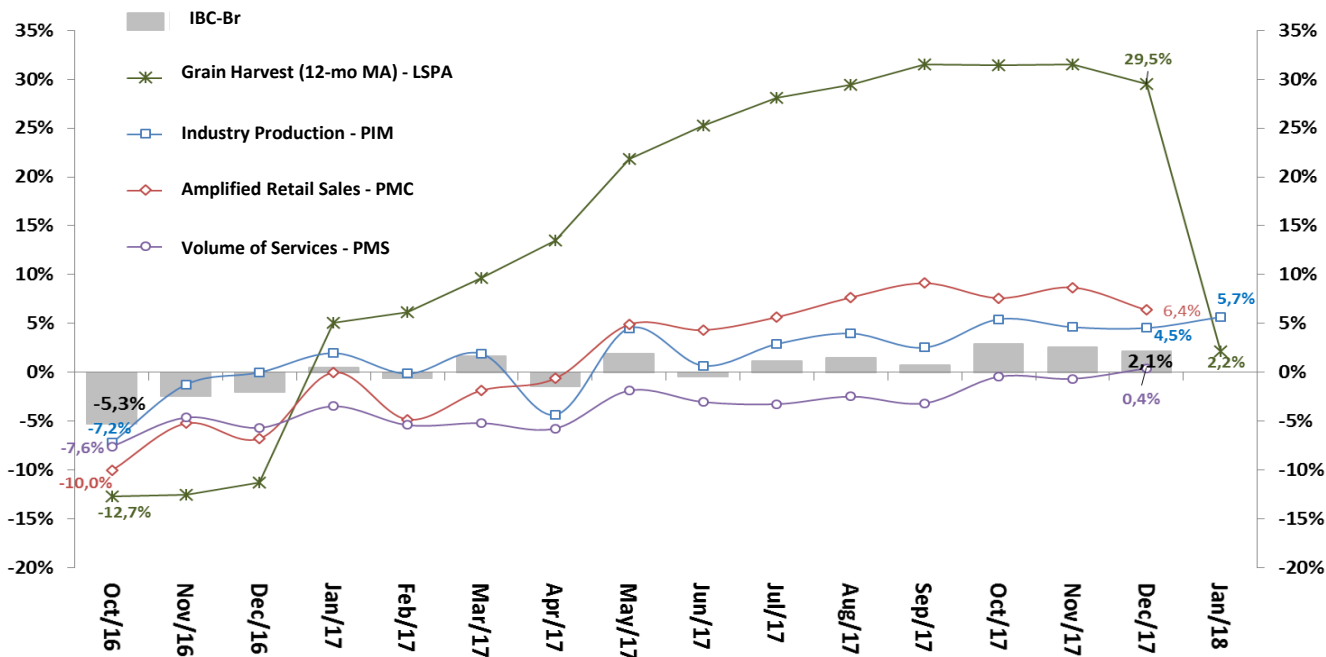


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators

IBC-Br
(YoY %)

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

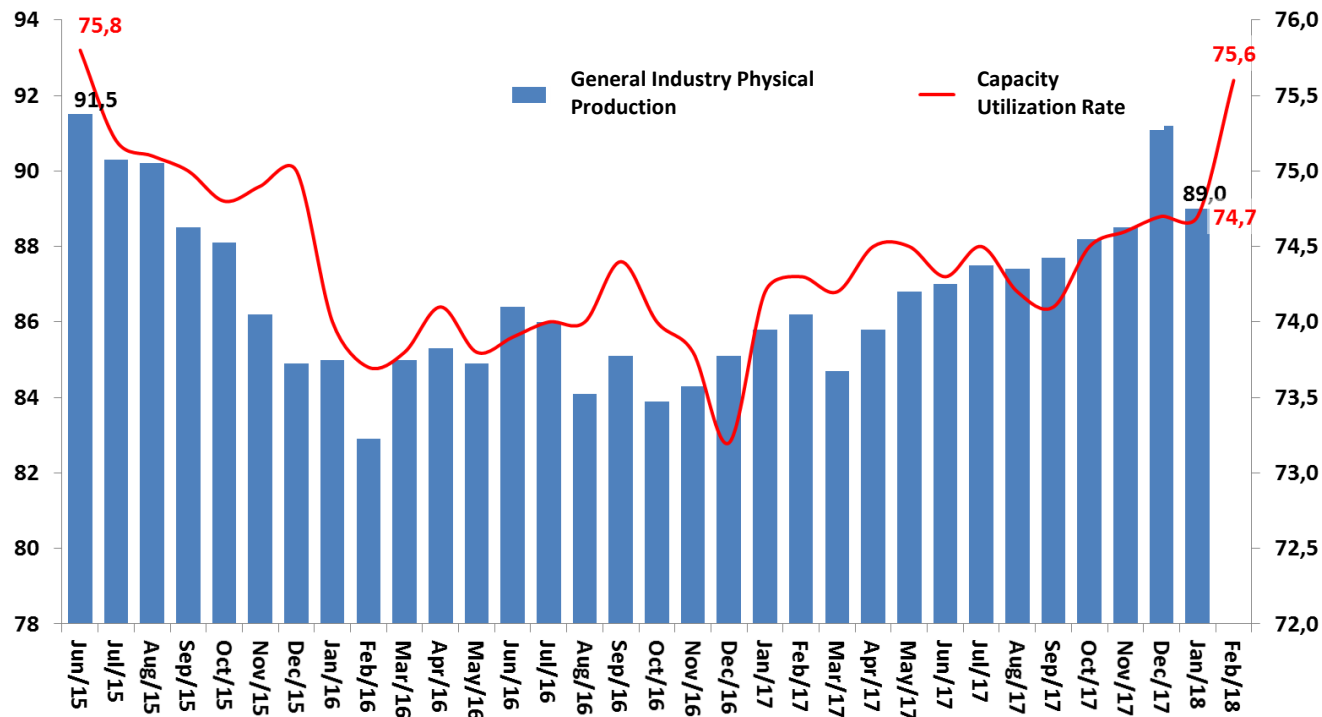


Sources: Central Bank of Brazil and IBGE/MP: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industrial Production and Capacity Utilization

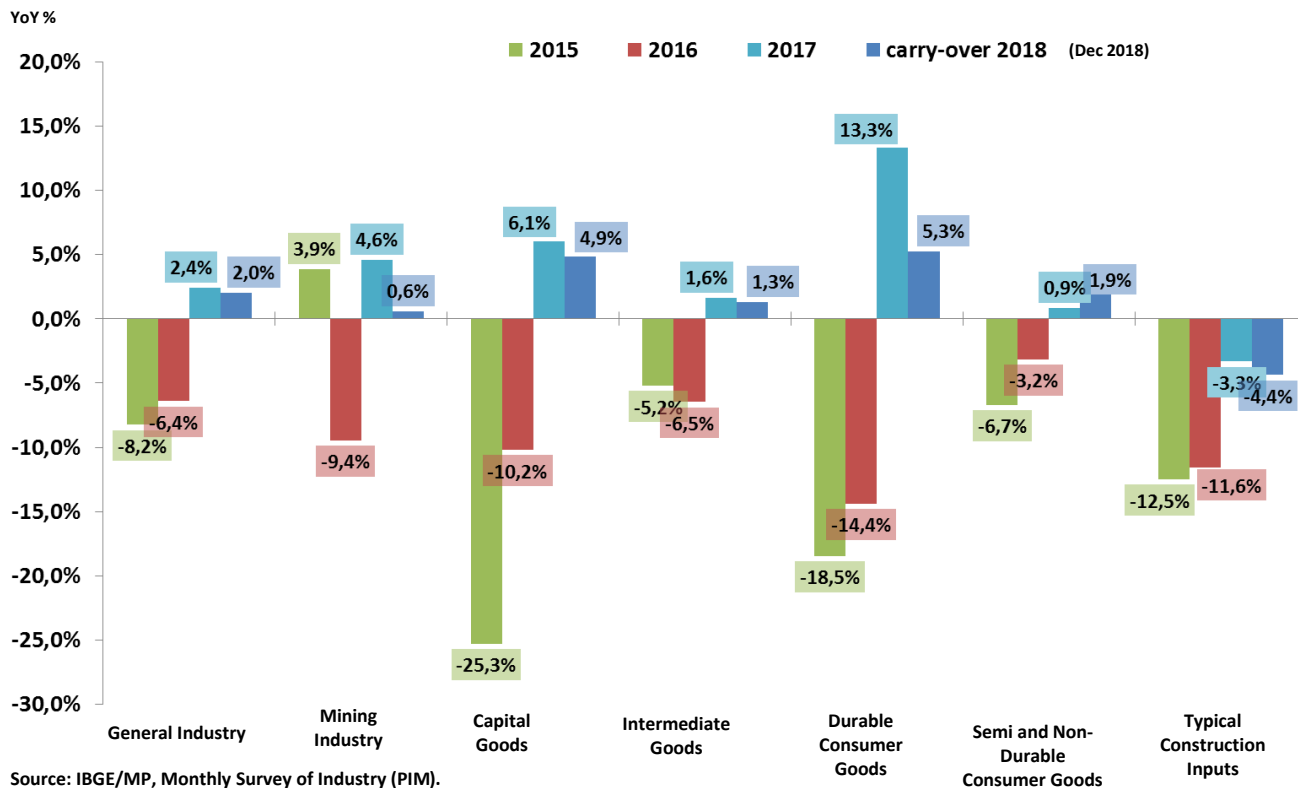
Industry Production
Seasonally Adjusted Index (2003 = 100)

Capacity Utilization
Seasonally Adjusted - % of Total Capacity



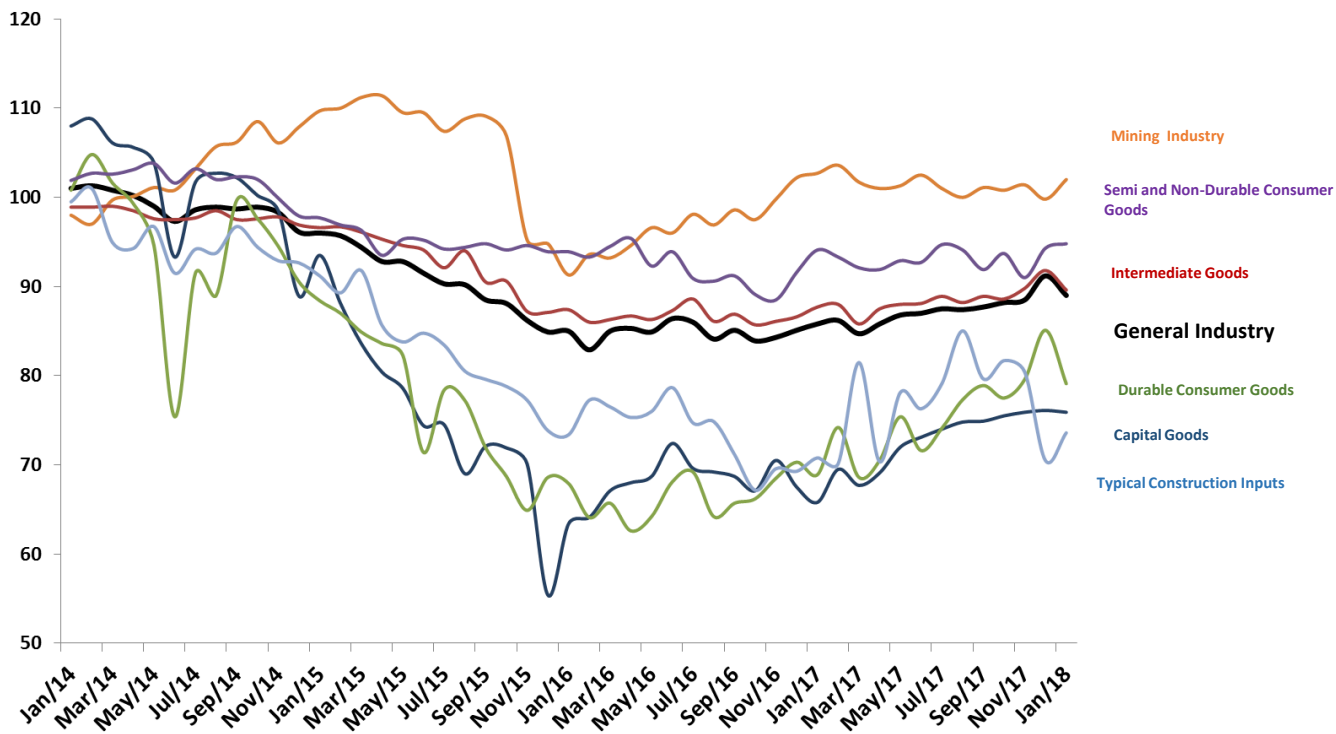
Sources: IBGE/MP and FGV.

Total Industrial Production and Economic Categories



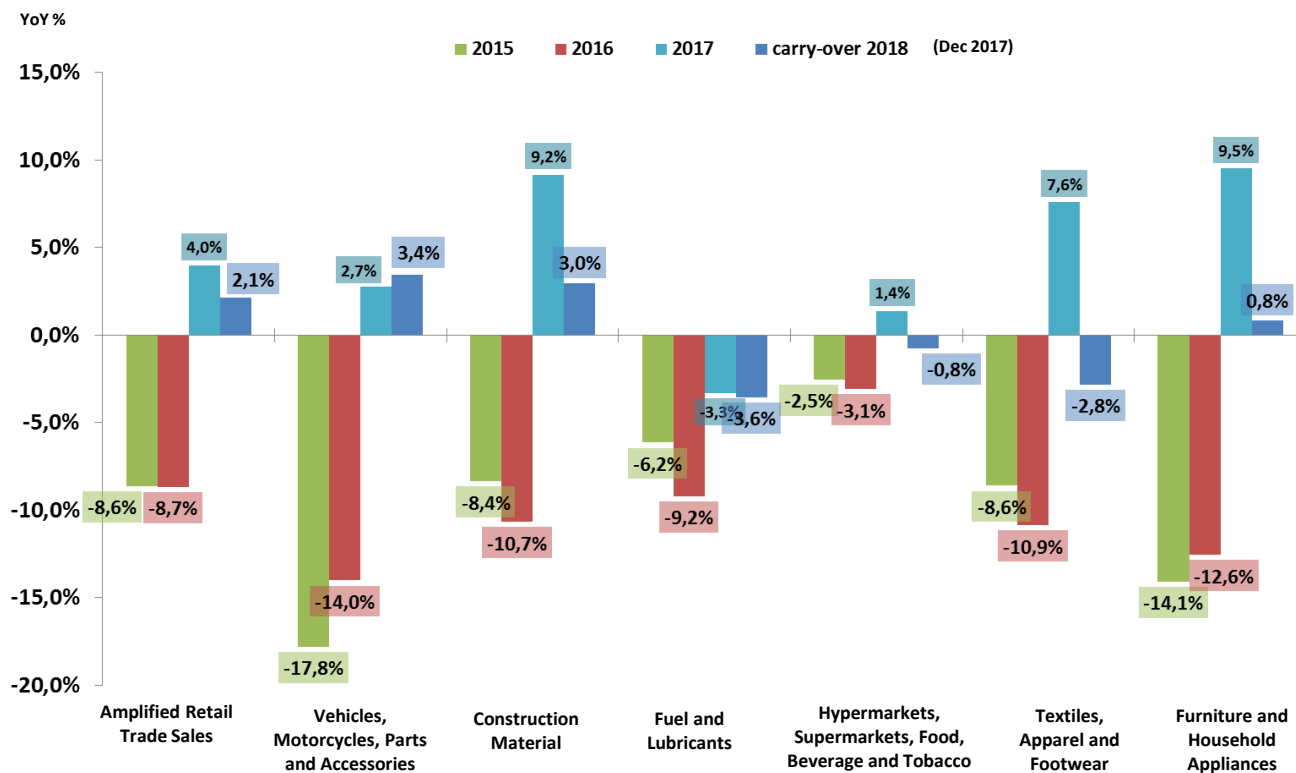
Total Industrial Production and Economic Categories

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



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

Total Retail Sales and Subsectors

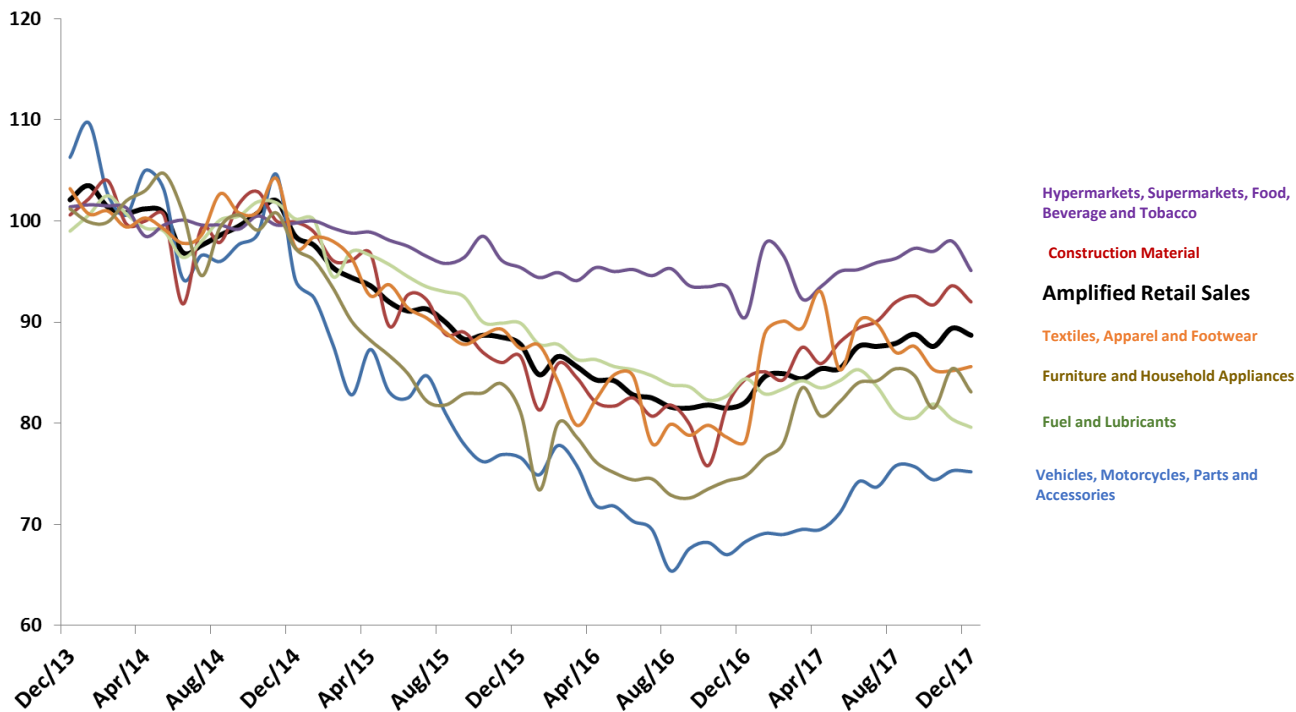


Source: IBGE/MP, Monthly Survey of Trade (PMC).

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

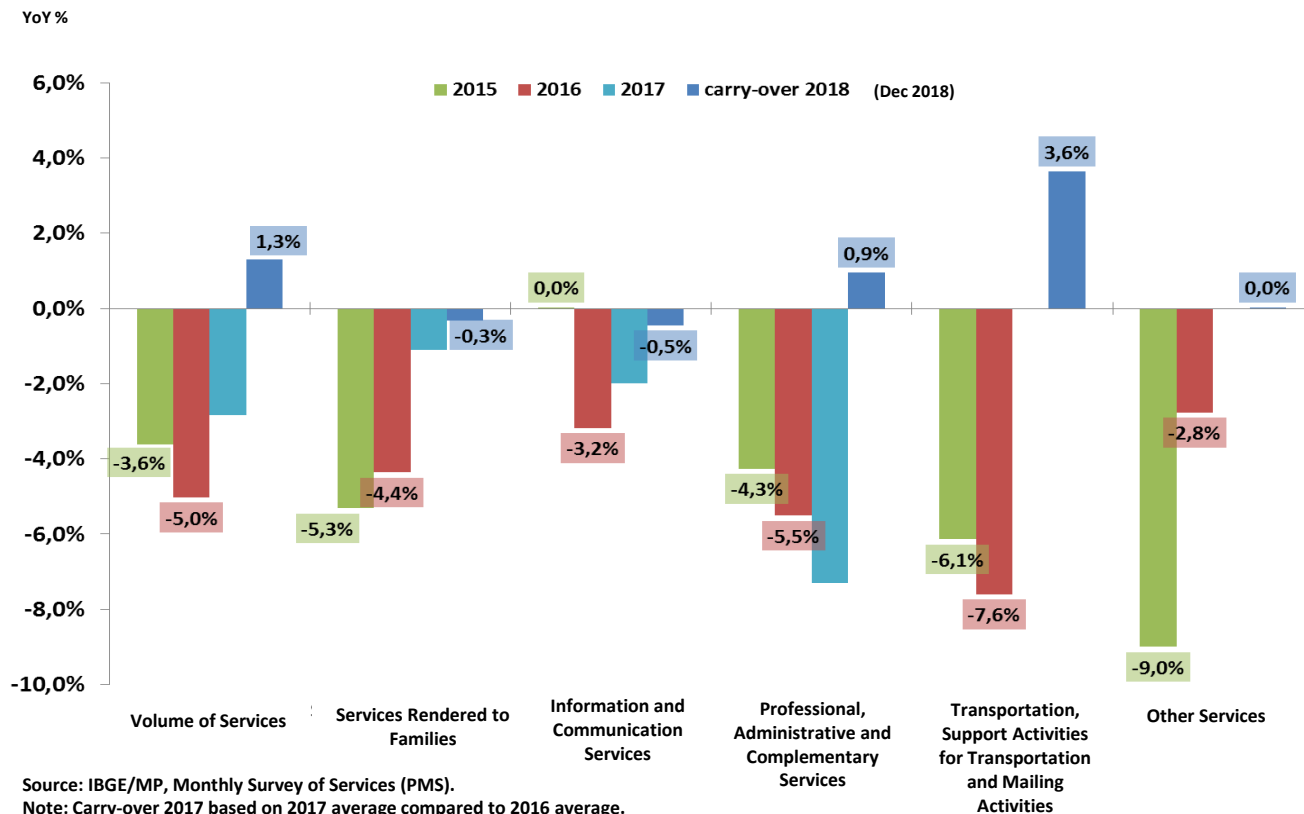
Total Retail Sales and Subsectors

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



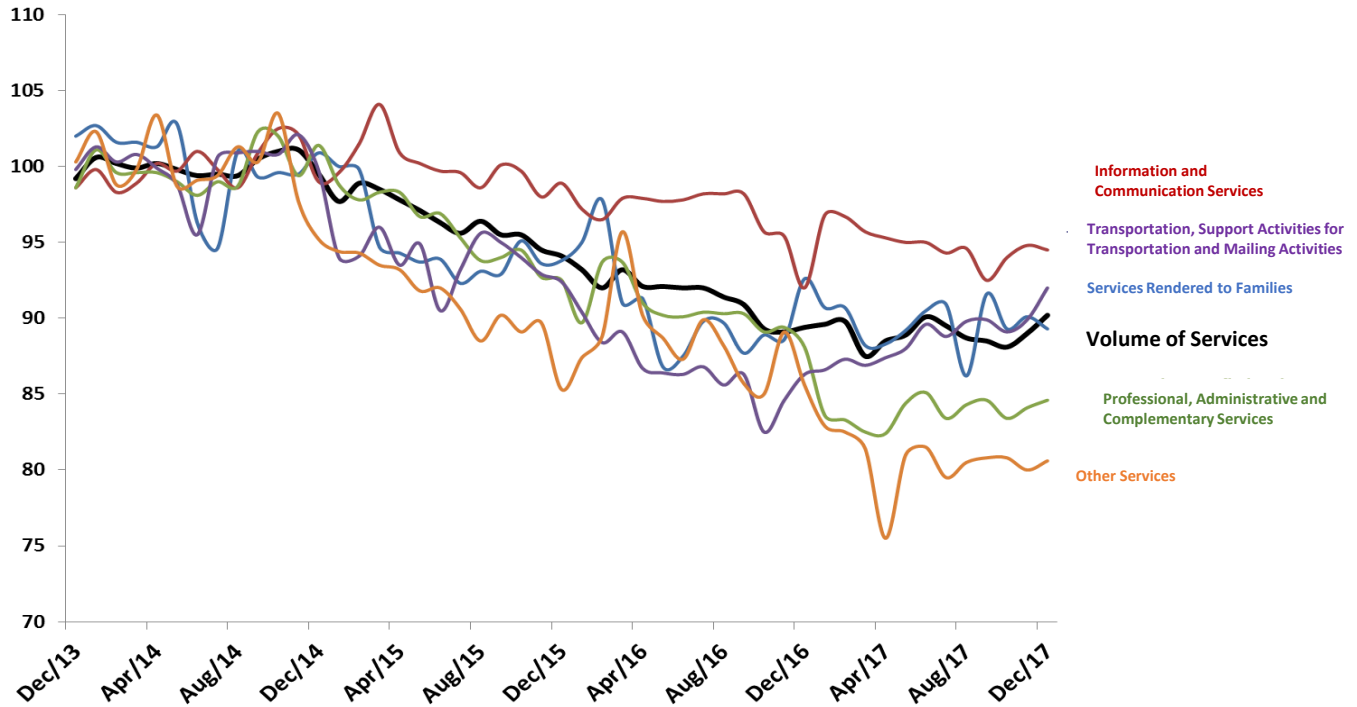
Source: IBGE/MP, Monthly Survey of Trade (PMC).

Volume of Services and Subsectors



Total Services and Subsectors

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

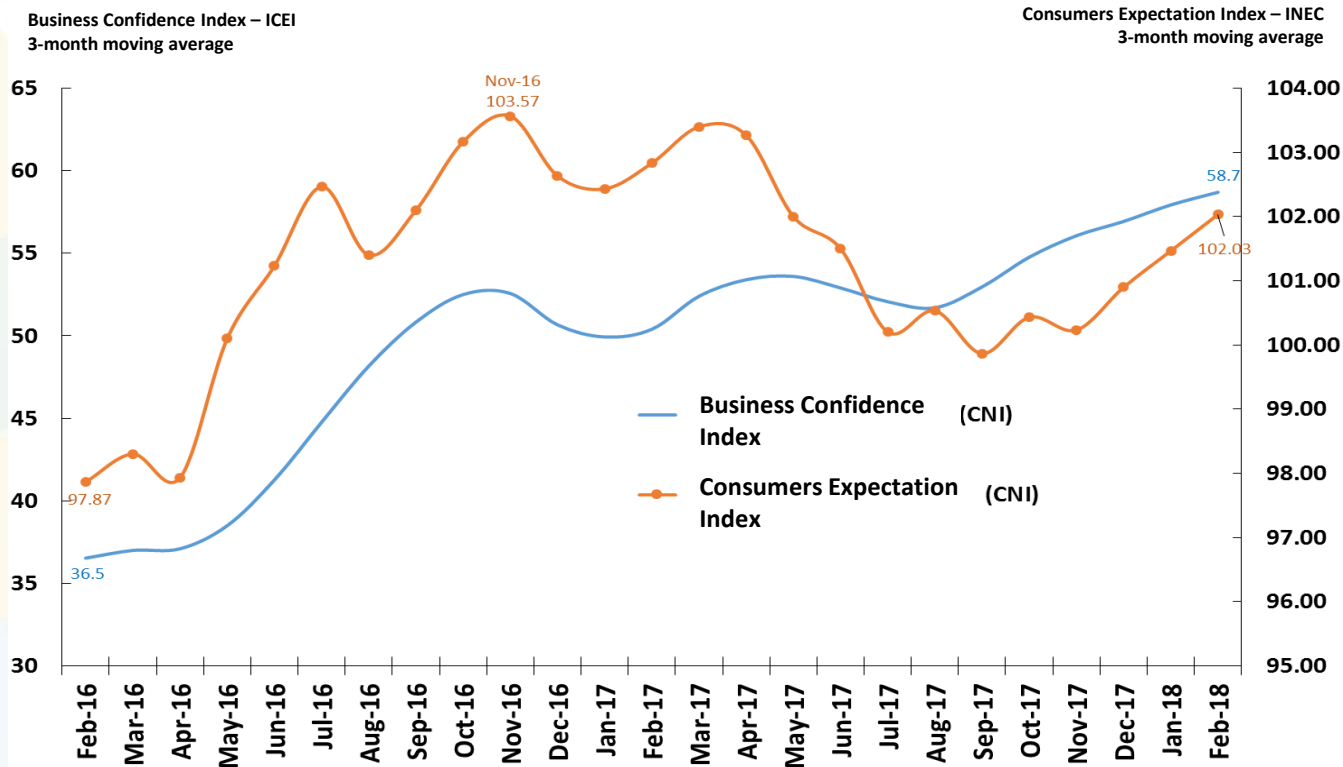


Source: IBGE, Monthly Survey of Services (PMS).

Other Monthly Economic Activity Indicators

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
Industry Indicators (CNI)										
Real Sales Revenue		-0.2%	3.4%	7.7%	-0.3%	-0.1%	7.7%	-0.2%	0.9%	2.6%
Working Hours in Production		-2.2%	-1.1%	1.1%	0.7%	0.4%	1.1%	-2.2%	-1.9%	1.1%
Capacity Utilization - UCI	effective level: 78.1	0.5%	1.6%	0.8%	-3.5%	0.5%	0.8%	0.5%	0.5%	-1.1%
Industry Inventories (CNI) - Final Goods - planned x realized	effective level: 49.2	1.0%	1.9%	-1.4%	1.1%	-1.6%	-1.4%	1.0%	1.0%	-0.9%
Sao Paulo Industry Confidence - ICEI-SP (FIESP)	effective level: 58.8	26.1%	17.0%	21.5%	5.3%	1.3%	21.5%	26.1%	24.1%	13.1%
Industry Capacity Utilization - NUCI (FGV)	effective level: 73.3	0.7%	-0.4%	0.1%	0.1%	0.0%	0.1%	0.7%	0.6%	0.4%
Industry Confidence (FGV)	effective level: 96.8	12.5%	18.7%	13.6%	1.9%	0.0%	13.6%	12.5%	12.5%	7.5%
Consumer Confidence (FGV)	effective level: 90.8	13.1%	18.0%	10.9%	1.0%	0.5%	10.9%	13.1%	12.6%	6.5%
Services Confidence (FGV)	effective level: 93.0	14.6%	17.3%	13.4%	1.9%	2.7%	13.4%	14.6%	14.5%	8.6%
Construction Confidence (FGV)	effective level: 83.4	8.5%	13.2%	10.3%	3.2%	1.8%	10.3%	8.5%	8.5%	8.4%
Retail Confidence (FGV)	effective level: 94.3	15.2%	19.3%	17.6%	2.5%	0.2%	17.6%	15.2%	15.5%	9.1%
Supermarket Sector Total Retail Sales (ABRAS)		1.3%	2.6%	2.4%	-2.5%	1.2%	2.4%	1.3%	1.5%	0.6%
Natural Gas and Oil Production (ANP)		4.4%	-4.2%	-2.7%	-2.2%	2.5%	-2.7%	4.4%	3.0%	-0.6%
Electric Energy Consumption - Total (EPE)		0.8%	1.7%	0.7%	0.3%	-0.2%	0.7%	0.8%	0.7%	0.6%
Industry Consumption (EPE)		1.1%	4.4%	3.7%	0.9%	0.5%	3.7%	1.1%	1.1%	3.2%
Electric Energy System Supply (ONS)		1.5%	2.3%	0.8%	1.8%	-0.6%	0.8%	1.5%	1.0%	1.5%
Corrugated Fiberboard Sales (ABPO)		4.9%	3.9%	5.1%	0.3%	-0.2%	5.1%	4.9%	4.9%	2.2%
Heavy Vehicles Road Traffic (ABCR)		1.1%	1.5%	6.6%	2.6%	-0.3%	6.6%	1.1%	1.8%	2.5%
February-18										
% change		2017	Jan/18- Jan/17	Feb/18- Feb/17	Jan/18 - Dec/17 (seasonally adjusted)	Feb/18 - Jan/18 (seasonally adjusted)	Year-To-Date	Jan/18 accum. in 12-months	Feb/18 accum. in 12-months	carry-over 2018
Business Confidence - ICEI (CNI)	effective level: 58.8	19.7%	17.8%	10.7%	2.4%	0.8%	10.7%	18.4%	16.0%	10.9%
Consumer Expectations - INEC (CNI)	effective level: 102.7	0.3%	-0.9%	-1.6%	1.3%	0.0%	-1.2%	-0.2%	-0.8%	0.7%
Total Vehicles Production (ANFAVEA)		25.1%	25.3%	6.2%	-11.0%	10.6%	14.4%	26.7%	23.3%	12.3%
Car Production		27.2%	21.2%	0.8%	-12.1%	8.6%	9.6%	28.6%	24.3%	8.0%
Commercial Vehicles Production		38.6%	49.6%	46.2%	-26.7%	16.9%	47.6%	42.3%	46.1%	27.0%
Total Vehicles Exports (ANFAVEA)		50.4%	21.9%	-1.2%	2.6%	9.4%	6.4%	48.7%	39.0%	9.7%
Total Vehicles Sales/Licensing (FENABRAVE)		10.3%	23.1%	15.7%	-6.4%	19.2%	19.3%	13.1%	14.5%	16.0%
Domestic Vehicles Sales/Licensing		13.4%	22.9%	14.2%	-6.3%	18.5%	18.4%	15.8%	16.7%	15.0%
Imported Vehicles Sales/Licensing		-9.9%	24.9%	28.1%	-7.5%	23.7%	26.4%	-4.8%	-0.5%	24.1%

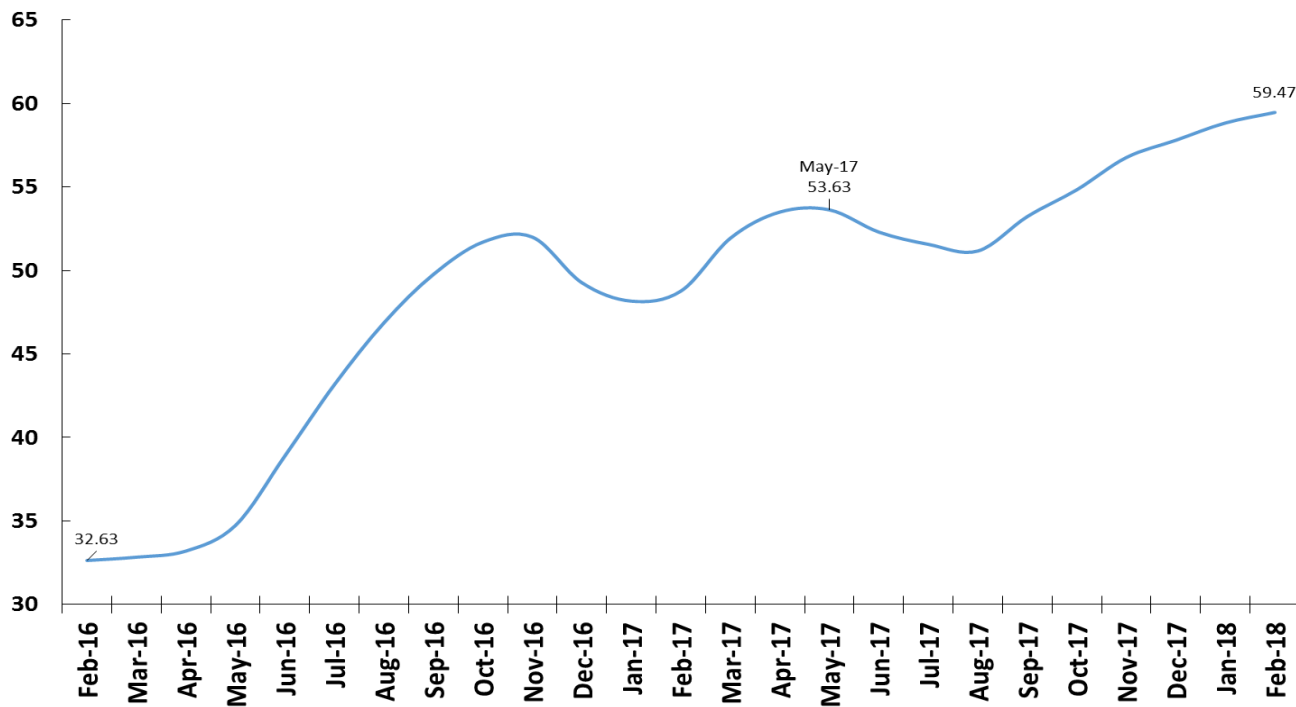
CNI: Business Confidence and Consumers Expectation Indexes



Source: CNI.

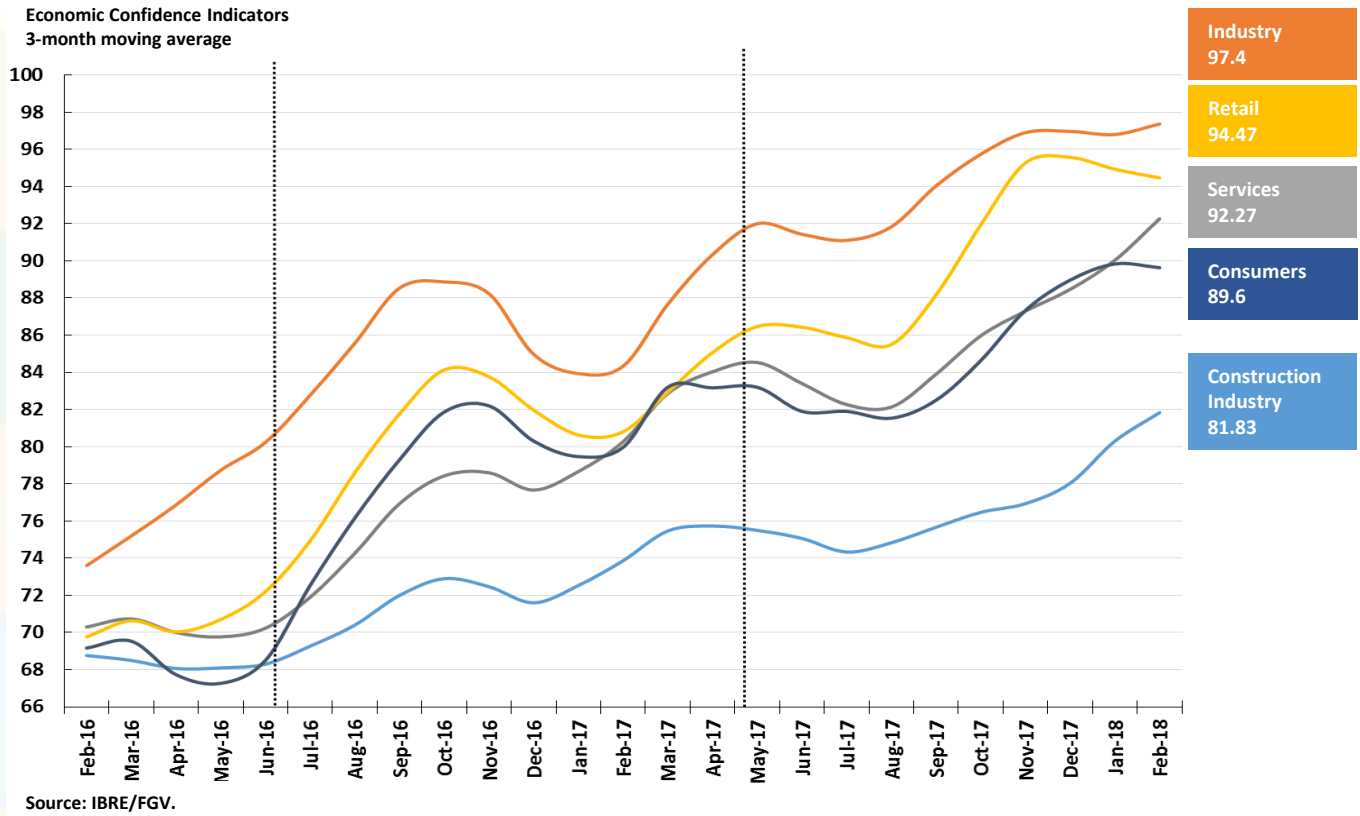
FIESP: Industry Confidence Index

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



Source: FIESP.

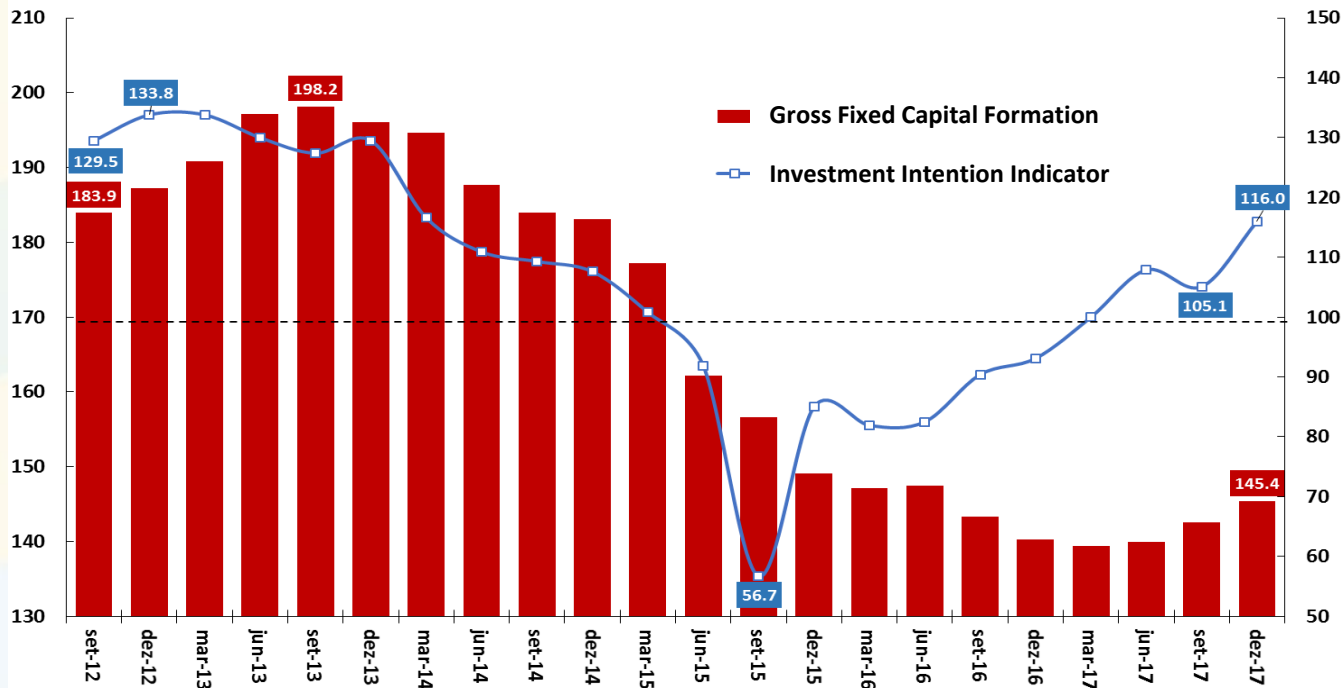
FGV: Economic Confidence Indicators



Gross Fixed Capital Formation and Investment Intention

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

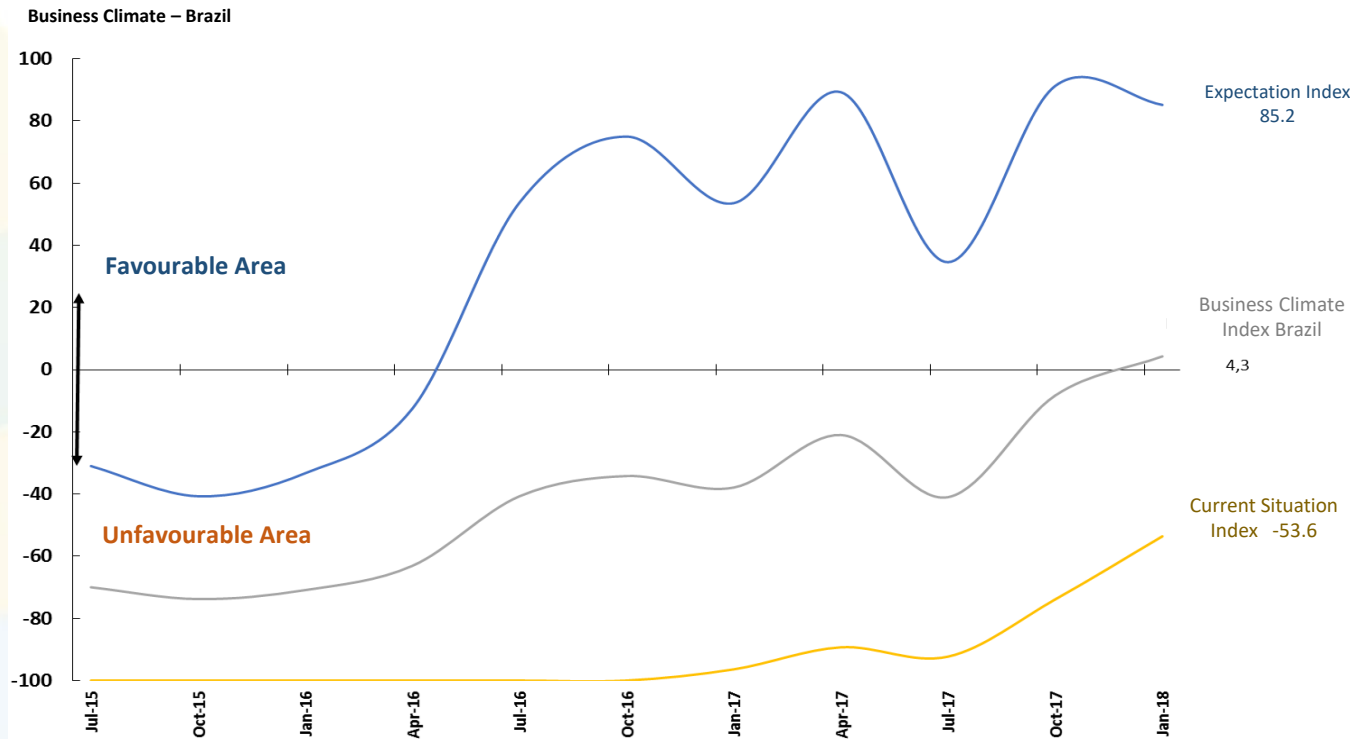
Investment Intention Indicator*
IBRE/FGV Investments Survey



Source: IBGE/MP e IBRE/FGV.

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

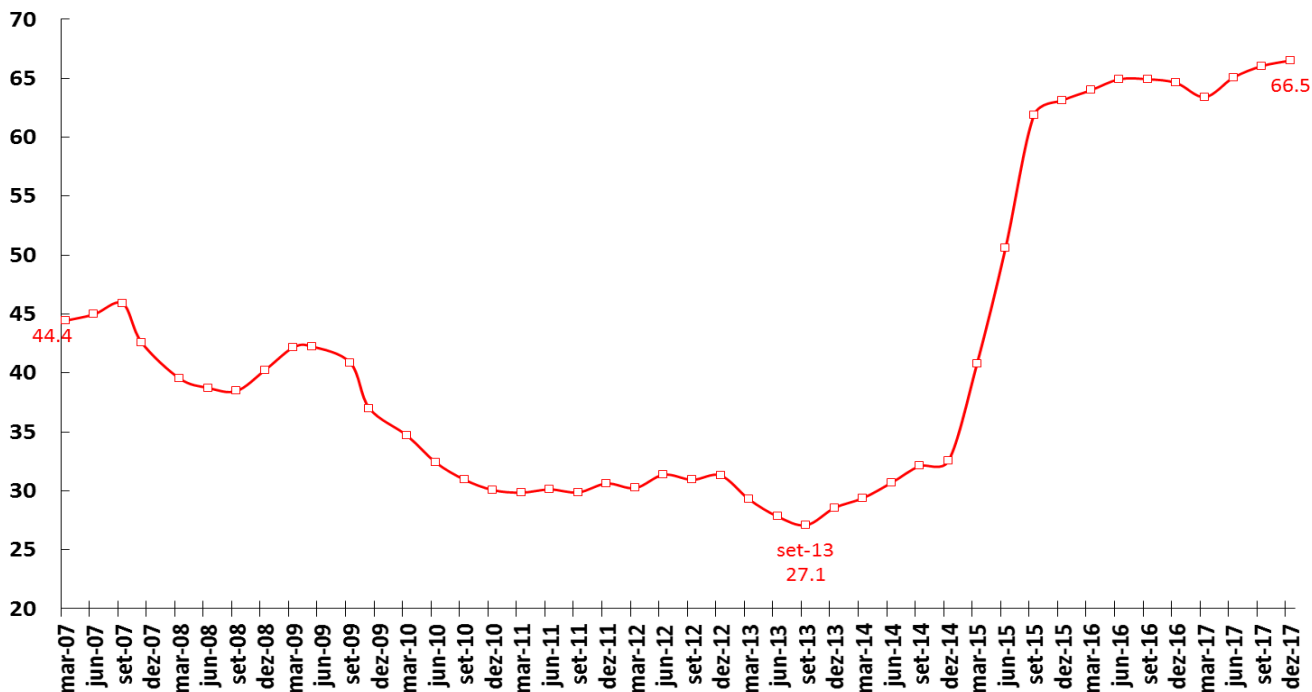
IFO / FGV: Business Climate Index - Brazil



Source: IFO and FGV.

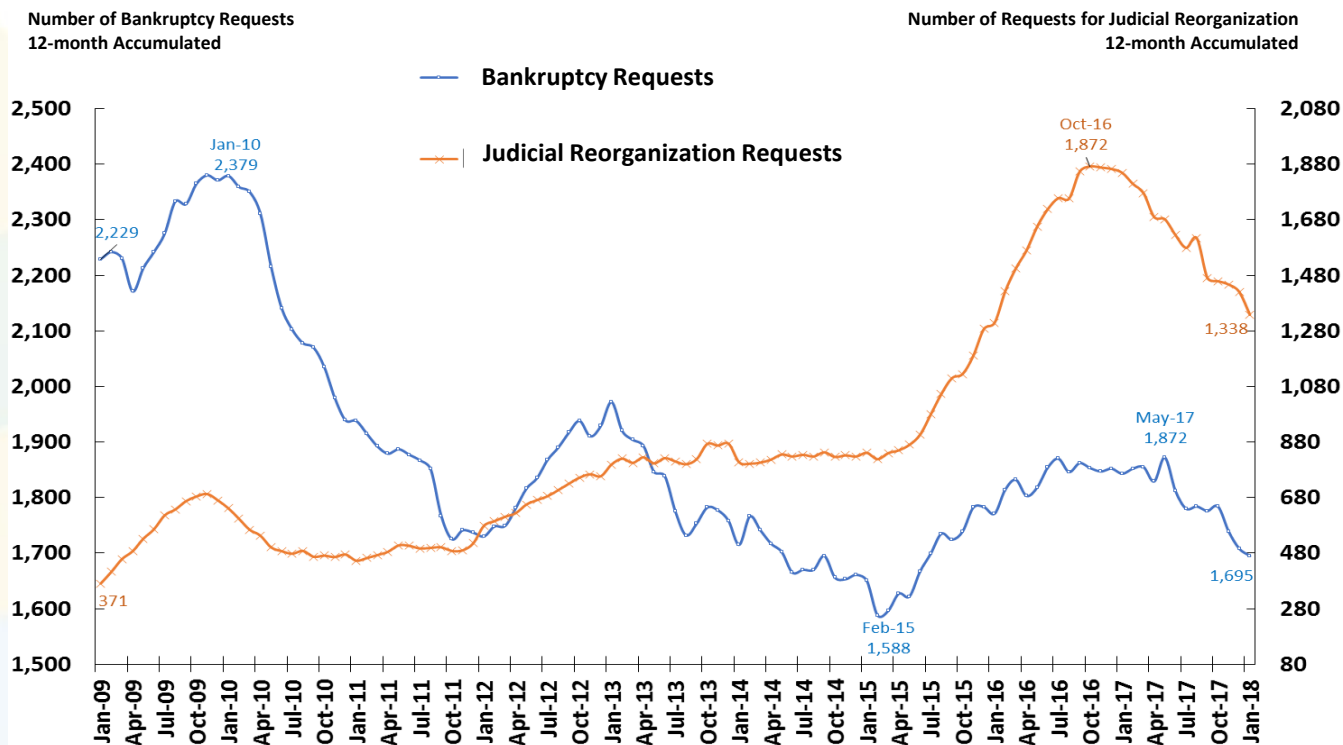
CNI: Fear of Unemployment Index

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



Source: CNI.

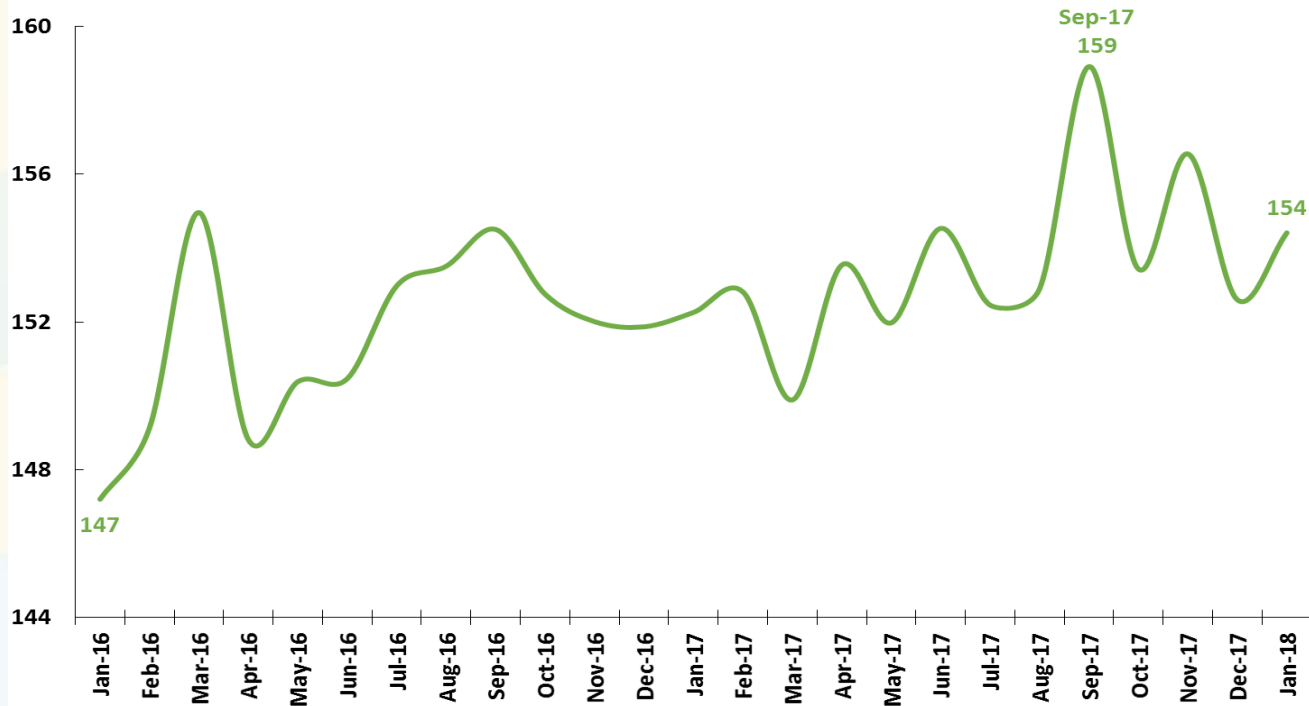
Bankruptcy and Judicial Reorganization Requests



Source: Serasa-Experian.

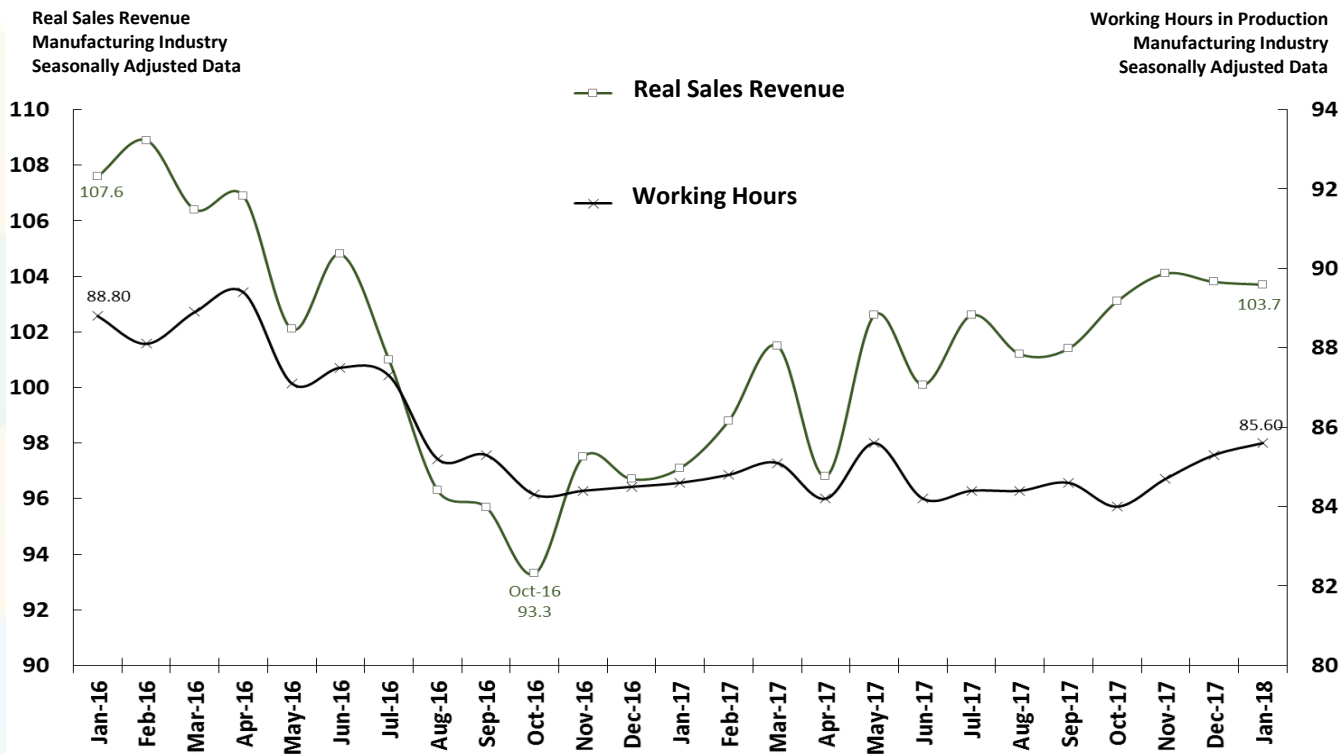
ABRAS: Supermarket Sector Total Retail Sales

Total Retail Sales
Seasonally Adjusted Data*



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

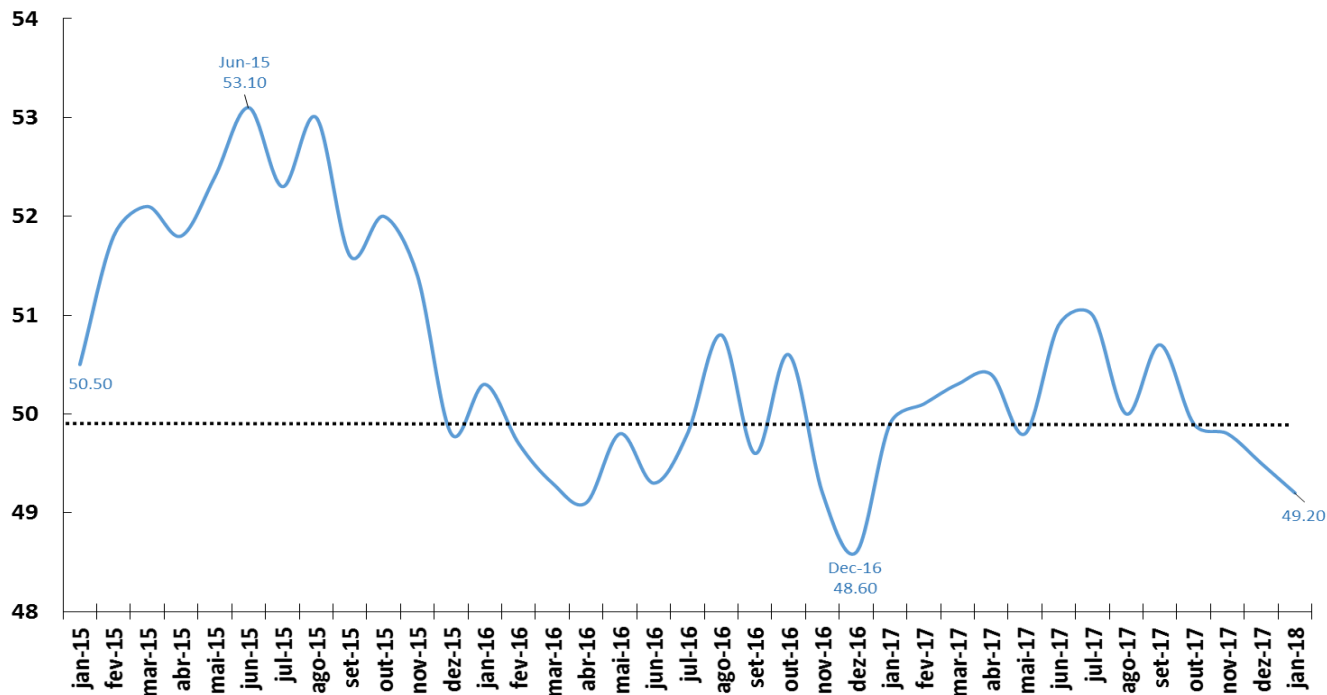
CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

CNI: Industry Inventory

General Industry Inventories Level
Final Goods - planned x effective

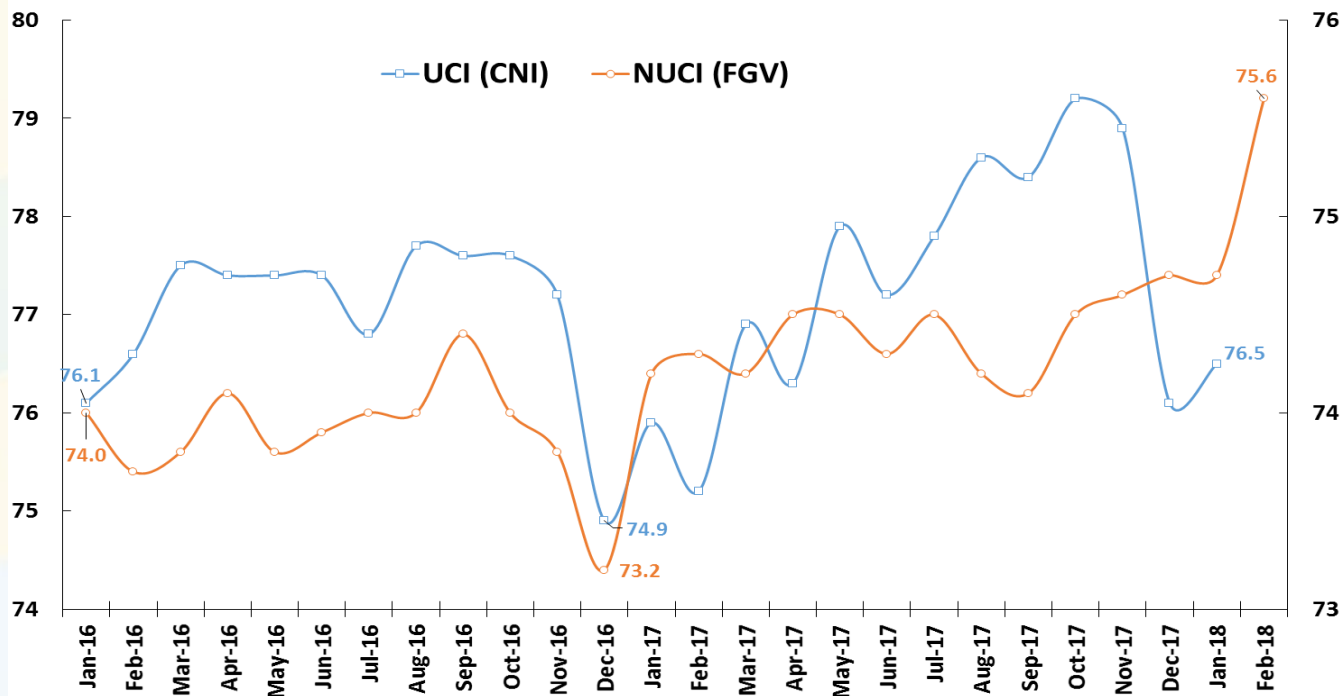


Source: CNI.

Capacity Utilization Rate

Capacity Utilization Rate - UCI (CNI)
Seasonally Adjusted Data

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

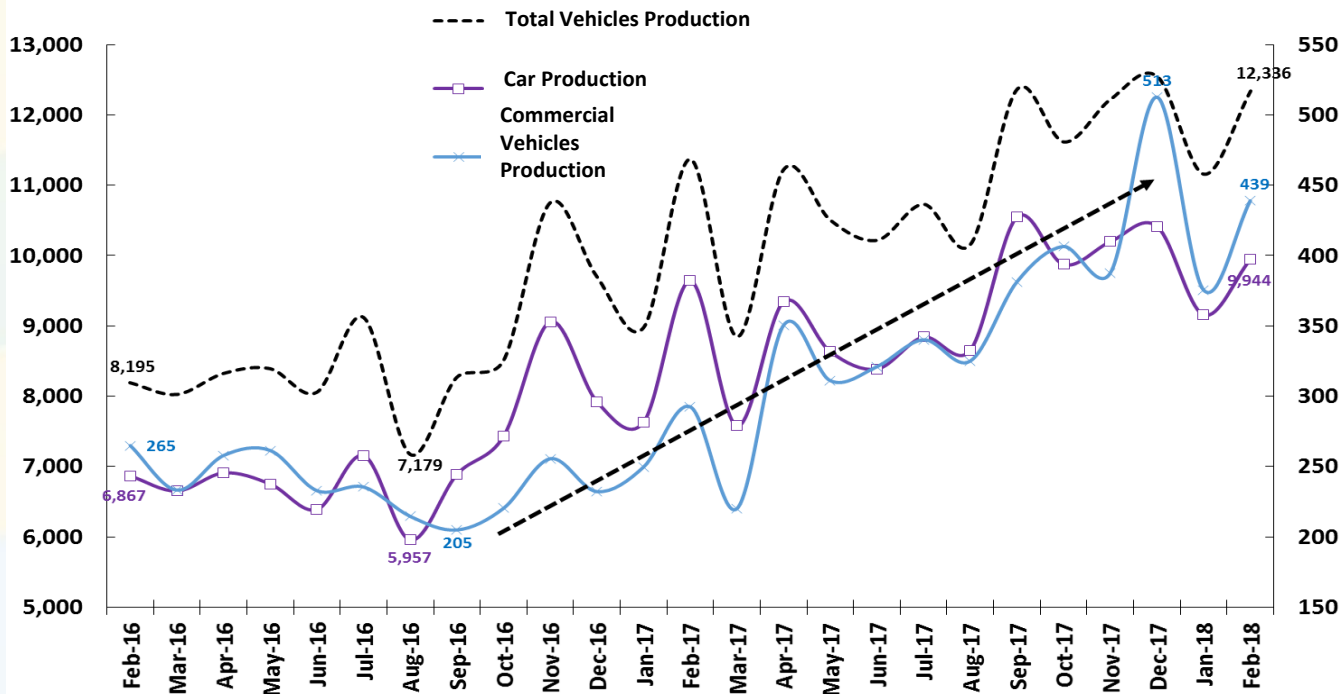


Source: CNI and FGV.

Anfavea: Automotive Sector Production

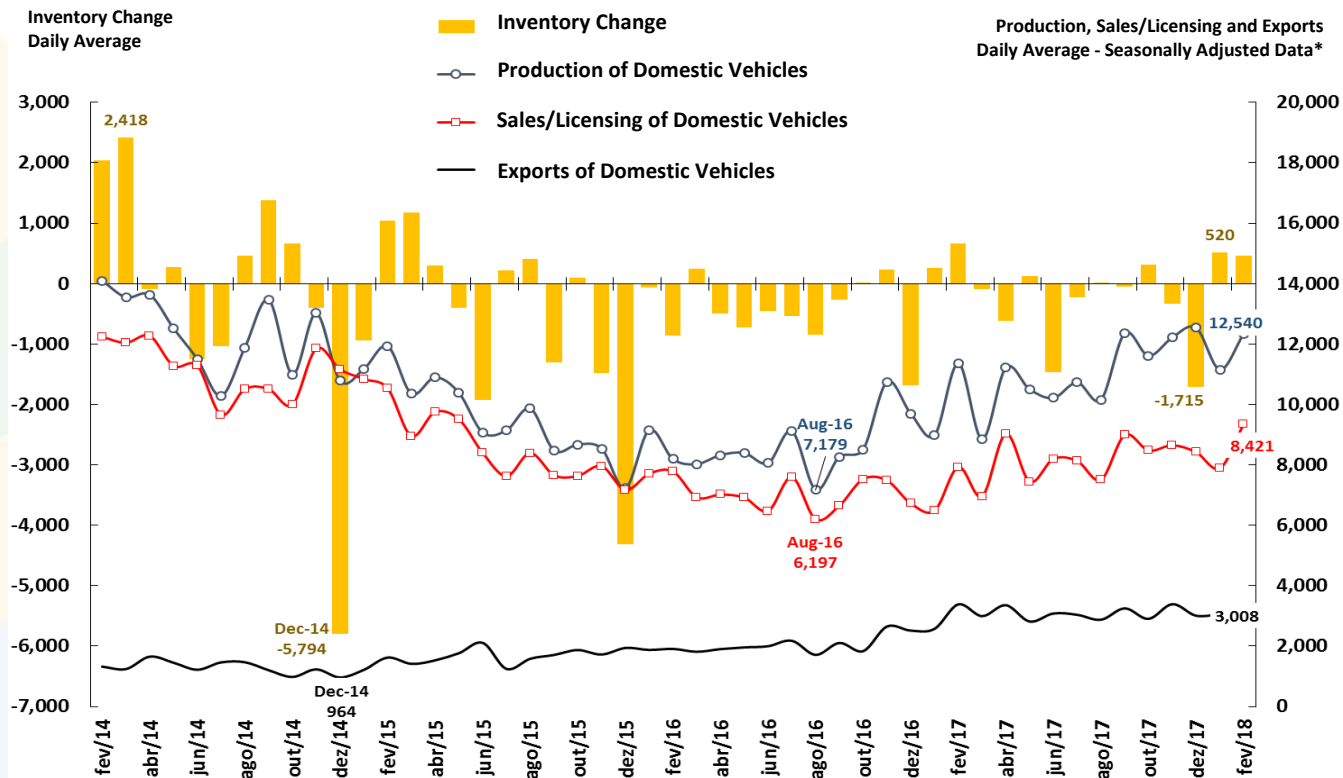
Total Vehicles and Car Production
Daily Average of Vehicles Monthly Manufactured
Seasonally Adjusted Data*

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



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

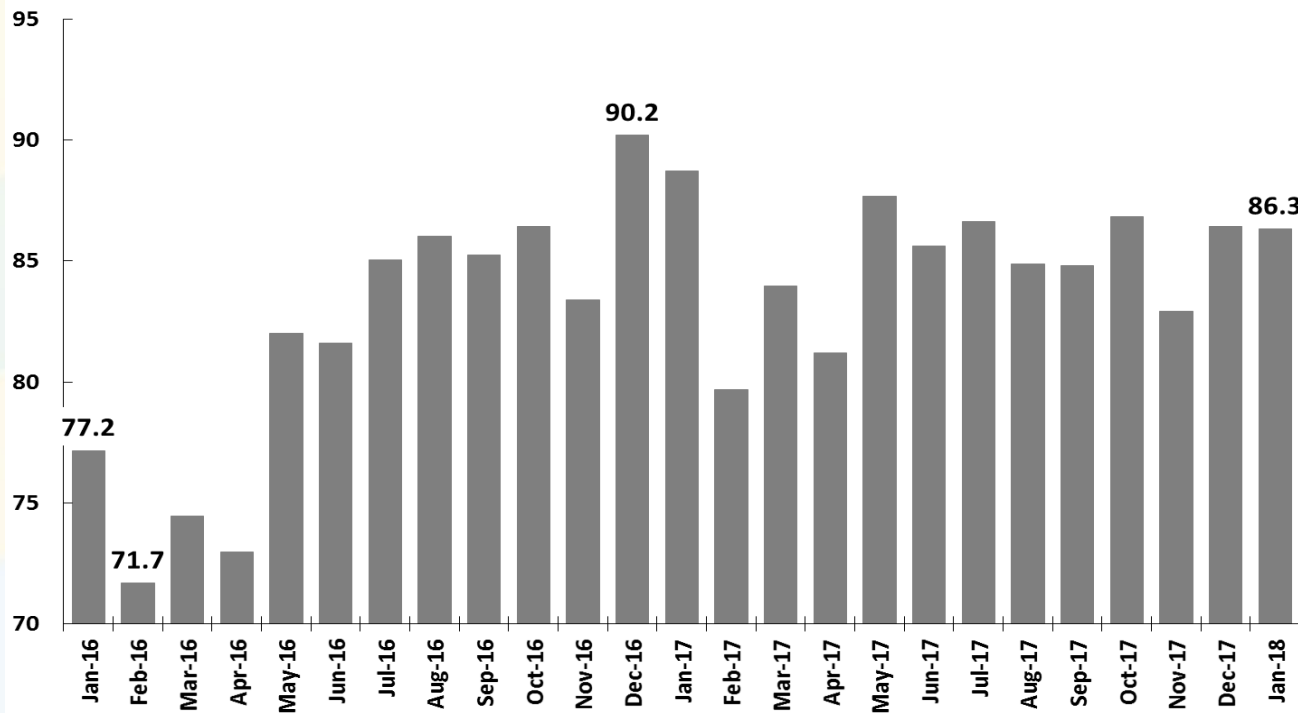
Automotive Sector Production, Sales and Inventory Change



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

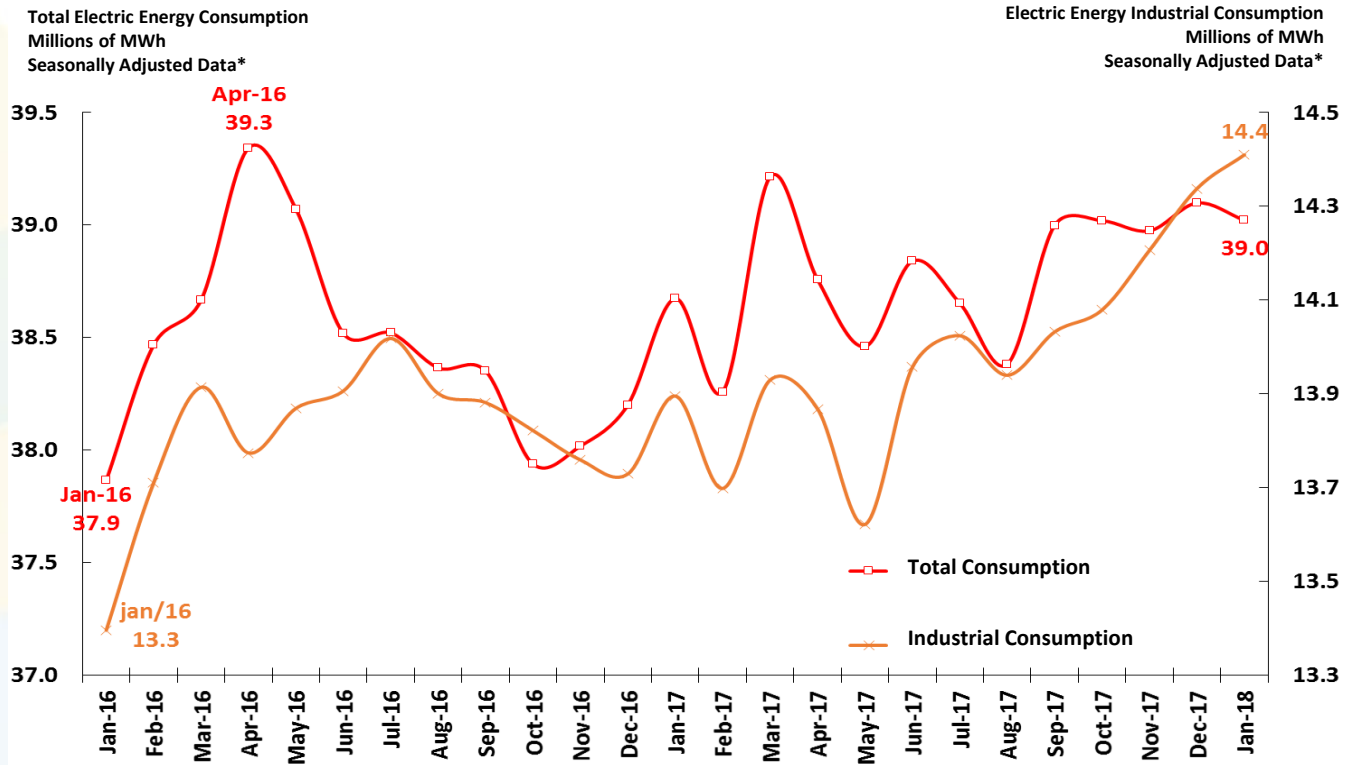
ANP: Natural Gas and Oil Production

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



Source: ANP.

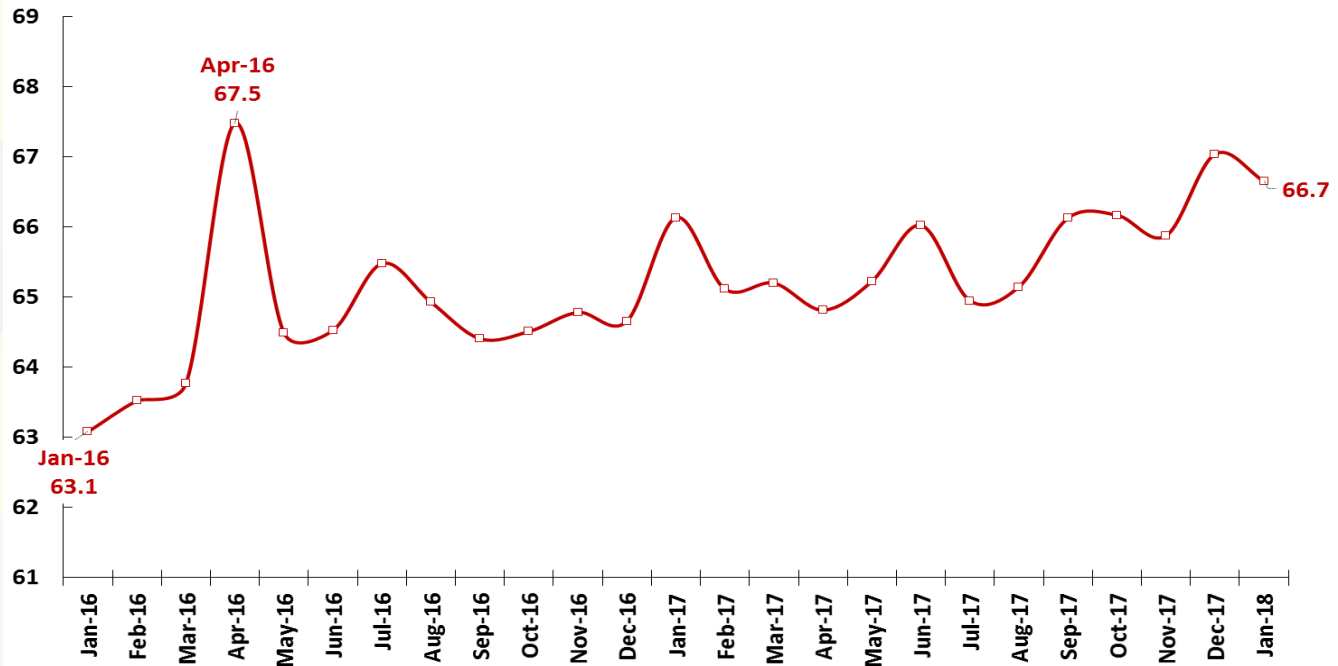
ANEEL: Electrical Energy Consumption



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

ONS: Electric Energy System Supply

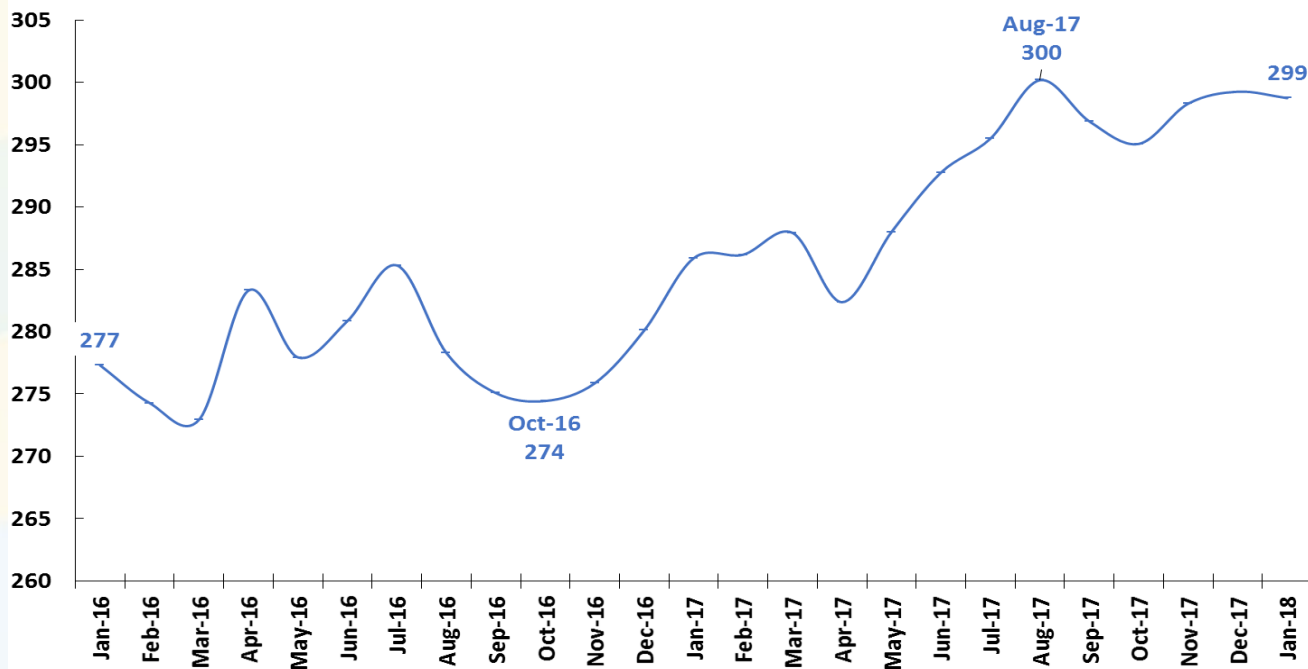
Electric Energy System Supply
Millions of MWh
Seasonally Adjusted Data*



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

ABPO: Corrugated Fiberboard Sales

Corrugated Fiberboard Sales
1.000 of Tons
Seasonally Adjusted Data*



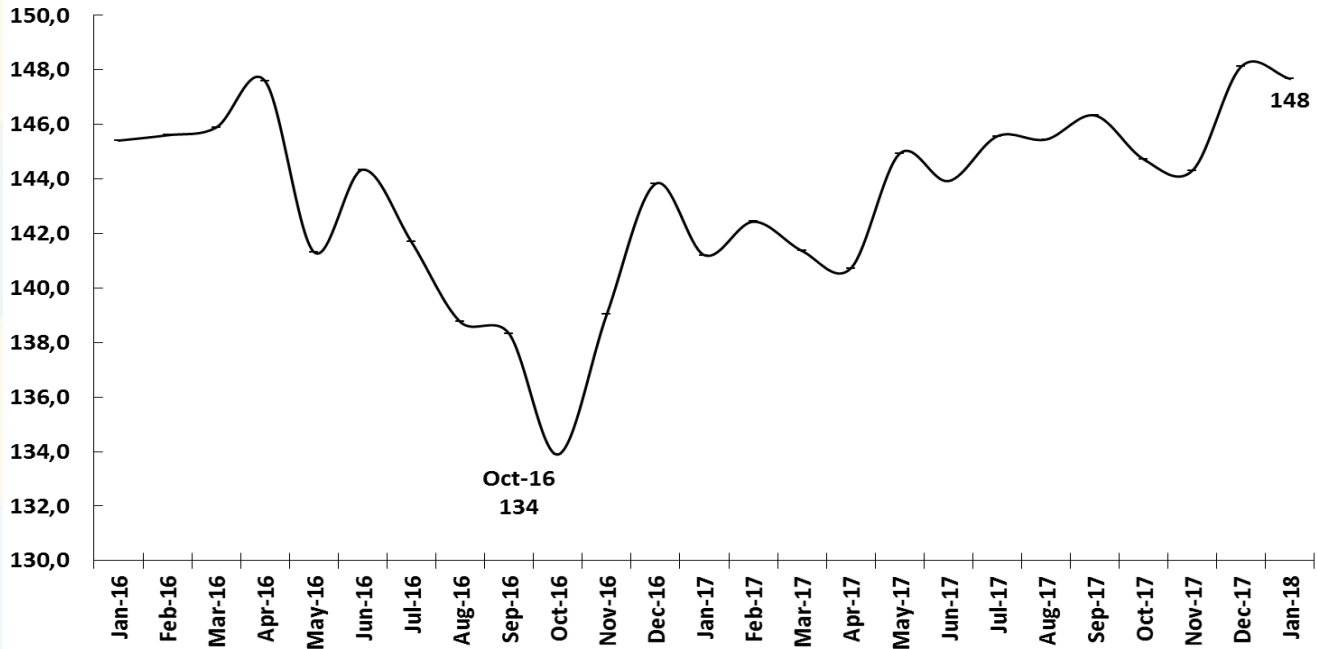
Source: ABPO. * Seasonally adjusted by SEPLAN/MP.

ABCR: Heavy Vehicles Road Traffic Index

Heavy Vehicles Road Traffic Index

Index: 1999=100

Seasonally Adjusted Data



Source: ABCR.



**LABOR
MARKET**

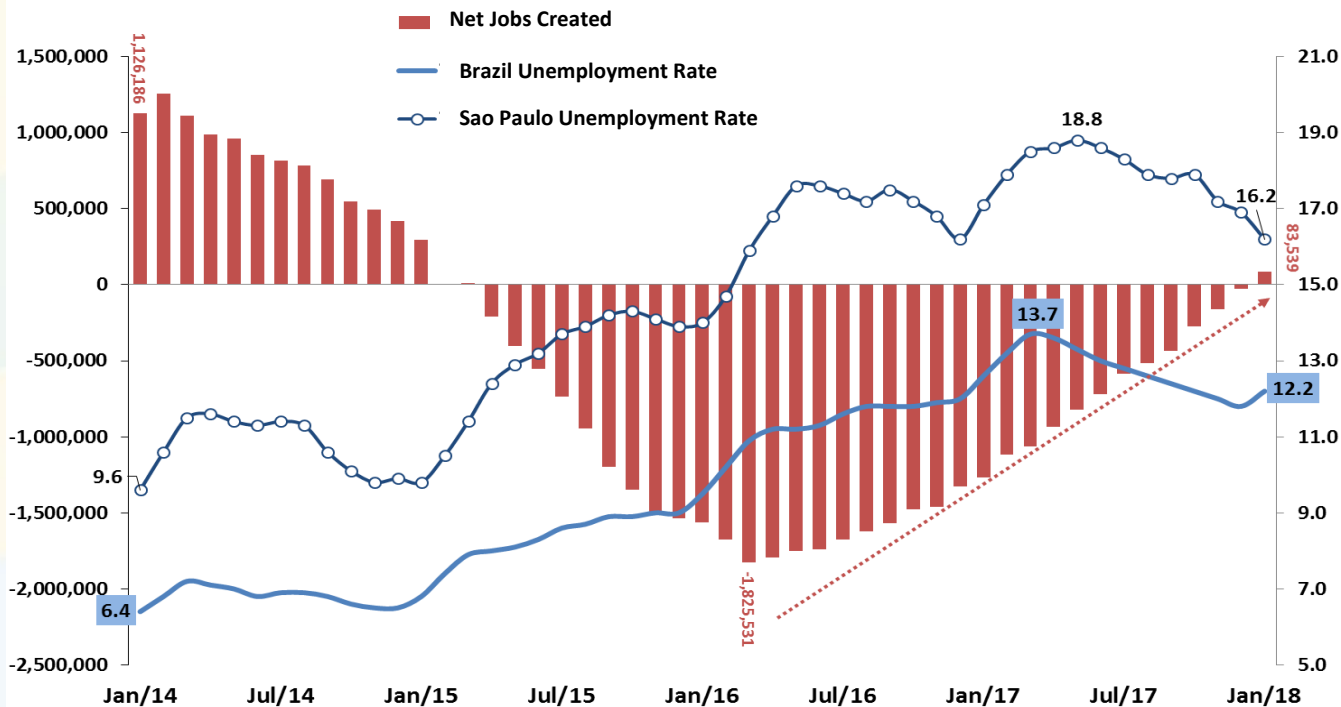
Labor Market

Employment Indicators	January-18	2016 average	2017 average	Jan/18 (12-months moving average)	Jan-18	chg.% 2016 / 2015	chg.% Dec/17- Dec/16	chg.% Jan/18- Jan/17	chg.% YTD 2018 / YTD 2017	chg.% Jan/18 - 2017 average
Brasil (PNADC, IBGE)										
Unemployment Rate % Labor Force		11.3	12.8	12.7	12.2	1.5 pp	-0.2 pp	-0.4 pp	-0.4 pp	-0.6 pp
Unemployed Population (in thousands)		166,189	168,210	168,357	169,140	1.2%	1.1%	1.1%	1.1%	0.6%
Employed Population (in thousands)		102,033	103,743	103,878	104,391	1.7%	1.8%	1.6%	1.6%	0.6%
Labor Force (in thousands)		90,539	90,495	90,649	91,702	0.0%	2.0%	2.1%	2.1%	1.3%
Working Age Population (in thousands)		11,494	13,248	13,228	12,689	15.3%	-0.3%	-1.8%	-1.8%	-4.2%
São Paulo Unemployment Rate % (RMSP, PED-Seade)		16.6	18.0	17.9	16.2	1.4 pp	0.7 pp	-0.9 pp	-0.9 pp	-1.8 pp
Average Real Earnings (PNADC, IBGE)	January-18	2016 average	2017 average	Jan/18 (12-months moving average)	Jan-18	chg.% 2016 / 2015	chg.% Dec/17- Dec/16	chg.% Jan/18- Jan/17	chg.% YTD 2018 / YTD 2017	chg.% Jan/18 - 2017 average
real values (in R\$ of last month)										
Employed Population		2,097	2,146	2,149	2,169	2.3%	1.6%	1.6%	2.3%	1.1%
Formal Contract		2,018	2,059	2,065	2,096	2.0%	3.6%	3.6%	2.3%	1.8%
Informal Contract		1,232	1,239	1,237	1,202	0.5%	-1.7%	-2.1%	0.6%	-3.0%
Self-employed		1,582	1,566	1,568	1,584	-1.0%	1.3%	1.2%	-0.6%	1.2%
Public Sector		3,296	3,352	3,352	3,398	1.7%	-0.1%	-0.1%	1.4%	1.4%
Real Wage Bill (in R\$ millions of last months)		185,087	189,292	189,855	193,827	2.3%	3.5%	3.6%	2.6%	2.4%
Percentage of the Minimum Wage to Purchase the Basic Food Basket (Dieese)		46.3%	44.2%	44.1%	44.2%	-2.2 pp	-0.1 pp	0.0 pp	-1.1%	-2.5%
Formal Jobs (CAGED, MTE)	January-18	2016	2017	Dec/17 accum. in 12- months	Jan/18 accum. in 12-months	Year-To- Date	Jan-18	chg.% 2017 / 2016	chg.% Jan/18 accum. 12-m / 2017	chg.% YTD 2018 / YTD 2017
Million people										
Net Formal Jobs Creation		-1,326.6	-25.4	-25.4	83.5	77.8	77.8	-98.1%	-429.4%	-250.4%
Job Openings		14,847	14,696	14,696	14,710	1,284.50	1,284.50	-1.0%	0.1%	101.1%
Job Separations		16,174	14,722	14,722	14,627	1,206.68	1,206.68	-9.0%	-0.6%	92.7%

Unemployment Rate and Net Formal Job Creation

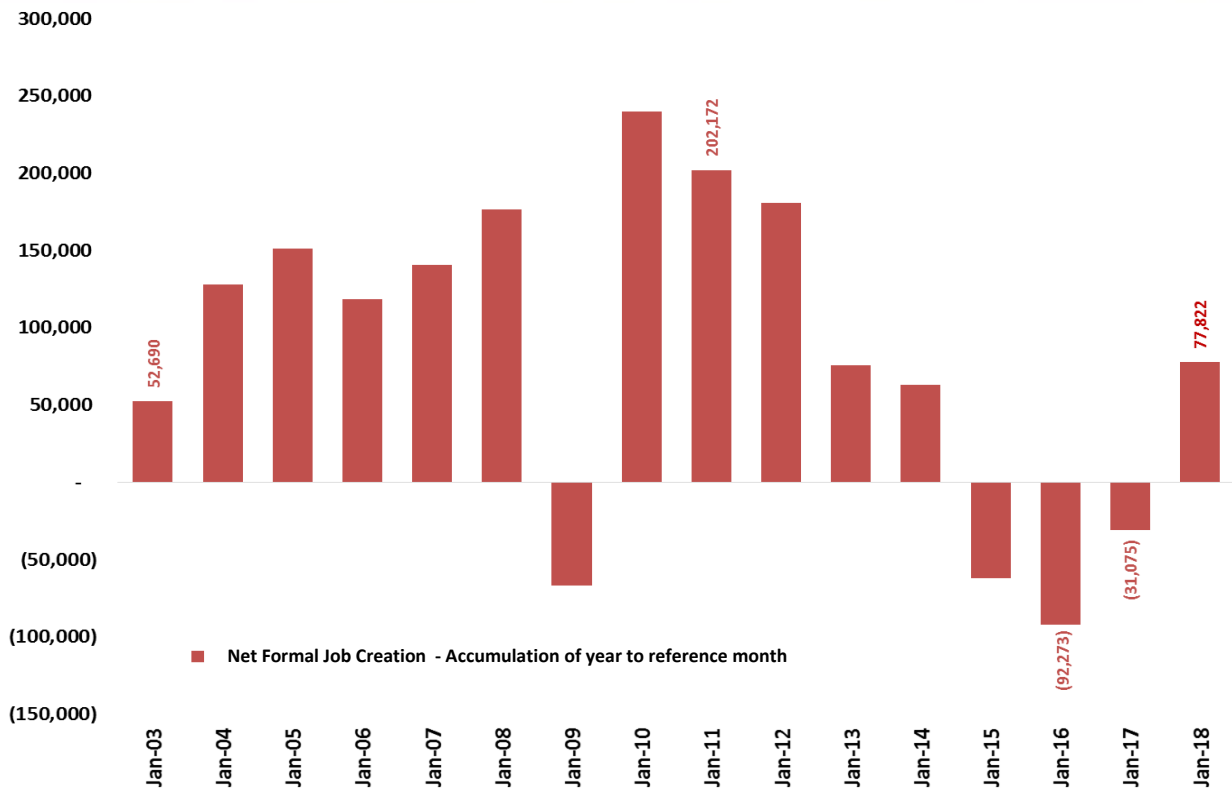
Net Formal Jobs Creation
12-Month Accumulated Figures

Brazil and Sao Paulo Unemployment Rate
% of Labor Force



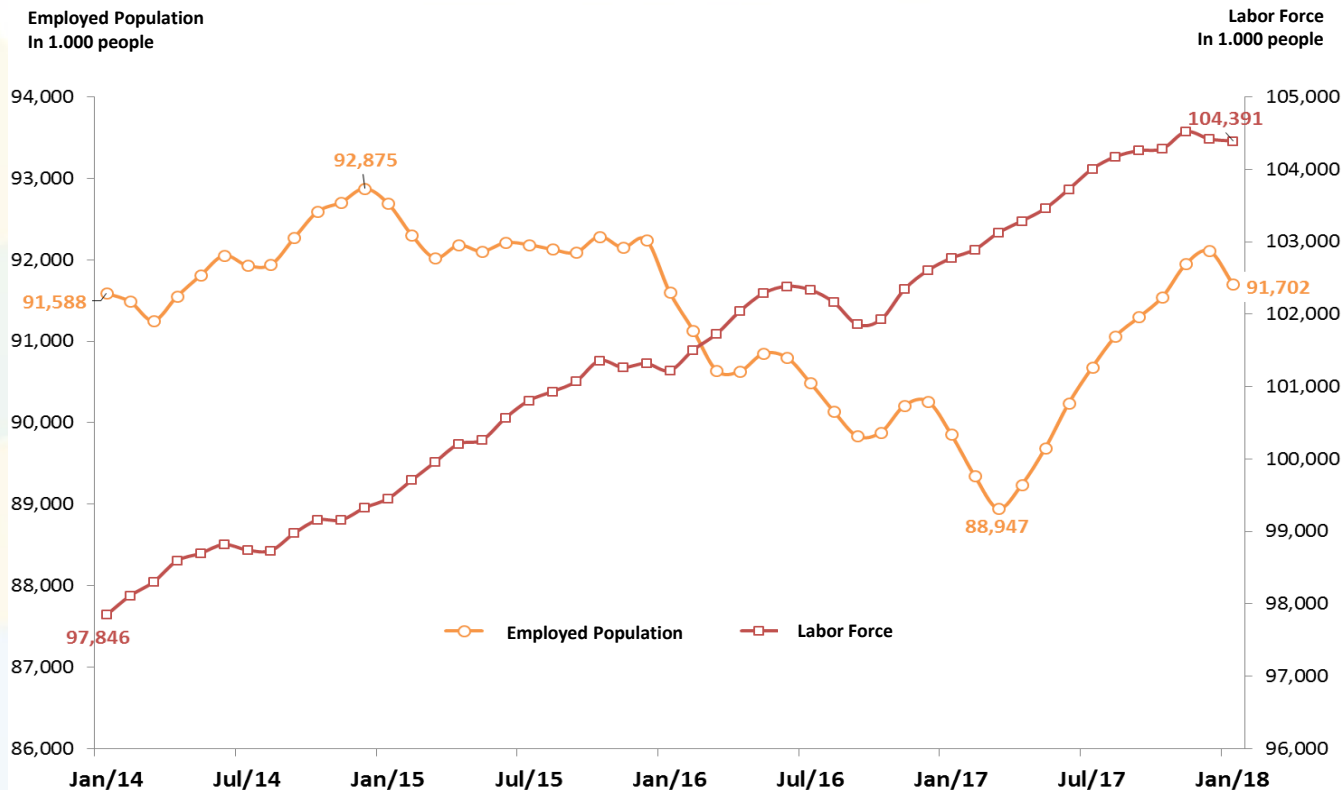
Sources: IBGE/MP - PNADC, SEADE-PED and MTE-CAGED (adjusted data).

Net Formal Job Creation – Total Accumulation of Year



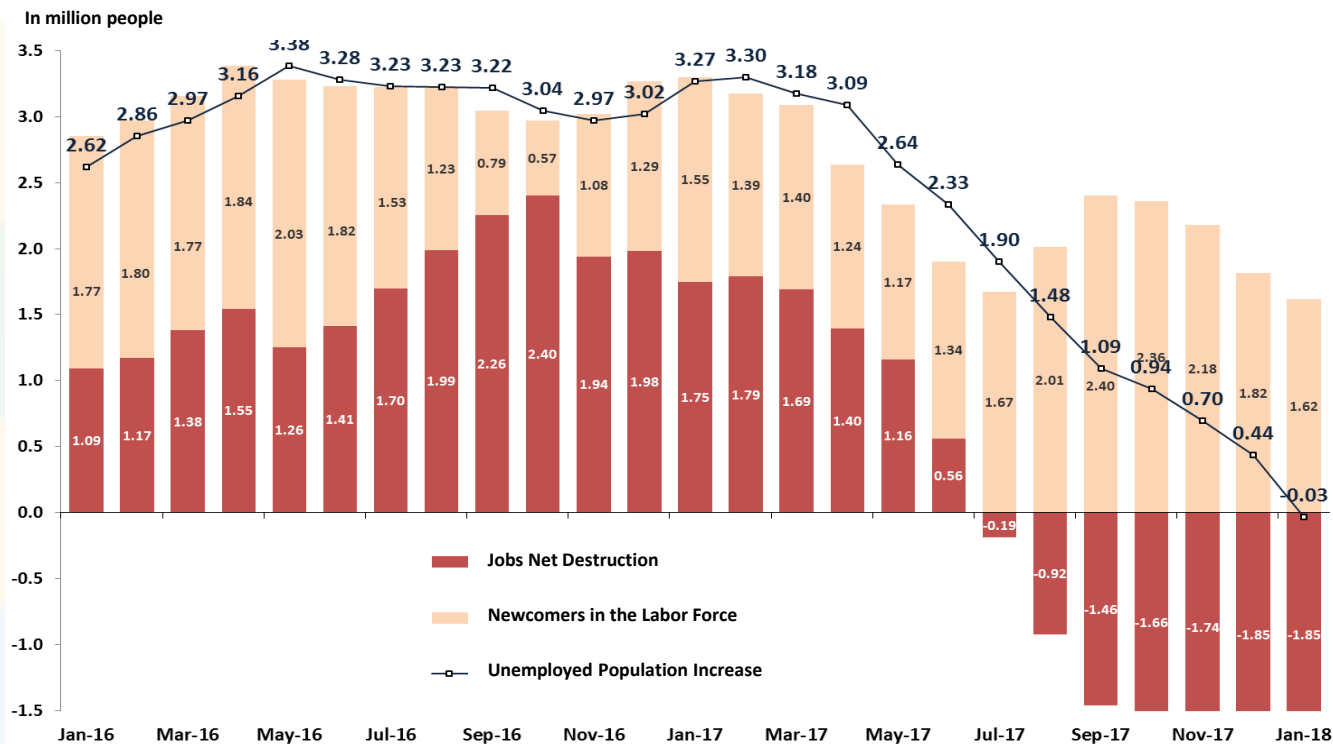
Fonte: Source: MTE-CAGED (adjusted data).

Employed Population and Labor Force Evolution



Fonte: Source: IBGE/MP - PNADC.

12-Month Total Unemployment Increase Decomposition

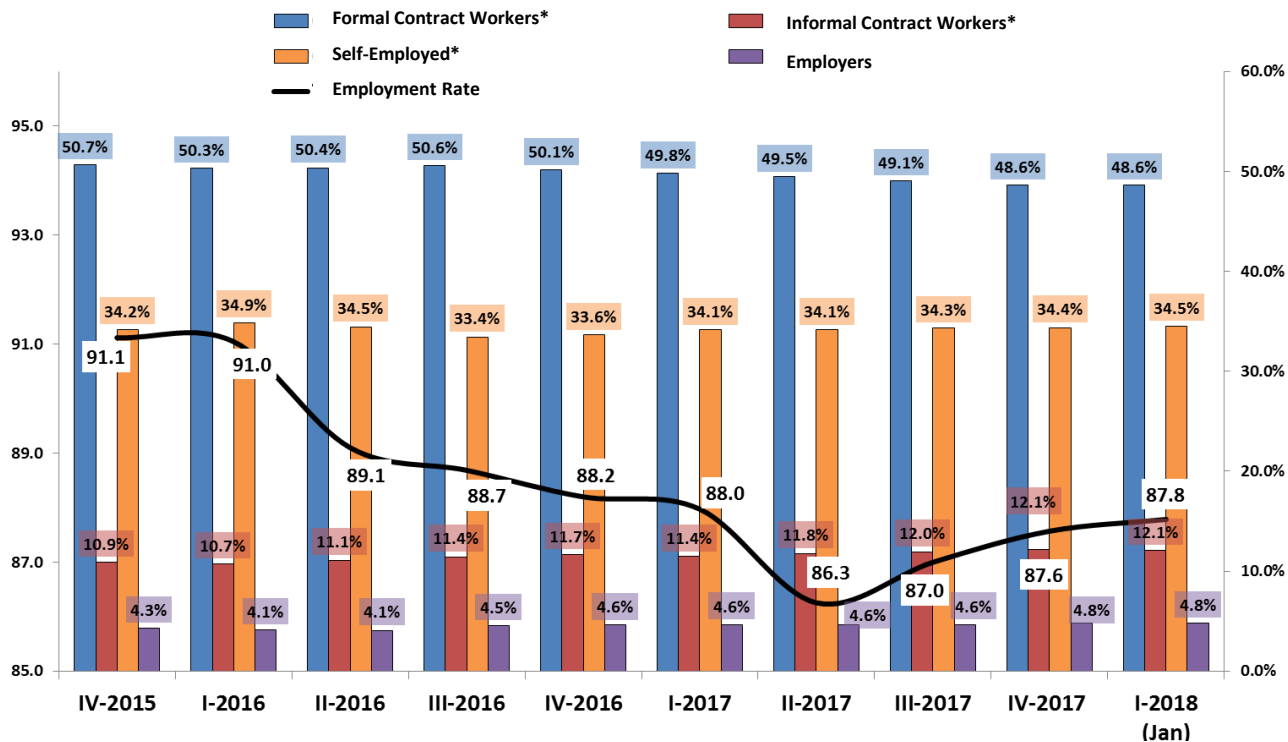


Source: IBGE/MP -- PNADC.

Labor Market Evolution by Employment Type

Employment Rate
(Employed Population / Labor Force)

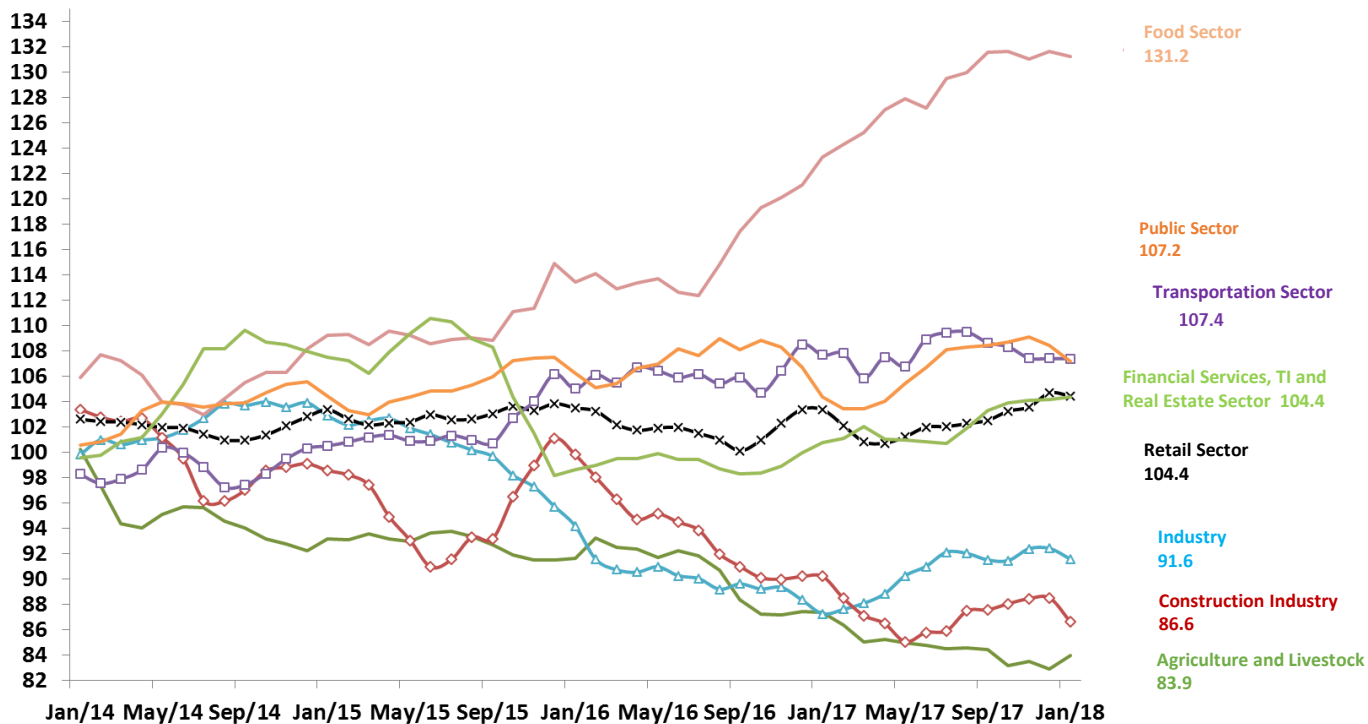
Formal and Informal Contract Workers, Self-Employed and Employers
% of Employed Population



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

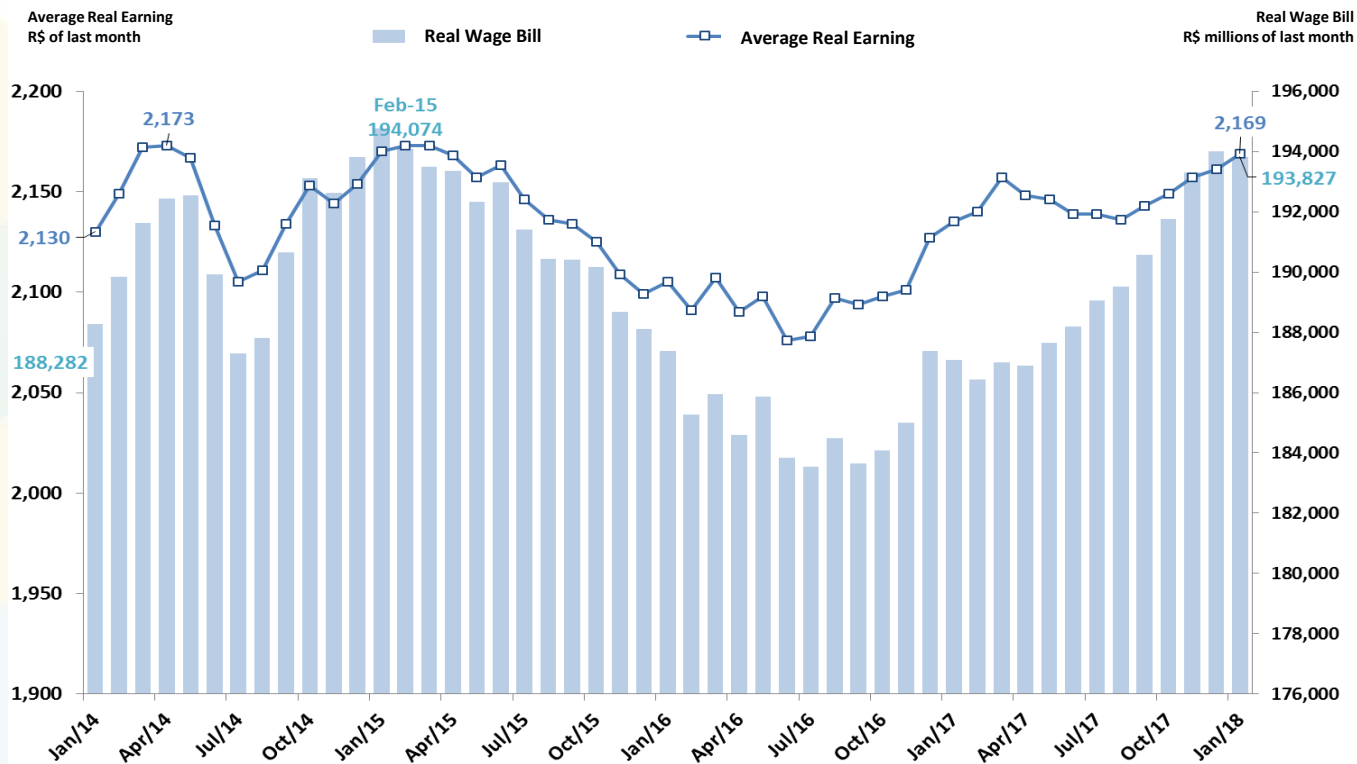
Employment by Sector of Activity

Employed Population by Sectors of Activity
Index: 2013 = 100

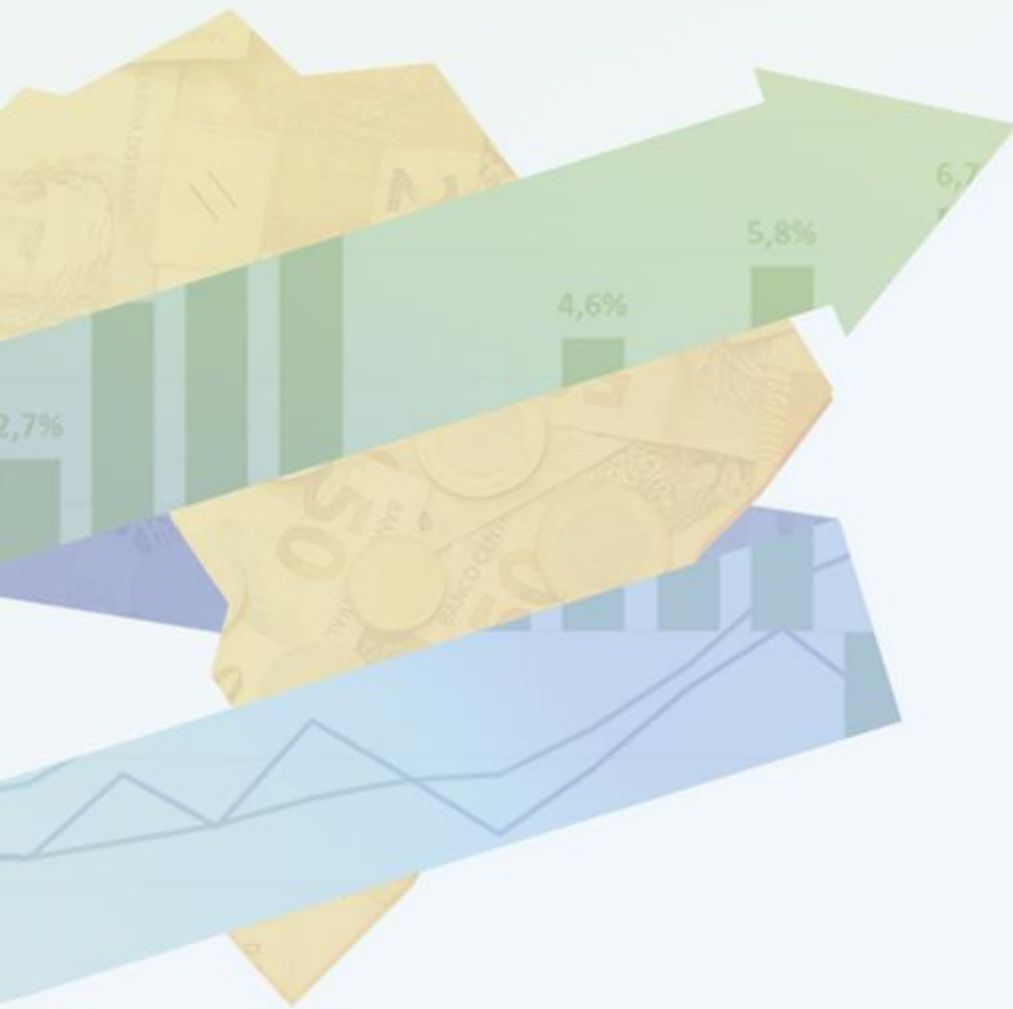


Source: IBGE/MP - PNADC.

Real Wage Bill and Average Real Earning



Source: IBGE/MP - PNADC.

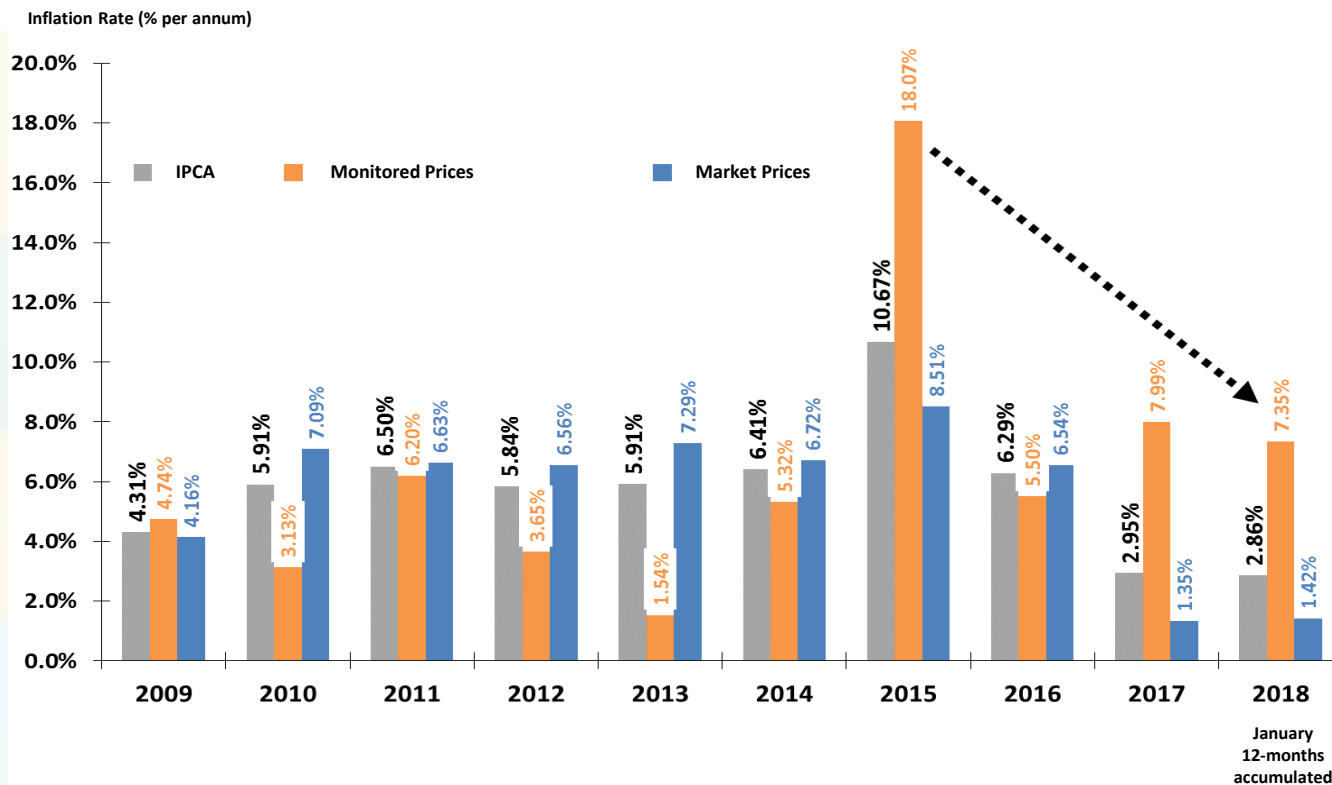


INFLATION

Inflation

													BCB/Focus: 03/02/2018		
Inflation Index	January-18	2016	2017	Accum. In 12-months	YTD 2017	YTD 2018	Nov-16	Dec-16	Jan-17	Nov-17	Dec-17	Jan-18	2018	2019	2020
IPCA Inflation Target (CMN)		4.5%	4.5%										4.50%	4.25%	4.00%
Consumer Price Index IPCA (IBGE)		6.29%	2.95%	2.86%	0.38%	0.29%	0.18%	0.30%	0.38%	0.28%	0.44%	0.29%	3.70%	4.24%	4.00%
IPCA core (By exclusion food and energy - Ex2)		6.2%	3.8%	3.4%	0.4%	0.0%	0.3%	0.3%	0.4%	0.2%	0.3%	0.0%			
Food and Beverages		8.6%	-1.9%	-1.5%	0.4%	0.7%	-0.2%	0.1%	0.4%	-0.4%	0.5%	0.7%			
Housing		2.8%	6.3%	5.2%	0.2%	-0.8%	0.3%	-0.6%	0.2%	1.3%	-0.4%	-0.9%			
Household Articles		3.4%	-1.5%	-1.3%	-0.1%	0.1%	-0.2%	-0.3%	-0.1%	-0.5%	0.0%	0.1%			
Apparel		3.5%	2.9%	2.2%	-0.4%	-1.0%	0.2%	0.3%	-0.4%	0.1%	0.8%	-1.0%			
Transportation		4.2%	4.1%	4.4%	0.8%	1.1%	0.3%	1.1%	0.8%	0.5%	1.2%	1.1%			
Health and Personal Care		1.3%	1.8%	1.2%	0.6%	0.1%	0.3%	0.0%	0.6%	0.2%	-0.1%	0.1%			
Personal Expenses		11.0%	6.5%	6.4%	0.6%	0.4%	0.6%	0.5%	0.6%	0.3%	0.4%	0.4%			
Education		8.0%	4.4%	4.1%	0.4%	0.2%	0.5%	1.0%	0.5%	0.4%	0.4%	0.2%			
Communication		8.9%	7.1%	7.0%	0.3%	0.2%	0.1%	0.1%	0.3%	0.0%	0.2%	0.2%			
Consumer Price Index INPC (IBGE)		6.6%	2.1%	1.9%	0.4%	0.2%	0.07%	0.14%	0.42%	0.18%	0.26%	0.23%	3.9%	4.00%	4.0%
General Price Index IGP-DI (FGV)		7.15%	-0.42%	-0.27%	0.43%	0.58%	0.05%	0.83%	0.43%	0.80%	0.74%	0.58%	4.3%	4.3%	4.0%
Consumer Price Subindex IPC/Br-DI		6.19%	3.22%	3.22%	0.69%	0.69%	0.17%	0.33%	0.69%	0.36%	0.21%	0.69%			
Construction Cost Subindex INCC-DI		6.10%	4.25%	4.14%	0.41%	0.31%	0.16%	0.34%	0.41%	0.31%	0.07%	0.31%			
Wholesale Price Subindex IPA-DI		7.73%	-2.52%	-2.28%	0.34%	0.58%	-0.01%	1.10%	0.34%	1.06%	1.07%	0.58%	4.0%	4.2%	4.0%
IPA-DI Industry		6.71%	1.22%	0.91%	1.25%	0.94%	0.75%	1.98%	1.25%	1.14%	1.15%	0.94%			
IPA-DI Agriculture		9.92%	-12.34%	-10.97%	-2.05%	-0.52%	-1.87%	-1.16%	-2.05%	0.85%	0.81%	-0.52%			
São Paulo Consumer Price Index IPC RMSP (FIPE)		6.55%	2.28%	2.42%	0.32%	0.46%	0.15%	0.72%	0.32%	0.29%	0.55%	0.46%	3.4%	4.1%	4.0%
São Paulo Cost-of-Living Index ICV SP (DIEESE)		6.15%	3.50%	3.41%	1.04%	0.95%	0.28%	0.12%	1.04%	0.15%	1.31%	0.95%			
São Paulo Basic Food Basket (DIEESE)		4.96%	-3.31%	0.76%	-3.31%	3.50%	-4.08%	-2.55%	-0.68%	-1.14%	0.27%	3.50%			
National Average Basic Food Basket (DIEESE)		10.38%	-7.45%	-0.77%	-7.45%	5.90%	-2.72%	-1.95%	-1.23%	-0.97%	0.03%	5.90%			
Inflation Index	February-18	2016	2017	Accum. In 12-months	YTD 2017	YTD 2018	Dec-16	Jan-17	Feb-17	Dec-17	Jan-18	Feb-18	2018	2019	2020
Consumer Price Index IPCA - 15 (IBGE)		6.58%	2.94%	2.47%	0.85%	0.39%	0.19%	0.31%	0.54%	0.35%	0.39%	0.38%	4.0%	4.25%	4.0%
General Price Index IGP-M (FGV)		7.19%	-0.53%	-0.42%	0.72%	0.83%	0.54%	0.64%	0.08%	0.89%	0.76%	0.07%	4.2%	4.4%	4.0%
General Price Index IGP-10 (FGV)		6.97%	-0.42%	-0.42%	1.02%	1.02%	0.20%	0.88%	0.14%	0.90%	0.79%	0.23%			

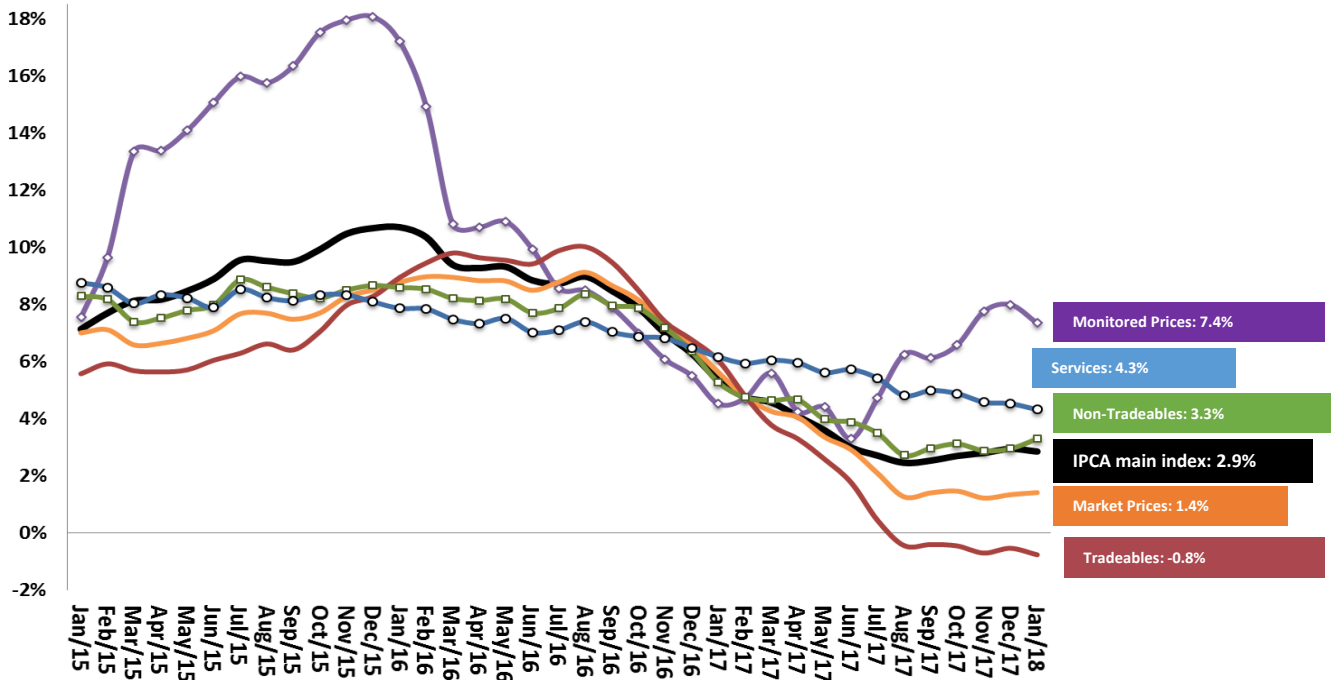
Relative Prices Convergence in the Consumer Price Index



Source: IBGE/MP.

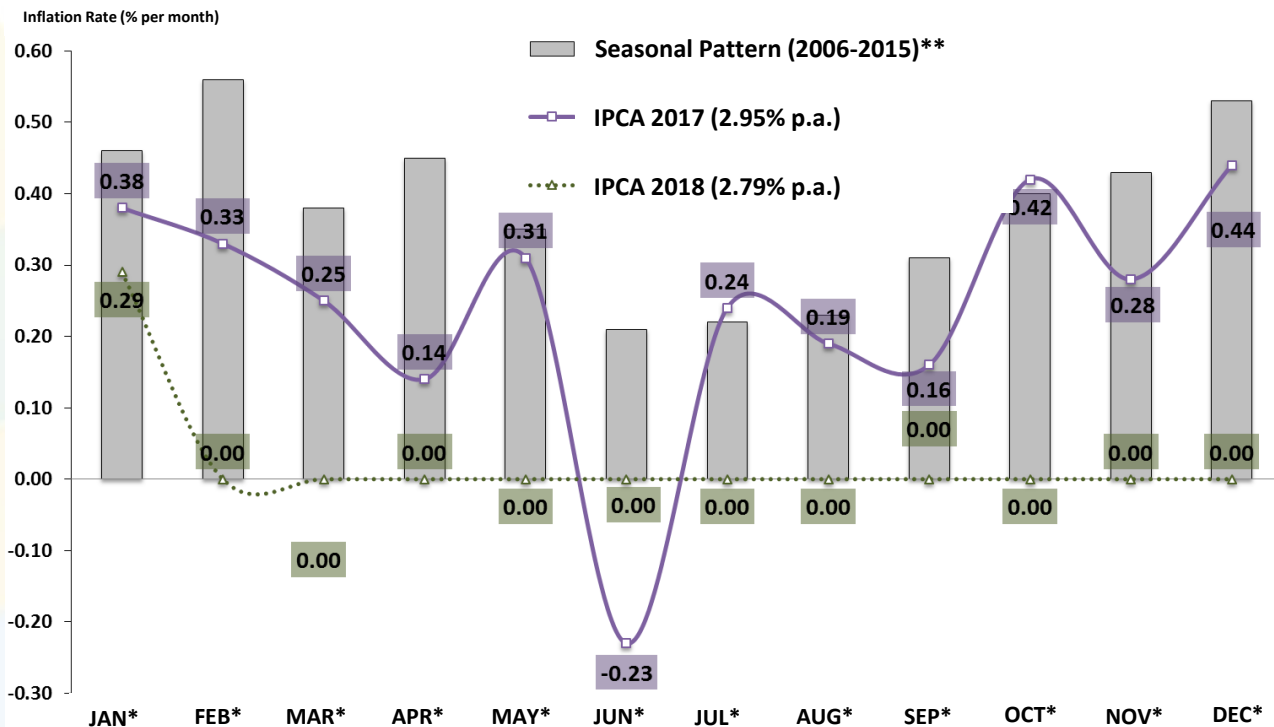
Consumer Price Index (IPCA) and Subindexes

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



Font Source: IBGE/MP.

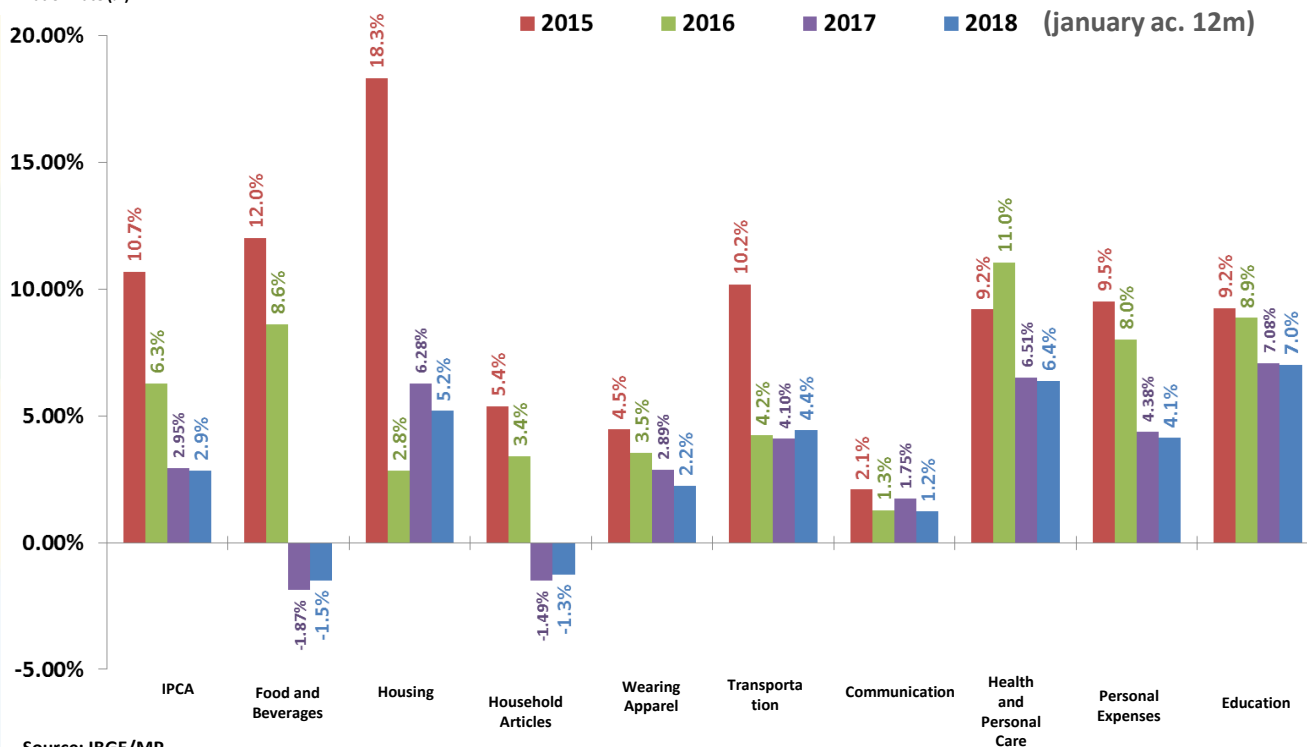
Consumer Price Index (IPCA) and Seasonal Pattern



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

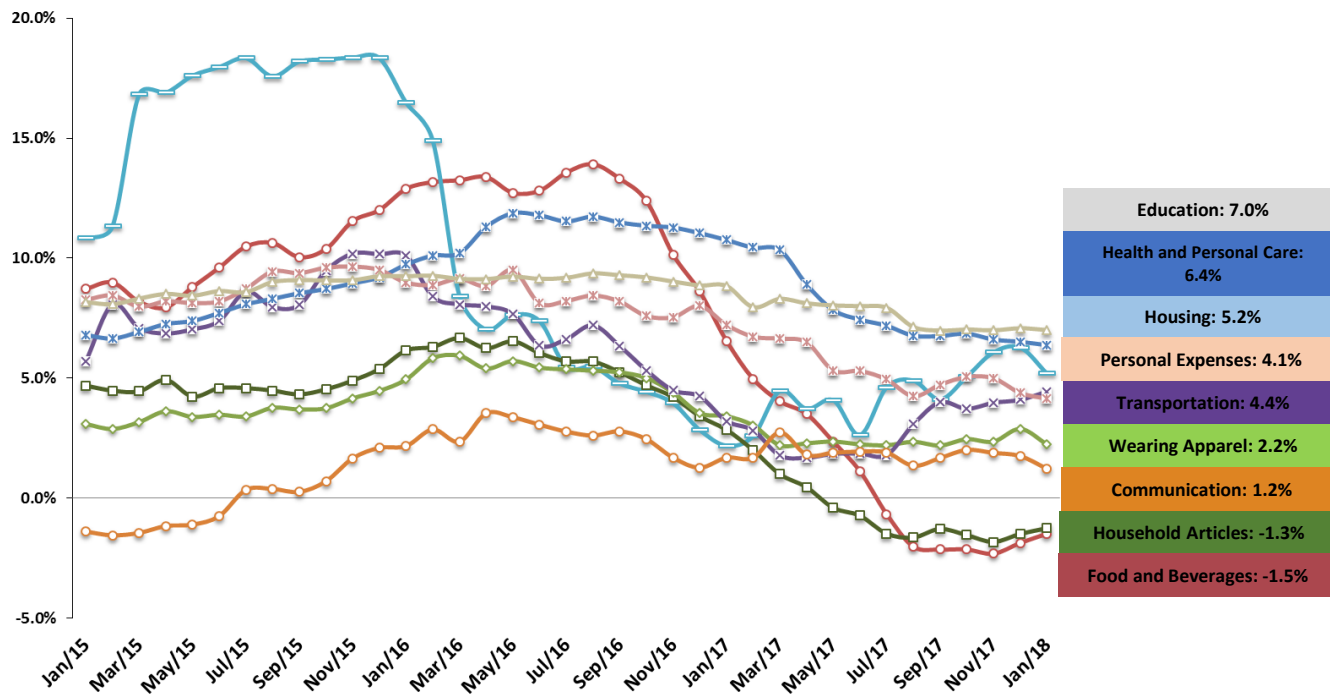
IPCA and components – by Groups
Inflation Rate (%)



Source: IBGE/MP.

Consumer Price Index (IPCA) by Groups

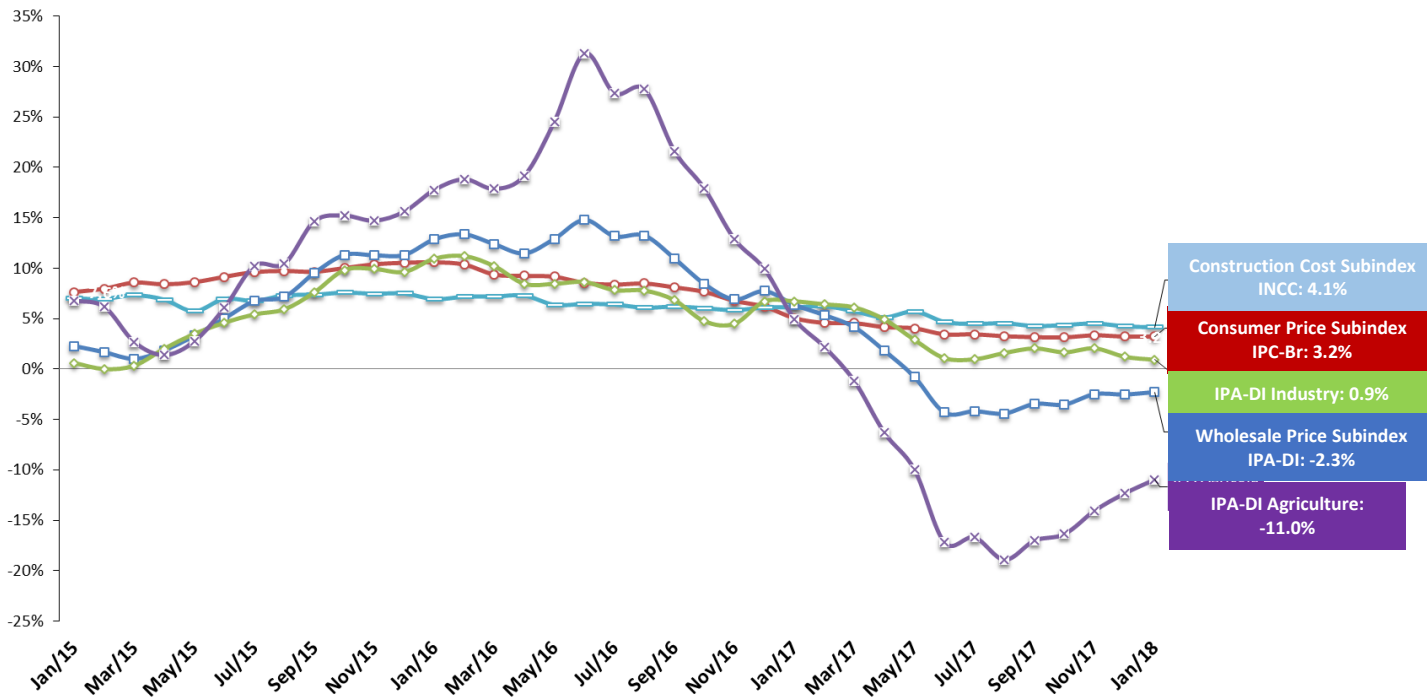
IPCA Groups
12-months accumulated rate (%)



Source: IBGE.

General Price Index (IGP-DI) by Subindexes

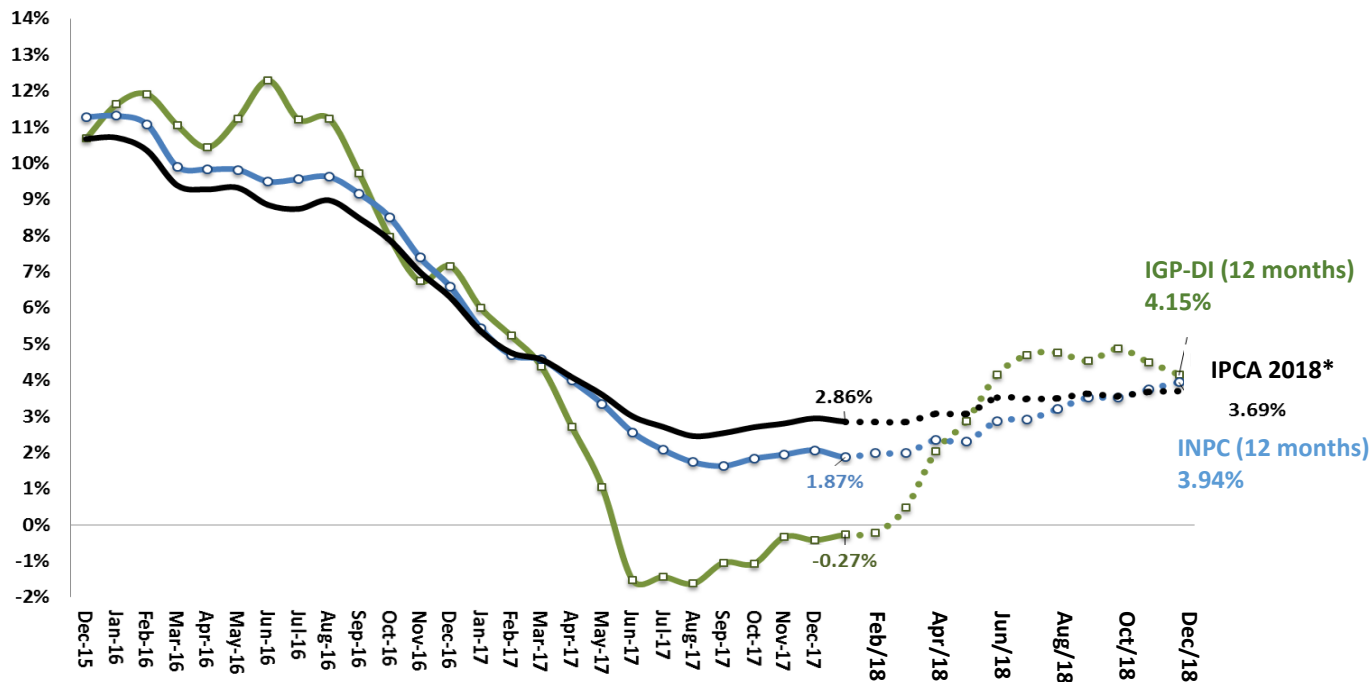
General Prices Subindexes
12-months accumulated rate (%)



Source: FGV.

Major Inflation Indexes

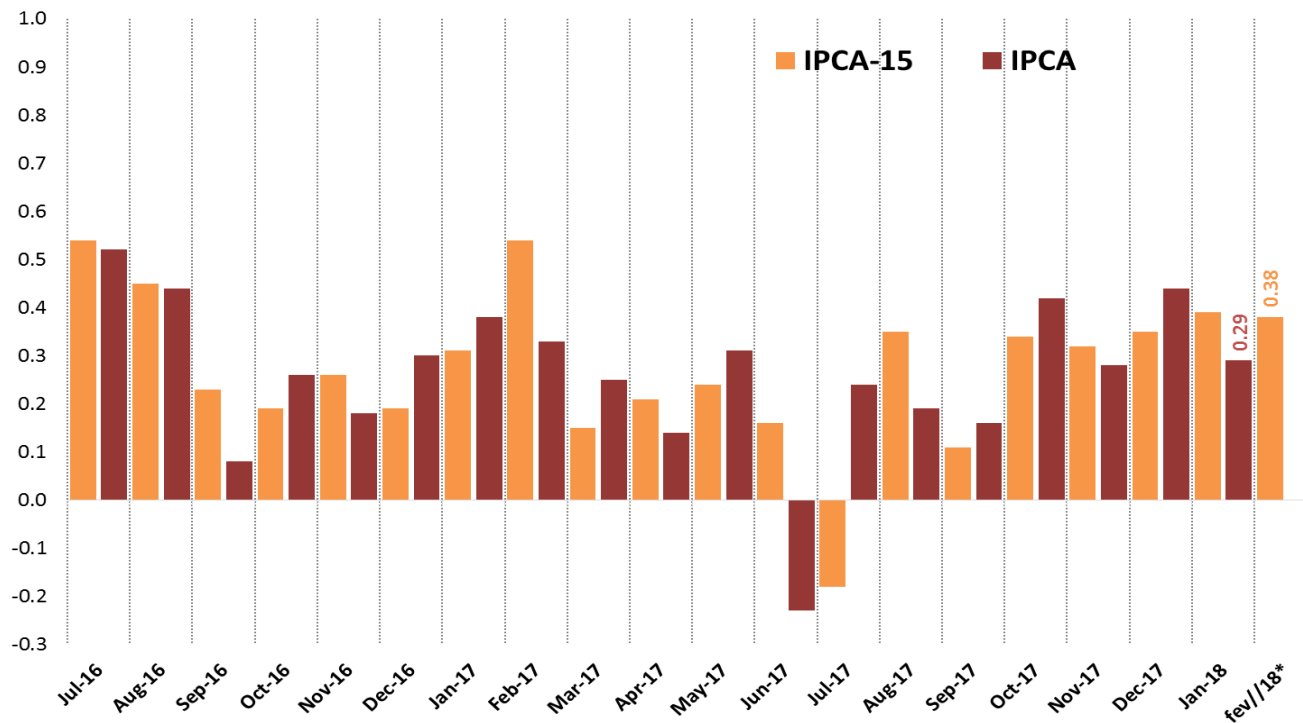
Major Inflation Indexes
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil. *2018 = BCB-Focus Survey of 03/02/2018, median of market expectations (monthly).

IBGE: Monthly Consumer Price Indexes

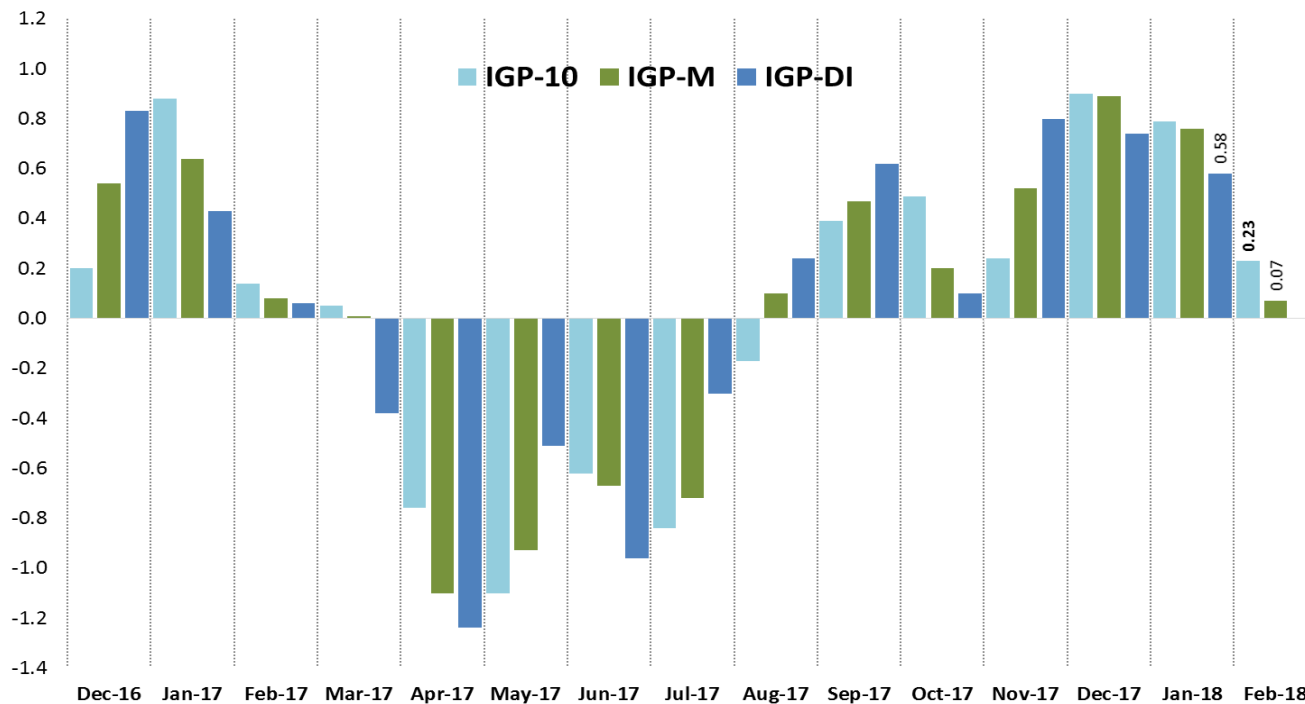
IPCA-15 and IPCA
By release order



Fonte Source: IBGE.

FGV: Monthly General Price Indexes

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

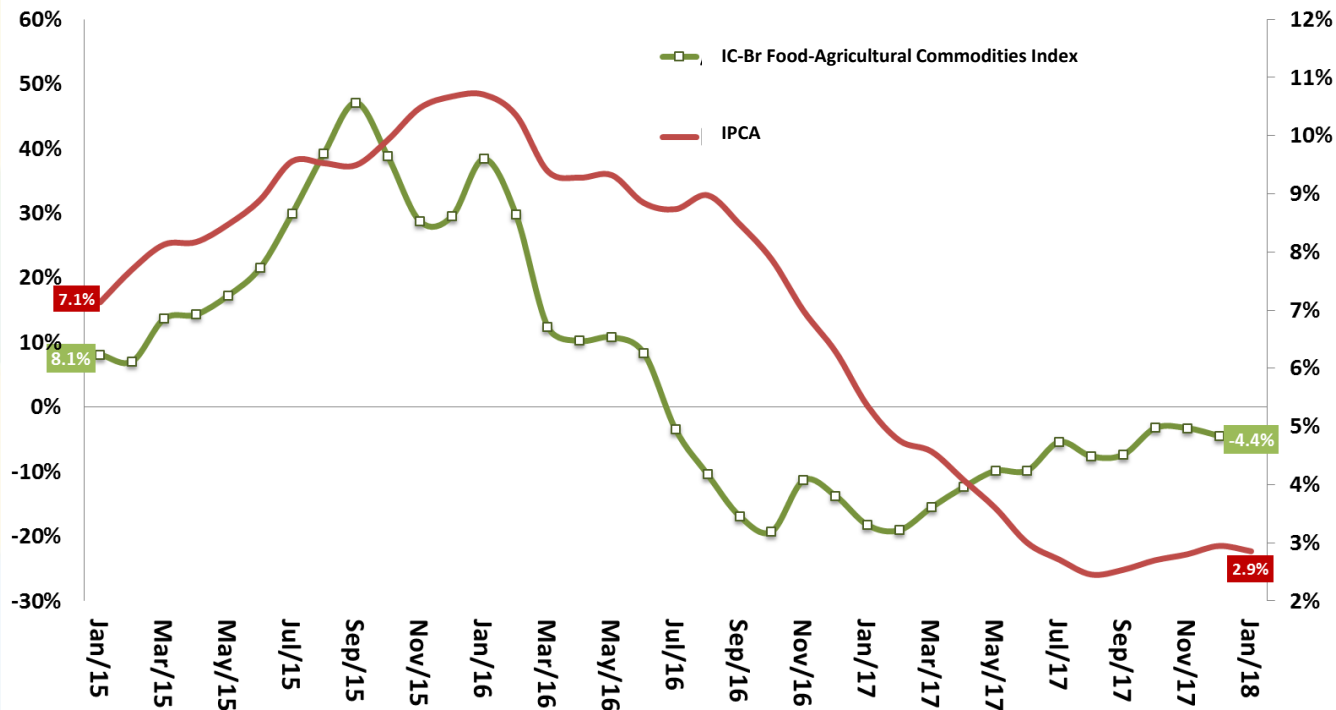


Source: FGV.

Consumer Price Index and Commodity Index (Brazil Agriculture)

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

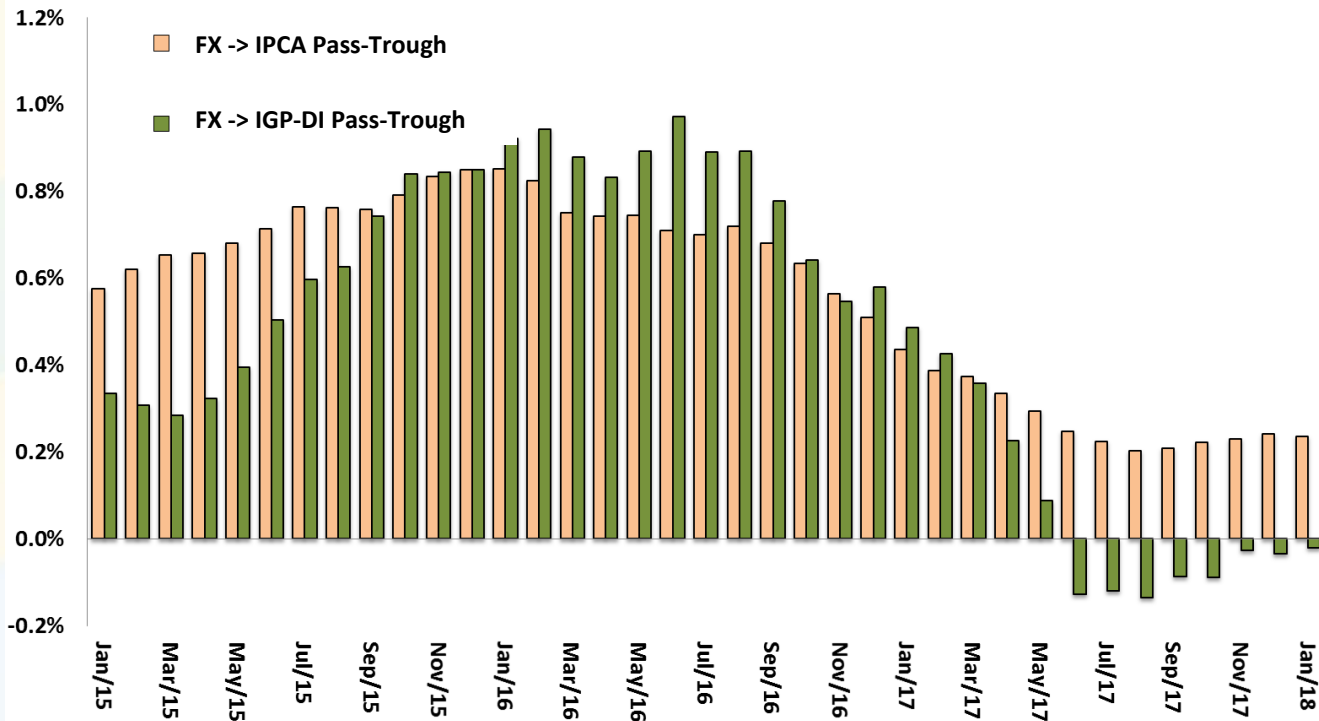
Consumer Inflation - IPCA
12-month accumulated rate (%)



Sources: IBGE/MP and Central Bank of Brazil.

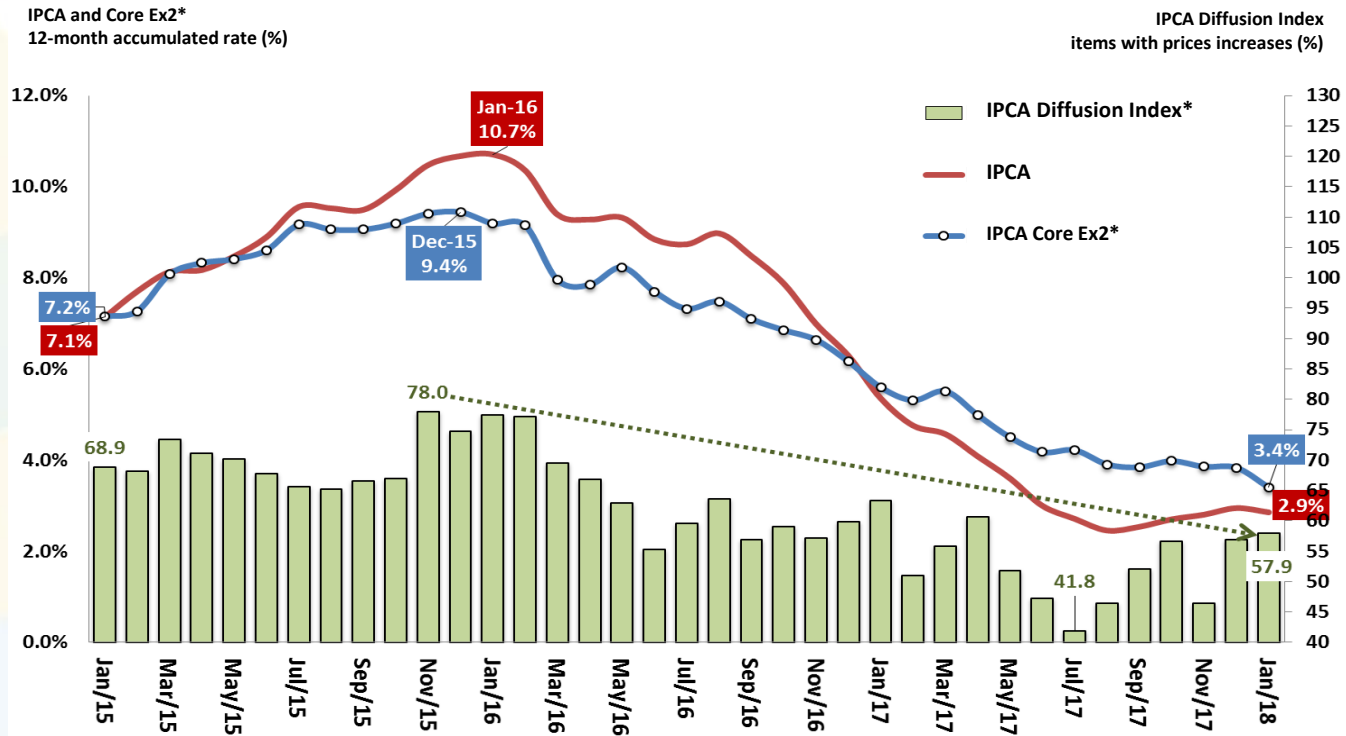
Exchange Rate Pass-Through in Consumer and General Price Indexes

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.

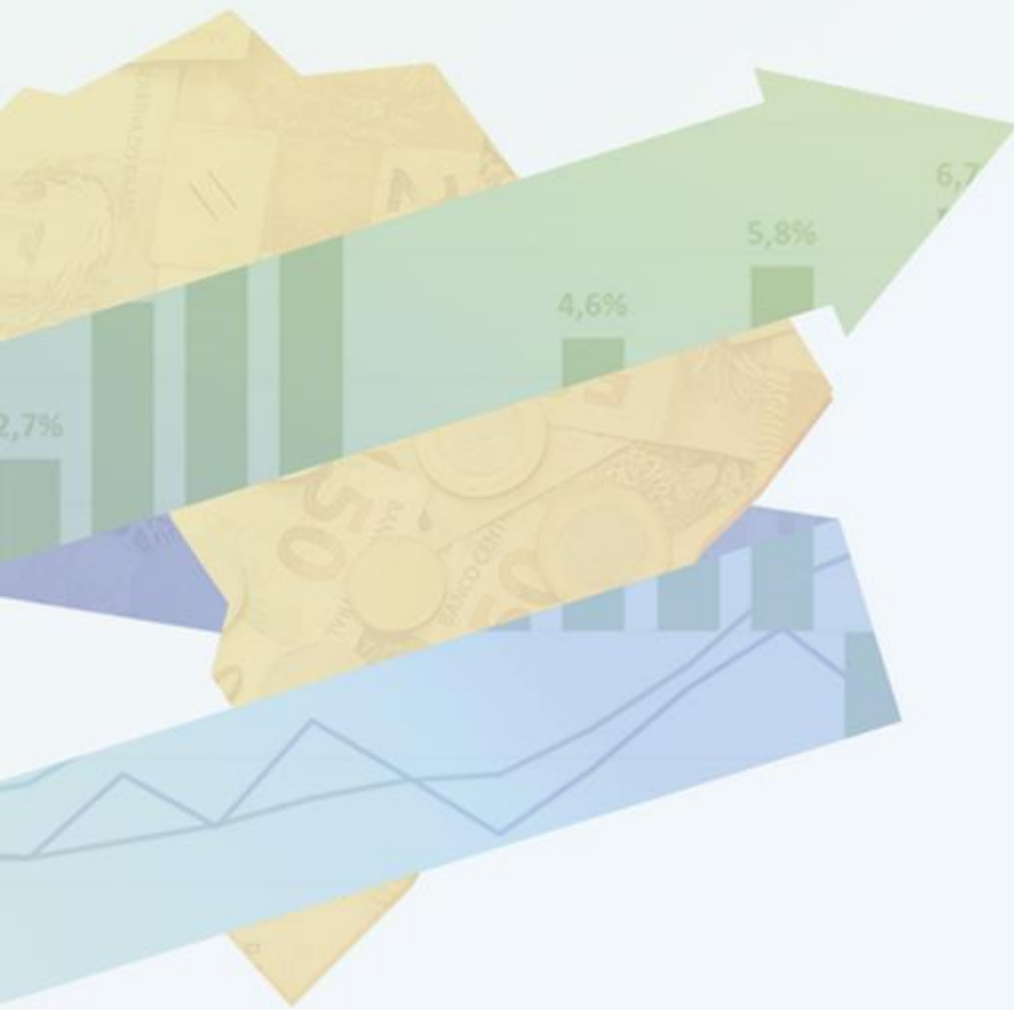
IPCA, Core Inflation (IPCA Ex2) and Diffusion Index



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.

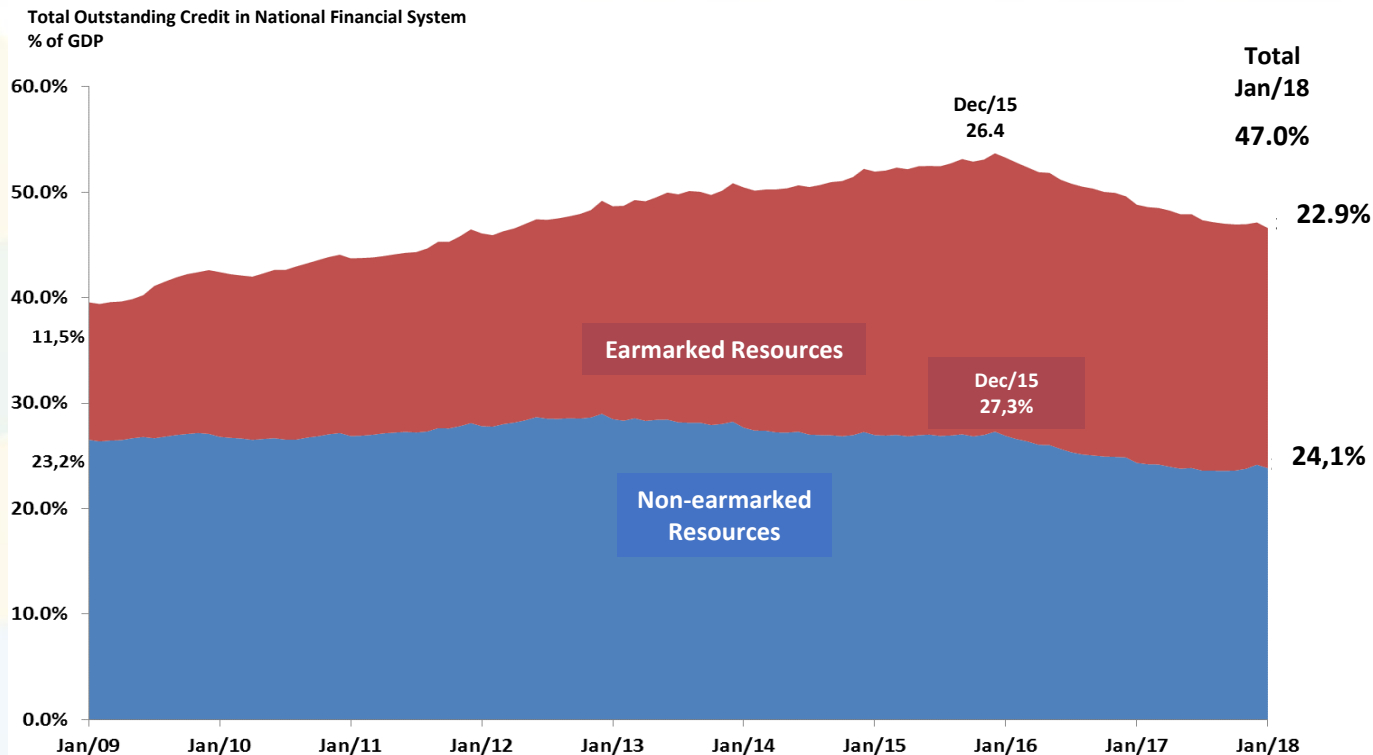


CREDIT MARKET

Credit Market

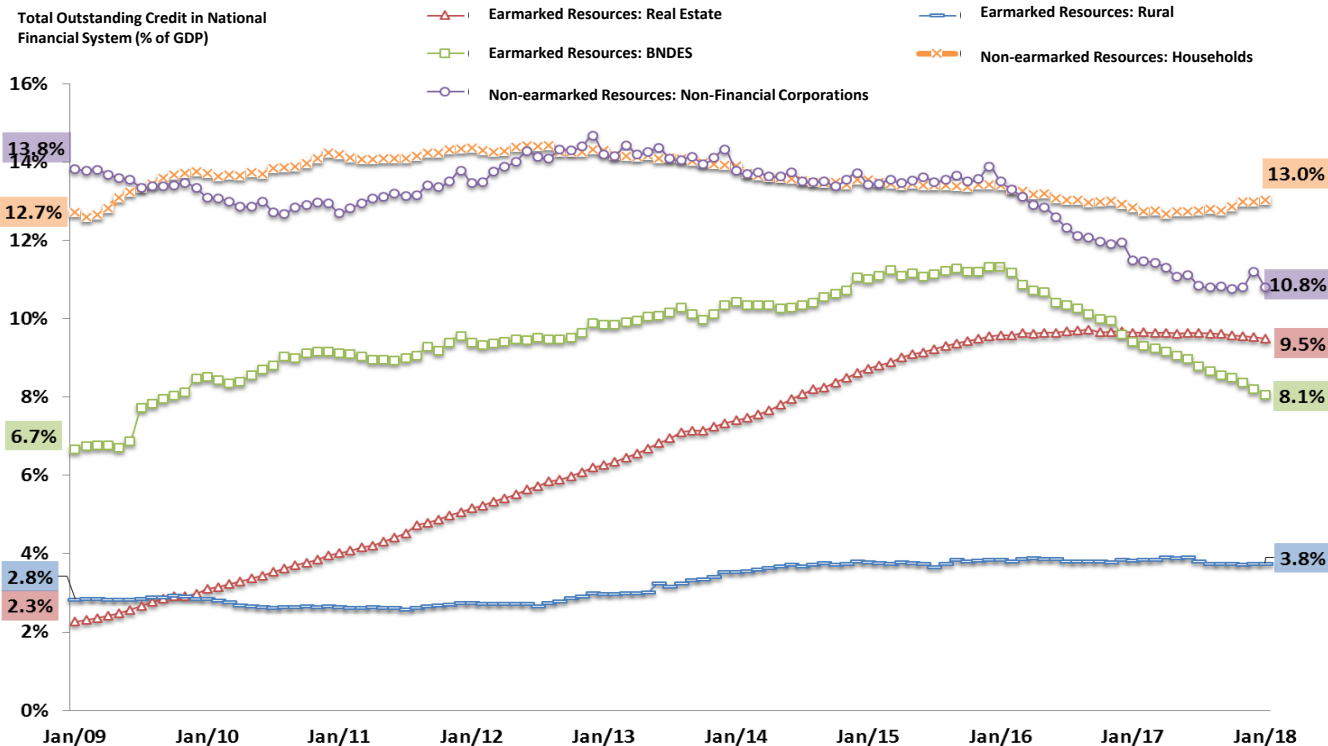
Credit Market (BCB)	January-18	Dec-16	Dec-17	Jan-18	% of Total Credit Dec/16	% of Total Credit Dec/17	% of Total Credit Jan/18	chg.% Dec/17-Dec/16	chg.% Jan/18-Dec/17	% of GDP Dec/16	% of GDP Dec/17	% of GDP Jan/18
End-of-Period Outstanding Credit (in R\$ billions)												
Total Credit to the National Financial System (NFS)		3,105.5	3,090.5	3,066.1	100.0%	100.0%	100.0%	-0.5%	-0.8%	49.6%	47.1%	46.6%
<i>by type of borrower</i>												
Public Sector (incl. State-Owned Enterprises)		235.8	221.2	217.8	7.6%	7.2%	7.1%	-6.2%	-1.5%	3.8%	3.4%	3.3%
Private Sector		2,869.7	2,869.4	2,848.3	92.4%	92.8%	92.9%	0.0%	-0.7%	45.8%	43.8%	43.3%
Non-Financial Corporations		1,544.9	1,441.6	1,408.4	49.7%	46.6%	45.9%	-6.7%	-2.3%	24.7%	22.0%	21.4%
Households		1,560.7	1,649.0	1,657.8	50.3%	53.4%	54.1%	5.7%	0.5%	24.9%	25.1%	25.2%
<i>by type of lender</i>												
Public Financial Institutions		1,729.7	1,672.3	1,660.3	55.7%	54.1%	54.1%	-3.3%	-0.7%	27.6%	25.5%	25.2%
National Private Financial Institutions		976.2	993.8	986.6	31.4%	32.2%	32.2%	1.8%	-0.7%	15.6%	15.2%	15.0%
Foreign Private Financial Institutions		399.6	424.5	419.3	12.9%	13.7%	13.7%	6.2%	-1.2%	6.4%	6.5%	6.4%
<i>by type of credit</i>												
Earmarked Resources		1,549.5	1,505.9	1,498.0	49.9%	48.7%	48.9%	-2.8%	-0.5%	24.8%	23.0%	22.8%
Housing		241.6	245.5	246.8	7.8%	7.9%	8.0%	1.6%	0.5%	3.9%	3.7%	3.8%
Rural		605.7	624.8	624.4	19.5%	20.2%	20.4%	3.2%	-0.1%	9.7%	9.5%	9.5%
BNDES Development Bank		601.0	538.1	530.2	19.4%	17.4%	17.3%	-10.5%	-1.5%	9.6%	8.2%	8.1%
Others		101.2	97.5	96.6	3.3%	3.2%	3.2%	-3.7%	-0.9%	1.6%	1.5%	1.5%
Non-Financial Corporations		797.7	708.0	698.0	25.7%	22.9%	22.8%	-11.2%	-1.4%	12.7%	10.8%	10.6%
Households		751.8	797.9	800.0	24.2%	25.8%	26.1%	6.1%	0.3%	12.0%	12.2%	12.2%
Non-earmarked Resources		1,556.0	1,584.7	1,568.1	50.1%	51.3%	51.1%	1.8%	-1.0%	24.9%	24.2%	23.8%
Non-Financial Corporations		747.1	733.6	710.4	24.1%	23.7%	23.2%	-1.8%	-3.2%	11.9%	11.2%	10.8%
Households		808.8	851.1	857.7	26.0%	27.5%	28.0%	5.2%	0.8%	12.9%	13.0%	13.0%
Non-earmarked Resources (BCB)	January-18	Dec-16	Dec-17	Jan-18	% of Total Credit Dec/16	% of Total Credit Dec/17	% of Total Credit Jan/18	chg.% Dec/17-Dec/16	chg.% Jan/18-Dec/17	% of GDP Dec/16	% of GDP Dec/17	% of GDP Jan/18
<i>New Loans, Spread and Delinquency Rates</i>												
New Loans (12-months accum. in R\$ billions)		2,840.0	2,976.5	3,007.8	100.0%	100.0%	100.0%	4.8%	1.1%	45.4%	47.3%	45.7%
Non-Financial Corporations		1,282.5	1,279.3	1,290.1	45.2%	43.0%	43.0%	-0.2%	0.8%	20.5%	20.3%	19.6%
Households		1,557.6	1,697.1	1,717.7	54.8%	57.0%	57.0%	9.0%	1.2%	24.9%	26.9%	26.1%
Spread (in pp per year)		40.3	31.9	33.0				-8.5 pp	1.1 pp			
Non-Financial Corporations		16.7	13.7	14.7				-3.0 pp	1.0 pp			
Households		60.2	46.2	47.2				-14.0 pp	1.1 pp			
Delinquency (% non-performing loans by 90 days or more)		5.7	4.9	5.1				-0.7 pp	0.1 pp			
Non-Financial Corporations		5.2	4.5	4.8				0.8 pp	0.3 pp			
Households		6.1	5.3	5.3				-0.1 pp	0.0 pp			

Total Credit: Earmarked and Non-earmarked Resources



Source: Central Bank of Brazil.

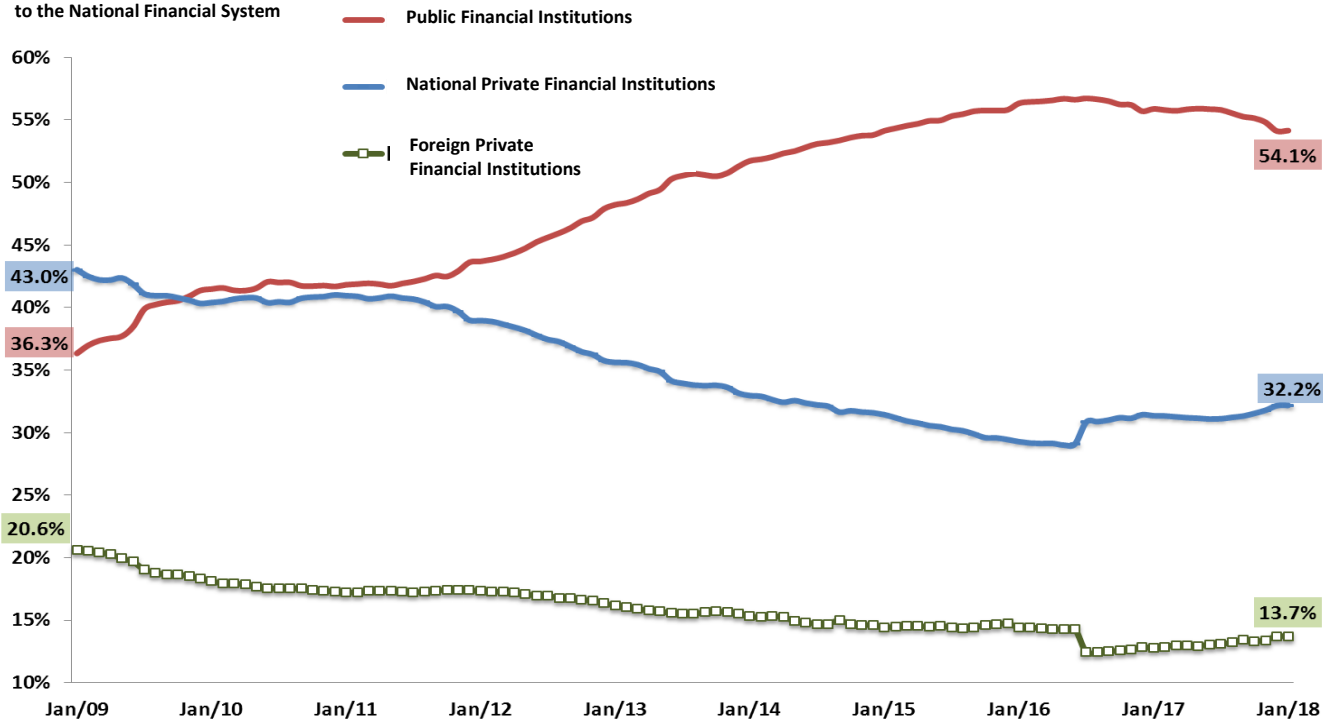
Total Credit Evolution by Major Segments



Source: Central Bank of Brazil.

Total Credit by Types of Financial Institutions

% of Total Outstanding Credit
to the National Financial System

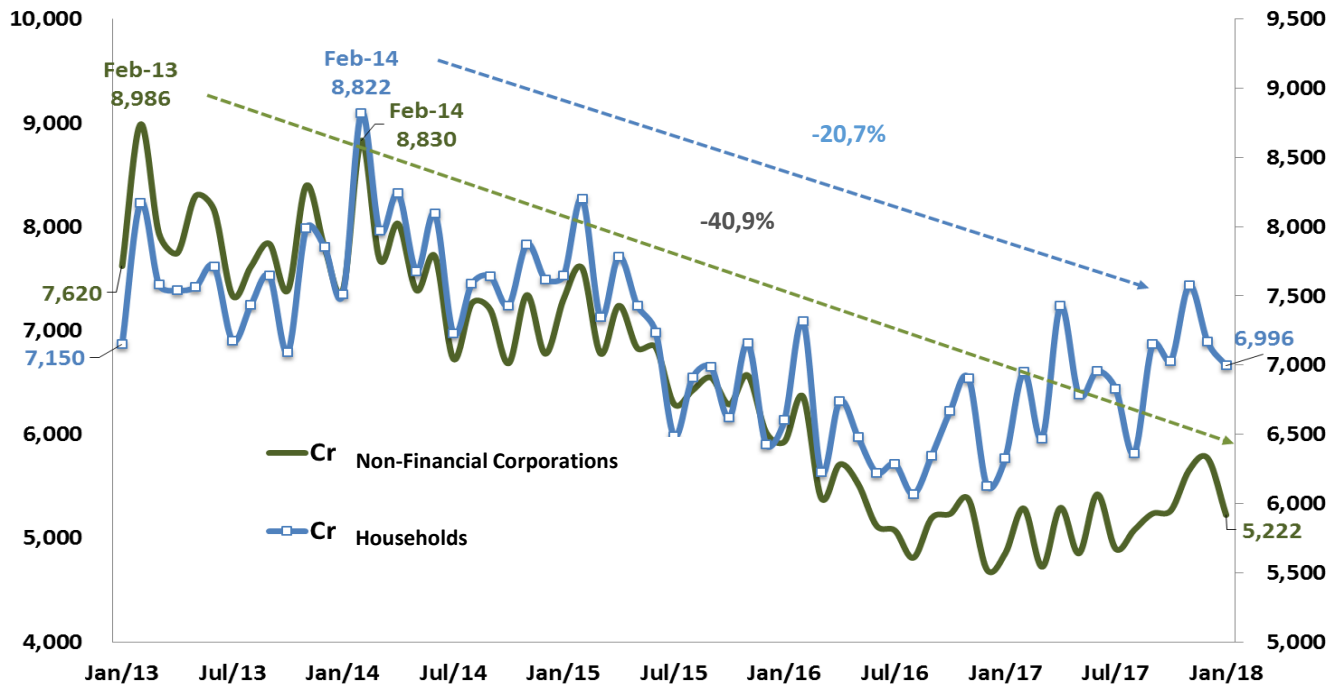


Source: Central Bank of Brazil.

New Loans to Households and Non-Financial Corporations

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

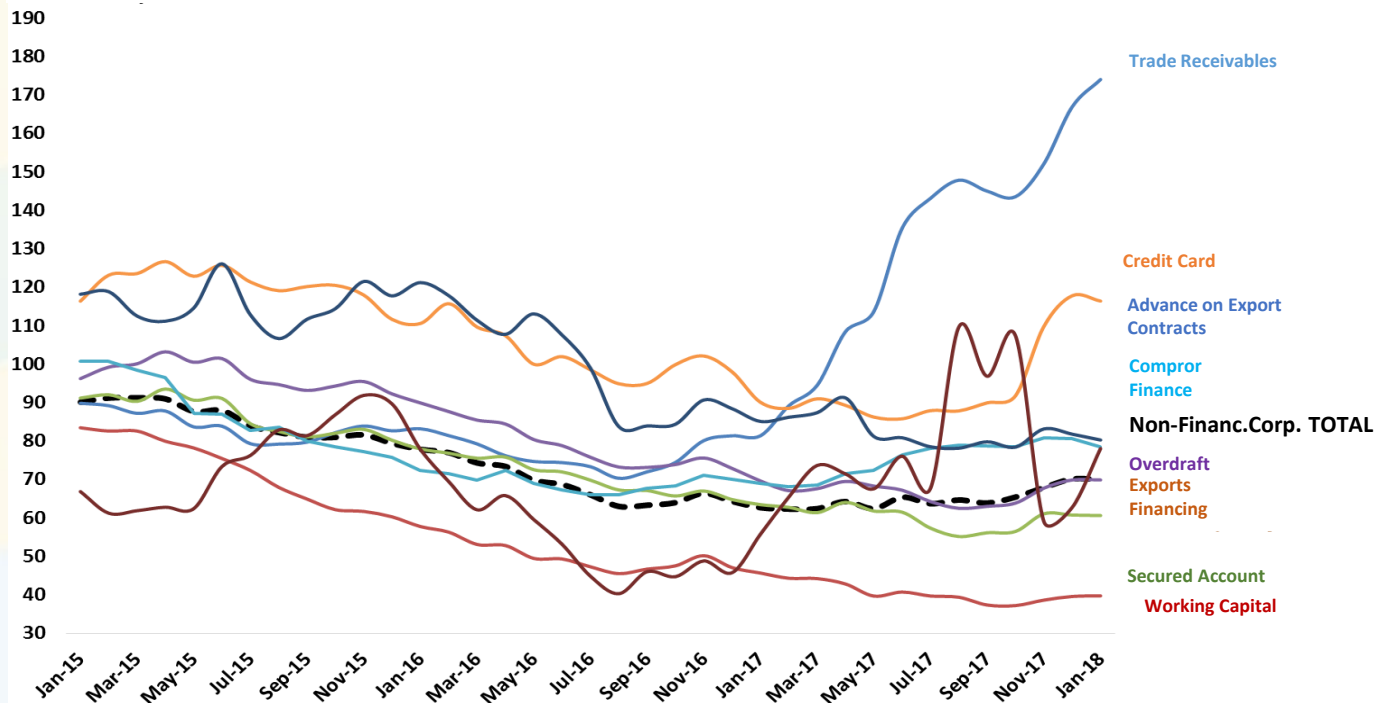
Daily Average of New Loans to Households
R\$ millions of the last month
3-Month Moving Average - Seasonally Adjusted*



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

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

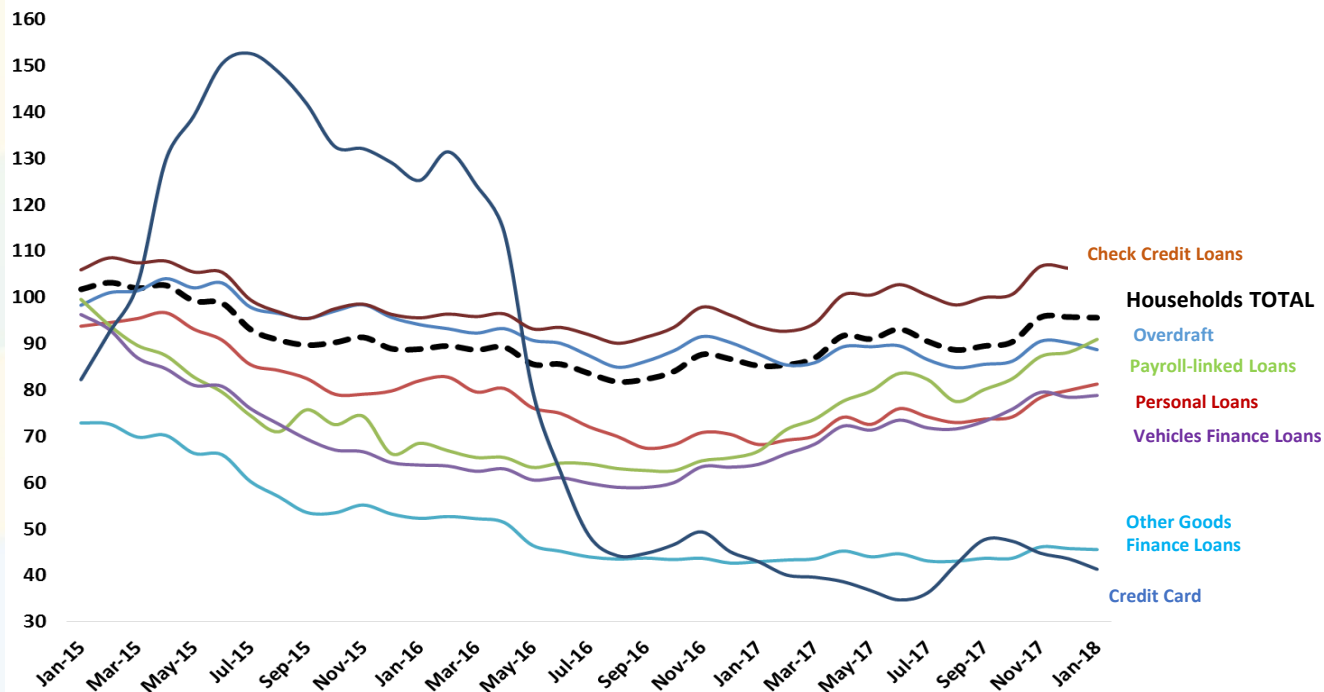
Daily Average of New Loans to Non-Financial Corporations – Last Month Real Values (IPCA)
3-Month Moving Average - Seasonally Adjusted* - Index: 2013=100



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

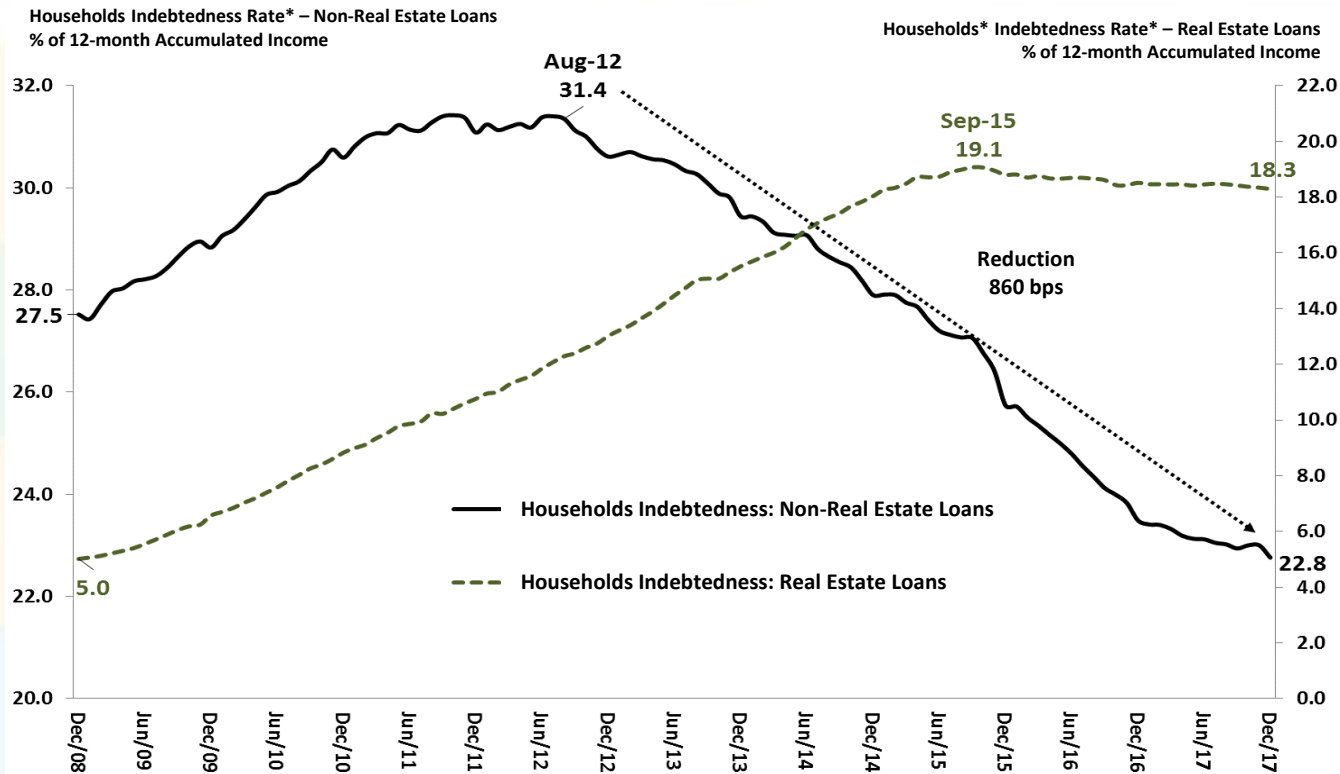
New Loans to Households by Type of Credit Lines

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

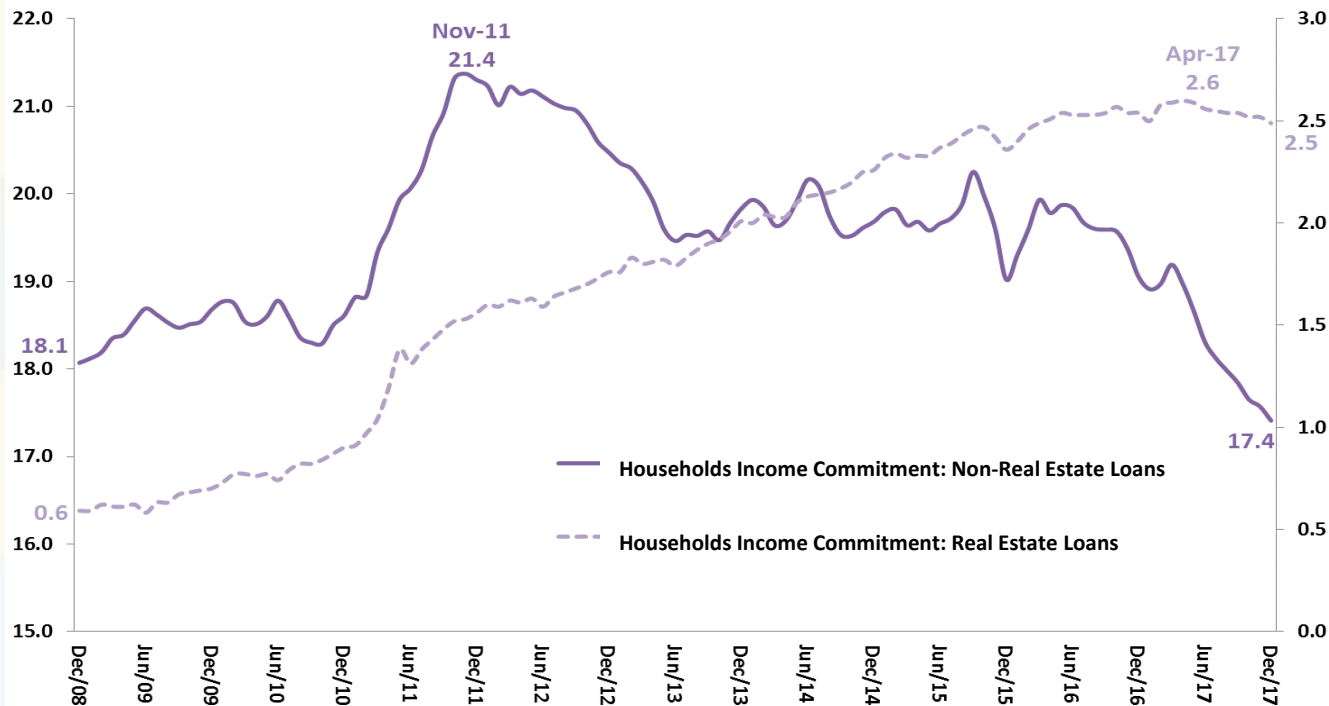


Source: Central Bank of Brazil. * Indebtedness rate = total outstanding debt / 12-months accumulated income.

Households Income Commitment

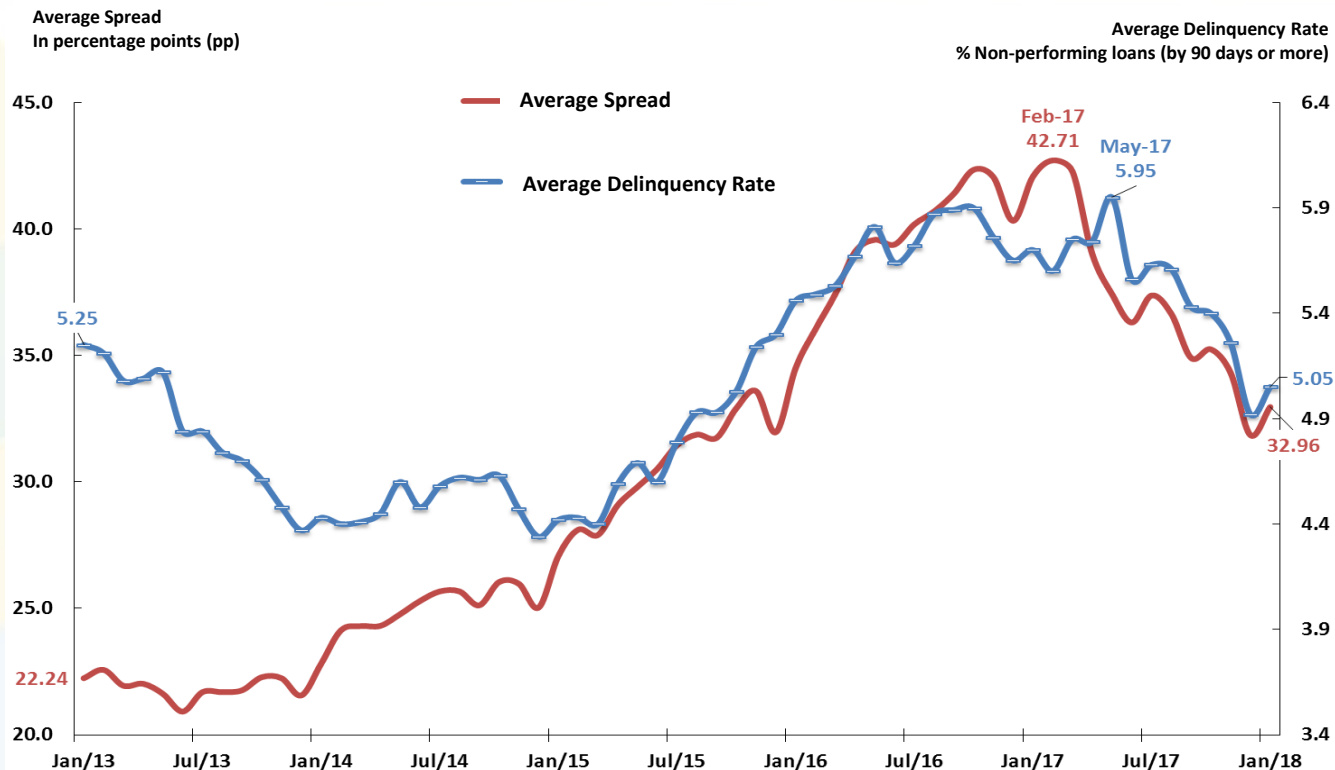
Households Income Commitment* – Non-Real Estate Loans
% of Monthly Income – 3-month moving average – seasonally adjusted data

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



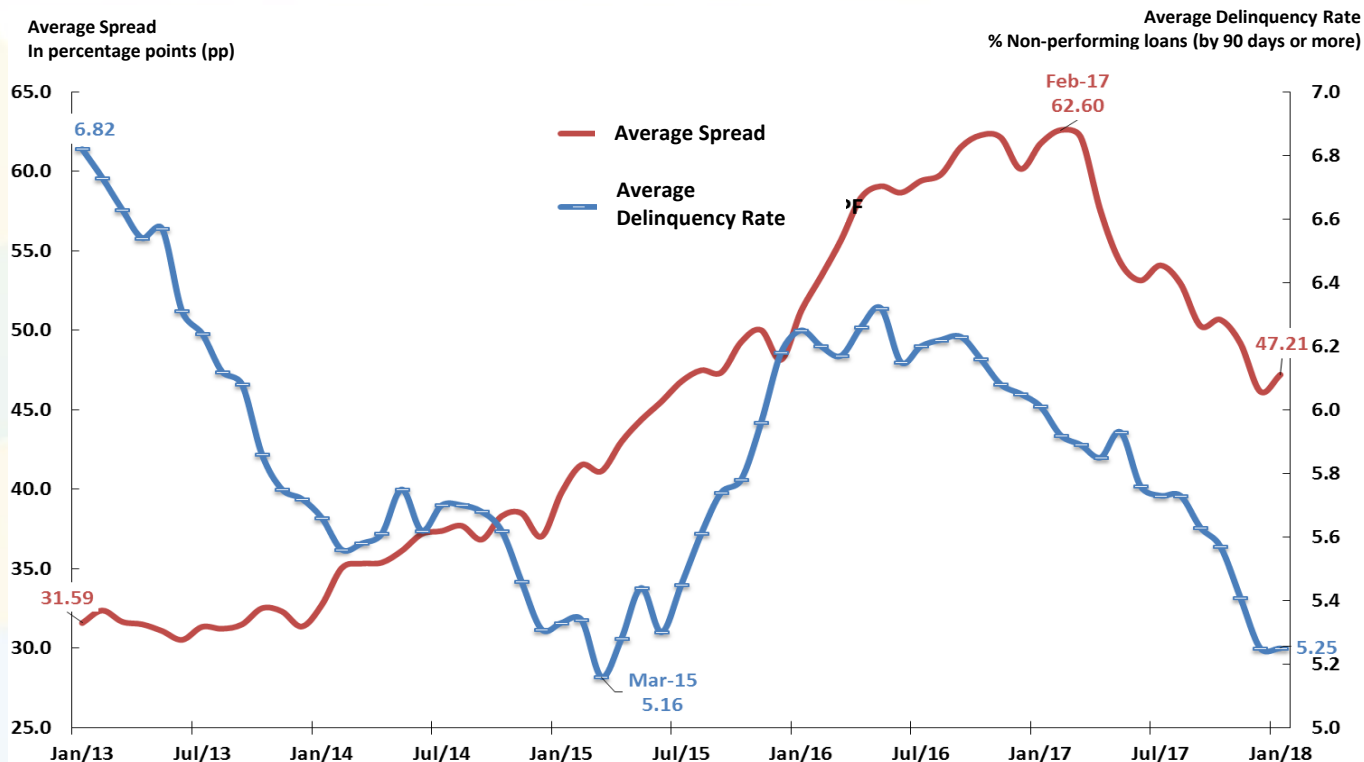
Source: Central Bank of Brazil. * Households Income Commitment = Loans Service Monthly Expenditure / Monthly Income.

Non-earmarked Resources: Spread and Delinquency Rates



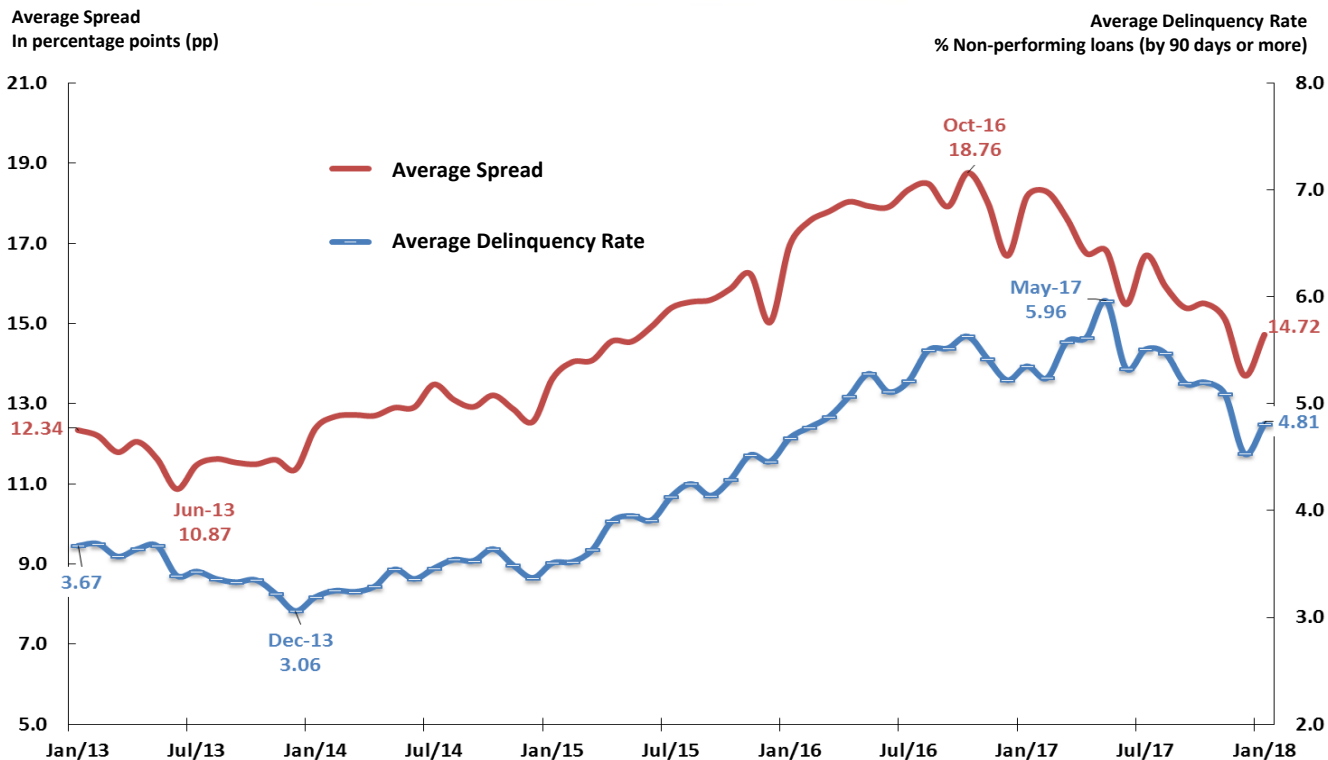
Source: Central Bank of Brazil.

Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Non-Financial Corp. Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.



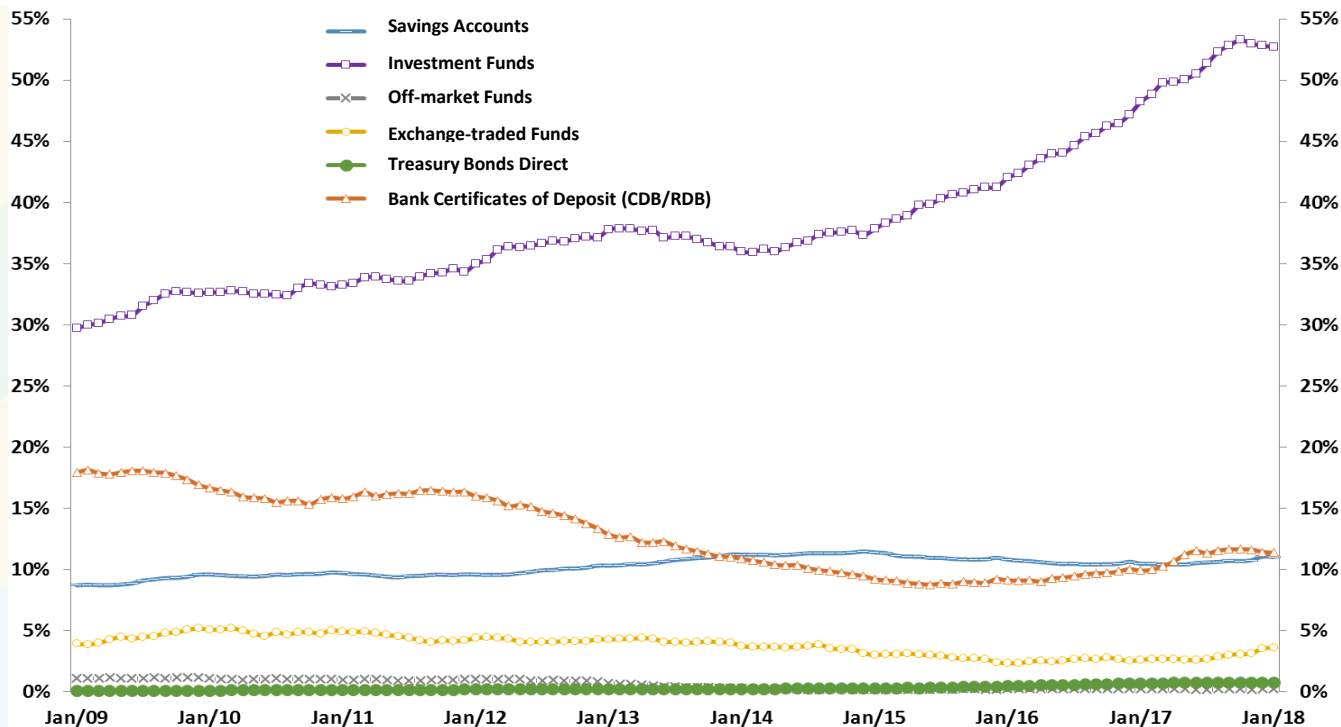
FINANCIAL MARKETS

Financial Markets

									BCB/Focus: 03/02/2018		
Financial Savings (BCB)	January-18										
	Dec-16	Dec-17	Jan-17	Jan-18	chg. % Dec'16/ Dec'15	chg. % Dec'17 / Dec'16	chg. % Jan'18 / dez'17	chg. % jan'18 / jan'17			
Outstanding Positions - R\$ billions											
Bank Certificates of Deposit (CDB/RDB)	627.4	749.1	623.3	747.4	13.6%	19.4%	-0.2%	19.9%			
Savings Accounts (Caderneta de Poupança)	665.0	724.6	658.6	724.5	1.3%	9.0%	0.0%	10.0%			
Investment Funds	2,953.4	3,462.6	3,035.8	3,467.5	19.4%	17.2%	0.1%	14.2%			
Off-market Funds (Fundos Extramercado)	14.9	13.5	15.4	13.2	25.0%	-9.1%	-2.3%	-14.1%			
Exchange-traded Funds	158.1	232.5	163.9	235.4	9.7%	47.0%	1.2%	43.6%			
Treasury Bonds Direct (Tesouro Direto)	41.1	48.5	41.7	47.2	60.5%	18.1%	-2.6%	13.3%			
BM&F-Bovespa - listed companies value as % of GDP	39.4%	48.2%	41.7%	52.9%	7.52 pp	8.79 pp	4.70 pp	11.17 pp			
Capital Market (CVM)	January-18										
	Dec-16	Dec-17	Jan-17	Jan-18	chg. % Dec'16/ Dec'15	chg. % Dec'17 / Dec'16	chg. % Jan'18 / dez'17	chg. % jan'18 / jan'17			
New Public Offering - R\$ billions											
Stocks	0.5	8.4	0.0	0.0	-96.7%	1462.8%	-100.0%	-			
Debentures	21.9	6.4	0.0	0.0	5.9%	-70.9%	-	-			
Housing Credit-backed Securities (CRI)	11.3	12.0	0.0	0.0	191.9%	5.9%	-99.1%	-			
Investment Funds - new shares	2.1	5.2	0.6	5.2	-63.5%	150.0%	536.2%	779.2%			
Monet Market (BCB)	February-18										
	Dec-16	Dec-17	Feb-17	Feb-18	chg. % Dec'16 / Dec'15	chg. % Dec'17 / Dec'16	chg. % fev/yy- Dec'17	chg. % fev/yy- fev/yy			
Interest Rates											
Selic market rate (% py)	13.65	7.00	12.82	6.72	-0.5 pp	-6.7 pp	-0.3 pp	-6.1 pp			
CDI (% py)	13.63	6.99	12.80	6.71	-0.5 pp	-6.6 pp	-0.3 pp	-6.1 pp			
Swap DI-Pre 180 days (% py)	12.45	6.67	11.00	6.51	-2.7 pp	-5.8 pp	-0.2 pp	-4.5 pp			
Swap DI-Pre 360 days (% py)	11.56	6.86	10.20	6.67	-4.3 pp	-4.7 pp	-0.2 pp	-3.5 pp			

Major Financial Savings Instruments

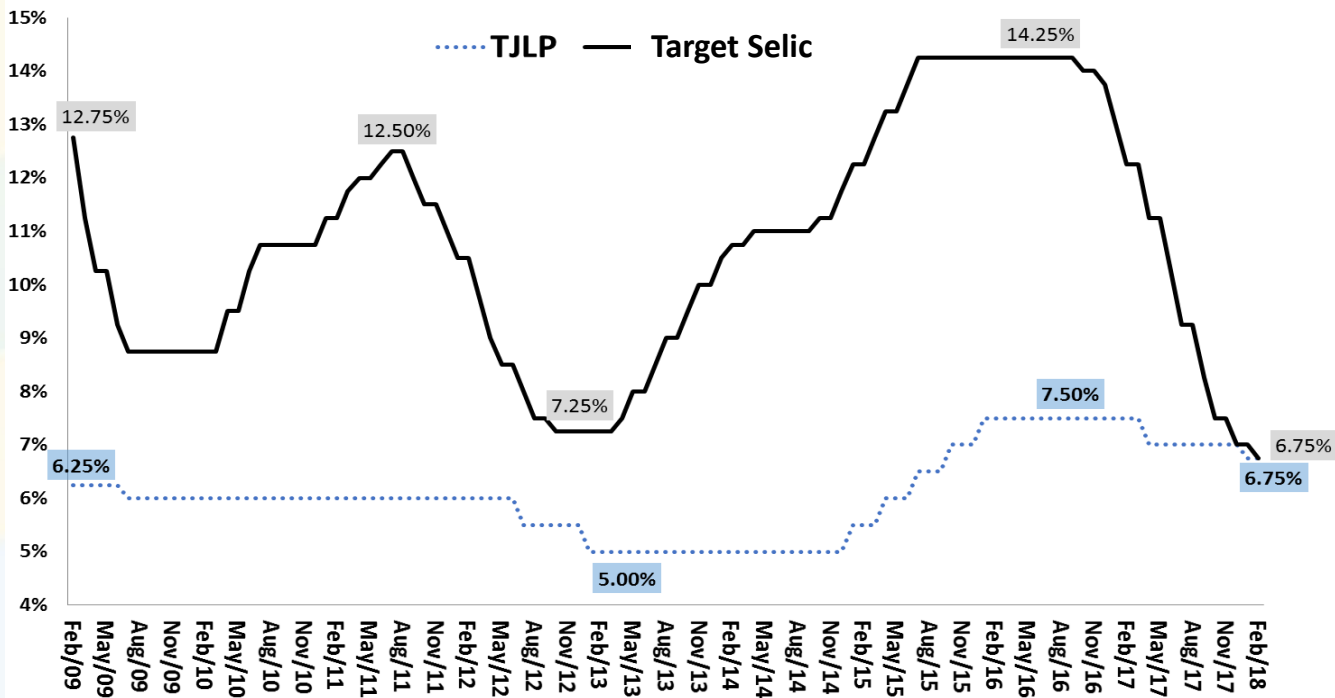
Outstanding Position as % of GDP



Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)

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

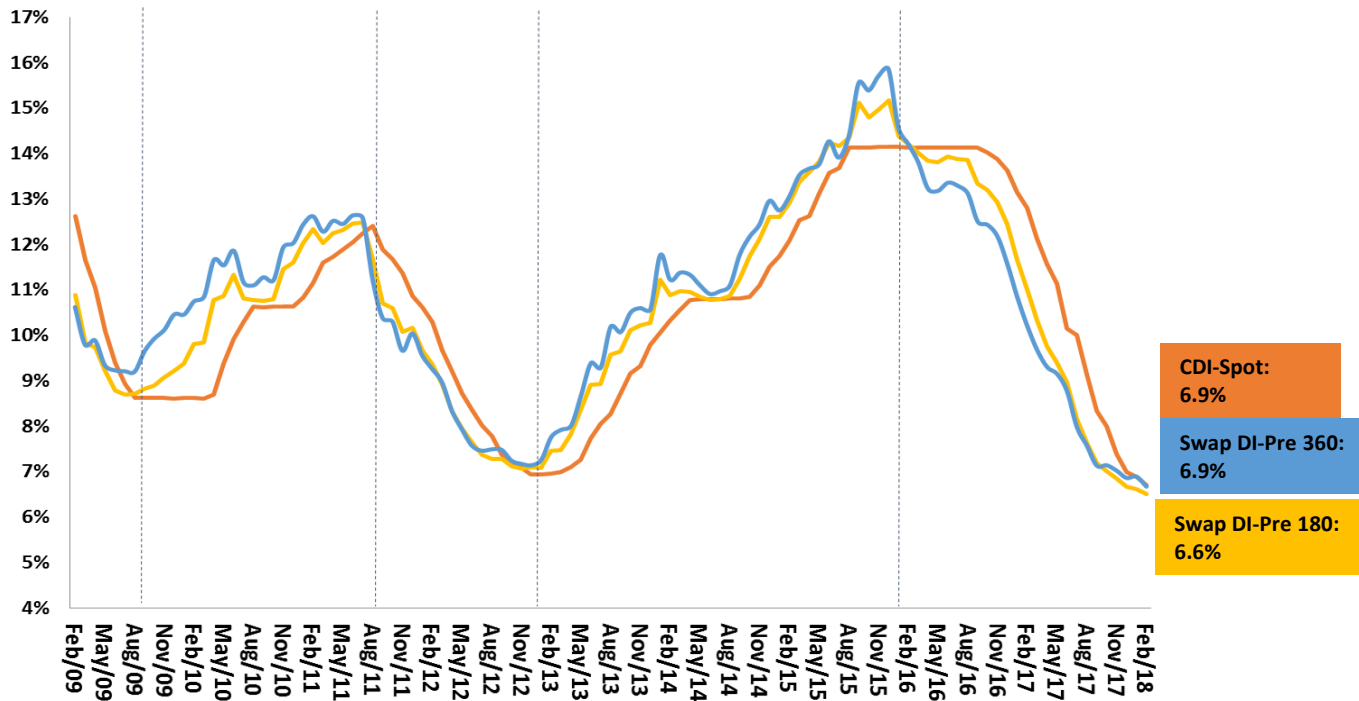


Source: Central Bank of Brazil.

Term Structure of Interbank Interest Rate

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

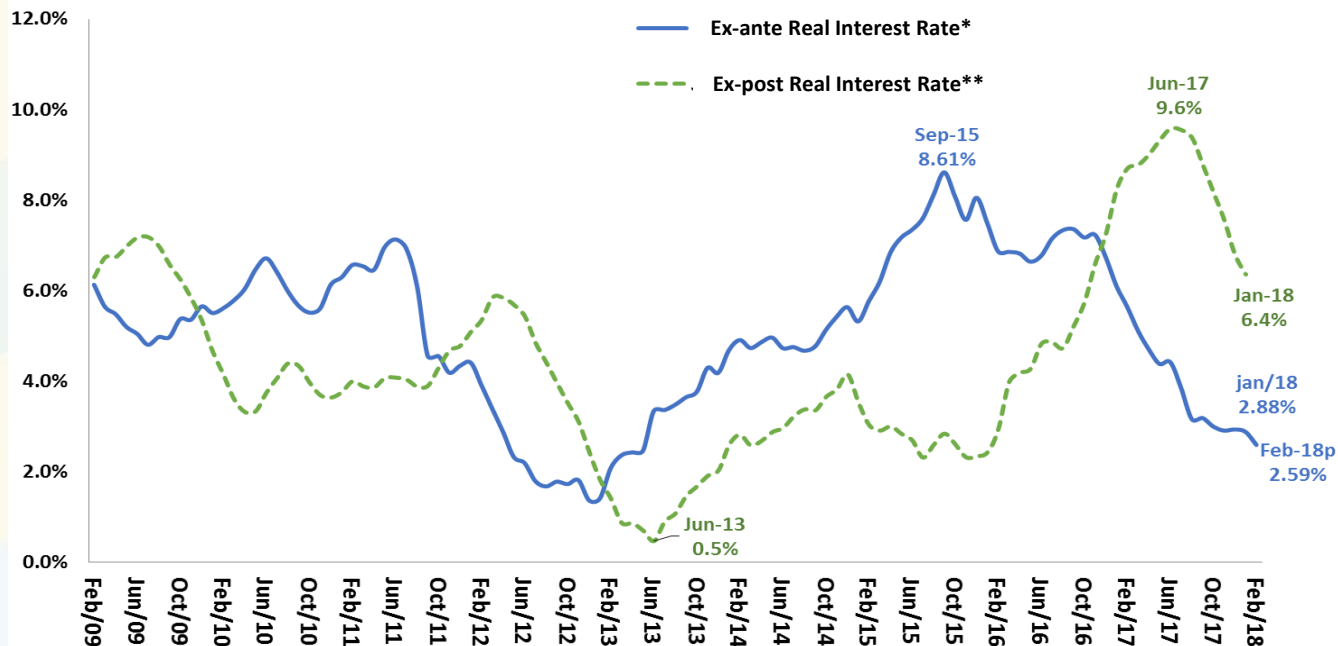
Reverse Points of Yield Curve



Source: Central Bank of Brazil.

Ex-ante and Ex-post Real Interest Rates

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



Source: Central Bank of Brazil.

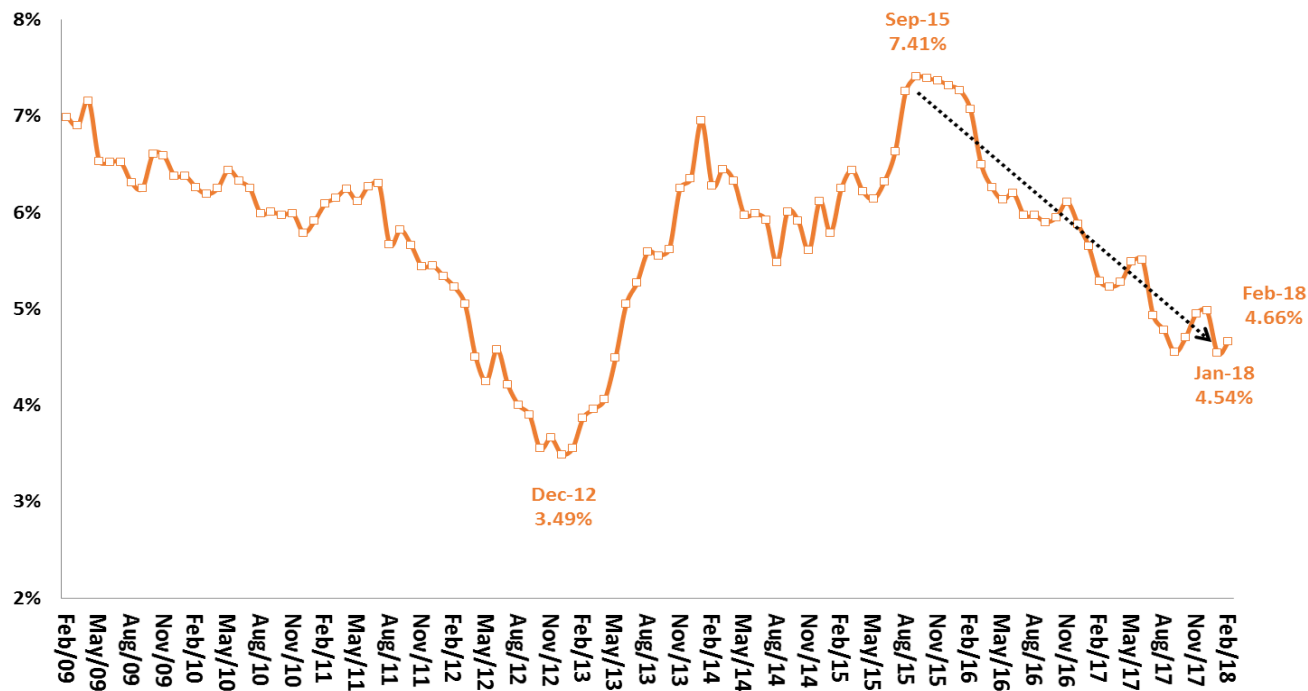
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.

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

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

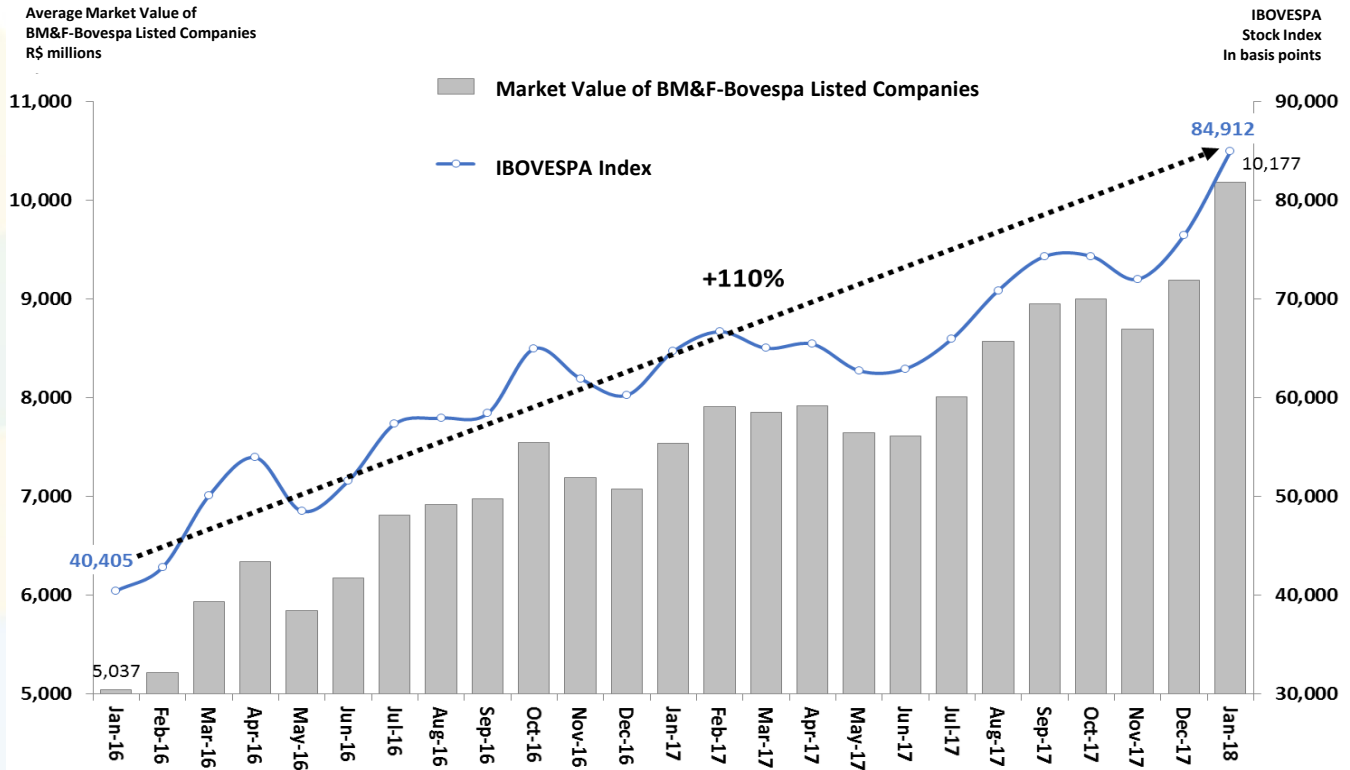
NTN-B 2024*

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



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

Brazilian Stock Market Evolution

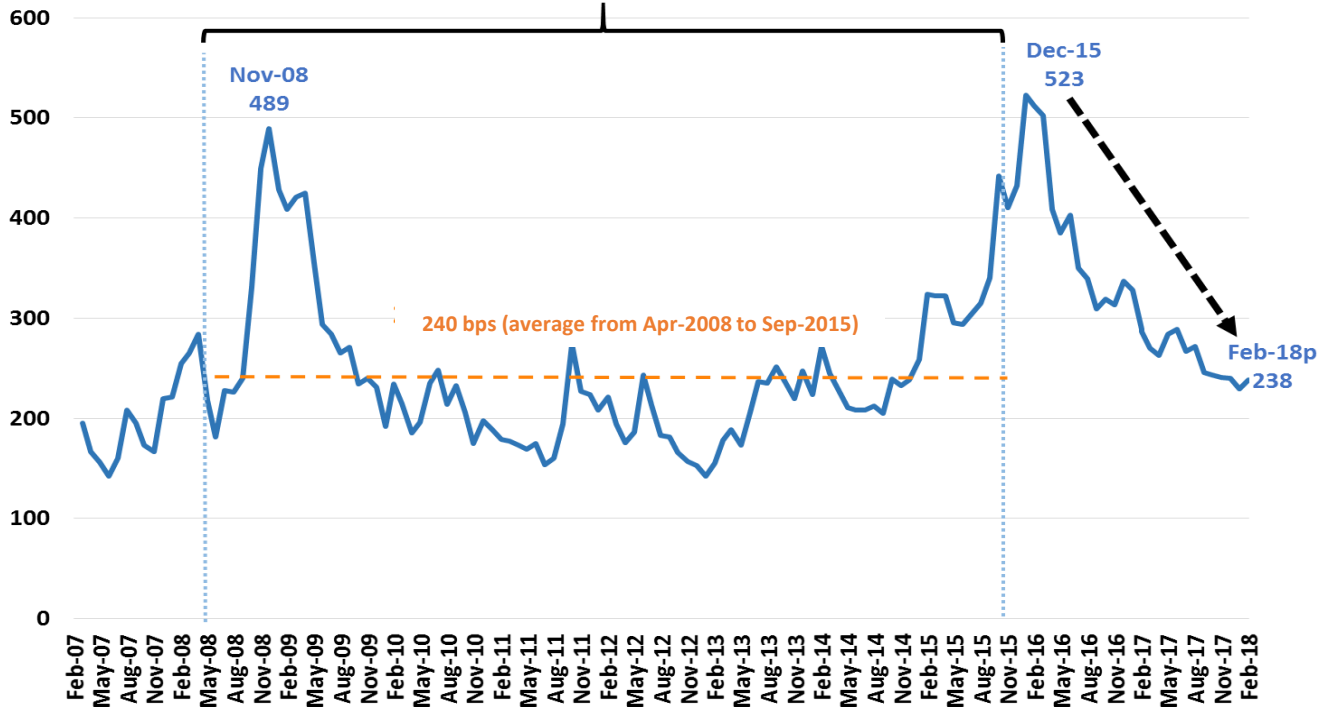


Source: Central Bank of Brazil.

Sovereign Risk (EMBI+ BR)

EMBI+ Brazil Spread
basis points

S&P and Fitch Investment Grade Period

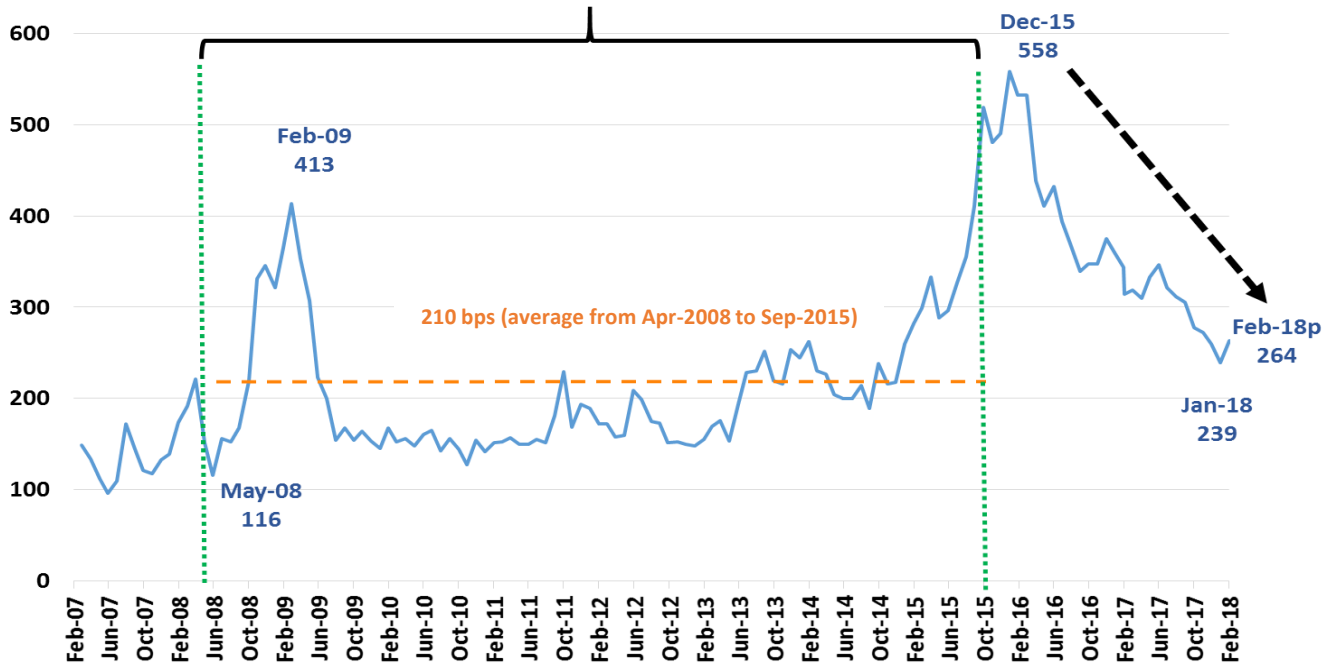


Source: JPMorgan.

Sovereign Risk (CDS 10Y BR)

CDS 10Y Brazil Spread
basis points

S&P and Fitch Investment Grade Period



Source: Bloomberg.

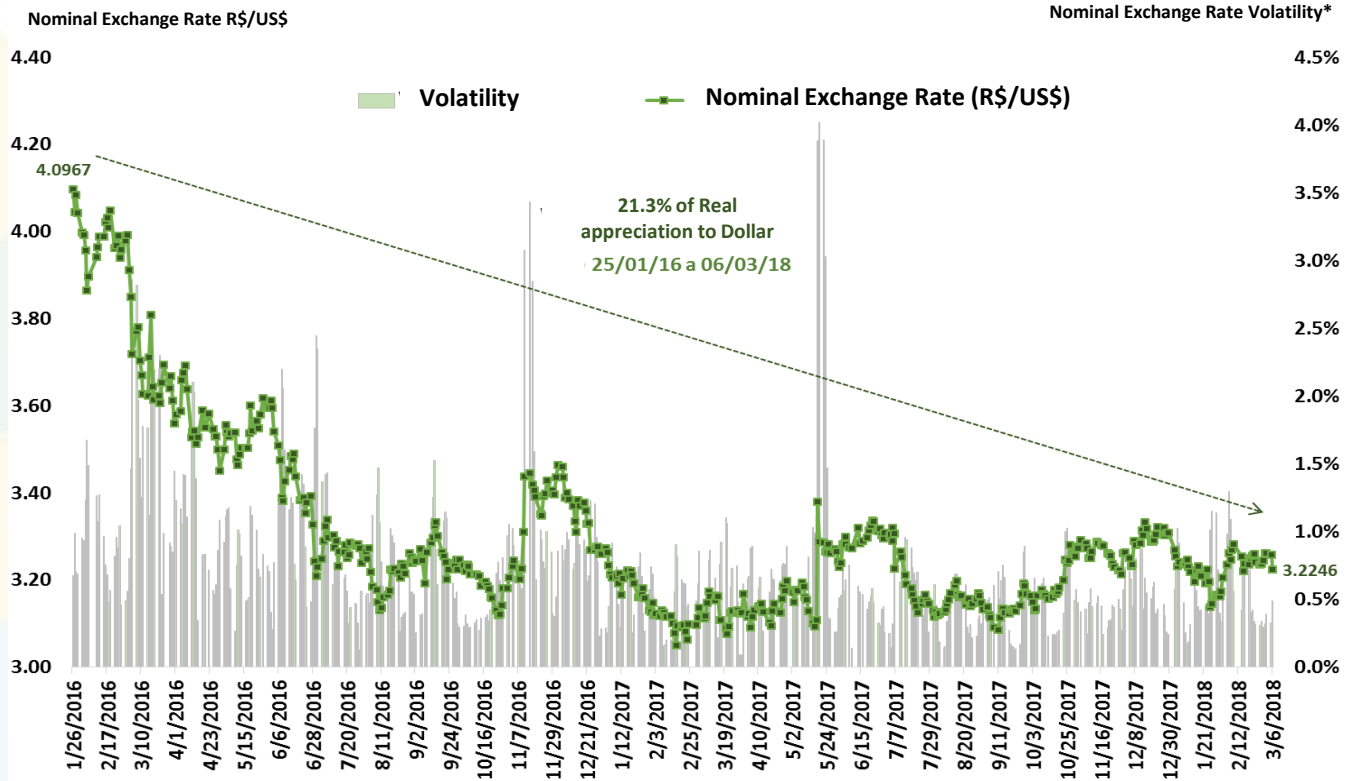


FOREIGN TRADE

Foreign Trade

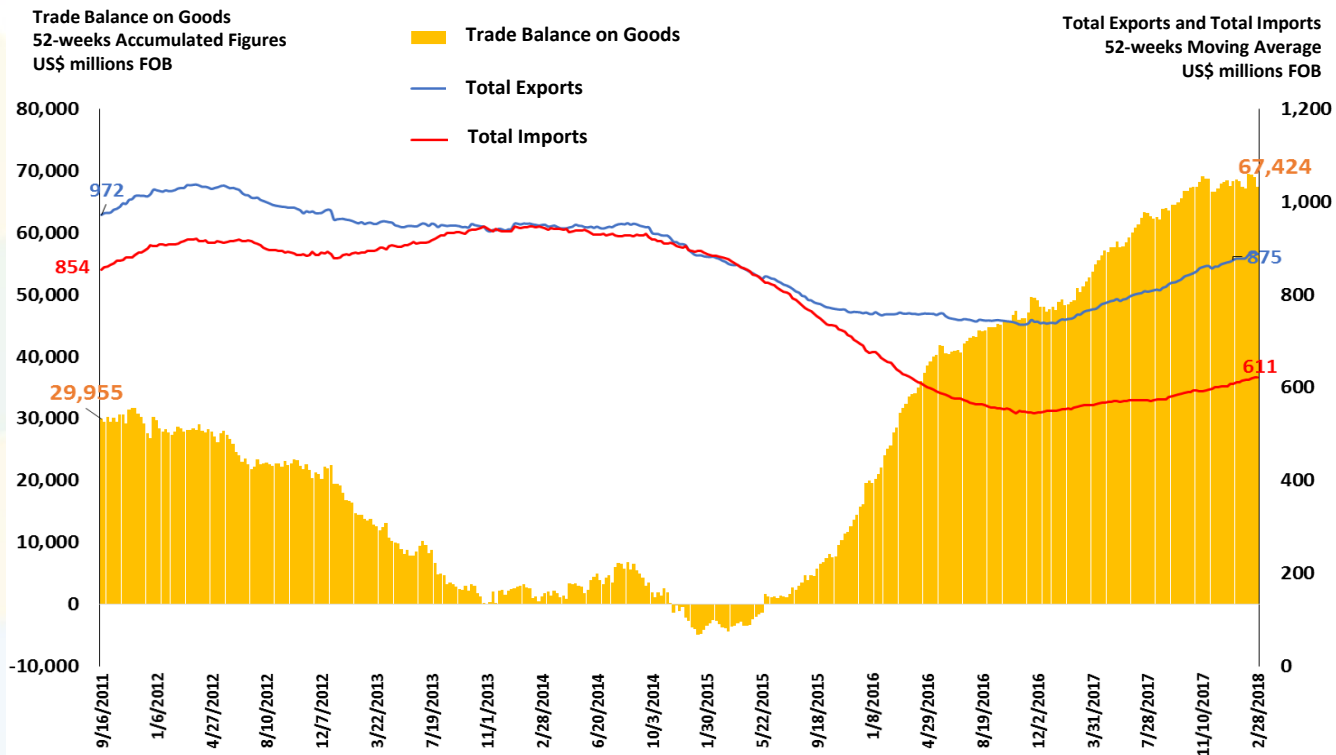
											BCB/Focus:		03/02/2018	
Exchange Rate Indicators (BCB)	January-18	2016	2017	chg.% Nov/17- Nov/16	chg.% Dec/17- Dec/16	chg.% Jan/18- Jan/17	YTD 2017	Nov/17 accum. in 12-months	Dec/17 accum. in 12-months	Jan/18 accum. in 12-months	Average FX Rate 2018	Average FX Rate 2019	Average FX Rate 2020	
FX % change rate: appreciation (-) or depreciation (+) of the Real														
Nominal Exchange Rate (R\$/US\$) - sale - end of period; month value:	3.1624	1.8%	-7.2%	-4.0%	1.5%	1.1%	-1.3%	-8.7%	-7.2%	-5.0%	3,30	3,38	3,46	
Exchange Rate Indicators (BCB)	January-18	2016	2017	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				
FX % change rate: appreciation (-) or depreciation (+) of the Real														
Real Effective Exchange Rate (IPCA)		-5.3%	-8.8%	1.0%	3.7%	7.1%	3.4%	-10.9%	-8.8%	-6.1%				
Exchange Rate / Wage Ratio adjusted by Labor Productivity		-15.4%	-0.9%	8.5%	8.3%	9.4%	0.3%	-3.3%	-0.9%	1.8%				
Unitary Labor Cost in US\$		2.8%	7.2%	-1.0%	-1.1%	-3.2%	-3.0%	8.2%	7.2%	5.2%				
Foreign Trade of Goods (FUNCEX)	January-18	2016	2017	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 Price and Quantum														
QUANTUM														
Exports (X)		3.3%	6.8%	2.5%	6.4%	12.5%	12.5%	4.8%	6.8%	6.9%				
Basic Goods		-2.7%	13.2%	23.5%	20.8%	14.2%	14.2%	9.7%	13.2%	13.7%				
Semi-Manufactured		9.9%	0.6%	-1.9%	-7.1%	-5.1%	-5.1%	0.5%	0.6%	-1.4%				
Manufactured		7.9%	2.7%	-11.0%	0.0%	19.4%	19.4%	1.7%	2.7%	3.3%				
Imports (M)		-11.9%	5.2%	9.2%	3.2%	10.0%	10.0%	6.0%	5.2%	4.6%				
Intermediate Goods		-7.4%	7.2%	2.8%	-0.3%	-1.1%	-1.1%	9.3%	7.2%	4.3%				
Capital Goods		-17.0%	-9.7%	19.5%	4.4%	12.5%	12.5%	-10.5%	-9.7%	-5.5%				
Durable Consumer Goods		-36.0%	8.4%	20.7%	13.3%	37.2%	37.2%	7.3%	8.4%	9.8%				
Semi and Non-Durable Consumer Goods		-9.2%	6.9%	14.3%	-2.5%	17.0%	17.0%	9.3%	6.9%	7.5%				
Fuel and Lubricants		-22.1%	9.5%	27.6%	28.9%	67.4%	67.4%	4.6%	9.5%	13.7%				
Exports Profitability Index (Jan/2017)		-8.2%	-1.4%	-3.2%	-1.6%	0.0%	0.0%	-1.9%	-1.4%	-0.6%				
Quantum Ratio = average quantum X / average quantum M		15.6%	1.9%	-5.9%	3.3%	2.4%	2.4%	-1.0%	1.9%	2.6%				
PRICE														
Exports (X)		-6.2%	10.1%	0.4%	3.7%	1.2%	1.2%	10.8%	10.1%	8.5%				
Basic Goods		-6.7%	12.8%	2.7%	2.3%	-2.8%	-2.8%	14.2%	12.8%	9.7%				
Semi-Manufactured		-3.9%	11.7%	4.9%	6.3%	6.5%	6.5%	12.6%	11.7%	11.0%				
Manufactured		-5.9%	5.7%	-3.7%	4.0%	3.5%	3.5%	5.7%	5.7%	5.4%				
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Imports (M)		-8.9%	4.2%	5.0%	5.9%	5.8%	5.8%	3.3%	4.2%	4.8%				
Intermediate Goods		-7.7%	3.1%	3.9%	6.3%	6.3%	6.3%	2.0%	3.1%	3.9%				
Capital Goods		-5.0%	-2.5%	-6.8%	0.4%	-1.2%	-1.2%	-3.5%	-2.5%	-2.4%				
Durable Consumer Goods		-3.9%	2.0%	0.8%	-0.6%	5.5%	5.5%	2.8%	2.0%	2.0%				
Semi and Non-Durable Consumer Goods		-2.8%	-1.8%	4.5%	3.3%	-1.2%	-1.2%	-2.6%	-1.8%	-1.7%				
Fuel and Lubricants		-26.6%	29.2%	34.0%	15.1%	17.4%	17.4%	29.4%	29.2%	29.1%				
Terms of Trade = average price X / average price M		3.1%	5.7%	-4.4%	-2.1%	-4.4%	-4.4%	7.2%	5.7%	3.6%				

Daily Nominal Exchange Rate R\$/US\$



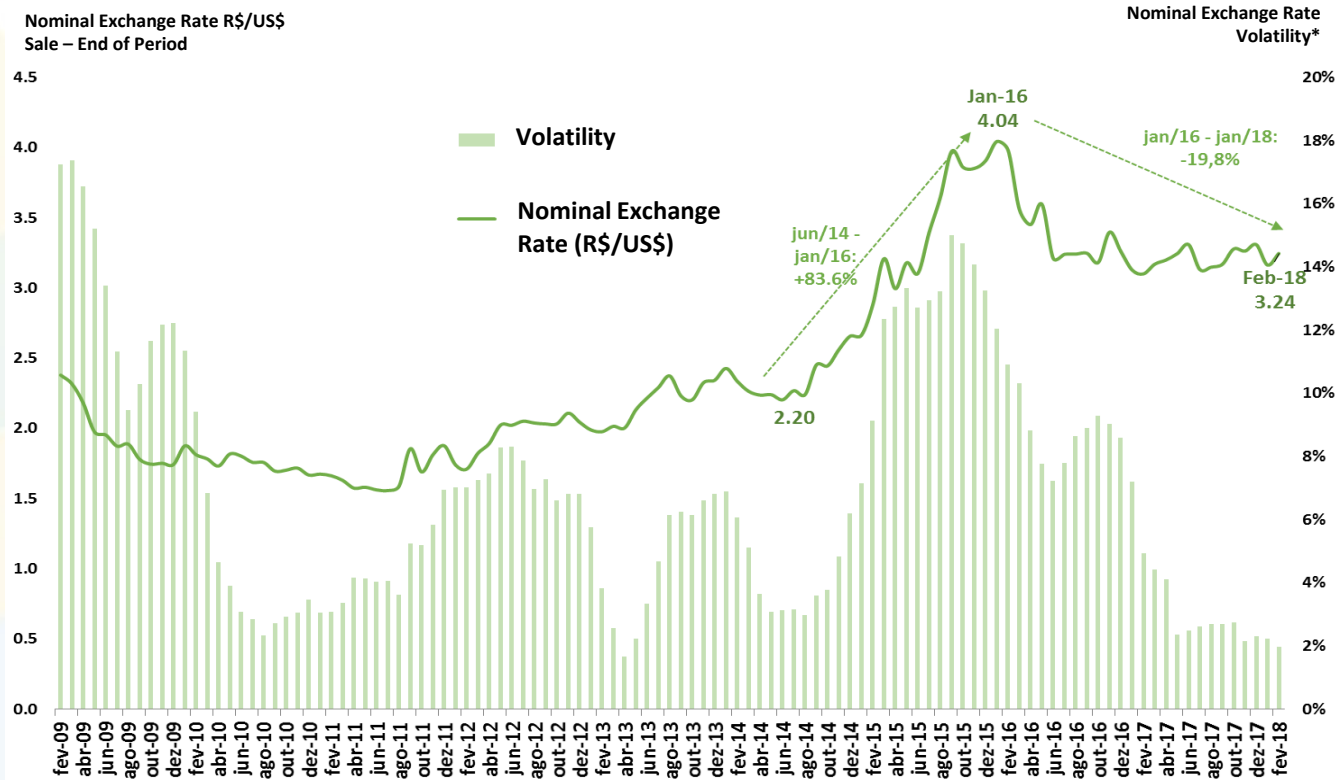
Fonte: Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

Trade Balance on Goods (52 weeks daily average)



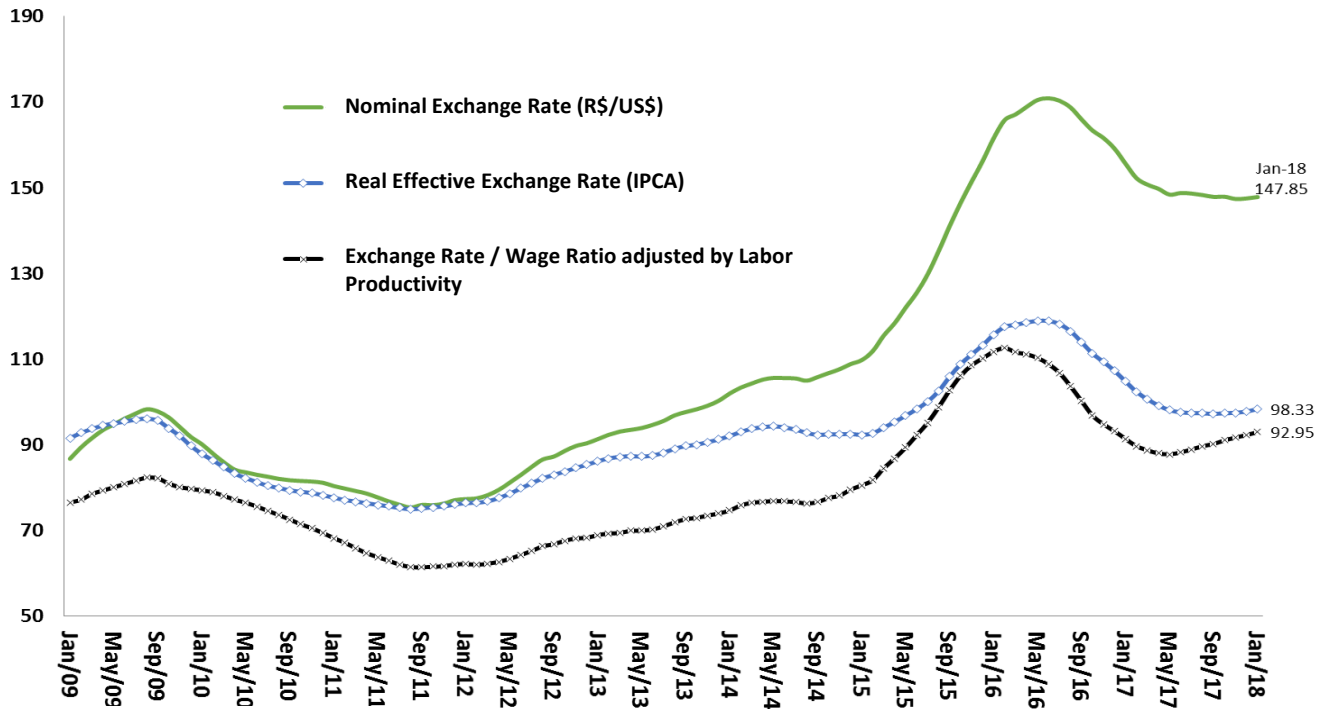
Source: SECEX/MDIC.

Nominal Exchange Rate R\$/US\$



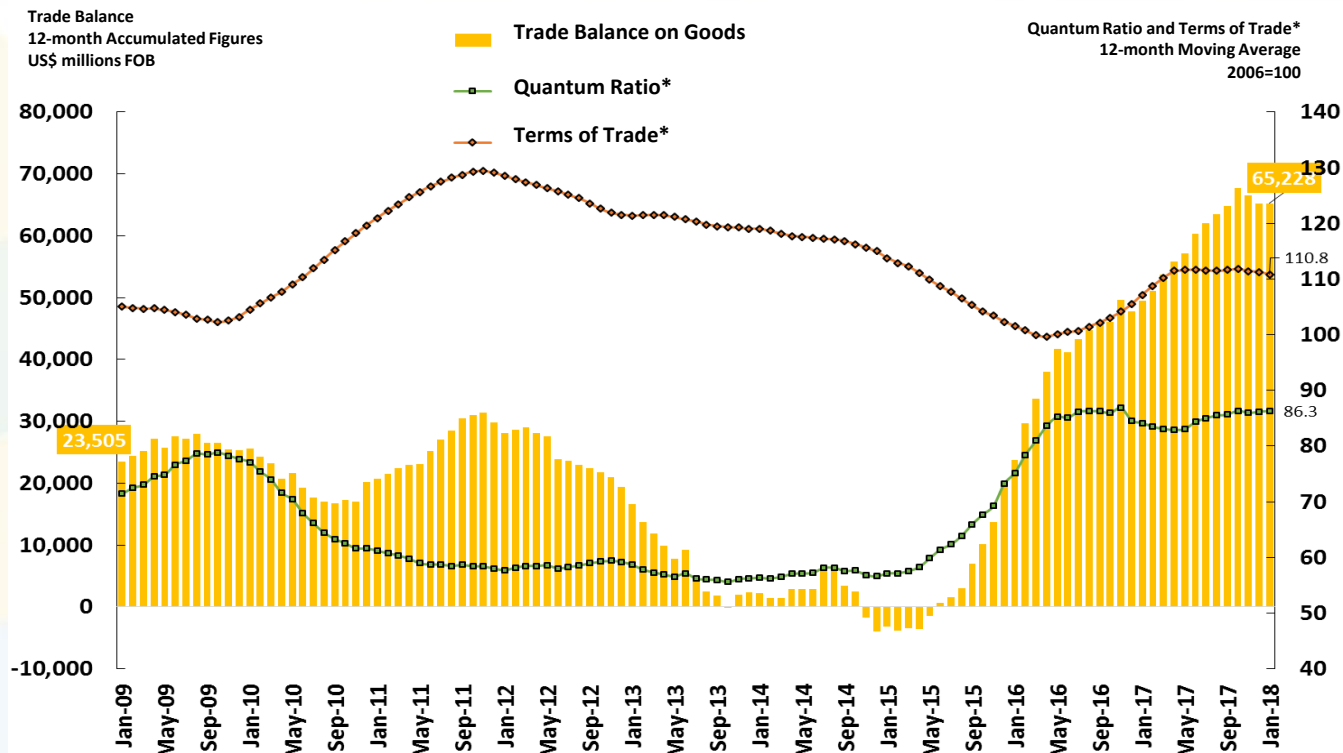
Exchange Rate Indexes

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



Source: Central Bank of Brazil.

Trade Balance, Quantum and Terms of Trade Ratios



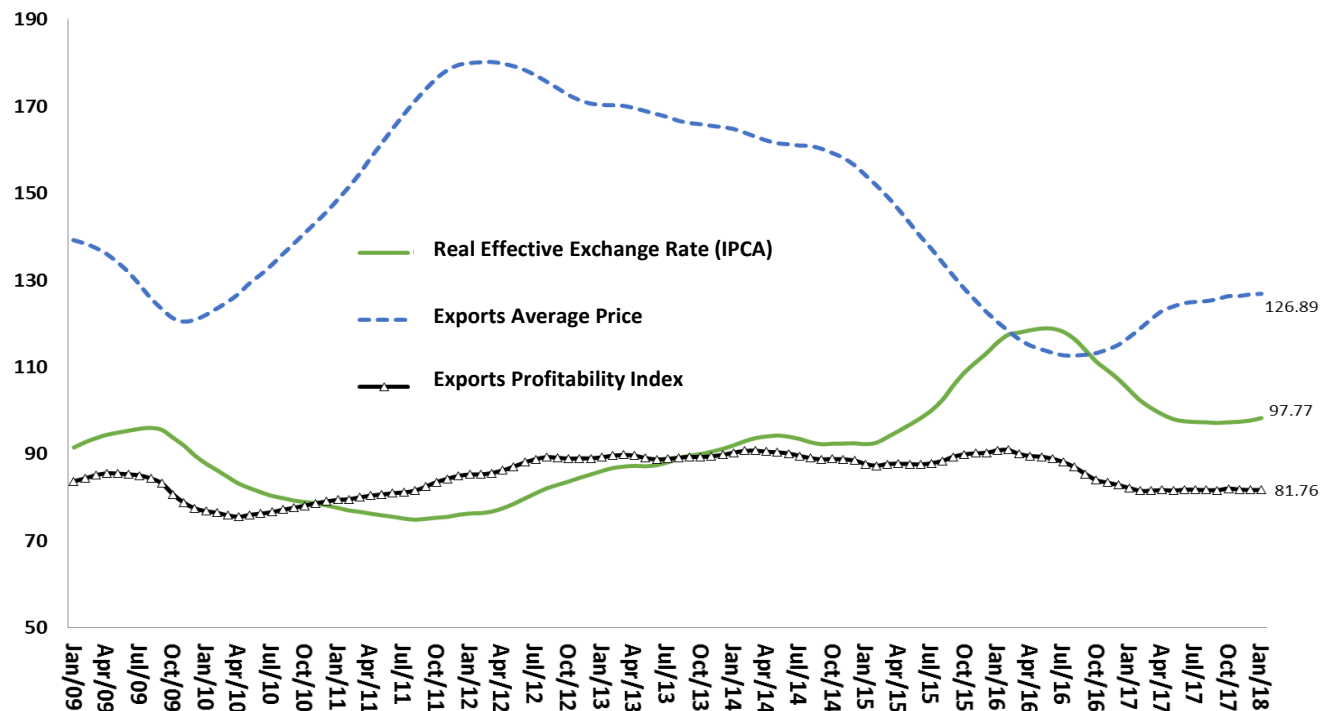
Sources: SECEX/MDIC and FUNCEX.

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

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

Exports: Profitability, Price and Real Exchange Rate

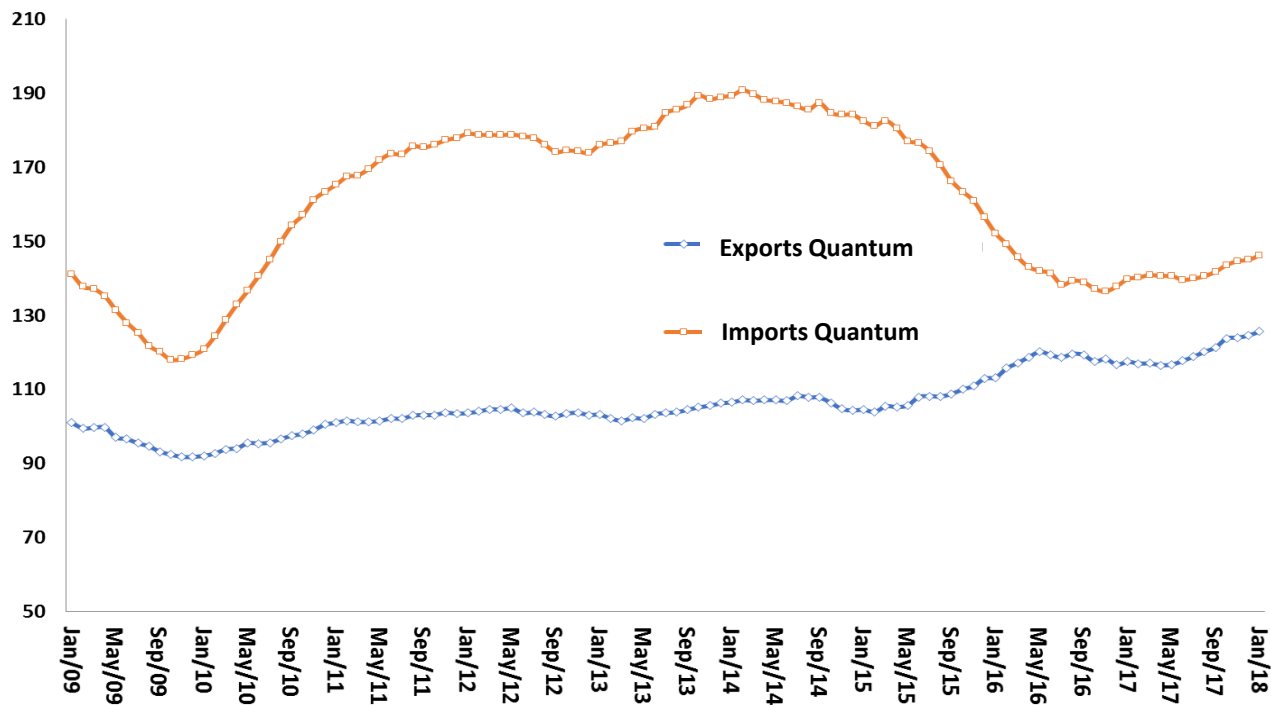
Real Effective Exchange Rate (IPCA), Exports Average Price and Exports Profitability Index
12-month Moving Average (2006=100)



Sources: Central Bank of Brazil and FUNCEX.

Quantum of Exports and Imports

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

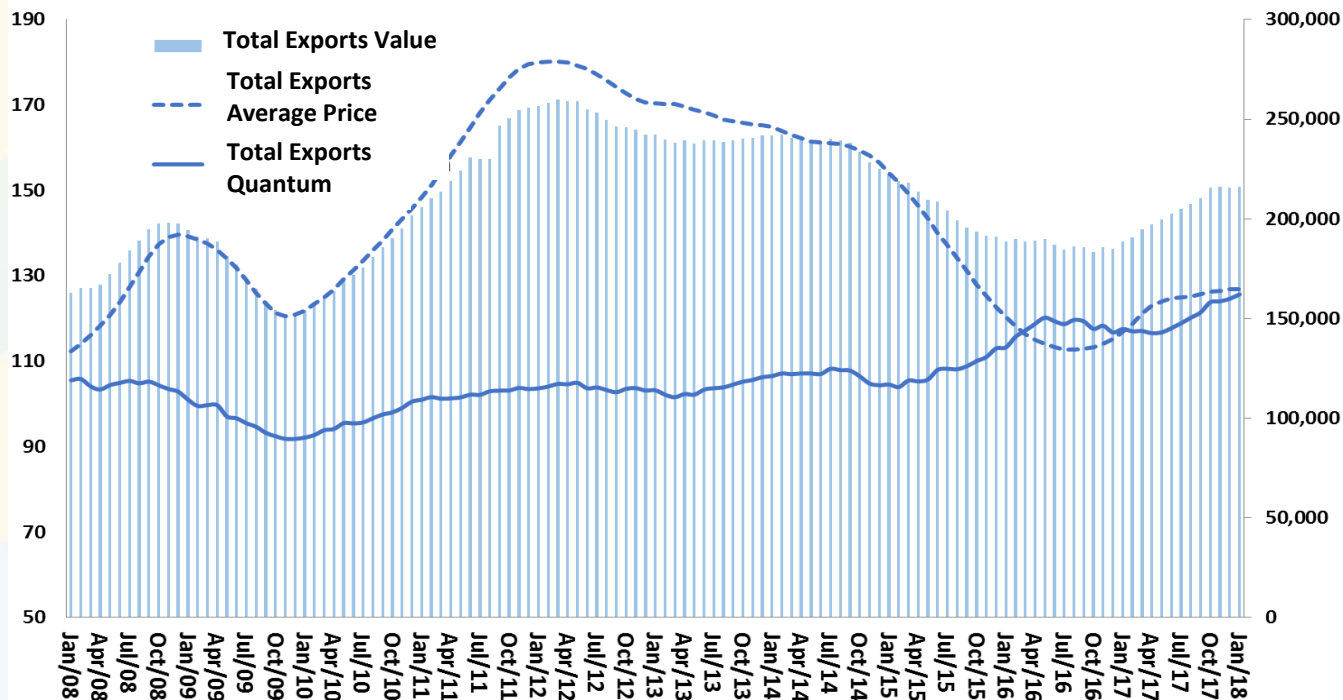


Source: FUNCEX.

Total Exports: value, quantum and price

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

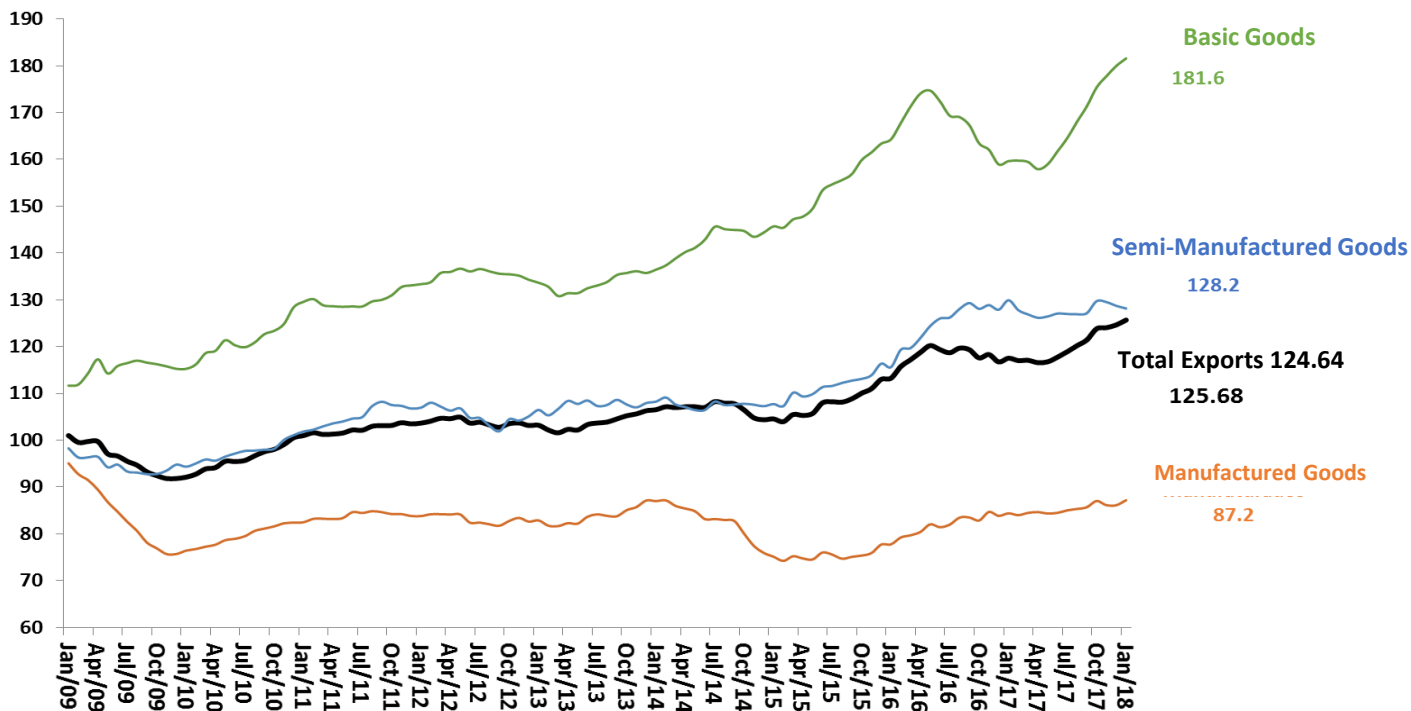
Exports Value
12-month Accumulated Figures (US\$ millions FOB)



Sources: SECEX/MDIC and FUNCEX.

Quantum of Total Exports by Class of Products

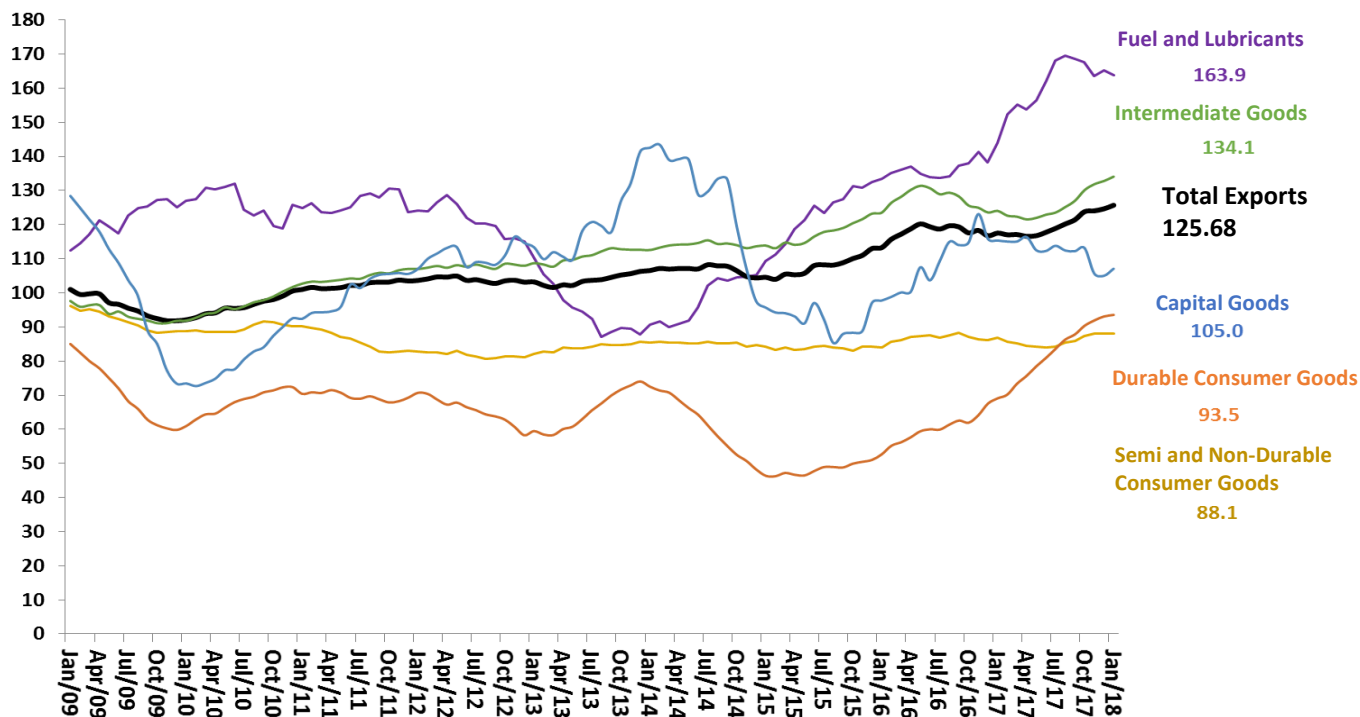
Exports Quantum by Class of Products
12-months Moving Average (2006=100)



Source: FUNCEX.

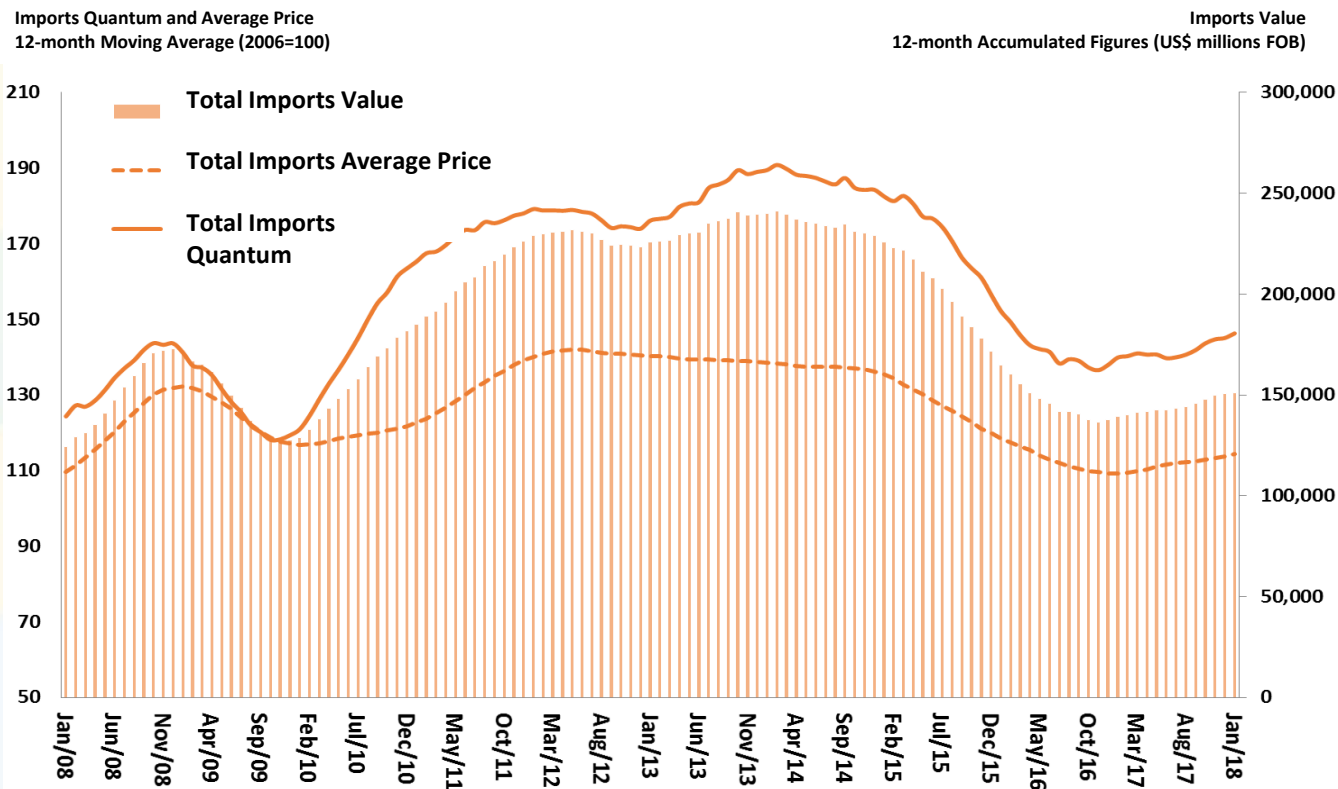
Quantum of Total Exports by Economic Categories

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



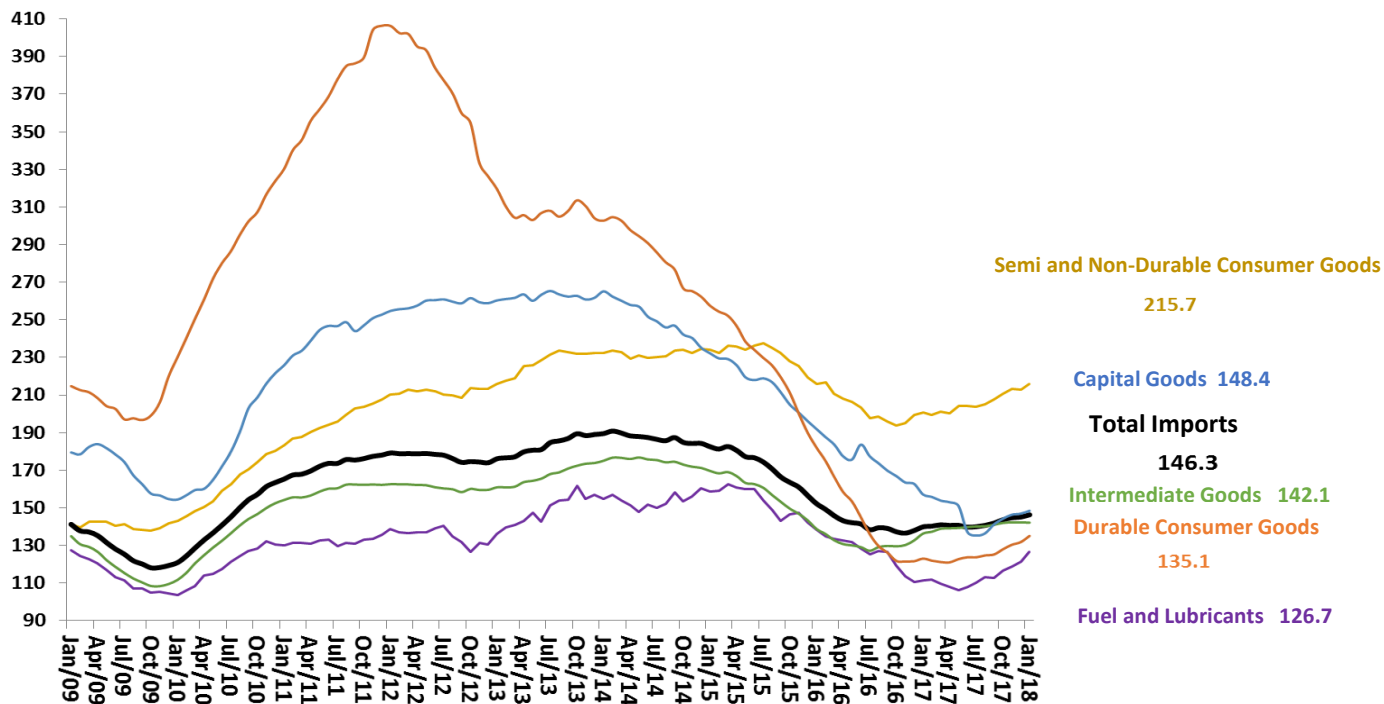
Source: FUNCEX.

Total Imports: value, quantum and price



Quantum of Total Imports and by Economic Categories

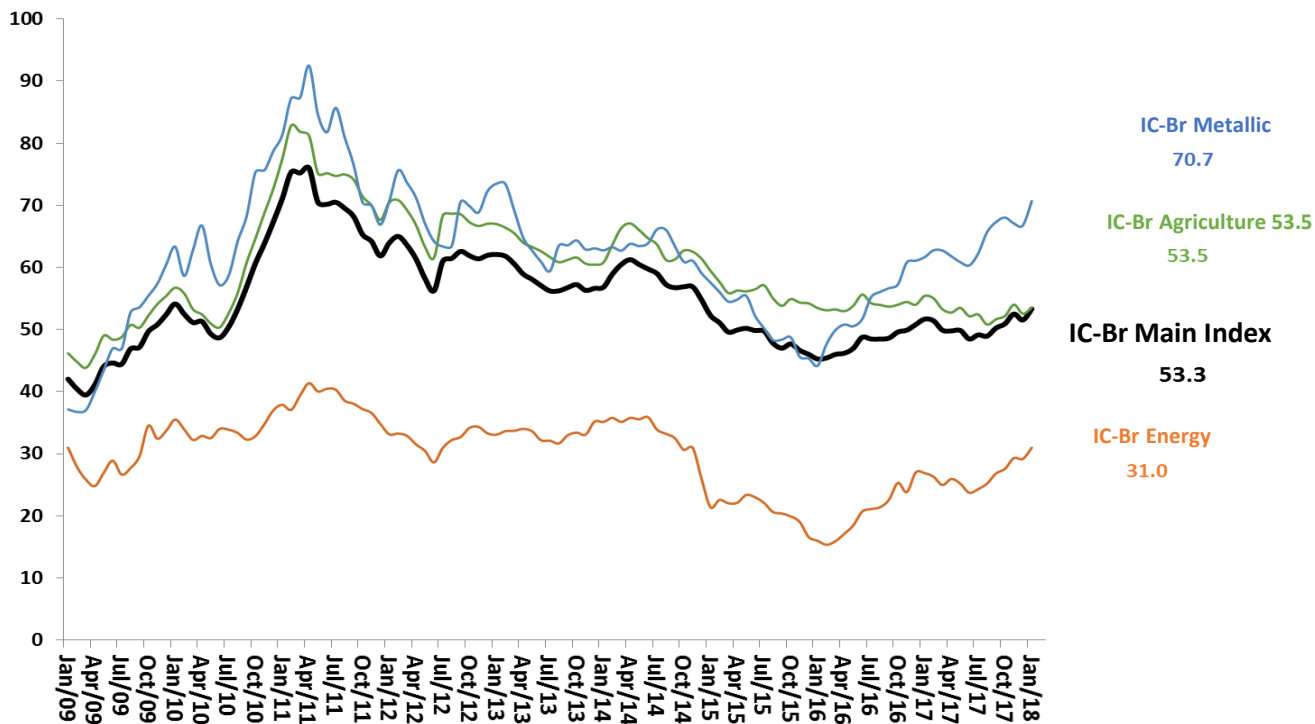
Imports Quantum by Economic Categories
12-month Moving Average (2006=100)



Source: FUNCEX.

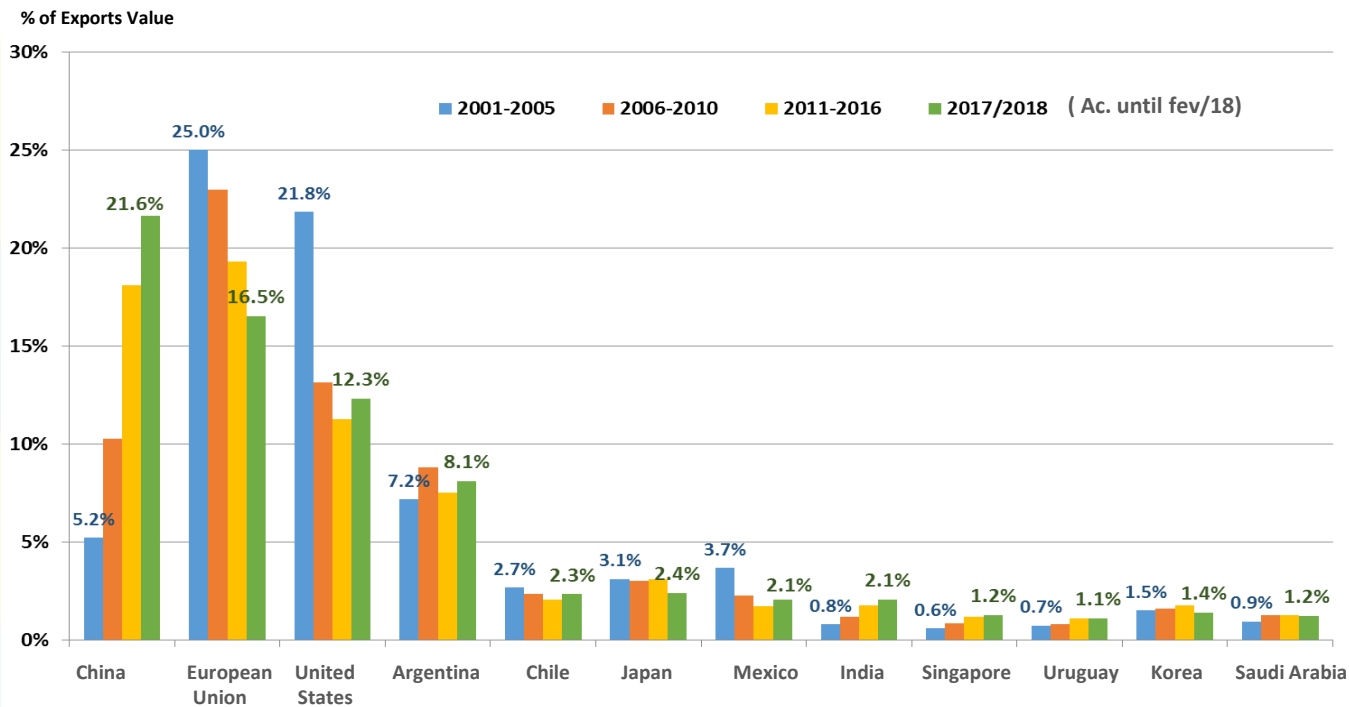
Brazilian Commodity Price Indexes

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

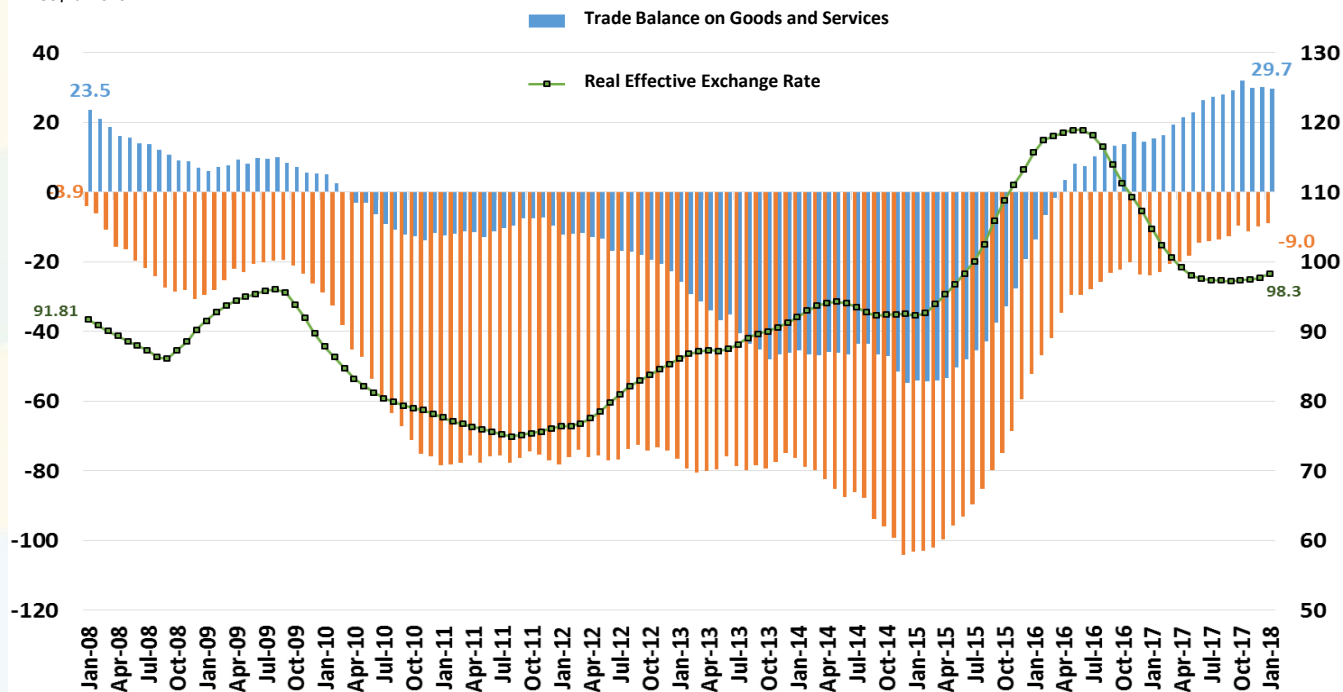
External Sector

										BCB/Focus: 03/02/2018		
Balance of Payments (BCB)	January-18											
In US\$ millions	2016	2017	jan/yy accum. in 12-months	chg.% 2017 / 2016	chg.% Jan/18 accum. 12-m / 2017	chg.% Dec/17 - Dec/16	chg.% Jan/18 - Jan/17	chg.% - Jan- Dec/17 - Jan-Dec/16	chg.% - Jan- Jan-Jan/17	2018	2019	2020
Balance of Payments	6,857	4,503	4,648	-34.3%	3.2%	-204.9%	32.1%	-34.3%	-25.7%			
Current Account Balance (CAB)	-23,546	-9,762	-8,987	-58.5%	-7.9%	-26.6%	-15.2%	5.6%	-15.2%	-26,10	-38,50	-46,00
<i>CAB as % of GDP</i>	-1.3%	-0.5%	-0.4%	0.8 pp	0.0 pp	0.8 pp	0.9 pp					
Balance on Goods	45,037	64,028	63,922	42.2%	10.4%	-0.2%	10.4%	287.0%	-4.2%	55.0	45.2	39.7
Exports	184,453	217,243	219,311	17.8%	1.0%	10.4%	13.9%	33.5%	13.9%	225,00	232,23	246,15
Imports	139,416	153,215	155,389	9.9%	1.4%	10.4%	17.6%	17.8%	17.6%	170,00	187,00	206,48
Balance on Services	-30,447	-33,851	-34,190	11.2%	1.0%	8.7%	14.0%	75.2%	14.0%			
Primary Income	-41,080	-42,572	-41,347	3.6%	-2.9%	-16.0%	-22.9%	23.7%	-22.9%			
Secondary Income	2,944	2,632	2,628	-10.60%	-0.2%	118.5%	-2.4%	-25.2%	-2.4%			
Capital Account	274	379	382	38.6%	0.7%	-34.8%	7.1%	30.3%	7.1%			
Financial Account	-16,415	-4,880	-3,957	-70.3%	-18.9%	-31.5%	-20.1%	23.0%	-20.1%			
Direct Investments	-65,432	-64,064	-56,732	-2.1%	-11.4%	-80.8%	-64.8%	95.0%	-64.8%			
Foreign Direct Investments (FDI)	78,249	70,332	65,339	-10.1%	-7.1%	-64.6%	-43.6%	110.1%	-43.6%	80,00	80,00	82,94
Portfolio Investments	19,217	15,167	2,533	-21.1%	-83.3%	262.6%	-603.2%	10.7%	-603.2%			
Stock Market	-7,049	-2,482	-4,398	-64.8%	77.2%	328.3%	173.1%	-4581.8%	173.1%			
Bonds	30,495	10,838	419	-64.5%	-96.1%	169.5%	-391.0%	20.4%	-391.0%			
Others Investments and Capital Flows	29,801	44,017	50,242	47.7%	14.1%	-301.4%	134.4%	2516.4%	134.4%			
International Reserves - liquidity concept	365,016	373,972	375,701	2.5%	0.5%	2.5%	2.2%					
Gross External Debt (BCB)	January-18	2016	2017	Jan-18	2016 % of total	Jan/18 % of total	chg. pp	2016 % of GDP	jan/yy % of GDP	chg. pp		
In US\$ millions												
Total External Debt	676,647	669,907	684,617	100.0%	100.0%	-	38.6%	34.8%	-3.8 pp			
Gross External Debt	326,297	313,610	313,915	48.2%	45.9%	-2.4 pp	18.6%	16.0%	-2.6 pp			
Public Sector	74,379	76,017	77,547	22.8%	24.7%	1.9 pp	4.2%	3.9%	-0.3 pp			
Private Sector and Public Financial Sector	251,918	237,592	236,368	77.2%	75.3%	-1.9 pp	14.4%	12.0%	-2.4 pp			
Short Term	56,327	52,559	52,658	17.3%	16.8%	-0.5 pp	3.2%	2.7%	-0.5 pp			
Medium and Long Term	269,970	261,051	261,257	82.7%	83.2%	0.5 pp	15.4%	13.3%	-2.1 pp			
Intercompany Loans	222,344	233,476	236,259	32.9%	34.5%	1.6 pp	12.7%	12.0%	-0.7 pp			
Domestic Bonds with Foreign Investors	128,006	122,821	134,443	18.9%	19.6%	0.7 pp	7.3%	6.8%	-0.5 pp			

Brazil: Real Exchange Rate and External Sector Adjustment

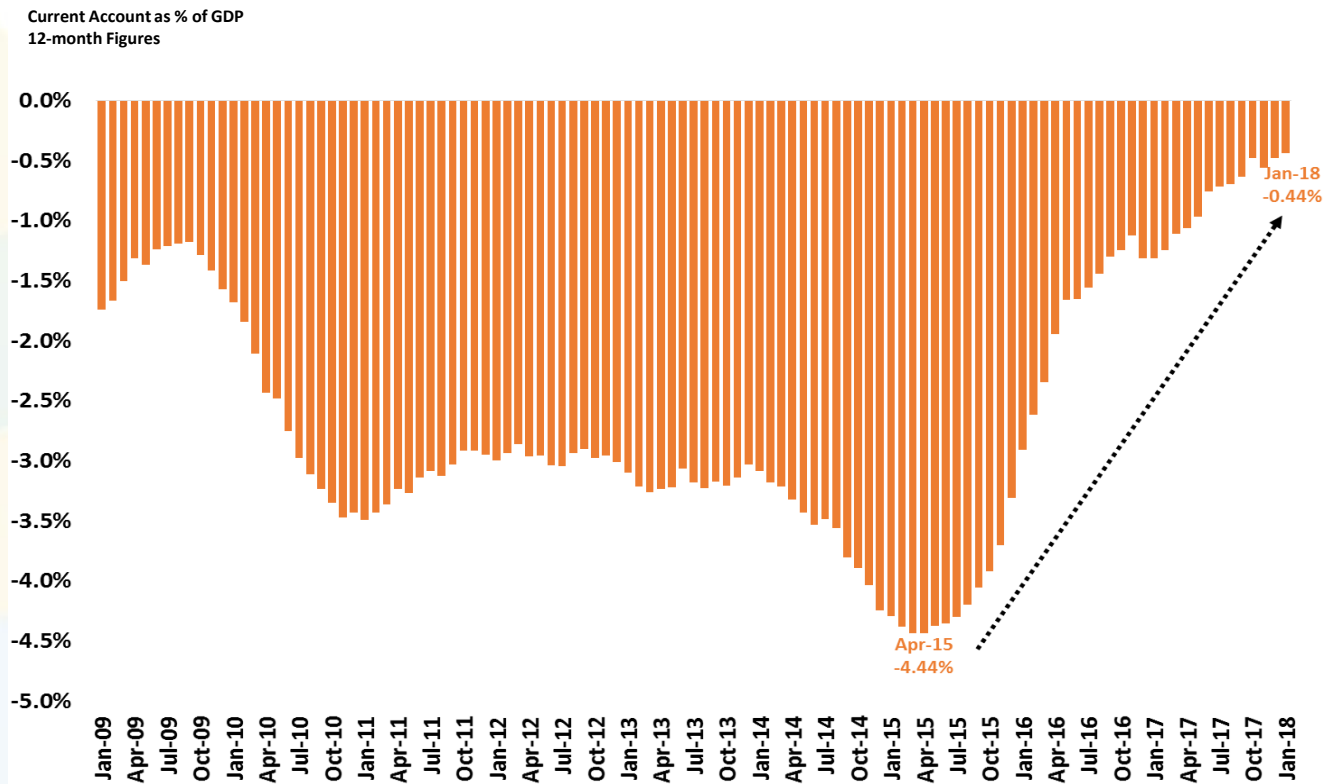
Current Account Balance and Trade Balance
on Goods and Services
12-month Accumulated Figures
US\$ billions

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



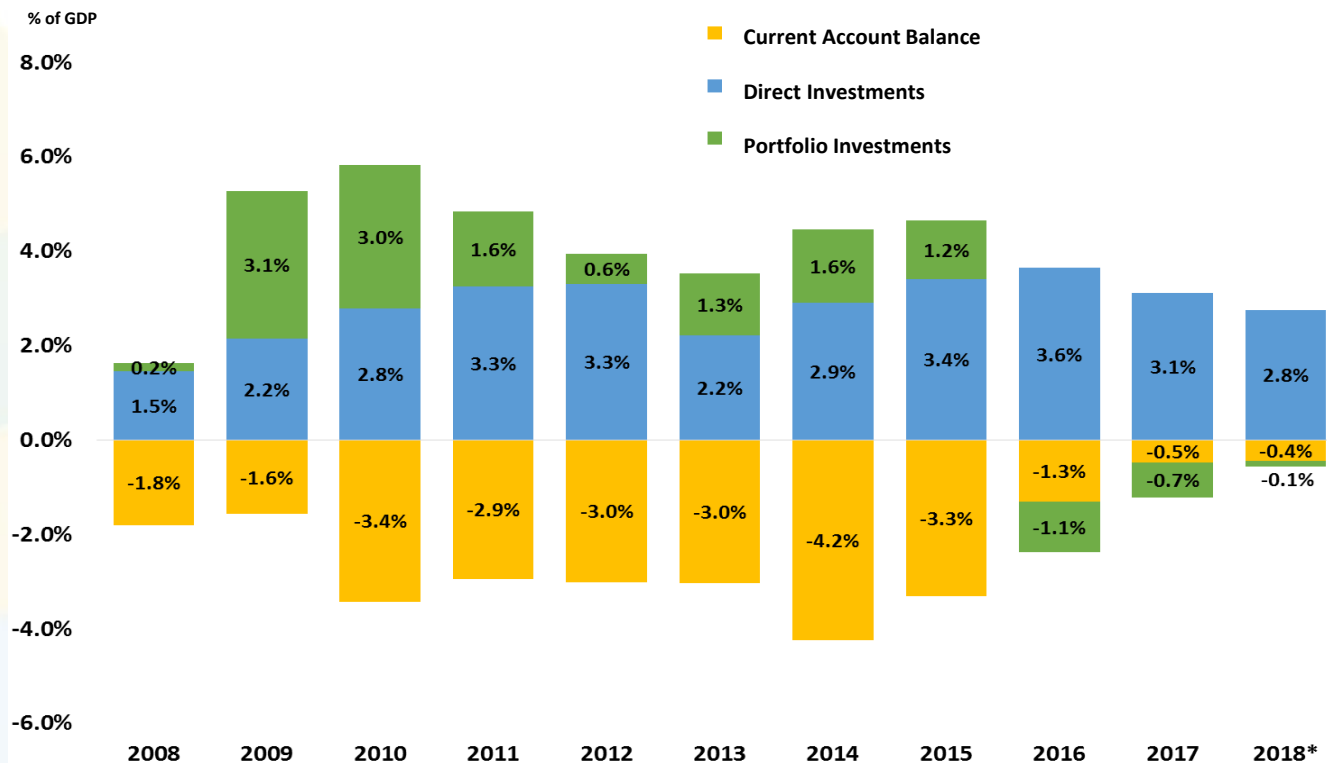
Source: Central Bank of Brazil.

Current Account Deficit as % of GDP



Source: Central Bank of Brazil.

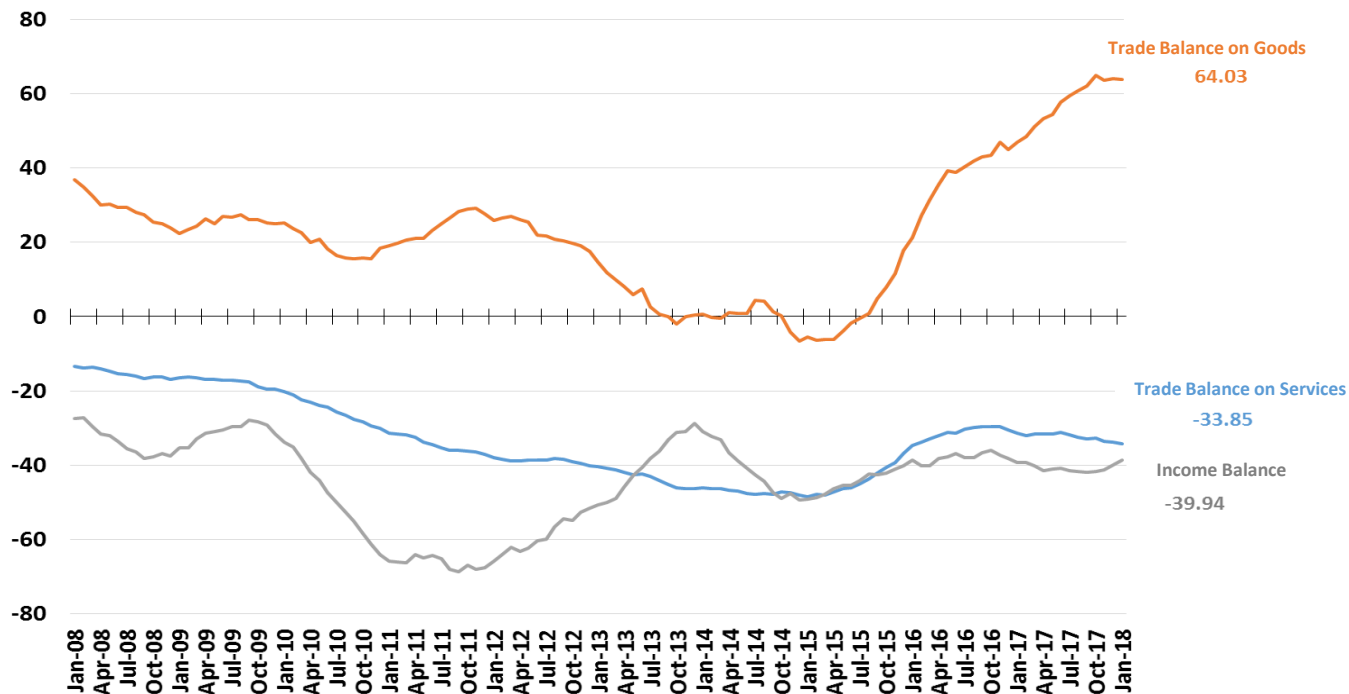
Current Account Deficit Financing



Source: Central Bank of Brazil.

Current Account Balance Components

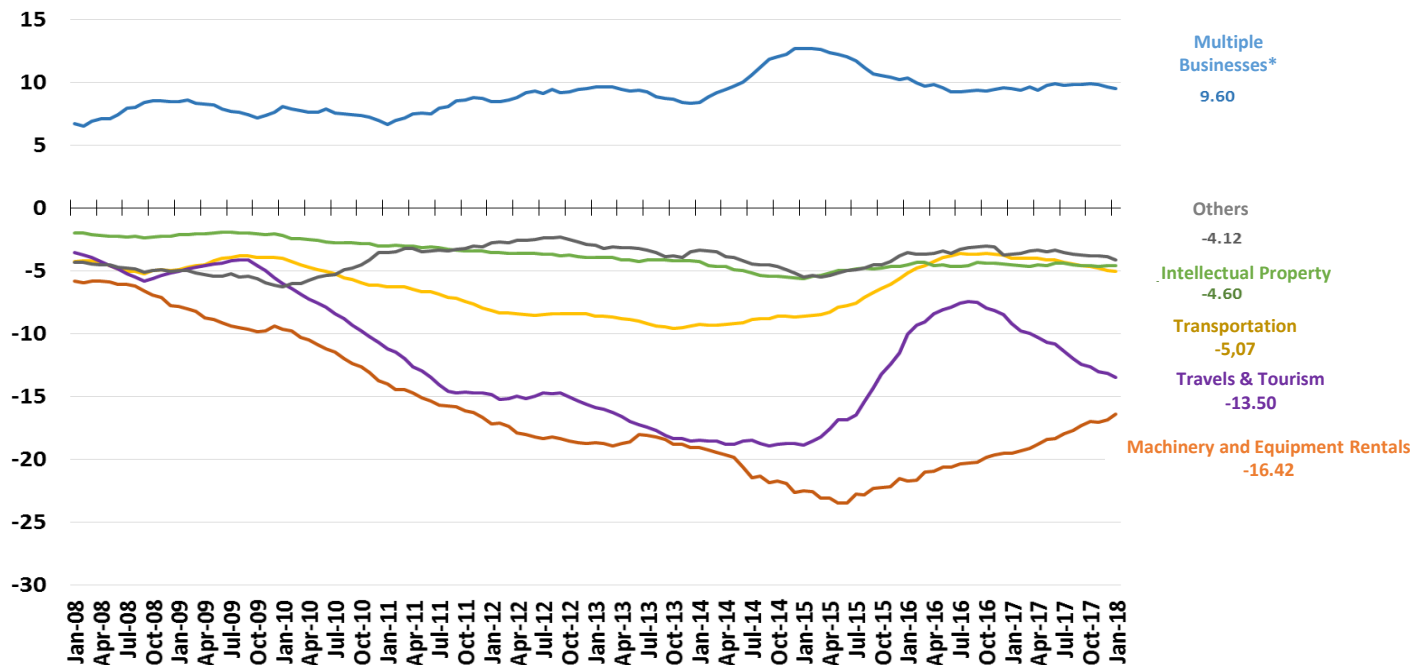
External Accounts Balance
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

Service Account Balance and Components

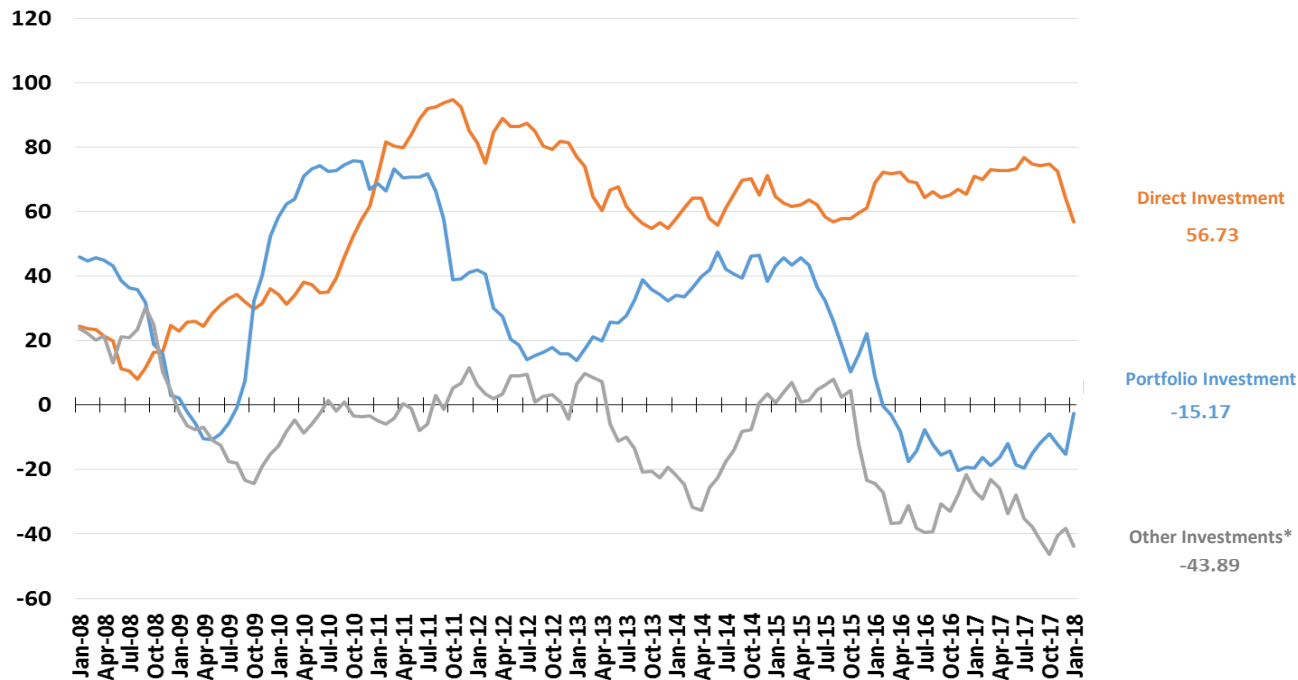
External Accounts Balance
12-month Accumulated - US\$ billions



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

Financial Account Balance and Components

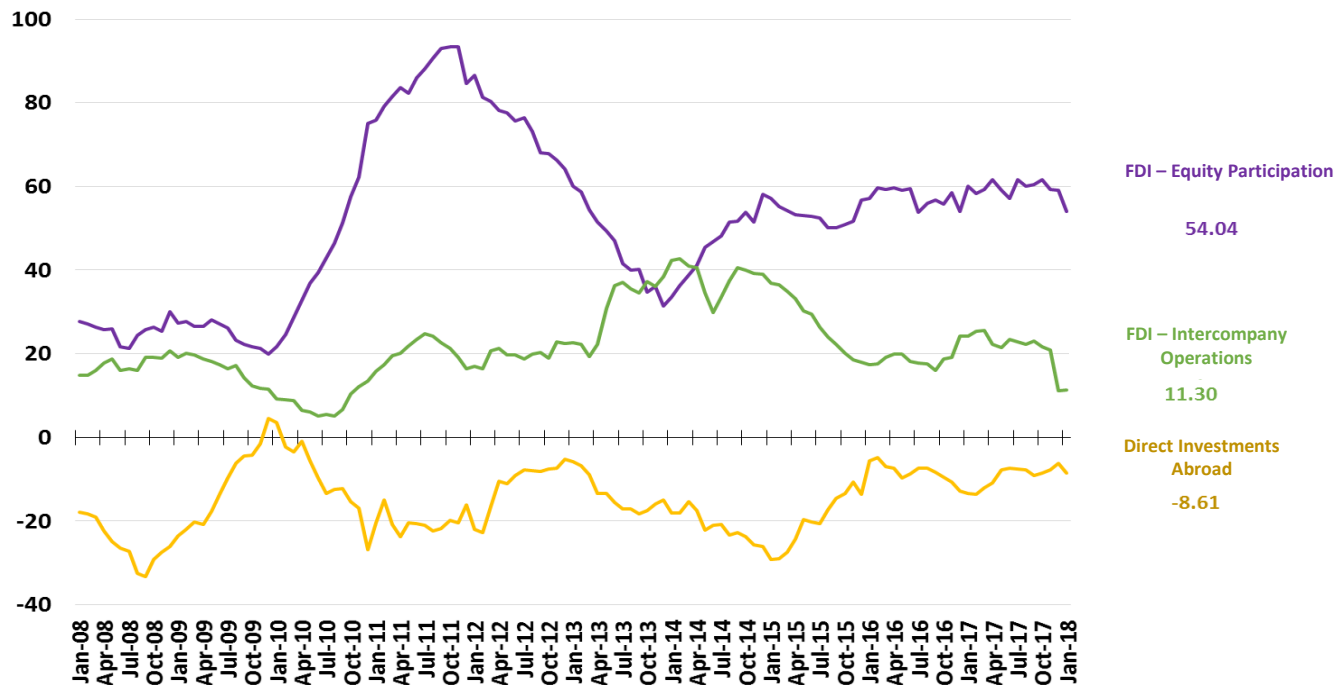
External Financial Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



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

Direct Investments and Components

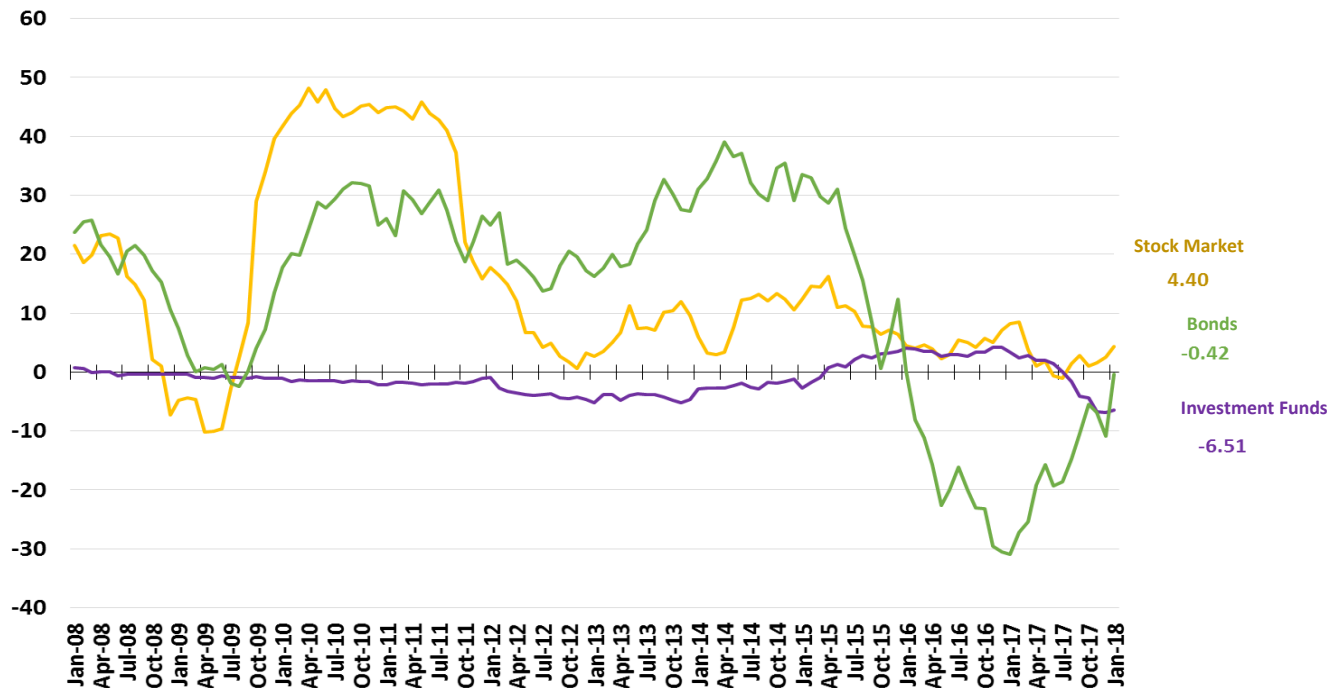
Direct Investment Flows
Net Inflow (+) and Net Outflow (-)
12-month Accumulated - US\$ billions



Source: Central Bank of Brazil.

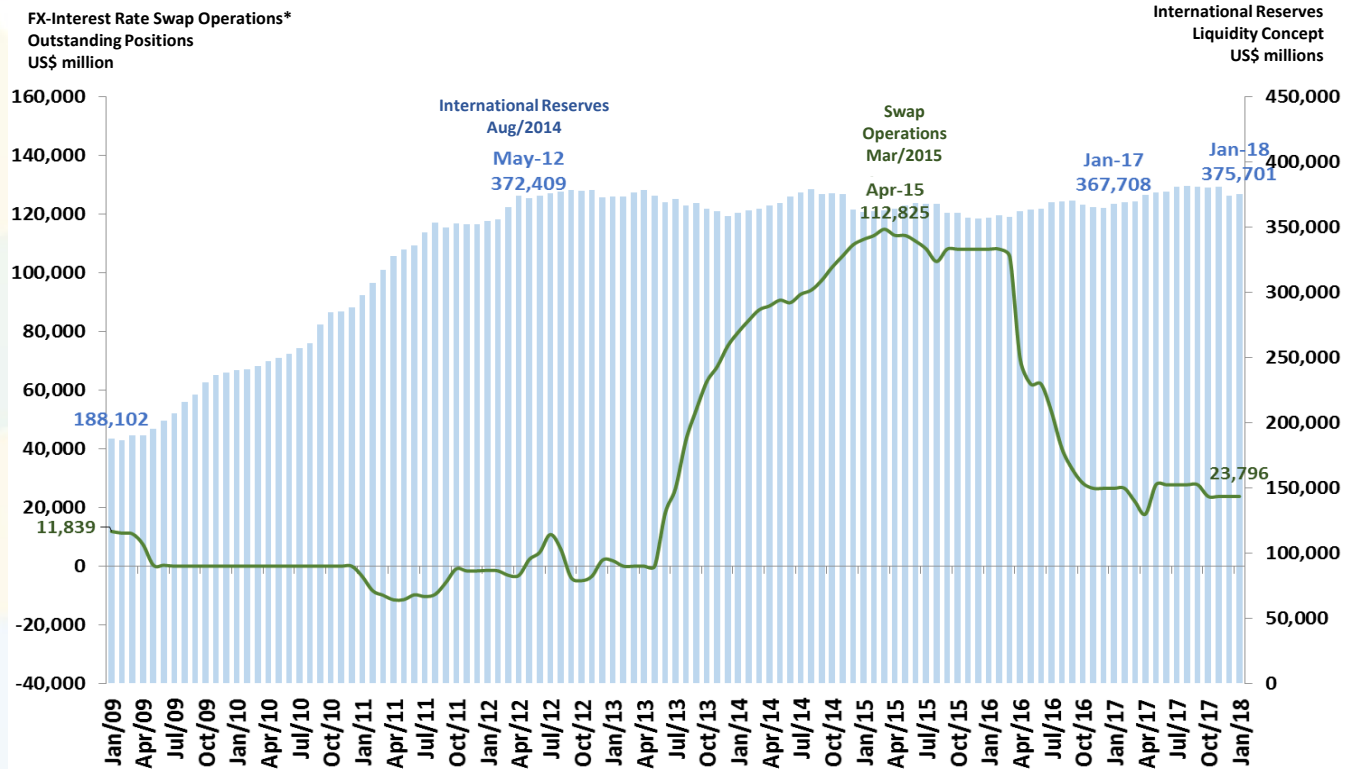
Portfolio Investments and Components

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.

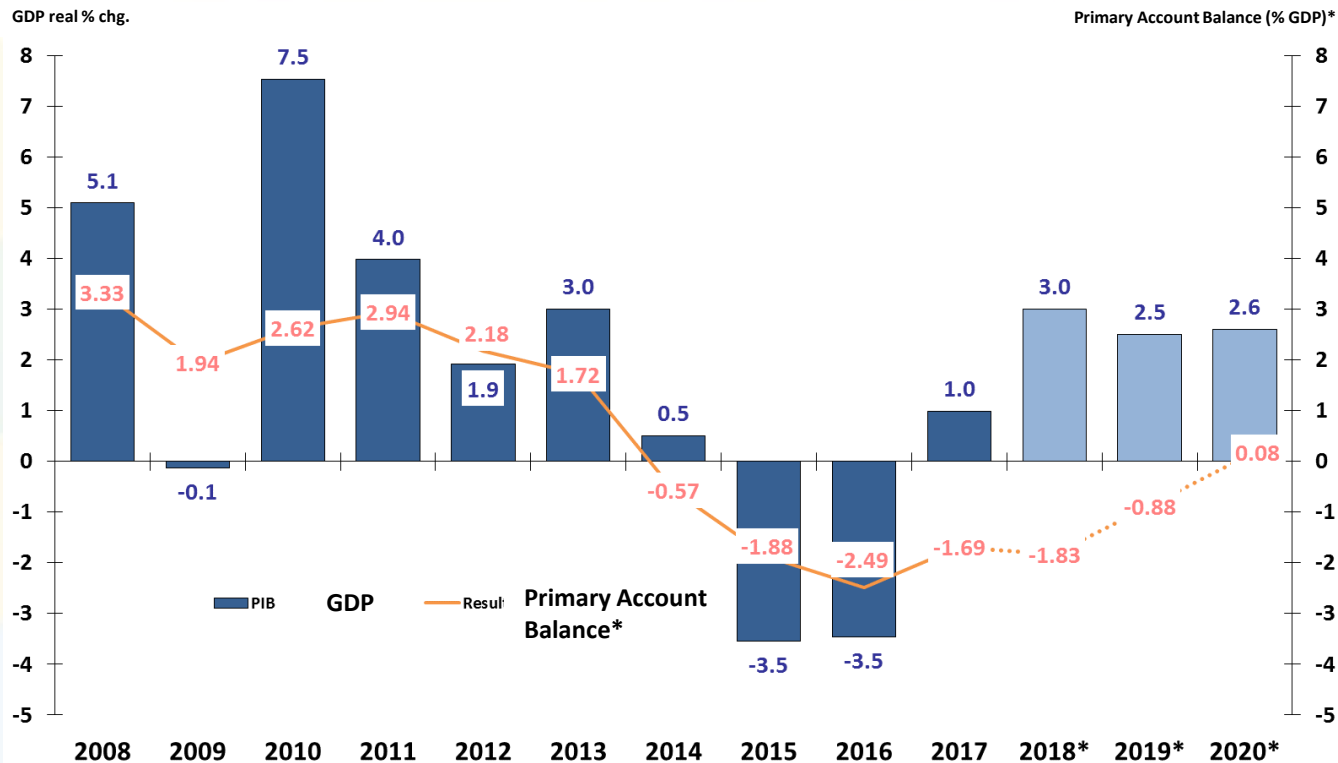


PUBLIC SECTOR ACCOUNTS

Public Sector Accounts

										BCB/Focus:		03/02/2018	
Federal Government Accounts		January-18	12-month Accumulated Figures (in R\$ millions)					chg. %					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	Jan/18 accum. in 12- months	2016 / 2015	Dec/17 accum. 12- m / 2016	YTD 2017 / YTD 2016			
Total Primary Revenue (a)		1,178,983	1,221,474	1,247,789	1,314,953	1,383,082	1,402,078	5.2%	1.4%	13.8%			
National Treasury		871,836	883,971	897,517	956,816	1,008,297	1,025,279	5.4%	1.7%	15.4%			
Social Security General System		307,147	337,503	350,272	374,785	374,785	376,800	0.0%	0.5%	7.5%			
States and Municipalities Mandatory Transfers (b)		181,895	198,462	204,684	226,835	228,335	229,698	0.7%	0.6%	7.3%			
Net Primary Revenue (a-b)		997,088	1,023,013	1,043,105	1,088,118	1,154,746	1,172,380	6.1%	1.5%	14.8%			
Total Primary Expenditure		920,095	1,040,223	1,159,535	1,249,393	1,279,008	1,283,577	2.4%	0.4%	4.5%			
National Treasury		563,092	646,022	723,445	741,522	721,773	723,246	-2.7%	0.2%	2.4%			
Social Security General System		357,003	394,201	436,090	507,871	557,235	560,331	9.7%	0.6%	7.7%			
Federal Government Accounts		January-18	12-month Accumulated Figures (in R\$ millions)					% of GDP					
Federal Budget (National Treasury/Ministry of Finance)		2013	2014	2015	2016	2017	Jan/18 accum. in 12- months	2016	2017	Jan/18 accum. in 12- months			
Primary Account Balance of Federal Government (STN/MF)		76,994	-17,211	-116,430	-161,276	-124,261	-111,197	-2.6%	-1.9%	-1.7%			
National Treasury		126,850	39,487	-30,612	-11,542	58,189	72,335	-0.2%	0.9%	1.1%			
Social Security General System		-49,856	-56,698	-85,818	-149,734	-182,450	-183,532	-2.4%	-2.8%	-2.8%			
Consolidate Public Sector Accounts		January-18	12-month Accumulated Figures (in R\$ millions)					% of GDP					
Public Sector Financial Need (Central Bank of Brazil - BCB)		2013	2014	2015	2016	2017	Jan/18 accum. in 12- months	2015	2016	Jan/yy accum. in 12- months			
Primary Account Balance Target (% GDP)											-1.83%	-0.88%	0.08%
Primary Account Balance		-91,306	32,536	111,249	155,791	110,583	100,355	2.5%	1.7%	1.5%	-2.0%	-1.3%	-0.8%
Federal Government		-75,291	20,472	116,656	159,473	118,442	108,205	2.5%	1.8%	1.6%			
States and Municipalities		-16,337	7,790	-9,684	-4,666	-7,498	-7,230	-0.1%	-0.1%	-0.1%			
State Owned Companies (except Petrobrás and Eletrobrás)		322	4,274	4,278	983	-362	-620	0.0%	0.0%	0.0%			
Net Financial Public Expenditure (Debt Interest Payments)		248,856	311,380	501,786	407,024	400,826	392,727	6.5%	6.1%	-94.0%			
Nominal Account Balance		157,550	343,916	613,035	562,815	511,408	493,082	9.0%	7.8%	-92.5%	7.2%	6.7%	6.5%
General Public Sector Debt (BCB)		January-18	Debt Outstanding (in R\$ millions)					chg. %					
End of Period Debt Outstanding (in R\$ millions)		Dec/13	Dec/14	Dec/15	Dec/16	Dec-17	Jan-18	Dec/16 - Dec/15	Dec/17 - Dec/16	Jan/18 - Dec/17			
Consolidated Public Sector		1,626,335	1,883,147	2,136,888	2,892,913	3,382,942	3,406,936	35.38%	16.94%	0.71%			
Federal Government		1,025,358	1,200,680	1,312,962	2,090,133	2,534,119	2,570,191	59.2%	21.2%	1.4%			
States and Municipalities		569,794	643,066	771,635	747,503	789,403	777,290	-3.1%	5.6%	-1.5%			
State Owned Companies (except Petrobrás and Eletrobrás)		31,183	39,402	52,292	55,278	59,420	59,455	5.7%	7.5%	0.1%			
Net Domestic Debt		2,341,011	2,669,547	3,289,112	3,856,985	4,393,145	4,372,542	17.3%	13.9%	-0.5%			
Net External Debt		-714,676	-786,400	-1,152,224	-964,072	-1,010,203	-965,606	-16.3%	4.8%	-4.4%			
General Public Sector Net Debt (% GDP)		30.5%	32.6%	35.6%	46.2%	51.6%	51.8%	10.6 pp	5.4 pp	0.2 pp	55.1%	57.7%	59.4%
General Public Sector Gross Debt (% GDP)		51.5%	56.3%	65.5%	70.0%	74.0%	74.5%	4.5 pp	4.1 pp	0.5 pp			
General Public Sector Gross Debt (in R\$ millions)		2,747,997	3,252,449	3,927,523	4,378,486	4,854,679	4,904,275	11.48%	10.88%	1.02%			

Fiscal Adjustment and Economic Recovery



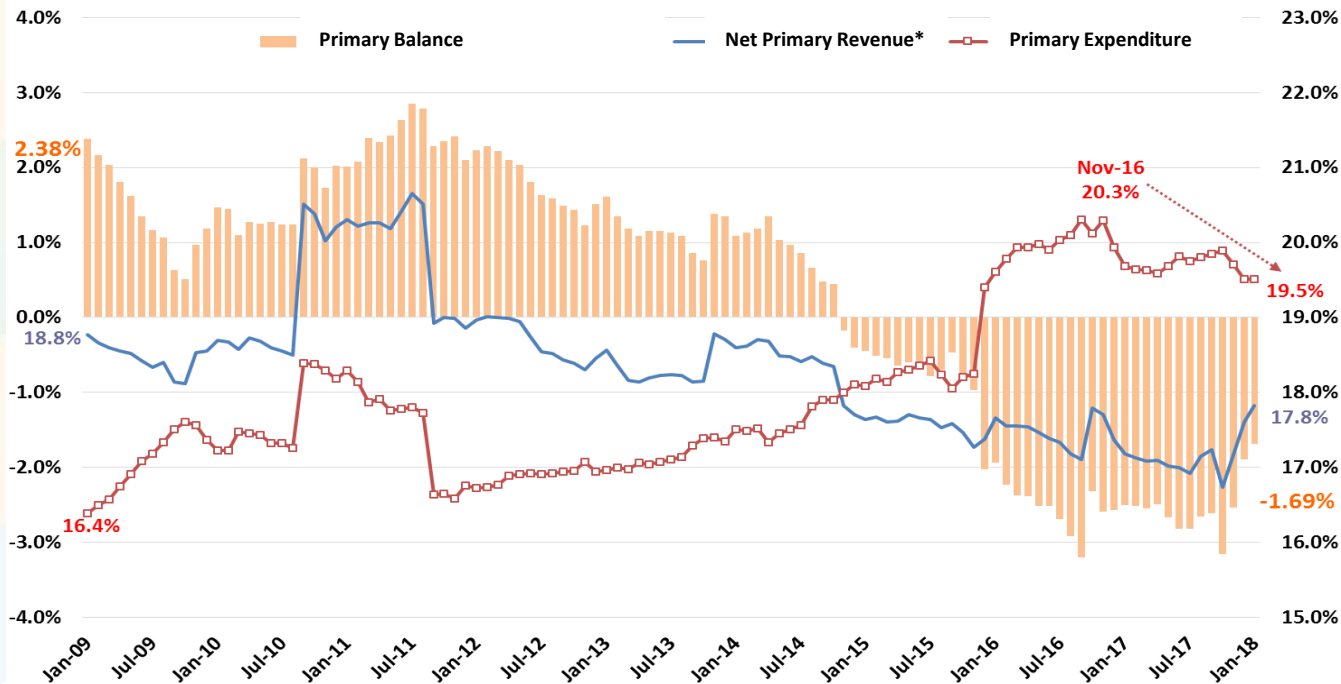
Sources: IBGE, MF and MP.

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

Primary Balance of Federal Government (as % GDP)

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

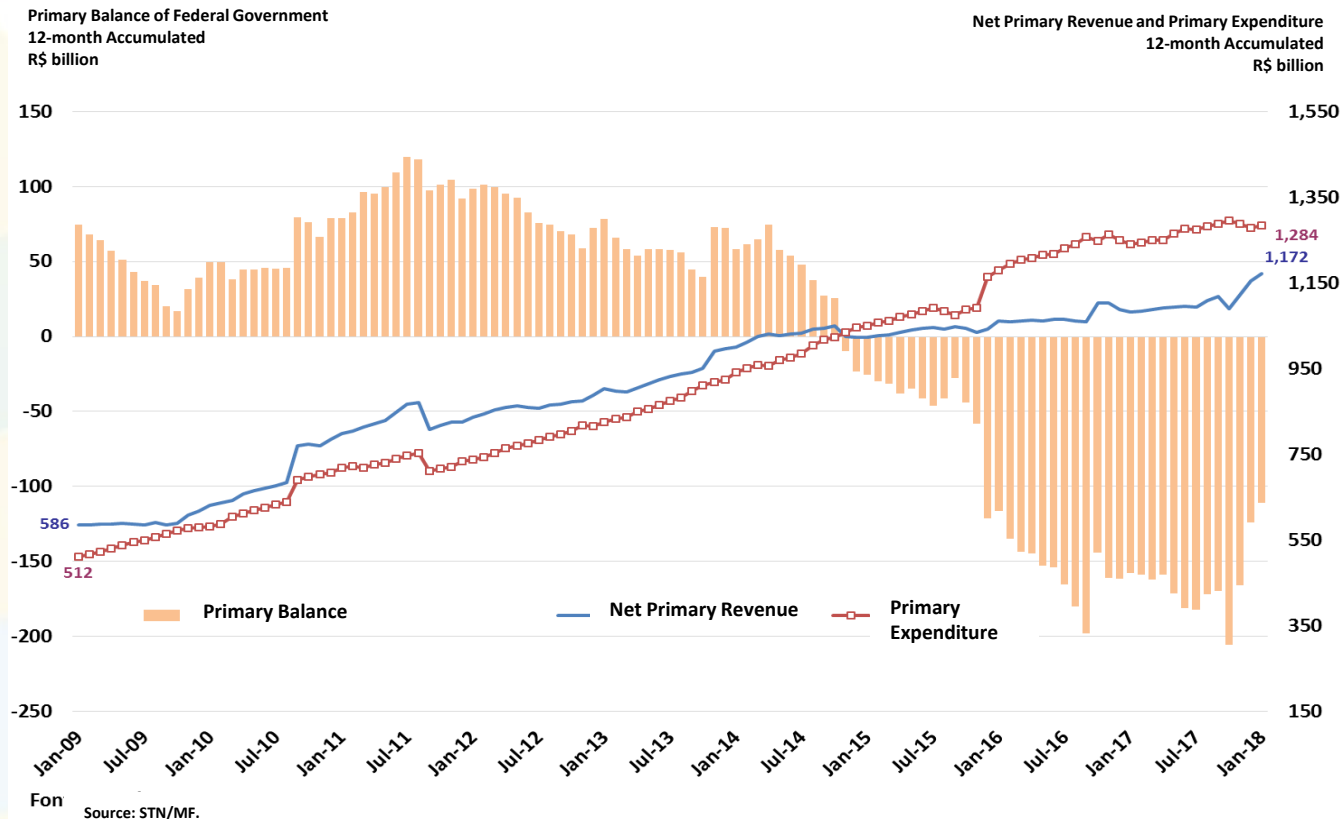
Net Primary Revenue and Primary Expenditure
12-month Accumulated
% of GDP



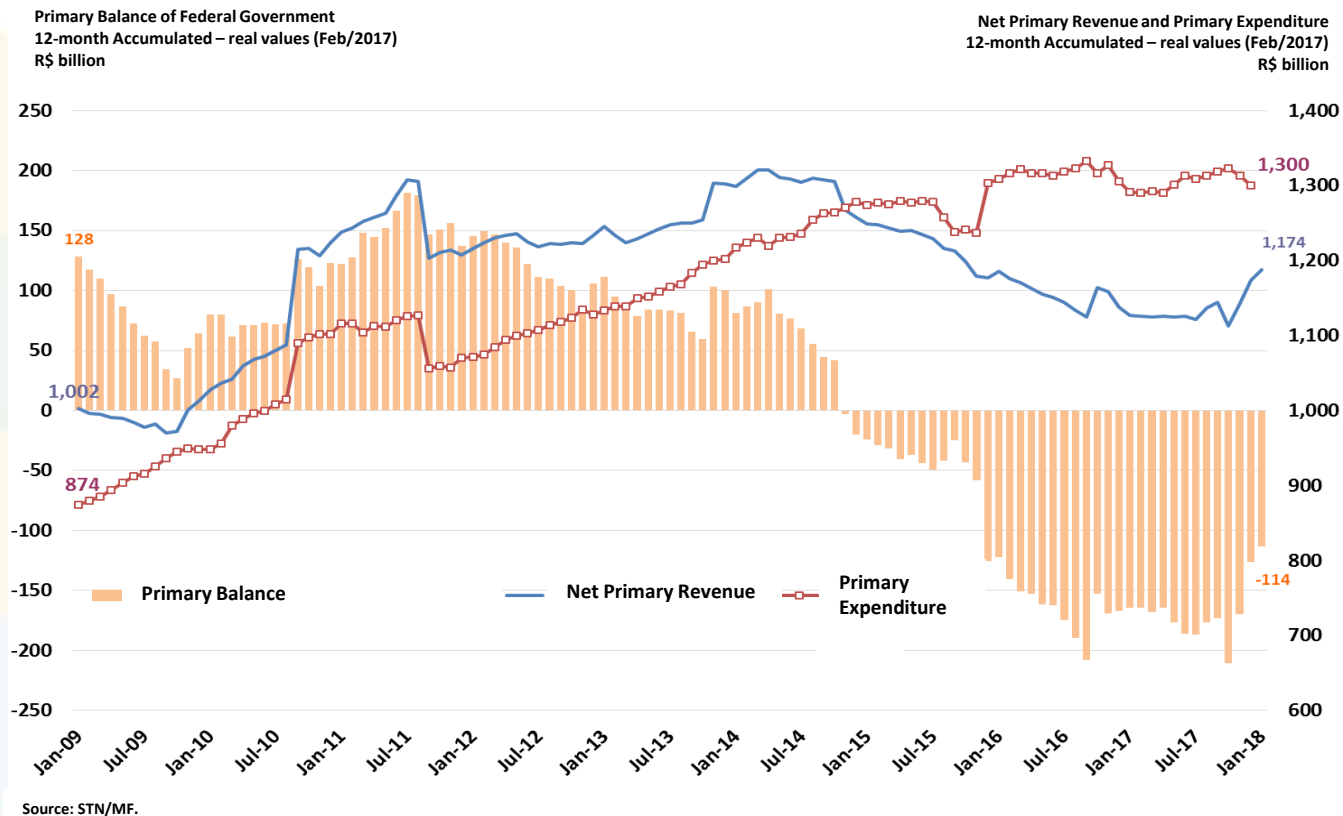
Sources: STN/MF.

*Excludes compulsory transfers to subnational entities

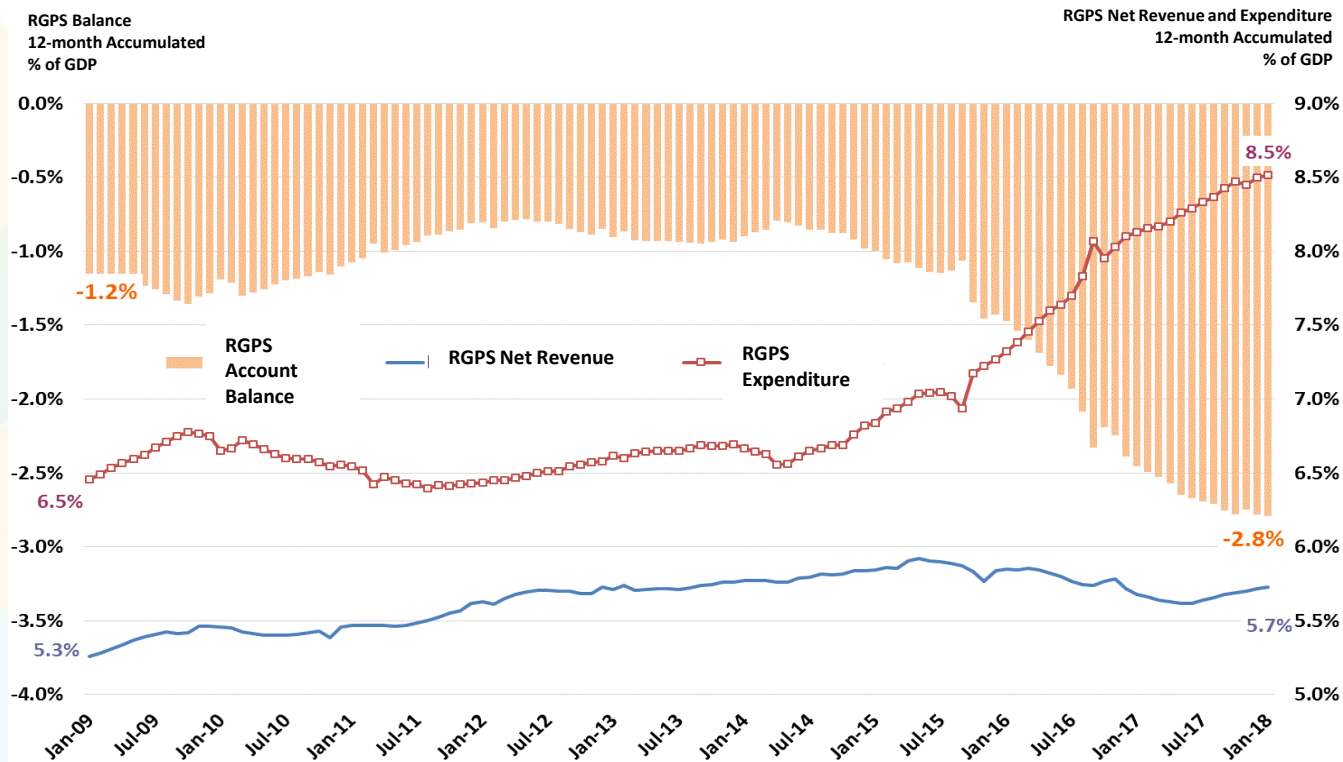
Primary Balance of Federal Government (nominal values)



Primary Balance of Federal Government (real values)

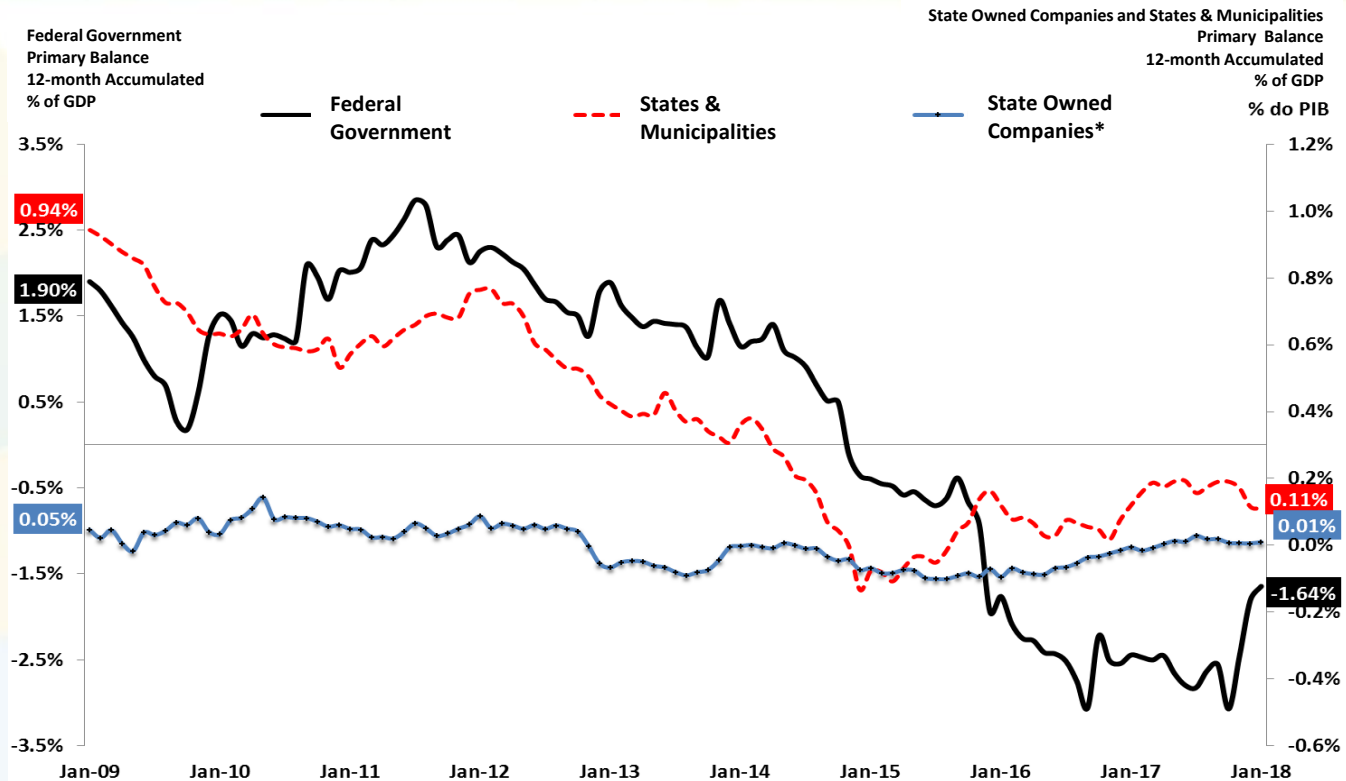


General Social Security System (RGPS) Balance



Sources: STN/MF.

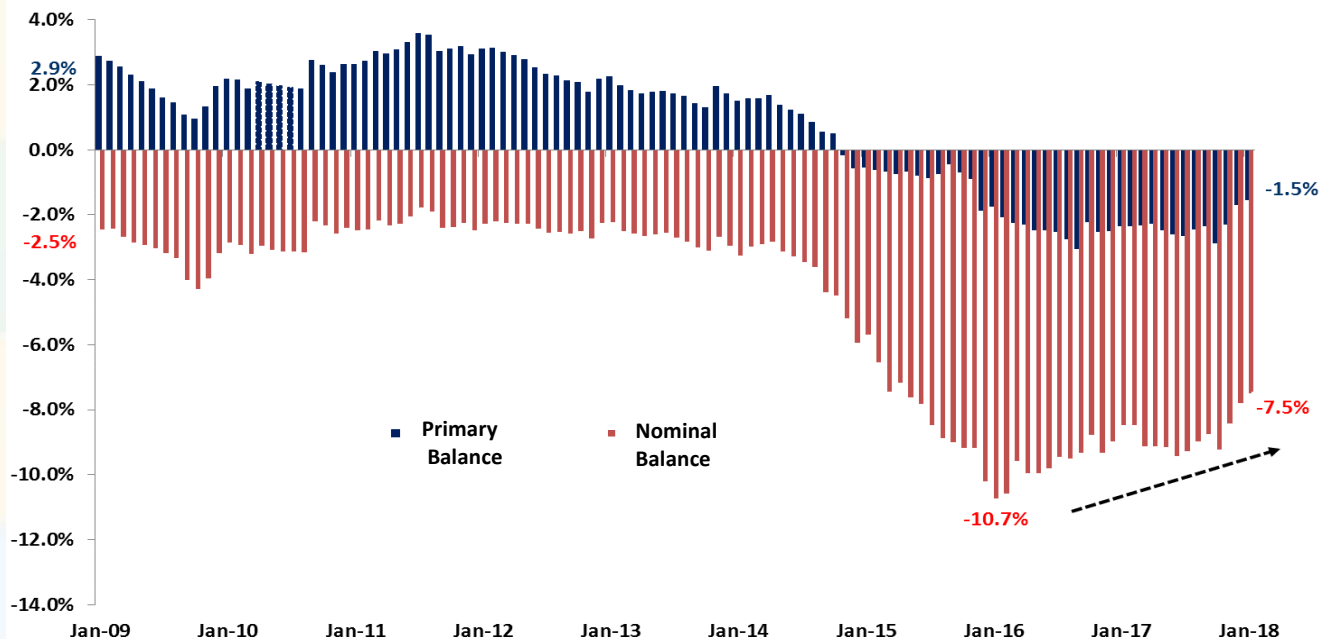
Public Sector Primary Balance (as % GDP)



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

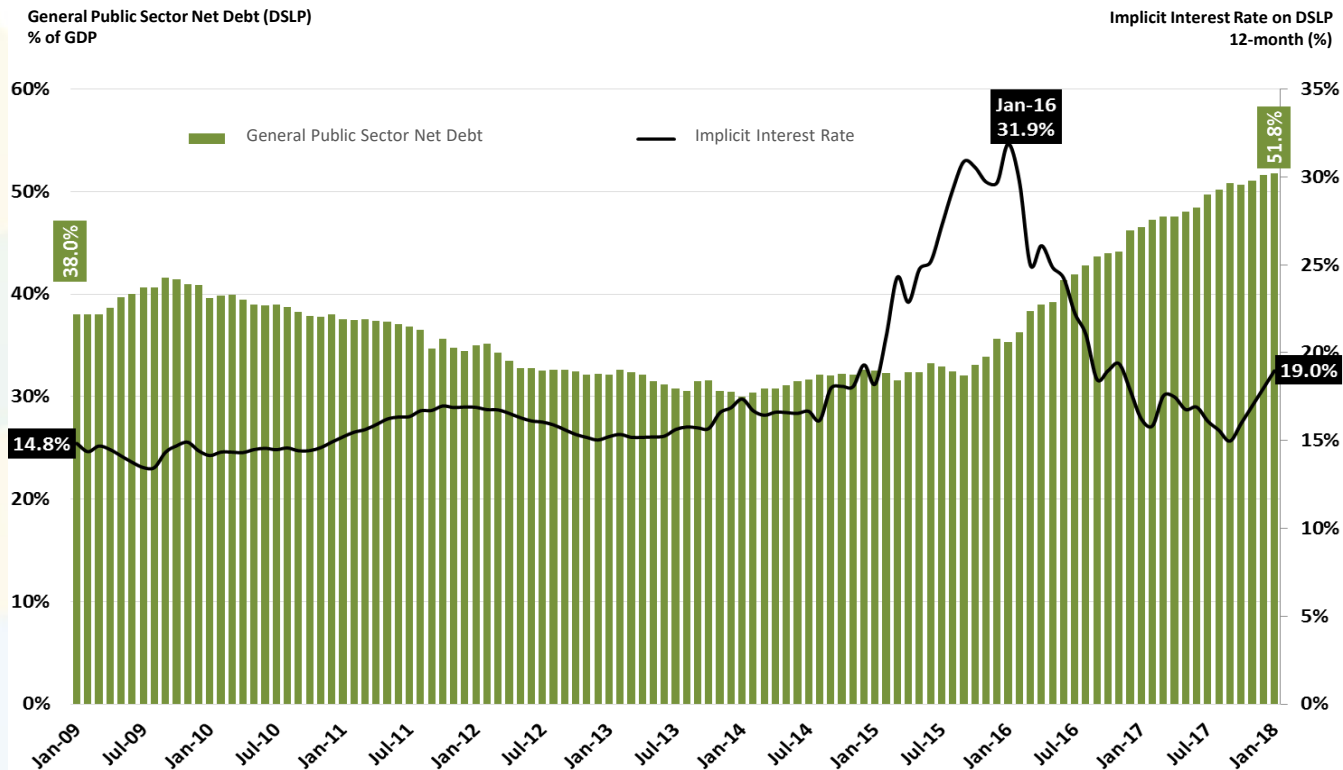
Public Sector Primary and Nominal Balance

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

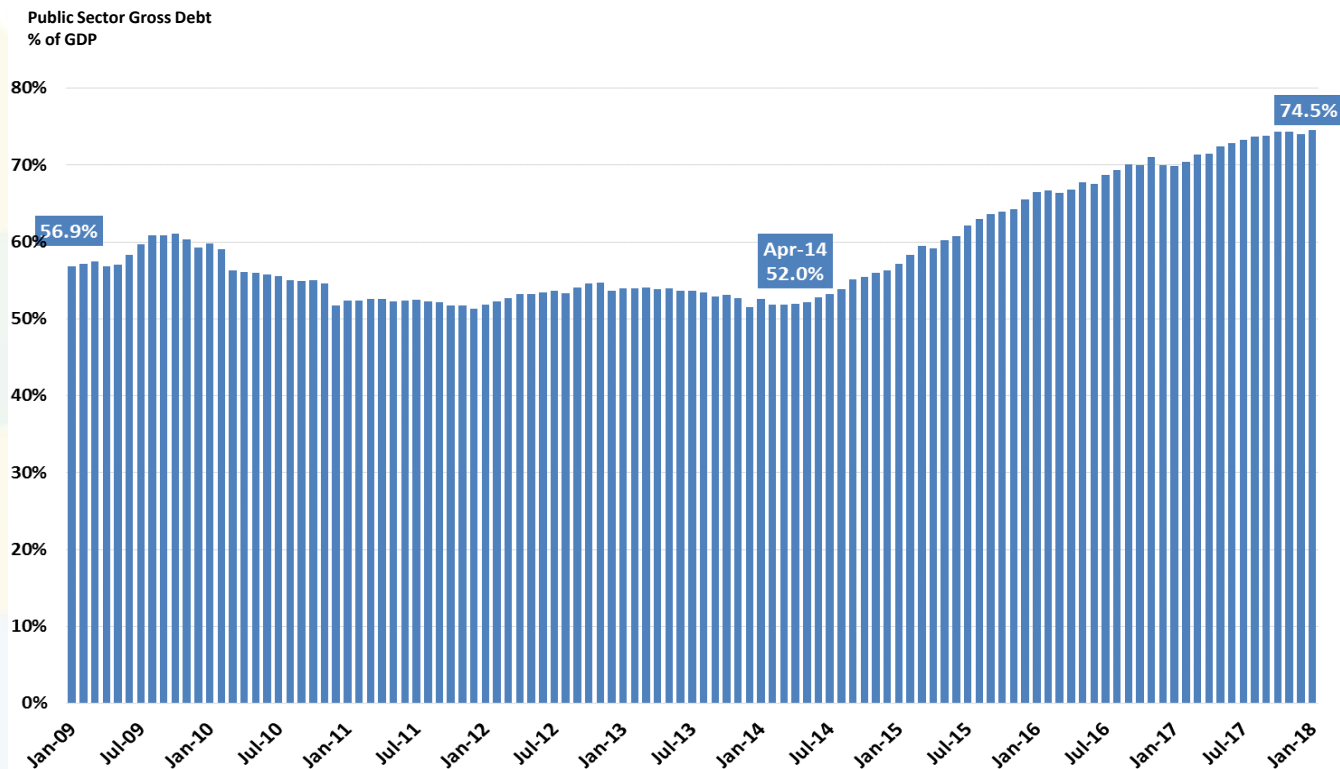


Source: Central Bank of Brazil.

Public Sector Net Debt (as % GDP)



Public Sector Gross Debt (as % GDP)



Source: Central Bank of Brazil.



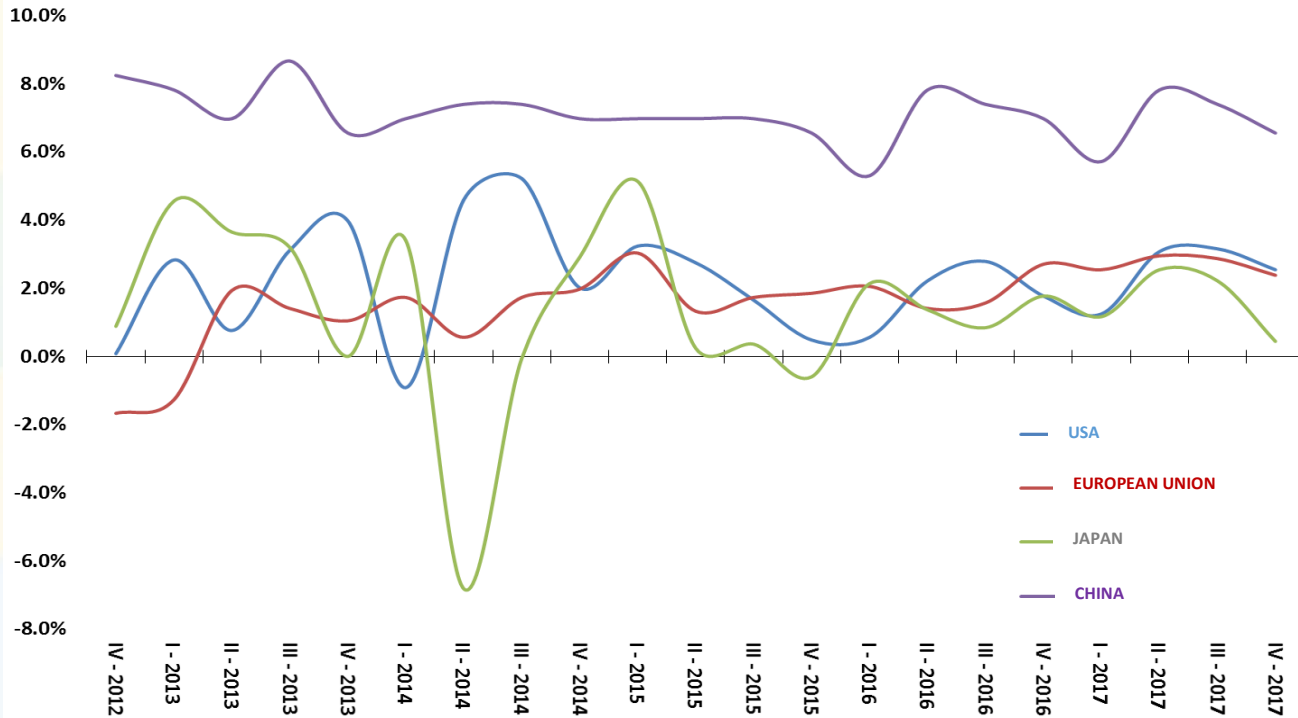
WORLD ECONOMY

World Economy

												IMF - WEO, October 2017.		
World	Q3 2017	2013	2014	2015	2016		Q4-2015 / Q4-2014	Q4-2016 / Q4-2015	Q3-2017 / Q3-2016			2017	2018	2019
data from IMF and WTO														
World Output - GDP		3.5%	3.6%	3.4%	3.2%		3.2%	3.2%				3.7%	3.9%	3.9%
Advanced Economies		1.3%	2.1%	2.2%	1.7%		1.8%	2.0%				2.3%	2.3%	2.2%
Emerging Market and Developing Economies		5.1%	4.7%	4.3%	4.3%		4.4%	4.4%				4.7%	4.9%	5.0%
Latin America and the Caribbean		2.9%	1.2%	0.1%	-0.9%		-1.1%	-1.1%				1.3%	1.9%	2.6%
World Trade of Goods and Services		3.8%	3.7%	3.1%	2.3%		1.4%	0.9%	4.8%			4.1%	3.9%	3.7%
National Accounts	Q3 2017	2013	2014	2015	2016	2017	Q1-2017 / Q1-2016	Q2-2017 / Q2-2016	Q3-2017 / Q3-2016	Q3-2016 accum. in 4-quarters	Q3-2017 accum. in 4-quarters	2017	2018	2018
data from IMF, OECD, Eurostat, NBSC and METI														
USA - GDP		1.7%	2.6%	2.9%	1.5%	2.3%	2.2%	2.3%	2.5%	2.1%	2.3%		2.7%	2.7%
Household Expenditure		1.5%	2.9%	3.6%	2.7%	2.7%	2.7%	2.6%	2.8%	2.8%	2.7%			
Government Expenditure		-2.9%	-0.6%	1.4%	0.8%	0.1%	0.0%	-0.1%	0.7%	0.1%	0.1%			
Gross Fixed Capital Formation		6.1%	5.5%	5.2%	-1.6%	3.2%	3.3%	4.6%	3.3%	2.6%	3.2%			
Exports of Goods and Services		3.5%	4.3%	0.4%	-0.3%	3.4%	3.2%	2.2%	5.0%	2.3%	3.4%			
Imports of Goods and Services (-)		1.1%	4.5%	5.0%	1.3%	3.9%	4.1%	3.1%	4.6%	3.5%	3.9%			
Industrial Production		3.7%	4.9%	-1.8%	-1.0%	3.6%	2.1%	1.8%						
Unemployment (% of Labor Force)		7.4%	6.2%	5.3%	4.9%		-0.40 pp	0.1 pp				2.7%		2.7%
Consumer Price Index		1.5%	0.8%	0.7%	2.1%		1.9%	2.1%				2.7%		2.7%
European Union - GDP		0.3%	1.7%	2.4%	2.1%	2.5%	2.5%	2.8%	2.6%	2.5%	2.5%		2.7%	2.7%
Household Expenditure		-0.1%	1.0%	2.0%	1.8%									
Government Expenditure		0.3%	0.8%	1.7%	2.0%									
Gross Fixed Capital Formation		-1.6%	2.8%	3.7%	2.5%									
Exports of Goods and Services		1.6%	4.7%	6.0%	2.3%									
Imports of Goods and Services (-)		2.5%	5.0%	7.1%	2.8%									
Industrial Production		-0.5%	1.2%	2.3%	1.3%		2.6%	3.7%						
Unemployment (% of Labor Force)		10.8%	10.2%	9.4%	8.7%		-0.3 pp	-0.2 pp				7.6%		7.6%
Consumer Price Index		1.0%	0.0%	0.2%	0.9%		1.9%	1.0%				1.9%		1.9%
Japan - GDP		2.0%	0.3%	1.1%	1.0%	1.6%	1.6%	1.9%	1.6%	1.6%	1.6%		1.2%	0.9%
Industrial Production		-0.7%	2.1%	-0.9%	-0.2%		6.0%	4.2%						
Unemployment (% of Labor Force)		4.0%	3.6%	3.4%	3.1%		0.0 pp	-1.0 pp				2.9%		2.9%
Consumer Price Index		1.5%	2.5%	0.2%	-0.1%		0.4%	0.4%				0.5%		1.1%
China - GDP		7.8%	7.3%	6.9%	6.7%	6.9%	6.9%	6.8%	6.8%	6.6%	6.9%		6.6%	6.4%
Industrial Production		9.9%	7.9%	6.6%	6.0%		7.0%	6.7%						
Unemployment (% of Labor Force)		4.1%	4.1%	4.1%	4.0%		0.0 pp	-0.1 pp				4.0%		4.0%
Consumer Price Index		2.5%	1.5%	1.6%	2.0%		1.5%	1.7%				2.4%		2.5%

World Major Economies GDP

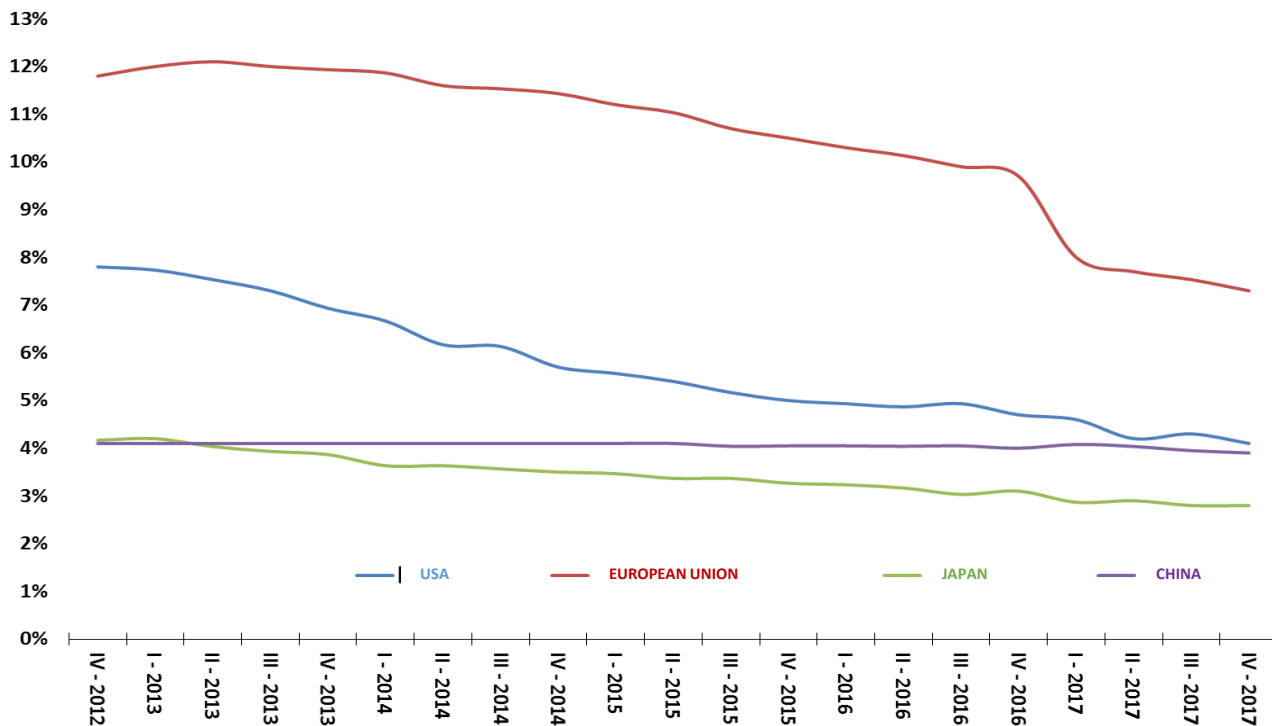
GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

World Major Economies Unemployment Rate

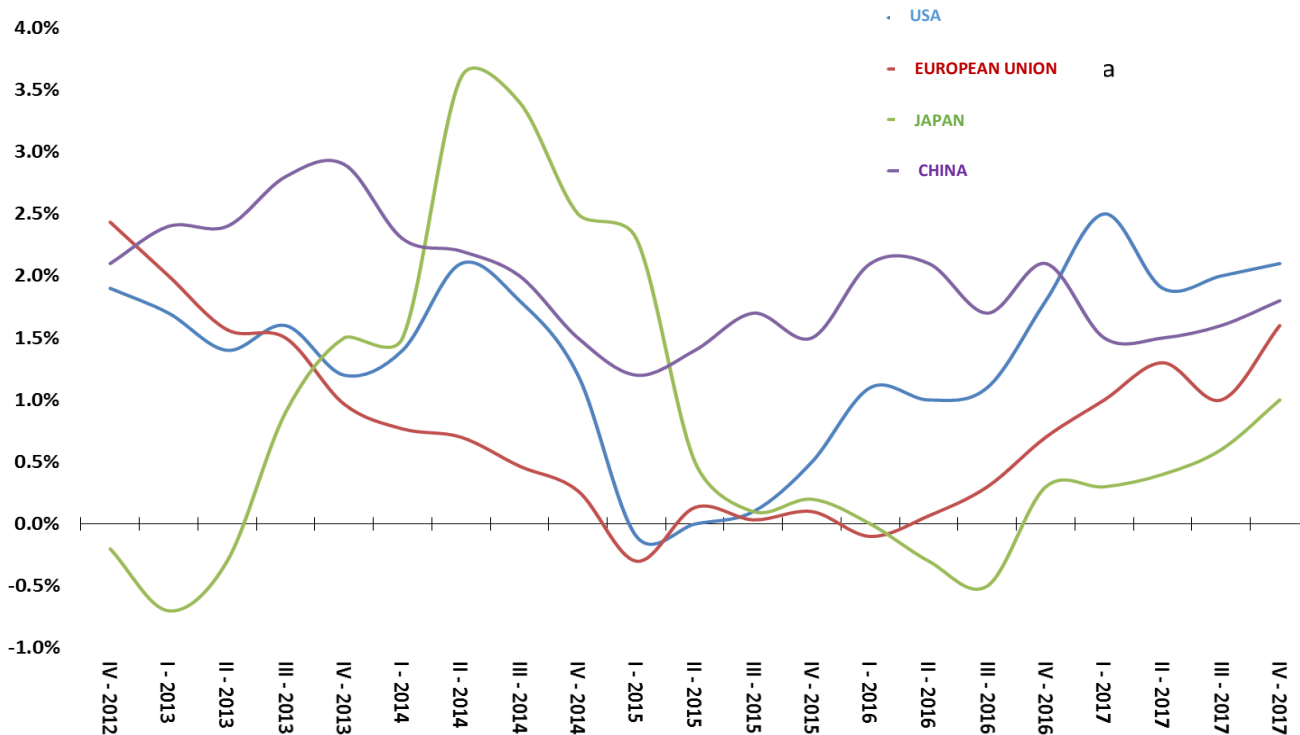
Unemployment Rate as % of Labor Force



Source: OECD.

World Major Economies Consumer Price Index

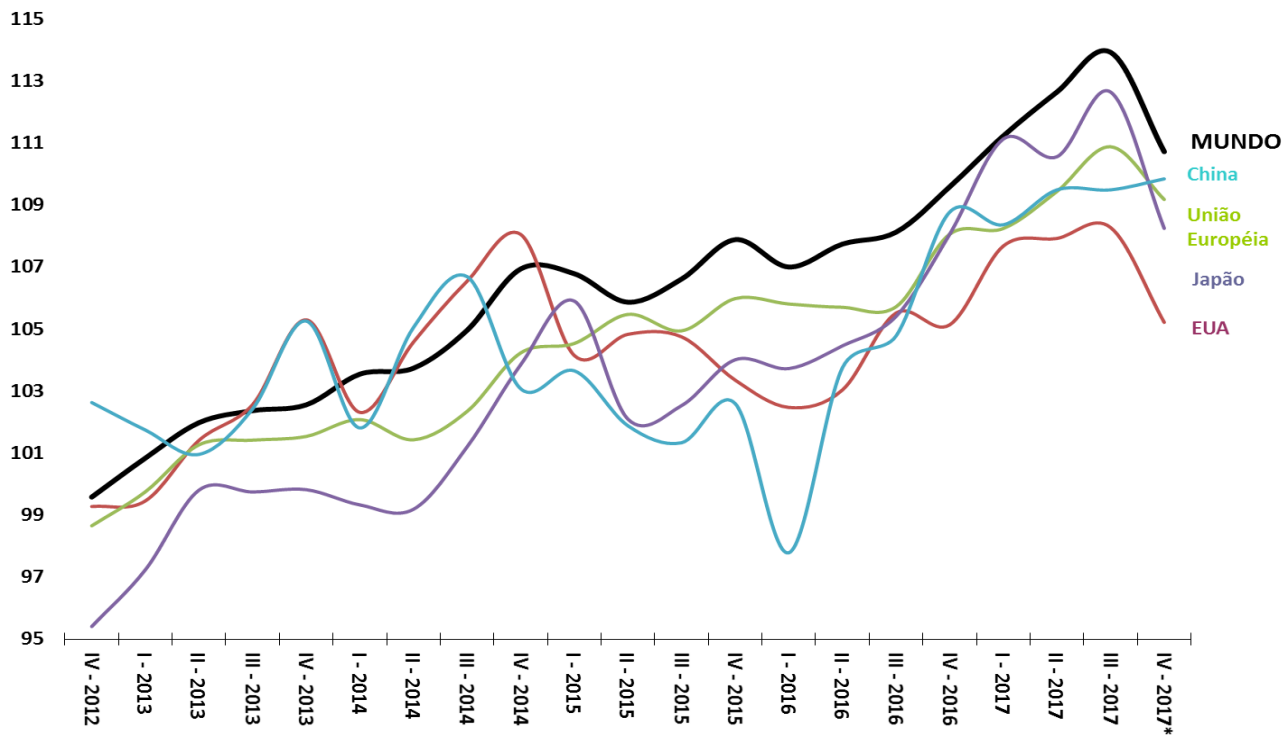
Infl Consumer Price Indexes – annual chg. %



Fonte: Source: OECD.

World Major Economies Total Exports

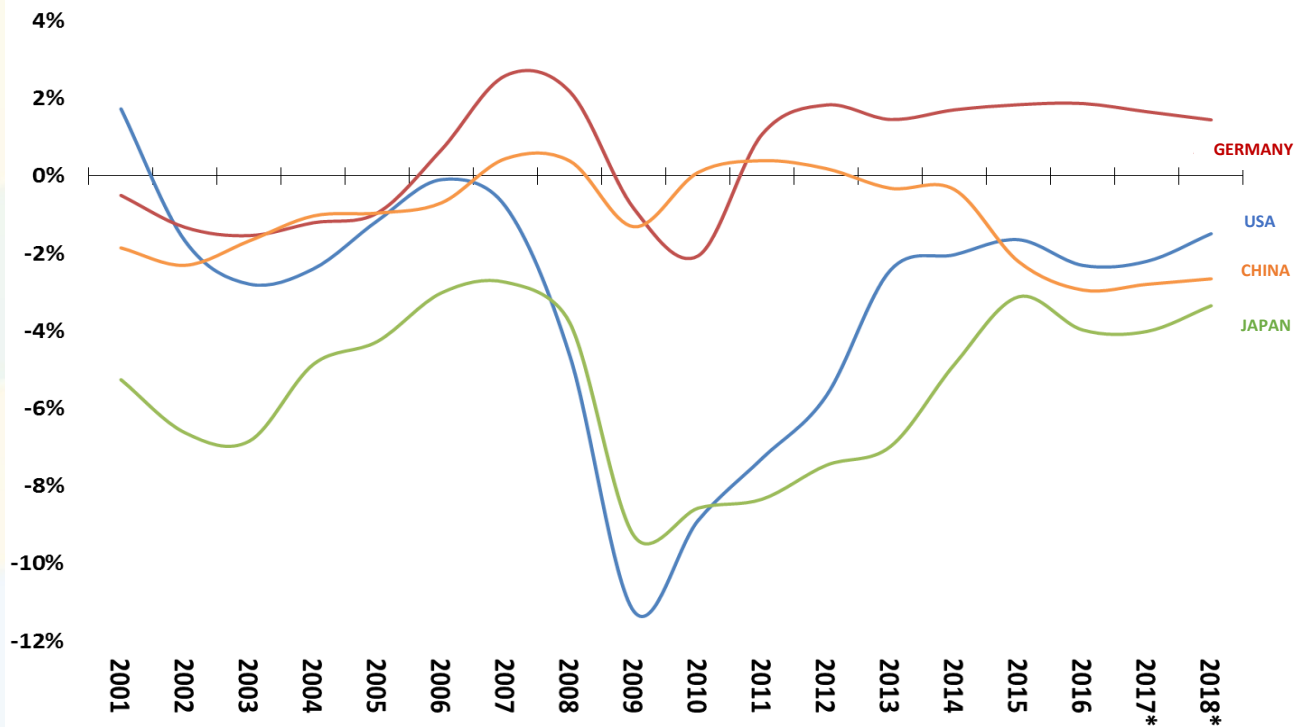
Volume Total Exportado - 3º Trimestre de 2012 = 100



Fonte: OMC. IV-2017* = Estimativa FMI.

World Major Economies Government Primary Surplus

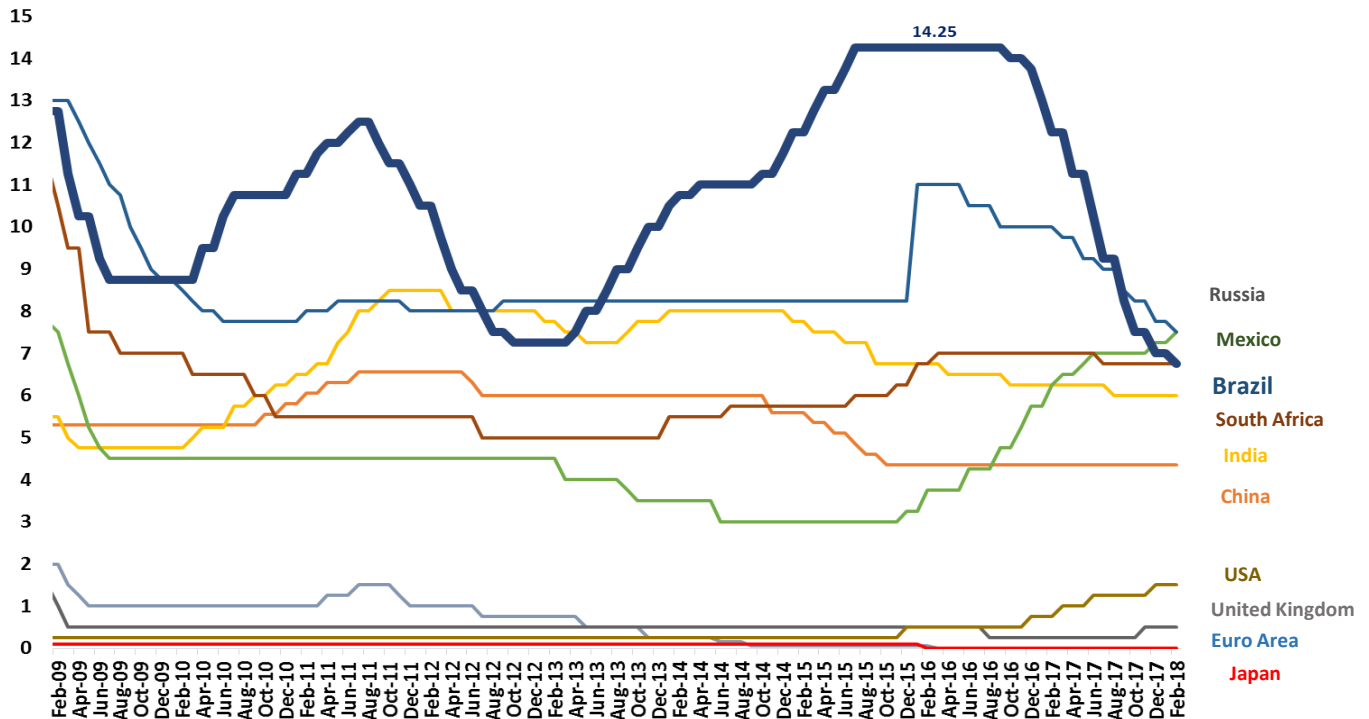
Central Government Primary Surplus as % of GDP



Source: IMF. * Estimated values

Selected Economies Main Interest Rate

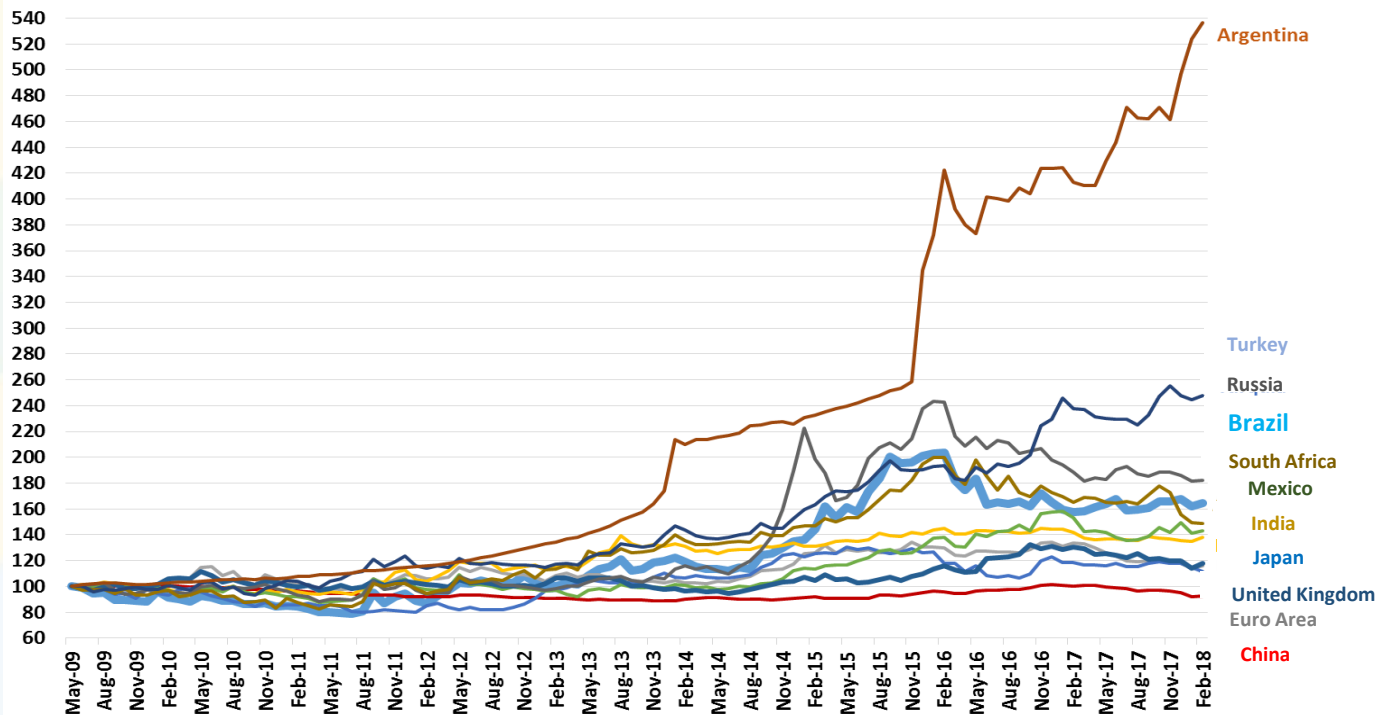
Main Interest Rates – Selected Economies – % per year



Source: Central Bank of Brazil.

Selected Economies FX-dollar Rate Evolution

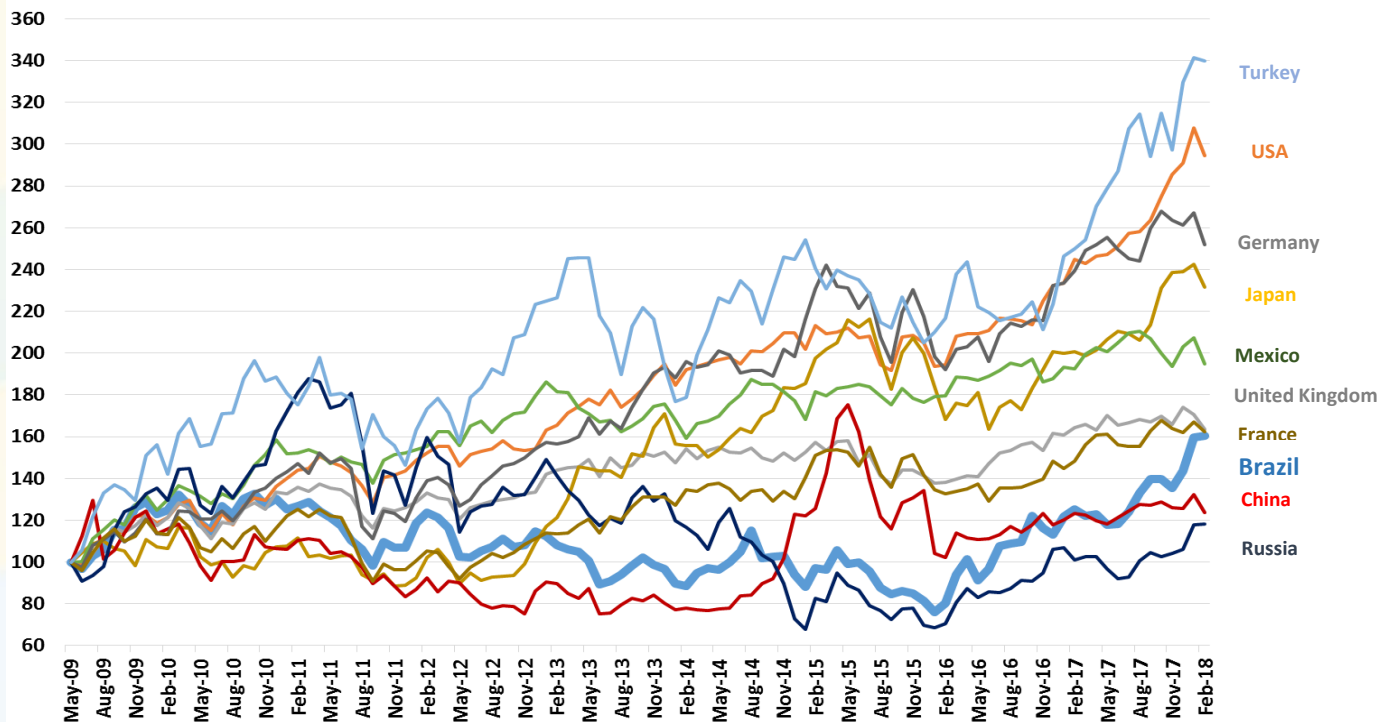
Moex Selected Economies FX-rate Indexes – Dec/2008 = 100



Fonte Sources: Bloomberg.

Selected Economies Main Stock Index Evolution

Bolsa Selected Economies Main Stock Indexes – Dec/2008 = 100



Fonte: Sources: Bloomberg.

MINISTER OF PLANNING, DEVELOPMENT AND MANAGEMENT - **DYOGO HENRIQUE DE OLIVEIRA**

EXECUTIVE SECRETARY - **ESTEVES PEDRO COLNAGO JÚNIOR**

SECRETARY FOR PLANNING AND ECONOMIC AFFAIRS (SEPLAN) - **MARCOS ADOLFO RIBEIRO FERRARI**

SEPLAN DEPUTY SECRETARY – **JÚLIO ALEXANDRE MENEZES DA SILVA**

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

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

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

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

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

MACROECONOMIC OUTLOOK TECHNICAL TEAM (DEMAC):

FABIO RIBEIRO SERVO

FAUSTO JOSÉ ARAUJO VIEIRA

DIEGO COTA PACHECO

ELDER LINTON ALVES DE ARAÚJO

JONATHAS DELDUQUE JÚNIOR

PRISCILLA BELLE OLIVEIRA PINTO

SILAS FRANCO DE TOLEDO

SÉRGIO ROSA FERRÃO

SURIPONGSE CHIMPLIGANOND

SOCIAL COMMUNICATION SPECIAL ADVISORY:

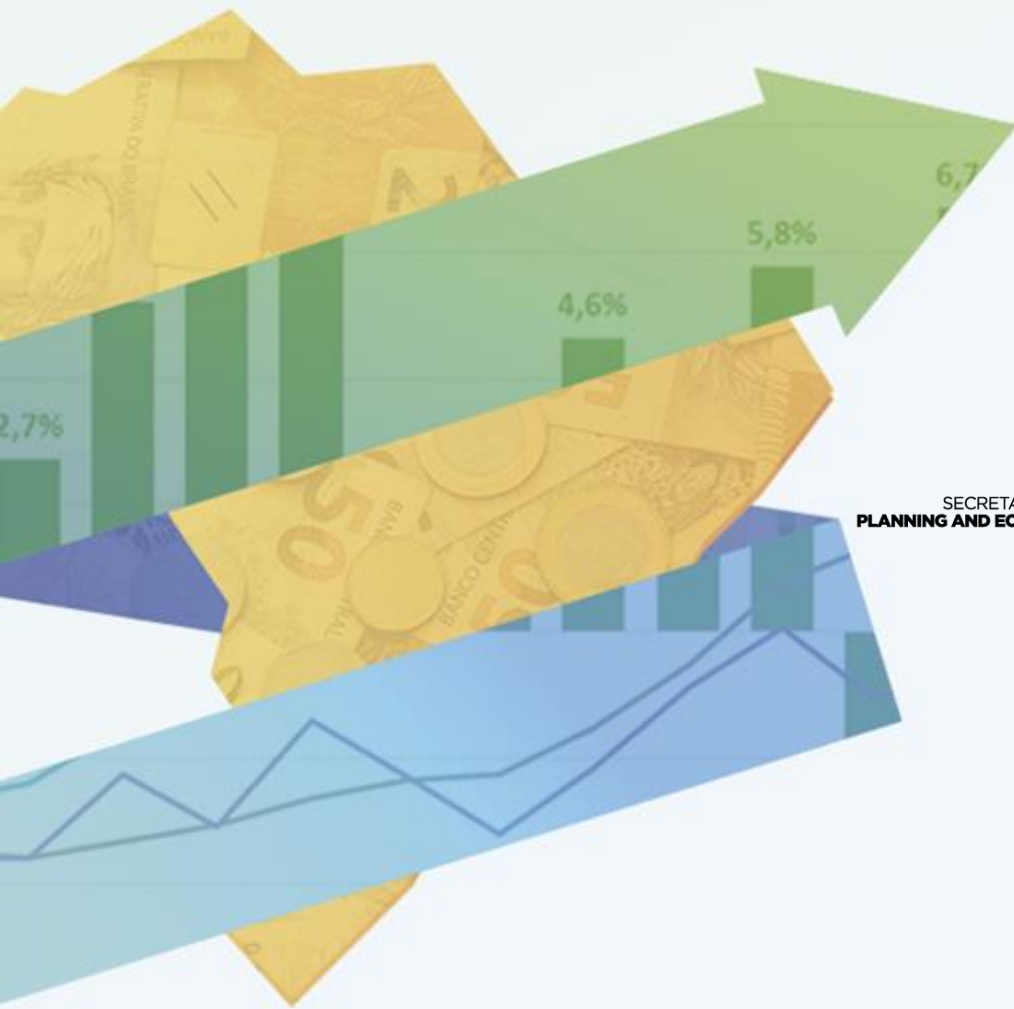
SEVERINO GOES

THAISIS SOUZA

CARLA SIMÕES

CONTACT: demac@planejamento.gov.br

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



SECRETARIAT OF
PLANNING AND ECONOMIC
AFFAIRS

MINISTRY OF
PLANNING, DEVELOPMENT
AND MANAGEMENT

