

## International

**In view of the inflation data, a certain consensus has been formed that the Fed will maintain the pace of monetary tightening.** The market expects a 75 basis point hike in the interest rate at the next meeting, due to the strong change in the Core CPI (0.6%) in August.

**The Chinese economy accentuated its recovery in August. Retail sales increased 5.4% compared to the same month of the last year.** Industrial production, on the other hand, changed by 4.2%, on the same basis of comparison. Chinese GDP fell by 2.6% in the second quarter of the year, after increasing 1.3% in the first quarter. Despite the contraction, GDP grew by 0.4% in twelve months.

## Brazil

**Industrial production increased by 0.6% in July in a dynamic that mirrored the normalization of global value chains and the cooling down in the price of commodities.** However, we anticipate a challenging scenario throughout the second half of the year, as a result of the tightening in monetary conditions and the slowdown in economic activity at a global level.

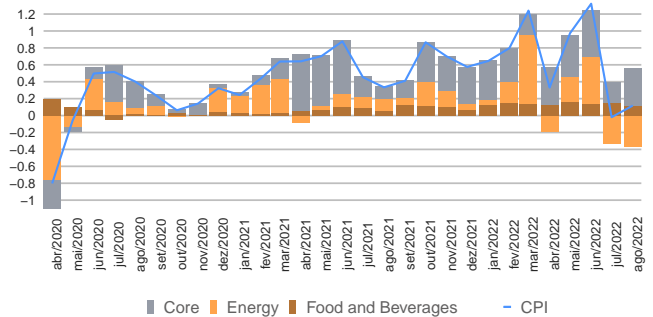
**Volume of sales decreased both in restricted retail (-0.8%) and in extended retail (-0.7%) from June to July.** We project a sequence of increases in the restricted category in the very short term, as a result of the fiscal stimulus package enacted by the Federal Government, which will begin to be paid in August.

**In July, a rise of 1.1% was observed in the volume of services.** The result follows the good performance of transport (2.3%) and information and communication services (1.1%).

**The National Broad Consumer Price Index (IPCA) dropped 0.36% in August, after deflation of -0.68% in the previous month.** The cooling in prices reflected,

### United States – CPI Composition

Contributions to annual inflation, percentual points



Source: St. Louis Fed Elaboration: 4i

### Industrial Production

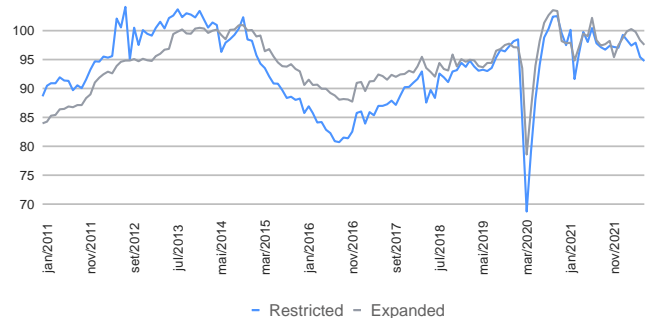
Seasonally adjusted



Source: IBGE Elaboration: 4i

### Volume of Retail Sales

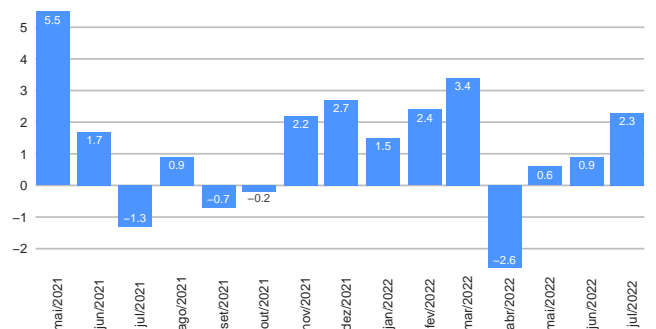
Seasonally adjusted



Source: IBGE Elaboration: 4i

### Volume of Services – Transportation

Change (%), seasonally adjusted



Source: IBGE Elaboration: 4i

for the second consecutive month, the combination of downward impacts on the transport group arising from the Bill 18/2022 and the fall in the value of Brent oil.

**The unemployment rate ended the moving quarter finished in July at 9.1% - the lowest value for the period since 2015.** We expect that the unemployment rate continues on a downward path in the coming months, driven by the vigor in the service sector and in the segments that are lagging behind in the recovery of the economy.

**The General Register of Employed and Unemployed (Caged) reported the net creation of 218,900 formal jobs in July.** Excluding seasonal effects, the number points to a stable formal job market when compared to June - when 189,800 formal jobs were created, also in the seasonally adjusted series.

**The public sector reported a primary surplus of R\$20.4 billion in July,** compared to a negative balance of R\$10.3 billion in the same month last year.

## Politics

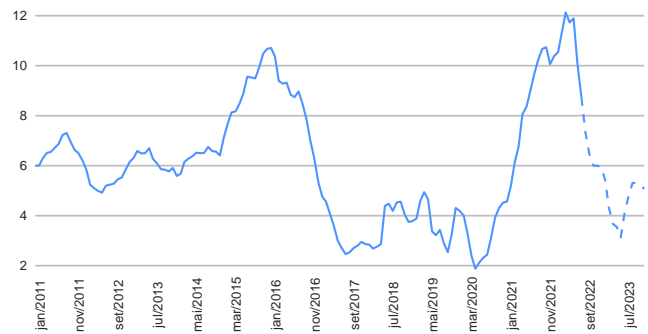
**Improvement of the government's image continues to fluctuate, suggesting that it may have reached its ceiling.**

**New polls show slight improvements, especially for Bolsonaro, but Lula still has the advantage.**

**President has mixed intensity with a speech of humility. Strategy is uncertain, but the objective is to encourage as much as possible that its voters register lower abstentions than those of the workers' party.**

### CPI

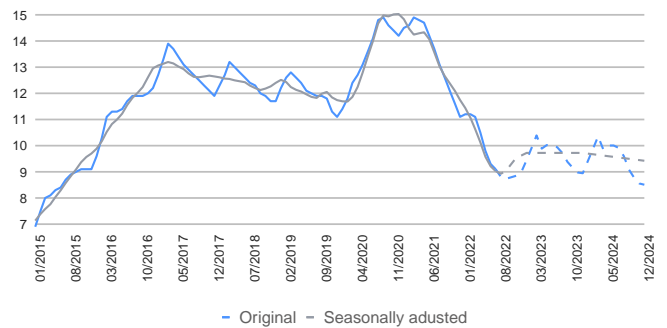
Percent change from a year ago (%)



Source: IBGE Elaboration: 4i

### Unemployment Rate

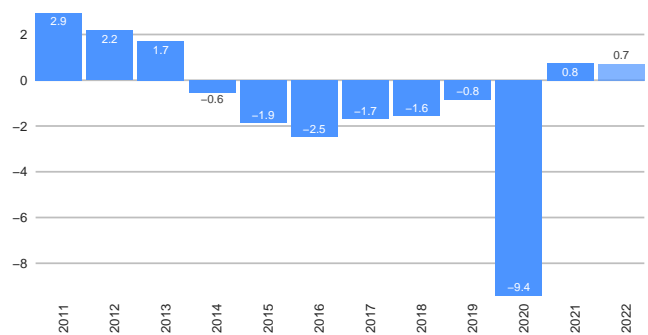
%



- Original - Seasonally adjusted

### Public Budget Surplus

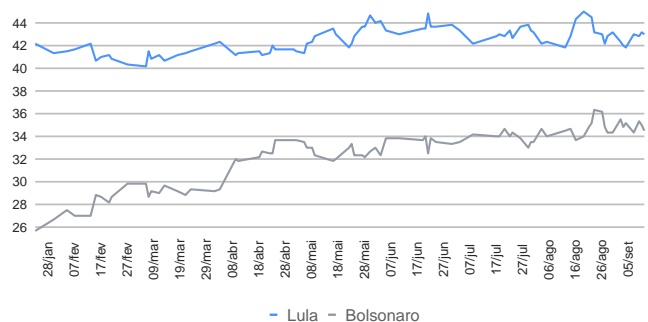
% of GDP



Source: Brazilian Central Bank Elaboration: 4i

### Voting intentions – Bolsonaro and Lula

Moving average of seven polls



Source: Quaest IPESPE, Poder Data, Futura, Ideia e Paraná Elaboration: 4i

## Disclosure

The points of view expressed in this document constitute the private opinions of the analyst responsible for its elaboration up to the date of publication.

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