

## International

US GDP grew by 0.8% in the third quarter, according to the latest estimate released by the *Bureau of Economic Analysis*.

The third-quarter growth confirms a more positive economic picture than anticipated, marked by the resilience of household consumption and a buoyant job market. In view of this, the expectation of the FOMC - the monetary policy committee of the *Federal Reserve* - that the economy can land smoothly, that is, go through a disinflation with few costs to growth, is reinforced.

## Brazil

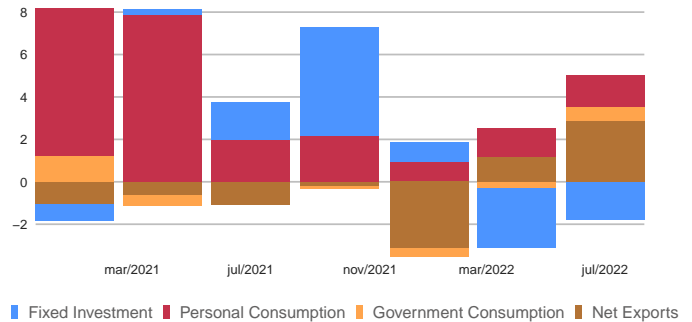
After two consecutive declines, industrial production grew by 0.3% in October compared to September, in the seasonally adjusted series. Prospectively, the industrial sector should continue advancing, but slower, in view of the gradual exhaustion of the effects of the Emergency Aid and the expansion of household consumption. Expectations of easing in the “Covid zero” policy in China may exert a positive influence on national industrial production, especially in the extractive sector.

In October, the volume of sales increased both in restricted retail (0.4%) and in expanded retail (0.5%) - in the seasonally adjusted series. We believe that restricted retail should continue to grow in the coming months, but at rates very close to stability. On the one hand, the effects of the contractionary monetary policy should reduce the level of activity in credit-sensitive sectors.

The volume of services provided decreased by 0.6% in October, in the seasonally adjusted series. In the very short term, we project that the volume of services should continue to increase in the last two months of 2022, reflecting the increase in disposable income of families with lower purchasing power – due

### Quarterly GDP

Change (%), annualized rate, contributions in percentual points



Source: Fred Elaboration: 4intelligence

### Industrial Production

Seasonally adjusted



Source: IBGE Elaboration: 4intelligence

### Industrial Production

Seasonally adjusted



Source: IBGE Elaboration: 4intelligence

### Retail Sales

Index, seasonally adjusted



Source: IBGE Elaboration: 4intelligence

to transfer programs – and the combination of the World Cup and festivities end of the year.

**In November, the National Consumer Price Index (IPCA) increased by 0.41% compared to the immediately previous month, after advancing by 0.59% in October. The positive variation of the General Index was mainly due to the behavior of the transport groups (0.83%) and food and beverages (0.53%).**

For the last month of the year, we foresee an inflationary depressurization due to the reduction, announced by Petrobras, in the prices of gasoline (6.49%) and diesel (8.9%), which will offset the negative impacts on the price of dairy products, fruits and legumes resulting from the protests in the federal and state highways. We expect inflation to end the year at 5.7%.

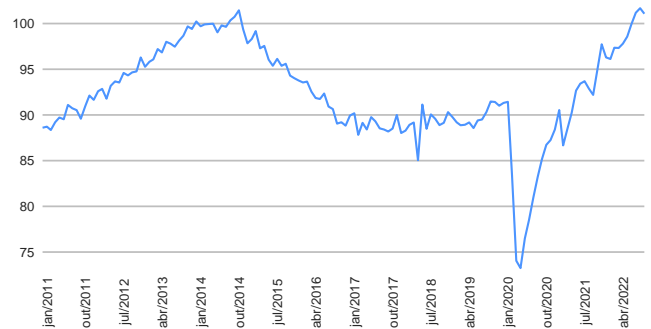
**The General Register of Employed and Unemployed People (Caged) indicated the net creation of 159.4 thousand new jobs in October.** If, until now, we observed a heated formal market, driven by the strength of services and anchored in the resilience of private consumption and the temporary expansionist policies of the federal government, the expectation for the coming months is naturally less optimistic, given the signs of economic deceleration in this fourth quarter (we expect GDP to retract by 0.5% in the last quarter).

## Politics

**The STF decided, by 6 votes to 5, that the payment of the rapporteur’s amendments, a scheme named “secret budget” is unconstitutional.** The winning thesis is that of the minister and president Rosa Weber. The decision triggered acts that seek to give a new face to the logic of the relationship between the powers in the country. STF went into recess the day after the outcome of the action.

### Volume of Services

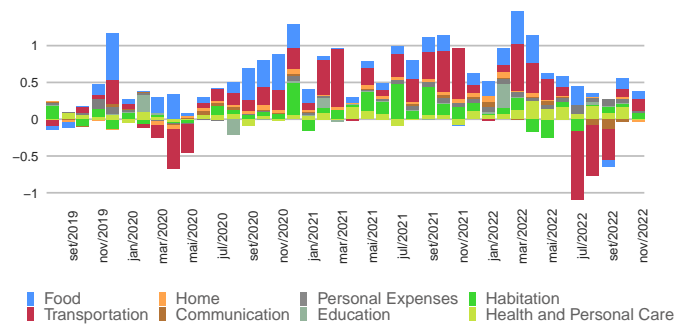
Index, Seasonally adjusted



Source: IBGE Elaboration: 4intelligence

### CPI – Monthly Contribution

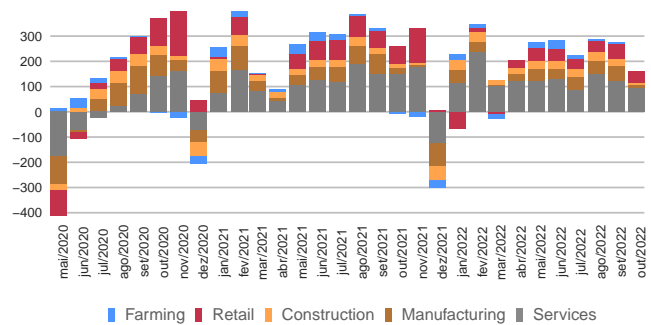
Percentual points, weighted by the 2019 POF



Source: IBGE Elaboration: 4intelligence

### CAGED – Formal Payroll

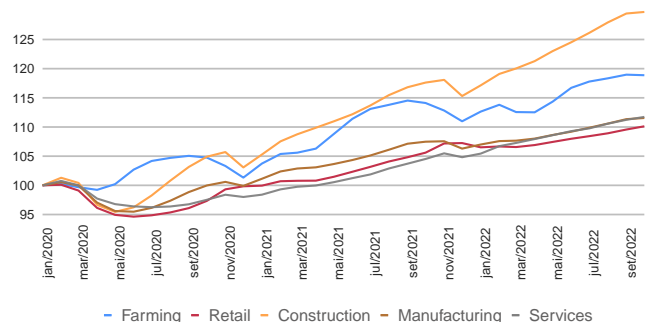
Thousands



Source: Ministério da Economia Elaboration: 4intelligence

### Employment Recovery

Number of jobs, index, jan/2020 = 100



Source: Ministério de Economias Elaboration: 4intelligence

## Disclaimer

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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