

The historical data and forecasts presented here can be accessed in **our Feature Store**. [Access here.](#)

International

In the United States, from January to February, the Consumer Price Index (CPI) recorded an increase of 0.4%, accumulating a variation of 3.1% over twelve months. This month's result was mainly influenced by the increase in the group of Energy Commodities by 3.6%, with emphasis on the variation of gasoline prices.

In the last Federal Reserve meeting, the committee chose to keep unchanged the moving range of the country's basic interest rate, at 5.25% - 5.50%, for the fourth consecutive time. There is still uncertainty around when the committee will begin the cycle of interest rate cuts, but the current outlook points towards a first cut of 0.25 percentage points, starting in May.

Brazil

Brazil's Gross Domestic Product remained stable in the fourth quarter of 2023, in the seasonally-adjusted series, accumulating a growth of 2.9% in 2023, for a total of R\$ 10.9 trillion.

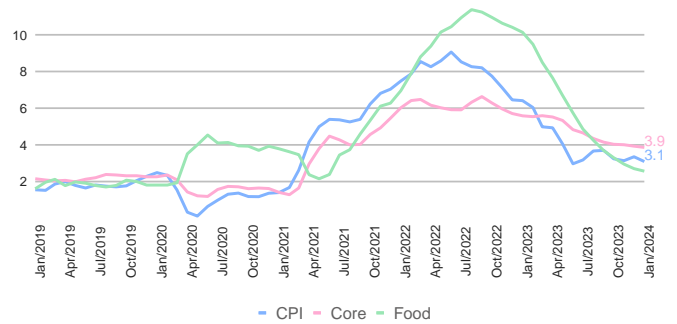
The expansion in 2023 can be explained, above all, by the surprising performance of Agriculture and its growth of 15.1%, driven by record soybean and corn harvests. Additionally, we highlight the performance of Services, which accumulated a 2.4% increase in 2023, and Industry, that grew by 1.6% in 2023, led by the extractive sector. **In 2024, we expect GDP growth to slow down to 1.9%** due to a negative contribution from Agriculture and a more modest performance of Services, after three years of strong activity.

The industrial output decreased by 1.6% in January. On the other hand, the **restricted retail increased by 2.5%**, while the **volume of services advanced by 0.7%**, its third consecutive increase.

We believe that the scenario for the industry has sig-

USA – Consumer Price Index (CPI)

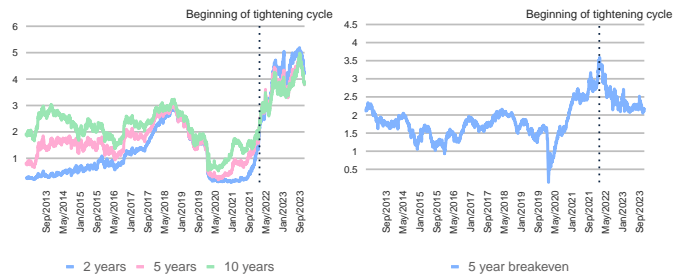
Percent change from a year ago (%)



Source: Bureau of Labor Statistics Elaboration: 4intelligence

Treasury Yields and Breakeven inflation

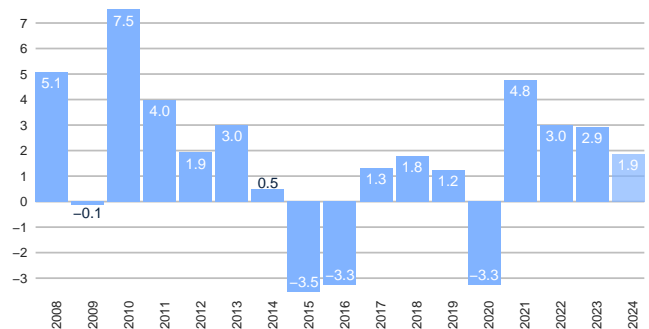
% per year



Source: Fed St. Louis Elaboration: 4intelligence

GDP

Variation (%)



Source: IBGE Elaboration: 4intelligence

Economic Heatmap

Seasonally-adjusted, monthly change (%)



Source: IBGE, Banco Central Elaboration: 4intelligence

nificantly improved in recent months, leading us to believe that the overall sector is likely to begin partially recovering from its recent losses. For services, we expect a more modest growth, given the limited space for further advancement and the slower progress of employment and income. We also anticipate a slow-down for retail, however, we expect that the easing of interest rates will unlock greater consumption for certain sectors.

The national Consumer Price Index (IPCA) rose by 0.83% in February. With this result, the IPCA has accumulated an increase of 4.50% over the last twelve months. The month's result reflects the strong increase in Education group (4.98%), due to the customary adjustments of tuition fees, as well as the increase of Food and Beverage prices (0,95%)

So far, the adverse weather conditions have been affecting some of the Brazilian crops. However, a widespread reduction of yields has not yet been noticed, which, coupled with the relief provided by the global supply of grains, may suggest a smaller than expected impact on prices. It is worth noting, however, the forecast for a occurrence of the *La Niña* phenomenon in the second half of 2024, with direct risks to the sector.

Politics

The result of the Governability Index (I-Gov) of January reached 42%, with Lula hitting the lowest level recorded since October. In the legislative dimension, Lula obtained a slight gain, reaching 17%, although it still remains as the worst dimension for the government's agenda, while in the judiciary dimension a small decrease to 62% was registered, with an agenda still dealing with matters from predecessors. Finally, in the dimension of public opinion, Lula reached a score of 49%, marking the first result below 50 points.

Retail x Services

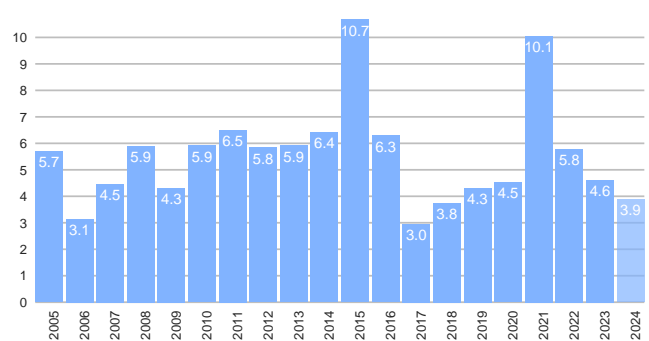
Seasonally adjusted series, Jan/2020 = 100



Source: IBGE Elaboration: 4intelligence

IPCA

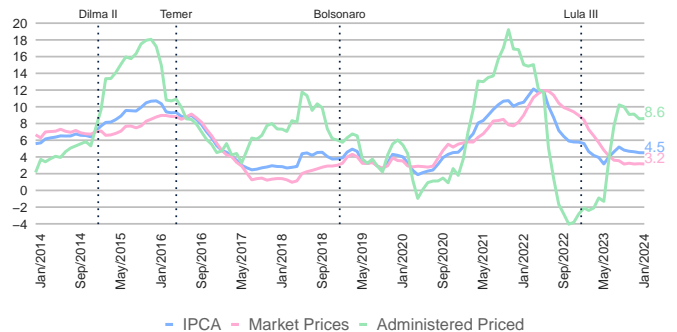
Annual change (%)



Source: IBGE Elaboration: 4intelligence

IPCA – Market and Administered Prices

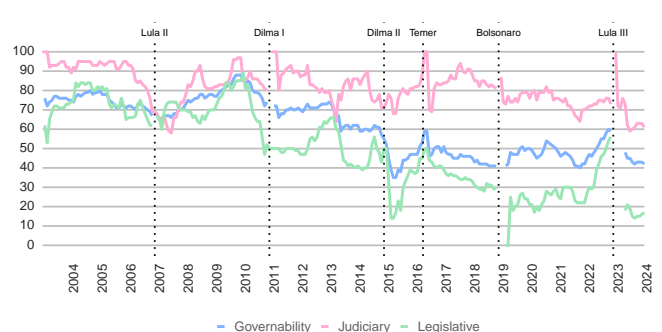
YoY Comparisons (%)



Source: IBGE Elaboration: 4intelligence

I-GOV

Percentage points



Source: 4intelligence 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.

Technical Team

Bruno Lavieri / Gabriel Belle / Gustavo Oliveira / Humberto Dantas / João Zambon / Joyce Luz / Juan Jensen / Luiz Tavares / Maria Rafaela Silva / Matheus Almeida / Wellington Nobrega