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## International

**The Chinese economy registered a growth of 0.7% (QoQ) in the second quarter of 2024.** When compared to the same period last year, the [GDP](#) grew by 4.7%, which is lower than the growth in the first quarter (5.3% YoY). Overall, the country's activity shows some signs of weakening, indicating the need for greater incentives from Chinese authorities — especially in the real estate sector, whose investment volume decreased by 10.1% in the first half of the year, compared to the same period in 2023.

In the United States, the Consumer Price Index ([CPI](#)) fell by 0.1% from May to June, after remaining stable (0.0%) in the previous period. Over the past year, the index has accumulated a variation of 3.0%.

## Brazil

**The [Caged](#) report indicated the net creation of 131,800 new formal jobs in May, free from seasonal influences.**

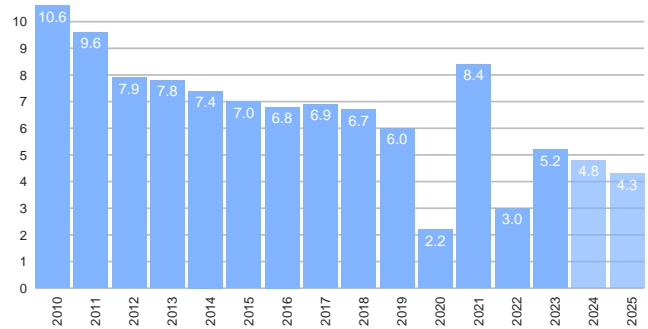
The result for the month seems to indicate a cooling trend in the labor market. We understand that this labor market cooling trend should persist until the end of the year, responding to the limited growth potential imposed by recent robust performance, as well as the still contractionary monetary policy.

**The [restricted retail](#) increased may (1.2%), after rising by 0.9% in the previous month** On the other hand, [industrial output](#) fell by 1.6% in the same month. Meanwhile, the [volume of services](#) remained stable (0.0%) Thus, the seasonally-adjusted [IBC-Br](#) advanced in May (0,2%), and accumulates a 1,7% growth over twelve months.

In the short term, we see room for the industry to recover some of the losses from the recent past, despite some obstacles on the horizon, such as increased fis-

### China – Gross Domestic Product (GDP)

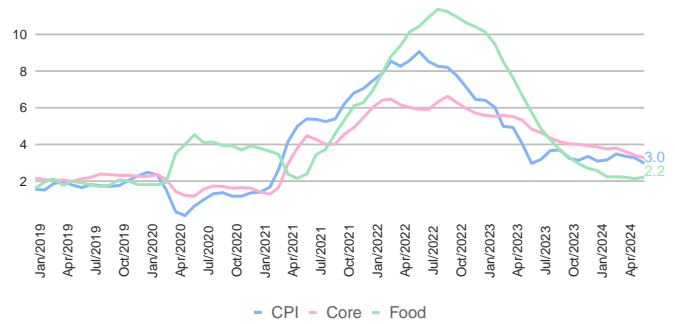
Annual change (%)



Source: FMI Elaboration: 4intelligence

### USA – Consumer Price Index (CPI)

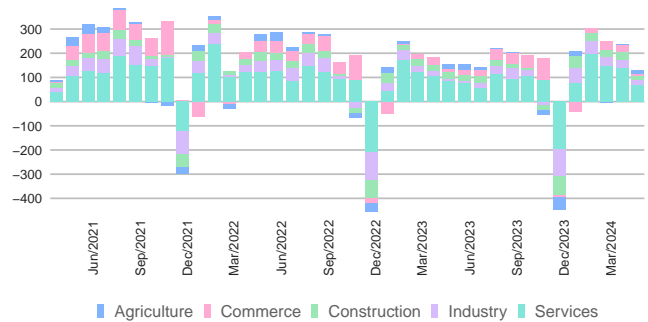
Percent change from a year ago (%)



Source: Bureau of Labor Statistics Elaboration: 4intelligence

### Formal Employment Balance

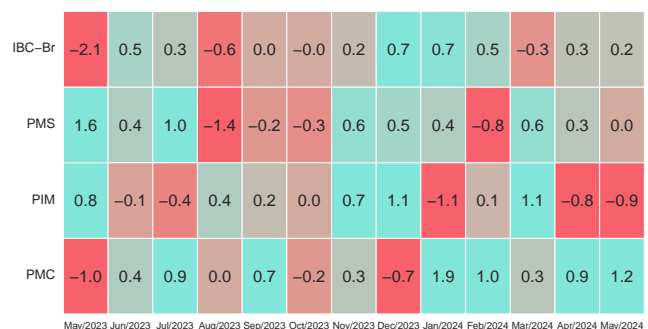
Thousands of People



Source: Ministério do Trabalho Elaboration: 4intelligence

### Economic Heatmap

Seasonally-adjusted, monthly change (%)



May/2023 Jun/2023 Jul/2023 Aug/2023 Sep/2023 Oct/2023 Nov/2023 Dec/2023 Jan/2024 Feb/2024 Mar/2024 Apr/2024 May/2024

Fonte: IBGE, Banco Central Elaboração: 4intelligence

cal uncertainties. The services sector, in turn, should be supported by the robustness of the labor market this year, combined with income recovery. However, the prospect of higher interest rates for a longer period may impact negatively the sector, amidst a less positive prospect for the economic activity.

For retail, the outlook ahead is less favorable, and we expect more subdued growth in credit-sensitive sectors, with higher interest rates than initially expected for the end of 2024.

**The national Consumer Price Index (IPCA) rose by 0.21% in June.** With this result, the IPCA has accumulated an increase of 4,23% over the last twelve months. This month's result mainly reflects the increase in Healthcare prices, that rose by 0.54%, as well as the increase seen in Food and Beverage prices (0.44%), that still suffer under the effects of the *El Niño*

Overall, the adverse climate impacts caused by El Niño still affect the prices of some products whose producing regions were most affected by these phenomena. Additionally, there is some uncertainty about the return to normality of agricultural prices in the medium term—especially due to the passage of another similar phenomenon, *La Niña*, until mid-October.

## Politics

**The Governability Index (I-Gov) for June 2024 was at 42.0% the worst result of Lula's third term.** Regarding the Judiciary, it remained around 60%, activities still focused on trials around the previous governments. In the legislative dimension, the government showed a slight improvement and reached 14.3%, with the approval of a Provisional Measure (MP) in its pure form. Finally, in the dimension of public opinion, Lula remained at 51.5%.

### Industrial Production

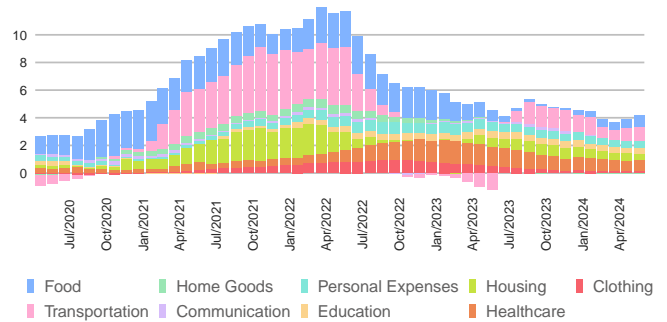
Seasonally adjusted



Source: IBGE Elaboration: 4intelligence

### Contributions to Annual Inflation

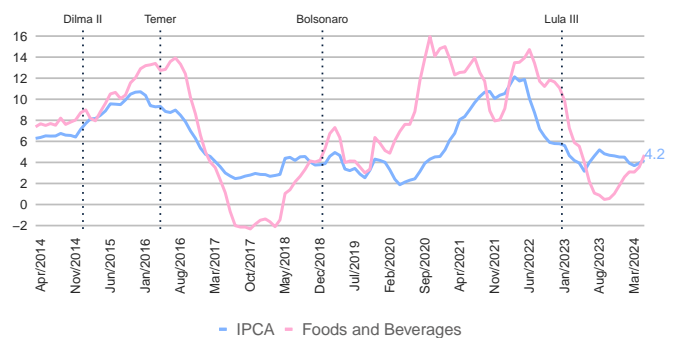
Percentual points, weighted by POF – 2019



Source: IBGE Elaboration: 4intelligence

### IPCA – Full Index x Foods and Beverages

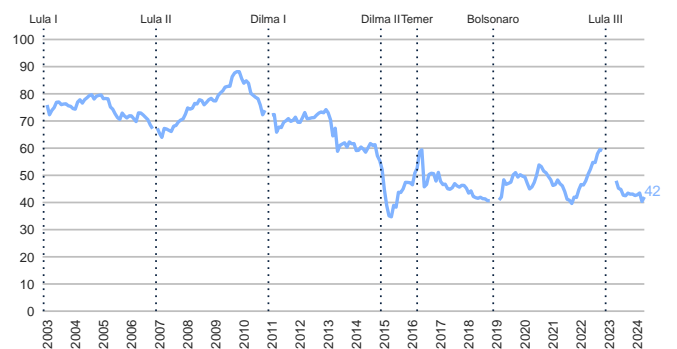
YoY (%)



Source: IBGE Elaboration: 4intelligence

### Governability Index

%



Fuente: 4intelligence Elaboración: 4intelligence

## **Disclaimer**

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