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International

In the United States, **GDP grew by 0.7% in the second quarter of 2024** compared to the previous period. The data shows a recovery in GDP from the first quarter (0.4%), indicating some heating up of domestic activity during the period. Growth, as throughout the year 2023, was mainly driven by the robust performance of consumer spending—the report indicated that disposable personal income rose by 3.6% between April and June.

In the United States, the Consumer Price Index (CPI) increased by 0.2% from June to July, after a decline (-0.1%) in the previous period. Over the past year, the index has accumulated a variation of 2,9%.

Brazil

The **Caged** report indicated the net creation of **201,700** new formal jobs in June, free from seasonal influences.

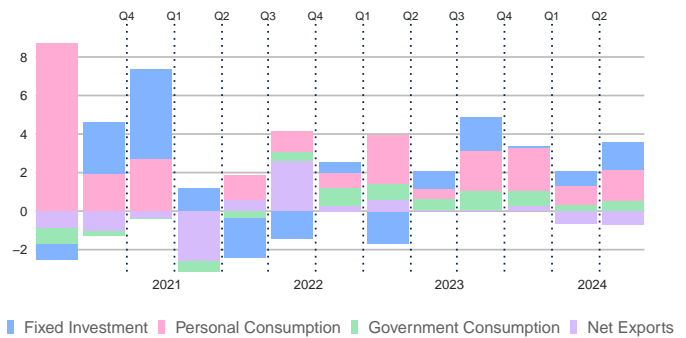
In general, the month's result indicates some temporary acceleration in the labor market. Despite this, there remains a prospect of a slowdown in the labor market as a whole throughout the year. This dynamic seems to respond to an increase in economic uncertainties, as well as the deterioration of medium-term projections, in line with the expansion of fiscal risks.

The **restricted retail** fell by **1.0% in June, after rising by 1.2% in the previous month**. While, **industrial output** grew by 4,1% in the same month. Meanwhile, the **volume of services** increased by 1.7%. Thus, the seasonally-adjusted **IBC-Br** advanced in June (1,4%), and accumulates a 1,6% growth over twelve months.

In the short term, we see room for the industry to recover some of the recent losses, continuously surpassing expectations—despite some obstacles on the hori-

Quarterly GDP

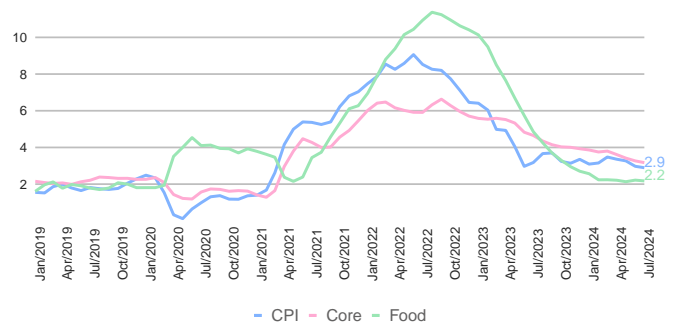
Change (%), annualized rate, contributions in percentual points



Fonte: Fred Elaboração: 4intelligence

USA – Consumer Price Index (CPI)

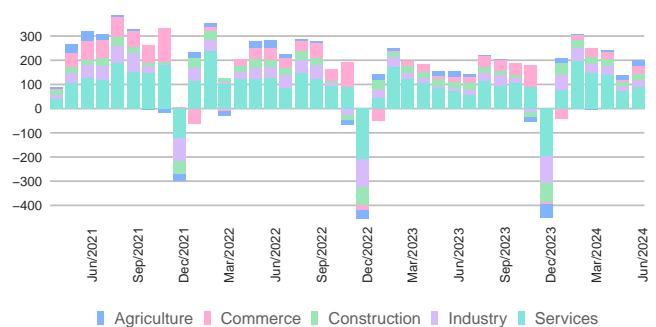
Percent change from a year ago (%)



Source: Bureau of Labor Statistics Elaboração: 4intelligence

Formal Employment Balance

Thousands of People



Source: Ministério do Trabalho Elaboração: 4intelligence

Economic Heatmap

Seasonally-adjusted, mothly change (%)

IBC-Br	0.1	0.1	-0.5	0.1	0.0	0.1	0.8	0.7	0.5	-0.2	0.3	0.4	1.4
PMS	-0.2	0.6	-1.2	-0.2	-0.5	1.0	0.5	0.5	-0.5	0.3	0.4	-0.4	1.7
PIM	-0.5	-0.5	0.7	0.3	0.0	0.8	0.9	-0.8	0.2	1.0	-0.3	-1.5	4.1
PMC	0.9	0.7	0.0	0.7	-0.1	0.4	-0.7	1.8	0.9	0.2	0.8	0.9	-1.0
	Jun/2023	Jul/2023	Aug/2023	Sep/2023	Oct/2023	Nov/2023	Dec/2023	Jan/2024	Feb/2024	Mar/2024	Apr/2024	May/2024	Jun/2024

Fonte: IBGE, Banco Central Elaboração: 4intelligence

zon, such as increased fiscal uncertainties. The services sector, in turn, should be supported by income recovery. However, the prospect of higher interest rates for a longer period may present a less positive outlook for sector activity.

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

The national Consumer Price Index (IPCA) rose 0.38% in July, and accumulated a rise of 4.50% over the last twelve months. This movement is mainly a result of the variation in prices in the Transportation group, which recorded an inflation rate of 1.82%, influenced by fuel prices, as well as in the Housing segment (0.77%), influenced by adjustments in electricity tariffs.

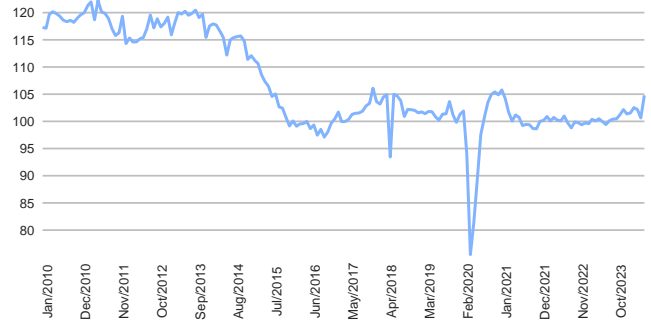
In general, international oil prices are expected to remain unstable in the near future, in line with a global scenario filled with uncertainties. Additionally, the passage of La Niña, which may occur in the coming months, is likely to bring a scenario of severe drought in the Center-South of the country, which could put pressure on agricultural production and electricity generation.

Politics

The Governability Index (I-Gov) for June 2024 was at 45.1% — the third-best result of Lula’s term. In the Judiciary, the index jumped to 69.4%, despite inactivity in this dimension due to the recess. In the legislative dimension, the government showed improvement and reached 16.7%, with the approval of two Provisional Measures (MPs) in their original form. Finally, in the public opinion dimension, Lula remained at 49.3

Industrial Production

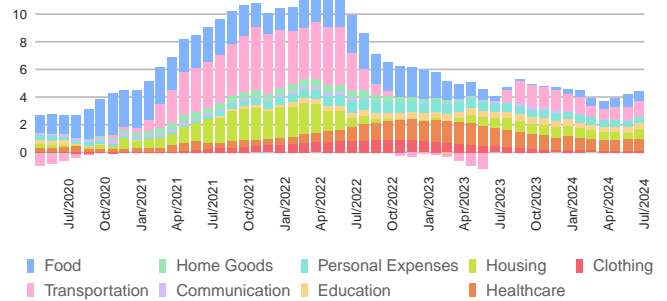
Seasonally adjusted



Source: IBGE Elaboration: 4intelligence

Contributions to Annual Inflation

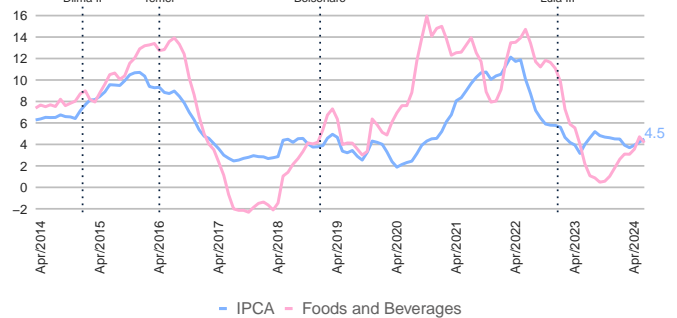
Percentual points, weighted by POF – 2019



Source: IBGE Elaboration: 4intelligence

IPCA – Full Index x Foods and Beverages

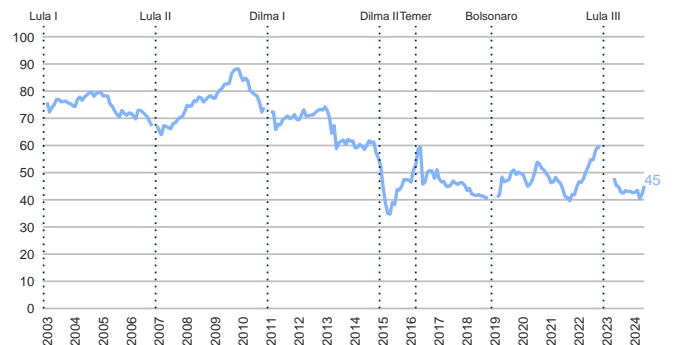
YoY (%)



Source: IBGE Elaboration: 4intelligence

Governability Index

%



Source: 4intelligence Elaboration: 4intelligence

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