

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

## International

In the Eurozone, the European Central Bank (ECB) opted to cut its deposit rate by 0.25 basis points, for the second time this year. In the region, inflation has remained within expectations, cooling significantly in the recent scenario, while economic activity has shown signs of weakening. Consequently, the interest rates for [refinancing](#) operations, loans, and deposits were adjusted to 3.65%, 3.90%, and 3.50%, respectively.

In the United States, the Consumer Price Index ([CPI](#)) rose by 0.2% from July to August, following an increase of the same magnitude in the previous period. Over the past year, the index has accumulated a 2.5% variation.

## Brazil

The [Caged](#) report indicated the net creation of **188,00** new formal jobs in July.

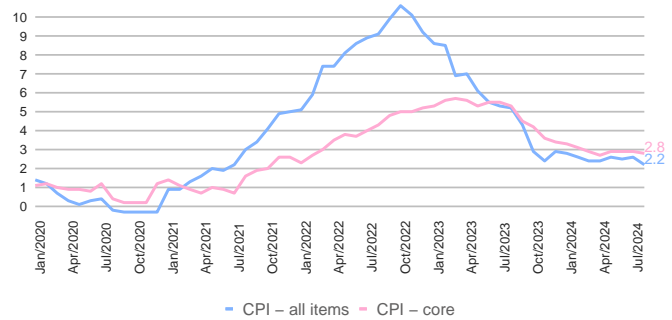
Overall, the result for the month indicates some slow-down in the labor market compared to the beginning of the year. We expect that a labor market deceleration should manifest by the end of the year, responding to reduced growth space and the maintenance of monetary policy at contractionary levels.

The [restricted retail](#) grew by **0.6%** in July, after a **0,9%** decline in the previous month. While, [industrial output](#) fell by 1.4% in the same month. Meanwhile, the [volume of services](#) increased by 1.2%. Thus, the seasonally-adjusted [IBC-Br](#) declined in July (1,4%), and accumulates a 2,0% growth over twelve months.

In the short term, we see room for the industry to recover part of the recent past losses, which have continuously exceeded expectations—despite some obstacles on the horizon, such as contractionary interest

### Euro Area – Consumer Price Index (CPI)

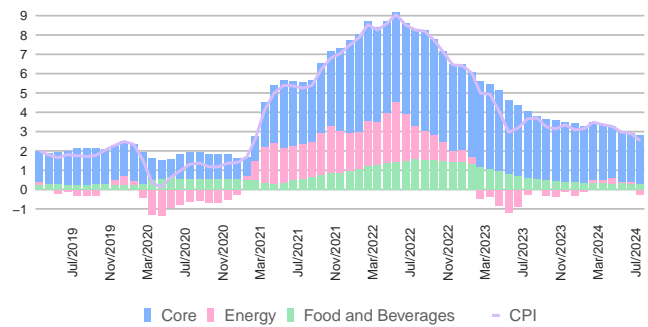
Percent change from a year ago (%)



Fonte: Eurostat Elaboração: 4intelligence

### United States – CPI Composition

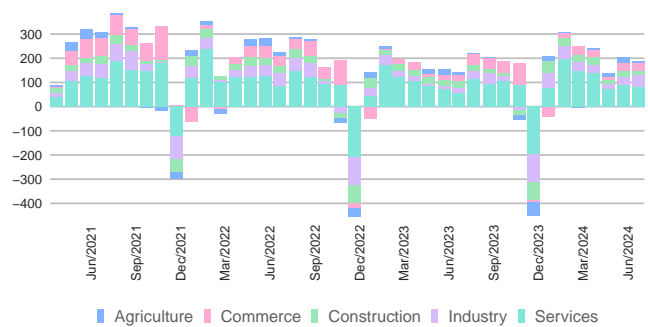
Contributions to annual inflation, percentual points



Source: St. Louis Fed Elaboração: 4intelligence

### Formal Employment Balance

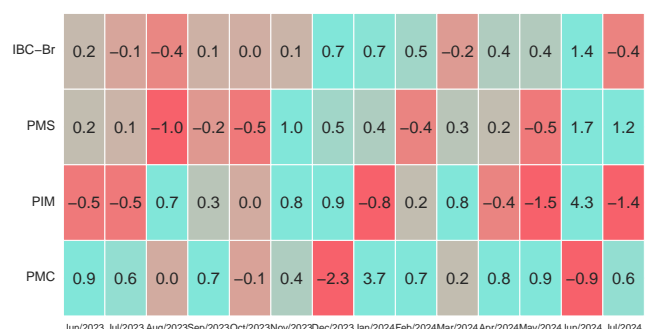
Thousands of People



Source: Ministério do Trabalho Elaboração: 4intelligence

### Economic Heatmap

Seasonally-adjusted, monthly change (%)



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 Jul/2024

Fonte: IBGE, Banco Central Elaboração: 4intelligence

rates. The services sector, in turn, should be sustained by income recovery. However, the prospect of new interest rate hikes this year could bring a less favorable outlook for the sector's activity.

**For the retail sector, the outlook ahead is less favorable, and we expect more modest growth in credit-sensitive sectors,** with interest rates higher than initially expected by the end of 2024, following the strong performance of economic activity in the recent scenario. In this regard, we have revised our GDP projection for 2024 from 2.1% to 3.0%.

**The Broad Consumer Price Index (IPCA) decreased by 0.02%** in August, accumulating a 4.24% increase over the past twelve months. This movement reflects, in particular, the variation in prices in the Housing group, which recorded a deflation of 0.51%, influenced by the "green flag" on electricity tariffs in August, as well as in the Food sector (-0.44%), amid a cooling of fresh food prices.

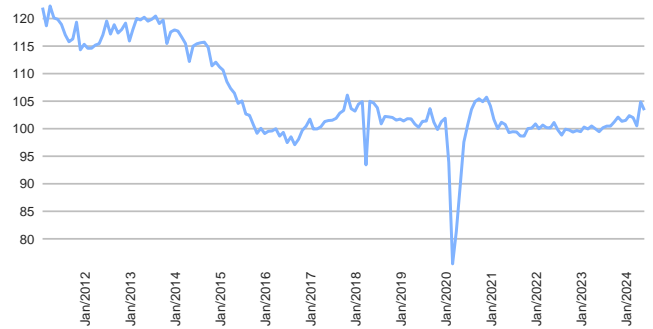
In general, the price behavior of some fresh food items should continue to ease upward pressures on food prices in the short term. However, the passage of *La Niña* is expected to bring a scenario of severe drought to the Center-South of the country, which could put pressure on agricultural production next year as well as electricity generation.

## Politics

The Governance Index (I-Gov) for August 2024 closed at 47.0%, the second-best result of Lula's term. In the Judiciary, the index jumped to 77.0%, being the most influential in the overall index. In the legislative dimension, the government showed a decline, reaching 16.0%, with the loss of four Provisional Measures (MP). Lastly, in the public opinion dimension, Lula remained at 49.3%.

### Industrial Production

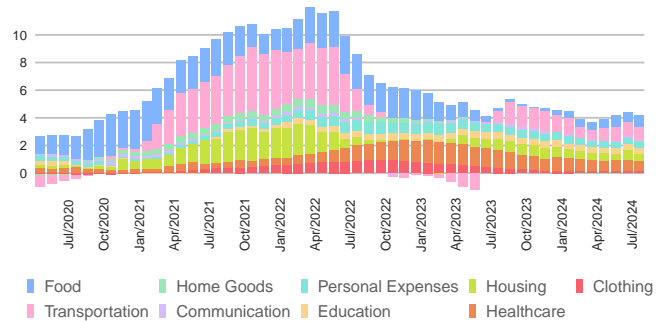
Seasonally adjusted series



Source: IBGE Elaboration: 4intelligence

### Contributions to Annual Inflation

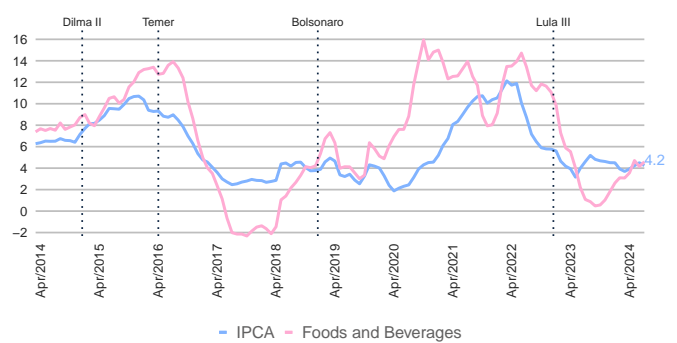
Percentual points, weighted by POF – 2019



Source: IBGE Elaboration: 4intelligence

### IPCA – Full Index x Foods and Beverages

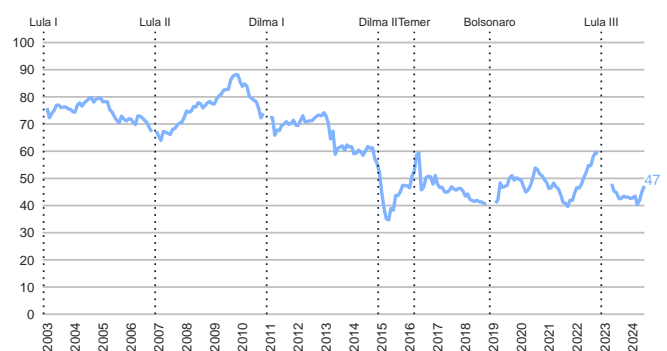
YoY (%)



Source: IBGE Elaboration: 4intelligence

### Governability Index

%



Source: 4intelligence Elaboration: 4intelligence

## 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