

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

International

At its latest meeting, the FOMC cut the U.S. federal funds rate by 25 bps, to 4.0%–4.25%. The decision was not unanimous: Stephan Miran (a Trump appointee) advocated for a 50 bps cut. The statement highlighted a shift in the balance of risks, with greater concern regarding the labor market—given the slow-down in job creation and the rise in the unemployment rate, which remains at a low level. At the same time, the Fed acknowledged that inflation has resumed upward pressure and remains elevated, creating a challenging backdrop. In light of this, our projected U.S. yield curve is being reassessed, with a higher likelihood of faster cuts in the short term. Even so, we expect the Fed to remain cautious in conducting monetary policy.

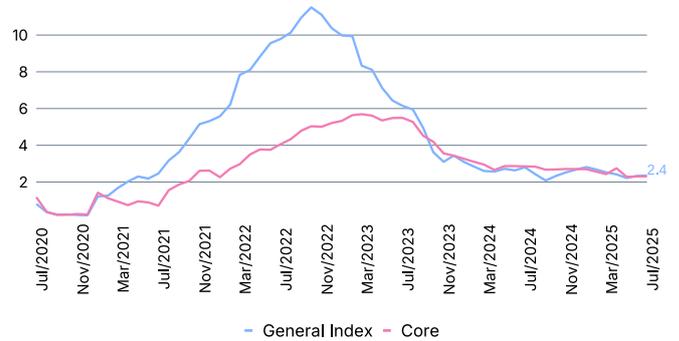
In the Euro Area, consumer inflation was revised down in August, from 2.1% to 2.0% year over year, matching July's result. The revision reflected a smaller contribution from energy prices, which had initially added 0.1 percentage point to the index. Services inflation eased slightly, from 3.2% in July to 3.1% in August, driven mainly by a decline in airfares. However, this reduction was not enough to affect core inflation, which remained steady at 2.3

Brazil

The IPCA stood at -0.11% in August, down from 0.26% in July, bringing the 12-month accumulated variation to 5.13%. The result came in above our forecast (-0.16%) and also above market median expectations: -0.16% from Agência Estado (with a forecast range of -0.27% to -0.07%) and -0.15% from Bloomberg (with forecasts between -0.20% and -0.05%). For September's IPCA, we project an increase of 0.65%.

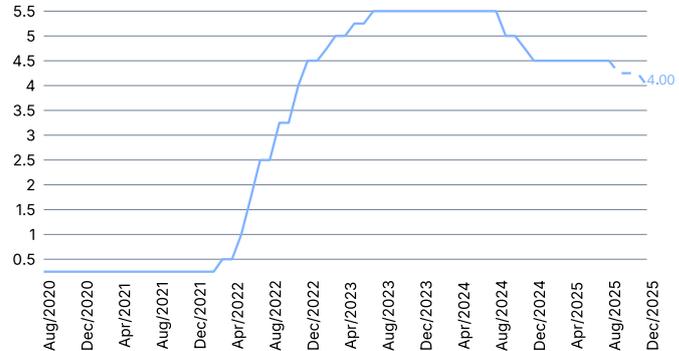
Euro Area - Consumer Price Index

Annual change (%)**Source:** Eurostat **Elaboration:** 4intelligence



FED Founds Rate - Target

% p.a**Source:** FRED **Elaboration:** 4intelligence



Inflation Heatmap

Monthly variation (%). Source: IBGE

	Oct/2024	Nov/2024	Dec/2024	Jan/2025	Feb/2025	Mar/2025	Apr/2025	May/2025	Jun/2025	Jul/2025
Clothing	0.37	-0.12	1.14	-0.14	0	0.59	1.02	0.41	0.75	-0.54
Health	0.38	-0.06	0.38	0.7	0.49	0.43	1.18	0.54	0.07	0.45
Utilities	1.49	-1.53	-0.56	-3.08	4.44	0.24	0.14	1.19	0.99	0.91
Education	0.04	-0.04	0.11	0.26	4.7	0.1	0.05	0.05	0	0.02
Personal Expenses	0.7	1.43	0.62	0.51	0.13	0.7	0.54	0.35	0.23	0.76
Communication	0.52	-0.1	0.37	-0.17	0.17	0.24	0.69	0.07	0.11	-0.09
Housing	0.43	-0.31	0.65	-0.09	0.44	0.13	0.53	-0.27	0.08	0.09
Transportation	-0.38	0.89	0.67	1.3	0.61	0.46	-0.38	-0.37	0.27	0.35
Food	1.06	1.55	1.18	0.96	0.7	1.17	0.82	0.17	-0.18	-0.27

Heatmap of Economic Activity

Seasonally adjusted series, **monthly change (%)**. Source: IBGE, Central Bank of Brazil

	Oct/2024	Nov/2024	Dec/2024	Jan/2025	Feb/2025	Mar/2025	Apr/2025	May/2025	Jun/2025	Jul/2025
PMS	1.2	-1.3	0.2	-0.4	0.8	0.4	0.4	0.2	0.4	0.3
PIM	-0.1	-0.7	-0.3	0.1	0.0	1.7	-0.7	-0.6	0.0	-0.2
PMC	0.4	-0.2	-0.2	0.2	0.6	0.7	-0.3	-0.4	-0.1	-0.3

Brazilian industrial production (PIM-PF) posted a slight 0.2% year-over-year increase in July 2025.

The figure came in somewhat below 4intelligence’s forecast (+0.4%) and slightly above the market median estimate (+0.1%). For August, we project zero year-over-year variation and a 1.2% month-over-month increase in seasonally adjusted terms.

In retail, on a seasonally adjusted basis, the narrow measure posted a slight 0.3% decline month over month (+1.0% YoY), while the broad measure rose 1.3% (-2.5% YoY).

The broad measure was driven by Vehicles and Parts, whereas the narrow measure was weighed down by Food Retail, as well as Textiles, Apparel, and Footwear. Our projections for August point to a -0.2% MoM (-0.6% YoY) variation for Narrow Retail, and +0.7% MoM (-2.5% YoY) for Broad Retail.

The services sector grew 0.3% MoM (+2.8% YoY) in July,

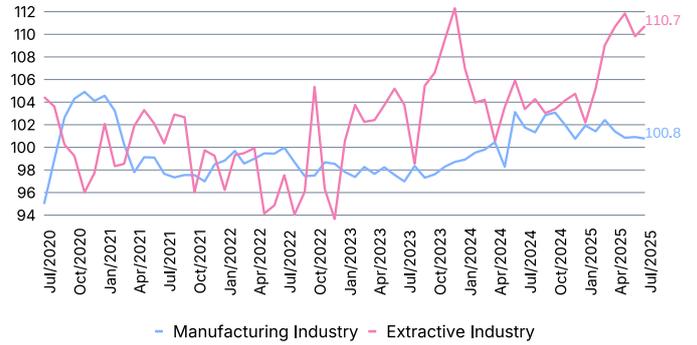
marking its sixth consecutive monthly increase and setting a new all-time high for the third reading in a row. The result fell short of 4intelligence’s final forecast of +0.6% MoM (+3.1% YoY) but matched the preliminary projection and the market medians reported by Bloomberg and Agência Estado. For August, we project a +0.2% MoM (+2.5% YoY) variation.

Politics

For the second consecutive month, the I-GOV showed stability in the governability outlook. August closed at 46.4%, compared with 46.3% in July. As in July’s script, Lula remained stable in his standing with the Legislative branch, saw a slight deterioration in his relationship with the Judiciary while maintaining a strong level of support from the Supreme Court (STF), and experienced a modest improvement in his relationship with public opinion—contrary to expectations of stronger gains following patriotic speeches in response to Trump’s tariff hike.

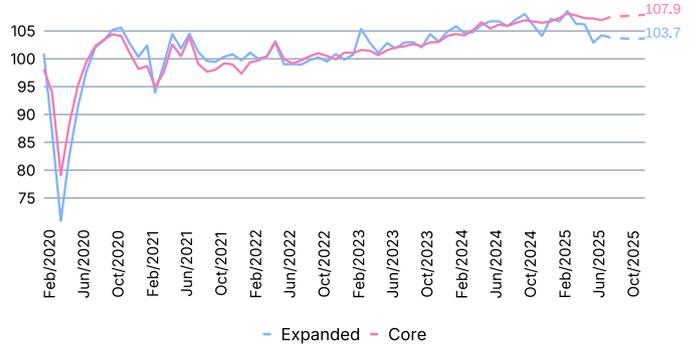
Industrial Production by Activity

Index, Jan/2020 = 100, seasonally adjusted**Source:** IBGE **Elaboration:** 4intelligence



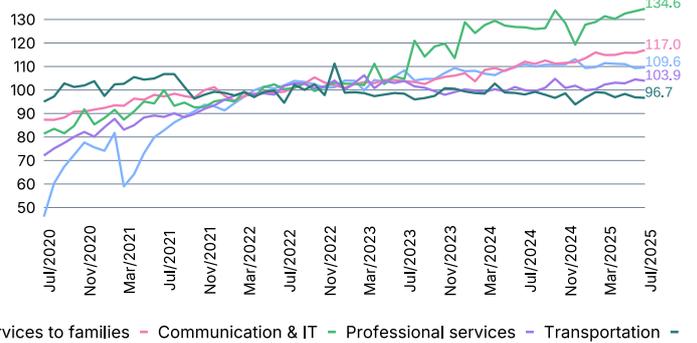
Retail Sales Volume

Seasonally adjusted, 2022 average = 100**Source:** IBGE **Elaboration:** 4intelligence



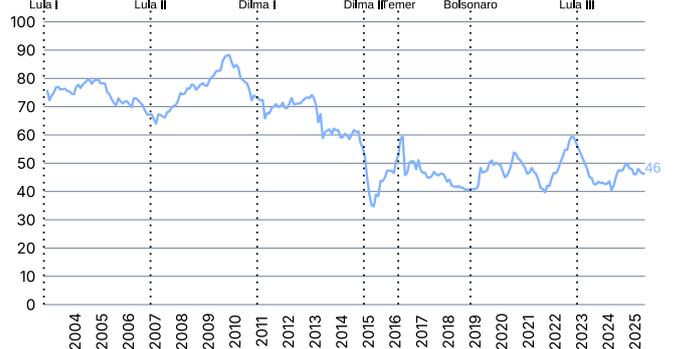
Service Volume

Seasonally adjusted series, 2022 = 100**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

Alexandre Teixeira / Antonio Madeira / Basiliki Litvac / Braulio Borges / Bruno Imaizumi / Bruno Lavieri / Caio Napoleao / Carlos Urso Junior / Cosmo de Donato Junior / Daniel Arruda / Fabio Silveira / Fernando Sampaio / Giovana Ferreira / Giovane Berlande / Gustavo Souza / Joao Carmo / Jose Senna / Juan Jensen / Julia Nicolaci / Leonardo Kawahara / Luis Suzigan / Maria Rafaela Soares / Michael Seymour Burt / Renan Armiliato / Ricardo Ribeiro / Rodrigo Nishida / Thais Zara / Sofia Vargas / Vitor Oliveira