The historical data and forecasts presented here can be accessed in **our Feature Store.** **Access here.**
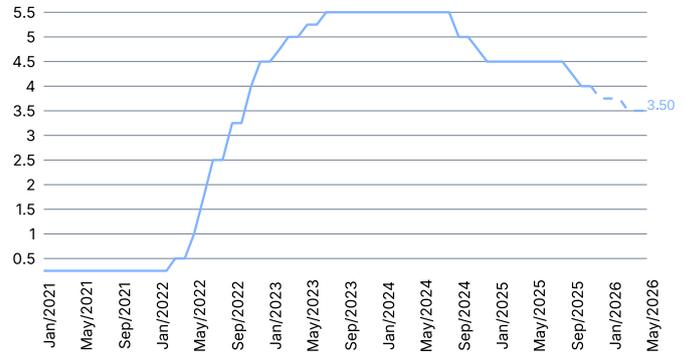
International

At its FOMC meeting held on Wednesday (10), the Federal Reserve again cut the policy interest rate by 25 basis points, to a range of 3.5% to 3.75% per year, in line with expectations. The statement emphasized that the Committee will continue to carefully assess incoming economic information to determine the "extent and timing" of further adjustments, signaling a more cautious stance. In the subsequent press conference, Jerome Powell stated that, after cumulative cuts of 75 basis points, monetary policy is approaching a neutral level, which is likely to require more prudent decision-making.

Our baseline scenario projects two additional rate cuts in 2026, in March and June, although the probability of an even more cautious conduct of monetary policy has increased, given the resilience of economic activity.
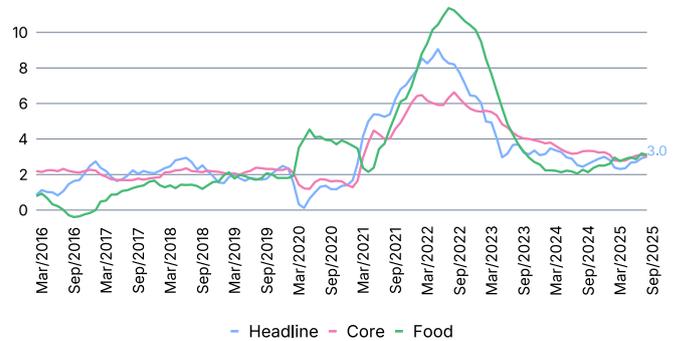
Brazil

IPCA increased by 0.18% in November, following a 0.09% rise in October, bringing the 12-month inflation rate to 4.46%. The outcome came in below our forecast (0.20%) and broadly in line with market expectations (0.19% according to Bloomberg and 0.18% according to Agência Estado). The downside surprise mainly reflected a deceleration in at-home food prices, with sharper declines in meat, poultry, eggs, household items, and personal care products, while apparel posted a virtually flat reading. For December, we project an increase of 0.38%.

Industrial production (PIM-PF) declined by 0.5% year over year in October, after increasing by 2.0% in September, coming in below both 4intelligence's forecast and market expectations (+0.2% according to Bloomberg and Agência Estado). The result mainly reflected a contraction in manufacturing output (-2.2%

Federal Funds Rate – Target
% p.a. Source: FRED Elaboration: 4intelligence

CPI - Consumer Prices
Annual variation (%) Source: Bureau of Labor Statistics Elaboration: 4intelligence

Headline — Core — Food

Inflation Heatmap
Monthly variation (%). Source: IBGE

	Jan/2025	Feb/2025	Mar/2025	Apr/2025	May/2025	Jun/2025	Jul/2025	Aug/2025	Sep/2025	Oct/2025	Nov/2025
Clothing	-0.14	0	0.59	1.02	0.41	0.75	-0.54	0.72	0.63	0.51	0.49
Health	0.7	0.49	0.43	1.18	0.54	0.07	0.45	0.54	0.17	0.41	-0.04
Utilities	-3.08	4.44	0.24	0.14	1.19	0.99	0.91	-0.9	2.97	-0.3	0.52
Education	0.26	4.7	0.1	0.05	0.05	0	0.02	0.75	0.07	0.06	0.01
Personal Expenses	0.51	0.13	0.7	0.54	0.35	0.23	0.76	0.4	0.51	0.45	0.77
Communication	-0.17	0.17	0.24	0.69	0.07	0.11	-0.09	-0.09	-0.17	-0.16	-0.2
Housing	-0.09	0.44	0.13	0.53	-0.27	0.08	0.09	-0.09	-0.4	-0.34	-1
Transportation	1.3	0.61	0.46	-0.38	-0.37	0.27	0.35	-0.27	0.01	0.11	0.22
Food	0.96	0.7	1.17	0.82	0.17	-0.18	-0.27	-0.46	-0.26	0.01	-0.01

Heatmap of Economic Activity
Seasonally adjusted series, Monthly variation (%). Source: IBGE, Central Bank of Brazil

	Nov/2024	Dec/2024	Jan/2025	Feb/2025	Mar/2025	Apr/2025	May/2025	Jun/2025	Jul/2025	Aug/2025	Sep/2025	Oct/2025
PMS	-1.2	0.1	-0.4	0.8	0.4	0.3	0.2	0.4	0.3	0.2	0.7	0.3
PIM	-0.7	-0.4	0.1	0.0	1.8	-0.8	-0.5	0.1	-0.1	0.7	-0.4	0.1
PMC	-0.2	-0.2	0.2	0.5	0.7	-0.3	-0.4	-0.1	-0.2	0.1	-0.2	0.5

YoY and -0.6% MoM). For November, 4intelligence's preliminary estimate points to a 0.6% year-over-year decline, although the seasonally adjusted series shows a 0.3% month-over-month increase.

Retail sales volume in the restricted category increased by 1.1% compared to October 2024, while the Broad Retail category recorded a slight decline of 0.3%. On a seasonally adjusted basis, the main highlight from September to October in the restricted category was the sale of Fuels and Lubricants (+1.4% MoM, versus +0.8% MoM projected), following two consecutive declines and five drops in seven months. 4intelligence's preliminary forecast for November is +1.4% MoM (+2.1% YoY) for Restricted Retail and +1.2% MoM (+0.5% YoY) for Broad Retail.

Service sector volume rose by 0.3% in October (+4.1% YoY), marking the ninth consecutive increase and setting a new historical high for the seventh time. The result was close to 4intelligence's forecast (+2.3% YoY) and below the median estimates from Agência Estado and Bloomberg (both at +2.8% YoY). The month-on-month gain was mainly driven by Transport, particularly air transport (+4.3% MoM) and road freight. For November, 4intelligence's preliminary projection points to flat month-on-month growth (+0.0% MoM), with a 2.7% year-over-year increase.

Politics

In November, the government recorded virtually the same figures as in October across the three dimensions of the I-GOV. As a result, the indicator remained stable, closing at 49.5% compared to 49.7% in October. This represents the second-best result of the year and the third-best score of the current presidential term. Ahead of the end of the pre-election year, the government appears to be positioning itself strategically in light of reports that the main opposition candidate may be Jair Bolsonaro's eldest son, Senator Flávio Bol-
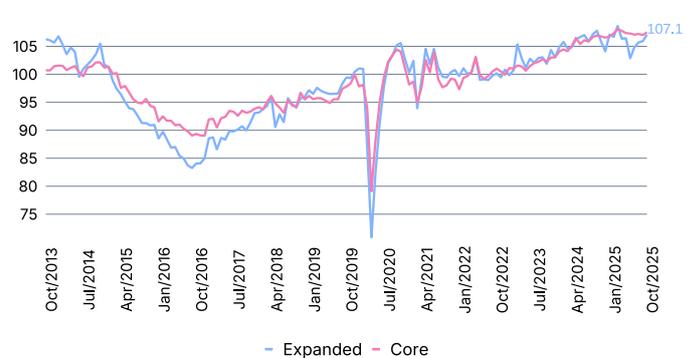
Industrial Production by Activity
Index, Jan/2020 = 100, seasonally adjusted series Source: IBGE Elaboration: 4intelligence
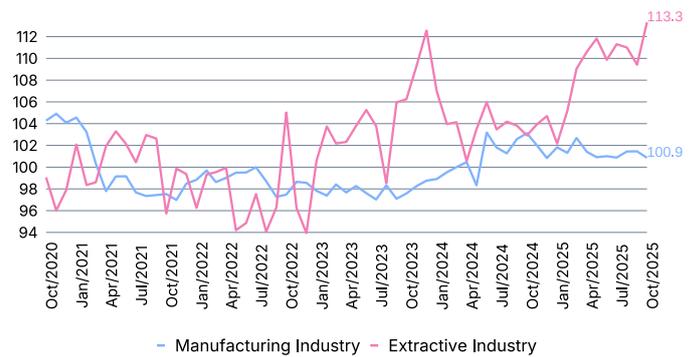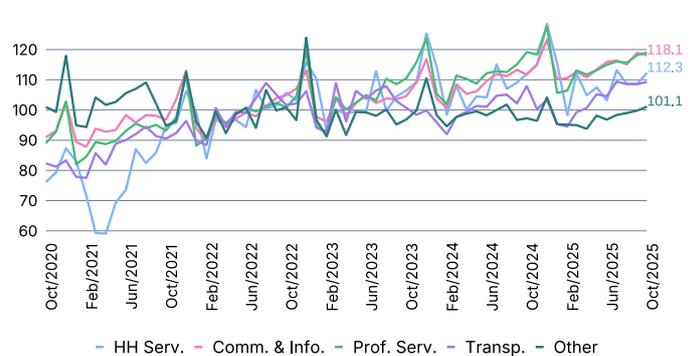

Retail Sales Volume
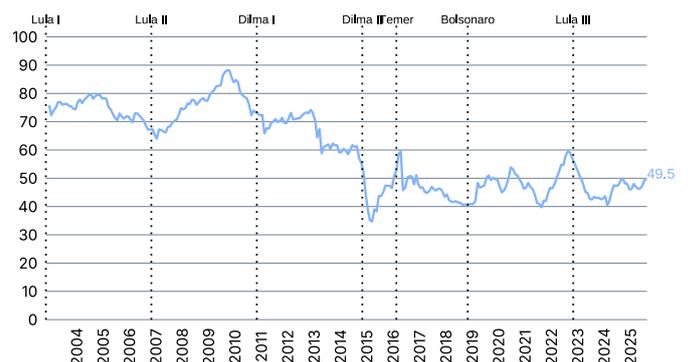Seasonally adjusted, 2022 average = 100 Source: IBGE Elaboration: 4intelligence

Services Volume
Index (2022 = 100) Source: IBGE Elaboration: 4intelligence

Governability Index
% Source: 4intelligence Elaboration: 4intelligence

sonaro (PL).

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.

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