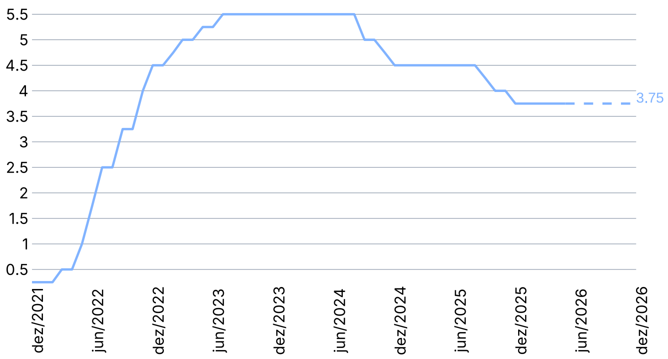
The historical data and forecasts presented here can be accessed in **our Feature Store.**[Access here.]

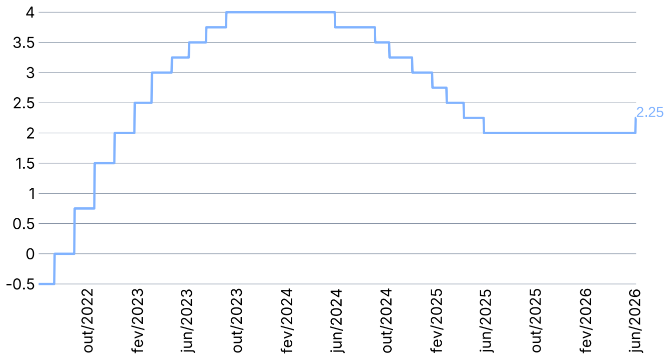
International

Sustained global uncertainty pressures international interest rates in June. Despite signs that a peace agreement in the Middle East may be near, global uncertainty remains significant, and the impacts of the conflict continue to generate inflationary pressures. Given this scenario, there is a widespread trend toward interest rate hikes or maintenance around the world. Notable actions include a 0.25 p.p. increase in the European Central Bank (ECB) deposit facility rate, bringing it to 2.25% p.a., and the maintenance of the U.S. Fed Funds Rate within the 3.50%–3.75% p.a. target range. Furthermore, both monetary authorities revised their 2026 projections, lowering GDP growth expectations and raising inflation expectations. The Fed also revised its year-end 2026 interest rate projection to 3.83% p.a., signaling an additional rate hike for this year.

Fed Funds Target Rate Trend
Annual Rate (%) Source: FRED Elaboration: 4intelligence



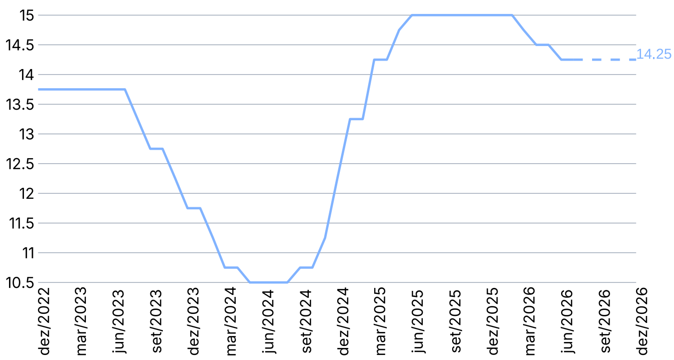
Eurozone Deposit Facility Rate Trend
Annual Rate (%) Source: ECB Elaboration: 4intelligence



Brazil

At the Copom meeting on June 17, the Committee decided to reduce the Selic rate for the third consecutive time by 0.25 p.p. As a result, the benchmark interest rate was set at 14.25% p.a. The BCB acknowledged that the international environment still brings significant uncertainty to the economy and that, within the domestic scenario, inflation remains high and above the target. Despite this reading of a more complex inflationary backdrop, the monetary authority deemed it appropriate to implement this cut by extending the inflation convergence horizon. Meanwhile, the IPCA showed a second consecutive deceleration in May, recording a 0.58% MoM variation. This result was primarily driven by a deflation in the Transportation group and a deceleration in the Health and Personal Care group. Nevertheless, 12-month accumulated inflation accelerated to 4.72%, moving above the upper limit of the target tolerance band (4.5%).

Selic Target Rate Trend
Annual Rate (%) Source: BCB. Elaboration: 4intelligence



Inflation Heatmap
Monthly variation (%). Source: IBGE

	jul/2025	ago/2025	set/2025	out/2025	nov/2025	dez/2025	jan/2026	fev/2026	mar/2026	abr/2026	mai/2026
Clothing	-0.54	0.72	0.63	0.51	0.49	0.45	-0.25	0.16	0.46	0.52	0.62
Health	0.45	0.54	0.17	0.41	-0.04	0.52	0.7	0.59	0.42	1.16	0.9
Utilities	0.91	-0.9	2.97	-0.3	0.52	-0.33	-0.11	0.3	0.22	0.63	1.22
Education	0.02	0.75	0.07	0.06	0.01	0.08	0.02	5.21	0.02	0.06	0
Personal Expenses	0.76	0.4	0.51	0.45	0.77	0.36	0.41	0.33	0.65	0.35	0.41
Communication	-0.09	-0.09	-0.17	-0.16	-0.2	0.37	0.82	0.15	0.19	0.57	0.23
Housing	0.09	-0.09	-0.4	-0.34	-1	0.64	0.2	0.13	0.51	0.65	0.08
Transportation	0.35	-0.27	0.01	0.11	0.22	0.74	0.6	0.74	1.64	0.06	-0.46
Food	-0.27	-0.46	-0.26	0.01	-0.01	0.27	0.23	0.26	1.56	1.34	1.33

The retail sector (PMC) experienced a significant deceleration in April. With a 1.5% MoM decline (+1.0% YoY) in real revenue for restricted retail, and a 0.7% MoM drop (+1.4% YoY) in expanded retail revenue, the PMC posted its first deceleration in 2026 after reaching historical highs. This result was primarily driven by a 6.2% MoM decrease in Fuels and Lubricants, reflecting the impact of fuel price hikes. Conversely, the industrial and services sectors—represented by PIM and PMS, respectively—delivered positive results in April. The main growth drivers were the Extractive Industry (for PIM) and the Transportation group (for PMS).

GDP returns to significant growth on a sequential basis. According to IBGE, Brazilian GDP at market prices advanced 1.8% YoY (+1.1% QoQ), following a few quarters of weak growth. On the supply side, all three segments (Agriculture, Industry, and Services) showed year-over-year growth of 0.7%, 1.6%, and 2.1%, respectively. From a demand perspective, the main highlights were Household Consumption (+1.7% YoY and +1.0% QoQ), Government Consumption (+2.8% YoY and +0.4% QoQ), and GFCF (-1.4% YoY and +3.5% QoQ). In the external sector, Exports, despite showing strong year-over-year growth (+7.4% YoY), decelerated on a sequential basis (-1.7% QoQ)—a movement not observed in Imports (+1.2% YoY and +4.4% QoQ).

Politics

Electoral poll results show a turning point. Throughout May and June, following the leaked audio involving Flávio Bolsonaro and Daniel Vorcaro, Lula has regained the lead in the electoral polls. Furthermore, progress on the approval to end the 6x1 work schedule marks an important victory for the current administration. In this context, the I-GOV index reached 51.0% in May, representing a 1.7% increase compared to April.

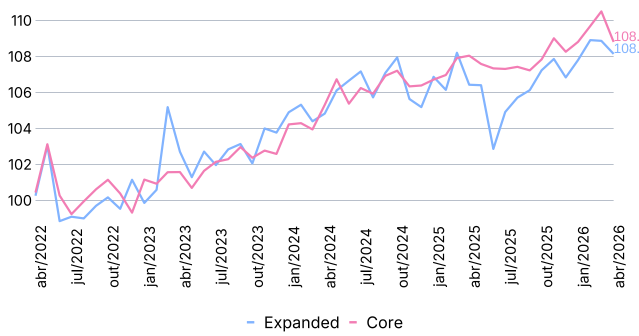
Heatmap of Economic Activity

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

	jun/2025	jul/2025	ago/2025	set/2025	out/2025	nov/2025	dez/2025	jan/2026	fev/2026	mar/2026	abr/2026
PMS	0.5	0.2	0.2	0.7	0.3	-0.1	-0.3	0.0	0.0	-1.1	1.2
PIM	0.1	-0.1	0.8	-0.4	0.2	-0.1	-1.9	2.2	1.1	0.3	0.7
PMC	-0.2	0.0	0.1	-0.2	0.6	1.1	-0.7	0.5	0.8	0.7	-1.5

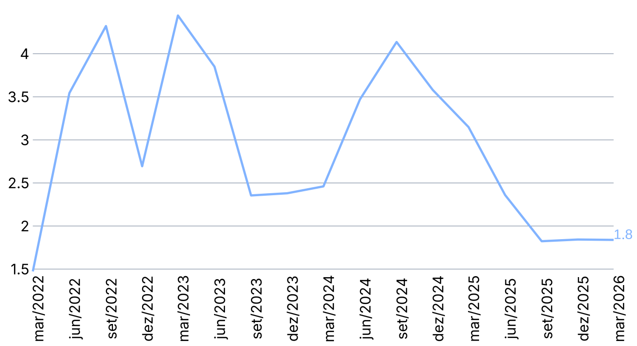
Retail Sales Volume

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



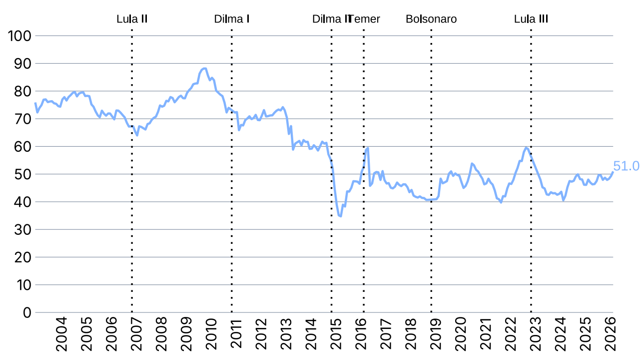
Real GDP at Market Prices

Annual Variation (%) Source: IBGE Elaboration: 4intelligence



Governability Index (I-GOV)

% Source: 4intelligence Elaboration: 4intelligence



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