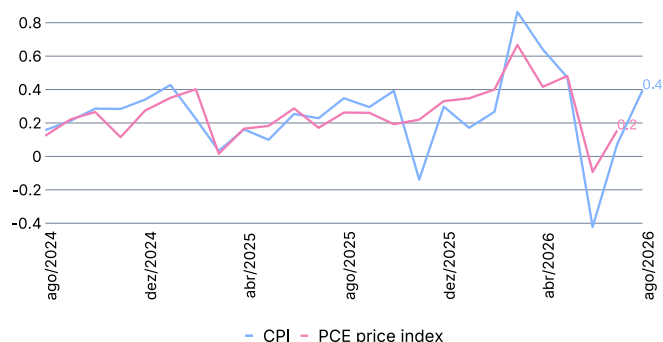


International

Brazil

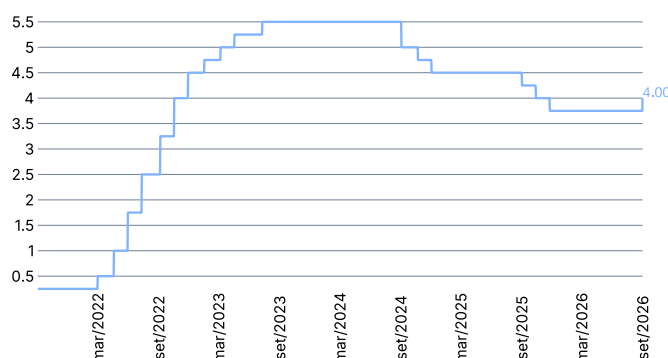
CPI and PCE price index

Monthly variation (%). Source: BLS and BEA. Elaboration: 4intelligence



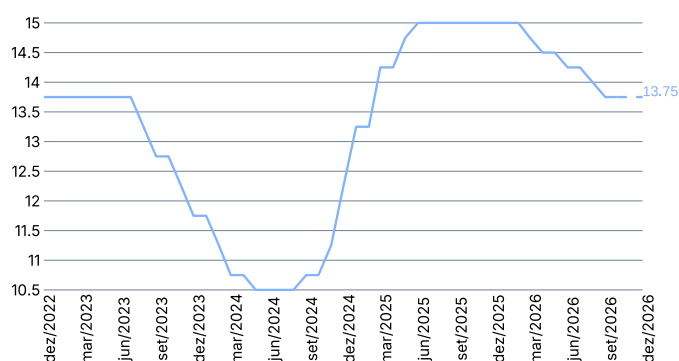
Fed Funds Target Rate Trend

Annual Rate (%). Source: FRED. Elaboration: 4intelligence



Selic Target Rate Trend

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



Inflation Heatmap

Monthly variation (%). Source: IBGE

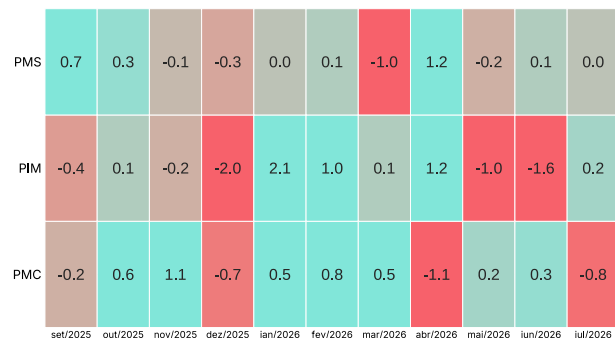
	01/2025	02/2025	03/2025	04/2025	05/2025	06/2025	07/2025	08/2025	09/2025	10/2025	11/2025	12/2025
Clothing	0.51	0.49	0.45	-0.25	0.16	0.46	0.52	0.62	0.17	-0.66	0.12	
Health	0.41	-0.04	0.52	0.7	0.59	0.42	1.16	0.9	0.23	0.4	0.23	
Utilities	-0.3	0.52	-0.33	-0.11	0.3	0.22	0.63	1.22	0.63	0.99	-1.87	
Education	0.06	0.01	0.08	0.02	5.21	0.02	0.06	0	-0.02	-0.03	0.47	
Personal Expenses	0.45	0.77	0.36	0.41	0.33	0.65	0.35	0.41	0.25	0.22	1.3	
Communication	-0.16	-0.2	0.37	0.82	0.15	0.19	0.57	0.23	0.19	0.04	-0.09	
Housing	-0.34	-1	0.64	0.2	0.13	0.51	0.65	0.08	0.23	0.07	0.64	
Transportation	0.11	0.22	0.74	0.6	0.74	1.64	0.06	-0.46	0.17	0.05	-0.86	
Food	0.01	-0.01	0.27	0.23	0.26	1.56	1.34	1.33	-0.24	-0.67	-0.34	
	out/2025	nov/2025	dez/2025	jan/2026	fev/2026	mar/2026	abr/2026	mai/2026	jun/2026	jul/2026	ago/2026	

Economic activity loses steam in July. After stronger results earlier in the year, Brazil's economy is showing signs of slowing. According to the PMC, core retail sales fell 0.8% MoM (+1.2% YoY) from June to July, while broad retail sales rose 0.4% MoM (+1.8% YoY). The PMS showed flat real service revenue (+0.9% YoY), with weakness in Information & Communication offset by gains in Transportation. Industrial output, measured by the PIM, rose 0.2% MoM (-0.5% YoY). Retail, services and industry continue to face headwinds. Domestically, high interest rates and strained household finances are weighing on activity. Externally, higher oil prices, the end of the low-value import tax exemption, and new U.S. tariffs on Brazilian goods have added pressure.

GDP slows in the second quarter. According to the IBGE, Brazil's GDP grew 0.5% QoQ (+2.0% YoY), down from 1.1% QoQ in the previous quarter. Agriculture expanded 2.8% QoQ, driven by record harvests and continued growth in livestock production. More sensitive to the business cycle, Industry (+0.1% QoQ) and Services (+0.2% QoQ) posted only modest gains. Looking at the expenditure side of GDP, growth was supported by Government Consumption (+0.4% QoQ), Gross Fixed Capital Formation (GFCF) (+1.2% QoQ), and Imports (+1.8% QoQ). In contrast, Household Consumption (-0.4% QoQ) and Exports (-0.8% QoQ) declined during the quarter.

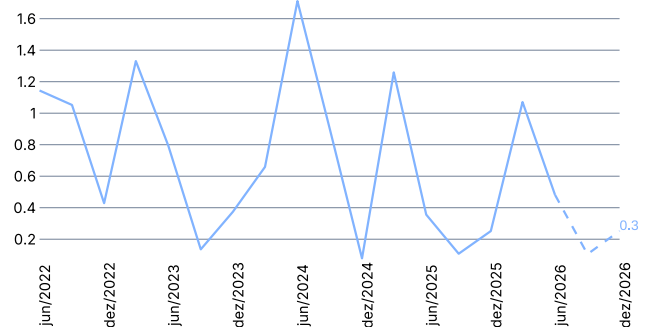
Heatmap of Economic Activity

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



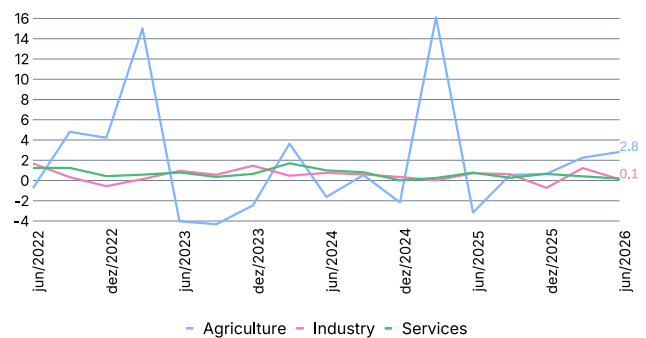
Real GDP

Quarterly change (%), seasonally adjusted. Source: IBGE. Elaboration: 4intelligence



GDP by production sector

Quarterly change (%), seasonally adjusted. Source: IBGE. Elaboration: 4intelligence



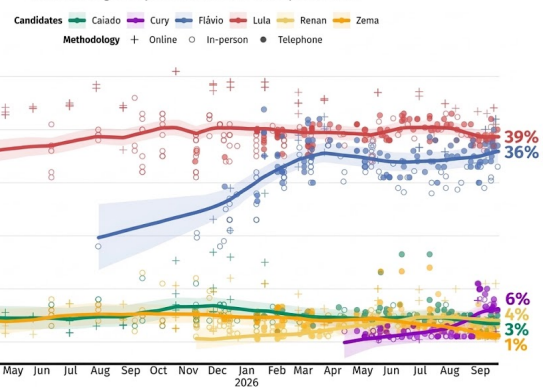
Politics

Election race remains too close to call. Recent weeks have been marked by events that have added uncertainty to the political landscape, notably the crisis involving the Supreme Federal Court (STF) and new developments in the Banco Master case. Against this backdrop, Flávio Bolsonaro's first-round voting intentions rose to 36%, according to 4intelligence's poll aggregator, while support for Lula declined to 39%. Given the margin of error, the two candidates are considered statistically tied, pointing to a highly competitive runoff election.

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Poll Aggregator - 1st Round

Estimates weighted by institutional error in the past election



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