

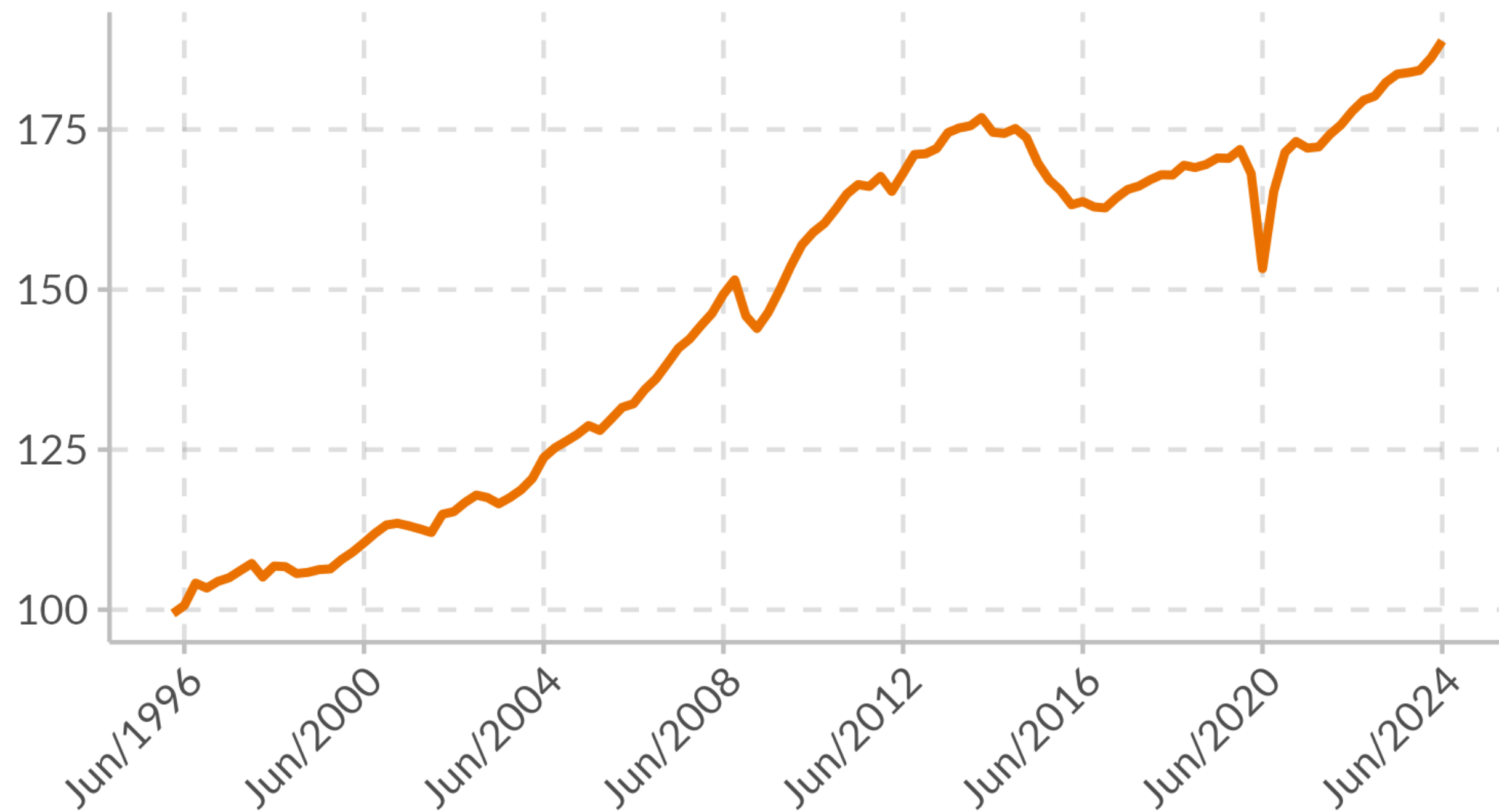
Economic Outlook

22/10/2024



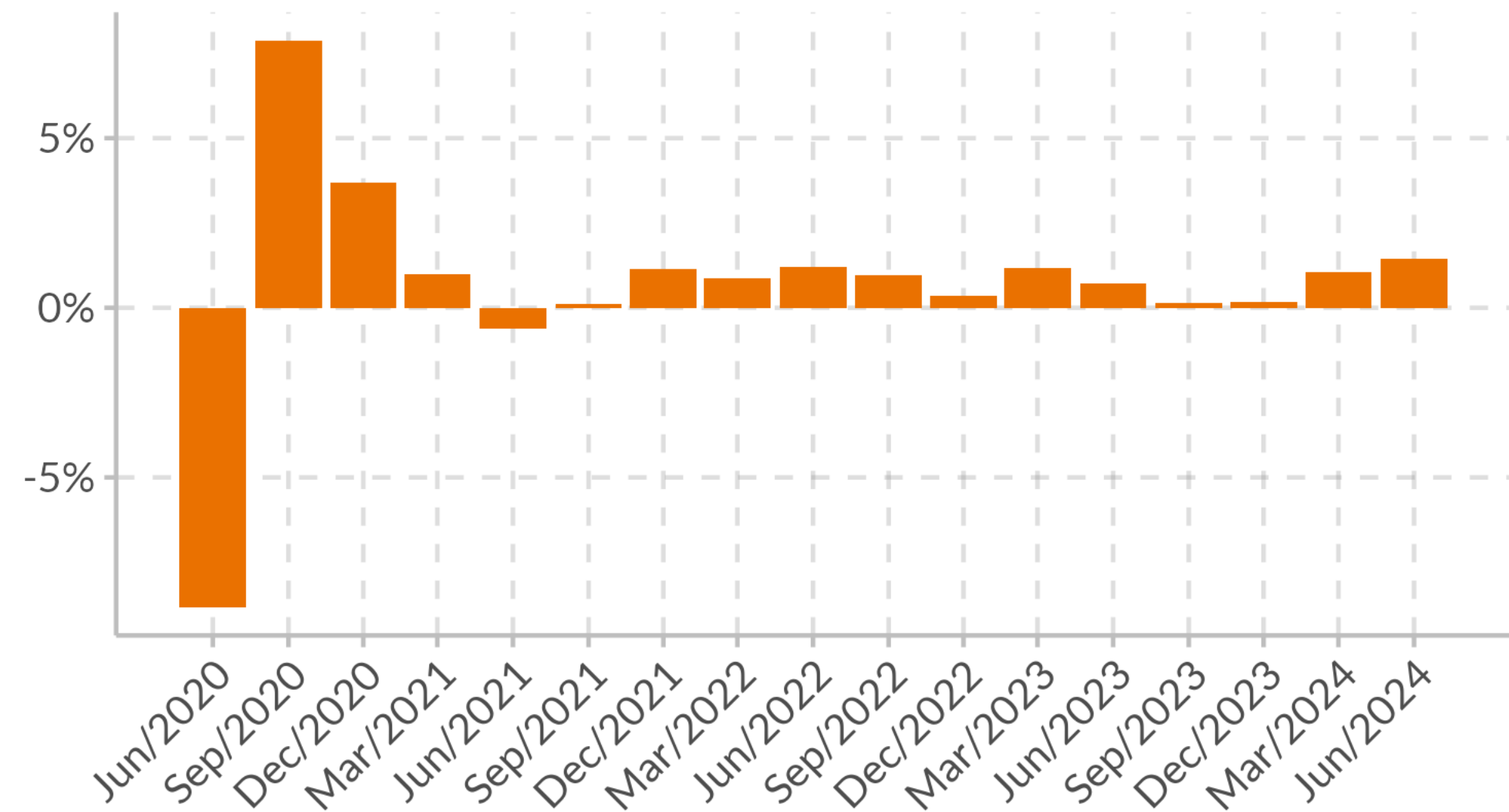
📈 Brazil GDP growth has surprised on the upside

Seasonally Adjusted GDP Index



Source: IBGE, Inter; Base date: Jun/2024

Quarterly GDP Growth

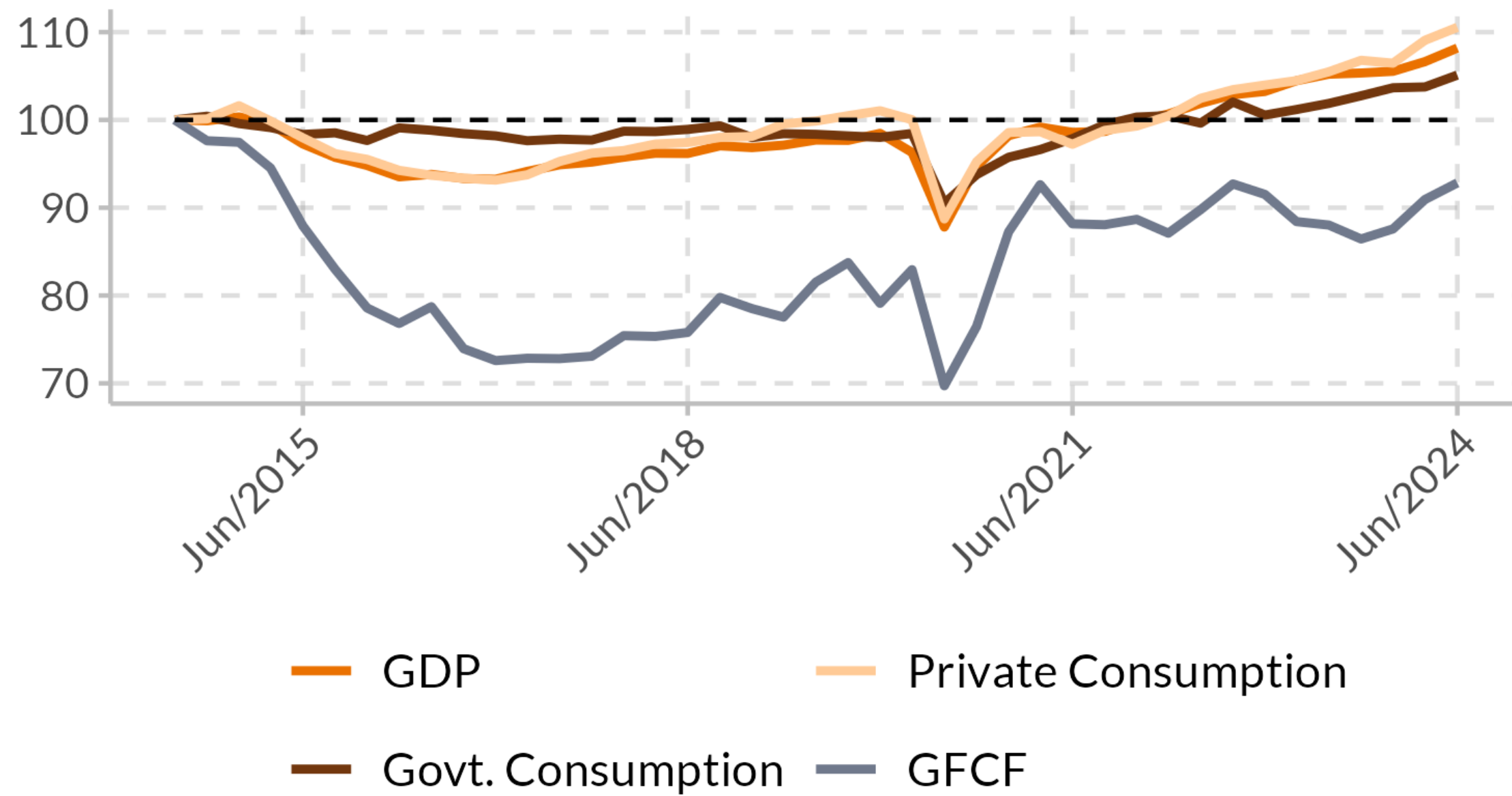


Fonte: IBGE, Inter; Data-base: Jun/2024

Consumption still grows faster than investments

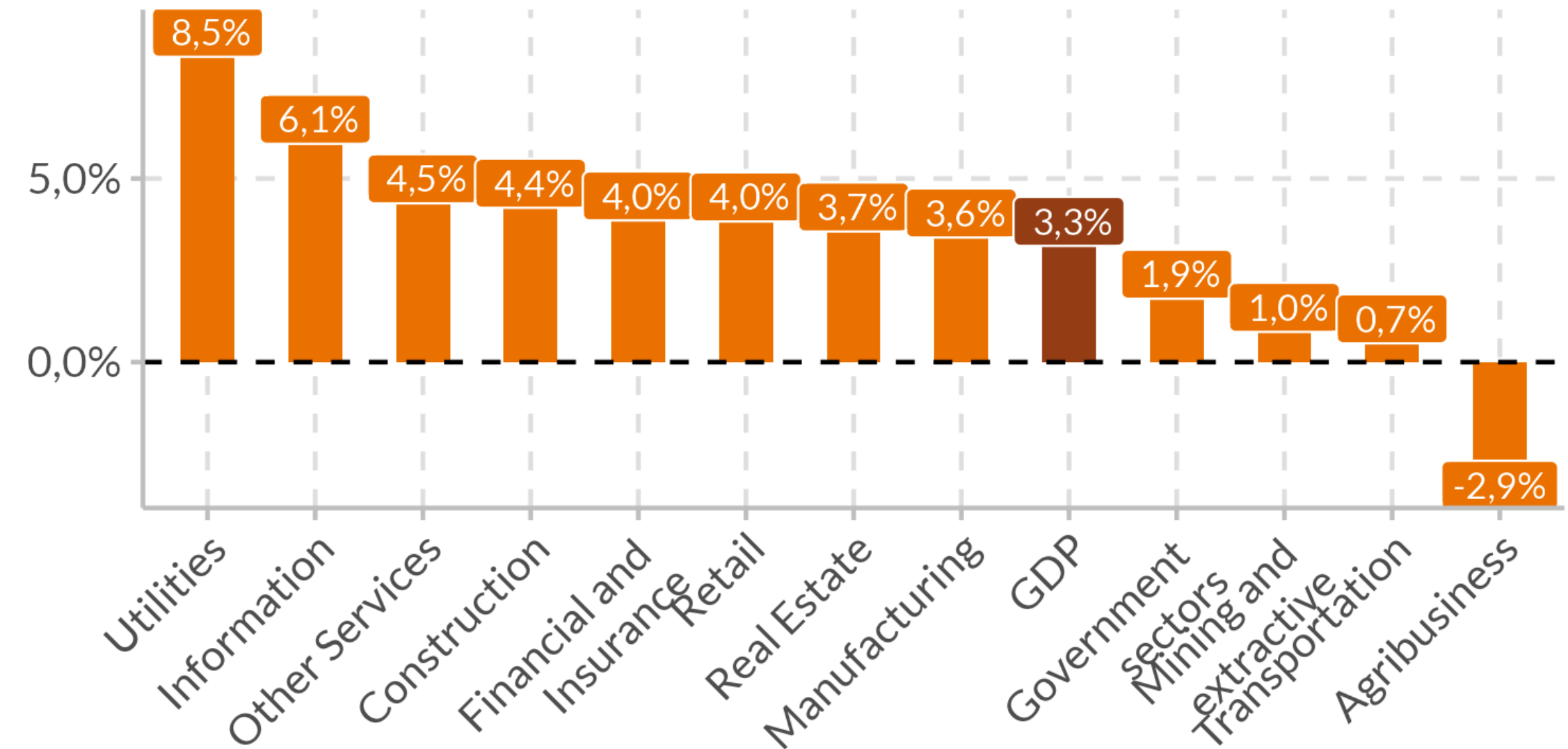
GDP by Final Demand Component

Jun/2014 = 100



Source: IBGE, Inter; Base date: Jun/2024

GDP and Subsectors YoY

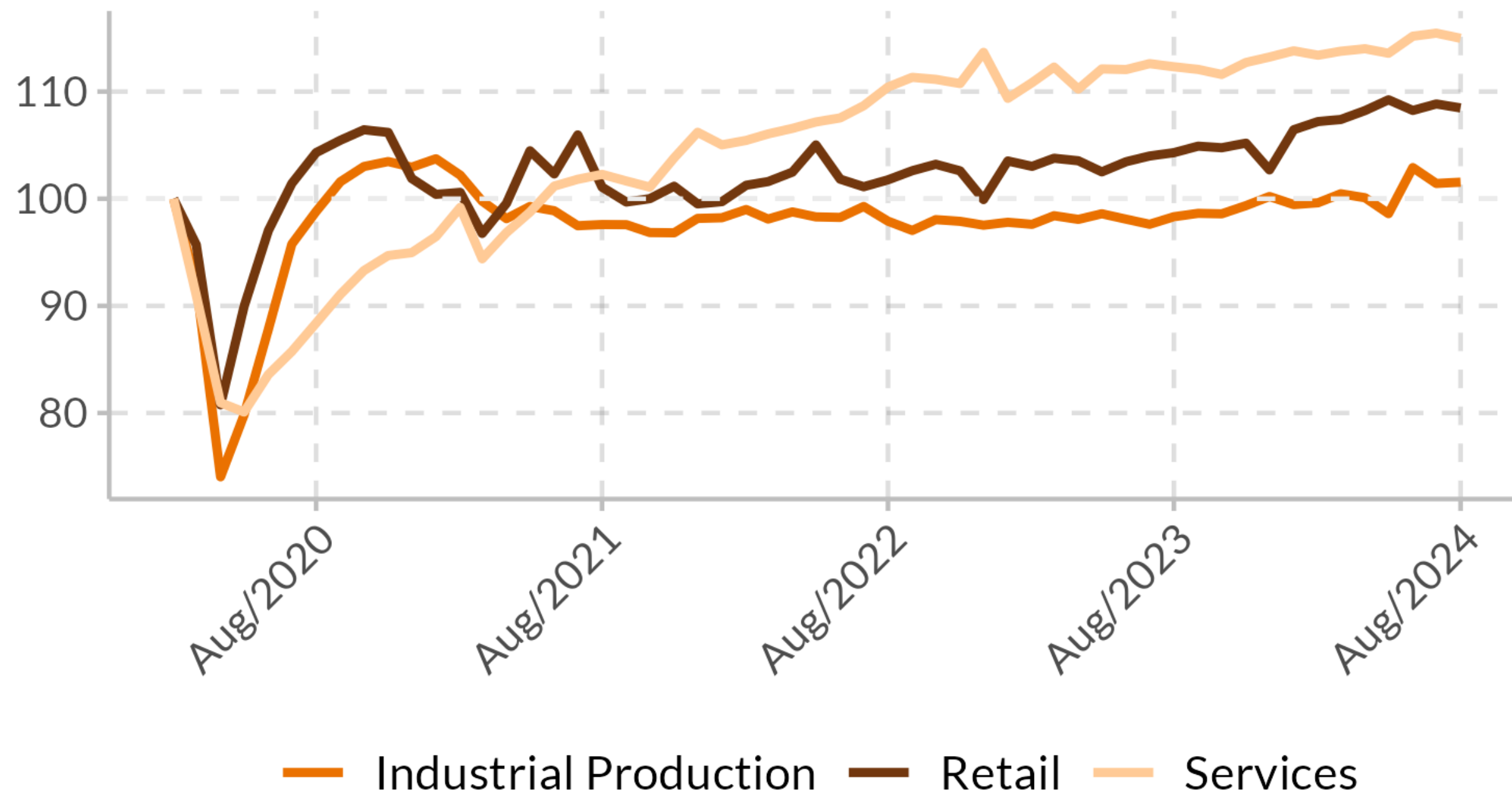


Source: IBGE, Inter; Base date: Jun/2024

Slowdown is expected (and welcome)

Activity level

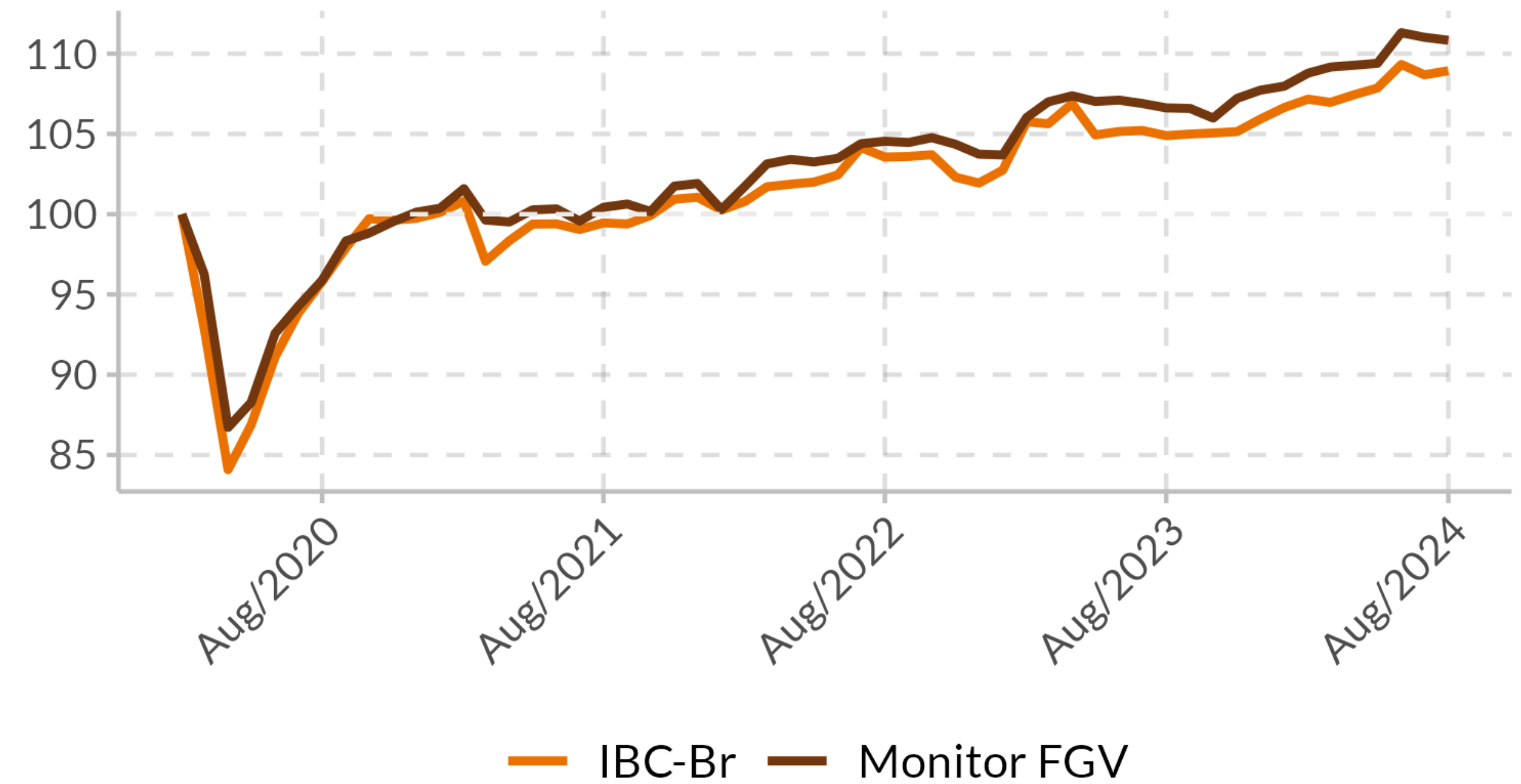
Index 100 = Feb/2020



Source: IBGE, Inter; Base date: Aug/2024

Measures of Monthly GDP

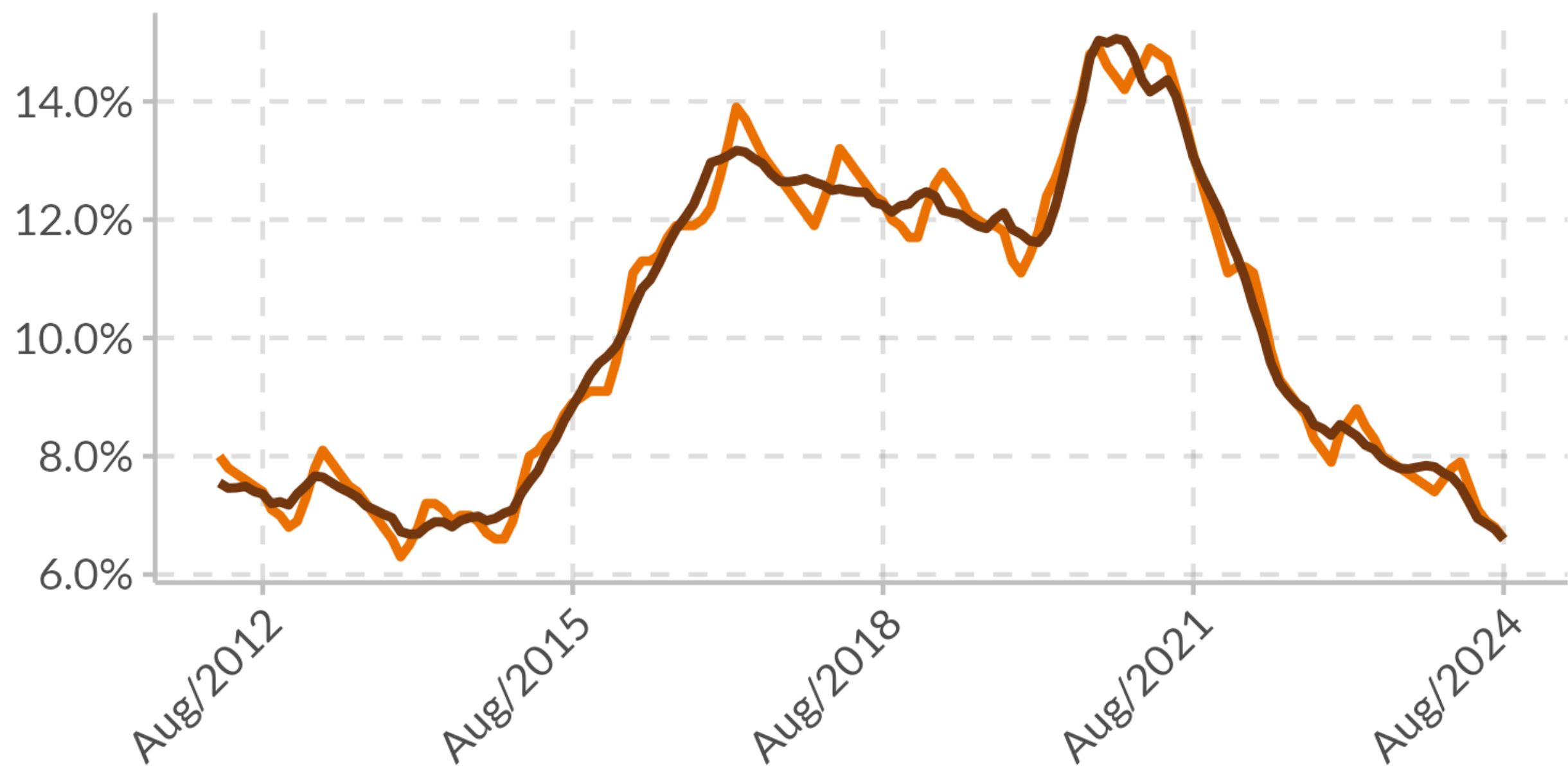
Index 100 = Feb/2020



Source: BCB, FGV, Inter; Base date: Aug/2024

Employment level is at an all time high

Unemployment Rate

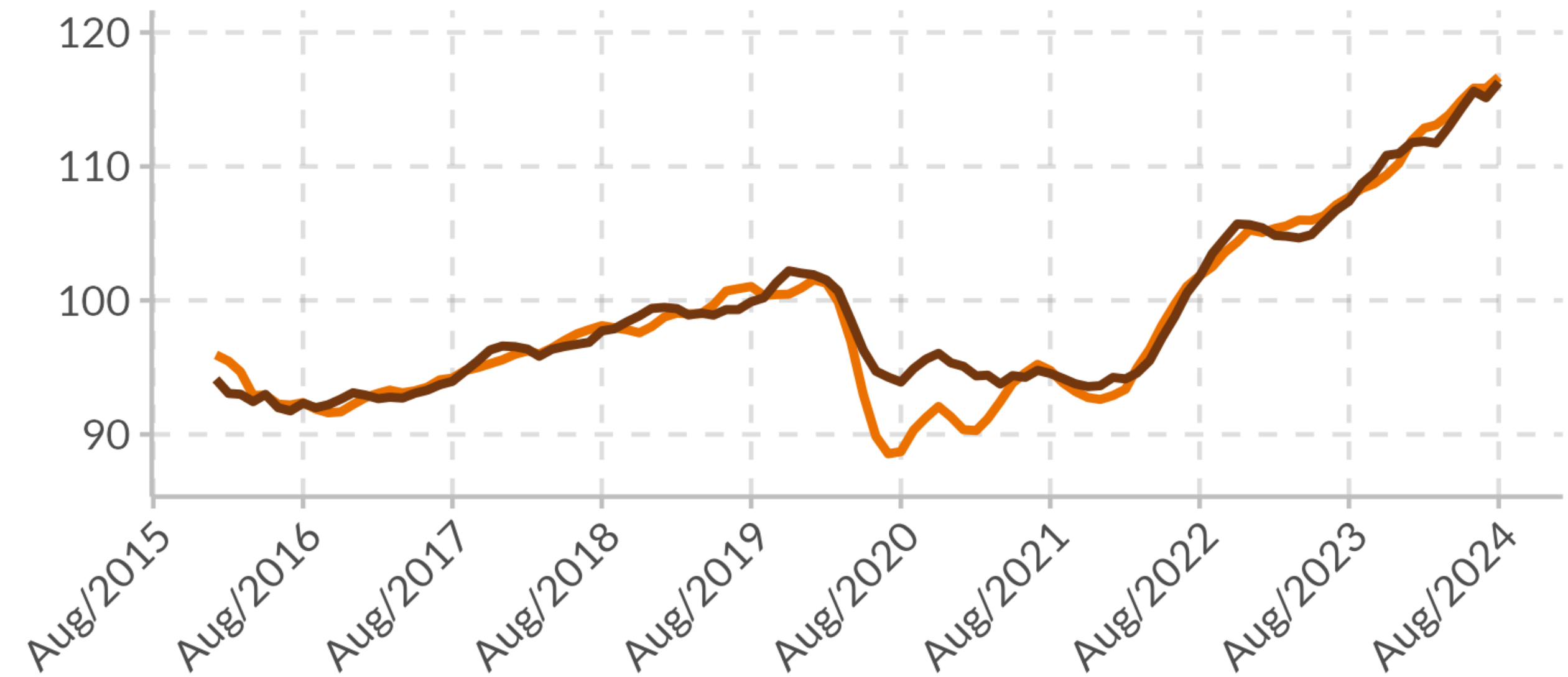


— Not Seasonally Adjusted
 — Seasonally Adjusted

Source: IBGE, Inter; Base date: Ago/2024

Aggregate Real Income

Avg. 2019 = 100, seasonally adjusted



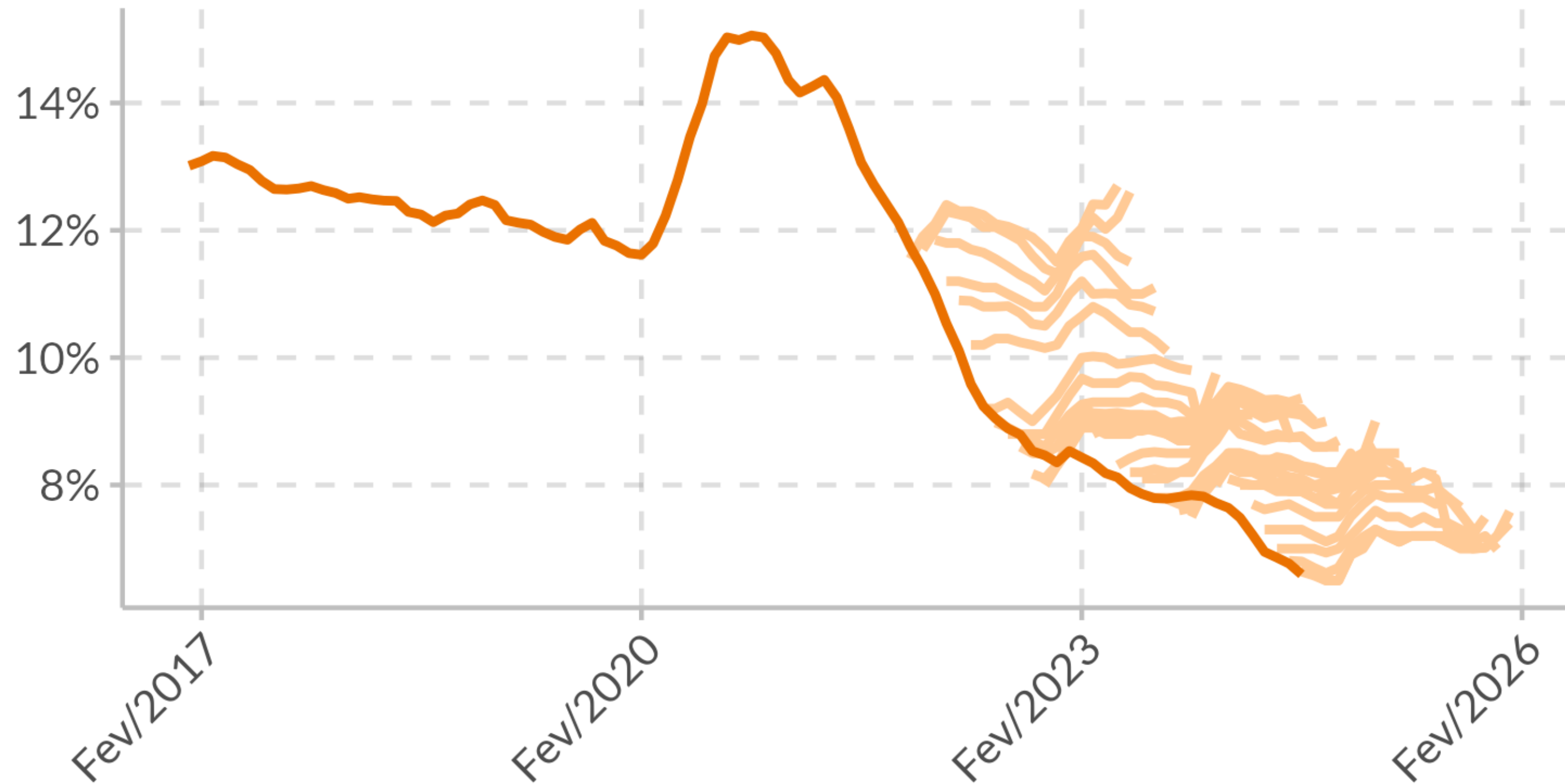
— Effective
 — Usual

Source: IBGE, Inter; Base date: Aug/2024

🏢 Employment forecast has missed consistently

Unemployment rate vs. Focus's forecasts

Seasonally adjusted



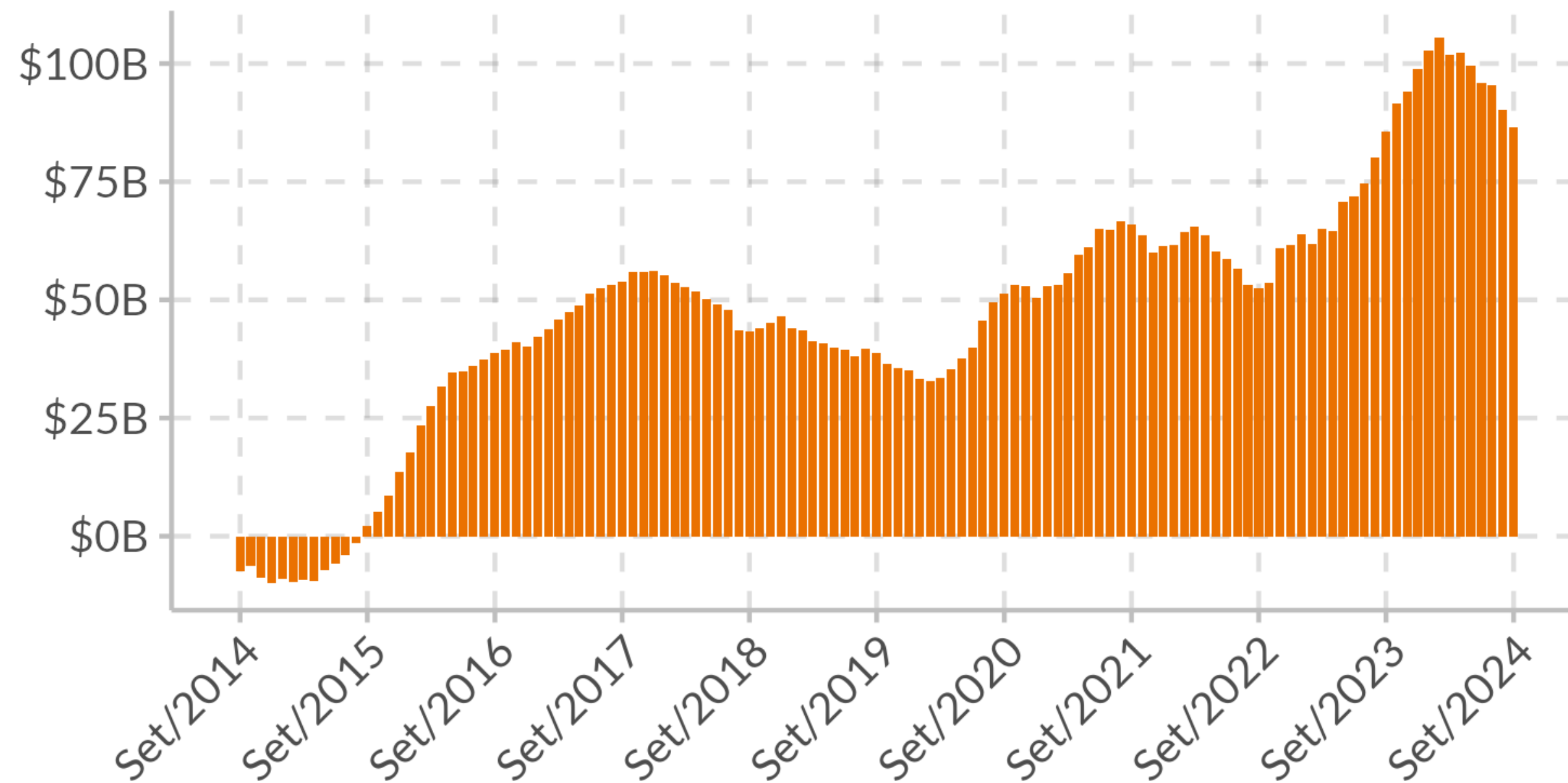
Source: IBGE, Inter; Base date: Ago/2024



Trade balance has remained strong

Trade Balance (US\$)

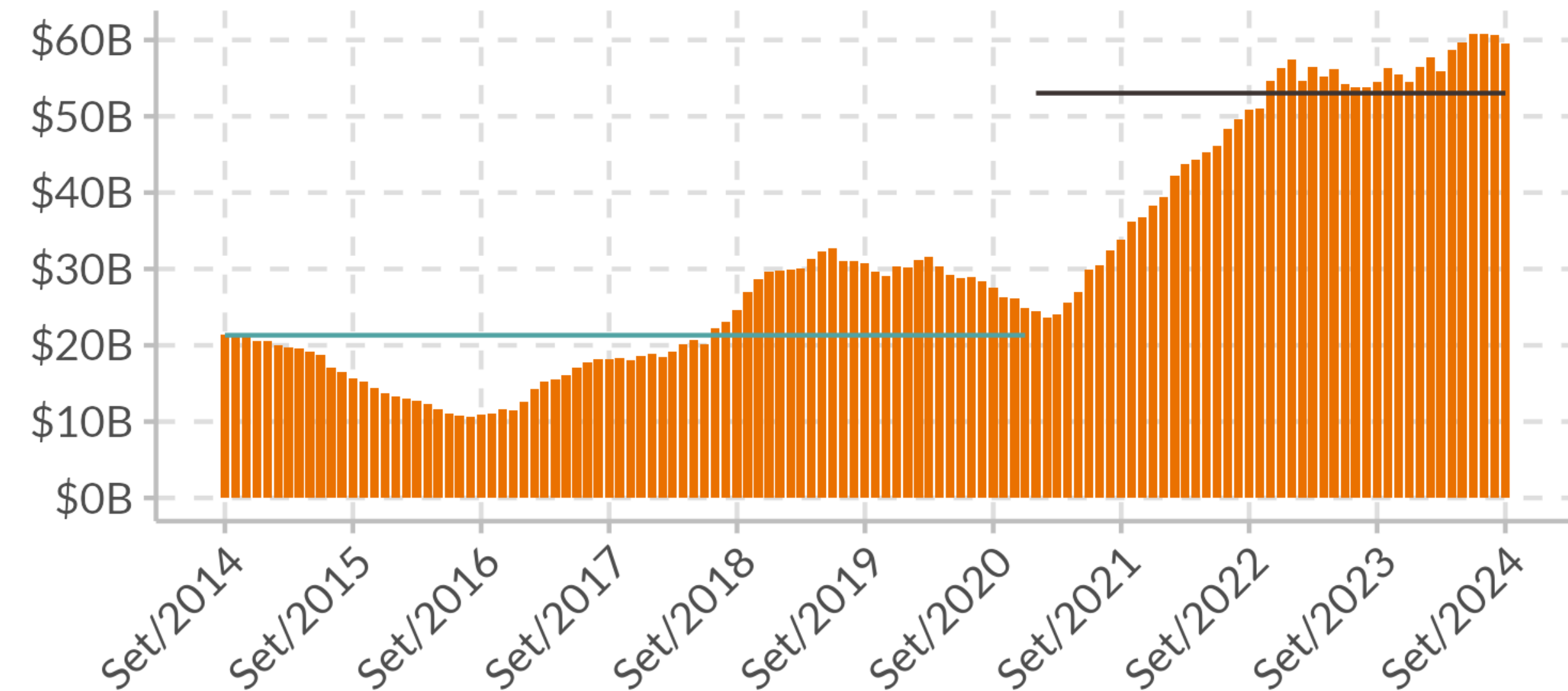
Accumulated in the past 12 months



Fonte: MDIC, Inter; Data-base: Set/2024

Oil exports

In USD, accumulated in the past 12 months



— Post-2021 Average — Pre-2021 Average

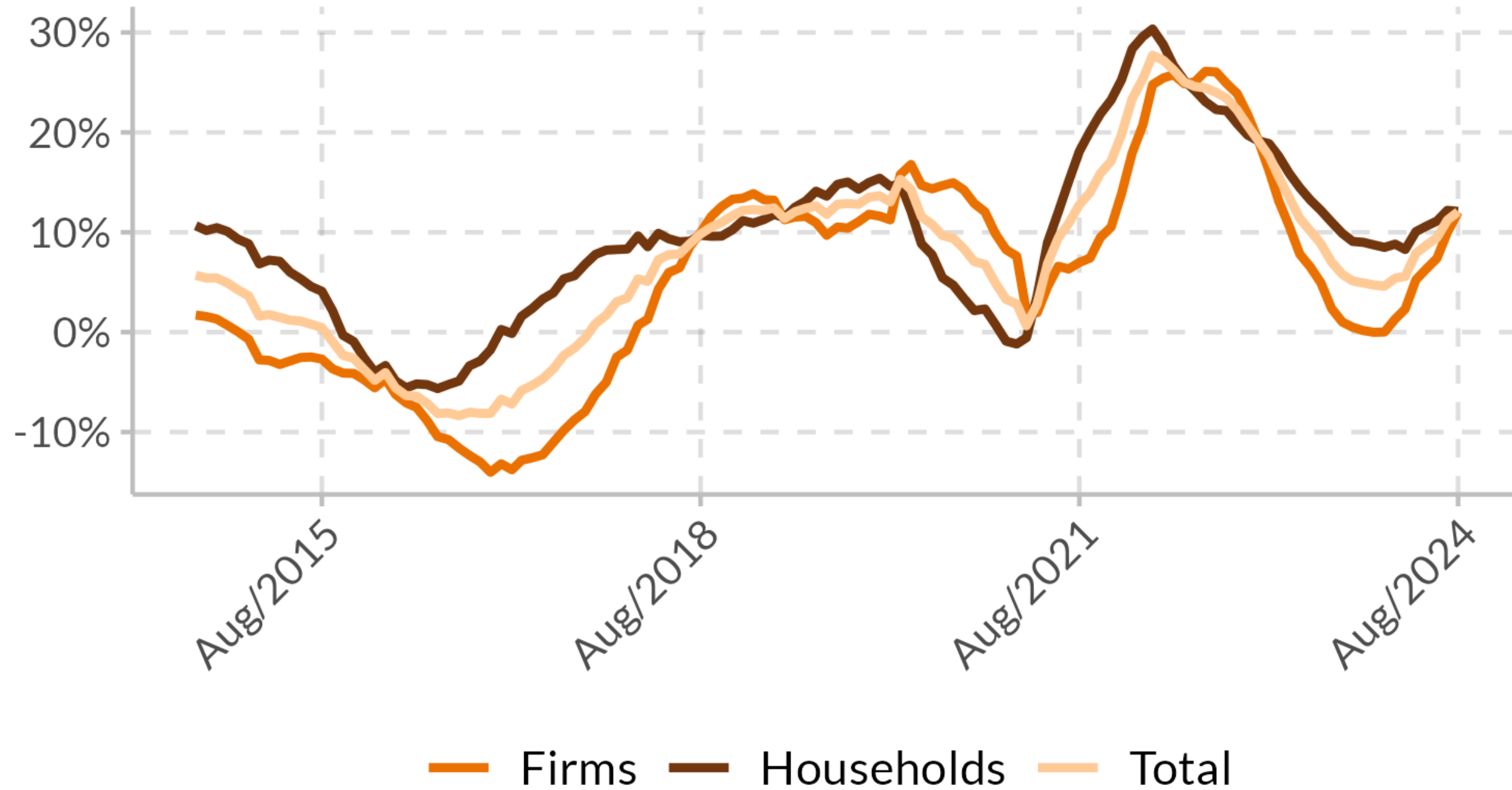
Fonte: MDIC, Inter; Data-base: Set/2024



Credit growth at early stages

New Credit Issuance

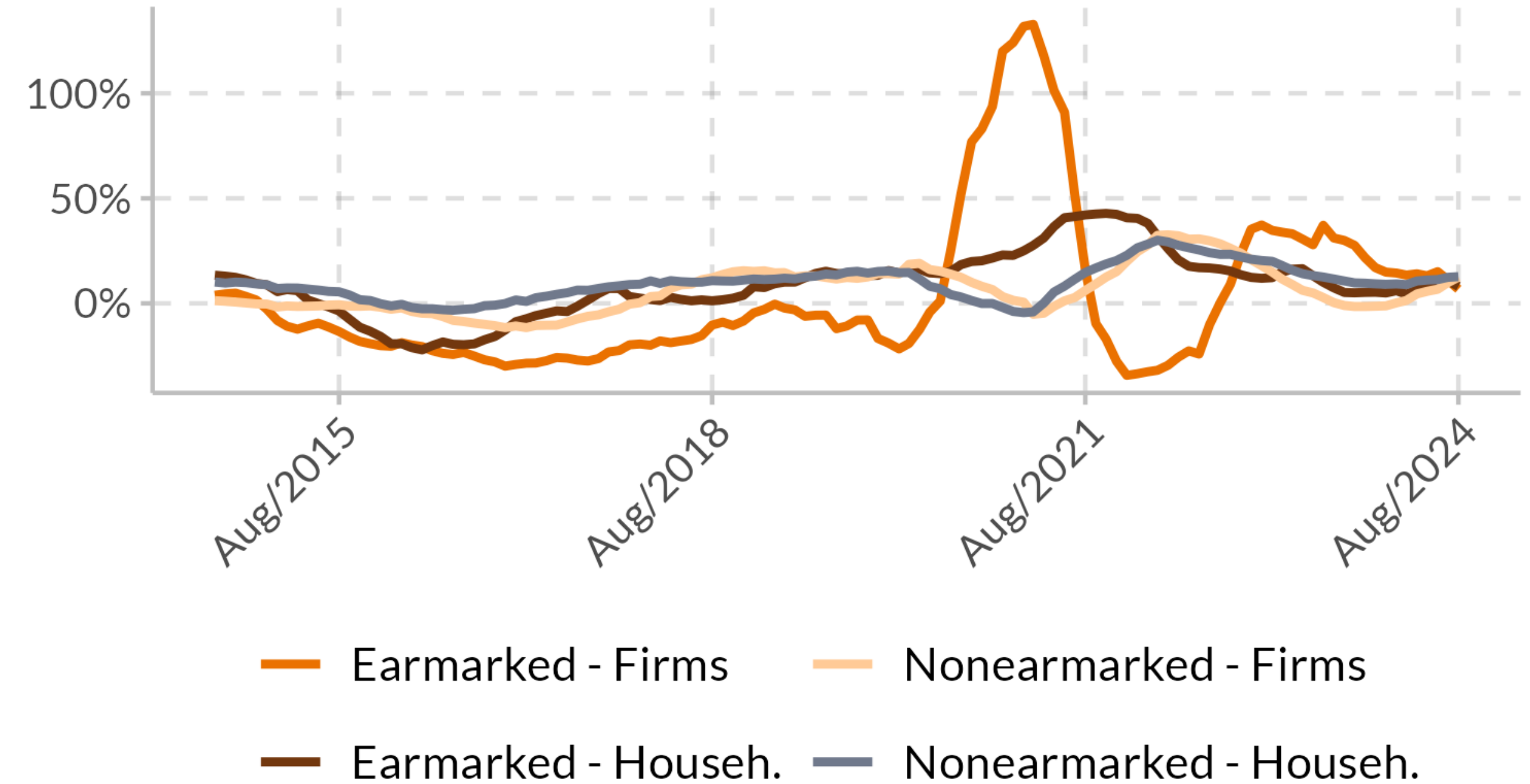
12-month accumulated change



Source: BCB, Inter; Base date: Aug/2024

Issuance of Earmarked and Non earmarked Credit

12-month accumulated change

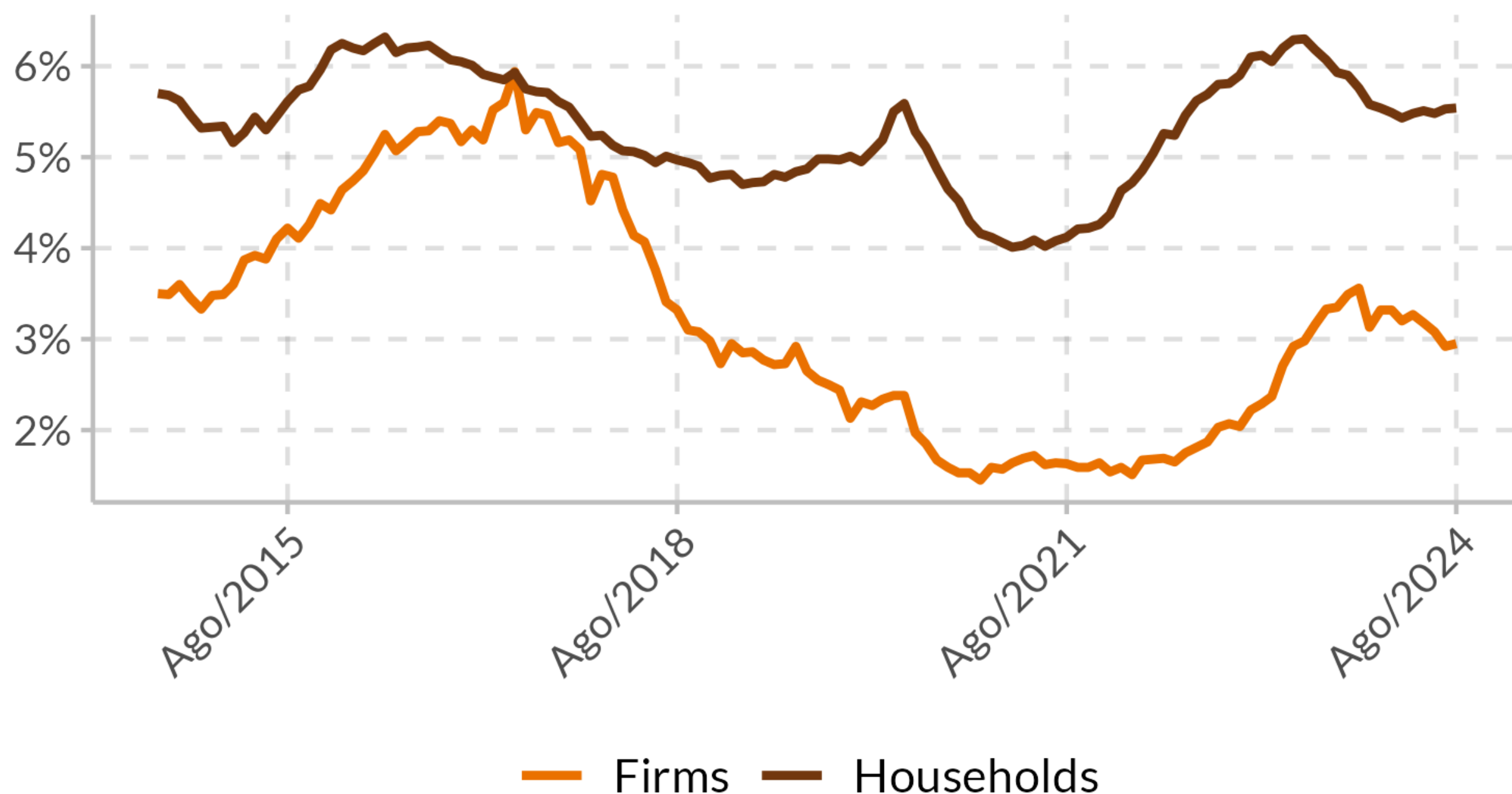


Source: BCB, Inter; Base date: Aug/2024



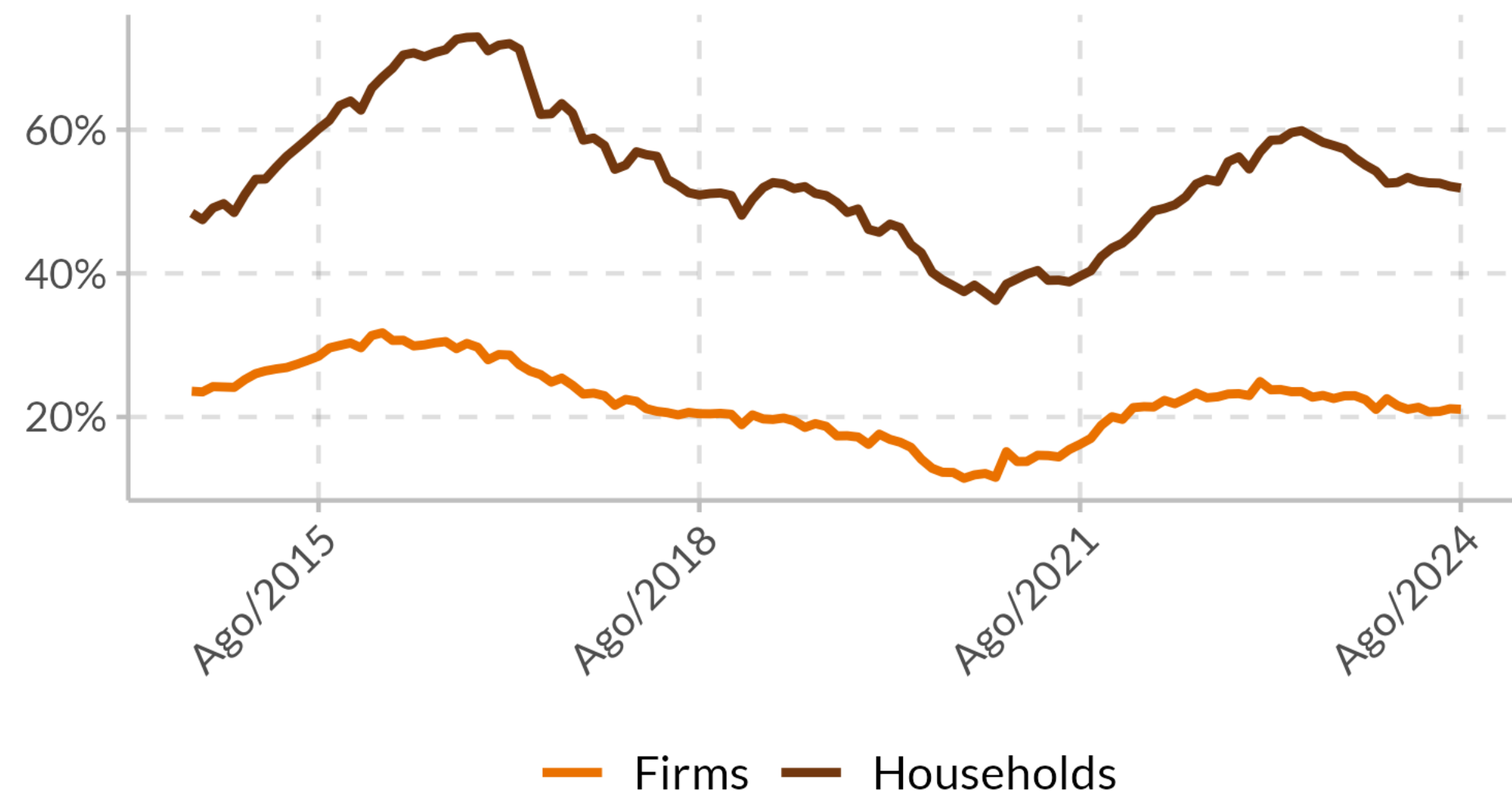
Interest rates and delinquency relative to monetary tightening

Delinquency Rates - Nonarmarked Credit



Fonte: BCB, Inter; Data-base: Aug/2024

Average APR - Nonarmarked Credit

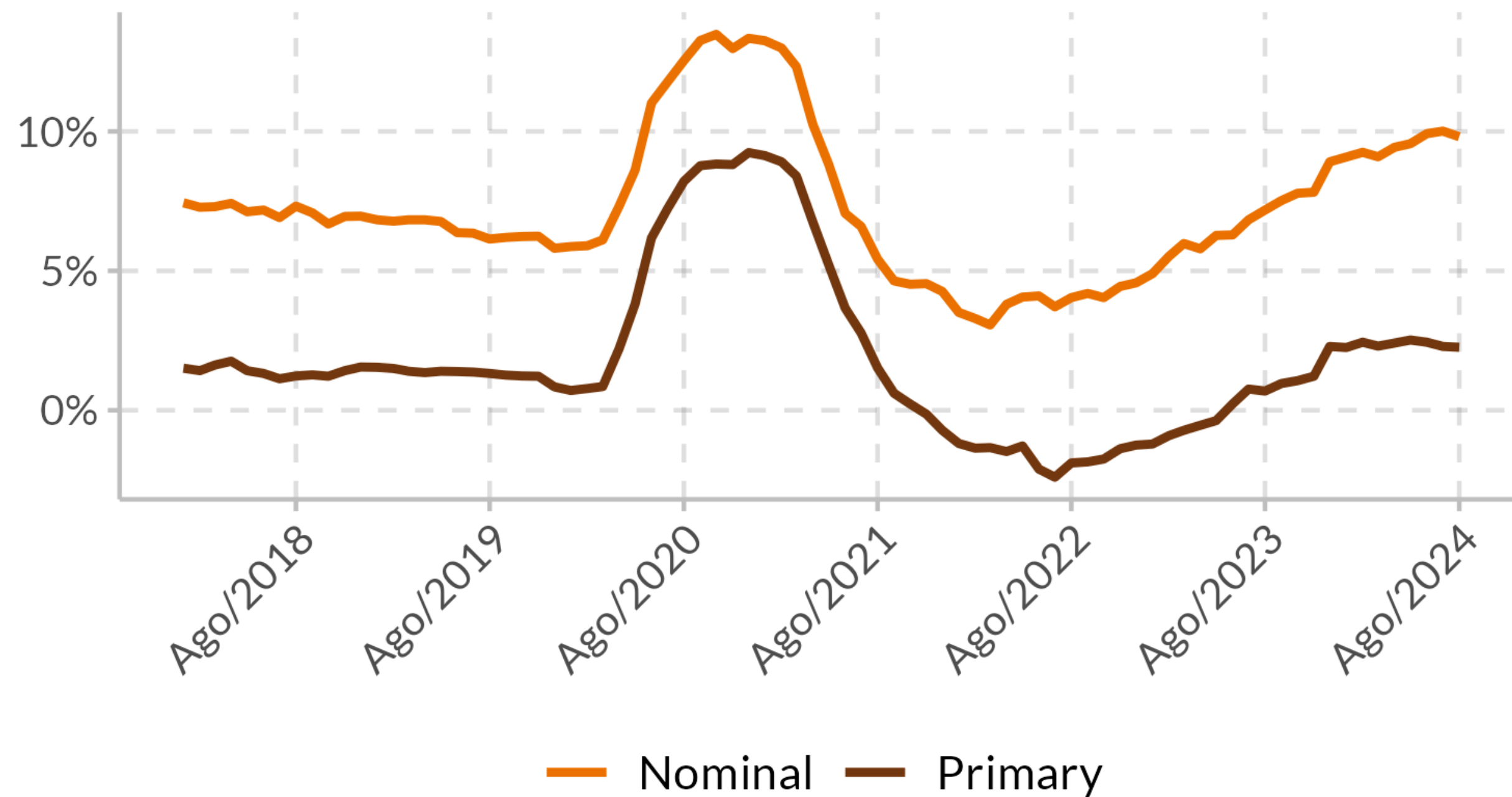


Fonte: BCB, Inter; Data-base: Ago/2024

Fiscal expansion and public debt are the main risks

Government Budget Deficit

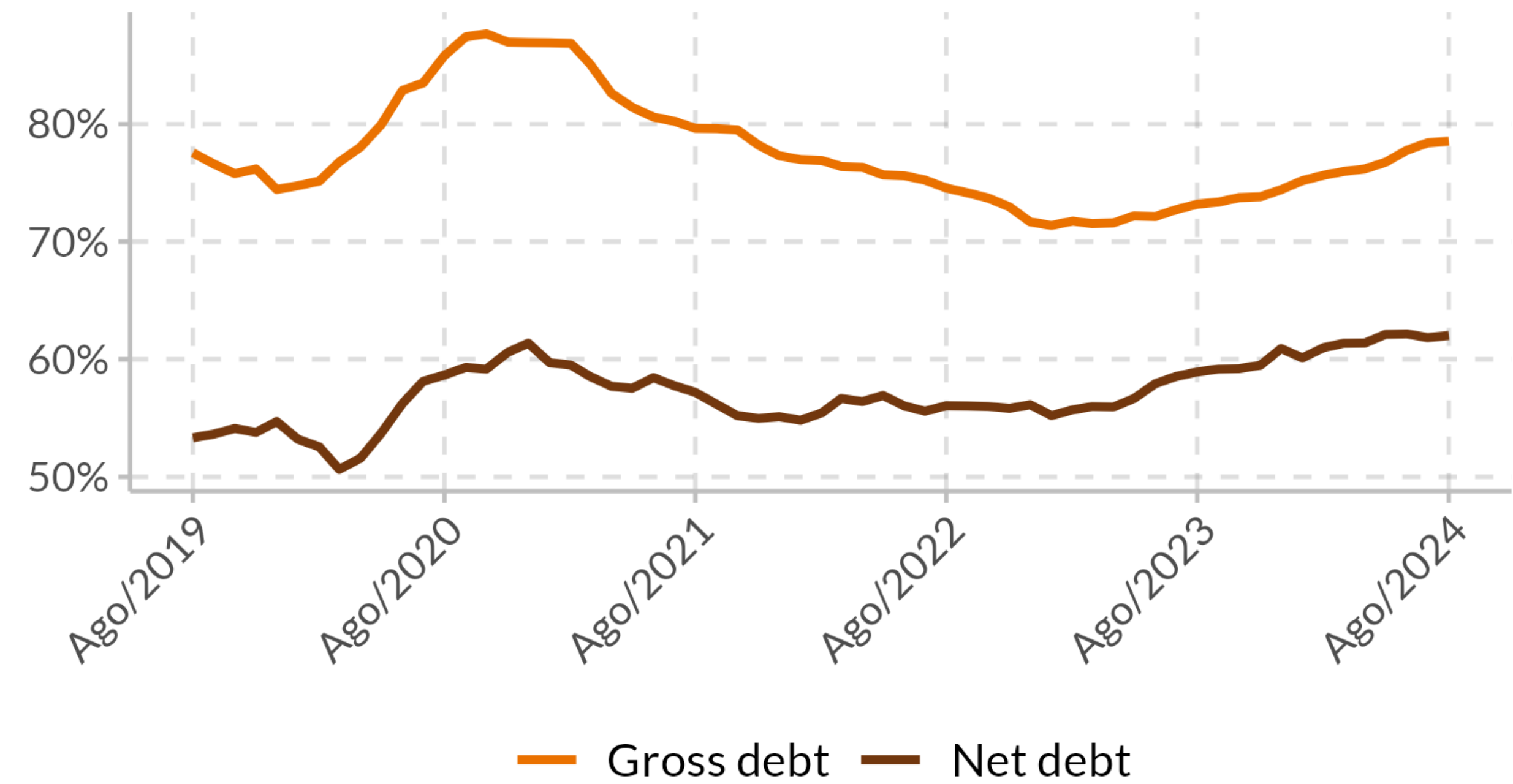
% of GDP



Fonte: BCB, Inter; Data-base: Ago/2024

Government debt level

% of GDP

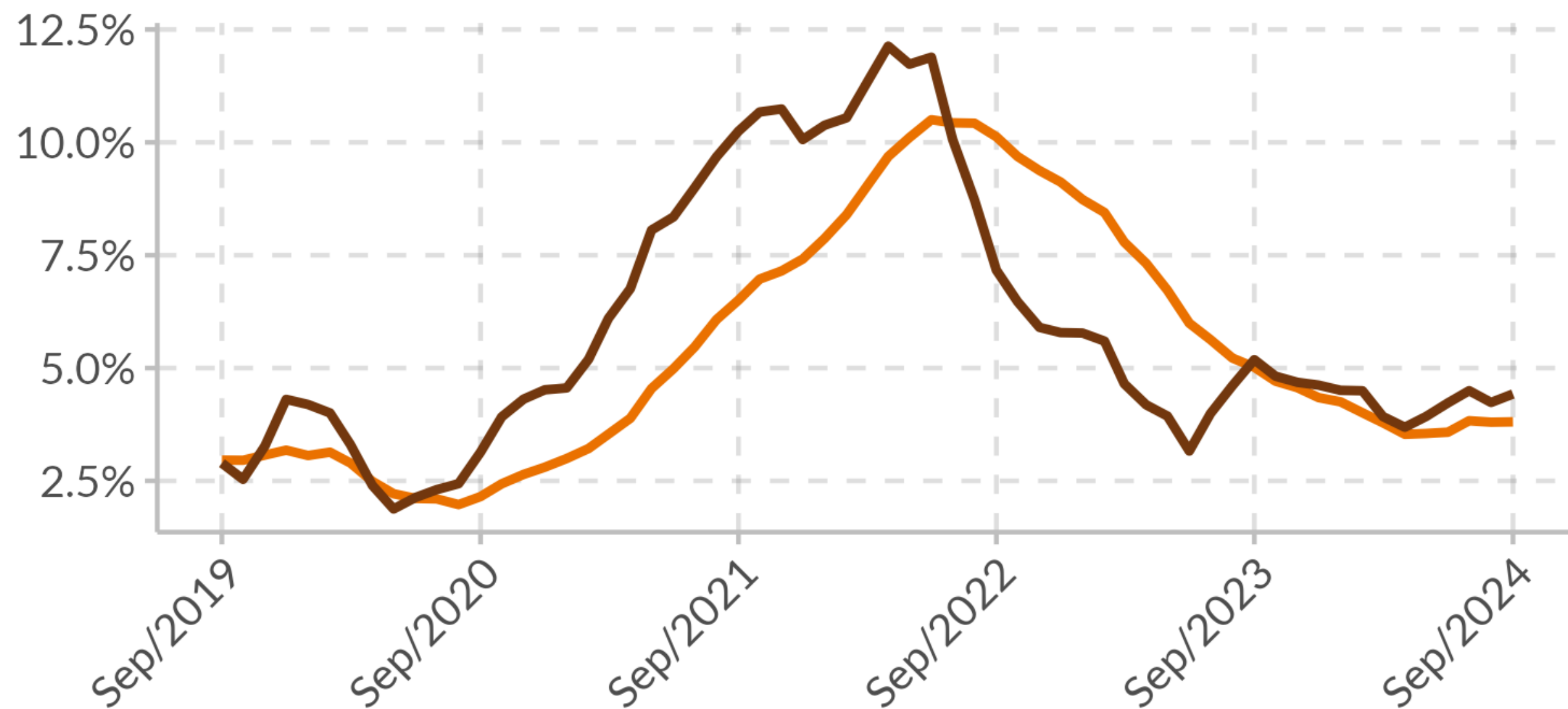


Fonte: BCB, Inter; Data-base: Aug/2024

Inflation has gradually reduced

Headline vs Core

12-month accumulated inflation

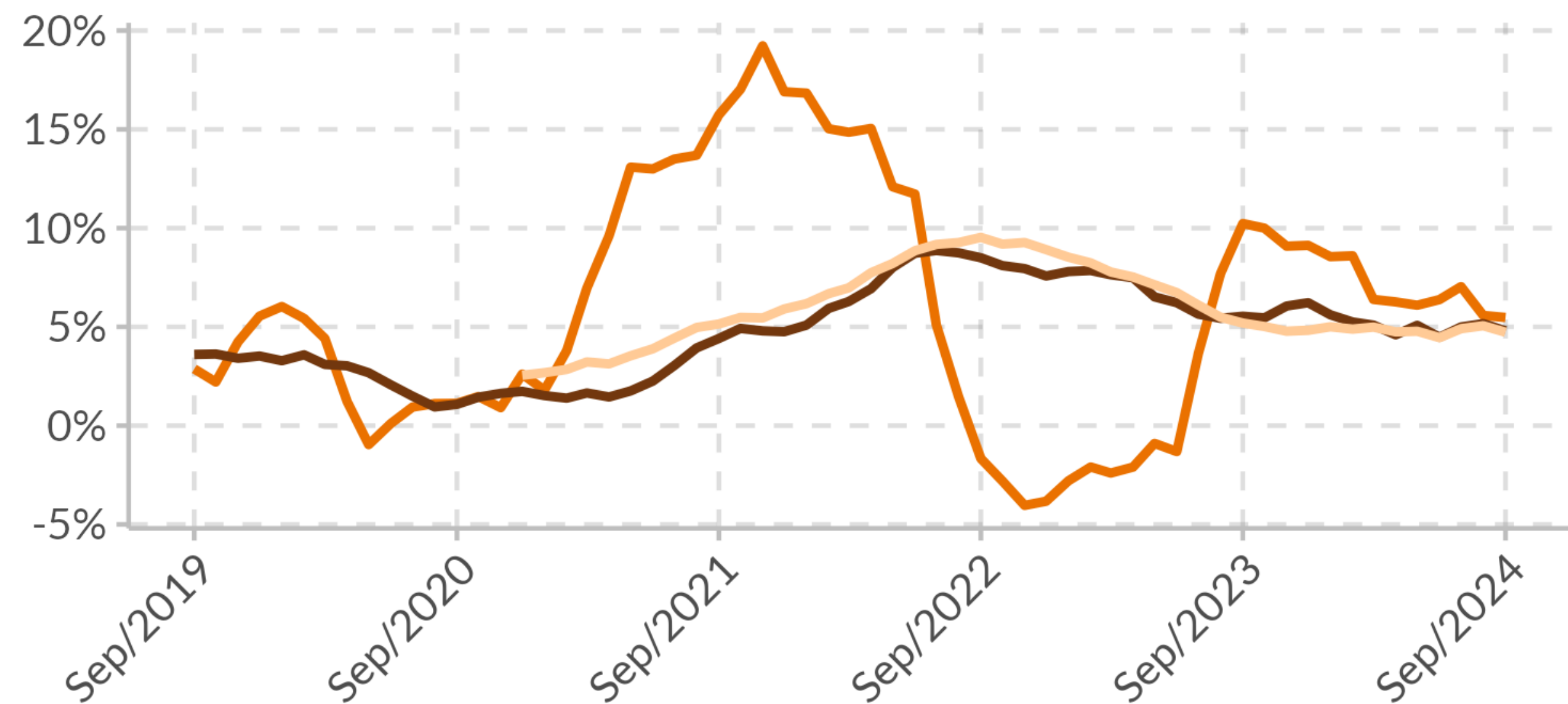


— Average of core measures — IPCA (Headline)

Source: IBGE, Inter; Base date: Set/2024

Services Inflation

12-month accumulated inflation



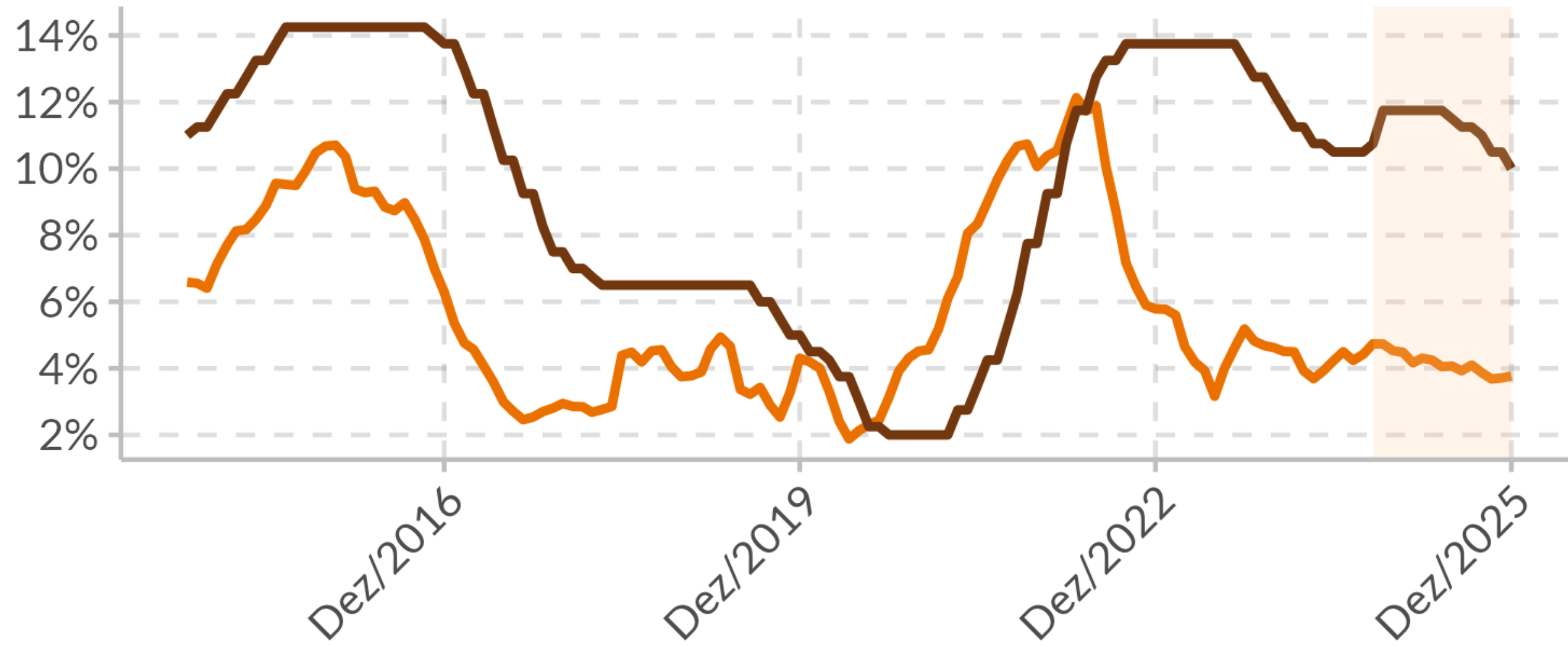
— Administred — Services — Underlying Services

Source: IBGE, Inter; Base date: Set/2024

↗ But interest rates are expected to increase again

IPCA and Selic - Inter Forecast (%)

Dec/24 - IPCA: 4.53%; Selic: 11.75%
 Dec/25 - IPCA: 3.77%; Selic: 10%

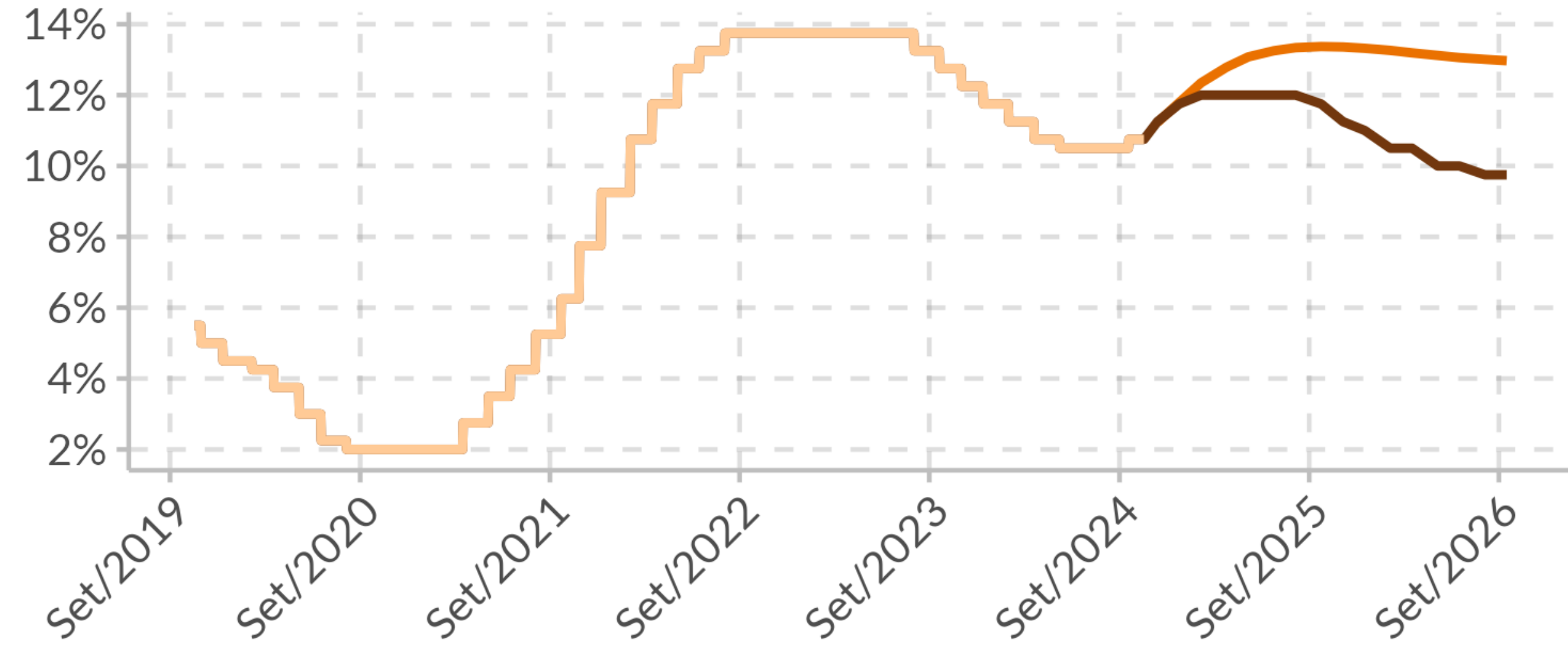


— IPCA — Selic

Fonte: BCB, IBGE, Inter; Data-base: Dec/2025

Selic's trajectory

Dec/24 - Focus: 11.75%; DI: 11.79%
 Dec/25 - Focus: 11%; DI: 13.32%



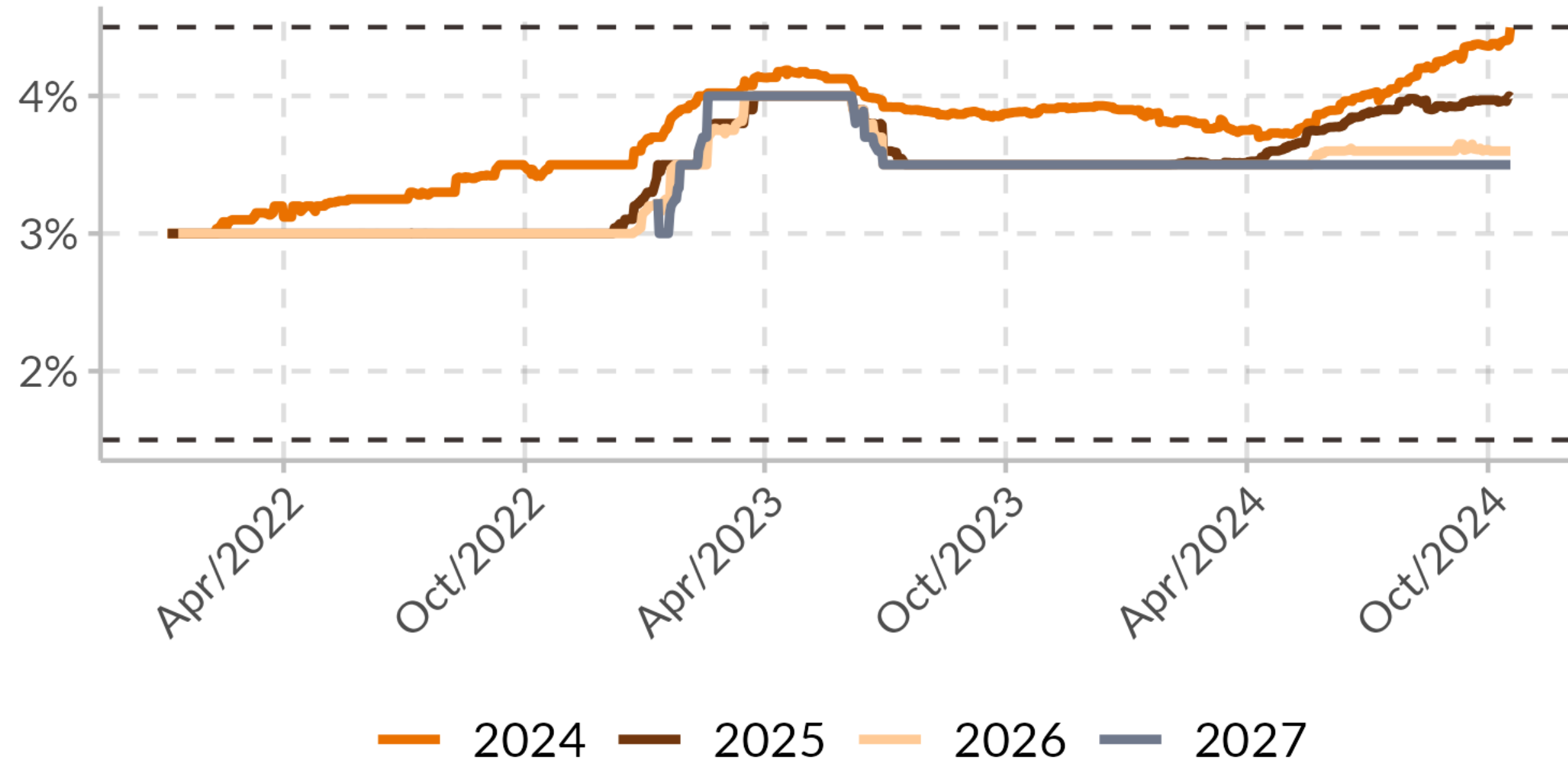
— DI curve — Focus — Selic

Source: Bloomberg, BCB, Inter. Base date: 18/10/2024

↗ Inflation expectations continue to be revised up

IPCA Expectations

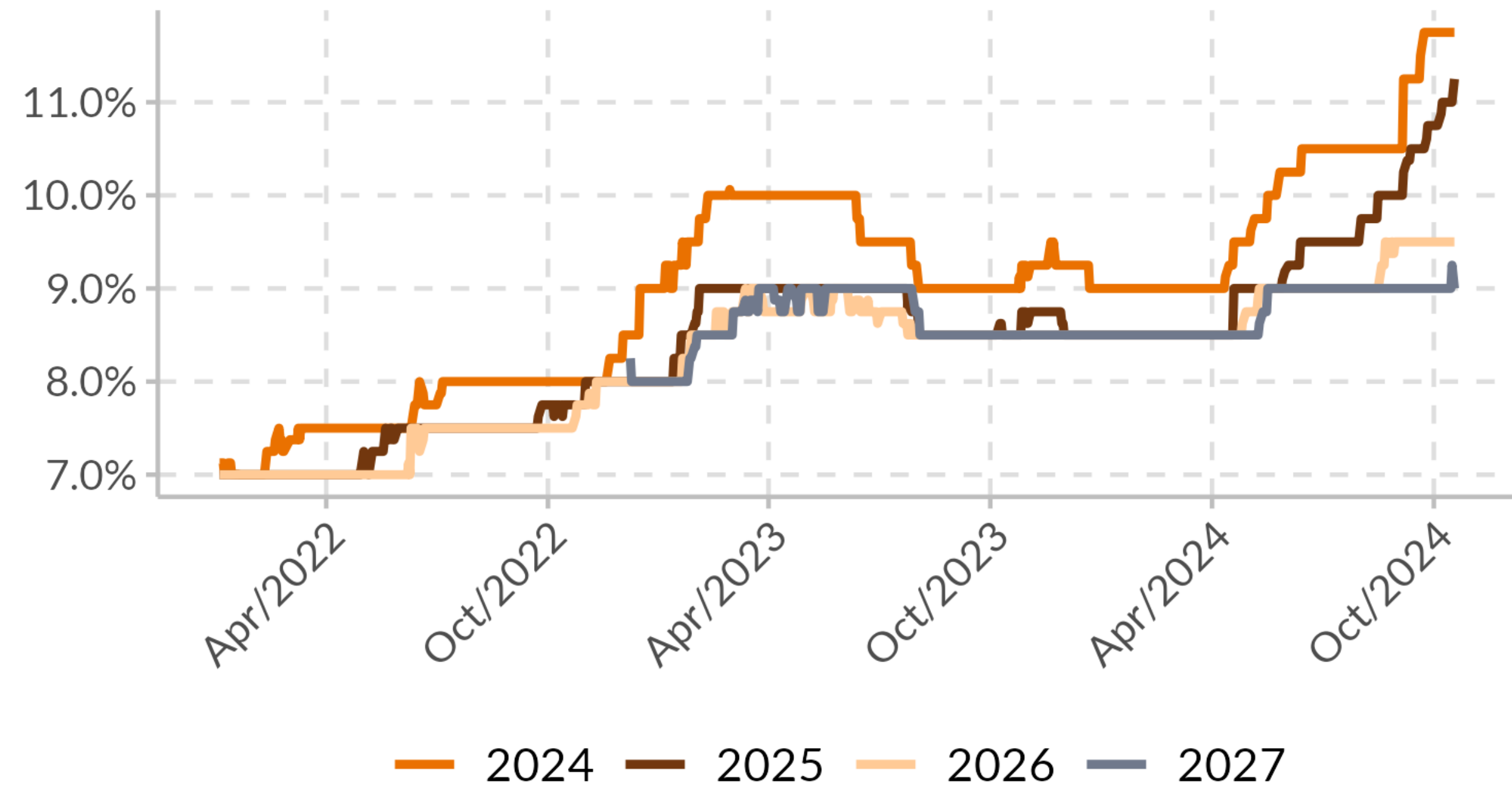
According to the Focus Bulletin
Dashed lines indicate inflation target's range



Source: BCB, Inter; Base date: 18/10/2024

Selic expectations

According to the Focus Bulletin

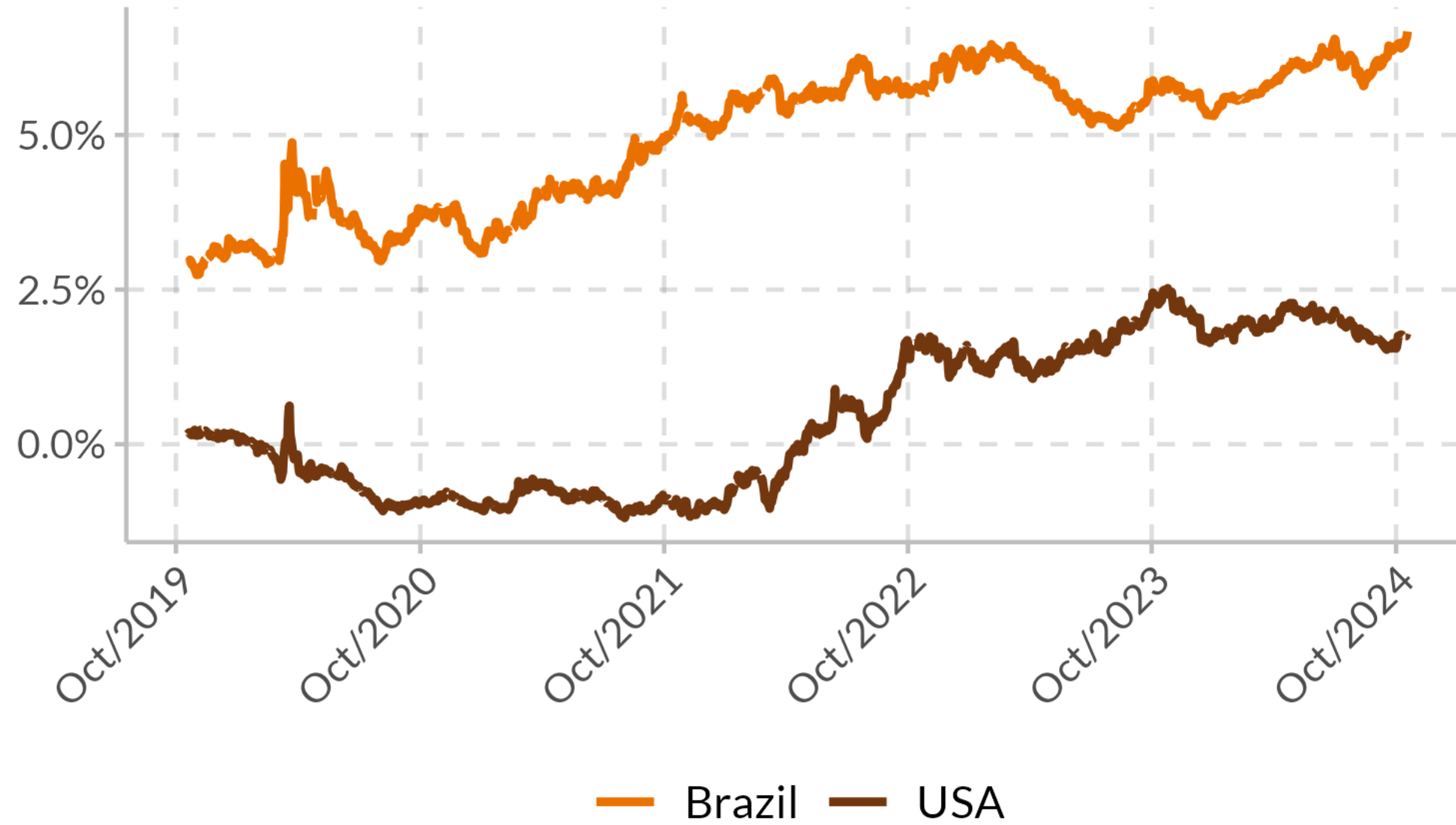


Source: BCB, Inter; Base date: 18/10/2024



Interest rate diferential has increased

10-Year Real Interest Rates



Source: Bloomberg, Inter; Base date: 18/10/2024

Brazil-US Rate Differential

10-Year Real Interest Rates

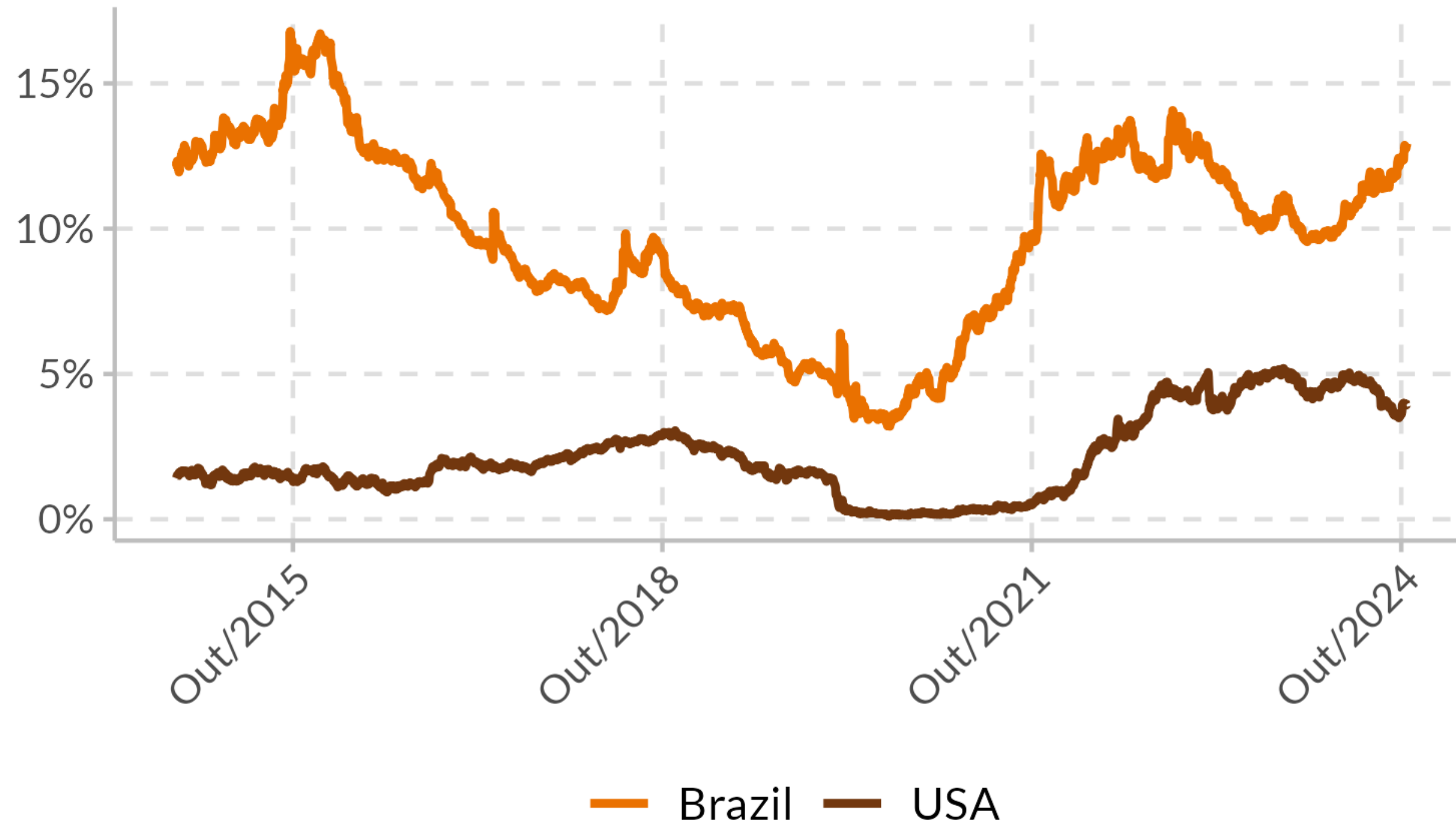


Source: Bloomberg, Inter; Base date: 17/10/2024



Interest rate diferencial has increased

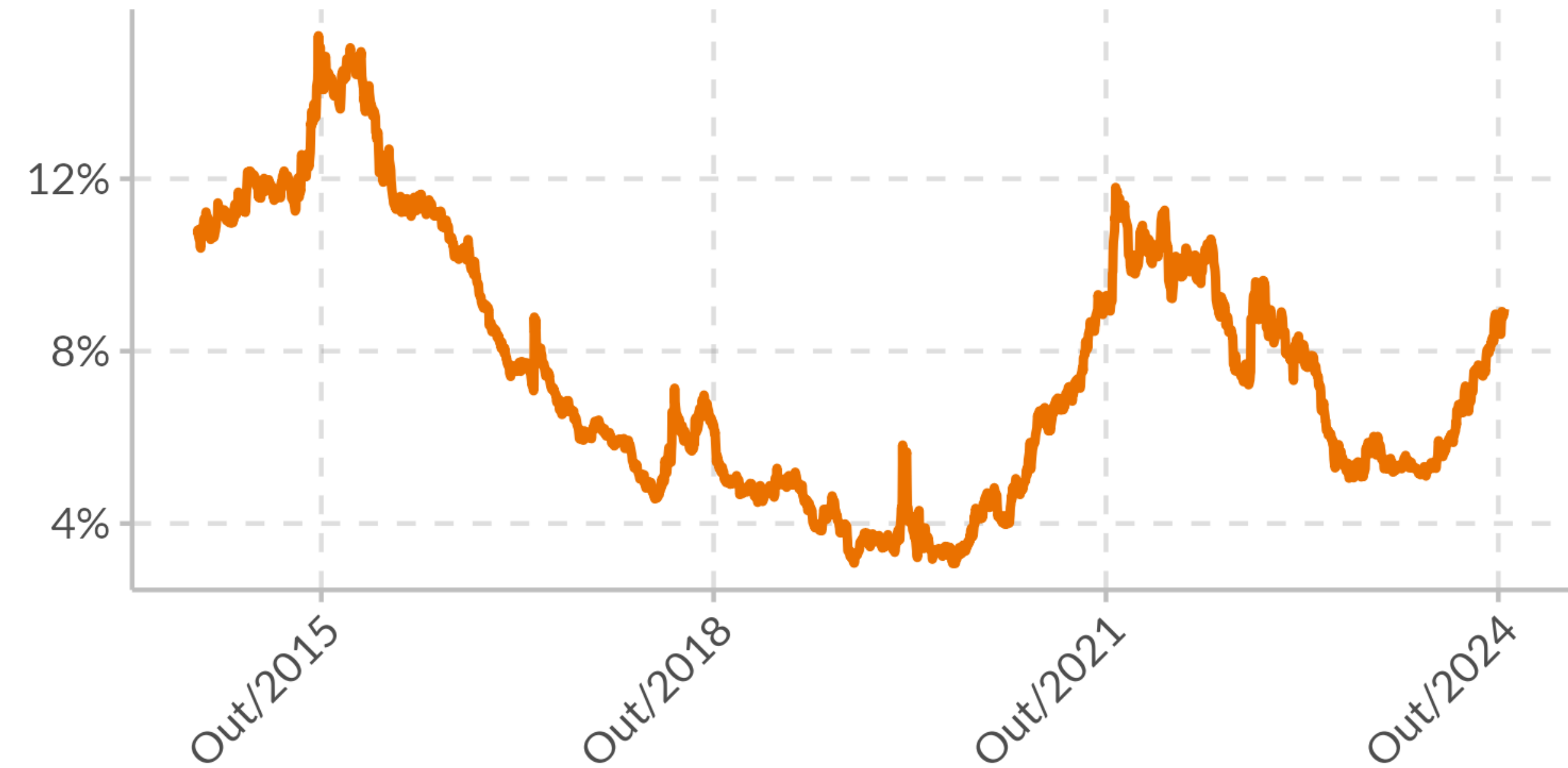
2-Year Nominal Interest Rates



Fonte: B3 and U.S. Treasury Department, Inter; Data-base: 18/10/2024

Brazil-US Rate Differential

2-Year Nominal Interest Rates



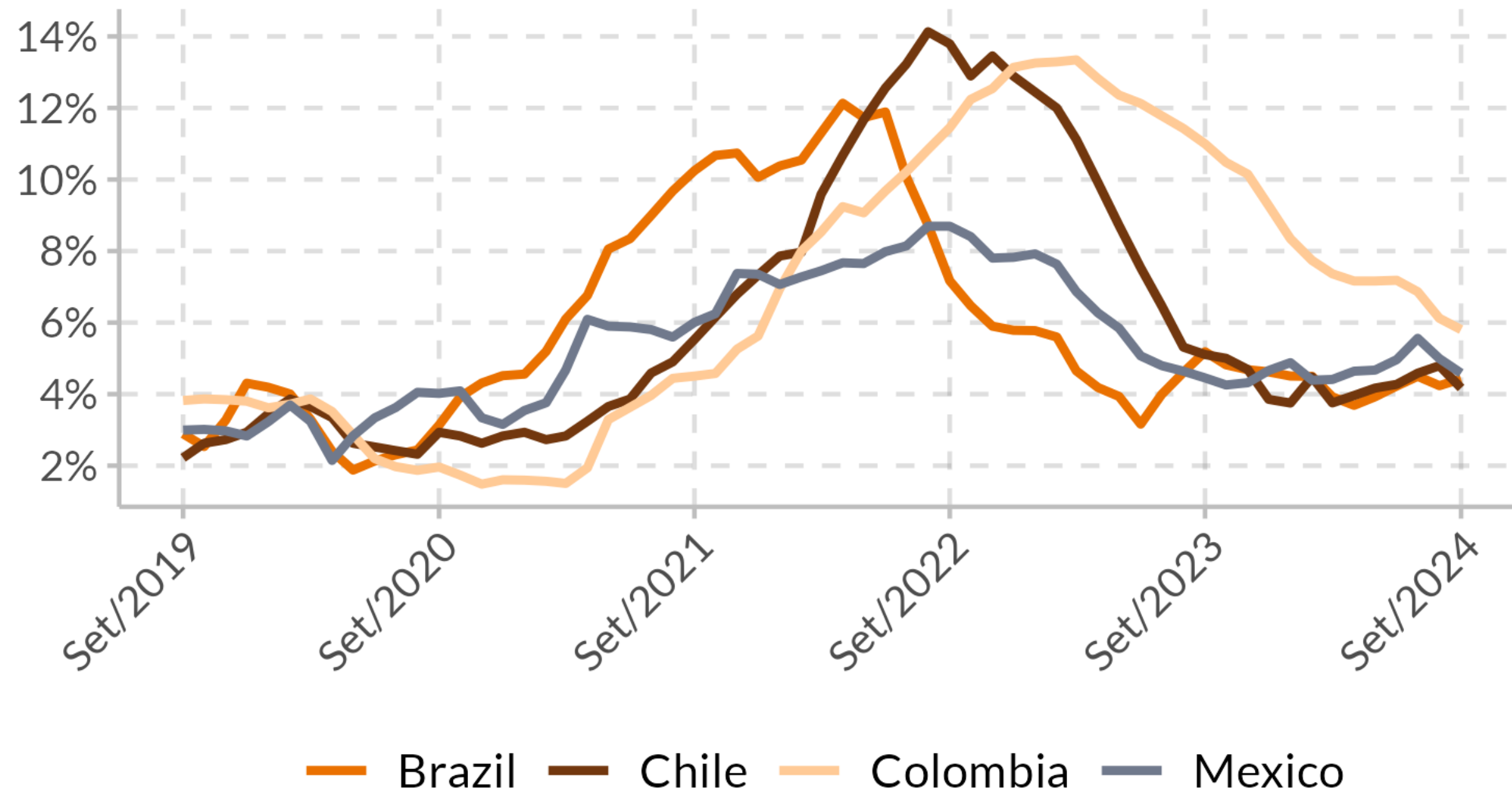
Fonte: B3 and U.S. Treasury Department, Inter; Data-base: 18/10/2024



Emerging markets inflation

Inflation - Emerging Markets

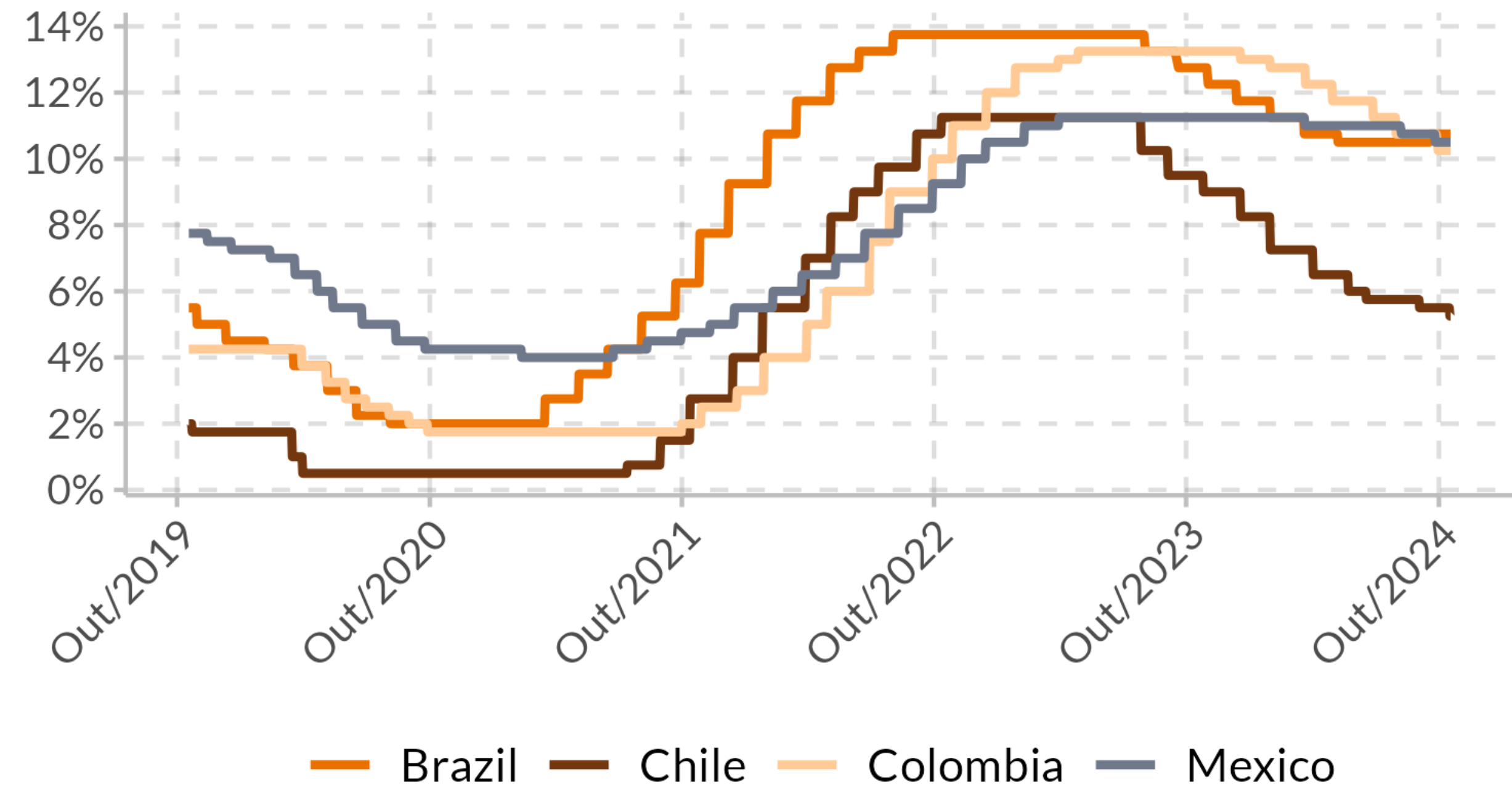
12-month annual rate of change



Fonte: Bloomberg, Inter; Data-base: Sep/2024

Interest Rates - Emerging Markets

Key interest rate for each country



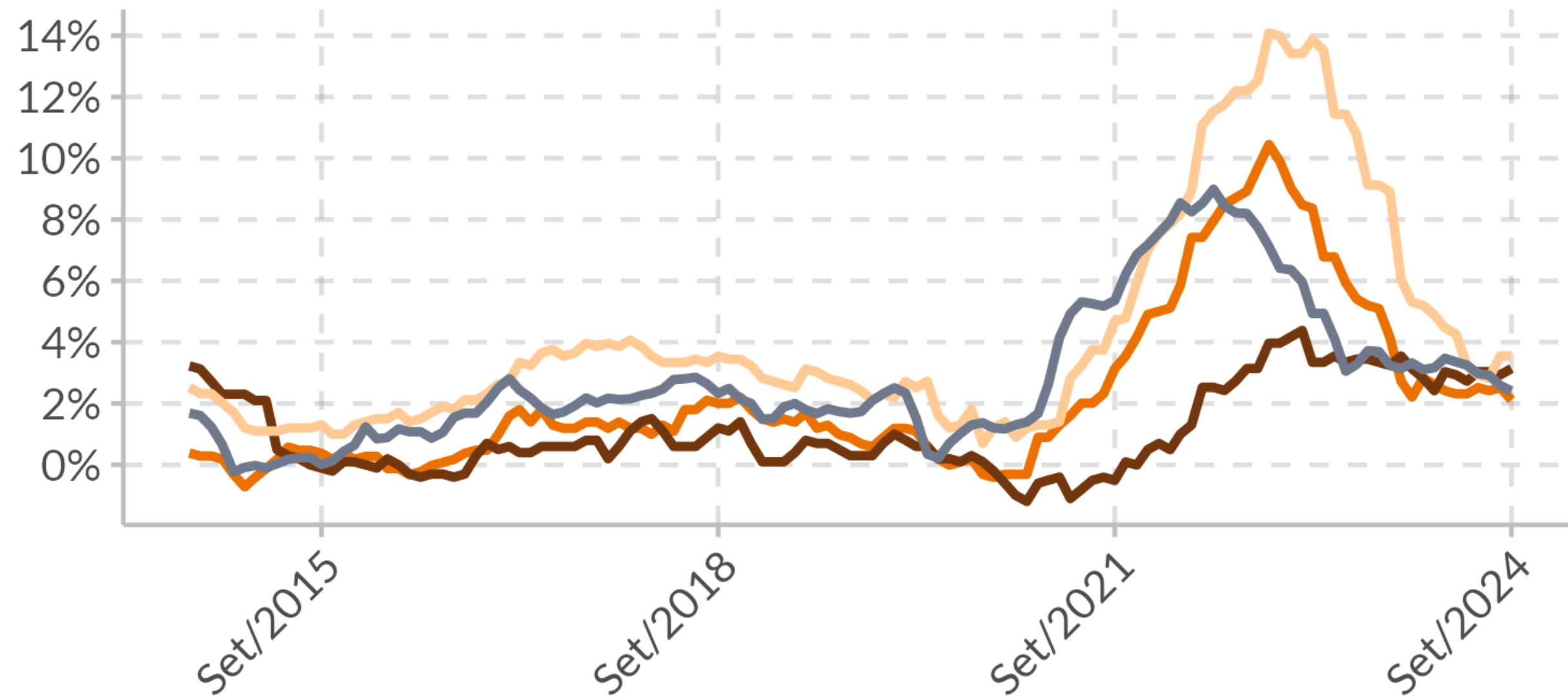
Fonte: Bloomberg, Inter; Data-base: 18/10/2024



Development markets inflation

Inflation - Developed Markets

12-month annual rate of change

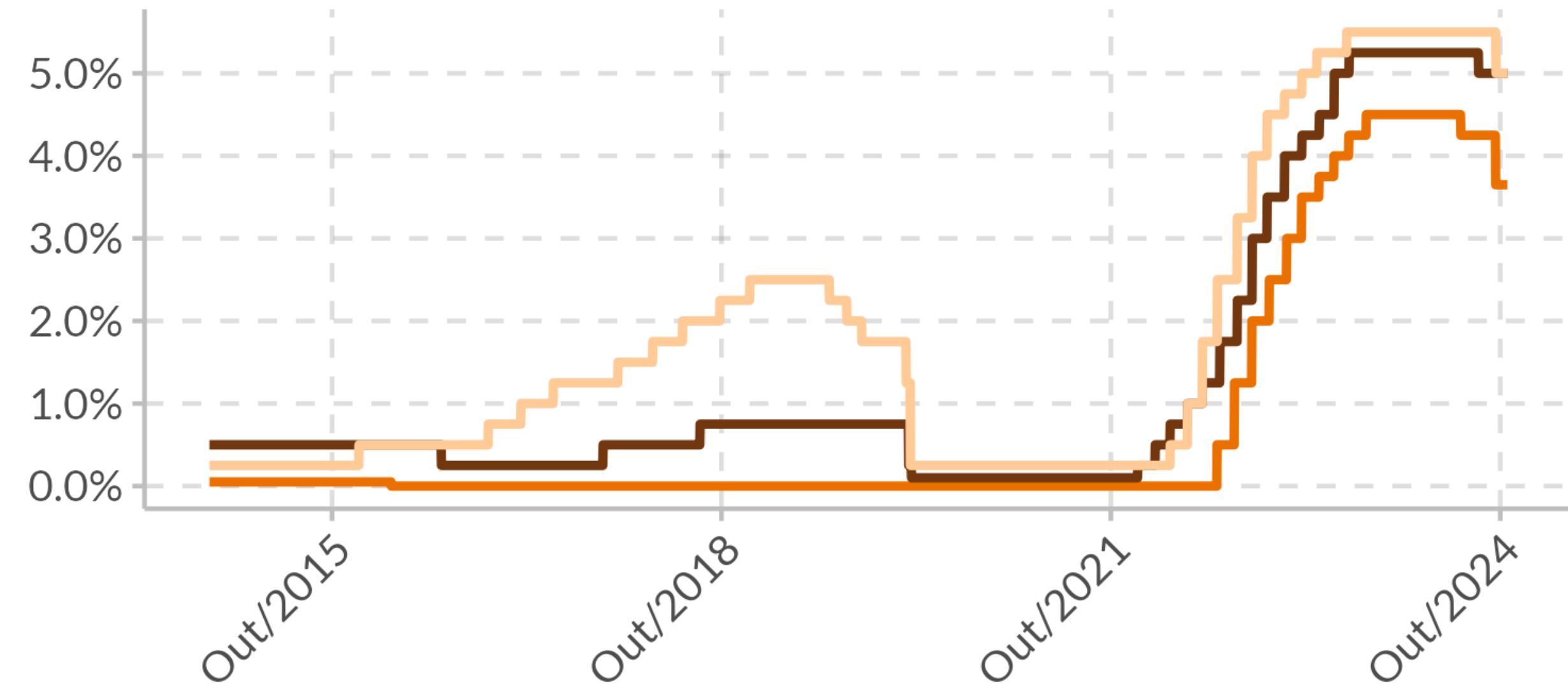


— Eurozone — Japan — United Kingdom — United States

Fonte: Bloomberg, Inter; Data-base: Set/2024

Interest Rates - Developed Markets

Key interest rate for each country

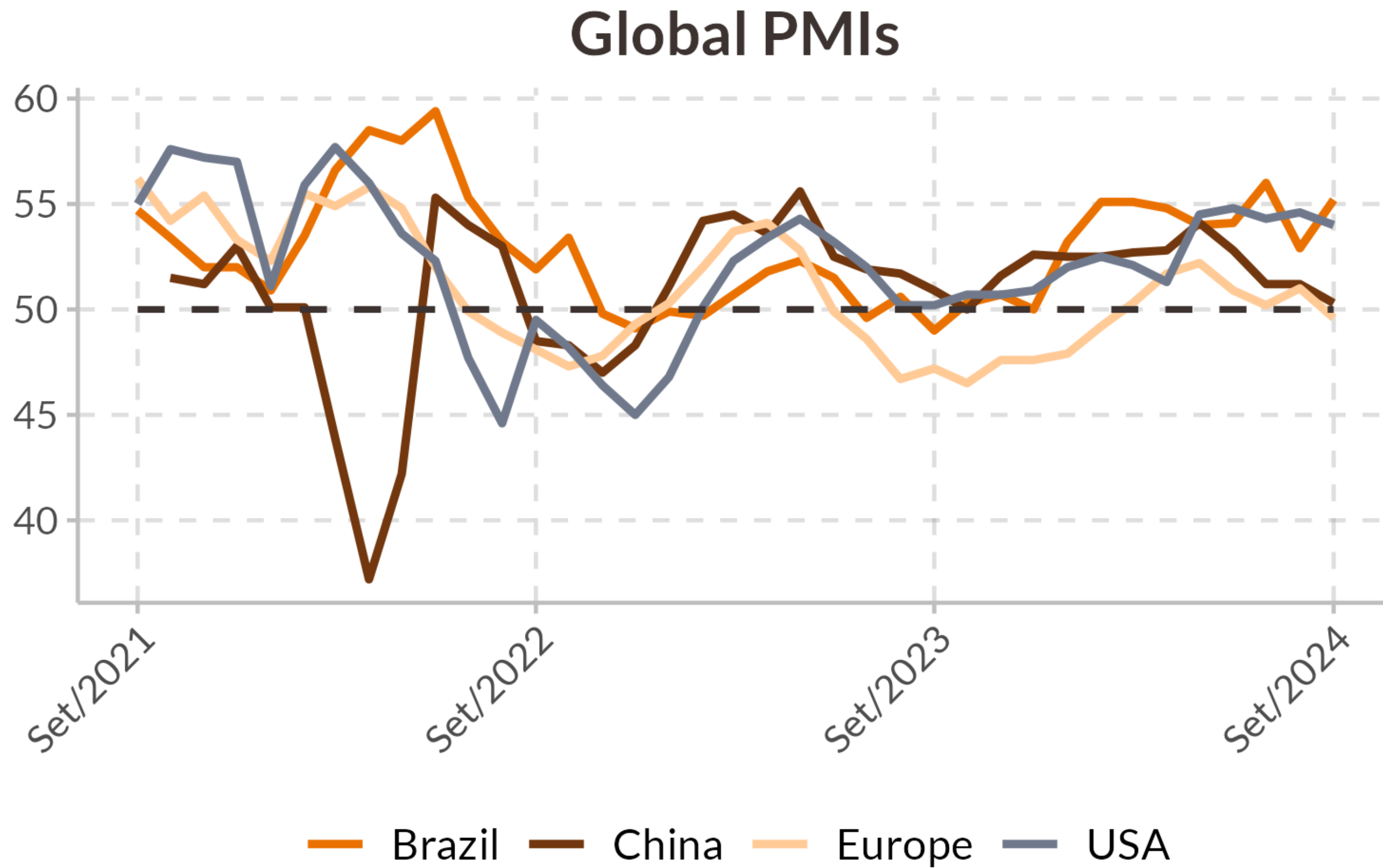


— Eurozone — United Kingdom — United States

Fonte: Bloomberg, Inter; Data-base: 21/10/2024



Global PMIs send mixed message



Fonte: Bloomberg, Inter; Data-base: Sep/2024



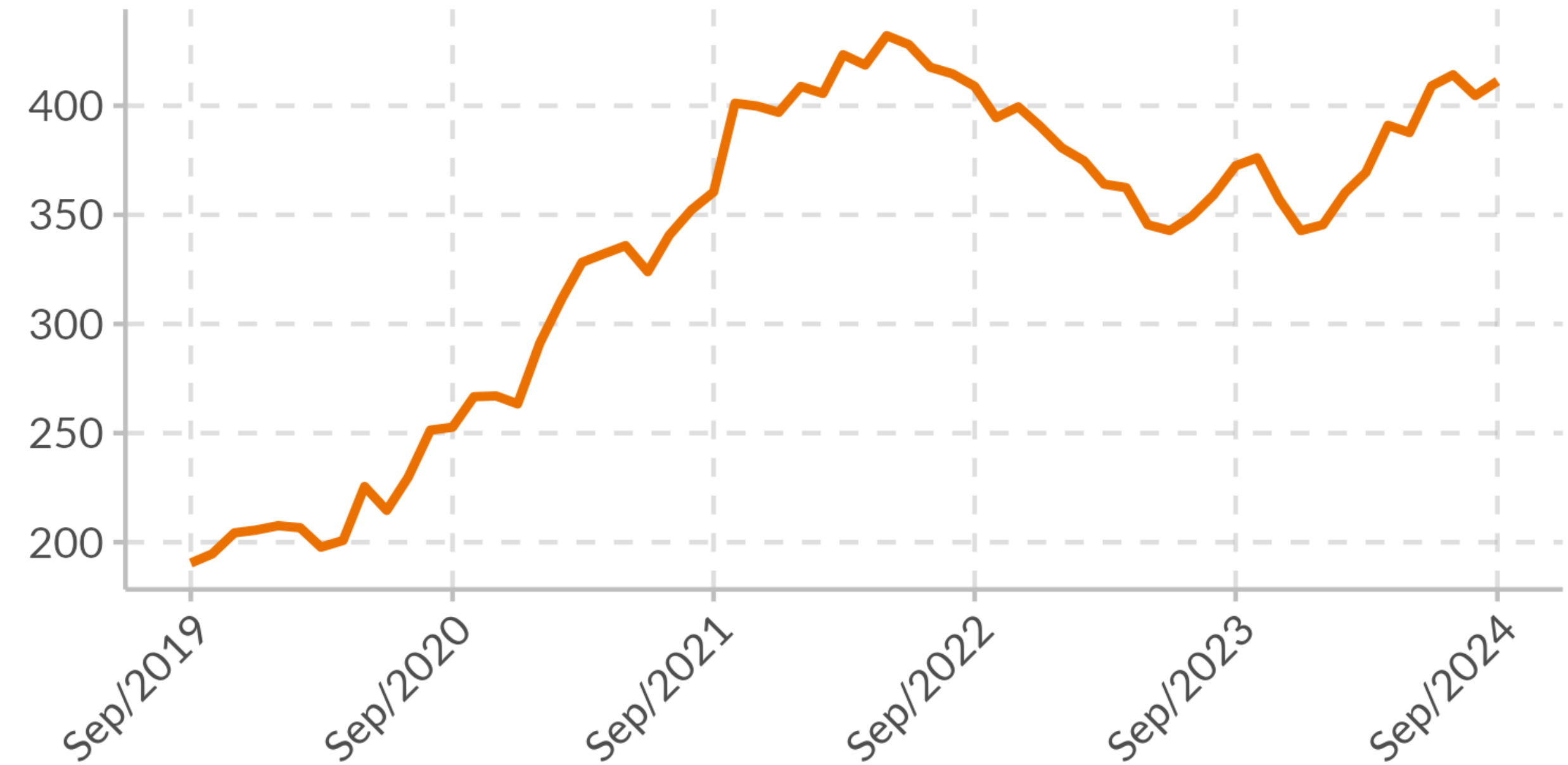
Commodity prices have accomodated

CRB - Commodity Index (US\$)



Source: Bloomberg, Inter; Base date: 21/10/2024

IC-Br - Brazil Central Bank's Commodity Index



Source: BCB, Inter; Base date: Sep/2024

Exchange rate volatility in back

Exchange Rate: Brazilian Reals to US Dollars

Current rate: R\$ 5,69



Source: Bloomberg, Inter; Base date: 18/10/2024

U.S. Dollar Index (DXY)

Last value: 103.5; YoY: -2.5%; MoM: 2.8%



Source: Yahoo Finance, Inter; Base date: 20/10/2024

Stock market still performing well amid uncertainties

S&P 500



Source: Bloomberg, Inter; Base date: 18/10/2024

10-Year Nominal Interest Rates - USA



Source: Fed, Inter; Base date: 17/10/2024

 **inter**

