February 4th, 2002

MINUTES OF THE 67th MEETING OF THE BANCO CENTRAL DO BRASIL MONETARY POLICY COMMITTEE (COPOM)

Summary

Economic activity
Prices
External Environment
Money market and open market operations
Assessment of inflation trends
Monetary policy guidelines

Date: January 22nd and 23rd, 2002
Place: Central Bank's Headquarters 8th floor meeting room (on Jan 22) and 20th floor (on Jan 23) - Brasília - DF
Called to Order: 4:29 PM on Jan 22 and 5:32 PM on Jan 23
Adjourned: 8:15 PM on Jan 22 and 7:30 PM on Jan 23

In attendance:
Members of the Board
Arminio Fraga Neto **- President**
Beny Parnes
Carlos Eduardo de Freitas
Daniel Luiz Gleizer
Edison Bernardes dos Santos
Ilan Goldfajn
Luiz Fernando Figueiredo
Sérgio Darcy da Silva Alves
Tereza Cristina Grossi Togni

Department Heads (all present on Jan 22)

Altamir Lopes – Economic Department (DEPEC)

Daso Maranhão Coimbra - International Reserve Operations Department (DEPIN)

Gustavo Bussinger - Research Department (DEPEP)

José Antônio Marciano - Department of Banking Operations and Payment System (DEBAN)

Sérgio Goldenstein - Open Market Operations Department (DEMAB)

Other participants (all present on Jan 22)

José Pedro Ramos Fachada Martins da Silva – Advisor to the Board

Alexandre Pundek Rocha - Advisor to the Board

João Borges - Press Secretary (ASIMP)

Fabia Aparecida de Carvalho - Coordinator of the Investor Relations Group

The Board analyzed the recent performance and prospects for the Brazilian and international economies under the monetary policy framework, designed to comply with the inflation targets established by the government.

Economic activity

The indicators of economic activity, at the end of 2001, showed continuity of the process of overcoming the factors that provoked the economic deceleration beginning in April 2001. The more favorable scenario for demand expansion is basically endorsed by the reduction in default rates and more favorable consumer inclination. However, these conditions, as well as labor market ones, favored a gradual recovery in consumption, as indicated by December sales, which should avoid pressures on prices in the future.

Preliminary data on the turnover of the retail commerce in the Metropolitan Region of São Paulo showed stability in December, after four consecutive months of growth. If confirmed, this indicator, as surveyed by the São Paulo State's Federation of Commerce (FCESP), will have decreased by 5.2% in 2001. This fall is partially explained by the high basis of comparison of the second half of 2000.

The Index of Consumer intentions (IIC), also surveyed by FCESP, increased in January for the third consecutive time, reflecting improvement in the two components of this indicator, actual and future consumption intentions. Although the index has not yet reached the optimism level (index above 100), these results indicate a gradual recovery of consumers' perception on the consequences of the domestic and external shocks.

The evolution of default rates contributed to favoring retailers' turnover. In December, the net rate of default, based on information of the São Paulo Trade Association (ACSP), decreased to 2.3%, compared to 8.4% in November, mainly due to the increase in debt cancellations. The ratio of checks returned due to insufficient funds in total discounted checks declined to 4.9% in December, compared to 5.2% in November.

Regarding company inventory levels, the indicators showed a reduction in the levels of the fourth quarter of 2001 compared to the previous one, for the majority of economy's segments, according to private surveys. Considering the general indicator, it should be noted that, compared to the same period in the previous year, the index remained at a level significantly higher in the second and third quarters of 2001, reflecting the shocks that occurred in that period. In the last quarter, the indicator reached the same level as in the fourth quarter of 2000, showing a return to normal levels for the period.

Seasonally adjusted industrial production increased by 1.5% in November, after falling by 1.9% in October, which was partially explained by the petroleum workers' strike in that month. Production of consumer goods increased by 3.6%, reflecting a 6.9% expansion in the production of durable goods and a 3.8% increase in the production of semi-durable and non-durable goods. Year-to-date up to November, overall industry grew by 2.1% compared to the same period of 2000.

Statistics of the automobile industry revealed growth of 3.8% in the production of vehicles and of 2% in agricultural machinery in December, seasonal effects excluded. The total yearly production reached 1,793 thousand vehicles and 44.5 thousand units of agricultural machinery, which surpassed the total in 2000 by 6.6% and 25.3%, respectively.

Following the performance of the activity level, the indicators of the labor market presented a favorable evolution. The open unemployment rate assessed by the Brazilian Institute of Geography and Statistics (IBGE), based on a survey by domiciles in six metropolitan regions, reached 6.4% in November, after reaching 6.55% in October. The fall was due to the 0.25% rise in job offers, which surpassed the 0.11% growth of the Economically Active Population (PEA). Similar evolution was indicated by the data from the Ministry of Labor and Employment, which continued to indicate growth in formal employment in November of 0.2%, considering the series excluding seasonal effects. The total number of formal jobs created up to November reached 845 thousand, with growth of 4% in commerce, 3.8% in services, and 3% in industry. The civil construction sector was the only one to present a decline in employment level (0.7%). CNI and Fiesp surveys, however, have shown reduction in industrial employment, which reached, in November, 0.3% and 0.45%, respectively.

Regarding the demand for investments, despite the falls observed in the last three months (seasonally adjusted data), the production of capital goods reached an accumulated growth of 14.1% in the year, up to November, due principally to the growth of agriculture, transport and electric power generating equipment. On the other hand, the production levels of civil construction showed an accumulated fall of 1.8%, also up to November. The recent fall in the production of capital goods, allied with the unfavorable performance of the construction sector, will reduce the share of gross capital formation in the GDP in the last months of the year.

The level of utilization of installed capacity declined once more in November after recovering in October. According to CNI statistics, which take into account information for twelve States, the average level of utilization reached 79.0% in November, compared to 79.5% in the previous month (seasonally adjusted data). The processing industry of the State of São Paulo also presented a lower level of utilization, falling by 0.4%, using the same basis of comparison.

In December, new loan concessions by the financial system with its free resources grew by 1.6%. The operations with corporations increased by 4.2%, with special attention to the operations linked to external resources, which increased by 18.3%. Loans to private individuals declined by 3.8%, due to a seasonal decrease in demand for credit of the financial system, as a result of the payment of the 13th-salary. This reduction affected mainly the rotating credit lines of overdraft accounts and credit cards.

The stock of credit granted by the financial system declined by 1.3% in December, as a result of the 2.2% fall in the stock of operations with free resources. This performance is associated with a lower demand for rotating credit lines for private individuals, which caused the 0.9% reduction in the volume negotiated with private individuals, as well as the exchange rate appreciation – affecting the operations referenced in foreign currency – leading to a 3% reduction in the volume of credit for corporations.

Regarding the external transactions of the Brazilian economy, the trade balance registered a surplus of US$ 857 million in December, the best monthly result since the implementation of the Real Plan. This result created an accumulated trade balance of US$ 2.7 billion in 2001. The surprising performance of the trade balance in December reflected, mainly, a 28.3% retraction in imports compared to the same month of 2000, since exports fell by 6.7% in comparison with the same month in the previous year. A retraction in expending was observed in all categories of usage, with especially with raw materials and intermediate goods, which declined by 32.8%.

The 5.8% increase in exports in 2001 reflected, to a great extent, the exceptional performance of sales of basic products, which contributed with 88.6% to the increase in revenues. Regarding imports, a 0.5% decline in spending was observed, especially as a result of the 4% retraction in expenditure with raw materials and intermediate goods.

In the first three weeks of January 2002, the trade balance accumulated a surplus of US$ 12 million. The higher growth of the world economy in 2002 should favor the expansion of Brazilian exports and the trade balance compared to 2001. In spite of the likely decrease in exports to Argentina, the expansion to new markets is estimated to offset the loss of revenue, a repetition of the behavior observed in 2001.

Foreign direct investment was among the main sources of financing of the balance of payments at the end of 2001 reaching US$ 3.9 billion, more than enough to cover the current account deficit of US$ 1.8 billion. In 2001, foreign direct investment defrayed almost all current account deficit (97.5%). Noteworthy was also the issuance of Republic Bonds, Global 2012, to the value of US$ 1.25 billion, at a 10-year tenure, as part of the Central Government funding expected to reach up to US$ 5 billion in the year.

In summary, the economic indicators show gradual and consistent overcoming of the adversities which hit the economy in 2001. This perception has been reflecting on consumer confidence level, which has been increasing since last October. The level of inventory in the last quarter of 2001 declined in relation to the preceding one, default rates in December reached the lowest level of the last five years and demand is signaling a gradual recovery. These facts reinforce the prospect of the renewal of economic activity, which in turn should not affect the positive outlook of the balance of trade in 2002 as the improvement of growth of the external markets becomes stronger.

External environment

Recent world macroeconomic statistics still do not clearly show consistent reversion of the recession in the short term. However, evidence of recovery can be noticed in the main developed economies, except for Japan. On the other hand, the deterioration of the Argentine economy adds uncertainties to the external scenario.

Despite the continued decline of the U.S. activity level, some indicators point to a phasing out of the recession process. Inventory reduced for the 10th consecutive month, registering 1% in December. This fact may contribute to the recovery of the industrial production, which will also depend on consumer behavior in the coming months. Industrial production in December presented the lowest rate of decline in the past six months (0.1%). Year-to-date, the retraction was 3.8%, the first since 1990 and the highest since 1982, when the industrial production declined by 5.4%. In November, factory orders – excluding the sector of military defense – increased for the 2nd consecutive month, which may be a sign of recovery in the manufacturing sector. Retail sales decreased by 0.3% in December, less than expected by the market. They were favored by the increase of the volume of transactions in the electronic, clothing and furniture sectors. Other factors, such as the persistent soundness of the housing sector and the increase of the consumer's confidence index lead to a more optimistic perspective for the U.S. economy in the next months.

The main economies of the Euro area, Germany and France, presented signs of recovery in the activity level. In Germany, industrial orders rose in November for the first time in three months, due to the increase in external demand. In addition, retail sales in November were above expectations, recording a 1.6% expansion compared to October. This result may be reflecting a greater enthusiasm of consumers, as tracked by a survey that displayed the first improvement for four months. In France, the industrial production remained stable in November after two months of retraction, while consumer expenditure grew for the 2nd consecutive month. Hence, in the light of the growing evidence of reactivation of the region's economy and of the perception that the current level of interest rates is consistent with the price stability target, there is the possibility that the expansionary monetary policy adopted in 2001 will be suspended, as long as the indications of a scenario of gradual recovery persists.

The Japanese economy has remained stagnant for a long time and has not responded to the stimuli from the economic policy. In the last BoJ meeting, on 1.16.2002, the monetary policy remained unchanged, but there is a possibility of a liquidity expansion at the end of their fiscal year, on 3.31.2002, with new assistance to banks with solvency problems.

Prices

The main inflation indices presented lower increases in December, compared to the previous month. The Consumer Price Index – Extended (IPCA) increased by 0.65%, compared to 0.71% in November. The IPCA reached 7.67% in the year, reflecting mainly the 10.45% rise in the prices of goods and services administered by contracts. The segments that presented variation above the index average were: food and beverage (9.63%), especially beef (12.17%), bread (22.09%), meals (11.93%), rice (43.59%) and black beans (162.36%); housing (9.4%), in which the items electricity (17.93%), water and sewage tariff (15.5%) and bottled gas (15.6%) are considered; and transport (8%), specially urban transport (15.54%) and gasoline (7.19%). In addition to the adjustments of the prices administered by contracts, these increases also reflected the exchange rate devaluation occurred in the year, as well as the unfavorable climatic conditions for the production of rice and black beans.

In December, the IPCA increase was mainly due to the rise in the prices administered by contracts (electricity and urban transport tariffs in Rio de Janeiro), clothing, medicines, poultry and new cars, partially offset by the decline in the prices of milk, beans, bottled gas and gasoline.

The General Price Index – Domestic Supply (IGP-DI) presented a more intense fall in the monthly variation, reaching 0.18% in December compared to 0.76% in November, and accumulated 10.4% in 2001. Compared to November, the variation of the Consumer Price Index (IPC-DI) declined to

0.7% from 0.85% due to the smaller increase of the "miscellaneous expenditure" group. It should also be pointed out the smaller increase in the prices of the housing and transport groups. The 0.09% fall in the Wholesale Price Index (IPA-DI), compared to the 0.73% rise in November, is the reason for most of the deceleration of the IGP-DI in the month. The IPA evolution reflected a fall of 0.32% in the industrial IPA, basically due to the exchange rate appreciation in the period, with the agricultural IPA increasing by 0.48%, against 0.93% in November. The National Index of Civil Construction (INCC-DI) also increased at a lower intensity, presenting a 0.34% variation, compared to 0.74% in November.

In January, the consumer price indices should reflect increases in the prices of in natura products, poultry and eggs, as well as rises of 18.63% in the electricity tariff in Rio de Janeiro and of 15% in urban transport tariffs in Belo Horizonte. The price increase of bottled gas should also be highlighted as well as the seasonal increase in the cost of education. These upward effects should be partially offset by the fall in gasoline prices.

For wholesale prices, the inflation indices should mainly reflect the rises of the prices of poultry, eggs, corn and beans, and the fall in industrial products caused, basically, by lower fuel prices and by the exchange rate appreciation.

Money market and open market operations

The yield curve showed smaller volatility since the last Copom Meeting. From the end of December on, the expectation of lower inflation in the first quarter of 2002, the trade balance results, and the placement of the global bonds led to a negative slope in the short part of the curve, with the spread between the 30-day interest rate and the Over-Selic rate falling to -12 basis points on January 3rd, from 19 basis points on December 20th. In the same way, within this period, the spread between the one-year interest rate and the Over-Selic rate narrowed to 39 basis points from 211 basis points. Subsequently, the release of higher than expected inflation rates and the environment of uncertainty due to the end of the bank holiday in Argentina caused the increase of the spread between the one-year interest rate and the Over-Selic rate to 180 basis points on January 15th. With the proximity of the Copom meeting, this spread fell to 102 basis points, due to the expectations of treasuries of some financial institutions that a reduction in the Over-Selic rate target might occur.

The swap operation of exchange rate indexed securities was carried out once more, aiming at partially redistributing the redemptions in 2002. On January 17th, the Central Bank carried out buyback auctions of NBCE with redemptions between February and April 2002, simultaneously with the selling auctions of National Treasury's NTN-D. The net financial impact of this operation was neutral on the market due to the purchase of R$ 1.9 billion of NBCE and the sale of same amount of NTN-D with redemption in 2-years (38% of the total), 3 years (36% of the total) and 6 years (26% of the total). Hence, as observed in the December operation, the auctions indicated a more significant market demand for the reversion of positions in shorter exchange rate indexed securities than for the opening of longer maturities positions.

The National Treasury has been promoting the lengthening of fixed-rate debt that began in November. Since January 8th, 6-month and 15-month securities were offered on three occasions. The upward trend in the yields observed at the beginning of the month was reverted in the most recent auction, declining from the previous one. The average yields were of 19.10%, 19.79% and 19.47%, respectively, for the shortest-tenure securities, and of 20.45%, 21.72% and 20.79% for the longest. The resulting financial volume of the placements reached R$ 6.8 billion, of which 80% referred to the shortest-tenure securities.

Considering the financial settlements occurred between December 19th and January 22nd, there was a monetary expansion of R$ 7.2 billion, resulting from the net redemptions of LTN (R$ 3.6 billion), of LFT (R$ 1.4 billion) and of the payment of intermediate interest on NTN-C (R$ 0.6 billion) and of exchange rate indexed securities (R$ 1.6 billion)

During the 22 working day period, the Central Bank intervened fourteen times in the open market, aiming at administering the very short-term interest rate. In thirteen interventions, the Central Bank provided liquidity to the market at a hurdle yield of 19.05% p.a., with an average volume of R$ 13.3 billion. In addition, there was an intervention to withdraw liquidity from the market at a hurdle yield of 18.9% p.a., which reached R$ 1.4 million.

In December, the secondary market registered growth in the traded volume of exchange rate indexed securities and of LFT, mainly as a result of the need for adjustment in the positions of some investment funds. The daily average turnover of exchange rate indexed securities increased to R$ 2.5 billion from R$ 1.6 billion, while the LFT turnover grew to R$ 2.9 billion from R$ 1.7 billion.

On the other hand, the fixed-rate securities showed stability compared to the previous month, with a daily average turnover of R$ 3.8 billion, despite the decline in the volume of the primary offers (to R$ 6.0 billion in December, from R$ 7.3 billion in November).

As occurred in November, the significant appreciation of the Real allowed for a R$ 16.2 billion reduction, in December, of the share of the domestic securitized debt indexed to the exchange rate, reducing its relative share in the total to 28.6% from 31.1%.

Assessment of inflation trends

The identified shocks and their impacts were reassessed in the light of newly available information. The scenario considered in the simulations assumes the following hypotheses:

1. December inflation rate, measured by the IPCA, registered a 0.65% increase. Despite the high result, it was lower than the observed in November;
2. The forecasts for gasoline and diesel oil prices for 2002 and 2003 were calculated based on the surveys of National Petroleum Agency (ANP), which indicate significant price reductions in the first weeks of January. From that moment on, the projections were based on the behavior of the futures market of Brent crude oil negotiated in the International Petroleum Exchange (IPE). Regarding bottled gas (GLP), the elimination of subsidies caused an increase in the price of bottled gas in January. After that, the price behavior was projected based on the future contracts of propane gas negotiated on the New York Mercantile Exchange (NYMEX);
3. For the wider set of prices administered by contracts, the expected readjustments are 5.4% in 2002 and 3.4% in 2003;
4. The projection for the readjustment of electricity tariffs in 2002 was slightly increased to 20.4%, due to the 2.9% increase occurred in the last days of 2001, which is reflected in the inflation of January 2002;
5. As regards the slope of the domestic yield curve, measured as the difference between the 180-day term DI rate and the 1-day Selic rate, the average assumed increases to above 100 b.p. at the end of 2002, from 50 b.p. in the first quarter of the year;
6. The trajectory of US Fed Funds rate, forecast based on the maturity of future contracts, was changed to reflect an average rate of 1.75% in the first quarter of 2002, increasing to 2.25% in the last quarter of the year;

7. For the sovereign risk premium, using Brazil's Global 04 Bonds, a stable trend is projected at a level of 600 b.p..

The core inflation of the IPCA, calculated under the symmetric trimmed-mean method, remained at a high level in December, the same as in November (0.77%). In 2001, this core index rose by 7.48%. The core inflation of the IPC-BR, calculated under the symmetric trimmed-method, presented a reduction to 0.71% in December from 0.77% in November. Accumulated in the 12 months of 2001, this core increased by 7.09%. The core inflation calculated by excluding the prices administered by contracts (considering the wide set of these items weighting 30.6% of the IPCA in December) and household food prices increased by 0.83% in December, with an accumulated variation of 5.49% in 12 months.

The IPCA variation in 2001 was of 7.67%, reflecting a 2.4% contribution from freely established prices and a 1.7% contribution from prices administered by contracts, excluded the effects of the exchange rate pass-through and inflationary inertia. The exchange rate pass-through contributed with 2.9% to the 2001 inflation, and inertia contributed with 0.7%. In 2002, prices administered by contracts are expected to increase by 5.4% (with a 1.6% direct contribution), influenced by the increases in electricity tariffs.

Regarding fiscal policy, the hypothesis of achieving the primary surplus targets for the consolidated public sector, as stated in the Economic Program of the Government, was maintained, as well as the remaining assumptions established in the previous meeting.

The simulation exercises with several specifications of the structural model permitted a conclusion that favored the maintenance of the basic interest rate at 19.0 % p.a., and the exchange rate at the same plateau as on the eve of the Copom meeting, resulting in an inflation below 4.0% in 2002. For 2003, the inflation projected by the structural model based upon the hypothesis of maintenance of the interest rate at current levels and constant exchange rate is below the central target of 3.25%.

Monetary Policy Guidelines

The scenario of recovery of the activity level of the Brazilian economy seems to be consolidating, although slowly. The level of consumer confidence has been increasing since last October, which stimulates sales. The retailers' turnover, which had increased for four consecutive months, stabilized in December. This increase reduced inventories in the last quarter of 2001, compared to the previous quarter, indicating the prospect of recovery in industrial production. The industrial production, measured by the IBGE, grew in November, after declining in October (seasonally adjusted data).

The existence of non-employed production capacity and the trajectory of the wage income indicate that the demand growth will not exert inflationary pressures. The increase in investment in capital goods observed in the first quarters of 2001 had the effect of increasing the installed capacity. The impact of the energy crisis has been smaller than expected, and the likely end of the energy rationing should enhance the potential growth of output.

The recovery of the economic activity in Brazil has been compatible with the improvement in the external accounts. In 2001, the upturn of the trade balance and the maintenance of capital inflows in the form of foreign direct investment contributed to reduce Brazil' risk premium and to stabilize the Real. The surplus of US$ 2.7 billions in the trade balance in 2001 reflects a 5.8% increase in exports and a 0.7% decrease in imports. The net flow of foreign direct investment was US$ 22.6 billion, financing 97.5% of the current account deficit in the year and largely surpassing the previous projections.

For this year, there are clearer signs that the recovery of the US economy, with positive impacts on the global economy, may start in the second quarter, what would stimulate exports and ease the financing of the Brazilian balance of payments. The Argentine crisis has had an additional but limited impact on the exchange rate and on the spread paid by the Brazilian bonds.

As a result of the improvement of the economic scenario, as well as of the phasing out of the primary effects of the shocks occurred in 2001 and of the lower pressure from prices administered by contracts, the prospects for the inflation rate in 2002 and 2003 indicate a decline towards the target trajectories. This perception is shared by the economic agents, as indicated in the expectations for inflation in 2002 and 2003, as surveyed by the Investor Relations Group (GCI) of the Central Bank of Brazil.

Nonetheless, some points of uncertainty remain in order to confirm this favorable outlook for inflation. Attention to the external scenario is essential, especially in regard to the aftermath of the Argentine crisis and the behavior of the flow of foreign capital, in the context of the domestic electoral process. In addition, attention is necessary to the likely additional pressures arising from the readjustments of prices administered by contracts this year and finally to the downward trajectory of inflation that has shown itself to be slower than expected.

In fact, the reversal of the inflation trajectory has occurred slowly. Inflation measured by the IPCA remains high, despite having declined to 0.65% in December. The core inflation, measured by the trimmed-mean method, remains high in December. In January, the first signs point to a lower index, yet a relatively high one. Contributing to this results were: i) adverse climatic conditions which distinctly affected several regions (rain and drought) with upward impact on food prices; ii) the pressures to recompose profit margins and the second-round effects of the shocks - reflex of the inertia of the higher inflation in 2001; and iii) the movement of the slower drop in prices of oil-by-products.

The contribution of the first-round effect of the shock from prices administered by contracts, in the share that exceeds the inflation target, once deducted from the impact of the exchange rate pass-through and of the inertia on the prices administered by contracts, is estimated at approximately 0.3 p.p. for the inflation in 2002. The inflationary inertia arising from a higher rate of inflation that exceeded the inflation target in 2001, contributed with a further 0.7 p.p.. The monetary policy should be oriented towards eliminating the second round effects of the shocks on inflation, preserving the initial relative price realignment. The monetary policy should, in addition, allow for an adequate period for inflation to return to its target trajectory, which depends on the magnitude of inherited inertia.

In the light of a slower fall of inflation and of the uncertainty that still prevails regarding the confirmation of a favorable outlook for inflation, the Copom unanimously decided to maintain the target for the Over-Selic interest rate at 19% p.a..

At the close of the meeting, it was announced that the Committee would meet again on February 19th , at 3:00 p.m, for technical presentations and, on the following day, at 4:30 p.m., in order to discuss monetary policy guidelines, as set in the Calendar of Copom's Ordinary Meetings, published in the Central Bank Communiqué n. 8911, of Oct.3.2000.

Acronyms

ac 12m accumulated in 12 months
ACC Anticipated Exchange Rate Contracts
BM&F Mercantile and Futures Exchange
bp Basis Points
CDI Interbank Futures Contract
CETIP Center for Financial Custody and Settlement of Private Securities
CNI National Confederation of Industries
CPMF Provisory Contribution on Financial Transactions
CSLL Social Contribution on Net Profit
DI Interbank Deposit
FCESP Federation of Commerce of the State of São Paulo
FED Federal Reserve System
FOMC Federal Open Market Committee
FRA Forward Rate Agreement
GDP Gross Domestic Product
IBGE Brazilian Institute of Geography and Statistics
IF Financial Institution
IGP-DI General Price Index – Domestic Supply
IIC Consumer Intentions Index
INCC Civil Construction National Index
IPA Wholesale Price Index
IPC Consumer Price Index
IPCA Consumer Price Index – Extended
IPC-BR Consumer Price Index - BR
IPCH Consumer Price Index – Harmonized

IPP Producer Price Index

IR Income Tax

IRF-M Market Fixed Income Index

IRRF Withholding Income Tax

LFT National Treasury Letters (floating)

LTN National Treasury Notes (fixed rate)

NAPM National Association of Purchasing Managers

NBC-E Central Bank Note - E Series (indexed to the exchange rate)

NTN-C National Treasury Note - C Series (indexed to the wholesale price index)

NTN-D National Treasury Note – D Series (indexed to the exchange rate)

p.a. per annum

p.m. per month

PEA Economically Active Population

pp percentage point

Selic Central Bank's Custody and Settlement Center

STN National Treasury Secretariat

ytd year-to-date