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Minutes of the Meeting of the

Monetary Policy Committee — Copom

September 15-16, 2026

BANCO CENTRAL DO BRASIL

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Date: September 15-16, 2026

Place: BCB Headquarters' meeting rooms on the 9th floor (9/15 and 9/16 on the morning) and 20th floor (9/16 on the afternoon) – Brasilia – DF

Starting and ending times: September 15: 10:06 AM – 11:44 AM; 2:04 PM – 5:39 PM
September 16: 10:04 AM – 11:15 AM; 2:31 PM – 6:30 PM

In attendance:

Copom Members

Gabriel Muricca Galípolo – *Governor*
Ailton de Aquino Santos
Gilneu Francisco Astolfi Vivan
Izabela Moreira Correa
Nilton José Schneider David
Paulo Picchetti
Rodrigo Alves Teixeira

Department Heads in charge of technical presentations (attending on 9/15 and on the morning of 9/16):

André de Oliveira Amante – *Open Market Operations Department*
Euler Pereira Gonçalves de Mello – *Research Department* (also attending on the afternoon of 9/16)
Fábio Martins Trajano de Arruda – *Department of Banking Operations and Payments System*
Luís Guilherme Siciliano Pontes – *International Reserves Department*
Marcelo Antonio Thomaz de Aragão – *Department of International Affairs* (attending on 9/15)
Ricardo Sabbadini – *Department of Economics*

Other participants (attending on 9/15 and on the morning of 9/16):

Alexandre de Carvalho – *Office of Economic Advisor*
André Maurício Trindade da Rocha – *Head of the Financial System Monitoring Department*
Ângelo José Mont'Alverne Duarte – *Head of Office of the Deputy Governor for Licensing and Resolution*
Cristiano de Oliveira Lopes Cozer – *General Counsel*
Fernando Alberto G. Sampaio C. Rocha – *Head of the Department of Statistics*
Gustavo Ênio Falcão Freire – *Press Office Advisor*
Isabela Ribeiro Damaso Maia – *Head of the Sustainability and International Portfolio Investors Unit*
Laura Soledad Cutruffo Comparini – *Deputy Head of the Department of Economics*
Julio Cesar Costa Pinto – *Head of Office of the Governor*
Leonardo Martins Nogueira – *Head of Office of the Deputy Governor for Monetary Policy*
Marcos Ribeiro de Castro – *Deputy Head of the Research Department* (attending on the mornings of 9/15 and 9/16)
Mario Rubem de Couto Bastos – *Deputy Head of the Department of Banking Operations and Payments System*
Olavo Lins Romano Pereira – *Deputy Head of the Department of International Affairs*
Renato Jansson Rosek – *Senior Advisor of the International Reserves Department*
Ricardo Eyer Harris – *Head of Office of the Deputy Governor for Regulation*
Ricardo Franco Moura – *Head of the Prudential and Foreign Exchange Regulation Department* (attending on 9/15)
Simone Miranda Burello – *Advisor in the Office of the Deputy Governor for Monetary Policy*

Copom members analyzed the recent performance and prospects for the Brazilian and international economies, under the monetary policy framework, whose objective is to achieve the inflation target set by the National Monetary Council. This document represents Copom's best effort to provide an English version of its policy meeting minutes. In case of inconsistency, the Portuguese version prevails.

A) Update of the economic outlook and the Copom's scenario[1]

1. The global environment remains uncertain due to the lack of definition regarding the armed conflicts in the Middle East and uncertainty surrounding monetary policy in some advanced economies. This scenario requires caution from emerging market economies amid heightened volatility of asset and commodity prices.

2. Regarding the domestic scenario, the set of indicators released since the last meeting shows a gradual moderation of economic activity, particularly in more cyclical sectors, albeit at a resilient level, and a tight labor market. In recent releases, headline inflation and the average underlying inflation measures decelerated, falling below the upper limit of the tolerance interval, although still above the target.

3. Inflation expectations for 2026 and 2027 collected by the Focus survey remained above the inflation target and stand at 4.9% and 4.3%, respectively. Copom's inflation projection for the first quarter of 2028, currently the relevant horizon for monetary policy, stands at 3.2% in the reference scenario (Table 1).

B) Scenarios and risk analysis

4. Uncertainty regarding the global environment remains at high levels. The continued lack of clarity about the consequences of the geopolitical tensions and their effects on commodity and input prices have led to changes in expectations regarding the conduct of monetary policy in major advanced economies.

5. Domestic economic activity maintained a trajectory of moderation, as anticipated by the Committee. The most recent GDP reading, for the second quarter of 2026, confirmed the deceleration signaled by other indicators and revealed that it was more significant in economic activities and demand components that are more sensitive to the economic cycle. The Committee reiterates that the aggregate demand slowdown is an essential element of supply-demand rebalancing in the economy and of the convergence of inflation to the target.

6. Developments in non-earmarked bank credit are also consistent with a scenario of deceleration in economic growth amid a tight monetary policy. In particular, there has been a reduction in longer-term non-earmarked lines, which are more sensitive to monetary policy than the more costly short-term or emergency lines. The latter have continued to grow, albeit with a deceleration at the margin. Conversely, earmarked credit continued to expand for households, regarding real estate credit, and for companies, supported by operations backed by guarantee funds.

7. The Committee continues to closely monitor the labor market. The unemployment rate remains at historically low levels, while growth in the employment rate has been decelerating. Average income decelerated at the margin, even in nominal terms, but still increases in real terms at a rate higher than that of the labor productivity. The Committee remains attentive to the debate on the current and structural dimensions of the labor market, emphasizing the need to deepen this analysis in order to assess the transmission patterns of employment levels to labor income and, ultimately, to prices across the various sectors of the economy.

8. Fiscal policy has a short-term impact, mainly through stimulating aggregate demand, and a more structural dimension, which has the potential to affect perceptions of debt sustainability and influence the term premium in the yield curve. A fiscal policy that acts countercyclically and contributes to reducing the risk premium favors the convergence of inflation to the target. Copom reaffirms its view that the slowdown in structural reform efforts and fiscal discipline, the increase in earmarked credit, and uncertainties over the public debt stabilization have the potential to raise the economy's neutral interest rate, with deleterious impacts on the power of monetary policy and,

[1] Unless explicitly stated otherwise, this update considers changes since the August meeting (280th meeting).

consequently, on the cost of disinflation in terms of activity. The Committee maintains a firm conviction that policies must be predictable, credible, and countercyclical. In particular, the Committee's discussion once again reinforces the need for harmonious fiscal and monetary policies.

9. The most recent prints indicate a decline in consumer inflation, both in the headline index and in the average of underlying inflation measures. According to both metrics, the 12-month rate stands below the upper limit of the tolerance interval, though still above the target. Still considering the same perspective of 12-month changes in the recent prints, producer price changes accelerated for both intermediate goods and consumer goods.

10. Inflation expectations – measured using different instruments and obtained from various groups of agents – remain above the inflation target in all horizons. Copom emphasized that the cost of disinflation on the level of economic activity over time is higher in environments with deanchored expectations. The Committee is closely monitoring the deanchoring of longer-term inflation expectations and has been discussing the possible causes of this movement in expectations. It assesses that perseverance, determination, and serenity in the conduct of monetary policy will contribute to the reanchoring of expectations, which is crucial for the convergence of inflation to the target at a lower cost. The main conclusion obtained and shared by all members of Copom was that, in an environment of deanchored expectations – as currently is the case – greater monetary restriction is required for a longer period than would be otherwise appropriate.

11. Copom then addressed the projections. In the reference scenario, the interest rate path is extracted from the Focus survey, the exchange rate starts at USD/BRL 5.15[2] and evolves according to the purchasing power parity (PPP). The Committee assumes that oil prices follow approximately the futures market curve for the following six months and then start increasing 2% per year, in line with standard governance. Given the observed Brent futures curve, this governance resulted in a downward trajectory throughout the second half of the year. In addition, the assumption of a "yellow" electricity tariff flag in December 2026 is adopted. The Committee will continue to monitor incoming data to calibrate and refine the impacts of aggregate demand stimulus measures and supply shocks.

12. In the reference scenario, four-quarter inflation projections for 2026, 2027, and for 2028Q1 – currently the relevant horizon for monetary policy – are 5.2%, 3.9%, and 3.2%, respectively.

13. The risks to inflation, both to the upside and to the downside, remain higher than usual, with an upward asymmetry. Among the upside risks for the inflation outlook and inflation expectations, it should be emphasized (i) a more prolonged period of deanchoring of inflation expectations, with longer horizons incorporating potential second-round effects stemming from supply shocks in oil and its derivatives, and to climate effects upon agricultural productivity and energy costs; (ii) a stronger-than-expected resilience of services inflation due to a more positive output gap; (iii) a conjunction of internal and external economic policies with a stronger-than-expected inflationary impact, for example, through a persistently more depreciated currency; and (iv) stimuli to aggregate demand, particularly its consumption component, resulting in economic activity growth above potential output, weakening some of the usual transmission channels of monetary policy. Among the downside risks, it should be noted (i) a greater-than-projected deceleration of domestic economic activity, impacting the inflation scenario; (ii) a steeper global slowdown stemming from the trade and oil shocks and the scenario of heightened uncertainty; and (iii) a reduction in commodity prices with disinflationary effects.

[2] It corresponds to the rounded value of the average exchange rate observed over the ten working days ending on the last day of the week prior to the Copom meeting, according to the procedure adopted since the 258th meeting.

C) Discussion of the conduct of monetary policy

14. Copom then discussed the conduct of monetary policy, considering the set of projections evaluated, as well as the balance of risks for prospective inflation.

15. The Committee assesses that evidence of the transmission of contractionary monetary policy to economic activity has been gradually accumulating. Although monetary policy has been playing a decisive role in the disinflation process, inflation is still being driven by demand, requiring monetary policy to remain tight.

16. Supply shocks have played a significant role in both the recent evolution of inflation and its prospective trajectory. Copom assesses that it should not respond to the first-round effects of such shocks but it is necessary to closely monitor potential second-round effects and to react decisively should those effects materialize.

17. In the current context of historically high uncertainty levels, with asymmetric upside risks to prices, the Committee reiterates that the magnitude of the calibration cycle will be adjusted in light of developments in the scenario, so as to keep monetary policy at a contractionary level to ensure inflation convergence to the target.

D) Monetary policy decision

18. Copom decided to reduce the Selic rate to 13.75% p.a., and judges that this decision is consistent with the strategy for inflation convergence to a level around its target, throughout the relevant horizon for monetary policy. Without compromising its fundamental objective of ensuring price stability, this decision also implies smoothing economic fluctuations and fostering full employment.

19. The current scenario, marked by heightened uncertainty,__deanchoring of expectations, and elevated risks surrounding the reference scenario, requires serenity and cautiousness in the conduct of monetary policy. The Committee will continue to incorporate new information and monitor developments in the scenario in order to keep monetary policy adequately restrictive to ensure convergence to the inflation target.

20. The following members of the Committee voted for this decision: Gabriel Muricca Galípolo (Governor), Ailton de Aquino Santos, Gilneu Francisco Astolfi Vivan, Izabela Moreira Correa, Nilton José Schneider David, Paulo Picchetti, and Rodrigo Alves Teixeira.

Table 1
Inflation projections in the reference scenario
Year-over-year IPCA change (%)

Price Index	2026	2027	1st quarter 2028
IPCA	5.2	3.9	3.2
IPCA market prices	5.2	4.1	3.2
IPCA administered prices	5.3	3.5	3.2