

London Conference

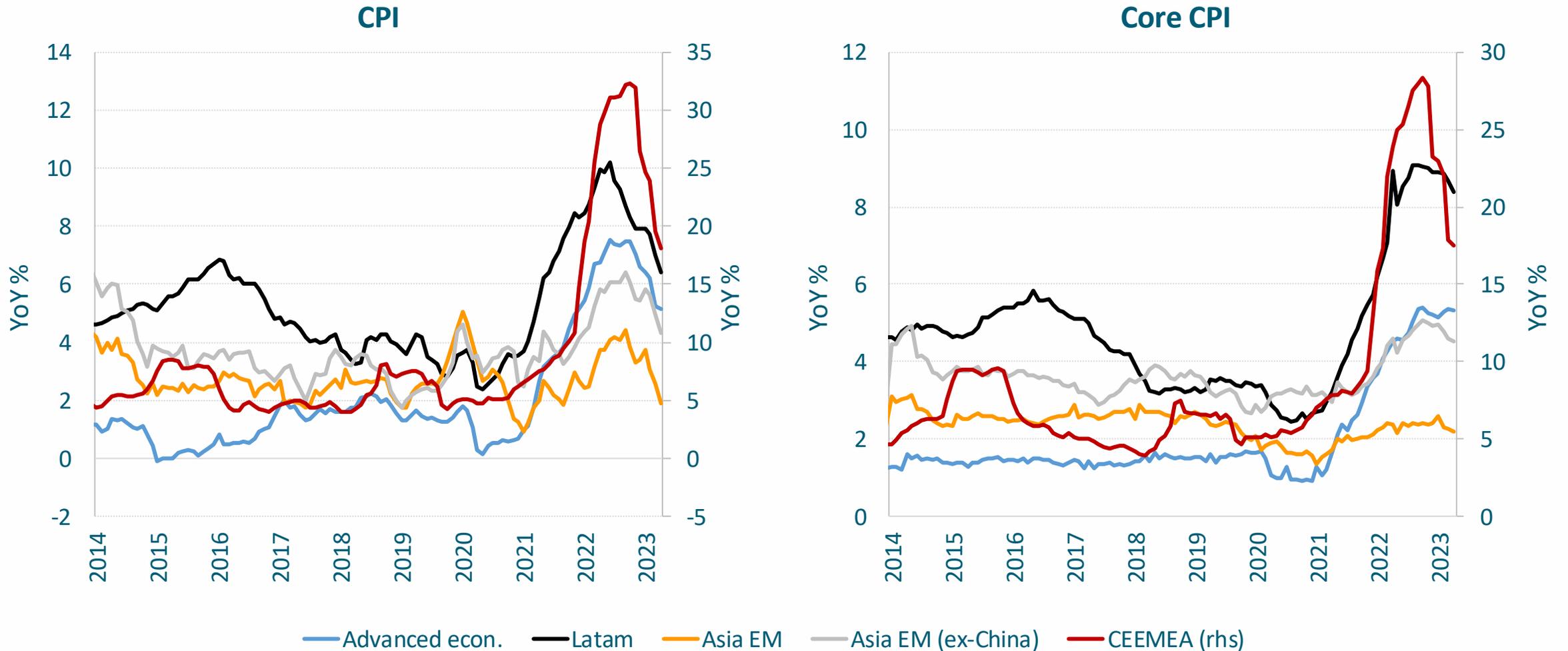
Banco Central do Brasil

Diogo Guillen – Deputy Governor of Economic Policy

June 5th, 2023

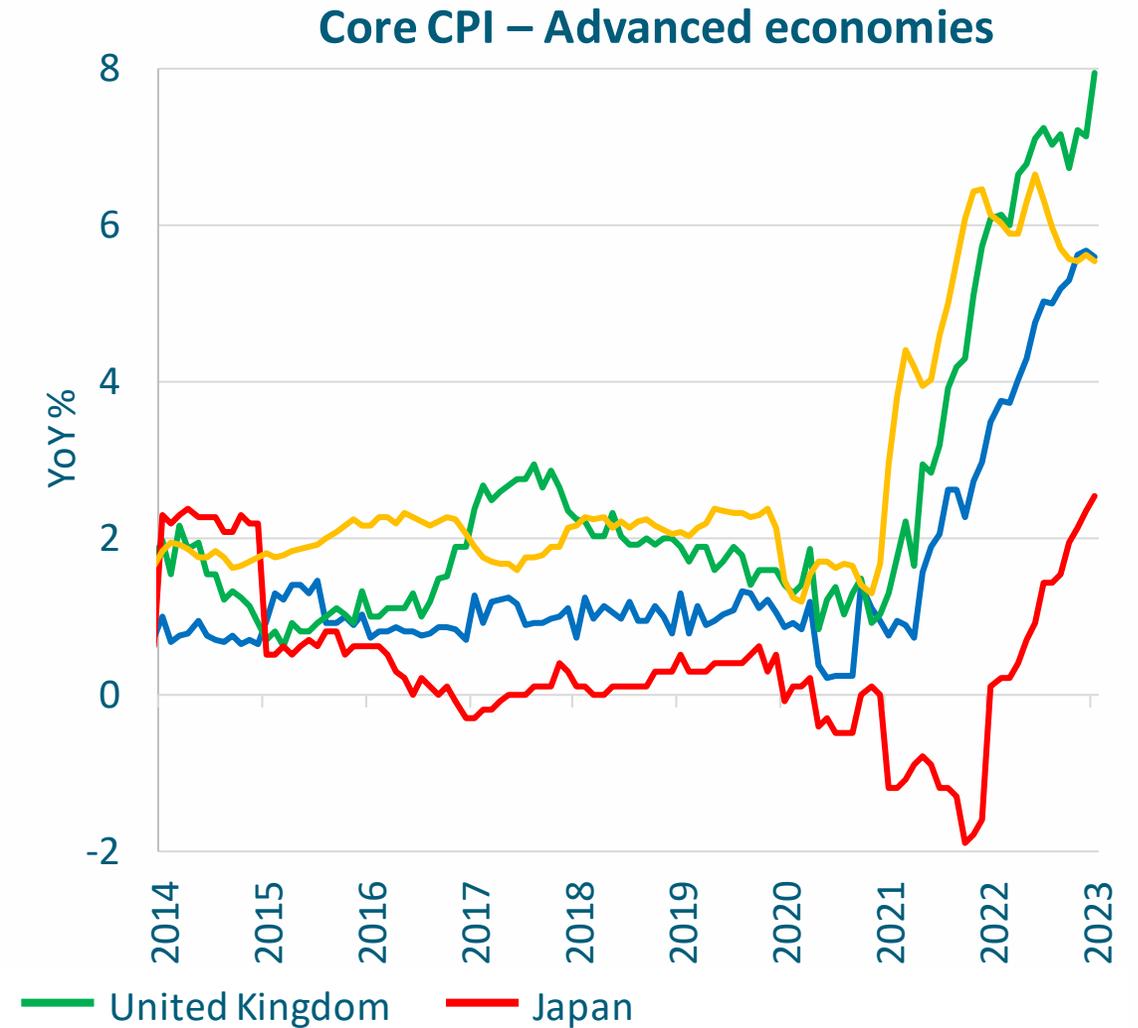
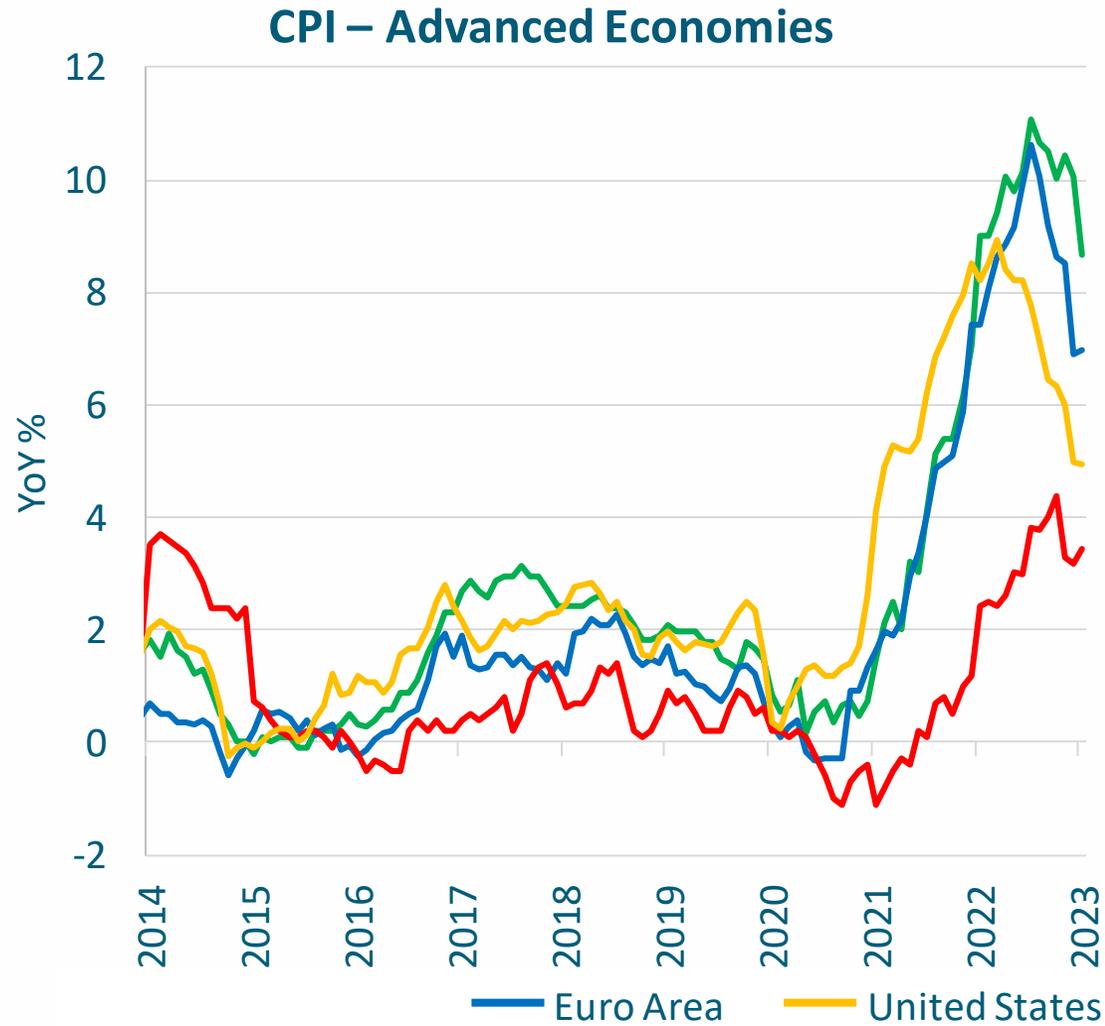
Global outlook

CPIs and core inflation

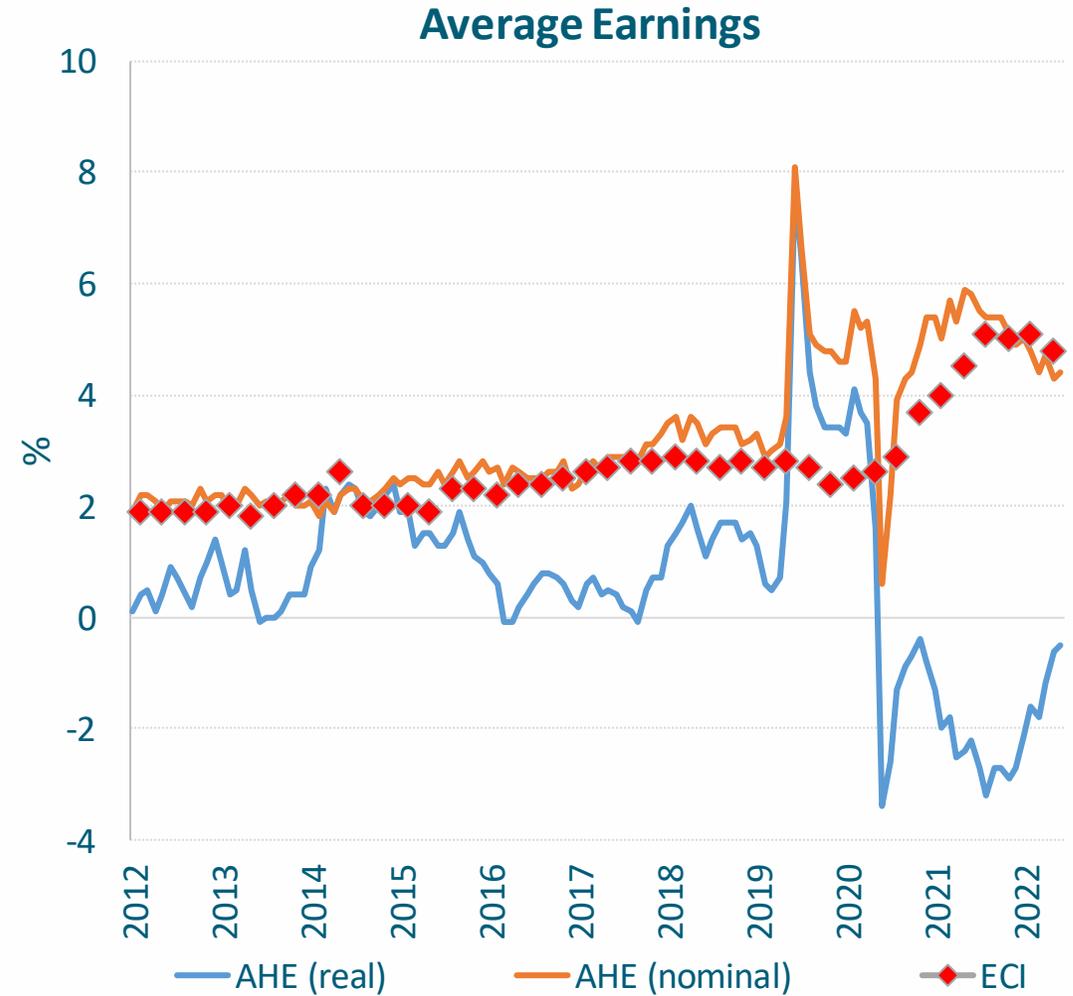
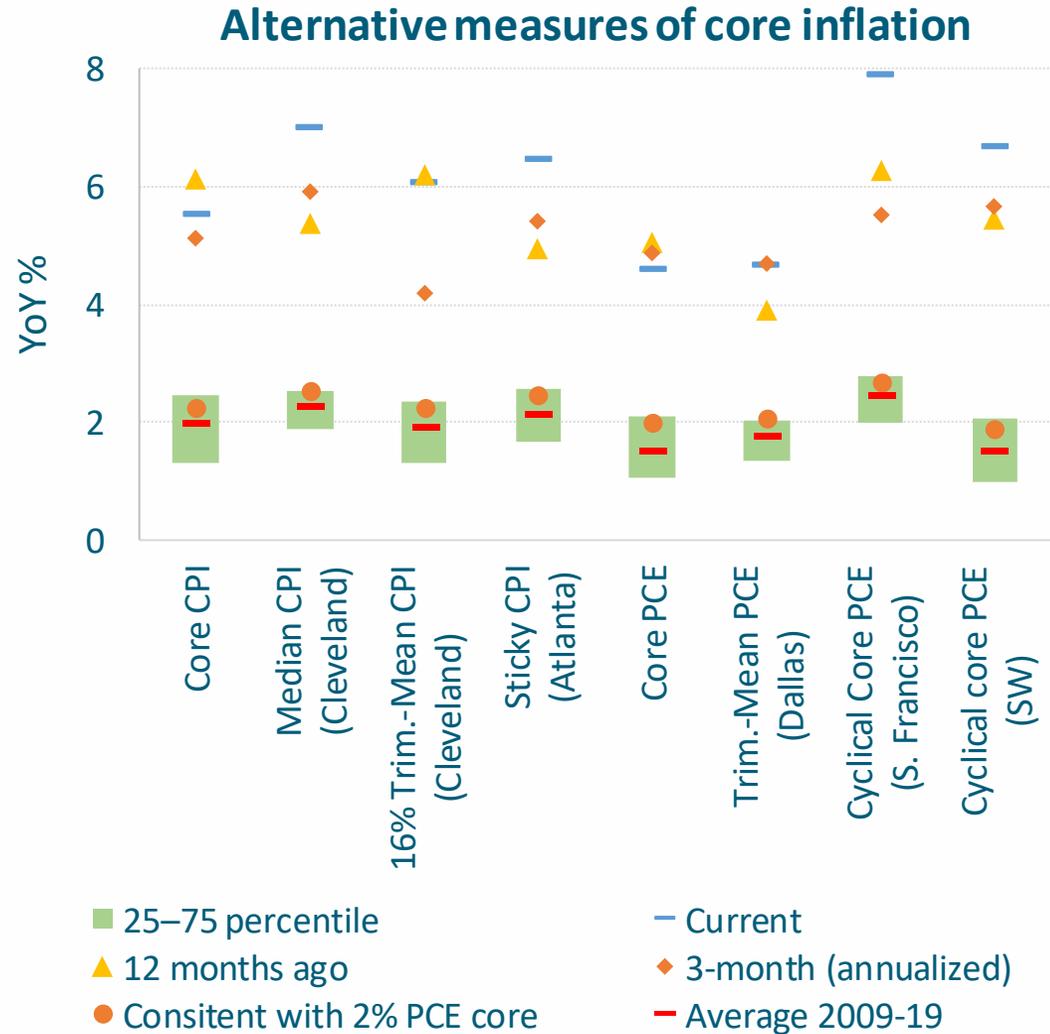


1/ Weighted by PPP; Latam: BRA, MEX, CHL, COL, PER; CEEMEA: TUR, RUS, BGR, CZE, HUN, POL, ROU, SVK; Asia EM: CHN, IDN, IND, KOR, HKG, MYS, PHL, SGP, TWN, THA; Advanced economies: DEU, FRA, ITA, GRC, PRT, IRL, ESP, CHE, NOR, SWE, DNK, FIN, USA

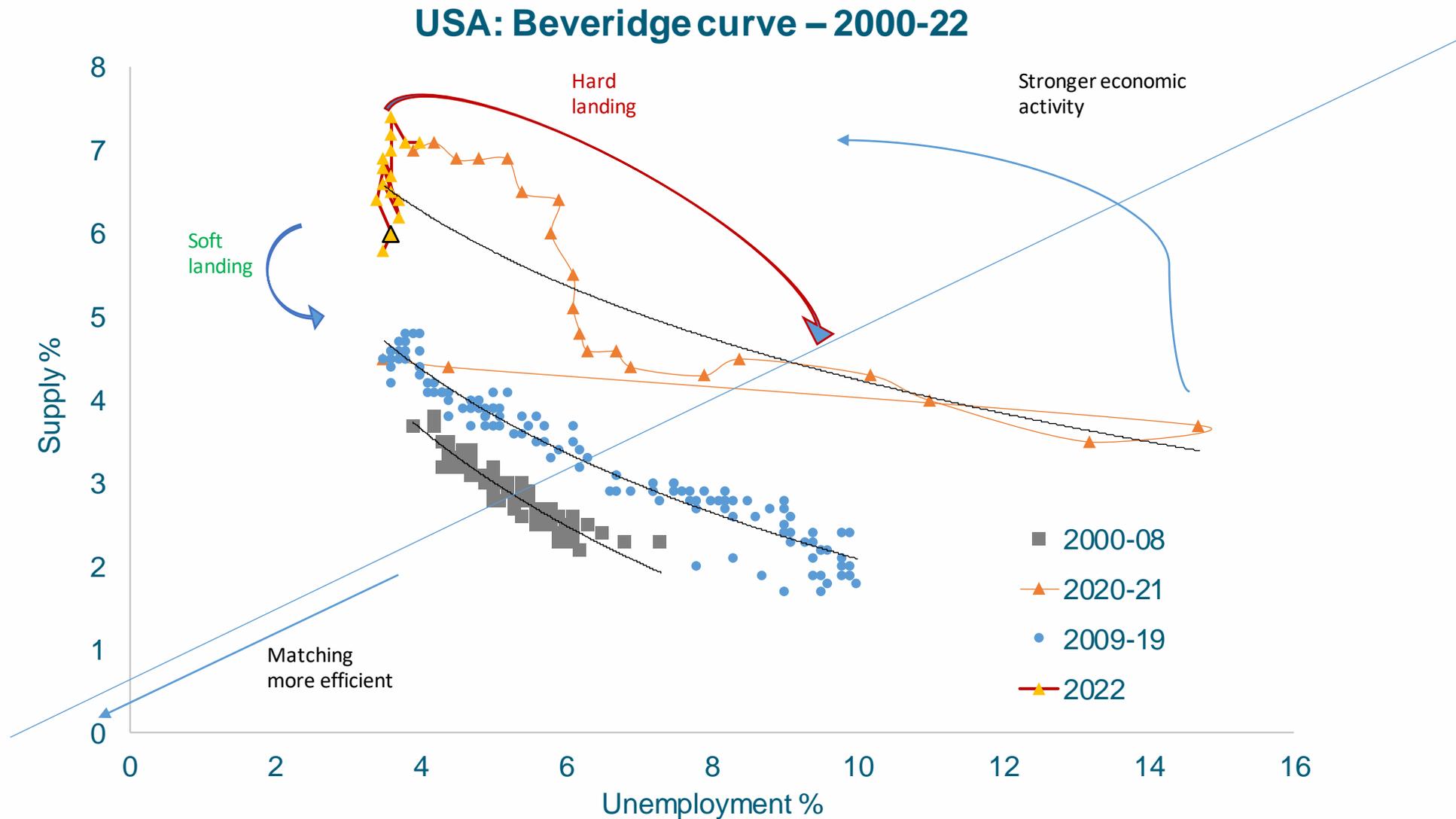
CPIs and core inflation in advanced economies



Core inflation and wages in the US



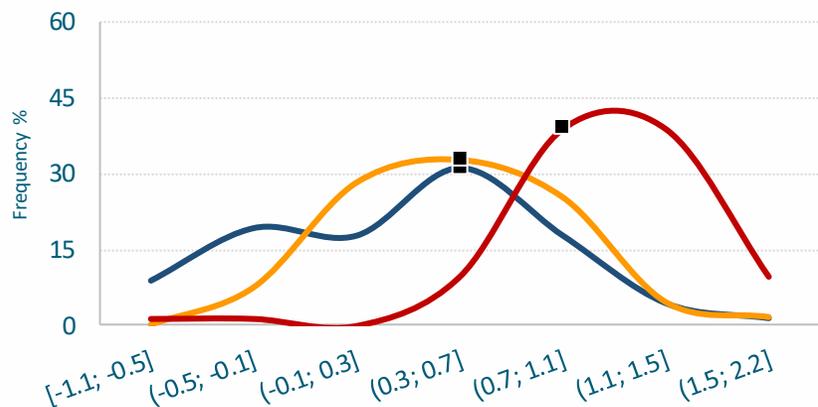
Labor market



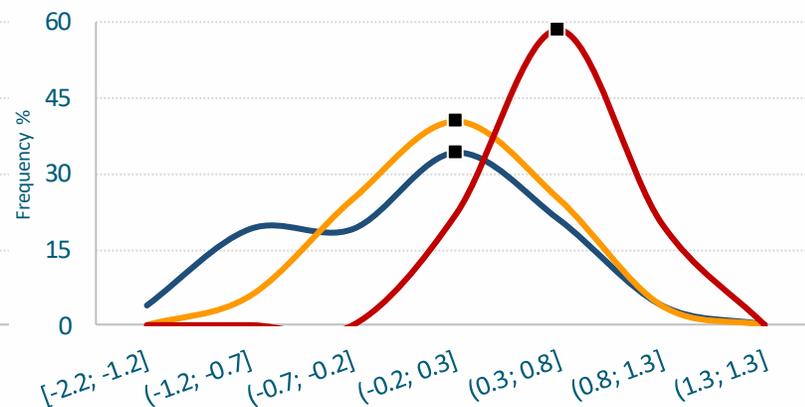
Source: Bloomberg

GDP growth expectations

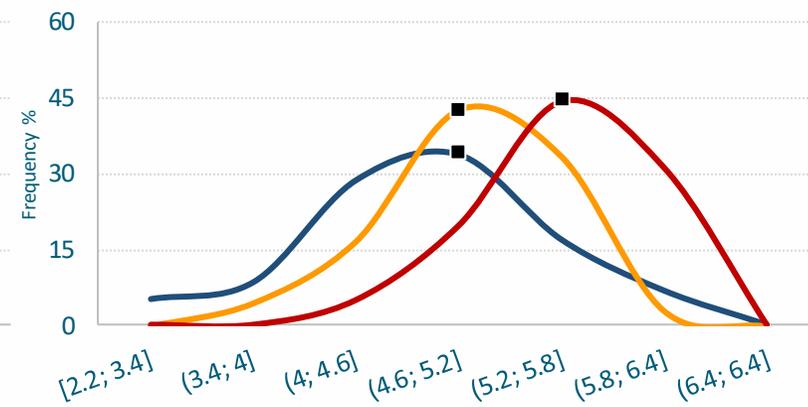
GDP US 2023



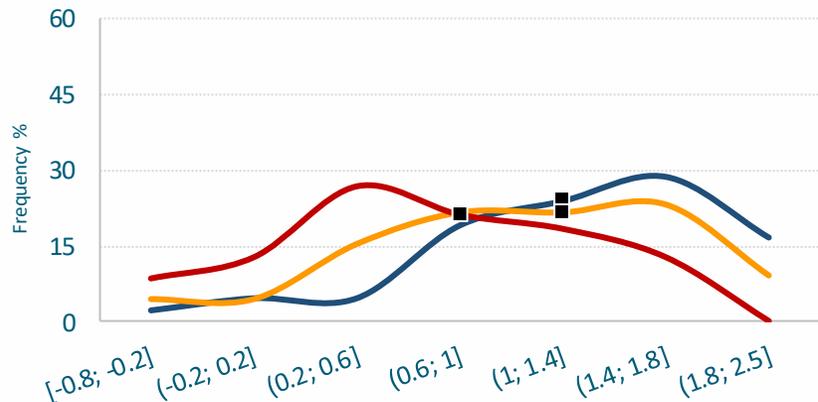
GDP Euro Area 2023



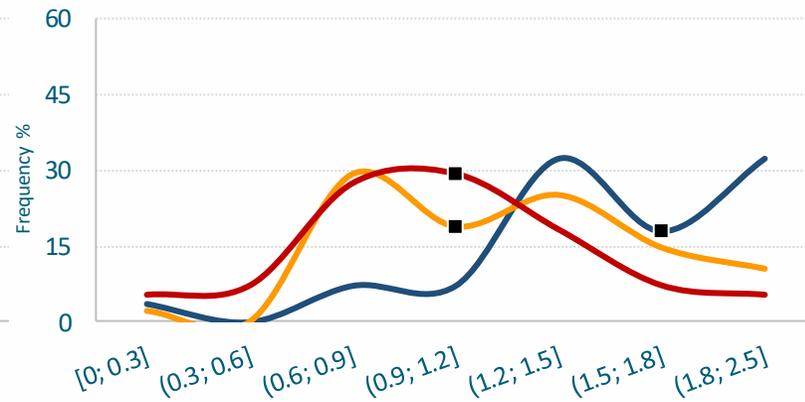
GDP China 2023



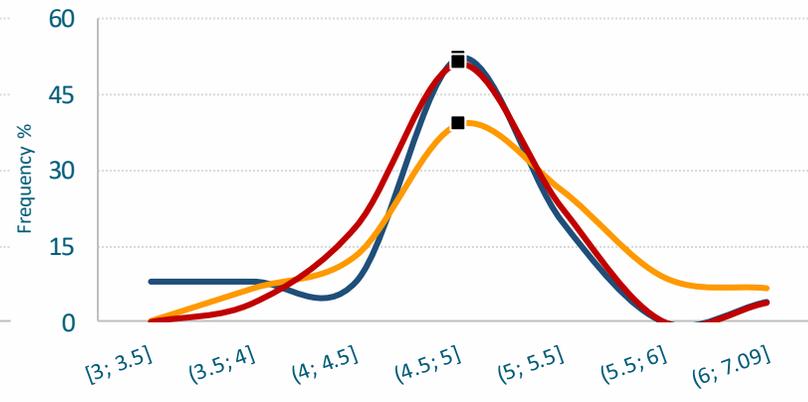
GDP US 2024



GDP Euro Area 2024



GDP China 2024



— October 2022

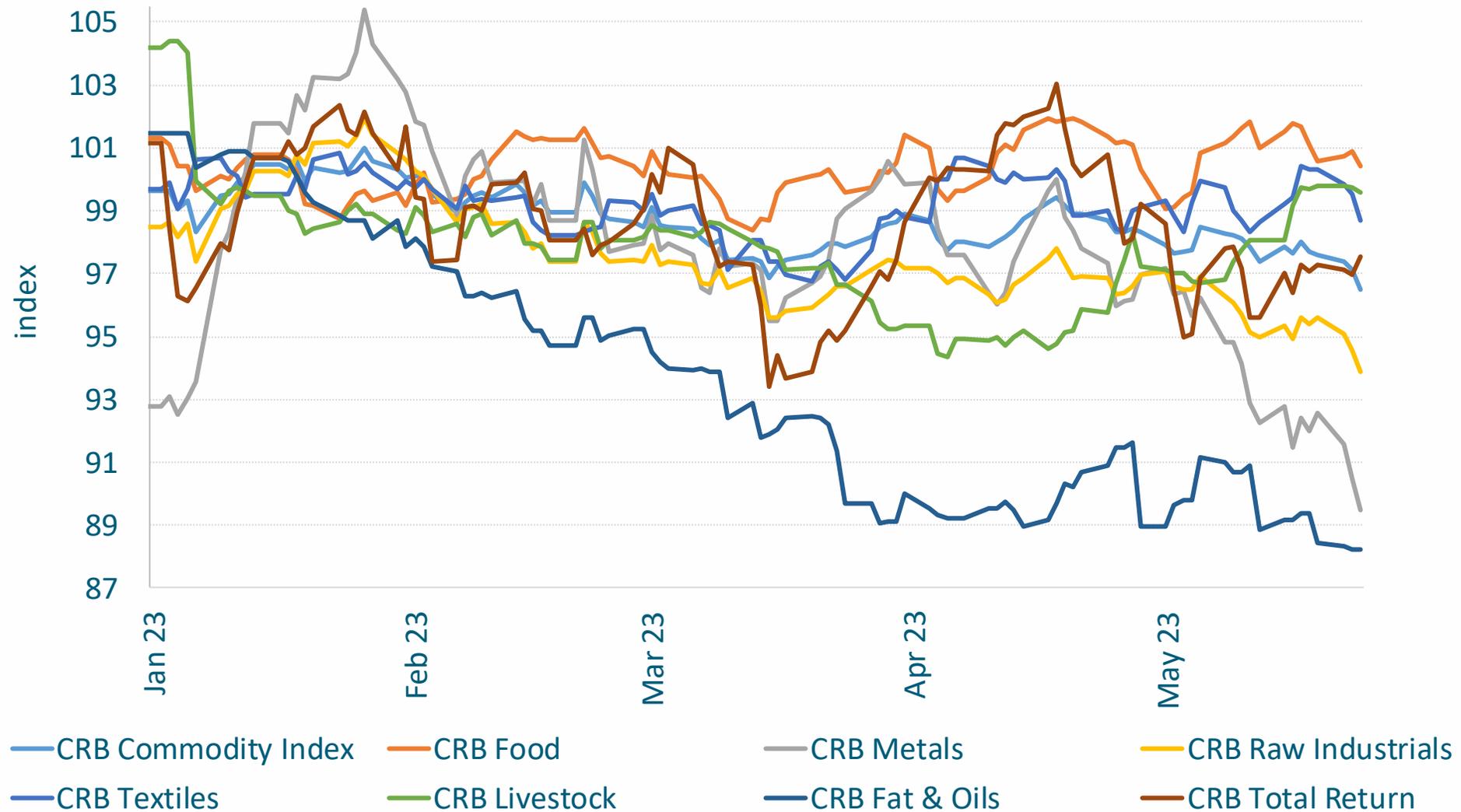
— January 2023

— April 2023

■ median

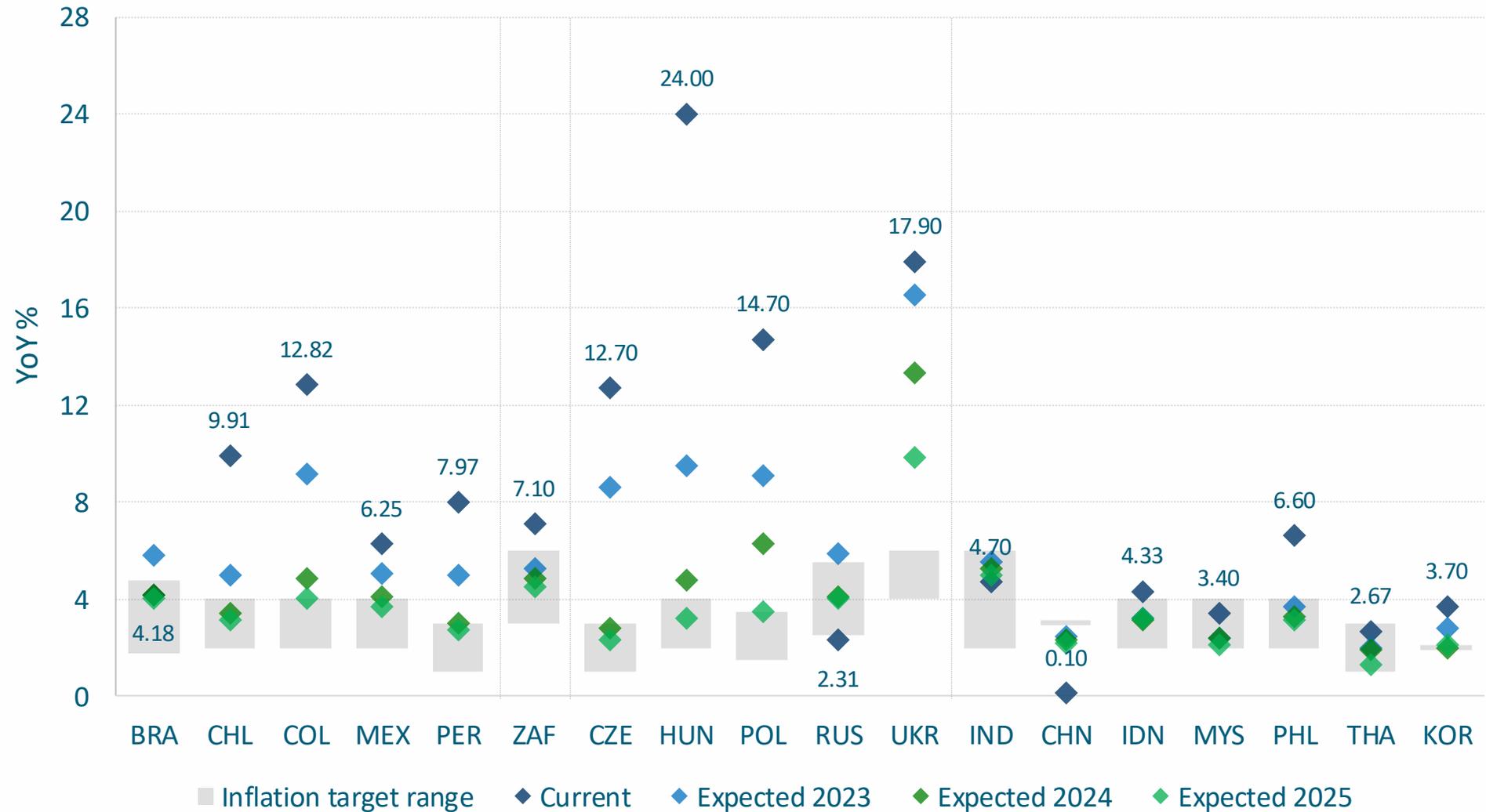
Source: Bloomberg

Commodity prices



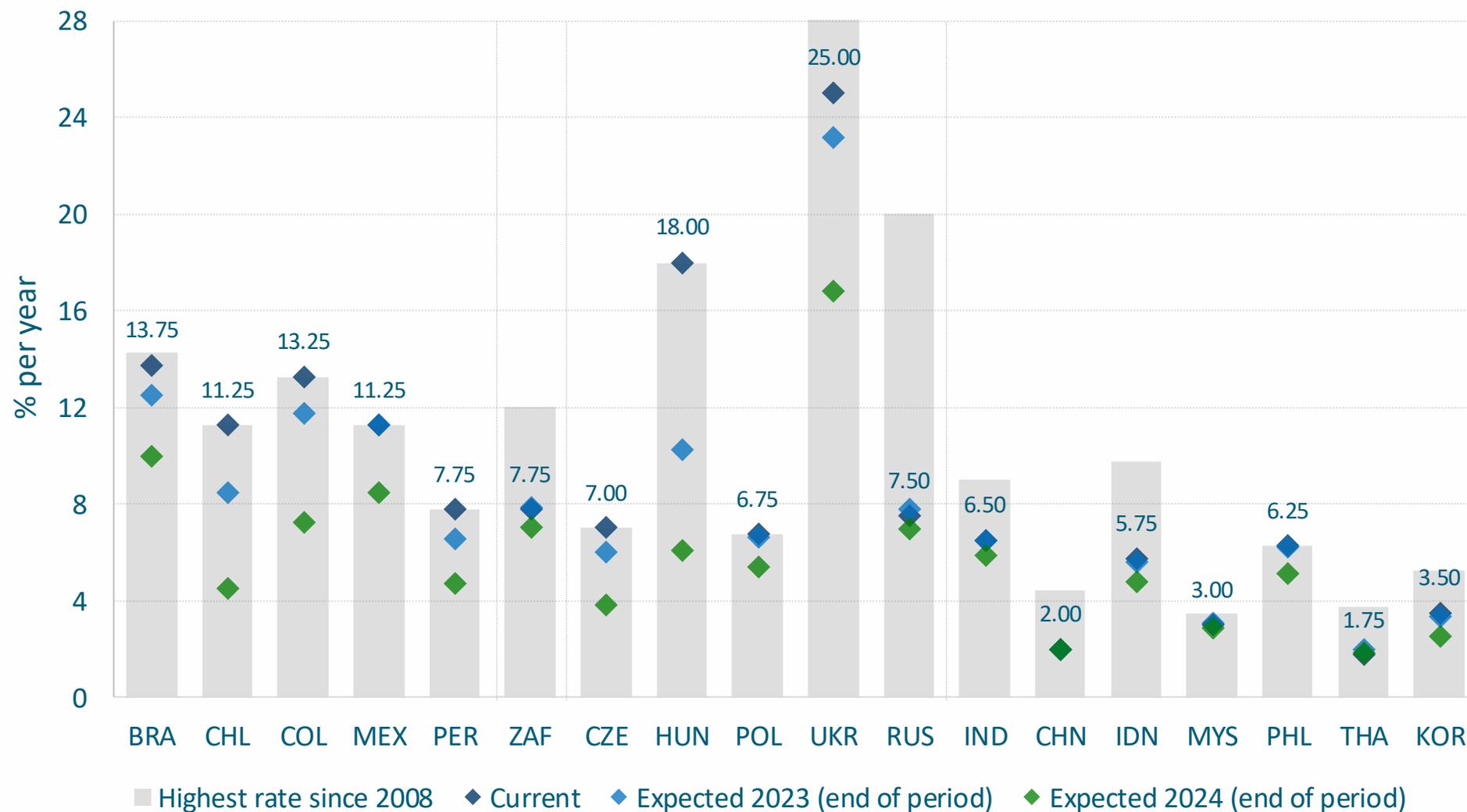
Source: Bloomberg

Inflation expectations



Sources: Bloomberg and surveys of central banks

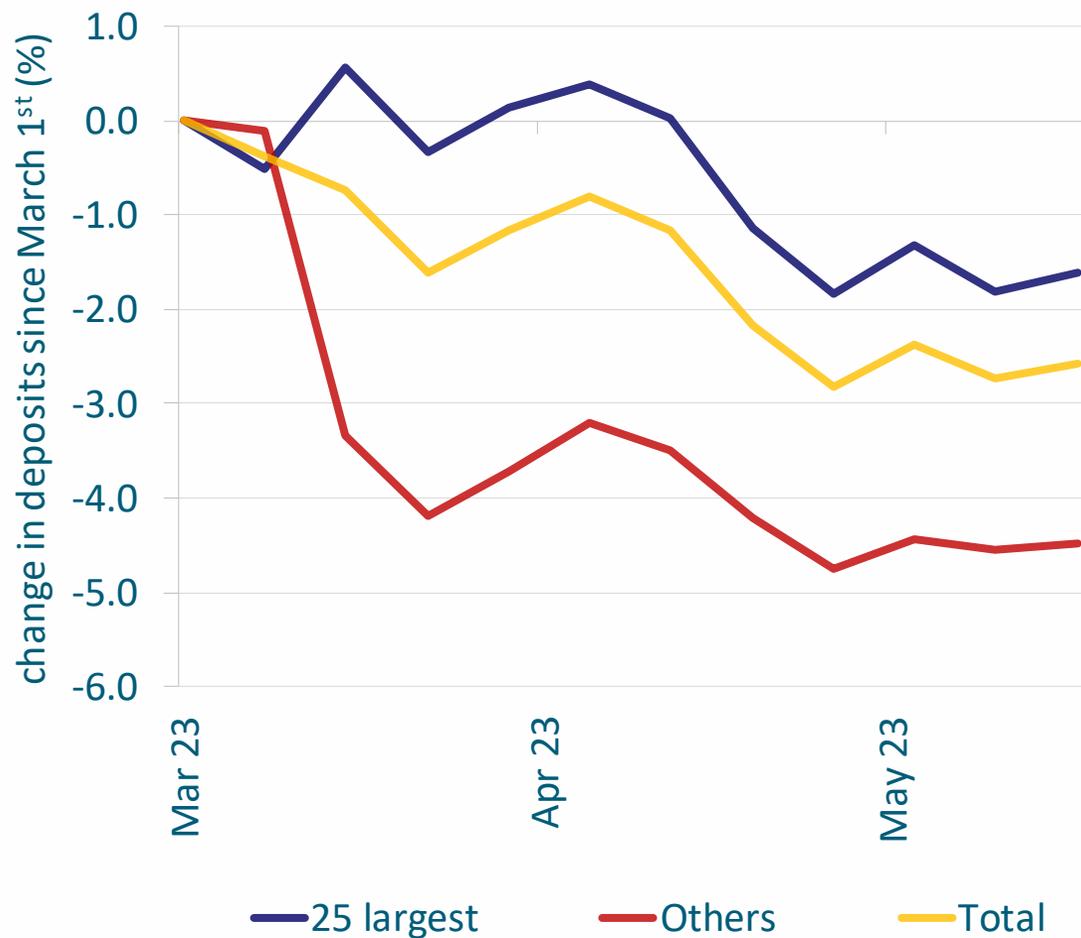
Base interest rate



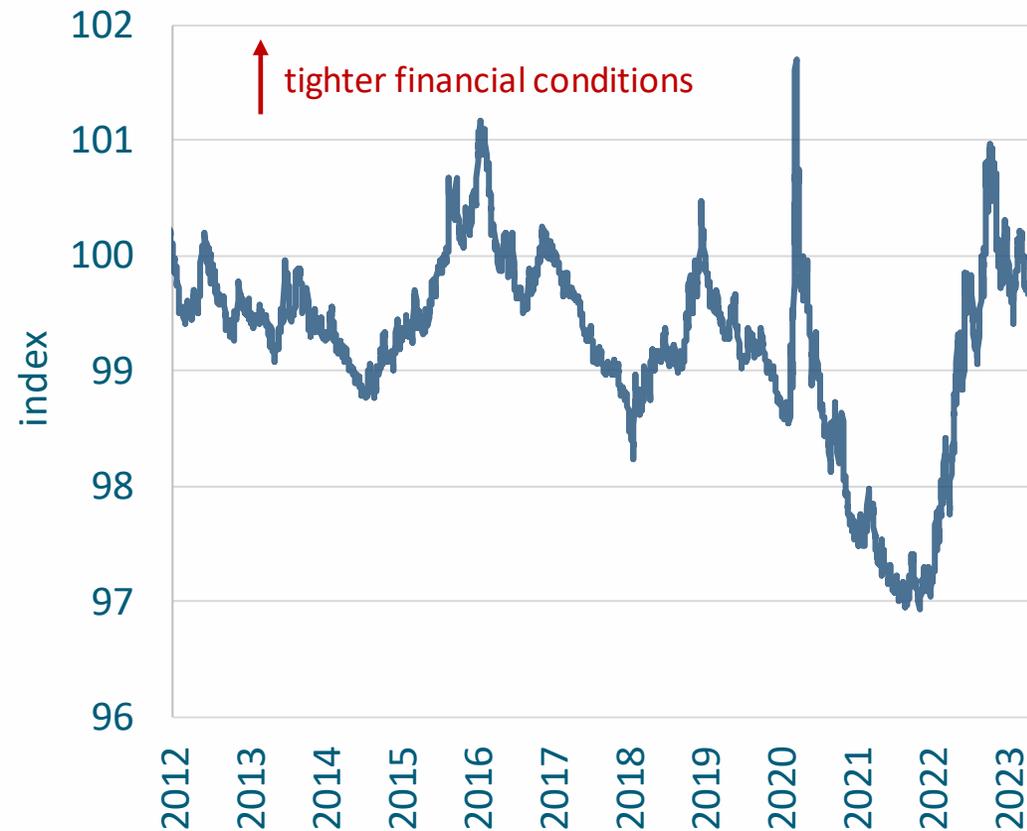
Sources: Central banks and Bloomberg

USA – Financial conditions

Commercial US banks by size (H8)



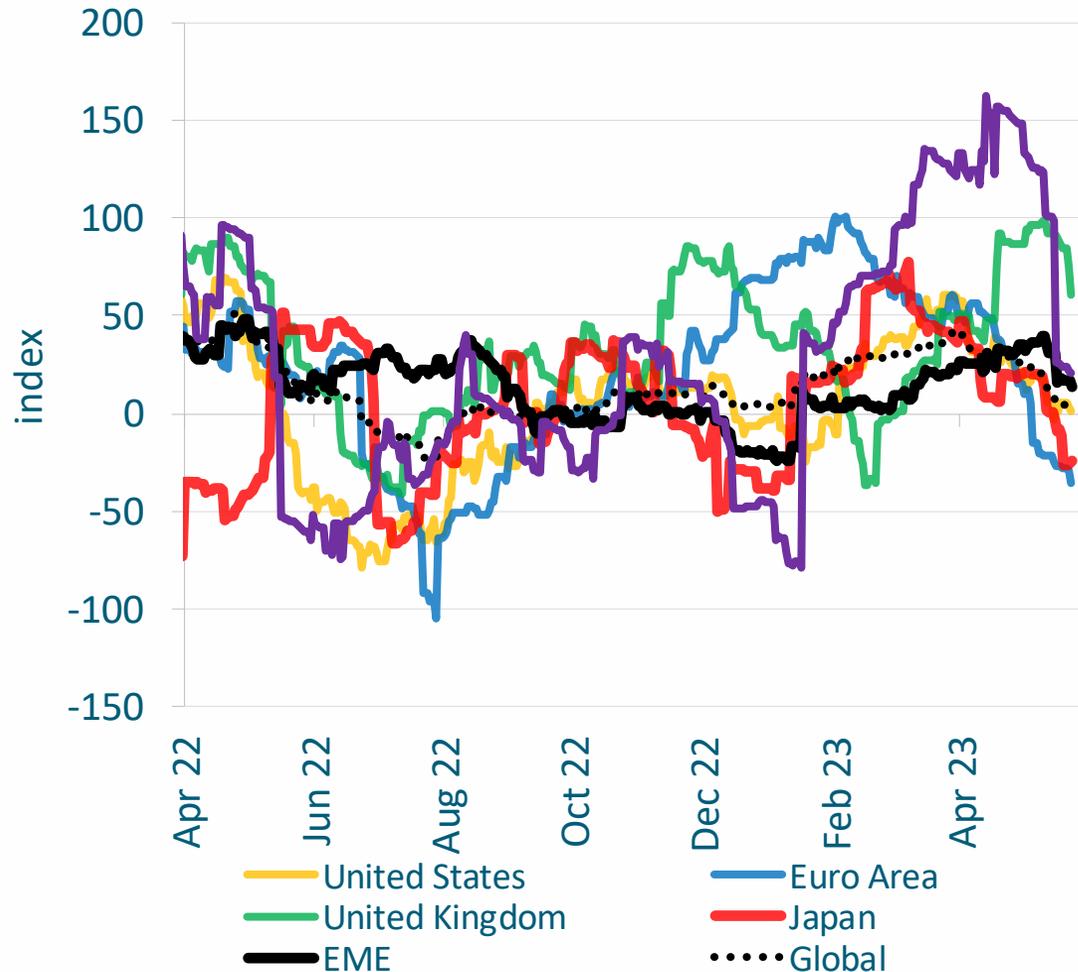
USA – Financial Conditions Index



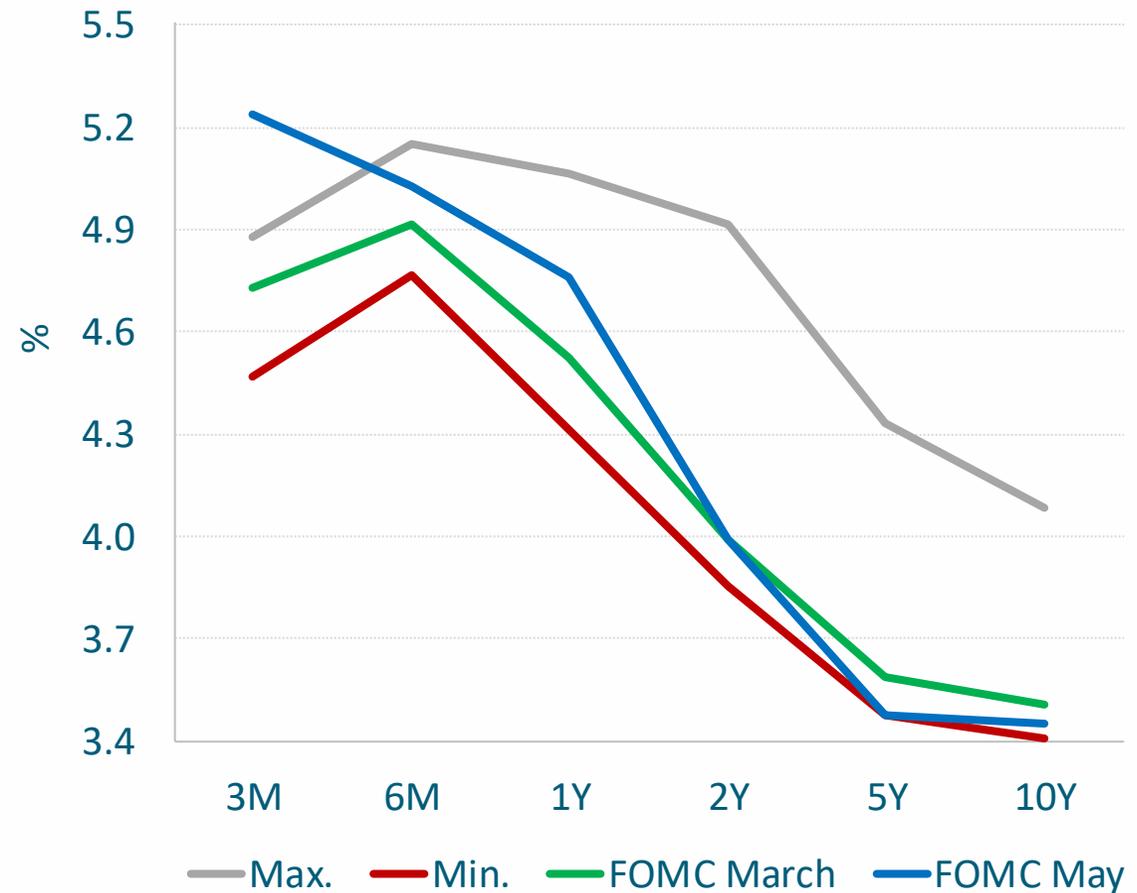
Sources: Goldman Sachs and Bloomberg

USA – Financial conditions

Economic Surprise Index



USA – Yield Curve

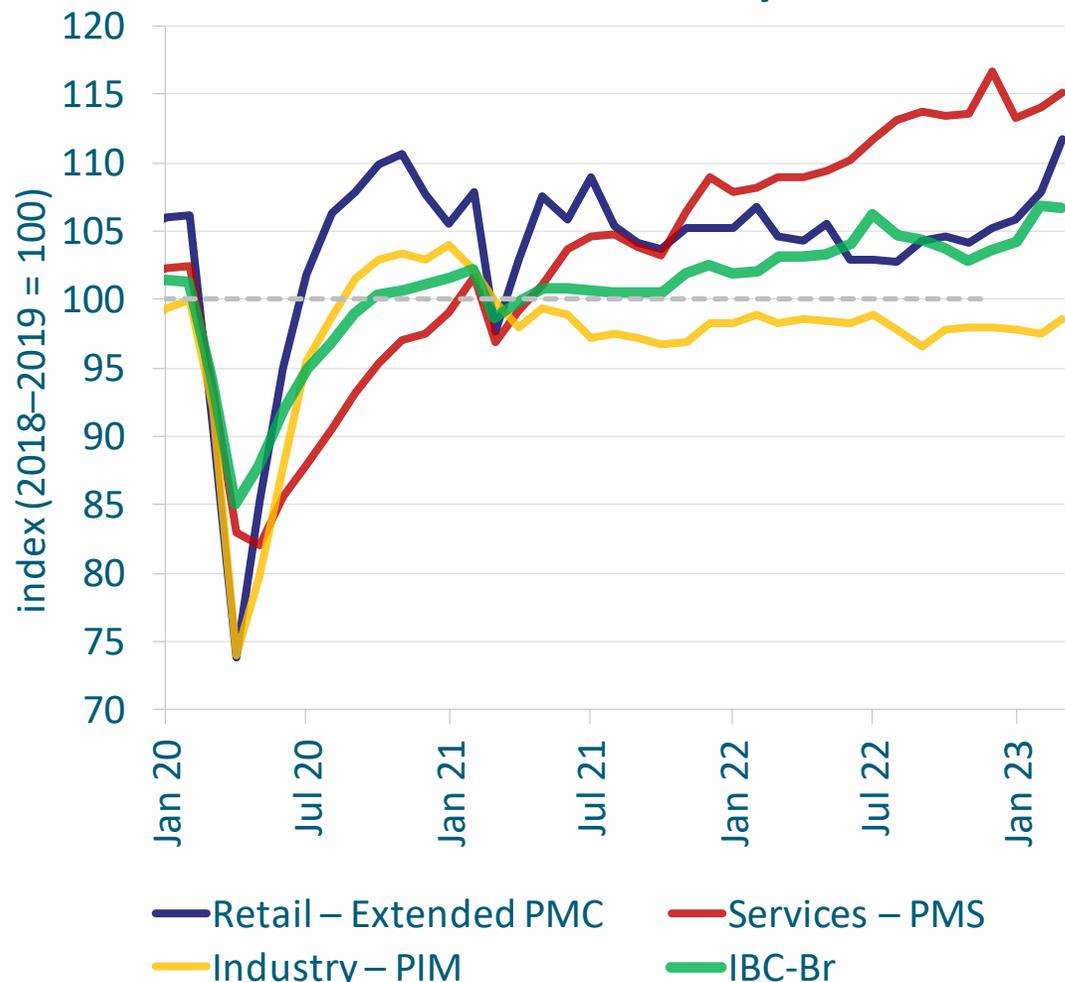


Sources: Citi and Bloomberg

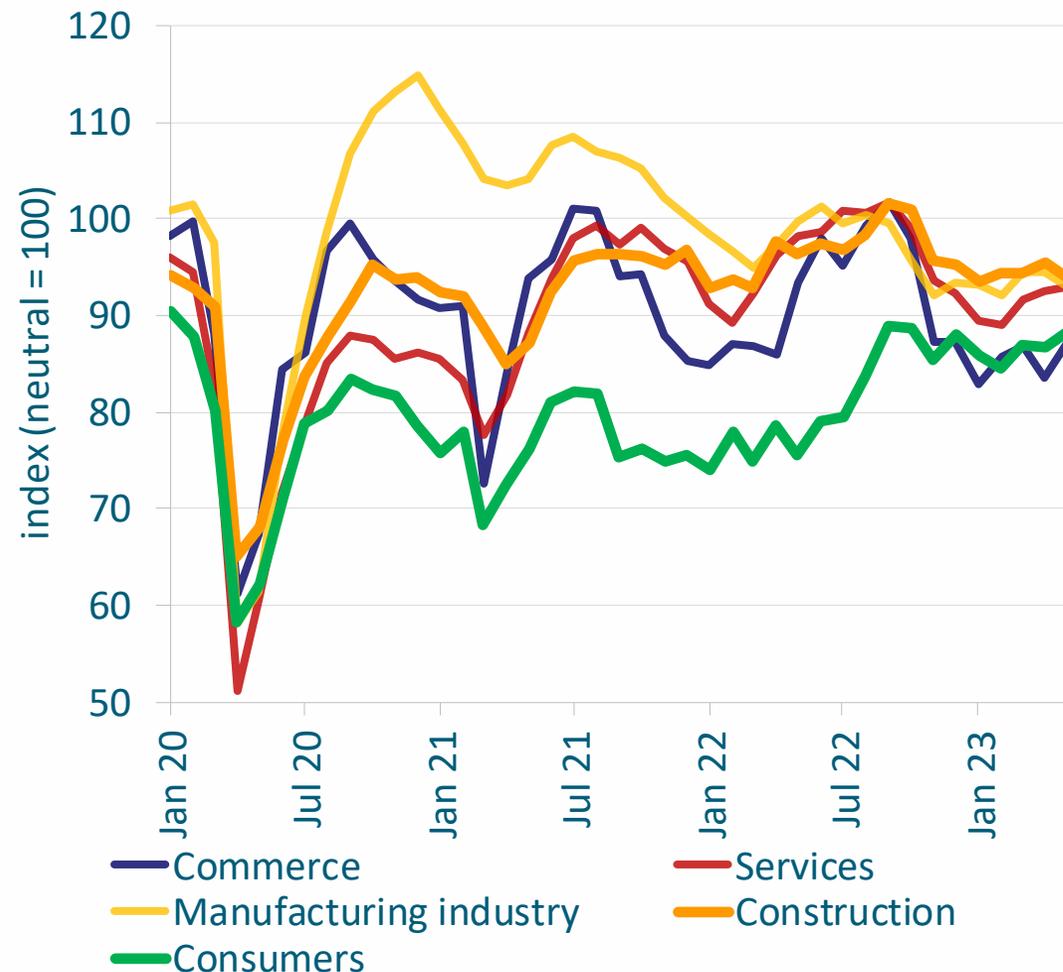
Brazilian economy

Economic activity and confidence

Economic activity^{1/}



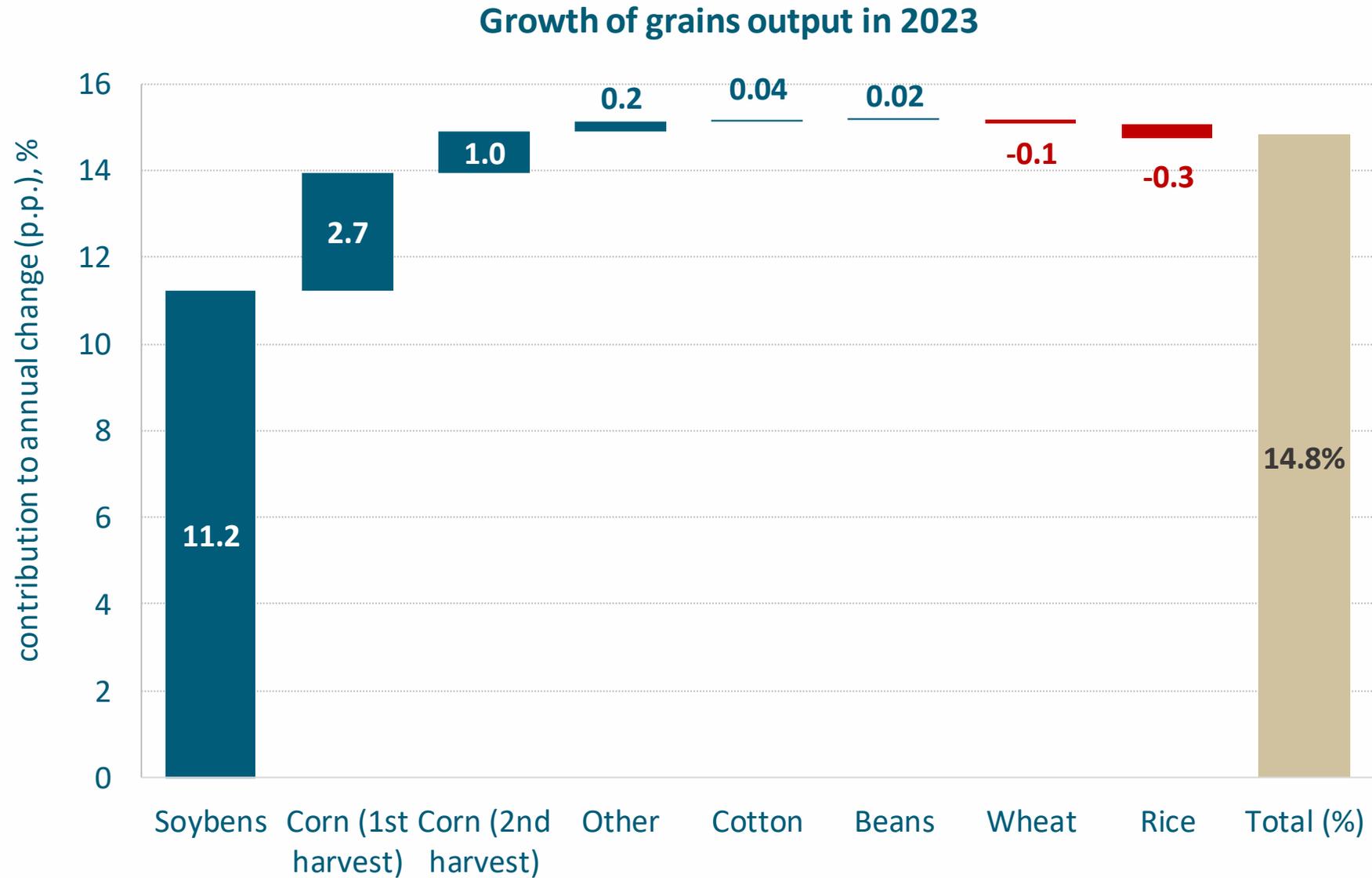
Confidence Index^{2/}



Sources: IBGE, BCB and FGV

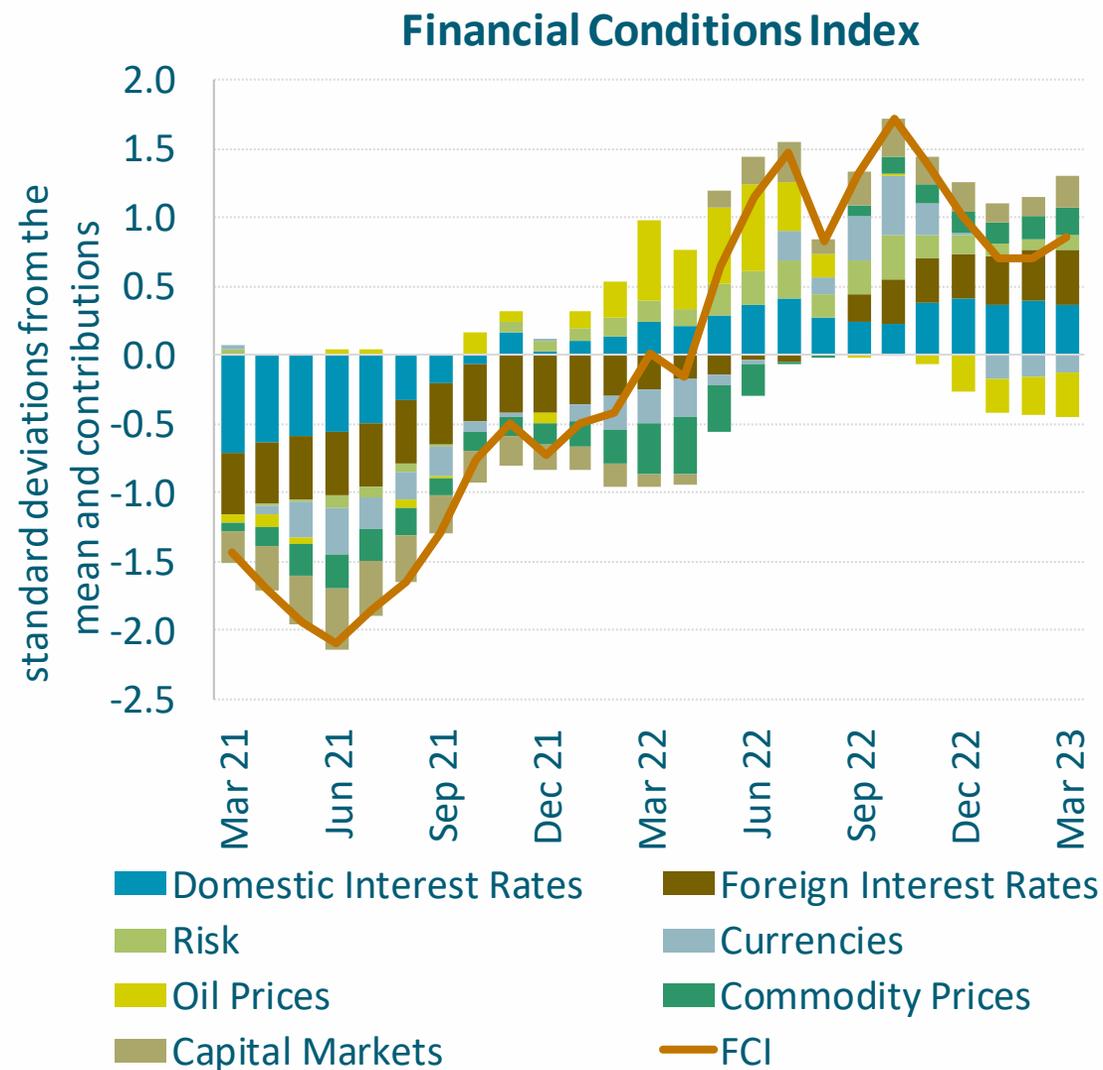
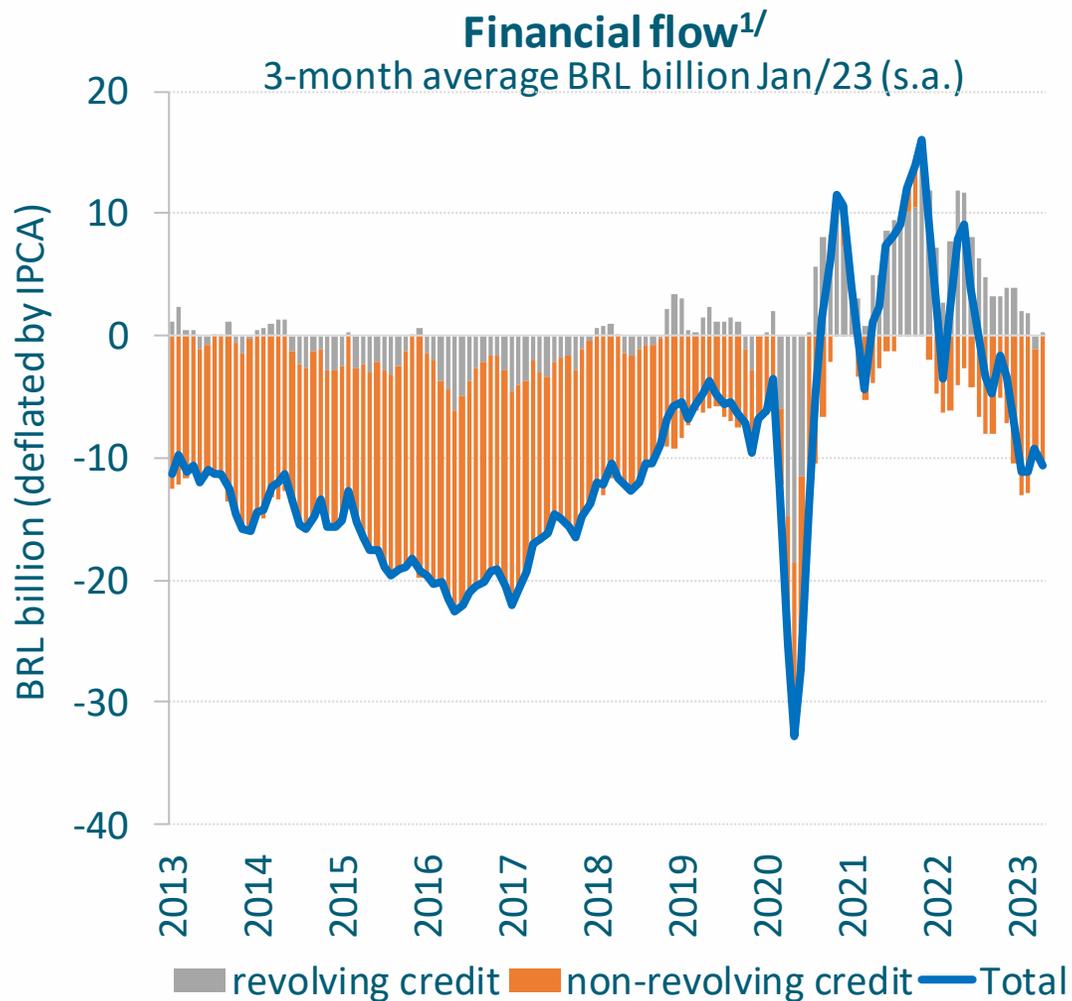
1/ Data up to March 2023. 2/ Data up to May 2023

Agriculture



Source: IBGE

Credit – Financial flow and FCI



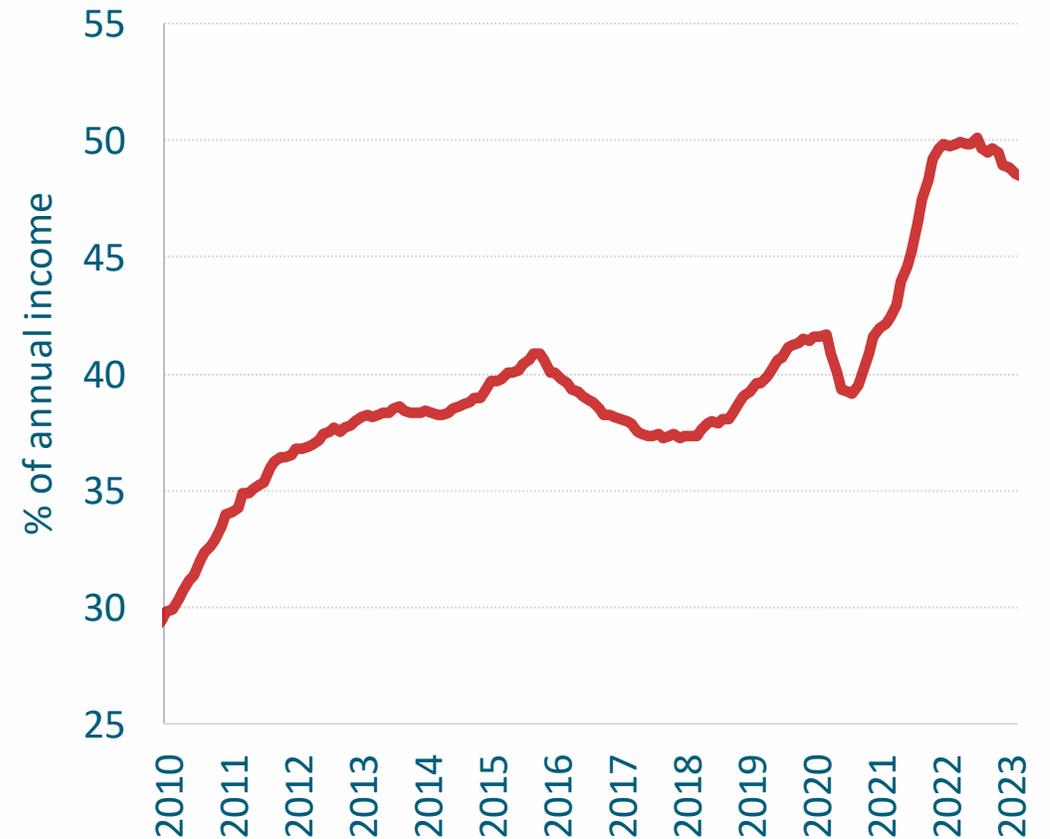
^{1/}Financial flow = new loans – payments

Credit – Household debt

Household debt service ratio

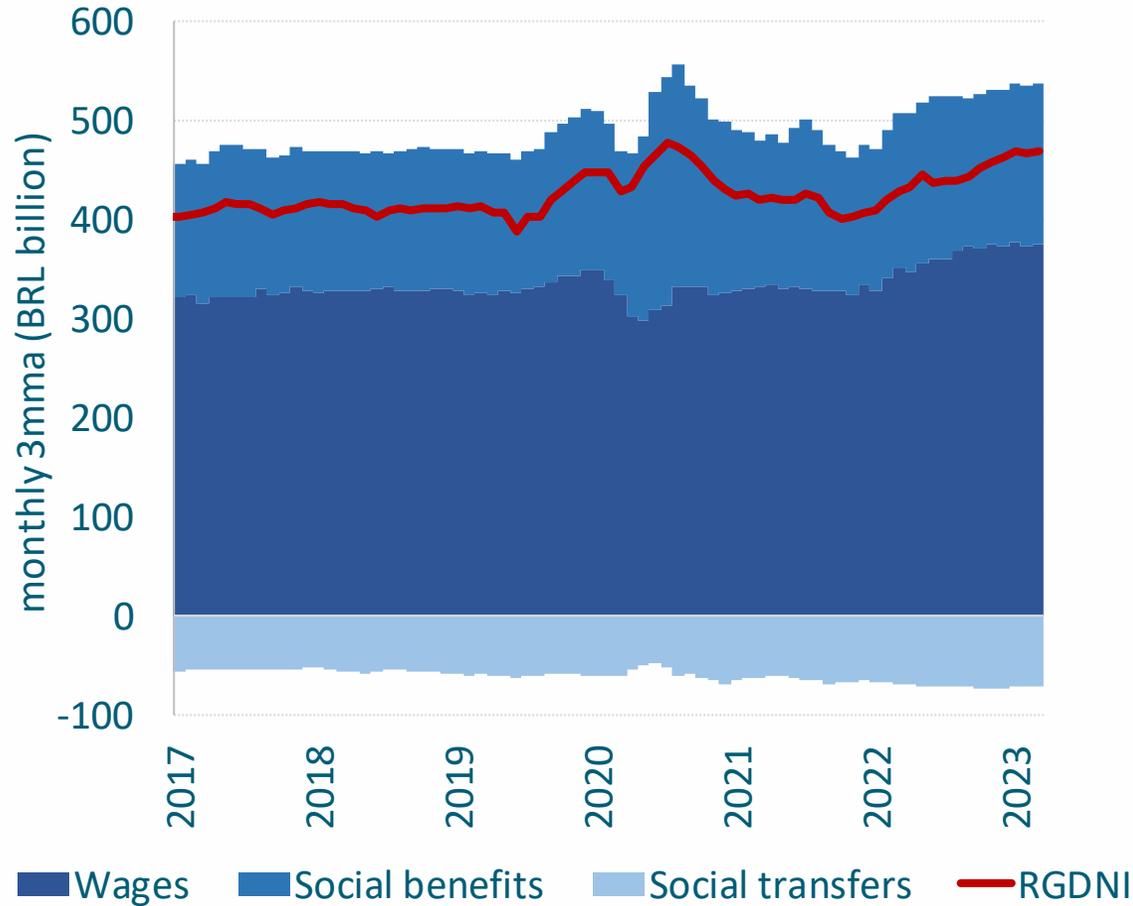


Household debt to income

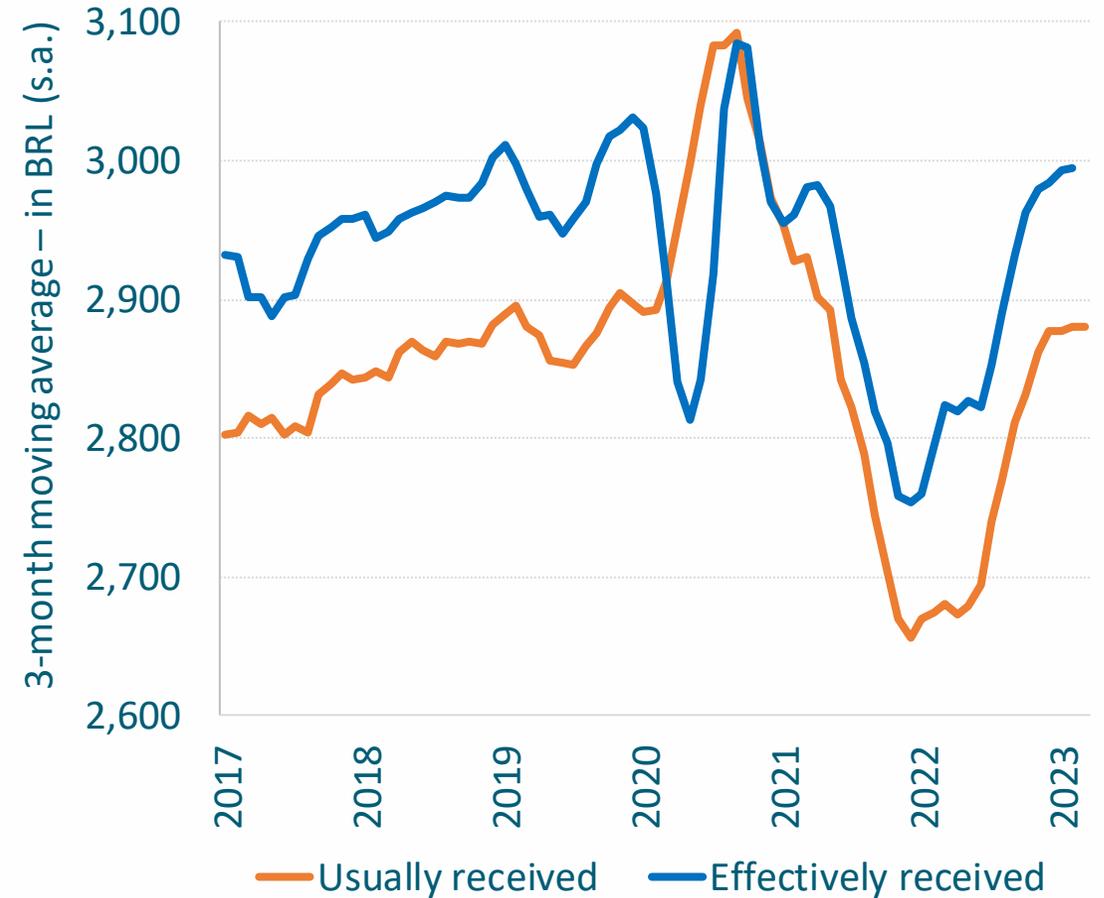


Labor market – Income

Real gross disposable national income – restricted

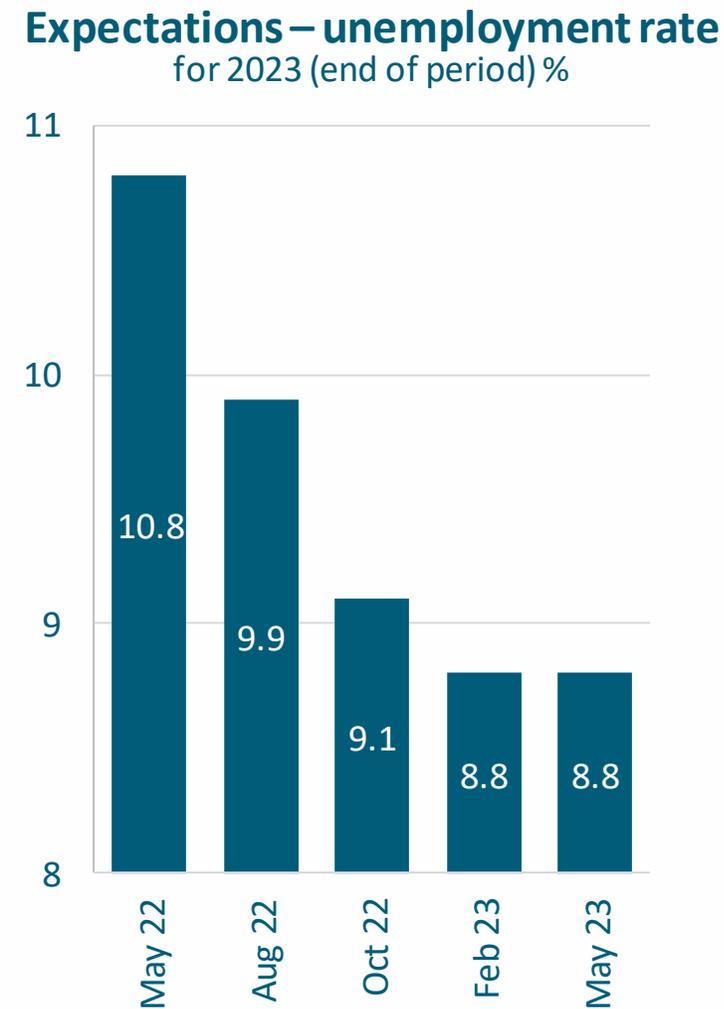
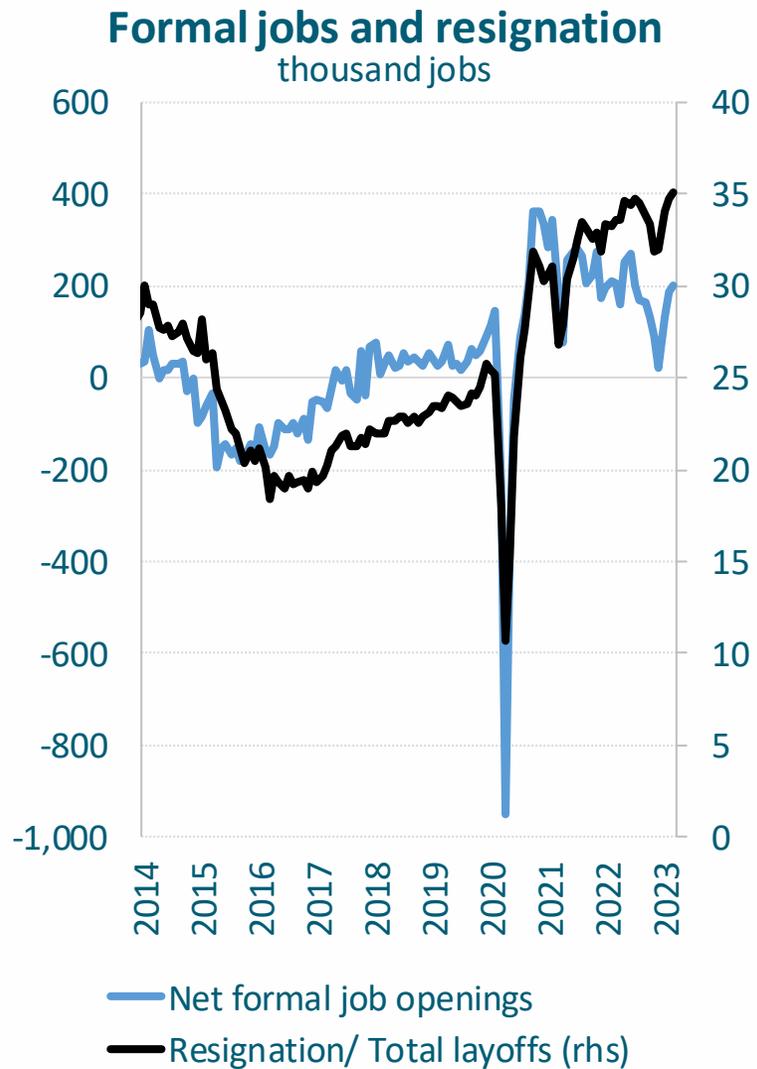
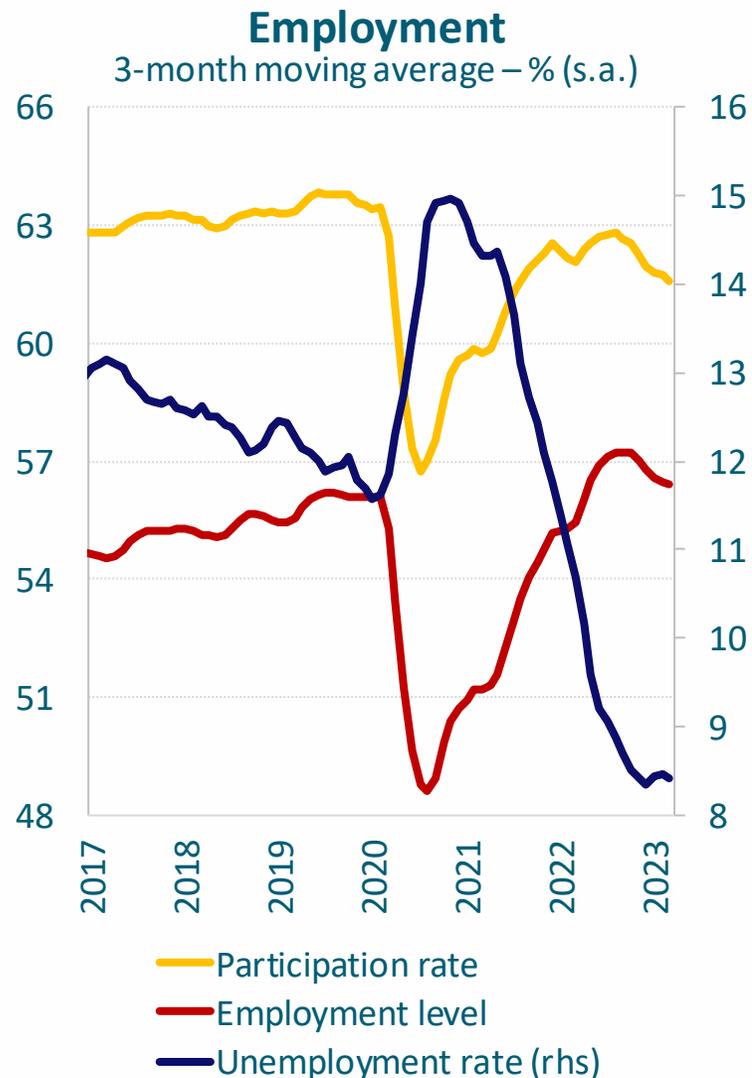


Real average labor income



Sources: BCB and IBGE

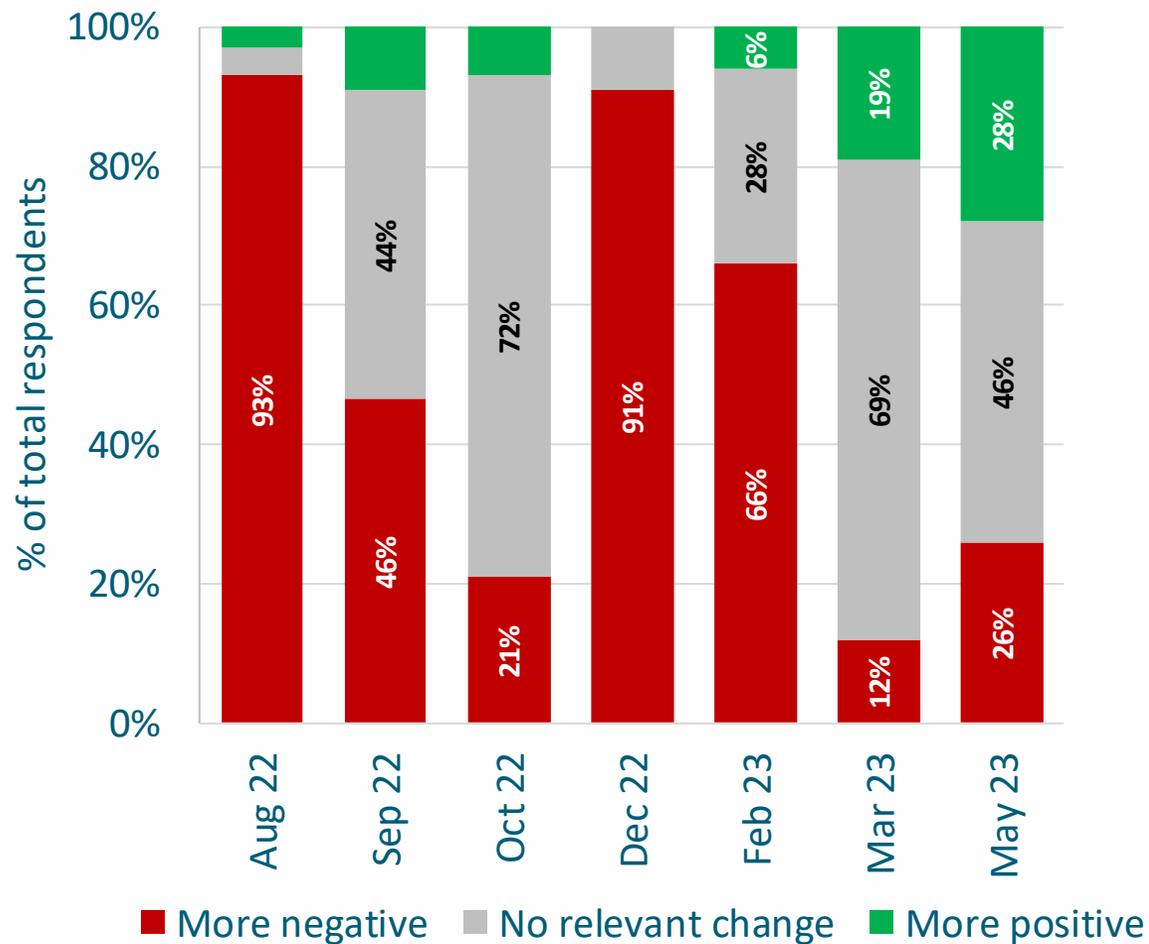
Labor market – Employment



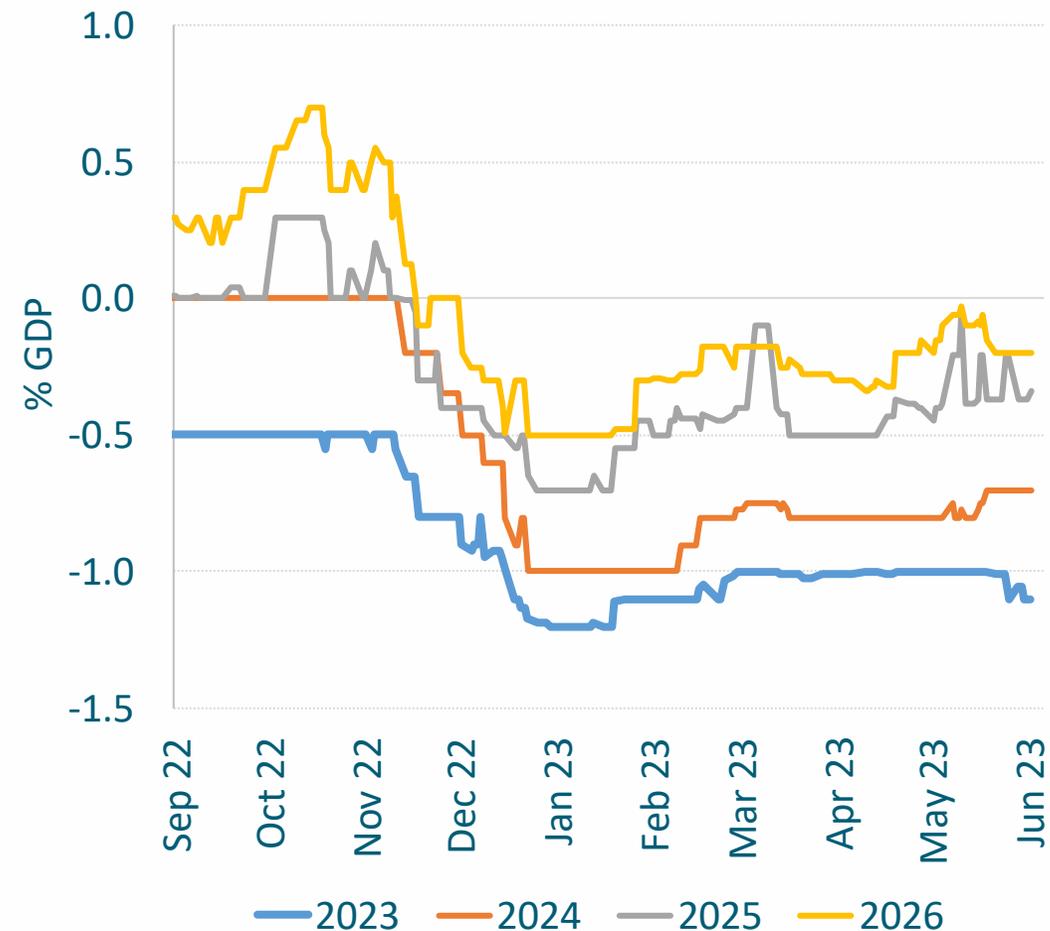
Sources: IBGE, MTE and BCB (QPC survey)

Fiscal

Expectations on fiscal risks^{1/}



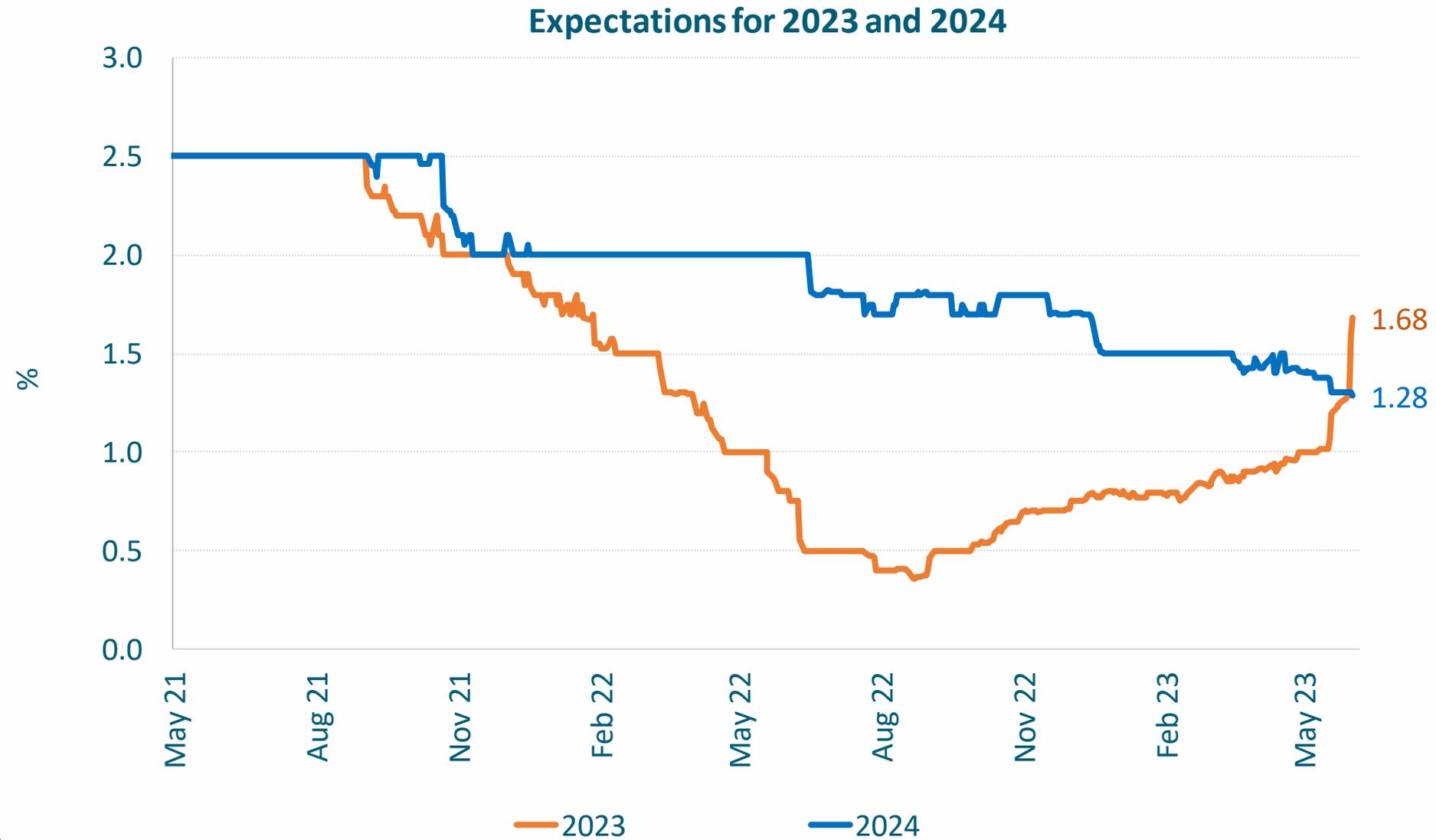
Primary result expectations



Source: BCB (QPC survey and Focus)

^{1/} Change in fiscal scenario since previous Copom meeting

GDP growth

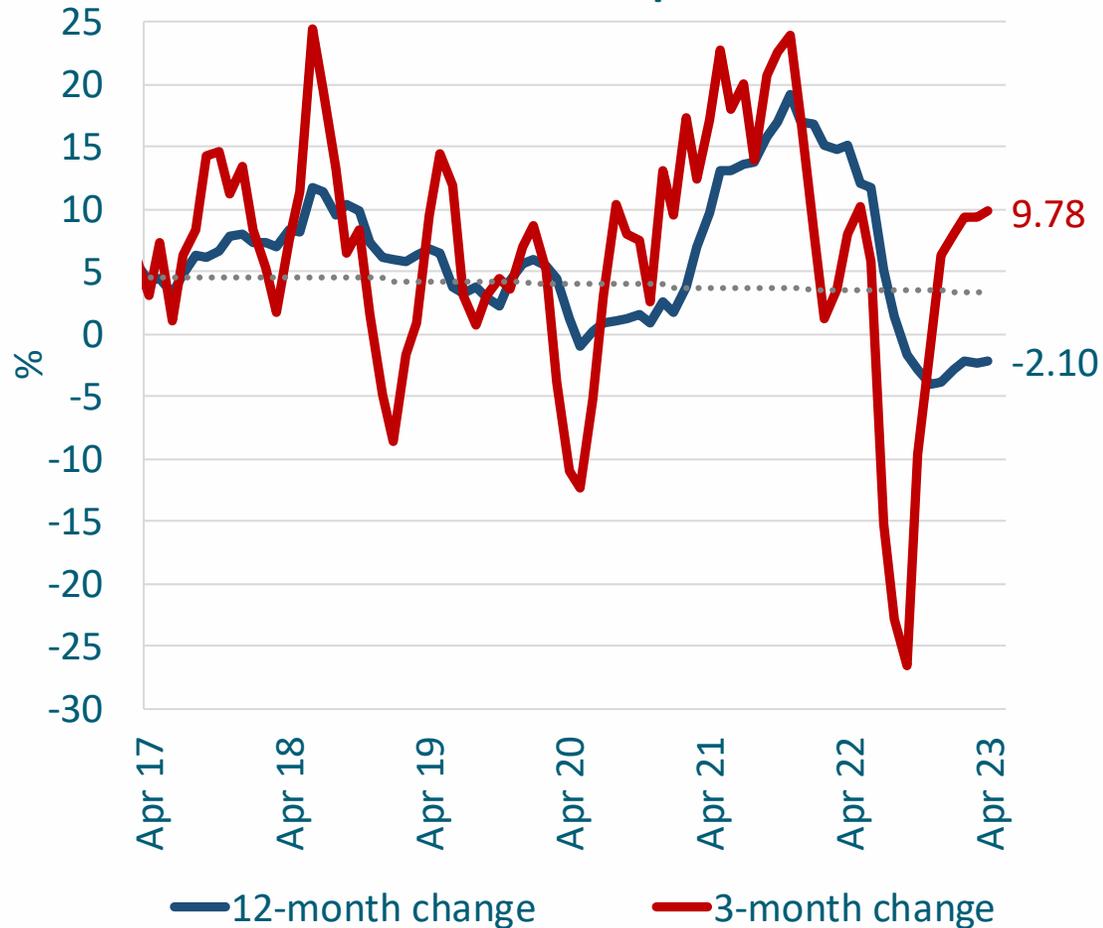


Source: BCB (Focus)

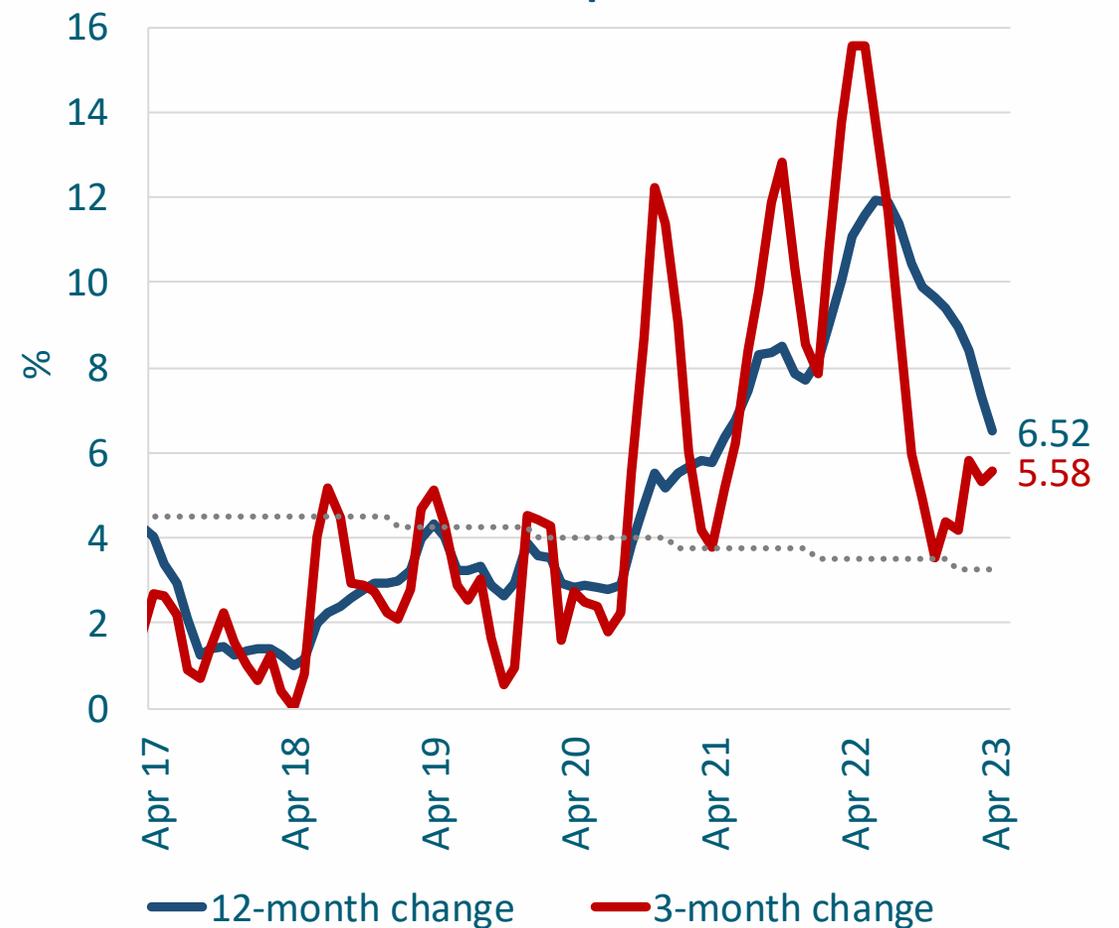
Inflation

Consumer prices

Administered prices



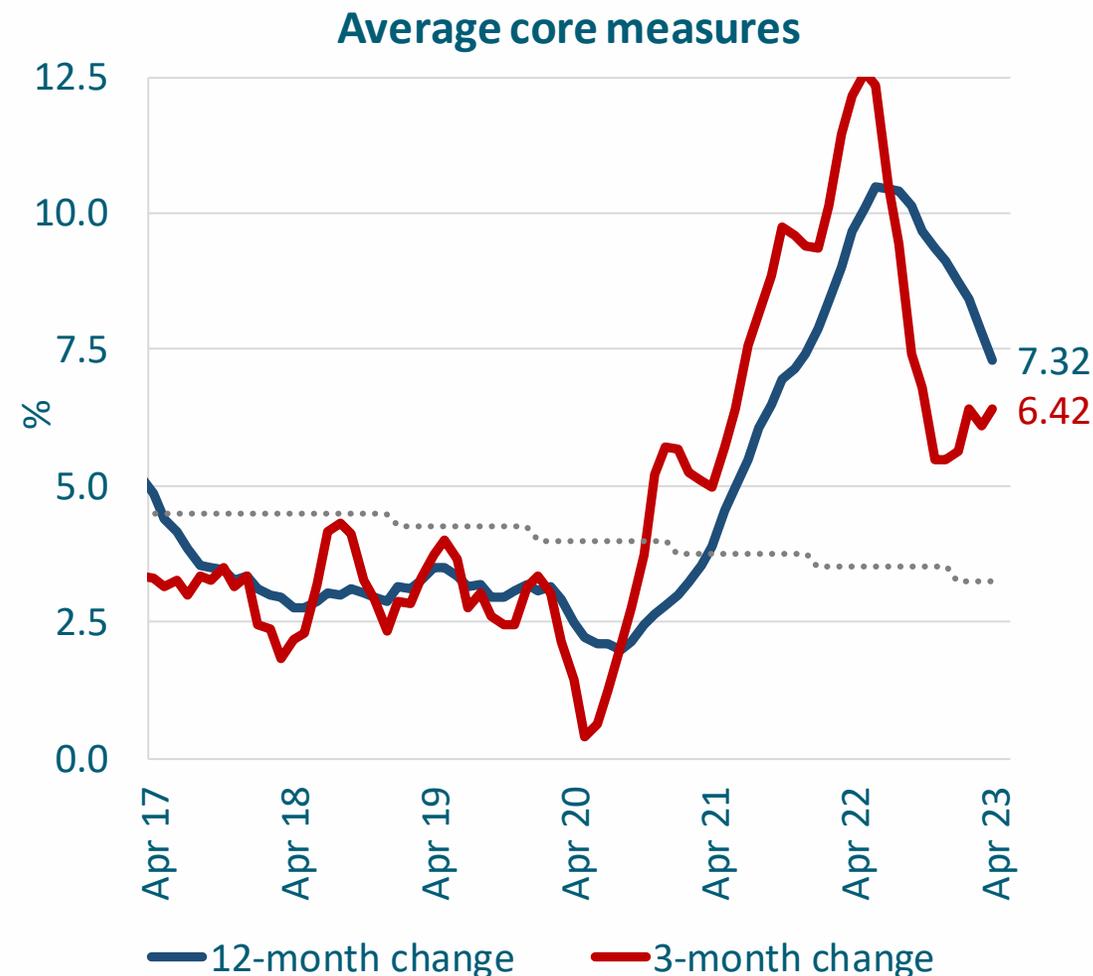
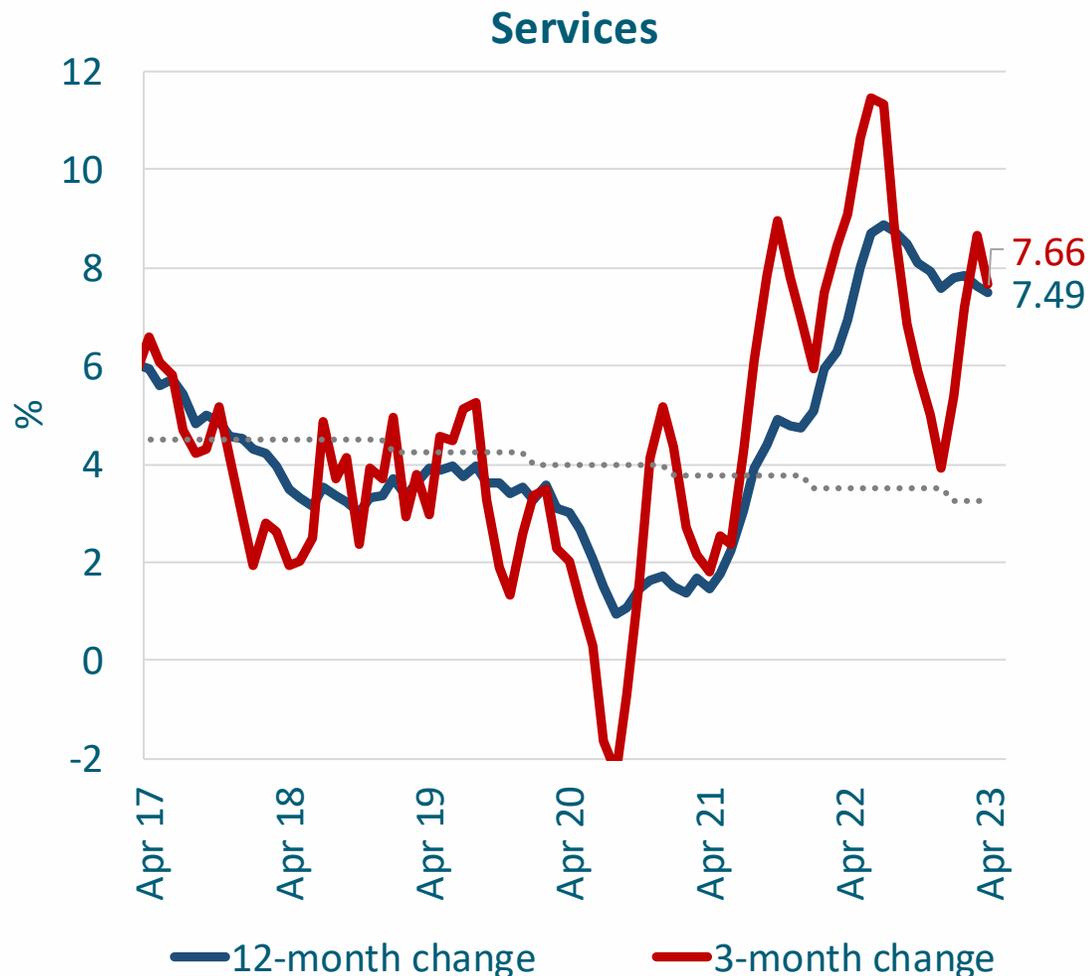
Market prices



Sources: IBGE and BCB

1/ IPCA 12-month change and 3-month annualized s.a.

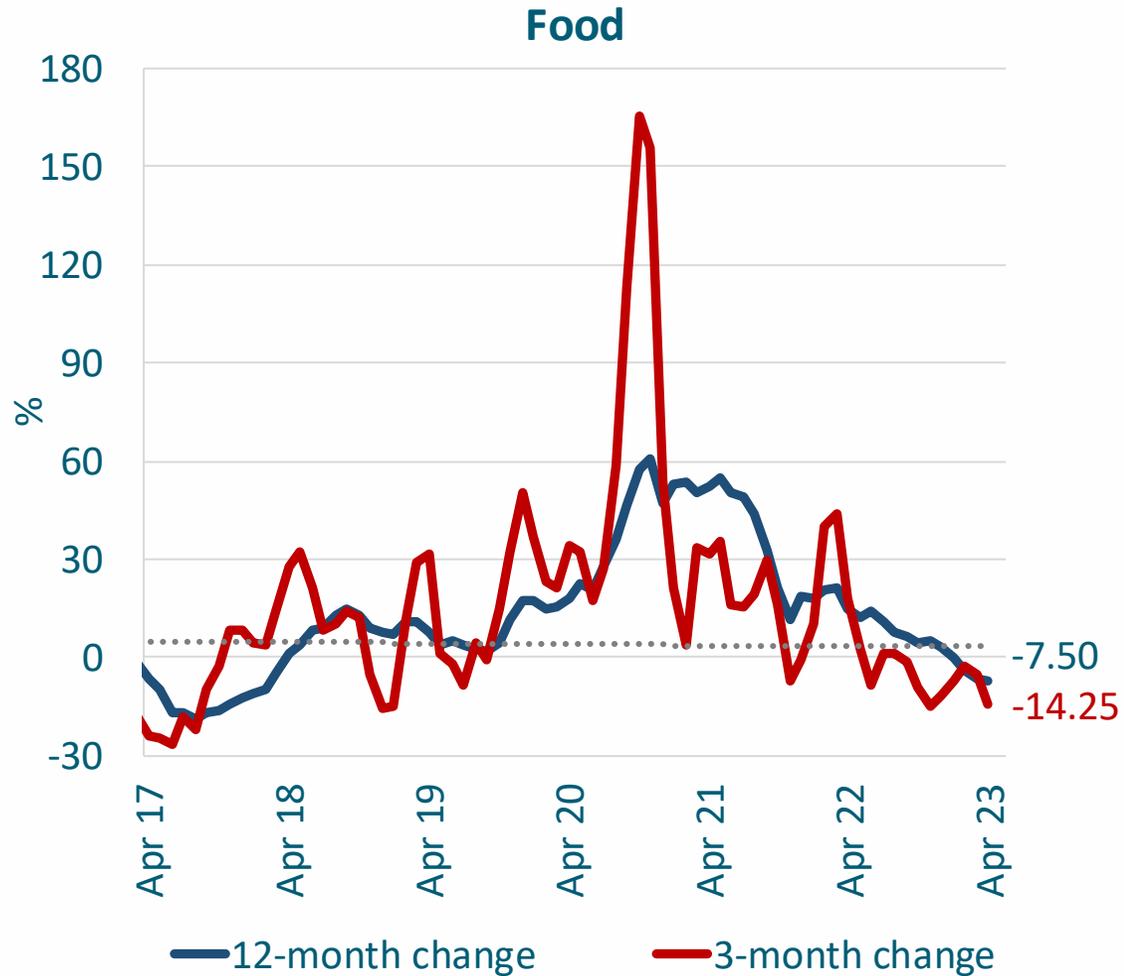
Consumer prices and core inflation



Sources: IBGE and BCB

1/ IPCA 12-month change and 3-month annualized s.a.

Producer prices

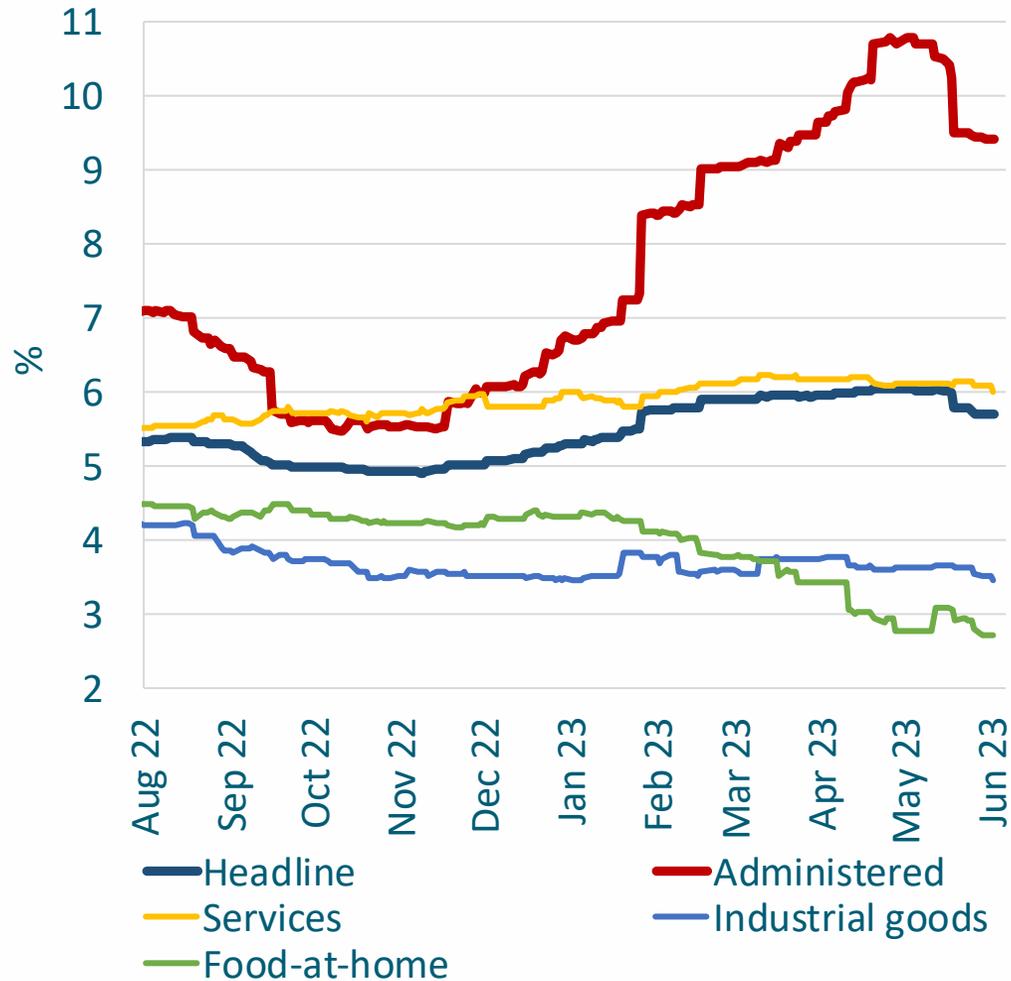


Source: FGV

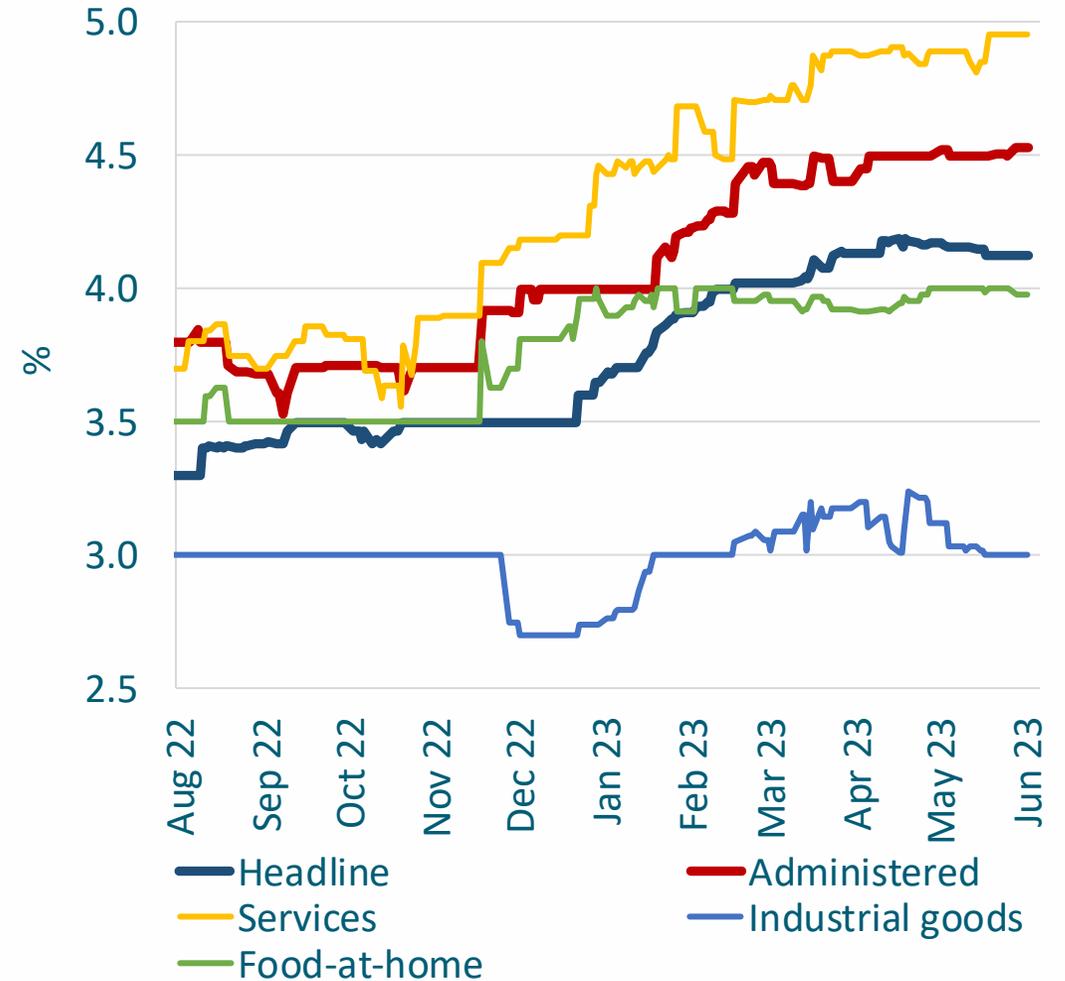
1/ IPA-DI 12-month change and 3-month annualized

CPI and core inflation

Expectations for CPI (2023)



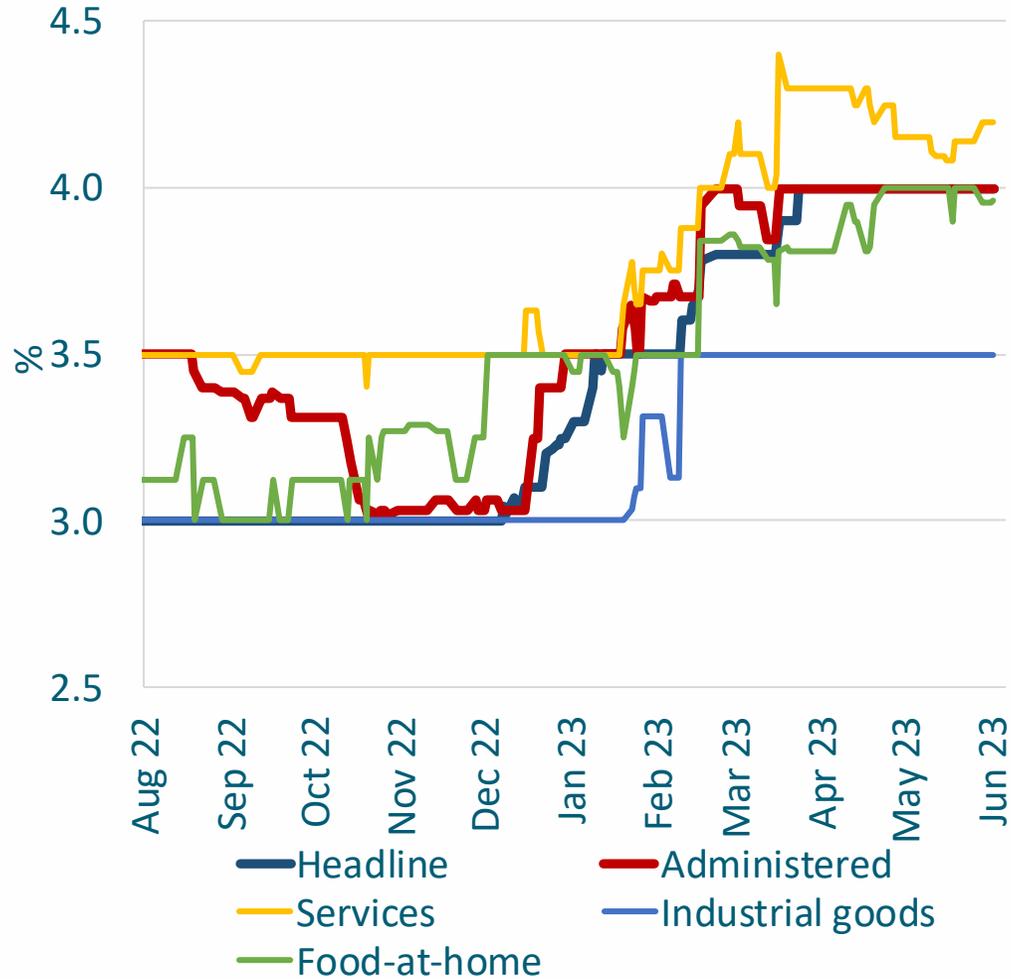
Expectations for CPI (2024)



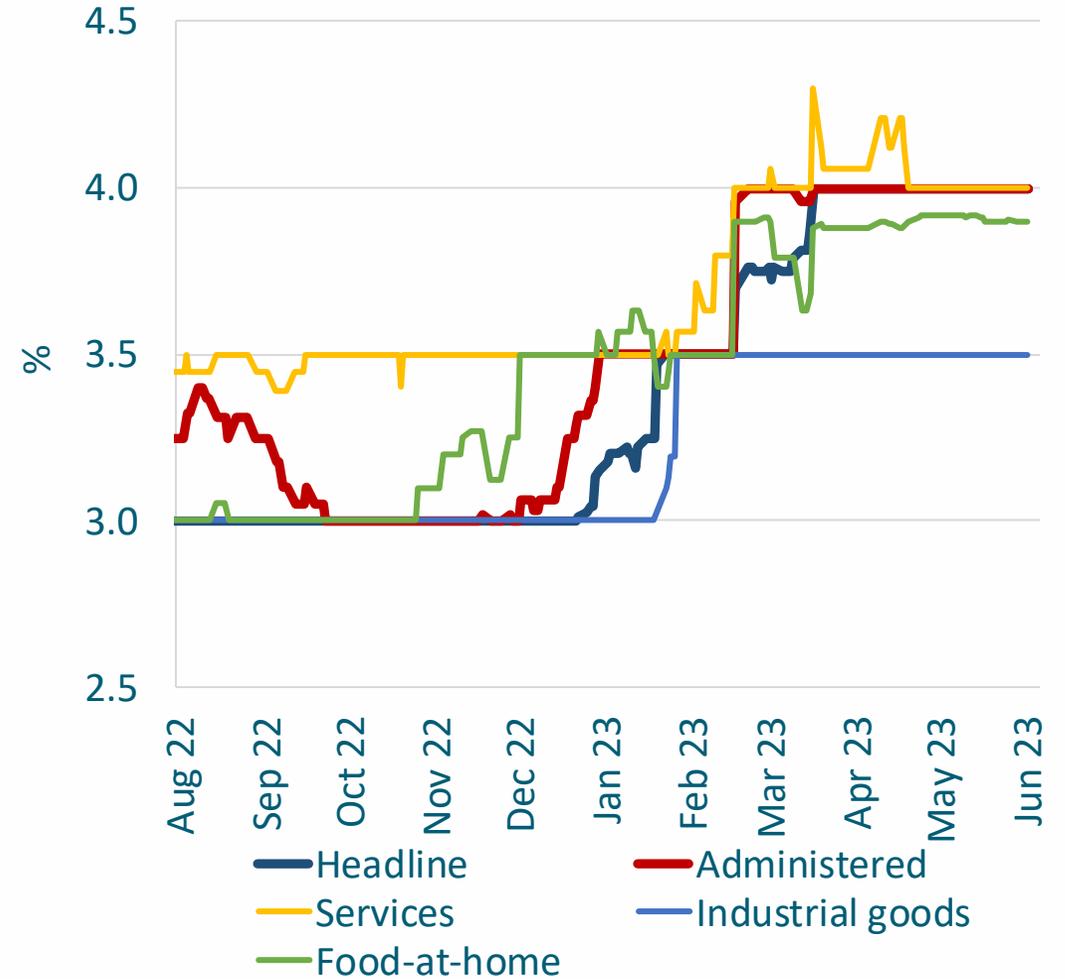
Source: BCB (Focus)

CPI and core inflation

Expectations for CPI (2025)



Expectations for CPI (2026)



Source: BCB (Focus)

London Conference

Banco Central do Brasil

Diogo Guillen – Deputy Governor of Economic Policy

June 5th, 2023