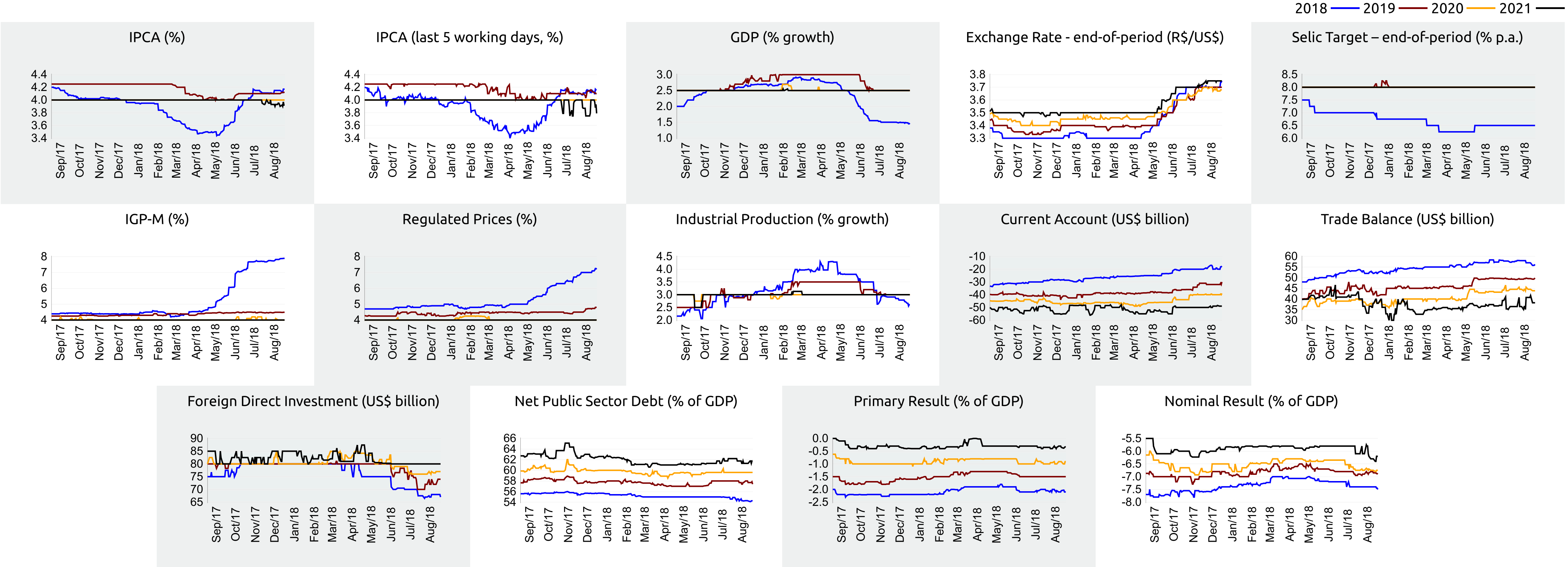
## Market Expectations

August 24, 2018

▲Increase ▼Decrease =Stability

| Median - Aggregate | 2018 | | | | | | 2019 | | | | | | 2020 | | | | | | 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | Resp. ** | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | Resp. ** | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | Resp. ** | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | Resp. ** |
| **IPCA (%)** | 4.11 | 4.15 | 4.17 | ▲ | (1) | 113 | 4.10 | 4.10 | 4.12 | ▲ | (1) | 109 | 4.00 | 4.00 | 4.00 | = | (60) | 94 | 4.00 | 3.90 | 3.92 | ▲ | (1) | 88 |
| **IPCA (last 5 working days, %)** | 4.10 | 4.15 | 4.16 | ▲ | (1) | 84 | 4.11 | 4.13 | 4.10 | ▼ | (2) | 83 | 4.00 | 4.00 | 4.00 | = | (60) | 72 | 4.00 | 4.00 | 3.79 | ▼ | (1) | 68 |
| **GDP (% growth)** | 1.50 | 1.49 | 1.47 | ▼ | (1) | 72 | 2.50 | 2.50 | 2.50 | = | (8) | 71 | 2.50 | 2.50 | 2.50 | = | (26) | 56 | 2.50 | 2.50 | 2.50 | = | (76) | 52 |
| **Exchange Rate - end-of-period (R$/US$)** | 3.70 | 3.70 | 3.75 | ▲ | (1) | 98 | 3.70 | 3.70 | 3.70 | = | (5) | 78 | 3.70 | 3.67 | 3.68 | ▲ | (1) | 72 | 3.73 | 3.75 | 3.75 | = | (3) | 63 |
| **Selic Target – end-of-period (% p.a.)** | 6.50 | 6.50 | 6.50 | = | (13) | 104 | 8.00 | 8.00 | 8.00 | = | (32) | 80 | 8.00 | 8.00 | 8.00 | = | (58) | 81 | 8.00 | 8.00 | 8.00 | = | (60) | 76 |
| IGP-M (%) | 7.67 | 7.87 | 7.89 | ▲ | (4) | 67 | 4.47 | 4.49 | 4.49 | = | (2) | 61 | 4.00 | 4.00 | 4.00 | = | (1) | 48 | 4.00 | 4.00 | 4.00 | = | (58) | 45 |
| Regulated Prices (%) | 6.81 | 7.10 | 7.20 | ▲ | (2) | 29 | 4.50 | 4.73 | 4.80 | ▲ | (3) | 29 | 4.00 | 4.00 | 4.00 | = | (24) | 24 | 4.00 | 4.00 | 4.00 | = | (56) | 23 |
| Industrial Production (% growth) | 2.91 | 2.73 | 2.61 | ▼ | (4) | 16 | 3.00 | 3.00 | 3.00 | = | (6) | 15 | 3.00 | 3.00 | 3.00 | = | (28) | 12 | 3.00 | 3.00 | 3.00 | = | (24) | 9 |
| Current Account (US$ billion) | -19.80 | -19.90 | -17.55 | ▲ | (2) | 26 | -31.00 | -32.00 | -30.00 | ▲ | (1) | 23 | -40.00 | -40.00 | -39.00 | ▲ | (1) | 19 | -50.00 | -48.43 | -48.95 | ▼ | (1) | 13 |
| Trade Balance (US$ billion) | 58.06 | 56.90 | 55.75 | ▼ | (4) | 28 | 49.15 | 49.55 | 49.80 | ▲ | (1) | 25 | 44.54 | 44.54 | 43.87 | ▼ | (2) | 16 | 36.45 | 41.61 | 38.22 | ▼ | (1) | 13 |
| Foreign Direct Investment (US$ billion) | 67.50 | 68.00 | 67.00 | ▼ | (1) | 25 | 70.00 | 72.00 | 74.00 | ▲ | (1) | 22 | 76.00 | 77.00 | 77.00 | = | (2) | 18 | 80.00 | 80.00 | 80.00 | = | (11) | 14 |
| Net Public Sector Debt (% of GDP) | 54.90 | 54.25 | 54.25 | = | (3) | 23 | 58.00 | 57.70 | 57.40 | ▼ | (1) | 21 | 59.60 | 59.60 | 59.60 | = | (10) | 21 | 62.20 | 61.30 | 61.75 | ▲ | (1) | 18 |
| Primary Result (% of GDP) | -2.05 | -2.05 | -2.10 | ▼ | (1) | 32 | -1.50 | -1.50 | -1.50 | = | (10) | 30 | -1.00 | -0.91 | -0.91 | = | (1) | 26 | -0.35 | -0.35 | -0.33 | ▲ | (1) | 24 |
| Nominal Result (% of GDP) | -7.40 | -7.40 | -7.50 | ▼ | (1) | 19 | -6.90 | -6.85 | -6.90 | ▼ | (1) | 17 | -6.75 | -6.75 | -6.75 | = | (1) | 16 | -6.10 | -6.30 | -6.20 | ▲ | (1) | 15 |

* trend since the previous Focus Market Readout; the figures in parenthesis express the number of weeks with the same behavior ** number of responses in the most recent sample



## Market Expectations

**August 24, 2018**

▲Increase ▼Decrease =Stability

| Median - Aggregate | Aug/18 4 weeks ago | Aug/18 1 week ago | Aug/18 Today | Aug/18 Weekly Trend * | | Aug/18 Resp. ** | Sep/18 4 weeks ago | Sep/18 1 week ago | Sep/18 Today | Sep/18 Weekly Trend * | | Sep/18 Resp. ** | Oct/18 4 weeks ago | Oct/18 1 week ago | Oct/18 Today | Oct/18 Weekly Trend * | | Oct/18 Resp. ** | Next 12 months, smoothed 4 weeks ago | Next 12 months, smoothed 1 week ago | Next 12 months, smoothed Today | Next 12 months, smoothed Weekly Trend * | | Next 12 months, smoothed Resp. ** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IPCA (%) | 0.07 | 0.05 | 0.00 | ▼ | (1) | 111 | 0.22 | 0.22 | 0.23 | ▲ | (1) | 110 | 0.29 | 0.29 | 0.30 | ▲ | (1) | 109 | 3.67 | 3.67 | 3.70 | ▲ | (2) | 76 |
| IPCA (last 5 working days, %) | 0.07 | 0.04 | 0.00 | ▼ | (2) | 82 | 0.22 | 0.23 | 0.24 | ▲ | (1) | 82 | 0.29 | 0.29 | 0.30 | ▲ | (1) | 82 | 3.74 | 3.69 | 3.70 | ▲ | (3) | 64 |
| Exchange Rate - end-of-period (R$/US$) | 3.81 | 3.85 | 3.85 | = | (1) | 95 | 3.80 | 3.83 | 3.85 | ▲ | (2) | 94 | 3.80 | 3.78 | 3.80 | ▲ | (2) | 93 | | | | | | |
| Selic Target (% p.a.) | 6.50 | - | - | | | | 6.50 | 6.50 | 6.50 | = | (13) | 101 | - | - | - | | | | | | | | | |
| IGP-M (%) | 0.25 | 0.38 | 0.40 | ▲ | (3) | 69 | 0.33 | 0.33 | 0.35 | ▲ | (1) | 66 | 0.35 | 0.35 | 0.35 | = | (6) | 66 | 4.09 | 4.36 | 4.35 | ▼ | (1) | 48 |

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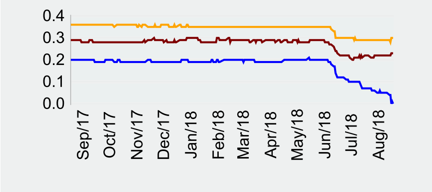
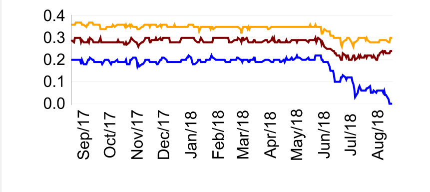
Aug/18 — Sep/18 — Oct/18 — Next 12 months, smoothed —

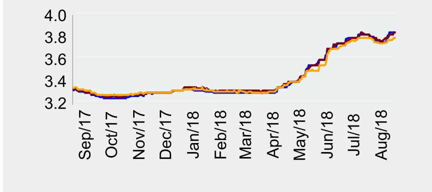
IPCA (%)



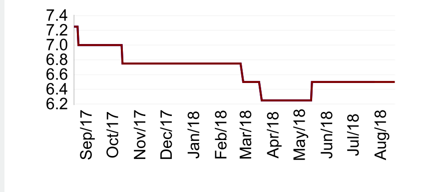

IPCA (last 5 working days, %)



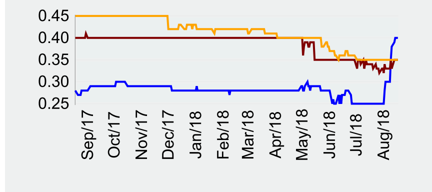

Exchange Rate - end-of-period (R$/US$)



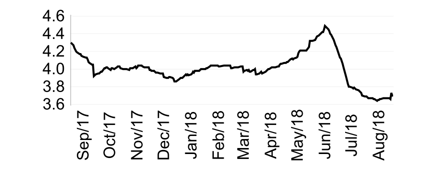

Selic Target (% p.a.)



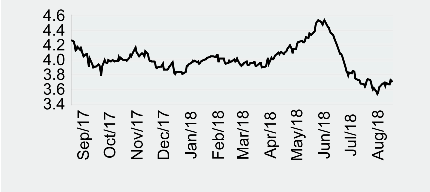

IGP-M (%)



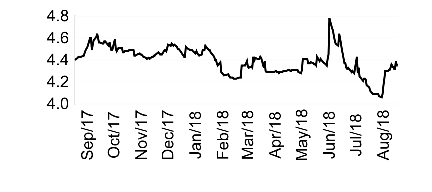

IPCA (%)




IPCA (last 5 working days, %)




IGP-M (%)



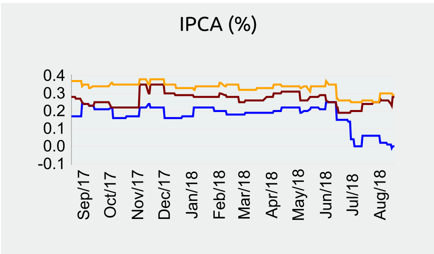
▲Increase ▼Decrease =Stability

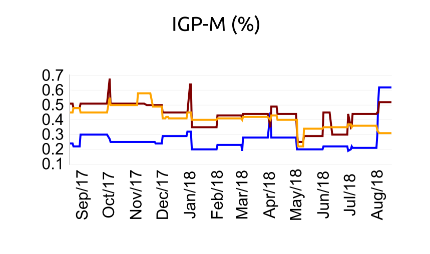
## Median - Top 5 - Short Term

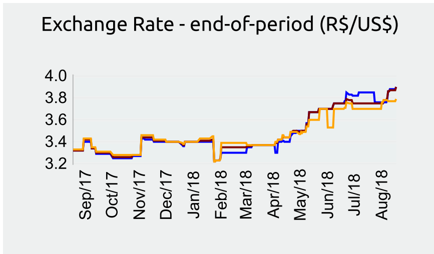
| | Aug/18 | | | | | Sep/18 | | | | | Oct/18 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | |
| IPCA (%) | 0.06 | 0.01 | 0.00 | ▼ | (3) | 0.24 | 0.26 | 0.28 | ▲ | (1) | 0.26 | 0.30 | 0.29 | ▼ | (1) |
| IGP-M (%) | 0.21 | 0.62 | 0.62 | = | (2) | 0.44 | 0.52 | 0.52 | = | (2) | 0.36 | 0.31 | 0.31 | = | (2) |
| Exchange Rate - end-of-period (R$/US$) | 3.85 | 3.88 | 3.90 | ▲ | (2) | 3.75 | 3.87 | 3.90 | ▲ | (3) | 3.70 | 3.77 | 3.79 | ▲ | (1) |
| Selic Target (% p.a.) | 6.50 | - | - | | | 6.50 | 6.50 | 6.50 | = | (13) | - | - | - | | |

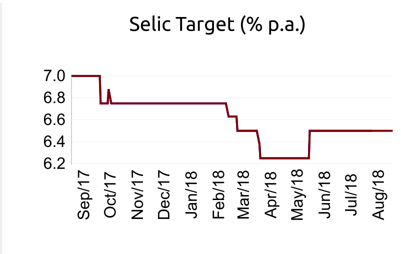
* trend since the previous Focus Market Readout; the figures in parenthesis express the number of weeks with the same behavior ** number of responses in the most recent sample

Aug/18 — Sep/18 — Oct/18




## Median - Top 5 - Short Term

| | 2018 | | | | | 2019 | | | | | 2020 | | | | | 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | |
| IPCA (%) | 3.94 | 4.16 | 4.18 | ▲ | (1) | 4.02 | 4.00 | 4.00 | = | (2) | 4.00 | 4.00 | 4.00 | = | (54) | 3.75 | 3.75 | 3.75 | = | (7) |
| IGP-M (%) | 7.73 | 8.14 | 8.14 | = | (2) | 4.40 | 4.45 | 4.45 | = | (2) | 4.00 | 4.00 | 4.00 | = | (6) | 4.00 | 4.00 | 4.00 | = | (6) |
| Exchange Rate - end-of-period (R$/US$) | 3.55 | 3.60 | 3.60 | = | (2) | 3.60 | 3.55 | 3.55 | = | (3) | 3.60 | 3.60 | 3.60 | = | (7) | 3.65 | 3.68 | 3.68 | = | (2) |
| Selic Target – end-of-period (% p.a.) | 6.50 | 6.50 | 6.50 | = | (13) | 7.63 | 7.50 | 7.50 | = | (1) | 8.00 | 8.00 | 8.00 | = | (7) | 8.00 | 8.00 | 8.00 | = | (59) |

* trend since the previous Focus Market Readout; the figures in parenthesis express the number of weeks with the same behavior ** number of responses in the most recent sample

## Median - Top 5 - Medium Term

| | 2018 | | | | | 2019 | | | | | 2020 | | | | | 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | | 4 weeks ago | 1 week ago | Today | Weekly Trend * | |
| IPCA (%) | 4.04 | 4.16 | 4.17 | ▲ | (1) | 4.07 | 4.20 | 4.20 | = | (2) | 4.00 | 4.00 | 4.00 | = | (11) | 3.75 | 3.75 | 3.75 | = | (11) |
| IGP-M (%) | 8.02 | 8.06 | 8.11 | ▲ | (1) | 4.38 | 4.72 | 4.72 | = | (2) | 4.00 | 4.44 | 4.44 | = | (2) | 4.00 | 4.00 | 4.00 | = | (11) |
| Exchange Rate - end-of-period (R$/US$) | 3.55 | 3.50 | 3.50 | = | (2) | 3.65 | 3.51 | 3.51 | = | (1) | 3.64 | 3.64 | 3.64 | = | (7) | 3.70 | 3.71 | 3.71 | = | (2) |
| Selic Target – end-of-period (% p.a.) | 6.50 | 6.50 | 6.50 | = | (14) | 7.63 | 7.63 | 7.75 | ▲ | (1) | 8.50 | 8.50 | 8.50 | = | (7) | 8.50 | 8.50 | 8.50 | = | (7) |

* trend since the previous Focus Market Readout; the figures in parenthesis express the number of weeks with the same behavior ** number of responses in the most recent sample