



Brazil Economic Outlook

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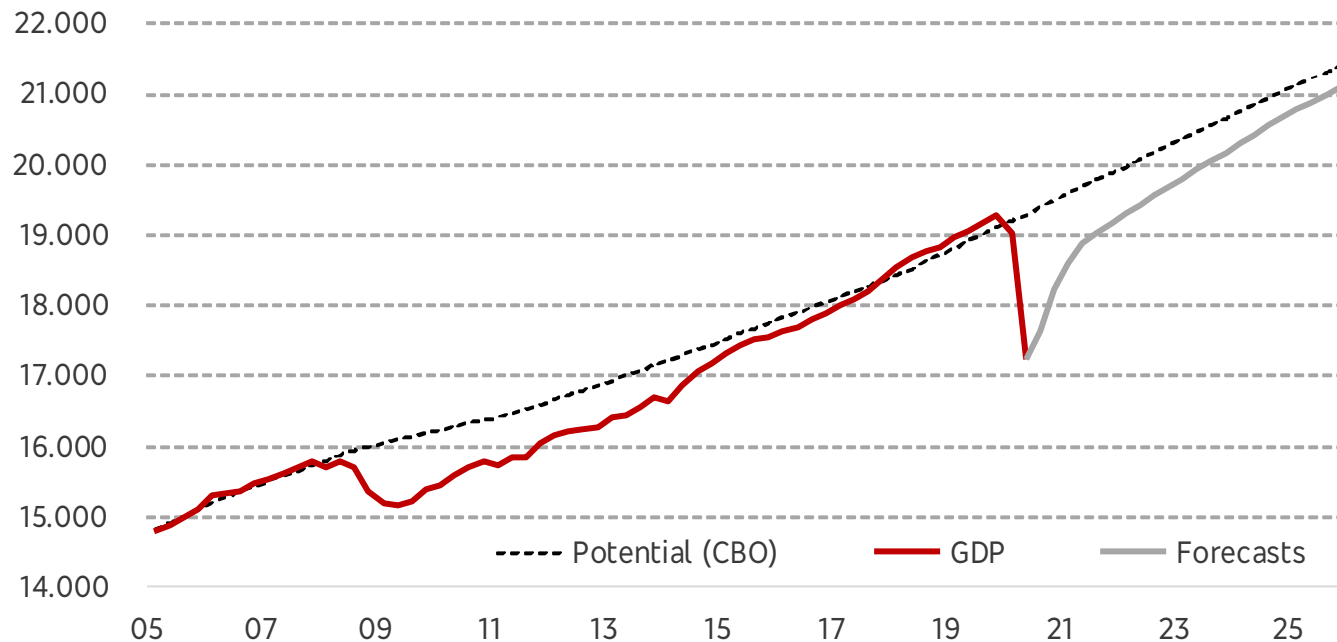
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- Household disposable income higher than before the pandemic thanks to emergency financial assistance;
- Private consumption of goods in June exceeded January-February levels;
- Consumption of services, however, is still substantially lower;
- Increase in savings rate is the result of uncertainty and fewer spending opportunities;

U.S. GDP

US\$ billion, 2012 chained USDtn



	Q/Q*	Y/Y
1Q20	-5,0%	0,3%
2Q20	-32,9%	-9,5%
3Q20F	10,0%	-8,1%
4Q20F	14,0%	-5,5%
2020F		-5,7%
2021F		5,5%

*SAAR

Source: BEA e Bradesco



BRAZIL: ALSO A TWO-SPEED ECONOMY

2014 =100, Seasonally adjusted, data through June



Source: IBGE, Bradesco

CAR SALES

Monthly, seasonally adjusted

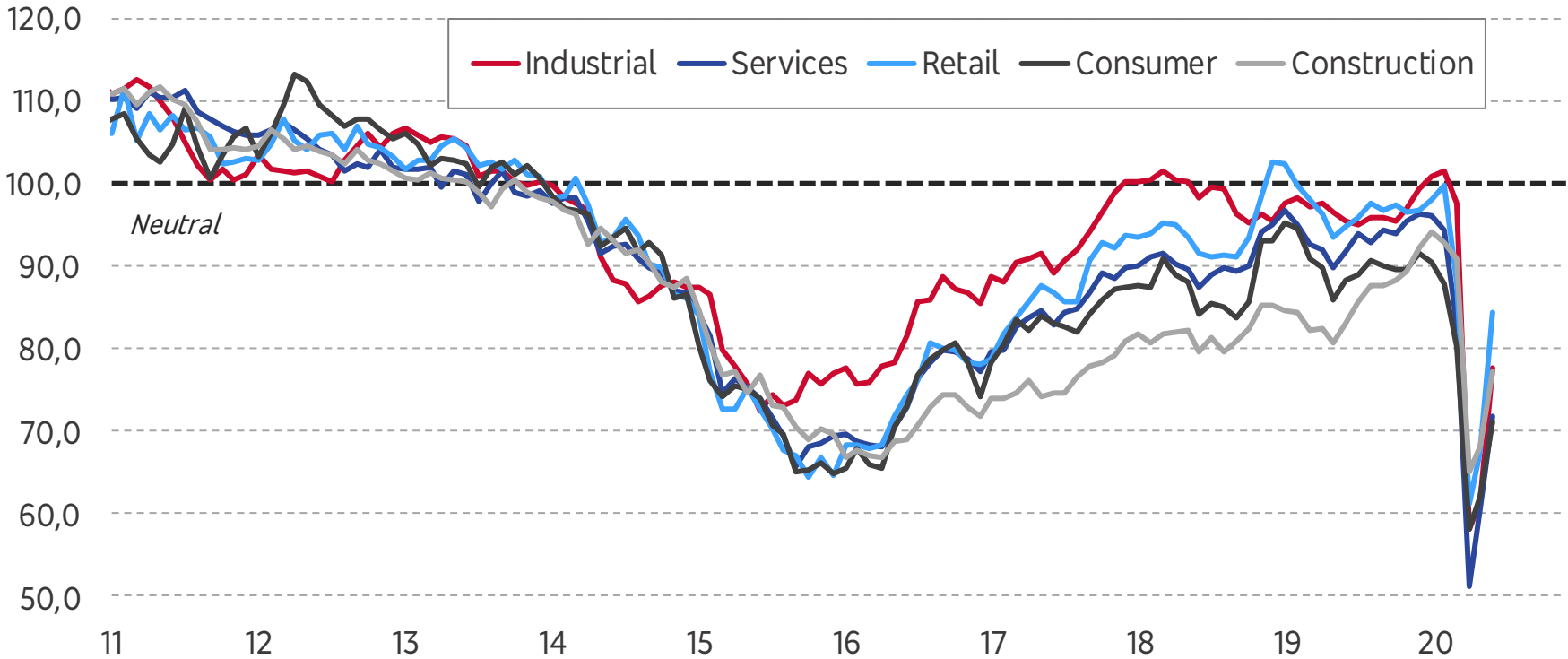


Source: Fenabreve, Bradesco



BUSINESS CONFIDENCE IS REBOUNDED

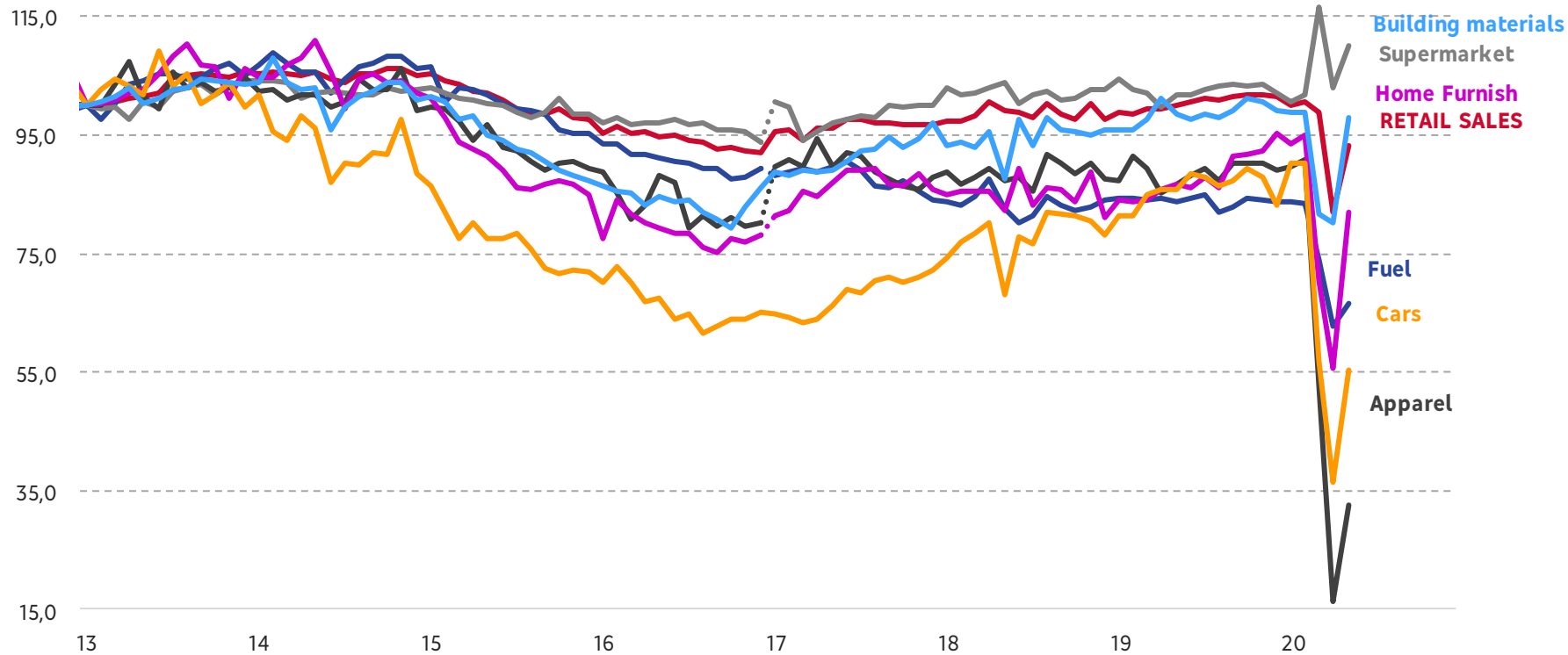
Seasonally adjusted, data through June



Source: FGV, Bradesco

RETAIL SALES

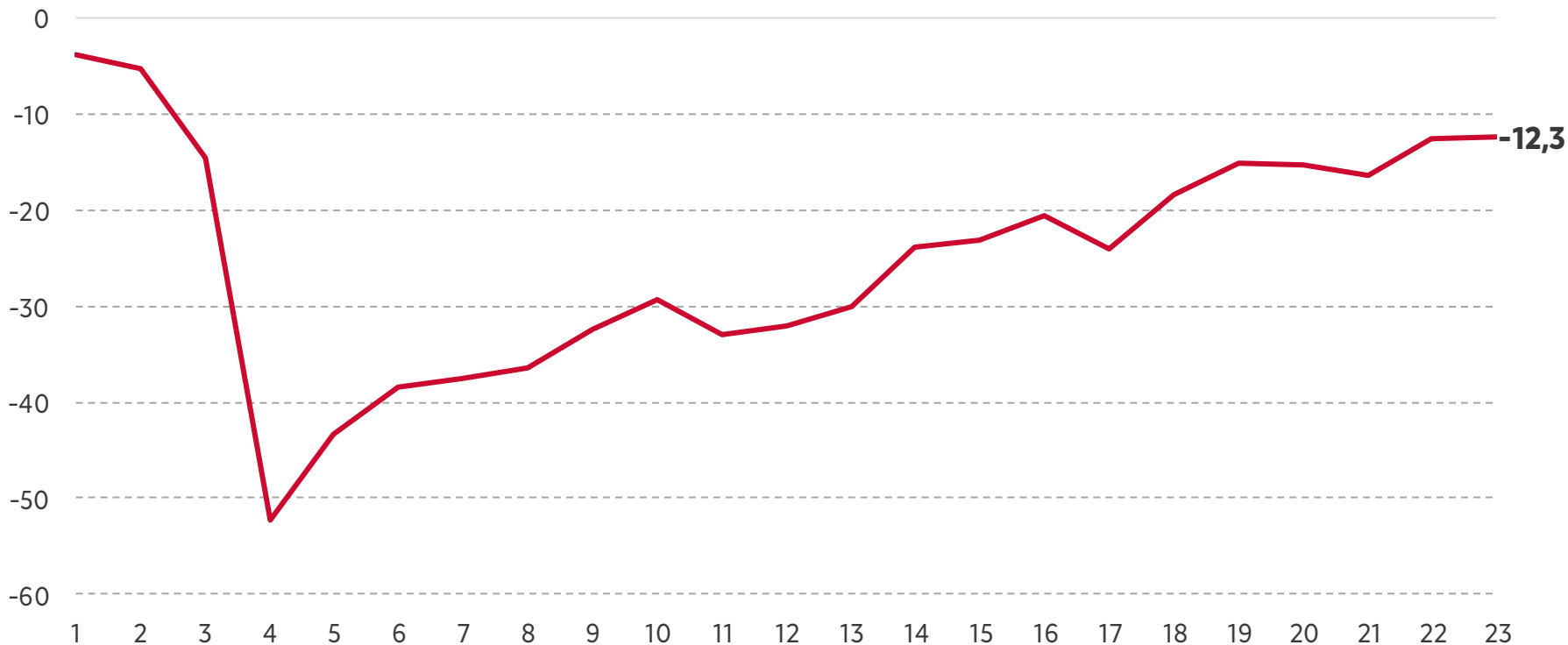
By sector



Source: IBGE, Bradesco

CIELO CARD TRANSACTION VOLUME

% of Pre Pandemic Average / by Pandemic Week



Source: Elo, Bradesco

AT FIRST SIGHT, A LIMITED IMPACT ON UNEMPLOYMENT

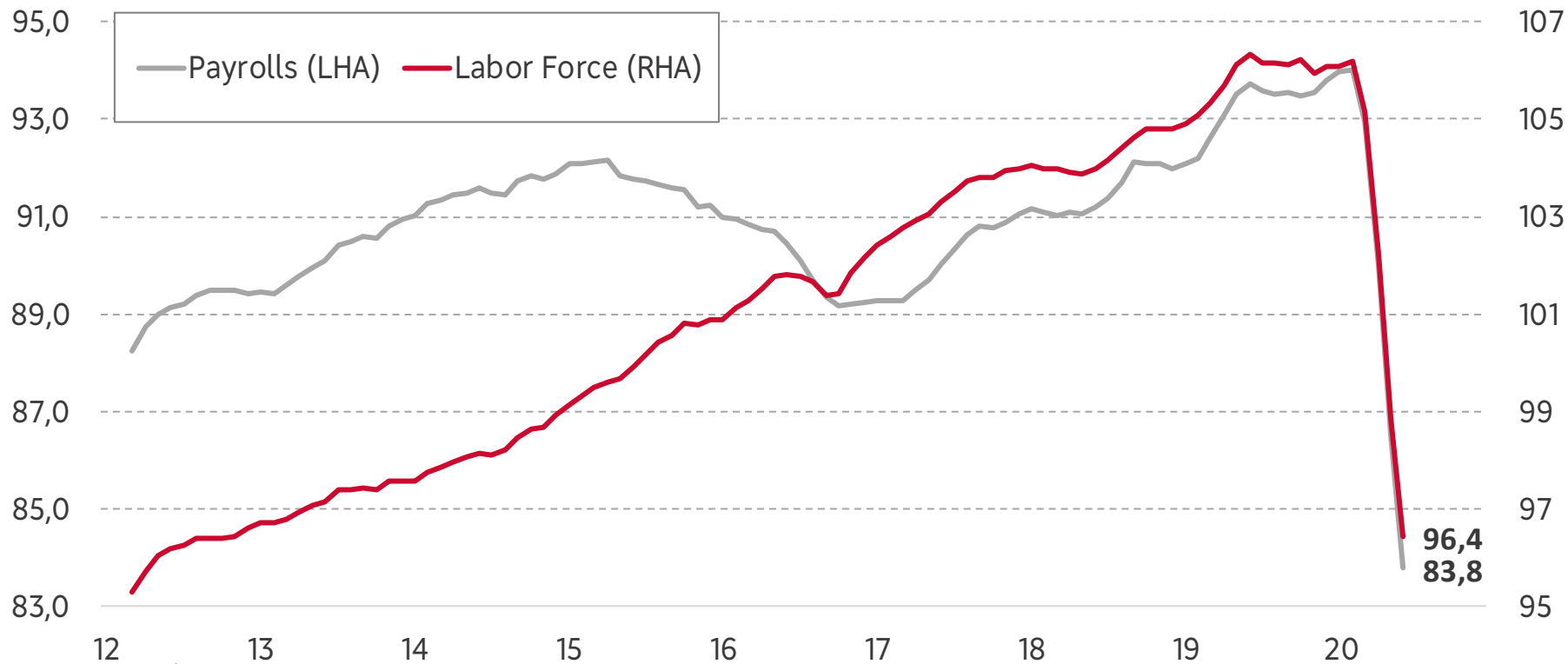
Unemployment (%), seasonally adjusted, data through May 2020



Source: IBGE, Bradesco

BUT THERE WERE SIGNIFICANT JOB LOSSES

Payrolls and Labor Force, million, seasonally adjusted



Source: IBGE, Bradesco



THOUGH FORMAL NET JOB CREATION IS REBOUNDED

Net formal job growth ('000)

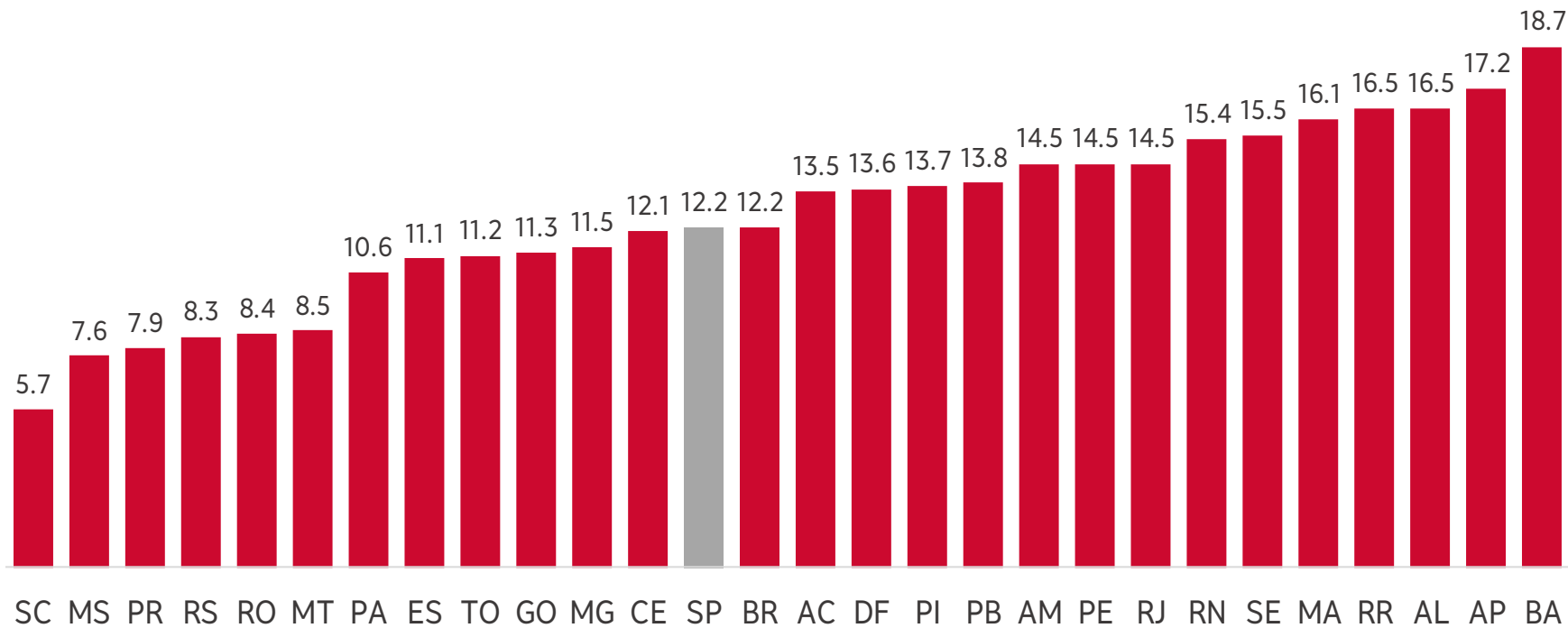


Fonte: CAGED, Bradesco



DIFFERENT REGIONS AT DIFFERENT SPEEDS

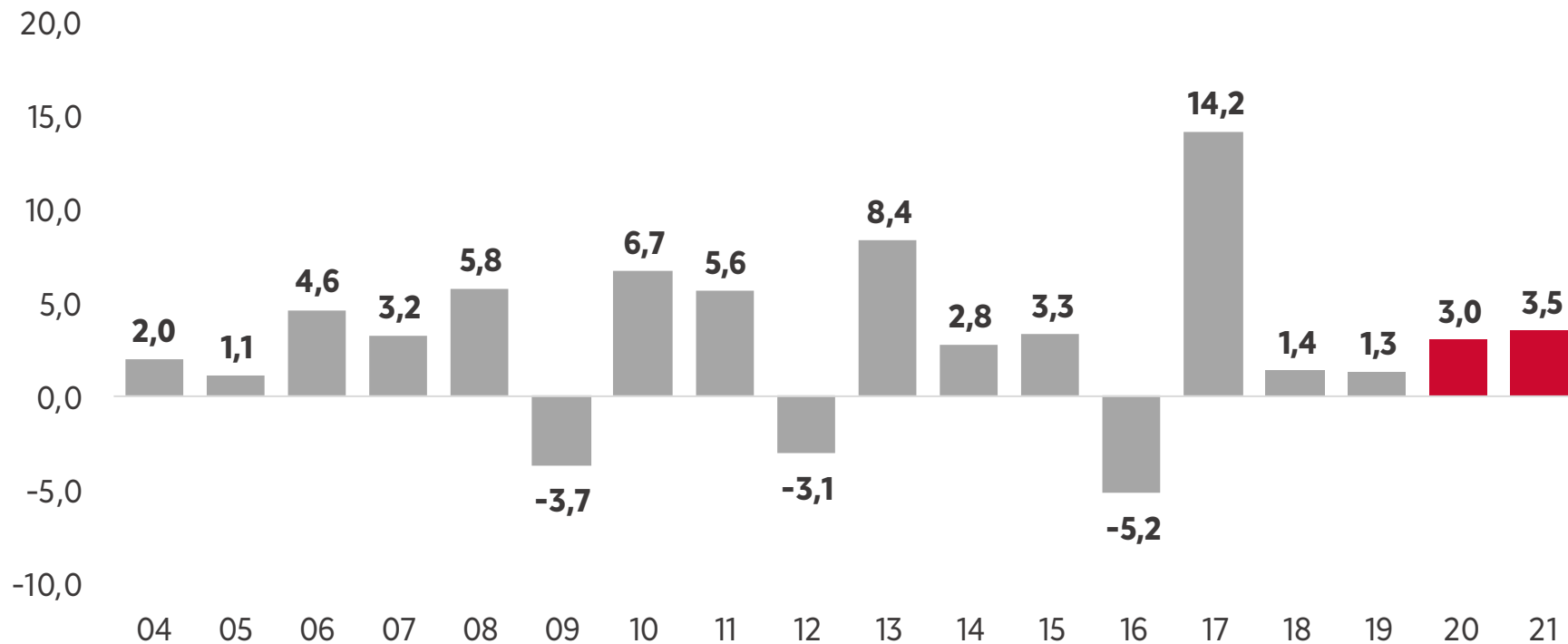
Unemployment rate by state, 1Q2020



Source: IBGE, Bradesco

AGRICULTURE IS DOING EXCEPTIONALLY WELL

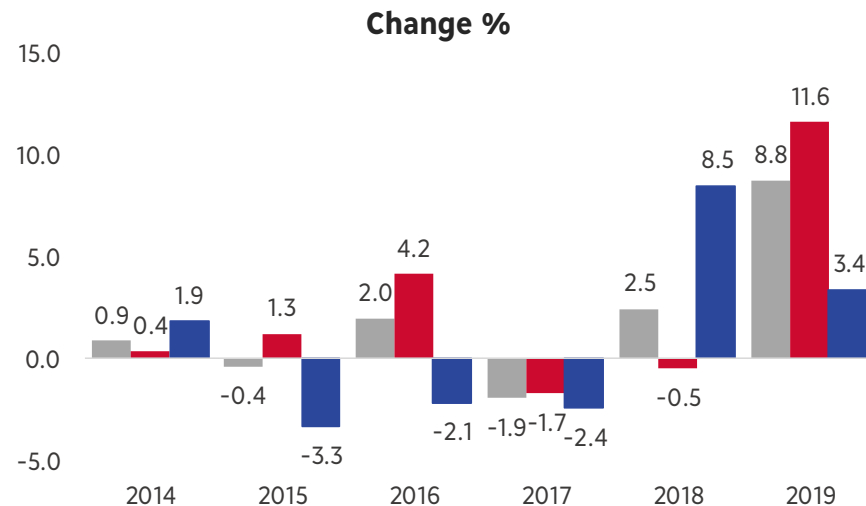
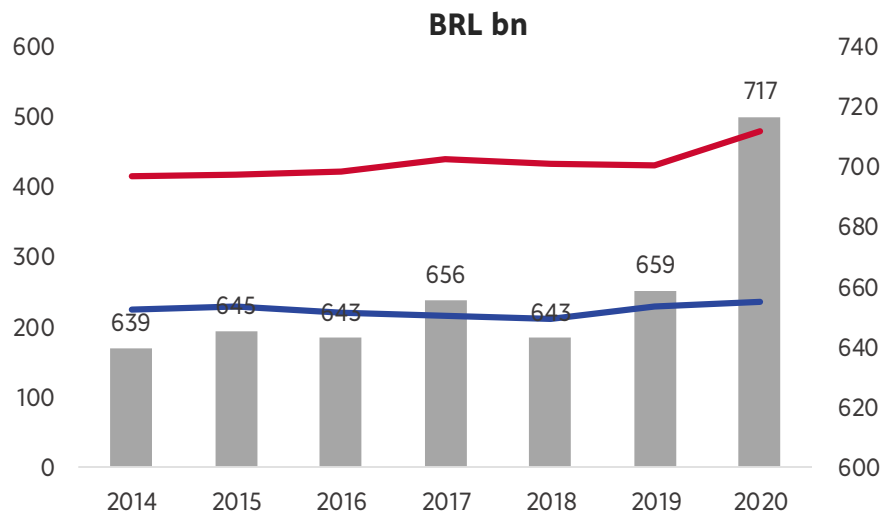
Agricultural GDP, %



Source: IBGE, Bradesco

AGRICULTURAL INCOME

Gross value of Agricultural Output

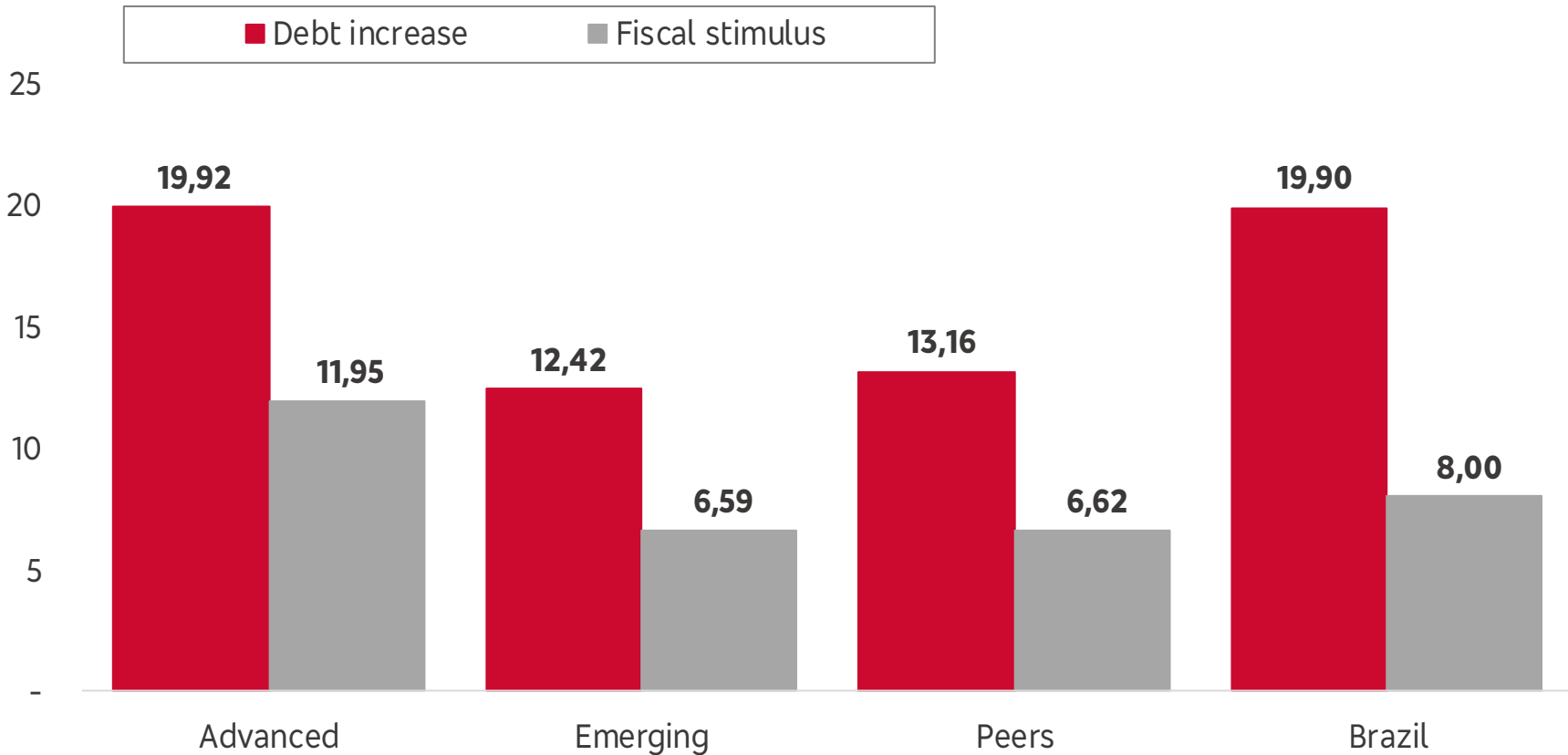


Source: MAPA



FISCAL STIMULUS GREATER IN BRAZIL THAN IN MOST OTHER EMs

Increase in Fiscal Spending and Projected Debt Growth (%GDP)

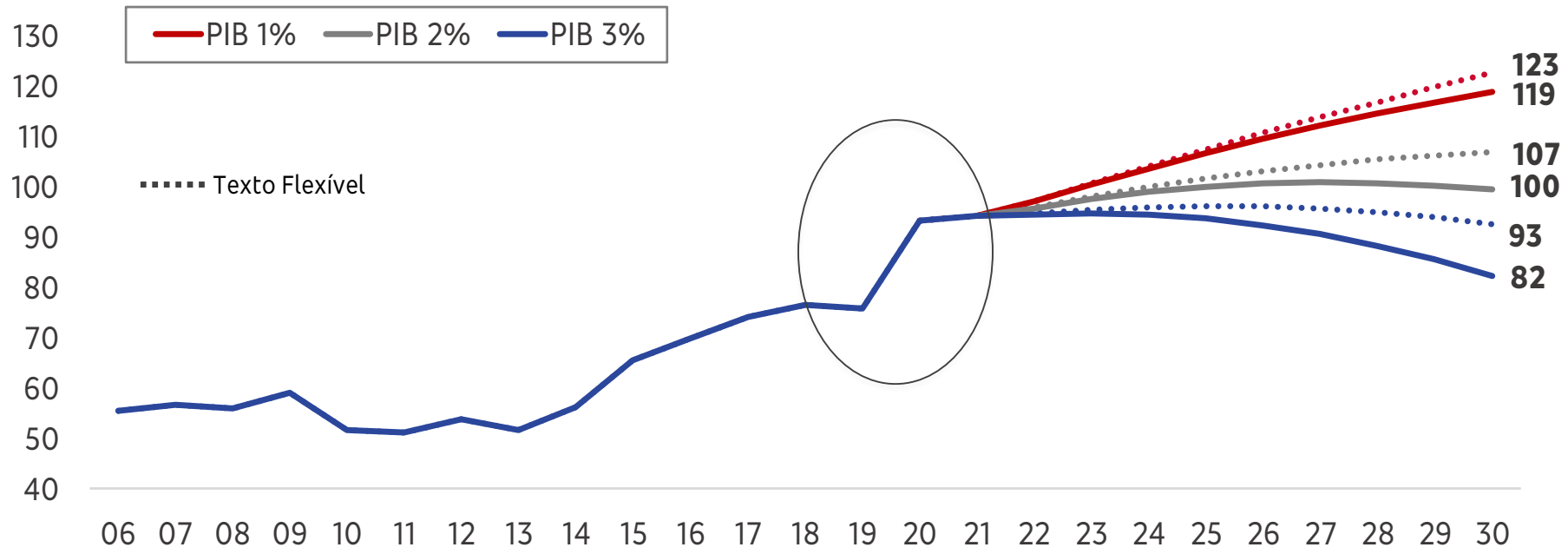


Source: Bloomberg, Bradesco



SPENDING WILL CAUSE A JUMP IN PUBLIC DEBT

Gross Public Debt/GDP under different growth scenario



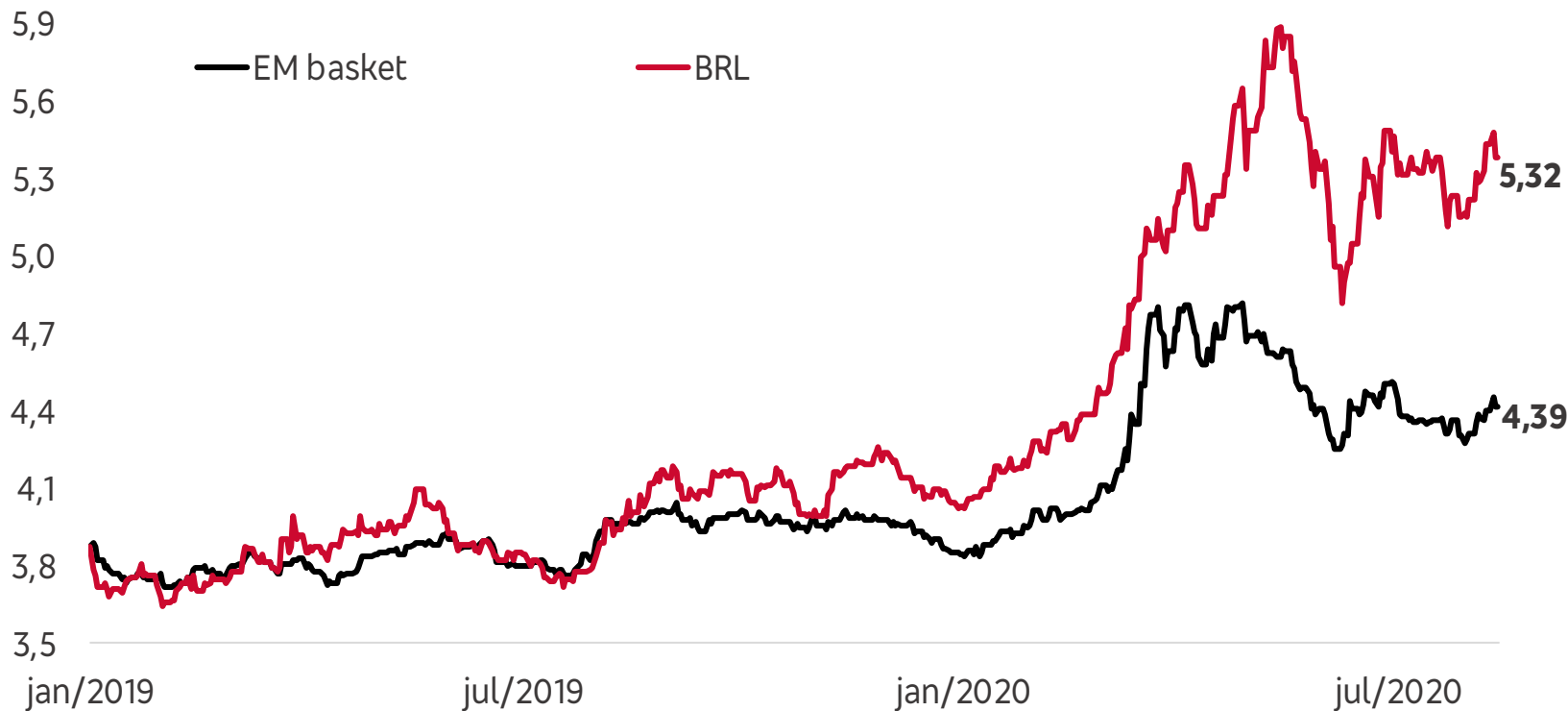
assuming 2% real interest

Source: BCB, Bradesco



BRL vs EM CURRENCIES

BRL underperformed and was more volatile than other EM currencies



Source: Bloomberg, Bradesco

REAL EXCHANGE RATE

BRL/USD, at July 2020 prices



COMPARED EXTERNAL INDICATORS

2019-2020



	Sample mean	Investment grade		Speculative grade	
		AAA to A-mean	BBB+ to BBB-mean	Speculative grade mean	Brazil
Total external debt / GDP	61%	72%	52%	60%	35%
Net external liabilities / GDP	14%	-35%	35%	63%	40%
International Reserves (US\$ bi)	147	239	106	48	351
International Reserves (months of import)	10,5	9,6	9,4	12,0	25,0
Current account / GDP (*)	-4,1%	-3,1%	-2,9%	-4,5%	-2,8%
External financing needs / (Reserves + Exports) (**)	144%	187%	117%	124%	68%

Sample: 81 countries

* Mean of deficit countries

** Current account + Debt servicing maturing in 12 months

Source: S&P, Bradesco

COMPARED FISCAL INDICATORS

2019-2020



	Sample mean	Investment grade		Speculative grade mean	
		AAA to A- mean	BBB+ to BBB- mean	Speculative grade mean	Brazil
Interest expenses / Tax Revenues	9%	3%	7%	13%	13%
Gross Debt / GDP	54%	48%	47%	60%	78%
Net Debt / GDP	30%	99%	32%	50%	52%

Sample: 135 countries

Source: S&P, Bradesco

SUMMARY

2020/ 2021 (Recent Revision)



GDP: ~~-5.9% / +3.5%~~ -4.5% / +3.5%

Selic: ~~2.25% / 2.25%~~ 2.00% / 3.00%

BRL/USD: R\$/US\$ ~~5.10/4.60~~ 5.10/5.10

IPCA Infl.: ~~1.7% / 2.9%~~ 1.9% / 3.1%