

## A lighter data week reinforces signs of gradual slowdown in Brazil and moderating growth in the US

### Highlights

The December IBC-Br reinforced the perception of a loss of momentum in activity at the end of the year, though without signaling an abrupt slowdown. The index declined 0.2% MoM following a more volatile trajectory throughout 2025, coming in below our forecast but above the market median. From a sectoral standpoint, the result was heterogeneous: agriculture once again played a key role in sustaining activity, while industry posted a moderate advance, indicating some resilience even under tighter financial conditions. In contrast, the more cyclical segments showed accommodation, with declines in services and in the ex-agriculture measure, pointing to softer domestic demand at year-end. Even so, the monthly drop did not materially change the overall picture, as activity levels remained relatively elevated, allowing the index to close 2025 with growth of roughly 2.45%, largely supported by the strong performance of the primary sector over the year. On a quarterly basis, activity expanded 0.4% in the period ending in December compared with the previous period, suggesting a more gradual deceleration than initially anticipated, indicating that the economy entered the fourth quarter with stronger momentum and leaving a modest statistical carryover into early 2026. In sum, the composition of the data points to a transition toward a more moderate growth pace, confirming an orderly slowdown rather than a sharp inflection in activity. For now, we maintain our expectation of stable growth in the fourth quarter, such that GDP should close the year at around 2.2%, albeit with some upside bias.

In the United States, the combined reading of recent data reinforces the view that the economy continues to expand, albeit at a more moderate pace. On the activity side, fourth-quarter GDP grew 1.4% SAAR, below expectations, reflecting a broad-based slowdown in consumption, a reversal of the export boost seen in the previous quarter, and a sharp contraction in federal spending, although investment remained relatively resilient. The measure more closely tied to private domestic demand also moderated, suggesting that growth continues to be supported by the private sector, but with a gradual loss of momentum after the stronger pace observed through much of 2025. On the inflation front, the PCE ended the year still above target, with a notable rebound in goods prices associated with tariff pass-through and inventory normalization, while services inflation continues to decelerate only gradually, remaining at levels still inconsistent with a rapid convergence to target. These results ultimately corroborate the assessment expressed in the January FOMC minutes that the disinflation process is likely to be slower and subject to volatility, even as activity remains sufficiently resilient to ease concerns about near-term growth. Taken together, the information reinforces the view of a patient and data-dependent Fed, with less urgency to begin easing in the near term and greater emphasis on obtaining additional evidence of sustained convergence of inflation to target.

**Finally, on the institutional and trade front, the US Supreme Court decided to invalidate the set of global tariffs implemented by the Trump administration.** The Court ruled, by a 6–3 majority, that the executive branch exceeded its authority by invoking emergency powers to justify the broad application of so-called “reciprocal” tariffs. The decision represents a meaningful setback to the recent trade strategy and introduces a new element of legal uncertainty, as the Court did not immediately define the treatment of potential refunds to importers, an issue that will still be addressed in lower courts and could involve significant amounts. At the same time, the White House signaled that it intends to replace the measures using other legal tools, although the available alternatives tend to be more limited or operationally complex, potentially reducing the scope of new tariff actions. Following the announcement, Trump criticized the ruling, calling it “a disgrace,” and stated that he already has a “plan B” to preserve the tariff policy through other mechanisms.

## Economic Calendar

In Brazil, the agenda will be highlighted by the February IPCA-15 release, alongside fiscal data and the Central Bank's economic-financial notes for January.

In the international scenario, the focus will be on US producer inflation data, as well as a series of speeches by Fed officials.

Date	Country	Event	Period	Buysidebrazil	Prior
<b>02/23/26 Monday</b>					
6:00	Germany	Business Climate	fev/26		87,6
8:00	Brazil	Consumer Survey	fev/26		-
8:25	Brazil	Central Bank Weekly Economist Survey (Focus)	fev/26		-
10:30	US	Chicago Fed National Activity Index (CFNAI)	jan/26		-0,04
10:45	US	Speech by C. Waller (Fed Board)	-		-
12:30	US	Dallas Fed Manufacturing Survey	fev/26		-1,2
15:00	Brazil	Weekly Trade Balance	fev/26		
<b>02/24/26 Tuesday</b>					
8:00	Brazil	INCC-M (MoM)	fev/26		0,63%
8:00	Brazil	Construction Survey	fev/26		-
8:30	Brazil	<b>Balance of Payments</b>	jan/26	US\$ 7 bi	US\$ -3,4 bi
		<b>FDI</b>	jan/26	US\$ 6,5 bi	US\$ -5,3 bi
10:00	US	Speech by A. Goolsbee (Fed Chicago)	-		-
10:30	US	Philadelphia Fed Non-Manufacturing Activity Index	fev/26		-4,2
11:00	US	Speech by S. Collins (Fed Boston)	-		-
11:00	US	Speech by R. Bostic (Fed Atlanta)	-		-
11:10	US	Speech by C. Waller (Fed Board)	-		-
11:35	US	Speech by L. Cook (Fed Board)	-		-
12:00	US	Richmond Fed Manufacturing Survey	fev/26		-6
12:00	US	Consumer Confidence	fev/26		84,5
12:30	US	Dallas Fed Services Activity Index	fev/26		2,7
17:15	US	Speech by T. Barkin (Fed Richmond)	-		-
<b>02/25/26 Wednesday</b>					
4:00	Germany	GDP (QoQ)	dez/25		3,00%
5:00	Brazil	IPC-FIPE – 3rd Four-Week Reading	fev/26		-
7:00	Eurozone	CPI (YoY)	jan/26		1,70%
7:00	Eurozone	Core (YoY)	jan/26		2,20%
8:00	Brazil	Industrial Survey	fev/26		-
8:30	Brazil	<b>Bank Credit Outstanding (YoY)</b>	jan/26		10,20%
12:40	US	Speech by T. Barkin (Fed Richmond)	-		-
14:30	Brazil	Foreign Exchange Transactions	fev/26		-
15:20	US	Speech by A. Musalem (Fed St. Louis)	-		-
<b>02/26/26 Thursday</b>					
7:00	Eurozone	Economic Confidence Indicator	fev/26		99,4
8:00	Brazil	IGP-M (MoM)	fev/26		0,41%
8:00	Brazil	Retail Survey	fev/26		-
8:00	Brazil	Services Survey	fev/26		-
10:30	US	Initial Jobless Claims	fev/26		-
13:00	US	Kansas City Fed Manufacturing Survey	fev/26		-
-	Brazil	<b>Central Government Primary Balance</b>	jan/26	R\$ 83 bi	R\$ 22,1 bi
<b>02/27/26 Friday</b>					
5:55	Germany	Unemployment Rate	fev/26		6,30%
8:30	Brazil	<b>Consolidated Primary Balance</b>	jan/26	R\$ 100bi	R\$ 6,3 bi
9:00	Brazil	<b>IPCA-15 (MoM)</b>	fev/26		0,20%
10:00	Germany	Harmonized CPI (YoY)	fev/26		-
10:30	US	<b>PPI (MoM)</b>	jan/26		0,50%
		<b>Core (MoM)</b>	jan/26		0,50%
11:45	US	Chicago PMI	fev/26		54
13:00	US	Kansas City Fed Services Activity Index	fev/26		2
-	Brazil	<b>Formal Job Creation</b>	jan/26	77k	-618k
-	Brazil	<b>Electricity Tariff Flag Decision</b>	mar/26	Green	Green
-	Brazil	<b>Federal Tax Revenue</b>	jan/26	R\$ 320 bi	R\$ 292 bi

**Macroeconomic projections**

	2019	2020	2021	2022	2023	2024	2025	2026
Brazil GDP (%)	1,2	-3,3	4,8	3,0	2,9	3,4	<b>2,2</b>	<b>1,8</b>
Unemployment Rate (average, %)	12,0	13,8	13,2	9,3	8,0	6,6	5,6	<b>6,4</b>
IPCA (Consumer Price Index) (%)	4,3	4,5	10,1	5,8	4,6	4,8	4,3	<b>3,8</b>
Selic Rate (end of period, %)	4,50	2,00	9,25	13,75	11,75	12,25	15,00	<b>12,00</b>
Exchange Rate (end of period, R\$/US\$)	4,03	5,20	5,58	5,22	4,84	6,19	5,50	<b>5,40</b>
Current Account Transactions (US\$ billion)	-68,0	-28,2	-46,4	-53,6	-28,6	-66,2	-68,8	<b>-74,9</b>
Current Account Transactions (% of GDP)	-3,6	-1,7	-2,9	-2,8	-1,4	-3,0	-3,0	<b>-3,3</b>
Trade Balance - BCB (US\$ billion)	26,5	32,4	36,4	44,2	80,5	66,2	60,0	<b>53,6</b>
Foreign Direct Investment (US\$ billion)	69,2	37,8	46,4	87,2	62,0	71,1	77,7	<b>75,0</b>
Foreign Direct Investment (% of GDP)	3,7	2,6	2,8	4,5	2,8	3,2	3,4	<b>3,3</b>
Primary Result of the Central Government (% of GDP)	-1,3	-9,8	-0,4	0,5	-2,3	-0,4	-0,4	<b>-0,6</b>
Gross Public Debt (% of GDP)	74,4	86,9	77,3	71,7	74,3	76,1	78,7	<b>83,7</b>
United States - GDP (%)	2,5	-2,2	6,1	2,5	2,9	2,8	2,2	<b>2,0</b>
United States - PCE (%)	1,4	1,1	4,1	6,6	3,8	2,5	2,9	<b>2,8</b>
United States - Fed Funds Rate (end of period, %)	1,8	0,3	0,3	4,0	5,5	4,5	3,75	<b>3,25</b>

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