

## Challenging data week in Brazil and a lighter calendar in the United States

### Highlights

**In Brazil, the week was marked by a broad set of releases on the fiscal and credit front, which, overall, came close to expectations but reinforced the perception of a more challenging scenario ahead, along with an upside surprise in inflation.** From a fiscal standpoint, the first data of the year confirmed the view that meeting the 2026 target will require additional effort, given the persistent pace of expenditure growth. The Central Government's Primary Balance for January showed a real increase of 2.9% in expenditures, once again above the limits established by the fiscal framework, highlighting budget rigidity and the weight of exceptions. On the credit side, the Central Bank's report indicated higher borrowing costs, reflecting both the lagged effects of the monetary tightening cycle and seasonal factors in modalities such as receivables and invoice discounting, amid moderation in new lending and a relevant increase in delinquency. This movement suggests that more expensive credit, combined with the high level of household income commitment, is likely to impose further constraints on domestic demand in the coming months. Finally, the main surprise of the week came from the February IPCA-15, which printed above expectations, with the headline index driven primarily by volatile items, especially airfares and voluntary vehicle insurance. Although the overall result raises discomfort and implies a likely upward revision of short-term projections, the composition shows that the acceleration was concentrated in a few specific components. Looking at the underlying services measure that excludes cinema and voluntary vehicle insurance, there was no deterioration relative to January, indicating that the less volatile core of services remained relatively stable, with no evidence of broader-based inflationary pressures. In summary, the week brought signs of fiscal fragility, tighter financial conditions, and a point of attention in current inflation, but for now, it does not alter the narrative of gradual economic deceleration and disinflation over the course of the year.

**In the United States, in contrast to the volume of releases observed in Brazil, the week was relatively light in terms of economic indicators, with the main highlight being President Donald Trump's address to Congress,** traditionally one of the most relevant political events at the beginning of the year. In his State of the Union speech, Trump adopted a markedly optimistic tone regarding the economy's performance, downplaying concerns about the cost of living and presenting no additional concrete measures to address persistent inflation. Instead, he focused primarily on defending tax cuts and emphasizing his trade policy, while attributing affordability issues faced by households to Democrats. On the data front, the PPI, the week's key release, once again surprised to the upside, both in the headline and core measures, exceeding expectations. The result reinforces concerns about inflationary pressures along the production chain, which may eventually pass through to retail prices. In sum, the data indicate that producer inflation remains resilient, with services showing firm demand and durable goods pressured by tariff dynamics. We continue to expect two rate cuts in the U.S., but acknowledge that the probability of fewer cuts by the Federal Reserve has increased, given recent inflation data and the greater resilience of economic activity.

## Economic Calendar

In Brazil, the agenda will be highlighted by fourth-quarter 2025 GDP data, as well as January labor market figures, including Caged and PNAD, and industrial production.

In the international scenario, the focus will be on labor market data, including ADP and Payroll, along with a series of speeches by Federal Reserve members.

| Date            | Country          | Event  | Period | Buysidebrazil | Prior  |
|-----------------|------------------|--|--------|---------------|--------|
| <b>03/02/26</b> | <b>Monday</b>    |  |        |               |        |
| 5:55            | Germany          | PMI Manufacturing                            | fev/26 |               | 50,7   |
| 6:00            | Eurozone         | PMI Manufacturing                            | fev/26 |               | 50,8   |
| 8:25            | Brazil           | Central Bank Weekly Economist Survey (Focus) | -      |               |        |
| 11:45           | US               | PMI Manufacturing                            | fev/26 |               | 51,2   |
| 12:00           | US               | ISM Manufacturing                            | fev/26 |               | 52,6   |
| <b>03/03/26</b> | <b>Tuesday</b>   |  |        |               |        |
| 5:00            | Brazil           | IPC-FIPE                                     | fev/26 |               | 0,2%   |
| 7:00            | Eurozone         | CPI (YoY)                                    | fev/26 |               | 1,7%   |
|                 |                  | Core (YoY)                                   | fev/26 |               | 2,2%   |
| 9:00            | Brazil           | <b>GDP (QoQ)</b>                             | dez/25 | 0,0%          | 0,1%   |
| 10:00           | Brazil           | <b>Formal Job Creation</b>                   | jan/26 | 77k           | -618k  |
| 11:55           | US               | Speech by J. Williams (Fed NY)               | -      |               | -      |
| 13:55           | US               | Speech by N. Kashkari (Fed Minneapolis)      | -      |               | -      |
| 22:30           | China            | PMI Composite                                | fev/26 |               | 49,8   |
| <b>03/04/26</b> | <b>Wednesday</b> |  |        |               |        |
| 5:55            | Germany          | PMI Composite                                | fev/26 |               | 53,1   |
| 6:00            | Eurozone         | PMI Composite                                | fev/26 |               | 51,9   |
| 7:00            | Eurozone         | PPI (MoM)                                    | jan/26 |               | -0,30% |
| 7:00            | Eurozone         | Unemployment Rate                            | jan/26 |               | 6,20%  |
| 10:15           | US               | <b>ADP</b>                                   | fev/26 |               | 22k    |
| 11:45           | US               | PMI Composite                                | fev/26 |               | 52,3   |
| 12:00           | US               | <b>ISM Services</b>                          | fev/26 |               | 53,8   |
| 14:30           | Brazil           | Foreign Exchange Transactions                | fev/26 |               |        |
| 16:00           | US               | Beige Book                                   |        |               |        |
| <b>03/05/26</b> | <b>Thursday</b>  |  |        |               |        |
| 7:00            | Eurozone         | Retail Sales (MoM)                           | jan/26 |               | -0,50% |
| 9:00            | Brazil           | <b>Unemployment Rate</b>                     | jan/26 | 5,4%          | 5,10%  |
| 10:30           | US               | Labor Productivity (QoQ)                     | dez/25 |               | 4,90%  |
| 10:30           | US               | Unit Labor Cost (QoQ)                        | dez/25 |               | -1,90% |
| 10:30           | US               | Initial Jobless Claims                       | fev/26 |               |        |
| 15:00           | Brazil           | <b>Monthly Trade Balance</b>                 | fev/26 |               | 4,3    |
| <b>03/06/26</b> | <b>Friday</b>    |  |        |               |        |
| 7:00            | Eurozone         | GDP (QoQ)                                    | dez/25 |               | 0,30%  |
| 8:00            | Brazil           | IGP-DI (MoM)                                 | fev/26 |               | 0,20%  |
| 9:00            | Brazil           | <b>Industrial Production (MoM)</b>           | jan/26 | 1,60%         | -1,20% |
| 10:30           | US               | <b>Payroll</b>                               | fev/26 |               | 130k   |
| 10:30           | US               | Average Earnings Hourly (MoM)                | fev/26 |               | 0,40%  |
| 10:30           | US               | Unemployment Rate                            | fev/26 |               | 4,30%  |
| 17:00           | US               | Consumer Credit                              | jan/26 |               | 24,045 |

**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>  |

## Our team

**Andrea Bastos Damico**  
Chief Economist and CEO  
[andrea@buysidebrazil.com](mailto:andrea@buysidebrazil.com)

**Rafaela de Sousa**  
Economist  
[rafaela@buysidebrazil.com](mailto:rafaela@buysidebrazil.com)

**Marcelo Alonso**  
Economist  
[marcelo@buysidebrazil.com](mailto:marcelo@buysidebrazil.com)

**Mirella Hirakawa**  
Research Coordinator and  
Partner  
[mirella@buysidebrazil.com](mailto:mirella@buysidebrazil.com)

**Rita Milani**  
Economist  
[rita@buysidebrazil.com](mailto:rita@buysidebrazil.com)

**Henrique Miareli**  
Economist  
[henrique@buysidebrazil.com](mailto:henrique@buysidebrazil.com)

