

## Heightened external uncertainty ahead of Super Wednesday

### Highlights

**In the international arena, the main highlights of the week were U.S. inflation data and another round of negotiations between the United States and Iran.** Price indicators continued to point to an inflationary environment, although with distinct signals between producers and consumers. On the producer side, PPI accelerated again in May, reinforcing pressure on industrial costs amid rising energy and metal commodity prices. The increase in basic input costs suggests that part of these pressures has not yet been fully absorbed by supply chains, maintaining the risk of additional pass-through over the coming months. On the consumer side, however, May CPI came in more benign than expected at the core level, indicating that the inflationary effects of external shocks remain concentrated in a limited number of sectors and have not yet been fully passed on by producers. As a result, the data reinforce the view that inflation remains pressured by energy-related factors, but without evidence of broader spillovers to other core components. Nevertheless, the main focus remained the conflict in Iran. On Thursday, officials from the United States, Iran, and the G7 signaled meaningful progress in negotiations toward an agreement that could allow the reopening of the Strait of Hormuz, possibly as early as the next G7 meeting. The more constructive tone was reinforced by the cancellation of planned U.S. attacks against Iran, although Iranian authorities stressed that the agreement has not yet received final approval. Markets reacted positively to the news, with lower oil prices and stronger equity markets, reflecting expectations of reduced risks to global energy supply. **This comes ahead of a major week for central banks, in which we expect a more hawkish tone from monetary authorities around the world.**

**In Brazil, the week leading up to the Copom meeting was once again marked by elevated uncertainty, although inflation data broadly corroborated our monetary policy outlook.** The main highlight was May's IPCA, released on Friday. The index once again came in above expectations, but with a composition that was relatively more constructive than the headline figure suggests. The upside surprise was concentrated mainly in more volatile components outside core measures, while underlying inflation indicators remained close to expectations and showed no clear signs of reacceleration in more inertial segments. In addition, core inflation was driven more heavily by industrial goods, particularly personal care products, while core services remained relatively well behaved. **Therefore, we believe the result does not materially alter the Central Bank's assessment of the inflation process and, as such, we maintain our expectation of a 25bps cut at next week's meeting, particularly given the recent improvement in the external environment stemming from greater optimism surrounding a potential agreement between the United States and Iran.** Still, the combination of elevated current inflation and de-anchored expectations is likely to lead the Committee to maintain a firm communication stance, reinforcing the need for caution and a strictly data-dependent approach. In this context, next week will be particularly important for monitoring the evolution of inflation expectations in the Focus survey following the critical date, as the release may indicate a more significant deterioration in projections, especially for 2027, representing a risk to the expected rate cut.

## Economic Calendar

In **Brazil**, the week's highlights will be the Copom meeting on Wednesday, along with the release of activity data.

In the **International scenario**, attention will focus on monetary policy decisions in the United States, Japan, and the United Kingdom.

Date	Country	Event	Period	Survey	Buysidebrazil	Prior
<b>06/15/26</b>	<b>Monday</b>					
6:00	Eurozone	Industrial Production (MoM)	abr/26	-		0,20%
8:25	Brazil	Central Bank Weekly Economist Survey (Focus)	jun/26	-		
10:15	US	<b>Industrial Production (MoM)</b>	mai/26	0,30%		0,70%
15:00	Brazil	Weekly Trade Balance	jun/26	-		
23:00	China	Retail Sales (YoY)	mai/26	-0,60%		0,20%
23:00	China	Industrial Production (YoY)	mai/26	4,30%		4,10%
23:00	China	Unemployment Rate	mai/26	-		5,20%
<b>06/16/26</b>	<b>Tuesday</b>					
8:00	Brazil	IGP-10 (MoM)	jun/26	-		0,89%
9:00	Brazil	<b>Retail Sales (MoM)</b>	abr/26	-0,70%	-1,00%	0,5
9:00	Brazil	<b>Broad Retail Sales (MoM)</b>	abr/26	0,20%	0,20%	0,30%
9:30	US	New York Fed Services Business Activity Index	jun/26	-	-	-5,8
-	Japan	<b>Monetary Policy Decision</b>	jun/26	1%	1,00%	0,75%
<b>06/17/26</b>	<b>Wednesday</b>					
5:00	Brazil	IPC-FIPE	jun/26	-	-	0,45%
6:00	Eurozone	CPI (YoY)	mai/26	-	-	3,20%
6:00	Eurozone	Core CPI (YoY)	mai/26	-	-	2,50%
9:00	Brazil	<b>Economic Activity Index (MoM)</b>	abr/26	0,60%	0,80%	-0,67%
9:30	US	<b>Retail Sales (MoM)</b>	mai/26	0,50%	-	0,50%
9:30	US	<b>Core Retail Sales (MoM)</b>	mai/26	0,50%	-	0,50%
14:30	Brazil	Weekly FX Flow	jun/26	-	-	
15:00	US	<b>Monetary Policy Decision</b>	jun/26	3,75%	3,75%	3,75%
15:00	US	<b>Summary of Economic Projections (SEP)</b>	jun/26	-	-	-
15:30	US	<b>Speech by Kevin Warsh</b>	-	-	-	-
18:30	Brazil	<b>Monetary Policy Decision</b>	jun/26	14,25%	14,25%	14,50%
<b>06/18/26</b>	<b>Thursday</b>					
8:00	United Kingdom	<b>Monetary Policy Decision</b>	jun/26	3,75%	3,75%	3,75%
9:30	US	Initial Jobless Claims	jun/26	-	-	-
9:30	US	Philadelphia Fed Manufacturing Index	jun/26	-	-	-0,40%
<b>06/19/26</b>	<b>Friday</b>					
-	US	<b>National Holiday</b>	-	-	-	-
-	<b>Na semana</b>					
-	Brazil	<b>Tax Revenue</b>	mai/26	-	253	279

**Macroeconomic projections**

	2019	2020	2021	2022	2023	2024	2025	2026
Brazil GDP (%)	1,2	-3,3	4,8	3,0	2,9	3,4	2,3	<b>1,9</b>
Unemployment Rate (average, %)	12,0	13,8	13,2	9,3	8,0	6,6	5,6	<b>5,5</b>
IPCA (Consumer Price Index) (%)	4,3	4,5	10,1	5,8	4,6	4,8	4,3	<b>5,2</b>
Selic Rate (end of period, %)	4,50	2,00	9,25	13,75	11,75	12,25	15,00	<b>14,0</b>
Exchange Rate (end of period, R\$/US\$)	4,03	5,20	5,58	5,22	4,84	6,19	5,50	<b>5,15</b>
Current Account Transactions (US\$ billion)	-68,0	-28,2	-46,4	-53,6	-28,6	-66,2	-68,8	<b>-52,9</b>
Current Account Transactions (% of GDP)	-3,6	-1,7	-2,9	-2,8	-1,4	-3,0	-3,0	<b>-2,3</b>
Trade Balance - BCB (US\$ billion)	26,5	32,4	36,4	44,2	80,5	66,2	60,0	<b>78,0</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>-0,2</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>2,3</b>
United States - PCE (%)	1,4	1,1	4,1	6,6	3,8	2,5	2,9	<b>3,1</b>
United States - Fed Funds Rate (end of period, %)	1,8	0,3	0,3	4,0	5,5	4,5	3,75	<b>3,8</b>

## Our team

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