Brazil Week Ahead

What we expect from the economic indicators due next week

August 27, 2026

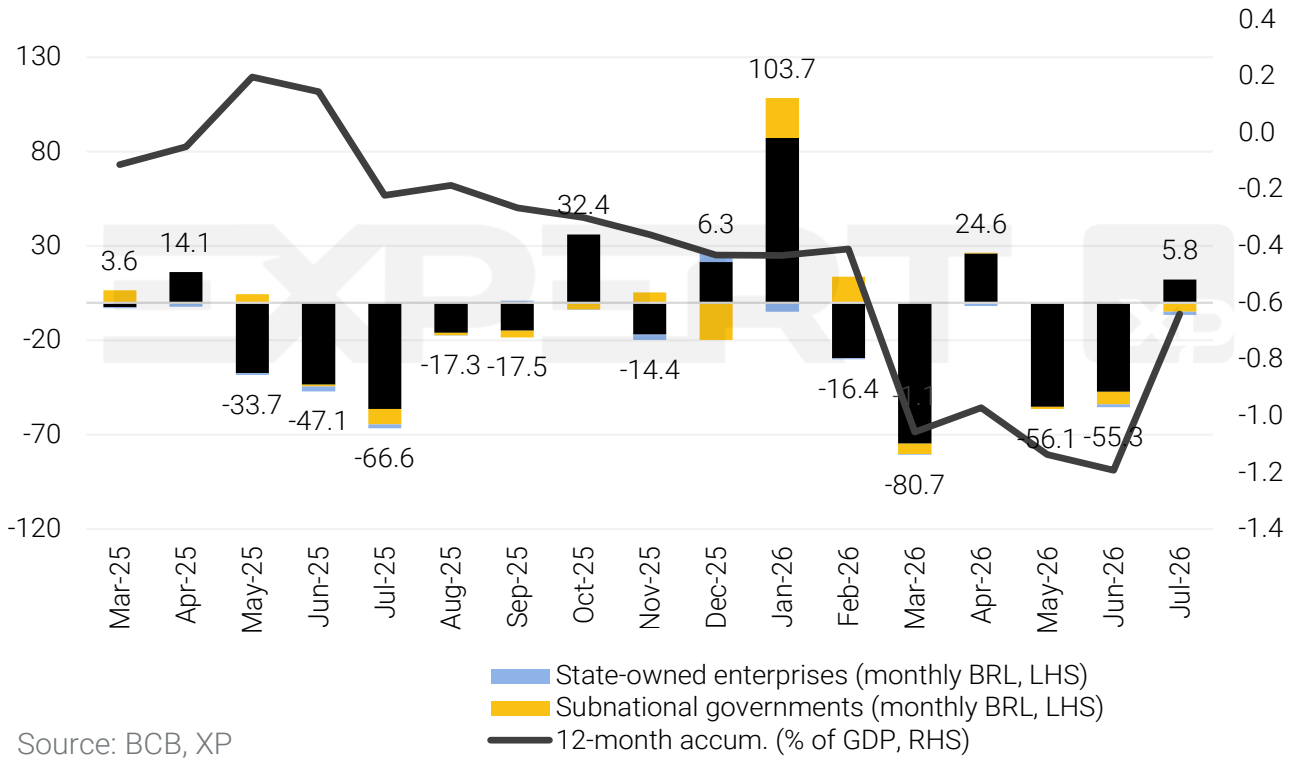
XP Macro Research

Public sector – Surplus expected in July

August 27, 2026

Due on 31 August - Monday

Public Sector Primary Balance



Source: BCB, XP

Central government should post a BRL 12.2 billion surplus in July in the central bank's statistics;

Regional governments are expected to present a deficit of BRL 4.9 billion. As in the previous months, the result should be driven by states, which have increased expenditures substantially this year;

State-owned enterprises should reach a deficit of BRL 1.6 billion, following the negative trend observed in the previous months;

In all, the public sector is expected to register a surplus of BRL 5.8 billion in July;

We estimate a nominal deficit of BRL 109.6 billion in July. Therefore, the 12-month accumulated deficit should reach 9.4% of GDP.

PLOA 2027 – The annual budget bill should present changes related to tax reform

August 27, 2026

Due on 31 August - Monday

BRL Mn

BREAKDOWN	PLDO 2026	XP	XP - PLOA
TOTAL REVENUE	3,408,204	3,372,479	-35,726
Revenue Administered by RFB	*2,210,009*	*2,135,426*	*-74,583*
Social security contributions	*879,800*	*843,561*	*-36,239*
Revenue Not Administered by the RFB	*318,395*	*393,492*	*75,097*
TRANSFERS BY REVENUE SHARING	639,995	645,556	5,562
NET REVENUE	2,768,209	2,726,922	-41,287
TOTAL SPENDING	2,760,220	2,794,728	34,508
Social Security Benefits	*1,204,633*	*1,220,752*	*16,119*
Personnel and Charges	*459,278*	*465,618*	*6,340*
Other Mandatory	*437,047*	*447,453*	*10,406*
Salary bonus and unemployment insurance	104,794	105,479	685
Elderly and disabled assistance (BPC/LOAS)	137,926	158,382	20,456
Court-ordered debts (funding and capital)	30,150	31,475	1,325
Subsidies and Grants	30,718	27,880	-2,838
Expenditure Subject to Financial Programming	*659,261*	*660,905*	*1,644*
Mandatory with Flow Control	384,555	401,401	16,847
Discretionary expenditures	274,706	259,504	-15,203
CENTRAL GOVERNMENT PRIMARY BALANCE	7,990	-67,805	-75,795
Expenditure under execution	-	20,000	20,000
PRIMARY BALANCE FOR TARGET CALCULATION	7,990	-47,805	-55,795
Spending not included in the target	65,658	65,658	0
PRIMARY BALANCE FOR TARGET CALCULATION	73,648	17,853	55,795
Primary balance target (lower bound)	36,608	36,608	0
EFFORT REQUIRED	-37,040	18,755	-55,795

The annual budget bill should not bring any surprises. Unlike in previous years, we do not expect the government to include the effects of revenue-raising measures that depend on Congressional approval, given their political sensitivity. However, administrative measures such as tax transactions should be included;

Effects of tax reform will be in the spotlight. For the first time, the budget will include projections for the Contribution on Goods and Services (CBS), which will replace PIS, Cofins, and part of the IPI. In addition, the government is expected to present revenue estimates for the selective tax. In both cases, however, the applicable tax rates are still unknown;

Will the selective tax bill be presented now or only in a few months? There is a possibility that the bill regulating the selective tax will be introduced alongside the annual budget.

IPC-S 4th Week (August) – Itaipu Bonus payment, cheaper airfares, and cigarette price hikes

August 27, 2026

Due on September 01 – Tuesday

IPC-S - XP Forecasts (%)

	4W Jul26	1W Aug26	2W Aug26	3W Aug26	4W Aug26 (F)
IPC-S	-0.08	-0.05	-0.43	-0.39	-0.33
Food and beverages	-0.87	-0.52	-0.57	-0.56	-0.45
Housing	0.39	0.41	-1.29	-1.23	-1.22
Clothing	-1.22	-1.49	-1.29	-0.87	-0.60
Health and personal care	0.22	0.13	0.20	0.28	0.35
Education and leisure	1.06	0.50	-0.13	-0.66	-1.25
Transports	-0.29	-0.39	-0.26	-0.22	-0.02
Other expenses	-0.03	0.70	1.65	2.40	3.10
Communication	-0.06	0.05	-0.80	-0.83	-1.00

Source: FGV, XP

The decline in food prices is expected to moderate, with a smaller contraction in fresh food and increases in rice and meat. The deflation in clothing prices will also slow down. In other expenses, cigarettes will continue to rise, reaching a 27% increase, while in transportation, gasoline and ethanol will show smaller declines. In the opposite direction, highlights include drops in airfares (around 16%) and electricity bills (-8%) due to the Itaipu Bonus payment. Against this backdrop, the IPC-S is expected to stand at 3.97% YoY in August, compared to 3.86% YoY in July.

26Q2 GDP – Most sectors have lost momentum in recent months, reinforcing the thesis of a gradual slowdown

August 27, 2026

Due on September 01 - Tuesday

GDP Breakdown (%)	Weights	26Q1	26Q2 (F)	26Q1	26Q2 (F)	Carryover for 2026 (F)	2026 (F)
		YoY		QoQ			
Agriculture & Livestock	6.1	0.7	2.4	2.0	0.6	1.9	1.6
Total Industry	20.1	1.6	2.1	1.0	0.5	1.6	2.0
Extractive Industry	3.2	13.1	9.2	3.6	1.5	8.4	8.8
Manufacturing Industry	11.8	-0.9	0.7	0.1	0.7	0.3	0.6
Construction	3.2	1.3	1.1	2.9	-0.2	1.2	1.3
Utilities	2.0	-1.7	0.5	-0.3	-0.3	-0.2	0.6
Total Services	59.7	2.1	1.8	0.5	0.4	1.6	2.1
Retail	10.0	1.0	1.5	0.6	0.5	1.2	1.7
Transportation & Storage	3.1	0.7	-1.9	-0.7	-1.1	-1.6	-0.4
Information & Communication	3.1	7.6	6.8	2.4	0.9	5.6	6.6
Financial Activities	7.3	2.8	2.2	-0.6	0.3	1.9	2.5
Other Services	15.1	2.4	2.0	0.8	0.4	1.9	2.2
Real Estate Activities	7.5	2.9	2.6	1.2	0.5	2.2	2.5
Public Services	13.7	1.1	1.2	0.4	-0.1	0.8	1.3
Added Value	86.0	1.8	1.9	1.0	0.5	1.7	2.0
Net Indirect Taxes	14.0	1.9	1.7	-	-	-	1.7
Total GDP	100.0	1.8	1.9	1.1	0.4	1.7	2.0
Household Consumption	63.5	1.7	1.8	1.0	0.6	1.7	1.9
Government Consumption	19.1	2.8	2.6	0.4	0.2	1.8	2.2
Gross Fixed Capital Formation	17.1	-1.4	0.7	3.5	0.8	0.8	0.9
Exports	17.8	7.4	4.7	-1.7	0.0	2.8	5.1
Imports (-)	17.5	1.2	5.0	4.4	1.4	4.0	4.5

Source: IBGE, XP

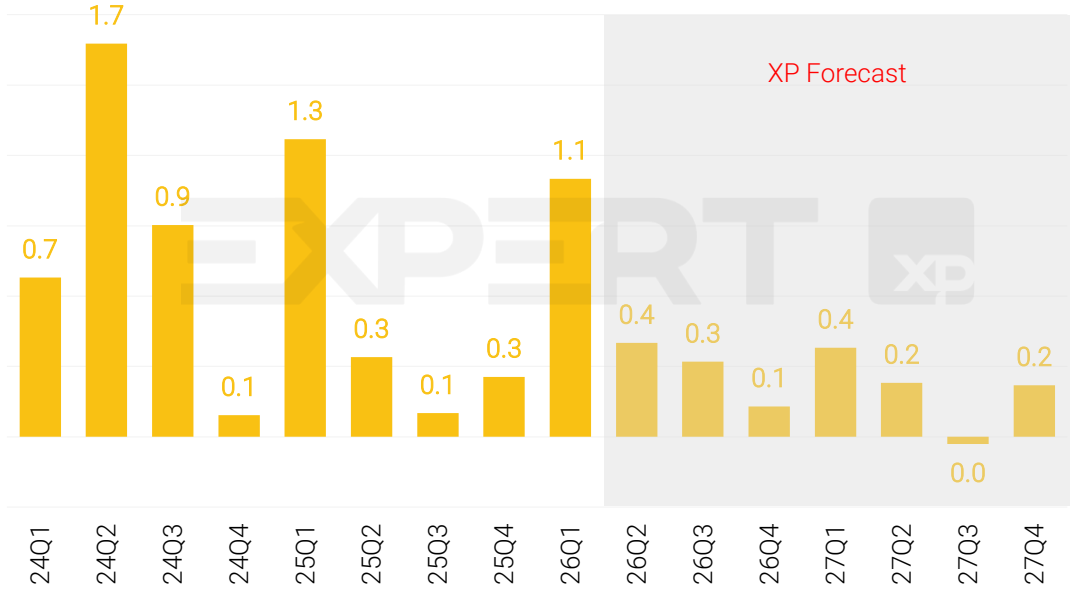
GDP – Marked slowdown ahead: growth below potential in 2027 (1.0%), with risks tilted to the downside

August 27, 2026

Due on September 01 - Tuesday

GDP is expected to grow below potential over the coming quarters

Total GDP. QoQ SAS (%)



Source: IBGE, XP

GDP - XP Forecasts (%)

	2024	2025	2026 (F)	2027 (F)
Agriculture & Livestock	-3.7	11.7	1.6	1.3
Industry	3.1	1.4	2.0	0.7
Services	3.8	1.8	2.1	1.1
Total GDP	**3.4**	**2.3**	**2.0**	**1.0**
Household Consumption	5.1	1.3	1.9	1.2
Government Consumption	2.0	2.1	2.2	1.4
Gross Fixed Capital Formatio	6.9	2.9	0.9	-0.5
Exports	2.8	6.2	5.1	2.5
Imports (-)	15.6	4.5	4.5	1.8

Source: IBGE, XP

Industrial Production (PIM) – Manufacturing industry trending down

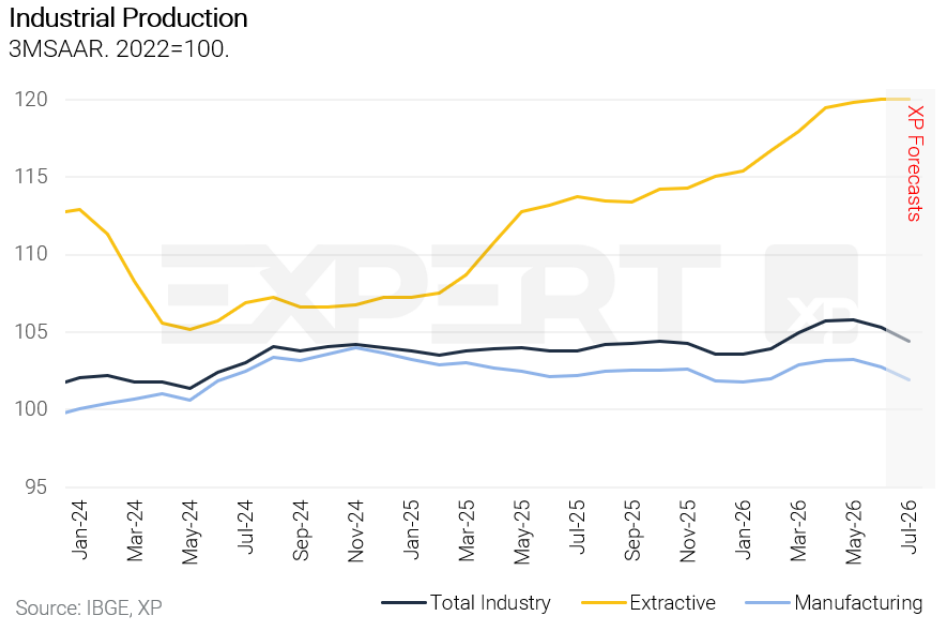
August 27, 2026

Due on September 02 – Wednesday

Industrial Production - XP Forecasts (%)

	Jul26 Weight	YoY	MoM
Capital Goods	7.6	-1.9	2.4
Intermediate Goods	60.5	0.9	0.0
Durable Goods	4.4	-0.7	-0.2
Semi & Nondurable Goods	27.5	-3.7	0.2
Total Industry	**100.0**	**-0.6**	**0.2**
Extractive	14.6	7.6	2.3
Manufacturing	85.4	-2.0	-0.4

Source: IBGE, XP



We project industrial output to remain broadly stable in July, with a marginal **0.2% MoM** increase in the seasonally adjusted series (PIM-PF), following the contraction observed in June. The year-over-year reading remains negative (**-0.6% YoY**), largely reflecting persistent weakness in **manufacturing** and consumer goods, particularly the semi- and non-durable segment. In the opposite direction, the **extractive industry** continues to stand out as the main positive contributor.

Capital goods are expected to recover on the margin, although still posting a negative year-over-year reading (-1.9%), consistent with subdued investment amid restrictive financial conditions. **Intermediate goods** should show near-zero marginal growth. Notably, if our forecasts prove accurate, **the statistical carry-over for Q3 2026 would stand at -1.3%.**

Trade Balance – Price-led expansion in trade flows

August 27, 2026

Due on September 04 - Friday

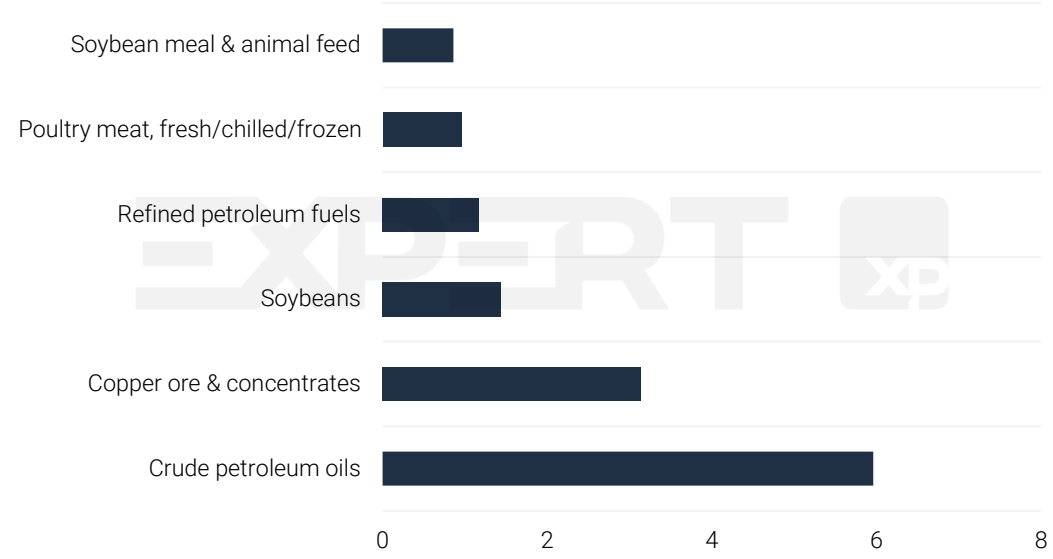
Trade Balance - XP Forecasts	(USD Bn)
	Aug26
Exports	33.8
Imports	26.8
Trade Balance	7.0

Source: MDIC, XP

August is set to post a robust trade surplus, exceeding last year's level, with both exports and imports recording strong growth. Export performance should be driven by the extractive industry, particularly crude oil and copper ore, while imports should reflect stronger purchases of refined petroleum products. The acceleration on both sides has been largely price-driven.

Crude oil and copper ore are driving export growth in August...

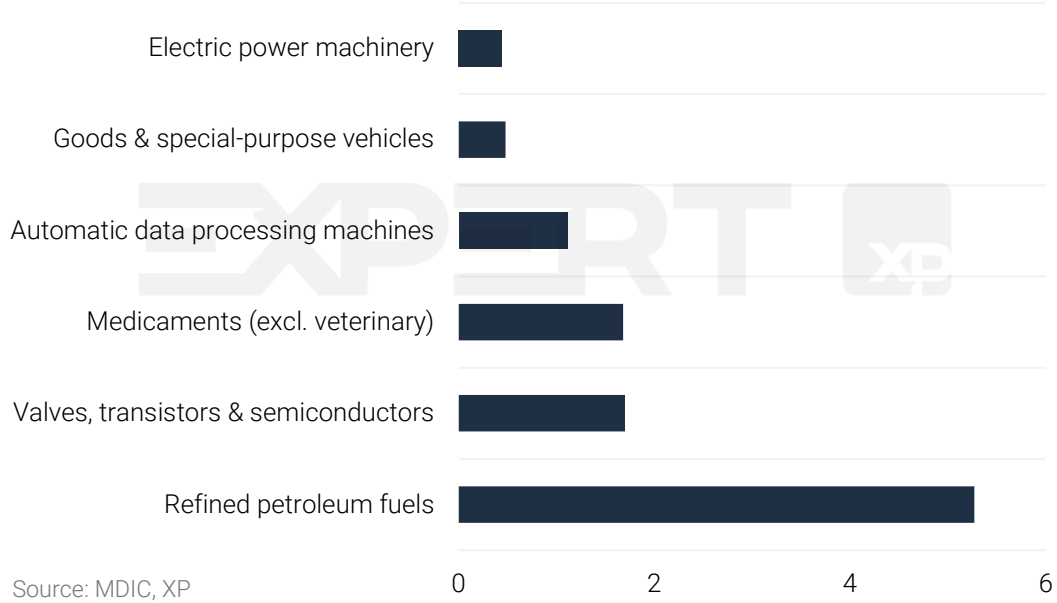
Main contributors to export growth in August (pp)



Source: MDIC, XP

Import growth should reflect higher purchases of refined petroleum

Main contributors to import growth in August (pp)

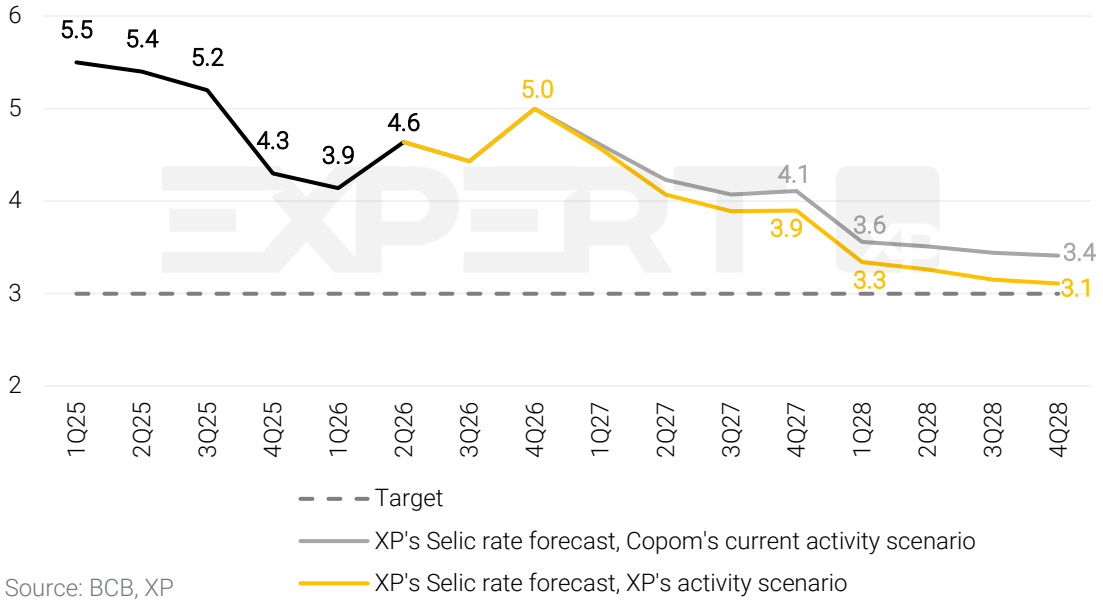


Source: MDIC, XP

Copom Review – A pause is no longer the most likely scenario

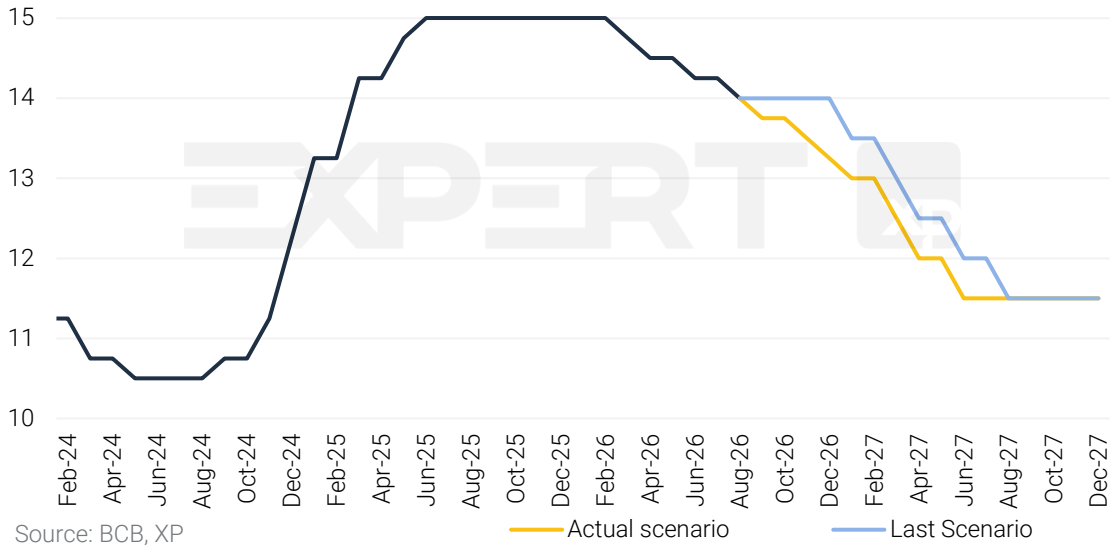
We now project the Selic rate at 13.25% YE2026 and 11.50% YE2027

IPCA forecasts from the Copom model would be closer to the target considering a sharper economic deceleration next year
IPCA inflation. End of quarter. Alternative scenarios. 12M (%)



Source: BCB, XP

We no longer see a pause in the monetary policy calibration cycle
(%)



Source: BCB, XP

XP | Weekly Economic Agenda

Date Time (BZ Time)	Country	Event	Period	Survey(BBG)	XP Forecast	Prior
August 30						
20:50	JN	Retail Sales YoY	Jul	--	--	0.5%
20:50	JN	Retail Sales MoM	Jul	--	--	-4.1%
20:50	JN	Industrial Production MoM	Jul P	--	--	1.9%
20:50	JN	Industrial Production YoY	Jul P	--	--	4.9%
20:50	JN	Dept. Store, Supermarket Sales YoY	Jul	--	--	-1.0%
22:30	CH	Manufacturing PMI	Aug	49.7	--	49.2
22:30	CH	Non-manufacturing PMI	Aug	49.6	--	49.0
22:30	CH	Composite PMI	Aug	--	--	49.3
August 31						
08:25	BZ	Central Bank Weekly Economist Survey	--	--	--	--
08:30	BZ	Primary Budget Balance	Jul	--	--	-55.3b
08:30	BZ	Net Debt % GDP	Jul	--	--	68.5%
08:30	BZ	Nominal Budget Balance	Jul	--	--	-166.0b
09:00	GE	CPI MoM	Aug P	--	--	0.8%
09:00	GE	CPI YoY	Aug P	--	--	2.8%
11:30	US	Dallas Fed Manf. Activity	Aug	--	--	1.3
20:50	JN	Company Sales YoY	2Q	--	--	1.1%
20:50	JN	Company Profits YoY	2Q	--	--	14.6%
20:50	JN	Capital Spending YoY	2Q	--	--	0.0%
21:30	JN	S&P Global Japan PMI Mfg	Aug F	--	--	55.1
22:45	CH	RatingDog China PMI Mfg	Aug	50.7	--	50.9
September 1						
05:00	EC	S&P Global Eurozone Manufacturing PMI	Aug F	--	--	52.8
05:30	UK	Net Consumer Credit	Jul	--	--	1.8b
05:30	UK	S&P Global UK Manufacturing PMI	Aug F	--	--	51.5
06:00	EC	CPI Estimate YoY	Aug P	--	--	2.9%
06:00	EC	CPI YoY	Aug P	--	--	2.9%
06:00	EC	CPI MoM	Aug P	--	--	0.2%
06:00	EC	CPI Core YoY	Aug P	--	--	2.5%
06:00	EC	Unemployment Rate	Jul	--	--	0.1
08:00	BZ	FGV CPI IPC-S	--	--	--	-0.4%
09:00	BZ	GDP 4Qtrs Accumulated	2Q	1.8%	--	2.0%
09:00	BZ	GDP QoQ	2Q	0.3%	0.4%	1.1%
09:00	BZ	GDP YoY	2Q	1.8%	1.8%	1.8%
10:45	US	S&P Global US Manufacturing PMI	Aug F	--	--	53.2
11:00	US	ISM Manufacturing	Aug	55.4	--	55.6
11:00	US	JOLTS Job Openings	Jul	7300k	--	7359k
11:00	US	Construction Spending MoM	Jul	-0.1%	--	-0.1%
11:30	US	Dallas Fed Services Activity	Aug	--	--	6.6

XP | Weekly Economic Agenda

Date Time (BZ Time)	Country	Event	Period	Survey(BBG)	XP Forecast	Prior
September 2						
05:00	BZ	FIPE CPI - Monthly	Aug	--	--	-0.03%
08:00	US	MBA Mortgage Applications	--	--	--	-1.0%
09:00	BZ	Industrial Production MoM	Jul	--	0.2%	-1.8%
09:00	BZ	Industrial Production YoY	Jul	--	-0.6%	1.7%
09:15	US	ADP Employment Change	Aug	39k	--	44k
11:00	US	Factory Orders	Jul	0.1%	--	-0.3%
11:00	US	Durable Goods Orders	Jul F	--	--	1.1%
15:00	US	Fed Releases Beige Book				
21:30	JN	S&P Global Japan PMI Composite	Aug F	--	--	53.4
21:30	JN	S&P Global Japan PMI Services	Aug F	--	--	52.3
22:45	CH	RatingDog China PMI Composite	Aug	--	--	50.8
22:45	CH	RatingDog China PMI Services	Aug	--	--	50.4
September 3						
05:00	EC	S&P Global Eurozone Services PMI	Aug F	--	--	51.7
05:00	EC	S&P Global Eurozone Composite PMI	Aug F	--	--	52.1
05:30	UK	S&P Global UK Services PMI	Aug F	--	--	52.8
05:30	UK	S&P Global UK Composite PMI	Aug F	--	--	52.5
06:00	EC	PPI MoM	Jul	--	--	-0.3%
06:00	EC	PPI YoY	Jul	--	--	4.6%
09:30	US	Trade Balance	Jul	-$71.6b	--	-$73.3b
09:30	US	Nonfarm Productivity	2Q F	--	--	1.4%
09:30	US	Initial Jobless Claims	--	--	--	--
09:30	US	Unit Labor Costs	2Q F	--	--	1.3%
09:30	US	Continuing Claims	--	--	--	--
10:45	US	S&P Global US Services PMI	Aug F	--	--	56.8
10:45	US	S&P Global US Composite PMI	Aug F	--	--	56.0
11:00	US	ISM Services Index	Aug	54.3	--	54.1
September 4						
03:00	GE	Factory Orders MoM	Jul	--	--	3.1%
03:00	GE	Factory Orders WDA YoY	Jul	--	--	6.5%
04:30	GE	S&P Global Germany Construction PMI	Aug	--	--	42.1
06:00	EC	Retail Sales MoM	Jul	--	--	-0.3%
06:00	EC	Retail Sales YoY	Jul	--	--	0.7%
09:30	US	Change in Nonfarm Payrolls	Aug	60k	--	-23k
09:30	US	Average Hourly Earnings MoM	Aug	0.2%	--	0.1%
09:30	US	Average Hourly Earnings YoY	Aug	3.2%	--	3.2%
09:30	US	Average Weekly Hours All Employees	Aug	34.3	--	34.3
09:30	US	Unemployment Rate	Aug	0.0	--	0.0
15:00	BZ	Trade Balance Monthly	Aug	--	$7000m	$7067m



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