



Brazil Week Ahead

What we expect from the economic indicators due next week

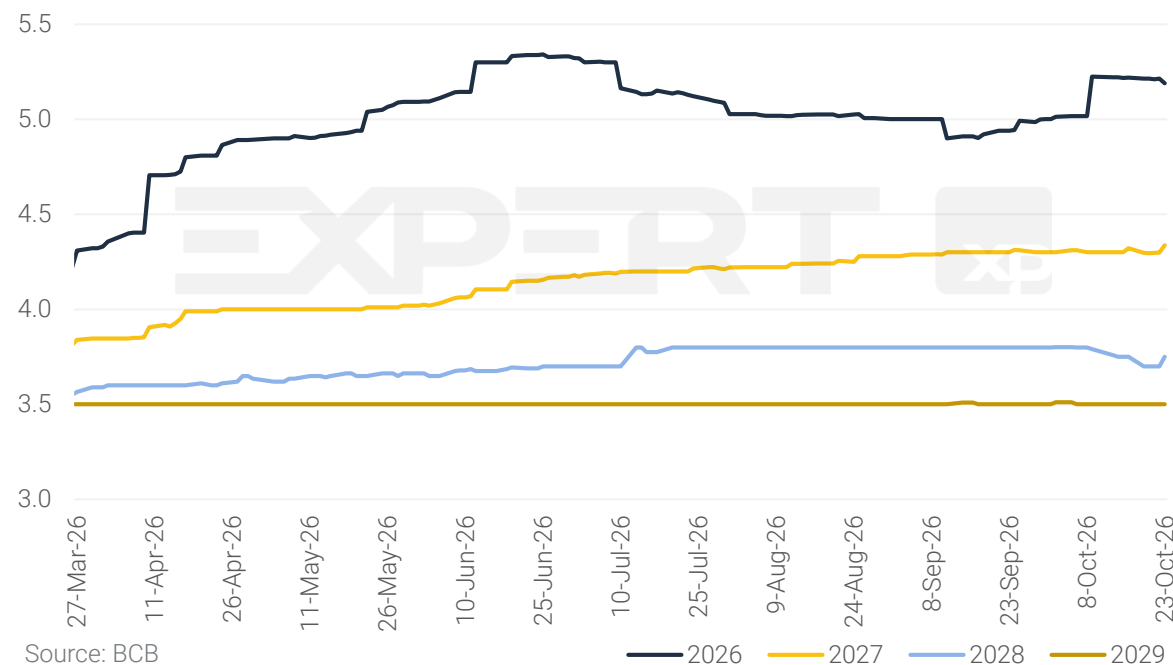
October 29, 2026
XP Macro Research

Focus Survey – How much higher can inflation expectations go?

October 29, 2026

Due on November 03 – Tuesday

Inflation expectations should remain on the rise
(%)



The upcoming Focus Survey may bring significant changes to market projections for inflation (in the short and medium term) and the Selic rate.

Inflation expectations for 2027 should continue the upward trend observed in recent weeks, reflecting the weaker BRL, changes to the weekly work hours (6x1), tax reform, El Niño, and higher oil prices. **We would not be surprised to see the projection north of 5%.**

More importantly, expectations for 2028 and 2029 could also rise, reflecting higher inertia and fiscal risks. Keep a close eye on that. It will be key for BCB's rate decision the following day.

CAGED (September) – Formal job creation slowed in September following a stronger-than-expected result in August

October 29, 2026

Due on November 04 – Wednesday

Non-seasonally adjusted estimates (NSA) – September

Hirings: 2,304,990 (0.5% or +12,498 YoY)
Dismissals: 2,144,790 (3.1% or +65,300 YoY)

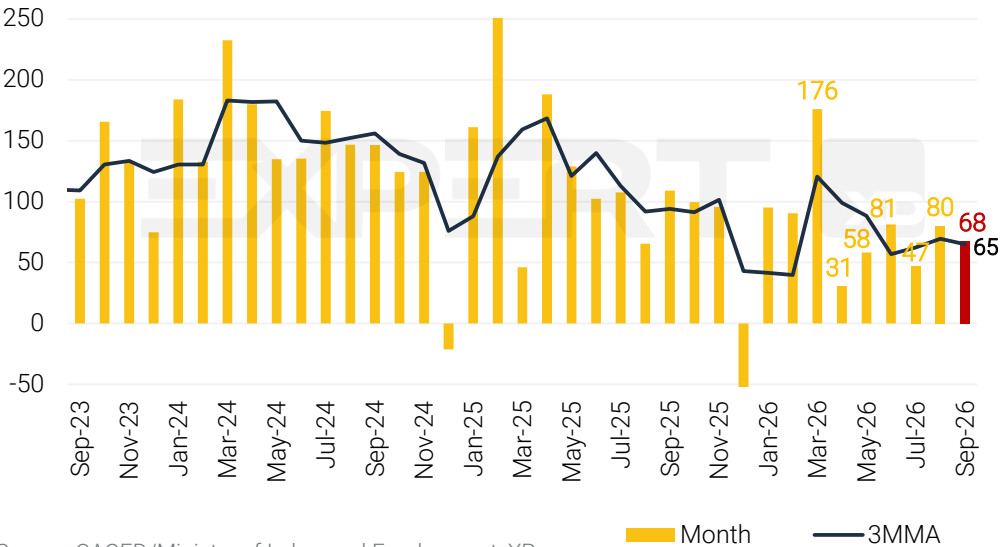
Formal job balance: +160,200

Seasonally adjusted estimates (SAS) – September

Hirings: 2,263,675 (1.0% MoM)
Dismissals: 2,196,015 (1.6% MoM)

Formal job balance: +67,660

The outlook for moderate growth in formal employment persists
Seasonally adjusted data (in thousands)



Source: CAGED/Ministry of Labor and Employment, XP

Formal job creation have been decelerating since the end of last year, which reflects the cooling demand and supply constraints in certain sectors.

We forecast that the average pace of job addition will decline from around 110k per month in 2025 to 75k per month in 2026. Our projection for the full year of 2026 is 900k.

Copom Meeting (November) – A final cut? Expectations will tell

October 29, 2026

Due on November 04 – Wednesday

The inflation outlook has deteriorated recently, while economic activity continues to soften.

Copom members did not provide any signal in their official communication that the cycle needs to be interrupted. And the real interest rate remains considerably above what the Copom assumes as neutral (5%, according to its latest Monetary Policy Report).

Against this backdrop, we believe the Central Bank will deliver a (final) 25-bp cut, along with a hawkish communication (suggesting a pause ahead).

But this call is deeply dependent on inflation expectations. If the Focus Survey shows a relevant deterioration in 2028 and 2029 IPCA forecasts (say, 20 bps+ for 2028 and 10 bps+ for 2029), the Copom will be forced to abandon the plan and keep rates stable to preserve its credibility.

IPC-S 4th Week (October) - Milder food inflation and electricity drop drive the slowdown

October 29, 2026

Due on November 04 – Wednesday

IPC-S - XP Forecasts					(%)
	4W Sep26	1W Out26	2W Out26	3W Out26	4W Out26 (F)
IPC-S	0.67	0.39	0.46	0.46	0.35
Food and beverages	1.00	1.27	1.22	1.08	0.85
Housing	1.99	0.21	0.17	0.16	0.00
Clothing	0.30	0.16	0.34	0.28	0.20
Health and personal care	0.17	0.19	0.18	0.28	0.25
Education and leisure	-0.23	0.27	0.68	0.90	0.97
Transports	-0.04	0.05	0.33	0.34	0.20
Other expenses	0.08	0.09	0.04	-0.02	-0.05
Communication	-0.02	0.02	0.01	0.02	0.05

Source: FGV, XP

The slowdown in the last print of October reflects a moderation in fresh food and dairy price increases — though beef continues to trend upward — combined with a decline in electricity bills. On the flip side, higher airfare prices stand out as the main upward pressure. As a result, the IPC-S is set to reach a 12-month cumulative change of 4.17%.

Industrial Production (September) – Industry continues to point south, with no signs of relief

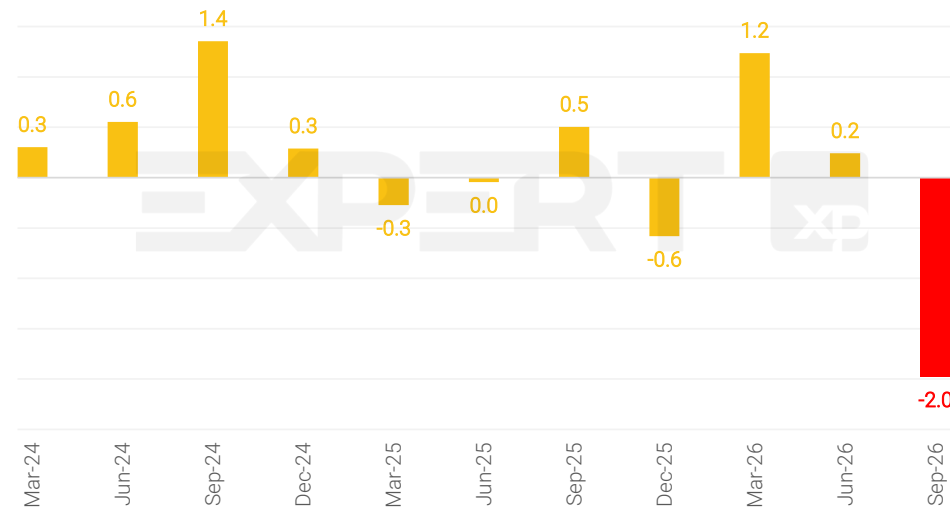
October 29, 2026

Due on November 05 – Thursday

Industrial output is expected to post yet another weak result in September. We forecast a 0.6% MoM decline (–2.2% YoY), with manufacturing standing out on the downside (–0.7% MoM; –3.1% YoY), while the extractive industry should remain in positive territory (0.8% MoM; 3.0% YoY). As a result, we expect industrial production to shrink 2.0% QoQ, with a carry-over of –1.2% QoQ for Q4 2026.

Regarding economic categories, the negative highlights remain the decline in semi- and non-durable goods (–0.7% MoM; –5.8% YoY) and capital goods (–0.9% MoM; –5.1% YoY). Overall, monetary policy remains tight, domestic demand is declining, and production costs remain elevated. Under such circumstances, the outlook is expected to remain challenging for manufacturing, while the extractive industry should continue to be the positive standout going forward.

Industrial Production is expected to contract in Q3
QoQ. SAS. (%)



Source: IBGE, XP

Industrial Production - XP Forecasts (%)

	Sep26		Q3
	YoY	MoM	QoQ
Capital Goods	-5.1	-0.9	-0.9
Intermediate Goods	-0.6	-0.4	-1.6
Consumer Goods	-4.5	-0.4	-2.9
Durable Goods	3.1	0.2	1.7
Semi & Nondurable Goods	-5.8	-0.7	-3.7
Total Industry	-2.2	-0.6	-2.0
Extractive	3.0	0.8	-1.9
Manufacturing	-3.1	-0.7	-2.3

Source: IBGE, XP

Trade Balance (October) – Surplus widens on record crude oil exports

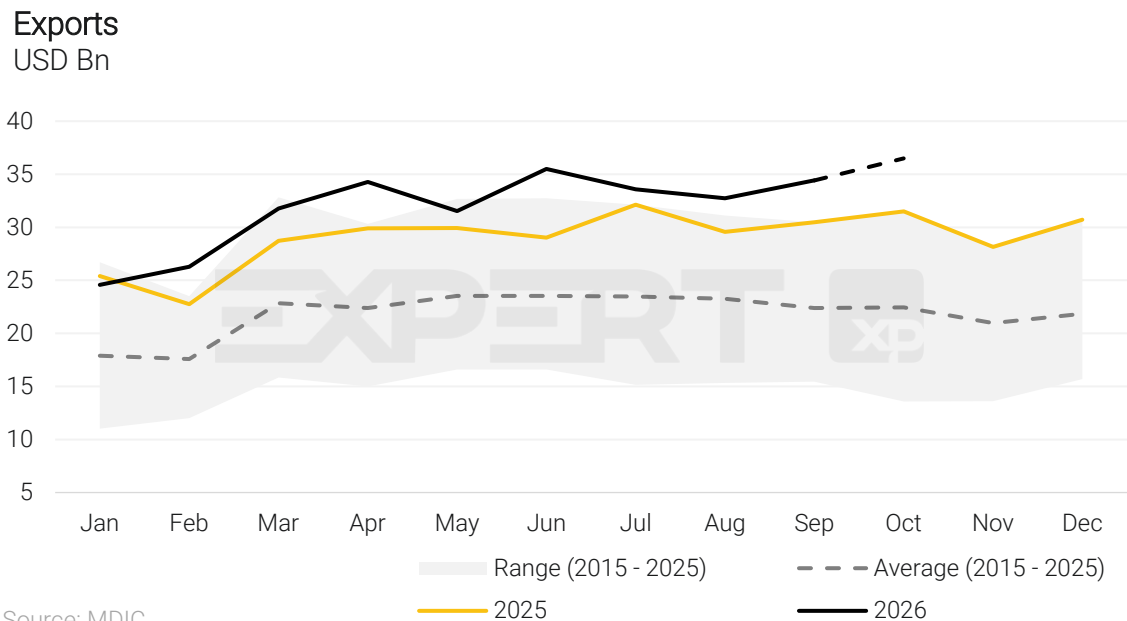
October 29, 2026

Due on November 06 – Friday

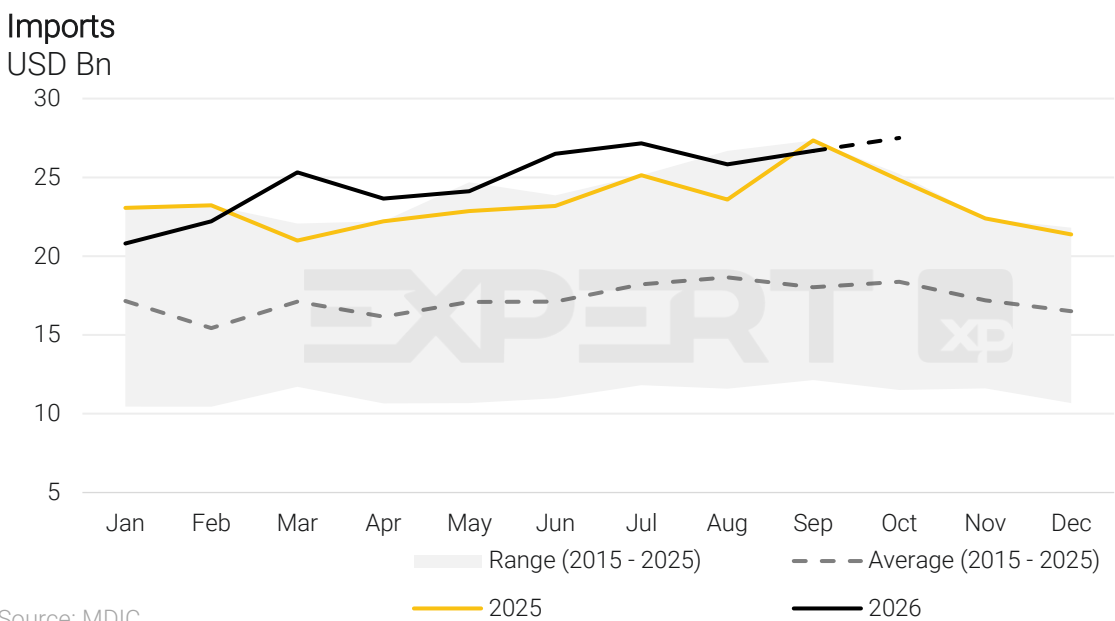
October should post a strong trade surplus, well above last year's level, with exports reaching a record monthly high despite two fewer working days. Crude oil is again the main driver, at a record value on both higher prices and volumes, helped by fuel oil, while iron ore, sugar and beef decline. Imports should also grow at a double-digit pace, led by pricier diesel and higher volumes of passenger cars, partly offset by lower fertilizer purchases and the drop in aircraft engine parts.

Trade Balance - XP Forecasts			Oct-26
	USD Bn	YoY (%)	
Exports	36.5	15.8	
Imports	27.5	10.8	
Trade Balance	9.0	34.5	

Source: MDIC, XP



Source: MDIC



Source: MDIC

XP Weekly Economic Agenda						
Date Time (BZ Time)	Country	Event	Period	Survey(BBG)	XP Forecast	Prior
November 1						
21:30	JN	S&P Global Japan PMI Mfg	Oct F	--	--	53.3
22:45	CH	RatingDog China PMI Mfg	Oct	52.0	--	52.1
November 2						
06:00	EC	S&P Global Eurozone Manufacturing PMI	Oct F	--	--	52.4
11:45	US	S&P Global US Manufacturing PMI	Oct F	--	--	56.0
12:00	US	ISM Manufacturing	Oct	54.7	--	54.5
November 3						
08:00	BZ	FGV CPI IPC-S	--	--	0.4%	0.46%
08:25	BZ	Central Bank Weekly Economist Survey	--	--	--	--
12:00	US	JOLTS Job Openings	Sep	7134k	--	7079k
12:00	US	Factory Orders	Sep	1.2%	--	0.1%
12:00	US	Durable Goods Orders	Sep F	--	--	1.8%
22:45	CH	RatingDog China PMI Composite	Oct	--	--	52.4
22:45	CH	RatingDog China PMI Services	Oct	51.7	--	51.6
November 4						
05:00	BZ	FIPE CPI - Monthly	Oct	0.45%	--	0.51%
06:00	EC	S&P Global Eurozone Services PMI	Oct F	--	--	51.7
06:00	EC	S&P Global Eurozone Composite PMI	Oct F	--	--	51.9
06:30	UK	S&P Global UK Services PMI	Oct F	--	--	53.1
06:30	UK	S&P Global UK Composite PMI	Oct F	--	--	53.1
07:00	EC	CPI Estimate YoY	Oct P	3.9%	--	3.8%
07:00	EC	CPI YoY	Oct P	3.9%	--	3.8%
07:00	EC	CPI MoM	Oct P	0.3%	--	0.6%
07:00	EC	CPI Core YoY	Oct P	2.5%	--	2.5%
10:15	US	ADP Employment Change	Oct	75k	--	90k
10:30	US	Trade Balance	Sep	-\$104.9b	--	-\$105.6b
11:45	US	S&P Global US Services PMI	Oct F	--	--	57.9
11:45	US	S&P Global US Composite PMI	Oct F	--	--	57.6
12:00	US	ISM Services Index	Oct	54.8	--	54.9
14:30	BZ	Formal Job Creation Total	Sep	183500	160200	165827
18:30	BZ	Sellic Rate	--	13.75%	13.50%	13.75%
21:30	JN	S&P Global Japan PMI Composite	Oct F	--	--	52.3
21:30	JN	S&P Global Japan PMI Services	Oct F	--	--	52.0
November 5						
07:00	EC	PPI MoM	Sep	--	--	1.9%
07:00	EC	PPI YoY	Sep	--	--	8.2%
09:00	UK	Bank of England Bank Rate	--	4.00%	--	3.75%
09:00	BZ	Industrial Production MoM	Sep	--	-0.6	-0.6%
09:00	BZ	Industrial Production YoY	Sep	--	-2.2	-1.2%
10:30	US	Unit Labor Costs	3Q P	--	--	1.2%
10:30	US	Initial Jobless Claims	--	--	--	194k
November 6						
04:00	GE	Industrial Production SA MoM	Sep	--	--	2.0%
04:00	GE	Industrial Production WDA YoY	Sep	--	--	2.3%
07:00	EC	Retail Sales MoM	Sep	--	--	0.1%
07:00	EC	Retail Sales YoY	Sep	--	--	0.8%
10:30	US	Change in Nonfarm Payrolls	Oct	65k	--	29k
10:30	US	Average Hourly Earnings MoM	Oct	0.3%	--	0.1%
10:30	US	Average Hourly Earnings YoY	Oct	2.9%	--	3.0%
10:30	US	Unemployment Rate	Oct	4.2%	--	4.2%
10:30	US	Labor Force Participation Rate	Oct	--	--	61.8%
12:00	US	U. of Mich. Sentiment	Nov P	47.0	--	48.0
12:00	US	U. of Mich. 1 Yr Inflation	Nov P	--	--	4.7%
12:00	US	U. of Mich. 5-10 Yr Inflation	Nov P	--	--	3.5%
15:00	BZ	Trade Balance Monthly	Oct	--	\$9000m	\$7741m
17:00	US	Consumer Credit	Sep	\$11.750b	--	\$8.281b

