



Brazil Week Ahead

What we expect from the economic indicators due next week

October 22, 2026
XP Macro Research

BoP (September) - Stronger trade surplus should narrow the current account deficit in September

October 22, 2026

Due on October 26 – Monday

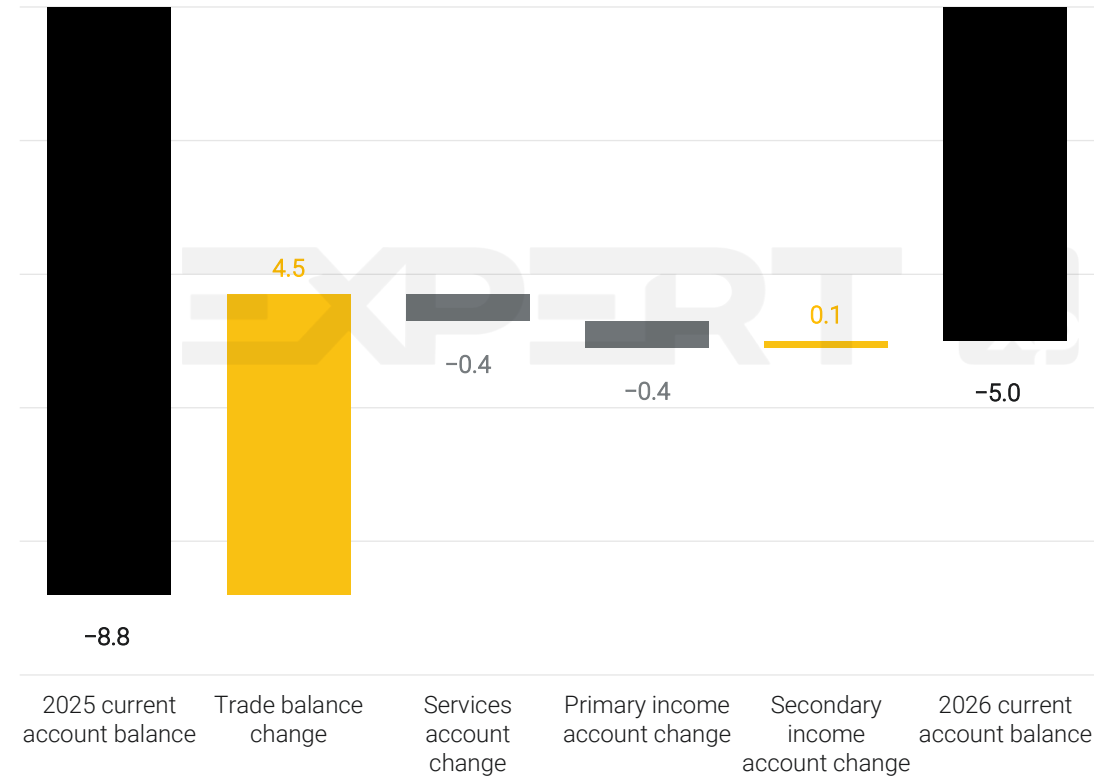
The current account deficit should narrow sharply from September last year as a stronger trade surplus more than offsets wider services and primary income deficits.

Higher prices and volumes lifted exports, while imports fell due to the base effect of last year’s oil platform purchase. The services deficit should widen slightly, mainly on rising import freight costs and increased spending on equipment rental, telecom and computing services. In primary income, larger profit and dividend remittances on direct and portfolio investment should offset lower net interest expenses.

Direct investment inflows should slow from the strong pace of September last year. Risks are tilted to the upside.

Balance of Payments - XP Forecasts		USD Bn
		Sep26
Trade Balance		7.0
Services		-5.2
Primary income		-7.3
Secondary Income		0.5
Current Account		-5.0
FDI		6.5

Balance of Payments
September 2026 forecasts (USD Bn)



Source: BCB, XP

IGP-M (October) - Agricultural commodities and iron ore retreat help curb oil-led surge

October 22, 2026

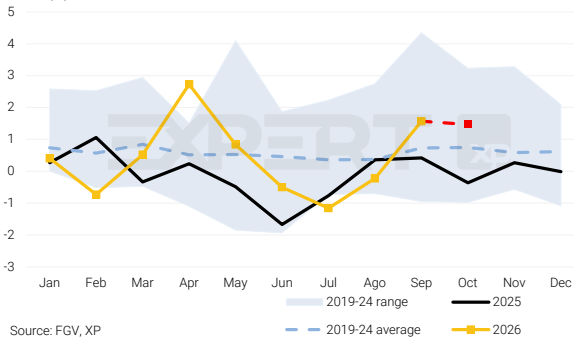
Due on October 29 – Thursday

The slight moderation in the IGP-M's m/m pace will be driven by a slowdown in the IPA Agricultural, reflecting declines in grains – soybeans, corn, coffee – and milk, alongside a cooling in price increases for rice, tomatoes, and potatoes. On the flip side, cattle and pork are expected to post meaningful gains. The IPA Industrial advance is primarily fueled by rising oil and refined product prices, with processed foods holding at elevated levels. A significant drop in iron ore and a decline in metallurgy will help contain a more pronounced upward move in the indicator.

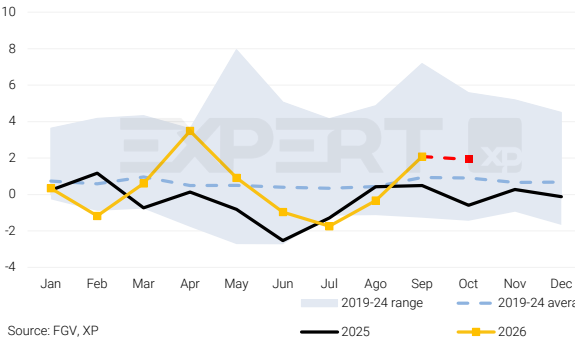
The IPC-M should edge slightly lower as electricity prices retreat with the activation of the green tariff flag in October and the dissipation of cigarette price hikes – moves that will be largely offset by widespread food price increases, notably rice, fresh food, sugar and meats; a reversal of the decline in cinema ticket prices following September's promotional week; and higher airfare and ethanol costs.

The INCC is expected to be lifted by a resumption of upward pressure on materials and equipment prices.

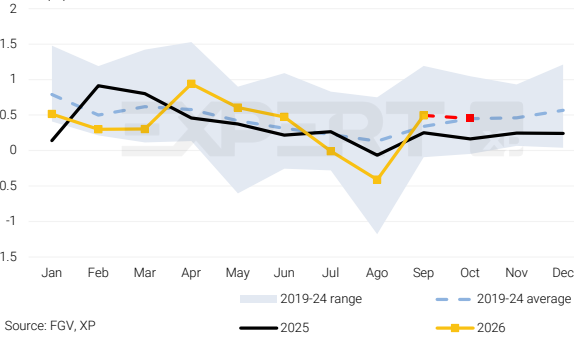
IGP-M headline
MoM (%)



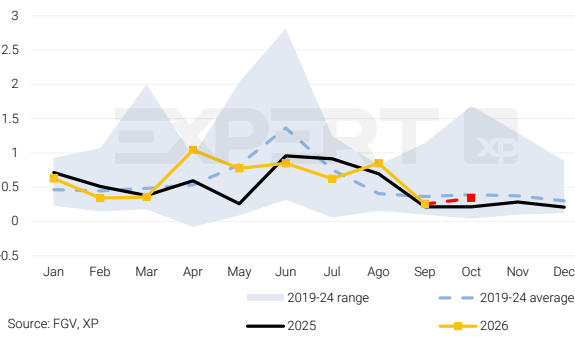
IPA-M
MoM (%)



IPC-M
MoM (%)



INCC
MoM (%)



IGP-10 - XP Forecasts

	10	M	DI	10		
	Oct-26	Sep-26	Sep-26	Oct-26	Ytd	YoY
IGP	1.76	1.57	1.50	1.78	4.80	5.04
IPA (wholesale price index) by type	2.36	2.08	1.95	2.38	4.92	5.05
Agricultural Products	1.96	3.07	3.06	1.75	3.86	3.26
Industrial Products	2.49	1.74	1.57	2.60	5.29	5.68
IPC (CPI)	0.39	0.50	0.67	0.40	3.70	4.15
INCC (construction costs index)	0.28	0.25	0.22	0.24	6.10	6.65
Materials, equipments and services	0.28	0.17	0.14	0.20	5.31	5.86
Labor	0.27	0.37	0.32	0.28	7.19	7.75

Source: FGV, XP

Credit Statistics (September) - The credit market continues to act as a drag on domestic activity

October 22, 2026

Due on October 29 – Thursday

Credit market statistics for September

Total outstanding balance: 8.9% YoY

Non-earmarked loans: 6.2%

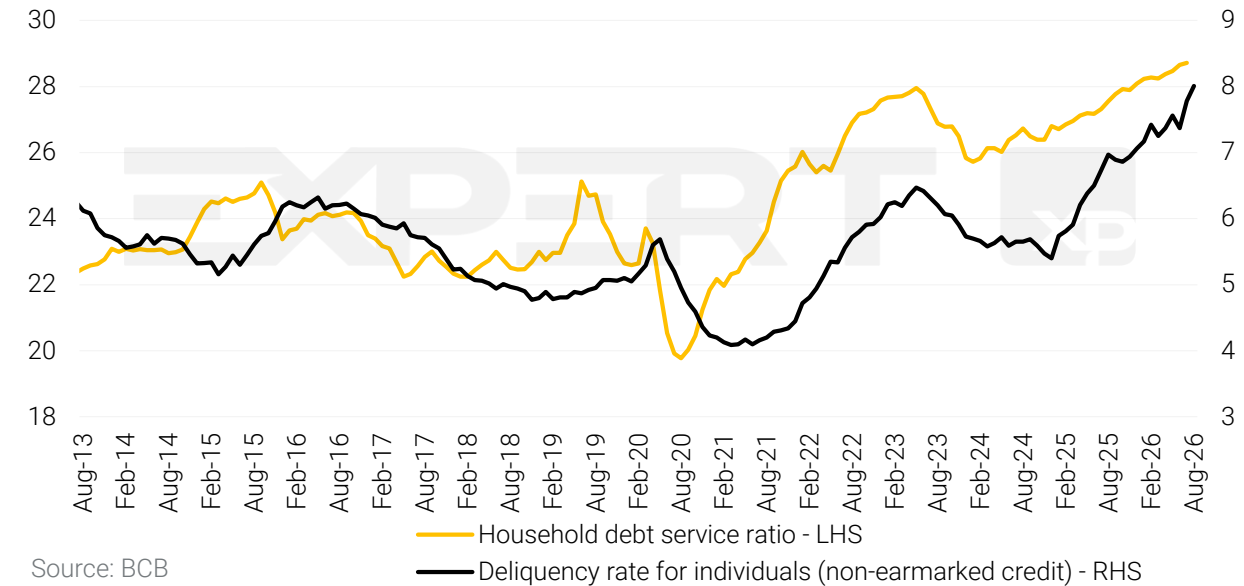
Earmarked loans: 12.4%

Households: 10.2%

Companies: 6.7%

Tight credit conditions have constrained corporate investment and household consumption, weighing on the broader economic momentum. Credit concessions for companies backed by non-earmarked resources continue to decline. Meanwhile, corporate credit types with earmarked funds (driven by government programs) and individual credit types funded by non-earmarked resources (with a growing share of costlier emergency credit lines) remain at relatively high levels.

Household financial conditions continue to deteriorate, posing risks to economic activity (%)



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

October 22, 2026

Due on October 29 – Thursday

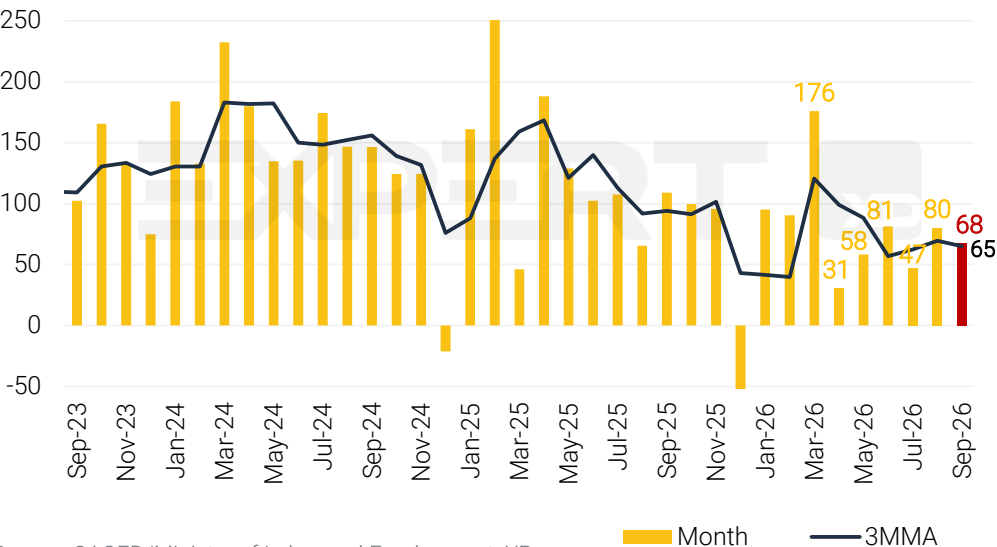
Non-seasonally adjusted estimates (NSA) – September

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)



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.

Source: CAGED/Ministry of Labor and Employment, XP

Central government Primary Balance (September) – Result improves in September pushed by extraordinary revenue

October 22, 2026

Due on October 29 – Thursday

September	BRL Mn, constant prices			
BREAKDOWN	2025	2026 (Preview)	Change (BRL)	Change (YoY%)
TOTAL REVENUE	226,270	256,170	29,900	13.2
<i>Revenue Administered by RFB</i>	143,581	157,255	13,675	9.5
Import tax	8,040	9,780	1,739	21.6
Industrialized Products Tax (IPI)	8,232	8,347	115	1.4
Income Tax (IR)	55,777	63,066	7,289	13.1
Financial transactions tax (IOF)	9,029	8,015	-1,014	-11.2
Social security financing (Cofins)	36,861	36,156	-705	-1.9
Social security funds (PIS/Pasep)	9,854	10,075	220	2.2
Social contribution on net earnings (CSLL)	8,489	9,724	1,235	14.5
Other administered by RFB	7,042	11,781	4,739	67.3
<i>Social security contributions</i>	60,608	58,818	-1,790	-3.0
<i>Revenue Not Administered by the RFB</i>	22,081	40,097	18,015	81.6
Dividends and Shareholdings	1,839	1,712	-127	-6.9
Exploitation of natural resources	7,954	13,691	5,737	72.1
Other Revenue Not Adm. by the RFB	5,002	18,233	13,231	264.5
TRANSFERS BY REVENUE SHARING	45,890	50,147	4,257	9.3
NET REVENUE	180,380	206,023	25,643	14.2
TOTAL SPENDING	195,417	199,691	4,273	2.2
<i>Social Security Benefits</i>	82,475	84,583	2,109	2.6
<i>Personnel and Charges</i>	32,153	31,999	-154	-0.5
<i>Other Mandatory</i>	26,225	37,759	11,534	44.0
Salary bonus and unemployment insurance	4,967	4,740	-227	-4.6
BPC/LOAS	11,183	11,713	530	4.7
Extraordinary credits	782	10,680	9,898	1,265.7
Court-ordered debts (funding and capital)	438	509	71	16.3
Subsidies and Grants	1,256	1,318	63	5.0
<i>Expenditure Subject to Fin. Programming</i>	54,564	45,348	-9,216	-16.9
Mandatory with Flow Control	32,459	31,162	-1,298	-4.0
Discretionary expenditures	22,105	14,187	-7,918	-35.8
CENTRAL GOVT PRIMARY BALANCE	-15,037	6,332	21,370	-142.1
SPENDING NOT INCLUDED IN TARGET	530	0	-530	-100.0
PRIM. BAL. FOR TARGET CALCULATION	-14,507	6,332	20,839	-143.7

Source: STN, Siga Brasil, XP

Central government to reach a primary surplus of BRL 6.3 billion in September

Net revenue increased 14.2% YoY. We highlight the increase in Other revenue administered by RFB (67.3%), which was related to export tax on crude oil (BRL 2.9 billion), exploitation of natural resources (72.1%) due to higher oil prices, and other revenue not administered by the RFB (265%), on the back of extraordinary revenues stemming from the return of court-ordered payments disbursed before legal proceedings had reached final judgment (approximately BRL 13.3 billion, by our estimates);

Total spending rose only 2.2% YoY, driven by extraordinary credits (1,265%), most of it related to subsidies on fuels (BRL 7.6 billion). Social security benefits (2.6%) and BPC/LOAS (4.7%) also contributed to expenditure expansion. On the other hand, there was a reduction in discretionary expenditures (-35.8%).

With August's result, the central government now accumulates a deficit of BRL 88.5 billion in 2026

PNAD (September) – The tight labor market continues to support demand, albeit with less intensity

October 22, 2026

Due on October 30 – Friday

Non-seasonally adjusted estimates (NSA) – September

Employed Population: 103.580 million (1.1% or +1.147 million YoY)

Labor Force: 109.313 million (0.8% or +835k YoY)

Unemployment rate: 5.2% (previous: 5.3%)

Seasonally adjusted estimates (SAS) - September

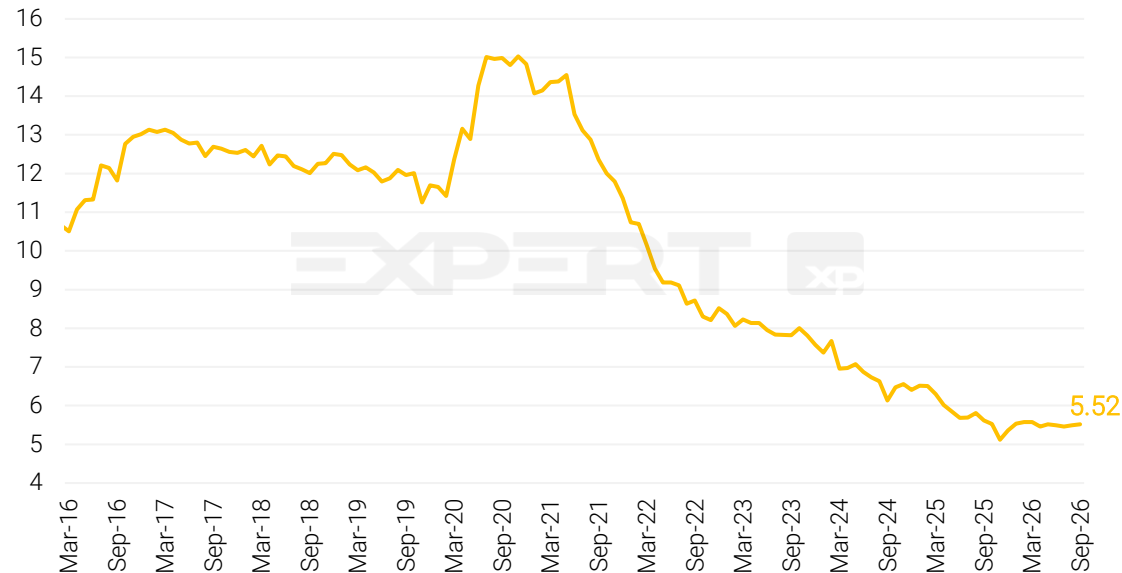
Employed Population: 103.249 million (0.0% MoM or -14k MoM)

Labor Force: 109.283 million (0.1% MoM or +56k MoM)

Unemployment rate: 5.5% (previous: 5.5%)

The unemployment rate has hovered around 5.5% for over a year

SAS. Monthly estimates (%)



Source: IBGE, XP

The labor market will remain tight throughout the forecast horizon, despite the ongoing moderation across several metrics.

The unemployment rate is expected to reach 5.6% at end-2026 and 6.5% at end-2027 (SAS), still below our estimate of the long-run equilibrium rate - we see the NAIRU around 7.0%.

Real labor earnings have regained momentum in recent months, following a contraction in Q2.

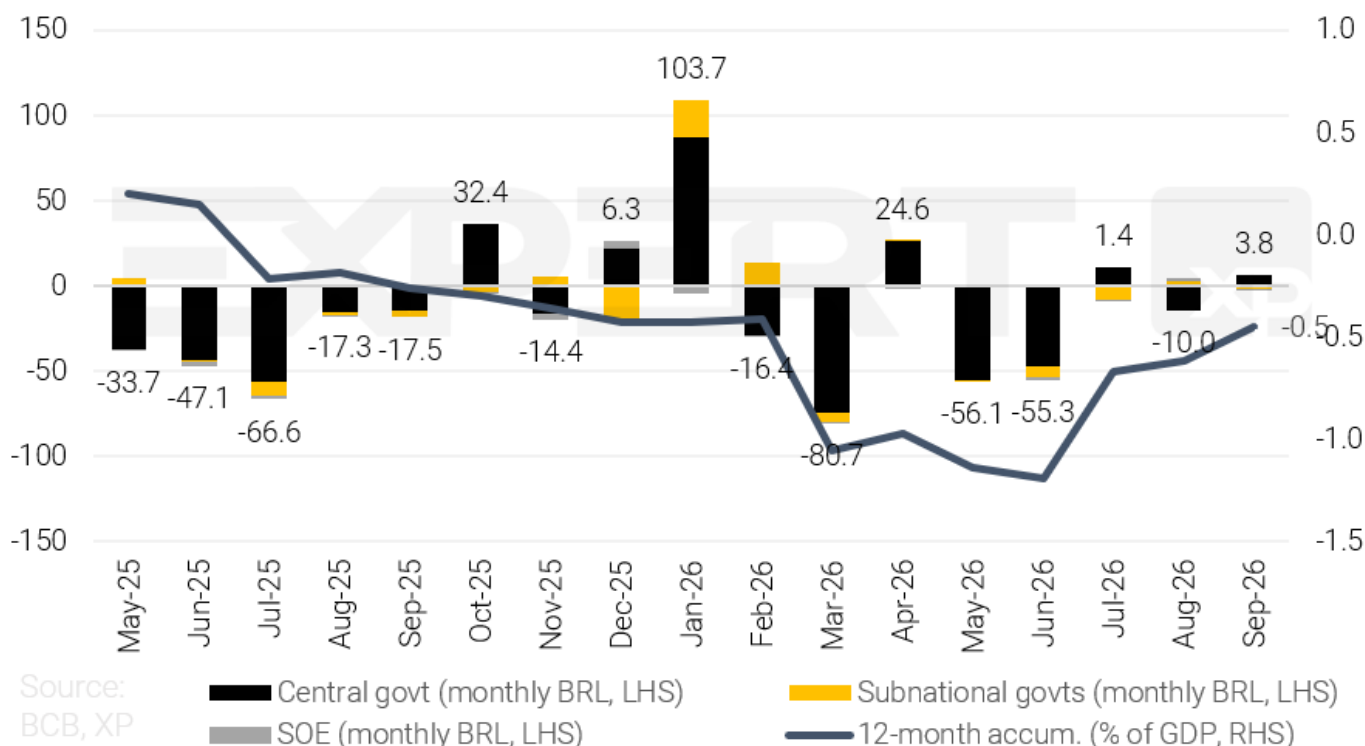
Public Sector Balance (September) – Small surplus despite negative results from regional governments

October 22, 2026

Due on October 30 – Friday

Public Sector Primary Balance

Small surplus in September despite negative results from regional governments



Central government should post a BRL 6.0 billion surplus in September according to the central bank's statistics;

Regional governments are expected to present a deficit of BRL 1.8 billion. Despite states expenditures deceleration, we expect a less favorable collection for subnationals;

State-owned enterprises should reach a deficit of BRL 0.4 billion, reflecting the negative trend verified along this year;

In all, the public sector is expected to register a surplus of BRL 3.8 billion in August;

We estimate a nominal deficit of BRL 93.7 billion in September. Therefore, the 12-month accumulated deficit should reach 9.3% of GDP.

XP Weekly Economic Agenda						
Date Time (BZ Time)	Country	Event	Period	Survey(BBG)	XP Forecast	Prior
October 26						
02:00	JN	Leading Index CI	Aug F	--	--	118.0
02:00	JN	Coincident Index	Aug F	--	--	118.7
06:00	GE	IFO Business Climate	Oct	90.0	--	89.9
08:00	BZ	FGV Consumer Confidence	Oct	--	--	84.2
08:25	BZ	Central Bank Weekly Economist Survey	--	--	--	--
08:30	BZ	Current Account Balance	Sep	--	-5000	-\$5055m
08:30	BZ	Foreign Direct Investment	Sep	--	6500	\$7396m
09:30	US	Chicago Fed Nat Activity Index	Sep	--	--	-0.04
11:30	US	Dallas Fed Manf. Activity	Oct	--	--	9.8
15:00	BZ	Trade Balance Weekly	--	--	--	\$2661m
22:30	CH	Industrial Profits YTD YoY	Sep	--	--	15.7%
22:30	CH	Industrial Profits YoY	Sep	--	--	4.2%
October 27						
05:00	BZ	FIPE CPI - Weekly	--	--	--	0.56%
06:00	EC	M3 Money Supply YoY	Sep	3.5%	--	3.5%
08:00	BZ	FGV Construction Costs MoM	Oct	--	--	0.3%
09:15	US	ADP Weekly Employment Change	--	--	--	18.500k
09:30	US	Durable Goods Orders	Sep P	1.0%	--	-0.1%
11:00	US	Conf. Board Consumer Confidence	Oct	80.3	--	81.9
11:00	US	Richmond Fed Manufact. Index	Oct	--	--	-2.0
11:00	US	Richmond Fed Business Conditions	Oct	--	--	-8.0
11:00	US	New Home Sales	Sep	650k	--	684k
11:30	US	Dallas Fed Services Activity	Oct	--	--	-1.8
October 28						
09:30	US	Advance Goods Trade Balance	Sep	-\$127.5b	--	-\$132.6b
09:30	US	Retail Inventories MoM	Sep	--	--	0.3%
09:30	US	Wholesale Inventories MoM	Sep P	--	--	0.5%
15:00	US	FOMC Rate Decision (Upper Bound)	--	4.00%	--	4.00%
15:00	US	FOMC Rate Decision (Lower Bound)	--	3.75%	--	3.75%
October 29						
00:00	JN	BOJ Target Rate	--	1.25%	--	1.25%
02:00	JN	Consumer Confidence Index	Oct	35.0	--	35.4
06:30	UK	Net Consumer Credit	Sep	--	--	2.5b
06:30	UK	Consumer Credit YoY	Sep	--	--	9.6%
07:00	EC	Economic Confidence	Oct	--	--	97.9
07:00	EC	Consumer Confidence	Oct F	--	--	-17.9
08:00	BZ	FGV Inflation IGPM MoM	Oct	--	1.78%	1.57%
08:00	BZ	FGV Inflation IGPM YoY	Oct	--	5.04%	3.34%
08:30	BZ	Total Outstanding Loans	Sep	--	--	7398b
08:30	BZ	Personal Loan Default Rate	Sep	--	--	8.0%
09:30	US	Personal Income	Sep	0.3%	--	0.2%
09:30	US	Personal Spending	Sep	0.5%	--	0.9%
09:30	US	Real Personal Spending	Sep	0.1%	--	0.6%
09:30	US	PCE Price Index MoM	Sep	0.5%	--	0.3%
09:30	US	PCE Price Index YoY	Sep	3.6%	--	3.4%
09:30	US	Core PCE Price Index YoY	Sep	3.1%	--	3.0%
09:30	US	Core PCE Price Index MoM	Sep	0.3%	--	0.2%
09:30	US	Initial Jobless Claims	--	--	--	194k
09:30	US	GDP Annualized QoQ	3Q A	3.0%	--	2.2%
09:30	US	Personal Consumption	3Q A	3.5%	--	3.8%
09:30	US	GDP Price Index	3Q A	3.5%	--	6.1%
09:30	US	Core PCE Price Index QoQ	3Q A	2.4%	--	3.3%
10:15	EC	ECB Deposit Facility Rate	--	2.50%	--	2.50%
10:15	EC	ECB Main Refinancing Rate	--	2.65%	--	2.65%
10:15	EC	ECB Marginal Lending Facility	--	2.90%	--	2.90%
14:30	BZ	Formal Job Creation Total	Sep	--	160200	165827
15:00	BZ	Central Govt Budget Balance	Sep	--	6.3b	-13.6b
20:30	JN	Tokyo CPI YoY	Oct	2.7%	--	2.7%
20:30	JN	Job-To-ApPLICANT Ratio	Sep	118.0%	--	118.0%
20:50	JN	Retail Sales YoY	Sep	3.3%	--	2.7%
20:50	JN	Retail Sales MoM	Sep	0.3%	--	-1.2%
20:50	JN	Industrial Production MoM	Sep P	1.3%	--	-2.4%
20:50	JN	Industrial Production YoY	Sep P	1.6%	--	2.7%

XP Weekly Economic Agenda						
Date Time (BZ Time)	Country	Event	Period	Survey(BBG)	XP Forecast	Prior
October 30						
07:00	EC	GDP SA QoQ	3Q A	0.2%	--	0.6%
07:00	EC	GDP SA YoY	3Q A	1.0%	--	1.2%
07:00	EC	Unemployment Rate	Sep	6.4%	--	6.4%
08:30	BZ	Primary Budget Balance	Sep	--	6.0b	-10.0b
08:30	BZ	Net Debt % GDP	Sep	--	--	69.3%
08:30	BZ	Nominal Budget Balance	Sep	--	--	-115.9b
09:00	BZ	National Unemployment Rate	Sep	--	5.3%	5.3%
09:30	US	Employment Cost Index	3Q	0.8%	--	0.9%
10:00	GE	CPI MoM	Oct P	0.0%	--	0.6%
10:00	GE	CPI YoY	Oct P	2.9%	--	3.3%
10:00	GE	CPI EU Harmonized MoM	Oct P	--	--	0.6%
10:00	GE	CPI EU Harmonized YoY	Oct P	--	--	3.3%
10:45	US	MNI Chicago PMI	Oct	56.1	--	58.8
22:30	CH	Manufacturing PMI	Oct	--	--	50.1
22:30	CH	Non-manufacturing PMI	Oct	--	--	50.2
22:30	CH	Composite PMI	Oct	--	--	50.7

