BRAZIL
ECONOMIC OUTLOOK

November 2026

Bradesco Economic Research

A scenario full of assumptions

Brazil – Macroeconomic Outlook

A scenario full of assumptions

- **The combination of tighter financial conditions, lower confidence, and a slowdown in credit is expected to further weaken economic momentum over the coming quarters.** We have revised our GDP growth forecast to 0.4% in 2027, down from 1.0% in the previous scenario, with few domestic drivers likely to offset this outlook.

- **The fiscal framework needs to be strengthened to anchor expectations.** While effective compliance with the rules would lead to a primary surplus of 1.5% of GDP by 2030, the Focus survey projects only a balanced result for that year. For 2027, we project that the government will at least meet the lower bound of the primary balance target range.

- **The inflation outlook has become substantially more challenging, despite weaker growth.** A series of shocks could drive inflation higher over the next year. Overall, we assess that there is significant uncertainty regarding the magnitude of these shocks, and therefore, we have incorporated only part of their effects into the baseline scenario.

- **In this environment, we expect the Central Bank to keep the Selic rate stable throughout the first half of 2027.** During the second half, however, a sharper slowdown in economic activity and exchange rate stability around R$/US$ 5,50 are likely to create room for a gradual resumption of rate cuts.

- **There is, however, an alternative, more favorable scenario in which measures are implemented to strengthen the fiscal framework, impacting the exchange rate and interest rates.** Even with continued debt growth, an agenda that firmly and credibly signals a commitment to meeting the central fiscal target or improving control over mandatory spending flows has a chance of boosting confidence in currency stabilization or, with some support from external conditions, even leading to some appreciation.

Economic forecasts

Rising external risk and more visible effects of monetary policy

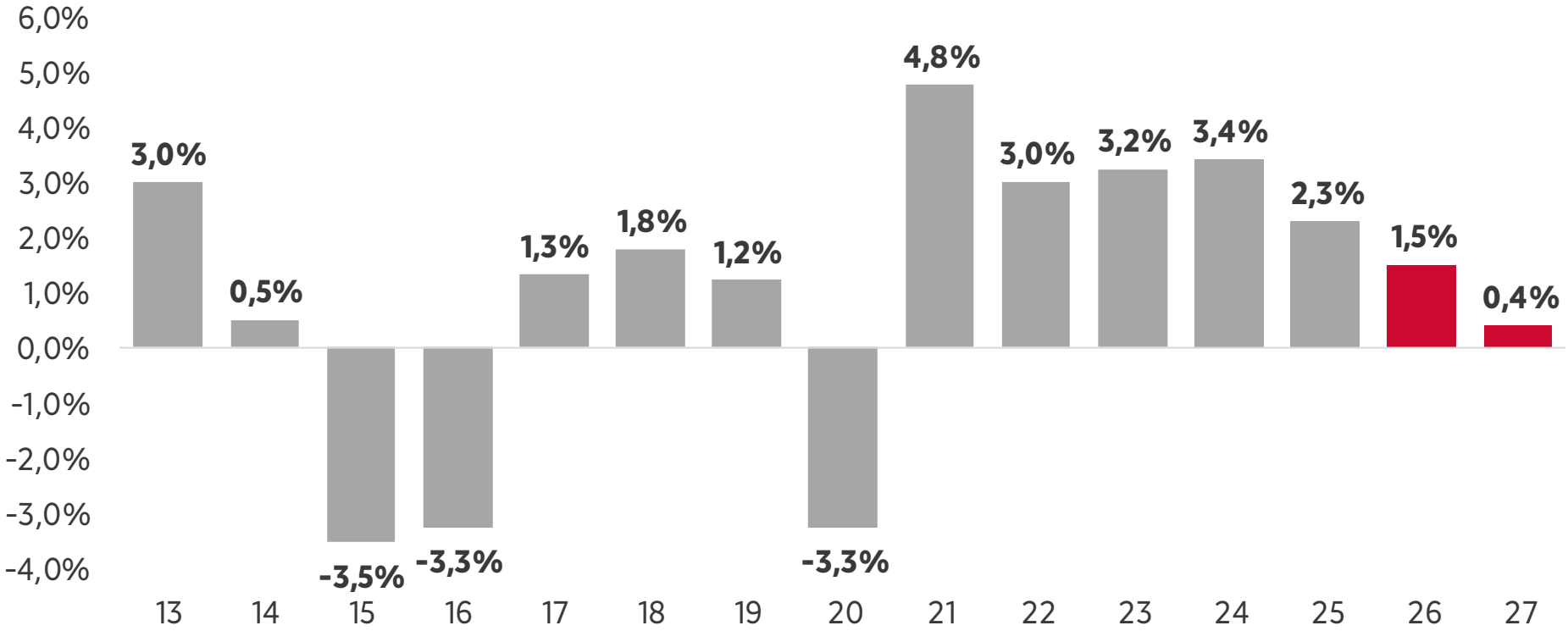
	2024	2025	2026		2027	
			previous	current	previous	current
GDP (% p.a.)	3,4	2,3	1,7	**1,5**	1,0	**0,4**
IPCA (% p.a.)	4,8	4,3	4,9	**5,5**	4,1	**5,3**
Selic Rate (%, end of period)	12,25	15,00	13,25	**13,75**	11,00	**12,75**
FX - end of period (R$ / US$)	6,19	5,50	5,00	**5,50**	5,20	**5,50**
Unemployment Rate (%)	6,8	5,9	5,5	**5,5**	6,1	**6,4**
Gross debt (% of GDP)	76,3	78,7	83,6	**83,5**	88,2	**88,7**
Current account (% of GDP)	-3,0	-3,0	-2,1	**-2,3**	-2,2	**-2,5**

Bradesco Economic Research forecasts are revised each month. During periods of heightened volatility, uncertainty and error margins naturally increase, particularly between revisions. Our forecasts assume that the adjustments required to ensure the sustainability of Brazil's macroeconomic framework will be implemented in the coming years. If these adjustments fail to materialize or exceed expectations, the forecast could change substantially. Last updated on September 18, 2026.

Source: Bradesco

GDP

Annual rate of change, %

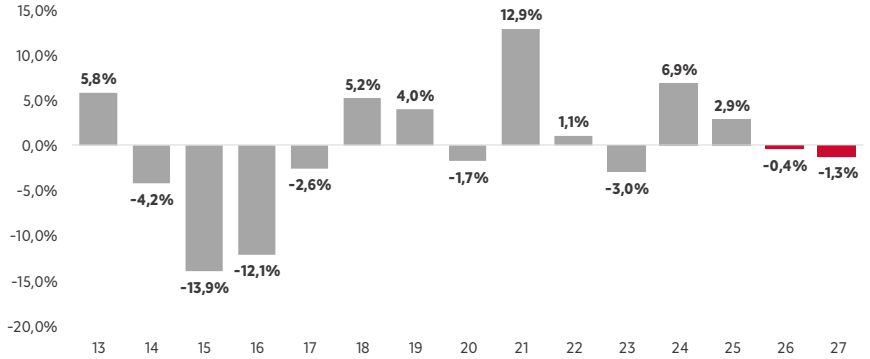


Source: IBGE, Bradesco

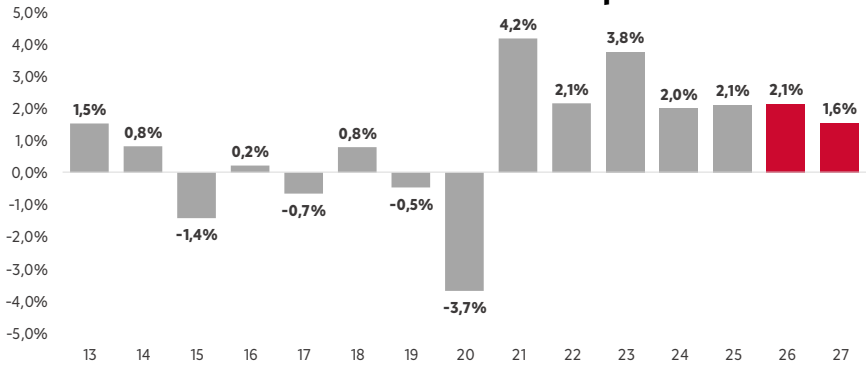
GDP

Annual rate of change, %

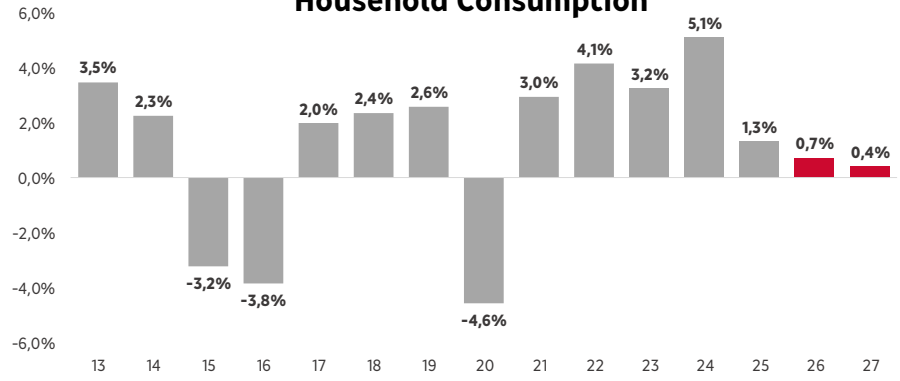
Investments



Government Consumption



Household Consumption

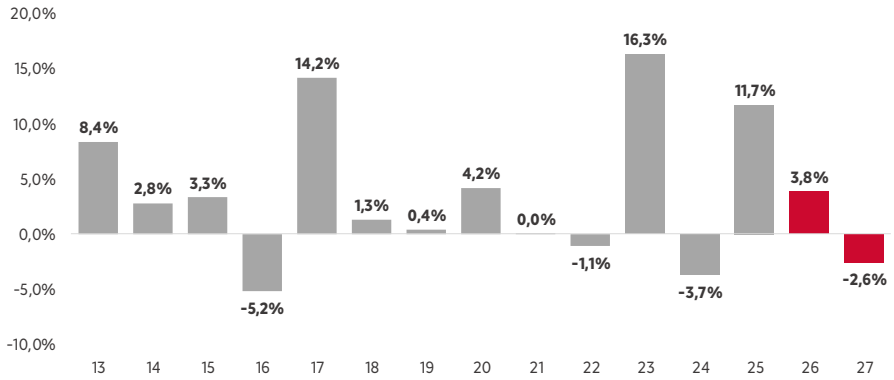


Source: IBGE, Bradesco

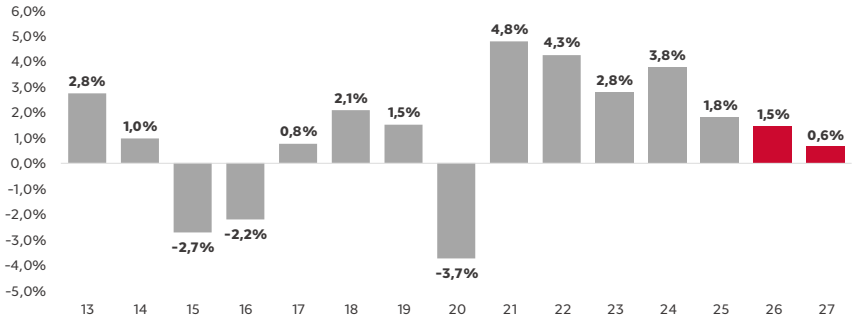
GDP

Annual rate of change, %

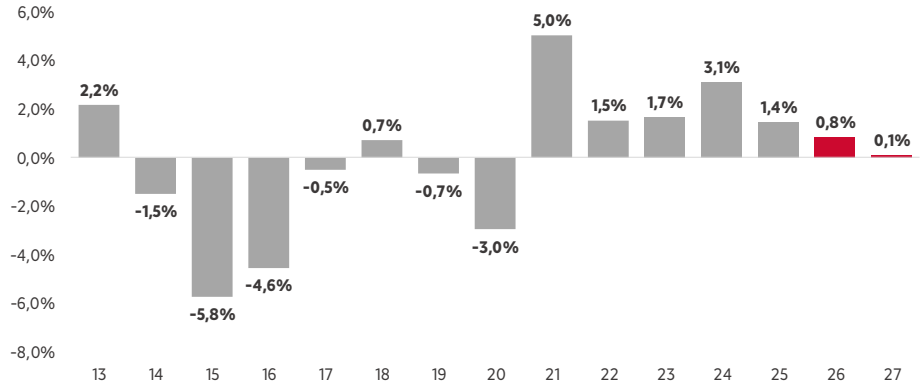
Agriculture



Services



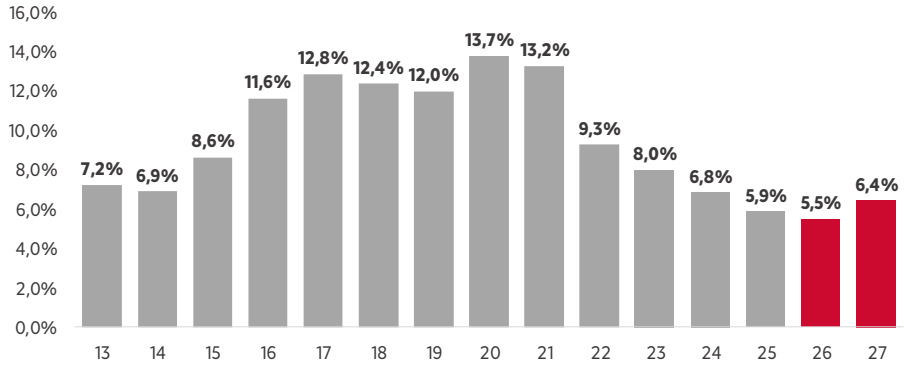
Manufacturing



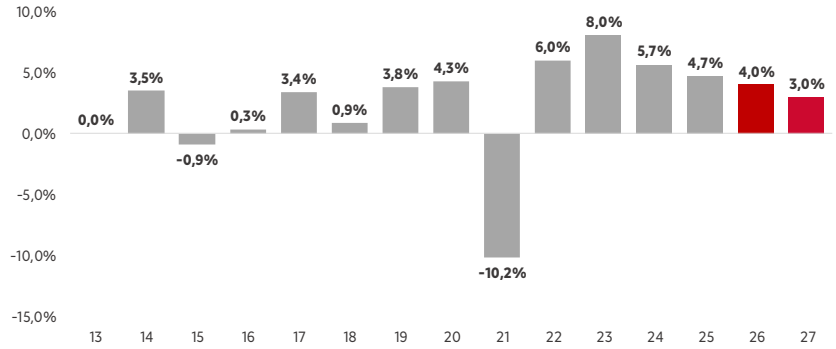
Source: IBGE, Bradesco

Employment and income

Unemployment rate
(average)



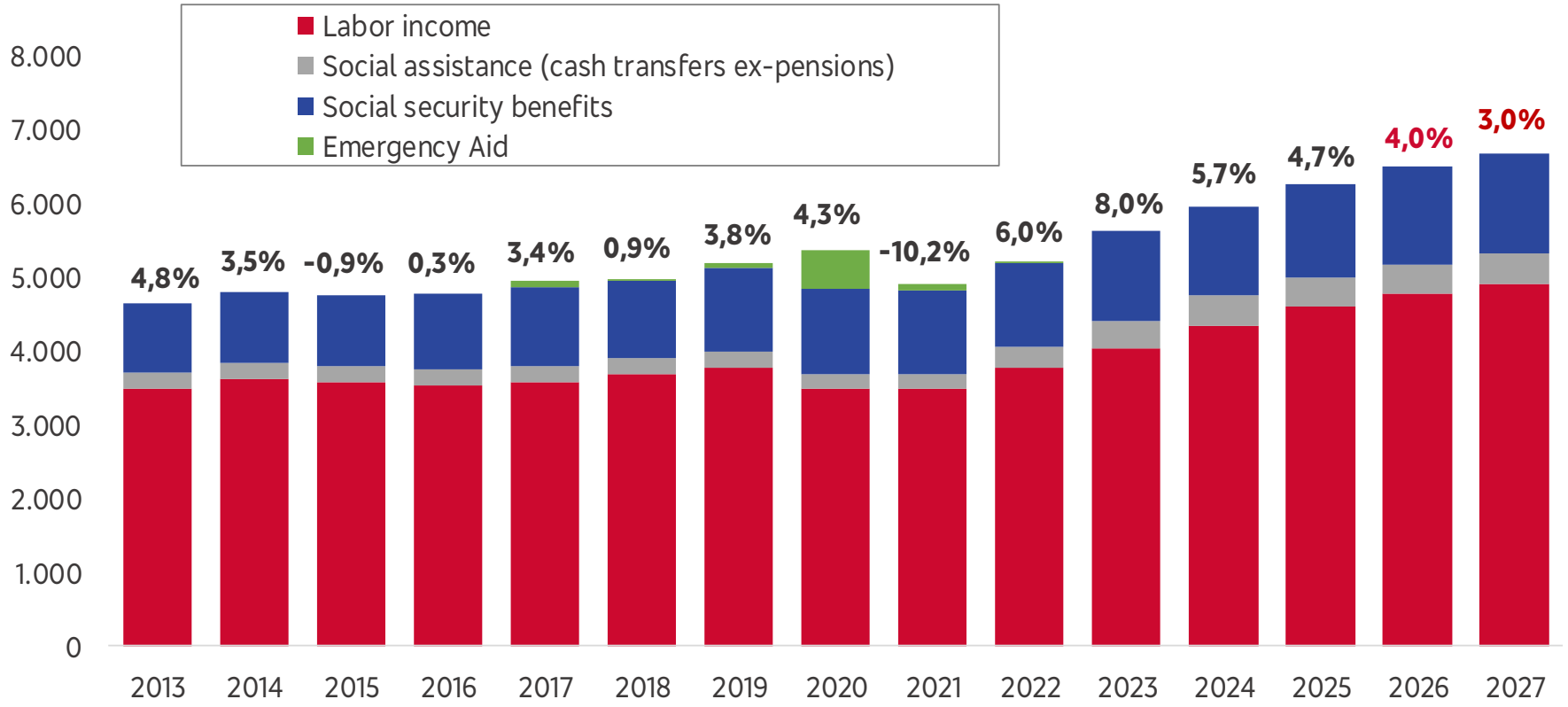
Real income growth



Source: IBGE, Bradesco

Labor income & government transfers

BRL billion, constant prices YoY



Source: IBGE, BCB, CEF, STN, Ministries of Citizenship and Welfare, Bradesco

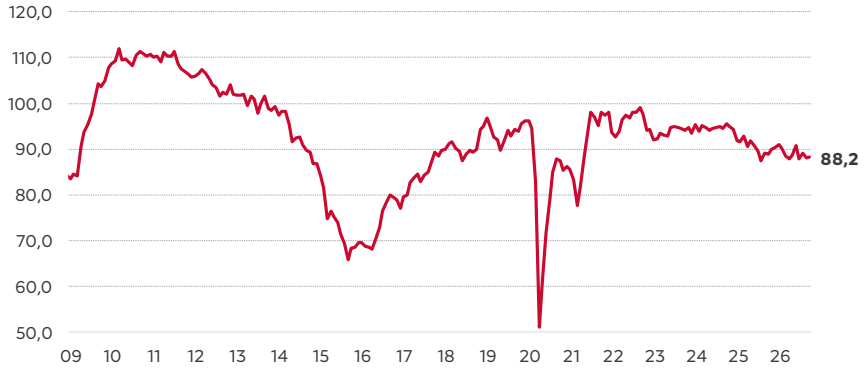
Confidence index

Seasonally adjusted level

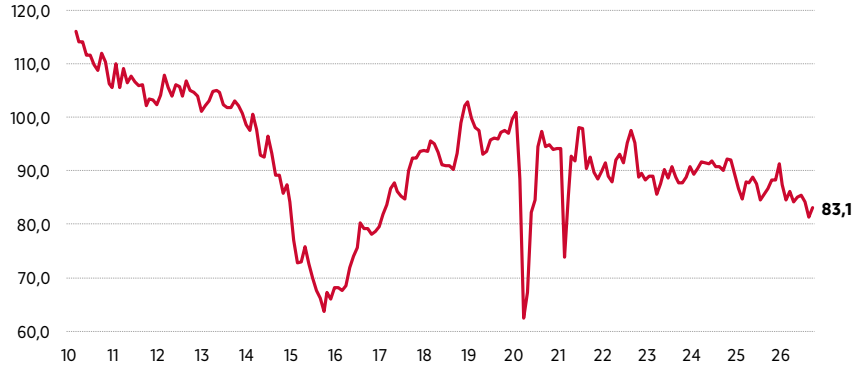
Manufacturing



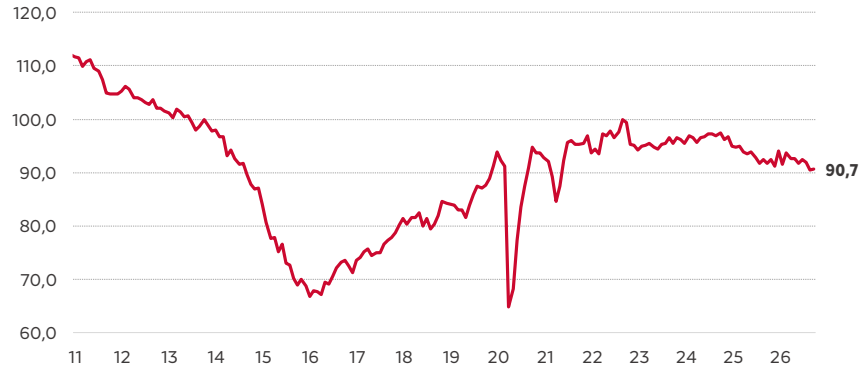
Services



Retail



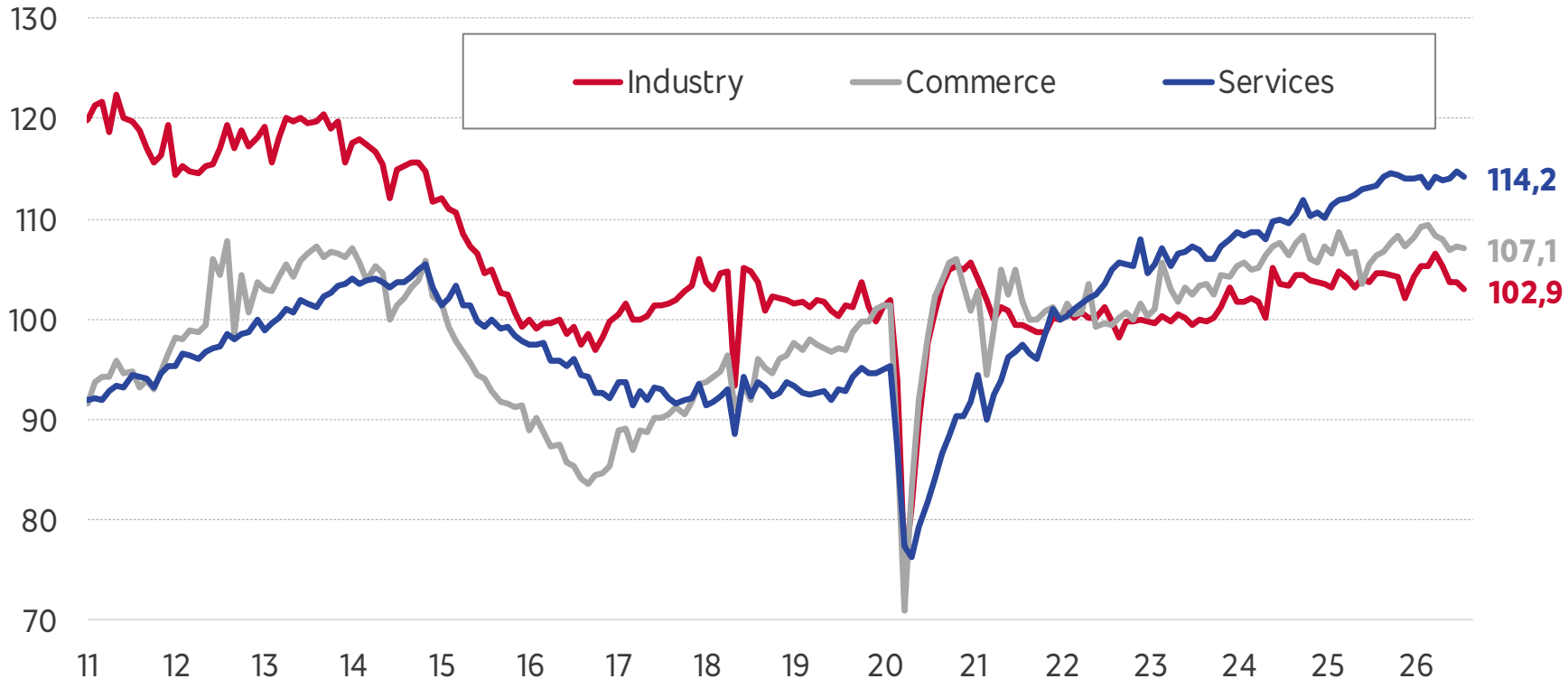
Construction



Source: FGV, Bradesco

Manufacturing, retail, and services

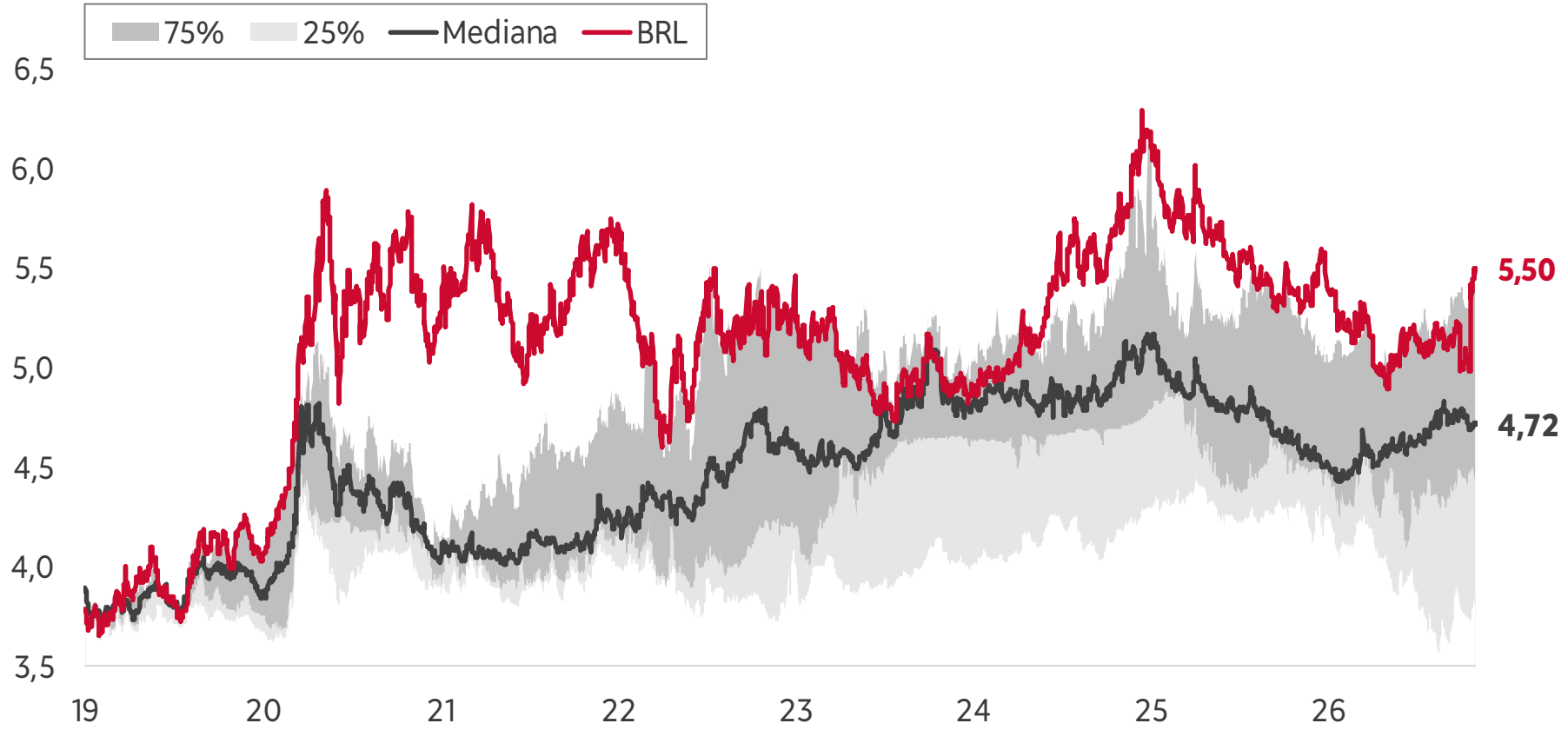
Seasonally adjusted level



Source: IBGE, Bradesco

BRL vs. emerging market currencies

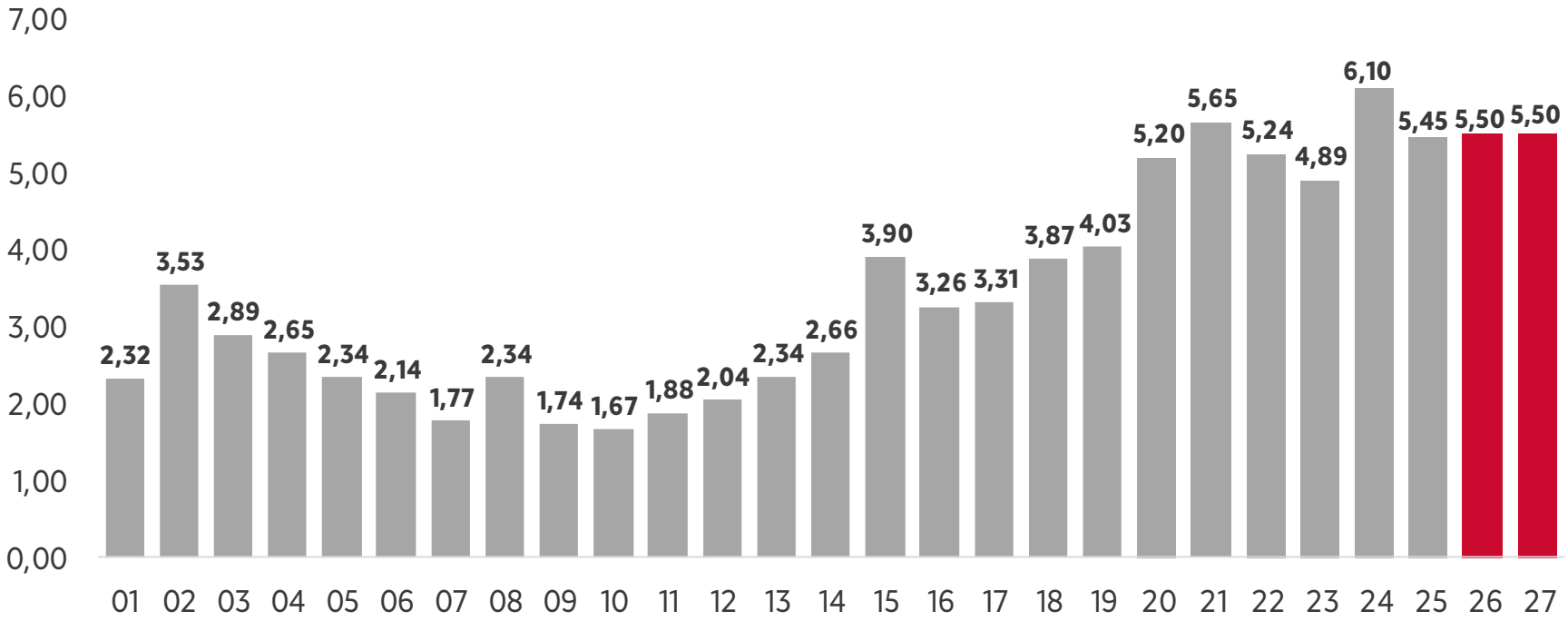
Accumulated BRL fluctuation vs. EMC median and percentiles



Source: Bloomberg, Bradesco

Nominal exchange rate

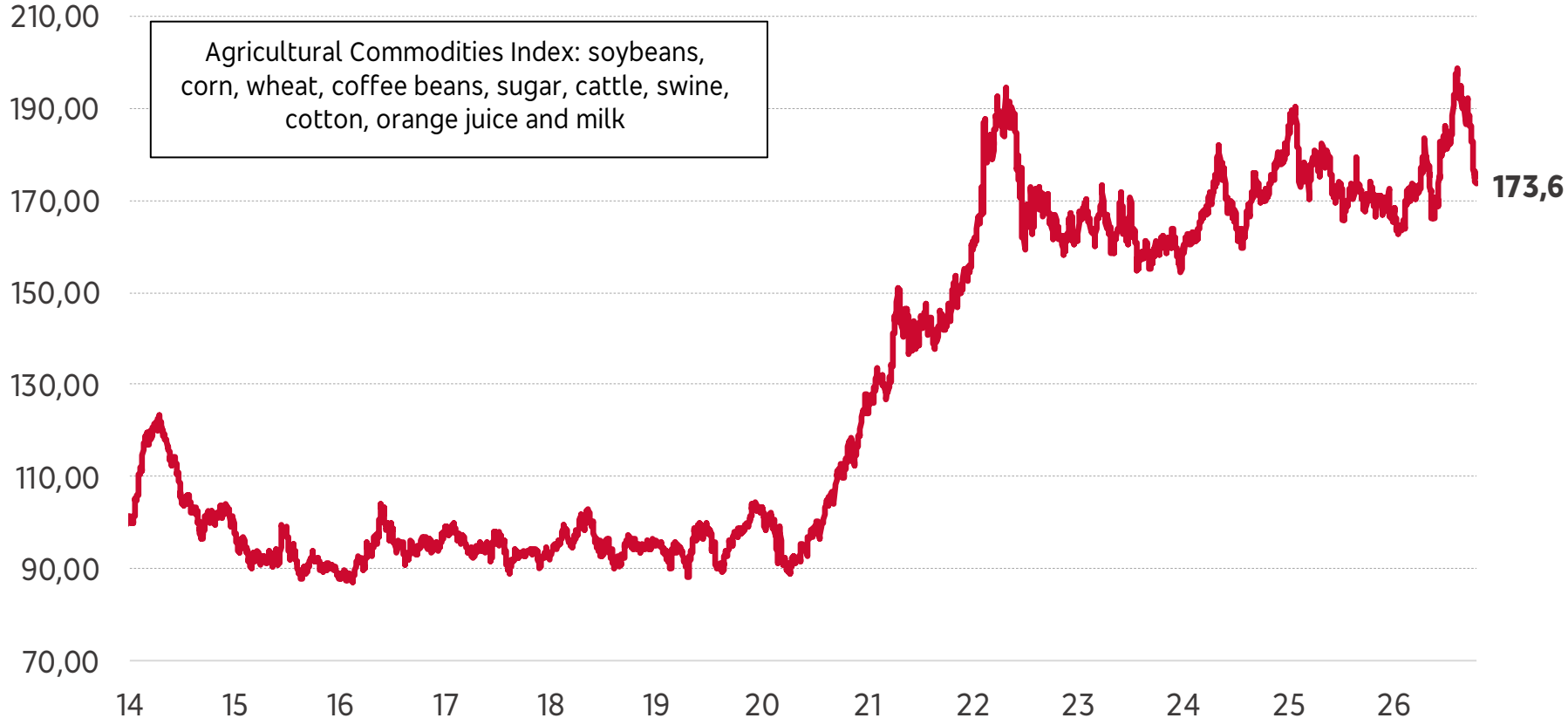
R$/US$, end of period



Source: Bloomberg, Bradesco

Bradesco commodities index: agriculture

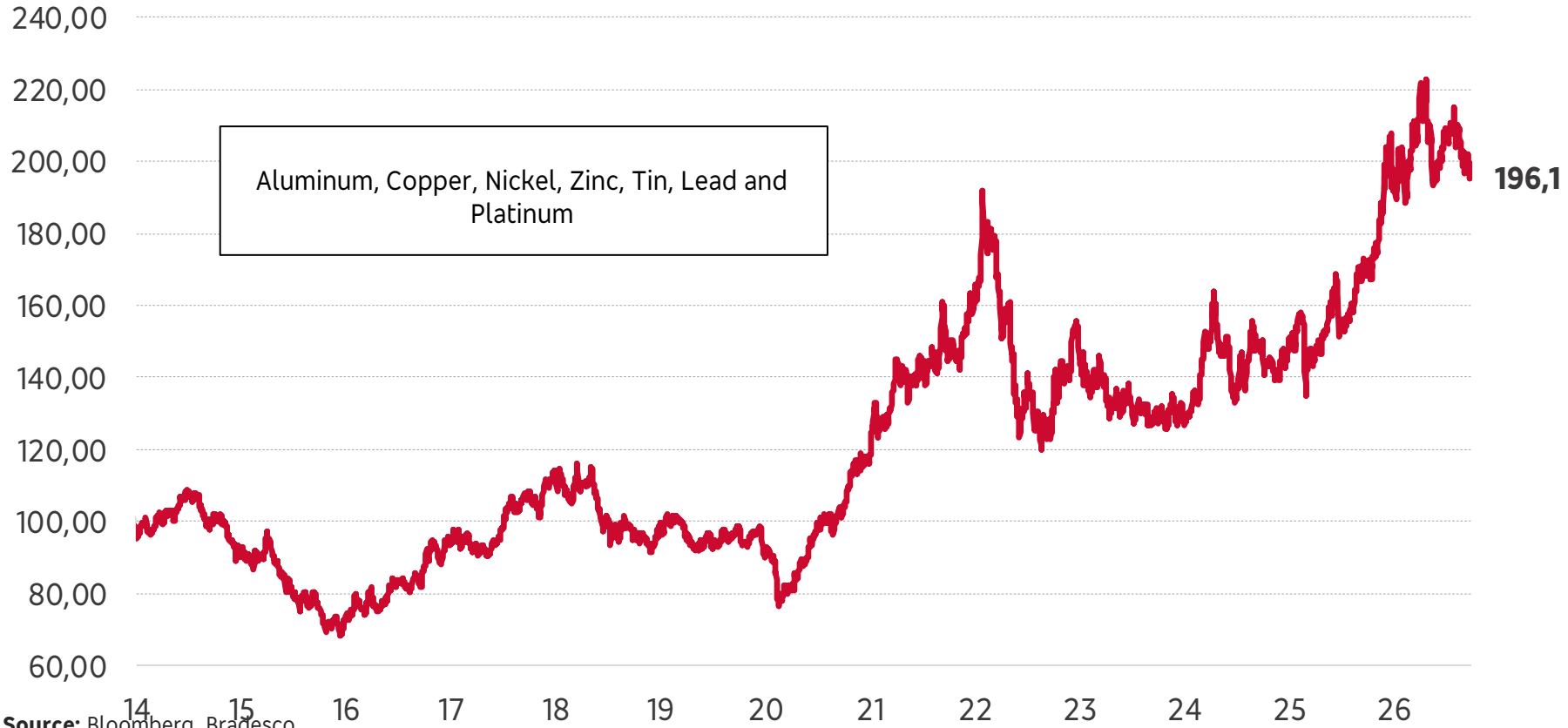
100 = January 2014



Source: Bloomberg, Bradesco

Bradesco commodities index: metals

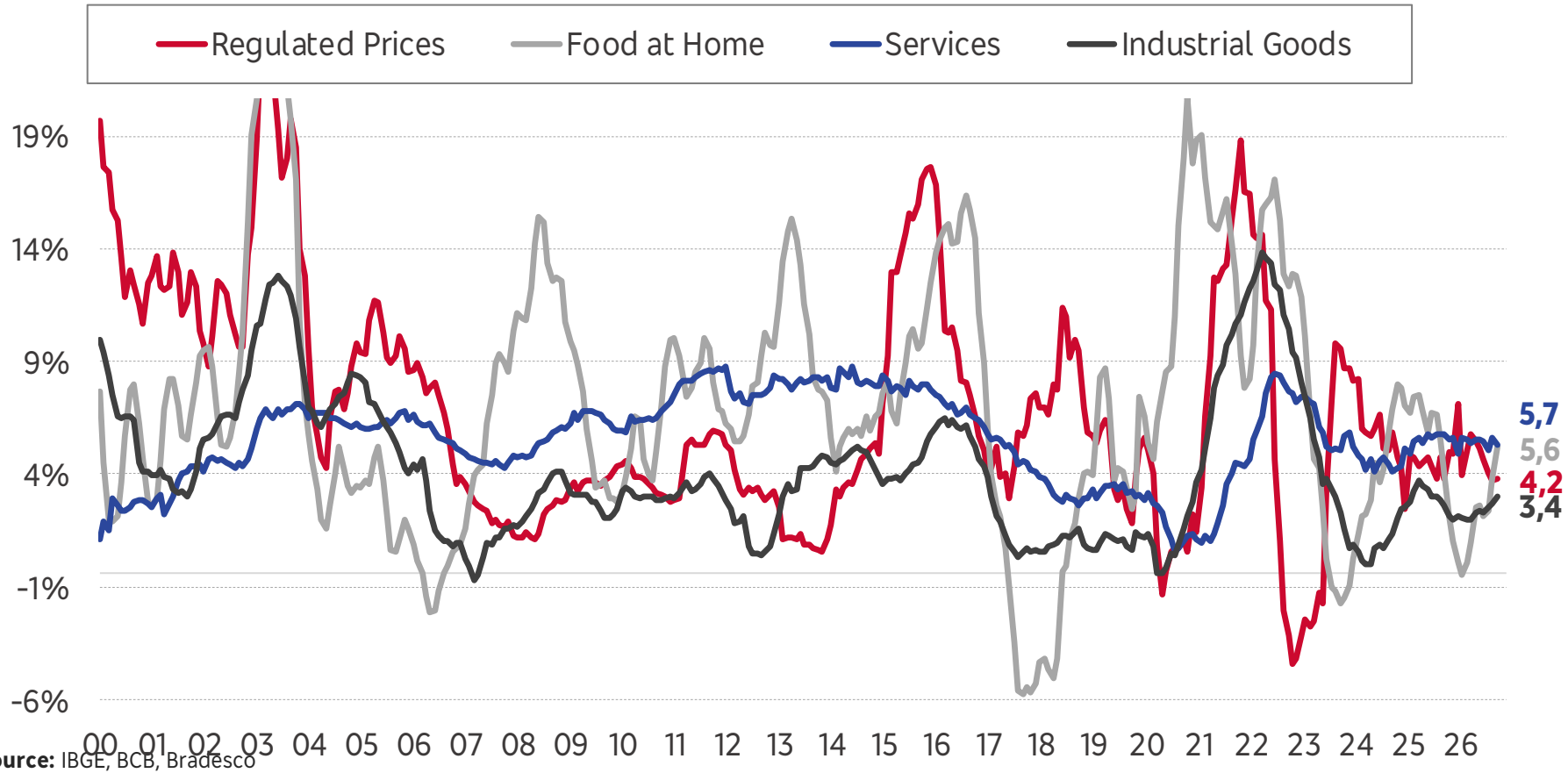
100 = January 2014



Source: Bloomberg, Bradesco

IPCA (CPI) components

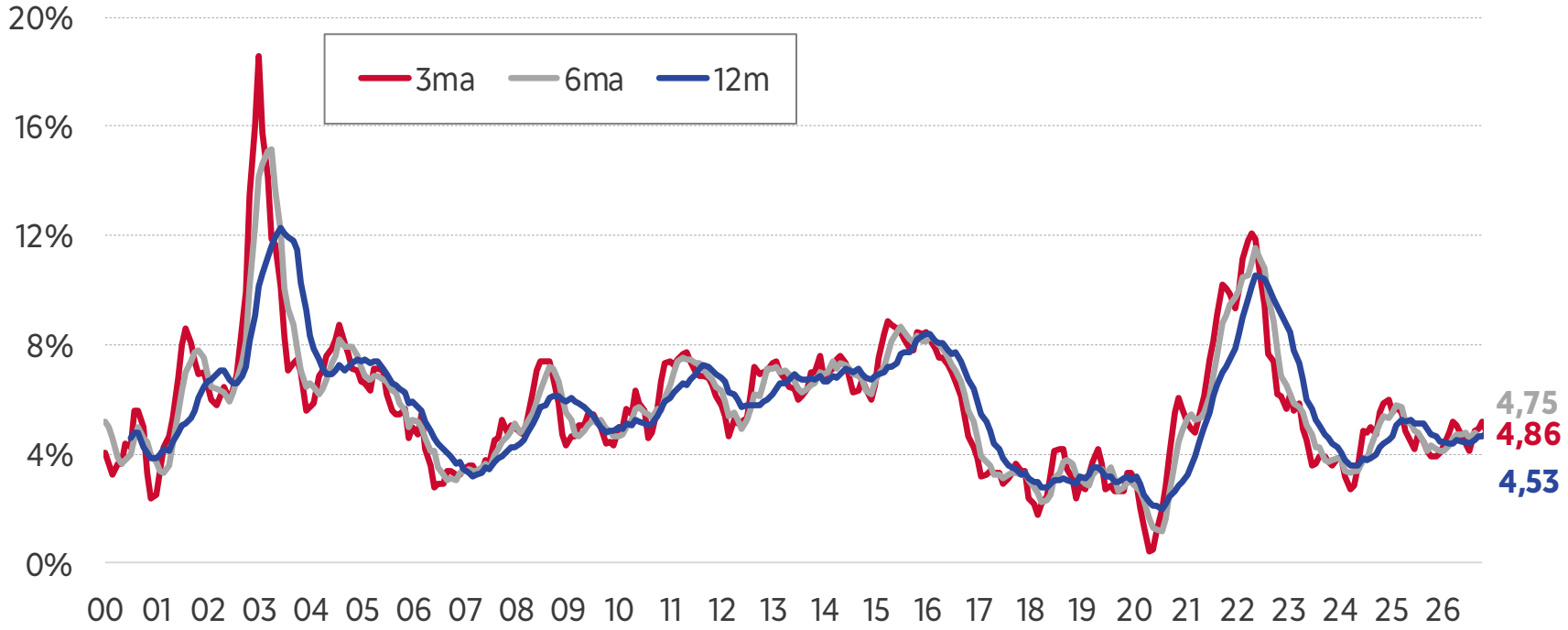
12-month change



Source: IBGE, BCB, Bradesco

IPCA – average inflation cores

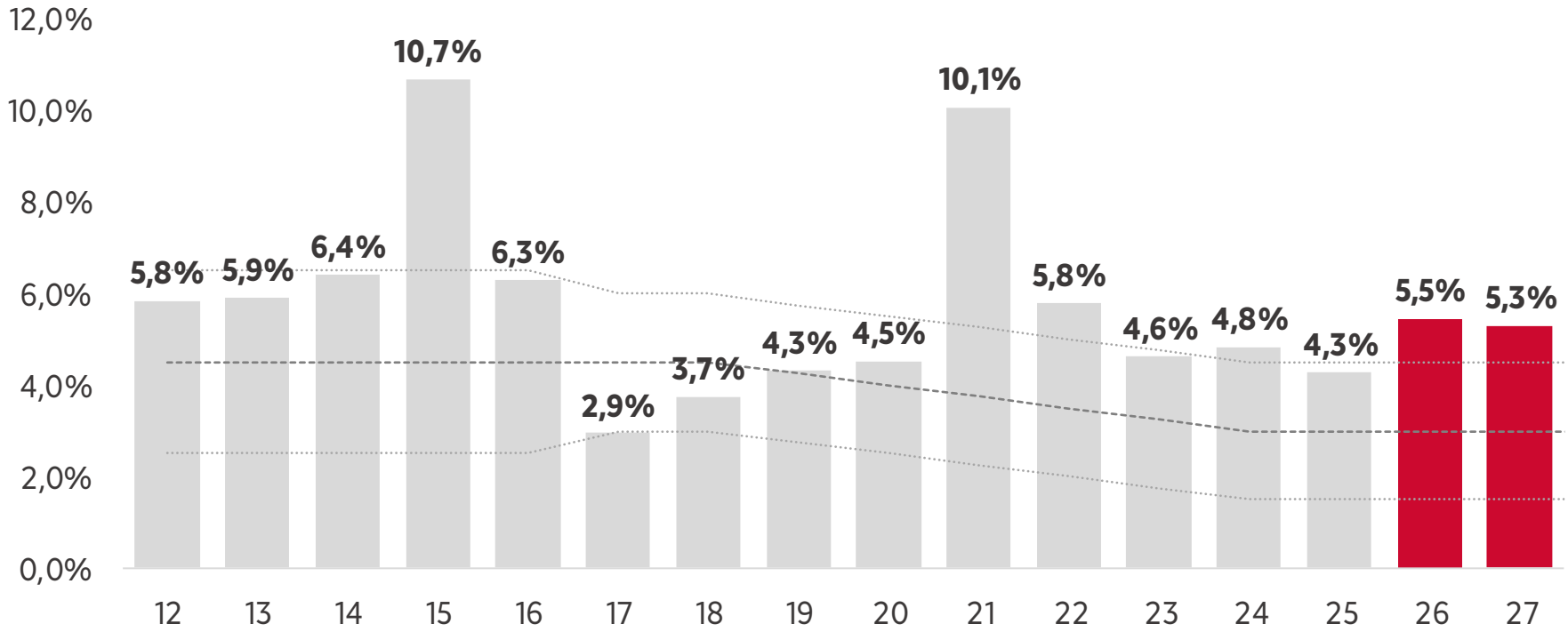
Seasonally adjusted and annualized (3, 6 and 12 months)



Source: BCB, Bradesco

Consumer prices index – IPCA

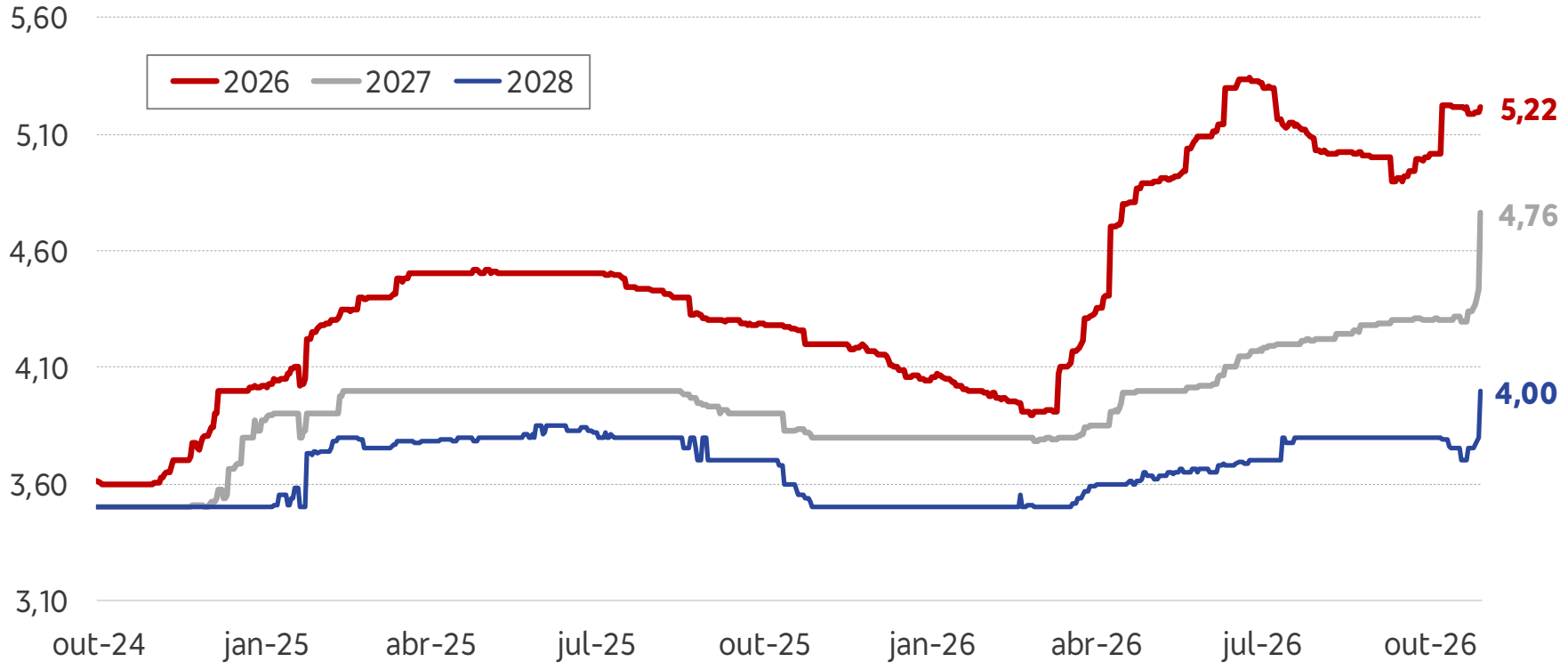
Annual rate of change, %



Source: IBGE, Bradesco

Market expectations – IPCA (CPI)

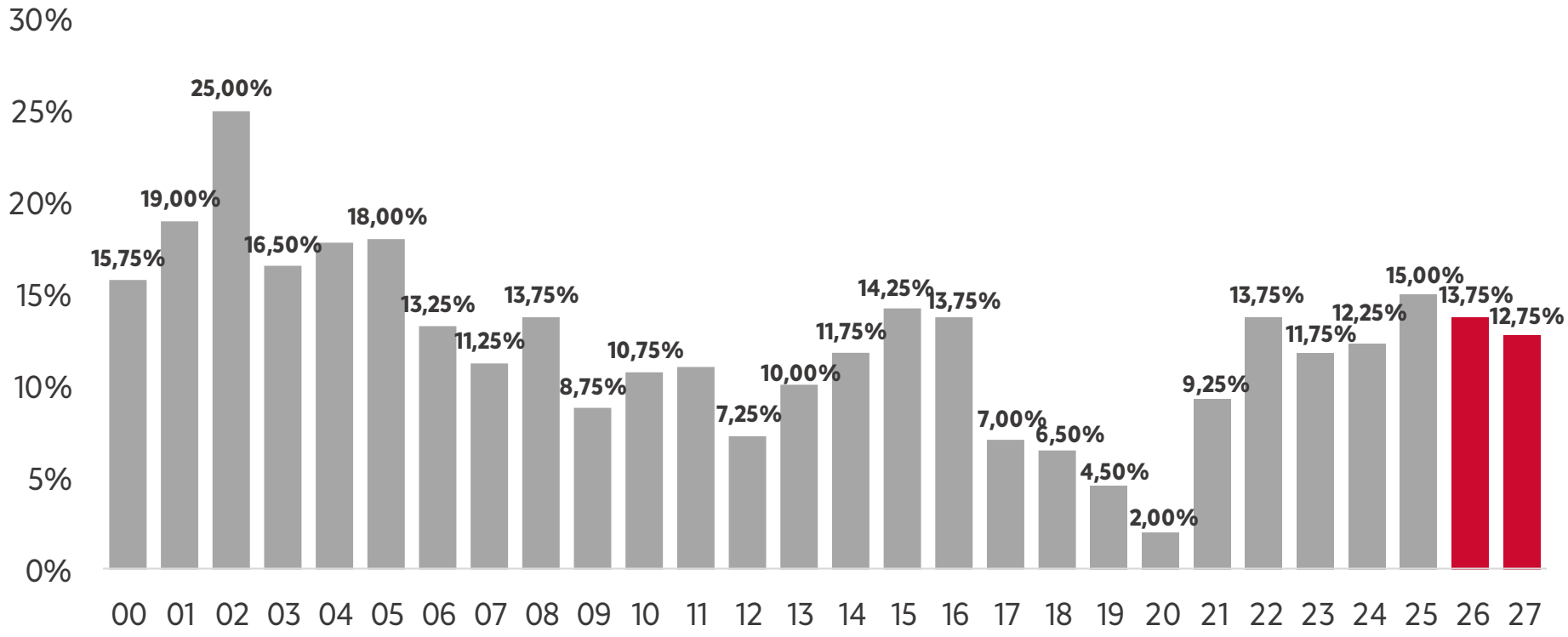
Inflation Expectations - Median



Source: BCB, Bradesco

Nominal interest rate: Selic

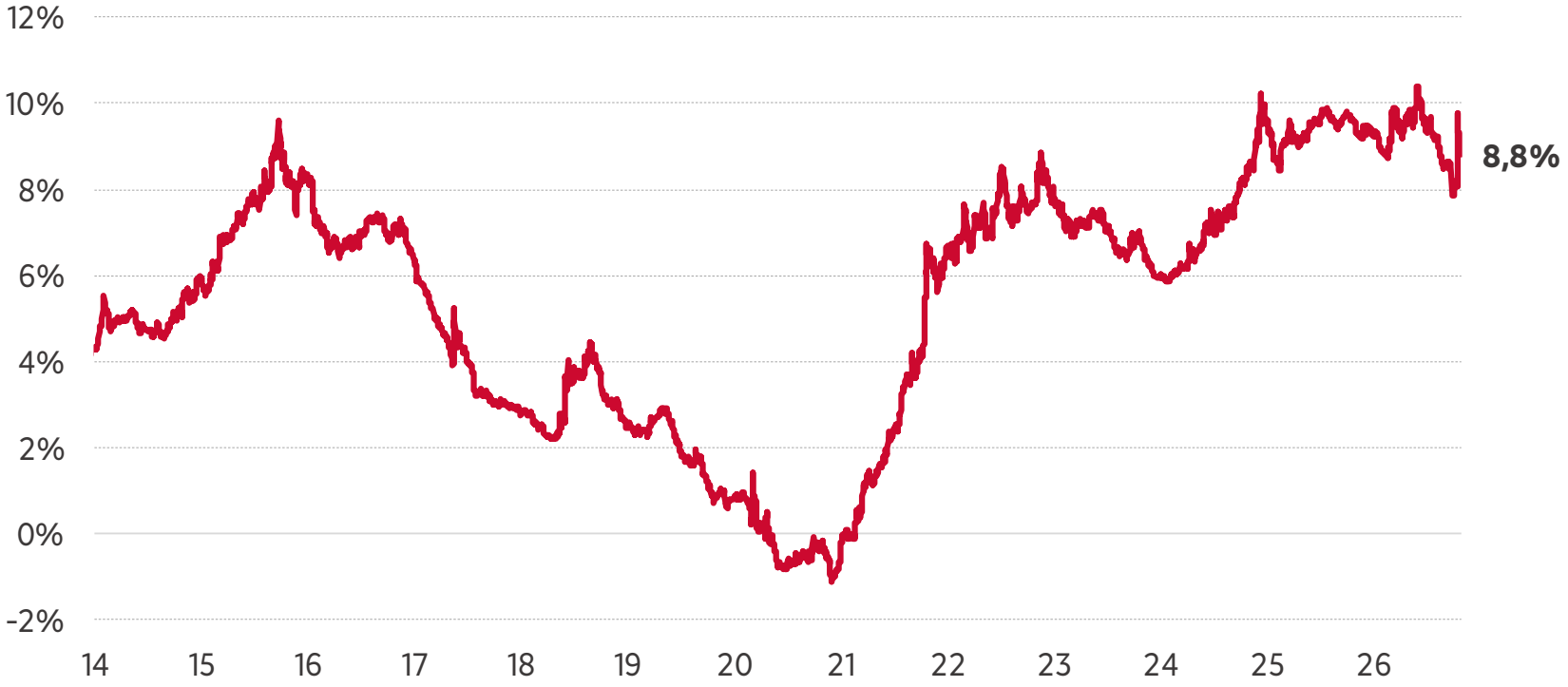
% target rate, end of period



Source: BCB, Bradesco

Real interest rate

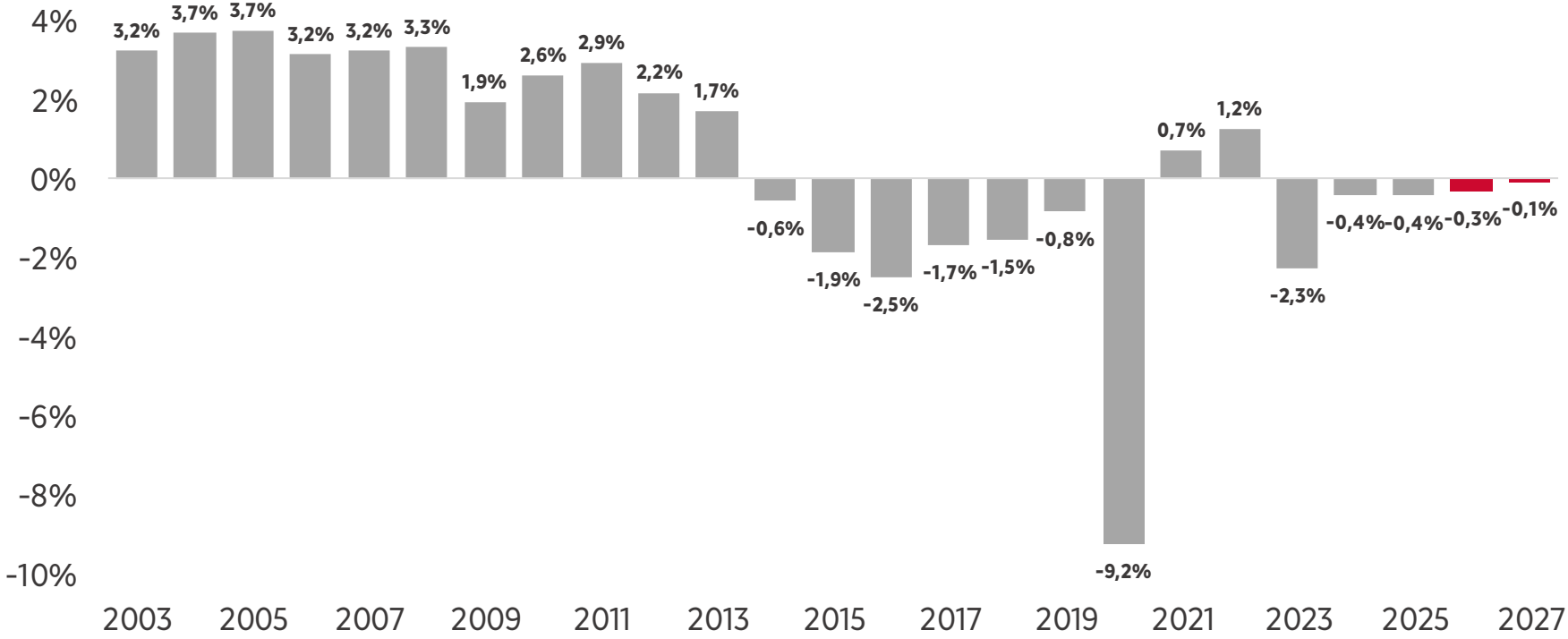
Swap DI x Pre rate deflated by IPCA expectation



Source: Bloomberg, Bradesco

Public sector primary balance

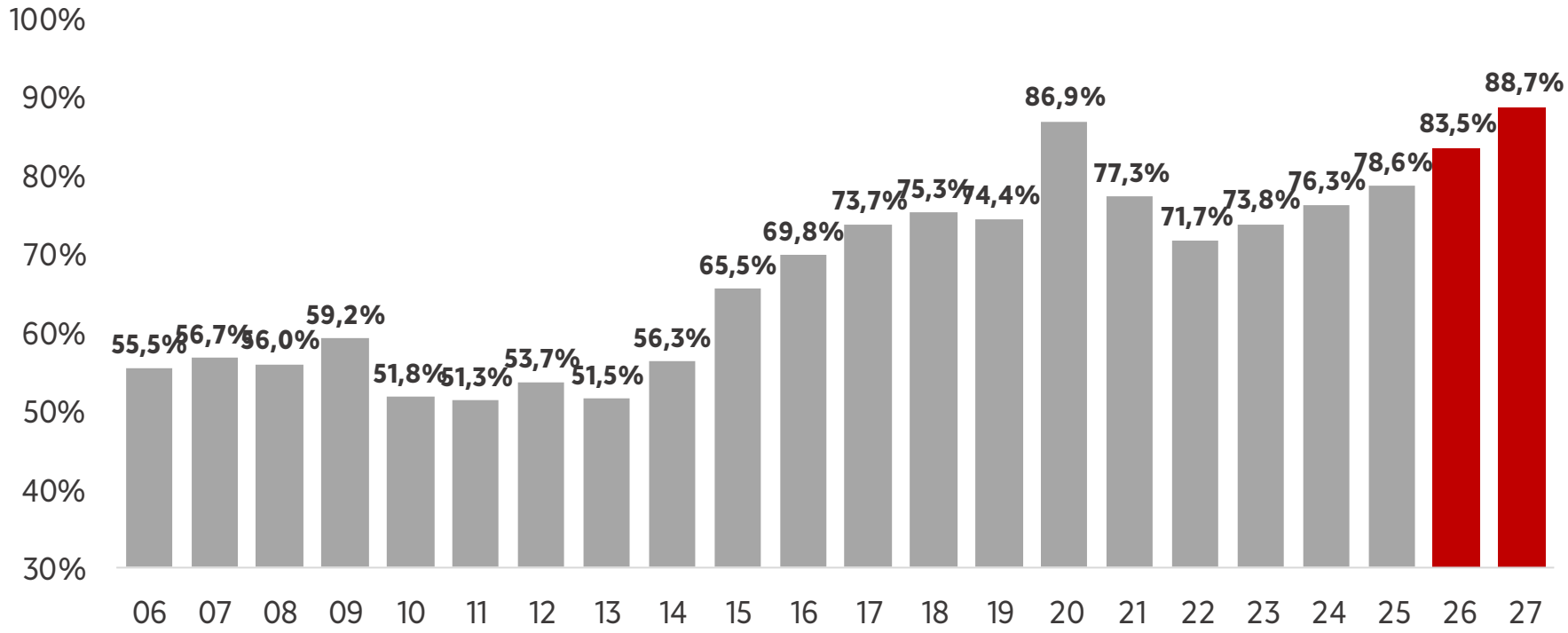
% of GDP



Source: BCB, Bradesco

Gross public debt

% of GDP



Source: BCB, Bradesco

Our forecasts

	2024	2025	2026	2027
GDP growth (%)	3,4	2,3	1,7	1,0
Consumer inflation - IPCA (%)	4,8	4,3	4,9	4,1
Wholesale inflation - IGP-M (%)	6,5	-1,0	5,3	4,2
Selic Rate (%, eop)	12,25	15,00	13,25	11,00
Exchange Rate (BRL/USD, eop)	6,19	5,50	5,00	5,20
Industrial Production (%)	3,1	0,6	1,1	1,1
Retail Sales (%)	3,7	0,0	1,1	0,6
Unemployment Rate (%)	6,8	5,9	5,5	6,1
Outstanding Credit Growth (%)	11,4	10,4	9,0	7,0
Trade Balance (USD bn)	65,8	59,7	77,4	75,8
Current Account (USD bn)	-65,3	-66,7	-56,1	-60,1
Current Account (%GDP)	-3,0	-3,3	-2,9	-2,9
Primary Balance (BRL bn)	-47,6	-55,0	-58,2	-10,0
Gross Debt (% of GDP)	76,3	78,6	83,6	88,2
BRL/EUR (eop)	6,41	6,60	5,90	6,20

Bradesco Economic Research forecasts are revised each month. During moments of greater volatility, the level of uncertainty and error margins naturally rise, especially between revisions. Our forecasts are based on the assumption that the adjustments necessary to ensure the sustainability of Brazil's macroeconomic framework will be implemented over the next few years. If these adjustments do not materialize or are better than expected, the forecast could be altered significantly. **Last updated on November 6th 2026.**

Source: Bradesco

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