



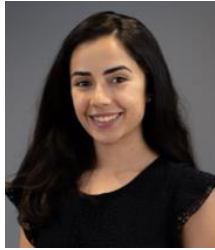
# XP Analysis: IBC-Br (Nov)

*January, 16th 2020*

 **xp** investimentos



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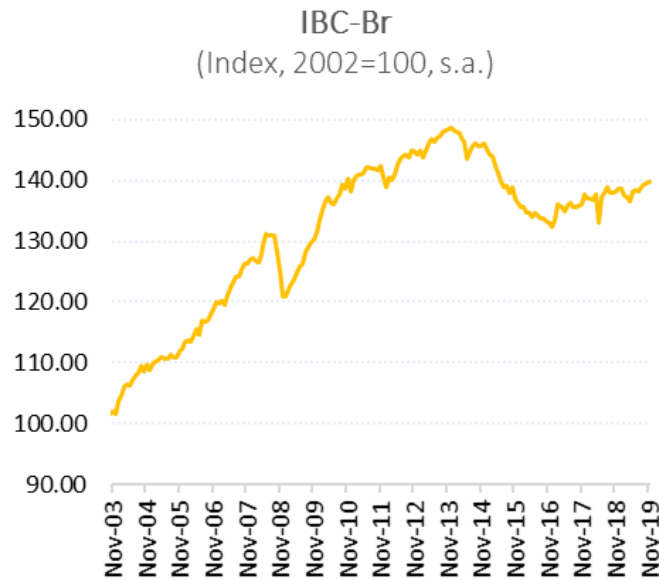
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- *The IBC-Br (monthly GDP) expanded by 0.2% m/m and 1.1% y/y in November, slightly above our expectations (0.1% m/m +1.2% y/y) and market expectation (+ 0.0% m/m and + 0.9% y/y).*

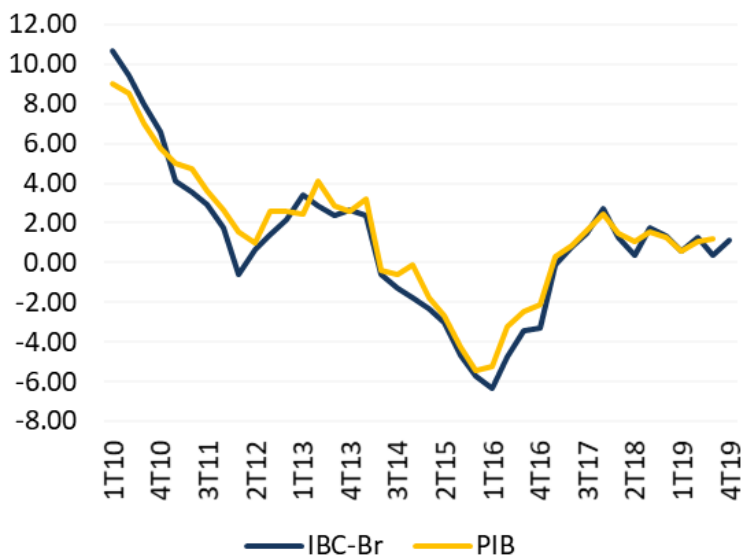
Find below some of the **main highlights** (charts are in the next page):

1. *The indicator was negatively influenced by weaker results from industry, services and retail sales in November, but underpinned by the construction sector, which expanded by 0.8% m/m in November.*
2. *In our view, the slightly higher than expected result, despite the weaker data in November, corroborates the message of gradual recovery in Brazilian economic activity.*
3. *Based on the data available so far, we expect GDP to grow by +1.7% y/y and 0.5% q/q in the 4Q19.*
4. *Regarding monetary policy, we believe today's positive result is not enough to offset the weaker results of key indicators in November. Therefore, we believe that the BC will deliver another 0.25% cut in the Selic rate in February.*

	YoY	MoM	12M	Ytd
IBC-Br	1.1	0.2	0.9	1.0



**GDP vs IBC-Br**  
(Index, YoY)



**Construction Sector**  
(volume index, s.a., 2002 = 100)



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## ECONOMIC TEAM



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