

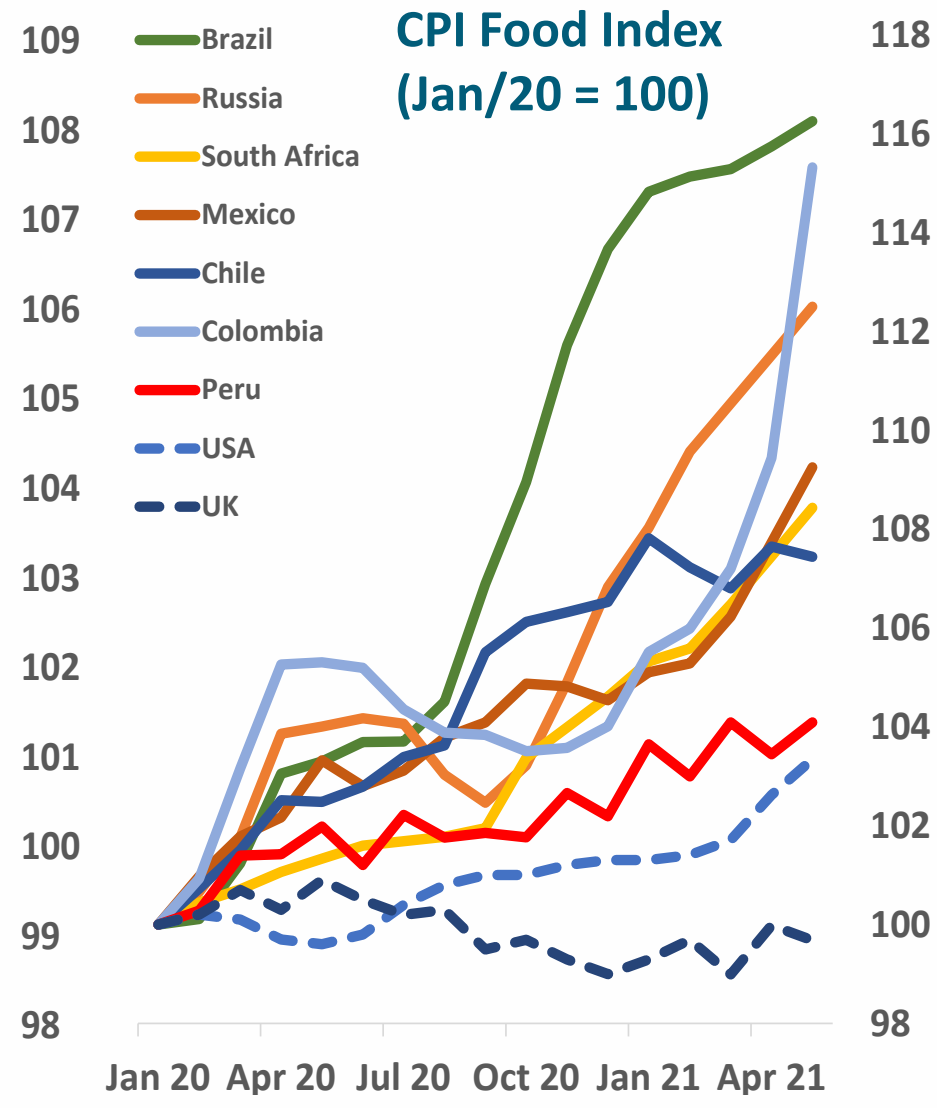
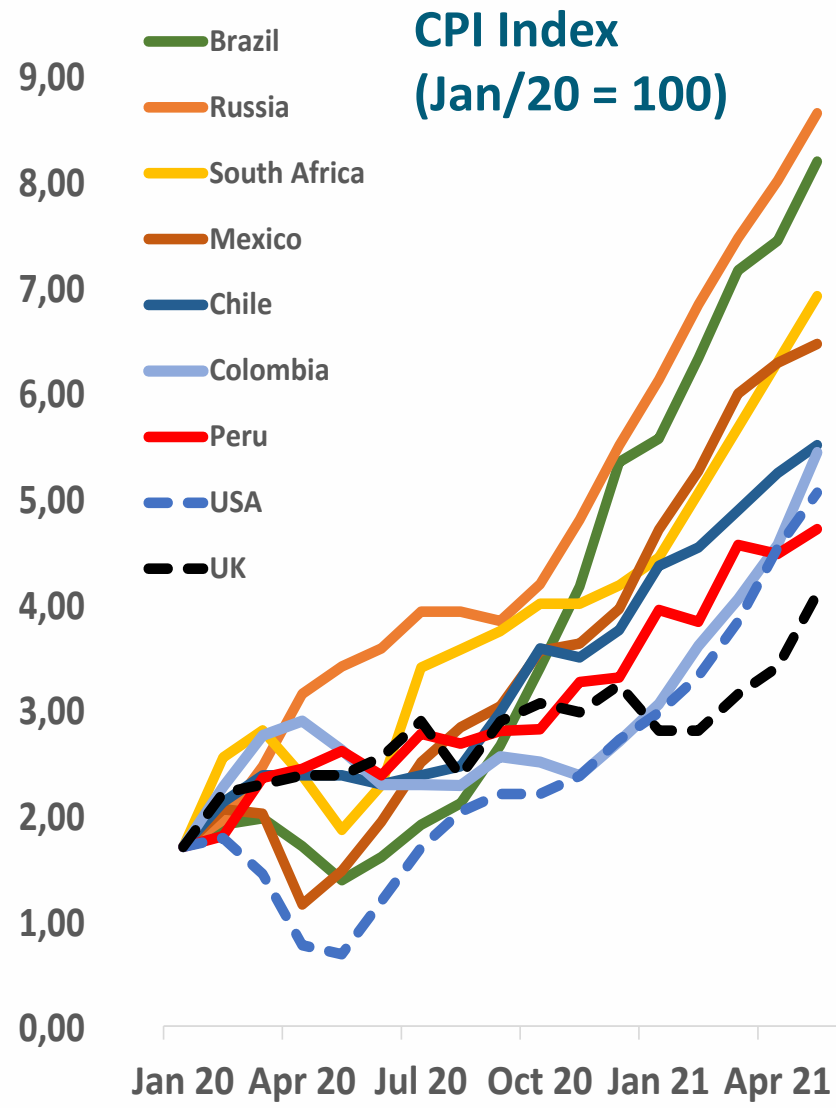
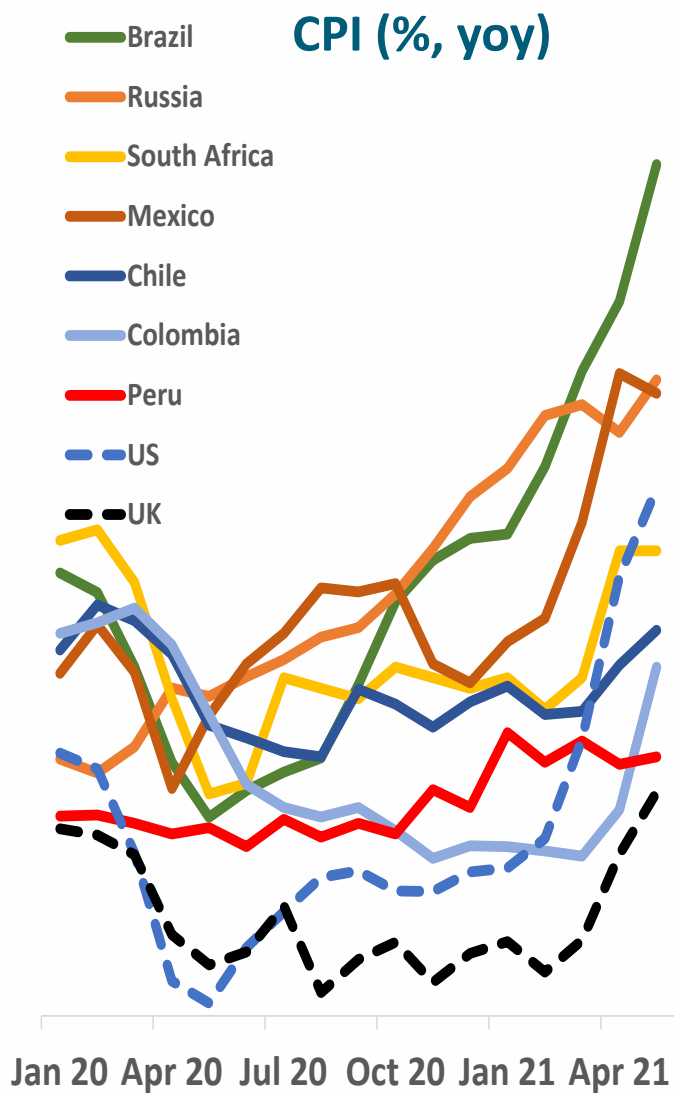
BCB's monetary policy operations

Banco Central do Brasil

XI CEMLA Central Banking Operations Meeting

André de Oliveira Amante

Consumer price inflation: international context



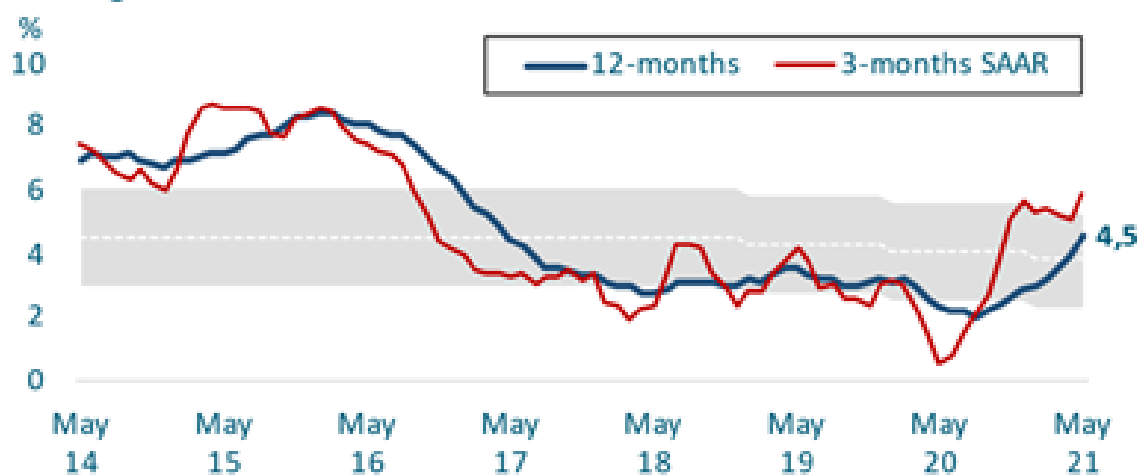
Source: Reuters Refinitiv

Brazil: consumer price inflation and its components (%)

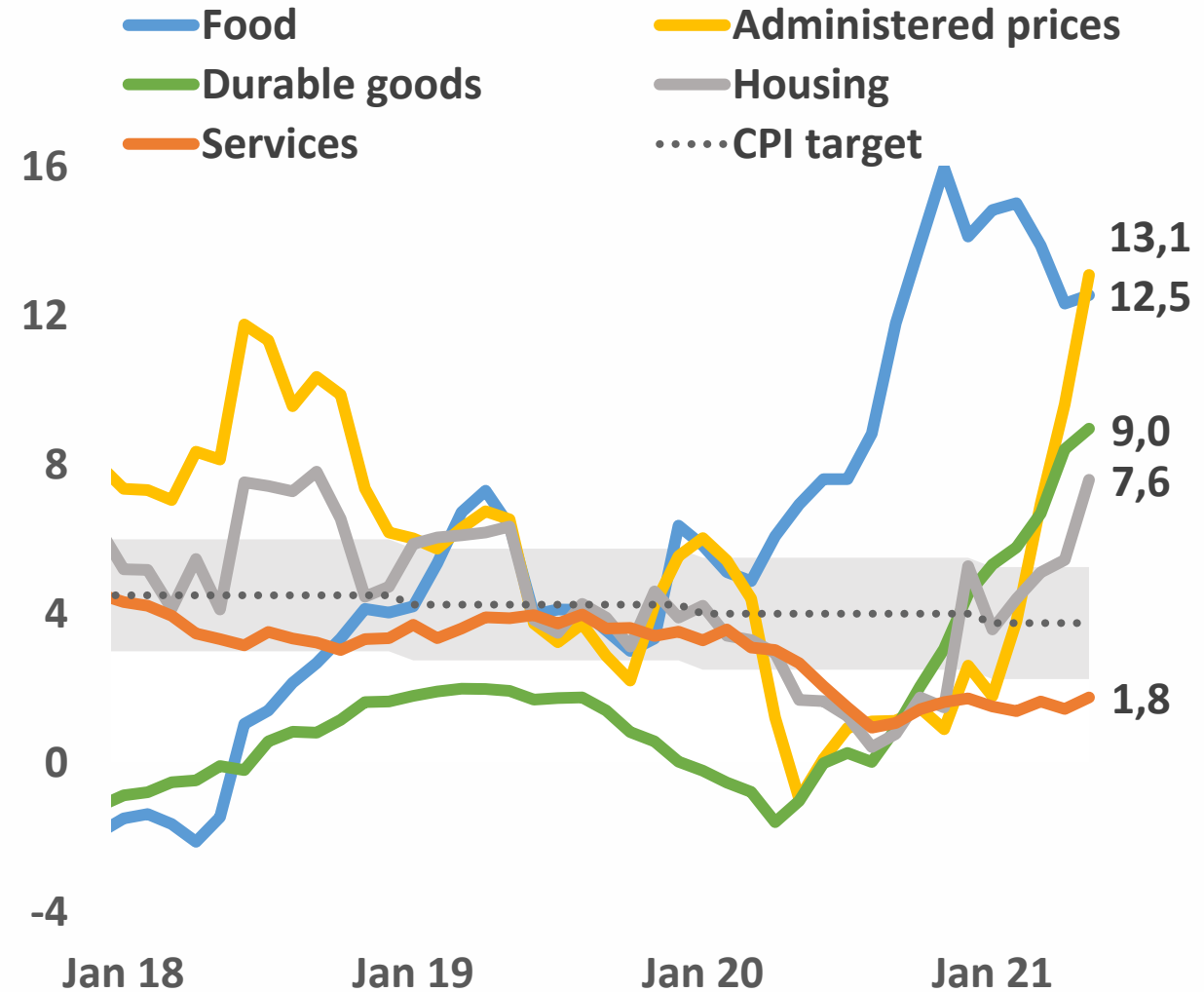
Consumer price inflation: IPCA



Average of core inflation measures

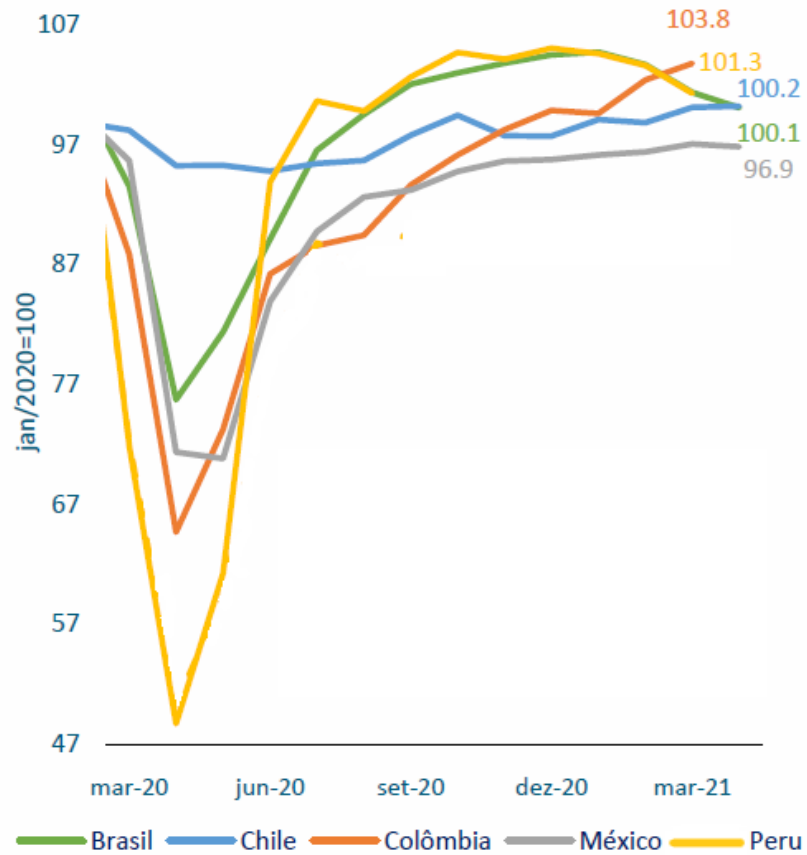


Consumer price inflation: IPCA's components

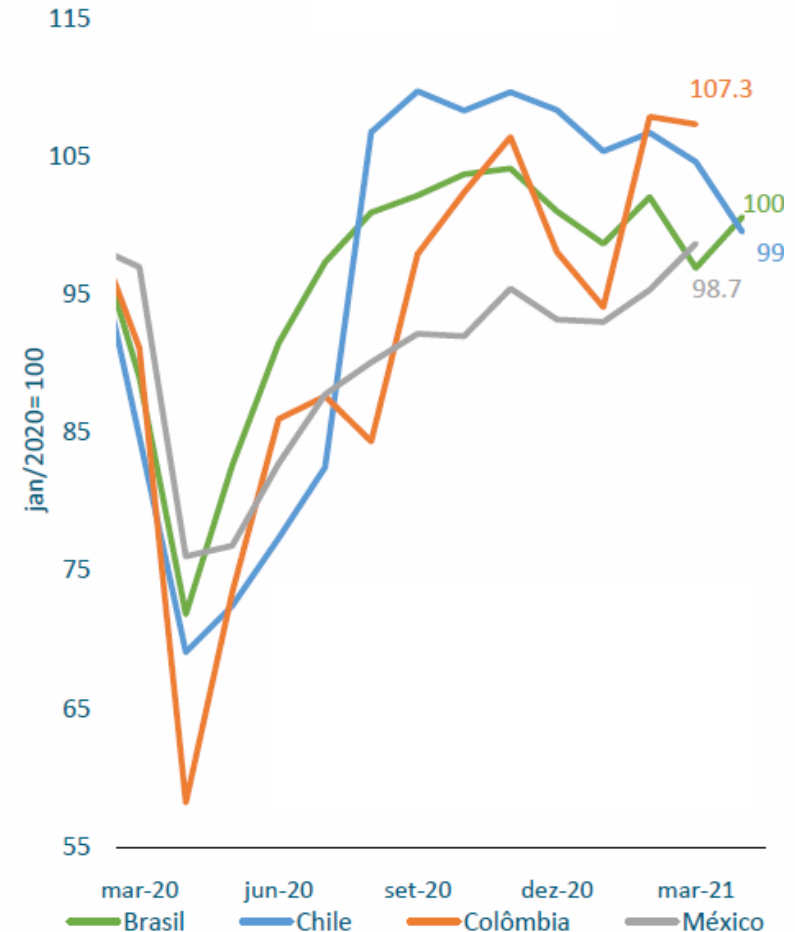


Economic activity

Industrial production (Jan/20 = 100)

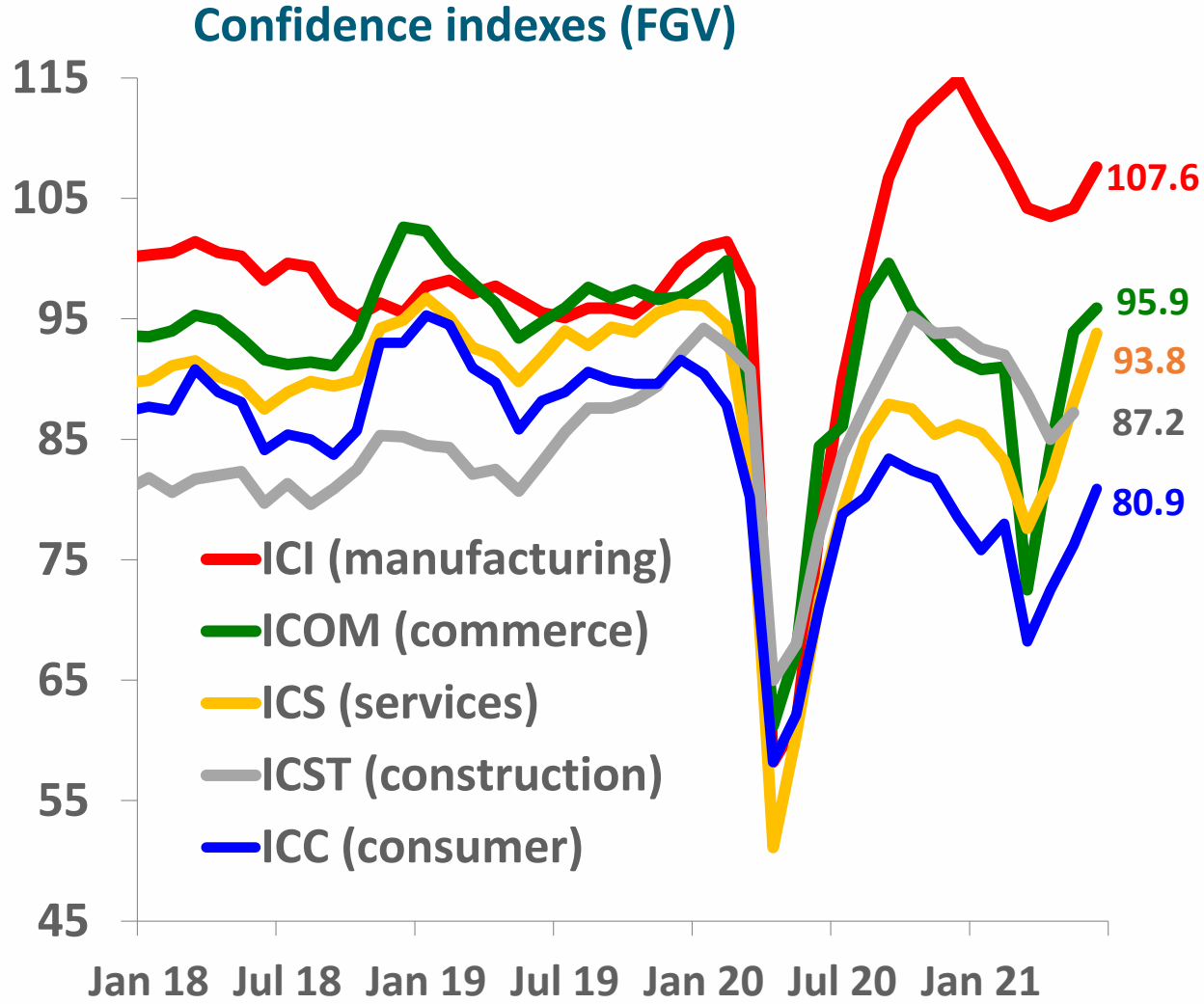


Retail sales (Jan/20 = 100)



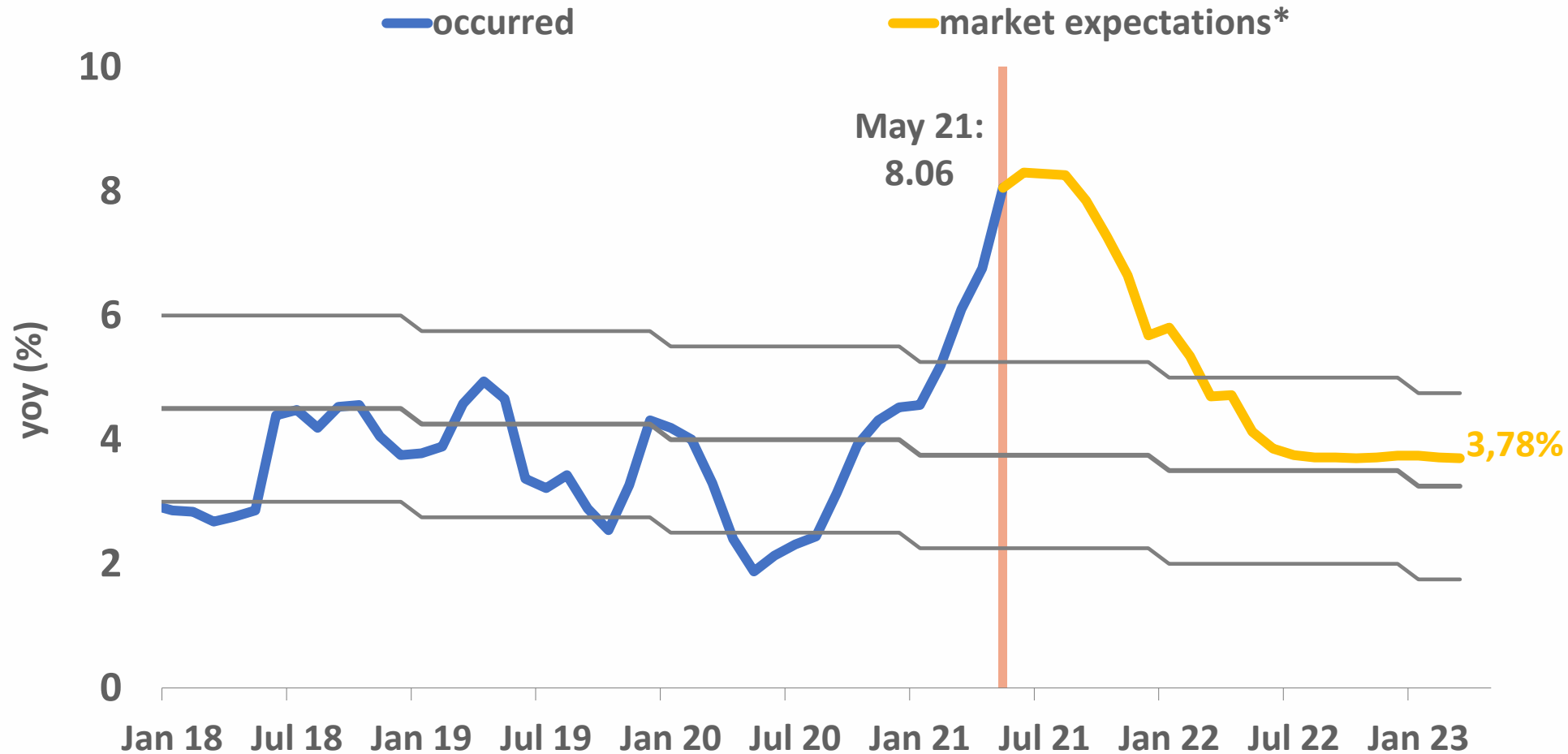
Source: Central Banks, Bloomberg

Brazil: confidence indexes and expected GDP growth



Source: IBRE/FGV, BCB

Brazil: CPI (IPCA) and market expectations

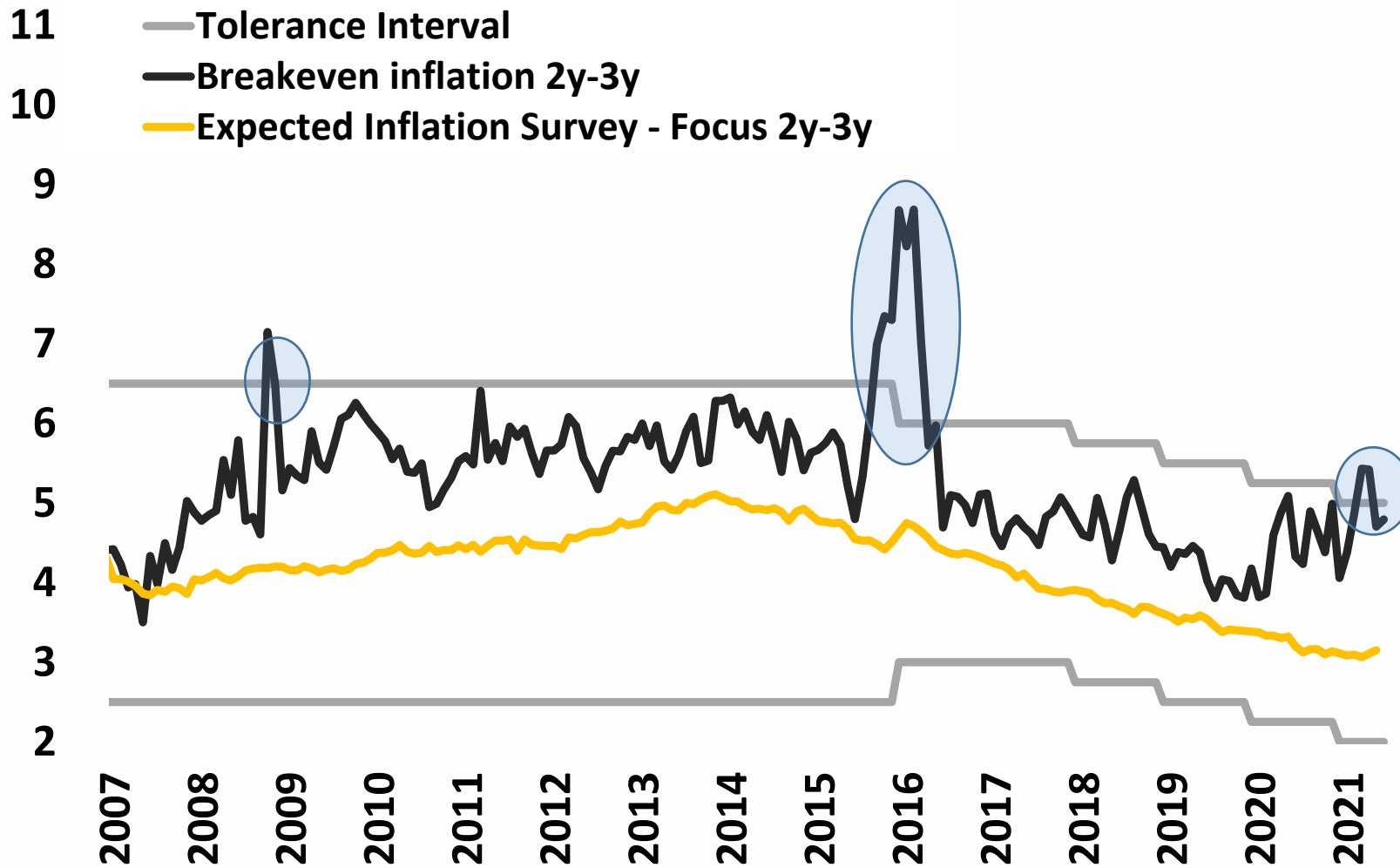


Source: BCB

*as of June 25th

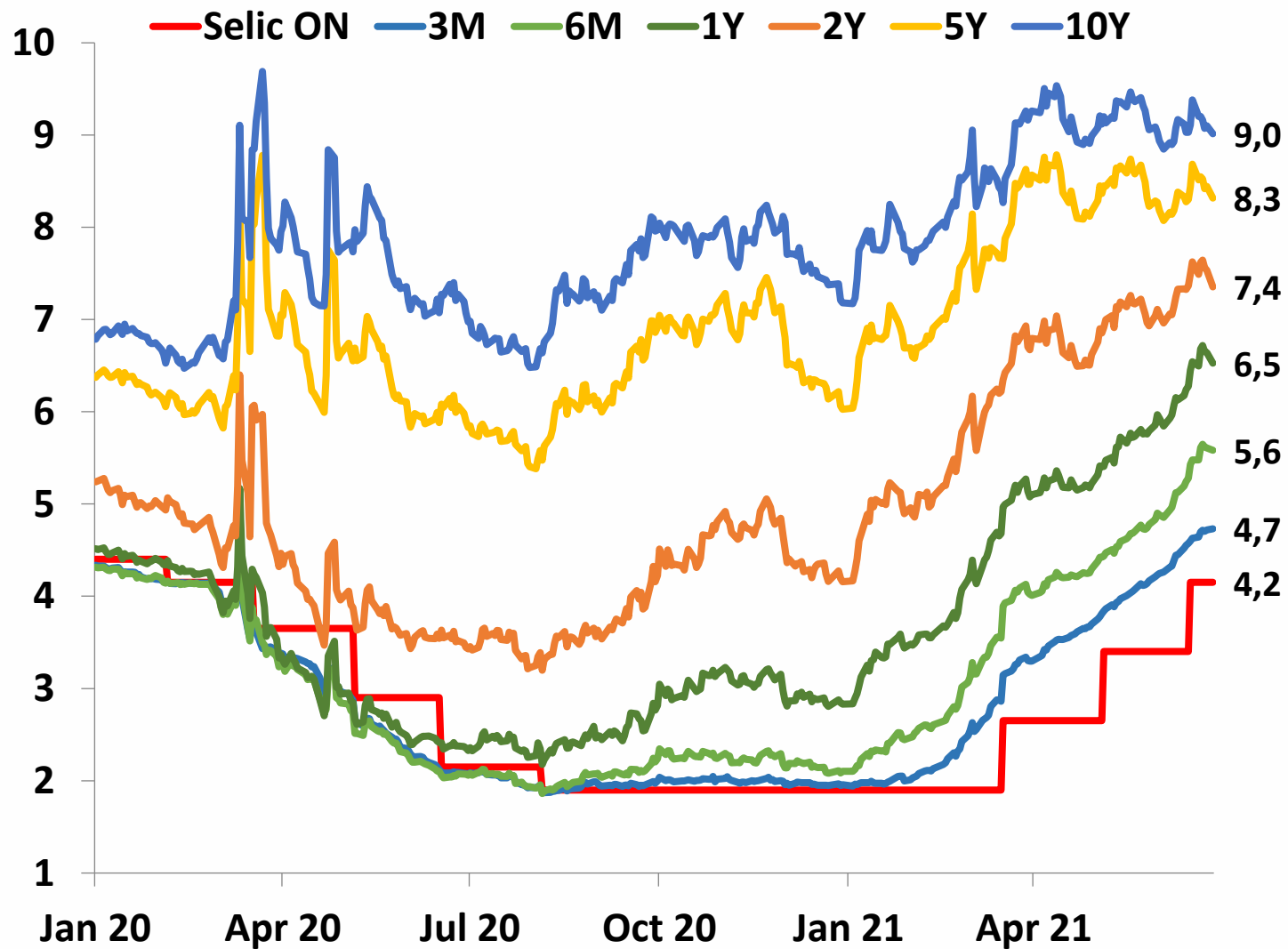
Break-even inflation

Break-even inflation 2y-3y (yoy, %)



Source: BCB, Anbima

MPC Selic ON rate and domestic yield curve

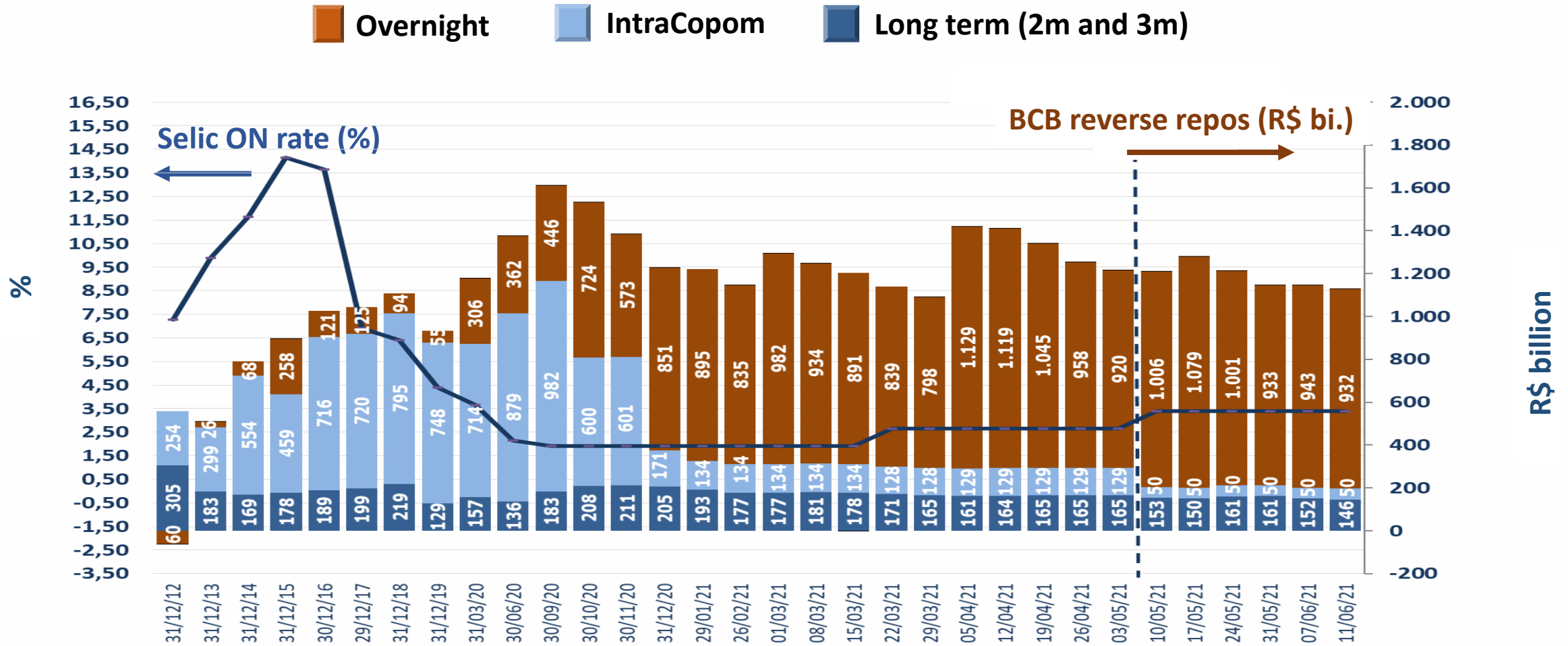


The BCB raised the policy rate by 75 basis points to 4.25% at its June meeting and indicated that the full normalization of monetary policy is its base case.

Source: BCB, B3 exchange

BCB monetary policy instruments: reverse repos

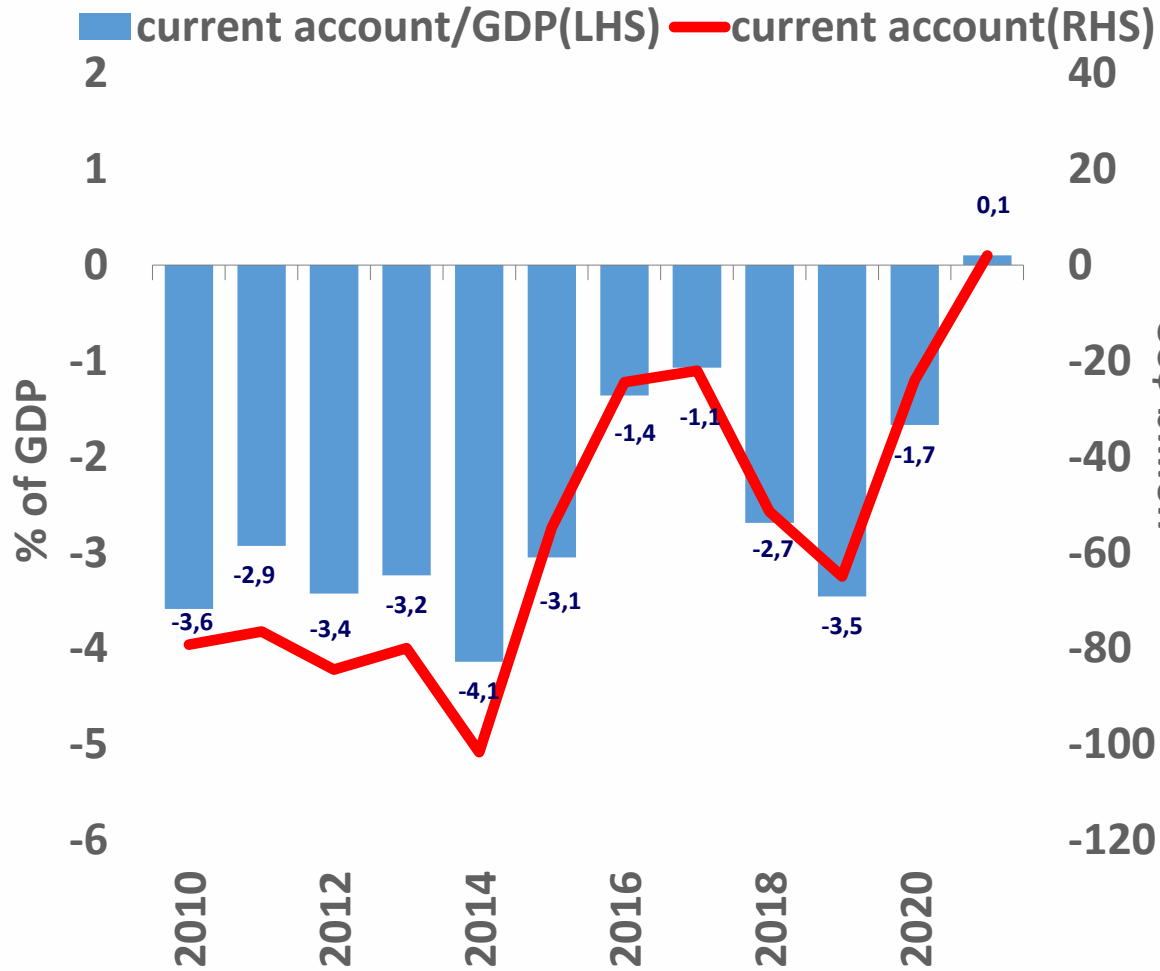
BCB's reverse repos: total amount (R\$ billion)



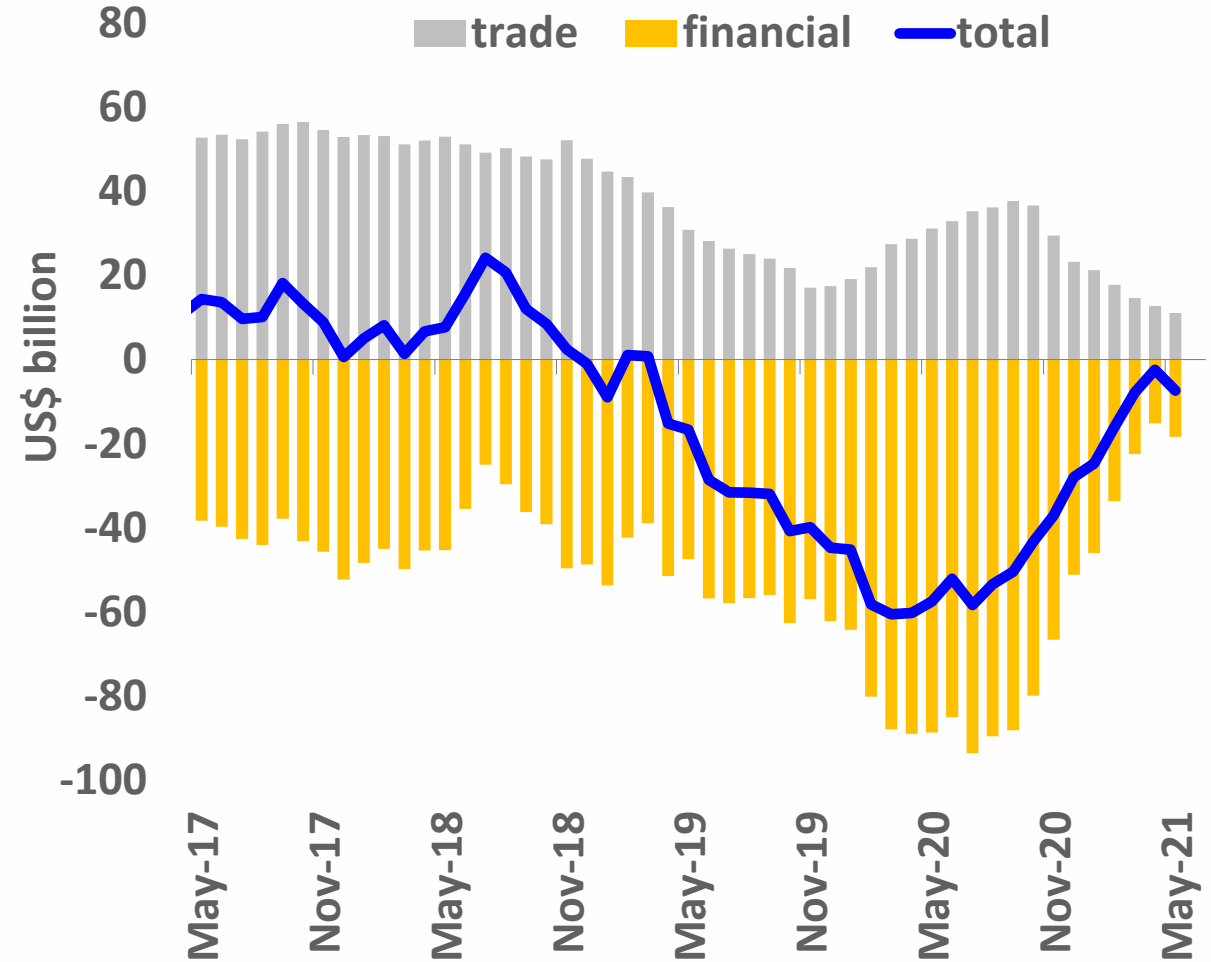
Source: BCB

Brazil: current account and FX net flows

Current account balance

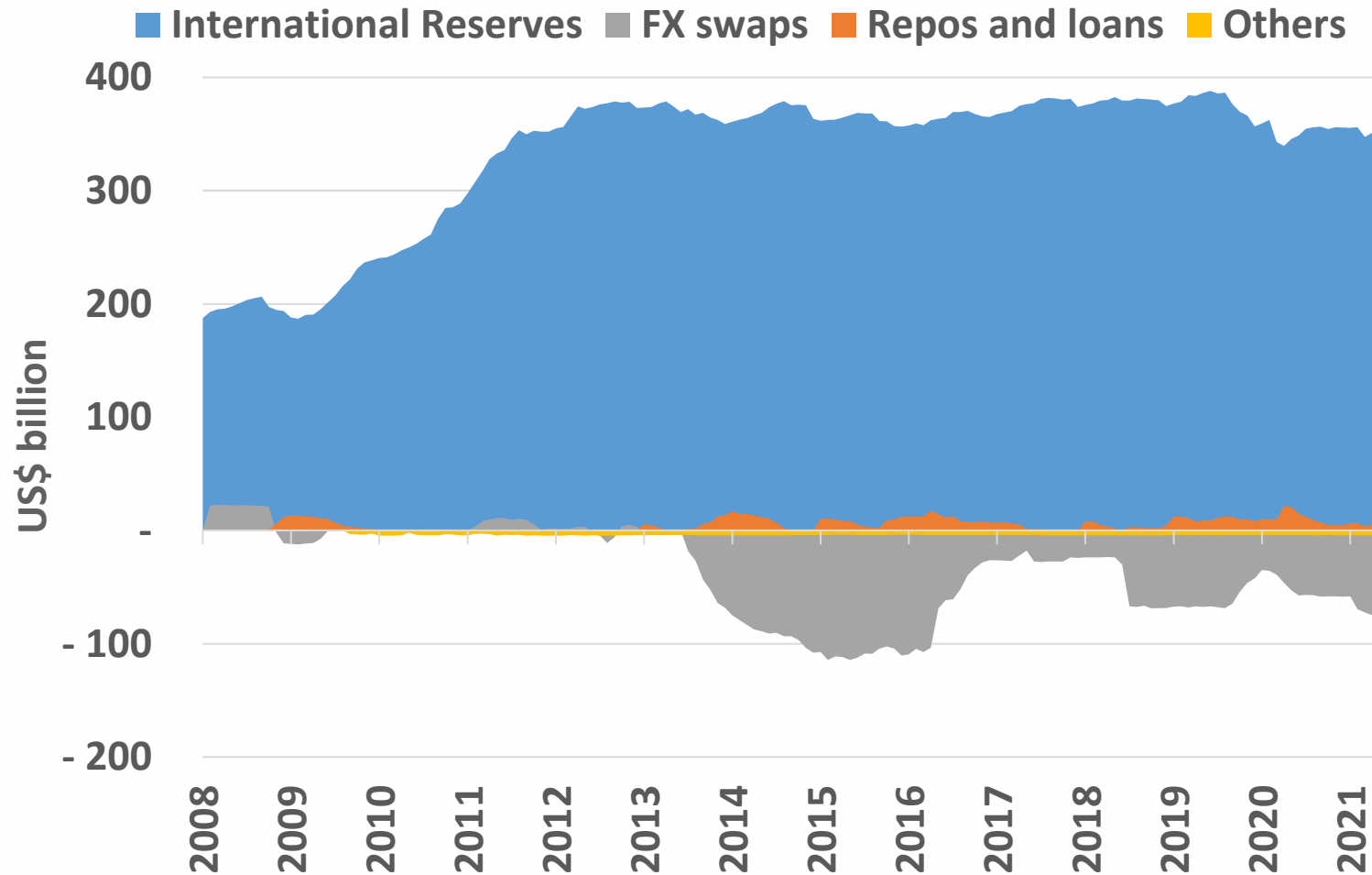


FX net flows 12M



Source: BCB (* forecast)

BCB FX instruments



BCB FX instruments

- FX spot operations
- USD repos and FX loans
- FX swaps (swap cambial)

Source: BCB (* forecast)

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