

News Release

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The Conference Board Leading Economic Index[®] for Brazil, Together with Fundação Getulio Vargas, Decreased in August

Rio de Janeiro, September 17, 2014... *The Conference Board Leading Economic Index[®]* for Brazil, together with Fundação Getulio Vargas (TCB/FGV Brazil LEI), decreased 0.4 percent in August. The index now stands at 121.5 (2004 = 100), following a 2.0 percent increase in July and a 1.6 percent decline in June. Three of the eight components contributed positively to the index in August.

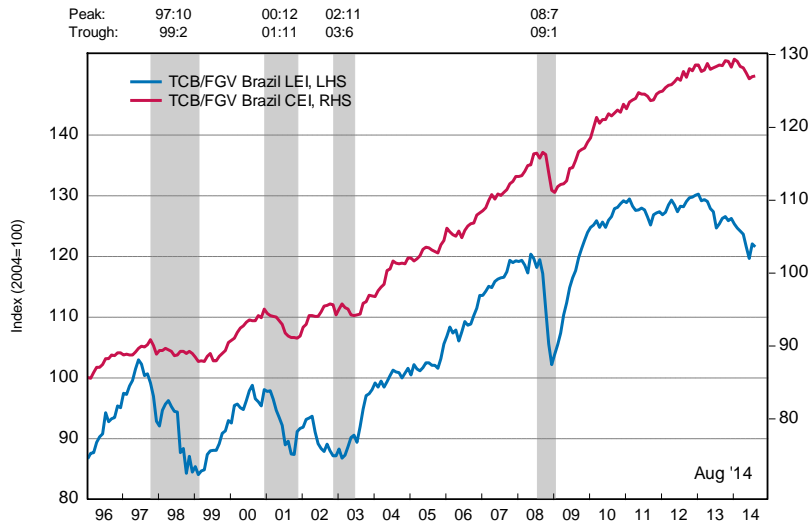
“The fall in economic activity during the first two quarters of the year is consistent with the prolonged declines in the TCB/FGV LEI and TCB/FGV CEI since 2013,” said Paulo Picchetti, economist at FGV/IBRE. “Expectations remain mixed ahead of the upcoming elections, and it is still too soon to say if economic growth will improve in the second half of 2014, but the LEI suggests the economy will likely continue to struggle in the near term.”

“The TCB/FGV Brazil LEI has declined in seven of the first eight months of this year and its six-month change remains in negative territory with widespread weaknesses among the leading indicators,” said Ataman Ozyildirim, economist at The Conference Board. “The more pessimistic outlook of consumers and expectations in services offset improved expectations for manufacturing and stock markets in August.”

The Conference Board Coincident Economic Index[®] for Brazil, together with Fundação Getulio Vargas (TCB/FGV Brazil CEI), which measures current economic activity, increased 0.1 percent in

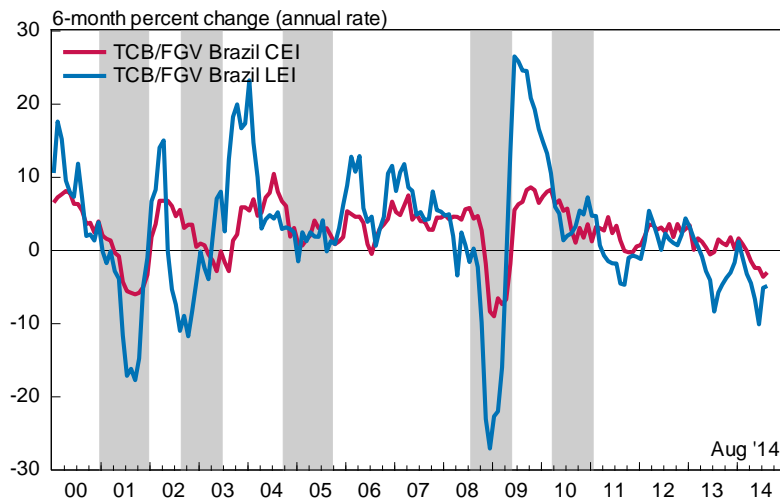
August at 127.0 (2004 = 100), following a 0.2 percent increase in July and a 0.6 percent decline in June. Three of the six components contributed positively to the index in August.

The Conference Board Leading Economic Index[®] for Brazil, together with Fundação Getulio Vargas, decreased in August



Note: The shaded areas denote business cycle recessions as determined by CODACE.

But the six-month changes in TCB/FGV Brazil LEI remains negative



Note: The shaded areas denote growth cycles defined by deviations from growth trend of CEI + GDP for Brazil

TCB/FGV Brazil LEI aggregates eight economic indicators that measure economic activity in Brazil. Each of the LEI components has proven accurate on its own. Aggregating individual indicators into a composite index filters out so-called “noise” to show underlying trends more clearly.

About The Conference Board Leading Economic Index[®] for Brazil, together with Fundação Getulio Vargas

TCB/FGV Brazil LEI was launched in July 2013. Plotted back to 1996, this index has successfully signaled turning points in the economic cycles of Brazil. The Conference Board also produces LEIs for Australia, China, the Euro Area, France, Germany, Japan, Korea, Mexico, Spain, the United Kingdom, and the United States.

The eight components of TCB/FGV Brazil LEI include:

Swap Rate, 1 year (Source: Central Bank of Brazil)

Stock Price Bovespa Index (Source: BOVESPA - Bolsa de Valores de São Paulo/ São Paulo Stock Exchange)

Manufacturing Survey: Expectations Index (Source: FGV/IBRE)

Services Sector Survey: Expectations Index (Source: FGV/IBRE)

Consumer Expectations Survey: Expectations Index (Source: FGV/IBRE)

Physical Production of Durables Consumer Goods Index (Source: IBGE - Instituto Brasileiro de Geografia e Estatística/ Brazilian Institute of Geography and Statistics)

Terms of Trade Index (Source: FUNCEX - Fundação Centro de Estudos do Comércio Exterior/The Foundation Center for the Study of Foreign Trade)

Exports Volume Index (Source: FUNCEX - Fundação Centro de Estudos do Comércio Exterior/The Foundation Center for the Study of Foreign Trade)

<https://www.conference-board.org/data/bcicountry.cfm?cid=12>

To view The Conference Board calendar of 2014 indicator releases:

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ABOUT FGV/IBRE

The Brazilian Institute of Economics (Instituto Brasileiro de Economia—IBRE) at Fundação Getúlio Vargas (FGV) was founded in 1951 to research, analyse, produce and disseminate macroeconomic statistics and applied studies. Its purpose is to inform and help improve public policies and private activities in the Brazilian economy. IBRE is a leading institute in calculating the Brazilian GDP and producing price indices including the General Price Index (IGP) which served as Brazil's official inflation index for many years. In addition to price indices, IBRE prepares trend and business cycle indicators that are widely used by administrators and analysts.

www.fgv.br/ibre

Summary Table of Composite Economic Indexes

	2014			6-month
	Jun	Jul	Aug	Feb to Aug
Leading Economic Index	119.6 r	122.0 r	121.5 p	
Percent Change	-1.6 r	2.0 r	-0.4 p	-2.5
Diffusion	75.0	75.0	50.0	37.5
 Coincident Economic Index	 126.6 r	 126.9 p	 127.0 p	
Percent Change	-0.6 r	0.2 p	0.1 p	-1.6
Diffusion	33.3	66.7	66.7	16.7

n.a. Not available p Preliminary r Revised
 Indexes equal 100 in 2004

Sources: The Conference Board, FGV/IBRE All Rights Reserved

The next release is scheduled for Friday, October 17, 2014 at 11:00 A.M. (Rio de Janeiro time)
In New York – Friday, October 17, 2014 at 10:00 A.M. (ET)

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