

News Release

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

Next month's release will incorporate annual benchmark revisions to the composite economic indexes, which bring them up-to-date with revisions in the source data. Also, with this benchmark revision, the base year of the composite indexes will be changed to 2010 = 100 from 2004 = 100. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes, in levels and month-on-month changes, will not be directly comparable to those issued prior to the benchmark revision.

In addition, Fundação Getulio Vargas revised its seasonally adjusted series in its System of Business and Consumers Tendency Surveys. As a result, the Services Sector Expectations Index, Manufacturing Industry Expectations Index and Consumers Expectations Index included in the TCB/FGV Brazil LEI were revised.

The Brazilian Institute of Geography and Statistics (IBGE) also announced methodological changes which impacted the Consumer Durable Goods Production Index included in the TCB/FGV Brazil LEI and the Industrial Production Index included in the TCB/FGV Brazil CEI.

For more information, please visit our website at <http://www.conference-board.org/data/bci.cfm> or contact us at indicators@conference-board.org.

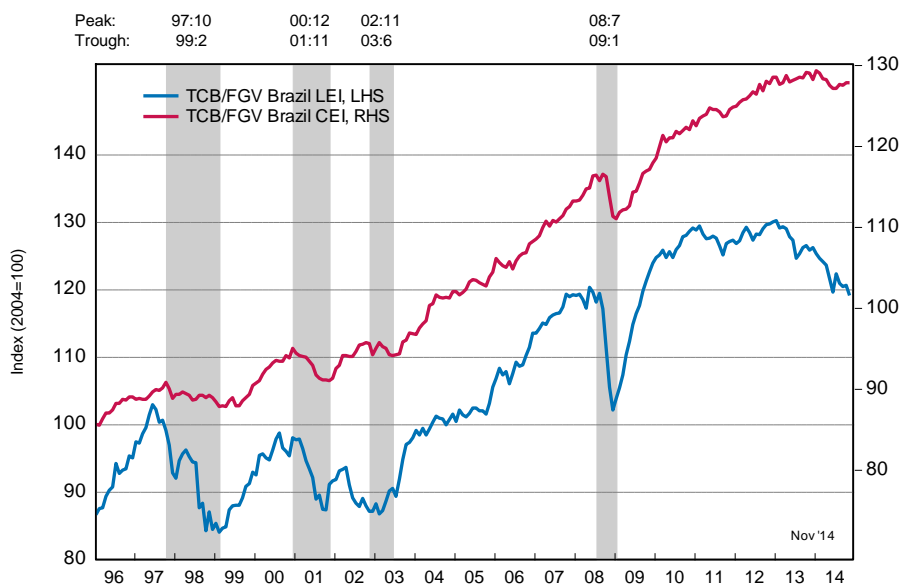
Rio de Janeiro, December 17, 2014... *The Conference Board Leading Economic Index[®]* for Brazil, together with Fundação Getulio Vargas (TCB/FGV Brazil LEI), decreased 1.2 percent in November. The index now stands at 119.1 (2004 = 100), following a 0.2 percent increase in October and a 0.4 percent decline in September. None of the eight components contributed positively to the index in November.

“The growth of Leading Economic Index for Brazil in November was once again negative, reflecting increased economic uncertainties brought on by policy adjustments as well as unfavorable economic data,” said Paulo Picchetti, Economist at FGV/IBRE. “The recently announced fiscal tightening for next year, although necessary, will likely keep economic growth restrained in the near term.”

“Although the large decline in the TCB/FGV LEI for Brazil was broad based, consumer expectations made the largest negative contribution to the index this month,” said Ataman Ozyildirim, Economist at The Conference Board. “The persistent weakness in the index reflects the challenges facing the Brazilian economy both domestically and internationally. “

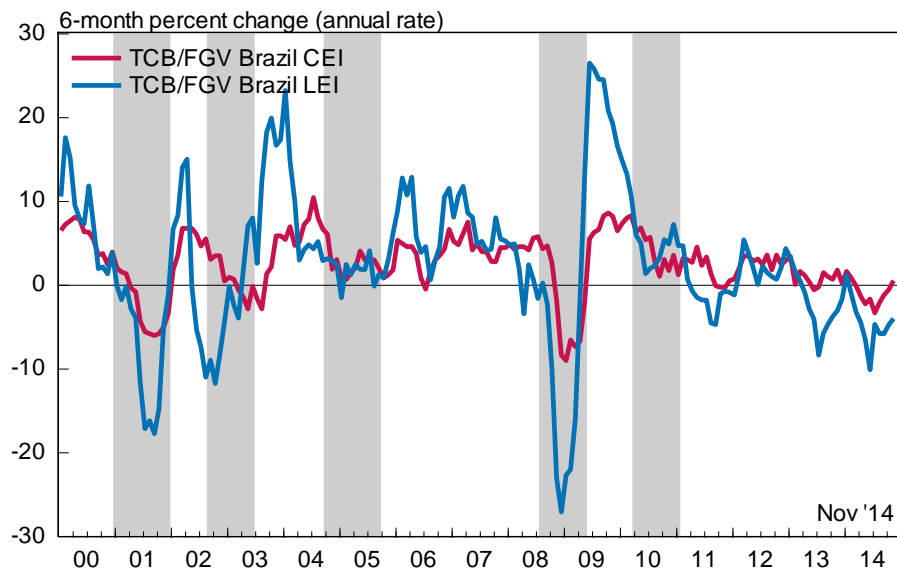
The Conference Board Coincident Economic Index[®] for Brazil, together with Fundação Getulio Vargas (TCB/FGV Brazil CEI), which measures current economic activity, was unchanged in November at 127.8 (2004 = 100), following a 0.2 percent increase in October and a 0.1 percent decline in September. Two of the six components contributed positively to the index in November.

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



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

However the six-month declines in TCB/FGV Brazil LEI have stabilized somewhat



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 2015 indicator releases:

<http://www.conference-board.org/data/>

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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, analyze, 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	
	Sep	Oct	Nov	May to Nov
Leading Economic Index	120.4 r	120.6 r	119.1 p	
Percent Change	-0.4 r	0.2 r	-1.2 p	-2.1
Diffusion	25.0	37.5	12.5	25.0
Coincident Economic Index	127.5 r	127.8 p	127.8 p	
Percent Change	-0.1 r	0.2 p	0.0 p	0.2
Diffusion	33.3	66.7	50.0	50.0

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 Wednesday, January 21, 2015 at 11:00 A.M. (Rio de Janeiro time)
In New York – Wednesday, January 21, 2015 at 8:00 A.M. (ET)

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