BRAZIL MACRO

April 30, 2021

MACRO COMPASS

Ana Paula Vescovi* and
Brazil Macroeconomics Team
anavescovi@santander.com.br
+5511 3553 8567

PANDEMIC RELAPSE HITS ACTIVITY IN MARCH

- In the absence of surprises on the domestic front, local markets took a cue from the global risk-on scenario following the maintenance of a dovish tone by the Federal Reserve. Consequently, in the rolling week ending April 29, this backdrop led the BRL to be one of the top performers among global currencies and the domestic yield curve to bull-flatten.
- New COVID-19 cases and casualties remain very high, but the 7-day averages seem to suggest a continuing downward trend. For the coming weeks, the gradual reopening process and increased mobility is a risk for a resurgence in infections. The vaccination campaign is gaining traction, reaching a daily average of ~895k (topping our baseline scenario).
- A methodological change in trade balance data resulted in a larger deficit in the current account balance since 2017, and particularly in March (USD4.0 billion vs. USD2.2 billion expected). However, the downshift led by the revisions does not mean a change in the favorable dynamics for the current account balance in 2021.
- In 1Q21, the central government recorded the best primary fiscal result since 2013. This result occurred on the heels of atypically low discretionary expenses (owing to a tight execution rule before the approval of budget 2021), leading to an all-time low in the 12-month reading. The effect of higher inflation and FX depreciation also helped in the 1Q21 fiscal result from the standpoint of revenues.
- According to data from the Brazilian Central Bank (BCB), non-earmarked loans to households were stable in March, likely reflecting social distancing measures owing to a worsening of the pandemic. In the corporate segment, firms increasingly relied on short-term loans, amid worse conditions.
- April's IPCA-15 increased 0.60% MoM (6.17% YoY), in line with our forecast of 0.62%. Underlying measures kept a moderate softening of late, but the picture remains unfavorable as the recent commodities rally is a negative sign for the coming months.
- For the coming week, IBGE will release the first batch of main economic indexes for March. The industrial production is due out on Wednesday (May 5), while the broad retail sales report is due out on Friday (May 7). We expect sharp drops, reflecting the impacts of the pandemic's relapse.
- On Wednesday (May 5), the BCB announces its monetary policy decision. We expect the removal of stimulus to proceed with another Selic rate hike of 0.75 p.p. to 3.50%. This is broadly in line with the consensus view and the most likely outcome priced into the yield curve (~80% probability). We also believe the Copom will seek to reaffirm the data dependency for the "flight plan" ahead, even if the board continues to signal a "partial normalization" in the monetary policy stance.

Most of the information in this report is up to the end of Thursday, April 29, 2021.

Figure 1. Brazil Macro Agenda for the Week of May 03-07, 2021

Indicators / Events	Source	Reference	Date	Santander Estimate	Prior
PMI Industrial	Markit	Apr/21	Mon, 03-May	--	52.8
Trade Balance (US$ billion)	SECINT	Apr/21	Mon, 03-May	12.1	6.5
Vehicle Sales (thousands)	Fenabrave	Apr/21	Mon, 03-May	--	189
Industrial Production (% MoM)	**IBGE**	**Mar/21**	**Wed, 05-May**	**-4.0**	**-0.7**
Industrial Production (% YoY)	IBGE	Mar/21	Wed, 05-May	6.8	0.3
PMI Composite	Markit	Apr/21	Wed, 05-May	--	45.1
PMI Services	Markit	Apr/21	Wed, 05-May	--	44.1
Copom Meeting – Selic Rate (%)	**BCB**	**--**	**Wed, 05-May**	**3.50**	**2.75**
Vehicle Production (thousands)	Anfavea	Apr/21	Thu, 06-May	--	200
IGP-DI Inflation (% MoM)	FGV	Apr/21	Fri, 07-May	--	2.17
IGP-DI Inflation (% YoY)	FGV	Apr/21	Fri, 07-May	--	30.63
Core Retail Sales (% MoM)	IBGE	Mar/21	Fri, 07-May	-8.1	0.6
Core Retail Sales (% YoY)	IBGE	Mar/21	Fri, 07-May	-4.1	-3.8
Broad Retail Sales (% MoM)	**IBGE**	**Mar/21**	**Fri, 07-May**	**-13.5**	**4.1**
Broad Retail Sales (% YoY)	IBGE	Mar/21	Fri, 07-May	4.3	-1.9

Source: Santander.

For details on Santander's economic forecasts for Brazil, please refer to our last scenario review[1].

[1] **Santander Brazil - Macroeconomic Scenario: *"Anchoring Power Is Dwindling"* –** April 1, 2021- Available on: http://bit.ly/Std-scenario-Apr21

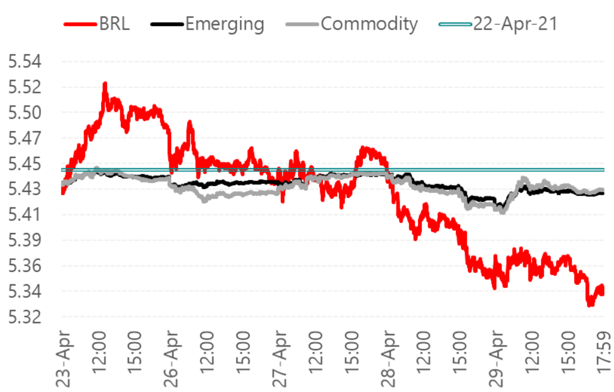
LOCAL MARKETS—FX

The risk-on mode that prevailed in the rolling week ended on April 22 was extended to the one ending on April 29, probably helped by the dovish stance reaffirmed by the Federal Reserve in Wednesday's FOMC meeting. Maybe once again reflecting its high-beta pattern, the BRL benefitted from that environment and registered the second-best performance among global currencies (or the top one among emerging ones), with the USD/BRL pair ending the period at 5.34, the lowest one since mid-January. The recent performance of the BRL reinforces a constructive global backdrop for the Brazilian economy and assets in the 2H21. The latter can continue to be a key force helping the BRL, before the fiscal concerns get once again to investors radar (probably in early 2022).

LOCAL MARKETS—Rates

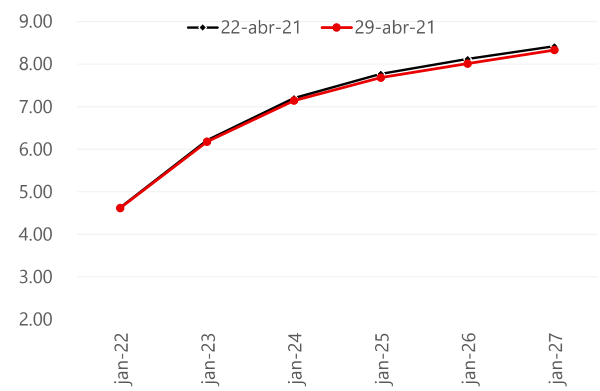
The nominal yield curve flattened a bit more supported by the continuation of the (short-term) relief in the domestic news flow. Since last Thursday (April 15), the front end of the curve (Jan-22 DI future) fell 2 bps to 4.61%, while the back end (Jan-27 DI future) fell 9 bps to 8.33%. Hence, the steepness eased to 373 bps from 379 bps last Thursday (April 15). At the front end, April's IPCA-15 inflation surprised a bit to the downside and showed a marginal relief for underlying measures (see details at the Inflation section), allowing for another reduction in expectations for a more hawkish move by the BCB in the next Copom meeting. While the central bank keeps signaling a 75bps rate hike for the May Copom policy meeting (as per our call), the market is now pricing in 79bps (from 83bps last week – it is worth highlighting that it traded above 90bps during the first half of April). At the long end, the relief seems to reflect the global risk-on environment. However, we continue to believe that the relief in the long-end of the DI curve might be short-lived, because of the fragile medium-term fiscal outlook, which is compatible with persistently high premium at the back-end of the curve.

Figure 2.A. – USD/BRL Intraday Trends



Sources: Bloomberg, Santander.
Note1: As of the close Thursday, April 29, 2021.
Note2: For other currencies, we use USDBRL values as a base-index

Figure 2.B. – Brazilian Domestic Yield Curve (% p.a.)



Sources: Bloomberg, Santander.
Note: As of the close Thursday, April 29, 2021.

COVID-19 MONITORING

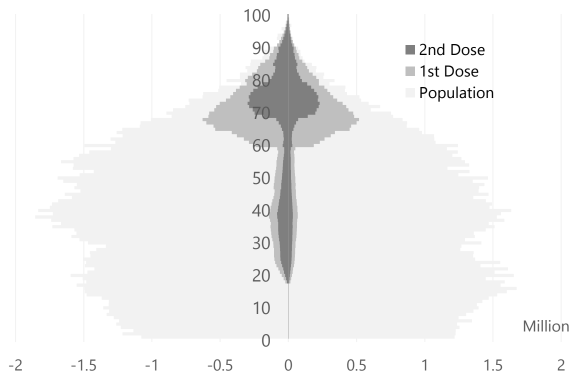
In the U.S., new cases and hospitalizations continue to fall. The pace of vaccinations is currently at 2.7 million/day (7-day moving average), with nearly 42% of the population having received at least one dose. This figure stands at 49% in the U.K. and 22% in the European Union. New cases are flat or falling in most Western Europe countries, as they poise for a reopening process in the coming weeks. In U.K., the reopening of non-essential activities has so far not prompted a resurgence in infections.

Anvisa declines imports and use of Sputnik V. Anvisa, the National Drug Regulator, rejected unanimously the request from states and municipalities, claiming lack of documentation and health risks. If approved, the vaccine would add 75 million doses to the National Immunization Plan (PNI) in 2021.

In Brazil, new COVID-19 cases and casualties continue to decline, but remain at a high level. The ICU occupancy rate is still above 90% in 10 states, compared to 12 states last week. As of Wednesday (April 28), 45 million doses (out of 62 million delivered) had been administered in the country, with the most recent pace of vaccination at 895k/day (7-day moving average), which is above our baseline scenario. Data from Brazil's Health Ministry reported an average 57k new daily cases (7-day moving average) as of Wednesday (April 28), down 11% from last week, while daily casualties (7-day moving average) totaled 2,387, down 14% in the same comparison.

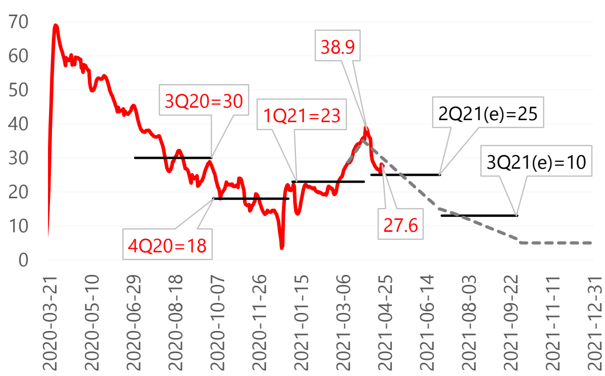
Mobility seems to be recovering faster than expected. Following the recent spike, our lockdown index has been posting a consistent downward trend in recent weeks, picturing for mobility a faster than expected pace of recovery. This recent improvement stems mainly from mobility increases in Workplaces and Transit Station segments. At the margin, the lockdown index slightly retreated, reaching 27.6 (7-day moving average) on April 23, but this is due to the contamination of a national holiday on April 21 and should be offset in the coming days. All in all, the maintenance of this recovery path implies upside risks to our scenario of mobility evolution in 2Q21.

Figure 3.A. – Vaccination by Age (April 27, 2021)



Sources: PNAD, dataSUS, @eliaskrainski, Santander.

Figure 3.B. – Lockdown Index* and Mobility Forecasts (Feb/20=0, 7-day average)



Sources: Google, Santander.
* This index is built as an average of selected segments from Google Mobility Report with inverted scales. Data are available until April 23, 2021.

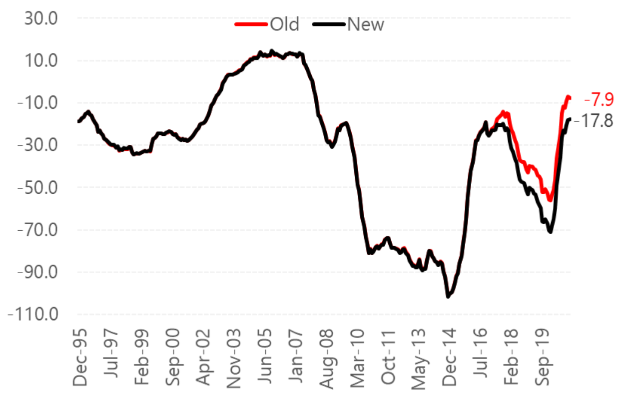
BALANCE OF PAYMENTS

In early April 2021, the Foreign Trade Secretariat (dubbed SECEX) introduced statistical enhancements that shook the Brazilian trade balance data. Henceforth, in order to assess the Brazilian trade dynamics, we won't need to exclude oil platforms deals that were simple accounting adjustments stemming from tax issues. However, other businesses that were either neglected or underestimated are now going to be accounted for. The change resulted in lower/higher exports/imports volumes than previously unveiled and, thus, it translated into larger current account deficits in the same period. That was the main reason for the divergence between our estimate for the current account deficit last month (USD2.2 billion) and the actual outcome (an imbalance of USD4.0 billion). On a 12-month-to-date basis, instead of pointing to a USD7.9 billion deficit in March 2021, data showed the imbalance reached USD17.8 billion last month.

Despite resulting in a larger deficit than before, **the methodological change did not change the improving trajectory that the current account balance has followed lately, thus reinforcing our assessment that the prospects for the Brazilian balance of payments continue to be positive** (see details in the link[2]). After all, we expect the Brazilian trade balance to register a fairly sizeable surplus this year, given the prospects for a relatively fast economic recovery in key trading partners and the maintenance of favorable terms of trade on the heels of rising commodity prices.

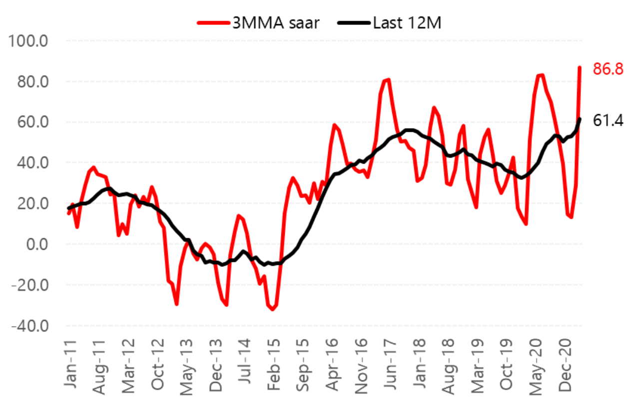
Incidentally, the release of April 2021 trade balance on Monday (May 3) should be an evidence of this assessment. **According to our calculations, Brazil should register a USD12.1 billion surplus in the period, which will mean a USD61.4 billion surplus on a 12M-to-date basis as compared to USD50.4 billion in December 2020.** Given that the best seasonal moment of the trade balance is yet to come, the trade surplus should continue to get higher in the coming months on a 12M-to-date basis and to end 2021 far above the level observed in 2020.

Figure 4.A. – Current Account Balance (USD billion, 12M-to-date)



Sources: Brazilian Central Bank, Santander.

Figure 4.B. – Trade Balance (USD billion)



Sources: Brazilian Central Bank, Santander.

[2] **Santander Brazil – External Sector:** ***"Same Song, Different Key"*** – April 26, 2021- Available on: http://bit.ly/Std-bop-mar21

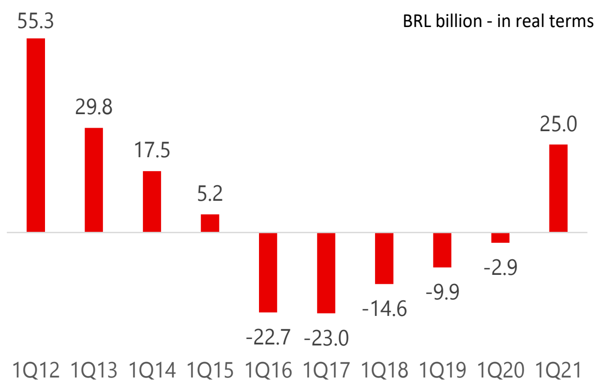
FISCAL POLICY AND POLITICS

In 1Q21, the central government recorded the best primary result since 2013 for the period. This result occurred on the heels of a lower level of discretionary expenses that reached the all-time low in the 12-month reading—constrained by the lack of an approved budget up to March—and also a relevant effect of a higher inflation (recovery of companies' profit margins) and FX depreciation (improving the results of commodity exporters and raising the value of import-related taxes) on the revenue front.

On April 29, the National Treasury disclosed the central government primary data for March. The monthly result was a primary surplus of BRL2.1 billion, better than our forecast (-BRL1.5 billion) and the market's median estimate (-BRL5.4 billion). In the 1Q21, the surplus was BRL25 billion, the first positive result after five years of deficit for the period. During the first quarter, total revenue rose 5.6% YoY, considering the federal tax collection positive result (boosted by inflation and FX depreciation) and extraordinary revenues, while the total expenditure dropped -0.4% YoY (-3.1% YoY in March). On the expenditure side, a key factor was the lower level of discretionary spending—currently at the all-time low in 12-month terms (BRL106 billion). In 1Q21, discretionary expenses were 34% lower than in 1Q20 in real terms (-BRL7.1 billion). It is important to note that the disbursement was only 1/18 of the budget for these expenses in 2021—since the final budget has not yet been approved during this period. In 12-months reading, the deficit reached BRL760 billion (9.5% of GDP). The government's primary target for 2021 is BRL247 billion (3.0% of GDP); however, we note that ~BRL70 billion in expenses will not be considered in the official calculation of the primary target, legally permitted by recently approved laws (*PEC emergencial* and PLN2/2021). Considering all the expenses for 2021, we estimate a central government primary deficit of BRL275 billion (3.2% of GDP).

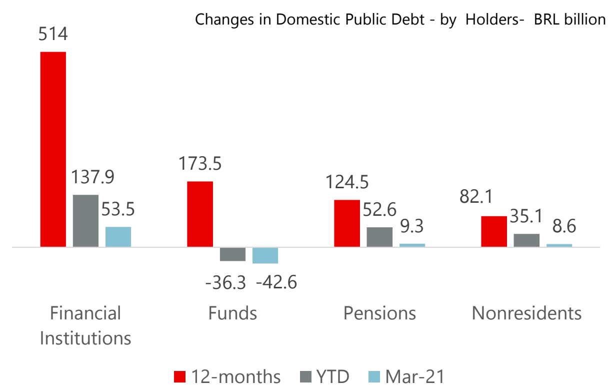
On April 28, the National Treasury released the Monthly Debt Report for March 2021. The Federal Public Debt (FPD) new issuances reached BRL164.7 billion, the seventh consecutive month above BRL150 billion, compared to an average of BRL63 billion per month in 2019. The total outstanding debt registered a +0.7% MoM nominal increase, reaching BRL5.42 trillion in March. Moreover, the share of non-residents in the public debt ticked up to 9.5% from 9.4% in February, with a positive flow of +BRL8.6 billion in March. Considering the debt management, the debt maturing until June 2021 totaled BRL424 billion (or 40% of the expected level for 2021), most debt maturities were concentrated in April (BRL331.2 billion). In contrast, the Treasury's liquidity cushion registered a +20% nominal increase, shifting from BRL933.2 billion in February to BRL1,119 billion in March, most part of this increase is due to the de-earmarking of public funds allowed in PEC *emergencial* (BRL140 billion) and BNDES payments of BRL32 billion to the Treasury. In the press conference, the National Treasury stated that part of the resources was already used in April, and the current level of reserves is enough to cover up to seven months of debt maturities. In our view, the rise in the Selic rate may increase the average cost of new debt issuances in the next few months. Yet, the cost should still be below the average interest rate of the domestic federal debt stock (which was held steady at 7.2% in March). In our view, even from a debt management standpoint, it is key to approve structural reforms, as it would facilitate an extension of debt maturities and the maintenance of interest rate at low levels.

Figure 5.A. – Central Gov. Primary Balance



Sources: National Treasury, Santander.

Figure 5.B. – Federal Public Debt – by Holders



Sources: National Treasury, Santander.

INFLATION

April's IPCA-15 increased 0.60% MoM (6.17% YoY), below the median market expectation of 0.65% and broadly in line with our forecast of 0.62%. The small downside surprise was scattered between administered prices (-2 bps), services (-2 bps) and industrial goods (-1 bp), while food-at-home surprised a bit to the upside (+2 bps).

In terms of underlying measures, the reading was marginally better (as were the last few), but the picture is still unfavorable and the recent commodities rally is a negative sign in the medium term. On the bright side, the EX3 core surprised to the downside (0.31% MoM vs. 0.43% estimated) and the 3mma-saar decelerated from 5.8% to 4.9%. Services core also decelerated, to 4.2% from 4.8% in 3mma-saar terms, while industrials core decelerated to 6.2% from 7.3% 3mma-saar. The average of the main cores rose 0.34% MoM, meaning also a small deceleration in the 3mma-saar (5.0% from 5.4%). Finally, the diffusion (seasonally adjusted) fell to 58.3% from 61.0%. Therefore, most of the underlying measures showed some relief at the margin but continued at very high levels.

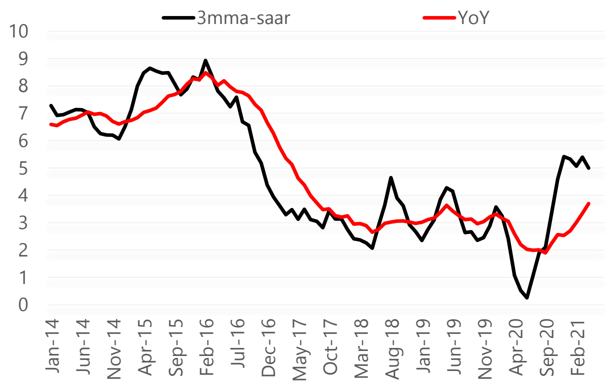
We revised our short-term forecasts to 0.27% (from 0.31%) for April, 0.72% (from 0.62%) for May, and 0.24% (from 0.16%) for June. Looking ahead, the recent boost in commodity prices (particularly grains and metals) increases the upside risk for IPCA 2021E and we already raised our high-frequency tracking to 5.4% from 5.3%—it is worth highlighting that the BCB's target is 3.75%, with the upper bound of the tolerance interval at 5.25%. For the IPCA 2022, we still believe that most of the pandemic-related influences will have faded and that prices will return to being more determined by weak demand, causing the IPCA 2022 to stay closer to the target, but a bit above, at 3.70% (target is 3.50%). However, greater inertia from 2021 onward, and a trickier fiscal scenario, tilt the risks to the upside, in our view. See details in the link[3]

Figure 6.A. – April's IPCA-15 Result (%)

	MoM			YoY	
	Apr-21	Santander	Dev.	Mar-21	Apr-21
IPCA-15	0.60	0.62	-0.02	5.5	6.2
Administered	1.55	1.62	-0.02	5.3	8.1
Free	0.27	0.28	-0.01	5.6	5.5
Food-at-home	0.19	0.09	0.02	18.5	15.1
Industrial goods	0.46	0.52	-0.01	4.7	6.3
Services	0.18	0.22	-0.02	1.6	1.5
EX3 Core	0.31	0.43	-0.12	3.2	3.7
Average of cores	0.34	-	-	3.3	3.7

Sources: IBGE, Santander.

Figure 6.B. – Core Inflation (IPCA-15 EX3, %)



Sources: IBGE, Santander.

[3] **Santander Brazil – Inflation:** ***"IPCA-15 April: Marginal Relief for Underlying Measures Don't Improve Inflation Outlook Considerably"*** – April 26, 2021- Available on: http://bit.ly/Std-ipca15-apr21

BANK LENDING

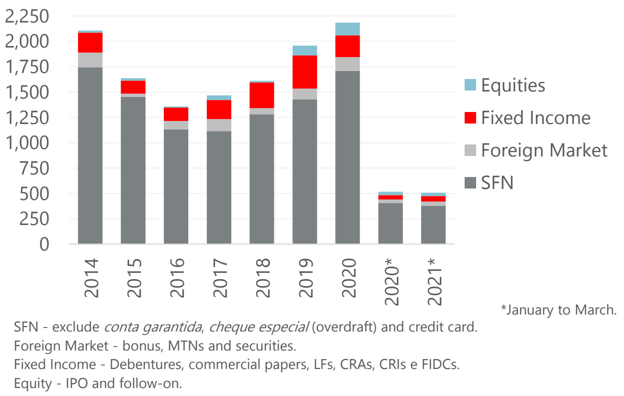
Total outstanding loans in the National Financial System (SFN) posted inflation-adjusted growth of 7.9% YoY in March (BRL4.1 trillion), up 5.6% YoY for households and 11.0% YoY for non-financial corporations. New loans adjusted for inflation and seasonality (Central Bank of Brazil methodology) rose 0.2% in March, a slowdown from February (+5.1% MoM-sa). For households, the non-earmarked segment saw a decrease of 5.5% MoM-sa, **likely a direct effect from new lockdown measures in response to a worsening of the pandemic.**

In the earmarked segment, real estate financing remains high (+67.4% YoY), reflecting favorable financial conditions. For companies, there was a significant increase of 23.1% MoM-sa in March in the non-earmarked segment as they relied on working capital and discount trade bills for support to see them through activity restrictions imposed by local governments; in the earmarked segment, there was an increase of 12.1% MoM-sa. Importantly, **we expect a new round of BRL5 billion in Pronampe credit support in the coming weeks.**

Considering total corporate financing YTD through March 2021 (new loans in the SFN, debt and equity issues in the capital markets) vs. the year ago period, issuances in the capital markets are 14% higher, while SFN concessions are down 6%. As a result, total corporate financing is down 2% compared to the year-ago period.

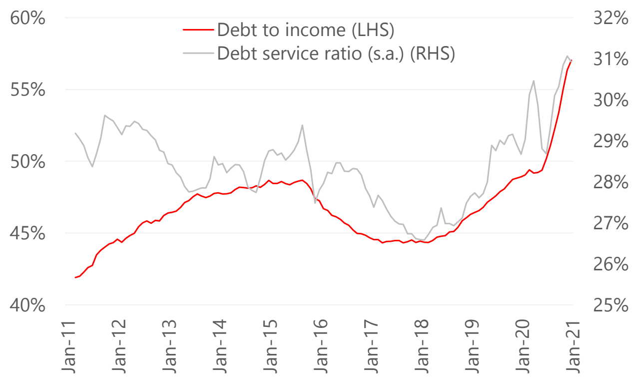
Still, for non-earmarked loans, the seasonally adjusted default rate (% of 90-day past-due loans) came in at 4.2% and 1.7%, respectively, for households and corporations, an increase from February. **Importantly, both the debt-to-income and debt service ratios for households have been rising fast, a risk for delinquencies and credit supply as the economy recovers.**

Figure 7.A. – Total Corporate Financing (BRL billion, Inflation Adjusted)



Sources: Brazilian Central Bank, Anbima, Santander.

Figure 7.B. – Consumer Indebtedness (% of Expanded Aggregate Wages)



Sources: Brazilian Central Bank, Santander.

ECONOMIC ACTIVITY

April's soft data show industrial confidence going down while inventory surplus goes up. As anticipated in last week's preview, the headline industry index fell in April (-0.7%), the third decline in a row but not enough to take the index below the neutral mark. This figure still reflects, thus, a reduction in the optimism of businessmen rather than an increase in pessimism. Regarding the impacts of the pandemic, despite the string of declines, the index is still 2.1% above the pre-crisis mark (February 2020). In the survey details, inventories surplus (i.e. percentage of respondents seeing inventories are excessive minus respondents seeing inventories are insufficient) was up, reaching 1.1 points (-2.2 in March). This is the first positive figure since September 2020, but it is still running at historically low levels.

Consumer and retail confidence indexes rebounded in April. Following March's steep declines (due to the resurgence of the pandemic), the confidence indexes for consumer and retail expanded by 6.3% and 16.0%, respectively, though not enough to fully offset the previous drops. Regarding the impact of the pandemic, both indicators are running at levels well below the pre-pandemic mark: in comparison to February 2020, consumer and retail indexes fell by 15.7% and 17.4%, respectively.

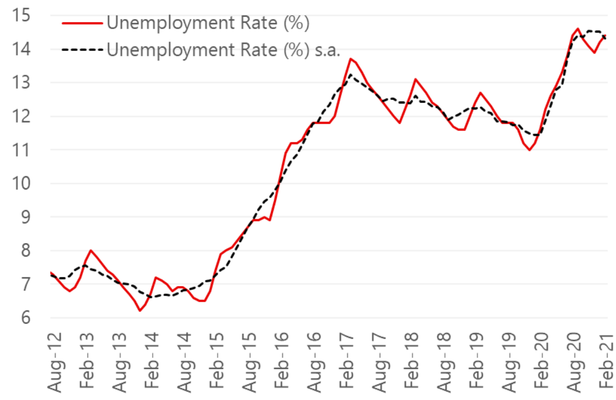
According to the March CAGED survey, net (unadjusted) formal job creation stood at +184.1k, (versus consensus +150k, Santander estimate +226k), better than the month's historical average of +52k and below the all-time record for the month (+266k in 2010). It was the first time since September 2020 that a CAGED result is not an all-time high for the month. After our seasonal adjustment, net formal job creation decreased to +263k, from +331k in February. In our view, CAGED decelerated at the margin, but still posted a strong result. On the other hand, IBGE's February PNAD household survey indicated a 14.4% unemployment rate (14.3% sa), and still shows signs of a precarious labor market, with considerable slacks especially in the informal sector, which is not covered by CAGED survey. Since mid-2020, CAGED data has shown much better results than IBGE's PNAD survey. We believe CAGED results may have underreported layoffs in the recent period, especially throughout 2H20, as explored in our recent special report, see link below[4]. However, the February and March CAGED releases show that the indicator may be normalizing at the margin, pointing to a more legitimate recovery in the formal job market at the margin. In our view, more consistent recovery of the labor market depends on the vaccination process rollout and a broader economic reopening.

IBGE will release next week the first batch of the main economic indexes for March. Industrial production data is due out on Wednesday (May 5), while the broad retail sales are due out on Friday (May 7). We expect monthly figures of -4.0% MoM-sa and -13.5% MoM-sa, respectively. For details on Santander's economic activity scenario, please refer to our latest chartbook[5].

Figure 8.A. – Net Formal Job Creation (sa)

Sources: CAGED, Santander.

Figure 8.B. – Unemployment Rate



Sources: IBGE, Santander.

[4] **Santander Brazil Labor Market - *"CAGED vs. PNAD: Which Labor Survey is Right?"* –** April 12, 2021 - Available on: http://bit.ly/STD-pnad-caged-apr21

[5] **Santander Brazil Economic Activity - *"Chartbook - Lingering Impacts to Keep Recovery at a Slow Pace"* –** April 13, 2021- Available on: http://bit.ly/STD-chartbook-Act-apr21

MONETARY POLICY

On Wednesday (May 5), the Brazilian Central Bank (BCB) announces its monetary policy decision. We expect another hike in the Selic policy rate of 0.75 p.p. to 3.50%, which is broadly in line with consensus and the most likely outcome priced into the yield curve (~80% probability). At the previous meeting, the Copom raised the rate by 0.75 p.p. to 2.75%, which began the process of removing the "extraordinary" degree of stimulus.

For this meeting, in terms of policy signaling, we believe if the BCB continues to point to a process of "partial normalization" of interest rates (i.e. indicating a willingness to maintain some stimulus at the end of the adjustment), then Copom will likely reaffirm the data dependency of the next steps, meaning no pre-commitment with the speed or depth of the tightening cycle. For the subsequent policy meeting (June), it is possible that the BCB signals a continuation of the interest rate adjustment at a pace of 50 or 75 basis points.

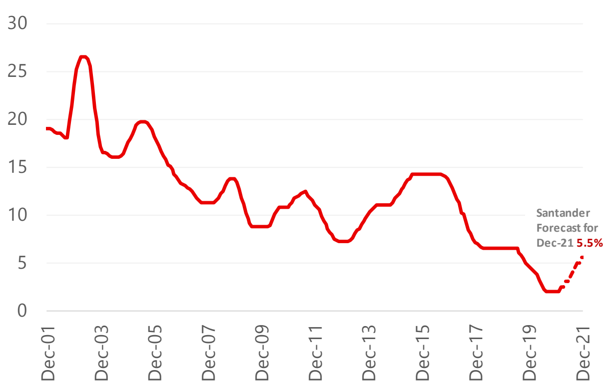
Regarding the scenario assessment, we believe the BCB will continue to recognize the recovery in economic activity, while noting downside risks to the economy due to mobility restrictions after the strong relapse of COVID-19. The pace of recovery before the worsening of the pandemic could be seen as a sign of a lesser need for extraordinary monetary stimuli, with the BCB probably maintaining a constructive view for the speed of economic recovery in 2H21, based on an expected acceleration of the vaccination program and economic reopening.

On the inflation side, the central bank is likely to remain cautious as Copom may continue to highlight the accelerating IPCA and high underlying measures. But we believe the authority should retain the assessment that these are mostly temporary pressures, still largely concentrated in volatile items. It is likely that the BCB will recognize an even greater intensity and persistence of recent inflationary shocks, reaffirming the need for the removal of stimulus to avert contagion for inflation expectations for the relevant policy horizon (2022, at this juncture).

In our view, the medium-term fiscal situation remains worrisome, despite the recent solution by the Executive branch and Congress to adjust the legislation to ensure the implementation of the 2021 budget. In our view, the fiscal outlook has worsened a little further since the last Copom meeting, and we believe the BCB should at least maintain if not increase its recognition of the fiscal risks. Thus, we project a continued upward bias in the balance of risks for inflation.

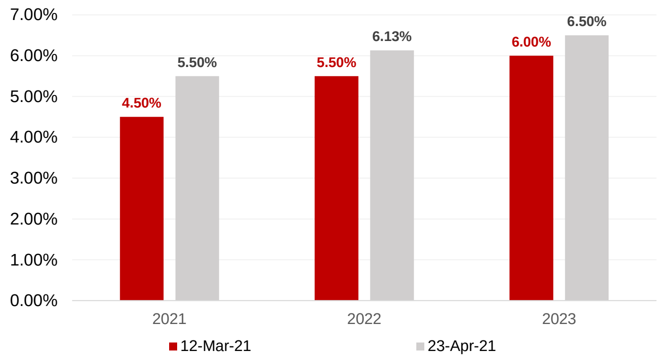
Amid persistent inflationary surprises to the upside, largely reflecting higher (and still rising) costs in BRL terms, and increasing risks for an orderly structural budget adjustment, we see greater chances of a more hawkish response by the BCB. Our scenario projects a Selic rate of 5.50% at the end of this year, with a slight upward bias. For the end of 2022, we continue to project interest rate at 6.00%. For 2023, we estimate 7.00%.

Figure 9.A. – Nominal Selic Rate (monthly average, % p.a.)



Sources: Brazilian Central Bank, Santander.

Figure 9.B. – Selic Rate Expectations (median, year-end, % p.a.)



Sources: Brazilian Central Bank, Santander.

CONTACTS / IMPORTANT DISCLOSURES

Brazil Macro Research			
Ana Paula Vescovi*	Chief Economist	anavescovi@santander.com.br	5511-3553-8567
Mauricio Oreng*	Head of Macro Research	mauricio.oreng@santander.com.br	5511-3553-5404
Jankiel Santos*	Economist – External Sector	jankiel.santos@santander.com.br	5511-3012-5726
Ítalo Franca*	Economist – Fiscal Policy	italo.franca@santander.com.br	5511-3553-5235
Daniel Karp Vasquez*	Economist – Inflation	daniel.karp@santander.com.br	5511-3553-9828
Tomas Urani*	Economist – Global Economics	tomas.urani@santander.com.br	5511-3553-9520
Lucas Maynard*	Economist – Economic Activity	lucas.maynard.da.silva@santander.com.br	5511-3553-7495
Felipe Kotinda*	Economist – Credit	felipe.kotinda@santander.com.br	5511-3553-8071
Gabriel Couto*	Economist – Special Projects	gabriel.couto@santander.com.br	5511-3553-8487
Gilmar Lima*	Economist – Modeling	gilmar.lima@santander.com.br	5511-3553-6327
Global Macro Research			
Maciej Reluga*	Head Macro, Rates & FX Strategy – CEE	maciej.reluga@santander.pl	48-22-534-1888
Juan Cerruti *	Senior Economist – Argentina	jcerruti@santander.com.ar	54 11 4341 1272
Ana Paula Vescovi*	Economist – Brazil	anavescovi@santander.com.br	5511-3553-8567
Juan Pablo Cabrera*	Economist – Chile	jcabrera@santander.cl	562-2320-3778
Guillermo Aboumrad*	Economist – Mexico	gjaboumrad@santander.com.mx	5255-5257-8170
Piotr Bielski*	Economist – Poland	piotr.bielski@santander.pl	48-22-534-1888
Mike Moran	Head of Macro Research, US	mike.moran@santander.us	212-350-3500
Fixed Income Research			
Juan Arranz*	Chief Rates & FX Strategist – Argentina	jarranz@santanderrio.com.ar	5411-4341-1065
Mauricio Oreng*	Senior Economist/Strategist – Brazil	mauricio.oreng@santander.com.br	5511-3553-5404
Juan Pablo Cabrera*	Chief Rates & FX Strategist – Chile	jcabrera@santander.cl	562-2320-3778
Equity Research			
Miguel Machado*	Head Equity Research Americas	mmachado@santander.com.mx	5255 5269 2228
Alan Alanis*	Head, Mexico	aalanis@santander.com.mx	5552-5269-2103
Andres Soto	Head, Andean	asoto@santander.us	212-407-0976
Claudia Benavente*	Head, Chile	claudia.benavente@santander.cl	562-2336-3361
Walter Chiarvesio*	Head, Argentina	wchiarvesio@santanderrio.com.ar	5411-4341-1564
Henrique Navarro*	Head, Brazil	havieira@santander.com.br	5511-3012-5756

Electronic	
Bloomberg	SIEQ <GO>
Reuters	Pages SISEMA through SISEMZ

Santander