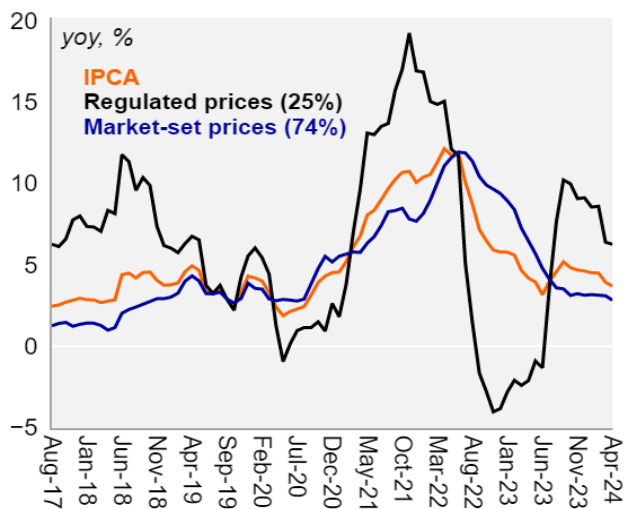


Friday, May 10, 2024

## IPCA moved up 0.38% in April, close to our expectations

- ▶ April IPCA came in at 0.38%, broadly in line with our call (0.37%) and exceeding market forecast (0.35%). In 12 months, IPCA rose 3.7%, versus 3.9% in March.
- ▶ Compared to our forecast, we highlight the higher-than-expected gasoline prices, offset by downside surprise in industrial products (pharmaceuticals). Regarding core metrics, both underlying services and underlying industrials inflations were close to expectations.
- ▶ In the three-month moving average, with seasonally adjusted and annualized data, underlying services inflation declined to 4.8% (from 5.6%), while underlying industrials declined to 0.0% (from 2.0%). In the same metric, the average of core inflation measures receded to 3.0% (from 3.5%).
- ▶ **Our view:** April's IPCA was in line with our expectations and had a benign composition. The 3-month moving average of underlying services fell (after the readjustment of banking services at the beginning of the year), as did that of underlying industrials (after the upward shock of January). At the margin, the core average fell to 3.0% (from 3.5%).

IPCA - Market-Set and Regulated Prices



IPCA - Market-Set Prices

