

Brazil

Economic Watch

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Economic Analysis

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Brazil: industrial production expanded 0.2%m/m in January

- The just released industrial production index grew 0.2%m/m in January. In comparison to January of 2010 the expansion was equal to 2.5%.
- Although these figures topped market's expectations (-0.3%m/m; 1.5%y/y), the performance of the industrial production remains fragile. In the last three months industrial activity accumulated a 0.7% drop and since March of 2010, when it reached an all-time high, the total decline equals 2.5%.
- We see the industrial production expansion in January as a punctual correction and not as a change in the negative trend observed since the middle of last year.
- We expect industrial production to continue being affected by the appreciation of the exchange rate and by the tightening of main macroeconomic policies.

For more on Brazil, [click here](#).

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