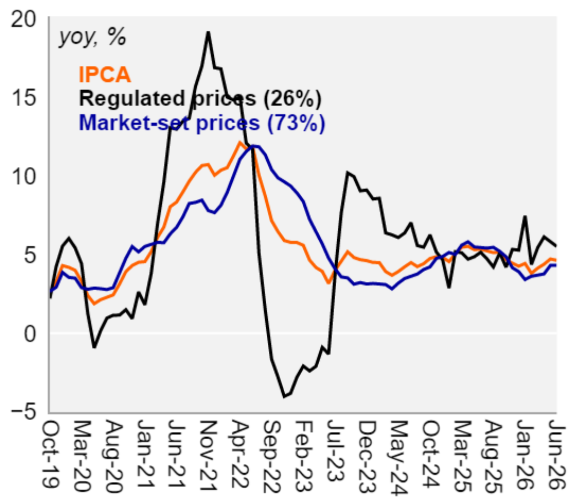
Macro Brazil

July 10, 2026

IPCA moved up 0.16% in June, below expectations

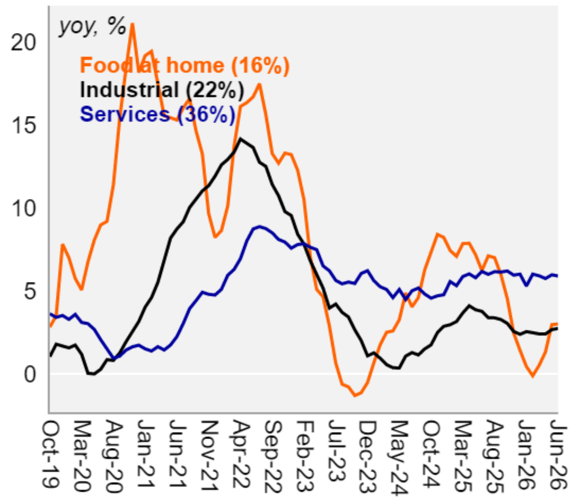
- June IPCA came in at 0.16%, below both our call (0.29%) and market forecast (0.31%). In 12 months, IPCA rose 4.6%, versus 4.7% in May.
- Compared to our forecast, we highlight the lower-than-expected prints in food at home and food out of home. Used cars, on the other hand, came in above our forecast. Regarding core metrics, underlying services inflation was below expectations led by food out of home, while underlying industrials were in line with our estimates.
- In the three-month moving average, with seasonally adjusted and annualized data, underlying services inflation declined to 4.8% (from 5.5%), while underlying industrials moved up to 6.6% (from 6.3%). In the same metric, the average of core inflation measures receded to 5.0% (from 5.5%).
- **Our view:** June IPCA surprised to the downside, primarily reflecting a sharper-than-expected decline in food prices (especially fresh food items, which typically benefit from favorable seasonal patterns at this time of the year). Beyond the softer headline reading, core inflation measures also came in better than expected, with underlying services showing a more pronounced deceleration, impacted by food-away-from-home prices. The result reinforces the view that current inflation dynamics remain relatively benign in the near term. The balance of risks for our year-end IPCA forecast continues to be skewed to the downside.

IPCA - Market-Set and Regulated Prices



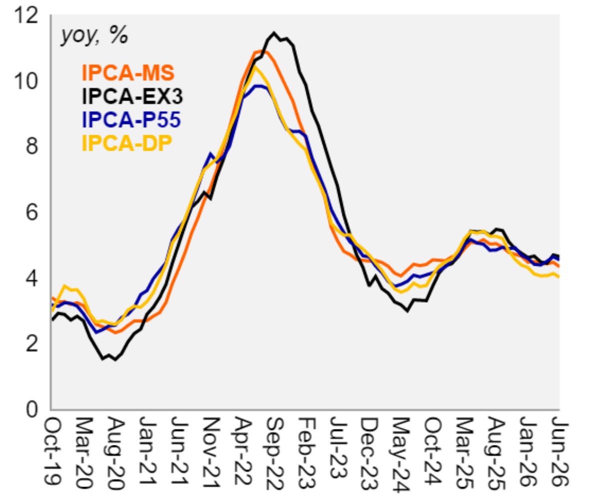
Source: IBGE, Itaú

IPCA - Market-Set Prices



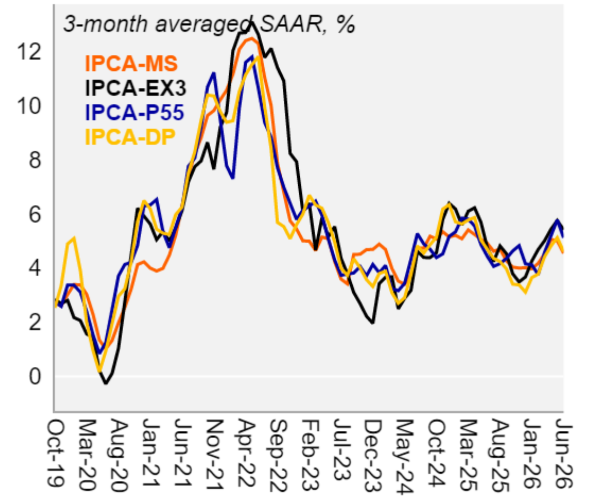
Source: IBGE, Itaú

IPCA - Core



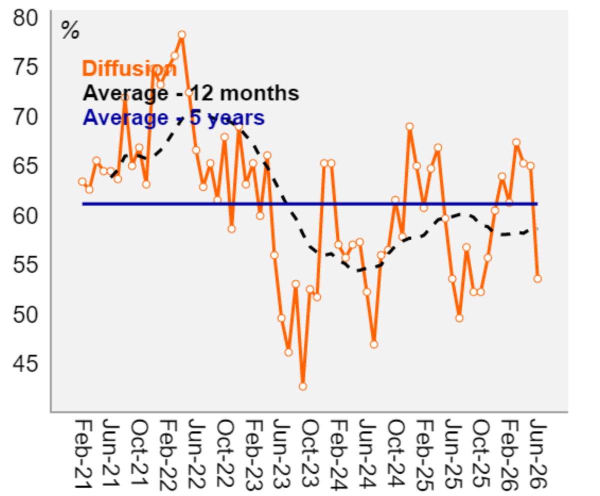
Source: IBGE, Itaú

IPCA - Core s.a. annualized, 3-month averaged



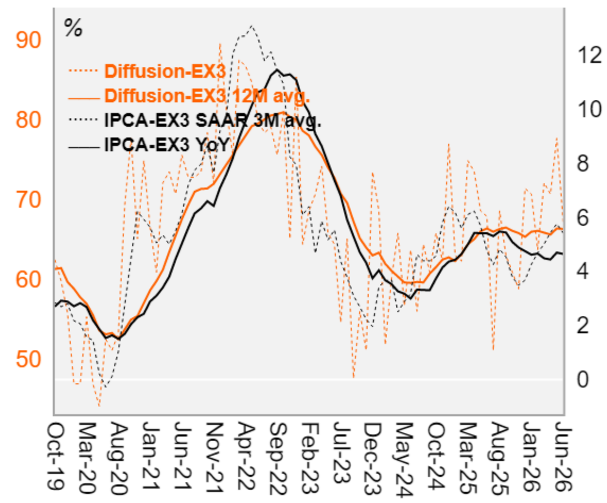
Source: IBGE, Itaú

IPCA - Diffusion Index



Source: IBGE, Itaú

IPCA and diffusion index for EX3 core



Source: IBGE, Itaú

	Weight		Jun-2025		May-2026		Jun-2026		Proj.	Δ
			IPCA-15	IPCA	IPCA-15	IPCA	IPCA-15	IPCA		bps
	100	**Headline**	**0.26**	**0.24**	**0.62**	**0.58**	**0.41**	**0.16**	**0.29**	**-13.0**
GROUPS	**21**	**Food & beverage**	**-0.02**	**-0.18**	**1.38**	**1.33**	**0.74**	**-0.24**	**0.30**	**-11.8**
	15	Food at home	-0.24	-0.43	1.73	1.65	0.87	-0.39	0.19	-9.1
	6	Food out of home	0.55	0.46	0.51	0.49	0.40	0.15	0.58	-2.6
	15	**Housing**	**1.08**	**0.99**	**1.03**	**1.22**	**0.72**	**0.63**	**0.59**	**0.6**
	3	**Household articles**	**0.11**	**0.08**	**0.21**	**0.08**	**0.36**	**0.23**	**0.32**	**-0.3**
	4	**Apparel**	**0.51**	**0.75**	**0.36**	**0.62**	**0.45**	**0.17**	**0.02**	**0.7**
	20	**Transportation**	**0.06**	**0.27**	**-0.33**	**-0.46**	**-0.03**	**0.17**	**0.15**	**0.4**
	13	**Health and personal care**	**0.29**	**0.07**	**1.05**	**0.90**	**0.47**	**0.23**	**0.32**	**-1.2**
	10	**Personal spending**	**0.19**	**0.23**	**0.50**	**0.41**	**0.34**	**0.25**	**0.33**	**-0.8**
	6	**Education**	**-0.02**	**0.00**	**0.01**	**0.00**	**-0.02**	**-0.02**	**-0.00**	**-0.1**
	4	**Communication**	**0.02**	**0.11**	**0.36**	**0.23**	**0.34**	**0.19**	**0.37**	**-0.8**
BREAKDOWN	**26**	**Regulated prices**	**0.65**	**0.60**	**0.43**	**0.44**	**0.27**	**0.29**	**0.33**	**-1.0**
	4	Residential electricity	3.29	2.96	2.16	3.67	2.04	1.53	1.50	0.1
	5	Gasoline	-0.52	-0.34	-1.32	-1.46	-0.73	-0.12	-0.10	-0.1
	73	**Market-set prices**	**0.12**	**0.11**	**0.69**	**0.64**	**0.46**	**0.11**	**0.28**	**-12.3**
	15	Food at home	-0.24	-0.43	1.73	1.65	0.87	-0.39	0.19	-9.1
	22	Industrials	0.06	0.04	0.31	0.32	0.27	0.11	0.07	0.9
	35	**Services**	**0.31**	**0.40**	**0.48**	**0.40**	**0.40**	**0.34**	**0.45**	**-4.1**
CORES AND DIFFUSION	**4**	**Underlying food at home**	**0.71**	**0.19**	**0.24**	**0.17**	**-0.45**	**-0.81**	**-0.34**	**-2.1**
	15	**Underlying industrials**	**0.20**	**0.04**	**0.68**	**0.84**	**0.57**	**0.22**	**0.27**	**-0.8**
	21	**Underlying services**	**0.42**	**0.44**	**0.53**	**0.40**	**0.27**	**0.22**	**0.34**	**-2.6**
	58	IPCA-EX0	0.22	0.26	0.42	0.37	0.35	0.25	0.31	-3.6
	81	IPCA-EX1	0.45	0.42	0.52	0.55	0.42	0.27	0.35	-6.3
	41	IPCA-EX2	0.37	0.26	0.55	0.54	0.30	0.11	0.24	-5.4
	36	IPCA-EX3	0.33	0.27	0.59	0.58	0.39	0.22	0.31	-3.3
	-	IPCA-MS	0.38	0.38	0.45	0.43	0.32	0.24	0.33	-
	-	IPCA-DP	0.29	0.26	0.47	0.38	0.27	0.15	0.25	-
	-	IPCA-P55	0.32	0.27	0.50	0.48	0.36	0.18	0.00	-
	-	**Diffusion index**	**57.77**	**53.58**	**65.12**	**64.99**	**60.22**	**53.58**	**-**	**-**

IPCA-EX0: excludes food and Regulated prices.

IPCA-EX3: underlying indicator for services and industrial products.

IPCA-MS (Smoothed Trimmed Means): before the items with a monthly variation above the 80th percentile or below the 20th percentile are excluded, components with infrequent variations are smoothed.

IPCA-DP (Double Weight): proportionally reduces the weight of more volatile items.

Diffusion: share of subitens with positive price changes during the month.

Source: IBGE, BCB, Itaú

	Weight	Jun-25	Mar-26	Apr-26	May-26	Jun-26
IPCA (monthly)	**100.0**	**0.24**	**0.88**	**0.67**	**0.58**	**0.16**
Regulated prices	**26.1**	**0.60**	**1.22**	**1.00**	**0.44**	**0.29**
Market-set prices	**73.9**	**0.11**	**0.76**	**0.55**	**0.64**	**0.11**
Food at home	15.7	-0.43	1.94	1.64	1.65	-0.39
Industrials	22.3	0.04	0.31	0.62	0.32	0.11
Services	35.9	0.40	0.53	0.04	0.40	0.34
IPCA (12-month)	**100.0**	**5.35**	**4.14**	**4.39**	**4.72**	**4.64**
Regulated prices	**26.0**	**5.15**	**5.45**	**6.13**	**5.85**	**5.52**
Market-set prices	**74.0**	**5.44**	**3.68**	**3.77**	**4.32**	**4.32**
Food at home	16.0	6.23	0.51	1.32	2.97	3.01
Industrials	22.0	3.77	2.41	2.40	2.67	2.74
Services	36.0	6.17	5.91	5.75	5.97	5.90
Core* (monthly)						
IPCA-EX0	58.0	0.26	0.45	0.26	0.37	0.25
IPCA-EX3	37.0	0.27	0.39	0.63	0.58	0.22
IPCA-MS	-	0.38	0.41	0.48	0.43	0.24
IPCA-DP	-	0.26	0.46	0.51	0.38	0.15
IPCA-P55	-	0.27	0.46	0.59	0.48	0.18
Average**	**-**	**0.29**	**0.43**	**0.49**	**0.45**	**0.21**
Core* (12-month)						
IPCA-EX0	58.0	5.22	4.55	4.44	4.68	4.67
IPCA-EX3	37.0	5.40	4.48	4.44	4.69	4.64
IPCA-MS	-	5.15	4.43	4.42	4.47	4.33
IPCA-DP	-	5.41	4.06	4.06	4.12	4.01
IPCA-P55	-	5.02	4.39	4.50	4.63	4.54
Média núcleos**	**-**	**5.24**	**4.38**	**4.37**	**4.52**	**4.44**
Difusão***						
Diffusion index	-	53.58	67.37	65.25	64.99	53.58

* IPCA-EX0: excludes food and Regulated prices.
IPCA-EX3: underlying indicator for services and industrial products.
IPCA-MS (Smoothed Trimmed Means): before the items with a monthly variation above the 80th percentile or below the 20th percentile are excluded, components with infrequent variations are smoothed.
IPCA-DP (Double Weight): proportionally reduces the weight of more volatile items.
IPCA-P55: corresponds to the variation of the 55th percentile of the distribution weighted by the subitem weights.
** Average of IPCA-EX0, EX3, MS, DP and P55.
*** Diffusion: share of subitens with positive price changes during the month.
Source: IBGE, BCB, Itaú

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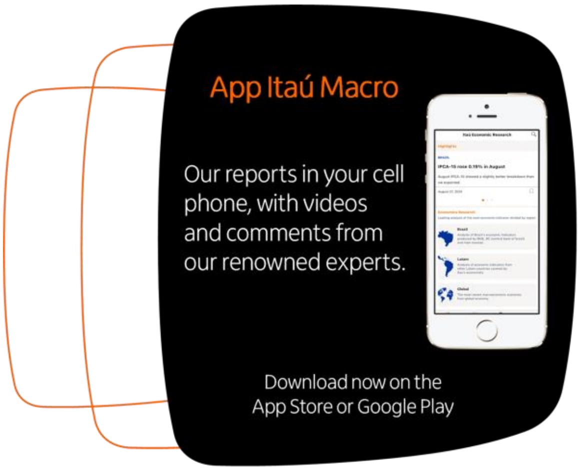

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