



INEC[®] CONSUMER CONFIDENCE INDEX



Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

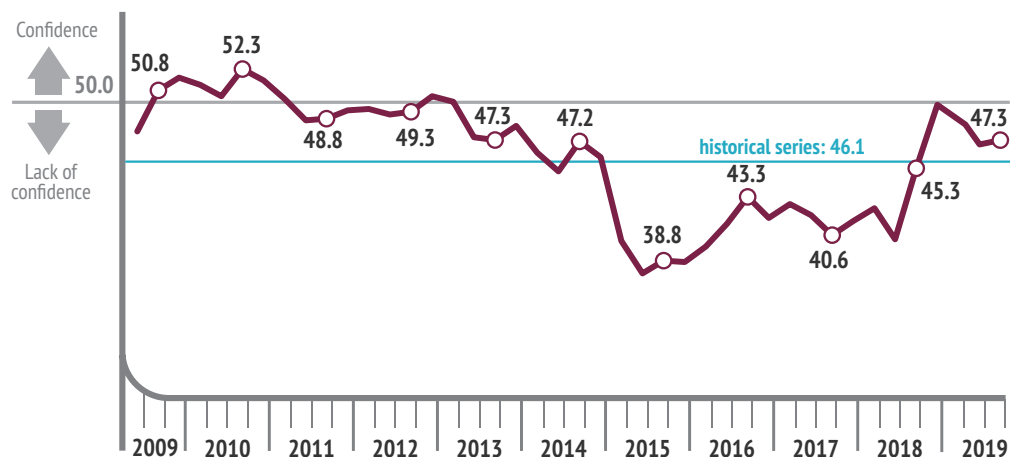
Consumer confidence holds virtually steady

The Consumer Confidence Index (INEC) rose from 47.0 points in June 2019 to 47.3 points in September. While the 0.3-point increase does not represent a significant change in consumer confidence in the period, it breaks a sequence of two consecutive declines. As a result, the index stopped moving away from the 50-point dividing line, which would show a more significant decline in consumer confidence.

The indicator remains above its 46.1-point historical average and is up by 2.0 points from the figure observed in September 2018. The INEC continues to fall in the South region, where it experienced its third consecutive decline. Confidence remains lower in the Northeast region – where the index is below its historical average – and among those earning monthly household incomes of up to one minimum wage.

Historical series

Index (0-100 points)*



* Figures below 50 points indicate lack of consumer confidence. The further below 50 points, the more significant and widespread the lack of confidence.

The Consumer Confidence Index (INEC) has changed

The results are now released as a diffusion index ranging from 0 to 100 points instead of a fixed-base index. Readings above 50 points indicate confident consumers, while readings below 50 points show a lack of confidence. The index is now released on a quarterly basis. The historical series have been recalculated from 2009 to reflect the change in frequency and the new methodology. For more details on the changes made to the INEC, please see the new version of methodology available at www.cni.com.br/inec under "Metodologia".



INEC COMPONENTS

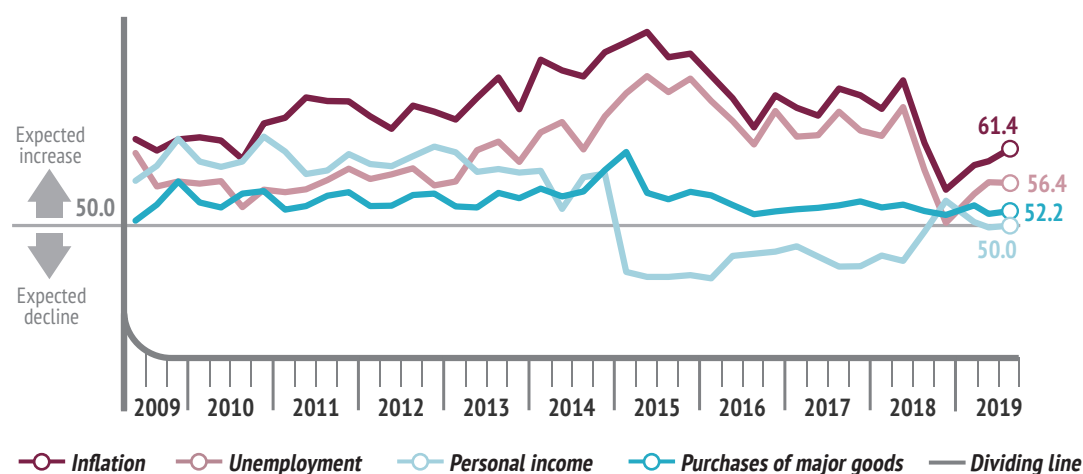
Confidence held back by worsening inflation expectations

Most indices making up the INEC showed a positive evolution between June and September 2019. Among them, special mention should be made of the indebtedness index, which dropped from 51 to 49.6 points, meaning that it was pointing to an increase and now suggests a stability in consumer debt, as the indicator is currently very close to the dividing line. The financial situation index also shows a more favorable situation as it grew by 1.2 points.

The index of expected inflation, on the other hand, held back an increase in confidence as it edged up by 1.8 points in September to 61.4 points. This marked the third consecutive increase in the index, which shows growing concerns over price increases.

Expectations indices

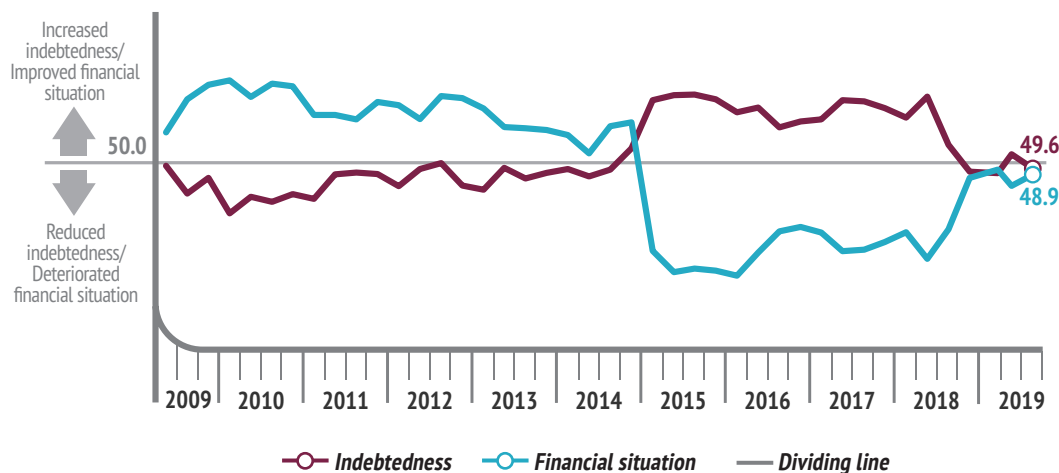
Index (0-100 points)*



* Figures above 50 points indicate an expected increase in inflation, unemployment, personal income, or purchases of major goods. The further above 50 points, the more significant and widespread the expected increase.

Financial condition indices

Index (0-100 points)*




* Figures below 50 points indicate an increase in indebtedness or a worsened financial situation. The further below 50 points, the more significant and widespread is the increase or worsening.



INEC BY CONSUMER PROFILE

Confidence shows homogeneous behavior among age groups

Confidence showed a homogeneous behavior among the different age groups. It is worth noting that the INEC among adults in the 35-44 age bracket, which had experienced the steepest decline in the last survey (-2.7 points), recorded once again the largest drop, this time of 1.8 points. Compared to September last year, all indices improved.


AGE 

| AGE | Q3 2019 | HISTORICAL AVERAGE | SEP19/JUN19 | SEP19/SEP18 |
|-------------|---------|--------------------|-------------|-------------|
| 16 to 24 | 49.2 | 47.8 | ↑ 1.0 | ↑ 1.7 |
| 25 to 34 | 47.8 | 46.7 | ↓ -0.8 | ↑ 1.7 |
| 35 to 44 | 47.4 | 45.7 | ↑ 1.5 | ↑ 3.2 |
| 45 to 54 | 44.3 | 45.1 | ↓ -1.8 | ↑ 0.7 |
| 55 or above | 47.8 | 45.4 | ↑ 1.4 | ↑ 2.4 |

Note: The INEC ranges from 0 to 100 points. Figures below 50 points indicate lack of consumer confidence.

Business confidence falls again among the least skilled

The INEC fell once again for the least skilled groups (up to 4th grade of elementary school and between 5th and 8th grade of elementary school). The most skilled groups, which had experienced the biggest declines in June, recorded growth in September, particularly those with a college degree. Compared to September last year, all indices showed an improvement, which increases as the education level rises.


LEVEL OF EDUCATION 

| LEVEL OF EDUCATION | Q3 2019 | HISTORICAL AVERAGE | SEP19/JUN19 | SEP19/SEP18 |
|--|---------|--------------------|-------------|-------------|
| Up to 4th grade of elementary school | 46.2 | 45.6 | ↓ -0.3 | ↑ 0.9 |
| From 5th to 8th grade of elementary school | 46.0 | 45.9 | ↓ -1.0 | ↑ 1.3 |
| High school | 47.4 | 46.5 | ↑ 0.4 | ↑ 1.7 |
| Higher education | 49.4 | 46.6 | ↑ 1.9 | ↑ 4.5 |

Note: The INEC ranges from 0 to 100 points. Figures below 50 points indicate lack of consumer confidence.

Confidence increases more in the highest income group

The biggest increase in confidence was observed in the group earning more than 5 minimum wages: up by 2.6 points. Among those earning up to one minimum wage, confidence also increased, but by 0.7 points. This group is still the only one – among the different income brackets – whose confidence remains below the historical average.


HOUSEHOLD INCOME 

| HOUSEHOLD INCOME (in minimum wages) | Q3 2019 | HISTORICAL AVERAGE | SEP19/JUN19 | SEP19/SEP18 |
|-------------------------------------|---------|--------------------|-------------|-------------|
| Over 5 | 53.2 | 48.0 | ↑ 2.6 | ↑ 5.2 |
| Over 2 to 5 | 48.3 | 46.9 | ↓ -0.5 | ↑ 1.5 |
| Over 1 to 2 | 46.7 | 45.7 | ↓ -0.4 | ↑ 1.4 |
| Up to 1 | 44.2 | 44.4 | ↑ 0.7 | ↑ 1.7 |

Note: The INEC ranges from 0 to 100 points. Figures below 50 points indicate lack of consumer confidence.

South is the only region where confidence continued to fall

The only region where the INEC declined as compared to June was the South region. Unlike the other regions, consumer confidence in the South region continues to worsen, with the index experiencing its third consecutive drop – meaning it now shows a lack of confidence. In the North/Midwest region, the situation is the opposite, as the index posted the highest growth (+1.6 points). As a result, consumers in the region, who were showing lack of confidence, are now close to being confident. In the Northeast region, confidence remains stable (up by 0.1 point) and below the historical average.

REGION 

| REGION | Q3 2019 | HISTORICAL AVERAGE | SEP19/JUN19 | SEP19/SEP18 |
|---------------|---------|--------------------|-------------|-------------|
| North/Midwest | 49.3 | 47.1 | ↑ 1.6 | ↑ 4.0 |
| Northeast | 45.4 | 46.7 | ↑ 0.1 | ↓ -0.4 |
| Southeast | 47.5 | 45.6 | ↑ 0.5 | ↑ 2.9 |
| South | 47.8 | 45.9 | ↓ -1.5 | ↑ 1.4 |

Note: The INEC ranges from 0 to 100 points. Figures below 50 points indicate lack of consumer confidence.



Results by consumer profile

| INEC | SEP/18 | DEC/18 | APR/19 | JUN/19 | SEP/19 |
|--|--------|--------|--------|--------|--------|
| Total | 45.3 | 49.8 | 48.4 | 47.0 | 47.3 |
| GENDER | | | | | |
| Male | 46.4 | 51.1 | 49.9 | 49.2 | 48.6 |
| Female | 44.2 | 48.6 | 47.0 | 45.0 | 46.2 |
| AGE | | | | | |
| 16 to 24 | 47.5 | 51.7 | 49.1 | 48.2 | 49.2 |
| 25 to 34 | 46.1 | 50.6 | 49.5 | 48.6 | 47.8 |
| 35 to 44 | 44.2 | 49.5 | 48.6 | 45.9 | 47.4 |
| 45 to 54 | 43.6 | 48.7 | 47.0 | 46.1 | 44.3 |
| 55 or above | 45.4 | 48.7 | 47.6 | 46.4 | 47.8 |
| EDUCATION | | | | | |
| Up to 4th grade of elementary school | 45.3 | 47.1 | 47.1 | 46.5 | 46.2 |
| From 5th to 8th grade of elementary school | 44.7 | 48.0 | 47.5 | 47.0 | 46.0 |
| High school | 45.7 | 50.6 | 48.9 | 47.0 | 47.4 |
| Higher education | 44.9 | 53.0 | 49.6 | 47.5 | 49.4 |
| REGION | | | | | |
| North/Midwest | 45.3 | 50.9 | 50.8 | 47.7 | 49.3 |
| Northeast | 45.8 | 48.1 | 45.9 | 45.3 | 45.4 |
| Southeast | 44.6 | 50.0 | 48.4 | 47.0 | 47.5 |
| South | 46.4 | 51.0 | 49.9 | 49.3 | 47.8 |
| HOUSEHOLD INCOME (in minimum wages) | | | | | |
| Over 5 | 46.2 | 42.7 | 48.0 | 54.1 | 51.1 |
| Over 2 to 5 | 43.2 | 42.3 | 46.8 | 52.1 | 50.4 |
| Over 1 to 2 | 41.7 | 40.0 | 45.3 | 49.8 | 48.7 |
| Up to 1 | 41.0 | 37.5 | 42.5 | 45.4 | 45.6 |
| MUNICIPALITY STATUS | | | | | |
| Capital city | 43.7 | 49.5 | 47.9 | 46.1 | 47.0 |
| Outskirts of a city | 44.6 | 49.0 | 46.7 | 45.7 | 47.0 |
| Rural area | 46.2 | 50.1 | 48.9 | 47.6 | 47.5 |



INEC components

| INEC COMPONENTS | EXPECTATIONS | | | | FINANCIAL CONDITIONS | |
|--|--------------|--------------|-----------------|--------------------------|----------------------|--------------|
| | Inflation | Unemployment | Personal income | Purchases of major goods | Financial situation | Indebtedness |
| Total | 61.4 | 56.4 | 50.0 | 52.2 | 48.9 | 49.6 |
| GENDER | | | | | | |
| Male | 59.2 | 54.3 | 50.8 | 52.3 | 49.6 | 47.6 |
| Female | 63.5 | 58.3 | 49.3 | 52.0 | 48.4 | 51.1 |
| AGE | | | | | | |
| 16 to 24 | 60.7 | 57.6 | 52.3 | 55.8 | 51.5 | 45.8 |
| 25 to 34 | 63.0 | 57.5 | 52.5 | 54.0 | 51.5 | 50.9 |
| 35 to 44 | 61.5 | 54.7 | 50.3 | 51.1 | 48.8 | 49.7 |
| 45 to 54 | 62.2 | 57.8 | 46.4 | 48.3 | 43.8 | 52.7 |
| 55 or above | 59.5 | 54.8 | 48.3 | 51.7 | 48.7 | 47.9 |
| EDUCATION | | | | | | |
| Up to 4th grade of elementary school | 60.7 | 54.2 | 47.7 | 49.8 | 47.3 | 53.0 |
| From 5th to 8th grade of elementary school | 62.1 | 58.8 | 48.5 | 51.8 | 47.4 | 50.5 |
| High school | 62.2 | 56.9 | 50.6 | 52.9 | 49.1 | 48.7 |
| Higher education | 60.0 | 55.2 | 52.5 | 53.5 | 51.8 | 46.5 |
| REGION | | | | | | |
| North/Midwest | 59.6 | 54.1 | 52.9 | 51.7 | 52.3 | 47.1 |
| Northeast | 62.8 | 58.2 | 46.4 | 51.3 | 46.7 | 51.5 |
| Southeast | 60.9 | 56.0 | 50.2 | 53.0 | 48.1 | 49.3 |
| South | 62.6 | 56.7 | 52.4 | 51.7 | 51.1 | 49.2 |
| HOUSEHOLD INCOME (in minimum wages) | | | | | | |
| Over 5 | 54.9 | 48.4 | 55.9 | 52.9 | 55.5 | 42.0 |
| Over 2 to 5 | 61.3 | 56.2 | 51.3 | 53.1 | 50.7 | 47.5 |
| Over 1 to 2 | 62.9 | 57.8 | 49.5 | 52.2 | 50.1 | 50.9 |
| Up to 1 | 62.7 | 58.8 | 46.2 | 50.8 | 43.7 | 53.9 |
| MUNICIPALITY STATUS | | | | | | |
| Capital city | 62.6 | 58.4 | 51.2 | 52.7 | 47.9 | 48.8 |
| Outskirts of a city | 63.2 | 57.9 | 49.9 | 53.9 | 49.4 | 49.9 |
| Rural area | 60.7 | 55.3 | 49.4 | 51.6 | 49.3 | 49.7 |



Technical specifications

Survey conducted by the Ibope Inteligência institute.
Number of interviews: 2000 in 126 municipalities.
Data collection period: September 19-22, 2019.



Learn more

For more information on the survey, including previous editions, methodology and historical series, visit: www.cni.com.br/e_inec