NEW METHODOLOGY

INEC®
CONSUMER CONFIDENCE INDEX

CNI
Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

Consumer confidence falls in year's first reading

The Consumer Confidence Index (INEC) dropped from 49.8 points in December 2018 to 48.4 points in April 2019. With the decrease, the INEC moved away from the 50-point dividing line, thus showing a decline in consumer confidence.

The 1.4-point drop did not reverse the 4.5-point increase recorded in December and cannot be interpreted as a reversal of the upward trend started in September, which has led the indicator to reach a new level. The indicator is up by 5.9 points from the figure observed in March 2018 and by 2.3 points from its historical average (46.1 points).

The INEC is lower among consumers in the Northeast region, among those with a household income of up to one minimum wage, and among respondents with an education up to the fourth grade of elementary school

Historical series
Index (0-100 points)*
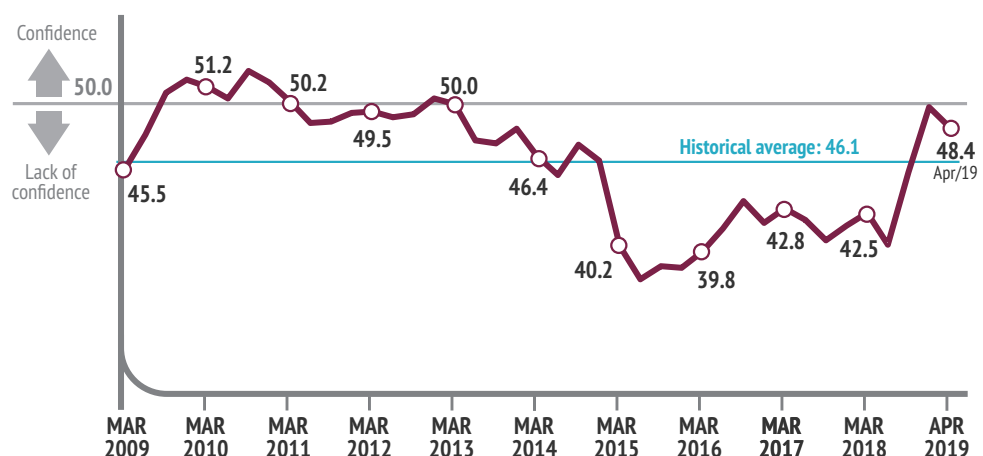
* Figures below 50 points indicate lack of consumer confidence. The further below 50 points, the more significant and widespread the lack of confidence.

The Consumer Confidence Index (INEC) has changed
The results will now be 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 will now be released on a quarterly basis. Exceptionally, the first result for 2019 refers to the month of April and not March. The historical series has been recalculated from 2009 to reflect the change in periodicity and the new methodology.
For more details on the changes made to the INEC, please see the new version of the methodology at www.cni.com.br/inec, under "Methodology" (in Portuguese only).

INEC COMPONENTS

Confidence falls as expectations worsen

The decline in consumer confidence registered in April 2019 was driven mainly by a deterioration in inflation and unemployment expectations. The indices measuring expected inflation and unemployment edged up between December 2018 and April 2019. The two indices are above 50 points, meaning that consumers expect inflation and unemployment to increase.

Consumers are also predicting some stability in their income, while in December they were expecting it to increase. At 50.5 points, the indicator is virtually on the dividing line and down by 3.2 points from the reading for December.

Expectations indices
Index (0-100 points)*
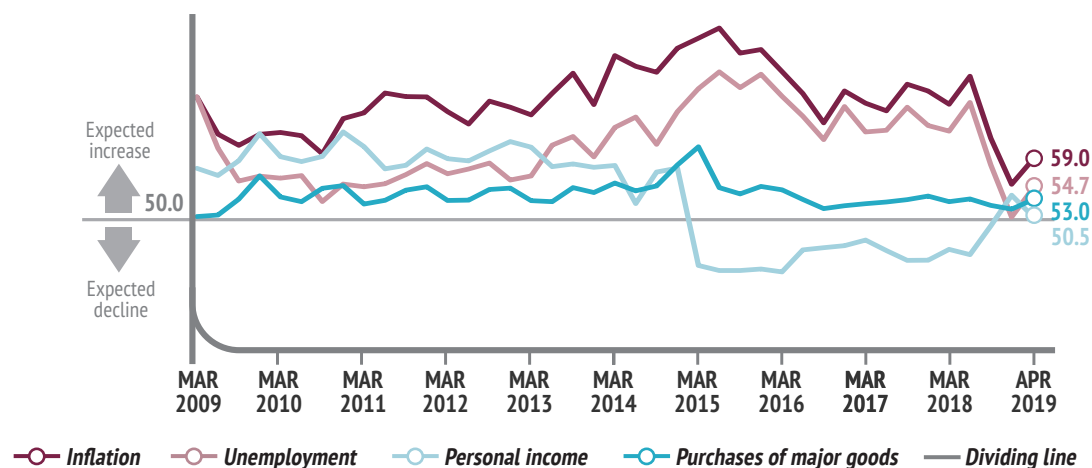
* Figures above 50 points indicate an expected increase in inflation, unemployment, personal income, or purchases of major goods. The further above 50 points, the more significant and widespread the expected increase.

Financial condition indices
Index (0-100 points)*
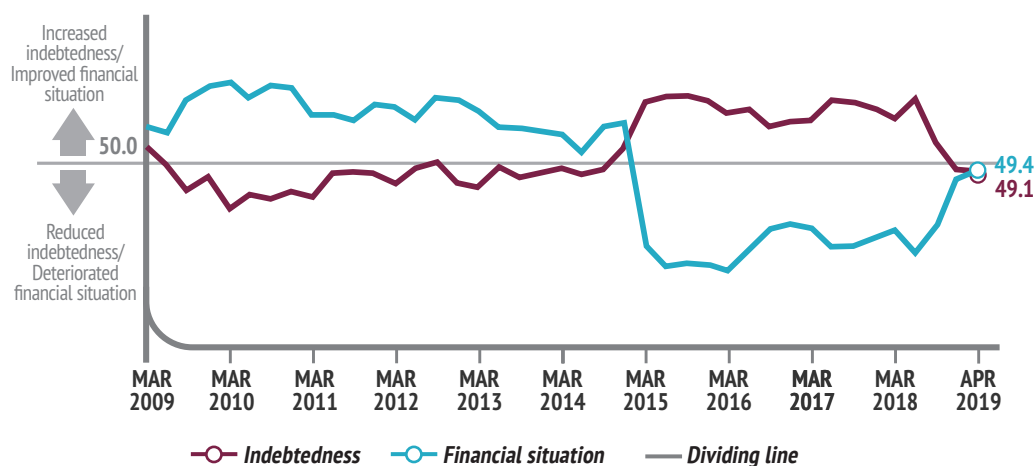
* Figures below 50 points indicate an increase in indebtedness or a worsened financial situation. The further below 50 points, the more significant and widespread is the increase or worsening.

INEC BY CONSUMER PROFILE

Confidence falls more among young people

The INEC declined for all age groups considered in the survey between December 2018 and April 2019. The decline was higher among the younger population (16 to 24 years old). The INEC for all age groups is above the level registered in March 2018.

AGE	APRIL/19	HISTORICAL AVERAGE	APR19/ DEC18	APR19/ MAR18
16 to 24	49.1	47.8	↓ -2.6	↑ 5.1
25 to 34	49.5	46.6	↓ -1.1	↑ 7.2
35 to 44	48.6	45.7	↓ -0.9	↑ 7.4
45 to 54	47.0	45.1	↓ -1.7	↑ 4.2
55 or above	47.6	45.3	↓ -1.1	↑ 4.8

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

Confidence is higher as education increases

The INEC grows as respondents' level of education increases. Among consumers with an education level up to fourth grade of elementary school, the indicator stood at 47.1 points, rising to 49.6 points among those with higher education.

Between December 2018 and April 2019, the steepest decline in the indicator occurred among respondents with a college degree. The indicator for respondents with an education level up to fourth grade of elementary school held steady.

LEVEL OF EDUCATION	APRIL/19	HISTORICAL AVERAGE	APR19/ DEC18	APR19/ MAR18
Up to 4th grade of elementary school	47.1	45.5	0.0	↑5.0
From 5th to 8th grade of elementary school	47.5	45.8	↓-0.5	↑4.4
High school	48.9	46.5	↓-1.7	↑6.2
Higher education	49.6	46.5	↓-3.4	↑7.4

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

Population with a household income of up to two minimum wages is pessimistic

The INEC edged down among respondents with a household income of more than one minimum wage (MW), particularly for the higher-income bracket (more than 5 MWs). The INEC increased only among consumers in the lowest income group (up to 1 MW). Yet, this is the most pessimistic gruop, i.e with the lowest indicator: 45.6 points. The index for the group with an income ranging from one to two MWs is also pessimistic.

HOUSEHOLD INCOME (in minimum wages)	APRIL/19	HISTORICAL AVERAGE	APR19/ DEC18	APR19/ MAR18
Over 5	51.1	47.8	↓-3.0	↑4.9
Over 2 to 5	50.4	46.8	↓-1.7	↑7.2
Over 1 to 2	48.7	45.7	↓-1.1	↑7.0
Up to 1	45.6	44.5	↑0.2	↑4.6

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

Northeast, which already was the most pessimistic region, experienced a pronounced decline in the INEC

The INEC fell across all Brazilian regions. The steepest decline was recorded in the Northeast (down by 2.2 points), while the lowest drop was in the North/ Midwest region (down by 0.1 points). The Northeast is still the region with the lowest indicator: 45.9 points, representing a 2.2-point decline as compared to December 2018.

REGION	APRIL/19	HISTORICAL AVERAGE	APR19/ DEC18	APR19/ MAR18
North/Midwest	50.8	47.1	↓-0.1	↑7.4
Northeast	45.9	46.7	↓-2.2	↑4.2
Southeast	48.4	45.5	↓-1.6	↑6.1
South	49.9	45.8	↓-1.1	↑6.1

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

Results by consumer profile

INEC	MAR/18	JUN/18	SEP/18	DEC/18	APR/19
Total	42.5	40.3	45.3	49.8	48.4
SEX					
Male	43.5	41.0	46.4	51.1	49.9
Female	41.7	39.6	44.2	48.6	47.0
AGE					
16 to 24	44.0	41.7	47.5	51.7	49.1
25 to 34	42.3	41.3	46.1	50.6	49.5
35 to 44	41.2	39.2	44.2	49.5	48.6
45 to 54	42.8	39.5	43.6	48.7	47.0
55 or above	42.8	39.9	45.4	48.7	47.6
EDUCATION					
Up to 4th grade of elementary school	42.1	39.4	45.3	47.1	47.1
From 5th to 8th grade of elementary school	43.1	40.5	44.7	48.0	47.5
High school	42.7	40.0	45.7	50.6	48.9
Higher education	42.2	41.5	44.9	53.0	49.6
REGION					
North/Midwest	43.4	42.5	45.3	50.9	50.8
Northeast	41.7	38.9	45.8	48.1	45.9
Southeast	42.3	40.2	44.6	50.0	48.4
South	43.8	40.4	46.4	51.0	49.9
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	42.4	39.5	43.7	49.5	47.9
Outskirts of a city	41.1	39.1	44.6	49.0	46.7
Rural area	43.0	40.9	46.2	50.1	48.9

INEC component

INEC COMPONENTS	EXPECTATIONS				FINANCIAL CONDITIONS	
	Inflation	Unemployment	Personal income	Purchases of major goods	Financial situation	Indebtedness
Total	59.0	54.7	50.5	53.0	49.4	51.0
SEX						
Male	56.5	52.7	51.8	52.8	50.8	53.3
Female	61.5	56.5	49.5	53.1	48.3	49.1
AGE						
16 to 24	59.9	56.7	52.7	55.6	51.5	51.6
25 to 34	57.5	53.8	52.6	53.6	49.9	52.2
35 to 44	59.1	54.3	52.4	52.4	49.6	50.8
45 to 54	59.3	54.7	48.3	49.4	49.3	48.8
55 or above	59.7	54.3	47.0	53.8	47.5	51.3
EDUCATION						
Up to 4th grade of elementary school	60.9	53.8	47.8	53.0	48.0	48.4
From 5th to 8th grade of elementary school	61.1	55.5	50.1	53.9	48.1	49.6
High school	57.4	55.5	51.0	53.0	50.2	51.9
Higher education	58.3	53.1	53.0	52.0	50.9	53.2
REGION						
North/Midwest	58.7	51.7	54.4	53.3	52.7	54.8
Northeast	61.6	59.8	47.1	53.7	46.6	49.4
Southeast	58.7	53.9	50.6	52.4	49.3	50.8
South	55.5	51.5	52.0	53.0	51.6	49.6
HOUSEHOLD INCOME (in minimum wages)						
Over 5	55.7	52.0	54.1	50.4	54.1	55.5
Over 2 to 5	57.6	52.7	52.6	53.5	52.5	53.9
Over 1 to 2	59.2	54.8	50.8	52.6	51.1	51.8
Up to 1	61.0	57.2	47.6	53.1	43.9	47.3
MUNICIPALITY STATUS						
Capital city	58.0	55.1	50.1	51.8	48.1	50.9
Outskirts of a city	61.6	57.1	50.3	53.3	47.1	47.9
Rural area	58.9	54.0	50.8	53.4	50.6	51.7

Learn more

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