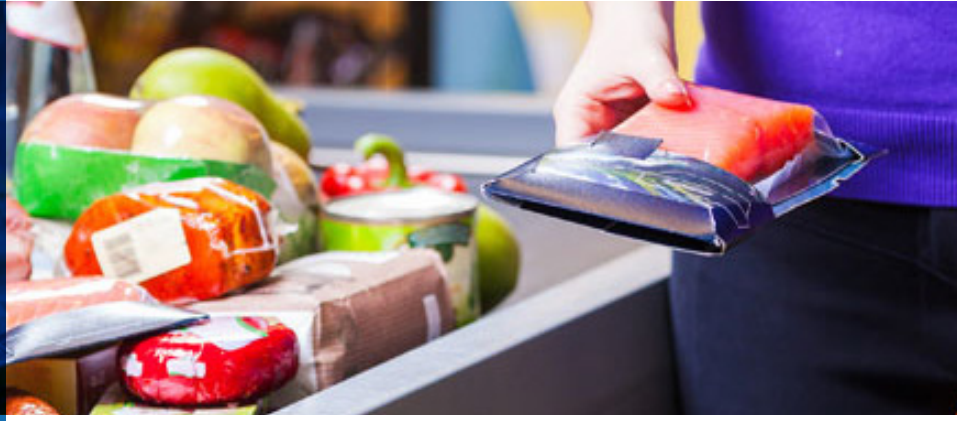


INEC[®]

CONSUMER CONFIDENCE INDEX

ECONOMIC INDICATORS **CNI**



CNI
Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

Consumer shows lack of confidence

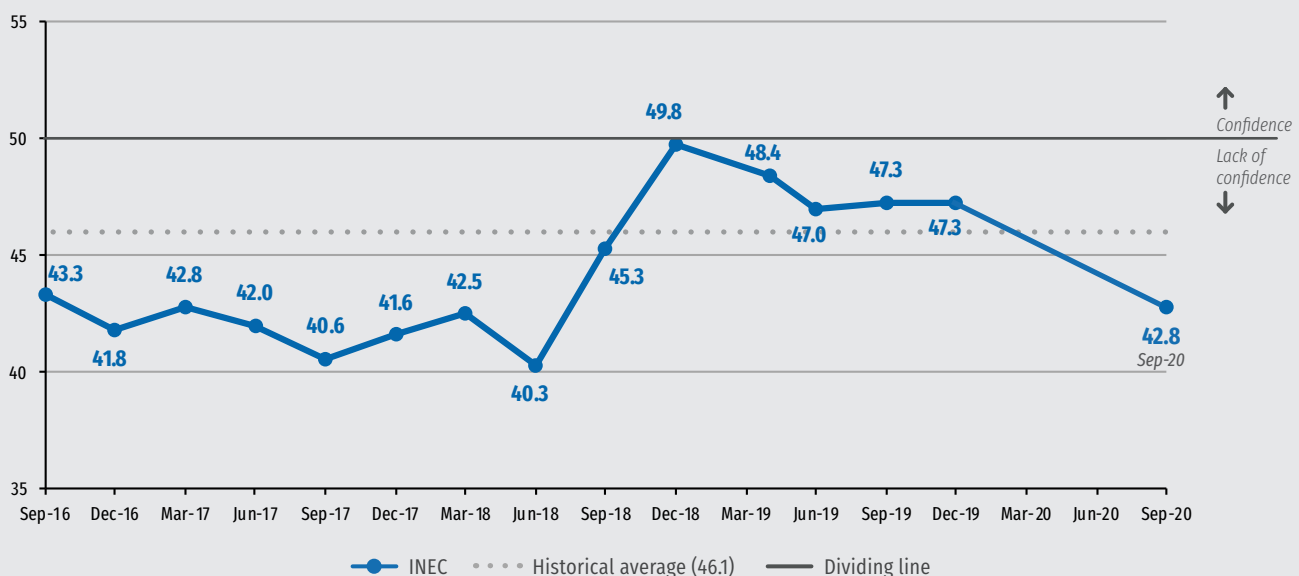
In September, consumers showed lack of confidence, reflecting the effects of the pandemic on the economy, particularly on employment and income. In September 2020, the Consumer Confidence Index (INEC) stood at 42.8 points, down by 3.3 points from its historical average of 46.1 points and by 4.5 points from December 2019, when the last reading was recorded¹.

The month-over-month decline in the INEC in September was seen across all consumer profiles considered in the survey. Special mention should be made of the decline in the index among consumers with a household income of more than 5 minimum wages (-7.4 points), with a college degree (-6.8 points), aged between 25 and 34 years (-5.5 points), and who live in capital cities (-5.3 points).

However, the lowest indices are registered among consumers earning a household income of up to one minimum wage (INEC at 40.4 points), living in capital cities (41.1 points), with a college degree (41.4 points) and those living in the Southeast region (41.6 points).

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.

¹ The March and June 2020 issues of the INEC had to be canceled because the COVID-19 pandemic made it impossible to conduct the in-person interviews for the survey.

INEC COMPONENTS

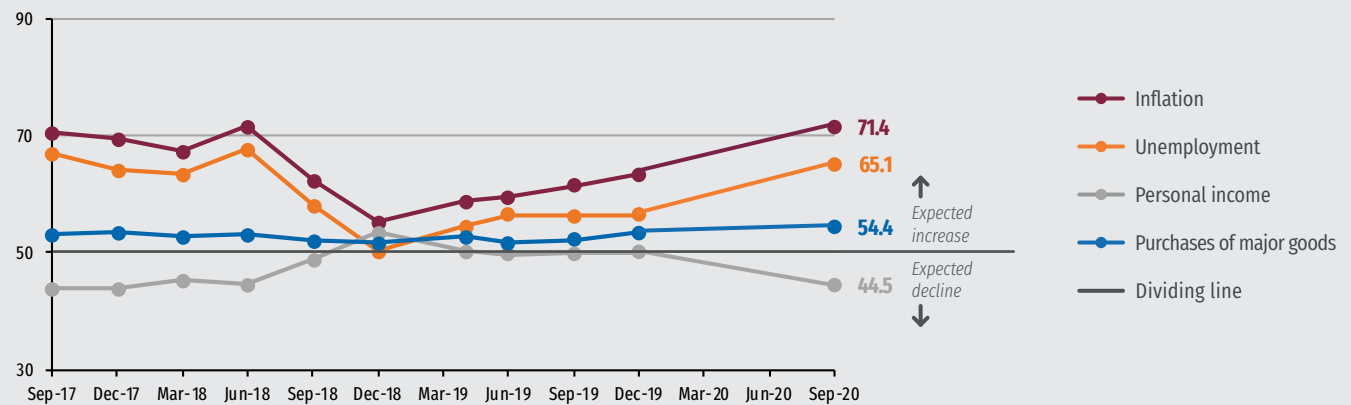
Worsening expectations and financial conditions

The deterioration in consumer confidence is explained by worsening expectations: consumers are pessimistic about future trends in prices, unemployment and their income. In addition, they have noticed a deterioration in their financial conditions.

The index measuring expected inflation stands out, as it shows a significant decline in consumer price outlook. The inflation expectation index had experienced four consecutive increases until December 2019, the last data available. In September 2020, the expectation index grew again. Despite the low inflation rate in the economy as a whole, the hike in prices of specific, consumer-sensitive products is possibly affecting consumer perceptions of their purchasing power and affecting their expectations.

Expectations indices

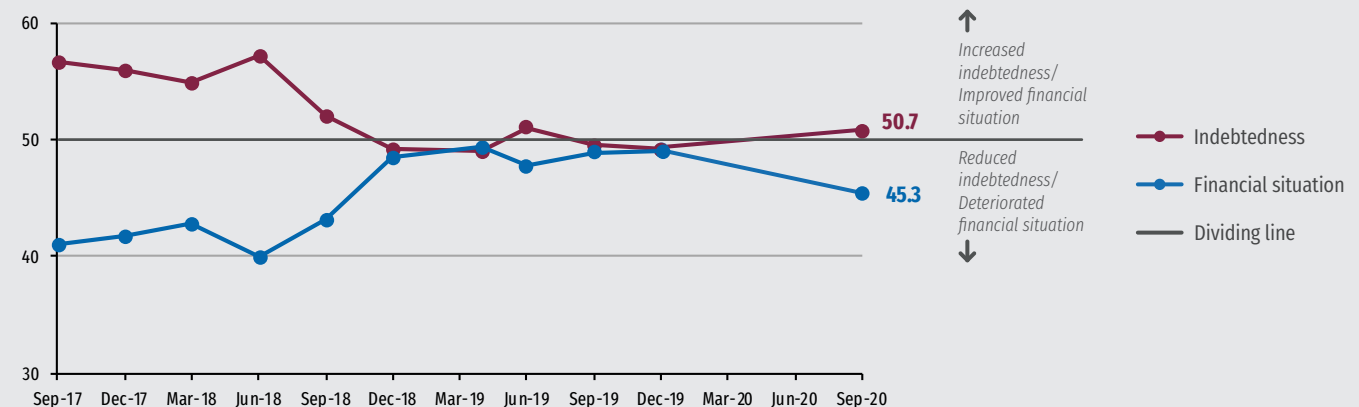
Index (0-100 points)*



* 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



HOUSEHOLD INCOME (IN MINIMUM WAGES)

Confidence falls more strongly among higher income brackets

Confidence is at a low level – below the 50-point mark and their respective historical averages – across all income brackets. The decline in the INEC as compared to December 2019 was more pronounced among consumers in the highest household income groups (particularly those earning more than 5 minimum wages). However, confidence is still lower among the poorest.

HOUSEHOLD INCOME (IN MINIMUM WAGES)	SEP-20	HISTORICAL AVERAGE	SEP-20/ DEC-19	SEP-20/ SEP-19
Over 5	45.0	48.0	↓ -7.4	↓ -8.2
Over 2 to 5	43.8	46.9	↓ -5.5	↓ -4.5
Over 1 to 2	42.6	45.7	↓ -4.5	↓ -4.1
Up to 1	40.4	44.4	↓ -4.1	↓ -3.8

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



REGION

Confidence is at its lowest in the Southeast

The INEC fell more strongly among the population in the Southeast region, which has also distanced itself from the other regions as the one whose population shows the lowest confidence levels. Confidence across all regions declined as compared to December 2019.

REGION	SEP-20	HISTORICAL AVERAGE	SEP-20/ DEC-19	SEP-20/ SEP-19
North/ Midwest	45.3	47.1	↓ -3.5	↓ -4.0
Northeast	43.0	46.6	↓ -3.7	↓ -2.4
Southeast	41.6	45.5	↓ -5.0	↓ -5.9
South	43.8	45.9	↓ -4.5	↓ -4.0

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



LEVEL OF EDUCATION

Confidence drops more as level of education increases

The decrease in confidence as compared to December 2019 was higher according to the respondent's level of education, reaching 6.8 points among those with a college degree. The more educated the respondents, the higher the decline in the ICEI in September 2020.

LEVEL OF EDUCATION	SEP-20	HISTORICAL AVERAGE	SEP-20/ DEC-19	SEP-20/ SEP-19
Up to 4th grade of elementary school	43.6	45.5	↓ -2.1	↓ -2.6
From 5th to 8th grade of elementary school	43.1	45.8	↓ -3.7	↓ -2.9
High school	43.2	46.5	↓ -4.6	↓ -4.2
Higher education	41.4	46.5	↓ -6.8	↓ -8.0

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

Results by consumer profile

INEC	APR-19	JUN-19	SEP-19	DEC-19	SEP-20
Total	48.4	43.8	47.3	47.3	42.8
Gender					
Male	49.9	49.2	48.6	50.0	44.9
Female	47.0	45.0	46.2	44.8	41.0
Age					
16 to 24	49.1	48.2	49.2	48.7	44.7
25 to 34	49.5	48.6	47.8	48.1	42.6
35 to 44	48.6	45.9	47.4	46.3	41.7
45 to 54	47.0	46.1	44.3	46.9	42.1
55 or above	47.6	46.4	47.8	46.6	43.4
Education					
Up to 4th grade of elementary school	47.1	46.5	46.2	45.7	43.6
From 5th to 8th grade of elementary school	47.5	47.0	46.0	46.8	43.1
High school	48.9	47.0	47.4	47.8	43.2
Higher education	49.6	47.5	49.4	48.2	41.4
Region					
North / Midwest	50.8	47.7	49.3	48.8	45.3
Northeast	45.9	45.3	45.4	46.7	43.0
Southeast	48.4	47.0	47.5	46.6	41.6
South	49.9	49.3	47.8	48.3	43.8
Household income (in minimum wages)					
Over 5	51.1	50.6	53.2	52.4	45.0
Over 2 to 5	50.4	48.8	48.3	49.3	43.8
Over 1 to 2	48.7	47.1	46.7	47.1	42.6
Up to 1	45.6	43.5	44.2	44.5	40.4
Municipality status					
Capital city	47.9	46.1	47.0	46.4	41.1
Outskirts of a city	46.7	45.7	47.0	44.1	43.2
Rural area	48.9	47.6	47.5	48.2	43.5

INEC components

INEC COMPONENTS	EXPECTATIONS				FINANCIAL CONDITIONS	
	Inflation	Unemployment	Personal income	Purchases of major goods	Financial situation	Indebtedness
Total	71.4	65.1	44.5	54.4	45.3	50.7
Gender						
Male	69.0	62.6	47.2	54.1	48.0	48.5
Female	73.4	67.5	42.2	54.7	42.9	52.5
Age						
16 to 24	71.4	66.4	46.3	57.6	48.7	47.0
25 to 34	72.1	67.3	44.8	54.1	47.3	51.2
35 to 44	73.5	66.4	44.0	55.3	44.4	53.3
45 to 54	70.4	63.7	42.8	52.8	42.9	52.0
55 or above	69.6	62.3	44.8	53.0	43.9	49.5
Education						
Up to 4th grade of elementary school	67.7	59.1	44.3	52.2	46.6	54.3
From 5th to 8th grade of elementary school	71.7	64.6	44.5	53.6	45.0	48.8
High school	71.9	66.3	45.0	56.0	45.6	49.1
Higher education	73.2	69.0	44.1	54.5	44.0	52.0
Region						
North / Midwest	68.8	62.9	46.1	53.5	50.8	47.1
Northeast	71.4	64.5	44.2	54.4	46.4	50.9
Southeast	72.8	67.0	43.6	55.1	42.9	52.5
South	70.3	63.0	46.4	53.3	45.0	48.7
Household income (in minimum wages)						
Over 5	72.1	66.0	48.6	55.2	48.2	44.3
Over 2 to 5	72.0	65.1	46.0	52.3	47.7	46.3
Over 1 to 2	71.1	66.1	44.0	56.1	44.6	52.1
Up to 1	72.5	65.9	41.1	54.0	42.2	56.5
Municipality status						
Capital city	72.8	68.1	44.2	53.6	43.1	53.7
Outskirts of a city	72.4	64.5	46.3	56.8	43.0	49.9
Rural area	70.6	64.1	44.2	54.3	46.7	49.6



Technical specifications

Survey conducted by the Ibope Inteligência institute.
Number of interviews: 2,000 in 127 municipalities
Data collection period: September, 17-20, 2020.

Document closed by September 30, 2020.



Veja mais

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

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