

IPCA (June 2026): Disinflation led by falling food inflation

- We expect the **IPCA to rise 0.29% MoM in June 2026**. **Food & beverages** will be again the **largest contributor to monthly inflation (+0.13 p.p.)**, but it is important to note that its contribution fell from +0.29 p.p. in the previous month.
- Over the trailing **12-month period, the IPCA is expected to increase from 4.72% to 4.78%**, remaining above the upper bound of the 1.5%–4.5% inflation target range.
- **Core Inflation and Underlying Services:** The **average of the core measures** is expected to **fall from 0.45% to 0.40%** in June 2026. **Underlying services** inflation is expected to **fall as well, from 0.40% to 0.30%**, as lower expected inflation for food away from home and healthcare and personal care offsets higher airfare inflation.
- The **National Outlet Day took place in June** (between the 26th and the 28th) **at selected outlet locations** in São Paulo, Rio de Janeiro, Brasília, Salvador, and Fortaleza, **focused on clothing, footwear, and accessories**. The National Commerce Confederation suspects that sales of high-ticket goods during Valentine's Day fell short of expectations, which may have encouraged a brief period of promotions to boost sales. We estimate a **very small potential impact on the average of core measures (around -2 basis points)**, with no impact on underlying services inflation.

	IPCA (May26)	IPCA-15 (June26)	IPCA Jun26 (forecast)
Headline	0.58%	0.41%	0.29%
Foods and beverage	1.33%	0.74%	0.62%
Housing	1.22%	0.72%	0.31%
Furniture and household equipment	0.08%	0.36%	0.22%
Clothing and footwear	0.62%	0.45%	0.51%
Transportation	-0.46%	-0.03%	0.00%
Healthcare and personal care	0.90%	0.47%	0.31%
Personal expenses	0.41%	0.34%	0.25%
Education	0.00%	-0.02%	0.01%
Communication	0.23%	0.34%	0.26%
Average of Core Measures	0.45%	0.34%	0.40%
Underlying Services	0.40%	0.27%	0.30%



Foods and Beverages: 0.62%	Food-at-home inflation is expected to fall from 1.65% to 0.72%, as is food-away-from-home inflation, from 0.49% to 0.38%.
Food at Home: 0.72%	Deflation in meats (expected -0.38%), fruits (-1.53%), and beverages (-1.00%) are the key drivers of the disinflationary bias expected for food inflation.
Food Away from Home: 0.38%	Easing inflation supported by lower inflation for restaurants and deflation in some beverage items, such as espresso, beer, and other alcoholic beverages.
Housing: 0.31%	This reflects, essentially, lower inflation expected for residential electricity.
Residential Electricity: 0.36%	With the maintenance of the yellow flag additional tariff for the month, inflation for this item is expected to be around 0.36%.
Furniture and Household Equipment: 0.22%	Rising inflation expected for furniture and home appliances may pressure the inflation rate for this group.
Clothing and Footwear: 0.51%	Rising prices in footwear and menswear may offset expected easing inflation for accessories and children's wear.
Transportation: 0.00%	Another monthly deflation in gasoline, ethanol, and diesel is expected to offset rising inflation in airfares and public transportation.
Gasoline: -0.44%	Gasoline, sugar-ethanol, and diesel prices are expected to fall 0.44%, 5.35%, and 1.06%, respectively, based on a survey by the ANP.
Airfares: 7.24%	An increase of 7.24% is expected, in line with what was observed in the IPCA-15.
Healthcare and Personal Care: 0.31%	Lower expected inflation is supported by expected deflation in medicines, coupled with lower inflation in medical services and personal hygiene.
Personal Hygiene: 0.92%	A gradual disinflation is expected, led by skincare items and perfumes.
Personal Expenses: 0.25%	Disinflation is supported by expected easing inflation for personal services and leisure items as well.
Education: 0.01%	Rising inflation is expected for books and school supplies, with no significant impact on the group as a whole.
Communication: 0.26%	A relatively stable inflation rate on the back of fading pressure from postal prices, while mobile services should exert some upward pressure during the month.

Indicator	2023	2024	2025	2026 (F)
GDP (%, real growth rate)	3.2%	3.4%	2.3%	2.0%
Unemployment rate (% of workforce)	8.0%	6.9%	5.9%	5.9%
IPCA (YoY %, eop)	4.62%	4.83%	4.26%	5.144.97%
IGP-M (YoY %, eop)	-3.18%	6.54%	-1.05%	4.723.87%
Selic rate (% p.a., eop)	11.75%	12.25%	15.00%	13.2513.00%
FX rate (BRL per USD, eop)	4.84	6.19	5.50	5.00
Trade Balance (\$ billion)	98.9	74.2	68.1	76.8
Gross Public Debt (% of GDP)	73.8%	76.3%	78.6%	81.4%

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