

## Copom: calibration continuing

- ▶ The Copom delivered the expected, but not consensus, 25-bp cut, taking the Selic rate to 14.25% pa. Its statement leaves the committee with leeway to continue the calibration cycle or pause at its next meeting. For now, we expect another modest cut at its next policy meeting, in August, to 14.0% pa, but we'll learn more with the release of the meeting minutes next Tuesday. The Copom refers to its future inflation forecast, when the policy horizon will be rolled over, as part of the rationale for continuing the process. It adjusts language describing the state of the economy, and notes that additional demand stimulus poses upward risk to inflation. By leaving its options open, the Copom reflects the intense uncertainty surrounding its forecasts.

### Main changes in inflation forecasts and balance of risks

Inflation forecasts presented in the latest meetings by the Copom				
Period	January	March	April	June
IPCA 2026	3.4%	3.9%	4.6%	5.2%
Relevant Horizon (RH)**	3.2% (3Q27)	3.3% (3Q27)	3.5% (4Q27)	3.7% (4Q27)
Market-set prices 2026	3.5%	3.7%	4.5%	5.3%
Market-set prices RH**	3.1% (3Q27)	3.3% (3Q27)	3.5% (4Q27)	3.7% (4Q27)
Regulated prices 2026	3.0%	4.3%	4.8%	4.7%
Regulated prices RH**	3.3% (3Q27)	3.2% (3Q27)	3.6% (4Q27)	3.9% (4Q27)
Exogenous variables				
Exchange rate* (BRL/USD)	5.35	5.20	5.00	5.10
Selic rate (Focus) 2026	12.25%	12.25%	13.0%	13.75%
Selic rate (Focus) 2027	10.50%	10.50%	11.00%	12.00%
Inflation expectations (Focus) 2026	4.0%	4.1%	4.9%	5.3%
Inflation expectations (Focus) 2027	3.8%	3.8%	4.0%	4.1%

\*Average observed on the ten business days ending on the last day of the week before the Copom meeting. Additionally, the exchange rate starts at the mentioned values and evolves according to the purchasing power parity (PPP) afterwards.

\*\*Projection for six quarters ahead, the current relevant horizon for monetary policy, according to the new continuous inflation target system, effective from January 1, 2025 onwards.

Source: Central Bank, Itaú.

Factors mentioned in the balance of risks by the Copom in the latest meetings (orange = change compared to the previous meeting)					
March		April		June	
Upside risks	Downside risks	Upside risks	Downside risks	Upside risks	Downside risks
(i) a more prolonged period of deanchoring of inflation expectations; (ii) a stronger-than-expected resilience of services inflation due to a more positive output gap; (iii) a conjunction of internal and external economic policies with a stronger-than-expected inflationary impact, for example, through a persistently more depreciated currency	(i) a greater-than-projected deceleration of domestic economic activity, impacting the inflation scenario; (ii) a steeper global slowdown stemming from the trade shock and the scenario of heightened uncertainty; (iii) a reduction in commodity prices with disinflationary effects.	(i) a more prolonged period of deanchoring of inflation expectations, with longer horizons incorporating potential second-round effects stemming from supply constraints in oil and its derivatives; (ii) a stronger-than-expected resilience of services inflation due to a more positive output gap; (iii) a conjunction of internal and external economic policies with a stronger-than-expected inflationary impact, for example, through a persistently more depreciated currency.	(i) a greater-than-projected deceleration of domestic economic activity, impacting the inflation scenario; (ii) a steeper global slowdown stemming from the trade and oil shocks and the scenario of heightened uncertainty; (iii) a reduction in commodity prices with disinflationary effects.	(i) a more prolonged period of deanchoring of inflation expectations, with longer horizons incorporating potential second-round effects stemming from supply shocks in oil and its derivatives, <b>and to climate effects upon agricultural productivity and energy costs</b> ; (ii) a stronger-than-expected resilience of services inflation due to a more positive output gap; (iii) a conjunction of internal and external economic policies with a stronger-than-expected inflationary impact, for example, through a persistently more depreciated currency; <b>and (iv) stimuli to aggregate demand, particularly its consumption component, resulting in economic activity growth above potential output, weakening some of the usual transmission channels of monetary policy.</b>	(i) a greater-than-projected deceleration of domestic economic activity, impacting the inflation scenario; (ii) a steeper global slowdown stemming from the trade and oil shocks and the scenario of heightened uncertainty; and (iii) a reduction in commodity prices with disinflationary effects.

**Macro Research – Itaú**  
**Mario Mesquita – Chief Economist**

To access our reports and forecast visit our website:  
<https://www.itaubpa.com.br/macroeconomic-analysis>

**App Itaú Macro**

Our reports in your cell phone, with videos and comments from our renowned experts.

Download now on the App Store or Google Play

## Relevant Information

1. This report has been prepared and released by the Macro Research Department of Itaú Unibanco S.A. ("Itaú Unibanco"). This report is not a product of the Equity Research Department of Itaú Unibanco or Itaú Corretora de Valores S.A. and shall not be construed as a research report ("relatório de análise") for the purposes of Article 1 of the CVM Instruction NR. 20, dated 2021.
2. The exclusive purpose of this report is to provide macroeconomics information and it does not constitute and shall not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial product, or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date on which this report was released and it has been obtained from public sources believed to be reliable. However, Itaú Unibanco does not make any explicit or implied representation or warranty as to the completeness, reliability or accuracy of such information, nor does this report intend to be a complete statement or summary of the markets or developments referred to herein. Itaú Unibanco has no obligation whatsoever to update, modify or amend this report and inform the reader accordingly.
3. The opinions contained herein reflect exclusively the personal views of the analyst responsible for this report and were prepared independently and autonomously, including in relation to Itaú Unibanco, Itaú Corretora de Valores S.A. and any other companies within their economic group.
4. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of Itaú Unibanco. Additional information on the financial products mentioned in this report may be available upon request. Itaú Unibanco and/or any other company within its economic group is not and shall not be liable for any investment decisions (or otherwise) based on the information provided herein.
5. This report may include sections generated with the support of artificial intelligence tools. All content has been reviewed and validated by the authors to ensure the accuracy and integrity of the information presented.

**Additional Note:** This material does not take into consideration the objectives, financial situation or specific needs of any particular client. Clients must obtain financial, tax, legal, accounting, economic, credit and market advice on an individual basis, based on their personal characteristics and objectives, prior to making any decision based on the information contained herein. By accessing the material, you represent and confirm that you understand the risks related to the financial instruments described in this material and the laws in your jurisdiction relating to the provision and sale of financial service products. You acknowledge that this material contains proprietary information and you agree to keep this information confidential for your exclusive use.

**SAC Itaú:** For inquiries, suggestions, complaints, criticisms and compliments, talk to Itaú's CSCC: 0800 728 0728. Or contact us through our portal <https://www.itaubr.com.br/atendimento-itaubr/para-voce/>. If you are not satisfied with the proposed solution, please contact the Itaú Corporate Ombudsman: 0800 570 0011 (on weekdays from 9 AM to 6 PM) or our PO Box 67.600, São Paulo-SP, Zip Code 03162-971. Hearing impaired, every day, 24h, 0800 722 1722.