

Food and Fuel Help Brazil Lower May Inflation to 0.49%

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Inflation in Brazil, in May, as measured by the Broad Consumer Price Index (IPCA), rose 0.49%, down from 0.87% in April. The IPCA survey, which is used by the government to gauge its inflation targets, is conducted by the government statistical bureau IBGE (Instituto Brasileiro de Geografia e Estatística).

According to the IBGE, smaller increases in food prices and public utilities, which are administered by the government, plus lower fuel prices, were mainly responsible for the lower May inflation.

Cumulatively, the IPCA is up 3.18% for the year, compared to 2.75% for the same period last year. For the last twelve months, the IPCA has risen 8.05%, just slightly less than the prior twelve month period, when it rose 8.07%.

The IPCA measures inflation for families with a monthly income between one and forty minimum wages (R\$ 300 to R\$ 12,000 - US\$ 122 to US\$ 4853) in the metropolitan regions of Recife, Salvador, Rio de Janeiro, Belo Horizonte, São Paulo, Porto Alegre, Belém, Fortaleza, Curitiba, Brasília and Goiânia.

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