



PULSO BRASIL

Ipsos

July | 2016
summary

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Study conducted between: **June 01-12, 2016**. Margin: 3 p.p.

IPSOS PUBLIC AFFAIRS

ADDRESSED AREAS

Politics, Economy, Consumption and Social Agenda



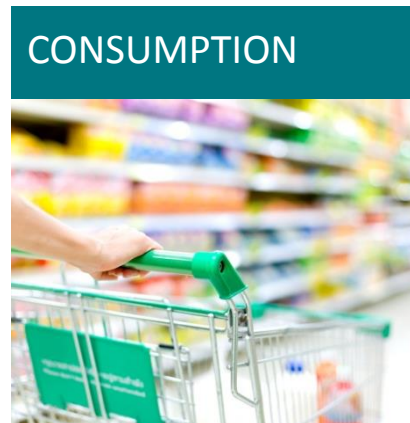
POLITICS

- Country's directions
- President's approval ratings
- Political barometer
- Electoral potential
- Political agenda



ECONOMY

- Consumer Confidence Index
- Main household expenses
- Disposable income
- Investment, savings and financial security



CONSUMPTION

- Impact of the crisis on consumption and *trading down*
- Attitude and purchase intention
- Consumer goods
- Durables



SOCIAL



- The country's main problems
- Public policies
- Economic and social agenda
- Values & behavior

REPRESENTATIVE DOMESTIC

SAMPLE

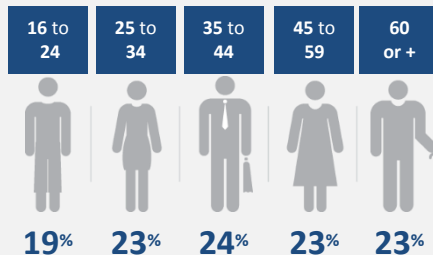
1,200 interviews,

personal and households, held monthly in

72 municipalities across Brazil.

Probabilistic sample, with quota in the last stage of selection and ± 3 percentage points margin of error, representative of the Brazilian population in urban areas, according to official data of IBGE (2010 Census and 2013 PNAD).

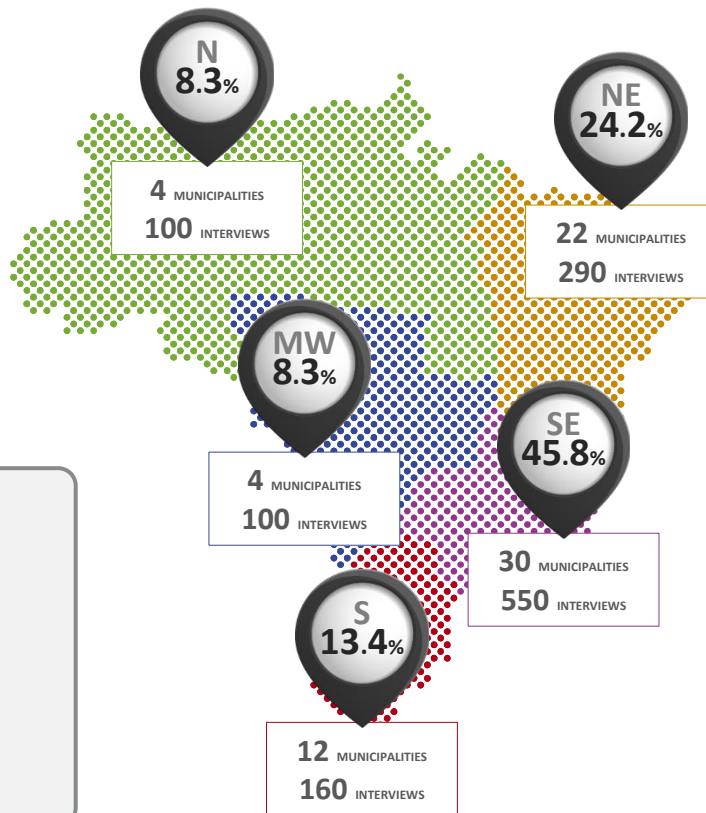
AGE RANGE



52%



48%



SIZE (NUMBER OF INHABITANTS)

Less than 100,000	24 MUNICIPALITIES	240 INTERVIEWS
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100,000 to 500,000	13 MUNICIPALITIES	130 INTERVIEWS
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500,000 to 1 million	20 MUNICIPALITIES	330 INTERVIEWS
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More than 1 million	15 MUNICIPALITIES	500 INTERVIEWS
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SIZE (NUMBER OF INHABITANTS)

Capitals	22 MUNICIPALITIES	570 INTERVIEWS
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Interior	39 MUNICIPALITIES	450 INTERVIEWS
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Metropolitan Areas	11 MUNICIPALITIES	180 INTERVIEWS
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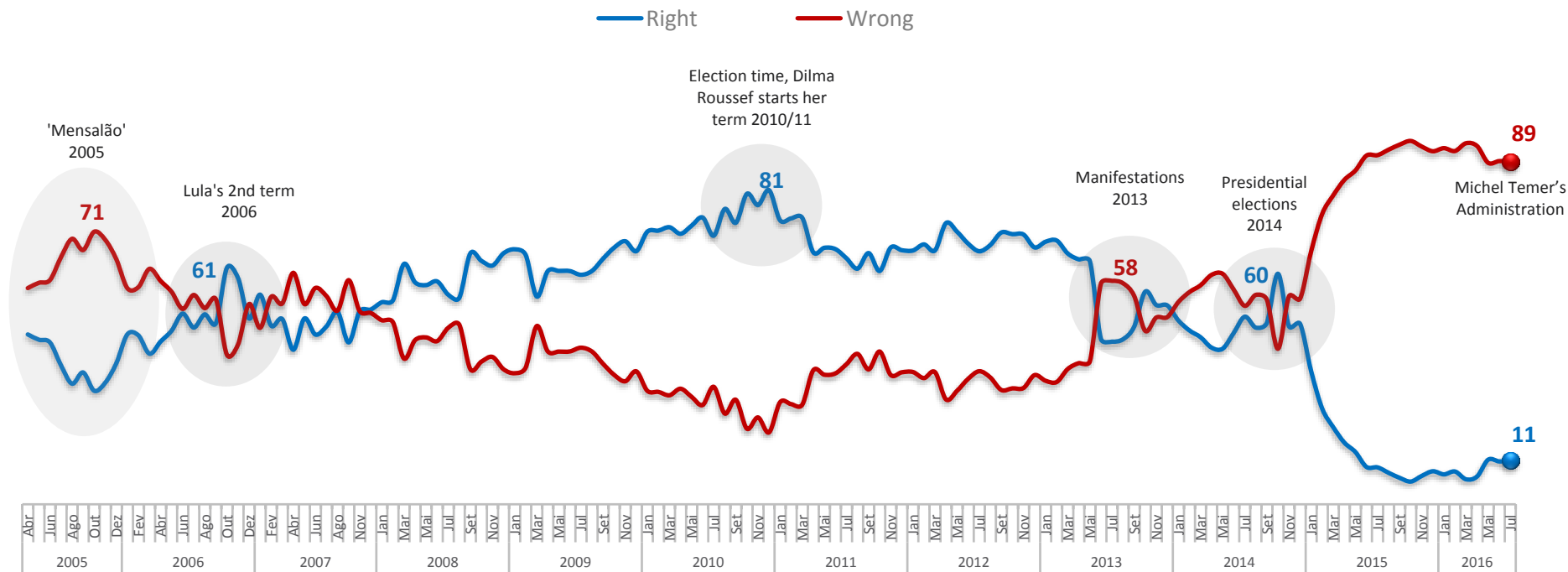
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CONTEXT

Temer's administration is regarded as bad or very bad for 48% of the population - worsening 5% vis-à-vis the month of June. Other evaluation indicators show significant deterioration

Country directions

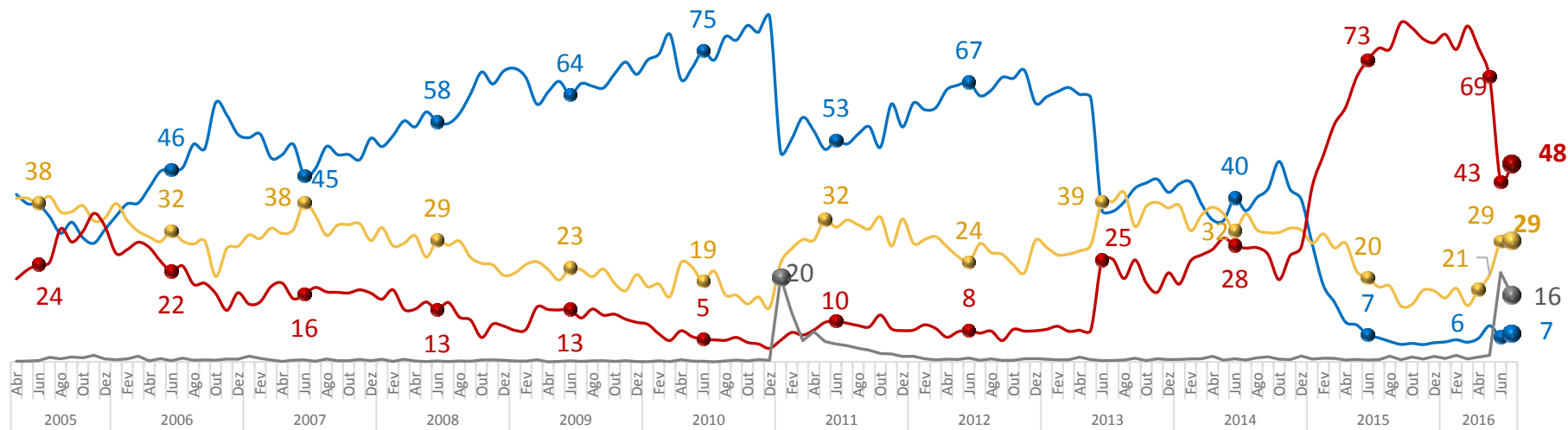
April 2005 – July 2016



PRESIDENT'S EVALUATION

April 2005 – July 2016

— Very Good/Good — Regular — Bad/Very Bad — Don't know/Didn't answer



AP4) Do you think the performance of President Michel Temer is very good, good, regular, bad or poor?

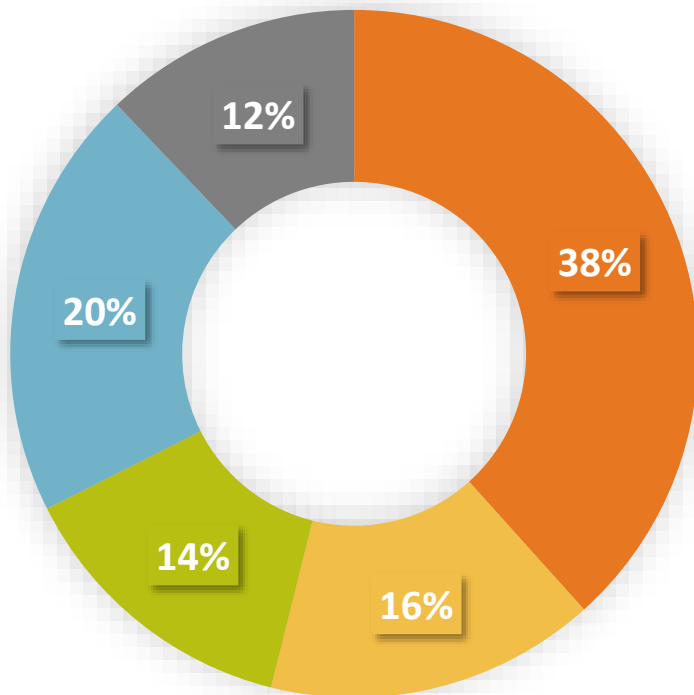
Values in percent. Results may exceed or fall below 100% due to rounding or multiple answer questions.

The tally on this question does not sum 100% because the answers 'doesn't know' and 'not answered' are not being presented

GAME CHANGERS

WHAT IS BEST FOR BRAZIL?

52% of Brazilians believe that new elections would be the best for the country

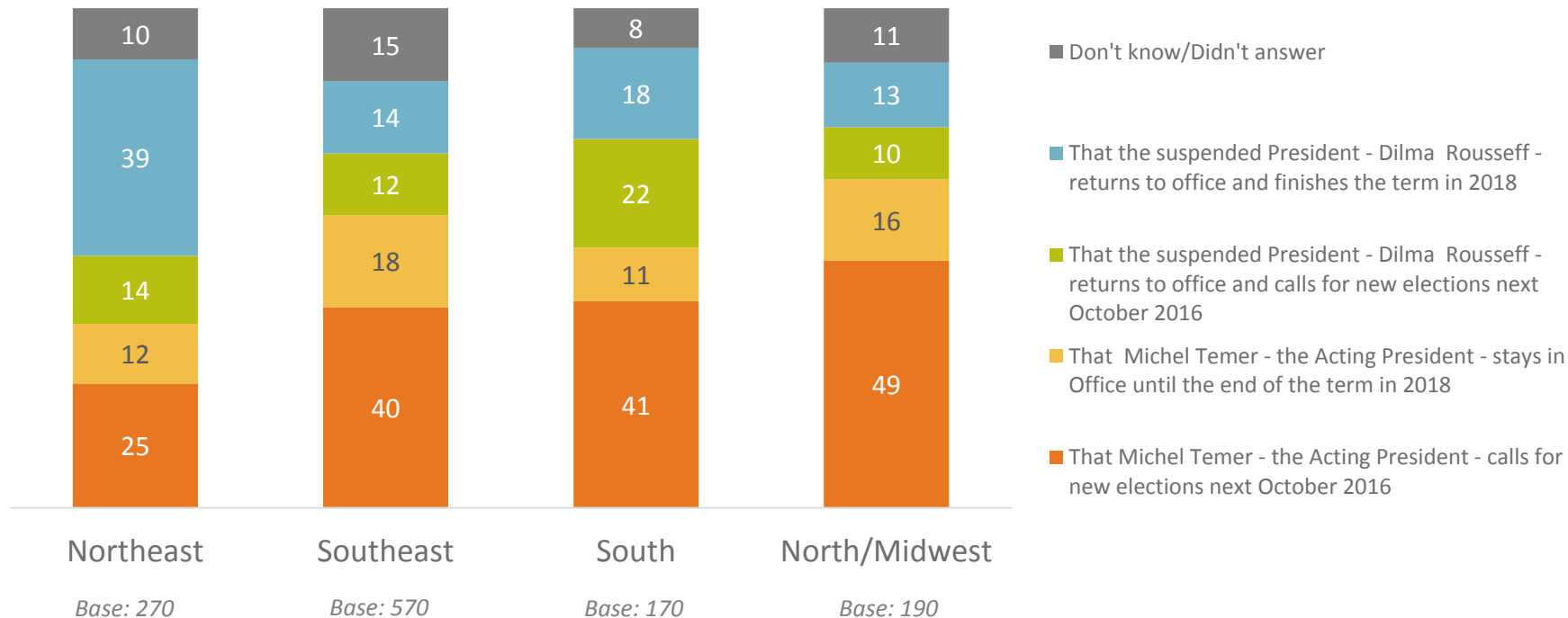


- That Michel Temer - the Acting President - calls for new elections next October 2016
- That Michel Temer - the Acting President - stays in Office until the end of the term in 2018
- That the suspended President - Dilma Rousseff - returns to office and calls for new elections next October 2016
- That the suspended President - Dilma Rousseff - returns to office and finishes the term in 2018
- Don't know/Didn't answer

AP7) In your opinion, what is best for Brazil? (SA – PROMPTED)

WHAT IS BEST FOR BRAZIL?

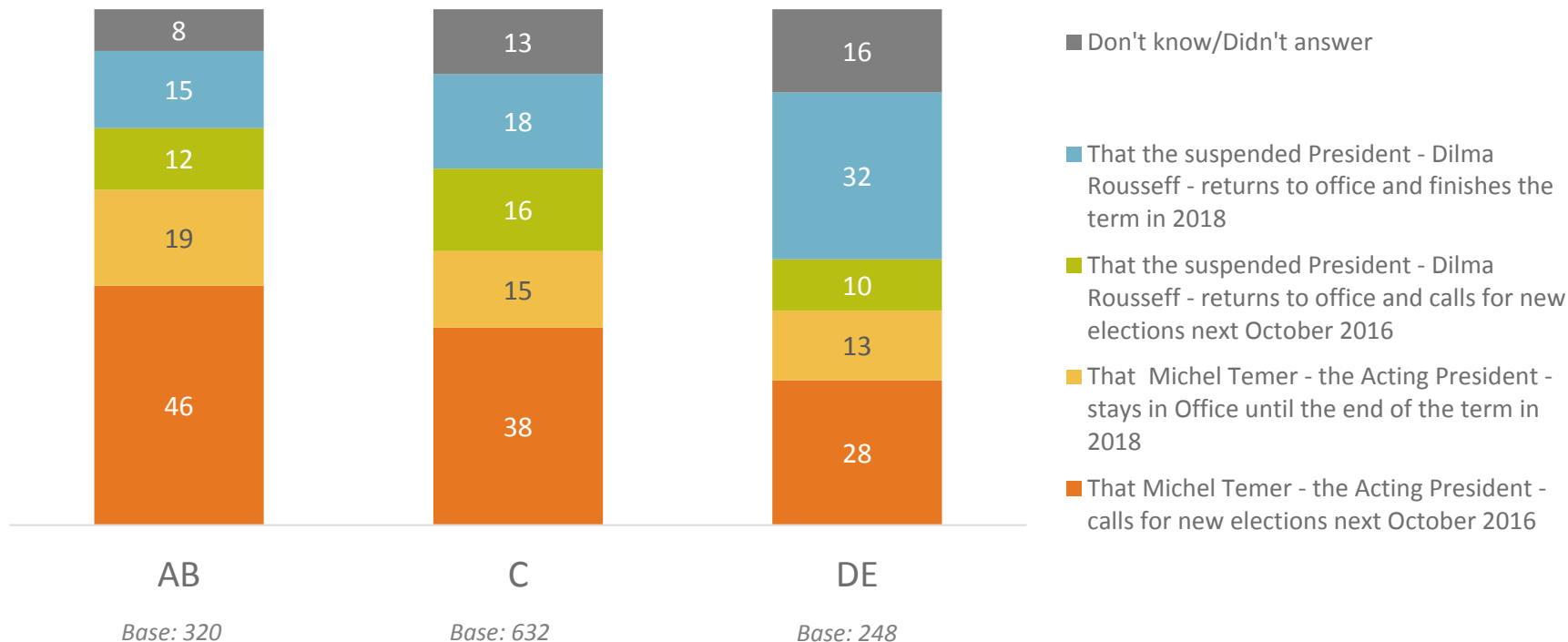
REGION



AP7) In your opinion, what is best for Brazil? (SA – PROMPTED)

WHAT IS BEST FOR BRAZIL?

SEL (Class)

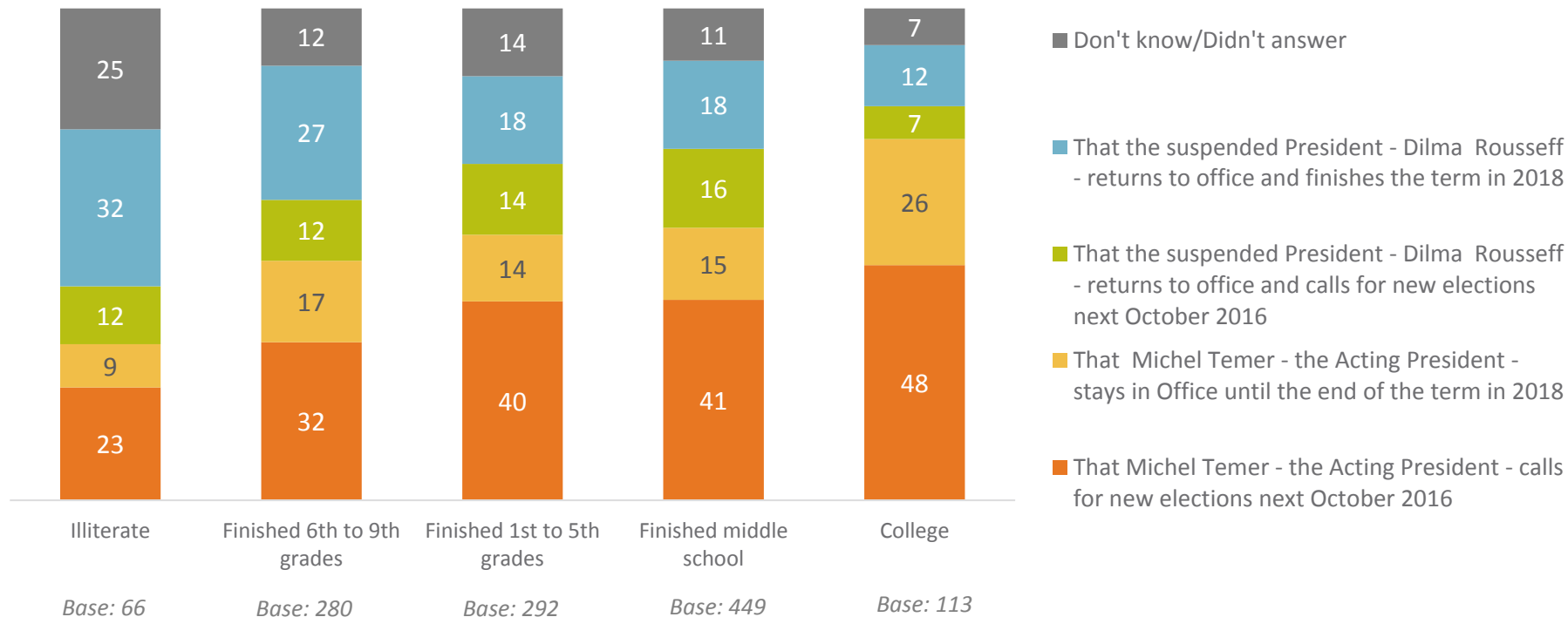


AP7) In your opinion, what is best for Brazil? (SA – PROMPTED)

Values in percent. Results may exceed or fall below 100% due to rounding or multiple answer questions

WHAT IS BEST FOR BRAZIL?

SCHOOLING



AP7) In your opinion, what is best for Brazil? (SA – PROMPTED)

Values in percent. Results may exceed or fall below 100% due to rounding or multiple answer questions

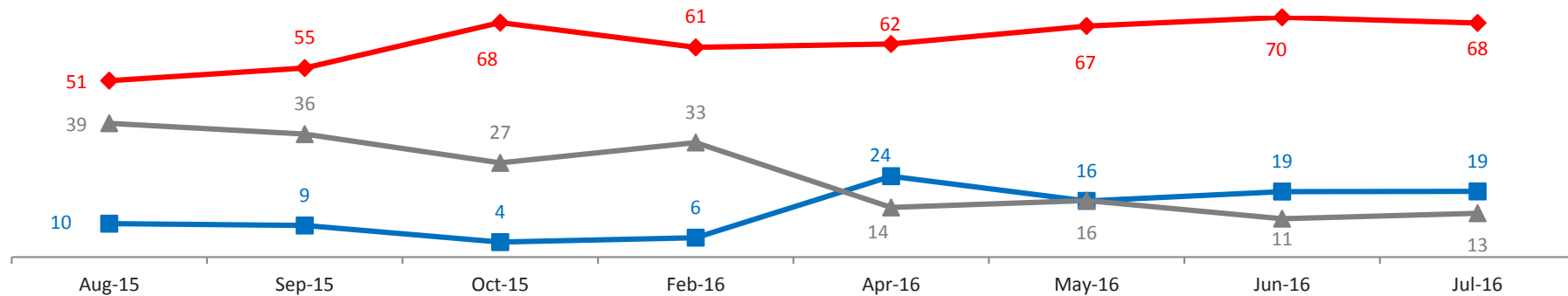
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POLITICAL BAROMETER

As Dilma's trial by the Senate approaches, the disapproval for acting president Michel Temer grows. Dilma's approval grows for the fourth consecutive month.

POLITICAL BAROMETER - IPSOS

MICHEL TEMER



% of Approval		Oct 15	Feb 16	Apr 16	May 16	Jun 16	Jul 16
SEL	AB	4	7	15	19	26	23
	C	5	6	29	17	17	17
	DE	4	3	23	12	15	19
Region	Northeast	2	4	25	20	15	15
	Southeast	6	5	22	16	18	21
	South	1	9	36	12	20	13
	North	7	3	22	10	34	26
	Midwest	7	11	10	23	22	25
Schooling	Illiterate	4	3	15	10	14	18
	1st To 5th Grades	3	6	27	16	17	21
	6th to 9th Grades	5	5	24	13	22	15
	Middle school	4	6	25	19	19	19
	Higher education	7	6	16	21	19	25

% Disapproval		Oct 15	Feb 16	Apr 16	May 16	Jun 16	Jul 16
SEL	AB	78	73	73	73	67	69
	C	67	62	60	66	71	69
	DE	60	44	50	62	69	64
Region	Northeast	62	47	60	62	71	72
	Southeast	70	68	66	67	70	70
	South	70	68	55	72	71	71
	North	58	44	50	70	58	59
	Midwest	79	63	68	70	74	50
Schooling	Illiterate	62	45	63	59	70	61
	1st To 5th Grades	62	48	53	64	69	65
	6th to 9th Grades	66	62	61	67	65	73
	Middle school	72	67	64	69	74	70
	Higher education	80	79	76	73	70	62

% Don't know enough		Oct 15	Feb 16	Apr 16	May 16	Jun 16	Jul 16
SEL	AB	18	20	11	8	7	8
	C	29	32	12	17	11	14
	DE	36	53	27	26	16	17
Region	Northeast	36	48	15	18	14	13
	Southeast	24	27	12	17	12	9
	South	29	23	9	17	9	16
	North	35	54	28	20	8	15
	Midwest	14	26	23	6	3	26
Schooling	Illiterate	35	52	22	31	17	21
	1st To 5th Grades	35	46	20	20	14	14
	6th to 9th Grades	29	32	15	19	13	12
	Middle school	24	27	11	12	7	11
	Higher education	13	15	9	6	12	13

Now, 12 going to @2016ipsos of some politicians and I would like to know if you approve or disapprove of the way they've been performing in the country:

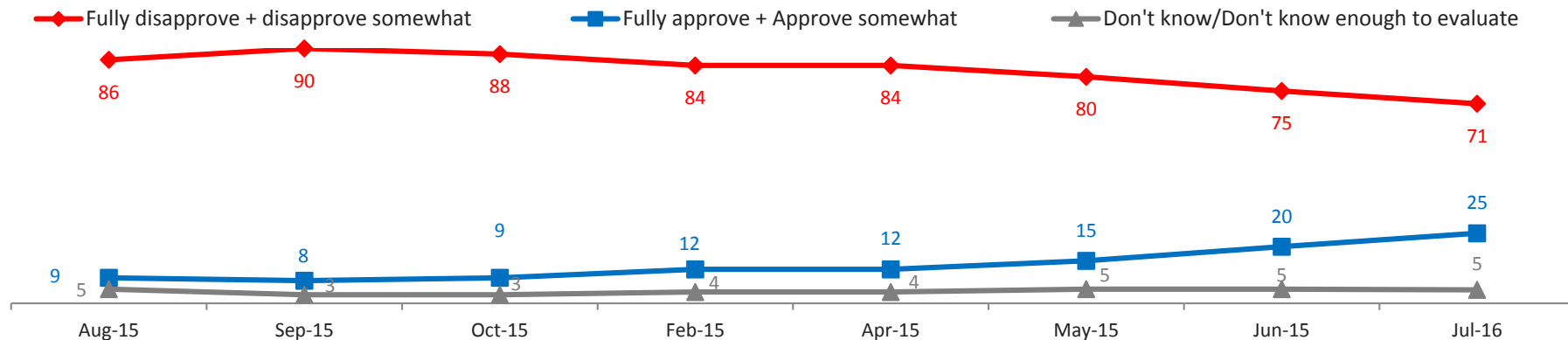
Values in percent. Results may exceed or fall below 100% due to rounding or multiple answer questions

The August /15 data is not in the presentation, due to difference in answer grouping regarding region and schooling, but is available in Excel spreadsheets if there are query needs.

GAME CHANGERS



POLITICAL BAROMETER - IPSOS DILMA ROUSSEFF



% of Approval		Oct 15	Feb 16	Apr 16	May 16	Jun 16	Jul 16
SEL	AB	7	11	12	11	15	21
	C	8	13	12	16	19	22
	DE	12	8	23	17	29	36
Region	Northeast	8	12	25	23	31	49
	Southeast	10	12	12	12	18	20
	South	7	11	4	17	12	16
	North	6	7	17	13	17	12
	Midwest	4	10	17	8	20	14
Schooling	Illiterate	5	13	20	28	33	27
	1st To 5th Grades	10	13	16	18	23	25
	6th to 9th Grades	10	11	11	13	19	29
	Middle school	6	11	14	13	18	22
	Higher education	15	11	19	14	18	23

% Disapproval		Oct 15	Feb 16	Apr 16	May 16	Jun 16	Jul 16
SEL	AB	90	85	85	85	82	76
	C	89	83	84	80	75	74
	DE	85	87	71	75	64	56
Region	Northeast	88	83	73	70	60	45
	Southeast	87	83	84	83	76	75
	South	91	87	90	80	87	79
	North	88	86	79	87	81	83
	Midwest	92	87	79	90	79	85
Schooling	Illiterate	88	76	75	64	57	63
	1st To 5th Grades	87	84	78	77	71	71
	6th to 9th Grades	86	85	86	80	75	68
	Middle school	91	85	83	84	78	73
	Higher education	83	84	80	84	79	70

% Don't know enough		Oct 15	Feb 16	Apr 16	May 16	Jun 16	Jul 16
SEL	AB	4	5	2	3	3	3
	C	3	4	3	5	6	4
	DE	3	5	6	7	7	8
Region	Northeast	4	5	2	7	9	6
	Southeast	3	5	4	5	6	4
	South	2	2	6	4	1	5
	North	7	7	4	0	2	6
	Midwest	3	2	4	2	1	1
Schooling	Illiterate	7	11	5	9	11	10
	1st To 5th Grades	3	3	6	6	7	4
	6th to 9th Grades	3	4	3	7	6	3
	Middle school	3	4	3	3	4	5
	Higher education	3	5	1	1	3	

Now, 13 going to @2016ipsos of some politicians and I would like to know if you approve or disapprove of the way they've been performing in the country:

Values in percent. Results may exceed or fall below 100% due to rounding or multiple answer questions

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GAME CHANGERS



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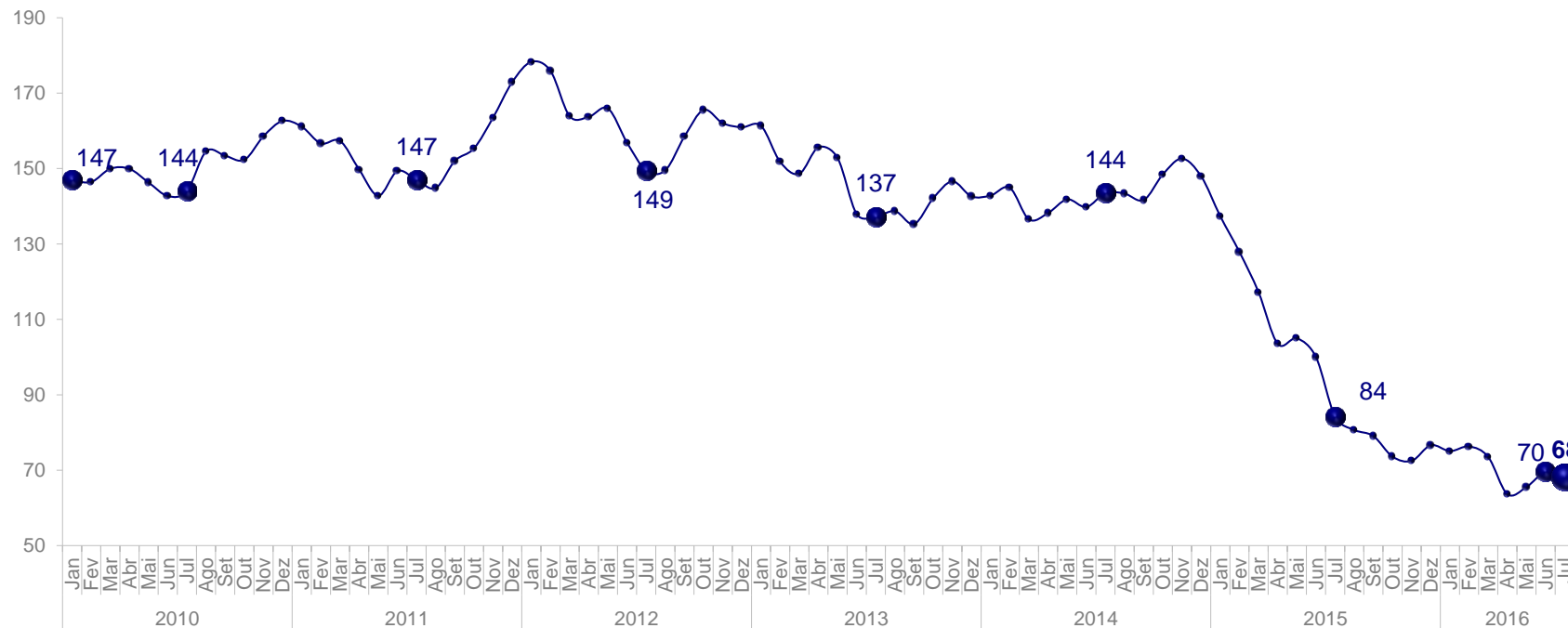
FINANCE AND TRUST

Consumer confidence index drops 2 points, putting an end to three months of gradual increase. It is the first drop of the index for Temer's administration. There is a growing sense of concern about the Brazilian future.

DOMESTIC CONSUMER CONFIDENCE INDEX

- 68 points in July
- Drop of 2 points compared to June
- Domestic CCI in the Southeast keeps rising gradually, while the other regions oscillate

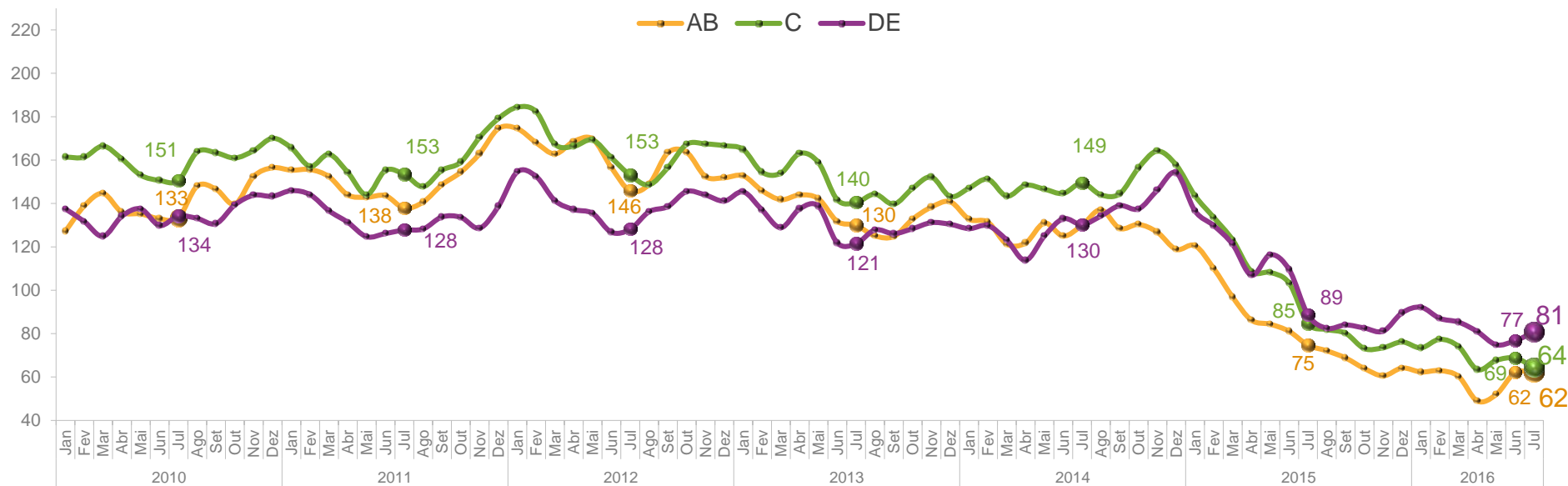
Source: ACSP / Ipsos



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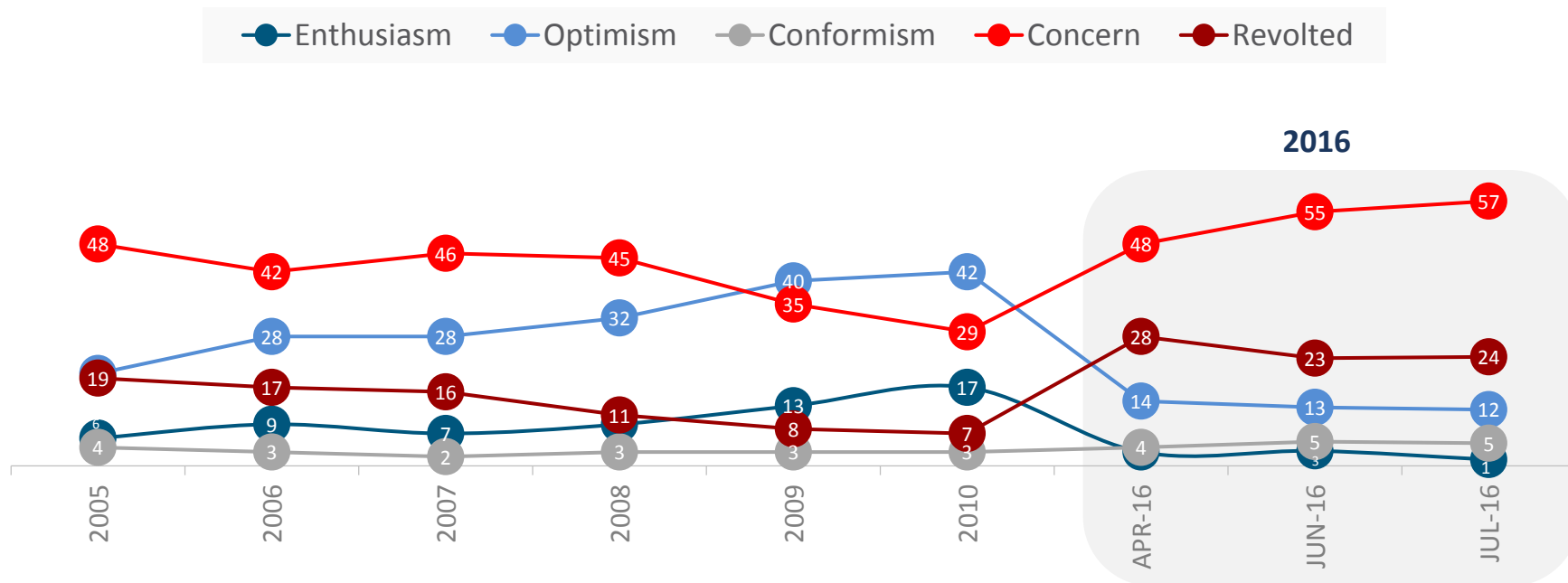
DOMESTIC CONSUMER CONFIDENCE INDEX: SEL (Class)

Source: ACSP / Ipsos



FEELING ABOUT THE FUTURE OF BRAZIL

Monthly evolution



SENT1. Which of the following words best describes your feelings today about the future of Brazil?

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IPSOS *POINT OF VIEW*

Current political-economic context

CONTEXT | COUNTRY'S DIRECTION

For Brazilians, the country is still in the wrong direction.

In July, Brazil's direction was considered wrong by 89% of people, the same index as the previous month - the growing negative perception of the country's direction gained strength after the 2014 elections and did not stop growing; it stagnated at a very high level even with the change in Government.

The explanation lies on the high levels of unemployment and the purchasing power loss due to high inflation - among other social problems such as corruption, violence and the inefficiency of public services (mostly noticeable in education and health systems). In other words, the evaluation of the country's direction is not necessarily tied to a politician or to the party of the occasion; it is actually tied to the general state of dissatisfaction that - as our researches have shown - has made Brazilians concerned about the future of the country.

This scenario will be reverted in a gradual manner; most expressive results will only be seen as from 2017, after the impeachment process consolidation, which should 'allow' Temer's administration (should he be confirmed in Office) to take more unpopular measures toward eventual structural reforms - especially regarding labor and welfare reforms.

CONTEXT | PRESIDENT'S EVALUATION

Evaluation of Temer's administration worsened in July.

In July, the Temer's administration was considered bad or very bad by 48% of Brazilians (compared to 43% in June) and 16% by those who did not know/ did not answer, against 22% in June. In other words: during the last month there was a migration of those who had no opinion about his administration to the group of those who evaluated him negatively.

Pulso Brasil data shows that the public opinion disapproves of his overall administration, more strongly in key areas for the country, as fighting inflation and unemployment, for example.

However, Temer has the benefit of the doubt, since he did not undergo an electoral process, didn't raise expectations of the population, and along with the high rejection levels of Dilma's administration they all could benefit him - that is if he is able to send clear messages of changes and create positive expectations. To his favor he has the forecast of the economic gradual retake foreseen by the market for 2017. However, Temer and his popularity ratings will need to survive the Olympic games, municipal elections and the suspended president's impeachment process by the Senate that will be carried out during the second semester.

POLITICAL BAROMETER - IPSOS | MICHEL TEMER x DILMA ROUSSEFF

Change expectations.

The Political Barometer indicators of President Michel Temer demonstrate to be stable in July and remain highly negative.

It is true that there was a 4% gain in the approval index in class DE, precisely where the President holds low popularity. This result could be the reflex of some government initiatives toward the lower ranks, but this trend can only be confirmed over the next few months.

At the same time, Dilma Rousseff sees her disapproval index drop for the fourth following month, while her approval gradually rises. However, both her and the acting president have similar disapproval rates and extremely negative (at 70%), a result of the rejection to politicians and parties in general.

Not for nothing, 52% of the population would like to see new elections in October. Even if this move is unlikely, this desire reflects the need for changes that is expected by the public opinion regarding the country - the same ones who see Brazil in the wrong direction for two years and who demonstrates increasing concern with the current context of uncertainty, unemployment and consumption power retraction.

ECONOMIC CONTEXT | CONSUMER CONFIDENCE

The retake of consumer confidence is slightly shaken.

The domestic Consumer Confidence Index dropped 2 points in June. It was the first retraction of the index during the administration of acting president Michel Temer.

If on the one hand class AB confidence index suffered no oscillation, on the other class DE had an increase of 4 points (the same increase obtained by Temer in the Political Barometer approval ratings). It is noteworthy that class C presented a drop of 5 points in June, reflecting inflation and unemployment that deeply hit the middle class, affecting its financial stability and purchasing power.

The feeling of the population regarding Brazil's future is of concern, and increased 9% from April (48% felt concerned) to July (57%).

Data analysis of Pulso Brasil and the economic scenario leads us to believe that the retake of confidence will go on increasing gradually along with the retake of the GDP and inflation control - that should already present less negative signs as from 2017.

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GAME CHANGERS

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We make our changing world easier and faster to navigate and inspire clients to make smarter decisions.

We deliver with security, speed, simplicity and substance. We are Game Changers.

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