



PULSO BRASIL

Ipsos

august | 2016

summary

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Study conducted between: **July 30 - august 09, 2016.**

Margin: 3p.p.

IPSOS PUBLIC AFFAIRS

What is it?

1

It is the most complete monitoring of political, economic and social indicators performed in Brazil. Monthly conducted by *Ipsos Public Affairs* since 2005.

2

It is specially useful for the strategic planning, corporate image, economic planning and political strategies areas.

3

It provides to decision makers of public, private and third sectors, accurate and impartial information about the development of the main issues that influence the course of Brazil's today and tomorrow.

4

It simultaneously provides information for ad hoc decision making and for the follow-up of long term trends.

ADDRESSED AREAS

Politics, Economy, Consumption and Social Agenda



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

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

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

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

Sample

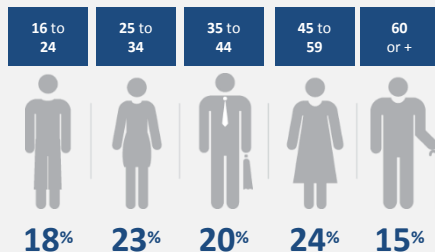
1,200 interviews,

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 2014 PNAD).

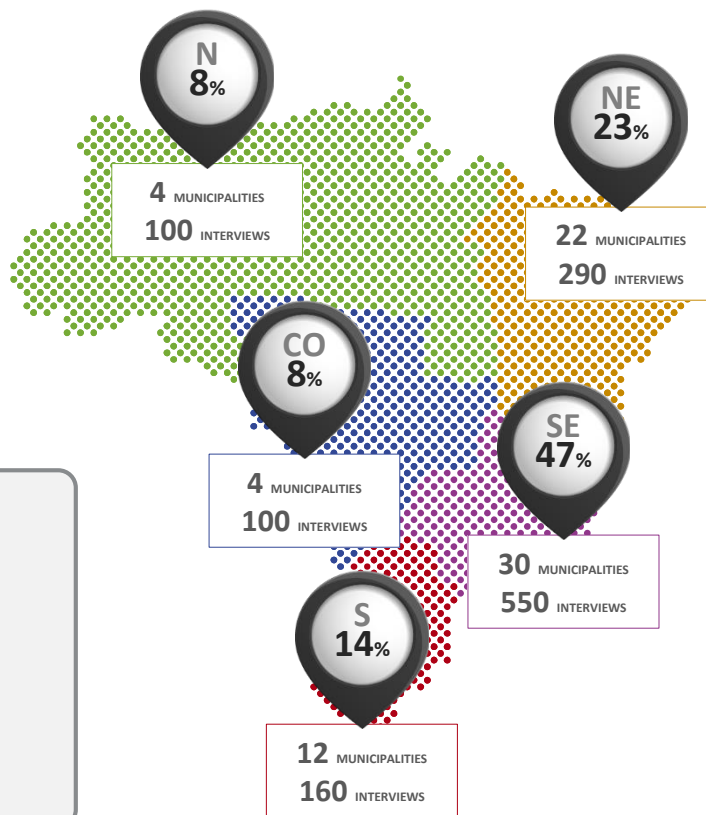
AGE RANGE



53%



47%



SIZE (NUMBER OF INHABITANTS)

Less than 100,000 **24** MUNICIPALITIES
240 INTERVIEWS

100,000 to 500,000 **13** MUNICIPALITIES
130 INTERVIEWS

500,000 to 1 million **20** MUNICIPALITIES
330 INTERVIEWS

More than 1 million **15** MUNICIPALITIES
500 INTERVIEWS

SIZE (NUMBER OF INHABITANTS)

Capitals **22** MUNICIPALITIES
570 INTERVIEWS

Interior **39** MUNICIPALITIES
450 INTERVIEWS

Metropolitan Areas **11** MUNICIPALITIES
180 INTERVIEWS

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CONTEXT

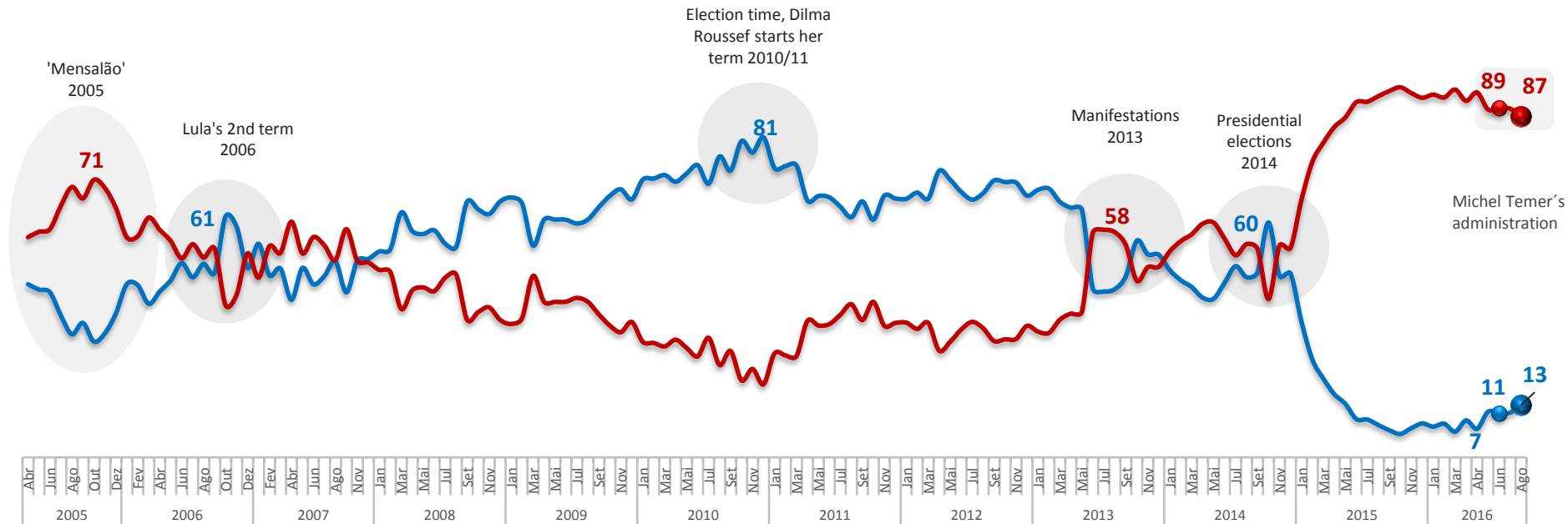
The country's direction indicators seem to point to a timid upward bias. On the other hand, Temer's administration evaluation has worsened.

Country directions

April 2005 – August 2016

right

wrong



PRESIDENT'S ADMINISTRATION EVALUATION

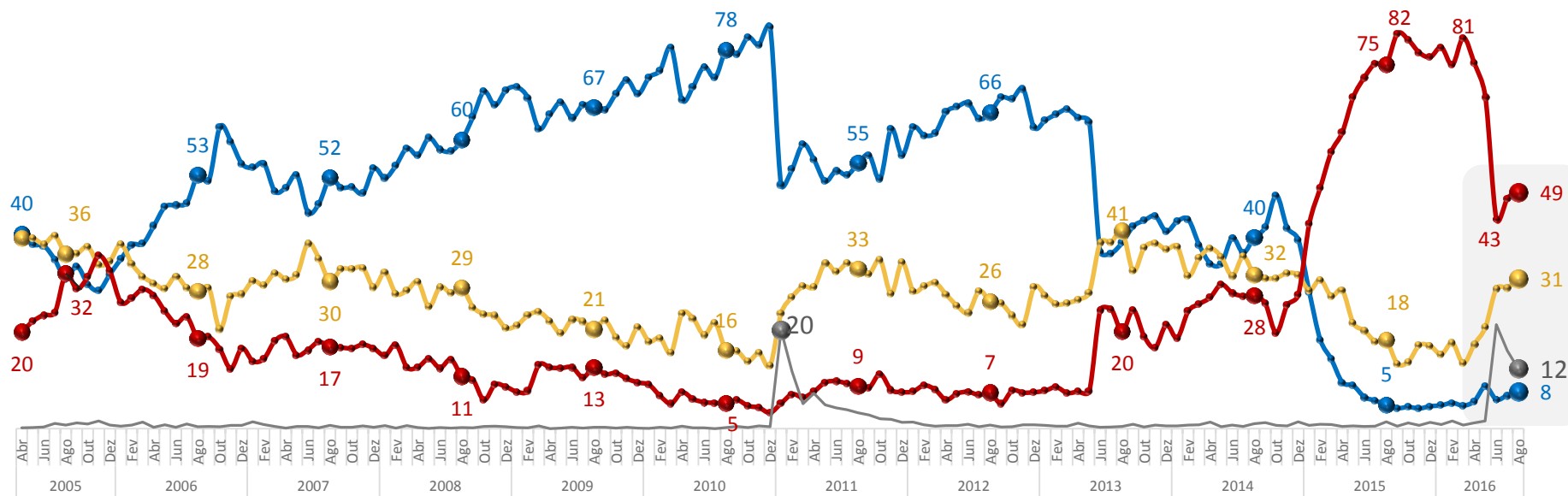
April 2005 – August 2016

Very Good/Good

Regular

Bad/Very Bad

Don't know/Didn't answer



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

7

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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

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POLITICAL BAROMETER

As Dilma's trial by the Senate approaches*, the approval and disapproval indicators for both, acting president Michel Temer and Dilma Rousseff, remain stable in very negative levels.

*THIS REPORT WAS WRITTEN BEFORE THE FINAL TRIAL.

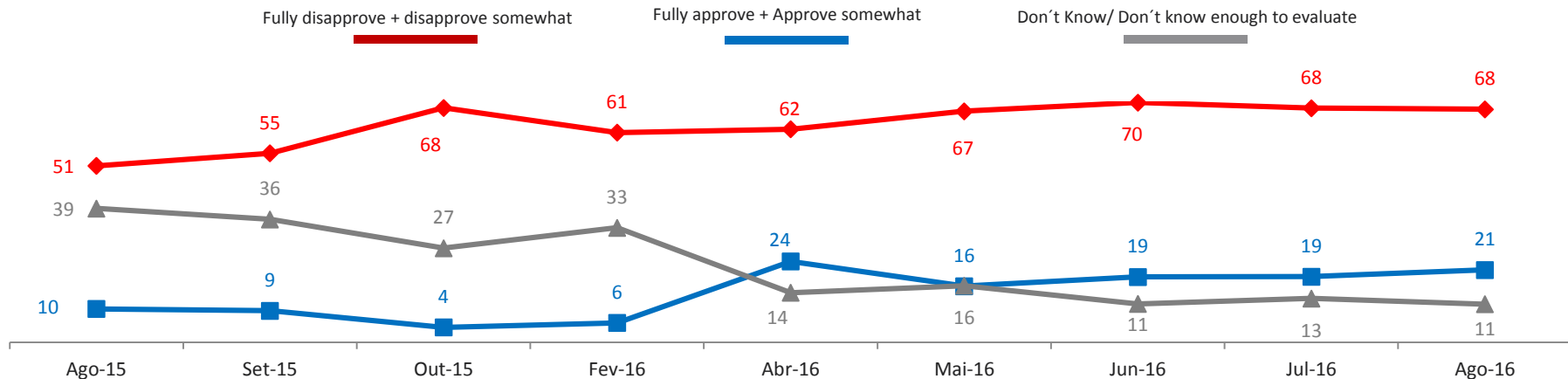
POLITICAL BAROMETER IPSOS MICHEL TEMER



Fully disapprove + disapprove somewhat

Fully approve + Approve somewhat

Don't Know/ Don't know enough to evaluate



% of Approval		Feb 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16
SEL	AB	7	15	19	26	23	27
	C	6	29	17	17	17	19
	DE	3	23	12	15	19	19
Region	Northeast	4	25	20	15	15	10
	Southeast	5	22	16	18	21	23
	South	9	36	12	20	13	19
	North	3	22	10	34	26	40
	Midwest	11	10	23	22	25	26
Schooling	Illiterate	3	15	10	14	18	16
	1st To 5th Grades	6	27	16	17	21	22
	6th to 9th Grades	5	24	13	22	15	20
	Middle school	6	25	19	19	19	22
	Higher education	6	16	21	19	25	23

% Disapproval		Feb 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16
SEL	AB	73	73	73	67	69	63
	C	62	60	66	71	69	70
	DE	44	50	62	69	64	68
Region	Northeast	47	60	62	71	72	72
	Southeast	68	66	67	70	70	66
	South	68	55	72	71	71	74
	North	44	50	70	58	59	56
	Midwest	63	68	70	74	50	66
Schooling	Illiterate	45	63	59	70	61	65
	1st To 5th Grades	48	53	64	69	65	62
	6th to 9th Grades	62	61	67	65	73	72
	Middle school	67	64	69	74	70	70
	Higher education	79	76	73	70	62	62

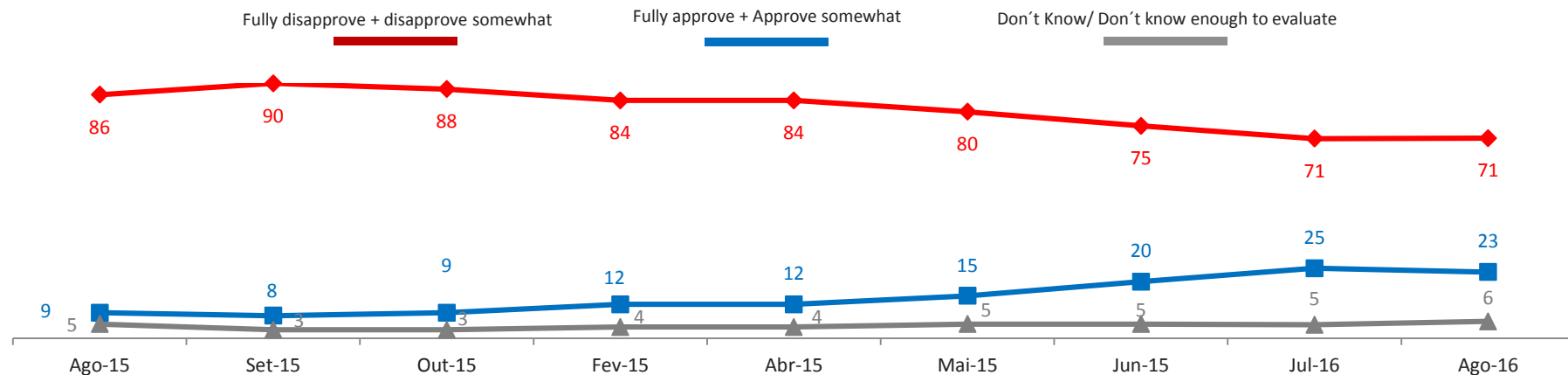
% Don't know enough		Feb 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16
SEL	AB	20	11	8	7	8	10
	C	32	12	17	11	14	11
	DE	53	27	26	16	17	13
Region	Northeast	48	15	18	14	13	18
	Southeast	27	12	17	12	9	11
	South	23	9	17	9	16	7
	North	54	28	20	8	15	4
	Midwest	26	23	6	3	26	8
Schooling	Illiterate	52	22	31	17	21	19
	1st To 5th Grades	46	20	20	14	14	16
	6th to 9th Grades	32	15	19	13	12	16
	Middle school	27	11	12	7	11	16
	Higher education	15	9	6	12	13	16

Now, I'm going to read the names 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.

15 CHANGERS

POLITICAL BAROMETER IPSOS DILMA ROUSSEFF



% of Approval		Feb 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16
SEL	AB	11	12	11	15	21	16
	C	13	12	16	19	22	24
	DE	8	23	17	29	36	32
Region	Northeast	12	25	23	31	49	38
	Southeast	12	12	12	18	20	20
	South	11	4	17	12	16	11
	North	7	17	13	17	12	25
	Midwest	10	17	8	20	14	22
Schooling	Illiterate	13	20	28	33	27	42
	1st To 5th Grades	13	16	18	23	25	28
	6th to 9th Grades	11	11	13	19	29	24
	Middle school	11	14	13	18	22	19
	Higher education	11	19	14	18	23	17

% Disapproval		Feb 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16
SEL	AB	85	85	85	82	76	79
	C	83	84	80	75	74	70
	DE	87	71	75	64	56	60
Region	Northeast	83	73	70	60	45	54
	Southeast	83	84	83	76	75	74
	South	87	90	80	87	79	86
	North	86	79	87	81	83	73
	Midwest	87	79	90	79	85	69
Schooling	Illiterate	76	75	64	57	63	52
	1st To 5th Grades	84	78	77	71	71	62
	6th to 9th Grades	85	86	80	75	68	70
	Middle school	85	83	84	78	73	77
	Higher education	84	80	84	79	70	75

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

Now, I'm going to read the names 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.

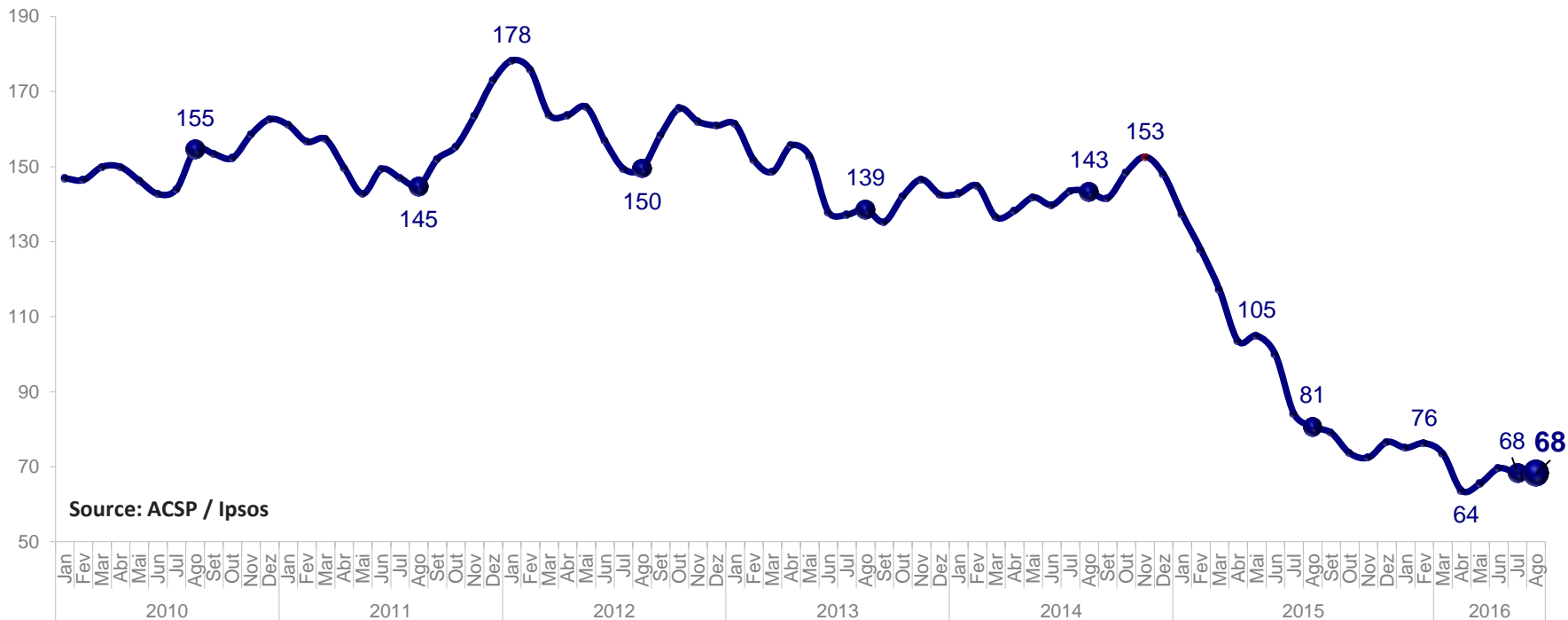
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FINANCE AND TRUST

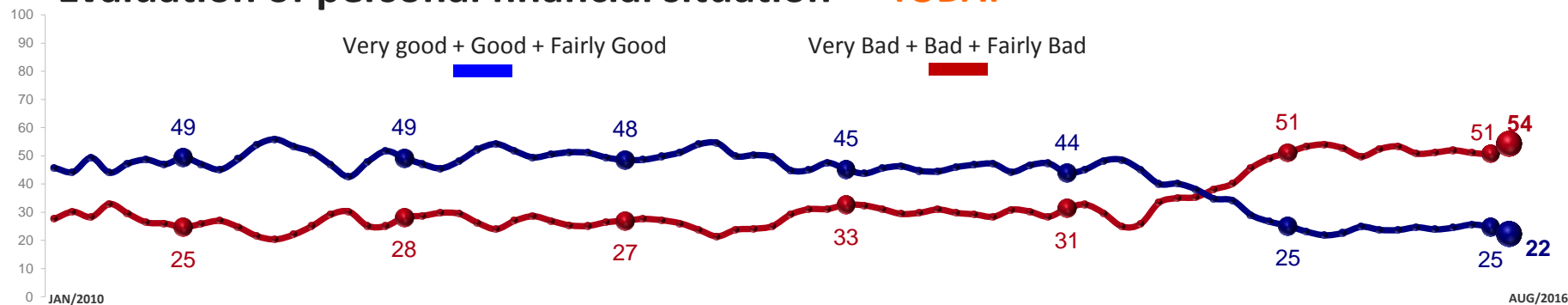
Consumer Confidence Index remains at 68 points and it stagnates after three months of small incremental increase. Perspectives for the next 6 months give small signs of possible improvement.

DOMESTIC CONSUMER CONFIDENCE INDEX

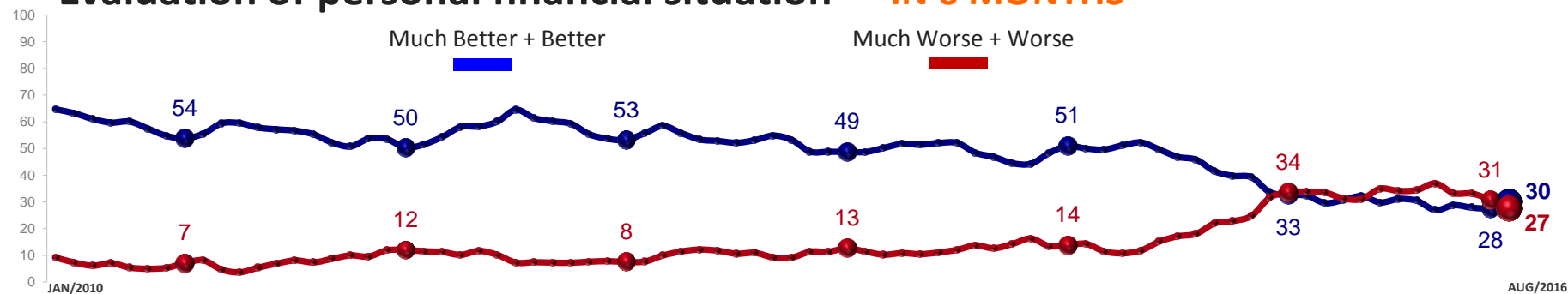
- **68 points in August (the same points in July)**
- **A variation outside the margin of error is noted for the South (fall of 7 points) and Northeast (increase of 7 points) regions.**
- **DCI growth in DE Class continues to gradually rise, while in the ABC classes the index is stagnant.**



Evaluation of personal financial situation – TODAY



Evaluation of personal financial situation – IN 6 MONTHS



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IPSOS *POINT OF VIEW*

Brazil awaits the definition* of the impeachment process amid a paradoxical context: the population expects a better scenario from 6 months on but still sees its current situation deteriorated.

*THIS REPORT WAS WRITTEN BEFORE THE FINAL TRIAL.

CONTEXT | COUNTRY'S DIRECTION

Brazil at a standstill.

In August, Brazil's direction was considered wrong for 87% of people, a rate 2% lower than recorded in the previous month and 4% lower than that observed in April, month of impeachment vote in the House of Representatives. Even though this index seems to be in a timid bias towards improvement, its level is still ridiculously negative.

There are some factors that contribute to the fact that Brazilians see their country in the wrong direction and, in the last few months, Pulso Brasil's data has been interpreting and explaining this context. We have already outlined here that this situation will be reverted in a gradual way and that more significant results will only be seen from 2017, after the consolidation of the impeachment process and the course of the *Lava Jato* (carwash) investigation.

This process has put Brazil at a standstill and its definition – regardless of its outcome – will close a cycle of instability and political turmoil. A new cycle will then begin, where the country will have to discuss in a mature manner, the necessary reforms it has to do - including the political reform.

CONTEXT | PRESIDENT'S EVALUATION

Evaluation of Temer's administration worsened again in August.

In August, Temer's administration was considered bad or very bad for 49% of Brazilians (against 48% in July and 43% in June). Those who did not know how to answer add 12%, against 16% in July and 22% in June. The management was considered "regular" for 31% of the population, against 29% in July and June. Finally, the positive ratings (excellent or good) were 8% in August, compared to 7% in July and 6% in June. That is, in the last three months Temer's administration has been forming opinions, but they do not converge to positive indicators.

Pulso Brasil's data continue to confirm that the public disapproves his management in general, more strongly in key areas for the country, such as beating inflation and unemployment, for example.

There is a consensus that structural reforms are urgently needed, and in order to these to be placed on the agenda, the support of Congress and public opinion are needed. The latter, at least so far, has shown little receptive response to the performance of Michel Temer's management.

POLITICAL BAROMETER IPSOS | MICHEL TEMER

How to lead the changes in a country lacking leaders?

Political Barometer indicators of President Michel Temer remain highly negative in August.

With so many expectations of reforms, whether from public opinion, or the market or industry leaders, any possible definitive management of Michel Temer will need to communicate clearly and objectively with the public about the country's main problems and solutions – some of them through unpopular measures.

Pulso Brasil has been monitoring the country's agenda for months and the results clearly show that when talking about structural reforms, Brazilians fear losing acquired rights and/or they find greater difficulty in obtaining them. In addition, there is great ignorance about the content of such reforms and how it can affect people.

Finally, we should remember that we live in a moment of institutional crisis and weakening of political leaderships. The reconstruction of the dialogue with civil society will require a proposed agenda – the challenge of a potential Temer's administration will pave this way after more than 100 days of interim government without the long awaited "management shock" and with a low approval rates regarding the topics considered most important for the Brazilians.

ECONOMIC CONTEXT | CONSUMER CONFIDENCE

Consumer confidence: a light at the end of the tunnel?

Consumer confidence did not show consistent recovery since the removal of Dilma Rousseff. In April, the month of the impeachment vote and her consequent removal, the DCI was 64 points - the lowest of the historical series. Three months later, the index is 68 points, i.e., Brazilians have still not regained their confidence in consuming.

This is for the following reasons: (1) political scene uncertainty; (2) confidence crisis in institutions and political leaders; (3) collapsed economic environment and without impacting prospects for improvement in the short term.

However, for the first time in months, the evaluation of personal financial situation in the short term is rather more positive than negative: 30% believe that after 6 months their financial situation will be better, compared to 27% who believe it will be worse. Another 41% think that their situation within 6 months will remain the same.

It is too early to say whether we have already resumed the path of optimism – because indicators for the commitment to a larger purchase (e.g. car, property) or even a medium sized one (e.g. stove, fridge) remain stagnant at very negative levels.

The light at the end of the tunnel, however, is a first sign of improvement in the confidence indicator in employment in the future, a key challenge for whoever will be seating in the president's chair from September.

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GAME CHANGERS

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