

# Economic Cycle Dating Committee

*Rio de Janeiro, June 29<sup>th</sup> 2020*

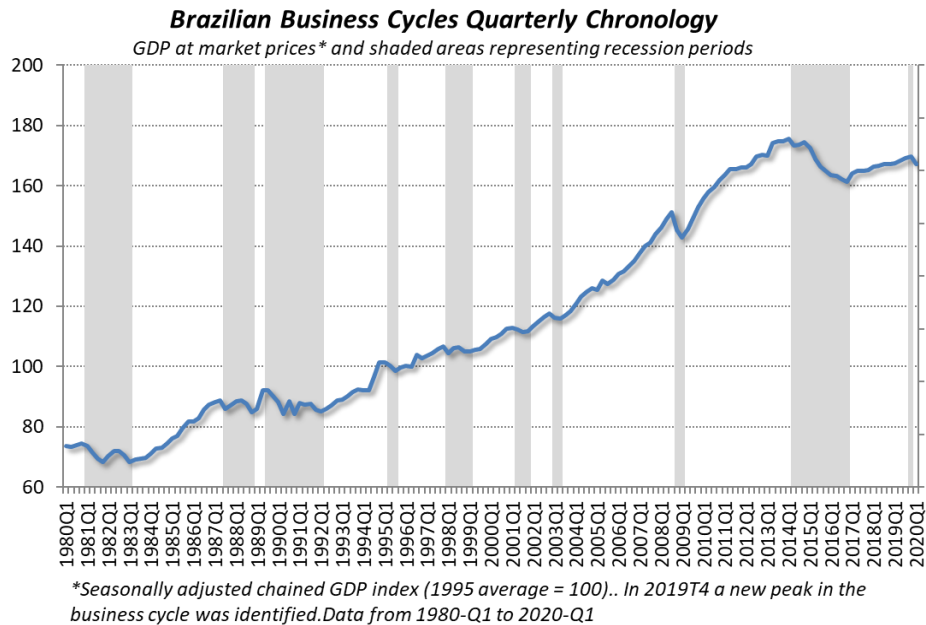
The Brazilian Economic Cycle Dating Committee (CODACE), which met on June 26<sup>th</sup> 2020, identified a peak in the Brazilian cycle in the fourth quarter of 2019. The peak represents the end of an economic expansion lasting 12 quarters — from the first quarter of 2017 to the fourth quarter of 2019 — and signals the beginning of a recession from the first quarter of 2020.

CODACE also carried out monthly dating of the 2014-2016 recession, identifying a peak in March 2014 and a trough in December 2016. This means that the recession lasted 33 months from April 2014 to December 2016.

Furthermore, the Committee communicates the induction of two new members: Prof. Fernando Veloso, substituting Prof. Regis Bonelli, and Prof. Vagner Ardeo, as member secretary without voting rights.

At the meeting of June 26<sup>th</sup> 2020, the Committee consisted of the following specialists:

- Affonso Celso Pastore (Coordinator, Director, AC Pastore & Associados)
- Edmar Bacha (Director, Iepe-Casa das Garças Institute for Economic Policy Studies)
- João Victor Issler (Professor, FGV/EPGE)
- Marcelle Chauvet (Professor, University of California)
- Marco Bonomo (Professor, Insper)
- Paulo Picchetti (Professor, FGV/EESP and Researcher, FGV/IBRE)
- Fernando Veloso (Professor, FGV/EPGE and Researcher, FGV/IBRE)
- Vagner Ardeo (Deputy Director, FGV/IBRE)



### **CODACE and Economic Cycles**

CODACE is a committee created in 2004 by Fundação Getulio Vargas with the aim of determining a reference chronology for Brazilian economic cycles, established through the alternation between dates of peaks and troughs in the level of economic activity. A cyclical phase marked by a widespread decline in economic activity among different sectors of the economy is a recession. The phase between a trough and a peak in the cycle is known as expansion.

CODACE is comprised of eight members with notable knowledge on economic cycles. Despite having been created by and receiving operational support from FGV, through the Brazilian Institute of Economics (IBRE), the Committee's decisions are independent.

## *The CODACE Quarterly and Monthly Chronologies of Recessions*

BRAZILIAN BUSINESS CYCLES QUARTERLY CHRONOLOGY - DURATION AND AMPLITUDE *							
Recessions				Expansions			
Period	Duration in quarters	% Cumulative Growth from Peak to Trough	% Average Quarterly Growth (annualized)	Period	Duration in quarters	% Cumulative Growth from Trough to Peak	% Average Quarterly Growth (annualized)
From 1981Q1 to 1983Q1	9	-8.5%	-3.9%	From 1983Q2 to 1987Q2	17	30.0%	6.4%
From 1987Q3 to 1988Q4	6	-4.2%	-2.8%	From 1989Q1 to 1989Q2	2	8.5%	17.7%
From 1989Q3 to 1992Q1	11	-7.7%	-2.9%	From 1992Q2 to 1995Q1	12	19.2%	6.0%
From 1995Q2 to 1995Q3	2	-2.8%	-5.6%	From 1995Q4 to 1997Q4	9	8.0%	3.5%
From 1998Q1 to 1999Q1	5	-1.1%	-0.9%	From 1999Q2 to 2001Q1	8	7.3%	3.6%
From 2001Q2 to 2001Q4	3	-0.9%	-1.1%	From 2002Q1 to 2002Q4	4	5.2%	5.2%
From 2003Q1 to 2003Q2	2	-1.5%	-3.0%	From 2003Q3 to 2008Q3	21	30.2%	5.2%
From 2008Q4 to 2009Q1	2	-5.1%	-10.0%	From 2009Q2 to 2014Q1	20	22.5%	4.1%
From 2014Q2 to 2016Q4	11	-8.0%	-3.0%	From 2017Q1 to 2019Q4	12	5.1%	1.7%
Recession starting in 2020Q1	-	-	-	-	-	-	-

\*Growth measured according to seasonally adjusted quarterly GDP at market prices (Source: IBGE)

MONTHLY CHRONOLOGY OF BRAZILIAN BUSINESS CYCLES					
Peak *	Trough *	Recession Number of months from peak to trough	Expansion Number of months from trough to previous peak	Cycle	
				From peak to peak	From trough to trough
Oct/80 (IV)	Feb/83 (I)	28	-	-	-
Feb/87 (II)	Oct/88 (IV)	20	48	88	68
Jun/89 (II)	Dec/91 (I/92)	30	8	28	38
Dec/94 (I/95)	Sep/95(III)	9	36	66	45
Oct/97 (IV)	Feb/99 (I)	16	25	34	41
Dec/00 (I/01)	Sep/01 (IV)	9	10	38	31
Oct/02 (IV)	Jun/03 (II)	8	13	22	33
Jul/08 (III)	Jan/09 (I)	6	61	69	67
Mar/14 (I)	Dec/16 (IV)	33	62	68	95
Average duration (months)		17.7	32.9	51.6	52.3

\*quarterly datings corresponding to monthly turning points are given in parentheses