

# BRAZIL:

## ELECTION TRACKER

**NEW**



**AUGUST 2018**

EMERGING MARKETS RESEARCH, LATAM

MARCELO CARVALHO  @MCarvalhoEcon



**BNP PARIBAS**

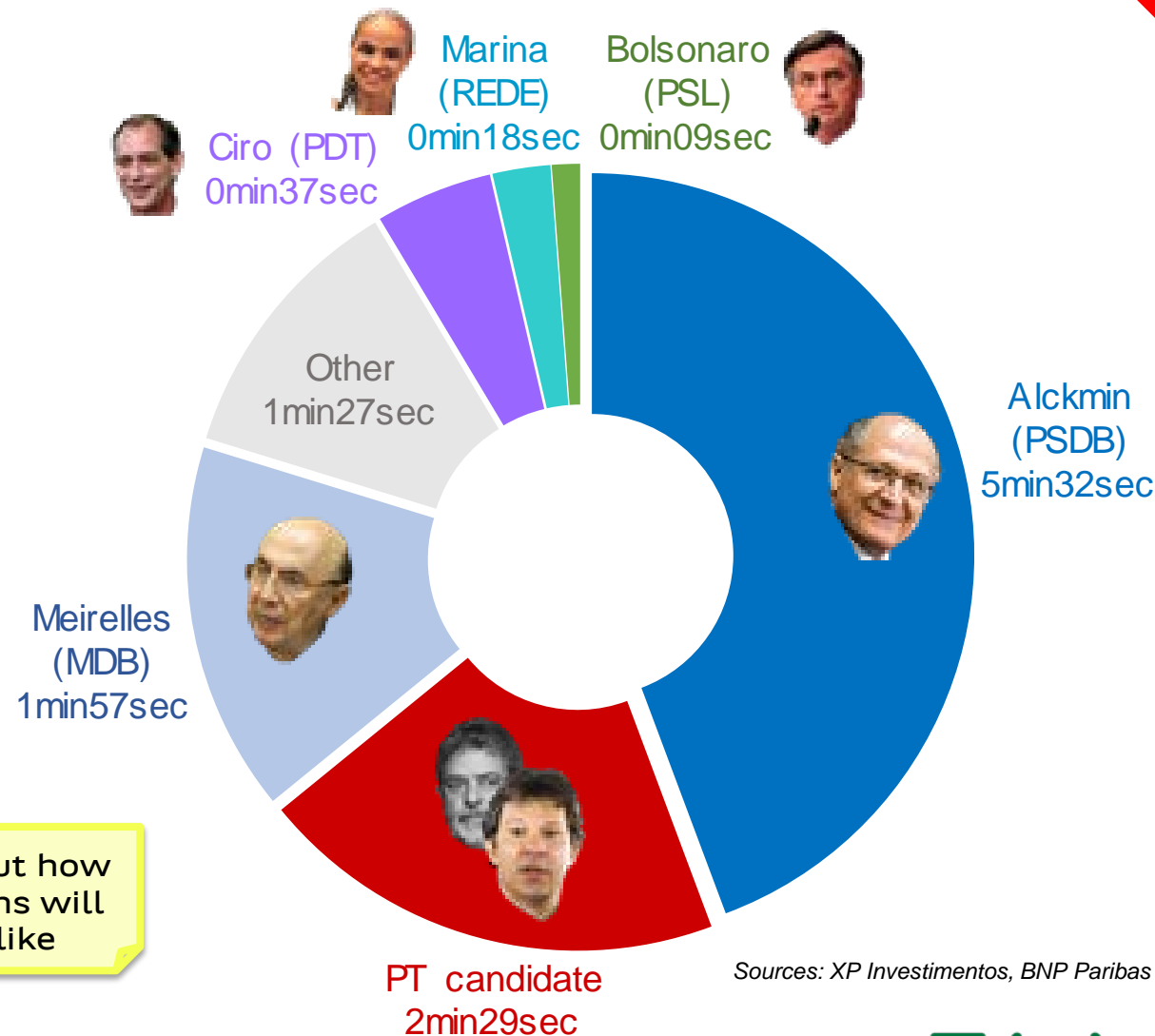
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# TIME OF TV AND RADIO

**NEW**

## ■ Coalitions have been formed and will share TV & Radio time

- Alckmin (PSDB) with PSD, PP, PR, PTB, DEM, PRB, SD and PPS
  - 5min 32sec (44%)
- PT candidate with PROS and PCdoB
  - 2min 29sec (20%)
- Bolsonaro with PRTB
  - 9sec (1.2%)
- Meirelles (MDB), Marina (REDE) and Ciro (PDT) alone
  - Meirelles (MDB)
    - 1min 57sec (16%)
  - Marina (REDE)
    - 18sec (2.4%)
  - Ciro (PDT)
    - 37sec (5.0%)



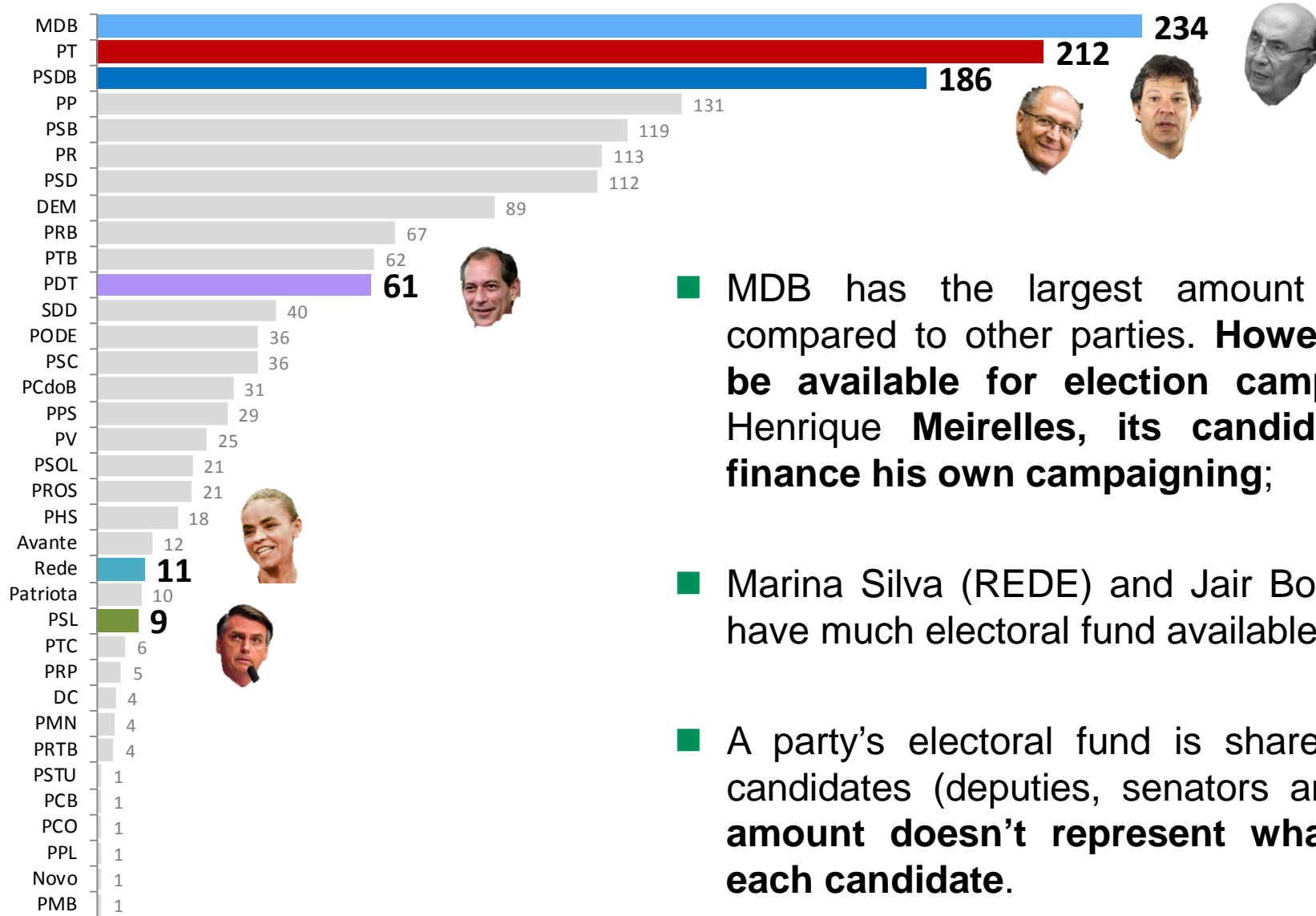
Check out how coalitions will look like

Sources: XP Investimentos, BNP Paribas



# ELECTORAL FUND PER PARTY (BRL MILLION)

NEW



- MDB has the largest amount of electoral fund compared to other parties. **However, it won't likely be available for election campaigning, meaning Henrique Meirelles, its candidate, will have to finance his own campaigning;**
- Marina Silva (REDE) and Jair Bolsonaro (PSL) don't have much electoral fund available for campaigning;
- A party's electoral fund is shared between several candidates (deputies, senators and governors). **The amount doesn't represent what is available for each candidate.**

Sources: Political analysts, TSE, BNP Paribas



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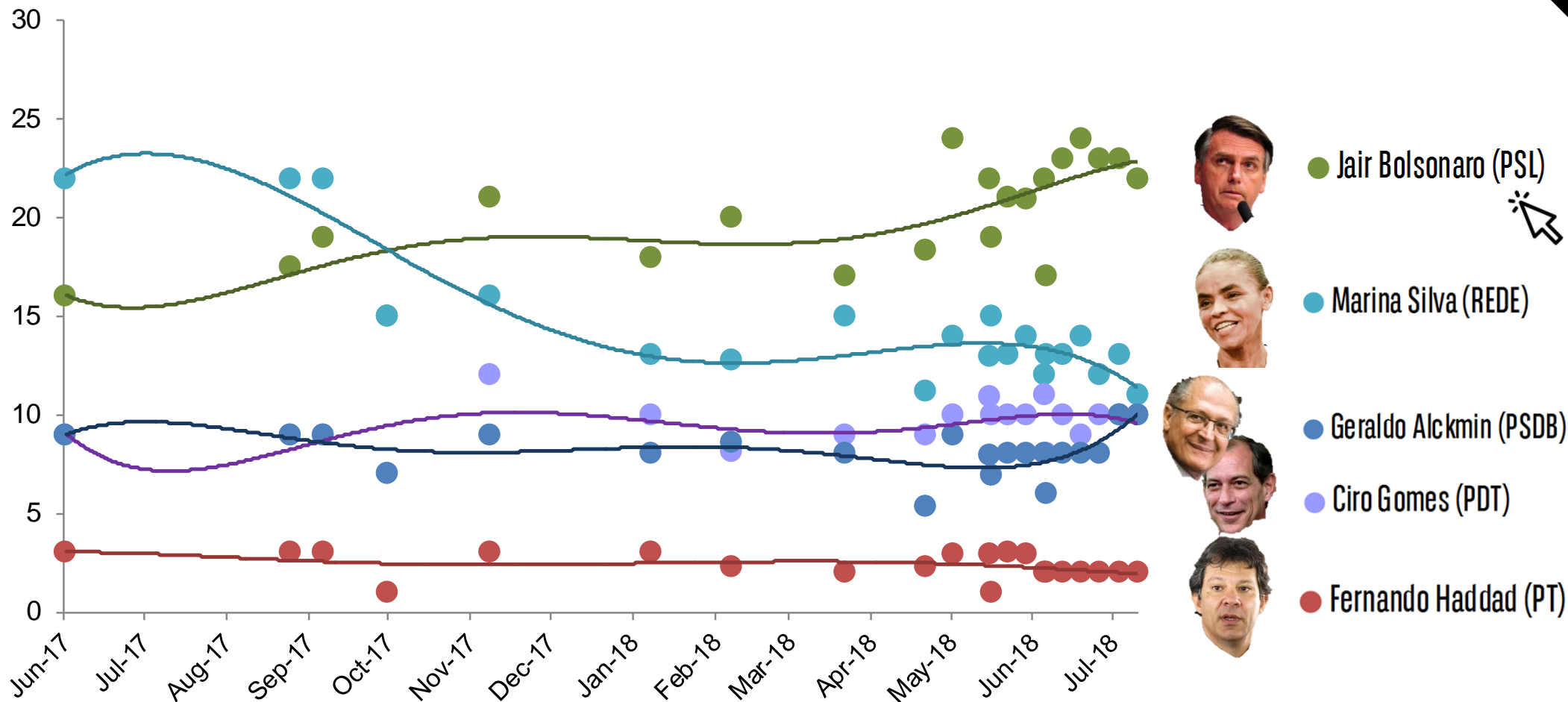
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# BREAKING NEWS: POLL OF POLLS

UPDATE

VOTING PROSPECTS OF MAIN CANDIDATES (WITHOUT LULA) – 1<sup>ST</sup> ROUND



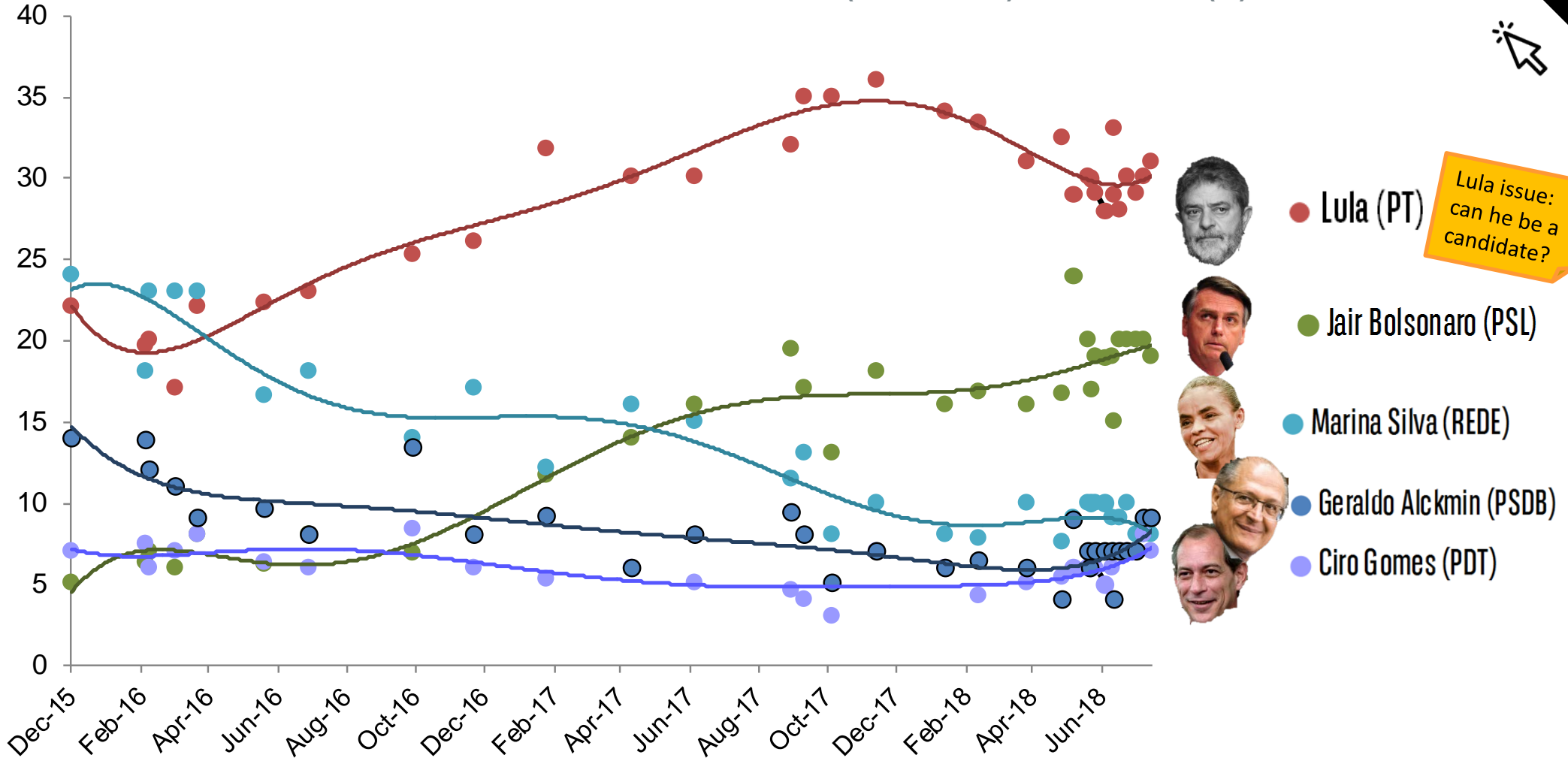
Sources: Datafolha, CNT/MDA, Ipespe (XP Investments)



# BREAKING NEWS: POLL OF POLLS

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VOTING PROSPECTS OF MAIN CANDIDATES (WITH LULA) – 1<sup>ST</sup> ROUND (%)



Lula issue: can he be a candidate?

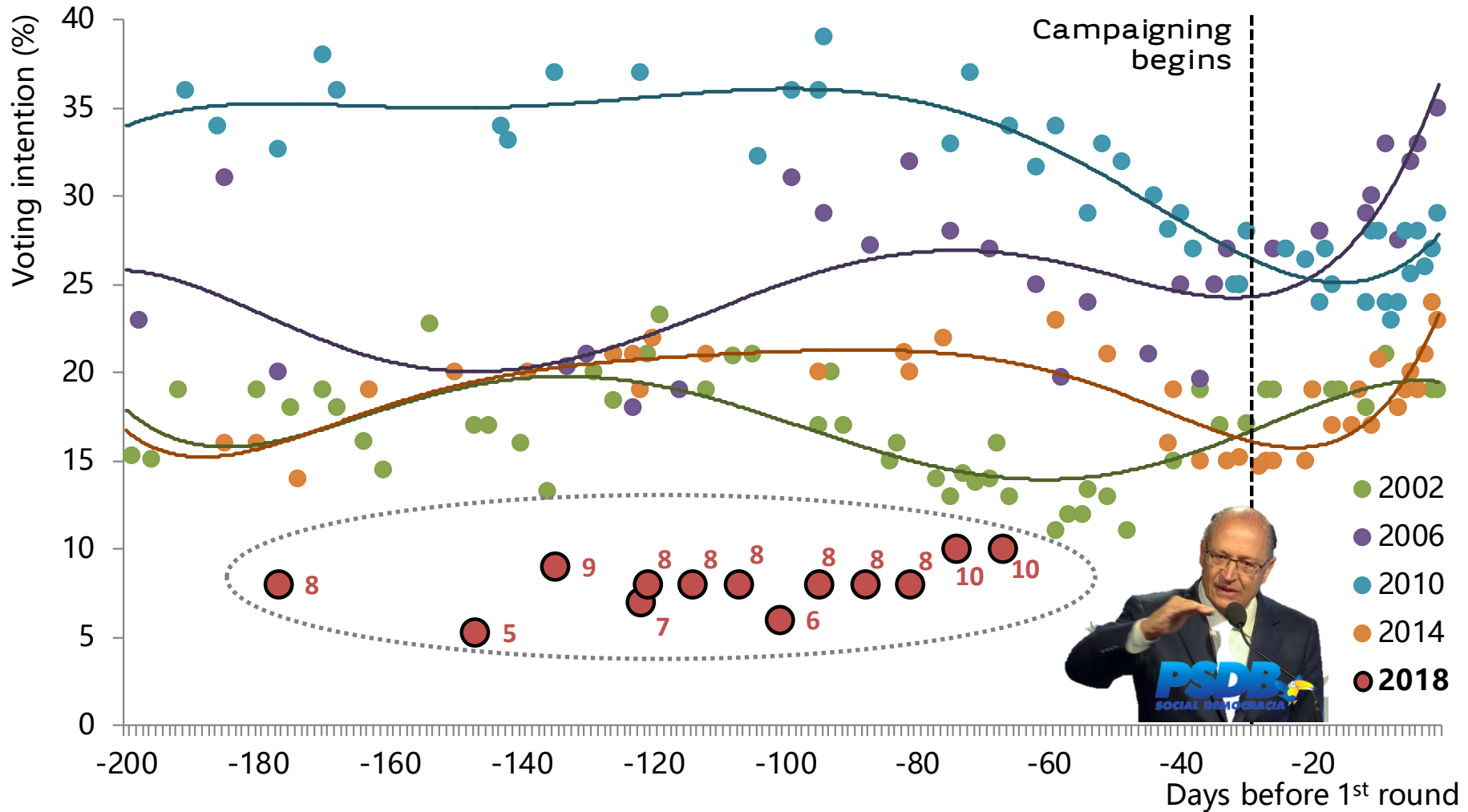
Sources: Datafolha, CNT/MDA, Ipespe (XP Investments)



# BREAKING NEWS: PSDB IN THE PAST ELECTIONS

UPDATE

VOTING INTENTIONS FOR PSDB CANDIDATES BEFORE PRESIDENTIAL ELECTIONS (%)

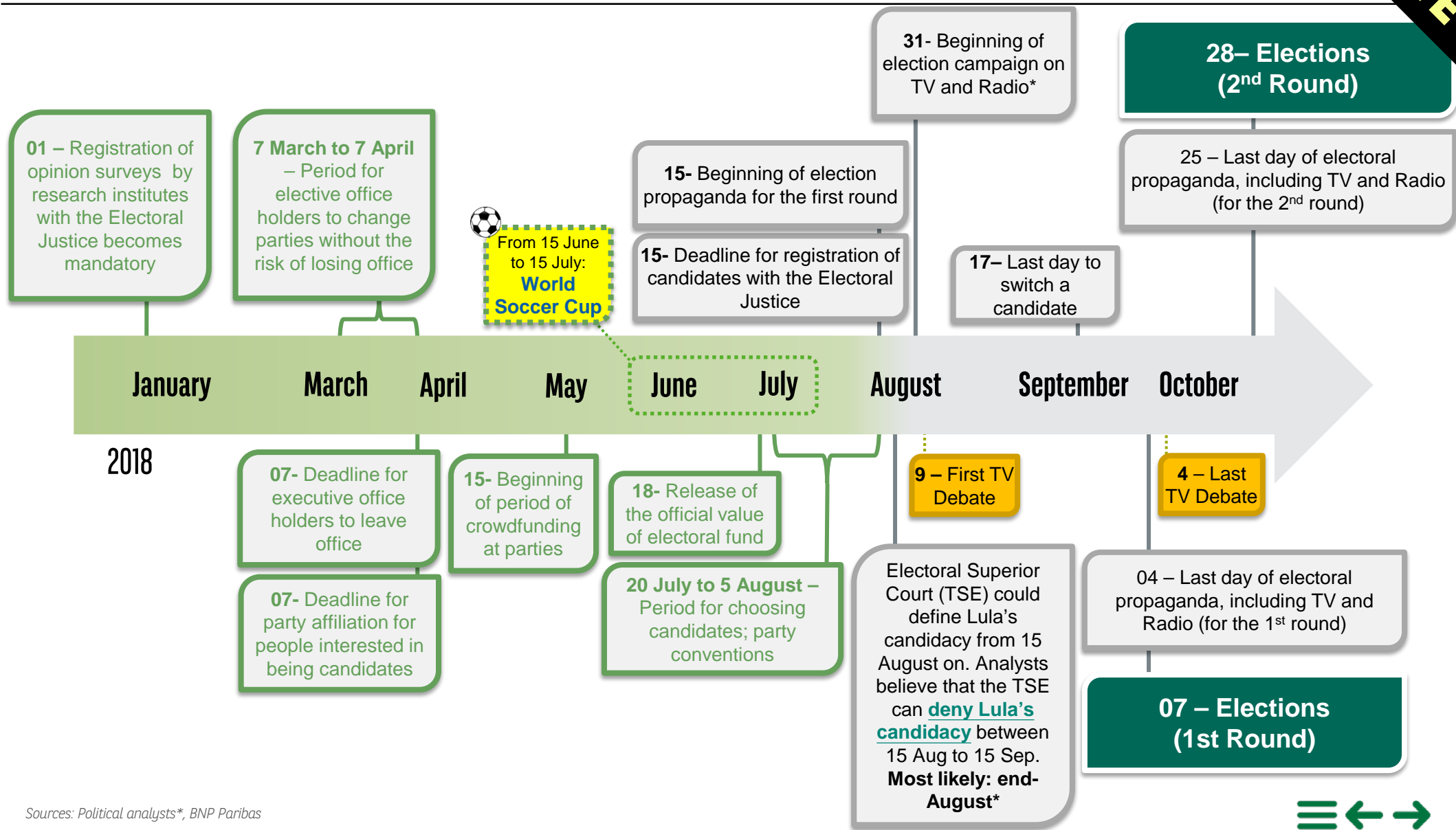


Sources: Polling Data, Datafolha, IBOPE, Ipspe (XP Investments), BNP Paribas



# 2018 ELECTION CALENDAR

**UPDATE**



Sources: Political analysts\*, BNP Paribas



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- NEW** PRESIDENT: 2<sup>ND</sup> ROUND ▶ TV AND RADIO TIME ▶
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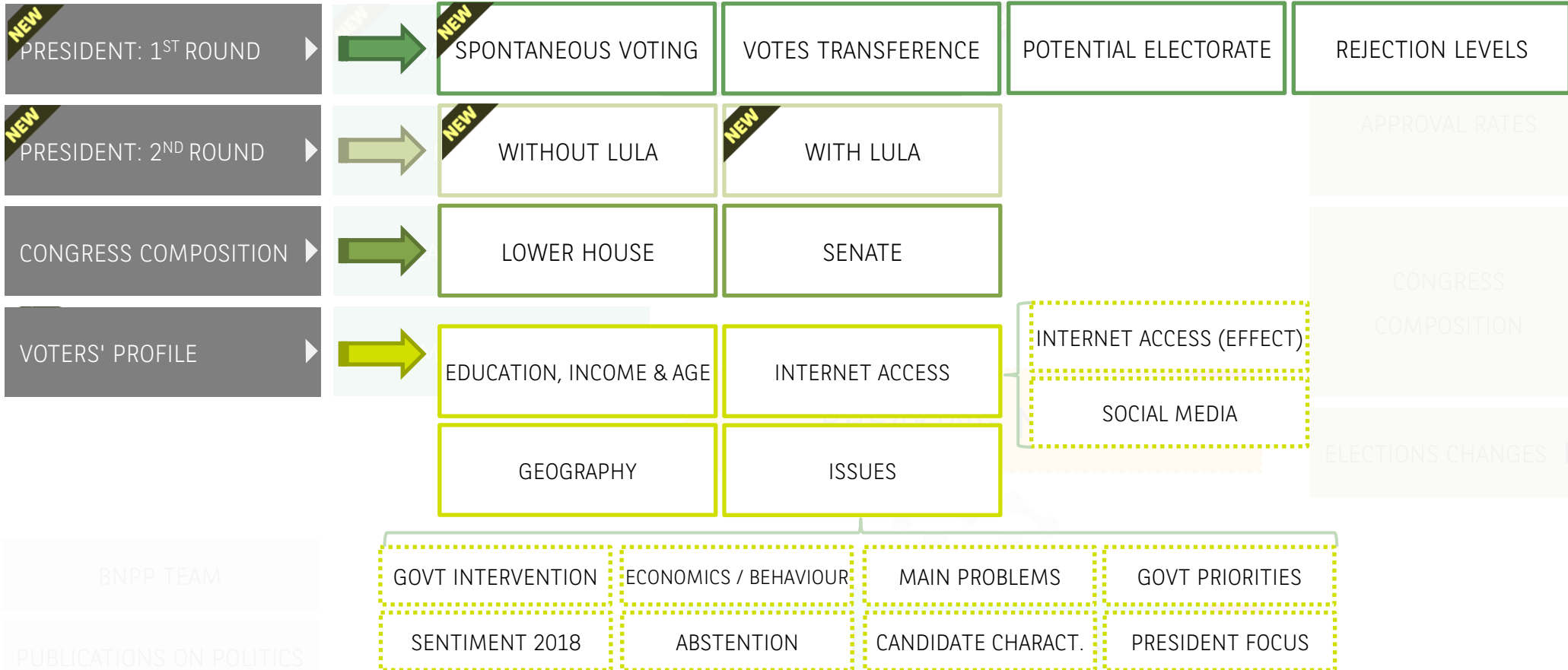
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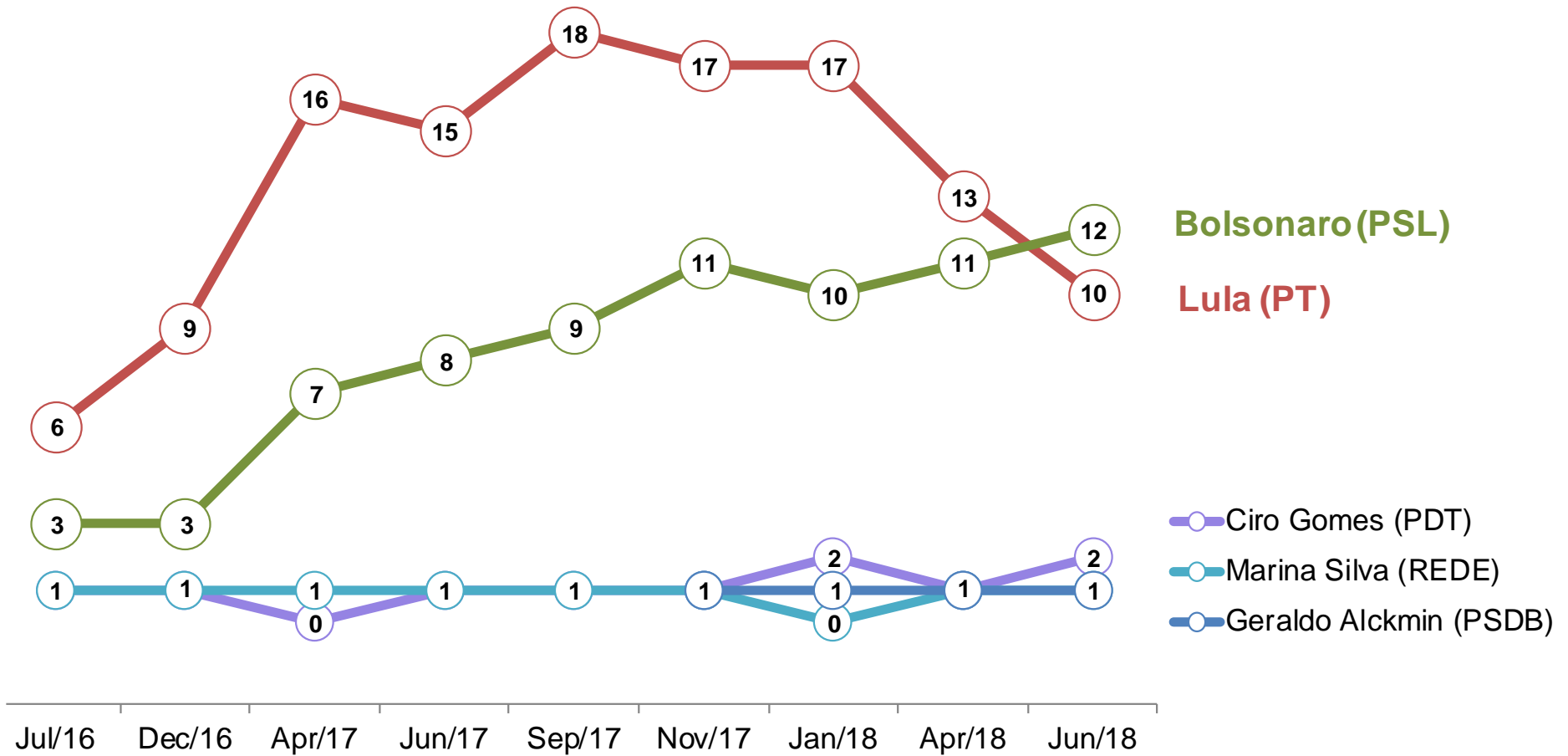
PUBLICATIONS ON POLITICS



# SPONTANEOUS VOTING INTENTION (1<sup>ST</sup> ROUND)

## VOTING PROSPECTS (%)

- Rise of outliers in surveys is common in the early stages of the campaign
  - Higher spontaneous voting intentions has put Bolsonaro (PSL) in the spotlight



Sources: Datafolha, BNP Paribas

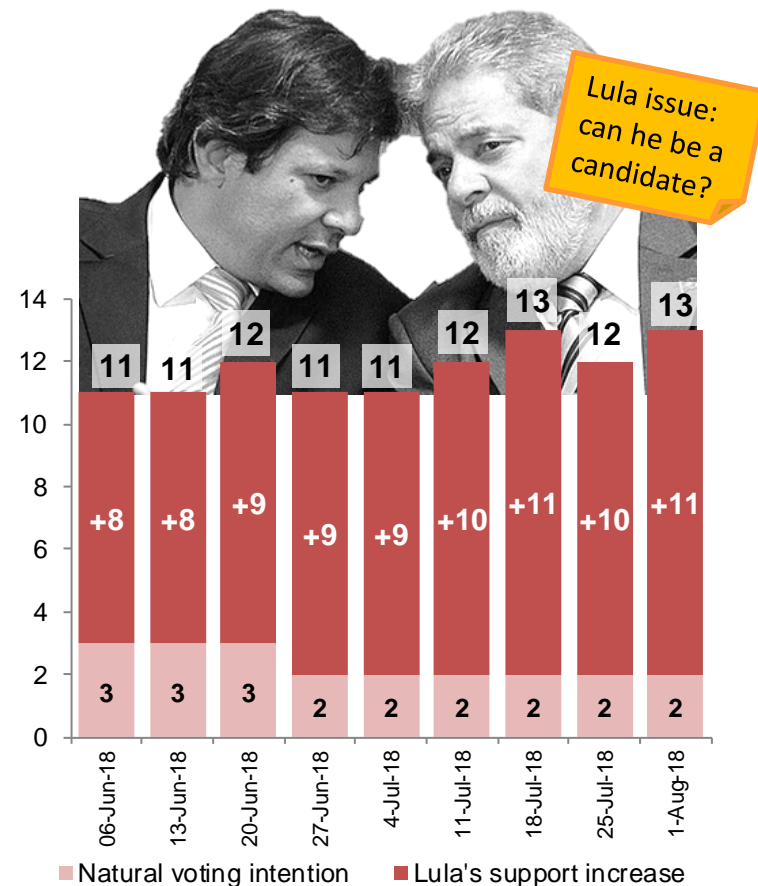
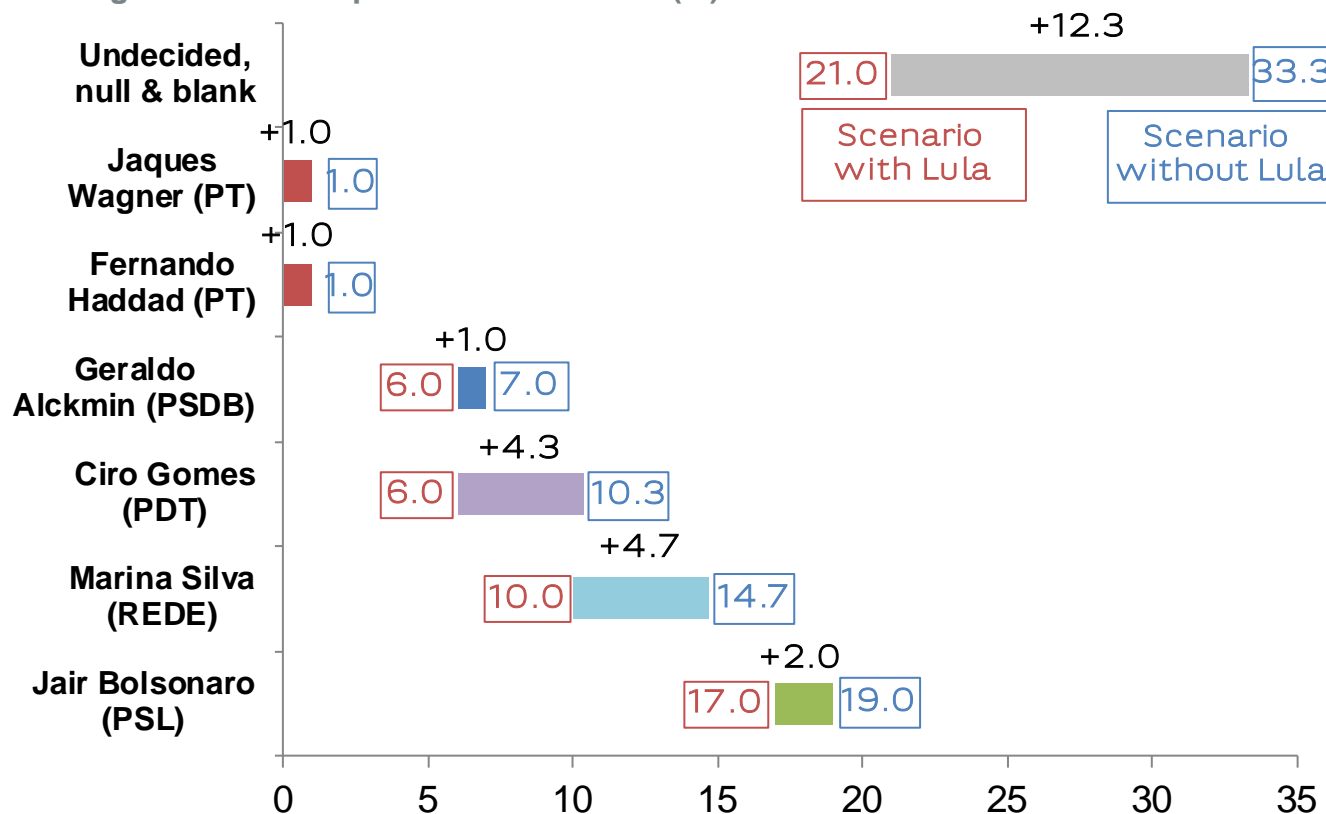


# VOTES TRANSFERENCE: SCENARIO WITHOUT LULA (1<sup>ST</sup> ROUND)

**UPDATE**

- Most of Lula's voters look undecided with Lula out of the race, but some voters could migrate to other candidates like Marina Silva (REDE) and Ciro Gomes (PDT), according to Datafolha.
- When responders were informed that [Fernando Haddad \(PT\)](#) is supported by Lula, his **voting intentions increased a lot**, according to IPEPSE.

Voting intentions for presidential election (%)



Lula issue: can he be a candidate?

(\*) Minimum and maximum values of voting intention are calculated by the average between voting intentions in each scenario (with Lula and without Lula)

Sources: Datafolha, BNP Paribas

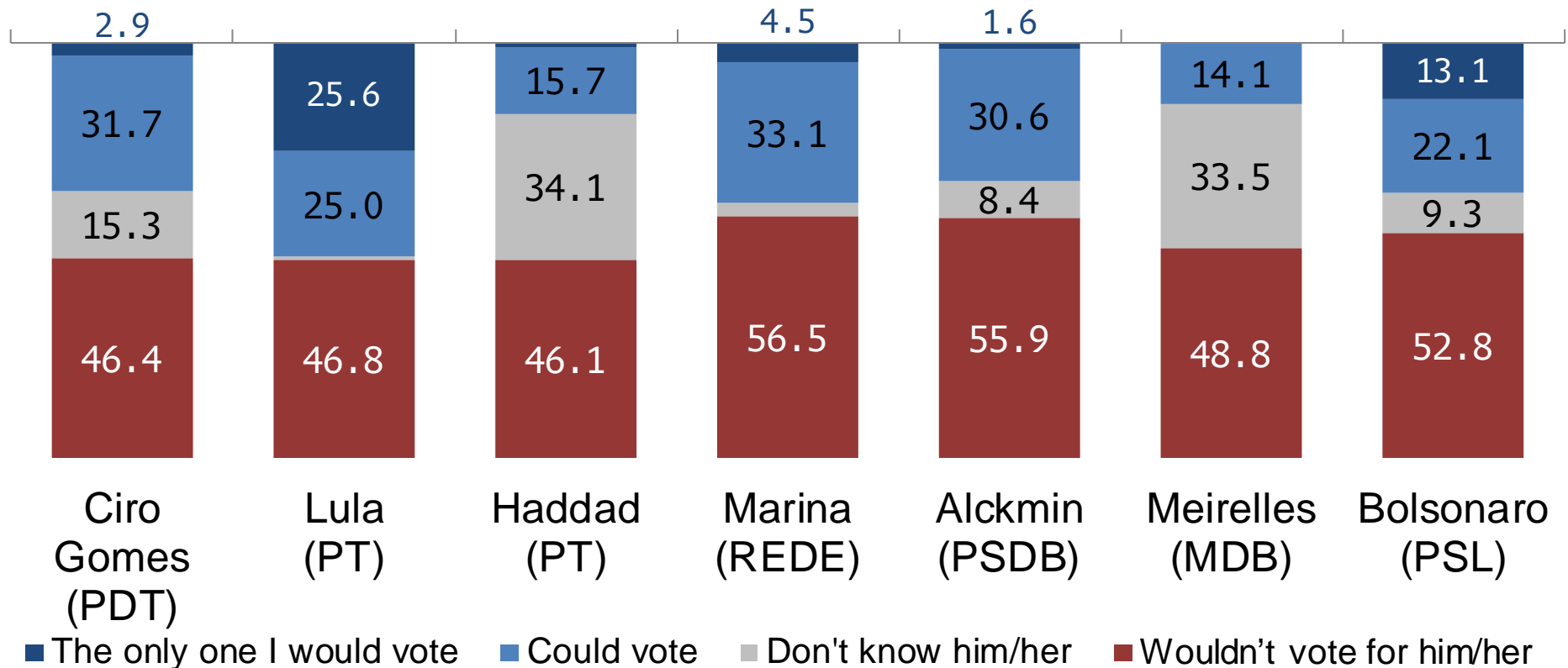
Sources: IPESPE (XP Investimentos), BNP Paribas



# POTENTIAL ELECTORATE

## VOTING PROSPECTS (%)

- Lula (PT) shows a high floor (“assured” votes) but also a low ceiling (high rejection) of voter intentions
- Lesser-known candidates have room to attract potential voters
- Corruption scandals could weigh on disapproval ratings of traditional politicians

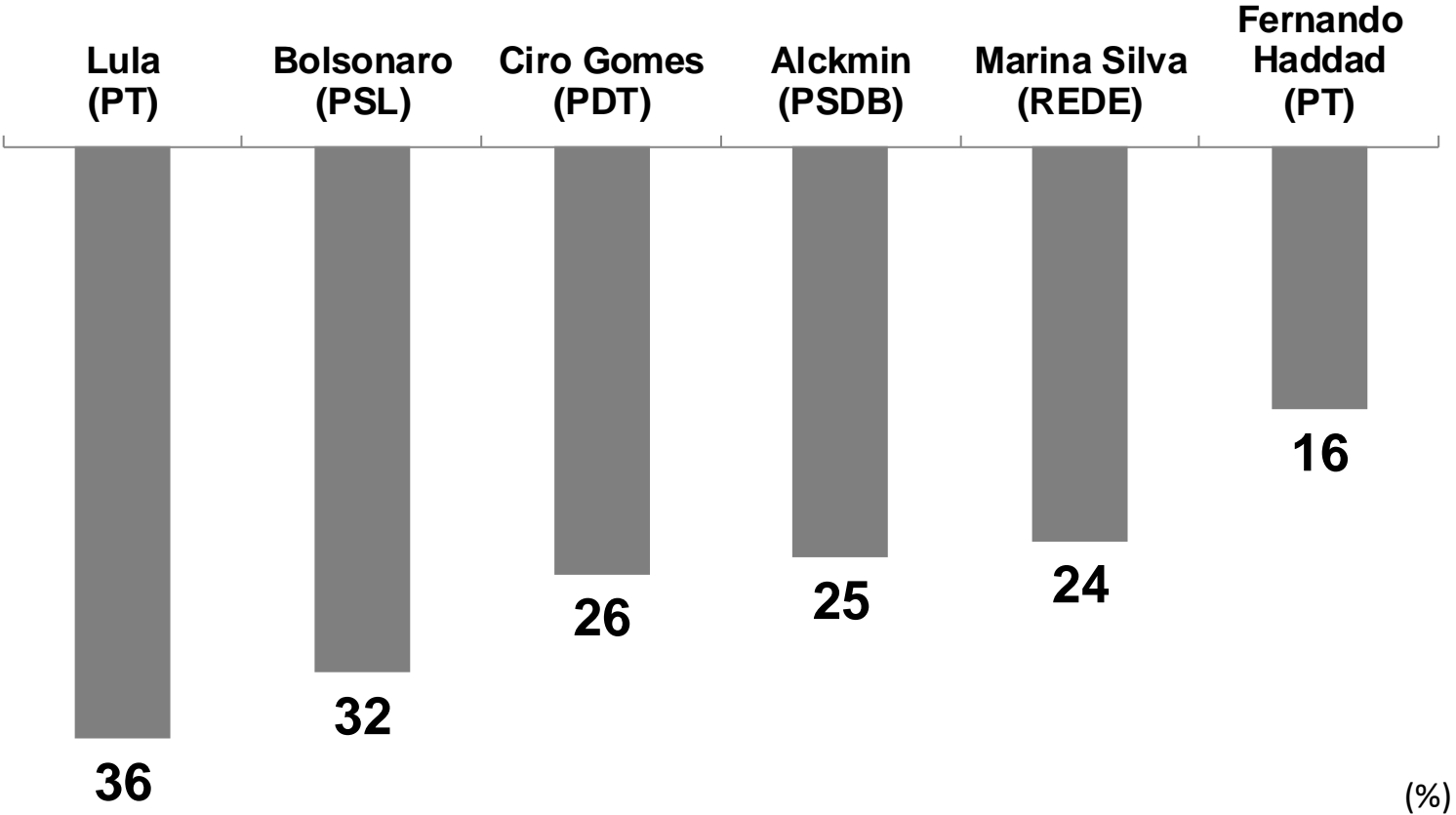


Sources: CNT/MDA (May18), BNP Paribas



# REJECTION LEVELS

- High level of rejection among all candidates
  - Lula (PT), has the highest rejection level among the main potential candidates

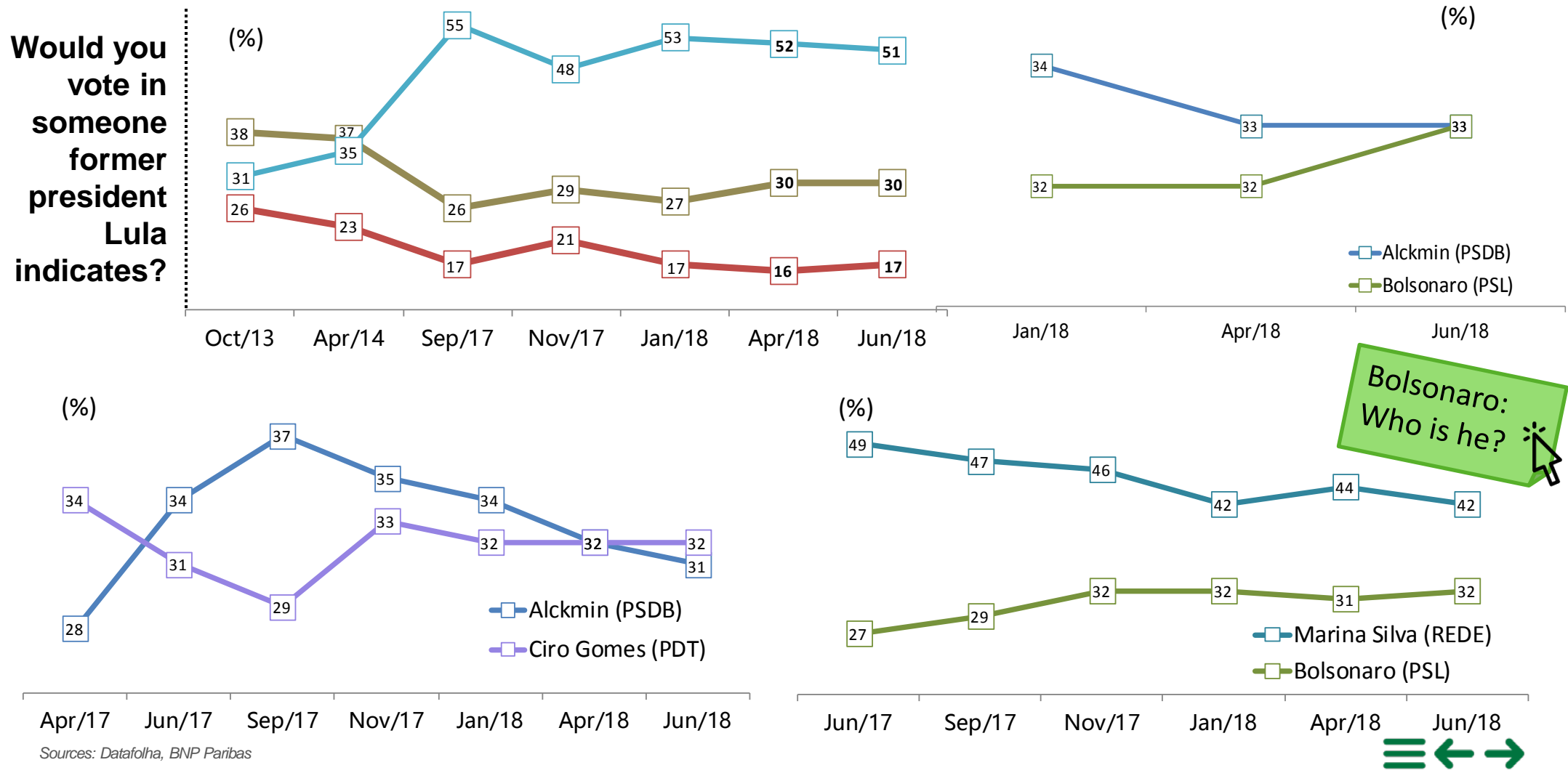


Sources: Datafolha, BNP Paribas



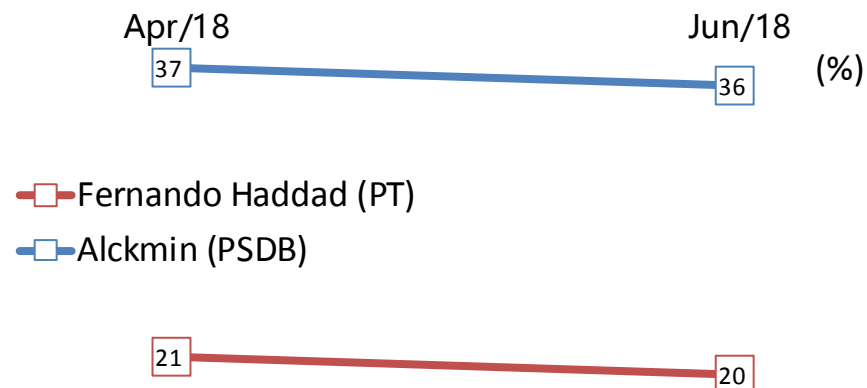
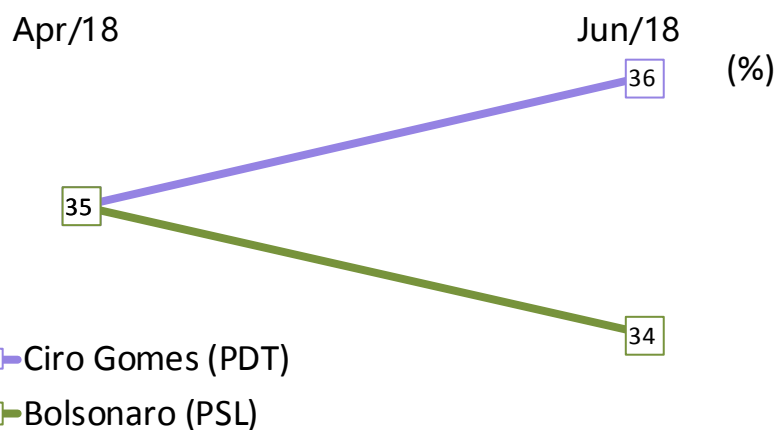
# VOTING INTENTIONS FOR PRESIDENT (2<sup>ND</sup> ROUND) - DATAFOLHA

■ If Lula does not run, Marina Silva (REDE), Bolsonaro (PSL), Alckmin (PSDB) and Ciro Gomes (PDT) could run in the 2<sup>nd</sup> Round, according to the last polls



# VOTING INTENTIONS FOR PRESIDENT (2<sup>ND</sup> ROUND) - DATAFOLHA

■ If Lula does not run, Marina Silva (REDE), Bolsonaro (PSL), Alckmin (PSDB) and Ciro Gomes (PDT) could run in the 2<sup>nd</sup> Round, according to the last polls. Fernando Haddad (PT) has been being considered as Lula's substitute.



Apr/18

Jun/18

Apr/18

Jun/18

Sources: Datafolha, BNP Paribas



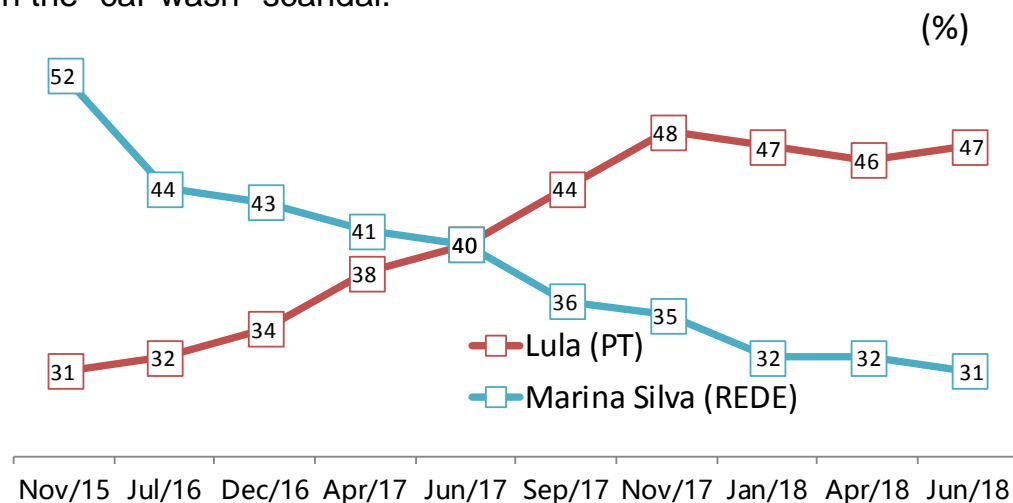
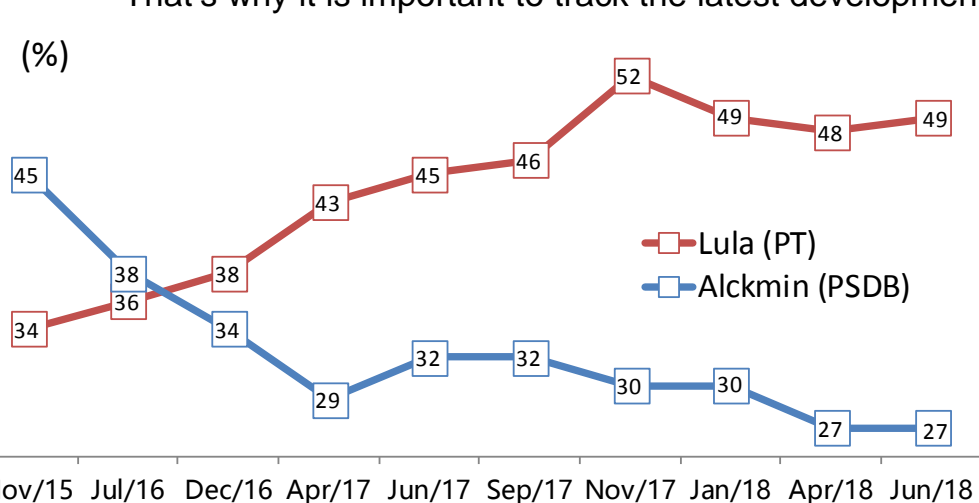
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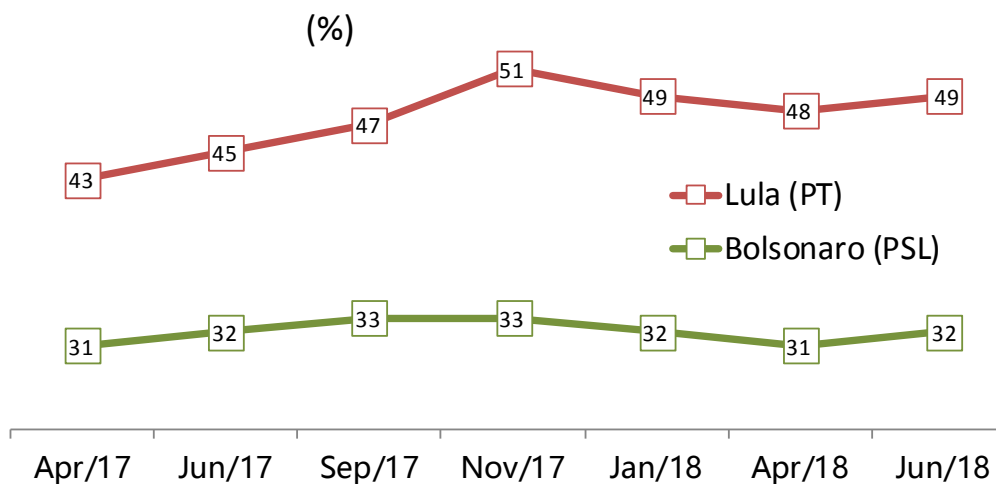
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# VOTING INTENTIONS FOR PRESIDENT (2<sup>ND</sup> ROUND) – DATAFOLHA

- Even with high levels of rejection, Lula appears as the favourite in all scenarios
  - That's why it is important to track the latest developments in the “car-wash” scandal.



Lula issue:  
can he be a  
candidate?



Sources: Datafolha, BNP Paribas

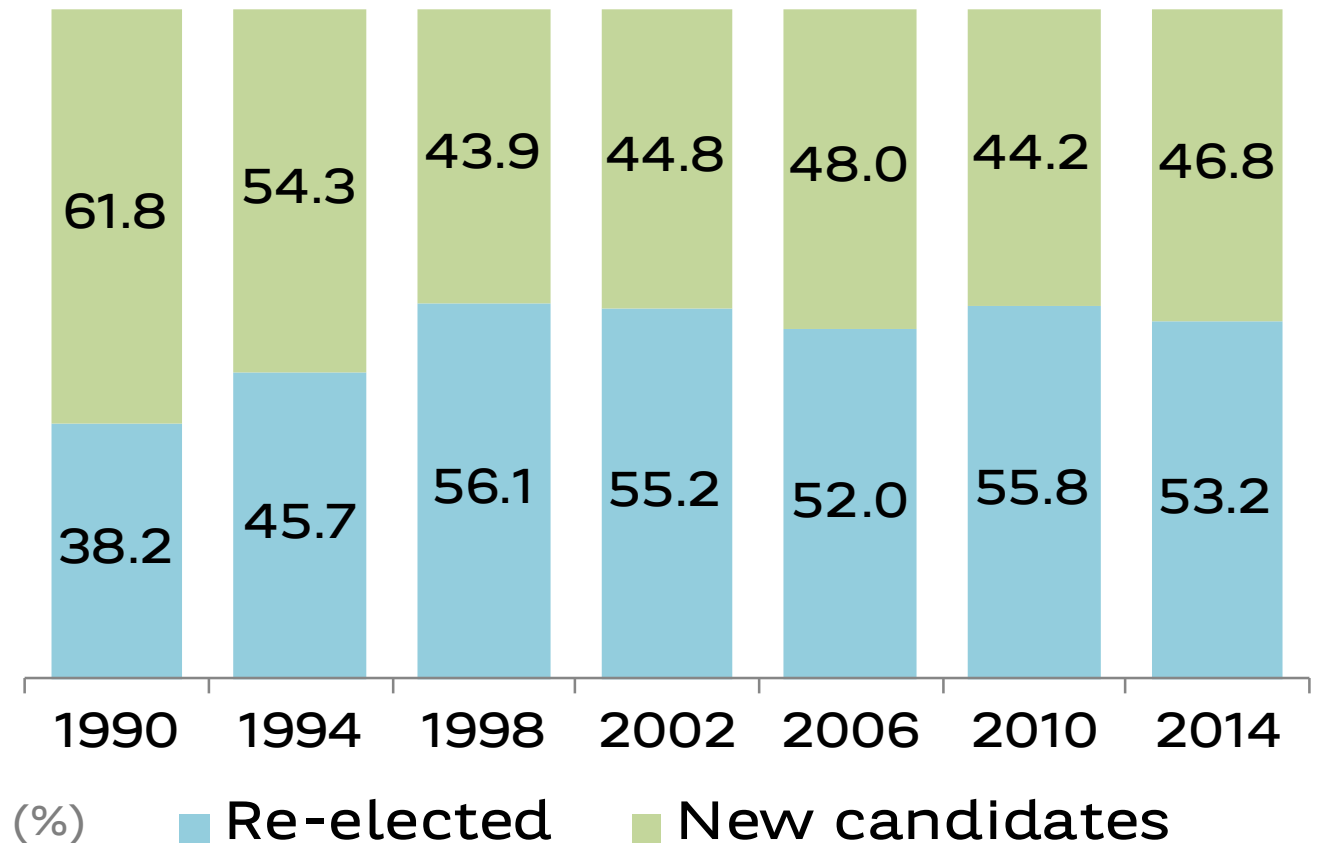




# LOWER HOUSE CHANGES

- 2018 Lower House elections forecasts
  - Between 33 and 103 federal deputies should give up re-election or run for another office
  - A wide range of deputies (between 410 and 480) should try re-election this year

**ALL SEATS IN THE  
LOWER HOUSE ARE  
UP FOR RENEWAL  
IN 2018  
(513 SEATS)**



Sources: DIAP (as of March 2<sup>nd</sup> 2018), BNP Paribas



**BNP PARIBAS**

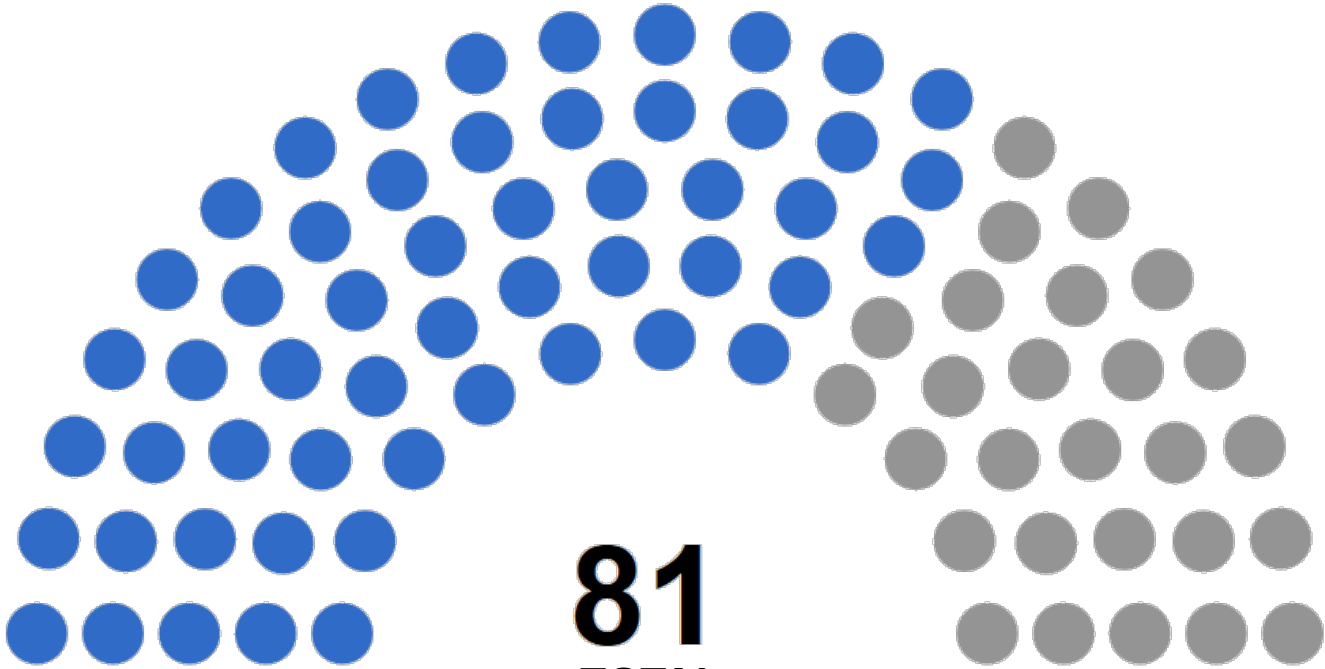
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# SENATE PARTY COMPOSITION

**2/3 OF SEATS IN  
THE SENATE ARE UP  
FOR RENEWAL IN  
2018;**

THE OTHER 1/3 WILL  
CHANGE IN 2022



**81**  
TOTAL  
SEATS

## LEAVING

- MDB (16)
- PP (6)
- PSDB (8)
- PSB (4)
- PT(7)
- OTHER (13)

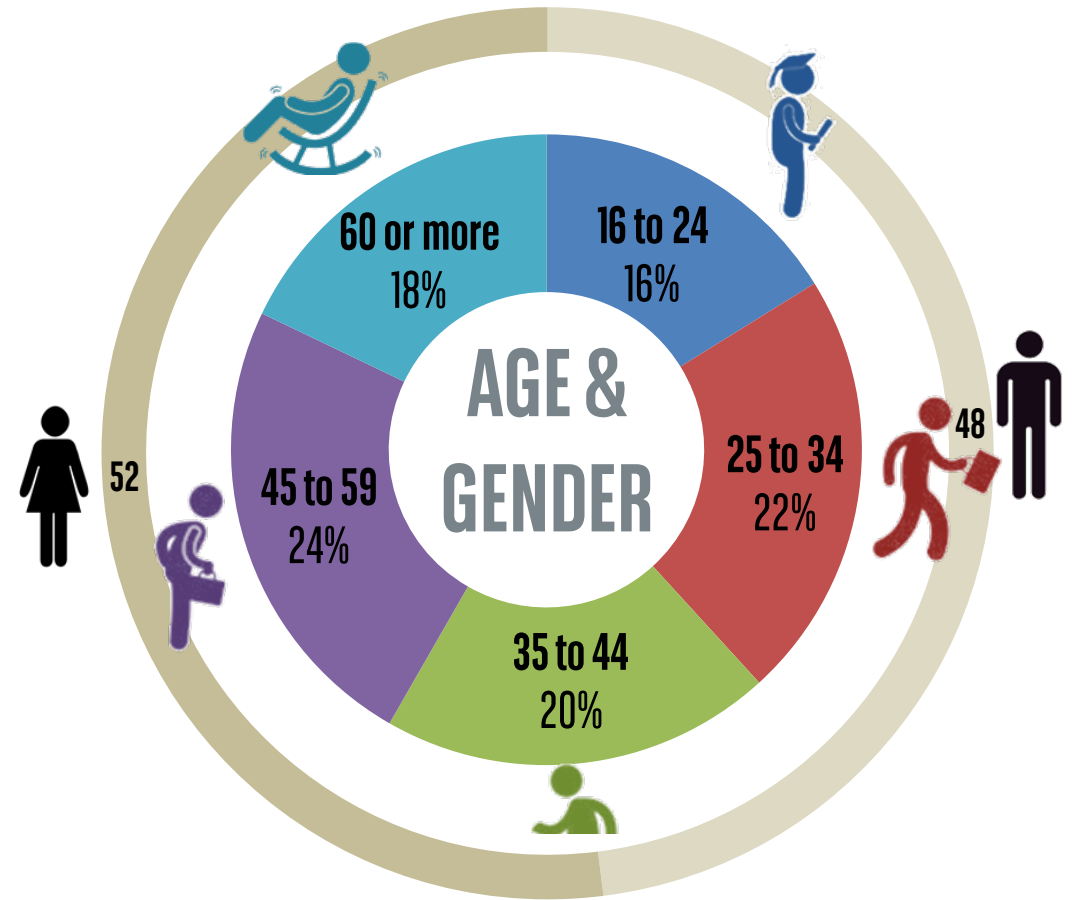
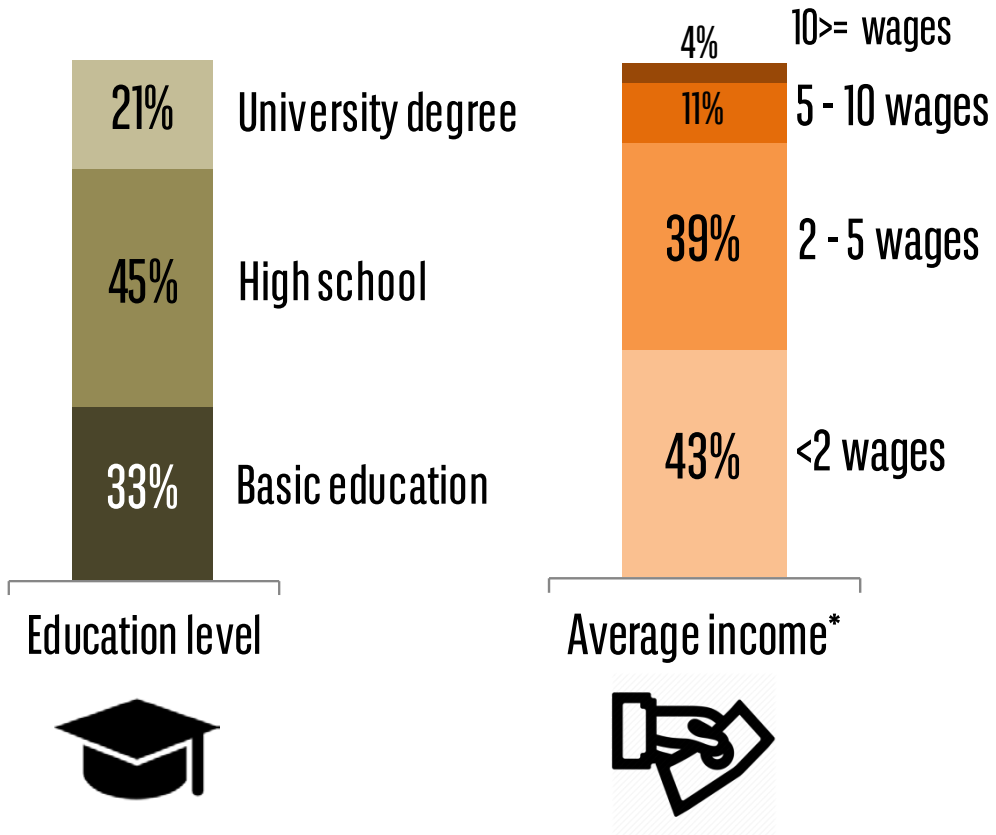
## STAYING

- MDB (7)
- PSD (3)
- PSDB (3)
- PT (2)
- DEM (3)
- OTHER (9)

Sources: Senate, BNP Paribas



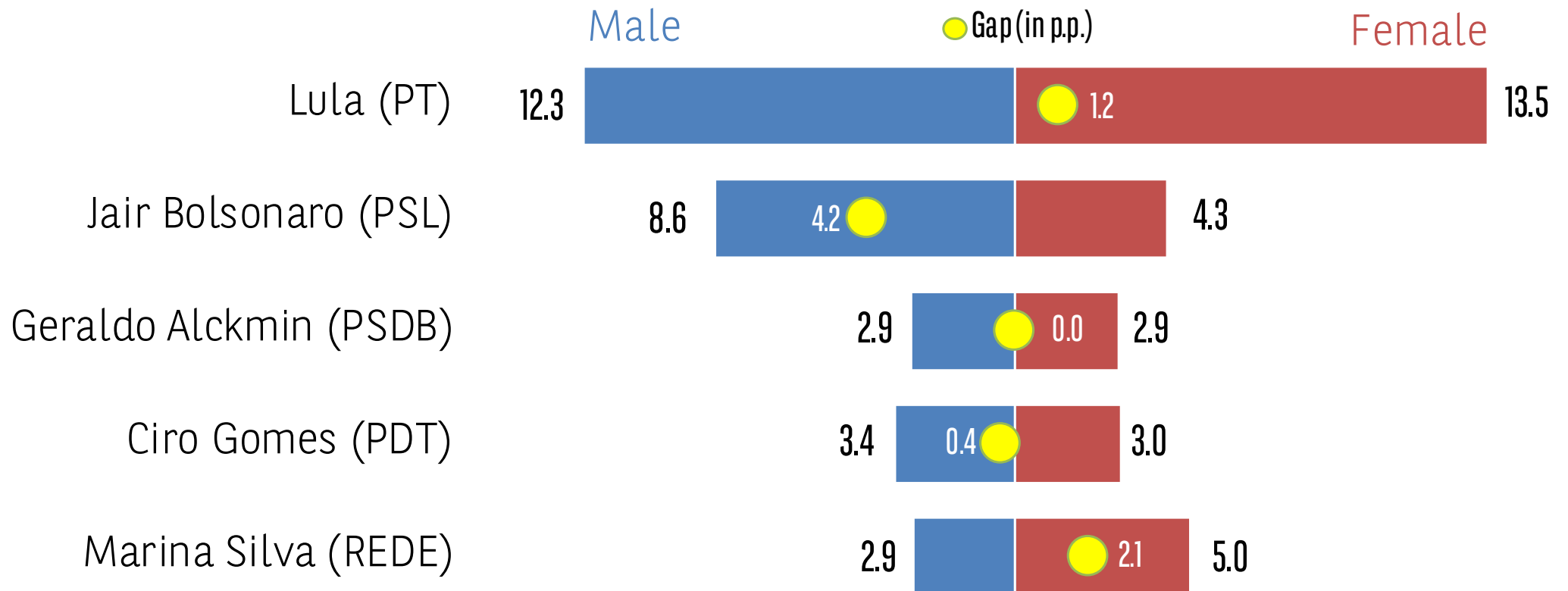
# VOTERS' PROFILE: EDUCATION, INCOME AND AGE



Sources: TSE, BNP Paribas (\*) - Not available at TSE. Datafolha data used, weighted by PNAD data.



# BREAKING NEWS: GENDER GAP



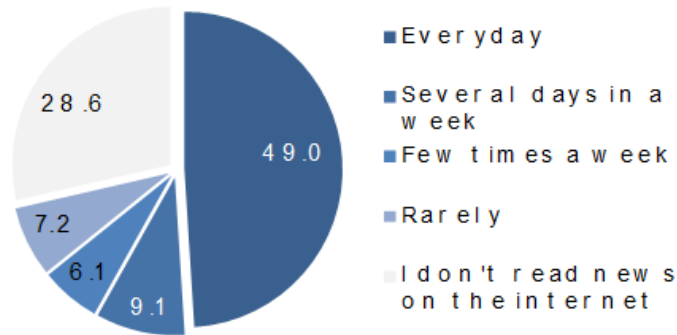
Sources: Datafolha



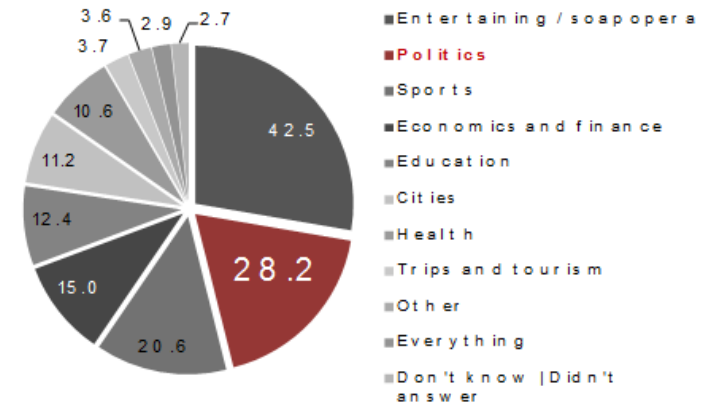
# NEWS ON THE INTERNET

## ACCESS TO INFORMATION (%)

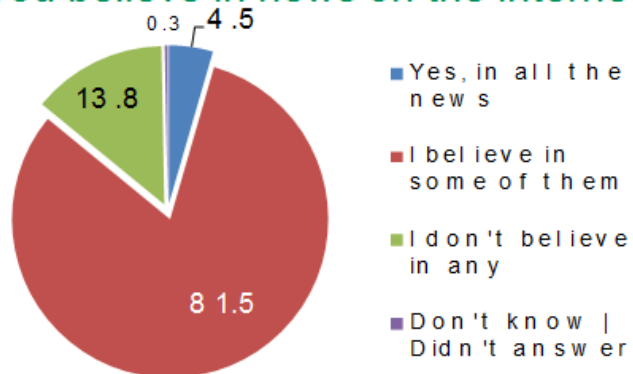
How often do you read news on the internet?



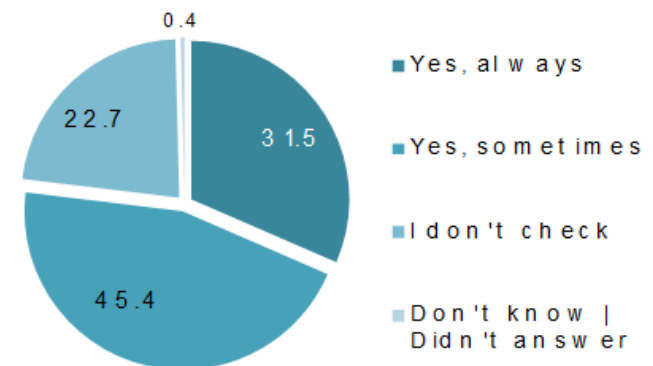
Which kind of news do you prefer to track on the internet?



Do you believe in news on the internet?



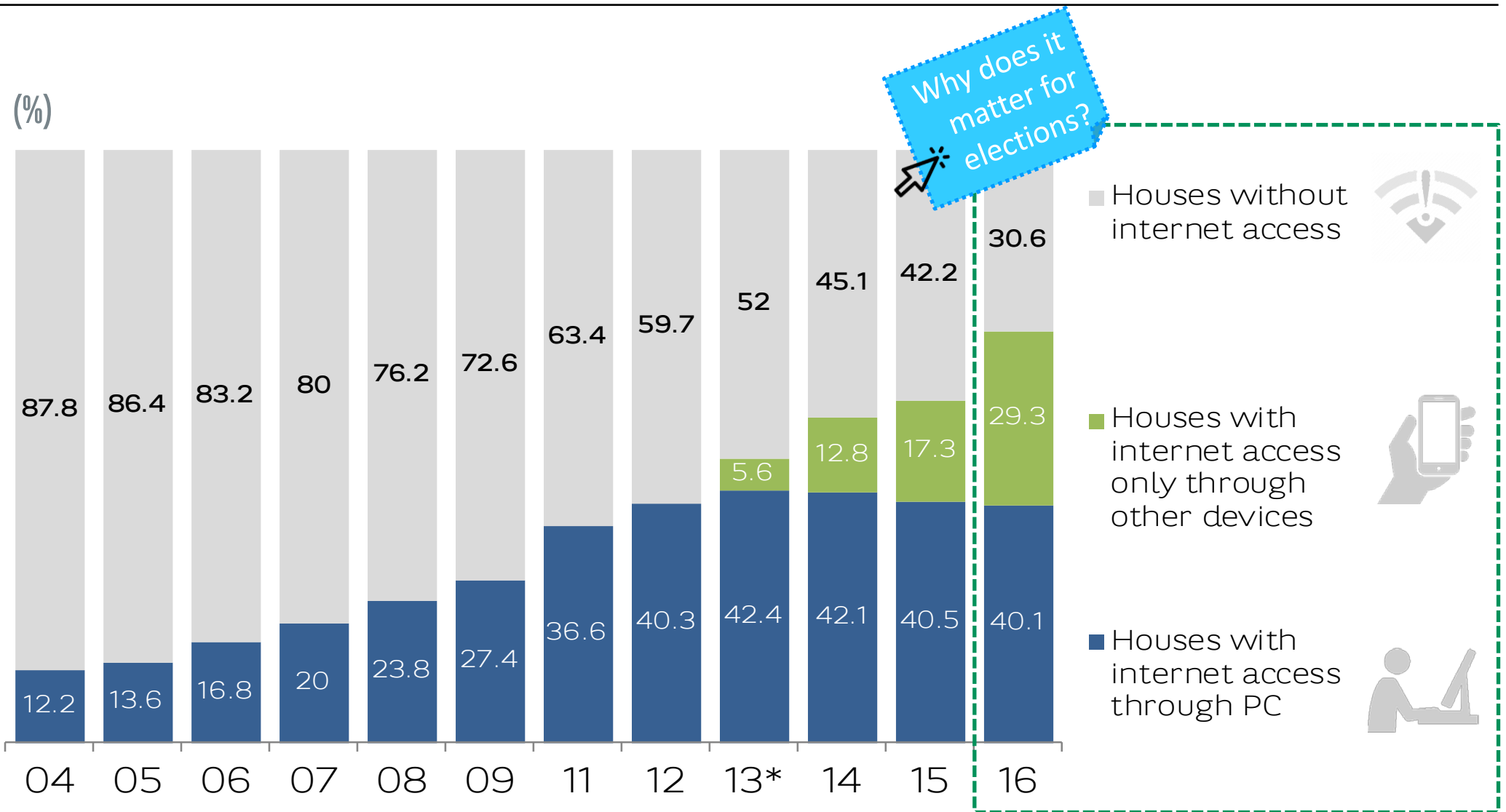
Do you check if the news is true?



Sources: CNT/MDA (May18)



# VOTERS' PROFILE: INTERNET ACCESS LEVELS

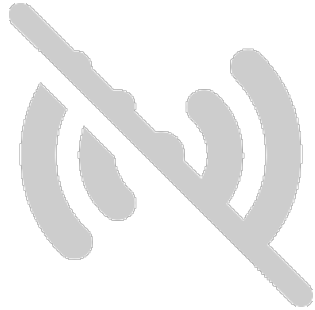


Sources: IBGE (PNAD), BNP Paribas – (\*) The survey started to include the question about internet access through other equipment



# VOTERS' PROFILE: INTERNET ACCESS LEVELS (EFFECTS)

FOR PEOPLE OFFLINE...



...**ELECTORAL ADVERTISEMENT ON TV AND RADIO** is essential. For people without internet access, usually lower-income individuals, TV or radio are often the main source of information.

**30.6% of Brazilians had no access to the internet**  
in 2016, still a significant number of voters.

FOR PEOPLE ONLINE...



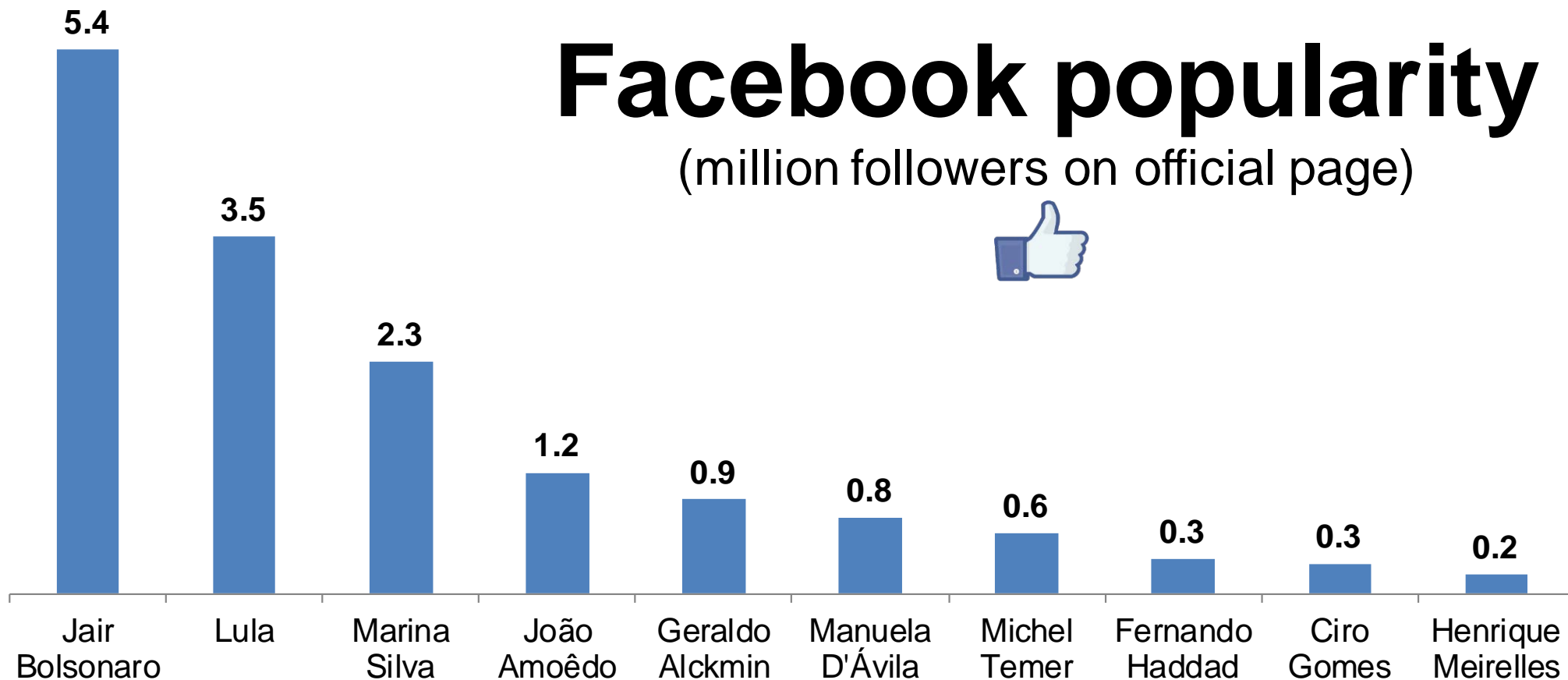
...the role of **SOCIAL MEDIA ADVERTISEMENT** should continue to rise. People with internet access tend to have access to more information while researching the profiles of candidates.

**69.4% of Brazilians had access**  
**to the internet** in 2016.



## Facebook popularity

(million followers on official page)



as of 13/Mar/17

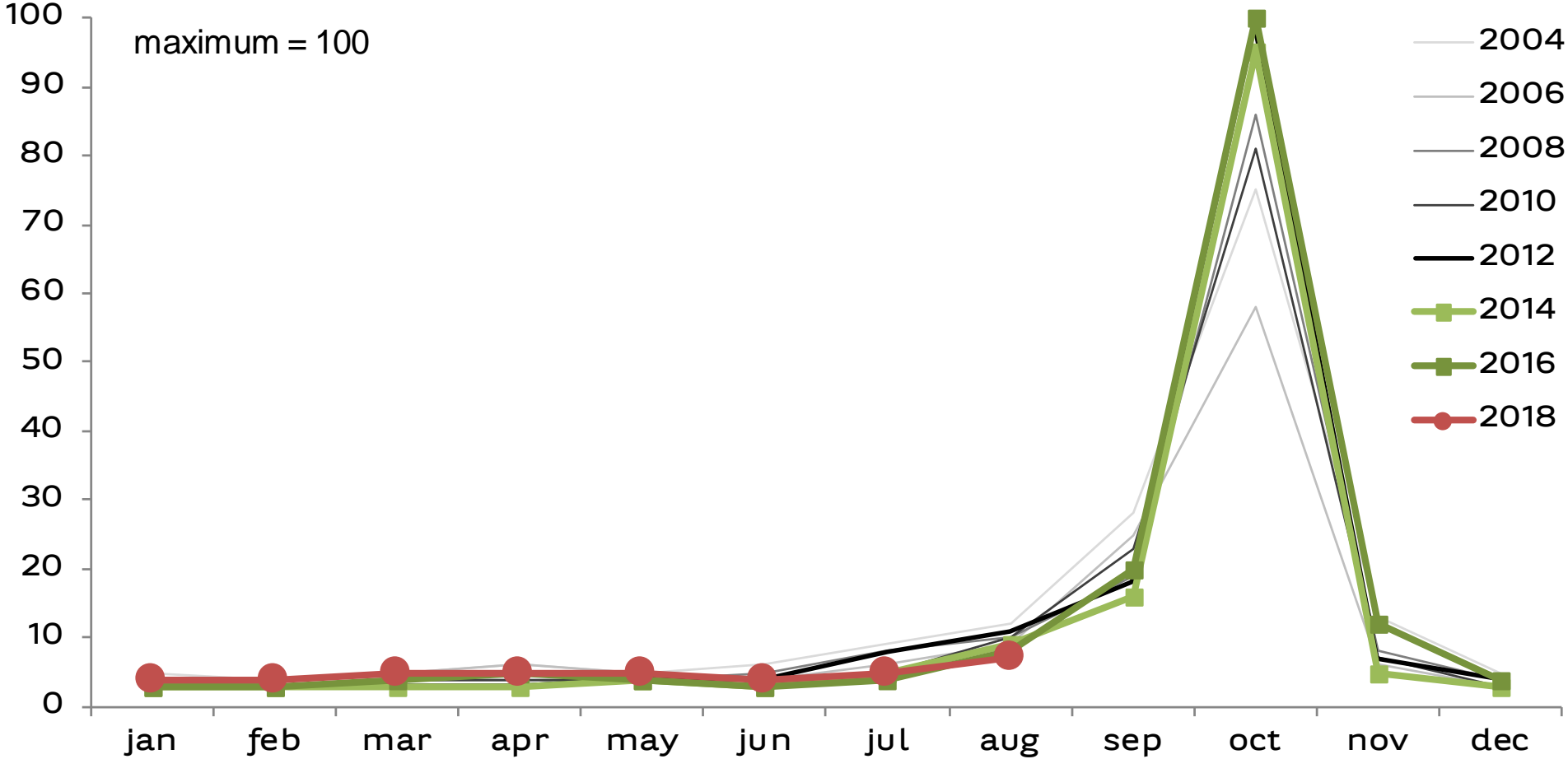




# BREAKING NEWS: GOOGLE TRENDS

UPDATE

SEARCHES OF "ELECTION" AT GOOGLE IN BRAZIL

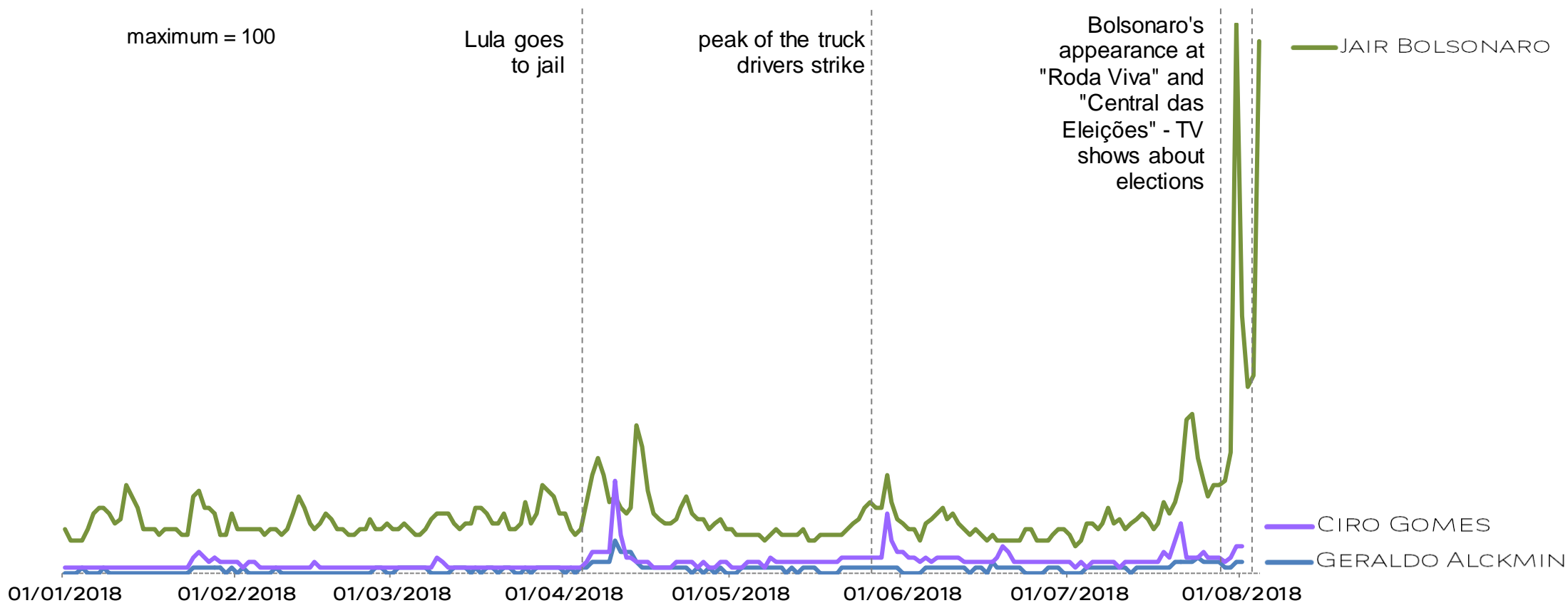


■ Voters typically wake up for the October election only after August.

Sources: Google



## SEARCHES FOR CANDIDATES ON GOOGLE

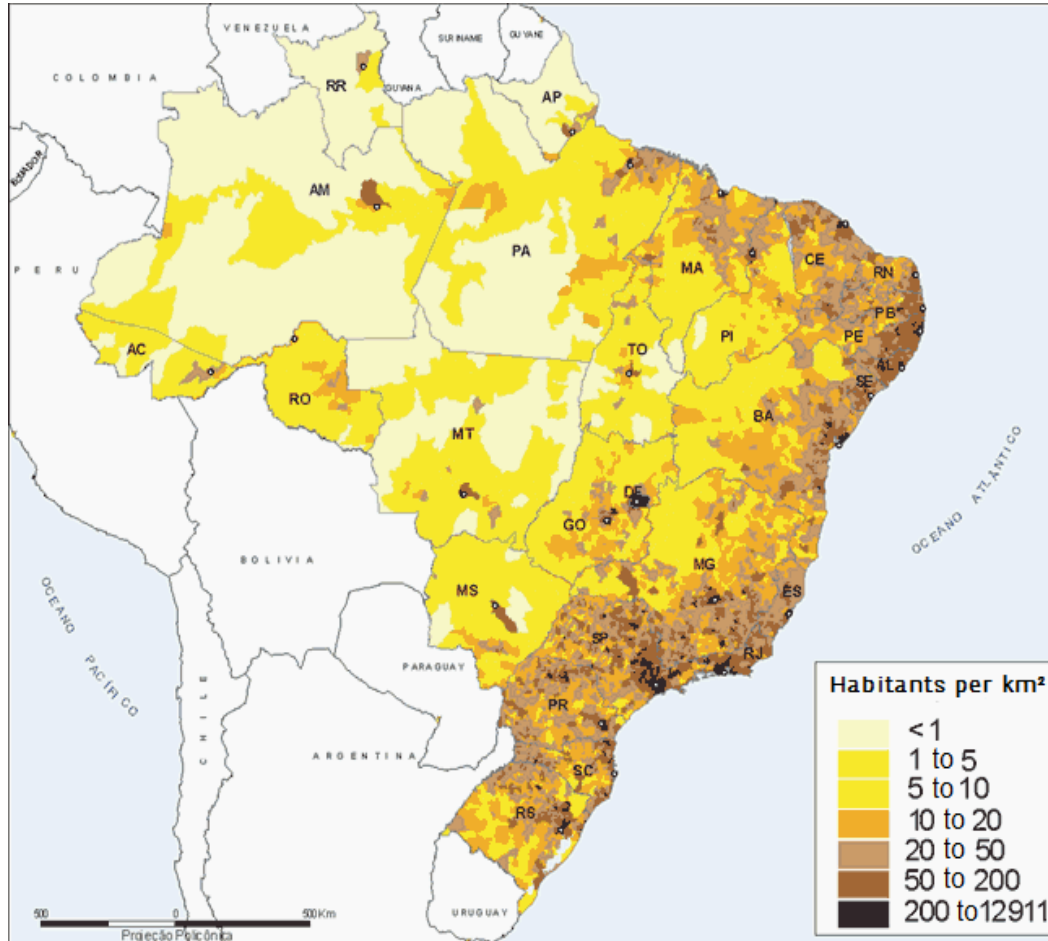


Sources: Google

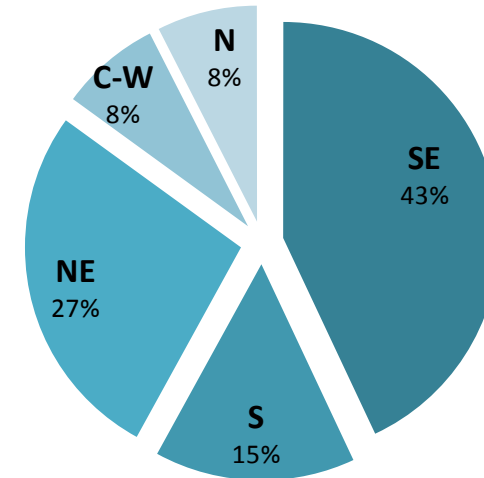


# VOTERS' PROFILE: GEOGRAPHICAL DISTRIBUTION

## BRAZIL: DEMOGRAPHIC DENSITY



## VOTER PER REGION SHARE



## Municipality size

< 50 thousand hab	30%
50 - 200 thousand hab	22%
200 - 500 thousand hab	16%
> 500 thousand hab	33%

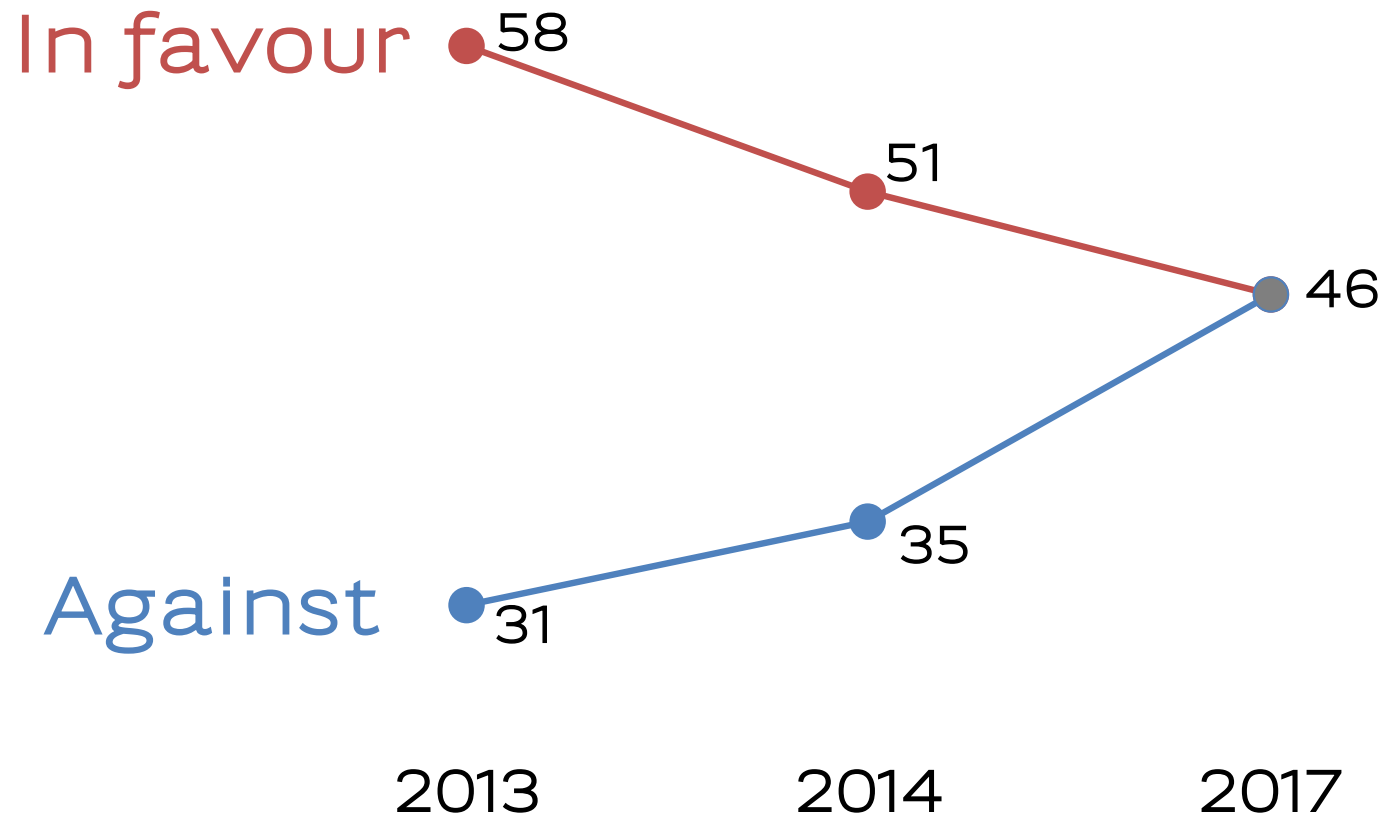
Sources: Datafolha (Sep/2017), BNP Paribas

[CLICK HERE TO SEE HOW PEOPLE VOTED IN EACH STATE](#)



# VOTERS' PROFILE: ISSUES THAT MATTER MOST

## WHAT BRAZILIANS THINK ABOUT GOVERNMENT INTERVENTION?\*

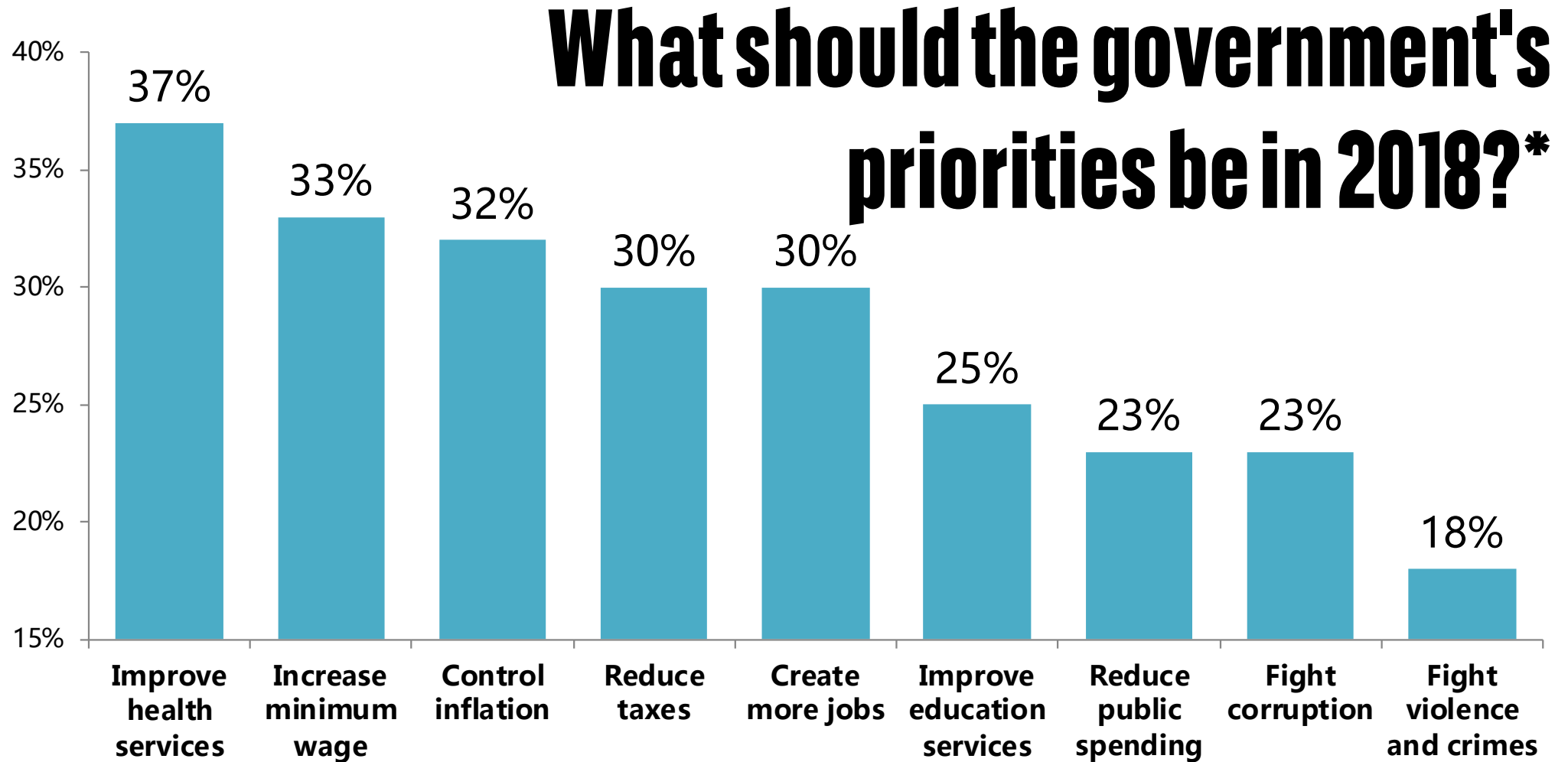


Sources: Datafolha, BNP Paribas – (\*) % that agree with the propositions



# VOTERS' PROFILE: GOVERNMENT PRIORITIES

■ *Increase in purchasing power* represents a great part of what people think government priorities should be

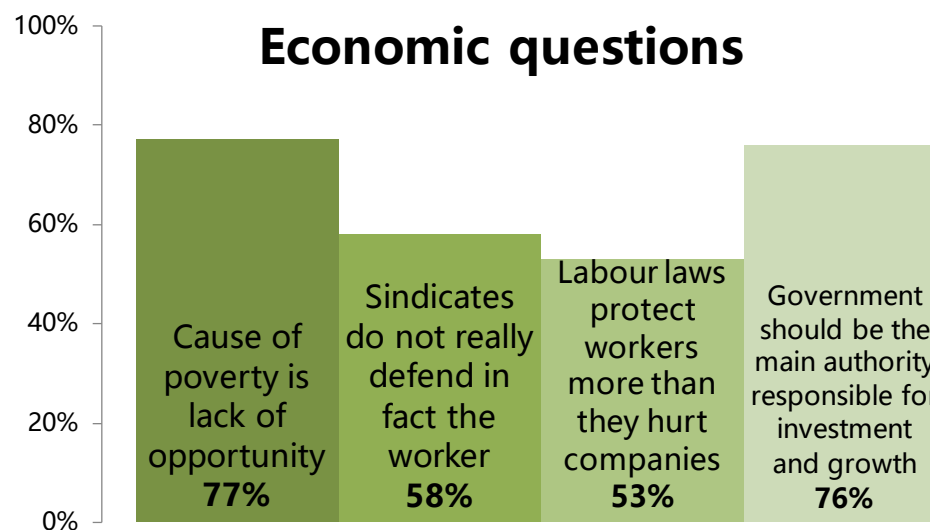
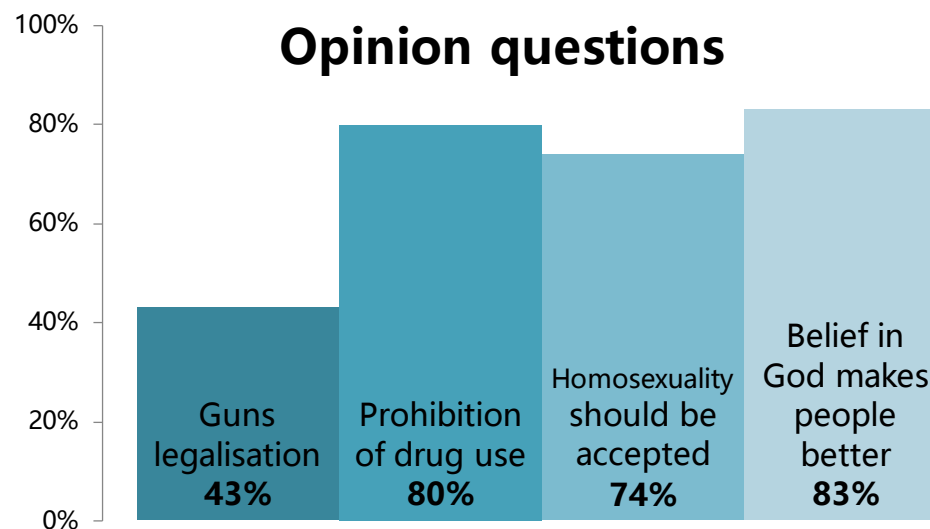
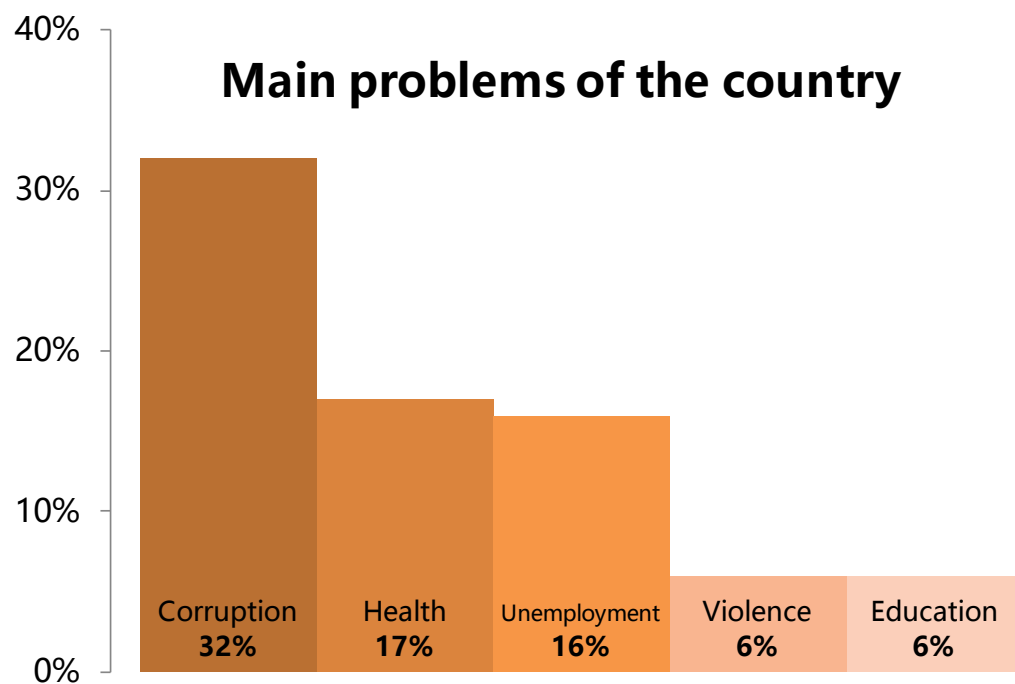


Sources: Datafolha, BNP Paribas – (\*) % that agree with the propositions. Respondents should choose three priorities.



# VOTERS' PROFILE: ISSUES THAT MATTER MOST

## HOW BRAZILIANS THINK ABOUT ECONOMICS, BEHAVIOUR AND THE COUNTRY?\*

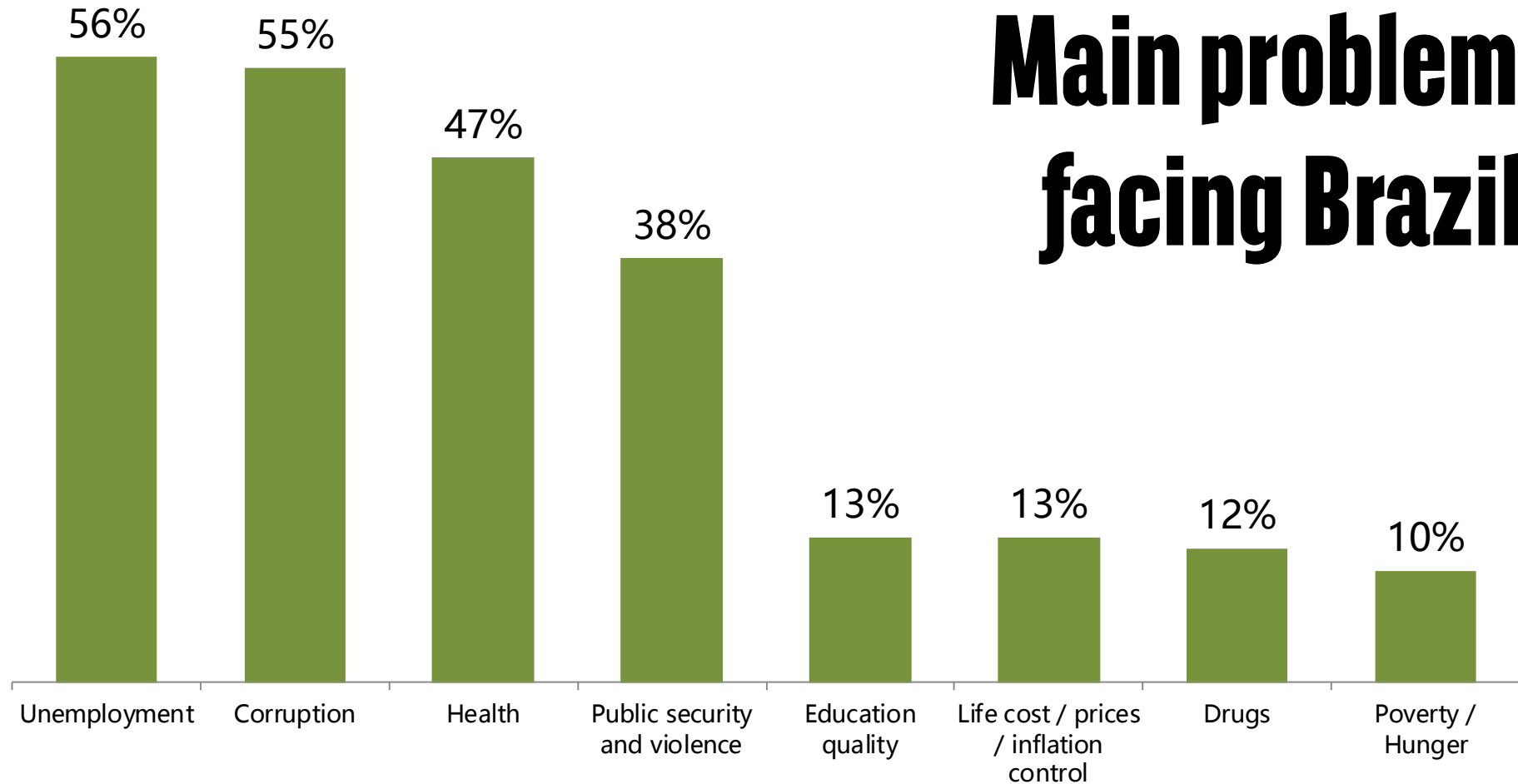


Sources: Datafolha (July/2016), BNP Paribas – (\*) % that agree with the propositions



# VOTERS' PROFILE: BRAZIL'S MAIN PROBLEMS

- **Unemployment, corruption and lack of health services** are considered the main problems of Brazil
  - High unemployment levels and strong media coverage of corruption news could be the main drivers



Sources: Datafolha, BNP Paribas – (\*) % that agree with the propositions. Respondents should choose three problems.



# VOTERS' PROFILE: SENTIMENT ABOUT 2018 ELECTIONS

44% PESSIMISTIC

23% NEUTRAL

20% OPTIMISTIC

13% DON'T KNOW / DIDN'T ANSWER



Sources: CNI (March 18), BNP Paribas.



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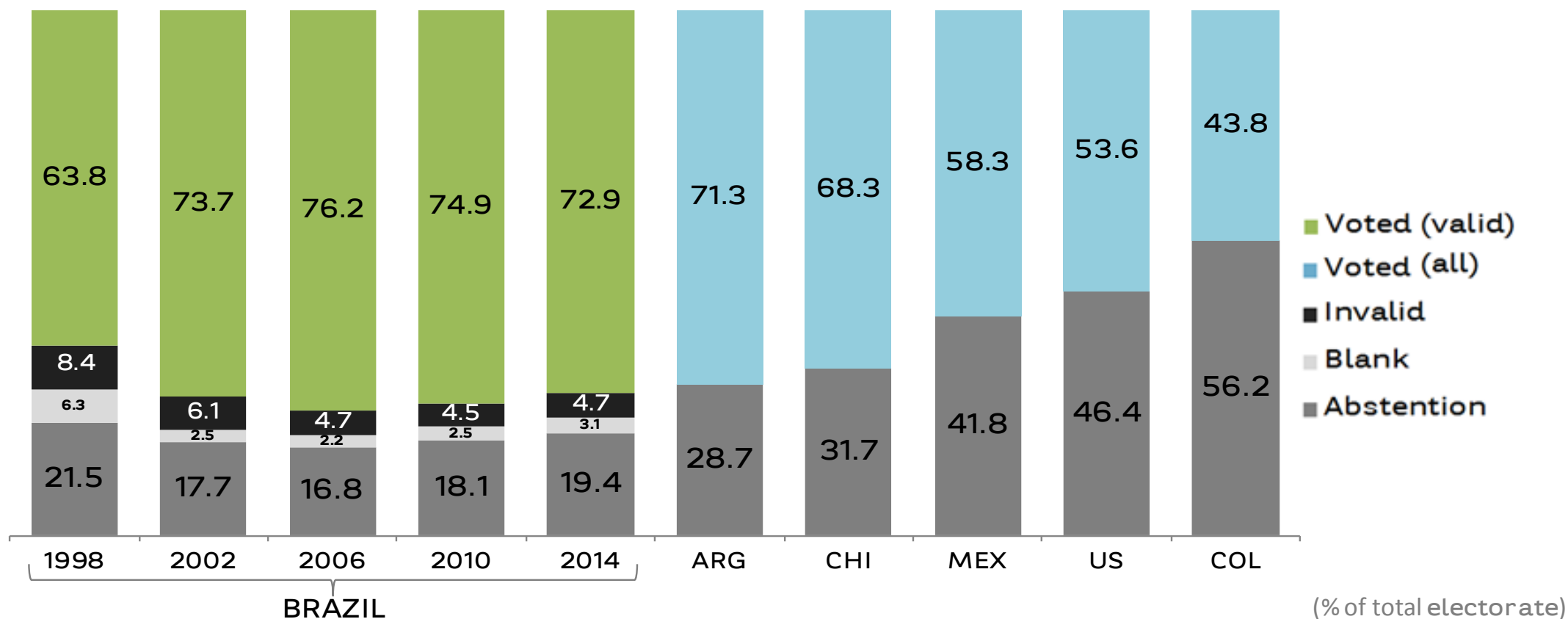
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# VOTERS' PROFILE: ABSTENTION CROSS COUNTRY

## ■ Abstention and valid votes

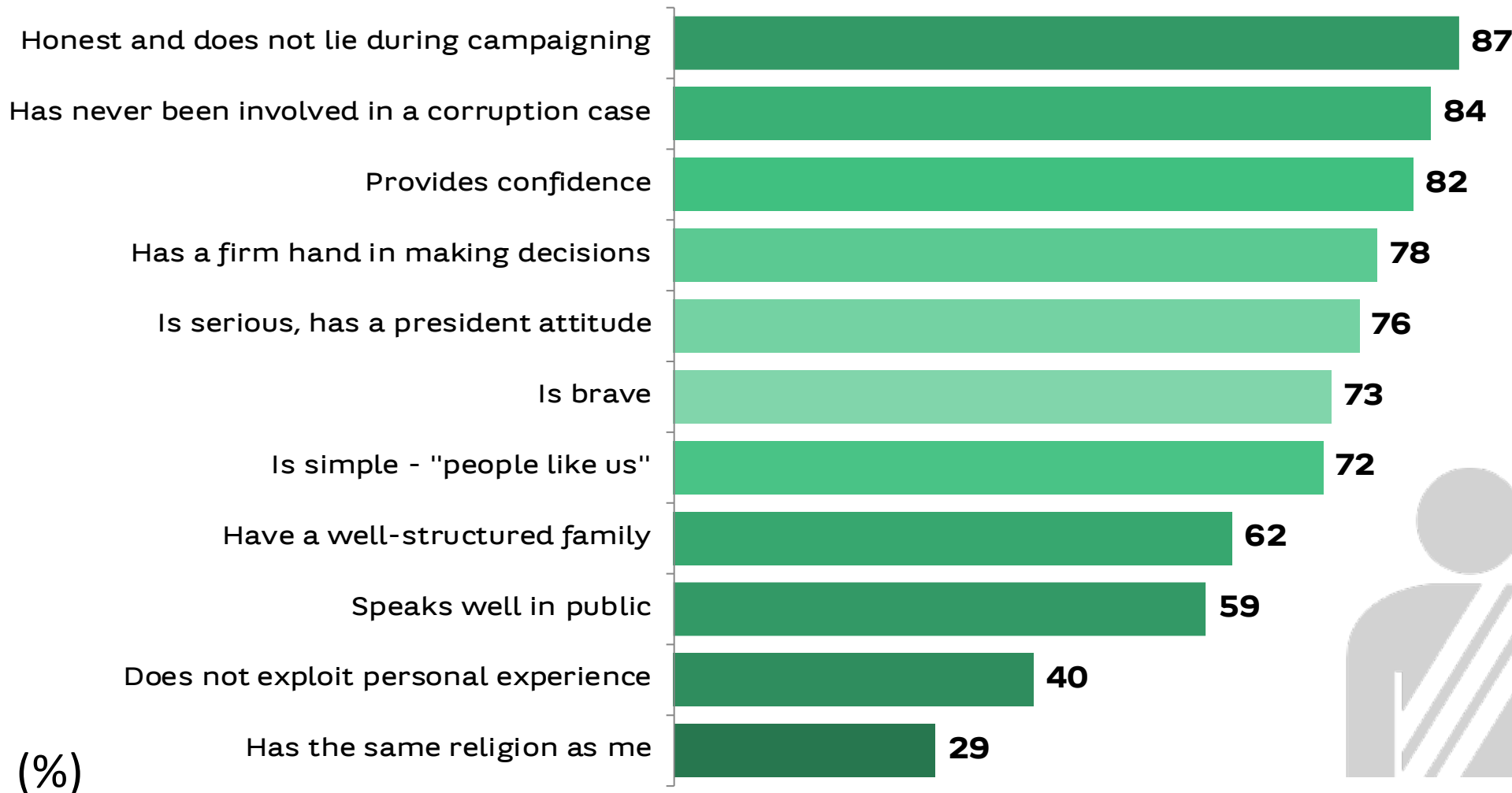
- Brazil has a low rate of abstention (voting is mandatory)
- Still lower than other Latam countries and US



Sources: TSE, IFES Election Guide, BNP Paribas. Abstention on countries calculated from the average of the last elections.



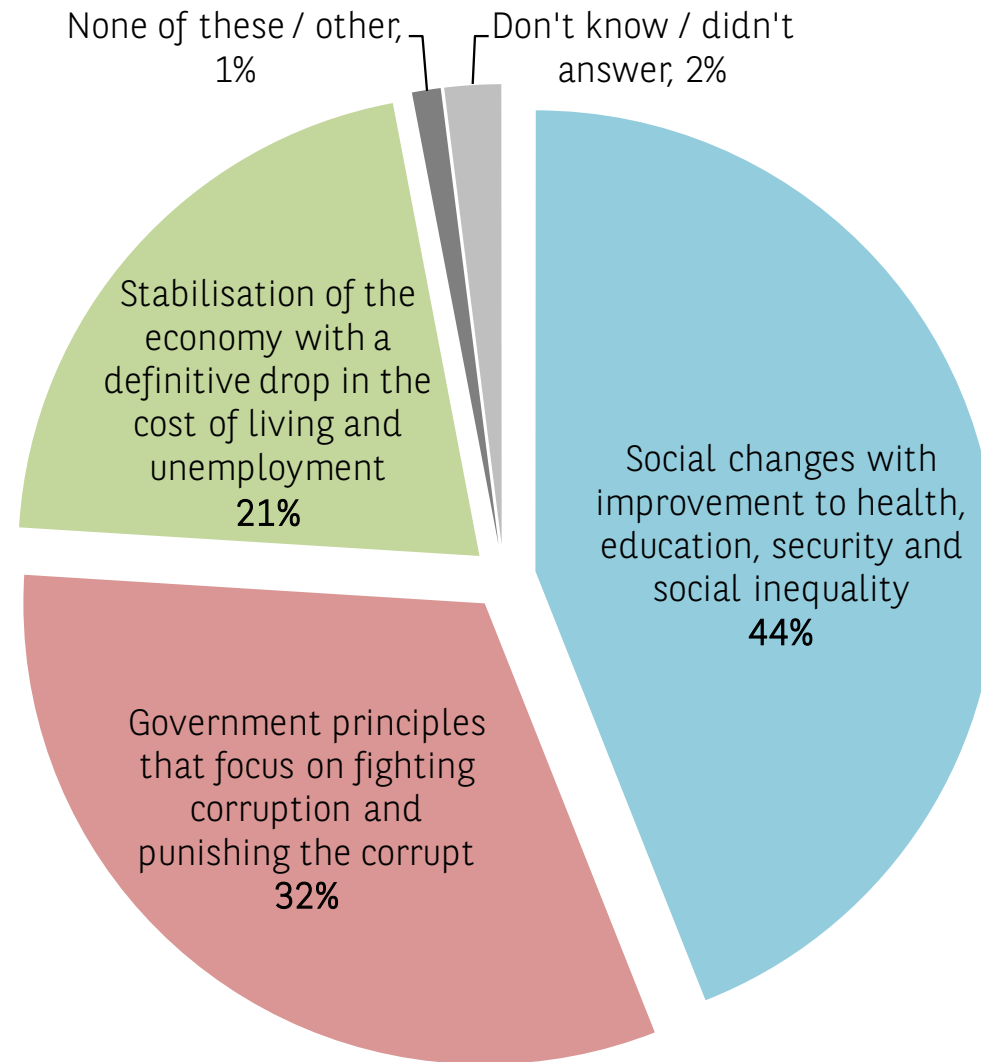
# VOTERS' PROFILE: CHARACTERISTICS OF IDEAL CANDIDATES\*



Sources: CNI (March 18), BNP Paribas . (\*) Percent of responses "very important qualities"



# VOTERS' PROFILE: WHAT SHOULD THE PRESIDENT FOCUS ON?



Sources: CNI (March 18), BNP Paribas .



# POLLS METHODOLOGY

- Pooling institutes use **different methodologies**. As a consequence, they may show **different results** at any given point in time. Datafolha and Ibope are two of the main pooling institutes.

- **Survey location:**

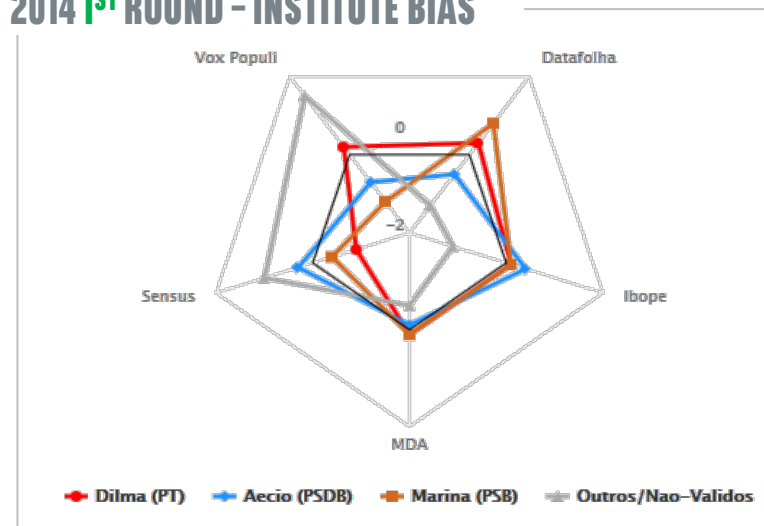
- *Datafolha* conducts its interviews in **public places**.
- *Ibope* institute interviews people at their **homes**.

- **Survey sampling:**

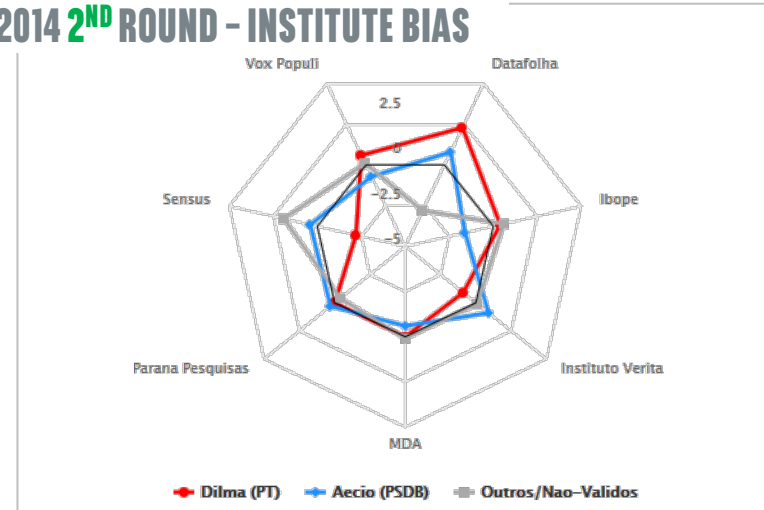
- *Datafolha* conducts most of its interviews in **urban centers**
- *Ibope* tries to follow the **latest available census** data in order to track the broader voting population.

- Beyond differences between the pooling institutes, it is more useful to look at **common trends** among them.

## 2014 1<sup>ST</sup> ROUND - INSTITUTE BIAS



## 2014 2<sup>ND</sup> ROUND - INSTITUTE BIAS



Sources: Ibope, Datafolha, PollingData, BNP Paribas. Institute bias shows deviation of pools from average polls outcomes in the 2014 election.



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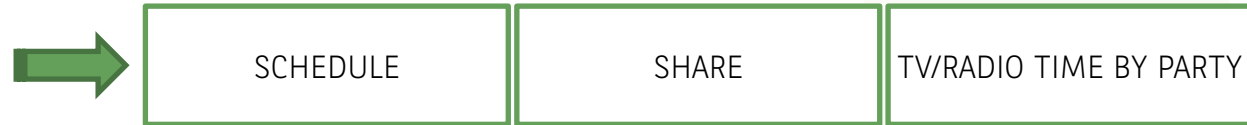
HISTORICAL SERIES

PRESIDENT: 1 <sup>ST</sup> ROUND ▶	<b>NEW</b> CALENDAR
PRESIDENT: 2 <sup>ND</sup> ROUND ▶	TV AND RADIO TIME ▶
<b>NEW</b> CONGRESS COMPOSITION ▶	POLITICAL REFORM
<b>NEW</b> VOTERS' PROFILE ▶	POLLS METHODOLOGY

<b>NEW</b> PARTIES
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<b>NEW</b> CANDIDATES
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<b>NEW</b> PRESIDENT
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CONGRESS COMPOSITION
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ELECTIONS CHANGES ▶
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BNPP TEAM

PUBLICATIONS ON POLITICS

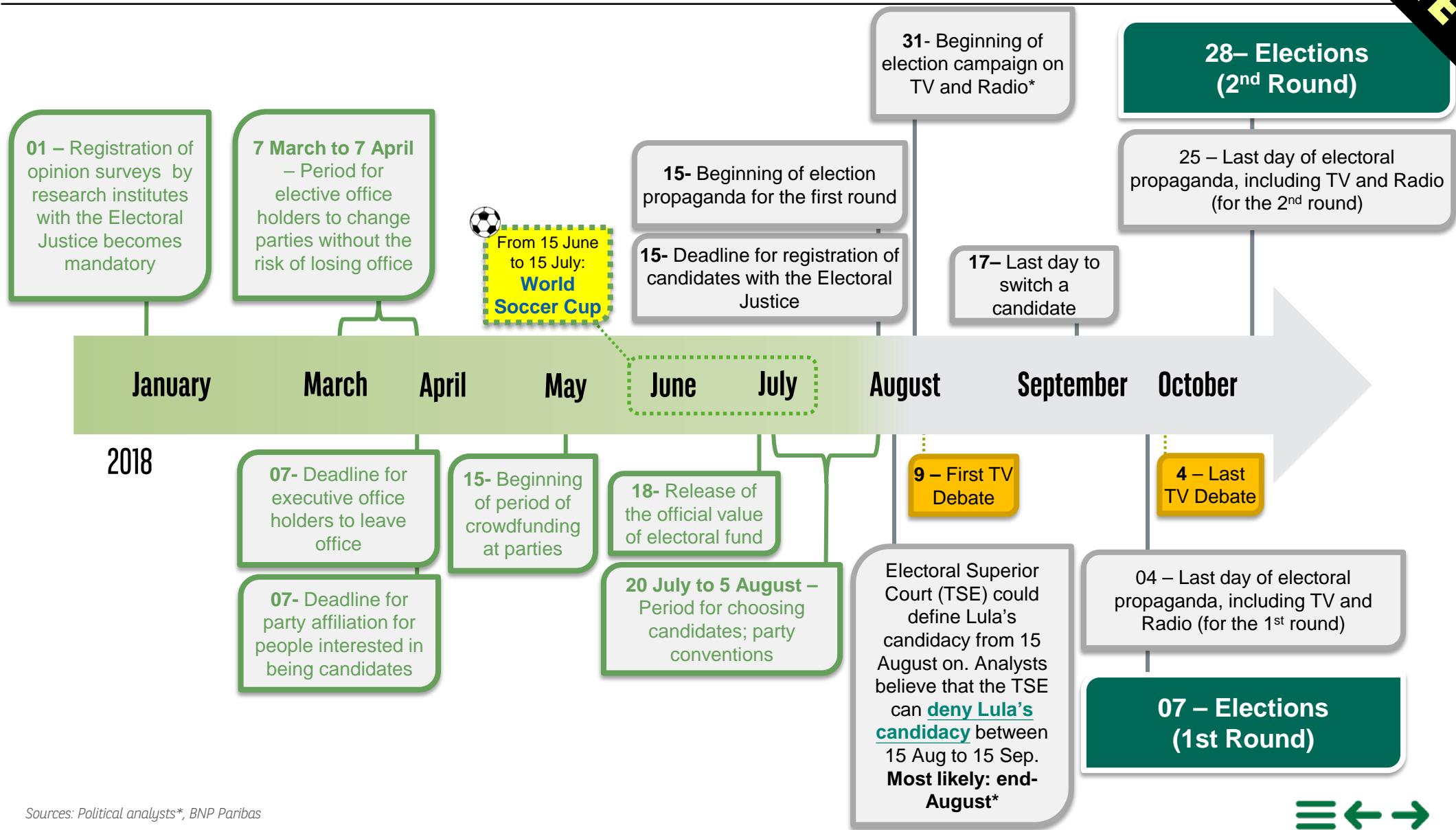
**NEW** BREAKING NEWS

**NEW** LATEST POLLS



# 2018 ELECTION CALENDAR

**UPDATE**



Sources: Political analysts\*, BNP Paribas



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# TV AND RADIO TIME

- Electoral TV and Radio programs will begin on 31 August
  - For the first round, the electoral advertisement finishes on 4 October
  - For the second round, the electoral advertisement finishes on 25 October
  
- 2 types of programs for the election
  - Large 25-minute program aired three times per week, twice per day
  - Smaller daily insertions spread throughout the day

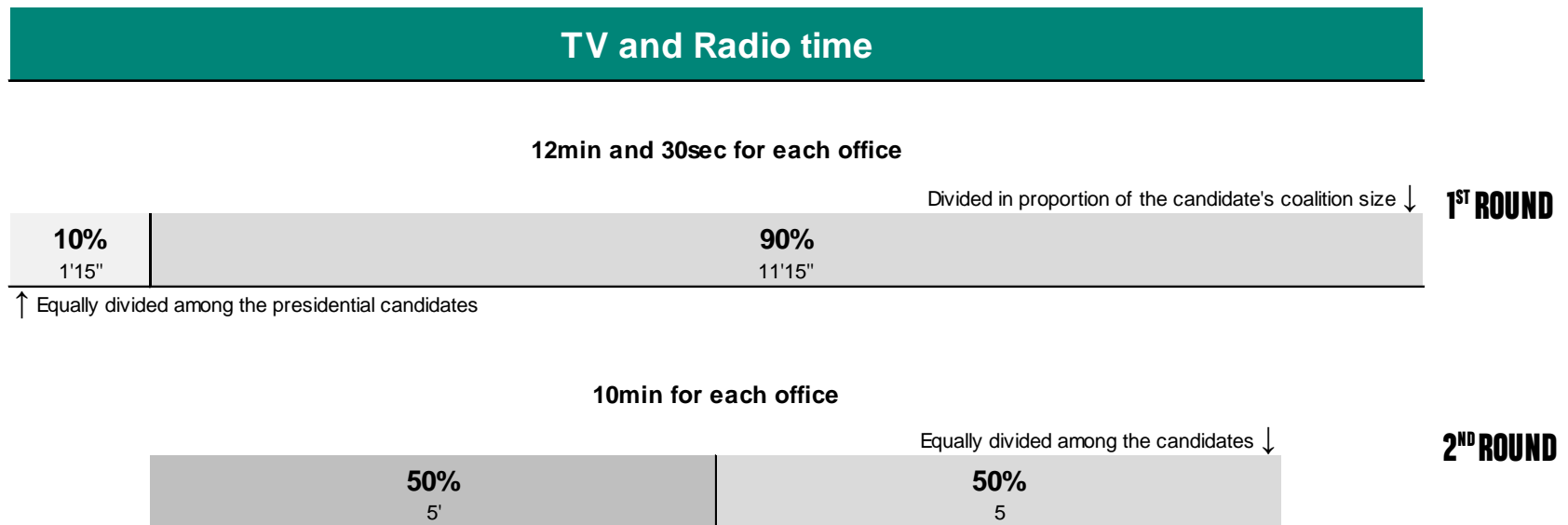
President & Federal Deputy (12'30" minutes each)			
Tuesday + Thursday + Saturday	Media	1st part	2nd part
	Radio	7:00 AM	12:00 PM
	TV	1:00 PM	8:30 PM

Senate & State Representative (12'30" minutes each)			
Monday + Wednesday + Friday	Media	1st part	2nd part
	Radio	7:00 AM	12:00 PM
	TV	1:00 PM	8:30 PM



# TV AND RADIO TIME

- 1<sup>st</sup> round share
  - 10% of the time will be equally divided among the presidential candidates
  - 90% of the time will be divided in proportion to the candidate's coalition size in the Lower House (sum of the six largest parties of the coalition)
- 2<sup>nd</sup> round share
  - 50% for each candidate of a 10-minute advertisement daily





# ELECTORAL ADVERTISEMENT

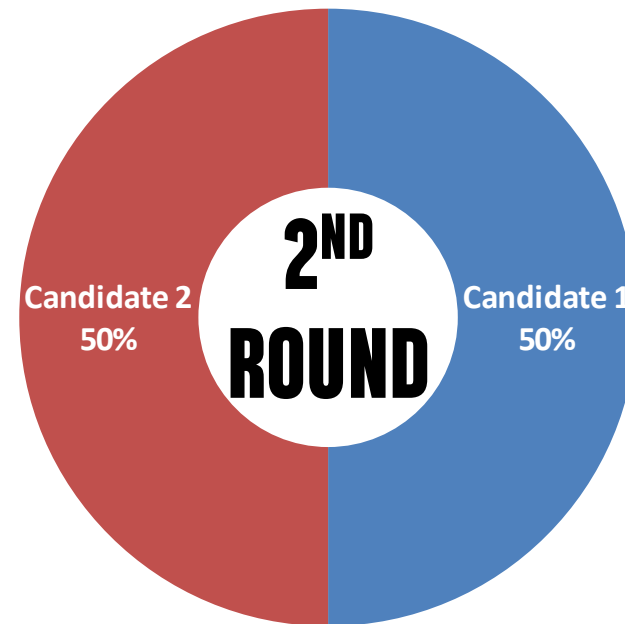
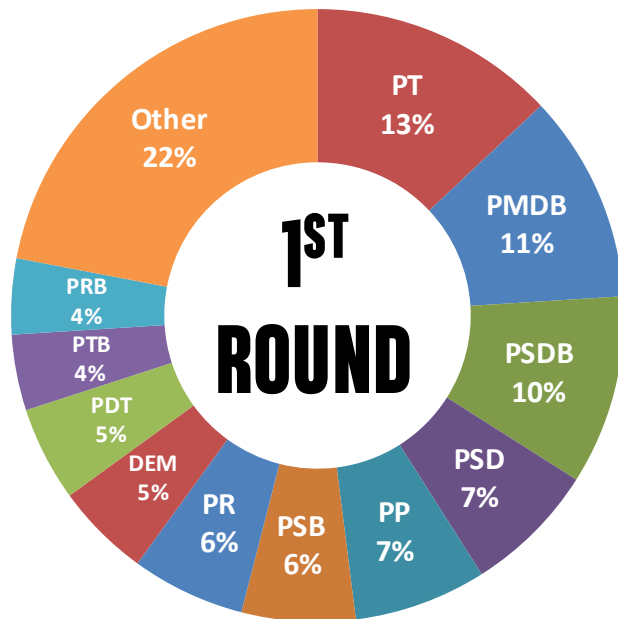
UPDATE

## TV AND RADIO TIME (minutes per day)

- Daily electoral TV and Radio programs will begin on 31 August
  - For the first round, the electoral advertisement finishes on 4 October
  - For the second round, the electoral advertisement finishes on 25 October

Check out TV time of main candidates

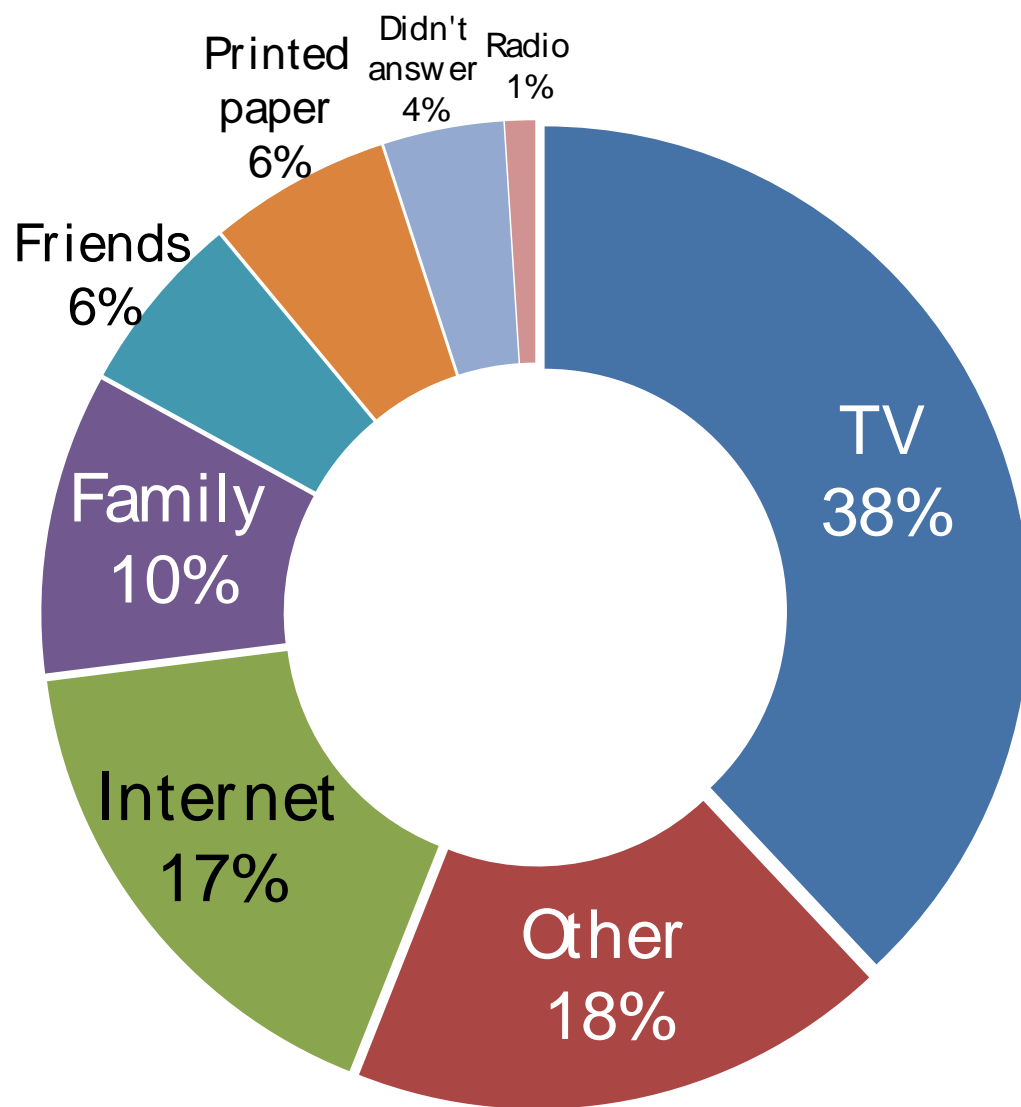
## TV AND RADIO TIME (minutes per day) - forecast for TV and radio time in 2018 (this should change due to coalition formation)



Sources: TSE (2014), LCA Consultores



# BREAKING NEWS: WHAT INFLUENCES VOTE DECISION THE MOST



**TV** is still a big deal for electorate – 38% agrees it will influence their vote the most

Sources: IBOPE (Apr18)



# POLITICAL REFORM

	MINIMAL PERFORMANCE FOR ADS ON TV & RADIO	COALITIONS	CAMPAIGN FUNDS
Previous	<ul style="list-style-type: none"> <li>■ none</li> </ul>	<ul style="list-style-type: none"> <li>■ seat distribution depends on the votes for party coalitions</li> </ul>	<ul style="list-style-type: none"> <li>■ private donations by individuals are allowed (private by companies were prohibited by the Supreme Court in 2015)</li> </ul>
Rules in 2018	<ul style="list-style-type: none"> <li>■ 1.5% of total valid votes;</li> <li>■ 1.0% of the votes in at least nine states; or</li> <li>■ elected at least nine congressmen in at least nine states.</li> </ul>	<ul style="list-style-type: none"> <li>■ seat distribution depends on the votes for party coalitions (no change from previous rules)</li> </ul>	<ul style="list-style-type: none"> <li>■ private donations by individuals;</li> <li>■ public funds with resources foreseen in the budget (30% of politicians amendments or BRL1.4bn in 2018);</li> <li>■ spending ceiling for campaigns.</li> </ul>
Rules in 2020	<ul style="list-style-type: none"> <li>■ 1.5% of total valid votes (increasing by 0.5% in each election until 3.0% in 2030);</li> <li>■ 1.0% of the votes in at least nine states (1.5% in 2026 and 2.0% by 2030); or</li> <li>■ elected at least nine congressmen in at least nine states (increasing 2 per year until 15 in 2030).</li> </ul>	<ul style="list-style-type: none"> <li>■ seat distribution depends on the votes for each single party (rather than votes for party coalitions).</li> </ul>	<ul style="list-style-type: none"> <li>■ private donations by individuals;</li> <li>■ public funds with resources foreseen in the budget;</li> <li>■ spending ceiling for campaigns.</li> </ul>

Sources: Lower House, Senate



# CONTENTS

NEW CONTENT **NEW**  
 UPDATED CONTENT **NEW**

01

02

03


04

POLLS

GENERAL INFO

BIOS

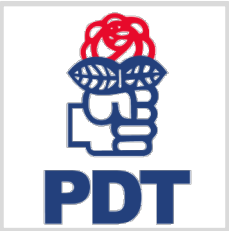











HISTORICAL SERIES

PRESIDENT: 1 <sup>ST</sup> ROUND	CALENDAR		<b>MAIN COALITIONS</b>				PRESIDENT: 
PRESIDENT: 2 <sup>ND</sup> ROUND	CIRO GOMES	PT CANDIDATE (HADDAD OR WAGNER)	MARINA SILVA	G. ALCKMIN	H. MEIRELLES	J. BOLSONARO	
SENATE COMPOSITION	PDT	PT	REDE	PSDB	MDB	PSL	
POLLS METHODOLOGY				"CENTRÃO"			
	TV AND RADIO TIME <b>NEW</b>						
	POLITICAL REFORM						
							ELECTIONS CHANGES
							CONGRESS / SENATE COMPOSITION



# COALITIONS AND PARTIES IN THE GAME

UPDATE

	PDT	PT	REDE	PSDB	MDB	PSL
	Left-wing	Left-wing	Centre-left	Centre-right	Centre	Right-wing
	PDT announced <a href="#">Ciro Gomes</a> as its candidate for the 2018 presidential election.	PT announced <a href="#">Lula</a> as its candidate, but he is unlikely to register. Alternative is <a href="#">Fernando Haddad</a> , vice-president candidate.	<a href="#">Marina Silva</a> will run as the party's candidate.	<a href="#">Geraldo Alckmin</a> will represent PSDB as its candidate.	MDB announced <a href="#">Meirelles</a> as its candidate.	<a href="#">Bolsonaro</a> was chosen as the PSL candidate for the 2018 presidential election.
						
Coalitions						

# BREAKING NEWS: ECONOMIC POLICIES

UPDATE

Source: Estado de São Paulo, BNP



## PERSIO ARIDA

ALCKMIN



## PAULO GUEDES

BOLSONARO



## MAURO BENEVIDES

CIRO GOMES



## MARCIO POCHMANN

PT



## EDUARDO GIANNETTI

MARINA SILVA



### FISCAL REFORM



Is of the opinion that this should be done through spending reduction plus reduction of staff in the public sector. He is against increasing the tax burden.

Wants to cut spending and repurchase debt with privatisation revenues. The plan would lead to a decrease in tax burden.

Favours cutting spending and increasing revenues. Supports creating a specific tax for paying public debt.

Favours measures for boosting growth instead of spending cuts. Does not have a concrete plan regarding new taxes.

Cut spending on social security and general expenses. He is against increasing the tax burden.

### PENSION REFORM



Feels that changing the parameters for decreasing deficit is the way. He believes that the solution does not lie in creating a capitalisation system as it will increase fiscal woes.

Wants to create a system for capitalisation of social security, with the new system guaranteeing a minimum payment for those with no savings.

Supports a three pillar system capitalisation; a pay-as-you-go system with smaller cap and contributing time according to economic sector; minimum "wage" for all.

Feels it is not a pressing problem and can wait until an eventual reform that could include the clause that a pensioner stops working after receiving pension.

He favours capitalisation and is of the opinion that if the country needs to go through this change, privatisations could pay the cost.

### PRIVATISATIONS



Believes that privatisation should be done in a scheduled and progressive manner to avoid the selling price of the assets from being influenced and to reduce any resistance to the sale.

Full privatisation of all public companies at a fast pace.

Supports privatising some public companies, but keep the ones that are in strategic sectors (like Petrobras and Eletrobras).

Is opposed to opening up the public sector for private investment, but says this is only ideological. Believes concession agreements can be used.

Is in favour of selling public companies, since the revenues aren't used to cover short-term fiscal deficit.

### TAX REFORM



Rich people should pay more taxes. Favours ending exemptions to some investments and eliminating intermediation taxes. Supports creating a value-added tax.

Decentralise resources of the Union to states and cities, reduce indirect taxation and move to a more progressive taxation system.

Supports taxing earnings/dividends and donations/inheritances. Would like to see lower taxes for consumers, goods acquisitions and corporate income.

Wants the taxation system to be more progressive and feels the rules need to be re-examined as some sectors of the economy need to be stimulated.

Wants less indirect taxation, which affects the low-income population, and more direct taxation for the higher-income population. Favours more authority for states and cities when it comes to taxation.



BNP PARIBAS

The bank for a changing world

**PDT**

Left-wing

PDT announced [Ciro Gomes](#) as its candidate for the 2018 presidential election.



Electoral fund  
**BRL 61.4mn**

TV time  
**37sec**  
(5.0%)

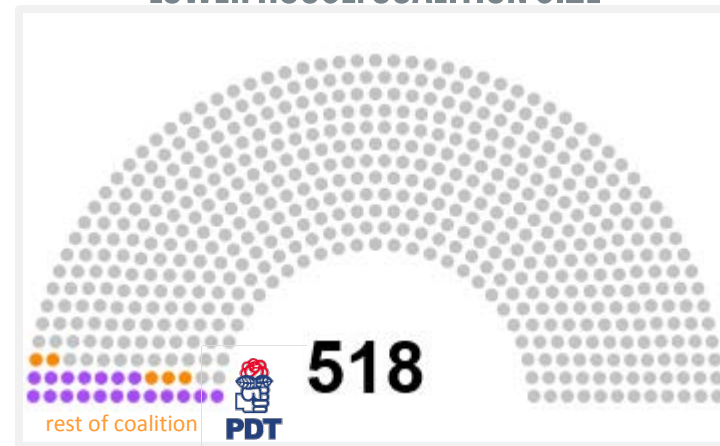
■ **PDT: Partido Democrático Trabalhista**

- “Democratic Labour Party”
- Founded: 1979
- Centre-left
- TSE Identification number: 12

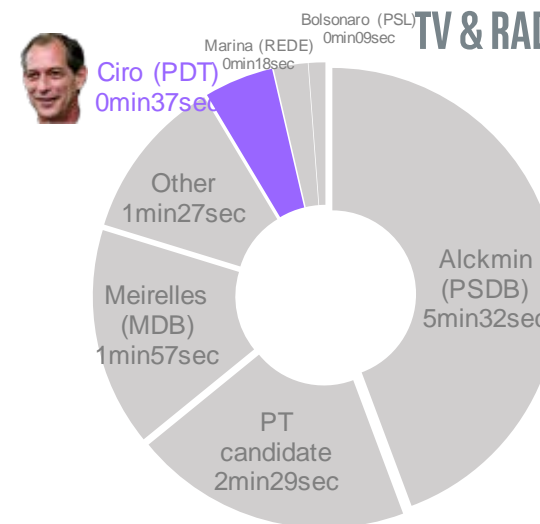
■ **Current government composition**

- Federal Senate: 3 / 81 (3.7%)
- Chamber of Deputies: 19 / 513 (3.7%)
- Coalition (Lower House): 24 / 513 (4.7%)

**LOWER HOUSE: COALITION SIZE**



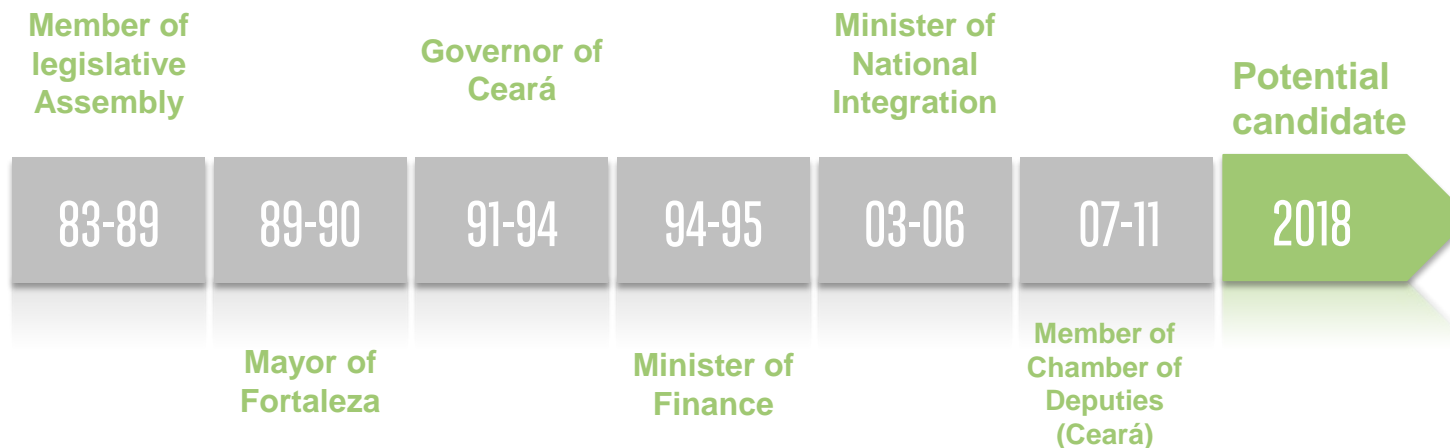
**TV & RADIO TIME**



# CIRO GOMES (PDT)



## Political background



- birth
  - Pindamonhangaba, São Paulo
  - Age: 60

## Academic background

- Bachelor's degree in Economics from the Harvard Law School
- Bachelor's degree in Law from the Federal University of Ceará

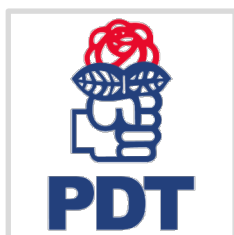
## POPULARITY ON SOCIAL MEDIA



> 0.3 million likes

## LIKELY ECONOMIC TEAM

Roberto M. Unger  
Nelson Marconi  
Mauro Benevides Filho



- Party
  - PDT (Democratic Labour Party)
  - Left-wing party





# CIRO GOMES (PDT)

## ■ Economic advisor:

- **Roberto M. Unger** <sup>1</sup> | **Nelson Marconi**<sup>2</sup> | **Mauro Benevides Filho**<sup>3</sup>

## ■ Academic background

- **R.M. Unger**: Ph.D in Law from the Harvard Business School
- **N. Marconi**: Doctorate in Business Management from the Getúlio Vargas Foundation and Massachusetts Institute of Technology
- **M. Benevides Filho**: Doctorate in Economics at Vanderbilt University

## ■ Professional & political background

- **R.M. Unger**: [MDB](#) advisor, [Brizola](#) advisor (1998 and 2002), [Ciro Gomes](#) advisor (1998 and 2002)
- **N. Marconi**: Professor at the Getulio Vargas Foundation and at the Pontifical Catholic University of SP
- **M. Benevides Filho**: BMC banker, professor at the Federal University of Ceará, Finance secretary of Ceará; State deputy of Ceará, Planning secretary of Ceará.



*“ I want to try very explicitly an agreement between the interests of the working class that I serve. My moral commitment, without exclusion of anyone is with the poor people, it is with poverty.*

*My government will consider the Central Bank mandated to pursue the lowest inflation for full employment.*

By: *Ciro Gomes*

*So I want to associate the interests of workers with that of the productive sector. Our enemy is speculation. It drains all the energy from the work world to half a dozen people.*

*All the oil fields that have been sold since the coup d'etat, which I have shakenly affirmed that our country is under one, and after the repeal of the Law of Sharing ... will be broken deals with due compensation.*



## PT

Left-wing

PT announced [Lula](#) as its candidate, but he is unlikely to register. Alternative is [Fernando Haddad](#), vice-president candidate..



### ■ PT: Partido dos Trabalhadores

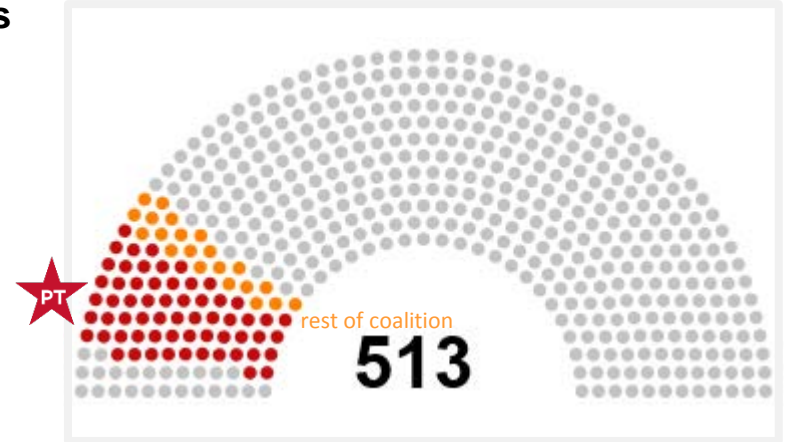
- “Workers’ Party”
- Founded: 1980
- Left-wing
- TSE Identification number: 13

Lula issue: can he be a candidate?

### ■ Current houses composition

- Federal Senate: 9 / 81 (11.1%)
- Chamber of Deputies: 61 / 513 (11.9%)
- Coalition (Lower House): 82 / 513 (16.0%)

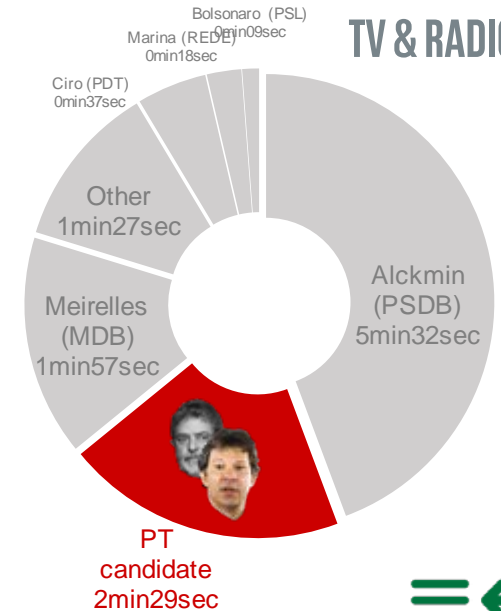
### LOWER HOUSE: COALITION SIZE



Electoral fund  
**BRL 212.2mn**

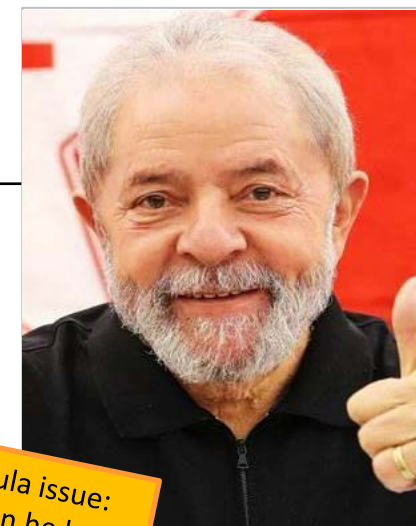
TV time  
**2min 29sec**  
(20%)

### TV & RADIO TIME



# LULA (PT)

## ■ Political background



Lula issue:  
can he be a  
candidate?

- birth
  - Caetés, Pernambuco
  - Age: 72

## ■ Academic background

- Basic level




- Party
  - PT (Workers' Party)
  - Left-wing party

## POPULARITY ON SOCIAL MEDIA



> 3.5 million likes

## LIKELY ECONOMIC TEAM

Fernando  
Haddad 



# LULA (PT) – LULA LOSES APPEAL

UPDATE

24 January

April

15 August

September - October

## Appeals Court TRF4

On 24 January, 2018, the Appeals Court upheld the corruption conviction against former President Luiz Inácio Lula da Silva. Lula was earlier found guilty of money laundering and passive corruption charges in an investigation relating to the “Operation Car Wash” scandal.

A panel of three judges reviewed the decision and decided to unanimously uphold it. While Lula can appeal the decision in the higher courts, **he is now considered ineligible** for October’s presidential election.

Sentenced to 12y and 1m in jail and a fine of BRL1.01mn

## Appealing

Following the TRF4’s decision, former President Lula’s defense filed a habeas corpus petition with the Superior Court and the Supreme Court:

**Superior Court (STJ): DENIED**

**Supreme Court (STF): DENIED**

Former President Lula’s defence asked both courts a preventive *habeas corpus*, but the appeal was denied.

**Mr. Lula started serving his sentence from 7 April.**



## Registration deadline

Electoral Law allows candidates to start campaigning even if they’re ineligible.

While the Electoral Superior Court (TSE) can register Lula’s candidacy from 15 August, analysts believe the TSE can deny it any time between 15 August and 15 September.

**Most likely: end-August\***

## Invalidating candidate

Another important deadline is 17 September for parties to substitute their candidates.

**The first round of election is scheduled to take place on 7 October, with the second round (run-off) scheduled for 28 October.**

## Overview

- The Superior and Supreme Appeals Courts denied a preventive *habeas corpus*, and Lula started to serve his sentence from 7 April.
- The prospects for Mr. Lula’s candidacy now look dim.



[Brazil: Lula loses appeal](#)

Sources: Political analysts\*, BNP Paribas

# FERNANDO HADDAD (PT)



## ■ Political background



- birth
  - Campinas, São Paulo
  - Age: 55

## ■ Academic background

- Bachelor's degree in Law from the University of São Paulo
- Masters in Economics from the University of São Paulo
- Doctorate in Philosophy from the University of São Paulo



- Party
  - PT (Workers' Party)
  - Left-wing party

## POPULARITY ON SOCIAL MEDIA



> 0.3 million likes

## LIKELY ECONOMIC TEAM

Marcio Pochmann



**REDE**

Centre-left

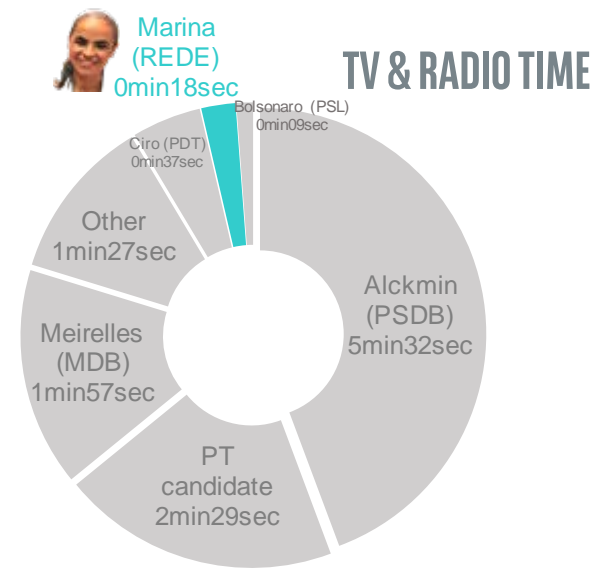
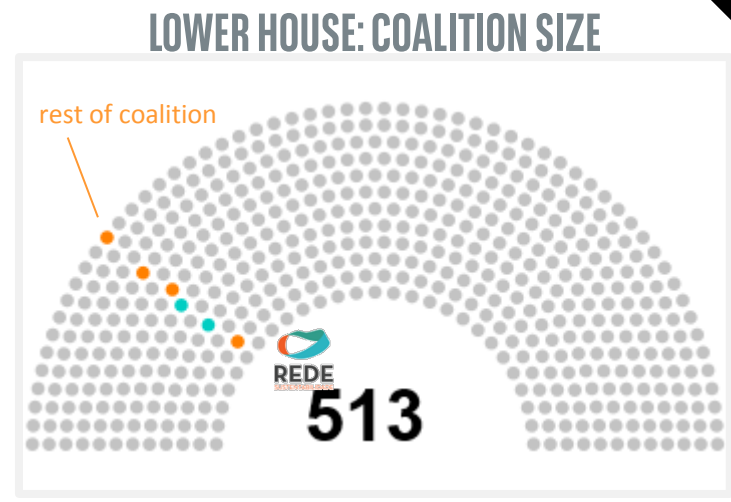
Marina Silva will run as the party's candidate.



Electoral fund  
**BRL 10.6mn**

TV time  
**18sec**  
(2.4%)

- **REDE: Rede Sustentabilidade**
  - “Sustainability Network Party”
  - Founded: 2013
  - Centre-left
  - TSE Identification number: 18
- **Houses composition and government**
  - Federal Senate: 1 / 81 (1.2%)
  - Chamber of Deputies: 2 / 513 (0.4%)
  - Coalition (Lower House): 6 / 513 (1.2%)



# MARINA SILVA (REDE)

## ■ Political background

Alderswoman  
of Rio Branco

1989-91

Senator from  
Acre

1991-95

State Deputy  
of Acre

1995-03

Senator from  
Acre

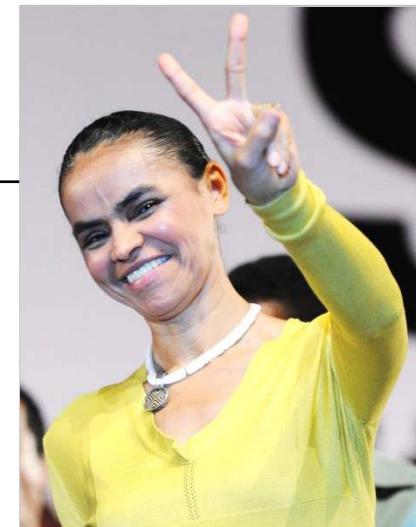
2003-08

Minister of  
the  
Environment

2008-11

2018

Potential  
candidate



- birth
  - Rio Branco, Acre
  - Age: 60

## ■ Academic background

- Bachelor's degree in History from the Federal University of Acre



- Party
  - REDE (Sustainability Network)
  - Centre-left party

## POPULARITY ON SOCIAL MEDIA



> 2.3 million likes

## LIKELY ECONOMIC TEAM

Eduardo Gianetti



**PSDB**

Centre-right

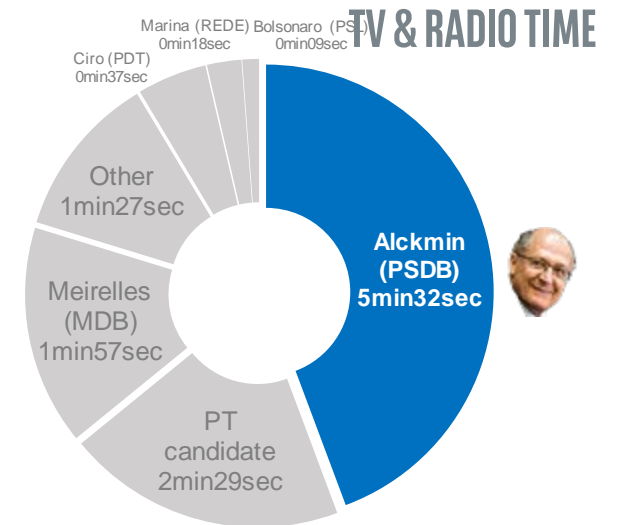
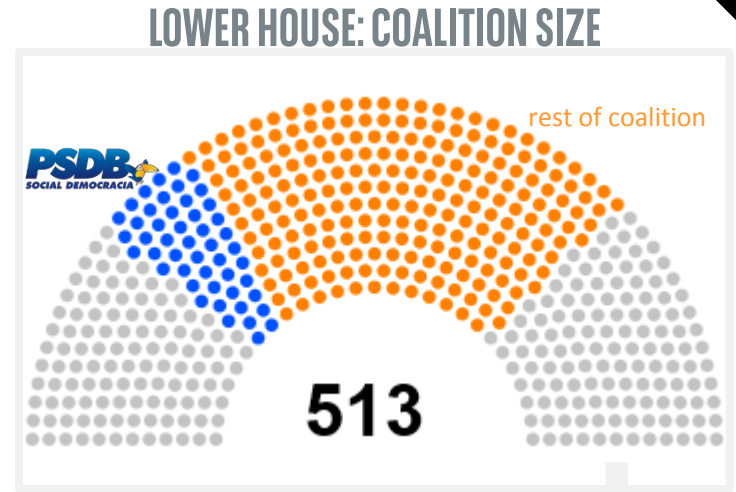
Geraldo Alckmin will represent PSDB as its candidate.



Electoral fund  
**BRL 185.8mn**

TV time  
**5min 32sec**  
(44%)

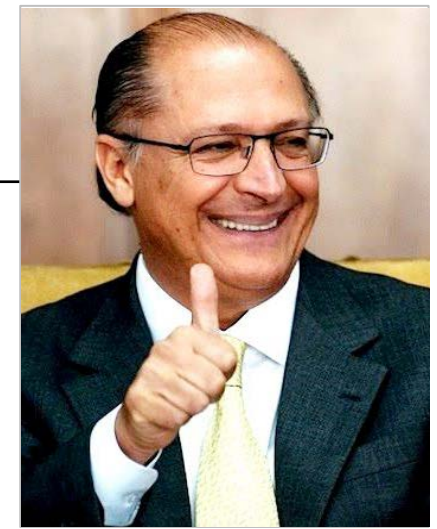
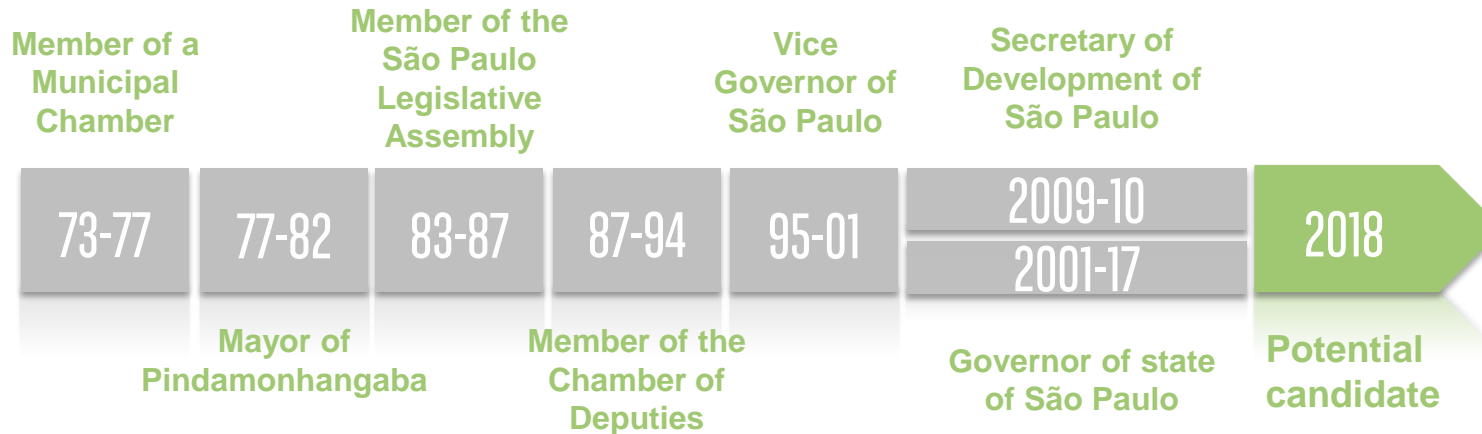
- **PSDB: Partido da Social Democracia Brasileira**
  - “Party of Brazilian Social Democracy”
  - Founded: 1998
  - Centre-right
  - TSE Identification number: 45
- **Houses composition and government**
  - Federal Senate: 12 / 81 (14.8%)
  - Chamber of Deputies: 49 / 513 (9.6%)
  - Coalition (Lower House): 275 / 513 (53.6%)





# ALCKMIN (PSDB)

## ■ Political background



- birth
  - Pindamonhangaba, São Paulo
  - Age: 65

## ■ Academic background

- Bachelor's degree in Medicine from the University of Medicine of Taubaté
- Specialisation in Anaesthesiology from the Medical Assistance to Public Server Institute

## POPULARITY ON SOCIAL MEDIA

 > 0.9 million likes

## LIKELY ECONOMIC TEAM

Pérsio Arida 



- Party
  - PSDB (Brazilian Social Democracy Party)
  - Centre / Centre-right party





- Economic advisor:
  - [Pécorsio Arida](#)
- Academic background
  - Ph.D in Economics from the Massachusetts Institute of Technology
- Professional & political background
  - Former president of Central Bank of Brazil
  - Special Secretary of Social-Economic Coordination, Ministry of Planning
  - Board member of Banco Itaú Holding Financeira S.A. and Banco Itaú S.A.
  - Board member of Sul-América S.A.
  - Director of Opportunity Asset Management Ltda.
  - Board member of Unibanco S.A.
  - Special adviser for the presidency and director of Brasil Warrant Ltd.

“ *Alckmin will not make populist concessions. He will defend the disarmament statute. The bet is that there is a mature electorate in Brazil. I am convinced that positions will be maintained.* ”

By: Pécorsio Arida

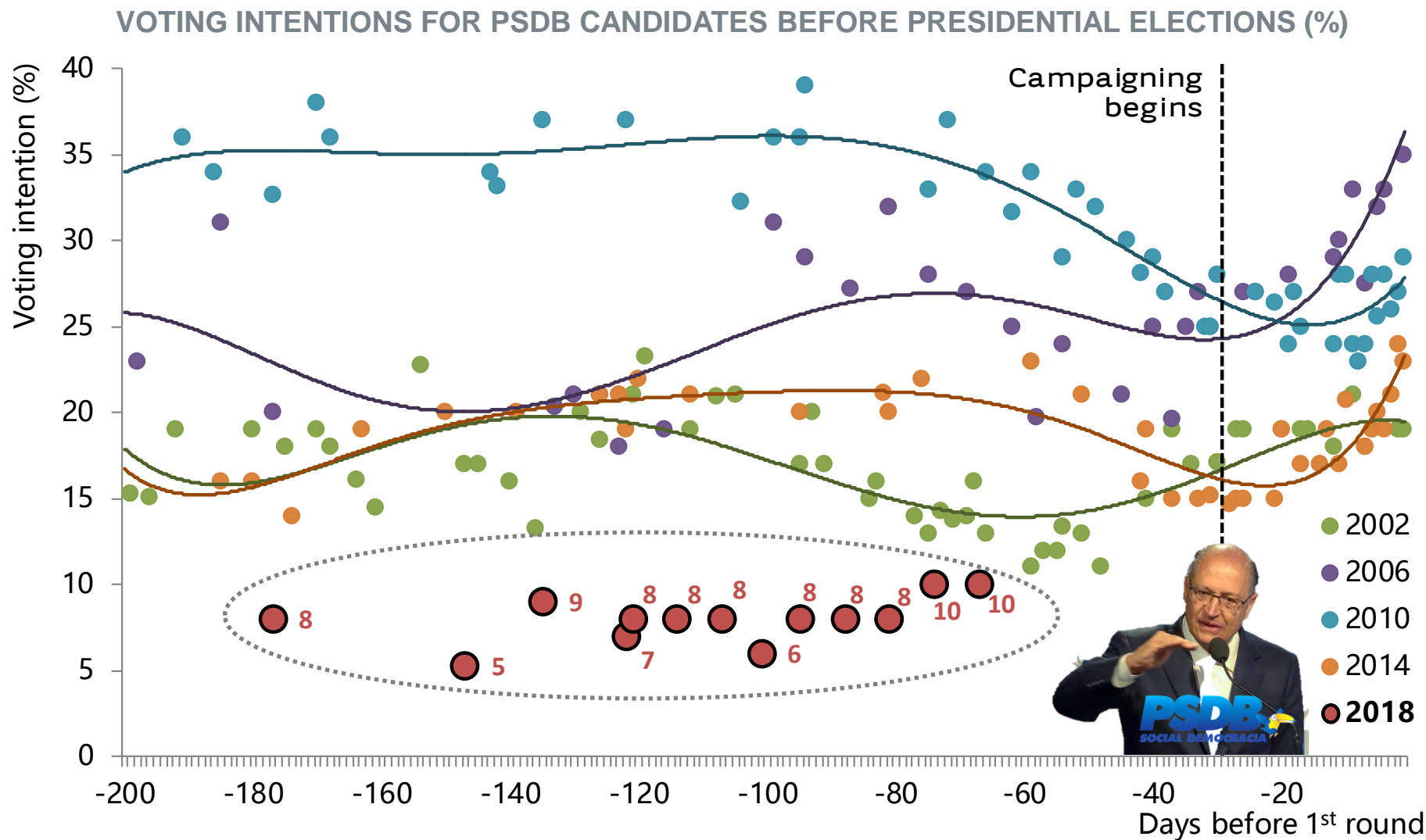
*Growth does not come with interventionism. Neither social inclusion comes with populism. The real growth agenda is to create the conditions for the economy to work better.*

*[How to do that?] Increasing legal certainty, privatizing, making a good tax reform, opening the economy, ensuring competition, avoiding artificialism and price controls.* ”



# BREAKING NEWS: PSDB IN THE PAST ELECTIONS

UPDATE



Sources: Polling Data, Datafolha, IBOPE, Ipspe (XP Investments), BNP Paribas



**MDB**

Centre

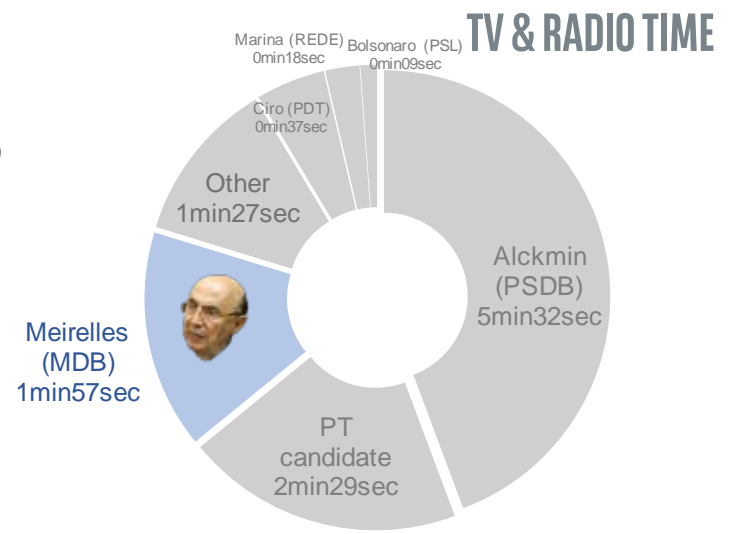
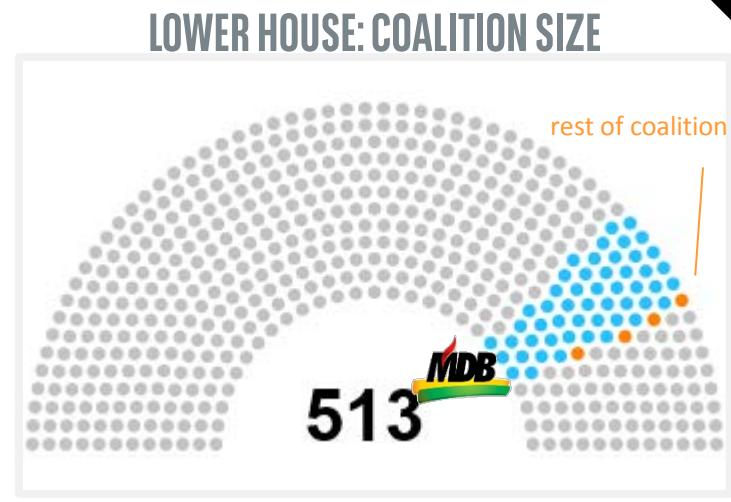
MDB announced [Meirelles](#) as its candidate.



Electoral fund  
**BRL 234.2mn**

TV time  
**1min 57sec**  
(16%)

- **MDB: Movimento Democrático Brasileiro**
  - “Brazilian Democratic Movement”
  - Founded: 1965
  - Centre
  - TSE Identification number: 15
- **Houses composition and government**
  - Federal Senate: 18 / 81 (22.2%)
  - Chamber of Deputies: 51 / 513 (9.9%)
  - Coalition (Lower House): 55 / 513 (10.7%)



# HENRIQUE MEIRELLES (PSD)



## ■ Political background



- birth
  - Anápolis, Goiás
  - Age: 73

## ■ Academic background

- Bachelor's degree in Civil Engineering from the University of São Paulo
- MBA in Business Administration from Federal University of Rio de Janeiro
- Advanced Management Program from Harvard Business School

## POPULARITY ON SOCIAL MEDIA



> 0.2 million likes

## LIKELY ECONOMIC TEAM

-



- Party
  - MDB (Brazilian Democratic Movement)
  - Centre



# COALITIONS IN THE GAME | PSL

UPDATE

## PSL

Right-wing

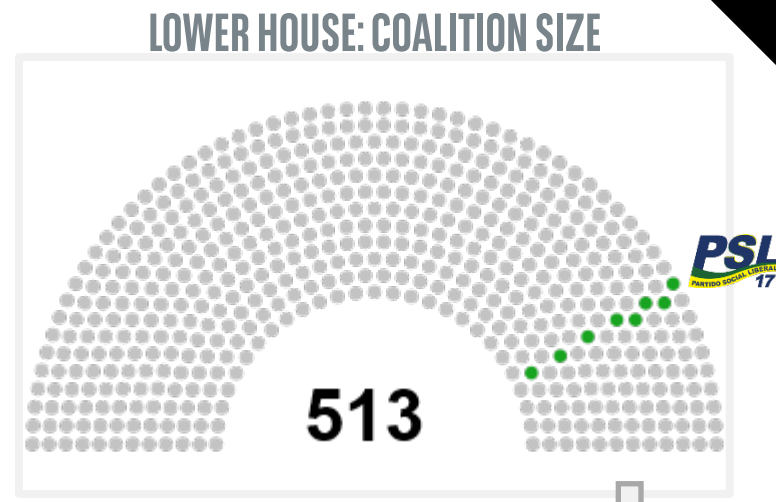
Bolsonaro was chosen as the PSL candidate for the 2018 presidential election.



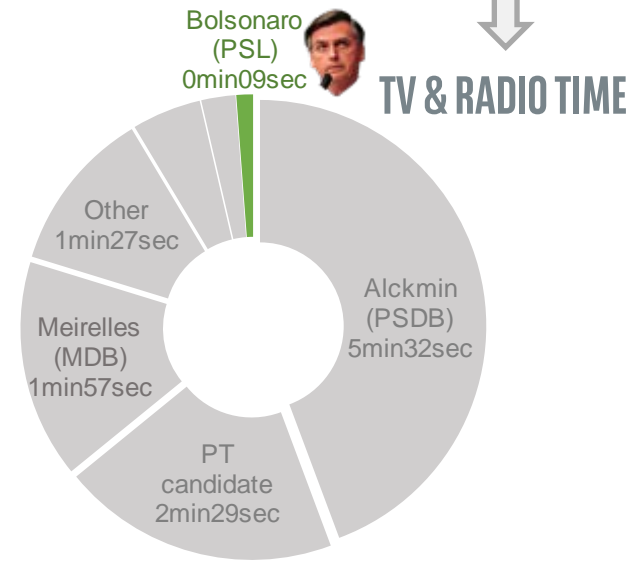
Electoral fund  
BRL 9.2mn

TV time  
9sec  
(1.2%)

- PSL: Partido Social Liberal
  - “Social Liberal Party”
  - Founded: 1998
  - Right-wing
  - TSE Identification number: 17
- Houses composition and government
  - Federal Senate: 0 / 81 (0%)
  - Chamber of Deputies: 8 / 513 (1.6%)

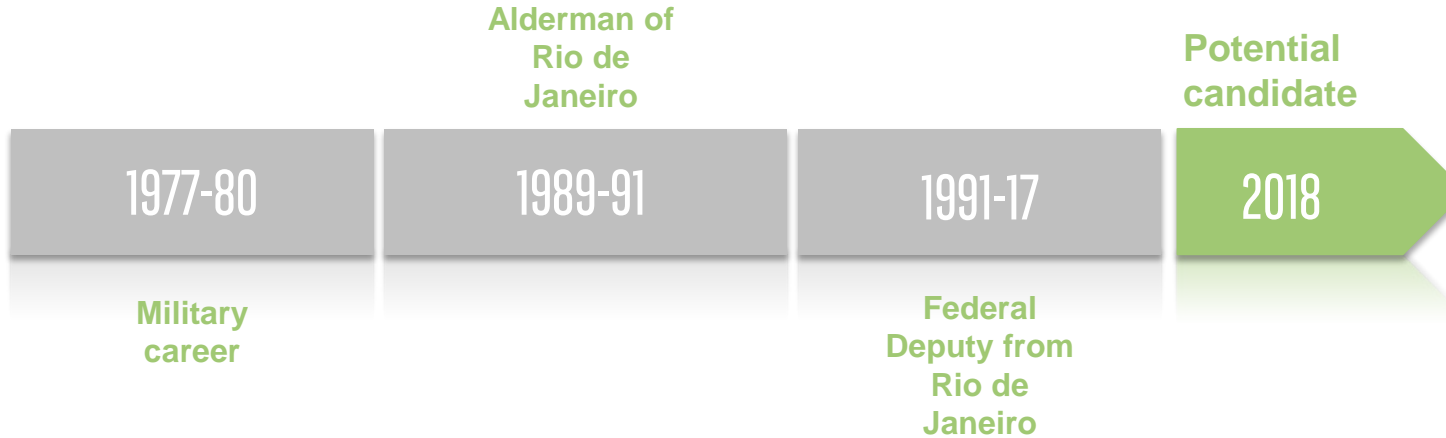


Bolsonaro:  
Who is he?



# JAIR BOLSONARO (PSL)

## Political background



Bolsonaro:  
Who is he?

- birth
  - Campinas, São Paulo
  - Age: 63

## Academic background

- Preparatory School of the Brazilian Army



- Party
  - Likely to leave PSC and affiliate to PSL/Livres
  - Right-wing party

## POPULARITY ON SOCIAL MEDIA



> 5.4 million likes

## LIKELY ECONOMIC TEAM

Paulo Guedes



# JAIR BOLSONARO (PSL) | PAULO GUEDES

## ■ Economic advisor:

- [Paulo Guedes](#)

## ■ Academic background

- Ph.D in Economics from the University of Chicago

## ■ Professional & political background

- BTG Pactual bank founder
- BR Investimentos majority shareholder
- Millenium Institute founder
- Professor at Pontifical Catholic University of Rio de Janeiro, Getúlio Vargas Foundation and IMPA
- IBMEC majority shareholder
- Writes for ÉPOCA and O GLOBO



“

*The heart of Brazil's problem is public spending. But there is not enough formulation capacity in government to make it politically interesting, economically potent.*

By: Paulo Guedes

*The path to the recovery of the dynamics of economic growth and the regeneration of the political class goes through the perfection of the republican institutions and the deepening of the reforms.*

*If I had to make a single change would be the social security reform, because the deficit goes from R\$50bn to R\$80bn in one year, to R\$130bn in the other, it is a snowball that will blow up the whole country.*”





# BOLSONARO (PSL) – WHO IS HE?

**Jair Messias Bolsonaro** is a former army officer. He has been a member the Chamber of Deputies since 1991. Bolsonaro was the most-voted congressman in the state of Rio de Janeiro in 2014.

Bolsonaro has been known for **controversial views on social issues**, and is often described in the media as pro-gun, anti-gay.

Bolsonaro is considered to be an **outsider** pre-candidate.

Recent **spontaneous** and **simulated** voting intention polls show his name as a strong potential candidate for the second round.

**Bolsonaro, who?**



Jair Messias Bolsonaro ✓  
5,4 mi curtiram isso · Figura pública

Jair Bolsonaro  
Presidente 2018  
Community · 751k like this

POPULARITY ON SOCIAL MEDIA

He has the highest number of **likes on Facebook**, among pre-candidates, with strong views on issues like gun control, prison riots or gay rights.



After changing party affiliation several times over the years, recent news indicates that Bolsonaro would be running with the **PSL (Liberal Social Party)** - still a small party, with low participation in the Lower House: only 3 deputies out of 513, or just 0.6%.



This could be a problem to his candidacy since he wouldn't have much TV and radio time for his electoral propaganda.

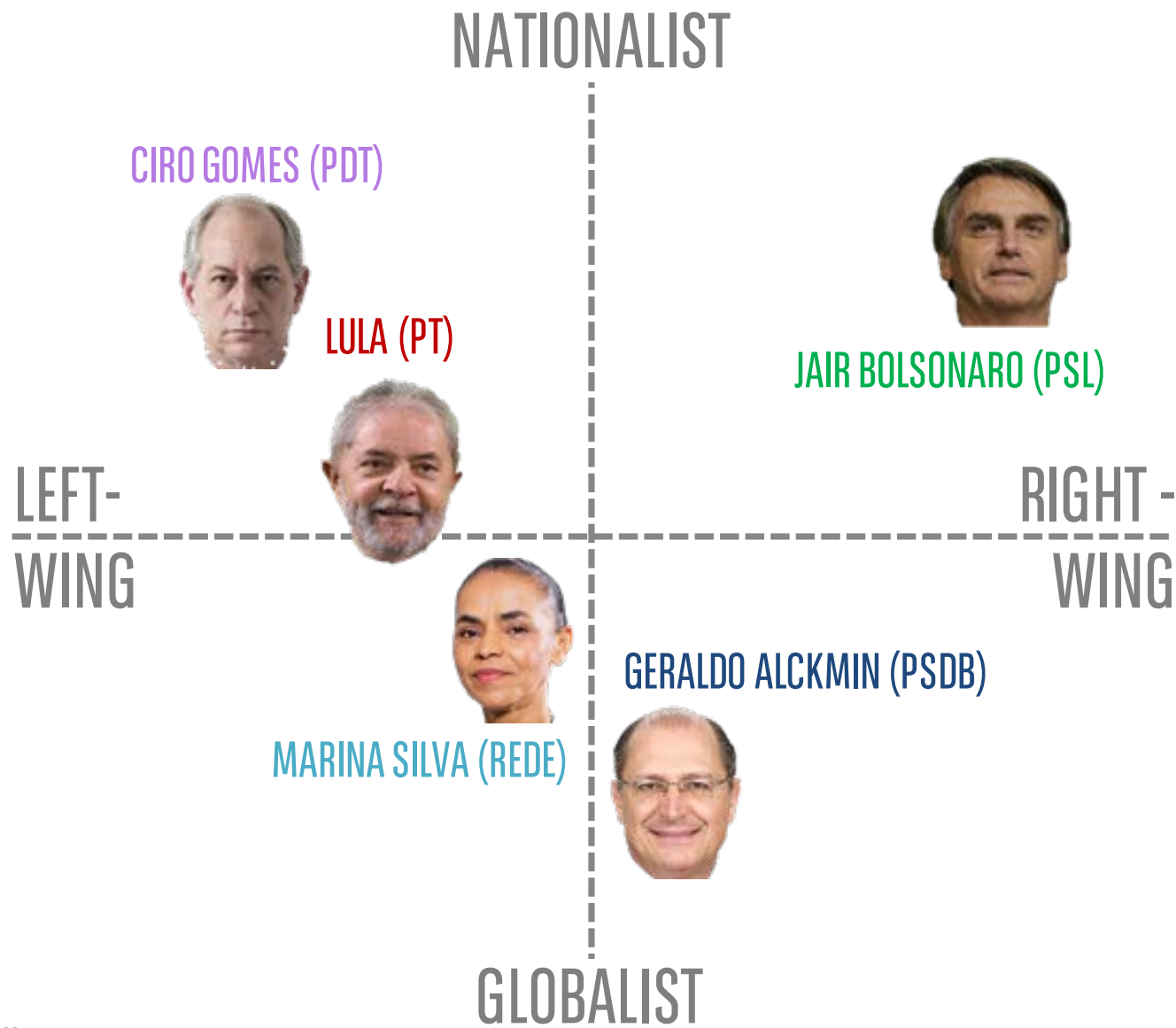
## Overview

- Often described as a right-wing extremist with controversial views on social issues, Bolsonaro seems to favour a nationalistic approach on economic issues.
- **Despite his social media popularity, his small TV and Radio time should limit his public exposure in the campaign.**

Sources: Deputies Chamber, political analysts



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Sources: Quarterly Americas, BNP Paribas.



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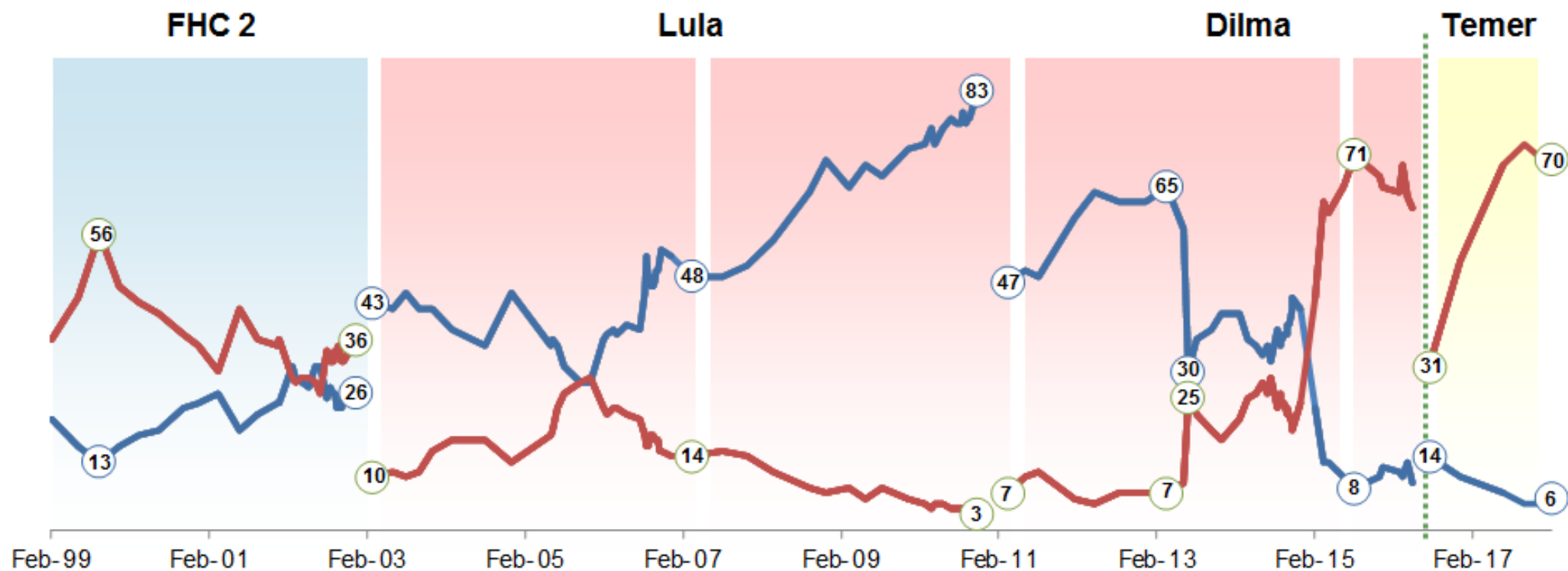
PRESIDENT: 1 <sup>ST</sup> ROUND	CALENDAR	<u>PARTIES</u>	PSDB	REDE	PRESIDENT:  APPROVAL RATES
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# APPROVAL AND DIAPPROVAL RATINGS

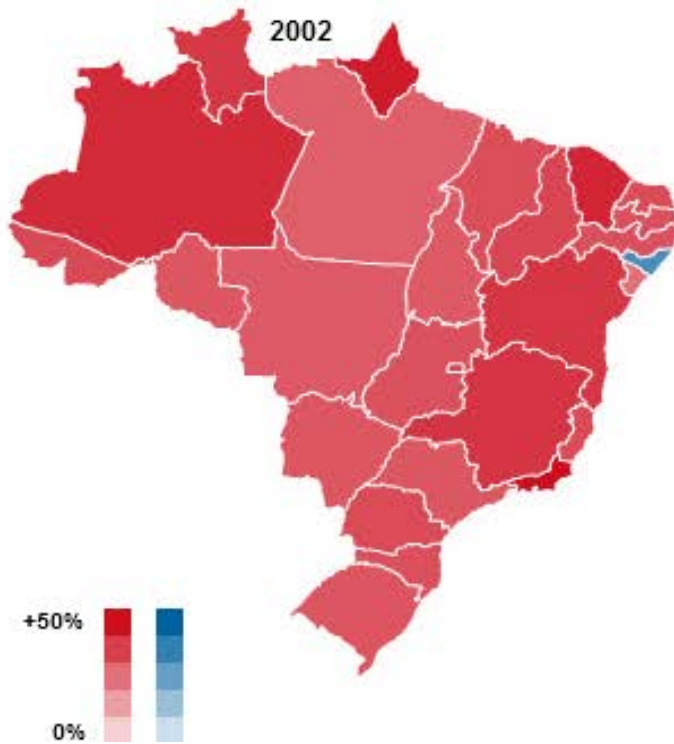
## APPROVAL AND DISAPPROVAL RATING OF FEDERAL ADMINISTRATION

- Disapproval rating of current president Temer's administration is high

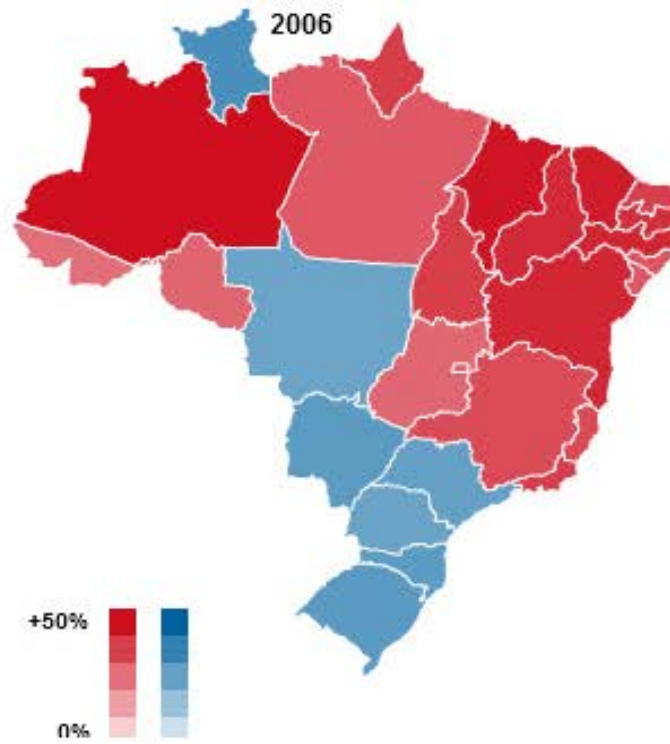


# GEOGRAPHICAL VOTING DISTRIBUTION IN PREVIOUS ELECTIONS

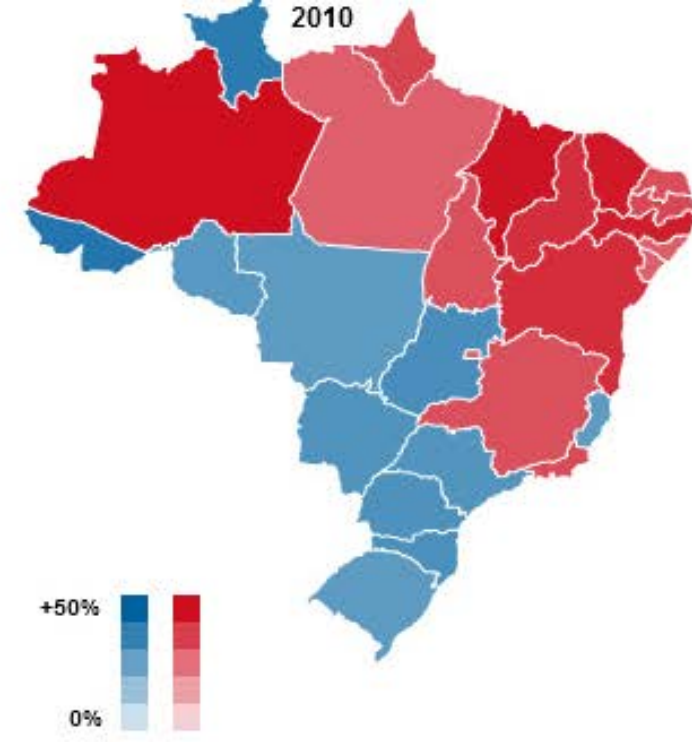
## 2<sup>nd</sup> ROUND ELECTIONS



- Lula (PT)
- Serra (PSDB)



- Lula (PT)
- Alckmin (PSDB)



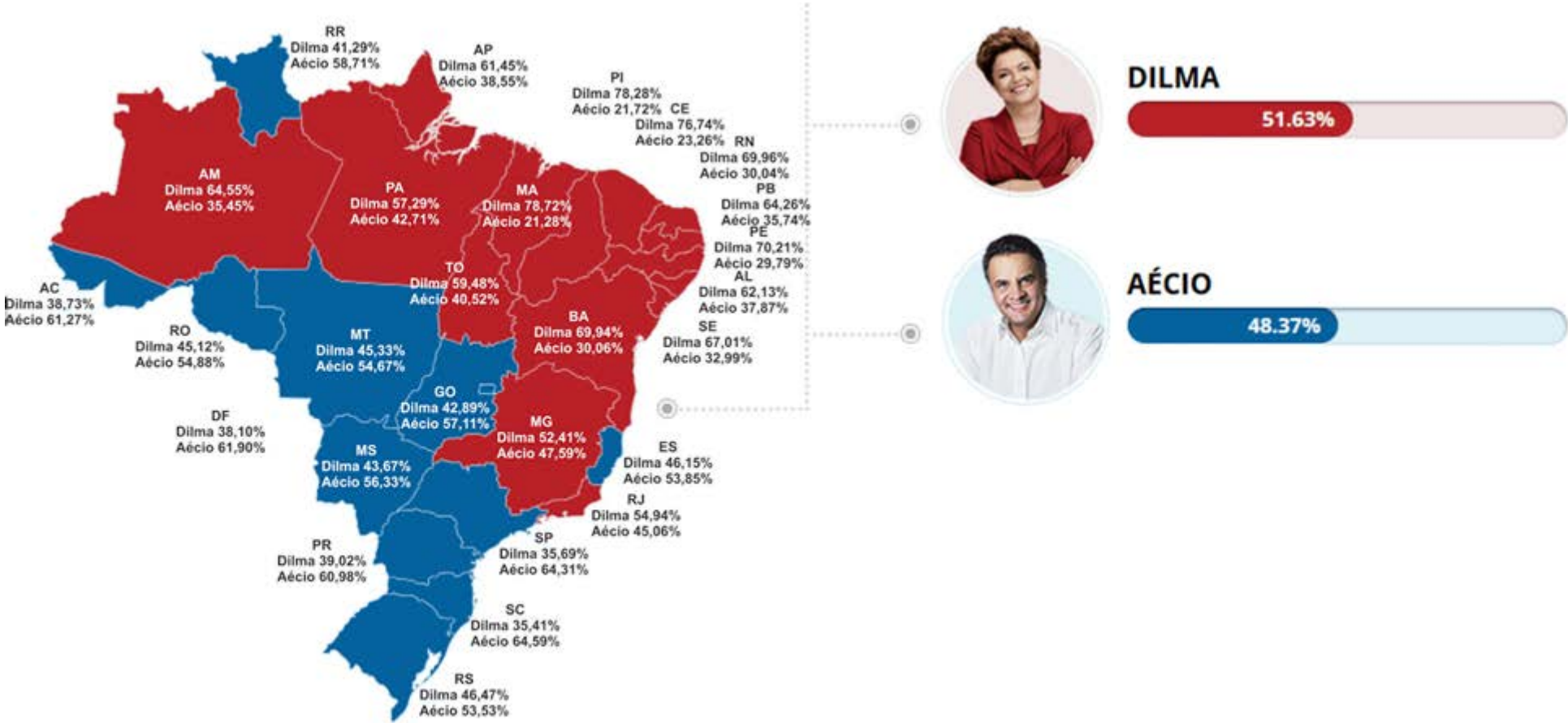
- Dilma (PT)
- Serra (PSDB)

Sources: Datafolha (Sep/2017), BNP Paribas



# GEOGRAPHICAL VOTING DISTRIBUTION IN THE 2014 ELECTION

## 2<sup>nd</sup> ROUND ELECTIONS: 2014



Sources: Datafolha (Sep/2017), BNP Paribas












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