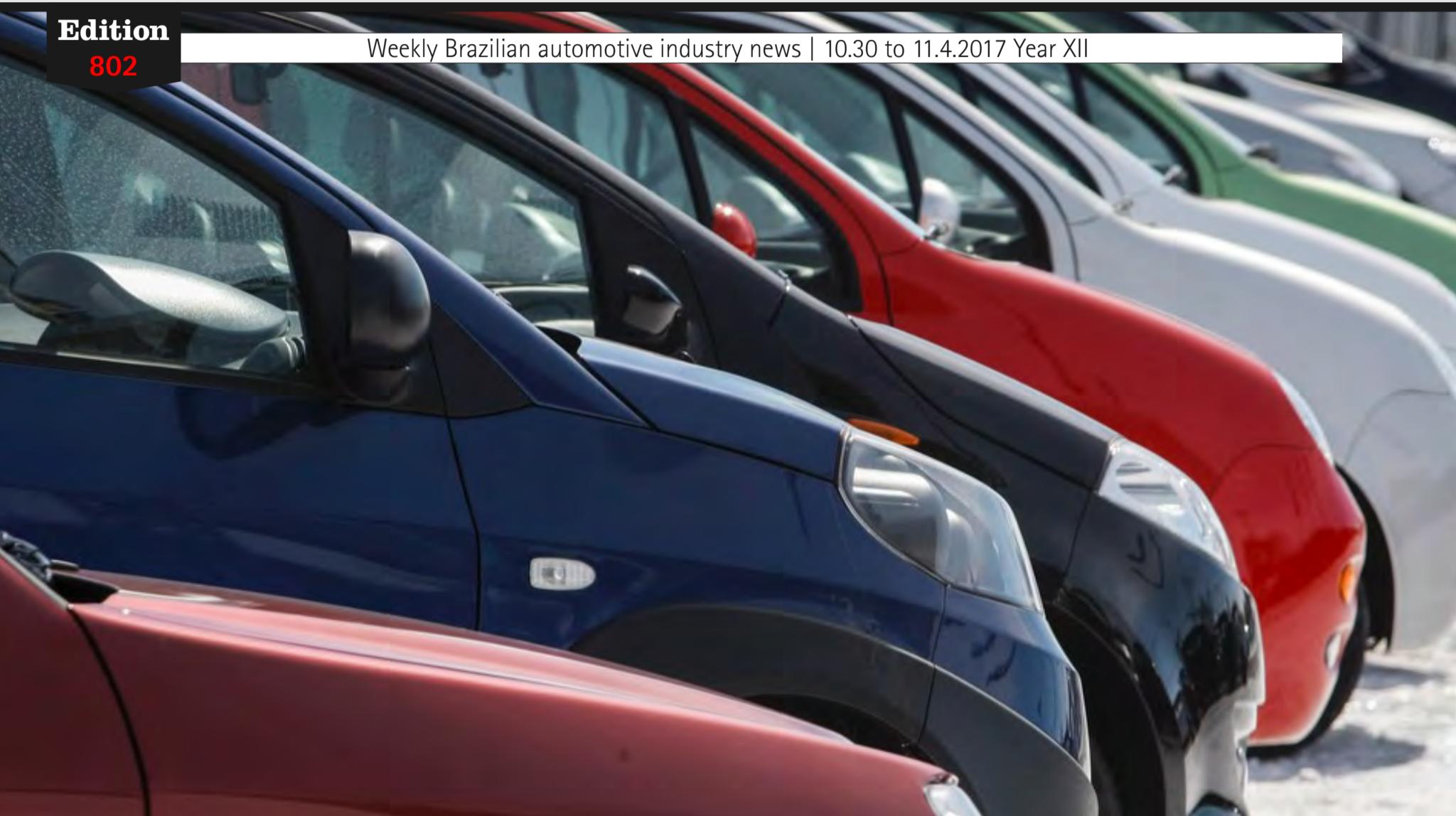


AutoData

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Vehicle sales increase 27% in October

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Vehicle sales increase 27% in October

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In October 202 thousand and 873 vehicles were licensed in the country; volume 27,5% higher than registered in October of last year when the sector sold 159 thousand and 37 units, according to Renavam data received by AutoData. Considering the number of working days in the period, 20, the daily average of cars licensed was over 10 thousand units and it is aligned with the expectations of Anfavea for the last trimester.

The volume reached positions October as the second best month of sales of the year, only behind August when the sector sold 210 thousand and 142 units. On Tuesday the 31st, last day of the month, the deliveries were close to 15 thousand units. It's common for the sector to accelerate sales in the last two days to reach the goals established for the month.

WE

Automotive sector boosts industrial production

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According to the resumption of the national economy movement the industrial production grew 2,6% in September comparing to the same month last year, according to data released by IBGE on Wednesday the 1st. Related to last month the increase was 0,2% and on the total it reached 1,6%.

The automotive vehicle sector, hauling and bodywork registered an increase of 20,9% related to the same month last year: "The heating of the sector made him the major influencer for the growth of national production and the exportations are an important factor for that increment. But it's necessary to highlight that the base of comparison is still low since the crises brought big losses that have yet to be recovered", said André Macedo, coordination manager of the industry's institute.

Other sectors will also feel the positive reflections of the automotive production's expansion: "The sector has a lot of relevancy in the Brazilian industrial structure and other areas that are linked

to it and already show positive behavior with the production of rubber, plastic and metallurgical."

IBGE separates the production of six big categories of the economy with automobiles and light commercials positioned under durable goods and with large participation in the high of 16,2% if we compare to the same month last year and 11,7% in the total of the year. Related to August there was a 2,1% growth.

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Brazilian industry looses space in the world market

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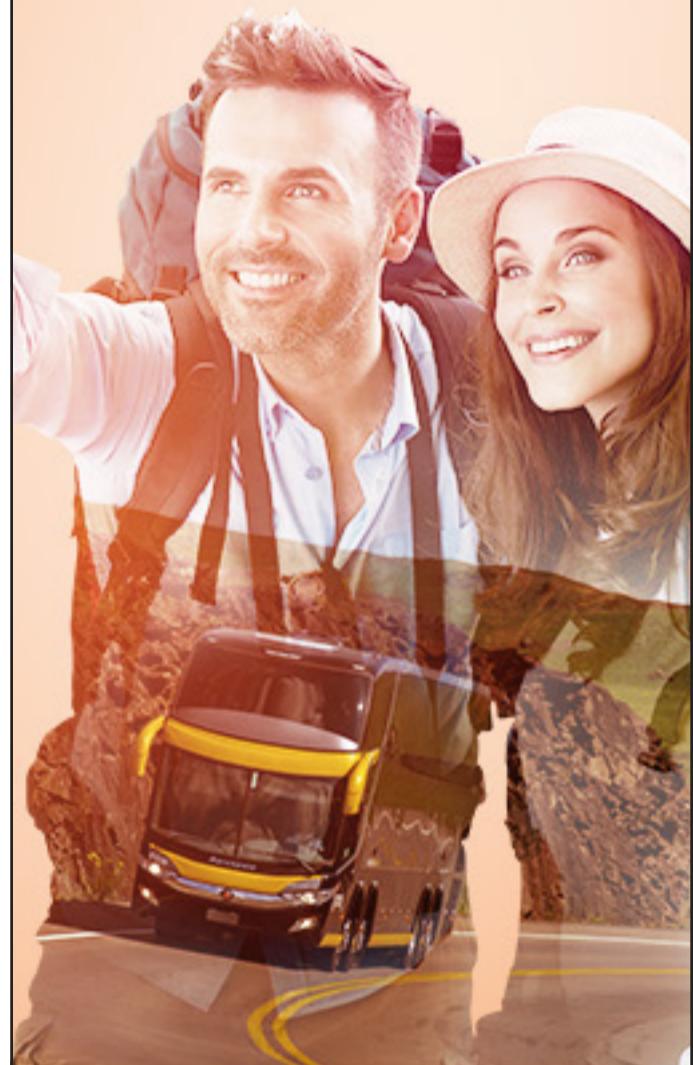
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Brazil has been loosing relevancy inside the global economy, reveals the study by Desempenho da Indústria no Mundo done by CNI, Confederação Nacional da Indústria. In ten years, according to the weighing, Brazil's participation dropped not only in production but in exportations; the slice of Brazilian exportations of manufactured products in total worldwide decreased to 0,24 percent from 2005 to 2015 and landed in 0,58%. China's participation, in the same period increased 8,83 percent and South Korea 0,55 percent.

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In the last ten years the Brazilian participation in the world's production of manufactured dropped 0,9 percent and went from 2,74% in 2006 to 1,84% in 2016. In the same period the slice of Chinese industry grew 11,80 percent and South Korea raised 0,56 percent.

The pace of the Brazilian industry's participation decrease in the total worldwide production sped up since 2014 due to the severity of the internal economic crisis. Based on the data from Unido, United Nations organization for industrial development, CNI informs that the Brazilian participation in the industry's production worldwide dropped 0,24 percent from 2015 to 2016, a period in which China increased 0,9 percent.

Brazil not only loses space to China and South Korea, but also to Mexico, one of its major competitors in Latin America; from 2005 to 2015 Mexico's slice in exportation of manufactured products increased in 0,45 percent and Brazil's dropped to 0,24 percent.

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Unemployment has little decrease

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The unemployment rate in Brazil closed the third trimester with 12,4% a retreat of 0,6 percent comparing to the second trimester, 13%, according to data released by IBGE on Tuesday the 31st. Comparing the result to the same period last year we noticed a rise of 0,6 percent in the unemployment rate.

In 2017 the unemployment rate dropped since the first trimester when IBGE registered 13,7% and the automotive sector could have helped reduce this rate but according to Cimar Azeredo, coordinator of work and profit for IBGE that did not happen: "The industry has its participation but it's too small if we compare to other areas since the percentage of generated jobs is too small related to the drop of unemployment level".

The numbers published by Anfavea about levels of unemployment in automakers associated until September is 126,3 thousand, a high of 1,3% comparing to the same period last year, which is too little to impact the drop of unemployment rate in the country. In Sindipeças case, that does not publish the unemployment rates month to month, the expectation for closing of the year is 164,6 thousand collaborators, with a high of 1,5% related to the closing of 2016. For 2018 the expectation is to have the number of jobs rise in 5%.

There is also a movement in job creations that indicates the automotive sector is not being very participant: "The new job posts are directed to informalities like retail and informal construction that do not have a documented registry which usually does not happen in the jobs created by the automotive sector".

IBGE highlights that because of the crisis 3,5 million jobs with documented registry are no longer available and the expectation for the generation of new jobs medium term in the automotive sector is uncertain: "We came from a very strong economic crisis that was also political and next year we have election. That is why is so complicated to predict how the rise of job posts will be in the automotive sector".

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MARKETING INTELIGENTE

Randon will issue debentures

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The administration counsel of Randon enterprises, from Caxias do Sul, RS, approved the issuing of the fifth batch of simple debentures, not convertible in bonds, totaling R\$300 million. The decision was made at the assemblage that took place this Friday the 27th and made public on Monday the 30th through a press release to the market and shareholders. By being in silence until November the 9th when it will release the results of the third trimester the company's directory does not add more information to what has been presented at the latest release.

According to the document, signed by the director of investor's relations, Geraldo Santa Catharina, there will be 30 thousand debentures issued in the nominal value of R\$ 10 thousand each. The due date for the debentures will be five years, except for the hypothesis of early redemption or early due date of resulting obligations. The issuing is destined exclusively to professional investors.

The pay will be of 116% of the total variation of average daily deposit inter-financial rates calculated and released daily by B3, Brasil, Bolsa, Balcão. The remuneration will schedule semiannual pay. The captured net resources will be utilized as working capital increase for the company.

Performance – The preliminary data of the third trimester results indicate that Randon enterprises totaled R\$ 2,1 billion of net revenue, a high of 4,1% over the same period last year. The gross revenue, on the other hand, was R\$3 billion, growing 6,4%.

In September the consolidated net revenue reached R\$253,6 million, 44,7% higher than the one registered in the same month last year. The gross amount reached R\$363,9 million, increasing 45,6%.

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