

## **Macro\_financial linkages of the Brazilian economy**

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This paper aims to identify the main paths through which financial shocks were transmitted to economic activity sectors in Brazilian economy during the crisis of 2009. We calculate the multiplier product (Leontief, 1941) applying the Miyazawa Expansion Factor (1976) on the financial flows of the Brazilian Financial and Social Accounting Matrix (FSAM). The Brazilian FSAM are available on Lates (UFJF, 2016) to the period 2005 to 2009. They present seven main groups of accounts: Production Account, Activities Account, Factors Account, Current Account, Capital Account, Financial Account and Rest of World Account. The accounts were detailed using the information from: Make and Uses Tables (TRU) published by the Regional Center of Economic Research (NEREUS/USP); the Integrated Economic Accounts (CEI) from the Brazilian Institute of Geography and Statistics (IBGE); and the Financial Account from IBGE and the Central Bank of Brazil. The multiplier determines the impact of exogenous variation of a currency in the financial intermediation sector, in the final product of the other sectors of economic activity and total output of the economy. We also decomposed the multiplier matrix into three parts: i) the total equilibrium from production, income and final demand transactions; ii) the total equilibrium when saving and fixed capital formation are considered; iii) the total equilibrium including financial account to complete the money flow in the economy. Preliminary results shows the total effect on the sector multiplier, 55% is caused by changes in production and income, 12% due to gross fixed capital formation and 21% due to financial flows.