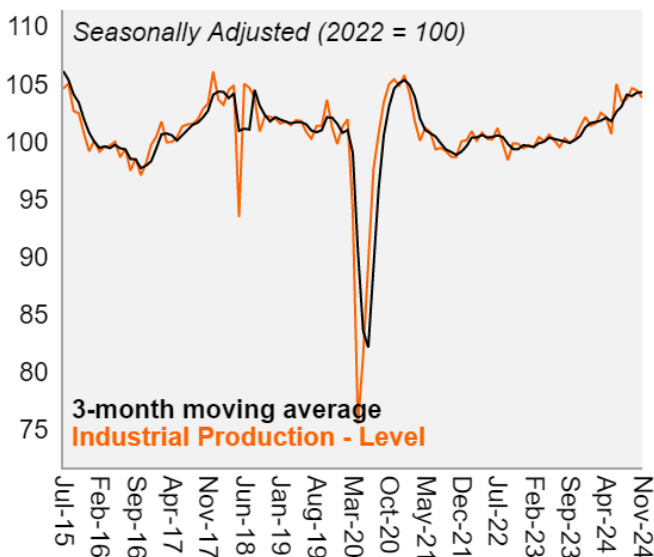


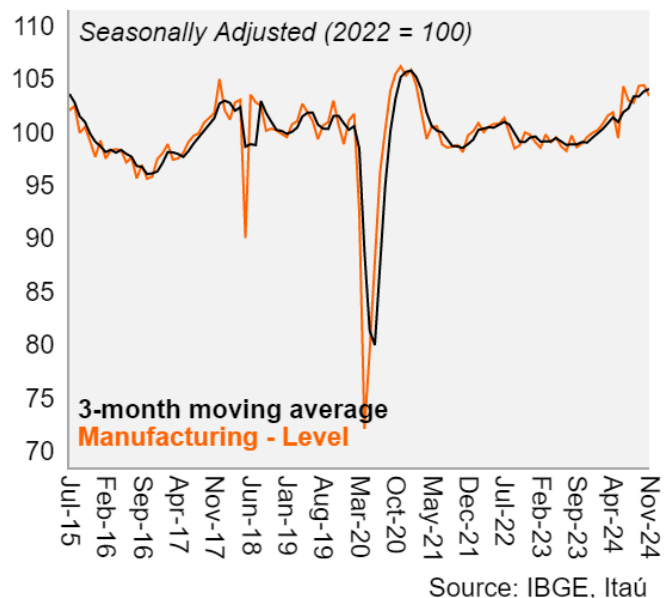
Industrial production contracted 0.6% mom/sa in November

- ▶ Industrial production receded 0.6% mom/sa in November (+1.7% yoy), stronger than our call (-0.9% mom/sa) and slightly above the market's expectation (-0.7% mom/sa). The breakdown shows that manufacturing fell 1.0% mom/sa (+2.9% yoy), slightly above our expectation (-1.2% mom/sa), while mining/extractive moved up 0.1% mom/sa (-4.4% yoy), above our expectation (-1.1% mom/sa).
- ▶ Versus our forecast, the largest positive surprises were 'Mining/extractive' and 'Food' (table below).
- ▶ All categories receded at the margin, with a negative highlight to 'Semi-durable/non-durable consumer goods' (-2.8% mom s/a) and 'Durable consumer goods' (-2.1% mom s/a). The breakdown shows that 24% of the sectors moved up in the month versus 80% in October.
- ▶ With today's release, the carry-over of industrial production for 4Q24 now stands at 0.1%, with the following breakdown: 0.4% for manufacturing and -0.8% for mining/extractive.
- ▶ **Our view:** Industrial production in November came in stronger than our expectations. The positive highlight for manufacturing was a strong increase in the production of machinery and equipment. The extractive/mining industry also performed above our expectations, remaining relatively stable at the margin. Although the positive surprise, the industry showed a slowdown at the margin, in line with some slowdown in economic activity throughout the 4Q24.

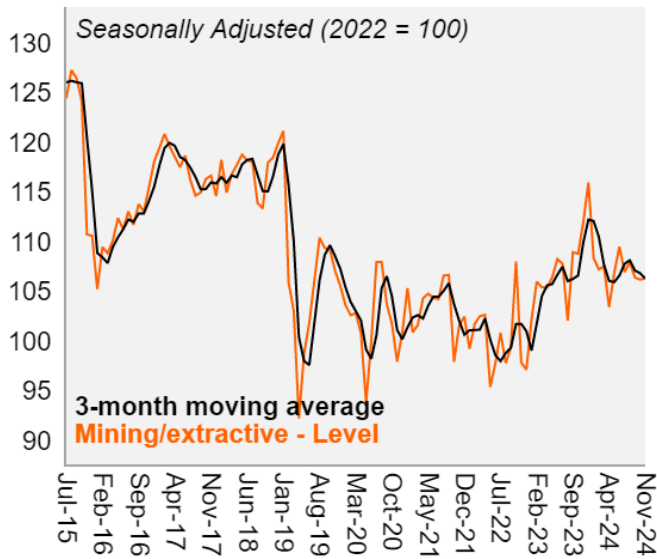
Industrial production contracted 0.6% mom/sa in November



Manufacturing receded 1.0% mom/sa

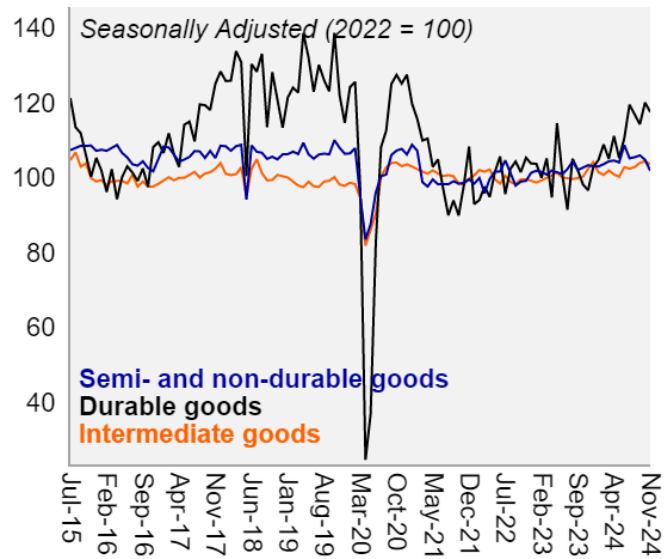


Mining/extractive rose 0.1% mom/sa



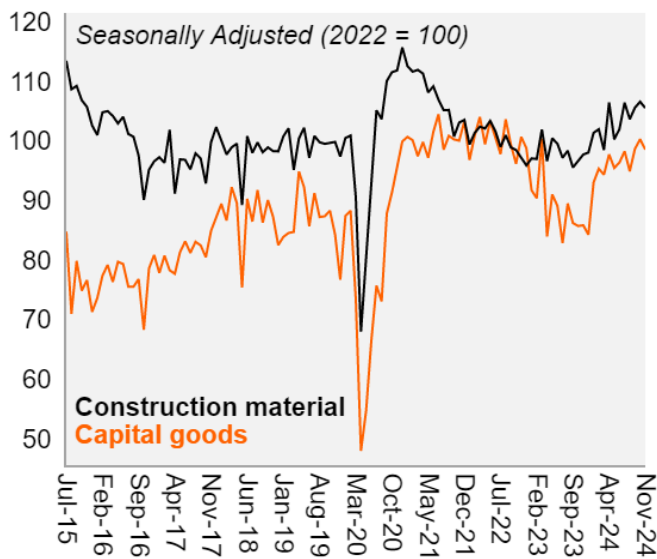
Source: IBGE, Itaú

Industrial production by category



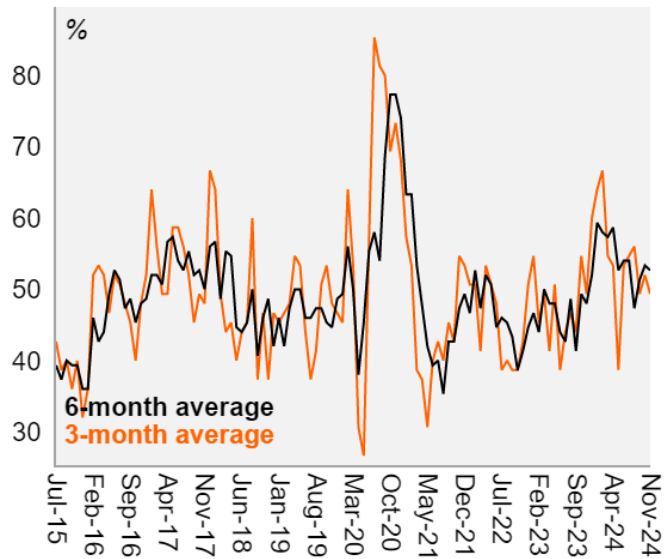
Source: IBGE, Itaú

Capital goods and construction materials



Source: IBGE, Itaú

Diffusion index



Source: IBGE, Itaú

Industrial production - November/24 (% m/m s.a.)						
Sector	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024
Industrial Production	4.3	-1.4	0.2	0.9	-0.2	-0.6
Mining/extractive	2.5	-2.3	0.9	-1.4	-0.2	0.1
Manufacturing	4.9	-1.3	-0.2	1.5	0.1	-1.0
Semi-durable/non-durable consumer goods	4.4	-3.2	0.3	0.5	-1.1	-2.8
Durable consumer goods	5.1	8.0	-2.1	-2.3	5.1	-2.1
Intermediate goods	2.6	-0.4	0.4	1.1	0.4	-0.7
Capital goods	0.9	2.0	-3.4	3.9	1.6	-1.7
Diffusion	0.64	0.72	0.32	0.44	0.8	0.24

Source: IBGE, Itaú

Industrial production - November/24 (% y/y s.a.)						
Sector	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024
Industrial Production	3.2	6.1	2.3	3.4	5.9	1.7
Mining/extractive	1.1	-0.4	5.6	-3.1	-2.0	-4.4
Manufacturing	3.6	7.3	1.7	4.6	7.3	2.9
Semi-durable/non-durable consumer goods	5.4	5.6	0.3	2.6	3.8	-2.7
Durable consumer goods	12.1	30.4	10.7	10.4	20.6	19.5
Intermediate goods	1.4	4.0	2.5	2.4	5.2	1.6
Capital goods	9.5	17.6	5.2	13.8	15.9	14.0
Diffusion	0.64	0.72	0.32	0.44	0.8	0.24

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in November/24

Sector	Weight	m/m s.a.	y/y	Itaú	Error
				Forecast (y/y)	contr. (p.p.)
Industrial Production	100.0	-0.6	1.7	1.0	0.7
Mining/extractive	14.6	0.1	-4.4	-6.2	0.3
Manufacturing	85.4	-1.0	2.9	2.4	0.4
Food	15.1	-1.2	-4.3	-6.2	0.3
Oil and biofuel derivatives	13.5	-3.5	-3.9	-1.3	-0.4
Vehicles	6.2	-11.5	15.7	22.4	-0.4
Metallurgy	4.9	-0.1	7.8	3.8	0.2
Chemical products	7.4	-2.1	2.4	1.8	0.0
Machinery and equipment	3.8	2.3	14.0	7.8	0.2
Metal products	3.0	-1.2	7.6	3.6	0.1
Non-metallic minerals	2.7	-1.0	6.0	3.7	0.1
Rubber and plastic	3.4	-1.3	5.0	4.8	0.0
Beverages	3.0	-2.7	-8.4	-6.8	-0.0
Pulp and Paper	3.7	-3.9	-0.9	3.6	-0.2
Machinery and electric material	2.3	-3.8	15.3	12.9	0.1
Computers and electronics	2.0	0.9	34.9	23.9	0.2
Pharmaceuticals	2.4	-5.4	4.9	5.2	-0.0
Clothing	2.0	-8.5	7.3	2.4	0.1
Leather and footwear	1.4	-6.6	-0.5	2.8	-0.0
Textiles	1.3	1.3	5.7	2.4	0.0
Other transportation equipment	1.1	-1.8	5.8	5.0	0.0
Maintenance of machinery and equipment	1.6	0.4	0.7	-3.0	0.1
Furniture	1.2	-5.7	5.3	1.5	0.0
Lumber	1.0	-2.3	5.0	6.6	-0.0
Prints and engravings	0.6	1.6	10.5	0.7	0.1
Diverse products	1.2	-2.8	11.8	6.7	0.1
Tobacco	0.4	-16.3	-4.1	11.3	-0.1

Source: IBGE, Itaú

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