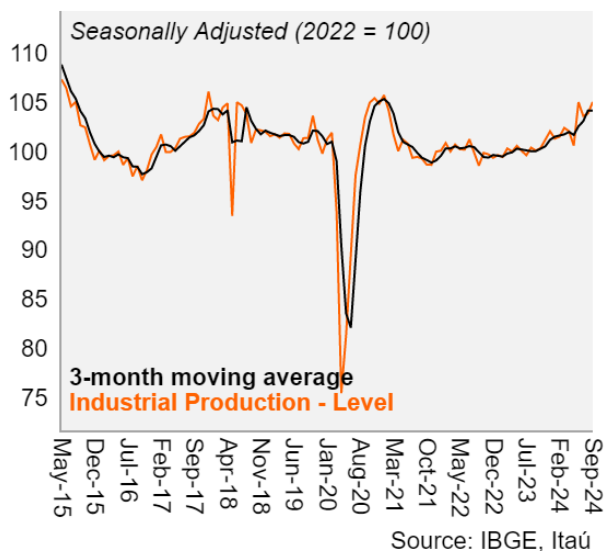


November 1, 2024

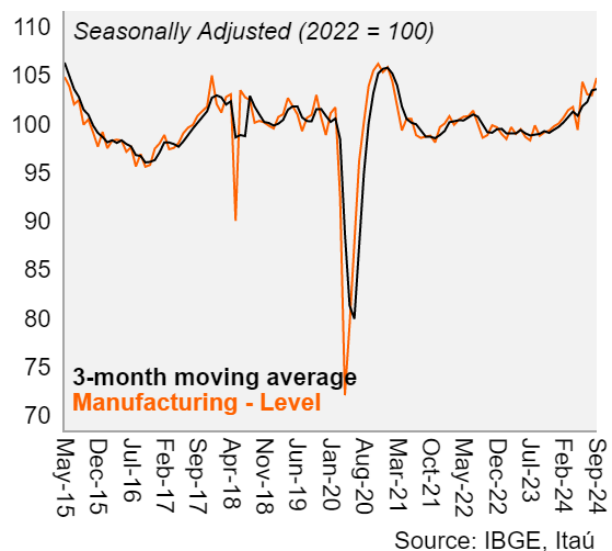
Industrial production moved up 1.6% qoq s.a. in 3Q24

- ▶ Industrial production rose 1.1% mom/sa in September (+3.4% yoy), close to both our call (+1.0% mom/sa) and the market's estimates (+1.0% mom/sa). The breakdown shows that manufacturing expanded 1.7% mom/sa (+4.6% yoy), above our expectation (+1.3% mom/sa), while mining/extractive contracted 1.3% mom/sa (-2.9% yoy), below our call (+0.5% mom/sa).
- ▶ Compared to our forecast, the largest positive surprises were 'Oil and biofuel derivatives' and 'Vehicles' (table below).
- ▶ Among the main categories, only 'Durable consumer goods' contracted at the margin (-2.7% mom s/a), while the positive highlights were 'Capital goods' (+4.2% mom s/a) and 'Intermediate goods' (1.2% mom s/a). The breakdown shows that 48% of the sectors moved up in the month, from 28% in August.
- ▶ In 3Q24, industrial production rose 1.6% qoq/sa, with the following breakdown: 1.7% for manufacturing and 0.6% for mining/extractive. With today's release, the carry over for 4Q24 now stands at 0.8%, with 1.1% for manufacturing and -0.5% for mining/extractive.
- ▶ **Our view:** The industrial production advanced in line with our expectations for the month of September, with highlight to the manufacturing industry, which has a greater weight on the GDP and grew above our expectations. On the other hand, the extractive/mining industry declined in the month, performing below expectations. Despite today's strong data, we expect an economic slowdown in the second half of the year.

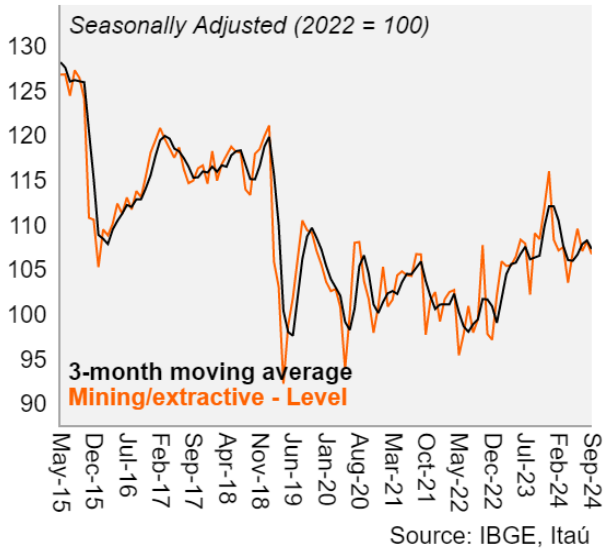
Industrial production moved up 1.6% qoq s.a. in 3Q24



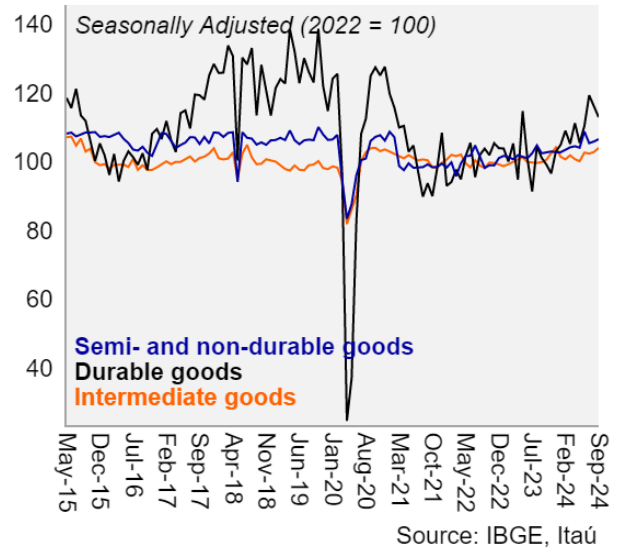
Manufacturing advanced 1.7% mom/sa



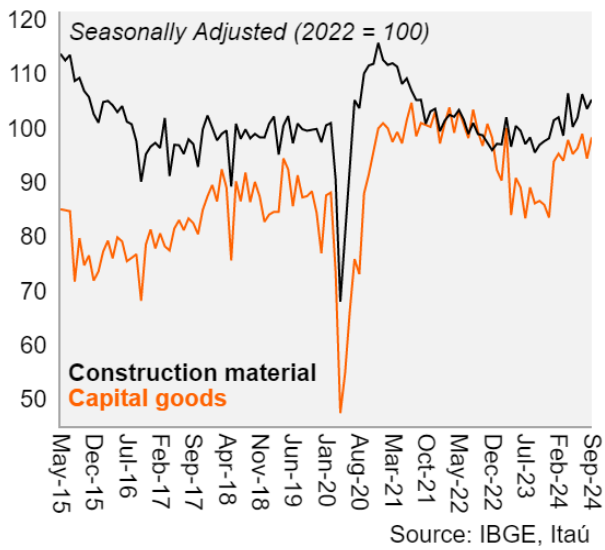
Mining/extractive fell 1.3% mom/sa



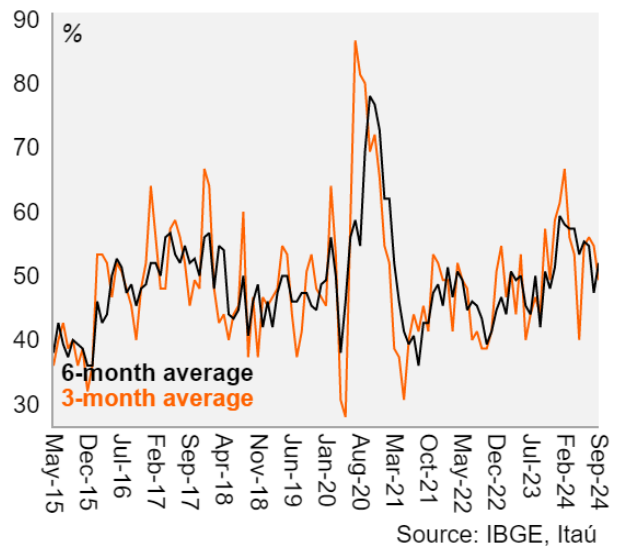
Industrial production by category



Capital goods and construction materials



Diffusion index



Industrial production - September/24 (% m/m s.a.)						
Sector	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024
Industrial Production	-0.3	-1.4	4.4	-1.3	0.2	1.1
Mining/extractive	-3.7	3.3	2.5	-2.3	1.0	-1.3
Manufacturing	0.3	-2.3	5.0	-1.2	-0.1	1.7
Semi-durable/non-durable consumer goods	0.3	-0.4	4.5	-3.1	0.5	0.6
Durable consumer goods	5.8	-5.2	4.7	8.1	-2.7	-2.7
Intermediate goods	-1.1	-0.6	2.5	-0.3	0.4	1.2
Capital goods	4.1	-2.6	1.1	2.8	-4.6	4.2
Diffusion	0.68	0.32	0.64	0.72	0.28	0.48

Source: IBGE, Itaú

Industrial production - September/24 (% y/y s.a.)						
Sector	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024
Industrial Production	8.4	-1.2	3.2	6.1	2.3	3.4
Mining/extractive	-1.5	-0.1	1.1	-0.4	5.6	-2.9
Manufacturing	10.2	-1.4	3.6	7.3	1.7	4.6
Semi-durable/non-durable consumer goods	10.9	1.5	5.4	5.6	0.3	2.6
Durable consumer goods	26.1	-10.5	12.1	30.4	10.7	10.4
Intermediate goods	4.7	-2.0	1.4	4.0	2.5	2.5
Capital goods	24.7	3.9	9.5	17.6	5.3	13.6
Diffusion	0.68	0.32	0.64	0.72	0.28	0.48

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in September/24

Sector	Weight	m/m s.a.	y/y	Itaú Forecast (y/y)	Error contr. (p.p.)
Industrial Production	100.0	1.1	3.4	3.1	0.3
Mining/extractive	14.6	-1.3	-2.9	-0.3	-0.4
Manufacturing	85.4	1.7	4.6	3.7	0.8
Food	15.1	2.3	-0.8	-0.0	-0.1
Oil and biofuel derivatives	13.5	4.3	3.3	-2.6	0.8
Vehicles	6.2	2.5	19.5	13.8	0.4
Metallurgy	4.9	2.4	6.7	6.6	0.0
Chemical products	7.4	-2.7	2.0	5.6	-0.3
Machinery and equipment	3.8	-1.2	5.1	13.3	-0.3
Metal products	3.0	-1.4	8.7	11.9	-0.1
Non-metallic minerals	2.7	1.3	6.9	6.6	0.0
Rubber and plastic	3.4	0.0	6.5	5.6	0.0
Beverages	3.0	-0.3	-0.2	5.9	-0.2
Pulp and Paper	3.7	-0.2	-1.2	-0.7	-0.0
Machinery and electric material	2.3	3.3	14.8	9.6	0.1
Computers and electronics	2.0	-1.2	17.9	20.5	-0.1
Pharmaceuticals	2.4	-3.7	3.4	13.0	-0.2
Clothing	2.0	-1.7	3.1	3.9	-0.0
Leather and footwear	1.4	-1.5	6.3	10.8	-0.1
Textiles	1.3	-1.1	2.8	6.1	-0.0
Other transportation equipment	1.1	-7.8	4.4	9.4	-0.1
Maintenance of machinery and equipment	1.6	3.1	4.7	-0.3	0.1
Furniture	1.2	2.8	16.2	15.0	0.0
Lumber	1.0	0.1	9.5	10.1	-0.0
Prints and engravings	0.6	6.9	-12.0	-8.2	-0.0
Diverse products	1.2	0.4	2.0	8.9	-0.1
Tobacco	0.4	36.5	29.9	-10.2	0.2

Source: IBGE, Itaú

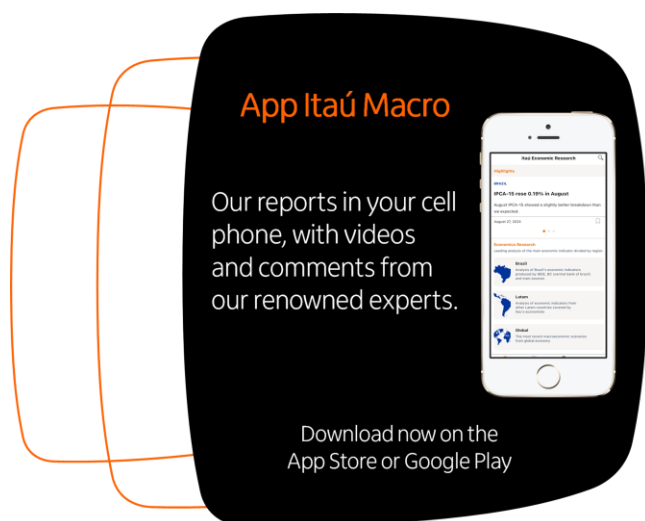
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