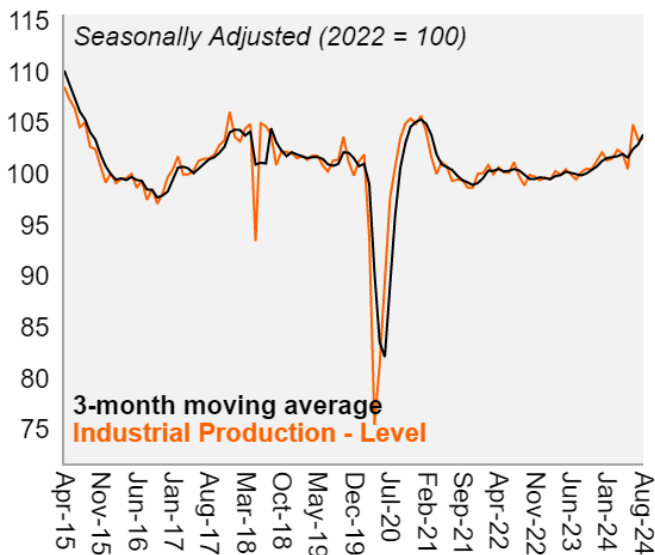


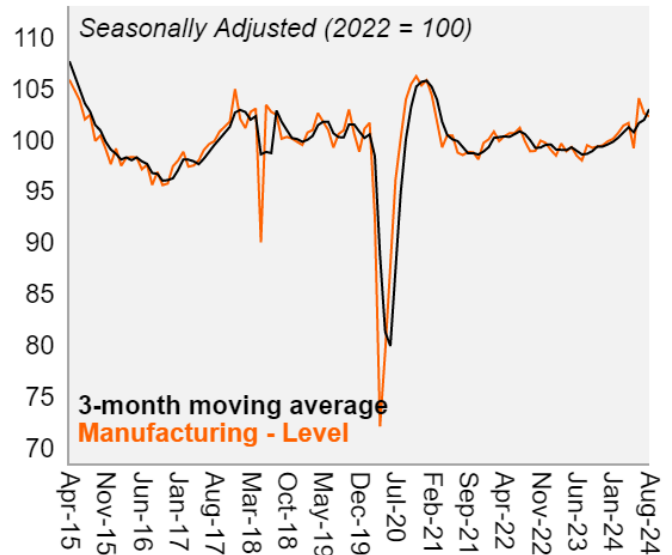
Industrial production rose 0.1% mom/sa in August

- ▶ Industrial production rose 0.1% mom/sa in August (+2.2% yoy), matching both our call (+0.1% mom/sa) and the market's expectation (+0.1% mom/sa). The breakdown shows that manufacturing contracted 0.3% mom/sa (+1.7% yoy), below our estimates (0.0% mom/sa), while mining/extractive rose 1.1% mom/sa (+5.6% yoy), above our call (-0.3% mom/sa).
- ▶ Compared to our forecast, the largest negative surprise was 'Food' while 'Mining/extractive' stood out as the largest positive surprise (table below).
- ▶ Among the main categories, the positive highlights were 'Semi-durable/non-durable consumer goods' (+0.4% mom s/a) and 'Intermediate goods' (+0.3% mom s/a), while 'Capital goods' (-4.0% mom s/a) and 'Durable consumer goods' (-1.3% mom s/a) posted the largest contractions at the margin. The breakdown shows that 28% of the sectors moved up in the month, from 72% in July.
- ▶ With today's release, the carry-over of industrial production for 3Q24 now stands at 1.0%, with the following breakdown: 0.7% for manufacturing and 1.2% for mining/extractive.
- ▶ **Our view:** August reading was in line with our expectations and showed the industry practically stable at the margin, with a slight decline in manufacturing, which has a greater weight in GDP. The data is in line with some slowdown in economic activity throughout the second half of the year.

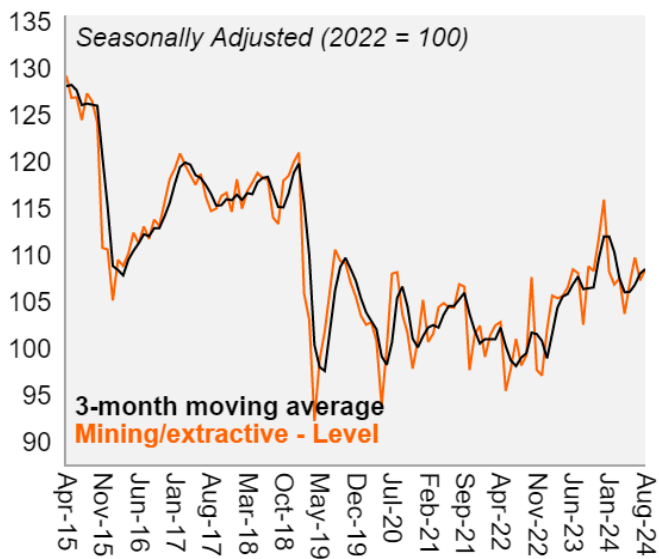
Industrial production rose 0.1% mom/sa in August



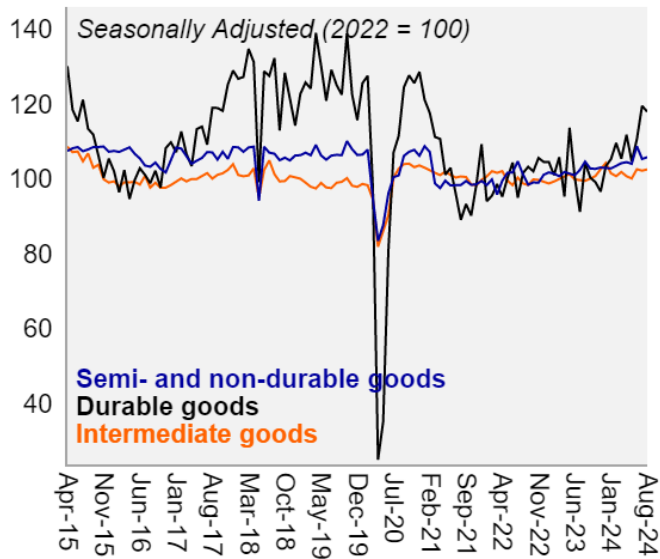
Manufacturing contracted 0.3% mom/sa



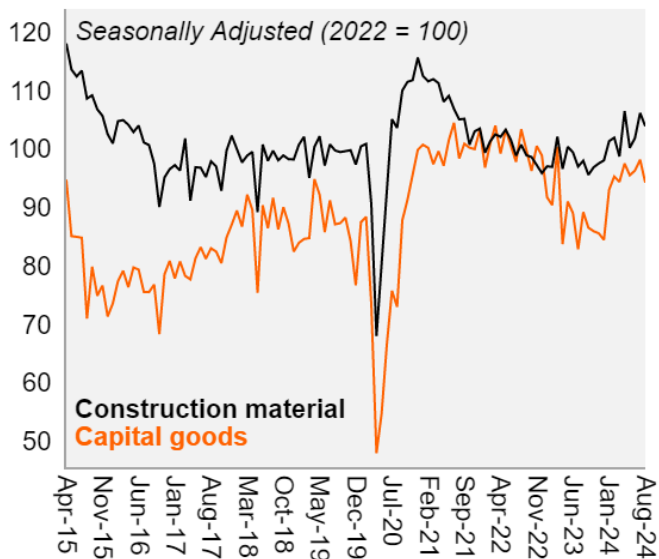
Mining/extractive advanced 1.1% mom/sa



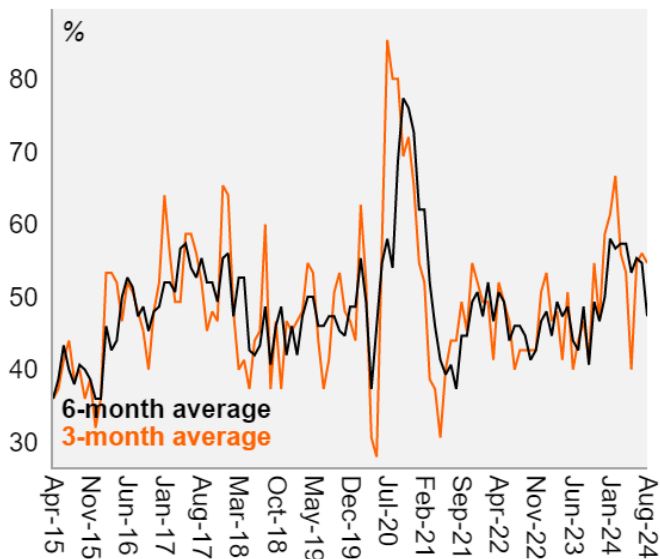
Industrial production by category



Capital goods and construction materials



Diffusion index



Industrial production - August/24 (% m/m s.a.)

Sector	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024
Industrial Production	0.8	-0.4	-1.5	4.4	-1.4	0.1
Mining/extractive	0.6	-3.5	3.2	2.5	-2.2	1.1
Manufacturing	0.7	0.3	-2.4	4.9	-1.4	-0.3
Semi-durable/non-durable consumer goods	0.7	0.3	-0.4	4.5	-3.1	0.4
Durable consumer goods	-3.8	6.1	-6.3	5.6	8.1	-1.3
Intermediate goods	1.1	-1.1	-0.6	2.5	-0.4	0.3
Capital goods	-1.0	3.3	-2.0	0.8	1.9	-4.0
Diffusion	0.2	0.68	0.32	0.64	0.72	0.28

Source: IBGE, Itaú

Industrial production - August/24 (% y/y s.a.)

Sector	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024
Industrial Production	-2.9	8.4	-1.2	3.2	6.1	2.2
Mining/extractive	1.8	-1.5	-0.1	1.1	-0.4	5.6
Manufacturing	-3.7	10.2	-1.4	3.6	7.3	1.7
Semi-durable/non-durable consumer goods	-3.6	10.9	1.5	5.4	5.6	0.4
Durable consumer goods	-6.3	26.1	-10.5	12.1	30.4	12.1
Intermediate goods	-1.4	4.7	-2.0	1.4	4.0	2.4
Capital goods	-10.6	24.7	3.9	9.5	17.6	4.9
Diffusion	0.2	0.68	0.32	0.64	0.72	0.28

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in August/24

Sector	Weight	m/m s.a.	y/y	Itaú	Error
				Forecast (y/y)	contr. (p.p.)
Industrial Production	100.0	0.1	2.2	2.2	0.0
Mining/extractive	14.6	1.1	5.6	3.4	0.3
Manufacturing	85.4	-0.3	1.7	2.0	-0.3
Food	15.1	-0.3	-2.7	-1.4	-0.2
Oil and biofuel derivatives	13.5	-0.4	-1.3	-1.7	0.1
Vehicles	6.2	-4.3	12.6	11.8	0.0
Metallurgy	4.9	-2.5	2.6	3.6	-0.0
Chemical products	7.4	0.7	5.6	2.3	0.2
Machinery and equipment	3.8	-2.7	1.0	3.4	-0.1
Metal products	3.0	-4.0	7.6	9.1	-0.0
Non-metallic minerals	2.7	-1.3	3.6	7.8	-0.1
Rubber and plastic	3.4	-1.1	5.9	6.0	-0.0
Beverages	3.0	-3.4	0.8	0.9	-0.0
Pulp and Paper	3.7	-2.5	-3.0	0.2	-0.1
Machinery and electric material	2.3	-6.2	5.7	9.1	-0.1
Computers and electronics	2.0	4.0	14.0	13.7	0.0
Pharmaceuticals	2.4	3.6	-6.7	-8.9	0.1
Clothing	2.0	-3.9	2.4	-1.1	0.1
Leather and footwear	1.4	-6.6	5.1	4.0	0.0
Textiles	1.3	0.9	5.1	3.9	0.0
Other transportation equipment	1.1	1.4	15.5	9.4	0.1
Maintenance of machinery and equipment	1.6	-3.6	-7.5	-7.6	0.0
Furniture	1.2	-3.6	8.5	10.5	-0.0
Lumber	1.0	1.5	7.8	1.2	0.1
Prints and engravings	0.6	-25.1	-25.1	-11.4	-0.1
Diverse products	1.2	-16.7	1.3	9.5	-0.1
Tobacco	0.4	-5.1	-16.8	-9.5	-0.0

Source: IBGE, Itaú

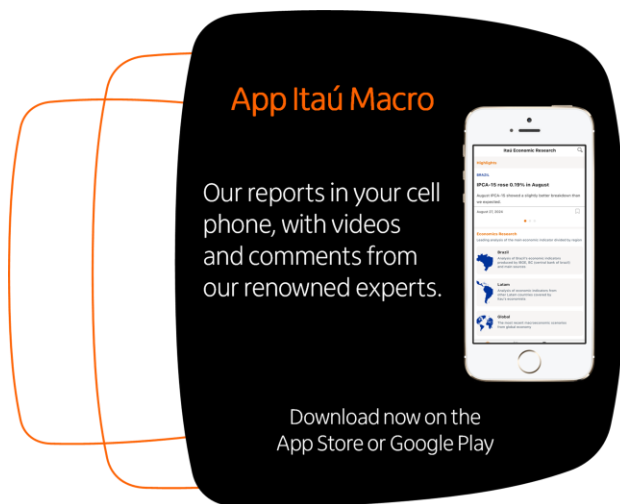
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