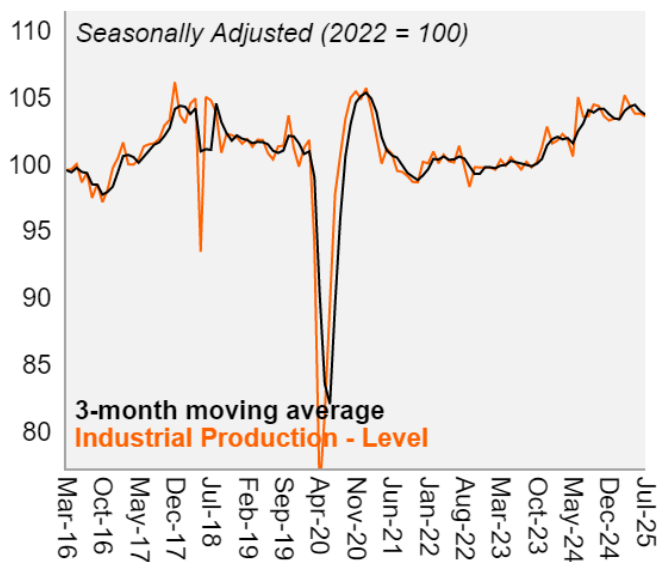


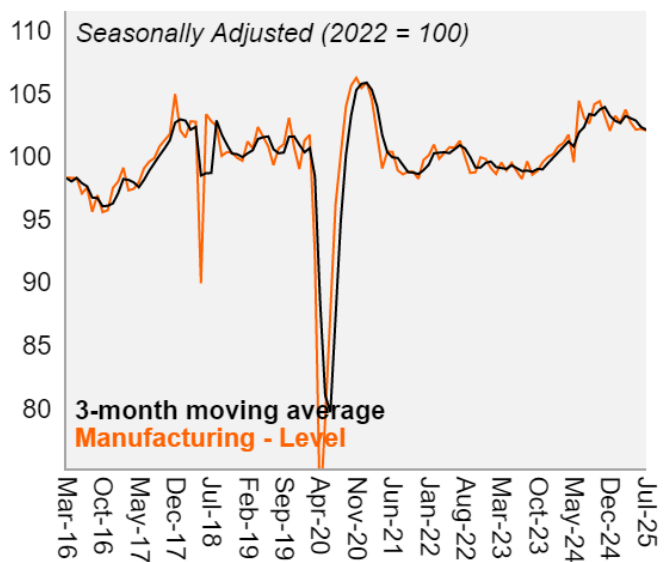
Industrial production receded 0.2% mom/sa in July

- ▶ Industrial production contracted 0.2% mom/sa in July (+0.2% yoy), slightly above the market's estimates (-0.3% mom/sa) and below our call (+0.1% mom/sa). The breakdown shows that manufacturing contracted 0.1% mom/sa (-0.9% yoy), matching our estimates (-0.1% mom/sa), while mining/extractive rose 0.8% mom/sa (+6.3% yoy), below our call (+3.2% mom/sa).
- ▶ Versus our interannual forecast, the largest negative surprises were 'Mining/extractive' and 'Food' (table below).
- ▶ Among the main categories, the positive highlights were 'Intermediate goods' (+0.5% mom s/a) and 'Semi-durable/non-durable consumer goods' (+0.1% mom s/a), while 'Durable consumer goods' (-0.5% mom s/a) and 'Capital goods' (-0.2% mom s/a) posted the largest contractions at the margin. The breakdown shows that 48% of the sectors moved up in the month versus 60% in June.
- ▶ With today's release, the carry-over of industrial production for 3Q25 now stands at -0.4%, with the following breakdown: -0.3% for manufacturing and 0.0% for mining/extractive.
- ▶ **Our view:** Industrial production in July was weaker than we expected. The negative surprise was mainly driven by the extractive sector, while the manufacturing came in as expected. Overall, the industry continues to lose momentum in the third quarter, and this trend is likely to persist in the coming months.

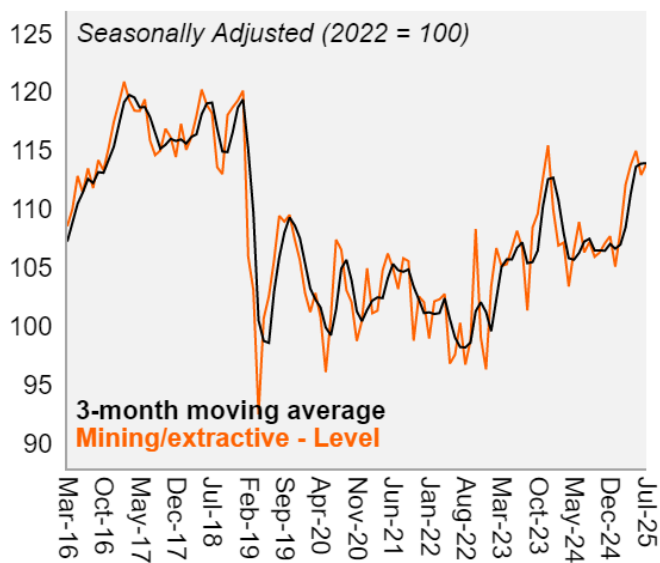
Industrial production receded 0.2% mom/sa in July



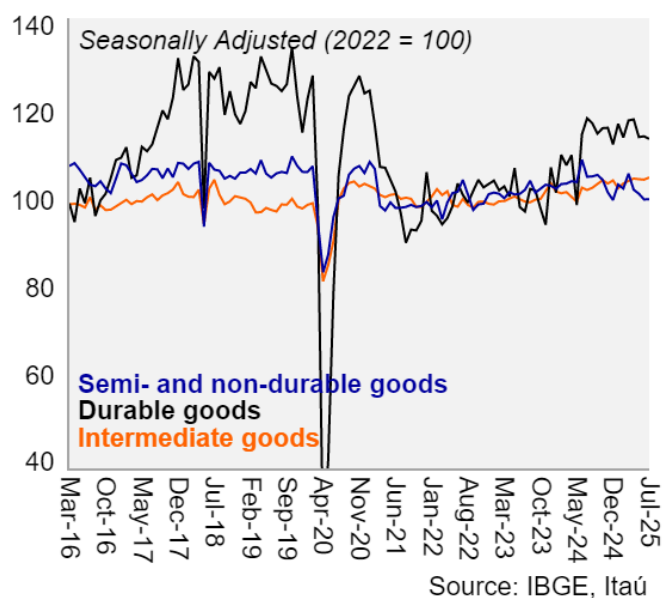
Manufacturing fell by 0.1% mom/sa



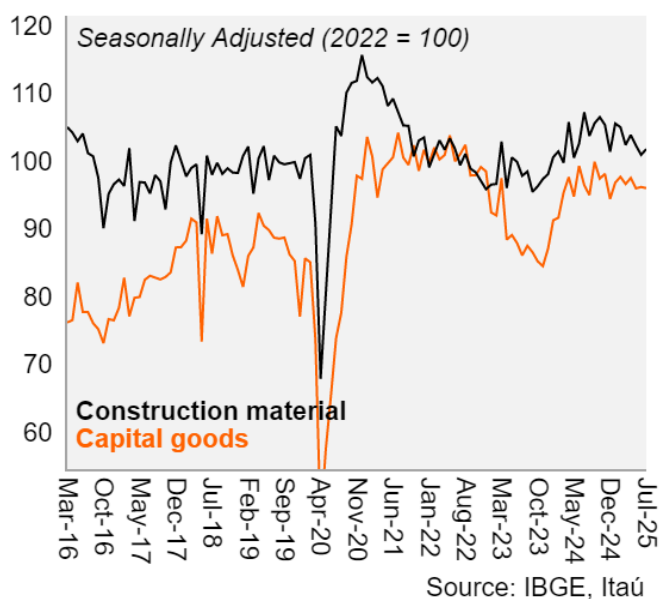
Mining/extractive moved up 0.8% mom/sa



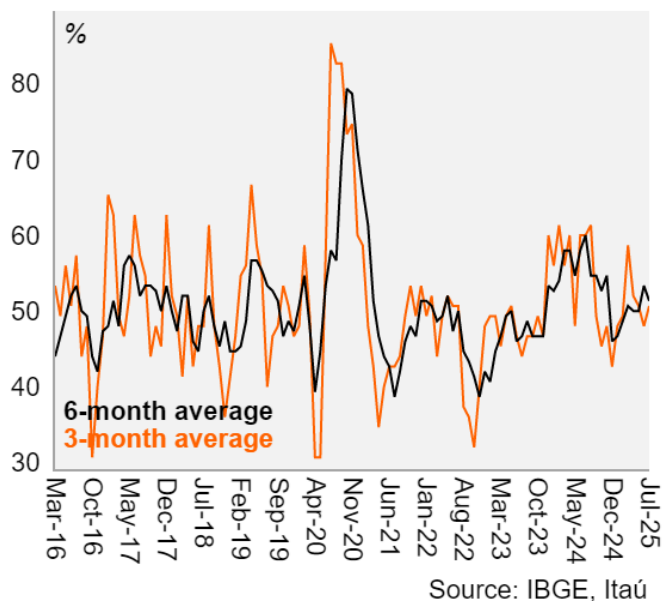
Industrial production by category



Capital goods and construction materials



Diffusion index



Industrial production - July/25 (% m/m s.a.)						
Sector	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025
Industrial Production	0.0	1.7	-0.7	-0.6	0.0	-0.2
Mining/extractive	2.9	3.7	1.5	1.1	-1.8	0.8
Manufacturing	-0.5	1.0	-1.0	-0.5	0.1	-0.1
Semi-durable/non-durable consumer goods	-0.9	3.3	-3.5	-0.9	-1.3	0.1
Durable consumer goods	-2.7	3.4	0.2	-3.4	0.2	-0.5
Intermediate goods	1.1	0.6	0.5	-0.1	-0.1	0.5
Capital goods	0.9	-1.1	0.9	-1.6	0.2	-0.2
Diffusion	0.48	0.68	0.4	0.44	0.6	0.48

Source: IBGE, Itaú

Industrial production - July/25 (% y/y s.a.)						
Sector	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025
Industrial Production	1.3	3.5	-0.5	3.4	-1.3	0.2
Mining/extractive	-3.8	5.9	10.0	8.9	3.9	6.3
Manufacturing	2.2	3.1	-2.2	2.5	-2.2	-0.9
Semi-durable/non-durable consumer goods	0.3	3.4	-6.0	-2.2	-8.4	-4.1
Durable consumer goods	16.4	2.6	1.8	15.1	0.1	-3.4
Intermediate goods	-0.3	4.1	1.9	5.3	1.7	2.5
Capital goods	8.5	-1.3	-4.1	1.2	-2.8	-0.1
Diffusion	0.48	0.68	0.4	0.44	0.6	0.48

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in July/25					
Sector	Weight	m/m s.a.	y/y	Itaú Forecast (y/y)	Error contr. (p.p.)
Industrial Production	100.0	-0.2	0.2	0.7	-0.5
Mining/extractive	14.6	0.8	6.3	9.8	-0.5
Manufacturing	85.4	-0.1	-0.9	-0.9	0.0
Food	15.1	1.1	2.2	3.6	-0.2
Oil and biofuel derivatives	13.5	0.6	-7.7	-14.2	0.9
Vehicles	6.2	0.1	0.5	3.9	-0.2
Metallurgy	4.9	-2.3	-1.1	-2.7	0.1
Chemical products	7.4	1.8	1.9	-0.4	0.2
Machinery and equipment	3.8	1.2	5.2	3.8	0.1
Metal products	3.0	-0.6	-5.0	-1.3	-0.1
Non-metallic minerals	2.7	-0.9	-3.0	1.3	-0.1
Rubber and plastic	3.4	-1.0	1.2	1.3	-0.0
Beverages	3.0	-2.2	-8.8	-1.8	-0.2
Pulp and Paper	3.7	0.7	3.8	4.0	-0.0
Machinery and electric material	2.3	-0.3	-3.6	0.1	-0.1
Computers and electronics	2.0	-2.0	-1.6	6.3	-0.2
Pharmaceuticals	2.4	7.9	12.0	2.2	0.2
Clothing	2.0	0.6	0.8	1.8	-0.0
Leather and footwear	1.4	0.9	-3.6	-0.9	-0.0
Textiles	1.3	0.7	9.9	11.4	-0.0
Other transportation equipment	1.1	-5.3	-0.1	6.3	-0.1
Maintenance of machinery and equipment	1.6	-3.7	8.7	13.8	-0.1
Furniture	1.2	-0.1	-1.4	0.4	-0.0
Lumber	1.0	-1.2	-3.8	-1.4	-0.0
Prints and engravings	0.6	-11.3	-29.1	-23.7	-0.0
Diverse products	1.2	-3.5	-12.2	-5.6	-0.1
Tobacco	0.4	0.0	13.8	15.5	-0.0

Source: IBGE, Itaú

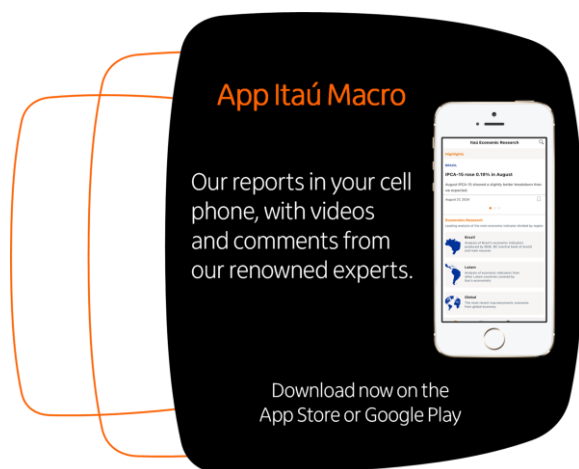
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