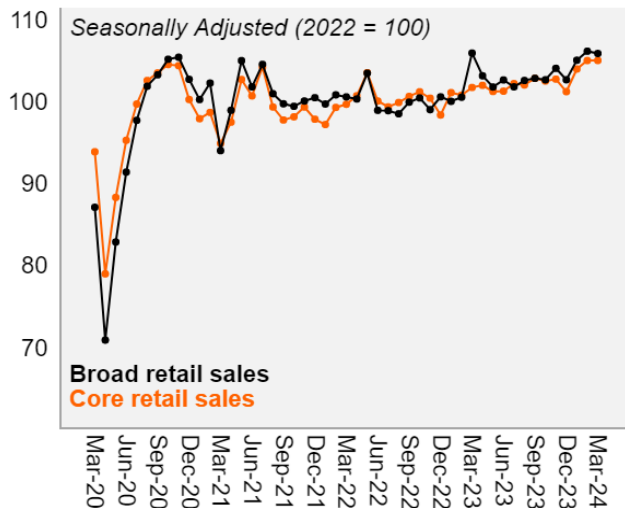


## Broad retail sales advanced 2.5% qoq s.a. in 1Q24

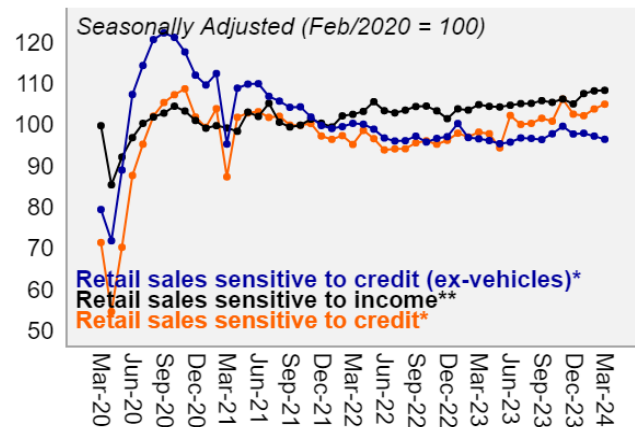
- ▶ Broad retail sales contracted 0.3% mom/sa in March (-1.5% yoy), below our call (+2.0% mom/sa) and the market's estimates (+0.7% mom/sa). Core sales were unchanged (+5.7% yoy), above the market's expectation (-0.3% mom/sa) and below our call (+0.6% mom/sa).
- ▶ Versus our estimates, the largest surprises were "Hypermarkets and supermarkets" (8.6% vs. our forecast of 10.8% yoy) and "Wholesale specialized in foods" (-23.0% vs. our estimate of -0.9% yoy).
- ▶ Out of 10 sectors, nine contracted at the margin. The positive highlight was "Pharmaceutical, Medical" (+1.4% mom/sa), while "Auto & Parts" (-1.4% mom/sa) stood out on the negative side.
- ▶ In 1Q24, core and broad sales expanded 2.5% qoq/sa. With today's release, the carry over for 2Q24 now stands at 0.3% and 0.2% for the core and broad measures, respectively.
- ▶ **Our view:** in March, the main negative surprise was "Wholesale specialized in foods". Excluding this category, retail sales came close to our expectations, corroborating our view of a strong consumption in the beginning of the year due to the payment of 'precatórios' and the real increase in the minimum wage.

### Broad Retail Sales advanced 2.5% qoq s.a. in 1Q24



Source: IBGE, Itaú

### Retail sales sensitive to credit advanced



\*Includes: furniture and appliances; auto and parts; construction material; equipment and material for office.

\*\*Includes: fuel; supermarkets; apparel, footwear; pharmaceutical; books/magazines.

Source: IBGE, Itaú

Retail sales - March/24(%)		
Sector	%MoM S.A.	%YoY
<b>Core retail sales</b>	<b>0.0</b>	<b>5.7</b>
Fuel, lubricants	-0.6	-4.9
Hypermarkets, supermarkets, food, beverages and tobacco	-0.3	8.6
Fabric, apparel, footwear	-0.4	-0.9
Furniture and appliances	-2.4	-4.0
Pharmaceutical, medical	1.4	11.4
Equipment and material for office	-8.7	-12.4
Books, periodicals, magazines	-1.1	-16.2
Other goods of personal use*	-0.1	13.1
<b>Broad retail sales</b>	<b>-0.3</b>	<b>-1.5</b>
<b>Broad retail sales ex-wholesales</b>	<b>0.1</b>	<b>3.4</b>
Wholesale specialized in foods	-	-23.0
Auto & Parts	-1.4	1.8
Construction material	-0.4	-9.4

\*Includes sale of jewelry, watches, recreational and sporting goods, handicrafts, electronic devices for domestic use (except computers and communication items)

Source: IBGE, Itaú

March 2024	Weight	Forecast (YoY)	Actual (YoY)	Error Contribution
<b>Broad retail sales</b>	<b>100.0%</b>	<b>2.8%</b>	<b>-1.5%</b>	<b>-4.3%</b>
<b>Broad retail sales ex wholesales</b>	<b>84.1%</b>	<b>3.7%</b>	<b>3.4%</b>	<b>-0.2%</b>
Auto & Parts	16.8%	-1.3%	1.8%	0.6%
Construction material	7.7%	-8.2%	-9.4%	-0.1%
Wholesale specialized in foods	15.9%	-0.9%	-23.0%	-4.1%
<b>Core retail sales</b>	<b>59.6%</b>	<b>6.9%</b>	<b>5.7%</b>	<b>-0.7%</b>
Hypermarkets, supermarkets, food, beverages and tobacco	32.2%	10.8%	8.6%	-0.7%
Fuel, lubricants	7.2%	-2.6%	-4.9%	-0.2%
Other goods of personal use*	5.8%	7.1%	13.1%	0.3%
Pharmaceutical, medical	5.6%	11.4%	11.4%	0.0%
Furniture and appliances	4.1%	-5.1%	-4.0%	-0.1%
Fabric, apparel, footwear	3.7%	3.1%	-0.9%	-0.1%
Equipment and material for office	0.9%	-9.2%	-12.4%	0.0%
Books, periodicals, magazines	0.2%	-13.7%	-16.2%	0.0%

\*Includes the sale of jewelry, watches, recreational and sporting items, handicrafts, home electronics (except computers and communication items)

Source: IBGE, Itaú.

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