

# Brazil Orange Book

April 15, 2026



## Effects of the war: evidence from Brazilian companies

**The war in the Middle East and the blockade of the Strait of Hormuz represent the largest disruption ever recorded in the global oil market.** The conflict has clear implications for the oil and gas sector, the petrochemical industry, transportation and a few other segments. However, it is evident that the repercussions of the war are likely to reverberate across most value chains. In order to identify early signs of how these pressures are spreading, we gathered feedback from large companies operating in sectors we identify as potentially more exposed to the shock, including agribusiness, food, cosmetics, construction, packaging, and the automotive industry.

Our survey of the real sector was structured to assess the main transmission channels, pricing dynamics (ongoing price adjustments, signals of future increases, margin compression versus cost pass-through), product availability (delays, cancellations, supply risks), substitution capacity, and demand impacts.

Below, we consolidate into a heat map the prevailing views reported by each sector for which we obtained representative responses.

### Heat map of impacts by sector

(Impact intensity scale: grey = low or no impact; yellow = moderate; orange = strong)

	Packaging	Food industry	Construction Materials	Agriculture Producers	Cosmetics	Construction/ Development	Agriculture Processing	Vehicles
Have the company/suppliers already adjusted prices?	Orange	Orange	Orange	Orange	Orange	Orange	Yellow	Yellow
Is there signaling of upcoming increases?	Orange	Orange	Yellow	Yellow	Yellow	Yellow	Grey	Orange
Does the company intend to pass through cost increases?	Orange	Yellow	Orange	Orange	Orange	Yellow	Yellow	Yellow
Have there been delivery delays, reductions, or cancellations?	Yellow	Grey	Yellow	Grey	Grey	Grey	Grey	Grey
Is there concern about future scarcity?	Yellow	Grey	Yellow	Yellow	Grey	Yellow	Yellow	Yellow
Is there difficulty substituting products with alternatives?	Yellow	Yellow	Orange	Yellow	Yellow	Orange	Orange	Orange
Is the company already observing an impact on demand?	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey

The heat map makes it clear that suppliers across all sectors have either implemented price increases or already signaled upcoming adjustments. All sectors intend to pass these cost increases through to prices, although the intensity of the pass-through varies. At this stage, supply-side disruptions (delays, reductions, or cancellations) are not yet spread across all sectors, but there are moderate concerns about potential future shortages. All sectors report

limited ability to substitute inputs with alternatives less dependent on oil, with construction and vehicles standing out as the most constrained. So far, no sector has reported a decline in demand.

Next, we present a summary of these perceptions across the industries analyzed.

## Packaging

### 1. Impact channels

The dominant and direct impact comes through inputs (resins, paper, aluminum), reinforced by indirect spillovers via global freight and logistics.

### 2. Non-obvious exposures

There are no major structural factors, but the speed and intensity of price adjustments stand out, along with opportunistic behavior along the supply chain.

### 3. Price increases already implemented

Yes. Broad and intense adjustments have already occurred, with significant increases in resins, paper, chemicals, aluminum, and freight.

### 4. Signaling of future increases

Yes. New rounds of price hikes have already been communicated, including frequent revisions to price lists.

### 5. Margin compression vs. cost pass-through

Full pass-through predominates. Already pressured margins limit companies' ability to absorb higher costs.

### 6. Delays or cancellations

Isolated cases within the petrochemical chain (availability versus shipment), but no widespread operational disruptions in Brazil so far.

### 7. Risk of future shortages

Yes. A relevant risk if the shock persists, although Brazil is in a relatively better position compared with Europe and Asia.

### 8. Input substitution

Limited. Recycling is gaining traction as an alternative, but technical and regulatory constraints remain..

### 9. Impact on demand

No contraction reported. Instead, companies note order front-loading and inventory accumulation.

## Food

### 1. Impact channel:

Predominantly direct, through gas/energy and packaging resins, with additional indirect effects via freight.

### 2. Non-obvious exposures:

Sensitivity to agricultural commodities exposed to geopolitical risk (e.g., wheat).

### 3. Price increases already implemented

Yes. Adjustments have been implemented across petrochemicals, packaging, and freight.

### 4. Forward guidance on prices

Yes, particularly in packaging and across the petrochemical chain.

5. Absorption vs. pass-through

Companies report a stated plan for immediate pass-through.

6. Delivery disruptions

No.

7. Future shortages

No relevant concerns in the short term.

8. Substitution

Limited for ingredients; some degree of flexibility in packaging.

9. Impact on demand

No impact observed so far, although there are concerns about consumer reaction once price increases are passed through.

## Construction – Materials

1. Impact channel

Direct impact through resins (PVC, PE, PP, ABS), with indirect effects via maritime and road logistics costs.

2. Non-obvious exposures

None identified.

3. Price increases already implemented

Yes. Relevant pass-through to clients has already occurred, alongside significant cost pressures from resin and chemical suppliers.

4. Signaling of future increases

Yes, although part of the supplier base is still operating with older inventories.

5. Margin compression vs. pass-through

A clear strategy of passing higher costs through to clients.

6. Delays or cancellations

Not widespread, but there are isolated difficulties in price formation for imported resins.

7. Risk of future shortages

Yes, although mitigated by source diversification and prior planning.

8. Input substitution

Very limited; substitution occurs only across alternative sources of the same commodity.

9. Impact on demand

None identified so far.

## Agribusiness – Producers

1. Impact channel

The dominant effect is indirect, driven by freight costs (diesel) and export logistics; direct impacts are relevant only at specific stages of the agricultural cycle.

2. Non-obvious exposures

None identified.

3. Price increases already implemented

Yes, particularly in diesel and nitrogen-based inputs.

4. Signaling of future increases

Yes, linked to international prices, especially for fertilizers.

5. Margin compression vs. pass-through

The shock is partially offset by higher international commodity prices, alongside the use of hedging instruments to preserve margins.

6. Delays or cancellations

None reported.

7. Risk of future shortages

Yes, mainly related to nitrogen-based fertilizers.

8. Input substitution

Not straightforward.

9. Impact on demand

No reports of order cancellations.

## Cosmetics

1. Impact channel

The direct channel predominates, through oil-derived inputs (resins, propylene) and energy costs, with additional effects via freight.

2. Non-obvious exposures

Não foram identificadas exposições não esperadas.

3. Price increases already implemented

Yes, mainly via freight (aligned with regulatory adjustments) and some oil-derived inputs.

4. Signaling of future increases

Yes, for oil-derived inputs and energy-intensive items.

5. Margin compression vs. pass-through

There is no clear plan to absorb higher costs. Pass-through is considered necessary should the shock intensify.

6. Delays or cancellations

None observed.

7. Risk of future shortages

No material concerns at this stage.

8. Input substitution

Yes. A broad product portfolio allows for mix adjustments depending on relative input availability.

9. Impact on demand

No relevant impact observed so far.

## Construction – Developers / Builders

### 1. Impact channel

Predominantly indirect, via freight costs and cascading price increases in inputs (concrete, cement, steel, plastics).

### 2. Non-obvious exposures

Financial risk among suppliers following advance payments and increased bargaining asymmetry.

### 3. Price increases already implemented

Yes. Significant increases in concrete, cement, PVC, waterproofing materials, steel, and freight-intensive services.

### 4. Signaling of future increases

Yes, depending on the duration of the shock and the evolution of the INCC and logistics costs.

### 5. Margin compression vs. pass-through

Partial and lagged pass-through, often accommodated through contractual indices. For new projects, a stronger pass-through trend is expected.

### 6. Delays or cancellations

Generally not relevant; only isolated cases.

### 7. Risk of future shortages

Yes, particularly for plastic inputs, imported components, and labor.

### 8. Input substitution

Very limited in the short term due to technical requirements and standardization.

### 9. Impact on demand

So far marginal, but concerns are increasing regarding future economic viability and a potential market slowdown.

## Agriculture – Processing

### 1. Impact channel

Indirect impact via freight. Direct (and positive) impact on protein export prices.

### 2. Non-obvious exposures

Higher protein prices more than offset the additional costs of exporting to the middle-east.

### 3. Price increases already implemented

Both on cargoes and in the final price of sale.

### 4. Signaling of future increases

No.

### 5. Margin compression vs. pass-through

Price increases will follow international prices.

### 6. Delays or cancellations

Not observed.

### 7. Risk of future shortages

Mid-term concerns about potential impact on the next harvests due to lower use of fertilizers.

8. Input substitution

Not feasible.

9. Impact on demand

If anything, so far positive.

## Vehicles

1. Impact channel (direct vs. indirect)

The impact is mainly indirect, as customer freight costs are pressured by higher diesel prices, which tends to postpone fleet renewal decisions (affecting clients' investment decisions).

2. "Non-obvious" exposures

Indirect exposure through supply chains and markets with operations in regions affected by the conflict, as well as activities in areas with higher geopolitical volatility.

3. Price increases already implemented

No price adjustments directly attributed to the conflict so far.

4. Signaling of future increases

Yes, particularly through gas costs in Europe, with reports of price increases exceeding 100% in some countries, putting pressure on suppliers.

5. Margin compression vs. pass-through

A gradual pass-through trend, acknowledging that the entire supply chain will be affected; margin absorption remains limited.

6. Delays / reductions / cancellations

None observed.

7. Risk of future shortages

Yes, with recurring attention to potential steel constraints.

8. Substitution

No viable short-term alternatives to materially reduce dependence on affected inputs, especially imported ones.

#### 9. Impact on orders / demand

No significant direct impact; there is a marginal effect driven by medium-term global uncertainty.

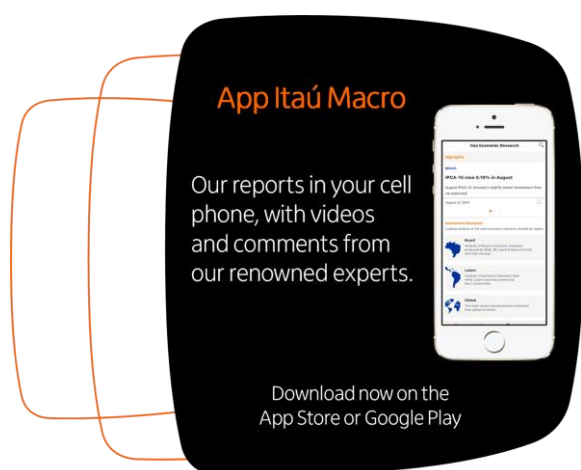
**Fernando Gonçalves**  
**Pedro Renault**

Macro Research – Itaú

**Mario Mesquita – Chief Economist**

To access our reports and forecast visit our website:

<https://www.itaubba.com.br/itaubba-pt/macroeconomic-analysis>



## Appendix: Questionnaire

### GENERAL

1. Does the increase in oil prices affect your company today mainly through direct channels (energy/inputs) or indirect channels (freight, suppliers, customers)? Which channel is currently more relevant?
2. Does your sector/company have any “non-obvious” exposure to the effects of the conflict?

### PRICES

3. Has your company and/or any supplier already adjusted product or service prices due to the war? If so, please specify the product, origin, and percentage increase.
4. Have suppliers that have not yet adjusted prices signaled upcoming increases?
5. Does the company intend to absorb part of the shock (through margins or efficiency), or is the plan to pass higher costs through to final prices? If so, at what magnitude and over what time horizon?

## AVAILABILITY

6. Has your company and/or any supplier delayed, reduced, or canceled deliveries? If so, please specify the input, origin, and percentage unmet.

7. Are there concerns about future shortages of any input in your sector? Over what time horizon?

## ALTERNATIVES

8. Is it possible to substitute products affected by price increases and/or shortages with alternatives that are less dependent on oil?

## DEMAND

9. Is the company already observing an impact on orders (lower volumes or cancellations) associated with higher prices or increased uncertainty? Is the impact marginal or material?

## Relevant information

1. This report has been prepared and released by the Macro Research Department of Itaú Unibanco S.A. ("Itaú Unibanco"). This report is not a product of the Equity Research Department of Itaú Unibanco or Itaú Corretora de Valores S.A. and shall not be construed as a research report ("relatório de análise") for the purposes of Article 1 of the CVM Instruction NR. 20, dated 2021.
2. The exclusive purpose of this report is to provide macroeconomics information and it does not constitute and shall not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial product, or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date on which this report was released and it has been obtained from public sources believed to be reliable. However, Itaú Unibanco does not make any explicit or implied representation or warranty as to the completeness, reliability or accuracy of such information, nor does this report intend to be a complete statement or summary of the markets or developments referred to herein. Itaú Unibanco has no obligation whatsoever to update, modify or amend this report and inform the reader accordingly.
3. The opinions contained herein reflect exclusively the personal views of the analyst responsible for this report and were prepared independently and autonomously, including in relation to Itaú Unibanco, Itaú Corretora de Valores S.A. and any other companies within their economic group.
4. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of Itaú Unibanco. Additional information on the financial products mentioned in this report may be available upon request. Itaú Unibanco and/or any other company within its economic group is not and shall not be liable for any investment decisions (or otherwise) based on the information provided herein.
5. This report may include sections generated with the support of artificial intelligence tools. All content has been reviewed and validated by the authors to ensure the accuracy and integrity of the information presented.

Additional Note: This material does not take into consideration the objectives, financial situation or specific needs of any particular client. Clients must obtain financial, tax, legal, accounting, economic, credit and market advice on an individual basis, based on their personal characteristics and objectives, prior to making any decision based on the information contained herein. By accessing the material, you represent and confirm that you understand the risks related to the financial instruments described in this material and the laws in your jurisdiction relating to the provision and sale of financial service products. You acknowledge that this material contains proprietary information and you agree to keep this information confidential for your exclusive use.

SAC Itaú: For inquiries, suggestions, complaints, criticisms and compliments, talk to Itaú's CSCC: 0800 728 0728. Or contact us through our portal <https://www.itaubr.com.br/atendimento-itaubr/para-voce/>. If you are not satisfied with the proposed solution, please contact the Itaú Corporate Ombudsman: 0800 570 0011 (on weekdays from 9 AM to 6 PM) or our PO Box 67.600, São Paulo-SP, Zip Code 03162-971. Hearing impaired, every day, 24h, 0800 722 1722.