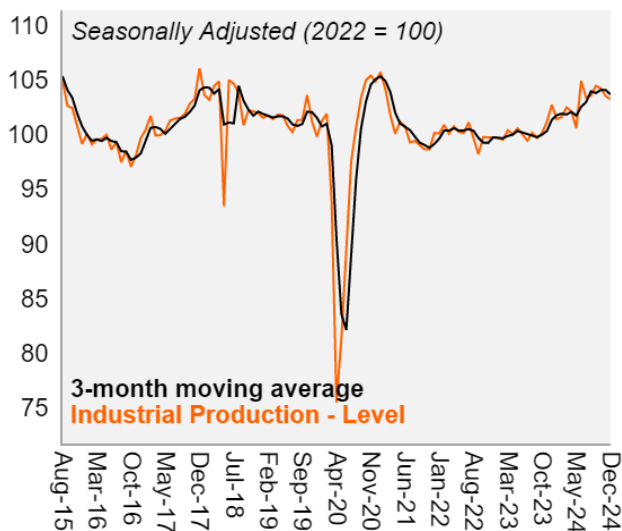


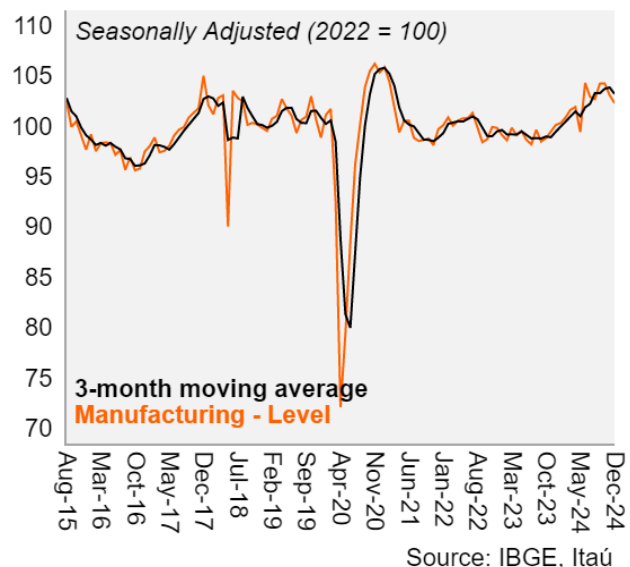
Industrial production fell 0.1% qoq s.a. in 4Q24

- ▶ Industrial production receded 0.3% mom/sa in December (+1.6% yoy), above our call and market's expectation (both at -1.1% mom/sa). The breakdown shows that manufacturing fell 0.8% mom/sa (+3.5% yoy), above our call (-2.3% mom/sa), while mining/extractive advanced 0.8% mom/sa (-7.0% yoy), slightly short of our expectation (+1.0% mom/sa).
- ▶ Versus our forecast, the largest positive surprises were 'Food' and 'Pharmaceuticals' (table below).
- ▶ Among the main categories, only one advanced at the margin ('Intermediate goods', which moved up 0.6% mom/sa), while the negative highlights in the month were 'Semi-durable/non-durable consumer goods' (-1.8% mom s/a) and 'Durable consumer goods' (-1.6% mom s/a). Among the sectors, 36% moved up in the month versus 20% in November.
- ▶ In 4Q, industrial production contracted 0.1% qoq/sa - manufacturing receded 0.1% qoq/sa, while extractive/mining fell 0.4% qoq/sa. The carry over for next year stands at 0.3%, with the following breakdown: 0.0% for manufacturing and 0.3% for mining/extractive.
- ▶ **Our view:** Industrial production exceeded our expectations in December. The positive highlight was manufacturing while extractive/mining industry came in line with our projections. Despite the positive surprise, the industry remained practically stable in the 4Q of last year, reflecting a slowdown in economic activity.

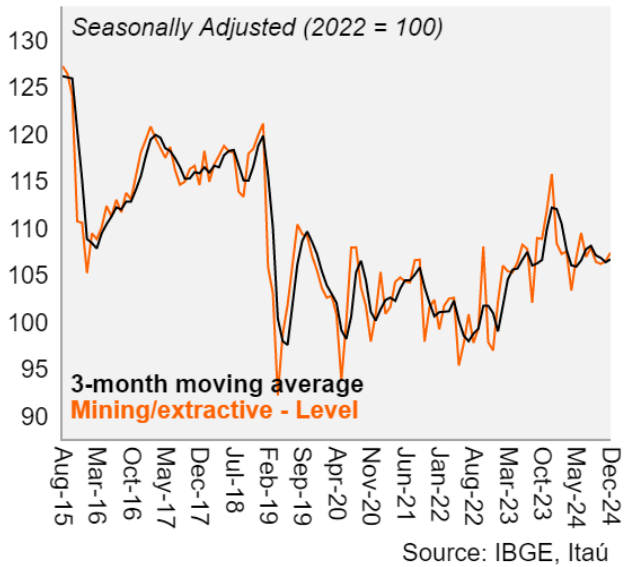
Industrial production fell 0.1% qoq s.a. in 4Q24



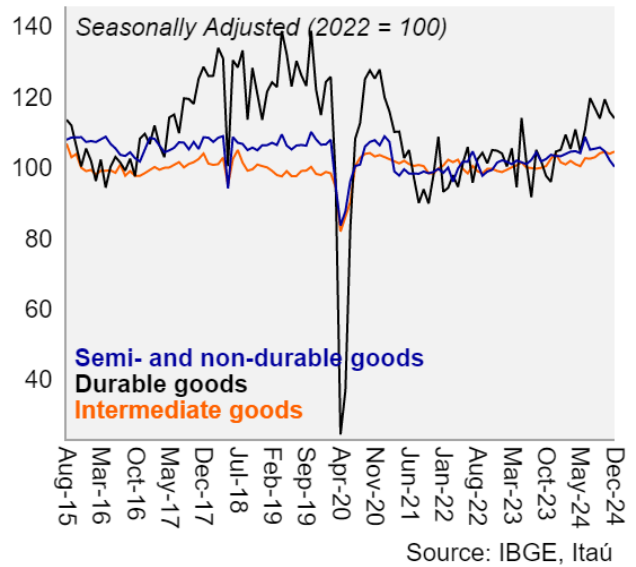
Manufacturing receded 0.8% mom/sa



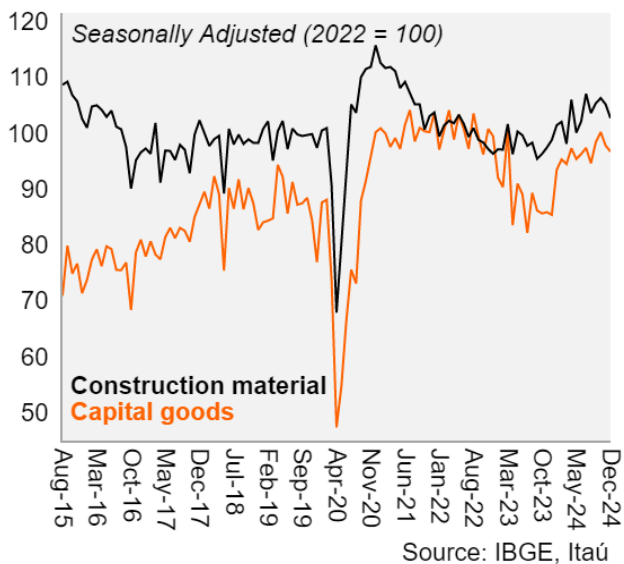
Mining/extractive advanced 0.8% mom/sa



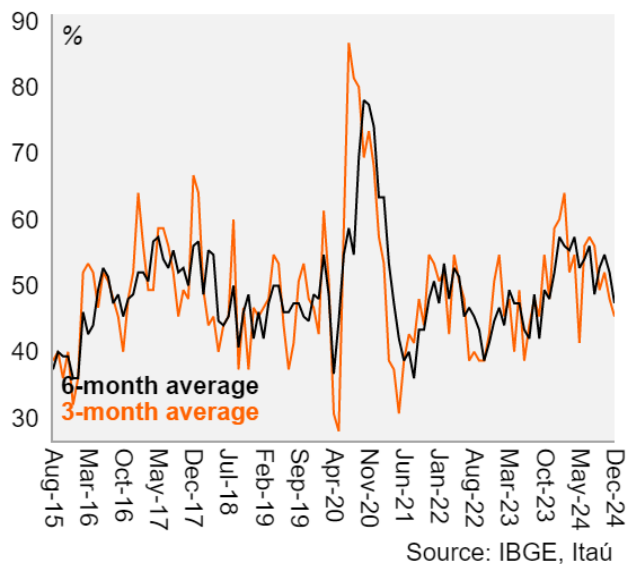
Industrial production by category



Capital goods and construction materials



Diffusion index



Industrial production - December/24 (% m/m s.a.)						
Sector	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024
Industrial Production	-1.5	0.2	0.9	-0.2	-0.7	-0.3
Mining/extractive	-2.3	0.9	-1.4	-0.2	0.3	0.8
Manufacturing	-1.3	-0.2	1.5	0.0	-1.1	-0.8
Semi-durable/non-durable consumer goods	-3.3	0.3	0.3	-1.0	-2.4	-1.8
Durable consumer goods	8.0	-2.4	-2.5	4.8	-3.0	-1.6
Intermediate goods	-0.1	0.4	1.1	0.4	-0.6	0.6
Capital goods	1.2	-2.8	4.0	1.8	-2.4	-1.1
Diffusion	0.72	0.32	0.44	0.8	0.2	0.36

Source: IBGE, Itaú

Industrial production - December/24 (% y/y s.a.)						
Sector	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024
Industrial Production	6.1	2.3	3.4	5.9	1.7	1.6
Mining/extractive	-0.4	5.6	-3.1	-2.1	-4.3	-7.0
Manufacturing	7.3	1.7	4.6	7.3	2.8	3.5
Semi-durable/non-durable consumer goods	5.6	0.3	2.6	3.9	-2.7	-1.8
Durable consumer goods	30.4	10.7	10.4	20.6	18.7	9.8
Intermediate goods	4.0	2.5	2.4	5.2	1.6	1.5
Capital goods	17.6	5.2	13.8	16.0	13.2	13.7
Diffusion	0.72	0.32	0.44	0.8	0.2	0.36

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in December/24

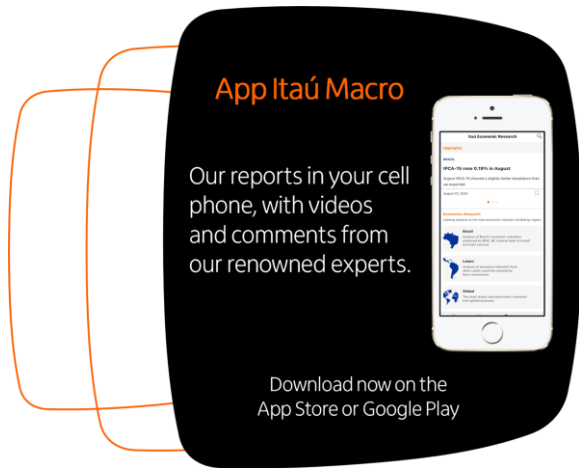
Sector	Weight	m/m s.a.	y/y	Itaú	Error
				Forecast (y/y)	contr. (p.p.)
Industrial Production	100.0	-0.3	1.6	-0.3	1.9
Mining/extractive	14.6	0.8	-7.0	-6.9	-0.0
Manufacturing	85.4	-0.8	3.5	1.2	2.0
Food	15.1	0.0	-3.7	-7.5	0.6
Oil and biofuel derivatives	13.5	0.0	-1.9	-1.8	-0.0
Vehicles	6.2	-0.8	12.8	7.0	0.4
Metallurgy	4.9	-1.5	7.4	13.1	-0.3
Chemical products	7.4	-0.8	10.4	9.2	0.1
Machinery and equipment	3.8	-3.0	12.6	15.1	-0.1
Metal products	3.0	-0.3	5.1	-1.3	0.2
Non-metallic minerals	2.7	-1.6	3.7	6.1	-0.1
Rubber and plastic	3.4	-2.5	1.0	3.7	-0.1
Beverages	3.0	3.2	-2.9	-8.0	0.2
Pulp and Paper	3.7	2.2	2.6	-4.7	0.3
Machinery and electric material	2.3	-0.1	11.9	10.8	0.0
Computers and electronics	2.0	1.3	22.0	14.6	0.1
Pharmaceuticals	2.4	2.9	27.1	7.1	0.5
Clothing	2.0	4.0	6.3	-3.8	0.2
Leather and footwear	1.4	-3.4	-9.0	0.8	-0.1
Textiles	1.3	2.9	18.3	8.4	0.1
Other transportation equipment	1.1	-2.2	-2.2	1.6	-0.0
Maintenance of machinery and equipment	1.6	-2.1	6.3	0.7	0.1
Furniture	1.2	-2.0	4.2	3.2	0.0
Lumber	1.0	-0.4	6.5	3.9	0.0
Prints and engravings	0.6	4.7	23.4	14.2	0.1
Diverse products	1.2	-5.6	-5.2	-3.1	-0.0
Tobacco	0.4	-6.9	-15.8	-6.5	-0.0

Source: IBGE, Itaú

Natalia Cotarelli
Marina Garrido

Macro Research – Itaú
Mario Mesquita – Chief Economist

To access our reports and forecast visit our website:
<https://www.itaubba-pt/macroeconomic-analysis>



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.

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.itaubba-pt/atendimento-itaubba-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.