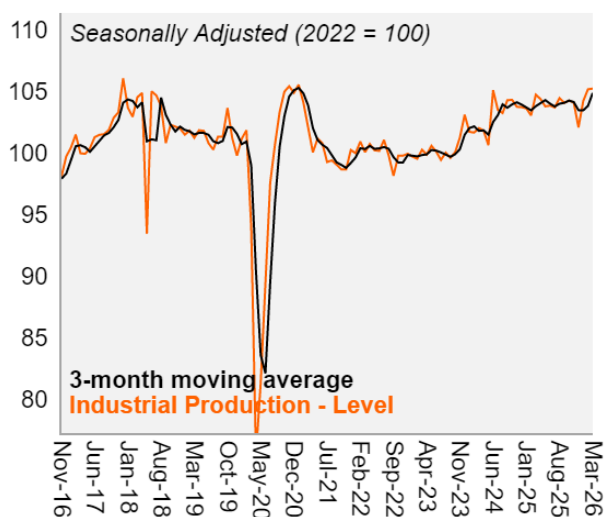


Industrial production rose 1.4% qoq s.a. in 1Q26

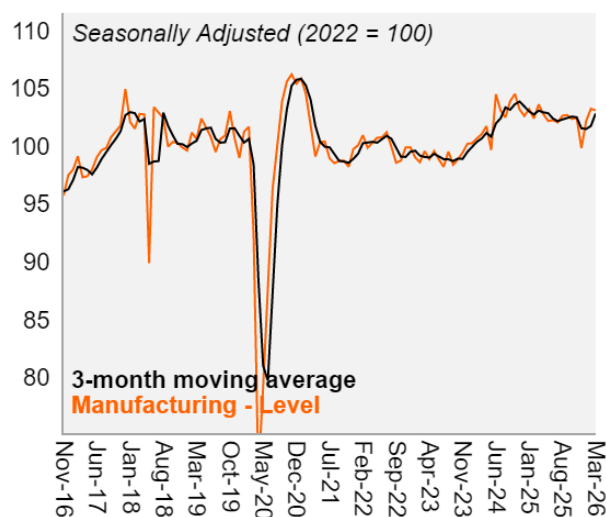
- ▶ In March, industrial production edged up by 0.1% m/m (+4.3% y/y), close to our forecast and to the market consensus median (both at -0.1% m/m). The breakdown shows that manufacturing contracted 0.1% mom/sa (+4.2% yoy), slightly above our call (-0.3% mom/sa), while mining/extractive rose 0.1% mom/sa (+4.7% yoy), above our expectation (-0.2% mom/sa).
- ▶ Versus our yoy forecast, the largest positive surprises were 'Metallurgy' and 'Rubber and plastic' (see table).
- ▶ Among the main categories, all advanced at the margin, with a positive highlight to 'Durable consumer goods' (1.7% mom s/a) and 'Capital goods' (0.6% mom s/a). The breakdown shows that 36% of the sectors moved up in the month versus 60% in February.
- ▶ In 1Q26, industrial production moved up 1.4% qoq/sa, with the following breakdown: 1.3% for manufacturing and 2.1% for mining/extractive. With today's release, the carry over for 2Q26 now stands at 0.3%: 0.3% for manufacturing and 0.5% for mining/extractive.
- ▶ **Our view:** Industrial production in March was broadly in line with our expectations. Following a softer performance in 4Q25, the industrial sector began the year on a firmer footing, suggesting some near-term normalization. Looking ahead, however, we expect manufacturing activity to remain broadly flat over the year, while the extractive sector should post another positive performance in 2026.

Industrial production rose 1.4% qoq s.a. in 1Q26



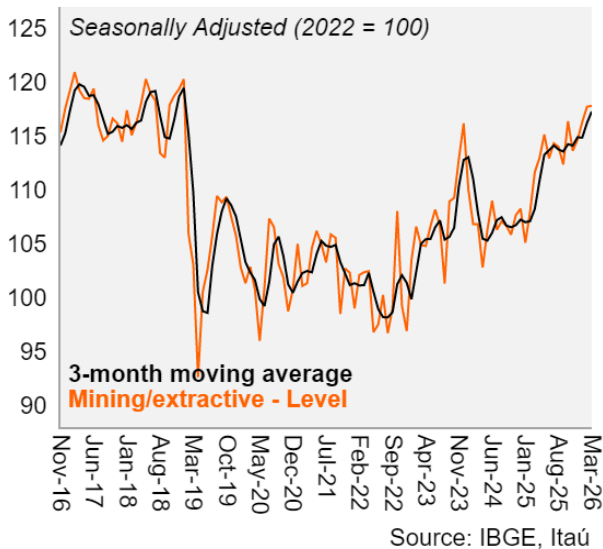
Source: IBGE, Itaú

Manufacturing contracted 0.1% mom/sa

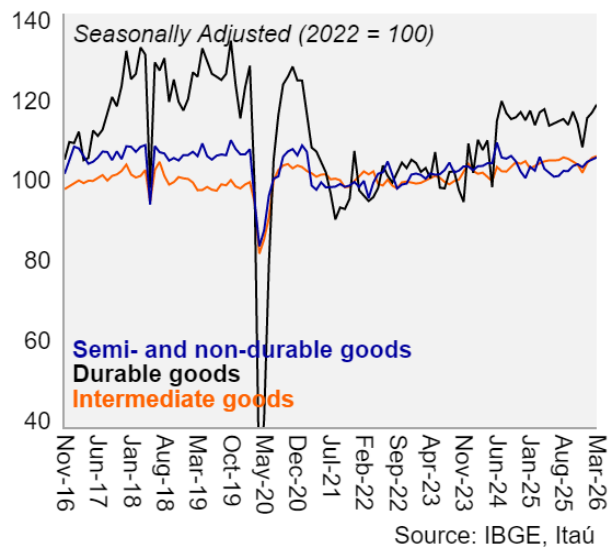


Source: IBGE, Itaú

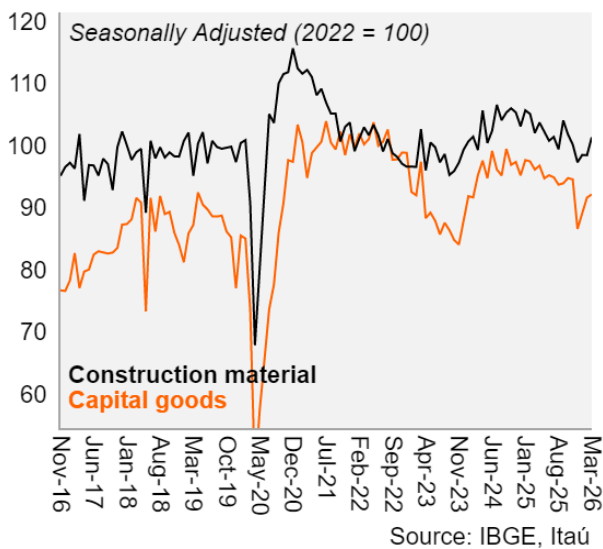
Mining/extractive rose 0.1% mom/sa



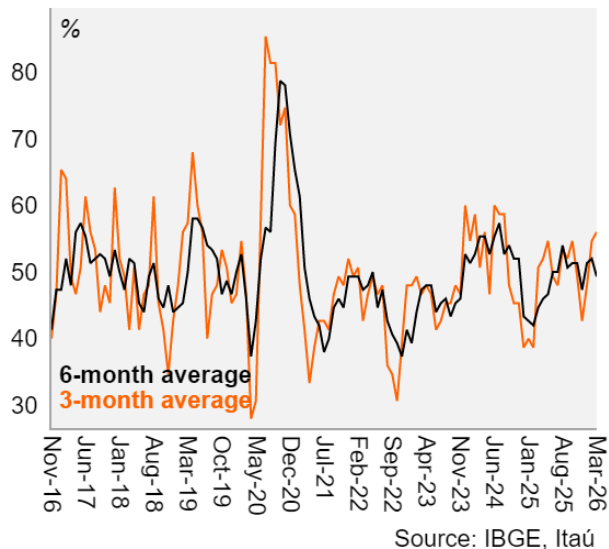
Industrial production by category



Capital goods and construction materials



Diffusion index



Industrial production - March/26 (% m/m s.a.)						
Sector	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026
Industrial Production	0.2	-0.2	-1.9	2.1	0.9	0.1
Mining/extractive	3.6	-2.4	0.9	1.4	1.2	0.1
Manufacturing	-0.3	0.1	-2.5	2.3	1.0	-0.1
Semi-durable/non-durable consumer goods	1.2	0.5	-0.7	1.3	0.6	0.4
Durable consumer goods	2.9	-2.6	-5.1	6.8	1.2	1.7
Intermediate goods	-0.7	-0.7	-2.0	2.4	1.2	0.5
Capital goods	0.9	-0.2	-8.4	3.0	2.8	0.6
Diffusion	0.56	0.4	0.32	0.72	0.6	0.36

Source: IBGE, Itaú

Industrial production - March/26 (% y/y s.a.)						
Sector	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026
Industrial Production	-0.4	-1.4	-0.1	0.2	-0.7	4.3
Mining/extractive	10.0	4.8	6.8	11.8	10.1	4.7
Manufacturing	-2.1	-2.5	-1.6	-1.8	-2.6	4.2
Semi-durable/non-durable consumer goods	-1.4	-0.3	4.8	1.0	-0.5	4.6
Durable consumer goods	0.6	-6.5	-3.9	-3.8	-9.4	18.7
Intermediate goods	0.0	-1.4	-1.5	1.2	1.1	2.9
Capital goods	-2.9	-5.5	-8.2	-11.9	-13.6	6.5
Diffusion	0.56	0.4	0.32	0.72	0.6	0.36

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in March/26

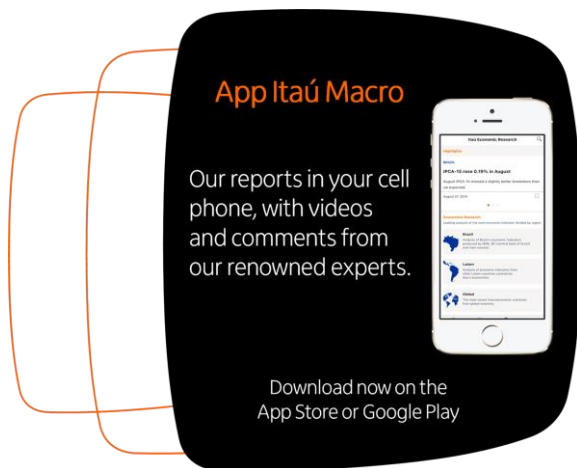
Sector	Weight	m/m s.a.	y/y	Itaú Forecast (y/y)	Error contr. (p.p.)
Industrial Production	100.0	0.1	4.3	4.0	0.3
Mining/extractive	14.6	0.1	4.7	4.3	0.1
Manufacturing	85.4	-0.1	4.2	4.0	0.2
Food	15.1	-0.5	5.7	4.6	0.2
Oil and biofuel derivatives	13.5	2.2	4.2	2.3	0.3
Vehicles	6.2	1.1	18.7	21.0	-0.1
Metallurgy	4.9	1.2	-0.4	-33.9	1.6
Chemical products	7.4	4.0	1.7	-15.7	1.3
Machinery and equipment	3.8	1.0	-1.6	8.5	-0.4
Metal products	3.0	0.0	2.7	16.7	-0.4
Non-metallic minerals	2.7	-0.6	1.7	16.5	-0.4
Rubber and plastic	3.4	-1.1	3.9	-38.3	1.4
Beverages	3.0	-2.9	2.1	16.2	-0.4
Pulp and Paper	3.7	-1.3	-4.5	-0.9	-0.1
Machinery and electric material	2.3	-3.9	1.4	20.2	-0.4
Computers and electronics	2.0	-2.3	9.3	25.6	-0.3
Pharmaceuticals	2.4	-1.4	4.2	28.6	-0.6
Clothing	2.0	-4.1	1.2	8.1	-0.1
Leather and footwear	1.4	-1.5	-0.2	10.6	-0.2
Textiles	1.3	-0.3	3.7	13.3	-0.1
Other transportation equipment	1.1	1.6	11.3	7.1	0.0
Maintenance of machinery and equipment	1.6	-3.9	4.4	23.4	-0.3
Furniture	1.2	-6.0	9.9	21.1	-0.1
Lumber	1.0	-4.4	-5.3	10.7	-0.2
Prints and engravings	0.6	5.8	4.2	29.1	-0.1
Diverse products	1.2	-2.4	13.5	28.5	-0.2
Tobacco	0.4	-3.1	-4.4	26.0	-0.1

Source: IBGE, Itaú

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