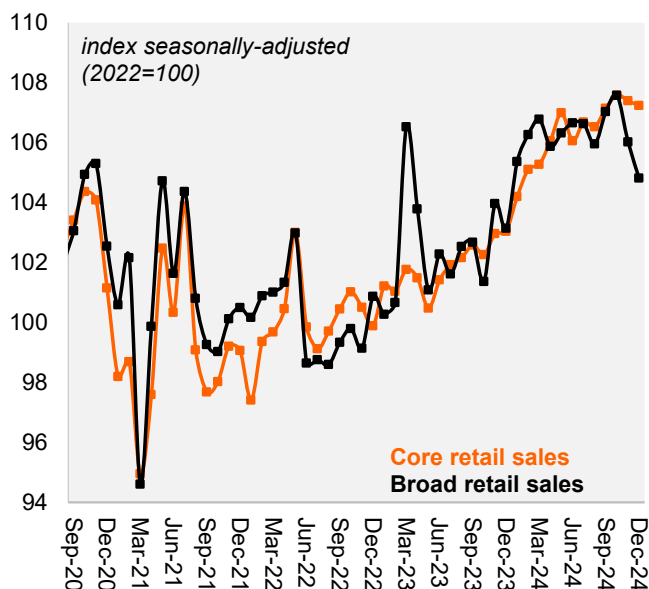


February 13, 2025

Broad Retail Sales fell by 0.4% q/q in Q4 2024

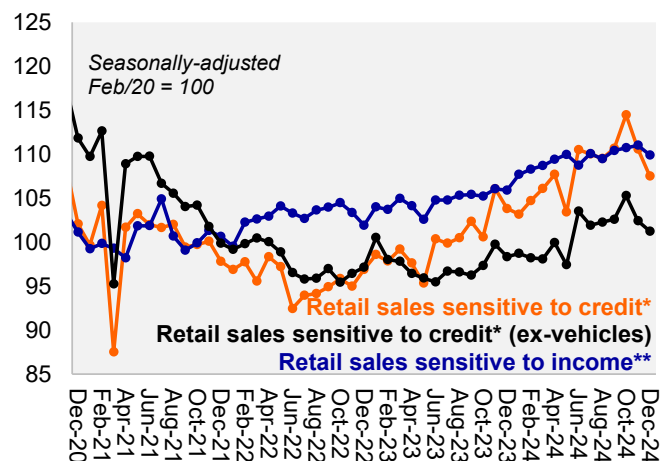
- ▶ Broad retail sales fell 1.1% mom/sa in December (+1.4% yoy), below our call (-0.1% mom/sa) and the market's expectation (-0.1% mom/sa). Core retail sales receded 0.1% mom/sa (+2.0% yoy), close to both our call (-0.2% mom/sa) and the market's expectation (0.0% mom/sa).
- ▶ Versus our estimates, the largest surprises were "Hypermarkets, supermarkets, food products, beverages, and tobacco" (-0.8% yoy vs. +1.9% estimated), "Fabric, apparel, footwear" (+3.4% yoy vs. -7.1% estimated), and "Wholesale specialized in foods" (-8.1% yoy vs. -3.6% estimated).
- ▶ Out of 10 sectors, 3 advanced and 7 retreated at the margin. The positive highlight was "Books, periodicals, magazines" (+0.8% mom/sa), while "Equipment and material for office" (-5.0% mom/sa) stood out on the negative side.
- ▶ In 4Q, broad retail sales declined by 0.4% q/q, while the core index rose 0.6%. With today's data, the statistical carryover for the next year is at -1.4% (broad index) and at 0.8% (core index).
- ▶ **Our view:** Broad retail sales were weaker than expected in December. Retail sales sensitive to credit showed a stronger slowdown in the last two months, in line with our scenario that a more intense deceleration in this segment should persist throughout this year.

Broad Retail Sales fell 1.1% mom/sa in December



Source: IBGE, Itaú

Retail sales sensitive to credit (ex-vehicles) contracted



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

** Includes: fuel; supermarkets; apparel, footwear; pharmaceuticals; books/magazines. It does not include 'Wholesales specialized in foods'

Source: IBGE, Itaú

| Retail sales - December/24(%) | | |
|---|-----------|------|
| Sector | %MoM S.A. | %YoY |
| Core retail sales | -0.1 | 2.0 |
| Fuel, lubricants | -3.1 | -1.7 |
| Hypermarkets, supermarkets, food, beverages and tobacco | -0.4 | -0.8 |
| Fabric, apparel, footwear | -1.7 | 3.4 |
| Furniture and appliances | 0.7 | 10.2 |
| Pharmaceutical, medical | -3.3 | 9.6 |
| Equipment and material for office | -5.0 | -2.2 |
| Books, periodicals, magazines | 0.8 | -3.9 |
| Other goods of personal use* | 0.6 | 9.7 |
| Broad retail sales | -1.1 | 1.4 |
| Broad retail sales ex-wholesales | -1.0 | 2.9 |
| Wholesale specialized in foods | - | -8.1 |
| Auto & Parts | -0.8 | 6.8 |
| Construction material | -2.8 | 2.0 |

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

Source: IBGE, Itaú

| Retail Sales in December/24 - forecast vs. actual (%) | | | | |
|---|--------------|--------------|----------------|---------------------------|
| Sector | Weight | Actual (YoY) | Forecast (YoY) | Error Contribution (p.p.) |
| Core retail sales | 59.6 | 2.0 | 3.2 | -0.7 |
| Fuel, lubricants | 7.2 | -1.7 | -0.0 | -0.1 |
| Hypermarkets, supermarkets, food, beverages and tobacco | 32.2 | -0.8 | 1.9 | -0.9 |
| Fabric, apparel, footwear | 3.7 | 3.4 | 11.1 | -0.3 |
| Furniture and appliances | 4.1 | 10.2 | -7.1 | 0.7 |
| Pharmaceutical, medical | 5.6 | 9.6 | 12.8 | -0.2 |
| Equipment and material for office | 0.9 | -2.2 | -8.7 | 0.1 |
| Books, periodicals, magazines | 0.2 | -3.9 | 10.5 | -0.0 |
| Other goods of personal use* | 5.8 | 9.7 | 9.2 | 0.0 |
| Broad retail sales | 100.0 | 1.4 | 3.0 | -1.6 |
| Broad retail sales ex-wholesales | 84.1 | 2.9 | 4.0 | -0.9 |
| Wholesale specialized in foods | 15.9 | -8.1 | -3.6 | -0.7 |
| Auto & Parts | 16.8 | 6.8 | 8.6 | -0.3 |
| Construction material | 7.7 | 2.0 | -0.2 | 0.2 |

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

Source: IBGE, Itaú

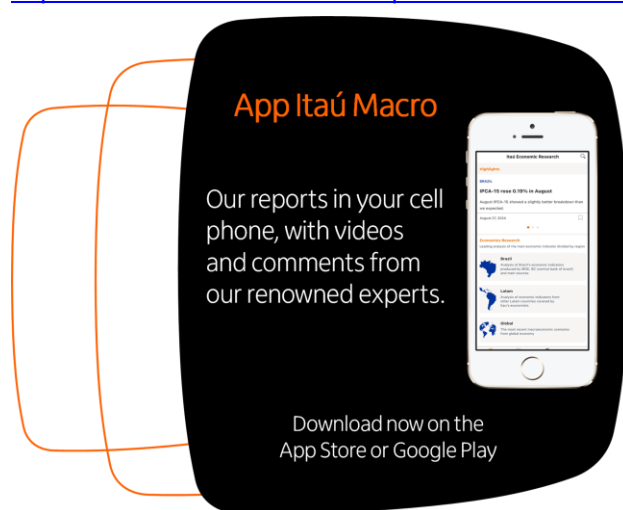
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