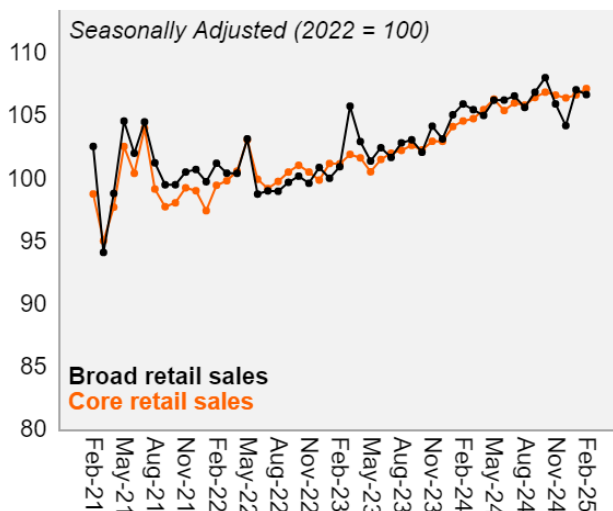


April 9, 2025

Broad Retail Sales receded 0.4% mom/sa in February

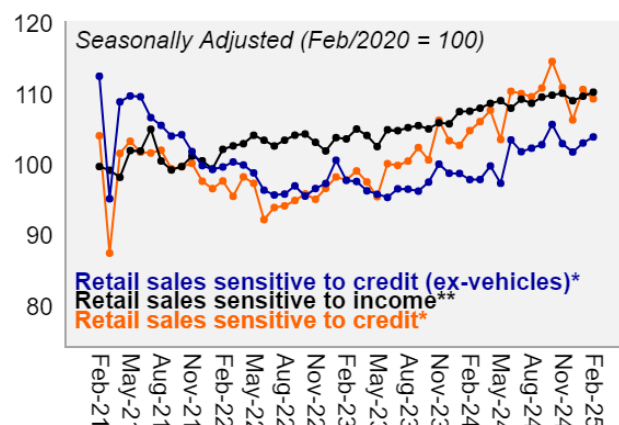
- ▶ Broad retail sales contracted 0.4% mom/sa in February (+2.4% yoy), above our call (-0.7% mom/sa) and below the market's expectation (-0.1% mom/sa). Core sales expanded 0.5% mom/sa (+1.5% yoy), in line with our call (+0.5% mom/sa) and close to the market's expectation (+0.6% mom/sa).
- ▶ Versus our estimates, the largest surprises were "Construction material" (9.7% vs. our forecast of 7.1% yoy) and "Wholesale specialized in foods" (-6.5% vs. our estimate of -10.4% yoy).
- ▶ Out of 10 sectors, 5 advanced and 5 contracted at the margin. The positive highlight was "Hypermarkets, supermarkets, food, beverages and tobacco" (+1.1% mom/sa), while "Auto & Parts" (-2.6% mom/sa) stood out on the negative side.
- ▶ With today's release, the carry over for 1Q25 now stands at 0.3% and 0.7% for core and broad sales, respectively.
- ▶ **Our view:** Core retail sales were in line with our projections in February. As expected, sales of credit-sensitive goods weakened (primarily driven by 'Auto & Parts'), while sales of income-sensitive goods increased. In our view, this trend is likely to continue in the coming months, influenced by rising interest rates and the resilience of the labor market. For March, our preliminary projection suggests an acceleration in the retail sector.

Broad Retail Sales receded 0.4% mom/sa in February



Source: IBGE, Itaú

Retail sales sensitive to credit contracted



*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 - February/25(%)		
Sector	%MoM S.A.	%YoY
Core retail sales	0.5	1.5
Fuel, lubricants	-0.1	1.5
Hypermarkets, supermarkets, food, beverages and tobacco	1.1	-0.3
Fabric, apparel, footwear	-0.1	8.6
Furniture and appliances	0.9	9.3
Pharmaceutical, medical	0.3	3.2
Equipment and material for office	-4.2	-3.2
Books, periodicals, magazines	-7.8	-5.2
Other goods of personal use*	0.1	2.6
Broad retail sales	-0.4	2.4
Broad retail sales ex-wholesales	-0.4	4.0
Wholesale specialized in foods	-	-6.5
Auto & Parts	-2.6	10.0
Construction material	1.1	9.7

*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 February/25 - forecast vs. actual (%)				
Sector	Weight	Actual (YoY)	Forecast (YoY)	Error Contribution (p.p.)
Core retail sales	59.6	1.5	1.4	0.1
Fuel, lubricants	7.2	1.5	3.3	-0.1
Hypermarkets, supermarkets, food, beverages and tobacco	32.2	-0.3	0.0	-0.1
Fabric, apparel, footwear	3.7	8.6	-2.4	0.4
Furniture and appliances	4.1	9.3	11.6	-0.1
Pharmaceutical, medical	5.6	3.2	9.7	-0.4
Equipment and material for office	0.9	-3.2	-5.0	0.0
Books, periodicals, magazines	0.2	-5.2	12.2	-0.0
Other goods of personal use*	5.8	2.6	-1.4	0.2
Broad retail sales	100.0	2.4	1.8	0.6
Broad retail sales ex-wholesales	84.1	4.0	4.0	-0.0
Wholesale specialized in foods	15.9	-6.5	-10.4	0.6
Auto & Parts	16.8	10.0	11.3	-0.2
Construction material	7.7	9.7	7.1	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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