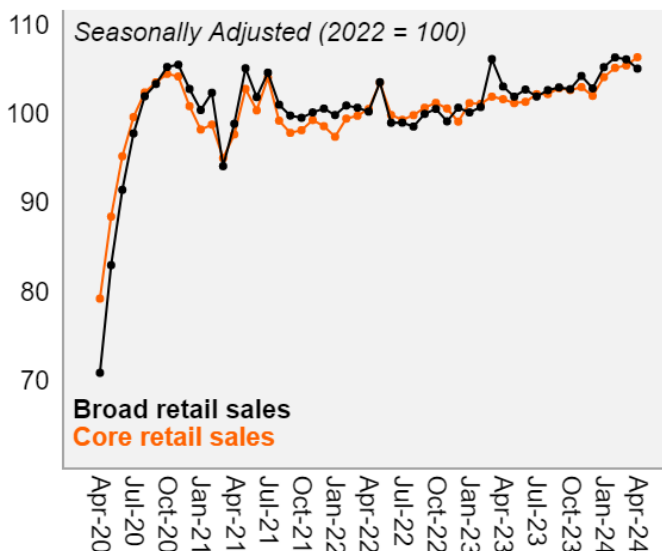


Broad Retail Sales receded 1.0% mom/sa in April

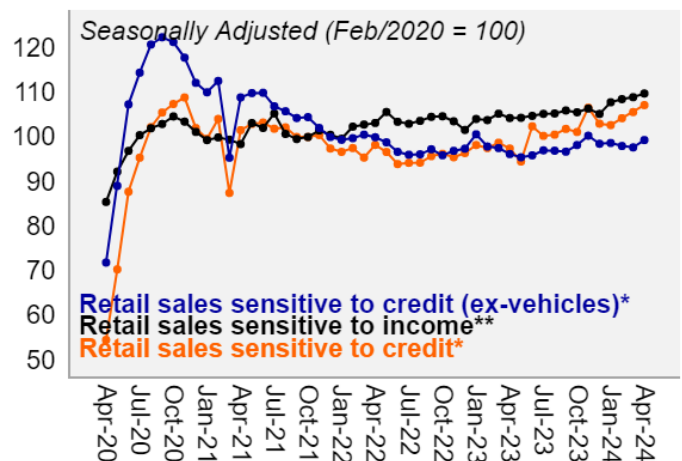
- ▶ Broad retail sales contracted 1.0% mom/sa in April (+4.9% yoy), below our call (+0.2% mom/sa) and the market's expectation (+0.3% mom/sa). Core retail sales rose 0.9% mom/sa (+2.2% yoy), below our call (+1.7% mom/sa) and the market's expectation (+1.7% mom/sa).
- ▶ Versus our estimates, the largest surprises were "Wholesale specialized in foods" (-13.0% vs. our forecast of -6.7% yoy), "Hyper, supermarkets" (-1.3% yoy vs. our forecast of -0.2%) and "Other goods of personal use**" (4.6% vs. our estimate of 13.1% yoy).
- ▶ Out of 10 sectors, 7 advanced and 2 contracted at the margin. The positive highlight was "Hypermarkets, supermarkets, food, beverages and tobacco" (+1.5% mom/sa), while "Fabric, apparel, footwear" (-0.7% mom/sa) stood out on the negative side.
- ▶ With today's release, the carry over for 2Q24 now stands at 1.4% and -0.8% for core and broad sales, respectively.
- ▶ **Our view:** retail sales were weaker than expected in April, with a negative surprise in "Hyper, Supermarkets" and once again in "Wholesale specialized foods". Today's data corroborates the view of some moderation in economic activity in the 2nd quarter of the year.

Broad Retail Sales receded 1.0% mom/sa in April



Source: IBGE, Itaú

Retail sales sensitive to credit (ex-vehicles) advanced



*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 - April/24(%)		
Sector	%MoM S.A.	%YoY
Core retail sales	0.9	2.2
Fuel, lubricants	2.2	1.8
Hypermarkets, supermarkets, food, beverages and tobacco	1.5	-1.3
Fabric, apparel, footwear	-0.7	-1.5
Furniture and appliances	2.4	8.0
Pharmaceutical, medical	0.6	18.9
Equipment and material for office	14.2	16.1
Books, periodicals, magazines	-0.4	2.4
Other goods of personal use*	0.0	4.6
Broad retail sales	-1.0	4.9
Broad retail sales ex-wholesales	0.2	8.6
Wholesale specialized in foods	-	-13.0
Auto & Parts	1.6	28.8
Construction material	1.9	16.3

*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 April/24 - forecast vs. actual (%)				
Sector	Weight	Actual (YoY)	Forecast (YoY)	Error Contribution (p.p.)
Core retail sales	59.6	2.2	3.9	-1.0
Fuel, lubricants	7.2	1.8	1.7	0.0
Hypermarkets, supermarkets, food, beverages and tobacco	32.2	-1.3	-0.2	-0.4
Fabric, apparel, footwear	3.7	-1.5	-0.9	-0.0
Furniture and appliances	4.1	8.0	-4.0	0.5
Pharmaceutical, medical	5.6	18.9	21.1	-0.1
Equipment and material for office	0.9	16.1	-12.4	0.2
Books, periodicals, magazines	0.2	2.4	-16.2	0.0
Other goods of personal use*	5.8	4.6	13.1	-0.5
Broad retail sales	100.0	4.9	7.1	-2.2
Broad retail sales ex-wholesales	84.1	8.6	10.5	-1.6
Wholesale specialized in foods	15.9	-13.0	-6.7	-1.0
Auto & Parts	16.8	28.8	29.9	-0.2
Construction material	7.7	16.3	14.2	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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