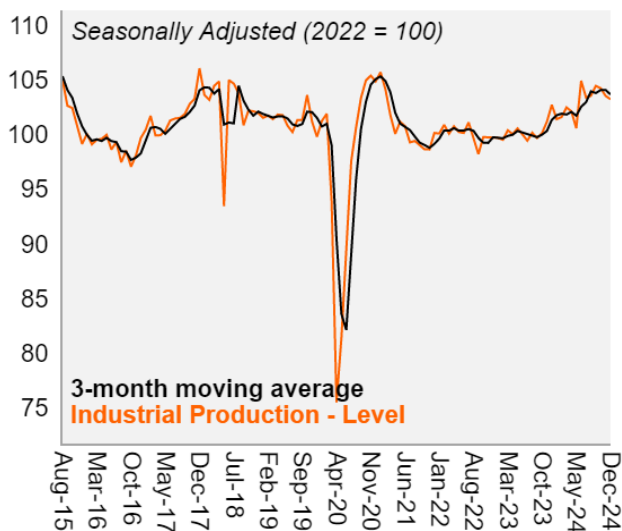


Industrial production fell 0.1% qoq s.a. in 4Q24

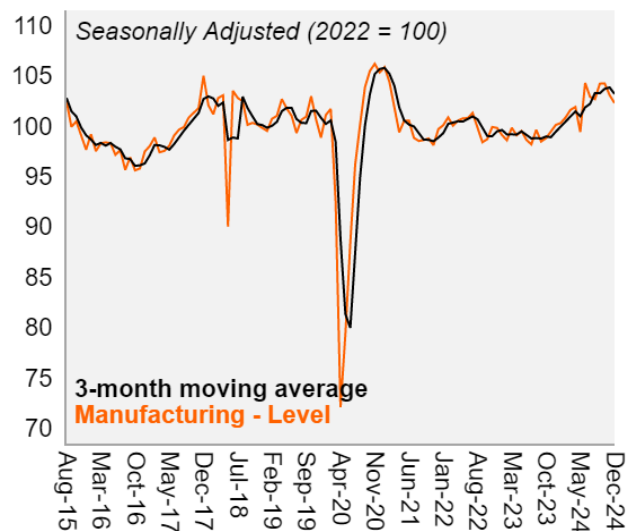
- ▶ Industrial production receded 0.3% mom/sa in December (+1.6% yoy), above our call and market's expectation (both at -1.1% mom/sa). The breakdown shows that manufacturing fell 0.8% mom/sa (+3.5% yoy), above our call (-2.3% mom/sa), while mining/extractive advanced 0.8% mom/sa (-7.0% yoy), slightly 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 virtually stable in the 4Q of last year, reflecting a slowdown in economic activity.

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



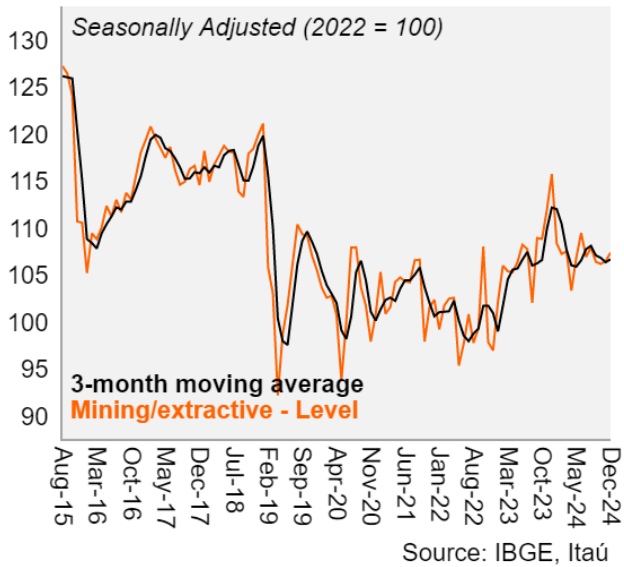
Source: IBGE, Itaú

Manufacturing receded 0.8% mom/sa

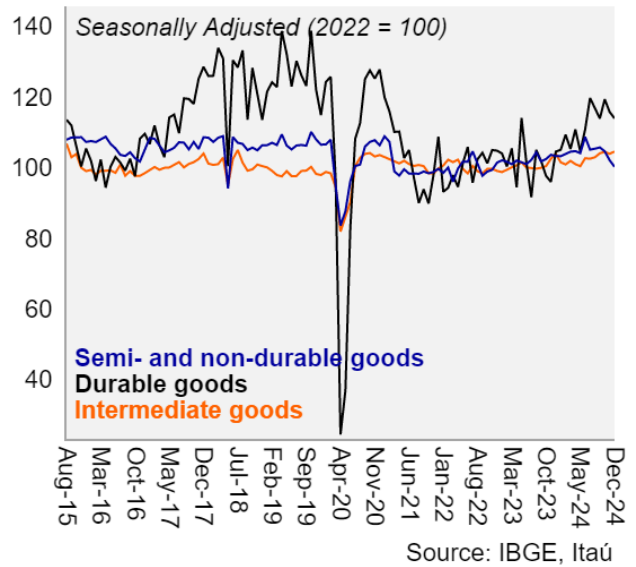


Source: IBGE, Itaú

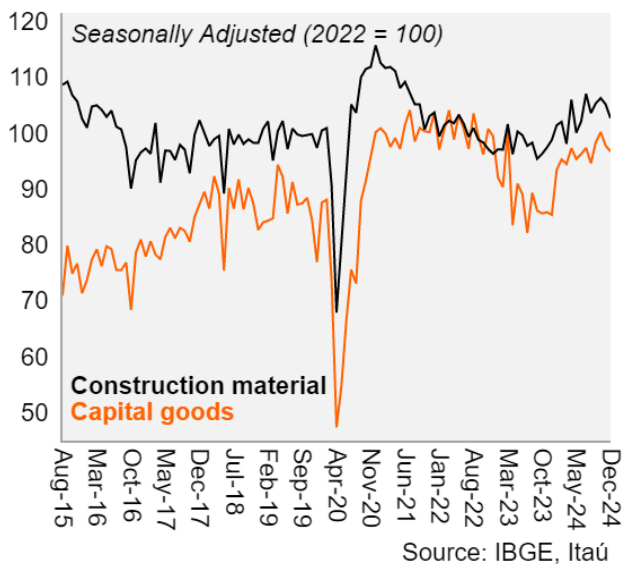
Mining/extractive advanced 0.8% mom/sa



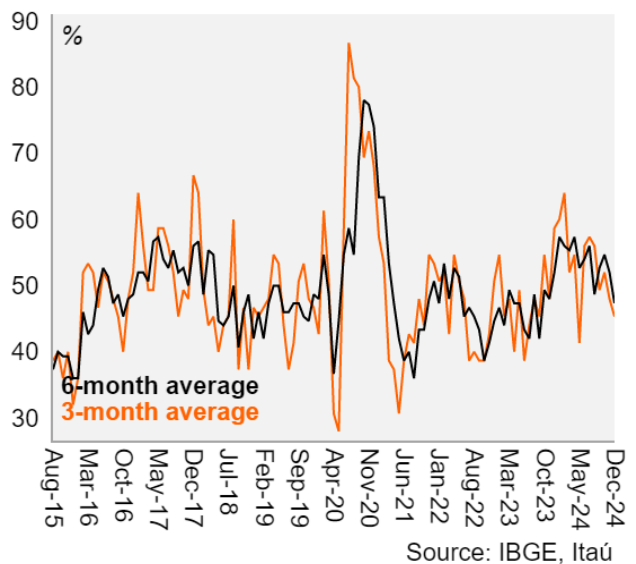
Industrial production by category



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

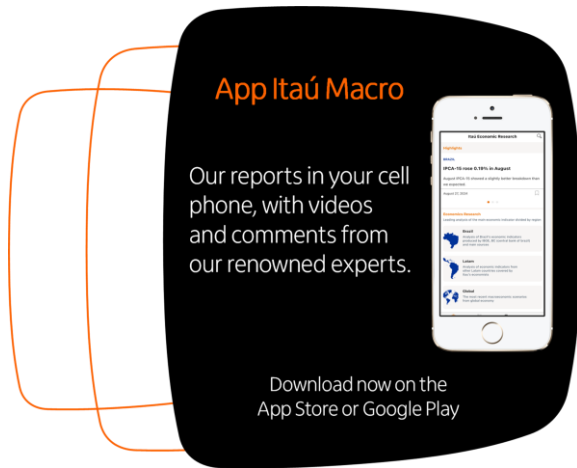
Sector	Weight	m/m s.a.	y/y	Itaú	Error
				Forecast (y/y)	contr. (p.p.)
Industrial Production	100.0	-0.3	1.6	-0.3	1.9
Mining/extractive	14.6	0.8	-7.0	-6.9	-0.0
Manufacturing	85.4	-0.8	3.5	1.2	2.0
Food	15.1	0.0	-3.7	-7.5	0.6
Oil and biofuel derivatives	13.5	0.0	-1.9	-1.8	-0.0
Vehicles	6.2	-0.8	12.8	7.0	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

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