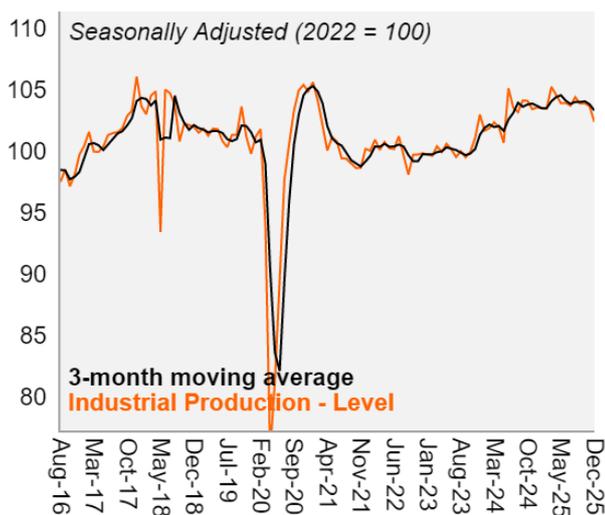


Industrial production receded 0.7% qoq/sa in 4Q25

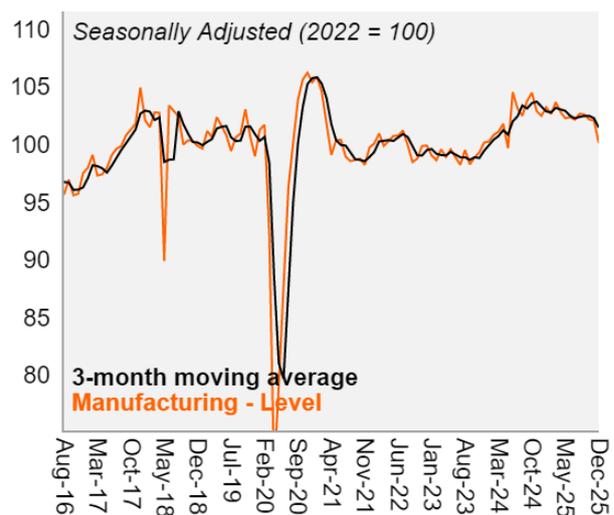
- ▶ Industrial production contracted 1.2% mom/sa in December (+0.4% yoy), above our call (-1.5% mom/sa) and a tad behind the market's expectation (-1.0% mom/sa). The breakdown shows that manufacturing receded 1.9% mom/sa (-1.0% yoy), above our estimates (-2.3% mom/sa), while mining/extractive advanced 0.9% mom/sa (+7.0% yoy), below our estimates (+1.5% mom/sa).
- ▶ Versus our interannual forecast, the largest negative surprise was 'Metallurgy' while 'Food' stood out as the largest positive surprise (table below).
- ▶ All categories contracted at the margin, with a negative highlight to 'Capital goods' (-8.3% mom s/a) and 'Durable consumer goods' (-4.4% mom s/a). The breakdown shows that 32% of the sectors moved up in the month versus 40% in November.
- ▶ In 4Q, industrial production fell 0.7% qoq/sa - manufacturing receded 1.0% qoq/sa, while extractive/mining expanded 1.0% qoq/sa. The carry-over for next year stands at -1.4%, with the following breakdown: -2.2% for manufacturing and 1.6% for mining/extractive.
- ▶ **Our view:** Industrial production came in above our expectations in December. Looking at the breakdown, the positive surprise in manufacturing more than offset the weaker result in the extractive industry. As a result, the industrial sector ended 2025 on a more negative note, confirming a loss of momentum compared with how the last year began.

Industrial production receded 0.7% qoq s.a. in 4Q25



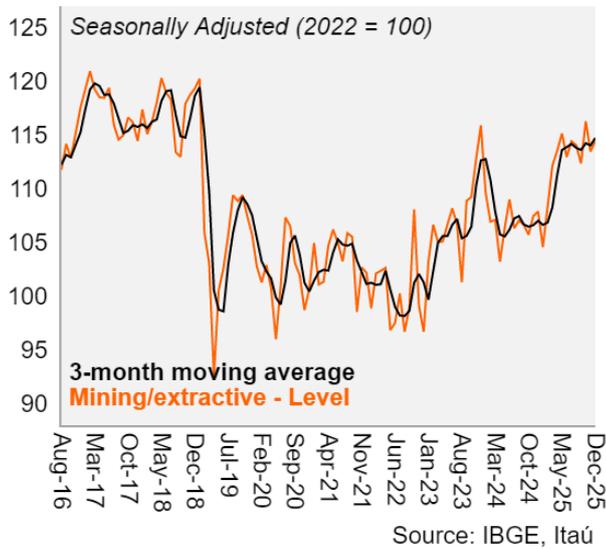
Source: IBGE, Itaú

Manufacturing receded 1.9% mom/sa

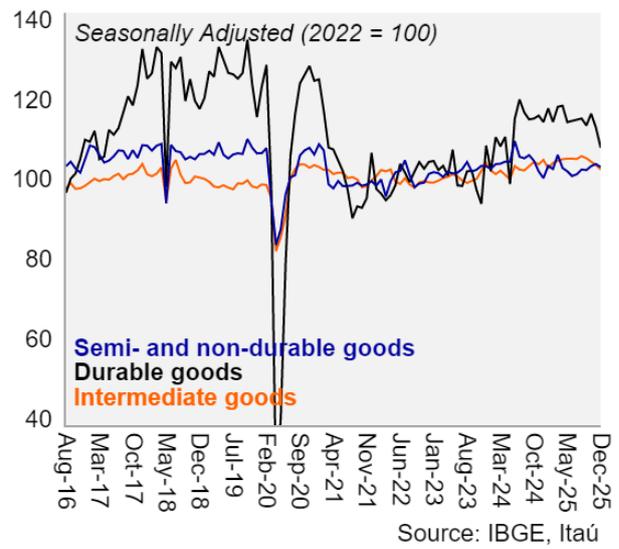


Source: IBGE, Itaú

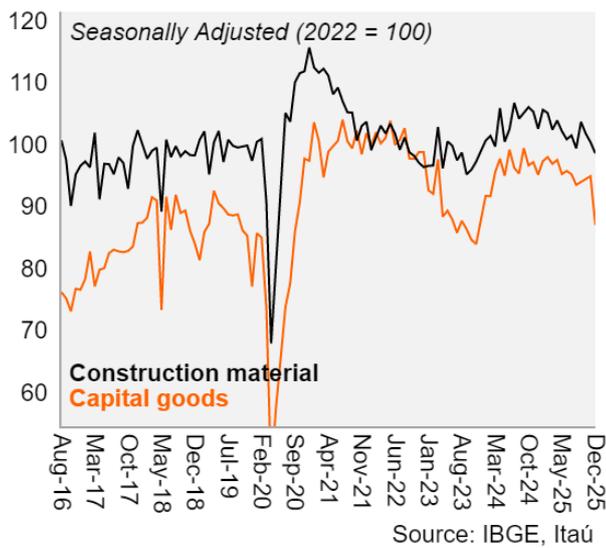
Mining/extractive rose 0.9% mom/sa



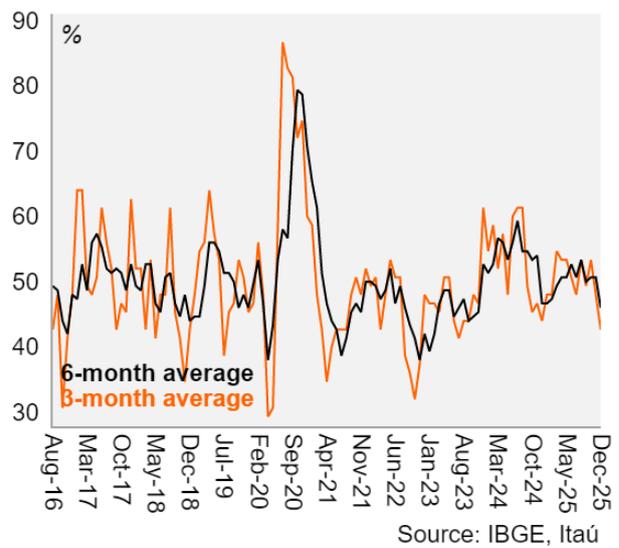
Industrial production by category



Capital goods and construction materials



Diffusion index



Industrial production - December/25 (% m/m s.a.)						
Sector	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025
Industrial Production	-0.2	0.7	-0.5	0.0	-0.2	-1.2
Mining/extractive	1.3	-0.3	-1.5	3.5	-2.4	0.9
Manufacturing	-0.2	0.5	-0.1	-0.4	-0.1	-1.9
Semi-durable/non-durable consumer goods	0.5	1.2	-0.1	1.0	0.5	-0.7
Durable consumer goods	0.4	0.2	-1.5	2.6	-3.0	-4.4
Intermediate goods	0.0	0.6	-0.5	-0.8	-0.8	-1.1
Capital goods	-0.6	-1.8	0.5	0.4	0.6	-8.3
Diffusion	0.44	0.56	0.48	0.56	0.4	0.32

Source: IBGE, Itaú

Industrial production - December/25 (% y/y s.a.)						
Sector	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025
Industrial Production	0.3	-0.7	2.0	-0.5	-1.4	0.4
Mining/extractive	6.8	4.8	5.2	10.1	4.9	7.0
Manufacturing	-0.9	-1.7	1.4	-2.2	-2.5	-1.0
Semi-durable/non-durable consumer goods	-3.5	-4.6	-0.8	-1.6	-0.3	5.0
Durable consumer goods	-3.6	-4.1	3.0	0.6	-6.4	-3.5
Intermediate goods	2.3	1.7	3.3	0.0	-1.4	-0.9
Capital goods	-0.5	-5.3	-1.5	-3.1	-5.0	-7.5
Diffusion	0.44	0.56	0.48	0.56	0.4	0.32

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in December/25

Sector	Weight	m/m s.a.	y/y	Itaú Forecast (y/y)	Error contr. (p.p.)
Industrial Production	100.0	-1.2	0.4	0.3	0.1
Mining/extractive	14.6	0.9	7.0	7.8	-0.1
Manufacturing	85.4	-1.9	-1.0	-1.3	0.3
Food	15.1	0.3	5.5	0.9	0.7
Oil and biofuel derivatives	13.5	5.4	-4.6	-6.2	0.2
Vehicles	6.2	-8.7	-8.0	-8.0	0.0
Metallurgy	4.9	-5.4	-4.5	5.7	-0.5
Chemical products	7.4	-6.2	-7.1	-0.3	-0.5
Machinery and equipment	3.8	-4.6	2.4	7.6	-0.2
Metal products	3.0	-2.4	-5.4	-7.9	0.1
Non-metallic minerals	2.7	-6.6	-1.9	3.3	-0.1
Rubber and plastic	3.4	-2.2	4.7	6.8	-0.1
Beverages	3.0	1.1	-1.8	-1.2	-0.0
Pulp and Paper	3.7	-1.3	-1.4	-1.7	0.0
Machinery and electric material	2.3	-2.6	-4.3	-5.1	0.0
Computers and electronics	2.0	-9.2	-13.0	-9.5	-0.1
Pharmaceuticals	2.4	6.7	28.6	4.0	0.6
Clothing	2.0	-4.1	-2.9	-4.3	0.0
Leather and footwear	1.4	-2.4	6.3	1.9	0.1
Textiles	1.3	-9.0	-10.7	-2.7	-0.1
Other transportation equipment	1.1	-2.8	4.0	-1.5	0.1
Maintenance of machinery and equipment	1.6	-1.3	9.7	13.9	-0.1
Furniture	1.2	-5.4	-4.9	-3.1	-0.0
Lumber	1.0	0.3	-7.2	-10.8	0.0
Prints and engravings	0.6	5.8	-2.2	-12.9	0.1
Diverse products	1.2	-1.1	11.0	2.5	0.1
Tobacco	0.4	1.6	16.5	10.5	0.0

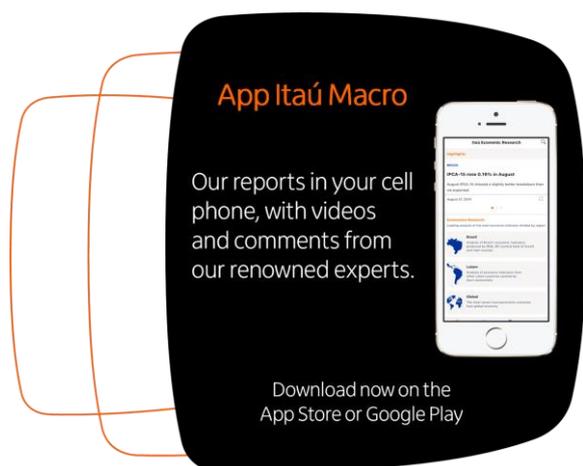
Source: IBGE, Itaú

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