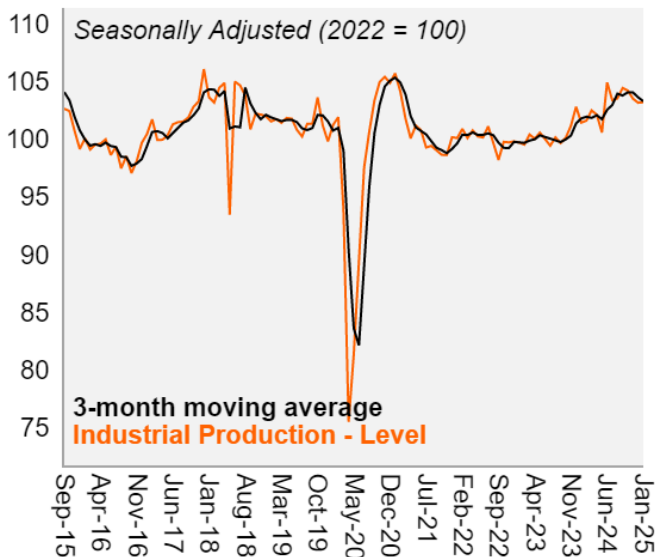


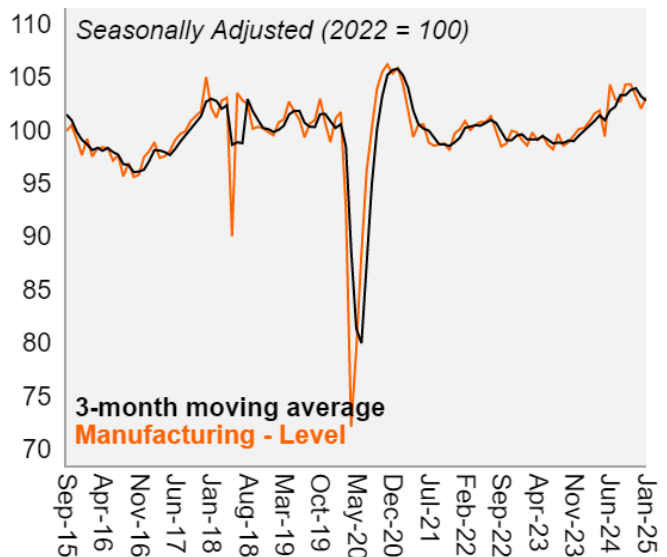
Industrial production was unchanged in January

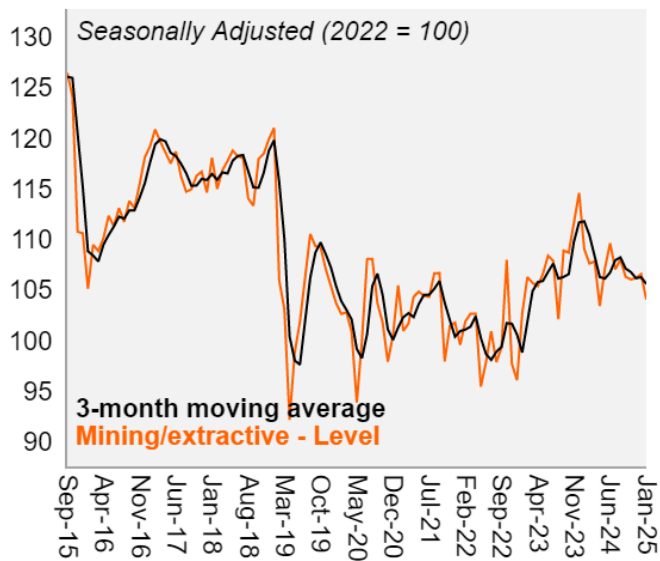
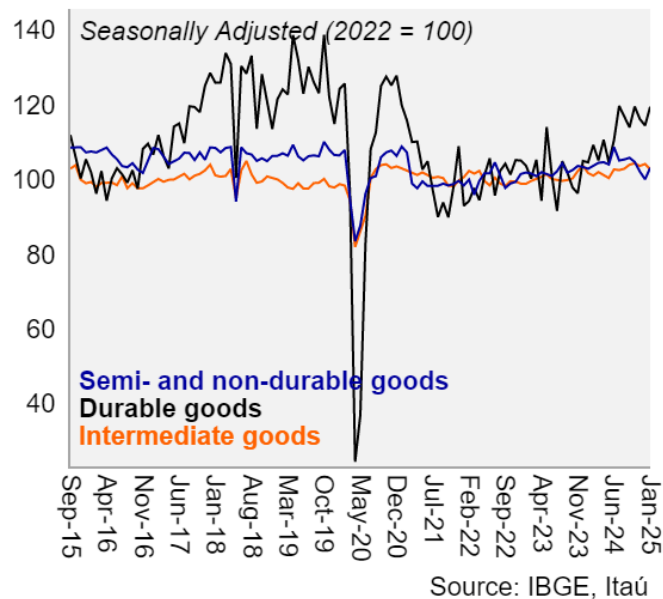
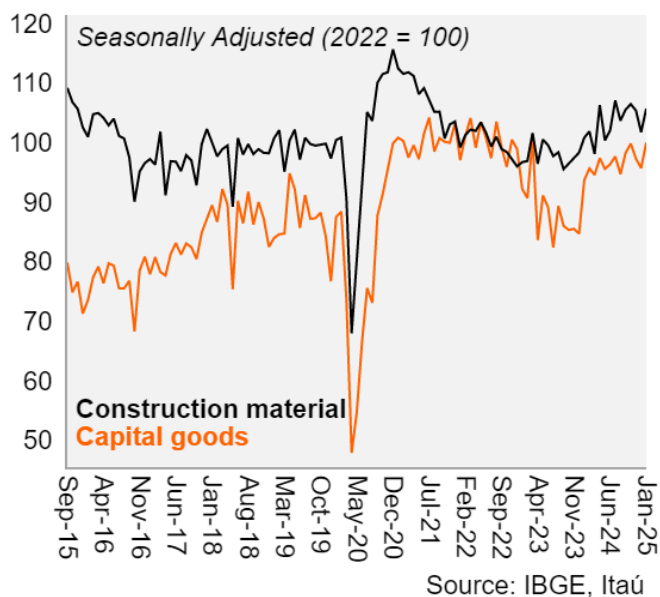
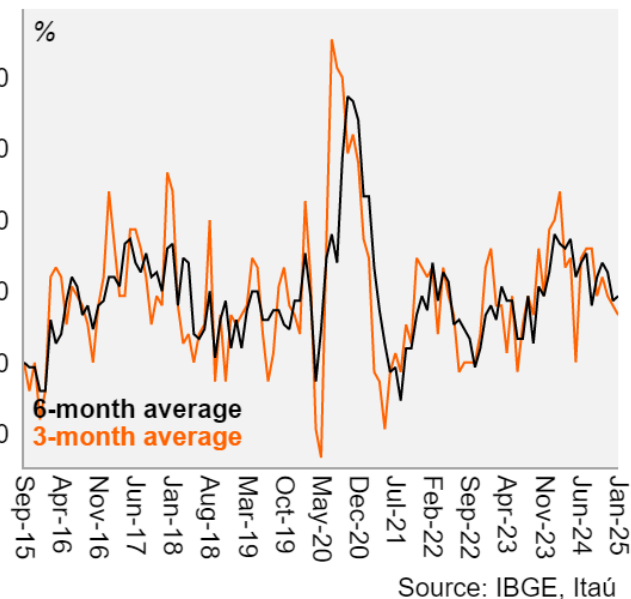
- ▶ Industrial production was unchanged mom/sa in January (+1.4% yoy), below our call (+0.5% mom/sa) and the market's expectation (+0.4% mom/sa). The breakdown shows that manufacturing rose 1.0% mom/sa (+2.7% yoy), slightly above our call (+0.9% mom/sa), while mining/extractive receded 2.4% mom/sa (-5.2% yoy), below our estimates (+0.9% mom/sa).
- ▶ Versus our forecast, the largest negative surprises were 'Mining/extractive' and 'Oil and biofuel derivatives' (table below).
- ▶ Among the main categories, only one contracted at the margin ('Intermediate goods', -1.4% mom s/a), while the positive highlights were 'Capital goods' (+4.5% mom s/a) and 'Durable consumer goods' (4.4% mom s/a). The breakdown shows that 76% of the sectors moved up in the month versus 40% in December.
- ▶ With today's release, the carry over of industrial production for 1Q25 now stands at -0.4%, with the following breakdown: -0.1% for manufacturing and -2.1% for mining/extractive.
- ▶ **Our view:** Industrial production was weaker than anticipated in January. The manufacturing sector came in close to our call, while the extractive/mining industry was the negative surprise. Although the industry remained practically stable in the first month of the year, the manufacturing sector rose 1.0% mom/sa, suggesting a recovery of economic activity at the start of 2025, following the lower-than-expected 4Q24 figures.

Industrial production was unchanged mom/sa in January



Manufacturing moved up 1.0% mom/sa



Mining/extractive contracted 2.4% mom/sa**Industrial production by category****Capital goods and construction materials****Diffusion index**

Industrial production - January/25 (% m/m s.a.)						
Sector	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025
Industrial Production	0.1	0.9	-0.2	-0.7	-0.3	0.0
Mining/extractive	0.9	-1.6	-0.3	0.1	0.4	-2.4
Manufacturing	-0.2	1.6	0.0	-1.1	-1.1	1.0
Semi-durable/non-durable consumer goods	0.3	0.4	-1.0	-2.5	-2.0	3.1
Durable consumer goods	-2.5	-2.4	4.9	-2.8	-1.5	4.4
Intermediate goods	0.4	1.0	0.4	-0.7	0.5	-1.4
Capital goods	-3.0	3.8	1.6	-2.5	-1.6	4.5
Diffusion	0.32	0.44	0.8	0.24	0.4	0.76

Source: IBGE, Itaú

Industrial production - January/25 (% y/y s.a.)						
Sector	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025
Industrial Production	2.3	3.4	5.9	1.7	1.4	1.4
Mining/extractive	5.6	-3.1	-2.1	-4.3	-6.6	-5.2
Manufacturing	1.7	4.6	7.3	2.8	3.2	2.7
Semi-durable/non-durable consumer goods	0.3	2.6	3.9	-2.7	-2.2	-0.1
Durable consumer goods	10.7	10.4	20.6	18.7	9.8	16.6
Intermediate goods	2.5	2.4	5.2	1.6	1.4	0.3
Capital goods	5.2	13.8	16.0	13.1	13.5	8.2
Diffusion	0.32	0.44	0.8	0.24	0.4	0.76

Source: IBGE, Itaú

Sector breakdown - actual vs. forecast in January/25					
Sector	Weight	m/m s.a.	y/y	Itaú Forecast (y/y)	Error contr. (p.p.)
Industrial Production	100.0	0.0	1.4	2.5	-1.1
Mining/extractive	14.6	-2.4	-5.2	0.4	-0.8
Manufacturing	85.4	1.0	2.7	2.9	-0.2
Food	15.1	0.4	-0.3	-4.4	0.6
Oil and biofuel derivatives	13.5	-1.1	-3.8	1.7	-0.7
Vehicles	6.2	3.0	13.4	14.5	-0.1
Metallurgy	4.9	0.3	4.1	2.1	0.1
Chemical products	7.4	0.0	2.4	3.8	-0.1
Machinery and equipment	3.8	6.9	14.1	6.2	0.3
Metal products	3.0	1.0	6.6	8.2	-0.0
Non-metallic minerals	2.7	0.5	4.2	4.4	-0.0
Rubber and plastic	3.4	3.7	3.8	1.9	0.1
Beverages	3.0	1.0	-5.1	1.9	-0.2
Pulp and Paper	3.7	-3.2	-3.1	1.1	-0.2
Machinery and eletric material	2.3	4.3	14.5	16.7	-0.1
Computers and electronics	2.0	-0.5	-1.2	12.3	-0.3
Pharmaceuticals	2.4	4.8	11.9	7.8	0.1
Clothing	2.0	-4.7	1.4	6.0	-0.1
Leather and footwear	1.4	9.3	2.3	-14.1	0.2
Textiles	1.3	1.4	17.5	17.7	-0.0
Other transportation equipment	1.1	1.1	1.0	-1.5	0.0
Maintenance of machinery and equipment	1.6	5.0	7.7	4.7	0.0
Furniture	1.2	6.8	9.1	8.4	0.0
Lumber	1.0	1.2	1.7	2.5	-0.0
Prints and engravings	0.6	-3.8	-2.8	4.0	-0.0
Diverse products	1.2	10.0	10.3	-2.4	0.2
Tobacco	0.4	5.5	-3.6	-1.3	-0.0

Source: IBGE, Itaú

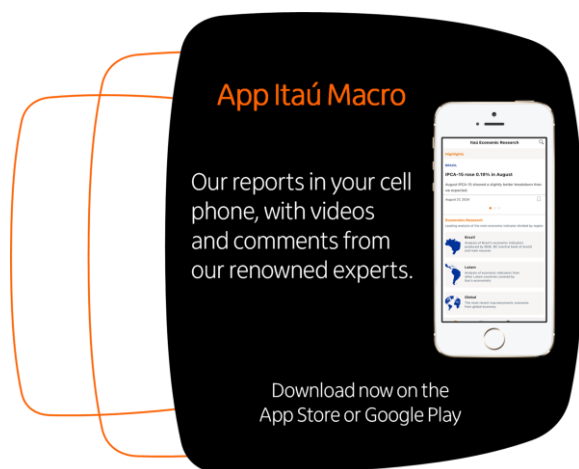
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