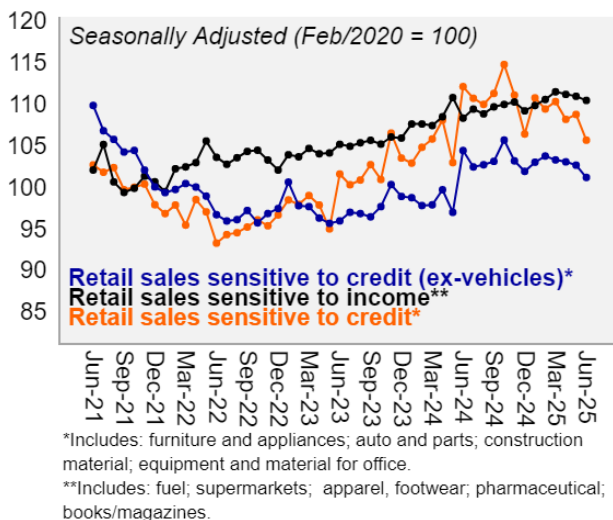


Retail Sales decline sharply in June, ending Q2 on a weak note

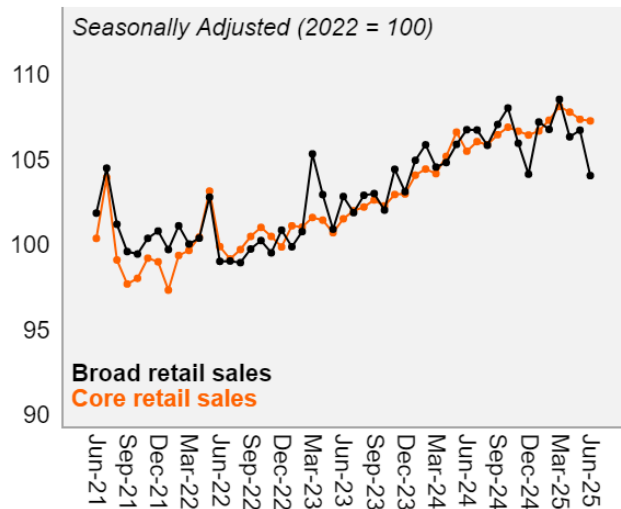
- ▶ Broad retail sales receded 2.5% mom/sa in June (-3.0% yoy), below our call (-0.7% mom/sa) and the market consensus (+0.1% mom/sa). Core sales fell by 0.1% mom/sa (+0.3% yoy), below our call (+0.7% mom/sa) and the market's expectation (+0.8% mom/sa).
- ▶ Versus our estimates, the largest surprises were "Hypermarkets, supermarkets, food, beverages and tobacco" (-0.5% vs. our forecast of 3.1% yoy) and "Wholesale specialized in foods" (-11.0% vs. our estimate of -4.4% yoy).
- ▶ Out of 10 sectors, 3 advanced and 7 contracted at the margin. The positive highlight was "Other goods of personal use" (+1.0% mom/sa), while "Auto & Parts" (-1.8% mom/sa) stood out on the negative side.
- ▶ In 2Q25, core sales rose 0.1% qoq/sa, while broad sales fell 1.7% qoq/sa. With today's release, the carry over for 3Q25 now stands at -0.2% and -1.6% for the core and broad measures, respectively.
- ▶ **Our view:** Broad retail sales came in below market expectations and our forecast. The main deviations from our projection were concentrated in 'supermarkets', which underperformed, as well as in 'wholesale specialized in foods' and 'construction materials', both of which contributed to the weaker broad index. In June, we saw a more pronounced decline in credit-sensitive items, in line with IDAT-Activity numbers. These results reinforce the slowdown in economic activity during the second quarter of 2025.

Retail sales sensitive to credit contracted



Source: IBGE, Itaú

Broad Retail Sales fell 1.7% qoq s.a. in 2Q25



Source: IBGE, Itaú

Retail sales - June/25(%)		
Sector	%MoM S.A.	%YoY
Core retail sales	-0.1	0.3
Fuel, lubricants	0.3	-1.3
Hypermarkets, supermarkets, food, beverages and tobacco	-0.5	-0.5
Fabric, apparel, footwear	0.5	6.4
Furniture and appliances	-1.2	-0.4
Pharmaceutical, medical	-0.9	1.9
Equipment and material for office	-2.7	0.6
Books, periodicals, magazines	-1.5	-1.2
Other goods of personal use*	1.0	2.0
Broad retail sales	-2.5	-3.0
Broad retail sales ex-wholesales	-2.0	-1.7
Wholesale specialized in foods	-	-11.0
Auto & Parts	-1.8	-6.7
Construction material	-2.6	-3.6

*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 June/25 - forecast vs. actual (%)				
Sector	Weight	Actual (YoY)	Forecast (YoY)	Error Contribution (p.p.)
Core retail sales	59.6	0.3	2.4	-1.3
Fuel, lubricants	7.2	-1.3	-1.8	0.0
Hypermarkets, supermarkets, food, beverages and tobacco	32.2	-0.5	3.1	-1.2
Fabric, apparel, footwear	3.7	6.4	2.8	0.1
Furniture and appliances	4.1	-0.4	2.0	-0.1
Pharmaceutical, medical	5.6	1.9	3.3	-0.1
Equipment and material for office	0.9	0.6	-0.0	0.0
Books, periodicals, magazines	0.2	-1.2	-0.9	-0.0
Other goods of personal use*	5.8	2.0	3.9	-0.1
Broad retail sales	100.0	-3.0	-0.6	-2.4
Broad retail sales ex-wholesales	84.1	-1.7	-0.0	-1.4
Wholesale specialized in foods	15.9	-11.0	-4.4	-1.1
Auto & Parts	16.8	-6.7	-6.6	-0.0
Construction material	7.7	-3.6	-1.4	-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

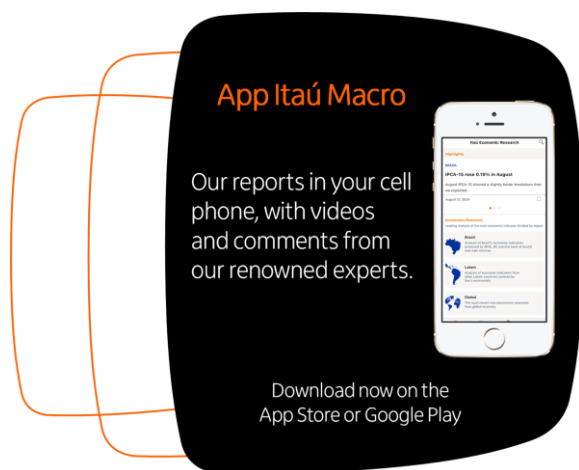
Natalia Cotarelli
Marina Garrido

Macro Research – Itaú

Mario Mesquita – Chief Economist

To access our reports and forecast visit our website:

<https://www.itaubba.com.br/itaubba-pt/macroeconomic-analysis>



Relevant Information

1. This report has been prepared and released by the Macro Research Department of Itaú Unibanco S.A. ("Itaú Unibanco"). This report is not a product of the Equity Research Department of Itaú Unibanco or Itaú Corretora de Valores S.A. and shall not be construed as a research report ("relatório de análise") for the purposes of Article 1 of the CVM Instruction NR. 20, dated 2021.
2. The exclusive purpose of this report is to provide macroeconomics information and it does not constitute and shall not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial product, or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date on which this report was released and it has been obtained from public sources believed to be reliable. However, Itaú Unibanco does not make any explicit or implied representation or warranty as to the completeness, reliability or accuracy of such information, nor does this report intend to be a complete statement or summary of the markets or developments referred to herein. Itaú Unibanco has no obligation whatsoever to update, modify or amend this report and inform the reader accordingly.
3. The opinions contained herein reflect exclusively the personal views of the analyst responsible for this report and were prepared independently and autonomously, including in relation to Itaú Unibanco, Itaú Corretora de Valores S.A. and any other companies within their economic group.
4. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of Itaú Unibanco. Additional information on the financial products mentioned in this report may be available upon request. Itaú Unibanco and/or any other company within its economic group is not and shall not be liable for any investment decisions (or otherwise) based on the information provided herein.
5. This report may include sections generated with the support of artificial intelligence tools. All content has been reviewed and validated by the authors to ensure the accuracy and integrity of the information presented.

Additional Note: This material does not take into consideration the objectives, financial situation or specific needs of any particular client. Clients must obtain financial, tax, legal, accounting, economic, credit and market advice on an individual basis, based on their personal characteristics and objectives, prior to making any decision based on the information contained herein. By accessing the material, you represent and confirm that you understand the risks related to the financial instruments described in this material and the laws in your jurisdiction relating to the provision and sale of financial service products. You acknowledge that this material contains proprietary information and you agree to keep this information confidential for your exclusive use.

SAC Itaú: For inquiries, suggestions, complaints, criticisms and compliments, talk to Itaú's CSCC: 0800 728 0728. Or contact us through our portal <https://www.itaubba.com.br/atendimento-itaubba-para-voce/>. If you are not satisfied with the proposed solution, please contact the Itaú Corporate Ombudsman: 0800 570 0011 (on weekdays from 9 AM to 6 PM) or our PO Box 67.600, São Paulo-SP, Zip Code 03162-971. Hearing impaired, every day, 24h, 0800 722 1722.