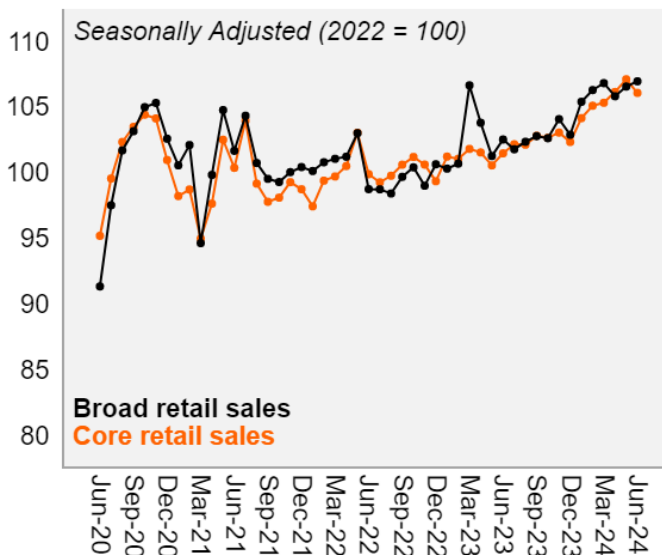


August 14, 2024

## Broad Retail Sales rose 0.3% qoq s.a. in 2Q24

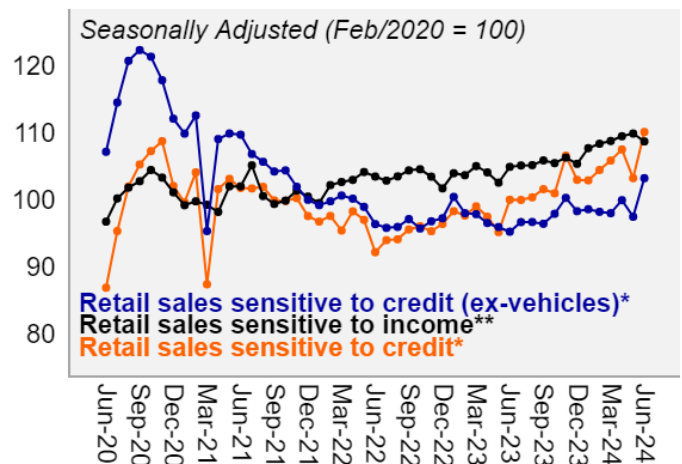
- ▶ Broad retail sales moved up 0.4% mom/sa in June (+2.0% yoy), below our call (+1.2% mom/sa) and the market's expectation (+1.3% mom/sa). Core sales receded 1.0% mom/sa (+4.0% yoy), below our call (-0.2% mom/sa) and the market's expectation (-0.2% mom/sa).
- ▶ Versus our estimates, the largest surprise was "Wholesale specialized in foods" (-11.5% vs. our forecast of -4.9% yoy).
- ▶ Out of 10 sectors, 6 advanced and 4 contracted at the margin. The positive highlight was "Auto & Parts" (+3.9% mom/sa), while "Hypermarkets, supermarkets, food, beverages and tobacco" (-2.1% mom/sa) stood out on the negative side.
- ▶ In 2Q24, core sales moved up 1.5% qoq/sa, while broad sales rose 0.3% qoq/sa. With today's release, the carry over for 3Q24 now stands at -0.3% and 0.5% for the core and broad measures, respectively.
- ▶ **Our view:** retail sales were weaker than expected in June with a downside surprise in "Hyper, supermarkets" and once again in "Wholesale specialized in foods". This was the first drop in the monthly comparison in 2024, after 5 consecutive increases. Even so, among the items with the greatest weight in 2Q GDP, the downward surprise in supermarkets was offset by an upward surprise in construction materials, without, therefore, significantly changing our view of resilient activity in the quarter.

### Broad Retail Sales rose 0.3% qoq s.a. in 2Q24



Source: IBGE, Itaú

### Retail sales sensitive to credit 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 - June/24(%)                               |             |            |
|---|-------------|------------|
| Sector  | %MoM S.A.   | %YoY       |
| <b>Core retail sales</b>                                | <b>-1.0</b> | <b>4.0</b> |
| Fuel, lubricants  | 0.6         | -4.1       |
| Hypermarkets, supermarkets, food, beverages and tobacco | -2.1        | 3.5        |
| Fabric, apparel, footwear                               | -0.9        | 0.1        |
| Furniture and appliances                                | 2.6         | 6.7        |
| Pharmaceutical, medical                                 | 1.8         | 15.1       |
| Equipment and material for office                       | 1.2         | 4.7        |
| Books, periodicals, magazines                           | -0.3        | -8.1       |
| Other goods of personal use*                            | -1.8        | 7.6        |
| <b>Broad retail sales</b>                               | <b>0.4</b>  | <b>2.0</b> |
| <b>Broad retail sales ex-wholesales</b>                 | <b>0.9</b>  | <b>4.7</b> |
| Wholesale specialized in foods                          | -           | -11.5      |
| Auto & Parts  | 3.9         | 7.0        |
| Construction material                                   | 4.8         | 3.9        |

\*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/24 - forecast vs. actual (%)

| Sector  | Weight       | Actual (YoY) | Forecast (YoY) | Error Contribution (p.p.) |
|---|--------------|--------------|----------------|---------------------------|
| <b>Core retail sales</b>                                | <b>59.6</b>  | <b>4.0</b>   | <b>6.4</b>     | <b>-1.4</b>               |
| Fuel, lubricants  | 7.2          | -4.1         | -2.8           | -0.1                      |
| Hypermarkets, supermarkets, food, beverages and tobacco | 32.2         | 3.5          | 5.8            | -0.7                      |
| Fabric, apparel, footwear                               | 3.7          | 0.1          | 4.2            | -0.2                      |
| Furniture and appliances                                | 4.1          | 6.7          | 3.8            | 0.1                       |
| Pharmaceutical, medical                                 | 5.6          | 15.1         | 15.8           | -0.0                      |
| Equipment and material for office                       | 0.9          | 4.7          | 6.1            | -0.0                      |
| Books, periodicals, magazines                           | 0.2          | -8.1         | -6.5           | -0.0                      |
| Other goods of personal use*                            | 5.8          | 7.6          | 16.6           | -0.5                      |
| <b>Broad retail sales</b>                               | <b>100.0</b> | <b>2.0</b>   | <b>3.7</b>     | <b>-1.7</b>               |
| <b>Broad retail sales ex-wholesales</b>                 | <b>84.1</b>  | <b>4.7</b>   | <b>5.4</b>     | <b>-0.6</b>               |
| Wholesale specialized in foods                          | 15.9         | -11.5        | -4.9           | -1.1                      |
| Auto & Parts  | 16.8         | 7.0          | 3.5            | 0.6                       |
| Construction material                                   | 7.7          | 3.9          | 2.8            | 0.1                       |

\*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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