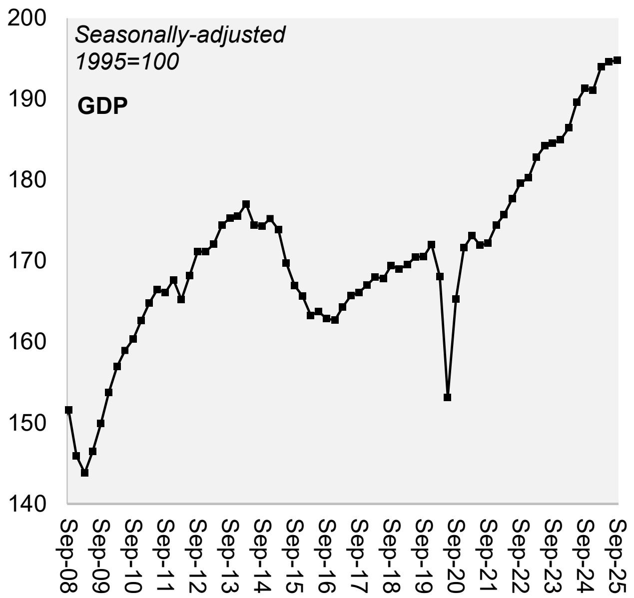
Macro Brazil

December 4, 2025

GDP decelerated to 0.1% in 3Q25 from 0.3%

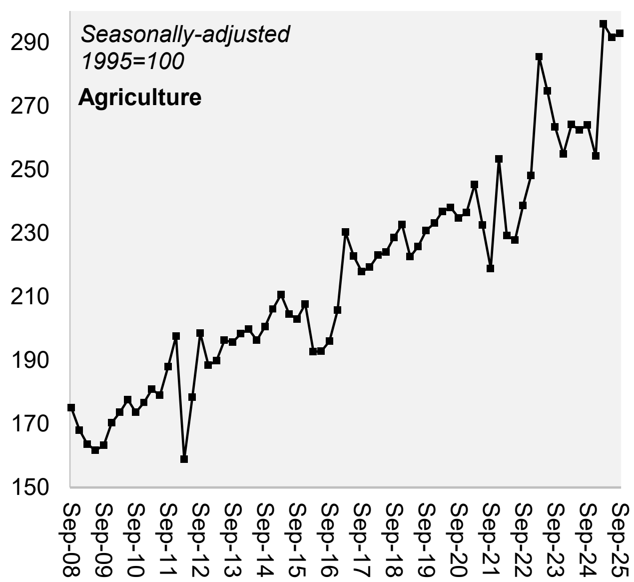
- GDP grew 0.1% in 3Q25 (1.8% y/y), slightly above year-over-year median of market expectations (0.2% q/q, 1.7% y/y) and our estimate (0.2% q/q, 1.7% y/y), following a 0.3% increase in 2Q25 (2.4% y/y).
- The main positive surprise versus our forecast came from the agriculture sector (see table), while services and industry were broadly in line with projections.
- On the supply side, agriculture posted a slight increase of 0.4% q/q (seasonally adjusted) after a decline in the second quarter (-1.4% in the 2Q25), while services slowed to 0.1% (from 0.3%) and industry accelerated to 0.8% q/q (from 0.6%).
- On the demand side, household consumption was the main negative surprise, remaining virtually flat at the margin (down from 0.6% in 2Q25). Gross fixed capital formation increased at the margin (+0.9%) following the sharp drop recorded in the second quarter, driven by oil platform deliveries. Exports advanced 3.3% q/q sa, while imports grew 0.3%. According to our estimates, inventories contributed negatively (see table).
- **Our view:** the breakdown of GDP came broadly in line with our expectations, reinforcing the outlook for a gradual slowdown in activity. Household consumption lost momentum, showing relative stability at 0.1% q/q (seasonally adjusted) after a 0.6% increase in the previous quarter. For 4Q25, our preliminary estimate points to a pace of growth similar to that observed in 3Q. Therefore, we should maintain our projection of 2.2% GDP growth for the year.

GDP remained relatively stable at the margin



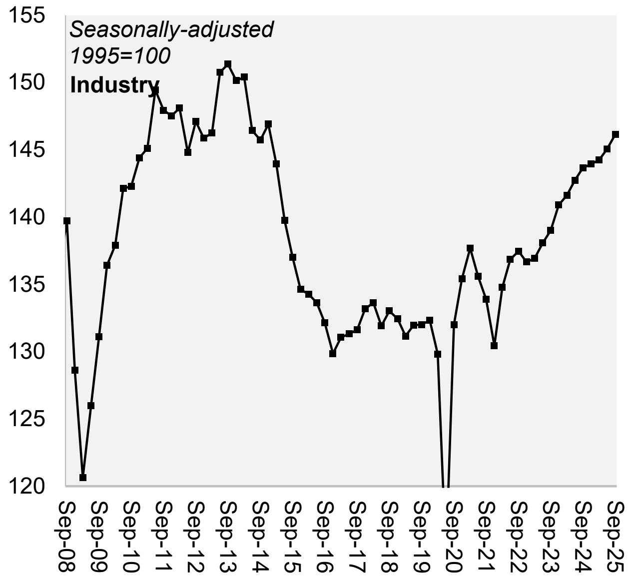
Source: IBGE, Itaú

Agriculture posted a slight increase of 0.4% q/q



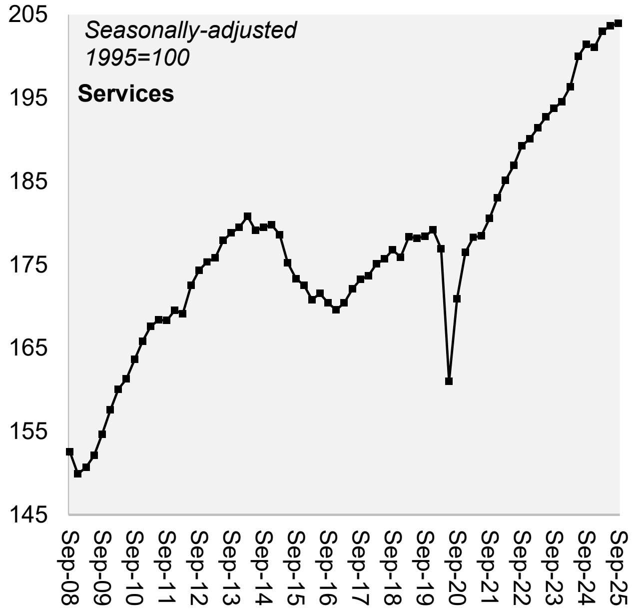
Source: IBGE, Itaú

The industry grew, supported mainly by Mining/Extractive…



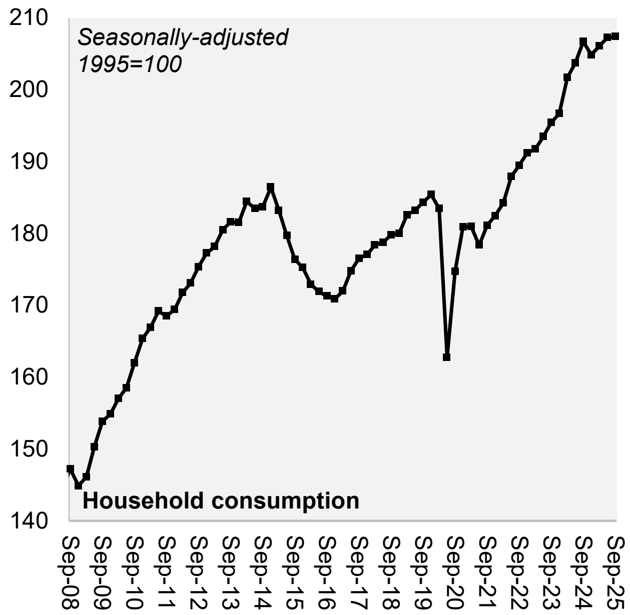
Source: IBGE, Itaú

…and the service sector slowed to 0.1% at the margin



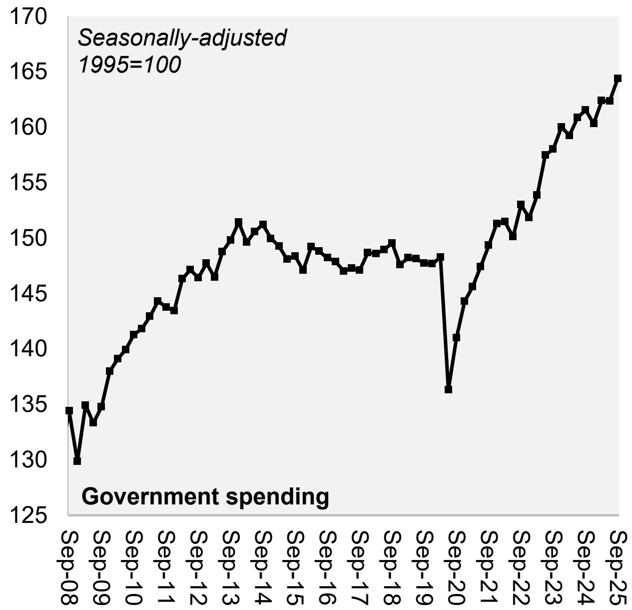
Source: IBGE, Itaú

Household consumption also slowed down (0.1% in 3Q25, compared to 0.6% in 2Q25)



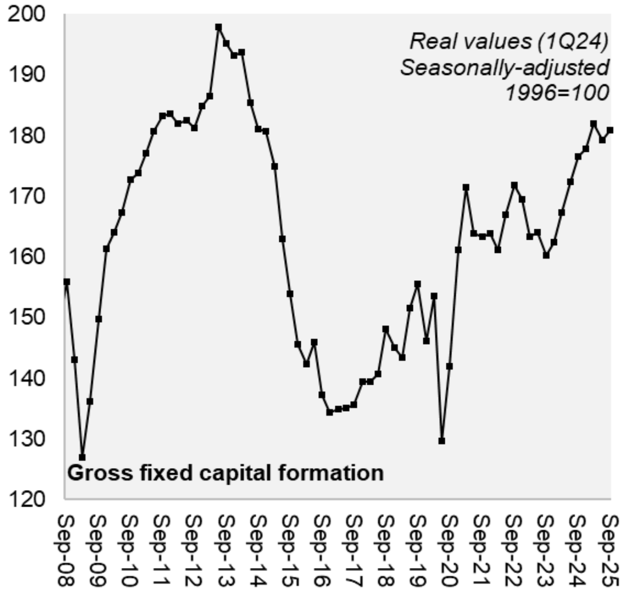
Source: IBGE, Itaú

Government spending grew 1.3%qoq



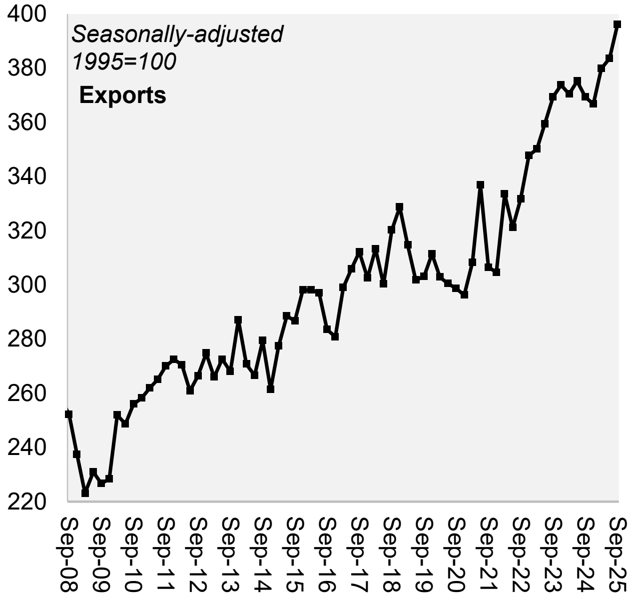
Source: IBGE, Itaú

GFCF rose 0.9% in the quarter, after a weak 2Q25



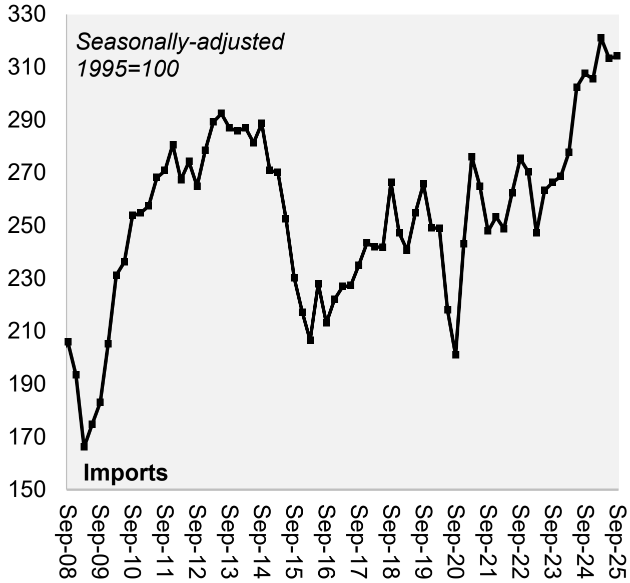
Source: IBGE, Itaú

Exports expanded 3.3%qoq/sa…



Source: IBGE, Itaú

… while imports grew 0.3qoq/sa



Source: IBGE, Itaú

3Q25	Weight	Forecast (YoY)	Actual (YoY)	Error contribution
GDP	**100%**	**1.7%**	**1.8%**	**0.1%**
AGRICULTURE	**6%**	**6.0%**	**10.1%**	**0.2%**
INDUSTRY	**22%**	**1.6%**	**1.7%**	**0.0%**
Manufacturing	13%	-0.1%	-0.6%	-0.1%
Construction	3%	1.0%	2.0%	0.0%
Utilities	2%	-2.2%	-1.0%	0.0%
Mining/Extractive	4%	11.0%	11.9%	0.0%
SERVICES	**59%**	**1.5%**	**1.3%**	**-0.1%**
Public Administration	14%	0.1%	0.3%	0.0%
Other Services*	15%	2.0%	1.1%	-0.1%
Retail	10%	0.4%	0.9%	0.1%
Housing	8%	2.1%	2.0%	0.0%
Financial services	7%	2.6%	0.4%	-0.1%
Transportation	3%	2.9%	4.2%	0.0%
Information Technology	3%	4.7%	5.3%	0.0%
TAXES	**13%**	**1.4%**	**1.4%**	**0.0%**

*Includes services offered to households (bars, restaurants, hotels, beauty parlors, etc.)
Source: IBGE, Itaú

	Quarter over quarter seasonally adjusted				YoY			
	4Q-24	1Q-25	2Q-25	3Q-25	4Q-24	1Q-25	2Q-25	3Q-25
GDP	**-0.1**	**1.5**	**0.3**	**0.1**	**3.6**	**3.1**	**2.4**	**1.8**
Demand								
Household consumption	-0.9	0.6	0.6	**0.1**	4.0	2.2	1.8	**0.4**
Government Expenditure	-0.8	1.3	0.0	**1.3**	0.1	2.0	0.9	**1.8**
Investment (GFCF)	0.7	2.3	-1.5	**0.9**	9.2	9.0	4.1	**2.3**
Exports	-0.7	3.6	1.0	**3.3**	-0.7	1.2	2.1	**7.2**
Imports	-0.7	5.1	-2.4	**0.3**	16.6	13.3	3.9	**2.2**
Inventories contribution*	0.5	0.8	-0.4	**-0.9**	-	-	-	**-**
Supply								
Agriculture	-3.8	16.4	-1.4	**0.4**	-1.8	12.9	11.5	**10.1**
Industry	0.2	0.2	0.6	**0.8**	2.2	2.4	1.1	**1.7**
Services	-0.2	1.0	0.3	**0.1**	3.5	2.1	1.9	**1.3**
Taxes	-3.8	16.4	-1.4	**0.4**	6.2	2.9	1.5	**1.4**

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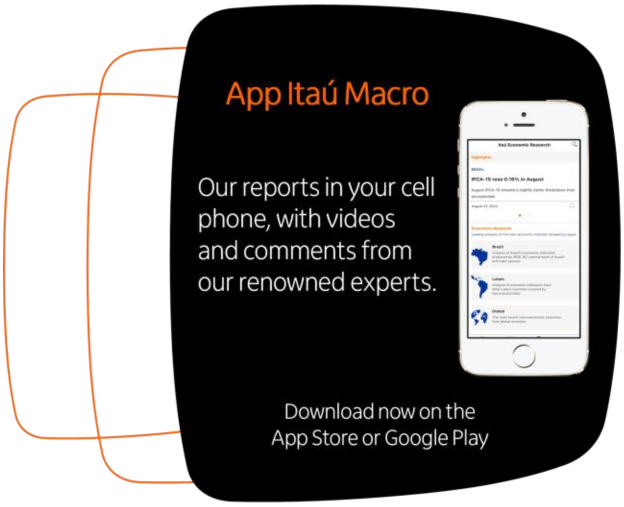

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