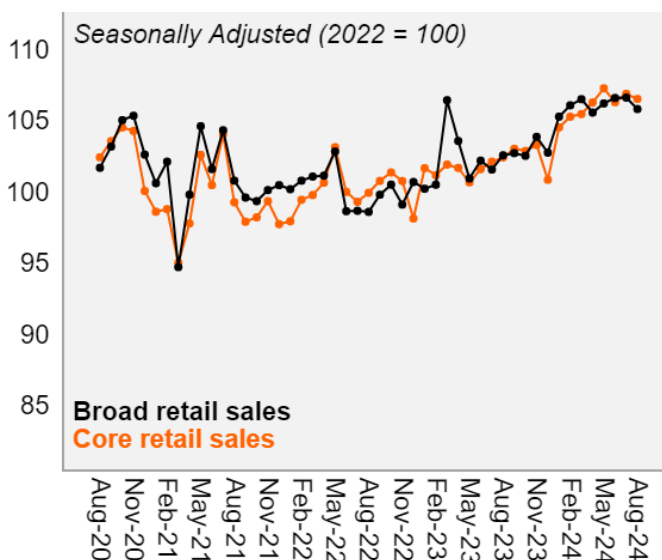


Thursday, October 10, 2024

Broad Retail Sales fell 0.8% mom/sa in August

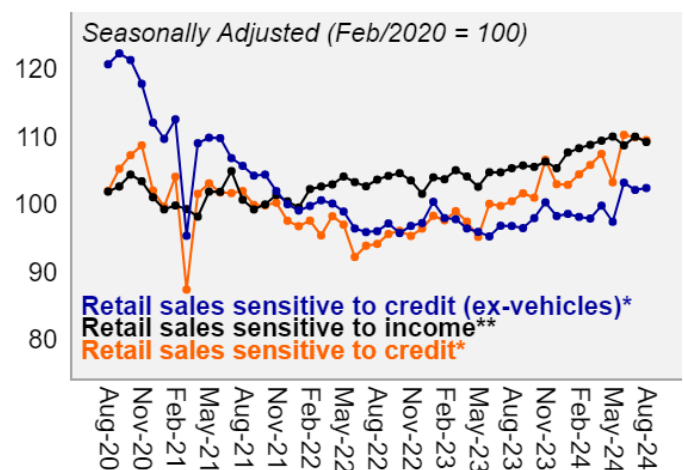
- ▶ Broad retail sales receded 0.8% mom/sa in August (+3.1% yoy), below our call (+0.2% mom/sa) and the market's expectation (+0.3% mom/sa). Core sales contracted 0.3% mom/sa (+5.1% yoy), slightly above our call (-0.5% mom/sa) and exceeding the market's expectation (-0.6% mom/sa).
- ▶ Versus our estimates, the largest surprise in core sales was "Hypermarkets, supermarkets, food, beverages and tobacco" (6.1% vs. our forecast of 4.3% yoy), while the largest forecast error in broad sales was "Wholesale specialized in foods" (-11.5% vs. estimated -6.2% yoy).
- ▶ Out of 10 sectors, 2 advanced and 8 contracted at the margin. The positive highlight was "Pharmaceutical, medical" (+1.3% mom/sa), while "Auto & Parts" (-5.2% mom/sa) stood out on the negative side.
- ▶ With today's release, the carry over for 3Q24 now stands at 0.0% and -0.0% for core and broad sales, respectively.
- ▶ Our view: in August, broad retail sales ex wholesale (which matters more for GDP) were slightly weaker than expected, with a negative surprise in "vehicles and parts". However, there was a positive surprise in core retail sales, with a higher number in "Hypermarkets, supermarkets, food, beverages and tobacco". Today's data corroborates an economic slowdown in 3rd quarter of the year.

Broad Retail Sales fell 0.8% mom/sa in August



Source: IBGE, Itaú

Retail sales sensitive to income contracted



*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 - August/24(%)		
Sector	%MoM S.A.	%YoY
Core retail sales	-0.3	5.1
Fuel, lubricants	-0.2	-4.6
Hypermarkets, supermarkets, food, beverages and tobacco	-0.1	6.1
Fabric, apparel, footwear	-0.4	5.8
Furniture and appliances	-1.6	6.4
Pharmaceutical, medical	1.3	15.7
Equipment and material for office	-2.0	-2.8
Books, periodicals, magazines	-2.6	-7.6
Other goods of personal use*	-3.9	1.6
Broad retail sales	-0.8	3.1
Broad retail sales ex-wholesales	-0.0	5.7
Wholesale specialized in foods	-	-11.5
Auto & Parts	-5.2	8.3
Construction material	0.3	4.5

*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 August/24 - forecast vs. actual (%)				
Sector	Weight	Actual (YoY)	Forecast (YoY)	Error Contribution (p.p.)
Core retail sales	59.6	5.1	4.6	0.3
Fuel, lubricants	7.2	-4.6	-7.1	0.2
Hypermarkets, supermarkets, food, beverages and tobacco	32.2	6.1	4.3	0.6
Fabric, apparel, footwear	3.7	5.8	8.4	-0.1
Furniture and appliances	4.1	6.4	-0.8	0.3
Pharmaceutical, medical	5.6	15.7	18.2	-0.1
Equipment and material for office	0.9	-2.8	-2.0	-0.0
Books, periodicals, magazines	0.2	-7.6	-7.3	-0.0
Other goods of personal use*	5.8	1.6	12.1	-0.6
Broad retail sales	100.0	3.1	4.5	-1.4
Broad retail sales ex-wholesales	84.1	5.7	6.5	-0.7
Wholesale specialized in foods	15.9	-11.5	-6.2	-0.8
Auto & Parts	16.8	8.3	12.7	-0.7
Construction material	7.7	4.5	5.7	-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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