

Metals & Mining

Steel Demand Remained Resilient in Jun'25; We Favor Longs vs. Flats

Brazil Steel Insights

For Jun'25, we note an improvement in steel demand in Brazil, with apparent consumption for flat and long steel up by +17% YoY and +7% YoY, respectively. (i) For flats, demand has remained solid, with domestic sales +4% YoY, despite continued high import penetration levels (28.5% in Jun'25), which we expect to remain elevated throughout the year. (ii) For longs, demand also showed a positive performance (+7% YoY, +4% MoM), although a higher import penetration output (from 14.5% in May'25 to 16.9% in Jun'25) raises concerns about foreign competition.

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In this report, we analyze the main **Brazil steel indicators**, including detailed discussions on market trends.

Our take: despite an overall increase in apparent steel consumption in Jun'25, we remain concerned about domestic steel demand given the current high-interest rate environment in Brazil, **favoring long vs. flat steel**.

- For long steel, we expect stable to slightly higher prices in the short-term, as parity levels are not high enough to incentivize an acceleration on imports and given our view of a relatively better sentiment on a potential attempt for a price (*upward*) correction after the stabilization on rebar prices.
- For flat steel, although ongoing discussions regarding anti dumping ([more details here](#)) could imply upside if such measures are implemented (*possibly not until next year, and not our base-case*), elevated HRC parity levels and high import penetration might continue to pressure prices in the near-term. Finally, although the new quota-system ([implemented on June 23rd](#)) could partly limit incremental imports, we do not expect a significant reduction on imported volumes, implying a risk especially if demand starts to deteriorate.

Regarding flat steel products ([see here](#)), we note that apparent consumption remained at a solid level, increasing +17% YoY (*with domestic sales +4% YoY*). According to our channel checks, steel inventories at southern ports and distributors remained elevated, with imports expected to remain at high levels throughout 2025E considering the current high orderbook for imported flat steel products, with current parity levels vs. Chinese HRC continuing to incentivize imports, [although showing a recent reduction, now at ~16% \(imports have reached record-high levels vs. apparent demand\)](#). We also note that market participants remain concerned about the uncertainties surrounding steel demand, particularly due to rising interest rates (*Capital Goods and Automotive sectors are historically highly sensitive to interest rates*), with downside risks if apparent consumption deteriorates in 2H25E.

For long steel ([see here](#)), apparent demand slightly improved in Jun'25 (+4% MoM, +7% YoY), with rebar prices stabilizing in recent weeks (*still -17% YTD*). With current parity levels at 6% vs. Turkish rebar w/o import tariffs (*a proxy for Egypt rebar*), we see no clear incentive for imports (*although we see the higher import penetration figure in Jun'25 as a yellow flag*). On short-term prices, our channel checks indicate a more normalized pricing environment, with some attempts for rebar price increases throughout Jul'25. That said, although we do not see price hikes as obvious for long steel products, we believe the asymmetry is to the upside.

Brazil Steel Coverage Summary

Company	Ticker	Current Price	Target Price	Upside	Rec.	EBITDA (million)		EV/EBITDA		Mkt. Cap (R\$ mn)
						2025E	2026E	2025E	2026E	
Gerdau	GGBR4	R\$ 16.01	R\$ 27.00	69%	Buy	R\$ 10,249	R\$ 10,949	3.4x	3.3x	R\$ 32,190
Metalurgica Gerdau	GOAU4	R\$ 8.91	R\$ 12.70	43%	Buy	n.a.	n.a.	n.a.	n.a.	R\$ 9,105
CSN	CSNA3	R\$ 7.87	R\$ 20.00	154%	Neutral	R\$ 11,693	R\$ 11,543	4.5x	4.9x	R\$ 10,808
Usiminas	USIM5	R\$ 4.40	R\$ 10.00	127%	Neutral	R\$ 3,188	R\$ 3,504	2.6x	2.4x	R\$ 5,675

Brazil Steel - Breakdown by Product

Apparent Steel Demand Increased in Jun'25

Steel apparent demand improved in Jun'25 (+13% YoY, +2% MoM).

- For flat steel: apparent demand improved +17% YoY (+2% MoM), with production up +6% YoY (despite down -3% MoM), with domestic sales up by +4% YoY in Jun'25 (up +8% MoM). Imports increased by 77% YoY in Jun'25 (although decline by -11% MoM), with ~29% of apparent demand configured of imported products (+10 p.p. YoY, -4 p.p. MoM in Jun'25).
- For long steel: apparent demand also increased – although at a lower pace vs. flat steel – at +7% YoY, (+4% MoM), with production up by +5% YoY (+1% MoM), with domestic sales up by +1% YoY in Jun'25 (+1% MoM). Imports increased by +77% YoY in Jun'25 (+21% MoM), with ~17% of apparent demand configured of imported products (+7 p.p. YoY, +2 p.p. MoM in Jun'25).

Figure 1: Brazil Steel Volumes (kt)

Product	Jun-25	Jun-24	YoY	May-25	MoM	2025	2024	Accum. 25 vs. 24
Production	5,550	5,577	0%	5,396	3%	32,314	32,371	0%
Crude	2,836	2,850	0%	2,706	5%	16,498	16,419	0%
Rolled Products	1,983	1,884	5%	2,006	-1%	11,821	11,576	2%
Flats	1,148	1,087	6%	1,180	-3%	6,799	6,692	2%
Longs	835	798	5%	826	1%	5,022	4,884	3%
Semi-finished	730	842	-13%	685	7%	3,995	4,375	-9%
Domestic Sales	1,882	1,841	2%	1,788	5%	10,516	10,199	3%
Rolled Products	1,863	1,814	3%	1,773	5%	10,393	10,012	4%
Flats	1,106	1,064	4%	1,025	8%	6,101	5,880	4%
Longs	757	750	1%	749	1%	4,292	4,132	4%
Semi-finished	19	28	-32%	15	25%	123	187	-34%
Exports	1,070	657	63%	992	8%	5,170	4,637	11%
Rolled Products	104	140	-26%	164	-37%	1,039	1,203	-14%
Flats	42	48	-12%	49	-12%	475	617	-23%
Longs	61	92	-33%	115	-47%	564	586	-4%
Semi-finished	967	517	87%	829	17%	4,131	3,434	20%
Imports	596	428	39%	700	-15%	3,522	2,735	29%
% App. Demand	24.0%	19.5%	4 p.p.	28.9%	-5 p.p.	25.6%	21.9%	4 p.p.
Rolled Products	595	336	77%	623	-4%	3,178	2,268	40%
% App. Demand	24.2%	15.6%	9 p.p.	26.0%	-2 p.p.	23.4%	18.5%	5 p.p.
Flats	441	249	77%	496	-11%	2,318	1,543	50%
% App. Demand	28.5%	19.0%	10 p.p.	32.6%	-4 p.p.	27.5%	20.8%	7 p.p.
Longs	154	87	77%	127	21%	860	725	19%
% App. Demand	16.9%	10.4%	7 p.p.	14.5%	2 p.p.	16.7%	14.9%	2 p.p.
Semi-finished	1	92	-99%	77	-99%	344	468	-26%
Apparent Demand	2,479	2,190	13%	2,419	2%	13,732	12,496	10%
Flats	1,558	1,326	17%	1,529	2%	8,425	7,532	12%
Longs	921	863	7%	890	4%	5,307	4,964	7%
Apparent Demand (XP)¹ - Rolled Products	2,458	2,150	14%	2,396	3%	13,571	12,280	11%
Flats	1,547	1,313	18%	1,520	2%	8,419	7,423	13%
Longs	911	837	9%	876	4%	5,152	4,857	6%

Figure 2: Flat Steel Apparent Demand (kt)

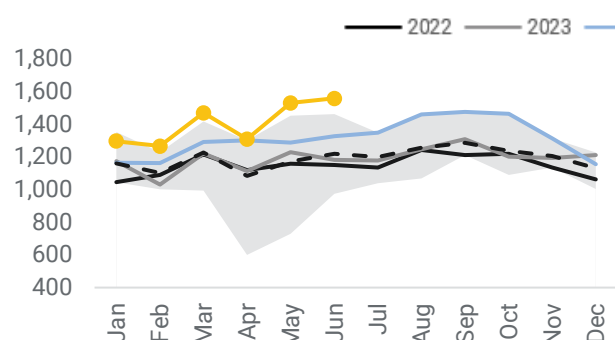
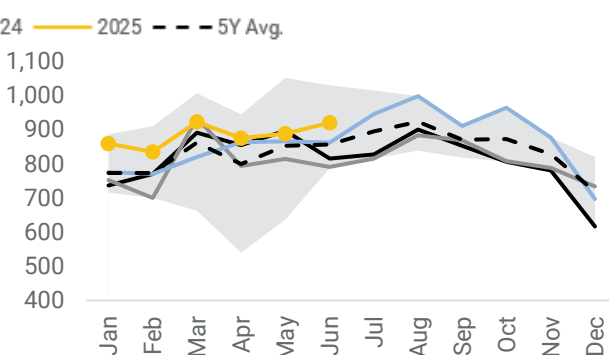


Figure 3: Long Steel Apparent Demand (kt)



Brazil Steel Sector Performance Overview

Flat Steel – Imports Decreased MoM in Jun'25

Figure 4: Flat Steel Production (kt)

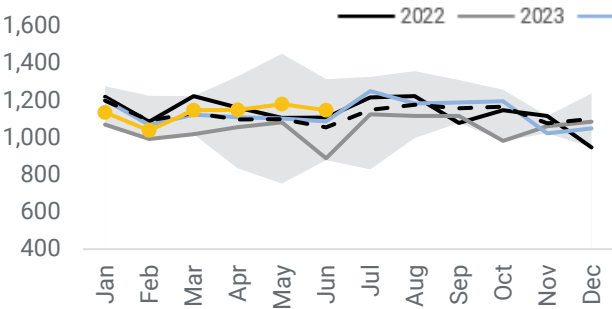


Figure 5: Flat Steel Domestic Sales (kt)

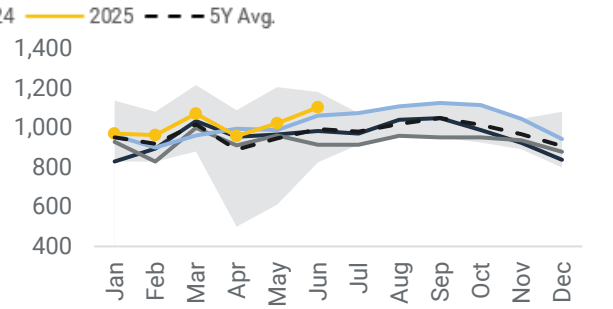


Figure 6: Flat Steel Imports (kt)

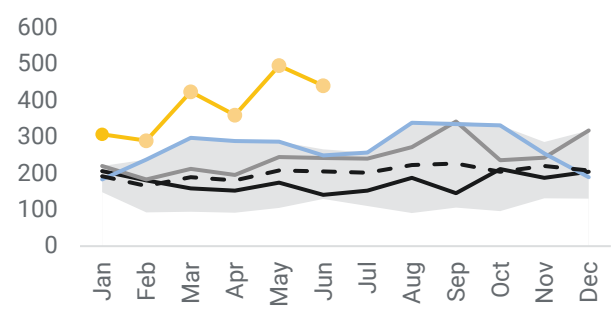
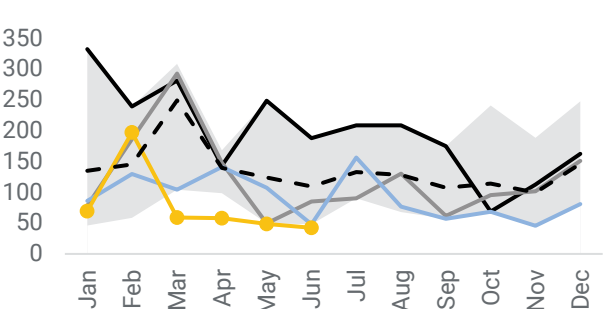


Figure 7: Flat Steel Exports (kt)



Long Steel – Exports Dropped Severely MoM In Jun'25

Figure 8: Long Steel Production (kt)

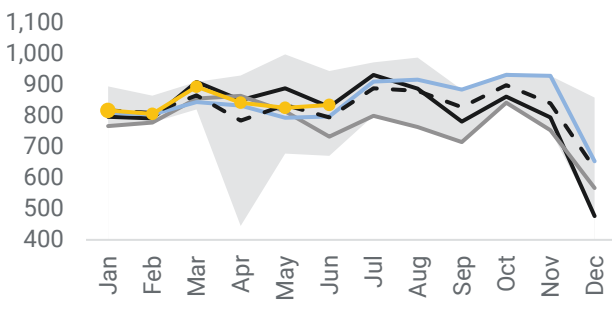


Figure 9: Long Steel Domestic Sales (kt)

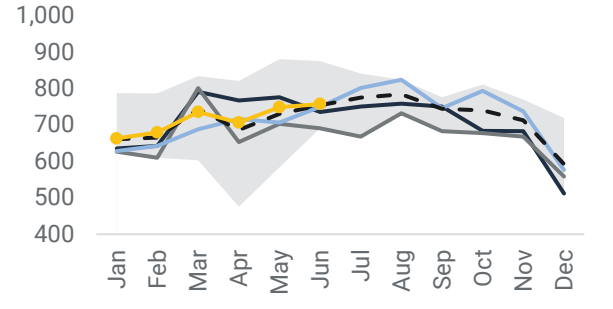


Figure 10: Long Steel Imports (kt)

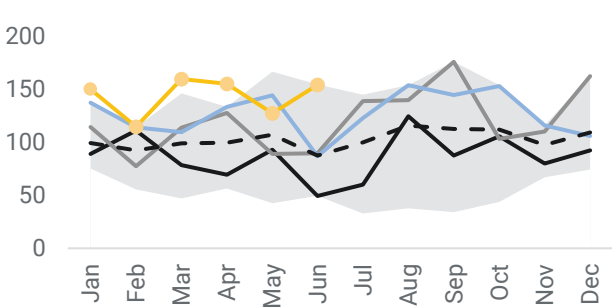
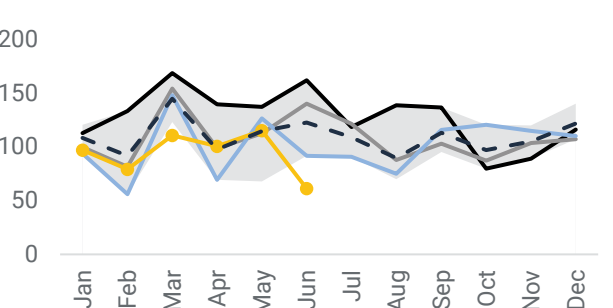


Figure 11: Long Steel Exports (kt)



Evaluating Parity Levels vs. Imported Products

Flat Steel Parity at +16%, With Volumes Mostly from China

Figure 12: Flat Steel Import Volumes by Country of Origin and Entry Port

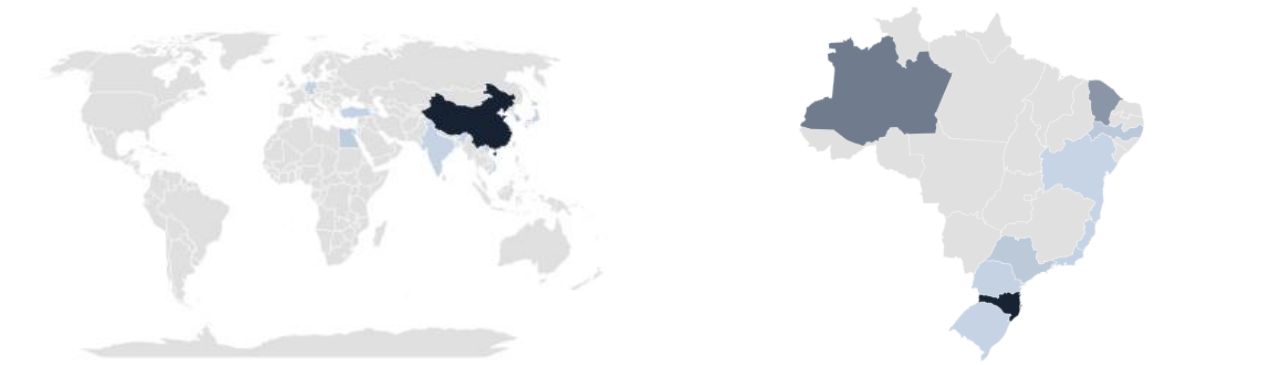


Figure 13: HRC Import Volumes By Country (kt)

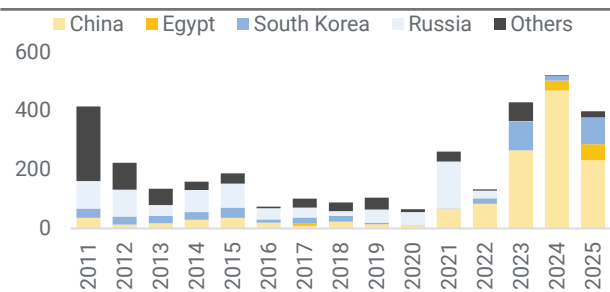
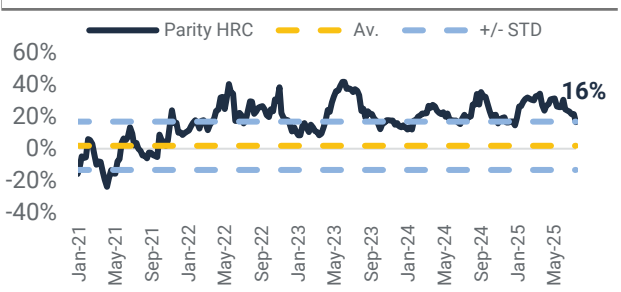


Figure 14: HRC China Import Parity (%)



Long Steel Parity at +6% vs. Turkey Prices W/O Import Taxes

Figure 15: Long Steel Import Volumes by Country of Origin and Entry Port



Figure 16: Rebar Import Volumes By Country (kt)

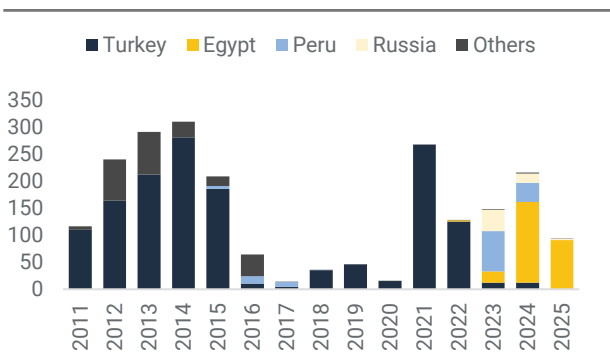
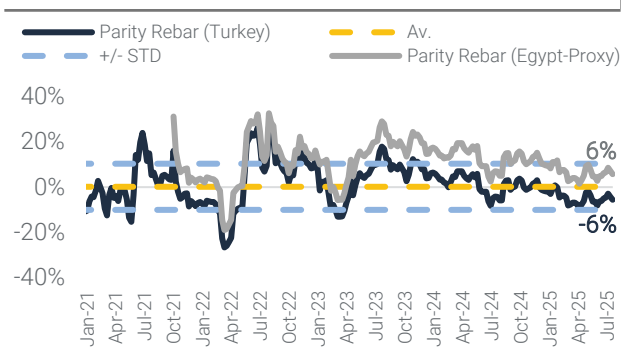


Figure 17: Rebar Turkey/Egypt Import Parity (%)



Brazil Steel - SECEX Breakdown by Product

Imports' Penetration Remains at High Levels

Figure 18: Brazil Steel Import and Export Volumes (kt)

Product	Jun-25	Jun-24	YoY	May-25	MoM	2025	2024	Accum. 25 vs. 24
Steel Imports (kt)	537	389	▲ 38%	657	▼ -18%	3,214	2,481	▲ 30%
Semifinished Products	1	92	▼ -99%	77	▼ -99%	344	468	▼ -26%
Slabs	0	81	▼ -100%	71	▼ -100%	105	428	▼ -75%
Ingots, Blooms and Billets	0	11	▼ -96%	6	▼ -93%	239	40	▲ 499%
Longs	108	57	▲ 88%	96	▲ 12%	628	528	▲ 19%
Bars	32	20	▲ 63%	24	▲ 36%	154	108	▲ 42%
Concrete Reinforcing Bars	8	2	▲ 400%	12	▼ -35%	103	83	▲ 23%
Wire Rods	31	14	▲ 127%	23	▲ 34%	159	101	▲ 58%
Shapes and Seamless Tubes	32	22	▲ 49%	23	▲ 42%	144	167	▼ -13%
Rails and Track Accessories	5	1	▲ 561%	15	▼ -67%	68	69	▼ -2%
Flats	420	233	▲ 80%	475	▼ -12%	2,178	1,448	▲ 50%
Uncoated	148	47	▲ 213%	124	▲ 20%	648	459	▲ 41%
Heavy Plates	5	2	▲ 146%	1	▲ 273%	10	19	▼ -47%
Coiled Plates	16	0	▲ 5425%	13	▲ 19%	53	36	▲ 47%
Hot Rolled Sheets	0	0	▼ -69%	0	▼ -88%	1	1	▼ -23%
Hot Rolled Coils	99	40	▲ 150%	79	▲ 25%	399	234	▲ 71%
Cold Rolled Sheets	0	0	■ 3%	0	▼ -58%	2	1	▲ 160%
Cold Rolled Coils	29	5	▲ 425%	29	▼ -2%	182	168	▲ 9%
Coated	158	150	▲ 5%	166	▼ -5%	830	813	■ 2%
Canning Plates	14	9	▲ 45%	24	▼ -41%	94	92	■ 2%
Hot Dip Galvanized Sheets	32	60	▼ -46%	47	▼ -32%	254	302	▼ -16%
Electrolytic Galvanized Sheets	2	3	▼ -21%	2	▲ 10%	14	15	▼ -8%
Sheets Coated with Aluminum-zinc	77	63	▲ 23%	53	▲ 45%	282	290	▼ -3%
Pre-painted Sheets	32	14	▲ 124%	40	▼ -18%	187	114	▲ 64%
Special-Alloy Steel	114	36	▲ 218%	186	▼ -38%	701	177	▲ 296%
Stainless Steel Sheets and Coils	18	7	▲ 168%	14	▲ 32%	92	39	▲ 134%
Silicon Steel Sheets and Coils	38	12	▲ 218%	19	▲ 103%	108	64	▲ 68%
Other Alloy Steel Sheets and Coils	59	17	▲ 237%	153	▼ -62%	500	73	▲ 586%
Others	9	6	▲ 40%	10	▼ -11%	64	38	▲ 70%

Figure 19: Flat & Long Steel - Imports as a % of Apparent Demand (%)

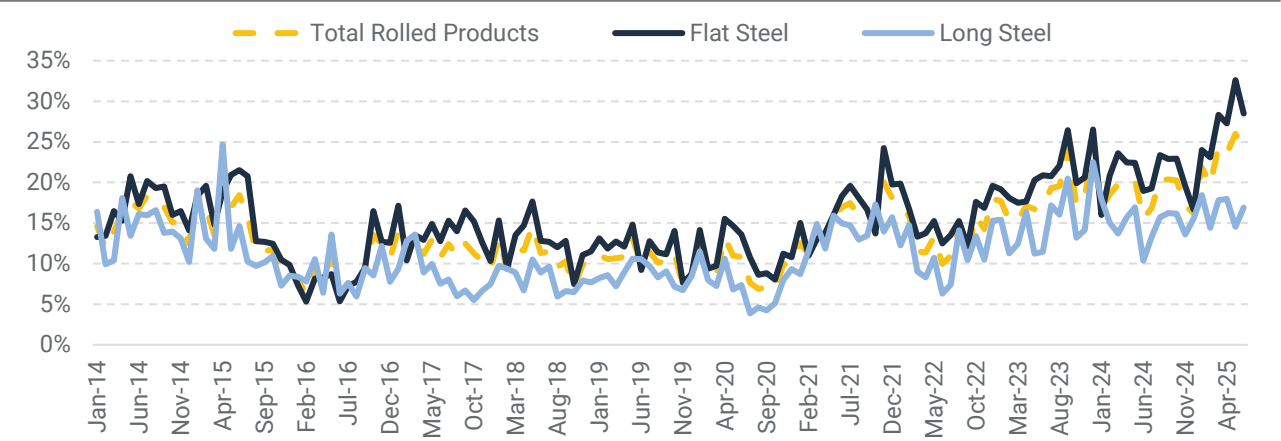


Figure 20: Imports as a % of Rolled Products' Apparent Demand (%)

Import Penetration	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Apr-25	May-25	Jun-25
Total Rolled Products	14.9%	9.1%	11.7%	10.8%	10.4%	9.3%	15.4%	13.6%	18.6%	18.6%	23.6%	26.0%	24.2%
Flat Steel	16.4%	9.3%	13.8%	12.5%	11.7%	10.9%	16.5%	15.5%	20.9%	20.9%	27.3%	32.6%	28.5%
Long Steel	13.1%	8.7%	8.5%	8.2%	8.6%	7.0%	13.9%	10.9%	15.1%	15.0%	18.0%	14.5%	16.9%

Competitive Landscape in Brazil

Gerdaу's Longs Share at ~31% in 1Q25; Usiminas at ~25% for Flats

Figure 21: Brazil Steel Sales Breakdown by Domestic Players and Imported Volumes (kt)

Steelmakers	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Total Apparent Demand	5,722	5,828	6,221	5,848	5,866	6,413	7,040	6,367	6,535	7,036
Domestic Sales	4,801	4,839	4,912	4,675	4,788	5,225	5,688	5,217	5,090	5,303
Gerdaу	1,207	1,189	1,150	1,084	1,165	1,175	1,209	1,068	1,079	1,151
Usiminas	927	874	924	920	920	974	1,070	961	1,002	1,090
CSN	669	739	747	762	732	798	867	876	789	857
Other Players	1,997	2,037	2,092	1,909	1,970	2,278	2,543	2,311	2,220	2,206
Imports	921	989	1,309	1,173	1,079	1,189	1,352	1,151	1,445	1,733
Flat Steel - Total Apparent Demand	3,378	3,475	3,684	3,568	3,547	3,876	4,248	3,886	4,032	4,387
Domestic Sales	2,763	2,792	2,830	2,771	2,828	3,052	3,317	3,110	3,011	3,090
Gerdaу	426	406	402	397	423	382	373	349	298	
Usiminas	927	874	924	920	920	974	1,070	961	1,002	
CSN	620	680	678	686	666	720	788	797	718	
Other Players	789	832	826	768	820	976	1,086	1,003	993	
Imports	616	683	855	797	718	824	931	776	1,021	1,297
Long Steel - Total Apparent Demand	2,343	2,353	2,537	2,280	2,320	2,537	2,792	2,482	2,503	2,649
Domestic Sales	2,038	2,047	2,083	1,905	1,959	2,173	2,372	2,107	2,079	2,213
Gerdaу	781	783	748	688	742	793	836	719	781	
Usiminas	0	0	0	0	0	0	0	0	0	
CSN	49	59	69	77	67	78	79	79	72	
Other Players	1,208	1,205	1,265	1,141	1,150	1,302	1,457	1,309	1,227	
Imports	305	306	454	375	360	364	421	375	424	436
Flat Steel Market Share	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gerdaу	12.6%	11.7%	10.9%	11.1%	11.9%	9.9%	8.8%	9.0%	7.4%	
Usiminas	27.4%	25.2%	25.1%	25.8%	25.9%	25.1%	25.2%	24.7%	24.8%	
CSN	18.4%	19.6%	18.4%	19.2%	18.8%	18.6%	18.5%	20.5%	17.8%	
Other Players	23.4%	23.9%	22.4%	21.5%	23.1%	25.2%	25.6%	25.8%	24.6%	
Imports	18.2%	19.6%	23.2%	22.3%	20.3%	21.3%	21.9%	20.0%	25.3%	29.6%
Long Steel Market Share	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gerdaу	33.3%	33.3%	29.5%	30.2%	32.0%	31.2%	29.9%	29.0%	31.2%	
Usiminas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
CSN	2.1%	2.5%	2.7%	3.4%	2.9%	3.1%	2.8%	3.2%	2.9%	
Other Players	51.6%	51.2%	49.9%	50.0%	49.6%	51.3%	52.2%	52.7%	49.0%	
Imports	13.0%	13.0%	17.9%	16.5%	15.5%	14.4%	15.1%	15.1%	16.9%	16.5%
Total Steel Market Share	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gerdaу	21.1%	20.4%	18.5%	18.5%	19.9%	18.3%	17.2%	16.8%	16.5%	
Usiminas	16.2%	15.0%	14.9%	15.7%	15.7%	15.2%	15.2%	15.1%	15.3%	
CSN	11.7%	12.7%	12.0%	13.0%	12.5%	12.4%	12.3%	13.8%	12.1%	
Other Players	34.9%	35.0%	33.6%	32.6%	33.6%	35.5%	36.1%	36.3%	34.0%	
Imports	16.1%	17.0%	21.0%	20.1%	18.4%	18.5%	19.2%	18.1%	22.1%	24.6%

Figure 22: Steel Prices and Realized Prices (R\$/t)

Unit Revenues Estimates	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Gerdaу										
Domestic Unit Revenues (QoQ)	-5.7%	-0.2%	-1.9%	-4.7%	-0.2%	0.5%	2.9%	4.4%	-4.6%	
Estimated Index (QoQ)	-4.4%	-1.6%	-5.8%	-2.8%	1.2%	-0.4%	3.2%	4.5%	-2.7%	-7.7%
Diff. (p.p.)	-1.3p.p.	1.4p.p.	3.9p.p.	-1.9p.p.	-1.4p.p.	0.9p.p.	-0.3p.p.	-0.1p.p.	-1.9p.p.	
Usiminas										
Domestic Unit Revenues (QoQ)	-6.4%	-2.0%	-6.9%	-5.8%	0.0%	-2.9%	0.5%	1.2%	0.1%	
Estimated Index (QoQ)	-4.3%	0.7%	-2.1%	-5.8%	-2.0%	0.9%	1.0%	0.9%	1.9%	-0.6%
Diff. (p.p.)	-2.1p.p.	-2.6p.p.	-4.8p.p.	0.0p.p.	2.0p.p.	-3.7p.p.	-0.5p.p.	0.3p.p.	-1.8p.p.	
CSN										
Domestic Unit Revenues (QoQ)	-3.1%	0.2%	-6.5%	-3.3%	-4.4%	0.9%	0.2%	1.2%	2.3%	
Estimated Index (QoQ)	-0.1%	1.4%	-9.3%	-6.0%	1.6%	0.7%	2.4%	0.8%	5.0%	-8.4%
Diff. (p.p.)	-3.0p.p.	-1.2p.p.	2.8p.p.	2.7p.p.	-6.0p.p.	0.1p.p.	-2.1p.p.	0.4p.p.	-2.7p.p.	

Figure 23: Flat Steel Market Share (%)

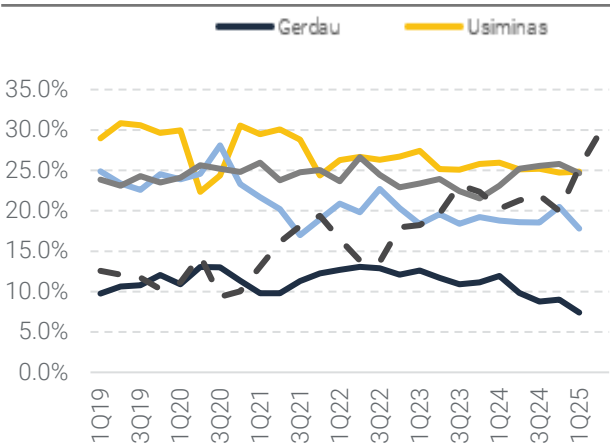


Figure 24: Long Steel Market Share (%)

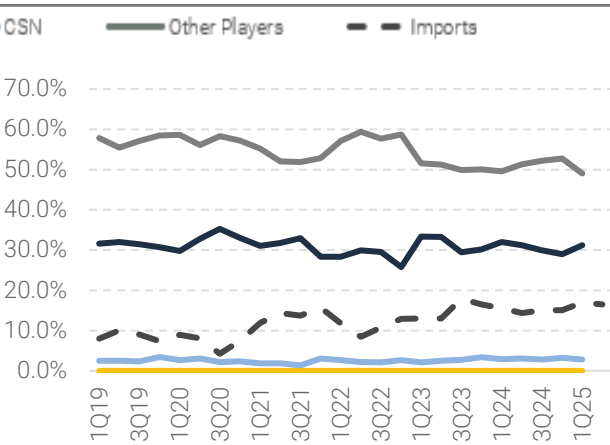


Figure 25: Steel Prices and Realized Prices (R\$/t)

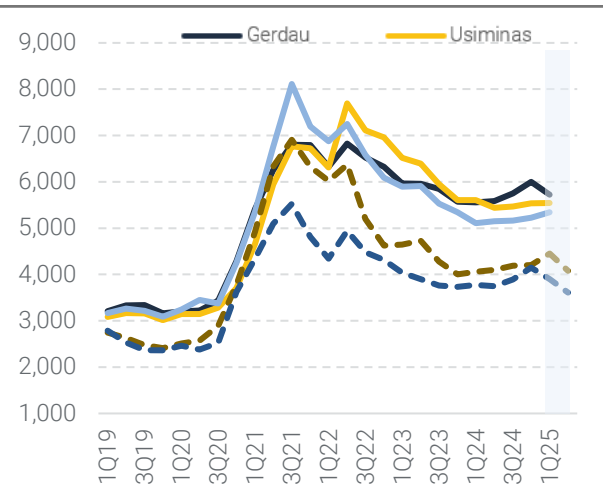


Figure 26: Steel Prices Premium vs. Reference (%)

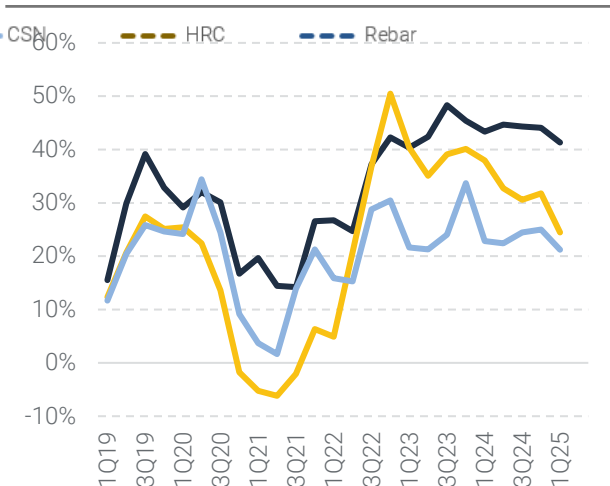
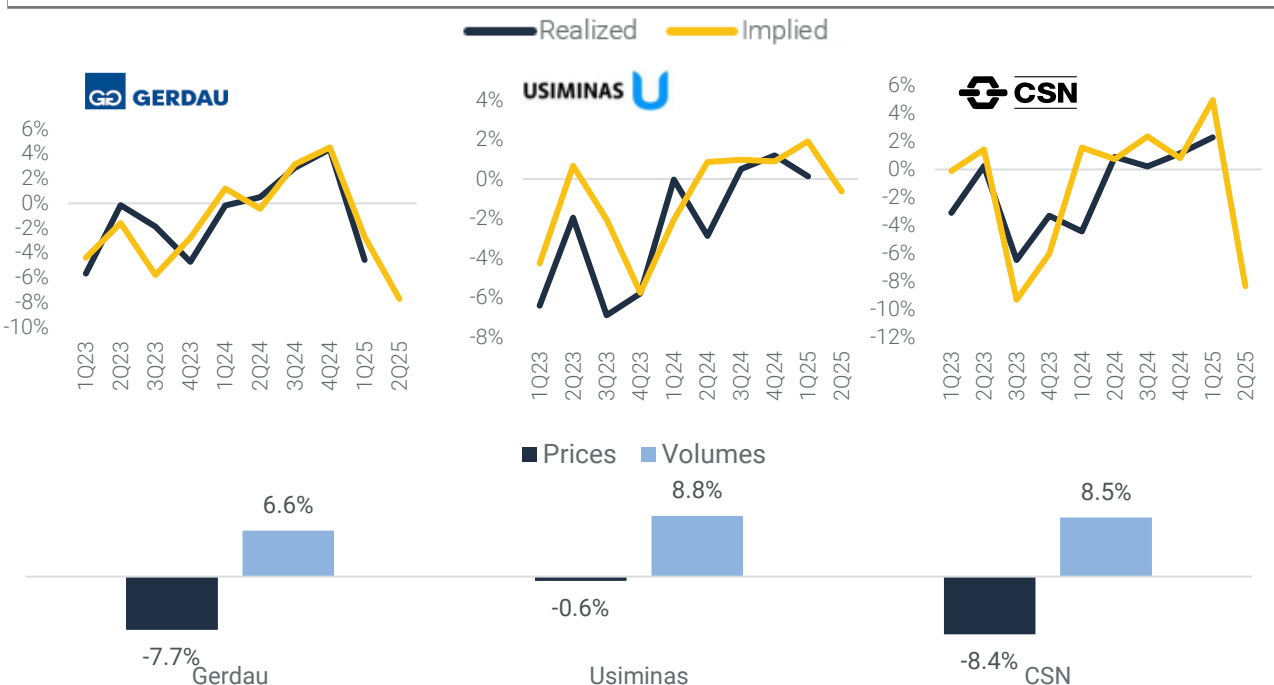


Figure 27-32: Unit Revenues vs. Estimates QoQ Changes (%) and Volumes and Prices QoQ Evolution (100)



Brazil Steel Industry Map

Tracking Anti Dumping Measures

There are several **anti-dumping measures under investigation in Brazil**, and we note that **Usiminas** and **CSN** have most their products potentially affected by the anti dumping and quota measures. According to our channel checks, it is expected that a final decision for most of the anti dumping-related cases under investigation will be announced by the end of the year or by early 2026E.

Figure 33: Brazil Steel Anti-Dumping Status - By Product

Steel Type Category		Requesters	Investigated Countries	Current Status¹	Start Date	Last Update	Next Update	% of Imports YTD²	Link
Flat	Thin plate	CSN	China	Implemented	1-Mar-24	18-Oct-24	-	3.2%	Link
Flat	Thin plate	CSN	Germany, Japan and Netherlands	Started Investigation	30-May-25	30-May-25	-	3.2%	Link
Flat	Cold Rolled Coil	Usiminas	China	Final Investigation	19-Aug-24	11-Jun-25	6-Aug-25	17.3%	Link
Flat	Hot Rolled Coil	Arcelor, Gerdau and Usiminas	China	Started Investigation	2-Jun-25	2-Jun-25	-	28.6%	Link
Flat	Hot Dip Galvanized Sheets	Arcelor, CSN and Usiminas	China	Final Investigation	2-Sep-24	2-Apr-25	22-Jul to 20-Oct	36.6%	Link
Flat	Pre-Painted	CSN	China and India	Postponed by 18 months	19-Sep-24	23-Apr-25	13-Mar-26	9.1%	Link
Flat	Heavy Plates	Gerdau and Usiminas	South Africa, South Korea, China and Ukraine	Postponed by 12 months	2-Oct-24	19-May-25	9-Jun-25	0.4%	Link
Long	Wire Rod	Arcelor and Gerdau	China and Russia	Started Investigation	17-Jun-25	17-Jun-25	-	24.5%	Link

Figure 34: Brazil Steel Industry Map - By Product

Products			AVB	Aperam	Arcelor	CSN	Gerdau	Sinobras	SIMEC	Ternium	Usiminas	Vallourec	Villares
Flats	Slabs			X	X	X	X			X	X		
	Uncoated Sheets and Coils	Plates and Coiled Plates		X	X	X	X				X		
		Hot Rolled Sheets and Coils		X	X	X	X				X		
		Cold Rolled Sheets and Coils		X	X	X					X		
		Canning Plates				X							
	Coated Sheets and Coils	Hot Dip Galvanized Sheets			X	X					X		
		Electrolytic Galvanized Sheets									X		
		Sheets Coated with Aluminum-Zinc			X	X							
		Pre-painted Sheets				X							
		Other Coated Sheets & Coils				X					X		
	Special Sheets	Stainless Steel Sheets		X									
		Silicon Steel Sheets		X									
		Other Alloy Steel Sheets		X									
Longs	Ingots, Blooms and Billets		X		X	X	X	X	X			X	X
	Bars	Carbon Steel			X		X		X			X	X
		Alloy Engineering Steel					X					X	X
		Stainless Steel					X						X
		Tools and Die Sheet					X						X
	Rebar		X		X	X	X	X	X				
	Wire Rod		X		X	X	X	X	X				X
	Structural Shapes	Light			X		X						
		Medium and Heavy			X		X		X				
	Seamless Tubes and Pipes											X	
	Drawn Products	Wire Bars			X		X	X					X

 **Anti Dumping Under Discussion**

 **Anti Dumping Accepted**

 **Under Quota**

Brazil Real Estate

Strong Launches In 2024 May Support Some Steel Demand

For Real Estate, we highlight: **(i)** according to our Real Estate team, 2025 may be a year of significant construction progress (a leading indicator for steel demand), driven by the robust launch performance of 2024. **(ii)** Inventories were flat at ~7 months (compared to ~9 months of historical average), with new launches remaining strong in São Paulo (+70% YoY in Jan-Apr'25), while Brazilian new launches increased by 62% YoY in Jan-Mar'25, implying on increased steel demand within 6-12 months. **(iii)** The number of mortgage concessions for construction declined YoY in May'25, according to ABECIP, which could generate funding pressure for new project developments. **(iv)** Finally, cement apparent demand increased by +2% YoY and -5% MoM in Jun'25. Although new launches remain at solid levels, our concern remains on the potential impacts of the current high-interest rate environment in the mid/high-income segment ahead.

Figure 35: Monthly Financing Concessions (R\$ mn, lhs) and YoY Performance (% , rhs) - ABECIP

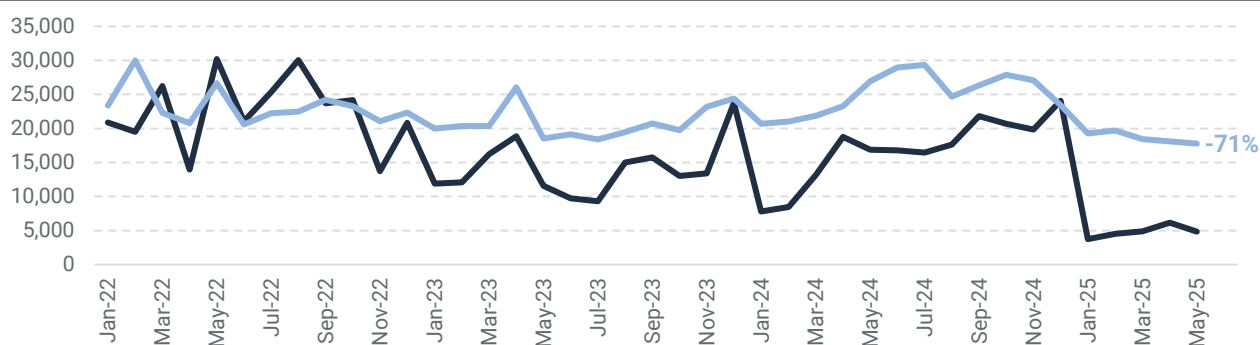


Figure 36: New Launches in São Paulo YTD (Units, %)

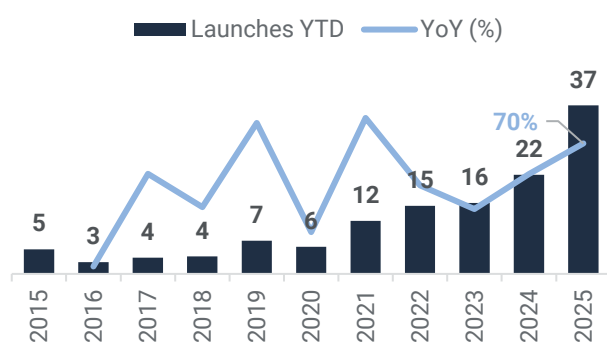


Figure 37: Offers/Inventories in SP (Units, Months)

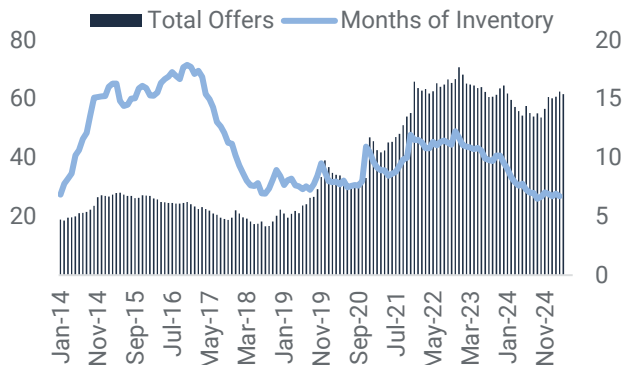


Figure 38: Brazilian YTD New Launches (Units, %)

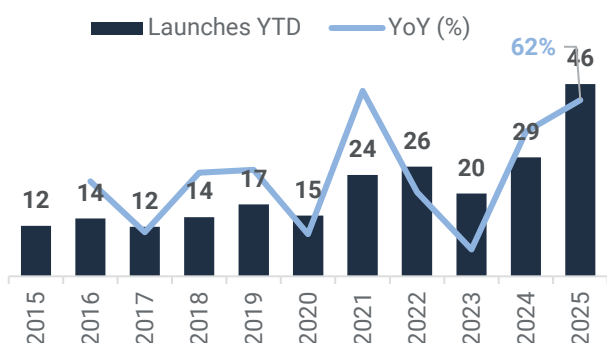
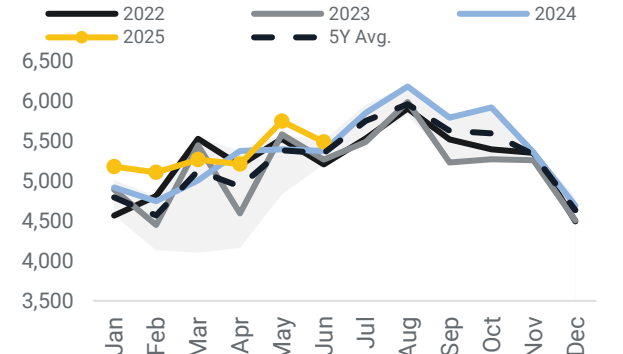


Figure 39: Cement Apparent Demand (kt)



Brazil Auto Industry

Downward Trends Reinforced for Trucks/Trailers Sales

Looking into the automotive sector, we highlight: (i) auto production decreased by -5% YoY in Jun'25, with Anfavea indicating a still challenging 2H25E amid high interest rates; (ii) ANFAVEA figures showed higher buses production (+5% YoY in Jun'25 vs. +7% YoY in May'25); and (iii) a downturn in truck production (-8% YoY in Jun'25 vs. +10% in May'25). Finally, Fenabrave's downward guidance revisions for trucks and trailers in 2025E corroborate the current challenging conditions for the industry – 2025E guidance now indicating a truck sales performance of -7.0% YoY vs. previous guidance (Apr'25) of +4.5% YoY, with trailers sales at -20.0% YoY (vs. flat YoY performance in its latest guidance).

Figure 40: XP's Brazil Automotive Heat Map (% YoY)

Date	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Production										
Autos ¹	215	232	221	178	166	203	175	214	200	187
Trucks	13	15	13	11	8	12	12	11	12	11
Buses	2	2	2	2	2	2	3	3	3	3
Production (YoY Comparison)										
Autos ¹	8%	24%	16%	10%	16%	14%	-4%	3%	31%	-5%
Trucks	61%	41%	31%	29%	1%	18%	4%	-5%	10%	-8%
Buses	17%	15%	30%	35%	13%	10%	10%	2%	7%	5%

Figure 41: Auto Production (Seasonality Analysis)

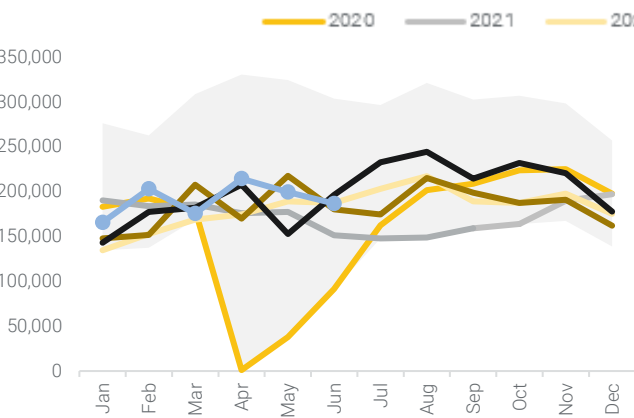


Figure 42: Heavy Production (Seasonality Analysis)

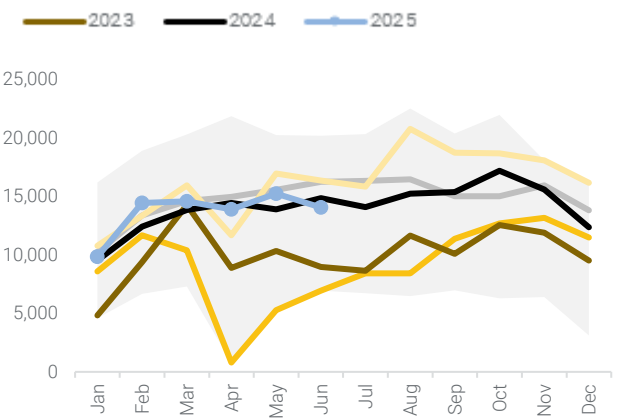


Figure 43: ANFAVEA's 2025 Auto Forecast (Millions)

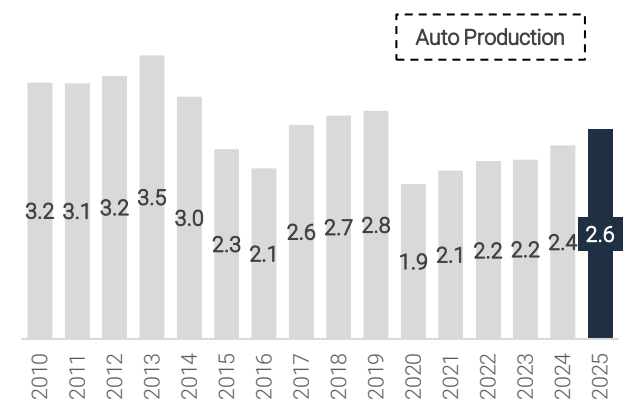
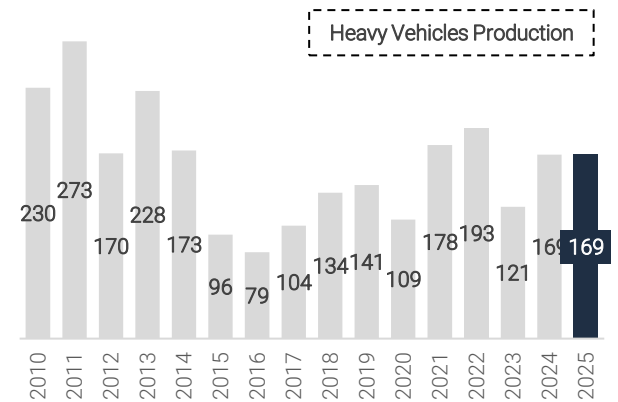


Figure 44: ANFAVEA's 2025 Heavy Forecast (Thousand)



Comps Table

Figure 45: Metals & Mining Comps Sheet

Companies	Current	Rating	Market Cap	ADTV	P/E		EV/EBITDA		Dividend Yield	
	Price					(\$ mi)	(\$ mi)	2025	2026	2025
Diversified Miners					13.3x	12.5x	5.3x	5.0x	3.7%	4.4%
Vale	54.56	Neutral	44,393	235.3	6.5x	6.2x	4.3x	4.3x	6.7%	6.8%
Rio Tinto PLC	4,487.50	N.C.	103,082	157.5	10.3x	10.7x	4.9x	4.8x	5.7%	5.5%
BHP Group Ltd	40.46	N.C.	133,658	218.2	12.9x	13.0x	5.7x	5.8x	4.0%	4.0%
Anglo American PLC	2,233.00	N.C.	35,260	89.6	30.0x	19.9x	7.7x	7.1x	1.5%	2.3%
Glencore	303.55	N.C.	48,518	177.9	24.2x	13.4x	6.0x	5.1x	3.4%	4.9%
South 32	139.20	N.C.	8,852	0.6	13.6x	12.0x	5.0x	4.9x	3.2%	3.4%
Iron Ore					10.2x	12.1x	4.8x	5.4x	7.0%	5.5%
CSN Mineração	5.04	Neutral	4,956	4.4	14.2x	26.7x	6.9x	9.1x	6.3%	3.0%
FMG	17.25	N.C.	34,565	72.5	10.2x	12.1x	4.8x	5.4x	7.0%	5.5%
Kumba Iron	29,602.00	N.C.	5,348	7.1	6.5x	7.5x	3.1x	3.5x	9.9%	8.0%
Latam Steel					4.3x	5.9x	4.0x	3.3x	5.1%	5.7%
Gerdau	16.11	Buy	5,669	26.4	7.0x	6.7x	3.4x	3.3x	5.8%	5.7%
Usiminas	3.92	Neutral	893	11.4	3.9x	3.4x	2.4x	2.2x	5.1%	6.4%
CSN	7.82	Neutral	1,859	11.8	4.3x	5.9x	4.5x	4.9x	4.8%	3.8%
Ternium Argentina SA	657.00	N.C.	2,332	0.8	n.a.	n.a.	7.8x	4.7x	n.a.	n.a.
US Steel					17.3x	11.9x	8.6x	7.2x	1.5%	1.6%
Nucor	140.63	N.C.	32,450	269.0	17.3x	13.0x	8.6x	7.4x	1.6%	1.6%
United States Steel Corp	n.a.	N.C.	12,417	721.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Steel Dynamics	131.63	N.C.	19,541	183.6	13.7x	10.5x	9.0x	7.2x	1.5%	1.6%
Commercial Metals	52.68	N.C.	5,897	58.3	20.7x	11.9x	7.6x	6.3x	1.4%	1.4%
Asia Steel					34.2x	15.2x	9.1x	7.1x	0.0x	2.6%
POSCO Holding	327,000	N.C.	19,029	107.4	19.8x	14.3x	6.5x	5.7x	2.9%	3.0%
Baoshan Iron & Steel	7.36	N.C.	22,465	77.8	15.1x	13.0x	6.6x	6.2x	4.1%	4.7%
China Steel Corp	19.20	N.C.	10,330	11.8	63.4x	36.1x	13.9x	12.2x	1.5%	2.0%
Tata Steel	163.02	N.C.	23,624	48.2	48.5x	16.2x	11.5x	8.0x	2.1%	2.3%
Japan Steel					6.9x	8.2x	5.1x	5.3x	5.9%	4.7%
Nippon Steel	2,766.00	N.C.	20,005	132.0	8.9x	10.1x	5.2x	5.2x	5.6%	4.6%
Kobe Steel	1,590.00	N.C.	4,241	24.3	4.8x	6.3x	5.1x	5.5x	6.2%	4.8%
Europe Steel					16.6x	8.3x	4.4x	3.4x	1.6%	1.7%
Arcelor Mital	27.98	N.C.	27,739	60.2	9.0x	7.7x	5.2x	4.5x	1.6%	1.6%
Thyssenkrupp AG	10.85	N.C.	7,828	46.7	21.8x	12.5x	2.2x	1.7x	1.5%	1.6%
Salzgitter AG	20.78	N.C.	1,448	8.5	46.6x	6.9x	4.4x	2.9x	1.4%	1.7%
Voestalpine AG	24.50	N.C.	5,072	8.3	16.6x	11.2x	5.1x	4.6x	2.3%	2.9%
SSAB AB	61.66	N.C.	6,215	5.6	10.6x	8.3x	4.1x	3.4x	3.6%	4.5%



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