

Metals & Mining

Steel Sentiment Improving; All Eyes on Antidumping Investigations

Brazil Steel Insights

Sentiment across the steel industry in Brazil has improved over the past weeks, with investors more bullish about the potential implementation of defense mechanisms favoring local steelmakers, mainly given the expected deadlines for early Nov'25 of the dumping investigation of some steel categories ([see details here](#)). Moreover, we note that a sequential improvement in apparent demand in Sep'25 data (according to IABr, for both flat and long products) has sparked optimism that domestic demand is not showing a significant downtrend, while also supported by lower import levels.

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

Our take: we expect Brazil steelmakers to gain momentum in the short-term, with the potential implementation of antidumping measures fueling market expectations of higher steel prices in the upcoming months, especially flat steel products (investigations for pre-painted and cold-rolled coil expected to be concluded by Nov'25). Moreover, with the latest sector data indicating a slight sequential improvement in apparent consumption in Brazil (for both flat and long products), we see a reduced downside risk of a further domestic demand deterioration, while also supported by the stability of imported steel in Sep'25 at reduced levels vs. the peak in May'25. Overall, while we continue to favor Gerdau given its relatively more diversified product portfolio, we highlight that Usiminas would be the main benefitted company if such defense mechanisms are implemented ([see steelmakers' volume exposure for more details](#)), followed by CSN.

On the antidumping front, we note that the expected conclusion of investigations for pre-painted (November 3rd) and cold-rolled coil products (November 18th) fueled market optimism about the potential implementation of such measures, particularly considering (a) the sharp steel prices deflation over the past months ([HRC/rebar prices -15% and -20% from Jan'25-Sep'25](#), respectively), with (b) flat steel import penetration remaining at high levels ([~22% in Sep'25](#), with [~90% of flat steel imports](#) related to products under dumping investigations), which we see as reasonable arguments favoring the implementation of such defense mechanisms. That said, although shifting imports from China (country under dumping investigation for most categories) toward other countries could partly reduce the effectiveness of antidumping measures (e.g.: [increasing imports in recent months from South Korea](#) at low import prices for cold-rolled coils), we believe that such defense mechanism would likely trigger a price recovery for the underlying affected categories ([investigations schedule](#) and [companies' product exposure](#) in Figures 2-6). In that regard, while we would expect a positive market reaction for all steelmakers under our coverage, we see Usiminas as the most directly benefitted company, followed by CSN.

Regarding the latest sector data, we see an overall sequential improvement MoM on apparent steel consumption in Brazil mitigating the risks of a potential further downtrend on overall consumption.

- For flat steel products**, prices have recently picked-up (HRC prices +4% since the bottoms three weeks ago), reflecting lower overall imports and somewhat resilient demand (apparent consumption +3% MoM in Sep'25 with import penetration at ~22%, -6p.p. vs. the peak in May'25). Going forward, we expect prices' momentum to soften, with the potential implementation of antidumping duties as a trigger for further new price hikes, in our view.
- For long steel products**, prices continued at subdued levels (rebar virtually stable in recent weeks and still -20% YTD). That said, with an overall decent demand performance (apparent consumption +5% MoM in Sep'25), low import penetration and unattractive parity levels, we expect prices to follow a potential price hike in the upcoming weeks.

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\$ 18.00	R\$ 23.00	28%	Buy	R\$ 10,201	R\$ 11,644	4.5x	3.8x	R\$ 34,489
Metalurgica Gerdau	GOAU4	R\$ 10.35	R\$ 12.80	24%	Buy	n.a.	n.a.	n.a.	n.a.	R\$ 10,263
CSN	CSNA3	R\$ 8.34	R\$ 20.00	140%	Neutral	R\$ 11,693	R\$ 11,543	4.6x	5.0x	R\$ 11,060
Usiminas	USIM5	R\$ 4.86	R\$ 5.00	3%	Neutral	R\$ 1,977	R\$ 2,105	3.5x	3.3x	R\$ 6,048

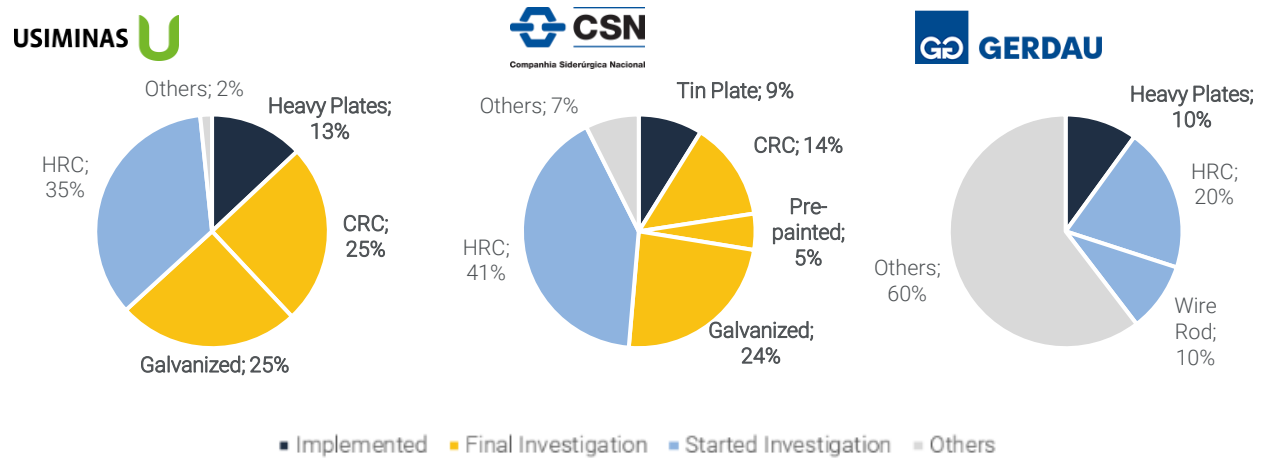
Brazil Steel - Antidumping

Usiminas and CSN Lead in Antidumping Exposure

Brazil is currently undergoing several antidumping investigations, with Usiminas and CSN among the most exposed, as a large portion of their product portfolios are potentially affected by these measures.

We estimate that ~100% of Usiminas', 90% of CSN's, and ~40% of Gerdau's domestic market volumes are subject to ongoing investigations.

Figure 1: Brazil Steelmakers' Product Exposure - By Company (%)¹



According to GECEX, antidumping investigations have already been concluded for **heavy plates** and **tin plates**, with final decisions expected in the upcoming months for **pre-painted** (November 3rd), **cold-rolled coil** (November 18th) and **galvanized** products (January 12th). Additionally, GECEX also launched investigations for **hot-rolled coil** and **wire rod**, with the technical report expected to be completed by late 2025E.

The proposed antidumping duties are significant, exceeding ~US\$550/t for **cold-rolled coil** and **galvanized** steel, representing a ~60-70% increase vs. current domestic steel prices, while for **pre-painted** steel, the estimated impact is ~35%, based on an investigation figure of ~US\$300/t.

Figure 2: Brazil Steel Antidumping Status - By Product

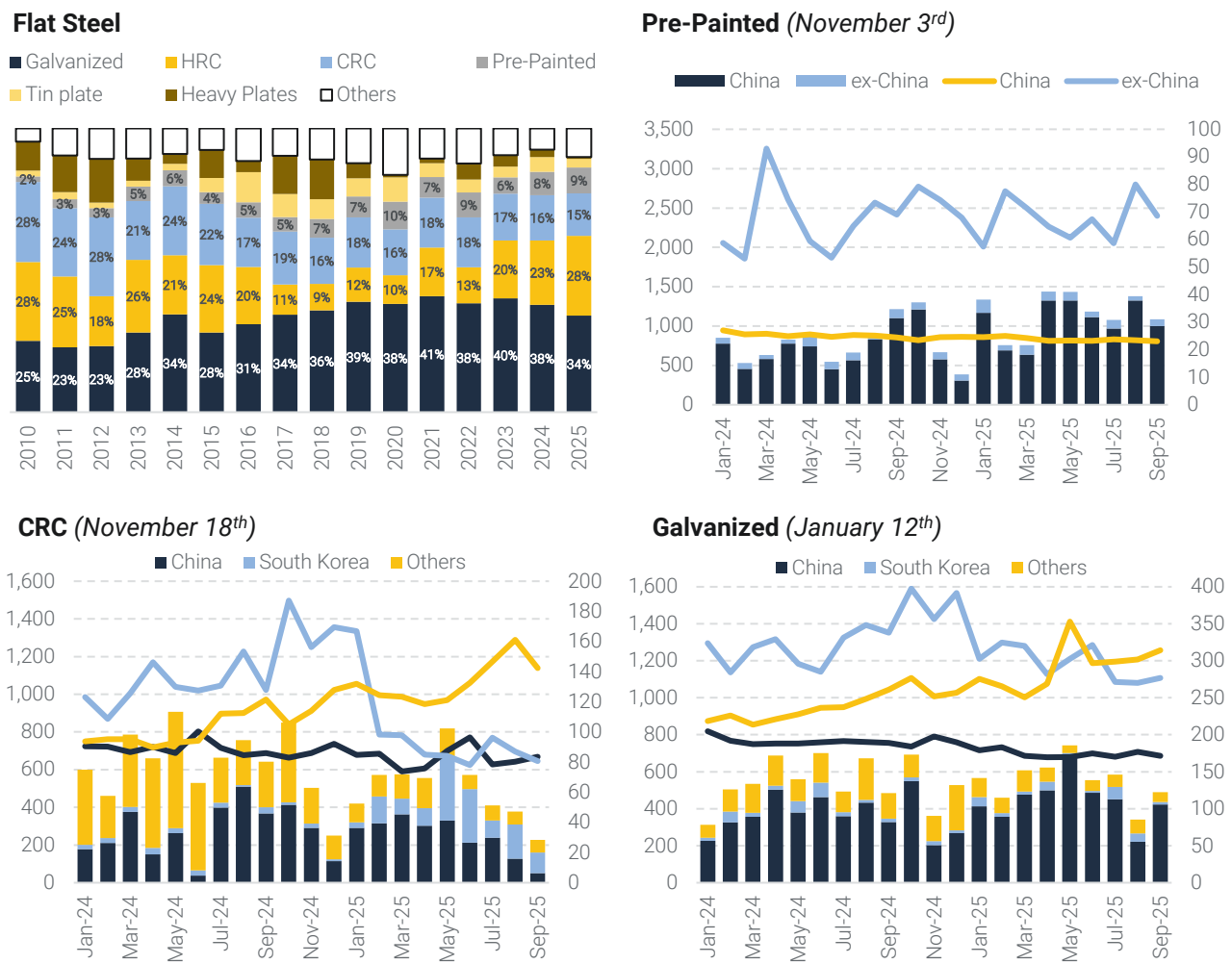
Type	Category	Requesters	Investigated Countries	Current Status	Start Date	Estimated Conclusion	Max. Conclusion ²	AD Avg (US\$/t)	% of Imports YTD ³	Link
Flat	Tin plate	CSN	China	Implemented	1-Mar-24	Concluded	Concluded	411	3.1%	Link
Flat	Heavy Plates	Gerdau and Usiminas	China, S. Korea, Ukraine	Implemented	2-Oct-24	Concluded	Concluded	678 136 52	0.7%	Link
Flat	Pre-Painted	CSN	China, India	Final Investigation	19-Sep-24	3-Nov-25	Mar-26	292	9.1%	Link
Flat	Cold-Rolled Coil	Usiminas	China	Final Investigation	19-Aug-24	18-Nov-25	Feb-26	589	15.0%	Link
Flat	Galvanized Sheets	Arcelor, CSN and Usiminas	China	Final Investigation	2-Sep-24	12-Jan-26	Mar-26	556	34.0%	Link
Flat	Hot Rolled Coil	Arcelor, Gerdau and Usiminas	China	Started Investigation	2-Jun-25	-	Dec-26		28.1%	Link
Long	Wire Rod	Arcelor and Gerdau	China and Russia	Started Investigation	17-Jun-25	-	Dec-26		16.0%	Link

Investigations comprise most of flat steel imports. In the flat steel segment, imported volumes are primarily composed of galvanized products (~34%), followed by hot-rolled coil (~28%), cold-rolled coil (~15%), and pre-painted steel (~9%), with ~90% of 2025 YTD imports included in ongoing investigations.

From a **pricing standpoint**, most of the **pre-painted** and **galvanized** imports originate from China, and the price differential compared to other countries does not appear to incentivize alternative sourcing - prices from other origins are nearly double those from China.

Conversely, **cold-rolled coil** imports have been declining, with a noticeable shift in sourcing from **China** to **South Korea**, where prices are currently more competitive. Although such shifting dynamics could eventually reduce the effectiveness of antidumping duties, we see positive implications for domestic CRC demand following the reduced import levels in recent months.

Figure 3-6: Flat Steel Imports by Product (%) and Import Prices and Volumes by Product¹ (US\$/t, kt)



Estimating the potential pricing impact from such measures remains challenging, as: (i) import prices' parity differ for each category under investigation; (ii) part of the volumes could be absorbed by other countries with more competitive pricing (as seen for CRC); and (iii) part of the demand could be met by domestic producers, as the industry adapts to the evolving market scenario.

That said, if the abovementioned antidumping measures are implemented, **we would expect positive pricing implications for domestic steelmakers in the short-term (especially flat steel-exposed)**, driven by a combination of reduced import competition and stronger pricing power for local steelmakers.

Brazil Steel - Breakdown by Product

Apparent Steel Demand Declined YoY in Sep'25

Steel apparent demand showed a sequential marginal improvement in Sep'25 (+4% MoM, though -5% YoY).

- For flat steel, apparent demand improved sequentially (+3% MoM, though -8% YoY), with production up +1% MoM (-5% YoY), while domestic sales improved +3% MoM (-4% YoY) in Sep'25. Imports were stable MoM (-9% YoY), with 22% of apparent demand comprised of imported products (-1 p.p. YoY, flat MoM in Sep'25), while exports increased by +89% YoY (+68% MoM).
- For long steel, apparent demand recovered +5% MoM (-1% YoY), with production down by -3% MoM (-5% YoY), with domestic sales +4% MoM (+6% YoY) in Sep'25. Imports declined by -28% YoY (though +12% MoM), with 12% of apparent demand comprised of imported products (-5 p.p. YoY, +1 p.p. MoM in Sep'25), while exports declined -22% YoY (+4% MoM).

Figure 7: Brazil Steel Volumes (kt)

Product	Sep-25	Sep-24	YoY	Aug-25	MoM	2025	2024	Accum. 25 vs. 24
Production	5,549	5,761	-4%	5,512	1%	48,950	50,198	-2%
Crude	2,801	2,894	-3%	2,866	-2%	24,982	25,419	-2%
Rolled Products	1,968	2,073	-5%	1,984	-1%	17,805	17,911	-1%
Flats	1,130	1,188	-5%	1,124	1%	10,247	10,315	-1%
Longs	838	885	-5%	861	-3%	7,558	7,595	0%
Semi-finished	780	794	-2%	661	18%	6,163	6,869	-10%
Domestic Sales	1,893	1,904	-1%	1,825	4%	16,052	15,974	0%
Rolled Products	1,875	1,874	0%	1,805	4%	15,880	15,700	1%
Flats	1,084	1,128	-4%	1,047	3%	9,240	9,197	0%
Longs	791	746	6%	758	4%	6,640	6,504	2%
Semi-finished	18	30	-39%	19	-5%	172	274	-37%
Exports	786	704	12%	852	-8%	7,847	7,645	3%
Rolled Products	198	173	15%	151	31%	1,638	1,775	-8%
Flats	108	57	89%	64	68%	750	908	-17%
Longs	91	116	-22%	87	4%	888	868	2%
Semi-finished	587	531	11%	701	-16%	6,210	5,870	6%
Imports	446	655	-32%	491	-9%	5,075	4,628	10%
% App. Demand	19.7%	27.4%	-8 p.p.	22.5%	-3 p.p.	24.8%	23.6%	1 p.p.
Rolled Products	410	480	-15%	393	4%	4,483	3,620	24%
% App. Demand	17.9%	20.4%	-2 p.p.	17.9%	0 p.p.	22.0%	18.7%	3 p.p.
Flats	306	335	-9%	300	2%	3,292	2,474	33%
% App. Demand	22.0%	22.9%	-1 p.p.	22.3%	0 p.p.	26.3%	21.2%	5 p.p.
Longs	103	144	-28%	93	12%	1,191	1,146	4%
% App. Demand	11.6%	16.2%	-5 p.p.	10.9%	1 p.p.	15.2%	15.0%	0 p.p.
Semi-finished	36	175	-79%	98	-63%	593	1,008	-41%
Apparent Demand	2,266	2,386	-5%	2,181	4%	20,436	19,636	4%
Flats	1,363	1,475	-8%	1,320	3%	12,409	11,814	5%
Longs	903	912	-1%	861	5%	8,027	7,822	3%
Apparent Demand (XP)¹ - Rolled Products	2,285	2,354	-3%	2,198	4%	20,362	19,320	5%
Flats	1,390	1,463	-5%	1,348	3%	12,532	11,670	7%
Longs	895	890	0%	851	5%	7,830	7,649	2%

Figure 8: Flat Steel Apparent Demand (kt)

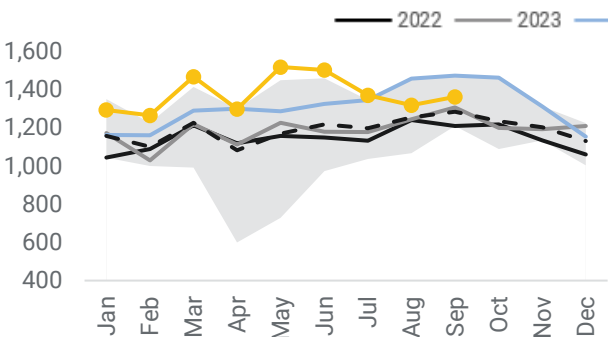
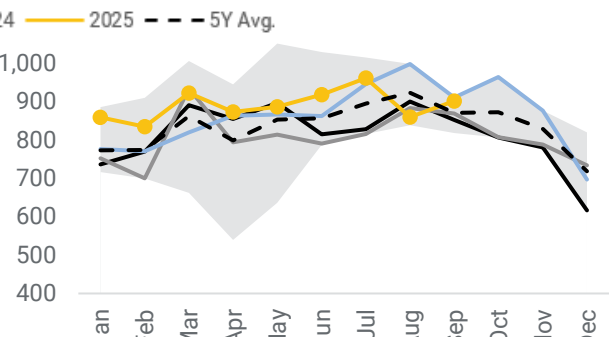


Figure 9: Long Steel Apparent Demand (kt)



Brazil Steel Sector Performance Overview

Flat Steel – Imports Stable MoM

Figure 10: Flat Steel Production (kt)

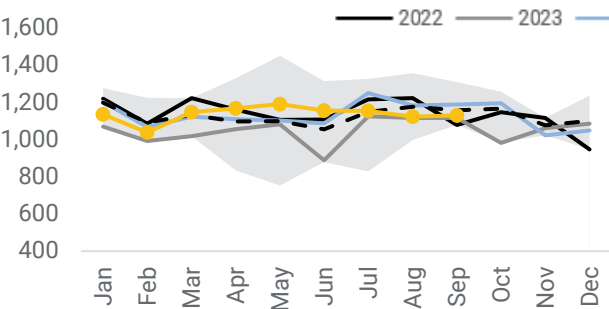


Figure 11: Flat Steel Domestic Sales (kt)

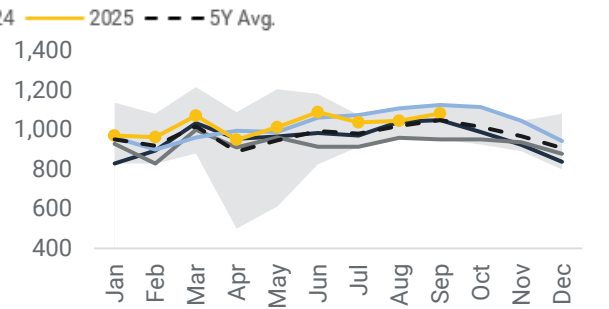


Figure 12: Flat Steel Imports (kt)

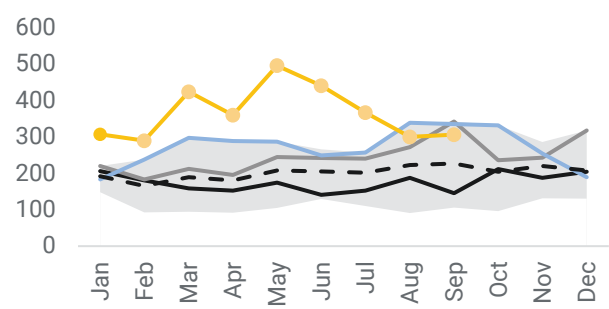
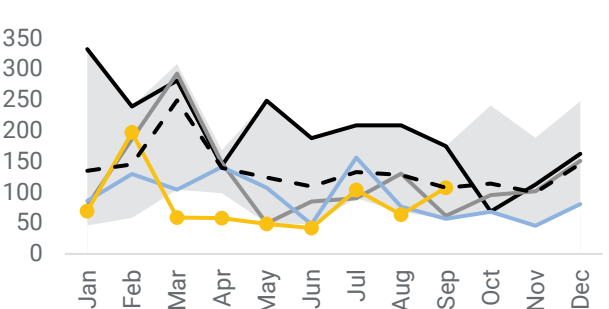


Figure 13: Flat Steel Exports (kt)



Long Steel – Domestic Sales Up MoM

Figure 14: Long Steel Production (kt)

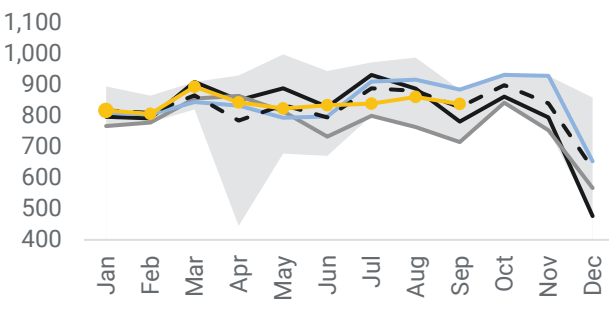


Figure 15: Long Steel Domestic Sales (kt)

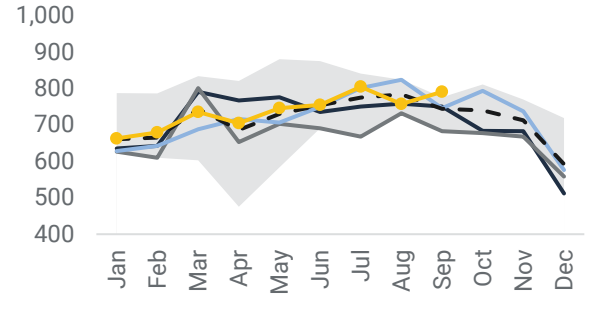


Figure 16: Long Steel Imports (kt)

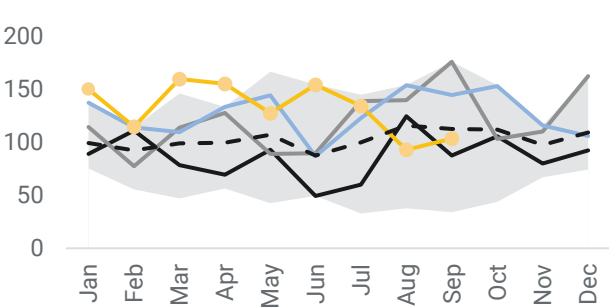
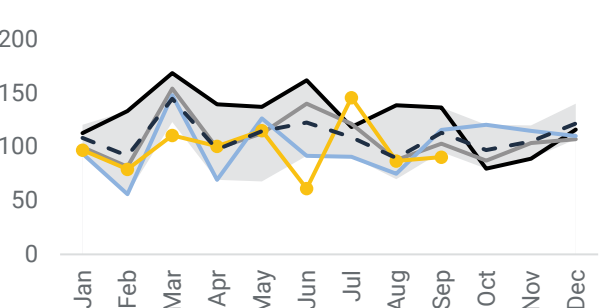


Figure 17: Long Steel Exports (kt)



Evaluating Parity Levels vs. Imported Products

HRC Parity at +14%, With Volumes Mostly from China

Figure 18: Flat Steel Import Volumes by Country of Origin and Entry Port

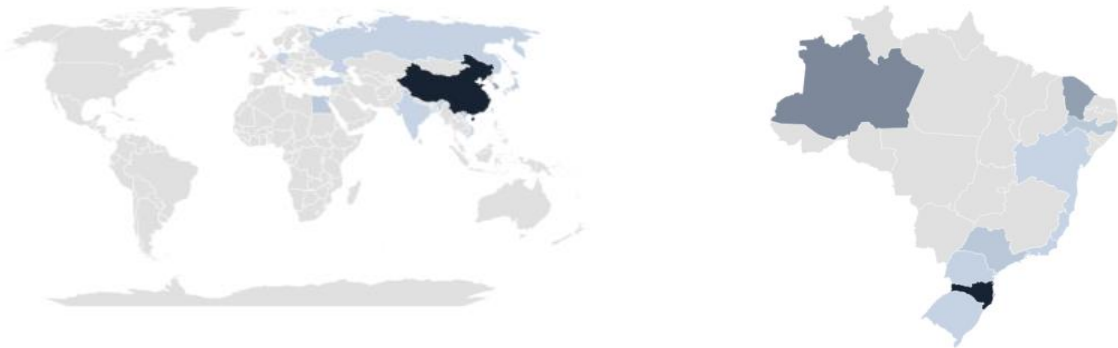


Figure 19: HRC Import Volumes By Country (kt)

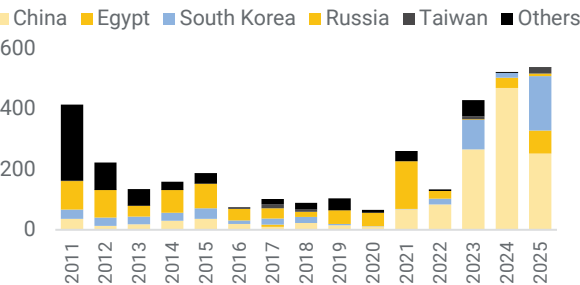
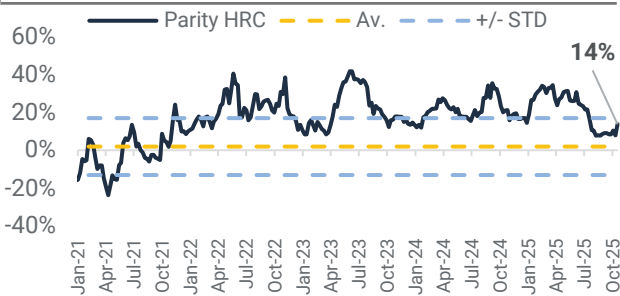


Figure 20: HRC China Import Parity (%)



Rebar Parity at -11% vs. Turkey Prices W/O Import Taxes

Figure 21: Long Steel Import Volumes by Country of Origin and Entry Port



Figure 22: Rebar Import Volumes By Country (kt)

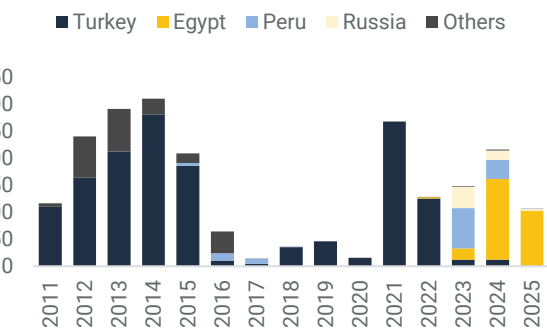
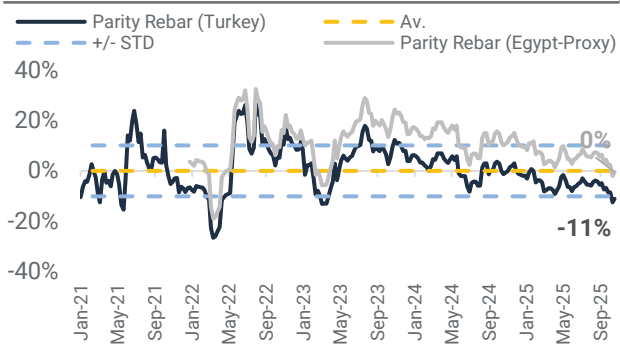


Figure 23: Rebar Turkey/Egypt Import Parity (%)



Brazil Steel - SECEX Breakdown by Product

Imports' Penetration Declined MoM in Sep'25

Figure 24: Brazil Steel Import Volumes (kt)

Product	Sep-25	Sep-24	YoY	Aug-25	MoM	2025	2024	Accum. 25 vs. 24
Steel Imports (kt)	446	655	▼ -32%	491	▼ -9%	5,076	4,630	▲ 10%
Semifinished Productcs	36	175	▼ -79%	98	▼ -63%	593	1,008	▼ -41%
Slabs	0	158	▼ -100%	31	▼ -99%	167	930	▼ -82%
Ingots, Blooms and Billets	36	18	▲ 104%	67	▼ -47%	425	79	▲ 441%
Longs	71	116	▼ -39%	54	▲ 32%	836	850	▼ -2%
Bars	16	18	▼ -9%	16	▲ 0%	210	166	▲ 27%
Concrete Reinforcing Bars	12	41	▼ -71%	2	▲ 522%	119	156	▼ -24%
Wire Rods	12	27	▼ -57%	20	▼ -40%	198	173	▲ 15%
Shapes and Seamless Tubes	14	18	▼ -23%	10	▲ 36%	193	257	▼ -25%
Rails and Track Accessories	17	12	▲ 46%	6	▲ 184%	115	99	▲ 17%
Flats	291	321	▼ -9%	283	▲ 3%	3,107	2,333	▲ 33%
Uncoated	91	147	▼ -38%	114	▼ -20%	952	840	▲ 13%
Heavy Plates	1	2	▼ -18%	1	▲ 27%	14	22	▼ -36%
Coiled Plates	9	17	▼ -49%	4	▲ 109%	66	76	▼ -13%
Hot Rolled Sheets	0	0	▼ -17%	0	▲ 343%	4	2	▲ 82%
Hot Rolled Coils	67	85	▼ -21%	71	▼ -6%	605	416	▲ 45%
Cold Rolled Sheets	0	0	▼ -21%	0	▼ -6%	3	1	▲ 109%
Cold Rolled Coils	13	43	▼ -69%	38	▼ -65%	259	322	▼ -20%
Coated	118	140	▼ -16%	92	▲ 27%	1,168	1,228	▼ -5%
Canning Plates	18	22	▼ -18%	11	▲ 66%	156	141	▲ 10%
Hot Dip Galvanized Sheets	21	42	▼ -50%	26	▼ -20%	343	439	▼ -22%
Electrolytic Galvanized Sheets	2	2	▼ -19%	2	▼ -3%	19	24	▼ -22%
Sheets Coated with Aluminum-zinc	48	41	▲ 17%	15	▲ 214%	366	435	▼ -16%
Pre-painted Sheets	29	33	▼ -11%	38	▼ -24%	284	189	▲ 50%
Special-Alloy Steel	82	33	▲ 146%	76	▲ 8%	987	265	▲ 273%
Stainless Steel Sheets and Coils	13	6	▲ 122%	13	▲ 1%	138	61	▲ 126%
Silicon Steel Sheets and Coils	9	14	▼ -37%	6	▲ 33%	135	99	▲ 36%
Other Alloy Steel Sheets and Coils	60	14	▲ 335%	57	▲ 7%	715	105	▲ 583%
Others	48	43	▲ 12%	56	▼ -15%	540	439	▲ 23%

Figure 25: Flat & Long Steel - Imports as a % of Apparent Demand (%)

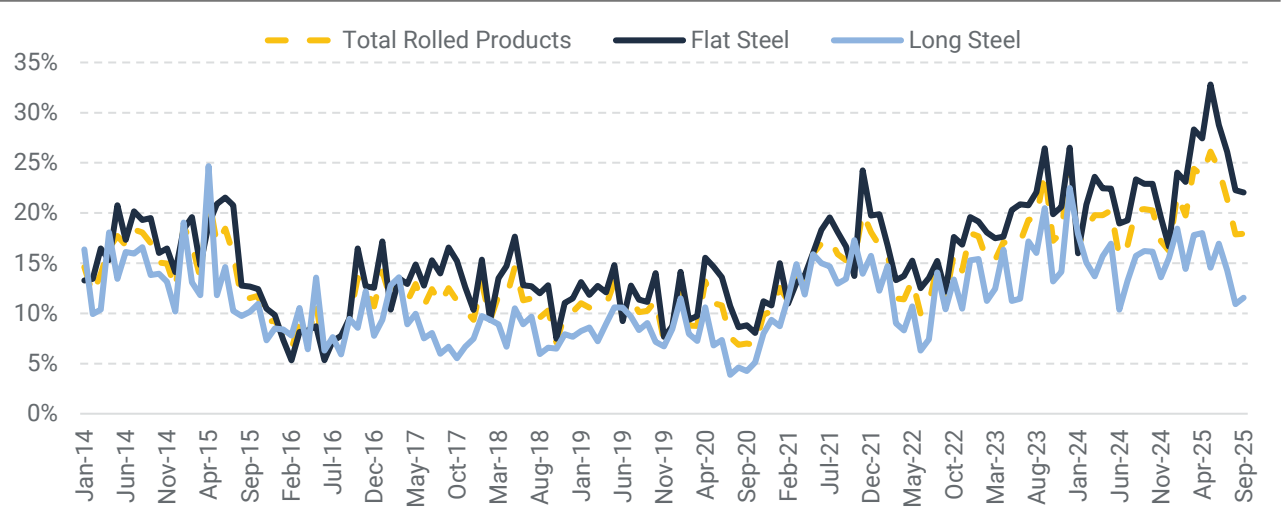


Figure 26: Imports as a % of Rolled Products' Apparent Demand (%)

Import Penetration	2016	2017	2018	2019	2020	2021	2022	2023	2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Sep-25
Total Rolled Products	9.1%	11.7%	10.8%	10.4%	9.3%	15.4%	13.6%	18.6%	18.6%	21.8%	19.7%	24.4%	23.7%	26.1%	24.4%	21.4%	17.9%
Flat Steel	9.3%	13.8%	12.5%	11.7%	10.9%	16.5%	15.5%	20.9%	20.9%	24.0%	23.1%	28.3%	27.4%	32.8%	28.8%	26.1%	22.0%
Long Steel	8.7%	8.5%	8.2%	8.6%	7.0%	13.9%	10.9%	15.1%	15.0%	18.4%	14.4%	17.8%	18.0%	14.6%	16.9%	14.3%	11.6%

Competitive Landscape in Brazil

Gerdaу's Longs Share at ~31%; Usiminas at ~22% for Flats in 2Q25

Figure 27: 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	6,998
Domestic Sales	4,801	4,839	4,912	4,675	4,788	5,225	5,688	5,217	5,090	5,265
Gerdaу	1,207	1,189	1,150	1,084	1,165	1,175	1,209	1,068	1,079	1,163
Usiminas	927	874	924	920	920	974	1,070	961	1,002	973
CSN	669	739	747	762	732	798	867	876	789	751
Other Players	1,997	2,037	2,092	1,909	1,970	2,278	2,543	2,311	2,220	2,379
Imports	921	989	1,309	1,173	1,079	1,189	1,352	1,151	1,445	1,733
Fiat Steel - Total Apparent Demand	3,378	3,475	3,684	3,568	3,547	3,876	4,248	3,886	4,032	4,355
Domestic Sales	2,763	2,792	2,830	2,771	2,828	3,052	3,317	3,110	3,011	3,059
Gerdaу	426	406	402	397	423	382	373	349	298	341
Usiminas	927	874	924	920	920	974	1,070	961	1,002	973
CSN	620	680	678	686	666	720	788	797	718	689
Other Players	789	832	826	768	820	976	1,086	1,003	993	1,056
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	2,643
Domestic Sales	2,038	2,047	2,083	1,905	1,959	2,173	2,372	2,107	2,079	2,207
Gerdaу	781	783	748	688	742	793	836	719	781	822
Usiminas	0	0	0	0	0	0	0	0	0	0
CSN	49	59	69	77	67	78	79	79	72	62
Other Players	1,208	1,205	1,265	1,141	1,150	1,302	1,457	1,309	1,227	1,323
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%	7.8%
Usiminas	27.4%	25.2%	25.1%	25.8%	25.9%	25.1%	25.2%	24.7%	24.8%	22.3%
CSN	18.4%	19.6%	18.4%	19.2%	18.8%	18.6%	18.5%	20.5%	17.8%	15.8%
Other Players	23.4%	23.9%	22.4%	21.5%	23.1%	25.2%	25.6%	25.8%	24.6%	24.2%
Imports	18.2%	19.6%	23.2%	22.3%	20.3%	21.3%	21.9%	20.0%	25.3%	29.8%
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%	31.1%
Usiminas	0.0%	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%	2.3%
Other Players	51.6%	51.2%	49.9%	50.0%	49.6%	51.3%	52.2%	52.7%	49.0%	50.1%
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%	16.6%
Usiminas	16.2%	15.0%	14.9%	15.7%	15.7%	15.2%	15.2%	15.1%	15.3%	13.9%
CSN	11.7%	12.7%	12.0%	13.0%	12.5%	12.4%	12.3%	13.8%	12.1%	10.7%
Other Players	34.9%	35.0%	33.6%	32.6%	33.6%	35.5%	36.1%	36.3%	34.0%	34.0%
Imports	16.1%	17.0%	21.0%	20.1%	18.4%	18.5%	19.2%	18.1%	22.1%	24.8%

Figure 28: Steel Prices and Realized Prices (R\$/t)

Unit Revenues Estimates	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Gerdaу											
Domestic Unit Revenues (QoQ)	-5.7%	-0.2%	-1.9%	-4.7%	-0.2%	0.5%	2.9%	4.4%	-4.6%	-4.7%	
Estimated Index (QoQ)	-4.4%	-1.6%	-5.8%	-2.8%	1.2%	-0.4%	3.2%	4.5%	-2.7%	-7.6%	-6.9%
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.	2.9p.p.	
Usiminas											
Domestic Unit Revenues (QoQ)	-6.4%	-2.0%	-6.9%	-5.8%	0.0%	-2.9%	0.5%	1.2%	0.1%	-1.9%	
Estimated Index (QoQ)	-4.3%	0.7%	-2.1%	-5.8%	-2.0%	0.9%	1.0%	0.9%	1.9%	0.0%	-6.2%
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.	-1.9p.p.	
CSN											
Domestic Unit Revenues (QoQ)	-3.1%	0.2%	-6.5%	-3.3%	-4.4%	0.9%	0.2%	1.2%	2.3%	1.2%	
Estimated Index (QoQ)	-0.1%	1.4%	-9.3%	-6.0%	1.6%	0.7%	2.4%	0.8%	5.0%	-8.3%	-10.2%
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.	9.5p.p.	

Figure 29: Flat Steel Market Share (%)

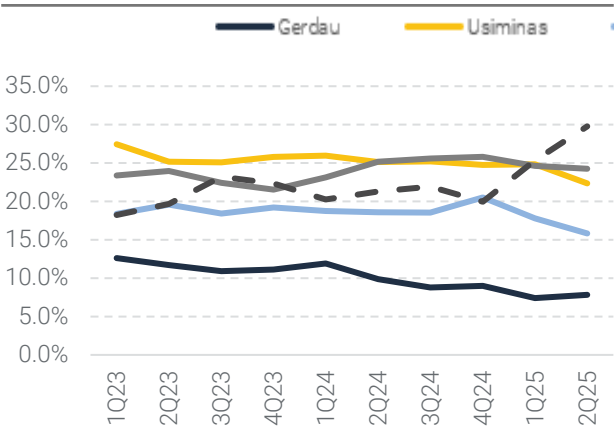


Figure 30: Long Steel Market Share (%)

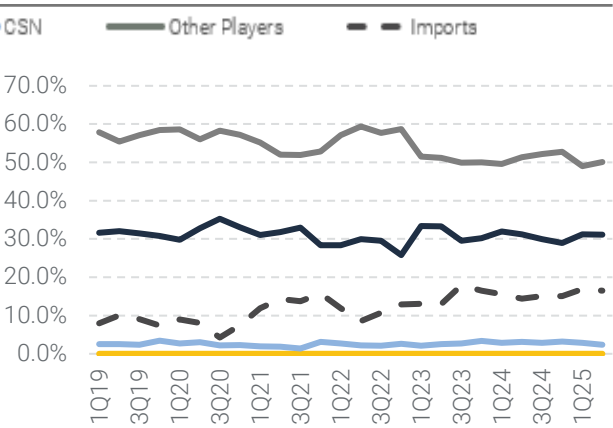


Figure 31: Steel Prices and Realized Prices (R\$/t)

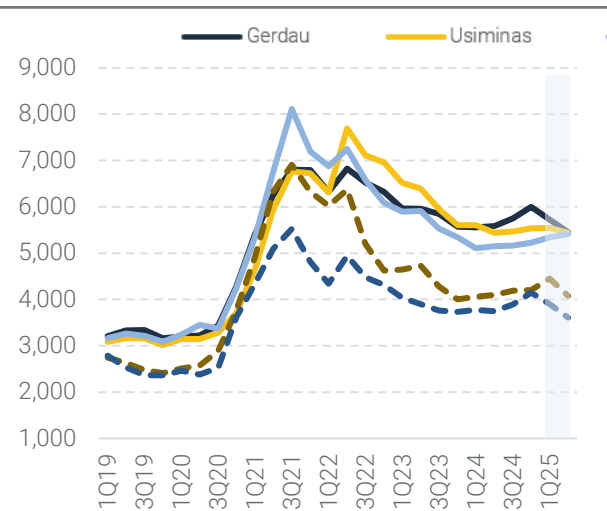


Figure 32: Steel Prices Premium vs. Reference (%)

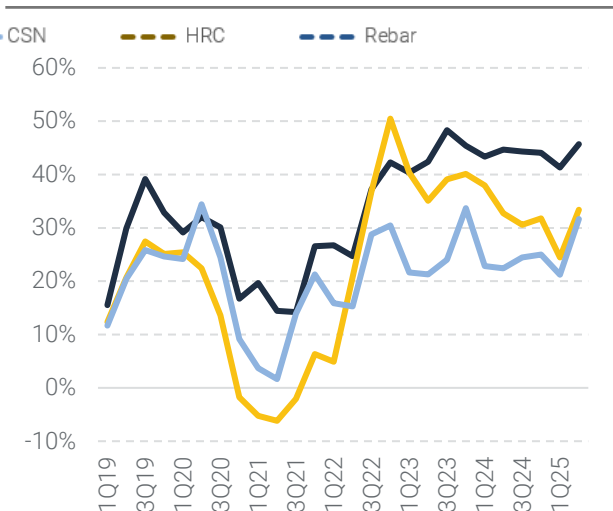
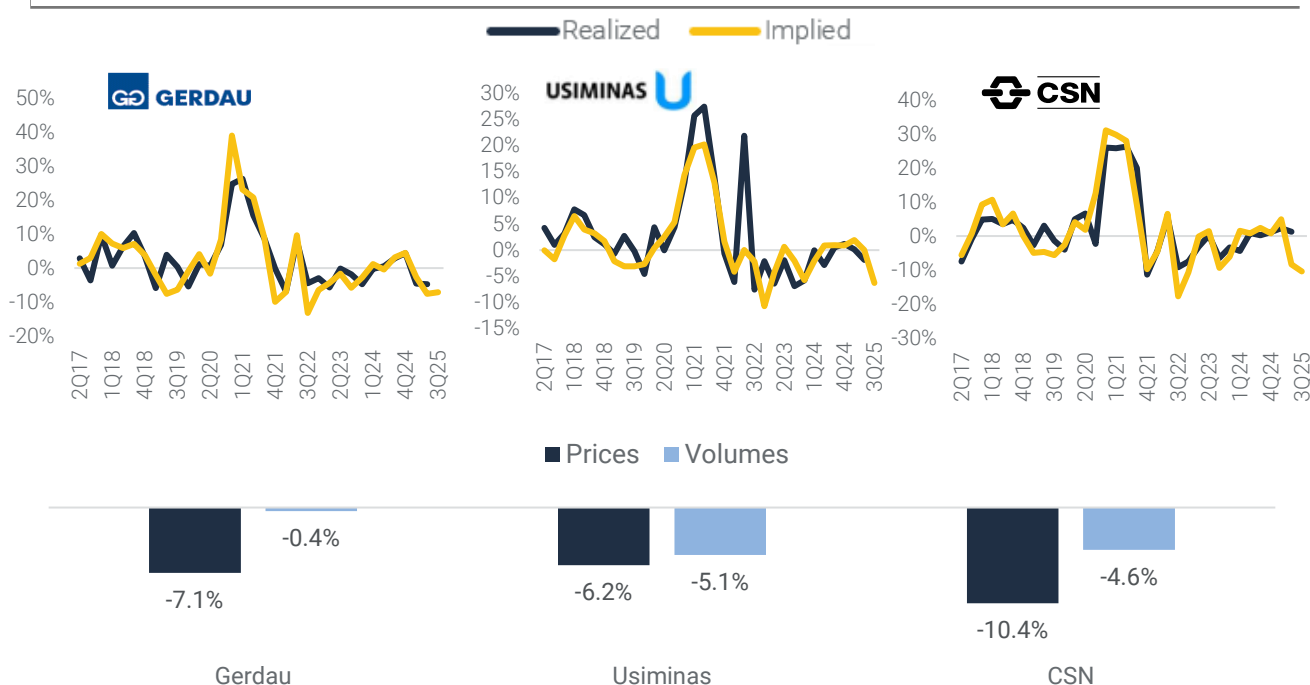


Figure 33-38: Unit Revenues vs. Estimates QoQ Changes (%) and Volumes and Prices QoQ Evolution (100)



Brazil Real Estate

Strong Launches In 2024 May Provide Support For Steel Demand

For Real Estate, we highlight: **(i)** inventories were flat at ~7 months (compared to ~9 months of historical average), with new launches remaining strong in São Paulo (+35% YoY in Jan-Aug'25), while Brazilian new launches increased by 32% YoY in Jan-Jun'25, implying on increased steel demand within 6-12 months. **(ii)** The number of mortgage concessions for construction declined YoY in Aug'25, according to ABECIP, which could generate funding pressure for new project developments. **(iii)** Finally, cement apparent demand increased by +5% YoY and +1% MoM in Sep'25. Our concern remains on the constrained production funding environment and its potential impacts on mid-high/income homebuilders' appetite for new project launches in 2026E, although we still see strong funding for low-income homebuilders given the accelerating MCMV housing program.

Figure 39: Monthly Financing Concessions (R\$ mn, lhs) and YoY Performance (% , rhs) - ABECIP

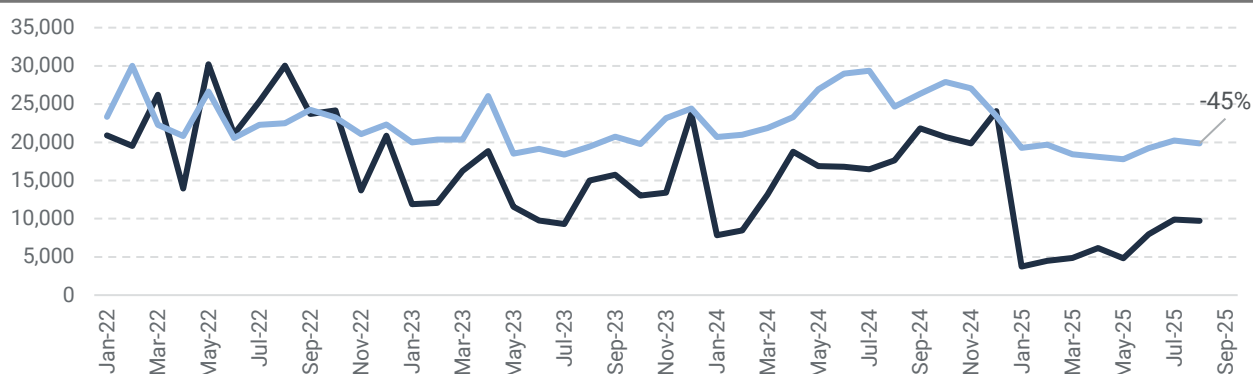


Figure 40: New Launches in São Paulo YTD (Units, %)

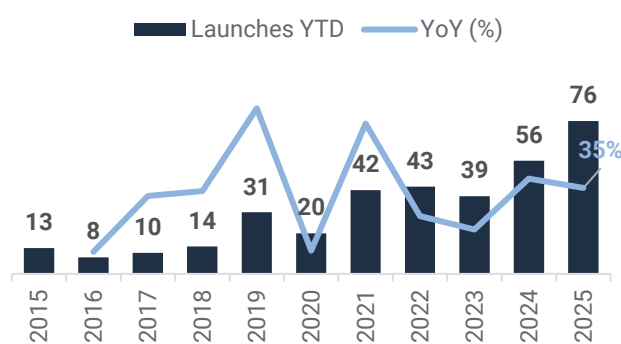


Figure 41: Offers/Inventories in SP (Units, Months)

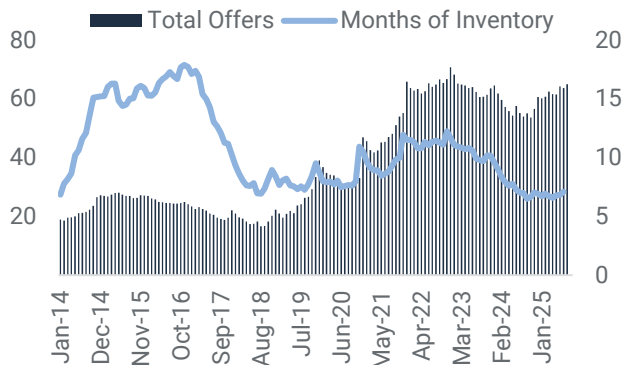


Figure 42: Brazilian YTD New Launches (Units, %)

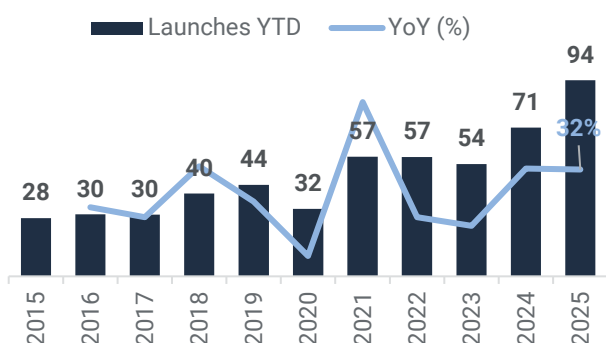
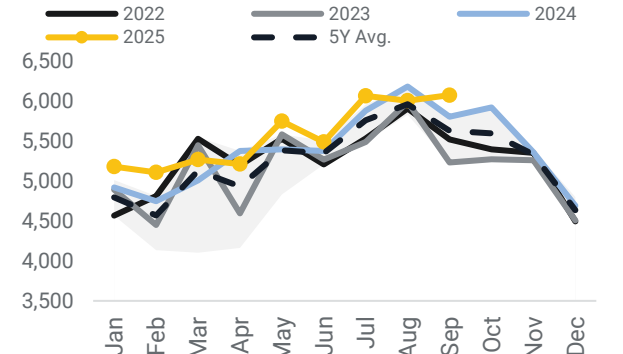


Figure 43: Cement Apparent Demand (kt)



Brazil Auto Industry

Buses' Production as a Highlight

Looking into the automotive sector, we highlight: (i) auto production increased by +7% YoY in Sep'25; (ii) Anfavea figures showed resilient buses production (+27% YoY in Sep'25) and accelerating MoM; and (iii) a worsening environment for trucks in Brazil (production -16% YoY and sales -14% YoY in 3Q25, or -23% and -15% YoY in Sep'25), with Anfavea highlighting a decelerating trend and concerns over 4Q24's tough comparable basis. Finally, Anfavea recently revised downward its guidance for vehicles sales in 2025E amid increased financing rates, U.S. tariffs, and other macro variables – now forecasting heavy vehicles sales down -5.1% YoY vs. previous guidance of +1.1% YoY, with light vehicles sales at +5.6% YoY (vs. +6.7% YoY in its latest guidance).

Figure 44: XP's Brazil Automotive Heat Map (% YoY)

Date	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Production											
Autos ¹	221	178	166	203	175	214	200	187	223	234	231
Trucks	13	11	8	12	12	11	12	11	12	10	10
Buses	2	2	2	2	3	3	3	3	3	3	3
Production (YoY)											
Autos ¹	16%	10%	16%	14%	-4%	3%	31%	-5%	-4%	-4%	7%
Trucks	31%	29%	1%	18%	4%	-5%	10%	-8%	1%	-23%	-23%
Buses	30%	35%	13%	10%	10%	2%	7%	5%	32%	21%	28%

Figure 45: Auto Production (Seasonality Analysis)

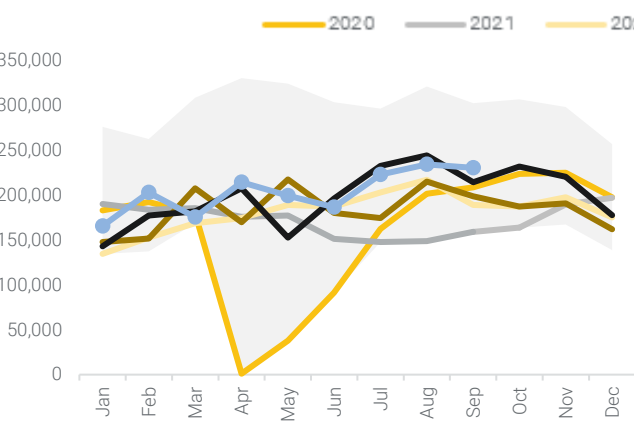


Figure 46: Heavy Production (Seasonality Analysis)

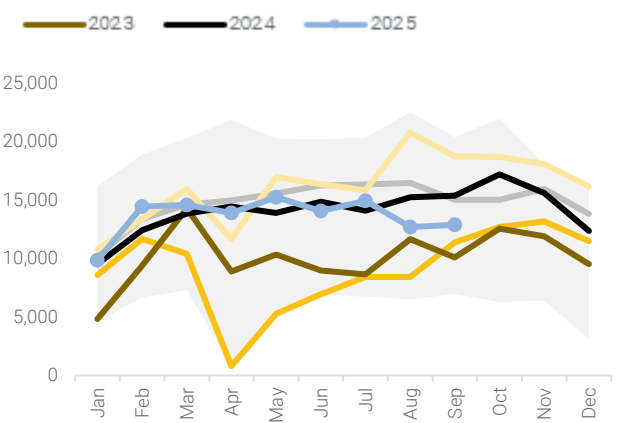


Figure 47: ANFAVEA's 2025 Auto Forecast (Millions)

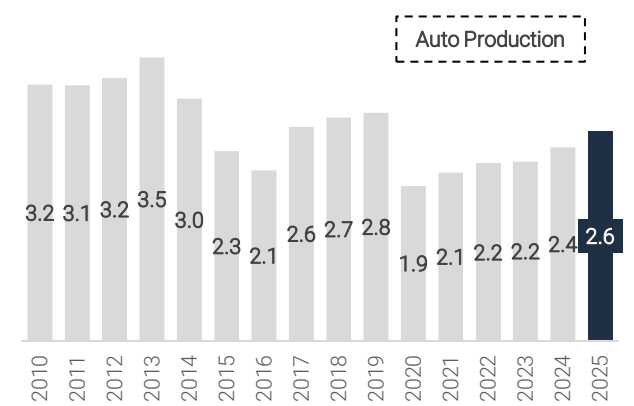
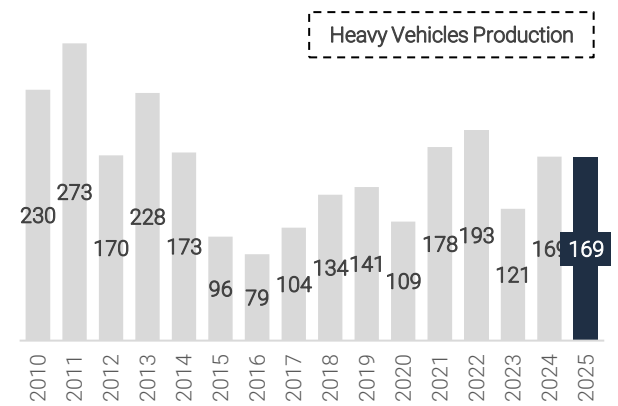


Figure 48: ANFAVEA's 2025 Heavy Forecast (Thousand)



Comps Table

Figure 49: Metals & Mining Comps Sheet

Companies	Current	Rating	Market Cap	ADTV	P/E		EV/EBITDA		Dividend Yield	
	Price							2025	2026	2025
Diversified Miners					13.6x	13.5x	6.0x	5.8x	3.4%	3.7%
Vale	60.13	Neutral	50,468	231.7	7.4x	7.1x	4.8x	4.7x	5.9%	5.9%
Rio Tinto PLC	5,130.00	N.C.	117,878	181.8	11.7x	11.0x	5.9x	5.6x	5.0%	5.3%
BHP Group Ltd	43.14	N.C.	142,287	246.3	13.8x	13.1x	6.1x	5.9x	3.7%	4.0%
Anglo American PLC	2,895.00	N.C.	45,782	157.1	49.3x	23.5x	9.7x	8.3x	0.7%	1.8%
Glencore	349.40	N.C.	55,418	237.2	28.3x	13.9x	7.1x	5.7x	2.4%	3.4%
South 32	151.40	N.C.	9,117	1.2	13.4x	14.8x	5.0x	6.2x	3.1%	2.6%
Iron Ore					11.8x	12.5x	5.3x	5.5x	6.1%	5.3%
CSN Mineração	5.58	Neutral	5,660	4.7	15.8x	29.6x	7.4x	9.8x	5.7%	2.7%
FMG	20.16	N.C.	40,310	80.5	11.8x	12.5x	5.3x	5.5x	6.1%	5.3%
Kumba Iron	31,614.00	N.C.	5,868	7.7	7.6x	9.4x	3.4x	3.9x	10.2%	7.2%
Latam Steel					10.8x	8.3x	4.5x	3.8x	3.9%	3.7%
Gerdau	18.00	Buy	6,377	32.1	10.3x	8.1x	4.5x	3.8x	3.3%	3.9%
Usiminas	4.86	Neutral	1,118	10.4	13.6x	16.3x	3.5x	3.3x	0.3%	1.5%
CSN	8.34	Neutral	2,045	11.9	4.6x	6.3x	4.6x	5.0x	4.5%	3.5%
Ternium	35.50	N.C.	7,117	6.8	11.2x	8.5x	6.1x	4.6x	73.4%	62.0%
US Steel					16.7x	11.5x	8.4x	6.9x	1.4%	1.5%
Nucor	131.78	N.C.	30,248	234.7	16.7x	11.9x	8.4x	6.9x	1.7%	1.7%
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	142.75	N.C.	21,013	176.4	16.2x	11.5x	10.5x	7.8x	1.4%	1.5%
Commercial Metals	57.38	N.C.	6,367	76.7	19.3x	10.7x	8.1x	6.0x	1.2%	1.3%
Asia Steel					35.3x	15.0x	9.1x	6.8x	0.0x	2.6%
POSCO Holding	294,500	N.C.	16,766	58.7	19.5x	12.0x	6.2x	5.3x	3.2%	3.2%
Baoshan Iron & Steel	7.16	N.C.	21,885	105.5	14.8x	12.7x	5.5x	5.1x	4.1%	4.8%
China Steel Corp	18.90	N.C.	9,761	15.6	636.4x	48.4x	15.6x	12.9x	1.4%	1.9%
Tata Steel	171.95	N.C.	24,400	46.5	51.1x	17.3x	11.9x	8.4x	2.0%	2.0%
Japan Steel					7.5x	18.3x	6.7x	7.2x	15.5%	4.3%
Nippon Steel	606.50	N.C.	21,638	91.2	9.8x	29.5x	8.1x	8.8x	25.4%	4.1%
Kobe Steel	1,753.50	N.C.	4,614	23.4	5.3x	7.0x	5.3x	5.7x	5.6%	4.4%
Europe Steel					16.7x	10.1x	6.0x	4.0x	1.3%	1.4%
Arcelor Mittal	33.35	N.C.	33,137	88.8	12.0x	9.4x	6.6x	5.5x	1.3%	1.4%
Thyssenkrupp AG	9.72	N.C.	8,771	45.4	25.4x	17.3x	3.0x	2.4x	1.3%	1.4%
Salzgitter AG	28.20	N.C.	1,975	12.8	n.a.	10.1x	7.7x	4.0x	0.8%	1.0%
Voestalpine AG	31.52	N.C.	6,557	13.3	21.4x	14.9x	6.0x	5.6x	1.8%	2.3%
SSAB AB	60.46	N.C.	6,292	10.8	11.1x	8.4x	4.7x	3.7x	3.5%	4.5%



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