ECONOMIC BAROMETER · MONTHLY UPDATE

Brazil Barometer

“Record Crude, Softer Ore”

November 2026 · covering October 2026 data

Doric Research Department



Focal Points

Key developments in the Brazilian economy during October 2026

MACRO ENVIRONMENT

Following a 0.5% Q-o-Q expansion in Q2 2026, Banco Central do Brasil revised its 2026 GDP growth forecast down to 1.8% from 2.0%. The adjustment reflects the lagged impact of elevated borrowing costs and the gradual withdrawal of fiscal stimulus, pointing to a more moderate pace of domestic activity.

FX & MONEY MARKETS

The Selic rate was unchanged at 13.75% throughout October, following the 25 bp cut on 16 September. The central bank is balancing support for a slowing economy against the need to keep conditions restrictive enough to contain inflation.

EXPORTS

Iron ore exports reached 36.5 million tonnes in October, up 7.99% M-o-M but 9.65% below October 2025. Shipments over January–October totalled 334.3 million tonnes, 2.79% lower Y-o-Y.

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IMPORTS

Chemical fertiliser imports reached 4.26 million tonnes in October, 7% below a year earlier. Elevated international prices, partly reflecting Middle East supply disruptions, alongside soft soybean and corn prices, continued to weigh on purchasing appetite.

PORTS & FREIGHT

Santos congestion eased 14% to an average of 44 vessels, while Tubarão and Vitória rose 32% to 19. Freight softened, with the C3 average down 18.33% and the P8 average down 2.15% M-o-M.

OCTOBER AT A GLANCE

IRON ORE EXPORTS
36.5 Mt
+7.99% M-o-M

SOYBEAN EXPORTS
6.3 Mt
−5.97% Y-o-Y

CRUDE OIL EXPORTS
14.5 Mt
+63% Y-o-Y · record

FERTILISER IMPORTS
4.26 Mt
+37.46% M-o-M

SELIC RATE
13.75%
unchanged

C3 AVERAGE
$34.02/t
−18.33% M-o-M

Macro Environment

Growth outlook and external trade

ACTIVITY

- Following a 0.5% Q-o-Q expansion in Q2 2026, GDP growth is expected to moderate further in Q3, reflecting the lagged effects of high borrowing costs and fading fiscal stimulus.
- In response to weaker high-frequency indicators at the start of Q3, Banco Central do Brasil lowered its 2026 GDP growth forecast to 1.8%, from 2.0% previously.
- Agricultural growth is projected to slow from 6.8% in Q2 to 3.7% in Q3, and industrial growth from 1.5% to 1.3%.

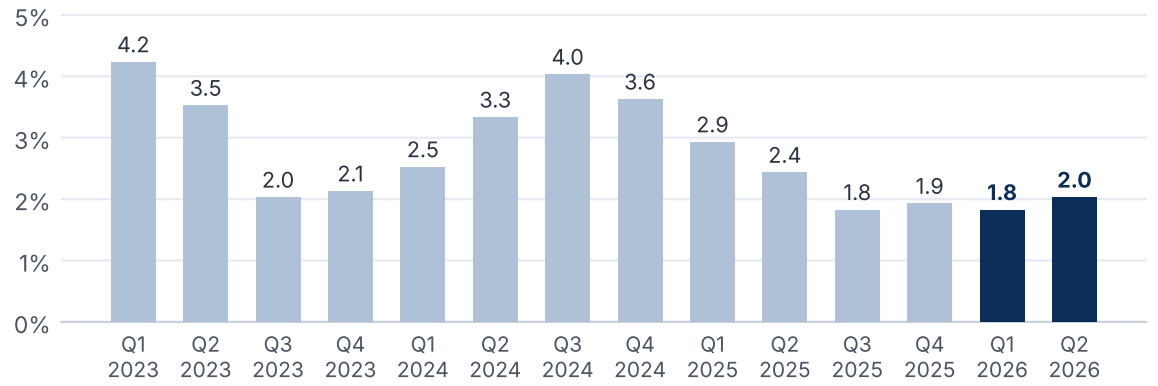
EXTERNAL TRADE

- Brazil registered a monthly trade surplus of US$9.32 billion in October 2026, up 39.4% Y-o-Y and 20.4% M-o-M.
- Total exports rose 20.0% Y-o-Y to US$37.81 billion, led by the extractive industry (+53.5%), with agriculture up 12.8% and manufacturing up 7.7%.
- Imports rose 14.8% Y-o-Y to US$28.49 billion, largely on an 86.8% surge in fuel imports; capital goods imports rose just 4.0%, pointing to subdued investment demand.

KEY TAKEAWAY
Extractive exports (+53.5% Y-o-Y) lifted the October trade surplus to US$9.32 billion, even as the central bank trimmed its 2026 growth forecast to 1.8%.

Real GDP Growth

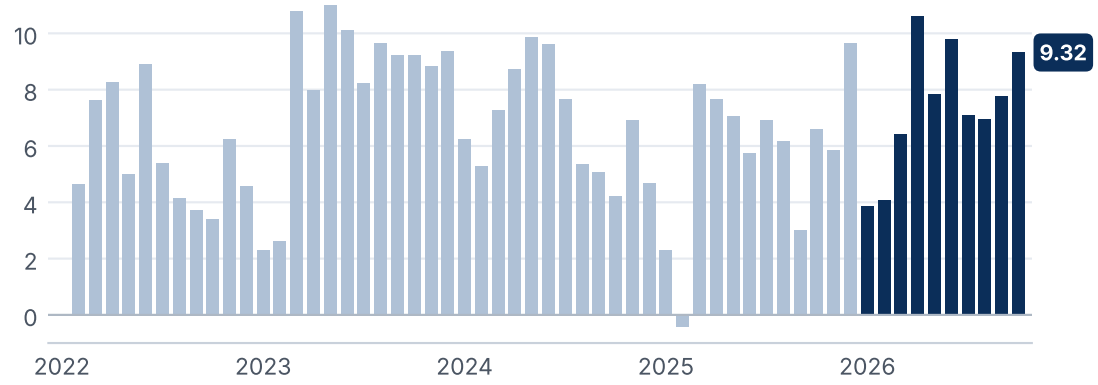
% Y-o-Y, quarterly



Source: IBGE, Doric Research S.A.

International Trade Balance

US$ billion, monthly



Source: SECEX, Doric Research S.A.

GDP · Q2 2026
+0.5%
Q-o-Q · +2.0% Y-o-Y

BCB 2026 FORECAST
1.8%
revised down from 2.0%

TRADE SURPLUS · OCT
US$9.32bn
+39.4% Y-o-Y
+20.4% M-o-M

EXPORTS · OCT
US$37.81bn
+20.0% Y-o-Y
imports +14.8%

Price Environment

Consumer and producer inflation

CONSUMER PRICES

- Brazil's official consumer price index (IPCA) rose to an annual rate of 4.63% in October 2026, up from 4.58% in September, remaining above the central bank's upper tolerance ceiling of 4.50%.
- On an M-o-M basis, inflation slowed sharply to 0.14% in October from 0.82% in September, a significant moderation in monthly price pressures.
- The monthly slowdown was driven primarily by declining housing costs (−0.51%) and transportation costs (−0.59%).

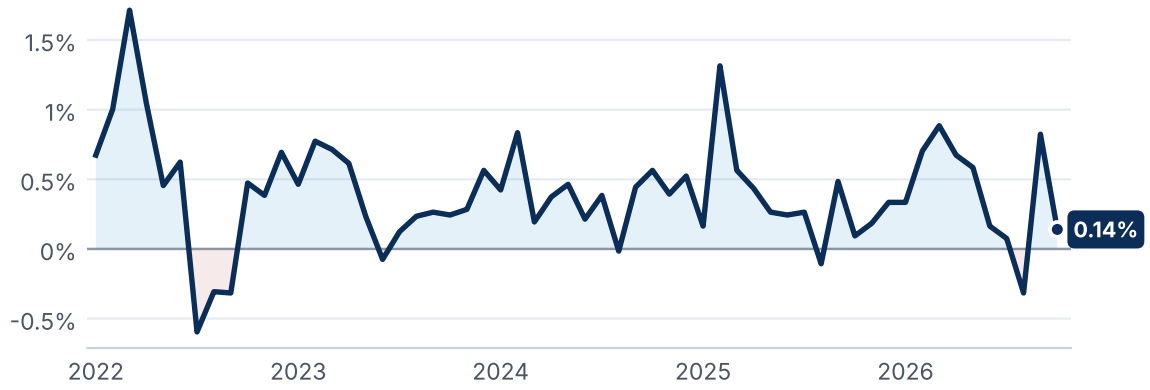
PRODUCER PRICES

- Factory-gate prices rose 1.54% M-o-M in September 2026, accelerating sharply from the revised 0.34% increase recorded in August.
- This marked the second consecutive monthly increase in producer prices, indicating renewed inflationary pressure across the industrial sector.
- The acceleration was driven primarily by an 11.04% M-o-M surge in mining and quarrying prices, while manufacturing prices increased 1.12%.

KEY TAKEAWAY

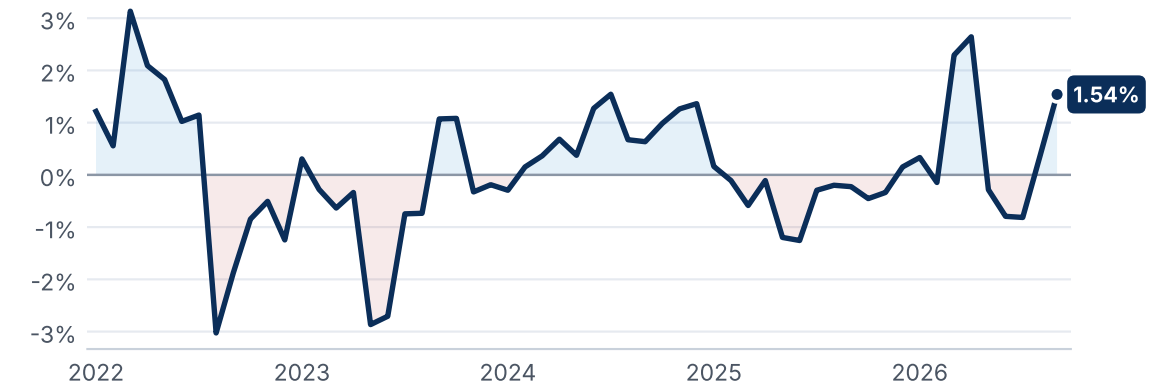
Monthly consumer inflation cooled to 0.14%, but the annual rate (4.63%) is still above the 4.50% ceiling and producer prices are re-accelerating (+1.54% M-o-M).

Consumer Price Inflation (IPCA) % M-o-M



Source: IBGE, Doric Research S.A.

Producer Price Index (Industrial Sector) % M-o-M



Source: IBGE, Doric Research S.A.

IPCA · OCT

4.63%

Y-o-Y · above 4.50% ceiling

IPCA · M-o-M

+0.14%

vs +0.82% in September

PPI · SEP

+1.54%

M-o-M · vs +0.34% in August

MINING & QUARRYING

+11.04%

M-o-M · manufacturing +1.12%

FX & Money Markets

Policy rate and the Brazilian real

INTEREST RATES

- Brazil's Selic rate remained unchanged at 13.75% throughout October 2026, following Banco Central do Brasil's decision on 16 September to cut rates by 25 basis points.
- The measured pace of easing reflects efforts to support slowing activity while keeping conditions restrictive enough to contain inflation.
- Rising energy costs, exchange-rate volatility and inflation concerns leave policymakers limited room to balance price stability against growth.

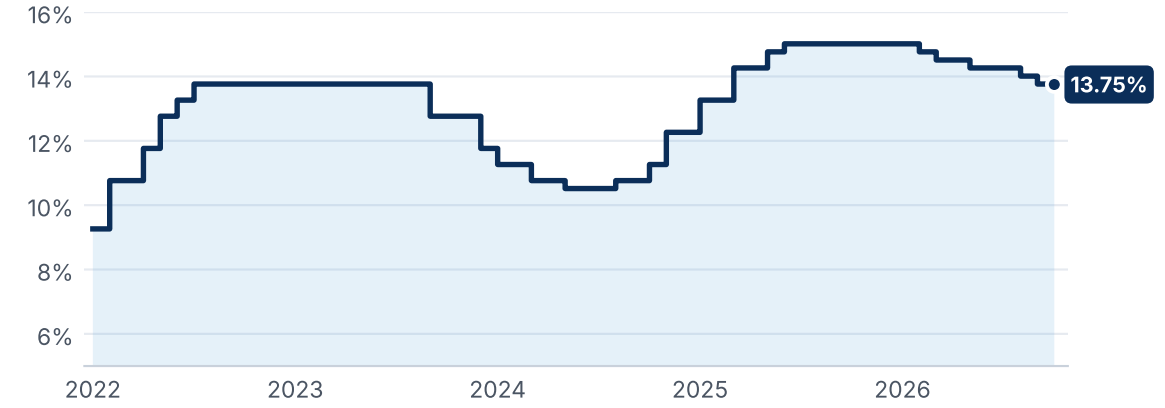
BRAZILIAN REAL

- The real depreciated significantly against the US dollar, with the exchange rate rising 4.64% M-o-M, from 5.1809 at the end of September to 5.4212 at the end of October.
- The real reached its strongest level on 6 October, at 4.9451 per US dollar, supported by favourable market sentiment and elevated domestic interest rates.
- Political uncertainty and fiscal-discipline concerns drove the depreciation, outweighing support from Brazil's attractive carry trade.

KEY TAKEAWAY
With the Selic held at 13.75%, fiscal and political concerns still pushed the real 4.64% weaker over October, to 5.4212 per US dollar.

Selic Interest Rate

% · end of month



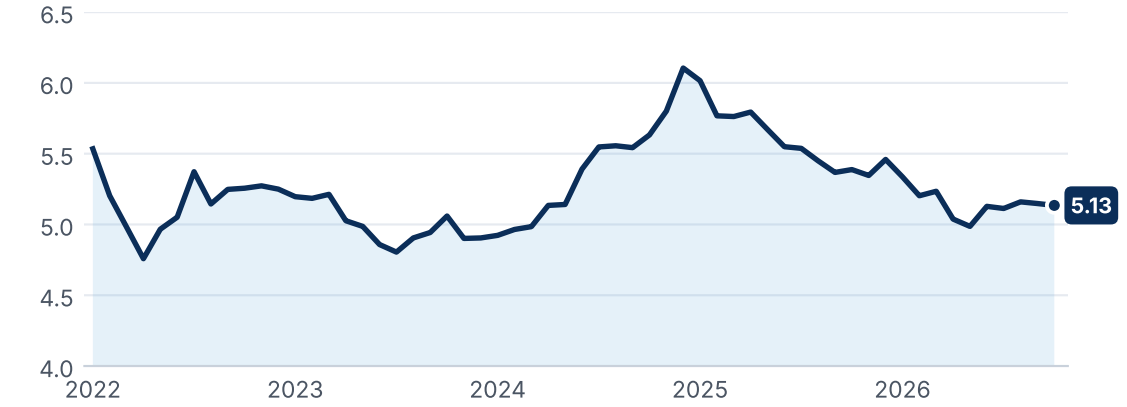
Source: Banco Central do Brasil, Doric Research S.A.

SELIC RATE · OCT
13.75%
unchanged

LAST MOVE · 16 SEP
–25 bp
rate cut

BRL / USD Exchange Rate

BRL per USD · monthly average



Source: Banco Central do Brasil, Doric Research S.A.

BRL/USD · END-OCT
5.4212
+4.64% M-o-M · real weaker

STRONGEST · 6 OCT
4.9451
BRL per USD

Exports 1/3

Iron ore and soybeans

IRON ORE

- Brazil exported 36.5 million tonnes of iron ore in October 2026, up 7.99% M-o-M but 9.65% lower than a year earlier.
- Year-to-date exports totalled 334.3 million tonnes, 2.79% below the corresponding period of 2025.
- China remained the largest destination, taking 24.97 million tonnes, followed by Malaysia (2.14 million tonnes) and Japan (1.52 million tonnes), underlining Asian steelmaking demand.

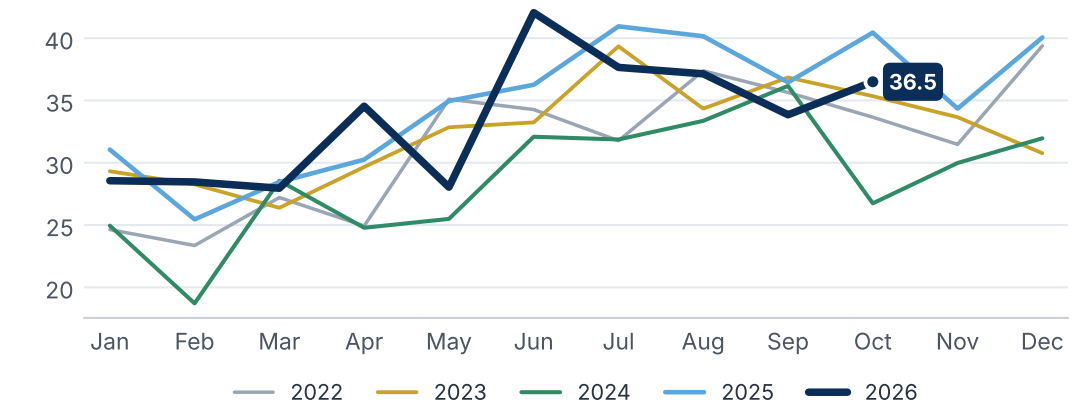
SOYBEANS

- Soybean exports continued their seasonal decline in October, totalling 6.3 million tonnes, down 14.86% M-o-M.
- Shipments fell 5.97% Y-o-Y, while year-to-date volumes were 5.86% higher than in the corresponding period of 2025.
- China remained the leading buyer with 70.3% of October shipments, although its purchases fell 28.1% Y-o-Y, partly offset by higher exports to the European Union, Pakistan and Vietnam.

KEY TAKEAWAY

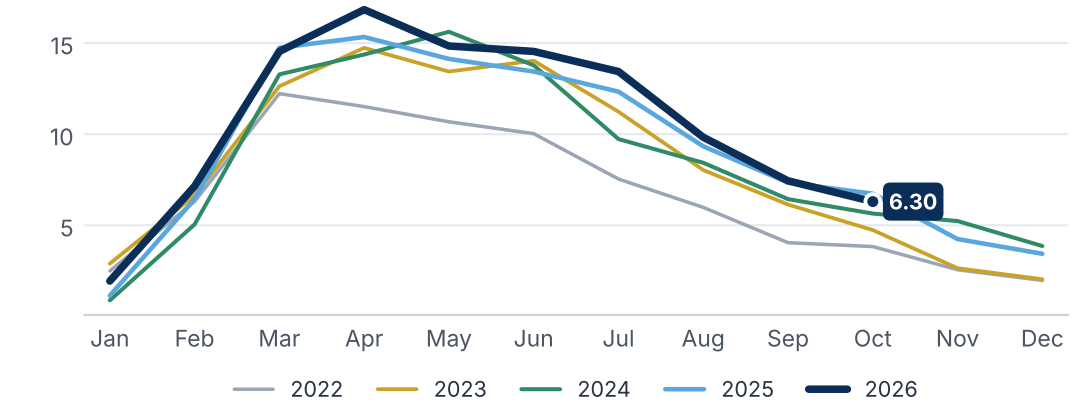
Iron ore shipments recovered 7.99% M-o-M but remain 9.65% below last year, while soybeans held a 5.86% year-to-date gain despite weaker Chinese buying.

Iron Ore Exports Million tonnes



Source: SECEX, Doric Research S.A.

Soybean Exports Million tonnes



Source: SECEX, Doric Research S.A.

IRON ORE · OCT

36.5 Mt

−9.65% Y-o-Y
+7.99% M-o-M

JAN–OCT 2026

334.3 Mt

−2.79% Y-o-Y

SOYBEANS · OCT

6.3 Mt

−5.97% Y-o-Y
−14.86% M-o-M

CHINA SHARE · OCT

70.3%

purchases −28.1% Y-o-Y

Exports 2/3

Corn and sugar

CORN

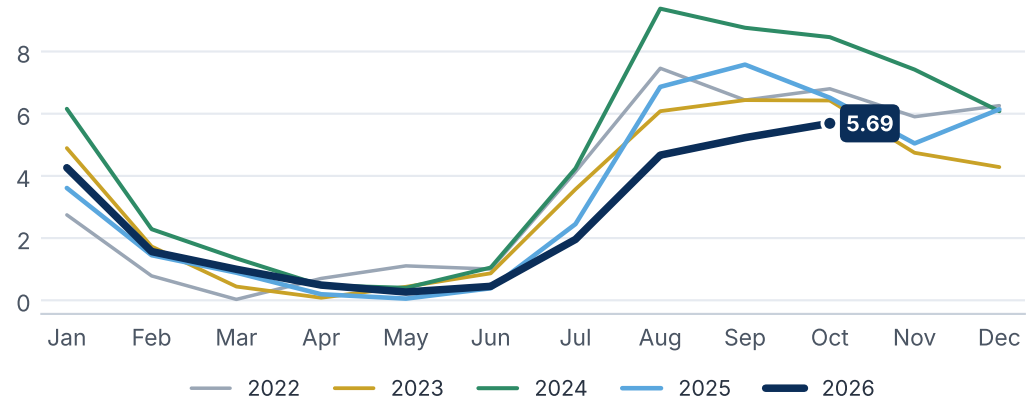
- Corn exports rose for the fifth consecutive month in October, reaching 5.69 million tonnes as Brazil reached the peak of the second-crop (safrinha) harvest.
- Compared with October 2025, exports fell 12.44%, reflecting strong domestic demand from Brazil's expanding corn-ethanol industry.
- China made no purchases of Brazilian corn in October, compared with 576 thousand tonnes a year earlier, leaving shipments increasingly reliant on alternative buyers, particularly the European Union.

SUGAR

- Sugar exports increased 20.62% M-o-M in October to 3.25 million tonnes, although this was 22.06% below the same month of 2025.
- Year-to-date exports totalled 23.95 million tonnes, 13.29% lower than in the corresponding period of 2025.
- According to UNICA, lower Centre-South sugar output tightened export supply, as mills allocated 53.4% of their cane crush to ethanol amid weather-related yield pressure.

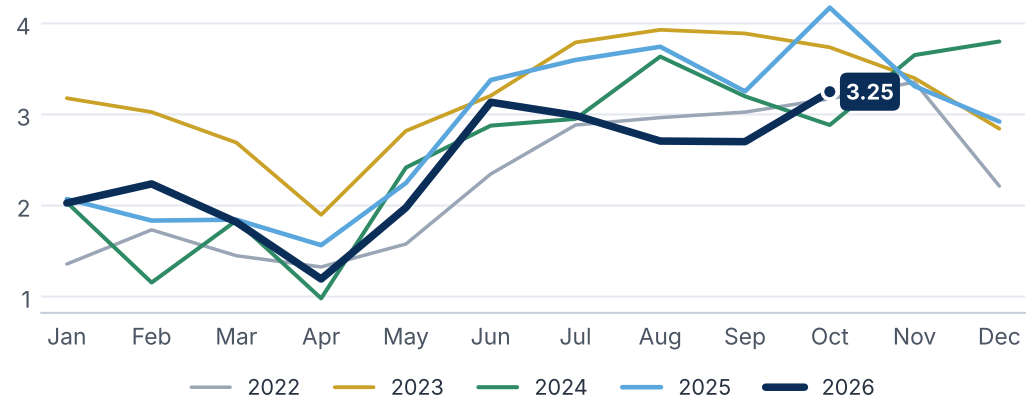
KEY TAKEAWAY
Ethanol is absorbing feedstock: corn exports are 12.44% lower Y-o-Y and sugar 22.06% lower, as mills direct 53.4% of cane to ethanol.

Corn Exports Million tonnes



Source: SECEX, Doric Research S.A.

Sugar Exports Million tonnes



Source: SECEX, Doric Research S.A.

CORN · OCT
5.69 Mt
−12.44% Y-o-Y · 5th monthly rise

CHINA PURCHASES · OCT
nil
vs 576 kt a year earlier

SUGAR · OCT
3.25 Mt
−22.06% Y-o-Y
+20.62% M-o-M

JAN–OCT 2026
23.95 Mt
−13.29% Y-o-Y

Exports 3/3

Crude oil and wood pulp

CRUDE OIL

- Crude oil exports reached a record 14.5 million tonnes in October 2026, up 23.93% M-o-M and 63% Y-o-Y.
- China remained the largest destination, accounting for 30.9% of crude export revenues, followed by the United States and the Netherlands.
- Cumulative January–October exports reached 93.3 million tonnes, up 15.9% Y-o-Y, cementing crude oil as Brazil's largest export in 2026.

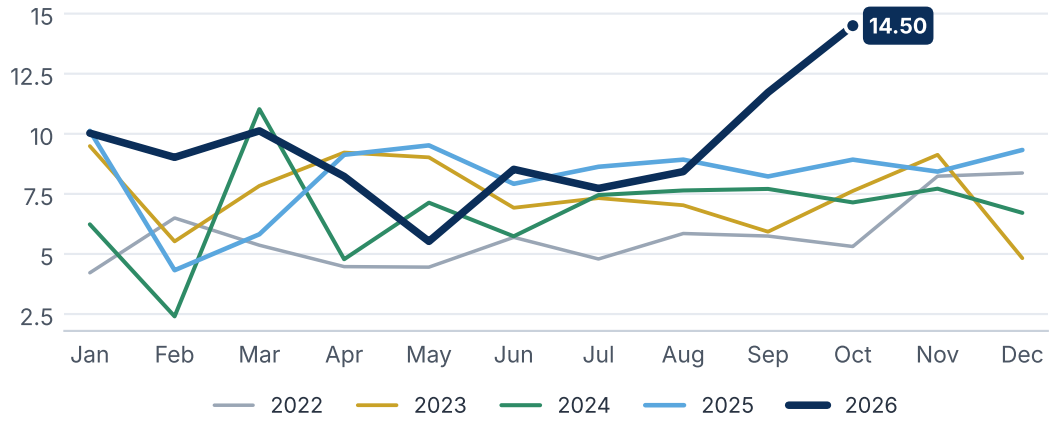
WOOD PULP

- Wood pulp exports rose 2.58% M-o-M in October to 1.96 million tonnes, and were 7.53% higher than in the same month of 2025.
- Year-to-date exports reached 17.81 million tonnes, 4.21% below the same period of 2025.
- China remained the largest destination with 55.8% of export revenues, followed by the European Union and the United States.

KEY TAKEAWAY
Crude oil set a record at 14.5 Mt (+63% Y-o-Y) and is now Brazil's largest export, with China taking 30.9% of revenues.

Crude Oil Exports

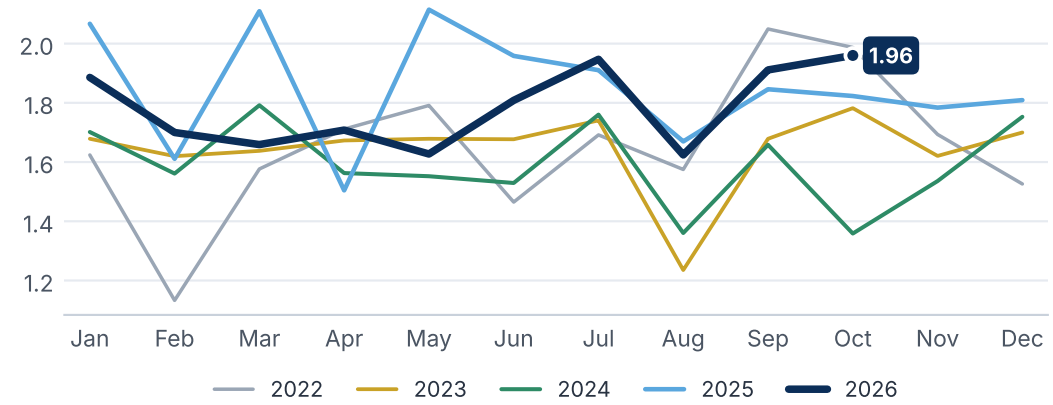
Million tonnes



Source: SECEX, Doric Research S.A.

Wood Pulp Exports

Million tonnes



Source: SECEX, Doric Research S.A.

CRUDE OIL · OCT
14.5 Mt
+63% Y-o-Y
+23.93% M-o-M

JAN–OCT 2026
93.3 Mt
+15.9% Y-o-Y

PULP · OCT
1.96 Mt
+7.53% Y-o-Y
+2.58% M-o-M

JAN–OCT 2026
17.81 Mt
−4.21% Y-o-Y

Imports

Fertilisers and wheat

FERTILISERS

- Brazil imported 4.26 million tonnes of chemical fertilisers in October, a 37.46% M-o-M recovery; volumes nevertheless remained 7% below the same month of 2025.
- Year-to-date imports reached 32.78 million tonnes, 14.7% below the corresponding period of 2025.
- Elevated international prices amid Middle East supply disruptions, coupled with subdued soybean and corn prices, weighed on purchasing appetite and application rates.

WHEAT

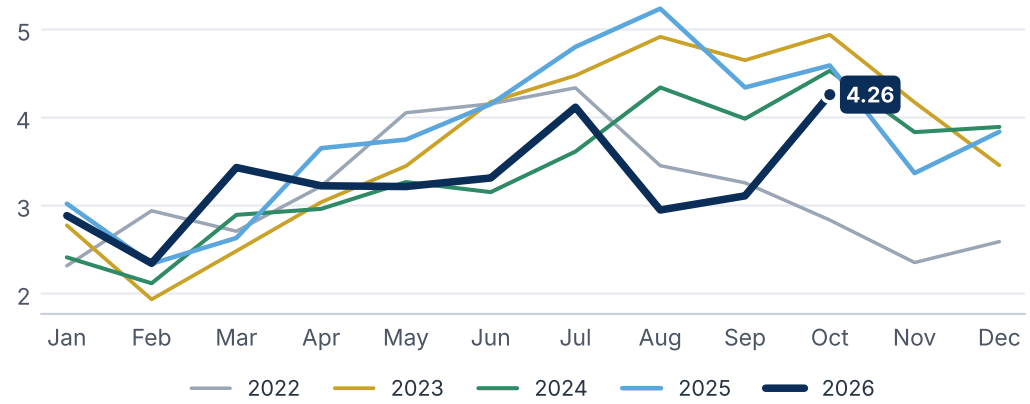
- Wheat imports rose to 514.5 thousand tonnes in October 2026, up 20.07% M-o-M but 3.69% lower Y-o-Y.
- Argentina remained the dominant supplier with 80.6% of import volume, followed by Paraguay (14.0%) and Canada (5.2%).
- Import requirements are expected to increase significantly in the 2026/27 marketing season: CONAB projects domestic wheat output to fall 33.2% Y-o-Y on reduced planted acreage.

KEY TAKEAWAY

Fertiliser imports rebounded 37.46% M-o-M but are 14.7% lower year-to-date; a 33.2% drop in the domestic wheat crop points to higher imports in 2026/27.

Chemical Fertiliser Imports

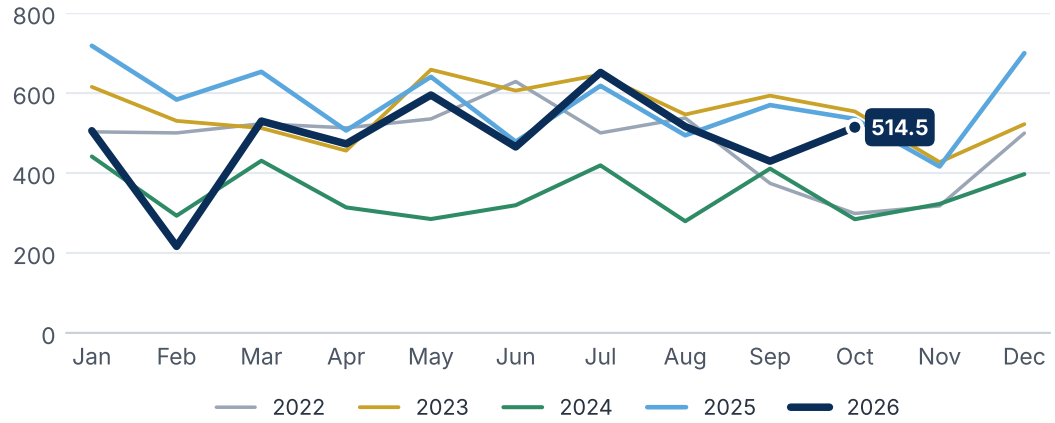
Million tonnes



Source: SECEX, Doric Research S.A.

Wheat Imports

Thousand tonnes



Source: SECEX, Doric Research S.A.

FERTILISERS · OCT

4.26 Mt

−7% Y-o-Y
+37.46% M-o-M

JAN–OCT 2026

32.78 Mt

−14.7% Y-o-Y

WHEAT · OCT

514.5 kt

−3.69% Y-o-Y
+20.07% M-o-M

ARGENTINA SHARE

80.6%

Paraguay 14.0% · Canada 5.2%

Port Congestion

Santos and Tubarão / Vitória

SANTOS

- Congestion at the Port of Santos averaged 44 vessels in October, a notable 14% decline from the previous month.
- The average deadweight of the congested fleet also fell 15% M-o-M, underscoring the easing in logistical pressure.
- Despite the overall decongestion, waiting times at fertiliser import terminals reached up to 30 days, increasing demurrage exposure and raising concerns over timely fertiliser deliveries ahead of the 2027 second-crop corn planting season.

TUBARÃO & VITÓRIA

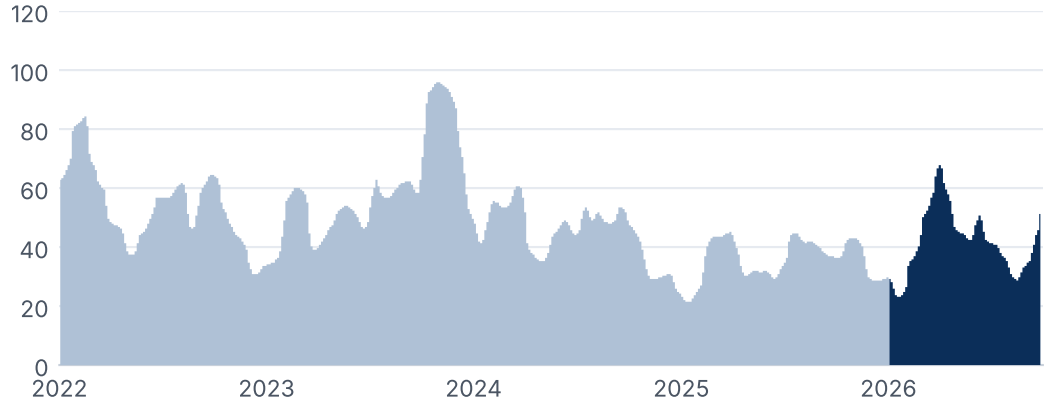
- Combined congestion at Tubarão and Vitória averaged 19 vessels in October, up 32% M-o-M.
- Congested deadweight rose 54% M-o-M, indicating that larger tonnage arrived at the two ports.
- Prolonged berthing delays extended vessel turnaround times, effectively tightening available tonnage in the South Atlantic.

KEY TAKEAWAY

Santos queues eased 14%, but congestion at Tubarão and Vitória rose 32% (deadweight +54%), absorbing larger tonnage in the South Atlantic.

Congestion — Santos

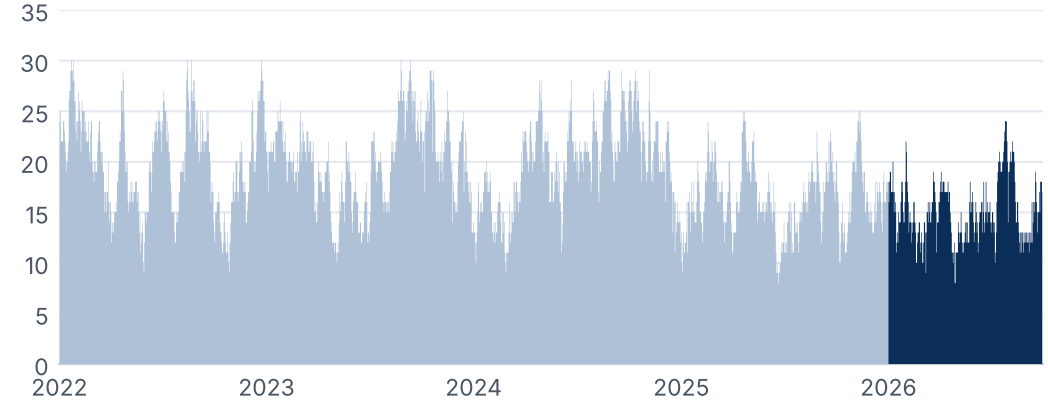
Number of vessels, daily



Source: Doric Research S.A.

Congestion — Tubarão & Vitória

Number of vessels, daily



Source: Doric Research S.A.

SANTOS · OCT AVG

44 vessels

−14% M-o-M

CONGESTED DWT

−15%

M-o-M · fert. waits up to 30 days

TUBARÃO & VITÓRIA · OCT

19 vessels

+32% M-o-M

CONGESTED DWT

+54%

M-o-M · larger tonnage

Baltic Indices

Capesize C3 and Panamax P8 voyage rates

CAPESIZE C3 (TUBARÃO–QINGDAO)

- The C3 index closed October at US$36.795 per tonne after considerable volatility, falling to a mid-month low of US$30.075 per tonne before staging a partial recovery.
- The monthly average stood at US$34.02 per tonne, 18.33% lower M-o-M, reversing a substantial portion of September's gains.
- Limited Chinese iron ore demand, coupled with ample tonnage availability, exerted downward pressure on C3 rates during the first half of October.

PANAMAX P8 (SANTOS–QINGDAO)

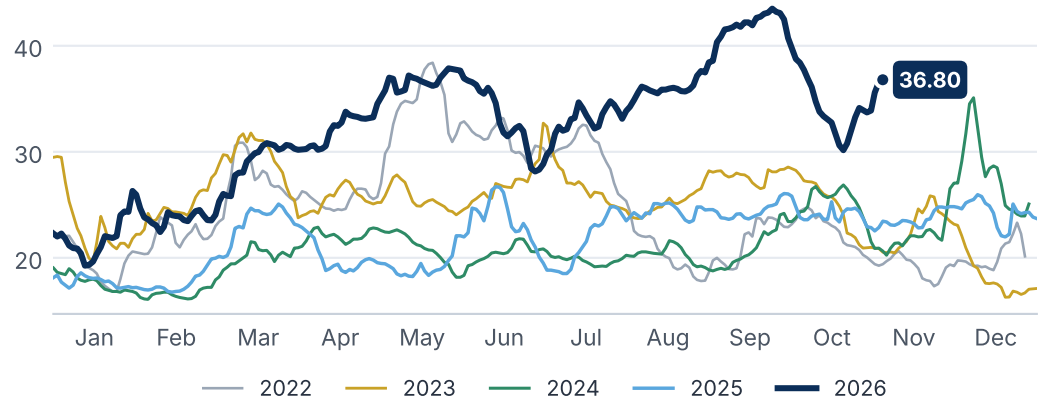
- The P8 index closed October at US$52.70 per tonne, down US$4.29 per tonne over the month, equivalent to a 7.53% decrease.
- The monthly average stood at US$55.67 per tonne, a moderate 2.15% M-o-M decline, pointing to gradual weakening after September's strong performance.
- Despite continued Brazilian agricultural export activity, P8 rates faced increasing pressure from growing tonnage availability across the South Atlantic.

KEY TAKEAWAY

Both routes softened: the C3 average fell 18.33% M-o-M on limited Chinese ore demand, while the P8 eased 2.15% as South Atlantic tonnage grew.

Capesize Baltic C3 — Tubarão / Qingdao

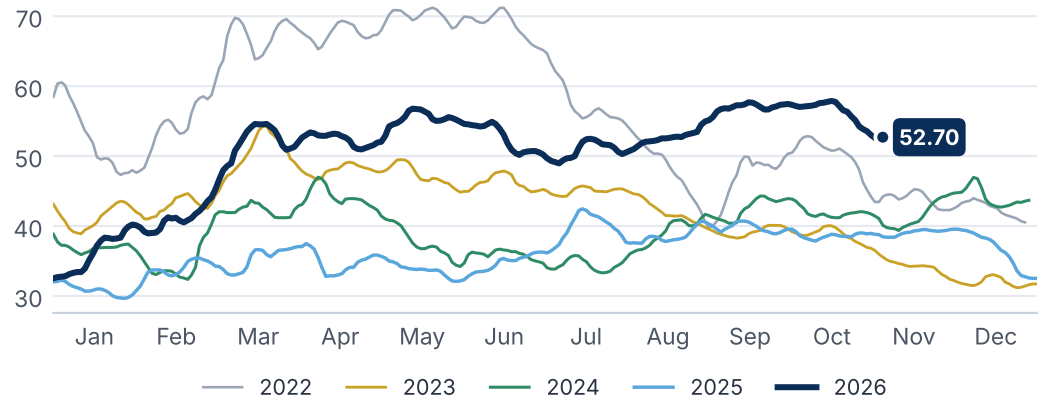
US$ per tonne, daily



Source: Baltic Exchange, Doric Research S.A.

Panamax Baltic P8 — Santos / Qingdao

US$ per tonne, daily



Source: Baltic Exchange, Doric Research S.A.

C3 · CLOSE OCT

$36.80/t

mid-month low $30.08/t

C3 · OCT AVERAGE

$34.02/t

−18.33% M-o-M

P8 · CLOSE OCT

$52.70/t

−7.53% over the month

P8 · OCT AVERAGE

$55.67/t

−2.15% M-o-M

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