# BRAZIL – BAROMETER

## Monthly Update

April 2025

# FOCAL POINTS :

### Macro Environment

Brazil's economic growth is projected to decelerate in the second half of 2025, hindered by high interest rates and global trade uncertainties. While the first half is expected to perform well, driven largely by the agricultural sector, GDP growth for 2025 is forecasted at 2.0 percent, a decrease from 3.4 percent in 2024.

### FX and money markets

As of March 2025, Brazil's central bank interest rate, the SELIC, stood at 14.25 percent per year. This rate was set by the Monetary Policy Committee (Copom) on March 19, 2025, reflecting a 1 percentage point increase from the previous 13.25 percent rate established in January 2025.

### Exports

Brazil's soybean exports in March surged to 14.7 million tonnes, marking the highest volume for the month in the past five years. This represents a significant 129.7 percent increase month-on-month and a 16.67 percent rise year-on-year. This uptick in exports contributed to a 0.66 percent year-on-year increase in total first-quarter volumes.

### Imports

Wheat imports rose to 651.8 thousand tonnes in March, reflecting an 11.95 percent month-on-month increase and a 27.62 percent rise year-on-year. Furthermore, chemical fertilizer imports totaled 2.62 million tonnes, showing a 5.8 percent year-on-year increase.

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# CONTENT PAGES :

• Brazil's economic growth is expected to decelerate in the second half of 2025, impacted by high interest rates and global trade uncertainties. Despite a strong first half, driven mainly by the farm sector, GDP growth for 2025 is forecasted at 2.0 percent, down from 3.4 percent in the previous year.

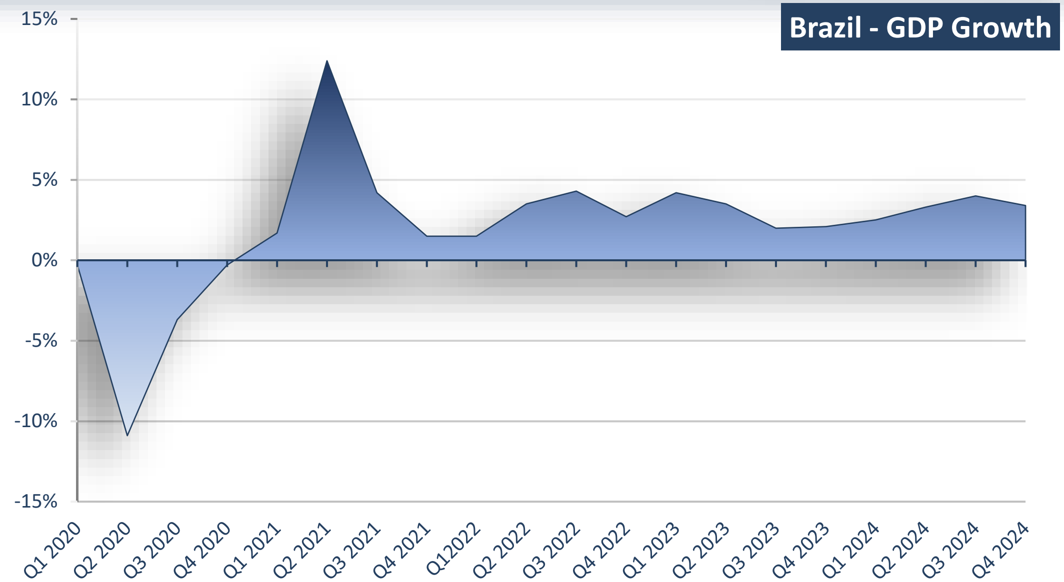
• This slowdown is partly attributed to global uncertainties, including delayed interest rate cuts in developed countries and trade restrictions.

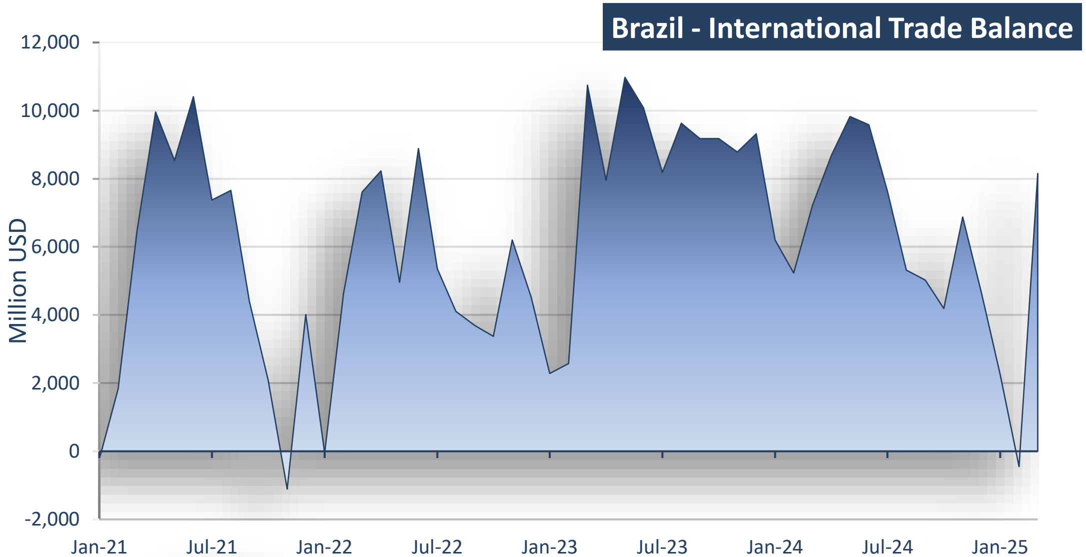
• The government's commitment to fiscal sustainability may provide support to economic activity. However, persistent inflation and external challenges remain the key risks.

• Brazil's trade balance for March 2025 showed a robust surplus of $ 8.15 billion. This represented a significant turnaround from the deficit of $ 0.3 billion recorded in February.

• This surplus generated is attributed to increased exports, with the total value reaching $29.18 billion, a 5.5 percent year-on-year increase. At the same time, the increase in imports was more moderate at 2.6 percent year-on-year, reaching $21.02 billion.

• Despite the strong March performance, the cumulative trade surplus for the first quarter of 2025 was lower compared to the same period in 2024 by 46.62 percent



• Brazil's inflation rate in March 2025 continued its upward trend, reaching 5.48 percent year-on-year. This marked the second consecutive monthly increase and the highest annual inflation rate since February 2023.

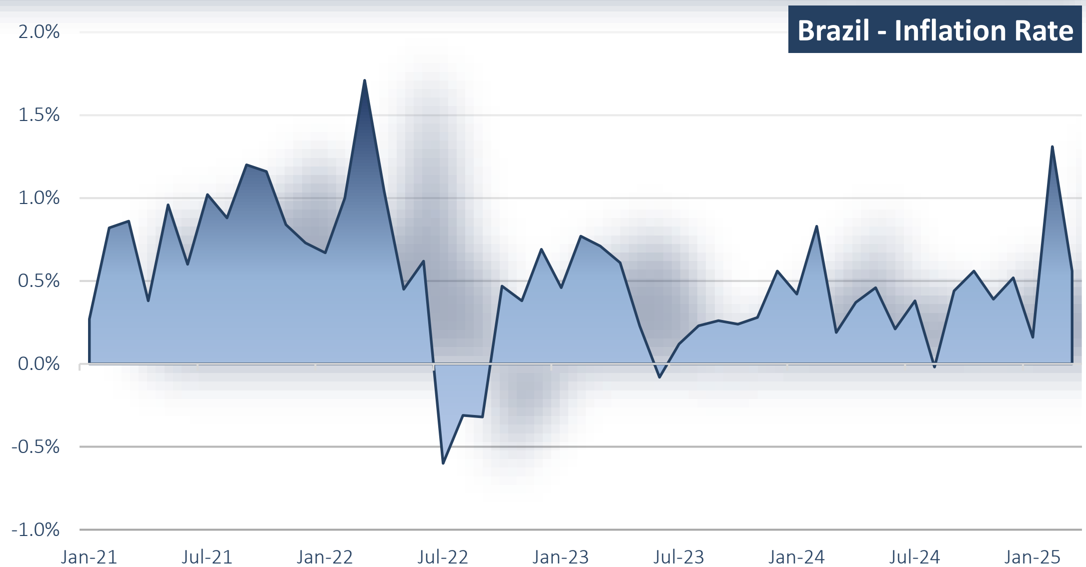
• On a month-on-month basis, the Consumer Price Index (IPCA) increased by 0.56 percent in March, a slowdown compared to the significant 1.31 percent rise in February 2025.

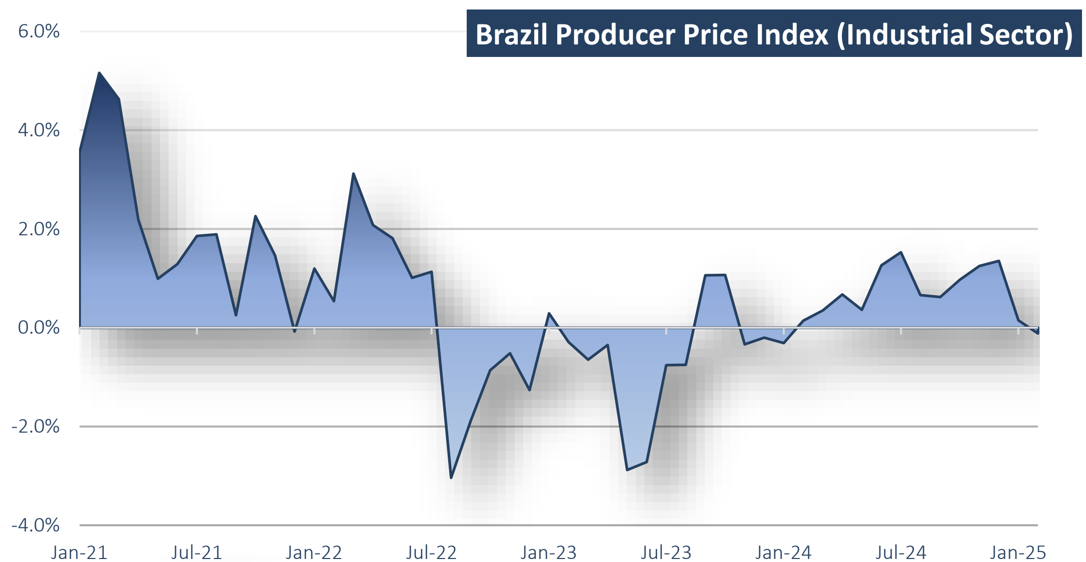
• The March inflation rate of 5.48 percent remains significantly above the Central Bank of Brazil's (BCB) target of 3 percent with a tolerance range of +/- 1.5 percentage points. This persistent deviation from the target has kept the BCB in a hawkish stance.

• Brazil's Producer Price Index (IPP) for February 2025 showed a slight decrease of 0.12 percent compared to. This marked a change after twelve consecutive months of positive results.

• Of the 24 monitored sectors, 11 reported gains, with significant increases in manufacture of coke, petroleum product, while mining and quarrying Industry saw the largest price decrease, at 3.39 percent, compared to the previous month.

•Despite this monthly dip, the year-on-year IPP for February 2025 stood at a significant 9.41 percent



• Brazil's central bank interest rate, the SELIC rate, stood at 14.25 percent per year in March 2025.

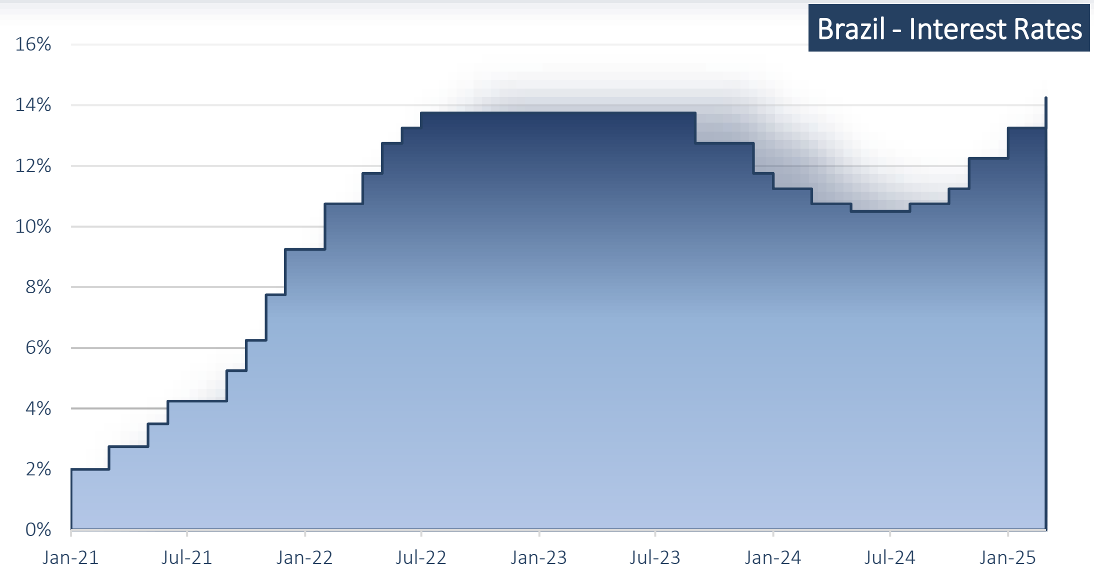
• This rate was determined by the Monetary Policy Committee (Copom) of the Central Bank of Brazil at its meeting on March 19, 2025. This represented a 1 percentage point increase from the previous rate of 13.25 percent set in January 2025.

• Copom indicated that future rate increases, starting with the May meeting, would likely be of a lesser magnitude. However, they emphasized that the overall extent of monetary tightening would depend on how inflation evolves..

• In March 2025, the Brazilian real experienced significant fluctuations against the U.S. dollar and the average exchange rate for the month was 5.7581 BRL/USD.

• The USD/BRL rate in March 2025 was 15.6 percent higher compared to March 2024, indicating an overall depreciation of the Real over the past year.

• The volatility recorded in the FX rate through March can be mainly attributed to the U.S. president's new trade policy in conjunction with the increasing SELIC rate by Brazil's Central Bank.




• Throughout March 2025 Brazil iron ore exports amounted to 28.4 million tonnes, a 11.81 percent increase compared to last month's figures

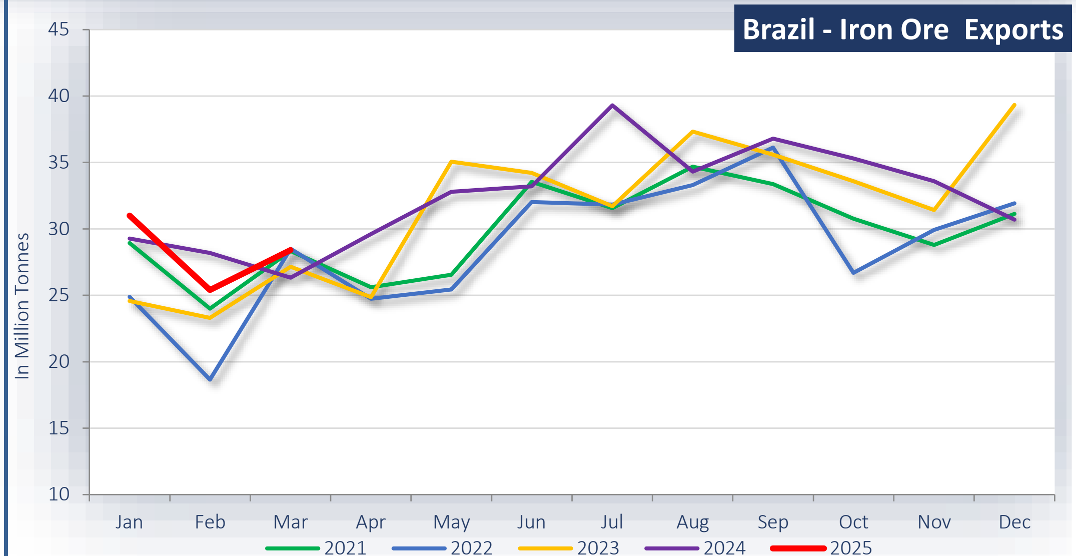
• Overall, exports in March increased by 7.87 percent when comparing to the same period last year.

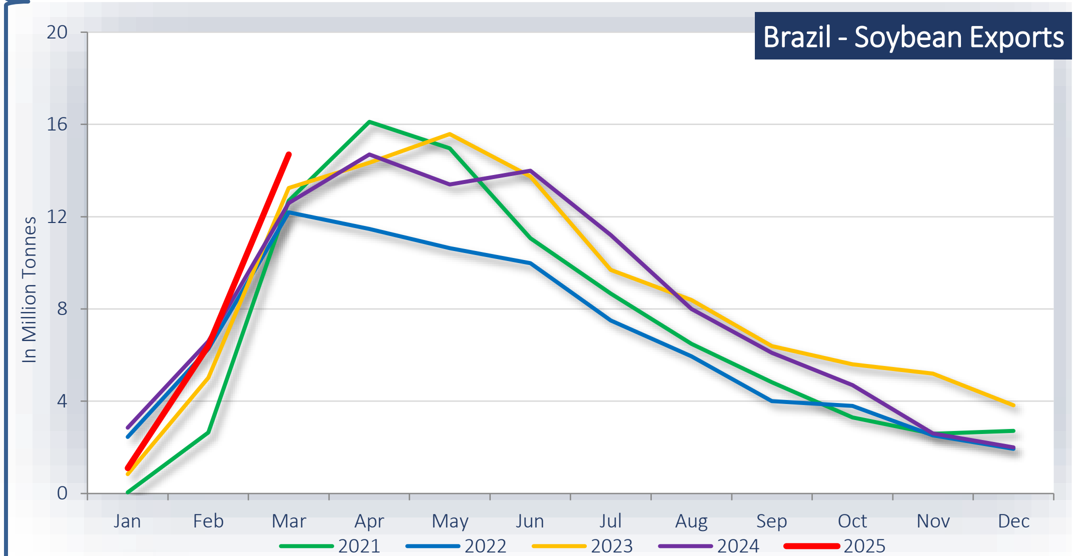
• Despite increasing exports, revenue decreased, indicating a drop in iron ore prices compared to the previous years. Major Brazilian miner Vale experienced a 4.5 percent year-on-year decrease in production in the first quarter of 2025, partly due to weather conditions. They maintained their production forecast for 2025.

• In March, Brazil's soybean exports experienced significant growth, reaching 14.7 million tonnes, the largest volume for the month over the past 5 years.

• This represents a significant 129.69 percent growth month-over month and 16.67 percent year-on-year. The total volume for the first quarter was also up by 0.66 percent compared to 2024.

• Trade tensions between the United States and its trading partners have made Brazilian soybeans more competitive internationally. The record shipments in March are expected to arrive at Chinese ports in April and May, a period of typically high consumption in China



• During March, the decline in Brazil's corn exports continued, with the total volume exported being 871.3 thousand tonnes. This represents a significant 39.16 percent decline compared to the month prior but a 103.91 percent increase year-on-year.

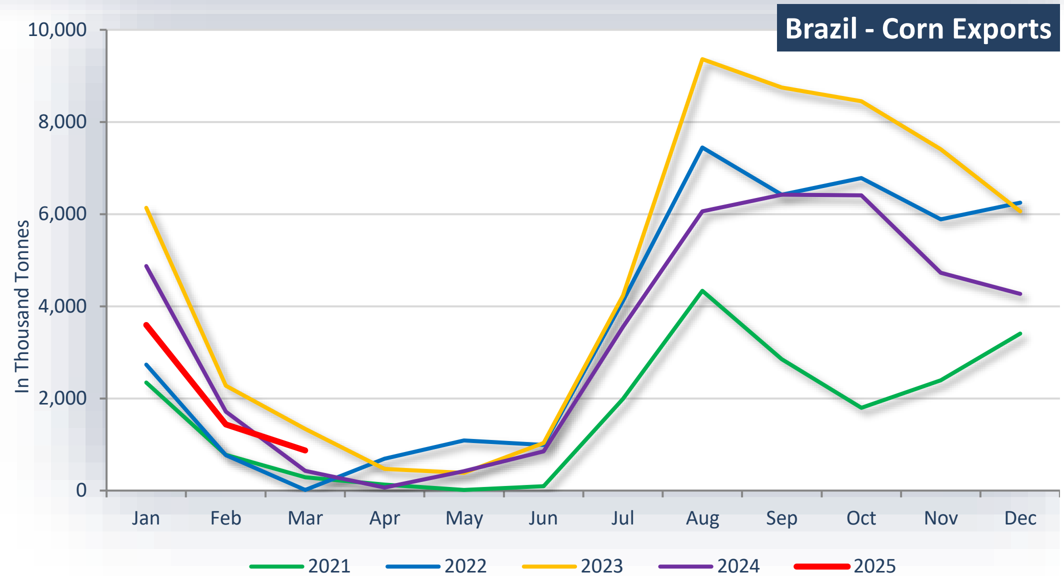
• For the first quarter of 2025, corn exports totaled 5.89 million tonnes, representing a 15.95 percent decrease when compared to the same period in 2024.

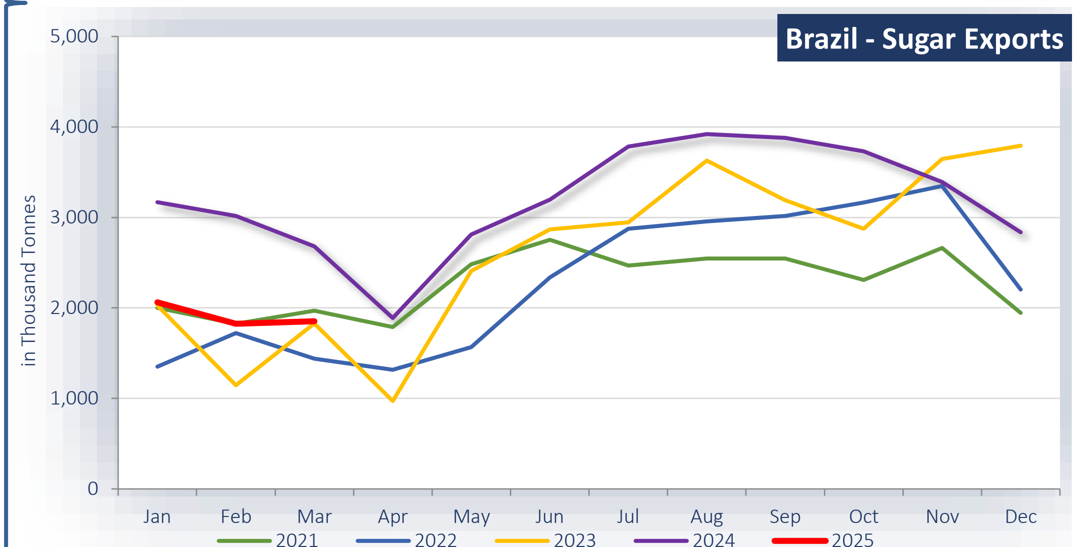
• Despite the decreased exports, local corn prices were significantly higher in March 2025 compared to the previous year, driven by strong domestic consumption.

• Brazil's sugar exports remained relatively steady in March, totaling 1.85 million tonnes, a marginal 1.55 percent increase over the month prior.

• Comparing to the same period last year however, there is a significant 30.87 percent decrease. Furthermore, cumulative exports for the first quarter amounted to 5.74 million tonnes, a 35.25 percent decrease when comparing to the same period in 2024.

• Despite this downturn in exports during the first quarter, forecasts for the period ranging from April 2025 to March 2026 suggest a potential rebound in Brazilian sugar exports due to increased production and a favorable sugar mix compared to ethanol.



• Brazil's crude oil exports trended upwards in March, totaling 5.8 million tonnes. This represents a 34.9 percent increase compared to the previous month and a 20.2 percent decline year-on-year.

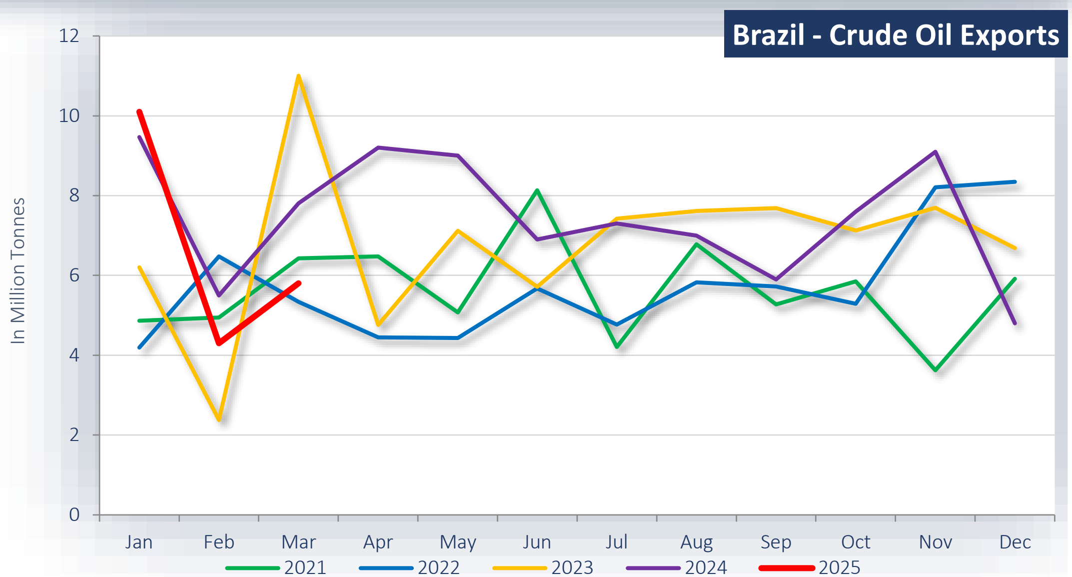
• For the first quarter of 2025, crude oil exports amounted to 20.2 million tonnes, representing a notable 11.31 percent decrease compared to the same period in 2024.

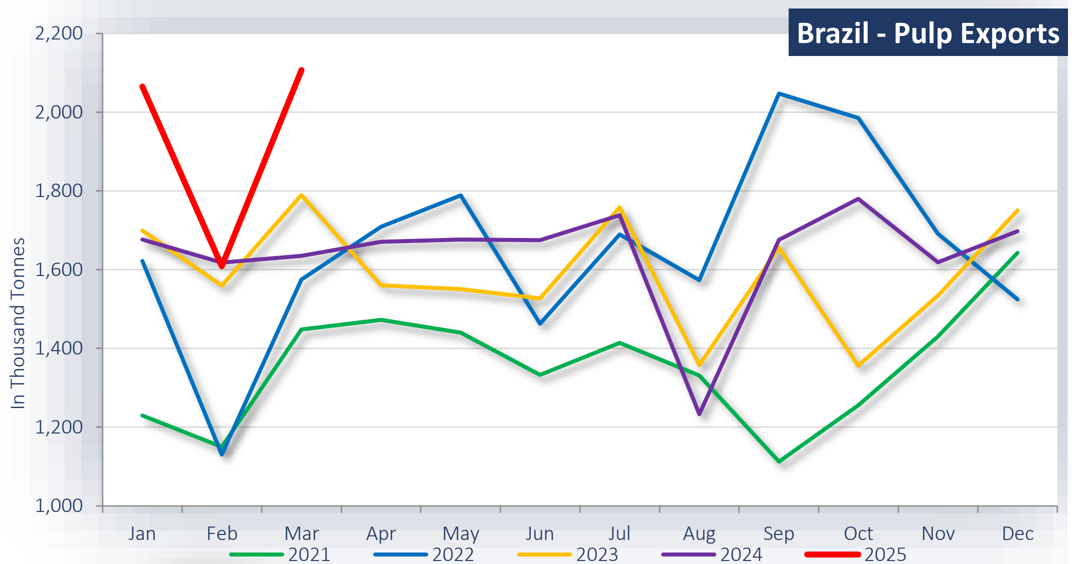
• Benchmark crude oil prices experienced a decline in February and early March 2025 mainly due to concerns about the global economic outlook, a slower-than-anticipated demand growth and escalating trade tensions.

• In March 2025, wood pulp exports recovered by 30.95 percent compared to the month prior, totaling 2.1 million tonnes. This represents a significant increase of 28.83 percent year-on-year.

• Export volumes recorded March were the highest of the past five years, while exports for the first quarter this year were 17.27 percent higher than 2024.

• Cellulose export volumes have been driven by increasing demand bleached eucalyptus kraft pulp (BEKP) which Brazil predominantly exports in conjunction with a preference for sustainable materials as alternatives to plastics.

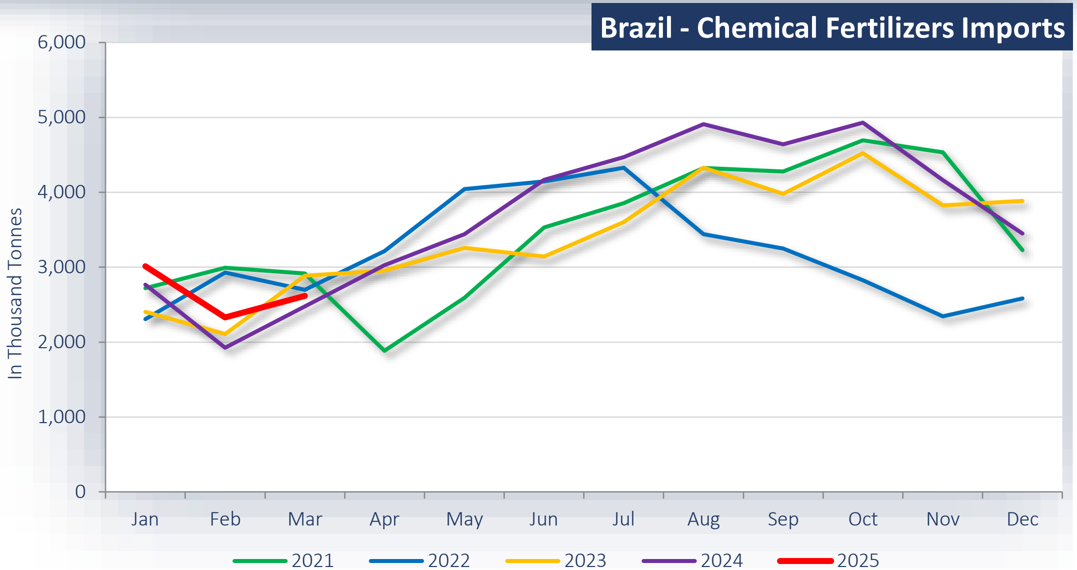


• In March 2025, Brazil's chemical fertilizer imports totaled 2.62 million tonnes, representing a 12.37 percent increase over February's figures. Year-on-year imports increased by 5.8 percent.

• Fertilizer imports for the first quarter of 2025, amounted to 7.96 million tonnes, which marked an 11.11 percent increase over the year prior.

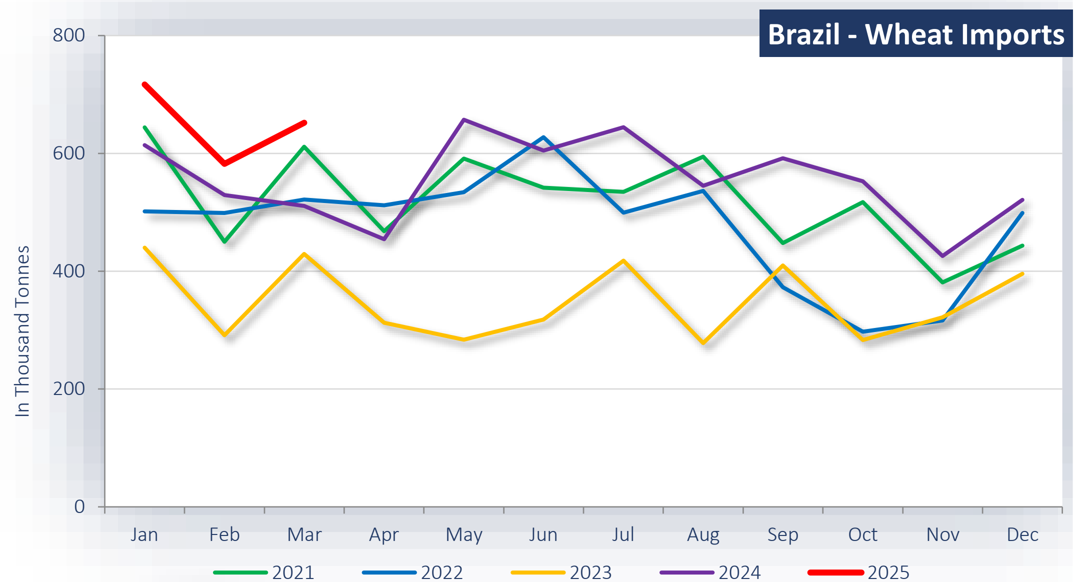
• With Brazil entering a period of record harvest in 2025, exceeding 2024's grain production, the demand for fertilizers is expected to remain high throughout the following months.




• Wheat imports rose to 651.8 thousand tonnes in March, marking an 11.95 percent increase month-over-month, and a 27.62 percent increase year-over-year.

• Import volumes during the first quarter of 2025 were the highest for the period in the past five years, underscoring Brazil's dependence on foreign wheat supplies.

• Wheat prices have been relatively low throughout 2025 so far, with March closing at USD 540 per bushel, making imports more attractive in light of the reduced production recorded in 2024 due to adverse weather.



• In March 2025 the recorded port congestion at Santos averaged 44 vessels, marking a 12 percent increase from February's average of 40 vessels.

• The average deadweight of congested vessels also experienced a 15 percent increase. Increased port congestion is to be expected as Soybean and other agricultural exports reach their seasonal peaks.

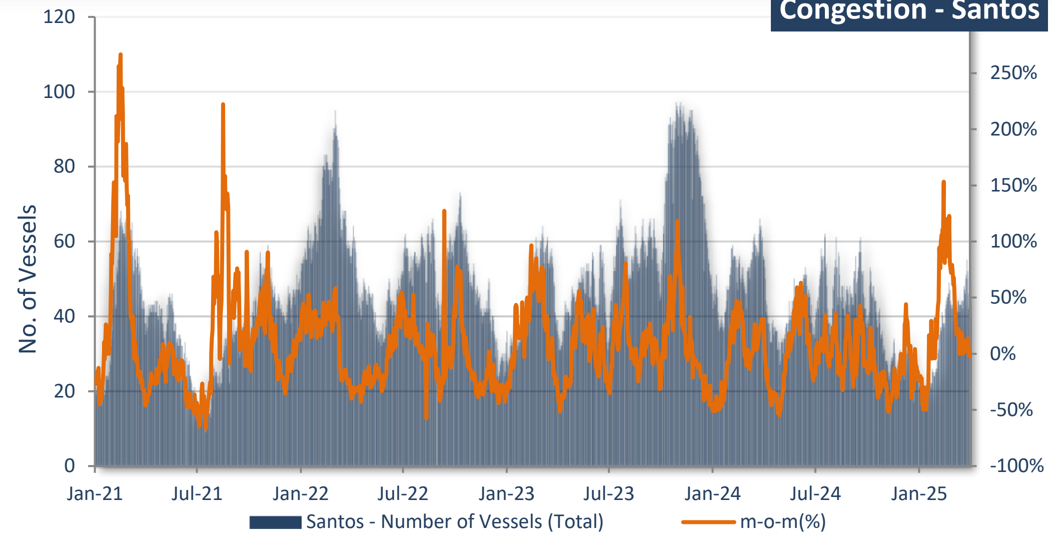
• When comparing to March 2024 however, when the reported congestion averaged 57 vessels, there is a significant 23 percent year-on-year decline.

• Throughout March, the combined congestion at the Ports of Tubarão and Vitória averaged 17 vessels, which represents a 6 percent month-over-month decline.

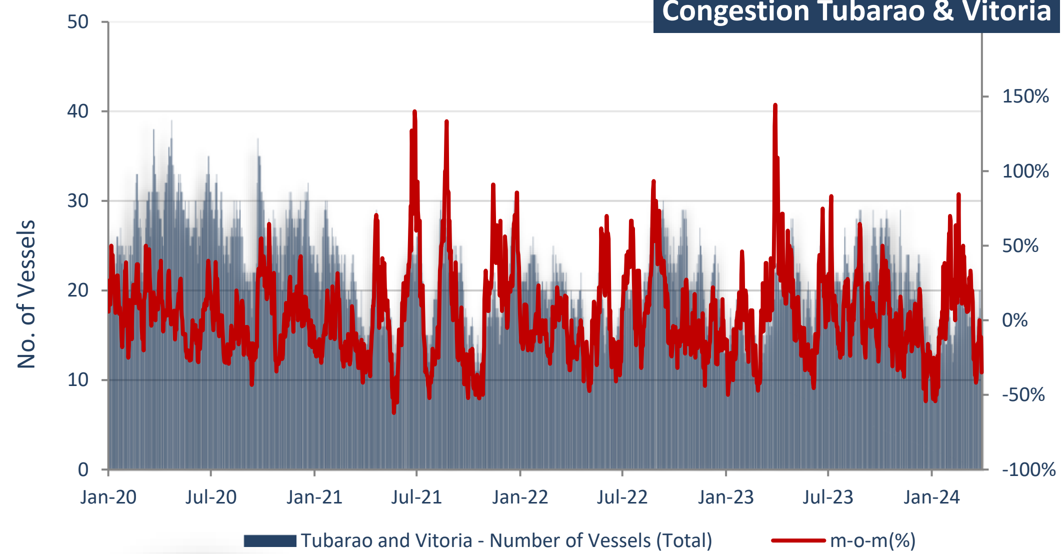
• On a deadweight basis, a 21 percent month-on-month drop in the total deadweight of congested vessels was observed compared to the previous month.

• Port congestion remained broadly stable on a year-on-year basis, with an average of 16 vessels recorded, reflecting a moderate 5 percent increase.

## Congestion - Santos




## Congestion Tubarao & Vitoria



• In March 2025, the Capesize Baltic C3 (Tubarão/Qingdao) Index closed at 23 USD per metric tonne, while the monthly average settled at 23.2 USD per metric tonne.

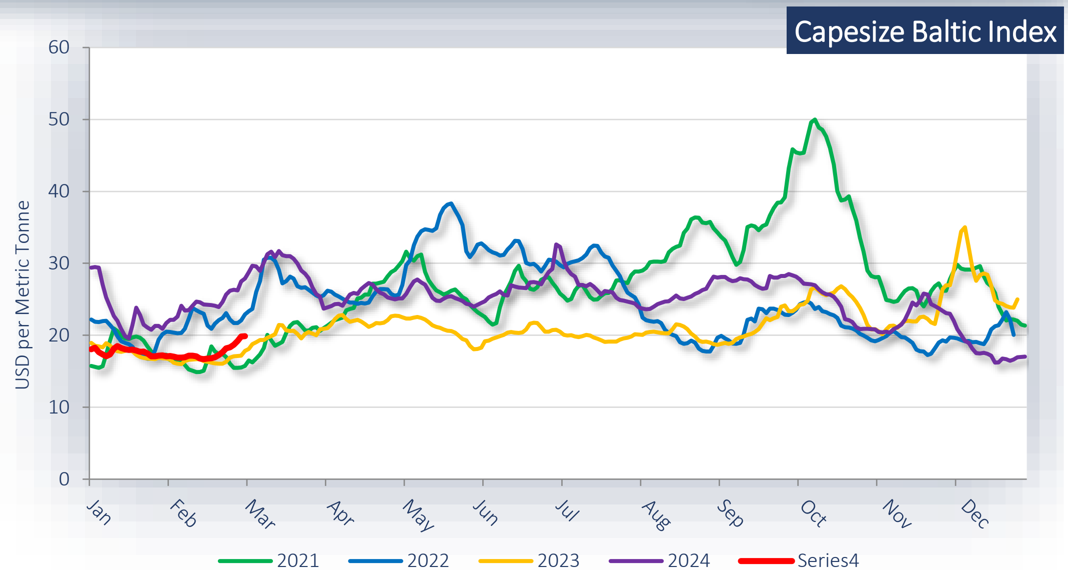
• March's average marked a significant 31.71 increase over that of February. Last month's average stood at 17.61 USD per metric tonne.

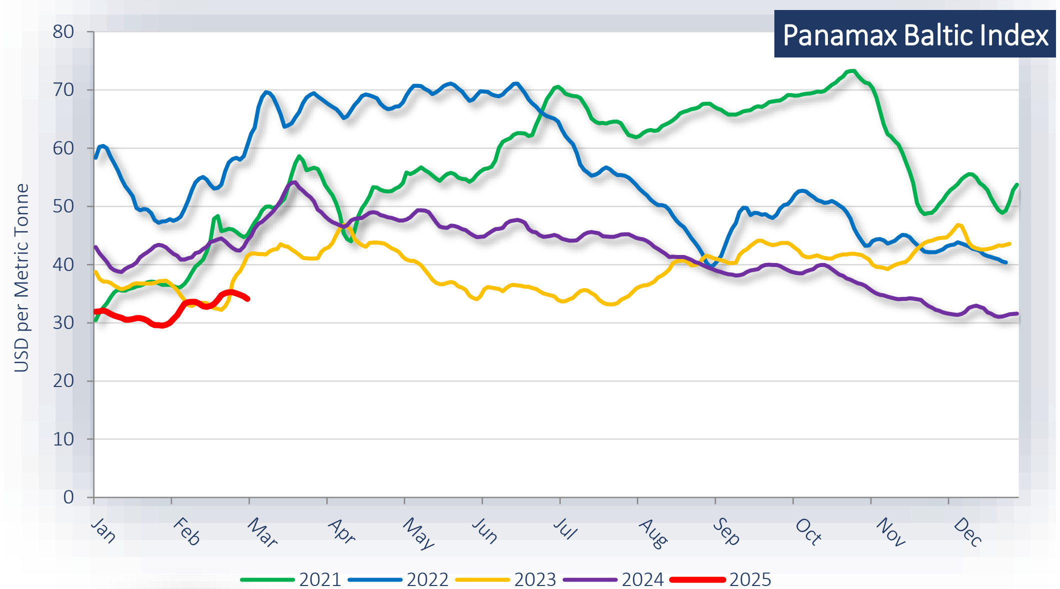
• On a year-on-year basis however, the index continues to underperform, with the monthly average being 21.30 lower than that of 2024 during March.

• Simultaneously, the Panamax Baltic P8 (Santos/Qingdao) Index closed March at 36.9 USD per metric tonne, with a monthly average of 35.15 USD per metric tonne.

• This reflected a 4.11 percent month-on-month growth from February's average of 33.77 USD per metric tonne.

• Despite the modest improvement, March's P8 Index closed at its lowest level in five years, reflecting the ongoing challenges facing the Panamax sector amid persistently weak market conditions.



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