DORIC SHIPBROKERS S.A.

BRAZIL – BAROMETER

Monthly Update

May 2025

FOCAL POINTS :

Macro Environment

Brazil’s Finance Ministry raised its 2025 GDP growth forecast to 2.4 percent from 2.3 percent, citing stronger-than-expected first-quarter performance in agriculture and industry.

FX and money markets

While the SELIC rate remained at 14.25 percent throughout April, Brazil’s Monetary Commitee signaled a potential smaller rate increase in its May meeting, emphasizing that future adjustments would depend on the evolution of inflation dynamics.

Exports

In April, Brazil iron ore exports totaled 30.4 million tonnes, a 7.04 percent increase compared to last month’s figures. Compared to the same period in 2024, monthly exports rose by 2.70 percent. During the same period, soybean exports experienced further growth, reaching 15.3 million tonnes, a 4.08 percent increase over the month prior. Year-on-year, the volumes exported also increased by 4.08 percent.

Imports

In April, Brazil's chemical fertilizer imports rose to 3.68 million tonnes, representing a 38.78 and 20.2 percent increase month-on-month and year-on-year respectively. Year-to-date import volumes stood at 11.6 million tonnes, marking a 13.84 percent increase over 2024.

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CONTENT PAGES :

• Brazil's Finance Ministry raised its 2025 GDP growth forecast to 2.4 percent from 2.3 percent, citing stronger-than-expected first-quarter performance in agriculture and industry.

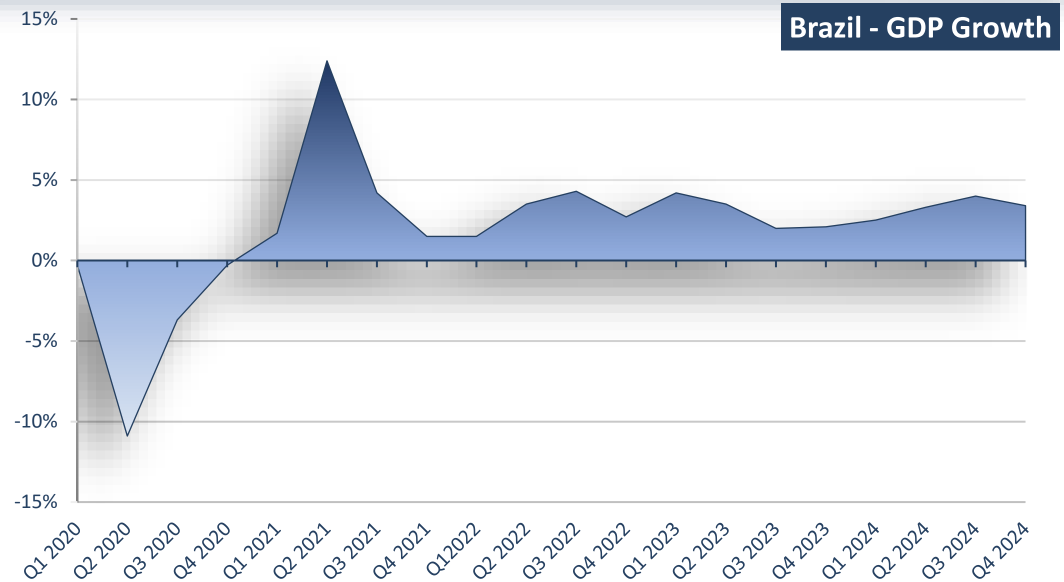
• The IMF and the World Bank have made similar growth predictions at 2 and 2.2 percent respectively, while the BBVA has a more restrained growth outlook with a 1.6 percent projection for 2025.

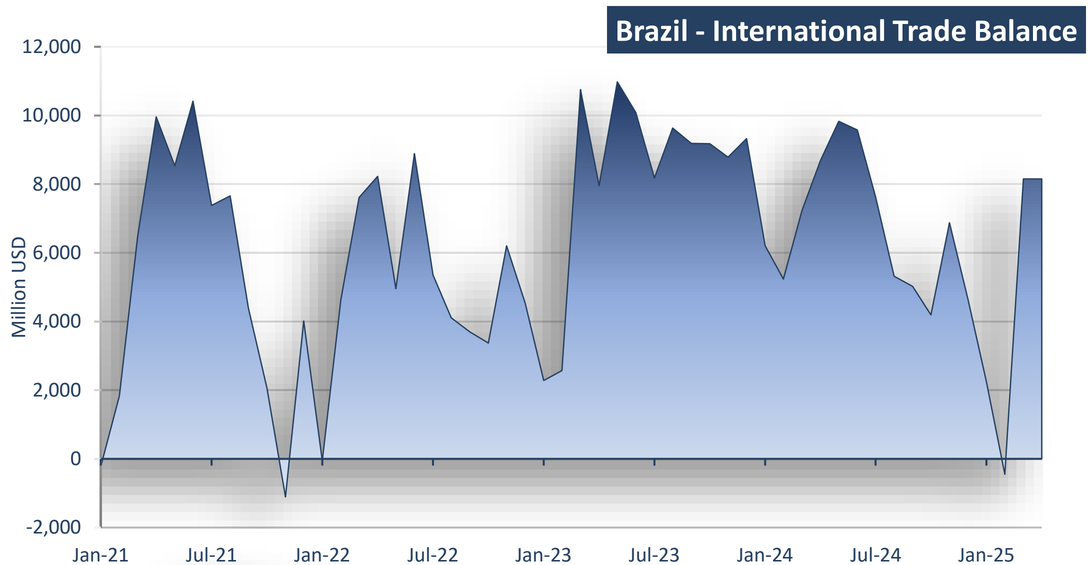
• External factors such as the escalating U.S.-China trade conflict and recent U.S. tariffs on Brazilian exports may further strain economic performance.

• Brazil's trade balance for April 2025 showed a surplus of $8.15 billion almost exactly at the same levels recorded the month prior.

• Imports reached $22.26 billion in April, up 1.7 percent year-on-year and marking the highest monthly figure on record. Meanwhile, exports declined slightly by 0.6 percent to $30.1 billion.

• Agribusiness exports totaled $15.03 billion, a modest 0.4 percent increase from April 2024. While soybean revenues were weighed down by lower prices, strong performances in coffee, meat by-products, and corn oil helped support the sector.





• Brazil's annual inflation rose to 5.53 percent in April 2025, up from 5.48 percent in March, remaining above the Central Bank's 3 percent target and signaling persistent inflationary pressures.

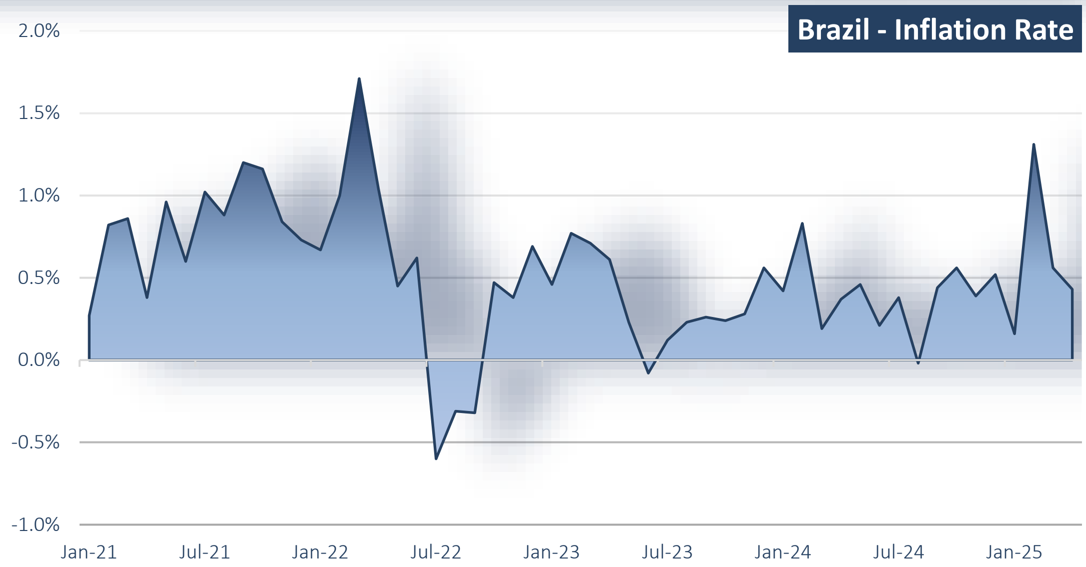
• On a monthly basis, the CPI increased by 0.43 percent in April, down from 0.56 percent in March, suggesting a modest deceleration in price growth.

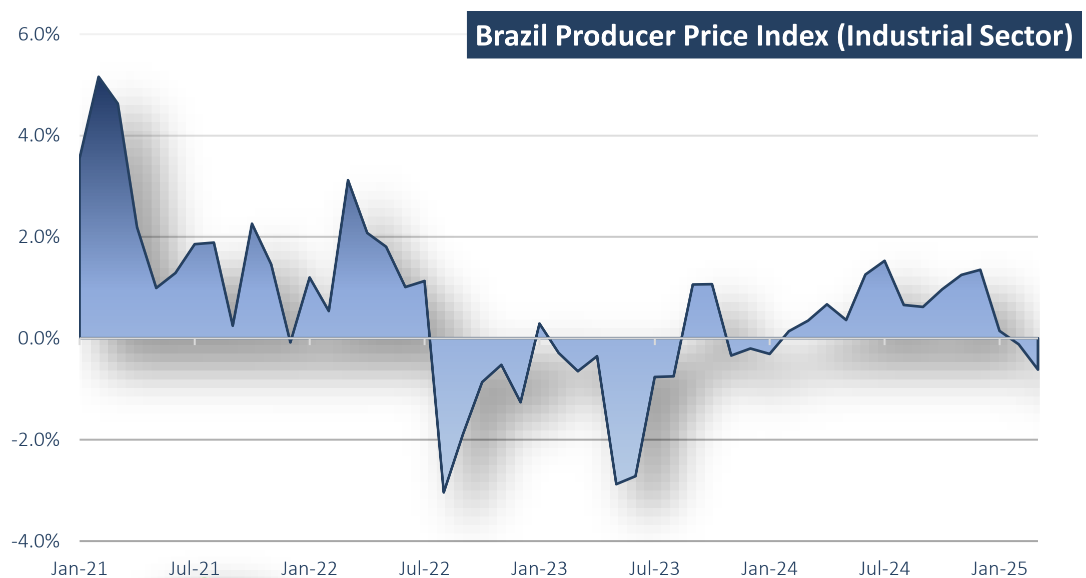
• Key contributors to the annual inflation included food and beverages, which rose by 7.68 percent along with pharmaceuticals which were a major driver, increasing by 2.32 percent.

• In March, 10 out of the 24 industrial activities surveyed recorded negative price changes compared to February. Among them, Petroleum Refining and Biofuels — ranked as the fourth-largest contributor to the overall index — posted a decline of 0.58 percent.

• Ten out of the 24 industrial activities surveyed recorded negative price changes in March compared to February. Petroleum Refining and Biofuels, with the fourth-largest influence on the overall result, saw a negative change of 0.58 percent.

• The cumulative IPP for the first three months of 2025 stood at -0.59 percent, reflecting the impact of the recent price decreases.

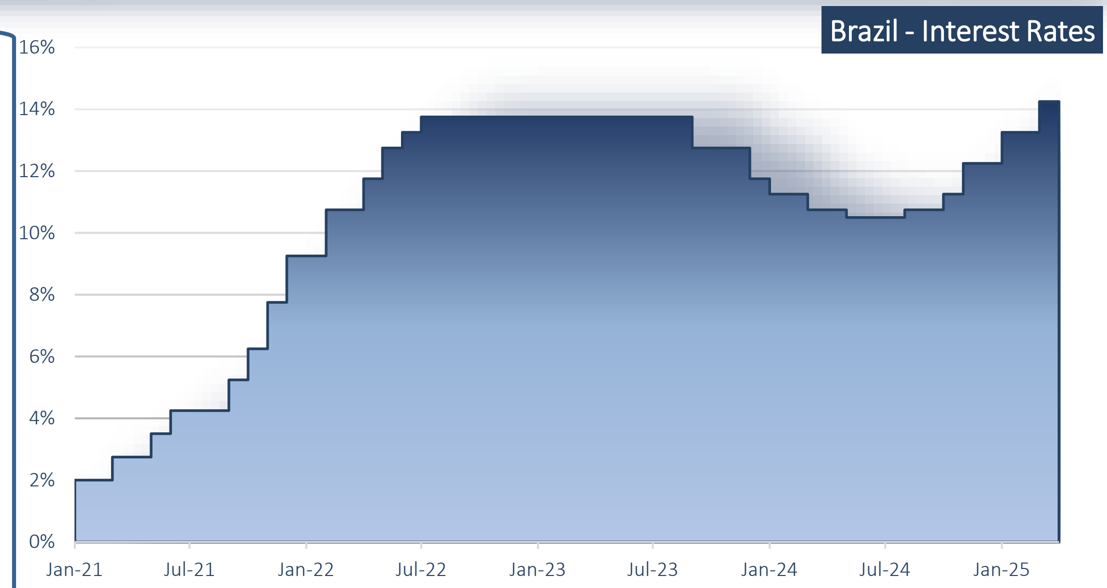




• Brazil's central bank interest rate, the SELIC rate, remained at 14.25 percent per year in April 2025.

• Looking ahead, Brazil's Monetary Committee (Copom) signaled a potential smaller rate increase in its May meeting, emphasizing that future adjustments would depend on the evolution of inflation dynamics.

• Analysts anticipate that the Selic rate could peak between 15 percent and 15.75 percent by mid-2025, as the Central Bank aims to anchor inflation expectations and stabilize the economy.



• In April 2025, the Brazilian retreated against the U.S. dollar and the average exchange rate for the month was 5.7905 BRL/USD.

• The real reached its weakest point on April 8, trading at around BRL 6.0175 per USD. By April 30, the exchange rate had improved to BRL 5.6742 per USD.

• While the Real is supported by a tight economic policy and rising interest rates, higher inflation and rising government debt pose risk to the currency in the long-term.

• In April, Brazil iron ore exports totaled 30.4 million tonnes, a 7.04 percent increase compared to last month's figures.

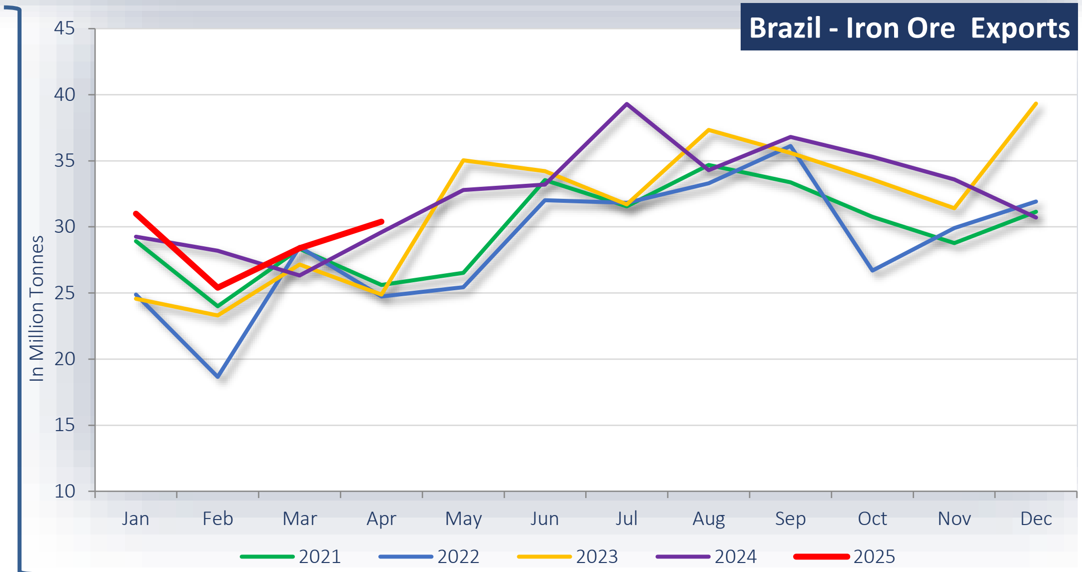
• Compared to the same period in 2024, Brazil's monthly exports in April rose by 2.70 percent, while cumulative exports for the year reached 115.2 million tonnes—an increase of 1.60 percent year-on-year.

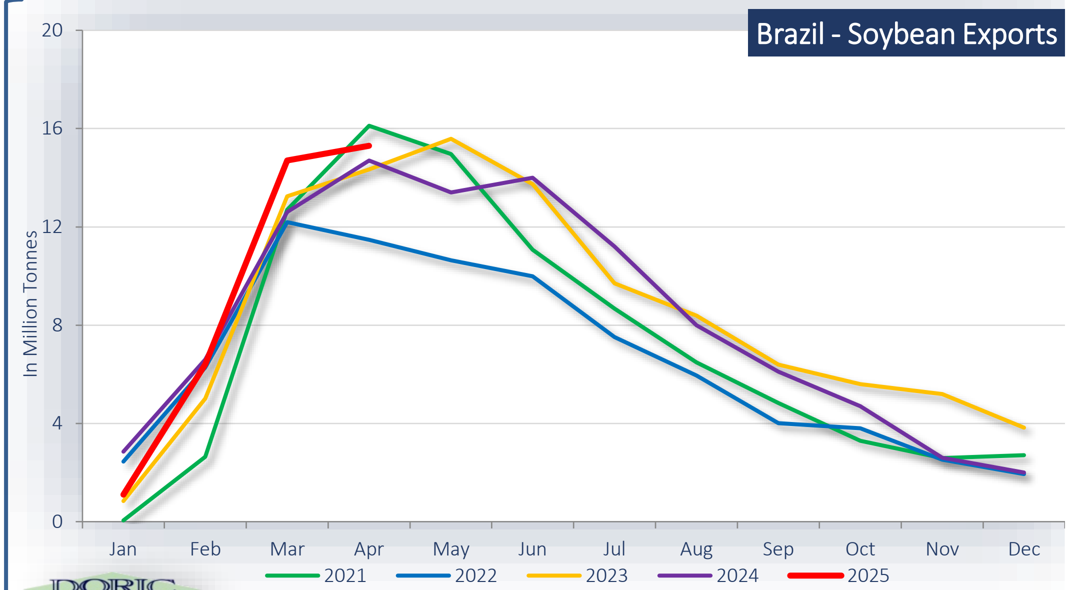
• Brazilian iron ore exporters remain heavily dependent on the Chinese market. In the first four months, 77.1 percent of Minas Gerais' iron ore export revenue was generated from shipments to China. On a national level, China accounted for 65 percent export earnings during the same period.

• In April, Brazil's soybean exports experienced further growth, reaching 15.3 million tonnes, a 4.08 percent increase over the month prior.

• Year-on-year the volumes exported also increased by 4.08 percent, while total exports year-to-date were 2.03 percent higher than the same period in 2024.

• China continued to be the primary destination for Brazilian soybeans, absorbing a significant 75 percent of the total volume exported through April 2025.





• Throughout April, Brazil's corn exports continued to decline, falling to 178.3 thousand tonnes—a sharp 79.54 percent drop compared to the previous month.

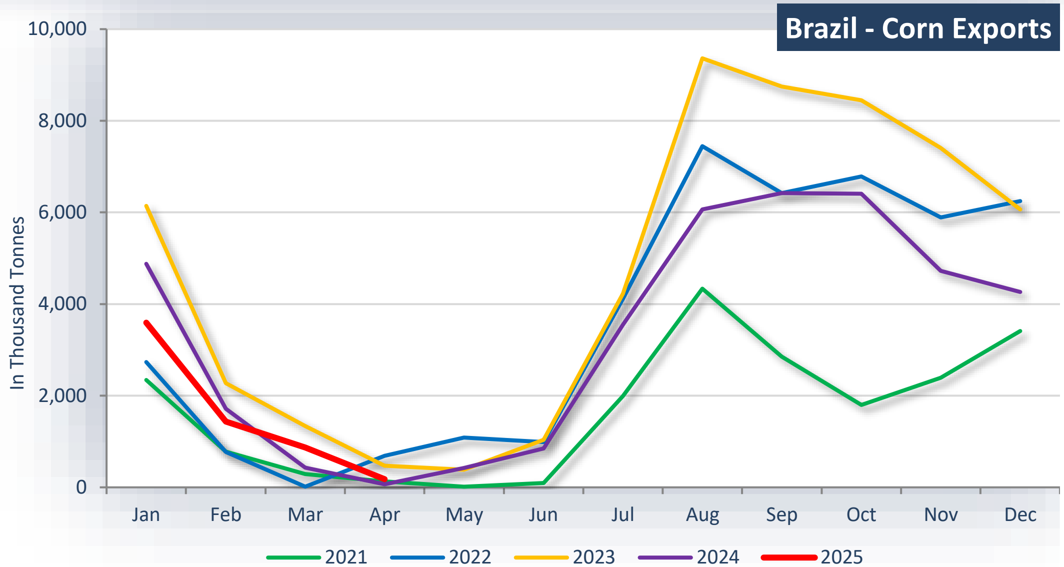
• Despite this steep month-on-month contraction, exports were still higher year-on-year. However, year-to-date volumes stood at 6.08 million tonnes, reflecting a 14.22 percent decrease compared to the same period in 2024.

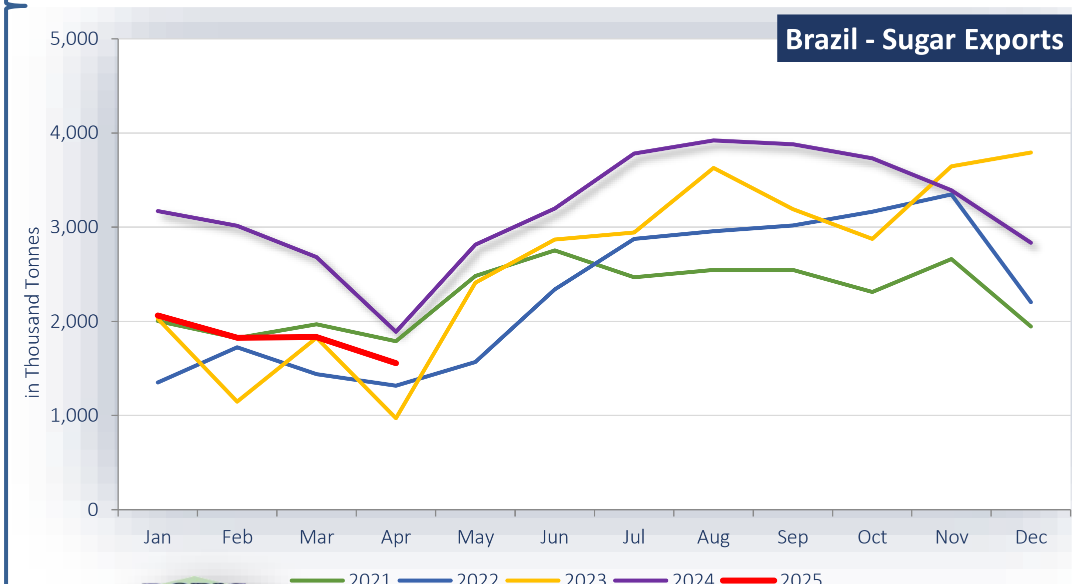
• Brazil's 2024/2025 corn crop is projected to be one of its largest ever, with estimates ranging from 124.7 million to 126 million metric tonnes. The second-season "safrinha" crop is expected to contribute significantly, accounting for around 80 percent of the total output.

• Brazil's sugar exports declined in April, reaching 1.56 million tonnes, a 15.19 percent drop over March..

• Comparing to the same period last year, exports declined by 17.65 percent. Year-to-date exports stood at 7.28 million tonnes, a 32.34 percent decrease over the same period last year.

• While April 2025 saw a dip, USDA forecasts overall sugar exports for 2025/26 to be around 35.8 million metric tons, a slight increase from the previous year, mainly due to greater crystallization capacity at mills, an increase in raw material volume, and a favorable sugar mix.





- Brazil's crude oil exports continued their upward trajectory in April, reaching 9.2 million tonnes, a substantial month-on-month increase of 58.6 percent.

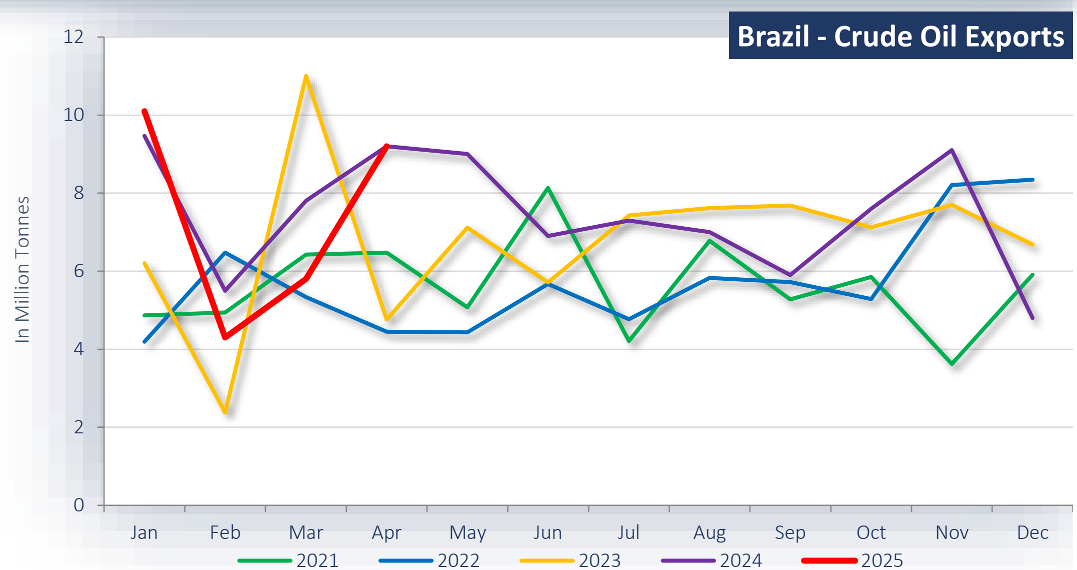
- Crude oil exports remained flat on a year-on-year basis, while year-to-date volumes were 8.05 percent lower compared to the same period in 2024.

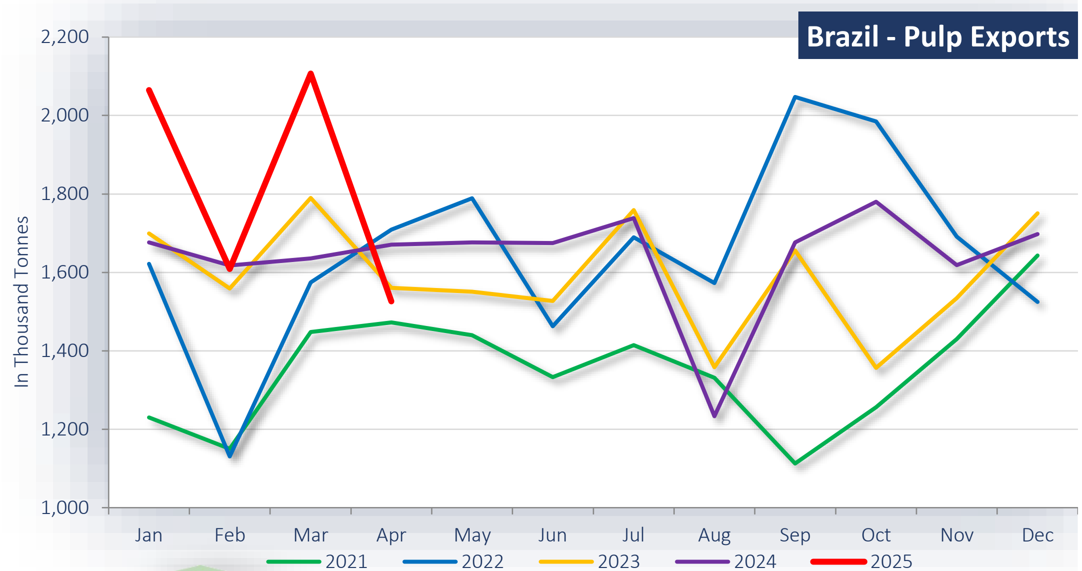
- The rise in exports is attributed to the successful ramp-up of new FPSO vessels that have come online since late 2024. In addition, Nigeria is becoming a new export destination with its Dangote Refinery expected to receive its first cargo of Brazilian Mero crude in late May 2025.

- Wood pulp trade continued its volatile trend in April, with exports totaling 1.5 million tonnes, a 27.6 percent drop over March.

- While, year-on-year exports dropped by 8.65 percent, the total volume exported so far this year amounted to 7.3 million tonnes, a 10.71 percent increase compared to the same period in 2024.

- The decline in exports was partly driven by the introduction of new U.S. tariffs under President Donald Trump's trade policy, resulting in a 20 percent year-on-year decrease in shipments to the United States.

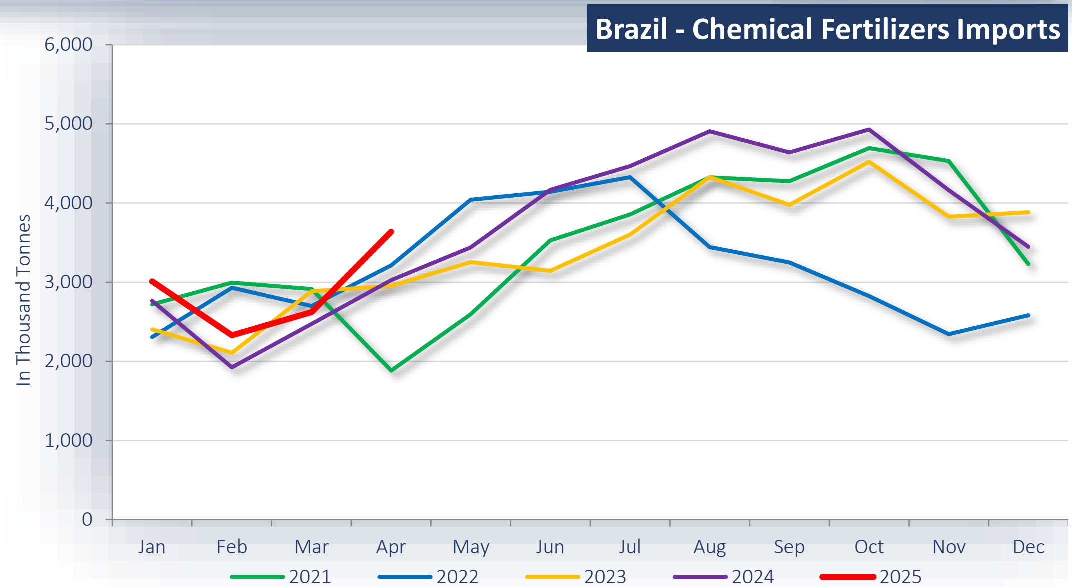




- In April, Brazil's chemical fertilizer imports rose to 3.68 million tonnes, representing a 38.78 and 20.2 percent increase month-on-month and year-on-year respectively.

- Year-to-date import volumes stood at 11.6 million tonnes, marking a 13.84 percent increase over 2024.

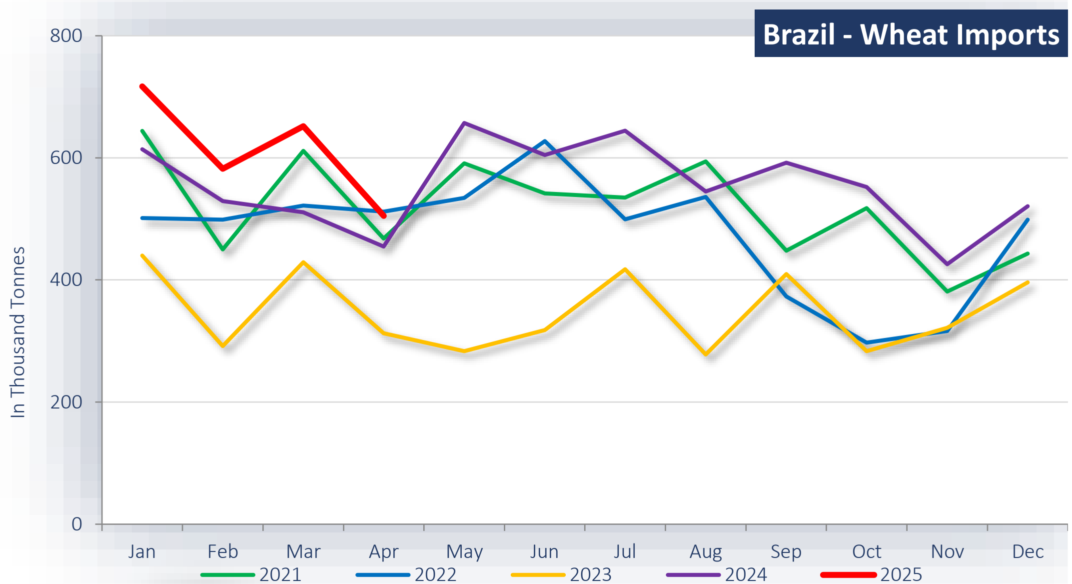
- The upward trend is attributed to Brazil's growing grain harvests in 2025, which have elevated the demand for fertilizers. Despite global challenges and trade disruptions, Brazil's strategic early procurement and reliance on long-term contracts have ensured stable import flows.



- Wheat imports dropped to 505 thousand tonnes in April, marking a significant 22.52 percent decline month-over-month.

- When examining the figures in comparison to the same period last year however, imports were higher by 11.10 percent.

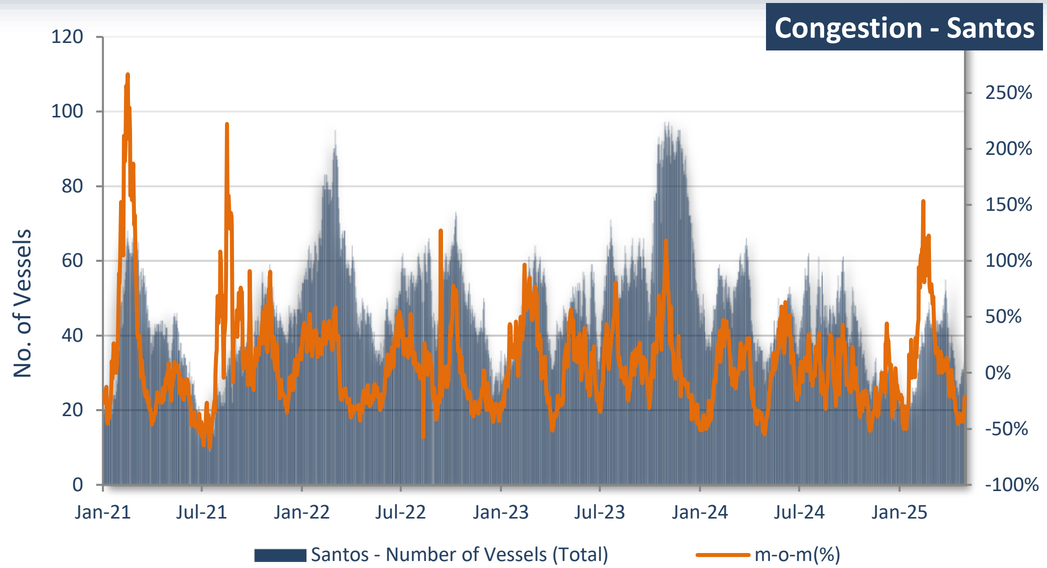
- Argentina continues to be Brazil's primary wheat supplier, bolstered by a reduction in Argentine export taxes from 12 to 9.5 percent until June 30. Additionally, Brazil has streamlined import procedures, allowing 90 percent of Argentine wheat shipments to bypass bonded storage and proceed directly to mills.



• In April 2025 the congestion recorded at the port of Santos averaged 31 vessels, marking a steep 29 percent drop from last month's average of 44 vessels.

• The average deadweight of congested vessels also experienced a 31 percent decreased on a month-over-month basis.

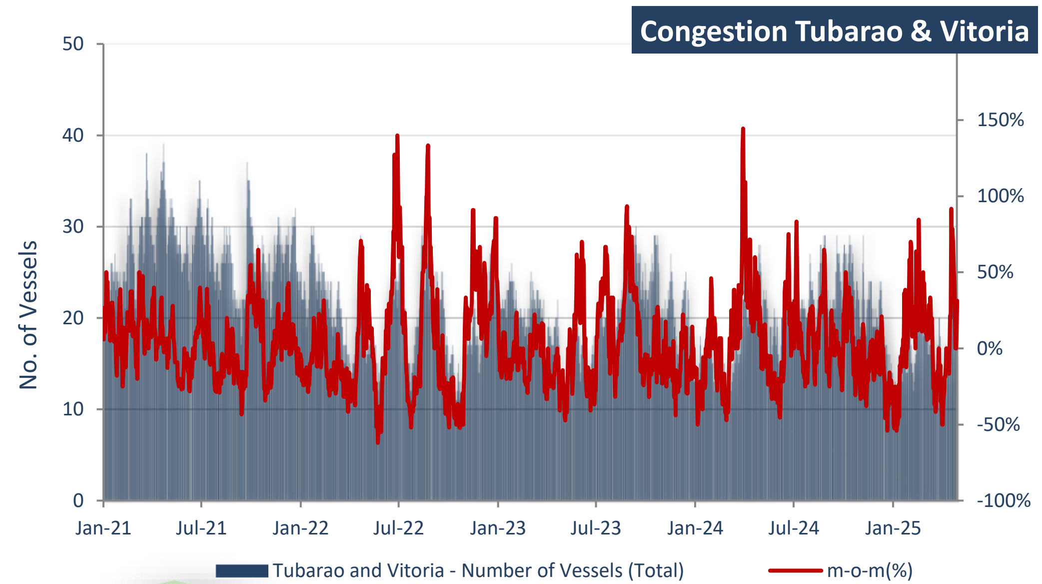
• Comparing to the same period last year, the average number of congested vessels was also notably lower by 16 percent.



• During April, the combined congestion at the Ports of Tubarão and Vitória averaged 18 vessels, marking a 5 percent month-over-month increase.

• On a deadweight basis however, the total average increase on a month-to-month basis was noticeably higher, by 20 percent.

• When examining the congestion on a year-on-year basis for the same period there was a notable decline of 22 percent.



• In April 2025, the Capesize Baltic C3 (Tubarão/Qingdao) Index closed at 19.45 USD per metric tonne, while the average for the month stood at 20.04 USD per metric tonne.

• April's performance marked a 13.6 percent decrease over that of March, where the average settled at 23.2 USD per metric tonne.

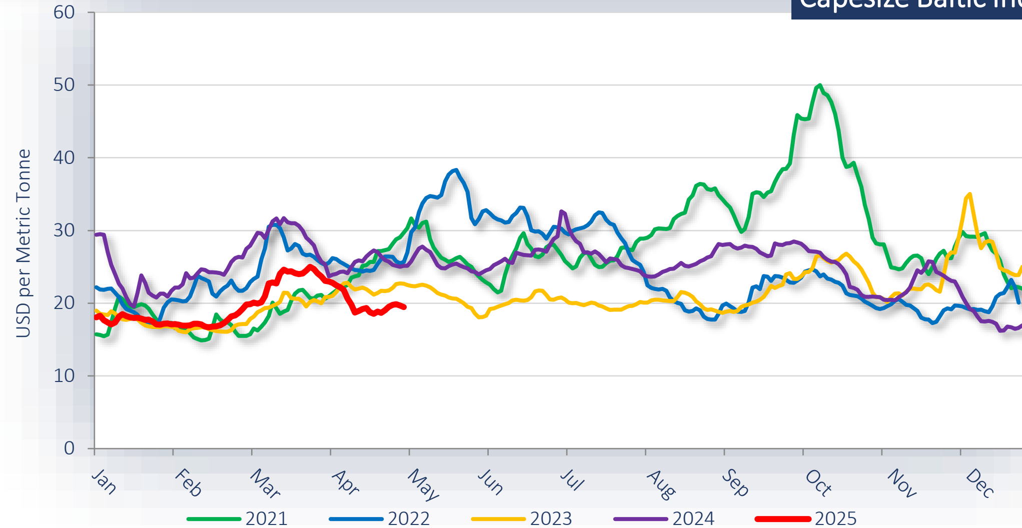
• When examining the performance a year-on-year basis, the index continues to underperform, with the monthly average being 21 percent lower than the same period in 2024.

• The Panamax Baltic P8 (Santos/Qingdao) Index closed April at 35.7 USD per metric tonne, with a monthly average of 34.8 USD per metric tonne.

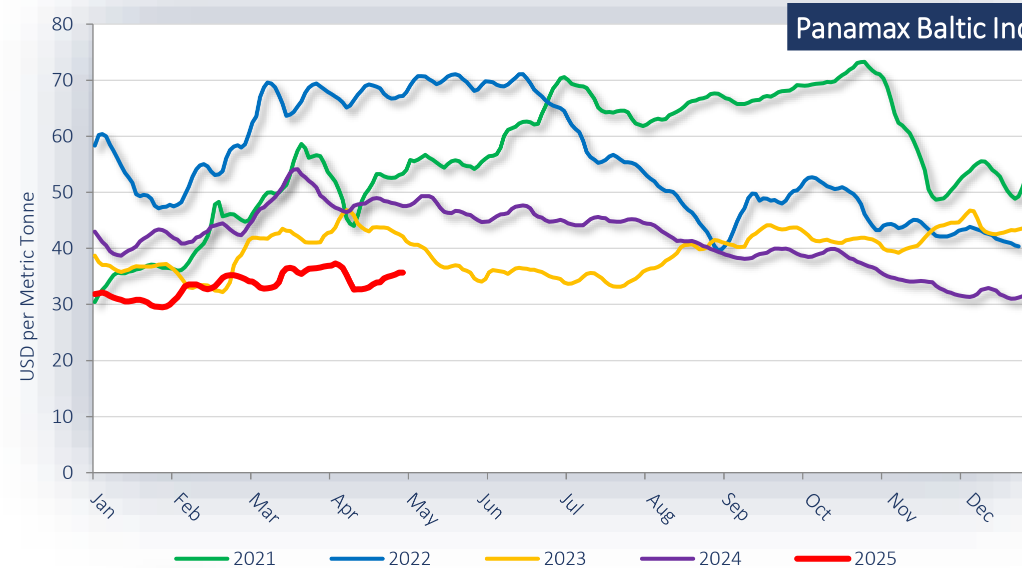
• The above reflects a marginal month-on-month drop of 1.01 percent from March's average of 35.15 USD per metric tonne.

• The P8 Index closed for the 3rd consecutive month at its lowest level in five years, reflecting the ongoing challenges facing the Panamax sector. April's levels were 27.3 percent lower when comparing to the same period in 2024.

Capesize Baltic Index



Panamax Baltic Index



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