DORIC SHIPBROKERS S.A.

BRAZIL – BAROMETER

Monthly Update

September 2025

FOCAL POINTS :

Macro Environment

Brazil’s GDP grew 2.2 percent year-on-year in Q2 2025, moderating from the 2.9 percent expansion recorded in the previous quarter. Despite the slowdown, the economy reached a record high in Q2, marking the 16th consecutive quarter of growth since the current GDP series began.

FX and money markets

In August 2025, the Central Bank of Brazil (BCB) kept the Selic rate unchanged at 15.00 percent. The persistently high rate reflects ongoing challenges in returning inflation to the official target, with expectations for 2025–2026 remaining above the target band.

Exports

Brazil exported 40.2 million tonnes of iron ore in August, declining 1.95 percent month-on-month from the record levels of July. Soybean exports in August rose by 16.25 percent year-on-year to 9.3 million tonnes.

Imports

Chemical fertilizer imports continued their upward trajectory for a sixth consecutive month, reaching 5.23 million tonnes in August — a monthly record. These elevated volumes align with seasonal patterns, as July and August are traditionally peak months ahead of the main crop planting season.

Doric Research Department
Michalis Voutsinas
Konstantinos Dimitriadis

CONTENT PAGES :

Macro Environnent .... Page 03
Price Environnent .... Page 04
FX and Money Markets .... Page 05
Exports .... Page 06
Imports .... Page 09
Port Congestion .... Page 10
Baltic Indices .... Page 11

• Brazil's Q2 2025 GDP grew by 2.2 percent on an annual basis, decelerating from the 2.9 percent growth of the previous quarter.

• Agriculture, which had driven strong growth earlier, turned slightly negative, dropping by 0.1 percent quarterly and putting pressure on the aggregate figure.

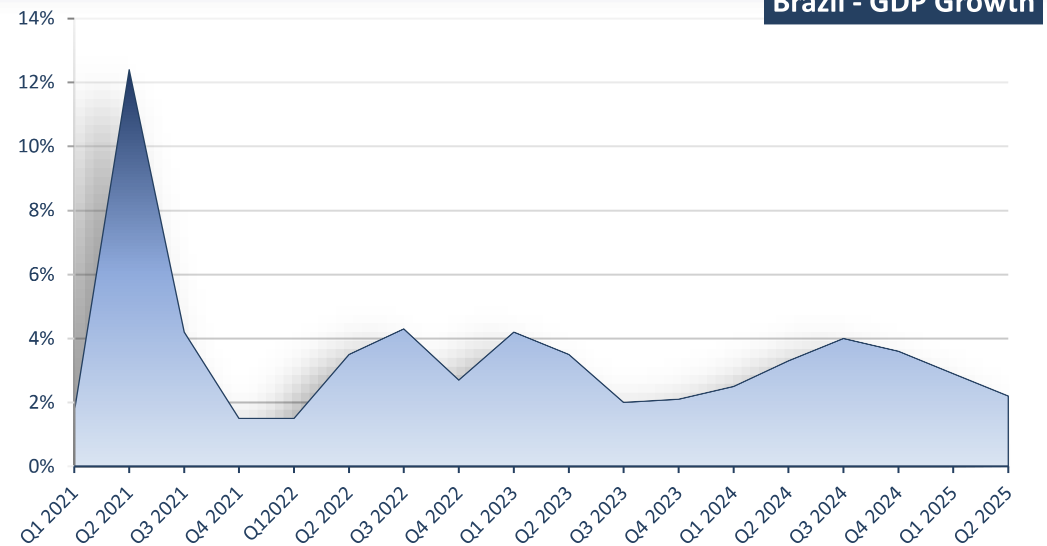
• Despite the slowdown, the GDP reached a record high value in Q2 2025, marking the 16th consecutive quarter of economic expansion since the current GDP series began.

• Brazil recorded a significant trade surplus of $6.13 billion in August 2025. While this is an increase of 35.8 percent compared to the same period last year, it represents a 10.82 decline month-over-month.

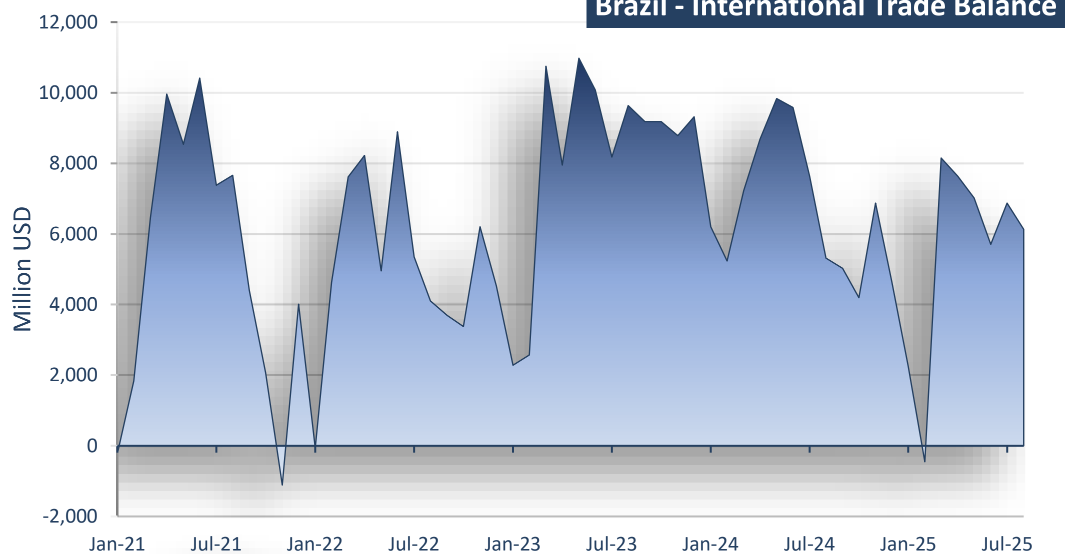
• Comparing to August of 2024, outbound shipments rose by 3.9 percent and imports fell by 2.0 percent, reflecting a cooling of domestic demand.

• The impact from the newly imposed US tariffs was evident, with exports to the worlds largest economy falling by 18.5 percent. This gap was filled however by China, the top importer of Brazilian goods, where exports surged by 29.9 percent.

Brazil - GDP Growth



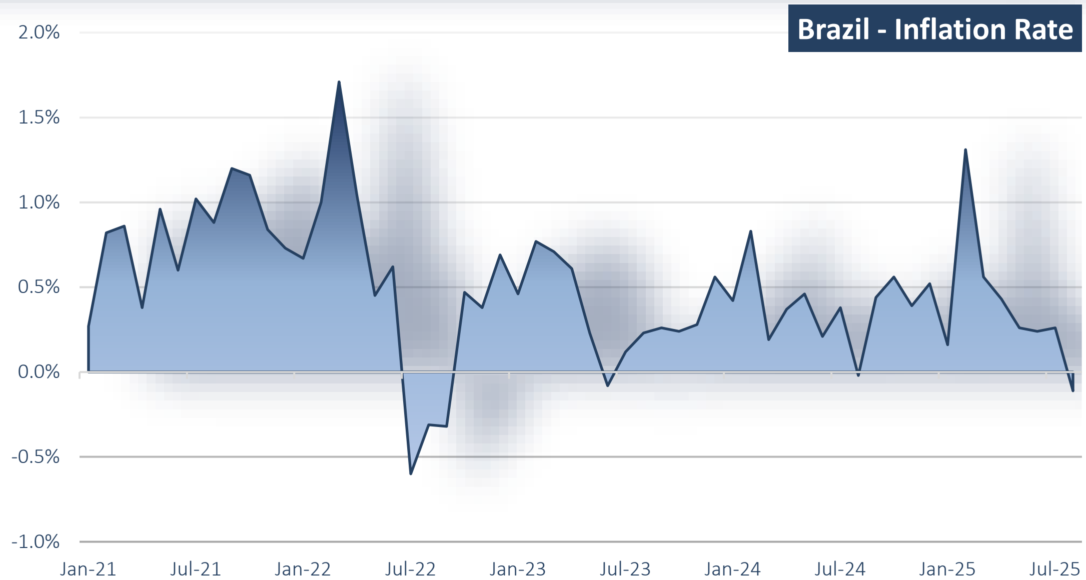
Brazil - International Trade Balance



• Brazil's annual inflation rate, as measured by the IPCA (Extended National Consumer Price Index), fell by 0.11 percent in August, down from 0.26 percent in July, representing a slowdown in monthly inflation.

• The 12-month IPCA was 5.13 percent, representing a slowdown from the 5.23% recorded in July 2025, but it remains above the Central Bank's upper tolerance limit of 4.5 percent for the 2025 target of 3.0 percent.

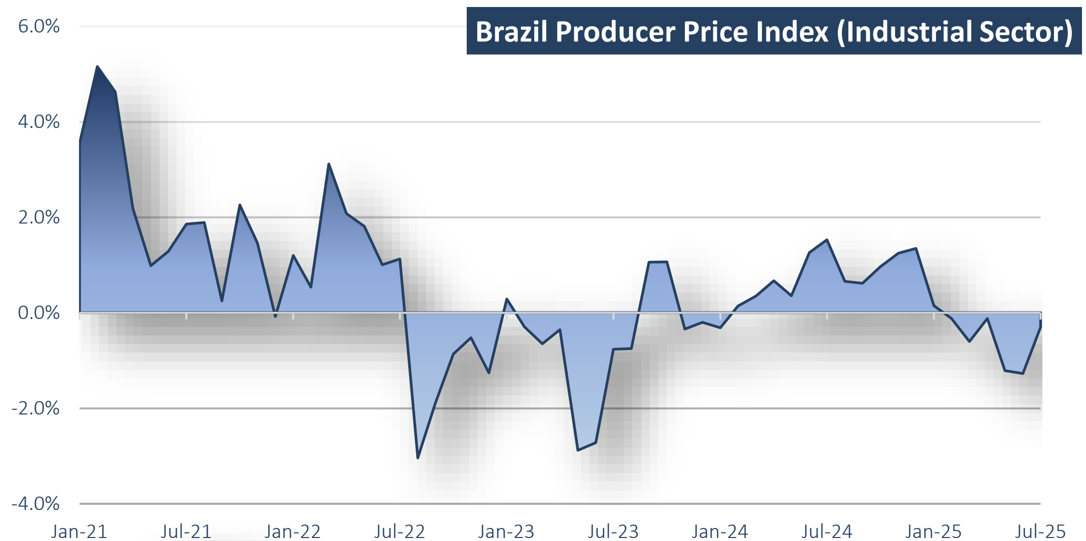
• A recent Cenbank poll of economists estimated the IPCA inflation rate for 2025 at 4.83 percent, down for the previous estimate of 4.9 percent.



• Brazil's 12-month IPCA inflation stood at 5.13 percent in August, easing slightly from 5.23 percent in July, yet remaining above the Central Bank's upper tolerance limit.

• Among 24 industrial activities, 14 posted declines, with the sharpest seen in food product (-3.43 percent) which was heavily influenced by falling grain and meat prices.

• On an annual basis, the PPI rose by 3.24 percent in June, substantially easing from the 5.86 percent year-on-year increase recorded in May, indicating a deceleration in producer-level inflation.



• In August 2025, Brazil's central bank (BCB), Selic rate remained unchanged at 15.00 percent.

• Representatives from the Central Bank clarified that the tightening cycle was not merely paused, but rather “halted” (i.e. entering a new phase of stability) pending signals from inflation and growth to decide on further actions.

• The primary driver for the high rate is the struggle to bring inflation back to the official target. Inflation expectations for 2025/2026 remained above the target band, requiring the a significantly contractionary policy for a prolonged period.

• In August, the Brazilian Real continued strengthening its position against the U.S. dollar with the average exchange rate settling at 5.4455 BRL/USD.

• The BRL's strength was partially a reflection of broader US Dollar weakness. Expectations of a rate cut by the Federal Reserve, which occurred in September, reduced the appeal of the USD.

• The imposition of US tariffs on many Brazilian exports elevated risk aversion, around Brazilian FX exposure, discouraging more aggressive real appreciation, even amid benign domestic macro data.

• In August, Brazil exported 40.2 million tonnes of iron ore, recording a 1.95 percent decline when compared to the record-breaking figures of the previous month.

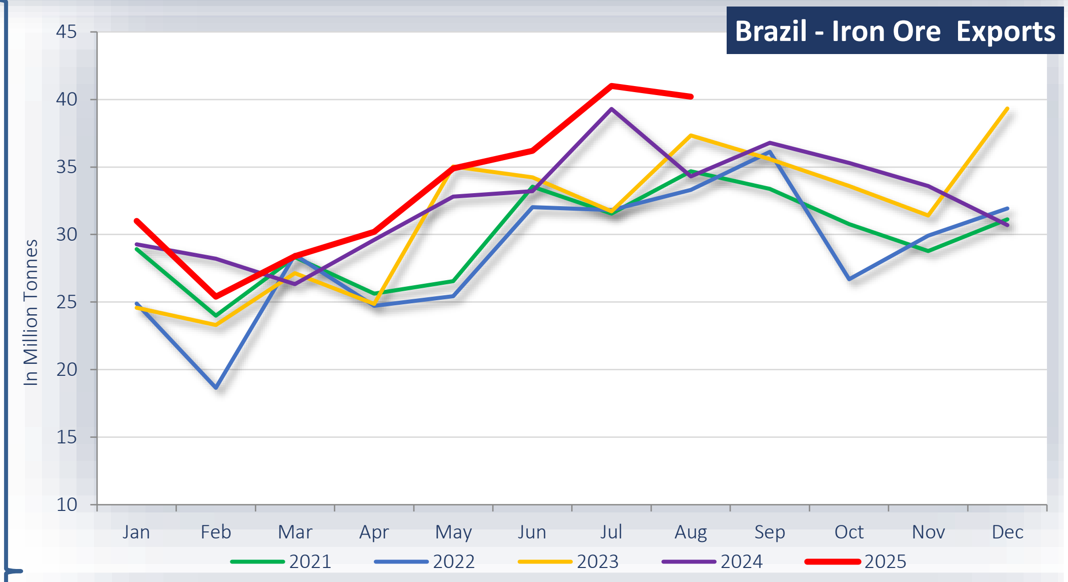
• Exports rose by 17.2 percent year-on-year in August, marking the sixth consecutive monthly increase over 2024 levels. Cumulative shipments in the first eight months reached 267.3 million tonnes, up 5.66 percent compared with the same period last year.

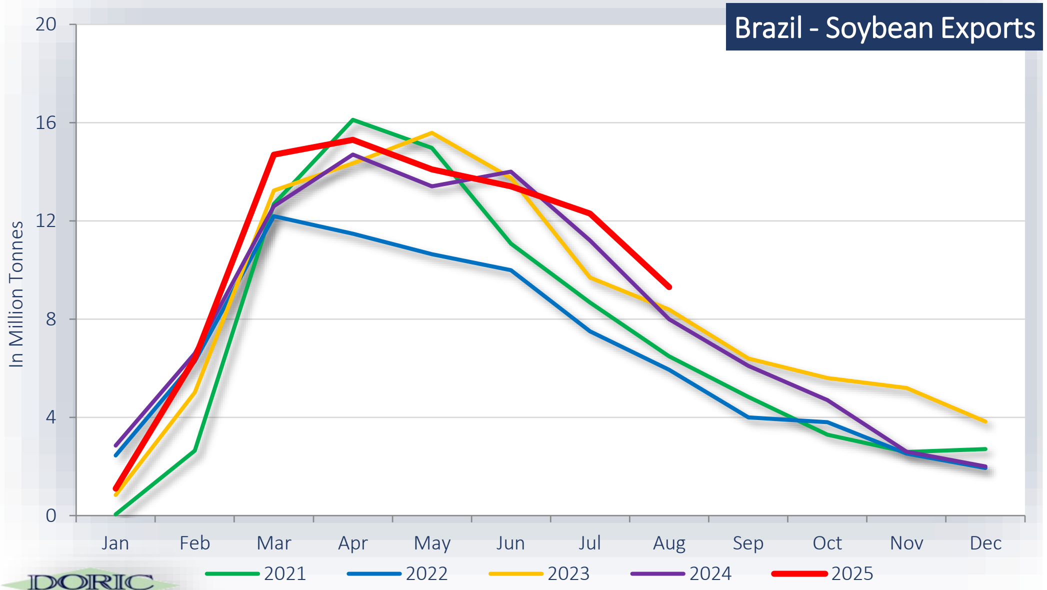
• This month's decline came amid weakening iron ore prices and signs of lower demand for October-delivered cargoes in Brazil's largest export market, China, potentially due to a contraction in the Chinese steel Purchasing Managers' Index (PMI).

• Brazil's soybean exports in August fell to 9.3 million tonnes, marking a 24.39 percent decline over last month's figures.

• Year-on-year, the volumes exported rose by 16.25 percent and cumulative exports for the year so far stood at 86.6 million tonnes, a 3.89 percent increase over the same period in 2024.

• High export volumes are supported by a projected record-breaking soybean harvest for the 2024/2025 season (estimated around 169-175 million tonnes), an abundance of supply, and logistical improvements in Brazil's Northern Arc ports.





- In August, Brazil's corn exports rose to 6.85 million tonnes, marking a significant 181.39 percent rise compared to July, as Brazil reaches the peak of its corn (safrinha) harvest season.

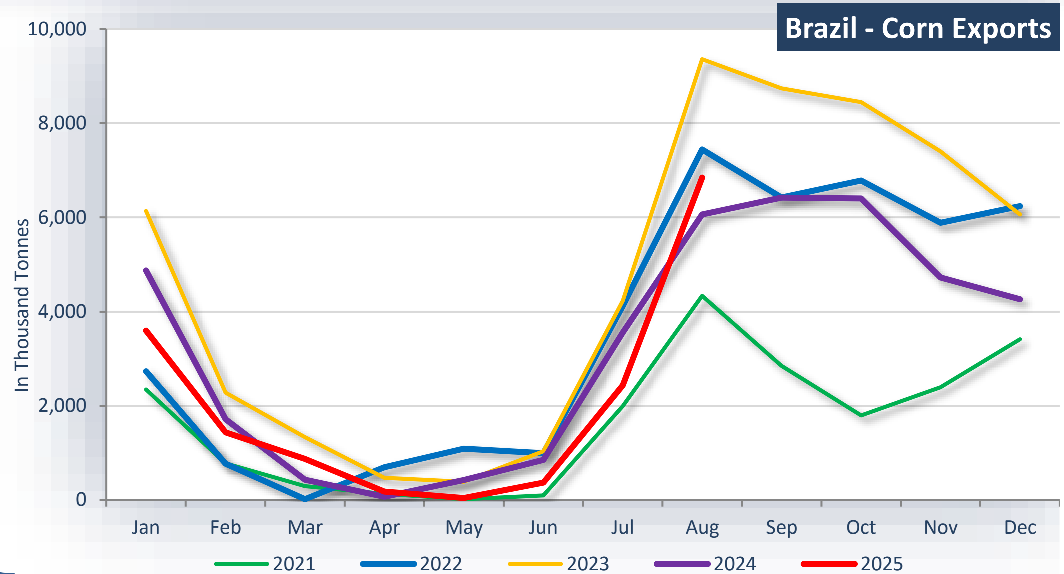
- Brazil's corn exports rose 12.96 percent year-on-year in August, though cumulative shipments for the year-to-date fell to 15.77 million tonnes, down 12.27 percent from 2024.

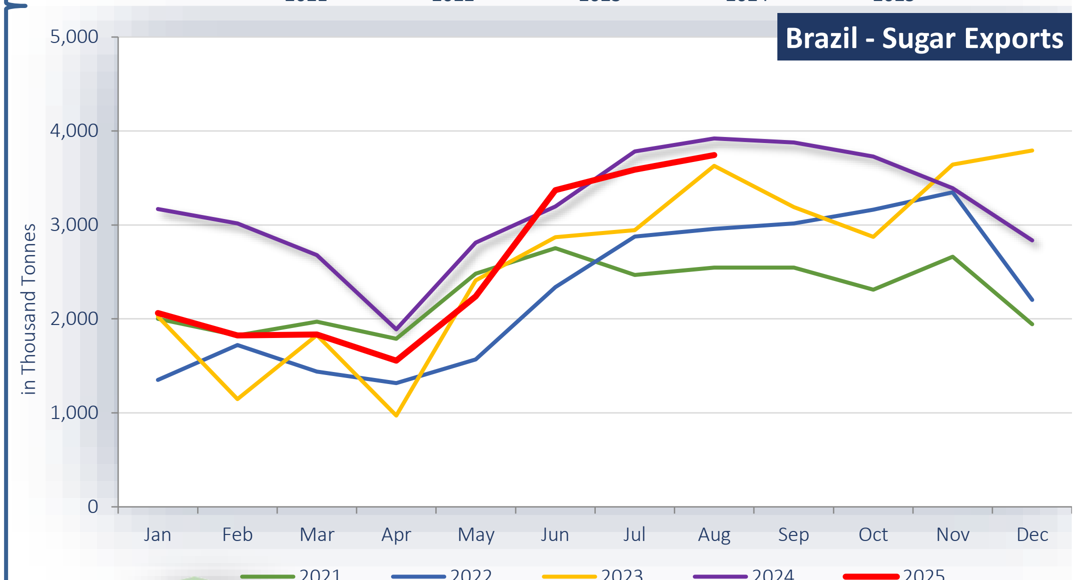
- Brazil's lagging exports can be primarily attributed to increased domestic demand for corn from the growing animal feed and corn-based ethanol industries, which are consuming a larger share of the near-record-high harvest.

- Sugar exports recorded their fourth consecutive monthly growth, with the total volume in August reaching 3.74 million tonnes, representing a 4.3 percent increase over last month.

- Comparing to the same period in 2024, exports declined by 4.51 percent. For the year so far, volumes reached 20.22 million tonnes, marking a 17.37 percent decline from a year earlier.

- Exports to the United States suffered a massive decline, reportedly plummeting by nearly 70 percent compared to July, after the US government imposed a 50 percent tariff on Brazilian sugar. China and Mexico were noted as having increased their imports from Brazil however, partially offsetting the US decline





• Brazil's crude oil exports in August rose to 9.0 million tonnes, the highest during the same period over the past five years while total exports increased by 4.65 percent over the month prior.

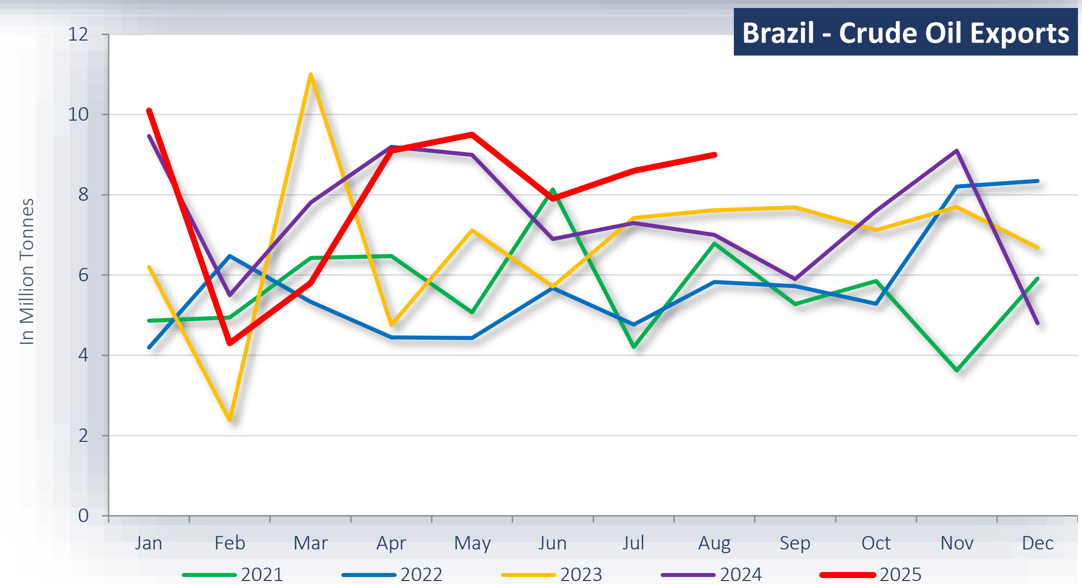
• On a year-on-year basis, crude oil exports rose steeply by 29 percent. Year-to-date exports reached 64.3 million tonnes, marking a 3.42 percent increase compared with the same period in 2024.

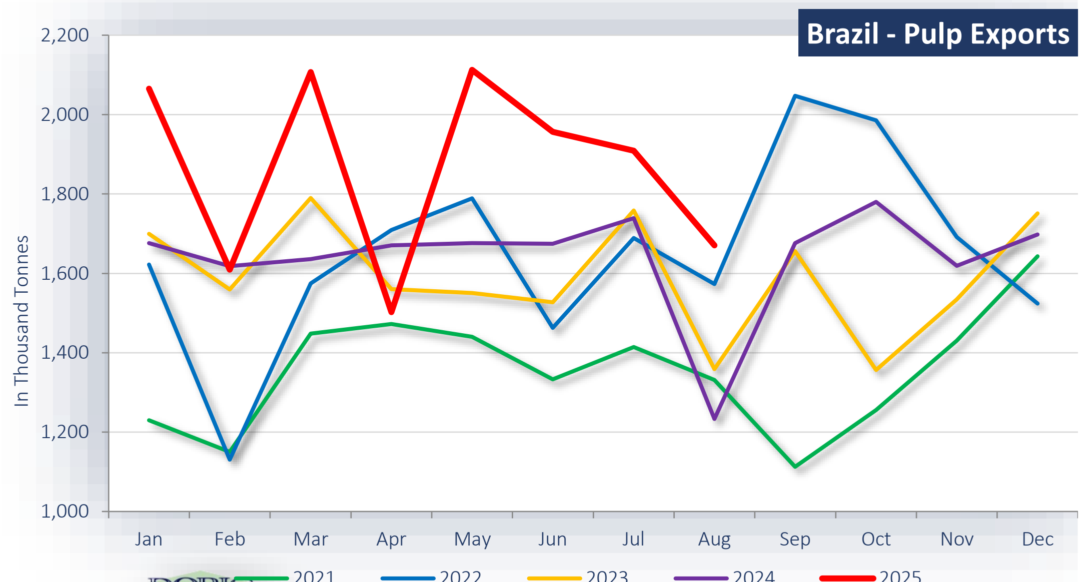
• The imposition of a 50 percent US tariff led to an 18.5 percent decline in exports to the US, with much of the volume being diverted to China, where exports rose by 75 percent.

• Wood pulp exports in August totaled 1.67 million tonnes, a notable 12.49 percent drop over July.

• Year-on-year growth proved robust at 35.44 percent, while cumulative exports for the year-to-date reached 14.93 million tonnes, representing a 15.54 percent increase compared with the same period in 2024.

• Despite wood pump being exempted from the US tariffs, exports of Brazilian pulp to the U.S. had already been under stress. In H1 2025, pulp export volumes to the U.S. fell approximately 8.5 percent, implying Brazil was already adjusting its destination markets or facing demand softness in the U.S.





• In August, Brazil's chemical fertilizer imports continued their upward trajectory for a sixth straight month, reaching 5.23 million tonnes — a monthly record and a 9.18 percent increase compared with July.

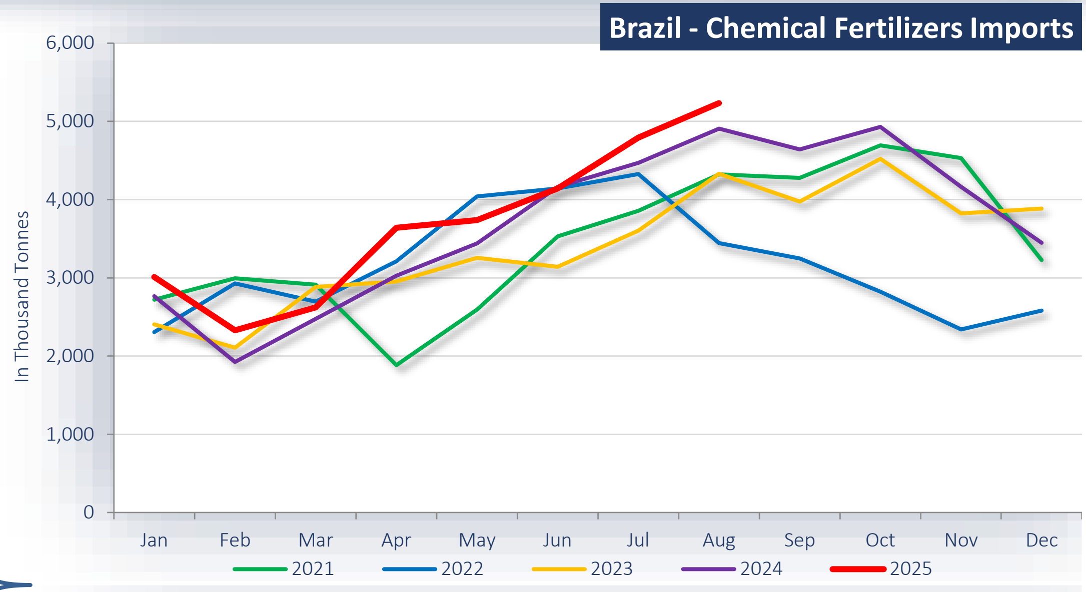
• On an annual basis, August volumes were 6.6 percent higher than the same month in 2024, while cumulative arrivals for January–August totaled 29.51 million tonnes, up by 9.05 percent year-on-year.

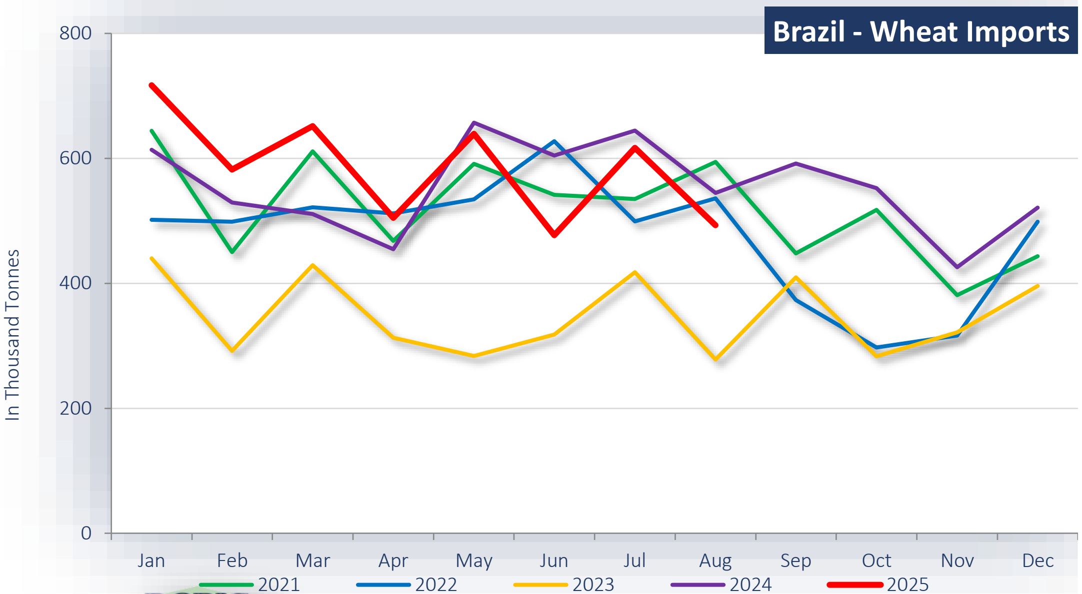
•Record import volumes are consistent with the typical seasonal trend, as July and August are peak months for imports in preparation for the upcoming main crop planting season.

• Brazil imported 493.2 thousand tonnes of wheat, a 20.06 percent drop when compared to July.

• Comparing to the same period in 2024, imports dropped by 9.47 percent. Despite that, accumulated volumes for the year to date, stood 2.69 percent higher compared to last year at 4.68 million tones.

• The majority of Brazil's wheat imports came from Argentina, which is the largest supplier. Imports from Argentina grew 24 percent year-on-year for the year-to-date period. This trend was reinforced by Argentina's recent measure to suspend export taxes on grains, making its wheat even more competitive for Brazilian buyers.





• In August, congestion at the Port of Santos averaged 39 vessels, corresponding to a 5 percent decrease compared to July's figures.

• The average deadweight of the congested fleet also decreased by 9 percent month-on-month, suggesting a logistical easing in Brazil's largest port.

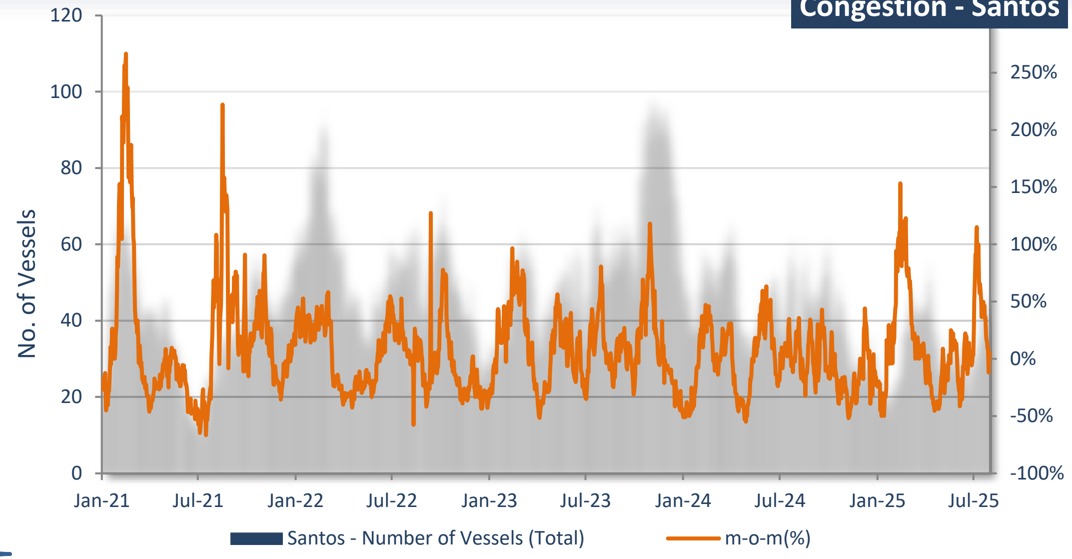
• Compared to the same period last year, the number of congested vessels was notably lower, with an 18 percent drop being recorded.

•At the ports of Tubarão and Vitória, combined congestion averaged 18 vessels in July, representing a notable 32 percent increase compared to the previous month.

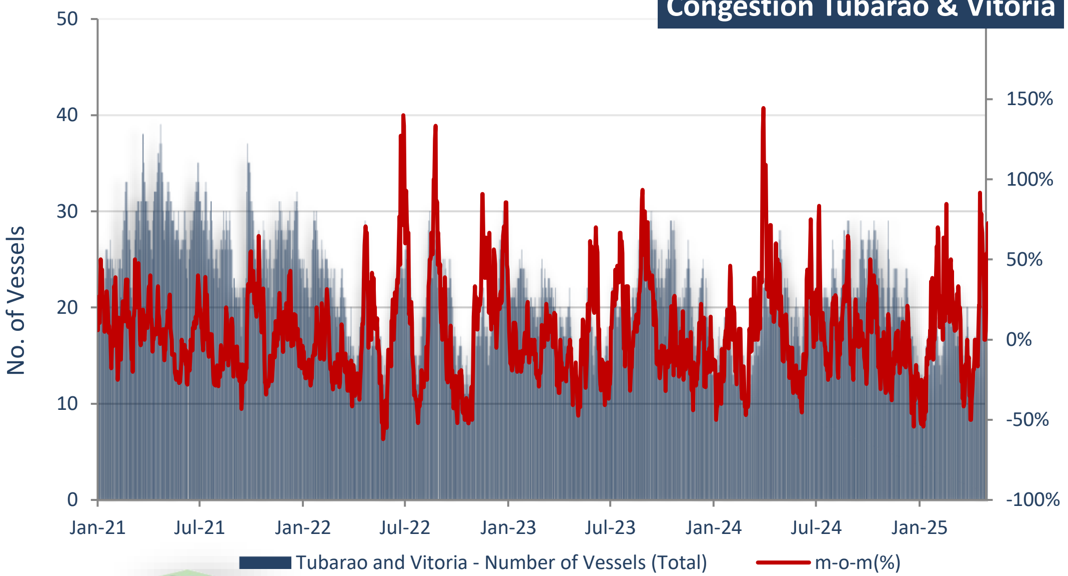
• In terms of deadweight tonnage, congestion expanded by 45 percent month-on-month, reflecting the accumulation of larger vessels at anchorage.

• When set against the same period last year, congestion levels were 27 percent lower, pointing to an ongoing easing of logistical strain at Brazil's major export hubs.

Congestion - Santos



Congestion Tubarao & Vitoria



• In August, the Capesize Baltic C3 Index (Tubarão/Qingdao) closed at USD 24.48 per metric tonne, edging higher from the levels recorded at the start on the month. The index average for the month stood at USD 24.35 per metric tonne.

• August's average represents a significant 13.45 percent increase when comparing to July's average of USD 21.46 per tonne.

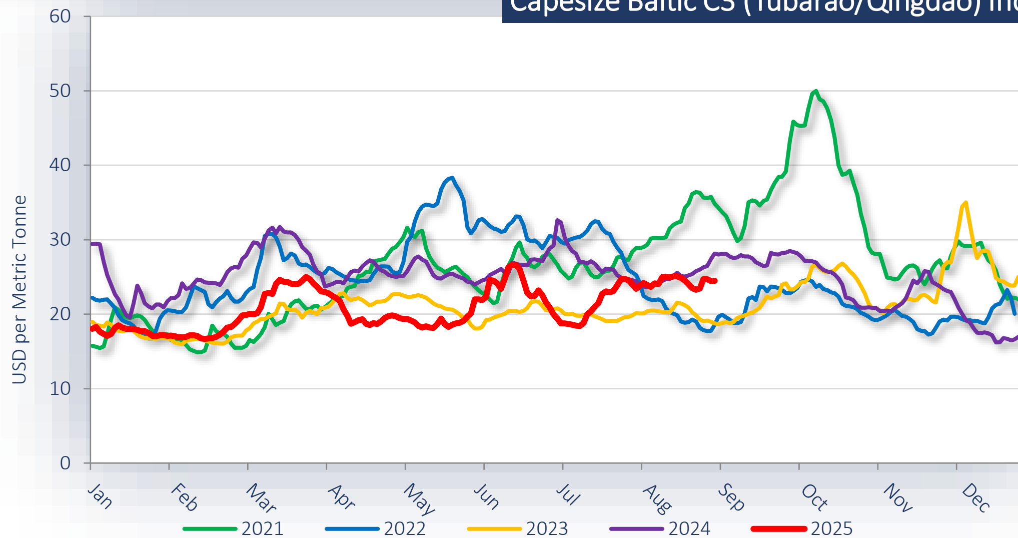
• Despite that, a year-on-year basis, the index recorded decline, with the monthly average down 3.99 percent compared to the same period last year.

• By the end of August the Panamax Baltic P8 Index (Santos/Qingdao) had settled at USD 40.093 per metric tonne, down USD 1.97 per metric tonne from its mid-July 2025 peak.

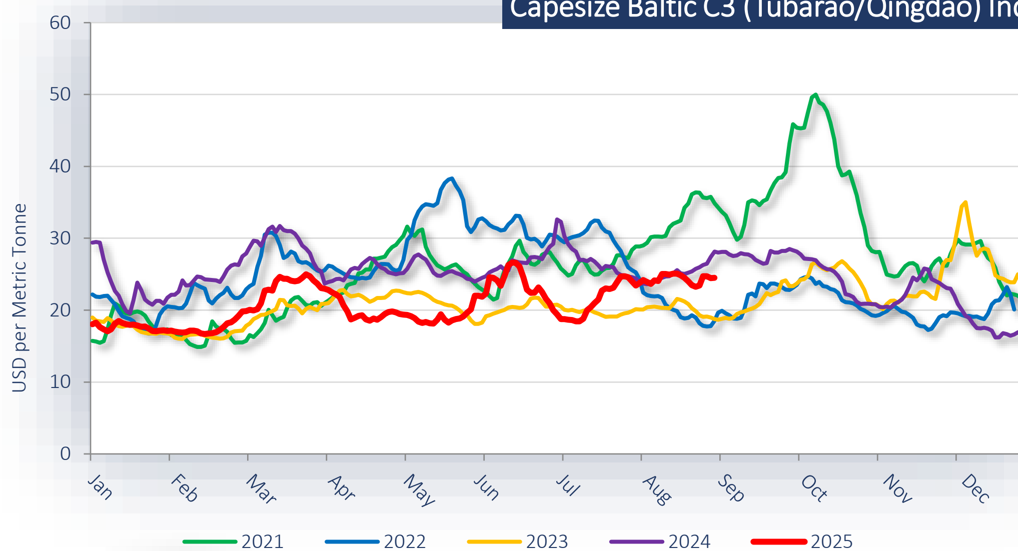
• The monthly average stood at USD 38.49 per tonne, reflecting a 2.03 percent drop over July's average of USD 39.29 per tonne.

• When comparing to the same period last year, the index underperformed by a notable 7.44 percent on average. This marked the 9th consecutive month that average P8 levels have been lower than the corresponding period of the previous year.

Capesize Baltic C3 (Tubarão/Qingdao) Index



Capesize Baltic C3 (Tubarão/Qingdao) Index



Disclaimer - Doric Research Group ©