DORIC
SHIPBROKERS S.A.

BRAZIL – BAROMETER

Monthly Update

November 2025

FOCAL POINTS :

Macro Environment

The Brazilian economy has lost momentum, with real GDP growth slowing to an annualized 1.5 percent in Q2 2025, driven by declines in government consumption and total investment and a moderation in consumer spending. Indicators from the Banco Central do Brazil's economic activity index suggest that growth may have even slipped into contraction during Q3, though part of the recent weakness - particularly the drop in agricultural output - appears temporary and tied to environmental rather than economic factors.

FX and money markets

In October, Brazil's central bank (BCB) kept the Selic rate unchanged at 15.00 percent. The unanimous decision underscores policymakers' commitment to maintaining a markedly restrictive stance in order to steer inflation back toward the official target.

Exports

Brazil shipped 40.7 million tonnes of iron ore in October, an 11.81 percent month-on-month increase. On a year-on-year basis, exports rose by 15.3 percent, marking the highest volume ever recorded for the month.

Imports

October wheat imports were 7 percent lower compared to the same month last year. However, cumulative imports for the year-to-date reached 38.42 million tonnes, representing a 4.47 percent increase year-on-year.

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CONTENT PAGES :

• Brazil's Q2 2025 GDP grew by 0.4 percent compared to the first quarter of 2025. The growth was primarily driven by the services and industrial sectors, which managed to offset a slight contraction in agriculture.

• Agriculture contracted slightly by -0.1 percent after a surge in Q1, indicating a return to more normalized levels following a record harvest.

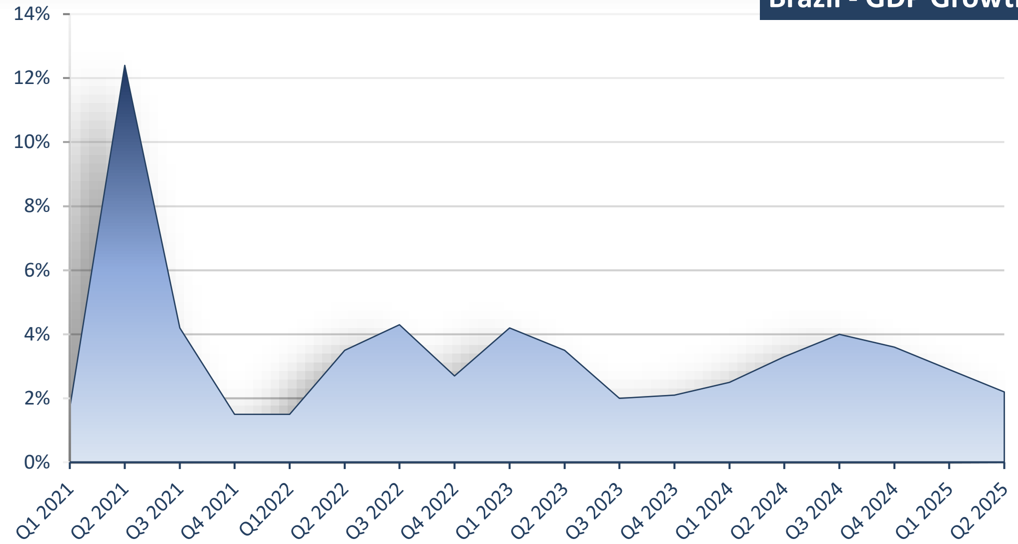
• Economists expect Brazil's economy to expand by 2.3 percent overall in 2025 and below 2.0 percent the following year.

• In October 2025, Brazil recorded a trade surplus of $6.96 billion, $4.94 billion more than the month prior and the highest value since May of this year.

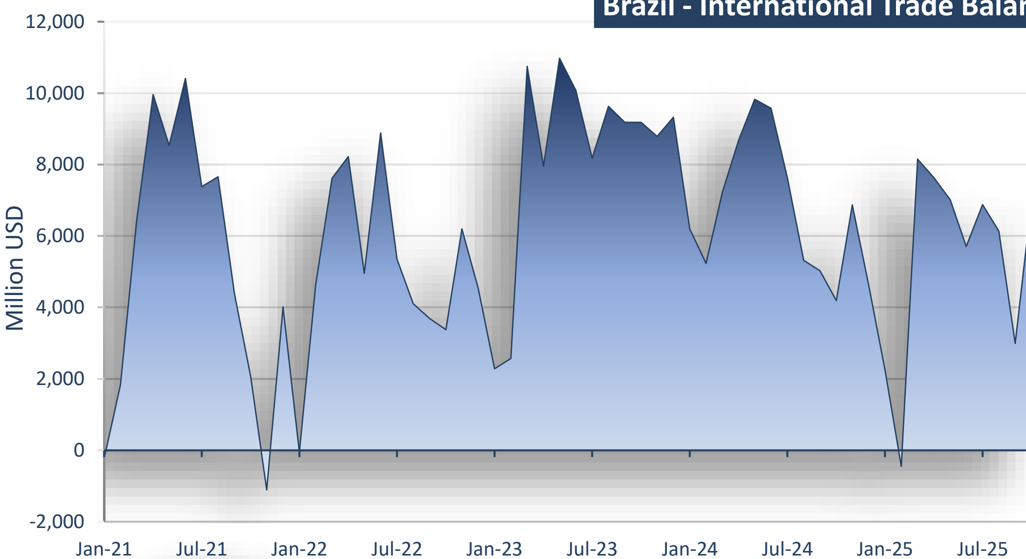
• Compared to the same period last year, the trade surplus was significantly higher, by 66.03 percent.

• For the first 10 months of the year, Brazil recorded a cumulative trade surplus of USD 53.29 billion. However, when comparing to the year prior, this represents a 22.6 percent decline over the same period.

Brazil - GDP Growth



Brazil - International Trade Balance



• Brazil's annual inflation rate, as measured by the IPCA (Extended National Consumer Price Index), increased by 0.09 percent in October, slowing down from the 0.48 percent increase recorded the month prior.

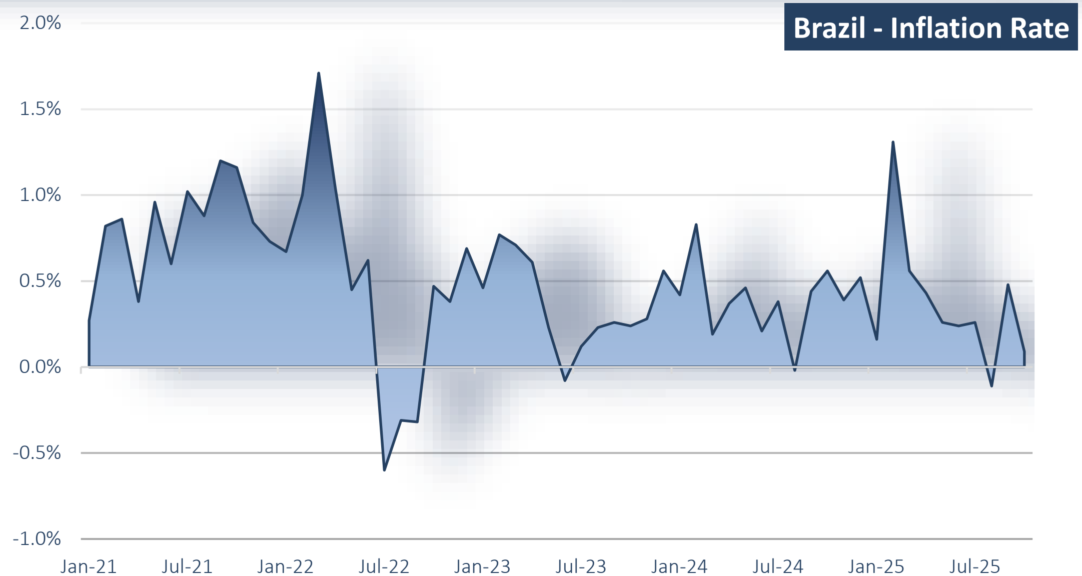
• The 12-month IPCA was 4.68 percent, remaining above the Central Bank’s official ceiling of 3.0 percent with a 1.5 percentage points tolerance band despite the slowdown.

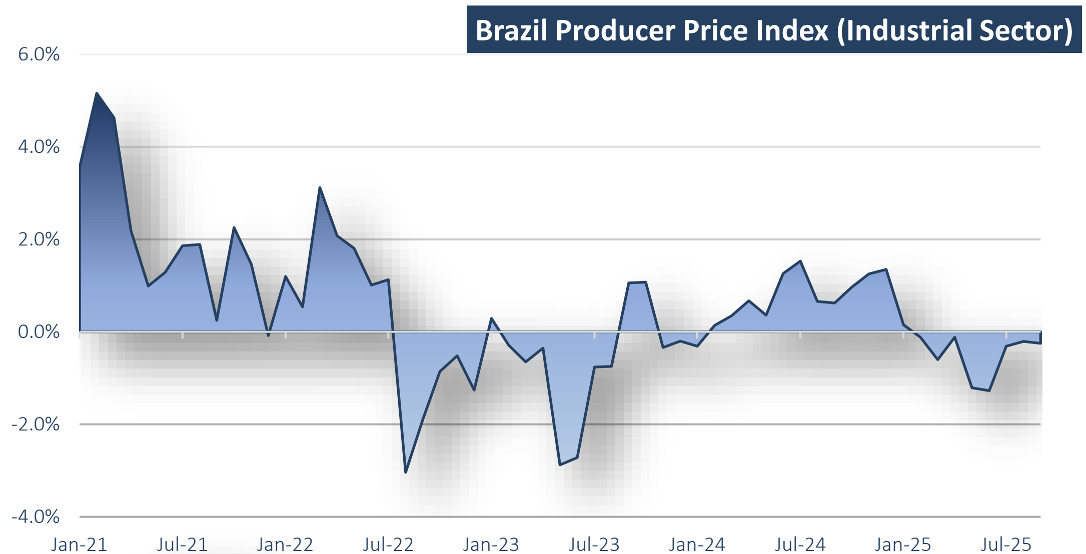
• A major driver of the deceleration was a decline in food and beverage prices from 6.61 percent in September to 5.5 percent in October. However, prices for transportation continued to accelerate with the inflation reaching 3.69 percent year on year.

• Brazil's Producer Price Index (IPP) for September 2025 continued to show significant disinflationary pressure, registering a -0.25 percent decrease month-over-month, marking the eight consecutive monthly decline in industrial producer price.

• Among 24 industrial activities, 12 posted declines, with some the sharpest seen in wood products (-3.08 percent) and apparel (-2.29 percent).

• The PPI figures confirm the strength of the disinflationary process in the production chain, which can be attributed to the Central Bank’s restrictive monetary policy.





• In October, Brazil's central bank (BCB) maintained the Selic rate at 15.00 percent.

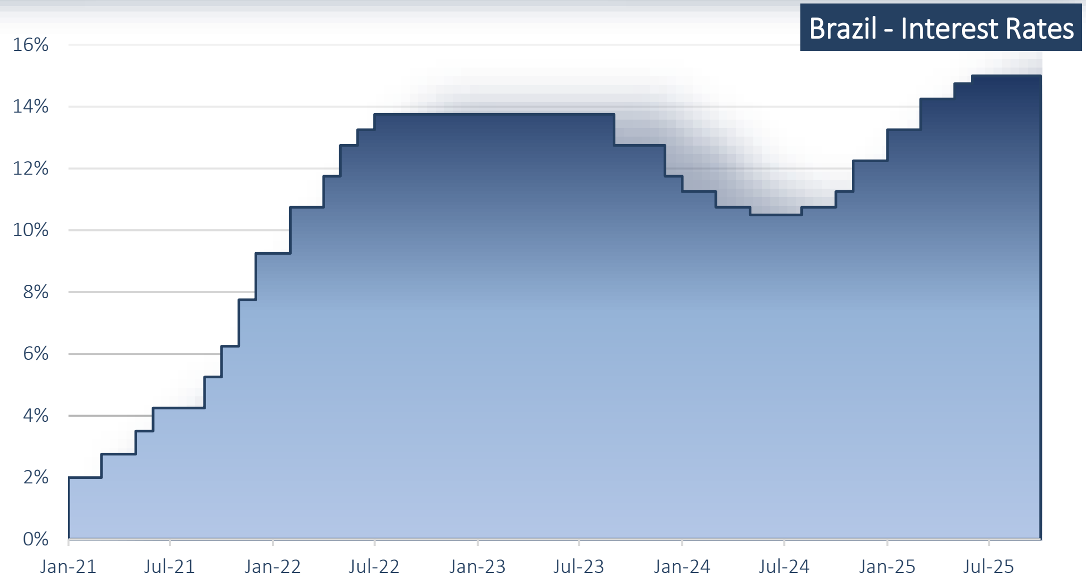
• The unanimous decision to maintain the Selic rate at 15.00 percent during the committee's last meeting reflects a continued commitment to a significantly restrictive monetary policy aimed at bringing inflation down to the official target.

• Although headline inflation has been falling, the long-term inflation expectations held by the market for 2025 and 2026 remained above the 3.0 percent target.

• In October, the Brazilian Real experienced significant volatility against the U.S. dollar with the average exchange rate settling at 5.383 BRL/USD.

• The Real suffered a sharp and significant sell-off around the second week of October, with the exchange rate briefly spiking above BRL 5.53 per USD

•The sharp mid-month spike in the USD/BRL was specifically linked to rhetoric from the US regarding potential additional tariff penalties on China. However, better than expected inflation figures for October helped calm markets and strengthened the Real's position.



• In October, Brazil exported 40.7 million tonnes of iron ore, representing a notable month-on-month increase of 11.81 percent. On a year-on-year basis, exports also rose by 15.3 percent, marking the highest recorded export volume for this period.

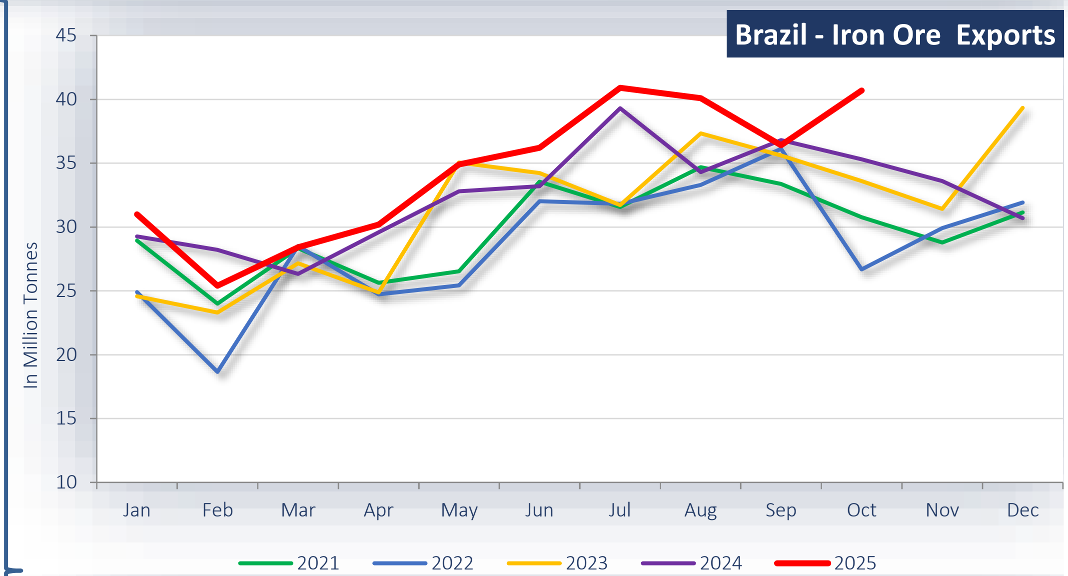
• Cumulative shipments in the first 10 months of the year reached 344.2 million tonnes, reflecting a 5.88 percent increase compared with the same period in 2024.

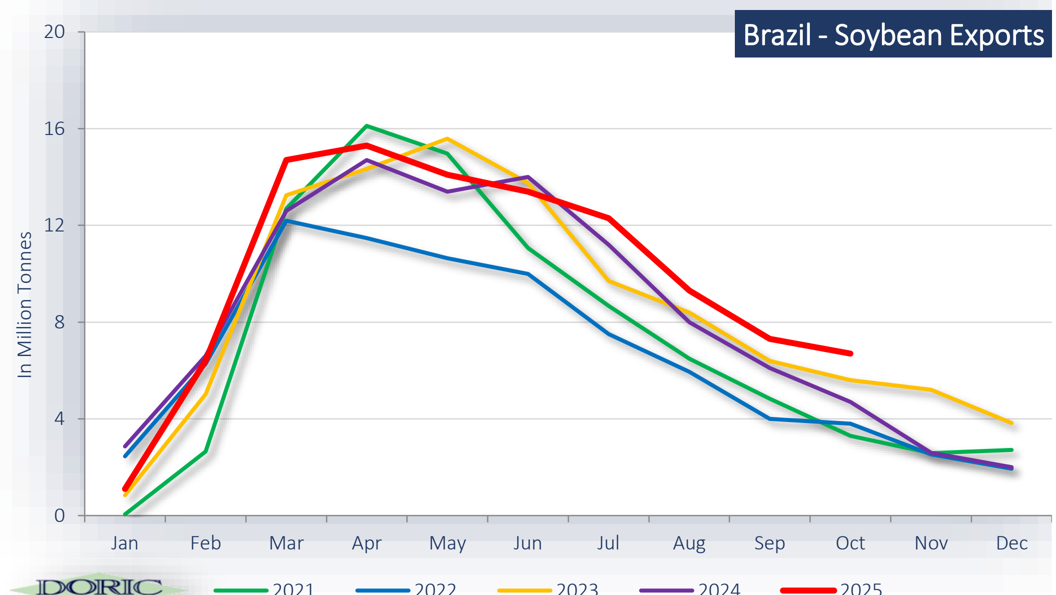
• China remained the overwhelming main destination, accounting for roughly 67.7 percent of the total exports. The strong export growth can be credited to the continued recovery in China's steel sector, despite ongoing issues in its property sector.

• In October, Brazil's soybean exports declined for the sixth consecutive month to 6.7 million tonnes, representing a 8.22 percent drop month-on-month.

• Year-on-year, exports increased by 42.55 percent and cumulative exports for the year so far reached 100.6 million tonnes, a 6.85 percent increase over the same period last year.

• The average export price in October 2025 was around USD 429.7 per tonne, reflecting generally lower global commodity prices compared to the previous year, necessitating higher volumes to maintain revenue.





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• In October, Brazil's corn exports reached 6,5 million tonnes, marking a notable 14.05 percent decline from last month's annual peak, as the safrinha crop season comes to a close.

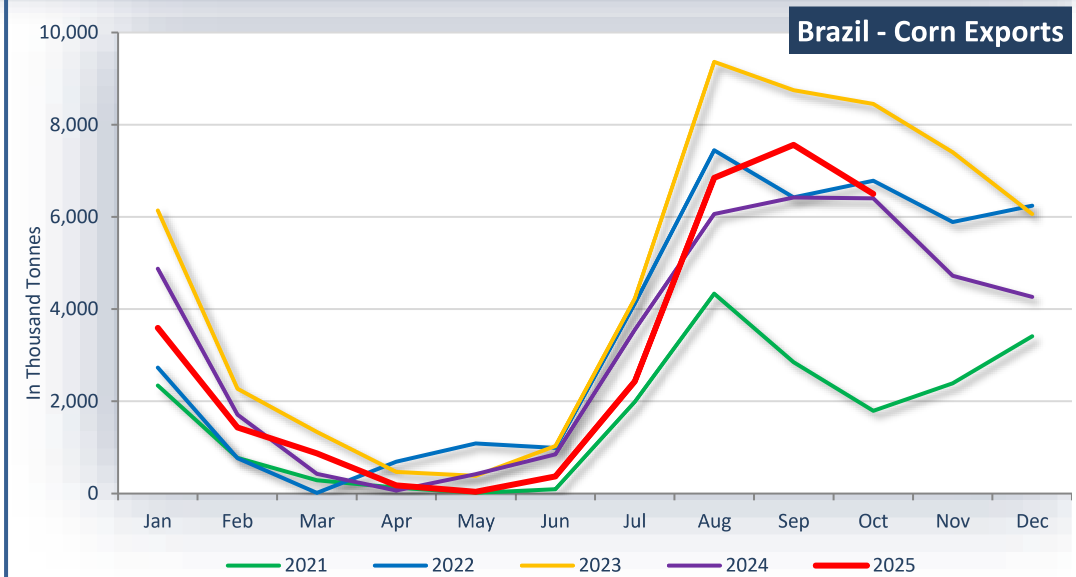
• Corn exports rose 1.47 percent year-on-year in October, while cumulative shipments for the year-to-date amounted to 29.83 million tonnes, representing a 3.15 percent drop compared to 2024.

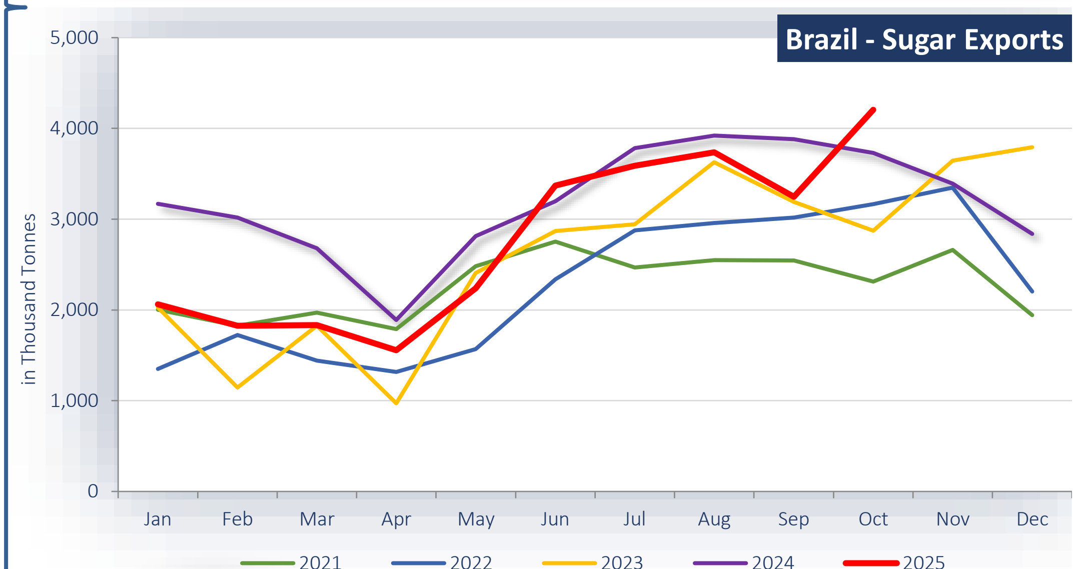
• Brazil's strong corn season came amid abundant global supply, particularly from a near-record U.S. harvest. This global glut has created bearish sentiment and limited the rise of Brazilian corn premiums, keeping overall prices low despite strong demand.

• Sugar exports surged to 4.2 million tonnes in October, marking a significant 29.55 percent rise over the month prior.

• Comparing to the same period in 2024, exports also rose by 12.75 percent. Cumulative exports for the first ten months of the year reached 27.66 million tonnes, marking a 13.77 percent decline from the same period a year earlier.

•The Center-South region, Brazil's sugarcane heartland, maintained a very high operational pace. Favorable weather allowed mills to process large volumes of cane, and they prioritized sugar production over ethanol.





• Brazil's crude oil exports rose in October to 8.9 million tonnes, up 8.54 percent month-on-month, recording the highest volume for October over the past five years.

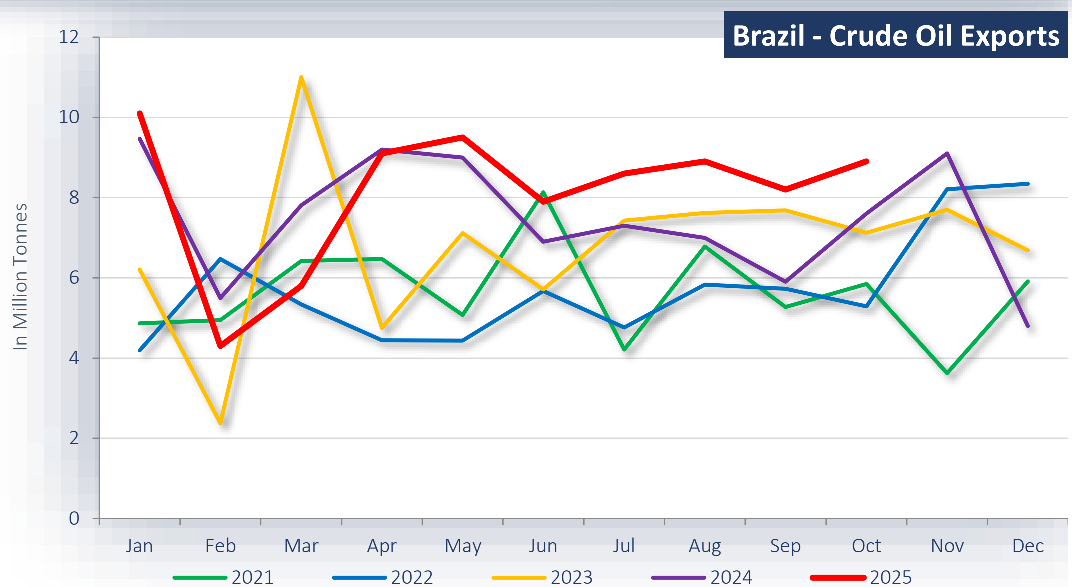
• On a year-on-year basis, exports increased notably by 17 percent, while total shipments for the year to date reached 81.3 million tonnes, representing a 7.43 percent rise compared with the same period in 2024.

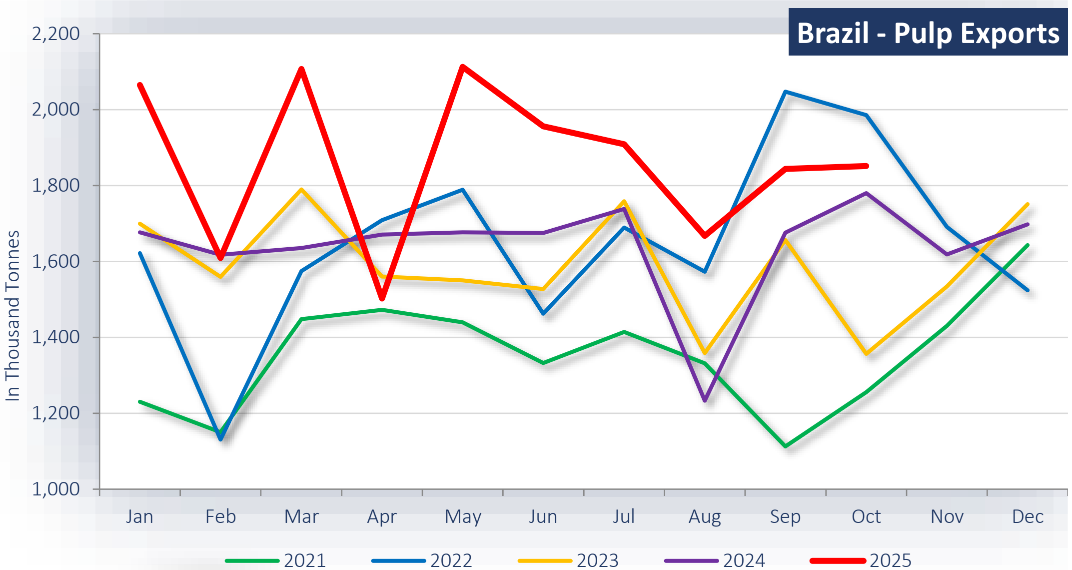
• Exports to the United States saw a sharp reduction, notably an 82.6 percent drop in oil shipments. This drop was successfully offset by a diversification of exports to Asia, particularly China and India.

• Wood pulp exports in October amount to 1.85 million tonnes, a marginal 0.43 percent increase over last month.

• Year-on-year exports grew by 4.03 percent, while cumulative exports for the first ten months of the year reached 18.62 million tonnes, representing a 13.7 percent increase compared with the same period in 2024.

• Exports to the United States faced considerable pressure, largely due to the implementation of new US tariffs on Brazilian goods. While companies are working to re-route their massive production, the sector has faced difficulties in quickly adjusting to this new trade barrier.





• In October, Brazil's chemical fertilizer imports climbed to 4.58 million tonnes, representing a 5.75 percent increase over the month prior.

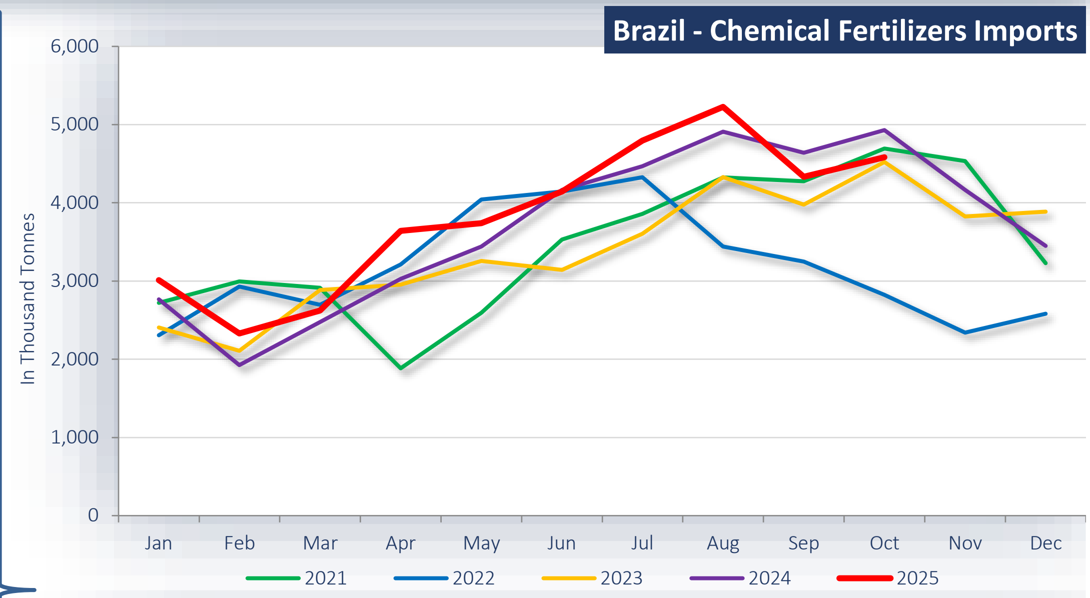
• On an annual basis, October's import volumes were 7 percent lower than the same month last year, while cumulative imports for the year-to-date totaled 38.42 million tonnes, a 4.47 percent increase year-on-year.

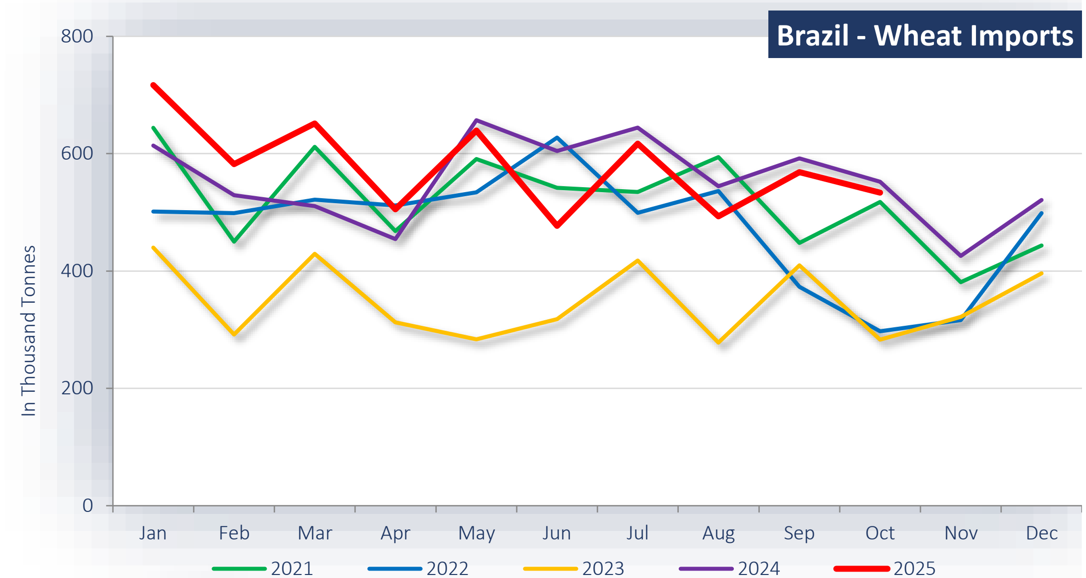
• High prices of imported ferilizers continued to challenge farm margins. The government's "Plano Safra" provided financial support, but inflationary pressures and currency fluctuations remain a primary concern for growers.

• Brazil imported 533.8 thousand tonnes of wheat in October, marking a 6.10 percent decrease when compared to September.

• Comparing to the same period in 2024, imports dropped by 3.37 percent. Accumulated volumes for the period spanning from January until October, stood 1.42 percent higher compared to last year at 5.78 million tones.

• Brazil's wheat planted area fell approximately 20 percent this year with the total output expected to decline as well, creating a clear supply deficit relative to the country's huge milling and consumption needs. Argentina remains the largest supplier of wheat, benefiting from the MERCOSUR trade bloc, granting preferential or tariff-free access.

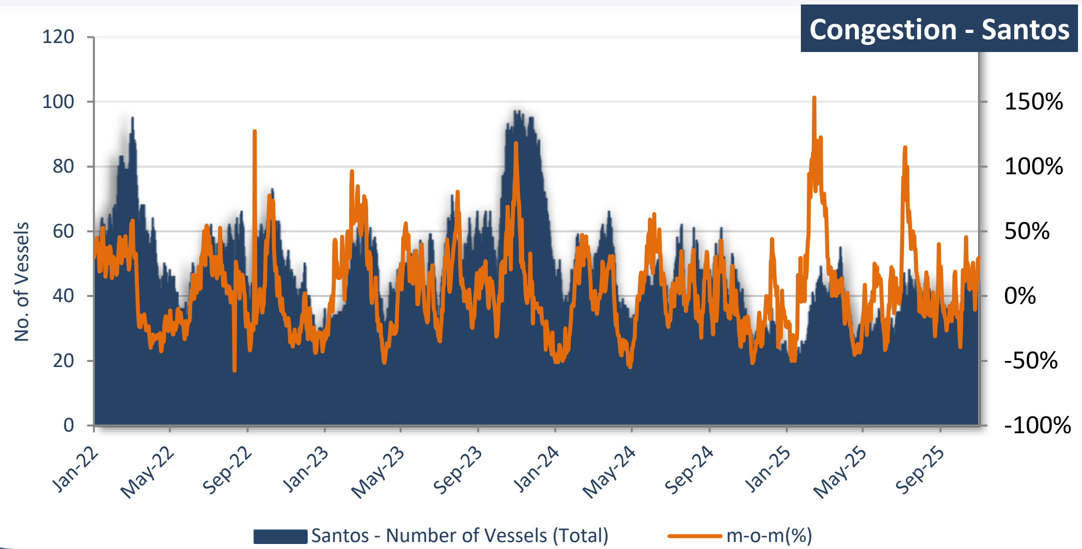




• In October, congestion at the Port of Santos averaged 39 vessels, corresponding to a 10 percent increase when comparing with September's average.

• The average deadweight of the congested fleet also rose by 4 percent month-on-month, indicating slight logistical pressure in Brazil's largest port.

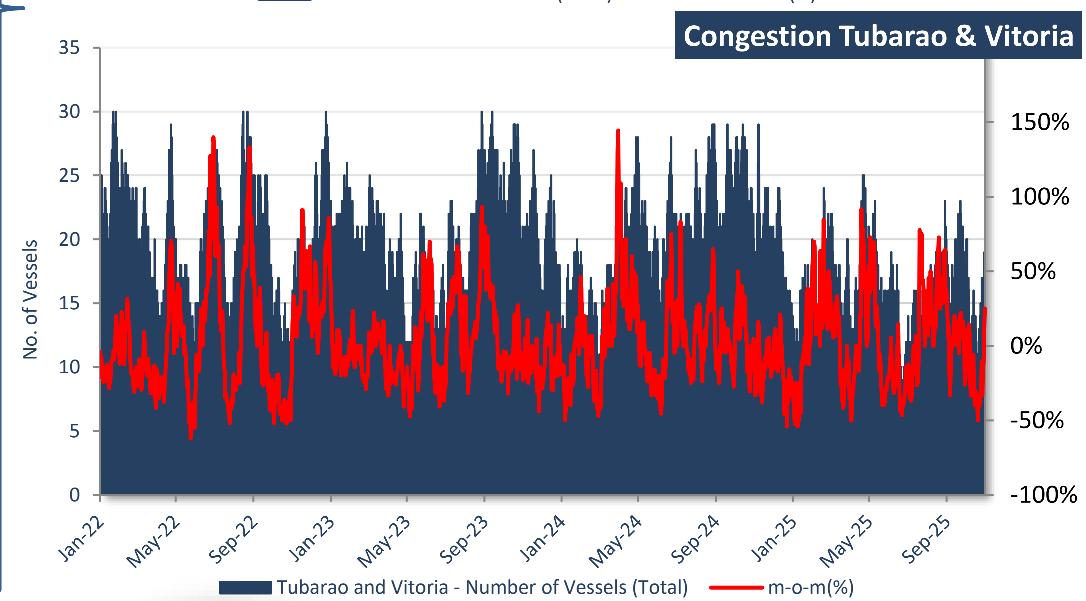
• Compared to the same period last year, the number of congested vessels was notably lower, with a 5 percent drop recorded.



• At the ports of Tubarão and Vitória, combined congestion averaged 15 vessels in October, marking a significant 19 percent decline from the previous month.

• In terms of deadweight tonnage, congestion also eased by 21 percent month-on-month, reflecting significant logistical easing.

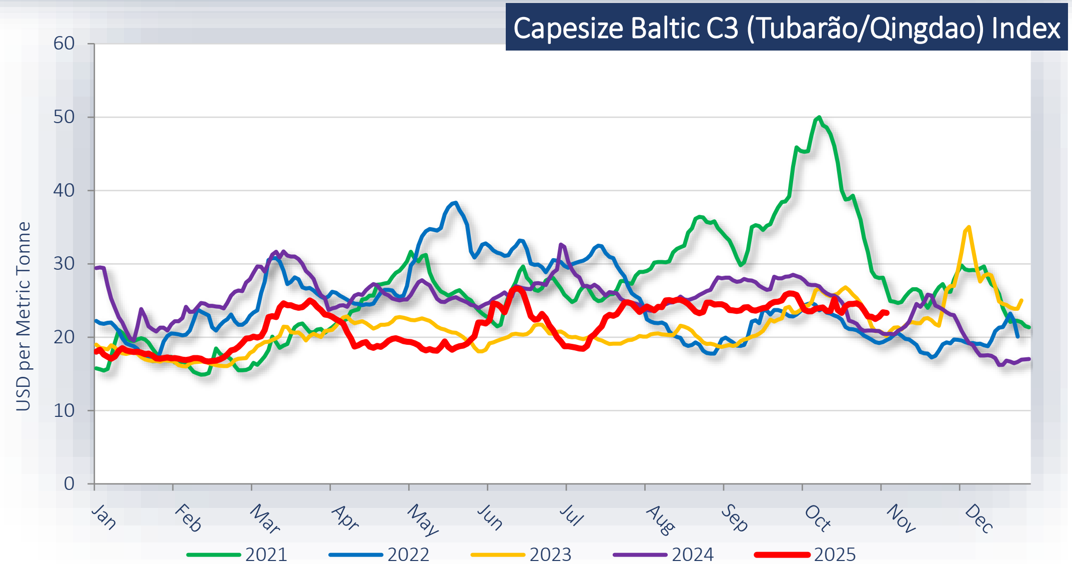
• When measured against the same period last year, congestion levels declined by 41 percent, indicating that the decongestion process remains firmly underway.



- In October 2025, the Capesize Baltic C3 Index (Tubarão/Qingdao) closed at USD 23.31 per metric tonne, slightly lower from last month's levels, while the average for the month stood at USD 23.71 per metric tonne.

- October's average represents a notable 3.1 percent decline when compared to September's levels.

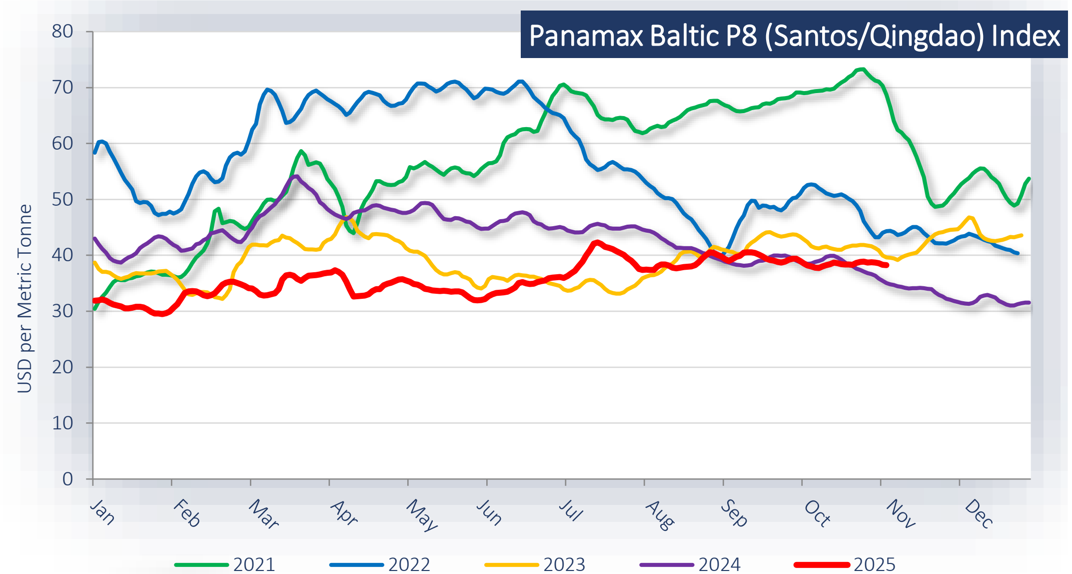
- Compared with the same period last year, the average was marginally lower, by 0.19 percent, indicating a very similar performance.



- By the end of October, the Panamax Baltic P8 Index (Santos/Qingdao) closed at USD 38.221 per metric tonne, down USD 0.786 over the past month.

- The monthly average stood at USD 38.4 per tonne, representing a 2.9 percent decrease over September's average of USD 39.55 per tonne.

- When compared with the same period last year, the P8 Index performed 1.02 percent higher on average, indicating a marginal year-on-year improvement. This marked the second consecutive month in 2025 in which the average P8 levels outperformed the corresponding period in 2024.



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