# News Release

Embargoed until 1000 BRT (1300 UTC) 2 December 2024

# S&P Global Brazil Manufacturing PMI®

## Manufacturing conditions in Brazil improve further during November

### Key findings

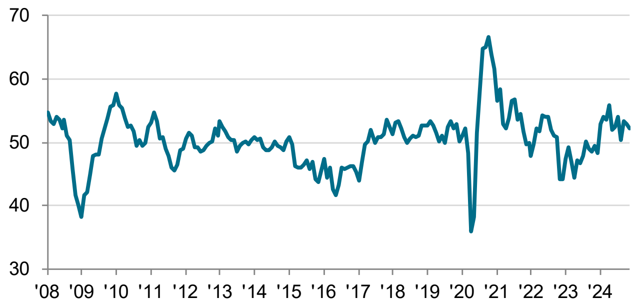
At 52.3, PMI remains in expansion territory

Total sales, output, employment and input purchasing all rise

Inflation rates remain elevated, despite receding from October

Brazil Manufacturing PMI

sa, >50 = growth since previous month




Source: S&P Global PMI.

Data were collected 12-22 November 2024.

Brazil's manufacturing industry remained in expansion mode midway through the final quarter, as resilient domestic demand encouraged firms to scale up production volumes. The S&P Global PMI® data also showed that firms continued to procure raw materials and recruit extra workers. In terms of pricing, there were softer increases in input costs and selling charges but inflation rates persisted at high levels by historical standards.

Despite falling from 52.9 in October to 52.3 in November, the S&P Global Brazil Manufacturing Purchasing Managers' Index™ (PMI) remained above the neutral mark of 50.0 and hence signalled another improvement in the health of the sector. The rate of expansion was the slowest in three months, but remained above its long-run average.

The intermediate goods category registered the strongest improvement in operating conditions, followed by capital and then consumer goods.

November data signalled an eleventh successive monthly increase in new orders placed with manufacturers in Brazil. Little-changed from October, the expansion was solid and outpaced the long-run series trend.

Underlying data showed that the rise in total sales was domestically-driven, as new export orders slipped into contraction. Although slight, the latest reduction ended a seven-month sequence of growth. Panel members commented on subdued demand from clients in South America, the UK and the US.

For the third month in a row, companies lifted production volumes in November. The pace of expansion was solid, albeit the slowest over this period. Panellists that reported higher output levels remarked on new business gains and positive demand trends.

Spurred by ongoing improvements in new orders and upbeat growth projections, goods producers recruited additional

### Comment

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said:

*"Currency depreciation continued to exacerbate cost burdens for manufacturers, with the PMI survey results for November indicating that another significant rise in input costs led firms to once again raise their selling prices. Clients continued to make purchases, however, with a solid rise in new business intakes supporting another expansion in production volumes.*

*"However, after a resurgence in external sales last month, there was a renewed decline midway through the final quarter, suggesting that firms faced challenges competing within international markets.*

*"Nevertheless, survey participants view exports as a vital business opportunity. This optimism, combined with expectations of improved conditions in sectors such as agriculture and automotive, boosted business confidence.*

*"A favourable demand environment, and positive forecasts for output in 2025, spurred job creation and input procurement. These trends indicate that manufacturing conditions are likely to remain favourable in the near-term."*

PMI® by S&P Global

full-time workers in November. Job numbers rose to a solid extent, and one that was broadly similar to October.

Firms also purchased additional raw materials and semi-finished items for use in production processes. November's increase in buying levels was marked and the eleventh in successive months. The rate of expansion retreated from October's six-month high, but was among the strongest in over three years.

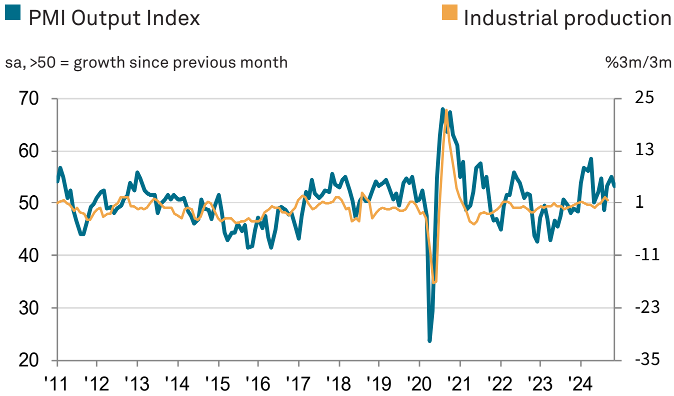
Goods producers reported a further extension to input lead times in November. The latest deterioration in vendor performance, which was attributed to delays at ports and problems with airport cargo releases, was sharper than that seen in October.

Subsequently, there was a renewed decline in input inventories across the manufacturing industry. The fall was the third in four months and the most marked in the year-to-date.

Finished goods stocks similarly slipped back into contraction, following the first increase for six months in October. Anecdotal evidence suggested that orders had often been fulfilled from warehoused goods.

Amid reports of currency weakness, alongside higher prices for gas and freight, input costs increased further in November. The rate of inflation receded to a six-month low, though remained well above its long-run average. Similarly, factory gate charges continued to rise at an above-trend pace.

Brazilian manufacturers remained upbeat regarding the year-ahead outlook for production. Investment, export opportunities and positive prospects for other sectors (agriculture and automotive) all fuelled business confidence.



Sources: S&P Global PMI, IBGE via S&P Global Market Intelligence.

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### Survey methodology

The S&P Global Brazil Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in February 2006.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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### About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi



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