S&P Global Brazil Manufacturing PMI®

Output growth reinstated amid rebound in international sales growth

April 2026

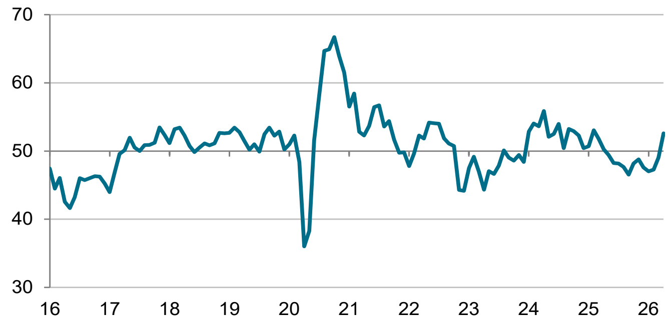
Production expands for first time in a year

Strongest upturn in external orders since October 2024

Sharpest increases in input costs and output prices since Q2 2021

S&P Global Brazil Manufacturing PMI

Index, sa, >50 = improvement m/m



Data were collected 9-23 April 2026.

Source: S&P Global PMI. ©2026 S&P Global.

The latest set of PMI data for Brazil brought a mixture of positive and concerning developments. April saw a rebound in new export order growth underpin increases in production volumes, buying levels and job numbers. That said, the war in the Middle East pushed rates of input cost and output charge inflation to some of the highest seen in over 20 years of data collection.

The S&P Global Brazil Manufacturing Purchasing Managers' Index™ (PMI®) – a single-figure indicator of manufacturing performance – climbed above the neutral level of 50.0 in April, indicating a renewed improvement in operating conditions. Rising from 49.0 in March to 52.6, the current reading was at 14-month high.

The headline figure was boosted by a surge in production volumes, which rose for the first time in a year and to the greatest extent since March 2025. Higher demand for certain products – especially where clients feared further price increases due to the war in the Middle East – and attempts to raise contingency stocks were behind the upturn, qualitative data showed.

Demand improvements were centred on external markets, as a solid and accelerated increase in foreign sales contrasted with a further decline in total new orders. The rate of growth in new export business was the strongest seen in a year-and-a-half. US tariffs reportedly helped some companies to access new markets, with gains from Argentina, Italy, Mexico and Poland all cited.

Economic challenges domestically, competitive pressures and subdued demand conditions were identified by survey participants as key drags on overall sales. Total new order intakes decreased for the thirteenth consecutive month in April, albeit to a slight extent that was the least pronounced in a year.

Goods producers sought to safeguard against material shortages by purchasing additional items in April, but they faced cost pressures unseen since the COVID-19 pandemic. With the exception of that period, the rate of inflation was the

Comment

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

"April proved to be a mixed month for Brazil's manufacturing sector. While there was a welcome boost to production volumes from increased external demand, this was largely offset by ongoing weakness within the domestic market and total new orders fell again.

"Adding to the sector's difficulties are surging cost pressures, with recent data indicating that input prices have increased to their highest level since the COVID-19 pandemic. The war in the Middle East reportedly caused supply shortages and notable delays in delivery times, leaving many firms facing squeezed margins. As a result, several companies had little choice but to pass on some of these costs to their customers.

"Despite these challenges, there was a more optimistic outlook among Brazilian manufacturers. Many firms are feeling more confident about their prospects over the next year, buoyed by hopes of an end to the war. They anticipate that market activity and demand will pick up significantly as recovery gains momentum."

highest in the over 20-year survey history. Panellists stated that the war in the Middle East pushed up prices for freight, fuel, oil and subsequently several other materials.

Similarly, output charges were raised to the greatest extent in the survey history except those seen from September 2020 to June 2021. Still, the rate of increase in selling prices trailed that of input costs by a considerable margin, indicating that manufacturers absorbed a large proportion of their additional cost burdens.

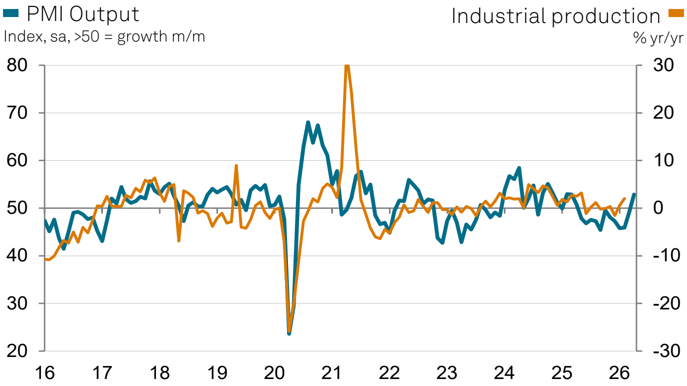
With input purchasing volumes increasing to the greatest extent in 17 months, there were back-to-back expansions in pre-production inventories. Here, the rate of accumulation quickened to its highest since July 2024. Survey members commented on efforts to raise buffer stocks in anticipation of further material price increases.

On the other hand, stocks of finished goods decreased at the start of the second quarter. While some panellists reportedly opted to trim inventories due to domestic demand fragility, others noted restocking challenges amid shortages of critical raw materials and the fulfilment of sales from warehoused products.

Indeed, supply-chain bottlenecks were evidenced through the steepest lengthening of delivery times in close to four years. Firms stated that the war in the Middle East led to shipment cancellations and material shortages among vendors.

In terms of their own capacities, manufacturers signalled an absence of pressure. Outstanding business volumes fell for the thirteenth month in a row. This did not deter another round of job creation, however, with companies hiring workers at the fastest pace since February 2025.

One factor that supported recruitment was a rebound in positive expectations towards growth prospects. Firms were at their most upbeat in three months, amid hopes of an end to the Middle East war.



Sources: S&P Global PMI, IBGE via S&P Global Market Intelligence. ©2026 S&P Global.

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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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