

# News Release

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## S&P Global Brazil Services PMI®

### Services activity declines at joint-steepest rate in close to four-and-a-half years

#### Key findings

Contraction in sales eases, but output falls at faster pace

Inflationary pressures recede

Marginal increase in employment

September PMI® data highlighted a notably stronger contraction in Brazilian services output as demand conditions remained difficult. New business intakes fell further, but here the downturn was modest and softer than in August. Optimism in the year-ahead outlook for activity was sustained, which supported a marginal expansion in employment.

Although inflationary pressures remained elevated by historical standards, rates of increase in input costs and selling charges eased over the month.

At 46.3 in September, the S&P Global PMI® Brazil Services Business Activity Index – which is based on a single question asking how the level of business activity compares with the situation the month before – was beneath the neutral mark of 50.0 that separates growth from contraction for the sixth straight month.

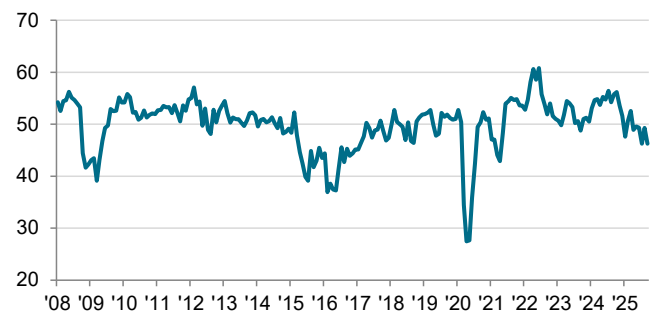
Moreover, falling from 49.3 in August, the latest reading indicated the joint-fastest rate of reduction in close to four-and-a-half years (equal to July). When explaining the drop, survey participants commented on a lack of new work.

Indeed, new business placed with service providers in Brazil decreased for the sixth successive month at the end of the third quarter. Demand retrenchment was identified by panellists as the main determinant of lower sales. The pace of contraction was modest, however, and the slowest since June.

Despite testing demand conditions, prices charged for the provision of Brazilian services rose further. September's increase was marked, but the pace of inflation retreated to a three-month low. Survey members again suggested that hikes to selling prices reflected the pass-through of greater cost burdens to clients.

Amid reports of union agreement, health plan adjustments and rising material prices, the average expense of service

S&P Global Brazil Services Business Activity Index  
sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 11-25 September 2025.

#### Comment

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

*"Brazilian service providers are finding small reasons to be hopeful, even as they navigate choppy economic waters, evidenced by positive business confidence and job creation."*

*"Yet, the PMI figures for September brought worrying news regarding services activity, which declined at one of the steepest paces since early 2021."*

*"Businesses were also caught between a rock and a hard place when it came to pricing. Input costs rose substantially again, prompting companies to hike their charges when consumer demand is already fragile. Rates of inflation at least softened from August."*

*"Paired with the figures for manufacturing, today's service release makes for ugly readings. Collectively, the surveys showed the steepest drop in private sector output in close to four-and-a-half years. Looking at the third quarter as a whole, the reduction was the fastest since Q2 2020."*

PMI®

by S&P Global

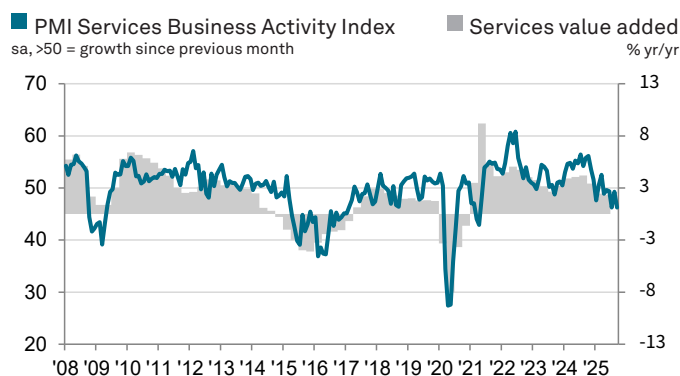
providers continued to increase in September. Beverages, cotton, energy, fuel, leather, maintenance, paper, stationery and tyres were some of the items that featured in the survey's 'up in price' report.

The overall rate of cost inflation remained high in the context of historical survey data, but eased to a ten-month low. There were reports of lower prices for coffee, eggs, meat, onions and potatoes.

For the first time in three months, services employment in Brazil rose during September. Firms that took on additional workers remarked on staff readjustment and the expansion of sales departments. The overall rate of job creation was only marginal, however.

Business sentiment remained positive during September, but not without diverging assessments at the company level.

Some service providers forecast output growth in the year ahead amid expectations of a rebound in demand and softer inflationary pressures. Others were pessimistic due to financial issues, political challenges and elevated interest rates. The overall level of confidence fell since August and was below its long-run trend.



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

## S&P Global Brazil Composite PMI®

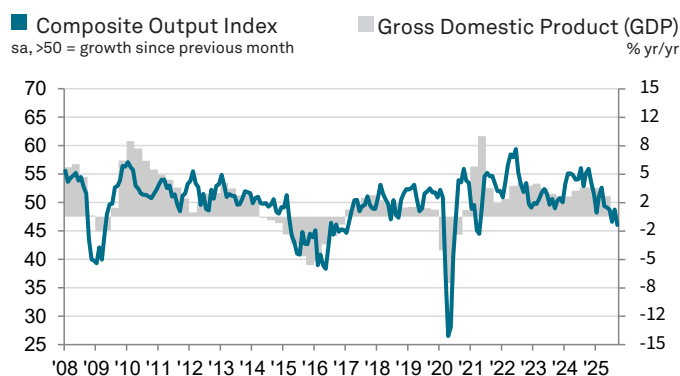
### Sharpest drop in private sector output since April 2021

The latest results showed a sharper downturn across Brazil's private sector, as both manufacturers and service providers indicated quicker declines in output. The S&P Global Brazil Composite PMI® Output Index\* fell from 48.8 in August to 46.0 in September, highlighting the fastest contraction in close to four-and-a-half years.

Aggregate sales decreased to a greater extent in September, amid a notably steeper drop in factory orders. Concurrently, services firms registered a modest and softer reduction.

Input price trends were mixed, with a sharp increase in the service economy contrasting with the first fall in nearly two years at manufacturers. At the composite level, there was a notable rise that was nevertheless the weakest since May 2024.

Similarly, goods producers trimmed selling prices while services companies continued to increase them. Across the private sector, charges rose at the slowest rate since October 2023.

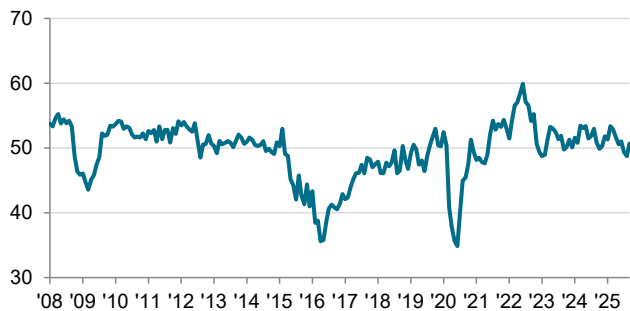


Sources: S&P Global PMI, IBGE via S&P Global Market Intelligence.

\*Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

**Brazil Services PMI Employment Index**

sa, >50 = growth since previous month



Source: S&P Global PMI.

**Brazil Services PMI Input Prices Index**

sa, >50 = inflation since previous month



Source: S&P Global PMI.

**Survey methodology**

The S&P Global Brazil Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2007.

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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

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](mailto: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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

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