

# S&P Global Brazil Services PMI®

## Growth of services activity generally stalls and price pressures intensify

### March 2026

**Services activity largely flat as new orders slip into contraction**

**Stronger increases in input costs and output charges**

**Business optimism fades in March**

A renewed decline in new business intakes resulted in broadly static output levels across Brazil's service economy during March. Faced with more intense cost pressures, companies raised selling prices to the greatest extent in five months.

One positive takeaway from the latest results was a modest increase in employment, which occurred in spite of fading confidence towards growth prospects.

Down from 53.1 in February to 50.1 in March, 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 – indicated broadly no change in output relative to February's levels.

In addition to reporting demand retrenchment and lower customer onboarding, monitored companies cited squeezed household incomes and challenging economic conditions.

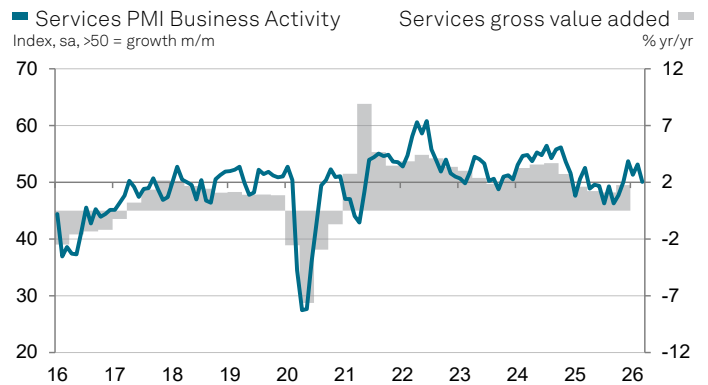
New orders decreased for the first time in five months, albeit marginally. In some instances, panellists linked reduced spending to high borrowing costs. March's fall in sales was centred on the consumer services and finance & insurance sub-sectors.

Attempts to shield margins from ongoing increases in input costs prompted service providers in Brazil to hike their selling prices again in March. The rate of output charge inflation was sharp and the strongest since last October.

Firms reported the fastest upturn in input costs for four months in March, with the respective seasonally adjusted index increasing by nearly seven points since February.

Anecdotal evidence highlighted greater outlays on beverages, food, freight, fuel, labour, other services and software. According to panel members, collective bargaining negotiations with unions, taxation and the ongoing war in the Middle East added to inflationary pressures.

Once again, consumer services topped the rankings for input costs inflation at the end of the first quarter. Regarding selling charges, the steepest rise was by far seen among transport, information & communication companies.



Data were collected 12-26 March 2026.

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

### Comment

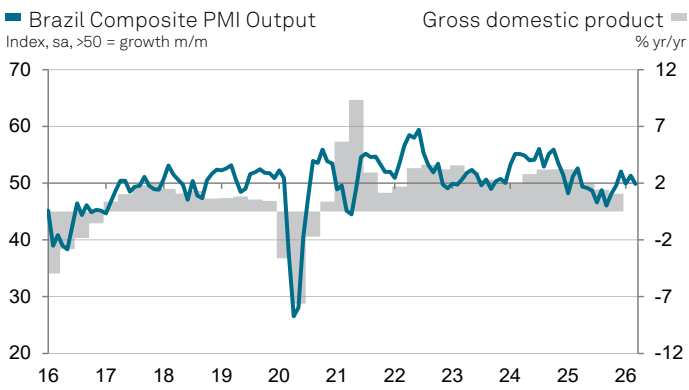
Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said:

"March proved challenging for Brazilian service providers, as the war in the Middle East drove up fuel prices and brought renewed inflationary pressures to the economy. With operating expenses rising sharply, companies hiked selling prices at the fastest rate since last October.

"This upward revision appears to have constrained demand, with survey respondents noting the detrimental impact of high interest rates and squeezed household income on new business intakes.

"With sales slipping into contraction territory, growth in services activity came to a halt. Also, companies were less confident about the outlook for output amid worries about competition, inflationary pressures, the presidential elections, high borrowing costs and tax hikes.

"With growth of services activity faltering and manufacturing stuck in contraction, private sector output stagnated in March. The PMI performance over the opening quarter of 2026 point to largely flat GDP."



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

March data showed a second consecutive increase in employment across Brazil's service economy. The rate of job creation strengthened from February and was moderate overall.

Finally, services companies remained confident of a rise in output over the course of the coming 12 months. That said, the level of positive sentiment fell since February and was below the series trend.

Optimism was dampened by concerns around competition, inflationary pressures, the presidential elections, high borrowing costs and tax hikes.

## S&P Global Brazil Composite PMI®

Private sector activity in Brazil was broadly stagnant at the end of the first quarter.

The S&P Global Brazil Composite PMI® Output Index fell from 51.3 in February to 49.9 in March. Posting close to the 50.0 no-change mark, the latest reading broadly indicated stagnant output across the private sector after growth had been registered in the previous month.

New business intakes fell for the second time in 2026 so far, following a slight uptick in February. Contractions in sales were seen at manufacturers and service providers, with the sharper drop in the former.

Input cost inflation across the private sector economy accelerated sharply, with the respective seasonally adjusted index rising by nearly nine points to signal the strongest increase since April 2025.

Prices charged for the provision of Brazilian goods and services rose to the greatest extent since February 2025.

Rates of inflation quickened at both goods producers and service providers. The manufacturing industry recorded the stronger increases in both price measures.

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## 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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