

News Release

Embargoed until 1000 BRT (1300 UTC) 1 October 2025

S&P Global Brazil Manufacturing PMI[®]

Manufacturing prices fall for first time since late 2023 as sector's downturn intensifies

Key findings

Sharpest contractions in sales and output for 29 months

Input costs and output charges fall in September

Optimistic view towards growth prospects maintained

Manufacturers in Brazil saw operating conditions worsen to a greater extent in September, as dwindling demand had a detrimental impact on several measures of performance. New orders, output and input purchasing volumes all fell at the fastest rates since April 2023, while a preference for leaner stocks led to marked depletions in pre- and post-production inventories. Yet, there was a marginal uptick in employment and firms remained optimistic regarding the outlook.

There was some relief for firms on the cost front as input prices fell for the first time since late 2023, enabling them to make discounts to output charges.

Falling from 47.7 in August to 46.5 in September, the S&P Global Brazil Manufacturing Purchasing Managers' Index[™] (PMI[®]) indicated the sharpest deterioration in operating conditions for 29 months. The sector's performance over the third quarter of the year was the worst since Q2 2023.

New orders placed with Brazilian manufacturers decreased at the fastest pace in nearly two-and-a-half years. According to panellists, the downturn stemmed from dwindling demand.

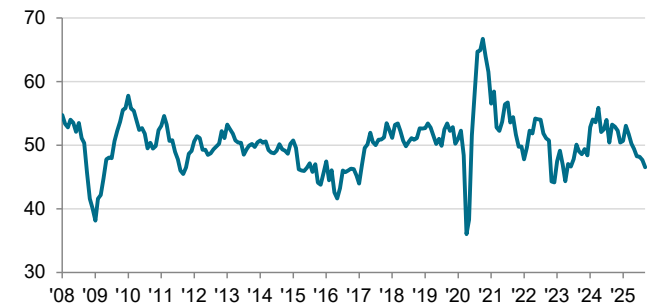
Although international sales also decreased, the rate of reduction was modest and the softest since May. Panel members indicated that US tariffs caused order cancellations, but this was somewhat cushioned by improved demand from Argentina, Italy, Mexico, Uruguay and the UK.

Sustained declines in total factory orders instigated another reduction in output volumes. September's drop was marked, the fifth in as many months and the most pronounced since April 2023.

Amid attempts to stimulate sales in an increasingly competitive environment, Brazilian manufacturers lowered their selling prices in September. This followed a period of monthly inflation dating back to January 2024.

Brazil Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 11-23 September 2025.

Comment

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

"The third quarter of 2025 was particularly challenging for Brazilian manufacturers, with September bringing sharper downturns in factory orders and production.

"Whilst international sales fared slightly better than total new business, thanks to increased interest from European and South American clients partially cushioning US order cancellations, it wasn't enough to offset the broader decline.

"With companies remaining optimistic about the year ahead, there was a mild round of job creation in September. Yet, firms continued to scale back input purchasing, as they looked to run down stock levels.

"On a brighter note, from manufacturers' perspective at least, input costs fell for the first time in nearly two years, which allowed companies to trim selling prices in a bid to stimulate demand."

PMI[®]

by S&P Global

One factor that supported price cuts was a reduction in firms' expenses. Survey members stated that cost pressures dissipated due to US dollar depreciation and greater input availability among suppliers. The fall in purchase prices was the first since October 2023.

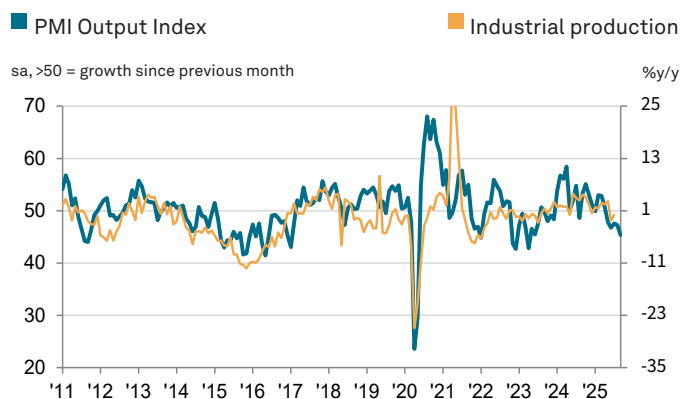
Despite lower average input costs, manufacturers trimmed buying levels again. Input purchasing volumes decreased at the quickest pace since April 2023, with qualitative survey evidence linking the drop to a diminished need to restock due to lower production requirements.

Indeed, inventories of raw materials and semi-finished items continued to fall. The pace of depletion was marked and the fastest in 21 months. Likewise, stocks of manufactured products contracted at the quickest rate since December 2023.

A lack of demand for inputs underpinned faster supplier delivery times in September. The improvement in vendor performance was only the second in a year-and-a-half. There was also space capacity amongst manufacturers themselves, evidenced via another sharp drop in outstanding business.

September data showed that Brazilian goods producers remained upbeat towards the year-ahead outlook. Expectations that demand will improve and that a favourable tariff agreement will be reached with the US were central to optimistic projections, panel member reports showed, though there were also mentions of investment in technology and acquisitions.

Upbeat sentiment had a somewhat positive impact on jobs, with employment increasing marginally in September. This followed a moderate contraction in payroll numbers during August.



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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