

S&P Global Brazil Services PMI[®]

Rebound in demand underpins stronger growth of services activity and new business

February 2026

Second-strongest upturn in output since November 2024

New orders rise markedly in February

Input cost inflation retreats to two-year low

Business conditions across Brazil's service sector improved to a greater extent in February, as a recovery in demand boosted growth of new orders and activity. Job creation was resumed, following January's blip, and output forecasts were upgraded.

Encouragingly, firms noted the slowest increase in operating expenses for two years. That said, output charges were raised to the greatest extent in three months.

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 up from 51.3 at the start of the year to 53.1 in February.

The latest reading indicated the second-quickest rate of expansion since November 2024, behind last December, and stretched the current run of growth to four consecutive months. More favourable demand conditions were identified by survey members as the main aspect behind output growth.

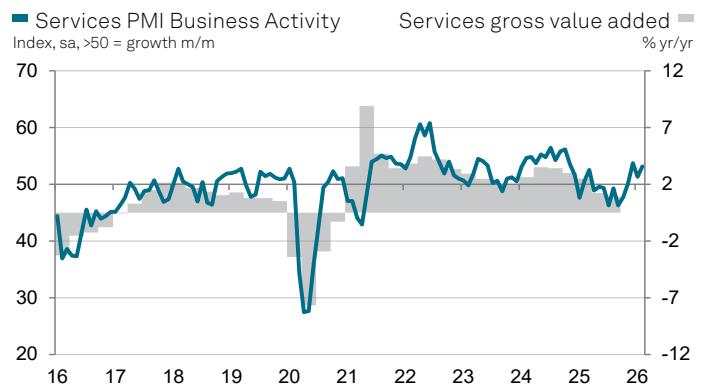
Brazilian services firms noted a fourth successive monthly expansion in new order volumes midway through the first quarter. With the exception of last December, the pace of increase was the most pronounced in 11 months.

Companies secured additional work despite lifting selling prices to the greatest extent in three months. February's hikes were attributed to the pass-through of substantial increases in operating expenses to clients.

Indeed, input costs rose sharply in February. Although the rate of inflation retreated to a two-year low, it remained above that seen for output charges. That said, the gap in the two price measures was the narrowest since the start of 2024.

In addition to greater outlays on labour and taxes, service providers noted higher prices for materials like chemicals, construction items, food, electrical components, energy, paper products and tyres.

Services employment in Brazil increased during February, after falling for the first time in five months at the start of the year. The rate of job creation was slight, though the second



Data were collected 4-24 February 2026.

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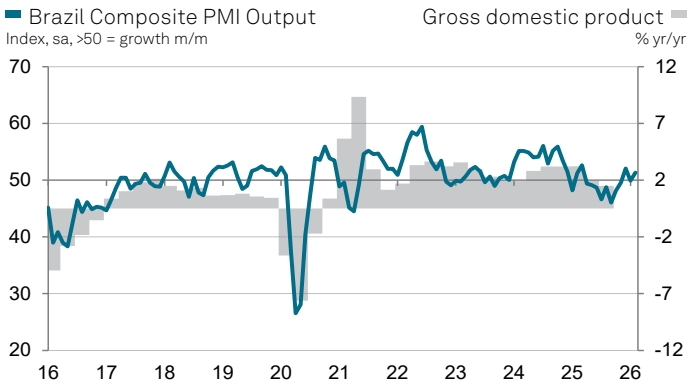
Comment

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

"An improvement in demand for Brazilian services brightened the mood among firms, who lifted output to a greater extent and resumed hiring in February. They also became slightly more confident in the outlook for activity.

"Whilst services firms reported a notable easing in cost pressures, consumers continued to face higher charges as companies remained in the process of recovering elevated increases in expenses accumulated over the past year.

"Although the service economy provided vital impetus to private sector activity in February, it was also the key source of inflationary pressures. The bounce-back from January's blip is encouraging, but merely points to a first quarter that could be somewhat lacklustre."



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best since last April (behind December 2025). Anecdotal evidence suggested that full-time workers had been recruited to support operations.

Looking at the coming 12 months, service providers were confident of a rise in output relative to present levels. Optimism was underpinned by beliefs that advertising, changes in legislation, investment, new offerings and the FIFA World Cup would underpin growth. The overall level of positive sentiment rose from January's six-month low, but remained below its long-run average.

Granular data showed finance & insurance and real estate & business services as the standout parts of the service economy, as they shared the top spot in the rankings for output. Furthermore, it was in these two segments that the slowest increases in input costs and output charges were registered.

S&P Global Brazil Composite PMI®

Brazilian aggregate output rose in February amid a solid upturn in services activity.

After signalling a broad stagnation in private sector activity at the start of the year, the S&P Global Brazil Composite PMI® Output Index rose from 49.9 to 51.3 to indicate the reinstatement of growth.

Services was the sole contributor to this positive development as factory production was down sharply on the month.

Strengthening demand for Brazilian services more than offset a reduction in sales among goods producers, translating into a renewed increase in private sector new orders.

February data showed broad-based growth of jobs among manufacturing firms and their services counterparts. The quicker increase was among the latter. Subsequently, private sector employment rose after falling in January.

Cost pressures at the composite level receded to their second-weakest in two years (ahead of December 2025), while prices charged for the provision of goods and services increased at the strongest rate since last July.

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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.

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