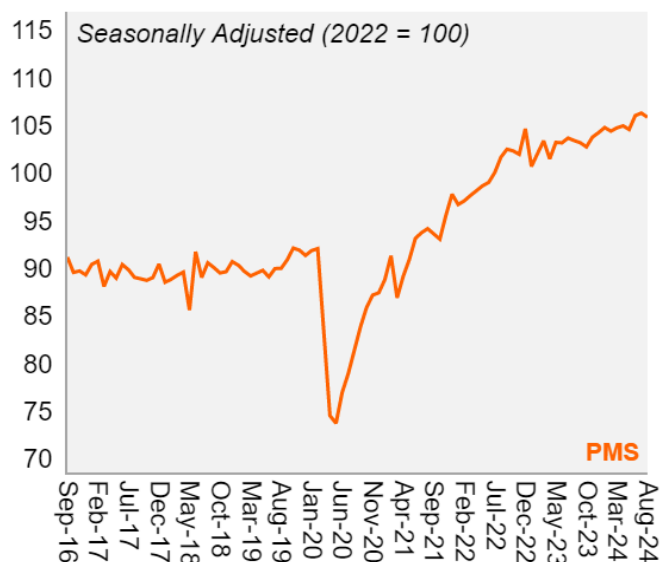


Services fell 0.4% mom/sa in August

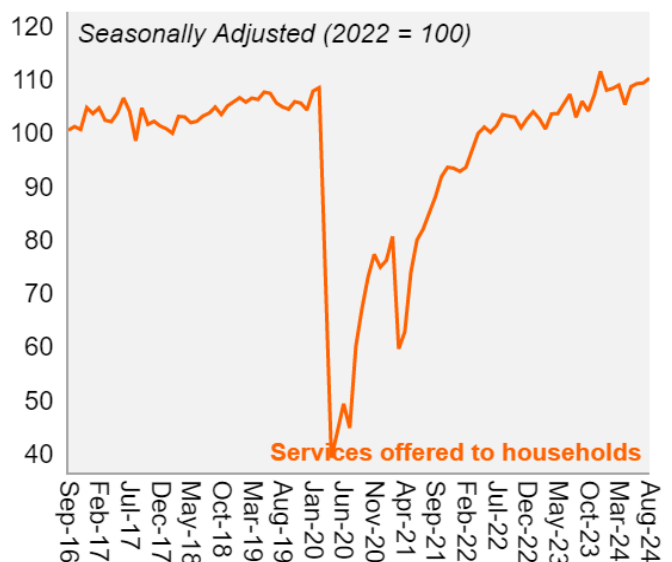
- ▶ The service sector real revenue declined 0.4% mom/sa (+1.7% yoy) in August, below both our call (+0.2% mom/sa) and market forecast (+0.2% mom/sa).
- ▶ Versus our forecast, the largest negative surprises were 'Professional, administrative and complementary services' (1.9% yoy vs. 5.7% estimated) and 'IT & Communication Services' (6.9% yoy vs. 8.8% estimated). Further details can be found in the table below. It is worth noting that there was a significant revision of the 'Professional, administrative, and complementary services' series since 2023, likely including a company in the advertising space brokerage sector that had not been adequately reporting its revenues.
- ▶ Out of 5 categories, 2 advanced and 2 contracted at the margin. The positive highlights were 'Other Services' (+1.4% mom/sa) and 'Services offered to households' (+0.8% mom/sa), while 'Transportation services' (-0.4% mom/sa) and 'IT & Communication Services' (-1.0% mom/sa) recorded the largest mom/sa contractions.
- ▶ With today's release, the carry over for 3Q24 now stands at 0.8% (headline) and 2.0% (household segment).
- ▶ **Our view:** the services sector contracted in August, a weaker result when compared to our call, being the largest negative surprises seen in the "Services provided to families" and "Professional, administrative, and complementary services" sectors, both of which are important for the GDP tracking. On the latter, it is worth noting that the IBGE revised the series due to disclosure issues with a large company in the sector which started to report higher revenues. Today's reading corroborates our view of some slowdown in activity in the 3rd quarter.

Services fell 0.4% mom/sa in August



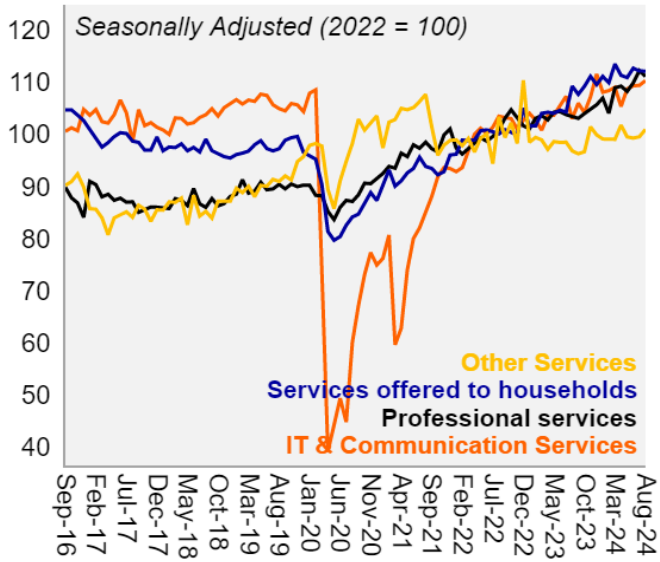
Source: IBGE, Itaú

Services to families moved up 0.8% mom/sa

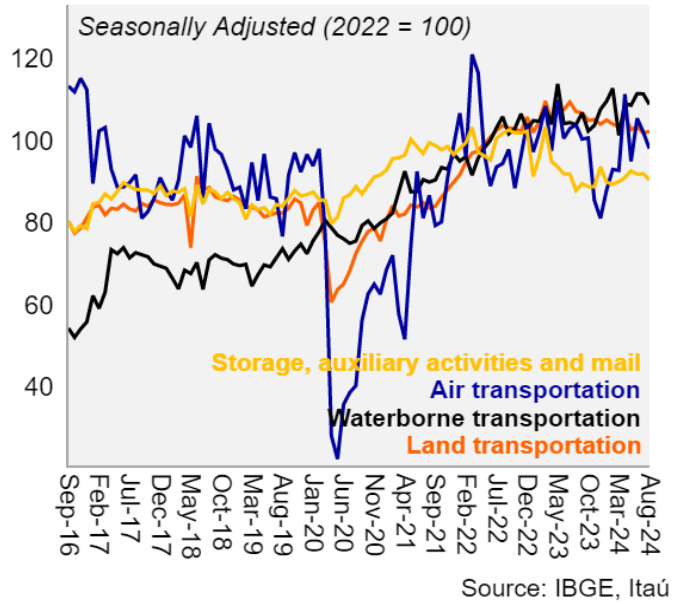


Source: IBGE, Itaú

Out of 5 categories, 2 advanced and 2 contracted



Transportation services fell 0.4% mom/sa



Services - August/24 (%)		
August 2024	Weight	m/m s.a.
PMS	100.0	-0.4
Transportation services	36.4	-0.4
IT & Communication Services	23.5	-1.0
Professional, administrative and complementary services	21.7	0.0
Services offered to households	8.2	0.8
Other Services	10.2	1.4

Source: IBGE, Itaú

Services in August/24 - forecast vs. actual (%)

August 2024	Weight	Forecast (YoY)	Actual (YoY)	Error contr. (p.p.)
PMS	100.0	3.6	1.7	-1.9
Transportation services	36.4	-2.2	-2.9	-0.3
IT & Communication Services	23.5	8.8	6.9	-0.4
Professional, administrative and complementary services	21.7	5.7	1.9	-0.8
Services offered to households	8.2	9.7	7.1	-0.2
Other Services	10.2	4.0	3.0	-0.1

Source: IBGE, Itaú

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