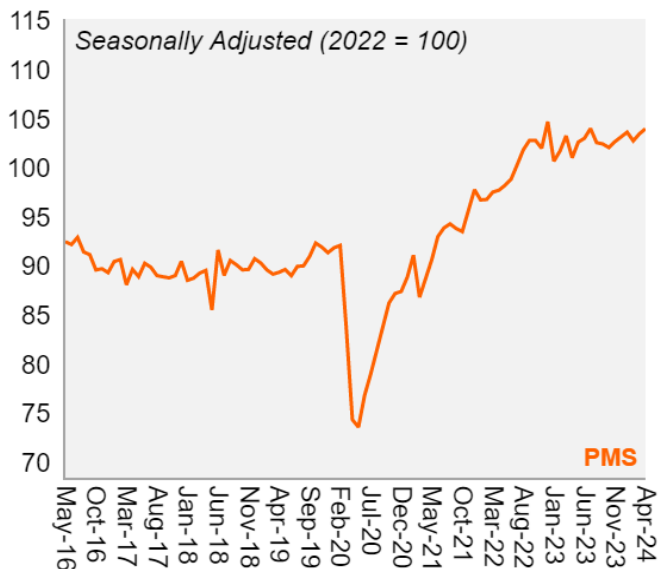


Services grew 0.5% mom/sa in April

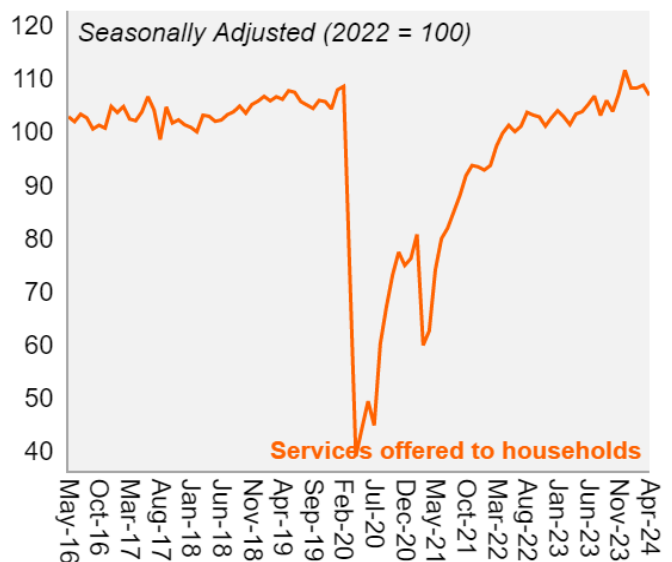
- ▶ The service sector real revenue increased 0.5% mom/sa (5.6% yoy) in April, slightly above our call (0.4% mom/as; 5.4% yoy) and exceeding market forecast (0.2% mom/sa; 4.3% yoy).
- ▶ The breakdown was in line with our forecast, with a small positive surprise in 'Other Services' (10.2% yoy vs. 9.6% estimated). Further details can be found in the table below.
- ▶ Out of 5 categories, 3 advanced and 2 contracted at the margin. The positive highlights were 'Other Services' (+5.0% mom/sa) and 'Transportation services' (+1.7% mom/sa), while 'Professional, administrative and complementary services' (-1.1% mom/sa) and 'Services offered to households' (-1.8% mom/sa) recorded the largest monthly contractions.
- ▶ With today's release, the carry over for 2Q24 now stands at 2.0% and -1.0% for the headline and the household segment, respectively.
- ▶ **Our view:** the service sector performance in April was in line with our expectations. Despite the positive monthly variation in services, it is worth highlighting the decline in professional services and in services offered to households, which carry a greater weight in GDP and therefore indicate some moderation of economic activity in the second quarter.

Services moved up 0.5% mom/sa in April



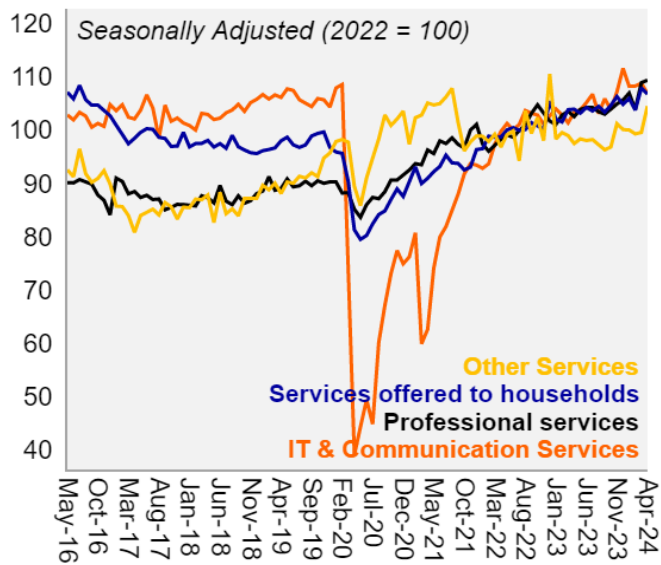
Source: IBGE, Itaú

Services to families declined 1.8% mom/sa



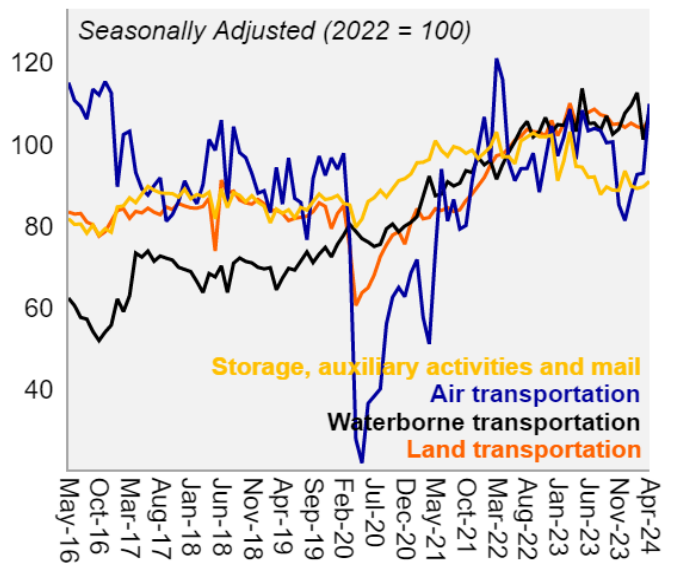
Source: IBGE, Itaú

Out of 5 categories, 3 advanced and 2 contracted



Source: IBGE, Itaú

Transportation services advanced 1.7% mom/sa



Source: IBGE, Itaú

| Services - April/24 (%) | | |
|---------------------------------------------------------|--------------|------------|
| April 2024 | Weight | m/m s.a. |
| PMS | 100.0 | 0.5 |
| Transportation services | 36.4 | 1.7 |
| IT & Communication Services | 23.5 | 0.4 |
| Professional, administrative and complementary services | 21.7 | -1.1 |
| Services offered to households | 8.2 | -1.8 |
| Other Services | 10.2 | 5.0 |

Source: IBGE, Itaú

| Services in April/24 - forecast vs. actual (%) | | | | |
|------------------------------------------------------------|--------------|-------------------|-----------------|------------------------|
| April 2024 | Weight | Forecast (YoY) | Actual (YoY) | Error contr. (p.p.) |
| PMS | 100.0 | 5.4 | 5.6 | 0.2 |
| Transportation services | 36.4 | 3.5 | 3.4 | -0.0 |
| IT & Communication Services | 23.5 | 7.2 | 7.7 | 0.1 |
| Professional, administrative and complementary services | 21.7 | 5.6 | 6.0 | 0.1 |
| Services offered to households | 8.2 | 3.7 | 3.1 | -0.0 |
| Other Services | 10.2 | 9.6 | 10.2 | 0.1 |

Source: IBGE, Itaú

Natalia Cotarelli
Marina Garrido

Macro Research – Itaú

Mario Mesquita – Chief Economist

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