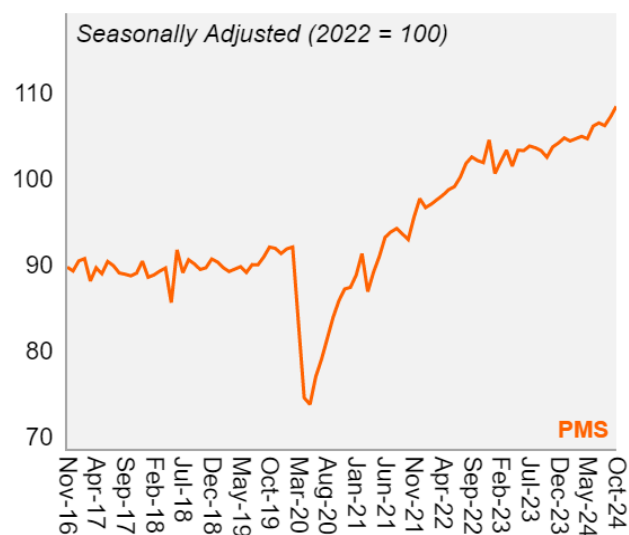


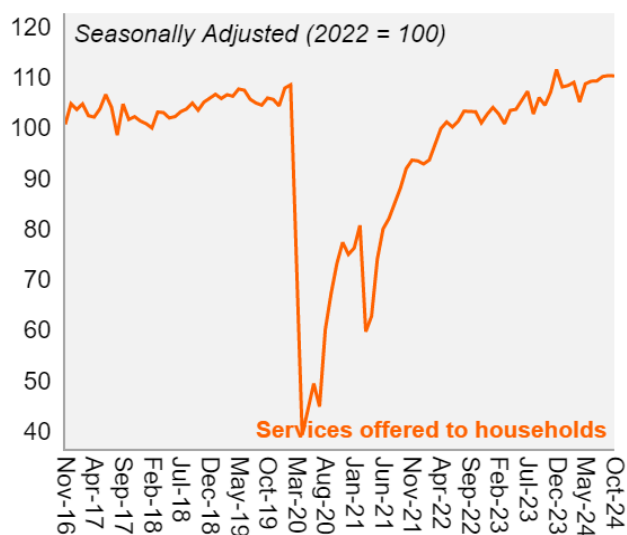
Services rose 1.1% mom/sa in October

- ▶ The service sector real revenue rose 1.1% mom/sa (6.3% yoy) in October, above consensus (0.6% mom/sa) and slightly below our call (1.2% mom/sa).
- ▶ Relative to our forecast, the largest negative surprises were 'IT & Communication Services' (6.7% yoy vs. 8.0% estimated) and 'Other Services' (2.3% yoy vs. 5.7% estimated). Further details can be found in the table below.
- ▶ Out of 5 categories, 2 advanced and 3 contracted at the margin. The positive highlights were 'Transportation services' (+4.1% mom/sa) and 'Professional, administrative and complementary services' (+1.6% mom/sa), while 'Services offered to households' (-0.1% mom/sa) and 'IT & Communication Services' (-1.0% mom/sa) recorded the largest mom/sa contractions.
- ▶ With today's release, the carry over for 4Q24 now stands at 1.7% and 0.3% for the headline and the household segment, respectively.
- ▶ **Our view:** The services sector posted strong growth in October. While 'Services provided to households' were weaker than expected due to the impact of concerts (a payback from the previous month), 'Professional, administrative, and supplementary services' performed above our forecast, resulting in only minor revisions to our GDP tracking. Today's data supports our view that economic activity will remain strong in the 4th quarter, driven by the service sector.

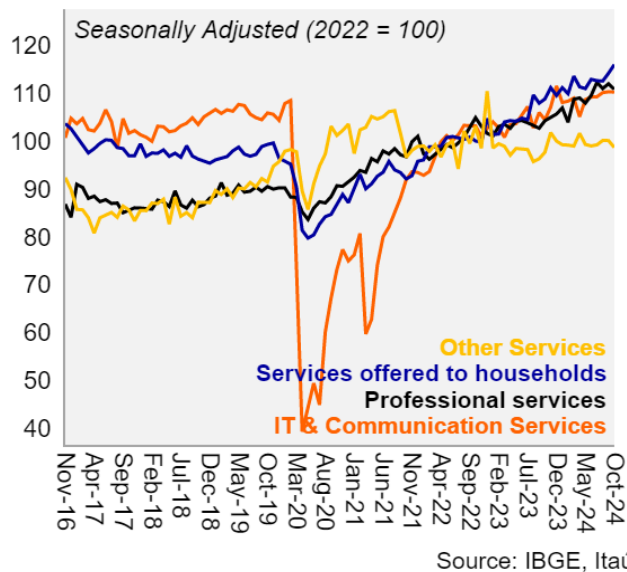
Services rose 1.1% mom/sa in October



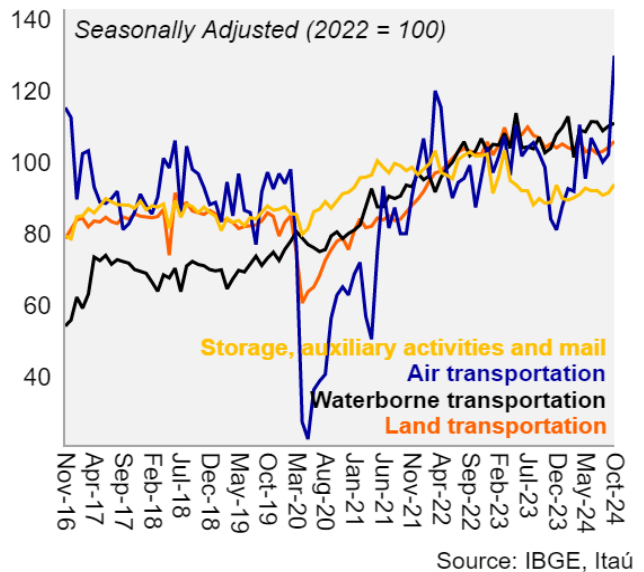
Services to families declined 0.1% mom/sa



Out of 5 categories, 2 advanced and 3 contracted at the margin



Transportation services advanced 4.1% mom/sa



Services - October/24 (%)		
October 2024	Weight	m/m s.a.
PMS	100.0	1.1
Transportation services	36.4	4.1
IT & Communication Services	23.5	-1.0
Professional, administrative and complementary services	21.7	1.6
Services offered to households	8.2	-0.1
Other Services	10.2	-1.4

Source: IBGE, Itaú

Services in October/24 - forecast vs. actual (%)				
October 2024	Weight	Forecast (YoY)	Actual (YoY)	Error contr. (p.p.)
PMS	100.0	6.6	6.3	-0.3
Transportation services	36.4	5.8	6.8	0.4
IT & Communication Services	23.5	8.0	6.7	-0.3
Professional, administrative and complementary services	21.7	6.6	7.4	0.2
Services offered to households	8.2	7.0	5.0	-0.2
Other Services	10.2	5.7	2.3	-0.3

Source: IBGE, Itaú

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