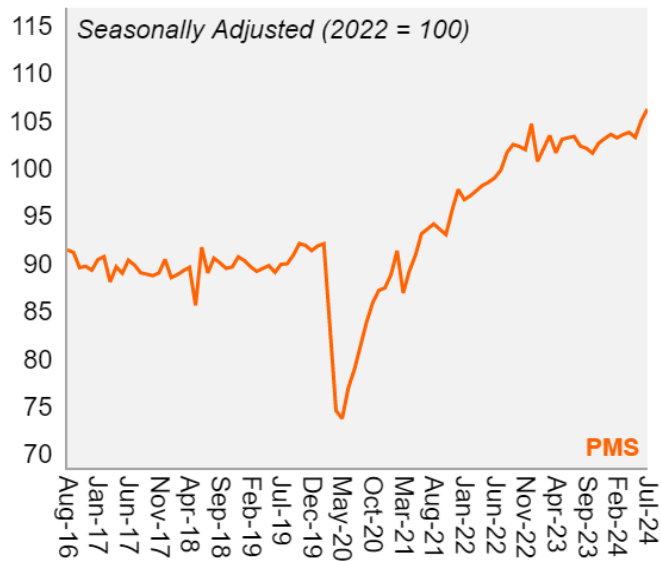


Services rose 1.2% mom/sa in July, above expectations

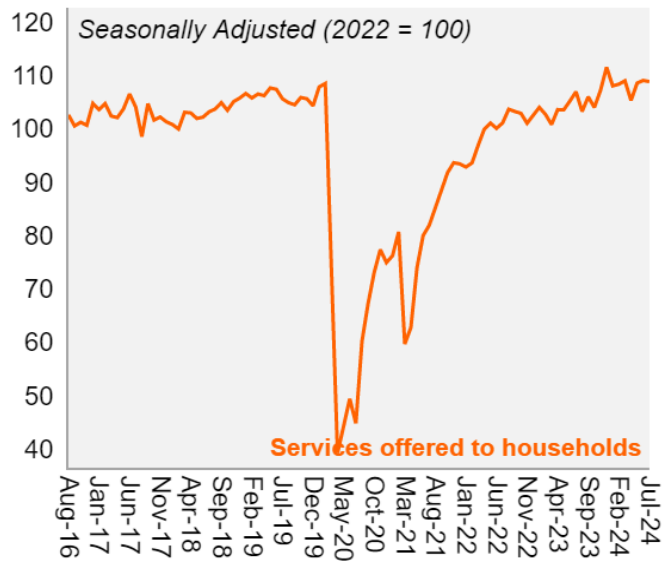
- ▶ The service sector real revenue moved up 1.2% mom/sa (4.3% yoy) in July, above both our call (0.0% mom/sa) and market forecast (0.0% mom/sa).
- ▶ Compared to our forecast, the largest positive surprises were 'Professional, administrative and complementary services' (9.1% yoy vs. 1.8% estimated) and 'IT & Communication Services' (9.8% yoy vs. 6.7% 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 'Professional, administrative and complementary services' (+4.2% mom/sa) and 'IT & Communication Services' (+2.2% mom/sa), while 'Services offered to households' (-0.2% mom/sa) and 'Transportation services' (-1.5% mom/sa) recorded the largest mom/sa contractions.
- ▶ With today's release, the carry over for 3Q24 now stands at 2.1% and 1.1% for the headline and the household segment, respectively.
- ▶ **Our view:** The service sector surprised upwards again in July, but it is worth noting that the surprise was partially offset by a downward revision in the June reading. The data released today suggests activity is still resilient at the beginning of the third quarter.

Services rose 1.2% mom/sa in July



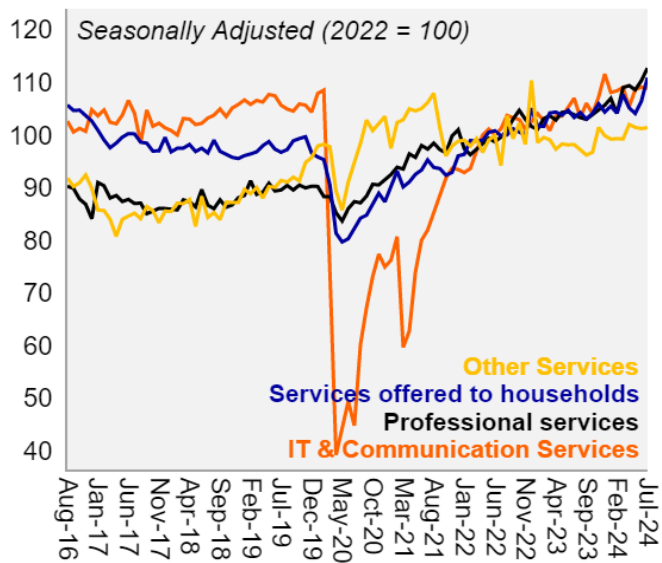
Source: IBGE, Itaú

Services to families declined 0.2% mom/sa



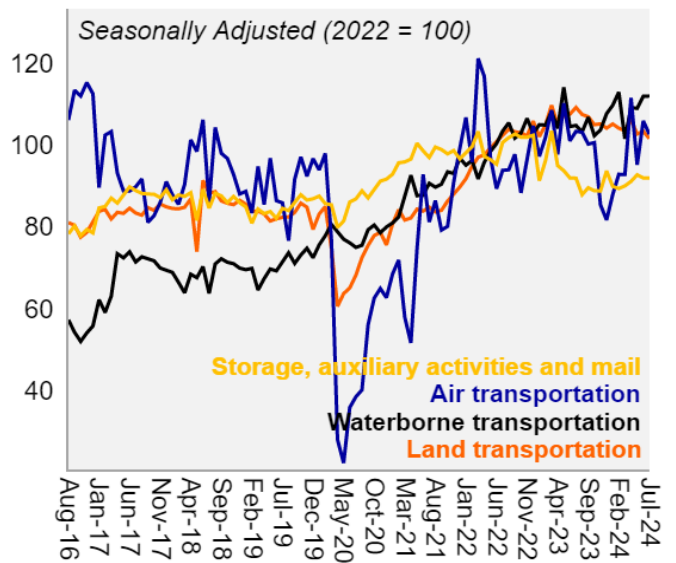
Source: IBGE, Itaú

Out of 5 categories, 3 advanced



Source: IBGE, Itaú

Transportation services fell 1.5% mom/sa



Source: IBGE, Itaú

Services - July/24 (%)		
July 2024	Weight	m/m s.a.
PMS	100.0	1.2
Transportation services	36.4	-1.5
IT & Communication Services	23.5	2.2
Professional, administrative and complementary services	21.7	4.2
Services offered to households	8.2	-0.2
Other Services	10.2	0.2

Source: IBGE, Itaú

Services in July/24 - forecast vs. actual (%)				
July 2024	Weight	Forecast (YoY)	Actual (YoY)	Error contr. (p.p.)
PMS	100.0	2.5	4.3	1.8
Transportation services	36.4	-0.1	-1.7	-0.6
IT & Communication Services	23.5	6.7	9.8	0.7
Professional, administrative and complementary services	21.7	1.8	9.1	1.6
Services offered to households	8.2	0.3	1.9	0.1
Other Services	10.2	6.6	6.0	-0.1

Source: IBGE, Itaú

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