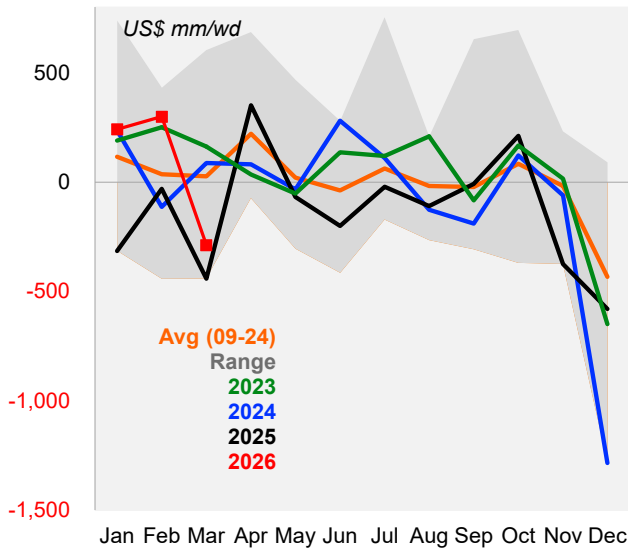


Brazilian FX market posts a net outflow of US\$ 6.3 billion in March

- ▶ The Central Bank released FX flow data for March. The monthly balance was negative at US\$ 6.3 billion, with a trade inflow of US\$ 7.7 billion and a financial outflow of US\$ 14.1 billion. As a result, March's figure came in below the historical average for the month, but still above the level recorded in the same month last year (-US\$ 8.4 billion).
- ▶ **Our view:** Despite solid trade-related inflows, FX flows turned negative again in March, reflecting sizable outflows from the financial segment, likely associated with increased risk aversion amid the conflict in the Middle East. Even so, cumulative FX flows remain stronger than last year's, mainly supported by the financial inflows recorded earlier in the year. Looking ahead, the conflict poses risks in two directions: higher oil prices tend to support the trade balance, while elevated global risk aversion may limit capital flows to emerging economies.

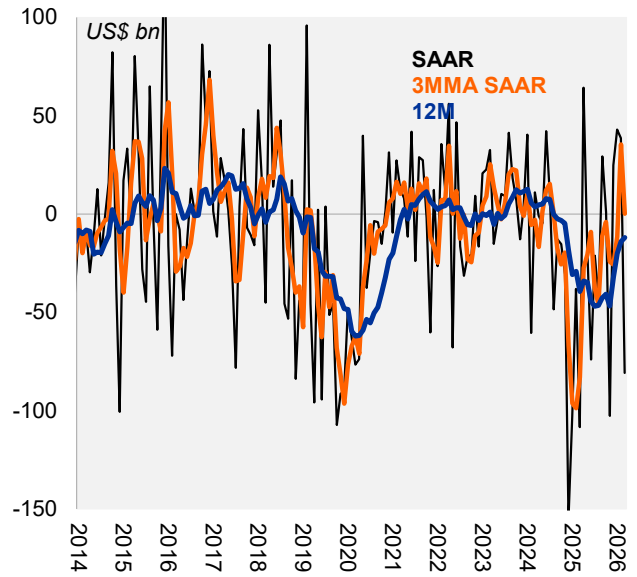
year / month (US\$ bn)	Trade						Financial			Net flow
	Exports				Imports	Net flow	Inflow	Outflow	Net flow	
	Total	Advance on FX contracts	Advance payments	Others						
2018	226.8	34.2	74.9	117.7	179.1	47.7	524.7	573.4	-48.7	-1.0
2019	196.3	32.3	58.3	107.6	177.0	18.1	556.5	621.8	-61.0	-43.9
2020	192.7	23.8	68.9	100.0	169.9	22.8	486.8	537.7	-50.9	-28.0
2021	225.2	28.4	53.4	143.5	217.2	8.1	540.7	544.4	-3.7	4.4
2022	272.4	34.1	59.6	178.7	250.9	21.5	591.9	616.6	-24.7	-3.2
2023	281.5	31.5	64.6	185.4	232.4	49.1	600.7	638.3	-37.6	11.5
2024	300.4	33.2	73.9	193.5	237.4	63.0	591.8	673.5	-81.6	-18.5
2025	287.6	32.3	69.4	185.9	238.5	49.1	593.2	674.3	-81.1	-32.0
Jan-26	19.6	2.3	3.7	13.5	20.8	-1.2	64.9	58.7	6.2	5.1
Feb-26	19.1	2.5	3.3	13.3	16.6	2.5	52.9	50.0	2.9	5.4
Mar-26	28.4	3.0	7.6	17.9	20.7	7.7	63.0	77.0	-14.1	-6.3
2026	67.1	7.8	14.7	44.7	58.0	9.1	180.8	185.8	-5.0	4.1

FX outflow of US\$ 6.3 bn in March



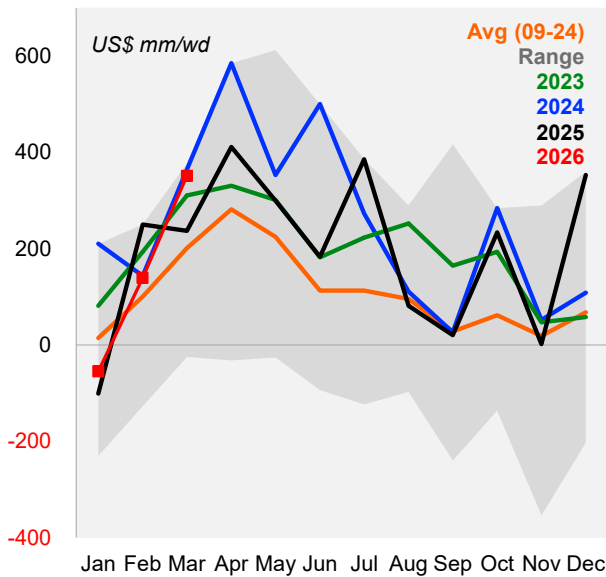
Source: BCB, Itaú

Over the past 12 months, flows recorded a US\$ 11.9 bn outflow



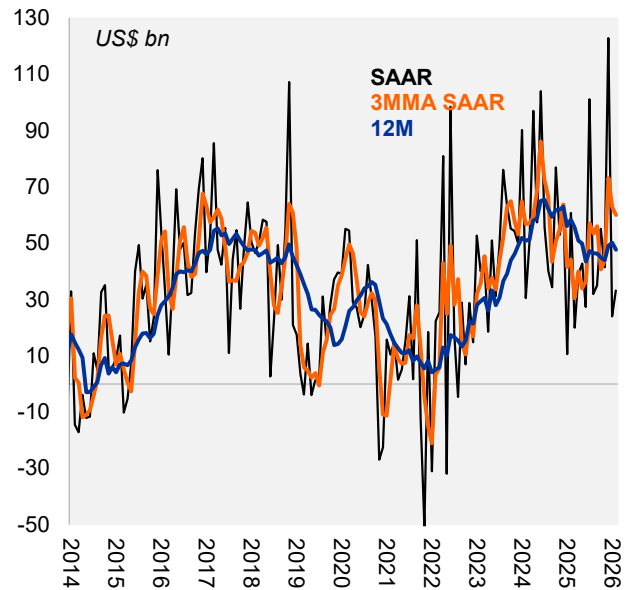
Source: BCB, Itaú

The trade flow was positive by US\$ 7.7 billion in the month...



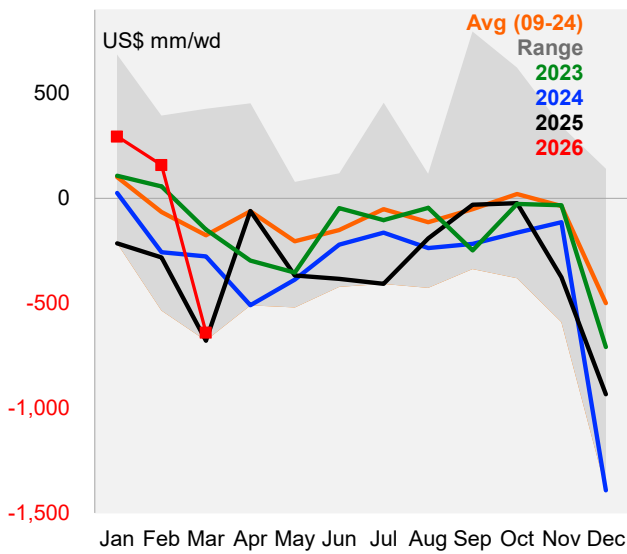
Source: BCB, Itaú

... accumulating an inflow of US\$ 50.9 billion over the past 12 months



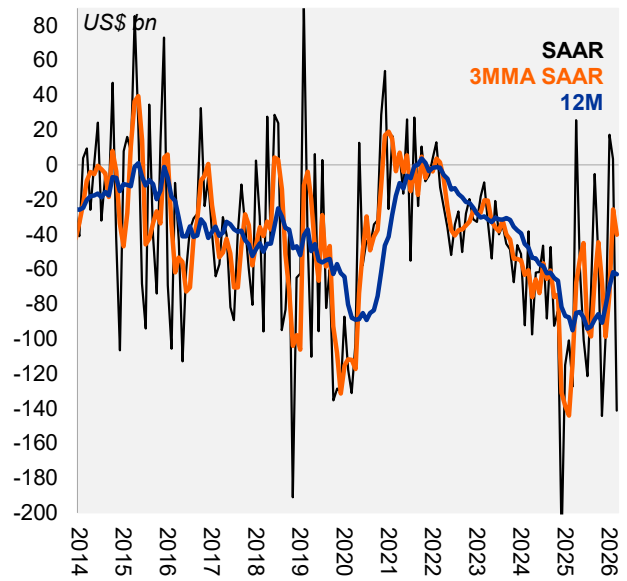
Source: BCB, Itaú

The financial flow was negative by US\$ 14.1 bn in the month...



Source: BCB, Itaú

... accumulating a US\$ 62.9 bn outflow over 12 months



Source: BCB, Itaú

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