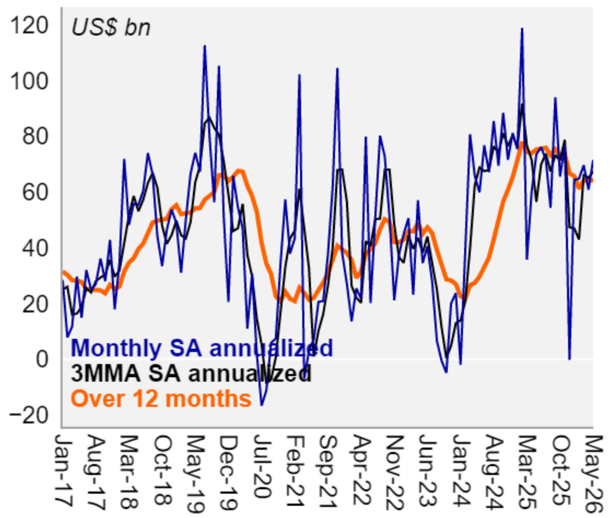
# Macro Brazil

Friday, June 26, 2026

## Current account posted an outflow of 2.6% of GDP in May

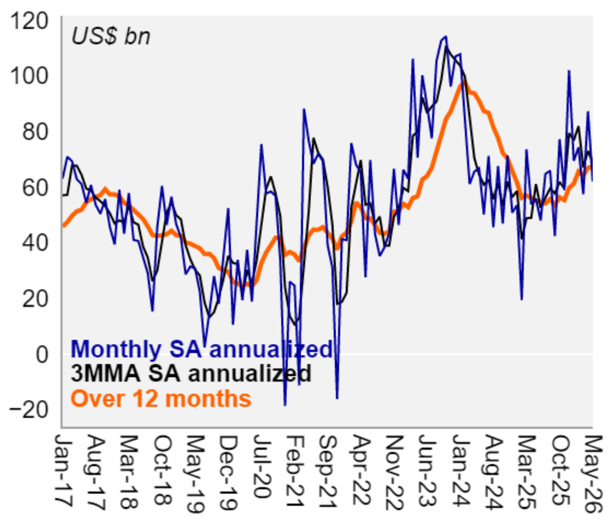
- The current account deficit was US$3.2 bn in May. The result came in better than both our forecast and the median market expectations (both at -US$4.5 bn). In May 2025, the current account had posted a US$3.3 bn deficit. Versus our forecast, we highlight a stronger than expected print for interests (-US$1.4 bn observed versus -US$2.0 bn projected).
- This month, the trade balance posted a surplus of US$7.0 bn, while services registered a negative flow of US$5.2 bn (-US$1157 mm for transportation, -US$1275 mm for travel and -US$1100 mm for rents), close to our expectation. The income account (-US$5.5 bn) recorded an outflow below our expectations led by interests (-US$1.4 bn).
- The current account deficit accumulated in the past 12 months was US$64.1 bn (2.6% of GDP), versus -US$66.7 bn (-2.9% of GDP in 2025). At the margin, the annualized 3-month moving average (3MMA SAAR) of the current account reached -US$67.3 bn (versus -US$65.1 bn in the previous month and -US$56.4 bn 12 months before).
- Foreign investment (FDI) to Brazil remains positive in 12m, and last month's result came in stronger than our expectation. FDI posted a positive flow of US$8.0 bn in May, better than our call (+US$5.5 bn) and the market's expectation (+US$6.2 bn). In 12 months, the FDI accumulates inflow of US$83.3 bn (3.4% of GDP), versus +US$77.7 bn (3.4% of GDP) in 2025.
- **Our view:** the current account deficit remained broadly stable at the margin, with the improvement in the income account offsetting the deterioration in the trade balance — largely explained by the decline in oil export volumes — and the widening of the services deficit, particularly driven by travel and digital services. On the financing side, despite the robust total FDI volume, the measure excluding reinvested earnings continues to run below the levels seen at the end of last year, while portfolio flows posted net outflows in both fixed income and equities. Overall, the external accounts picture remains relatively balanced: on one hand, the current account remains under pressure and Brazilian investment abroad stays elevated; on the other, foreign capital inflows have offset these outflows, although with a marginal deterioration in quality, reflecting a higher share of portfolio flows, which tend to be more volatile.

**Current account balance**



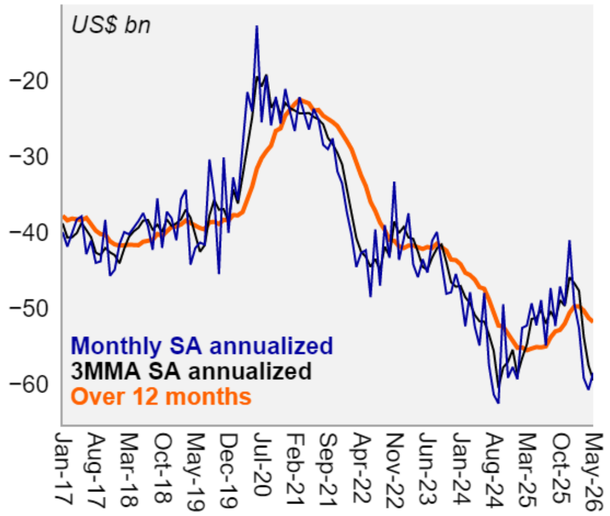

Source: BCB, Itaú

**Trade balance**



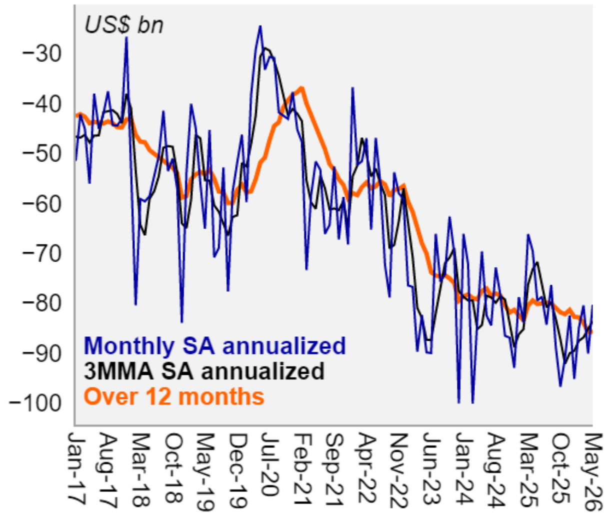

Source: BCB, Itaú

**Services account**



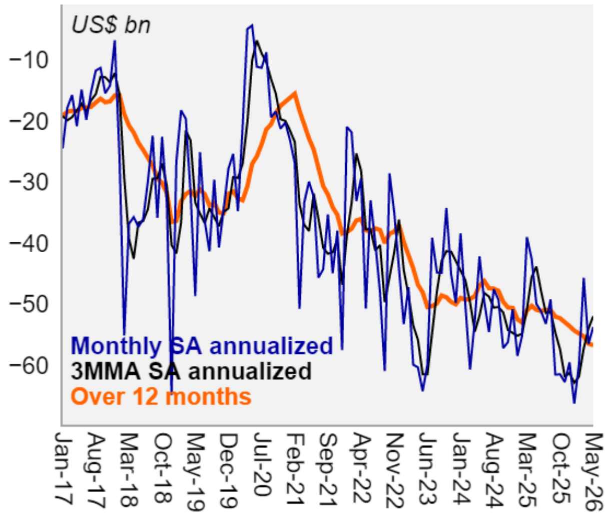

Source: BCB, Itaú

**Income account**



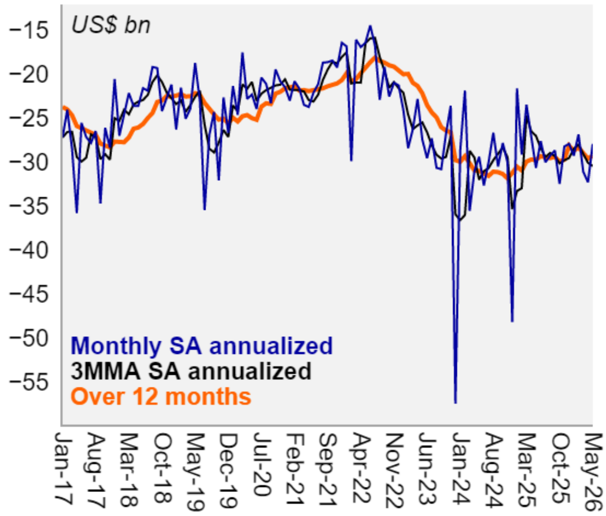

Source: BCB, Itaú

**Profits and dividends**



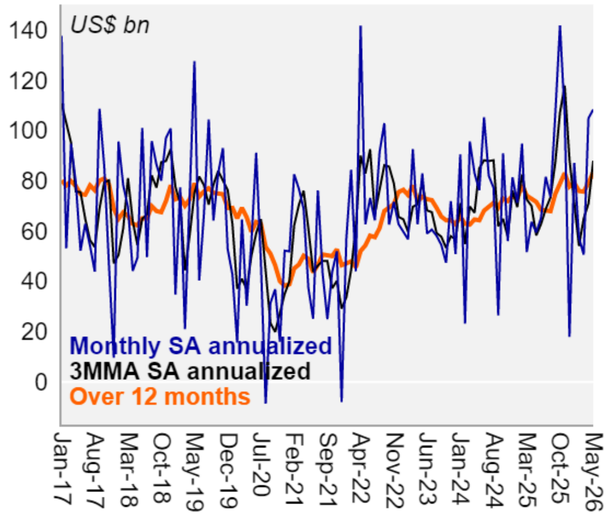

Source: BCB, Itaú

**Interests net inflow**



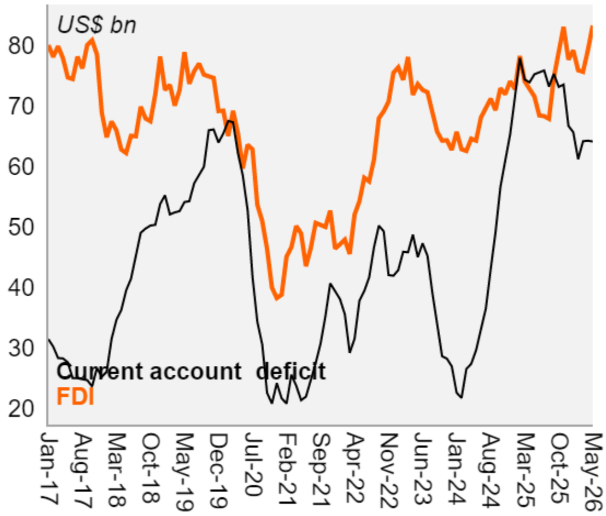

Source: BCB, Itaú

**Foreign investment to Brazil**




Source: BCB, Itaú

**FDI and CAD accumulated in 12m**




Source: BCB, Itaú

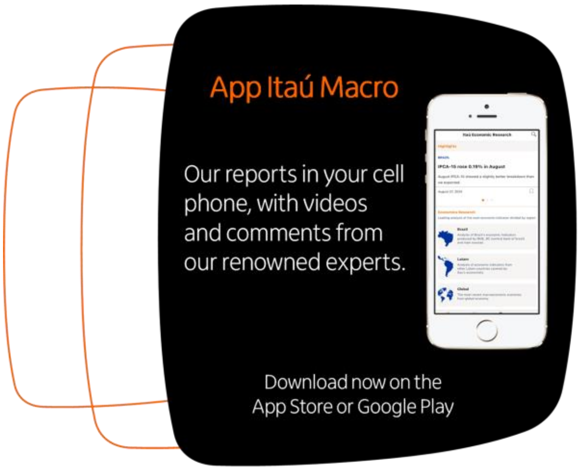
| | Monthly | | | | 3MMA SAAR | | 12M | | |
|---|---|---|---|---|---|---|---|---|---|
| In US$ bn | May-2026 | Apr-2026 | Mar-2026 | May-2025 | May-2026 | Apr-2026 | May-2026 | Dec-2025 | Dec-2024 |
| I. Current account (1)+(2)+(3)+(4) | -3.2 | -1.7 | -5.9 | -3.3 | -67.3 | -65.1 | -64.1 | -66.7 | -65.3 |
| **1.Balance on goods** | **7.0** | **9.7** | **5.7** | **6.4** | **68.9** | **73.0** | **67.5** | **59.7** | **65.8** |
| Exports | 32.0 | 34.3 | 31.9 | 30.1 | 378.3 | 381.3 | 361.9 | 350.5 | 339.9 |
| Imports | 25.1 | 24.6 | 26.2 | 23.7 | 303.8 | 306.4 | 294.4 | 290.8 | 274.0 |
| **2.Services** | **-5.2** | **-5.0** | **-4.8** | **-4.6** | **-59.5** | **-57.6** | **-51.8** | **-50.6** | **-54.3** |
| International Travel | -1.3 | -1.5 | -1.1 | -1.1 | -15.5 | -14.8 | -13.0 | -11.5 | -11.5 |
| Operational leasing | -1.1 | -1.1 | -1.1 | -1.1 | -12.9 | -13.0 | -12.3 | -11.9 | -11.2 |
| Transportation | -1.2 | -1.2 | -1.2 | -1.1 | -15.0 | -14.8 | -13.2 | -14.3 | -15.1 |
| Others | -1.6 | -1.3 | -1.4 | -1.3 | -16.2 | -14.8 | -13.3 | -12.9 | -16.6 |
| **3.Primary Income** | **-5.5** | **-6.8** | **-7.4** | **-5.6** | **-83.6** | **-85.2** | **-85.7** | **-81.3** | **-81.3** |
| Wages | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | 0.4 | 0.3 | 0.4 | 0.5 |
| Interests | -1.4 | -2.3 | -2.6 | -1.7 | -30.4 | -30.0 | -29.3 | -28.1 | -31.2 |
| Profits and dividends | -4.2 | -4.6 | -4.8 | -3.9 | -52.0 | -54.0 | -56.7 | -53.6 | -50.6 |
| **4.Secondary income** | **0.6** | **0.4** | **0.5** | **0.4** | **6.2** | **6.2** | **5.9** | **5.5** | **4.5** |
| II. Capital and financial account (a)+(b)+(c) +(d) | -3.8 | -2.2 | -7.3 | -2.7 | -68.4 | -64.2 | -62.8 | -64.5 | -75.4 |
| **a. Net direct investment (i)-(ii)** | **-5.0** | **-6.1** | **-3.8** | **-2.7** | **-51.8** | **-35.9** | **-49.4** | **-47.5** | **-47.8** |
| i.Direct investments - liabilities | 8.0 | 8.9 | 6.0 | 3.9 | 87.9 | 70.9 | 83.3 | 77.7 | 74.1 |
| Equity capital | 7.4 | 6.8 | 4.3 | 2.0 | 76.4 | 70.1 | 71.4 | 62.4 | 64.6 |
| Intercompany loans | 0.6 | 2.1 | 1.7 | 1.8 | 10.0 | 7.9 | 12.0 | 15.3 | 9.5 |
| ii.Direct investments - assets | 3.0 | 2.8 | 2.2 | 1.1 | 35.0 | 33.2 | 33.9 | 30.2 | 26.3 |
| **b. Other net investments (iii)-(iiv)+(v)+(vi)** | **-3.5** | **0.9** | **-2.5** | **-0.6** | **-42.9** | **-46.7** | **-33.2** | **-25.5** | **0.9** |
| iii.Portfolio investments - assets | 0.9 | 1.1 | 3.1 | 1.1 | 12.5 | 21.9 | 22.4 | 22.2 | 7.2 |
| iv.Portfolio investments (total) - liabilities | -5.5 | 5.4 | -3.0 | 1.6 | 10.4 | 61.8 | 31.4 | 15.1 | 8.2 |
| Local fixed income | -2.9 | -0.5 | -2.5 | 1.7 | -4.2 | 17.4 | 23.7 | 20.2 | 12.7 |
| Local equities | -2.7 | 1.0 | 0.1 | 1.9 | 3.4 | 18.3 | -0.3 | -4.6 | -14.1 |
| Funds | 0.3 | 0.1 | -0.5 | -1.0 | 0.8 | -2.6 | -2.6 | -0.3 | -3.4 |
| v.Financial derivatives (net) | -0.6 | 0.8 | 0.7 | -0.2 | -2.3 | -4.0 | -3.9 | -2.9 | 2.2 |
| vi.Other investments (net) | -9.2 | 4.5 | -9.4 | 0.2 | -45.0 | -6.2 | -20.3 | -29.6 | -0.2 |
| **c.Capital account** | **-0.1** | **-0.1** | **0.0** | **-0.1** | **0.6** | **0.3** | **-0.2** | **-0.2** | **-2.2** |
| **d.Reserve assets** | **4.7** | **3.1** | **-0.9** | **0.7** | **14.5** | **10.9** | **20.0** | **8.7** | **-26.4** |
| III. Errors and Omissions | -0.5 | -0.3 | -1.4 | 0.7 | -4.7 | -2.6 | 1.7 | 2.7 | -5.7 |

Source: BCB, Itaú

**Julia Marasca**

Macro Research – Itaú
**Mario Mesquita – Chief Economist**

To access our reports and forecast visit our website:
https://www.itau.com.br/itaubba-pt/macroeconomic-analysis




## Relevant Information

1. This report has been prepared and released by the Macro Research Department of Itaú Unibanco S.A. (“Itaú Unibanco”). This report is not a product of the Equity Research Department of Itaú Unibanco or Itaú Corretora de Valores S.A. and shall not be construed as a research report (“relatório de análise”) for the purposes of Article 1 of the CVM Instruction NR. 20, dated 2021.
2. The exclusive purpose of this report is to provide macroeconomics information and it does not constitute and shall not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial product, or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date on which this report was released and it has been obtained from public sources believed to be reliable. However, Itaú Unibanco does not make any explicit or implied representation or warranty as to the completeness, reliability or accuracy of such information, nor does this report intend to be a complete statement or summary of the markets or developments referred to herein. Itaú Unibanco has no obligation whatsoever to update, modify or amend this report and inform the reader accordingly.
3. The opinions contained herein reflect exclusively the personal views of the analyst responsible for this report and were prepared independently and autonomously, including in relation to  Itaú Unibanco, Itaú Corretora de Valores S.A. and any other companies within their economic group.
4. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of Itaú Unibanco. Additional information on the financial products mentioned in this report may be available upon request. Itaú Unibanco and/or any other company within its economic group is not and shall not be liable for any investment decisions (or otherwise) based on the information provided herein.
5. This report was prepared by the economic research team and may include sections generated with the support of artificial intelligence tools. All content has been reviewed and validated by the authors to ensure the accuracy and integrity of the information presented.

**Additional Note:** This material does not take into consideration the objectives, financial situation or specific needs of any particular client. Clients must obtain financial, tax, legal, accounting, economic, credit and market advice on an individual basis, based on their personal characteristics and objectives, prior to making any decision based on the information contained herein. By accessing the material, you represent and confirm that you understand the risks related to the financial instruments described in this material and the laws in your jurisdiction relating to the provision and sale of financial service products. You acknowledge that this material contains proprietary information and you agree to keep this information confidential for your exclusive use.

**SAC Itaú:** For inquiries, suggestions, complaints, criticisms and compliments, talk to Itaú’s CSCC: 0800 728 0728. Or contact us through our portal https://www.itau.com.br/atendimento-itau/para-voce/. If you are not satisfied with the proposed solution, please contact the Itaú Corporate Ombudsman: 0800 570 0011 (on weekdays from 9 AM to 6 PM) or our PO Box 67.600, São Paulo-SP, Zip Code 03162-971. Hearing impaired, every day, 24h, 0800 722 1722.