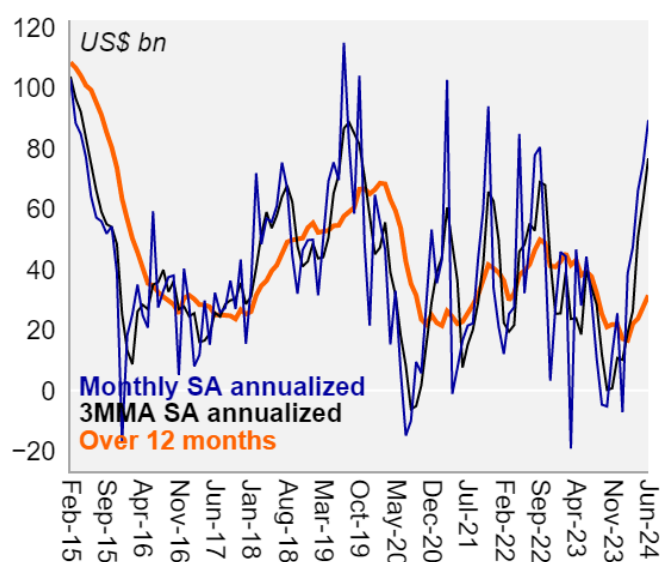


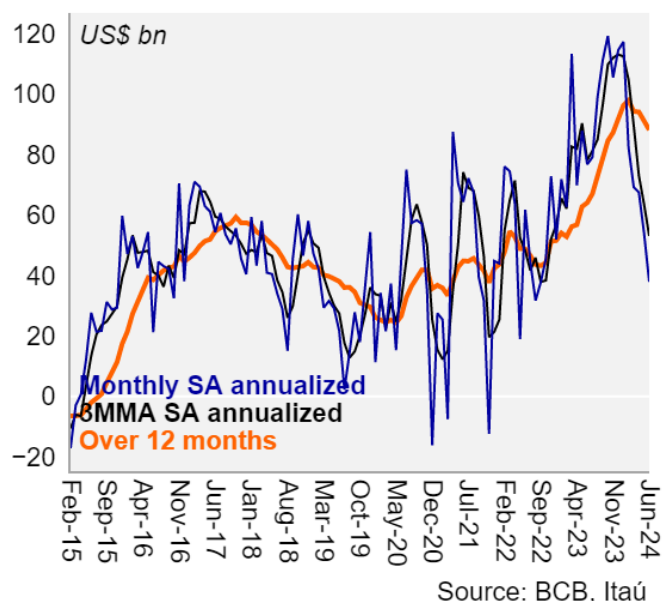
## Current account posted an outflow of 1.4% of GDP in June

- ▶ The current account deficit was US\$4.0 bn in June. The result came in worse than our call (-US\$3.4 bn) and the market's expectation (-US\$2.9 bn). In June 2023, the current account had posted a US\$0.2 bn deficit. Versus our forecast, we highlight a worse-than-expected print for interests (-US\$2.3 bn observed versus -US\$1.6 bn projected) and profits and dividends (US\$3,9 bn observed versus -US\$3,6 bn projected).
- ▶ The trade balance posted a surplus of US\$6.0 bn in June, while services registered a negative flow of US\$4.1 bn (-US\$1388 mm for transportation, -US\$740 mm for travel and -US\$825 mm for rents), close to our expectation. The income account (-US\$6.2 bn) recorded an outflow above our expectations led by interests (-US\$2.3 bn).
- ▶ The current account deficit accumulated in the past 12 months was US\$31.5 bn (1.4% of GDP). At the margin, the annualized 3-month moving average (MM3M SAAR) of the current account continued to worsen and reached -US\$76.8 bn (versus -US\$62.8 bn in the previous month).
- ▶ Foreign direct investment (FDI) remains positive in 12 months, and last month's result came in stronger than our expectation. FDI posted a positive result of US\$6.3 bn in June, better than our call and the market's expectation (both at +US\$3.3 bn). In 12 months, the FDI accumulates an inflow of US\$70.3 bn (3.1% of GDP).
- ▶ **Our view:** Despite the methodological review that resulted in a reduction in the level of the current account deficit (due to the reclassification of cryptoassets to the capital account), balance of payments data continued to show deterioration, especially with a loss of dynamism in the trade balance (decrease in exports and increase in imports) and increase in the services deficit. Even so, external financing remains at historically comfortable levels.

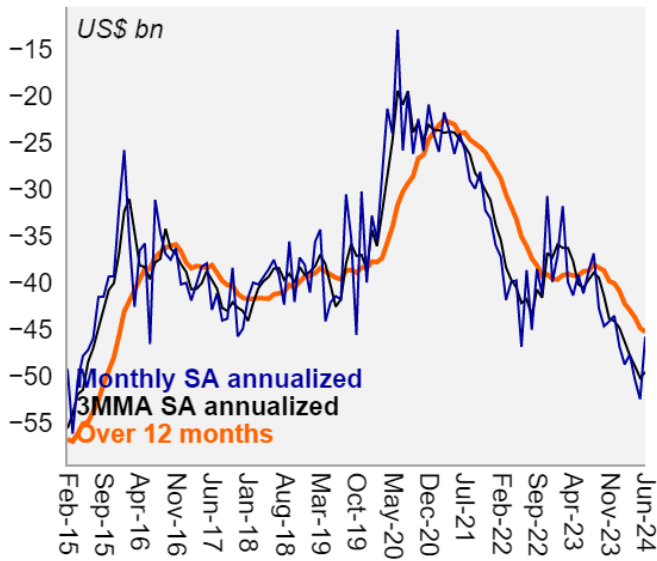
Current account balance



Trade balance

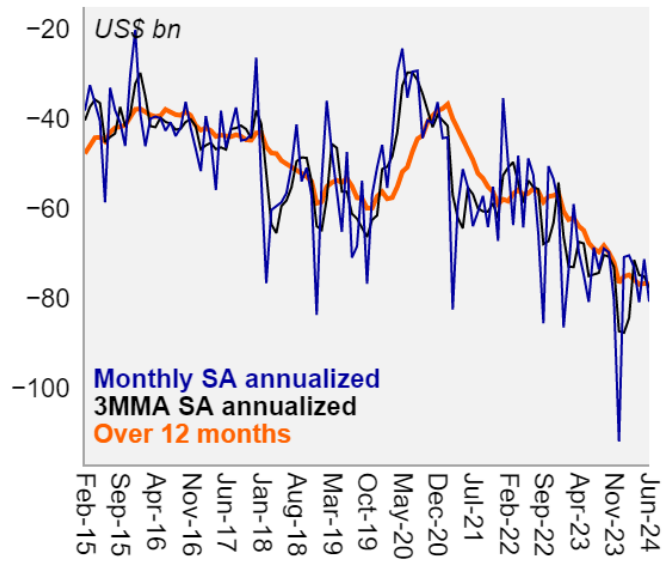


**Services account**



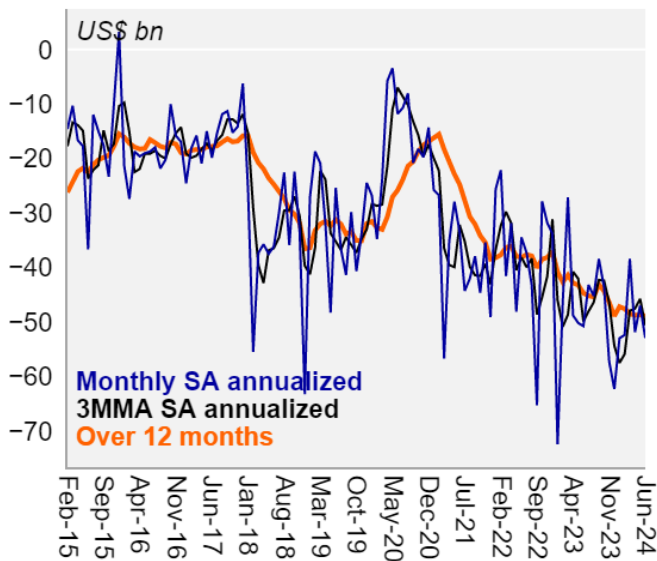
Source: BCB, Itaú

**Income account**



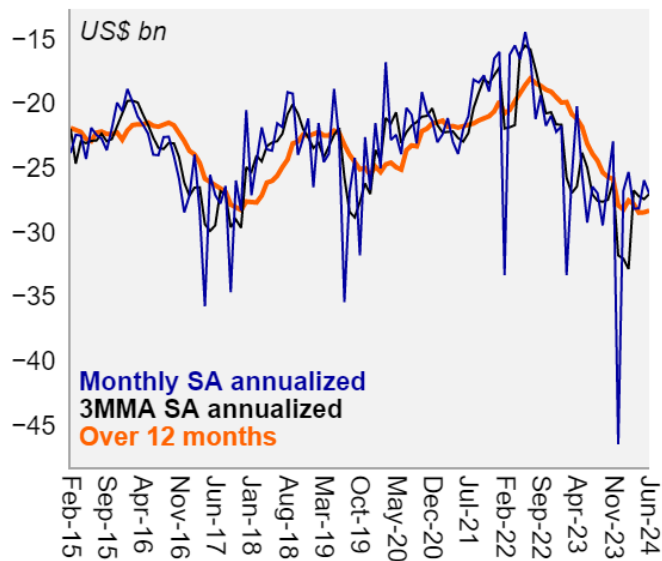
Source: BCB, Itaú

**Profits and dividends**



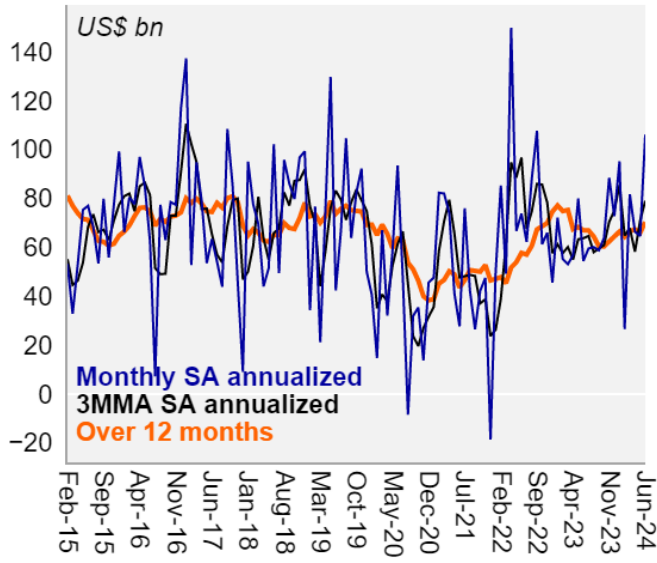
Source: BCB, Itaú

**Interests net inflow**

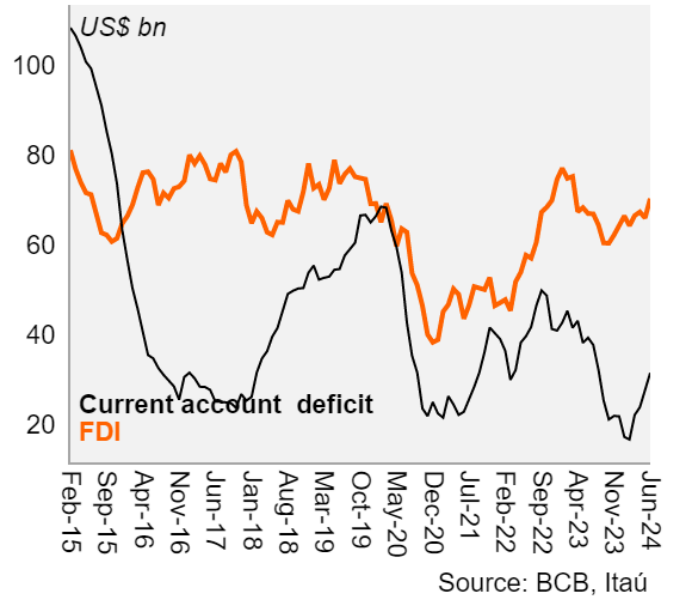


Source: BCB, Itaú

**Foreign investment to Brazil**



**FDI and CAD accumulated in 12m**



In US\$ bn	Monthly				3MMA SAAR		12M		
	Jun-2024	May-2024	Apr-2024	Jun-2023	Jun-2024	May-2024	Jun-2024	Dec-2023	Dec-2022
<b>I. Current account (1)+(2)+(3)+(4)</b>	<b>-4.0</b>	<b>-2.3</b>	<b>-1.5</b>	<b>-0.2</b>	<b>-76.8</b>	<b>-62.8</b>	<b>-31.5</b>	<b>-21.7</b>	<b>-40.9</b>
<b>1. Balance on goods</b>	<b>6.0</b>	<b>7.6</b>	<b>7.9</b>	<b>9.3</b>	<b>53.1</b>	<b>63.5</b>	<b>88.1</b>	<b>92.3</b>	<b>51.5</b>
Exports	29.3	30.5	30.8	29.9	337.7	334.6	344.9	343.8	340.2
Imports	23.3	22.9	22.8	20.6	275.9	268.6	256.8	251.5	288.7
<b>2. Services</b>	<b>-4.1</b>	<b>-4.6</b>	<b>-4.2</b>	<b>-3.7</b>	<b>-49.6</b>	<b>-50.2</b>	<b>-45.3</b>	<b>-40.1</b>	<b>-39.6</b>
Transportation	-1.4	-1.5	-1.4	-1.2	-17.6	-17.1	-14.2	-12.9	-19.4
International Travel	-0.7	-0.7	-0.5	-0.9	-7.1	-6.8	-7.1	-7.6	-7.2
Operational leasing	-0.8	-0.9	-0.9	-0.8	-10.6	-11.1	-10.3	-9.5	-8.3
<b>3. Primary Income</b>	<b>-6.2</b>	<b>-5.3</b>	<b>-5.5</b>	<b>-6.1</b>	<b>-77.6</b>	<b>-75.1</b>	<b>-76.7</b>	<b>-76.5</b>	<b>-56.5</b>
Wages	0.0	0.0	0.0	0.0	0.5	0.5	0.4	0.3	0.1
<b>4. Secondary income</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>	<b>0.4</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>	<b>3.7</b>
<b>c. Capital account</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.1</b>	<b>-15.2</b>	<b>-16.6</b>	<b>-15.2</b>	<b>-11.4</b>	<b>-7.1</b>
<b>a. Net direct investment (i)-(ii)</b>	<b>-5.1</b>	<b>-1.2</b>	<b>-2.7</b>	<b>-0.5</b>	<b>-55.2</b>	<b>-49.1</b>	<b>-45.8</b>	<b>-39.1</b>	<b>-41.3</b>
ii. Direct investments - assets	1.2	1.8	1.2	1.5	16.1	15.2	24.6	25.1	33.4
i. Direct investments - liabilities	6.3	3.0	3.9	1.9	79.0	70.9	70.3	64.2	74.6
Equity capital	4.3	1.7	3.9	2.9	46.7	39.6	57.1	55.1	57.1
Intercompany loans	2.0	1.3	0.0	-0.9	27.1	27.8	13.3	9.1	17.5
iii. Portfolio investments - assets	-0.5	1.8	1.3	1.3	6.9	13.3	9.5	4.5	-0.1
iv. Portfolio investments (total) - liabilities	3.3	1.7	-6.5	5.8	-2.7	10.2	10.0	11.8	-3.1
Local equities	-1.4	-0.9	-1.2	0.3	-13.2	-11.0	-8.6	2.1	9.5
Funds	0.2	0.3	0.6	-0.4	6.0	5.3	0.7	-3.3	2.0
Local fixed income	1.7	2.2	-6.1	4.4	-11.1	8.4	8.2	9.8	-4.4
v. Financial derivatives (net)	0.3	-0.1	2.2	-1.2	9.0	0.8	-4.2	-8.0	-2.0
vi. Other investments (net)	2.7	-4.5	-13.0	4.6	-66.2	-50.9	-11.4	0.2	0.9
<b>d. Reserve assets</b>	<b>1.1</b>	<b>1.2</b>	<b>0.4</b>	<b>1.8</b>	<b>-0.3</b>	<b>4.0</b>	<b>8.7</b>	<b>21.4</b>	<b>-7.3</b>
<b>III. Errors and Omissions</b>	<b>0.7</b>	<b>-0.9</b>	<b>-2.2</b>	<b>1.5</b>	<b>-11.1</b>	<b>-15.4</b>	<b>-6.6</b>	<b>0.2</b>	<b>1.2</b>
<b>II. Capital and financial account (a)+(b)+(c) +(d)</b>	<b>-5.9</b>	<b>-5.9</b>	<b>-6.9</b>	<b>-0.9</b>	<b>-120.3</b>	<b>-111.8</b>	<b>-68.5</b>	<b>-44.3</b>	<b>-53.9</b>
<b>b. Other net investments (iii)-(iiv)+(v)+(vi)</b>	<b>-0.7</b>	<b>-4.5</b>	<b>-3.0</b>	<b>-1.1</b>	<b>-43.0</b>	<b>-46.1</b>	<b>-16.2</b>	<b>-15.2</b>	<b>1.8</b>
Interests	-2.3	-1.3	-1.8	-2.5	-27.0	-27.4	-28.3	-27.9	-19.6
Profits and dividends	-3.9	-4.0	-3.7	-3.6	-50.6	-45.7	-48.8	-48.9	-37.1
Others	-1.2	-1.4	-1.4	-0.9	-15.0	-15.2	-13.7	-10.1	-4.7

Source: IBGE, Itaú

Julia Gottlieb

Macro Research – Itaú  
Mario Mesquita – Chief Economist

To access our reports and forecast visit our website:  
<https://www.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.

**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.itaubba-pt/atendimento-itaubba-pt/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.