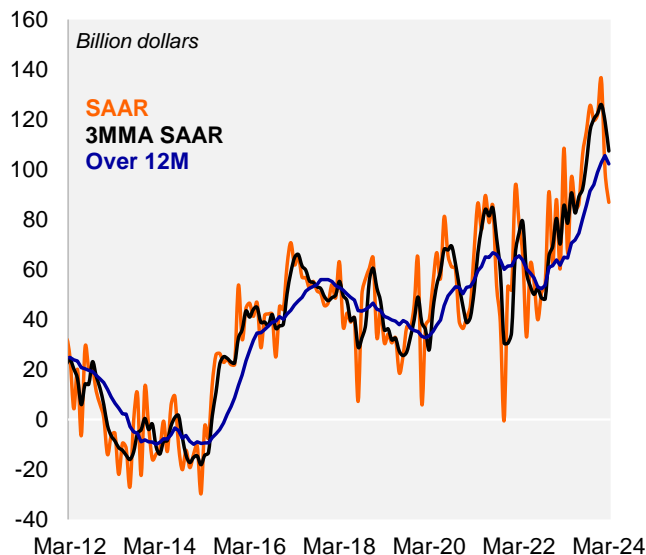


Trade balance with a surplus of US\$ 7.5 bn in March

- ▶ The trade balance recorded a surplus of US\$7.482 billion in March. The result was above expectations, with our forecast at US\$6.7 billion and the market's estimate at US\$7.0 billion. Exports remain at a high level (US\$28.0 billion), above that recorded in recent years and driven by the performance of the commodities sector. Imports (US\$ 20.5 billion) continue to accelerate at the margin, remaining slightly above that recorded in the same month of 2023 and 2022.
- ▶ As a result, the trade balance accumulates a surplus of close to US\$ 100 billion in 12 months. The 3-month moving average of seasonally adjusted and annualized data (3MMA SAAR) of the balance is running at US\$ 107 billion, slowing down to US\$ 87 billion at the margin (SAAR).
- ▶ Terms of trade remain at a relatively high level, but losing strength at the margin again with a drop in export prices and virtually stable import prices. Export quantum remains at a high level, with a slight improvement compared to February. Import quantum accelerated further, remaining above the level registered in 2023.
- ▶ **Our view:** the trade balance started 2024 at a strong pace. The result is a good performance of exports, while imports continue to accelerate at the margin, with highlight to the increase in the quantum of capital goods and consumer goods. The robust pace of external trade will likely continue in the coming years, with a structural improvement in the Brazilian trade balance. We forecast a surplus of US\$85 billion in 2024 and US\$70 billion in 2025.

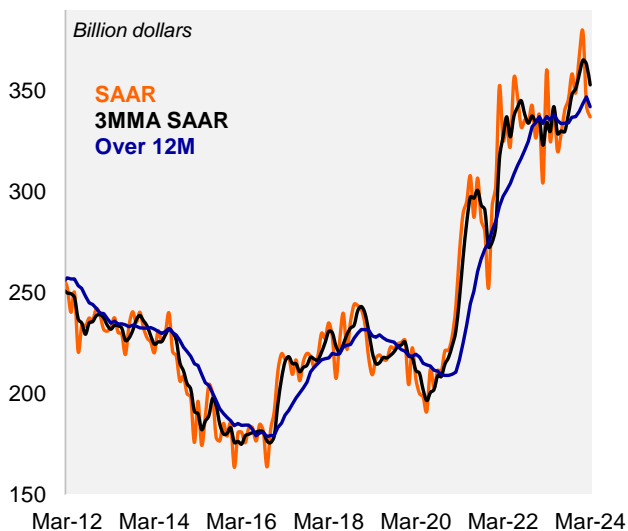
Trade balance remains at a high level, but with signs of some accommodation at the margin (SAAR at US\$87 bn)



Source: MDIC, Itaú

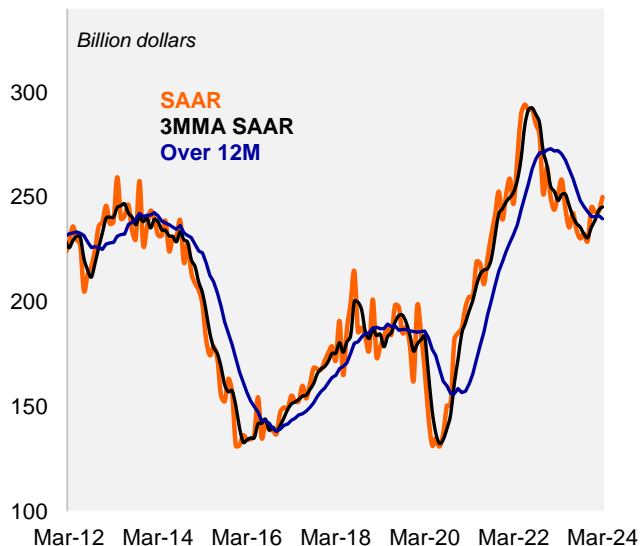
	Monthly			3MMA SAAR		Over 12M				
	mar-24	fev-24	mar-23	mar-24	fev-24	mar-24	2022	2021	2020	2019
Trade balance	7.5	5.3	10.7	107.4	119.2	102.3	61.5	61.4	50.4	35.2
Exports	28.0	23.5	32.8	352.9	363.0	342.1	334.1	280.8	209.2	221.1
Imports	20.5	18.2	22.1	245.5	243.8	239.8	272.6	219.4	158.8	185.9

Exports at historically-high levels



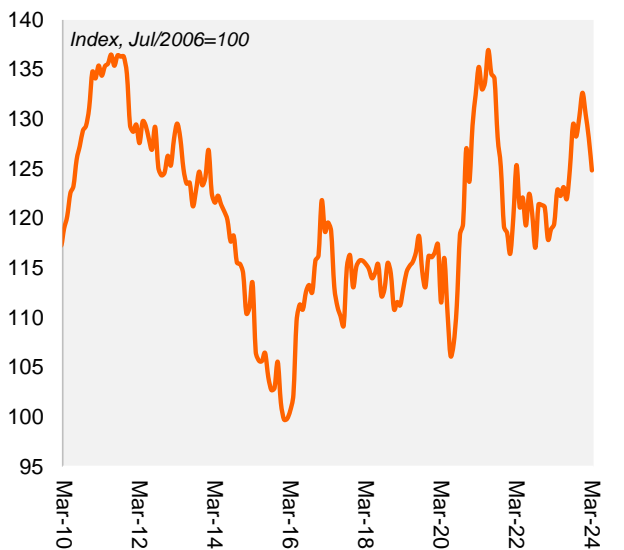
Source: MDIC, Itaú

... while imports show signs of acceleration at the margin



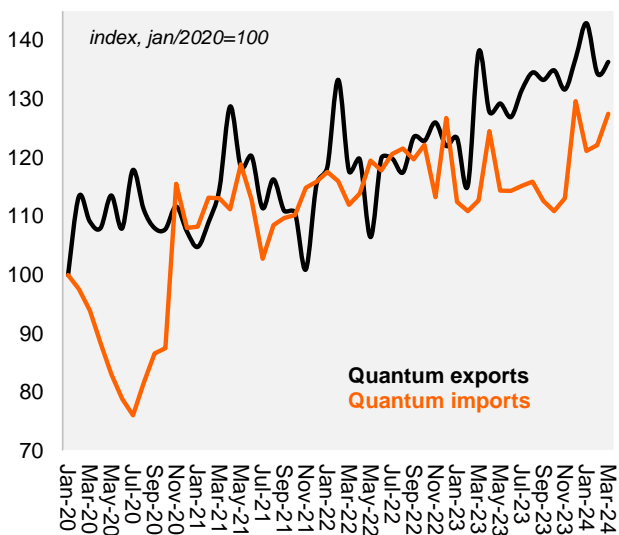
Source: MDIC, Itaú

Terms of trade remain at a high level, but with some accommodation (Px drops while Pm remain stable)



Source: MDIC, Itaú

Export quantum remains high, while import quantum accelerates at the margin



Source: MDIC, Itaú

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