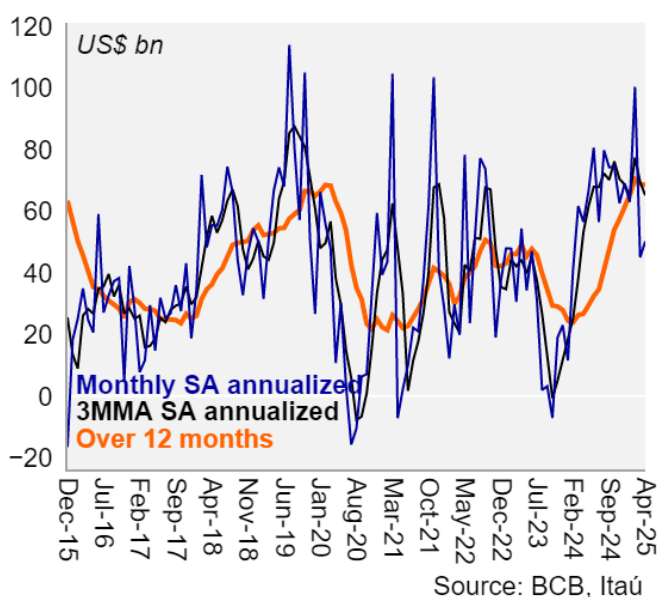


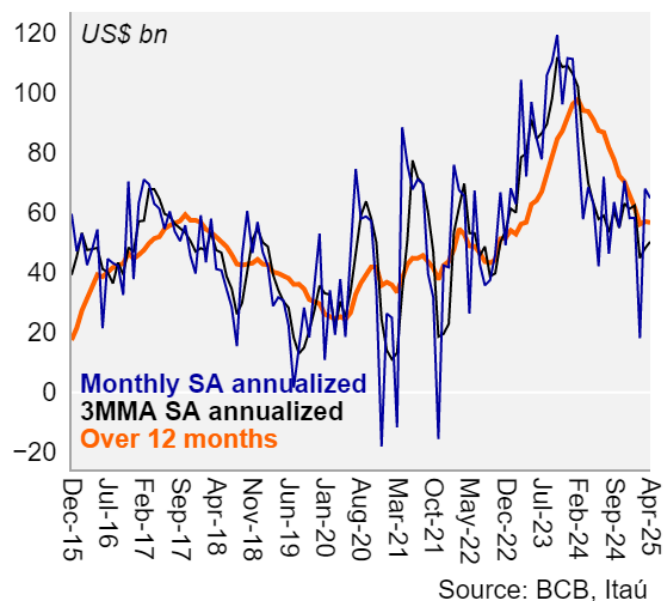
Current account posted an outflow of 3.2% of GDP in April

- ▶ The current account deficit was US\$1.3 bn in April. The result came in line with our call (-US\$1.3 bn) and better than the market's estimates (-US\$1.9 bn). In the month, the current account had posted a US\$1.7 bn deficit. Versus our forecast, we highlight a weaker than expected print for profit and dividends (-US\$3.3 bn observed versus -US\$3.1 bn projected), offset by a better-than-expected result for interest expenses (-US\$1.7 bn observed versus -US\$1.9 bn expected).
- ▶ In the month, the trade balance posted a surplus of US\$7.4 bn, while services registered a negative flow of US\$4.2 bn (-US\$1,177 mm for transportation, -US\$987 mm for travel and -US\$972 mm for rents), close to our expectation. The income account (-US\$5.0 bn) matched our call.
- ▶ The current account deficit accumulated in the past 12 months was US\$68.5 bn (3.2% of GDP), versus -US\$61.2 bn (-2.8% of GDP in 2024). At the margin, the annualized 3-month moving average (MM3M SAAR) of the current account reached -US\$65.2 bn (versus -US\$69.5 bn in the previous month and -US\$53.1 bn 12 months before).
- ▶ Foreign direct investment (FDI) to Brazil remains positive over 12 months, and last month's result came in stronger than our expectation. The FDI posted a positive flow of US\$5.5 bn in April, better than our call (+US\$4.0 bn) and the market's expectation (+US\$4.9 bn). Over 12 months, the FDI accumulates inflow of US\$69.8 bn (3.2% of GDP), versus +US\$71.1 bn (3.3% of GDP) in 2024.
- ▶ **Our view:** the current account balance continues to improve at the margin, with progress in the trade balance and some moderation in the services and income accounts deficits. Although these components are still running at worse levels than the average of recent years (especially Services), they have shown signs of stabilization. We continue to forecast a gradual improvement in the current account balance, mainly reflecting the slowdown in domestic economic activity.

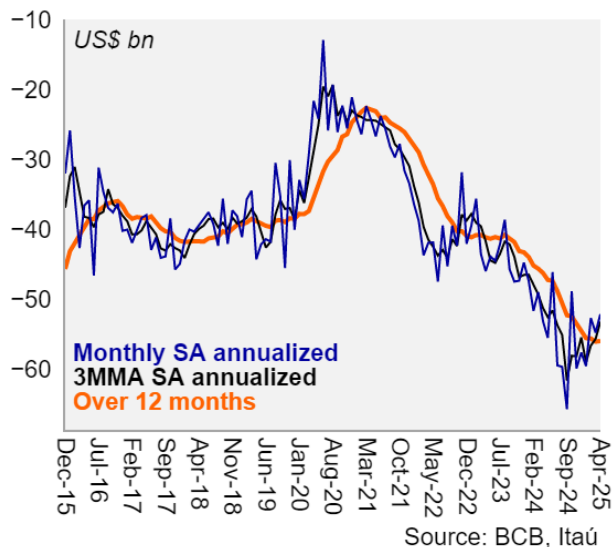
Current account balance



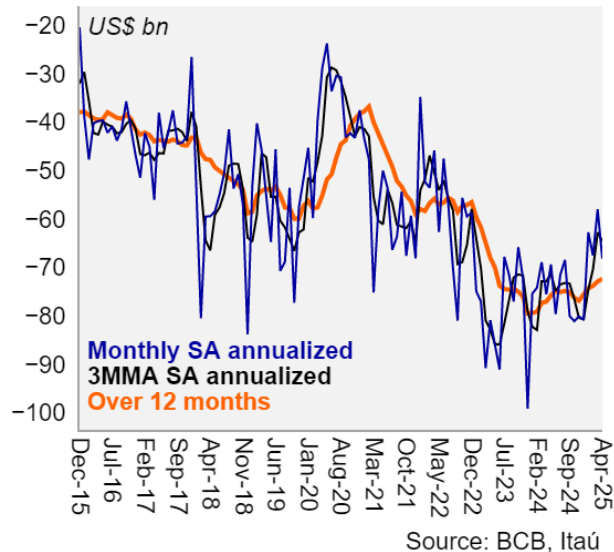
Trade balance



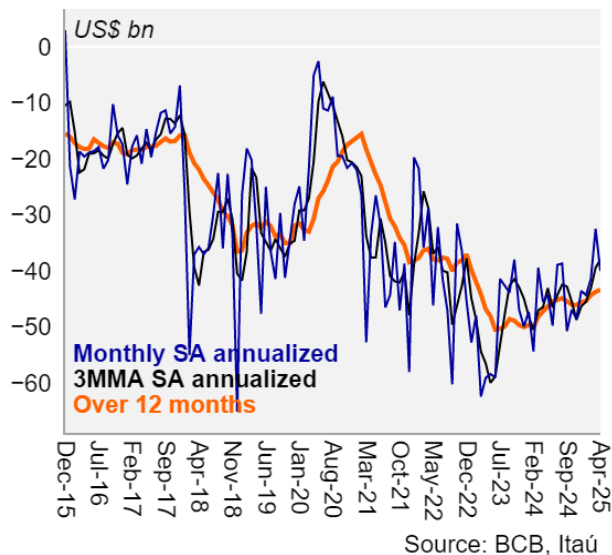
Services account



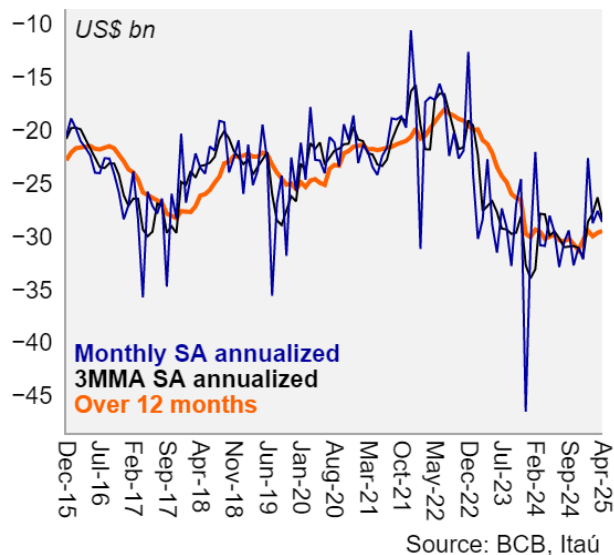
Income account



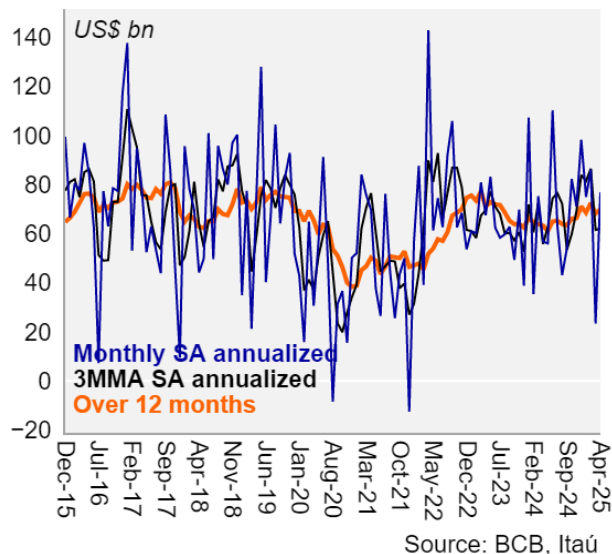
Profits and dividends



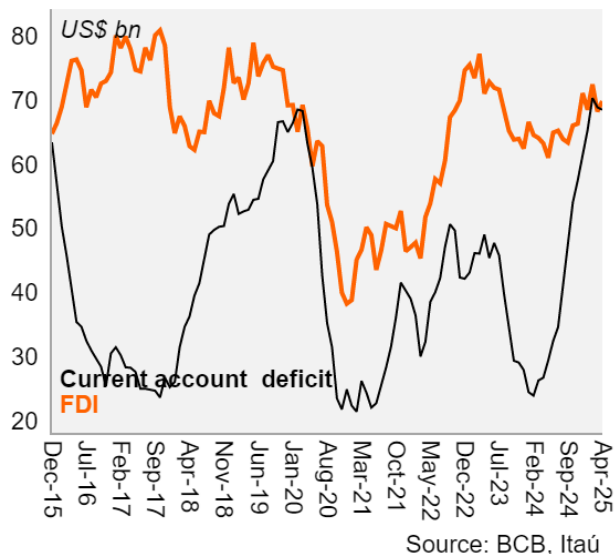
Interests net inflow



Foreign investment to Brazil



FDI and CAD accumulated in 12 months



	Monthly				3MMA SAAR		12M		
In US\$ bn	Apr-2025	Mar-2025	Feb-2025	Apr-2024	Apr-2025	Mar-2025	Apr-2025	Dec-2024	Dec-2023
I. Current account (1)+(2)+(3)+(4)	-1.3	-2.6	-8.9	-1.7	-65.2	-69.5	-68.5	-61.2	-27.9
1. Balance on goods	7.4	7.2	-1.1	7.8	50.2	48.1	56.7	65.8	92.3
Exports	30.6	29.1	23.0	30.6	341.7	342.2	338.9	339.9	343.8
Imports	23.2	21.8	24.1	22.8	292.1	294.6	282.3	274.0	251.5
2. Services	-4.2	-4.4	-3.9	-4.3	-53.2	-55.7	-56.0	-54.6	-43.3
International Travel	-1.0	-0.8	-0.8	-0.9	-11.2	-11.4	-12.6	-12.3	-11.0
Operational leasing	-1.0	-1.1	-1.0	-0.9	-12.4	-12.1	-11.4	-10.9	-9.5
Transportation	-1.2	-1.2	-1.2	-1.1	-15.6	-16.3	-16.2	-15.1	-12.7
Others	-1.1	-1.3	-0.9	-1.4	-13.0	-15.1	-15.8	-16.3	-10.1
3. Primary Income	-5.0	-5.8	-4.1	-5.5	-64.6	-62.8	-72.3	-75.4	-79.5
Wages	0.0	0.0	0.0	0.0	0.4	0.5	0.5	0.5	0.3
Interests	-1.7	-2.0	-1.9	-1.8	-28.3	-26.3	-29.5	-30.3	-29.7
Profits and dividends	-3.3	-3.8	-2.2	-3.7	-38.0	-39.4	-43.4	-45.6	-50.0
4. Secondary income	0.4	0.3	0.2	0.3	3.9	3.6	3.2	2.9	2.6
II. Capital and financial account (a)+(b)+(c) +(d)	-3.5	-5.0	-10.8	-6.5	-91.8	-107.5	-107.0	-102.0	-49.3
a. Net direct investment (i)-(ii)	-4.3	-2.8	-5.4	-2.7	-26.4	-24.1	-40.2	-46.8	-37.3
i. Direct investments - liabilities	5.5	6.0	9.3	3.9	62.1	61.5	69.8	71.1	62.4
Equity capital	6.6	3.8	5.6	3.9	57.1	55.4	60.4	60.1	52.8
Intercompany loans	-1.1	2.1	3.7	0.0	14.2	17.1	9.4	11.0	9.6
ii. Direct investments - assets	1.2	3.1	3.9	1.2	32.4	40.4	29.6	24.3	25.1
b. Other net investments (iii)-(iv)+(v)+(vi)	1.0	-2.1	-6.2	-2.7	-53.0	-52.5	-23.8	-12.6	-22.0
iii. Portfolio investments - assets	1.3	0.9	1.9	1.3	8.5	4.7	1.5	6.6	4.5
iv. Portfolio investments (total) - liabilities	0.8	-1.1	3.1	-6.5	22.4	-5.5	8.0	9.7	13.8
Local fixed income	1.9	-0.8	0.0	-6.1	16.9	-8.8	11.0	12.8	9.8
Local equities	-0.8	-2.7	0.8	-1.2	0.7	5.3	-6.6	-14.0	2.2
Funds	-0.6	1.8	0.2	0.6	6.3	7.5	-3.2	-3.0	-1.3
v. Financial derivatives (net)	0.8	-0.2	-0.0	2.2	-2.6	-4.3	0.0	2.2	-8.0
vi. Other investments (net)	-0.3	-3.9	-5.0	-12.7	-27.3	-45.9	-17.3	-11.6	-4.7
c. Capital account	-1.0	-0.7	-0.8	-1.6	-10.8	-11.8	-14.3	-16.3	-11.4
d. Reserve assets	0.9	0.7	1.7	0.4	-0.8	-10.7	-28.7	-26.4	21.4
III. Errors and Omissions	-0.0	-0.9	-0.2	-1.6	-6.3	-14.9	-9.9	-8.3	1.3

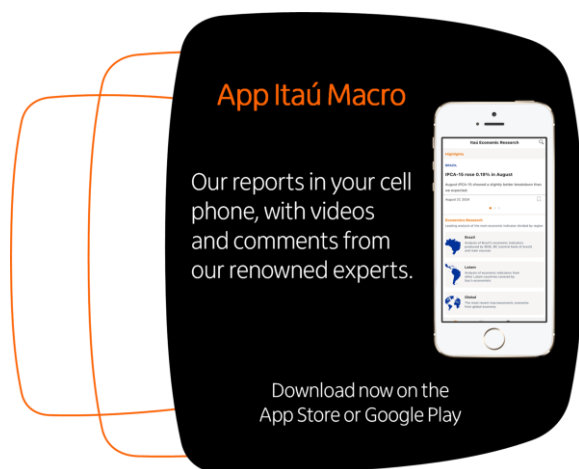
Source: BCB, Itaú

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