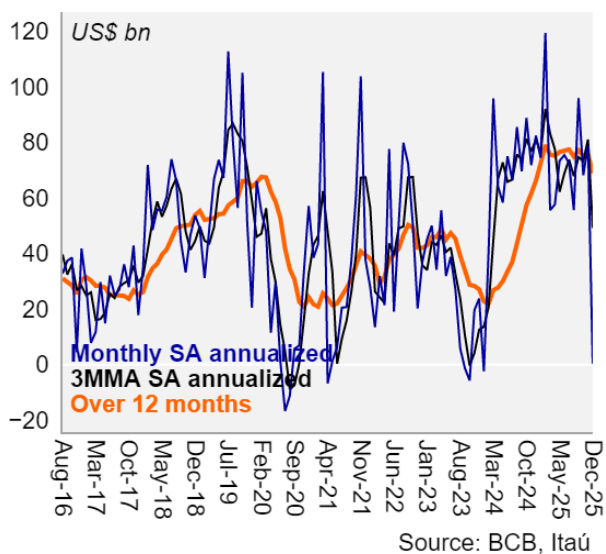


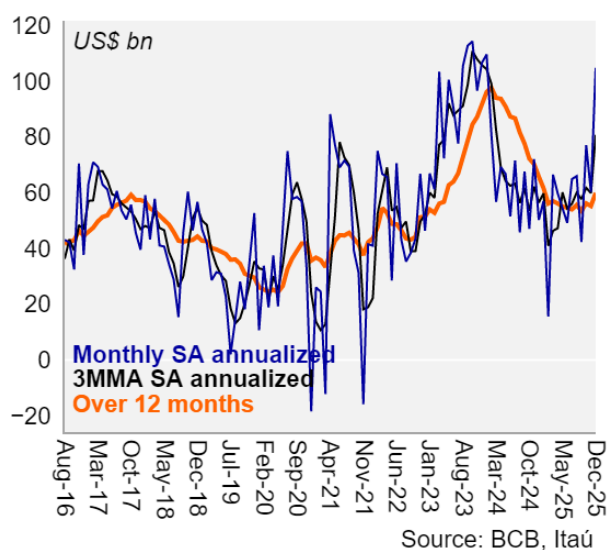
## Current account ends 2025 at -3.0% of GDP

- ▶ The current account deficit was US\$3.4 bn in December. The result came in better than our call (-US\$8.8 bn) and the market's expectation (-US\$5.0 bn). In December 2024, the current account had posted a US\$10.2 bn deficit. Versus our forecast, we highlight a stronger-than-expected print for profit and dividends (-US\$5.4 bn observed versus -US\$8.0 bn projected).
- ▶ The trade balance posted a surplus of US\$8.8 bn in December, while services registered an outflow of US\$3.8 bn (-US\$1023 mm for transportation, -US\$1166 mm for travel and -US\$958 mm for rents). The services account came in better than our expectation led by other services. The income account (-US\$9.2 bn) recorded an outflow below our expectations led by profit and dividends (-US\$5.4 bn).
- ▶ The current account deficit accumulated in the past 12 months was US\$68.8 bn (closing the year at 3.0% of GDP), versus -US\$66.2 bn (-3.0% of GDP in 2024). At the margin, the annualized 3-month moving average (MM3M SAAR) of the current account reached -US\$49.1 bn (versus -US\$81.0 bn in the previous month and -US\$80.9 bn 12 months before).
- ▶ Foreign investment (FDI) to Brazil remains positive in 12 months, despite the weaker-than-expected print in this release. FDI posted a negative flow of US\$5.2 bn in December, weaker than our call (+US\$2.0 bn) and the market's expectation (+US\$0.9 bn). In 12 months, the FDI accumulates inflow of US\$77.7 bn (3.4% of GDP), versus +US\$74.1 bn (3.4% of GDP) in 2024.
- ▶ **Our view:** The current account deficit came in better than expected in December, with a stronger-than-anticipated income balance, particularly in profits and dividends. Despite the sizeable outflow of repatriated profits, the movement was partially offset by significant inflows of reinvested earnings — which do not generate FX flows but do affect the current account deficit and foreign direct investment. FDI, in turn, recorded net outflows during the month (a pattern typically seen in December, though in 2025 the magnitude was larger), consistent with the elevated volume of profit distributions. Although the reinvestment amount was substantial, the FDI metric we usually monitor excludes such operations and continued to run at a high level at the margin (around USD 75 billion). At the margin, the current account balance improved significantly (to -2.2% of GDP from -3.6% in November), driven mainly by a stronger trade balance performance. For 2026, we recently revised our current account deficit forecast to USD 70 billion (from USD 76.7 billion), incorporating a trade surplus stronger than previously projected.

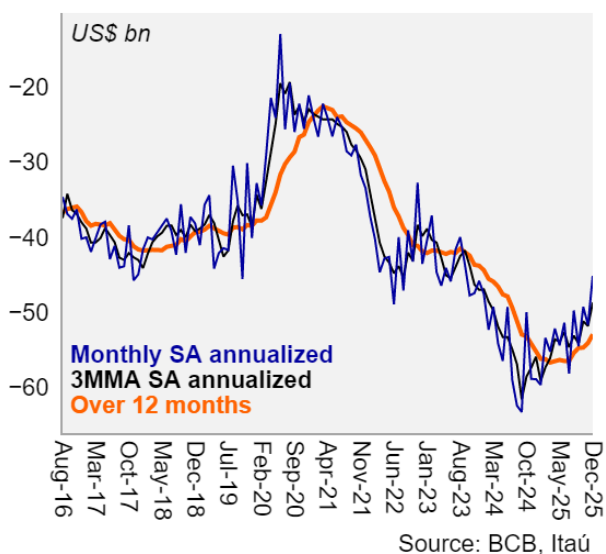
### Current account deficit



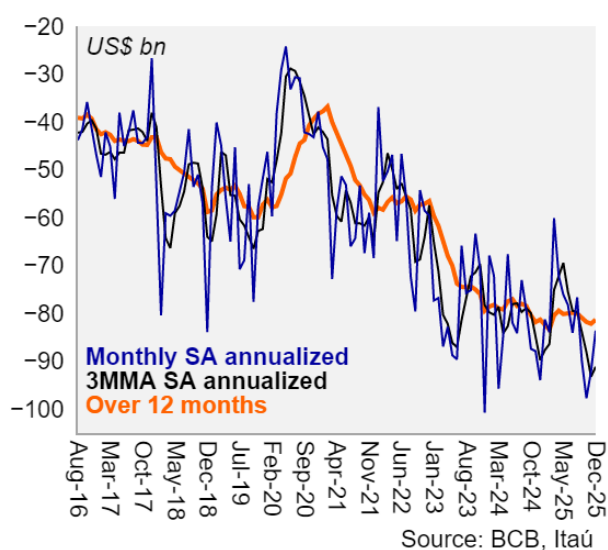
### Trade balance



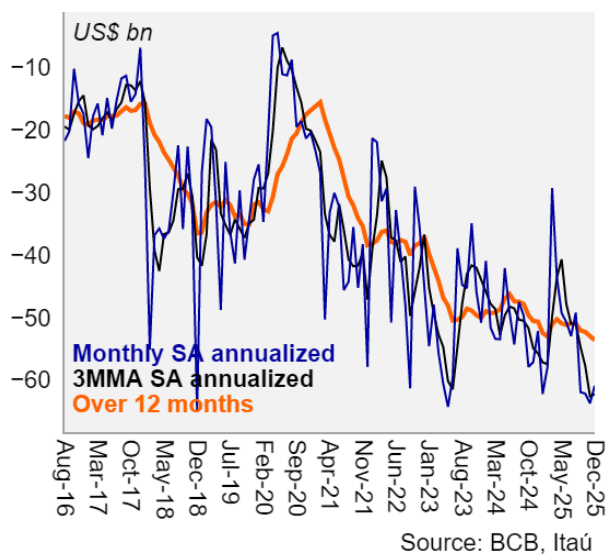
### Services account



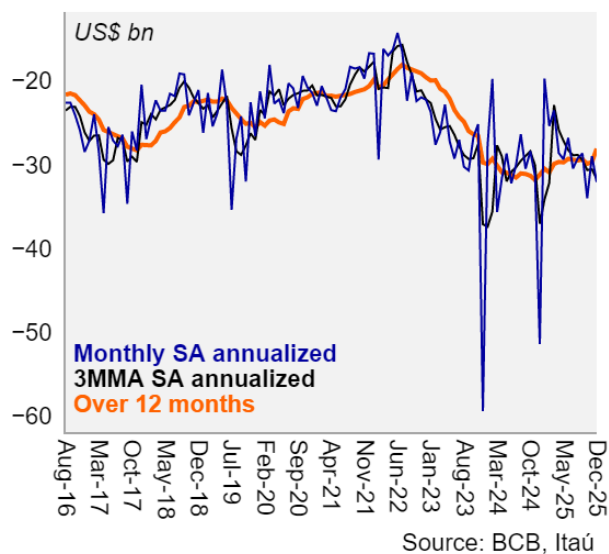
### Income account



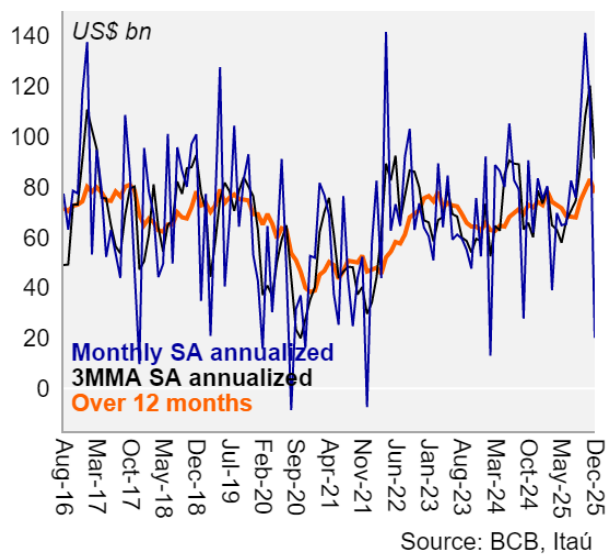
### Profits and dividends



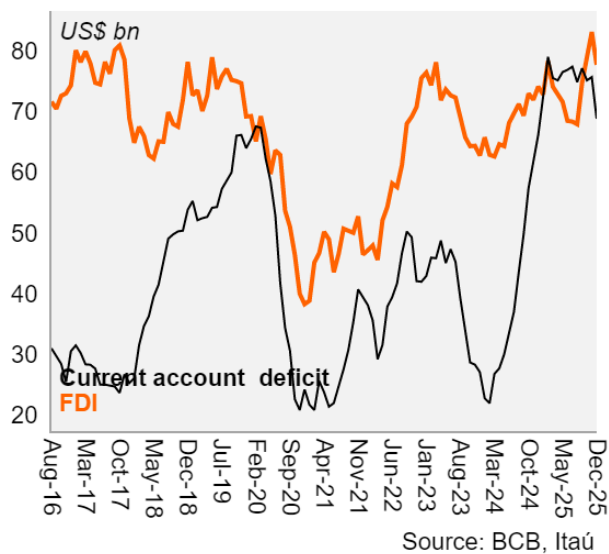
### Interests net inflow



### Foreign investment to Brazil



### FDI and CAD accumulated in 12m



In US\$ bn	Monthly				3MMA SAAR		12M		
	Dec-2025	Nov-2025	Oct-2025	Dec-2024	Dec-2025	Nov-2025	Dec-2025	Dec-2024	Dec-2023
<b>I. Current account (1)+(2)+(3)+(4)</b>	<b>-3.4</b>	<b>-5.0</b>	<b>-5.4</b>	<b>-10.2</b>	<b>-49.1</b>	<b>-81.0</b>	<b>-68.8</b>	<b>-66.2</b>	<b>-27.1</b>
<b>1. Balance on goods</b>	<b>8.8</b>	<b>5.1</b>	<b>5.9</b>	<b>4.1</b>	<b>80.8</b>	<b>59.9</b>	<b>60.0</b>	<b>65.8</b>	<b>92.3</b>
Exports	31.2	28.4	31.6	25.1	367.3	359.8	350.9	339.9	343.8
Imports	22.4	23.3	25.8	21.0	289.0	303.3	290.9	274.0	251.5
<b>2. Services</b>	<b>-3.8</b>	<b>-4.4</b>	<b>-4.4</b>	<b>-5.0</b>	<b>-48.7</b>	<b>-51.8</b>	<b>-52.9</b>	<b>-55.2</b>	<b>-43.8</b>
International Travel	-1.2	-1.2	-1.3	-1.0	-15.1	-14.8	-13.8	-12.3	-11.0
Operational leasing	-1.0	-1.0	-1.0	-1.1	-11.6	-11.8	-11.9	-11.2	-9.7
Transportation	-1.0	-1.1	-1.3	-1.4	-12.8	-13.7	-14.3	-15.1	-12.7
Others	-0.7	-1.2	-0.7	-1.5	-9.3	-11.4	-12.9	-16.6	-10.4
<b>3. Primary Income</b>	<b>-9.2</b>	<b>-6.2</b>	<b>-7.4</b>	<b>-10.1</b>	<b>-91.2</b>	<b>-93.3</b>	<b>-81.3</b>	<b>-81.3</b>	<b>-79.5</b>
Wages	0.0	0.0	0.0	0.0	0.3	0.3	0.4	0.5	0.3
Interests	-3.9	-1.4	-2.2	-5.4	-31.7	-30.6	-28.1	-31.2	-29.7
Profits and dividends	-5.4	-4.8	-5.3	-4.7	-62.3	-62.6	-53.6	-50.6	-50.0
<b>4. Secondary income</b>	<b>0.9</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>6.8</b>	<b>6.1</b>	<b>5.5</b>	<b>4.5</b>	<b>3.9</b>
<b>II. Capital and financial account (a)+(b)+(c) +(d)</b>	<b>-2.3</b>	<b>-5.0</b>	<b>-6.6</b>	<b>-8.8</b>	<b>-53.1</b>	<b>-80.5</b>	<b>-65.3</b>	<b>-76.3</b>	<b>-28.3</b>
<b>a. Net direct investment (i)-(ii)</b>	<b>7.9</b>	<b>-6.7</b>	<b>-7.9</b>	<b>1.8</b>	<b>-54.1</b>	<b>-86.7</b>	<b>-47.5</b>	<b>-47.8</b>	<b>-37.6</b>
i. Direct investments - liabilities	-5.2	9.8	10.9	0.2	91.1	120.2	77.7	74.1	62.8
Equity capital	-7.3	7.3	10.1	2.0	51.8	101.8	62.4	64.6	52.8
Intercompany loans	2.1	2.5	0.9	-1.8	34.3	25.1	15.3	9.5	9.9
ii. Direct investments - assets	2.7	3.2	3.0	2.0	36.9	35.8	30.2	26.3	25.1
<b>b. Other net investments (iii)-(iv)+(v)+(vi)</b>	<b>-6.8</b>	<b>-0.4</b>	<b>1.1</b>	<b>19.7</b>	<b>-29.6</b>	<b>-20.4</b>	<b>-26.3</b>	<b>0.1</b>	<b>-11.4</b>
iii. Portfolio investments - assets	1.0	1.7	-1.1	-0.9	17.3	14.7	24.5	7.2	4.5
iv. Portfolio investments (total) - liabilities	4.4	-1.4	3.0	-7.6	29.4	11.6	15.1	8.2	13.8
Local fixed income	5.3	-1.8	2.5	-4.5	27.3	16.8	20.2	12.7	9.8
Local equities	-2.0	-0.7	0.6	-3.1	-10.5	-7.9	-4.6	-14.1	2.2
Funds	0.6	-0.3	0.2	-4.8	3.6	1.9	-0.3	-3.4	-1.3
v. Financial derivatives (net)	0.5	-0.4	-0.4	2.4	2.6	-1.7	-2.9	2.2	-8.0
vi. Other investments (net)	-3.9	-3.1	5.6	10.6	-30.0	-19.9	-32.7	-1.1	5.9
<b>c. Capital account</b>	<b>-0.0</b>	<b>-0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-2.2</b>	<b>-0.6</b>
<b>d. Reserve assets</b>	<b>-3.4</b>	<b>2.1</b>	<b>0.2</b>	<b>-30.3</b>	<b>30.2</b>	<b>28.6</b>	<b>8.7</b>	<b>-26.4</b>	<b>21.4</b>
<b>III. Errors and Omissions</b>	<b>1.1</b>	<b>0.0</b>	<b>-1.1</b>	<b>1.4</b>	<b>-4.3</b>	<b>-0.3</b>	<b>3.9</b>	<b>-5.7</b>	<b>0.1</b>

Source: BCB, Itaú

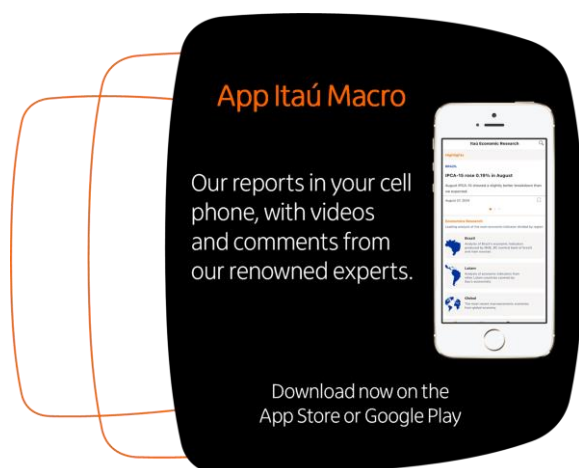
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