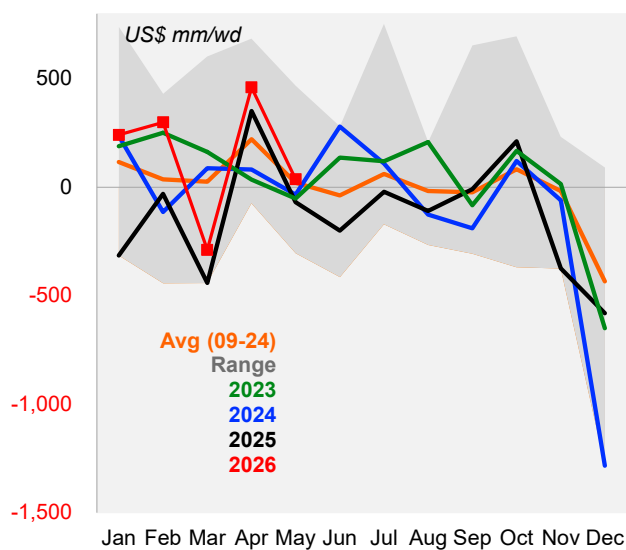


## Brazilian FX market registers a net inflow of US\$0.7bn in May

- ▶ The Central Bank of Brazil released May's FX flow data. The overall balance posted a US\$0.7bn inflow in the month, with a trade inflow of US\$8.7bn and a financial outflow of US\$7.9bn. As a result, May's outcome came in close to the historical average for the month, but above the figure recorded in the same month last year (-US\$1.4bn).
- ▶ **Our view:** FX flows were slightly positive in May, with robust inflows in the trade segment offset by sizable outflows in the financial segment. Despite a month of more modest inflows, year-to-date FX flows remain well above those recorded over the same period last year, reflecting a stronger trade balance and a more favorable external financing backdrop.

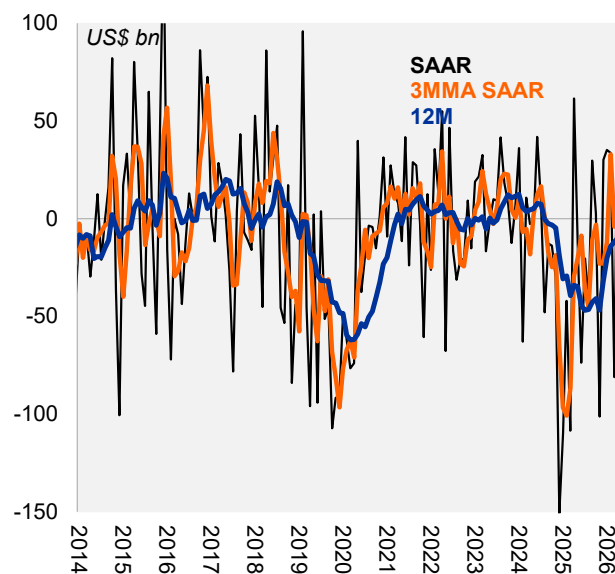
year / month (US\$ bn)	Trade						Financial			Net flow
	Exports				Imports	Net flow	Inflow	Outflow	Net flow	
	Total	Advance on FX contracts	Advance payments	Others						
2018	226.8	34.2	74.9	117.7	179.1	47.7	524.7	573.4	-48.7	-1.0
2019	196.3	32.3	58.3	107.6	177.0	18.1	556.5	621.8	-61.0	-43.9
2020	192.7	23.8	68.9	100.0	169.9	22.8	486.8	537.7	-50.9	-28.0
2021	225.2	28.4	53.4	143.5	217.2	8.1	540.7	544.4	-3.7	4.4
2022	272.4	34.1	59.6	178.7	250.9	21.5	591.9	616.6	-24.7	-3.2
2023	281.5	31.5	64.6	185.4	232.4	49.1	600.7	638.3	-37.6	11.5
2024	300.4	33.2	73.9	193.5	237.4	63.0	591.8	673.5	-81.6	-18.5
2025	287.6	32.3	69.4	185.9	238.5	49.1	593.2	674.3	-81.1	-32.0
Jan-26	19.6	2.3	3.7	13.5	20.8	-1.2	64.9	58.7	6.2	5.1
Feb-26	19.1	2.5	3.3	13.3	16.6	2.5	52.9	50.0	2.9	5.4
Mar-26	28.4	3.0	7.7	17.7	20.7	7.7	62.8	76.8	-14.1	-6.4
Apr-26	28.5	2.8	8.0	17.7	21.9	6.6	62.0	59.4	2.6	9.2
May-26	28.4	2.7	8.5	17.2	19.8	8.7	52.7	60.6	-7.9	0.7
<b>2026</b>	<b>124.1</b>	<b>13.3</b>	<b>31.3</b>	<b>79.4</b>	<b>99.7</b>	<b>24.3</b>	<b>295.4</b>	<b>305.6</b>	<b>-10.3</b>	<b>14.1</b>

**FX inflow of US\$ 0.7 bn in May**



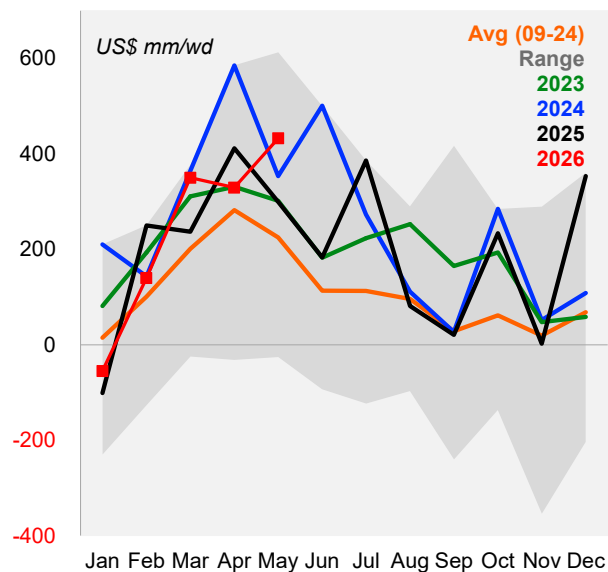
Source: BCB, Itaú

**Over the past 12 months, the FX flow registered an outflow of US\$ 7.6 bn**



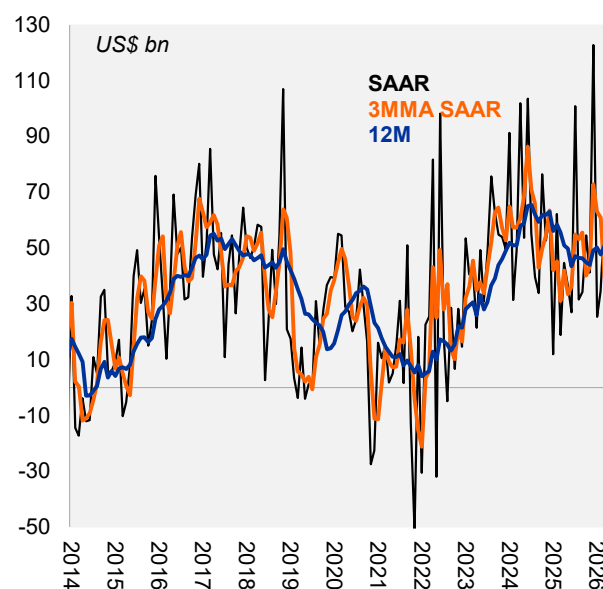
Source: BCB, Itaú

**The trade flow posted a surplus of US\$ 8.7 bn in the month...**



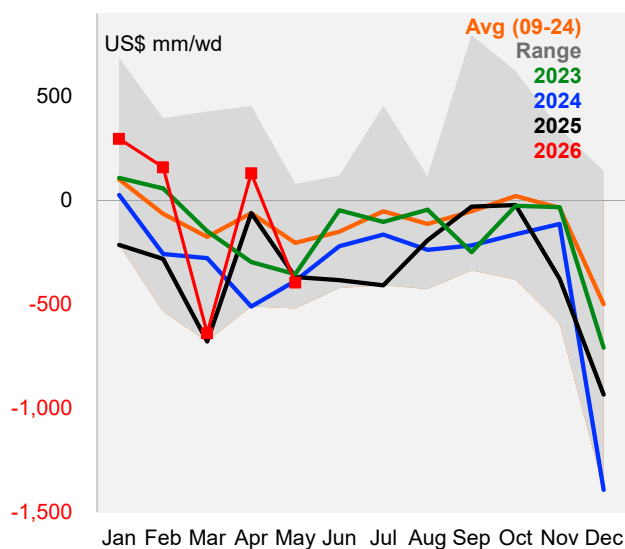
Source: BCB, Itaú

**... accumulating an inflow of US\$ 51.6 billion over the past 12 months**



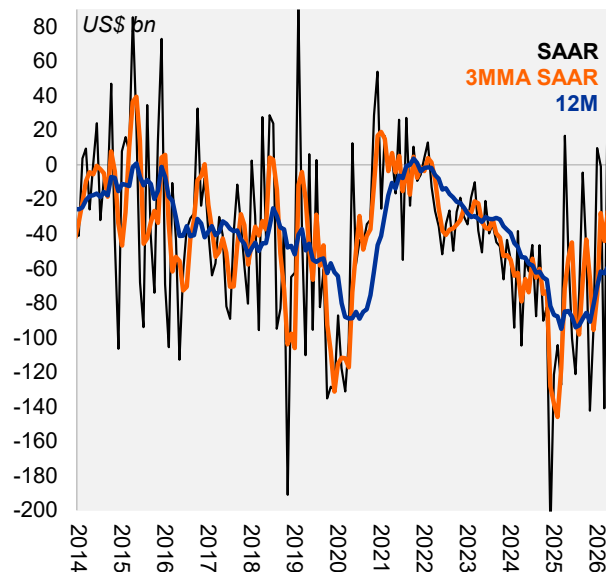
Source: BCB, Itaú

The financial flow was negative by US\$ 7.9 bn in the month...



Source: BCB, Itaú

... accumulating an outflow of US\$ 59.2 bn over the past 12 months



Source: BCB, Itaú

## Júlia Marasca

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Mario Mesquita – Chief Economist

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