Current account deficit stood at 2.3% of GDP

In October, the current account balance of the balance of payments showed a deficit of 2.3% of GDP, with a slight revision for October to 2.4%. The result exceeded our expectations: the monthly balance stood at –$4 billion, compared to our projection of –$4.5 billion. The 12-month cumulative deficit amounts to $60.6 billion, marking a notable improvement compared to October last year, when the balance was –$75 billion.

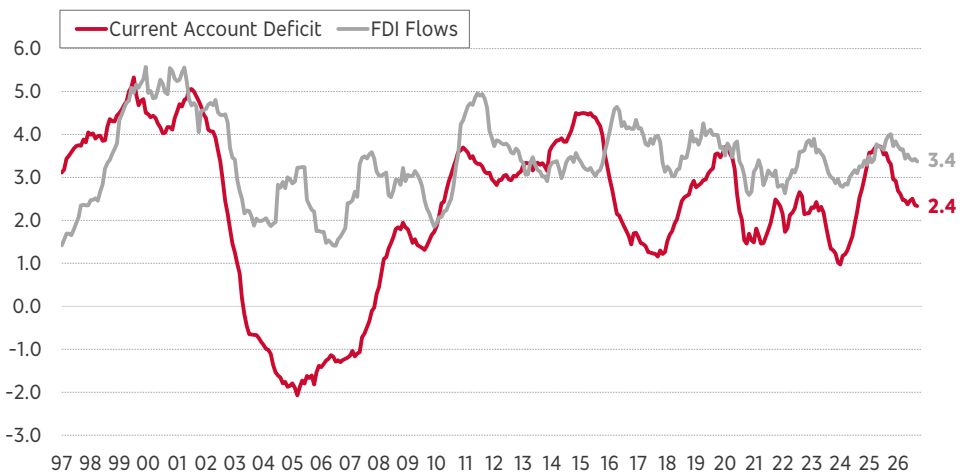
- **The trade balance posted a surplus of $8.5 billion for the month.** Oil exports were strong in October, driving the positive result. The rise in oil prices in 2026 has supported robust trade balance outcomes for the year, with a 12-month cumulative surplus of $76.3 billion.

- **Foreign direct investment in the country remains above its seasonal trend, with a balance of $9.1 billion in October.** FDI totals $87.5 billion over the past 12 months, comfortably financing the current account deficit. Since September of last year, this account has exceeded market analysts' expectations in several months. We maintain a constructive outlook on foreign direct investment, projecting a balance of $90 billion for the year.

- **The income balance continues to show substantial deficits, recording $7.9 billion in October.** Profit and dividend outflows reached $6.5 billion, exceeding typical seasonal patterns. Meanwhile, the services balance posted a $5.1 billion deficit. Over the past 12 months, income outflows totaled $85.9 billion, while service outflows amounted to $57.1 billion. Due to structural factors, we do not expect these deficits to narrow in the medium term.

Our Take: The trade balance remains a mitigating factor for the high deficits in the Income and Services accounts. While oil and soybean production have increased compared to last year, the primary driver of such a positive trade surplus has been oil prices. For next year, we expect a gradual decline in oil prices, which should reduce the trade balance. Our projections indicate a current account deficit of 2.3% of GDP this year and 2.5% next year, both of which continue to be financed by the direct investment surplus, expected to exceed 3% of GDP.

Graph 1: Current Account Balance and Foreign Direct Investment in the Country
% of GDP



Source: BCB, Bradesco

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