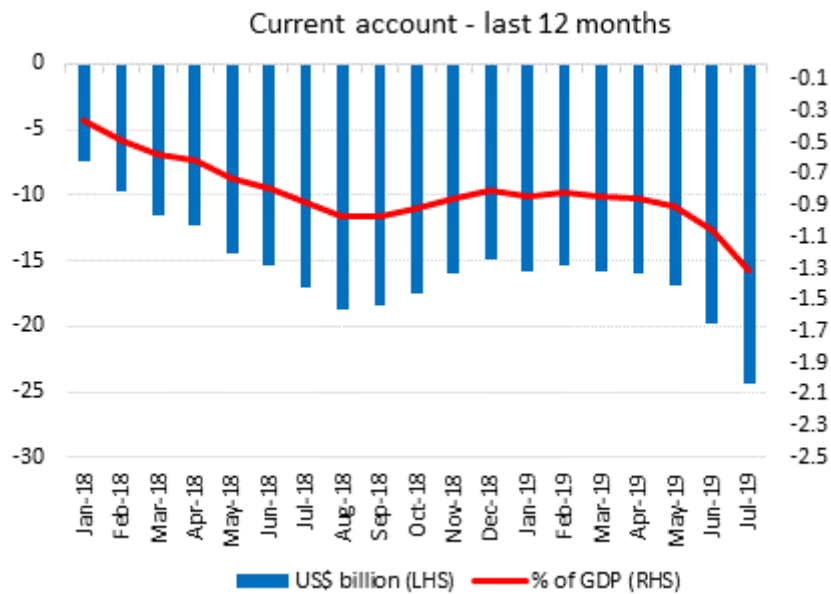
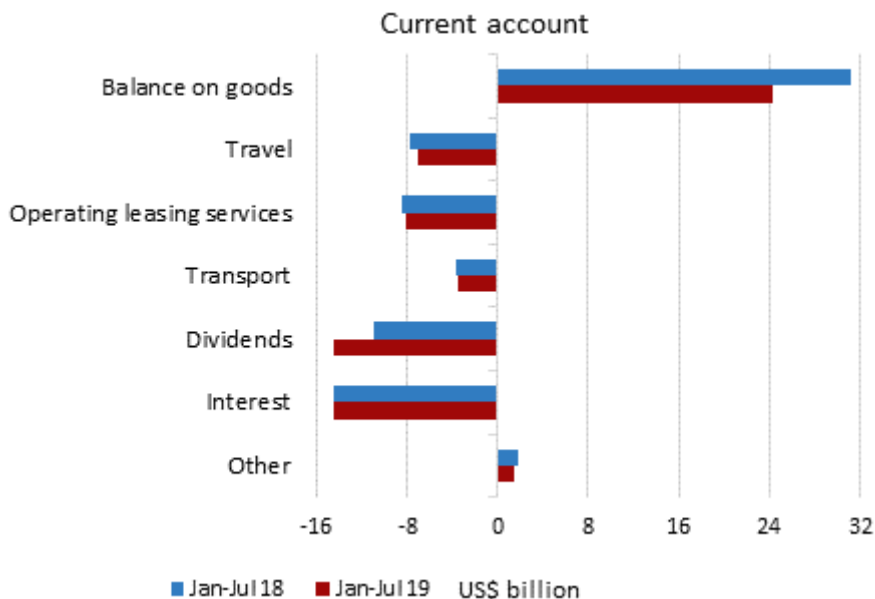


1. Balance of payments

In July 2019, the current account posted a deficit of US\$9.0 billion, against a deficit of US\$4.4 billion in July 2018. There was a decrease in the positive trade balance from US\$3.5 billion to US\$1.6 billion and an increase in the primary income deficit, from US\$5.1 billion to US\$7.9 billion. The current account deficit in the 12-month period ending in July added up to US\$24.4 billion (1.31% of GDP), against a US\$19.8 billion deficit (1.06% of GDP) in the period ended in June.



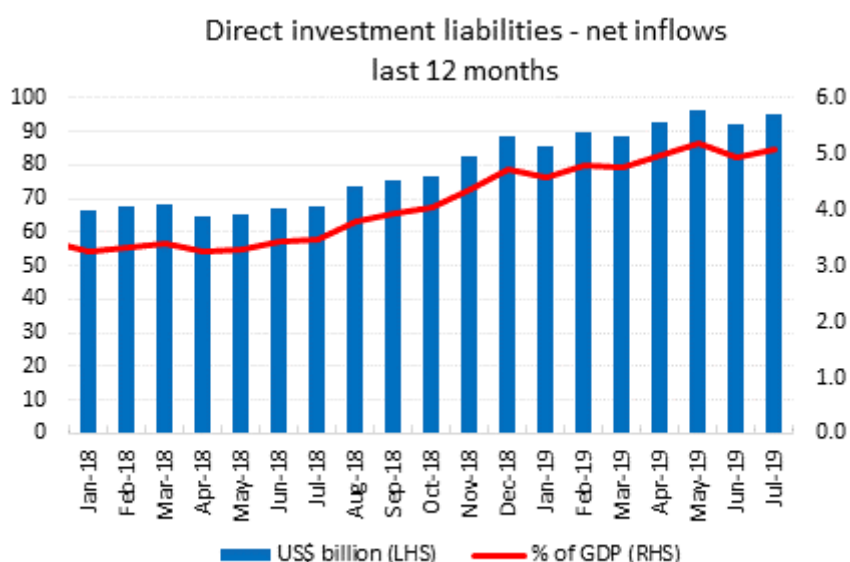
In July 2019, total exports of goods amounted to US\$20.0 billion, 11.1% higher than in July 2018. In the same comparison basis, imports of goods decreased by 2.9% to US\$18.4 billion. As to Repetro, July 2019 imports were estimated at US\$1.6 billion (US\$3.3 billion in July 2018). No exports operations related to Repetro were identified in July 2019 (US\$1.2 billion in the same month of the previous year). If Repetro operations were not considered, imports would have grown 7.2% and exports would have decreased 5.8%, relatively to July 2018. Exports accumulated in the year declined 4.7%, while imports rose by 0.4%, resulting in a 21.9% decrease in the trade surplus of the period, which has reached US\$24.4.



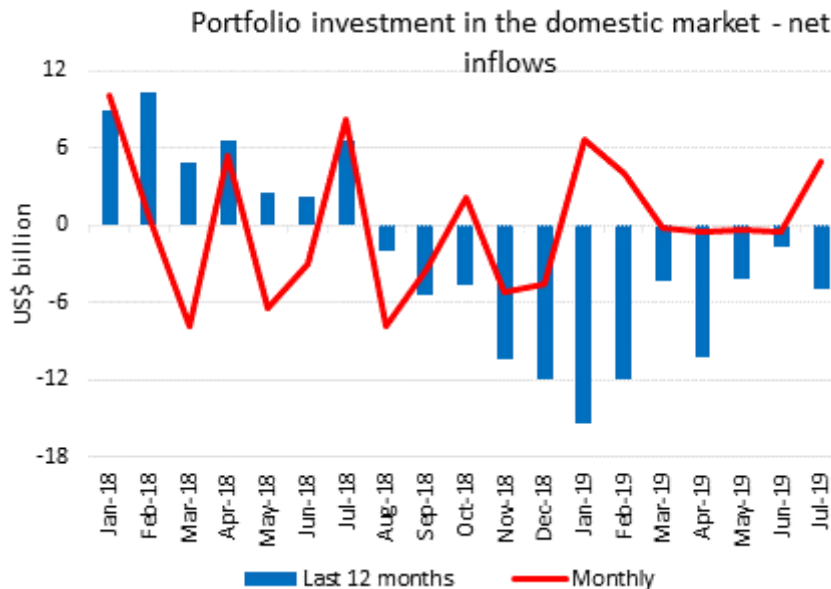
The total deficit in the services account reached US\$3.0 billion in the month, 1.9% below the result of July 2018. Net expenditures with leasing services increased from US\$988 million to US\$1,2 billion, and net revenues from other services from US\$568 million to US\$674 million. The slight decline of the deficit in services for the month contributed to a decrease of 3.3% in the debt accumulated in the year up to July.

In July 2019, the primary income deficit increased by 54.9% over July 2018, totaling US\$7.9 billion. The higher monthly deficit reflected the expansion of net expenses on profits and dividends, US\$3.1 billion, above the July 2018 net expenses of US\$1.0 billion. Net profits expenditures totaled US\$4.8 billion in the month, expanding 17.1% in the interannual comparison. In the accumulated during the year, the primary income deficit totaled US\$28.9 billion, 14.4% above that observed in the previous year.

Net inflows of foreign direct investments (FDI) added up to US\$7.7 billion in the month, resulting from US\$7.1 billion net inflows in equity participation and US\$572 million in intercompany operations. In the accumulated in the year, FDI net inflows amounted to US\$45.0 billion, 17.1% over the same period of 2018 (US\$38.4 billion). Over the last 12 months accumulated up to July, net FDI inflows totaled US\$94.9 billion, corresponding to 5.09% of GDP (in June, they were respectively US\$91.8 and 4.93% of GDP).



In July there were net inflows of US\$5.0 billion in portfolio instruments traded on the domestic market, with highlights for the contributions of public offerings of stocks. Net inflows of instruments traded in the domestic market reached US\$14.1 billion in the year up to July, reflecting inflows of debt securities, US\$11.2 billion, and stocks and investment funds, US\$2.9 billion. In the 12 months ended in July, the portfolio instruments traded in the domestic market totaled net outflows of US\$4.9 billion.



2. International reserves

The stock of international reserves reached US\$385.8 billion in July 2019, corresponding to 118.2% of the gross external debt. The decline of US\$2.4 billion in the stock of reserves in July over June, occurred mainly to the net granting of US\$1.6 billion in repo operations and variations in prices and parities, which contributed negatively with US\$420 million and US\$962 million, respectively. Interest reserves contributed to increase the reserves stock by US\$659 million.

3. The trade balance - Revision and Cryptoassets

Exports and imports of goods in the balance of payments have as major source of primary data the Secretariat of Foreign Trade of the Ministry of Economy (ME/Secex), despite the use of supplementary data requires adjustments for the methodology of statistics of the foreign sector. The trade balance was revised for the years 2018 and 2019, upon the publication of the statistics for the current month, thus incorporating revisions released in the last month by the ME/Secex, after the implementation of the *Portal Único de Comércio Exterior* (Sole Portal of Foreign Trade).

The Balance of Payments Statistics Committee, advisory body on the foreign sector statistical methodology for the IMF's Statistics Department, recommended classifying the buying and selling of cryptoassets, (notably those for which there is no issuer), as produced non-financial assets, which implies their listing in the trading goods account of the balance of payments. The cryptocurrencies mining activity, therefore, shall be treated as a productive process. The recommendation was formalized in the text "[Treatment of Crypto Assets in Macroeconomic Statistics](#)"¹. Being digital, cryptoassets do not have a customs registry, but their buying and selling by residents in Brazil imply the undertaking of foreign exchange contracts². Statistics on export and import of goods, therefore, now include buying and selling of cryptocurrencies. Brazil has been a net importer of cryptoassets, which has contributed to reduce the surplus in the trading goods account of the balance of payments.

¹ <https://www.imf.org/external/pubs/ft/bop/2019/pdf/Clarification0422.pdf>

² The registry is performed using a foreign exchange code that encompasses other transactions relative to payments made and received for goods exchanged, besides cryptoassets.