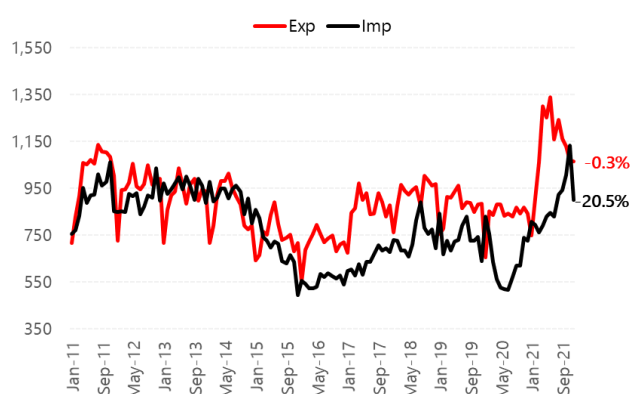


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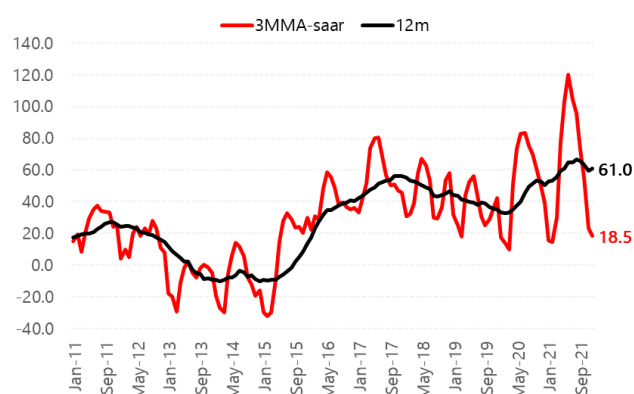
**Jankiel Santos\***  
jankiel.santos@santander.com.br  
+5511 3012-5726

- Trade balance registered a US\$3.9 billion surplus in December 2021—thus falling short of our estimate (US\$4.3 billion)—which meant an annual trade surplus of US\$61.0 billion for 2021 as a whole. That is the new annual peak of the time series, as it surpassed the US\$56.0 billion surplus registered in 2017.
- Although exports revenue of US\$24.4 stood above what we anticipated (US\$24.1 billion), imports outlays of US\$20.4 billion surpassed our estimate (US\$19.7 billion) by a larger margin. In seasonally adjusted terms, the daily average of exports was nearly unchanged as compared with November 2021 figures (-0.3% MoM), while the daily average of imports retreated strongly (-20.5% MoM).
- The 3MMA-saar of the trade balance indicates an annual surplus of US\$18.5 billion as of now, which is far below our projection of US\$76.4 billion for 2022, as well below the official forecast of US\$79.4 billion provided by the Foreign Trade Secretariat. This is due to the hefty increase observed in imports in previous months due to problems in domestic supply chains and some deceleration in exports due to sanitation sanctions.
- Given the weakness of the BRL and the slow growth of the Brazilian economy that we expect to materialize in the coming months, in tandem with the maintenance of a strong demand for commodities from abroad and the normalization of supply chains, we expect exports to gain steam and imports to lose momentum during 2022.

**Figure 1 – Trade Balance**  
(US\$ million/working day, sa)



**Figure 2 – Trade Balance**  
(US\$ billion, 3MMA-saar)



The December 2021 trade surplus of US\$3.9 billion fell slightly short of our forecast of US\$4.3 billion, as both export proceeds and import outlays came stronger than what we anticipated. Export proceeds were US\$24.4 billion vs. our estimate of US\$24.1 billion, and import outlays were US\$20.4 billion vs. our US\$19.7 billion estimate. After decreasing 5.3% on a MoM seasonally adjusted basis in November 2021, daily average exports remained nearly stable last month (-0.3%). With respect to imports, the 20.5% MoM sa drop in the daily average was the first one since July and it underpins our view that the problems in the domestic supply chains that

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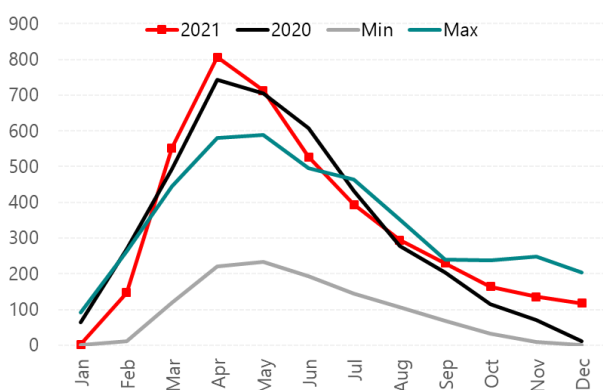
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boosted purchases abroad are being addressed and, consequently, they should lead imports to lose steam in the coming months. In December 2021, the trade surplus reached US\$61.0 billion on a 12-month basis, which is now the new top of annual trade surpluses, as it stood above the US\$56.0 billion observed in 2017.

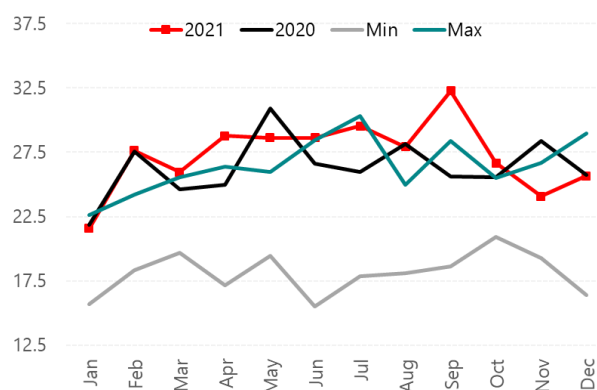
The average of the last-three-month annualized surplus (3MMA-saar) of US\$18.5 billion is far lower than our forecast of a US\$76.4 billion surplus for 2022 as a whole. The difference between the level indicated by the 3MMA-saar gauge and our forecast stems chiefly from rapid growth seen in imports in 2H21 on the heels of problems in the domestic supply chains and the sanitation sanctions that affected sales of animal proteins abroad. The overcome of the bottlenecks in the domestic supply chains and the end of the sanctions—which have already occurred in some countries such as China—should hinder imports and favors exports, in our view. In addition to that, we also expect the weakness of the BRL, the gradual expansion of the Brazilian economy and the maintenance of a robust demand for commodities to lead the country to register another sizeable surplus this year.

**Figure 3 – Soybean Exports  
(kilo-tonnes/working day)**



Sources: SECINT, Santander.

**Figure 4 – Animal Proteins Exports  
(kilo-tonnes/working day)**



Sources: IBGE, SECINT, Santander.



## CONTACTS / IMPORTANT DISCLOSURES

### Brazil Macro Research

|                      |                               |  |                |
|----------------------|-------------------------------|--|----------------|
| Ana Paula Vescovi*   | Chief Economist               | <a href="mailto:anavescovi@santander.com.br">anavescovi@santander.com.br</a>                         | 5511-3553-8567 |
| Mauricio Oreng*      | Head of Macro Research        | <a href="mailto:mauricio.oreng@santander.com.br">mauricio.oreng@santander.com.br</a>                 | 5511-3553-5404 |
| Jankiel Santos*      | Economist – External Sector   | <a href="mailto:jankiel.santos@santander.com.br">jankiel.santos@santander.com.br</a>                 | 5511-3012-5726 |
| Ítalo Franca*        | Economist – Fiscal Policy     | <a href="mailto:italo.franca@santander.com.br">italo.franca@santander.com.br</a>                     | 5511-3553-5235 |
| Daniel Karp Vasquez* | Economist – Inflation         | <a href="mailto:daniel.karp@santander.com.br">daniel.karp@santander.com.br</a>                       | 5511-3553-9828 |
| Tomas Urani*         | Economist – Global Economics  | <a href="mailto:tomas.urani@santander.com.br">tomas.urani@santander.com.br</a>                       | 5511-3553-9520 |
| Lucas Maynard*       | Economist – Economic Activity | <a href="mailto:lucas.maynard.da.silva@santander.com.br">lucas.maynard.da.silva@santander.com.br</a> | 5511-3553-7495 |
| Felipe Kotinda*      | Economist – Credit            | <a href="mailto:felipe.kotinda@santander.com.br">felipe.kotinda@santander.com.br</a>                 | 5511-3553-8071 |
| Gabriel Couto*       | Economist – Special Projects  | <a href="mailto:gabriel.couto@santander.com.br">gabriel.couto@santander.com.br</a>                   | 5511-3553-8487 |
| Gilmar Lima*         | Economist – Modeling          | <a href="mailto:gilmar.lima@santander.com.br">gilmar.lima@santander.com.br</a>                       | 5511-3553-6327 |

### Global Macro Research

|                     |                                       |  |                 |
|---------------------|---------------------------------------|--|-----------------|
| Maciej Reluga*      | Head Macro, Rates & FX Strategy – CEE | <a href="mailto:maciej.reluga@santander.pl">maciej.reluga@santander.pl</a>   | 48-22-534-1888  |
| Juan Cerruti *      | Senior Economist – Argentina          | <a href="mailto:jcerruti@santander.com.ar">jcerruti@santander.com.ar</a>     | 54 11 4341 1272 |
| Ana Paula Vescovi*  | Economist – Brazil                    | <a href="mailto:anavescovi@santander.com.br">anavescovi@santander.com.br</a> | 5511-3553-8567  |
| Juan Pablo Cabrera* | Economist – Chile                     | <a href="mailto:jcabrera@santander.cl">jcabrera@santander.cl</a>             | 562-2320-3778   |
| Guillermo Aboumrad* | Economist – Mexico                    | <a href="mailto:gjaboumrad@santander.com.mx">gjaboumrad@santander.com.mx</a> | 5255-5257-8170  |
| Piotr Bielski*      | Economist – Poland                    | <a href="mailto:piotr.bielski@santander.pl">piotr.bielski@santander.pl</a>   | 48-22-534-1888  |
| Mike Moran          | Head of Macro Research, US            | <a href="mailto:mike.moran@santander.us">mike.moran@santander.us</a>         | 212-350-3500    |

### Fixed Income Research

|                     |   |  |                |
|---------------------|---|--|----------------|
| Juan Arranz*        | Chief Rates & FX Strategist – Argentina | <a href="mailto:jarranz@santanderrio.com.ar">jarranz@santanderrio.com.ar</a>         | 5411-4341-1065 |
| Mauricio Oreng*     | Senior Economist/Strategist – Brazil    | <a href="mailto:mauricio.oreng@santander.com.br">mauricio.oreng@santander.com.br</a> | 5511-3553-5404 |
| Juan Pablo Cabrera* | Chief Rates & FX Strategist – Chile     | <a href="mailto:jcabrera@santander.cl">jcabrera@santander.cl</a>                     | 562-2320-3778  |

### Equity Research

|                          |                               |  |                |
|--------------------------|-------------------------------|--|----------------|
| Miguel Machado*          | Head Equity Research Americas | <a href="mailto:mmachado@santander.com.mx">mmachado@santander.com.mx</a>             | 5255 5269 2228 |
| Alan Alanis*             | Head, Mexico                  | <a href="mailto:aalanis@santander.com.mx">aalanis@santander.com.mx</a>               | 5552-5269-2103 |
| Andres Soto              | Head, Andean                  | <a href="mailto:asoto@santander.us">asoto@santander.us</a>                           | 212-407-0976   |
| Claudia Benavente*       | Head, Chile                   | <a href="mailto:claudia.benavente@santander.cl">claudia.benavente@santander.cl</a>   | 562-2336-3361  |
| Walter Chiarvesio*       | Head, Argentina               | <a href="mailto:wchiarvesio@santanderrio.com.ar">wchiarvesio@santanderrio.com.ar</a> | 5411-4341-1564 |
| Mariana Cahen Margulies* | Head, Brazil                  | <a href="mailto:mmargulies@santander.com.br">mmargulies@santander.com.br</a>         | 5511 3553 1684 |

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