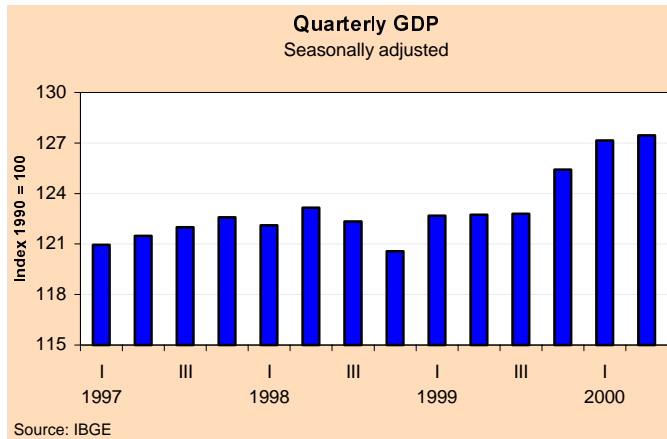


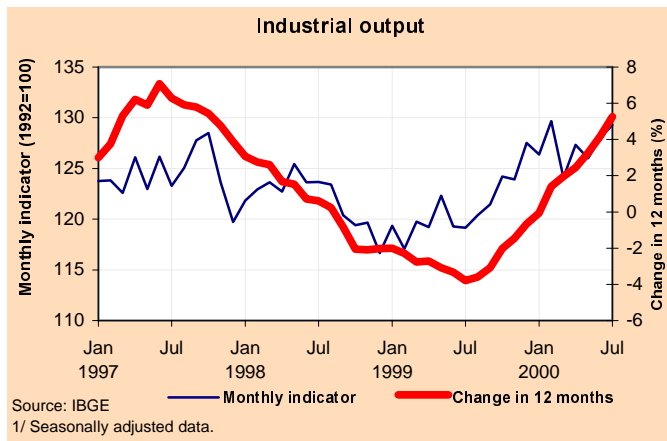
Monetary Programming for the fourth quarter of 2000

A. The economy in the third quarter of 2000

1. Based on the statistical series released by the Brazilian Institute of Geography and Statistics (IBGE) and purged of seasonal factors, gross domestic product (GDP) expanded by 0.23% in the second quarter of 2000, when compared to the previous quarter. Industrial performance remained stable, while agriculture and services grew at respective rates of 3.9% and 4.88%. A comparison with the same period of 1999 indicates GDP growth of 3.92%, with expansion of 8.75% under crop/livestock production, 4.34% for industry and 3.12% in the service sector. One should note that accumulated GDP growth in the year reached a level of 3.84%.

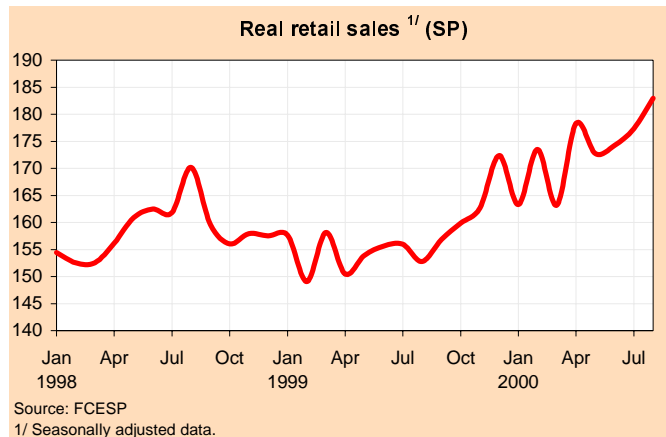


2. Industrial output increased by 0.97% in July, according to IBGE data from which Banco Central eliminated seasonal factors. This result was generated by positive growth of 1.52% under capital goods, 0.78% under intermediate goods and 2.6% under consumer goods. Viewed against the July 1999 results, industrial output expanded by 6.75%, reflecting growth of 15.21% in the production of the capital goods sector, 7.58% under intermediate goods and 1.48% under consumer goods.

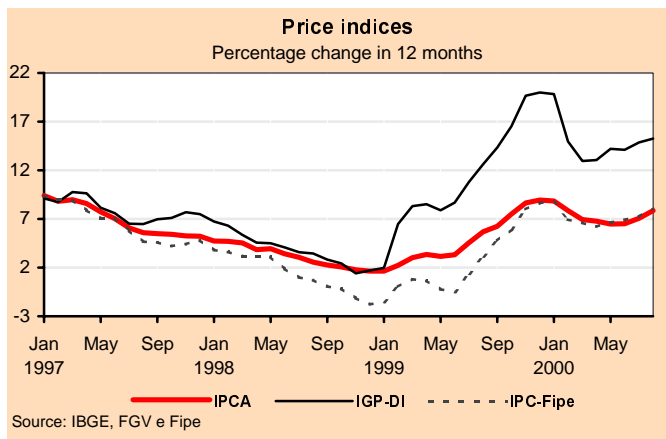


In the latter case, growth of 22.62% in the production of consumer durables was partly offset by a 2.94% decline in the output of nondurable and semidurable consumer goods.

3. In the metropolitan region of São Paulo, real revenues of the retail trade sector increased by 1.58% in July, with accumulated growth of 11.21% in the year. These figures are based on data released by the Trade Federation of the State of São Paulo (FCESP) and purged of seasonal factors by Banco Central. Growth in comparison to the same month of the previous year closed at 13.51% and was particularly strong under sales of durable goods (12.42%) and automotive vehicles (25.3%).



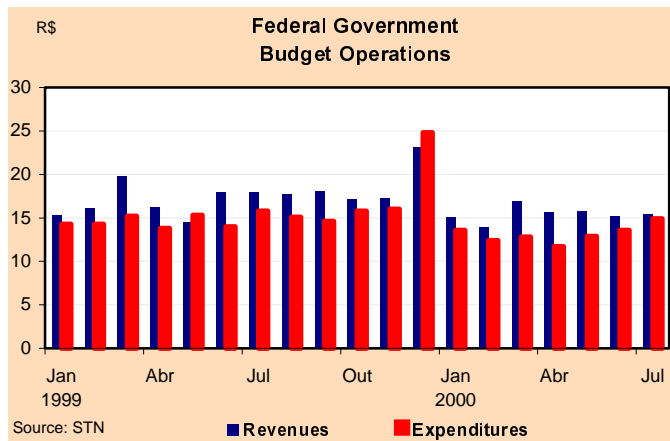
4. Consumer price indices registered positive growth in July and August, thus reversing the downward trend that had marked previous months. This turnaround was a consequence of contractual adjustments in electricity and telephone rates, supply cutbacks caused by the agricultural off-season and somewhat worsened by adverse climatic phenomena, and upward movement in fuel prices. Growth in the Broad Consumer Price Index (IPCA) came to 1.61% in July and 1.31% in August, while the Consumer Price Index – Fipe (IPC-Fipe) closed with 1.4% and 1.55%, in the same periods. In accumulated terms for the year, the IPCA and IPC-Fipe turned in growth of 4.63% and 3.87%, respectively. Higher farm prices had a particularly strong impact on wholesale price indices and, consequently, on general price indices. These indices, in turn, were also affected by upward movement in the prices of petroleum and alcohol derivatives. In July and August, the General Price Index – Internal Supply (IGP-DI) expanded at respective rates of 2.26% and 1.82%, raising accumulated growth for the first eight months of the year to 7.42%.



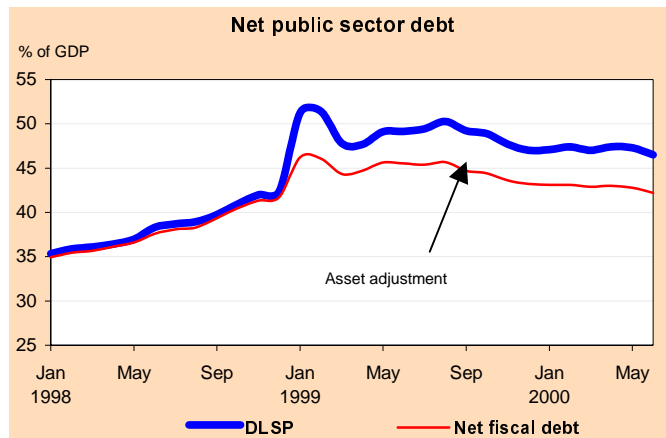
5. According to IBGE data, the rate of open unemployment closed July at 7.17%, reflecting a decline of 3.24% in relation to the previous month. In the period under analysis, the number of workers without a current occupation dropped by 3.39%, while the occupied population and the general labor force, or economically active population, remained stable. In comparison to July 1999, the reduction in the jobless rate came to 4.91%, reflecting declines of 5.08% in the manufacturing sector and 4.73% under services. At the same time, unemployment in the building industry and trade sector increased by 1.82% and 1.2%, respectively. Average real earnings of those holding jobs increased by 1.07% in June. According to IBGE, a breakdown of this figure indicates increases of 1.06% in the earnings of those employed by the formal sector of the economy and 1.39% for those holding jobs in the informal sector.



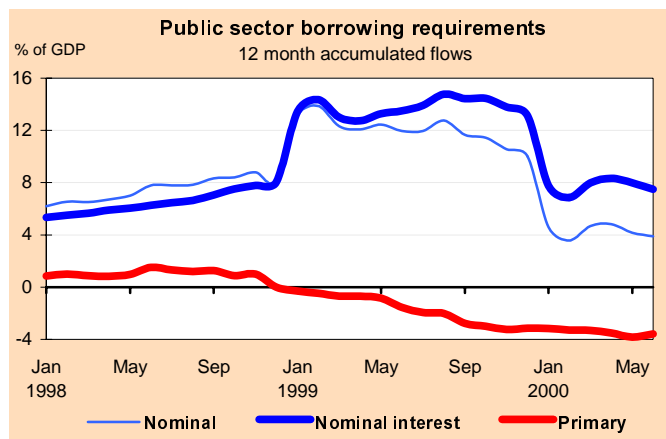
6. The positive trajectory of the nation's fiscal results reflects government efforts to adjust public accounts. The central government primary result accumulated in the first seven months of the year came to R\$ 15.7 billion or 6.29% more than in the same period of the preceding year. Total federal government spending closed at R\$ 114.8 billion, against revenues of R\$ 130.9 billion. Utilizing the same basis of comparison, overall revenues increased by 10.32% while total spending rose by 11.69%.



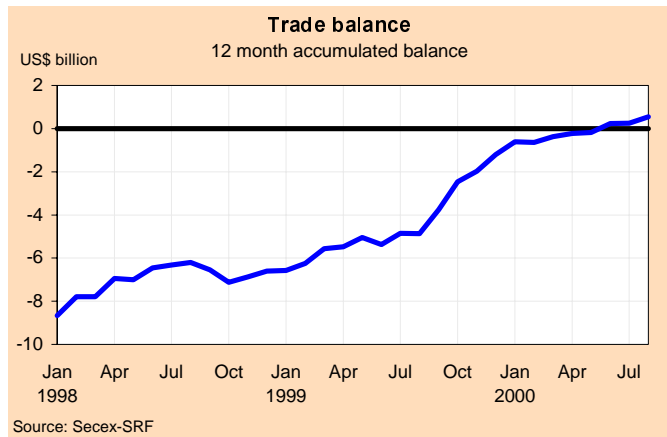
7. The net public sector debt (DLSP) came to R\$ 542.3 billion in the month of June, corresponding to 46.5% of GDP, as against 47.3% of GDP in the previous month. The net internal debt came to R\$ 431.6 billion, corresponding to 37% of GDP. A breakdown of this figure shows that 21.4% of GDP refers to the central government, 12.4% to state governments, 2.1% to municipal governments and 1.2% to government companies. The public sector foreign debt totaled R\$ 110.7 billion or 9.5% of GDP.



8. In the first six months of the year, public sector borrowing requirements (NFSP) registered a primary surplus of 4.15% of GDP, a level 28.5% higher than in the same period of 1999. Outlays on nominal interest added up to 6.85% of GDP, as compared to 9.45% in the same period of the previous year. In this context, the nominal deficit for the first half of the current year dropped to 2.71% of GDP, against 6.23% of GDP in the same 1999 period.

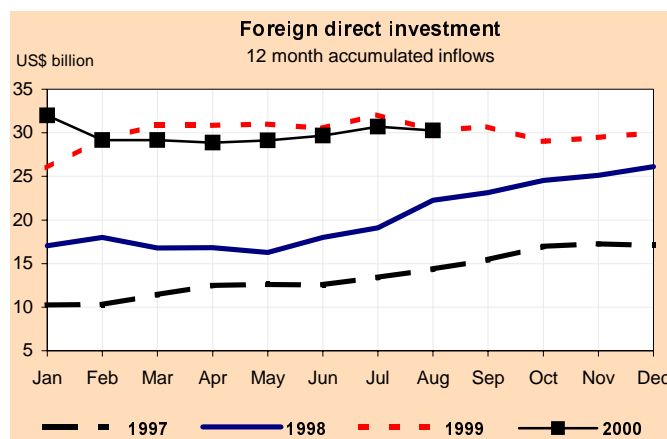


9. The process of trade balance recovery initiated in 1999 has continued in the current year. The surplus for the second quarter of the year totaled US\$ 802 million, as against US\$ 197 million in the same period of the preceding year. In the July-August period, the trade balance closed with a US\$ 215 million surplus, raising the accumulated surplus for the year into the range of US\$ 1 billion, based on exports of US\$ 36.7 billion and imports of US\$ 35.6 billion. These figures reflected increases of 18.9% and 12.9%, respectively, when compared to the same 1999 period. The upswing in foreign sales operations was based on increased exports to the North American and Latin American markets, while the increase registered under imports was generated by more intense internal demand and higher international oil prices.

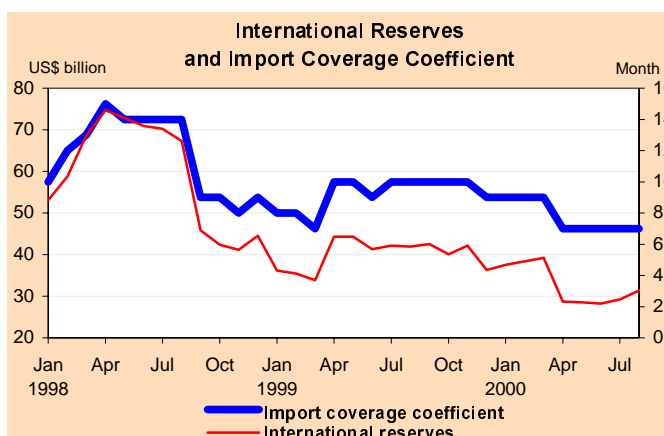


10. The current account balance registered a deficit of R\$ 7.2 billion in the second quarter of the year, reflecting a reduction of 21.4% in comparison to the same quarter of the previous year. In the July-August period, the current account deficit reached a level of US\$ 2.9 billion, raising the accumulated total for the year to US\$ 14.3 billion, a decline of 10.6% in comparison to the same 1999 period. For the most part, the improvement achieved in the first eight months of the year was due to the reversal in the trade balance trajectory. This is evident in the fact that net service outlays remained stable, with growth of 3.6% in net interest payments offset by a 7.4% drop under other services, when compared to the same period of the previous year.

11. Net inflows of direct foreign investments totaled US\$ 6 billion in the second quarter of 2000, corresponding to growth of 13.6% when set against the final figures for the same 1999 quarter. Net direct foreign investment in the July-August period totaled US\$ 7.5 billion. This result reflected the positive impact of the exchange of Telesp stock held by the public for stock in the *Telefónica* of Spain, totaling US\$ 5.7 billion.



12. Viewed under the prism of the liquidity concept, international reserves totaled US\$ 28.3 billion in the month of June, rising to US\$ 31.4 billion at the end of August. This increase resulted from a US\$ 2.5 billion inflow generated by the sale of Petrobras stock abroad through issue of American Depositary Receipts (ADR's).



B. Monetary policy in the second quarter of 2000

13. Measured according to the criterion of median daily balances, the restricted monetary base came to US\$ 37.9 billion, well within the limits defined in monetary programming for the second quarter. This result corresponded to a 1.4% reduction in the month and growth of 3.8% in 12 months. Among the major components, banking reserves totaled R\$ 14 billion, for reductions of 6.1% in relation to the previous month and 12.5% on a year-over-year basis, while the balance of currency issued reached a level of R\$ 23.9 billion, for growth of 1.6% in the month and 16.5% when viewed over a 12 month horizon.

14. The broad monetary base—sum total of the restricted base, compulsory cash reserves and federal public securities outside the Banco Central portfolio—totaled R\$ 501.9 billion in June. This figure reflects growth of 1.3% in the month, based on a reduction of 9.9% in the restricted base, offset by increases of 2.3% and 1.4% in the balances of National Treasury and Banco Central public securities, respectively. Just as occurred with the other aggregates, growth in the broad monetary base balance was well within the upper and lower limits defined in monetary programming for the second quarter of this year. On a 12 month basis, accumulated growth reached 25.2%.

Table 1. Monetary program forecast for the 2000^{1/} second quarter and observed results

Itemization	Forecast		Effective	
	R\$ billion	Percentage change in 12 months ^{2/}	R\$ billion	Percentage change in 12 months
M1 ^{3/}	51.1 - 59.9	22.3	54.7	20.5
Restricted base ^{3/}	35.4 - 41.5	5.2	37.9	3.8
Broad base ^{4/}	455.8 - 535.1	23.6	501.9	25.2
M4 ^{4/}	555.5 - 652.1	21.0	596.5	19.6

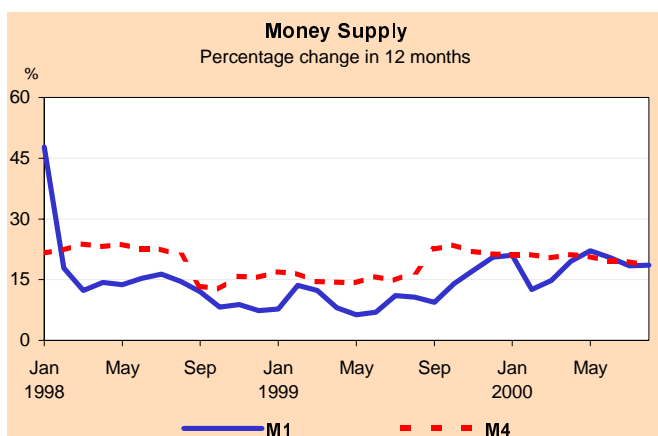
1/ It refers to the last month in the period.

2/ Percentage changes are based on the medium point of forecast.

3/ Average of working-day balances in last month of the period.

4/ End-of-period balances.

15. Utilizing the concept of median daily balances, the money supply (M1) came to R\$ 54.7 billion in June, with growth of 1.2% in the month and 20.5% in 12 months. Currency held by the public expanded by 1.6% in the month and 15.4% in 12 months, closing with a volume of R\$20.6 billion. Demand deposits came to R\$34.1 billion, for growth of 1% in the month and 23.9% in 12 months.



16. The broad monetary aggregate (M4) totaled R\$ 596.5 billion, with growth of 1.75% in the month and 19.6% in 12 months.

17. Second quarter federal public security operations—including Banco Central liquidity adjustments—registered a decline of R\$ 870 million. An analysis of the primary market indicates growth of R\$ 15.3 billion, with net redemptions of R\$ 6.7 billion in National Treasury securities and R\$ 8.6 billion in Banco Central papers. In the secondary market, operations with public securities generated a contractive impact of R\$ 13.9 billion.

18. At a meeting ended on May 24, the Banco Central Monetary Policy Committee (Copom) maintained the Selic interest rate target at 18.5% per year. However, at the following meeting, ended on June 20, the favorable macroeconomic scenario led Copom to reduce the Selic rate target to 17.5% per year, with a downward bias.

C. Monetary policy in July-August 2000

19. Based on the concept of median daily balances, the restricted monetary base came to an August level of R\$ 37.9 billion, for growth of 1.9% in the month and a 12 month reduction of 3.1%. Currency issued came to R\$24.3 billion, with a reduction of 0.1% in the month and expansion of 15.6% in 12 months. Banking reserves totaled R\$ 13.6 billion, with growth of 5.8% in the month and a 24.8% reduction over 12 months.

20. The broad monetary base closed the month of August at R\$ 513.5 billion, for growth of 0.8% in relation to the previous month and 24.4% in 12 months.

21. Viewed under the concept of median daily balances, the money supply (M1) came to R\$ 57 billion in the month of August, with growth of 0.6% in the month and 18.6% in 12 months. Currency held by the public remained stable in relation to the previous month's median and closed at a level of R\$ 21 billion, with growth of 14.4% in 12 months. Demand deposits added up to R\$ 36 billion, for growth of 1% in the month and 21.2% in 12 months.

Table 2. Forecast monetary program for the third quarter of 2000 and observed results in the July/August period^{1/}

Itemization	Forecast		Effective	
	R\$ billion	Percentage change in 12 months ^{2/}	R\$ billion	Percentage change in 12 months
M1 ^{3/}	51.8 - 60.8	18.4	57.0	18.6
Restricted base ^{3/}	33.9 - 39.8	-5.5	37.9	-3.1
Expanded base ^{4/}	483.9 - 568.0	26.8	513.5	24.4
M4 ^{4/}	569.1 - 668.1	19.2	608.1	18.4

^{1/} It refers to the last day in the period.

^{2/} Percentage changes are based on the medium point of forecast.

^{3/} Working-day balance average of last month in the period.

^{4/} End-of-period balances.

22. The balance of the broader monetary aggregate (M4) came to R\$ 608.1 billion in August, for growth of 1% in the month and 18.4% in 12 months.

23. Operations with federal public securities in the two month period produced an expansionary impact. The primary market registered growth of R\$ 11.7 billion, with net redemptions of R\$ 13.8 billion, including R\$ 6.6 billion by Banco Central and R\$ 7.2 billion by the National Treasury. The secondary public securities market registered net placements of R\$ 2.1 billion.

24. In July, improvements in the international macroeconomic scenario convinced Copom to accelerate the pace of the downward slide in basic interest rates. Consequently, on July 7, Banco Central cut the Selic rate target to 17% per year by applying the previously announced downward bias. Later, at its regular meeting ended on July 19, Copom further reduced the target to 16.5%. This target was maintained by Copom at its August meeting.

Date of the Copom meeting	Application of downward bias	Selic rate target (% p.y.) ^{1/}
3.4.99	-	45.0
-	3.24.99	42.0
-	4.5.99	39.5
4.14.99	-	34.0
-	4.28.99	32.0
-	5.7.99	29.5
-	5.12.99	27.5
5.19.99	-	23.5
-	6.8.99	22.0
6.23.99	-	21.0
7.28.99	-	19.5
9.1.99	-	19.5
9.22.99	-	19
10.6.1999	-	19
11.10.1999	-	19
12.15.99	-	19
1.19.00	-	19
2.16.00	-	19
3.22.2000	-	19
	3.29.2000	18.5
4.19.2000	-	18.5
5.24.2000	-	18.5
6.20.2000	-	17.5
-	7.7.2000	17.0
7.19.2000	-	16.5
8.23.2000	-	16.5

1/ Effective as of first business day following meeting or application of bias.

D. Outlook for the fourth quarter of 2000

25. Industrial performance indicators have remained favorable, demonstrating that demand for the various categories of products has been adequately met, particularly in the cases of consumer durables and capital goods. Though utilization of installed industrial capacity was greater than in the same 1999 period, there are no signs that productive capacity is nearing exhaustion. According to forecasts, this trajectory will be maintained during the remainder of the current year.

26. This outlook is further reinforced when one considers that the ongoing process of labor market recovery has not generated price pressures, since growth in labor demand has occurred within a scenario marked by a declining unit labor cost and continued absorption of productivity gains.

27. The upturn in consumption and investment continued in the second quarter of the year. With this result, the first half of the year closed with robust growth, particularly when compared to the same 1999 period. One should note, however, that this growth was, to some extent, a result of a depressed basis of comparison, as reflected in the sluggish pace of economic activity in early 1999, as a consequence of the repercussions of the international financial crisis that culminated in adoption of a new exchange system in Brazil.

28. For the most part, consumption patterns have been impacted by cutbacks in interest rates on various types of consumer credit operations, including both at the retail level and in the various types of credit operations available through the financial system. In this sense, the outlook for further reductions in the margins practiced by financial institutions in relation to their opportunity costs is considered highly positive. This scenario is fully consistent with the ongoing cost decline generated by reductions in compulsory reserve rates and a lesser degree of credit risk, as evinced by a sharp drop in default rates and steady improvement in the mechanism of financial system provisions for bad loans.

29. Furthermore, consumption growth mirrors improved expectations regarding the economic scenario, particularly when seen against the rather somber forecasts that marked the early months of 1999, coupled with a highly positive outlook for economic performance in general. Evidently, these factors are of vital importance to consumers as they decide how they are going to spend their money or commit their income to specific operations. These decisions were further reinforced by good news from the labor market, particularly the general recovery of employment levels.

30. The first results for the third quarter of the year indicate continued growth in both industrial and retail sales. However, inventory surveys point to the fact that growth has generally occurred at a pace fully expected by industry and commerce, suggesting that the increased volume of overall financial system loans has not generated undue pressures on aggregate demand.

31. The major indicators point to positive investment growth in relation to 1999, a natural consequence of the upswing in economic activity and consolidation of the underlying health of the economy. Though growth is still no more than moderate, when one delves deeper into the more relevant indicators, it becomes clear that output of capital goods for the manufacturing sector has achieved particularly strong growth, indicating that the installed output capacity of the economy has also moved into a growth curve.

32. The performance of current accounts has reduced the need for foreign resources to finance the deficit. In comparison to 1999, the trade balance has provided an additional source of revenues, though the surplus has been no more than moderate. Aside from the lesser need for resources, there has been sharp qualitative improvement in the financing of the nation's foreign accounts, based on a policy targeted at consolidating both the quality and availability of funding channeled to the country.

33. In recent months, the profile of net medium and long-term financing has also improved. Net amortizations of suppliers' and buyers' credits have moved into a downward curve expected to continue to mid-2001. Parallel to this, it has been possible not only to roll a greater volume of medium and long-term loans, but also to diversify the sources of these funds, particularly operations based on Bonds of the Republic.

34. Analysis of both the current and capital accounts confirms an evident reduction in the degree of the nation's external vulnerability. At the same time, the nature of Brazil's foreign liabilities and the composition of its trade and service balances indicate that the underlying equilibrium of the balance of payments has been preserved. The result of all this has been a considerable reduction in exchange rate volatility, with a clearly favorable impact on internal price levels.

35. The upturn in inflation in the second half of the year was caused by supply shocks of limited scope and generated only passing impact on inflation. Among the internal factors that deserve mention, one should cite the reduction in grain harvest estimates as of July with the dual consequences of greater imports and added pressures on price formation. The same thing occurred under fruit and vegetable prices, as they incorporated the effects of the supply reduction caused by adverse climatic phenomena in the south and southeast of the country. At the external level, the major source of negative pressure was the international oil price spiral.

36. Consequently, one can conclude that there is no evidence of a generalized price increase, since aggregate demand and supply have been maintained at fully adequate levels. One can conclude that, once the effects of adjustments in government managed prices and of the frosts that occurred in July have been absorbed, one can expect a sharp drop in the rate of inflation, particularly as of September. From that point to the end of the year, expectations are that inflation will move steadily downward. The single most important adverse factor to be coped with in coming months will be the seasonal nature of farm prices. However, with the recent and highly atypical rains that occurred in several major producer regions, the impact of this factor may well be attenuated, particularly with regard to livestock products.

E. Targets for monetary aggregates in the fourth quarter of 2000

37. Programming of monetary aggregates for the fourth quarter of 2000 is consistent with the current system of inflation targeting, while also giving due consideration to the probable scenarios for national income, credit and interest rates.

Table 3. Monetary program forecast for 2000^{1/}

Itemization	Year	
	R\$ billion	% change in 12 months ^{2/}
M1 ^{3/}	63.1 - 74.1	16.3
Restricted base ^{3/}	42.1 - 49.4	0.8
Broad base ^{4/}	489.2 - 574.3	18.9
M4 ^{4/}	584.8 - 686.5	15.4

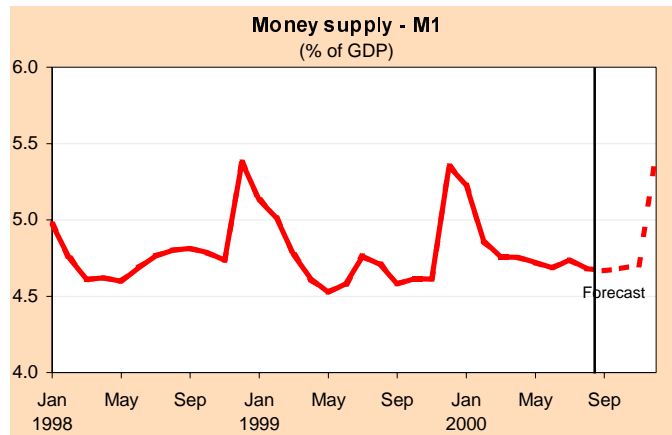
1/ It refers to the last month in the period.

2/ Percentage changes are based on the medium point of forecast.

3/ Average of working-day balances in last month of the period.

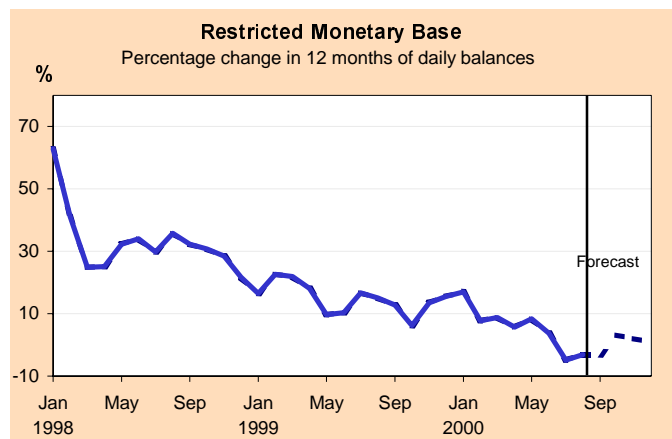
4/ End-of-period balances.

38. Money supply projections reflect parameters that are fully compatible with inflation targeting and the other factors underlying these forecasts. Twelvemonth growth in the median daily balances of this aggregate was estimated at 16.3%, in December 2000.

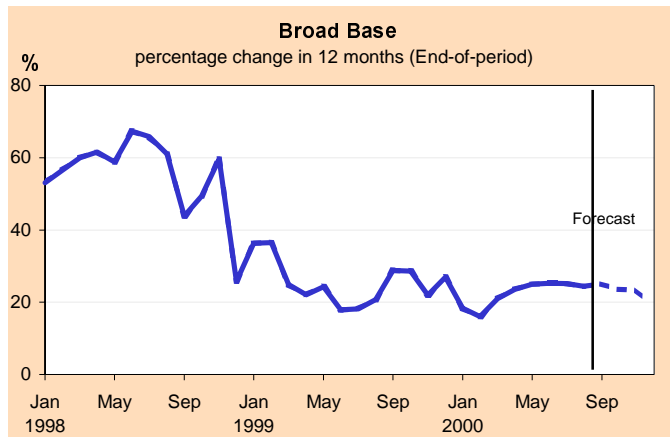


39. Once the traditional seasonal results of December are excluded, money supply growth projections indicate that there will be no growth in relation to nominal income over the coming months. Consequently, growth in demand deposits generated by increases in credit operation funding in transit and by the banking system's efforts to increase this type of inflow, now that it is entitled to freely utilize a greater share of these funds, is not expected to surpass growth in nominal GDP.

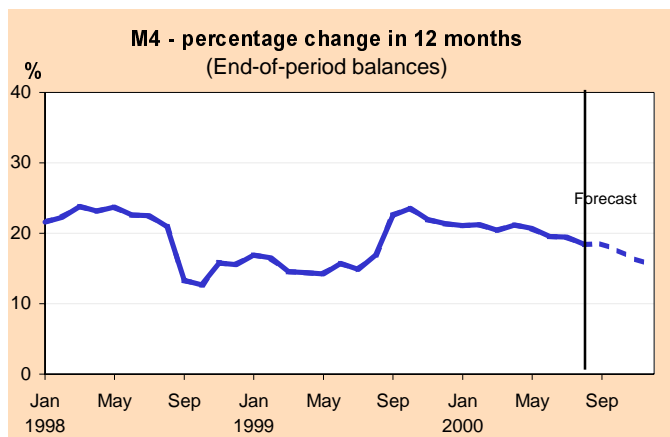
40. Based on the expected performance for currency demand—including both for manual and accounting currency needs – 12 month growth in the median monetary base balance in December 2000 is projected at 0.8%.



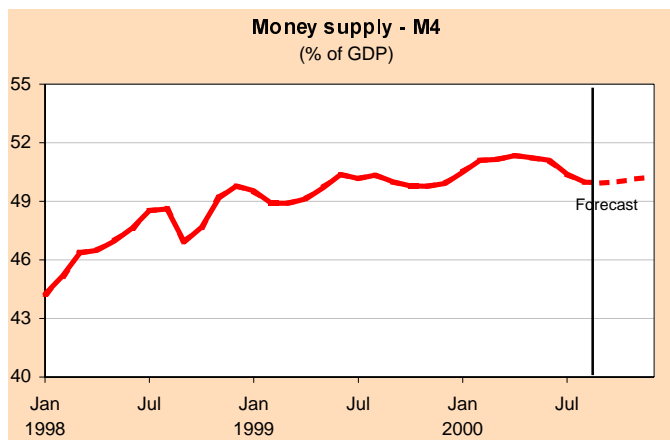
41. Projections for the broad base (a measure of the high liquidity federal securities and monetary debt), which presuppose neutralization of those factors that generate undue impacts on the restricted base, reflect the growth produced by the updating of the debt value on an accrual basis, as the major source of expansionary pressure. Parallel to this, net deposits to be channeled into the National Treasury operating account are the principal contractive factor. Thus, 12 month growth for this monetary aggregate is estimated at 18.9% in December 2000.



42. For the broader money supply concept – corresponding to M4, projections are impacted by expectations that recovery in credit operations will surpass the contractive impact of the primary public sector results. With these factors in mind, 12 month M4 growth in December 2000 is projected at 15.4%.



43. No significant alterations are expected in the M4/GDP ratio during the remainder of 2000. This conclusion is fully consistent with the expected performance of the respective aggregates.



44. Evolution of the monetary aggregates is summarized in the following table, which includes the results for 1999, together with the July/August 2000 figures and projections for the fourth quarter of 2000.

Table 4. Evolution of monetary aggregates^{1/}

Itemization	1999		2000			
	Year		July/August		Year ^{2/}	
	R\$ billion	% change in 12 months	R\$ billion	% change in 12 months	R\$ billion ^{3/}	% change in 12 months
M1 ^{4/}	59.0	20.5	57.0	18.6	68.6	16.3
Restricted base ^{4/}	45.4	15.6	37.9	-3.1	45.8	0.8
Expanded base ^{5/}	447.1	26.9	513.5	24.4	531.7	18.9
M4 ^{5/}	550.7	21.4	608.1	18.4	635.6	15.4

1/ It refers to the final month in the period.

2/ Projected.

3/ Medium point of forecasts.

4/ Working-day balance average in month.

5/ End-of-period balances.

45. Evolution of the different multipliers implicit in monetary programming is summarized in the following table:

Table 5. Monetary multiplier^{1/}

Itemization	1999		2000			
	Year		July/August		Year ^{2/}	
	Multiplier	% change in 12 months	Multiplier	% change in 12 months	Multiplier	% change in 12 months
M1 / Restricted base ^{3/}	1.300	4.3	1.505	22.3	1.499	15.3
Banking reserves / Demand deposits ^{3/}	0.51	-7.5	0.377	-37.9	0.350	-31.4
Currency / M1 ^{3/}	0.399	-4.4	0.369	-3.5	0.393	-1.7
M4 / Broad base ^{4/}	1,232	-4.4	1.184	-4.8	1,195	-2.9

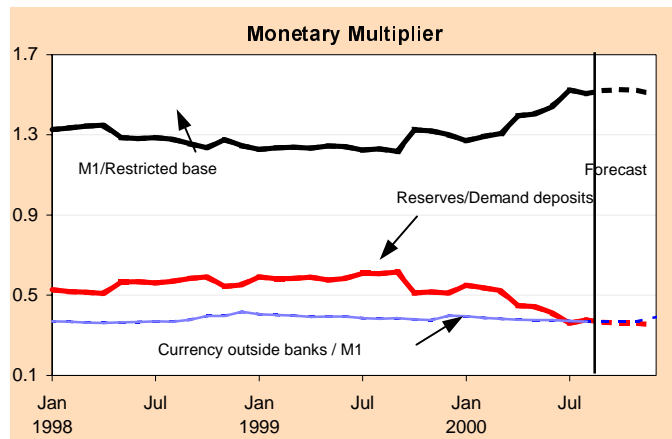
1/ It refers to the last month in the period.

2/ Forecast.

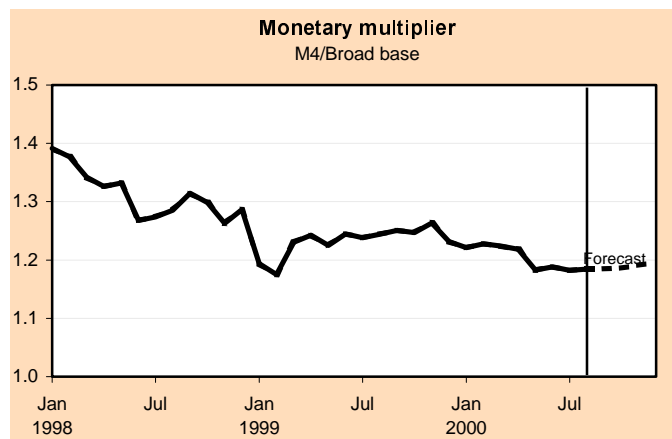
3/ Average of working-day balances in last month of the period.

4/ End-of-period balances.

46. In the case of the restricted monetary base multiplier, no important alterations are projected aside from the seasonal variations that occur in December and indicate the response lag of banking reserves to growth in demand deposits.



47. The broad base multiplier will increase slightly in coming months as a result of banking system demand for credit operation funding through primary issues of liabilities.



Summary of projections

Table 1. Monetary program forecast for the 2000^{1/} second quarter and observed results

Itemization	Forecast		Effective	
	R\$ billion	Percentage change in 12 months ^{2/}	R\$ billion	Percentage change in 12 months
M1 ^{3/}	51.1 - 59.9	22.3	54.7	20.5
Restricted base ^{3/}	35.4 - 41.5	5.2	37.9	3.8
Broad base ^{4/}	455.8 - 535.1	23.6	501.9	25.2
M4 ^{4/}	555.5 - 652.1	21.0	596.5	19.6

1/ It refers to the last month in the period.

2/ Percentage changes are based on the medium point of forecast.

3/ Average of working-day balances in last month of the period.

4/ End-of-period balances.

Table 2. Forecast monetary program for the third quarter of 2000 and observed results in the July/August period^{1/}

Itemization	Forecast		Effective	
	R\$ billion	Percentage change in 12 months ^{2/}	R\$ billion	Percentage change in 12 months
M1 ^{3/}	51.8 - 60.8	18.4	57.0	18.6
Restricted base ^{3/}	33.9 - 39.8	-5.5	37.9	-3.1
Expanded base ^{4/}	483.9 - 568.0	26.8	513.5	24.4
M4 ^{4/}	569.1 - 668.1	19.2	608.1	18.4

1/ It refers to the last day in the period.

2/ Percentage changes are based on the medium point of forecast.

3/ Working-day balance average of last month in the period.

4/ End-of-period balances.

Table 3. Monetary program forecast for 2000^{1/}

Itemization	R\$ billion	
	Year	
	R\$ billion	% change in 12 months ^{2/}
M1 ^{3/}	63.1 - 74.1	16.3
Restricted base ^{3/}	42.1 - 49.4	0.8
Broad base ^{4/}	489.2 - 574.3	18.9
M4 ^{4/}	584.8 - 686.5	15.4

1/ It refers to the last month in the period.

2/ Percentage changes are based on the medium point of forecast.

3/ Average of working-day balances in last month of the period.

4/ End-of-period balances.

Table 4. Evolution of monetary aggregates^{1/}

Itemization	1999		2000			
	Year		July/August		Year ^{2/}	
	R\$ billion	% change in 12 months	R\$ billion	% change in 12 months	R\$ billion ^{3/}	% change in 12 months
M1 ^{4/}	59.0	20.5	57.0	18.6	68.6	16.3
Restricted base ^{4/}	45.4	15.6	37.9	-3.1	45.8	0.8
Expanded base ^{5/}	447.1	26.9	513.5	24.4	531.7	18.9
M4 ^{5/}	550.7	21.4	608.1	18.4	635.6	15.4

1/ It refers to the final month in the period.

2/ Projected.

3/ Medium point of forecasts.

4/ Working-day balance average in month.

5/ End-of-period balances.

Table 5. Monetary multiplier^{1/}

Itemization	1999		2000			
	Year		July/August		Year ^{2/}	
	Multiplier	% change in 12 months	Multiplier	% change in 12 months	Multiplier	% change in 12 months
M1 / Restricted base ^{3/}	1.300	4.3	1.505	22.3	1.499	15.3
Banking reserves / Demand deposits ^{3/}	0.51	-7.5	0.377	-37.9	0.350	-31.4
Currency / M1 ^{3/}	0.399	-4.4	0.369	-3.5	0.393	-1.7
M4 / Broad base ^{4/}	1,232	-4.4	1.184	-4.8	1,195	-2.9

1/ It refers to the last month in the period.

2/ Forecast.

3/ Average of working-day balances in last month of the period.

4/ End-of-period balances.