

BANCO CENTRAL DO BRASIL - FOCUS

May 28, 1999

Market forecasts for GDP revised upward over this week. The median forecasts for Brazil's GDP in 1999 increased to -1.40% from -2.65% since April 30, 1999 as tracked by *Banco Central do Brasil* daily survey on market expectations. Forecasts for consumer price indexes in 1999 were revised downwards to 7.00% from 7.48% last week (IPC-FIPE) and to 8.00% from 8.30% (INPC). Forecasts for composite indices were revised to 11.98% from 12.16% (IGP-DI) and to 12.25% from 12.45% (IGP-M). Expectations for the trade balance surplus were lowered to US\$ 4.40 billion from US\$ 5.05 billion. Forecasts for the current account deficit were increased to US\$ 21.0 billion from US\$ 20.7 billion over the week.

Market Readout

***Central Bank Daily Survey on Market Expectations
Market Median Forecasts***

Price indices (% change)	for June 1999		for 1999		for 2000	
	as of May 21	as of today	as of May 21	as of today	as of May 21	as of today
IGP-DI	0.40	0.39	12.16	11.98	6.05	6.09
IGP-M	0.42	0.41	12.45	12.25	5.00	5.00
IPC-Fipe	0.50	0.35	7.48	7.00	5.00	4.40
INPC	0.47	0.45	8.30	8.00	5.00	5.50

	for 1999		for 2000	
	as of May 21	as of today	As of May 21	as of today
GDP growth (%)	-1.90	-1.40	3.60	3.85
Trade Balance (US\$ billion)	5.05	4.40	6.75	5.90
Current account (US\$ billion)	-20.70	-21.00	-19.44	-21.15
Fiscal Figures (% of GDP)				
Primary balance	3.00	3.00	3.20	3.20
Nominal balance	-9.10	-9.30	-4.10	-4.05

Market forecasts are solely informative, and not intended to bind Banco Central do Brasil in its monetary policy actions.