

BANCO CENTRAL DO BRASIL - FOCUS

June 04, 1999

The week was characterized by relative stability of forecasts. The median forecasts for Brazil's GDP in 1999 increased to -1.38% from -1.40% last week as tracked by *Banco Central do Brasil* daily survey on market expectations. Median of forecasts for consumer price indices in 1999 did not change. Forecasts for composite indices were revised to 11.99% from 11.98% (IGP-DI) and to 12.18% from 12.25% (IGP-M). Expectations for the trade balance surplus were lowered to US\$ 4.05 billion from US\$ 4.40 billion. Forecasts for the current account deficit were increased to US\$ 21.55 billion from US\$ 21.00 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 28	as of today	as of May 28	as of today	as of May 28	as of today
IGP-DI	0.39	0.40	11.98	11.99	6.09	6.20
IGP-M	0.41	0.50	12.25	12.18	5.00	5.00
IPC-Fipe	0.35	0.38	7.00	7.00	4.40	4.40
INPC	0.45	0.40	8.00	8.00	5.50	5.00

	for 1999		for 2000	
	as of May 28	as of today	As of May 28	as of today
GDP growth (%)	-1.40	-1.38	3.85	4.00
Trade Balance (US\$ billion)	4.40	4.05	5.90	5.90
Current account (US\$ billion)	-21.00	-21.55	-21.15	-21.15
Fiscal Figures (% of GDP)				
Primary balance	3.00	3.00	3.20	3.15
Nominal balance	-9.30	-9.00	-4.05	-4.20

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