

# BANCO CENTRAL DO BRASIL - FOCUS

June 11, 1999

**Forecasts for 1999 GDP and prices are still declining.** The median forecasts for Brazil's GDP in 1999 increased to -1.10% from -1.38% last week as tracked by the *Banco Central do Brasil Daily Survey on Market Expectations*. Median of forecasts for consumer price indices in 1999 are still declining. Forecasts for composite indices were revised to 11.9% from 11.99% (IGP-DI) and to 12.% from 12.18% (IGP-M). Expectations for the trade balance surplus were lowered to US\$ 3.45 billion from US\$ 4.05 billion. Forecasts for the current account deficit were increased to US\$22.25 billion from US\$21.55 billion over the week.

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

| Price indices<br>(% change) | for June 1999    |                | for 1999         |                | for 2000         |                |
|-----------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
|                             | as of<br>June 04 | as of<br>today | as of<br>June 04 | as of<br>today | as of<br>June 04 | as of<br>today |
| IGP-DI                      | 0.40             | 0,43           | 11.99            | 11,90          | 6.20             | 6,05           |
| IGP-M                       | 0.50             | 0.40           | 12.18            | 12.00          | 5.00             | 5.00           |
| IPC-Fipe                    | 0.38             | 0.30           | 7.00             | 6,85           | 4.40             | 4,45           |
| INPC                        | 0.40             | 0.37           | 8.00             | 7.80           | 5.00             | 4.50           |

|                                       | for 1999         |                | for 2000         |                |
|---------------------------------------|------------------|----------------|------------------|----------------|
|                                       | as of<br>June 04 | as of<br>today | as of<br>June 04 | as of<br>today |
| <b>GDP growth (%)</b>                 | -1.38            | -1.10          | 4.00             | 4.00           |
| <b>Trade Balance (US\$ billion)</b>   | 4.05             | 3.45           | 5.90             | 5.50           |
| <b>Current account (US\$ billion)</b> | -21.55           | -22.25         | -21.15           | -22.40         |
| <b>Fiscal Figures (% of GDP)</b>      |                  |                |                  |                |
| Primary balance                       | 3.00             | 3.00           | 3.15             | 3.10           |
| Nominal balance                       | -9.00            | -9.04          | -4.20            | -4.10          |

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